

**Future Scholar**  
**529 College Savings Plan**  
**Financial Advisor Program**

Financial Statements

June 30, 2012

# Table of Contents

	<b>Page</b>
<b>Management's Discussion and Analysis</b>	<b>1 - 2</b>
<b>Report of Independent Auditors</b>	<b>3 - 4</b>
<b>Statement of Fiduciary Net Assets</b>	<b>5 - 9</b>
<b>Statement of Changes in Fiduciary Net Assets</b>	<b>10 - 18</b>
<b>Notes to Financial Statements</b>	<b>19 - 29</b>

## **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 period ended June 30, 2012. 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.

In October 2012, the Future Scholar 529 College Savings Plan will undergo a fully integrated relaunch of the Program. As a result of the contract renewal process, there may be changes to the product offering and the services and fees for the Program.

## **Financial Highlights**

The Program had an inflow of \$25.4 million in net contributions from participants during the period ended June 30, 2012.

The Program had a loss of \$5.4 million from investment operations and paid \$8.5 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, 2012. The Program's financial statements are 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.

## Management's Discussion and Analysis, continued (unaudited)

### Financial Analysis

**Net Assets.** The following is a condensed Statement of Fiduciary Net Assets for the Portfolios as of June 30, 2012 and June 30, 2011.

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Investments	\$1,031,402,581	\$1,020,510,498
Receivables	<u>2,665,601</u>	<u>1,070,761</u>
<b>Total Assets</b>	<b><u>\$1,034,068,182</u></b>	<b><u>\$1,021,581,259</u></b>
Payables	<u>2,574,479</u>	<u>1,168,710</u>
<b>Total Liabilities</b>	<b><u>\$ 2,574,479</u></b>	<b><u>\$ 1,168,710</u></b>
<b>Total Net Assets</b>	<b><u>\$1,031,493,703</u></b>	<b><u>\$1,020,412,549</u></b>

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

The investments in the 26 Portfolios of the Program comprise 99.7% 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 units redeemed, 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 year ended June 30, 2012 and the year ended June 30, 2011.

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Additions:		
Contributions	\$351,402,763	\$329,212,316
Net Appreciation (Depreciation) in Value of Investments	(51,491,386)	171,572,738
Net Realized Gain (Loss) on Underlying Fund Shares Sold	22,909,688	(2,022,244)
Capital Gains Distributions from Underlying Fund Shares	7,593,783	353,651
Dividend and Interest Income	<u>15,551,876</u>	<u>15,266,265</u>
<b>Total Additions</b>	<b><u>\$345,966,724</u></b>	<b><u>\$514,382,726</u></b>
Deductions:		
Withdrawals	326,050,545	292,097,441
Reinvestment of Net Investment Income	359,537	687,852
Expenses	<u>8,475,488</u>	<u>8,357,153</u>
<b>Total Deductions</b>	<b><u>\$334,885,570</u></b>	<b><u>\$301,142,446</u></b>
<b>Change in Net Assets</b>	<b><u>11,081,154</u></b>	<b><u>213,240,280</u></b>
Net Assets, Beginning of Period	<u>1,020,412,549</u>	<u>807,172,269</u>
<b>Net Assets, End of Period</b>	<b><u>\$1,031,493,703</u></b>	<b><u>\$1,020,412,549</u></b>



## Report of Independent Auditors

To the Office of the State Treasurer of the State of South Carolina, Columbia Management Investment Distributors, Inc. ("Program Manager"), Columbia Management Investment Advisers, LLC ("Columbia") and Participants in the Future Scholar 529 College Savings Plan Financial Advisor Program ("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 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") as of June 30, 2012, and the changes in each of their net assets for each of the periods indicated 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 audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 audit provides a reasonable basis for our opinion.

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 or the Future Scholar 529 College Savings Plan Direct Program.

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.



In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2012 on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, 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 audit.

*PricewaterhouseCoopers LLP*

September 26, 2012

**Future Scholar 529 College Savings Plan Financial Advisor Program**  
**Statement of Fiduciary Net Assets**  
**At June 30, 2012**

	<b>Aggressive Growth Portfolio</b>	<b>Growth Portfolio</b>	<b>Balanced Growth Portfolio</b>	<b>Balanced Portfolio</b>	<b>Income &amp; Growth Portfolio</b>	<b>Income Portfolio</b>
<b>Assets</b>						
Investments, at Value	\$ 136,315,612	\$ 172,581,417	\$ 192,767,289	\$ 205,843,189	\$ 93,895,779	\$ 75,083,706
Receivable for Securities Sold	152,711	228,445	223,290	240,104	112,582	81,924
Receivable for Units Sold	64,551	61,658	55,436	68,843	63,152	48,248
Receivable for Accrued Income	8,063	104,616	227,251	276,510	151,551	111,479
Total Assets	<u>136,540,937</u>	<u>172,976,136</u>	<u>193,273,266</u>	<u>206,428,646</u>	<u>94,223,064</u>	<u>75,325,357</u>
<b>Liabilities</b>						
Payable for Securities Purchased	47,726	104,616	257,601	335,256	160,811	137,783
Payable for Units Redeemed	6,651	41,316	19,879	7,159	52,201	11,221
Payable for Reinvestment of Net Investment Income	-	-	-	-	-	-
Payable for Accrued Expenses (See Note 3)	152,911	201,796	223,290	241,504	112,582	92,334
Total Liabilities	<u>207,288</u>	<u>347,728</u>	<u>500,770</u>	<u>583,919</u>	<u>325,594</u>	<u>241,338</u>
<b>Net Assets</b>	<u>\$ 136,333,649</u>	<u>\$ 172,628,408</u>	<u>\$ 192,772,496</u>	<u>\$ 205,844,727</u>	<u>\$ 93,897,470</u>	<u>\$ 75,084,019</u>
<b>Supplementary Data:</b>						
<b>Pricing Alternative A</b>						
Net Assets	\$ 81,001,774	\$ 93,719,867	\$ 108,288,159	\$ 109,174,711	\$ 47,396,821	\$ 32,385,515
Units Outstanding	5,679,804	6,391,796	6,995,932	6,971,329	3,180,529	2,371,306
Net Asset Value Per Unit (a) (c)	\$ 14.26	\$ 14.66	\$ 15.48	\$ 15.66	\$ 14.90	\$ 13.66
Maximum Initial Sales Charge	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Maximum Offering Price Per Unit (b)	\$ 15.13	\$ 15.55	\$ 16.42	\$ 16.62	\$ 15.81	\$ 14.49
<b>Pricing Alternative B</b>						
Net Assets	\$ 17,159,932	\$ 29,626,105	\$ 24,506,079	\$ 24,445,630	\$ 9,702,914	\$ 5,430,851
Units Outstanding	957,729	1,677,361	1,418,769	1,533,133	668,951	426,080
Net Asset Value Per Unit (a) (c)	\$ 17.92	\$ 17.66	\$ 17.27	\$ 15.94	\$ 14.50	\$ 12.75
<b>Pricing Alternative BX</b>						
Net Assets	\$ 1,227,790	\$ 1,590,029	\$ 5,326,889	\$ 4,902,324	\$ 2,505,849	\$ 1,752,138
Units Outstanding	87,530	113,115	353,927	317,408	172,333	133,120
Net Asset Value Per Unit (a) (c)	\$ 14.03	\$ 14.06	\$ 15.05	\$ 15.44	\$ 14.54	\$ 13.16
<b>Pricing Alternative C</b>						
Net Assets	\$ 26,701,932	\$ 37,507,268	\$ 43,935,556	\$ 51,955,929	\$ 28,964,143	\$ 26,972,849
Units Outstanding	1,522,136	2,177,604	2,554,572	3,213,522	1,993,793	2,106,913
Net Asset Value Per Unit (a) (c)	\$ 17.54	\$ 17.22	\$ 17.20	\$ 16.17	\$ 14.53	\$ 12.80
<b>Pricing Alternative CX</b>						
Net Assets	\$ 987,659	\$ 2,014,550	\$ 4,324,656	\$ 6,274,829	\$ 3,012,773	\$ 5,889,250
Units Outstanding	71,971	140,264	287,400	411,542	207,648	442,939
Net Asset Value Per Unit (c)	\$ 13.72	\$ 14.36	\$ 15.05	\$ 15.25	\$ 14.51	\$ 13.30
<b>Pricing Alternative E</b>						
Net Assets	\$ 3,335,612	\$ 3,881,412	\$ 3,813,103	\$ 4,824,127	\$ 1,112,940	\$ 1,481,810
Units Outstanding	179,803	210,561	208,357	277,592	72,636	109,014
Net Asset Value Per Unit (a) (c)	\$ 18.55	\$ 18.43	\$ 18.30	\$ 17.38	\$ 15.32	\$ 13.59
<b>Pricing Alternative Z</b>						
Net Assets	\$ 5,918,950	\$ 4,289,177	\$ 2,578,054	\$ 4,267,177	\$ 1,202,030	\$ 1,171,606
Units Outstanding	312,701	233,979	132,995	237,463	74,818	84,954
Net Asset Value, Offering and Redemption Price Per Unit (c)	\$ 18.93	\$ 18.33	\$ 19.38	\$ 17.97	\$ 16.07	\$ 13.79

(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, 2012**

	International Opportunities Portfolio	Multi-Advisor International Equity Portfolio	International Value Portfolio	Convertible Securities Portfolio	Small Cap Growth Portfolio	Acorn USA Portfolio
<b>Assets</b>						
Investments, at Value	\$ 6,055,839	\$ 4,407,272	\$ 186,833	\$ 2,102,186	\$ 3,322,608	\$ 1,241,271
Receivable for Securities Sold	9,146	5,284	212	2,502	3,740	1,395
Receivable for Units Sold	488	448	-	80	397	5
Receivable for Accrued Income	428	-	-	145	460	-
<b>Total Assets</b>	<b>6,065,901</b>	<b>4,413,004</b>	<b>187,045</b>	<b>2,104,913</b>	<b>3,327,205</b>	<b>1,242,671</b>
<b>Liabilities</b>						
Payable for Securities Purchased	331	448	-	80	211	5
Payable for Units Redeemed	2,101	-	-	-	-	-
Payable for Reinvestment of Net Investment Income	-	-	-	-	-	-
Payable for Accrued Expenses (See Note 3)	7,045	5,284	212	2,502	3,740	1,534
<b>Total Liabilities</b>	<b>9,477</b>	<b>5,732</b>	<b>212</b>	<b>2,582</b>	<b>3,951</b>	<b>1,539</b>
<b>Net Assets</b>	<b>\$ 6,056,424</b>	<b>\$ 4,407,272</b>	<b>\$ 186,833</b>	<b>\$ 2,102,331</b>	<b>\$ 3,323,254</b>	<b>\$ 1,241,132</b>
<b>Supplementary Data:</b>						
<b>Pricing Alternative A</b>						
Net Assets	\$ 3,163,238	\$ 2,165,357	\$ 120,573	\$ 1,098,579	\$ 2,043,470	\$ 557,687
Units Outstanding	188,513	151,249	7,678	66,185	144,525	44,977
Net Asset Value Per Unit (a) (c)	\$ 16.78	\$ 14.32	\$ 15.70	\$ 16.60	\$ 14.14	\$ 12.40
Maximum Initial Sales Charge	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Maximum Offering Price Per Unit (b)	\$ 17.80	\$ 15.19	\$ 16.66	\$ 17.61	\$ 15.00	\$ 13.16
<b>Pricing Alternative B</b>						
Net Assets	\$ 403,337	\$ 290,713	\$ -	\$ 154,676	\$ 197,828	\$ 88,519
Units Outstanding	25,400	21,758	-	9,889	15,667	7,782
Net Asset Value Per Unit (a) (c)	\$ 15.88	\$ 13.36	\$ -	\$ 15.64	\$ 12.63	\$ 11.38
<b>Pricing Alternative C</b>						
Net Assets	\$ 1,865,906	\$ 1,611,823	\$ 66,260	\$ 744,006	\$ 1,000,576	\$ 359,645
Units Outstanding	119,048	116,843	4,532	48,095	77,911	30,823
Net Asset Value Per Unit (a) (c)	\$ 15.67	\$ 13.79	\$ 14.62	\$ 15.47	\$ 12.84	\$ 11.67
<b>Pricing Alternative E</b>						
Net Assets	\$ 72,926	\$ 146,074	\$ -	\$ 81,329	\$ 23,026	\$ 51,851
Units Outstanding	4,055	8,259	-	5,012	1,785	4,807
Net Asset Value Per Unit (a) (c)	\$ 17.98	\$ 17.69	\$ -	\$ 16.23	\$ 12.90	\$ 10.79
<b>Pricing Alternative Z</b>						
Net Assets	\$ 551,017	\$ 193,305	\$ -	\$ 23,741	\$ 58,354	\$ 183,430
Units Outstanding	31,416	11,380	-	1,682	3,144	15,283
Net Asset Value, Offering and Redemption Price Per Unit (c)	\$ 17.54	\$ 16.99	\$ -	\$ 14.11	\$ 18.56	\$ 12.00

(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.

See accompanying notes to financial statements.

**Future Scholar 529 College Savings Plan Financial Advisor Program  
Statement of Fiduciary Net Assets  
At June 30, 2012**

	<b>Acorn Select Portfolio</b>	<b>Acorn Portfolio</b>	<b>21st Century Portfolio</b>	<b>Mid Cap Growth Portfolio</b>	<b>Focused Equities Portfolio</b>	<b>Growth Equities Portfolio</b>
<b>Assets</b>						
Investments, at Value	\$ 2,374,348	\$ 5,579,646	\$ 4,247,303	\$ 5,541,146	\$ 8,316,706	\$ 4,058,397
Receivable for Securities Sold	5,606	6,185	7,435	9,655	9,876	4,860
Receivable for Units Sold	344	1,168	358	460	354	88
Receivable for Accrued Income	-	-	-	93	-	-
<b>Total Assets</b>	<b>2,380,298</b>	<b>5,586,999</b>	<b>4,255,096</b>	<b>5,551,354</b>	<b>8,326,936</b>	<b>4,063,345</b>
<b>Liabilities</b>						
Payable for Securities Purchased	158	518	311	274	354	88
Payable for Units Redeemed	2,744	-	2,401	3,165	-	-
Payable for Reinvestment of Net Investment Income	-	-	-	-	-	-
Payable for Accrued Expenses (See Note 3)	2,862	6,185	5,034	6,490	9,876	4,860
<b>Total Liabilities</b>	<b>5,764</b>	<b>6,703</b>	<b>7,746</b>	<b>9,929</b>	<b>10,230</b>	<b>4,948</b>
<b>Net Assets</b>	<b>\$ 2,374,534</b>	<b>\$ 5,580,296</b>	<b>\$ 4,247,350</b>	<b>\$ 5,541,425</b>	<b>\$ 8,316,706</b>	<b>\$ 4,058,397</b>
<b>Supplementary Data:</b>						
<b>Pricing Alternative A</b>						
Net Assets	\$ 1,156,643	\$ 2,768,161	\$ 2,380,692	\$ 3,261,853	\$ 4,788,620	\$ 1,972,894
Units Outstanding	92,221	200,437	199,426	210,657	304,894	116,483
Net Asset Value Per Unit (a) (c)	\$ 12.54	\$ 13.81	\$ 11.94	\$ 15.48	\$ 15.71	\$ 16.94
Maximum Initial Sales Charge	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Maximum Offering Price Per Unit (b)	\$ 13.31	\$ 14.65	\$ 12.67	\$ 16.42	\$ 16.67	\$ 17.97
<b>Pricing Alternative B</b>						
Net Assets	\$ 211,624	\$ 127,812	\$ 407,148	\$ 498,054	\$ 693,700	\$ 368,315
Units Outstanding	19,053	8,705	34,820	35,255	49,026	23,437
Net Asset Value Per Unit (a) (c)	\$ 11.11	\$ 14.68	\$ 11.69	\$ 14.13	\$ 14.15	\$ 15.72
<b>Pricing Alternative C</b>						
Net Assets	\$ 809,422	\$ 1,857,861	\$ 1,156,402	\$ 1,589,133	\$ 2,661,462	\$ 1,361,008
Units Outstanding	66,303	141,129	102,296	108,722	187,892	91,012
Net Asset Value Per Unit (a) (c)	\$ 12.21	\$ 13.16	\$ 11.30	\$ 14.62	\$ 14.16	\$ 14.95
<b>Pricing Alternative E</b>						
Net Assets	\$ 34,472	\$ 82,603	\$ 71,072	\$ 61,837	\$ 45,268	\$ 21,678
Units Outstanding	3,802	7,484	8,312	3,360	2,384	1,447
Net Asset Value Per Unit (a) (c)	\$ 9.07	\$ 11.04	\$ 8.55	\$ 18.40	\$ 18.99	\$ 14.99
<b>Pricing Alternative Z</b>						
Net Assets	\$ 162,373	\$ 743,859	\$ 232,036	\$ 130,548	\$ 127,656	\$ 334,502
Units Outstanding	14,067	54,852	19,352	6,125	7,019	23,958
Net Asset Value, Offering and Redemption Price Per Unit (c)	\$ 11.54	\$ 13.56	\$ 11.99	\$ 21.31	\$ 18.19	\$ 13.96

(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, 2012**

	Large Cap Core Portfolio	Small Cap Value Portfolio	Mid Cap Value Portfolio	Large Cap Value Portfolio	Income Opportunities Portfolio	Intermediate Bond Portfolio
<b>Assets</b>						
Investments, at Value	\$ 4,947,848	\$ 2,935,817	\$ 4,154,418	\$ 10,204,897	\$ 6,427,872	\$ 9,870,422
Receivable for Securities Sold	5,938	3,452	5,041	12,193	7,269	11,712
Receivable for Units Sold	291	1,628	542	144	317	472
Receivable for Accrued Income	-	-	-	-	30,514	27,674
Total Assets	<u>4,954,077</u>	<u>2,940,897</u>	<u>4,160,001</u>	<u>10,217,234</u>	<u>6,465,972</u>	<u>9,910,280</u>
<b>Liabilities</b>						
Payable for Securities Purchased	104	57	275	144	31,453	28,146
Payable for Units Redeemed	-	1,571	-	-	-	-
Payable for Reinvestment of Net Investment Income	-	-	-	-	-	-
Payable for Accrued Expenses (See Note 3)	5,938	4,332	5,041	12,193	7,269	11,712
Total Liabilities	<u>6,042</u>	<u>5,960</u>	<u>5,316</u>	<u>12,337</u>	<u>38,722</u>	<u>39,858</u>
<b>Net Assets</b>	<u>\$ 4,948,035</u>	<u>\$ 2,934,937</u>	<u>\$ 4,154,685</u>	<u>\$ 10,204,897</u>	<u>\$ 6,427,250</u>	<u>\$ 9,870,422</u>
<b>Supplementary Data:</b>						
<b>Pricing Alternative A</b>						
Net Assets	<u>\$ 2,582,846</u>	<u>\$ 1,452,704</u>	<u>\$ 2,025,387</u>	<u>\$ 5,239,425</u>	<u>\$ 3,696,778</u>	<u>\$ 5,277,930</u>
Units Outstanding	<u>211,892</u>	<u>63,686</u>	<u>96,201</u>	<u>403,862</u>	<u>168,518</u>	<u>322,893</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 12.19</u>	<u>\$ 22.81</u>	<u>\$ 21.05</u>	<u>\$ 12.97</u>	<u>\$ 21.94</u>	<u>\$ 16.35</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>\$ 12.93</u>	<u>\$ 24.20</u>	<u>\$ 22.33</u>	<u>\$ 13.76</u>	<u>\$ 23.03</u>	<u>\$ 16.90</u>
<b>Pricing Alternative B</b>						
Net Assets	<u>\$ 474,351</u>	<u>\$ 320,416</u>	<u>\$ 549,766</u>	<u>\$ 917,712</u>	<u>\$ 444,435</u>	<u>\$ 630,733</u>
Units Outstanding	<u>39,313</u>	<u>14,862</u>	<u>27,206</u>	<u>74,636</u>	<u>22,220</u>	<u>42,041</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 12.07</u>	<u>\$ 21.56</u>	<u>\$ 20.21</u>	<u>\$ 12.30</u>	<u>\$ 20.00</u>	<u>\$ 15.00</u>
<b>Pricing Alternative C</b>						
Net Assets	<u>\$ 1,754,690</u>	<u>\$ 877,339</u>	<u>\$ 1,375,600</u>	<u>\$ 3,672,974</u>	<u>\$ 1,978,790</u>	<u>\$ 3,598,365</u>
Units Outstanding	<u>145,169</u>	<u>39,782</u>	<u>72,983</u>	<u>305,137</u>	<u>99,368</u>	<u>237,268</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 12.09</u>	<u>\$ 22.05</u>	<u>\$ 18.85</u>	<u>\$ 12.04</u>	<u>\$ 19.91</u>	<u>\$ 15.17</u>
<b>Pricing Alternative E</b>						
Net Assets	<u>\$ 41,970</u>	<u>\$ 160,975</u>	<u>\$ 57,930</u>	<u>\$ 114,760</u>	<u>\$ 153,328</u>	<u>\$ 160,306</u>
Units Outstanding	<u>2,826</u>	<u>8,088</u>	<u>3,089</u>	<u>7,987</u>	<u>7,413</u>	<u>10,720</u>
Net Asset Value Per Unit (a) (c)	<u>\$ 14.85</u>	<u>\$ 19.90</u>	<u>\$ 18.75</u>	<u>\$ 14.37</u>	<u>\$ 20.68</u>	<u>\$ 14.95</u>
<b>Pricing Alternative Z</b>						
Net Assets	<u>\$ 94,178</u>	<u>\$ 123,503</u>	<u>\$ 146,002</u>	<u>\$ 260,026</u>	<u>\$ 153,919</u>	<u>\$ 203,088</u>
Units Outstanding	<u>6,625</u>	<u>7,296</u>	<u>8,983</u>	<u>16,131</u>	<u>10,627</u>	<u>14,166</u>
Net Asset Value, Offering and Redemption Price Per Unit (c)	<u>\$ 14.22</u>	<u>\$ 16.93</u>	<u>\$ 16.25</u>	<u>\$ 16.12</u>	<u>\$ 14.48</u>	<u>\$ 14.34</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, 2012**

	<b>U.S. Government Mortgage Portfolio</b>	<b>Conservative Portfolio</b>	<b>Total Future Scholar 529 College Savings Plan Financial Advisor Program (d)</b>
<b>Assets</b>			
Investments, at Value	\$ 2,698,219	\$ 66,242,541	\$ 1,031,402,581
Receivable for Securities Sold	3,076	102,603	1,256,236
Receivable for Units Sold	80	95,268	464,820
Receivable for Accrued Income	5,680	81	944,545
<b>Total Assets</b>	<b>2,707,055</b>	<b>66,440,493</b>	<b>1,034,068,182</b>
<b>Liabilities</b>			
Payable for Securities Purchased	5,760	48,818	1,161,328
Payable for Units Redeemed	-	34,369	184,778
Payable for Reinvestment of Net Investment Income	-	21,167	21,167
Payable for Accrued Expenses (See Note 3)	3,076	77,604	1,207,206
<b>Total Liabilities</b>	<b>8,836</b>	<b>181,958</b>	<b>2,574,479</b>
<b>Net Assets</b>	<b>\$ 2,698,219</b>	<b>\$ 66,258,535</b>	<b>\$ 1,031,493,703</b>
<b>Supplementary Data:</b>			
<b>Pricing Alternative A</b>			
Net Assets	\$ 1,642,155	\$ 35,912,438	
Units Outstanding	118,953	35,911,489	
Net Asset Value Per Unit (a) (c)	\$ 13.81	\$ 1.00	
Maximum Initial Sales Charge	4.75%	-	
Maximum Offering Price Per Unit (b)	\$ 14.50	-	
<b>Pricing Alternative B</b>			
Net Assets	\$ 223,148	\$ 5,382,520	
Units Outstanding	16,869	5,382,728	
Net Asset Value Per Unit (a) (c)	\$ 13.23	\$ 1.00	
<b>Pricing Alternative C</b>			
Net Assets	\$ 738,667	\$ 22,010,368	
Units Outstanding	56,721	22,011,224	
Net Asset Value Per Unit (a) (c)	\$ 13.02	\$ 1.00	
<b>Pricing Alternative E</b>			
Net Assets	\$ 65,039	\$ 1,697,287	
Units Outstanding	4,759	1,697,260	
Net Asset Value Per Unit (a) (c)	\$ 13.67	\$ 1.00	
<b>Pricing Alternative Z</b>			
Net Assets	\$ 29,210	\$ 1,255,922	
Units Outstanding	2,121	1,255,885	
Net Asset Value, Offering and Redemption Price Per Unit (c)	\$ 13.77	\$ 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, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 18,921,250	\$ 20,988,993	\$ 31,868,645	\$ 29,941,110	\$ 38,685,798	\$ 32,747,016
Pricing Alternative B	108,478	1,459,072	6,562,342	8,624,114	6,960,481	7,540,201
Pricing Alternative BX	8,507	57,670	29,409	166,873	1,832,799	1,968,482
Pricing Alternative C	6,054,487	5,595,646	9,906,804	11,261,471	13,791,519	11,860,482
Pricing Alternative CX	59,760	120,910	112,421	144,744	997,355	1,176,476
Pricing Alternative E	1,023,811	863,955	1,531,432	898,911	1,458,402	1,042,236
Pricing Alternative Z	1,136,194	1,481,042	1,682,441	1,433,142	886,925	1,138,490
Total Contributions	27,312,487	30,567,288	51,693,494	52,470,365	64,613,279	57,473,383
Increase from Investment Operations						
Dividend Income	1,287,807	1,233,413	2,052,152	1,960,987	3,114,217	2,896,600
Net Realized Gain (Loss) on Underlying Fund Shares Sold	6,232,631	(731,695)	2,558,228	(1,764,629)	6,930,225	(2,143,644)
Capital Gain Distributions from Underlying Fund Shares	1,651,252		1,759,300	27,951	1,447,609	54,738
Net Change in Appreciation (Depreciation) in Value of Investments	(14,324,177)	36,661,784	(10,642,247)	42,238,054	(11,658,330)	37,967,989
Net Increase (Decrease) from Investment Operations	(5,152,487)	37,163,502	(4,272,567)	42,462,363	(166,279)	38,775,683
Total Additions	22,160,000	67,730,790	47,420,927	94,932,728	64,447,000	96,249,066
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	19,453,171	19,863,940	27,529,571	18,654,243	27,033,712	22,401,282
Pricing Alternative B	9,248,203	8,915,654	13,987,098	9,630,306	13,653,459	10,597,379
Pricing Alternative BX	679,459	2,319,507	2,502,395	6,599,700	2,780,930	8,069,664
Pricing Alternative C	6,059,485	5,825,452	8,751,152	9,405,700	12,595,370	9,693,376
Pricing Alternative CX	391,643	232,859	1,350,286	1,286,480	1,247,359	1,997,121
Pricing Alternative E	771,673	422,128	880,769	483,295	896,397	644,543
Pricing Alternative Z	1,553,979	1,152,938	758,962	759,831	916,973	1,192,103
Total Redemptions	38,157,613	38,732,478	55,760,233	46,819,555	59,124,200	54,595,468
Expenses (See Note 3)(a)						
Management Fees	389,553	412,198	497,247	496,438	549,848	516,614
Marketing Fee Pricing Alternative A	187,009	183,073	216,822	196,759	247,942	208,373
Marketing Fee Pricing Alternative B	193,258	273,914	322,171	371,938	269,674	314,112
Marketing Fee Pricing Alternative BX	10,856	20,368	15,588	46,104	40,351	62,003
Marketing Fee Pricing Alternative C	245,603	243,163	350,764	338,892	412,646	388,851
Marketing Fee Pricing Alternative CX	5,445	6,314	11,220	17,011	21,691	22,128
Marketing Fee Pricing Alternative E	14,726	13,059	16,782	14,068	16,978	14,100
Total Expenses	1,046,450	1,152,089	1,430,594	1,481,210	1,559,130	1,526,181
Total Deductions	39,204,063	39,884,567	57,190,827	48,300,765	60,683,330	56,121,649
Net Increase (Decrease)	(17,044,063)	27,846,223	(9,769,900)	46,631,963	3,763,670	40,127,417
<b>Net Assets</b>						
Beginning of Year	153,377,712	125,531,489	182,398,308	135,766,345	189,008,826	148,881,409
End of Year	\$ 136,333,649	\$ 153,377,712	\$ 172,628,408	\$ 182,398,308	\$ 192,772,496	\$ 189,008,826

(a) Does not reflect expenses 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, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 38,644,450	\$ 34,142,604	\$ 26,844,448	\$ 19,165,770	\$ 16,974,976	\$ 13,009,895
Pricing Alternative B	6,615,674	8,437,936	6,230,709	5,884,262	3,950,134	3,401,865
Pricing Alternative BX	1,166,819	2,412,948	1,605,581	1,980,955	949,906	2,025,101
Pricing Alternative C	18,348,852	14,067,447	14,507,378	12,861,449	13,542,465	13,578,786
Pricing Alternative CX	915,037	1,653,606	1,191,832	1,628,673	1,709,152	1,666,555
Pricing Alternative E	1,744,303	1,189,213	677,268	452,860	835,502	636,684
Pricing Alternative Z	1,372,141	1,400,636	712,988	455,468	668,400	610,075
Total Contributions	<u>68,807,276</u>	<u>63,304,390</u>	<u>51,770,204</u>	<u>42,429,437</u>	<u>38,630,535</u>	<u>34,928,961</u>
Increase from Investment Operations						
Dividend Income	3,851,378	3,838,762	1,816,564	1,661,006	1,304,909	1,104,017
Net Realized Gain (Loss) on Underlying Fund Shares Sold	6,938,373	665,331	1,073,314	923,612	712,927	1,814,249
Capital Gain Distributions from Underlying Fund Shares	1,203,720	58,525	255,766	31,245	106,331	22,941
Net Change in Appreciation (Depreciation) in Value of Investments	(10,077,785)	27,555,943	(1,322,094)	6,667,610	(535,900)	1,395,337
Net Increase (Decrease) from Investment Operations	<u>1,915,686</u>	<u>32,118,561</u>	<u>1,823,550</u>	<u>9,283,473</u>	<u>1,588,267</u>	<u>4,336,544</u>
Total Additions	<u>70,722,962</u>	<u>95,422,951</u>	<u>53,593,754</u>	<u>51,712,910</u>	<u>40,218,802</u>	<u>39,265,505</u>
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	25,251,197	17,631,026	15,798,256	12,322,556	10,314,871	8,663,751
Pricing Alternative B	15,146,643	8,412,170	8,147,076	4,735,314	4,275,643	2,497,609
Pricing Alternative BX	3,114,446	7,841,164	1,814,304	5,769,599	931,728	2,057,687
Pricing Alternative C	13,934,970	10,357,792	11,202,229	9,815,271	11,108,410	10,690,776
Pricing Alternative CX	1,247,542	1,868,468	1,850,923	1,434,248	2,168,676	2,068,358
Pricing Alternative E	825,066	360,311	530,416	393,244	630,741	416,345
Pricing Alternative Z	867,476	513,184	494,998	475,664	300,822	337,324
Total Redemptions	<u>60,387,340</u>	<u>46,984,115</u>	<u>39,838,202</u>	<u>34,945,896</u>	<u>29,730,891</u>	<u>26,731,850</u>
Expenses (See Note 3)(a)						
Management Fees	586,534	540,530	263,896	226,236	223,296	192,096
Marketing Fee Pricing Alternative A	249,701	206,492	106,116	78,054	76,855	60,326
Marketing Fee Pricing Alternative B	280,516	326,851	110,393	116,070	65,515	61,515
Marketing Fee Pricing Alternative BX	38,810	66,144	18,777	31,859	13,799	15,853
Marketing Fee Pricing Alternative C	476,428	426,830	266,069	227,759	264,275	230,985
Marketing Fee Pricing Alternative CX	31,106	31,833	15,561	17,447	31,099	32,659
Marketing Fee Pricing Alternative E	21,582	16,397	5,000	4,170	7,315	5,653
Total Expenses	<u>1,684,677</u>	<u>1,615,077</u>	<u>785,812</u>	<u>701,595</u>	<u>682,154</u>	<u>599,087</u>
Total Deductions	<u>62,072,017</u>	<u>48,599,192</u>	<u>40,624,014</u>	<u>35,647,491</u>	<u>30,413,045</u>	<u>27,330,937</u>
Net Increase (Decrease)	8,650,945	46,823,759	12,969,740	16,065,419	9,805,757	11,934,568
<b>Net Assets</b>						
Beginning of Year	197,193,782	150,370,023	80,927,730	64,862,311	65,278,262	53,343,694
End of Year	<u>\$ 205,844,727</u>	<u>\$ 197,193,782</u>	<u>\$ 93,897,470</u>	<u>\$ 80,927,730</u>	<u>\$ 75,084,019</u>	<u>\$ 65,278,262</u>

(a) Does not reflect expenses 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, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 562,278	\$ 724,052	\$ 319,566	\$ 487,120	\$ -	\$ 91,413
Pricing Alternative B	15,100	92,310	12,159	25,288	-	-
Pricing Alternative C	318,960	307,714	223,108	387,934	800	37,625
Pricing Alternative E	27,737	22,404	35,603	74,665	-	-
Pricing Alternative Z	337,420	57,422	20,176	43,968	-	-
Total Contributions	<u>1,261,495</u>	<u>1,203,902</u>	<u>610,612</u>	<u>1,018,975</u>	<u>800</u>	<u>129,038</u>
Increase from Investment Operations						
Dividend Income	-	110,358	53,626	95,665	8,284	8,678
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(376,811)	(129,450)	(293,273)	(234,064)	(12,247)	(37,823)
Capital Gain Distributions from Underlying Fund Shares	-		-	-	-	
Net Change in Appreciation (Depreciation) in Value of Investments	(405,009)	1,609,783	(465,809)	1,373,499	(31,486)	100,756
Net Increase (Decrease) from Investment Operations	<u>(781,820)</u>	<u>1,590,691</u>	<u>(705,456)</u>	<u>1,235,100</u>	<u>(35,449)</u>	<u>71,611</u>
Total Additions	<u>479,675</u>	<u>2,794,593</u>	<u>(94,844)</u>	<u>2,254,075</u>	<u>(34,649)</u>	<u>200,649</u>
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	620,669	385,961	321,162	390,978	24,189	108,108
Pricing Alternative B	202,465	288,993	112,701	236,260	-	92,647
Pricing Alternative C	419,673	519,693	266,013	301,013	20,602	38,483
Pricing Alternative E	11,200	50,377	45,567	17,896	-	-
Pricing Alternative Z	40,767	20,987	33,160	16,597	-	-
Total Redemptions	<u>1,294,774</u>	<u>1,266,011</u>	<u>778,603</u>	<u>962,744</u>	<u>44,791</u>	<u>239,238</u>
Expenses (See Note 3)(a)						
Management Fees	18,653	19,995	13,786	14,735	640	1,042
Marketing Fee Pricing Alternative A	8,205	8,364	5,496	5,624	342	601
Marketing Fee Pricing Alternative B	5,271	7,531	3,611	5,166	-	118
Marketing Fee Pricing Alternative C	19,305	22,614	16,695	17,920	762	953
Marketing Fee Pricing Alternative E	347	389	818	736	-	-
Total Expenses	<u>51,781</u>	<u>58,893</u>	<u>40,406</u>	<u>44,181</u>	<u>1,744</u>	<u>2,714</u>
Total Deductions	<u>1,346,555</u>	<u>1,324,904</u>	<u>819,009</u>	<u>1,006,925</u>	<u>46,535</u>	<u>241,952</u>
Net Increase (Decrease)	(866,880)	1,469,689	(913,853)	1,247,150	(81,184)	(41,303)
<b>Net Assets</b>						
Beginning of Year	6,923,304	5,453,615	5,321,125	4,073,975	268,017	309,320
End of Year	<u>\$ 6,056,424</u>	<u>\$ 6,923,304</u>	<u>\$ 4,407,272</u>	<u>\$ 5,321,125</u>	<u>\$ 186,833</u>	<u>\$ 268,017</u>

(a) Does not reflect expenses 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, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 300,989	\$ 222,235	\$ 306,310	\$ 495,157	\$ 71,437	\$ 107,206
Pricing Alternative B	5,964	76,000	(2,546)	36,684	-	6,338
Pricing Alternative C	111,220	294,920	120,595	186,676	45,854	50,709
Pricing Alternative E	42,364	44,324	12,991	16,043	43,837	3,903
Pricing Alternative Z	7,719	27,966	6,073	9,066	99,347	16,982
Total Contributions	<u>468,256</u>	<u>665,445</u>	<u>443,423</u>	<u>743,626</u>	<u>260,475</u>	<u>185,138</u>
Increase from Investment Operations						
Dividend Income	71,577	70,993	-	-	-	-
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(68,758)	(51,966)	(48,483)	(40,246)	(3,815)	(5,773)
Capital Gain Distributions from Underlying Fund Shares	-	-	-	-	8,782	-
Net Change in Appreciation (Depreciation) in Value of Investments	(103,852)	448,200	(263,614)	1,216,963	(40,831)	368,705
Net Increase (Decrease) from Investment Operations	<u>(101,033)</u>	<u>467,227</u>	<u>(312,097)</u>	<u>1,176,717</u>	<u>(35,864)</u>	<u>362,932</u>
Total Additions	<u>367,223</u>	<u>1,132,672</u>	<u>131,326</u>	<u>1,920,343</u>	<u>224,611</u>	<u>548,070</u>
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	223,287	220,546	220,372	106,698	143,853	67,831
Pricing Alternative B	154,202	106,553	134,150	381,765	17,360	7,588
Pricing Alternative C	183,672	86,643	144,118	254,338	71,090	10,485
Pricing Alternative E	16,826	369	16,096	262	4,466	10,867
Pricing Alternative Z	21,694	1,261	12,821	13,598	4,563	644
Total Redemptions	<u>599,681</u>	<u>415,372</u>	<u>527,557</u>	<u>756,661</u>	<u>241,332</u>	<u>97,415</u>
Expenses (See Note 3)(a)						
Management Fees	6,323	6,229	9,724	9,699	3,504	3,207
Marketing Fee Pricing Alternative A	2,551	2,410	4,765	4,268	1,398	1,397
Marketing Fee Pricing Alternative B	2,413	3,142	2,666	4,431	967	984
Marketing Fee Pricing Alternative C	7,553	7,425	9,889	10,052	3,539	3,407
Marketing Fee Pricing Alternative E	299	162	113	83	158	57
Total Expenses	<u>19,139</u>	<u>19,368</u>	<u>27,157</u>	<u>28,533</u>	<u>9,566</u>	<u>9,052</u>
Total Deductions	<u>618,820</u>	<u>434,740</u>	<u>554,714</u>	<u>785,194</u>	<u>250,898</u>	<u>106,467</u>
Net Increase (Decrease)	(251,597)	697,932	(423,388)	1,135,149	(26,287)	441,603
<b>Net Assets</b>						
Beginning of Year	2,353,928	1,655,996	3,746,642	2,611,493	1,267,419	825,816
End of Year	<u>\$ 2,102,331</u>	<u>\$ 2,353,928</u>	<u>\$ 3,323,254</u>	<u>\$ 3,746,642</u>	<u>\$ 1,241,132</u>	<u>\$ 1,267,419</u>

(a) Does not reflect expenses 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, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 141,194	\$ 270,955	\$ 497,961	\$ 687,215	\$ 258,732	\$ 346,600
Pricing Alternative B	930	39,420	6,201	28,713	-	17,446
Pricing Alternative C	184,287	145,554	409,103	516,994	211,276	237,273
Pricing Alternative E	14,667	28,317	16,446	49,231	21,773	21,271
Pricing Alternative Z	66,622	27,273	482,267	54,624	16,963	39,232
Total Contributions	407,700	511,519	1,411,978	1,336,777	508,744	661,822
Increase from Investment Operations						
Dividend Income	-	41,645	-	14,698	-	-
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(39,682)	(1,597)	(27,140)	(16,028)	(149,091)	(57,984)
Capital Gain Distributions from Underlying Fund Shares	49,549		209,755	158,251	-	
Net Change in Appreciation (Depreciation) in Value of Investments	(256,385)	493,596	(302,570)	1,108,952	(162,018)	1,239,951
Net Increase (Decrease) from Investment Operations	(246,518)	533,644	(119,955)	1,265,873	(311,109)	1,181,967
Total Additions	161,182	1,045,163	1,292,023	2,602,650	197,635	1,843,789
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	156,696	92,622	283,223	215,525	420,750	697,011
Pricing Alternative B	32,774	10,582	33,638	82,280	50,509	85,061
Pricing Alternative C	126,982	91,237	289,554	271,806	436,809	304,205
Pricing Alternative E	30,248	10,548	34,351	13,611	34,694	33,416
Pricing Alternative Z	7,926	4,283	94,909	4,636	60,276	11,663
Total Redemptions	354,626	209,272	735,675	587,858	1,003,038	1,131,356
Expenses (See Note 3)(a)						
Management Fees	7,067	6,956	14,910	12,318	13,366	14,913
Marketing Fee Pricing Alternative A	2,882	2,889	6,366	5,192	6,034	6,640
Marketing Fee Pricing Alternative B	2,264	2,501	1,369	1,696	4,267	4,943
Marketing Fee Pricing Alternative C	7,953	7,725	17,199	14,972	12,714	14,643
Marketing Fee Pricing Alternative E	255	254	486	384	456	464
Total Expenses	20,421	20,325	40,330	34,562	36,837	41,603
Total Deductions	375,047	229,597	776,005	622,420	1,039,875	1,172,959
Net Increase	(213,865)	815,566	516,018	1,980,230	(842,240)	670,830
<b>Net Assets</b>						
Beginning of Year	2,588,399	1,772,833	5,064,278	3,084,048	5,089,590	4,418,760
End of Year	\$ 2,374,534	\$ 2,588,399	\$ 5,580,296	\$ 5,064,278	\$ 4,247,350	\$ 5,089,590

(a) Does not reflect expenses 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, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 582,721	\$ 856,279	\$ 703,215	\$ 978,135	\$ 414,910	\$ 412,489
Pricing Alternative B	9,079	65,736	29,397	51,851	18,135	24,976
Pricing Alternative C	201,063	405,834	200,950	236,397	184,841	226,308
Pricing Alternative E	21,034	44,607	8,242	26,052	4,410	12,692
Pricing Alternative Z	11,392	58,032	33,690	23,128	154,462	7,437
Total Contributions	825,289	1,430,488	975,494	1,315,563	776,758	683,902
Increase from Investment Operations						
Dividend Income	-	-	20,096	12,923	11,922	2,037
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(16,451)	(102)	1,703	184,353	(11,304)	(3,571)
Capital Gain Distributions from Underlying Fund Shares	172,358		612,931		-	
Net Change in Appreciation (Depreciation) in Value of Investments	(651,973)	2,002,491	(341,286)	2,003,396	36,835	1,064,322
Net Increase (Decrease) from Investment Operations	(496,066)	2,002,389	293,444	2,200,672	37,453	1,062,788
Total Additions	329,223	3,432,877	1,268,938	3,516,235	814,211	1,746,690
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	341,985	313,376	491,000	343,820	466,457	185,139
Pricing Alternative B	268,179	645,139	485,087	780,030	132,755	58,152
Pricing Alternative C	297,228	330,885	368,801	532,905	163,132	173,466
Pricing Alternative E	15,830	286	3,976	5,769	6,413	254
Pricing Alternative Z	15,361	519	20,830	12,239	11,297	191
Total Redemptions	938,583	1,290,205	1,369,694	1,674,763	780,054	417,202
Expenses (See Note 3)(a)						
Management Fees	16,724	16,075	24,218	23,893	11,738	10,676
Marketing Fee Pricing Alternative A	7,829	6,691	11,041	9,521	4,801	4,405
Marketing Fee Pricing Alternative B	6,283	9,665	9,010	13,372	4,176	4,639
Marketing Fee Pricing Alternative C	16,255	15,726	26,057	26,871	12,995	11,657
Marketing Fee Pricing Alternative E	300	169	206	166	108	77
Total Expenses	47,391	48,326	70,532	73,823	33,818	31,454
Total Deductions	985,974	1,338,531	1,440,226	1,748,586	813,872	448,656
Net Increase (Decrease)	(656,751)	2,094,346	(171,288)	1,767,649	339	1,298,034
<b>Net Assets</b>						
Beginning of Year	6,198,176	4,103,830	8,487,994	6,720,345	4,058,058	2,760,024
End of Year	\$ 5,541,425	\$ 6,198,176	\$ 8,316,706	\$ 8,487,994	\$ 4,058,397	\$ 4,058,058

(a) Does not reflect expenses 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, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 518,504	\$ 862,335	\$ 355,129	\$ 300,332	\$ 416,048	\$ 334,375
Pricing Alternative B	11,385	145,581	1,031	(46,013)	11,414	40,712
Pricing Alternative C	338,277	193,009	124,764	116,561	133,713	226,008
Pricing Alternative E	21,810	13,300	32,728	30,960	30,327	19,898
Pricing Alternative Z	25,738	27,257	15,584	12,691	9,763	27,880
Total Contributions	<u>915,714</u>	<u>1,241,482</u>	<u>529,236</u>	<u>414,531</u>	<u>601,265</u>	<u>648,873</u>
Increase from Investment Operations						
Dividend Income	53,748	24,688	11,988	9,771	39,784	57,226
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(31,896)	32,652	(15,499)	824	(55,074)	(56,338)
Capital Gain Distributions from Underlying Fund Shares	-	-	-	-	-	-
Net Change in Appreciation (Depreciation) in Value of Investments	113,831	947,397	(97,524)	883,727	(217,316)	1,270,837
Net Increase (Decrease) from Investment Operations	<u>135,683</u>	<u>1,004,737</u>	<u>(101,035)</u>	<u>894,322</u>	<u>(232,606)</u>	<u>1,271,725</u>
Total Additions	<u><u>1,051,397</u></u>	<u><u>2,246,219</u></u>	<u><u>428,201</u></u>	<u><u>1,308,853</u></u>	<u><u>368,659</u></u>	<u><u>1,920,598</u></u>
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	348,602	238,874	256,293	139,452	294,503	376,953
Pricing Alternative B	187,239	620,635	197,127	122,243	220,487	122,616
Pricing Alternative C	126,298	179,345	106,187	152,639	260,416	170,509
Pricing Alternative E	-	-	11,294	903	19,785	5,014
Pricing Alternative Z	20,872	9,597	15,877	17,135	15,688	16,046
Total Redemptions	<u>683,011</u>	<u>1,048,451</u>	<u>586,778</u>	<u>432,372</u>	<u>810,879</u>	<u>691,138</u>
Expenses (See Note 3)(a)						
Management Fees	13,775	12,434	8,550	8,396	12,391	12,586
Marketing Fee Pricing Alternative A	6,003	4,910	3,356	2,965	4,779	4,504
Marketing Fee Pricing Alternative B	5,418	7,195	4,014	5,493	6,399	7,812
Marketing Fee Pricing Alternative C	15,371	13,808	8,424	8,329	13,860	14,367
Marketing Fee Pricing Alternative E	145	54	725	577	246	191
Total Expenses	<u>40,712</u>	<u>38,401</u>	<u>25,069</u>	<u>25,760</u>	<u>37,675</u>	<u>39,460</u>
Total Deductions	<u><u>723,723</u></u>	<u><u>1,086,852</u></u>	<u><u>611,847</u></u>	<u><u>458,132</u></u>	<u><u>848,554</u></u>	<u><u>730,598</u></u>
Net Increase (Decrease)	327,674	1,159,367	(183,646)	850,721	(479,895)	1,190,000
<b>Net Assets</b>						
Beginning of Year	4,620,361	3,460,994	3,118,583	2,267,862	4,634,580	3,444,580
End of Year	<u><u>\$ 4,948,035</u></u>	<u><u>\$ 4,620,361</u></u>	<u><u>\$ 2,934,937</u></u>	<u><u>\$ 3,118,583</u></u>	<u><u>\$ 4,154,685</u></u>	<u><u>\$ 4,634,580</u></u>

(a) Does not reflect expenses 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, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011	Year ended June 30, 2012	Year ended June 30, 2011
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 1,123,906	\$ 1,400,307	\$ 838,168	\$ 798,482	\$ 1,563,674	\$ 1,061,883
Pricing Alternative B	5,481	62,467	183,127	102,370	86,443	62,460
Pricing Alternative C	494,620	755,820	884,551	302,905	957,105	1,247,998
Pricing Alternative E	65,840	42,270	75,740	52,799	37,871	70,405
Pricing Alternative Z	96,660	25,886	133,097	8,013	99,646	69,757
Total Contributions	<u>1,786,507</u>	<u>2,286,750</u>	<u>2,114,683</u>	<u>1,264,569</u>	<u>2,744,739</u>	<u>2,512,503</u>
Increase from Investment Operations						
Dividend Income	163,910	148,573	336,862	324,595	362,739	349,200
Net Realized Gain (Loss) on Underlying Fund Shares Sold	(325,323)	(347,694)	(66,382)	(51,148)	(908)	21,830
Capital Gain Distributions from Underlying Fund Shares	-	-	106,949	-	-	-
Net Change in Appreciation (Depreciation) in Value of Investments	(208,262)	2,671,975	79,661	221,248	298,988	48,770
Net Increase (Decrease) from Investment Operations	<u>(369,675)</u>	<u>2,472,854</u>	<u>457,090</u>	<u>494,695</u>	<u>660,819</u>	<u>419,800</u>
Total Additions	<u>1,416,832</u>	<u>4,759,604</u>	<u>2,571,773</u>	<u>1,759,264</u>	<u>3,405,558</u>	<u>2,932,303</u>
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	888,750	859,209	444,811	268,818	784,619	705,307
Pricing Alternative B	489,698	884,573	333,333	376,901	328,301	551,232
Pricing Alternative C	589,383	922,153	170,854	264,773	781,793	1,253,784
Pricing Alternative E	32,864	4,352	14,099	2,514	13,622	13,258
Pricing Alternative Z	30,898	100,806	18,039	7,840	20,609	55,632
Total Redemptions	<u>2,031,593</u>	<u>2,771,093</u>	<u>981,136</u>	<u>920,846</u>	<u>1,928,944</u>	<u>2,579,213</u>
Expenses (See Note 3)(a)						
Management Fees	29,819	31,029	16,404	13,789	27,248	25,357
Marketing Fee Pricing Alternative A	12,322	11,672	8,235	6,731	11,659	9,869
Marketing Fee Pricing Alternative B	11,238	16,885	5,085	7,271	7,146	10,653
Marketing Fee Pricing Alternative C	35,854	37,336	14,624	10,910	34,048	32,488
Marketing Fee Pricing Alternative E	430	320	532	294	726	481
Total Expenses	<u>89,663</u>	<u>97,242</u>	<u>44,880</u>	<u>38,995</u>	<u>80,827</u>	<u>78,848</u>
Total Deductions	<u>2,121,256</u>	<u>2,868,335</u>	<u>1,026,016</u>	<u>959,841</u>	<u>2,009,771</u>	<u>2,658,061</u>
Net Increase (Decrease)	(704,424)	1,891,269	1,545,757	799,423	1,395,787	274,242
<b>Net Assets</b>						
Beginning of Year	10,909,321	9,018,052	4,881,493	4,082,070	8,474,635	8,200,393
End of Year	<u>\$ 10,204,897</u>	<u>\$ 10,909,321</u>	<u>\$ 6,427,250</u>	<u>\$ 4,881,493</u>	<u>\$ 9,870,422</u>	<u>\$ 8,474,635</u>

(a) Does not reflect expenses 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 Future Scholar 529 College Savings Financial Advisor Program	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year Ended
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012 (b)	June 30, 2011 (b)
<b>ADDITIONS</b>						
Contributions - Units Sold						
Pricing Alternative A	\$ 178,409	\$ 275,954	\$ 19,699,730	\$ 17,494,468	\$ 200,792,448	\$ 178,202,380
Pricing Alternative B	75,948	65,390	1,039,011	1,868,292	31,936,077	38,113,471
Pricing Alternative BX	-	-	-	-	5,593,021	8,612,029
Pricing Alternative C	251,411	287,692	9,312,173	8,760,036	90,860,176	84,149,248
Pricing Alternative CX	-	-	-	-	4,985,557	6,390,964
Pricing Alternative E	1,876	22,051	863,075	761,080	8,649,089	6,440,131
Pricing Alternative Z	9,119	5,260	501,568	243,366	8,586,395	7,304,093
Total Contributions	<u>516,763</u>	<u>656,347</u>	<u>31,415,557</u>	<u>29,127,242</u>	<u>351,402,763</u>	<u>329,212,316</u>
Increase from Investment Operations						
Dividend Income	83,463	85,982	572	270	14,645,598	14,052,087
Interest Income	-	-	906,278	1,214,178	906,278	1,214,178
Net Realized Gain (Loss) on Underlying Fund Shares Sold	4,424	8,657	-	-	22,909,688	(2,022,244)
Capital Gain Distributions from Underlying Fund Shares	9,481	-	-	-	7,593,783	353,651
Net Change in Appreciation (Depreciation) in Value of Investments	87,767	11,453	-	-	(51,491,386)	171,572,738
Net Increase (Decrease) from Investment Operations	<u>185,135</u>	<u>106,092</u>	<u>906,850</u>	<u>1,214,448</u>	<u>(5,436,039)</u>	<u>185,170,410</u>
Total Additions	<u><u>701,898</u></u>	<u><u>762,439</u></u>	<u><u>32,322,407</u></u>	<u><u>30,341,690</u></u>	<u><u>345,966,724</u></u>	<u><u>514,382,726</u></u>
<b>DEDUCTIONS</b>						
Withdrawals - Units Redeemed						
Pricing Alternative A	442,715	400,016	15,420,969	12,592,680	147,975,683	118,245,722
Pricing Alternative B	69,158	227,716	2,373,485	4,249,517	70,280,770	54,718,915
Pricing Alternative BX	-	-	-	-	11,823,262	32,657,321
Pricing Alternative C	272,973	293,715	8,013,582	7,170,446	76,760,776	69,110,890
Pricing Alternative CX	-	-	-	-	8,256,429	8,887,534
Pricing Alternative E	-	-	571,431	521,787	5,417,824	3,411,349
Pricing Alternative Z	4,024	41,502	192,980	299,490	5,535,801	5,065,710
Total Redemptions	<u>788,870</u>	<u>962,949</u>	<u>26,572,447</u>	<u>24,833,920</u>	<u>326,050,545</u>	<u>292,097,441</u>
Reinvestment of Net Investment Income						
Expenses (See Note 3)(a)						
Management Fees	7,991	8,710	187,123	174,064	2,954,328	2,810,215
Marketing Fee Pricing Alternative A	4,235	4,446	81,871	70,678	1,278,615	1,106,854
Marketing Fee Pricing Alternative B	1,771	3,208	60,540	82,104	1,385,435	1,663,209
Marketing Fee Pricing Alternative BX	-	-	-	-	138,181	242,331
Marketing Fee Pricing Alternative C	7,051	7,159	210,064	193,511	2,505,997	2,328,353
Marketing Fee Pricing Alternative CX	-	-	-	-	116,122	127,392
Marketing Fee Pricing Alternative E	312	255	7,765	6,239	96,810	78,799
Total Expenses	<u>21,360</u>	<u>23,778</u>	<u>547,363</u>	<u>526,596</u>	<u>8,475,488</u>	<u>8,357,153</u>
Total Deductions	<u><u>810,230</u></u>	<u><u>986,727</u></u>	<u><u>27,479,347</u></u>	<u><u>26,048,368</u></u>	<u><u>334,885,570</u></u>	<u><u>301,142,446</u></u>
Net Increase	(108,332)	(224,288)	4,843,060	4,293,322	11,081,154	213,240,280
<b>Net Assets</b>						
Beginning of Year	2,806,551	3,030,839	61,415,475	57,122,153	1,020,412,549	807,172,269
End of Year	<u><u>\$ 2,698,219</u></u>	<u><u>\$ 2,806,551</u></u>	<u><u>\$ 66,258,535</u></u>	<u><u>\$ 61,415,475</u></u>	<u><u>\$ 1,031,493,703</u></u>	<u><u>\$ 1,020,412,549</u></u>

(a) Does not reflect expenses 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, 2012

**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 Program Manager and its affiliates, including Columbia Management Investment Advisers, LLC, (“Columbia”) are responsible for providing certain administrative, recordkeeping and investment services for the Program.

The Program is designed for account owners seeking advice and guidance from a financial consultant and is available through registered broker-dealers. The 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 an unaffiliated 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 also 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. 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. New or additional investments are not currently 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 1.00% 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 which 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 Ameriprise Financial, Inc. or its subsidiaries; (ii) account owners seeking advice and guidance from registered investment advisors that are not also registered as broker-dealers and other investment firms that have special arrangements with the Program Manager; 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) and in an Aegon Guaranteed Investment Contract (“GIC”) as of June 30, 2012:

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

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

**Balanced Growth Portfolio** was invested in Columbia Dividend Income Fund, Columbia Select Large Cap Value Fund, Columbia Contrarian Core Fund, Columbia Large Cap Core Fund, Columbia Marsico

Focused Equities Fund, Columbia Select Large Cap Growth Fund, Columbia Mid Cap Value Fund, Columbia Mid Cap Growth Fund, Columbia Small Cap Value Fund II, Columbia Small Cap Growth Fund II, Columbia Convertible Securities Fund, Columbia Multi-Advisor International Equity Fund, Columbia U.S. Treasury Index Fund, Columbia Short Term Bond Fund, Columbia Intermediate Bond Fund and Columbia Income Opportunities Fund

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

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

**Income Portfolio** was invested in Columbia Dividend Opportunity Fund, Columbia Contrarian Core Fund, Columbia Large Cap Core Fund, Columbia Mid Cap Value Fund, Columbia Mid Cap Growth Fund, Columbia U.S. Treasury Index Fund, Columbia Short Term Bond Fund, Columbia Intermediate Bond Fund, Columbia Income Opportunities Fund, CMG Ultra-Short Term Bond Fund and BofA Cash Reserves

**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

**21<sup>st</sup> Century Portfolio** was invested in Columbia Marsico 21<sup>st</sup> 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 and in the Columbia Money Market Fund

Financial statements of the Underlying 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 (“SEC”) website at <http://www.sec.gov>.

These financial statements present only the 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 the 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.

### **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 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 mutual funds sold. The investment income earned by each Portfolio is reinvested in additional units of the Underlying Funds. Investment income earned by the Conservative Portfolio is distributed and reinvested into additional units of the Portfolio in order to maintain a net asset value of \$1 per unit.

### **Investment 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 Program'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 a traditional GIC issued by Transamerica Life Insurance Company. The value of the GIC is the sum of the net cash contributions to the deposit account plus interest credited minus withdrawals (the "Contract Value"). The GIC is a contractual investment rather than a security and is not deemed to be subject to custodial credit risk. However, there is a risk that an insurance company could fail to perform its obligations under a funding agreement for financial or other reasons. Effective June 1, 2010, the GIC is no longer accepting additional cash contributions to the deposit account and begun a wind-down phase on October 1, 2010 and will remain in effect until August 1, 2017.

### **Units**

The beneficial interests of each account owner and beneficiary in the net assets of the Portfolios are represented by units. Once a contribution or withdrawal request is accepted and processed by the Program Manager, the activity is recorded 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 with the Program Manager pursuant, to which the Program Manager provides program management, distribution and investment advisory services to the Portfolios. The Program Manager is entitled to receive a management fee, calculated daily and payable quarterly, at the maximum annual rate of 0.30% of each Portfolio's average daily net assets. For its investment services, the Program Manager pays Columbia out of its management fee. The Treasurer also receives a fee, paid by the Program Manager out of the management fee and not a separate expense of the Portfolios, in order to cover the costs of administering the Program. The fee is calculated daily and paid quarterly, and is at the annual rate of 0.10% of the average daily net assets of each Portfolio, or \$100,000, whichever is greater. 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, 2012, the Program Manager retained net sales charges of \$2,269,092 and received net CDSC fees of \$168,095 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, 2012, the Program Manager retained marketing fees of \$5,521,160.

### **Underlying Investment Expenses**

In addition to the fees and expenses which the Program bears directly, the Program indirectly bears a pro rata share of the fees and expenses of the Underlying Funds in which it invests.

### **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, 2012 and 2011.

<b>2012</b> <i>(In thousands)</i>	<b>Value at End of the Year (\$)*</b>	<b>Less Cost of Investments Purchased During the Year (\$)</b>	<b>Plus Proceeds of Investments Sold During the Year (\$)*</b>	<b>Less Value at Beginning of the Year (\$)</b>	<b>Change in Value of Investments During the Year (\$)*</b>
<b>Portfolio</b>					
Aggressive Growth Portfolio	136,316	(71,691)	74,522	(153,471)	(14,324)
Growth Portfolio	172,581	(88,256)	87,505	(182,472)	(10,642)
Balanced Growth Portfolio	192,767	(95,892)	80,473	(189,006)	(11,658)
Balanced Portfolio	205,843	(91,376)	72,575	(197,120)	(10,078)
Income & Growth Portfolio	93,896	(53,326)	39,001	(80,893)	(1,322)
Income Portfolio	75,084	(62,761)	52,400	(65,259)	(536)
International Opportunities Portfolio	6,056	(774)	1,241	(6,928)	(405)
Multi-Advisor International Equity Portfolio	4,407	(358)	810	(5,325)	(466)
International Value Portfolio	187	(10)	60	(268)	(31)
Convertible Securities Portfolio	2,102	(310)	460	(2,356)	(104)
Small Cap Growth Portfolio	3,323	(268)	430	(3,749)	(264)
Acorn USA Portfolio	1,241	(241)	227	(1,268)	(41)
Acorn Select Portfolio	2,374	(369)	329	(2,590)	(256)
Acorn Portfolio	5,580	(1,268)	453	(5,068)	(303)
21 <sup>st</sup> Century Portfolio	4,247	(332)	1,016	(5,093)	(162)
Mid Cap Growth Portfolio	5,541	(600)	609	(6,202)	(652)
Focused Equities Portfolio	8,317	(1,053)	889	(8,494)	(341)
Growth Equities Portfolio	4,058	(533)	573	(4,061)	37
Large Cap Core Portfolio	4,948	(732)	522	(4,624)	114
Small Cap Value Portfolio	2,936	(333)	420	(3,121)	(98)
Mid Cap Value Portfolio	4,154	(343)	610	(4,638)	(217)
Large Cap Value Portfolio	10,205	(1,019)	1,523	(10,917)	(208)

Income Opportunities Portfolio	6,428	(2,086)	597	(4,859)	80
Intermediate Bond Portfolio	9,870	(2,331)	1,246	(8,486)	299
U.S. Government Mortgage Portfolio	2,698	(471)	662	(2,801)	88
Conservative Portfolio	66,243	(12,873)	8,071	(61,441)	-
<b>Total*</b>	<b><u>1,031,403</u></b>	<b><u>(489,606)</u></b>	<b><u>427,222</u></b>	<b><u>(1,020,510)</u></b>	<b><u>(51,491)</u></b>

<b>2011</b> <i>(In thousands)</i>	<b>Value at End of the Year (\$)</b>	<b>Less Cost of Investments Purchased During the Year (\$)</b>	<b>Plus Proceeds of Investments Sold During the Year (\$)</b>	<b>Less Value at Beginning of the Year (\$)</b>	<b>Change in Value of Investments During the Year (\$)*</b>
<b>Portfolio</b>					
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 & 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 <sup>st</sup> 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)	-
<b>Total*</b>	<b><u>1,020,510</u></b>	<b><u>(240,079)</u></b>	<b><u>198,364</u></b>	<b><u>(807,223)</u></b>	<b><u>171,573</u></b>

\* Amounts may not total due to rounding

## Note 5. Disclosure of Significant Risks and Contingencies

### Foreign Securities

Certain Underlying 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, 2012 of Underlying 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 Multi-Advisor International Equity Fund	\$19,264,545
Growth Portfolio	Columbia Multi-Advisor International Equity Fund	17,584,719
Balanced Growth Portfolio	Columbia Multi-Advisor International Equity Fund	15,724,704
Balanced Portfolio	Columbia Multi-Advisor International Equity Fund	10,534,139
Income & Growth Portfolio	Columbia Multi-Advisor International Equity Fund	1,917,439

<u>Portfolio</u>	<u>Underlying Fund</u>	<u>Value</u>
International Value Portfolio	Columbia International Value Fund	186,833
Multi-Advisor International Equity Portfolio	Columbia Multi-Advisor International Equity Fund	4,407,272
International Opportunities Portfolio	Columbia Marsico International Opportunities Fund	6,055,839

### **Interest Rate and Credit Risk**

Certain Underlying 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 Funds in which the Portfolios invest are not rated by any nationally recognized statistical rating organization.

### **Non-Payment Risk**

Certain Underlying 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. Nonpayment 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.

### **Note 6. Subsequent Events**

Management has evaluated the events and transactions that have occurred through the date the financial statements were issued. Other than as noted below, there were no items requiring adjustment of the financial statements or additional disclosure.

### **Note 7. Information Regarding Pending and Settled Legal Proceedings**

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 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 [www.sec.gov/litigation/admin/ia-2451.pdf](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 funds’ Boards of Directors/Trustees.

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](http://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.