CollegeSavings MISSISSIPPI MACS

MISSISSIPPI AFFORDABLE COLLEGE SAVINGS (MACS) PROGRAM

DIRECT PLAN DISCLOSURE BOOKLET AND PARTICIPATION AGREEMENT

APRIL 4, 2012

ADMINISTRATOR:
THE BOARD OF DIRECTORS OF THE COLLEGE SAVINGS PLANS OF MISSISSIPPI

DIRECT PLAN MANAGER:
TIAA-CREF TUITION FINANCING, INC.

TIAA CREF
Financial Services

Please keep this Disclosure Booklet and the Participation Agreement with your other records about the Mississippi Affordable College Savings Program, a direct-sold program (the "**Direct Plan**"). You should read and understand this Disclosure Booklet before you make contributions to the Direct Plan.

No person has been authorized by the State of Mississippi, the Board of Directors of the College Savings Plans of Mississippi (the "**Board**") or the State of Mississippi Treasury Department to give any information or to make any representations other than those contained in this document and, if given or made, such other information or representations must not be relied upon as having been authorized by the State of Mississippi, the Board or the State of Mississippi Treasury Department. The information in this Disclosure Booklet is subject to change without notice.

This Disclosure Booklet does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security in the Direct Plan by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

If you or the Beneficiary of your Account reside in another state or have taxable income in another state, it is important for you to note that if that state has established a qualified tuition program under Section 529 of the Internal Revenue Code, that state's program may offer favorable state income tax benefits or other benefits that are only available if you invest in that state's program. Those benefits, if any, should be one of the many appropriately weighted factors you consider before making a decision to invest in the Direct Plan. You should consult with a qualified advisor or contact that state's qualified tuition program to find out more about such benefits (including any applicable limitations) and to learn how the features, benefits and limitations of that state's program may apply to your specific circumstances.

The Direct Plan is intended to be used only to save for qualified higher education expenses. The Direct Plan is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. The tax information contained in this Disclosure Booklet was written to support the promotion and marketing of the Direct Plan and was neither written nor intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding federal or state taxes or tax penalties. Taxpayers should seek tax advice from an independent tax advisor based on their own particular circumstances.

Neither the Federal Deposit Insurance Corporation nor any other government agency or entity provides any insurance or guarantee to Account Owners.

Neither the Mississippi Affordable College Savings Trust Fund, the Mississippi Affordable College Savings Program, the Direct Plan, the Board, any Board member nor the State of Mississippi insure any Account or guarantee any rate of return or any interest on any contribution.

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Introduction to the Direct Plan

The Mississippi Affordable College Savings Program (the "**MACS Program**"), the State's higher education qualified tuition savings program, is designed to help people save for the costs of higher education. The Direct Plan was implemented, and is administered as part of the MACS Program, by the Board. The Direct Plan is intended to meet the requirements of a qualified tuition program under Internal Revenue Code ("**IRC**") Section 529 ("**Section 529**"). Currently, there are federal and Mississippi tax benefits offered to Account Owners of the Direct Plan.

The MACS Program consists of two components – the Direct Plan, which is offered directly to Account Owners, and the Mississippi Affordable College Savings Advisor Program (the "**Advisor Plan**"), which can be purchased only through certain financial advisors. The Board has also established the Mississippi Prepaid Affordable College Tuition Program (the "**Prepaid Program**"), a qualified tuition program for prepaid tuition accounts.

The Direct Plan is authorized by the statute that created the MACS Program, codified at sections 37-155-101 to 37-155-125 of the Mississippi Code, and any rules and regulations promulgated by the Board thereunder, as amended (the "**Statute**").

This Disclosure Booklet is only intended for use in connection with an Account opened in the Direct Plan. It is not intended for use in connection with accounts in the Advisor Plan or in connection with contracts purchased in the Prepaid Program. The Advisor Plan and the Prepaid Program may offer different benefits and may be marketed differently from the Direct Plan. The Advisor Plan and the Prepaid Program may assess different fees, withdrawal penalties, and sales commissions relative to the Direct Plan.

For more information about the Advisor Plan, please contact your financial advisor.

For more information about the Prepaid Program and the open enrollment period, you can (1) visit the Prepaid Program's website at www.CollegeSavingsMississippi.com; (2) call the Office of the State Treasurer at 1-601-359-5255, or toll-free at 1-800-987-4450; or (3) write to P.O. Box 120, Jackson, MS 39205.

Please note that after you open your Account, you may access information about your Account through the toll-free, automated telephone number for the Direct Plan at 1-800-486-3670. If you are an individual Account Owner, you may access information on a password-protected section of the Direct Plan's website. In addition to accessing your Account information, you may change your physical address, bank information and your e-mail address in the password-protected section of the Direct Plan website.

To obtain forms related to your Account and the Direct Plan ("**Direct Plan Forms**") or to request additional information, including additional copies of this Disclosure Booklet, you can: (1) visit the Direct Plan's website at www.MS529.com; (2) call the Direct Plan toll-free at 1-800-486-3670; or (3) write to the Direct Plan at PO Box 55037, Boston, MA 02205-5037.

Key Features of the Direct Plan

This section provides summary information about certain key features of the Direct Plan, but it is important that you read the entire Disclosure Booklet and Participation Agreement for more detailed information. Capitalized terms used in this section are defined in "Important Defined Terms" or elsewhere in the Disclosure Booklet.

Feature	Description	Additional Information
State Administrator	The Board of Directors of the College Savings Plans of Mississippi.	*Oversight of the Direct Plan*, page 20.
Direct Plan Manager	TIAA-CREF Tuition Financing, Inc.	*The Direct Plan Manager*, page 20.
Eligible Account Owner	Any U.S. citizen or resident alien with a valid Social Security Number or Taxpayer Identification Number ("**TIN**"). Accounts may also be opened by certain other types of entities with a valid TIN (additional restrictions may apply to such Accounts).	*Getting Started/Changes to Your Account,* page 6.
Eligible Beneficiary	Any U.S. citizen or resident alien with a Social Security Number or TIN, including the Account Owner.	*Getting Started/ Changes to Your Account,* page 6.
Minimum Contribution	The minimum initial and subsequent contribution is $25 per Investment Option. If contributions are made via payroll deduction, the minimum contribution is $15 per Investment Option per pay period.	*Contributing to Your Account,* page 7.
Current Maximum Account Balance Limit	The current Maximum Account Balance Limit is $235,000 per Beneficiary. For purposes of this limit, the value of an Account in the Direct Plan, the value of any account in the Advisor Plan and the value of any contract in the Prepaid Program are aggregated for each Beneficiary.	*Contributing to Your Account,* page 7.
Qualified Withdrawals	Qualified Withdrawals must be used to pay for tuition, certain room and board expenses, fees and the costs of books, supplies and equipment required for the enrollment or attendance of the Beneficiary at an Eligible Educational Institution.	*Withdrawals*, page 18; *Tax Information*, page 21.
Investment Options	• **One** age-based option. • **Two** options that invest in multiple Underlying Funds. • **One** principal plus interest option.	*Investment Options*, page 13.
Transfers Among Investment Options	You may transfer all or a portion of the funds already in your Account to different Investment Options within the Direct Plan once per calendar year for the same Beneficiary or when you change the Beneficiary of your Account to a Member of the Family of the Beneficiary. If you have an Account in the Direct Plan and an account in the Advisor Plan for the same Beneficiary, a transfer of funds among investment options in either plan counts as your once per year transfer as does a transfer from investment options in one plan within the MACS Program to investment options in the other plan for the same Beneficiary.	*Transferring Funds,* page 8.

Feature	Description	Additional Information
Federal Tax Benefits	• Account earnings accrue free of federal income tax. • Qualified Withdrawals and Rollovers are not subject to federal income tax (including the Additional Tax). • No federal gift tax on contributions of up to $65,000 (single filer) and $130,000 (married couple) if prorated over 5 years. • Contributions are generally considered completed gifts to the Beneficiary for federal gift and estate tax purposes.	*Tax Information*, page 21.
Mississippi Tax Treatment	• Contributions are deductible for Mississippi income tax purposes up to $10,000 per year for a single income tax return filer ($20,000 per year for joint filers). • Qualified Withdrawals, Rollovers and Taxable Withdrawals are not subject to Mississippi income tax. • **Mississippi tax benefits are only available to Mississippi taxpayers.** • Non-Qualified Withdrawals will be subject to Mississippi income tax on earnings, if any. The contribution portion of a Non-Qualified Withdrawal that was previously deducted for Mississippi income tax purposes will also be included in the resident recipient's Mississippi gross income.	*Tax Information*, page 21.
Current Direct Plan Fees	Direct Plan Manager Fee: The Direct Plan currently pays a plan management fee (the "**Direct Plan Manager Fee**") at an annual rate of 0.50% of the average daily net assets of the Direct Plan (excluding any assets in the Guaranteed Option). The Direct Plan Manager Fee may decrease as assets in the Direct Plan increase.	*Direct Plan Fees*, page 10.
Performance	Performance data for the Investment Options will be updated on a monthly basis and can be obtained on the Direct Plan's website or by calling the Direct Plan's toll-free number.	*Past Performance*, page 15.
Risks of Investing in the Direct Plan	• Assets in an Account are not guaranteed. • The value of your Account may decrease. You could lose money, including the principal you invest. • Federal or state tax law changes could negatively affect participation in the Direct Plan. • Certain changes could be made to the Direct Plan that could make it less favorable to investors, including an increase in existing fees and expenses or the addition of new fees and expenses. • The Board may terminate, add or merge Investment Options, change underlying investment vehicles or change allocations. • Contributions to an Account may adversely affect the Account Owner or Beneficiary's eligibility for financial aid or other benefits.	*Risks of Investing in the Direct Plan*, page 16.
Contact Information	Call the Direct Plan toll-free at 1-800-486-3670, visit the Direct Plan website at www.MS529.com or write to the Direct Plan at The Mississippi Affordable College Savings Program, PO Box 55037, Boston, MA 02205-5037.	*Introduction to the Direct Plan,* page 1; *Back Cover.*

Important Defined Terms

The Disclosure Booklet and Participation Agreement are intended to be as clear and understandable as possible. However, certain words and terms used throughout the Disclosure Booklet do carry special meanings in connection with the Direct Plan. This glossary of certain terms is included here for your convenience. Refer to the text throughout the Disclosure Booklet for a more complete discussion of these terms.

Account	An account in the Direct Plan opened by an Account Owner for a Beneficiary.
Account Owner/You	The individual or entity establishing an Account in the Direct Plan.
Additional Tax	A 10% additional federal tax imposed on the earnings portion of Non-Qualified Withdrawals.
Beneficiary	The beneficiary for an Account in the Direct Plan designated by the Account Owner.
Board	The Board of Directors of the College Savings Plans of Mississippi.
Direct Plan	The plan in the MACS Program which is sold directly to Account Owners.
Direct Plan Manager	TIAA-CREF Tuition Financing, Inc. ("**TFI**").
Eligible Educational Institutions	Accredited, postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree or another recognized postsecondary credential, including certain proprietary institutions and postsecondary technical and vocational schools and certain institutions in foreign countries that are eligible to participate in a financial aid program under Title IV of the Higher Education Act of 1965.
Funding Agreement	The funding agreement issued by TIAA-CREF Life Insurance Company to the Board on behalf of the Trust that is underlying the Guaranteed Option.
Investment Options	The Direct Plan investment options in which you may invest your contributions.
IRC	The Internal Revenue Code of 1986, as amended.
MACS Program	The Mississippi Affordable College Savings Program established by the State. The MACS Program includes the Direct Plan, which is described in this Disclosure Booklet, and the Advisor Plan.
Member of the Family	A person related to the Beneficiary as follows: (1) a child or a descendant of a child; (2) a brother, sister, stepbrother or stepsister; (3) the father or mother, or an ancestor of either; (4) a stepfather or stepmother; (5) a son or daughter of a brother or sister; (6) a brother or sister of the father or mother; (7) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; (8) the spouse of any of the foregoing individuals or the spouse of the Beneficiary; or (9) a first cousin of the Beneficiary. For this purpose, a child includes a legally adopted child and a stepson or stepdaughter, and a brother or sister includes a half-brother or half-sister.
Participation Agreement	The agreement executed by an Account Owner and the Board setting forth certain terms and conditions governing an Account.
Qualified Higher Education Expenses	Generally, tuition, certain room and board expenses, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution.
Qualified Withdrawal	Any withdrawal from your Account that is used to pay the Qualified Higher Education Expenses of the Beneficiary.

Trust	The Mississippi Affordable College Savings Trust Fund.
Underlying Fund/Fund	A mutual fund, as approved by the Board, in which an Investment Option in the Direct Plan is invested.
Unit	An interest in an Investment Option that is purchased with a contribution to an Account.

Getting Started/Changes to Your Account

Opening Your Account. To open an Account, you must first complete and sign an application (the "**Application**"). The Application incorporates the Participation Agreement and this Disclosure Booklet by reference. You will be asked on your application to designate a Beneficiary and select the Investment Options in which you want to invest contributions. If you are an individual Account Owner, you may designate a contingent Account Owner (the "**Contingent Account Owner**") on your Application.

You may obtain an Application and enrollment kit by contacting the Direct Plan or by accessing the Direct Plan's website. You may complete and submit the Application online on the Direct Plan's website, or you may mail your completed Application to the following address: The Mississippi Affordable College Savings Program, PO Box 55037, Boston, MA 02205-5037. Once the Direct Plan receives your completed Application in good order with a check or other authorization for your initial contribution, an Account will generally be opened for you.

By signing the Application, you agree that your Account is subject to the terms and conditions set forth in the Participation Agreement, which is in this Disclosure Booklet. Any amendments to the Statute or any rules or regulations adopted by the Board, or to federal or Mississippi tax law will automatically amend the Participation Agreement. You will be notified of any material changes in the terms governing your Account.

When you open an Account, you will be asked for your name, address (which must be a valid U.S. address that is not a post office box), date of birth, Social Security Number or TIN and other information that will allow the Direct Plan to identify you, such as your home telephone number. Until you provide the information needed, the Direct Plan will not be able to open your Account. There may be only one Account Owner per Account.

Account Ownership. To be eligible to be an Account Owner, you must be:

- A U.S. citizen or resident alien with a valid Social Security Number or TIN. Account Owners may include parents, grandparents or friends of the Beneficiary, and may also include the Beneficiary; or

- A trust, corporation (including an IRC Section 501(c)(3) organization) or other types of entities with a valid TIN, a custodian under Mississippi Uniform Transfers to Minors Act or similar provisions adopted by another state ("**UGMA/UTMA**") with a valid Social Security Number or TIN, or a state or local government agency which meets the federal and state legal requirements governing the MACS Program.

Accounts opened by entities, Section 501(c)(3) organizations, trusts and custodians are subject to additional restrictions and will be required to provide documentation evidencing the legal status of the entity and the authorization of the representative to open an Account and to conduct transactions on the Account, as set forth on the applicable Direct Plan Form. UGMA/UTMA custodians are also subject to certain limitations on their ability to make changes to, and transfers to and from, such Accounts. Certain of these restrictions and limitations are set forth in the Participation Agreement. UGMA/UTMA custodians and trust representatives should consult a tax advisor about the tax consequences of opening and holding an Account in the Direct Plan, as well as legal counsel regarding their rights and responsibilities as custodians and representatives.

Naming Your Beneficiary. To complete the Application, you must name a Beneficiary (unless you are a state or local government or a 501(c)(3) tax exempt organization establishing a scholarship account). Anyone with a valid Social Security Number or TIN who is a U.S. citizen or resident alien can be named a Beneficiary. The Beneficiary does not have to be related to the Account Owner. The Account Owner may also be the Beneficiary of the Account. Each Account may have only one Beneficiary. If you wish to make contributions for more than one Beneficiary, you must complete a separate Application and open a separate Account for each Beneficiary. You may establish only one account for a Beneficiary in the Direct Plan.

Changing Your Beneficiary. After you open an Account, you may change your Beneficiary by completing the applicable Direct Plan Form; however, you will not be permitted to change your Beneficiary to someone for whom you have already established an account in the Direct Plan. In addition, you may not change the Beneficiary of an UGMA/UTMA account. See "Tax Information" for information concerning income, gift, estate and generation-skipping tax consequences of changing the Beneficiary.

Choosing Investment Options. The Board has established multiple Investment Options for the Direct Plan. To complete your Application, you must select the Investment Option(s) in which you want your contributions to be invested. You may select any one or a combination of the Investment Options per Account, subject to certain minimum contribution limits per Investment Option. See "Investment Options" for summaries of the Investment Options offered under the Direct Plan.

Changing Investment Options. After you open an Account, you may revise your initial Investment Option election(s) by: (1) adding new Investment Options; (2) stopping contributions to an Investment Option; or (3) increasing or decreasing future contributions to an Investment Option. You may also transfer funds currently invested, subject to certain restrictions, to another Investment Option. See "Transferring Funds" for more information.

Naming a Contingent Account Owner. By completing the appropriate section of the Application, an individual Account Owner may name a Contingent Account Owner to become the owner of the Account in the event of the Account Owner's death. If you did not designate a Contingent Account Owner when you established your Account or you wish to change your designation, you may do so by completing the applicable Direct Plan Form. Entity Account Owners and UGMA/UTMA custodians may not designate a Contingent Account Owner. You should consult with a qualified advisor regarding the potential legal and tax consequences for your Account.

Changing Account Ownership. You may change ownership of your Account to another individual or entity that is eligible to be an Account Owner by submitting the applicable Direct Plan Form. When you transfer ownership of your Account, you are not required to change the Beneficiary. Custodial Accounts are subject to special limitations on their ability to transfer ownership of the Account. A change in Account ownership may have federal or state tax consequences, and Account Owners are urged to consult their own tax advisors prior to requesting any such change. If a change of Account ownership is required by order of a court of competent jurisdiction directing such change or by an affidavit or declaration that is recognized under applicable law as requiring transfer of ownership upon death without a court order, such change of Account ownership will not be effective until the Direct Plan receives the court order, affidavit or declaration requiring such change and the change is registered in the records of the Direct Plan, unless otherwise required by law.

A transfer of the ownership of an Account will be effective only if the assignment: (1) is irrevocable; (2) transfers all ownership, reversionary rights, and powers of appointment (i.e., power to change designated Beneficiaries and to request withdrawals from the Account); and (3) is submitted to the Direct Plan in writing. Generally, as set forth on the applicable Direct Plan Form, the transfer will result in a 30-day hold on withdrawals from the Account.

Contributing to Your Account

Who Can Contribute. Anyone (including your friends and family) may make a contribution to your Account. However, any contribution to an Account may have gift or other tax consequences to the contributor or the Account Owner. A person, other than the Account Owner, who contributes to an Account, will not retain any rights with respect to such contribution — for example, only the Account Owner may give directions regarding investments in Investment Options or withdrawals from an Account.

Minimum Contributions. The minimum initial and subsequent contribution to an Account is $25 to each Investment Option except for contributions made via payroll deduction where the minimum is $15 per Investment Option per pay period.

How You Can Contribute to Your Account. Contributions to an Account may be made using the following methods: (1) by check, subject to the limitations described below; (2) through the automatic contribution plan; (3) by payroll deduction (if your employer provides for it and you complete a payroll deduction form); and (4) by electronic funds transfer (including electronic purchase option described below). Contributions of any type by methods not mentioned here will not be permitted.

Checks should be made payable to the "Mississippi Affordable College Savings Program." Contributions by check must be drawn on a banking institution located in the United States in U.S. dollars. Personal checks, bank drafts, teller's checks and checks issued by a financial institution or brokerage firm payable to the Account Owner and endorsed over to the Direct Plan by the Account Owner are permitted, as are third-party personal checks up to $10,000 that are endorsed over to the Direct Plan. The Direct Plan does not permit contributions by starter checks, traveler's checks, credit card convenience checks, cashier's checks, or money orders.

If you contribute using the automatic contribution plan, you may stop your participation in the automatic contribution plan, or stop or change the timing and amount of your contributions to any Investment Option by following the instructions on the appropriate Direct Plan Form, by calling the Direct Plan or by making the change on the Direct Plan website.

If you contribute via payroll deduction, you can change the amount of your contributions, stop payroll deduction or reallocate future contributions among Investment Options or Accounts by following the instructions on the applicable Direct Plan Form. You may also need to contact your employer to make changes to your payroll deduction instructions.

The electronic purchase option enables you to make contributions through the secure, password-protected section of the Direct Plan website, by telephone with a customer service representative, or through the automated telephone system. By providing banking information to the Direct Plan, the Direct Plan will automatically enroll you in the electronic purchase option. You may opt out of that option on your Application or by completing and submitting the appropriate Direct Plan Form.

Maximum Account Balance Limit. The maximum Account balance limit, which is set by the Board (the "**Maximum Account Balance Limit**"), is currently $235,000. Contributions will be rejected and returned to the extent that they cause the aggregate market value of all accounts in the MACS Program and the Prepaid Program for the same Beneficiary to exceed the Maximum Account Balance Limit. Accounts that have reached the Maximum Account Balance Limit may continue to accrue earnings.

Transferring Funds

You may make the following transfers:

- Transfers, subject to certain limits, among Investment Options (see "Getting Started/Changes to Your Account" above); and
- Rollovers.

Certain of these transfers may be subject to different federal and state tax consequences. See "Withdrawals" and "Tax Information" for additional information.

You may transfer all or a portion of the funds already in your Account to different Investment Options within the Direct Plan once per calendar year for the same Beneficiary or when you change the Beneficiary of your Account to a Member of the Family of the Beneficiary. If you have an Account in the Direct Plan and an account in the Advisor Plan for the same Beneficiary, a transfer of funds among investment options in either plan counts as your once per year transfer as does a transfer from investment options in one plan within the MACS Program to investment options in the other plan for the same Beneficiary.

A Rollover ("**Rollover**") is a transfer of funds by any of the following methods:

Rollovers into the Direct Plan

- a direct transfer from an account in another qualified tuition program to an Account for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- a withdrawal of funds from an account in another qualified tuition program, followed within 60 days of that withdrawal by a contribution of those funds to an Account for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

Rollovers out of the Direct Plan

- a direct transfer from your Account to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- a withdrawal of funds from your Account, followed within 60 days of that withdrawal by a contribution of those funds to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

Intra-MACS Program Rollovers

- a direct transfer from an account in either plan in the MACS Program for a Beneficiary to an account in either plan in the MACS Program for a person who is a Member of the Family of that Beneficiary: or
- a withdrawal of funds from an account in either plan in the MACS Program for a Beneficiary, followed within 60 days of that withdrawal by a contribution of those funds to an account in either plan in the MACS Program for a person who is a Member of the Family of that Beneficiary.

Subject to the limitations set forth above, you may transfer funds to either an Account that is owned by you or an Account that is owned by another Account Owner. A transfer of funds from your Account to an Account that is owned by another Account Owner may have federal or state tax consequences, and Account Owners are urged to consult their own tax advisors prior to requesting any such transfer. If a transfer of funds into the MACS Program, together with the value of any prepaid contracts in the Prepaid Program, causes the aggregate market value of all accounts in the MACS Program for the same Beneficiary to exceed the Maximum Account Balance Limit, the excess amount will be rejected and returned.

If you are transferring funds from another qualified tuition program to an Account in the Direct Plan, the program from which you are transferring funds may restrict or prohibit such transfer or impose charges, so you should investigate this change thoroughly before requesting such a transfer.

Unit Value

Contributions to your Account purchase Units of the Investment Option(s) you select (other than the Guaranteed Option). The Direct Plan will credit to your Account transactions (e.g., contributions, withdrawals, and transfers) at the Unit value of the applicable Investment Option determined on the day the Account transaction request is received in good order if it is received before the close of regular trading (usually 4:00 p.m., Eastern time) on the New York Stock Exchange ("**NYSE**"). Account transaction requests received after the close of regular trading or on a day when the NYSE is not open will be credited to your Account by the Direct Plan at the Unit value determined on the next day of regular trading on the NYSE. The Direct Plan will not process Account transaction requests on holidays or other days when the NYSE is closed.

The value of a Unit in each Investment Option other than the Guaranteed Option (for purposes of this discussion, each age band ("**Age Band**") in the Managed Allocation Option is considered a separate Investment Option) is computed by dividing (a) the Investment Option's assets minus its liabilities by (b) the number of outstanding Units of such Investment Option.

The value of the portion of your Account that is invested in the Guaranteed Option is equal to (a) the amount of your contributions to this Investment Option; plus (b) interest credited on a daily basis at the annual rate then in effect; plus (c) any additional interest that may be credited; less (d) fees, if any; less (e) the amount of any withdrawals you make from this Investment Option.

Use of Your Account

Closing Your Account. You may close your Account at any time by completing the applicable Direct Plan Form. In certain circumstances, the Board may cancel your Participation Agreement which will close your Account. If your Account is closed, the remaining balance of your Account will be distributed to you and may be subject to federal and any applicable state income tax.

No Pledging of Account Assets. Neither you nor your Beneficiary may use any part of any Account or other interest in the Direct Plan as security for a loan.

Bankruptcy and Related Matters. The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 expressly excludes from an individual debtor's bankruptcy estate (and, therefore, will not be available for distribution to such individual's creditors), certain funds paid or contributed by such individual to an Account. The bankruptcy protection for these types of Accounts, however, is limited. To be protected, the Beneficiary of the Account must be a child, stepchild, grandchild or step-grandchild of such individual during the year of such contribution, and the funds must have been contributed at least 365 days prior to a bankruptcy filing. The bankruptcy protection also imposes a cap on the amount of funds that may be excluded from such individual's bankruptcy estate. The maximum amount entitled to the bankruptcy exclusion is $5,850 for payments or contributions made by such individual to the Account and all other accounts in the MACS Program and the Prepaid Program for the same Beneficiary during the period between 365 and 720 days prior to the bankruptcy filing. This information is not meant to be individual advice, and Account Owners should consult with their own advisors concerning their individual circumstances.

Direct Plan Fees

The following table describes the Direct Plan's current fees. The Board reserves the right to change the current fees, or to impose new or additional fees, or new expenses, charges or penalties in the future.

For purposes of this section, each of the Age Bands in the Managed Allocation Option is considered a separate Investment Option.

Fee Table

ANNUAL ASSET-BASED FEES Investment Option	Direct Plan Manager Fee (1)(2)	Estimated Underlying Mutual Fund Expenses (3)	State Fee	Total Annual Asset-Based Fees (4)
Managed Allocation Option				
Age Band 0 - 4 Years	0.50%	0.15%	None	0.65%
Age Band 5 - 8 Years	0.50%	0.15%	None	0.65%
Age Band 9 - 10 Years	0.50 %	0.15%	None	0.65%
Age Band 11 - 12 Years	0.50 %	0.16%	None	0.66%
Age Band 13 - 14 Years	0.50 %	0.16%	None	0.66%
Age Band 15 Years	0.50 %	0.16%	None	0.66%
Age Band 16 Years	0.50 %	0.18%	None	0.68%
Age Band 17 Years	0.50 %	0.21%	None	0.71%
Age Band 18 Years and over	0.50 %	0.22%	None	0.72%
Diversified Equity Option	0.50 %	0.22%	None	0.72%
Fixed Income Option	0.50 %	0.19%	None	0.69%
Guaranteed Option (5)	None	None	None	None

(1) The Direct Plan Manager Fee is the only fee deducted from Direct Plan assets. Although the Direct Plan Manager Fee is not deducted from your Account, when you invest in the Direct Plan you indirectly bear a pro rata portion of the Direct Plan Manager Fee because, when this fee is deducted from Direct Plan assets, the value of the Units is reduced.

(2) For its services as Direct Plan Manager, each Investment Option (with the exception of the Guaranteed Option) pays the Direct Plan Manager Fee to TFI at an annual rate of 0.50% (50 basis points) of the average daily net assets of the Investment Option. This 0.50% Direct Plan Manager Fee applies on total assets in the Direct Plan up to $250 million. The Direct Plan Manager Fee will be reduced to 0.45% (45 basis points) if and when total assets in the Direct Plan become equal to or greater than $250 million for a period of at least 90 consecutive days. The Direct Plan Manager Fee will revert to 0.50%, however, if and when total assets in the Direct Plan decrease to below $250 million for a period of at least 90 consecutive days. The Direct Plan Manager Fee is subject to further reductions if total assets in the Direct Plan reach certain levels.

(3) For each Investment Option (other than the Guaranteed Option), the figure in this column is based on a weighted average of the expenses of each Underlying Fund's expense ratio as reported in the Underlying Fund's most recent prospectus available prior to the date of this Disclosure Booklet, in accordance with the Investment Option's allocation among its Underlying Funds. Each Investment Option (other than the Guaranteed

Option) indirectly bears its pro rata portion of the Underlying Funds' expenses because, when such expenses are deducted from an Underlying Fund's assets, the value of the Underlying Fund's shares is reduced.

(4) The Total Annual Asset-Based Fees equal the Estimated Underlying Fund Expenses plus the Direct Plan Manager Fee. You should refer to the Investment Cost Example below for the total assumed investment cost over 1-, 3-, 5- and 10-year periods.

(5) The Guaranteed Option does not pay a Direct Plan Manager Fee. TIAA-CREF Life Insurance Company ("**TIAA-CREF Life**"), the issuer of the Funding Agreement underlying this Investment Option, makes payments to TFI. TIAA-CREF Life takes this payment, along with many other factors, into consideration when determining the interest rate(s) credited to the Funding Agreement.

Investment Cost Example. The example in the following table is intended to help you compare the cost of investing in the different Investment Options over various periods of time. This example assumes that:

- You invest $10,000 in an Investment Option for the time periods shown below.
- Your investment has a 5% compounded return each year, except for the Guaranteed Option.
- You withdraw the assets from the Investment Option at the end of the specified periods for Qualified Higher Education Expenses.
- Total annual asset-based fees remain the same as those shown in the Fee Table above.
- The example does not consider the impact of any potential state or federal taxes on the withdrawal.

Although your actual costs may be higher or lower, based on the above assumptions, your costs would be:

INVESTMENT OPTIONS	**APPROXIMATE COST OF $10,000 INVESTMENT**			
	One Year	**Three Years**	**Five Years**	**Ten Years**
Managed Allocation Option				
Age Band 0 - 4 Years	$67	$209	$363	$812
Age Band 5 - 8 Years	$67	$209	$363	$812
Age Band 9 - 10 Years	$67	$209	$363	$812
Age Band 11 - 12 Years	$68	$212	$369	$825
Age Band 13 - 14 Years	$68	$212	$369	$825
Age Band 15 Years	$68	$212	$369	$825
Age Band 16 Years	$70	$218	$380	$849
Age Band 17 Years	$73	$228	$396	$885
Age Band 18 Years and over	$74	$231	$402	$897

INVESTMENT OPTIONS	APPROXIMATE COST OF $10,000 INVESTMENT			
	One Year	Three Years	Five Years	Ten Years
Diversified Equity Option	$74	$231	$402	$897
Fixed Income Option	$71	$221	$385	$861
Guaranteed Option	$0	$0	$0	$0

Investment Options

Choosing Your Investment Options and How the Investment Options Are Invested. This section describes the Investment Options offered by the Direct Plan, the risks associated with investing in each Investment Option and the type of investor for whom each Investment Option may be appropriate.

The Investment Options, their underlying investment vehicles and the allocations to those underlying investment vehicles are approved by the Board. The Board may add or remove Investment Options and change the investment allocations of, or the underlying investment vehicles of, an Investment Option at any time. You may invest your contributions in a single Investment Option or you may choose to invest your contributions in multiple Investment Options, subject to contribution minimums. You should consider a periodic assessment of your Investment Option selections to determine whether such selections are consistent with your current investment time horizon, risk tolerance, and investment objectives. Although Account Owners may select the Investment Options in which to invest, neither Account Owners nor Beneficiaries may direct the investment of any Investment Options. See “Getting Started/Changes to Your Account” and “Transferring Funds” above for information about changing Investment Option elections.

Summaries of the underlying investments of the Investment Options appear in Appendix I to this Disclosure Booklet. Please note that your investment in an Investment Option is not an investment in any of the Underlying Funds.

<u>Managed Allocation Option (Risk level shifts from Aggressive to Conservative as the Beneficiary ages)</u>

Effective April 4, 2012, the Age Band structure of this Investment Option has been changed from a six Age Band structure to a nine Age Band structure. A Beneficiary will be placed in one of the nine Age Bands based on the Beneficiary’s age.

This Investment Option seeks to match the investment objective and level of risk to the investment horizon by taking into account the Beneficiary’s current age and the number of years before the Beneficiary turns 18 and is expected to enter college. Depending on the Beneficiary’s age, contributions to this Investment Option will be placed in one of nine Age Bands, each of which has a different investment objective and investment strategy. The Age Bands for younger Beneficiaries seek a favorable long-term return by investing in Underlying Funds that invest primarily in equity securities and real estate-related securities, which have a higher level of risk, but greater potential for returns than more conservative investments. As a Beneficiary nears college age, the Age Bands allocate less to Underlying Funds that invest in equity securities and allocate more heavily to Underlying Funds that invest in fixed-income securities and money market securities to preserve capital.

As the Beneficiary ages, assets in your Account invested in this Investment Option are moved from one Age Band to the next on the first “Rolling Date” following the Beneficiary’s fifth, ninth, eleventh, thirteenth, fifteenth, sixteenth, seventeenth, and eighteenth birthdays. The Rolling Dates are March 20, June 20, September 20 and December 20 (or the first business day thereafter).

Allocations for the Managed Allocation Option

The following table provides the percentage of assets of each Age Band within the Managed Allocation Option allocated to each Underlying Fund. Contributions received on or after the date of this Disclosure Booklet will be allocated accordingly.

Age Bands	Large-Cap Growth Index Fund	Large-Cap Value Index Fund	Small-Cap Blend Index Fund	Real Estate Securities Fund	International Equity Index Fund	Emerging Markets Equity Index Fund	Bond Index Fund	Inflation-Linked Bond Fund	Short-Term Bond Fund	Money Market Fund
0 - 4 Years	22.08%	22.08%	3.84%	8.00%	20.00%	4.00%	15.00%	5.00%	0.00%	0.00%
5 - 8 Years	19.32%	19.32%	3.36%	7.00%	17.50%	3.50%	22.50%	7.50%	0.00%	0.00%
9 - 10 Years	16.56%	16.56%	2.88%	6.00%	15.00%	3.00%	30.00%	10.00%	0.00%	0.00%
11 - 12 Years	13.80%	13.80%	2.40%	5.00%	12.50%	2.50%	37.50%	12.50%	0.00%	0.00%
13 - 14 Years	11.04%	11.04%	1.92%	4.00%	10.00%	2.00%	45.00%	15.00%	0.00%	0.00%
15 Years	8.28%	8.28%	1.44%	3.00%	7.50%	1.50%	52.50%	17.50%	0.00%	0.00%
16 Years	5.52%	5.52%	0.96%	2.00%	5.00%	1.00%	52.50%	17.50%	10.00%	0.00%
17 Years	2.76%	2.76%	0.48%	1.00%	2.50%	0.50%	45.00%	15.00%	30.00%	0.00%
18 Years and over	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	37.50%	12.50%	40.00%	10.00%

Risk-Based Investment Options

These Investment Options are intended for Account Owners who prefer to select an Investment Option with a consistent risk level rather than a risk level that changes as the Beneficiary ages. Each of these Investment Options is allocated to multiple Underlying Funds or to a Funding Agreement and has a different investment objective and investment strategy, which are described in more detail below.

Diversified Equity Option (Risk level – Aggressive)

Prior to April 4, 2012, this Investment Option was called the "100% Equity Option." On April 4, 2012, the name of this Investment Option changed to the "Diversified Equity Option." This Investment Option seeks to provide a favorable long-term total return, mainly from capital appreciation, by investing in equity securities and real estate-related securities. Because of the high exposure to domestic and foreign equities, and the corresponding high degree of risk, this Investment Option may be appropriate for you if you already have substantial college savings from less volatile investments (e.g., fixed-income investments), if you have a long investment horizon and you can tolerate a higher level of risk, or for use in conjunction with other Investment Options in the Direct Plan. Effective as of April 4, 2012, this Investment Option will increase allocations to Underlying Funds that focus on investment in the equity securities of emerging market issuers or in instruments with economic characteristics similar to emerging market securities.

Allocations for the Diversified Equity Option

The following table provides the percentage of assets of the Diversified Equity Option allocated to each Underlying Fund. Contributions received on or after the date of this Disclosure Booklet will be allocated accordingly.

Large-Cap Growth Index Fund	Large-Cap Value Index Fund	Small-Cap Equity Fund	Real Estate Securities Fund	International Equity Fund	International Equity Index Fund	Emerging Markets Equity Index Fund
27.60%	27.60%	4.80%	10.00%	13.33%	11.67%	5.00%

Fixed Income Option (Risk level – Moderate)

This Investment Option seeks to provide preservation of capital along with a moderate rate of return by investing primarily in Underlying Funds that invest in a diversified mix of fixed-income investments. This Investment Option is invested primarily in an Underlying Fund that is an index fund. This Investment Option may be appropriate for you if you have a medium-term investment horizon and can tolerate a moderate level of risk.

Allocations for the Fixed Income Option

The following table provides the percentage of assets of the Fixed Income Option allocated to each Underlying Fund. Contributions received on or after the date of this Disclosure Booklet will be allocated accordingly.

Bond Index Fund	Inflation-Linked Bond Fund	High-Yield Fund
70.00%	20.00%	10.00%

Guaranteed Option (Risk level – Conservative)

This Investment Option seeks to preserve capital and provide a stable return. It may be appropriate for you if you have a short investment horizon and are looking for a conservative investment with a low level of risk. The assets in this Investment Option are allocated to a Funding Agreement issued by TIAA-CREF Life to the Board on behalf of the Trust (the "**Policyholder**"). The Funding Agreement provides for a guaranteed rate of interest to the Policyholder and allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life. The interest rate guarantee is made to the Policyholder only, and not to Account Owners or Beneficiaries. The rate of any additional interest is declared in advance for a period of up to 12 months and is not guaranteed for any future periods.

For more information on the Funding Agreement, please see "Summary of the TIAA-CREF Life Insurance Company Funding Agreement" in Appendix I.

Past Performance

The table below shows the returns of certain Investment Options over the time period(s) indicated, calculated from the day on which funds were first invested in each Investment Option (the "**Inception Date**"). No performance data is included for the Fixed Income Option because that Investment Option is new and has no performance history. No performance data is included for the Managed Allocation

Option because performance for that Investment Option is calculated for each Age Band and, since the Age Band structure has changed, the Age Bands are new and have no performance history.

The table below compares the returns of the Investment Option (except for the returns of the Guaranteed Option) to the returns of a customized index benchmark ("**Blended Index**"). A Blended Index combines the benchmarks for each of the Underlying Funds held by an Investment Option during the relevant time period weighted according to the allocations to those Underlying Funds and adjusted to reflect any changes in the allocations and the benchmarks during the relevant time period.

The performance data shown below for the Blended Index does not reflect deductions of any fees or expenses. The performance data shown below for each Investment Option, however, is quoted net of all fees and expenses. All figures in the tables represent the average annual compound rate of return.

Total returns and the principal value of investments in your Account will fluctuate based on the investment performance of the Underlying Funds in which the Investment Options (other than the Guaranteed Option) have been invested, so your investment may be worth more or less than its original value when you withdraw your money. Past performance is not necessarily indicative of future results. Performance may be substantially affected over time by changes in the allocations and in the underlying investments.

For the most current performance information, which is updated monthly, visit the Direct Plan's website or call the Direct Plan.

Risk-Based Investment Options

Average Annual Total Returns
For The Period Ended February 29, 2012

Option	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
Diversified Equity Option (previously named the 100% Equity Option)	-0.14%	25.61%	-0.51%	4.50%	3.26%	April 4, 2001
Blended Index	2.11%	26.78%	0.54%	5.68%	5.06%	
Guaranteed Option	3.01%	3.08%	3.24%	N/A	3.22%	April 1, 2003

Risks of Investing in the Direct Plan

Prospective Account Owners should carefully consider, along with other matters referred to in this Disclosure Booklet, the following risks of investing in the Direct Plan.

Investment Risks. Investments in the Direct Plan are subject to certain investment risks including market, interest rate and other risks. The value of your Account may increase or decrease over time based on the performance of the Investment Options you have selected. There is a risk that you could lose part or all of the value of your Account.

No Guarantee of Attendance or Expense. There is no guarantee that a Beneficiary will be accepted for admission to any institution of higher education, including an Eligible Educational Institution, or if admitted, will graduate or receive a degree, or otherwise be permitted to continue to attend an Eligible Educational Institution. Increases in Qualified Higher Education Expenses could exceed the rate of return of the Investment Options over the same time period. Even if the combination of all accounts in the MACS Program and the Prepaid Program held for a Beneficiary reaches the Maximum Account Balance Limit, those funds may not be sufficient to pay all Qualified Higher Education Expenses of the Beneficiary.

Changes in Law. The Direct Plan is established pursuant to the Statute and Section 529 of the IRC. Changes to Section 529, the Statute, Mississippi tax laws or federal or Mississippi securities laws may affect the continued operation of the Direct Plan as contemplated in this Disclosure Booklet. Congress could also amend Section 529 of the IRC or other federal law in a manner that would materially change or eliminate the federal tax treatment described in this Disclosure Booklet. The State of Mississippi could also make changes to Mississippi tax law that could materially affect the state tax treatment of the Direct Plan or make changes to the Statute that could terminate or otherwise adversely affect the Direct Plan. Certain proposed federal tax regulations that have been issued under Section 529 of the IRC provide guidance, but only for the establishment and operation of certain aspects of the Direct Plan. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences or requirements with respect to the Direct Plan or contributions to, withdrawals from or other transactions related to Accounts.

Risks Related to Liquidity. Investment in the Direct Plan involves the risk of limited liquidity because the circumstances under which funds may be withdrawn from your Account without incurring adverse tax consequences, are limited. Additionally, in certain circumstances, your ability to withdraw funds may be restricted for up to 30 days. See "Withdrawals" and "Tax Information" below and "Getting Started/Changes to Your Account" above for further information about these restrictions. Contributions must be on deposit for at least 10 days before being withdrawn.

Limitations on Transfers. You may transfer all or a portion of the funds already in your Account to different Investment Options within the Direct Plan once per calendar year for the same Beneficiary or when you change the Beneficiary of your Account to a Member of the Family of the Beneficiary. If you have an Account in the Direct Plan and an account in the Advisor Plan for the same Beneficiary, a transfer of funds among investment options in either plan counts as your once per year transfer as does a transfer from investment options in one plan within the MACS Program to investment options in the other plan for the same Beneficiary. You may not direct the investment of any Investment Option or of any Underlying Fund. In addition, no part of an Account may be assigned, transferred or pledged as security for a loan or otherwise, except for transfers described above under "Transferring Funds" and "Changing Account Ownership" in "Getting Started/Changes to Your Account."

Not an Investment in Mutual Funds or Registered Securities. Although certain Investment Options will be invested in mutual funds, neither the Direct Plan nor any of the Direct Plan's Investment Options is a mutual fund. An investment in the Direct Plan is considered an investment in "municipal fund securities" that are issued and offered by the Direct Plan. These securities are not registered with the U.S. Securities and Exchange Commission ("**SEC**") or any state, nor are the Direct Plan or any of the Direct Plan's Investment Options registered as investment companies with the SEC or any state.

Potential Change of the Direct Plan Manager and Other Direct Plan Changes. The Board may change the Direct Plan Manager in the future. If this happens (or even if it does not), there is no assurance that you would not experience a material change to the Direct Plan, including the fees charged and the Investment Options available. If TFI ceases to be the Direct Plan Manager, you may be automatically transferred to new investment options or you may have to open a new Account in the Direct Plan with the successor plan manager in order to make future contributions on behalf of your Beneficiary. There is no guarantee that investment options offered by the Direct Plan in the future would correspond exactly with those described in this Disclosure Booklet. There is also no guarantee that such a transfer will not have tax implications. Transactions associated with a change in Direct Plan Manager, as described above, could result in the assets of the Direct Plan being temporarily held in cash. Such transactions could also result in the incurrence of additional expenses, or a negative impact on the performance of one or more investment options.

The Board may add or remove Investment Options and change the investment allocations of, or the investments held by, an Investment Option at any time. In certain circumstances, the Board may cancel your Participation Agreement which would close your Account.

Potential Impact on Financial Aid and Medicaid Eligibility. The eligibility of your Beneficiary for financial aid will depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in school, as well as on the policies of the governmental agencies, school or private organizations to which the Beneficiary or the Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the Beneficiary, it most likely will have some effect on the Beneficiary's eligibility. However, because these policies vary at different institutions and can change over time, the Direct Plan cannot say with certainty how the federal financial aid program, state or local government, private organizations or the school to which your Beneficiary applies, will treat your Account. Notwithstanding any Mississippi law to the contrary, no monies on deposit in either the MACS Program or the Prepaid Program will be considered an asset of the parent, guardian or student for purposes of determining an individual's eligibility for a need-based grant, need-based scholarship or need-based work opportunity offered or administered by any Mississippi agency except as may be required by the funding source of such financial aid.

The eligibility of an Account Owner for Medicaid assistance could be impacted by the Account Owner's ownership of a college savings account in a qualified tuition program. Although the result is not clear and may vary from state to state, it is possible that the assets in an Account Owner's Account may be considered available assets of the Account Owner for determining Medicaid assistance eligibility. Medicaid laws and regulations may change and Account Owners should consult their own financial and/or tax advisors for advice on their own particular situation.

Suitability; Investment Alternatives. The Board, the Direct Plan and the Direct Plan Manager make no representations regarding the suitability of any Investment Options for any particular investor or the appropriateness of the Direct Plan as a college savings investment vehicle. Other types of investments may be more appropriate depending upon your residence, financial condition, tax situation, risk tolerance or the age of the Beneficiary. Various qualified tuition programs other than the Direct Plan, including programs designed to provide prepaid tuition, are currently available, as are other investment alternatives. The investments, fees, expenses, eligibility requirements, tax and other consequences and features of these alternatives may differ from those of the Direct Plan. Before investing in the Direct Plan, you may wish to consider these alternatives and should consult a tax or investment advisor.

No Insurance or Guarantee. THE TRUST, THE MACS PROGRAM, THE DIRECT PLAN, THE BOARD, EACH BOARD MEMBER AND THE STATE OF MISSISSIPPI DO NOT INSURE ANY ACCOUNT OR GUARANTEE ANY RATE OF RETURN OR ANY INTEREST RATE ON ANY CONTRIBUTION AND ARE NOT LIABLE FOR ANY LOSS INCURRED BY ANY PERSON AS A RESULT OF PARTICIPATING IN THE DIRECT PLAN. Further, amounts in your Account are not insured or guaranteed by the Federal Deposit Insurance Corporation, any federal government agency, the Direct Plan Manager or its affiliates.

Withdrawals

Only you, as the Account Owner, may direct withdrawals from your Account. To request a withdrawal, you must complete the appropriate Direct Plan Form or make a request online through the Direct Plan's website. Generally, you may direct the Direct Plan to pay the proceeds of the withdrawal to you or to an Eligible Educational Institution on behalf of the Beneficiary. However, if you make a request online through the Direct Plan's website, the proceeds may only be made payable to the Account Owner's bank of record or to the Beneficiary's Eligible Educational Institution. If you make a request for a Non-Qualified Withdrawal, the proceeds may only be made payable to the Account Owner.

The Unit value used to calculate the value of a withdrawal from your Account will be the one next computed after a completed withdrawal request is received in good order by the Direct Plan. See "Unit Value" above for more information. If your Account is invested in more than one Investment Option, you must select the Investment Option from which your funds are to be withdrawn. You will not be able to withdraw a contribution until 10 days after receipt of that contribution by the Direct Plan. Generally, if you make a change to your mailing address or to your banking information on file, or if you transfer the Account to a new Account Owner, no withdrawals can be made from the Account for 30 days after the

Direct Plan has received the request as set forth on the applicable Direct Plan Form. Additional requirements may apply to withdrawal requests of $100,000 or more.

Each withdrawal you make from your Account will fall into one of the following categories:

(1) a Qualified Withdrawal;

(2) a Taxable Withdrawal;

(3) a Rollover; or

(4) a Non-Qualified Withdrawal.

Qualified Withdrawals. A Qualified Withdrawal is a withdrawal from your Account that is used to pay for Qualified Higher Education Expenses of the Beneficiary at an Eligible Educational Institution. By law, such expenses are defined generally to include tuition, certain room and board expenses, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution. Qualified Higher Education Expenses include certain additional enrollment and attendance costs of special needs beneficiaries.

Unlike other expenses, the cost of room and board may be treated as Qualified Higher Education Expenses only if it is incurred during an academic period during which the Beneficiary is enrolled or accepted for enrollment in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution, and during which the Beneficiary is enrolled at least half-time. (Half-time is defined as half of a full-time academic workload for the course of study the Beneficiary is pursuing based on the standard at the Beneficiary's Eligible Educational Institution.) The amount of room and board expenses that may be treated as a Qualified Higher Education Expense is generally limited to the room and board allowance applicable to a student that is included by the Eligible Educational Institution in its "cost of attendance" for purposes of determining eligibility for federal education assistance for that year. For students living in housing owned or operated by the Eligible Educational Institution, if the actual invoice amount charged by the Eligible Educational Institution for room and board is higher than the "cost of attendance" figure, then the actual invoice amount may be treated as qualified room and board costs.

No portion of a Qualified Withdrawal is subject to federal taxation or the Additional Tax.

The Account Owner and the Beneficiary have the responsibility, under federal and Mississippi income tax law, to substantiate their treatment of contributions to, withdrawals from, and other transactions involving an Account. They should retain receipts, invoices and other documents and information adequate to substantiate their treatment of such transactions and the treatment of educational expenses as Qualified Higher Education Expenses.

Taxable Withdrawals. A taxable withdrawal (a "**Taxable Withdrawal**") is any withdrawal from your Account that is not a Qualified Withdrawal, but that is: (1) paid to a beneficiary of, or the estate of, the Beneficiary on or after the Beneficiary's death or attributable to the permanent disability of the Beneficiary; (2) made on account of the receipt by the Beneficiary of a scholarship award or veterans' or other nontaxable educational assistance (other than gifts or inheritances), but only to the extent of such scholarship or assistance; (3) made on account of the Beneficiary's attendance at a military academy, but only to the extent of the costs of education attributable to such attendance; or (4) equal to the amount of the Beneficiary's relevant Qualified Higher Education Expenses taken into account in determining the Beneficiary's Hope Scholarship Credit or Lifetime Learning Credit.

The earnings portion of a Taxable Withdrawal is subject to federal taxation, but no portion of a Taxable Withdrawal is subject to the Additional Tax.

Rollovers. A Rollover from an Account includes:

Rollovers out of the Direct Plan

- a direct transfer from your Account to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- a withdrawal of funds from your Account, followed within 60 days of that withdrawal by a contribution of those funds to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

Intra-MACS Program Rollovers

- a withdrawal of funds from your account in either plan in the MACS Program for a Beneficiary, followed within 60 days of that withdrawal by a contribution of those funds to an account in either plan in the MACS Program for a person who is a Member of the Family of that Beneficiary.

No portion of a Rollover from an Account is subject to federal taxation (including the Additional Tax).

Non-Qualified Withdrawals. A non-qualified withdrawal (a "**Non-Qualified Withdrawal**") is any withdrawal that does not meet the requirements of being: (1) a Qualified Withdrawal; (2) a Taxable Withdrawal; or (3) a Rollover. The earnings portion of a Non-Qualified Withdrawal is subject to federal income taxation and the Additional Tax.

Information regarding the Mississippi income taxation of withdrawals from an Account may be found in "Tax Information" below. You should consult a qualified tax advisor regarding how both state and federal tax laws may apply to your particular circumstances.

Oversight of the Direct Plan

The primary purpose of the Direct Plan is to encourage timely financial planning for higher education. The Direct Plan was established by the State of Mississippi under Section 529 of the IRC, which allows states and certain other entities to set up education savings plans to enable Account Owners and Beneficiaries to avail themselves of the tax benefits provided for Section 529 programs.

Pursuant to the Statute, the Board administers the Direct Plan and all purposes, powers and duties of the Direct Plan are vested in and exercised by the Board. The Direct Plan assets are held in the Trust, a special fund in the State Treasury. The Statute further provides that the Board may contract for necessary goods and services, employ necessary personnel and engage the services of consultants and other qualified persons and entities for services necessary for the administration of the Direct Plan, and for the investment of assets of the Direct Plan, including but not limited to, consulting, marketing, technical, and administrative personnel or services

The Direct Plan Manager

The Direct Plan Manager is TFI, a wholly owned, indirect subsidiary of Teachers Insurance and Annuity Association of America ("**TIAA**"). TIAA, together with its companion organization, the College Retirement Equities Fund ("**CREF**"), forms one of America's leading financial services organizations and one of the world's largest pension systems, based on assets under management.

Management Agreement. TFI and the Board have entered into a contract (the "**Management Agreement**") dated as of September 21, 2011 under which TFI and subcontractors approved by the

Board provide investment recommendations, administration, recordkeeping, reporting, marketing and other services to the Direct Plan. References to TFI or the Direct Plan Manager in this Disclosure Booklet include, where applicable, any entity to which TFI subcontracts or delegates its duties as Direct Plan Manager.

TFI's Term as Direct Plan Manager. Under the Management Agreement, TFI will serve for a five-year term ending September 21, 2016. The Board, as permitted by law, may seek to extend the term of the Management Agreement for an additional five-year term. The Management Agreement is subject to the possibility of earlier termination at the discretion of the Board or TFI under specified circumstances.

Reporting

Account Statements. You will receive quarterly and annual Account statements indicating:

- contributions to each Investment Option during the period and total contributions year-to-date;
- withdrawals from each selected Investment Option from your Account made during the period;
- the total value of your Account at the beginning and end of the period; and
- any earnings on your Account for the period.

Tax Reports. Federal law requires that the Direct Plan issue IRS tax form 1099-Q to distributees for the taxable year in which a withdrawal occurred. Under federal law, a separate report will be filed by the Direct Plan with the IRS reporting withdrawals from an Account to each distributee reflecting, among other information, the earnings portion withdrawn during the calendar year to which the report pertains. By January 31 of the following year, each distributee (which is deemed to be the Account Owner unless the withdrawal is paid directly to the Beneficiary or to an Eligible Educational Institution on behalf of the Beneficiary) will receive a copy of the report or a corresponding statement.

Financial Statements. Each year, annual financial statements will be prepared for the Direct Plan. A nationally recognized independent certified public accounting firm will audit the annual financial statements in accordance with generally accepted accounting principles. The complete audited financial statements are available to Account Owners on request by calling the Direct Plan toll-free at 1-800-486-3670 or by writing to The Mississippi Affordable College Savings Program, PO Box 55037, Boston, MA 02205-5037.

Tax Information

The federal and Mississippi tax rules applicable to the Direct Plan are complex, and some of the rules have not yet been finalized. Their application to any particular person may vary according to facts and circumstances specific to that person. You should consult a qualified tax advisor about how the laws apply to your circumstances.

Federal Income Tax Treatment

IRS Announcement 2008-17

On January 17, 2008, the IRS issued an Advance Notice of Proposed Rulemaking (the "**Notice**"), which details issues on which the IRS intends to issue new regulations under IRC Section 529 (the "**New Regulations**"). As described in the Notice, a principal component of the New Regulations will be an anti-abuse rule intended to deny the favorable federal tax treatment provided by Section 529 to the extent that transactions involving an Account are inconsistent with the education-savings purpose of Section 529 (for example, use of an Account to avoid gift or generation-skipping transfer taxes, as a retirement plan, or for other purposes inconsistent with the intent of Section 529). Although the Notice provides that the New Regulations generally will be prospective in effect, the Notice also states that the anti-abuse rule may be applied retroactively. The following discussion relates to current law and does not further discuss the Notice or the New Regulations.

Contributions

In general, contributions to an Account will not result in taxable income to the Beneficiary. A contributor may not deduct the contribution from income for purposes of determining federal income taxes. If a contribution is made to an Account by a Rollover, the entire contribution will be treated as consisting of earnings unless certain documentation is received by the Direct Plan with respect to the originating Account or qualified tuition program. That documentation generally will be automatically provided to the Direct Plan if the Rollover involves a direct transfer of funds from the originating Account or qualified tuition program.

Withdrawals

The federal income tax treatment of withdrawals from an Account is described in "Withdrawals" above. Only the earnings portion of a withdrawal is ever subject to federal income tax or the Additional Tax. All withdrawals are treated as attributable partially to contributions made to the Account and partially to earnings, if any. The proportion of contributions and earnings for each withdrawal is determined by the Direct Plan based on the relative portions of total earnings and contributions as of the withdrawal date for all accounts with the same Beneficiary and same Account Owner in the MACS Program and the Prepaid Program.

Refunds of Payments of Qualified Higher Education Expenses

If an Eligible Educational Institution refunds any portion of an amount previously withdrawn from an Account and treated as a Qualified Withdrawal, you may be required to treat the amount of the refund as a Non-Qualified Withdrawal or Taxable Withdrawal (depending on the reason for the refund) for purposes of federal income tax. Different treatment may apply if the refund is withdrawn to pay other Qualified Higher Education Expenses of the Beneficiary or to make a qualifying Rollover. The treatment of refunds for federal income tax purposes is uncertain, and you should consult a qualified tax advisor regarding such treatment.

Coordination with Other Income Tax Incentives for Education

In addition to the income tax benefits provided to Account Owners and Beneficiaries under Section 529, benefits are provided by several other provisions of the IRC for education-related investments or expenditures. These include Coverdell Education Savings Accounts ("**Coverdell ESAs**"), Hope Credit/American Opportunity Credit, Lifetime Learning Credits and "qualified United States savings bonds" described in IRC Section 135 ("**qualified U.S. savings bonds**"). Each of these incentives is subject to specific rules and limitations, and there are particular coordination provisions applicable to the interaction of the provisions governing these incentives and Section 529. The treatment of these incentives under Mississippi income tax law may differ from the treatment under federal income tax law.

In general, if certain requirements are satisfied, amounts derived from Coverdell ESAs and qualified U.S. savings bonds may be used to make contributions to an Account without the imposition of federal income taxes under the provisions applicable to those Coverdell ESAs and qualified U.S. savings bonds. However, some or all of the deferred income taxes may be recognized at the time of a subsequent withdrawal from the Account, depending on whether that withdrawal is a Qualified Withdrawal, a Taxable Withdrawal or a Non-Qualified Withdrawal. An Account Owner who intends to make a contribution to an Account from a Coverdell ESA or a qualified U.S. savings bond should consult a qualified tax advisor with respect to the applicable federal and state income tax effects.

Qualified Higher Education Expenses of a Beneficiary may be paid on a tax-free basis (subject to certain limitations) with funds from an Account, a Coverdell ESA established for the benefit of the Beneficiary, or a qualified U.S. savings bond applicable to the Beneficiary. For purposes of determining what portion of a withdrawal from an Account constitutes a Qualified Withdrawal and is therefore exempt from federal income taxes, the following rules generally apply with regard to the interaction of the federal income tax education-incentive provisions under the IRC:

- The amount of a Beneficiary's Qualified Higher Education Expenses in any tax year will be reduced by the aggregate amount: (1) of the Beneficiary's expenses used for such tax year to qualify for the Hope Credit/American Opportunity Credit or Lifetime Learning Credit; and (2) received by the Beneficiary as a result of certain qualified scholarships, allowances or payments (not including amounts derived from the redemption of qualified U.S. savings bonds).

- If the sum of withdrawals from the MACS Program, all other qualified tuition programs and all Coverdell ESAs for the benefit of the Beneficiary, in any tax year exceed the Beneficiary's Qualified Higher Education Expenses for the year (after the reduction described above), then the Beneficiary's Qualified Higher Education Expenses generally must be allocated proportionately among the withdrawals to determine the amount of withdrawals that will be treated as used for Qualified Higher Education Expenses. Any amount of withdrawals from an Account in excess of the Qualified Higher Education Expenses allocated to those withdrawals will not be treated as used for the payment of such expenses and therefore will be treated as either a Taxable Withdrawal or a Non-Qualified Withdrawal, depending on all the facts. Account Owners should consult a qualified tax advisor regarding the interaction under the IRC of the federal income tax education-incentive provisions addressing Account withdrawals.

Substantiation

The Account Owner and the Beneficiary have the responsibility, under federal and Mississippi income tax law, to substantiate their treatment of contributions to, withdrawals from, and other transactions involving an Account. They should retain receipts, invoices and other documents and information adequate to substantiate their treatment of such transactions and the treatment of education expenses as Qualified Higher Education Expenses.

Federal Gift, Estate and Generation-Skipping Transfer Tax Treatment

Contributions to the Direct Plan are generally considered completed gifts for federal tax purposes and, therefore, are potentially subject to federal gift tax. Generally, if a contributor's contributions to an Account or Accounts for a Beneficiary, together with all other gifts by the contributor to the Beneficiary, are less than the current annual exclusion of $13,000 per year ($26,000 for married contributors), no federal gift tax will be imposed on the contributor for gifts to the Beneficiary during that year. This annual exclusion amount is indexed for inflation in $1,000 increments and may therefore increase in future years.

If a contributor's contributions to an Account or Accounts for a Beneficiary in a single year exceed $13,000 ($26,000 for married contributors), the contributor may elect to treat up to $65,000 of the contribution ($130,000 in the case of a consenting married couple or a community property gift) as having been made ratably over a five-year period. (For purposes of determining the amount of gifts made by the contributor to that Beneficiary in the four-year period following the year of contribution, the contributor will have to take into account the ratable portion of the Account contribution allocated to that year.)

In addition, to the extent not previously used, each contributor has a $5,000,000 lifetime exemption that will be applied to gifts in excess of the annual exclusion amounts referred to above. A married couple may elect to split gifts and apply their combined exemption of $10,000,000 to gifts by either of them. Accordingly, while federal gift tax returns are required for gifts in excess of the annual exclusion amounts referred to above (including gifts that the contributor elects to treat as having been made ratably over a five-year period), no federal gift tax will be due until the lifetime exemption has been used. The top gift tax rate is currently 35 percent. A potential contributor should consult with his or her own tax advisor regarding the current lifetime exemptions and the gift tax filing requirements.

Amounts in an Account that are considered completed gifts by the contributor generally will not be included in the contributor's gross estate for federal estate tax purposes. However, if the contributor elects to treat the gifts as having been made over a five-year period and dies before the end of the five-year period, the portion of the contribution allocable to the remaining years in the five-year period (not including the year in which the contributor died) would be includible in computing the contributor's gross estate for federal estate tax purposes. Amounts in an Account at the death of a Beneficiary will be included in the Beneficiary's gross estate for federal estate tax purposes to the extent such amounts are distributed to a beneficiary of, or the estate of, the Beneficiary. Each taxpayer has a $5,000,000 estate tax exemption. The top estate tax rate is currently 35 percent.

A change of the Beneficiary of an Account or a transfer of funds from an Account to an Account for another Beneficiary will potentially be subject to federal gift tax if the new Beneficiary is in a younger generation than the generation of the Beneficiary being replaced or is not a Member of the Family of that Beneficiary. In addition, if the new Beneficiary is in a generation two or more generations younger than the generation of the prior Beneficiary, the transfer may be subject to the generation-skipping transfer tax discussed below. Although the existing Section 529 proposed regulations (published in 1998) provide that these taxes are imposed on the prior Beneficiary and not the Account Owner, the treatment of such transactions under the current provisions of Section 529 (some of which were enacted after 1998) is nonetheless unclear. Account Owners should consult their own tax advisors for guidance when considering a change of Beneficiary or a transfer of funds to another Account. Furthermore, prior to a transfer of ownership of an Account from an existing Account Owner to a new Account Owner, the transferor and transferee Account Owners should consult their tax advisors regarding the potential applicability of income tax, gift tax or generation-skipping transfer tax provisions of the IRC to such transfer.

Because contributions to an Account are treated as completed gifts for federal transfer tax purposes, a contributor may also need to be concerned about the generation-skipping transfer tax. This tax may apply to contributions in excess of the amount that may be elected to be ratably spread over the above-referenced five-year period where the Beneficiary is in a generation more than one generation younger than the generation of the contributor. The application of the generation-skipping transfer tax is very complex, and a potential contributor concerned about application of the tax should consult with his or her own tax advisor.

The Economic Growth and Tax Relief Reconciliation Act of 2001 ("**EGTRRA**") repealed the estate tax and generation-skipping transfer tax (but not the gift tax) for 2010 and provided that the pre-EGTRRA estate and generation-skipping transfer tax rules would be reinstated for 2011. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 amended the estate tax and generation-skipping transfer tax rules for 2011 and 2012. Unless further legislation is enacted, the pre-EGTRRA estate and generation-skipping transfer tax rules will be reinstated in 2013. A potential contributor should consult with a tax advisor regarding applicable federal tax law.

State of Mississippi Income Tax Treatment

The following discussion applies only with respect to Mississippi taxes. Mississippi tax treatment in connection with the Direct Plan applies only to Mississippi taxpayers. You should consult with a qualified tax advisor regarding the application of Mississippi tax provisions to your particular circumstances.

If you or the Beneficiary of your Account reside in another state or have taxable income in another state, it is important for you to note that if that state has established a qualified tuition program under Section 529 of the IRC, that state's program may offer favorable state income tax benefits or other benefits that are only available if you invest in that state's program. Those benefits, if any, should be one of the many appropriately weighted factors you consider before making a decision to invest in the Direct Plan. You should consult with a qualified advisor or contact that state's qualified tuition program to find out more about such benefits (including any applicable limitations) and to learn how the features, benefits and limitations of that state's program may apply to your specific circumstances.

Contributions

Contributions to an Account or Accounts are deductible from Mississippi taxable income up to a maximum amount of $10,000 for a single filer or $20,000 for joint filers per taxable year. As long as a married couple files a joint return, each spouse need not contribute $10,000 during the taxable year in order to be entitled to a maximum $20,000 deduction on their joint return. For purposes of a joint tax return, it is sufficient for one spouse to contribute most or all of the full $20,000 to be entitled to the maximum contribution deduction in any taxable year. Contributors are permitted to take a deduction for contributions made no later than the time prescribed by federal law for filing the tax return for the taxable year (without extension). A Mississippi taxpayer is not required to itemize his or her deductions to make this adjustment to income.

Withdrawals

See the "Withdrawals" section of this Disclosure Booklet for descriptions of the four categories of withdrawals: Qualified Withdrawal, Taxable Withdrawal, Rollover, and Non-Qualified Withdrawal. Earnings from the investment of contributions to an Account generally will not be subject to Mississippi income tax, if at all, until funds are withdrawn in whole or in part from the Account

No portion of a Qualified Withdrawal, Taxable Withdrawal, or Rollover will be subject to Mississippi income tax.

The earnings portion of a Non-Qualified Withdrawal will be taxable to a resident recipient of the withdrawal

The contribution portion of a Non-Qualified Withdrawal that was previously deducted for Mississippi income tax purposes will also be included in the resident recipient's Mississippi gross income.

Exemption of Assets

The assets of the Direct Plan and any income derived therefrom are exempt from all taxation by Mississippi or any of its political subdivisions.

Taxes Imposed by Other Jurisdictions

Prospective Account Owners should consider the potential impact of income taxes imposed by jurisdictions other than Mississippi. It is possible that other state or local taxes apply to withdrawals from or accumulated earnings within the Direct Plan, depending on the residency or domicile of the Account Owner or the Beneficiary. Account Owners and Beneficiaries should consult their tax advisors about the applicability, if at all, of state or local taxes imposed by other jurisdictions.

APPENDIX I

to the Disclosure Booklet for the
Mississippi Affordable College Savings Program

Summaries of the Underlying Investments

Summaries of the Underlying Funds

The following provides a summary of the mutual funds, currently the Institutional Class of the TIAA-CREF Funds, approved by the Board as the underlying investment vehicles in which certain of the Investment Options invest. The descriptions are taken from the most recent prospectuses of the Underlying Funds available prior to the date of this Disclosure Booklet and are intended to summarize the respective investment objectives, principal investment strategies and principal risks of each of the Underlying Funds. The investment objectives, strategies and risks of the Underlying Funds are subject to change at any time. Additional information regarding each of the Underlying Funds can be found in the prospectuses, statements of additional information and annual and semi-annual reports for each of the Underlying Funds. You can request a copy of this material for each Underlying Fund by calling 1-800-897-9059 or visiting www.tiaa-cref.org/prospectuses/index.html. The TIAA-CREF Funds' Investment Adviser is Teachers Advisors, Inc., an affiliate of the Direct Plan Manager. An investment in the Direct Plan or in any of the Investment Options is not an investment in any of the Underlying Funds.

	Fund Name	Investment Objective	Principal Investment Strategies
Active Equity Funds	**Small-Cap Equity Fund**	The Small-Cap Equity Fund seeks a favorable long-term total return, mainly through capital appreciation, primarily from equity securities of smaller domestic companies.	Under normal circumstances, the Small-Cap Equity Fund invests at least 80% of its assets in small-cap equity securities. The Fund invests primarily in equity securities of smaller domestic companies across a wide range of sectors, growth rates and valuations that appear to have favorable prospects for significant long-term capital appreciation. The overall goal is to build a portfolio of stocks that outperform the Fund's specified benchmark index, while also managing the relative risk of the Fund versus its benchmark index. The markets or the prices of individual securities may be affected by factors not taken into account in its investment adviser's analysis.
	International Equity Fund	The International Equity Fund seeks a favorable long-term total return, mainly through capital appreciation, primarily from equity securities of foreign issuers.	Under normal circumstances, the International Equity Fund invests at least 80% of its assets in equity securities of foreign issuers. The Fund has a policy of maintaining investments of equity securities of foreign issuers in at least three countries other than the United States. The Fund may invest in emerging markets to varying degrees, depending on the prevalence of stock specific opportunities. The Fund typically invests in companies of all sizes that can demonstrate an ability to generate free cash flow and strong market share. In addition, the Fund's investment adviser looks for companies with performance-oriented management that focuses on growth through innovation, sustainable earnings growth and shareholder returns.
Equity Index Funds	**Emerging Markets Equity Index Fund**	The Emerging Markets Equity Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of emerging market equity investments based on a market index.	The Emerging Markets Equity Index Fund seeks a favorable long-term total return from a diversified portfolio of equity securities selected to track publicly-traded stocks in emerging markets, as represented by a specified benchmark index. Under normal circumstances, the Fund invests at least 80% of its assets in equity securities that comprise its benchmark index or in instruments with economic characteristics similar to all or a portion of its benchmark index. The Fund will invest in most but not necessarily all of the stocks that comprise its benchmark index, and will attempt to closely match its benchmark index's overall investment attributes. At times, the Fund will not invest in securities of issuers included in its benchmark index that do not meet certain corporate governance criteria adopted by the Fund. Under this policy, the Fund currently has determined not to invest in certain companies with operations in Sudan.
	Large-Cap Growth Index Fund	The Large-Cap Growth Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic growth companies based on a market index.	Under normal circumstances, the Large-Cap Growth Index Fund invests at least 80% of its assets in securities of its benchmark index. The Fund buys most, but not necessarily all, of the stocks in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. The Fund is designed to track various U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index.
	Large-Cap Value Index Fund	The Large-Cap Value Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic value companies based on a market index.	Under normal circumstances, the Large-Cap Value Index Fund invests at least 80% of its assets in securities of its benchmark index. The Fund buys most, but not necessarily all, of the stocks in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. The Fund is designed to track various U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index.
	Small-Cap Blend Index Fund	The Small-Cap Blend Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities in smaller domestic companies based on a market index.	Under normal circumstances, the Small-Cap Blend Index Fund invests at least 80% of its assets in equity securities of its benchmark index. The Fund buys most, but not necessarily all, of the stocks in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. The Fund is designed to track various U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index.

	Fund Name	Investment Objective	Principal Investment Strategies
	International Equity Index Fund	The International Equity Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of foreign equity investments based on a market index.	Under normal circumstances, the International Equity Index Fund invests at least 80% of its assets in securities of its benchmark index. The Fund buys most, but not necessarily all, of the stocks included in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. The Fund is designed to track foreign equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index.
Real Estate Securities Fund	**Real Estate Securities Fund**	The Real Estate Securities Fund seeks to obtain a favorable long-term total return through both capital appreciation and current income**,** by investing primarily in equity securities of companies principally engaged in or related to the real estate industry.	Under normal circumstances, the Real Estate Securities Fund invests at least 80% of its assets in the equity securities of companies that are principally engaged in or related to the real estate industry, including those that own significant real estate assets, such as real estate investment trusts. The Fund will invest primarily in equity securities of such companies. The Fund does not invest directly in real estate. The Fund concentrates its investments in the real estate industry. From time to time, the Fund may also invest in debt securities of companies principally engaged in or related to the real estate industry. The Fund also may invest up to 15% of its total assets in real estate securities of foreign issuers and up to 20% of its total assets in equity (including preferred stock) and debt securities of issuers that are not engaged in or related to the real estate industry.
Fixed-Income Funds	**Bond Index Fund**	The Bond Index Fund seeks a favorable long-term total return, mainly from current income, by primarily investing in a portfolio of fixed-income securities that is designed to produce a return that corresponds with the total return of the U.S. investment-grade bond market based on a broad bond index.	Under normal circumstances, the Bond Index Fund invests at least 80% of its assets in bonds within its benchmark and portfolio tracking index. At times the Fund may purchase securities not held in a specified benchmark index, but which its investment adviser believes have similar investment characteristics to securities held in its benchmark index. Generally, the Fund intends to invest in a wide spectrum of public, investment-grade, taxable debt securities denominated in U.S. dollars—including government, mortgage-backed, commercial mortgaged-backed and asset-backed securities. The Fund's investment in mortgage-backed securities may include pass-through securities sold by private, governmental and government-related organizations and collateralized mortgage obligations, to the extent such instruments are held by the Fund's benchmark index. The Fund generally will invest in foreign securities denominated in U.S. dollars only to the extent they are included or eligible to be included in its benchmark index.
	High-Yield Fund	The High-Yield Fund seeks high current income and, when consistent with its primary objective, capital appreciation.	The High-Yield Fund invests primarily in lower-rated, higher-yielding fixed-income securities, such as domestic and foreign corporate bonds, debentures, loan participations and assignments and notes, as well as convertible securities and preferred stocks. Under normal circumstances, the Fund invests at least 80% of its assets in debt and other fixed-income securities rated lower than investment-grade (and their unrated equivalents) or other high-yielding debt securities. The Fund may invest up to 20% of its assets in the following types of instruments: payment-in-kind or deferred-interest obligations, defaulted securities, asset-backed securities, securities rated lower than B- or its equivalent by at least two rating agencies, and securities having limited liquidity. The Fund can make foreign investments, including investments in emerging markets, but these are not expected to be over 20% of its assets. The Fund can have up to 15% of its assets in illiquid securities. The Fund can also invest in U.S. Treasury and agency securities or other short-term instruments when other suitable investment opportunities are not available, or in order to build the Fund's liquidity. The Fund may purchase and sell futures, options, swaps and other fixed-income derivative instruments to carry out the Fund's investment strategies.

	Fund Name	Investment Objective	Principal Investment Strategies
	Inflation-Linked Bond Fund	The Inflation-Linked Bond Fund seeks a long-term rate of return that outpaces inflation, primarily through investment in inflation-linked bonds.	Under normal circumstances, the Inflation-Linked Bond Fund invests at least 80% of its assets in fixed-income securities whose principal value increases or decreases based on changes in a specified inflation index over the life of the security. Typically, the Fund will invest in U.S. Treasury Inflation-Indexed Securities. The Fund can also invest in (1) other inflation-indexed bonds issued or guaranteed by the U.S. government or its agencies, by corporations and other U.S. domiciled issuers, as well as foreign governments, and (2) money market instruments or other short-term securities. The Fund may also invest in inflation-indexed bonds issued or guaranteed by foreign governments and their agencies, as well as other foreign issuers. Under most circumstances, the Fund's investments in inflation-linked bonds of foreign issuers are generally less than 25% of its total assets. The Fund may purchase and sell futures, options, swaps and other fixed-income derivative instruments to carry out the Fund's investment strategies. The Fund also may invest in any fixed-income securities provided that no more than 5% of its assets are invested in fixed-income securities rated below investment grade.
	Short-Term Bond Fund	The Short-Term Bond Fund seeks high current income consistent with preservation of capital.	Under normal circumstances, the Short-Term Bond Fund invests at least 80% of its assets in U.S. Treasury and agency securities and investment-grade fixed-income investments with an average maturity of less than 5 years. The Fund may purchase and sell futures, options, swaps and other fixed-income derivative instruments to carry out the Fund's investment strategies. The Fund may invest in foreign securities, including emerging markets fixed-income securities and non-dollar denominated instruments. Under most circumstances, the Fund's investments in fixed-income securities of foreign issuers constitute less than 20% of its assets.
Money Market Fund	**Money Market Fund**	The Money Market Fund seeks high current income consistent with maintaining liquidity and preserving capital.	The Money Market Fund invests in high-quality, short-term money market instruments. Generally, it seeks to maintain a share value of $1.00 per share. The Fund limits its investments to securities that present minimal risk and are rated in the highest rating categories for short-term instruments. The Fund can also invest up to 30% of its assets in money market and debt instruments of foreign issuers denominated in U.S. dollars. The Fund may make other investments consistent with its investment objective and policies. An investment in the Money Market Fund, like the other Funds, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Summary of Risks of the Underlying Funds

RISK CATEGORY	*Small-Cap Equity Fund*	*Inter-national Equity Fund*	*Emerging Markets Equity Index Fund*	*Large-Cap Growth Index Fund*	*Large-Cap Value Index Fund*	*Small-Cap Blend Index Fund*	*Inter-national Equity Index Fund*	*Real Estate Securities Fund*	*Bond Index Fund*	*High-Yield Fund*	*Inflation-Linked Bond Fund*	*Short-Term Bond Fund*	*Money Market Fund*
Active Management Risk	●	●						●		●	●	●	
Call Risk									●	●		●	
Credit Risk									●	●	●	●	●
Current Income Risk													●
Derivatives Risk										●	●	●	
Emerging Markets Risk		●	●							●			
Extension Risk									●			●	
Fixed-Income Foreign Investment Risk									●	●	●	●	●
Foreign Investment Risk	●	●	●				●	●					
Income Volatility Risk									●				●
Index Risk			●	●	●	●	●		●				
Industry Concentration Risk								●					
Interest Rate Risk								●	●	●	●	●	●
Issuer Risk	●	●	●	●	●	●	●	●		●		●	●
Large-Cap Risk				●	●		●						
Market Risk	●	●	●	●	●	●	●	●					
Market Volatility, Liquidity and Valuation Risk									●	●		●	●
Mid-Cap Risk							●	●					
Non-Investment-Grade Securities Risk										●			
Real Estate Investing Risk								●					
Prepayment Risk									●			●	
Quantitative Analysis Risk	●												
Small-Cap Risk	●					●		●					
Special Risks for Inflation-Indexed Bonds											●		
Style Risks **Growth Investing**				●									
Style Risks **Value Investing**					●								

Summary Descriptions of Risks of the Underlying Funds

Active Management Risk — The risk that the strategy, investment selection or trading execution of securities by a Fund's investment adviser could cause the Fund to underperform relative to the benchmark index or mutual funds with similar investment objectives.

Call Risk — The risk that, during periods of falling interest rates, an issuer may call (or repay) a fixed-income security prior to maturity, resulting in a decline in a Fund's income.

Credit Risk (a type of **Issuer Risk**) — The risk that the issuer of bonds may not be able or willing to meet interest or principal payments when the bonds become due.

Current Income Risk — The risk that the income a Fund receives may fall as a result of a decline in interest rates. In a low interest rate environment, the Money Market Fund may not be able to achieve a positive or zero yield or maintain a stable net asset value of $1.00 per share.

Derivatives Risk — The risks associated with investing in derivatives may be different and greater than the risks associated with directly investing in the underlying securities and other instruments. A Fund may use futures and options, and a Fund may also use more complex derivatives such as swaps that might present liquidity, credit and counterparty risk. When investing in derivatives, a Fund may lose more than the principal amount invested.

Emerging Markets Risk — The risk of foreign investment often increases in countries with emerging markets. For example, these countries may have more unstable governments than developed countries, and their economies may be based on only a few industries. Because their financial markets may be very small, share prices of financial instruments in emerging market countries may be volatile and difficult to determine. Financial instruments of issuers in these countries may be less liquid than those of issuers in more developed countries. In addition, foreign investors such as a Fund are subject to a variety of special restrictions in many such countries.

Extension Risk — The risk that during periods of rising interest rates, borrowers may pay off their mortgage loans later than expected, preventing a Fund from reinvesting principal proceeds at higher interest rates and resulting in less income than potentially available.

Fixed-Income Foreign Investment Risk —Investment in fixed-income securities or financial instruments of foreign issuers involves increased risks due to adverse issuer, political, regulatory, currency, market or economic developments. These developments may impact the ability of a foreign debt issuer to make timely and ultimate payments on its debt obligations to a Fund or impair a Fund's ability to enforce its rights against the foreign debt issuer. These risks are heightened in emerging or developing markets. Foreign investments may also be less liquid and more difficult to value than investments in U.S. issuers.

Foreign Investment Risk — Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, currency, market or economic developments and can result in greater price volatility and perform differently from financial instruments of U.S. issuers. This risk may be heightened in emerging or developing markets. Foreign investments may also be less liquid and more difficult to value than investments in U.S. issuers.

Income Volatility Risk — The risk that the level of current income from a portfolio of fixed-income investments declines in certain interest rate environments.

Index Risk — The risk that the Fund's performance will not correspond to its benchmark index for any period of time and may underperform such index or the overall stock market. Additionally, to the extent that the Fund's investments vary from the composition of its benchmark index, the Fund's performance could potentially vary from the index's performance to a greater extent than if the Fund merely attempted to replicate the index.

Industry Concentration Risk — Because a Fund concentrates its investments in only one industry and holds securities of relatively few issuers, the value of its portfolio is likely to experience greater fluctuations and may be subject to greater risk than those of other funds.

Interest Rate Risk (a type of **Market Risk**) — The risk that increases in interest rates can cause the prices of fixed-income securities to decline. This risk is heightened to the extent that a Fund invests in longer duration fixed-income investments.

Issuer Risk (often called **Financial Risk**) — The risk that an issuer's earnings prospects and overall financial position will deteriorate, causing a decline in the value of the issuer's financial instruments over short or extended periods of time.

Large-Cap Risk — The risk that large-capitalization companies are more mature and may grow more slowly than the economy as a whole and tend to go in and out of favor based on market and economic conditions.

Market Risk — The risk that market prices of portfolio investments held by the Fund may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions. Market risk may affect a single issuer, industry or sector of the economy, or it may affect the market as a whole.

Market Volatility, Liquidity and Valuation Risk (types of **Market Risk**) — The risk that volatile or dramatic reductions in trading activity make it difficult for a Fund to properly value its investments and that a Fund may not be able to purchase or sell an investment at an attractive price, if at all.

Mid-Cap Risk — The risk that the stocks of mid-capitalization companies often experience greater price volatility, lower trading volume and less liquidity than the stocks of larger, more established companies.

Non-Investment-Grade Securities Risk — Issuers of non-investment-grade securities, which are usually called "high-yield" or "junk bonds," are typically in weaker financial health and such securities can be harder to value and sell and their prices can be more volatile. While these securities generally have higher rates of interest, they also involve greater risk of default than do securities of a higher-quality rating.

Prepayment Risk — The risk that during periods of falling interest rates, borrowers may pay off their mortgage loans sooner than expected, forcing a Fund to reinvest the unanticipated proceeds at lower interest rates and resulting in a decline in income.

Quantitative Analysis Risk — The risk that stocks selected by the Fund's investment adviser using quantitative modeling and analysis could perform differently from the market as a whole.

Real Estate Investing Risk — As a result of a Fund's investment objective, a Fund is subject to all of the risks associated with the ownership of real estate. These risks include, among others, declines in the value of real estate, negative changes in the climate for real estate, risks related to general and local economic conditions, decreases in property revenues, increases in prevailing interest rates, property taxes and operating expenses, changes in zoning laws and costs resulting from the clean-up of environmental problems.

Small-Cap Risk — The risk that the stocks of small-capitalization companies often experience greater price volatility than large- or mid-sized companies because small-cap companies are often newer or less established than larger companies and are likely to have more limited resources, products and markets. Securities of small-cap companies are often less liquid than securities of larger companies as a result of there being a smaller market for their securities.

Special Risks for Inflation-Indexed Bonds – The risk that interest payments on, or market values of, inflation-indexed investments decline because of a decline in inflation (or deflation) or changes in investors' and/or the market's inflation expectations. In addition, inflation indices may not reflect the true rate of inflation.

Style Risk — The risk that use of a particular investing style (such as growth or value investing) may fall out of favor in the marketplace for various periods of time and result in underperformance relative to the broader market sector or significant declines in the value of a Fund's portfolio investments.

The Funds that are managed according to a growth investment style are subject to:

- **Risks of Growth Investing** — The risks that growth stocks can perform differently from the market as a whole and other types of stocks. Growth stocks can also be more volatile, and experience sharper price fluctuations, than other stocks.

The Funds that are managed according to a value investment style are subject to:

- **Risks of Value Investing** — Securities believed to be undervalued are subject to the risks that the issuer's potential business prospects are not realized and its potential value is never recognized by the market. As a result, value stocks can be overpriced when acquired and may not perform as anticipated.

Summary of the TIAA-CREF Life Insurance Company Funding Agreement

Contributions to the Guaranteed Option are allocated to a Funding Agreement issued by TIAA-CREF Life to the Policyholder who is the Board on behalf of the Trust. TIAA-CREF Life is regulated as a life insurance company by many states. TIAA-CREF Life is an affiliate of the Direct Plan Manager.

Under the terms of the Funding Agreement, guaranteed interest will be credited to the Policyholder's Funding Agreement account accumulation on a daily basis at the then effective annual rate. The minimum effective annual interest rate to be credited to the Policyholder's account will be neither less than 1% nor greater than 3% at any time. The minimum guaranteed rate will be reset each year. TIAA-CREF Life may pay additional interest in excess of the guaranteed interest rate. Any such additional interest rates will be declared in advance by TIAA-CREF Life for a period of up to 12 months and are not guaranteed for future periods.

The current effective annual interest rate applicable to the Funding Agreement will be posted on the Direct Plan's website. You may also obtain the information by calling the Direct Plan.

Any interest credited under the Funding Agreement, including the guaranteed interest rate, is credited only to the Policyholder's Funding Agreement account, not to Account Owners or Beneficiaries.

There is a risk that TIAA-CREF Life could fail to perform its obligations under the Funding Agreement for financial or other reasons.

APPENDIX II

to the Disclosure Booklet for the Mississippi Affordable College Savings Program

PARTICIPATION AGREEMENT

Each capitalized term used but not defined in this Participation Agreement has the meaning set forth in the Disclosure Booklet, and such meanings are incorporated into this Participation Agreement as if they were set forth herein.

I hereby enter into this Participation Agreement with the Board, on behalf of the Trust, in order to establish an Account in the Direct Plan. I understand that the Account shall represent an interest in the Direct Plan. I understand and agree that this Participation Agreement is subject to and incorporates by reference all of the information set forth in the Disclosure Booklet and Application. I understand that my signature on the Application signifies my acceptance of the terms of this Participation Agreement.

For purposes of this Participation Agreement, "I" or "me" shall refer to the designated Account Owner or to a duly appointed representative of the Account Owner, as applicable.

A. <u>Agreements, Representations and Warranties of the Account Owner</u>. I hereby agree with, and represent and warrant to the Board, as follows:

1. I certify that I am eligible to be an Account Owner of the Direct Plan as such eligibility is set forth in the Disclosure Booklet.

2. I have received, read and understand the Disclosure Booklet as currently in effect. I acknowledge that there have been no representations or other information about the Direct Plan relied upon in entering into this Participation Agreement, whether oral or written, other than as set forth in the Disclosure Booklet and this Participation Agreement. I understand that this Participation Agreement shall become effective upon the opening of the Account on the records of the Direct Plan.

3. I certify that I am opening this Account in order to provide funds for the Qualified Higher Education Expenses of the Beneficiary, if any, of the Account. I certify that I have full power and authority to enter into and perform under this Participation Agreement. This Participation Agreement constitutes the legal, valid and binding obligation of the Account Owner.

4. I understand that all assets, if any, in the Account will be held exclusively for my benefit and the benefit of the Beneficiary. I understand that any contribution, or portion of a contribution, made by me that causes the aggregate market value of the Account and all other accounts in the MACS Program and the value of any prepaid tuition contracts in the Prepaid Program for the same Beneficiary to exceed the current applicable Maximum Account Balance Limit will be rejected and returned.

5. I understand that the minimum initial and subsequent contribution to an Account is $25 to each Investment Option chosen except for contributions made via payroll deduction, where the minimum is $15 per Investment Option per pay period. I understand that the Board may, at any time, change the minimum contribution amounts without notice.

6. I recognize that the investment of contributions and earnings, if any, in my Account involves certain risks, and I have taken into consideration and understand the risk factors related to these investments, including, but not limited to, those set forth in the Disclosure Booklet. I understand that neither I, nor any Beneficiary, is or will be permitted to direct the investment of the Account other than through the selection of Investment Options. I understand that I may transfer all or a portion of the funds already in my Account to different Investment Options within the Direct Plan once per calendar year for the same Beneficiary or when I change the Beneficiary of my Account to a Member of the Family of the Beneficiary. I understand that if I have an Account in the Direct Plan and an account in the Advisor Plan for the same Beneficiary, a transfer of funds among investment options in either plan counts as my once per year transfer as does a transfer from investment options in one plan within the MACS Program to investment options in the other plan for the same Beneficiary.

7. I understand and acknowledge that amounts in my Account are not guaranteed or insured by any person or entity, including but not limited to, the State of Mississippi, the MACS Program, the Board, the Board members, the Direct Plan, the Trust, the Direct Plan Manager and its subcontractors and affiliates, any vendors, contractors, investment advisors or investment managers selected or approved by the Board or any agents, representatives or successors of any of the foregoing.

8. I understand and acknowledge that with respect to each Investment Option in the Direct Plan, there is no guarantee or commitment whatsoever from the State of Mississippi, the MACS Program, the Board, the Direct Plan, the Trust, the Direct Plan Manager or any other person or entity that: (i) actual Qualified Higher Education Expenses will be equal to projections and estimates provided by the Direct Plan (ii) the Beneficiary will be admitted to any institution of higher education (including an Eligible Educational Institution); (iii) upon admission to an institution of higher education, the Beneficiary will be permitted to continue to attend; (iv) upon admission to an institution, the Beneficiary will be determined a resident for tuition purposes by the institution of higher education; (v) the Beneficiary will graduate or receive a degree from any institution; or (vi) contributions and investment returns in this Account will be sufficient to cover the Qualified Higher Education Expenses of the Beneficiary.

9. I understand and acknowledge that the MACS Program, the Direct Plan, the Board, each Board member and the State of Mississippi do not insure any account or guarantee any rate of return or any interest rate on any contribution or are not liable for any loss incurred by any person as a result of participating in the Direct Plan. I further understand and acknowledge that none of the above, nor the Direct Plan, the Trust, the Direct Plan Manager or any affiliate thereof, or any other person or entity makes any guarantee that I will not suffer a loss of any amount invested in my Account or that I will receive a particular return of any amount in my Account. I understand that there is no guarantee that the Direct Plan's investment objectives will be achieved.

10. I understand that TFI will not necessarily continue as the Direct Plan Manager for the entire period my Account is open and that the Board may retain, in the future, different Direct Plan managers for the Direct Plan. I acknowledge that if this occurs, or even if it does not, there is no assurance that I would not experience a material change to certain terms and conditions of the current Participation Agreement, including the Direct Plan Manager Fee. I understand that if TFI ceases to be the Direct Plan, my assets in the Direct Plan may be automatically transferred to new investment options or I may have to open a new Account in the Direct Plan with the successor Direct Plan Manager in order

to make future contributions on behalf of the Beneficiary. I also understand that there is no guarantee that the investment options offered by the Direct Plan in the future would correspond exactly with those described in this Disclosure Booklet. I understand that during any such conversion, the assets in the Direct Plan may be temporarily held in cash.

11. I acknowledge that no part of my Account or any other interest in the Direct Plan can be used by me or my Beneficiary as security for a loan.

12. I understand that I will retain ownership of or custody over, as applicable, contributions made to my Account and earnings thereon, if any, until distribution.

13. I understand and acknowledge that I have not been advised by the State of Mississippi, the MACS Program, the Board, the Direct Plan, the Trust or any other agency or instrumentality of Mississippi, TFI or any of its affiliates to invest, or to refrain from investing, in a particular Investment Option.

14. I understand that I may cancel this Participation Agreement at any time by written notice to the Direct Plan. I also understand that a cancellation may be accomplished by a Qualified Withdrawal, a Taxable Withdrawal, a Rollover or a Non-Qualified Withdrawal and that a Taxable Withdrawal or a Non-Qualified Withdrawal will be subject to federal income tax and may be subject to state income tax. I understand that if I take a Non-Qualified Withdrawal, I may also be subject to Mississippi income tax (including recapture of previously deducted contributions) and the Additional Tax referred to below in paragraph C of this Participation Agreement may apply.

15. I understand that under certain circumstances the Board may cancel this Participation Agreement which will terminate my Account. I understand that upon such cancellation or termination the remaining balance of my Account will be distributed to me and may be subject to federal and state income tax.

B. Restrictions on Certain Types of Accounts. I understand that an Account Owner who has an entity Account or who is a custodian for a minor under UGMA/UTMA or a trustee will be subject to the following additional requirements and restrictions as applicable:

- An Account Owner who is a trustee will be required to provide the Direct Plan with an original, signed certificate, a certified copy of material portions of the trust instrument, or a certified copy of a court order, that confirms the creation of a trust naming a minor as the trust beneficiary, identifies the trustee and authorizes the trustee to act on behalf of the trust beneficiary in opening and maintaining an Account;

- An Account Owner who is a custodian for a minor or a trustee is required to sign Direct Plan Forms and conduct transactions for the Account in a representative capacity as the custodian or trustee acting for the benefit of the Beneficiary;

- An Account Owner who is a custodian for a minor or a trustee is not permitted to change the Beneficiary of the Account either directly or by means of a Rollover, including a transfer of funds to another Account for a different Beneficiary;

- An Account Owner who is a custodian for a minor or a trustee is not permitted to name a Contingent Account Owner, or to change ownership of the Account other than to a successor custodian or trustee, without providing the Direct Plan with a court order directing the change (or as otherwise allowed under UGMA/UTMA);

- Any request for a withdrawal from the Account by an Account Owner who is a custodian for a minor or a trustee must be accompanied by a certification that the Account Owner is the custodian of the Account pursuant to UGMA/UTMA or the trustee pursuant to a trust instrument naming a minor as the beneficiary and (except with respect to a withdrawal due to the death of the Beneficiary or a Qualified Withdrawal) that the withdrawal is authorized under UGMA/UTMA or the trust instrument, respectively, and is necessary for the welfare of the Beneficiary; and

- An Account Owner who is a custodian for a minor or a trustee is required to notify the Direct Plan when the Beneficiary reaches the age of majority or is otherwise legally authorized to assume ownership of the Account so that the Beneficiary can be registered as the owner of the Account and take control of the Account.

Any requested transaction conducted on an Account owned by an Account Owner that is an entity Account or on an Account wherein an individual is acting in a legal capacity as a representative of the Account Owner must be accompanied by proof of substantiation of the following dated within 60 days prior to the receipt by the Direct Plan:

- the legal status of the entity;

- authorization of the transaction by the entity; and

- authorization for the individual conducting the transaction to act on behalf of the entity.

I also understand that depending on the type of transaction and the requirements of the Direct Plan Form, I may need to provide additional documentation as proof of my authority to act on behalf of the Account or Account Owner.

C. Penalties and Fees. I understand and agree that I or my Beneficiary may be subject to federal income tax and an Additional Tax on the earnings portion of a Non-Qualified Withdrawal. I acknowledge that the rate of the Additional Tax may be changed, as described in the Disclosure Booklet. I acknowledge and agree that my Account is potentially subject to other fees, charges or penalties in the future, as explained in the Disclosure Booklet. I also understand and agree that I or my Beneficiary may be subject to Mississippi income tax on the earnings portion of a Non-Qualified Withdrawal and recapture of previously deducted contributions, as explained in the Disclosure Booklet.

D. Limitations on Certain Distributions from Account. I acknowledge that if I submit a Direct Plan Form to change the Account Owner of my Account or change my mailing address, no distributions can generally be made from that Account within 30 days after receipt by the Direct Plan of such Direct Plan Form. I understand that I cannot withdraw a contribution for 10 days after receipt by the Direct Plan of that contribution.

E. Necessity of Qualification. I understand that the Direct Plan is intended to be a "qualified tuition program" under Section 529 of the IRC and the Direct Plan is intended to receive favorable federal and Mississippi tax treatment. I agree that the State of Mississippi and the Board may make changes to the Direct Plan, this Agreement and the Disclosure Booklet at any time if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by Section 529 or the favorable Mississippi tax treatment provided by Mississippi law or any similar successor legislation.

F. Statutes, Policies and Operating Procedures; Amendment. The Account and this Agreement are subject to, and incorporate by reference, the Statute, any rules adopted for the Direct Plan or the MACS Program by the State of Mississippi, any amendments to the Statute, other applicable statutes or any rules for the Direct Plan or MACS Program as the State of Mississippi may promulgate in accordance with Mississippi law, including provisions under the Statute to prevent contributions on behalf of a Beneficiary in excess of the Maximum Account Balance Limit. Any amendments to relevant statutes or rules automatically amend this Agreement.

G. Indemnity. I understand that the establishment of my Account will be based upon the agreements, representations and warranties set forth in this Agreement. I agree to indemnify and hold harmless the State of Mississippi, its agencies or instrumentalities, the Board, the Board members, the Trust, the MACS Program, the Direct Plan, TIAA-CREF Tuition Financing, Inc. and its subcontractors and affiliates, any vendors, contractors, investment advisors or investment managers selected or approved by the State of Mississippi or the Board, and any agents, representatives or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorneys' fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by me in this Agreement or otherwise with respect to my Account, and any breach by me of any of the agreements, representations or warranties contained in this Agreement. All of my agreements, representations and warranties shall survive the termination of this Agreement.

H. Binding Nature; Third-Party Beneficiary. This Agreement shall survive the death of any individual Account Owner and shall be binding upon any personal representatives, heirs, successors or assigns, as applicable. The Direct Plan Manager is a third-party beneficiary of the agreements, representations and warranties in this Agreement.

I. Transfer. I understand that I may transfer this Agreement to another Account Owner at any time as described more fully in the Disclosure Booklet, subject to the rules promulgated for the Direct Plan. Such transfer will not be effective until written notice is received by the Direct Plan.

J. Amendment. I understand that the Direct Plan may, at any time, and from time to time, amend this Participation Agreement or the Disclosure Booklet.

K. Termination of the Direct Plan. I understand that the Direct Plan may be suspended or terminated, but, except as permissible under applicable law, the Account may not thereby be diverted from the exclusive benefit of the Account Owner or the Beneficiary.

L. Governing Law. This Agreement is governed by Mississippi law without regard to principles of conflicts of law.

APPENDIX III
to the Disclosure Booklet for the
Mississippi Affordable College Savings Program

PRIVACY POLICY

Please read this notice carefully. **It gives you important information about how the Direct Plan handles nonpublic personal information it may receive about you in connection with the Direct Plan.**

Information the Direct Plan Collects

Nonpublic personal information about you (which may include your Social Security Number or Taxpayer Identification Number) may be obtained in any of the following ways:

- you provide it on the Direct Plan application;
- you provide it on other Direct Plan forms;
- you provide it on the secure portion of the Direct Plan's website; or
- you provide it to complete your requested transactions.

How Your Information Is Used

The Direct Plan does not disclose your personal information to anyone for marketing purposes. The Direct Plan discloses your personal information only to those service providers who need the information to respond to your inquiries and/or to service and maintain your Account. In addition, the Direct Plan or its service providers may be required to disclose your personal information to government agencies and other regulatory bodies (for example, for tax reporting purposes or to report suspicious transactions).

The service providers who receive your personal information may use it to:

- process your Direct Plan transactions;
- provide you with Direct Plan materials; and
- mail you Direct Plan Account statements

These service providers provide services at the Direct Plan's direction and include fulfillment companies, printing and mailing facilities.

- These service providers are required to keep your personal information confidential and to use it only for providing the contractually required services to the Direct Plan.

Security of Your Information

The Direct Plan protects the personal information you provide against unauthorized access, disclosure, alteration, destruction, loss or misuse. Your personal information is protected by physical, electronic and procedural safeguards in accordance with federal and state standards. These safeguards include appropriate procedures for access and use of electronic data, provisions for the secure transmission of sensitive personal information on the Direct Plan's website, and telephone system authentication procedures.

Changes to this Privacy Policy

The Direct Plan will periodically review this Privacy Policy and its related practices and procedures. You will be notified of any material amendments to this Privacy Policy.

Notice About Online Privacy

The personal information that you provide through the Direct Plan's website is handled in the same way as the personal information that you provide by any other means, as described above. This section of the notice gives you additional information about the way in which personal information that is obtained online is handled.

Online Enrollment, Account Information Access and Online Transactions

When you visit the Direct Plan's website, you can go to pages that are open to the general public or log onto protected pages to enroll in the Direct Plan, access information about your Account, or conduct certain transactions on your Account. Once you have opened an Account in the Direct Plan, access to the secure pages of the Direct Plan's website is permitted only after you have created a User ID and Password by supplying your Social Security Number or Taxpayer Identification Number and Account Number. The User ID and Password must be supplied each time you want to access your Account information online. This information serves to verify your identity.

When you enter personal data into the Direct Plan's website (including your Social Security Number or Taxpayer Identification Number and your Password) to enroll or access your Account information online, you will log into secure pages where we use Secure Sockets Layer (SSL) protocol for protecting information.

To use this section of the Direct Plan's website, you need a browser that supports encryption and dynamic Web page construction.

If you provide personal information to effect transactions on the Direct Plan's website, a record of the transactions that you have performed while on the site is retained by the Direct Plan.

Other Personal Information Provided by You on the Direct Plan's Website

If you decide not to enroll online and you want to request Direct Plan materials to be mailed to you, or you want to subscribe to the Direct Plan e-mail newsletter, you can click on another section of the Direct Plan's website to provide your name, mailing address and e-mail address, respectively. The personal information that you provide on that page of the site will be stored and used to market the Direct Plan more effectively. Although that page of the Direct Plan's website does not use SSL encryption protocol, your information will be safeguarded in accordance with federal and state privacy laws and industry norms.

OBTAINING ADDITIONAL INFORMATION

Learn more about the Direct Plan by visiting our website: www.MS529.com.

You may also call the Direct Plan toll-free at 1-800-486-3670 or write to the Direct Plan at the Mississippi Affordable College Savings Program, PO Box 55037, Boston, MA 02205-5037.