



Contact:  
Mark Prindle  
TorranceCo  
(212) 691-5860

**ASSETS IN 529 COLLEGE SAVINGS PLANS  
TOTAL \$63.4 BILLION AT END OF THIRD QUARTER,  
UP 7.4 PERCENT FROM SECOND QUARTER**

---

**College Savings Foundation Releases Third Quarter Data on  
Asset Types in Section 529 College Savings Plans**

**December 9, 2005** – Assets in 529 college savings plans rose to an estimated \$63.4 billion at the end of 2005's third quarter, according to data developed by Financial Research Corp. (FRC) and released today by the College Savings Foundation (CSF). The quarterly asset total was up 7.4 percent from an estimated \$59.0 billion at the end of the second quarter, and up 40.6 percent from the third quarter 2004 total of \$45.1 billion.

Section 529 college savings plans, which are offered on a state-by-state basis, give federal income tax-free treatment to earnings and distributions made from plan accounts when used for qualified expenditures covering college costs.

Estimated net sales (net new contributions) of 529 savings plans for the third quarter were \$3.2 billion, compared with \$3.4 billion in the second quarter and \$2.2 billion in 2004's third quarter, according to FRC, the nation's leading research and consulting firm for the financial services industry.

CSF today also released its third quarter 2005 report on asset types in Section 529 college savings plans. CSF's Industry Data Committee assembles and maintains 529-plan market information provided by a cross section of industry firms.

Quarterly, detailed asset data collected and analyzed by CSF includes asset data by portfolio types, assets by sales class structure (load and no-load), and assets by equity/fixed income allocations.

Following are selected highlights from the third quarter report. Figures represent industry activity as of September 30, 2005 and are based on data provided by CSF members **representing \$20.3 billion in Section 529 plan assets – or 32.0% of the \$63.4 billion (total assets) Section 529 college savings plan industry** (total asset figure as of September 30, 2005).

### Assets by Portfolio Type

Age-based portfolios represented 69.9% of 3Q05 total assets, followed by static, or fixed, portfolios, at 23.4%. Individual fund portfolios represent just 6.7% of assets. (An age-based portfolio is a fund of funds where the asset mix becomes more conservative as the beneficiary nears entry to college; a static portfolio is a fund of funds where the allocation remains fixed.) Portfolio allocations moved little from quarter-to-quarter, and age-based portfolios were exactly the same as 2Q05: 69.9% of AUM. However, age-based portfolios did account for the largest portion of net sales during the quarter at 78.8% of total net sales, indicating a strong preference by investors and advisors.

<u>Portfolio Type</u>	<u>3Q05 Total</u>	<u>%</u>
Age-Based Portfolio	\$14,184	69.9%
Individual Fund	\$1,357	6.7%
Static Portfolio	\$4,752	23.4%
<b>Total</b>	<b>\$20,293</b>	<b>100.0%</b>

{ \$ in millions }

### Assets by Sales Class Structure: Load and No-Load

Of the \$20.3 billion in assets represented in the survey, more than 40% was held in no-load portfolios. No-load assets actually experienced a decline in assets of 6.5% from 2Q05. The remaining broker-sold shares accounted for approximately 60% of assets, with front- and level-load shares accounting for 46% of total portfolio AUM.

### Assets by Equity/Fixed Income Allocation

CSF examined the asset allocation mixes for a smaller sample – about \$11.6 billion -- of the overall survey asset total. Heavily **equity-oriented investment mixes continue to comprise an overwhelming majority of these assets.**

<u>Equity/Fixed Income Mix</u>	<u>3Q05 Total Assets</u>	<u>% of Sub-Total</u>
0/100	\$368.8	3.2%
10/90	\$28.2	0.2%
20/80	\$404.9	3.5%
30/70	\$193.4	1.7%
40/60	\$962.9	8.3%
50/50	\$1,111.0	9.6%
60/40	\$2,007.0	17.3%
70/30	\$849.9	7.3%
80/20	\$2,513.2	21.6%
90/10	\$1,112.6	9.6%
100/0	\$2,073.8	17.8%
<b>Total</b>	<b>\$11,625.6</b>	<b>100.0%</b>

{ \$ in millions }

- more -

**Note to Editors:** The College Savings Foundation (CSF) is a Washington, D.C.-based not-for-profit organization with the mission of helping American families achieve their education savings goals, by working with public policy makers, media representatives and financial services industry executives in support of education savings programs. CSF serves the education savings industry as a central repository of information and an expert resource for representatives of state and federal government, institutions of higher education and other related organizations and associations. A primary focus of CSF is building public awareness of and providing public policy support for 529 plans – an increasingly vital college savings vehicle. CSF’s members include firms that offer 529 college savings programs and/or participate in those programs as investment managers; associate members include law firms, accounting and consulting firms, governmental bodies and non-profit agencies and individuals who support CSF and its mission. [www.collegesavingsfoundation.org](http://www.collegesavingsfoundation.org)