



## Wrap-Up Session

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## Results of Major Recent RFPs

Year	State	AUMs*	Retained Manager	New Manager
2009	Colorado	\$850m	Upromise	
2009	Massachusetts	\$2.2b	Fidelity	
2009	Nebraska	\$1.8b		First National Bank
2009	Oregon	\$500m		TIAA-CREF
2010	Alabama	\$700m		Union Bank
2011	Missouri	\$1.2b	Upromise	

\* Approximate assets at re-bid

## Select Contract Renegotiations

Year	State	Manager	Extension	Final Term
2006	Virginia	American Funds	10 years	2027
2007	Iowa	Upromise / Vanguard	7 years	2017
2007	West Virginia	Hartford	5 years	2012
2008	Colorado	Legg Mason	13 years	2022
2009	Arizona	Fidelity	5 years	2014
2009	Arizona	College Savings Bank	7 years	2016
2010	Rhode Island	AllianceBernstein	5 years	2015
2010	New York	Upromise	1 year	2011

## Some Departures



Year	State	Program Manager	Investments
2008	Indiana	J.P. Morgan	J.P. Morgan
2009	Nebraska	Union Bank	AIM
2009	Alabama	Van Kampen	Van Kampen
2010	Montana	Pacific Life	Pacific Life
2011	Tennessee	Georgia	TIAA

## New Players / New Advisor-Sold Plans

Year	State	Program Manager	Investments
2009	Michigan	TIAA-CREF	Allianz
2009	Oklahoma	TIAA-CREF	Allianz
2009	Ohio	BlackRock	BlackRock
2010	Connecticut	Hartford	Hartford
2010	Nevada	Putnam	Putnam
2011	Missouri	Upromise	DWS

## Net Results

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- **Concentration among top 10 program managers has decreased:**

Year	States	Percent of Total
2007	35 States	86.17%
2008	34 States	86.03%
2010	35 States	78.73%

- **Changes reflect:**
    - **2008-09 market losses**
    - **Increasing market share for direct-sold plans**
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## Program Manager Concentration – 6/30/2010

<i>Manager</i>	<i>State(s)</i>	<i>Total Assets<sup>1</sup></i>	<i>%Total</i>	<i>FRC<sup>2</sup></i>
American Funds	VA	\$25,020,909,373	21.24%	21.6%
Upromise	AR, CO, HI, ID, IN, IA, MO, MT, ND, NV, NY	\$21,725,950,399	18.44%	19.3%
Fidelity	AZ, CA, DE, MA, NH	\$15,334,897,692	13.02%	10.4%
Alliance	RI	\$ 6,854,016,217	5.82%	5.5%
TIAA-CREF	CT, GA, KY, MI, MN, MS, OK, OR, VT	\$ 6,133,725,465	5.21%	5.3%
Merrill	ME	\$ 4,814,043,141	4.09%	
Oppenheimer	IL, NM, TX	\$ 4,433,603,413	3.76%	
BlackRock	OH	\$ 3,333,957,324	2.83%	
T. Rowe	AK, MD	\$ 2,769,851,296	2.35%	
Franklin Templeton	NJ	\$ 2,337,686,859	1.98%	
<b>Total: 10 Managers</b>	<b>35 States</b>	<b>\$92,757,641,179 = 78.73% of Savings</b>		

<sup>1</sup> Source: CSPN, June 30, 2010

<sup>2</sup> Based upon FRC Statistics, December 31, 2010

## RFPs in the Year Ahead

State	Manager	AUMs*	Contract Term	RFP Timing
New York	Upromise	\$9.4b	August 2011	In Market
California	Fidelity	\$3.5b	November 2011	1 <sup>st</sup> Quarter
South Carolina	Columbia	\$1.3b	December 2011	Maybe 2 <sup>nd</sup> Quarter
Wisconsin	Wells Fargo	\$2.2b	April 2012	Maybe 2 <sup>nd</sup> Quarter
Michigan	TIAA-CREF	\$2.2b	April 2012	Maybe 4 <sup>th</sup> Quarter

\* Approximate assets, CSPN June 30, 2010



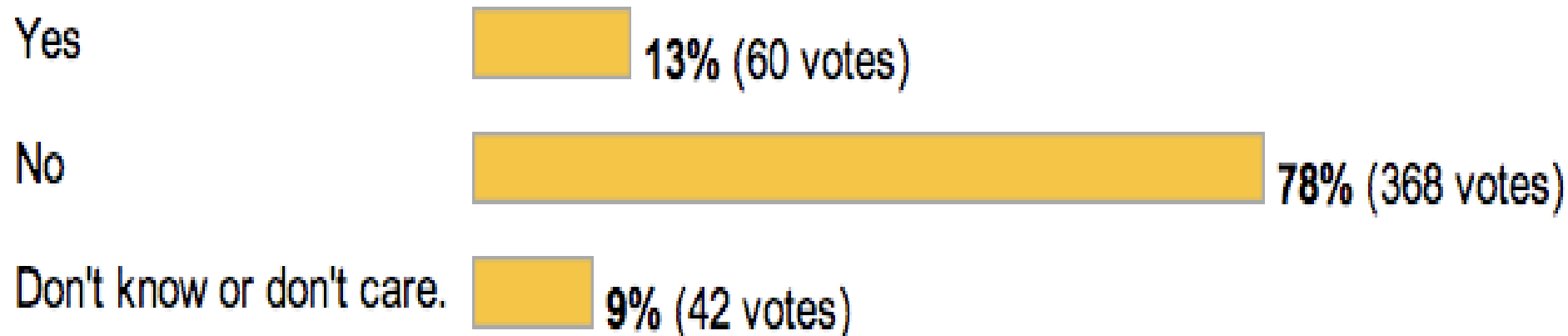
## Observations

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- **Stability of State Mandates:**
    - Fees continue to drive mandates
    - States are willing to make changes
  - **The Advisor-Sold Market:**
    - The right “conditions” make it attractive
    - There are still players looking for action!
  - **Opportunities Abound:**
    - 14% of market up for re-bid or review in near-term
    - Some states may try to launch new plans
    - May be time to review “regional” solutions
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## Savingforcollege Poll 1 – State Loyalty

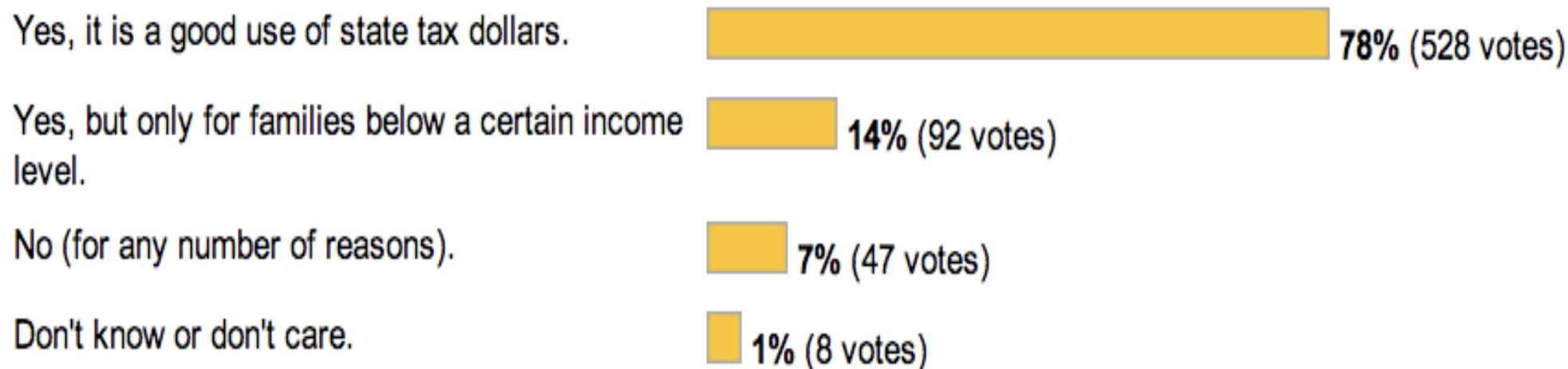
Would you choose to use your own state's 529 plan "out of loyalty" even if its expenses were slightly higher than a competing plan? (2010-12-27)



Source: Savingforcollege.com

## Savingforcollege Poll 2 – State Tax Deductions

Do you think states should be giving state tax deductions for 529-plan contributions? (2009-12-21)

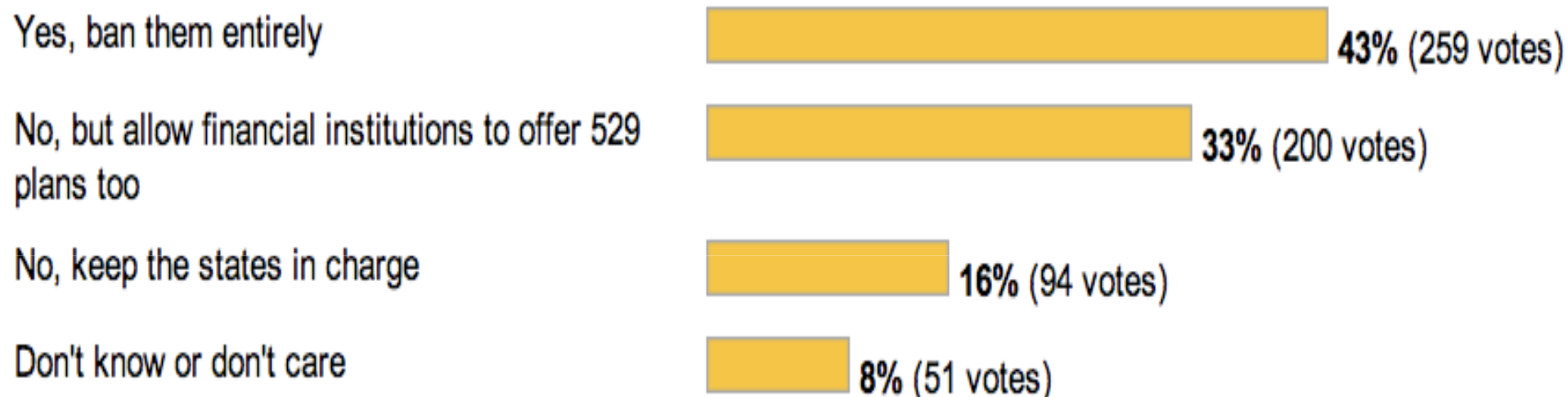


Source: Savingforcollege.com

## Savingforcollege Poll 3 – State Involvement

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Should the states be removed from the 529 plan business? (2005-12-09)

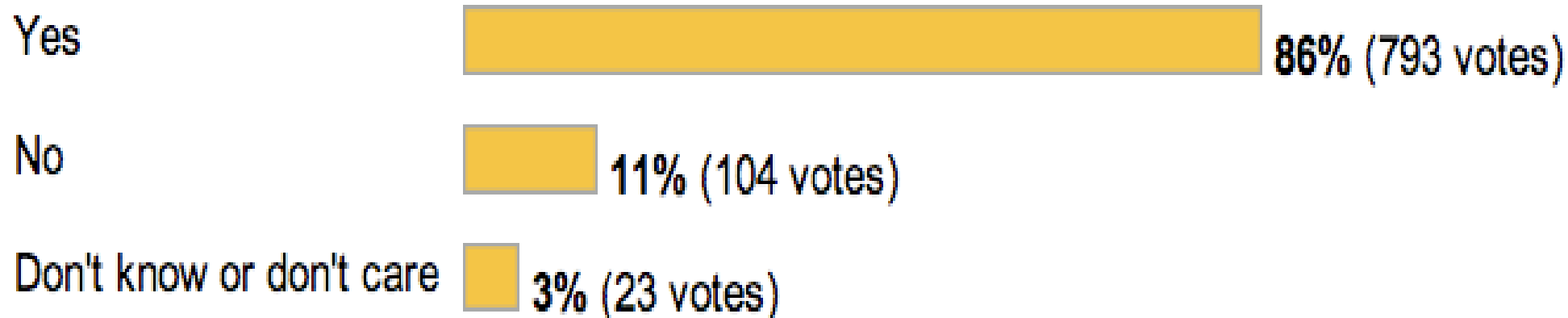


Source: Savingforcollege.com

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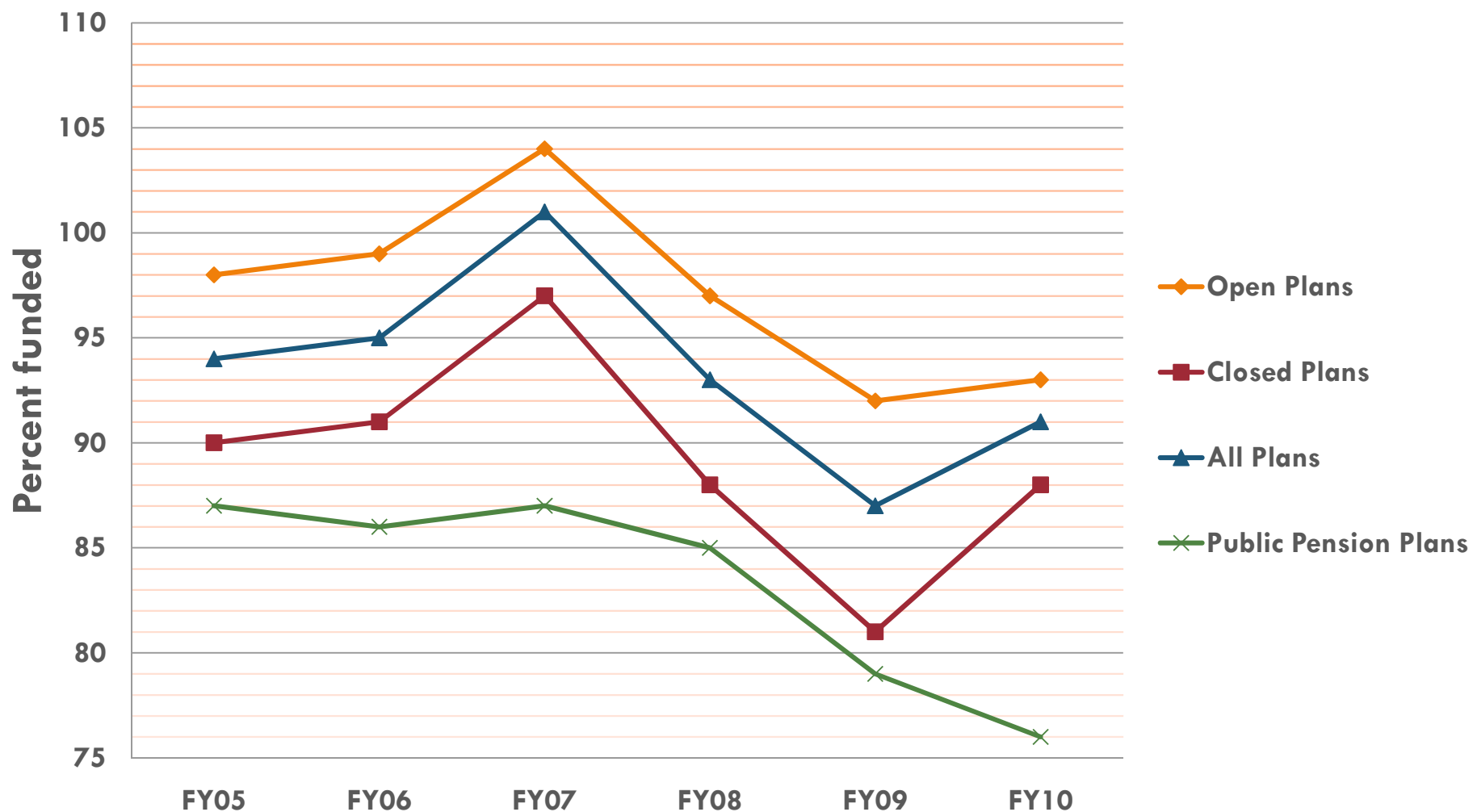
## Savingforcollege Poll 4 – Tax Parity

Should states be required to open up their 529 deductions to out-of-state 529 plans? (2005-07-24)



Source: Savingforcollege.com

# Average Funded Status for Prepaid Plans (FY05-10)



Source: College Savings Plans Network