

# CollegeBoundfund<sup>®</sup>

## Introducing Education Strategies

A flexible and efficient way to save for college

- Tax-Advantaged
- Flexible Features
- Several Investment Options



### Investment Products Offered

- Are Not FDIC Insured
- May Lose Value
- Are Not Bank Guaranteed



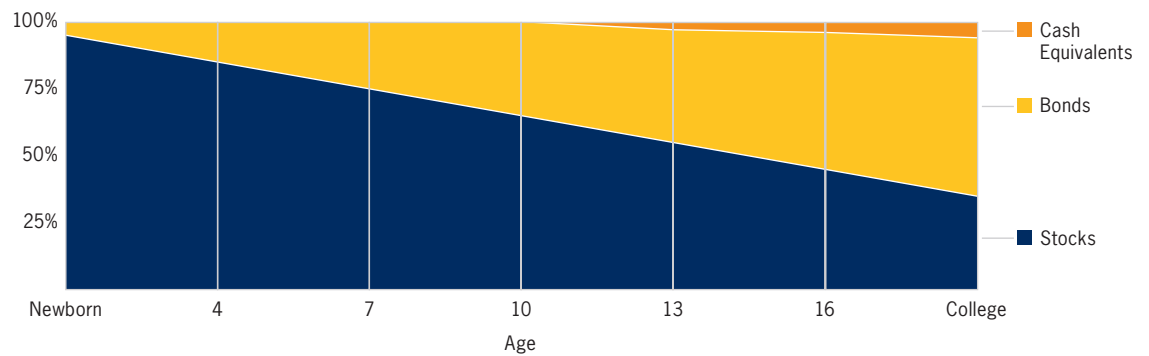
# Education Strategies Portfolios—Age-Based

Age-Based Education Strategies are portfolios that change over time as the college-bound beneficiary nears college age. For younger beneficiaries, the portfolio invests more heavily in stocks. As the beneficiary nears college age, the allocation gradually becomes more conservative, investing in less volatile investments in order to prepare for distributions to pay for college costs.



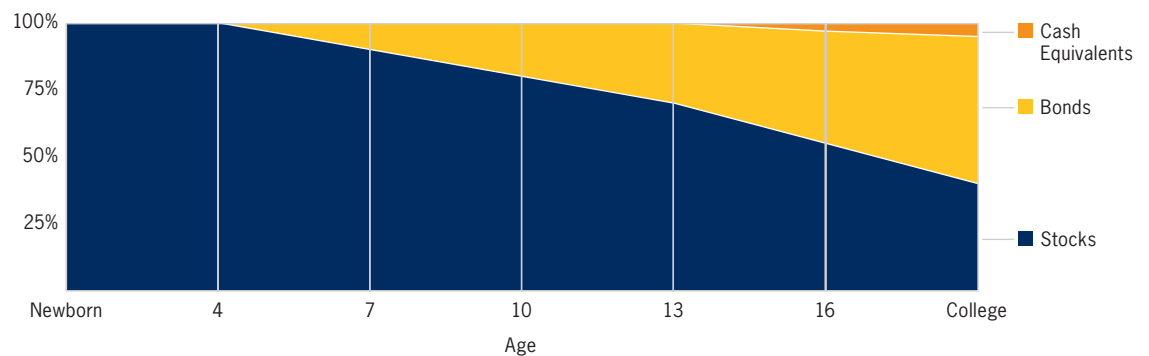
## Age-Based Portfolio Target Glide Path

College savings for a newborn child in the Age-Based Portfolio are initially invested 95% in stocks and 5% in bonds. At age 10, the portfolio has already begun to gradually shift and is invested 65% in stocks and 35% in bonds. As the child nears college age, the Age-Based Portfolio has gradually shifted to an allocation of approximately 35% stocks, 59% bonds and 6% cash equivalents.



## Age-Based Aggressive Portfolio Target Glide Path

College savings for a newborn child in the Age-Based Aggressive Portfolio are initially invested 100% in stocks. At age 10, the portfolio has already begun to gradually shift and is invested 80% in stocks and 20% in bonds. As the beneficiary nears college age, the Age-Based Aggressive Portfolio has gradually shifted to an allocation of 40% stocks, 55% bonds and 5% cash equivalents. The Age-Based Aggressive Portfolio has a higher allocation of stocks as the beneficiary ages, as compared with the Age-Based Portfolio.



# Education Strategies Portfolios—Fixed Allocation

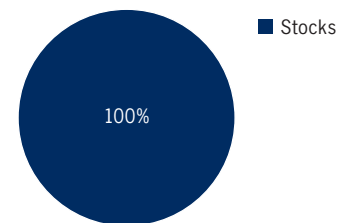
The three Fixed Allocation Portfolios offered in *CollegeBoundfund* represent different blends of stocks and bonds. Unlike the Age-Based Portfolios, the Fixed Allocation Portfolios do not change asset allocation over time but remain fixed throughout the beneficiary's life. However, the Program will review the Fixed Allocation Portfolios' asset allocations periodically and may change them based on economic or other factors that the Program believes are relevant.



## Appreciation Portfolio

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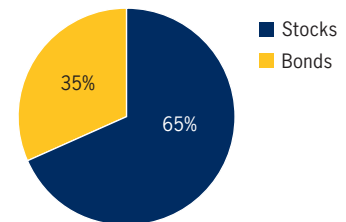
The Appreciation Portfolio is invested entirely in stocks and is designed for those who prefer to take a more aggressive approach to investing. The potential for higher returns is greater, but the potential for higher volatility is also greater.



## Balanced Portfolio

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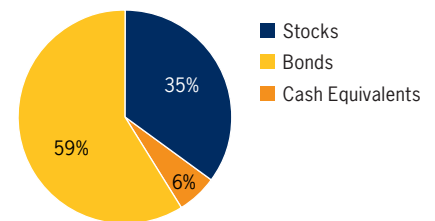
The Balanced Portfolio invests in a set mix of 65% equities and 35% bonds. The goal of the Balanced Portfolio is to provide an appropriate balance between principal safety and growth opportunity.



## Preservation Portfolio

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The Preservation Portfolio invests in a set mix of 35% stocks, 59% bonds and 6% cash equivalents. This more conservative alternative may be appropriate for investors with older children who are near or approaching college age or for those investors with large balances who want to preserve their college savings.



# Individual Fund Portfolios

Investors may choose from among nine AllianceBernstein mutual funds and a stable value option to create their own investment portfolio. The minimum allocation for any selected individual fund portfolio is \$1,000.<sup>1</sup>



## Growth

- AllianceBernstein Large Cap Growth Fund
- AllianceBernstein Mid-Cap Growth Fund
- AllianceBernstein Small Cap Growth Portfolio
- AllianceBernstein Global Technology Fund

## Value

- AllianceBernstein Growth and Income Fund
- AllianceBernstein Value Fund
- AllianceBernstein International Value Fund
- AllianceBernstein Small/Mid-Cap Value Fund

## Fixed Income

- AllianceBernstein Intermediate Bond Portfolio  
(Formerly Quality Bond Portfolio)

## Principal Protection Income

The Principal-Protection Income Portfolio is a conservative, stable value option. It primarily invests in a diversified portfolio of fixed income and money-market instruments. The objective of this portfolio is to generate higher returns than most money-market funds from a portfolio of fixed income securities protected from fluctuations in value typically associated with bond funds. *The Principal-Protection Income Portfolio does not guarantee any particular rate of return. The Portfolio seeks to minimize fluctuations in the value of its investments by entering into contracts, known as wrapper agreements, with financial institutions such as banks and insurance companies. However, these wrapper agreements are subject to certain risks and do not guarantee any Participant's investment in the Portfolio. Although the Portfolio seeks to preserve the value of your investment, it is possible, under certain circumstances, to lose money by investing in this Portfolio. Please see the Program Description for more information.*

<sup>1</sup> The minimum contribution for Rhode Island accounts (and certain other accounts subject to the same sales and asset-based charge structure as applies to Rhode Island accounts) is only \$250.

# CollegeBoundfund®

A flexible and efficient way to save for college.

CollegeBoundfund is a 529 college savings program that helps make saving for a child's higher education easier.

## A Flexible Tax-Advantaged College Savings Plan

**Tax-Free Withdrawals** — Assets grow tax-free, and withdrawals for qualified higher education expenses are also federal income tax free. The availability of such tax or other benefits may be conditioned upon meeting certain requirements. *Under a “sunset provision”, the federal tax exemption for earnings on qualified withdrawals is scheduled to expire on December 31, 2010, unless extended by Congress. As with all tax-related decisions, consult with your tax advisor. Additionally, most states allow the earnings to grow state tax free. Check with your tax advisor to see how 529 plans are treated in your state for income tax purposes. If you are a Rhode Island resident, you receive the benefit of state income tax-free earnings growth. Qualified expenses include tuition, fees, room and board, books and other supplies required for attendance of a student at an institution of higher education. A 10% penalty or additional tax on the earnings withdrawn for non-qualified expenses will apply. Please see the Program Description for more specific information.*

**No Income Limits** — Unlike other college savings vehicles, such as the Coverdell Education Savings Account (formerly Education IRA), CollegeBoundfund has no income limits that restrict who can invest. And you can contribute up to \$330,690 per beneficiary.

**Low Minimum Investments** — With a \$50 per month minimum contribution, you can enroll in one of the automatic contribution plans available. If you choose to open an account by check, the minimum initial investment is \$1,000,<sup>1</sup> with a \$50 minimum for each subsequent investment.

**A Choice of Investment Options** — CollegeBoundfund offers a choice of 15 investment options—two Age-Based and three Fixed Allocation Education Strategies, a stable value portfolio and individual fund portfolios featuring nine AllianceBernstein mutual funds.

## Experienced Investment Management —

AllianceBernstein Investments, Inc., the mutual fund and investment products distributor for AllianceBernstein L.P., provides investors access to one of the most powerful investment organizations in the world. With expertise in every key investment discipline, the firm is a leader in growth, value and fixed income.

**Any Higher Education Institution in the U.S.** — Assets can be used to pay for qualified expenses at any accredited institution of higher education in the U.S. and some foreign institutions, including undergraduate and graduate schools, most community colleges and vocational-technical schools.

**Changing Beneficiaries** — You can change the beneficiary of your account at any time to any other member of the former beneficiary's family.

**Withdraw Funds at Any Time** — Withdrawals can be made at any time, but earnings on those withdrawals not used for qualified higher education expenses will be taxed as ordinary income to the recipient, and subject to a 10% penalty.

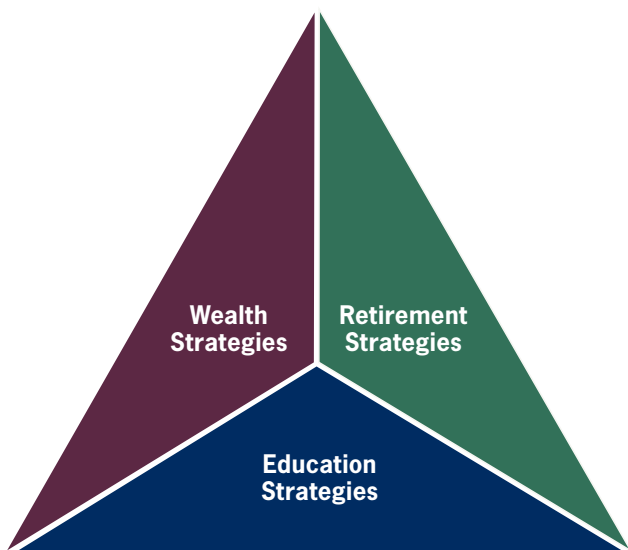
**Dollar-Cost-Averaging** — Lets you make a lump-sum contribution and then dollar-cost-average into the CollegeBoundfund portfolios of your choice.

**Special Gift and Estate Tax Treatment** — Contributions are considered completed gifts and are excludable from your taxable estate for federal estate tax purposes. Contributors can also take advantage of the annual \$12,000 gift tax exclusion. You can also accelerate five years' worth of \$12,000 gifts by contributing \$60,000 in the first year of a five-year period (a married couple filing jointly can contribute \$120,000) without gift tax consequences, *subject to an “add-back” rule in the event of the contributor's death within five years.*

**BabyMint Savings Accelerator** — BabyMint allows parents and grandparents to earn rebates and savings from leading retailers that can be deposited into a CollegeBoundfund account.<sup>2</sup>

<sup>1</sup> The minimum contribution for Rhode Island accounts (and certain other accounts subject to the same sales and asset-based charge structure as applies to Rhode Island accounts) is only \$250.

<sup>2</sup> BabyMint is not affiliated with AllianceBernstein Investments, Inc., CollegeBoundfund, or the State of Rhode Island. An investment in CollegeBoundfund is not required to take advantage of BabyMint vendor discounts. Neither AllianceBernstein L.P., nor the State of Rhode Island, nor CollegeBoundfund is responsible for the operation of the BabyMint program.



## AllianceBernstein's Investment Strategies for Life

A suite of uniquely integrated portfolios designed to meet your clients' retirement, wealth management and college savings needs. Each of the strategies available share a similar portfolio construction approach, incorporating AllianceBernstein's global investment research and management expertise which has been refined over the past four decades for our institutional and private clients.

For more information about **CollegeBoundfund**, contact your financial advisor, visit [www.collegeboundfund.com](http://www.collegeboundfund.com) or call a CollegeBoundfund representative toll-free at **888.324.5057**.

### A Word About Risk

You should consider the investment objectives, risks and charges and expenses of the CollegeBoundfund carefully before investing. For a free copy of the Program Description, which contains this and other information, visit our website at [www.collegeboundfund.com](http://www.collegeboundfund.com), call your financial representative or AllianceBernstein Investments at (888) 324-5057. Please read the Program Description carefully before you invest.

If you are not a Rhode Island resident or if you have taxable income in another state, please note that depending on the laws of your or your beneficiary's home state, favorable state tax treatment or other benefits offered by such home state for investing in 529 college savings plans may be available only for investments in the home state's 529 plan. Any state-based benefit offered with respect to this plan should be one of many appropriately weighted factors to be considered before making an investment decision. Please consult your financial, tax or other adviser to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or another state's 529 plan to learn more about its features, benefits and limitations before investing. Statements in this material concerning taxation are not offered as individual tax advice.

The investments in CollegeBoundfund are not guaranteed by the State of Rhode Island, the Rhode Island Higher Education Assistance Authority (established and implemented CollegeBoundfund and makes rules and regulations governing the program), the Rhode Island State Investment Commission (oversees the investments of the assets of CollegeBoundfund), the Federal Deposit Insurance Corporation (FDIC), or any instrumentality thereof. CollegeBoundfund is managed by AllianceBernstein L.P. and distributed by AllianceBernstein Investments, Inc., member NASD.



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