



### A 529 program offered nationally

SMART529 Select is offered by the West Virginia College Prepaid Tuition and Savings Program Board of Trustees administered by Hartford Life Insurance Company.

# THE SMART529 SELECT COLLEGE SAVINGS PLAN

The SMART529 Select college savings plan offers many benefits, including tax advantages, flexibility, convenience, exceptional service and, most importantly, access to money management offered by nationally recognized investment firm, Dimensional Fund Advisors. SMART529 Select is the only college savings plan that offers a holistic solution from Dimensional.



# THE DIMENSIONAL DIFFERENCE



## A Philosophy Rooted in Academic Research

Dimensional's investment strategies are based on a philosophy founded upon decades of extensive academic research. To gain a better understanding of Dimensional's approach, consider the following research findings, which form the underpinnings of the firm's investment philosophy.

## Investment Principals

### Diversification:

Exposure to a large number of securities around the world reduces the risk that any one stock or any one market would have a substantial impact on your overall investment portfolio. Diversification does not ensure a profit or protect against a loss in a declining market.

### Fundamental Risk/Reward Tradeoff:

Stocks are riskier than most bonds, but not all stocks are equally risky. Small-company stocks ("small-caps") are riskier than large-company stocks, and low-priced "value" stocks are riskier than "growth" stocks. Higher exposure to riskier small-cap and value stocks may add potential rewards in the long run.

### Stock Risk Factors:

Market: Stocks generally have higher returns than most bonds.  
Size: Small-company stocks are riskier and but can have higher returns than large-company stocks.  
Price: Lower-priced "value" stocks but can have higher returns than higher-priced "growth" stocks.

### Bond Risk Factors:

Maturity: Longer-term instruments are riskier than shorter-term instruments.  
Default: Instruments of lower credit quality are riskier than instruments of higher credit quality.

## Dimensional Fund Advisors vs. Traditional Money Managers

Dimensional is of the opinion that both traditional "active" and "passive" investment approaches used by most money managers sacrifice higher returns, are unnecessarily expensive, or both. The investment process Dimensional developed is, therefore, based on an entirely different view of how to capture the risk factors and higher returns in the securities markets.

DIMENSIONAL FUND ADVISORS	TRADITIONAL MONEY MANAGERS	
<ul style="list-style-type: none"><li>Assumes securities are fairly priced.</li><li>Captures specific dimensions of risk identified by financial science.</li><li>Minimizes transaction costs and attempts to enhance returns through portfolio design and trading.</li></ul>	<b>Active Management</b> <ul style="list-style-type: none"><li>Attempts to beat the market through security selection and market timing.</li><li>Generates higher turnover, transaction costs, and taxes due to speculative trading.</li></ul>	<b>Index (Passive) Management</b> <ul style="list-style-type: none"><li>Assumes markets work with no liquidity cost.</li><li>Allows established benchmarks to dictate strategy.</li></ul>

## Innovative, Independent Thinkers Guide Dimensional's Strategies

Dimensional believes that financial economists lead the way in understanding risk and return in securities markets.

Dimensional researches tomorrow's solutions today through a continuous feedback loop with the academic community's most innovative and respected financial economists.

Working closely with such esteemed academic leaders as Gene Fama of the University of Chicago, and Ken French of Dartmouth, Dimensional engineers strategies and brings client feedback to these financial economists and researchers for further testing and enhancements, a process they believe continually benefits Dimensional investors.

# WIDE RANGE OF INVESTMENT

Sixteen investment options are offered to you within SMART529 Select, including seven age-based portfolios and 10 static portfolios, all managed by Dimensional Fund Advisors. The portfolios provide different mixes of equity and fixed-income securities so that you can choose what works best given your preferences and unique circumstances. Investment returns are not guaranteed, and you could lose money by investing in the Plan.



## SMART529 Select Age-Based Portfolios

As their name suggests, Age-Based Portfolios are tailored to your child's specific age. As your child grows, your investment is automatically transferred to more conservative asset allocations as your child nears college age. The portfolios are automatically rebalanced each quarter.



Age 0-3



Age 4-6



Age 7-9



## SMART529 Select Static Portfolios

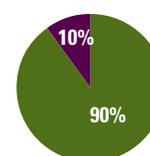
SMART529 Select offers seven preset Static Portfolios ranging from an aggressive growth selection to more conservative choices. You may select one or more of the Static Portfolios to create customized allocations. Tax-free transfers between the portfolios are allowed twice per calendar year.



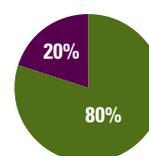
Aggressive Growth



Moderately Aggressive



Growth



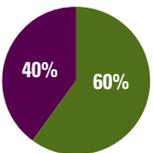
### SMART529 Select's Age-Based Portfolios and Static Portfolios are comprised of a combination of the following funds managed by Dimensional Fund Advisors:

- DFA Emerging Markets Core Equity Portfolio
- DFA International Core Equity Portfolio
- DFA US Core Equity 2 Portfolio
- DFA International Core Equity Portfolio
- DFA Intermediate Government Fixed Income Portfolio
- DFA 5-Year Global Fixed Income Portfolio
- DFA 2-Year Global Fixed Income Portfolio
- DFA 1-Year Fixed Income Portfolio

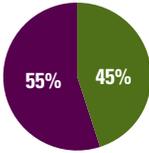
# ALTERNATIVES



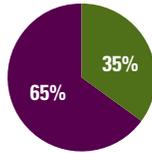
**Age 10–12**



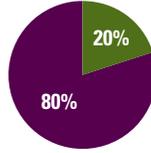
**Age 13–15**



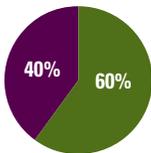
**Age 16–18**



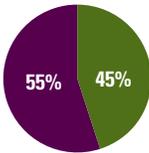
**Age 19+**



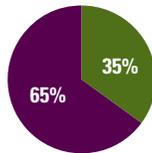
**Moderate Growth**



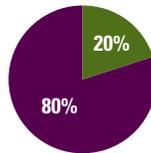
**Balanced**



**Moderately Conservative**



**Conservative Age 19+**



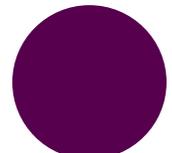
**All-Equity**



**Fixed Income**



**1-Year Fixed**



## Additional Information:

To learn more about the underlying investments within the SMART529 Select Age-Based and Static Portfolios, please see the Offering Statement. Copies of the Offering Statement are available by calling 1-866-574-3542 Monday–Thursday 8 a.m. to 7 p.m., Friday 8 a.m. to 6 p.m. Eastern time, or by visiting [www.SMART529Select.com](http://www.SMART529Select.com).

# SMART529 SELECT COLLEGE SAVINGS PLAN ADVANTAGES

## Tax Advantages

- **Federal Tax Savings:** You do not need to pay federal taxes on any earnings accumulating within a SMART529 Select college savings account, which means dollars may grow faster than they would in a taxable account.

When you make withdrawals from SMART529 Select, you'll pay no federal taxes as long as the money is used for qualified higher education expenses at an eligible institution. Eligible expenses may include tuition, room and board, books, computer equipment, and more.<sup>1</sup>

Non-qualified withdrawals are taxable as ordinary income to the extent of earnings, and may also be subject to a 10% federal tax penalty. Such withdrawals may also have state income tax implications.

- **Potential Gift Tax Savings:** Grandparents and other donors may make a gift of up to \$65,000 per beneficiary (\$130,000 if gift splitting) in any single year without incurring federal gift tax if IRS form 709 is filed and no additional gifts are made to that beneficiary within a five-year period (provided you use five-year accelerated gifting).<sup>2</sup>

## Reasonable Pricing

- **No Sales Charges or Application Fees**
- **No Account Set-Up Charges:** Contributions, including rollovers into SMART529 Select from other 529 plans or Coverdell Education Savings Accounts, are free of charge.
- **Moderate Expenses:** Total Annual Expenses range from 0.64% to 0.77% depending on the Investment Options chosen, with an average of 0.71%.
- **Low Maintenance Fees:** The Annual Maintenance Fee of \$25 per year is waived if an investor is enrolled in the Automatic Investment Program for \$25 or more, if the account value is \$25,000 or more on the date the fee is scheduled to be deducted, and for residents of West Virginia.

## Flexibility

- **Suits a Variety of Needs:** Typically, SMART529 Select accounts are set up by parents for their children, or grandparents for their grandchildren, but many other arrangements are possible as well. Any U.S. citizen, resident, corporation or non-profit organization can open a SMART529 Select account on behalf of any U.S. citizen or resident. It's even possible for account owners to establish accounts for themselves.
- **Few Restrictions:** There are no age, income or residency restrictions.
- **Low Minimum Investment:** \$250 initial investment; \$25 subsequent investments.
- **High Maximum Limit:** \$265,620 maximum contribution limit based on total account balances for your beneficiary.
- **Withdraw Funds as Needed:** SMART529 Select assets may be withdrawn at any time, and at any age. There are no time limits for withdrawals.
- **Assets May Be Used Many Ways:** SMART529 Select assets can be used nationwide to pay for qualified higher education expenses at eligible educational institutions that generally include accredited two- and four-year public or private colleges, universities, vocational or technical schools, as well as graduate schools.

## Account Owner Maintains Control

- **Beneficiaries May Be Changed:** As owner of the 529 plan, you may change the beneficiary on the account at any time without incurring tax liability (as long as the new beneficiary is an eligible family member of the original beneficiary). Even after the beneficiary reaches 18 years of age, you retain control of the account—an important feature for ensuring that account funds are used for college as they were intended.
- **Easy to Manage:** Through our internet and telephone account access options, you can obtain fund, account and portfolio balances, and exchange share/units.<sup>3</sup> Online, you can also view transaction history, download forms, research fund prices and performance history and change your mailing address. Available 24 hours a day, seven days a week.

<sup>1</sup> See the Offering Statement for a complete description of eligible institutions, and eligible expenses.

<sup>2</sup> If the donor elects to treat a gift as being made over five years, and the donor dies prior to the end of that five-year period, the portion of the gift allocable to the period after the donor's death will be included in the donor's estate. Estate-tax treatment may differ by state. Any additional gifts to the same Designated Beneficiary in that five-year period would be subject to federal gift tax. Please consult your tax advisor for more information.

<sup>3</sup> Investment Option changes may be made twice per calendar year.



## Exceptional Customer Service

- **Award-Winning Service Team:** The customer service representatives available in the SMART529 call center are part of a team that has been repeatedly recognized for award-winning customer service by Boston-based DALBAR Inc., a leading financial services research firm.
- **Convenient Hours:** Fully staffed, personal telephone support is available Monday – Thursday 8 a.m. to 7 p.m., and Friday 8 a.m. to 6 p.m. Eastern time (except holidays), and our website is only a click away.

 Call 1-866-574-3542

 Log on SMART529Select.com



**You should carefully consider the investment objectives, risks, charges, and expenses of The SMART529 Select College Savings Plan and its Underlying Funds before investing. This and other information can be found in the Offering Statement for The SMART529 Select College Savings Plan and the prospectuses or other disclosure documents for the Underlying Funds, which can be obtained from your investment representative or by calling 866-574-3542. Please read them carefully before you invest or send money.**

The SMART529 Select College Savings Plan is a program of the Board of Trustees of the West Virginia College Prepaid Tuition and Savings Program, State Treasurer John Perdue, Chairman. The Board has selected Hartford Life Insurance Company to provide management services for The SMART529 Select College Savings Plan. The SMART529 Select College Savings Plan is distributed by Hartford Funds Distributors, LLC Member SIPC.

**If you reside in or have taxable income in a state other than West Virginia, you should consider whether your state has a qualified tuition program that offers favorable state income tax or other benefits exclusive to your state's program that are not available under The SMART529 Select College Savings Plan program.**

**Investments in The SMART529 Select College Savings Plan are not guaranteed or insured by the State of West Virginia, the Board of Trustees of the West Virginia College Prepaid Tuition and Savings Program ("Board"), the West Virginia State Treasurer's Office, Hartford Life Insurance Company, The Hartford Financial Services Group, Inc. the investment sub-advisors for the Underlying Funds or any depository institution and are subject to investment risks, including the loss of the principal amount invested.**

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"The Hartford" is The Hartford Financial Services Group, Inc. and its subsidiaries.

All information and representations herein are as of 6/16 unless otherwise indicated.

### Contact us if you need:

- Help completing the application.
- Information on tax treatment (we can't provide advice).
- Information on how to manage your account online and sign up for systematic investing.

### Questions?

Our customer service center representatives are here to help you.

- Call us toll-free:  
1-866-574-3542  
Monday–Thursday:  
8:00 a.m.–7:00 p.m.,  
Friday: 8:00 a.m.–6:00 p.m.  
Eastern time, or
- Visit us online at  
[www.SMART529Select.com](http://www.SMART529Select.com)

