



STARTING LINE

News from START, Louisiana's tax-advantaged 529 college savings program

New security measures for START accounts

In the wake last fall's security breach, the START Saving Program and the Louisiana Office of Student Financial Assistance (LOSFA) have taken measures to increase security for account owners.

New security measures include:

- ◆ LOSFA has entered into a contract with a company to provide encryption and electronic back-up of data. That company, Houston-based Truistic Solutions, has a more extensive electronic data storage system and does not require media to be physically transported off-site.
- ◆ All banking related information will be cleared when an account is terminated. This includes the bank account number and routing number.
- ◆ Banking information is also deleted when an account owner changes from the ACH check-draft method for contributions to the direct method

and after a one-time debit has been processed.

- ◆ All account owner passwords have been reset, as well as challenge questions and answers. If an account owner had their Social Security Number as their user ID, they are now prompted to change their ID to something other than their Social Security Number.

The Louisiana Tuition Trust Authority approved the Truistic contract because the Truistic system does not require data to be delivered off-site and therefore reduces the risk of human error.

Additional information will be released to account holders as it becomes available

For additional information, call
1-800-257-5626, ext. 1107 or 922-1107.

START program given high marks for affordability in recent national assessment

Louisiana's START Saving program was awarded high marks by nationally respected 529 plan "guru" Joe Hurley of www.savingforcollege.com in a recent 529 Fee Study, due to its low fees and tax benefits.

The study, which compared the projected 10-year total costs for a \$10,000 investment, was conducted to provide investors with an overview of the costs among competing 529 plans.

Louisiana's plan was the least expensive of all 529 plans compared, with no fees at all for its least expensive option (the fixed return Louisiana Principal Protection Option) and a \$320 fee for the most expensive equities investment option.

The study assumed a \$10,000 investment, earn-

ing 5 percent annually, including the cost of underlying investments, management and administration fees and any annual account fees. Only options with returns traceable to market-traded securities were included; bank products or options with insurance components were excluded. Louisiana's START Saving plan was given a 4.5 point rating on a 5 point scale. Due to the state's subsidizing, there is no cost to account owners above the underlying fund costs. Account owners pay no enrollment fee, no maintenance fee and no management fee.

Additionally, owners who opt for the Fixed Earning (Louisiana Principal Protection) option pay no underlying investment expenses.

START Investment options rate of return

START SAVING PROGRAM Average Annual Returns 3/31/07

	Vanguard Total Stock Market Index Institutional Shares Since Inception 7-7-97	Vanguard LifeStrategy Moderate Growth Portfolio Since Inception 9-30-94	Vanguard LifeStrategy Conservative Growth Portfolio Since Inception 9-30-94	Vanguard LifeStrategy Income Portfolio Since Inception 9-30-94	Vanguard Total International Stock Index Fund Since Inception 4-29-96
1 Year	5.56%	7.36%	6.99%	6.70%	15.52%
3 Year	9.03	8.74%	7.33%	5.94%	19.13%
5 Year	13.93%	11.71%	9.26%	6.90%	23.45%
10 Year	6.36%	7.01%	6.61%	6.22%	9.44%
Since Inception	6.90%	9.62%	8.76%	8.00%	8.01%
Annual Total Return 2006	5.56%	7.36%	6.99%	6.70%	15.52%

Louisiana Principal Protection Option & Earnings Enhancement Fund Updated Annually As of 12/31/06

	Louisiana Principal Protection Since Inception 1997	Earnings Enhancement Fund* Since Inception 1997
1 Year	5.28%	5.25%
3 Year	4.68%	4.95%
5 Year	4.82%	5.03%
10 Year	5.47%	5.65%
Since Inception	5.53%	5.67%
Annual Total Return 2006	5.28%	5.25%

*All Earnings Enhancements are invested in Louisiana Principal Protection and not at the option of the account owner.

NOTE: Performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate. Deposits to an investment option that include a Vanguard fund, when redeemed, may be worth more or less than their original cost.

This chart provides a breakdown of the START Saving Program's annual investment returns for the four Vanguard equity funds (which yield variable rates) as well as for the Louisiana Principal Protection Fund (which yields a fixed rate).

The Earnings Enhancement Fund exists solely for the purpose of investing state matching funds (Earnings Enhancements) in a separate, fixed-return fund.

For comparison purposes, the annual returns of the START investments, plus the Earnings Enhancement Fund, are indicated at the first, third, fifth and tenth years of the funds' operation.

START ranked top in performance

Louisiana's Student Tuition Assistance and Revenue Trust (START) saving program has been ranked the nation's top performing 529 college savings plan in a recently released nationwide analysis.

The study, conducted by savingforcollege.com, analyzed the performance figures for all 529 plans across the country. Every state has at least one 529 plan available. The START Saving Program topped the charts in both categories measured—one-year performance and three-year performance.

"This report verifies what I've been saying for years, that START is the best college savings plan in the nation," said State Treasurer John Kennedy. "As a START account owner myself, I can honestly say Louisiana's 529 Plan is a sound and innovative program for college savings."

To make the comparison, the website selected specific portfolios from each plan that could be directly compared to one another, based on their allocation among stocks, bonds and

short-term investments. These were then placed into categories based on their asset-allocation – from 100 percent equity to 100 percent short-term investments.

Within each category, historical performance was compared and assigned a ranking. There were separate rankings for one-year and three-year performance. An average was taken of each plan's category rankings to produce a composite ranking and the plans were rated based on those composite rankings.

Only those plans which can be enrolled in directly or which are sold through brokers were included in the study.

Savingforcollege.com was established as a private company in 1999 to help individuals and professional advisors better understand how to meet the challenge of paying for higher education.

Study, continued from Page 1

Owners who chose options which invest in the Vanguard LifeStrategy Fund pay investment expenses of approximately .25 - .26 percent. Those who invest in options using Vanguard Total Stock Market Fund Institutional Shares pay a fee averaging .06 percent and those who decide to invest in the Vanguard Total International Stock Index Fund have investment expenses of approximately .32 percent.

In addition to low fees, the START Saving plan provides account owners with a tax deduction of up to \$2,400 to \$4,800 per year, depending on marital status and tax filing status. The state also provides earning enhancements of between 2 and 14 percent on investments each year, depending on the account owner's federal adjusted gross income and the account owner's relationship to the beneficiary.

CNN ranks START Saving plan in Top 10 nationwide

Louisiana's START Saving plan was ranked sixth in the nation by CNNMoney.com earlier this year.

Money Magazine compared the eighty-five 529 plans available across the country and determined the best plans for in-state residents as well as the best plans for those living out-of-state.

Due to its generous in-state tax deductions and state matching contributions, the START Saving plan ranked high on the list for best in-state plans.

For information on opening a START Savings account, call 1-800-259-5626, ext. 1012 or go to the START Saving Web site at www.startsaving.la.gov

New BabyMint Visa available to START account owners

A new BabyMint Platinum Visa card is available to START account owners who want to add a little extra to their accounts.

The card, sponsored by MXT, has no annual fee, a 3.0% APR on cash advances and balance transfers for six months, a 14% flat rate and no cap on earnings. There is a 1% rebate on all retail purchases, with up to a 26% additional rebate everytime the card is used within the BabyMint merchant online network.

The rebates are deposited into START accounts monthly.

Cards used before June 15, 2008 receive 25 BabyMint Bucks deposited into the START account.

To apply for the card, go to www.babymint.com. The card must be applied for, even for owners who had the previous BabyMint card.

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