



529 College Savings Plans Picks January 2009

Even though the market is in the tank, the economy is dismal, and the outlook is bleak, the cost of attending college is still rising fast! Average tuition for last year was up about 6%!! Competition among the many 529 college savings plans has forced product managers to continue to enhance offerings and reduce fees in order to attract investors.

College costs have continued to rise at a much greater rate than the CPI so the question is not if you should invest in a 529 plan. The question is which plan is right for you? Savingforcollege.com lists 115 different plans to choose from! The following states offer four or more different plans: Colorado, Illinois, Nebraska, Nevada, Texas, Virginia, and West Virginia. The task of picking the best plan for you is a challenge. We hope you find this document helpful when selecting a 529 plan for your children or grandchildren. Please feel free to contact us directly if you have questions on which fund is right for you, how much to invest, or how to allocate your investment. Cojo Bay Advisors will update this report as needed based on changes to the 529 landscape.

Currently 32 states, plus the District of Columbia, offer residents a write-off on their state tax return for at least a portion of their 529 contributions. California is **not** one of them! This report is designed with California residents in mind. However, this information can be applied to any investor that lives in a state that does not offer a tax deduction. The lack of a state deduction is unfortunate but it does allow us to freely select from all the plans offered without the concern of opportunity cost.

We use five main sources for our selection process: Morningstar, SavingforCollege.com, Money Magazine, Kiplinger, and the comments of clients and colleagues about the service provided by the plan administrators. When evaluating the individual plans, we focus on fees & expenses, static portfolio options (including global equity options), three year performance records, etc. Due to the way we advise our clients, we have eliminated plans that can only be purchased through brokers. We believe this selection process will present you with a straight forward list of 529 plans. As always, we are here to help you pick the right plan for your specific needs.

Before you jump ahead to the list of recommended plans, please note the date of this report and remember that in the ever changing world of 529 plans these recommendations could become obsolete at any time. For those of you that have been reading our picks for some time, you might notice Nebraska is back as a top choice. However, please note that this is NOT the same plan that was listed a couple of years ago. The Nebraska – TD Ameritrade Plan is still a good plan with relatively low fees and a strong selection of investment choices. Nothing has changed with this plan it has just been overtaken by plans that have aggressively altered their offering to attract investors. The Nebraska plan listed below is the College Savings Plan of Nebraska. This also demonstrates the need to pay particular attention to the exact name of the plans recommended. As referred above, many states offer more than one plan and each plan is very different. For example, in March of 2007 Morningstar mentioned the **Alaska T. Rowe Price College Savings Plan** as one of the better plans available while it listed the **Alaska John Hancock Freedom 529 Plan** as one of the five worst!

Without further delay, here is our list of favorite 529 Plans:

1. College Savings Plans of Maryland - College Investment Plan
 - a. Program Manager: T. Rowe Price Associates, Inc.
 - b. Program Distributor: T. Rowe Price Investment Services, Inc.
 - c. Enrollment: www.collegesavingsmd.org
 - d. Phone: 888-463-4723
 - e. Maximum Contribution: \$320,000
 - f. Initial Minimum Contribution: \$250 (\$25 with AIP)
2. College Savings Plan of Nebraska (Direct-sold)
 - a. Program Manager: Union Bank & Trust Company of Lincoln NE
 - b. Program Distributor: Union Bank & Trust Company of Lincoln NE
 - c. Enrollment: www.planforcollegenow.com
 - d. Phone: 888-993-3746
 - e. Maximum Contribution: \$360,000
 - f. Initial Minimum Contribution: \$25
3. Bright Start College Savings Program (Direct-sold) - Illinois
 - a. Program Manager: OFI Private Investments (OppenheimerFund, Inc.)
 - b. Program Distributor: OppenheimerFunds Distributor, Inc.
 - c. Enrollment: www.brightstartsavings.com
 - d. Phone: 877-432-7444
 - e. Maximum Contribution: \$320,000
 - f. Initial Minimum Contribution: \$25

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For more information on the services we offer, please feel free to contact:

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