



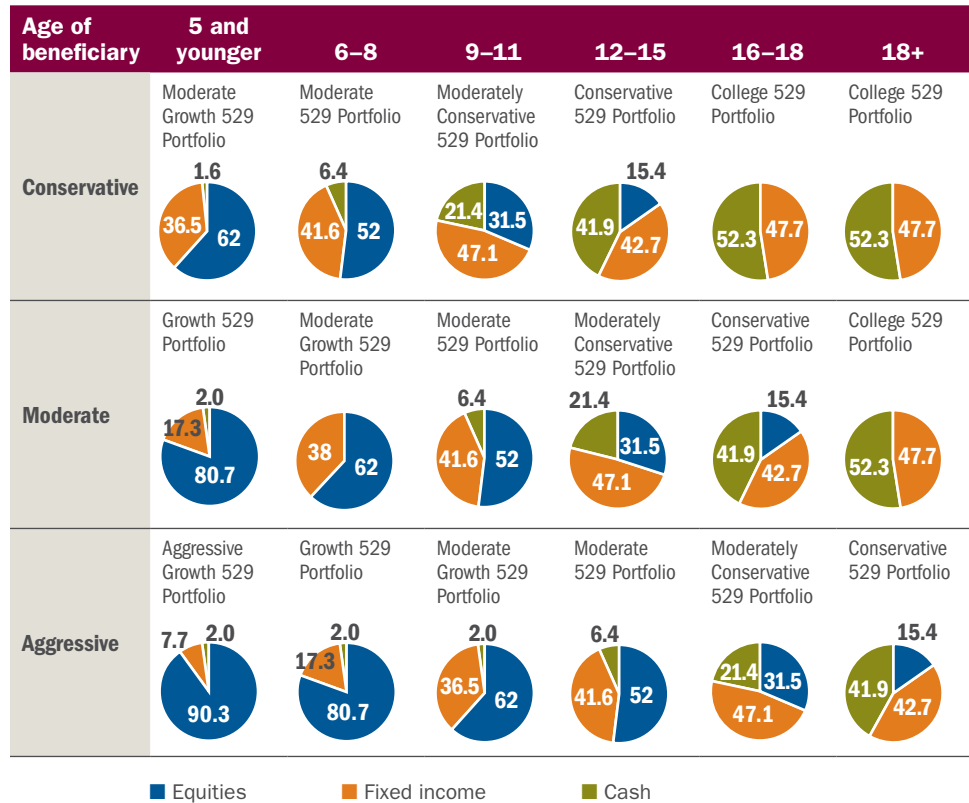
## Future Scholar Direct Program **Portfolio Construction**

The Future Scholar 529 College Savings Plan offers three investment options, each with a variety of portfolios designed to help meet your college saving goals. Choose an age-based option, a target-allocation option or a single-fund option — whatever strategy works best for you.

### 1 | Age-based option

With this option you select an age-based target-allocation track — Conservative, Moderate or Aggressive — that fits your college planning needs. Your contributions are placed in a portfolio within the track you choose, based on your beneficiary's age and your personal risk tolerance.

As the child gets closer to college age, the track will automatically reallocate a percentage of your assets out of equity funds (which have more stocks) into more conservative funds, such as bonds and money market funds. This means that when it's time for college and your beneficiary is ready to begin withdrawing funds for school, a larger proportion of your funds will be in more conservative, lower risk investments.



**Curtis Loftis**  
 State Treasurer  
 State of South Carolina

**The principal value of the fund(s) is not guaranteed at any time.**

The Future Scholar 529 College Savings Plan is sponsored by the state of South Carolina. Investments made in Future Scholar are:

**Not FDIC insured • No bank, state or federal guarantee • May lose value**



### 3 | Single-fund option

This investment choice allows you to customize a portfolio by selecting from a variety of offerings, each of which invests in a single underlying fund.

Single-fund portfolios	Underlying fund
Future Scholar Large Cap Index Portfolio	Columbia Large Cap Index
Future Scholar Mid Cap Index Portfolio	Columbia Mid Cap Index
Future Scholar Small Cap Index Portfolio	Columbia Small Cap Index
Future Scholar International Equity Index Portfolio	Vanguard Developed Markets Index
Future Scholar Bond Index Portfolio	Vanguard Total Bond Market II Index
Future Scholar Short Term Bond Index Portfolio	Vanguard Short-Term Bond Index
Future Scholar TIPS Bond ETF Portfolio	iShares TIPS Bond ETF
Future Scholar Ultra Short Term Bond Portfolio	CMG Ultra Short Term Bond
Future Scholar Legacy Capital Preservation Portfolio <sup>2</sup>	Separately Managed “Stable Value” Account <sup>1</sup>
Future Scholar Bank Deposit Portfolio	Branch Banking and Trust (BBT) FDIC-insured interest bearing account

<sup>1</sup> This portfolio invests in a separately managed account that invests primarily in book value investment contracts backed by one or more portfolios of short- and intermediate-term investment-grade bonds, Class Z shares of Columbia Government Money Market Fund and, with respect to contributions made prior to October 1, 2010, a funding agreement.

<sup>2</sup> Although the issuer seeks to preserve the value of the investment at a fixed share price, it is possible to lose money by investing in this portfolio.

To start saving with Future Scholar, call 888.244.5674 or visit [futurescholar.com](http://futurescholar.com). For information about our advisor-sold Future Scholar Program, contact your financial advisor.

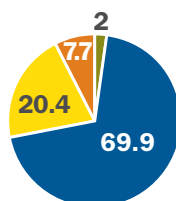


## 2 | Target-allocation option

You can also choose among seven target-allocation portfolios ranging from aggressive to more conservative, allowing you to choose a strategy best suited to your investment goals. Unlike the age-based portfolios that shift over time, your investment in an asset-allocation portfolio will remain constant unless you decide to change it.

### Aggressive Growth Portfolio

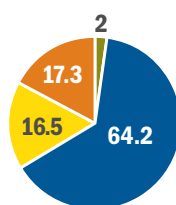
90% equities  
10% fixed income and cash



<b>Domestic equity</b>	<b>69.9%</b>
Columbia Large Cap Index	46.1
Columbia Mid Cap Index	14.5
Columbia Small Cap Index	9.3
<b>International equity</b>	<b>20.4%</b>
Vanguard Developed Markets Index	20.4
<b>Fixed income</b>	<b>7.7%</b>
Vanguard Total Bond Market II Index	7.7
<b>Money market</b>	<b>2.0%</b>
Vanguard Federal Money Market Fund <sup>1</sup>	2.0

### Growth Portfolio

80% equities  
20% fixed income and cash



<b>Domestic equity</b>	<b>64.2%</b>
Columbia Large Cap Index	44.5
Columbia Mid Cap Index	12.5
Columbia Small Cap Index	7.2
<b>International equity</b>	<b>16.5%</b>
Vanguard Developed Markets Index	16.5
<b>Fixed income</b>	<b>17.3%</b>
Vanguard Total Bond Market II Index	17.3
<b>Money market</b>	<b>2.0%</b>
Vanguard Federal Money Market Fund <sup>1</sup>	2.0

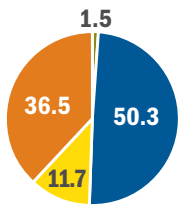
■ Domestic equity    ■ International equity    ■ Fixed income    ■ Money market

Note: For complete information on asset allocation ranges, permissible investment strategies and special risks that may be associated with the underlying mutual funds, please see the Program Description.

## Moderate Growth Portfolio

62% equities

38% fixed income and cash

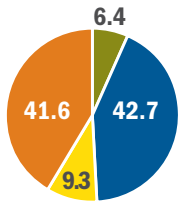


Category	Sub-category	Percentage
■ Domestic equity	Columbia Large Cap Index	50.3%
	Columbia Mid Cap Index	33.3
	Columbia Small Cap Index	10.8
■ International equity	Vanguard Developed Markets Index	11.7
		6.2
■ Fixed income	Vanguard Total Bond Market II Index	36.5%
	iShares Barclays TIPS Bond	35.1
		1.4
■ Money market	Vanguard Federal Money Market Fund <sup>1</sup>	1.5%
		1.5

## Moderate Portfolio

52% equities

48% fixed income and cash

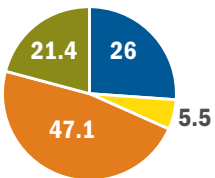


Category	Sub-category	Percentage
■ Domestic equity	Columbia Large Cap Index	42.7%
	Columbia Mid Cap Index	29.3
	Columbia Small Cap Index	8.6
■ International equity	Vanguard Developed Markets Index	9.3
		4.8
■ Fixed income	Vanguard Total Bond Market II Index	41.6%
	Vanguard Short-Term Bond Index	37.9
		3.7
■ Money market	Vanguard Federal Money Market Fund <sup>1</sup>	6.4%
		9.3

## Moderately Conservative Portfolio

32% equities

68% fixed income and cash



Category	Sub-category	Percentage
■ Domestic equity	Columbia Large Cap Index	26.0%
	Columbia Mid Cap Index	18.1
	Columbia Small Cap Index	4.2
■ International equity	Vanguard Developed Markets Index	5.5%
		3.7
■ Fixed income	Vanguard Total Bond Market II Index	47.1%
	Vanguard Short-Term Bond Index	38.9
	iShares Barclays TIPS Bond	6.7
		1.5
■ Money market	Vanguard Federal Money Market Fund <sup>1</sup>	21.4%
		21.4

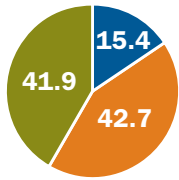
■ Domestic equity    ■ International equity    ■ Fixed income    ■ Money market

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## Conservative Portfolio

15% equities

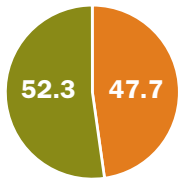
85% fixed income and cash



<b>■ Domestic equity</b>	<b>15.4%</b>
Columbia Large Cap Index	13.1
Columbia Mid Cap Index	2.3
<b>■ Fixed income</b>	<b>42.7%</b>
Vanguard Total Bond	
Market II Index	34.9
Vanguard Short-Term Bond Index	6.8
iShares Barclays Tips Bond	1.0
<b>■ Money market</b>	<b>41.9%</b>
Vanguard Federal Money	
Market Fund <sup>1</sup>	41.9

## College Portfolio

100% fixed income and cash



<b>■ Fixed income</b>	<b>47.7%</b>
Vanguard Total Bond	
Market II Index	40.4
Vanguard Short-Term Bond Index	5.0
iShares 20+ Year Treasury Bond ETF	2.3
<b>■ Money market</b>	<b>52.3%</b>
Vanguard Federal Money	
Market Fund <sup>1</sup>	52.3

■ Domestic equity    ■ International equity    ■ Fixed income    ■ Money market

<sup>1</sup> An investment in a **money market** fund is not insured or guaranteed. Although money market funds seek to preserve the value of investments at \$1 per share, it is possible for the fund to lose money.

Asset allocation does not assure a profit or protect against loss.

The percentage allocations shown are target allocations as of February 2017. These target allocations, and the actual percentage allocations to each underlying fund and asset class, are subject to change at any time. In addition, the underlying funds included in the Asset Allocation Portfolios may change. For the target allocation ranges to individual asset classes, please see the Program Description.

Note: For complete information on asset allocation ranges, permissible investment strategies and special risks that may be associated with the underlying mutual funds, please see the Program Description.





**Although money contributed to the accounts will be invested in portfolios that hold mutual funds (among other types of investments), none of the Trust, the Direct Plan or any of the Direct Plan's investment portfolios is a mutual fund, and an investment in the Program is not an investment in shares of any mutual fund. See the Program Description for more information about the securities issued through the Program.**

#### **Investment risks**

The section below summarizes some of the risks involved with investing in the Program portfolios and is not intended to be a complete list of the investment risks. For a complete list of investment risks, please see the Program Description. An investment in these portfolios may offer the potential for long-term growth but also involves certain risks.

**Equity securities are subject to stock market fluctuations that occur in response to economic and business developments.**

**Stocks of small- and mid-cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.**

**International investing involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments.**

**Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments, and yields and share price fluctuations due to changes in interest rates.**

**There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuations and the impact of varied economic conditions.**

**The ETF shares made available through the Plan are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, the Plan may pay more or less than NAV when it buys ETF shares on the secondary market, and may receive more or less than NAV when it sells those shares.**

**Please consider the investment objectives, risks, charges and expenses carefully before investing. Contact your financial advisor or visit [futurescholar.com](http://futurescholar.com) for a Direct Plan program description, which contains this and other important information about the Future Scholar 529 College Savings Plan. Read it carefully before investing. You should also consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.**

The Direct Plan is sold directly by the Program and is limited to a specific group of investors, as described in the Program Description. You may also participate in the Advisor Plan, which is sold exclusively through financial advisors. The Advisor Plan offers additional investment choices, but the fees and expenses are higher. Please contact your financial advisor for additional information on the Advisor Plan.

The Office of State Treasurer of South Carolina (the State Treasurer) administers the Program and has selected Columbia Management Investment Advisers, LLC and Columbia Management Investment Distributors, Inc. (Columbia Management) as Program Manager. Columbia Management and its affiliates are responsible for providing certain administrative, recordkeeping and investment services, and for the marketing of the Program. Columbia Management is not affiliated with the State Treasurer.

Withdrawal of earnings not used for qualified higher education expenses will be subject to federal and possibly state income tax and may be subject to an additional 10% penalty.

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