The Education Plan®
Supplement dated September 28, 2016 to
Plan Description dated June 30, 2016

This supplement amends the Plan Description and Participation Agreement dated June 30, 2016 (the "Plan Description"). You should read this Supplement in conjunction with the Plan Description and retain it for future reference. Capitalized terms not otherwise defined in this supplement have the meanings assigned to them in the Plan Description.

ALLOCATION OF CONTRIBUTIONS

Default Option

Effective October 21, 2016, the following is added as the last sentence in the section titled "Allocation of Contributions" appearing on page 12 of the Plan Descriptions:

> If, at the time of enrollment, the Account Owner has not chosen a Portfolio, the Board has determined that the initial Contribution will be invested in the Balanced Track of the appropriate Index Age Based Portfolio according to the Designated Beneficiary's age.

UNDERLYING INVESTMENTS' INVESTMENT OBJECTIVES

Oppenheimer Institutional Money Market Fund

Effective September 28, 2016 (the "Effective Date"), Oppenheimer Institutional Money Market Fund will change its name to Oppenheimer Institutional Government Money Market Fund in connection with its conversion to a "government money market fund" consistent with new federal regulations regarding money market funds. Accordingly as of the Effective Date, all references in the Plan Description to "Oppenheimer Institutional Money Market Fund" are revised to "Oppenheimer Institutional Government Money Market Fund."

Effective September 28, 2016, the discussion of the investment objective, investment process and principal risks of Oppenheimer Institutional Money Market Fund appearing on page 51 of the Plan Description is replaced with the following:

> **Oppenheimer Institutional Government Money Market Fund**
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> *Investment Objective*
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> The fund seeks income consistent with stability of principal.
>
> *Investment Process*
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> The fund is a money market fund that intends to qualify as a "government money market fund," in connection with the amendments adopted by the U.S. Securities and Exchange Commission to Rule 2a-7 and other rules governing money market funds under the Investment Company Act of 1940, as amended. As a government money market fund, the fund must invest at least 99.5% of its total assets in cash, government securities and/or repurchase agreements that are "collateralized fully" (i.e., backed by cash or government securities). The securities in which the fund invests may have fixed, floating or variable interest rates. The fund may also invest in affiliated and unaffiliated government money market funds. Additionally, as a government money market fund, the fund is not required to impose a liquidity fee and/or temporary redemption gate if the fund's weekly liquid assets fall below 30% of its total assets. While the fund's Board may elect to subject the fund to liquidity fee and gate requirements in the future, it has not elected to do so at this time.
>
> Under normal market conditions, the Underlying Investment invests at least 80% of its net assets (plus borrowings, if any, for investment purposes) in government securities and repurchase agreements that are collateralized by government securities. The 80% investment policy is a nonfundamental investment policy and will not be changed without 60 days' advance notice to shareholders.
>
> *Principal Risks*
>
> All investments carry risks to some degree. The fund's investments are subject to changes in their value from a number of factors. However, the fund's investments must meet the special rules under Federal law for money market funds. Those requirements include maintaining high credit quality, a short average maturity and diversification of the fund's investments among issuers. Those provisions are designed to help minimize credit risks, to reduce the effects of changes in prevailing interest rates and to reduce the effect on the fund's portfolio of a default by any one issuer. Since income on short-term securities tends to be lower than income on longer-term debt securities, the fund's yield will likely be lower than the yield on longer-term fixed-income funds. Even so, there are risks that an issuer of an obligation that the fund holds might have its credit rating downgraded or might default on its obligations, or that interest rates might rise sharply, causing the value of the fund's investments to fall. Also, there is the risk that the value of your investment could be eroded over time by the effects of inflation, or that poor security selection could cause the fund to underperform other funds that have a similar objective. If there is an unexpectedly high demand for the redemption of fund shares, the fund might need to sell portfolio securities

prior to their maturity, possibly at a loss. As a result, there is a risk that the fund's shares could fall below $1.00 per share.

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

The principal risks of investing in this fund are: Risks of Money Market Instruments; Fixed-Income Market Risks; Government Securities Risks, Risks of Repurchase Agreements; Net Asset Value Risks; Risks Relating to Investments by Other Oppenheimer Funds; Yield Risk; Cash Risk; Regulatory Risk; Risks of Investing in Floating and Variable Rate Obligations and Large Shareholder Transaction Risk.

PLAN AND PORTFOLIO RISKS

Principal Investment Risks of the Oppenheimer Funds

In connection with the changes associated with Oppenheimer Institutional Money Market Fund, the following revisions are made to the section titled "PLAN AND PORTFOLIO RISKS: Principal Investment Risks of the Oppenheimer funds" appearing on page 39 of the Plan Description as of the Effective Date:

Bank Obligations Risk is deleted in its entirety.

Regulatory Risk is revised as follows:

***Regulatory Risk*.** In July 2014, the SEC adopted reforms to money market fund regulation, which, when implemented in October 2016, may affect the Fund's operations and/or return potential.

Yield Risk is revised as follows:

Yield Risk. During periods of extremely low short-term interest rates, the Underlying Investment may not be able to maintain a positive yield. The rate of the Underlying Investment's income will vary from day to day, generally reflecting changes in short-term interest rates and in the fixed-income securities market. There is no assurance that the Underlying Investment will achieve its investment objective.

The following risks are added to the section:

Government Securities Risk. The Underlying Investment invests in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as securities issued by the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac")). U.S. government securities are subject to market risk, interest rate risk and credit risk. U.S. government securities include zero coupon securities, which tend to be subject to greater market risk than interest-paying securities of similar maturities.

Cash Risk. As a government money market fund, the Underlying Investment will likely hold some of its assets in cash, which may negatively affect the Underlying Investment's performance. Maintaining cash positions may also subject the Underlying Investment to additional risks and costs, such as increased exposure to the custodian bank holding the assets and any fees imposed for large cash balances.

Risk of Investing in Floating and Variable Rate Obligations. Some fixed income securities have variable or floating interest rates that provide for a periodic adjustment in the interest rate paid on the securities. The rate adjustment intervals may be regular and range from daily up to annually, or may be based on an event, such as a change in the stated prevailing market rate. Floating and variable rate securities may be subject to greater liquidity risk than other debt securities, meaning that there may be limitations on the Underlying Investment's ability to sell the securities at any given time. Such securities also may lose value.

The Education Plan® Participation Agreement

June 30, 2016

ARTICLE I—INTRODUCTION

This Participation Agreement describes the terms and conditions of The Education Plan® (the "Plan") within The Education Plan Trust of New Mexico ("Trust"), as authorized by N.M. Stat. Ann. Sec. 21-21K-3 et seq. ("Statute"), which has been designed to comply with the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended ("Code"). The Plan is established and maintained pursuant to New Mexico state law so that persons may save in a tax-advantaged manner for the purpose of meeting the Qualified Higher Education Expenses of the Designated Beneficiary. New Mexico state laws and the federal tax laws are subject to change, and none of The Education Trust Board of New Mexico ("Board" or, when applicable, the "Trustee"), the Trust, OFI Private Investments Inc., a subsidiary of OppenheimerFunds, Inc. (the "Program Manager") or its affiliates makes any representations that such state laws or federal tax laws will not be changed or repealed.

Once an application ("Enrollment Application") for an Account is completed by the applicant ("Account Owner") and the minimum initial Contribution required to fund an Account is made by the Account Owner and both are accepted by the Board or an agent designated by the Board, a Confirmation will be delivered to the Account Owner. Account assets will be held, subject to the Statute and the Code, for the exclusive benefit of the Account Owner and the beneficiary designated by the Account Owner ("Designated Beneficiary").

The Trustee has engaged the Program Manager to provide administrative, investment and related services to the Board and the Trust in connection with the Plan. OppenheimerFunds Distributor, Inc. (the "Program Distributor") is the sole distributor of the Plan. **The Enrollment Application signed by the Account Owner and returned to the Program Manager or an agent designated by the Program Manager, this Participation Agreement and the Plan disclosure statement ("Plan Description"), as each may be amended and supplemented from time to time, constitute the contract between the Account Owner, the Trust, and the Board governing the Account.**

The Board may modify this Participation Agreement at any time to the extent necessary to assure compliance with applicable state or federal laws or regulations or to preserve the favorable tax treatment of the Plan or the favorable tax treatment of interests of Account Owners or Designated Beneficiaries therein. The Statute and any rules adopted by the Board ("Program Rules") are available for inspection at the Board's office. Any Account Owner or other interested party may receive a copy of the Statute and the Program Rules from the Program Manager upon request.

Nothing in this Participation Agreement shall be interpreted as a promise or guarantee that a Designated Beneficiary: (1) will be admitted to any institution of higher education; (2) will be allowed to continue enrollment at any institution of higher education after admission; (3) will graduate or receive a degree from any institution of higher education; (4) will have his/her Qualified Higher Education Expenses at any institution of higher education covered in full by amounts invested by an Account Owner; (5) will be treated as a state resident of any state for tuition or any other purpose; (6) will receive any particular treatment under applicable federal or state financial aid programs; or (7) will receive any part of or treatment from financial aid programs of any institution of higher education. In addition, nothing in this Participation Agreement shall be interpreted as a promise or guarantee of income on, or protection of principal of, any Account. See Article III of this Participation Agreement.

Capitalized terms used but not defined in this Participation Agreement shall have the same meaning as in the Plan Description, as amended and supplemented from time to time.

ARTICLE II—PARTICIPATION IN THE PLAN

1. Establishing an Account. In order to participate in the Plan, an Account Owner must designate on the Enrollment Application the name, address, Social Security Number ("SSN") and the date of birth of the Designated Beneficiary. The Account Owner must also (i) provide the Account Owner's SSN or Tax Identification Number ("TIN"), a valid United States address and date of birth and (ii) indicate the Portfolio(s) selected, and provide such other information as may be required by the Board from time to time. The Account Owner must be at least 18 years of age.

2. Contributions to Accounts.

(a) *Minimum Initial Contribution.* The minimum initial Contribution required to open an Account is $25. The initial Contribution may be allocated among as many Portfolios as the Account Owner desires, provided that the minimum initial Contribution per Portfolio is $25.

(b) *Additional Contributions.* Additional Contributions of $25 or more may be made at any time, subject to the maximum limits on Contributions described below. Any Contribution to an Account by a contributor who is not the Account Owner becomes the property of the Account Owner. Any additional Contributions made for a Designated Beneficiary will go into the Portfolio(s) originally selected by the Account Owner absent instructions to allocate future Contributions to a new Portfolio. If an Account is opened but not funded within 90 days of opening, the Program Manager reserves the right to close the Account, thereby terminating the Account.

(c) *Right to Refuse Contributions.* A Contribution, rollover or transfer may be refused if the Board or the Program Manager reasonably believes that (i) the purpose is for other than funding the Qualified Higher Education Expenses of the Designated Beneficiary of an Account, (ii) there appears to be an abuse of the Plan, or (iii) such transaction is unlawful. The Plan may not be able to determine that a specific Contribution, rollover or transfer is for other than funding the Qualified Higher Education Expenses of a Designated Beneficiary, or abusive or unlawful. The Plan therefore makes no representation that all such Contributions, rollovers or transfers can or will be rejected.

3. Acceptable Contribution Methods. Contributions to an Account may be made by check, automatic payment from the Account Owner’s bank account or other financial institution, electronic funds transfer, federal funds wire or payroll deduction if the Account Owner’s employer offers this option and is able to meet the Program Manager’s operational and administrative requirements, or any other method permitted by the Statute and the Code. Contributions by money order will not be accepted. An authorization form is included as part of the Enrollment Application. An authorization to make automatic payments will remain in effect until the Program Manager has received notification of its termination. Account Owners or the Program Manager may terminate automatic payments at any time. Any termination of automatic payments authorization initiated by an Account Owner must be made by writing the Program Manager, by calling the Program Manager, or by completing the appropriate section online and will become effective as soon as the Program Manager has had a reasonable amount of time to implement the change. All Contributions must be in cash. The Program Manager cannot accept securities or other property. Rollover contributions to an Account from another qualified tuition plan must be accompanied by the Rollover/Change of Trustee Form and any other required documentation.

4. Maximum Permissible Account Balance. Currently, the maximum aggregate Account balance per Designated Beneficiary is $400,000 and, once such maximum balance is reached, no further Contributions for the benefit of the same Designated Beneficiary will be allowed, although the Account balance may continue to increase due to appreciation of its holdings. All Accounts for the same Designated Beneficiary within the New Mexico 529 Program will be combined for purposes of determining whether the maximum Account balance has been reached, even if those Accounts have different Account Owners. This maximum balance amount may be recalculated or adjusted by the Board at any time based on the estimated cost of Qualified Higher Education Expenses in accordance with applicable tax rules. The Board has established the maximum account balance limit for the New Mexico 529 Program to ensure that Contributions in the New Mexico 529 Program on behalf of a Designated Beneficiary do not exceed the amount necessary to provide for such Designated Beneficiary’s Qualified Higher Education Expenses. Contributions made when those limits have been reached will not be accepted and will be returned to the contributor. Contribution of the maximum amount, however, does not guarantee that the Account balance will be adequate to cover the Qualified Higher Education Expenses of a particular Designated Beneficiary.

5. Designation of Designated Beneficiary; Change of Designated Beneficiary. At the time of enrollment, the Account Owner (other than state or local governments or tax-exempt organizations described in Section 501(c)(3) of the Code) must designate a beneficiary for the Account. There may be only one Account Owner and one Designated Beneficiary per Account. The Account Owner may change the Designated Beneficiary of the Account named on the Enrollment Application, provided the new Designated Beneficiary is a Member of the Family, within the meaning of the Code, of the current Designated Beneficiary. To change a Designated Beneficiary, the Account Owner must complete and sign an Account Maintenance Form. The change will be effective when the Program Manager has received and processed the Account Maintenance Form. A change of Designated Beneficiary will result in the assignment of a new Account number and may result in the reallocation of the Account’s assets to another Portfolio. A change of Designated Beneficiary also may have federal gift tax and generation-skipping transfer (“GST”) tax implications. You should consult your tax advisor regarding this matter.

6. Limited Investment Direction. No Account Owner, Designated Beneficiary or contributor may direct the investment of any Contributions or any earnings thereon either directly or indirectly, other than to select from the available Portfolios prior to a Contribution. In addition, Account Owners may not choose the Underlying Investments in which a Portfolio invests. However, the federal tax rules, as of the date this Participation Agreement was printed, allow Account Owners to move Contributions or any earnings thereon from one or more Portfolios to one or more other Portfolios for all Accounts for the same Designated Beneficiary in the New Mexico 529 Program either (i) twice per calendar year or (ii) when the Account Owner changes the Designated Beneficiary from the existing Designated Beneficiary to a Member of the Family of the existing Designated Beneficiary (such transfer will be free from income tax and the 10% additional federal tax on earnings, but may result in gift or GST tax consequences). In the event that future tax rules governing investment discretion with respect to qualified tuition programs provide greater investment flexibility for the participants of qualified tuition programs, it is the intent of the Board to adjust the New Mexico 529 Program's rules accordingly. However, to the extent future tax rules are more restrictive than those described in this Participation Agreement or the Plan Description, both shall be deemed to be automatically amended to reflect such more restrictive rules. No interest in an Account or any portion thereof shall be used as security for a loan.

7. No Ownership Interest in Underlying Investments. Although Account Owners will have an interest in a specified Portfolio(s), Account Owners do not have a direct beneficial interest in the underlying mutual funds and other investments held by the Portfolio(s), and therefore, Account Owners do not have the rights of an owner or shareholder of such mutual funds or other investments.

8. Account Owner Instructions. The Program Manager may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by an Account Owner or another authorized person and may assume that the authority of any other authorized person continues in effect until the Program Manager receives written notice to the contrary.

ARTICLE III—INVESTMENTS AND WITHDRAWALS

1. No Guarantee of Income or Principal, No Insurance.

(a) Account investment returns will vary. In addition, there can be no assurance that an Account will be sufficient to cover Qualified Higher Education Expenses of the Designated Beneficiary.

(b) An Account will fluctuate in value and may be worth more or less than the amounts contributed at any given time. An investment in the Portfolios, like any investment, has risks, including, but not limited to, those described in the Plan Description under the heading "PLAN AND PORTFOLIO RISKS." Portfolio values will rise and fall and there is a risk you could lose all or part of your money by investing your Account in a Portfolio. There can be no assurance that a Portfolio, or an Underlying Investment in which a Portfolio invests, will achieve its objective. **An investment by an Account Owner in a Portfolio, or by a Portfolio in an Underlying Investment, is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, any other government agency, the Board, the Trust, the Plan, or the Program Manager or its affiliates.**

2. No Guarantee of Future Performance. How a Portfolio, or an Underlying Investment in which a Portfolio invests, has performed in the past is not necessarily an indication of how it will perform in the future.

3. Qualified Withdrawals from Accounts. The Account Owner may direct distributions from an Account for the Qualified Higher Education Expenses of the Designated Beneficiary by providing the Program Manager a Withdrawal Form in writing and any additional required documentation (subject to a 10 business day hold following each Contribution), by calling the Program Manager or by completing the appropriate section online. Distributions may be used at any Eligible Institution of Higher Education ("Eligible Educational Institution"). Generally, this includes any accredited two-year or four-year college or university in the United States or abroad that is eligible to participate in certain federal student financial aid programs, as well as certain accredited proprietary or vocational schools that are eligible to participate in federal student financial aid programs and certain specified military academies. Distributions may also be applied toward graduate or professional school costs at an Eligible Educational Institution.

4. Nonqualified Withdrawals from Accounts. An Account Owner may request a Nonqualified Withdrawal from an Account (subject to a 10 business day hold following each Contribution). A Nonqualified Withdrawal will be subject to an additional 10% federal tax on the earnings portion of the distribution, and such earnings will also be subject to ordinary federal and any applicable state income taxation as well as the recapture of all previous New Mexico tax deductions taken for Contributions to an Account. Other penalties may also apply to a Nonqualified Withdrawal.

5. Other Withdrawals from Accounts. An Account Owner may authorize distributions from the Account as a result of the Designated Beneficiary's death, disability, receipt of a scholarship or attendance at a qualifying military academy. Withdrawals due to the Designated Beneficiary's death, disability or receipt of a scholarship will not be subject to the additional 10% federal tax on earnings, but the earnings portion of such withdrawals will be subject to income taxes at the ordinary federal income tax rates. State taxes may also apply. Scholarship distributions are limited to the amount of the scholarship received by the Designated Beneficiary.

6. Recontributions. If you request a distribution to pay the Qualified Higher Education Expenses of the Designated Beneficiary and the Designated Beneficiary receives a refund of any payment of Qualified Higher Education Expenses from an Eligible Educational Institution, the amount withdrawn will not be includible in income to the extent it is recontributed to an Account for which the Designated Beneficiary is the beneficiary, but only to the extent such recontribution is made not later than 60 days after the date of such refund and does not exceed the refunded amount. You are responsible for identifying to the Program Manager any contribution to an Account that qualifies for the treatment described in this paragraph and for certifying to the Program Manager that the conditions for such treatment have been satisfied.

7. Miscellaneous. None of the Board, the Trust, the Plan, or the Program Manager or its affiliates is responsible for payment of any Qualified Higher Education Expenses that exceed the current balance of an Account at the time a distribution is requested.

ARTICLE IV—AMENDMENT AND TERMINATION

1. General. The Account Owner or the Board may terminate an Account at any time.

2. Distribution of Remaining Account Balance. If the Account is terminated, the remaining Account balance will be distributed to the Account Owner and the Contributions and earnings thereon will be subject to federal and any applicable state income tax, the 10% additional federal tax and the recapture of all previous New Mexico tax deductions taken for Contributions related to Nonqualified Withdrawals. Any such distribution shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, Section 529 of the Code or its applicable regulations, Internal Revenue Service ("IRS") guidance interpreting Section 529 of the Code, New Mexico law, or applicable rules promulgated by the Board. Any such distribution shall be issued in a lump sum net of any fees due to the Program Manager within 90 days from the date of the termination request.

3. Amendment or Termination by the Board.

(a) If the Board or Program Manager finds that the Account Owner or a Designated Beneficiary has provided false or misleading information to the Board or an Eligible Educational Institution with respect to an Account, the Board may terminate the Account and assess a penalty against the Account. If an Account is so terminated, the remaining Account balance will be distributed to the Account Owner and the Contributions and earnings thereon will be subject to federal and any applicable state income tax, the 10% additional federal tax and the recapture of all previous New Mexico tax deductions taken for Contributions related to Nonqualified Withdrawals.

(b) The Board may at any time: (i) amend the Plan or this Participation Agreement by giving written notice to the Account Owner, which amendment shall be effective upon the date specified in the notice; or (ii) terminate the Plan or this Participation Agreement or cause a distribution to be made from an Account to satisfy applicable laws, including anti-money laundering laws, by giving the Account Owner written notice of any such termination. No provision of this Participation Agreement can be amended or waived except in writing signed by an authorized representative of the Board. A termination of the Plan or this Participation Agreement or such distribution from an Account by the Board may result in a Nonqualified Withdrawal, unless certain exceptions apply, for which tax on the earnings portion thereof and penalties may be assessed. Nothing contained in the Participation Agreement or the Plan Description is an agreement or representation by the Board or any other person that it will continue to maintain the Trust indefinitely.

ARTICLE V—CHANGE OF DESIGNATED BENEFICIARY, CHANGE OF ACCOUNT OWNER, ACCOUNT TRANSFERS AND ROLLOVERS

1. Change of Designated Beneficiary. At any time, the Account Owner may change the Designated Beneficiary of an Account as provided in Article II, Section 5 of this Participation Agreement.

2. Change of Account Owner. All requests to transfer ownership of an Account must be submitted in writing and include: (i) the Account number; (ii) the guaranteed signature of the Account Owner; and (iii) such other information as the Board may require from time to time. An Account Owner may designate a Successor Account Owner who, subject to rules established by the Board, will become the Account Owner upon the death of the original Account Owner or if the original Account Owner validly disclaims his/her interest in the Account. A transfer of ownership of an Account to a new Account Owner may have legal and income, gift, estate and GST tax implications. Please consult your tax advisor regarding this matter.

3. Account Transfers.

(a) Section 529 of the Code provides that all or a portion of an account with a qualified tuition program may be rolled over to an account with another qualified tuition program in a different state. In order for the transfer of funds to be a qualified rollover so as not to incur taxes and penalties, the funds from the first account must be deposited into the new account within 60 days from the distribution from the first account, and either (i) there must be a change of Designated Beneficiary to a Member of the Family of the existing Designated Beneficiary or (ii) the transfer must be to any qualified tuition program for the same Designated Beneficiary and the transfer cannot occur within 12 months from the date of a previous transfer from another qualified tuition program for that Designated Beneficiary. In order to roll over an Account to another qualified tuition program, the Account Owner must complete and submit a Rollover/Change of Trustee Form.

(b) In the event of a rollover request, the amount to be rolled over will be (i) the principal portion of all Contributions made, plus the investment gains on the Account, less (ii) investment losses on the Account, if any, withdrawals, if any, and any penalties, fees or charges as determined by the Board. The rollover may be subject to the recapture of previous New Mexico tax deductions taken for Contributions to the Account.

(c) Any rollover shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to Section 529 of the Code or its applicable regulations, IRS guidance interpreting Section 529 of the Code, New Mexico law, and applicable rules promulgated by the Board.

4. Miscellaneous. No interest in all or any portion of an Account may be used as security for any loan. Similarly, an Account Owner or Designated Beneficiary may not borrow, assign or transfer any asset in an Account, except as provided in this Participation Agreement. Upon the death of an Account Owner, if a Successor Account Owner is duly appointed, the Account will be transferred to the Successor Account Owner as described in the Plan Description. If no Successor Account Owner is appointed, the deceased's estate will become the Account Owner.

ARTICLE VI—FEES AND EXPENSES

1. General. Certain fees and expenses will be charged against the assets of the Portfolios to pay for the costs of managing and administering the Plan and the Accounts. These fees and expenses may be changed or waived, and the Board may add new fees or expenses at any time.

2. Daily Charges and Underlying Investment Fees and Expenses. Each Portfolio will be subject to a daily charge for certain ongoing Plan Fees (including the Management Fee and Administrative Fee), as described in the Plan Description. In addition, each of the Underlying Investments in which Portfolios invest has separate investment management fees and other expenses. Accounts will indirectly bear such Underlying Investment management fees and other expenses.

3. Transaction-based Fees. An Account may be subject to fees for certain transactions, charged in the amounts and as described in the Plan Description.

4. Other Fees and Expenses. An Account may be subject to other fees and expenses as directed by the Board and as described in the Plan Description.

ARTICLE VII—GENERAL PROVISIONS

1. Necessity of Qualification. The Account Owner understands and acknowledges that the Plan intends to operate so as to qualify for favorable federal tax treatment under Section 529 of the Code. Because this qualification is vital to the Plan and the beneficial tax treatment of Account Owners and Designated Beneficiaries, the Board may amend the New Mexico 529 Program, the Plan and/or this Participation Agreement at any time if the Board decides that a change is needed to meet the requirements of Section 529 of the Code or its applicable regulations, IRS guidance interpreting Section 529 of the Code, New Mexico law, or applicable rules promulgated by the Board. The Board may modify this Participation Agreement to the extent necessary to assure compliance with applicable state or federal laws or regulations or to preserve the favorable tax treatment of the Plan or the favorable tax treatment of interests of Account Owners or Designated Beneficiaries therein. The Program Manager shall promptly notify the Account Owner of such amendments, and the Account Owner agrees to be bound thereby unless the Account Owner promptly notifies the Program Manager of the Account Owner's intent to terminate the Account.

2. Account Owner Representations.

(a) The Account Owner acknowledges that: (i) the Account Owner has received and read the Plan Description prior to making each investment decision, (ii) the Account Owner agrees that the terms of the Plan Description are incorporated into this Participation Agreement as if they were set forth in this Participation Agreement, and (iii) the Plan's risks have been taken into consideration in making each investment decision.

(b) The Account Owner acknowledges that he/she is opening the Account for the purpose of meeting the Qualified Higher Education Expenses of the Designated Beneficiary of the Account and he/she is not opening or using the Account for the purpose of evading federal or state taxes or tax penalties.

(c) The Account Owner understands that: (i) the state(s) where he/she or his/her Designated Beneficiary reside or pay taxes may offer one or more direct sold, advisor/broker sold or prepaid tuition plans under Section 529 of the Code (each, an "In-State Plan"); and (ii) such In-State Plans may offer him/her state income tax or other benefits not available to him/her through the Plan. The Plan Description, this Participation Agreement and the other forms approved for use in connection with the Plan do not address taxes imposed by a state other than New Mexico, or the applicability of state or local taxes other than the New Mexico income tax to the Plan, the Trust, his/her participation in the Plan, his/her investment in the Trust or his/her Account.

(d) The Account Owner has considered investing in an In-State Plan and consulted with his/her tax advisor regarding the state tax consequences of investing in the Plan if realizing state or local income tax or other benefits are important to him/her.

(e) The Account Owner has considered: (i) the availability of alternative education savings and investment programs including other Section 529 Plans available through the Program Distributor or otherwise; (ii) the identity and contract term of the Program Manager; (iii) the impact an investment in the Plan may have on eligibility for federal and state financial aid and non-educational benefits, such as Medicaid; (iv) the risks and other considerations of investing in the Plan; (v) limitations on Contributions, withdrawals and transfers among the Portfolios; (vi) the Plan's fees and expenses; and (vii) the federal, state and local, income, estate, gift and GST tax implications of investing in the Plan.

(f) The Account Owner acknowledges that the intended tax advantages for the Account may be affected by future changes in tax laws, regulations or rules.

(g) The Account Owner understands that a change in federal or state law or regulations governing the Plan, or court decisions, may have adverse tax and other consequences to the Account Owner. The Account Owner should consider the potential effect such a change in law could have on the Account Owner's investments under the Plan before establishing an Account.

(h) The Account Owner understands that: (i) each of the Plan's Portfolios may not be suitable for him/her and/or the Designated Beneficiary and (ii) the Plan may not be suitable for all investors as a means of investing for Qualified Higher Education Expenses.

(i) The Account Owner understands that the Account Owner will not receive any advice or opinion regarding the suitability of any Portfolio or Trust interests from the Board, Program Manager or Program Distributor or any representative of the Board, Program Manager or Program Distributor.

(j) The Account Owner understands that: (i) any Portfolio may at any time be merged, terminated, reorganized or cease accepting new Contributions without consent or notice; (ii) any such action affecting a Portfolio may result in contributions being reinvested in a Portfolio different from the Portfolio in which contributions were originally invested; (iii) the Board and the Program Manager may at any time terminate or modify the Portfolio fee structures; and (iv) the Board may modify Underlying Investments at any time.

(k) If the Account Owner is establishing an Account as a custodian for a minor under a state's Uniform Gifts to Minors Act or Uniform Transfers to Minors Act ("UGMA/UTMA"), the Account Owner understands and agrees that he/she assumes responsibility for any adverse consequences resulting from the establishment of the Account.

(l) If a legal entity is establishing the Account, the individual executing the Participation Agreement represents that: (i) the entity is the Account Owner; (ii) the individual executing the Participation Agreement is duly authorized to act for the entity; (iii) the Plan Description may not discuss tax consequences and other aspects of the Plan of particular relevance to the entity and individuals having an interest therein; and (iv) the entity has consulted with and relied on a professional advisor, as deemed appropriate by the entity, before becoming an Account Owner.

(m) The Account Owner acknowledges that OFI Private Investments Inc. will not necessarily continue as Program Manager for the entire period this Account is open and that the Board may in the future retain different investment manager(s) to manage all or part of the Plan whether or not OFI Private Investments Inc. is still the Program Manager. The Account Owner further acknowledges that there is no assurance that the terms and conditions of the current Participation Agreement would continue without material change, and that there are, accordingly, various potential consequences that the Account Owner acknowledges they should take into consideration including changes in the current management fee. (A successor Program Manager may request that a new Participation Agreement be executed.)

(n) The Account Owner understands that in order to help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an Account. When an Account Owner opens an Account, the Program Manager and/or the Board will ask for the Account Owner’s name, address, date of birth, SSN and other information that will allow the Program Manager and the Board to identify the Account Owner. The Program Manager or the Board may also ask to see the Account Owner’s driver’s license or other identifying documents.

(o) The Account Owner has been given an opportunity, within a reasonable time prior to signing this Participation Agreement, to ask questions of representatives of the Board and the Program Manager and receive satisfactory answers concerning (i) an investment in the Plan, (ii) the terms and the conditions of the Plan and the Trust, (iii) the particular Investment Option(s) that may be selected, (iv) the Plan Description, this Participation Agreement, and the Enrollment Application, (v) other 529 Plans offered by the Board, and the investment options and costs associated with such plans, and (vi) his/her ability to obtain such additional information that may be necessary to verify the accuracy of any information furnished.

(p) The Account Owner has not relied on any representations or other information, whether oral or written, and whether made by any agent or representative of the Board, the Program Manager, or otherwise, other than as set forth in the Plan Description (including any applicable supplement to the Plan Description) and in this Participation Agreement.

(q) The Account Owner has accurately and truthfully completed the Enrollment Application. Any other documentation that he/she has furnished or subsequently furnishes in connection with the opening or maintenance of, or any withdrawals from, his/her Account is or will be accurate, truthful, and complete, including the age indicated for the Designated Beneficiary.

(r) The Account Owner acknowledges that his/her Account may be considered dormant if for a designated period of time there is no activity on the Account and the Plan is not able to make contact with the Account Owner. Dormant accounts are subject to states’ unclaimed property laws.

3. Separate Accounting. The New Mexico 529 Program shall provide a separate accounting for each Designated Beneficiary.

4. Factual Determinations. All factual determinations regarding an Account Owner’s or Designated Beneficiary’s residency, disability, the existence of hardship, and any other factual determinations regarding Accounts will be made by the Board based on the available facts and circumstances of each case.

5. Notices. All notices, changes, options and elections requested by an Account Owner must be in writing, signed by the Account Owner, and acceptable to the Program Manager. The Program Manager is not responsible for the accuracy of such documentation.

6. Governing Law. This Participation Agreement shall be construed in accordance with the laws of the State of New Mexico and applicable federal law, including Section 529 of the Code. Venue for any action between the Account Owner or the Designated Beneficiary and the Board arising from or relating to the Plan, Accounts or the Participation Agreement shall be in a state or federal court located in Santa Fe, New Mexico.

7. Severability. In the event any clause or portion of this Participation Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from this Participation Agreement and the remainder of this Participation Agreement shall continue in full force and effect as if such clause or portion had never been included.

8. Amendments. The Board may, at any time, and from time to time, amend this Participation Agreement, and the Account Owner shall be considered to have consented to such amendment, to the extent such amendment is for the purpose of assuring compliance with applicable state or federal laws or regulations or to preserve the continued favorable tax treatment of the New Mexico 529 Program, or the Plan Description, or suspend or terminate the Plan, the Trust or the New Mexico 529 Program, but your Account assets may not thereby be diverted from the exclusive benefit of the Account Owner and/or the Designated Beneficiary.

9. Reports and Statements. The Program Manager will send the Account Owner, quarterly statements that show the value of each Account's activity during the previous quarter and cumulative activity for the year. An Account Owner has 60 days to notify the Program Manager of any errors on any Account confirmation or on transactions indicated on each statement for the immediately previous calendar quarter. If the Account Owner does not write to the Program Manager to object to information relating to activity in the Account during the previous quarter as presented in such statement regarding the immediately prior quarter's activity within 60 days after the statement has been sent to the Account Owner, the Account Owner will be considered to have approved it and to have released the Board, the Program Manager and the Program Distributor from all responsibility for matters covered by the statement. If applicable, the Program Manager will provide tax reporting as required under the Act, the Code, and any applicable regulations. The Account Owner will continue to be responsible for filing his or her federal, state and local tax returns and any other reports required by law.

10. Extraordinary Events. The Board and the Program Manager shall not be liable for losses caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes or other conditions beyond their control.

11. Communications. For purposes of this Participation Agreement, communications will be sent to the Account Owner at the permanent address that is specified in the Enrollment Application or at such other permanent address that the Account Owner gives to the Program Manager in writing. All communications so sent will be deemed to be given to the Account Owner personally upon such sending, whether or not the Account Owner actually receives them. Account Owners are responsible for alerting the Program Manager to any change of address.

12. Complete Agreement. This Participation Agreement, and the Plan Description that is hereby incorporated into this Participation Agreement, is the complete and exclusive statement of the agreement between the parties hereto, which supersedes any prior agreement, oral or written, and any other communications between the parties hereto relating to the subject matter of this Participation Agreement. This Participation Agreement is offered by the Board and will be deemed a binding agreement upon acceptance by the Trustee of the Account Owner's Enrollment Application. The Account Owner has not relied on any representations or other information, whether oral or written, other than as set forth in the Plan Description and in this Participation Agreement.

the education plan®

Save today for your child's tomorrow

The Education Plan® Plan Description

June 30, 2016

An Overview of The Education Plan®

This Plan Description contains a summary of the terms of The Education Plan (the "Plan") and the Participation Agreement (including the Enrollment Application). This Plan Description forms a part of, and is incorporated into, the Participation Agreement. This Plan Description includes the addenda and appendixes attached hereto. Please read this document and the Participation Agreement carefully before you invest or send funds. Additional copies of these materials may be obtained from The Education Plan at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**.

The Plan has been established and is maintained by The Education Trust Board of New Mexico ("Board" or, when applicable, the "Trustee"). OFI Private Investments Inc., a subsidiary of OppenheimerFunds, Inc., is the Program Manager of the Plan. OppenheimerFunds Distributor, Inc. is the sole distributor of the Plan.

No dealer, broker, salesperson or other person has been authorized to provide any information or to make any representations other than those contained in this Plan Description. If given or made, such other information or representations must not be relied upon.

Statements contained in this Plan Description or in the Participation Agreement, which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. The information and expressions of opinion herein are subject to change without notice. Neither delivery of this Plan Description or the rest of the Participation Agreement, nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of The Education Plan or The Education Plan Trust of New Mexico ("Trust") since the date of this Plan Description.

The consequences to an Account Owner or Designated Beneficiary of an investment in the Plan vary depending on their state of residence. State tax features vary by Section 529 Plan and the Account Owner's or the Designated Beneficiary's home state may offer favorable state tax treatment or other benefits, including income tax deductions for Contributions to their own state Section 529 Plans or exclusions from income, that may only be available for investments in the home state's Section 529 Plan. Any state-based benefit offered with respect to a particular Section 529 Plan should be one of the many appropriately weighted factors to be considered in making an investment decision. An investor should consult with his or her financial, tax or other adviser to learn more about how state based benefits (including any limitations) would apply to his or her specific circumstances and may also wish to contact his or her home state or any other Section 529 Plan to learn more about the features, benefits and limitations of that state's Section 529 Plan.

The Plan is intended to be used only to save for qualified higher education expenses. The Plan is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. A taxpayer should seek tax advice based on the taxpayer's particular circumstances from an independent, qualified tax advisor.

GREAT SEAL OF THE STATE OF NEW MEXICO · 1912 ·

PLAN HIGHLIGHTS

These Plan Highlights only summarize features of the Plan. More detailed information about the Plan, including establishing an Account, the Portfolios, fees and expenses, investment risks and tax consequences, are described in the pages that follow. Please read this entire Plan Description and the Participation Agreement before investing and keep them for future reference.

You should rely only on the information contained in the Plan Description. No one is authorized to provide information that is different from the information contained herein.

Minimum Contribution to Open an Account

(See "CONTRIBUTIONS—Minimum Initial Contributions" on page 13 for details.)

- All Portfolios—$25
- Contributions must be made in "cash form" by check, Automatic Investment Plan ("AIP"), payroll deduction through a participating employer who is able to meet the Program Manager's operational and administrative requirements, electronic funds transfer or federal funds wire.

Minimum Initial Contribution per Portfolio

(See "CONTRIBUTIONS—Minimum Initial Contributions" on page 13 for details.)

- More than one of the Plan's Portfolios may be selected for an Account; however, there is a minimum initial Contribution per Portfolio of $25.

Maximum Account Balance

(See "CONTRIBUTIONS—Maximum Account Balance" on page 13 for details.)

- $400,000 aggregate balance for all New Mexico 529 Program accounts (including Plan Accounts) for the same beneficiary.

Eligible Account Owners

(See "THE APPLICATION PROCESS" on page 11 for details.)

- No New Mexico residency requirement.
- Persons must be at least 18 years of age and have a valid Social Security Number and United States address.
- State or local government, or a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code.
- Custodian of an UGMA/UTMA account.
- Trusts or corporations with a valid Taxpayer Identification Number.
- The Account Owner can designate a successor Account Owner who becomes the owner of the Account in the event of the Account Owner's death or legal incapacity.

Designated Beneficiary

(See "THE APPLICATION PROCESS" on page 11 for details.)

- No age limit for the Designated Beneficiary.
- Must have a valid Social Security Number.
- Does not need to be related to the Account Owner or reside in the United States.
- The Account Owner and the Designated Beneficiary for an Account may be the same.
- The Plan does not permit a change of the Designated Beneficiary to a person who is not a Member of the Family of the current Designated Beneficiary.

School Limits

(See "WITHDRAWALS—Qualified Higher Education Expenses—*Eligible Educational Institutions*" on page 33 for details.)

- Account balances may be used at most accredited post-secondary schools in the United States or abroad.

Tax Advantages under Current Law

(See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS" on page 35 for details.)

- State tax deduction for New Mexico residents (subject to recapture under certain circumstances); earnings tax deferred.
- Tax-deferred growth.
- No federal or New Mexico income tax on withdrawals used to pay Qualified Higher Education Expenses.
- No federal gift or generation skipping transfer tax on Contributions up to $70,000 ($140,000 for spouses electing to split gifts)—prorated over five years.
- Contributions are considered completed gifts for federal gift and estate tax purposes.
- Contributions are not included in the Account Owner's estate for federal estate tax purposes (subject to certain restrictions if the five year averaging election is made).

Withdrawals

(See "WITHDRAWALS—Qualified Withdrawals" on page 32 and "WITHDRAWALS—Nonqualified Withdrawals" on page 33 for details.)

- Account balances used with limitations to pay for tuition, room and board, supplies, and equipment required for enrollment or attendance by a Designated Beneficiary at any Eligible Educational Institution in the U.S. or abroad (including expenses for special needs services for a special needs beneficiary incurred in connection with such attendance) will be considered a Qualified Withdrawal.
- Account balances which are withdrawn and used for purposes other than a Qualified Withdrawal generally are considered a Nonqualified Withdrawal subject to federal and state income taxes and may be subject to an additional 10% federal tax.

Fees and Expenses

(See "PLAN FEES AND EXPENSES" on page 26 for details.)

Total Annual Asset-based Plan Fees (including Underlying Investment expenses and Plan Fees) range from 0.36% to 0.71% for the Age Based and Custom Choice Portfolios and from 0.25% to 0.37% for the Age Based and Custom Choice Index Portfolios.

- $25 Annual Account Maintenance Fee, waived in certain circumstances.
- Other fees and charges may apply.

Investment Options

(See "INVESTMENT OPTIONS" on page 17 and Appendix A for details.)

- Upon opening an Account, the Account Owner must select an Investment Option or Options.
- Age Based Approach—Automatic asset allocation changes based upon Designated Beneficiary's age.
- Custom Choice Approach—Design your own asset allocation across the risk/reward spectrum.
- The Investment Option for an Account may be changed for any reason two times during a calendar year or with a permissible change of the Designated Beneficiary.

Investment Risks

(See "PLAN AND PORTFOLIO RISKS" on page 37 for details.)

- Account assets are not guaranteed, and an Account may lose money.
- Federal and state tax laws may change.
- Investment Options, asset allocations, Underlying Investments, fees and expenses may change.
- Contributions to an Account may affect the eligibility of the Designated Beneficiary or the Account Owner for federal and state benefits (e.g., financial aid).
- The Program Manager of the Plan may change.

Portfolio Performance

(See "PORTFOLIO PERFORMANCE INFORMATION" on page 23 for details.)

- Historical Portfolio performance information as of March 31, 2016 is included in this Plan Description.
- Past Portfolio performance is not indicative of future Portfolio performance.
- Performance information for the Portfolios is updated daily on the Plan website at **www.theeducationplan.com**.

Plan Administrator

(See "INTRODUCTION" on page 9 for details.)

- Education Trust Board of New Mexico

Service Providers

(See "INTRODUCTION," "RIGHTS OF THE BOARD," "INVESTMENT OPTIONS" and "PLAN AND PORTFOLIO RISKS—Plan Risks—*Potential Plan Adjustments*" on pages 9, 16, 17 and 38 respectively, for details.)

- OFI Private Investments Inc. ("Program Manager") provides investment management, administration, recordkeeping and transfer agency services for the Plan.
- OppenheimerFunds Distributor, Inc. ("Program Distributor") is the Plan's distributor.
- OppenheimerFunds, Inc. (an affiliate of the Program Manager), The Dreyfus Corporation ("Dreyfus"), Teacher's Advisors, Inc. ("TIAA") and The Vanguard Group, Inc. ("Vanguard") each serves as investment manager for certain Underlying Investments in which the Portfolios in the Plan invest.
- The term of the program management agreement among the Board, the Program Manager and the Program Distributor ends on June 30, 2020, subject to possible extension or early termination.

- All information provided to the Plan is treated confidentially. This Plan Description includes the Privacy Policy of the Program Manager and Program Distributor for the benefit of the Plan participants.

Special Benefits for New Mexico Residents

(See "SPECIAL BENEFITS AVAILABLE TO NEW MEXICO RESIDENTS" and "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS—State Tax Treatment for New Mexico Taxpayers" on pages 10 and 37 for details.)

- All earnings of a New Mexico Account Owner or Designated Beneficiary from an investment in the Plan are exempt from New Mexico individual income taxes, subject to exceptions.
- Contributions by a New Mexico individual taxpayer may be deducted from net income for New Mexico individual income tax purposes, subject to limitations and recapture under certain circumstances.
- An Account Owner who is a New Mexico resident may also be eligible for a refund of the Board Administrative Fee. See "FEES AND EXPENSES - Annual Asset-based Charge and Other Fees – Board Administrative Fee" on page 27 for more information.

Contact Information
The Education Plan
P.O. Box 173691
Denver, CO 80217
www.theeducationplan.com
1.877.EdPlan8 (1.877.337.5268)

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of this Plan Description or the Participation Agreement. Any representation to the contrary is a criminal offense.

Information in this Plan Description is believed to be accurate as of the printing of this Plan Description and is subject to change without notice.

Plan Accounts are not bank deposits, are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Association, are not debt or obligations of, or guaranteed by, any bank or other financial institution or the Plan, The Education Trust Board of New Mexico or its members, the Education Plan Trust of New Mexico, the State of New Mexico, OFI Private Investments Inc., OppenheimerFunds Distributor, Inc. or any financial advisor. Investment in the Plan involves investment risk, including the possible loss of the principal amount invested.

The New Mexico income tax deduction, as described in this Plan Description, is only available to New Mexico taxpayers. If you are not a New Mexico taxpayer, depending upon the laws of your home state or the home state of your Designated Beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in Section 529 Plans may be available only if you invest in your home state's Section 529 plan. Any state-based benefit offered with respect to a particular Section 529 Plan should be one of many appropriately weighted factors considered in making an investment decision. You should consult with your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You also may wish to contact your home state or other Section 529 Plans to learn more about the features, benefits and limitations of that state's Section 529 Plans. In addition, some states may offer an income tax deduction to any qualified tuition program. Consult a tax advisor for more information.

Account Owners and Designated Beneficiaries do not have access or rights to any assets of the State of New Mexico or any assets of the Trust other than assets credited to the Account of that Account Owner for that Designated Beneficiary. (See "PLAN AND PORTFOLIO RISKS" on page 37 for details.)

PRIVACY POLICY

As an Account Owner of the Plan, you are entitled to know how we protect your personal information and how we limit its disclosure.

Information Sources

We obtain nonpublic personal information about our Account Owners and Designated Beneficiaries from the following sources:

- Applications or other forms
- When you create a user ID and password for online Account access
- When you enroll in our electronic document delivery service
- Your transactions with us, our affiliates or others
- When you set up challenge questions to reset your password online
- A software program on the Plan's website, often referred to as a "cookie," which indicates which parts of our site you've visited

If you visit **www.theeducationplan.com** and do not log on to the secure Account information areas, we do not obtain any personal information about you. When you do log on to a secure area, we do obtain your user ID and password to identify you. We also use this information to provide you with products and services you have requested and assist you in other ways.

We do not collect personal information through the Plan's website unless you willingly provide it to us, either directly by email or in those areas of the website that request information. In order to update your personal information (including your mailing address, email address and telephone number), you must first log on and visit the "Your Account" section and select the "Maintenance" menu.

If you have set your browser to warn you before accepting cookies, you will receive the warning message with each cookie. You can refuse cookies by turning them off in your browser. However, doing so may limit your access to certain sections of the Plan's website.

We use cookies to help us improve and manage the Plan's website. For example, cookies help us recognize new versus repeat visitors to the site, track the pages visited, and enable some special features on the website. This data helps us provide a better service for the Plan's website visitors.

Protection of Information

We do not disclose non-public personal information about current or former Account Owners and Designated Beneficiaries to anyone, except as permitted by law.

Right of Refusal

We will not disclose your personal information to unaffiliated third parties (except as permitted by law), unless you, the person who provides the information or the person who is the subject of the information gives express written consent to such disclosure.

Internet Security and Encryption

In general, the email services provided by the Plan's website are encrypted and provide a secure and private means of communication with us. To protect your own privacy, confidential and/or personal information should only be communicated via email when you are advised that you are using a secure website.

As a security measure, we do not include personal or Account information in nonsecure emails, and we advise you not to send such information to us in nonsecure emails. Instead, you may take advantage of the secure features of the Plan's website to encrypt your email correspondence. To do this, you will need to use a browser that supports Secure Sockets Layer (SSL) protocol.

We do not guarantee or warrant that any part of the Plan's website, including files available for download, are free of viruses or other harmful code. It is your responsibility to take appropriate precautions, such as use of an antivirus software package, to protect your computer hardware and software.

- All transactions are secured by SSL and 256-bit encryption. SSL is used to establish a secure connection between your PC and the Plan server. It transmits information in an encrypted and scrambled format
- Encryption is achieved through an electronic scrambling technology that uses a "key" to code and then decode the data. Encryption acts like the cable converter box you may have on your television set. It scrambles data with a secret code so that no one can make sense of it while it is being transmitted. When the data reaches its destination, the same software unscrambles the data
- You can exit the secure area by either closing your browser, or for added security, you can use the log out button before you close your browser

Other Security Measures

We maintain physical, electronic and procedural safeguards to protect your personal Account information. Our employees and agents have access to that information only so that they may offer you products or provide services, for example, when responding to your Account questions. Please refer to the terms and conditions for Account Owner online access.

How You Can Help

You can also do your part to keep your Account information private and to prevent unauthorized transactions. If you obtain a user ID and password for your Account, do not allow it to be used by anyone else. Also, take special precautions when accessing your Account on a computer used by others.

Who We Are

This joint notice describes the Privacy Policy of OFI Private Investments Inc. and OppenheimerFunds Distributor, Inc. as the Program Manager and Distributor, respectively, of the Plan. This notice was last updated on June 30, 2016. In the event it is updated or changed, we will post an updated notice on the Plan's website. If you have any questions about this Privacy Policy, write to us at **P.O. Box 173691, Denver, CO 80217**, email us by clicking on the "Contact Us" section of the Plan's website at **www.theeducationplan.com** or call us at **1.877.EdPlan8 (1.877.337.5268)**.

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DEFINITIONS OF KEY TERMS

Set forth below are definitions of certain key terms used in this Plan Description. Other terms are defined elsewhere in this document.

Account means an account established by an Account Owner pursuant to a Participation Agreement for purposes of investing in one or more Portfolios. An investment in certain Portfolios may require the opening of a separate Account. Please contact the Program Manager at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**.

Account Owner means the individual or entity establishing an Account or any successor to such individual or entity. References in this document to "you" mean you in your capacity as the Account Owner.

Age Based Portfolio means a Plan Portfolio which invests in a combination of Underlying Investments in accordance with a target asset allocation specified for such Portfolio based on the ages of Designated Beneficiaries specified for such Portfolio.

AIP means an automatic investment plan including automatic payments from the Account Owner's bank account or other financial institution or through payroll deductions.

Board means The Education Trust Board of New Mexico, which is the trustee of the Trust.

Code means the Internal Revenue Code of 1986, as amended.

Contribution means an amount invested in an Account.

Coverdell ESA means a Coverdell Education Savings Account.

Custom Choice Portfolio means a Portfolio the assets of which are invested in a combination of Underlying Investments in accordance with a fixed asset allocation specified for such Portfolio.

Designated Beneficiary means the individual whose Qualified Higher Education Expenses are expected to be paid from the Account or, for Accounts owned by a state or local government or qualifying tax-exempt organization (otherwise known as a 501(c)(3) entity) as part of its operation of a scholarship program, the recipient of a scholarship.

EFT means electronic funds transfer.

Eligible Educational Institutions mean accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential, which are eligible to participate in certain federal student financial aid programs. Certain proprietary institutions, foreign institutions and post-secondary vocational institutions are included, as are certain specified military academies.

Investment Managers means OppenheimerFunds, Inc. (an affiliate of the Program Manager), The Dreyfus Corporation, Teachers Advisors, Inc. and The Vanguard Group, Inc. who each serves as investment manager for certain Underlying Investment(s) in which a particular Portfolio of the Plan invests.

IRS means the Internal Revenue Service.

Member of the Family means the Designated Beneficiary's:

- son or daughter, or a descendant of either
- stepson or stepdaughter
- brother, sister, stepbrother or stepsister
- the father or mother, or an ancestor of either
- stepfather or stepmother
- son or daughter of a brother or sister
- brother or sister of the father or mother
- son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law
- the spouse of the Designated Beneficiary or any of the foregoing individuals or
- first cousin

For purposes of determining who is a "Member of the Family," a legally adopted child of an individual shall be treated as the child of such individual by blood. The terms "brother" and "sister" include half-brothers and half-sisters.

New Mexico 529 Program means the Section 529 program administered by the Board, including the Plan.

Nonqualified Withdrawal means any withdrawal from an Account that is not a Qualified Withdrawal or an Other Withdrawal.

Other Withdrawal means

- A withdrawal by reason of the death (if paid to the Designated Beneficiary's estate) or disability (within the meaning of Section 72(m)(7) of the Code) of the Designated Beneficiary of the Account;
- A withdrawal by reason of the Designated Beneficiary's receipt of a qualified scholarship (to the extent of the scholarship amount);
- A withdrawal by reason of the Designated Beneficiary's attendance at certain specified military academies;
- A withdrawal used to pay expenses that would be Qualified Higher Education Expenses but for the use of Education Tax Credits with respect to such expenses as allowed under federal income tax law; or

- A qualifying rollover distribution that is rolled into another state's Section 529 Plan with appropriate documentation, or a qualifying transfer to the credit of another beneficiary within the New Mexico 529 Program.

Participation Agreement means the contract between the Account Owner and the Board, which establishes the Account and the obligations of the Board and the Account Owner.

Plan means The Education Plan®.

Plan Description means the then current The Education Plan® Plan Description.

Portfolio means a Plan portfolio, which invests in Underlying Investment(s), that the Board may authorize the Plan to offer and in which the Plan invests Contributions and earnings thereon.

Program Distributor means OppenheimerFunds Distributor, Inc., which serves as Program Distributor of the Plan.

Program Manager means OFI Private Investments Inc. which serves as Program Manager of the Plan.

Program Parties means the State of New Mexico, the Board, the New Mexico 529 Program, the Plan, the Trust, the Program Manager and the Program Distributor.

Qualified Higher Education Expenses means, as defined by Section 529(e)(3) of the Code, tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution, as well as expenses for special needs services in the case of a special needs beneficiary who incurs such expenses in connection with enrollment or attendance at an Eligible Educational Institution. The term also includes an amount for the room and board incurred by a Designated Beneficiary while attending an Eligible Educational Institution at least half-time (as defined for purposes of Section 529 of the Code). The limit for annual room and board expense for on and off campus housing is the allowance included in the "cost of attendance" at the Eligible Educational Institution, or, if greater, the actual amount charged by the Eligible Educational Institution for room and board costs for the applicable period. Effective for taxable years beginning after December 31, 2014, Qualified Higher Education Expenses also include expenses for the purchase of computer and any related peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution regardless of whether such technology or equipment is required by the Eligible Educational Institution. Computer software means any program designed to cause a computer to perform a desired function. Such term does not include any database or similar item unless the database or item is in the public domain and is incidental to the operation of otherwise qualifying computer software. Computer software designed for sports, games, or hobbies is not included unless this software is predominantly educational in nature.

Qualified Withdrawal means a withdrawal from an Account that is used to pay the Qualified Higher Education Expenses of the Designated Beneficiary.

Section 529 Plan means a qualified tuition program established under and operated in accordance with Section 529 of the Code.

Successor Account Owner means the individual or entity designated by the Account Owner to assume ownership of the Account in the event the Account Owner dies or is legally incapacitated while there is still money in the Account.

Trust means the Education Plan Trust of New Mexico.

UGMA/UTMA means the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act of any state.

Underlying Investment(s) means the one or more mutual funds or other investment vehicles in which assets of the Portfolios are invested.

INTRODUCTION

The Education Trust Board of New Mexico (the "Board") administers The Education Plan (the "Plan"), a college savings plan within The Education Plan Trust of New Mexico (the "Trust"), a New Mexico trust established pursuant to the laws of the State of New Mexico, to hold the assets of the Plan. The Plan is designed to operate in accordance with Section 529 of the Internal Revenue Code of 1986, as amended (the "Code") and promote savings for Qualified Higher Education Expenses. Federal tax benefits that are afforded under Section 529 of the Code and potential state tax benefits enhance the value of investing in the Plan.

The Plan provides Account Owners with the opportunity to help save for Qualified Higher Education Expenses in a tax-advantaged manner and to invest through the approach that best suits the Account Owner.

As of the date of this Plan Description, the New Mexico 529 Program administered by the Board includes the Plan described in this Plan Description and Scholar's Edge® that is offered through financial advisors and described in a separate plan description.

The IRS has issued proposed regulations under Section 529 of the Code, but has not yet issued final regulations thereunder. Additionally, the proposed regulations do not reflect changes made to Section 529 or guidance issued by the IRS since their promulgation. The Plan as described in this Plan Description is operated so as to comply with Section 529 of the Code as currently in effect. However, the Plan's operations may need to be modified to comply with final regulations, when issued, and such final regulations may alter the tax treatment of Account Owners as discussed herein.

When considering an investment in the Plan, you should be aware that the federal or state laws affecting your investment may change or expire while your Account is open. (See “TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS” on page 35 and “PLAN AND PORTFOLIO RISKS—Plan Risks—Status of Federal and State Law and Regulations Governing the Plan” on page 38 for details.) The Board also may amend the Plan at any time if the Board determines that such an amendment is necessary to maintain qualification under Section 529 of the Code or is otherwise desirable.

The rate of return on Accounts, if any, may be less than the rate of increase in the costs of Qualified Higher Education Expenses over the same period. There are no performance guarantees with the Plan and the value of your Account may fluctuate over time.

Investments under the Plan are not guaranteed or insured by the Federal Deposit Insurance Corporation or other governmental agency, or by the Program Parties or any other entity. No one can predict the returns from the Portfolios, or the Underlying Investments in which the Portfolios invest. Past performance of any Portfolio or Underlying Investment is no guarantee of future results.

Although money contributed to the Plan will be allocated to Portfolios that invest in mutual funds, neither the Trust, the Plan, nor any of the Plan’s Portfolios is a mutual fund. An investment in the Plan is an investment in municipal fund securities that are offered and issued by the Trust. These securities are not registered with the United States Securities and Exchange Commission (“SEC”) or any state, nor are the Trust, the Plan, or the Plan’s Portfolios registered as investment companies with the SEC or any state.

The Program Manager and the Program Distributor

The Board has retained OFI Private Investments Inc. (the “Program Manager”) to administer and manage the investment and reinvestment of the Trust assets in accordance with the Board’s investment policies and subject to the Board’s approval. The Program Manager also provides other services relating to establishing accounts for Account Owners, marketing the Plan and keeping records for the Plan. The Trust assets shall be invested in the Portfolios and the Portfolios shall invest in the Underlying Investments recommended by the Program Manager and approved by the Board. OppenheimerFunds Distributor, Inc., an affiliate of the Program Manager, is the distributor of interests in the Plan. The Program Manager acts on behalf of the Board, Trustee of the Trust, subject to the terms of a Program Management Agreement that expires on June 30, 2020.

Additional information about the Program Manager and Program Distributor is available at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**.

Investment Managers

OppenheimerFunds, Inc. (an affiliate of the Program Manager), The Dreyfus Corporation (“Dreyfus”), Teacher’s Advisors, Inc. (“TIAA”) and The Vanguard Group, Inc. (“Vanguard”) each serves as investment manager for certain Underlying Investment(s) in which a particular Portfolio of the Plan invests. The board of trustees and/or investment manager for a particular Underlying Investment, and not the Program Manager (in its capacity as a service provider to the Plan), manage and operate and determine the investment policies of the Underlying Investment. (See Appendix A for more information about the Underlying Investments in which a Portfolio invests.)

The Board

The Plan is maintained by the State of New Mexico and is administered by the Board. The Board, which serves as trustee of the Trust, has the authority to appoint a Program Manager, adopt rules and regulations to implement and administer the Plan and the Trust, and establish investment policies for the Trust. The Plan is implemented in part pursuant to a declaration of trust (the “Declaration of Trust”) adopted by the Board. The Declaration of Trust governs the terms of the Trust and the respective obligations of the Program Manager and its affiliated service providers and the Board. The Trust assets are maintained separately from other plans within the New Mexico 529 Program and assets of the State of New Mexico.

Additional information about the Board is available at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**.

SPECIAL BENEFITS AVAILABLE TO NEW MEXICO RESIDENTS

Annual Account Maintenance Fee Waived for New Mexico Residents:

- The Annual Account Maintenance fee of $25 is waived if either the Account Owner or the Designated Beneficiary is a resident of New Mexico. The Board may at any time modify, add or terminate any benefit to New Mexico residents.

Special Tax Benefits for New Mexico State Taxpayers:

- All earnings of a New Mexico Account Owner or Designated Beneficiary from an investment in the Plan are exempt from New Mexico individual income taxes, subject to exceptions
- Contributions by a New Mexico individual taxpayer may be deducted from net income for New Mexico individual income tax purposes, subject to limitations.

Board Fee Refund:

- An Account Owner who is a New Mexico resident may also be eligible for a refund of the Board Administrative Fee. See "SALES CHARGES, FEES AND EXPENSES - Annual Asset-based Charge and Other Fees – Board Administrative Fee" on page 27 for more information.

(For more information see "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS—State Tax Treatment for New Mexico Taxpayers" on page 37.)

THE APPLICATION PROCESS

The Account Owner must be a United States citizen or resident alien at least 18 years of age, a state or local government, a tax-exempt organization described in Section 501(c)(3) of the Code, a custodian under a UGMA/UTMA, or another type of legal entity, such as a trust or a corporation, with a valid Social Security Number or Taxpayer Identification Number and United States address. To open an Account, the Account Owner must complete and sign an Enrollment Application and any other documents required by the Board or the Program Manager. By signing the Enrollment Application, you will agree to the terms of the Account, the Participation Agreement and the Plan as set forth in this Plan Description. Completed Enrollment Applications must be sent to the Program Manager. At the time of enrollment, the Account Owner (other than state or local governments or tax-exempt organizations described in Section 501(c)(3) of the Code) must designate a beneficiary for the Account who must have a valid Social Security Number.

The Designated Beneficiary

There may be only one Account Owner and one Designated Beneficiary per Account. The Designated Beneficiary is not required to be related to the Account Owner or to reside in the United States. One Account Owner may have multiple Accounts for different beneficiaries within the Plan. Also, different Account Owners may have Accounts for a single Designated Beneficiary within the Plan. An individual may establish an Account and designate himself/herself as the Designated Beneficiary. There is no age limit for the Designated Beneficiary.

Successor Account Owners

An Account Owner may name a Successor Account Owner to assume control of the Account in the event of the original Account Owner's death or legal incapacity. For the Successor Account Owner to assume control of the Account, the Program Manager must receive from the Successor Account Owner the following documentation in good order: (i) an Enrollment Application and (ii) a letter requesting the Account be re-registered to the Successor Account Owner.

If on the death of the Account Owner the Account Owner has not designated a Successor Account Owner, the deceased's estate will become the Account Owner.

How to Change Account Owner. All requests to transfer ownership of an Account must be submitted to the Program Manager in writing and include: (i) the Account number; (ii) the guaranteed signature of the Account Owner; and (iii) such other information as the Board or the Program Manager may require from time to time.

Control of the Account

The Account and all rights under the Participation Agreement belong to you as Account Owner and not to the Designated Beneficiary. You retain control of how and when Account assets are used. You may change the Designated Beneficiary if the proposed Designated Beneficiary is a Member of the Family of the Designated Beneficiary to be replaced. Special rules apply to Accounts established by UGMA/UTMA custodian Account Owners. You may also take withdrawals from the Account subject to applicable federal and state taxes on earnings.

Investments in the Plan

Your Account represents an investment in a security issued by the Trust (an "Interest"), and this Interest is being distributed by the Program Distributor through an agreement with the Board.

Investors should consider the structure of the Plan and the different investment strategies employed by and risks of each Portfolio before opening an Account.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION, OR WITH ANY STATE SECURITIES COMMISSIONS. (See "ADDITIONAL INFORMATION—Securities Laws Applicable to the Trust" on page 47 for details.)

UGMA/UTMA Custodial Accounts

An Account Owner who is the custodian of an account established or being opened under a state's UGMA/UTMA may be able to open an Account in his or her custodial capacity, depending on the laws of that state. These types of Accounts involve additional restrictions that do not apply to other types of Section 529 Plan accounts. A custodian using UGMA/UTMA funds to establish an Account must indicate that the Account is custodial by checking the appropriate box on the enrollment application. None of the Program Parties will be liable for any consequences related to a custodian's improper use, transfer or characterization of custodial funds. UGMA/UTMA custodians must establish Accounts in their custodial capacity separate from any Accounts they may hold in their individual capacity in order to contribute UGMA/UTMA property to an Account. Because the Designated Beneficiary of an Account under the UGMA/UTMA is the owner of the Account, any tax consequences from a withdrawal from an Account will be imposed on the Designated Beneficiary, and not the

UGMA/UTMA custodian Account Owner. The UGMA/UTMA custodian will assume Account Owner responsibilities until the Designated Beneficiary reaches the age of majority under the applicable UGMA/UTMA statute, at which point the Designated Beneficiary will assume Account Owner responsibilities.

In general, UGMA/UTMA Custodial Accounts are subject to the following additional requirements and restrictions:

- The UGMA/UTMA custodian will be permitted to make withdrawals only in accordance with the rules applicable to withdrawals under the applicable UGMA/UTMA and the Plan;
- The custodian must notify the Plan when the custodianship terminates and the Designated Beneficiary is legally entitled to take control of the Account. Custodians or Designated Beneficiaries will need to complete certain forms to document the termination of the custodianship. Upon completion of the registration change, the Designated Beneficiary will be registered as the Account Owner and will become subject to the provisions of the Plan applicable to non-UGMA/UTMA Account Owners.
- An Account Owner maintaining an Account as an UGMA/UTMA custodian may not change the Account Owner or Designated Beneficiary of the Account or transfer assets to another beneficiary, except as may be permitted by applicable law.

A custodian can be changed on an UGMA/UTMA account by providing supporting documentation in writing from the current custodian or submitting a valid court order appointing another person as the custodian. The new custodian must complete an Enrollment Application.

All UGMA/UTMA Account assets are treated by the Plan as subject to the UGMA/UTMA. Moreover, because only Contributions made in “cash form” via check or ACH may be used to open an Account in the Plan, non-cash assets held by an UGMA/UTMA account will have to be liquidated, resulting in a taxable event to the beneficiary. Please consult a tax professional to determine how to transfer an existing UGMA/UTMA account, and what the implications of such a transfer may be for your specific situation.

Personal Information

Establishment of an Account is subject to acceptance by the Program Manager, including the verification of an Account Owner’s identity and other information in compliance with the requirements of the USA PATRIOT Act and other applicable law. If an Account Owner does not provide the information as requested on the Enrollment Application, the Program Manager may refuse to open an Account for the Account Owner. If reasonable efforts to verify this information are unsuccessful, the Program Manager may take certain actions regarding the Account without prior notice to the Account Owner, including among others, rejecting Contributions and withdrawal and transfer requests, suspending Account services or closing the Account. Units redeemed as a result of closing an Account will be valued at the Units’ net asset value next calculated after the Program Manager closes the Account. The risk of market loss, tax implications and any other expenses, as a result of the liquidation, will be solely the Account Owner’s responsibility.

ALLOCATION OF CONTRIBUTIONS

At the time of enrollment, the Account Owner must choose the initial Portfolio(s) for the Account and, if two or more Portfolios are chosen, the allocation of the initial Contribution among those Portfolios. Subsequent Contributions will also be invested in selected Portfolio(s), according to a designated allocation, until the Account Owner instructs the Program Manager otherwise, by making a new Portfolio selection and/or designating a new allocation, with respect to new Contributions. Although Account Owners may choose to invest new Contributions in any of the Plan’s Portfolios, they may only change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolio options for all Accounts for the same Designated Beneficiary twice per calendar year or upon a change of Designated Beneficiary.

CONTRIBUTIONS

Contributions received in good order prior to the close of the New York Stock Exchange (“NYSE”), normally 4:00 p.m. Eastern time, will be processed on the same business day, and on the next succeeding business day if the transaction request is received after the close of the NYSE. Contributions will be credited to an Account only if the documentation received is complete and correct and the Contribution satisfies the requirements set forth both in the Participation Agreement and in this Plan Description. The investments through an Account are priced based on the price in effect for the Underlying Investments at the close of the market (generally 4:00 p.m. Eastern Time) on the date the Contribution is processed and credited to such Account.

A Contribution, rollover or transfer may be refused if the Board or the Program Manager reasonably believes that (i) the purpose is for other than funding the Qualified Higher Education Expenses of the Designated Beneficiary of an Account, (ii) there appears to be an abuse of the Plan, or (iii) such transaction is unlawful. The Plan may not be able to determine that a specific Contribution, rollover or transfer is for other than funding the Qualified Higher Education Expenses of a Designated Beneficiary, abusive or unlawful. The Plan therefore makes no representation that all such Contributions, rollovers or transfers can or will be rejected.

Third-party Contributions

Individuals (including the Designated Beneficiary) or entities who are not the Account Owner may make Contributions to an Account; however, the Account Owner will retain control over the Account (including the ability to make withdrawals) and will have control over the monies contributed by such third-party contributors. Such Contributions will be allocated in accordance with the Account Owner's elected investment allocation and may have gift or other tax consequences. (See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS—Federal Gift and Estate Taxes" on page 36 for details.)

Minimum Initial Contributions

The required minimum initial Contribution to an Account is $25 and the minimum amount for each subsequent Contribution is $25. The Program Manager needs a minimum of five (5) business days to process changes to, or to stop, Contributions made by Automatic Investment Plan (AIP).

Maximum Account Balance

Contributions to an Account will be permitted if the aggregate balance, including the proposed Contribution amount, of all New Mexico 529 Program accounts (including Plan Accounts) for the same Designated Beneficiary (regardless of Account Owner) does not exceed $400,000. Pursuant to Section 529 of the Code, the Board sets the maximum account balance limit for all Accounts for a Designated Beneficiary.

The Board expects to evaluate the maximum account balance limit periodically. Accounts that have reached the maximum account balance limit may continue to increase in value depending on market fluctuation. While not now expected, it is possible that federal tax law might impose different limits on maximum account balances in the future.

Excess Contributions

The Program Manager may return all or any part of a Contribution, rollover or transfer that would cause the aggregate balance of all Accounts for a particular Designated Beneficiary (regardless of Account Owner) to exceed the maximum account balance limit ("Excess Contribution").

Methods of Contribution

Contributions must be made in "cash form" by check, AIP, payroll deduction through a participating employer who is able to meet the Program Manager's operational and administrative requirements (you should verify with your employer that the employer is willing to process Contributions through payroll direct deposit), EFT or federal funds wire. No securities will be accepted. Contributions by money order will not be accepted. Third party checks are subject to review by the Program Manager. Account Owners making an initial Contribution by check must send at least $25 with their enrollment application. Checks must be made payable to "The Education Plan."

Automatic Investment Plan (AIP)

Account Owners may authorize the Plan to perform periodic automatic debits from a checking or savings account at another financial institution to execute Contributions to their Accounts. To initiate an AIP, Account Owners must either (i) complete the Automatic Investment Plan section of the enrollment application and submit a voided bank check or preprinted savings account deposit slip, or (ii) (if the Account has been established) submit to the Program Manager an Account Change Request Form and a voided bank check or preprinted savings account deposit slip or (iii) complete the applicable section online at **www.theeducationplan.com**. If your Account and checking or savings accounts differ in owners, please contact the Program Manager by calling **1.866.529. SAVE (1.866.529.7283)** to determine signature requirements as additional verification may be required. Automatic Contributions must be at least $25 per Portfolio. An authorization to perform automatic periodic Contributions will remain in effect until the Program Manager has received notification of its termination. Changes to, or termination of, an AIP must occur at least five (5) business days before the cycle date. The cycle date is the day of the month you designate on which the investment is regularly scheduled to occur. Normally, the debit will be made 2 business days prior to the cycle dates you selected. If no date is indicated, debits will be made on the 10th of the month. Account Owners or the Plan may terminate enrollment in the Plan's AIP at any time. If the AIP is drawn from a bank account registered to an owner who is not the Account Owner, that person may also terminate the AIP at any time. There is no charge for enrolling in the Plan's AIP. Use of AIP does not assure either a profit or protect against a loss in a declining market. Please contact the Program Manager for details if you wish to set up an AIP from a third party bank account. Information about the Plan's AIP is available from your financial advisor or the Program Manager.

Payroll Deduction

An Account Owner may make an automatic periodic Contribution to his or her Account(s) by an electronic funds transfer in connection with a payroll deduction relationship between the Account Owner and the Account Owner's employer, but only if their employer offers such a service and is able to meet the Program Manager's operational and administrative requirements. You should verify with your employer that the employer is willing and able to process Contributions through payroll direct deposit. The initial and minimum subsequent payroll deduction Contribution is $25 per month provided that the $25 monthly minimum Contribution per Portfolio is met. Any adjustments to payroll deduction Contributions must be made through the Account Owner's employer and not the Program Manager.

Electronic Funds Transfer (EFT)

To activate this option, an Account Owner must either (i) select it on the Enrollment Application and submit a voided bank check or preprinted deposit slip, (ii) (if the Account has been established) submit an Account Change Request Form to the Plan and a voided bank check or preprinted deposit slip, or (ii) complete the applicable sections online at www.scholarsedge529.com. If the Account and checking or savings account differ in owners, please contact the Program Manager by calling 1.866.529. SAVE (1.866.529.7283) to determine signature requirements as additional verification may be required.

Transfers within Plan for New Designated Beneficiary

An Account Owner may make a transfer to a an Account for the benefit of a new Designated Beneficiary without imposition of federal income tax or the additional 10% federal tax on earnings, if such transfer is made either directly or indirectly within sixty (60) days of distribution from the originating Account into an Account for a new Designated Beneficiary who is a Member of the Family of the existing Designated Beneficiary. This type of transfer may have gift or generation skipping transfer tax implications. Please consult your tax advisor regarding this matter.

Transfers within Plan for the Same Designated Beneficiary

An Account Owner may make a transfer within the Plan for the benefit of the same Designated Beneficiary. If the funds are transferred directly between Plan Portfolios, the transfer will be treated as a nontaxable investment reallocation allowable twice per calendar year, not as a rollover or transfer. However, if an Account Owner takes a distribution (i.e., receives a withdrawal check from the originating Account), the withdrawal will be treated as a Nonqualified Withdrawal subject to federal and applicable state income tax, the additional 10% federal tax on earnings and the recapture of all previous New Mexico tax deductions taken for Contributions related to such withdrawal, even if the amount is subsequently redeposited (and the new Contribution to the receiving Account may have gift or other tax consequences).

Transfer into an Account from Another Plan Within the New Mexico 529 Program for the Benefit of a New Designated Beneficiary

An Account Owner may make a transfer to an Account registered to that Account Owner with funds from an account in another plan within the New Mexico 529 Program for the benefit of a new Designated Beneficiary without imposition of federal income tax or the additional 10% federal tax on earnings, if such transfer is made either directly or indirectly within sixty (60) days of distribution from the originating account into an Account for a new Designated Beneficiary who is a Member of the Family of the existing Designated Beneficiary.

Transfer into an Account from Another Plan Within the New Mexico 529 Program for the Benefit of the Same Designated Beneficiary

A transfer by an Account Owner into an Account from an account in another plan registered to that Account Owner within the New Mexico 529 Program for the benefit of the same Designated Beneficiary will be treated as a nontaxable investment reallocation allowable twice per calendar year, not as a rollover or transfer. However, if an Account Owner takes a distribution (i.e., receives a withdrawal check from the originating account), the withdrawal will be treated as a Nonqualified Withdrawal subject to federal and applicable state income tax, the additional 10% federal tax on earnings and the recapture of all previous New Mexico tax deductions taken for Contributions related to such withdrawal even if the amounts are subsequently redeposited (and the new Contribution to the receiving Account may have gift or other tax consequences).

Rollovers from Another State's Section 529 Plan

An Account Owner may, under certain circumstances, roll over all or part of the balance of an account in another state's Section 529 Plan to an Account in the Plan without subjecting the rollover amount to federal income tax. (See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS" on page 35 for details.)

Rollovers from Coverdell ESAs and Series EE and Series I Bonds

Tax-free transfers into an Account may be made from a Coverdell ESA or in connection with the redemption of Series EE or Series I United States savings bonds under certain circumstances. (See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS" on page 35 for details.)

REQUIRED INFORMATION UPON CERTAIN CONTRIBUTIONS TO THE PLAN

When making a Contribution to an Account through a transfer from a Coverdell ESA, a redemption of Series EE and Series I United States savings bonds, a rollover from another Section 529 Plan or a transfer from another plan within the New Mexico 529 Program, the contributor must indicate the source of the Contribution and provide the Program Manager with the following documentation within 60 days of the Contribution, as applicable:

- In the case of a Contribution from a Coverdell ESA, an account statement issued by the financial institution that acted as custodian of the Coverdell ESA that shows basis and earnings in the Coverdell ESA.
- In the case of a Contribution from the redemption of a Series EE or Series I United States savings bond, an account statement or IRS Form 1099-INT issued by the financial institution that processed the bond redemption showing interest from the redemption of the bond.

- In the case of a rollover Contribution from another state's Section 529 Plan, a statement issued by the distributing plan that shows the earnings portion of the distribution. In the case of any direct transfer from another plan within the New Mexico 529 Program, the distributing plan must provide the Plan a statement that shows the earnings portion of the distribution.

Unless and until the Program Manager receives the documentation described above, as applicable, the Plan will treat the entire amount of the Contribution as earnings in the Account upon receiving the distribution. If the rollover amount is withdrawn before the Program Manager has received the information above showing the basis portion of the amount, the Account Owner will be responsible for making any necessary tax adjustments.

CONTRIBUTION POLICIES AND RELATED FEES

Following receipt of Contributions by check or by transfer of funds electronically, the Plan reserves the right, subject to applicable law, to prohibit withdrawals of those funds (or their equivalent) for up to 10 business days.

Account Transactions

Transaction requests (Contributions to Accounts, withdrawal requests, and exchanges among Portfolios) received in good order prior to the close of the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern time, will be processed on the same business day, and on the next succeeding business day if the transaction request is received after the close of the NYSE. Excess Contributions will not be invested. (See "Excess Contributions" on page 13 for details.) Notwithstanding the above, generally a one-time EFT Contribution will be processed on the business day before the day the bank debit occurs and AIP contributions will be processed three business days after the bank debit occurs. All dividends and distributions paid by the Underlying Investments in which the Portfolios invest will be reinvested in the applicable Underlying Investments and will not be paid directly to each Account Owner.

Confirmations, Statements and Reporting

Confirmations will be provided, either via mail or electronic delivery if elected by the Account Owner, for any activity in an Account, except for activity related to an AIP, Systematic Exchange Feature or Systematic Withdrawal. Account Owners will receive quarterly statements as well as an annual summary of all Account activity for the calendar year. An Account Owner has 60 days to notify the Program Manager of any errors on any Account confirmation, statement or report.

Account Owners can securely access and manage their Account information—including quarterly statements, confirmations, and tax forms—24 hours a day at **www.theeducationplan.com** once an online user ID and password has been created. If an Account Owner opens an Account online, the Plan requires a user ID and password to be selected right away. If an Account Owner opens an Account by submitting a paper application, a user ID and password may be established at **www.theeducationplan.com**. The Plan maintains physical, electronic and procedural safeguards that are reasonably designed to protect your personal account information. You can also do your part to keep your account information private and to prevent unauthorized transactions. If you obtain a user ID and password for your Account, do not allow it to be used by anyone else. Also, take special precautions when accessing your Account on a computer used by others. We advise you not to send personal or account information to us in non-secure emails. Instead, you may take advantage of the secure features of our website to encrypt your email correspondence.

Protecting Your Account

The Plan uses reasonable procedures to confirm that transaction requests are genuine. The Account Owner may be responsible for losses resulting from fraudulent or unauthorized instructions received by the Program Manager provided the Program Manager reasonably believes the instructions were genuine. To safeguard your Account, please keep your Account information confidential. Contact the Program Manager immediately if you believe there is a discrepancy between a transaction you performed and the confirmation statement you received, or if you believe someone has obtained unauthorized access to your Account.

SYSTEMATIC EXCHANGE FEATURE

The Plan allows Account Owners the ability to take advantage of dollar cost averaging via periodic Systematic Exchanges. Account Owners may choose an originating Portfolio and designate a destination Portfolio into which specified dollar amounts (a minimum of $25 per Portfolio) will be transferred on a monthly or quarterly basis. Account Owners must have at least $1,000 in the originating Portfolio to start the Systematic Exchange. An election to invest previously invested Account assets pursuant to the Plan's Systematic Exchange Feature will be considered use of one of the Account Owner's twice-per-calendar year Account reallocation.

OWNERSHIP OF ACCOUNT ASSETS

Any individual (including the Designated Beneficiary) or entity may make Contributions to an Account. Only the Account Owner will receive confirmation of Account transactions. The Account Owner owns all Contributions made to an Account as well as all earnings credited to the Account. Individuals (such as the Designated Beneficiary) or entities other than the Account Owner that contribute funds to an Account will have no subsequent control over the Contributions. Only the Account Owner may direct transfers, rollovers, investment changes (as permitted under federal law), withdrawals and changes in the Designated Beneficiary. Special rules apply to Accounts established by UGMA/UTMA custodian Account Owners. The Designated Beneficiary has no control over the assets of the Account and may not direct withdrawals from the Account, unless he or she is also the Account Owner.

CERTAIN TRANSFERS PROHIBITED

No Account may be used as collateral for any purpose by an Account Owner or a Designated Beneficiary, including collateral for any loan. Any attempted use of an Account as collateral is void. An Account Owner may not assign or transfer any interest in any Account (except through a change in Account Owner or Designated Beneficiary in accordance with the Plan's rules). Any attempted assignment or transfer of such an interest in violation of this provision is void. No interest in an Account or any portion thereof shall be used as security for a loan.

NO ASSIGNMENTS OR PLEDGES

Neither an Account nor any portion thereof may be assigned, transferred or pledged as security for a loan (including, but not limited to, a loan used to make Contributions to the Account) or otherwise either by the Account Owner or by the Designated Beneficiary. Any pledge of an interest in an Account will be of no force and effect.

BANKRUPTCY AND RELATED MATTERS

Federal Creditor Protection. The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 provides protection in federal bankruptcy proceedings for many Section 529 Plan accounts. Generally, 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 Section 529 Plan accounts for the same Designated Beneficiary at least 720 days before a federal bankruptcy filing are completely protected;
- Contributions made to all Section 529 Plan accounts for the same Designated Beneficiary more than 365 days but less than 720 days before a federal bankruptcy filing are protected up to $5,850; and
- Contributions made to all Section 529 Plan 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.

New Mexico Creditor Protection. New Mexico law provides creditor protection for your Account assets.

The applicable state law for Account Owners who are not New Mexico residents may also offer creditor protections. Such state law creditor protections may not be enforceable or available to exempt an Account Owner's interest in an Account in such Account Owner's federal bankruptcy proceedings. None of the Program Parties makes any representations or warranties regarding protection from creditors. You should consult a legal advisor regarding state creditor protection law, federal bankruptcy law and your particular circumstances.

SUCCESSOR ACCOUNT OWNER

An Account Owner may designate a Successor Account Owner to succeed to all of the current Account Owner's rights, titles and interest in an Account (including the right to change the Designated Beneficiary) upon the death or legal incapacity of the current Account Owner. Such designation must either be on the original Enrollment Application or submitted in writing to the Program Manager and is not effective until it is received and processed by the Program Manager. If on the death of the Account Owner the Account Owner has not designated a successor Account Owner, the deceased's estate will become the Account Owner. The Successor Account Owner will be required to provide the Program Manager with a copy of a death certificate in the case of the death of the Account Owner or an acceptable medical authorization or court order in the case of the incapacity of the Account Owner and such other information, including Account opening documentation, as the Program Manager requires prior to taking any action regarding the Account. Special rules apply to UGMA/UTMA Accounts. The designation of a Successor Account Owner may be revoked or changed at any time by the Account Owner by submitting an Account Maintenance Form to the Program Manager. All other requests to transfer ownership to a Successor Account Owner (i.e., other than at the death of the Account Owner if previously indicated on the enrollment application) must be submitted in writing. A transfer of ownership of an Account does not require a change of the Designated Beneficiary. Please contact the Program Manager by calling **1.877.EdPlan8 (1.877.337.5268)** for information needed to change the ownership of an Account. A transfer of ownership of an Account may have income, gift, estate or generation skipping transfer ("GST") tax consequences. Account Owners should consult a tax advisor regarding tax issues that might arise on a transfer of Account Ownership.

RIGHTS OF THE BOARD

- The Board reserves the right at any time, and without consent of or notice to Account Owners or Designated Beneficiaries, among other things, to:
- Refuse, change, discontinue or temporarily suspend accepting Contributions, rollovers or transfers and processing withdrawal requests;
- Delay sending out the proceeds of a withdrawal request for up to 10 business days;
- Change the Plan's fees and expenses;

- Change the maximum account balance limit;
- Add, subtract, terminate or merge Portfolios, or change the Portfolios included in the Age Based Approach, the asset allocation of the Portfolios, or the Underlying Investments in which any Portfolio invests;
- Terminate an Account and/or assess a penalty against the Account if the Board determines that the Account Owner or the Designated Beneficiary has provided false or misleading information to the Board, the Program Manager, the Program Distributor, or an Eligible Educational Institution;
- Terminate the Program management agreement and replace the Program Manager and Program Distributor:
- Amend the Declaration of Trust, the Participation Agreement, this Plan Description and the Enrollment Application; and
- Suspend or terminate the Trust without any action on the part of the Account Owners or Designated Beneficiaries by giving written notice of such action to Account Owners, so long as after the action the assets in the Account are still held for the exclusive benefit of the Account Owner and the Designated Beneficiary.

INVESTMENT OPTIONS

General

All information contained in this Section has been provided by OppenheimerFunds, Dreyfus, TIAA, and Vanguard. Such information has not been independently verified by the Board and no representation is made by the Board as to its accuracy or completeness. No Underlying Investment's financial information is included in this Plan Description.

Account Owners, at the time of enrollment, must select an investment approach or combination thereof. Once an Account Owner selects an investment approach, he or she can select either a blended or index strategy:

- Age Based Approach
  - Age Based Portfolios
  - Three risk-based tracks are offered within the Age Based Approach
    - Aggressive Track
    - Growth Track
    - Balanced Track
  - Index Age Based Portfolios
  - Three risk-based tracks are offered within the Index Age Based Approach
    - Aggressive Track
    - Growth Track
    - Balanced Track
- Custom Choice Approach
  - Custom Choice Portfolios
  - Index Custom Choice Portfolios

Contributions to the Plan are invested in Portfolios selected by the Account Owner. The Board has designed each Portfolio with a different investment objective and asset allocation mix because investors have different investment goals, savings needs, investment time horizons, risk tolerances and financial and tax situations. Each Portfolio invests in one or more Underlying Investments. The actual mix of assets in Portfolios that invest in more than one Underlying Investment will vary over time due to market performance and will be rebalanced at least quarterly in order to maintain the Portfolio's target asset allocation. Portfolios with higher allocations in fixed income and money market Underlying Investments tend to be less volatile than those with higher equity Underlying Investment allocations. In seeking to meet the investment objective of each Portfolio, the Underlying Investments, target asset allocations to individual Underlying Investments and their weightings may be changed by the Program Manager in response to changing market or economic conditions, subject to the Board's approval and without prior notice to Account Owners. The Program Manager will allocate each Portfolio's assets among Underlying Investments within the guidelines of each Portfolio's investment objective. None of the Portfolios is designed to provide any particular total return over any particular time period or investment time horizon. Account Owners own interests in a Portfolio; they do not have a direct beneficial interest in the Underlying Investments. Because the Portfolios have different investment objectives, Account Owners have the opportunity to diversify their investment in the Plan. When investing in the Plan, an Account Owner should consider, among other factors, when Contributions will be made to the Account, the Contribution amounts, the time Contributions will be held in the Account before withdrawals are directed, other resources expected to be available to fund the Designated Beneficiary's Qualified Higher Education Expenses, the age of the Designated Beneficiary and the limited ability to change investment options for Contributions (and any earnings thereon) that have already been invested in an Account. There is no assurance that the strategy of any Portfolio will be successful. Participation in the Plan is not considered to be part of an investment advisory service.

The Board reserves the right, from time to time, to change the investment objectives and policies of the Portfolios, to change the type and number of Portfolios that are available, and to change or eliminate target allocations and/or Underlying Investments at its discretion, or take other actions that may result in a Portfolio not being fully invested and/or holding a portion of its assets in cash or cash equivalent investments for a period of time, without prior notice to Account Owners. In addition, from time to time a Portfolio may not be fully invested and may hold a limited amount of cash as needed to avoid overdrafts due to redemption requests, securities settlements or other situations.

All dividends and distributions paid by the Underlying Investments in which the Portfolios invest will be reinvested in the applicable Underlying Investments and will not be paid directly to each Account Owner. Account Owners and Designated Beneficiaries will have no voting rights (and will receive no information with respect to voting) with respect to shares of any Underlying Investment held by any Portfolio. All voting decisions with respect to shares of the Underlying Investments will be made by the Board.

Under federal tax law, once a Portfolio selection has been made, an Account Owner may only change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolio options for all Accounts for the same Designated Beneficiary twice per calendar year or upon a change of the Designated Beneficiary. The Portfolios are not insured or guaranteed by the Program Parties or the Investment Managers or their respective affiliates, or the Federal Deposit Insurance Corporation or any government agency. Under New Mexico law, neither the New Mexico 529 Program, the Board, any member of the Board or the State of New Mexico insures any Account or guarantees any rate of return or any interest rate on any Contribution, and neither the New Mexico 529 Program, the Board, any member of the Board or the State of New Mexico is liable for any loss incurred by any person as a result of participating in the New Mexico 529 Program. An Account may fluctuate in value and may be worth more or less than the amounts contributed at any given time.

Age Based Approach

If an Account Owner selects the Age Based Approach, Contributions are invested in a Portfolio based upon the current age of the Designated Beneficiary. As the Designated Beneficiary gets older and moves into the next age group, the existing Account balance and new Contributions will automatically be invested into the next Portfolio in the Age Based Approach. Account Owners may choose between three different risk tracks – Aggressive, Growth and Balanced – based on, among other factors, the Account Owner's investing time horizon, investment goals and objectives, and tolerance for market volatility and investment risk. The Aggressive, Growth and Balanced tracks will allow an Account Owner to invest his or her assets in Portfolios that correspond to a particular risk track and to the current age of the Designated Beneficiary.

In the Age Based Approach, Accounts for younger Designated Beneficiaries will be invested in a Portfolio that seeks to capitalize on the longer investment time frame and maximize returns. As time passes and the Designated Beneficiary approaches college age, investments are automatically moved to more conservative Portfolios that seek to preserve capital as the expected time for disbursement approaches. In the designated years, the movement between Portfolios will take place automatically on or about the Designated Beneficiary's date of birth or the next business day in the case of a weekend or holiday. At that time, Units of such Portfolio will be exchanged for an equal dollar value of Units of the next Portfolio in the sequence. This process will continue until Units are exchanged for an equal dollar value of Units in the last Portfolio in the chosen track, in which assets will remain invested until withdrawn or until an investment change occurs.

Please note that the age ranges in the table below indicate the ages of the Designated Beneficiaries for whom such Portfolio may be appropriate; they do not refer to the number of years remaining until a typical Designated Beneficiary is expected to need such assets for Qualified Higher Education Expenses. It is expected that assets invested in the Age Based Portfolios will not be withdrawn from an Account to pay for Qualified Higher Education Expenses until such assets are invested in the last Portfolio in the applicable Age Based Portfolio track. There is no guarantee that investing in the Age Based Portfolios will insure investment gain, or protect against investment losses over time.

If the Designated Beneficiary is likely to need Portfolio assets at an earlier or later date than a typical Designated Beneficiary is expected to need Portfolio assets, you may want to consider whether the Age Based Portfolios are appropriate for your Designated Beneficiary. The Program Manager relies on your representations as to the age of the Designated Beneficiary to allocate your assets to a particular Portfolio at the outset.

Age Based Portfolios

The Age Based Portfolios offer a combination of index and actively managed investments in one portfolio in order to take advantage of the potential outperformance of actively managed investments, which are designed to attempt to beat the performance of a major market index over the long-term, and the lower fees of index investments. The investment objective of each Age Based Portfolio is as follows:

Age Based Portfolio 100 *(prior to August 31, 2015, the Newborn to Age 5 Years Portfolio)* invests all of its assets in equity investments to seek capital appreciation. This Portfolio seeks long-term growth with a target allocation of 100% equity investments.

Age Based Portfolio 80 *(prior to August 31, 2015, the Ages 6-8 Years Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks growth by investing in an asset allocation weighted toward equity investments over fixed income investments. This Portfolio has a target allocation of 80% equity and 20% fixed income investments.

Age Based Portfolio 60 *(prior to August 31, 2015, the Ages 9-11 Years Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks moderate growth by investing in a balanced asset allocation weighted toward equity investments over fixed income investments. This Portfolio has a target allocation of 60% equity and 40% fixed income investments.

Age Based Portfolio 40 *(prior to August 31, 2015, the Ages 12-14 Years Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks conservative growth by investing in a balanced asset allocation weighted toward fixed income investments over equity investments. This Portfolio has a target allocation of 40% equity, 50% fixed income and 10% money market investments.

Age Based Portfolio 20 *(prior to August 31, 2015, the Ages 15-17 Years Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of income and conservative appreciation. This Portfolio seeks preservation of capital with minimal growth by investing primarily in fixed income investments in an effort to maintain stability. The target allocation is 20% equity, 60% fixed income and 20% money market investments.

Age Based Portfolio 10 *(prior to August 31, 2015, the Ages 18 Years and Over Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of income and principal protection. This Portfolio seeks preservation of capital with growth as a secondary objective, investing primarily in fixed income investments to maintain stability. The target allocation is 10% equity, 50% fixed income and 40% money market investments.

Age Based Fixed Income Portfolio invests in a combination of fixed income and money market investments in order to seek the Portfolio's primary objective of income. This Portfolio seeks preservation of capital as a secondary objective. This Portfolio invests primarily in fixed income investments to maintain stability. The target allocation is 80% fixed income and 20% money market investments.

Age Based Low Duration Fixed Income Portfolio invests in a combination of fixed income and money market investments in order to seek the Portfolio's primary objective of preservation of capital. This Portfolio seeks income as a secondary objective. This Portfolio invests primarily in limited term fixed income investments to maintain stability. The target allocation is 70% fixed income and 30% money market investments.

Index Age Based Portfolios

The Index Age Based Portfolios are designed to generate returns that closely mirror the performance of a major market index over the long term. These portfolios are able to keep transaction costs and other expenses low because they are passively managed, meaning that the securities currently held in the benchmark index determine your investments.

Index Age Based Portfolio 100 *(prior to August 31, 2015, the Newborn to Age 5 Years Index Portfolio)* invests all of its assets in equity investments to seek capital appreciation. This Portfolio seeks long-term growth with a target allocation of 100% equity investments.

Index Age Based Portfolio 80 *(prior to August 31, 2015, the Ages 6-8 Years Index Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objective of capital appreciation and income. This Portfolio seeks growth by investing in an asset allocation weighted toward equity investments over fixed income investments. This Portfolio has a target allocation of 80% equity and 20% fixed income investments.

Index Age Based Portfolio 60 *(prior to August 31, 2015, the Ages 9-11 Years Index Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks moderate growth by investing in a balanced asset allocation weighted toward equity investments over fixed income investments. This Portfolio has a target allocation of 60% equity and 40% fixed income investments.

Index Age Based Portfolio 40 *(prior to August 31, 2015, the Ages 12-14 Years Index Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks conservative growth by investing in a balanced asset allocation weighted toward fixed income investments over equity investments. This Portfolio has a target allocation of 40% equity, 50% fixed income and 10% money market investments.

Index Age Based Portfolio 20 *(prior to August 31, 2015, the Ages 15-17 Years Index Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of income and conservative appreciation. This Portfolio seeks preservation of capital with minimal growth by investing primarily in fixed income investments in an effort to maintain stability. The target allocation is 20% equity, 60% fixed income and 20% money market investments.

Index Aged Based Portfolio 10 *(prior to August 31, 2015, the Ages 18 Years and Over Index Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of income and principal protection. This Portfolio seeks preservation of capital with growth as a secondary objective, investing primarily in fixed income investments to maintain stability. The target allocation is 10% equity, 50% fixed income and 40% money market investments.

Index Age Based Fixed Income Portfolio invests in a combination of fixed income and money market investments in order to seek the Portfolio's primary objective of income. This Portfolio seeks preservation of capital as a secondary objective. This Portfolio invests primarily in fixed income investments to maintain stability. The target allocation is 80% fixed income and 20% money market investments.

Index Age Based Low Duration Fixed Income Portfolio invests in a combination of fixed income and money market investments in order to seek the Portfolio's primary objective of preservation of capital. This Portfolio seeks income as a secondary objective. This Portfolio invests primarily in short term fixed income investments to maintain stability. The target allocation is 70% fixed income and 30% money market investments.

Custom Choice Approach

Account Owners who prefer to select a Portfolio for its asset allocation target may do so through the Custom Choice Approach instead of having it selected for you under the Age Based Approach. Selection of Portfolios under the Custom Choice Approach allows Account Owners to select a combination of Portfolios. While the asset allocations for the Custom Choice Portfolios are not expected to vary, the Underlying Investments in which the Portfolios invest will be reviewed at least annually and may change. If you invest in the Custom Choice Approach, your money will remain in the Portfolio(s) of choice until you instruct the Plan to move it to another investment approach or Portfolio. None of the Portfolios are designed to provide any particular total return over any particular time period or investment time horizon.

Custom Choice Portfolios

The Custom Choice Portfolios offer a combination of index and actively managed investments in one portfolio in order to take advantage of the potential outperformance of actively managed investments which are designed to attempt to beat the performance of a major market index over the long-term, and the lower fees of index investments. The investment objective of each Custom Choice Portfolios is as follows:

Portfolio 100 *(prior to August 31, 2015, the Aggressive Portfolio)* invests all of its assets in equity investments in order to seek capital appreciation. This Portfolio seeks long-term growth by investing 100% in equity investments.

Portfolio 80 *(prior to August 31, 2015, the Moderately Aggressive Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objective of capital appreciation and income. This Portfolio seeks growth by investing in an asset allocation weighted toward equity investments over fixed income investments. This Portfolio has a target allocation of 80% equity and 20% fixed income investments.

Portfolio 60 *(prior to August 31, 2015, the Moderate Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks moderate growth by investing in a balanced asset allocation weighted toward equity investments over fixed income investments. This Portfolio has a target allocation of 60% equity and 40% fixed income investments.

Portfolio 40 *(prior to August 31, 2015, the Conservative Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks conservative growth by investing in a balanced asset allocation weighted toward fixed income investments over equity investments. This Portfolio has a target allocation of 40% equity, 50% fixed income and 10% money market investments.

Portfolio 20 *(prior to August 31, 2015, the Ultra Conservative Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of income and conservative appreciation. This Portfolio seeks preservation of capital with minimal growth by investing primarily in fixed income investments in an effort to maintain stability. The target allocation is 20% equity, 60% fixed income and 20% money market investments.

Portfolio 10 *(prior to August 31, 2015, the School Years Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of income and principal protection. This Portfolio seeks preservation of capital with growth as a secondary objective, investing largely in fixed income and money market investments to maintain stability. The target allocation is 10% equity, 50% fixed income and 40% money market investments.

Short Term Yield Portfolio invests in money market investments in order to seek the Portfolio's objectives of maximum stability and principal protection. The target allocation is 100% Oppenheimer Institutional Money Market Fund.

Fixed Income Portfolio invests in a combination of fixed income and money market investments in order to seek the Portfolio's primary objective of income. This Portfolio seeks preservation of capital as a secondary objective. This Portfolio invests primarily in fixed income investments to maintain stability. The target allocation is 80% fixed income and 20% money market investments.

Low Duration Fixed Income Portfolio invests in a combination of fixed income and money market investments in order to seek the Portfolio's primary objective of preservation of capital. This Portfolio seeks income as a secondary objective. This Portfolio invests primarily in limited term fixed income investments to maintain stability. The target allocation is 70% fixed income and 30% money market investments.

Index Custom Choice Portfolios

The Index Custom Choice Portfolios are designed to generate returns that closely mirror the performance of a major market index over the long term. These portfolios are able to keep transaction costs and other expenses low because they are passively managed, meaning that the securities currently held in the benchmark index determine your investments.

The investment objective of each Index Custom Choice Portfolio is as follows:

Index Portfolio 100 *(prior to August 31, 2015, the Aggressive Index Portfolio)* invests all of its assets in equity investments in order to seek capital appreciation. This Portfolio seeks long-term growth by investing 100% in equity investments.

Index Portfolio 80 *(prior to August 31, 2015, the Moderately Aggressive Index Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objective of capital appreciation and income. This Portfolio seeks growth by investing in an asset allocation weighted toward equity investments over fixed income investments. This Portfolio has a target allocation of 80% equity and 20% fixed income investments.

Index Portfolio 60 *(prior to August 31, 2015, the Moderate Index Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks moderate growth by investing in a balanced asset allocation weighted toward equity investments over fixed income investments. This Portfolio has a target allocation of 60% equity and 40% fixed income investments.

Index Portfolio 40 *(prior to August 31, 2015, the Conservative Index Portfolio)* invests in a combination of equity and fixed income investments in order to seek the Portfolio's objectives of capital appreciation and income. This Portfolio seeks conservative growth by investing in a balanced asset allocation weighted toward fixed income investments over equity investments. This Portfolio has a target allocation of 40% equity, 50% fixed income and 10% money market investments.

Index Portfolio 20 *(prior to August 31, 2015, the Ultra Conservative Index Portfolio)* invests in a combination of equity, fixed income and money market investments in order to seek the Portfolio's objectives of income and conservative appreciation. This Portfolio seeks preservation of capital with minimal growth by investing primarily in fixed income investments in an effort to maintain stability. The target allocation is 20% equity, 60% fixed income and 20% money market investments.

Index Portfolio 10 *(prior to August 31, 2015, the School Years Index Portfolio)* invests in a combination of equity, fixed income and money market investment in order to seek the Portfolio's objectives of income and principal protection. This Portfolio seeks preservation of capital with growth as a secondary objective, investing largely in fixed income and money market investments to maintain stability. The target allocation is 10% equity, 50% fixed income and 40% money market investments.

Index Fixed Income Portfolio invests in a combination of fixed income and money market investments in order to seek the Portfolio's primary objective of income. This Portfolio seeks preservation of capital as a secondary objective. This Portfolio invests primarily in fixed income investments to maintain stability. The target allocation is 80% fixed income and 20% money market investments.

Index Low Duration Fixed Income Portfolio invests in a combination of fixed income and money market investments in order to seek the Portfolio's primary objective of preservation of capital. This Portfolio seeks income as a secondary objective. This Portfolio invests primarily in short term fixed income investments to maintain stability. The target allocation is 70% fixed income and 30% money market investments.

The following chart describes the Underlying Investments and target allocations for the Custom Choice Portfolios and the Age Based Portfolios. See “PLAN AND PORTFOLIO RISKS—Principal Investment Risks of the Underlying Investments” on page 39 and Appendix A for more detailed information regarding the investment risks and objectives of the Underlying Investments.

Age Based and Custom Choice Portfolios

Underlying Investments[1] and Target Allocations									
Custom Choice Portfolios	**Portfolio 100**	**Portfolio 80**	**Portfolio 60**	**Portfolio 40**	**Portfolio 20**	**Portfolio 10**	**Fixed Income Portfolio**	**Low Duration Fixed Income Portfolio**	**Short-Term Yield Portfolio**
Age Based Portfolios	**Age Based Portfolio 100**	**Age Based Portfolio 80**	**Age Based Portfolio 60**	**Age Based Portfolio 40**	**Age Based Portfolio 20**	**Age Based Portfolio 10**	**Age Based Fixed Income Portfolio**	**Age Based Low Duration Fixed Income Portfolio**	
Aggressive Track	***Newborn to Age 5***	***Ages 6-8***	***Ages 9-11***	***Ages 12-14***	***Ages 15-17***	***Ages 18+***			
Growth Track		***Newborn to Age 5***	***Ages 6-8***	***Ages 9-11***	***Ages 12-14***	***Ages 15-17***	***Ages 18+***		
Balanced Track			***Newborn to Age 5***	***Ages 6-8***	***Ages 9-11***	***Ages 12-14***	***Ages 15-17***	***Ages 18+***	
Dreyfus BASIC S&P 500 Stock Index Fund	20.0%	16.0%	12.0%	8.0%	4.0%	2.0%	0.0%	0.0%	0.0%
Oppenheimer Value Fund	14.0	11.0	8.0	6.0	3.0	1.0	0.0	0.0	0.0
Oppenheimer Main Street Fund	16.0	13.0	10.0	6.0	3.0	2.0	0.0	0.0	0.0
Vanguard Extended Market Index Fund	12.0	9.5	7.0	5.0	2.5	1.0	0.0	0.0	0.0
Oppenheimer Main Street Mid Cap Fund	4.0	3.5	3.0	1.5	0.5	0.0	0.0	0.0	0.0
Oppenheimer Main Street Small Cap Fund	7.0	5.5	4.0	2.5	1.5	1.0	0.0	0.0	0.0
Oppenheimer Global Fund	10.0	8.0	6.0	4.0	2.0	1.0	0.0	0.0	0.0
Oppenheimer International Growth Fund	7.0	5.5	4.0	3.0	1.5	1.0	0.0	0.0	0.0
TIAA-CREF International Equity Index Fund	10.0	8.0	6.0	4.0	2.0	1.0	0.0	0.0	0.0
Dreyfus Bond Market Index Fund	0.0	15.0	32.0	36.0	36.0	32.0	32.0	0.0	0.0
Oppenheimer Limited-Term Bond Fund	0.0	0.0	0.0	2.5	7.5	5.0	20.0	35.0	0.0
Oppenheimer Limited-Term Government Fund	0.0	0.0	0.0	2.5	7.5	5.0	20.0	35.0	0.0
Oppenheimer Senior Floating Rate Fund	0.0	5.0	8.0	9.0	9.0	8.0	8.0	0.0	0.0
Oppenheimer Institutional Money Market Fund[2]	0.0	0.0	0.0	10.0	20.0	40.0	20.0	30.0	100.0
Total Equity	**100.0**	**80.0**	**60.0**	**40.0**	**20.0**	**10.0**	**0.0**	**0.0**	**0.0**
Total Fixed Income/ Short-Term Marketable Securities	**0.0**	**20.0**	**40.0**	**60.0**	**80.0**	**90.0**	**100.0**	**100.0**	**100.0**

1. Portfolios that invest in Oppenheimer mutual funds purchase Class I shares or Class L shares in the case of Oppenheimer Institutional Money Market Fund. Portfolios that invest in the Dreyfus BASIC S&P 500 Stock Index Fund and Dreyfus Bond Market Index Fund purchase the BASIC class of shares. Portfolios that invest in the Vanguard Extended Market Index Fund, and the TIAA-CREF International Equity Index Fund purchase the Institutional class of shares.

2. A Portfolio’s investment in the Oppenheimer Institutional Money Market Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although the Fund seeks to preserve the value of an investment at $1.00 per share, it is possible for a Portfolio to lose money by investing in the Fund.

The following chart describes the Underlying Investments and target allocations for the Index Custom Choice Portfolios and the Index Age Based Portfolios. See “PLAN AND PORTFOLIO RISKS—Principal Investment Risks of the Underlying Investments” on page 39 and Appendix A for more detailed information regarding the investment risks and objectives of the Underlying Investments.

Index Age Based and Index Custom Choice Portfolios

Underlying Investments[1] and Target Allocations								
Index Custom Choice Portfolios	**Index Portfolio 100**	**Index Portfolio 80**	**Index Portfolio 60**	**Index Portfolio 40**	**Index Portfolio 20**	**Index Portfolio 10**	**Index Fixed Income Portfolio**	**Index Low Duration Fixed Income Portfolio**
Index Age Based Portfolios	**Index Age Based Portfolio 100**	**Index Age Based Portfolio 80**	**Index Age Based Portfolio 60**	**Index Age Based Portfolio 40**	**Index Age Based Portfolio 20**	**Index Age Based Portfolio 10**	**Index Age Based Fixed Income Portfolio**	**Index Age Based Low Duration Fixed Income Portfolio**
Aggressive Track	***Newborn to Age 5***	***Ages 6-8***	***Ages 9-11***	***Ages 12-14***	***Ages 15-17***	***Ages 18+***		
Growth Track		***Newborn to Age 5***	***Ages 6-8***	***Ages 9-11***	***Ages 12-14***	***Ages 15-17***	***Ages 18+***	
Balanced Track			***Newborn to Age 5***	***Ages 6-8***	***Ages 9-11***	***Ages 12-14***	***Ages 15-17***	***Ages 18+***
Vanguard Total Stock Market Index Fund	50.0%	40.0%	30.0%	20.0%	10.0%	5.0%	0.0%	0.0%
Dreyfus BASIC S&P 500 Stock Index Fund	30.0	24.0	18.0	12.0	6.0	3.0	0.0	0.0
TIAA-CREF International Equity Index Fund	20.0	16.0	12.0	8.0	4.0	2.0	0.0	0.0
Dreyfus Bond Market Index Fund	0.0	10.0	20.0	20.0	20.0	10.0	40.0	0.0
Vanguard Short-Term Bond Index Fund	0.0	10.0	20.0	30.0	40.0	40.0	40.0	70.0
Oppenheimer Institutional Money Market Fund[2]	0.0	0.0	0.0	10.0	20.0	40.0	20.0	30.0
Total Equity	**100.0**	**80.0**	**60.0**	**40.0**	**20.0**	**10.0**	**0.0**	**0.0**
Total Fixed Income/ Short-Term Marketable Securities	**0.0**	**20.0**	**40.0**	**60.0**	**80.0**	**90.0**	**100.0**	**100.0**

1. Portfolios that invest in Oppenheimer Institutional Money Market Fund purchase Class L shares. Portfolios that invest in the Dreyfus BASIC S&P 500 Stock Index Fund and Dreyfus Bond Market Index Fund purchase the BASIC class of shares. Portfolios that invest in the Vanguard Total Stock Market Index Fund, Vanguard Short-Term Bond Index Fund and the TIAA-CREF International Equity Index Fund purchase the Institutional class of shares.
2. A Portfolio’s investment in the Oppenheimer Institutional Money Market Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although the Fund seeks to preserve the value of an investment at $1.00 per share, it is possible for a Portfolio to lose money by investing in the Fund.

Changes in Investment Guidelines or Underlying Investments

From time to time, the Board may change the investment guidelines for the Plan. If such a change so requires, the Program Manager will cause a Portfolio to divest itself of ownership of shares of one or more Underlying Investments. During the transition from one Underlying Investment to another Underlying Investment or transition in program managers, a Portfolio may be temporarily uninvested and lack market exposure to an asset class. During such transition period, a Portfolio may temporarily hold a basket of securities to the extent that the Underlying Investment from which it redeems chooses to satisfy the Portfolio’s redemption out of such investment on an in kind basis. In such event, the Program Manager will seek to liquidate the securities received from the Underlying Investment as promptly as practicable so that the proceeds can be promptly invested in the replacement Underlying Investment. The transaction costs associated with such liquidation, as well as any market impact on the value of the securities being liquidated will be borne by the Portfolio and Accounts invested in such Portfolio. An Underlying Investment from which a Portfolio redeems may impose redemption fees. In such event, the Portfolio, and Accounts invested in such Portfolio, will bear such redemption fees.

PORTFOLIO PERFORMANCE INFORMATION

The table that follows presents the Cumulative Total Return and Average Annual Total Return for each Portfolio for the periods ended March 31, 2016. The Portfolio performance information represents past performance and is no guarantee of future results. The returns are net of Total Annual Asset-Based Plan Fees (including Underlying Investment expenses and Plan Fees), and do not take into account the $25 Annual Account Maintenance Fee which may be waived for certain Accounts, or consider the impact of any potential federal or state taxes. Updated Portfolio performance information current to the most recent month-end is available online at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**. ***Past performance—and especially short-term past performance information—for the Portfolios should not be viewed as an indication of the future performance of any particular Portfolio.***

In view of anticipated periodic revisions of allocations and possible changes in the Underlying Investments, the future investment results of any Portfolio cannot be expected, for any period, to be similar to the past performance of any Underlying Investment or group of investments. Performance differences between a Portfolio and its Underlying Investments may also result from differences in the timing of purchases. On days when Contributions are made to an Account, the Portfolios will not use that money to purchase shares of an Underlying Investment until the next business day. This timing difference, depending on how the markets are moving, will cause the Portfolio's performance to either trail or exceed the Underlying Investment's performance.

Because the following Portfolios had not commenced operations prior to the date of this Plan Description, they have no prior performance information. After the Portfolios begin investment operations, performance information, showing the variability of the Portfolios' returns will be available online at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**.

- Age Based Fixed Income Portfolio
- Age Based Low Duration Fixed Income Portfolio
- Index Age Based Fixed Income Portfolio
- Index Age Based Low Duration Portfolio
- Fixed Income Portfolio
- Low Duration Fixed Income Portfolio
- Index Fixed Income Portfolio
- Index Low Duration Fixed Income Portfolio

For information, including performance information, on the underlying Oppenheimer mutual funds in which the Portfolios invest, please visit **www.oppenheimerfunds.com** or call OppenheimerFunds at **1.800.525.7048** and obtain a free prospectus or Annual or Semi-Annual Report. For information, including performance information, on the underlying Dreyfus mutual funds in which the Portfolios invest, please visit **www.dreyfus.com** or call Dreyfus at **1.800.242.8671** and obtain a free prospectus or Annual or Semi-Annual Report. For information, including performance information, on the underlying TIAA mutual fund in which the Portfolios invest, please visit **www.TIAA.org** or call TIAA at **1.800.842.2252** and obtain a free prospectus or Annual or Semi-Annual Report. For information, including performance information, on the underlying Vanguard mutual funds in which the Portfolios invest, please visit **www.vanguard.com** or call Vanguard at **1.877.662.7447** and obtain a free prospectus or Annual or Semi-Annual Report.

Customized Portfolio Performance Benchmarks

The benchmarks for the Portfolios represent customized composites of market indices for the available Underlying Investments weighted by the relative target asset allocation for such Portfolio.

Investors cannot directly invest in a compilation of benchmark indices.

Underlying Investment	Benchmark
Oppenheimer Value Fund	Russell 1000® Value Index
Oppenheimer International Growth Fund	MSCI All Country World ex-U.S. Index
Oppenheimer Main Street Fund®	S&P 500® Index
TIAA CREF International Equity Index Fund	MSCI® EAFE Index
Dreyfus Bond Market Index Fund	Barclays U.S. Aggregate Bond Index
Oppenheimer Institutional Money Market Fund	iMoneyNet First Tier Institutional Money Market Index
Oppenheimer Limited-Term Government Fund	Barclays U.S. Government 1-3 Year Bond Index
Oppenheimer Senior Floating Rate Fund	J P Morgan Leveraged Loan Index
Oppenheimer Main Street Mid Cap Fund®	Russell Midcap Index
Vanguard Extended Market Index Fund	S&P Completion Index
Vanguard Total Stock Market Index Fund	CRSP U.S. Total Market Index
Dreyfus BASIC S&P 500 Stock Index Fund	S&P 500® Index
Oppenheimer Global Fund	MSCI All Country World Index
Limited-Term Bond Fund	Barclays US Aggregate 1-3 Year Bond Index
Main Street Small Cap Fund	Russell 2000 Index
Vanguard Short-Term Bond Index Fund	Barclays US 1-5 Years Government/Credit Float Adjusted Index

Average Annual Total Returns[1] (as of March 31, 2016)

Portfolio Name	1-Year	3-Year	5-Year	Since Inception[2]	Inception Date
Age Based Portfolios					
Age Based Portfolio 100	-3.54%	8.17%	7.94%	5.79%	1/31/2005
Customized Performance Benchmark[2]	-3.44	8.27	8.33	6.53	
Age Based Portfolio 80	-2.74	6.89	7.17	4.91	1/31/2005
Customized Performance Benchmark[2]	-2.35	7.21	7.56	6.33	
Age Based Portfolio 60	-2.06	5.58	6.28	4.00	1/31/2005
Customized Performance Benchmark[2]	-1.26	6.11	6.73	6.05	
Age Based Portfolio 40	-1.18	4.13	4.98	2.02	1/31/2005
Customized Performance Benchmark[2]	-0.51	4.55	5.23	5.20	
Age Based Portfolio 20	-0.42	2.48	3.45	1.58	4/15/2005
Customized Performance Benchmark[2]	0.20	2.94	3.59	4.27	
Age Based Portfolio 10	-0.08	1.53	2.34	1.02	1/31/2005
Customized Performance Benchmark[2]	0.39	1.92	2.46	3.37	
Age Based Fixed Income Portfolio	—	—	—	0.90	8/31/2015
Customized Performance Benchmark[2]	n/a	n/a	n/a	1.20	
Age Based Low Duration Fixed Income Port	—	—	—	0.40	8/31/2015
Customized Performance Benchmark[2]	n/a	n/a	n/a	0.54	
Index Age Based Portfolios					
Index Age Based Portfolio 100	-1.67	9.00	8.77	9.35	4/5/2010
Customized Performance Benchmark[2]	-1.38	9.55	9.41	10.35	
Index Age Based Portfolio 80	-1.01	7.58	8.17	8.90	4/6/2010
Customized Performance Benchmark[2]	-0.58	8.10	8.21	9.01	
Index Age Based Portfolio 60	-0.76	6.13	7.14	7.86	4/7/2010
Customized Performance Benchmark[2]	0.13	6.61	6.95	7.59	
Index Age Based Portfolio 40	-0.34	4.60	5.85	6.41	4/5/2010
Customized Performance Benchmark[2]	0.58	4.83	5.24	5.71	
Index Age Based Portfolio 20	0.00	2.85	4.28	4.65	4/8/2010
Customized Performance Benchmark[2]	0.94	3.02	3.49	3.78	
Index Age Based Portfolio 10	0.00	1.86	3.17	3.45	4/6/2010
Customized Performance Benchmark[2]	0.81	1.79	2.13	2.31	
Index Age Based Fixed Income Portfolio	—	—	—	1.90	8/31/2015
Customized Performance Benchmark[2]	n/a	n/a	n/a	1.86	
Index Age Based Low Duration Portolio	—	—	—	0.30	8/31/2015
Customized Performance Benchmark[2]	n/a	n/a	n/a	1.06	
Custom Choice Portfolios					
Portfolio 100	-3.78	8.16	7.94	5.81	1/31/2005
Customized Performance Benchmark[2]	-3.44	8.27	8.33	6.53	
Portfolio 80	-2.90	6.90	7.19	5.07	1/31/2005
Customized Performance Benchmark[2]	-2.35	7.21	7.56	6.33	
Portfolio 60	-2.05	5.57	6.27	4.02	1/31/2005
Customized Performance Benchmark[2]	-1.26	6.11	6.73	6.05	
Portfolio 40	-1.16	4.13	4.98	2.18	1/31/2005
Customized Performance Benchmark[2]	-0.51	4.55	5.23	5.20	
Portfolio 20	-0.42	2.49	3.42	1.54	4/15/2005
Customized Performance Benchmark[2]	0.20	2.94	3.59	4.27	
Portfolio 10	0.00	1.52	2.35	1.05	1/31/2005
Customized Performance Benchmark[2]	0.39	1.92	2.46	3.37	
Short Term Yield Portfolio	0.08	0.03	0.02	1.31	1/31/2005
iMoneyNet First Tier Institutional Money Market[2]	0.04	0.03	0.04	1.37	
Fixed Income Portfolio	—	—	—	0.80	8/31/2015
Customized Performance Benchmark[2]	n/a	n/a	n/a	1.20	
Low Duration Fixed Income Portfolio	—	—	—	0.40	8/31/2015
Customized Performance Benchmark[2]	n/a	n/a	n/a	0.54	

Portfolio Name	1-Year	3-Year	5-Year	Since Inception[2]	Inception Date
Index Custom Choice Portfolios					
Index Portfolio 100	-1.41	9.15	9.12	9.83	4/6/2010
Customized Performance Benchmark[2]	-1.38	9.55	9.41	10.35	
Index Portfolio 80	-1.01	7.66	8.16	8.91	4/5/2010
Customized Performance Benchmark[2]	-0.58	8.10	8.21	9.01	
Index Portfolio 60	-0.64	6.13	7.18	7.71	4/5/2010
Customized Performance Benchmark[2]	0.13	6.61	6.95	7.59	
Index Portfolio 40	-0.48	4.48	5.77	6.33	4/7/2010
Customized Performance Benchmark[2]	0.58	4.83	5.24	5.71	
Index Portfolio 20	-0.15	2.82	4.25	4.67	4/5/2010
Customized Performance Benchmark[2]	0.94	3.02	3.49	3.78	
Index Portfolio 10	0.00	1.90	3.16	3.40	4/5/2010
Customized Performance Benchmark[2]	0.81	1.79	2.13	2.31	
Index Fixed Income Portfolio	—	—	—	1.60	8/31/2015
Customized Performance Benchmark[2]	n/a	n/a	n/a	1.86	
Index Low Duration Fixed Income Portfolio	—	—	—	0.90	8/31/2015
Customized Performance Benchmark[2]	n/a	n/a	n/a	1.06	

1. Performance data is based on the performance of each Underlying Investment of each Portfolio. Performance data for each Portfolio is based on the total return of a hypothetical account, including the reinvestment of dividends and distributions, net of the Total Annual Asset-Based Plan Fees (including Underlying Investment expenses, Management Fees and Administrative Fees.)

2. Benchmark returns for the period Since Inception began on February 1, 2005 for all Age Based and Custom Choice Portfolios, except for the Age Based Portfolios 20 and Portfolio 20; benchmark returns for these two Portfolios began on May 1, 2005. Benchmark returns all Index Age Based and Index Custom Choice Portfolios began on May 1, 2010. See “UNDERLYING INVESTMENTS AND TARGET ALLOCATIONS—Customized Portfolio Performance Benchmarks” for a list of each Underlying Investment benchmark.

PLAN FEES AND EXPENSES

Each Account bears certain ongoing Plan fees (including the Management Fee and Administrative Fee described below) which are charged against the assets of the Portfolios, to provide for the costs associated with the distribution, servicing and administration of the Account. These Plan fees will reduce the value of the Account as they are incurred. Accounts also will indirectly bear fees and expenses of the Underlying Investments in which the Portfolios invest.

In addition, certain Accounts will be charged an Annual Account Maintenance Fee of $25 and may also be charged certain fees and expenses, including custodial fees, the fees of independent public accountants for conducting annual audits and other fees and expenses the Board may from time to time impose. The Board may change or add new fees at any time.

Annual Asset-based and Other Fees

Underlying Investment Expenses. Each of the Underlying Investments in which a Portfolio’s assets are invested has annual operating expenses, including investment advisory fees (which may be paid to the Program Manager or its affiliates), administrative and other expenses, which will be deducted by the Underlying Investments. These Underlying Investment expenses also include amounts paid to the Program Manager or its affiliates for services as described in "Administrative Services Fees." For a description of such amounts currently paid to the Program Manager and its affiliates, see footnote 4 to the Fee Structure tables below. Each Portfolio will indirectly bear its pro rata share of the fees and expenses of the Underlying Investments in which it invests. The expenses of the Underlying Investments are reflected in the net asset value of each Portfolio. The Underlying Investments purchased by the Portfolios are not subject to any sales charge or distribution fees. The manager and/or the distributor for a particular Underlying Investment may, from time to time, waive payment of a portion of its fees relating to and/or reimburse operating expenses of the applicable Underlying Investment, and may thereafter terminate such waiver without notice. See footnote 5 to the Fee Structure Tables below for a description of the waivers currently made by managers of the Underlying Investments.

Management Fee. Portfolios are charged a Management Fee that is based on a percentage of average daily net assets and is paid on a monthly basis to the Program Manager for Plan administration and investment related services. The Management Fee will be reduced to an annual percentage rate of (i) 0.09% on the combined assets under management of the Plan and Scholar’s Edge equal to or exceeding $4 billion, and (ii) 0.08% on the combined assets under management of the Plan and the Education Plan above $5.5 billion. OppenheimerFunds, Inc. and the Investment Managers each receive compensation directly from certain of the Underlying Investments in which the Portfolios invest for serving as the investment adviser of those mutual funds and other Underlying Investments. The Program Manager or its affiliates also receive payment from certain Underlying Investments or their investment managers or distributors for additional services as described in "Administrative Services Fees" and “Other Compensation.”

Administrative Services Fees. Portfolios that invest in certain Underlying Investments are charged fees on the pro-rata portion of their assets that are invested in those investments. These Administrative Services Fees are paid to the Program Manager or its affiliate for various sub-transfer agency and other administrative services with respect to the Portfolio's position in those Underlying Investments and are included in the Underlying Investment expenses in the tables below. For a description of such amounts currently paid to the Program Manager and its affiliates, see footnote 4 to the Fee Structure tables below.

Board Administrative Fee. Portfolios are charged a Board Administrative Fee that is based on a percentage of average daily net assets and paid to the Board. The fees received by the Board are used to administer and market the Plan. Any amounts deemed not necessary for such uses may be used for any purpose related to the New Mexico 529 Program.

The Board receives a Board Administrative Fee equal to 0.10% (0.05% for the Index Age Based Portfolios and the Index Custom Choice Portfolios) of the average daily net assets in the Plan, but has currently elected to refund amounts representing paid Board Administrative Fees from existing Accounts for which the Account Owner is a New Mexico resident. To be eligible for such a refund, the street address for the Account Owner of the Account in the records of the Plan must be in the state of New Mexico and the Account must have a positive balance at the time the refund is processed ("Eligible Account"). The Board may at any time determine to discontinue the refund of the Board Administrative Fees and will notify Account Owners of any such change to the current refund policy.

On a semiannual basis, the Plan Manager will credit Eligible Accounts for any Board Administrative Fee paid during the preceding twelve-month period. Eligible Accounts will continue to be charged underlying investment expenses and management fees, and there will be no refund of these amounts. For tax purposes, any refunded Board Administrative Fee will be categorized as earnings.

Annual Account Maintenance Fee. Accounts will be assessed an Annual Account Maintenance Fee of $25. This fee will be assessed semiannually in January and July of each year against all Accounts with the same Account Owner and Designated Beneficiary. This fee will be waived for all Accounts that meet at least one of the following conditions as of a fee assessment date:

- A balance of $10,000 or more
- All Account assets are invested in one or more Index Age Based or Index Custom Choice Portfolios
- Periodic Contributions made via the Plan's AIP (minimum of $25/month or $75/quarter) are being made via an automatic payment plan from the Account Owner's financial institution
- Either the Account Owner or the Designated Beneficiary is a resident of New Mexico

Fee Structure Table—Age Based and Custom Choice Portfolios

	Annual Asset-based Plan Fees				Additional Investor Expenses
Age Based Portfolios	**Weighted Average Expense Ratio Related to Underlying Investments[1]**	**Management Fee**	**Administrative Fee**	**Total Annual Asset-based Plan Fees[2]**	**Annual Maintenance Fee[3]**
Age Based Portfolio 100[4]	0.51%	0.10%	0.10%	0.71%	$25
Age Based Portfolio 80[4]	0.51	0.10	0.10	0.71	25
Age Based Portfolio 60[4]	0.50	0.10	0.10	0.70	25
Age Based Portfolio 40[4]	0.45	0.10	0.10	0.65	25
Age Based Portfolio 20[4]	0.42	0.10	0.10	0.62	25
Age Based Portfolio 10[4]	0.35	0.10	0.10	0.55	25
Age Based Fixed Income Portfolio[4]	0.41	0.10	0.10	0.61	25
Age Based Low Duration Fixed Income Portfolio	0.37	0.10	0.10	0.57	25
Custom Choice Index Portfolios					
Custom Choice Portfolio 100[4]	0.51	0.10	0.10	0.71	25
Custom Choice Portfolio 80[4]	0.51	0.10	0.10	0.71	25
Custom Choice Portfolio 60[4]	0.50	0.10	0.10	0.70	25
Custom Choice Portfolio 40[4]	0.45	0.10	0.10	0.65	25
Custom Choice Portfolio 20[4]	0.42	0.10	0.10	0.62	25
Custom Choice Portfolio 10[4]	0.35	0.10	0.10	0.55	25
Custom Choice Fixed Income Portfolio[4]	0.41	0.10	0.10	0.61	25
Custom Choice Low Duration Fixed Income Portfolio	0.37	0.10	0.10	0.57	25
Custom Choice Short-Term Yield Portfolio[5]	0.16	0.10	0.10	0.36	25

Fee Structure Table—Index Age Based and Index Custom Choice Portfolios

	Annual Asset-based Plan Fees				Additional Investor Expenses
Index Age Based Portfolios	**Weighted Average Expense Ratio Related to Underlying Investments[1]**	**Management Fee**	**Administrative Fee**	**Total Annual Asset-based Plan Fees[2]**	**Annual Maintenance Fee**
Index Age Based Portfolio 100[4]	0.19%	0.10%	0.05%	0.34%	$0
Index Age Based Portfolio 80[4]	0.21	0.10	0.05	0.36	0
Index Age Based Portfolio 60[4]	0.21	0.10	0.05	0.36	0
Index Age Based Portfolio 40[4]	0.19	0.10	0.05	0.34	0
Index Age Based Portfolio 20[4]	0.18	0.10	0.05	0.33	0
Index Age Based Portfolio 10[4]	0.16	0.10	0.05	0.31	0
Age Based Fixed Income Index Portfolio[4]	0.22	0.10	0.05	0.37	0
Age Based Low Duration Fixed Income Index Portfolio	0.10	0.10	0.05	0.25	0
Index Custom Choice Portfolios					
Custom Choice Index Portfolio 100[4]	0.19	0.10	0.05	0.34	0
Custom Choice Index Portfolio 80[4]	0.21	0.10	0.05	0.36	0
Custom Choice Index Portfolio 60[4]	0.21	0.10	0.05	0.36	0
Custom Choice Index Portfolio 40[4]	0.19	0.10	0.05	0.34	0
Custom Choice Index Portfolio 20[4]	0.18	0.10	0.05	0.33	0
Custom Choice Index Portfolio 10[4]	0.16	0.10	0.05	0.31	0
Custom Choice Fixed Income Index Portfolio[4]	0.22	0.10	0.05	0.37	0
Custom Choice Low Duration Fixed Income Index Portfolio	0.10	0.10	0.05	0.25	0

1. For Portfolios that invest in more than one Underlying Investment, based on an estimated weighted average of each Underlying Investment's expense ratio, in accordance with the Portfolio's target asset allocation as of March 31, 2016; and for Portfolios that invest in one Underlying Investment, based on most recent expense ratio for the Underlying Investment as of March 31, 2016. Expense ratios of the Underlying Investments include acquired fund fees and expenses, if any. Underlying Investment expenses include investment advisory fees, which may be paid to the Program Manager or its affiliates, Dreyfus, TIAA, or Vanguard, administrative and other expenses. Expense ratios of the Underlying Investments may change at any time.
2. Total Annual Asset-based Plan Fees are subject to change at any time and are assessed against assets over the course of the year. See "Investment Cost Chart" for the approximate cost of investing in each of the Plan's Portfolios over 1-, 3-, 5- and 10-year periods.
3. A $25 Annual Account Maintenance Fee is paid annually; waived for certain Account Owners. (See "Annual Account Maintenance Fee" for more details.)
4. The Portfolios that invest in the funds listed below are charged the additional administrative services fees listed below on the pro-rata portion of their assets that are invested in those funds.

	Portfolio Type	
	Age Based/ Custom Choice	**Index Age Based/ Custom Choice**
Dreyfus Bond Market Index Fund	0.25%	0.25%
Dreyfus BASIC S&P 500 Stock Index Fund	0.22	0.175
TIAA-CREF International Equity Index Fund	0.25	0.25
Vanguard Extended Market Index Fund	0.25	N/A

5. The Program Manager and the Board have agreed to voluntarily waive the Program Management Fee and Administrative Fee, respectively (but, in neither case, not below zero) and/or reimburse expenses to the extent necessary to assist the Custom Choice Short-Term Yield Portfolio in attempting to maintain at least a 0.00% return. There is no guarantee that the Custom Choice Short-Term Yield Portfolio will maintain this return. This undertaking may be amended or withdrawn at any time.

Other Fees and Charges

Other fees that may be charged to your Account include a returned deposit (check, AIP debit, EFT or telephone purchase) fee, a wire transfer fee, a wire transfer (international) fee, an overnight delivery fee, an overnight delivery (Saturday) fee, an overnight delivery (international) fee, a request for historical statement fee and a rollover to another Section 529 Plan fee. These fees and charges are subject to change without notice. For more information about these fees, please contact the Program Manager at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**.

Other Compensation

The Program Manager or its affiliates may receive certain payments from certain Underlying Investments or their investment managers or distributors from the Underlying Investment's, investment manager's or distributor's own resources for a variety of services with respect to Plan assets invested in the Underlying Investments. The Program Manager provides various sub-transfer agency and other related administrative services with respect to Underlying Investments positions. These services include, for example, processing purchases, redemptions, and exchanges, dividend reinvestments, consolidated statements, tax reporting, and other recordkeeping. In consideration for these services, the Program Manager or its affiliates receive compensation from the Underlying Investments or their investment managers or distributors of up to 0.30% of the average annual amount invested by the Portfolios in the Underlying Investments. These amounts are not charged to the portfolios.

INVESTMENT COST CHART

The following table compares the approximate cost of investing in the Plan over different periods of time. Your actual costs may be higher or lower. The examples assume:

- A $10,000 investment invested for the time periods shown.
- A 5% annually compounded rate of return on the amount invested throughout the time periods shown.
- The table does not consider the impact of any potential state or federal taxes on the redemption.
- Total Annual Asset-Based Plan Fees (including the weighted average expense ratio of the Underlying Investments) remain the same as those shown above.
- The $25 Annual Account Maintenance Fee, which is waived in certain circumstances, is excluded from the examples of investment costs.

Cost of a $10,000 investment in each Portfolio

Age Based Portfolios	1 Year	3 Years	5 Years	10 Years
Age Based Portfolio 100	$73	$228	$396	$886
Age Based Portfolio 80	$73	$228	$396	$886
Age Based Portfolio 60	$72	$225	$391	$874
Age Based Portfolio 40	$67	$209	$363	$813
Age Based Portfolio 20	$64	$199	$347	$777
Age Based Portfolio 10	$56	$177	$308	$691
Age Based Fixed Income	$63	$196	$341	$764
Age Based Low Duration Fixed Income Portfolio	$58	$183	$319	$716
Custom Choice Portfolios				
Custom Choice Portfolio 100	$73	$228	$396	$886
Custom Choice Portfolio 80	$73	$228	$396	$886
Custom Choice Portfolio 60	$72	$225	$391	$874
Custom Choice Portfolio 40	$67	$209	$363	$813
Custom Choice Portfolio 20	$64	$199	$347	$777
Custom Choice Portfolio 10	$56	$177	$308	$691
Custom Choice Fixed Income Portfolio	$63	$196	$341	$764
Custom Choice Low Duration Fixed Income Portfolio	$58	$183	$319	$716
Custom Choice Short-Term Yield	$37	$116	$202	$456
Age Based Index Portfolios				
Age Based Index Portfolio 100	$35	$109	$191	$431
Age Based Index Portfolio 80	$37	$116	$202	$456
Age Based Index Portfolio 60	$37	$116	$202	$456
Age Based Index Portfolio 40	$35	$109	$191	$431
Age Based Index Portfolio 20	$34	$106	$186	$419
Age Based Index Portfolio 10	$32	$100	$175	$394
Age Based Fixed Income Portfolio	$38	$119	$208	$469
Age Based Low Duration Fixed Income Portfolio	$26	$81	$141	$319
Custom Choice Index Portfolios				
Custom Choice Index Portfolio 100	$35	$109	$191	$431
Custom Choice Index Portfolio 80	$37	$116	$202	$456
Custom Choice Index Portfolio 60	$37	$116	$202	$456
Custom Choice Index Portfolio 40	$35	$109	$191	$431
Custom Choice Index Portfolio 20	$34	$106	$186	$419
Custom Choice Index Portfolio 10	$32	$100	$175	$394
Custom Choice Fixed Income Portfolio	$38	$119	$208	$469
Custom Choice Low Duration Fixed Income Portfolio	$26	$81	$141	$319

CHANGING THE DESIGNATED BENEFICIARY

Section 529 of the Code generally allows for changes of the Designated Beneficiary without federal income tax consequences, as long as the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary. Special rules apply to Accounts established by UGMA/UTMA custodians. In addition, Section 529 provides that no federal gift tax or GST tax will result provided the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary and is assigned to the same generation as or a higher generation than the current Designated Beneficiary. If the new Designated Beneficiary is assigned to a lower generation than the old Designated Beneficiary, the proposed regulations under Section 529 provide that the change will be treated as a taxable gift from the old Designated Beneficiary to the new Designated Beneficiary. If the new Designated Beneficiary is assigned to a generation which is two or more levels lower than the old Designated Beneficiary, the proposed regulations provide that the change will be subject to GST tax. Any change of the Designated Beneficiary to a person who is not a Member of the Family of the current Designated Beneficiary will be treated as a Nonqualified Withdrawal subject to applicable federal and state income taxes as well as the additional 10% federal tax on earnings (discussed on page 33) and the recapture of all previous New Mexico tax deductions taken for Contributions to the Account (discussed on page 33), followed by a new Contribution for the new Designated Beneficiary for federal gift and GST tax purposes. **The Plan does not permit a change of the Designated Beneficiary to a person who is not a Member of the Family of the current Designated Beneficiary.**

To initiate a change of Designated Beneficiary, the Account Owner must complete and submit an Account Maintenance Form (and any additional required documentation) to the Program Manager. The change will be made upon the Program Manager's acceptance of a properly completed form. There is no fee or charge for changing a Designated Beneficiary.

An Account Owner may choose to reinvest amounts currently held in an Account to any of the available Portfolio(s) when changing the Designated Beneficiary for an Account. Account Owners who have chosen the Age Based Approach should note that the Program Manager will change the particular Portfolio the Account is invested in upon a change in the Designated Beneficiary unless the new Designated Beneficiary is in the same age bracket as the original Designated Beneficiary. This Portfolio change will be made by the Program Manager so that the Portfolio is appropriate for the age of the new Designated Beneficiary.

Member of the Family

For purposes of changing the Designated Beneficiary, the definition of a "Member of the Family" of the Designated Beneficiary is:

- a son or daughter, or a descendant of either;
- a stepson or stepdaughter;
- a brother, sister, stepbrother or stepsister;
- the father or mother, or an ancestor of either;
- a stepfather or stepmother;
- a son or daughter of a brother or sister;
- a brother or sister of the father or mother;
- a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law;
- the spouse of the Designated Beneficiary or any of the foregoing individuals; or
- a first cousin

For purposes of determining who is a "Member of the Family," a legally adopted child of an individual shall be treated as the child of such individual by blood. The terms "brother" and "sister" include half-brothers and half-sisters.

If a change in Designated Beneficiary would cause a violation of the Maximum Account Balance (as discussed on page 13) with respect to the new Designated Beneficiary, the change will not be permitted.

WITHDRAWALS

Account Owners may make withdrawals from their Accounts or terminate their participation in the Plan at any time by notifying the Program Manager at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**, although by federal law the earnings portion of Nonqualified Withdrawals will be subject to an additional 10% federal tax on earnings (discussed on page 33), in addition to federal and any applicable state taxes that may otherwise be due. Nonqualified Withdrawals are subject to the recapture of all previous New Mexico tax deductions taken for Contributions (discussed on page 33). In the event of a withdrawal or termination, the net asset value of the withdrawal is calculated at the next close of business of the NYSE after the Program Manager's receipt of a written request received in good order.

Procedures for Withdrawals

You may request a withdrawal from your Account by completing and submitting the appropriate form available from the Program Distributor at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**. However, the Plan reserves the right, subject to applicable law, to prohibit withdrawals of those funds (or their equivalent) for up to 10 calendar days. Distributions from the Plan will not be processed without valid Social Security Numbers or Taxpayer Identification Numbers.

Payments upon withdrawal will generally be made to the Account Owner or the Designated Beneficiary or Eligible Educational Institution (if designated by the Account Owner) in the form of a check mailed promptly following the receipt of redemption proceeds by the Trust from the Underlying Investments. (See "WITHDRAWALS—Qualified Withdrawals" on page 32 for details.) Checks will be sent only to the address of record of the Account Owner or Designated Beneficiary (if designated by the Account Owner), except in the case of direct payment by the Trust to an Eligible Educational Institution.

A signature guarantee may be required for all withdrawal requests above $100,000. You can obtain a signature guarantee from a bank, securities dealer, securities broker, credit union, savings and loan association, national securities exchange or registered securities association. A notary public seal will not be acceptable.

Systematic Withdrawal Feature

The Plan permits Account Owners to make systematic withdrawals from their Account(s). If any withdrawal check is returned as undeliverable, efforts will be made to locate the Account Owner or Designated Beneficiary based on information available to the Trust.

Qualified Withdrawals

In general, a Qualified Withdrawal is any distribution that is used to pay for the Qualified Higher Education Expenses of a Designated Beneficiary. If a Designated Beneficiary or an Account Owner receives a refund from an Eligible Educational Institution, or otherwise, of amounts paid from an Account, any such refund will generally be a Nonqualified Withdrawal unless: (i) it is used for the Designated Beneficiary's Qualified Higher Education Expenses in the same taxable year; (ii) the refunded amount is rolled over to an Account for another Designated Beneficiary who is a member of the family of the original Designated Beneficiary within 60 days of the withdrawal, or to an account in another Section 529 Plan in accordance with section 529 of the Code; or satisfies the conditions required for a recontribution described below.

If a withdrawal is made to pay for Qualified Higher Education Expenses for a Designated Beneficiary and the Designated Beneficiary receives a refund from the Eligible Educational Institution, the amount withdrawn will not be treated as a Nonqualified Withdrawal to the extent that amounts are recontributed to a Section 529 plan account for that Designated Beneficiary no more than 60 days after the date of the refund and the recontributed amount does not exceed the amount of the refund. A special rule provides that refunds received after December 31, 2014, and before December 18, 2015, may be recontributed not later than 60 days after December 18, 2015. The Account Owner is responsible for identifying to the Program Manager any contribution to an Account that qualifies for the treatment described in this paragraph and for certifying to the Program Manager that the conditions for such treatment have been satisfied.

To make a Qualified Withdrawal from an Account, the Account Owner must complete and submit a Withdrawal Request Form to the Program Manager at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**.

You may request a withdrawal at any time (subject to a 10 business day hold following each Contribution).

A separate withdrawal form must be submitted for each withdrawal.

At the Account Owner's request, Qualified Withdrawals may be paid to the Account Owner, the Designated Beneficiary or an Eligible Educational Institution or other ways as determined by the Board. Under the Plan, at the direction of the Account Owner, Qualified Withdrawals may be paid in one of three ways: (1) directly to the Eligible Educational Institution; (2) directly to the Account Owner or Designated Beneficiary if the Account Owner or Designated Beneficiary has paid the Qualified Higher Education Expenses and is seeking reimbursement; or (3) directly to the Account Owner or Designated Beneficiary in expectation of payment of Qualified Higher Education Expenses by the Account Owner or Designated Beneficiary.

Please contact the Program Manager at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)** to request a Qualified Withdrawal and to make arrangements for how it will be paid.

Qualified Higher Education Expenses

Qualified Higher Education Expenses currently include tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution, as well as expenses for special needs services in the case of a special needs Designated Beneficiary who incurs such expenses in connection with enrollment or attendance at an Eligible Educational Institution. Also included is an amount for the room and board incurred by a Designated Beneficiary while attending an Eligible Educational Institution at least half-time. The limit for annual room and board expense for on and off campus housing is the allowance included in the "cost of attendance" at the Eligible Educational Institution, or, if greater, the actual amount charged by the Eligible Educational Institution for room and board costs for the applicable period. Designated Beneficiaries will be considered to be enrolled at least half-time if they are enrolled for at least half the full-time academic workload for the course of study being pursued as determined under the standards of the Eligible Educational Institution where they are enrolled. The institution's standard for a full-time workload must equal or exceed a standard established by the United States Department of Education under the Higher Education Act of 1965, as in effect on June 7, 2001. A Designated Beneficiary need not be enrolled at least half-time to use a Qualified Withdrawal to pay for expenses relating to tuition, fees, books, supplies, equipment and special needs services.

Effective for taxable years beginning after December 31, 2014, Qualified Higher Education Expenses also include expenses for the purchase of computer and any related peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution regardless of whether such technology or equipment is required by the Eligible Educational Institution. Computer software means any program designed to cause a computer to perform a desired function. Such term does not include any database or similar item unless the database or item is in the public domain and is incidental to the operation of otherwise qualifying computer software. Computer software designed for sports, games, or hobbies is not included unless this software is predominantly educational in nature.

The definition of Qualified Higher Education Expenses may change from time to time if there are changes in the Code or in regulations or regulatory interpretations under the Code. Please contact your legal or tax advisor to determine whether particular expenses are Qualified Higher Education Expenses.

Eligible Educational Institutions

Generally, Eligible Educational Institutions include accredited post-secondary educational institutions offering credit toward an associate's degree, a bachelor's degree, a graduate level or professional degree, or another recognized post-secondary credential, and certain post-secondary vocational and proprietary institutions. Such institutions must be eligible to participate in United States Department of Education student financial aid programs.

The definition of an Eligible Educational Institution may change from time to time if there are changes in the Code or in regulations or regulatory interpretations under the Code. Please contact your legal or tax advisor to determine whether a particular institution is an Eligible Educational Institution.

Education Credits

The use of a Hope Scholarship tax credit (also known as the American Opportunity tax credit for 2012) or Lifetime Learning tax credit (together, "Education Tax Credits") by an Account Owner or Designated Beneficiary will not affect receipt of benefits from an Account as long as any Qualified Withdrawal from the Account is not used for the same expenses for which the Education Tax Credit was claimed.

Nonqualified Withdrawals

A rollover or transfer to any Account for a Designated Beneficiary who is not a "Member of the Family" of the current Designated Beneficiary will be deemed to be a Nonqualified Withdrawal followed by a new Contribution for the new Designated Beneficiary for federal gift and other tax purposes.

In accordance with Section 529 of the Code, the earnings portion of Nonqualified Withdrawals is treated as income to the distributee and is subject to federal and applicable state income tax as well as an additional 10% federal tax on earnings. For these purposes, the distributee is considered to be the Designated Beneficiary, if the withdrawal is paid to the Designated Beneficiary or to an Eligible Educational Institution on behalf of the Designated Beneficiary, or in all other cases, the Account Owner. Nonqualified Withdrawals are subject to the recapture of all previous New Mexico tax deductions taken for Contributions to the Account. Although the Program Manager, on behalf of the Board, will report the earnings portion of all distributions as required under federal tax law, it is the responsibility of the Account Owner to determine whether the withdrawal is qualified and to calculate and report any resulting tax liability.

Procedures for Nonqualified Withdrawals

To make a Nonqualified Withdrawal from an Account, the Account Owner must complete and submit a Withdrawal Request Form (and any additional required documentation) to the Program Manager at **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**. Upon acceptance of a properly completed Withdrawal Request Form, the Program Manager will generally process the withdrawal within three business days of its acceptance of the request. Payment of the withdrawal may be made by check or through automated clearing house transfer.

Other Withdrawals

Death of Designated Beneficiary

In the event of the death of the Designated Beneficiary, the Account Owner may authorize a change in the Designated Beneficiary for the Account or request a withdrawal of all or a portion of the Account balance. A distribution on account of the death of the Designated Beneficiary if paid to the estate of the Designated Beneficiary will not be subject to the additional 10% federal tax on earnings, but earnings will be subject to federal and any applicable state income tax. A withdrawal of amounts in the Account, if not paid to the Designated Beneficiary's estate, may constitute a Nonqualified Withdrawal, subject to applicable federal and state income taxes at the distributee's tax rate, the additional 10% federal tax on earnings and the recapture of all previous New Mexico tax deductions taken for Contributions related to Nonqualified Withdrawals. Special rules apply to Accounts established by UGMA/UTMA custodians.

Disability of Designated Beneficiary

If the Designated Beneficiary becomes disabled within the meaning of Section 72(m)(7) of the Code, the Account Owner may authorize a change in the Designated Beneficiary for the Account or request a withdrawal of all or a portion of the Account balance. A distribution on account of the disability of the Designated Beneficiary will not be subject to the additional 10% federal tax on earnings, but earnings will be subject to federal and any applicable state income tax at the distributee's tax rate. Special rules apply to Accounts established by UGMA/UTMA custodians.

Receipt of Scholarship

If the Designated Beneficiary receives a qualified scholarship, Account assets up to the amount of the scholarship may be withdrawn without imposition of the additional 10% federal tax on earnings. Special rules apply to Accounts established by UGMA/UTMA custodians. A qualified scholarship includes certain educational assistance allowances under federal law as well as certain payments for educational expenses (or attributable to attendance at certain educational institutions) that are exempt from federal income tax. The earnings portion of the withdrawal is subject to federal and any applicable state income tax at the distributee's tax rate.

Appointment at Certain Specified Military Academies

If the Designated Beneficiary attends the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, the Account Owner may withdraw an amount up to an amount equal to the costs of advanced education attributable to the Designated Beneficiary's attendance at the institution without incurring the additional 10% federal tax on earnings. The earnings portion of the withdrawal is subject to federal and any applicable state income tax at the distributee's tax rate.

Use of Education Tax Credits

Taxpayers paying Qualified Higher Education Expenses from an Account will not be able to claim Education Tax Credits for the same expenses. Furthermore, expenses used in determining the allowed Education Tax Credits will reduce the amount of a Designated Beneficiary's Qualified Higher Education Expenses to be paid from an Account as a Qualified Withdrawal and may result in taxable withdrawals. Such withdrawals will not be subject to the additional 10% federal tax on earnings.

Rollover Distributions to Another State's Section 529 Plan

An Account Owner may roll over all or part of the balance of an Account to another state's Section 529 Plan without adverse federal tax consequences so long as the amount withdrawn is transferred to the other plan account within 60 days of the withdrawal, and the beneficiary of the new account is (1) a Member of the Family of the Designated Beneficiary of the originating Account or (2) the same Designated Beneficiary as for the originating Account, provided no other transfers have occurred with respect to that Designated Beneficiary within the immediately preceding 12-month period. (See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS—Rollovers between Section 529 Plans" on page 36 for details.) In certain cases, at the Account Owner's direction, the Plan may directly transfer a Rollover Distribution to another Account or another state's Section 529 plan. Special rules apply to Accounts established by UGMA/UTMA custodians.

All previous New Mexico tax deductions taken relating to amounts rolled over to another Section 529 Plan are includible in gross income for New Mexico taxpayers.

Exchanges to Another Plan Within the New Mexico 529 Program

A transfer between the Plan and another plan within the New Mexico 529 Program is treated as an investment reallocation, which is allowed twice per calendar year, or upon a change in Designated Beneficiary.

Records Retention

You and/or the Designated Beneficiary should obtain and retain records, receipts, invoices, or other documentation that is adequate to substantiate: (i) expenses which you claim are Qualified Higher Education Expenses; (ii) the death or qualified disability of the Designated Beneficiary; (iii) the receipt by the Designated Beneficiary of a qualified scholarship; (iv) the appointment of the Designated Beneficiary to certain specified military academies; (v) the use of Education Tax Credits; and (vi) that you are entitled to favorable state tax treatment. The Plan is not responsible for determining whether a withdrawal is a Qualified Withdrawal or Nonqualified Withdrawal.

RESIDUAL ACCOUNT BALANCES

If the Designated Beneficiary graduates from an Eligible Educational Institution or chooses not to pursue higher education, and funds remain in the Account, the Account Owner may:

- Request that the remaining funds (including earnings) be paid to the Account Owner or another distributee as described above in "WITHDRAWALS – Procedures for Withdrawals" on page 31, and treated as a Nonqualified Withdrawal. Earnings will be subject to any federal and applicable state income tax and an additional 10% federal tax.
- Authorize a change of Designated Beneficiary for the Account to a Member of the Family of the current Designated Beneficiary. Special rules apply to Accounts established by UGMA/UTMA custodians. (See "CHANGING THE DESIGNATED BENEFICIARY" on page 31 for details).
- Keep the funds in the Account to pay future Qualified Higher Education Expenses (such as graduate or professional school expenses) of the Designated Beneficiary.

TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

This discussion was written to support the promotion or marketing of the transactions or matters addressed herein. It is not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on a taxpayer. A taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

General

The following section is a summary of certain aspects of federal and state income tax and estate, gift and GST taxation of Contributions to and withdrawals from Section 529 Plans. Any tax and legal information in the Plan Description is merely a summary of our understanding and interpretation of some of the current tax rules and guidance and is not exhaustive. Account Owners must consult their tax advisors or legal counsel for advice and information concerning their particular situations. None of the Program Parties or any of their respective representatives may give legal or tax advice.

The tax and legal description contained herein is based on relevant provisions of the Code, regulations proposed under Section 529, IRS notices, IRS rulings, legislative history and interpretations of applicable federal and New Mexico law existing on the date of this Plan Description. It is possible that Congress, the Treasury Department, the IRS, or the courts may take action that will affect Section 529 and the proposed regulations thereunder. Because the proposed regulations do not reflect changes made to Section 529 after their promulgation or interpretations of Section 529 reflected in published guidance from the IRS, it is likely that the final regulations, when issued, will differ significantly from the proposed regulations. (See "PLAN AND PORTFOLIO RISKS—Plan Risks—*Status of Federal and State Law and Regulations Governing the Plan*" on page 38 for details.) Account Owners should consult a qualified tax advisor about the applicability of such changes to their Accounts. State legislation may also affect the state tax treatment of the Plan and Account Owners and Designated Beneficiaries.

On January 17, 2008, the IRS issued an Advance Notice of Proposed Rulemaking (the "Notice"), which details issues on which the IRS intends to issue new proposed regulations under Section 529 of the Code (the "Proposed Regulations"). As described in the Notice, a principal component of the Proposed Regulations will be an anti-abuse rule intended to deny the favorable federal tax treatment provided by Section 529 to the extent that transactions involving an account are inconsistent with the education-savings purpose of Section 529 (for example, use of an account to avoid gift or generation-skipping transfer taxes, as a retirement plan, or for other purposes inconsistent with the intent of Section 529). The Notice also indicates that the Proposed Regulations will include other provisions that will change certain of the tax consequences described in this Plan Description. Although the Notice provides that the Proposed Regulations generally will be proposed to be prospective in effect, the Notice also states that the anti-abuse rule may be applied retroactively. It is uncertain whether any or all of the provisions described in the Notice will become effective, or, if so, when they will become effective, and it is uncertain whether provisions will become applicable to accounts established prior to the general effective date of the provisions. The remainder of this discussion relates to current law and does not further discuss the Notice or the Proposed Regulations.

Federal Taxation of Contributions to and Withdrawals from Section 529 Plans

Contributions to Section 529 Plans are not deductible for federal income tax purposes. However, any earnings on Contributions are generally not subject to federal income tax until assets are withdrawn. Qualified Withdrawals may be made federal income tax free. The earnings portion of Nonqualified Withdrawals from Section 529 Plans will be subject to federal and any applicable state income tax including an additional 10% federal tax.

There are five types of withdrawals not subject to the additional 10% federal tax on earnings required under Section 529: (i) withdrawals due to the Designated Beneficiary's death (if paid to the Designated Beneficiary's estate) or disability (as defined in Section 72(m)(7) of the Code); (ii) withdrawals due to a scholarship received by the Designated Beneficiary (to the extent the withdrawal does not exceed the amount of the scholarship); (iii) withdrawals made on account of the Designated Beneficiary's attendance at certain specified military academies (up to the costs of advanced education as defined by section 2005(e) of Title 10 of the Code); (iv) withdrawals used to pay expenses that would be Qualified Higher Education Expenses but for the use of Education Tax Credits by the Designated Beneficiary; and (v) qualified rollovers. (See "Rollovers Between Section 529 Plans" on page 36 for more details.)

The Program Manager will issue an IRS Form 1099-Q in the event of a withdrawal from or trustee-to-trustee rollover from an Account. This form sets forth the total amount of the withdrawal and identifies the earnings portion and the Contribution portion of any such withdrawal. All Accounts for the benefit of a single Beneficiary and having the same Account Owner, including any accounts in other New Mexico Section 529 plans, will be treated as a single account for purposes of calculating the earnings portion of each withdrawal. Thus, if more than one Account is established for a Beneficiary that has the same Account Owner and a Non-Qualified Withdrawal is made from one or more Accounts, the amount to be included in taxable income must be calculated based on the earnings portion of all Accounts. Thus, the amount withdrawn from an Account may carry with it a greater or lesser amount of income than the earnings portion of that Account alone, depending on the earnings portion of other accounts for that Beneficiary. In the case of a Non-Qualified Withdrawal or other taxable distribution, this aggregation rule may result in an Account Owner being taxed upon more or less income than that directly attributable to the earnings portion of the Account from which the withdrawal was made. It is the responsibility of the recipient of the 1099-Q to determine whether a withdrawal is a Qualified Withdrawal or a Non-Qualified Withdrawal and whether any income tax, the 10% additional federal tax and/or the recapture of any previous New Mexico tax deductions may apply.

Recent amendments to Section 529 of the Code have impacted the aggregation requirements applicable to Section 529 plan accounts for purposes of calculating the earnings portion of withdrawals made from such accounts after December 31, 2014. Although the implementation of these amendments is not entirely certain, the earnings portion of any Non-Qualified Withdrawal or other taxable distribution will be continue to be calculated as described above. Implementation of the new aggregation requirements is subject to such future guidance as may be issued by the IRS. In the event that future IRS guidance conflicts with the implementation of the aggregation requirements as described above, there may be a need for the Program Manager to issue amended Form 1099-Qs to recipients of such forms.

Rollovers Between Section 529 Plans

An Account Owner may roll over all or part of the balance of an account to another state's Section 529 Plan that accepts rollovers without subjecting the rollover amount to federal income tax. To do this, the amount withdrawn must be transferred directly to the other Section 529 Plan or placed in the other plan within 60 days of the withdrawal. The Account Owner must provide any information or documentation required by the other Section 529 Plan. In general, the amount rolled over must be placed in either an account for a different Designated Beneficiary who is a "Member of the Family" of the current Designated Beneficiary or an account for the same Designated Beneficiary if no other rollover transfers have occurred with respect to such beneficiary within the past twelve months. The rollover would be subject to the recapture of previous New Mexico tax deductions taken for Contributions to the Account. Moving Account balances among the Plan and other plans within the New Mexico 529 Program counts as one of the Account Owner's twice-per-calendar-year reallocation of prior Contributions and is not treated as a rollover among Section 529 Plans.

Rollovers from Coverdell ESAs

Amounts contributed to a Section 529 Plan account from a Coverdell ESA will be considered a qualified distribution from such Coverdell ESA and will not be subject to federal income tax or penalty. An individual may make Contributions to and withdrawals from both a Section 529 Plan and a Coverdell ESA in the same year without penalty. However, withdrawals from a Section 529 Plan and a Coverdell ESA in the same year must be used for different expenses in order to be treated as Qualified Withdrawals. To the extent that total withdrawals from a Section 529 Plan and a Coverdell ESA exceed the amount of Qualified Higher Education Expenses under Section 529 of the Code, the recipient must allocate the expenses between the two accounts in order to determine what portion of each withdrawal is tax free.

Rollovers from Series EE and Series I Bonds

Interest on Series EE Bonds issued after December 31, 1989, as well as interest on all Series I Bonds, may be completely or partially excluded from federal income tax if bond proceeds are used to pay certain Qualified Higher Education Expenses at an Eligible Educational Institution or are contributed to a Section 529 Plan account or a Coverdell ESA in the same calendar year the bonds are redeemed. For this purpose, qualifying expenses do not include the cost of books, room and board. The amount of Qualified Higher Education Expenses taken into account in calculating the interest excludable from income is reduced by any scholarships, fellowships, employer-provided educational assistance and other forms of tuition reduction, including a payment or reimbursement of Qualified Higher Education Expenses under a Section 529 Plan. Certain income limitations apply. Provided appropriate documentation is received by the Section 529 Plan receiving the proceeds of the sale of Series EE or Series I bonds, the original purchase price of the bonds redeemed and contributed to the Section 529 Plan will be added to the Contributions portion of the receiving account, with the interest added to earnings.

Hope Scholarship and Lifetime Learning Tax Credits

The use of Education Tax Credits will not affect participation in or receipt of benefits from Section 529 Plans, so long as the distribution from the Section 529 Plan is not used for the same expenses for which an Education Tax Credit was claimed.

Coordination of Benefits

A number of education tax benefits are available in addition to participation in Section 529 Plans. The tax laws provide a number of special rules intended to coordinate these plans and avoid duplication of benefits. Any Account Owner or Designated Beneficiary who intends to utilize more than one of these tax benefits should consult his or her tax advisor or legal counsel for advice on how these special rules may apply to his or her situation.

Federal Gift and Estate Taxes

Contributions (including certain rollover contributions or contributions of funds already held in a UGMA/UTMA account or a trust) to a Section 529 Plan are completed gifts to the Designated Beneficiary that qualify for the $14,000 (or $28,000 for a couple) annual gift and GST tax exclusions. Except in the situations described in the following paragraphs, if the Account Owner were to die while assets remain in a Section 529 Plan account, the value of the account would not be included in the Account Owner's estate. In cases where Contributions to a Section 529 Plan exceed $14,000 annually, the contributor may elect to prorate the Contributions against the annual exclusion equally over a five-year period. For example, a contributor who makes a $70,000 Contribution in one calendar year, and makes no other gifts to the Designated Beneficiary during that calendar year or the next four calendar years, would not incur a federal gift or GST tax. This option is applicable only for Contributions up to $70,000 in a particular year (or $140,000 for spouses electing to split gifts). Any excess during a particular year will be treated as an additional gift in the calendar year of the Contribution. However, any excess gifts may be applied against the contributor's lifetime gift tax exemption and/or the lifetime GST exemption (if applicable). To effect the five-year lump sum Contribution, the contributor must complete an IRS Form 709.

If the Account Owner makes a five-year election and dies before the first day of the fifth calendar year, the portion of the Contribution allocable to the years remaining in the five-year period (beginning with the calendar year after the Account Owner's death) would be included in the Account Owner's estate for federal estate tax purposes.

If the Designated Beneficiary for a Section 529 Plan account is changed or amounts in an account are rolled over, resulting in a new Designated Beneficiary who is in the same generation as, and is a "Member of the Family" of, the current Designated Beneficiary, there are no gift or GST tax consequences. If the new Designated Beneficiary is of a younger generation than the current Designated Beneficiary (even if the new Designated Beneficiary is a "Member of the Family" of the current Designated Beneficiary), the change of beneficiary is treated under the proposed regulations under Section 529 as a gift from the current Designated Beneficiary to the new Designated Beneficiary for federal gift and GST tax purposes. The current Designated Beneficiary could apply his or her gift and GST tax annual exclusion to any such deemed transfer, and could make the five-year averaging election discussed above.

If the Account Owner dies, no portion of the account is included in the Account Owner's estate for federal estate tax purposes (except with respect to Contributions attributed to future years by reason of a five-year election). However, if the Designated Beneficiary dies, the proposed regulations provide that the Designated Beneficiary's interest in a Section 529 account is included in the Designated Beneficiary's gross estate.

Potential Account Owners should consult a qualified tax advisor regarding the specific application of these rules to their particular circumstances.

State Tax Treatment for New Mexico Taxpayers

Contributions to the Plan by a New Mexico individual taxpayer may be deducted from net income for New Mexico individual income tax purposes. The total payments made on behalf of any one Designated Beneficiary that may be deducted shall not exceed the cost of attendance at the applicable Eligible Educational Institution, as determined by the Board. All earnings of an Account Owner or Designated Beneficiary from an investment in the Plan are exempt from New Mexico individual income taxes; however, Nonqualified Withdrawals and refunds to an Account Owner from the Plan are subject to New Mexico individual income tax and the recapture of all previous New Mexico tax deductions taken for Contributions related to such withdrawal.

Account Owners should consider the potential impact of income taxes that may be imposed by states where they and their Designated Beneficiaries reside. State or local taxes may apply to withdrawals from and/or accumulated earnings within the Plan, depending on the residency or domicile of the Account Owner or the Designated Beneficiary. Account Owners and Designated Beneficiaries should consult their tax advisors about the applicability, if at all, of state or local taxes.

Treatment by Other States

The consequences to an Account Owner or Designated Beneficiary of an investment in the Plan vary depending on their state of residence. State tax features vary by Section 529 Plan and the Account Owner's or the Designated Beneficiary's home state may offer favorable state tax treatment or other benefits, including income tax deductions for Contributions to their own state Section 529 Plans or exclusions from income, that may only be available for investments in the home state's Section 529 Plan. Any state-based benefit offered with respect to a particular Section 529 Plan should be one of the many appropriately weighted factors to be considered in making an investment decision. An investor should consult with his or her financial, tax or other adviser to learn more about how state-based benefits (including any limitations) would apply to his or her specific circumstances and may also wish to contact his or her home state or any other Section 529 Plan to learn more about the features, benefits and limitations of that state's Section 529 Plan.

PLAN AND PORTFOLIO RISKS

Prospective Account Owners should carefully consider the information in this section, as well as the information in the rest of this Plan Description and the accompanying Plan materials, before making any decisions to establish an Account or make Contributions. This Plan Description should not be construed to be legal, financial or tax advice. Prospective Account Owners should consult an attorney or financial or tax advisor with any legal, business or tax questions they may have.

The Plan is an investment vehicle. Accounts in the Plan are subject to certain risks. In addition, certain Portfolios carry more or different risks than others. Account Owners should weigh such risks with the understanding that they could arise at any time during the life of an Account.

Plan Risks

No Guarantee of Income or Principal; No Insurance. Investments are subject to standard investment risks, including (but not limited to) market and interest rate risk, and you could lose money by investing in the Plan. The value of an Account may increase or decrease over time based on the performance of the Portfolio(s). This may result in the value of the Account being more or less than the amount contributed. None of the Program Parties or any of their affiliates makes any guarantee of, nor has any legal obligations to ensure, the ultimate payout of any amount, including a return of Contributions made to an Account. There is no guarantee that the future Account value will be sufficient to cover Qualified Higher Education Expenses at the time of withdrawal. In addition, no level of investment return is guaranteed by any of the Program Parties. Under New Mexico law, neither the New Mexico 529 Program, the Plan, the Board, any member of the Board or the State of New Mexico insures any Account or guarantees any rate of return or any interest rate on any Contribution, and neither the New Mexico 529 Program, the Plan, the Board, any member of the Board or the State of New Mexico is liable for any loss incurred by any person as a result of participating in the New Mexico 529 Program.

Limited Liquidity. The circumstances under which Account assets may be withdrawn without a penalty or adverse tax consequences are limited. This reduces the liquidity of an investment in the Account. Amounts invested in an Account may not be pledged, assigned or otherwise be used as collateral or security for a loan.

Limited Investment Direction. In general, an Account Owner or contributor may not direct the investment of an Account. However, once an investment selection has been made at the time an Account is established, an Account Owner may only change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolios for all Accounts for the same Designated Beneficiary twice-per-calendar year or upon a change of the Designated Beneficiary.

A Portfolio's assets are to be invested by the Program Manager in accordance with an investment policy that is established by the Board, which may change the investment policy for the Portfolio at any time.

Potential Plan Adjustments. The Board may, during the life of the Plan, make enhancements to the Plan, such as inclusion of additional Portfolios. There are no plans to discontinue or suspend offering the Plan. Account Owners who have established Accounts prior to the time an enhancement is made available may be required by the Board to participate in such changes, or, conversely, may be limited in their ability to participate in such enhancements under federal tax law, unless they open a new Account. For instance, if the Board makes changes to the Underlying Investments or allocations of a Portfolio, an Account Owner who has already made the permitted twice-per-calendar-year investment direction cannot change Investment Options until the following calendar year without incurring taxes and penalties. OFI Private Investments Inc. may not continue as Program Manager and one or more of the current Investment Managers may not continue as investment managers for the Underlying Investments for the entire period an Account is open. OFI Private Investments Inc.'s term under its contract with the Board extends to June 30, 2020, subject to earlier termination in certain circumstances. The Board, at its sole discretion, may hire new or additional program managers or investment managers in the future to manage all or part of the Plan's assets.

The term of each Investment Manager's subcontract with the Program Manager extends indefinitely until it is terminated. The Portfolios and the Underlying Investments may be changed at any time, without notice to or consent by Account Owners. Keep in mind that if the investments selected for the Portfolios change in the future, the risks associated with investing in the Trust may change. During a transition from investment in one Underlying Investment to investment in another Underlying Investment, a Portfolio may be temporarily uninvested and lack market exposure to such asset class, and the transaction costs associated with such liquidation, as well as any market impact on the value of the securities being liquidated, will be borne by the Portfolio and Accounts invested in such Portfolio. The Plan may offer different investment approaches under a successor program manager, and investment results achieved by a successor investment manager may be different than those achieved by the current Investment Managers. There is no assurance that the Plan fees and charges or the other terms and conditions of the Participation Agreement will continue without material change.

Status of Federal and State Law and Regulations Governing the Plan. Federal and New Mexico law and regulations governing the administration of Section 529 Plans could change in the future. In addition, state and federal laws, or court decisions, regarding the funding of Qualified Higher Education Expenses, treatment of financial aid, and tax matters are subject to frequent change. It is unknown what effect these kinds of changes could have on an Account. Because the regulations proposed under Section 529 of the Code do not reflect changes to Section 529 after their promulgation, it is likely that the final regulations, when issued, will differ significantly from the proposed regulations. Changes in the law governing the federal and/or state tax consequences described above might necessitate material changes to the Plan for the anticipated federal tax consequences to apply.

Suitability. None of the Program Parties makes any representation regarding the suitability or appropriateness of any Portfolio within the Plan. Other types of investments may be more appropriate depending upon the financial status, tax situation (including state tax benefits that may be provided by Section 529 Plans offered by the Account Owner's or Designated Beneficiary's home state), risk tolerance, age, investment goals, savings needs and investment time horizons of the Account Owner or the Designated Beneficiary. Anyone considering investing in the Plan should consult a tax or investment adviser to seek advice concerning the appropriateness of this investment.

Limited Operating History. Certain of the Portfolios are relatively new and do not have significant operating or investment performance history.

No Guarantee of Performance. Past performance information for Portfolios are not indicative of the future performance of any particular Portfolio. The investment results of any Portfolio for any period cannot be expected to be similar to its investment performance for any prior period. In addition, in view of the anticipated periodic determinations of such investment allocations and selection of Underlying Investments for each Portfolio, the future investment results of any Portfolio cannot be expected, for any period, to be similar to the past performance of any other Portfolios or Underlying Investments. Portfolio performance information will be made available on the Plan's website at **www.theeducationplan.com**.

Treatment for Federal, State and Institutional Financial Aid Purposes. The treatment of Account assets may have a material adverse effect on the Designated Beneficiary's eligibility to receive assistance under various federal, state, and institutional financial aid programs. For federal financial aid purposes, Account assets will be considered (i) assets of a student's parent, if the student is a dependent student and the owner of the account is the parent or the student, or (ii) assets of the student, if the student is the owner of the account and not a dependent student. For purposes of financial aid programs offered by states and educational institutions, the treatment of Account assets may follow or differ from the treatment described above for federal financial aid purposes. For example, based on current New Mexico law, benefits received under Section 529 plans are excluded from any calculation of a beneficiary's eligibility for financial aid from the State. The federal and state financial aid program treatments of Section 529 Plan accounts are subject to change at any time. Account Owners and Designated Beneficiaries are advised to consult a financial aid professional and/or the state or educational institution offering a particular financial aid program, to determine how assets held in an Account may affect eligibility for financial aid.

Inflation and Qualified Higher Education Expenses. Contributions to an Account are limited and the balance in an Account(s) maintained for a Designated Beneficiary may or may not be adequate to cover the Qualified Higher Education Expenses of that Designated Beneficiary even if Contributions are made in the maximum allowable amount. The rate of future inflation in Qualified Higher Education Expenses is uncertain and could exceed the rate of investment return earned by any or all of the Plan's Portfolios over the corresponding periods.

No Guarantees by an Eligible Educational Institution. There is no guarantee that a Designated Beneficiary will (a) be admitted to any institution of higher education, (b) be permitted to continue to attend such institution, (c) graduate or receive a degree from an institution of higher education, (d) be treated as a state resident of any state for tuition or any other purpose, or (e) receive any particular treatment under applicable federal or state financial aid programs.

Alternative Education Savings and Investments. Other Section 529 Plans, including Scholar's Edge® within the New Mexico 529 Program, and other education savings and investment programs are currently available to prospective Account Owners. These alternative education savings and investment programs may (a) offer benefits, including state tax benefits, that are not available under the Plan, (b) offer different investment options, and (c) involve different tax consequences, risks, fees, expenses and other features than the Plan. Prospective Account Owners should consider other savings and investment alternatives before establishing an Account in the Plan. Prospective Account Owners who are not New Mexico residents should consider a Section 529 Plan established and maintained by their own state.

Medicaid and Other Federal and State Non-Educational Benefits. An Account Owner or a Designated Beneficiary may seek eligibility for Medicaid, and the impact of the existence of an Account in the name of an Account Owner on behalf of a Designated Beneficiary is not clear. There is no assurance that an Account will not be treated as a "countable resource" in determining the financial eligibility of either an Account Owner or a Designated Beneficiary for Medicaid. In addition, withdrawals from an Account, whether a Qualified Withdrawal or a Non-Qualified Withdrawal, may delay Medicaid payments to an Account Owner or a Designated Beneficiary, as the case may be. Account Owners and Designated Beneficiaries should consult their own qualified advisors as to the impact that an Account and withdrawals from an Account may have on Medicaid eligibility and the timing of Medicaid payments.

Management Risk. The risk that the asset allocation strategy approved by the Board and described in this Plan Description may fail to produce the intended results.

Principal Investment Risks of the Underlying Investments

The risks of investing in the Plan also include the risks of investing in the Underlying Investments. The board of trustees and/or investment manager for a particular Underlying Investment, and not the Program Manager or the Board, manage and operate and determine the investment policies of the Underlying Investment. Please see Appendix A to determine which risks are applicable to each of the Underlying Investments.

Principal Investment Risks of the Oppenheimer Funds

Risks of Investing in Stock. The value of the Underlying Investment's portfolio may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and United States stock markets may move in the opposite direction from one or more foreign stock markets.

The prices of individual stocks generally do not all move in the same direction at the same time. For example, "growth" stocks may perform well under circumstances in which "value" stocks in general have fallen. A variety of factors can affect the price of a particular company's stock. These factors may include, but are not limited to: poor earnings reports, a loss of customers, litigation against the company, general unfavorable performance of the company's sector or industry, or changes in government regulations affecting the company or its industry. To the extent that securities of a particular type are emphasized, (for example foreign stocks, stocks of small- or mid-cap companies, growth or value stocks, or stocks of companies in a particular industry), fund share values may fluctuate more in response to events affecting the market for those types of securities.

Risks of Growth Investing. If a growth company's earnings or stock price fails to increase as anticipated, or if its business plans do not produce the expected results, its securities may decline sharply. Growth companies may be newer or smaller companies that may experience greater stock price fluctuations and risks of loss than larger, more established companies. Newer growth companies tend to retain a large part of their earnings for research, development or investments in capital assets. Therefore, they may not pay any dividends for some time. Growth investing has gone in and out of favor during past market cycles and is likely to continue to do so. During periods when growth investing is out of favor or when markets are unstable, it may be more difficult to sell growth company securities at an acceptable price. Growth stocks may also be more volatile than other securities because of investor speculation.

Risks of Value Investing. Value investing entails the risk that if the market does not recognize that the Underlying Investment's securities are undervalued, the prices of those securities might not appreciate as anticipated. A value approach could also result in fewer investments that increase rapidly during times of market gains and could cause the Underlying Investment to underperform funds that use a growth or non-value approach to investing. Value investing has gone in and out of favor during past market cycles and when value investing is out of favor or when markets are unstable, the securities of "value" companies may underperform the securities of "growth" companies.

Risks of Small- and Mid-Cap Companies. Small- and mid-cap companies may be either established or newer companies, including "unseasoned" companies that have been in operation for less than three years. While small- and mid-cap companies might offer greater opportunities for gain than larger companies, they also involve greater risk of loss. They may be more sensitive to changes in a company's earnings expectations and may experience more abrupt and erratic price movements. Small- and mid-cap companies' securities may trade in lower volumes and it may be harder for the Underlying Investment to dispose of its holdings at an acceptable price when it wants to sell them. Small- and mid-cap companies may not have established markets for their products or services and may have fewer customers and product lines. They may have more limited access to financial resources and may not have the financial strength to sustain them through business downturns or adverse market conditions. Since small- and mid-cap companies typically reinvest a high proportion of their earnings in their business, they may not pay dividends for some time, particularly if they are newer companies. Small- and mid-cap companies may have unseasoned management or less depth in management skill than larger, more established companies. They may be more reliant on the efforts of particular members of their management team and management changes may pose a greater risk to the success of the business It may take a substantial period of time to realize a gain on an investment in a small- or mid-cap company, if it realizes any gain at all.

Risks of Other Equity Securities. Most convertible securities are subject to the risks and price fluctuations of the underlying stock. They may be subject to the risk that the issuer will not be able to pay interest or dividends when due and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Some convertible preferred stocks have a conversion or call feature that allows the issuer to redeem the stock before the conversion date, which could diminish the potential for capital appreciation on the investment. The fixed dividend rate of preferred stocks may cause their prices to behave more like those of debt securities. If interest rates rise, the value of preferred stock having a fixed dividend rate tends to fall. Preferred stock generally ranks behind debt securities in claims for dividends and assets of the issuer in a liquidation or bankruptcy. The price of a warrant does not necessarily move parallel to the price of the underlying security and is generally more volatile than that of the underlying security. Rights are similar to warrants, but normally have a shorter duration. The market for rights or warrants may be very limited and it may be difficult to sell them promptly at an acceptable price. Rights and warrants have no voting rights, receive no dividends and have no rights with respect to the assets of the issuer.

Risks of Small-Cap Companies. Small-cap companies may be either established or newer companies, including "unseasoned" companies that have typically been in operation for less than three years. While smaller companies might offer greater opportunities for gain than larger companies, they also involve greater risk of loss. They may be more sensitive to changes in a company's earnings expectations and may experience more abrupt and erratic price movements. Smaller companies' securities often trade in lower volumes and it might be harder for the Underlying Investment to dispose of its holdings at an acceptable price when it wants to sell them. Small-cap companies may not have established markets for their products or services and may have fewer customers and product lines. They may have more limited access to financial resources and may not have the financial strength to sustain them through business downturns or adverse market conditions. Since small-cap companies typically reinvest a high proportion of their earnings in their business, they may not pay dividends for some time, particularly if they are newer companies. Small-cap companies may have unseasoned management or less depth in management skill than larger, more established companies. They may be more reliant on the efforts of particular members of their management team and management changes may pose a greater risk to the success of the business. It may take a substantial period of time before the Underlying Investment realizes a gain on an investment in a small-sized company, if it realizes any gain at all.

Risks of Derivative Investments. Derivatives may involve significant risks. Derivatives may be more volatile than other types of investments, may require the payment of premiums, may increase portfolio turnover, may be illiquid, and may not perform as expected. Derivatives are subject to counterparty risk and the Underlying Investment may lose money on a derivative investment if the issuer or counterparty fails to pay the amount due. Some derivatives have the potential for unlimited loss, regardless of the size of the Underlying Investment's initial investment. As a result of these risks, the Underlying Investment could realize little or no income or lose money from its investment, or a hedge might be unsuccessful. In addition, under new rules enacted and currently being implemented under financial reform legislation, certain over-the-counter derivatives are (or soon will be) required to be executed on a regulated market and/or cleared through a clearinghouse. It is unclear how these regulatory changes will affect counterparty risk, and entering into a derivative transaction with a clearinghouse may entail further risks and costs.

Risks of Investing in Debt Securities. Debt securities may be subject to interest rate risk, duration risk, credit risk, credit spread risk, extension risk, reinvestment risk, prepayment risk and event risk. Interest rate risk is the risk that when prevailing interest rates fall, the values of already-issued debt securities generally rise; and when prevailing interest rates rise, the values of already-issued debt securities generally fall, and they may be worth less than the amount the Underlying Investment paid for them. When interest rates change, the values of longer-term debt securities usually change more than the values of shorter-term debt securities. Risks associated with rising interest rates are heightened given that interest rates in the United States are at, or near, historic lows. Duration risk is the risk that longer-duration debt securities will be more volatile and more likely to decline in price in a rising interest rate environment than shorter-duration debt securities. Credit risk is the risk that the issuer of a security might not make interest and principal payments on the security as they become due. If an issuer fails to pay interest or repay principal, the Underlying Investment's income or share value might be reduced. Adverse news about an issuer or a downgrade in an issuer's credit rating, for any reason, can also reduce the market value of the issuer's securities. "Credit spread" is the difference in yield between securities that is due to differences in their credit quality. There is a risk that credit spreads may increase when the market expects lower-grade bonds to default more frequently. Widening credit spreads may quickly reduce the market values of the Underlying Investments lower-rated and unrated securities. Some unrated securities may not have an active trading market or may trade less actively than rated securities, which means that the Underlying Investment might have difficulty selling them promptly at an acceptable price. Extension risk is the risk that an increase in interest rates could cause principal payments on a debt security to be repaid at a slower rate than expected. Extension risk is particularly prevalent for a callable security where an increase in interest rates could result in the issuer of that security choosing not to redeem the security as anticipated on the security's call date. Such a decision by the issuer could have the effect of lengthening the debt security's expected maturity, making it more vulnerable to interest rate risk and reducing its market value. Reinvestment risk is the risk that when interest rates fall the Underlying Investment may be required to reinvest the proceeds from a security's sale or redemption at a lower interest rate. Callable bonds are generally subject to greater reinvestment risk than non-callable bonds. Prepayment risk is the risk that the issuer may redeem the security prior to the expected maturity or that borrowers may repay the loans that underlie these securities more quickly than expected, thereby causing the issuer of the security to repay the principal prior to the expected maturity. The Underlying Investment may need to reinvest the proceeds at a lower interest rate, reducing its income. Event risk is the risk that an issuer could be subject to an event, such as a buyout or debt restructuring that interferes with its ability to make timely interest and principal payments and cause the value of its debt securities to fall.

Fixed-Income Market Risks. The fixed-income securities market can be susceptible to increases in volatility and decreases in liquidity. Liquidity may decline unpredictably in response to overall economic conditions or credit tightening. During times of reduced market liquidity, the Underlying Investment may not be able to readily sell bonds at the prices at which they are carried on the Underlying Investment's books and could experience a loss. If the Underlying Investment needed to sell large blocks of bonds to meet shareholder redemption requests or to raise cash, those sales could further reduce the bonds' prices, particularly for lower-rated and unrated securities. An unexpected increase in redemptions by Underlying Investment shareholders-which may be triggered by general market turmoil or an increase in interest rates-could cause the Underlying Investment to sell its holdings at a loss or at undesirable prices.

Economic and other market developments can adversely affect fixed-income securities markets in the United States, Europe and elsewhere. At times, participants in debt securities markets may develop concerns about the ability of certain issuers of debt securities to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt securities to facilitate an orderly market. Those concerns may impact the market price or value of those debt securities and may cause increased volatility in those debt securities or debt securities markets. Under some circumstances, as was the case during the latter half of 2008 and early 2009, those concerns may cause reduced liquidity in certain debt securities markets, reducing the willingness of some lenders to extend credit, and making it more difficult for borrowers to obtain financing on attractive terms (or at all). A lack of liquidity or other adverse credit market conditions may hamper the Underlying Investment's ability to sell the debt securities in which it invests or to find and purchase suitable debt instruments.

Although the Underlying Investment invests in securities that are issued or guaranteed by the United States. government or its agencies or instrumentalities, the Underlying Investment also invests in securities issued by private issuers, which do not have any government guarantees. While the Underlying Investment's investments in United States government securities may be subject to little credit risk, the Underlying Investment's other investments in debt securities are subject to risks of default.

Risks of Foreign Investing. Foreign securities are subject to special risks. Securities traded in foreign markets may be less liquid and more volatile than those traded in United States markets. Foreign issuers are usually not subject to the same accounting and disclosure requirements that United States companies are subject to, which may make it difficult for the Underlying Investment to evaluate a foreign company's operations or financial condition. A change in the value of a foreign currency against the United States dollar will result in a change in the United States dollar value of investments denominated in that foreign currency and in the value of any income or distributions the Underlying Investment may receive on those investments. The value of foreign investments may be affected by exchange control regulations, foreign taxes, higher transaction and other costs, delays in the settlement of transactions, changes in economic or monetary policy in the United States or abroad, expropriation or nationalization of a company's assets, or other political and economic factors. In addition, due to the inter-relationship of global economies and financial markets, changes in political and economic factors in one country or region could adversely affect conditions in another country or region. Investments in foreign securities may also expose the Underlying Investment to time-zone arbitrage risk. Foreign securities may trade on weekends or other days when the Underlying Investment does not price its shares. As a result, the value of the Underlying Investment's net assets may change on days when you will not be able to purchase or redeem the Underlying Investment's shares. At times, the Underlying Investment may emphasize investments in a particular country or region and may be subject to greater risks from adverse events that occur in that country or region. Foreign securities and foreign currencies held in foreign banks and securities depositories may be subject to only limited or no regulatory oversight.

Risks of Developing and Emerging Markets. Investments in developing and emerging markets are subject to all the risks associated with foreign investing, which may be greater for such investments. Developing or emerging market countries may have less well-developed securities markets and exchanges that may be substantially less liquid than those of more developed markets. Settlement procedures in developing or emerging markets may differ from those of more established securities markets, and settlement delays may result in the inability to invest assets or to dispose of portfolio securities in a timely manner. Securities prices in developing or emerging markets may be significantly more volatile than is the case in more developed nations of the world, and governments of developing or emerging market countries may also be more unstable than the governments of more developed countries. Such countries' economies may be more dependent on relatively few industries or investors that may be highly vulnerable to local and global changes. Developing or emerging market countries also may be subject to social, political or economic instability. The value of developing or emerging market countries' currencies may fluctuate more than the currencies of countries with more mature markets. Investments in developing or emerging market countries may be subject to greater risks of government restrictions, including confiscatory taxation, expropriation or nationalization of a company's assets, restrictions on foreign ownership of local companies, restrictions on withdrawing assets from the country, protectionist measures, and practices such as share blocking. In addition, the ability of foreign entities to participate in privatization programs of certain developing or emerging market countries may be limited by local law. Investments in securities of issuers in developing or emerging market countries may be considered speculative.

Risks of Senior Loans and Other Loans. In addition to the risks typically associated with debt securities, such as credit and interest rate risk, Senior Loans are also subject to the risk that a court could subordinate a Senior Loan, which typically holds a senior position in the capital structure of a borrower, to presently existing or future indebtedness or take other action detrimental to the holders of Senior Loans. Loans usually have mandatory and optional prepayment provisions. If a borrower prepays a Loan, the Underlying Investment will have to reinvest the proceeds in other Loans or financial assets that may pay lower rates of return.

Loans are subject to the risk that the value of the collateral, if any, securing a loan may decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. In the event of a default, the Underlying Investment may have difficulty collecting on any collateral and would not have the ability to collect on any collateral for an uncollateralized loan. In addition, the lender's security interest or their enforcement of their security under the loan agreement may be found by a court to be invalid or the collateral may be used to pay other outstanding obligations of the borrower. The Underlying Investment's access to collateral, if any, may be limited by bankruptcy, other insolvency laws, or by the type of loan the Underlying Investment has purchased. As a result, a collateralized Senior Loan may not be fully collateralized and can decline significantly in value.

Loan investments are often issued in connection with highly leveraged transactions. Such transactions include leveraged buyout loans, leveraged recapitalization loans, and other types of acquisition financing. These obligations are subject to greater credit risks than other investments including a greater possibility that the borrower may default or enter bankruptcy.

Due to restrictions on transfers in loan agreements and the nature of the private syndication of Loans including, for example, the lack of publicly-available information, some Loans are not as easily purchased or sold as publicly-traded securities. Some Loans are illiquid, which may make it difficult for the Underlying Investment to value them or dispose of them at an acceptable price when it wants to. Direct investments in Senior Loans and, to a lesser degree, investments in participation interests in or assignments of Senior Loans may be limited. Investments in Senior Loans are expected to be less affected by changes in interest rates than fixed-rate securities.

Compared to securities and to certain other types of financial assets, purchases and sales of Loans take relatively longer to settle. This extended settlement process can (i) increase the counterparty credit risk borne by the Underlying Investment; (ii) leave the Underlying Investment unable to timely vote, or otherwise act with respect to, Loans it has agreed to purchase; (iii) delay the Underlying Investment from realizing the proceeds of a sale of a Loan; (iv) inhibit the Underlying Investment's ability to re-sell a Loan that it has agreed to purchase if conditions change (leaving the Underlying Investment more exposed to price fluctuations); (v) prevent the Underlying Investment from timely collecting principal and interest payments; and (vi) expose the Underlying Investment to adverse tax or regulatory consequences. To the extent the extended loan settlement process gives rise to short-term liquidity needs, such as the need to satisfy redemption requests, the Underlying Investment may hold cash, sell investments or temporarily borrow from banks or other lenders.

If the Underlying Investment invests in a loan via a participation interest, the Underlying Investment will be exposed to the ongoing counterparty risk of the entity providing exposure to the loan (and, in certain circumstances, such entity's credit risk), in addition to the exposure the Underlying Investment has to the creditworthiness of the borrower.

In certain circumstances, loans may not be deemed to be securities, and in the event of fraud or misrepresentation by a borrower or an arranger, lenders will not have the protection of the anti-fraud provisions of the federal securities laws, as would be the case for bonds or stocks. Instead, in such cases, lenders generally rely on the contractual provisions in the loan agreement itself, and common-law fraud protections under applicable state law.

Risks of Borrowing and Leverage. The Underlying Investment can borrow up to one-third of the value of its total assets (including the amount borrowed) from banks, as permitted by the Investment Company Act of 1940. It can use those borrowings for a number of purposes, including for purchasing Senior Loans or other securities, which can create "leverage." In that case, changes in the value of the Underlying Investment's investments will have a larger effect on its share price than if it did not borrow. Borrowing results in payments to the lenders and related expenses. Borrowing for investment purposes might reduce the Underlying Investment's return if the yield on the investments purchased is less than those borrowing costs. The Underlying Investment may also borrow to meet redemption obligations or for temporary and emergency purposes. The Underlying Investment currently participates in a line of credit with certain banks as lenders.

Risks of Concentration in Financial Services. The Underlying Investment will not concentrate its investments in issuers in any one industry, except that it may invest without limit in instruments of the group of industries in the financial securities sector. Financial securities industries may be more susceptible to particular economic and regulatory events such as volatility in the financial markets and interest rates, changes in domestic and foreign monetary policy, and changes in industry regulations.

Risks of Mid-Cap Companies. Mid-cap companies generally involve greater risk of loss than larger companies. The prices of securities issued by mid-cap companies may be more volatile and their securities may be less liquid and more difficult to sell than those of larger companies. They may have less established markets, fewer customers and product lines, less management depth and more limited access to financial resources. Mid-cap companies may not pay dividends for some time, if at all.

Investing in Special Situations. At times, the Underlying Investment may seek to benefit from what are considered to be "special situations," such as mergers, reorganizations, restructurings or other unusual events, that are expected to affect a particular issuer. There is a risk that the anticipated change or event might not occur, which could cause the price of the security to fall, perhaps sharply. In that case, the investment might not produce the expected gains or might cause a loss. This is an aggressive investment technique that may be considered speculative.

Risks of Money Market Instruments. Money market instruments may be subject to interest rate risk, credit risk, extension risk, reinvestment risk, prepayment risk, and event risk. Interest rate risk is the risk that when prevailing interest rates fall, the values of already-issued debt securities generally rise; and when prevailing interest rates rise, the values of already-issued debt securities generally fall, and they may be worth less than the amount the Underlying Investment paid for them. When interest rates change, the values of longer-term debt securities usually change more than the values of shorter-term debt securities. Risks associated with rising interest rates are heightened given that interest rates in the United States are at, or near, historic lows. Credit risk is the risk that the issuer of a security might not make interest and principal payments on the security as they become due. If an issuer fails to pay interest or repay principal, the Underlying Investment's income or share value might be reduced. Adverse news about an issuer or a downgrade in an issuer's credit rating, for any reason, can also reduce the market value of the issuer's securities. Extension risk is the risk that an increase in interest rates could cause principal payments on a debt security to be repaid at a slower rate than expected. Extension risk is particularly prevalent for a callable security where an increase in interest rates could result in the issuer of that security choosing not to redeem the security as anticipated on the security's call date. Such a decision by the issuer could have the effect of lengthening the debt security's expected maturity, making it more vulnerable to interest rate risk and reducing its market value. Reinvestment risk is the risk that when interest rates fall the Underlying Investment may be required to reinvest the proceeds from a security's sale or redemption at a lower interest rate. Callable bonds are generally subject to greater reinvestment risk than non-callable bonds. Prepayment risk is the risk that the issuer may redeem the security prior to the expected maturity or that borrowers may repay the loans that underlie these securities more quickly than expected, thereby causing the issuer of the security to repay the principal prior to the expected maturity. The Underlying Investment may need to reinvest the proceeds at a lower interest rate, reducing its income. Event risk is the risk that an issuer could be subject to an event, such as a buyout or debt restructuring, that interferes with its ability to make timely interest and principal payments and cause the value of its debt securities to fall.

Bank Obligations Risk. Bank obligations are subject to risks generally applicable to debt securities, as well as to the risk of negative events affecting the banking industry. Obligations of foreign banks and foreign branches of United States banks are subject to additional risks, including negative political and economic developments in the country in which the bank or branch is located and actions by a foreign government that might adversely affect the payment of principal and interest on such obligations, such as the seizure or nationalization of foreign deposits. Additionally, United States and state banking laws and regulations may not apply to foreign branches of United States banks, and generally do not apply to foreign banks.

Asset-Backed Securities Risk. The Underlying Investment can buy asset-backed securities, which are fractional interests in pools of loans and are collateralized by the loans, other assets or receivables. They are typically issued by trusts and special purpose corporations that pass the income from the underlying pool to the purchasers. These securities are subject to the risk of default by the issuer as well as by the borrowers of the underlying loans in the pool, and to interest rate and prepayment risks.

Risks of Repurchase Agreements. In a repurchase transaction, the Underlying Investment buys a security and simultaneously sells it back to the vendor for delivery at a future date. If the seller fails to pay the repurchase price on the delivery date, the Underlying Investment may incur costs in disposing of the collateral and may experience losses if there is any delay in its ability to do so. If the default on the part of the seller is due to its bankruptcy, the Underlying Investment's ability to liquidate the collateral may be delayed or limited.

Risks Relating to Investments By Other Oppenheimer Funds. Other Oppenheimer funds may invest all or a portion of their uninvested cash in shares of the Underlying Investment and may own a significant portion of the Underlying Investment's shares. These Oppenheimer funds may increase or reduce the amount of their investments in the Underlying Investment frequently, particularly under volatile market conditions, and in certain circumstances, such activity could require the Underlying Investment to purchase or sell portfolio securities, which may increase the Underlying Investment's transaction costs and/or reduce its performance.

Regulatory Risk. In July 2014, the SEC adopted reforms to money market fund regulation, which, when implemented, may affect the Underlying Investment's operations and/or return potential.

Yield Risk. During periods of extremely low short-term interest rates, the Underlying Investment may not be able to maintain a positive yield.

Risks of Below-Investment-Grade Securities. Below-investment-grade debt securities (also referred to as "junk" bonds), whether rated or unrated, may be subject to greater price fluctuations than investment-grade securities, increased credit risk and a greater risk that the issuer might not be able to pay interest and principal when due, especially during times of weakening economic conditions or rising interest rates. The market for below-investment-grade securities may be less liquid and therefore these securities may be harder to value or sell at an acceptable price, especially during times of market volatility or decline.

Because the Underlying Investment can invest without limit in below-investment-grade securities, the Underlying Investment's credit risks are greater than those of funds that buy only investment-grade securities. Credit rating downgrades of a single issuer or related similar issuers whose securities the Underlying Investment holds in significant amounts could substantially and unexpectedly increases the Underlying Investment's exposure to below-investment-grade securities and the risks associated with them, especially liquidity and default risk.

Industry and Sector Focus. At times the Underlying Investment may increase the relative emphasis of its investments in a particular industry or sector. The prices of stocks of issuers in a particular industry or sector may go up and down in response to changes in economic conditions, government regulations, availability of basic resources or supplies, or other events that affect that industry or sector more than others. To the extent that the Underlying Investment increases the relative emphasis of its investments in a particular industry or sector, its share values may fluctuate in response to events affecting that industry or sector. To some extent that risk may be limited by the Underlying Investment's policy of not concentrating its investments in any one industry.

Eurozone Investment Risks. Certain of the regions in which the Underlying Investment invests, including the European Union (EU), currently experience significant financial difficulties. Following the recent global economic crisis, some of these countries have depended on, and may continue to be dependent on, the assistance from others such as the European Central Bank (ECB) or other governments or institutions, and failure to implement reforms as a condition of assistance could have a significant adverse effect on the value of investments in those and other European countries. In addition, countries that have adopted the euro are subject to fiscal and monetary controls that could limit the ability to implement their own economic policies, and could voluntarily abandon, or be forced out of, the euro. Such events could impact the market values of Eurozone and various other securities and currencies, cause redenomination of certain securities into less valuable local currencies, and create more volatile and illiquid markets.

Large Shareholder Transactions Risk. Large transactions by shareholders can impact the Fund's expense ratio, yield and potentially its net asset value. A large redemption of Fund shares by a large shareholder may have a negative effect on the Fund's net asset value and yield, as the Fund may be forced to sell a large portion of its portfolio holdings at an inopportune time. A large redemption of Fund shares may also result in an increase in the Fund's expense ratio, since a large redemption may result in the Fund's current expenses being allocated over a smaller asset base. In order to be able to meet reasonably foreseeable requests for redemptions of Fund shares, the Fund may be required to consider factors that could affect the Fund's liquidity needs, including characteristics of the Fund's investors and their likely redemptions. This may require the Fund to maintain sufficiently liquid assets in lower-yielding securities that are easier to sell, which may have a negative impact on the Fund's yield. Similarly, a large purchase of Fund shares by a large shareholder may have a negative effect on the Fund's yield, as the Fund may be unable to deploy a larger cash position into new investments as quickly as it could with a smaller cash position. Large transactions may also increase transaction costs.

Risks of Sovereign Debt. Sovereign debt instruments are subject to the risk that a governmental entity may delay or refuse, or otherwise be unable, to pay interest or repay principal on its sovereign debt. If a governmental entity defaults, it may ask for more time in which to pay or for further loans. There is no legal process for collecting sovereign debt that a government does not pay nor are there bankruptcy proceedings through which all or part of such sovereign debt may be collected. A restructuring or default of sovereign debt may also cause additional impacts to the financial markets, such as downgrades to credit ratings, a flight to quality debt instruments, disruptions in common trading markets or unions, reduced liquidity, increased volatility, and heightened financial sector, foreign securities and currency risk, among others.

Principal Investment Risks of the TIAA Fund

Market Risk. The risk that market prices of securities held by the Underlying Investment may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions.

***Issuer Ris**k (often called **Financial Risk**)*. The risk that the issuer's earnings prospects and overall financial position will deteriorate, causing a decline in the value of a security over short or extended periods of time.

Foreign Investment Risk. Foreign markets can be more volatile than the United States market due to increased risks of adverse issuer, political, regulatory, currency, market or economic developments and can result in greater price volatility and perform differently from securities of United States issuers. This risk may be heightened in emerging or developing markets.

Index Risk. The risk that the Underlying Investment's performance will not correspond to its benchmark index for any period of time and may underperform such index or the overall stock market. Additionally, to the extent that the Underlying Investment's investments vary from the composition of its benchmark index, the Underlying Investment's performance could potentially vary from the index's performance to a greater extent than if the Underlying Investment merely attempted to replicate the index.

Large-Cap Risk. The risk that large-capitalization companies are more mature and may grow more slowly than the economy as a whole and tend to go in and out of favor based on market and economic conditions.

Mid-Cap Risk. The risk that the stocks of mid-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies.

Principal Investment Risks of the Vanguard Funds

Credit Risk. The chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.

Income Risk. Income risk is the chance that an Underlying Investment's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the Underlying Investment's monthly income to fluctuate.

Derivatives Risk. Each of the Underlying Investments in which the Portfolios invest, may invest to a limited extent, in futures and options contracts, swap agreements, and other types of derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock or bond or currency), a physical asset (such as gold, oil, or wheat), a market index (such as the S&P 500 Index) or a reference rate (such as LIBOR). Investments in derivatives may subject the Underlying Investments to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. The Underlying Investments will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

Index Sampling Risk. The chance that the securities selected for an Underlying Investment that uses the sampling method of indexing, in the aggregate, will not provide investment performance matching that of the Underlying Investment's target index.

Interest Rate Risk. The chance that bond prices will decline because of rising interest rates. Interest rate risk is lower for short-term bond funds.

Investment Style Risk—Small- and Mid-Capitalization. The chance that returns from small- and mid-capitalization stocks will trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.

Stock Market Risk. The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. In addition, a Vanguard Underlying Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Underlying Fund to proportionately higher exposure to the risks of that sector.

Principal Investment Risks of the Dreyfus Funds

Fixed-income market risk. The market value of a fixed-income security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The fixed-income securities market can be susceptible to increases in volatility and decreases in liquidity. Liquidity can decline unpredictably in response to overall economic conditions or credit tightening. Increases in volatility and decreases in liquidity may be caused by a rise in interest rates (or the expectation of a rise in interest rates), which are at or near historic lows in the United States and in other countries. An unexpected increase in Underlying Investment redemption requests, including requests from shareholders who may own a significant percentage of the Underlying Investment's shares, which may be triggered by market turmoil or an increase in interest rates, could cause the Underlying Investment to sell its holdings at a loss or at undesirable prices and adversely affect the Underlying Investment's share price and increase the Underlying Investment's liquidity risk, Underlying Investment expenses and/or taxable distributions.

Interest rate risk. Prices of bonds and other fixed rate fixed-income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed-income securities and, accordingly, will cause the value of the Underlying Investment's investments in these securities to decline. During periods of very low interest rates, which occur from time to time due to market forces or actions of governments and/or their central banks, including the Board of Governors of the Federal Reserve System in the U.S., the Underlying Investment may be subject to a greater risk of principal decline from rising interest rates. When interest rates fall, the values of already-issued fixed rate fixed-income securities generally rise. However, when interest rates fall, the Underlying Investment's investments in new securities may be at lower yields and may reduce the Underlying Investment's income. The magnitude of these fluctuations in the market price of fixed-income securities is generally greater for securities with longer effective maturities and durations because such instruments do not mature, reset interest rates or become callable for longer periods of time. The change in the value of a fixed-income security or portfolio can be approximated by multiplying its duration by a change in interest rates. For example, the market price of a fixed-income security with a duration of three years would be expected to decline 3% if interest rates rose.

Indexing strategy risk. The Underlying Investment uses an indexing strategy. It does not attempt to manage market volatility, use defensive strategies or reduce the effects of any long-term periods of poor index performance. The correlation between Underlying Investment and index performance may be affected by the Underlying Investment's expenses and use of sampling techniques, changes in securities markets, changes in the composition of the index and the timing of purchases and redemptions of Underlying Investment shares.

Mortgage-related securities risk. Mortgage-related securities are complex derivative instruments, subject to credit, prepayment and extension risk, and may be more volatile, less liquid and more difficult to price accurately than more traditional debt securities. The Underlying Investment is subject to the credit risk associated with these securities, including the market's perception of the creditworthiness of the issuing federal agency, as well as the credit quality of the underlying assets. As with other interest-bearing securities, the prices of certain mortgage-related securities are inversely affected by changes in interest rates. However, although the value of a mortgage-related security may decline when interest rates rise, the converse is not necessarily true, since in periods of declining interest rates the mortgages underlying the security are more likely to be prepaid causing the Underlying Investment to purchase new securities at current market rates, which usually will be lower. The loss of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the Underlying Investment's potential price gain in response to falling interest rates, reduce the Underlying Investment's yield and/or cause the Underlying Investment's share price to fall. When interest rates rise, the effective duration of the Underlying Investment's mortgage related and other asset-backed securities may lengthen due to a drop in prepayments of the underlying mortgages or other assets. This is known as extension risk and would increase the Underlying Investment's sensitivity to rising interest rates and its potential for price declines.

Asset-backed securities risk. General downturns in the economy could cause the value of asset-backed securities to fall. In addition, asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may provide the Underlying Investment with a less effective security interest in the related collateral than do mortgage-backed securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

Foreign investment risk. To the extent the Underlying Investment invests in foreign securities, the Underlying Investment's performance will be influenced by political, social and economic factors affecting investments in foreign issuers. Special risks associated with investments in foreign issuers include less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political and economic instability and differing auditing and legal standards.

Liquidity risk. When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities in a timely manner at or near their perceived value. In such a market, the value of such securities and the Underlying Investment's share price may fall dramatically, even during periods of declining interest rates. Investments that are illiquid or that trade in lower volumes may be more difficult to value. Investments in foreign securities tend to have greater exposure to liquidity risk than domestic securities. Liquidity risk also may refer to the risk that the Underlying Investment will not be able to pay redemption proceeds within the allowable time period stated in the Underlying Investment's prospectus because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. To meet redemption requests, the Underlying Investment may be forced to sell securities at an unfavorable time and/or under unfavorable conditions, which may adversely affect the Underlying Investment's share price.

Issuer risk. A security's market value may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services, or factors that affect the issuer's industry, such as labor shortages or increased production costs and competitive conditions within an industry.

Portfolio turnover risk. The Underlying Investment may engage in short-term trading, which could produce higher transaction costs and taxable distributions, and lower the Underlying Investment's after-tax performance.

Credit risk. Failure of an issuer of a security to make timely interest or principal payments when due, or a decline or perception of a decline in the credit quality of a security, can cause the security's price to fall, lowering the value of the Underlying Investment's investment in such security. The lower a security's credit rating, the greater the chance that the issuer of the security will default or fail to meet its payment obligations.

Government securities risk. Not all obligations of the U.S. government, its agencies and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Any guarantee by the U.S. government or its agencies or instrumentalities of a security held by the Underlying Investment does not apply to the market value of such security or to shares of the Underlying Investment itself. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of U.S. government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.

Risks of stock investing. Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions or because of factors that affect the particular company or the company's industry.

ADDITIONAL INFORMATION

The Board

The Education Trust Act of 1997, as amended, established the Education Trust Board of New Mexico, for the purpose of administering the Act. The Education Trust Board is comprised of five members. One of these members sits on the Board by virtue of the position he or she holds in New Mexico State Government—the Secretary of the New Mexico Department of Higher Education. The Governor of the State of New Mexico (two members), the Speaker of the New Mexico House of Representatives, and the President Pro Tempore of the New Mexico Senate appoint the remaining four members, respectively.

Administrative Services

Under the Management Agreement, the Program Manager or its designee performs certain administrative services to the Plan and investment services with respect to the Investment of Portfolio assets. The Program Manager will invest Portfolio assets subject to the overall supervision of the Board. Under the Management Agreement, the Program Manager may subcontract for the performance of services required to be performed by the Program Manager.

Custody Accounts

Citibank, N.A. acts as custodian of the Plan's cash balances. The Program Manager is not affiliated with Citibank, N.A. The respective SEC-registered transfer agents for the Underlying Investments that are mutual funds record the Portfolio's positions in mutual fund shares.

Auditors for the Trust

Each year, if directed by the Board, the Program Manager will work with an independent public accountant or firm selected by the Board to audit the Portfolios in the Trust. The Board may also conduct additional audits of the Trust.

Securities Laws Applicable to the Trust

Interests in the Trust have not been registered as securities under the Securities Act of 1933, as amended, pursuant to an exemption from registration available for obligations issued by a public instrumentality of a state. Similarly, interests in the Trust have not been registered with the securities commissions of any state where applicable exemptions from registration are available. Neither the Trust nor the Portfolios have been registered as investment companies under the Investment Company Act of 1940, as amended, since the provisions of that Act exclude from registration any instrumentality of a state. The Program Distributor is a registered broker-dealer, and a member of the Financial Industry Regulatory Authority, Inc. (FINRA), the Municipal Securities Rulemaking Board (MSRB) and the Securities Investor Protection Corporation (SIPC).

Underlying Investments

The Portfolios invest in Class I shares for Oppenheimer funds or Class L shares in the case of Oppenheimer Institutional Money Market Fund, BASIC class of shares for the Dreyfus funds, and Institutional class of shares for the Vanguard funds and TIAA fund. For more complete information concerning any Underlying Investment, including risks, management fees and expenses, or for a copy of its current prospectus, statement of additional information or most recent semi-annual or annual report, see Appendix A for the websites and phone numbers of the Investment Managers.

Continuing Disclosure

Under Rule 15c2-12(b)(5) (the "Rule") of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), certain information must be provided to Account Owners on a periodic basis. To comply with this Rule, the Board has executed a Continuing Disclosure Undertaking for the benefit of Account Owners (the "Undertaking"). Under the Undertaking, certain financial information and operating data relating to the Trust will be provided to appropriate parties, as will notices of the occurrence of certain events identified in the Undertaking, if material.

Although updated Plan Descriptions and disclosures have been provided to the Account Owners on a timely basis, audited Annual Information for fiscal years 2010 and 2011 were filed with the Municipal Securities Rulemaking Board subsequent to the date required by the Undertaking with no material consequences to the New Mexico 529 Program and without constituting a default under the Participation Agreement.

Account Statements

The Plan maintains records for each Account and will deliver to the Account Owner quarterly account statements.

In addition, an Account Owner will receive written confirmation of each new Contribution (excluding any automated Contributions) made into an Account and an acknowledgement of any changes made to Account information.

How to Participate

When you wish to open an Account, you must complete and sign the Enrollment Application (by signing the Enrollment Application, you acknowledge that you have read and consent to the Participation Agreement and this Plan Description), designate a Designated Beneficiary and mail the completed form and a check for your initial Contribution (if you are not making your Contributions via electronic transfer from another financial institution) to the following address: The Education Plan, P.O. Box 173691, Denver, CO 80217.

Participation Agreement

Each Account will be established based upon the Account Owner's statements, agreements, representations and warranties set forth in the Participation Agreement and Enrollment Application. Any such misstatement, misrepresentation, breach or failure by the Account Owner may deprive the Designated Beneficiary of benefits under the Plan. Any alteration or modification to the terms of the Participation Agreement (including this document) by you or by any person other than the Trust or its agents is void and has no effect.

The Participation Agreement or this Plan Description will automatically be amended without any action on the part of Account Owners or Designated Beneficiaries upon any amendments to the New Mexico legislation authorizing the Plan or the Trust, or regulations adopted by the federal government or the State of New Mexico in each case relating to the Trust or the Plan. The Program Manager will promptly notify Account Owners of any such changes in the Participation Agreement or this Plan Description. The terms of this document, as amended and in effect from time to time, form a part of the Participation Agreement, and you are bound by the most recent terms whether or not you have received actual notice of any changes.

Tax Reporting

The Program Manager, on behalf of the Board, will report withdrawals and other matters to the IRS, Account Owners and other persons, if any, to the extent required pursuant to federal, state or local law, regulation or ruling. Under federal law, the Program Manager, on behalf of the Board, will file a separate return with the IRS reporting distributions from an Account to each distributee reflecting, among other information, the earnings portion of Account withdrawals during the calendar year to which the report pertains. For these purposes, the distributee is considered to be the Designated Beneficiary if the withdrawal is paid to the Designated Beneficiary or to an Eligible Educational Institution on behalf of the Designated Beneficiary, or in all other cases, the Account Owner.

Recent Legal Matters

Program Manager and Program Distributor

In 2009, several putative class action lawsuits were filed and later consolidated before the U.S. District Court for the District of Colorado against OppenheimerFunds, Inc. ("OFI"), an affiliate of the Program Manager which serves as sub-adviser of the Oppenheimer mutual funds, the Program Distributor (in its capacity as distributor of the Oppenheimer mutual funds) and Oppenheimer Rochester California Municipal Fund, a fund advised by OFI Global Asset Management, Inc. and distributed by the Program Distributor (the "California Fund") in connection with the investment performance of the California Fund. The plaintiffs asserted claims against OFI, the Program Distributor and certain present and former trustees and officers of the California Fund under the federal securities laws, alleging, among other things, that the disclosure documents of the California Fund contained misrepresentations and omissions and the investment policies of the California Fund were not followed. Plaintiffs in the suit filed an amended complaint and defendants filed a motion to dismiss. In 2011, the court issued an order which granted in part and denied in part the defendants' motion to dismiss. In 2012, plaintiffs filed a motion, which defendants opposed, to certify a class and appoint class representatives and class counsel. In March 2015, the court granted plaintiffs' motion for class certification. In May 2015, the U.S. Court of Appeals for the Tenth Circuit vacated the class certification order and remanded the matter to the district court for further proceedings. In October 2015, the district court reaffirmed its order and determined that the suit will proceed as a class action. In December 2015, the Tenth Circuit denied defendants' petition to appeal the district court's reaffirmed class certification order.

OFI and the Program Distributor believe the suit is without merit; that it is premature to render any opinion as to the likelihood of an outcome unfavorable to them in the suit; and that no estimate can yet be made as to the amount or range of any potential loss. Furthermore, OFI believes that the suit should not impair the ability of OFI or Program Distributor to perform their respective duties to the Underlying Investments sub-advised by OFI, or the ability of the Program Manager or Program Distributor to perform their respective duties to the Plan, and that the outcome of the suit should not have any material effect on the operations of any of the Underlying Investments sub-advised by OFI or the Plan.

Controversies Involving Your Account

All controversies that may arise between you or the Designated Beneficiary and the Program Manager involving your Account(s) will be determined by court proceedings. Any controversies that may arise between you or the Designated Beneficiary and the Board involving any transaction in your Account(s) may be determined by arbitration or court proceedings, as determined by the Board in its sole discretion.

Miscellaneous

Account Owners should keep the most recent version of the Plan Description and all supplements and the Participation Agreement for future reference. These documents provide important information about the Plan, including information about the investment objectives, fees, expenses and investment risks.

Contact Information

You can contact the Plan, the Program Distributor or the Program Manager at: The Education Plan P.O. Box 173691, Denver, CO 80217 **www.theeducationplan.com** or by calling **1.877.EdPlan8 (1.877.337.5268)**.

Requesting Additional Information

For answers to your questions or to request an Enrollment Application or other materials, please call OppenheimerFunds Distributor, Inc. toll free at **1.877.EdPlan8 (1.877.337.5268)**.

Learn more about The Education Plan by visiting The Education Plan’s website at **www.theeducationplan.com**.

UNDERLYING INVESTMENTS' INVESTMENT OBJECTIVES

Set forth below are the investment objective, current investment focus and principal risks of the various Underlying Investments within the Plan's Portfolios. For more complete information on each Underlying Investment, read its prospectus prior to investing. Please see the discussions appearing under the section titled "Principal Investment Risks of the Underlying Investments" on page 39 for more information concerning the principal risks associated with each Underlying Investment.

For more information, including performance information, on the underlying Oppenheimer mutual funds in which the Portfolios invest, please visit **www.oppenheimerfunds.com** or call OppenheimerFunds at **1.800.525.7048** and obtain a free prospectus or Annual or Semi-Annual Report. For more information, including performance information, on the underlying Dreyfus mutual funds in which the Portfolios invest, please visit **www.dreyfus.com** or call Dreyfus at **1.800.242.8671** and obtain a free prospectus or Annual or Semi-Annual Report. For more information, including performance information, on the underlying TIAA mutual fund in which the Portfolios invest, please visit **www.tiaa.org** or call TIAA at **1.800.842.2252** and obtain a free prospectus or Annual or Semi-Annual Report. For more information, including performance information, on the underlying Vanguard mutual funds in which the Portfolios invest, please visit **www.vanguard.com** or call Vanguard at **1.877.662.7447** and obtain a free prospectus or Annual or Semi-Annual Report.

Dreyfus Bond Market Index Fund

Investment Objective

The fund seeks to match the total return of the Barclays U.S. Aggregate Bond Index. Total return includes changes in the fund's share price as well as interest income. This objective may be changed by the fund's board, upon 60 days' prior notice to shareholders.

Investment Process

To pursue its goal, the fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in bonds that are included in the index, (or other instruments with similar economic characteristics). Index funds are mutual funds that are designed to meet the performance of an underlying benchmark index. In seeking to match index performance, the manager uses a passive management approach and purchases all or a representative sample of the bonds comprising the Barclays U.S. Aggregate Bond Index. Because the fund has expenses, performance will tend to be slightly lower than that of the target benchmark. To maintain liquidity, the fund may invest up to 20% of its assets in various short-term, fixed¬ income securities and money market instruments.

The fund attempts to have a correlation between its performance and that of the Barclay U.S. Aggregate Bond Index of at least 0.95 before expenses. A correlation of 1.00 would mean the fund and the Index were perfectly correlated.

The fund's investments are selected by a "sampling" process, which is a statistical process used to select bonds so that the fund has investment characteristics that closely approximate those of the index. By using this sampling process, the fund typically will not invest in all of the securities in the index.

The Barclays U.S. Aggregate Bond Index is a broad-based, unmanaged index that covers the U.S. dollar¬ denominated, investment grade (Baa/BBB or higher), fixed rate, taxable bond market. The index includes bonds from the U.S. Treasury, U.S. government-related, corporate, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities sectors. Although most of the securities in the index are issued by the U.S. Treasury and other U.S. government and agency issuers, the index may include dollar-denominated bonds issued by foreign issuers in which the fund may invest to the extent the index contains such securities. Barclays is not affiliated with the fund, and it does not sell or endorse the fund, nor does it guarantee the performance of the fund or the index.

Principal Risks

The principal risks of investing in this fund are: fixed-income market risk, interest rate risk, credit risk, government securities risk, indexing strategy risk, mortgage-related securities risk, asset-backed securities risk, foreign investment risk, liquidity risk, issuer risk and portfolio turnover risk

Dreyfus BASIC S&P 500 Stock Index Fund

Investment Objective

The fund seeks to match the total return of the Standard & Poor's® 500 Composite Stock Price Index ("S&P 500®"). This objective may be changed by the fund's board, upon 60 days' prior notice to shareholders.

Investment Process

To pursue its goal, the fund normally invests at least 95% of its total assets in common stocks included in the S&P 500®. The fund also may invest in stock index futures contracts whose performance is tied to the S&P 500®. Index funds are designed to meet the performance of an underlying benchmark index. To replicate index performance, the fund's portfolio managers use a passive management approach and purchase all or a representative sample of securities comprising the S&P 500®. The fund may also use stock index futures as a substitute for the sale or purchase of securities. Because the fund has expenses, performance will tend to be slightly lower than that of the S&P 500®. The fund attempts to have a correlation between its performance and that of the S&P 500® of at least .95, before expenses. A correlation of 1.00 would mean that the fund and the index were perfectly correlated.

The fund generally invests in all 500 stocks in the S&P 500® in proportion to their weighting in the index. The S&P 500® is an unmanaged index of 500 common stocks chosen to reflect the industries of the U.S. economy and is often considered a proxy for the stock market in general. Each company's stock is weighted by the number of available float shares (i.e., those shares available to investors) divided by the total shares outstanding, which means larger companies with more available float shares have greater representation in the index than smaller ones. Companies included in the S&P 500® generally must have market capitalizations in excess of $5.3 billion, to the extent consistent with market conditions.

"Standard & Poor's®," "S&P®," "Standard & Poor's 500™," and "S&P 500®," are trademarks of Standard and Poor's Financial Services, LLC ("Standard & Poor's"), and have been licensed for use by the fund. The fund is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's does not make any representation regarding the advisability of investing in the fund.

Principal Risks

The principal risks of investing in this fund are: risks of stock investing and indexing strategy risk.

Oppenheimer Global Fund

Investment Objective

The fund seeks capital appreciation.

Investment Process

The fund invests mainly in common stock of United States and foreign companies. The fund can invest without limit in foreign securities and can invest in any country, including countries with developing or emerging markets. However, the fund currently emphasizes its investments in developed markets such as the United States, Western European countries and Japan. The fund does not limit its investments to companies in a particular capitalization range, but primarily invests in mid- and large-cap companies.

The fund normally will invest in at least three countries (one of which may be the United States). Typically, the fund invests in a number of different countries. The fund is not required to allocate its investments in any set percentages in any particular countries.

The portfolio manager primarily looks for quality companies, regardless of domicile, that have sustainable growth. His investment approach combines a thematic approach to idea generation with bottom-up, fundamental company analysis. The portfolio manager seeks to identify secular changes in the world and looks for pockets of durable change that he believes will drive global growth for the next decade. These large scale structural themes are referred to collectively as MANTRA®: Mass Affluence, New Technology, Restructuring, and Aging. The portfolio manager does not target a fixed allocation with regard to any particular theme, and may choose to focus on various sub-themes within each theme. Within each sub-theme, the portfolio manager employs fundamental company analysis to select investments for the fund's portfolio. The economic characteristics he seeks include a combination of high return on invested capital, good cash flow characteristics, high barriers to entry, dominant market share, a strong competitive position, talented management, and balance sheet strength that the portfolio manager believes will enable the company to fund its own growth. These criteria may vary. The portfolio manager also considers how industry dynamics, market trends and general economic conditions may affect a company's earnings outlook.

The portfolio manager has a long-term investment horizon of typically three to five years. He also has a contrarian buy discipline; he buys high quality companies that fit his investment criteria when their valuations underestimate their long-term earnings potential. For example, a company's stock price may dislocate from its fundamental outlook due to a short-term earnings glitch or negative, short-term market sentiment, which can give rise to an investment opportunity. The portfolio manager monitors individual issuers for changes in earnings potential or other effects of changing market conditions that may trigger a decision to sell a security, but do not require a decision to do so.

Principal Risks

The principal risks of investing in this fund are: Risks of Investing in Stock, Industry and Sector Focus, Risks of Growth Investing, Risks of Foreign Investing, Risks of Developing and Emerging Markets, Eurozone Investment Risks, Risks of Small- and Mid-Sized Companies and Investing in Special Situations.

Oppenheimer Institutional Money Market Fund

Investment Objective

The fund seeks income consistent with stability of principal.

Investment Process

The fund is a money market fund that invests in a variety of money market instruments to seek income consistent with stability of principal. Money market instruments are short-term, high-quality, dollar-denominated debt instruments issued by the United States government, domestic and foreign corporations and financial institutions, and other entities. Money market instruments include domestic and foreign bank obligations, repurchase agreements, floating and variable rate notes, asset-backed securities, guaranteed obligations, commercial paper, and other short-term corporate and governmental debt obligations.

To be considered "high-quality," a debt instrument must be rated in one of the two highest credit-quality categories for short-term securities by a nationally recognized statistical rating service, or if a security is unrated, it must be determined by OppenheimerFunds, Inc., the fund's sub-adviser (the "sub-adviser"), under the supervision of the fund's Board, to be of comparable quality to rated securities in one of those two categories. The securities purchased by the fund are subject to the quality, maturity, diversification and other requirements of Rule 2a-7 under the Investment Act of 1940, as amended (the "Investment Company Act"), and other rules of the Securities and Exchange Commission ("SEC").

Principal Risks

All investments carry risks to some degree. The fund's investments are subject to changes in their value from a number of factors. However, the fund's investments must meet the special rules under Federal law for money market funds. Those requirements include maintaining high credit quality, a short average maturity and diversification of the fund's investments among issuers. Those provisions are designed to help minimize credit risks, to reduce the effects of changes in prevailing interest rates and to reduce the effect on the fund's portfolio of a default by any one issuer. Since income on short-term securities tends to be lower than income on longer-term debt securities, the fund's yield will likely be lower than the yield on longer-term fixed-income funds.

Even so, there are risks that an issuer of an obligation that the fund holds might have its credit rating downgraded or might default on its obligations, or that interest rates might rise sharply, causing the value of the fund's investments to fall. Also, there is the risk that the value of your investment could be eroded over time by the effects of inflation, or that poor security selection could cause the fund to underperform other funds that have a similar objective. If there is an unexpectedly high demand for the redemption of fund shares, the fund might need to sell portfolio securities prior to their maturity, possibly at a lost. As a result, there is a risk that the fund's shares could fall below $1.00 per share.

The principal risks of investing in this fund are: Risks of Money Market Instruments, Fixed-Income Market Risks, Risks of Foreign Investing, Bank Obligations Risk, Asset-Backed Securities Risk, Risks of Repurchase Agreements, Risks Relating to Investments by Other Oppenheimer Funds, Regulatory Risk, Yield Risk and Large Shareholder Transactions Risks.

Oppenheimer International Growth Fund

Investment Objective

The fund seeks capital appreciation.

Investment Process

The fund mainly invests in the common stock of growth companies that are domiciled or have their primary operations outside of the United States. It may invest 100% of its assets in securities of foreign companies. The fund may invest in emerging markets as well as in developed markets throughout the world. From time to time it may place greater emphasis on investing in one or more particular regions such as Asia, Europe or Latin America. Under normal market conditions the fund will:

- invest at least 65% of its total assets in common and preferred stocks of issuers in at least three different countries outside of the United States, and
- emphasize investments in common stocks of issuers that the portfolio managers consider to be "growth" companies.

The fund does not limit its investments to issuers within a specific market capitalization range and at times may invest a substantial portion of its assets in one or more particular capitalization ranges. The fund can also buy securities convertible into common stock and other securities having equity features. The fund can use hedging and certain derivative instruments to seek capital appreciation or to try to manage investment risks.

In selecting investments for the fund's portfolio, the portfolio managers evaluate investment opportunities on a company-by-company basis. The portfolio managers look primarily for foreign companies with high growth potential using a "bottom up" investment approach, that is, by looking at the investment performance of individual stocks before considering the impact of general or industry-specific economic trends. This approach includes fundamental analysis of a company's financial statements and management structure and consideration of the company's operations, product development, and industry position.

The portfolio managers currently focus on the following factors, which may vary in particular cases and may change over time:

- companies that enjoy a strong competitive position and high demand for their products or services;
- companies with accelerating earnings growth and cash flow; and
- diversity among companies, industries and countries to help reduce the risks of foreign investing, such as currency fluctuations and stock market volatility.

The portfolio managers also consider the effect of worldwide trends on the growth of particular business sectors and look for companies that may benefit from those trends. The trends currently considered include: mass affluence, new technologies, restructuring and aging. The portfolio managers do not invest any fixed amount of the fund's assets according to these criteria and the trends that are considered may change over time. The portfolio managers monitor individual issuers for changes in the factors above, which may trigger a decision to sell a security, but does not require a decision to do so.

Principal Risks

The principal risks of investing in this fund are: Risks of Investing in Stock, Industry and Sector Focus, Risks of Foreign Investing, Eurozone Investment Risks, Risks of Developing and Emerging Markets, Risks of Small- and Mid-Cap Companies and Risks of Growth Investing.

Oppenheimer Limited-Term Government Fund

Investment Objective

The fund seeks income.

Investment Process

Under normal market conditions, as a non-fundamental policy, the fund invests at least 80% of its net assets (plus borrowings for investment purposes) in debt securities issued by the United States government, its agencies and instrumentalities, repurchase agreements on those securities and hedging instruments approved by its Board of Trustees.

The fund may invest up to 20% of its net assets in mortgage-backed securities that are not issued or guaranteed by the United States government, its agencies or instrumentalities, asset-backed securities, investment grade corporate debt obligations (having a rating at the time of acquisition by the fund of at least "BBB" by Standard & Poor's Rating Service or "Baa" by Moody's Investors Service or a comparable rating by another nationally recognized securities rating organization; or, if unrated, deemed by the fund's sub-adviser to have a comparable rating) and certain other high quality debt obligations.

United States government securities are debt securities issued or guaranteed by the United States Treasury, such as Treasury bills, notes or bonds, and securities issued or guaranteed by United States government agencies or federally-chartered entities that are referred to as "instrumentalities" of the United States government. The fund invests significant amounts of its assets in mortgage-related derivative securities, such as collateralized mortgage obligations ("CMOs") and mortgage participation certificates. They include mortgage-related securities issued or guaranteed by instrumentalities of the United States government, such as the Government National Mortgage Association. The fund also may enter into forward roll transactions.

Not all of the United States government securities the fund buys are issued or guaranteed by the United States government as to payment of interest and repayment of principal. Some are backed by the right of the issuer to borrow from the United States Treasury. Others are backed only by the credit of the instrumentality. The securities the fund buys may pay interest at fixed, floating, or variable rates, or may be "stripped" securities whose interest coupons have been separated from the security and sold separately.

The fund seeks to maintain an average effective portfolio duration of not more than three years (measured on a dollar-weighted basis) to try to reduce the volatility of the value of its securities portfolio. However, the fund can invest in securities that have short-, medium- or long-term maturities and may use derivative investments to try to reduce interest rate risks. The duration of the portfolio might not meet that target at all times due to interest rates changes and other market events.

The fund may also use derivatives to seek to increase its investment return or for hedging purposes. Options, futures, CMOs, total returns swaps and credit default swaps are examples of derivatives the fund can use.

The portfolio manager employs a "top-down," or global, macroeconomic analysis of the fixed income markets, then sets strategic targets to guide decisions on interest rate sensitivity and sector allocations. The portfolio manager then pairs these targets with "bottom-up," or security-by-security, fundamental research to make individual investment decisions and help manage risks within each bond sector.

The fund's portfolio manager compares the yields, relative values and risks of different types of United States government securities and government agency securities to provide portfolio diversity to help preserve principal. The portfolio manager currently focuses on sectors of the United States government debt market that he believes offer good relative values, securities that have relatively high income potential, and securities that help reduce exposure to changes in interest rates to help preserve principal and help the fund meets its duration target. These factors may vary in particular cases and may change over time. The fund may sell securities that the portfolio manager believes are no longer favorable with regard to these factors.

The fund's share prices and distributions are not backed or guaranteed by the United States government.

Principal Risks

The principal risks of investing in this fund are: Risks of Investing in Debt Securities, Fixed-Income Market Risks and Risks of Derivative Investments.

Oppenheimer Main Street Fund®

Investment Objective

The fund seeks capital appreciation.

Investment Process

The fund mainly invests in common stocks of United States companies of different capitalization ranges. The fund currently focuses on "larger capitalization" issuers, which are considered to be companies with market capitalizations equal to the companies in the Russell 1000®. The portfolio managers use fundamental research and quantitative models to select securities for the Fund's portfolio, which is comprised of both growth and value stocks. While the process may change over time or vary in particular cases, in general the selection process currently uses:

- a fundamental approach in analyzing issuers on factors such as a company's financial performance and prospects, industry position, and business model and management strength. Industry outlook, market trends and general economic conditions may also be considered.
- quantitative models to rank securities within each sector to identify potential buy and sell candidates for further fundamental analysis. A number of company-specific factors are analyzed in constructing the models, including valuation, fundamentals and momentum.

The portfolio is constructed and regularly monitored based upon several analytical tools, including quantitative investment models. The fund aims to maintain a broadly diversified portfolio across major economic sectors by applying investment parameters for both sector and position size. The portfolio managers use the following sell criteria: the stock price is approaching its target, deterioration in the company's competitive position, poor execution by the company's management, or identification of more attractive alternative investment ideas.

Principal Risks

The principal risks of investing in this fund are: Risks of Investing in Stock, Industry and Sector Focus and Risks of Small- and Mid-Cap Companies.

Oppenheimer Main Street Mid Cap Fund®

Investment Objective

The fund seeks capital appreciation.

Investment Process

Under normal market conditions, the fund will invest at least 80% of its net assets, including any borrowings for investment purposes, in securities of "mid cap" companies. A company's "market capitalization" is the value of its outstanding common stock. The fund considers mid cap companies to be those having a market capitalization in the range of the Russell Midcap® Index, a measure of mid cap issuers. The capitalization range of the index is subject to change at any time due to market activity or changes in the composition of the index. The range of the Russell MidCap® Index generally widens over time and is reconstituted annually to preserve its mid cap characteristic. The fund measures a company's capitalization at the time the fund buys a security and is not required to sell a security if the company's capitalization moves outside of the fund's capitalization definition.

The portfolio managers use both fundamental research and quantitative models to identify investment opportunities. While the process may change over time or vary in particular cases, in general the selection process currently:

- aims to maintain broad diversification across all major economic sectors;
- uses quantitative models, including sector-specific factors, to rank securities within each economic sector;
- uses a fundamental approach to analyze issuers based on factors such as a company's financial performance, competitive strength, industry position, business practices and management; and
- considers market trends, current industry outlooks and general economic conditions.

In constructing the portfolio, the fund seeks to limit exposure to so-called "top-down" or "macro" risks, such as overall stock market movements, economic cycles, and interest rate or currency fluctuations. Instead, the portfolio managers seek to add value by selecting individual securities with superior company-specific fundamental attributes or relative valuations that they expect to outperform their industry and sector peers. This is commonly referred to as a "bottom-up" approach to portfolio construction.

The portfolio managers consider stock rankings, benchmark weightings and capitalization outlooks in determining security weightings for individual issuers. Although the fund mainly invests in United States companies, it can invest in securities issued by companies or governments in any country. The fund primarily invests in common stock but may also invest in other types of securities, such as units of master limited partnerships or other securities that are consistent with its investment objective.

The portfolio managers might sell a security if the price is approaching their price target, if the company's competitive position has deteriorated or the company's management has performed poorly, or if they have identified more attractive investment prospects.

Principal Risks

The principal risks of investing in this fund are: Risks of Investing in Stock, Risks of Mid-Cap Companies and Industry and Sector Focus.

Oppenheimer Senior Floating Rate Fund

Investment Objective

The fund seeks income.

Investment Process

The fund invests mainly in floating rate loans (sometimes referred to as "adjustable rate loans") that hold (or in the judgment of the investment adviser, hold) a senior position in the capital structure of United States and foreign corporations, partnerships or other business entities that, under normal circumstances, allow them to have priority of claim ahead of (or at least as high as) other obligations of a borrower in the event of liquidation. These investments are referred to as "Senior Loans." Senior Loans may be collateralized or uncollateralized. They typically pay interest at rates that float above, or are adjusted periodically based on, a benchmark that reflects current interest rates.

Under normal market conditions, the fund will invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in Senior Loans. The fund may invest in Senior Loans directly as an original lender, or by assignment from a lender, or it may invest indirectly through loan participation agreements. While most of these Senior Loans will be collateralized, the fund can also invest up to 10% of its net assets (plus the amount of borrowings for investment purposes) in uncollateralized Senior Loans. The fund can invest up to 20% of its total assets in cash or other loans, securities and other investments, including but not limited to: secured or unsecured fixed-rate loans, fixed or floating rate notes or bonds, securities issued or guaranteed by the United States government or its agencies or instrumentalities, investment-grade short-term debt obligations, common stock and other equity securities and derivatives. The fund also may invest in Senior Loans made in connection with highly leveraged transactions, including but not limited to, operating loans, leveraged buyout loans, and leveraged capitalization loans. The fund can invest 25% or more of its total assets in securities of the group of industries in the financial securities sector.

The fund can invest in investment-grade or below-investment grade debt instruments (sometimes referred to as "high yield" or "junk" securities). The fund can invest up to 100% of its assets in debt instruments rated below-investment-grade, and will normally invest a substantial portion of its assets in those securities. The Senior Loans, other loans, and subordinated debt that the fund invests in are typically rated "B" (below-investment-grade) or higher by one or more of the rating organizations, or if unrated, are determined by the fund's sub-adviser, OppenheimerFunds, Inc. (the "sub-adviser") to be of comparable quality. "Investment grade" debt instruments are rated in one of the four highest rating categories by nationally recognized statistical rating organizations such as Moody's or Standard & Poor's (or, in the case of unrated securities, determined by the sub-adviser to be comparable to securities rated investment-grade). The fund may also invest in unrated instruments, in which case the fund's sub-adviser internally assigns ratings to those instruments, after assessing their credit quality and other factors, in investment-grade or below-investment-grade categories similar to those of nationally recognized statistical rating organizations. There can be no assurance, nor is it intended, that the sub-adviser's credit analysis is consistent or comparable with the credit analysis process used by a nationally recognized statistical rating organization.

The fund may invest in securities of United States and foreign issuers. The fund can invest up to 20% of its total assets in Senior Loans or other securities issued by foreign entities. The fund's foreign Senior Loans must be dollar-denominated, and interest and principal payments must be payable in United States dollars, which may reduce the risks of currency fluctuations.

The fund has no requirements as to the range of maturities of the debt instruments it can buy or as to the market capitalization of the issuers of those instruments. The fund can borrow up to one-third of the fund's assets (including the amount borrowed) and use other techniques to manage its cash flow, to redeem shares, or to purchase assets, a technique referred to as "leverage." The fund may also use certain types of derivative investments to try to enhance income or to try to manage ("hedge") investment risks, including, but not limited to, options, futures contracts, swaps, and "structured" notes.

In selecting investments for the fund, the portfolio managers evaluate overall investment opportunities and risks among the types of investments the fund can hold. They analyze the credit standing and risks of borrowers whose loans or debt securities they are considering for the fund's portfolio. They evaluate information about borrowers from their own research or research supplied by rating organizations, agent banks or other sources and select only those loans that they believe are likely to pay the interest and repay the principal when it becomes due. The portfolio managers consider many factors, including, among others:

- the borrower's past and expected future financial performance
- the experience and depth of the borrower's management
- the status of the borrower's industry and its position in that industry
- the collateral for the loan or other debt security
- the borrower's assets and cash flows
- the credit quality of the debt obligations of the bank servicing the loan and other intermediaries imposed between the borrower and the Fund.

There can be no assurance that the fund's analysis will identify all of the factors that may impair the value of a Senior Loan or other investment.

Principal Risks

The principal risks of investing in this fund are: Risks of Investing in Debt Securities, Fixed-Income Market Risks, Risks of Below-Investment-Grade Securities, Risks of Senior Loans and Other Loans, Risks of Borrowing and Leverage, Risks of Foreign Investing, Risks of Derivative Investments and Risks of Concentration in Financial Services.

Oppenheimer Value Fund

Investment Objective

The fund seeks capital appreciation.

Investment Process

The fund mainly invests in common stocks of companies that the portfolio manager believes are undervalued. The fund may also invest in other equity securities, such as preferred stock, rights, warrants and securities convertible into common stock. The fund may buy securities issued by companies of any size or market capitalization range and at times might increase its emphasis on securities of issuers in a particular capitalization range. While the fund does not limit its investments to issuers in a particular capitalization range, the portfolio manager currently focuses on securities of larger-size companies.

The fund may invest up to 25% of its total assets in foreign securities of companies or governments in any country, including in developed and emerging market countries. The fund may invest up to 10% of its net assets in debt securities.

In selecting investments for the fund's portfolio, the portfolio manager looks for companies he believes have been undervalued by the market. A security may be undervalued because the market is not aware of the issuer's intrinsic value, does not yet recognize its future potential, or the issuer may be temporarily out of favor. The fund seeks to realize gains in the prices of those securities when other investors recognize their real or prospective worth. The portfolio manager uses a "bottom up" approach to select securities one at a time before considering industry trends. The portfolio manager uses fundamental analysis to select securities based on factors such as a company's long-term earnings and growth potential. The portfolio manager currently focuses on companies with the following characteristics, which may vary in particular cases and may change over time:

- Attractive valuation,
- Future supply/demand conditions for its key products,
- Product cycles,
- Quality of management,
- Competitive position in the market place,
- Reinvestment plans for cash generated, and
- Better-than-expected earnings reports.

The portfolio manager also monitors individual issuers for changes in their business fundamentals or prospects that may trigger a decision to sell a security, but does not require a decision to do so. The portfolio manager may consider selling a stock for one or more of the following reasons:

- The stock price is approaching its price target,
- The company's fundamentals are deteriorating, or
- Alternative investment ideas have been developed.

Principal Risks

The principal risks of investing in this fund are: Risks of Investing in Stock, Risks of Other Equity Securities, Industry and Sector Focus, Risks of Value Investing and Risks of Foreign Investing.

Oppenheimer Main Street Small Cap Fund

Investment Objective

The fund seeks capital appreciation.

Principal Investment Strategies

Under normal market conditions, the fund will invest at least 80% of its net assets, including any borrowings for investment purposes, in securities of "small-cap" companies. A company's "market capitalization" is the value of its outstanding common stock. The fund considers small-cap companies to be those having a market capitalization in the range of the Russell 2000® Index. The capitalization range of that index is subject to change at any time due to market activity or changes in the composition of the index. The range of the Russell 2000® Index generally widens over time and it is reconstituted annually to preserve its market cap characteristics. The fund measures a company's capitalization at the time the fund buys a security and is not required to sell a security if the company's capitalization moves outside of the fund's capitalization definition.

Although the fund mainly invests in United States companies, it can invest in securities issued by companies or governments in any country. The fund primarily invests in common stock but may also invest in other types of securities that are consistent with its investment objective.

The portfolio managers use both fundamental research and quantitative models to identify investment opportunities. While the process may change over time or vary in particular cases, in general the selection process currently:

- aims to maintain broad diversification across all major economic sectors;
- uses quantitative models, including sector-specific factors, to rank securities within each economic sector;
- uses a fundamental approach to analyze issuers based on factors such as a company's financial performance, competitive strength, industry position, business practices and management; and
- considers market trends, current industry outlooks and general economic conditions.

In constructing the portfolio, the fund seeks to limit exposure to so-called "top-down" or "macro" risks, such as overall stock market movements, economic cycles, and interest rate or currency fluctuations. Instead, the portfolio managers seek to add value by selecting individual securities with superior company-specific fundamental attributes or relative valuations that they expect to outperform their industry and sector peers. This is commonly referred to as a "bottom-up" approach to portfolio construction.

The portfolio managers consider stock rankings, benchmark weightings and capitalization outlooks in determining security weightings for individual issuers.

The portfolio managers might sell a security if the price is approaching their price target, if the company's competitive position has deteriorated or the company's management has performed poorly, or if they have identified more attractive investment prospects.

Principal Risks

The principal risks of investing in this fund are: Risk of Investing in Stock, Industry and Sector Focus Risk and Risks of Small-Cap Companies.

Oppenheimer Limited-Term Bond Fund

Investment Objective

The fund seeks income.

Principal Investment Strategies

The fund invests primarily in corporate debt securities and United States government securities. Under normal market conditions, the fund will invest at least 80% of its net assets, plus borrowings for investment purposes, in debt securities (generally referred to as "bonds").

A debt security is a security representing money borrowed by the issuer that must be repaid. The terms of a debt security specify the amount of principal, the interest rate or discount, and the time or times at which payments are due. Debt securities can include:

- Domestic and foreign corporate debt obligations;
- Domestic and foreign government debt obligations, including United States government securities;
- Mortgage-related securities;
- Asset-backed securities; and
- Other debt obligations.

The portfolio manager's overall strategy is to build a diversified portfolio of corporate and government bonds. The fund's investments in United States government securities may include securities issued or guaranteed by the United States government or its agencies or federally-chartered entities referred to as "instrumentalities." There is no required allocation of the fund's assets among the above classes of securities, but the fund focuses mainly on United States government securities and corporate debt securities. The fund also may enter into forward roll transactions. When market conditions change, the portfolio manager might change the fund's relative asset allocation.

The fund can invest up to 35% of its total assets in lower-grade, high-yield debt securities that are below investment-grade (commonly referred to as "junk bonds"). "Investment-grade" debt securities are rated in one of the top four rating categories by nationally recognized statistical rating organizations such as Moody's or Standard & Poor's. The fund may also invest in unrated securities, in which case the fund's Sub-Adviser, OppenheimerFunds, Inc., may internally assign ratings to certain of those securities, after assessing their credit quality, in investment-grade or below-investment-grade categories similar to those of nationally recognized statistical rating organizations. There can be no assurance, nor is it intended, that the Sub-Adviser's credit analysis is consistent or comparable with the credit analysis process used by a nationally recognized statistical rating organization.

The fund has no limitations on the range of maturities of the debt securities in which it can invest and may hold securities with short-, medium- or long-term maturities. The maturity of a security differs from its effective duration, which attempts to measure the expected volatility of a security's price to interest rate changes. For example, if a bond has an effective duration of three years, a 1% increase in general interest rates would be expected to cause the bond's value to decrease about 3%. To try to decrease volatility, the fund seeks to maintain a weighted average effective portfolio duration of one to three and a half years, measured on a dollar-weighted basis using the effective duration of the securities included in the portfolio and the amount invested in each of those securities. However, the duration of the portfolio might not meet that target due to market events or interest rate changes that cause debt securities to be repaid more rapidly or more slowly than expected.

The fund may invest a portion of its assets in foreign debt securities, including securities issued by foreign governments or companies in both developed and emerging markets. The fund may not invest more than 20% of its net assets in foreign debt securities.

The fund may also use derivatives including treasury futures, to seek increased returns, to try to manage investment risk or for hedging purposes. Futures, swaps and "structured" notes are examples of some of the types of derivatives the fund can use.

In selecting investments for the fund, the portfolio manager analyzes the overall investment opportunities and risks in different sectors of the debt securities markets by focusing on business cycle analysis and relative values between the corporate and government sectors. The portfolio manager employs a “top-down,” or global, macroeconomic analysis of the fixed income markets, then sets strategic targets to guide decisions on interest rate sensitivity and sector allocations. The portfolio manager then pairs these targets with a “bottom-up,” or security-by-security, fundamental research to make individual investment decisions and help manage risks within each bond sector. The fund mainly seeks income earnings on the fund's investments, consistent with preservation of capital, that may arise from decreases in interest rates, from improving credit fundamentals for a particular sector or security or from other investment techniques.

The fund may sell securities that the portfolio manager believes no longer meet the above criteria.

Principal Risks

The principal risks of investing in this fund are: Risks of Investing in Debt securities, Fixed Income Market Risks, Risks of Below-Investment-Grade Securities, Risks of Derivative Investments, Risks of Foreign Investing, Risks of Developing and Emerging Markets and Risks of Sovereign Debt.

TIAA-CREF International Equity Index Fund

Investment Objective

The fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of foreign equity investments based on a market index.

Principal Investment Strategies

Under normal circumstances, the Fund invests at least 80% of its assets in securities of its benchmark index (the MSCI EAFE® Index). The MSCI EAFE® Index measures stock performance in certain countries outside North America. The Fund buys most, but not necessarily all, of the stocks included in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. For purposes of the 80% investment policy, the term “assets” means net assets, plus the amount of any borrowings for investment purposes.

The Fund is designed to track various foreign equity markets as a whole or a segment of these markets. The Fund primarily invests its assets in equity securities its investment adviser, Teachers Advisors, Inc. (“Advisors”), has selected to track a designated stock market index. Because the return of an index is not reduced by investment and other operating expenses, the Fund’s ability to match the returns of the MSCI EAFE® Index is negatively affected by the costs of buying and selling securities as well as the Fund’s fees and other expenses. The use of a particular index by the Fund is not a fundamental policy and may be changed without shareholder approval. The portfolio management team of Advisors will attempt to build a portfolio that generally matches the market weighted investment characteristics of the Fund’s benchmark index.

Principal Risks

The principal risks of investing in this fund are: Market Risk, Issuer Risk, Foreign Investment Risk, Index Risk, Large-Cap Risk and Mid-Cap Risk.

Vanguard Extended Market Index Fund

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and mid-size United States companies. The S&P Completion Index contains all of the United States common stocks regularly traded on the New York Stock Exchange and the Nasdaq over the-counter market, except those stocks included in the S&P 500 Index. The fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Principal Risks

The principal risks of investing in this fund are: Stock Market Risk, Investment Style Risk—Small and Mid-Capitalization and Index Sampling Risk.

Vanguard Short-Term Bond Index Fund

Investment Objective

The fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of United States government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued.

The fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally does not exceed 3 years.

Principal Risks

The principal risks of investing in this fund are: Interest Rate Risk, Income Risk, Credit Risk and Index Sampling Risk

Vanguard Total Stock Market Index Fund

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable United States stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Principal Risks

The principal risks of investing in this fund are: Stock Market Risk and Index Sampling Risk

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