

SCHOLARSHARE[®] COLLEGE SAVINGS PLAN FACT KIT



ScholarShare
College Savings Plan

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 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, 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 32 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 regards 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 37.*

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 38.*

Fidelity Brokerage Services LLC and its affiliated companies and subcontractors provide services to the ScholarShare Plan. This contract runs through the end of 2011, subject to earlier termination at the election of the ScholarShare Investment Board. *More, page 37.*

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

The Participant can be any 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 can be any age, must 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, 29.*

Generally, the Beneficiary of an account can be changed to an eligible family member. *More, page 27.*

For tax purposes, account contributions are gifts; for control purposes, they remain the property of the Participant until distributed. *More, pages 9, 29, 30.*

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, page 29.*

Generally, 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, page 9, 29.*

Other withdrawals are usually taxable as ordinary income; some may carry a penalty tax as well. *More, page 30.*

Types of taxes involved may include income (both federal and state), gift, generation-skipping transfer, and estate. *More, pages 9, 30.*

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 30, 34.*

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, 27, 29.*

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

Phone:

1-800-544-5248

In Person:

Call 1-800-FIDELITY 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 \$300,000, 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 the mutual funds in which each Portfolio invests and also manages the mutual funds.

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

Participants can choose an age-based or custom strategy. *More, page 25.*

You can move previously invested money among the portfolios only once per calendar year. In addition, you can also move previously invested money at any time upon a change in the designated Beneficiary. You can change the allocation for future contributions at any time. *More, page 27.*

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 invest in index mutual funds the total annual asset-based fee is 0.50%. For ScholarShare Plan Portfolios that invest in actively managed mutual funds the total annual asset-based fee base is 0.30% plus the underlying mutual fund expenses. For the Social Choice Portfolio the total annual asset-based fee is 0.80%. *More, page 20.*

The mutual funds in which the Portfolios invest also have their own expenses. *More, page 20.*

Participants can review the fee and expense structure of each Portfolio currently available through the ScholarShare Plan. *More, page 22.*

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, page 20.*

Review past performance of the underlying mutual funds in which the ScholarShare Portfolios invest. *More, page 18.*

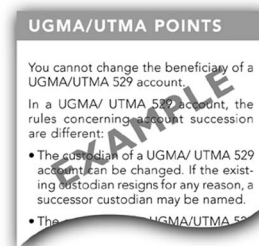
Risks of investing in the Plan

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 29.*
- 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 35.*

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.

Beneficiary – A Beneficiary is the individual for whom the account is established. You, the Participant, can set up an account for anyone, including yourself. The Beneficiary may be of any age and must have a Social Security number or Tax ID. You, the Participant, are 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 \$300,000 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), some two-year institutions, some 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.

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 actively 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.

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.

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.

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 39.

Maximum Contribution Without Gift or Generation-Skipping Transfer Tax

- \$12,000 a year from any Participant to a given Beneficiary, with no other gifts to the Beneficiary that year
- \$60,000 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 \$12,000 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 \$60,000 per individual, \$120,000 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 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 stepgrandchild (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 \$5,000, 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 \$300,000 per beneficiary

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 level, 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 new 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, 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

- Fidelity Automatic Account Builder® 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 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 level.

Making Individual Contributions

- By check – ideal for opening an account or contributing by mail or in person
- By Fidelity Money Line® – 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 all ScholarShare Plan Account. To set up this service, 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 at the "Customer Service" tab at www.fidelity.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 27.

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

Phone: 1-800-544-5248

In person: Call 1-800-FIDELITY 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.

YOUR INVESTMENT OPTIONS

The ScholarShare Plan's 28 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 or a single Fidelity mutual fund, except for 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.

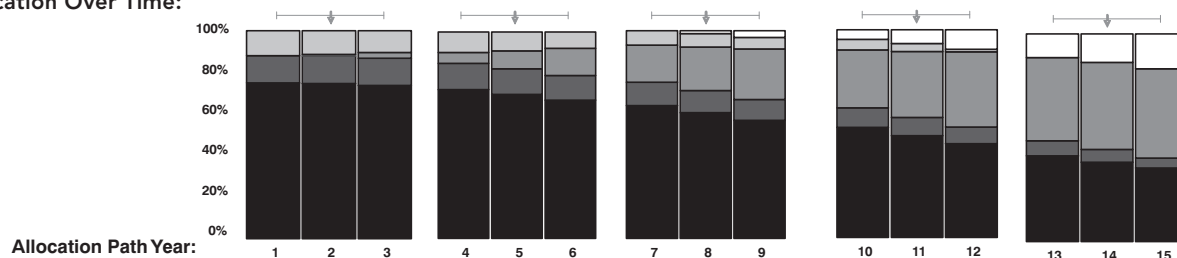
PORTFOLIO TARGET ASSET ALLOCATIONS FOR 6/30/07: ACTIVELY MANAGED FUNDS

Age-Based Portfolios

	Portfolio 2024 For Beneficiaries: Born 2005–2007	Portfolio 2021 Born 2002–2004	Portfolio 2018 Born 1999–2001	Portfolio 2015 Born 1996–1998	Portfolio 2012 Born 1993–1995
Current Target Allocation:					
Equity Funds					
■ Domestic	74.14%	68.37%	58.59%	47.08%	36.83%
■ International	13.09%	12.06%	10.34%	8.30%	5.43%
Fixed-Income Funds					
■ U.S. Investment Grade	1.77%	11.07%	22.71%	34.04%	42.50%
■ High Yield	11.00%	8.50%	6.00%	2.50%	0.00%
Short-Term Funds					
□ Short-Term	0.00%	0.00%	2.36%	8.08%	15.24%

Percentages may not add to 100% due to rounding

Target Allocation Over Time:



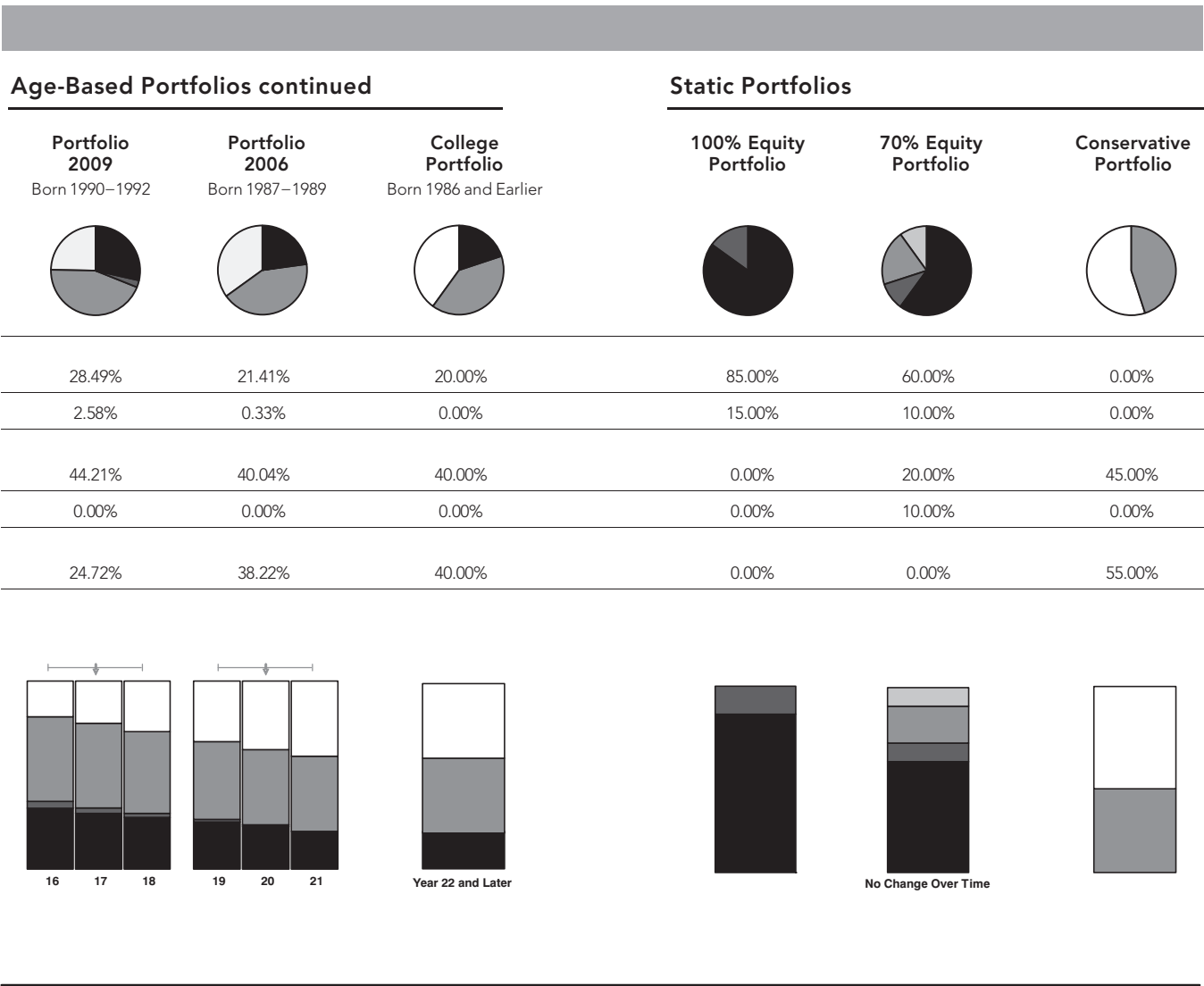
About every three years, Fidelity creates a new Age-Based Portfolio for the youngest Beneficiaries, and transfers the assets in the oldest Age-Based Portfolio to the College Portfolio.

The 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 active trading, and therefore, have greater volatility and expenses but possibly better returns. Conversely, index 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 active trading nor assumes risk exposure greater than the index, which tends to result in lower expenses and volatility but possibly lower returns.



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.

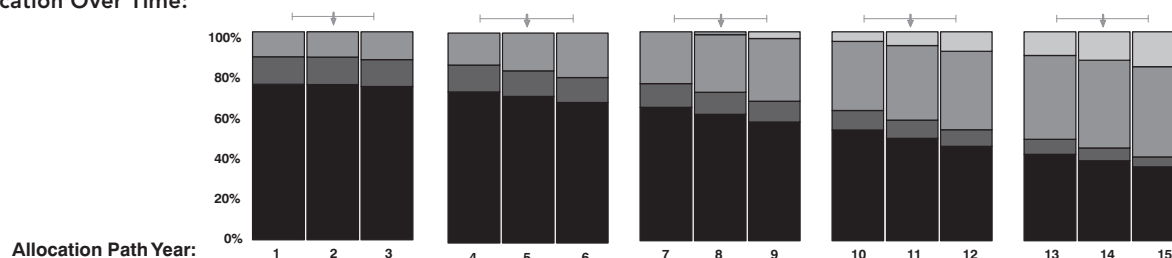
PORTFOLIO TARGET ASSET ALLOCATIONS FOR 6/30/07: INDEX FUNDS

Age-Based Portfolios

	Index Portfolio 2024 For Beneficiaries: Born 2005-2007	Index Portfolio 2021 Born 2002-2004	Index Portfolio 2018 Born 1999-2001	Index Portfolio 2015 Born 1996-1998	Index Portfolio 2012 Born 1993-1995
Current Target Allocation:					
Equity Funds					
■ Domestic	74.14%	68.37%	58.59%	47.08%	36.83%
■ International	13.09%	12.06%	10.34%	8.30%	5.43%
Fixed-Income Fund					
■ US Investment Grade	12.77%	19.57%	28.71%	36.54%	42.50%
Money Market Fund					
■ Money Market	0.00%	0.00%	2.36%	8.08%	15.24%

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. You have the option of choosing Individual Fund Portfolios that invest in actively managed mutual funds, or index mutual funds. Your options are as follows:

- **Money Market Portfolio** Invests in the actively managed Fidelity Cash Reserves fund;
- **Spartan 500 Index Portfolio** Invests in the Spartan 500 Index Fund;
- **Intermediate Treasury Index Portfolio** Invests in the Spartan Intermediate Treasury Index Fund;
- **International Index Portfolio** Invests in the Spartan International Index Fund; and
- **Total Market Index Portfolio** Invests in the Spartan Total Market Index Fund.

Social Choice Portfolio

Social Choice Portfolio seeks to outperform the KLD Broad Market SocialSM Index (BMS).

Age-Based Portfolios continued

Index Portfolio 2009
Born 1990–1992

Index Portfolio 2006
Born 1987–1989

Index College Portfolio
Born 1986 and Earlier



28.49%

21.41%

20.00%

2.58%

0.33%

0.00%

44.21%

40.04%

40.00%

24.72%

38.22%

40.00%

Static Portfolios

Index 100% Equity Portfolio



Index 70% Equity Portfolio



Index Conservative Portfolio



85.00%

60.00%

0.00%

15.00%

10.00%

0.00%

0.00%

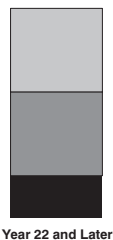
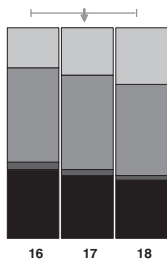
30.00%

45.00%

0.00%

0.00%

55.00%



16

17

18

19

20

21

Year 22 and Later

No Change Over Time

BMS is a float-adjusted market capitalization weighted index approximating the sector diversification of the Russell 3000 universe of stocks. BMS comprises a subset of companies from the Russell 3000[®] Index, which represents 98% of the capitalization of the U.S. equity market. BMS excludes approximately 800 of the 3000 stocks contained in the Russell 3000 Index based on KLD's evaluation of issuers' environmental, social and governance practices.

Unlike other Portfolios, Social Choice Portfolio invests directly in individual securities, not mutual funds. Social Choice Portfolio will invest primarily in stocks contained in BMS. 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 46. For information concerning the proxy voting practices of Social Choice Portfolio, please see "Proxy Voting" on page 38.

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 40.

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 37 and 38.

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 will occur on or before October 21, 2010. 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 45 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.

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 table on the next page illustrates the one-, five-, and ten-year (or life of fund) average annual and cumulative total returns for each of the underlying Fidelity mutual funds in which the Portfolios invest.¹ The figures shown reflect the deduction of all applicable mutual fund expenses and assume reinvestment of all dividends and other distributions in the funds that generate them. The figures do not reflect the deduction of ScholarShare Plan fees and expenses, which would result in lower performance. Although past performance is not an indication of future results, it can be valuable for an investor to know.

Once the ScholarShare Plan has been in existence for one year, we will illustrate Portfolio performance data in the Fact Kit.

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 an annual report, which will show the asset allocation of all of the ScholarShare Plan's Portfolios, the mutual funds each Portfolio owned and in what percentages, and performance figures for the Portfolios.

You can check current Portfolio performance or request a free annual report by phone at 1-800-544-5248 or online at 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. To ensure that investors can make equal comparisons, all stock and bond funds are required to use the same formula for calculating yield.

¹ The Social Choice Portfolio was created by Geode Capital Management (Geode) for the ScholarShare Plan and has an inception date of November 16, 2006. Once the Portfolio has been in existence for one year, we will illustrate performance. For more information on Geode and the Social Choice Portfolio, please see page 37.

UNDERLYING MUTUAL FUND PERFORMANCE AS OF 6/30/06

Equity Funds: Domestic	Inception	Average Annual Returns			Cumulative Returns		
		1 Year	5 Year	10 Year/ LOF*	1 Year	5 Year	10 Year/ LOF*
Fidelity Blue Chip Growth Fund	12/31/87	3.27%	-1.53%	5.76%	3.27%	-7.40%	75.14%
Fidelity Disciplined Equity Fund	12/28/88	11.35%	4.56%	8.94%	11.35%	24.97%	135.38%
Fidelity Dividend Growth Fund	04/27/93	7.01%	1.18%	9.74%	7.01%	6.04%	153.29%
Fidelity Equity-Income Fund	05/16/66	12.59%	5.02%	9.10%	12.59%	27.76%	138.83%
Fidelity Growth & Income Fund	12/30/85	5.37%	1.32%	7.18%	5.37%	6.80%	100.09%
Fidelity Growth Company Fund	01/17/83	14.76%	1.81%	9.26%	14.76%	9.38%	142.48%
Fidelity OTC Portfolio	12/31/84	6.53%	0.86%	6.98%	6.53%	4.39%	96.43%
Fidelity Small Cap Independence Fund	06/28/93	13.50%	9.50%	8.43%	13.50%	57.44%	124.61%
Spartan 500 Index Fund	03/06/90	8.55%	2.33%	8.15%	8.55%	12.20%	118.83%
Spartan Total Market Index Fund	11/05/97	9.96%	3.86%	5.60%*	9.96%	20.87%	60.28%*
Equity Funds: International							
Fidelity Europe Capital Appreciation Fund	12/21/93	30.20%	12.34%	12.12%	30.20%	78.91%	213.98%
Fidelity International Discovery Fund	12/31/86	26.99%	13.10%	10.49%	26.99%	85.09%	171.25%
Fidelity Overseas Fund	12/04/84	29.13%	8.53%	7.49%	29.13%	50.61%	105.84%
Spartan International Index Fund	11/05/97	26.64%	9.66%	7.06%	26.64%	58.56%	80.53%
Fixed-Income Funds: High Yield							
Fidelity Capital & Income Fund	11/01/77	6.81%	10.31%	7.82%	6.81%	63.31%	112.29%
Fidelity High Income Fund	08/29/90	5.70%	8.08%	5.61%	5.70%	47.48%	72.61%
Fixed-Income Funds: Investment Grade							
Fidelity Intermediate Bond Fund	05/23/75	0.30%	4.71%	5.72%	0.30%	25.85%	74.46%
Fidelity Investment Grade Bond Fund	08/06/71	-0.13%	5.13%	6.01%	-0.13%	28.41%	79.31%
Fidelity Strategic Real Return Fund	09/07/05	NA	NA	NA	NA	NA	3.33%*
Fidelity Total Bond Fund	10/15/02	0.15%	NA	4.59%*	0.15%	NA	18.10%*
Spartan Intermediate Treasury Index Fund	12/20/05	NA	NA	NA	NA	NA	-1.68%*
Short-Term Bond & Money Market Funds							
Fidelity Cash Reserves	05/10/79	3.94%	2.04%	3.70%	3.94%	10.60%	43.85%
Fidelity Short-Term Bond Fund	09/15/86	2.18%	3.78%	5.00%	2.18%	20.38%	62.96%

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 shares or Units. Current performance may be higher or lower than the performance data quoted. Please visit www.fidelity.com or call Fidelity for most recent month-end performance figures.

* "LOF" refers to "Life of Fund" for those mutual funds 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 but do not include reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the Portfolio.

PORTFOLIO EXPENSE RATIOS*: ACTIVELY MANAGED FUNDS

(Before and After Reimbursement)

<u>Portfolio</u>	Pro-Rata Expense	
	<u>Before Reductions</u>	<u>After Reductions</u>
Portfolio 2024	1.09%	1.07%
Portfolio 2021	1.08%	1.06%
Portfolio 2018	1.06%	1.04%
Portfolio 2015	1.03%	1.01%
Portfolio 2012	1.00%	0.98%
Portfolio 2009	0.96%	0.95%
Portfolio 2006	0.92%	0.91%
College Portfolio	0.92%	0.91%
100% Equity Portfolio	1.10%	1.07%
70% Equity Portfolio	1.07%	1.04%
Conservative Portfolio	0.87%	0.87%
Money Market Portfolio	0.72%	0.72%

PORTFOLIO EXPENSE RATIOS*: INDEX FUNDS

(Before and After Reimbursement)

<u>Portfolio</u>	Pro-Rata Expense	
	<u>Before Reductions</u>	<u>After Reductions</u>
Index Portfolio 2024	0.50%	0.50%
Index Portfolio 2021	0.50%	0.50%
Index Portfolio 2018	0.50%	0.50%
Index Portfolio 2015	0.50%	0.50%
Index Portfolio 2012	0.50%	0.50%
Index Portfolio 2009	0.50%	0.50%
Index Portfolio 2006	0.50%	0.50%
Index College Portfolio	0.50%	0.50%
Index 100% Equity Portfolio	0.50%	0.50%
Index 70% Equity Portfolio	0.50%	0.50%
Index Conservative Portfolio	0.50%	0.50%
Intermediate Treasury Index Portfolio	0.50%	0.50%
International Index Portfolio	0.50%	0.50%
Spartan 500 Index Portfolio	0.50%	0.50%
Total Market Index Portfolio	0.50%	0.50%

* 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*: SOCIAL CHOICE PORTFOLIO

(Before and After Reimbursement)

Portfolio	Pro-Rata Expense	
	Before Reductions	After Reductions
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.

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.

<u>Equity Funds: Domestic</u>		<u>Fixed-Income Funds: High Yield</u>		<u>Short-Term Bond & Money Market Funds</u>	
Fidelity Blue Chip Growth Fund	0.66%	Fidelity Capital & Income Fund	0.78%	Fidelity Short-Term Bond Fund	0.56%
Fidelity Disciplined Equity Fund	0.89%	Fidelity High Income Fund	0.77%	Fidelity Cash Reserves	0.42%
Fidelity Dividend Growth Fund	0.68%				
Fidelity Equity-Income Fund	0.69%				
Fidelity Growth & Income Fund	0.69%	<u>Fixed Income Funds: Investment Grade</u>			
Fidelity Growth Company Fund	0.96%	Fidelity Intermediate Bond Fund	0.62%		
Fidelity OTC Portfolio	0.81%	Fidelity Investment Grade Bond Fund	0.61%		
Fidelity Small Cap Independence Fund	0.78%	Fidelity Strategic Real Return Fund	0.85%		
Spartan 500 Index Fund	0.10%	Fidelity Total Bond Fund	0.64%		
Spartan Total Market Index Fund	0.10%	Spartan Intermediate Treasury Index Fund	0.20%		
<u>Equity Funds: International</u>					
Fidelity Europe Capital Appreciation Fund	0.95%				
Fidelity International Discovery Fund	1.08%				
Fidelity Overseas Fund	0.93%				
Spartan International Index Fund	0.10%				

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 investment 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 0.20%.
- 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 Portfolios that invest in **index mutual funds**, the fee will vary based on the difference between an annualized rate of 0.40% and the current estimated annual dollar-weighted blended expense ratio for all the indexed mutual funds in which a Portfolio invests.

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 a daily charge against the assets of each Portfolio in the Program Fund and is currently at an annual rate of 0.10%.

The state fee is not assessed against the assets of the Guaranteed Option. For a description of the Guaranteed Option, see page 16.

Expense Ratios. A Portfolio that invests in actively managed mutual funds 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 the previous page. Ratios for the individual mutual funds, which are factored into the Portfolio expense ratios shown on the previous pages, are also illustrated in italics on the previous pages.

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 paid by Participants are used to pay for the administrative expenses of the Trust. See "Trust Expenses" on page 37 for more details.

SCHOLARSHARE PLAN FEE AND EXPENSE STRUCTURE (AS OF 11/16/06): ACTIVELY MANAGED FUNDS

Portfolio	Estimated Underlying Fund Expenses¹	Program Manager Fee²	State Fee³	Miscellaneous Fee⁴	Total Annual Asset-Based Fee⁵	Annual Account Maintenance Fee⁶
Portfolio 2024	0.79%	0.20%	0.10%	N/A	1.09%	N/A
Portfolio 2021	0.78%	0.20%	0.10%	N/A	1.08%	N/A
Portfolio 2018	0.76%	0.20%	0.10%	N/A	1.06%	N/A
Portfolio 2015	0.73%	0.20%	0.10%	N/A	1.03%	N/A
Portfolio 2012	0.70%	0.20%	0.10%	N/A	1.00%	N/A
Portfolio 2009	0.66%	0.20%	0.10%	N/A	0.96%	N/A
Portfolio 2006	0.62%	0.20%	0.10%	N/A	0.92%	N/A
College Portfolio	0.62%	0.20%	0.10%	N/A	0.92%	N/A
100% Equity Portfolio	0.80%	0.20%	0.10%	N/A	1.10%	N/A
70% Equity Portfolio	0.77%	0.20%	0.10%	N/A	1.07%	N/A
Conservative Portfolio	0.57%	0.20%	0.10%	N/A	0.87%	N/A
Money Market Portfolio	0.42%	0.20%	0.10%	N/A	0.72%	N/A

¹ The "Estimated Underlying Fund Expenses" is based on a weighted average of the expenses of the underlying mutual funds before reductions in which the Portfolio invests as of November 16, 2006.

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

³ 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 asset-based fees assessed against net assets annually. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" on page 24 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.

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.

SCHOLARSHARE PLAN FEE AND EXPENSE STRUCTURE (AS OF 11/16/06): SOCIAL CHOICE PORTFOLIO

Portfolio	Estimated Underlying Fund Expenses¹	Program Manager Fee²	State Fee³	Miscellaneous Fee⁴	Total Annual Asset-Based Fee⁵	Annual Account Maintenance Fee⁶
Social Choice Portfolio	0.10%	0.60%	0.10%	N/A	0.80%	N/A

¹ The "Estimated Underlying Expenses" figure is based on the anticipated operating expenses of the Social Choice Portfolio.

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

³ 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 asset-based fees assessed against net assets annually. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" on page 24 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.

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.

SCHOLARSHARE PLAN FEE AND EXPENSE STRUCTURE (AS OF 11/16/06): INDEX FUNDS

Portfolio	Estimated Underlying Fund Expenses¹	Program Manager Fee²	State Fee³	Miscellaneous Fee⁴	Total Annual Asset-Based Fee⁵	Annual Account Maintenance Fee⁶
Index Portfolio 2024	0.13%	0.27%	0.10%	N/A	0.50%	N/A
Index Portfolio 2021	0.13%	0.27%	0.10%	N/A	0.50%	N/A
Index Portfolio 2018	0.15%	0.25%	0.10%	N/A	0.50%	N/A
Index Portfolio 2015	0.17%	0.23%	0.10%	N/A	0.50%	N/A
Index Portfolio 2012	0.20%	0.20%	0.10%	N/A	0.50%	N/A
Index Portfolio 2009	0.23%	0.17%	0.10%	N/A	0.50%	N/A
Index Portfolio 2006	0.26%	0.14%	0.10%	N/A	0.50%	N/A
Index College Portfolio	0.27%	0.13%	0.10%	N/A	0.50%	N/A
Index 100% Equity Portfolio	0.12%	0.28%	0.10%	N/A	0.50%	N/A
Index 70% Equity Portfolio	0.14%	0.26%	0.10%	N/A	0.50%	N/A
Index Conservative Portfolio	0.32%	0.08%	0.10%	N/A	0.50%	N/A
Intermediate Treasury Index Portfolio	0.20%	0.20%	0.10%	N/A	0.50%	N/A
International Index Portfolio	0.10%	0.30%	0.10%	N/A	0.50%	N/A
Spartan 500 Index Portfolio	0.10%	0.30%	0.10%	N/A	0.50%	N/A
Total Market Index Portfolio	0.10%	0.30%	0.10%	N/A	0.50%	N/A

¹ The "Estimated Underlying Fund Expenses" are based on a weighted average of the expenses of the underlying mutual funds before reductions in which the Portfolio invests as of November 16, 2006.

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

³ 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 asset-based fees assessed against net assets annually. Please refer to the "Hypothetical \$10,000 Investment Cost Chart" on page 25 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.

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 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 11/16/06): ACTIVELY MANAGED FUNDS

<u>Portfolio</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Portfolio 2024	\$ 112	\$ 348	\$ 603	\$ 1,333
Portfolio 2021	\$ 110	\$ 344	\$ 597	\$ 1,320
Portfolio 2018	\$ 108	\$ 338	\$ 585	\$ 1,295
Portfolio 2015	\$ 105	\$ 328	\$ 569	\$ 1,259
Portfolio 2012	\$ 102	\$ 317	\$ 550	\$ 1,219
Portfolio 2009	\$ 98	\$ 306	\$ 532	\$ 1,180
Portfolio 2006	\$ 94	\$ 294	\$ 511	\$ 1,136
College Portfolio	\$ 94	\$ 293	\$ 508	\$ 1,129
100% Equity Portfolio	\$ 112	\$ 349	\$ 605	\$ 1,338
70% Equity Portfolio	\$ 109	\$ 340	\$ 590	\$ 1,305
Conservative Portfolio	\$ 89	\$ 278	\$ 483	\$ 1,075
Money Market Portfolio	\$ 74	\$ 230	\$ 401	\$ 894

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 11/16/06): 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 11/16/06): INDEX FUNDS

<u>Portfolio</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Index Portfolio 2024	\$ 51	\$ 160	\$ 280	\$ 628
Index Portfolio 2021	\$ 51	\$ 160	\$ 280	\$ 628
Index Portfolio 2018	\$ 51	\$ 160	\$ 280	\$ 628
Index Portfolio 2015	\$ 51	\$ 160	\$ 280	\$ 628
Index Portfolio 2012	\$ 51	\$ 160	\$ 280	\$ 628
Index Portfolio 2009	\$ 51	\$ 160	\$ 280	\$ 628
Index Portfolio 2006	\$ 51	\$ 160	\$ 280	\$ 628
Index College Portfolio	\$ 51	\$ 160	\$ 280	\$ 628
Index 100% Equity Portfolio	\$ 51	\$ 160	\$ 280	\$ 628
Index 70% Equity Portfolio	\$ 51	\$ 160	\$ 280	\$ 628
Index Conservative Portfolio	\$ 51	\$ 160	\$ 280	\$ 628
Intermediate Treasury Index Portfolio	\$ 51	\$ 160	\$ 280	\$ 628
International Index Portfolio	\$ 51	\$ 160	\$ 280	\$ 628
Spartan 500 Index Portfolio	\$ 51	\$ 160	\$ 280	\$ 628
Total Market Index Portfolio	\$ 51	\$ 160	\$ 280	\$ 628

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 **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.

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
- 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 one that invests in 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.

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 (per Plan). 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 they provide. Note that there are restrictions and tax considerations on Beneficiary changes. See page 27.

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 30.

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 or Individual Fund 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 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. 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 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)

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
- 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 34), 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 35.

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. 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. The check will be sent by regular mail to whomever you specify: you, the Beneficiary, the Beneficiary's school, or someone else.

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 27). 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).

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

Q&A: "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 30.*
- **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 27, 30.*
- **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 27, 30.*
- **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 27, 30.*
- **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 30.*

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 27, 30.*
- **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 28.*
- **need to take out money before the Beneficiary reaches college?** It will be considered a non-qualified withdrawal and taxed accordingly. *More, page 30.*
- **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 28.*

NOTES:

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. Both set conditions that are fairly exacting, 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.

The Hope Scholarship and Lifetime Learning credits both have the same income test for eligibility. You can take full advantage of the programs if you're a single taxpayer whose modified adjusted gross income isn't over \$45,000, (\$90,000 for married taxpayers filing joint returns). Above these levels, you can take partial advantage if your income is up to \$55,000 for single taxpayers (\$110,000 for married), where the benefits are phased out completely. However, either program's tax credit amounts or income limits could be raised in the future by a cost-of-living adjustment.

Other points to know about these credits:

- unused credits cannot be carried forward to another tax year and can only be used to reduce taxes, not to produce a cash refund
- if a parent claims a child as a dependent on their federal income tax return, only that parent may make a claim for either credit
- 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 they were covered by a distribution from a 529 account or a Coverdell account.

Note also that while you can use either credit to its fullest before you begin to draw on a 529 account, you can only claim expenses that you didn't use to reduce your taxable income in any other way, and that are not covered by any tax-free scholarship or grant.

Details of the Hope Scholarship Credit.

This program offers a tax credit of up to \$1,650 per student per year for two years. You may be eligible for a credit in any calendar year when all of these criteria apply:

- you met the income test described and paid income tax
- you paid certain higher education expenses – specifically, tuition and fees required for the enrollment or attendance at an eligible post-secondary school of the taxpayer, his/her spouse, or any dependent claimed as a section 151 income tax deduction (note that this is not the same as the definition of a qualified higher education expense for the ScholarShare Plan)
- the student had not yet finished two 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 \$1,100 of qualified expenses, plus 50% of the next \$1,100. See a qualified tax advisor for further details and requirements.

Details of the Lifetime Learning Credit.

This offers a maximum tax credit of \$2,000, and applies to a broader set of circumstances than the Hope Scholarship Credit.

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 program include all those that are valid for the Hope Scholarship Credit as well as the cost of any training at an eligible post-secondary school to learn or improve job skills.

Withdrawing from a ScholarShare Plan Account and a Coverdell Account in the Same Year

If you make withdrawals in a given year for the same Beneficiary from both a 529 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 a tax-free scholarship or grant), then you must allocate the surplus withdrawals between the two types of accounts and treat the excess as a non-qualified withdrawal.

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 much higher rate of 35%. Under the Deficit Reduction Act of 2005 (the 2005 Act), the 35% figure will decrease to 20% effective on July 1, 2007.

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 2005 Act provides by statute, effective July 1, 2006, 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.

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 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.

Comparing a ScholarShare Plan Account with tuition prepayment plans. Under the 2005 Act, effective July 1, 2006, 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.)

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. Some 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[®], Inc., (Strategic Advisers) of the same address, which administers each Portfolio's asset allocation program except for Social Choice Portfolio. 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 are co-managed by Jonathan Shelon and Christopher Sharpe.

Mr. Shelon joined Fidelity in 2001 as an institutional Portfolio manager. He has been co-manager of the Fidelity Advisor Freedom Funds[®] and Fidelity Freedom Funds[®] since 2003 and 2005, respectively. Mr. Shelon is also co-manager for qualified tuition programs sponsored by Arizona, Massachusetts, Delaware, and New Hampshire. Prior to joining Fidelity, Mr. Shelon was a quantitative consultant at Callan Associates, Inc. an investment consulting firm.

Mr. Sharpe joined Fidelity in 2002 as Director of Asset Allocation for the Structured Investment Group in FMR. He has been co-manager of VIP Freedom Funds, Fidelity Strategic Income Fund, Fidelity Advisor Strategic Income Fund, VIP Strategic Income Fund, Fidelity Advisor Strategic Dividend & Income Fund, and Fidelity Four-in-One Index Fund since 2005. Mr. Sharpe is also co-manager for qualified tuition programs sponsored by Arizona, Massachusetts, Delaware, and New Hampshire. Prior to joining Fidelity, Mr. Sharpe was an investment policy officer with John Hancock.

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 KLD Broad Market Social Index, which uses the Russell 3000 Index as a baseline universe and applies a two-step screening process to the universe to exclude from consideration companies involved in alcohol, tobacco, firearms, gambling, nuclear power, and military weapons. 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, Bobe Simon, and Patrick Waddell.

Mr. Adams has been a senior Portfolio manager with Geode since 2003. 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.

Mr. Simon has been a Portfolio manager with Geode since 2004. Prior to joining Geode, Mr. Simon worked as a quantitative analyst at Putnam Investments from July 1995 to April 2005.

Mr. Waddell has been an assistant Portfolio manager with Geode 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.

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, Intermediate Bond, Investment Grade Bond, 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 to manage Spartan 500 Index Fund, Spartan Total Market Index Fund, and Spartan International 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 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

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 the end 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 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, except Social Choice, 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 that trade 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 are not traded.

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.

The Credit Card 1.5% Reward Points Program

With the Fidelity Investments 529 College RewardsSM credit card, cardholders can earn points that automatically convert to ScholarShare Plan Account contributions. To be eligible, you must:

- have a Fidelity Investments 529 College Rewards credit card
- have a ScholarShare Plan Account or other Fidelity-managed, state-sponsored 529 account that is open and funded
- set up a link between the credit card and the ScholarShare Plan Account you want to receive any point-based contributions
- be a resident of the U.S. (Unfortunately, this credit card program is not available in Puerto Rico at this time)

Here's how the program works:

- You earn 1.5 reward points for each \$100 in eligible net retail purchases (i.e., purchases minus credits, returns, and adjustments). Cash advances, including balance transfers, purchases of money orders or other cash equivalents, out-of-network payments made through Bill Pay ChoiceSM, purchases made by or for a business or for a business purpose, and unauthorized or fraudulent transactions do not earn points. A cardholder may

earn a maximum of 1,500 total points per a rolling twelve month period based on the anniversary date from which the card was first used.

- After you have accumulated at least 50 reward points, and if your credit card is in good standing, each point will be converted into a dollar and the money will be deposited into your designated ScholarShare Plan Account (conversions occur at the next quarter end after the close of the billing cycle in which your reward point balance reaches 50 points). Any points not converted will be carried over to future billing statements.

Reward points are not transferable, cannot be used to pay credit card balances, and have no cash value except as described in the credit card's program guidelines. The 1.5% earn rate or other program terms may be changed at any time. If you fail to designate an account number to receive contributions, Fidelity will use its best efforts to match a cardholder with an account holder, but if a match cannot be made, you will be unable to receive any deposits with your accumulated points. As stated in the Program Guidelines, the points that are unable to be converted will expire within one year if an account number is not designated by you. If Fidelity's search turns up more than one account in your name, the points will go to the account that was established first. If two or more accounts were established on the same day and are older than all your other accounts, the points will go to the one with the oldest Beneficiary.

Other restrictions apply. Full details are provided in the Program Guidelines documents. For rate, fee, and other cost information, and to learn more about the benefits of the Fidelity Investments 529 College Rewards program, please refer to the online credit card application at www.fidelity.com or call FIA Card Services, N.A. at 800-433-0480. Credit card accounts opened on or before November 16, 2006 will continue to receive the earn rate set forth in the application and Program Guidelines in effect at the time the account was opened. The credit card program is issued and administered by FIA Card Services, N.A., which is not an affiliate of Fidelity Investments.

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, each Nationally Recognized Municipal Securities Information Repository (NRMSIR), and a depository in California, if one exists.

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, 2007. These percentages may be changed over time.

TARGET ALLOCATIONS FOR PORTFOLIOS FOR 6/30/07: ACTIVELY MANAGED FUNDS

	Age-Based Portfolios			
	Portfolio 2024	Portfolio 2021	Portfolio 2018	Portfolio 2015
Equity Funds: Domestic				
Fidelity Blue Chip Growth Fund	8.90%	8.20%	7.03%	5.65%
Fidelity Disciplined Equity Fund	11.12%	10.26%	8.79%	7.06%
Fidelity Dividend Growth Fund	10.38%	9.57%	8.20%	6.59%
Fidelity Equity-Income Fund	11.12%	10.26%	8.79%	7.06%
Fidelity Growth & Income Portfolio	10.38%	9.57%	8.20%	6.59%
Fidelity Growth Company Fund	8.90%	8.20%	7.03%	5.65%
Fidelity OTC Portfolio	7.41%	6.84%	5.86%	4.71%
Fidelity Small Cap Independence Fund	5.93%	5.47%	4.69%	3.77%
Equity Funds: International				
Fidelity Europe Capital Appreciate Fund	2.62%	2.41%	2.07%	1.66%
Fidelity International Discovery Fund	3.93%	3.62%	3.10%	2.49%
Fidelity Overseas Fund	6.54%	6.03%	5.17%	4.15%
Fixed-Income: High Yield				
Fidelity Capital & Income Fund	5.50%	4.25%	3.00%	1.25%
Fidelity High Income Fund	5.50%	4.25%	3.00%	1.25%
Fixed-Income Funds: Investment Grade				
Fidelity Intermediate Bond Fund	0.35%	2.21%	4.54%	6.81%
Fidelity Investment Grade Bond Fund	0.35%	2.21%	4.54%	6.81%
Fidelity Strategic Real Return Fund	0.35%	2.21%	4.54%	6.81%
Fidelity Total Bond Fund	0.72%	4.44%	9.09%	13.61%
Short-Term Bond and Money Market Funds				
Fidelity Cash Reserves	0.00%	0.00%	1.18%	4.04%
Fidelity Short-Term Bond Fund	0.00%	0.00%	1.18%	4.04%

Below is a summary of the investment policies of the Fidelity funds that were available to the Portfolios for investment as of September 30, 2006. For more information about any Fidelity fund, call 1-800-FIDELITY.

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®) or the Dow Jones Industrial Average (DJIA), 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 To select its investments, the fund uses computer-aided, quantitative analysis of historical earnings, dividend yield, earnings per share, and other factors supported by fundamental analysis. 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 relative to the S&P 500®.

Static Portfolios

Portfolio 2012	Portfolio 2009	Portfolio 2006	College Portfolio	100% Equity Portfolio	70% Equity Portfolio	Conservative Portfolio
4.42%	3.42%	2.57%	2.40%	10.20%	7.20%	0.00%
5.52%	4.27%	3.21%	3.00%	12.75%	9.00%	0.00%
5.16%	3.99%	3.00%	2.80%	11.90%	8.40%	0.00%
5.52%	4.27%	3.21%	3.00%	12.75%	9.00%	0.00%
5.16%	3.99%	3.00%	2.80%	11.90%	8.40%	0.00%
4.42%	3.42%	2.57%	2.40%	10.20%	7.20%	0.00%
3.68%	2.85%	2.14%	2.00%	8.50%	6.00%	0.00%
2.95%	2.28%	1.71%	1.60%	6.80%	4.80%	0.00%
1.09%	0.52%	0.07%	0.00%	3.00%	2.00%	0.00%
1.63%	0.77%	0.10%	0.00%	4.50%	3.00%	0.00%
2.71%	1.29%	0.16%	0.00%	7.50%	5.00%	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%
8.50%	8.84%	8.01%	8.00%	0.00%	4.00%	9.00%
8.50%	8.84%	8.01%	8.00%	0.00%	4.00%	9.00%
8.50%	8.84%	8.01%	8.00%	0.00%	4.00%	9.00%
17.00%	17.69%	16.01%	16.00%	0.00%	8.00%	18.00%
7.62%	12.36%	19.11%	20.00%	0.00%	0.00%	27.50%
7.62%	12.36%	19.11%	20.00%	0.00%	0.00%	27.50%

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.

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.

TARGET ALLOCATIONS FOR PORTFOLIOS FOR 06/30/07: INDEX FUNDS

	Age-Based Portfolios			
	Index Portfolio 2024	Index Portfolio 2021	Index Portfolio 2018	Index Portfolio 2015
Equity Funds: Domestic				
Spartan Total Market Index Fund	74.14%	68.37%	58.59%	47.08%
Equity Funds: International				
Spartan International Index Fund	13.09%	12.06%	10.34%	8.30%
Fixed-Income Funds: Investment Grade				
Spartan Intermediate Treasury Index Fund	12.77%	19.57%	28.71%	36.54%
Short-Term Bond and Money Market Funds				
Fidelity Cash Reserves	0.00%	0.00%	2.36%	8.08%

Fidelity Growth & Income Portfolio

Objective Seeks high total return through a combination of current income and capital appreciation.

Strategy FMR normally invests a majority of the fund's assets in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. FMR potentially invests in bonds, including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. Invests in domestic and foreign issuers. Invests in either growth stocks, value stocks, or both.



				Static Portfolios		
Index Portfolio 2012	Index Portfolio 2009	Index Portfolio 2006	Index College Portfolio	Index 100% Equity Portfolio	Index 70% Equity Portfolio	Index Conservative Portfolio
36.83%	28.49%	21.41%	20.00%	85.00%	60.00%	0.00%
5.43%	2.58%	0.33%	0.00%	15.00%	10.00%	0.00%
42.50%	44.21%	40.04%	40.00%	0.00%	30.00%	45.00%
15.24%	24.72%	38.22%	40.00%	0.00%	0.00%	55.00%

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. Growth may be measured by factors such as earnings or revenue. FMR uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

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 Composite Index or another over-the-counter (OTC) market, which has more small and medium-sized companies than other markets. FMR potentially invests the fund's assets in non-OTC securities. Invests more than 25% of the fund's total assets in the technology sector. Invests in foreign and domestic stock. 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 Index and the S&P SmallCap 600 Index). FMR uses fundamental analysis to select investments. Invests in growth stocks or value stocks or a combination of both.

Spartan 500 Index Fund

Objective Seeks investment results that correspond to the total return of common stocks publicly traded in the U.S. as represented by the S&P 500[®] Index, while keeping transaction costs and other expenses low.

Strategy Normally invests at least 80% of the fund's total assets in common stocks included in the S&P 500[®]. Geode 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 Wilshire 5000 Composite Index, 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 Europe Capital Appreciation Fund

Objective Seeks long-term capital appreciation.

Strategy FMR normally invests at least 80% of the fund's assets in securities of European issuers and other investments that are economically tied to Europe. Normally invests the fund's assets primarily in common stocks. In allocating the fund's investments across countries, FMR considers the size of the market in each country relative to size of markets in Europe as a whole.

Fidelity International Discovery Fund

Objective Seeks long-term growth of capital.

Strategy FMR normally invests primarily in non-U.S. securities. Normally invests the fund's assets primarily in common stocks. In allocating the fund's investments across countries, FMR considers the size of the market in each country relative to the size of markets in Europe as a whole. FMR uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

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. In allocating investments among countries and regions, FMR considers the size of the market in each country and region relative to the size of the international market as a whole.

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 (MSCI EAFE[®]) 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 Merrill Lynch U.S. High Yield Master II Index.

Fixed-Income Funds: Investment Grade

Fidelity Intermediate Bond Fund

Objective Seeks a high level of current income.

Strategy FMR normally invests at least 80% of the fund's assets in investment-grade debt securities of all types and repurchase agreements of those securities. In addition the fund normally maintains a dollar-weighted average maturity between three and ten years. The fund is managed to have similar overall interest rate risk to that of the Lehman Brothers Intermediate Government/Credit Bond Index.

Fidelity Investment Grade Bond Fund

Objective Seeks a high level of current income.

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 is managed to have similar overall interest rate risk to that of the Lehman Brothers Aggregate Bond Index. FMR allocates the fund's assets across different market sectors and maturities. FMR analyzes a security's structural features and current pricing, trading opportunities, and the credit quality of its issuer to select investments.

Fidelity Strategic Real Return Fund

Objective Seeks real returns consistent with reasonable investment risk.

Strategy FMR 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. The fund 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.

Fidelity Total Bond Fund

Objective Seeks a high level of current income.

Strategy FMR normally invests at least 80% of fund's assets in debt securities of all types and repurchase agreements for those securities. The fund uses the Lehman Brothers U.S. Universal Index as a guide in allocating its assets across the investment-grade, high-yield, and emerging market asset classes, and in managing the fund's overall interest rate risk. The fund may

invest up to 15% of its assets in high-yield and emerging market debt securities. Invests in domestic and foreign issuers.

Spartan Intermediate Treasury Index Fund

Objective Seeks a high level of current income.

Strategy FMR normally invests at least 80% of fund's assets in bonds included in the Lehman Brothers 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.

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 Lehman Brothers 1–3 Year Government/Credit Bond Index. FMR allocates the fund's assets across different market sectors and maturities.

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 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.

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.

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 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 Distribution Notice 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 invest in mutual funds selected by Strategic Advisers, Inc., or one or more other investment advisers that may be hired by the Trust. **YOU CAN MAKE OR LOSE MONEY BY INVESTING IN AN ACCOUNT.** You agree that all investment decisions for each Portfolio will be made by Strategic Advisers, Inc., or any other adviser hired by the Trust, and 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, the Trust, the Trustee, FBS, Strategic Advisers, Inc. 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 it manages 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 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 four 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.
- 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 0.30 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 fee that will vary based on the difference between an annualized rate of 0.50 percent and the current estimated annual dollar-weighted blended expense ratio for all the indexed mutual funds in which a Portfolio invests, and (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.
- 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 or by calling 1-800-FIDELITY.

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 and any representatives of the State of California, Trust, the Trustee or FBS 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 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



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, Spartan, Fidelity Freedom Funds, and Fidelity Automatic Account Builder are registered trademarks of FMR Corp. Strategic Advisers is a registered service mark of FMR Corp. 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.

Customer Agreement

General Information

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 acknowledge receipt of the Participation Agreement and Fact Kit and have read, understood and agree to their terms and conditions. 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 an 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.

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 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 a customer 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 customers.

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.

*Please note: Orders placed through Fidelity's telephone, electronic or online trading systems cannot specify a particular market center for execution.

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 pre-designated 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 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.

Transactions

4. 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 your 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

5. 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.

6. 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.

7. 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.

8. 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

9. 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; and electronic funds transfers; and fees assessed by the Qualified Program.

10. 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 transmitted to me.

Other

11. 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.

12. 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.

13. 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 your successors and assigns, and this agreement shall be binding upon my heirs, executors, administrators, successors, and assigns.

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 which 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.

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 re-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.

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 infor-

mation, 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.

4. Error Notification I understand that all trade orders placed through the Services are at my sole risk and responsibility. I further understand 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 when any of the above conditions (a)–(f) occur (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.

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 which 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 and that Fidelity does not make any warranty concerning such information. I understand that all orders placed through the Services are at my sole risk and responsibility. 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 EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN RESPECT OF 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.

6. Commission Policy & Other Charges Commission discounts may be available to Fidelity brokerage accounts which utilize the Services. However, such discounts will not apply to any transactions which 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 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.

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, or power failure, 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.

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 which govern the account(s) at Fidelity which 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 subject to change from time to time.

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.

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 which 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.

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.

Important Trading Information

Types of Trades Available: Through Fidelity's Electronic Services: For complete details on the types of trades you can place through each Fidelity Electronic Service, please call a Fidelity Representative.

Daily Limits: You can place up to 20 opening orders per account per day using Fidelity's Electronic Services not to exceed \$200,000 in total daily purchases. You may request approval for an increase in your trading limits by contacting the Electronic Product Information Center (1-800-544-7595).

Cash Orders: For stock orders, 25% of the order value must be available in cash, after adjustment for outstanding calls. IRA accounts must have 100% of the order value available. For option orders, 100% of the order value must be available in cash.

Margin Orders: For stock orders, cash plus buying power minus any outstanding calls must equal at least 50% of the order value. For options, 100% of the order value must be in cash available to borrow.

Option Orders: Options involve risk, and may not be suitable for all investors. Option orders placed through Fidelity's Electronic Services just prior to the market close must be placed as limit orders. Market orders may be placed with a Fidelity Representative up to the market close. A maximum of 24 option contracts may be placed per order.

Crossing Session: Orders placed through Fidelity's Electronic Services will not be included in any off-hours trading sessions (e.g., NYSE Crossing Session).

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 you may have a gain or loss when you sell your 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, call 1-800-544-8888 for a free prospectus. Read it carefully before you invest or send money.

Information About the Exchange Privilege

You may make four exchange transactions out of most Fidelity funds per calendar year. For purposes of the four-exchange limit, accounts under common ownership or control, including accounts with the same taxpayer identification number, will be aggregated. Certain other funds may have different exchange restrictions and limits and may impose administration fees and trading fees. Check each fund's prospectus for details. The Fidelity funds reserve the right to terminate or modify the exchange privilege in the future.

Information About Quotes

Fidelity reserves the right to limit the number of free quotes provided through Fidelity's Electronic Services.

Pre-Dispute Arbitration Agreement

This agreement contains a pre-dispute 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 us (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 us, 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 New York Stock Exchange, Inc., or the NASD, Inc., as I may designate. If I do not notify you in writing of my designation within five (5) days after I receive from you a written demand for arbitration, then I authorize you to make such designation on my behalf. 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 pre-dispute 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.



Smart move.®

Privacy Policy

Our Commitment to Privacy Fidelity Investments and the Fidelity Funds have always been committed to maintaining the confidentiality, integrity and security of personal information about our current and prospective customers. We are proud of our privacy practices and want you to know how we protect this information and use it to service your account.

We hope you will take a moment to review the full privacy policy of the Fidelity Investments family of companies. Please note that certain details of this policy may depend on whether you deal with us through an investment professional, your employer, or directly as an individual investor. If you are a shareholder in one or more Fidelity Funds, please also review the related privacy policy of the Funds.

The privacy policies of Fidelity Investments and the Fidelity Funds are reviewed annually. Our printed and online notices are then updated to reflect any material changes.

You do not have to contact us to benefit from Fidelity's privacy protections; they apply automatically to all of our customers.

Fidelity Investments Privacy Policy

How and Why We Obtain Personal Information

Fidelity takes great care to protect your personal information and when we use it, we do so with respect for your privacy. We may use personal information about you to develop, offer, and deliver products and services; process transactions in your account; respond to inquiries from you or your representative; or to fulfill legal and regulatory requirements. Fidelity may collect public and nonpublic personal information about you from any of the following sources:

- You or your representative on applications or forms (for example, name, address, Social Security number, birth date, assets and income)
- Transactional activity in your account (for example, trading history and balances)
- Other interactions with Fidelity (for example, discussions with our customer service staff or information you enter into our Web sites)
- Information services and consumer reporting agencies (for example, to verify your identity, to assess your creditworthiness or to better understand your product and service needs)
- You or your representative regarding your preferences (for example, paper statements vs. electronic statements, or the screen layout you specify if you use our Internet sites)
- Other sources with your consent or with the consent of your representative (for example, from other institutions if you transfer positions into Fidelity)

How We Protect Your Information Fidelity has always considered the protection of sensitive information to be a foundation of customer trust and a sound business practice. We employ extensive physical, electronic and procedural controls and we regularly adapt these controls to respond to changing requirements and advances in technology.

Within Fidelity and among our service providers, we restrict access to personal information to those who require it to provide products and services to you. We may share the personal information that we collect with the following entities:

- Fidelity corporate affiliates, including internal service providers (for example, our data processing company and printing operation)
- Unaffiliated service providers (for example, printing and mailing companies, securities clearinghouses, and other entities who may provide services at Fidelity's direction)
- Government agencies, other regulatory bodies and law enforcement officials (for example, for tax purposes or for reporting suspicious transactions)
- Other organizations, with your consent or as directed by your representative (for example, if you use Fidelity as a financial reference in applying for credit with another institution)
- Other organizations, as permitted by law (for example, for fraud prevention)
- As described below, in circumstances that apply only to certain subsets of Fidelity customers

Privacy Online Privacy, security and service in our online operations are just as critical as in the rest of our business. Fidelity employs all of the safeguards described previously, along with the following Internet-specific practices.

We make extensive use of firewall barriers, encryption techniques and authentication procedures to maintain the security of your online session and to protect Fidelity accounts and systems from unauthorized access. We may also place cookies and similar files on your hard drive for security purposes, to facilitate site navigation, and to personalize your experience on our site. Our cookies do not identify you by name as an individual or by account number.

When you visit Fidelity's Internet sites, we may collect technical and navigational information, such as computer browser type, Internet protocol address, pages visited, and average time spent on our Web sites. This information may be used, for example, to alert you to software compatibility issues, or it may be analyzed to improve our Web design and functionality.

Your Connection to Fidelity You may interact with us in various ways, and when you do, we may exchange information with parties in addition to those described above. For example, if you conduct business with Fidelity through your employer or investment professional, we may exchange the information we collect with them, or with others at their direction. If we provide services to you on behalf of your employer, we may collect and exchange information such as payroll, banking and insurance data, in addition to the information listed above. Information collected from investment professionals' customers is not shared with Fidelity affiliates for marketing purposes, except with the consent of the investment professional or the customer.

If you interact with Fidelity directly as an individual investor, we may exchange information about you with our affiliates to offer Fidelity products and services, only as permitted by law. Fidelity does not share personal information about our customers with third parties for use in their marketing.

If you transact business through Fidelity's 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.

If you are a former customer, these policies also apply to you; we treat your information with the same care as we do information about current customers.

For your convenience, Fidelity offers several options for accessing and, if necessary, correcting your account information. You can review your information independently using your statements, or through our automated telephone or Internet services. You may also email, write or call us with your request for information. 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.

The Fidelity Investments Privacy Policy is provided on behalf of:

- Fidelity Brokerage Services LLC
- Fidelity Distributors Corporation
- Fidelity Employer Services Company LLC
- Fidelity Investments Institutional Operations Company, Inc.
- Fidelity Investments Institutional Services Company, Inc.
- Fidelity Management Trust Company
- Fidelity Personal Trust Company, FSB
- Fidelity Stock Plan Services, LLC
- Fidelity Investments Life Insurance Company
- Empire Fidelity Investments Life Insurance Company
- Fidelity Insurance Agency, Inc.
- National Financial Services LLC
- Strategic Advisers, Inc.
- Other companies owned by Fidelity Investments using the Fidelity name to provide financial services to customers.

Fidelity Funds Privacy Policy

Protecting your personal information is an important priority for the Fidelity Funds. The Funds' privacy policy is designed to support this objective. The Funds collect nonpublic personal information concerning you in the following ways:

- Information provided by you or your representative on applications or other forms furnished to the Funds or through other interactions that you or your representative have with the Funds
- Information arising from your investments in or accounts with the Funds
- Information the Funds receive from a consumer reporting agency

The Funds employ physical, electronic and procedural controls to safeguard your information. For example, the Funds authorize access to your personal and account information only for personnel who need that information in order to provide products or services to you.

The Funds do not disclose any nonpublic personal information about you, except as permitted by law. For example, the Funds have entered into a number of arrangements with Fidelity Investments to provide for investment management, distribution and servicing of the Funds.

If you decide to close your account, the Funds will continue to adhere to the privacy policies and practices as described in this notice.

Please read the Fidelity Funds Privacy Policy in conjunction with the Privacy Policy for the Fidelity Investments companies of which you are also a customer.

The Fidelity Funds Privacy Policy is provided on behalf of the Fidelity Investments family of mutual funds.



Smart move.®

Notice of Business Continuity Plans

Recognizing how important it is to you that we make every effort to keep the unexpected from interfering with our operations, we have developed a series of contingency and disaster recovery plans. These plans provide detailed, pre-tested procedures for dealing with events such as fires, power outages, evacuations, severe weather, destructive acts, and other circumstances that could disrupt business continuity.

The plans have three goals:

- to prevent events and impacts that are within our control
- to ensure the continued operation of all aspects of our business and services in any circumstances, to the extent possible
- to speed the resumption of any disrupted business activities and the recovery of any lost data as quickly as reasonably possible with minimal interruption, depending on the nature and extent of the business disruption

Based on an enterprise-wide review of financial and operational risks, we have put in place contingency and disaster recovery plans that include these major elements:

- backup and recovery technologies for all mission-critical systems

- alternate customer communications systems, including rerouting of critical hotline numbers
- alternate physical site locations and temporary housing for essential personnel
- access contingencies for technology and telecom systems
- employee preparedness training
- procedures for notifying customers in the event of a service disruption, including information on length of the disruption and instructions for contacting Fidelity, and support information

Most types of service disruptions should not affect your access to your account or your ability to withdraw available funds. However, your ability to trade securities may be affected by events beyond our control.

Our contingency and disaster recovery plans are reviewed and updated at least once a year to ensure that they allow for changes in technology, business operations, regulations, and physical facilities. This notice will be updated any time there are material changes. For a current copy of this notice, go to [fidelity.com](https://www.fidelity.com) or contact a Fidelity Representative.