

Future Scholar
529 College Savings Plan
Financial Advisor Program

Financial Statements
June 30, 2011

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Management's Discussion and Analysis (unaudited)

As investment manager of The Future Scholar 529 College Savings Plan Financial Advisor Program (the "Program"), Columbia Management Investment Advisers, LLC ("Columbia") provides readers of the financial statements of the Program with this discussion and analysis of the Program's financial performance for the year ended June 30, 2011. You should consider the information presented in this section in conjunction with the Program's financial statements and notes to financial statements. The Program is comprised of 26 investment portfolios (the "Portfolios") in which participants may invest.

Financial Highlights

The Program received \$37 million in net contributions from participants during the year ended June 30, 2011.

The Program earned \$185 million from investment operations and paid \$8 million for operating expenses during the period.

Overview of the Financial Statements

The Program's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Government*, as amended.

This report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements are composed of a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets and Notes to Financial Statements that explain some of the information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Assets presents information on the Program's assets and liabilities, with the difference between the two reported as net assets as of June 30, 2011. This statement, along with the Program's other financial statement, is prepared using the accrual basis of accounting. Contributions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is disbursed.

The Statement of Changes in Fiduciary Net Assets presents information showing how the Program's net assets changed during the year. Changes in net assets are recorded as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future years.

The Notes to Financial Statements provide additional information that is integral to a full understanding of the data provided in the basic financial statements.

Financial Analysis

Net Assets. The following is a condensed Statement of Fiduciary Net Assets for the Portfolios as of June 30, 2011 and June 30, 2010.

	<u>2011 (000's)</u>	<u>2010 (000's)</u>
Investments	\$1,020,510	\$807,223
Receivables	<u>1,071</u>	<u>1,466</u>
Total Assets	<u>\$1,021,581</u>	<u>\$808,689</u>
Payables	<u>1,169</u>	<u>1,517</u>
Total Liabilities	<u>\$ 1,169</u>	<u>\$ 1,517</u>
Total Net Assets	<u>\$1,020,412</u>	<u>\$807,172</u>

Management's Discussion and Analysis, continued (unaudited)

Net assets represent cumulative contributions from participants plus net increases from operations less redemptions and expenses.

The investments in the 26 Portfolios of the Program comprise 99.9% of total assets. Other assets consist of receivables for securities sold, receivables for units sold and receivables for accrued income. Liabilities consist of payables for securities purchased, payables for withdrawals, payables for reinvestment of net investment income and payables for accrued expenses.

Changes in Net Assets. The following is a condensed Statement of Changes in Fiduciary Net Assets for the Portfolios for the years ended June 30, 2011 and June 30, 2010.

	<u>2011 (000's)</u>	<u>2010 (000's)</u>
Additions:		
Contributions	\$329,212	\$279,281
Net Appreciation (Depreciation) in Value of Investments	171,573	83,839
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(2,022)	(21,729)
Capital Gains Distributions from Underlying Fund Shares	354	11
Dividend and Interest Income	<u>15,266</u>	<u>14,802</u>
Total Additions	<u>\$514,383</u>	<u>\$356,205</u> *
Deductions:		
Withdrawals	292,097	237,562
Reinvestment of Net Investment Income	688	1,415
Expenses	<u>8,357</u>	<u>7,295</u>
Total Deductions	<u>\$301,142</u>	<u>\$246,272</u>
Change in Net Assets	<u>213,240</u> *	<u>109,934</u> *
Net Assets, Beginning of Period	<u>807,172</u>	<u>697,239</u>
Net Assets, End of Period	<u>\$1,020,412</u>	<u>\$807,172</u> *

* Amounts may not total due to rounding



Report of Independent Auditors

To the Office of the State Treasurer of the State of South Carolina, Columbia Management Distributors, Inc. ("Program Manager"), Columbia Management Investment Advisors, LLC ("Columbia") and Participants in the Future Scholar 529 College Savings Plan Financial Advisor Program:

In our opinion, the accompanying statements of fiduciary net assets and the related statements of changes in fiduciary net assets present fairly, in all material respects, the financial position of the Future Scholar 529 College Savings Plan Financial Advisor Program comprised of Aggressive Growth Portfolio, Growth Portfolio, Balanced Growth Portfolio, Balanced Portfolio, Income & Growth Portfolio, Income Portfolio, International Opportunities Portfolio, Multi-Advisor International Equity Portfolio, International Value Portfolio, Convertible Securities Portfolio, Small Cap Growth Portfolio, Acorn USA Portfolio, Acorn Select Portfolio, Acorn Portfolio, 21st Century Portfolio, Mid Cap Growth Portfolio, Focused Equities Portfolio, Growth Equities Portfolio, Large Cap Core Portfolio, Small Cap Value Portfolio, Mid Cap Value Portfolio, Large Cap Value Portfolio, Income Opportunities Portfolio, Intermediate Bond Portfolio, U.S. Government Mortgage Portfolio, and Conservative Portfolio (collectively the "Portfolios") at June 30, 2011 and the changes in their net assets for each of the two years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Program Manager and Columbia. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America and government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits which included confirmation of the Portfolios' securities at June 30, 2011 by correspondence with the transfer agent and contract issuer provide a reasonable basis for our opinions.

As discussed in Note 1, the financial statements present only the Portfolios' and do not purport to, and do not, present fairly the fiduciary net assets or changes in fiduciary net assets of the South Carolina College Investment Trust Fund of the State of South Carolina.

Management's Discussion and Analysis on pages 1 and 2 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods



of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the Portfolios' financial statements. The computation of net asset value on the statements of fiduciary net assets and the combined totals on the statements of fiduciary net assets and statements of changes in fiduciary net assets are presented for purposes of additional analysis and are not a required part of the Portfolios' financial statements. Such information has been subjected to the auditing procedures applied in the audit of the Portfolios' financial statements and, in our opinion, is fairly stated in all material respects in relation to the Portfolios' financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2011 on our consideration of the Portfolios' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers" with a stylized flourish at the end.

Boston, Massachusetts
September 19, 2011

Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Fiduciary Net Assets
At June 30, 2011

	Aggressive Growth Portfolio	Growth Portfolio	Balanced Growth Portfolio	Balanced Portfolio	Income & Growth Portfolio	Income Portfolio
Assets						
Investments, at Value	\$ 153,471,137	\$ 182,471,790	\$ 189,005,903	\$ 197,120,439	\$ 80,892,961	\$ 65,258,842
Receivable for Securities Sold	-	-	49,855	-	16,855	-
Receivable for Units Sold	32,139	27,765	12,401	26,133	9,530	81,230
Receivable for Accrued Income	-	51,780	129,500	209,899	94,582	63,776
Total Assets	<u>153,503,276</u>	<u>182,551,335</u>	<u>189,197,659</u>	<u>197,356,471</u>	<u>81,013,928</u>	<u>65,403,848</u>
Liabilities						
Payable for Securities Purchased	24,984	21,059	-	15,612	-	71,699
Payable for Units Redeemed	-	3,748	56,803	6,500	25,338	4,136
Payable for Reinvestment of Net Investment Income	-	-	-	-	-	-
Payable for Accrued Expenses (See Note 3)	100,580	128,220	132,030	140,577	60,860	49,751
Total Liabilities	<u>125,564</u>	<u>153,027</u>	<u>188,833</u>	<u>162,689</u>	<u>86,198</u>	<u>125,586</u>
Net Assets	<u>\$ 153,377,712</u>	<u>\$ 182,398,308</u>	<u>\$ 189,008,826</u>	<u>\$ 197,193,782</u>	<u>\$ 80,927,730</u>	<u>\$ 65,278,262</u>
Supplementary Data:						
Class A						
Net Assets	\$ 84,515,542	91,741,916	\$ 96,891,651	\$ 95,060,711	\$ 35,549,373	25,191,678
Units Outstanding	5,764,797	6,101,435	6,214,946	6,088,864	2,409,091	1,868,982
Net Asset Value Per Unit (a) (c)	\$ 14.66	\$ 15.04	\$ 15.59	\$ 15.61	\$ 14.76	\$ 13.48
Maximum Initial Sales Charge	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Maximum Offering Price Per Unit (b)	\$ 15.55	\$ 15.96	\$ 16.54	\$ 16.56	\$ 15.66	\$ 14.30
Class B						
Net Assets	\$ 27,850,888	\$ 38,512,901	31,870,621	\$ 33,289,539	11,587,450	\$ 5,702,456
Units Outstanding	1,500,737	2,110,484	1,818,387	2,078,626	800,695	449,894
Net Asset Value Per Unit (a) (c)	\$ 18.56	\$ 18.25	\$ 17.53	\$ 16.02	\$ 14.47	\$ 12.68
Class BX						
Net Assets	\$ 1,976,717	4,346,200	\$ 6,345,942	6,936,428	2,692,034	1,711,542
Units Outstanding	136,410	300,057	416,493	448,471	186,143	131,138
Net Asset Value Per Unit (a) (c)	\$ 14.49	\$ 14.48	\$ 15.24	\$ 15.47	\$ 14.46	\$ 13.05
Class C						
Net Assets	\$ 27,892,677	37,683,101	\$ 43,385,675	\$ 47,698,086	25,511,112	\$ 24,353,670
Units Outstanding	1,535,237	2,117,164	2,485,873	2,937,246	1,759,946	1,912,733
Net Asset Value Per Unit (a) (c)	\$ 18.17	\$ 17.80	\$ 17.45	\$ 16.24	\$ 14.50	\$ 12.73
Class CX						
Net Assets	\$ 1,375,763	3,437,327	\$ 4,618,867	6,614,863	3,670,613	\$ 6,278,919
Units Outstanding	97,271	232,814	303,992	434,133	254,874	477,258
Net Asset Value Per Unit (a) (c)	\$ 14.14	\$ 14.76	\$ 15.19	\$ 15.24	\$ 14.40	\$ 13.16
Class E						
Net Assets	\$ 3,194,730	3,303,235	3,253,686	\$ 3,863,375	956,032	1,257,578
Units Outstanding	167,104	174,307	176,083	222,478	62,851	93,491
Net Asset Value Per Unit (a) (c)	\$ 19.12	\$ 18.95	\$ 18.48	\$ 17.37	\$ 15.21	\$ 13.45
Class Z						
Net Assets	\$ 6,571,395	3,373,628	\$ 2,642,384	\$ 3,730,780	961,116	782,419
Units Outstanding	338,531	179,990	135,600	208,796	60,563	57,622
Net Asset Value, Offering and Redemption Price Per Unit (c)	\$ 19.41	\$ 18.74	\$ 19.49	\$ 17.87	\$ 15.87	\$ 13.58

(a) Redemption price per unit is equal to net asset value less any applicable contingent deferred sales charge.

(b) The initial sales charge varies based on the amount of the contribution.

(c) Net asset value per unit may not recalculate due to rounding of fractional shares.

See accompanying notes to financial statements.

Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Fiduciary Net Assets
At June 30, 2011

	International Opportunities Portfolio	Multi-Advisor International Equity Portfolio	International Value Portfolio	Convertible Securities Portfolio	Small Cap Growth Portfolio	Acorn USA Portfolio
Assets						
Investments, at Value	\$ 6,928,057	\$ 5,324,912	\$ 268,214	\$ 2,355,701	\$ 3,749,129	\$ 1,268,260
Receivable for Securities Sold	12,055	-	-	-	-	-
Receivable for Units Sold	547	3,855	-	1,313	2,772	19
Receivable for Accrued Income	-	-	-	-	-	-
Total Assets	<u>6,940,659</u>	<u>5,328,767</u>	<u>268,214</u>	<u>2,357,014</u>	<u>3,751,901</u>	<u>1,268,279</u>
Liabilities						
Payable for Securities Purchased	-	3,767	-	1,313	211	19
Payable for Units Redeemed	12,542	110	-	-	2,561	-
Payable for Reinvestment of Net Investment Income	-	-	-	-	-	-
Payable for Accrued Expenses (See Note 3)	4,813	3,765	197	1,773	2,487	841
Total Liabilities	<u>17,355</u>	<u>7,642</u>	<u>197</u>	<u>3,086</u>	<u>5,259</u>	<u>860</u>
Net Assets	<u>\$ 6,923,304</u>	<u>\$ 5,321,125</u>	<u>\$ 268,017</u>	<u>\$ 2,353,928</u>	<u>\$ 3,746,642</u>	<u>\$ 1,267,419</u>
Supplementary Data:						
Class A						
Net Assets	<u>3,676,256</u>	<u>2,514,564</u>	<u>168,598</u>	<u>1,070,004</u>	<u>2,143,338</u>	<u>\$ 660,932</u>
Units Outstanding	<u>192,619</u>	<u>151,585</u>	<u>9,174</u>	<u>61,561</u>	<u>138,465</u>	<u>50,962</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 19.09</u>	<u>\$ 16.59</u>	<u>\$ 18.38</u>	<u>\$ 17.38</u>	<u>\$ 15.48</u>	<u>\$ 12.97</u>
Maximum Initial Sales Charge	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>
Maximum Offering Price Per Unit (b)	<u>\$ 20.25</u>	<u>\$ 17.60</u>	<u>\$ 19.50</u>	<u>\$ 18.44</u>	<u>\$ 16.42</u>	<u>\$ 13.76</u>
Class B						
Net Assets	<u>668,495</u>	<u>452,560</u>	<u>\$ -</u>	<u>322,491</u>	<u>371,237</u>	<u>\$ 110,835</u>
Units Outstanding	<u>36,745</u>	<u>29,010</u>	<u>-</u>	<u>19,545</u>	<u>26,632</u>	<u>9,242</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 18.19</u>	<u>\$ 15.60</u>	<u>\$ -</u>	<u>\$ 16.50</u>	<u>\$ 13.94</u>	<u>\$ 11.99</u>
Class C						
Net Assets	<u>\$ 2,253,519</u>	<u>\$ 1,933,892</u>	<u>\$ 99,419</u>	<u>863,947</u>	<u>\$ 1,132,701</u>	<u>407,644</u>
Units Outstanding	<u>125,540</u>	<u>120,068</u>	<u>5,767</u>	<u>52,925</u>	<u>79,918</u>	<u>33,141</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 17.95</u>	<u>\$ 16.11</u>	<u>\$ 17.24</u>	<u>\$ 16.32</u>	<u>\$ 14.17</u>	<u>\$ 12.30</u>
Class E						
Net Assets	<u>63,999</u>	<u>\$ 182,912</u>	<u>\$ -</u>	<u>\$ 58,220</u>	<u>\$ 28,073</u>	<u>\$ 7,832</u>
Units Outstanding	<u>3,122</u>	<u>8,902</u>	<u>-</u>	<u>3,418</u>	<u>1,982</u>	<u>692</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 20.50</u>	<u>\$ 20.55</u>	<u>\$ -</u>	<u>\$ 17.03</u>	<u>\$ 14.16</u>	<u>\$ 11.32</u>
Class Z						
Net Assets	<u>\$ 261,035</u>	<u>237,197</u>	<u>\$ -</u>	<u>\$ 39,266</u>	<u>\$ 71,293</u>	<u>\$ 80,176</u>
Units Outstanding	<u>13,125</u>	<u>12,080</u>	<u>-</u>	<u>2,663</u>	<u>3,515</u>	<u>6,401</u>
Net Asset Value, Offering and Redemption Price Per Unit (c)	<u>\$ 19.89</u>	<u>\$ 19.64</u>	<u>\$ -</u>	<u>\$ 14.75</u>	<u>\$ 20.28</u>	<u>\$ 12.53</u>

(a) Redemption price per unit is equal to net asset value less any applicable contingent deferred sales charge.

(b) The initial sales charge varies based on the amount of the contribution.

(c) Net asset value per unit may not recalculate due to rounding of fractional shares.

See accompanying notes to financial statements.

Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Fiduciary Net Assets
At June 30, 2011

	Acorn Select Portfolio	Acorn Portfolio	21st Century Portfolio	Mid Cap Growth Portfolio	Focused Equities Portfolio	Growth Equities Portfolio
Assets						
Investments, at Value	\$ 2,590,185	\$ 5,067,567	\$ 5,093,002	\$ 6,202,444	\$ 8,494,016	\$ 4,060,860
Receivable for Securities Sold	3,840	-	3,379	-	7,509	-
Receivable for Units Sold	540	688	979	22,254	17,149	145
Receivable for Accrued Income	-	-	-	-	-	-
Total Assets	<u>2,594,565</u>	<u>5,068,255</u>	<u>5,097,360</u>	<u>6,224,698</u>	<u>8,518,674</u>	<u>4,061,005</u>
Liabilities						
Payable for Securities Purchased	-	688	-	3,053	-	145
Payable for Units Redeemed	4,380	-	4,359	19,201	24,658	-
Payable for Reinvestment of Net Investment Income	-	-	-	-	-	-
Payable for Accrued Expenses (See Note 3)	1,786	3,289	3,411	4,268	6,022	2,802
Total Liabilities	<u>6,166</u>	<u>3,977</u>	<u>7,770</u>	<u>26,522</u>	<u>30,680</u>	<u>2,947</u>
Net Assets	<u>\$ 2,588,399</u>	<u>\$ 5,064,278</u>	<u>\$ 5,089,590</u>	<u>\$ 6,198,176</u>	<u>\$ 8,487,994</u>	<u>\$ 4,058,058</u>
Supplementary Data:						
Class A						
Net Assets	<u>\$ 1,308,360</u>	<u>\$ 2,633,915</u>	<u>\$ 2,722,244</u>	<u>\$ 3,295,088</u>	<u>\$ 4,439,733</u>	<u>\$ 2,025,685</u>
Units Outstanding	<u>93,509</u>	<u>184,345</u>	<u>213,264</u>	<u>194,579</u>	<u>292,100</u>	<u>120,065</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 13.99</u>	<u>\$ 14.29</u>	<u>\$ 12.76</u>	<u>\$ 16.93</u>	<u>\$ 15.20</u>	<u>\$ 16.87</u>
Maximum Initial Sales Charge	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>
Maximum Offering Price Per Unit (b)	<u>\$ 14.84</u>	<u>\$ 15.16</u>	<u>\$ 13.54</u>	<u>\$ 17.96</u>	<u>\$ 16.13</u>	<u>\$ 17.90</u>
Class B						
Net Assets	<u>\$ 274,877</u>	<u>\$ 162,550</u>	<u>\$ 492,697</u>	<u>\$ 833,769</u>	<u>\$ 1,131,545</u>	<u>\$ 486,263</u>
Units Outstanding	<u>22,011</u>	<u>10,621</u>	<u>39,111</u>	<u>53,539</u>	<u>82,038</u>	<u>30,836</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 12.49</u>	<u>\$ 15.30</u>	<u>\$ 12.60</u>	<u>\$ 15.57</u>	<u>\$ 13.79</u>	<u>\$ 15.77</u>
Class C						
Net Assets	<u>\$ 841,180</u>	<u>\$ 1,808,390</u>	<u>\$ 1,490,843</u>	<u>\$ 1,861,027</u>	<u>\$ 2,764,746</u>	<u>\$ 1,349,817</u>
Units Outstanding	<u>61,291</u>	<u>131,771</u>	<u>122,409</u>	<u>115,544</u>	<u>200,189</u>	<u>89,929</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 13.72</u>	<u>\$ 13.72</u>	<u>\$ 12.18</u>	<u>\$ 16.11</u>	<u>\$ 13.81</u>	<u>\$ 15.01</u>
Class E						
Net Assets	<u>\$ 57,594</u>	<u>\$ 103,306</u>	<u>\$ 89,857</u>	<u>\$ 61,537</u>	<u>\$ 39,494</u>	<u>\$ 23,833</u>
Units Outstanding	<u>5,678</u>	<u>9,025</u>	<u>9,800</u>	<u>3,050</u>	<u>2,144</u>	<u>1,593</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 10.14</u>	<u>\$ 11.45</u>	<u>\$ 9.17</u>	<u>\$ 20.18</u>	<u>\$ 18.42</u>	<u>\$ 14.96</u>
Class Z						
Net Assets	<u>\$ 106,388</u>	<u>\$ 356,117</u>	<u>\$ 293,949</u>	<u>\$ 146,755</u>	<u>\$ 112,476</u>	<u>\$ 172,460</u>
Units Outstanding	<u>8,280</u>	<u>25,445</u>	<u>22,986</u>	<u>6,311</u>	<u>6,406</u>	<u>12,430</u>
Net Asset Value, Offering and Redemption Price Per Unit (c)	<u>\$ 12.85</u>	<u>\$ 14.00</u>	<u>\$ 12.79</u>	<u>\$ 23.25</u>	<u>\$ 17.56</u>	<u>\$ 13.87</u>

(a) Redemption price per unit is equal to net asset value less any applicable contingent deferred sales charge.

(b) The initial sales charge varies based on the amount of the contribution.

(c) Net asset value per unit may not recalculate due to rounding of fractional shares.

See accompanying notes to financial statements.

Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Fiduciary Net Assets
At June 30, 2011

	Large Cap Core Portfolio	Small Cap Value Portfolio	Mid Cap Value Portfolio	Large Cap Value Portfolio	Income Opportunities Portfolio	Intermediate Bond Portfolio
Assets						
Investments, at Value	\$ 4,623,678	\$ 3,120,822	\$ 4,638,050	\$ 10,917,410	\$ 4,859,097	\$ 8,486,060
Receivable for Securities Sold	-	4,343	3,810	8,533	-	9,254
Receivable for Units Sold	534	2,290	549	1,169	200	2,083
Receivable for Accrued Income	-	-	-	-	25,699	27,106
Total Assets	<u>4,624,212</u>	<u>3,127,455</u>	<u>4,642,409</u>	<u>10,927,112</u>	<u>4,884,996</u>	<u>8,524,503</u>
Liabilities						
Payable for Securities Purchased	446	-	-	-	200	-
Payable for Units Redeemed	88	6,633	4,359	9,702	-	43,382
Payable for Reinvestment of Net Investment Income	-	-	-	-	-	-
Payable for Accrued Expenses (See Note 3)	3,317	2,239	3,470	8,089	3,303	6,486
Total Liabilities	<u>3,851</u>	<u>8,872</u>	<u>7,829</u>	<u>17,791</u>	<u>3,503</u>	<u>49,868</u>
Net Assets	<u>\$ 4,620,361</u>	<u>\$ 3,118,583</u>	<u>\$ 4,634,580</u>	<u>\$ 10,909,321</u>	<u>\$ 4,881,493</u>	<u>\$ 8,474,635</u>
Supplementary Data:						
Class A						
Net Assets	<u>\$ 2,355,551</u>	<u>\$ 1,401,133</u>	<u>2,008,470</u>	<u>5,205,166</u>	<u>\$ 3,049,639</u>	<u>4,186,893</u>
Units Outstanding	<u>197,609</u>	<u>59,122</u>	<u>90,227</u>	<u>385,524</u>	<u>149,686</u>	<u>274,113</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 11.92</u>	<u>\$ 23.70</u>	<u>\$ 22.26</u>	<u>\$ 13.50</u>	<u>\$ 20.37</u>	<u>\$ 15.27</u>
Maximum Initial Sales Charge	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>4.75%</u>	<u>3.25%</u>
Maximum Offering Price Per Unit (b)	<u>\$ 12.65</u>	<u>\$ 25.15</u>	<u>\$ 23.62</u>	<u>\$ 14.32</u>	<u>\$ 21.39</u>	<u>\$ 15.78</u>
Class B						
Net Assets	<u>648,058</u>	<u>\$ 546,294</u>	<u>814,434</u>	<u>\$ 1,483,917</u>	<u>563,672</u>	<u>\$ 829,181</u>
Units Outstanding	<u>54,521</u>	<u>24,203</u>	<u>37,840</u>	<u>115,112</u>	<u>30,133</u>	<u>58,700</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 11.89</u>	<u>\$ 22.57</u>	<u>\$ 21.52</u>	<u>\$ 12.89</u>	<u>\$ 18.71</u>	<u>\$ 14.13</u>
Class C						
Net Assets	<u>\$ 1,510,424</u>	<u>899,405</u>	<u>1,601,604</u>	<u>3,945,737</u>	<u>1,159,428</u>	<u>\$ 3,218,560</u>
Units Outstanding	<u>126,826</u>	<u>38,953</u>	<u>79,766</u>	<u>312,663</u>	<u>62,244</u>	<u>225,471</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 11.91</u>	<u>\$ 23.09</u>	<u>\$ 20.08</u>	<u>\$ 12.62</u>	<u>\$ 18.63</u>	<u>\$ 14.27</u>
Class E						
Net Assets	<u>18,459</u>	<u>143,869</u>	<u>50,052</u>	<u>84,329</u>	<u>81,055</u>	<u>126,671</u>
Units Outstanding	<u>1,268</u>	<u>6,938</u>	<u>2,518</u>	<u>5,626</u>	<u>4,209</u>	<u>9,043</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 14.56</u>	<u>\$ 20.74</u>	<u>\$ 19.88</u>	<u>\$ 14.99</u>	<u>\$ 19.26</u>	<u>\$ 14.01</u>
Class Z						
Net Assets	<u>87,869</u>	<u>127,882</u>	<u>160,020</u>	<u>190,172</u>	<u>27,699</u>	<u>113,330</u>
Units Outstanding	<u>6,337</u>	<u>7,287</u>	<u>9,335</u>	<u>11,367</u>	<u>2,065</u>	<u>8,481</u>
Net Asset Value, Offering and Redemption Price Per Unit (c)	<u>\$ 13.87</u>	<u>\$ 17.55</u>	<u>\$ 17.14</u>	<u>\$ 16.73</u>	<u>\$ 13.41</u>	<u>\$ 13.36</u>

(a) Redemption price per unit is equal to net asset value less any applicable contingent deferred sales charge.

(b) The initial sales charge varies based on the amount of the contribution.

(c) Net asset value per unit may not recalculate due to rounding of fractional shares.

See accompanying notes to financial statements.

Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Fiduciary Net Assets
At June 30, 2011

	U.S. Government Mortgage Portfolio	Conservative Portfolio	Total South Carolina's 529 College Savings Plan Financial Adviser Program (d)
Assets			
Investments, at Value	\$ 2,800,923	\$ 61,441,039	\$ 1,020,510,498
Receivable for Securities Sold	-	21,629	141,062
Receivable for Units Sold	20	73,495	319,799
Receivable for Accrued Income	7,508	50	609,900
Total Assets	<u>2,808,451</u>	<u>61,536,213</u>	<u>1,021,581,259</u>
Liabilities			
Payable for Securities Purchased	20	-	143,216
Payable for Units Redeemed	-	74,604	303,104
Payable for Reinvestment of Net Investment Income	-	1,499	1,499
Payable for Accrued Expenses (See Note 3)	1,880	44,635	720,891
Total Liabilities	<u>1,900</u>	<u>120,738</u>	<u>1,168,710</u>
Net Assets	<u>\$ 2,806,551</u>	<u>\$ 61,415,475</u>	<u>\$ 1,020,412,549</u>

Supplementary Data:

Class A			
Net Assets	\$ 1,798,143	\$ 31,632,730	
Units Outstanding	138,787	31,632,730	
Net Asset Value Per Unit (a) (c)	\$ 12.96	\$ 1.00	
Maximum Initial Sales Charge	4.75%	-	
Maximum Offering Price Per Unit (b)	\$ 13.61	-	
Class B			
Net Assets	\$ 206,420	\$ 6,717,201	
Units Outstanding	16,505	6,717,201	
Net Asset Value Per Unit (a) (c)	\$ 12.51	\$ 1.00	
Class C			
Net Assets	720,129	20,712,632	
Units Outstanding	58,482	20,712,632	
Net Asset Value Per Unit (a) (c)	\$ 12.31	\$ 1.00	
Class E			
Net Assets	59,367	1,405,614	
Units Outstanding	4,617	1,405,614	
Net Asset Value Per Unit (a) (c)	\$ 12.86	\$ 1.00	
Class Z			
Net Assets	\$ 22,492	947,298	
Units Outstanding	1,745	947,298	
Net Asset Value, Offering and Redemption Price Per Unit (c)	\$ 12.89	\$ 1.00	

(a) Redemption price per unit is equal to net asset value less any applicable contingent deferred sales charge.

(b) The initial sales charge varies based on the amount of the contribution.

(c) Net asset value per unit may not recalculate due to rounding of fractional shares.

(d) Supplementary Data

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	Aggressive Growth Portfolio		Growth Portfolio		Balanced Growth Portfolio	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 20,988,993	\$ 14,595,817	\$ 29,941,110	\$ 21,748,526	\$ 32,747,016	\$ 22,271,240
Pricing Alternative B	1,459,072	4,625,747	8,624,114	11,616,384	7,540,201	9,001,785
Pricing Alternative BX	57,670	219,594	166,873	1,573,844	1,968,482	3,120,878
Pricing Alternative C	5,595,646	5,188,471	11,261,471	9,747,987	11,860,482	11,074,922
Pricing Alternative CX	120,910	169,427	144,744	653,194	1,176,476	995,706
Pricing Alternative E	863,955	788,279	898,911	804,629	1,042,236	1,135,777
Pricing Alternative Z	1,481,042	1,198,847	1,433,142	693,875	1,138,490	791,524
Total Contributions	<u>30,567,288</u>	<u>26,786,182</u>	<u>52,470,365</u>	<u>46,838,439</u>	<u>57,473,383</u>	<u>48,391,832</u>
Increase from Investment Operations						
Dividend Income	1,233,413	1,104,980	1,960,987	1,729,790	2,896,600	2,727,347
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(731,695)		(1,764,629)		(2,143,644)	
Capital Gain Distributions from Underlying Fund Shares		(11,172,207)	27,951	(2,342,518)	54,738	(3,153,871)
Net Change in Appreciation (Depreciation) in Value of Investments	36,661,784	23,869,127	42,238,054	14,841,800	37,967,989	16,184,255
Net Increase (Decrease) from Investment Operations	<u>37,163,502</u>	<u>13,801,900</u>	<u>42,462,363</u>	<u>14,229,072</u>	<u>38,775,683</u>	<u>15,757,731</u>
Total Additions	<u>67,730,790</u>	<u>40,588,082</u>	<u>94,932,728</u>	<u>61,067,511</u>	<u>96,249,066</u>	<u>64,149,563</u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	19,863,940	17,318,128	18,654,243	15,142,406	22,401,282	19,755,035
Pricing Alternative B	8,915,654	9,263,857	9,630,306	7,807,837	10,597,379	7,261,785
Pricing Alternative BX	2,319,507	783,334	6,599,700	3,215,967	8,069,664	2,563,768
Pricing Alternative C	5,825,452	6,807,175	9,405,700	6,587,150	9,693,376	8,451,960
Pricing Alternative CX	232,859	572,320	1,286,480	1,074,783	1,997,121	1,540,134
Pricing Alternative E	422,128	508,695	483,295	515,553	644,543	809,508
Pricing Alternative Z	1,152,938	580,321	759,831	339,823	1,192,103	1,057,190
Total Redemptions	<u>38,732,478</u>	<u>35,833,830</u>	<u>46,819,555</u>	<u>34,683,519</u>	<u>54,595,468</u>	<u>41,439,380</u>
Expenses (See Note 3)(a)						
Management Fees	412,198	386,145	496,438	410,592	516,614	447,073
Marketing Fee Pricing Alternative A	183,073	163,306	196,759	153,524	208,373	172,122
Marketing Fee Pricing Alternative B	273,914	295,029	371,938	303,983	314,112	283,662
Marketing Fee Pricing Alternative BX	20,368	24,718	46,104	65,817	62,003	72,098
Marketing Fee Pricing Alternative C	243,163	225,637	338,892	276,458	388,851	323,218
Marketing Fee Pricing Alternative CX	6,314	6,283	17,011	19,714	22,128	23,785
Marketing Fee Pricing Alternative E	13,059	9,611	14,068	10,869	14,100	10,565
Total Expenses	<u>1,152,089</u>	<u>1,110,729</u>	<u>1,481,210</u>	<u>1,240,957</u>	<u>1,526,181</u>	<u>1,332,523</u>
Total Deductions	<u>39,884,567</u>	<u>36,944,559</u>	<u>48,300,765</u>	<u>35,924,476</u>	<u>56,121,649</u>	<u>42,771,903</u>
Net Increase (Decrease)	27,846,223	3,643,523	46,631,963	25,143,035	40,127,417	21,377,660
Net Assets						
Beginning of Year	125,531,489	121,887,966	135,766,345	110,623,310	148,881,409	127,503,749
End of Year	<u>\$ 153,377,712</u>	<u>\$ 125,531,489</u>	<u>\$ 182,398,308</u>	<u>\$ 135,766,345</u>	<u>\$ 189,008,826</u>	<u>\$ 148,881,409</u>

(a) Does not reflect expense of the underlying funds borne indirectly.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	Balanced Portfolio		Income & Growth Portfolio		Income Portfolio	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 34,142,604	\$ 23,699,487	\$ 19,165,770	\$ 13,396,191	\$ 13,009,895	\$ 8,905,410
Pricing Alternative B	8,437,936	8,448,446	5,884,262	5,137,526	3,401,865	3,159,268
Pricing Alternative BX	2,412,948	2,711,048	1,980,955	2,595,646	2,025,101	1,288,670
Pricing Alternative C	14,067,447	13,039,711	12,861,449	11,232,487	13,578,786	12,269,376
Pricing Alternative CX	1,653,606	1,414,975	1,628,673	1,490,156	1,666,555	2,400,140
Pricing Alternative E	1,189,213	1,120,131	452,860	490,980	636,684	707,481
Pricing Alternative Z	1,400,636	951,611	455,468	412,285	610,075	172,689
Total Contributions	<u>63,304,390</u>	<u>51,385,409</u>	<u>42,429,437</u>	<u>34,755,271</u>	<u>34,928,961</u>	<u>28,903,034</u>
Increase from Investment Operations						
Dividend Income	3,838,762	3,558,232	1,661,006	1,551,514	1,104,017	1,049,057
Net Realized Gain (Loss) on Underlying Fund Shares Sold	665,331		923,612		1,814,249	
Capital Gain Distributions from Underlying Fund Shares	58,525	(1,621,182)	31,245	(1,022,557)	22,941	(145,658)
Net Change in Appreciation (Depreciation) in Value of Investments	27,555,943	12,603,625	6,667,610	4,729,821	1,395,337	2,105,632
Net Increase (Decrease) from Investment Operations	<u>32,118,561</u>	<u>14,540,675</u>	<u>9,283,473</u>	<u>5,258,778</u>	<u>4,336,544</u>	<u>3,009,031</u>
Total Additions	<u>95,422,951</u>	<u>65,926,084</u>	<u>51,712,910</u>	<u>40,014,049</u>	<u>39,265,505</u>	<u>31,912,065</u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	17,631,026	15,930,358	12,322,556	10,929,946	8,663,751	8,428,337
Pricing Alternative B	8,412,170	6,803,478	4,735,314	3,457,245	2,497,609	1,603,044
Pricing Alternative BX	7,841,164	2,832,073	5,769,599	1,349,591	2,057,687	616,215
Pricing Alternative C	10,357,792	9,351,861	9,815,271	10,442,522	10,690,776	8,679,604
Pricing Alternative CX	1,868,468	1,914,954	1,434,248	2,603,490	2,068,358	2,138,005
Pricing Alternative E	360,311	365,551	393,244	435,938	416,345	376,890
Pricing Alternative Z	513,184	615,251	475,664	197,305	337,324	279,495
Total Redemptions	<u>46,984,115</u>	<u>37,813,526</u>	<u>34,945,896</u>	<u>29,416,037</u>	<u>26,731,850</u>	<u>22,121,590</u>
Expenses (See Note 3)(a)						
Management Fees	540,530	442,400	226,236	192,016	192,096	160,479
Marketing Fee Pricing Alternative A	206,492	157,946	78,054	63,595	60,326	50,328
Marketing Fee Pricing Alternative B	326,851	277,061	116,070	89,450	61,515	43,185
Marketing Fee Pricing Alternative BX	66,144	74,930	31,859	38,993	15,853	10,776
Marketing Fee Pricing Alternative C	426,830	354,631	227,759	191,504	230,985	196,169
Marketing Fee Pricing Alternative CX	31,833	29,673	17,447	16,682	32,659	32,171
Marketing Fee Pricing Alternative E	16,397	11,063	4,170	3,697	5,653	4,471
Total Expenses	<u>1,615,077</u>	<u>1,347,704</u>	<u>701,595</u>	<u>595,937</u>	<u>599,087</u>	<u>497,579</u>
Total Deductions	<u>48,599,192</u>	<u>39,161,230</u>	<u>35,647,491</u>	<u>30,011,974</u>	<u>27,330,937</u>	<u>22,619,169</u>
Net Increase (Decrease)	46,823,759	26,764,854	16,065,419	10,002,075	11,934,568	9,292,896
Net Assets						
Beginning of Year	150,370,023	123,605,169	64,862,311	54,860,236	53,343,694	44,050,798
End of Year	<u>\$ 197,193,782</u>	<u>\$ 150,370,023</u>	<u>\$ 80,927,730</u>	<u>\$ 64,862,311</u>	<u>\$ 65,278,262</u>	<u>\$ 53,343,694</u>

(a) Does not reflect expense of the underlying funds borne indirectly.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	International Opportunities Portfolio		Multi-Advisor International Equity Portfolio		International Value Portfolio	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 724,052	\$ 442,400	\$ 487,120	\$ 379,277	\$ 91,413	\$ -
Pricing Alternative B	92,310	82,935	25,288	66,888	-	-
Pricing Alternative C	307,714	389,842	387,934	326,235	37,625	-
Pricing Alternative E	22,404	12,727	74,665	46,948	-	-
Pricing Alternative Z	57,422	27,719	43,968	32,650	-	-
Total Contributions	<u>1,203,902</u>	<u>955,623</u>	<u>1,018,975</u>	<u>851,998</u>	<u>129,038</u>	<u>-</u>
Increase from Investment Operations						
Dividend Income	110,358	55,286	95,665	100,143	8,678	9,038
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(129,450)		(234,064)		(37,823)	
Capital Gain Distributions from Underlying Fund Shares		(282,191)		(284,553)		(6,929)
Net Change in Appreciation (Depreciation) in Value of Investments	1,609,783	449,653	1,373,499	215,486	100,756	4,337
Net Increase (Decrease) from Investment Operations	<u>1,590,691</u>	<u>222,748</u>	<u>1,235,100</u>	<u>31,076</u>	<u>71,611</u>	<u>6,446</u>
Total Additions	<u>2,794,593</u>	<u>1,178,371</u>	<u>2,254,075</u>	<u>883,074</u>	<u>200,649</u>	<u>6,446</u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	385,961	325,480	390,978	293,576	108,108	9,544
Pricing Alternative B	288,993	68,864	236,260	100,162	92,647	6,445
Pricing Alternative C	519,693	327,837	301,013	245,507	38,483	5,081
Pricing Alternative E	50,377	-	17,896	5,500	-	-
Pricing Alternative Z	20,987	10,146	16,597	10,142	-	-
Total Redemptions	<u>1,266,011</u>	<u>732,327</u>	<u>962,744</u>	<u>654,887</u>	<u>239,238</u>	<u>21,070</u>
Expenses (See Note 3)(a)						
Management Fees	19,995	17,602	14,735	13,381	1,042	1,071
Marketing Fee Pricing Alternative A	8,364	6,960	5,624	5,179	601	406
Marketing Fee Pricing Alternative B	7,531	7,417	5,166	5,975	118	1,005
Marketing Fee Pricing Alternative C	22,614	20,887	17,920	15,408	953	939
Marketing Fee Pricing Alternative E	389	348	736	412	-	-
Total Expenses	<u>58,893</u>	<u>53,214</u>	<u>44,181</u>	<u>40,355</u>	<u>2,714</u>	<u>3,421</u>
Total Deductions	<u>1,324,904</u>	<u>785,541</u>	<u>1,006,925</u>	<u>695,242</u>	<u>241,952</u>	<u>24,491</u>
Net Increase (Decrease)	1,469,689	392,830	1,247,150	187,832	(41,303)	(18,045)
Net Assets						
Beginning of Year	5,453,615	5,060,785	4,073,975	3,886,143	309,320	327,365
End of Year	<u>\$ 6,923,304</u>	<u>\$ 5,453,615</u>	<u>\$ 5,321,125</u>	<u>\$ 4,073,975</u>	<u>\$ 268,017</u>	<u>\$ 309,320</u>

(a) Does not reflect expense of the underlying funds borne indirectly.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	Convertible Securities Portfolio		Small Cap Growth Portfolio		Acorn USA Portfolio	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 222,235	\$ 231,792	\$ 495,157	\$ 192,447	\$ 107,206	\$ 111,101
Pricing Alternative B	76,000	42,940	36,684	40,824	6,338	1,441
Pricing Alternative C	294,920	139,583	186,676	93,483	50,709	51,218
Pricing Alternative E	44,324	5,898	16,043	3,279	3,903	9,587
Pricing Alternative Z	27,966	2,250	9,066	13,711	16,982	17,926
Total Contributions	<u>665,445</u>	<u>422,463</u>	<u>743,626</u>	<u>343,744</u>	<u>185,138</u>	<u>191,273</u>
Increase from Investment Operations						
Dividend Income	70,993	54,398	-	-	-	-
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(51,966)		(40,246)		(5,773)	
Capital Gain Distributions from Underlying Fund Shares		(87,610)		(165,792)		(13,568)
Net Change in Appreciation (Depreciation) in Value of Investments	448,200	248,598	1,216,963	515,129	368,705	149,437
Net Increase (Decrease) from Investment Operations	<u>467,227</u>	<u>215,386</u>	<u>1,176,717</u>	<u>349,337</u>	<u>362,932</u>	<u>135,869</u>
Total Additions	<u>1,132,672</u>	<u>637,849</u>	<u>1,920,343</u>	<u>693,081</u>	<u>548,070</u>	<u>327,142</u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	220,546	64,665	106,698	185,489	67,831	44,735
Pricing Alternative B	106,553	88,214	381,765	69,969	7,588	4,018
Pricing Alternative C	86,643	121,012	254,338	150,270	10,485	16,144
Pricing Alternative E	369	-	262	5,000	10,867	-
Pricing Alternative Z	1,261	3,916	13,598	7,756	644	736
Total Redemptions	<u>415,372</u>	<u>277,807</u>	<u>756,661</u>	<u>418,484</u>	<u>97,415</u>	<u>65,633</u>
Expenses (See Note 3)(a)						
Management Fees	6,229	4,881	9,699	8,094	3,207	2,429
Marketing Fee Pricing Alternative A	2,410	1,995	4,268	2,973	1,397	1,072
Marketing Fee Pricing Alternative B	3,142	3,141	4,431	5,570	984	840
Marketing Fee Pricing Alternative C	7,425	4,870	10,052	8,924	3,407	2,560
Marketing Fee Pricing Alternative E	162	87	83	31	57	11
Total Expenses	<u>19,368</u>	<u>14,974</u>	<u>28,533</u>	<u>25,592</u>	<u>9,052</u>	<u>6,912</u>
Total Deductions	<u>434,740</u>	<u>292,781</u>	<u>785,194</u>	<u>444,076</u>	<u>106,467</u>	<u>72,545</u>
Net Increase (Decrease)	697,932	345,068	1,135,149	249,005	441,603	254,597
Net Assets						
Beginning of Year	1,655,996	1,310,928	2,611,493	2,362,488	825,816	571,219
End of Year	<u>\$ 2,353,928</u>	<u>\$ 1,655,996</u>	<u>\$ 3,746,642</u>	<u>\$ 2,611,493</u>	<u>\$ 1,267,419</u>	<u>\$ 825,816</u>

(a) Does not reflect expense of the underlying funds borne indirectly.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	Acorn Select Portfolio		Acorn Portfolio		21st Century Portfolio	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 270,955	\$ 246,456	\$ 687,215	\$ 335,387	\$ 346,600	\$ 353,759
Pricing Alternative B	39,420	42,549	28,713	40,789	17,446	83,065
Pricing Alternative C	145,554	253,431	516,994	206,872	237,273	169,823
Pricing Alternative E	28,317	18,886	49,231	25,821	21,271	48,694
Pricing Alternative Z	27,273	12,406	54,624	39,195	39,232	40,844
Total Contributions	<u>511,519</u>	<u>573,728</u>	<u>1,336,777</u>	<u>648,064</u>	<u>661,822</u>	<u>696,185</u>
Increase from Investment Operations						
Dividend Income	41,645	-	14,698	9,917	-	-
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(1,597)		(16,028)		(57,984)	
Capital Gain Distributions from Underlying Fund Shares		(73,767)	158,251	(76,099)		(192,688)
Net Change in Appreciation (Depreciation) in Value of Investments	493,596	390,034	1,108,952	609,750	1,239,951	860,776
Net Increase (Decrease) from Investment Operations	<u>533,644</u>	<u>316,267</u>	<u>1,265,873</u>	<u>543,568</u>	<u>1,181,967</u>	<u>668,088</u>
Total Additions	<u>1,045,163</u>	<u>889,995</u>	<u>2,602,650</u>	<u>1,191,632</u>	<u>1,843,789</u>	<u>1,364,273</u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	92,622	159,525	215,525	217,371	697,011	274,316
Pricing Alternative B	10,582	24,107	82,280	66,410	85,061	49,865
Pricing Alternative C	91,237	97,777	271,806	134,884	304,205	290,175
Pricing Alternative E	10,548	-	13,611	-	33,416	388
Pricing Alternative Z	4,283	13,923	4,636	10,735	11,663	24,937
Total Redemptions	<u>209,272</u>	<u>295,332</u>	<u>587,858</u>	<u>429,400</u>	<u>1,131,356</u>	<u>639,681</u>
Expenses (See Note 3)(a)						
Management Fees	6,956	5,006	12,318	8,996	14,913	13,845
Marketing Fee Pricing Alternative A	2,889	2,103	5,192	3,720	6,640	6,364
Marketing Fee Pricing Alternative B	2,501	1,809	1,696	1,901	4,943	4,604
Marketing Fee Pricing Alternative C	7,725	5,638	14,972	10,847	14,643	13,470
Marketing Fee Pricing Alternative E	254	82	384	155	464	248
Total Expenses	<u>20,325</u>	<u>14,638</u>	<u>34,562</u>	<u>25,619</u>	<u>41,603</u>	<u>38,531</u>
Total Deductions	<u>229,597</u>	<u>309,970</u>	<u>622,420</u>	<u>455,019</u>	<u>1,172,959</u>	<u>678,212</u>
Net Increase	815,566	580,025	1,980,230	736,613	670,830	686,061
Net Assets						
Beginning of Year	1,772,833	1,192,808	3,084,048	2,347,435	4,418,760	3,732,699
End of Year	<u>\$ 2,588,399</u>	<u>\$ 1,772,833</u>	<u>\$ 5,064,278</u>	<u>\$ 3,084,048</u>	<u>\$ 5,089,590</u>	<u>\$ 4,418,760</u>

(a) Does not reflect expense of the underlying funds borne indirectly.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	Mid Cap Growth Portfolio		Focused Equities Portfolio		Growth Equities Portfolio	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 856,279	\$ 267,400	\$ 978,135	\$ 278,692	\$ 412,489	\$ 234,825
Pricing Alternative B	65,736	78,395	51,851	107,634	24,976	22,702
Pricing Alternative C	405,834	181,696	236,397	217,186	226,308	200,631
Pricing Alternative E	44,607	3,233	26,052	2,998	12,692	4,282
Pricing Alternative Z	58,032	13,432	23,128	18,853	7,437	4,310
Total Contributions	<u>1,430,488</u>	<u>544,156</u>	<u>1,315,563</u>	<u>625,363</u>	<u>683,902</u>	<u>466,750</u>
Increase from Investment Operations						
Dividend Income	-	1,910	12,923	17,328	2,037	9,564
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(102)		184,353		(3,571)	
Capital Gain Distributions from Underlying Fund Shares		(165,091)		(124,785)		(48,537)
Net Change in Appreciation (Depreciation) in Value of Investments	2,002,491	958,497	2,003,396	956,752	1,064,322	337,507
Net Increase (Decrease) from Investment Operations	<u>2,002,389</u>	<u>795,316</u>	<u>2,200,672</u>	<u>849,295</u>	<u>1,062,788</u>	<u>298,534</u>
Total Additions	<u>3,432,877</u>	<u>1,339,472</u>	<u>3,516,235</u>	<u>1,474,658</u>	<u>1,746,690</u>	<u>765,284</u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	313,376	185,862	343,820	491,662	185,139	92,736
Pricing Alternative B	645,139	175,328	780,030	139,725	58,152	35,238
Pricing Alternative C	330,885	190,554	532,905	357,714	173,466	102,568
Pricing Alternative E	286	2,343	5,769	-	254	-
Pricing Alternative Z	519	5,236	12,239	6,979	191	4,596
Total Redemptions	<u>1,290,205</u>	<u>559,323</u>	<u>1,674,763</u>	<u>996,080</u>	<u>417,202</u>	<u>235,138</u>
Expenses (See Note 3)(a)						
Management Fees	16,075	12,408	23,893	22,040	10,676	8,424
Marketing Fee Pricing Alternative A	6,691	4,510	9,521	7,900	4,405	3,284
Marketing Fee Pricing Alternative B	9,665	10,564	13,372	15,414	4,639	4,104
Marketing Fee Pricing Alternative C	15,726	12,166	26,871	25,577	11,657	9,512
Marketing Fee Pricing Alternative E	169	39	166	56	77	26
Total Expenses	<u>48,326</u>	<u>39,687</u>	<u>73,823</u>	<u>70,987</u>	<u>31,454</u>	<u>25,350</u>
Total Deductions	<u>1,338,531</u>	<u>599,010</u>	<u>1,748,586</u>	<u>1,067,067</u>	<u>448,656</u>	<u>260,488</u>
Net Increase (Decrease)	2,094,346	740,462	1,767,649	407,591	1,298,034	504,796
Net Assets						
Beginning of Year	4,103,830	3,363,368	6,720,345	6,312,754	2,760,024	2,255,228
End of Year	<u>\$ 6,198,176</u>	<u>\$ 4,103,830</u>	<u>\$ 8,487,994</u>	<u>\$ 6,720,345</u>	<u>\$ 4,058,058</u>	<u>\$ 2,760,024</u>

(a) Does not reflect expense of the underlying funds borne indirectly.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	Large Cap Core Portfolio		Small Cap Value Portfolio		Mid Cap Value Portfolio	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 862,335	\$ 287,277	\$ 300,332	\$ 147,516	\$ 334,375	\$ 241,250
Pricing Alternative B	145,581	79,708	(46,013)	166,858	40,712	71,779
Pricing Alternative C	193,009	209,495	116,561	107,129	226,008	132,856
Pricing Alternative E	13,300	-	30,960	22,407	19,898	5,885
Pricing Alternative Z	27,257	28,185	12,691	21,570	27,880	13,156
Total Contributions	<u>1,241,482</u>	<u>604,665</u>	<u>414,531</u>	<u>465,480</u>	<u>648,873</u>	<u>464,926</u>
Increase from Investment Operations						
Dividend Income	24,688	34,541	9,771	13,623	57,226	26,757
Net Realized Gain (Loss) on Underlying Fund Shares Sold	32,652		824		(56,338)	
Capital Gain Distributions from Underlying Fund Shares		(103,963)		(55,823)		(115,848)
Net Change in Appreciation (Depreciation) in Value of Investments	947,397	375,555	883,727	383,181	1,270,837	727,400
Net Increase (Decrease) from Investment Operations	<u>1,004,737</u>	<u>306,133</u>	<u>894,322</u>	<u>340,981</u>	<u>1,271,725</u>	<u>638,309</u>
Total Additions	<u><u>2,246,219</u></u>	<u><u>910,798</u></u>	<u><u>1,308,853</u></u>	<u><u>806,461</u></u>	<u><u>1,920,598</u></u>	<u><u>1,103,235</u></u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	238,874	199,140	139,452	80,816	376,953	211,893
Pricing Alternative B	620,635	146,036	122,243	39,599	122,616	72,304
Pricing Alternative C	179,345	63,113	152,639	116,763	170,509	168,109
Pricing Alternative E	-	613	903	1,561	5,014	6,517
Pricing Alternative Z	9,597	6,923	17,135	2,765	16,046	4,025
Total Redemptions	<u>1,048,451</u>	<u>415,825</u>	<u>432,372</u>	<u>241,504</u>	<u>691,138</u>	<u>462,848</u>
Expenses (See Note 3)(a)						
Management Fees	12,434	10,741	8,396	6,522	12,586	10,515
Marketing Fee Pricing Alternative A	4,910	3,460	2,965	2,178	4,504	3,851
Marketing Fee Pricing Alternative B	7,195	9,993	5,493	4,575	7,812	6,739
Marketing Fee Pricing Alternative C	13,808	11,407	8,329	6,898	14,367	11,623
Marketing Fee Pricing Alternative E	54	21	577	357	191	115
Total Expenses	<u>38,401</u>	<u>35,622</u>	<u>25,760</u>	<u>20,530</u>	<u>39,460</u>	<u>32,843</u>
Total Deductions	<u><u>1,086,852</u></u>	<u><u>451,447</u></u>	<u><u>458,132</u></u>	<u><u>262,034</u></u>	<u><u>730,598</u></u>	<u><u>495,691</u></u>
Net Increase (Decrease)	1,159,367	459,351	850,721	544,427	1,190,000	607,544
Net Assets						
Beginning of Year	3,460,994	3,001,643	2,267,862	1,723,435	3,444,580	2,837,036
End of Year	<u><u>\$ 4,620,361</u></u>	<u><u>\$ 3,460,994</u></u>	<u><u>\$ 3,118,583</u></u>	<u><u>\$ 2,267,862</u></u>	<u><u>\$ 4,634,580</u></u>	<u><u>\$ 3,444,580</u></u>

(a) Does not reflect expense of the underlying funds borne indirectly.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	Large Cap Value Portfolio		Income Opportunities Portfolio		Intermediate Bond Portfolio	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 1,400,307	\$ 615,054	\$ 798,482	\$ 202,815	\$ 1,061,883	\$ 888,085
Pricing Alternative B	62,467	159,388	102,370	78,163	62,460	252,174
Pricing Alternative C	755,820	428,515	302,905	319,538	1,247,998	1,027,742
Pricing Alternative E	42,270	13,786	52,799	11,375	70,405	30,995
Pricing Alternative Z	25,886	15,948	8,013	15,354	69,757	24,366
Total Contributions	<u>2,286,750</u>	<u>1,232,691</u>	<u>1,264,569</u>	<u>627,245</u>	<u>2,512,503</u>	<u>2,223,362</u>
Increase from Investment Operations						
Dividend Income	148,573	103,425	324,595	286,719	349,200	356,976
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(347,694)		(51,148)		21,830	
Capital Gain Distributions from Underlying Fund Shares		(346,902)		(86,303)		(27,659)
Net Change in Appreciation (Depreciation) in Value of Investments	2,671,975	1,128,134	221,248	514,297	48,770	574,765
Net Increase (Decrease) from Investment Operations	<u>2,472,854</u>	<u>884,657</u>	<u>494,695</u>	<u>714,713</u>	<u>419,800</u>	<u>904,082</u>
Total Additions	<u>4,759,604</u>	<u>2,117,348</u>	<u>1,759,264</u>	<u>1,341,958</u>	<u>2,932,303</u>	<u>3,127,444</u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	859,209	374,058	268,818	182,776	705,307	420,055
Pricing Alternative B	884,573	215,401	376,901	179,764	551,232	150,951
Pricing Alternative C	922,153	448,807	264,773	277,712	1,253,784	687,681
Pricing Alternative E	4,352	-	2,514	500	13,258	2,000
Pricing Alternative Z	100,806	9,012	7,840	9,979	55,632	-
Total Redemptions	<u>2,771,093</u>	<u>1,047,278</u>	<u>920,846</u>	<u>650,731</u>	<u>2,579,213</u>	<u>1,260,687</u>
Expenses (See Note 3)(a)						
Management Fees	31,029	28,566	13,789	11,634	25,357	21,937
Marketing Fee Pricing Alternative A	11,672	9,485	6,731	5,343	9,869	8,452
Marketing Fee Pricing Alternative B	16,885	19,969	7,271	7,978	10,653	11,834
Marketing Fee Pricing Alternative C	37,336	34,722	10,910	9,033	32,488	26,192
Marketing Fee Pricing Alternative E	320	142	294	91	481	261
Total Expenses	<u>97,242</u>	<u>92,884</u>	<u>38,995</u>	<u>34,079</u>	<u>78,848</u>	<u>68,676</u>
Total Deductions	<u>2,868,335</u>	<u>1,140,162</u>	<u>959,841</u>	<u>684,810</u>	<u>2,658,061</u>	<u>1,329,363</u>
Net Increase (Decrease)	1,891,269	977,186	799,423	657,148	274,242	1,798,081
Net Assets						
Beginning of Year	9,018,052	8,040,866	4,082,070	3,424,922	8,200,393	6,402,312
End of Year	<u>\$ 10,909,321</u>	<u>\$ 9,018,052</u>	<u>\$ 4,881,493</u>	<u>\$ 4,082,070</u>	<u>\$ 8,474,635</u>	<u>\$ 8,200,393</u>

(a) Does not reflect expense of the underlying funds borne indirectly.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program
Statement of Changes in Fiduciary Net Assets**

	U.S. Government Mortgage Portfolio		Conservative Portfolio		Total South Carolina's 529 College Savings Financial Advisor Program	
	Year ended June 30, 2011	Year ended June 30, 2010	Year ended June 30, 2011	Year ended June 30, 2010	Year Ended June 30, 2011 (b)	Year Ended June 30, 2010 (b)
ADDITIONS						
Contributions - Units Sold						
Pricing Alternative A	\$ 275,954	\$ 256,863	\$ 17,494,468	\$ 18,095,480	\$ 178,202,380	\$ 128,424,547
Pricing Alternative B	65,390	143,200	1,868,292	2,063,619	38,113,471	45,614,207
Pricing Alternative BX	-	-	-	-	8,612,029	11,509,680
Pricing Alternative C	287,692	310,060	8,760,036	8,373,360	84,149,248	75,691,649
Pricing Alternative CX	-	-	-	-	6,390,964	7,123,598
Pricing Alternative E	22,051	2,833	761,080	650,219	6,440,131	5,967,130
Pricing Alternative Z	5,260	5,702	243,366	382,060	7,304,093	4,950,468
Total Contributions	<u>656,347</u>	<u>718,658</u>	<u>29,127,242</u>	<u>29,564,738</u>	<u>329,212,316</u>	<u>279,281,279</u>
Increase from Investment Operations						
Dividend Income	85,982	84,103	270	-	14,052,087	12,884,648
Interest Income	-	-	1,214,178	1,917,741	1,214,178	1,917,741
Net Realized Gain (Loss) on Underlying Fund Shares Sold	8,657	-	-	-	(2,022,244)	-
Capital Gain Distributions from Underlying Fund Shares	-	(1,330)	-	-	353,651	(21,717,431)
Net Change in Appreciation (Depreciation) in Value of Investments	11,453	105,692	-	-	171,572,738	83,839,240
Net Increase (Decrease) from Investment Operations	<u>106,092</u>	<u>188,465</u>	<u>1,214,448</u>	<u>1,917,741</u>	<u>185,170,410</u>	<u>76,924,198</u>
Total Additions	<u>762,439</u>	<u>907,123</u>	<u>30,341,690</u>	<u>31,482,479</u>	<u>514,382,726</u>	<u>356,205,477</u>
DEDUCTIONS						
Withdrawals - Units Redeemed						
Pricing Alternative A	400,016	358,350	12,592,680	14,777,824	118,245,722	106,454,083
Pricing Alternative B	227,716	49,440	4,249,517	3,128,144	54,718,915	41,007,230
Pricing Alternative BX	-	-	-	-	32,657,321	11,360,948
Pricing Alternative C	293,715	268,942	7,170,446	7,518,256	69,110,890	61,909,178
Pricing Alternative CX	-	-	-	-	8,887,534	9,843,686
Pricing Alternative E	-	-	521,787	406,704	3,411,349	3,443,261
Pricing Alternative Z	41,502	1,940	299,490	340,516	5,065,710	3,543,647
Total Redemptions	<u>962,949</u>	<u>678,672</u>	<u>24,833,920</u>	<u>26,171,444</u>	<u>292,097,441</u>	<u>237,562,033</u>
Reinvestment of Net Investment Income	-	-	687,852	1,415,421	687,852	1,415,421
Expenses (See Note 3)(a)						
Management Fees	8,710	8,699	174,064	161,132	2,810,215	2,416,628
Marketing Fee Pricing Alternative A	4,446	4,722	70,678	60,508	1,106,854	905,286
Marketing Fee Pricing Alternative B	3,208	3,229	82,104	97,925	1,663,209	1,516,956
Marketing Fee Pricing Alternative BX	-	-	-	-	242,331	287,332
Marketing Fee Pricing Alternative C	7,159	6,022	193,511	177,641	2,328,353	1,981,953
Marketing Fee Pricing Alternative CX	-	-	-	-	127,392	128,308
Marketing Fee Pricing Alternative E	255	165	6,239	5,114	78,799	58,037
Total Expenses	<u>23,778</u>	<u>22,837</u>	<u>526,596</u>	<u>502,320</u>	<u>8,357,153</u>	<u>7,294,500</u>
Total Deductions	<u>986,727</u>	<u>701,509</u>	<u>26,048,368</u>	<u>28,089,185</u>	<u>301,142,446</u>	<u>246,271,954</u>
Net Increase	(224,288)	205,614	4,293,322	3,393,294	213,240,280	109,933,523
Net Assets						
Beginning of Year	3,030,839	2,825,225	57,122,153	53,728,859	807,172,269	697,238,746
End of Year	<u>\$ 2,806,551</u>	<u>\$ 3,030,839</u>	<u>\$ 61,415,475</u>	<u>\$ 57,122,153</u>	<u>\$ 1,020,412,549</u>	<u>\$ 807,172,269</u>

(a) Does not reflect expense of the underlying funds borne indirectly.

(b) Supplementary data.

See accompanying notes to financial statements.

FUTURE SCHOLAR 529 COLLEGE SAVINGS PLAN
FINANCIAL ADVISOR PROGRAM
Notes to Financial Statements
June 30, 2011

Note 1. Organization

The Future Scholar 529 College Savings Plan Financial Advisor Program (the “Program”), part of the South Carolina College Investment Trust Fund (the “Trust Fund”), was established by the Office of the State Treasurer of South Carolina (the “Treasurer”) to provide a tax-advantaged method to fund qualified higher education expenses of designated beneficiaries at eligible educational institutions. The Program has been designed to comply with the requirements for treatment as a “qualified tuition program” under Section 529 of the Internal Revenue Code of 1986, as amended (the “Code”). The Treasurer is responsible for administering the Program and selecting the Program Manager. Columbia Management Investment Distributors, Inc., a wholly-owned subsidiary of Ameriprise Financial, Inc. (“Ameriprise Financial”), serves as the Program Manager.

The Financial Advisor Program is designed for account owners seeking advice and guidance from a financial consultant and is available through registered broker-dealers. The Financial Advisor Program consists of 26 portfolios which include six allocation portfolios and 20 single fund portfolios (collectively the “Portfolios”). The allocation portfolios invest in a mix of Columbia Funds equity and fixed income funds advised by Columbia or its affiliates and a money market fund (the “Underlying Funds”). The single fund portfolios invest in a single Underlying Fund advised by Columbia or its affiliates, except for the Conservative Portfolio, which invests in one or more funding agreements or similar instruments. The Allocation Portfolios currently offer seven classes of units: Pricing Alternative A, Pricing Alternative B, Pricing Alternative BX, Pricing Alternative C, Pricing Alternative CX, Pricing Alternative E and Pricing Alternative Z (formerly Primary A Pricing Alternative). Pricing Alternative BX and Pricing Alternative CX are not available to new account owners. The single fund portfolios offer five classes of units: Pricing Alternative A, Pricing Alternative B, Pricing Alternative C, Pricing Alternative E and Pricing Alternative Z (formerly Primary A Pricing Alternative). No new or additional investments will be accepted into the International Value Portfolio.

Pricing Alternative A units are subject to a maximum initial sales charge of 5.75% for purchases of units of all Portfolios except Income Opportunities Portfolio, Intermediate Bond Portfolio, U.S. Government Mortgage Portfolio and Conservative Portfolio. Purchases of units of Income Opportunities Portfolio, Intermediate Bond Portfolio, U.S. Government Mortgage Portfolio and Conservative Portfolio are subject to a maximum initial sales charge of 4.75%, 3.25%, 4.75% and 0.00%, respectively. The initial sales charge decreases as aggregate contributions increase and may be waived for certain purchases. A maximum contingent sales charge of 1% may be charged for redemptions of units not subject to an initial sales charge.

Pricing Alternative B units are not subject to an initial sales charge but are subject a contingent deferred sales charge on amounts withdrawn or rolled over to another Section 529 Program within six years of purchase. The maximum contingent deferred sales charge is 5.00% for units of all Portfolios except Intermediate Bond Portfolio. Intermediate Bond Portfolio is subject to a maximum contingent deferred sales charge of 3.00%. The contingent deferred sales charge decreases based upon the holding period after purchase.

Pricing Alternative C units are not subject to an initial sales charge but are subject a contingent deferred sales charge of 1.00% on amounts withdrawn or rolled over to another Section 529 Program within one year of purchase.

Pricing Alternative E units are not subject to an initial sales charge or a contingent deferred sales charge. Pricing Alternative E is available solely to affiliates of organizations that participate in Future Scholar Group Plans.

Pricing Alternative Z units are not subject to an initial sales charge or a contingent deferred sales charge. Pricing Alternative Z is generally only available to (i) any employee (or family member of an employee) of Bank of America Corporation or its subsidiaries; (ii) account owners seeking advice and guidance from registered investment advisors that are not also registered as broker-dealers; and (iii) employees and retired employees from certain large employers.

Different initial sales charges and contingent deferred sales charges apply to accounts in allocation portfolios opened prior to April 15, 2003. Those accounts are generally subject to lower sales charges so long as the amounts remain in the pricing alternative in which they were invested prior to April 15, 2003. For purposes of financial statement presentation, Pricing Alternative BX units and Pricing Alternative CX units represent those Pricing Alternative B units and Pricing Alternative C units, respectively, subject to the initial sales charge and deferred sales charge in effect for accounts established prior to April 15, 2003.

Pricing Alternative BX units are not subject to an initial sales charge but are subject a contingent deferred sales charge on amounts withdrawn or rolled over to another Section 529 Program within five years of purchase. The maximum contingent deferred sales charge is 2.50% for units of all Portfolios. The contingent deferred sales charge decreases based upon the holding period after purchase.

Pricing Alternative CX units are not subject to an initial sales charge or a contingent deferred sales charge.

The Program consists of 26 Portfolios which were invested in class Z shares of the following underlying mutual funds (or Capital Class shares in the case of BofA Cash Reserves (formerly, Columbia Cash Reserves)) as of June 30, 2011:

Aggressive Growth Portfolio was invested in Columbia Acorn USA, Columbia Marsico Focused Equities Fund, Columbia Mid Cap Growth Fund, Columbia Mid Cap Value Fund, Columbia Small Cap Value Fund II, Columbia Small Cap Growth Fund II, Columbia Large Cap Core Fund, Columbia Large Cap Value Fund, Columbia Select Large-Cap Value Fund, Columbia Acorn International Fund, Columbia Multi-Advisor International Equity and Columbia Dividend Income Fund

Growth Portfolio was invested in Columbia Acorn USA, Columbia Marsico Focused Equities Fund, Columbia Income Opportunities Fund, Columbia Mid Cap Value Fund, Columbia Mid Cap Growth Fund, Columbia Small Cap Value Fund II, Columbia Small Cap Growth Fund II, Columbia Large Cap Core Fund, Columbia Large Cap Value Fund, Columbia Select Large-Cap Value Fund, Columbia Dividend Income Fund, Columbia Intermediate Bond Fund, Columbia Short Term Bond Fund, Columbia Acorn International, Columbia Multi-

Advisor International Equity Fund, BofA Cash Reserves and Columbia U.S. Treasury Index Fund

Balanced Growth Portfolio was invested in Columbia Acorn USA, Columbia Convertible Securities Fund, Columbia Marsico Focused Equities Fund, Columbia Mid Cap Growth Fund, Columbia Mid Cap Value Fund, Columbia Small Cap Value Fund II, Columbia Small Cap Growth Fund II, Columbia Large Cap Core Fund, Columbia Large Cap Value Fund, Columbia Select Large-Cap Value Fund, Columbia Dividend Income Fund, Columbia Intermediate Bond Fund, Columbia Income Opportunities Fund, Columbia Short Term Bond Fund, Columbia Acorn International, Columbia Multi-Advisor International Equity Fund, BofA Cash Reserves and Columbia U.S. Treasury Index Fund

Balanced Portfolio was invested in Columbia Acorn USA, Columbia Convertible Securities Fund, Columbia Marsico Focused Equities Fund, Columbia Mid Cap Growth Fund, Columbia Mid Cap Value Fund, Columbia Small Cap Value Fund II, Columbia Small Cap Growth Fund II, Columbia Large Cap Core Fund, Columbia Large Cap Value Fund, Columbia Select Large-Cap Value Fund, Columbia Dividend Income Fund, Columbia Intermediate Bond Fund, Columbia Income Opportunities Fund, Columbia Short Term Bond Fund, Columbia Acorn International, Columbia Multi-Advisor International Equity and Columbia U.S. Treasury Index Fund

Income & Growth Portfolio was invested in Columbia Acorn USA, Columbia Convertible Securities Fund, Columbia Marsico Focused Equities Fund, Columbia Mid Cap Growth Fund, Columbia Mid Cap Value Fund, Columbia Small Cap Value Fund II, Columbia Small Cap Growth Fund II, Columbia Large Cap Core Fund, Columbia Large Cap Value Fund, Columbia Dividend Opportunity Fund, Columbia Intermediate Bond Fund, Columbia Income Opportunities Fund, Columbia Short Term Bond Fund, Columbia Acorn International, Columbia Multi-Advisor International Equity Fund, BofA Cash Reserves and Columbia U.S. Treasury Index Fund

Income Portfolio was invested in Columbia Marsico Focused Equities Fund, Columbia Mid Cap Growth Fund, Columbia Mid Cap Value Fund, Columbia Large Cap Core Fund, Columbia Large Cap Value Fund, Columbia Dividend Opportunity Fund, Columbia Intermediate Bond Fund, Columbia Income Opportunities Fund, Columbia Short Term Bond Fund, Columbia Acorn International, Columbia Multi-Advisor International Equity Fund, BofA Cash Reserves and Columbia U.S. Treasury Index Fund

International Opportunities Portfolio was invested in Columbia Marsico International Opportunities Fund

Multi-Advisor International Equity Portfolio was invested in Columbia Multi-Advisor International Equity Fund

International Value Portfolio was invested in Columbia International Value Fund

Convertible Securities Portfolio was invested in Columbia Convertible Securities Fund

Small Cap Growth Portfolio was invested in Columbia Small Cap Growth Fund II

Acorn USA Portfolio was invested in Columbia Acorn USA

Acorn Select Portfolio was invested in Columbia Acorn Select

Acorn Portfolio was invested in Columbia Acorn Fund

21st Century Portfolio was invested in Columbia Marsico 21st Century Fund

Mid Cap Growth Portfolio was invested in Columbia Mid Cap Growth Fund

Focused Equities Portfolio was invested in Columbia Marsico Focused Equities Fund

Growth Equities Portfolio was invested in Columbia Marsico Growth Fund

Large Cap Core Portfolio was invested in Columbia Large Cap Core Fund

Small Cap Value Portfolio was invested in Columbia Small Cap Value Fund II

Mid Cap Value Portfolio was invested in Columbia Mid Cap Value Fund

Large Cap Value Portfolio was invested Columbia Large Cap Value Fund

Income Opportunities Portfolio was invested in Columbia Income Opportunities Fund

Intermediate Bond Portfolio was invested in Columbia Intermediate Bond Fund

U.S. Government Mortgage Portfolio was invested in Columbia U.S. Government Mortgage Fund

Conservative Portfolio was invested in an Aegon Guaranteed Investment Contract (“GIC”) and in the Columbia Money Market Fund

Financial statements of the underlying mutual funds in which the Portfolios invest contain additional information about the expenses and investments of the underlying mutual funds and are available from the EDGAR database on the Securities and Exchange Commission website at <http://www.sec.gov>.

These financial statements present only the Future Scholar 529 College Savings Plan Financial Advisor Program, and do not purport to, and do not, present the fiduciary net assets or changes in fiduciary net assets of the Trust Fund, the Future Scholar 529 College Savings Plan Direct Program or the State of South Carolina.

Note 2. Significant Accounting Policies

Basis of Presentation

The Program is a private-purpose trust fund, which is a type of fiduciary fund. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support a government’s own programs. As a fiduciary fund, the Program’s financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United

States of America. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow.

As permitted by Governmental Accounting Standards Board (“GASB”) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Plan has elected not to adopt Financial Accounting Standard Board (“FASB”) statements and interpretations issued after November 30, 1989, unless GASB specifically adopts such FASB statements or interpretations.

In December 2010, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued and is effective for fiscal periods beginning after December 15, 2011. This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. Management is currently evaluating the impact the Statement will have on the financial statements when adopted.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Transactions and Investment Income

Investment transactions are recorded on the trade date. Income dividends and any capital gain distributions received from the underlying mutual funds are recorded on the ex-dividend date. Interest income on the GIC is recorded on the accrual basis. Realized gains and losses on investment transactions are computed based on the specific identification of securities sold. The investment income earned by each account Portfolio is reinvested in additional units of the Portfolio.

Security Valuation

Investments in the underlying mutual funds are valued at their respective net asset values and are determined as of the close of the New York Stock Exchange (generally 4:00 PM Eastern time) on the valuation date. The Plan’s investments represent shares of the underlying mutual funds, rather than individual securities and therefore are not subject to classification by custodial credit risk or disclosure of concentration of credit risk under GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The Conservative Portfolio invests in funding agreements or similar instruments issued by one or more insurance companies. There is a risk that an insurance company could fail to perform its obligations under a funding agreement for financial or other reasons.

Units

The beneficial interests of each account owner and beneficiary in the net assets of the Portfolios are represented by units. Contributions and withdrawals from the Portfolios are subject to terms

and limitations defined in the Participation Agreement and Program Description. Contributions and withdrawals are recorded upon receipt of account owner's instructions, based upon the next determined net asset value per unit. Net asset value per unit is determined each business day. There are no distributions of net investment income or realized gains to the Portfolios' account owners or beneficiaries of the program in accordance with the Code. Also, any earnings on contributions are generally not subject to federal income tax when used to pay for Qualified Higher Education Expenses as defined in the Code.

Determination of Class Net Asset Values

All income, expenses (other than class-specific expenses), and realized and unrealized gains (losses), are allocated to each unit class of the Portfolios on a daily basis, based on the relative net assets of each unit class, for purposes of determining the net asset value of each class of units.

Federal Income Taxes

The Trust Fund intends to qualify each year as a qualified tuition program under the Code, which provides exemption from federal income tax. Under South Carolina State law, the Trust Fund will not pay a South Carolina franchise tax or other tax based on income. Therefore, no provision for federal or state income taxes has been recorded. Amounts withdrawn for reasons other than payment of qualified higher education expenses generally will be subject to a 10% federal tax penalty on earnings in addition to the income tax that is due. These taxes would be payable directly by unitholders and are therefore not deducted from the assets of the Portfolios.

Indemnification

In the normal course of business, the Program enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Program's maximum exposure under these arrangements is unknown because this would involve future claims against the Program. Also, under the Program's organizational documents and by contract, the Program, the Treasurer, the State of South Carolina, Ameriprise Financial and its affiliates and Columbia and its affiliates are indemnified against certain liabilities that may arise out of actions relating to their duties to the Program. However, based on experience, the Program expects the risk of loss due to these representations, warranties and indemnities to be minimal.

Note 3. Related Party Transactions

The Treasurer has entered into a contract for program management services (the "Management Agreement") with the Program Manager pursuant to which the Program Manager provides program management, distribution and investment advisory services to the Portfolios. Under the terms of the Management Agreement, the Program Manager is entitled to receive a management fee, calculated daily and payable monthly, at the maximum annual rate of 0.30% of each Portfolio's average daily net assets. The Treasurer also receives a fee, paid by the Program Manager and not by the Portfolios, in order to cover the costs of administering the Program. The fee is calculated and paid monthly, and is at the annual rate of 0.10% of the average daily net assets of each Portfolio, or \$100,000, whichever is greater.

Under the Management Agreement, Columbia Management Investment Advisers, LLC ("Columbia"), a wholly-owned subsidiary of Ameriprise Financial and an affiliate of the Program Manager, will assist the Program Manager in providing investment services to the Program. The Program Manager pays Columbia out of its management fee.

Transfer agent, legal, audit, printing and other expenses incurred by the Portfolios are paid by the Program Manager out of its management fee.

The Program Manager serves as distributor of the Portfolio's units. For the year ended June 30, 2011, the Program Manager retained net sales charges of \$325,587 and received net CDSC fees of \$193,842 on unit withdrawals.

Marketing Fees

The Program permits the Portfolios to compensate or reimburse servicing agents for shareholder services provided by the servicing agents, as well as compensate or reimburse the distributor and/or selling agents for activities or expenses primarily intended to result in the sale of units. Payments are made at an annual rate, as a percentage of average daily net assets, and are charged as expenses of each Portfolio directly to the units based on the following annual rates: 0.25%, 1.00%, 1.00%, 0.70%, 0.50%, 0.50% and 0.00% for Pricing Alternatives A, B, C, Bx, Cx, E and Z, respectively. For the year ended June 30, 2011, the Program Manager retained marketing fees of \$5,546,938.

Annual Maintenance Fees

Each Account is charged a \$25 annual fee for account maintenance, which is waived under certain circumstances. The account maintenance fee will be assessed annually on or about the anniversary of the date when the account was established and each year thereafter until the account is closed. The fee, which will be assessed against the Portfolio which represents the largest percentage allocation of an account, is reflected in the financial statements as a redemption of Portfolio units.

Note 4. Change in Value of Investments

The following table represents a calculation of the net increase (decrease) in the value of investments during the years ended June 30, 2011 and 2010.

2011 <i>(In thousands)</i>					
Portfolio	Value at End of the Year	Less Cost of Investments Purchased During the Year	Plus Proceeds of Investments Sold During the Year	Less Value at Beginning of the Year	Change in Value of Investments During the Year*
Aggressive Growth Portfolio	\$153,471	\$(36,655)	\$45,467	\$(125,622)	\$36,662
Growth Portfolio	182,472	(33,701)	29,300	(135,834)	42,238
Balanced Growth Portfolio	189,006	(42,992)	40,854	(148,900)	37,968
Balanced Portfolio	197,120	(49,921)	30,677	(150,320)	27,556
Income and Growth Portfolio	80,893	(23,871)	14,470	(64,825)	6,668
Income Portfolio	65,259	(27,321)	16,768	(53,310)	1,395
International Opportunities Portfolio	6,928	(802)	941	(5,458)	1,610
Multi-Advisor International Equity Portfolio	5,325	(656)	781	(4,077)	1,373

International Value Portfolio	268	(97)	239	(310)	101
Convertible Securities Portfolio	2,356	(617)	366	(1,657)	448
Small Cap Growth Portfolio	3,749	(205)	286	(2,614)	1,217
Acorn USA Portfolio	1,268	(143)	70	(826)	369
Acorn Select Portfolio	2,590	(447)	125	(1,774)	494
Acorn Portfolio	5,068	(1,261)	389	(3,086)	1,109
21 st Century Portfolio	5,093	(452)	1,020	(4,421)	1,240
Mid Cap Growth Portfolio	6,202	(551)	458	(4,107)	2,002
Focused Equities Portfolio	8,494	(425)	661	(6,726)	2,003
Growth Equities Portfolio	4,061	(507)	273	(2,762)	1,064
Large Cap Core Portfolio	4,624	(616)	404	(3,464)	947
Small Cap Value Portfolio	3,121	(331)	364	(2,270)	884
Mid Cap Value Portfolio	4,638	(443)	523	(3,447)	1,271
Large Cap Value Portfolio	10,917	(925)	1,705	(9,025)	2,672
Income Opportunities Portfolio	4,859	(1,056)	503	(4,085)	221
Intermediate Bond Portfolio	8,486	(1,401)	1,140	(8,175)	49
U.S. Government Mortgage Portfolio	2,801	(570)	807	(3,027)	11
Conservative Portfolio	61,441	(14,113)	9,773	(57,101)	0
Total*	<u>\$1,020,510</u>	<u>\$(240,079)</u>	<u>\$198,364</u>	<u>\$(807,223)</u>	<u>\$171,573</u>

* Amounts may not total due to rounding

2010 <i>(In thousands)</i>					
Portfolio	Value at End of the Year	Less Cost of Investments Purchased During the Year	Plus Proceeds of Investments Sold During the Year	Less Value at Beginning of the Year	Change in Value of Investments During the Year*
Aggressive Growth Portfolio	\$125,622	\$(22,419)	\$42,631	\$(121,964)	\$23,870
Growth Portfolio	135,834	(21,554)	11,230	(110,667)	14,843
Balanced Growth Portfolio	148,900	(25,831)	20,608	(127,492)	16,185
Balanced Portfolio	150,320	(30,664)	16,474	(123,526)	12,604
Income and Growth Portfolio	64,825	(17,492)	12,207	(54,810)	4,730
Income Portfolio	53,310	(24,508)	17,314	(44,010)	2,106

International Opportunities Portfolio	5,458	(727)	783	(5,064)	450
Multi-Advisor International Equity Portfolio	4,077	(709)	737	(3,889)	216
International Value Portfolio	310	(9)	31	(328)	4
Convertible Securities Portfolio	1,657	(446)	349	(1,312)	248
Small Cap Growth Portfolio	2,614	(246)	512	(2,364)	516
Acorn USA Portfolio	826	(177)	72	(572)	149
Acorn Select Portfolio	1,774	(494)	304	(1,194)	390
Acorn Portfolio	3,086	(470)	343	(2,349)	610
21 st Century Portfolio	4,421	(481)	655	(3,735)	860
Mid Cap Growth Portfolio	4,107	(413)	630	(3,366)	958
Focused Equities Portfolio	6,726	(409)	957	(6,317)	957
Growth Equities Portfolio	2,762	(397)	229	(2,257)	337
Large Cap Core Portfolio	3,464	(512)	428	(3,004)	376
Small Cap Value Portfolio	2,270	(397)	236	(1,725)	384
Mid Cap Value Portfolio	3,447	(299)	419	(2,839)	728
Large Cap Value Portfolio	9,025	(879)	1,018	(8,036)	1,128
Income Opportunities Portfolio	4,085	(728)	578	(3,421)	514
Intermediate Bond Portfolio	8,175	(2,156)	907	(6,352)	574
U.S. Government Mortgage Portfolio	3,027	(730)	596	(2,787)	106
Conservative Portfolio	57,101	(10,007)	6,593	(53,688)	(1)
Total*	\$807,223	\$(163,154)	\$136,841	\$(697,068)	\$83,842

* Amounts may not total due to rounding

Note 5. Disclosure of Significant Risks and Contingencies

Foreign Securities

Certain underlying mutual funds invest in foreign securities. There are certain additional risks involved when investing in foreign securities that are not inherent with investments in domestic securities. These risks may involve foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention of currency exchange or other foreign governmental laws or restrictions. In addition, the liquidity of foreign securities may be more limited than that of domestic securities. The following represents the value at June 30, 2011 of

underlying mutual funds, by Portfolio, which have the majority of their investments exposed to foreign securities.

<u>Portfolio</u>	<u>Underlying fund</u>	<u>Value</u>
Aggressive Growth Portfolio	Columbia Acorn International	\$ 6,054,356
	Columbia Multi-Advisor International Equity Fund	19,902,446
Growth Portfolio	Columbia Acorn International	5,432,689
	Columbia Multi-Advisor International Equity Fund	21,866,961
Balanced Growth Portfolio	Columbia Acorn International	5,607,927
	Columbia Multi-Advisor International Equity Fund	17,021,451
Balanced Portfolio	Columbia Acorn International	3,925,435
	Columbia Multi-Advisor International Equity Fund	11,862,781
Income and Growth Portfolio	Columbia Acorn International	810,868
	Columbia Multi-Advisor International Equity Fund	2,450,397
Income Portfolio	Columbia Acorn International	665,567
	Columbia Multi-Advisor International Equity Fund	671,273
International Value Portfolio	Columbia International Value Fund	268,214
Multi-Advisor International Equity Portfolio	Columbia Multi-Advisor International Equity Fund	5,324,912
International Opportunities Portfolio	Columbia Marsico International Opportunities Fund	6,928,057

Interest Rate and Credit Risk

Certain underlying mutual funds invest in fixed-income securities. Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields and share price fluctuations due to changes in interest rates. The underlying mutual funds in which the Portfolios invest are not rated by any nationally recognized statistical rating organization.

Industry Focus

Certain underlying mutual funds may focus their investments in certain industries, subjecting them to greater risk than a fund that is more diversified.

Non-Payment Risk

Certain underlying mutual funds may invest in Senior Loans, which like other corporate debt obligations are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the underlying fund, a reduction in the value of the Senior Loan experiencing non-payment and a potential decrease in the net asset value of the underlying fund.

Legal Proceedings

In June 2004, an action captioned *John E. Gallus et al. v. American Express Financial Corp. and American Express Financial Advisors Inc.* was filed in the United States District Court for the District of Arizona. The plaintiffs allege that they are investors in several American Express Company mutual funds (branded as Columbia or RiverSource) and they purport to bring the action derivatively on behalf of those funds under the Investment Company Act of 1940. The plaintiffs allege that fees allegedly paid to the defendants by the funds for investment advisory and administrative services are excessive. The plaintiffs seek remedies including restitution and rescission of investment advisory and distribution agreements. The plaintiffs voluntarily agreed to transfer this case to the United States District Court for the District of Minnesota (the District Court). In response to defendants' motion to dismiss the complaint, the District Court dismissed one of plaintiffs' four claims and granted plaintiffs limited discovery. Defendants moved for summary judgment in April 2007. Summary judgment was granted in the defendants' favor on July 9, 2007. The plaintiffs filed a notice of appeal with the Eighth Circuit Court of Appeals (the Eighth Circuit) on August 8, 2007. On April 8, 2009, the Eighth Circuit reversed summary judgment and remanded to the District Court for further proceedings. On August 6, 2009, defendants filed a writ of certiorari with the U.S. Supreme Court (the Supreme Court), asking the Supreme Court to stay the District Court proceedings while the Supreme Court considers and rules in a case captioned *Jones v. Harris Associates*, which involves issues of law similar to those presented in the Gallus case. On March 30, 2010, the Supreme Court issued its ruling in *Jones v. Harris Associates*, and on April 5, 2010, the Supreme Court vacated the Eighth Circuit's decision in the Gallus case and remanded the case to the Eighth Circuit for further consideration in light of the Supreme Court's decision in *Jones v. Harris Associates*. On June 4, 2010, the Eighth Circuit remanded the Gallus case to the District Court for further consideration in light of the Supreme Court's decision in *Jones v. Harris Associates*. On December 9, 2010, the District Court reinstated its July 9, 2007 summary judgment order in favor of the defendants. On January 10, 2011 plaintiffs filed a notice of appeal with the Eighth Circuit. In response to the plaintiffs' opening appellate brief filed on March 18, 2011, the defendants filed a response brief on May 4, 2011 with the Eighth Circuit. The plaintiffs filed a reply brief on May 26, 2011.

In December 2005, without admitting or denying the allegations, American Express Financial Corporation (AEFC, which is now known as Ameriprise Financial, Inc. (Ameriprise Financial)), entered into settlement agreements with the Securities and Exchange Commission (SEC) and Minnesota Department of Commerce (MDOC) related to market timing activities. As a result, AEFC was censured and ordered to cease and desist from committing or causing any violations of certain provisions of the Investment Advisers Act of 1940, the Investment Company Act of 1940, and various Minnesota laws. AEFC agreed to pay disgorgement of \$10 million and civil money penalties of \$7 million. AEFC also agreed to retain an independent distribution consultant to assist in developing a plan for distribution of all disgorgement and civil penalties ordered by

the SEC in accordance with various undertakings detailed at <http://www.sec.gov/litigation/admin/ia-2451.pdf>. Ameriprise Financial and its affiliates have cooperated with the SEC and the MDOC in these legal proceedings, and have made regular reports to the Boards of Directors/Trustees of the Columbia mutual funds.

Ameriprise Financial and certain of its affiliates have historically been involved in a number of legal, arbitration and regulatory proceedings, including routine litigation, class actions, and governmental actions, concerning matters arising in connection with the conduct of their business activities. Ameriprise Financial believes that the Portfolios are not currently the subject of, and that neither Ameriprise Financial nor any of its affiliates are the subject of, any pending legal, arbitration or regulatory proceedings that are likely to have a material adverse effect on the Portfolios or the ability of Ameriprise Financial or its affiliates to perform under their contracts with the Portfolios. Ameriprise Financial is required to make 10-Q, 10-K and, as necessary, 8-K filings with the Securities and Exchange Commission on legal and regulatory matters that relate to Ameriprise Financial and its affiliates. Copies of these filings may be obtained by accessing the SEC website at www.sec.gov.

There can be no assurance that these matters, or the adverse publicity associated with them, will not result in increased fund redemptions, reduced sale of fund shares or other adverse consequences to the Portfolios. Further, although we believe proceedings are not likely to have a material adverse effect on the Portfolios or the ability of Ameriprise Financial or its affiliates to perform under their contracts with the Portfolios, these proceedings are subject to uncertainties and, as such, we are unable to estimate the possible loss or range of loss that may result. An adverse outcome in one or more of these proceedings could result in adverse judgments, settlements, fines, penalties or other relief that could have a material adverse effect on the consolidated financial condition or results of operations of Ameriprise Financial.