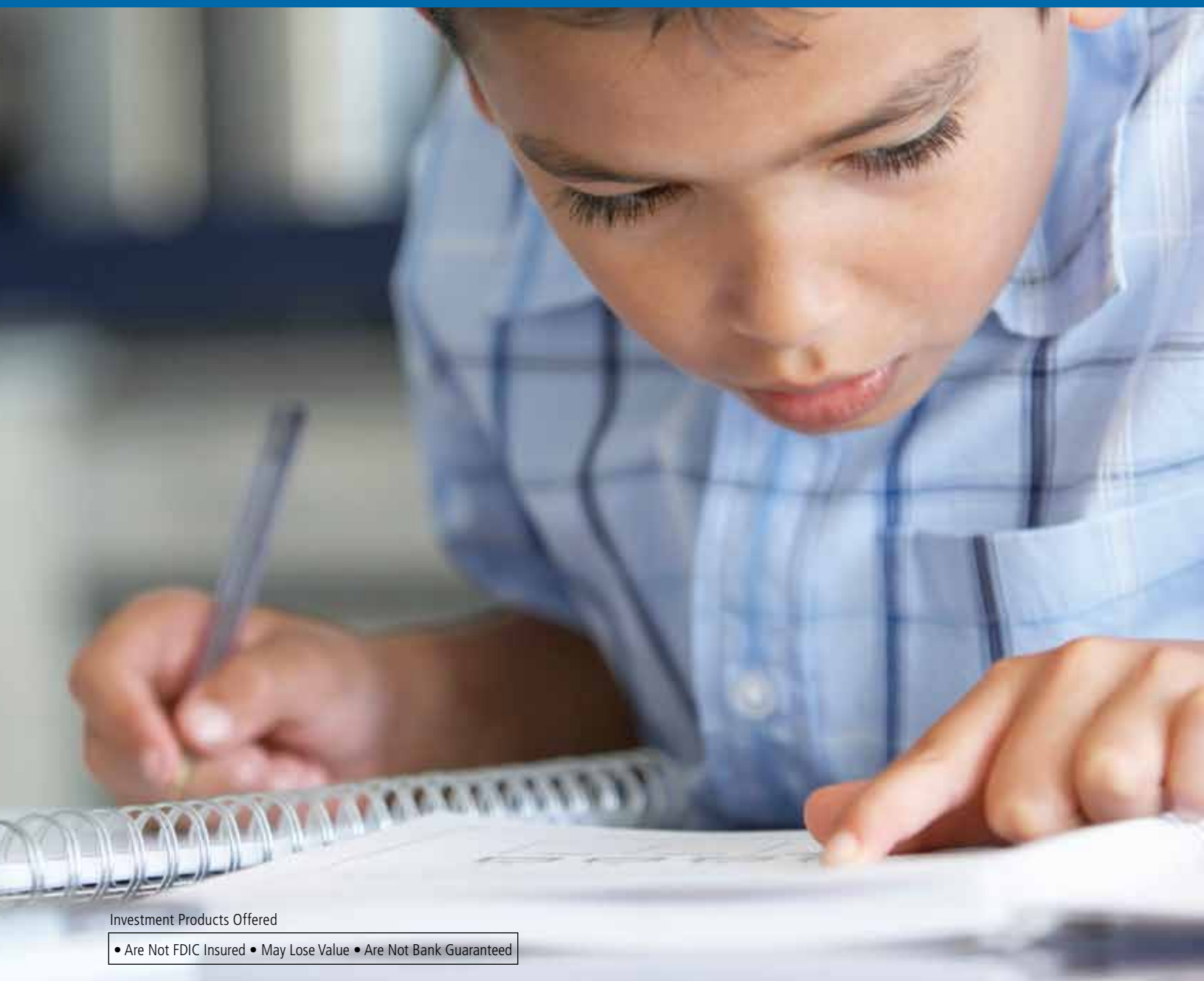


CollegeBoundfund®

Saving for College in 3 Simple Steps

A Flexible Tax-Advantaged Section 529 Plan for Rhode Island Residents



Investment Products Offered

• Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed



What's Inside:

3 simple steps to save for college

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Step 1: Determine How Much

A college education is more essential than ever in today’s competitive world. Families headed by a four-year college graduate make twice as much as a family headed by a high school graduate.¹ Although funding a higher education can seem overwhelming, you can help your loved one get a head start even if you don’t cover all expenses. What is most important is to get started now.

Establishing a Goal

How much will a college education for your child cost—and how much will you choose to invest? The table shown here can help you determine how much you’ll need. First, find your child’s age today in the left column. Then, look across to the right and find the estimated cost of four years of either public or private college—and how much you may need to invest each month to reach that goal.

Don’t be discouraged if you’re starting late or you can’t save all you want. Helping a loved one pay for a year of college—or even books and supplies—will help him or her get a head start in life.

Projected college costs include average tuition, fees and room and board for in-state students at public and private four-year colleges and universities. Actual costs for different schools and degrees vary considerably.

The estimated monthly investment assumes a 6% annual rate of return in a diversified portfolio, with contributions made at the beginning of each month.

This hypothetical projection also assumes that contributions and growth of the investment stop when the child reaches age 18. You may, however, continue investing well beyond the child’s first day of college. The estimates shown are hypothetical, for illustrative purposes only, and do not represent the performance of any specific investment, including any CollegeBoundfund portfolio.

Planning to Meet the Cost of College¹

Child's Age Today	4 Years of Public School		4 Years of Private School	
	Projected College Cost ²	Estimated Monthly Investment	Projected College Cost ²	Estimated Monthly Investment
17	\$69,565	\$5,611	\$159,444	\$12,861
16	\$73,044	\$2,858	\$167,417	\$6,550
15	\$76,696	\$1,940	\$175,788	\$4,447
14	\$80,531	\$1,481	\$184,577	\$3,395
13	\$84,557	\$1,206	\$193,806	\$2,764
12	\$88,785	\$1,022	\$203,496	\$2,343
11	\$93,224	\$891	\$213,671	\$2,043
10	\$97,886	\$793	\$224,354	\$1,817
9	\$102,780	\$716	\$235,572	\$1,642
8	\$107,919	\$655	\$247,351	\$1,502
7	\$113,315	\$605	\$259,718	\$1,387
6	\$118,980	\$563	\$272,704	\$1,291
5	\$124,929	\$528	\$286,339	\$1,210
4	\$131,176	\$498	\$300,656	\$1,141
3	\$137,735	\$471	\$315,689	\$1,080
2	\$144,622	\$448	\$331,474	\$1,027
1	\$151,853	\$428	\$348,047	\$980
Newborn	\$159,445	\$410	\$365,450	\$939

¹ College Board, “Trends in College Pricing, 2010” and AllianceBernstein.

² Estimates assume a 5% annual increase in costs. Projected college costs are based on the average college cost for the 2010–2011 academic year and include tuition, fees, room and board.

A Little Goes a Long Way

As you build up savings to pay for college expenses, even small contributions can go a long way. For example, over the course of 15 years, contributing an additional \$50 per month—roughly the cost of a family restaurant

dinner—could provide a child with an additional \$15,000 in college savings. That’s typically enough to fund almost two years of room and board at a public school.¹

Assessing Skills and Interests Helps, Too

The Rhode Island Higher Education Assistance Authority offers a versatile web resource for parents, children and educators. It’s designed to help guide college-savings goals, and it allows you to research a wide range of career and college planning topics.

As you discover more about your child’s interests, dreams and talents, you may consider adjusting his or her college-savings plan. This website provides tools and tips that can guide your decisions.

WaytogoRI.org helps connect your child’s interests with real-world professions through tools tailored to students of all ages...from K through 12.



Next Step:

Once you’ve set your college savings goal, it’s time to discover the benefits of *CollegeBoundfund*.

¹ College Board, “Trends in College Pricing, 2010, 2009.”

Step 2: Discover CollegeBoundfund's Benefits

CollegeBoundfund has many benefits to help you save for your child's higher education. CollegeBoundfund offers you a tax-advantaged investing opportunity with other flexible features that can make investing easy for you. The plan also offers special benefits just for Rhode Island residents.

Your Choice of Higher Education Institutions

CollegeBoundfund assets can cover qualified expenses at any accredited institution of higher education in the US, as well as many foreign institutions—including undergraduate and graduate schools, community colleges and vocational-technical schools.

Qualified expenses include tuition, fees, room and board, books and other supplies required to attend an institution of higher education. A 10% federally mandated penalty or additional tax applies to earnings you withdraw for non-qualified expenses. Please see the Program Description for more information.

Low Investment Minimums

You can open an account with as little as \$250 and make subsequent investments with as little as \$50.

High Ceilings on Contributions

You can contribute to your account until the total value of all CollegeBoundfund accounts for a beneficiary equals \$395,000. The earnings can still grow beyond this limit.

Others Can Help Contribute

You don't have to undertake the journey of saving for college alone. Unlike other college savings vehicles, such as the Coverdell Education Savings Account, CollegeBoundfund has no restrictions on who can contribute. Parents, grandparents, aunts, uncles... even friends can all contribute.

And, our new online gifting tool makes it easy for you to invite friends and family to contribute. Visit www.collegeboundfund.com/gifting.

You Choose, or Change, Your Beneficiary

As the participant, you can select anyone as the account beneficiary—and you can change that designation at any time to another member of the prior beneficiary's family, including siblings, parents, cousins or even yourself!

Free from Federal Income Taxes

Investment growth of your assets is free of federal income tax, as are withdrawals used for qualified higher education expenses. The availability of such tax or other benefits may be conditioned on meeting certain requirements.

Dollar-Cost-Averaging

You can implement a dollar-cost-averaging strategy that entails investing regularly to or from any investment option within the plan. This gives you an efficient way to shift from one investment strategy to another and possibly avoid one of the emotional aspects of investing—buying high and selling low.¹

Special Gift and Estate Tax Treatment

Contributions are considered completed gifts and are excludable from one's taxable estate for federal estate tax purposes. Contributors can also take advantage of the annual \$13,000 gifting limit by contributing \$65,000 in the first year of a five-year period (a married couple can contribute \$130,000) without gift tax consequences.

You should consult with your tax advisor or accountant to determine your individual tax situation.

Experienced Investment Management

AllianceBernstein Investments has over four decades of expertise and experience in managing investment disciplines, including growth, value and fixed income.

¹ Dollar-cost-averaging does not assure a profit or protect against loss in a declining market.

Exclusive Benefits for Rhode Island Residents

State Income Tax Deduction

As a Rhode Island taxpayer you may qualify to receive a state income tax deduction for your contributions—up to \$1,000 for married couples filing jointly and \$500 for individual filers with an unlimited carryforward. If you make a non-qualified withdrawal or a transfer/rollover to another state's program within two years after the deduction is taken, the amount of the deduction is "recaptured" and must be included in your Rhode Island income.

Matching Grant

You may also be eligible for a CollegeBoundfund Matching Grant. If you earn less than \$72,000 per year, you may qualify for a matching grant of \$2 for every \$1 you invest in your CollegeBoundfund account. If you earn between \$72,000 and \$87,000, you may qualify for a grant of \$1 for every \$1 you invest.¹ For more information on the Matching Grant Program, visit the Rhode Island Higher Education Assistance Authority at www.riheaa.org.

Lower Fees and No Annual Account Maintenance Fee

Our program is competitively priced and the fees of our popular Age-Based Portfolios are among the lowest in the nation. We're also waiving the \$25 annual account maintenance fee. See the Program Description for more information.

CollegeBoundbaby Program—Receive a \$100 Contribution!

Every baby born to or adopted by a Rhode Island resident family on or after July 1, 2010 is eligible for a one-time \$100 contribution to a CollegeBoundfund account established for his or her benefit within one year of birth or adoption. Visit www.collegeboundbaby.com to learn more.



Now that you've discovered the benefits, it's time to choose an investment strategy that meets your needs.

¹ Matching grants are subject to the availability of funds.

Investment Options

CollegeBoundfund offers you a wide variety of investment options, including three Age-Based Portfolios, three Fixed Allocation Portfolios and an array of individual portfolios, including a Stable Value Portfolio.

Portfolios That Adjust as College Gets Closer

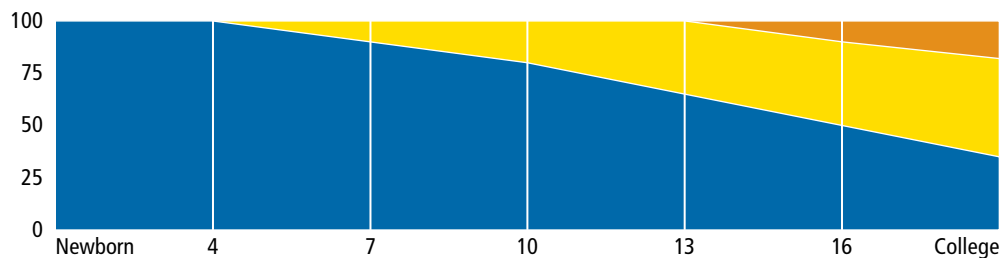
CollegeBoundfund's Age-Based Portfolios adjust as the child nears college age to balance investment risks and returns. For a younger child, the Portfolio invests more heavily in stocks. As the child nears college age, the asset allocation gradually becomes more conservative, helping participants prepare for distributions to pay for college costs.

Portfolios That Carefully Navigate Difficult Markets

Age-Based Portfolios include a Volatility Management portfolio, which is designed to reduce the overall portfolio volatility and equity exposure, particularly in extreme market environments. This can help lessen the stress of bumpy markets on your portfolio...and you, helping you stick to your long-term investment strategy.

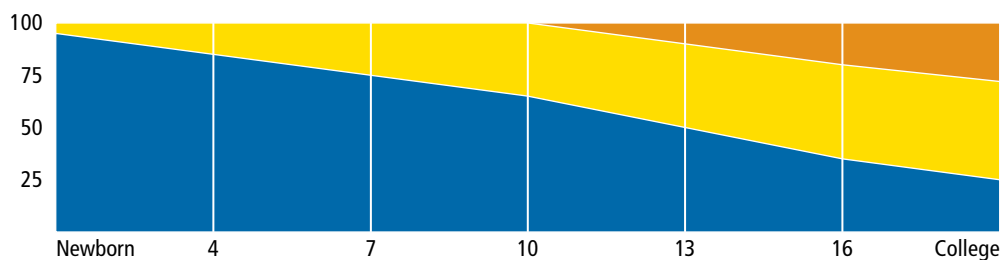
Age-Based Aggressive Growth¹

For investors who seek a higher return over time and who have a higher risk tolerance.



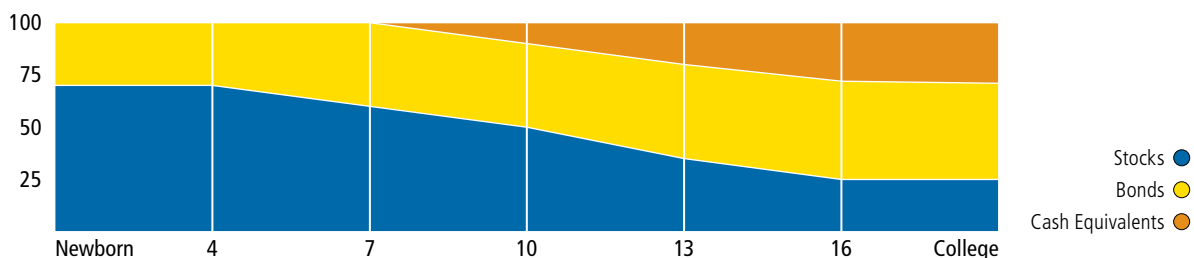
Age-Based Moderate Growth²

For investors who seek a balance of return potential and risk management.



Age-Based Conservative Growth

For investors who seek a lower level of risk and are comfortable with lower return potential, especially just before and during college years.



¹ Prior to September 16, 2011, the Portfolio was named the Age-Based Aggressive Portfolio.

² Prior to September 16, 2011, the Portfolio was named the Age-Based Portfolio.

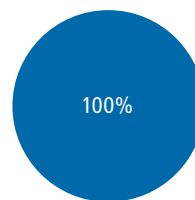
Portfolios with a Fixed Allocation

CollegeBound*fund* also offers three Fixed Allocation Portfolios, representing different blends of stocks and bonds. Unlike the Age-Based Portfolios, the asset allocation doesn't change much over time. Like the Age-Based Portfolios, the Balanced and Conservative Portfolios also include the Volatility Management

Portfolio, which may further reduce the Portfolios' equity exposure in extreme market environments. This can help lessen the stress of bumpy markets on your portfolio...and you, helping you stick to your long-term investment strategy. You can choose the Portfolio with the risk/return balance that's right for you.

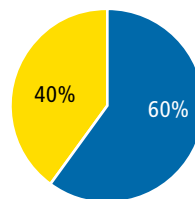
Appreciation Portfolio

The Appreciation Portfolio invests entirely in stocks—it's designed for those who prefer to take a more aggressive approach to investing. The potential for higher returns is greater, but so is the potential for higher volatility.



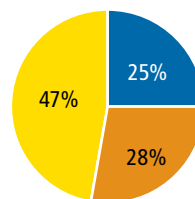
Balanced Portfolio

The Balanced Portfolio targets a mix of 60% stocks and 40% bonds. The goal of the Balanced Portfolio is to provide investors a balance between safety of principal and growth opportunity.



Conservative Portfolio

This more conservative alternative targets a mix of 75% bonds and cash equivalents—and 25% in stocks. It's designed for investors who are more risk averse and want a more conservative investment strategy.



Stocks ●
Bonds ●
Cash Equivalents ●

Individual Portfolio Options

You can also create a specialized investment strategy from our individual portfolio options.

Growth

- AllianceBernstein Large Cap Growth Portfolio
- AllianceBernstein Small/Mid Cap Growth Portfolio
- AllianceBernstein Small Cap Growth Portfolio
- AllianceBernstein Global Thematic Growth Portfolio

Value

- AllianceBernstein Growth and Income Portfolio
- AllianceBernstein Value Portfolio
- AllianceBernstein International Value Portfolio
- AllianceBernstein Small/Mid Cap Value Portfolio

Fixed Income

- AllianceBernstein Intermediate Bond Portfolio

Index¹

- Vanguard Total Stock Market Index Portfolio
- Vanguard Total International Stock Index Portfolio
- Vanguard Total Bond Market Index Portfolio

Stable Value Portfolio

- Principal-Protection Income Portfolio

The Principal-Protection Income Portfolio is a conservative, stable-value option. It primarily invests in a diversified portfolio of fixed-income securities and money market instruments protected from fluctuations in value typically associated with bond funds. The objective of this portfolio is to generate higher returns than most money market funds.

The Principal-Protection Income Portfolio does not guarantee any particular rate of return. The Portfolio seeks to minimize fluctuations in the value of its investments by entering into contracts, known as wrapper agreements, with financial institutions such as banks and insurance companies. However, these wrapper agreements are subject to certain risks and do not guarantee any participant's investment in the Portfolio. Although the Portfolio seeks to preserve the value of your investment, it is possible, under certain circumstances, to lose money by investing in this Portfolio. While approximately 90% of the Portfolio's assets are invested in "wrapped" fixed-income securities, approximately 10% will be invested in money market securities, whose value is not protected by the insurance wrapper. Please see the Program Description for more information.



Next Step:

Once you've selected an investment strategy and vehicle, you're ready to enroll.

¹ Available only to Rhode Island accounts investing without a financial advisor.

Step 3: Enroll Today

It's simple to make CollegeBound*fund* part of your investing strategy—whether you're just beginning to invest or supplementing existing savings earmarked for college.

Open an Account

There are three ways you can easily establish an account:

- Work with a financial advisor. If you don't have a financial adviser, please call us at 888.324.5057 for assistance with locating one in your area.
- Enroll yourself online at www.collegeboundfund.com/ri.
- Complete the enclosed application and return it in the postage-paid envelope.

Don't Forget:

- Read the CollegeBound*fund* Program Description before investing.
- Simplify your life and sign up for eDelivery. We'll send you e-mail notifications when your quarterly statements, annual reports and Program Description are ready for viewing.

Contribute to Your Account Regularly

Establish an Automatic Contribution Plan:

For most families, the key to funding a higher education is to start saving early and to save regularly. An automatic contribution plan will help you make consistent investments over time.

Consolidate Your College Savings:

If you have an existing 529 account with another state or an UGMA/UTMA, you can transfer those assets to CollegeBound*fund* to easily track your savings goals. If you have more than one beneficiary, you'll need a separate account application for each.

Ask Friends and Family to Contribute:

CollegeBound*fund's* online gifting tool makes it fast and simple to let friends and family know they're able to contribute to your child's CollegeBound*fund* account.

Manage Your Account:

Our website includes a wealth of resources to help you manage your CollegeBound*fund* account. You can:

- Access your account
- Utilize our online gifting tool
- Download forms and literature
- Review investment performance
- Find the answers to frequently asked questions

For more information, speak to a CollegeBound*fund* representative at 888.324.5057.

Monday Friday, 8:30 a.m.—7:00 p.m. ET or visit us online at www.collegeboundfund.com/ri



A Word About Risk

Market Risk: The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value.

Foreign (Non-US) Risk: Investing in non-US securities may be more volatile because of political, regulatory, market and economic uncertainties associated with such securities. These risks are magnified in securities of emerging or developing markets.

Interest Rate Risk: As interest rates rise, bond prices fall and vice versa—long-term securities tend to rise and fall more than short-term securities.

Capitalization Size Risk (Small/Mid): Small- and mid-cap stocks are often more volatile than large-cap stocks—smaller companies generally face higher risks due to their limited product lines, markets and financial resources.

Currency Risk: If a non-US security's trading currency weakens versus the US dollar, its value may be negatively affected when translated back into US dollar terms.

Derivatives Risk: Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments and may be more volatile, especially in a down market.

Investors should consider the investment objectives, risks, charges and expenses of CollegeBoundfund carefully before investing. For a free copy of the Program Description, which contains this and other information, visit our website at www.collegeboundfund.com/ri, or call your financial representative or AllianceBernstein Investments at 888.324.5057. Please read the Program Description carefully before you invest.

If you are not a Rhode Island resident or if you have taxable income in another state, please note that, depending on the laws of your or your beneficiary's home state, favorable state tax treatment or other benefits offered by such home state for investing in 529 college savings plans may be available only for investments in the home state's 529 plan. Any state-based benefit offered with respect to this plan should be one of many appropriately weighted factors to be considered before making an investment decision. Please consult your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or another state's 529 plan to learn more about its features, benefits and limitations before investing. Statements in this material concerning taxation are not offered as individual tax advice.

The investments in CollegeBoundfund are not guaranteed by the State of Rhode Island, the Rhode Island Higher Education Assistance Authority (which established and implemented CollegeBoundfund and makes rules and regulations governing the program), the Rhode Island State Investment Commission (which oversees the investments of the assets of CollegeBoundfund), the Federal Deposit Insurance Corporation (FDIC) or any instrumentality thereof. CollegeBoundfund is managed by AllianceBernstein L.P. and distributed by AllianceBernstein Investments, member FINRA.

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