

# SCHOLARSHARE COLLEGE SAVINGS PLAN (529 PLAN) ACCOUNT APPLICATION

Please complete this application to establish a 529 Plan account with Fidelity Investments. One application must be submitted for each account you wish to establish. Then, return your completed application(s) to **Fidelity Investments, P.O. Box 770001, Cincinnati, OH 45277-0036**. For questions, simply call us at **1-800-544-5248**.

## IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money-laundering activities, federal law requires Fidelity to verify your identity by obtaining your name, date of birth, address, and a government-issued identification number before opening your account. In certain circumstances, Fidelity may obtain and verify this information with respect to any person(s) authorized to effect transactions in an account. For certain entities, such as trusts, estates, corporations, partnerships, or other organizations, identifying documentation is also required. Your account may be restricted and/or closed if Fidelity cannot verify this information. Fidelity will not be responsible for any losses or damages (including but not limited to lost opportunities) resulting from any failure to provide this information, or from any restriction placed upon, or closing of, your account.

### 1 ACCOUNT SETUP

Please select the type of account you would like to open and complete the account owner's information. **All fields in bold are required for opening an account.**

### 2 FINANCIAL PROFILE

We are required by the Financial Industry Regulatory Authority (FINRA) and other industry regulators to obtain the information in this section.

**An investment strategy selection is required to establish your account.** For more information on your investment options, please visit **Fidelity.com/college**, or refer to the ScholarShare College Savings Plan Fact Kit.

### 3 FUNDING YOUR ACCOUNT

A minimum deposit of \$50 is required to open your account, or you may establish automatic contributions for as little as \$15 a month. You may pay by check or by transferring assets (from your bank or another account). Simply check the appropriate box(es) to fund your account.

### 4 SIGNATURE

Please be sure to sign your application in ink. **We cannot process your application without your signature and date.**

**QUESTIONS?**

For more information

**1-800-544-5248**



**1****ACCOUNT SETUP SELECT THE TYPE OF ACCOUNT YOU WOULD LIKE TO OPEN (REQUIRED)**

All fields in bold are required for opening an account.

**Choose one option only** **Individual Account (most common)**

If you wish to establish a trust as the Participant of this 529 Plan account or invest UGMA/UTMA (Custodial) assets into this 529 Plan account, select one option below and then follow the steps listed. Please Note: You may not establish a Successor Participant on the two account types below. Also, for the Custodial 529 Plan account, the Minor will be the owner of the account and his or her Social Security number will be used for tax-reporting purposes.

 **UGMA/UTMA (Custodial) Account:** I wish to invest UGMA/UTMA (Custodial) assets into this Custodial 529 Plan account.

1. Provide the Custodian's information below.
2. Provide the Minor's information in Section 2.
3. Provide the state under which the Uniform Gifts/Transfers to Minors is held: \_\_\_\_\_.

 **Trust Account:** I wish to establish a trust as the Participant of this 529 Plan account.

Bank Deposit Portfolio is not an eligible investment selection for Trust Account Registrations.

1. Provide the Trust Name (in the "Name" field) and Tax ID number below.
2. Provide the date on which the Trust was established: \_\_\_\_\_
3. Submit a completed 529 Trustee Certification of Investment Powers Form (529 TCIP), signed by all trustees, to Fidelity with this new account application. The 529 TCIP Form is required to establish this account and can be found following this application or can be downloaded from [Fidelity.com/college](http://Fidelity.com/college).

**PARTICIPANT (ACCOUNT OWNER) INFORMATION****Full legal name** \_\_\_\_\_

First Name

Middle Name

Last Name

**Date of birth (mm/dd/yyyy)** \_\_\_\_\_ **E-mail address** \_\_\_\_\_**Social Security number** \_\_\_\_\_ **or Taxpayer ID number** \_\_\_\_\_**Permanent address** \_\_\_\_\_

(no P.O. boxes)

Street

City

State

ZIP

**Mailing address** \_\_\_\_\_

(if different from above)

Street

City

State

ZIP

**Phone numbers** Day \_\_\_\_\_ Ext. \_\_\_\_\_ Evening \_\_\_\_\_**Country of citizenship**  U.S.  Other \_\_\_\_\_ **Country of tax residence**  U.S.  Other \_\_\_\_\_**GOVERNMENT ID (FOREIGN CITIZENS ONLY)** Identification document must have a reference number and photo. Please attach a photocopy.**Place of birth** \_\_\_\_\_

City

State/Province

Country

**Immigration status**  Permanent resident  Non-permanent resident

Check which type of document you are providing:

 U.S. driver's license  DHS permanent resident alien card  Passport with U.S. visa  Employment Authorization Document Passport without U.S. visa\*

\*Bank name required

\*Account number required

 Foreign national identity document\*

\*Bank address required

\*Phone number required

**Document number and country of issuance** \_\_\_\_\_  
(Number from the document checked above)

U.S. driver's license number (if available) \_\_\_\_\_ State of issuance \_\_\_\_\_



**1 ACCOUNT SETUP (CONTINUED)**

Employment status  Employed  Not employed  Retired Occupation \_\_\_\_\_  
(if retired or not employed, indicate source of income)  
 Self-Employed If you are self-employed and your company corporate address is the same as your legal home address, please initial here that you work out of your home: \_\_\_\_\_

Employer's name and address \_\_\_\_\_  
Name Street City State ZIP

**AFFILIATIONS** If you are affiliated with or employed by a stock exchange or member firm of either an exchange or the Financial Industry Regulatory Authority (FINRA), or a municipal securities broker/dealer, please provide the company name below.

Company name \_\_\_\_\_

**2 DESIGNATED BENEFICIARY (STUDENT INFORMATION)**

We assume the permanent address is the same unless otherwise noted.

**Participant's relationship to Beneficiary (select one):**  Parent  Grandparent  Other

**Full legal name** \_\_\_\_\_  
First Name Middle Name Last Name

**Date of birth (mm/dd/yyyy)** \_\_\_\_\_ **E-mail address** \_\_\_\_\_

**Social Security number** \_\_\_\_\_ **or Taxpayer ID number** \_\_\_\_\_

**Permanent address** \_\_\_\_\_  
(no P.O. boxes) Street City State ZIP

**Mailing address** \_\_\_\_\_  
(if different from above) Street City State ZIP

**Country of citizenship**  U.S.  Other \_\_\_\_\_ **Country of tax residence**  U.S.  Other \_\_\_\_\_

**GOVERNMENT ID (FOREIGN CITIZENS ONLY)** Identification document must have a reference number and photo. Please attach a photocopy.

Place of birth \_\_\_\_\_  
City State/Province Country

Immigration status  Permanent resident  Non-permanent resident

Check which type of document you are providing:

U.S. driver's license  DHS permanent resident alien card  Passport with U.S. visa  Employment Authorization Document

Passport without U.S. visa\* \_\_\_\_\_  
\*Bank name required \*Account number required

Foreign national identity document\* \_\_\_\_\_  
\*Bank address required \*Phone number required

**Document number and country of issuance** \_\_\_\_\_  
(Number from the document checked above)

U.S. driver's license number (if available) \_\_\_\_\_ State of issuance \_\_\_\_\_

**3 ESTABLISH A SUCCESSOR PARTICIPANT (ACCOUNT OWNER)  
 ON THIS ACCOUNT (OPTIONAL) AVAILABLE FOR INDIVIDUAL ACCOUNT REGISTRATION ONLY**

To name a Successor Participant on this 529 Plan account, you will need to provide the following information. This person will become the account owner in the event of your death. You may update the Successor Participant on this account at any time. Please note: THE SUCCESSOR PARTICIPANT MUST BE AN ADULT OR EMANCIPATED MINOR AND A U.S. RESIDENT. Also, you may not name a Successor Participant on a Trust or Custodial 529 Plan account.

\_\_\_\_\_  
Name Social Security or Taxpayer ID number

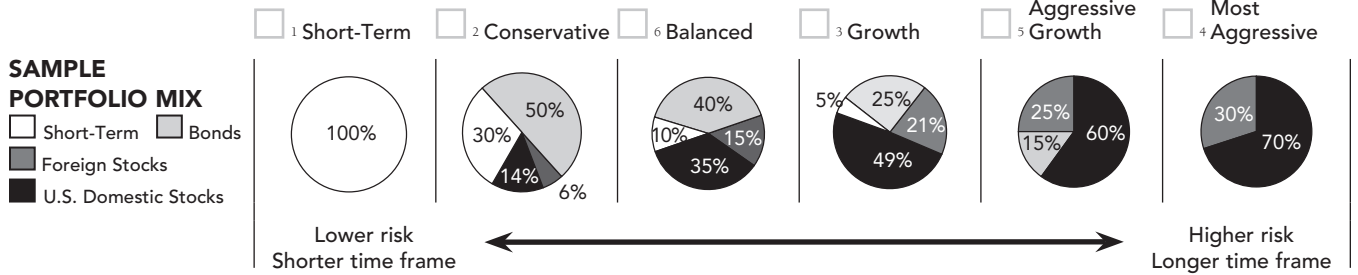
\_\_\_\_\_  
Relationship to Participant Date of birth (mm/dd/yyyy)

**4 PARTICIPANT FINANCIAL PROFILE (REQUIRED)**

**YOUR INVESTMENT OBJECTIVE**

You should choose your investments based on your objectives, time frame, and tolerance for market fluctuation. From short-term liquid investments that seek to preserve capital (accepting the lowest returns in exchange for stability) to longer-term investments that seek maximum growth (but can tolerate very wide fluctuations in market values), you can choose an approach that's best for you. Simply check the box below that most closely matches your investment objective.

**Please check one profile. (Determine your profile using the information below.)**



- Short-Term** You seek to preserve your capital and can accept the lowest returns in exchange for price stability.
- Conservative** You seek to minimize fluctuations in market values by taking an income-oriented approach with some potential for capital appreciation.
- Balanced** You seek the potential for capital appreciation and some income and can withstand moderate fluctuations in market value.
- Growth** You have a preference for growth and can withstand significant fluctuations in market value.
- Aggressive Growth** You seek aggressive growth and can tolerate wide fluctuations in market values, especially over the short term.
- Most Aggressive** You seek very aggressive growth and can tolerate very wide fluctuations in market values, especially over the short term.

Generally, among asset classes, stocks may present more short-term risk and volatility than bonds or short-term instruments but may provide greater potential return over the long term. Although bonds generally present less short-term risk and volatility than stocks, bonds do entail interest rate risk (as interest rates rise, bond prices usually fall and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bonds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks. Finally, foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential return than U.S. investments.

**Please check one box in each column.**

ANNUAL INCOME (from all sources)	ESTIMATED NET WORTH (excluding residence)	ESTIMATED LIQUID NET WORTH	FEDERAL TAX BRACKET
<input type="checkbox"/> 1 Under \$20,000	<input type="checkbox"/> 1 Under \$30,000	<input type="checkbox"/> 1 Under \$15,000	<input type="checkbox"/> 1 ≤15%
<input type="checkbox"/> 2 \$20,000–\$50,000	<input type="checkbox"/> 1 \$30,000–\$50,000	<input type="checkbox"/> 1 \$15,000–\$50,000	<input type="checkbox"/> 2 25%
<input type="checkbox"/> 3 \$50,001–\$100,000	<input type="checkbox"/> 2 \$50,001–\$100,000	<input type="checkbox"/> 2 \$50,001–\$100,000	<input type="checkbox"/> 3 ≥28%
<input type="checkbox"/> 4 Over \$100,000	<input type="checkbox"/> 3 \$100,001–\$500,000	<input type="checkbox"/> 3 \$100,001–\$500,000	
	<input type="checkbox"/> 4 Over \$500,000	<input type="checkbox"/> 4 Over \$500,000	

**Please note:**

If you do not intend to use this 529 college savings plan account for the higher education expenses for a designated beneficiary, please call Fidelity at 1-800-544-1914.

## 5 INVESTMENT SELECTION

You can invest your 529 Plan contributions based on an Age-Based Strategy or a Custom Strategy. The Age-Based Strategies are designed for your beneficiary's age, based on the date of birth listed in Section 2. Age-Based Portfolios are managed to systematically shift in asset allocation from aggressive to conservative over time as the beneficiary approaches college age. Until changed, all future 529 Plan contributions will be invested according to the investment instructions detailed in this section. For more information on your investment options, please visit [Fidelity.com/college](https://www.fidelity.com/college), or refer to the ScholarShare College Savings Plan Fact Kit.

### Choose one option only

**A selection is required. Your account cannot be established without you making a strategy choice.**

**Age-Based Strategy**

100% of your contributions will be invested in an Age-Based Portfolio that invests in Actively Managed Fidelity mutual funds and is designed for the designated beneficiary's age based on the date of birth listed in Section 2.

**Age-Based Strategy (Index Series)**

100% of your contributions will be invested in an Age-Based Portfolio that invests in Fidelity Index funds and is designed for the designated beneficiary's age based on the date of birth listed in Section 2.

**Custom Strategy**

**Create your own investment mix from any of the 529 Plan Portfolios below (use increments of 5%).**

100% Equity Portfolio	_____ %	Please use increments of 5%.
70% Equity Portfolio	_____ %	
Conservative Portfolio	_____ %	
100% Equity Portfolio (Index Series)	_____ %	
70% Equity Portfolio (Index Series)	_____ %	
Conservative Portfolio (Index Series)	_____ %	
Social Choice Portfolio	_____ %	
Spartan® 500 Index Portfolio	_____ %	
Total Market Index Portfolio	_____ %	
International Index Portfolio	_____ %	
Intermediate Treasury Index Portfolio	_____ %	
Cash Reserves (Money Market)	_____ %	
Bank Deposit Portfolio*	_____ %	
<b>Total (must equal 100%)</b>	<b>100 %</b>	

\*Although the underlying deposits are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the Bank Deposit Portfolio are not insured or guaranteed by the FDIC or any other government agency. You are responsible for monitoring the total amount of your assets on deposit at the depository bank, including amounts held directly at the depository bank. All such deposits held in the same ownership capacity at the depository bank are subject to aggregation and to the current FDIC insurance coverage limitation of \$250,000. Please see a 529 fact kit for more details.

Bank Deposit Portfolio is not an eligible investment selection for Trust Account Registrations.

## 6 FUNDING YOUR ACCOUNT

**INITIAL FUNDING** (check any that apply)

**The minimum initial (lump-sum) investment is \$50.** If you are funding this account with a transfer from a Fidelity brokerage nonretirement account, please be sure funds are available in your core account. If you are funding this account with proceeds from a Fidelity mutual fund account, your mutual fund will be sold and subject to any applicable trading fees as specified in the fund's prospectus. The minimum investment amount for any subsequent nonperiodic contributions is \$25.

**A.**  **Send a check.**

Enclosed is a check for \$\_\_\_\_\_, made payable to **Fidelity Brokerage Services LLC**.

**B.**  **Transfer from a Fidelity nonretirement brokerage or mutual fund account** (for initial investment or periodic contributions).

Transfer \$\_\_\_\_\_ from my Fidelity brokerage core account. Number \_\_\_\_\_

Sell \_\_\_\_\_ (shares) or \$\_\_\_\_\_ and transfer the proceeds from the following Fidelity mutual fund: \_\_\_\_\_  
My account number is: \_\_\_\_\_

**C.**  **Rollover** from another Section 529 Plan, a Coverdell Education Savings account, or a qualified U.S. Savings Bond. (If you check this box, you are required to read Section 7 of this application.)

**6 FUNDING YOUR ACCOUNT (CONTINUED)**

**PERIODIC CONTRIBUTIONS** (check any that apply)

The minimum investment to establish Fidelity automatic contributions is \$15 a month, or \$45 a quarter. This automatic investment plan lets you choose a monthly or quarterly date for automatic investment from your bank or Fidelity brokerage or mutual fund account into your 529 Plan account.

- From your bank account.** Please attach a voided check or preprinted nonpassbook savings deposit form from your bank.
- From your Fidelity brokerage or mutual fund account.** Please complete the information in Section 6B.

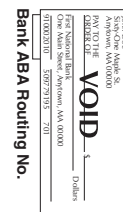
Please provide the information below:

**Amount:** \$ \_\_\_\_\_  
(If not provided, amount will be \$15.)

**Frequency:**  Monthly (\$15 Minimum)  Quarterly (\$45 Minimum)  
(If not provided, frequency will be monthly. Quarterly investments will be made in March, June, September, and December, unless you specify otherwise.)

**Timing:** Transfer funds on the \_\_\_\_\_ day of the month.  
(If not provided, transfer will occur on the 20th of the month.)

Attach check or deposit slip here.



- Establish Electronic Funds Transfer.** This allows you to transfer money between your bank and your 529 Plan account. To establish this feature, at least one common name must match exactly between your bank account and the name on the account registration in Section 1, and a voided check containing the bank ABA or ACH information is required with this application. If a voided check is not provided, all signatures on this application must be Signature Guaranteed. A Signature Guarantee is designed to protect you and Fidelity from fraud. You should be able to obtain a Signature Guarantee from a bank, broker, broker/dealer, credit union (if authorized under state law), securities exchange or association, clearing agency, or savings association. A notary public cannot provide a Signature Guarantee, and a notarization cannot be accepted in lieu of a Signature Guarantee.
- Establish Direct Deposit.** Please complete the enclosed funding form to establish a periodic contribution plan from your paycheck.

**7 ROLLOVER (OPTIONAL)**

Read this section only if you are rolling over assets from another Section 529 Plan, a Coverdell Education Savings account, or a qualified U.S. Savings Bond.

- Check here if you would like Fidelity to initiate your rollover from another 529 Plan to fund this account. A Rollover Form will be mailed to you after your 529 Plan account is established.

If you have already taken a distribution from another Section 529 Plan, a Coverdell Education Savings account, or a qualified U.S. Savings Bond, please enclose a check (made payable to Fidelity Brokerage Services LLC) and appropriate documentation showing the earnings portion of the rollover contribution. The chart below details the required appropriate documentation based on the type of rollover contribution. Until Fidelity receives appropriate documentation reflecting the earnings portion of the contribution, Fidelity must treat the entire amount of the contribution as earnings.

To perform this type of rollover...	...You must enclose the following appropriate documentation.
Rollover contribution from another 529 Plan	→ A statement issued by the distributing 529 Plan provider that shows the earnings portion of the distribution
Rollover contribution from a Coverdell Education Savings account	→ An account statement issued by the financial institution that acted as trustee or custodian of the education savings account that shows basis and earnings in the account
Rollover contribution from the redemption of qualified U.S. Savings Bonds	→ An account statement or Form 1099-INT issued by the financial institution that redeemed the bonds showing interest from the redemption of the bonds



**8 SIGNATURE (ALL OWNERS MUST SIGN THE APPLICATION)**

Participants must read the Customer Agreement and the Participation Agreement. Sign this section in ink. We cannot process your application without your signature.

**Participation Agreement:**

- By signing below, I agree to participate in the ScholarShare College Savings Plan (“ScholarShare Plan”). I acknowledge that I have read, understood, and agree to the terms and conditions set forth in the separate Participation Agreement.
- I understand that the Participation Agreement and its enforcement shall be governed by the laws of the State of California and is not subject to arbitration. It shall cover individually and collectively all accounts which I may open or reopen. It shall inure to the benefit of the assigns, and the Participation Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.
- I understand that it is my responsibility to read the Fact Kit. I have read, understood, and agree to the terms and conditions set forth in the separate Fact Kit as is currently in effect and as may be amended from time to time.
- I hereby request Fidelity Brokerage Services LLC and National Financial Services LLC (collectively “Fidelity”) to open a ScholarShare Plan brokerage account in the name listed as Participant on this application. In UGMA/UTMA 529 Plan accounts, a ScholarShare Plan brokerage account is opened in the name of the custodian (listed as Participant on this application) for the benefit of the Minor.
- I acknowledge that I have read, understood, and agree to the terms set forth in the Customer Agreement. I am an adult or emancipated minor and of full legal age in the state in which I reside. I understand that you will supply my name to issuers of any securities held in my account so I might receive any important information regarding them, unless I notify you in writing not to do so. I hereby ratify any telephone instructions given pursuant to this authorization and agree that Fidelity will not be liable for any loss, liability, cost, or expense for acting upon such instructions. I understand that telephone calls to Fidelity may be recorded, and I consent to such tape recordings.
- I understand that the Customer Agreement and its enforcement shall be governed by the laws of the Commonwealth of Massachusetts. It shall cover individually and collectively all accounts I may open or reopen with Fidelity. It shall inure to the benefit of Fidelity’s successors and assigns, and this Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.
- For FAAB Customers Only: I hereby authorize and request Fidelity to secure payment of the amount indicated above to be invested by me by initiating debit entries to the account indicated in the bank named above (“BANK”), and I authorize and request the BANK to accept any such debit entries initiated by Fidelity to such account and to credit, as requested, the same to my Fidelity account, without any further authorization relating hereto. I hereby ratify any instructions given pursuant to this authorization and agree that Fidelity will not be liable for any loss, liability, cost, or expense for acting upon such instructions.
- I certify under penalties of perjury that: (1) I am a U.S. person (including a U.S. resident alien) and the Social Security or taxpayer identification numbers provided above are correct; and (2) I am not subject to Internal Revenue Service (IRS) backup withholding because: (a) I am exempt from backup withholding; or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends; or (c) I have been notified by the IRS that I am no longer subject to backup withholding. (Cross out item 2 if it does not apply to you.)
- I agree to adopt and be bound by the terms and conditions of the Customer Agreement, as is currently in effect and as may be amended from time to time. I also certify that the information provided above is accurate and true.

• The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

• This account is governed by a predispute arbitration clause, which is located on the last page of the Customer Agreement. I acknowledge receipt of the predispute arbitration clause.

**X**

SIGNATURE OF ACCOUNT OWNER

Date (mm/dd/yyyy)

Fidelity Investments is a registered service mark owned by FMR LLC. Accounts are carried with our affiliate, National Financial Services LLC, Member NYSE, SIPC. Fidelity Investments, P.O. Box 770001, Cincinnati, OH 45277-0036.

**Please tell us where you heard about the ScholarShare College Savings Plan administered by the ScholarShare Investment Board, an agency of the State of California and managed by Fidelity Investments:**

- Newspaper     TV     Magazine     Radio     Friend/Referral  
 Direct Mail/E-mail     Web     Fidelity Branch     Local Event

**FOR FIDELITY USE ONLY**     Cash    Account # Assigned \_\_\_\_\_

Rep. Name \_\_\_\_\_ Reg. Rep. Signature \_\_\_\_\_ Corp. ID \_\_\_\_\_ Date \_\_\_\_\_

Approving Manager’s Signature \_\_\_\_\_ Date \_\_\_\_\_ Investor Center Number \_\_\_\_\_

Photo ID Type \_\_\_\_\_ Expiration Date \_\_\_\_\_

ID Number (Govt. issued only) \_\_\_\_\_ Issuance Date \_\_\_\_\_ Place of Issuance \_\_\_\_\_

Second Photo ID Type \_\_\_\_\_ Expiration Date \_\_\_\_\_

ID Number (Govt. issued only) \_\_\_\_\_ Issuance Date \_\_\_\_\_ Place of Issuance \_\_\_\_\_



# 529 College Savings Plan Trustee Certification of Investment Powers

Use this form to add or change Trustee information on your 529 Plan account. Please complete all sections. This form must accompany a 529 Plan new account application when a Trust 529 Plan account is established. Trust customers must attach copies of those pages of the Trust which provide the full name of the Trust and all signatures. We will review and store only the portions of the Trust containing this requested information.

The Trustees authorized on this form will supersede any earlier designations. If you have any questions, please call us at 1-800-544-6666 or visit us at Fidelity.com/college.

Return the completed form to Fidelity Investments, P.O. Box 770001, Cincinnati, OH 45277-0002.

## 1 PARTICIPANT TRUST INFORMATION AND CERTIFICATION OF INVESTMENT POWERS

Trust Account Number            TIN or  SSN \_\_\_\_\_

Name of trust \_\_\_\_\_ Date of trust \_\_\_\_\_

Name of Grantor \_\_\_\_\_

Trust Permanent address \_\_\_\_\_  
(no P.O. boxes or C/O) Street City State ZIP

Trust Mailing address \_\_\_\_\_  
(if different from above) Street City State ZIP

## 2 TRUSTEES

2a. The undersigned certify that the Trust indicated in Section 1 has the following Trustees (attach an additional sheet of paper if necessary). *All fields in bold are required.*

**1st Trustee**

**Full legal name** \_\_\_\_\_ **Title** \_\_\_\_\_

**Permanent address** \_\_\_\_\_  
(no P.O. boxes) Street City State Zip

**Mailing address** \_\_\_\_\_  
(if different from above) Street City State Zip

**Date of birth (mm/dd/yyyy)** \_\_\_\_\_

**Social Security number** \_\_\_\_\_ **or Taxpayer ID Number** \_\_\_\_\_

Phone numbers Evening \_\_\_\_\_ Daytime \_\_\_\_\_ Ext. \_\_\_\_\_

**Countries of citizenship**  U.S.  Other(s) \_\_\_\_\_ **Country of tax residence**  U.S.  Other \_\_\_\_\_

**GOVERNMENT ID (FOREIGN CITIZENS ONLY)** Identification document must have a reference number and photo. Please attach a photocopy.

Place of birth \_\_\_\_\_  
City State/Province Country

Immigration status  Permanent resident  Non-permanent resident  Non-resident

Check which type of document you are providing:

U.S. driver's license  DHS permanent resident alien card  Passport with U.S. visa  Employment Authorization Document (EAD)

Passport without U.S. visa\*

\*Bank name required

\*Account number required

Foreign national identity document\*

\*Bank address required

\*Phone number required

**Document number and country of issuance** \_\_\_\_\_  
(Number from the document checked above)



1st Trustee (continued)

Employment status

Employed Not employed Retired Self-Employed and my employment address is the same as my legal address Self-Employed and I am providing my employment address below

Occupation:

Employer's name:

Employer's address: Street City State Zip

ASSOCIATIONS

Check this box if you are associated with, or employed by, a stock exchange or a member firm of an exchange or FINRA, a municipal securities dealer, or Fidelity. If you checked the box, obtain and attach the compliance officer's letter of approval ("407 letter") and indicate the name and address of the entity with which you are associated below. Failure to include an approval letter may delay the processing of your request. We must tell the associated entity that you have applied for this account.

Check here if your association is through your employer. (If you checked this box, you are not required to complete the information below.)

Associated entity name

Address

City State ZIP

Control

Check this box if you are a control person associated with either (a) another member, (b) a member organization, or (c) an immediate family/household member of a control person, or are associated with a publicly traded company under SEC Rule 144 (this would include, but is not limited to, a director, 10% shareholder, policy-making officer, and members of the board of directors).

Trading Symbol Company Name

2nd Trustee

Full legal name Title

Permanent address (no P.O. boxes) Street City State Zip

Mailing address (if different from above) Street City State Zip

Date of birth (mm/dd/yyyy)

Social Security number or Taxpayer ID Number

Phone numbers Evening Daytime Ext.

Countries of citizenship U.S. Other(s) Country of tax residence U.S. Other

GOVERNMENT ID (FOREIGN CITIZENS ONLY) Identification document must have a reference number and photo. Please attach a photocopy.

Place of birth City State/Province Country

Immigration status Permanent resident Non-permanent resident Non-resident

Check which type of document you are providing:

U.S. driver's license DHS permanent resident alien card Passport with U.S. visa Employment Authorization Document (EAD)

Passport without U.S. visa\*

\*Bank name required

\*Account number required

Foreign national identity document\*

\*Bank address required

\*Phone number required

Document number and country of issuance

(Number from the document checked above)

2nd Trustee (continued)

Employment status

Employed Not employed Retired Self-Employed and my employment address is the same as my legal address Self-Employed and I am providing my employment address below

Occupation:

Employer's name:

Employer's address: Street City State Zip

ASSOCIATIONS

Check this box if you are associated with, or employed by, a stock exchange or a member firm of an exchange or FINRA, a municipal securities dealer, or Fidelity. If you checked the box, obtain and attach the compliance officer's letter of approval ("407 letter") and indicate the name and address of the entity with which you are associated below. Failure to include an approval letter may delay the processing of your request. We must tell the associated entity that you have applied for this account. Check here if your association is through your employer. (If you checked this box, you are not required to complete the information below.)

Associated company name

Address

City State ZIP

Control

Check this box if you are a control person associated with either (a) another member, (b) a member organization, or (c) an immediate family/household member of a control person, or are associated with a publicly traded company under SEC Rule 144 (this would include, but is not limited to, a director, 10% shareholder, policy-making officer, and members of the board of directors).

Trading Symbol Company Name

3rd Trustee

Full legal name Title

Permanent address (no P.O. boxes) Street City State Zip

Mailing address (if different from above) Street City State Zip

Date of birth (mm/dd/yyyy)

Social Security number or Taxpayer ID Number

Phone numbers Evening Daytime Ext.

Countries of citizenship U.S. Other(s) Country of tax residence U.S. Other

GOVERNMENT ID (FOREIGN CITIZENS ONLY) Identification document must have a reference number and photo. Please attach a photocopy. Place of birth City State/Province Country Immigration status Permanent resident Non-permanent resident Non-resident Check which type of document you are providing: U.S. driver's license DHS permanent resident alien card Passport with U.S. visa Authorization Document (EAD) Passport without U.S. visa\* Foreign national identity document\* Document number and country of issuance (Number from the document checked above)

3rd Trustee (continued)

Employment status

Employed Not employed Retired Self-Employed and my employment address is the same as my legal address Self-Employed and I am providing my employment address below

Occupation:

Employer's name:

Employer's address: Street City State Zip

ASSOCIATIONS

Check this box if you are associated with, or employed by, a stock exchange or a member firm of an exchange or FINRA, a municipal securities dealer, or Fidelity. If you checked the box, obtain and attach the compliance officer's letter of approval ("407 letter") and indicate the name and address of the entity with which you are associated below. Failure to include an approval letter may delay the processing of your request. We must tell the associated entity that you have applied for this account.

Check here if your association is through your employer. (If you checked this box, you are not required to complete the information below.)

Associated company name

Address

City State ZIP

Control

Check this box if you are a control person associated with either (a) another member, (b) a member organization, or (c) an immediate family/household member of a control person, or are associated with a publicly traded company under SEC Rule 144 (this would include, but is not limited to, a director, 10% shareholder, policy-making officer, and members of the board of directors).

Trading Symbol Company Name

4th Trustee

Full legal name Title

Permanent address (no P.O. boxes) Street City State Zip

Mailing address (if different from above) Street City State Zip

Date of birth (mm/dd/yyyy)

Social Security number or Taxpayer ID Number

Phone numbers Evening Daytime Ext.

Countries of citizenship U.S. Other(s) Country of tax residence U.S. Other

GOVERNMENT ID (FOREIGN CITIZENS ONLY) Identification document must have a reference number and photo. Please attach a photocopy.

Place of birth City State/Province Country

Immigration status Permanent resident Non-permanent resident Non-resident

Check which type of document you are providing:

U.S. driver's license DHS permanent resident alien card Passport with U.S. visa Employment Authorization Document (EAD)

Passport without U.S. visa\* Bank name required Account number required

Foreign national identity document\* Bank address required Phone number required

Document number and country of issuance (Number from the document checked above)

**4th Trustee (continued)****Employment status**

Employed  Not employed  Retired  Self-Employed and my employment address is the same as my legal address  Self-Employed and I am providing my employment address below

Occupation: \_\_\_\_\_

Employer's name: \_\_\_\_\_

Employer's address: \_\_\_\_\_  
Street City State Zip

**ASSOCIATIONS**

Check this box if you are associated with, or employed by, a stock exchange or a member firm of an exchange or FINRA, a municipal securities dealer, or Fidelity. If you checked the box, obtain and attach the compliance officer's letter of approval ("407 letter") and indicate the name and address of the entity with which you are associated below. Failure to include an approval letter may delay the processing of your request. We must tell the associated entity that you have applied for this account.

Check here if your association is through your employer. (If you checked this box, you are not required to complete the information below.)

Associated company name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Control**

Check this box if you are a control person associated with either (a) another member, (b) a member organization, or (c) an immediate family/household member of a control person, or are associated with a publicly traded company under SEC Rule 144 (this would include, but is not limited to, a director, 10% shareholder, policy-making officer, and members of the board of directors).

Trading Symbol  Company Name \_\_\_\_\_

**2b.** Fidelity Brokerage Services LLC and its affiliates (together "Fidelity" or "you") have the authority to accept orders and other instructions relative to the Trust accounts identified herein from those individuals or entities listed in Section 2(a). They may execute any documents on behalf of the Trust which you may require. By signing this form, the Trustee(s) hereby certifies(y) that you are authorized to follow the instructions of any Trustee and to deliver funds, securities, or any other assets in the 529 College Savings Plan account identified herein to any Trustee or on any Trustee's instructions, including delivering assets to a Trustee personally. Fidelity, in its sole discretion and for its sole protection, may require the written consent of any or all Trustees prior to acting upon the instructions of any Trustee.

**2c.** There are no other Trustee(s) of the Trust other than those listed in Section 2(a).

**2d.** Should only one person execute this agreement, it shall be a representation that the signer is the sole Trustee. Where applicable, plural references in this certification shall be deemed singular.

**2e.** We, the Trustees, have the power under the Trust and applicable law to enter into all transactions and issue all instructions that we make in this account. Such power may include, without limitation, the authority to buy, sell, exchange, convert, redeem and withdraw assets and to trade applicable interests in investment portfolios for and at the risk of the Trust. We understand that all orders and transactions will be governed by the terms and conditions of the Participation Agreement and all other account agreements applicable to this account.

**2f.** We, the Trustees, have the power to change the Beneficiary on the 529 College Savings Plan account.

**2g.** We, the Trustees, jointly and severally, indemnify you and hold you harmless from any claim, loss, expense or other liability for effecting any transactions, and acting upon any instructions given by the Trustees. We, the Trustees, certify that any and all transactions effected and instructions given on this account will be in full compliance with the Trust.

**2h.** We, the Trustees, agree to inform you in writing of any change in the composition of the Trustees, or any other event which could alter the certifications made above.

**2i.** We, the Trustees, agree that any information we give to Fidelity on this account will be subject to verification, and we authorize you to obtain a credit report about me (any of us) individually at any time. Upon written request, Fidelity will provide the name and address of the credit reporting agency used.

2j. If I/we have not checked the box for Affiliations or Control, I/we represent and warrant that I/we am/are not affiliated with or employed by a stock exchange or a broker-dealer or I/we am/are not a control person or affiliate or a public company under SEC Rule 144 (such as a director, 10% shareholder, or policy-making officer), or an immediate family or household member of such a person.

2k. I represent and warrant that: 1) I have personally printed the foregoing 529 Plan Trustee Certification of Investment Powers form, and 2) the terms of this form have not been changed and are identical to the terms as originally set forth by Fidelity. I acknowledge that any alteration of the form's original terms shall be null and void and I shall be bound by the terms of the original form as set forth by Fidelity. I understand and acknowledge that the above-referenced agreement may be terminated in the event that Fidelity Brokerage Services LLC or any of its agents or affiliates has reasonable grounds to believe the foregoing is untrue, or the form has been altered.

**CERTIFIED TO FIDELITY BY** (all Trustees must sign and date):

TRUSTEE SIGNATURE

DATE

TRUSTEE SIGNATURE

DATE

X

X

TRUSTEE SIGNATURE

DATE

TRUSTEE SIGNATURE

DATE

X

X



PO Box 770001  
Cincinnati, OH 45277-0002

Fidelity Brokerage Services LLC, Member NYSE, SIPC

529TCIP-SCF-0411  
1.772565.105

# 529 College Savings Plan Direct Deposit Form

Use this form to add direct deposit to your account. If your employer has its own direct authorization form for employee sign-up, you may in most cases substitute that form in place of this one as long as all the information referenced in Section 4 is included. Your employer must offer direct deposit to add this service to your account.

If you are an employee of the federal government or are receiving a federal payment (such as a Social Security check), you will need to complete a different form. Call us and ask for Government Direct Deposit Form 1199A.

Complete Sections 1, 2 and 3 and then give the form to your company's payroll department. Do not return this form to Fidelity. Your employer completes Section 4 and adds the service.

If you have any questions, please call us anytime at **800-544-1914** or visit us at **Fidelity.com**.

## 1 CUSTOMER INFORMATION

6  
Savings Account Number

Participant's Name

Participant's Social Security or Tax ID Number

## 2 EMPLOYER INFORMATION

Employer's Name

Address

City

State

ZIP

## 3 CUSTOMER AUTHORIZATION

You may choose to invest either your total net pay (the amount you receive after all taxes and deductions have been deducted) or a portion of your paycheck (minimum \$15 monthly). If you choose to invest part of your paycheck, please check with your employer to confirm that partial payments can be processed on your payroll system.

**Note: Your Direct Deposit will be invested according to the most recent investment allocation information on file for your account (as indicated either on your Account Application or Allocation Change Form).**

\$ \_\_\_\_\_ **OR**  Total net pay  
Dollar Amount

I hereby authorize my employer, named above in Section 2, to make periodic payments in the amount specified above to my 529 College Savings Plan Account. I understand that I may terminate this agreement by written notification to my employer. Any such notification will be effective only after my employer has had reasonable time to act on it.

SIGNATURE OF EMPLOYEE

Date

X

## 4 EMPLOYER AUTHORIZATION (For employer reference only)

Your employee has a 529 College Savings Plan Account with Fidelity Brokerage Services LLC. By properly completing Sections 1 and 2, your employee is authorizing you to set up direct deposit payments into his or her 529 College Savings Plan Account.

Please fill in your company's tax identification number and your employee's account number listed in the Customer Information section.

  -        

Employer Tax Identification Number

Transit/Routing Number

1 0 1 2 0 5 6 8 1

ABA Check Digit

3 9 9 0 0 0 0 1

College Plan Account Number (9 digits)

6   -

9-digit Account Number referenced in Customer Information section

To help process this authorization, please follow these steps:

- Code the employee's Fidelity account as a checking account for ACH purposes
- The processing bank is United Missouri Bank (UMB Bank of Warsaw).
- Retain this form in your payroll department to document your employee's authorization (do not return it to Fidelity Investments).
- Please note that the ABA Check Digit number must be included to ensure proper handling of deposit. The ABA number often appears in front of the account number, creating a seventeen-character account number. Employer should verify whether the ABA number and account number should be combined on their system.



Smart move.®

Page 2 of 2

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
FEBRUARY 15, 2011 SUPPLEMENT TO THE FACT  
KIT DATED SEPTEMBER 23, 2010**

Effective February 15, 2011, the information that follows modifies the information contained in the Fact Kit dated September 23, 2010.

Fidelity Stock Selector All Cap Fund will be added to the list of Fidelity funds in which the Portfolios may invest. For any age-based and static Portfolio that invests in actively-managed mutual funds and contains a domestic equity exposure, Strategic Advisers, Inc. will redirect a portion of the cash flow from Fidelity Large Cap Core Enhanced Index Fund and Fidelity OTC Portfolio to Fidelity Stock Selector All Cap Fund. Gradually, Fidelity Large Cap Core Enhanced Index Fund and Fidelity OTC Portfolio will be eliminated from the list of Fidelity funds in which the age-based and static Portfolios may invest.

Fidelity Stock Selector All Cap Fund seeks capital growth. Normally invests at least 80% of assets in stocks. Normally invests primarily in common stocks. The fund's assets are allocated among Fidelity equity sector central funds (sector central funds) that provide exposure to different sectors of the U.S. stock market. Sector central funds are specialized investment vehicles designed to be used by Fidelity funds. Through the sector central funds, the fund invests in domestic and foreign issuers and in "growth" and/or "value" stocks.

The tables that follow list the Fidelity funds in which each of the actively-managed age-based and static Portfolios may invest and the approximate target asset allocation of each of those Portfolios to each Fidelity fund as of December 31, 2011.

**TARGET ASSET ALLOCATION FOR AGE-BASED PORTFOLIOS (ACTIVELY-MANAGED FUNDS) AS OF 12-31-11\***

<b>Fund Categories</b>	<b>Portfolio 2030</b>	<b>Portfolio 2027</b>	<b>Portfolio 2024</b>	<b>Portfolio 2021</b>	<b>Portfolio 2018</b>	<b>Portfolio 2015</b>	<b>Portfolio 2012</b>	<b>College Portfolio</b>
<b>EQUITY FUNDS</b>								
<i>Domestic Equity Funds</i>								
Fidelity Blue Chip Growth Fund	1.85%	1.80%	1.62%	1.36%	1.07%	0.77%	0.47%	0.42%
Fidelity Disciplined Equity Fund	12.32%	12.00%	10.78%	9.03%	7.12%	5.15%	3.14%	2.80%
Fidelity Dividend Growth Fund	12.32%	12.00%	10.78%	9.03%	7.12%	5.15%	3.14%	2.80%
Fidelity Equity--Income Fund	12.32%	12.00%	10.78%	9.03%	7.12%	5.15%	3.14%	2.80%
Fidelity Growth Company Fund	7.39%	7.20%	6.47%	5.42%	4.27%	3.09%	1.88%	1.68%
Fidelity Stock Selector All Cap Fund	12.32%	12.00%	10.78%	9.03%	7.12%	5.15%	3.14%	2.80%
Fidelity Stock Selector Small Cap Fund	3.08%	3.00%	2.69%	2.26%	1.78%	1.29%	0.78%	0.70%
<i>International Equity Funds</i>								
Fidelity Diversified International Fund	11.22%	10.93%	9.82%	8.22%	6.48%	4.69%	2.86%	2.55%
Fidelity Emerging Markets Fund	3.96%	3.86%	3.47%	2.90%	2.29%	1.66%	1.01%	0.90%
Fidelity Overseas Fund	11.22%	10.93%	9.82%	8.22%	6.48%	4.69%	2.86%	2.55%
<b>FIXED-INCOME FUNDS</b>								
<i>High Yield Fixed-Income Funds</i>								
Fidelity Capital & Income Fund	6.00%	5.13%	3.73%	2.63%	0.32%	0.00%	0.00%	0.00%
Fidelity High Income Fund	6.00%	5.13%	3.73%	2.63%	0.32%	0.00%	0.00%	0.00%
<i>U.S. Investment Grade Fixed-Income Funds</i>								
Fidelity Government Income Fund	0.00%	0.81%	3.11%	5.24%	7.52%	8.26%	8.04%	8.00%
Fidelity Strategic Real Return Fund	0.00%	0.81%	3.11%	5.24%	7.52%	8.26%	8.04%	8.00%
Fidelity Total Bond Fund	0.00%	2.44%	9.34%	15.72%	22.56%	24.79%	24.11%	24.00%
<b>SHORT-TERM BOND AND MONEY MARKET FUNDS</b>								
Fidelity Short-Term Bond Fund	0.00%	0.00%	0.00%	1.53%	4.16%	8.31%	14.22%	15.20%
Fidelity Institutional Money Market fund	0.00%	0.00%	0.00%	2.50%	6.78%	13.57%	23.19%	24.80%

\* The table above illustrates the target mix that each Portfolio would like to achieve by December 31, 2011.



**TARGET ASSET ALLOCATION FOR STATIC PORTFOLIOS (ACTIVELY-MANAGED FUNDS) AS OF 12-31-11\***

<b>Fund Categories</b>	<b>100% Equity Portfolio</b>	<b>70% Equity Portfolio</b>	<b>Conservative Portfolio</b>
<b>EQUITY FUNDS</b>			
<i>Domestic Equity Funds</i>			
Fidelity Blue Chip Growth Fund	2.10%	1.47%	0.00%
Fidelity Disciplined Equity Fund	14.00%	9.80%	0.00%
Fidelity Dividend Growth Fund	14.00%	9.80%	0.00%
Fidelity Equity--Income Fund	14.00%	9.80%	0.00%
Fidelity Growth Company Fund	8.40%	5.88%	0.00%
Fidelity Stock Selector All Cap Fund	14.00%	9.80%	0.00%
Fidelity Stock Selector Small Cap Fund	3.50%	2.45%	0.00%
<i>International Equity Funds</i>			
Fidelity Diversified International Fund	12.75%	8.93%	0.00%
Fidelity Emerging Markets Fund	4.50%	3.15%	0.00%
Fidelity Overseas Fund	12.75%	8.93%	0.00%
<b>FIXED-INCOME FUNDS</b>			
<i>High Yield Fixed-Income Funds</i>			
Fidelity Capital & Income Fund	0.00%	5.00%	0.00%
Fidelity High Income Fund	0.00%	5.00%	0.00%
<i>U.S. Investment Grade Fixed-Income Funds</i>			
Fidelity Government Income Fund	0.00%	4.00%	9.00%
Fidelity Strategic Real Return Fund	0.00%	4.00%	9.00%
Fidelity Total Bond Fund	0.00%	12.00%	27.00%
<b>SHORT-TERM BOND AND MONEY MARKET FUNDS</b>			
Fidelity Short-Term Bond Fund	0.00%	0.00%	20.90%
Fidelity Institutional Money Market fund	0.00%	0.00%	34.10%

\* The table above illustrates the target mix that each Portfolio would like to achieve by December 31, 2011.

**SCHOLARSHARE PLAN FEE AND EXPENSE STRUCTURE AS OF 2/15/11: ACTIVELY-MANAGED FUNDS**

<b>Portfolio</b>	<b>Estimated Underlying Fund Expenses<sup>1</sup></b>	<b>Program Manager Fee<sup>2</sup></b>	<b>State Fee<sup>3</sup></b>	<b>Miscellaneous Fee<sup>4</sup></b>	<b>Total Annual Asset-Based Fee<sup>5</sup></b>	<b>Annual Account Maintenance Fee<sup>6</sup></b>
Portfolio 2030	0.85%	0.10%	0.10%	N/A	1.05%	N/A
Portfolio 2027	0.84%	0.10%	0.10%	N/A	1.04%	N/A
Portfolio 2024	0.80%	0.10%	0.10%	N/A	1.00%	N/A
Portfolio 2021	0.74%	0.10%	0.10%	N/A	0.94%	N/A
Portfolio 2018	0.67%	0.10%	0.10%	N/A	0.87%	N/A
Portfolio 2015	0.59%	0.10%	0.10%	N/A	0.79%	N/A
Portfolio 2012	0.50%	0.10%	0.10%	N/A	0.70%	N/A
College Portfolio	0.49%	0.10%	0.10%	N/A	0.69%	N/A
100% Equity Portfolio	0.86%	0.10%	0.10%	N/A	1.06%	N/A
70% Equity Portfolio	0.78%	0.10%	0.10%	N/A	0.98%	N/A
Conservative Portfolio	0.39%	0.10%	0.10%	N/A	0.59%	N/A

<sup>1</sup> The "Estimated Underlying Fund Expenses" are based on a weighted average of the expenses of the mutual funds before reductions in which the Portfolio invests as of February 15, 2011.

<sup>2</sup> The "Program Manager Fee" is the percentage of net assets paid to Fidelity for performing services for the ScholarShare Plan.

<sup>3</sup> The "State Fee" is the percentage of net assets paid to California's ScholarShare Investment Board for administrative costs.

- 4 The "Miscellaneous Fee" represents any other type of fee or expense imposed by the ScholarShare Plan.
- 5 The "Total Annual Asset-Based Fee" illustrates the total fees assessed against net assets annually. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" to review the impact of fees and expenses on a hypothetical \$10,000 investment over 1, 3, 5, and 10 year periods.
- 6 The "Annual Account Maintenance Fee" is the annual fee deducted from an account balance each year. The ScholarShare Plan does NOT assess an annual account maintenance fee.

**Investment Cost Chart.** The figures in the table below illustrate the impact of the fees and expenses on a hypothetical \$10,000 investment in the ScholarShare Plan.

**SCHOLARSHARE PLAN – HYPOTHETICAL \$10,000 INVESTMENT COST CHART AS OF 2/15/11: ACTIVELY-MANAGED FUNDS**

Portfolio	1 Year	3 Years	5 Years	10 Years
Portfolio 2030	\$ 107	\$ 334	\$ 580	\$ 1,283
Portfolio 2027	\$ 106	\$ 330	\$ 573	\$ 1,268
Portfolio 2024	\$ 102	\$ 318	\$ 552	\$ 1,224
Portfolio 2021	\$ 96	\$ 300	\$ 521	\$ 1,156
Portfolio 2018	\$ 88	\$ 276	\$ 480	\$ 1,067
Portfolio 2015	\$ 81	\$ 252	\$ 439	\$ 978
Portfolio 2012	\$ 72	\$ 225	\$ 392	\$ 876
College Portfolio	\$ 71	\$ 221	\$ 384	\$ 859
100% Equity Portfolio	\$ 108	\$ 338	\$ 587	\$ 1,298
70% Equity Portfolio	\$ 100	\$ 312	\$ 542	\$ 1,203
Conservative Portfolio	\$ 60	\$ 188	\$ 327	\$ 734

The hypothetical chart compares the approximate cost of investing in the ScholarShare Plan over different periods of time. The chart assumes an initial \$10,000 investment in a ScholarShare Plan Portfolio that invests in **actively-managed funds** and a 5% annual rate of return, compounded annually. Dollar amounts are calculated using Portfolio expense ratios before reimbursements and reductions. All expense rates and asset allocations are assumed to remain the same for the duration of the periods. The chart assumes that all redemptions are made for qualified higher education expenses, and therefore, does not reflect the impact of potential federal, state, or local taxes. This hypothetical is not intended to predict or project investment performance. Past performance is no guarantee of future results. Your own results will vary.

Effective December 8, 2010, the information that follows modifies the information contained in the Fact Kit dated September 23, 2010.

By December 8, 2010, Portfolio 2009 and Index Portfolio 2009 will cease to exist and the assets in the Portfolios will be transferred to the College Portfolio and Index College Portfolio, respectively. At that time, College Portfolio and Index College Portfolio will be designed for Beneficiaries born in 1992 and earlier.

Portfolio 2030 and Index Portfolio 2030 will be added to the Plan's offering of Age-Based Portfolios on January 1, 2011. Portfolio 2030 and Index Portfolio 2030 are designed for Beneficiaries born between 2011 and 2013 and initially have a relatively aggressive target asset allocation, with a substantial investment in equity mutual funds and a modest investment in fixed income mutual funds. Specifically, the target asset allocation of Portfolio 2030 and Index Portfolio 2030 as of December 31, 2011 is as follows:

**PORTFOLIO 2030**

***Equity Funds: Domestic***

Fidelity Blue Chip Growth Fund – 1.85%

Fidelity Disciplined Equity Fund – 12.32%

Fidelity Dividend Growth Fund – 9.24%

Fidelity Equity Income Fund – 12.32%

Fidelity Growth Company Fund – 9.86%

Fidelity Large Cap Core Enhanced Index Fund – 11.70%

Fidelity OTC Portfolio – 0.62%

Fidelity Stock Selector Small Cap Fund\* – 3.70%

***Equity Funds: International***

Fidelity Diversified International Fund – 11.22%

Fidelity Emerging Markets Fund – 3.96%

Fidelity Overseas Fund – 11.22%

***Fixed-Income Funds: High Yield***

Fidelity Capital & Income Fund – 6.00%

Fidelity High Income Fund – 6.00%

### Fixed-Income Funds: Investment Grade

Fidelity Government Income Fund – 0.00%

Fidelity Strategic Real Return Fund – 0.00%

Fidelity Total Bond Fund – 0.00%

### Short-Term Bond and Money Market Funds

Fidelity Institutional Money Market – 0.00%

Fidelity Short-Term Bond Fund – 0.00%

### INDEX PORTFOLIO 2030

#### Equity Funds: Domestic

Spartan Total Market Index Fund – 61.60%

#### Equity Funds: International

Spartan International Index Fund – 26.40%

#### Fixed-Income Funds: Investment Grade

Spartan Intermediate Treasury Bond Index Fund – 12.00%

#### Short-Term Bond and Money Market Funds

Fidelity Institutional Money Market – 0.00%

\* Prior to September 1, 2010, Fidelity Stock Selector Small Cap Fund was known as Fidelity Small Cap Independence Fund.

### PORTFOLIO 2030 AND INDEX PORTFOLIO 2030 FEE AND EXPENSE STRUCTURE AS OF 1/1/11

Portfolio	Estimated Underlying Fund Expenses <sup>1</sup>	Program Manager Fee <sup>2</sup>	State Fee <sup>3</sup>	Miscellaneous Fee <sup>4</sup>	Total Annual Asset-Based Fee <sup>5</sup>	Annual Account Maintenance Fee <sup>6</sup>
Portfolio 2030	0.84%	0.10%	0.10%	N/A	1.04%	N/A
Index Portfolio 2030	0.14%	0.10%	0.05%	N/A	0.29%	N/A

<sup>1</sup> The "Estimated Underlying Fund Expenses" are based on a weighted average of the expenses of the mutual funds before reductions in which the Portfolio invests as of January 1, 2011.

<sup>2</sup> The "Program Manager Fee" is the percentage of net assets paid to Fidelity for performing services for the ScholarShare Plan.

<sup>3</sup> The "State Fee" is the percentage of net assets paid to California's ScholarShare Investment Board for administrative costs.

<sup>4</sup> The "Miscellaneous Fee" represents any other type of fee or expense imposed by the ScholarShare Plan.

<sup>5</sup> The "Total Annual Asset-Based Fee" illustrates the total fees assessed against net assets annually. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" to review the impact of fees and expenses on a hypothetical \$10,000 investment over 1, 3, 5, and 10 year periods.

<sup>6</sup> The "Annual Account Maintenance Fee" is the annual fee deducted from an account balance each year. The ScholarShare Plan does NOT assess an annual account maintenance fee.

**Investment Cost Chart.** The figures in the table below illustrate the impact of the fees and expenses on a hypothetical \$10,000 investment in the ScholarShare Plan.

### PORTFOLIO 2030 AND INDEX PORTFOLIO 2030 HYPOTHETICAL \$10,000 INVESTMENT COST CHART AS OF 1/1/11

Portfolio	1 Year	3 Years	5 Years	10 Years
Portfolio 2030	\$ 106	\$ 331	\$ 575	\$ 1,273
Index Portfolio 2030	\$ 30	\$ 93	\$ 162	\$ 366

The hypothetical chart compares the approximate cost of investing in the ScholarShare Plan over different periods of time. The chart assumes an initial \$10,000 investment in Portfolio 2030 and Index Portfolio 2030 and a 5% annual rate of return, compounded annually. Dollar amounts are calculated using Portfolio expense ratios before reimbursements and reductions. All expense rates and asset allocations are assumed to remain the same for the duration of the periods. The chart assumes that all redemptions are made for qualified higher education expenses, and therefore, does not reflect the impact of potential federal, state, or local taxes. This hypothetical is not intended to predict or project investment performance. Past performance is no guarantee of future results. Your own results will vary.

Effective December 8, 2010, the information that follows modifies the information contained in the Fact Kit dated September 23, 2010.

## GUARANTEED OPTION

For ScholarShare Plan Participants that are currently invested in the Guaranteed Investment Option through TIAA-CREF Life, an investment option that is designed to preserve capital and provide a stable return, your assets (principal and earnings) will be transferred to an appropriate investment option at Fidelity upon the expiration of your Funding Agreement with TIAA-CREF Life, which is expected to occur on or before November 11, 2011. The assets in this investment option are allocated to the Funding Agreement issued by TIAA-CREF Life to the Trustee, which is the policyholder under that agreement. The Funding Agreement provides for a return of principal plus a guaranteed rate of interest and allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life. The interest rate guarantee is made to the Trustee only, and not to Participants or Beneficiaries. The rate of any additional interest is declared in advance for a period of up to 12 months and is not guaranteed for any future periods. Until the expiration of the Funding Agreement, your Guaranteed Investment Option assets will (1) remain at and be managed by TIAA-CREF Life and (2) be bound by the terms of your current contract with TIAA-CREF Life. Through account information supplied by TIAA-CREF Life, Fidelity will provide you with your trade confirmations and account statements throughout the remainder of your contract.

Throughout the term of the Guaranteed Option Funding Agreement, Participants may:

- take a partial or full distribution without incurring a penalty.
- move money from the Guaranteed Investment Option to another investment option offered in the ScholarShare Plan without penalty or restrictions (which would be designated as your one exchange per calendar year).

The Guaranteed Investment Option will neither accept new deposits from existing Guaranteed Investment Option account owners nor be available to ScholarShare Plan Accounts opened on or after October 21, 2006. For more information about your current investment in the Guaranteed Investment Option, including current rate information, please contact Fidelity at 1-800-544-5248.

# SCHOLARSHARE COLLEGE SAVINGS PLAN FACT KIT

September 23, 2010



## STATE OF CALIFORNIA DIRECT-SOLD PLAN



*Established and maintained by the ScholarShare Investment Board, an agency of the state of California.  
Managed by Fidelity Investments®.*

Neither the principal deposited nor the investment return is guaranteed by the state of California, the ScholarShare Investment Board, Fidelity Investments or any affiliate thereof, or the federal government or any agency thereof.

The Golden State ScholarShare College Savings Trust has two distinct investment programs to assist families in saving for college.

ScholarShare Direct Plan – Families buy this plan directly through [www.scholarshare.com](http://www.scholarshare.com), by calling Fidelity at 1-800-544-5248 or at a Fidelity branch office. Details of this Plan are explained in this Direct Plan Fact Kit. Fees are for investment and program management (see page 23 of the Direct Plan Fact Kit).

ScholarShare Advisor Plan – Families buy this plan through an authorized financial advisor. Details of this Plan are explained in the Advisor Plan's separate Offering Statement. The Advisor Plan has different options, features and fees than the Direct Plan. In addition to investment and program management fees, participants will pay additional investor expenses to compensate their advisor for their assistance and advice. For more information about the Advisor Plan contact your advisor directly.

## IMPORTANT TAX INFORMATION

### **In regard to the information provided in this Fact Kit:**

- 1) *Please consult your own tax advisor with respect to your specific situation.*
- 2) *To the extent any tax advice is given, it is set forth to support the marketing of the ScholarShare College Savings Plan.*
- 3) *To the extent any tax advice is given, it may not be used for the purpose of avoiding the payment of federal tax penalties.*

## KEY FEATURES TO KNOW BEFORE YOU START

### **The ScholarShare College Savings Plan (the ScholarShare Plan) is a 529 College Savings Plan.**

529 plans are tax-favored plans authorized under section 529 of the Internal Revenue Code. *More, page 42.*

The ScholarShare Plan is offered by the ScholarShare Investment Board, an agency of the state of California, and managed by Fidelity Investments (Fidelity).

The features of the ScholarShare Plan described in this Fact Kit reflect the terms of the agreement between the ScholarShare Investment Board and Fidelity Brokerage Services LLC. *More, page 44.*

Fidelity Brokerage Services LLC and its affiliated companies and subcontractors provide services to the ScholarShare Plan. This contract runs through November of 2011, subject to earlier termination at the election of the ScholarShare Investment Board. *More, page 44.*

### **A ScholarShare Plan Account has one account holder (the Participant) and one Beneficiary.**

The Participant must be a U.S. resident who is an adult or an emancipated minor and has a Social Security number or Tax Identification Number (Tax ID).

The Beneficiary must be an individual of any age, have a Social Security number or Tax ID, and may be related to the Participant or not; the same person can be both Participant and Beneficiary.

The Participant contributes to the account to pay for the Beneficiary's qualified higher education expenses. *More, pages 9, 34.*

Generally, the Beneficiary of an account can be changed to an eligible family member. If the Beneficiary is changed to someone who is not an eligible family member of the original Beneficiary, there will be tax consequences and possibly penalties. *More, page 32.*

For tax purposes, account contributions are gifts; for control purposes, they remain the property of the Participant until distributed. *More, pages 9, 34, 35.*

### **There are tax benefits as well as tax considerations.**

Investment gains, if any, in your ScholarShare Plan Account are federal and state income tax-deferred. *More, pages 9, 34.*

There is no federal income tax or state income tax for California residents and taxpayers on withdrawals for qualified higher education expenses at most colleges and universities. *More, pages 9, 34.*

Other withdrawals are usually taxable as ordinary income; some may carry a penalty tax as well. *More, page 35.*

Types of taxes involved may include income (both federal and state), gift, generation-skipping transfer, and estate. *More, pages 9, 35.*

You can rollover 529, Coverdell Education Savings Account (Coverdell account) or qualified U.S. Savings Bond assets to a ScholarShare Plan Account, but certain restrictions apply. *More, page 10.*

Your usage of the ScholarShare Plan may affect, or be affected by, scholarships and federal education tax credits. *More, pages 35, 38.*

Tax laws are complex and everyone's situation is different; consult with a tax professional before opening an account, making contributions and withdrawals, changing Beneficiaries, or taking any other action. *More, pages 9, 32, 34.*

Except where noted, any tax information in this document refers to federal taxes only, not state or local taxes, and is only summary information, not tax advice.

**Some states offer favorable tax treatment or other benefits to their residents only if they invest in their own state's plan. Please carefully consider these factors before making any investment decision. You may want to consult with a qualified tax professional to learn more about the benefits or consequences of investing in a plan offered by your or the designated Beneficiary's own state.** *More, page 9.*

## HOW TO CONTACT FIDELITY

You can contact Fidelity to get more information on the ScholarShare Plan through any of the ways described below:

### **Online:**

go to [www.scholarshare.com](http://www.scholarshare.com)

### **Phone:**

1-800-544-5248

### **In Person:**

Call 1-800-544-9797 for the nearest investor center

### **Mail:**

ScholarShare College Savings Plan

c/o Fidelity Investments  
College Plan Service Center  
P.O. Box 770001  
Cincinnati, OH 45277-0015





### **There are limits to contributions, both minimum and maximum.**

You can open an account with as little as \$50 or as much as \$320,000 (\$350,000, effective September 30, 2010), but conditions apply. *More, page 9.*

Participants can also establish a systematic investing plan on an account with a minimum of \$15 a month or \$45 a calendar quarter. *More, page 9.*

Contributions to a ScholarShare Plan Account must be made in the form of a check, electronic transfer, or other form of cash (other than currency). Stocks, bonds, or other property cannot be accepted. *More, page 10.*

### **You decide how assets are allocated by choosing Portfolios; Fidelity selects and manages the underlying investment options in which each Portfolio invests.**

The ScholarShare Plan offers Participants a range of Portfolios that invest in actively managed mutual funds, index mutual funds, individual securities and an interest-bearing deposit account. These Portfolios include sixteen age-based, six static allocation, five individual fund investment options, one that invests in an interest-bearing deposit account, and one that invests in individual securities. *More, page 12.*

Participants can choose an age-based or custom strategy. *More, page 31.*

You can move previously invested money among the Portfolios only once per calendar year and upon the change in the designated Beneficiary but can change the allocation for future contributions at any time. *More, page 32.*

An investment in the Portfolios is subject to risk and fluctuation. Such risks include, but are not limited to, market risk, interest rate risk, foreign investment risk, credit risk, and geographic concentration risk. *More, page 16.*

### **Participants incur fees and expenses.**

For ScholarShare Plan Portfolios that (1) invest in actively managed mutual funds, the total annual asset-based fee is 0.20% plus the underlying mutual fund expenses; (2) invest in index mutual funds, the total annual asset-based fee is 0.15% plus the underlying mutual fund expenses; and (3) invest in an interest-bearing deposit account, the total annual asset-based fee is 0.05% to 0.10%, depending on the daily Federal Funds Target Rate, plus a Bank Administration Fee of 0.00% to 0.40%, depending on the daily Federal Funds Target Rate. For the Social Choice Portfolio the total annual asset-based fee is 0.80%. *More, page 23.*

Participants can review the fee and expense structure of each Portfolio currently available through the ScholarShare Plan. *More, page 25, 26, 27.*

### **Historical performance and expense ratios for the ScholarShare Plan.**

Expense ratios of the Portfolios and underlying mutual funds are important factors in evaluating performance. *More, pages 21, 22, 23.*

Review past performance of the ScholarShare Plan Portfolios. *More, pages 18, 19, 20.*

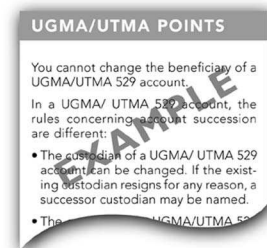
### **Risks of investing in the Plan**

Your investment in the ScholarShare Plan is subject to certain risks. Those risks include, but are not limited to:

- the risk that the value of your ScholarShare Plan Account may decrease.
- the risk that laws (both federal and state) affecting your account may change while your account is open. *More, page 34.*
- the risk that any changes made to the original structure or investment objectives of the ScholarShare Plan may render it less favorable to investors, including any increase in fees and/or expenses, and
- the risk that contributions to a ScholarShare Plan Account may affect the Participant's or Beneficiary's eligibility for financial aid or other benefits. *More, page 39.*

### **FACT KIT FEATURES TO NOTE**

Tax and other rules apply differently to a 529 account that is also a Uniform Gifts/Transfers to Minors Act (UGMA/UTMA) account. If you have one of these types of accounts, be sure to read the information in the "UGMA/UTMA Points" boxes that appear throughout this document.



Trust accounts may also be subject to slightly different rules. Consult with a trust professional for any ScholarShare Plan Account where the Participant is a trust.

# Glossary of Common ScholarShare Plan Terms

**529 College Savings Plan** – 529 plans are tax-advantaged college savings plans authorized under Section 529 of the Internal Revenue Code.

**Actively Managed Mutual Funds** – Actively Managed Mutual Funds are funds that invest in a variety of stocks, bonds, and/or money market instruments that coincide with a fund's investment objective and are actively managed by the Portfolio manager.

**Age-Based Portfolios** – Age-Based Portfolios are investment options designed to accommodate Beneficiaries based on age. Some Portfolios invest in actively managed mutual funds, and others invest in index funds.

**Age-Based Strategy** – With an Age-Based Strategy, you will be invested in a Portfolio that corresponds to your Beneficiary's birth year. Each Portfolio becomes increasingly more conservative over time as the Beneficiary approaches college age.

**Bank Deposit Portfolio** – The Bank Deposit Portfolio is an investment option composed exclusively of a deposit in a FDIC-insured interest-bearing deposit account and accommodates Beneficiaries without regard to age.

**Beneficiary** – A Beneficiary is the individual for whom the account is established. The Participant can set up an account for anyone, including themselves. The Beneficiary must be an individual, must have a Social Security number or Tax ID and may be of any age. The Participant is the only person who can change the Beneficiary.

**Contribution Limit** – The Contribution Limit restricts the amount that can be contributed to all accounts for a given Beneficiary in the Golden State ScholarShare College Savings Trust, which includes the direct-sold ScholarShare Plan Portfolios, the ScholarShare Advisor Plan Portfolios, and the Governor's Scholarship Programs awards. The contribution limit for the ScholarShare Plan is currently \$320,000 (\$350,000, effective September 30, 2010) and will be reviewed periodically.

**Custom Strategy** – A Custom Strategy provides the opportunity to choose the Portfolio(s) and allocation(s) in which to invest in an account.

**Distributee** – The Distributee is the person who is subject to tax on a withdrawal from a 529 plan account. The distributee may be the Participant or Beneficiary.

**Eligible Educational Institution** – Eligible educational institutions are those schools that meet specific federal accreditation standards, including eligibility to participate in a federal financial aid program. These institutions include most four-year colleges and universities (both for undergraduate and advanced degrees), most two-year institutions, most proprietary and vocational schools, and foreign schools that are eligible for the Federal Family Education Loan Program (FFEL), including some foreign medical schools.

**Expense Ratio** – The Expense Ratio is the ratio of expenses to average net assets for a fund or Portfolio for a given period of time.

**Fact Kit** – The Fact Kit is the document that provides investors with comprehensive information on the ScholarShare Plan's features, benefits, risks, fees and expenses, and performance, as well as pertinent legal and tax disclosures.

**Federal Deposit Insurance Corporation** – The Federal Deposit Insurance Corporation ("FDIC") is an independent agency of the United States government that protects you against the loss of your deposits if an FDIC-insured bank or savings association fails.

**Federal Deposit Insurance Corporation Insurance Coverage** – The Federal Deposit Insurance Corporation Insurance Coverage ("FDIC Insurance Coverage") covers all deposit accounts at insured banks and savings associations up to \$250,000 per depositor in each bank or savings association.

**Individual Fund Portfolios** – Individual Fund Portfolios are investment options designed to invest in a single mutual fund and accommodate Beneficiaries without regard to age.

**Index Mutual Funds** – Index Mutual Funds are funds that invest in a variety of stocks or bonds that are included in a specific index and are not frequently traded or managed by the Portfolio manager.

**Non-Qualified Withdrawal** – A Non-Qualified Withdrawal is money distributed from a 529 plan account and not used for qualified higher education expenses. These withdrawals will be treated as income to the distributee and taxed at the distributee's tax rate. In addition, a 10% federal penalty tax and 2.5% California state penalty tax may apply to the investment gains portion of the non-qualified withdrawal.

**Participant** – The Participant is the person establishing the account or the account holder. The Participant must be a U.S. resident, have a Social Security number or Tax ID, and be an adult or an emancipated minor at the time an account is opened and when a contribution is made to an account. Each 529 plan account can have only one Participant. Trusts and corporations may act as Participants.

**Participation Agreement** – The Participation Agreement is a binding legal agreement executed by you, the State Sponsor, and the Program Manager.

**Program Manager** – The Program Manager enters into contracts with a state to provide administrative and management services to a 529 plan sponsored by a specific state or state agency. Fidelity Investments administers and manages the ScholarShare Plan.

**Qualified Higher Education Expenses** – Qualified higher education expenses are defined in Section 529 of the Internal Revenue Code. Distributions from a 529 plan account that are used to pay qualified higher education expenses are not generally subject to federal income tax.

**Qualified Withdrawal** – A Qualified Withdrawal is a distribution from a 529 plan account that is used for qualified higher education expenses and is not generally subject to federal income tax.

**Rollover** – A Rollover allows a Participant to transfer the value of a Coverdell Education Savings Account (Coverdell account), a qualified U.S. savings bond, or a 529 plan account into a 529 plan account without subjecting the rollover amount to federal income tax when certain conditions are met.

**Section 529** – Section 529 of the Internal Revenue Code (26 U.S.C. 529) defines the specific requirements for “qualified tuition programs”, including 529 college savings plans.

**State Sponsor** – The State Sponsor is the state or state agency that establishes and maintains the 529 college savings plan. The state of California has established the ScholarShare Trust and appointed the ScholarShare Investment Board (the Board or SIB), an agency of the state of California, to maintain the Trust which contains the ScholarShare Advisor Plan and the direct-sold ScholarShare Plan.

**Static Portfolios** – Static Portfolios are investment options designed to accommodate Beneficiaries without regard to age.

**Successor Participant** – A Successor Participant is the person designated by the Participant to assume ownership of the account in the event the Participant dies while there is still money in the account. The Successor Participant must be a U.S. resident, have a Social Security number or Tax ID, and be an adult or emancipated minor.

**Trust** – The Trust is the Golden State ScholarShare College Savings Trust, which was established by the state of California to hold the assets of the ScholarShare Plan and the ScholarShare Advisor Plan.

**Trustee** – The ScholarShare Investment Board is the Trustee of the Trust. The Board has appointed an Executive Director to administer and manage the day-to-day affairs of the Trust.

**Uniform Gifts to Minors Act/Uniform Transfers to Minors Act (UGMA/UTMA) 529 Account** – A UGMA/UTMA 529 account is a 529 plan account established by a UGMA/UTMA custodian. All assets held in a UGMA/UTMA 529 account belong to the minor (Beneficiary) and all such assets may only be used for the benefit of the minor. The applicable state UGMA/UTMA statute will govern the account.

**Unit** – Units of the Portfolios are purchased by Participants. The Units are municipal securities, and their sale is regulated by the Municipal Securities Rulemaking Board.

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**Any information concerning this offering beyond what is contained in the Fact Kit is unauthorized. These securities have not been registered with the Securities and Exchange Commission, nor with any state securities commissions. To get prospectuses for the mutual funds held by the Portfolios, call Fidelity at 1-800-544-6666 or go to [www.fidelity.com/funds](http://www.fidelity.com/funds).**

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## Setting Up and Contributing to an Account

This section tells you what you need to know to get started with your ScholarShare Plan Account. Be sure to read the Fact Kit, Participation Agreement, and the brokerage account Customer Agreement. You need to execute both agreements in order to open an account.

Note that the tax information here is general information only, and that it refers to federal income tax and other federal taxes but not to any state and local taxes that may apply, except where noted.

**SOME STATES OFFER FAVORABLE TAX TREATMENT OR OTHER STATE BENEFITS TO THEIR RESIDENTS ONLY IF THEY INVEST IN THEIR OWN STATE'S PLAN. BEFORE MAKING ANY INVESTMENT DECISION, YOU MAY WANT TO CONSULT WITH A QUALIFIED TAX PROFESSIONAL TO LEARN MORE ABOUT THE BENEFITS OR CONSEQUENCES OF INVESTING IN A PLAN OFFERED BY YOUR OR THE DESIGNATED BENEFICIARY'S HOME STATE.**

The state of California, the ScholarShare Investment Board and Fidelity Investments do not make any guarantees of any type in regard to participation in the Plan.

### DECIDING HOW MUCH TO CONTRIBUTE

#### Minimum to Open an Account

- \$50 if a lump-sum contribution (includes rollovers and transfers).
- \$15 if you set up systematic contributions of at least \$15 a month.

#### Minimum to Add to an Account

- \$25 if a lump-sum contribution
- \$15 a month, or \$45 a calendar quarter, with a systematic contribution plan

You can also contribute using special credit card reward points. See page 44.

#### Maximum Contribution Without Gift or Generation-Skipping Transfer Tax

- \$13,000 a year from any Participant to a given Beneficiary, with no other gifts to the Beneficiary that year
- \$65,000 in one year, if made as an "accelerated gift," with no other gifts to the Beneficiary during that year or the next four calendar years

**Gift and generation-skipping transfer tax considerations.** Gift tax and generation-skipping transfer (GST) tax may be triggered by gifts from one individual to another of more than \$13,000 a year. For gift and estate tax purposes, 529 plan contributions are considered completed gifts.

However, for any Beneficiary, you can contribute up to five times the annual tax-free maximum (currently \$65,000 per individual, \$130,000 per married couple) at one time. So long as you file Form 709 with your federal tax returns for the year the contribution was made and make no other taxable gifts to the Beneficiary during that year or the next four calendar years, your 529 plan contribution will be treated as five equal yearly gifts. It should not trigger gift or GST tax nor should you have to use any exemptions or credits associated with

them. Note that the larger your 529 plan contributions, the less you may be able to give in the way of other gifts without incurring gift or GST tax.

**Estate tax considerations.** If a Participant makes an accelerated gift but dies during the five-year period, the portion of the gift allocated to the calendar years after the year of death is considered part of the Participant's estate for estate tax purposes.

**State tax considerations.** Under current California income tax law, contributions and any account earnings grow tax deferred. Distributions used for qualified higher education expenses will not be subject to California state income tax for California residents and taxpayers, but there may be other state or local taxes that may apply depending on where you and the Beneficiary live. As with most legislation, tax laws can change, and you should consult with a qualified advisor before making any investment decisions.

**State tax and other benefits should be one of many factors considered in your investment decision-making process.**

**You may want to consult with a qualified advisor on how the potential benefits associated with an investment in your own state's plan would apply to your specific situation as well as contact your home state plan to learn more about its features.**

**If you or the designated Beneficiary are not a resident of California, you may want to consider, before investing, whether your or the designated Beneficiary's home state offers its residents a plan with alternate state tax advantages or other benefits.**

### Creditor Protection

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 provides protection in federal bankruptcy proceedings for many 529 accounts. Your account will be protected if the designated Beneficiary is your child, stepchild, grandchild, or step-grandchild (including a child, stepchild, grandchild, or stepgrandchild through adoption or foster care) subject to the following limits:

- Contributions made to all 529 accounts for the same designated Beneficiary at least 720 days before a federal bankruptcy filing are completely protected;
- Contributions made to all 529 accounts for the same designated Beneficiary more than 365 days but less than 720 days before a federal bankruptcy filing are protected up to \$5,850, and
- Contributions made to all 529 accounts for the same designated Beneficiary less than 365 days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

Your own state law may offer additional creditor protections. Consult with an attorney regarding your specific situation.

### Maximum Allowable Contribution

- Reviewed periodically; currently \$320,000 per beneficiary (\$350,000 effective September 30, 2010.)

One individual can be the Beneficiary of multiple accounts in the Golden State ScholarShare College Savings Trust (the Trust), which includes the ScholarShare Plan Portfolios, other investment Portfolios available separately through the ScholarShare Advisor College Savings Plan, and the Governor's Scholarship Programs awards, but if on December 31 of a given year the total value of those accounts, including those accounts that reflect scholarship awards claimed under the Governor's Scholarship

Programs, is at or above the maximum contribution limit, you cannot start or add to an account for that Beneficiary during the following year.

Each January, if the total value of all accounts for your Beneficiary in the Trust is below the maximum for that year, we'll tell you how much can be added, in total, to all accounts for that Beneficiary.

### OPENING AN ACCOUNT AND MAKING CONTRIBUTIONS

You can open an account online at [www.scholarshare.com](http://www.scholarshare.com), or by mail using the application that comes with this Fact Kit. You can transmit your initial contribution online, by phone, by mail, or in person at any Fidelity Investor Center. A ScholarShare Plan Account must be in the name of only one person (who is referred to as the Participant). The Participant must be a U.S. resident, have a Social Security number or Tax ID, and be an adult or an emancipated minor at the time an account is opened and when a contribution is made to an account. We will accept contributions only by or on behalf of the Participant.

Note that by law, all contributions have to be in the form of a check, electronic transfer, or other form of cash (other than currency). Stocks, bonds, or other property cannot be accepted.

### Contributing with a Systematic Plan

- Automatic Investments lets you set up monthly or quarterly automatic transfers from a bank, money market account, or Fidelity brokerage account (which would require a liquidation of designated assets held in the brokerage account and payment of any applicable taxes) into your ScholarShare Plan Account; to set up this service, the Participant's name must be identical on both accounts.
- Direct Deposit lets you set up automatic contributions in the form of

paycheck deductions; ask your employer if they offer this service.

**Facts to know when setting up a systematic plan.** You can set up a systematic plan at the outset using your account application, or you can add one to an existing account at [www.scholarshare.com](http://www.scholarshare.com) or by calling 1-800-544-5248.

When setting up a systematic plan, it may take up to 30 days for your first contribution to occur. Note that systematic plan transfers may be suspended if the total value of all accounts for a given Beneficiary in the Trust reaches the maximum contribution limit.

### Making Individual Contributions

- By check – ideal for opening an account or contributing by mail or in person
- By Electronic Funds Transfer (EFT) – setting up this feature lets you request transfers from a bank or money market account into your ScholarShare Plan Account online or by phone at any time
- By wire – be aware that your bank may charge a fee for wiring funds
- By Fidelity Account transfer – move money from your Fidelity brokerage account (which would require a liquidation of designated assets held in the brokerage account and payment of any applicable taxes) into your ScholarShare Plan Account.

To set up any of these services, the Participant's name must be identical on both accounts.

### Making a Transfer or Rollover from Another Account

- From another 529 account: get a College Planning Rollover Form by calling 1-800-544-5248 or click on "Account Options" at [www.scholarshare.com](http://www.scholarshare.com).
- From a Coverdell Education Savings Account (Coverdell account) or a

qualified U.S. Savings Bond: call 1-800-544-5248

**529 plan, Coverdell, and savings bond transfers can have federal tax liability if improperly handled.** When making a transfer, be sure that the proceeds are placed into the ScholarShare Plan Account within 60 days of their distribution from the source account.

Also, we need a statement from the source account's provider that details how much of the distribution is principal and how much is earnings or interest. You can get a statement from the source account's provider yourself, or you can ask us to do so. If we don't have this information, we're required by law to consider your entire rollover amount to be earnings, which could increase the tax owed on future withdrawals.

Finally, make sure the Beneficiary of the new ScholarShare Plan Account is:

- the same Beneficiary or an eligible family member of the original Beneficiary **for money from 529 accounts**
- the same as that of the source account **for money from Coverdell accounts**
- the savings bond owner or a spouse or dependent of the owner **for money from the redemption of qualified U.S. savings bonds; if income limitations aren't met, your rollover may be taxable**

Also, according to federal tax law, only one 529 account per Beneficiary can be rolled over in any twelve month period without changing the Beneficiary. This is true even if the accounts are in different 529 plans or have different Participants; however, there is no such restriction with respect to any rollover in which the Beneficiary is changed to a member of the family of the original Beneficiary.

See the limitations on changing Beneficiaries on page 32.

## UGMA/UTMA POINTS

Using assets in an existing UGMA/UTMA account to make contributions to a UGMA/UTMA 529 account can have benefits as well as limitations:

- To use UGMA/UTMA assets to invest in a 529 plan, the account's custodian must first convert them into cash by selling them. The minor, or his/her parents, are responsible for any resulting taxes.
- UGMA/UTMA statutes will continue to apply to a UGMA/UTMA 529 account. The UGMA/UTMA custodian becomes the Participant of the 529 account, and the minor becomes the Beneficiary. The assets remain the property of, and can only be used to benefit, the Beneficiary.
- When the minor/Beneficiary reaches the age when a UGMA/UTMA account must be terminated, the custodian must change the account registration to a non-UGMA/UTMA 529 account that has the former minor as both Participant and Beneficiary.
- Money in a UGMA/UTMA account can be invested in a UGMA/UTMA 529 account without gift or GST tax. However, an accelerated gift is not an option when adding new money to a UGMA/UTMA 529 account.

## CONTACTING FIDELITY

You can reach us to ask questions, set up or change account features, arrange transactions, and request forms. Most services can be handled through any method shown here, generally 24 hours a day.

**Online:** go to the "Customer Service" tab at [www.scholarshare.com](http://www.scholarshare.com)

**Phone:** 1-800-544-5248

**In person:** Call 1-800-544-9797 for the nearest Fidelity Investor Center

**Mail:** ScholarShare College Savings Plan, c/o Fidelity Investments, College Plan Service Center, PO Box 770001, Cincinnati, OH 45277-0015

# Managing and Modifying an Account

This section discusses the ScholarShare Plan’s investment options and how to choose among them. There’s also information about monitoring your account and changing Beneficiaries.

## INVESTMENT OPTIONS

The ScholarShare Plan’s 29 investment options consist of a range of professionally managed Portfolios created for the use of education investors.

The Portfolios invest in either a mix of stock, bond, and money market Fidelity mutual funds, a single Fidelity mutual fund, or an interest-bearing deposit account as well as the Social Choice Portfolio, which invests directly in individual securities. (For simplicity, in this document, we use the terms “stock” and “bond” to indicate the broader universe of equity and debt securities, respectively.)

## Age-Based Portfolios

These Portfolios are keyed to a Beneficiary’s year of birth. Each one has the same investment objective: capital appreciation with reasonable safety of principal, consistent with the ages of the Beneficiaries for whom the Portfolio was designed.

The names of most of the Age-Based Portfolios reflect the approximate year that a Beneficiary is anticipated to turn 18 and start college. The one exception is the College Portfolio, which has a fixed allocation that’s designed to be appropriate for the time when a Beneficiary is withdrawing money to attend college.

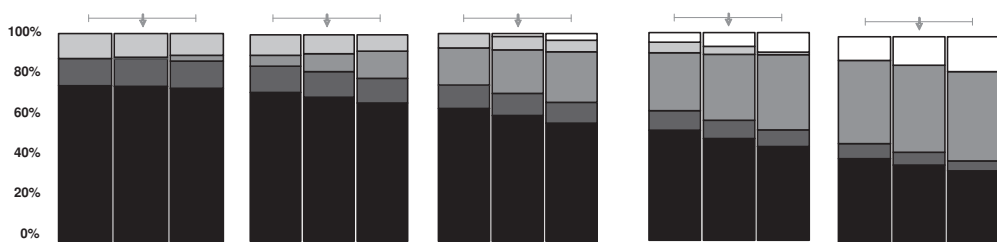
### PORTFOLIO TARGET ASSET ALLOCATIONS FOR 6/30/11: ACTIVELY MANAGED FUNDS

#### Age-Based Portfolios

	Portfolio 2027 For Beneficiaries: Born 2008-2010	Portfolio 2024 Born 2005-2007	Portfolio 2021 Born 2002-2004	Portfolio 2018 Born 1999-2001	Portfolio 2015 Born 1996-1998
<b>Current Target Allocation:</b>					
<i>Equity Funds</i>					
■ Domestic	60.67%	55.18%	46.74%	37.16%	27.45%
■ International	26.00%	23.65%	20.03%	15.93%	11.76%
<i>Fixed-Income Funds</i>					
■ U.S. Investment Grade	2.83%	13.28%	24.40%	36.20%	41.50%
■ High Yield	10.50%	7.89%	5.50%	1.26%	0.00%
<i>Short-Term Funds</i>					
□ Short-Term	0.00%	0.00%	3.33%	9.45%	19.29%

Percentages may not add to 100% due to rounding

#### Target Allocation Over Time:





About every three years, Fidelity creates a new Age-Based Portfolio for the youngest Beneficiaries, and transfers the assets in the oldest Age-Based Portfolio to the College Portfolio. The transfer process usually occurs at the end of the year in which the youngest Beneficiary for whom the Portfolio was designed turns 18 years.

The allocations of the Age-Based Portfolios change over time according to a set path. Except for the College Portfolio, which has a fixed allocation, each Portfolio begins with a growth-oriented allocation, then gradually shifts to an allocation

that is oriented more toward income and capital preservation.

The allocation path used by these Portfolios is designed to ensure that at any given point in its life cycle, an Age-Based Portfolio will have an allocation that is neither overly aggressive nor overly conservative in relation to its time horizon.

As part of the age-based methodology, you have the option of choosing Age-Based Portfolios that invest in actively managed mutual funds or index mutual funds. Actively managed funds invest in a variety of stocks or bonds that

coincide with a fund's investment objective. The investment philosophy may result in more frequent trading, and therefore, have greater volatility and expenses but possibly better returns. Conversely, index mutual funds invest in stocks or bonds that are included in a specific index (such as the Standard & Poor's 500® Index). Since the investment objective of an index fund is to achieve investment results similar to that of a specific index, an index fund neither engages in frequent trading nor assumes risk exposure greater than the index, which tends to result in lower expenses and volatility but possibly lower returns.



### Age-Based Portfolios continued

### Static Portfolios

Portfolio 2012 Born 1993-1995	Portfolio 2009 Born 1990-1992	College Portfolio Born 1989 and Earlier	100% Equity Portfolio	70% Equity Portfolio	Conservative Portfolio
17.36%	14.00%	14.00%	70.00%	49.00%	0.00%
7.44%	6.00%	6.00%	30.00%	21.00%	0.00%
40.38%	40.00%	40.00%	0.00%	20.00%	45.00%
0.00%	0.00%	0.00%	0.00%	10.00%	0.00%
34.82%	40.00%	40.00%	0.00%	0.00%	55.00%



**Static Portfolios**

These Portfolios have target allocations that do not change over time. Each Portfolio has its own investment objective:

- 100% Equity Portfolio: growth of capital over the long term. It will be invested 100% in equity mutual funds at all times.
- 70% Equity Portfolio: to maximize total return over the long term by allocating its assets among stock and

bond mutual funds. It will be invested approximately 70% in equity mutual funds and 30% in bond mutual funds at all times.

- Conservative Portfolio: preservation of capital by allocating its assets among bond and money market mutual funds; income is a secondary objective. It will be invested approximately 45% in bond mutual funds and 55% in short-term bond and money market mutual funds at all times.

Rather than being keyed to the age of a Beneficiary, they are intended for use by Participants who want a more active role in determining the asset allocation of their accounts.

Similar to our age-based methodology, you have the option of choosing Static Portfolios that invest in actively managed mutual funds or index mutual funds.

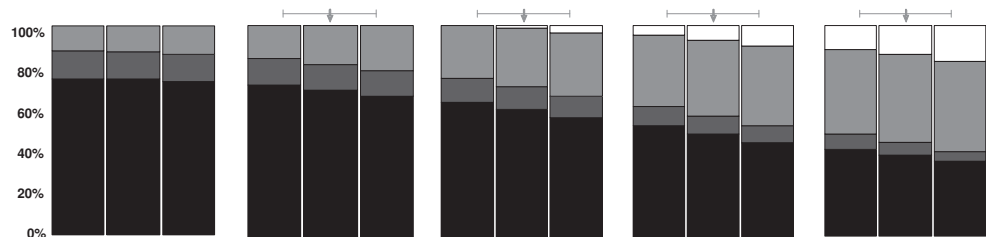
**PORTFOLIO TARGET ASSET ALLOCATIONS FOR 6/30/11: INDEX FUNDS**

**Age-Based Portfolios**

	Index Portfolio 2027 For Beneficiaries: Born 2008-2010	Index Portfolio 2024 Born 2005-2007	Index Portfolio 2021 Born 2002-2004	Index Portfolio 2018 Born 1999-2001	Index Portfolio 2015 Born 1996-1998
<b>Current Target Allocation:</b>					
<i>Equity Funds</i>					
■ Domestic	60.67%	55.18%	46.74%	37.16%	27.45%
■ International	26.00%	23.65%	20.03%	15.93%	11.76%
<i>Fixed-Income Fund</i>					
■ US Investment Grade	13.33%	21.17%	29.90%	37.46%	41.50%
<i>Money Market Fund</i>					
□ Money Market	0.00%	0.00%	3.33%	9.45%	19.29%

Percentages may not add to 100% due to rounding

**Target Allocation Over Time:**



### Individual Fund Portfolios

Each of the Individual Fund Portfolios has the same investment objective as the underlying mutual fund in which it invests and is designed for Beneficiaries of any age. Except for the Money Market Portfolio, which invests in the actively managed Fidelity Cash Reserves fund, the Individual Fund Portfolios invest in index mutual funds and are as follows:

- **Money Market Portfolio** Invests in the actively managed Fidelity Cash Reserves fund;
- **Spartan 500 Index Portfolio** Invests in the Spartan<sup>®</sup> 500 Index Fund;
- **Intermediate Treasury Index Portfolio** Invests in the Spartan<sup>®</sup> Intermediate Treasury Bond Index Fund;

- **International Index Portfolio** Invests in the Spartan<sup>®</sup> International Index Fund; and

- **Total Market Index Portfolio** Invests in the Spartan<sup>®</sup> Total Market Index Fund.

### Social Choice Portfolio

Social Choice Portfolio seeks to outperform the MSCI USA IMI ESG Index (formerly known as FTSE KLD US All Cap Sustainability Index, more regarding Social Choice Portfolio and its performance index next page).

**Bank Deposit Portfolio** The Bank Deposit Portfolio seeks the preservation of principal. The Portfolio is composed exclusively of a deposit in a FDIC-insured interest-bearing Negotiable Order of Withdrawal ("NOW")

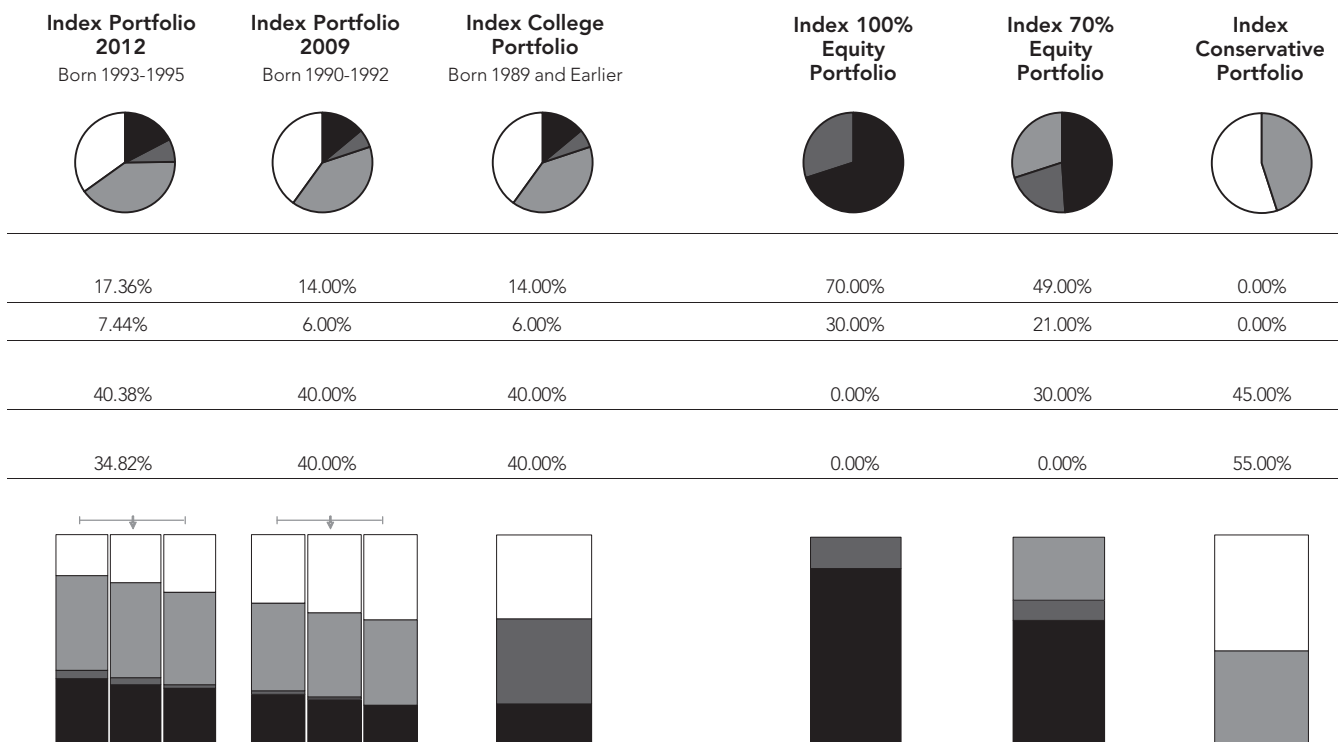
account held at Wells Fargo Bank, N.A. (the "Bank"). For more details on the Bank Deposit Portfolio, see pages 23 and 51.

### BANK DEPOSIT PORTFOLIO

Although the underlying deposits are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the Bank Deposit Portfolio are not insured or guaranteed by the FDIC or any other government agency. You are responsible for monitoring the total amount of your assets on deposit at the Bank, including amounts held directly at the Bank. All such deposits held in the same ownership capacity at the Bank are subject to aggregation and to the current FDIC insurance coverage limitation of \$250,000.

### Age-Based Portfolios continued

### Static Portfolios



The MSCI USA IMI ESG Index is a free float-adjusted market capitalization weighted index designed to include companies that have high Environmental, Social and Governance (ESG) ratings. The MSCI USA IMI ESG Index targets sector weights that reflect the relative sector weights of the underlying parent index. All constituents of the MSCI USA IMI ESG Index that have a company level ESG rating of "B" or above for the relevant ESG rating criteria are eligible for inclusion in the MSCI USA IMI ESG Index.

Unlike other Portfolios, Social Choice Portfolio invests directly in individual securities, not mutual funds. Social Choice Portfolio will invest primarily in stocks contained in the MSCI USA IMI ESG Index. It may also invest in exchange-traded funds, futures contracts, swaps and options. It may also invest excess cash in securities issued by the United States government and its agencies, money market, and other similar short term investments. Additionally, the Portfolio may lend securities from time to time in order to earn additional income.

For a discussion of the risks of each of these types of securities, please see "Social Choice Portfolio – Investment Risks" on page 50. For information concerning the proxy voting practices of Social Choice Portfolio, please see "Proxy Voting" on page 43.

#### PORTFOLIO AND FUND

To help ensure that money in 529 plans is invested appropriately for the Beneficiary, federal law prohibits Participants and Beneficiaries from directing their 529 account's investments. The ScholarShare Plan's menu of professionally managed Portfolios is designed to give you a full range of investment options within the law's limits.

For details on the individual mutual funds used by the Portfolios, including strategies, risks, expenses, and performance, see page 45.

For additional information on the investment manager and terms of the

ScholarShare Plan agreement between the ScholarShare Investment Board and Fidelity Brokerage Services LLC, see pages 42 and 44.

#### GUARANTEED OPTION

For ScholarShare Plan Participants that are currently invested in the Guaranteed Option through TIAA-CREF Life, your assets (principal and earnings) will be transferred to an appropriate investment option at Fidelity upon the expiration of your Funding Agreement with TIAA-CREF Life, which is expected to occur on or before November 11, 2011. Until that time, your Guaranteed Investment Option assets will (1) remain at and be managed by TIAA-CREF Life and (2) be bound by the terms of your current contract with TIAA-CREF Life. Through account information supplied by TIAA-CREF Life, Fidelity will provide you with your trade confirmations and account statements throughout the remainder of your contract.

Throughout the term of the Guaranteed Option Funding Agreement, participants may:

- take a partial or full distribution without incurring a penalty
- move money from the Guaranteed Investment Option to another investment option offered in the ScholarShare Plan without penalty or restrictions (which would be designated as your one exchange per year)

The Guaranteed Option will neither accept new deposits from existing Guaranteed Investment Option owners nor be available to ScholarShare Plan Accounts opened on or after October 21, 2006. For more information about your current Investment in the Guaranteed Investment Option, please contact Fidelity at 1-800-544-5248.

#### UNDERSTANDING PORTFOLIO STRATEGIES AND RISKS

Each Portfolio has its own asset allocation and, as a result, its own risk and performance characteristics. In choosing

an asset allocation for an account, you'll probably want to consider your investment objectives, risk tolerance, time horizon, and other factors you determine to be important.

A Portfolio's risk and potential return are functions of its relative weightings of stock, bond, and money market investments. In general, the greater a Portfolio's exposure to stock investments, the higher its risk (especially short-term volatility) and its potential for superior long-term performance. The more exposure a Portfolio has to bond and money market investments, the lower its risk and its potential long-term returns. There are also variations in risk/return levels within the stock and bond categories. For example, international stocks typically have higher risk levels than domestic stocks.

An allocation emphasizing stocks is generally considered appropriate when the investment goal is many years away. As the goal becomes closer, an investor's concern generally shifts from capital growth to capital preservation, as is reflected in the Age-Based Portfolios' allocation path.

Each Portfolio generally intends to remain fully invested. However, to the extent that a Portfolio does hold cash, it may invest it in short-term collateralized loans called repurchase agreements. If a Portfolio needs more cash than it has on hand, it may borrow from a bank.

#### Major Risk Factors that May Affect Portfolio Performance

While these are the major risks associated with each of the Portfolios, in varying degrees, the list is not comprehensive. See page 49 for risk information on the underlying mutual funds.

**Market risks.** Security prices change every business day, based on investor reactions to economic, political, market, industry, and corporate developments. At times, price changes may be

rapid and dramatic. Some factors may affect the market as a whole, while others affect particular industries, firms, or sizes or types of securities. Market risk primarily affects stocks, but also affects high-yield bonds and, to a lesser extent, higher-quality bonds.

**Interest rate risks.** A rise in interest rates typically causes bond prices to fall. Bonds with longer maturities and higher credit quality tend to be more sensitive to changes in interest rates, as are mortgage-backed bonds. Short- and long-term interest rates do not necessarily move the same amount or in the same direction.

Money market investments are also affected by interest rates, particularly short-term rates, but in the opposite way: when short-term interest rates fall, money market yields usually fall as well.

Bonds that can be paid off before maturity, such as mortgage-backed securities, tend to be more volatile than other types of debt securities.

The Federal Funds Effective Rate may move on a daily basis depending on a number of factors, including general economic and business conditions, which could affect a Portfolio's performance. The Federal Funds Target Rate, which is the interest rate at which depository institutions lend balances to each other overnight and is set periodically by the Federal Open Markets Committee, may also impact a Portfolio's performance, especially the Bank Deposit Portfolio.

**Foreign investment risks.** Foreign stocks and bonds tend to be more volatile, and may be less liquid, than their U.S. counterparts. The reasons can include greater political and social instability, lower market liquidity, higher costs, less stringent investor protections, and inferior information on issuer finances. In addition, the dollar value of most foreign currencies changes daily. All of these risks tend to be higher in emerging markets than in developed markets.

**Concentration risks.** To the extent that a Portfolio is exposed to securities of a single country, region, industry, structure, or size, its performance may be unduly affected by factors common to the type of securities involved.

**Issuer risks.** Changes in an issuer's business prospects or financial condition, including those resulting from concerns over accounting or corporate governance practices, could significantly affect a Portfolio's performance if the Portfolio has sufficient exposure to those securities.

**Credit risks.** The value or yield of a bond or money market security could fall if its credit backing deteriorates. In more extreme cases, default or the threat of default could cause a security to lose most or all of its value. Credit risks are higher in high-yield bonds.

**Management risks.** A Portfolio's performance could suffer if its manager deviates from the Portfolio's target allocation or chooses mutual funds that underperform.

**Counterparty risk.** A Portfolio's performance could be hurt if the counterparty to a repurchase agreement defaults on its commitments to the Portfolio.

**Borrower risk.** If a Portfolio borrows from a bank, its performance could be more volatile until the loan is paid off.

## PORTFOLIO PERFORMANCE

The tables on the next few pages illustrate the one, five, and ten year (or life of Portfolio) average annual and cumulative total returns for each ScholarShare Plan Portfolio. The data illustrated reflects the deduction of all applicable Portfolio, mutual fund, and interest-bearing deposit account expenses. The data also assumes that all dividends and other distributions were reinvested in the underlying mutual funds that generated them.

Although past performance is not an indication of future results, it can be valuable for an investor to know.

## Tracking the Performance of Your Account

At least once a quarter, we'll send you a statement that shows your ScholarShare Plan Account activity and current value. Also, once a year, we'll send you a ScholarShare Report on Higher Education, which will include information such as investments and education costs and trends in qualified higher education expenses at California state colleges and universities.

You can check current Portfolio performance or request an annual report by phone at 1-800-544-5248 or online at [www.scholarshare.com](http://www.scholarshare.com). The website also has the most recent daily values for Units of each Portfolio.

## MEASURING PERFORMANCE

**Total return** is the change in value of an investment over a period of time, including income received and changes in the prices of investments owned. **Cumulative total return** is the actual total return over a stated period. **Average annual total return** is a hypothetical measure. It shows you the level of yearly return that would have produced the same result as the cumulative total return if performance had been constant over the entire period instead of variable.

**Yield** is the income generated by an investment over time, expressed as an **Annual Percentage Rate and Annual Percentage Yield**. To ensure that investors can make equal comparisons, all stock and bond funds are required to use the same formula for calculating yield.

**PORTFOLIO PERFORMANCE (ACTIVELY MANAGED FUNDS) AS OF 6/30/10**

	Inception	Average Annual Returns			Cumulative Returns		
		1 Year	5 Year	10 Year/ LOP*	1 Year	5 Year	10 Year/ LOP*
<b>Age-Based Portfolios</b>							
Portfolio 2027	12/14/07	14.72%	N/A	-10.41%	14.72%	N/A	-24.40%
Portfolio 2024	11/10/06	14.82%	N/A	-4.06%	14.82%	N/A	-14.00%
Portfolio 2021	11/10/06	14.56%	N/A	-2.94%	14.56%	N/A	-10.30%
Portfolio 2018	11/10/06	13.87%	N/A	-1.57%	13.87%	N/A	-5.60%
Portfolio 2015	11/10/06	12.59%	N/A	-0.19%	12.59%	N/A	-0.70%
Portfolio 2012	11/10/06	11.87%	N/A	1.00%	11.87%	N/A	3.70%
Portfolio 2009	11/10/06	10.64%	N/A	1.64%	10.64%	N/A	6.10%
College Portfolio	11/10/06	9.78%	N/A	2.09%	9.78%	N/A	7.80%
<b>Static Portfolios</b>							
100% Equity Portfolio	11/10/06	12.94%	N/A	-5.85%	12.94%	N/A	-19.70%
70% Equity Portfolio	11/10/06	14.94%	N/A	-2.18%	14.94%	N/A	-7.70%
Conservative Portfolio	11/10/06	7.52%	N/A	3.42%	7.52%	N/A	13.00%
<b>Individual Fund Portfolio</b>							
Money Market Portfolio	11/10/06	0.00%	N/A	2.27%	0.00%	N/A	8.50%

7-Day Yield (%) for 6/30/10 is 0.01%\*\*

The performance data represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your Units. Current performance may be higher or lower than the performance data quoted. Please visit [www.scholarshare.com](http://www.scholarshare.com) or call Fidelity for most recent month-end performance figures.

\* "LOP" refers to "Life of Portfolio" for those Portfolios that do not have 1-, 5-, or 10 years of performance data.

\*\* An investment in the Money Market Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money by investing in the Portfolio.

The current yield more closely reflects the current earnings of the portfolio, while total return refers to a specific past holding period. 7-day annualized yields are stated for month end. Annualized yields are based on net investment income for the stated periods. Annualized yields are historical, will fluctuate, and are based on the portfolio's total net investment income during the period. Certain expenses were voluntarily reimbursed by the portfolio's investment advisor during these periods to avoid expenses exceeding the yield on the money market portfolio.

**PORTFOLIO PERFORMANCE (INDEX FUNDS) AS OF 6/30/10**

	Inception	Average Annual Returns			Cumulative Returns		
		1 Year	5 Year	10 Year/ LOP*	1 Year	5 Year	10 Year/ LOP*
<b>Age-Based Portfolios</b>							
Index Portfolio 2027	12/14/07	13.44%	N/A	-9.07%	13.44%	N/A	-21.50%
Index Portfolio 2024	11/10/06	13.51%	N/A	-3.63%	13.51%	N/A	-12.60%
Index Portfolio 2021	11/10/06	13.09%	N/A	-2.38%	13.09%	N/A	-8.40%
Index Portfolio 2018	11/10/06	12.01%	N/A	-0.83%	12.01%	N/A	-3.00%
Index Portfolio 2015	11/10/06	10.79%	N/A	0.74%	10.79%	N/A	2.70%
Index Portfolio 2012	11/10/06	9.36%	N/A	2.01%	9.36%	N/A	7.50%
Index Portfolio 2009	11/10/06	7.81%	N/A	2.76%	7.81%	N/A	10.40%
Index College Portfolio	11/10/06	6.86%	N/A	3.21%	6.86%	N/A	12.20%
<b>Static Portfolios</b>							
Index 100% Equity Portfolio	11/10/06	13.76%	N/A	-5.88%	13.76%	N/A	-19.80%
Index 70% Equity Portfolio	11/10/06	12.81%	N/A	-1.37%	12.81%	N/A	-4.90%
Index Conservative Portfolio	11/10/06	4.04%	N/A	4.75%	4.04%	N/A	18.40%
<b>Individual Fund Portfolios</b>							
Spartan 500 Index Portfolio	11/10/06	14.06%	N/A	-6.11%	14.06%	N/A	-20.50%
Spartan International Index Portfolio	11/10/06	4.51%	N/A	-7.91%	4.51%	N/A	-25.90%
Spartan Intermediate Treasury Index Portfolio	11/10/06	8.87%	N/A	7.50%	8.87%	N/A	30.10%
Spartan Total Market Index Portfolio	11/10/06	15.77%	N/A	-5.47%	15.77%	N/A	-18.50%

The performance data represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your Units. Current performance may be higher or lower than the performance data quoted. Please visit [www.scholarshare.com](http://www.scholarshare.com) or call Fidelity for most recent month-end performance figures.

\* "LOP" refers to "Life of Portfolio" for those Portfolios that do not have 1-, 5-, or 10 years of performance data.

**PORTFOLIO PERFORMANCE (SOCIAL CHOICE PORTFOLIO) AS OF 6/30/10**

	Inception	Average Annual Returns			Cumulative Returns		
		1 Year	5 Year	10 Year/ LOP*	1 Year	5 Year	10 Year/ LOP*
Social Choice Portfolio	11/10/06	15.10%	N/A	-6.44%	15.10%	N/A	-21.50%

The performance data represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your Units. Current performance may be higher or lower than the performance data quoted. Please visit [www.scholarshare.com](http://www.scholarshare.com) or call Fidelity for most recent month-end performance figures.

\* "LOP" refers to "Life of Portfolio" for those Portfolios that do not have 1-, 5-, or 10 years of performance data.

**PORTFOLIO PERFORMANCE (BANK DEPOSIT PORTFOLIO) AS OF 6/30/10**

Portfolio	Inception	Average Annual Returns			Cumulative Returns		
		1 Year	5 Year	10 Year/ LOP*	1 Year	5 Year	10 Year/ LOP*
Bank Deposit Portfolio	9/16/10	N/A	N/A	N/A	N/A	N/A	N/A
APY as of 6/30/10.....		N/A					
APR as of 6/30/10.....		N/A					

The performance data represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your Units. Current performance may be higher or lower than the performance data quoted. Please call Fidelity for most recent month-end performance figures.

The quoted Annual Percentage Rate ("APR") and Annual Percentage Yield ("APY") are current and net of fees applicable to the Bank Deposit Portfolio. APR and APY are subject to change daily.

Although the underlying deposits are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the Bank Deposit Portfolio are not insured or guaranteed by the FDIC or any other government agency. You are responsible for monitoring the total amount of your assets at the Bank, including amounts held directly at the Bank. All such deposits held in the same ownership capacity at the Bank are subject to aggregation and to the current FDIC insurance coverage limitation of \$250,000.

\* "LOP" refers to "Life of Portfolio" for those Portfolios that do not have 1-, 5-, or 10-years of performance data.



The total cost of an ongoing investment in a Portfolio is the Portfolio's expense ratio. The expense ratio includes a variety of administrative and operating expenses. Expenses before reductions do not reflect amounts reimbursed by the investment adviser of an underlying mutual fund and do not include the amount paid by the Portfolio during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursements. Expenses net of all reductions represent the net expenses paid by the Portfolio.

**PORTFOLIO EXPENSE RATIOS\* AS OF 6/30/10: ACTIVELY MANAGED FUNDS**

**(Before and After Reimbursement)**

<u>Portfolio</u>	Pro-Rata Expense	
	<u>Before Reductions</u>	<u>After Reductions</u>
Portfolio 2027	0.99%	0.98%
Portfolio 2024	0.97%	0.96%
Portfolio 2021	0.93%	0.92%
Portfolio 2018	0.87%	0.86%
Portfolio 2015	0.80%	0.79%
Portfolio 2012	0.74%	0.73%
Portfolio 2009	0.68%	0.67%
College Portfolio	0.68%	0.67%
100% Equity Portfolio	1.00%	0.99%
70% Equity Portfolio	0.94%	0.93%
Conservative Portfolio	0.59%	0.58%
Money Market Portfolio	0.61%	0.61%

**PORTFOLIO EXPENSE RATIOS\* AS OF 6/30/10: INDEX FUNDS**

**(Before and After Reimbursement)**

<u>Portfolio</u>	Pro-Rata Expense	
	<u>Before Reductions</u>	<u>After Reductions</u>
Index Portfolio 2027	0.28%	0.26%
Index Portfolio 2024	0.29%	0.27%
Index Portfolio 2021	0.30%	0.28%
Index Portfolio 2018	0.31%	0.29%
Index Portfolio 2015	0.32%	0.30%
Index Portfolio 2012	0.32%	0.31%
Index Portfolio 2009	0.33%	0.31%
Index College Portfolio	0.33%	0.31%
Index 100% Equity Portfolio	0.27%	0.25%
Index 70% Equity Portfolio	0.30%	0.28%
Index Conservative Portfolio	0.34%	0.32%
Intermediate Treasury Index Portfolio	0.35%	0.35%
International Index Portfolio	0.35%	0.25%
Spartan 500 Index Portfolio	0.25%	0.25%
Total Market Index Portfolio	0.25%	0.25%

\* The Portfolio Expense Ratios (Before and After Reimbursement) reflect all ScholarShare Plan fees and expenses, including the program management fee, state fee, and underlying mutual fund expenses.

**PORTFOLIO EXPENSE RATIOS\* AS OF 6/30/10: SOCIAL CHOICE PORTFOLIO**

**(Before and After Reimbursement)**

<b>Portfolio</b>	<b>Pro-Rata Expense</b>	
	<b>Before Reductions</b>	<b>After Reductions</b>
Social Choice Portfolio	0.80%	0.80%

\* The Portfolio Expense Ratios (Before and After Reimbursement) reflect all ScholarShare Plan fees and expenses, including the program management fee, state fee, and underlying expenses.

**PORTFOLIO EXPENSE RATIOS\* AS OF 6/30/10: BANK DEPOSIT PORTFOLIO**

**(Before and After Reimbursement)**

<b>Portfolio</b>	<b>Pro Rata Expense</b>	
	<b>Before Reductions</b>	<b>After Reductions</b>
Bank Deposit Portfolio	0.05% – 0.50%	0.05% – 0.50%

\* The Bank Deposit Portfolio Expense Ratios (Before and After Reimbursement) reflect all ScholarShare Plan fees and expenses, including the program management fee, state fee, and bank administration fee. The expenses to the Portfolio include a bank administration fee that ranges between 0.00% to 0.40% and a program fee (program management fee and state fee) that ranges between 0.05% to 0.10%. These fees will vary based on the daily Federal Funds Target Rate. For more details, see page 23.

## UNDERLYING MUTUAL FUND EXPENSE RATIOS

The following table shows the total expense ratio for each underlying mutual fund before any reimbursement, based on the expenses for each fund's most recently reported fiscal year end and calculated as a percentage of each fund's average net assets.

<b><u>Equity Funds: Domestic</u></b>		<b><u>Fixed-Income Funds: High Yield</u></b>		<b><u>Short-Term Bond &amp; Money Market Funds</u></b>	
Fidelity Blue Chip Growth Fund	0.76%	Fidelity Capital & Income Fund	0.76%	Fidelity Short-Term Bond Fund	0.45%
Fidelity Disciplined Equity Fund	0.84%	Fidelity High Income Fund	0.75%	Fidelity Cash Reserves	0.41%
Fidelity Dividend Growth Fund	0.62%			Fidelity Institutional Money Market	0.19%
Fidelity Equity-Income Fund	0.74%				
Fidelity Growth Company Fund	0.93%	<b><u>Fixed Income Funds: Investment Grade</u></b>			
Fidelity OTC Portfolio	1.13%	Fidelity Government Income Fund	0.45%		
Fidelity Small Cap Independence Fund	0.77%	Fidelity Strategic Real Return Fund	0.77%		
Spartan 500 Index Fund	0.10%	Fidelity Total Bond Fund	0.45%		
Spartan Total Market Index Fund	0.10%	Spartan Intermediate Treasury Bond Index Fund	0.20%		
Fidelity Large Cap Core Enhanced Index Fund	0.45%				
<b><u>Equity Funds: International</u></b>					
Fidelity Diversified International Fund	1.01%				
Fidelity Emerging Markets Fund	1.16%				
Fidelity Overseas Fund	1.02%				
Spartan International Index Fund	0.20%				

## ACCOUNT AND PORTFOLIO EXPENSES

The expenses associated with the ScholarShare Plan are as follows:

**Program Management Fee.** There is a program management fee paid to Fidelity for its management services. This fee is calculated as follows:

- For Portfolios that invest in **actively managed mutual funds**, the fee is a daily charge against the assets of each Portfolio in the Program Fund and is currently at an annual rate of 0.10%.

- For Portfolios that invest in **index mutual funds**, the fee is a daily charge against the assets of each Portfolio in the Program Fund and is currently at an annual rate of 0.10%.
- For the **Social Choice Portfolio**, which invests in individual securities, the fee will vary based on the difference between an annualized rate of 0.70% and the current estimated annual expense ratio of the Portfolio.
- For the **Bank Deposit Portfolio**, the fee is a daily charge against the assets of the Bank Deposit Portfolio and is currently at an annual rate of

0.00% to 0.05%, depending on the daily Federal Funds Target Rate, as set forth in the table below:

<b>Federal Funds Target Rate</b>	<b>Program Management Fee</b>
0.00% – <0.50%	0.00%
0.50% – <0.75%	0.05%
0.75% +	0.05%

- The program management fee is **not** assessed against the assets of the Guaranteed Option.

**State Fee.** There is a state fee received by the Trust for its administrative and oversight services to the ScholarShare Plan. This fee is calculated as follows:

- For Portfolios that invest in **actively managed mutual funds**, the fee is a daily charge against the assets of each Portfolio and is currently at an annual rate of 0.10%.
- For Portfolios that invest in **index mutual funds**, the fee is a daily charge against the assets of each Portfolio and is currently at an annual rate of 0.05%.
- For the **Social Choice Portfolio**, the fee is a daily charge against the assets of the Portfolio and is currently at 0.10%
- For the **Bank Deposit Portfolio**, the fee is a daily charge by the Trust against the assets of the Bank Deposit Portfolio and is currently at an annual rate of 0.05%.
- The state fee is not assessed against the assets of the Guaranteed Option. For a description of the Guaranteed Option, see page 16.

**Bank Administration Fee.** There is a Bank Administration Fee paid to Fidelity for its administration services in connection with the **Bank Deposit Portfolio**. This fee is a daily charge by the Trust against the assets of the Bank Deposit Portfolio and is currently at an annual rate of 0.00% to 0.40%, depending on the daily Federal Funds Target Rate, as set forth in the table below:

Federal Funds Target Rate	Bank Administration Fee
0.00% – <0.50%	0.00%
0.50% – <0.75%	0.20%
0.75% +	0.40%

**Expense Ratio.** A Portfolio bears its pro rata share of the expenses of the underlying mutual funds in which the Portfolio invests. A Portfolio’s future expenses may be higher or lower depending on changes in its allocation among different funds and changes in the funds’ expenses. See the following fee chart for more detailed information.

Fidelity Management & Research Company (FMR), the funds’ investment manager, is currently reducing the overall expenses of some of the underlying funds in which the Portfolios invest. These reductions are voluntary, and may be raised, lowered, or eliminated at any time. Portfolio expense ratios before and after these fund expense reductions are shown in the table on page 21. Ratios for the individual mutual funds, which are factored into the Portfolio expense ratios shown on page 21, are illustrated in the table on the previous page.

**Redemption Fees.** If you invest in the International Index Portfolio or Total Market Index Portfolio, you are potentially subject to a short-term redemption fee. The fee is imposed by the mutual fund in which the Portfolio invests, not by the Portfolio. Any short-term redemption fee collected is retained by the fund, not by the Portfolio, and is part of the fund’s assets. For the International Index Portfolio and Total Market Index Portfolio, the fee is 1.00% and 0.50%, respectively of the amount you withdraw or transfer from the Portfolios for Units you have held for less than 90 days. Units held longest will be redeemed first. Units held shortest will be redeemed last.

Here are two examples to help you understand how this works:

**Example 1:** You buy 100 Units of the International Index Portfolio on the day you open your account. Eighty days later you withdraw or transfer 50 Units, when the Units are worth \$500. The redemption fee applies to all 50 Units, since they have been held less than 90 days. The fee is \$5 (1% of \$500).

**Example 2:** You buy 100 Units of the Total Market Index Portfolio on the day you open your account. One hundred days later you buy an additional 50 Units. Twenty-five days later you withdraw or transfer 125 Units. The value of those Units at the time is \$1,250. The first step is to determine which Units are redeemed. Using the first in, first out rule, all 100 Units in the first purchase are redeemed, together with 25 of the 50 Units purchased 100 days later. The 100 Units from the original purchase are NOT subject to the redemption fee because they have been held for 90 days or longer. The 25 Units purchased 100 days later ARE subject to the fee because they have been held for less than 90 days. The value of the Units subject to the redemption fee is \$250 (25 Units at \$10 per Unit). The redemption fee is \$1.25 (0.50% of \$250).

Fees, excluding redemption fees, paid by Participants are used to pay for the administrative expenses of the Trust. See “Trust Expenses” on page 42 for more details.

## SCHOLARSHARE PLAN FEE AND EXPENSE STRUCTURE AS OF 6/30/10: ACTIVELY MANAGED FUNDS

<b>Portfolio</b>	<b>Estimated Underlying Fund Expenses<sup>1</sup></b>	<b>Program Manager Fee<sup>2</sup></b>	<b>State Fee<sup>3</sup></b>	<b>Miscellaneous Fee<sup>4</sup></b>	<b>Total Annual Asset-Based Fee<sup>5</sup></b>	<b>Annual Account Maintenance Fee<sup>6</sup></b>
Portfolio 2027	0.79%	0.10%	0.10%	N/A	0.99%	N/A
Portfolio 2024	0.77%	0.10%	0.10%	N/A	0.97%	N/A
Portfolio 2021	0.73%	0.10%	0.10%	N/A	0.93%	N/A
Portfolio 2018	0.67%	0.10%	0.10%	N/A	0.87%	N/A
Portfolio 2015	0.60%	0.10%	0.10%	N/A	0.80%	N/A
Portfolio 2012	0.54%	0.10%	0.10%	N/A	0.74%	N/A
Portfolio 2009	0.48%	0.10%	0.10%	N/A	0.68%	N/A
College Portfolio	0.48%	0.10%	0.10%	N/A	0.68%	N/A
100% Equity Portfolio	0.80%	0.10%	0.10%	N/A	1.00%	N/A
70% Equity Portfolio	0.74%	0.10%	0.10%	N/A	0.94%	N/A
Conservative Portfolio	0.39%	0.10%	0.10%	N/A	0.59%	N/A
Money Market Portfolio	0.41%	0.10%	0.10%	N/A	0.61%	N/A

<sup>1</sup> The "Estimated Underlying Fund Expenses" are based on a weighted average of the expenses of the mutual funds before reductions in which the Portfolio invests as of June 30, 2010.

<sup>2</sup> The "Program Manager Fee" is the percentage of net assets paid to Fidelity for performing services for the ScholarShare Plan.

<sup>3</sup> The "State Fee" is the percentage of net assets paid to California's ScholarShare Investment Board for administrative costs.

<sup>4</sup> The "Miscellaneous Fee" represents any other type of fee or expense imposed by the ScholarShare Plan.

<sup>5</sup> The "Total Annual Asset-Based Fee" illustrates the total asset-based fees assessed against net assets annually. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" on page 28 to review the impact of fees and expenses on a hypothetical \$10,000 investment in the Plan over 1-, 3-, 5-, and 10-year periods.

<sup>6</sup> The "Annual Account Maintenance Fee" is the annual fee deducted from an account balance each year. The ScholarShare Plan does **NOT** assess an annual account maintenance fee.

**SCHOLARSHARE PLAN FEE AND EXPENSE STRUCTURE AS OF 6/30/10: INDEX FUNDS**

<b>Portfolio</b>	<b>Estimated Underlying Fund Expenses<sup>1</sup></b>	<b>Program Manager Fee<sup>2</sup></b>	<b>State Fee<sup>3</sup></b>	<b>Miscellaneous Fee<sup>4</sup></b>	<b>Total Annual Asset-Based Fee<sup>5</sup></b>	<b>Annual Account Maintenance Fee<sup>6</sup></b>
Index Portfolio 2027	0.13%	0.10%	0.05%	N/A	0.28%	N/A
Index Portfolio 2024	0.14%	0.10%	0.05%	N/A	0.29%	N/A
Index Portfolio 2021	0.15%	0.10%	0.05%	N/A	0.30%	N/A
Index Portfolio 2018	0.16%	0.10%	0.05%	N/A	0.31%	N/A
Index Portfolio 2015	0.17%	0.10%	0.05%	N/A	0.32%	N/A
Index Portfolio 2012	0.17%	0.10%	0.05%	N/A	0.32%	N/A
Index Portfolio 2009	0.18%	0.10%	0.05%	N/A	0.33%	N/A
Index College Portfolio	0.18%	0.10%	0.05%	N/A	0.33%	N/A
Index 100% Equity Portfolio	0.12%	0.10%	0.05%	N/A	0.27%	N/A
Index 70% Equity Portfolio	0.15%	0.10%	0.05%	N/A	0.30%	N/A
Index Conservative Portfolio	0.19%	0.10%	0.05%	N/A	0.34%	N/A
Intermediate Treasury Index Portfolio	0.20%	0.10%	0.05%	N/A	0.35%	N/A
International Index Portfolio	0.20%	0.10%	0.05%	N/A	0.35%	N/A
Spartan 500 Index Portfolio	0.10%	0.10%	0.05%	N/A	0.25%	N/A
Total Market Index Portfolio	0.10%	0.10%	0.05%	N/A	0.25%	N/A

<sup>1</sup> The "Estimated Underlying Fund Expenses" are based on a weighted average of the expenses of the mutual funds before reductions in which the Portfolio invests as of June 30, 2010.

<sup>2</sup> The "Program Manager Fee" is the percentage of net assets paid to Fidelity for performing services for the ScholarShare Plan.

<sup>3</sup> The "State Fee" is the percentage of net assets paid to California's ScholarShare Investment Board for administrative costs.

<sup>4</sup> The "Miscellaneous Fee" represents any other type of fee or expense imposed by the ScholarShare Plan.

<sup>5</sup> The "Total Annual Asset-Based Fee" illustrates the total asset-based fees assessed against net assets annually. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" on page 29 to review the impact of fees and expenses on a hypothetical \$10,000 investment in the Plan over 1-, 3-, 5-, and 10-year periods.

<sup>6</sup> The "Annual Account Maintenance Fee" is the annual fee deducted from an account balance each year. The ScholarShare Plan does **NOT** assess an annual account maintenance fee.

**SCHOLARSHARE PLAN FEE AND EXPENSE STRUCTURE AS OF 6/30/10: SOCIAL CHOICE PORTFOLIO**

<b>Portfolio</b>	<b>Estimated Underlying Expenses<sup>1</sup></b>	<b>Program Manager Fee<sup>2</sup></b>	<b>State Fee<sup>3</sup></b>	<b>Miscellaneous Fee<sup>4</sup></b>	<b>Total Annual Asset-Based Fee<sup>5</sup></b>	<b>Annual Account Maintenance Fee<sup>6</sup></b>
Social Choice Portfolio	0.00%	0.70%	0.10%	N/A	0.80%	N/A

- <sup>1</sup> The "Estimated Underlying Expenses" figure is based on the operating expenses of the Social Choice Portfolio as of June 30, 2010.
- <sup>2</sup> The "Program Manager Fee" is the percentage of net assets paid to Fidelity for performing services for the ScholarShare Plan.
- <sup>3</sup> The "State Fee" is the percentage of net assets paid to California's ScholarShare Investment Board for administrative costs.
- <sup>4</sup> The "Miscellaneous Fee" represents any other type of fee or expense imposed by the ScholarShare Plan.
- <sup>5</sup> The "Total Annual Asset-Based Fee" illustrates the total asset-based fees assessed against net assets annually. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" on page 30 to review the impact of fees and expenses on a hypothetical \$10,000 investment in the Plan over 1-, 3-, 5-, and 10-year periods.
- <sup>6</sup> The "Annual Account Maintenance Fee" is the annual fee deducted from an account balance each year. The ScholarShare Plan does **NOT** assess an annual account maintenance fee.

**SCHOLARSHARE PLAN FEE AND EXPENSE STRUCTURE AS OF 6/30/10: BANK DEPOSIT PORTFOLIO**

<b>Portfolio</b>	<b>Bank Administration Fee<sup>1</sup></b>	<b>Program Manager Fee<sup>2</sup></b>	<b>State Fee<sup>3</sup></b>	<b>Miscellaneous Fee<sup>4</sup></b>	<b>Total Annual Asset-Based Fee<sup>5</sup></b>	<b>Annual Account Maintenance Fee<sup>6</sup></b>
Bank Deposit Portfolio	0.00%-0.40%	0.00%-0.05%	0.05%	N/A	0.05%-0.50%	N/A

- <sup>1</sup> The "Bank Administration Fee" is the fee paid to Fidelity for the performance of administrative services relating to the Bank Deposit Portfolio. The fee is a daily charge against the net assets of the Bank Deposit Portfolio at an annual rate of 0.00% to 0.40% depending on the daily Federal Funds Target Rate and is as follows: (a) 0.00% if the Federal Funds Target Rate is 0.00% to <0.50%; (b) 0.20% if the Federal Funds Target Rate is 0.50% to <0.75%; and (c) 0.40% if the Federal Funds Target Rate is 0.75%+.
- <sup>2</sup> The "Program Manager Fee" is the percentage of net assets paid to Fidelity for performing services for the ScholarShare Plan. The fee is a daily charge against the net assets of the Bank Deposit Portfolio at an annual rate of 0.00% to 0.05% depending on the daily Federal Funds Target Rate and is as follows: (a) 0.00% if the Federal Funds Target Rate is 0.00% to <0.50%; (b) 0.05% if the Federal Funds Target Rate is 0.50% to <0.75%; and (c) 0.05% if the Federal Funds Target Rate is 0.75%+.
- <sup>3</sup> The "State Fee" is the percentage of net assets paid to California's ScholarShare Investment Board for administrative costs.
- <sup>4</sup> The "Miscellaneous Fee" represents any other type of fee or expense imposed by the ScholarShare Plan.
- <sup>5</sup> The "Total Annual Asset-Based Fee" illustrates the total asset-based fees assessed against net assets annually. This fee will range between 0.05% to 0.50% depending on the daily Federal Funds Target Rate, as described above in footnotes 1 and 2. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" on page 30 to review the impact of fees and expenses on a hypothetical \$10,000 investment in the Plan over 1-, 3-, 5-, and 10-year periods.
- <sup>6</sup> The "Annual Account Maintenance Fee" is the annual fee deducted from an account balance each year. The ScholarShare Plan does **NOT** assess an annual account maintenance fee.

**Investment Cost Chart.** The figures in the tables below illustrate the impact of the fees and expenses on a hypothetical \$10,000 investment in the ScholarShare Plan.

**HYPOTHETICAL \$10,000 INVESTMENT COST CHART AS OF 6/30/10: ACTIVELY MANAGED FUNDS**

<u>Portfolio</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Portfolio 2027	\$ 101	\$ 317	\$ 549	\$ 1,218
Portfolio 2024	\$ 99	\$ 309	\$ 536	\$ 1,190
Portfolio 2021	\$ 95	\$ 296	\$ 513	\$ 1,140
Portfolio 2018	\$ 89	\$ 277	\$ 482	\$ 1,071
Portfolio 2015	\$ 82	\$ 256	\$ 446	\$ 994
Portfolio 2012	\$ 75	\$ 236	\$ 410	\$ 915
Portfolio 2009	\$ 70	\$ 218	\$ 380	\$ 850
College Portfolio	\$ 69	\$ 217	\$ 378	\$ 846
100% Equity Portfolio	\$ 102	\$ 319	\$ 554	\$ 1,228
70% Equity Portfolio	\$ 96	\$ 299	\$ 520	\$ 1,153
Conservative Portfolio	\$ 61	\$ 190	\$ 331	\$ 742
Money Market Portfolio	\$ 62	\$ 195	\$ 340	\$ 762

The chart compares the approximate cost of investing in the ScholarShare Plan over different periods of time. The chart assumes an initial \$10,000 investment in a ScholarShare Plan Portfolio that invests in actively managed funds and a 5% annual rate of return, compounded annually. Dollar amounts are calculated using Portfolio expense ratios before reimbursements and reductions. All expense rates and asset allocations are assumed to remain the same for the duration of the periods. The chart assumes that all redemptions are made for qualified higher education expenses, and therefore, does not reflect the impact of potential federal, state, or local taxes. This hypothetical is not intended to predict or project investment performance. Past performance is no guarantee of future results. Your own results will vary.



## HYPOTHETICAL \$10,000 INVESTMENT COST CHART AS OF 6/30/10: INDEX FUNDS

<u>Portfolio</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Index Portfolio 2027	\$ 29	\$ 91	\$ 159	\$ 360
Index Portfolio 2024	\$ 29	\$ 93	\$ 162	\$ 366
Index Portfolio 2021	\$ 30	\$ 95	\$ 167	\$ 377
Index Portfolio 2018	\$ 31	\$ 99	\$ 172	\$ 389
Index Portfolio 2015	\$ 32	\$ 101	\$ 177	\$ 400
Index Portfolio 2012	\$ 33	\$ 104	\$ 182	\$ 410
Index Portfolio 2009	\$ 34	\$ 106	\$ 185	\$ 417
Index College Portfolio	\$ 34	\$ 106	\$ 185	\$ 418
Index 100% Equity Portfolio	\$ 28	\$ 88	\$ 154	\$ 348
Index 70% Equity Portfolio	\$ 30	\$ 95	\$ 167	\$ 377
Index Conservative Portfolio	\$ 35	\$ 111	\$ 193	\$ 436
Intermediate Treasury Index Portfolio	\$ 36	\$ 113	\$ 197	\$ 443
International Index Portfolio	\$ 36	\$ 113	\$ 197	\$ 443
Spartan 500 Index Portfolio	\$ 26	\$ 80	\$ 141	\$ 318
Total Market Index Portfolio	\$ 26	\$ 80	\$ 141	\$ 318

The hypothetical chart compares the approximate cost of investing in the ScholarShare Plan over different periods of time. The chart assumes an initial \$10,000 investment in a ScholarShare Plan Portfolio that invests in index funds and a 5% annual rate of return, compounded annually. Dollar amounts are calculated using Portfolio expense ratios before reimbursements and reductions. All expense rates and asset allocations are assumed to remain the same for the duration of the periods. The chart assumes that all redemptions are made for qualified higher education expenses, and therefore, does not reflect the impact of potential federal, state, or local taxes. This hypothetical is not intended to predict or project investment performance. Past performance is no guarantee of future results. Your own results will vary.

**HYPOTHETICAL \$10,000 INVESTMENT COST CHART AS OF 6/30/10: SOCIAL CHOICE PORTFOLIO**

<u>Portfolio</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Social Choice Portfolio	\$ 82	\$ 255	\$ 444	\$ 990

The chart compares the approximate cost of investing in the ScholarShare Plan over different periods of time. The chart assumes an initial \$10,000 investment in a ScholarShare Plan Portfolio that invests in individual securities and a 5% annual rate of return, compounded annually. Dollar amounts are calculated using Portfolio expense ratios before reimbursements and reductions. All expense rates and asset allocations are assumed to remain the same for the duration of the periods. The chart assumes that all redemptions are made for qualified higher education expenses, and therefore, does not reflect the impact of potential federal, state, or local taxes. This hypothetical is not intended to predict or project investment performance. Past performance is no guarantee of future results. Your own results will vary.

**HYPOTHETICAL \$10,000 INVESTMENT COST CHART AS OF 6/30/10: BANK DEPOSIT PORTFOLIO**

<u>Portfolio</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Bank Deposit Portfolio	\$ 5	\$ 16	\$ 28	\$ 64

The hypothetical chart compares the approximate cost of investing in the ScholarShare Plan over time. The chart assumes an initial \$10,000 investment in the Bank Deposit Portfolio and a 5% annual rate of return, compounded annually. Dollar amounts are calculated using Portfolio expense ratios before reimbursements and reductions. The expense ratios for the Portfolio include a bank administration fee that ranges between 0.00% to 0.40% and a program fee (which is comprised of the program management fee and state fee) that ranges between 0.05% and 0.10%. These fees will vary based on the daily Federal Funds Target Rate and will result in a Portfolio expense ratio that ranges between 0.05% and 0.50%. The dollar amounts illustrated in the chart will vary based on the Portfolio's then-current expense ratio. The chart assumes that all redemptions are made for qualified higher education expenses, and therefore does not reflect the impact of potential federal, state, or local taxes. This hypothetical is not intended to predict or project investment performance. Past performance is no guarantee of future results. Your own results will vary.

## CHOOSING YOUR INVESTMENTS

Although federal law doesn't let 529 plan Participants take a hands-on role in choosing investments, the ScholarShare Plan does offer you some flexibility.

Your first step is to decide whether you would prefer to follow an age-based strategy (the simplest option) or create a custom strategy of your own.

### Deciding Which Strategy is Right for You

**Age-Based Strategy.** With this strategy, your entire account will be invested in the Age-Based Portfolio that corresponds to your Beneficiary's birth year. You may choose an Age-Based Portfolio that invests in actively managed funds or index funds. Each Portfolio becomes increasingly more conservative over time as the Beneficiary approaches college age. If you're comfortable with the Age-Based Portfolio approach as described in this Fact Kit, you can Select this strategy by checking the appropriate box in the "Age-Based Strategy" section on your account application.

**Custom Strategy.** With this strategy, you may allocate your assets among all of the Static and Individual Fund Portfolios offered in the ScholarShare Plan. To use a custom strategy, check the appropriate box in the "Custom Strategy" section on your account application. Write in the allocations you want, in increments of 5%.

## AGE-BASED OR CUSTOM?

A wide variety of criteria may enter into your strategy decision, potentially including one or more of the reasons below.

You may want to consider the age-based strategy if you:

- are more interested in convenience than in personally controlling the allocation
- would feel more comfortable letting Fidelity's investment professionals manage your allocation
- want to ensure that an appropriate allocation will be followed throughout the planned life of the account
- You may want to consider a custom strategy if you:
- want to make your own investment choices to the extent allowed by law
- want to invest in one or more Static or Individual Fund Portfolios
- want to combine Static or Individual Fund Portfolios to add a more conservative or aggressive approach to your account
- want to create a fully custom allocation that you monitor and adjust over time

## ACTIVELY MANAGED VS. INDEX FUNDS.

Once you decide whether you want to create an age-based or custom strategy, the next decision to make is whether you want to invest in Portfolios of Actively Managed Funds or Index Funds.

You may want to consider Actively Managed Fund Portfolios if you:

- want Portfolios that invest in underlying mutual funds that seek to generate returns that may beat a major market index over the long term but may carry greater risk than Index Portfolios because they seek higher returns.
- seek Portfolios that invest in underlying mutual funds that are managed by dedicated Portfolio managers who are making investment decisions backed by Fidelity's proprietary investment research.

You may want to consider Index Fund Portfolios if you:

- want Portfolios that invest in underlying mutual funds that seek to generate returns that try to mirror the performance and risks of a major market index over the long term.
- seek Portfolios that invest in underlying mutual funds that are able to keep transaction costs and other expenses low because the underlying funds are passively managed, which means that the securities held in the respective index determine the Portfolio's investments not a Portfolio manager.

## Changing Your Strategy or Allocation

Unless you change it, the strategy you select when you set up your account will remain in place for the life of the account. Any Age-Based Portfolios will shift allocation according to the allocation path described earlier, until being rolled into the College Portfolio (or Index College Portfolio for Age-Based Portfolios that invest in [index funds](#)); any Static or Individual Fund Portfolios will retain their specified allocations.

Although the age-based strategy is designed to eliminate the need for strategy change, there is no prohibition on changing to a custom strategy. Conversely, although it is recommended that custom strategies be reviewed and updated periodically, there is no obligation to do so.

With either strategy, however, there are limitations on how often a strategy or an allocation can be changed. In general, you should periodically assess, and if appropriate, adjust your investment choices with your time horizon, risk tolerance, and investment objectives in mind.

### Moving money among Portfolios.

Federal tax law provides two circumstances under which you may move money among Portfolios within an existing account:

- Once during a calendar year. To move money among Portfolios, call Fidelity at 1-800-544-5248 with your instructions. Or, download or call for a 529 Plan Investment Instructions form, then complete and submit the form using the instructions it provides.
- When you change the Beneficiary of the account to another family member of the original Beneficiary. Download or call for a College Investing Plan Beneficiary Change Form and an Account Application, if the new Beneficiary does not have an existing 529 account. Complete

and submit the forms using the instructions it provides. Note that there are restrictions and tax considerations on Beneficiary changes. See below.

**Changing how future contributions will be allocated.** At any time, you can change the allocation for contributions that are made to an account in the future. To do so, call Fidelity at 1-800-544-5248 with your instructions or download or call for a 529 Plan Investment Instructions form, then complete and submit the form using the instructions it provides. Be sure to tell us whether the change applies to all future contributions or only to one.

## CHANGING THE BENEFICIARY

At any time, you can change the Beneficiary of a ScholarShare Plan Account to someone who is recognized by federal tax law as a family member of the original Beneficiary. There should be no federal income tax consequences to such a change (although there could be federal gift or GST tax consequences). You can move money in an account to an account for someone who is not a permitted family member, but for tax purposes this is the same as if you had withdrawn the money and not used it to pay for qualified higher education expenses of the Beneficiary; see page 35.

For purposes of a 529 plan, a family member is defined as anyone who bears one or more of the following relationships to the original Beneficiary (including through adoption as a child), or, except as noted, is the spouse of anyone who bears such a relationship:

- sibling or half-sibling
- first cousin (but not a first cousin's spouse)
- descendent (for example, child or grandchild)

- forebear (for example, parent or grandparent)
- niece or nephew by blood
- aunt or uncle by blood
- child, parent, or sibling-in-law
- spouse
- step-parent, step-sibling, or step-child (but not other step-relatives)

Note that if the new Beneficiary belongs to a younger generation than the original Beneficiary, the original Beneficiary may be liable for gift or GST tax.

To change the Beneficiary on an account, call for or download a College Investing Plan Beneficiary Change Form. Complete and submit the form using the instructions it provides. Unless you tell us otherwise, any money in Static, Individual Fund, or the Bank Deposit Portfolios will remain there, and any money in an Age-Based Portfolio will be transferred to the Age-Based Portfolio that's keyed to the new Beneficiary's birth year (if different from the current Age-Based Portfolio).

You may transfer all assets in an account to an account you hold for another Beneficiary, or only a portion of the assets.

## UGMA/UTMA POINTS

You cannot change the Beneficiary of a UGMA/UTMA 529 account.

In a UGMA/UTMA 529 account, the rules concerning account succession are different:

- The custodian of a UGMA/UTMA 529 account can be changed. If the existing custodian resigns for any reason, a successor custodian may be named.
- The custodian of a UGMA/UTMA 529 account can name a successor custodian by placing the proper language in his/her will or by executing a properly notarized letter of designation.
- If a custodian dies without naming a successor custodian, what happens depends on the age of the minor:
  - If the minor is fourteen or older, he/she may name a successor custodian by providing Fidelity with a notarized letter doing so.
  - If the minor is under fourteen, his/her legally authorized guardian will become the successor custodian once evidence of guardianship has been provided to Fidelity. If there is no guardian, or the guardian fails to act, any interested person (such as an adult family member or the custodian's representative) may ask a court to name a successor custodian.
- The provisions in the bullet above also apply if a custodian becomes incapacitated.

## CHANGING THE PARTICIPANT

California law permits a Participant to transfer account ownership rights and powers to another eligible Participant. If you choose to transfer your account ownership rights, it will be reported as a non-qualified distribution subject to applicable taxes, including federal and state income and penalty taxes. However if the account is a UGMA/UTMA 529 account, the only name you can put it in is the Beneficiary's. Before

making a transfer of account ownership, please consult with a qualified tax professional regarding your specific situation.

### Naming a "Successor Participant"

If a Participant dies while there is still money in the account, Fidelity will need to recognize a "Successor Participant" to take over the Participant's role. As the Participant, you have the ability to name a Successor Participant, and a contingent Successor Participant, in the event that one or both is needed.

The simplest and most reliable way to name a Successor Participant is on the account application. You can add or change a Successor Participant and/or contingent Successor Participant to an existing account by using a Successor Participant Form. You can get the form by calling 1-800-544-5248 or by downloading it from [www.fidelity.com](http://www.fidelity.com). You can also add or change Successor Participant information online.

A Successor Participant can be a trust, corporation, or a U.S. resident who is an adult or emancipated minor. A Successor Participant must have a Social Security number or Tax ID. It can be a family member or someone not related. The Successor Participant can even be the Beneficiary him/herself, as long as the Beneficiary is an adult or emancipated minor, is a U.S. resident, and has a Social Security number or Tax ID.

### Transferring Control to a Successor Participant

If a Participant dies, we will need the following documents before we can put the account in a Successor Participant's name:

- letter of instruction
- distribution form
- certified copy of death certificate

- new account application (if a Successor Participant is named and doesn't already have an account for the same Beneficiary)
- certified copy of letters testamentary or letters of administration (if the Participant left no Successor Participant Form)

If a completed Successor Participant Form exists, the documents should be submitted by the Successor Participant named in the form. If no form exists, the executor/executrix of the Participant's estate should submit the required documents. Fidelity reserves the right to require additional documentation.

### WHY SHOULD YOU NAME A SUCCESSOR PARTICIPANT?

Although you're not required to name a Successor Participant on your account application, there are good reasons why you might want to.

Should you (the Participant) die, whoever becomes the Successor Participant will have control over the account. The Successor Participant will have the power to change the Beneficiary, even the power to close the account and keep the money (minus the applicable taxes and/or penalties).

You can name a Successor Participant in your will. However, until your estate is settled – which could take months or even years – it may be difficult or impossible for anyone to make desired changes to the account or to withdraw any money, even for qualified higher education expenses. And if you don't name a Successor Participant at all, then one will be chosen for you by operation of law, which could mean the selection of a person who would not have been your choice.

Naming the Successor Participant on your account application is the most direct way you have of avoiding these potential problems.

# Making Withdrawals and Closing an Account

**In this section, you'll find information and instructions on how to take money out of your ScholarShare Plan Account as well as how to determine the tax implications of a withdrawal before you request one.**

## **DETERMINING THE TAX STATUS OF A WITHDRAWAL**

One of the main benefits of a 529 plan account is that the money in the account grows federal income tax-deferred. Once money is in an account, it should have few or no tax consequences for you, until you take it out. Even then, if the withdrawal is for "qualified higher education expenses," as defined by Section 529, you may enjoy additional tax benefits.

Keep in mind that the tax information here is intended as a helpful guide, but isn't comprehensive and isn't tax advice. And, remember, the following tax information refers to federal tax laws but except where noted, not to any state or local taxes that may apply. Before making any ScholarShare Plan Account transactions, get advice from a qualified tax professional.

### **Withdrawals that are Tax-Exempt**

Money you take from your ScholarShare Plan Account for the Beneficiary's qualified higher education expenses is generally not subject to federal income tax.

There are three main tests for qualified higher education expenses: whether the school is accredited, what the money was used for, and whether the expense can be documented.

**School accreditation.** For education expenses to be qualified, the Beneficiary must be enrolled at an eligible educational institution that meets specific federal accreditation standards. These institutions include:

- most four-year colleges and universities, both for undergraduate and advanced degrees
- many two-year institutions
- many proprietary and vocational schools

- foreign schools that are eligible for the Federal Family Education Loan Program (FFEL), including some foreign medical schools (for a list go to <http://studentaid.ed.gov> or [www.fafsa.ed.gov](http://www.fafsa.ed.gov))

Be certain that the Beneficiary's school is accredited for purposes of using 529 plan assets to cover expenses before you make a withdrawal.

**Purpose of expense.** Qualified withdrawals include money used to pay for any of the following:

- tuition and fees
- books, supplies, and equipment required for enrollment (including computers and related equipment through 2010)
- room and board, as long as the Beneficiary is attending the school at least half-time (currently, if the student lives in housing owned or operated by the school, the allowable amount is the actual cost; otherwise, it is limited to the room and board portion of the school's minimum "cost of attendance" figure)
- "special needs services" needed by a special needs Beneficiary in connection with attending the school

Note that any expenses used to claim the Hope Scholarship or Lifetime Learning Credit (see page 38), or any expenses covered by a tax-free scholarship or grant, are not considered qualified higher education expenses.

**Expense documentation.** Although a Participant does not need to indicate to a 529 plan administrator whether a withdrawal is for qualified higher education expenses, it's important for you and the Beneficiary to keep all records of expenses for income tax purposes. A withdrawal may be considered taxable if you are unable to show that it went to pay for a qualified higher education

expense incurred during the year in which you took the withdrawal.

### Withdrawals that are Taxable

As a rule, a non-qualified withdrawal – money taken from a ScholarShare Plan Account and not used for the Beneficiary’s qualified higher education expenses – will trigger federal income tax liability and potential penalties. What portion of the money is taxable, what types of tax are involved, and who owes the tax all can vary with circumstances.

**Portion of money that is taxable.** The money in a ScholarShare Plan Account consists of money that was contributed (principal) and any earnings on that money. When a withdrawal is made, it’s considered to have the same ratio of principal and earnings as the account itself.

The principal portion of a withdrawal isn’t taxable, no matter what the withdrawal is used for. Currently, withdrawals used for the Beneficiary’s qualified higher education expenses are not taxable. For withdrawals that aren’t used for the Beneficiary’s qualified higher education expenses, the earnings portion generally is taxable.

Except for situations described in the rest of this paragraph, 100% of your opening balance in the ScholarShare Plan Account is considered principal. When you create a ScholarShare Plan Account through the rollover of a 529 plan, Coverdell account, or the proceeds from the redemption of a qualified U.S. savings bond, the portion that will be considered principal in your ScholarShare Plan Account is whatever is reported as being principal by the provider of the source account (with certain exceptions for qualified savings bond proceeds). Note that if we receive no documentation about the source account, by law we must consider the entire rollover amount to be earnings.

For more information on rollovers and transfers, see page 10.

### DO TAXABLE WITHDRAWALS AFFECT FINANCIAL AID?

According to the Department of Education, a taxable withdrawal could be counted as taxable income, which could reduce eligibility for financial aid in the following year. The effect would depend on the size of the withdrawal, how much of it was taxable, and who received the money, among other factors. For more about financial aid, see page 39.

### Types of taxes that may be involved.

The earnings portion of a non-qualified withdrawal is subject to federal income tax as well as a 10% federal penalty tax and a 2.5% California state penalty tax, which exist to discourage the use of 529 accounts as a tax shelter. If you live or pay taxes in a state other than California, there may also be state or local income tax, interest and dividends tax, or the equivalent.

There are two circumstances where you can make a non-qualified withdrawal that is not subject to the federal or state penalty tax:

- if the Beneficiary receives a scholarship or attends a U.S. Military Academy, you can withdraw up to the amount of the scholarship or the costs of an advanced education at a U.S. Military Academy (as defined by Title 10 USCS Section 2005(e)(3))
- if the Beneficiary becomes disabled or dies

In either of these cases, the earnings portion of the withdrawal generally will still be subject to any other applicable taxes, including federal income tax.

**Who’s liable for the taxes.** The Beneficiary will be liable for any taxes due on money that’s paid to the Beneficiary or the Beneficiary’s school. The Participant will be liable for any taxes due on money that goes to any other recipient.

Federal income tax is calculated at that person’s income tax rate. State and local taxes generally follow federal tax treatment, but may vary.

### Annual Reporting of Withdrawals

For any year when there are withdrawals from your ScholarShare Plan Account, we will (1) report the withdrawal to the IRS and send out Form 1099-Q to whomever was considered to have received the money and (2) report the withdrawal to the California Franchise Tax Board.

For money sent to the Beneficiary or directly to his/her school, a Form 1099-Q will go to the Beneficiary, who will be considered the recipient of the money for tax purposes. For all other withdrawals, the Participant will be considered to have received the money and will be sent a Form 1099-Q. It is the responsibility of the Participant to prove that the money was used for qualified higher education expenses.

### REQUESTING A WITHDRAWAL

To make a withdrawal of any kind, whether qualified or non-qualified, you’ll need to call Fidelity at 1-800-544-5248 to make a withdrawal by phone or to request a College Investing Plan Distribution Form, or you may go to [www.fidelity.com](http://www.fidelity.com) and use the Fidelity BillPay<sup>®</sup> for 529 Accounts feature to request an online distribution from your ScholarShare Plan Account. The Fidelity BillPay for 529 Accounts feature is covered by its own customer agreement. It is your responsibility to read and understand the terms of the agreement before you begin using the feature. Withdrawals can be made only by the Participant (or legally authorized representative), not the Beneficiary. You should determine the tax implications of any withdrawal before you make a withdrawal.

### Getting a copy of the withdrawal form.

You can download the form from

www.scholarshare.com or have one mailed to you by calling 1-800-544-5248.

**Information you'll need to provide.** In addition to basic information, such as name and account number, you'll need to tell us:

- the total amount you want to withdraw
- which Portfolios you want the money to be withdrawn from
- how much money we should take out of each Portfolio

If you don't provide all of this information, you'll need to resubmit your request before we can act on it.

If you do provide all this information, but the amount you ask to withdraw from any given Portfolio is more than what you have in the Portfolio, we'll send you all the money you have in that Portfolio but we won't take money out of any Portfolio you didn't name. As a result, the amount of your withdrawal will be less than what you asked for. To get the rest, you'll need to make another withdrawal.

**Receiving the withdrawal.** Your withdrawal will be in the form of a check sent by regular mail or an online distribution if using the Fidelity BillPay for 529 Accounts feature. The withdrawal will be sent to whomever you specify: you, the Beneficiary, the Beneficiary's school, or someone else.

## **CLOSING AN ACCOUNT**

If you withdraw all of the money in your ScholarShare Plan Account and want to close the account, you will need to contact Fidelity and provide such instruction.

If you choose to close your ScholarShare Plan Account by rolling it into another 529 plan account, we will send to the address of record on your account a check payable to your new plan for your benefit. Separately, we will

send information on the ratio of principal and earnings in your account at the time you closed it. If you don't complete your rollover within 60 days, or you don't provide the principal and earnings information to your new plan, you may face tax consequences.

As discussed earlier, rollovers are subject to certain limitations. If you want to roll over from one 529 plan to another and keep the same Beneficiary, you'll need to make sure that no other 529 account for your Beneficiary has made a similar rollover within the last 12 months.

If you want to change the Beneficiary, you don't have to worry about the 12-month limitation. However, if you want to make a tax-exempt rollover, you need to be sure that the new Beneficiary is an eligible family member of the original one (see definitions, page 32). Also, no rollover is allowed that would bring the total value of all accounts for the designated Beneficiary in the Trust above the maximum contribution limit that's in effect at the time (see contribution limit information, page 10).



## FREQUENTLY ASKED QUESTIONS

### What if the Beneficiary . . .

- **gets a scholarship or attends a U.S. Military Academy?** You can withdraw up to the scholarship amount or the costs of an advanced education at a U.S. Military Academy (as determined by law) without paying federal or California state penalty taxes, although other taxes may still apply. *More, page 35.*
- **graduates without using all the money in the account?** The Beneficiary can use the money for advanced education; you can change the Beneficiary to another eligible family member; or you can take out the money as a non-qualified withdrawal and pay all applicable income and penalty taxes. *More, pages 32, 35.*
- **leaves college before graduating or puts off going to college?** You can maintain the account until the Beneficiary enrolls or re-enrolls; you can change the Beneficiary to another eligible family member; or you can take out the money as a non-qualified withdrawal and pay all applicable income and penalty taxes. *More, pages 32, 35.*
- **decides not to go to college?** You can change the Beneficiary to another eligible family member or take out the money as a non-qualified withdrawal and pay all applicable income and penalty taxes. *More, pages 32, 35.*
- **becomes disabled or dies?** You can withdraw up to the entire amount in the account without paying federal or California state penalty taxes, although other taxes may still apply. *More, page 35.*

### What if I . . .

- **want to divide the money in an account between two or more Beneficiaries?** As long as it's not a UGMA/UTMA 529 account, and the new Beneficiary is an eligible family member of the original one, you can transfer a portion of the account balance to a new or existing account. The transfer will generally be federally tax-free, but is subject to the maximum limit on contributions for a Beneficiary and may be subject to gift or GST tax. *More, pages 32, 35.*
- **die while money is still in the account?** If you have designated a Successor Participant, that person can take over your role as Participant. Otherwise, the account may be tied up in estate delays. *More, page 33.*
- **need to take out money before the Beneficiary reaches college?** It will be considered a non-qualified withdrawal and taxed accordingly. *More, page 35.*
- **want to borrow from the account or use it as collateral?** Neither of these options is allowed by law.
- **want to transfer the account to a new Participant?** You can, but if you choose to transfer your account ownership rights, it will be reported as a non-qualified distribution subject to applicable income and penalty taxes. However, if the account is a UGMA/UTMA 529 account, the only name you can put it in is the Beneficiary's. *More, page 33.*

## Tax Credit and Financial Aid Considerations

**This section tells you about two federal tax credits that may be used in tandem with your ScholarShare Plan Account. It also discusses investments in a Coverdell Account and how your ScholarShare Plan Account may affect the calculation of federal financial aid.**

### **Hope Scholarship and Lifetime Learning Credits**

These are two federal tax credits that can provide an additional way to help with education costs: the Hope Scholarship credit (now also known as the American Opportunity tax credit) and the Lifetime Learning credit. Both set conditions that are fairly precise, but if you meet the basic eligibility requirements, it can be worth the effort because you can receive dollar-for-dollar tax credits – not just deductions. Here are some points to know about these credits:

- Generally, these credits can only be used to reduce tax otherwise payable for the particular year (ignoring tax withholding and estimated tax payments). Therefore, once a person's tax payable for a particular year is reduced to zero, any unused credits generally will not be refunded in cash and cannot be carried forward to another tax year. However, for 2010, up to 40% of a taxpayer's Hope Scholarship credit may be refunded or applied to another tax year.
- If a parent claims a child as a dependent on the parent's federal income tax return, only that parent may make a claim for either credit with respect to that child.
- Both credits cannot be claimed in the same tax year for the same student. However, one credit may be used for the expenses of one student and the other credit for the expenses of another student in the same tax year.
- Neither credit can be claimed for qualified education expenses to the extent expenses were (i) used to obtain tax-free treatment for a distribution from a 529 account or a Coverdell account, (ii) claimed as a deduction under other federal tax provisions (such as the Section 221 tuition and fees deduction), or (iii) covered by any tax-free scholarship, grant, or other assistance.

### **Details of the Hope Scholarship Credit.**

For 2010, the Hope Scholarship credit (now also known as the American Opportunity tax credit) offers a tax credit of up to \$2,500 per student per year for the first four years of college education. You may be eligible for a credit in any calendar year when all of these criteria apply:

- you are a single taxpayer whose modified adjusted gross income isn't over \$80,000 (\$160,000 for married taxpayers filing joint returns) – except that you may be eligible for a partial credit if your income is above that limit but less than \$90,000 (\$180,000 for married filing jointly)
- you paid certain higher education expenses during the calendar year – specifically, tuition, fees and course materials required for you, your spouse, or any dependent claimed as a Section 151 income tax deduction to enroll at or attend an eligible post-secondary school (note that this is not exactly the same as the definition of a qualified higher education expense for the ScholarShare Plan)
- the student had not yet finished four years of college-level education as of the beginning of the calendar year
- the student attended school during an academic period that began during the calendar year, and attended at least half-time

Individuals who meet these criteria may be eligible for a tax credit of 100% of the first \$2,000 of qualified expenses, plus 25% of the next \$2,000. See a qualified tax advisor for further details and requirements.

### **Details of the Lifetime Learning Credit.**

The Lifetime Learning credit offers a maximum tax credit of \$2,000, and applies to a broader set of circumstances than the Hope Scholarship credit. However, you must have income tax

payable for the particular year (ignoring tax withholding and estimated tax payments), since no part of this credit is refundable. Also, the credit is available only if you are a single taxpayer whose modified adjusted gross income isn't over \$50,000 (\$100,000 for married taxpayers filing joint returns) – except that you may be eligible for a partial credit if your income is above that limit but less than \$60,000 (\$120,000 for married filing jointly).

The Lifetime Learning credit lets you claim 20% of the first \$10,000 in qualified expenses you paid during the taxable year. This credit is per taxpayer and does not vary with the number of students in the family. Expenses that are considered qualified for this credit include all those that are valid for the Hope Scholarship credit as well as others including the cost of any training at an eligible post-secondary school to learn or improve job skills. This credit may be available regardless of how much college-level education the student has completed and even if the student attends less than half-time. See a qualified tax advisor for further details and requirements.

### **Contributing to or Withdrawing from a ScholarShare Plan Account and a Coverdell Account in the Same Year**

If you want, you can contribute to your ScholarShare Plan Account and a Coverdell Education Savings account for the same beneficiary in the same year without penalty; however, any constraints posed by gift or GST tax or by the maximum contribution per beneficiary will remain unchanged. Beginning January 2011, such combined contributions that exceed a Coverdell account's maximum contribution per beneficiary will be subject to a 6% excise tax under the Internal Revenue Code.

If you make withdrawals in a given year for the same Beneficiary from both a 529 account and a Coverdell account, and if those withdrawals add up to

more than the amount of the Beneficiary's qualified higher education expenses (not including any expenses that were used to claim a Hope Scholarship Credit or Lifetime Learning Credit or were paid by any tax-free scholarship, grant or other assistance), then you must allocate the surplus withdrawal amount between the two types of accounts, with such excess amounts being treated as non-qualified withdrawals from the respective accounts. See a qualified tax advisor for further details and requirements.

### **Federal Financial Aid and Your ScholarShare Plan Account**

The impact of a ScholarShare Plan Account on federal financial aid depends on who the Participant is and the methodology used in calculating the student's eligibility for financial aid. This section provides some details that may be helpful to you in planning your education savings strategy.

Note that while the information below is based on knowledge of the Higher Education Act as of the date this document was published, it's only a summary and is not intended as advice. You may want to consult with a financial aid advisor or with the financial aid office at a particular school, as states and schools have their own methodologies, which may be different.

**Federal financial aid methodology and how it works.** For federal financial aid, a student's eligibility is based on the "cost of attendance" (which includes tuition, fees, books, and, in some cases, room and board) minus the "expected family contribution" (EFC). A student's EFC is based on the parents' income and net assets (if the student is a dependent), the student's income and net assets, and the income and net assets of the student's spouse (if the student is married). Income or assets of grandparents or any other people are not considered.

In determining a student's EFC, income (both parental and student) is often the single largest factor, while assets are secondary. Parental retirement plans and certain other categories of parental assets are entirely excluded from consideration. For those parental assets that are included, the percentage factored is relatively low: between 3% and 5.6%. Assets of a student (and any spouse) are generally factored at the higher rate of 20%.

Assets are generally attributable to the student if they are held in the student's name or if the student is the named Beneficiary (such as custodial accounts). However, according to the reasoning in a 1999 ruling from the U.S. Department of Education (DOE) issued to other 529 plans managed by Fidelity, a ScholarShare Plan Account (except in the case of UGMA/UTMA 529 accounts) should be considered an asset of the Participant, not the Beneficiary. Also, the Deficit Reduction Act of 2005 (the "2005 Act") provides by statute that 529 accounts shall not be considered student assets. (The DOE has issued limited guidance about specific effects of the 2005 Act on the federal financial aid methodology, which further indicates that UGMA/UTMA 529 accounts and other 529 accounts where the student is the Participant, may be excluded from the federal financial aid methodology.)

The 1999 ruling cited was based on a concept that even though a 529 account has a specific Beneficiary, the Participant maintains control of the assets. Thus, if the Participant is the parent of a dependent student, the ScholarShare Plan Account should only be factored at the parent's rate. If the Participant is a grandparent (or anyone else whose assets are not counted in the EFC), the value of the ScholarShare Plan Account should not be factored in the student's EFC at all. However, money taken from the account could be included in income for federal financial aid purposes in later years.

The College Cost Reduction and Access Act (the 2007 Act) includes provisions regarding the financial aid treatment of 529 accounts. One of these provisions specifies that a 529 account will be considered an asset of the parent, if the student is a dependent student (regardless of whether the Participant is the parent or student), or an asset of the student, if the student is the Participant and not a dependent student.

**Your ScholarShare Plan Account and financial aid at foreign schools.** Your ScholarShare Plan Account can be used at accredited foreign schools that are eligible to participate in the Federal Family Education Loan Program (FFEL). At foreign schools, U.S. students are permitted, though not required, to apply for and receive Federal Stafford Loans (subsidized or unsubsidized) and PLUS Loans. For information about whether a specific foreign school is eligible for the FFEL Program or to find out more about financial aid generally, contact the school directly, or contact DOE at 1-800-4-FED-AID (from overseas, call 319-337-5665) or visit the DOE Website at <http://studentaid.ed.gov> or [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

**Comparing a ScholarShare Plan Account with prepaid tuition plans.** Under the 2005 Act, 529 savings plans and 529 prepaid tuition plans are both considered "assets" under the federal financial aid methodology but shall not be considered student assets. (Presuming that the approach reflected in the 1999 DOE ruling issued to other 529 savings plans managed by Fidelity will thus in turn apply to 529 prepaid tuition plans, a 529 prepaid tuition plan account would be considered an asset of the Participant, at least where the Participant is not the student. As noted above, the DOE has issued limited guidance about specific effects of the 2005 Act on the federal financial aid methodology, which further indicates that UGMA/UTMA 529 accounts and other 529 accounts where the student is the Participant, may be excluded from the federal financial aid

methodology.) The 2007 Act described above also applies to both 529 savings plans and 529 prepaid tuition plans.

NOTES:

## Additional Information

### SCHOLARSHARE PLAN'S LEGAL AND BUSINESS STRUCTURE

The ScholarShare Plan was established by the state of California under section 529 of the Internal Revenue Code, which allows states and other entities to set up education savings plans that offer certain tax advantages. The ScholarShare Plan can be used by residents of any state to save money for the accredited college of their choice. (Specifically, a school must meet the requirements of 26 U.S.C. section 1088, as in effect on August 5, 1997, and be eligible to participate in certain financial aid programs under the Higher Education Act of 1965, Title IV.)

#### The Trust

A Trust, the Golden State ScholarShare College Savings Trust (the Trust), serves as the vehicle for the ScholarShare Plan. The Trust was established in 1997, and its Trustee is the ScholarShare Investment Board (the Board). The Board is comprised of the Treasurer of the state of California, who serves as chair of the Board, the Director of Finance, the Secretary of Education, a member of the Student Aid Commission appointed by the Governor, a member of the public appointed by the Governor, a representative from a California public institution of education appointed by the Senate Committee on Rules, and a representative from a California independent college or university or a state-approved college, university, or vocational/technical school appointed by the Speaker of the Assembly. The Board appoints an Executive Director to administer and manage the Trust including the Direct-Sold and Advisor-Sold Plan assets. The Trust's assets are held in a Program Fund "in trust" for its Participants and Beneficiaries.

**Qualification as a 529 plan.** The Trust intends to qualify as a "qualified tuition program" under section 529 of the Internal Revenue Code. Qualifying is essential in order for Participants and Beneficiaries to realize the tax benefits that are made available under section 529. If the Trust should ever fail to qualify, the Trustee is obligated either to change the Trust (and potentially the terms of its Participant Agreements as well) so that it does qualify, or to dissolve it and distribute its assets to the Participants, unless the Trustee determines that dissolving the Trust is not in the Participants' best interest.

**Trust expenses.** The Trust has operating and administrative expenses, such as for the services of the investment adviser, administrator, distributor, counsel, depository, custodian, and any other agents, consultants, and independent contractors that the Trustee may consider necessary or proper to incur. None of these expenses reduce the daily Unit values of the Portfolios.

#### THE STATE'S ROLE: WHAT IT DOES AND DOESN'T DO

California does:

- approve the Portfolio allocations and the mutual funds used by Fidelity
- manage and operate the Trust
- contract for goods and services on behalf of the Trust for professional, managerial, and technical assistance and advice
- adopt regulations for the administration of the Trust
- approve the selection of an independent public accountant to audit the Trust and Portfolios every year
- set the dollar limit on maximum contributions periodically, in response to federal law requiring 529 plan contributions not to exceed the anticipated cost of a Beneficiary's qualified higher education expense

Fidelity does:

- provide investment management and research for the Plan
- administer the Plan in accordance with the Trust
- ensure compliance with the applicable regulatory requirements
- provide customer service for Participants

California and Fidelity do not:

- back the investments in your account with their faith and credit
- promise that your account will not decrease in value, that it will increase in value, that it will achieve any particular rate of return, or that it will have sufficient savings to cover fully all qualified education expenses of attending an institution of higher education
- guarantee that your child will be able to gain acceptance to, continue to attend, or graduate from any school, or that he/she will be considered a resident of any particular state for tuition purposes
- allow Participants and Beneficiaries any say in the management or operation of the Trust, including the selection of investments
- make other guarantees of any type

#### The Program Manager and Administrator

The ScholarShare Plan is administered by Fidelity Investments. One of the largest investment managers in the country, Fidelity is based at 82 Devonshire St., Boston, MA 02109. Some of its subsidiaries and divisions provide financial services and products to the Trust.

**The Portfolios' investment advisers.** One of Fidelity's subsidiaries is Strategic Advisers<sup>®</sup>, Inc., (Strategic Advisers) of the same address, which administers the asset allocation program, of each portfolio (except for the Social Choice Portfolio) that invests in securities, as defined under the federal securities laws. A registered investment adviser, Strategic Advisers provides three general types of services: discretionary investment advisory services for individuals and organizations; non-discretionary advisory products and services such as asset allocation and Portfolio modeling for individuals and financial

intermediaries; and educational materials on investment and personal finance.

The Portfolios will be co-managed by Christopher Sharpe and Andrew Dierdorf.

Mr. Sharpe has been Director of Asset Allocation for the Structured Investment Group within Strategic Advisers since 2002. Mr. Sharpe was named co-manager of the VIP Freedom Funds and Fidelity Four-in-One Index Fund in 2005 and began co-managing Fidelity Freedom Funds and Fidelity Advisor Freedom Funds in 2007. Mr. Sharpe has also been co-manager of Fidelity Stock Selector All Cap Fund since 2009 and Fidelity Advisor Stock Selector All Cap Fund since March 2010. Mr. Sharpe is also co-manager for qualified tuition programs sponsored by Delaware, New Hampshire, Massachusetts, and Arizona. Prior to joining Fidelity in 2002, Mr. Sharpe was an investment policy officer with John Hancock.

Mr. Dierdorf co-manages the Fidelity Dynamic Strategies Fund, and has responsibilities for monitoring and co-managing Fidelity's asset allocation portfolios, including the Fidelity Four-in-One Index Fund, Fidelity Freedom Fund Index Funds and the Fidelity Income Replacement Funds. Mr. Dierdorf is also co-manager for the qualified tuition programs sponsored by Delaware, New Hampshire, Massachusetts, and Arizona. Prior to joining Fidelity in 2004, Mr. Dierdorf held various actuarial and investment positions at CIGNA.

Social Choice Portfolio, which is managed by Geode Capital Management, LLC (Geode), an unaffiliated registered investment adviser, is a socially sensitive product that seeks to outperform the MSCI USA IMI ESG Index (formerly known as the FTSE KLD US All Cap Sustainability Index). The MSCI USA IMI ESG Index is a free float-adjusted market capitalization weighted index designed to include companies that have high Environmental, Social and Governance (ESG) ratings. The MSCI USA IMI ESG Index targets sector weights that reflect the relative sector weights of the underlying parent index. All constituents of the MSCI USA IMI ESG Index that have a company level ESG rating of "B" or above for the relevant ESG rating criteria are eligible for inclusion in the MSCI USA IMI ESG Index. Geode applies a strict quantitative analysis to determine the potential fit of each security within the Portfolio on a daily basis.

The Social Choice Portfolio is managed by Jeffrey Adams, Lou Bottari, Maximilian Kaufmann, Bobe Simon, and Patrick Waddell.

Mr. Adams has been a Senior Portfolio Manager with Geode since 2003. He has served as the Lead Portfolio Manager of the fund since January 2004. Mr. Adams has oversight responsibility for all index funds managed by Geode and is responsible for quantitative research and new product development. Mr. Adams was employed by State Street Global Advisors from June 1989 to June 2003 where he served as a Portfolio Manager for over seven years before joining Geode.

Maximilian Kaufmann has been a Portfolio Manager with Geode since August 2009. He serves as a Portfolio Manager of the funds, which he has managed since December 2009. He also serves as a Portfolio Manager for other registered investment companies. In addition to his portfolio management responsibilities, Mr. Kaufmann is responsible for quantitative research and new product development. Prior to joining

Geode, Mr. Kaufmann was a Senior Vice President at PanAgora Asset Management from 2003 to 2007 and Lazard Asset Management from 2007 to 2009.

Mr. Simon has been a Portfolio Manager with Geode since April 2005. He has served as a Portfolio Manager of the fund since May 2005. Prior to joining Geode, Mr. Simon worked as a quantitative analyst at Putnam Investments from July 1995 to April 2005.

Mr. Waddell has been a Portfolio Manager with Geode since July 2006. He has served as a Portfolio Manager of the fund since July 2006. Prior to July 2006, Mr. Waddell was an Assistant Portfolio Manager with Geode and the fund since 2004. Prior to joining Geode, Mr. Waddell was employed by Fidelity in 1997 and served as a Senior Portfolio Assistant from 2002 to 2004.

Mr. Bottari has been a Portfolio Manager with Geode since July 2010. He has served as a Portfolio Manager of the fund since July 2010. Prior to July 2010, Mr. Bottari was an Assistant Portfolio Manager with Geode since May 2008, and the Fund since January 2009. Prior to joining Geode, Mr. Bottari was employed by Fidelity in 1991 and served as an Assistant Portfolio Manager with Pyramis Global Advisors from 2005 to 2008.

**The underlying funds' investment adviser.** FMR is another Fidelity subsidiary. FMR is the manager of the mutual funds in which the Portfolios invest, with responsibility for choosing the investments and handling the business affairs of the funds. For certain funds – Cash Reserves, Government Income, Fidelity Institutional Money Market, and Short-Term Bond – FMR has delegated day-to-day management to an affiliated sub-adviser, Fidelity Investments Money Management, Inc. Other affiliates assist FMR with foreign investments for all underlying funds except Cash Reserves.

FMR has entered into a sub-advisory agreement with Geode, an unaffiliated registered investment adviser, to manage Spartan 500 Index Fund, Spartan Total Market Index Fund, and Spartan International Index Fund.

Strategic Advisers has entered into a sub-advisory agreement with Geode, an unaffiliated registered investment adviser, to manage Fidelity Large Cap Core Enhanced Index Fund.

**The administrator.** Fidelity Brokerage Services LLC (FBS) is another Fidelity subsidiary. A registered broker-dealer, FBS is the nation's second-largest discount brokerage firm, whose wide variety of brokerage services includes selling Fidelity mutual funds.

FBS is responsible for the Plan's administration and record-keeping services. These include maintaining account records, reporting required tax information, collecting all required fees and charges, and keeping the plan in compliance with all applicable state and federal statutes. FBS also performs the administrative services for the Bank Deposit Portfolio. Such services include bank evaluation and selection (pursuant to the direction and approval of the Trustee), contract negotiations, bank monitoring, risk review and credit analysis, and contingency planning.

FBS markets and sells interests in the ScholarShare Plan. FBS in turn compensates individuals who sell interests in the plan.

#### Proxy Voting

To learn more about the Social Choice Portfolio's proxy voting policy, please visit [www.scholarshare.com](http://www.scholarshare.com).

#### **AGREEMENT BEHIND THE SCHOLARSHARE PLAN**

The features of the ScholarShare Plan as described in this Fact Kit reflect an agreement between the ScholarShare Investment Board and Fidelity Brokerage Services LLC. This agreement currently runs through November of 2011, and at the end of the initial term, may be extended for three years and two years, thereafter by mutual agreement of the parties and with the approval of the Board and the California Department of General Services (the DGS).

Under the agreement, Fidelity can make certain changes to the ScholarShare Plan, including changing the investment guidelines, the Portfolio allocations, the types of Portfolios offered, and the funds they invest in. All major changes must be approved by the Board.

To protect your interest as a Participant, the ScholarShare Investment Board retains the right to terminate this agreement in certain circumstances, including a breach of contract by Fidelity, if Portfolio investment performance is substantially inferior to the performance of similar investments, or if Fidelity's marketing or administrative performance is not adequate as determined by comparison to the Marketing and Administrative Performance Criteria adopted by the Board.

Note that if Fidelity's agreement with the ScholarShare Investment Board should end for any reason, your investment will be protected by the terms of the Trust. However, in such a case, the Trustee is responsible for determining how the Plan's assets should be invested. The Trustee may choose a new investment manager and may move each Portfolio's assets to underlying mutual funds managed by another firm.

For a copy of the contract between the ScholarShare Investment Board and Fidelity Brokerage Services LLC please write to:

ScholarShare College Savings Plan  
c/o Fidelity Investments College Plan Service Center  
P.O. Box 770001  
Cincinnati, OH 45277-0015

#### **The Portfolios and Their Units**

Each Portfolio offered through the ScholarShare Plan is a segregated asset account of the Trust. The Trust also contains other Portfolios that are similar, except that they invest in a different set of mutual funds and are offered to the public separately as well as the assets of the Governor's Scholarship Programs.

Because the Trust is an instrumentality of the state of California, the Units it issues are not registered with the Securities and Exchange Commission (SEC) or any state securities commission, and the Portfolios are not mutual funds. However, each Portfolio, is similar in construction to a "fund of funds." Money placed in a ScholarShare Plan Account purchases "Units" of the Portfolios, which are similar to mutual fund shares. Your ScholarShare Plan Account Units are held in an FBS brokerage account. Because under federal law the Units are considered municipal securities, their sale is regulated by the Municipal Securities Rulemaking Board.

Each Portfolio is open for business each day the New York Stock Exchange (NYSE) is open for trading. However, the Portfolios will be closed for wire purchases and redemptions on days when the Federal Reserve Wire System is closed.

FBS determines each Portfolio's Unit value as of the close of the NYSE (normally 4:00 p.m. Eastern time – 1:00 p.m. Pacific time, but earlier on scheduled half-days, during restrictions or suspensions of trading, or in emergencies). To the extent that a Fidelity fund holds securities or that a Portfolio holds investments or accounts that trade or may accept deposits when the NYSE is closed, a Portfolio's Unit value may be affected at times when investors are not able to buy or sell Units. Conversely, there may be days when the Portfolios are open for business but certain securities in a Fidelity fund or other underlying investments or accounts in a Portfolio are not traded or may not accept deposits.

When you place an order to buy or sell Units, your order will be processed at the next Unit value to be calculated following receipt of your payment at the Fidelity Investments College Plan Service Center, P.O. Box 770001, Cincinnati, OH 45277-0015.

#### **Fidelity Investments 529 College Rewards Program**

With the Fidelity Investments 529 College Rewards<sup>®</sup> American Express<sup>®</sup> Card (the "Card"), Cardholders can earn 2 points for every one dollar (\$1.00) in net retail purchases, which can be automatically converted to contributions to an eligible Fidelity Account, including a ScholarShare Plan Account. Restrictions apply. Full details accompany the new account materials. For rate, fee, and other cost information, and to learn more about the Fidelity Investments 529 College Rewards Program, please refer to the online credit card application at [www.fidelity.com/collegerewards](http://www.fidelity.com/collegerewards) or call FIA Card Services, N.A. (the issuer of the Card) at 866-598-4971.

#### **CONTINUING DISCLOSURE**

Because the Units of the Portfolios are considered municipal securities, the Plan is required by law (specifically, Rule 15(c)2-12(b)(5) under the Securities Exchange Act of 1934, as amended) to ensure that the trust files certain information every year. This includes certain financial information and operating data about the program as well as notices of the occurrence of certain milestone events. This information will be filed with the Municipal Securities Rulemaking Board.



## THE UNDERLYING MUTUAL FUNDS

The tables below show the **actively managed mutual funds** and **index mutual funds** in which the ScholarShare Plan Portfolios may invest, along with each Portfolio's approximate target allocation for each fund that will be achieved by June 30, 2011. These percentages may be changed over time.

Below is a summary of the investment policies of the Fidelity funds that were available to the Portfolios for investment as of June 30, 2010. For more information about any Fidelity fund, call 1-800-544-9797.

### Equity Funds: Domestic

#### Fidelity Blue Chip Growth Fund

**Objective** Seeks growth of capital over the long term.

**Strategy** Normally invests the fund's assets primarily in common stocks of well-known and established companies. Invests

in securities of domestic and foreign issuers. Normally invests at least 80% of fund's assets in blue chip companies whose stock is included in the Standard & Poor's 500 Index (S&P 500<sup>®</sup>) or the Dow Jones Industrial Average<sup>SM</sup> (DJIA<sup>SM</sup>), and companies with market capitalizations of at least \$1 billion if not included in either index. Invests in companies that FMR believes have above-average growth potential. FMR uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

#### Fidelity Disciplined Equity Fund

**Objective** Seeks capital growth.

**Strategy** The fund will normally invest at least 80% of its assets in equity securities. FMR normally invests the fund's assets primarily in common stocks of domestic or foreign issuers. Seeks to reduce the impact of industry weightings on the performance of the fund by considering each industry's weighting in to the Standard & Poor's 500<sup>SM</sup> Index (S&P 500<sup>®</sup>).

## TARGET ALLOCATIONS FOR PORTFOLIOS FOR 6/30/11: ACTIVELY MANAGED FUNDS

### Age-Based Portfolios

	Portfolio 2027	Portfolio 2024	Portfolio 2021	Portfolio 2018
<b>Equity Funds: Domestic</b>				
Fidelity Blue Chip Growth Fund	2.12%	1.93%	1.64%	1.30%
Fidelity Disciplined Equity Fund	12.13%	11.04%	9.35%	7.43%
Fidelity Dividend Growth Fund	6.07%	5.52%	4.67%	3.72%
Fidelity Equity-Income Fund	12.13%	11.04%	9.35%	7.43%
Fidelity Growth Company Fund	10.31%	9.38%	7.95%	6.32%
Fidelity Large Cap Core Enhanced Index Fund	12.13%	11.04%	9.35%	7.43%
Fidelity OTC Portfolio	0.91%	0.83%	0.70%	0.56%
Fidelity Small Cap Independence Fund	4.85%	4.41%	3.74%	2.97%
<b>Equity Funds: International</b>				
Fidelity Diversified International Fund	11.05%	10.05%	8.51%	6.77%
Fidelity Emerging Markets Fund	3.90%	3.55%	3.00%	2.39%
Fidelity Overseas Fund	11.05%	10.05%	8.51%	6.77%
<b>Fixed-Income: High Yield</b>				
Fidelity Capital & Income Fund	5.25%	3.95%	2.75%	0.63%
Fidelity High Income Fund	5.25%	3.95%	2.75%	0.63%
<b>Fixed-Income Funds: Investment Grade</b>				
Fidelity Government Income Fund	0.57%	2.66%	4.88%	7.24%
Fidelity Strategic Real Return Fund	0.57%	2.66%	4.88%	7.24%
Fidelity Total Bond Fund	1.70%	7.97%	14.64%	21.72%
<b>Short-Term Bond and Money Market Funds</b>				
Fidelity Institutional Money Market	0.00%	0.00%	2.00%	5.67%
Fidelity Short-Term Bond Fund	0.00%	0.00%	1.33%	3.78%

### Fidelity Dividend Growth Fund

**Objective** Seeks capital appreciation.

**Strategy** Normally invests at least 80% of assets in equity securities. Normally invests in companies that FMR believes have the potential to pay dividends in the future. Invests in domestic and foreign issuers. Invests in growth stocks, value stocks, or both. FMR uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

### Fidelity Equity-Income Fund

**Objective** Seeks reasonable income. The fund will also consider the potential for capital appreciation. The fund seeks a yield that exceeds the composite yield on the securities comprising the S&P 500<sup>®</sup>.

**Strategy** FMR normally invests at least 80% of the fund's assets in equity securities. Normally invests in income-producing equity securities which tend to lead to investments in large cap value stocks. FMR potentially invests the fund's assets in other types of equity securities and debt securities, including lower-quality debt securities. Invests in domestic and foreign issuers.

### Fidelity Growth Company Fund

**Objective** Seeks capital appreciation.

**Strategy** FMR normally invests the fund's assets primarily in common stocks of domestic and foreign issuers it believes offer the potential for above-average growth. FMR uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

### Fidelity Large Cap Core Enhanced Index Fund

**Objective** Seeks capital appreciation.

**Strategy** Normally invests at least 80% of the fund's assets in common stocks included in the Standard & Poor's 500<sup>SM</sup> Index (S&P 500<sup>®</sup>), which is a market capitalization-weighted index of companies with large market capitalizations. Generally uses computer-aided, quantitative analysis to select stocks that may have the potential to provide a higher total return than that of the S&P 500<sup>®</sup>. Invests in domestic and foreign issuers.

### Static Portfolios

Portfolio 2015	Portfolio 2012	Portfolio 2009	College Portfolio	100% Equity Portfolio	70% Equity Portfolio	Conservative Portfolio
0.96%	0.61%	0.49%	0.49%	2.45%	1.72%	0.00%
5.49%	3.47%	2.80%	2.80%	14.00%	9.80%	0.00%
2.74%	1.74%	1.40%	1.40%	7.00%	4.90%	0.00%
5.49%	3.47%	2.80%	2.80%	14.00%	9.80%	0.00%
4.67%	2.95%	2.38%	2.38%	11.90%	8.33%	0.00%
5.49%	3.47%	2.80%	2.80%	14.00%	9.80%	0.00%
0.41%	0.26%	0.21%	0.21%	1.05%	0.74%	0.00%
2.20%	1.39%	1.12%	1.12%	5.60%	3.92%	0.00%
5.00%	3.16%	2.55%	2.55%	12.75%	8.93%	0.00%
1.76%	1.12%	0.90%	0.90%	4.50%	3.15%	0.00%
5.00%	3.16%	2.55%	2.55%	12.75%	8.93%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	0.00%
8.30%	8.08%	8.00%	8.00%	0.00%	4.00%	9.00%
8.30%	8.08%	8.00%	8.00%	0.00%	4.00%	9.00%
24.90%	24.23%	24.00%	24.00%	0.00%	12.00%	27.00%
11.57%	20.89%	24.00%	24.00%	0.00%	0.00%	33.00%
7.72%	13.93%	16.00%	16.00%	0.00%	0.00%	22.00%

### Fidelity OTC Portfolio

**Objective** Seeks capital appreciation.

**Strategy** FMR normally invests the fund's assets in common stock. FMR normally invests at least 80% of the fund's assets in securities principally traded on NASDAQ<sup>®</sup> Composite Index or another over-the-counter (OTC) market, which has more small and medium-sized companies than other markets. Invests more than 25% of the fund's total assets in the technology sector. Invests in domestic and foreign issuers. Invests in either growth stocks, value stocks, or both.

### Fidelity Small Cap Independence Fund

**Objective** Seeks capital appreciation.

**Strategy** FMR normally invests the fund's assets primarily in common stocks of domestic and foreign issuers. Normally invests at least 80% of the fund's total assets in securities of companies with small market capitalizations (those with market capitalizations similar to companies in the Russell 2000<sup>®</sup> Index and the S&P<sup>®</sup> SmallCap 600 Index). FMR uses fundamental analysis to select investments. Invests in growth stocks or value stocks or a combination of both. Effective September 1, 2010, Fidelity Small Cap Independence Fund was renamed Fidelity Stock Selector Small Cap Fund.

### Spartan 500<sup>®</sup> Index Fund

**Objective** Seeks investment results that correspond to the total return (i.e., the combination of capital changes and income) of common stocks publicly traded in the U.S.

**Strategy** Normally invests at least 80% of the fund's total assets in common stocks included in the S&P 500<sup>®</sup> which broadly represents the performance of common stocks publicly traded in the United States. May lend the fund's securities to earn income for the fund.

### Spartan Total Market Index Fund

**Objective** Seeks to provide investment results that correspond to the total return of a broad range of U.S. stocks.

**Strategy** Geode normally invests at least 80% of assets in common stocks included in the Dow Jones U.S. Total Stock Market Index<sup>SM</sup>, which represents the performance of a broad range of U.S. stocks. Geode Capital Management may lend the fund's securities to earn income for the fund.

### Equity Funds: International

#### Fidelity Diversified International Fund

**Objective** Seeks capital growth.

**Strategy** FMR normally invests the fund's assets in non-U.S. securities. Normally invests the fund's assets primarily in common stocks. Allocates the fund's investments across different countries and regions.

#### Fidelity Emerging Markets Fund

**Objective** Seeks capital appreciation.

**Strategy** Normally invests at least 80% of assets in securities of issuers in emerging markets and other investments that are tied economically to emerging markets. Normally invests primarily in common stocks.

#### Fidelity Overseas Fund

**Objective** Seeks long-term growth of capital.

**Strategy** FMR normally invests at least 80% of the fund's assets in non-U.S. securities. Normally invests the fund's assets primarily in common stocks.

## TARGET ALLOCATIONS FOR PORTFOLIOS FOR 6/30/11: INDEX FUNDS

### Age-Based Portfolios

	Index Portfolio 2027	Index Portfolio 2024	Index Portfolio 2021	Index Portfolio 2018
<b>Equity Funds: Domestic</b>				
Spartan Total Market Index Fund	60.67%	55.18%	46.74%	37.16%
<b>Equity Funds: International</b>				
Spartan International Index Fund	26.00%	23.65%	20.03%	15.93%
<b>Fixed-Income Funds: Investment Grade</b>				
Spartan Intermediate Treasury Bond Index Fund	13.33%	21.17%	29.90%	37.46%
<b>Short-Term Bond and Money Market Funds</b>				
Fidelity Institutional Money Market	0.00%	0.00%	3.33%	9.45%

### Spartan International Index Fund

**Objective** Seeks to provide investment results that correspond to the total return of foreign stock markets.

**Strategy** Geode normally invests at least 80% of the fund's assets in common stocks included in the Morgan Stanley Capital International Europe, Australasia, Far East<sup>®</sup> (MSCI<sup>®</sup> EAFE<sup>®</sup>) Index which represents the performance of foreign stock markets. Geode may lend the fund's securities to earn income for the fund.

### Fixed-Income Funds: High Yield

#### Fidelity Capital & Income Fund

**Objective** Seeks to provide a combination of income and capital growth.

**Strategy** FMR invests the fund's assets in equity and debt securities, including defaulted securities, with an emphasis on lower-quality debt securities. FMR may invest in companies whose financial condition is troubled or uncertain. FMR may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers.

#### Fidelity High Income Fund

**Objective** Seeks high current income. Growth of capital may also be considered.

**Strategy** FMR normally invests the fund's assets primarily in income-producing debt securities, preferred stocks, and convertible securities, with an emphasis on lower-quality debt securities. FMR may invest in companies in troubled or uncertain financial condition and in domestic and foreign issuers. FMR may potentially invest the fund's assets in non-income producing securities, including defaulted securities and common

stocks. FMR manages the fund to have a similar credit quality distribution to that of the BofA Merrill Lynch US High Yield Constrained Index<sup>SM</sup>.

### Fixed-Income Funds: Investment Grade

#### Fidelity Government Income Fund

**Objective** Seeks a high level of current income, consistent with the preservation of principal.

**Strategy** FMR normally invests at least 80% of the fund's assets in U.S. Government securities and repurchase agreements for those securities. Invests in instruments related to U.S. Government securities. The fund is managed to have similar overall interest rate risk to the Barclay Capital 75% U.S. Government/25% U.S. MBS Blend Index.

#### Fidelity Strategic Real Return Fund

**Objective** Seeks real returns consistent with reasonable investment risk.

**Strategy** Allocates the fund's assets among four general investment categories: inflation-protected debt securities, floating rate loans, commodity-linked notes and related investments, and real estate investment trusts (REITs) and other real estate-related investments. Uses a neutral mix of approximately 30% inflation-protected debt securities, 25% floating-rate loans, 25% commodity-linked notes and related investments, and 20% REITs and other real estate-related investments. Invests in domestic and foreign issuers. FMR analyzes a security's structural features and current pricing, its issuer's potential for success, and the credit, currency, and economic risks of the security and its issuer to select investments.

				Static Portfolios		
Index Portfolio 2015	Index Portfolio 2012	Index Portfolio 2009	Index College Portfolio	Index 100% Equity Portfolio	Index 70% Equity Portfolio	Index Conservative Portfolio
27.45%	17.36%	14.00%	14.00%	70.00%	49.00%	0.00%
11.76%	7.44%	6.00%	6.00%	30.00%	21.00%	0.00%
41.50%	40.38%	40.00%	40.00%	0.00%	30.00%	45.00%
19.29%	34.82%	40.00%	40.00%	0.00%	0.00%	55.00%

## Fidelity Total Bond Fund

**Objective** Seeks a high level of current income.

**Strategy** Normally invests at least 80% of the fund's assets in debt securities of all types and repurchase agreements for those securities, using the Barclays Capital U.S. Universal Index as a guide in allocating assets across the investment-grade, high-yield, and emerging market asset classes. Invests up to 20% of its assets in high-yield and emerging market debt securities. Invests in domestic and foreign securities.

## Spartan Intermediate Treasury Bond Index Fund

**Objective** Seeks a high level of current income.

**Strategy** FMR normally invests at least 80% of the fund's assets in bonds included in the Barclays Capital 5-10 Year U.S. Treasury Bond Index. The fund normally maintains a dollar-weighted average maturity of 3 to 10 years. FMR uses statistical sampling techniques based on duration, maturity, interest rate sensitivity, security structure, and credit quality. Engaging in transactions that have a leveraging effect on the fund.

## Short-Term Bond and Money Market Funds

### Fidelity Short-Term Bond Fund

**Objective** Seeks to obtain a high level of current income consistent with preservation of capital.

**Strategy** FMR normally invests at least 80% of the fund's assets in investment-grade debt securities of all types and repurchase agreements for those securities. The fund normally maintains a dollar-weighted average maturity of 3 years or less. The fund is managed to have similar overall interest rate risk to the Barclays Capital 1-3 Year Government/Credit Bond Index. Invests in domestic and equity securities.

### Fidelity Cash Reserves

**Objective** Seeks as high a level of current income as is consistent with the preservation of capital and liquidity.

**Strategy** FMR invests the fund's assets in U.S. dollar-denominated money market securities of domestic and foreign issuers and repurchase agreements. FMR also may enter into reverse repurchase agreements for the fund. FMR will invest more than 25% of the fund's total assets in the financial services industry. FMR complies with industry-standard requirements for money market funds regarding the quality, maturity, and diversification of the fund's investments. Although Fidelity Cash Reserves is managed to maintain a stable \$1.00 share price, there is no guarantee that the fund will be able to do so. It is important to note that neither the fund's share price nor its yield is guaranteed by the U.S. government.

### Fidelity Institutional Money Market

**Objective** Seeks to obtain as high a level of current income as is consistent with the preservation of principal and liquidity within the limitations prescribed for the fund.

**Strategy** The fund invests in U.S. dollar-denominated money market securities of domestic and foreign issuers rated in the highest category by at least two nationally recognized rating services, or by one if only one rating service has rated a security or if unrated, determined to be of equivalent quality by FMR, U.S. Government securities and repurchase agreements, and potentially entering into reverse repurchase agreements. The fund invests

more than 25% of its assets in the financial services industries and invests in compliance with industry-standard requirements for money market funds for the quality, maturity, and diversification of investments. It is important to note that neither the fund's share price nor its yield is guaranteed by the U.S. government.

## Main Investment Risks of the Funds

### Risk Overview

Many factors affect a fund's performance. An equity or bond fund's share price and (when applicable) yield change daily based on changes in market conditions and interest rates and in response to other economic, political, or financial developments. An equity or bond fund's reaction to these developments will be affected by the types and (when applicable) maturities of the securities in which the fund invests, the financial condition, industry and economic sector, and geographic location of an issuer, and the fund's level of investment in the securities of that issuer.

### Risks Common to Most Funds

The following factors can significantly affect a given fund's performance:

**Stock market volatility.** The value of equity securities fluctuates in response to issuer, political, market, and economic developments. In the short term, equity prices can fluctuate dramatically in response to these developments. Different parts of the market and different types of equity securities can react differently to these developments. For example, large-cap stocks can react differently from small-cap stocks, and growth stocks can react differently from value stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole.

**Interest rate changes.** Debt and money market securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt or money market security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities, mortgage securities, and the securities of issuers in the financial services sector can be more sensitive to interest rate changes. In other words, the longer the maturity of a security, the greater the impact a change in interest rates could have on the security's price. In addition, short-term and long-term interest rates do not necessarily move in the same amount or the same direction. Short-term securities tend to react to changes in short-term interest rates, and long-term securities tend to react to changes in long-term interest rates.

**Foreign exposure.** Foreign securities, foreign currencies, securities issued by U.S. entities with substantial foreign operations, and securities for which an entity located in a foreign country provides credit support or a maturity-shortening structure can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently

from the U.S. market. Extensive public information about the issuer or provider may not be available and unfavorable political economic or governmental developments could affect the value of the security.

**Emerging market exposure.** Investing in emerging markets can involve risks in addition to and greater than those generally associated with investing in more developed foreign markets. The extent of economic development; political stability; market depth, infrastructure, and capitalization; and regulatory oversight can be less than in more developed markets. Emerging market economies can be subject to greater social, economic, regulatory, and political uncertainties. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

**Geographic concentration.** Political and economic conditions and changes in regulatory, tax, or economic policy in a country could significantly affect the market in that country and in surrounding or related countries.

**Industry concentration.** Market conditions, interest rates, and economic, regulatory, or financial developments could significantly affect a group of related industries, and the securities of companies in that group of related industries could react similarly to these or other developments.

The technology industries can be significantly affected by obsolescence of existing technology, short product cycles, falling prices and profits, and competition from new market entrants.

**Financial services exposure.** Financial services companies are highly dependent on the supply of short-term financing. The value of securities of issuers in the financial services sector can be sensitive to changes in government regulation and interest rates and to economic downturns in the United States and abroad.

**Prepayment.** Many types of debt securities, including mortgage securities, are subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility.

**Issuer-specific changes.** Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect the credit quality or value of an issuer's securities. Entities providing credit support or a maturity-shortening structure also can be affected by these types of changes. If the structure of a security fails to function as intended, the security could decline in value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources. Lower-quality debt securities (those of less than investment-grade quality) and certain types of other securities tend to be particularly sensitive to these changes than higher-quality debt securities.

Lower-quality debt securities and certain types of other securities involve greater risk of default or price changes due to changes in

the credit quality of the issuer. The value of lower-quality debt securities and certain types of other securities often fluctuates in response to company, political, or economic developments and can decline significantly over short periods of time or during periods of general or regional economic difficulty. Lower-quality debt securities can be thinly traded or have restrictions on resale, making them difficult to sell at an acceptable price. The default rate for lower-quality debt securities is likely to be higher during economic recessions or periods of high interest rates.

**Quantitative investing.** The value of securities selected using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as a whole or securities selected using only fundamental analysis. The factors used in quantitative analysis and the weight placed on those factors may not be predictive of a security's value. In addition, factors that affect a security's value can change over time and these changes may not be reflected in the quantitative model.

**Small cap investing.** The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers and can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. Smaller issuers can have more limited product lines, markets and financial resources.

**Growth investing.** Growth stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. Growth stocks tend to be more expensive relative to their earnings or assets compared to other types of stocks. As a result, growth stocks tend to be sensitive to changes in their earnings and more volatile than other types of stocks.

**Value investing.** Value stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. Value stocks tend to be inexpensive relative to their earnings or assets compared to other types of stocks. However, value stocks can continue to be inexpensive for long periods of time and may not ever realize their full value.

**Defensive strategies.** In response to market, economic, political, or other conditions, FMR may temporarily use a different investment strategy for defensive purposes. If FMR does so, different factors could affect a fund's performance and the fund may not achieve its investment objective.

## Risk Inherent in Trust Structure

### Risk Overview

The investment Portfolios of the Trust are not legally insulated from each other. If a Portfolio incurs losses that exceed its assets, the value of investments in other Portfolios could be affected, and you may suffer a loss as a result even if you did not invest in the Portfolio that incurred the loss.

## Social Choice Portfolio – Investment Risks

### Risk Overview

Geode may also buy and sell futures contracts, swaps, and exchange traded funds, to increase or decrease the Portfolio's

exposure to changing security prices, interest rates, or other factors that affect security values. If such strategies do not work as intended, the Portfolio may not achieve its objective.

The Portfolio's ability to use futures, options and swaps may expose the Portfolio to leverage, which under certain market conditions may amplify the effect of market movements on the Portfolio's Unit value.

The Portfolio may lend securities from time to time in order to earn additional income. If a borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, the Portfolio could experience delays and costs in recovering the securities loaned or in gaining access to the collateral.

## THE BANK DEPOSIT PORTFOLIO

The ScholarShare Plan offers account owners the ability to select among many Portfolios for their college savings needs, including the Bank Deposit Portfolio. The Bank Deposit Portfolio is a portfolio composed exclusively of a deposit in a FDIC-insured interest-bearing omnibus Negotiable Order of Withdrawal ("NOW") deposit account held at Wells Fargo Bank, N.A. (the "Bank") **Although the underlying deposits are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the Bank Deposit Portfolio are not insured or guaranteed by the FDIC or any other government agency. You are responsible for monitoring the total amount of your assets on deposit at the Bank, including amounts held directly at the Bank. All such deposits held in the same ownership capacity at the Bank are subject to aggregation and to the current FDIC insurance coverage limitation of \$250,000.**

### Investment Objective

The Investment Objective of the Bank Deposit Portfolio is the preservation of principal. The Bank Deposit Portfolio will deposit 100% of its assets in a FDIC-insured interest-bearing omnibus NOW account at the Bank.

### FDIC Insurance Coverage

Your interest in the assets in the underlying deposit account of the Bank Deposit Portfolio on deposit at the Bank, together with any other deposits you may have at the Bank, are eligible for FDIC insurance up to a standard maximum amount, which is currently set at \$250,000 for a single ownership account, in accordance with the rules of the FDIC. The applicable FDIC insurance limit depends on the ownership capacity in which you hold the assets, and the relevant limit will be applied in the aggregate to all deposits held in the same ownership capacity by you at the same Bank. Deposits held in different ownership capacities, as provided in FDIC rules, are insured separately. For more information, please visit [www.fdic.gov](http://www.fdic.gov).

**Deposits:** Your contributions to the Bank Deposit Portfolio will automatically be swept on the next business day after receipt (not including bank holidays or days on which the New York Stock Exchange is closed, such as Good Friday) into the underlying deposit account established by Fidelity on behalf of the

Trust at the Bank. Please note, if as a result of this process, you have deposits in excess of the standard maximum amount eligible for FDIC insurance at the Bank, those funds will not be covered by FDIC insurance.

**Withdrawals:** If you request a withdrawal from the Bank Deposit Portfolio, the funds will be automatically swept out of the Bank and into your ScholarShare Plan Account at the end of a business day.

Neither Fidelity, The ScholarShare College Savings Plan, the state of California, the ScholarShare Investment Board, the Trust, nor the Trustee is responsible for monitoring the aggregate amount of your assets on deposit at the Bank to determine whether it exceeds the limit of available FDIC insurance. You are responsible for monitoring the total amount of your assets on deposit at the Bank (including amounts in other accounts at the Bank held in the same right and legal capacity) in order to determine the extent of deposit insurance coverage available to you on those deposits, including your interest in the Bank Deposit Portfolio. If your total assets on deposit at the Bank exceed the applicable FDIC insurance limit, the FDIC will not insure your assets in excess of the limit.

### Interest Rate

You will earn a rate of return on the money you contribute to the Bank Deposit Portfolio. The return you receive is based on the interest rate paid by the Bank, which will generally be equivalent to the prior business day's daily Federal Funds Effective Rate but in no case less than 0.14%, less any program management fees, state fees, and administration fees associated with the Bank Deposit Portfolio. The rate of interest paid by the Bank will vary over time and can change daily without notice to you. Over any given period, the rate of interest may be lower than the rate of return on similar non-FDIC-insured investments or deposit accounts offered by the Bank outside of the ScholarShare Plan. Interest is accrued daily, paid monthly, and will be reflected in the net asset value ("NAV") of the Bank Deposit Portfolio. Interest begins to accrue on the business day the funds are received by the Bank, which will typically be the first business day (excluding bank holidays or days on which the New York Stock Exchange is closed) after the day those funds are posted to your Account.

### Investment Risks

The following is a summary of investment risks associated with the Bank Deposit Portfolio.

**FDIC Insurance Risk:** Although your interest in the assets of the Bank Deposit Portfolio on deposit at the Bank, together with any other deposits you may have at the Bank, are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the Bank Deposit Portfolio are not insured or guaranteed by the FDIC or any other government agency. You are responsible for monitoring the total amount of your assets on deposit at the Bank (including amounts in other accounts at the Bank held in the same right and legal capacity) in order to determine the extent of deposit insurance coverage available to you on those deposits, including your Bank Deposit Portfolio deposits.

*Additional Information, continued*

**Interest Rate Risk:** The interest rate paid by the Bank is based on a number of factors, including general economic and business conditions. The rate of interest is based on the daily Federal Funds Effective Rate but in no case less than 0.14%, less any program management fees, state fees, and administration fees associated with the Bank Deposit Portfolio. The rate of interest will vary over time and can change daily without notice to you.

**Ownership Risk:** You own Units of the Bank Deposit Portfolio. You do not have an ownership interest or any other rights as an owner or shareholder of the underlying deposit account in which the Bank Deposit Portfolio invests. You cannot access or withdraw your money from the Bank Deposit Portfolio by contacting the Bank directly. You must contact Fidelity to perform any transactions in your Account. The assets in the Bank Deposit Portfolio on deposit at the Bank are subject to legal process such as a levy or garnishment delivered to Fidelity to the same extent as if those assets were invested in any other ScholarShare Plan Portfolio.

**Regulatory Risk:** The status of the FDIC regulations applicable to 529 college savings plans are subject to change at any time. It is not possible to predict the impact any such change in the regulations would have on the Bank Deposit Portfolio.

**Bank Changes:** At any time, the Trustee may change the Bank that holds the deposits of the Bank Deposit Portfolio and instruct the transfer of assets from the Bank Deposit Portfolio to an underlying deposit account at a new bank insured by the FDIC. Fidelity and the Trustee reserve the right to limit the amount of money that is deposited in the Bank or a replacement bank if Fidelity or the Trustee determine (i) that such an action is necessary to protect your assets, (ii) that the Bank or a replacement bank is not able or willing to take additional deposits, (iii) that the Trustee has instructed the removal of the Bank or a replacement bank from the ScholarShare Plan, or (iv) that the Bank's or a replacement bank's financial condition or viability is in question. In such an event, your assets in the Bank Deposit Portfolio would be placed in the ScholarShare Plan's Money Market Portfolio. Assets in the Money Market Portfolio are not eligible for FDIC insurance protection.

**Bank Viability Risk:** Neither Fidelity, The ScholarShare College Savings Plan, the state of California, the Trust, nor the Trustee guarantees in any way the financial condition or ongoing viability of the Bank or a replacement bank.



# Participant Agreements

## **PARTICIPATION AGREEMENT FOR THE SCHOLARSHARE COLLEGE SAVINGS PLAN**

*Established and Maintained by the state of California and Managed by Fidelity Investments®*

### **General Information**

Read this agreement and complete a Fidelity Brokerage Services LLC brokerage account application and mail it to:

Fidelity Investments College Plan Service Center, P.O. Box 770001, Cincinnati, OH 45277-0015

The Participant (you), the Golden State ScholarShare College Savings Trust (the Trust), and Fidelity Brokerage Services LLC (FBS) agree as follows:

### **1. Accounts and Beneficiaries**

- A. **Opening Accounts.** You may open one or more Accounts. The purpose of each Account is to provide for the qualified higher education expenses (as defined in section 529 of the Internal Revenue Code of 1986, as amended (the Code)) of one Beneficiary.
- B. **Separate Accounts.** The Trust will maintain a separate ScholarShare Plan Account for each Beneficiary. Each ScholarShare Plan Account will be governed by this Agreement. All assets held in your ScholarShare Plan Accounts will be held for the exclusive benefit of you and your Beneficiaries.
- C. **Naming and Changing Beneficiaries.** You will name the Beneficiary for a ScholarShare Plan Account in the Account application. You can change the Beneficiary at any time, but no one else can change the Beneficiary. The new Beneficiary must be a "member of the family" of the original Beneficiary, as that term is defined under section 529(e)(2) of the Code. The designation of the new Beneficiary will be effective on the first day following receipt of the appropriate form, properly completed. You may not change the Beneficiary of a UGMA/UTMA 529 Plan account. UGMA/UTMA assets must be used for the benefit of the minor/beneficiary.

### **2. Investments**

- A. **Investments to be in Cash.** All investments will be in cash in order to comply with the requirements of the Code. Cash means only i) checks, ii) electronic funds transfers from your bank, iii) payroll deductions made by your employer, iv) funds wired through the Federal Reserve system and v) proceeds transferred from your Fidelity Investments mutual fund or brokerage account.
- B. **Minimum Initial Investment.** The initial investment in each Account will be at least \$15 if you agree to invest at least \$15 each month thereafter, or \$45 each quarter thereafter. Otherwise the minimum initial investment is \$50, and you do not need to make any additional investment.

- C. **Additional Investments.** You may make additional investments of at least \$25 at any time, subject to the overall limit described in the next paragraph.

- D. **Maximum Contribution Limit.** The Trust will set a maximum contribution limit for each Beneficiary periodically. If there are no Accounts open for a Beneficiary at the end of a calendar year the most that can be invested for the Beneficiary in the next calendar year is the maximum contribution limit. If any Accounts are open for a Beneficiary on December 31, the limit for the next year will be the maximum contribution limit for the next year less the value of all Accounts in the Trust for the Beneficiary as of December 31. The Trust will inform the Participant of the maximum contribution limit for each year. The Trust will return the portion of any investment that exceeds the maximum contribution limit. The limit will be designed to comply with the excess contribution limit required by section 529(b)(6) of the Code.

### **3. Distributions from Accounts**

You may direct the Trustee to distribute part or all of the money in a ScholarShare Plan Account at any time.

- A. You may complete a College Savings Distribution Form containing information required by the Trustee. The Trustee may change the form from time to time. You may also request distributions by telephone or through the Internet. The Trustee may limit telephone or Internet distributions, or impose special conditions on such distributions.
- B. Notwithstanding any other provision of this agreement, the Trustee may terminate an Account upon a determination that you or the Account's Beneficiary has provided false or misleading information to the Trust, FBS, or an eligible educational institution. The Trustee will pay you the balance in the Account less any state or federal taxes to be withheld.

### **4. Your Representations and Acknowledgments**

You hereby represent and warrant to, and agree with the Trust and FBS as follows:

- A. You have received and read the document entitled **The SCHOLARSHARE COLLEGE SAVINGS PLAN FACT KIT** and have carefully reviewed all the information contained therein, including information provided by or with respect to the Trust and FBS. You have been given an opportunity within a reasonable time prior to the date of this Agreement to ask questions and receive answers concerning i) an investment in the ScholarShare Plan, ii) the terms and conditions of the Trust, and iii) this Agreement and the FBS customer agreement, and to obtain such additional information necessary to verify the accuracy of any information furnished. You have had the opportunity to ask questions of a representative of the Trust and have received satisfactory answers to any questions asked. You understand that you are investing in the ScholarShare College Savings Plan and not the ScholarShare Advisor Plan also offered by the Trust.
- B. You acknowledge and agree that the value of any Account will increase or decrease each day that the New York Stock

Exchange is open for trading, based on the investment performance of the investment Portfolio of the Trust in which the Account is then invested, and that each investment portfolio (Portfolio) of the Trust (except for Social Choice portfolio, which invests directly in individual securities) will (i) invest in mutual funds selected by Strategic Advisers, Inc., or one or more other investment advisers that may be hired by the Trust or (ii) direct assets to an interest-bearing deposit account at a bank insured by the Federal Deposit Insurance Corporation ("FDIC"). **YOU UNDERSTAND THAT THE VALUE OF ANY ACCOUNT MAY BE MORE OR LESS THAN THE AMOUNT INVESTED IN THE ACCOUNT.** You agree that all investment decisions for each Portfolio that invests in securities (as that term is defined under the Securities Act of 1933, the Investment Company Act of 1940, or the Investment Advisers Act of 1940) will be made by Strategic Advisers, Inc., or any other adviser hired by the Trust. You agree that all administrative and management decisions of each Portfolio that directs assets to an interest-bearing deposit account at a bank insured by the FDIC will be made by FBS at the direction of the Trustee. You agree that you will not direct the investment of any funds invested in any Portfolio, either directly or indirectly. You also acknowledge and agree that none of the state of California, ScholarShare Investment Board, the Trust, the Trustee, FBS, Strategic Advisers, Inc., Geode Capital Management, LLC or any other adviser or consultant retained by or on behalf of the Trust makes any guarantee that you will not suffer a loss of the amount invested in any Account.

- C. You understand that so long as Strategic Advisers, Inc. serves as investment manager to the Trust, it will invest the assets of the Portfolios that invest in securities (as that term is defined under the Securities Act of 1933, the Investment Company Act of 1940, or the Investment Advisers Act of 1940) primarily or exclusively in Fidelity Investments mutual funds, and that any successor investment manager may invest in any mutual funds registered with the United States Securities and Exchange Commission or other investments approved by the Trustee. You also understand that the assets in the Portfolios that invest in securities (as that term is defined under the Securities Act of 1933, the Investment Company Act of 1940, or the Investment Advisers Act of 1940) will be allocated among actively managed and index stock mutual funds, bond mutual funds and/or money market mutual funds while Strategic Advisers, Inc. serves as investment manager of the Trust. You understand that Social Choice Portfolio, which is managed by Geode Capital Management, LLC will invest in individual securities.
- D. You understand that there are five types of Portfolios. One type of Portfolio (Age-Based) invests in a mix of mutual funds and becomes more conservative over time. A second type of Portfolio (Static) maintains a fixed asset allocation among equity, bond, and/or money market funds. A third type of Portfolio (Individual Fund) invests in a single mutual

fund. A fourth type of Portfolio (Social Choice) invests directly in individual securities. A fifth type of Portfolio (Bank Deposit Portfolio) that holds assets on deposit in an interest-bearing deposit account at a bank insured by the FDIC.

- E. You also understand that you may allocate your contributions to one or more of the Portfolios as you choose, but that you may transfer values in an Account among Portfolios only i) once each calendar year and ii) upon a change of Beneficiary.
- F. You acknowledge and agree that participation in the ScholarShare Plan does not guarantee that any Beneficiary: i) will be accepted as a student by any institution of higher education; ii) if accepted, will be permitted to continue as a student; iii) will be treated as a state resident of any state for tuition purposes; iv) will graduate from any institution of higher education; v) will achieve any particular treatment under applicable state or federal financial aid programs, or vi) will achieve any particular rate of return in the Account to cover fully all qualified higher education expenses of attending an institution of higher education. You also acknowledge and agree that none of the ScholarShare Investment Board, the Trust, the Trustee, FBS, Strategic Advisers, Inc., Geode Capital Management, LLC, or any other adviser or consultant retained by or on behalf of the Trust makes any such representation or guarantee.
- G. You acknowledge and agree that no Account will be used as collateral for any loan. Any attempted use of an Account as collateral for a loan will be void.
- H. You acknowledge and agree that you may not assign or transfer any interest in any Account. Any attempted assignment or transfer of such an interest will be void.
- I. You acknowledge and agree that the Trust will not loan any assets to you or any Participant or Beneficiary.
- J. You agree and acknowledge that the Plan is established and maintained by the State of California pursuant to state law and is intended to qualify for certain federal income tax consequences under section 529 of the Code. You further acknowledge that such federal and state laws are subject to change, sometimes with retroactive effect, and that none of the State of California, the Trust, the Trustee, FBS, Strategic Advisers, Inc., Geode Capital Management, LLC or any adviser or consultant retained by the Trust makes any representation that such state or federal laws will not be changed or repealed.
- K. You agree to the terms of the Trust.

## 5. Fees and Expenses

The Trust will make certain charges against each Account in order to provide for the costs of administration of the Accounts and such other purposes as the Trustee shall determine appropriate.

- A. Daily Charge. (i) Each investment Portfolio of the Trust that invests in actively-managed stock, bond, and/or money market mutual funds will be subject to a daily charge at an

annual rate of 0.20 percent of its net assets, (ii) each investment Portfolio of the Trust that invests in index stock, bond, and/or money market mutual funds will be subject to a daily charge at an annual rate of 0.15 percent of its net assets, (iii) each investment Portfolio of the Trust that invests in individual securities will be subject to a fee that will vary based on the difference between an annualized rate of 0.80 percent and the current estimated annual expense ratio of the Portfolio and (iv) each investment Portfolio of the Trust that directs assets to an interest-bearing deposit account at a bank insured by the FDIC will be subject to (a) a daily charge of a Program Management Fee and State Fee (together the "Program Fee") at an annual rate of 0.05% to 0.10%, depending on the daily Federal Funds Target Rate as set forth in the table below, of its net assets and (b) a daily charge of a Bank Administration Fee at an annual rate of 0.00% to 0.40%, depending on the daily Federal Funds Target Rate as set forth in the table below, of its net assets.

Federal Funds Target Rate	Program Fee	Bank Administration Fee
0.00% – < 0.50%	0.05%	0.00%
0.50% – < 0.75%	0.10%	0.20%
0.75% +	0.10%	0.40%

B. You agree and acknowledge that, in addition, each of the mutual funds that is chosen by Strategic Advisers, Inc., or other investment advisers that may be hired by the Trust, also will have investment management fees and other expenses. A Portfolio will not invest in any mutual fund if a sales load would be imposed on that investment.

## 6. Necessity of Qualification

The Trust intends to qualify for favorable federal tax treatment under section 529 of the Code. You agree and acknowledge that qualification under Section 529 of the Code is vital, and agree that the Trustee may amend this Participation Agreement upon a determination that such an amendment is required to maintain such qualification.

## 7. Audit

FBS shall cause the Portfolios and their assets to be audited at least annually by a certified public accountant selected by FBS subject to approval by the Executive Director of the ScholarShare Investment Board. A copy of the annual report for the Portfolios in the ScholarShare Plan can be obtained on [www.scholarshare.com](http://www.scholarshare.com) or by calling 1-800-544-5248.

## 8. Reporting

The Trust, through the FBS brokerage account in which Trust Units will be held, will make quarterly and annual reports of Account activity and the value of each Account.

## 9. Participant's Indemnity

You recognize that each ScholarShare Plan Account will be established based upon your statements, agreements, representations and warranties set forth in this Agreement. You agree to indemnify and to hold harmless the state of California, Trust, the Trustee, FBS, Strategic Advisers, Inc. and any representatives of the state of California, Trust, the Trustee, FBS, or Strategic Advisers, Inc. from and against any and all loss, damage, liability or expense, including costs of reasonable attorney's fees, to which they may be put or which they may incur by reason of, or in connection with, i) any misstatement or misrepresentation made by you or any Beneficiary of yours, ii) any breach by you of the acknowledgments, representations or warranties contained herein, or iii) any failure by you to fulfill any portion of this agreement. You agree that all statements, representations and warranties will survive the termination of this Agreement.

## 10. Amendment and Termination

Nothing contained in the Trust or this Participation Agreement shall constitute an agreement or representation by the Trustee or anyone else that the Trust will continue in existence. At any time the Trustee may amend this Participation Agreement or suspend or terminate the Trust by giving written notice of such action to the Participant, so long as after the action the assets in your Accounts are still held for the exclusive benefit of you and your Beneficiaries.

## 11. Governing Law

The Participation Agreement shall be construed, administered, and enforced according to the laws of the state of California, except as superseded by federal law or statute.

## SUCCESSOR DESIGNATION AGREEMENT

### General Information

Fidelity Brokerage Services LLC (FBS) Successor Designation Agreement provides a way for a Participant who owns a FBS brokerage account holding Units of interest in a 529 College Investing Plan managed by Fidelity Investments (a 529 Account) to transfer the 529 Account at death to the Participant's designated successor. The 529 College Investing Plans are New Hampshire's UNIQUE College Investing Plan, Delaware's College Investment Plan, Massachusetts' U.Fund® College Investing Plan, Arizona's Fidelity Arizona College Savings Plan, and California's ScholarShare College Savings Plan.

The transfer is controlled by the terms of this Agreement and by the FBS College Investing Plan Successor Designation Form (Form) for College Investing Plan Brokerage Accounts (collectively, the Agreements) between the Participant (the account owner who has executed the Agreement) and FBS. The Form is incorporated into the Agreement by reference.

#### 1. Transfer on Death; Successor

The Agreement creates a transfer on death registration for FBS College Investing Plan brokerage accounts. At the death of the Participant, ownership of the Units of interest in a 529 College Investing Plan held in the Participant's 529 Account will be transferred to the Successor designated in the Agreement or in subsequent restatements of it received and accepted by FBS in the manner provided herein.

The Successor will be the Primary Successor named on the appropriate Form, if living on the Transfer Date (the date of death of the Participant). Otherwise it will be the Contingent Successor, if living on the Transfer Date. If neither the Primary Successor nor the Contingent Successor is living on the Transfer Date the designation will be of no force and effect, and the assets in the 529 Account will pass by operation of law to the estate of the Participant.

The Successor designation will become effective only through a written designation signed by the Participant on a form acceptable to and filed with FBS; provided however that no such written designation will be effective unless it is received and accepted by FBS no later than thirty (30) days after the Transfer Date.

#### 2. Designation Takes Precedence

The designation made under the Agreement will take precedence over any disposition contained in estate planning documents such as a will or a trust. FBS does not give legal or tax advice in connection with the Agreement, and Participants are advised to consult with their attorneys and other tax, financial and estate planning professionals they deem appropriate before completing any designation under the Agreement. The Participant acknowledges that FBS has not advised, nor has any obligation to advise, as to the suitability of the Agreement for the Participant. The Participant further acknowledges that

the Agreement does not constitute a trust, and that FBS has no fiduciary duty as a trustee under the Agreement to the Participant, any Successor under the Agreement or any other interested party.

#### 3. No Effect on Customer Agreement

The Agreement adds to and does not replace any of the terms and conditions of a Participant's FBS brokerage account customer agreement and any other agreements between the Participant and FBS that apply to the 529 Account. If any of the terms of the Agreement should conflict with those of any other agreements that apply to a Participant's brokerage account, as they are amended from time to time, the terms of the Agreement will control with respect to issues relevant to the Agreement.

#### 4. FBS's Right to Modify Agreement

The terms of the Agreement may be amended from time to time by FBS by written notice to the Participant and the terms of the Agreement in effect at the death of the Participant will control the disposition of assets under the Agreement.

FBS may at any time denote the registration of assets held in an account which is subject to the Agreement without indicating the identity of the Primary or Contingent Successors designated under the Agreement. FBS may refuse for any reason to accept any designation made by a Participant under the Agreement.

#### 5. Making Decisions

The Participant must provide Successor designations in writing on a form acceptable to FBS. The College Investing Successor Designation Form is recommended. Photocopies and facsimiles of the Form are acceptable, but an original signature of the Participant is always required. Any designation form that is not signed and dated by the Participant will not be acceptable.

#### 6. Survivorship

Only Successors identified by name may hold the 529 Account. Changes in the relationship between the Participant and any Successor, including, but not limited to, subsequent marriage, dissolution of marriage, remarriage or adoption, will not automatically add or revoke designation of Successors. For purposes of the Agreement, if a trust, or other entity is named as a Successor and such entity is not in existence on the Transfer Date, such entity will be deemed not to have survived the Participant. FBS shall be authorized to rely on copies of death certificates furnished to it by any Successor, the personal representative of the estate of the Participant, or any other source to determine the time of death of the Participant or any Successor. FBS shall also be authorized to rely on public records furnished to it by any Successor, the personal representative of the estate of the Participant, or other source as well as any representation of facts made by the Participant, the personal representative of the estate of the Participant, any Successor or representative of any Successor, or any other person deemed appropriate by FBS.

## 7. Subsequent Designations

The Participant may at any time change the designation of the Primary Successor and/or the Contingent Successor, or revoke the designations made under Agreement. A subsequent designation will automatically revoke a prior designation when it becomes effective. In order to be effective, any change or revocation must be in writing and signed by the Participant on a form acceptable to, and filed with FBS. The designation must be signed and dated by the Participant and received and accepted by FBS as provided herein. If a new form is submitted, it must be completed in full. Even if the Participant intends that a designation should be the same under the new form as it was under a previously accepted form, the Participant must fill out the item on the new form as though the Participant had never submitted a form before. A new written designation that is accepted by FBS will be effective according to its terms and has the effect of revoking all prior written designations. FBS will not honor any change made in a will, trust, premarital or other extraneous agreement, even if specific reference is made therein to the Agreement or to one or more specific accounts, except by court order delivered to FBS before it makes transfer under the Agreement.

## 8. Instructions; Third Parties

An attorney-in-fact, conservator, guardian or other duly authorized and acting representative of the Participant may not change the Successor designation unless expressly authorized by the instrument granting authority to act on the Participant's behalf. FBS may require such representative to execute a certification of the representative's authority and/or an indemnification of FBS acceptable to it as to any liability it may incur in connection with such change.

All written instructions, notices or communications required to be given to FBS shall be mailed or delivered to FBS at its designated mailing address as specified in the Form or such other address as FBS may specify, and no such instruction, notice or communication shall be effective until FBS is in actual receipt thereof.

## 9. No Transfer Before Death

Until the Transfer Date the Participant retains complete control over the assets in any account subject to the Agreement and no Successor has any interest in the account. Until the Transfer Date there will be no transfers made pursuant to the Agreement.

## 10. Agreement Takes Precedence

Transfer will be made pursuant to the Agreement without regard to any other oral or written agreement.

## 11. Disclaimers; Adverse Claims

If a Successor disclaims a transfer under the Agreement, a valid disclaimer must be presented to FBS in a manner that affords FBS reasonable opportunity to act. FBS has no duty to

withhold a transfer based on knowledge of an adverse claim unless written notice is given of the claim to afford FBS reasonable opportunity to act, and FBS shall bear no responsibility for any transfers made pursuant to the Agreement before such notice is given. In such a situation, FBS reserves the right to require a court order before making any transfers pursuant to the Agreement.

## 12. Responsibility of Successor

It is the responsibility of each Successor to notify FBS of the death of the Participant and to provide in a timely manner: i) a completed copy of the applicable FBS form; ii) a copy of the death certificate; iii) a tax waiver if required by state law; and iv) such additional information or documents as FBS may deem necessary or appropriate in its sole discretion. FBS will have no responsibility for locating any Successor. FBS reserves the right to require a Successor to open a FBS brokerage account in order to facilitate transfer of the 529 Account's assets and to execute an indemnification in the amount of the 529 Account's assets.

## 13. FBS's Right of Offset

If the deceased Participant shall have obligations to FBS which have not been paid, FBS reserves the right to liquidate units of interest to the extent that it may deem necessary, in its sole discretion, and to distribute the proceeds, net of any obligation to FBS or any obligation paid by FBS, in accordance with the Agreement.

## 14. Actions by FBS

FBS shall have no obligation to: i) locate any Successor, the spouse or legal heirs of any Participant or the personal representative of the estate of any Participant; ii) notify any person of any proposed or completed transfer of assets pursuant to the Agreement; or iii) independently verify any information submitted by any person claiming an interest in an account subject to the Agreement.

Anything to the contrary herein notwithstanding, in the event of reasonable doubt respecting the proper course of action to be taken with respect to assets subject to the Agreement, FBS reserves the right, in its sole and absolute discretion, to resolve such doubt by judicial determination which shall be binding on all parties claiming an interest in the account. In such event, all court costs, legal expenses, and other appropriate and pertinent expenses shall be borne by the assets of the account in such manner as FBS, in its sole discretion, shall determine.

## 15. If Successor is a Minor or Under a Legal Disability

If a transfer is to be made pursuant to the Agreement to a person known by FBS to be a minor or otherwise under a legal disability, FBS may, in its absolute discretion, make all, or any part of the distribution to: i) a parent of such person; ii) the guardian, conservator, or other legal representative, wherever appointed, of such person; iii) a custodial account established under a Uniform Transfer to Minors Act or similar act; iv) any

person having control of custody of such person; or v) to such person directly. If there is no existing custodial account for a minor Successor, a court-appointed guardian may be required for the administration of any assets otherwise payable to the minor. FBS reserves the right to seek the court appointment of a custodian or guardian if none is otherwise serving.

#### **16. Indemnification**

The Participant, his or her estate, and his or her successors-in-interest, including all Successors, shall fully indemnify and save harmless FBS, its agents, affiliates, control persons, successors, and assigns and their directors, officers, employees, and agents from and against all claims, actions, costs, and liabilities, including attorney's fees, by or to any person or entity, including any Successor, any creditor of the Participant, the estate of the Participant, and the Participant's heirs, successors, and assigns, arising out of or relating to: i) any conflicting designation of Successor under the Agreement made in the Participant's will, revocable living trust, or any other instrument; ii) any written change of Successor that the Participant has made and has not been accepted by FBS as provided herein; iii) any other action taken by FBS in opening and maintaining an account under the Agreement, registering assets in the name of the account and completing transfers from the account upon the Transfer Date, including, but not limited to, FBS's reliance on individuals named in this Agreement.

#### **17. Effectiveness of Agreement; Governing Law**

This Agreement and its provisions are effective immediately upon FBS's receipt and acceptance of the Agreement as provided herein. The Agreement, and the duties and obligations of FBS under the Agreement, shall be construed, administered and enforced according to the laws of the Commonwealth of Massachusetts, except as superseded by federal law or statute, as applied to contracts entered into and completely performed within said Commonwealth and shall be binding upon their heirs, personal representatives, successors and assigns of the Participant and the Successors designated by the Participant.



*Fidelity Brokerage Services LLC, Member NYSE, SIPC*

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*The ScholarShare College Savings Plan is established and maintained by the ScholarShare Investment Board, an agency of the state of California and administered by Fidelity Investments. Fidelity, Fidelity Investments, the pyramid design, and Spartan, are registered trademarks of FMR LLC. Strategic Advisers is a registered service mark of FMR LLC. The third-party marks appearing in this document are the marks of their respective owners.*

*Brokerage services provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC.*

# FIDELITY BROKERAGE 529 CUSTOMER AGREEMENT

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## General Information

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This agreement between me and Fidelity Brokerage Services LLC ("FBS") and National Financial Services LLC ("NFS") (collectively, "Fidelity" or "you") sets forth the terms and conditions governing Section 529 Qualified State Tuition Programs ("Qualified Program") and includes this General Information section and Electronic Services Customer Agreement. The Qualified Program offers a Fidelity Brokerage Services LLC limited-purpose securities account (the "securities account") in which units of the Qualified Program ("Units") may be purchased and distributed according to the terms and conditions of the Participation Agreement and Fact Kit. No other securities may be held in the securities account. I understand that the Qualified Program account may not be suitable for all investors and that I need to determine whether it is an appropriate college investing vehicle for my particular situation. The Qualified Program also offers electronic funds transfer services, including electronic Unit purchases.

**1. Nature of Services Provided** Upon acceptance of my application, I understand you will maintain a limited-purpose securities account for me and, as my broker, buy or sell Units according to my instructions and the terms and conditions of the Participation Agreement and Fact Kit. All decisions relating to my purchase or distribution of Units shall be made by me or my duly authorized representative and I accept full responsibility for such decisions.

To help the government fight the funding of terrorism and money-laundering activities, to verify my identity, federal law requires that Fidelity obtain my name, date of birth, address, and a government-issued identification number before opening my account. In certain circumstances, Fidelity may obtain and verify this information with respect to any person(s) authorized to effect transactions in my account. For certain entities, such as trusts, estates, corporations, partnerships, or other organizations, identifying documentation is also required. My account may be restricted and/or closed if Fidelity cannot verify this information. Fidelity will not be responsible for any losses or damages (including but not limited to lost opportunity) resulting from any failure to provide this information, or from any restriction placed upon, or closing of, my account. I understand the cancellation of an accepted trade in which Fidelity reasonably determines, in its sole discretion, that there was a data, clerical or other similar error in the handling or processing of the trade is not the responsibility of Fidelity.

Any information I provide to Fidelity may be shared with third parties for the purpose of validating my identity and may be shared for other purposes in accordance with Fidelity's Privacy Policy. Any information I give to Fidelity may be subject to verification, and I authorize Fidelity to obtain a credit report about me at any time. Upon written request, I will be provided the name and address of the credit reporting agency used. You also may tape record conversations with me in order to verify data about any transactions I request, and I consent to such recording. I also understand that my account is carried by National Financial Services LLC (NFS), an affiliate of FBS.

**Industry regulations require delivery of the following information to all investors upon opening a brokerage account:** This information may not necessarily apply to Qualified Program accounts. NFS transmits customer orders for execution to various exchanges and market centers based on a number of factors. These include: size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and reduced execution costs through price concessions from the market centers. Certain of the market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices. While I may specify that an order be directed to a particular market center for execution,\* NFS's order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for me. NFS reserves the right to wait for the primary exchange to open before commencing trading in a particular security.

Industry regulations require that Fidelity Brokerage Services LLC (FBS) and its clearing firm, National Financial Services LLC (NFS), allocate between them certain functions regarding the administration of my account. The following is a summary of the allocation of those functions performed by FBS and NFS.

\*Please note: Orders placed through Fidelity's telephone, electronic or online trading systems cannot specify a particular market center for execution.

FBS is responsible for:

- (a) Obtaining and verifying account information and documentation.
- (b) Opening, approving and monitoring trading and other activity in my account.
- (c) Accepting orders and other instructions from me regarding my account, and for promptly and accurately transmitting those orders and instructions to NFS.
- (d) Determining the suitability of investment recommendations and advice, and that those persons placing instructions for my account are authorized to do so. NFS will not give me advice about my investments and will not evaluate the suitability of investments made by me, my investment representative or any other party.
- (e) Operating and supervising my account and its own activities in compliance with applicable laws and regulations, including compliance with federal, industry and NFS margin rules pertaining to my margin account and for advising me of margin requirements.
- (f) Maintaining the required books and records for the services it performs.
- (g) Investigating and responding to any questions or complaints I have about my account(s), confirmations, periodic statement or any other matter related to my account(s). FBS will notify NFS with respect to matters involving services performed by NFS.

NFS is responsible, at the direction of FBS, for:

- (a) The clearance and settlement of securities transactions.
- (b) The execution of securities transactions, in the event NFS accepts orders from FBS.
- (c) Preparing and sending transaction confirmations and periodic statements of my account (unless FBS has undertaken to do so).
- (d) Acting as custodian for funds and securities received by NFS on my behalf.
- (e) Following the instructions of FBS with respect to transactions and the receipt and delivery of funds and securities for my account.
- (f) Extending margin credit for purchasing or carrying securities on margin.
- (g) Maintaining the required books and records for the services it performs.

FBS and NFS receive remuneration, compensation or other considerations for directing customer orders for equity securities to particular broker-dealers or market centers for execution. Such consideration, if any, takes the form of financial credits, monetary payments or reciprocal business.

**2. Applicable Rules and Regulations** All transactions through FBS are subject to the constitution, rules, regulations, customs, and usages of the exchange, market, or clearing house where executed, as well as to any applicable federal or state laws, rules, and regulations.

**3. Purchases and Distributions** Investments by check will be used to purchase Units. I understand that access to my distribution proceeds of Units purchased with monies so advanced may be withheld for up to seven business days (20 days for foreign checks) to ensure such checks have been collected. Such withholding may result in rejection of debit items if monies are not otherwise available to me within the Fidelity brokerage account.

I ratify any instructions given on this account for the purchase or distribution of Units or any other money movement between this account or any bank accounts predesignated by me, and agree that neither you nor any Fidelity affiliate will be liable for any loss, cost, or expense for acting upon such instructions believed by you or the Fidelity affiliate to be genuine and in accordance with the procedures described in the Fact Kit.

I understand that certain fees may be applicable for services. Any such fees would be charged by the Qualified Program and debited from the Units I own.

I acknowledge that I have received and read a copy of the Participation Agreement and the Fact Kit containing a more complete description of the program and its fees, charges, and operations, and agree to the terms set forth therein.

**4. Account Protection** The securities in my account are protected in accordance with the Securities Investor Protection Corporation (SIPC) for up to \$500,000 (including up to \$250,000 for uninvested cash). We also provide additional coverage above these limits. Neither coverage protects against a decline in the value of my securities, nor does either coverage extend to certain securities that are considered ineligible for coverage. For more details on SIPC or to request an SIPC brochure, I may visit [www.sipc.org](http://www.sipc.org) or call 1-202-371-8300.

## Transactions

**5. Electronic Funds Transfer** I may elect either or both of the following electronic funds transfer services: i) telephone purchase of Units to be settled through my designated bank account; ii) direct transmission to my brokerage account of payments to be made to me by others on a reestablished basis.

Bank Wire and Fidelity Money Line® (“electronic funds transfer” or “EFT”) are two services that enable me to electronically transfer money between my bank account and my Fidelity brokerage account.

Bank Wires are processed through the Federal Reserve wire system, and are normally completed on the business day following the request.

Electronic funds transfers are processed through the Automated Clearing House (“ACH”). My bank must be an ACH member for me to use this service, and one common name must appear on both my bank and Fidelity account(s). The minimum EFT transaction is \$50 and the maximum is \$99,999. EFTs are normally completed within three business days, and credits to my account are subject to a five- to seven-day collection process.

I hereby constitute and appoint FBS my true and lawful attorney to surrender for distribution any and all Units held in my accounts with full power of substitution in the premises. FBS is hereby authorized and directed to accept and act upon any directions for distributions of Units held in my account from any authorized person (i.e., participant or participant’s authorized designee) who requests payment to be made to the bank account above. I understand and agree that FBS will not be liable for any loss, expense, or costs arising out of any request for distribution so long as FBS transmits the distribution proceeds to the bank account identified. FBS reserves the right to cease to act as agent to the above appointment upon 30 days’ written notice to the address of record listed on my application. I further certify and agree that the above certifications, authorizations, and appointments in this document will continue until FBS receives actual written notice of any change thereof.

## Settlement

**6. Payment of Items** I understand that all debit items, such as Unit purchases and electronic funds transfers, will be accumulated daily and that you will promptly pay each on my behalf to the extent that sufficient funds can be provided; first from amounts contributed by me or on my behalf and available that day.

I understand that if funds in my Fidelity brokerage account are insufficient to pay for the purchase of Units, such Units will not be purchased. I will promptly return to you any assets that you distribute to me but to which I am not entitled.

I understand that at any time Fidelity may reduce my available balance to cover obligations that have occurred but that have not yet been debited, including but not limited to withholding taxes that should have been deducted from my account.

**7. Settlement of Transactions** In the absence of a specific demand, all transactions in any of my accounts are to be paid for, no later than 4 p.m. Eastern time on the settlement date. Fidelity reserves the right to cancel or liquidate, at my risk, any transaction not timely settled.

**8. Security Interest** Any credit balances, securities, assets or related contracts, and all other property in which I may have an interest held by you or carried for my account(s) shall be subject to a general lien for the discharge of my obligations to you, and you may sell, transfer, or assign any such assets or property to satisfy any obligation, whether or not you have made advances with respect to property. Shares of any Investment Company in which I have an interest, and for which Fidelity Management & Research Company serves as investment adviser, also are subject to a general lien for the discharge of my obligation to FBS and NFS, and FBS and NFS may redeem any such shares to satisfy my obligation without further notice or demand. No provision of this agreement concerning liens or security interests shall apply to any account to the extent such application would be in conflict with any provision of ERISA or the Internal Revenue Code relating to retirement accounts or to the Qualified Program.

**9. Liability for Costs of Collection** I am liable for payment upon demand of any debit balance or other obligation owed in any of my accounts or any deficiencies following a whole or partial liquidation, and I agree to satisfy any such demand or obligation. I agree to reimburse FBS and NFS for all reasonable costs and expenses incurred in the collection of any debit balance or unpaid deficiency in any of my accounts, including, but not limited to, attorneys’ fees.

## Reporting

**10. Periodic Reporting** I will receive a statement reporting purchases of the municipal fund securities issued by 529 plans in specific amounts at specific time intervals (“periodic municipal fund security plan” transactions) each quarterly period, but will no longer receive immediate confirmation of these transactions.

I will receive a statement reporting purchases of municipal fund securities issued by 529 plans made outside of a periodic municipal fund security plan each quarterly period and will receive an immediate confirmation of these transactions.

For transactions in a 529 plan account that do not involve purchases of municipal fund securities, I will receive a monthly statement for the month in which the transactions occur and a quarterly statement each quarterly period. I will also receive an immediate confirmation of these transactions.

The brokerage statement will detail the number of Units that were purchased or redeemed for me; distribution checks, if any; electronic funds transfers; and fees assessed by the Qualified Program.

**11. Receipt of Communications** Communications by mail, messenger, telegraph, or otherwise, sent to me at the address of record listed on the application, or any other address I may give FBS, are presumed to be delivered to and received by me whether actually received or not. I understand that I should promptly and carefully review the transaction confirmations and periodic account statements and notify you promptly of any errors. Information contained in the transaction confirmations and periodic account statements is conclusive unless I object in writing within five and ten days, respectively, after it is transmitted to me.

## Other

**12. Extraordinary Events** FBS shall not be liable for any losses caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, or other conditions beyond its control, including, but not limited to, extreme market volatility or trading volumes.

**13. Termination of Account** My account may be terminated by me or, if I fail to maintain a balance in my account, by Fidelity. This agreement will remain in effect until its termination is acknowledged in writing by an authorized representative of FBS. I will remain responsible for all transactions initiated or authorized by me, whether arising before or after termination.

**14. Unclaimed Property** My account balance and certain uncashed checks issued from my account may be transferred to a state unclaimed property administrator if no activity occurs in the account or the check remains outstanding within the time period specified by the applicable state law.

**15. Modification** No provision of the agreement can be amended or waived except in writing, signed by an authorized representative of FBS. If any provision of this agreement becomes inconsistent with any present or future law or regulation of any entity having regulatory jurisdiction over it, that provision will be superseded or amended to conform with such law or regulation, but the remainder of this agreement remains in full force and effect.

This agreement and its enforcement shall be governed by the laws of the Commonwealth of Massachusetts; shall cover individually and collectively all accounts that I may open or reopen with Fidelity; and shall inure to the benefit of Fidelity’s successors and assigns, whether by merger, consolidation, or otherwise.

Fidelity may transfer my account to my successors and assigns, and this agreement shall be binding upon my heirs, executors, administrators, successors, and assigns.

**16. Fidelity BillPay® for 529 Accounts** Fidelity BillPay® for 529 Accounts service is free and allows you to pay your college-related bills online. It can be set up to make fixed payments automatically, and you can also use it to send variable payments on demand to designated payees for college-related expenses.

This feature is available to 529 accounts that have individual or trust registrations. This feature is covered by its own customer agreement, which is incorporated herein by reference and is legally considered part of this agreement. The agreement will be provided to you when you apply for the feature. If you choose this feature, it is your responsibility to understand the terms of its agreement before you begin using the feature.

## Electronic Services Customer Agreement

**1. Overview** I understand that this Agreement (“Agreement”) between Fidelity and me (Fidelity refers to Fidelity Brokerage Services LLC, Fidelity Distributors Corporation, and National Financial Services LLC, as the context may require) states the terms and conditions of my use of Fidelity’s Electronic Services. Fidelity’s Electronic Services (the “Services”) include but may not be limited to Fidelity.com, Fidelity Automated Service Telephone (FAST®), Fidelity Active Trader Pro,® Fidelity’s alerts and wireless trading services and any online securities trading or informational system, Web-based, wireless or otherwise, established by Fidelity directly or through online business partners that Fidelity may make available in the future. The Services make available to me a variety of interactive computer, hand-held device and telephone services that generally

allow me to access my Fidelity accounts, enter orders to buy and sell certain securities, and obtain quotations and other information via electronic transmission.

I agree to use the Services only in accordance with this Agreement.

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**2. Responsibilities of User; Scope of Use** I shall be the only authorized user of the Services under this Agreement and shall only use the Services for my personal, noncommercial purposes. I agree not to disseminate any information obtained under this agreement in any manner to third parties without the express written consent of Fidelity. I shall be responsible for the confidentiality and use of my password(s) and other security data, methods and devices. I understand that I shall be solely responsible for all orders electronically transmitted, or use of any data, information, or services obtained, using my passwords and other security data. I accept full responsibility for the monitoring of my account. I agree that Fidelity shall not be under a duty to inquire as to the authority or propriety of any instructions given to Fidelity by me or via my personal identification number ("PIN"), and shall be entitled to act upon any such instructions; and Fidelity will not be liable for any loss, cost, expense or other liability arising out of any such instructions. I agree that the Services are the proprietary property of Fidelity and/or third parties from which Fidelity has obtained rights.

I understand that I must use caution when placing market orders because the price of securities may change sharply during the trading day or after hours, and that if I have limited assets to pay for a transaction, such as in a retirement account with contribution restrictions, I should consider placing a limit order. In addition, I understand and agree that if I cannot pay for a transaction, Fidelity may liquidate account assets at my risk. I also understand that during periods of heavy trading or volatility, the quotes provided as "real time" may not reflect current market prices or quotes. In addition, when quotes are rapidly changing, each quote update may not be reported to me.

I represent and agree that the following statements are and will continue to be true for so long as I have access to the Services: (a) I will not use any information or market data provided by a national securities exchange or association in connection with any professional or commercial activities, and I agree to notify you if I intend to do so and to pay any additional charges in connection therewith; and (b) I will not use the Services in conjunction with any business as a broker-dealer, investment advisor, futures commission merchant, commodities introducing broker or commodity trading advisor, member of a securities exchange or association or futures contract market, or an owner, partner or associated person of any of the foregoing; and (c) if I am employed by a bank or insurance company or an affiliate of either, I will not perform functions related to securities or commodity futures trading activity, except with respect to my personal account(s) with Fidelity.

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**3. User Consent** I recognize that my use of the Services may involve the transmission to me of information that may be considered personal financial information, including but not limited to the identity and number of shares that I trade and the net dollar price for the shares. I consent to the transmission by electronic means of such information through the Services; such consent shall be effective at all times that I use the Services.

If I use a Service, I agree and consent to receive Fidelity's privacy notices or policies electronically, and to such end Fidelity and its affiliates may post privacy notices or policies on its Web sites. I understand that telephone calls to Fidelity may be monitored or recorded, and hereby consent to such monitoring or recording.

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**4. Error Notification** I understand that all trade orders placed through the Services are at my sole risk and responsibility. I further understand that I must notify Fidelity of the existence of certain circumstances relating to my use of the Services. Specifically, I agree that any trade orders given by me and any information furnished to me by use of the Services shall be subject to the following terms and conditions:

- (a) If an order has been placed through the Services and I have not received a reference number reflecting the order, I shall immediately notify Fidelity.
- (b) If an order has been placed through the Services and I have not received an accurate written confirmation of the order or of its execution within five (5) business days, I shall immediately notify Fidelity.
- (c) If I have received confirmation of an order that I did not place or any similar conflicting report, I shall immediately notify Fidelity.
- (d) If there is a discrepancy in the account balance, security positions or order status reported to me by Fidelity, I shall immediately notify Fidelity.
- (e) If there is any other type of discrepancy or suspicious or unexplained occurrence relating to the Services or my account, I shall immediately notify Fidelity.
- (f) All notifications to Fidelity pertaining to this Agreement shall be directed to:

Fidelity Investments  
Priority Services Retail Correspondence T2J  
PO Box 500  
Merrimack, NH 03054-9894  
or by calling 1-800-544-6666

- (g) I shall immediately notify Fidelity if my PIN and/or Access Device I use with the Services is lost or stolen or if there is unauthorized use of my PIN.

If I fail to notify Fidelity immediately and then follow up with a written correspondence when any of the above conditions (a)-(f) occurs (and in any event if the above condition (g) occurs), neither Fidelity nor any of its employees, agents, affiliates, subsidiaries, control persons, or its parent, nor any third parties, can or will have any responsibility or liability to me or to any other person whose claim may arise through me for any claims with respect to the handling, mishandling, or loss of any order or information. Notwithstanding my notification to Fidelity, Fidelity shall not be liable for any losses related to the Services except as expressly set forth in this Agreement. I understand that Fidelity shall not be deemed to have received any order electronically transmitted by me until Fidelity has acknowledged to me that the order has been received by Fidelity. I accept full responsibility for the monitoring of my account.

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## 5. Limitation of Liability & Disclaimer of Warranties

Any liability arising out of the Services for which Fidelity is determined to be responsible shall be limited to an amount equal to the benefit that would have resulted from the transaction during the time periods in which I should have acted, as specified in Section 4 of this Agreement. Additionally, I understand that Fidelity will not be responsible for the accuracy, completeness, timeliness or use of any information received by it or received by me through the Services; that Fidelity does not make any warranty concerning such information; and that cancellation of an accepted trade in which Fidelity reasonably determines, in its sole discretion, that there was a data, clerical or other similar error in the handling or processing of the trade is not the responsibility of Fidelity. I agree that neither Fidelity nor any third party working with Fidelity to provide services hereunder shall be responsible for any damages caused by communications line failure, unauthorized access, theft, systems failure, and other occurrences beyond its reasonable control. I agree to provide all telephone and other equipment to access the Services and I will be solely responsible for paying all charges related thereto.

I expressly acknowledge and agree that the use and storage of any information, including without limitation transaction activity, account balances, and any other information or orders available through use of the Services is at my sole risk and responsibility. NEITHER FIDELITY NOR ANY THIRD PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN RESPECT TO THE SERVICES OR ANY INFORMATION PROGRAMS OR PRODUCTS OBTAINED FROM, THROUGH, OR IN CONNECTION WITH THE SERVICES.

IN NO EVENT WILL FIDELITY OR ANY THIRD PARTY BE LIABLE FOR DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY DEFECT IN OR USE OF THE SERVICES.

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**6. Commission Policy & Other Charges** Commission discounts may be available to Fidelity brokerage accounts that utilize the Services. However, such discounts will not apply to any transactions that for any reason cannot be placed and executed through the Services.

I agree to be liable for any and all fees, charges or expenses that Fidelity may charge or that I may incur in connection with the use of the Services by me or any other person through use of my security codes, equipment, or otherwise, if any. I understand that the rates, fees, billing and terms governing services provided by Access Device vendors or Providers may be determined solely by such third party. I understand and acknowledge that Fidelity is not delivering telecommunication, Internet, paging services or any other means of electronic access and that I am responsible for maintaining appropriate contracts with third parties to obtain such services. I agree to obtain access to and be solely liable for all payments related to all equipment and Access Devices necessary to access the Services. I further understand that my ability to make use of the Services may be limited by technical or other limitations present in the equipment and Access Devices I use to access the Services.

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**7. Market Data** I understand that each participating national securities exchange or association asserts a proprietary interest in all of the market data (including without limitation real-time quotes) it furnishes to the parties that disseminate the data. I also understand that neither Fidelity nor any participating national securities exchange or association nor any supplier of market data guarantees the timeliness, sequence, accuracy, or completeness of market data or any other market information or messages disseminated by any party. Fidelity shall not be liable in any way, and I agree to indemnify and hold harmless Fidelity from and against any and all claims, demands, actions, losses, damages, liability, or costs, charges, counsel fees, and expenses of any nature ("Losses") arising from or occasioned by (a) any inaccuracy, error, or delay in, or omission of (i) any such data, information, or message or (ii) the transmission or delivery of any such data, information, or message, or (b) any Losses arising from or occasioned by (i) any such inaccuracy, error, delay, or omission, (ii) nonperformance, or (iii) interruption of any such data, information, or message, due either to any act or omission by Fidelity or any other disseminating party or to any "force majeure" (i.e., flood, extraordinary weather conditions, earthquake,

or other act of God, fire, war, insurrection, riot, labor dispute, accident, action of government, communications, power failure, or, equipment or software malfunction) or any other cause beyond the reasonable control of any disseminating party. I understand that the terms of this Agreement may be enforced directly against me by the national securities exchanges and associations providing market data to me.

Fidelity reserves the right to limit the number of free real-time quotes, including those provided through the Services.

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**8. Incorporation of Other Fidelity Agreements** I understand that my use of any Fidelity software may be subject to the terms of a separate license agreement contained with the software, and that my use of Fidelity online Services may be subject to license or usage terms posted online by Fidelity. I agree to be bound by the terms of such license agreements, including without limitation the prohibitions on distribution and copying, the exclusion of all representations and warranties, and the limitation of remedies contained therein.

I understand that all the terms and conditions that govern the account(s) at Fidelity that I access via the Services (including without limitation the Fidelity Brokerage Customer Agreement, Margin Agreement, Options Agreement, Fidelity Brokerage Retirement Account Customer Agreement, and/or applicable mutual fund prospectus(es) are incorporated herein by reference. In addition, I understand that trading in my account is subject to Fidelity's trading policies and limitations that are in effect and are subject to change from time to time.

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**9. Security** To the extent that any Services use Internet, wireless or related electronic or telephonic services to transport data or communications, Fidelity will take reasonable security precautions, but Fidelity disclaims any liability for interception of any such data or communications. Fidelity shall not be responsible for, and makes no warranties regarding, the access, speed or availability of such services.

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**10. Modification & Termination** I agree that Fidelity may modify, change, or discontinue the Services in whole or in part, at any time. I agree that Fidelity may immediately terminate its provision of the Services to me if I breach this Agreement, if I have jeopardized the proper and efficient operation of the Services, or if I engage in activity that is contrary to Fidelity's policies. Any unauthorized use of the Services, whatsoever, shall result in automatic termination of this Agreement.

Any modification, change or notification of termination will be made by Fidelity in writing. Fidelity may send such written communication by mail or electronic means.

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**11. Choice of Law** I acknowledge that this Agreement constitutes the entire agreement between Fidelity and me with respect to its subject matter. This Agreement and its enforcement shall be governed by the laws of the Commonwealth of Massachusetts, except with respect to conflicts of law, and shall inure to the benefit of Fidelity's successors and assigns, whether by merger, consolidation, or otherwise. If a court of competent jurisdiction shall deem any provision unenforceable, that provision will be enforced to the maximum extent permissible, and the remaining provisions will remain in full force and effect.

## Information about Mutual Fund Performance

A fund's yield and return will vary. Except for money market funds, a fund's share price will also vary, and I may have a gain or loss when I sell my shares. There is no assurance that money market funds will maintain a stable \$1 share price; an investment in a money market fund is not insured or guaranteed by the U.S. government.

For information on total returns (a historical measure of fund performance, including change in share price, reinvestment of dividends and capital gains, and the effect of any applicable sales charge) or for more complete information on any fund available through Fidelity, including charges and expenses, I may call 1-800-544-6666 for a free prospectus. I should read it carefully before I invest or send money.

## Information about Quotes

Fidelity reserves the right to limit the number of free quotes provided through Fidelity's Electronic Services.

## Resolving Disputes — Arbitration

This agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- (a) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- (b) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- (c) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (d) The arbitrators do not have to explain the reason(s) for their award.
- (e) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- (f) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- (g) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.


**All controversies that may arise between me and you concerning any subject matter, issue or circumstance whatsoever (including, but not limited to, controversies concerning any account, order or transaction, or the continuation, performance, interpretation or breach of this or any other agreement between me and you, whether entered into or arising before, on or after the date this account is opened) shall be determined by arbitration in accordance with the rules then prevailing of the Financial Industry Regulatory Authority (FINRA) or any United States securities self-regulatory organization or United States securities exchange of which the person, entity or entities against whom the claim is made is a member, as I may designate. If I commence arbitration through a United States self-regulatory organization or United States securities exchange and the rules of that organization or exchange fail to be applied for any reason, then I shall commence arbitration with any other United States securities exchange of which the person, entity or entities against whom the claim is made is a member. If I do not notify you in writing of my designation within five (5) days after such failure or after I receive from you a written demand for arbitration, then I authorize you to make such designation on my behalf. The commencement of arbitration through a particular self-regulatory organization or securities exchange is not integral to the underlying agreement to arbitrate. I understand that judgment upon any arbitration award may be entered in any court of competent jurisdiction.**

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action, or who is a member of a putative class action who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.



Fidelity Brokerage Services LLC, Member NYSE, SIPC  
900 Salem Street, Smithfield, RI 02917



<b>FACTS</b>	<b>What do Fidelity Investments and the Fidelity Funds do with your personal information?</b> 	
<b>WHY?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
<b>WHAT?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>■ Social Security number and employment information</li> <li>■ assets and income</li> <li>■ account balances and transaction history</li> </ul> When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.	
<b>HOW?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Fidelity Investments and the Fidelity Funds (hereinafter referred to as "Fidelity") choose to share, and whether you can limit this sharing.	
<b>REASONS WE CAN SHARE YOUR PERSONAL INFORMATION</b>	<b>DOES FIDELITY SHARE?</b>	<b>CAN YOU LIMIT THIS SHARING?</b>
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share
<b>QUESTIONS?</b>	Call 800-544-6666. If we serve you through an investment professional, please contact them directly. Specific Internet addresses, mailing addresses, and telephone numbers are listed on your statements and other correspondence.	

<b>WHO WE ARE</b>	
<b>Who is providing this notice?</b>	Companies owned by Fidelity Investments using the Fidelity name to provide financial services to customers, and the Fidelity Funds. A list of companies is located at the end of this notice.
<b>WHAT WE DO</b>	
<b>How does Fidelity protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Fidelity collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ open an account or direct us to buy/sell your securities</li> <li>■ provide account information or give us your contact information</li> <li>■ tell us about your investment portfolio</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using certain information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.
<b>DEFINITIONS</b>	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ Fidelity Investments affiliates include companies with the Fidelity name (excluding the Fidelity Funds), as listed below, and other financial companies such as National Financial Services LLC, Strategic Advisers, Inc., and Pyramis Global Advisors, LLC.</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ Fidelity does not share with nonaffiliates so they can market to you.</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ Fidelity doesn't jointly market.</li> </ul>
<b>OTHER IMPORTANT INFORMATION</b>	
<p>If you transact business through Fidelity Investments life insurance companies, we may validate and obtain information about you from an insurance support organization. The insurance support organization may further share your information with other insurers, as permitted by law.</p> <p>If you interact with Fidelity Investments directly as an individual investor (including joint account holders), we may exchange certain information about you with Fidelity Investments financial services affiliates, such as our brokerage and insurance companies, for their use in marketing products and services as allowable by law. Information collected from investment professionals' customers is not shared with Fidelity Investments affiliates for marketing purposes, except with your consent or the consent of your investment professional and as allowed by law.</p> <p>The Fidelity Funds have entered into a number of arrangements with Fidelity Investments companies to provide for investment management, distribution, and servicing of the Funds. The Fidelity Funds do not share personal information about you with other entities for any reason, except for everyday business purposes in order to service your account. For additional information, please visit <a href="http://Fidelity.com">Fidelity.com</a>.</p>	
<b>WHO IS PROVIDING THIS NOTICE?</b>	
<p>Fidelity Investments companies: Fidelity Brokerage Services LLC; Fidelity Distributors Corporation; Fidelity Investments Institutional Operations Company, Inc.; Fidelity Investments Institutional Services Company, Inc.; Fidelity Management Trust Company; Fidelity Personal Trust Company, FSB; Fidelity Investments Life Insurance Company; Empire Fidelity Investments Life Insurance Company; Fidelity Insurance Agency, Inc.; National Financial Services LLC; Strategic Advisers, Inc.; Pyramis Global Advisors, LLC</p> <p>The Fidelity Funds, which include funds advised by Strategic Advisers, Inc.</p>	

## NOTICE OF BUSINESS CONTINUITY

Fidelity is committed to providing continuous customer service and support; however, we recognize that there are potential risks that could disrupt our ability to serve you. We are confident that we have taken the necessary steps that will allow us to reduce or eliminate the impact of a business disruption.

Fidelity recognizes the responsibility we have to our customers. We have implemented a business continuity management program with a strong governance model and commitment from senior management. Our continuity program's primary objectives are to meet the needs of our customers, maintain the wellbeing and safety of our employees, and meet our regulatory obligations. The planning process is risk based and involves the understanding and prioritization of critical operations across the firm, the anticipation of probable threats, and the proactive development of strategies to mitigate the impact of those events.

Our continuity planning teams work closely with local governments and officials in the event of an outage impacting our operations. Additionally, Fidelity has identified three large scale scenarios that require particular focus: pandemics, events impacting stock and bond market operations, and cyber events. Detailed response plans have been developed and cross-discipline teams have been trained to address both day-to-day disruptions as well as these specific events.

Each Fidelity department has developed the capabilities to recover both operations and systems. All continuity plans are designed to account for disruptions of various lengths and scopes, and to ensure that critical functions are recovered to meet their business objectives. Critical business groups operate from multiple sites. Dedicated teams within our technology organizations ensure that critical applications and data have sufficient redundancy and availability to minimize the impact of an event. Key components of Fidelity's continuity and technology recovery planning include:

- Alternate physical locations and preparedness
- Alternative means to communicate with our customers
- Back-up telecommunications and systems
- Employee safety programs

Plans are tested regularly to ensure they are effective should an actual event occur. Fidelity's Business Continuity Plans are reviewed no less than annually to ensure the appropriate updates are made to account for operations, technology, and regulatory changes. Material changes will be reflected in an updated "Notice of Business Continuity Plan." You may obtain a copy of this notice at any time by contacting a Fidelity Representative.