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FROM THE LOUISIANA OFFICE OF STUDENT FINANCIAL ASSISTANCE

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Beginning July 1, START Saving account owners will have an additional investment option -- the Equity Plus International Option.

BATON ROUGE -- As of July 1, participants in the Student Tuition Assistance and Revenue Trust (START) 529 college saving program will have an additional investment option to choose from, the Equity Plus International Option.

The option invests 80% of each deposit in the Vanguard Total Stock Market Index Fund Institutional Shares, a Vanguard mutual fund holding a broadly diversified portfolio of U.S. stocks, and 20% in the Vanguard Total International Stock Index Fund, a Vanguard mutual fund holding a large blend of International/Global stocks, which allows account owners to seek the highest possible return -- and assume the highest possible risk -- for the investment.

As with all equity investments, it is possible that money invested in this option could lose value.

START Saving program director Carol Fulco said the State Treasurer made the decision to expand investment options to give account owners "a larger variety from which to choose."

Only new account owners or those whose accounts are eligible for an investment change may choose the Equity Plus International Option in July.

Investment changes may be made only once every 12 months. Those who are

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**New START Investment Option
ADD ONE**

eligible to select the new option “can make the change online or download the (change) form and mail or fax it to us,” Fulco said.

The START Saving Web site is located at www.startsaving.la.gov. The mailing address is: START Saving Program, Post Office Box 91271, Baton Rouge, La., 70821-9271. Faxes should be sent to: (225) 922-1488.

For questions about accounts or investment options, contact the START office at 1-800-259-5626.

START is now offering the following seven investment options:

Option One—Age-Based Option: This option is geared toward investors who do not want the burden of monitoring and periodically adjusting their college investment portfolios. Deposits are automatically moved, over time, among different portfolios and invested in portfolios with progressively more conservative asset allocations. When the Beneficiary is very young, assets are invested mainly in stocks. As the Beneficiary ages, assets are automatically shifted, according to a set schedule, toward more bonds and short-term reserves in order to protect the Account Owner’s capital and to reduce risk.

Beneficiary’s Age	START Saving Portfolio	Approximate Asset Allocation
0-5	Vanguard LifeStrategy Moderate Growth Portfolio	60% Stocks 40% Bonds
6-10	Vanguard LifeStrategy Conservative Growth Portfolio	40% Stocks 40% Bonds 20% Short-Term Reserves
11-15	Vanguard LifeStrategy Income Portfolio	20% Stocks 60% Bonds 20% Short-Term Reserves
16+	Louisiana Principal Protection Option	(Not Applicable)

Option Two—Louisiana Principal Protection Option: This option is the most conservative START Saving Program investment plan and is managed by the Louisiana State Treasurer. This option invests 100 percent of deposits and

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New START Investment Option ADD TWO

interest earned thereon in fixed earnings investments such as government bonds, notes and certificates of deposit. The state guarantees the return of your principal, so you cannot lose money, but it does not guarantee any particular investment return. Every other option involves some risk of loss of principal.

Option Three—Total Equity Option: This option invests 100 percent of each deposit in a Vanguard fund (Vanguard Total Stock Market Index Fund Institutional Shares) holding a broadly diversified portfolio of U.S. stocks, which allows Account Owners to seek the highest possible returns – and assume the highest possible risk – for their investment.

Option Four—Balanced Option: This option invests 50 percent of each deposit in a Vanguard fund (Vanguard Total Stock Market Index Fund Institutional Shares) holding a broadly diversified portfolio of U.S. stocks and 50 percent in fixed earnings investments such as government bonds, notes and certificates of deposit managed by the Louisiana State Treasurer (the state guarantees the return of principal on fixed earnings investments managed by the Louisiana State Treasurer).

Option Five—Equity-Plus Option: This option invests 75 percent of each deposit in a Vanguard fund (Vanguard Total Stock Market Index Fund Institutional Shares) holding a broadly diversified portfolio of U.S. stocks and 25 percent in fixed earnings investments such as government bonds, notes and certificates of deposit managed by the Louisiana State Treasurer (the state guarantees the return of principal on fixed earnings investments managed by the Louisiana State Treasurer).

Option Six—Principal Preservation-Plus Option: This option invests 25 percent of each deposit in a Vanguard fund (Vanguard Total Stock Market Index Fund Institutional Shares) holding a broadly diversified portfolio of U.S. stocks and 75 percent in fixed earnings investments such as government bonds, notes and certificates of deposit managed by the Louisiana State Treasurer (the state guarantees the return of principal on fixed earnings investments managed by the Louisiana State Treasurer).

Option Seven—Equity Plus International Option: This option invests 80% of each deposit in the Vanguard Total Stock Market Index Fund Institutional Shares, a Vanguard mutual fund holding a broadly diversified portfolio of U.S. stocks, and 20% in the Vanguard Total International Stock Index Fund, a Vanguard mutual fund holding a large blend of International/Global stocks.

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New START Investment Option ADD THREE

Although authorized to assess certain fees, the Louisiana Tuition Trust Authority (LATTA) has not approved the imposition of fees. All costs of LATTA or the Louisiana Office of Student Financial Assistance (LOSFA) or the Louisiana State Treasurer in administering the START Saving Program and managing funds in fixed earnings options have been assumed by the State of Louisiana and paid from funds appropriated for that purpose. No fees or administrative costs are currently charged to an Account Owner or a Beneficiary or to the Fund for investments in fixed earnings and none are anticipated.

The START Saving Program is charged an investment management fee on the monies it invests in mutual funds managed by The Vanguard Group. This fee,

known as the fund expense ratio, varies with each mutual fund up to 0.32 percent (or \$3.20 per \$1,000 invested) per year. These fees are deducted prior to the valuation of the funds' net asset value, thereby reducing the value of the START Saving Program's investments, which reduces the return to Account Owners who invested in options other than Option Two.

As an incentive to save, the state of Louisiana will annually match a percentage of the deposits made to an account during the calendar year, depending upon the category into which the account has been classified and the federal adjusted gross income reported by the Account Owner for that year. This match is called an Earnings Enhancement.

In addition, Account Owners can exempt up to \$2,400 in deposits per START account per year from income reported on their state tax return (married couples filing jointly can exempt up to \$4,800 in deposits per beneficiary account per year). If the full \$2,400 (or \$4,800) is not exempted in one year, the unused portion may be carried forward and applied to subsequent years.

Owners may move assets from one investment option to another only once per calendar year. When options are changed, future contributions will be invested in the new option. Account owners who choose the new investment options have an opportunity to gain a higher return than is currently available in Option Two. Yet, the opportunity must be balanced against the risk of loss inherent in any investment that is not guaranteed.

Established in 1997, the Student Tuition Assistance and Revenue Trust (START) Saving Program – Louisiana's Qualified Tuition Plan under Section 529 of the Internal Revenue Code – has over 25,000 account owners and manages more than \$157 million in assets. For more information, please call START toll-free at (800) 259-5626, Ext. 1012.

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