



TNSTARS[®]
COLLEGE SAVINGS
5 2 9 P R O G R A M

DISCLOSURE BROCHURE

Dated: June 30, 2017

OFFERED BY: STATE OF TENNESSEE COLLEGE SAVINGS TRUST FUND PROGRAM FOR THE
EDUCATIONAL INVESTMENT PLAN

MANAGED BY: STATE OF TENNESSEE DEPARTMENT OF TREASURY

The information and opinions in this Disclosure Brochure are subject to change without notice, and neither delivery of this Disclosure Brochure nor any sale made hereunder shall create, under any circumstances, any implication that no change has occurred in the affairs of the TNStars College Savings 529 Program since the date of this Disclosure Brochure.

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This page sets forth certain legal matters relating to the TNStars College Savings 529 Program (“TNStars” or “Program”). Terms not otherwise defined below are defined in the Glossary of Common Terms on page 8. The securities offered under the Program have not been, and will not be, registered under the Securities Act of 1933, any state or other securities laws pursuant to exemptions from registration available for obligations issued by a public instrumentality of a state. This Disclosure Brochure does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any state or other jurisdiction where, or to or from any individual to or from whom, such offer or solicitation is unlawful or unauthorized.

No individual or entity has been authorized to give any information or to make any representation concerning the Program other than the information contained in this Disclosure Brochure and, if given or made, such information or representation must not be relied upon as having been authorized by the Program or the Board of the College Savings Trust Fund Program (“Board”).

The State of Tennessee has also established a separate trust fund for the educational services plan (“Prepaid Plan”), which is not offered under this Disclosure Brochure. Furthermore, units are no longer offered under the Prepaid Plan. Additional information about the Prepaid Plan may be obtained by calling 888-486- 2378 or by visiting treasury.tn.gov/best/index.html.

529 Plans offered by other states may offer tax or other benefits to taxpayers or residents of those states that are not available with regard to TNStars. Taxpayers or residents of other states should consider such state tax treatment and other benefits, if any, before making an investment decision.

529 Plans, such as the Program, are intended to be used only to save for Qualified Higher Education Expenses. This Program is not intended to be used, nor should it be used, for evading federal or state taxes or tax penalties. Taxpayers should seek tax advice from an independent tax professional based on their own particular circumstances.

Notice: Accounts and their earnings, if any, established under TNStars are neither insured nor guaranteed (full faith and credit or otherwise) by, or have recourse to, the state of Tennessee, the Tennessee State Treasurer, the Program, other state agencies, federal government agencies or any employees or directors of any such entities, unless otherwise expressly stated herein.

You, a Participant, will own Units of Interest issued by the Trust Fund for the TNStars College Savings 529 Program, not direct shares of the underlying Mutual Funds or interest in the Interest Bearing Account related to, as applicable, the Investment Option(s) you select. Such Units of Interest in TNStars are offered subject to the right of the Board or the Tennessee Department of Treasury to reject any purchase in whole or in part. **Before investing, carefully consider the Program’s investment objectives, risks, fees and expenses. This information and more about the Program may be found in this Disclosure Brochure, which should be read fully and carefully before investing.**

It is your responsibility, as a Participant, to select one or more of the predefined Investment Options within the Program that best suits your needs. Before selecting an Investment Option, you should carefully consider your risk tolerance, investment horizon, college savings goals and overall investment objectives. You should also carefully consider the investment risks associated with each Investment Option.

Protecting the privacy of your personal information is important to TNStars and TNStars recognizes its obligation to keep your personal information secure and confidential. TNStars’ concern for privacy extends to those Participants who use TNStars’ website, TNStars.com. Personal information that TNStars may collect from you may include, among other things, your U.S. Social Security or Taxpayer Identification Number, date of birth and information about your accounts at other institutions. Pursuant to Tennessee Code Annotated, Section 49-7-825, the Program cannot disclose personal information about you to anyone, except as permitted by the provisions thereunder. TNStars, through the State of Tennessee, maintains physical, electronic and procedural safeguards that comply with applicable regulations to guard your personal information.

TNStars, the Board and the Department of Treasury and its employees are not authorized to provide legal, financial or tax advice. Prospective and existing Participants should consult their personal legal, tax or other advisors for inquiries specific to their circumstances.

For more information about the Program, contact: TNStars College Savings 529 Program, P.O. Box 198801, Nashville, TN 37219; (855) 3TN-STAR (386-7827) or (615) 741-1502; TNStars.com; email: tn.stars@tn.gov.

KEY FEATURES OF THE PROGRAM

Charts, graphs and examples are provided for illustrative purposes only. Before investing, please review the full Disclosure Brochure, which contains more information about TNStars and its risks. For more information, contact: TNStars College Savings 529 Program, P.O. Box 198801, Nashville, TN 37219; (855) 3TN-STAR (386-7827) or (615) 741-1502; TNStars.com; email: tn.stars@tn.gov.

Feature	Description	Additional Disclosure
Program Administrator and Manager	State of Tennessee Department of Treasury	Page 12
Participant	An individual or entity establishing an Account, entering into the Contract and controlling all aspects of an Account. A Participant must be a U.S. resident or resident-alien with a U.S. mailing and legal address and a valid Social Security or Taxpayer Identification Number. In the case of an individual, a Participant must also be at least eighteen (18) years of age at the time an Account is opened. Each Account can have only one (1) Participant.	Page 9
Beneficiary	An individual designated by a Participant whose Qualified Higher Education Expenses can be paid from an Account. There are no age or residency restrictions for a Beneficiary. A Beneficiary must have a valid Social Security Number. Each Account can have only one (1) Beneficiary. An individual can be a Beneficiary of more than one (1) Account in the Program and a beneficiary of one or more accounts in other 529 Plans.	Page 8
Minimum Initial Contribution	The minimum Initial Contribution amount is twenty-five dollars (\$25) for each Investment Option selected by a Participant at account opening.	Pages 16
Contributions Restrictions	<p>Contributions to an Account may be made by check drawn on a banking institution located in the United States in U.S. dollars. Checks should be made payable to TNStars College Savings 529 Program. Checks may take longer to be processed by the Program than other methods of contributing.</p> <p>Third-party checks and a check made payable to a Participant and endorsed by a Participant to the Program are not accepted by the Program. In addition, traveler's checks, cashier's checks, teller's checks, starter checks and credit card convenience checks are not accepted by the Program.</p> <p>A Contribution may not be made in the form of currency (coin or paper), securities or other property.</p>	Page 16
Maximum Account Balance	The current maximum account balance is three hundred and fifty thousand dollars (\$350,000), which includes all Accounts in the Program and any accounts in the Prepaid Plan held for the same Beneficiary. No additional Contributions will be accepted at any time such accounts have reached the maximum account balance, but the aggregate balance in such accounts may exceed the maximum account balance as a result of account earnings, if any.	Page 30
Withdrawals	<p>Each Contribution will be subject to a twenty-one (21) calendar day hold before the monies are eligible for Withdrawal.</p> <p>Only a Participant, or duly authorized Agent, may withdraw monies from an Account and it is a Participant's responsibility to substantiate any tax treatment of all or a portion of a Withdrawal.</p>	Pages 10, 32 and 33

Feature	Description	Additional Disclosure
Investment Options	<p>A Participant may select one or more of the predefined Investment Options. Changes to the current allocation of Account assets may be made twice (2) per calendar year and upon any change in a Beneficiary.</p> <p>The Program’s total annual asset-based fee, after Subsidy includes three (3) elements: the estimated underlying Mutual Fund or IBA expense; the program management fee; and the Subsidy (i.e. program management fee subsidy and the mutual fund expense subsidy, as applicable). The Board or the Program, in their sole discretion, reserve the right to change the program management fee and reserve the right to place restrictions on the Subsidy, including, but not limited to, the right to restrict the Subsidy to Tennessee residents, or otherwise eliminate, reduce or reallocate the Subsidy, at any time. There is no guarantee of future appropriations for such purpose or that the Program will continue to subsidize the expenses and fees, in whole or in part, through an appropriation, or otherwise, in the future.</p> <p>The investment performance shown is dependent on the performance of the assets in which the underlying Mutual Fund may invest or, in the case of the IBA, the rate set by the financial institution. Furthermore, the overall performance of an Account may vary based on overall allocation to Investment Options chosen by a Participant.</p>	<p>Pages 19</p> <p>Pages 24 and 26</p> <p>Page 28</p>
Tax Considerations	<p>Any earnings grow on a tax-deferred basis for federal income tax purposes. The earnings portion, if any, of Withdrawals used to pay for Qualified Higher Education Expenses is tax-free at the federal level. The earnings portion, if any, of a Non-Qualified Withdrawal is subject to federal taxes and, except in the case of a Special Circumstances Non-Qualified Withdrawal, a ten percent (10%) federal tax penalty. Participants should seek tax advice from an independent tax professional based on their own particular circumstances.</p> <p><i>For additional information about IRS treatment of 529 Plans, visit: irs.gov/uac/About-Publication-970</i></p>	<p>Page 35</p>

Feature	Description	Additional Disclosure
Investment Risks	<p><u>Risk of Investment Loss:</u> As with any investment, it is possible to lose money by investing in this Program. The value of an Account will fluctuate and it is possible for the value to be less than what was contributed.</p>	Pages 13 and 39
	<p><u>Tax Risk:</u> The favorable tax treatment of investments under the Program depends on qualification of the Program as a “qualified tuition program” under the Code. The IRS has not issued final regulations regarding the requirements for such qualification. Furthermore, from time to time, there may be changes to federal and state tax laws or the Code that may change the terms and conditions of this Program. When feasible and appropriate, the Board intends to provide reasonable notice to Participants regarding any material Program changes.</p>	Page 13
	<p><u>Risk of Reduced Financial Aid Eligibility:</u> An investment in a 529 Plan may be taken into consideration for purposes of determining the amount, if any, of financial aid for which a Beneficiary is eligible.</p>	Page 13
	<p><u>Risk of Program Changes:</u> From time to time, the Board, Program Administrator or Tennessee legislature may make changes to the Program, including changes to the Investment Options, underlying Mutual Funds or Interest Bearing Account, fees, expenses or Subsidy. When feasible and appropriate, the Board intends to provide reasonable notice to Participants regarding any material Program changes.</p>	Page 14
	<p><u>Investment Option Risks:</u> Money contributed to an Account is subject to various investment risks associated with the underlying Mutual Funds or Interest Bearing Account (“IBA”) used by the Investment Option(s) selected by a Participant. Participants should review Appendices A and B for additional information related to the investment risks of the underlying Mutual Fund(s) or IBA. A Participant should request and read the prospectus and additional information provided by the underlying Mutual Fund(s) associated with any Investment Option(s) to which a Participant is considering allocating Contributions. During any particular period, the risks and earnings, if any, under any particular Investment Option may vary from the risks and earnings, if any, under any other Investment Option(s).</p>	Pages 14 and 45
	<p><u>Risk of Acceptance and Increased Higher Education Expenses:</u> Having an Account in the Program does not guarantee that a Beneficiary will be admitted to any educational institution, or if admitted, will be permitted to continue enrollment in, graduate or receive a degree from an educational institution. Furthermore, there is no guarantee that Contributions made to an Account, together with the rate of return, if any, under the Investment Option(s) selected will be sufficient to pay a Beneficiary’s higher education expenses for any particular period at any particular educational institution.</p>	Page 14

GLOSSARY OF COMMON TERMS

As used in this Disclosure Brochure, the capitalized terms shall have the meaning set forth below:

529 Plan – a tax-advantaged college savings plan authorized under the Code, technically referred to as a “qualified tuition program.” *For additional information about IRS treatment of 529 Plans, visit: irs.gov/uac/About-Publication-970*

Account – an educational investment trust account in the TNStars College Savings 529 Program.

Account Owner – *see Participant.*

Age-Based Strategy - an investment tactic that corresponds to a Beneficiary's birth year whereby the investment objective automatically becomes increasingly more conservative as a Beneficiary approaches college age.

Agent – an individual authorized to enter into agreements or take other actions for or on behalf of an individual, institution or minor.

Beneficiary – an individual, designated by a Participant, whose Qualified Higher Education Expenses can be paid from an Account. There are no age or residency restrictions for a Beneficiary. A Beneficiary must have a valid Social Security Number. Each Account can have only one (1) Beneficiary. An individual can be a Beneficiary of more than one (1) Account in the Program and a beneficiary of one or more accounts in other 529 Plans.

Board – the Board of Trustees of the College Savings Trust Fund Program, which is empowered under the Statute to carry out the purposes and objectives of the Program.

Business Day – generally, any day on which (i) the New York Stock Exchange (“NYSE”) and (ii) the intermediary are open for regular business activity.

Code – Section 529 of the Internal Revenue Code of 1986, codified in 26 U.S.C. §529, as amended, and all rules, regulations, notices and interpretations released by the United States Treasury, including the Internal Revenue Service.

Contribution – contributed monies to an Account that have deemed in good order and processed by the Program. Contributions are purchases (buys) of Units of Interest.

Contributor – *see Third-Party Contributor.*

Contract – the completed and signed enrollment application, the participation agreement, and minimum Initial Contribution, as received and accepted by the Program, together with this Disclosure Brochure and all governing Program Rules, Statutes, laws and operating procedures.

Department of Treasury – collectively, the Tennessee State Treasurer and the State of Tennessee Department of Treasury. *For additional information about the Department of Treasury, visit treasury.tn.gov/index.html.*

Educational Investment Plan – *see TNStars.*

Educational Savings Plan – *see TNStars.*

Eligible Educational Institution – an institution as set forth in the Code. Generally, this includes any college, university, vocational school or other postsecondary educational institution eligible to participate in a student aid program administered by the U.S. Department of Education as well as virtually all accredited public, nonprofit and proprietary (privately owned profit-making) postsecondary institutions. Certain educational institutions located outside the United States also participate in the U.S. Department of Education's Federal Student Aid (“FSA”) programs. *For additional information, visit fafsa.ed.gov or ed.gov.*

Federal Deposit Insurance Corporation (“FDIC”) Insurance Coverage – the insurance that covers deposit accounts, up to applicable limits, held at FDIC insured banks and savings associations. *For additional information, including insurance amounts and limitations, visit the FDIC's website, fdic.gov, or contact the FDIC at 1-877-ASK-FDIC.*

Initial Contribution- the first Contribution made to an Account at account opening.

Interest Bearing Account (“IBA”) – an underlying deposit account established by the Trust Fund at a financial institution that accrues interest at a rate established by the financial institution.

Internal Revenue Service (“IRS”) – a bureau of the U.S. Department of Treasury organized to carry out the responsibilities of the U.S. Secretary of the Treasury, including the administration and enforcement of the internal revenue laws of the United States.

Investment Option – a Mutual Fund or IBA available to a Participant. A Participant selects and determines the allocation to one or more of the predefined Investment Options available under the Program. Collectively, the Investment Options represent the investment portfolio of the Trust Fund as established by the Board.

Member of the Family – for purposes of Section 529(e)(2) of the Code and this Program, a “Member of the Family” is defined as an individual who bears one or more of the following relationships to the original Beneficiary of an Account:

- a son or daughter, stepchild, foster child, legally adopted child or a descendent of any of them;
- a brother, sister, stepbrother, stepsister, half-brother or half-sister;
- 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 any individual listed above, including a Beneficiary’s; or
- a first cousin.

Mutual Fund – a type of investment company that pools money from many investors and invests the money in stocks, bonds, money-market instruments, other securities or cash. Mutual Funds are a common type of investment used in 529 Plans. *For additional information about Mutual Funds, visit sec.gov/answers/mutfund.htm.*

Non-Qualified Withdrawal – monies distributed from a 529 Plan account and not used for Qualified Higher Education Expenses. This type of Withdrawal will be treated as income to the distributee and taxed at the distributee’s tax rate. In addition, a ten percent (10%) federal tax penalty applies to the earnings portion, if any, of a Non-Qualified Withdrawal, except in the case of a Special Circumstances Non-Qualified Withdrawal.

Participant – an individual or entity establishing an Account, entering into the Contract and controlling all aspects of an Account. A Participant must be a U.S. resident or resident-alien with a U.S. mailing and legal address and a valid Social Security or Taxpayer Identification Number. In the case of an individual, a Participant must also be at least eighteen (18) years of age at the time an Account is opened. Each Account can have only one (1) Participant.

Participant Appointee – an individual or entity designated by a Participant who/that, in the event of a Participant’s death or legal incompetence, will automatically become a Participant and be legally bound to the Contract.

Program – *see TNStars.*

Purchaser – *see Participant.*

Purchaser Appointee – *see Participant Appointee.*

Qualified Higher Education Expenses – as defined in the Code, expenses related to a Beneficiary’s enrollment or attendance at an Eligible Educational Institution and generally includes tuition, fees, books, supplies, equipment, and computer equipment and software. Qualified Higher Education Expenses may also include expenses for room and board, but limitations apply. *For additional information about Qualified Higher Education Expenses, visit irs.gov/uac/About-Publication-970.*

Qualified Refund – as described in the Code, a refund received by a beneficiary from an Eligible Educational Institution of any Qualified Higher Education Expenses initially paid from a 529 Plan account for such beneficiary.

Qualified Withdrawal – monies distributed from a 529 Plan account to pay for a Beneficiary’s Qualified Higher Education Expenses at an Eligible Educational Institution. Contributions and earnings, if any, of a Qualified Withdrawal are not subject to federal income tax.

Redemption Value – the entire cash value of an Account resulting from (the sum of) the principal invested (Contributions), the interest earned or losses incurred, Withdrawals and any applicable expenses and fees that may be charged by the Program.

Rules – the Rules of the Department of Treasury, Tennessee Baccalaureate Education System Trust Board codified as Chapter 1700-05 of the Official Compilation of the Rules and Regulations of the State of Tennessee and as amended from time to time. *For additional information about the Rules, visit sos.tn.gov/publications.*

Section 529 – *see Code.*

Self-Selected Strategy – an investment tactic that allows a Participant to allocate an Account’s assets among one or more pre-defined Investment Options.

Special Circumstances Non-Qualified Withdrawal – pursuant to the Rules and the Code, monies distributed from an Account made i) to a Beneficiary (or to the estate of a Beneficiary) on or after the death of a Beneficiary, ii) because a Beneficiary has been deemed to have a “permanent disability,” as defined by the Rules, iii) because of a Beneficiary’s attendance at one of the United States military academies, so long as the distribution does not exceed the costs of advanced education attributable to such attendance or iv) upon a Beneficiary’s receipt of a scholarship, allowance or payment received as educational assistance, as allowed under the Code, so long as the distribution does not exceed the scholarship, allowance or payment.

Statute – Title 49, Chapter 7, Part 8 of the Tennessee Code Annotated, as amended from time to time. *For additional information about the Statute, visit sos.tn.gov/products/tsla/government-publications.*

Subsidy – the amount authorized by the Board by which the Program may monetarily offset, using a State appropriation, a portion of the costs, fees and expenses incurred during the administration and management of the Program (i.e. program management fee subsidy) and the estimated underlying Mutual Fund expense (i.e. mutual fund expense subsidy). There is no guarantee of future appropriations for such purpose or that the Program will continue to subsidize costs, fees and expenses, in whole or in part, through an appropriation or otherwise in the future.

Third-Party Contributor – an individual or entity, other than a Participant, who/that contributes money or makes a payment to an Account. An account can have more than one (1) Third-Party Contributor.

TNStars – the TNStars College Savings 529 Program which is a qualified tuition program offered by the State of Tennessee through the Trust Fund.

Trust Fund – the educational investment trust fund authorized under the Statute and offered by the College Savings Trust Fund Program, formerly known as the Baccalaureate Education System Trust Fund Program (“BEST”), through the Educational Investment Plan.

Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (“UGMA/UTMA”) – generally, an act that allows assets to be given or transferred to a minor under the appointment of a custodian without establishing a special trust fund. UGMAs/UTMAs vary by state. Participants should consult their advisors for inquiries specific to their circumstances.

Units of Interest – municipal fund securities, as defined by the Municipal Securities Rulemaking Board (“MSRB”), issued by the Trust Fund in connection with the Program and purchased by a Participant. The value of the Units of Interest is determined by reference to the proportional value of the Investment Option(s) selected by a Participant and the costs, fees, expenses and Subsidy, if any, relating to such Investment Option(s). *For additional information on municipal fund securities, visit the MSRB’s website at msrb.org.*

Withdrawal – any disbursement from an Account has been deemed in good order and processed by the Program. A Withdrawal may be a full or partial disbursement and may be categorized as a Qualified Withdrawal, Non-Qualified Withdrawal, Special Circumstances Non-Qualified Withdrawal, rollover or transfer. Withdrawals are redemptions (sale) of Units of Interest.

OVERVIEW

The information presented in this Disclosure Brochure is believed to be accurate as of the date printed on the cover page, but is subject to change without notice.

The TNStars College Savings 529 Program is a qualified tuition program offered by the State of Tennessee through the educational investment trust fund. The Program is established pursuant to Section 529 of the Code, authorized by Title 49, Chapter 7, Part 8 of the Tennessee Code Annotated and administered in accordance with the Rules of the Department of Treasury, Tennessee Baccalaureate Education System Trust Board codified as Chapter 1700-05 of the Official Compilation of the Rules and Regulations of the State of Tennessee. The Program is administered and managed by the Tennessee State Treasurer and the Department of Treasury pursuant to a delegation from the Board.

Units of Interest offered and sold in connection with the Program are considered municipal fund securities for federal securities law purposes. **You, a Participant, will own Units of Interest issued by the Trust Fund for the TNStars College Savings 529 Program, not direct shares of the underlying Mutual Fund(s) or interest in the IBA associated, as applicable, with any Investment Options(s) you selected.** The Units of Interest have not been and will not be registered under the Securities Act of 1933, any state, or other securities laws pursuant to exemptions from registration available for obligations issued by a public instrumentality of a state.

This Disclosure Brochure, which constitutes the full and complete offering materials of the Program, includes [Appendices A and B](#), which provides information about the underlying Mutual Funds and IBA associated with the Investment Options available to Participants in the Program. The Disclosure Brochure together with the completed and signed enrollment application, participation agreement, and the minimum Initial Contribution, as received and accepted by the Program, and all governing Program Rules, Statutes, laws and operating procedures constitutes the Contract entered into under the Statute. **Any future changes to this Disclosure Brochure or participation agreement or amendments to the Rules, Statute, policies or operating procedures are automatically incorporated into and deemed to amend the Contract.**

You may contact the Program to receive additional copies of this Disclosure Brochure and to ask any questions that you may have about the Program:

- Online: TNStars.com
- Email: tn.stars@tn.gov
- Phone: 855 3TN-STAR (855-386-7827) or (615) 741-1502
- Fax: 615-401-6816
- Write: TNStars College Savings 529 Program, P.O. Box 198801, Nashville, TN 37219
- Visit: TNStars College Savings 529 Program, Department of Treasury, 15th Floor, Andrew Jackson Building, 502 Deaderick Street, Nashville, TN 37243

PROGRAM ADMINISTRATION

The Program is established by the State of Tennessee pursuant to the Statute and is maintained and administered by the Department of Treasury Financial Empowerment Division pursuant to a delegation from the Board, which is an agency and instrumentality of the State of Tennessee. The primary purpose of the Program is to assist families in saving and investing for the Qualified Higher Education Expenses required for attendance at an Eligible Educational Institution, and thereby to encourage timely financial planning for and students' participation in higher education.

The Board is empowered under the Statute to carry out the purposes and objectives of the Program. The nine member Board is comprised of the following individuals: the State Treasurer; the Comptroller of the Treasury; the Commissioner of Finance and Administration; the Secretary of State; the Chancellor of the State Board of Regents; the President of the University of Tennessee System; the Executive Director of the Tennessee Higher Education Commission; the President of the Tennessee Independent Colleges and University Association; and the President of one (1) of the specified, four-year state universities who serve a three-year term on a rotating basis. The Board is a part of the Department of Treasury, as a division thereof, for all administrative purposes and has delegated to the Department of Treasury the duty to carry out the day-to-day operations, management and administration of the Program. The Program is not currently administered by a third-party program or investment manager.

The Statute provides that the Board will have all powers necessary to carry out the purposes, objectives and provisions of the Statute pertaining to the Program, including, without limitation, the power to (1) invest funds within the Trust Fund in any investments authorized by the Statute and determined by the Board to be appropriate; (2) appoint a program administrator and determine the duties and compensation of the program administrator and other staff; (3) engage investment advisors to assist in the investment of Trust Fund assets; (4) contract for goods and services and engage personnel as necessary for the management of the Program, (5) administer the funds of the Trust Fund; and (6) adopt rules for the implementation of the Program.

The Department of Treasury operates all programs and activities free from discrimination on the basis of race, sex or any other classification protected by federal or Tennessee state law. Individuals who may require an alternative communication format should contact the Tennessee Treasury Human Resources Title VI Coordinator at Department of Treasury, Human Resources, 14th Floor, Andrew Jackson Building, 502 Deaderick Street, Nashville, TN 37243; 615-741-4915.

INVESTMENT RISKS

The Board makes no representation concerning the appropriateness of any of the Investment Options as an investment for any Participant. Other types of investments may be more appropriate depending upon an individual's residence, financial status, tax situation, risk tolerance or age. Other 529 Plans, including programs designed to provide prepaid tuition, are available, as are other education savings and investment alternatives. The investments, fees, expenses, eligibility requirements, tax and other consequences and features of these alternatives may differ from those available in the Program. Anyone considering investing in the Program should consider these alternatives prior to opening an Account and should consult an independent tax professional or investment advisor.

This Disclosure Brochure cannot and does not list every conceivable factor that may affect the results of investing in TNStars. Additional risks may arise and a Participant must be willing and able to accept those risks. The risks associated investing in TNStars are numerous and include, but are not limited to, those listed below.

Risk of Investment Loss

As with any investment, it is possible to lose money by investing in this Program. The value of an Account will fluctuate and it is possible for the value to be less than what was contributed.

It would be prudent for a Participant to review the available Investment Options, taking into consideration risk tolerance, investment horizon, college savings goals and overall investment objectives. If deemed appropriate by a Participant, changes to the investment allocations may need to be made; however, restrictions may apply to reallocating investments. Prospective Participants should carefully consider these and other matters discussed in this Disclosure Brochure.

Tax Risk

The favorable tax treatment of investments under the Program depends on qualification of the Program as a “qualified tuition program” under Section 529 of the Code. The IRS has not issued final regulations regarding the requirements for such qualification. Furthermore, from time to time, there may be changes to federal and state tax laws or the Code that may change the terms and conditions of the Program.

The Program does not offer any assurance as to the timing or nature of any changes to or interpretations of existing laws and regulations governing the tax treatment of Accounts. The absolute and relative benefits of investment in the Program may be affected by any such changes or interpretations.

When feasible and appropriate, the Board intends to provide reasonable notice to Participants regarding any material Program changes.

Risk of Reduced Financial Aid Eligibility

An investment in a 529 Plan may be taken into consideration for purposes of determining the amount, if any, of financial aid for which a Beneficiary is eligible.

Under current federal law, assets held in an Account owned by a parent of a student Beneficiary are treated as assets of such student's parent for purposes of determining the student's eligibility for federal financial aid. Under current federal law, assets in an Account owned by a dependent student, whether through a UTMA/UGMA custodian or directly, are also treated as assets of such student's parent for such purposes. If an independent student owns an Account, whether through a UTMA/UGMA custodian or directly, the available balance is treated as a student asset. Generally, both available parent assets and available student assets are taken into consideration in federal financial aid determinations, but a lower percentage of parent assets than of student assets is counted as available for such purpose. Assets in an Account not owned by a parent or student (such as non-UGMA/UMTA Accounts opened by a grandparent as a Participant) generally are not considered in the student's need analysis for federal financial aid purposes.

Furthermore, an Account may be considered an asset of a Participant or Beneficiary for Medicaid or other need-based federal or state benefit programs.

Individuals should consult an advisor or contact the federal or state agency that administers a particular benefit program to determine how an Account will be treated and may impact eligibility and/or future benefits.

Risk of Program Changes

The Board, the Program and the Tennessee legislature reserve the right to discontinue or change any aspect of the Program, including, but not limited to, the Program in its entirety, its fee structure, Investment Options, the types of securities, bank products or other investments used under any particular Investment Option, the amount of Program fees, fee subsidies and, to the extent applicable, program managers. No consent by Participants is required for any such changes. The Board reserves the right to make such changes without prior notice to Participants to meet the Program's objectives, to adjust for changes in appropriations to the Program, to comply with state and/or federal regulations or as otherwise necessary in the Board's judgment. However, when feasible and appropriate, the Board intends to provide reasonable notice to Participants regarding any material Program changes.

Each fiscal year since July 1, 2012, the Board has authorized a Subsidy in order that the total annual asset-based fee, after Subsidy, for each Account does not exceed 0.35% (35 basis points). **There is no guarantee of future State appropriations for such purpose or that the Program will continue to subsidize the costs, fees and expenses, in whole or in part, through an appropriation or otherwise in the future.** See page 24 for further information about Expenses and Fees, including a detailed explanation of the Subsidy.

Investment Option Risks

Money contributed to an Account is subject to various investment risks associated with each Investment Option chosen by a Participant. The risks associated with investing are numerous and include, but are not limited to, the following:

- call and prepayment risk,
- country/regional and foreign risk,
- credit risk,
- currency and currency hedging risk,
- income risk,
- interest rate risk,
- investment style risk,
- manager risk,
- small- and mid-cap stock risk and
- stock market risk.

Participants should review [Appendices A and B](#) for additional information related to the investment risks of the underlying Mutual Fund(s) or IBA associated with the related Investment Option(s). A Participant should request and read the prospectus and additional information provided by the underlying Mutual Fund(s) associated with any Investment Option(s) to which a Participant is considering allocating Contributions.

Risk of Acceptance and Increased Higher Education Expenses

Having an Account does not guarantee that a Beneficiary will be admitted to any educational institution or if admitted, will be permitted to continue enrollment in, or graduate or receive a degree from an educational institution. Additionally, having an Account does not guarantee that a Beneficiary will qualify for in-state tuition rates at any Tennessee state-supported public college or university.

Furthermore, there is no guarantee that the rate of return on any of the Investment Options will keep up with increases in higher education costs, or that Contributions to an Account, together with investment earnings, if any, will be sufficient to pay a Beneficiary's education expenses for any particular period at any educational institution.

Higher education expenses have been growing more rapidly than increases in the general cost of living. Even if the balance of an Account has reached the maximum account balance, the value of an Account may not be sufficient to cover all the higher education expenses an Account's Beneficiary may incur. The future inflation rate of Qualified Higher Education Expenses at any particular Eligible Educational Institution is uncertain.

OPENING AN ACCOUNT

All information, documentation, forms and transactions received for an Account must be complete, accurate, and legible (“in good order”) before being processed by TNStars. Incomplete, inaccurate, or missing information or documentation will delay processing of, for example, purchasing or selling Units of Interest or Contribution or Withdrawal requests. When feasible TNStars intends to provide reasonable notice to a Participant if information, documentation, a forms or transaction is deemed not in good order by the Program.

To open an Account, an enrollment application must be completed in good order, signed by a Participant and submitted to TNStars with the minimum Initial Contribution of twenty-five dollars (\$25) for each Investment Option selected by a Participant. The enrollment application may be obtained by:

- Online: TNStars.com
- Email: tn.stars@tn.gov
- Phone: 855 3TN-STAR (855-386-7827) or (615) 741-1502
- Fax: 615-401-6816
- Write: TNStars College Savings 529 Program, P.O. Box 198801, Nashville, TN 37219
- Visit: TNStars College Savings 529 Program, Department of Treasury, 15th Floor, Andrew Jackson Building, 502 Deaderick Street, Nashville, TN 37243

Submission of the completed enrollment application may be completed online, or via email, fax, or mail using the instructions provided above. Participation in the Program will be effective when the completed and fully executed enrollment application, along with the minimum Initial Contribution, are received and accepted by the Program.

By completing and signing the enrollment application, a Participant agrees to and is bound by this Disclosure Brochure and all governing Program Rules, Statutes, laws and operating procedures. The completed and signed enrollment application, which contains the participation agreement, and the minimum Initial Contribution, as received and accepted by the Program, together with this Disclosure Brochure, incorporated therein, and all governing Program Rules, Statutes, laws and operating procedures are collectively the Contract. The Contract shall survive the death of a Participant and shall be binding upon a Participant’s Appointee, if so named, and a Beneficiary.

An Account can have only one (1) Participant. A Participant must be an

- Individual – a U.S. resident or resident-alien person with a U.S. mailing and legal address, a valid Social Security Number and who is at least eighteen (18) years of age at the time an Account is opened;
- Institution – a trust, corporation, association or other organized entity, maintaining a U.S. mailing and legal address, with a valid Taxpayer Identification Number. An institution must provide the following documents to open an Account:
 - Trust: the Agent must provide a copy of the title page, signature pages and any pages showing the names of the trustees and successor trustees of the trust document;
 - Corporation, Association or Other Entity: the Agent must provide a copy of the appropriate documents that demonstrate the individual signing the enrollment application is i) an authorized officer of the entity and ii) authorized to make investments on behalf of the entity; or
- UGMA/UTMA Agent – the UGMA/UTMA custodial account Agent meeting the criteria for either an individual or institution Participant as provided above.

CONTRIBUTING TO AN ACCOUNT

The minimum Initial Contribution is twenty-five dollars (\$25) for each Investment Option selected by a Participant. Once the minimum Initial Contribution has been made to open an Account, there are no required minimums for subsequent Contributions. Additionally, individuals and entities other than a Participant may contribute to an Account. *See page 18 for further information on Gifts by Third-Party Contributors.*

Contributions will be credited to an Account upon being deemed in good order and processed by the Program. *See page 23 for further information on Transaction Processing and Account Valuation.*

Each Contribution will be subject to a twenty-one (21) calendar day hold before the monies are eligible for Withdrawal. *See page 31 for further information on Withdrawals.*

TNStars has several convenient ways to contribute to an Account, as further described below. The enrollment application, account maintenance form, rollover form, gifting contribution form and other forms and information may be obtained by:

- Online: TNStars.com
- Email: tn.stars@tn.gov
- Phone: 855 3TN-STAR (855-386-7827) or (615) 741-1502
- Fax: 615-401-6816
- Write: TNStars College Savings 529 Program, P.O. Box 198801, Nashville, TN 37219
- Visit: TNStars College Savings 529 Program, Department of Treasury, 15th Floor, Andrew Jackson Building, 502 Deaderick Street, Nashville, TN 37243

If a Contribution cannot be completed because of inaccurate bank information, insufficient funds, returned check or bank account closure, TNStars will void the Contribution amount credited to an Account and cancel or reverse the applicable Investment Option allocation(s). Additionally, a Participant or a Third-Party Contributor may be responsible for any costs or losses incurred by TNStars.

Any of the Account features and privileges described herein may be modified, suspended or cancelled by Board or the Program at any time without notice.

The Initial Contribution is twenty-five dollars (\$25) for each Investment Option selected by a Participant at account opening. The Initial Contribution must only be made by check, electronic funds transfer (“EFT”), rollover from another 529 plan and transfers to an Account, and gifts by Third-Party Contributors. The Initial Contribution may not be an Automatic Investment Plan or Contribution made by Payroll Deduction.

Check

Contributions to an Account may be made by check drawn on a banking institution located in the United States in U.S. dollars. Checks should be made payable to TNStars College Savings 529 Program. Checks may take longer to be processed by the Program than other methods of contributing.

A Contribution may not be made in the form of currency (coin or paper), securities or other property.

Third-party checks and a check made payable to a Participant and endorsed by a Participant to the Program, are not accepted by the Program. In addition, **traveler's checks, cashier's checks, teller's checks, starter checks and credit card convenience checks are not accepted by the Program.**

Electronic Funds Transfer (“EFT”)

A Contribution through an Electronic Funds Transfer (“EFT”) will occur only upon initiation by a Participant or Third-Party Contributor, either by submitting an account maintenance form to the Program or via the Program’s on-line account access portal, available at TNStars.com. An EFT debits a savings or checking bank account via an Automated Clearing House (“ACH”) transfer.

A voided check or preprinted savings slip from the bank account to be debited will need to be provided to the Program. *See the enrollment application for further information about EFT.*

Automatic Investment Plan (“AIP”)

For ease and convenience, scheduled, recurring Contributions to an Account may be made by establishing an Automatic Investment Plan (“AIP”). An AIP debits a savings or checking bank account via ACH transfer on a pre-selected date and/or period (e.g. 10th of each month; beginning of the quarter; etc.). AIP may be used only for subsequent Contribution to an Account.

A voided check or preprinted savings slip from the bank account to be debited will need to be provided with the enrollment application or account maintenance form. Alternatively, the savings or checking bank account information may be entered online. *See the enrollment application for further information about AIP.*

It is a Participant’s or Third-Party Contributor’s responsibility to notify TNStars, in writing promptly, or within fifteen (15) Business Days of the next Contribution, of a bank or bank account change. *See page 30 for further information on Updating Bank Account Information.*

Payroll Deduction

Contributions may be made to an Account via a payroll deduction. A portion of a Participant’s or Third-Party Contributor’s paycheck is automatically deducted and deposited into an Account via a complete and in good order ACH transfer. A Participant or Third-Party Contributor who is a Tennessee state employee must complete and submit in good order an Employee Payroll Deduction Form. Contributions via payroll deduction may be used only for subsequent Contributions to an Account.

All other Participants and Third-Party Contributors interested in payroll deductions should contact the Program for payroll direct deposit instructions.

Rollovers and Transfers to an Account

A Participant or a Third-Party Contributor may contribute to an Account by rolling over another 529 Plan or transferring funds from a UGMA/UTMA account, Covered ESA or redemption of Qualified U.S. Savings Bonds, as further discussed below. *See page 29 for further information about a change in Beneficiary. See page 29 for information about rollovers and transfers.*

- Indirect or Direct Rollover from another 529 Plan: Complete and submit a TNStars College Savings 529 Program Rollover form.
 - A Beneficiary of the TNStars Account must be the same beneficiary or Member of the Family of the original beneficiary of the 529 Plan account from which the rollover is made.
 - A Participant or Third-Party Contributor, as applicable, is responsible for reporting to TNStars the portion of the rollover that is attributable to Contributions (cost basis) and the portion that is attributable to earnings, if any. A statement from the prior 529 Plan should accompany the TNStars College Savings 529 Program rollover form. Federal law requires that rollovers that do not include this documentation be considered entirely earnings, which may be taxable upon Withdrawal.
- Transfer from a UGMA/UTMA Account: The UGMA/UTMA Agent may use funds previously held in a UGMA/UTMA account to open an UGMA/UTMA Account, subject to the laws of the state under which the UGMA/UTMA account was established.
 - The UGMA/UTMA Agent must complete an enrollment application as the UGMA/UTMA Agent and the TNStars Account must be distinct from any other TNStars Account a Participant may hold, other than as custodian, for the minor (Beneficiary).
 - Non-cash assets held in a UGMA/UTMA account must be liquidated before the proceeds can be contributed, via check, EFT or AIP, to an Account. The sale of assets held in the previous UGMA/UTMA account may result in a capital gain (or loss) to either the minor or the minor’s parent(s). UGMA/UTMA Agents should discuss any potential tax consequences of liquidating a UGMA/UTMA account with their tax advisors before liquidating and transferring any funds to the Program.
 - The UGMA/UTMA Agent may make Withdrawals only as permitted under UGMA/UTMA regulations and the Program. The UGMA/UTMA Agent may not change a Beneficiary of an Account (directly or by means of a rollover distribution),

except as permitted under UGMA/UTMA laws. Furthermore the custodianship terminates when the minor (Beneficiary) reaches the age of majority under the applicable UGMA/UTMA statute. Meaning, for a UGMA/UTMA Account, when a Beneficiary turns twenty-one (21) years of age, a Beneficiary becomes the Account Owner and takes control of the Account. At that time, a Beneficiary is legally entitled to take control of an Account subject to the provisions of the Program that are applicable to Accounts established or funded with non-UGMA/UTMA assets.

- Transfer from a Coverdell ESA: Contributions, via check, EFT or AIP, may also be made to an Account from the proceeds of a Coverdell Education Savings Account (“ESA”).
 - A Beneficiary of the TNStars Account at the time of such transfer must be the same beneficiary as that of the Coverdell ESA source account.
 - The financial institution that acts as the custodian of the ESA should forward any funds sent from the liquidation of the ESA along with documentation that clearly shows the portion of the qualified funds that is principal and the portion that is earnings, if any. Federal law requires that funds from ESAs that do not include this documentation be considered entirely earnings, which may be taxable upon Withdrawal.
 - Participants and Third-Party Contributors should consult their tax advisors regarding the rules regulating the transfer of and any potential tax consequences resulting from the transfer of a Coverdell ESA Account.
- Transfer from the Redemption of Qualified U.S. Savings Bonds: The Program will also accept liquidated funds from the redemption of certain U.S. Savings Bonds issued after 1989 as a Contribution, either via check, EFT or AIP.
 - A Beneficiary of the TNStars Account must be the savings bond owner or a spouse or dependent of the owner for money from the redemption of a qualified U.S. Savings Bonds.
 - A Contribution of proceeds from the redemption of a qualified U.S. Savings Bond should be accompanied by an account statement or IRS Form 1099-INT or other documentation showing principal and earnings, if any, from the redemption of the bonds. Federal law requires that funds from qualified U.S. Savings Bonds that do not include this documentation be considered entirely earnings, which may be taxable upon Withdrawal.
 - Additionally, if certain income limitations are not met, interest received in connection with the redemption of such bonds may be taxable. Participants and Third-Party Contributors should consult their tax advisors regarding the rules regulating and any potential tax consequences resulting from the redemption of qualified U.S. Savings Bonds.

Gifts by Third-Party Contributors

You, as a Participant, can invite any individual or entity to contribute to an Account. It is your responsibility to notify a Third-Party Contributor that:

- There may be gift or other tax consequences and a Third-Party Contributor should consult the appropriate legal, tax or other advisors prior to making a gift Contribution;
- Once a gift Contribution is made, a Third-Party Contributor will not retain any rights with respect to a gift Contribution;
- A Third-Party Contributor will not have any authority over Contributions or Account, unless authorized, in writing. *See page 31 for further information on Third-Party Access Authorization;* and
- If a Contribution cannot be completed because of inaccurate bank information, insufficient funds, returned check or bank account closure, TNStars will void the gift Contribution amount credited to an Account; cancel or reverse the applicable Investment Option allocation(s); and you (Participant) or Third-Party Contributor may be responsible for any costs or losses incurred by TNStars.

To contribute to an Account, a Third-Party Contributor may submit a completed gifting contribution form along with a gifting Contribution to the Program or access the Program’s on-line gifting portal, available at TNStars.com.

Gift Contributions are subject to the general Contribution criteria discussed within this Disclosure Brochure. A gift Contribution will be invested according to the allocation on file for an Account at the time the gift Contribution has been accepted and processed by the Program. **A Third-Party Contributor cannot, among other actions, choose an Investment Option, direct a Beneficiary change or request a Withdrawal. A Participant, or properly authorized Agent, assumes complete control over an Account, regardless of the source of Contributions.**

INVESTMENT STRATEGIES AND OVERVIEW OF INVESTMENT OPTIONS

It is your responsibility, as a Participant, to select one or more of the predefined Investment Options that best suits your needs. Before selecting any Investment Option, you should carefully consider your risk tolerance, investment horizon, college savings goals and overall investment objectives. You should also carefully consider the investment risks of each Investment Option.

You, a Participant, should understand that you will own Units of Interest issued by the Trust Fund for the TNStars College Savings 529 Program, not direct shares of the underlying Mutual Fund(s) or interest in the IBA related to, as applicable, the Investment Option(s) you select. Participants cannot withdraw funds from, liquidate or otherwise deal directly with the mutual fund companies or, in the case of the IBA, the financial institution.

The value of an Account will depend upon the overall performance of the underlying Mutual Fund(s) used by the selected Investment Option(s) and, in the case of the IBA, upon the interest rate paid by the financial institution. **Past performance is not a guarantee of future results.** See page 21 for further information on Account Valuation.

The Program reserves the right to change the underlying Mutual Fund(s) relating to any Investment Option(s) or the financial institution at which the IBA is held, to change the investment strategy for any Investment Option and to consolidate or eliminate Investment Option(s). Such changes do not require Participant consent.

Right to Change Investment Options

A Participant may change the allocation of existing assets in an Account twice (2) per calendar year (“Annual Exchanges”) and upon any change in an Account’s Beneficiary. At the conclusion of the reallocation, an Account must have at least twenty-five dollars (\$25) invested under each surviving Investment Option.

An exchange of existing assets among Investment Option(s) does not affect the investment allocation of future Contributions. A Participant may select a different Investment Option with respect to any future Contributions to an Account.

Participants should periodically assess and, if appropriate, adjust the allocation to the Investment Option(s) to align with their risk tolerance, investment horizon, college savings goals and overall investment objectives.

In order to facilitate an exchange of assets, a Participant may do so online at TNStars.com or may complete, sign and submit an account maintenance form to the Program. An account maintenance form may be obtained by:

- Online: TNStars.com
- Email: tn.stars@tn.gov
- Phone: 855 3TN-STAR (855-386-7827) or (615) 741-1502
- Fax: 615-401-6816
- Write: TNStars College Savings 529 Program, P.O. Box 198801, Nashville, TN 37219
- Visit: TNStars College Savings 529 Program, Department of Treasury, 15th Floor, Andrew Jackson Building, 502 Deaderick Street, Nashville, TN 37243

Age-Based Strategy

In an Age-Based Strategy, an Account's assets are invested based on a Beneficiary's current age. Over time, the investment profile and asset allocation shifts through the risk track from a more aggressive to a more conservative underlying Investment Option. As a Beneficiary's age increases, the Program will automatically move the assets allocated to the applicable Age-Based Strategy. This movement occurs on the second Tuesday of the month after a Beneficiary's birthday.

For example, if at the time of enrollment, a Beneficiary is three (3) years of age and the Age-Based Portfolio is selected an Account's assets will be placed in the TN 0-4 Age Band. When a Beneficiary turns five (5) years of age, the Program will automatically move an Account's assets to the TN 5-10 Age Band.

AGE-BASED INVESTMENT OPTIONS

Investment Option Name	Underlying Mutual Fund	Underlying Mutual Fund Ticker Symbol
TN 0-4 Age Band	DFA US Large Cap Value Portfolio (I) (Institutional Class)	DFLVX
TN 5-10 Age Band	Vanguard Wellington Fund (Admiral Shares)	VWENX
TN 11-14 Age Band	Vanguard LifeStrategy Conservative Growth Fund (Investor Shares)	VSCGX
TN 15-17 Age Band	Vanguard LifeStrategy Income Fund (Investor Shares)	VASIX
TN 18+ Age Band	Vanguard Total Bond Market Index Fund (Institutional Shares)	VBTIX

For more information, including Investment Option risks and how to obtain a prospectus about each underlying Mutual Fund, see [Appendices A and B](#).

Self-Selected Strategy

The Self-Selected Strategy is intended for a Participant who wants a more active role in determining the asset allocation of an Account. In contrast to the Age-Based Strategy, which automatically moves invested assets through Investment Options keyed to the age of a Beneficiary, the Self-Selected Strategy requires a Participant to choose one or more of the Self-Selected Investment Options. A Participant allocates all or a specific percentage of an Account's assets for investment under one or more of the Self-Selected Investment Options. Risk tolerance, investment horizon, college savings goals and overall investment objectives should be carefully considered by a Participant when allocating assets in the Self-Selected Investment Options.

SELF-SELECTED INVESTMENT OPTIONS		
Investment Option Name	Underlying Mutual Fund	Underlying Mutual Fund Ticker Symbol
TN DFA US Large Cap Value Fund	DFA US Large Cap Value Portfolio (I) (Institutional Class)	DFLVX
TN DFA Large Cap International Portfolio	DFA Large Cap International Portfolio (Institutional Class)	DFALX
TN DFA Inflation-Protected Securities Portfolio	DFA Inflation-Protected Securities Portfolio (Institutional Class)	DIPSX
TN Vanguard 500 Index Fund	Vanguard Institutional Index Fund (Institutional Shares)	VINIX
TN Vanguard Mid-Cap Growth Fund	Vanguard Mid-Cap Growth Fund (Investor Shares)	VMGRX
TN Vanguard Total Bond Market Index Fund	Vanguard Total Bond Market Index Fund (Institutional Shares)	VBTIX
TN Vanguard Intermediate-Term Investment-Grade Fund	Vanguard Intermediate-Term Investment-Grade Fund (Admiral Shares)	VFIDX
TN Vanguard Intermediate-Term Treasury Fund	Vanguard Intermediate-Term Treasury Fund (Admiral Shares)	VFIUX
TN Vanguard Wellington Fund	Vanguard Wellington Fund (Admiral Shares)	VWENX
TN Vanguard LifeStrategy Income Fund	Vanguard LifeStrategy Income Fund (Investor Shares)	VASIX
TN Vanguard LifeStrategy Conservative Growth Fund	Vanguard LifeStrategy Conservative Growth Fund (Investor Shares)	VSCGX
TN PRIMECAP Odyssey Aggressive Growth Fund	PRIMECAP Odyssey Aggressive Growth Fund	POAGX
TN DFA US Small Cap Fund	DFA US Small Cap Portfolio (I) (Institutional Class)	DFSTX
TN First Tennessee Interest Bearing Account	First Tennessee Bank Interest Bearing Account	None

For more information, including Investment Option risks and how to obtain a prospectus about each underlying Mutual Fund, see [Appendices A and B](#).

The Program reserves the right to change the underlying Mutual Fund(s) relating to any Investment Option(s) or the financial institution at which the IBA is held, to change the investment strategy for any Investment Option and to consolidate or eliminate Investment Option(s). Such changes do not require Participant consent.

TRANSACTION PROCESSING AND ACCOUNT VALUATION

All information, documentation, forms and transactions received for an Account must be complete, accurate, and legible (“in good order”) before being processed by TNStars. Incomplete, inaccurate, or missing information or documentation will delay processing of, for example, purchasing or selling Units of Interest or Contribution or Withdrawal requests. When feasible TNStars intends to provide reasonable notice to a Participant if information, documentation, a form or transaction is deemed not in good order by the Program.

All Contributions and Withdrawals sent to TNStars are aggregated or pooled together for investment purposes, which allows TNStars to lower costs to its Participants. Empower Retirement (formerly Great-West Life & Annuity Insurance Company), through its wholly owned subsidiary GWFS Equities, Inc., serves as an intermediary service provider effecting trade orders between the Program and the Mutual Fund companies. Although TNStars aggregates all Account orders for investment purposes, TNStars maintains separate accounting of the investments held for and transactions in each Account.

In order to ensure that orders are transmitted timely to the Mutual Fund companies, the Program has a normal cut-off time of 11:59 a.m. Central Time. A Contribution or Withdrawal request received before the normal cut-off time (11:59am CT) on a Business Day and deemed in good order by the Program will be processed by the Program and transmitted to the intermediary for same-day pricing. A Contribution or Withdrawal request received after the cut-off time on a Business Day and deemed in good order by the Program will be processed by the Program and transmitted to the intermediary for next-day pricing. A Contribution or Withdrawal request received on a day other than a Business Day will be processed by the Program on the next Business Day and, assuming a Contribution or Withdrawal request is in good order, transmitted to the intermediary no later than on the second succeeding Business Day. *See page 35 for further information on year-end processing cut-off times.*

All Contribution or Withdrawal requests are subject to acceptance or rejection, in whole or in part, by the Department of Treasury in its sole discretion. *See page 31 for further information on Withdrawals.*

For example, if you contributed online at 10am Monday morning, the contribution would be processed that day and you would receive Monday’s closing share price. If, however, you contributed online at 1pm on Monday afternoon, the contribution would be processed the next day and you would receive Tuesday’s closing share price.

While a Participant does not own actual shares of the Mutual Funds or a direct interest in the IBA, the value of an Account and the value of each Unit of Interest is directly related to the performance, closing share price (market value), costs, fees, expenses and Subsidy, if any, of the Mutual Fund or IBA associated with each Investment Option a Participant selects.

Any earnings in an Account may, at the Program’s option, be reflected in issuing additional Units of Interest to an Account instead of increasing the value of existing Units of Interest. The closing price (market value) of a Unit of Interest is determined after the close of market trading, typically 4:00pm (ET), on the same Business Day that a Contribution (purchase/buy) or Withdrawal (redemption/sale) is processed by the Program. If the underlying Mutual Fund pays dividends or capital gains, those earnings will be automatically reinvested by the Department of Treasury into that same underlying Mutual Fund. Similarly, if the underlying IBA pays interest income, those earnings will be automatically reinvested by the Department of Treasury in an Account into that same underlying IBA. **The value of an Account and its performance will fluctuate, and the Units of Interest, when redeemed, may be worth more or less than the amount contributed. Past performance is not a guarantee of future results.** *See page 24 for further information about Expenses and Fees, including a detailed explanation of the Subsidy. For more information on Investment Performance, see page 28.*

EXPENSES AND FEES

Estimated Expenses

Information related to the underlying Mutual Fund or IBA expenses is derived from the related Mutual Fund's most recent prospectus or, in the case of the IBA, from information provided by the financial institution. Each prospectus provides detailed information, including management fees and other expenses, applicable to the management of the underlying Mutual Fund associated with the related Investment Option. The financial institution providing the IBA factors its expenses into the interest rate it pays on the IBA; as such, no underlying expense is stated for the IBA.

The estimated underlying Mutual Fund or IBA expense for each Investment Option is set forth in the Expenses and Fees Table on page 26. The expenses are generally assessed on a monthly basis.

Program Management Fee

The Program charges a program management fee for costs, fees and expenses incurred during the creation, administration and management of the Program. The current program management fee for each Investment Option is set forth in the Expenses and Fees Table on page 26. The program management fee is generally assessed on a monthly basis.

The amount of the program management fee may differ among Investment Options and no program management fee is currently assessed for the IBA. The Program, at its sole discretion, may establish and adjust the program management fee for each Investment Option from time to time, as it deems appropriate.

The Program may receive payments known as offsets or administrative fee reimbursements from certain Mutual Fund companies. Any offsets received reduce the overall expenses of the Program. The Program currently receives a quarterly offset, based on the value of assets under management at the annual rate of 0.10% (10 basis points), from PRIMECAP Management Company.

Subsidy

Each fiscal year since July 1, 2012, the Board has authorized a Subsidy, as further described below, in order that the total annual asset-based fee, after Subsidy, for each Account does not exceed 0.35% (35 basis points). Accordingly, a Participant, for fiscal year 2017 (July 1, 2017- June 30, 2018), is not expected to bear any expenses and fees in excess of 0.35% (35 basis points) on an annualized basis.

The Board or the Program, in their sole discretion, reserve the right to change the program management fee and reserve the right to place restrictions on the Subsidy, including, but not limited to, the right to restrict the Subsidy to Tennessee residents, or otherwise eliminate, reduce or reallocate the Subsidy, at any time. There is no guarantee of future appropriations for such purpose or that the Program will continue to subsidize the expenses and fees, in whole or in part, through an appropriation or otherwise in the future.

If the Program discontinues the Subsidy, restricts the Subsidy, reallocates the Subsidy or changes the program management fee charged under the Program, or if the estimated underlying Mutual Fund or IBA expenses change, the expenses and fees associated with any affected Investment Option(s) selected by a Participant may increase. As a result, the expenses and fees could be greater than the stated 0.35% (35 basis points) total annual asset-based fee, after Subsidy.

The program management fee subsidy and the mutual fund expense subsidy are generally assessed on a monthly basis, but the Board or the Program, in their sole discretion, may elect to credit the program management fee subsidy and/or the mutual fund expense subsidy to an Account at a different time interval.

- **Program Management Fee Subsidy** – The program management fee includes the costs, fees and expenses that the Department of Treasury deems necessary or proper to incur in order to operate and administer TNStars. Such costs, fees and expenses include, but are not limited to, those incurred for investment management, account administration, communication and recordkeeping services. As of March 31, 2017, the cost to operate and administer TNStars was six-hundred ninety seven thousand six hundred and forty-seven dollars (\$697,647). For fiscal year 2017 (July 1, 2016- June 30, 2017) the operating budget for TNStars is nine hundred forty-four thousand eight hundred and twenty dollars (\$944,820). Based on the 2017 fiscal year operating budget, the projected cost for administrating each TNStars Account would be approximately 0.92% (92 basis points) on an annualized basis.

- To offset these operating and administration costs, fees and expenses, a State appropriation is applied, in part, to the program management fee. As such, the program management fee for all Participants is expected to be adjusted and assessed for fiscal year 2017 (July 1, 2017- June 30, 2018) as set forth in the Expenses and Fees Table on page 26. If the Program discontinues the program management fee subsidy, restricts the program management fee subsidy, reallocates the program management fee subsidy or changes the program management fee charged, the expenses and fees could be greater than the stated 0.35% (35 basis points) total annual asset-based fee, after Subsidy.
- Mutual Fund Expense Subsidy – A State appropriation is also used to reduce the underlying expenses for any Mutual Fund that exceeds 0.35% (35 basis points). This mutual fund expense subsidy is expected to be applied to the following Investment Options for fiscal year 2017 (July 1, 2017- June 30, 2018): TN Vanguard Mid-Cap Growth Fund (Investor Shares) (VMGRX); and TN PRIMECAP Odyssey Aggressive Growth Fund (POAGX).

The Program reserves the right to change the underlying Mutual Fund(s) relating to any Investment Option(s) or the financial institution at which the IBA is held, to change the investment strategy for any Investment Option and to consolidate or eliminate Investment Option(s). Such changes do not require Participant consent.

Total Annual Asset-Based Fee, After Subsidy

The Program’s total annual asset-based fee, after Subsidy, includes three (3) elements: the estimated underlying Mutual Fund or IBA expense; the program management fee; and the Subsidy (i.e. program management fee subsidy and the mutual fund expense subsidy, as applicable).

The total annual asset-based fee, after Subsidy, is the Program’s total annual asset-based fee adjusted by the Subsidy, as described above.

The following example investment compares the approximate cost of investing in the Program over different periods. Your actual cost may be higher or lower. The table is based on the following assumptions:

- A ten thousand dollar (\$10,000) investment invested for the time periods shown;
- A five percent (5%) annually compounded rate of return on the amount invested throughout the period;
- All Withdrawals are considered Qualified Withdrawals at the end of the period (the table does not consider the impact of any potential state or federal taxes on Withdrawals from an Account); and
- The total annual asset-based fee, after Subsidy remains 0.35% (35 basis points).

<i>One Year</i>	<i>Three Years</i>	<i>Five Years</i>	<i>Ten Years</i>
\$37	\$116	\$203	\$462

Because the total annual asset-based fee, after Subsidy, is projected to be the same for each Investment Option until June 30, 2018, the approximate cost of investing shown above is the same for each Investment Option. Should the Program, at its discretion, eliminate, reduce or reallocate the Subsidy, the cost for affected periods could change for any particular Investment Option and the cost for affected periods could differ among Investment Options, potentially increasing the costs to a Participant from those outlined in this example investment.

EXPENSES AND FEES TABLE

For purposes of this Expenses and Fees Table, underlying Mutual Fund expenses are calculated using the expense ratio of each underlying Mutual Fund, as reported on the Mutual Fund's most recent prospectus. The actual underlying Mutual Fund's expenses may vary from those shown in this table. Currently, the TN First Tennessee Interest Bearing Account's ("IBA's") underlying expenses have been factored into the interest rate paid by First Tennessee Bank National Association ("Bank"); therefore, no underlying expense is stated for the IBA, but this is subject to change at any time.

The Program charges a program management fee for expenses and costs incurred during the administration and management of the Program. For fiscal year 2017 (July 1, 2017- June 30, 2018) the Board has authorized the Program to subsidize, using a State appropriation to the Program, the program management fee for all Participants and the estimated underlying Mutual Fund expense, as further described herein, so that the total annual asset-based fee, after Subsidy, for any Account does not exceed 0.35% (35 basis points). As such, the program management fee for all Participants is expected to be adjusted and assessed for fiscal year 2017 (July 1, 2017- June 30, 2018) as outlined in the Expenses and Fees Table. Additionally, the mutual fund expense subsidy is expected to be applied as outlined in the Expenses and Fees Table for fiscal year 2017 (July 1, 2017- June 30, 2018).

There is no guarantee of future appropriations or that the Program will continue to subsidize the expenses and fees, in whole or in part, through an appropriation or otherwise in the future. If the Program discontinues the Subsidy, restricts the Subsidy, reallocates the Subsidy or changes the program management fee charged under the Program, or if the estimated underlying Mutual Fund or IBA expenses change, the expenses and fees associated with any affected Investment Option(s) selected by a Participant may increase. As a result, the expenses and fees could be greater than the 0.35% (35 basis points) total annual asset-based fee, after Subsidy. *See page 26 for further information on Expenses and Fees.*

The following Expenses and Fees Table provides the estimated annualized expenses and fees for each of the Investment Options. The total expenses and fees incurred may be higher or lower depending on several factors, including the actual expenses of the underlying Mutual Fund or IBA.

Investment Option	Expenses and Fees as of March 31, 2017			
	Estimated Underlying Mutual Fund or IBA Expenses	Program Management Fee, After Subsidy	Mutual Fund Expense Subsidy	Total Annual Asset-Based Fee, After Subsidy
Age-Based Investment Option				
TN 0-4 Age Band	0.27%	0.08%	---	0.35%
TN 5-10 Age Band	0.18%	0.17%	---	0.35%
TN 11-14 Age Band	0.13%	0.22%	---	0.35%
TN 15-17 Age Band	0.12%	0.23%	---	0.35%
TN 18+ Age Band	0.05%	0.30%	---	0.35%
Self-Selected Investment Option				
TN DFA US Large Cap Fund	0.27%	0.08%	---	0.35%
TN DFA Large Cap International Portfolio	0.23%	0.12%	---	0.35%
TN DFA Inflation-Protected Securities Portfolio	0.12%	0.23%	---	0.35%
TN Vanguard 500 Index Fund	0.04%	0.31%	---	0.35%
TN Vanguard Mid-Cap Growth Fund	0.36%	0.00%	.01%	0.35%
TN Vanguard Total Bond Market Index Fund	0.04%	0.31%	---	0.35%
TN Vanguard Intermediate-Term Investment-Grade Fund	0.10%	0.25%	---	0.35%
TN Vanguard Intermediate-Term Treasury Fund	0.10%	0.25%	---	0.35%
TN Vanguard Wellington Fund	0.16%	0.19%	---	0.35%
TN Vanguard LifeStrategy Income Fund	0.12%	0.23%	---	0.35%
TN Vanguard LifeStrategy Conservative Growth Fund	0.13%	0.22%	---	0.35%
TN PRIMECAP Odyssey Aggressive Growth Fund	0.64%	0.00%	0.29%	0.35%
TN DFA US Small Cap Fund	0.37%	0.00%	0.02%	0.35%
TN First Tennessee Interest Bearing Account	0.00%	0.00%	---	0.00%

INVESTMENT PERFORMANCE

Before investing, carefully consider the Program's investment objectives, risks, fees and expenses. The performance data represents past performance and, as such, current performance may be lower or higher. **Past performance is not a guarantee of future results. The value of your TNStars Account and its performance will fluctuate, and the Units of Interest, when redeemed, may be worth more or less than the amount contributed. Current performance may be lower or higher than the performance data cited.**

The performance data for Investment Options that received a Subsidy credit during the applicable period is higher than it would have been without the related Subsidy. The Board has authorized the continuation of the Subsidy for the fiscal year 2017 (July 1, 2016- June 30, 2017). The Board, at its discretion, may eliminate, reduce or reallocate the Subsidy for one or more Investment Options in the future, which could result in increased expenses for the related Investment Option and affect future total returns.

The overall performance of an Account may vary based on overall allocation to Investment Options chosen by a Participant. For investments in an Age-Based Strategy, overall performance may also vary, because an Account may be invested in more than one Age-Based Investment Option during the performance-reporting period, because of a Beneficiary's age. Monies invested in an Age-Based Investment Options are automatically transferred to another Age-Based Investment Option when a Beneficiary reaches a specified age, and may remain invested in the underlying Investment Option for only a portion of the period reported in the performance table.

The following table shows the performance, after expenses, fees and Subsidy, of the Investment Options since inception. The investment performance shown is dependent on the performance of the assets in which the underlying Mutual Fund may invest or, in the case of the IBA, the rate set by the financial institution. Performance is as March 31, 2017.

For the most current performance data, visit TNStars.com. Performance information for the underlying Mutual Funds is also available on the mutual fund companies' websites. For purposes of convenience, links to the applicable websites are provided in [Appendices A and B](#). For current interest rate information on the IBA, please contact the Program.

Investment Option		Total Returns as of March 31, 2017				
	One-Year Return	Annualized Three-Year Return	Annualized Five-Year Return	Annualized Ten-Year Return	Annualized Since Inception	Inception Date
Age-Based Investment Option						
TN 0-4 Age Band	22.79%	*	*	*	9.43%	09/18/2012
TN 5-10 Age Band	12.51%	8.92%	*	*	8.92%	09/18/2012
TN 11-14 Age Band	6.55%	5.14%	*	*	5.14%	09/18/2012
TN 15-17 Age Band	3.40%	3.40%	*	*	3.40%	09/18/2012
TN 18+ Age Band	0.24%	2.40%	*	*	1.58%	09/18/2012
Self-Selected Investment Option						
TN DFA US Large Cap Value Fund	22.79%	*	*	*	9.43%	06/29/2015
TN DFA Large Cap International Portfolio	12.74%	0.22%	*	*	5.35%	09/18/2012
TN DFA Inflation-Protected Securities Portfolio	0.92%	1.84%	*	*	-0.49%	09/18/2012
TN Vanguard 500 Index Fund	16.75%	9.98%	*	*	13.19%	09/18/2012
TN Vanguard Mid-Cap Growth Fund	9.59%	5.01%	*	*	9.44%	09/18/2012
TN Vanguard Total Bond Market Index Fund	0.24%	2.40%	*	*	1.58%	09/18/2012
TN Vanguard Intermediate-Term Investment-Grade Fund	1.44%	2.34%	*	*	2.34%	09/18/2012
TN Vanguard Intermediate-Term Treasury Fund	-1.55%	1.97%	*	*	0.89%	09/18/2012
TN Vanguard Wellington Fund	12.51%	8.92%	*	*	8.92%	09/18/2012
TN Vanguard LifeStrategy Income	3.40%	3.40%	*	*	3.40%	09/18/2012
TN Vanguard LifeStrategy Conservative Growth Fund	6.55%	5.14%	*	*	5.14%	09/18/2012
TN PRIMECAP Odyssey Aggressive Growth Fund	25.98%	12.15%	*	*	19.50%	09/18/2012
TN DFA US Small Cap Fund	22.51%	*	*	*	8.69%	06/29/2015
TN First Tennessee Interest Bearing	0.25%	0.25%	*	*	0.25%	09/18/2012

ACCOUNT MAINTENANCE

Any modifications to an Account must comply with the Statute and Rules governing the Program. The Participant may make certain updates online, including, but not limited to address updates, e-mail updates, and changes to the investment allocation. Any modifications that are unavailable online may be made in writing, signed by a Participant and submitted to the Program. In most cases, Account modifications should be made using the Program's account maintenance form, which may be obtained by:

- Online: TNStars.com
- Email: tn.stars@tn.gov
- Phone: 855 3TN-STAR (855-386-7827) or (615) 741-1502
- Fax: 615-401-6816
- Write: TNStars College Savings 529 Program, P.O. Box 198801, Nashville, TN 37219
- Visit: TNStars College Savings 529 Program, Department of Treasury, 15th Floor, Andrew Jackson Building, 502 Deaderick Street, Nashville, TN 37243

It is a Participant's responsibility to ensure that the information for an Account is current and accurate at all times. However, the Program may make certain address changes to an Account based on updates received from the United States Postal Service.

Any of the Account features and privileges described herein may be modified, suspended or cancelled by Board or the Program at any time without notice.

Updating General Account Information

A participant may change at any time an address, phone numbers, email addresses, bank information and a Participant Appointee. A Participant may also update an Account at any time due to a legal name change. Supporting documentation may be required.

Updating Bank Account Information

It is a Participant's or Third-Party Contributor's responsibility to promptly notify TNStars in writing of a bank or bank account change.

For Contributions made under an Automatic Investment Plan ("AIP"), as applicable, a Participant or Third-Party Contributor must provide written notification to the Program at least fifteen (15) Business Days prior to the next Contribution. Furthermore, in the event an AIP debit request is rejected, denied or returned on three (3) consecutive attempts, the Program will cancel the AIP service for the Account.

If a Contribution cannot be completed because of inaccurate bank information, insufficient funds, returned check or bank account closure, or any other reason that the financial institution does not transfer the funds to TNStars, TNStars will void the Contribution amount credited to an Account and cancel or reverse the applicable Investment Option allocation(s). Additionally, a Participant or a Third-Party Contributor may be responsible for any costs or losses incurred by TNStars or costs or fees charged to a Participant or a Third-Party Contributor by a financial institution.

Changing a Beneficiary

A Participant may change a Beneficiary on an Account at any time, provided the new Beneficiary is a Member of the Family. However, if an Account has been opened with funds transferred from a UGMA/UTMA, a Beneficiary of that Account may not be changed.

A federal gift tax may apply if a new Beneficiary is one generation younger than the original Beneficiary. *See page 35 for further information about tax matters.*

Maximum Account Balance

The maximum account balance established by the Board is currently three hundred and fifty thousand dollars (\$350,000). This limitation on Contributions is intended to be a safeguard to prevent Contributions in excess of those necessary to provide for the

Qualified Higher Education Expenses of a Beneficiary. The Board will periodically review, and may change, the maximum account balance.

Contributions or a portion of a Contribution for any Beneficiary will be rejected and returned to the extent the amount would cause the aggregate Account balance to exceed the maximum account balance. All Accounts for the same Beneficiary under the Program together with accounts for the same Beneficiary in the Prepaid Plan are aggregated when calculating the maximum account balance. Accounts that have reached the maximum account balance may continue to accrue earnings, if any.

Even if the combination of Contributions and earnings, if any, in an Account or Accounts held for any Beneficiary (including accounts in the Prepaid Plan) reaches the maximum account balance, such funds may not be sufficient to pay all of a Beneficiary's Qualified Higher Education Expenses.

Participant Appointee

A Participant may designate a Participant Appointee for an Account. Pursuant to and as defined in the Rules, in the event of a Participant's death or being declared legally incompetent, ownership of all assets in an Account will be transferred to a Participant Appointee and a Participant Appointee shall automatically become a Participant.

It is a Participant's responsibility to notify the named Participant Appointee of his/her/its status and responsibilities. Prior to taking any action in an Account, a Participant Appointee will be required to provide the Program with a copy of a death certificate, medical certification, court order and/or such other information as the Program may require. In such circumstances, a Participant Appointee will be expected to execute a new enrollment application to evidence his/her/its understanding of the Disclosure Brochure and his/her/its compliance with the terms therein.

Enforceability of a Participant Appointee designation may vary by state. Furthermore, a transfer to a Participant Appointee may have tax consequences. A Participant and Participant Appointee should consult their legal advisors and independent tax professionals prior to designating a Participant Appointee and accepting appointment, respectively.

Custodians and Trustees

Custodians and trustees may open Accounts, but will be required to sign forms in the custodian's or trustee's capacity and may be required to execute or provide such other forms or documentation as the Program or the Board may reasonably require.

In addition, a Participant who is acting in a custodial or trustee capacity may be subject to certain limitations and requirements which are not applicable to non-custodial or non-trustee Participants. Such limitations may apply to Account changes, transferring funds or Withdrawals. Custodians and trustees should consult their advisors prior to investing in TNStars.

Third-Party Access and Authorization

You, as a Participant, may grant permission to an individual, including, but not limited to a spouse, to access the Account information. Such consent shall continue in effect until it is revoked in writing by a Participant, a Participant dies or a Participant submits a new consent to release information.

Additionally, you may grant permission to an individual, including, but not limited to a registered investment advisor, registered representative or other investment professional, to act on your behalf with respect to an Account. Based on the level of authorization selected, a third-party Agent may have the right, among others, to make investment decisions or request Withdrawals without advance notice to or approval by you (the Participant). It is the Agent's responsibility to comply with the terms contained within this Disclosure Brochure. A third-party access authorization shall continue in effect until it is revoked in writing by a Participant, a Participant dies, a Participant submits a new authorization, or a Court terminates the authorization.

It is your responsibility, as a Participant, to provide written notification to the Program if you wish to change or terminate third-party Agent access rights. A Participant and any third-party Agent should consult their legal, financial, tax and other advisors prior to designating a third-party Agent and accepting appointment, respectively.

Rollovers Into or Within the Program

A Participant may rollover into a new or existing TNStars Account all or a portion of the funds in an account established for a) another beneficiary under the Program or under another 529 Plan, or b) the same beneficiary under another 529 Plan. To make a rollover request (of any type) a Participant will need to complete, sign and submit to the Program a rollover request form.

- Rollover for Another Beneficiary – If the rollover is from an account for the benefit of another beneficiary, a beneficiary to whose account the funds are being transferred must be a Member of the Family of the preceding beneficiary. For a rollover between two TNStars Accounts, there must be at least twenty-five dollars (\$25) in each Account at the time of the rollover.
- Rollover for the Same Beneficiary – If the rollover is from an account with the same beneficiary, at least twelve (12) months must have elapsed from the date of a previous rollover to any 529 Plan for the benefit of such beneficiary.

Failure to deposit the proceeds within sixty (60) days of the applicable withdrawal may result in tax treatment as a withdrawal rather than a rollover.

It is a Participant's responsibility to substantiate that such distribution or transfer of funds qualifies as a rollover for federal income tax purposes. As such, a Participant should retain documents and information adequate to substantiate that a particular rollover distribution or transfer of funds between Accounts or between 529 Plans is not subject to federal income tax, including the ten percent (10%) federal tax penalty on earnings.

Any rollover shall be administered by the Program in accordance with all applicable laws and regulations. Any rollover distribution shall be in an amount equal to either the amount requested, net of any applicable expenses and fees that may be charged by the Program, or the Redemption Value of an Account as of the date the rollover is made.

Qualified Refunds

A Qualified Refund may be deposited, or recontributed, into a new or existing TNStars Account, or another 529 Plan account, for the beneficiary who received such Qualified Refund. Failure to deposit, or recontribute, the Qualified Refund within sixty (60) days after the date of such refund may result in tax treatment as gross income. The deposit, or recontribute, must not exceed the Qualified Refund amount.

It is a Participant's or Beneficiary's responsibility to substantiate that such deposit, or recontribution, qualifies as a Qualified Refund for federal income tax purposes. Documentation for the determination of a Qualified Refund should be retained so it can be provided to the IRS, if so requested.

TYPES OF WITHDRAWALS

Qualified Withdrawal

A Qualified Withdrawal refers to a distribution from an Account to pay for a Beneficiary's Qualified Higher Education Expenses at an Eligible Educational Institution. Contributions and earnings, if any, of a Qualified Withdrawal are not subject to federal income tax.

Qualified Higher Education Expenses generally include tuition, fees, books, supplies, equipment and computer equipment and software. The expenses must meet the IRS's definition of qualified higher education expenses. Qualified Higher Education Expenses may also include expenses for room and board, but only if the student (Beneficiary) attends an Eligible Educational Institution on at least a half-time basis, based on the standard at the Eligible Educational Institution, and only to the extent the room and board expenses do not exceed the current allowance for room and board determined by the Eligible Educational Institution for federal financial aid purposes, or the actual invoice amount charged by the institution to the student (Beneficiary), if greater.

A Participant (and/or a Beneficiary) is responsible for determining if the proceeds of a Withdrawal were used to pay for Qualified Higher Education Expenses. Documentation for the determination of Qualified Higher Education Expenses should be retained so it can be provided to the IRS, if so requested. For additional information, visit irs.gov/uac/About-Publication-970.

Non-Qualified Withdrawal

A Non-Qualified Withdrawal is money distributed from an Account and not used for Qualified Higher Education Expenses. The Non-Qualified Withdrawals will be treated as income to the distributee and taxed at the distributee's tax rate. The distributee may be a Participant or Beneficiary.

In addition, a ten percent (10%) federal tax penalty applies to the earnings portion, if any, of a Non-Qualified Withdrawal, except in the case of a Special Circumstances Non-Qualified Withdrawal.

At the conclusion of the Non-Qualified Withdrawal, an Account must have a remaining balance of at least one hundred dollars (\$100). *See page 37 for further information about Account closure.*

Prior to making a Non-Qualified Withdrawal a Participant, Beneficiary and/or other taxpayers, as applicable, should seek advice from an independent tax professional based on their own particular circumstances.

Special Circumstances Non-Qualified Withdrawals

Withdrawals paid:

- (1) to a Beneficiary (or to the estate of a Beneficiary) on or after the death of a Beneficiary,
- (2) because a Beneficiary has been deemed to have a "permanent disability," as defined by the Rules,
- (3) because of a Beneficiary's attendance at one of the United States military academies, so long as the distribution does not exceed the costs of advanced education attributable to such attendance; or
- (4) upon a Beneficiary's receipt of a scholarship, allowance or payment received as educational assistance, as allowed under the Internal Revenue Code, so long as the distribution does not exceed the scholarship, allowance or payment

are not subject to the additional ten percent (10%) federal tax penalty, but the earnings portion, if any, may be taken into consideration for purposes of computing the federal income tax liability of the distributee.

It is a Participant's responsibility to retain receipts, invoices or other documents and information adequate to substantiate that a particular Withdrawal qualifies as a Special Circumstances Non-Qualified Withdrawal.

Rollover or Transfer from a Program Account

A qualified rollover or transfer from an Account will not be considered a Non-Qualified Withdrawal for federal income tax purposes. A Participant should retain documentation and information adequate to substantiate that a particular Withdrawal was a qualified rollover or transfer, because it is a Participant's responsibility to substantiate the reason for such a Withdrawal. *See page 32 for additional information on rollovers and transfers.*

TNStars will facilitate a trustee-to-trustee transfer or rollover. A Participant wishing to transfer or rollover a TNStars Account should contact the other 529 Plan administrator to assist in facilitating the trustee-to-trustee transfer or rollover.

REQUESTING A WITHDRAWAL

To make a Withdrawal (of any type) a Participant, or duly authorized Agent, will need to complete, sign and submit to the Program a withdrawal request form, which may be obtained by:

- Online: TNStars.com
- Email: tn.stars@tn.gov
- Phone: 855 3TN-STAR (855-386-7827) or (615) 741-1502
- Fax: 615-401-6816
- Write: TNStars College Savings 529 Program, P.O. Box 198801, Nashville, TN 37219
- Visit: TNStars College Savings 529 Program, Department of Treasury, 15th Floor, Andrew Jackson Building, 502 Deaderick Street, Nashville, TN 37243

A Withdrawal may be made payable to a Participant, Beneficiary or an Eligible Educational Institution. Any Withdrawal will be issued in the form of a check sent by regular mail, via the U.S. Postal Service. A Withdrawal will be issued to a Participant, Beneficiary or Eligible Educational Institution and sent to the address as specified by a Participant, or duly authorized Agent, on a withdrawal request form.

It is a Participant's responsibility to understand the terms and substantiate the tax treatment of any Withdrawal. A Participant should consult with an independent tax professional to determine the tax implications of any Withdrawal before making such Withdrawal.

Full or partial Withdrawals may be made from an Account. In the instance where a requested Withdrawal exceeds the amount available in an Account, only the Redemption Value will be distributed. In the event an overpayment is made, a Participant will be required to immediately return such overpayment to the Program.

Failing to complete a withdrawal request form in full may result in a delay of processing and disbursement of the funds. Withdrawals are generally processed within seven (7) Business Days of receipt of a withdrawal request form by the Program. However, some Withdrawals may take up to sixty (60) calendar days, upon receipt of a withdrawal request form by the Program, to process.

COMMUNICATIONS, CONFIRMATIONS AND STATEMENTS

If you suspect fraudulent activity in your Account(s), you should immediately contact the Department of Treasury, TNStars Program (855-386-7827), the Department of Treasury, Director of Internal Audit (615-253-2018), or the Comptroller of the Treasury's Fraud Hotline (800-232-5454).

Confirmations and quarterly statements for each Account are mailed to a Participant, by regular mail, via the U.S. Postal Service.

Alternatively, a Participant may elect, via the enrollment application or account maintenance form, to receive electronic delivery of communications, confirmations and quarterly statements. An email notification will be sent to the specified email address when a confirmation or the quarterly statement is available. The email will include directions on how the confirmation or quarterly statement may be viewed and downloaded. To revoke the electronic delivery option, a Participant must submit an account maintenance form to the Program, revoking such authority.

Confirmations provide important transactional information, including information about Contributions and Withdrawals. Quarterly statements provide important information, such as the value of an Account as of the last day of the reporting period; currently selected Investment Option(s); and Contribution and Withdrawal activity for the reporting period.

Confirmations and quarterly statements should be promptly and thoroughly reviewed. All quarterly statements will be deemed conclusive and accurate unless a Participant advises TNStars in writing of any objection or concern within sixty (60) calendar days of receipt.

TAX MATTERS AND CONSIDERATIONS

529 Plans, such as the TNStars College Savings 529 Program, are intended to be used only to save for Qualified Higher Education Expenses. This Program is not intended to be used, nor should it be used, for the purpose of evading federal or state taxes or tax penalties. Taxpayers should seek advice from an independent tax professional based on their own particular circumstances.

TNStars, the Board and the Department of Treasury and its employees are not authorized to provide legal, financial or tax advice. Prospective and existing Participants should consult their personal advisors for inquiries specific to their circumstances.

Year-End Processing

Contributions and Withdrawal requests must be received in good order by the Program in sufficient time to allow the Program to process the request prior to the end of each calendar year. To ensure timeliness, the following year-end processing schedule applies:

- Withdrawal requests must be received by 11:59 a.m. Central Time on December 15th to be considered a Withdrawal for the current (taxable) year. Withdrawal requests received after that date and time will be processed on a best-efforts basis and may be considered a Withdrawal for the next tax year.
- Contributions, regardless of form, must be received by 11:59 a.m. Central Time on December 29th to be considered a Contribution for the current (taxable) year. Contribution requests received after that date and time will be processed on a best-efforts basis and may be considered a Contribution for the next tax year.
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For example, if you submit a Withdrawal request online at 4:00pm Central Time on December 15, 2017, the request will be processed by the Program on a best-efforts basis and may be considered a Withdrawal for the 2018 tax year.

Likewise, if you mail a Contribution check, post-marked December 28, 2017 and it is received by the Program at 4:00pm Central Time on December 29, 2017 the request will be processed on a best-efforts basis and may be considered a Contribution for the 2018 tax year.

The Program reserves the right to make such changes without prior notice to the year-end processing schedule. When feasible and appropriate, the Program intends to provide reasonable notice to Participants regarding year-end processing changes.

IRS Form 1099-Q

If a Withdrawal was sent to a Beneficiary or an Eligible Educational Institution, TNStars will issue and mail IRS Form 1099-Q to a Beneficiary by January 31st of the following year.

If a Withdrawal was sent to a Participant or another 529 Plan (rollover), TNStars will issue and mail IRS Form 1099-Q to a Participant by January 31st of the following year.

For a UGMA/UTMA Account, TNStars will issue the IRS Form 1099-Q to a Beneficiary, regardless of the payee named on a Withdrawal, and mail the form to the UGMA/UTMA Agent.

A Participant, Beneficiary or UGMA/UTMA Agent, as applicable, is responsible for any filings with the IRS and for maintaining adequate records, evidencing that Withdrawals were used for Qualified Higher Education Expenses or sent to another 529 Plan (rollover). This information may be requested by the IRS or the appropriate state tax authority.

Federal Tax Considerations

Contributions to an Account are not deductible for federal income tax purposes. Earnings of an Account, if any, are tax-deferred for federal income tax purposes until withdrawn.

The earnings portion, if any, of a Qualified Withdrawal are not subject to federal income tax.

The earnings portion, if any, of a Non-Qualified Withdrawal is treated as income to the distributee and taxed at the distributee's tax rate, for federal income tax purposes. In addition, a ten percent (10%) federal tax penalty applies to the earnings portion, if any, of a Non-Qualified Withdrawal, except in the case of a Special Circumstances Non-Qualified Withdrawal.

In the case of a Special Circumstances Non-Qualified Withdrawal, the additional ten percent (10%) federal tax penalty does not apply, but the earnings portion, if any, may be taken into consideration for purposes of computing the federal income tax liability of the distributee.

Estate and Gift Tax Considerations

Contributions to an Account are treated as a completed gift to a Beneficiary for federal estate and gift tax purposes. Because Contributions are considered a completed gift, gift tax and generation-skipping transfer tax rules apply.

Gifts are generally subject to federal gift tax only to the extent a Participant's or Third-Party Contributor's, as applicable, lifetime gifts exceed a "unified credit" amount applicable for federal gift tax and estate tax purposes. However, a special provision for 529 Plans allows, for 2016, an individual to make a gift of seventy thousand dollars (\$70,000) (one hundred forty thousand dollars (\$140,000) for a married couple making a gift-splitting election) to a single Beneficiary in one year by making an election on IRS Form 709, to treat the entire gift as a series of five (5) equal annual gifts for purposes of the annual exclusion amount. This means, that a seventy thousand dollars (\$70,000) five-year averaging election is treated as a series of five (5) annual fourteen thousand dollars (\$14,000) Contributions. If an individual or couple make any additional gifts to the applicable Beneficiary during the applicable five-year period, the aggregate gifts by such individual(s) to such Beneficiary in excess of the annual exclusion amount will count against the unified credit and, if the unified credit is exceeded, may result in payment of federal gift tax.

If a Participant or Third-Party Contributor, as applicable, dies before the five-year period has elapsed, the portion of Contribution allocated to the calendar years remaining in the five-year period after the date of death are included in that individual's estate for estate tax purposes. *For additional information, visit irs.gov/uac/About-Form-709.*

Generation-Skipping Transfer Tax

A federal gift tax may apply if a new Beneficiary is one generation younger than the original Beneficiary. If the new Beneficiary is two or more generations younger than the original Beneficiary, a federal generation-skipping transfer tax may apply. A Participant should consult with an independent tax professional regarding these situations and to discuss any expiration dates that materially affect such considerations. For additional information, visit irs.gov/uac/About-Form-709

Tax Credits and Other Tax Benefits

A number of federal education tax benefits are available in addition to the tax benefits available to 529 Plan participants. Federal tax laws provide a number of special rules intended to coordinate and avoid duplication of the tax benefits among the American Opportunity Credit, Lifetime Learning Credit, Education Savings Accounts (ESAs), certain U.S. Savings Bonds, deductions for higher education expenses and other education tax benefits. *For additional see IRS Publication 970, Tax Benefits for Education, at irs.gov/uac/About-Publication-970.*

State Tax Considerations

529 Plans offered by other states may offer tax or other benefits to taxpayers or residents of those states that are not available with regard to TNStars. Taxpayers or residents of other states should consider such state tax treatment and other benefits, if any, before making an investment decision. Earnings on an Account, if any, are exempt from any Tennessee state, county or municipal tax. Participant or Beneficiary that resides in or is otherwise subject to state taxes in a state other than Tennessee should consult a tax advisor as to the treatment of earnings on an Account for purposes of such other state's taxes.

ACCOUNT CLOSURE

Voluntary Closure

Pursuant to the Statute and Rules, a Participant may, under one of the following circumstances, request, in writing, that the Program close an Account:

- A Beneficiary has died or suffers from a permanent disability;
- A Beneficiary is eighteen (18) years of age or older and has decided not to attend an Eligible Educational Institution;
- A Beneficiary has completed the requirements for a degree that is less than a bachelor's degree at an Eligible Educational Institution and a Beneficiary does not plan to pursue further education;
- A Beneficiary has completed the bachelor's degree requirements at an Eligible Educational Institution; or
- The Redemption Value of an Account equals one hundred dollars (\$100.00) or less and no Contributions have been deposited to an Account for a period of at least twenty-one (21) consecutive calendar days.

Supporting documentation may be required to substantiate Account termination under one of these circumstances. The amount of the refund will be distributed in accordance with Statute and Rules.

Inactive or Zero Balance Accounts

If an Account has a zero balance, it may be closed by the Program.

If a period of ten (10) consecutive years passes with no Contributions having been made to an Account or with no correspondence from a Beneficiary, a Participant or, if applicable, a Participant Appointee or an Agent, the Program shall make reasonable efforts to locate a Beneficiary, a Participant or, if applicable, a Participant Appointee or Agent. If the efforts are not successful in contacting any of these parties, the Program shall report and deliver, as unclaimed property, to the Tennessee State Treasurer the amount of any funds due under the Rules. The ten-year period shall not commence until the later of the year (i) a Beneficiary turns eighteen (18) years of age or (ii) an Account was established.

Account or Plan Termination

TNStars reserves the right to terminate or suspend an Account or the Program at any time for any reason.

The Program may terminate an Account and distribute the Redemption Value (or other amount in accordance with Statute and Rules) of such Account, if any, to a Participant if TNStars determines that either a Participant or a Beneficiary has provided false, fraudulent or misleading information or made a material misrepresentation to the Program, the Tennessee State Treasurer or an Eligible Educational Institution.

If the Board determines that the Program is, for any reason, financially unfeasible, or is not beneficial to the citizens of Tennessee or to the State, then the Board may terminate the Contracts. In this event, the Board will distribute the Redemption Value (or other amount in accordance with Statute and Rules) of an Account to a Participant. **Any amounts distributed to a Participant upon Account or Contract termination may be treated as a Non-Qualified Withdrawal for federal tax purposes. Such distributed amounts may be less than the amount contributed.**

ADDITIONAL MATTERS

Limits on Protection from Creditors

Federal bankruptcy law protects certain 529 Plan accounts if a Beneficiary is the child, stepchild, grandchild or step grandchild of the debtor, including 529 Plan funds that have been in an account for at least seven hundred twenty (720) days. For funds that have been in a 529 Plan account for less than seven hundred twenty (720) days, but more than three hundred sixty-five (365) days, the protection is limited to six thousand two hundred twenty-five dollars (\$6,225). There is no protection for funds held in a 529 Plan account for less than three hundred sixty-five (365) days — those funds may be fully available to the bankruptcy estate to pay creditors.

Under Tennessee law, all assets, income and distributions of qualified tuition plans, including the Program, are exempt from execution, attachment, garnishment, the operation of bankruptcy, state insolvency laws or other process whatsoever in a Tennessee state proceeding. This exemption may not apply in attachment, execution, garnishment, bankruptcy or other proceedings commenced against an individual in other states.

A Participant, Beneficiary and/or other individual, as applicable, should consult their own advisor regarding any specific protections afforded to them.

Incentive Plans

In accordance with the Statute and Rules, the State Treasurer may establish and administer an incentive plan or plans to encourage Tennessee residents to participate in TNStars. Such plans shall be restricted to Tennessee residents only and may include, but may not be limited to, rebates, grants, scholarships or tax incentives.

For additional information on the current incentive plan, please visit the Tennessee Investments Preparing Scholars matching grant incentive program's ("TIPS Program") website, TNStars.com/TIPS.

Prohibited Transactions

Neither a Participant nor a Beneficiary can borrow money from an Account and an Account cannot be used as collateral for a loan.

No payment may be made by a Participant, other than the fees and expenses charged by the Program, to anyone for a change of Beneficiary or transfer of funds, related to an Account.

Disclosure Brochure, Financial Statements and Periodic Audits

An electronic copy of the most recent Disclosure Brochure can be obtained from the Municipal Securities Rulemaking Board's ("MSRB's") Electronic Municipal Access ("EMMA") website, emma.msrb.org, or through the Program's website, TNStars.com. The Program reserves the right to suspend or stop postings on EMMA or the internet at any time.

The Department of Treasury prepares the financial statements of the Program. A copy of the annual report is available on the Department of Treasury's website, treasury.tn.gov.

The Program is subject to auditing by the State of Tennessee, Comptroller of the Treasury. A copy of the Department of Treasury's annual audit report is available on the Tennessee Comptroller of the Treasury's website, comptroller.tn.gov/AuditsAndReportsSearch/.

Alternatively, the Disclosure Brochure, financial statements and periodic audits can be requested by contacting the Program via phone (855) 3TN-STAR (386-7827) or (615) 741-1502 or email tn.stars@tn.gov.

APPENDIX A - UNDERLYING INVESTMENT OPTION PROSPECTUS INFORMATION

Although a Participant does not own actual shares of the Mutual Funds or a direct interest in the IBA, the total market value of an Account is related to the Investment Option(s) selected by a Participant and the costs, fees, expenses and Subsidy, if any, relating to such Investment Option(s). **Past performance is not a guarantee of future results.**

Some information contained in Appendix A was obtained from the underlying Mutual Fund's most recent prospectus, as of the date of this Disclosure Brochure. Such information is subject to change without notice and a Participant should request and read the most current prospectus and additional information provided by the underlying Mutual Fund(s) associated with any Investment Option(s) to which a Participant is considering allocating Contributions.

The Program reserves the right to change the underlying Mutual Fund(s) relating to any Investment Option(s) or the financial institution at which the IBA is held, to change the investment strategy for any Investment Option and to consolidate or eliminate Investment Option(s). Such changes do not require Participant consent.

Underlying Mutual Fund or IBA						
Investment Option	Name	Ticker Symbol	Investment Objective	Issuer	Advisor	Prospectus Information
Age-Based Investment Option						
TN 0-4 Age Band	DFA US Large Cap Value Portfolio (I) (Institutional Class)	DFLVX	The Mutual Fund seeks, as its investment objective, to achieve a long-term capital appreciation by investing substantially all of its assets in the U.S. Large Cap Value Series of The DFA Investment Trust Company.	DFA Investment Dimensions Group, Inc.	Dimensional Fund Advisors, LP	us.dimensional.com/fund-documents
TN 5-10 Age Band	Vanguard Wellington Fund (Admiral Shares)	VWENX	The Mutual Fund seeks to provide long-term capital appreciation and moderate current income. The Mutual Fund invests 60% to 70% of its assets in dividend-paying and, to a lesser extent, non-dividend-paying common stocks of established large companies. The remaining 30% to 40% of the Mutual Fund's assets are invested mainly in fixed income securities that the advisor believes will generate a moderate level of current income.	Vanguard Wellington Fund (trust)	Wellington Management Company LLP	vanguard.com/prospectus

Age-Based Investment Option (cont.)

TN 11-14 Age Band	Vanguard LifeStrategy Conservative Growth Fund (Investor Shares)	VSCGX	The Mutual Fund seeks to provide current income and low to moderate capital appreciation. The Mutual Fund invests in other Vanguard mutual funds according to a fixed formula that reflects an allocation of approximately 60% of the Fund's assets to bonds and 40% to common stocks.	Vanguard STAR Funds (trust)	None. The Vanguard Group, Inc. is the advisor for the underlying mutual funds.	vanguard.com/prospectus
TN 15-17 Age Band	Vanguard LifeStrategy Income Fund (Investor Shares)	VASIX	The Mutual Fund seeks to provide current income and some capital appreciation. The Mutual Fund invests in other Vanguard mutual funds according to a fixed formula that reflects an allocation of approximately 80% of the Fund's assets to bonds and 20% to common stocks.	Vanguard STAR Funds (trust)	None. The Vanguard Group, Inc. is the advisor for the underlying mutual funds.	vanguard.com/prospectus
TN 18+ Age Band	Vanguard Total Bond Market Index Fund (Institutional Shares)	VBPIX	The Mutual Fund seeks to track the performance of a broad, market-weighted bond index. The Mutual Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index.	Vanguard Bond Index Funds (trust)	The Vanguard Group, Inc.	vanguard.com/prospectus

Self-Selected Investment Option

TN DFA US Large Cap Value Fund	DFA US Large Cap Value Portfolio (I) (Institutional Class)	DFLVX	The Mutual Fund seeks, as its investment objective, to achieve a long-term capital appreciation by investing substantially all of its assets in the U.S. Large Cap Value Series of The DFA Investment Trust Company.	DFA Investment Dimensions Group, Inc.	Dimensional Fund Advisors, LP	us.dimensional.com/fund-documents
TN DFA Large Cap International Portfolio	DFA Large Cap International Portfolio (Institutional Class)	DFALX	The Mutual Fund seeks to achieve long-term capital appreciation. The Mutual Fund purchases securities of large non-U.S. companies using an adjusted market capitalization weighted approach in each country or region designated by its advisor as an approved market for investment.	DFA investment Dimensions Group, Inc.	Dimensional Fund Advisors, LP	us.dimensional.com/fund-documents
TN DFA Inflation-Protected Securities Portfolio	DFA Inflation-Protected Securities Portfolio (Institutional Class)	DIPSX	The Mutual Fund seeks to provide inflation protection and earn current income consistent with inflation-protected securities. The Mutual Fund invests in a universe of inflation-protected securities that are structured to provide returns that at least keep up with the rate of inflation over the long-term.	DFA investment Dimensions Group, Inc.	Dimensional Fund Advisors, LP	us.dimensional.com/fund-documents
TN Vanguard 500 Index Fund	Vanguard Institutional Index Fund (Institutional Shares)	VINIX	The Mutual Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The Mutual Fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies.	Vanguard Institutional Index Funds (trust)	The Vanguard Group, Inc.	vanguard.com/prospectus

Self-Selected Investment Option (cont.)

TN Vanguard Mid-Cap Growth Fund	Vanguard Mid-Cap Growth Fund (Investor Shares)	VMGRX	The Mutual Fund seeks to provide long-term capital appreciation. Under normal circumstances, the Mutual Fund invests at least 80% of its assets in common stocks of mid-size companies.	Vanguard Whitehall Funds (trust)	Victory Capital Management Inc. and William Blair Investment Management, LLC	vanguard.com/prospectus
TN Vanguard Total Bond Market Index Fund	Vanguard Total Bond Market Index Fund (Institutional Shares)	VBPIX	The Mutual Fund seeks to track the performance of a broad, market-weighted bond index. The Mutual Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index.	Vanguard Bond Index Funds (trust)	The Vanguard Group, Inc.	vanguard.com/prospectus
TN Vanguard Intermediate -Term Investment- Grade Fund	Vanguard Intermediate- Term Investment- Grade Fund (Admiral Shares)	VFIDX	The Mutual Fund seeks to provide a moderate and sustainable level of current income. The Mutual Fund invests in a variety of high-quality and, to a lesser extent, medium-quality fixed income securities, at least 80% of which will be short- and intermediate-term investment-grade securities.	Vanguard Fixed Income Securities Funds (trust)	The Vanguard Group, Inc.	vanguard.com/prospectus
TN Vanguard Intermediate -Term Treasury Fund	Vanguard Intermediate- Term Treasury Fund (Admiral Shares)	VFIUX	The Mutual Fund seeks to provide a moderate and sustainable level of current income. The Mutual Fund invests at least 80% of its assets in U.S. Treasury securities, which include bills, bonds, and notes issued by the U.S. Treasury. The Mutual Fund is expected to maintain a dollar-weighted average maturity of 5 to 10 years.	Vanguard Fixed Income Securities Funds (trust)	The Vanguard Group, Inc.	vanguard.com/prospectus

Self-Selected Investment Option (cont.)

TN Vanguard Wellington Fund	Vanguard Wellington Fund (Admiral Shares)	VWENX	The Fund seeks to provide long-term capital appreciation and moderate current income. The Mutual Fund invests 60% to 70% of its assets in dividend-paying and, to a lesser extent, non-dividend-paying common stocks of established large companies. The remaining 30% to 40% of the Fund's assets are invested mainly in fixed income securities that the advisor believes will generate a moderate level of current income.	Vanguard Wellington Fund (trust)	Wellington Management Company LLP	vanguard.com/prospectus
TN Vanguard LifeStrategy Income Fund	Vanguard LifeStrategy Income Fund (Investor Shares)	VASIX	The Mutual Fund seeks to provide current income and some capital appreciation. The Mutual Fund invests in other Vanguard mutual funds according to a fixed formula that reflects an allocation of approximately 80% of the Fund's assets to bonds and 20% to common stocks.	Vanguard STAR Funds (trust)	None. The Vanguard Group, Inc. is the advisor for the underlying mutual funds.	vanguard.com/prospectus
TN Vanguard LifeStrategy Conservative Growth Fund	Vanguard LifeStrategy Conservative Growth Fund (Investor Shares)	VSCGX	The Mutual Fund seeks to provide current income and low to moderate capital appreciation. The Mutual Fund invests in other Vanguard mutual funds according to a fixed formula that reflects an allocation of approximately 60% of the Fund's assets to bonds and 40% to common stocks.	Vanguard STAR Funds (trust)	None. The Vanguard Group, Inc. is the advisor for the underlying mutual funds.	vanguard.com/prospectus
TN PRIMECAP Odyssey Aggressive Growth Fund	PRIMECAP Odyssey Aggressive Growth Fund	POAGX	The Mutual Fund's investment objective is long-term capital appreciation. The Mutual Fund invests mainly in stocks of U.S. companies, emphasizing those companies with prospects for rapid earnings growth.	PRIMECAP Odyssey Funds	PRIMECAP Management Company	primecap.com/index.html

Self-Selected Investment Option (cont.)

TN DFA US Small Cap Fund	DFA US Small Cap Portfolio (I) (Institutional Class)	DFSTX	The Mutual Fund seeks long-term capital appreciation.	DFA investment Dimensions Group, Inc.	Dimensional Fund Advisors, LP	us.dimensional.com/fund-documents
TN First Tennessee Interest Bearing Account	First TN Interest Bearing Account	None	The underlying deposit Account for the TN First Tennessee Interest Bearing Account is currently an Interest-Bearing Account (“IBA”) established by the Trust Fund at First Tennessee Bank National Association (“Bank”). An account held at the Bank in the name of the Department of Treasury for the exclusive benefit of TNStars’ Participants investing in the TN Frist Tennessee Interest Bearing Account in order that the FDIC requirements for pass-through FDIC deposit insurance may be satisfied.	None	None	<i>For questions about this Investment Option, please contact TNStars.</i>

The Program reserves the right to change the underlying Mutual Fund(s) relating to any Investment Option(s) or the financial institution at which the IBA is held, to change the investment strategy for any Investment Option and to consolidate or eliminate Investment Option(s). Such changes do not require Participant consent.

APPENDIX B – UNDERLYING INVESTMENT OPTION RISKS

It is your responsibility as a Participant to select one or more of the predefined Investment Options within the Program that best suit your needs. Before selecting an Investment Option, you should carefully consider your risk tolerance, investment horizon, college savings goals and overall investment objectives. Additionally, you should consider the investment risks associated with the underlying Mutual Fund(s) and Interest Bearing Account (“IBA”) used by the selected Investment Option(s). In the case of Mutual Funds, those risks are more fully detailed in the prospectus prepared by the applicable mutual fund company. **A Participant should request and read the prospectus and additional information provided by the underlying Mutual Fund(s) associated with any Investment Option(s) to which a Participant is considering allocating Contributions.**

As with any investment, you may lose money by investing in a TNStars Account, including loss of Contributions (principal) and earnings (interest), if any. The risks associated with investing are numerous, will vary based on overall allocation and include, but are not limited to the following risks that may be identified with a particular Mutual Fund or the IBA as highlighted below:

Dimensional Funds Investment Options Principal Risks

Charts, graphs and examples provided are for illustrative purposes only. Because the value of your investment in the Program will fluctuate, there is the risk that you will lose money. The following is a description of principal risks of investing in Dimensional Funds underlying Investment Options:

AGE-BASED INVESTMENT OPTIONS																	
	Credit	Cyber Security	Derivatives	Equity Market	Foreign Securities and Currency	Income	Inflation-Protected Securities Interest Rate	Inflation-Protected Securities Interest Rate Tax	Interest Rate	Liquidity	Market	Risk of Investing for Inflation Protection	Securities Lending	Small Company	Value Investment	Small Company	Value Investment
TN 0 - 4 Age Band		X	X	X									X		X		

SELF SELECTED INVESTMENT OPTIONS																	
	Credit	Cyber Security	Derivatives	Equity Market	Foreign Securities and Currency	Income	Inflation-Protected Securities Interest Rate	Inflation-Protected Securities Interest Rate Tax	Interest Rate	Liquidity	Market	Risk of Investing for Inflation Protection	Securities Lending	Small Company	Value Investment	Small Company	Value Investment
TN DFA US Large Cap Value Fund		X	X	X									X		X		
TN DFA Large Cap International Portfolio		X	X	X	X								X		X		
TN DFA Inflation-Protected Securities Portfolio	X	X	X			X	X	X	X	X	X	X	X				
TN DFA US Small Cap Fund		X	X	X									X	X			

Equity Market Risk

Even a long-term investment approach cannot guarantee a profit. Economic, market, political, and issuer-specific conditions and events will cause the value of equity securities, and the Portfolio that owns them, to rise or fall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Value Investment Risk

Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause the Portfolio to at times underperform equity funds that use other investment strategies.

Derivatives Risk

Derivatives are instruments, such as futures contracts, whose value is derived from that of other assets, rates or indices. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. When the U.S. Large Cap Value Series and U.S. Large Cap Value Portfolio use derivatives, the U.S. Large Cap Value Portfolio will be directly exposed to the risks of those derivatives. Derivative instruments are subject to a number of risks including counterparty, liquidity, interest rate, market, credit and management risks, and the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and the Portfolio could lose more than the principal amount invested.

Securities Lending Risk

Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the U.S. Large Cap Value Series may lose money and there may be a delay in recovering the loaned securities. The U.S. Large Cap Value Series could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. Securities lending also may have certain adverse tax consequences.

Cyber Security Risk

The U.S. Large Cap Value Portfolio's and its service providers' use of internet, technology and information systems may expose the Portfolio to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or fund assets, or cause the Portfolio and/or its service providers to suffer data corruption or lose operational functionality.

Foreign Securities and Currencies Risk

Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities may also be exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar or that a foreign government will convert, or be forced to convert, its currency to another currency, changing its value against the U.S. dollar). The Large Cap International Portfolio does not hedge foreign currency risk.

Market Risk

Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities, and the Inflation-Protected Portfolio that owns them, to rise or fall.

Interest Rate Risk

Fixed income securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices fall. When interest rates fall, fixed income security prices rise. In general, fixed income securities with longer maturities are more sensitive to changes in interest rates.

Inflation-Protected Securities Interest Rate Tax Risk

Any increase in the principal amount of an inflation-protected security may be included for tax purposes in the Portfolio's gross income, even though no cash attributable to such gross income has been received by the Portfolio. In such event, the Portfolio may be required to make annual gross distributions to shareholders that exceed the cash it has otherwise received. In order to pay such distributions, the Portfolio may be required to raise cash by selling its investments. The sale of such investments could result in capital gains to the Portfolio and additional capital gain distributions to shareholders. In addition, adjustments during the taxable year for deflation

to an inflation-indexed bond held by the Portfolio may cause amounts previously distributed to shareholders in the taxable year as income to be characterized as a return of capital.

Inflation-Protected Securities Interest Rate Risk

Inflation-protected securities may react differently from other fixed income securities to changes in interest rates. Because interest rates on inflation-protected securities are adjusted for inflation, the values of these securities are not materially affected by inflation expectations. Therefore, the value of inflation-protected securities are anticipated to change in response to changes in “real” interest rates, which represent nominal (stated) interest rates reduced by the expected impact of inflation. Generally, the value of an inflation-protected security will fall when real interest rates rise and will rise when real interest rates fall.

Credit Risk

Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer’s credit rating or a perceived change in an issuer’s financial strength may affect a security’s value, and thus, impact the Inflation-Protected Portfolio’s performance. Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk. Securities issued by agencies and instrumentalities of the U.S. Government that are supported by the full faith and credit of the United States, such as the Federal Housing Administration and Ginnie Mae, present little credit risk. Other securities issued by agencies and instrumentalities sponsored by the U.S. Government, that are supported only by the issuer’s right to borrow from the U.S. Treasury, subject to certain limitations, and securities issued by agencies and instrumentalities sponsored by the U.S. Government that are sponsored by the credit of the issuing agencies, such as Freddie Mac and Fannie Mae, are subject to a greater degree of credit risk. U.S. government agency securities issued or guaranteed by the credit of the agency may still involve a risk of non-payment of principal and/or interest.

Risks of Investing for Inflation Protection

Because the interest and/or principal payments on an inflation-protected security are adjusted periodically for changes in inflation, the income distributed by the Inflation-Protected Portfolio may be irregular. Although the U.S. Treasury guarantees to pay at least the original face value of any inflation-protected securities the Treasury issues, other issuers may not offer the same guarantee. Also, inflation-protected securities, including those issued by the U.S. Treasury, are not protected against deflation. As a result, in a period of deflation, the principal and income of inflation-protected securities held by the Portfolio will decline and the Portfolio may suffer a loss during such periods. While inflation-protected securities are expected to be protected from long-term inflationary trends, short-term increases in inflation may lead to a decline in the Portfolio’s value. For example, if interest rates rise due to reasons other than inflation, the Portfolio’s investment in these securities may not be protected to the extent that the increase is not reflected in the securities’ inflation measures. In addition, positive adjustments to principal generally will result in taxable income to the Portfolio at the time of such adjustments (which generally would be distributed by the Portfolio as part of its taxable dividends), even though the principal amount is not paid until maturity. The current market value of inflation-protected securities is not guaranteed and will fluctuate.

Income Risk

Income risk is the risk that falling interest rates will cause the Inflation-Protected Portfolio’s income to decline because, among other reasons, the proceeds from maturing short-term securities in its portfolio may be reinvested in lower-yielding securities.

Liquidity Risk

Liquidity risk exists when particular portfolio investments are difficult to purchase or sell. To the extent that the Inflation-Protected Portfolio holds illiquid investments, the Portfolio’s performance may be reduced due to an inability to sell the investments at opportune prices or times. Liquid portfolio investments may become illiquid or less liquid after purchase by the Inflation-Protected Portfolio due to low trading volume, adverse investor perceptions and/or other market developments. Liquidity risk includes the risk that the Inflation-Protected Portfolio will experience significant net redemptions at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss. Liquidity risk can be more pronounced in periods of market turmoil.

Small Company Risk

Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

First TN Investment Option Principal Risks

Charts, graphs and examples provided are for illustrative purposes only. Because the value of your investment in the Program will fluctuate, there is the risk that you will lose money. The following is a description of principal risks of investing in the First TN underlying Investment Options:

SELF-SELECTED INVESTMENT OPTIONS		
	Income	FDIC Insurance Coverage
First TN Investment	X	X

Income Risk

Income risk is the chance that investment's income will decline because of various factors.

FDIC Insurance Coverage Risk

The amount of FDIC insurance provided to each Participant is based upon the total of (1) the value of amounts invested on behalf of a Participant in the First TN Interest Bearing Account plus (2) the value of other Accounts held by a Participant in the same capacity, if any, at the Bank, as determined by the Bank and by FDIC regulations. **It is the responsibility of a Participant to determine how selecting the TN First Tennessee Interest Bearing Account Investment Option would be aggregated with other Accounts, if any, at First Tennessee Bank National Association.** For more information about the amount of FDIC deposit insurance applicable to deposits in a particular capacity, and the various types of capacity in which deposits may be held, see fdic.gov/deposit/deposits/brochures/your_insured_deposits-english.html.

PrimeCap Investment Option Principal Risks

Charts, graphs and examples provided are for illustrative purposes only. Because the value of your investment in the Program will fluctuate, there is the risk that you will lose money. The following is a description of principal risks of investing in Dimensional Funds underlying Investment Options:

SELF-SELECTED INVESTMENT OPTIONS							
	Foreign Securities Risk	Growth Stock Risk	Investment Style Risk	Manager Risk	Sector-focus Risk	Small- and Mid-Cap Stocks Risk	Stock Market Risk
TN PrimeCap Aggressive Growth Fund	X	X	X	X	X	X	X

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.

Manager Risk

The chance that, as a result of poor security selection by the Advisor, the Fund may underperform relative to its benchmarks or other funds with similar investment objectives.

Investment Style Risk

The chance that returns from the mix of small- and mid-cap stocks in the Fund's portfolio 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 stock market, and they often perform quite differently. Additionally, from time to time, growth stocks may be more volatile than the overall stock market.

Growth Stocks Risk

The chance that returns from growth stocks in the Fund's portfolio will trail returns from the overall stock market. Growth stocks are likely to be more volatile in price than the stock market as a whole. Historically, growth funds have tended to outperform the market as a whole in rising markets and underperform the market as a whole in declining markets. Of course, there is no guarantee that this pattern will continue in the future.

Sector-focus Risk

The chance that investing a significant portion of the Fund's assets in one sector of the market exposes the Fund to greater market risk and potential monetary losses than if those assets were spread among various sectors.

Small- and Mid-Cap Stocks Risk

The chance that small- and midcap stocks may trade less frequently or in more limited volume than those of larger, more established companies; may fluctuate in value more; and, as a group, may suffer more severe price declines during periods of generally declining stock prices.

Foreign Securities Risk

The chance that the value of foreign securities will be adversely affected by the political and economic environments and other overall economic conditions in the countries where the Fund invests. Investing in foreign securities involves: country risk, which is the chance that domestic events – such as political upheaval, financial troubles, or natural disasters – will weaken a country’s securities markets; and currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Vanguard Funds Investment Option Risks

Charts, graphs and examples provided are for illustrative purposes only. Because the value of your investment in the Program will fluctuate, there is the risk that you will lose money. The following is a description of principal risks of investing in Vanguard underlying Investment Options:

AGE-BASED INVESTMENT OPTIONS														
	Call	Country/regional	Credit	Currency	Currency hedging	Extension	Income	Index sampling	Interest rate	Investment style	Liquidity	Manager	Prepayment	Stock market
TN 5 – 10 Age Band	X		X				X		X	X	X	X	X	X
TN 11 – 14 Age Band	X	X	X	X	X		X		X					X
TN 15 – 17 Age Band	X	X	X		X		X		X					X
TN 18+ Age Band	X		X			X	X	X	X				X	

SELF-SELECTED INVESTMENT OPTIONS																
	Asset Concentration	Call	Country / Regional	Credit	Currency	Currency Hedging	Derivatives	Extension	Income	Index Sampling	Interest Rate	Investment Style	Liquidity	Manager	Prepayment	Stock Market
Vanguard Mid-Cap Growth Fund	X											X		X		X
Vanguard Institutional Index Fund												X				X
Vanguard Wellington Fund		X		X					X		X	X	X	X	X	X
Vanguard LifeStrategy Income Fund		X	X	X		X			X		X					X
Vanguard LifeStrategy Conservative Growth Fund		X	X	X	X	X			X		X					X
Vanguard Total Bond Market Index Fund		X		X				X	X	X	X				X	
Vanguard Intermediate-Term Investment-Grade Fund		X		X			X	X	X		X		X	X		
Vanguard Intermediate-Term Treasury Fund									X		X			X		

Asset Concentration Risk

Asset concentration risk is the chance that because the Fund tends to invest a high percentage of assets in its ten largest holdings, the fund's performance may be hurt disproportionately by the poor performance of relatively few stocks.

Call Risk

Call risk is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Mutual Fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Mutual Fund's income. For mortgage-backed securities, this risk is known as prepayment risk.

Country/ Regional Risk

Country/regional risk is the chance that world events –such as political upheaval, financial troubles, or natural disasters –will adversely affect the value of securities issued by companies in foreign countries or regions.

Credit Risk

Credit risk is 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.

Currency Risk

Currency risk is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Currency Hedging Risk

Currency hedging risk is the chance that the currency hedging transactions entered into by a Mutual Fund may not perfectly offset the Mutual Fund's foreign currency exposure.

Derivatives Risk

Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, a bond, or a currency), a physical asset (such as gold, oil, or wheat), or a market index (such as the S&P 500 Index), or a reference rate (such as LIBOR). Investments in derivatives may subject the fund to risks different from, and possibly greater than, those investments directly in the underlying securities or assets.

Extension Risk

Extension risk is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. For funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will prepay their mortgages at slower rates.

Income Risk

Income risk is the chance that a Mutual Fund's income will decline because of falling interest rates.

Index Sampling Risk

Index sampling risk is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index.

Interest Rate Risk

Interest rate risk is the chance that bond prices will decline because of rising interest rates.

Investment Style Risk

Investment style risk is the chance that returns from the types of investments in which a Mutual Fund invests will trail returns from the overall stock market. Specific types of stocks tend to go through periods of doing better—or worse—than other segments of the stock market. These periods have, in the past, lasted for as long as several years.

Liquidity Risk

Liquidity risk is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

Manager Risk

Manager risk is the chance that poor security selection will cause a Mutual Fund to underperform relevant benchmarks or other investments with a similar investment objective.

Prepayment Risk

Prepayment risk is the chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the Fund. The Fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income. Such prepayments and subsequent reinvestments would also increase the Fund's portfolio turnover rate.

TNStars, the Board and the Department of Treasury and its employees are not authorized to provide legal, financial or tax advice. Prospective and existing Participants should consult their personal legal, tax or other advisors for inquiries specific to their circumstances.

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