

Fidelity Advisor 529 Plan

UNDERSTANDING THE COST OF WAITING



Waiting to save can be expensive

The longer you delay saving for college, the less time you'll have to reap the benefits of compounding and tax-deferred growth of any investment earnings. Every year you wait may be a missed opportunity.

As the chart below shows, you could save more than \$126,000 in time for college if you start investing \$300 a month now, assuming a 7% rate of return. Waiting just one year could cost you almost 10%; waiting five years could cost you nearly half.

HYPOTHETICAL GROWTH CHART

START INVESTING WHEN CHILD IS AGE:	YEARS UNTIL COLLEGE	POTENTIAL ACCUMULATION BY COLLEGE AGE	POTENTIAL MISSED OPPORTUNITY*
Newborn	18	\$126,989	\$0
1 year old	17	\$115,191	\$11,798
3 years old	15	\$93,859	\$33,130
5 years old	13	\$75,227	\$51,762

* Potential missed opportunity represents amounts that could have been accumulated in a hypothetical tax-deferred 529 plan account but which may be accumulated instead in other investment vehicles. Other investment vehicles may offer tax-free or tax-deferred savings opportunities.

Assumptions include regular monthly investments of \$300 into a tax-deferred account (529 plan) at a 7% annual rate of return compounded monthly over a series of different time periods (18, 17, 15, and 13 years). The regular monthly contributions are assumed to be made at the beginning of each month. **Local and state taxes, inflation, fees, and/or expenses are not taken into account. If they had been deducted, performance would have been lower.** The ending value of the tax-deferred 529 plan account assumes all distributions will be used for qualified higher education expenses and, therefore, are federal income tax free. Any earnings on nonqualified distributions from 529 plan accounts are taxable at the Distributee's income tax rate and are subject to a 10% federal penalty tax.

This is a hypothetical example and is not intended to predict or project the performance of any investment. Periodic investment plans do not guarantee a profit or protect against a loss in a declining market. Past performance is no guarantee of future results. Your performance will vary, and you may have a gain or loss when you sell your units.

▶ Saving today can help defray costs tomorrow

The sooner you start to save, the greater your chance may be of building a solid college funding source.

When the time comes, drawing from a college savings account could help you avoid the need to borrow large sums or derail your retirement saving efforts.

College costs rising fast

5.9%	Average increase in public university tuition from '06-'07 to '07-'08
\$148,004	Estimated cost of four-year public university in 2026
5.9%	Average increase in private college tuition from '06-'07 to '07-'08
Over \$350,000	Estimated cost of four-year private college in 2026

Source: "Trends in College Pricing," The College Board, 2007.



About the Fidelity Advisor 529 Plan

Dedicated service and support

529 plan specialists, a range of selling resources, and a responsive sales and operations desk back up your efforts.

Age-based investing experience

Our team of specialists has been managing age-based portfolios for more than 10 years.

Respected investment provider

Fidelity has over 60 years of investment management experience.

Wide selection and flexibility

Choose from 23 portfolios to help meet your personal college savings needs.

Your advisor's insight

Your advisor can help you build your Plan portfolio and incorporate it into your overall savings goals.

Keep saving, and keep your plan on track

As we have shown, starting early can be a key to successfully saving for college. Another critical element is systematic investing – making regular, consistent contributions to an account over time. Systematic investing does not guarantee profits or ensure against losses, but it can help put the power of compounding on your side, and help keep you on the path to saving, year after year.

How to invest systematically in an account like a 529 plan:

- Make contributions every month or every quarter.
- Set up an automatic withdrawal plan from a bank account to make sure your contributions are made consistently.
- Remember that holidays and birthdays are perfect occasions to give to a 529 plan.
- Consider putting bonuses or tax refunds to good use in a tax-deferred 529 plan account.

For more information on the **Fidelity Advisor 529 Plan** call your financial advisor today.

Your Advisor
and Fidelity

Insight
Diversification
Dedicated Support

Smart move.™

Not FDIC Insured • May Lose Value • No Bank Guarantee

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The Fidelity Advisor 529 Plan is offered by the State of New Hampshire and managed by Fidelity Investments. If you or the designated beneficiary are not a New Hampshire resident, you may want to consider, before investing, whether your or the designated beneficiary's home state offers its residents a plan with alternate state tax advantages or other benefits.

Units of the Portfolios are municipal securities and may be subject to market volatility and fluctuation.

Before investing, consider the Plan's investment objectives, risks, charges, and expenses. Call or write to Fidelity or visit advisor.fidelity.com for a free Offering Statement. Read it carefully before investing.

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