UNDERSTANDING YOUR

529 GUIDE

COLLEGE SAVINGS PLAN



The Education Plan®
A little today goes a long way

OppenheimerFunds® Distributor, Inc.

Save Today for Your Child's Tomorrow

Parents know time is the most valuable commodity in the world when it comes to their children — and it can fly by in the blink of an eye. However, many families don't realize that time can also be their most important asset when saving for a child's college education. You shouldn't let that time slip away.

Take advantage of the time that you have and put your money to work by starting early and saving often with a 529 college savings plan. Saving even modest amounts, such as $25 a month, especially when your child is young, can have a dramatic impact on your out-of-pocket costs later and can make college much more affordable for you and your family.

Take a Practical Approach to Saving for College

Paying for college is rarely an all-or-nothing proposition. For most families, it involves a three-pronged approach:

- **Savings**
- **Financial Aid**
- **Loans**

That's because few students receive full scholarships, and not many families can afford the full cost of college on their current income. The exact mix of savings, financial aid and loans matters and greatly influences the true cost of college.

Families that don't plan or wait to start saving typically rely more heavily on loans and are stuck paying back the principal and potentially significant added interest for decades following graduation.

However, those who start early and save often — even as little as $25 a month — can potentially reduce their out-of-pocket costs significantly. The reason is simple: every dollar saved is a dollar you won't have to borrow and pay interest on later. Plus, that dollar saved may benefit from compounded growth, giving the account the potential to grow faster and further reducing your reliance on loans.

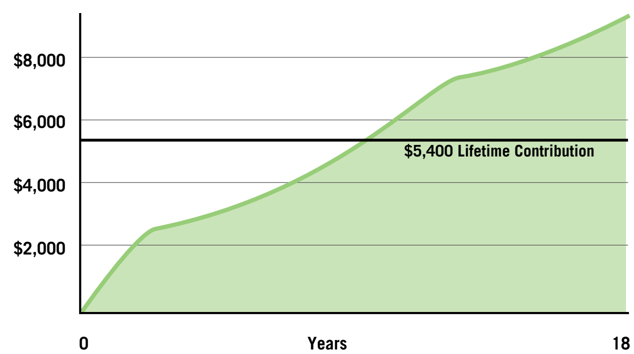
Better Than a Savings Account.

Saving for a child's dream of a college education is smart. What's even smarter is investing the money in a 529 college savings plan instead of putting it in a savings account.

Money in a 529 college savings plan has tax advantages, is professionally managed, and may benefit from the power of compounded growth. Compounding works like this: any income earned on your investments in the account has the potential to generate additional income in the next year and each year thereafter. Earnings are automatically reinvested and help the account grow faster.

As your child grows, so could your 529 plan account.

The Power of Compounded Growth with Only $25 a Month



This hypothetical example does not represent the performance of any specific account or investment and does not reflect any plan costs or sales charges that may apply. If such costs or sales charges had been taken into account, returns would have been lower.

The following hypothetical example shows why a 529 college savings plan may be a smart choice for a family preparing for a child's college education.

Assuming a 5% annual rate of return, a parent who saves just $25 a month — that's $300 a year — in a 529 college savings plan could see their child's account grow to $315 at the end of the first year. While that may not sound like much, compounded growth helps even modest returns add up, especially over longer periods of time.

If the same parent continues to save $25 a month in a 529 college savings plan for 18 years, he or she will have put $5,400 into the account. Assuming the same rate of return as above, compounded every year, the account could grow by 64% and be worth $8,730. The extra $3,330 is the benefit of compounded growth at work.

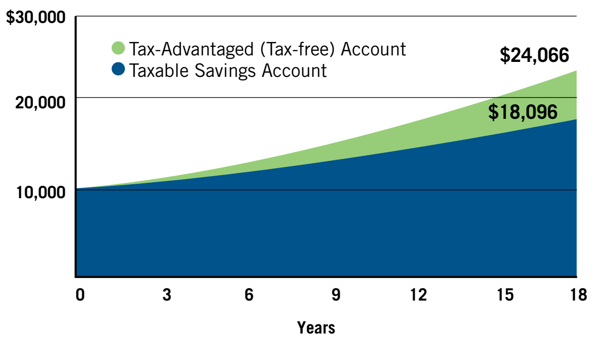
It's all tax-free when used for eligible college expenses. And it's money that won't have to be borrowed to pay for a child's college education.

Another Way You Save: 529 Tax Benefits.

Dollars invested in The Education Plan may grow faster than money in a taxable account that's invested the same way. That's because the money has the potential to grow tax free for the life of the account.

What's more, you can withdraw the money tax free, as long as it's used to pay for qualified higher education expenses.[1]

The Benefits fo Tax-Free Growth



This hypothetical illustration assumes an initial investment of $10,000 and a 5% annual rate of return. The taxable account assumes a 28% federal and a 5% state tax rate. (Please check with your tax advisor to learn if this applies to your state of residence.) The illustration does not represent the performance of any specific account or investment and does not reflect any plan fees or sales charges that may apply. If such fees or sales charges had been taken into account, returns would have been lower.

How The Education Plan® can help

The Education Plan® is a 529 college savings plan sponsored by the state of New Mexico. It's specifically designed to help make college more affordable for families, regardless of where they live or where their children plan to go to college. The Plan offers a flexible, tax-efficient way to save for the rising cost of higher education, while giving your money the opportunity to grow.[2]

The Plan is managed by OFI Private Investments Inc., a subsidiary of well-respected financial services firm, OppenheimerFunds, Inc.

[1] When withdrawals are used for other purposes, the earnings portion of the withdrawal is subject to federal income taxes and any applicable state income tax, as well as an additional 10% federal tax and the "recapture" of all previous New Mexico tax deductions taken for contributions to an account.
[2] The Plan is neither FDIC insured nor guaranteed and may lose value.

In the Plan:

- You pick the account beneficiary, whether it's your child, your grandchild, friend or even yourself.
- You don't pay federal taxes on earnings.
- Withdrawals are free from state taxes, where applicable, and free from federal taxes as long as the money is used for qualified higher education expenses, which include tuition, fees, room and board, text books and a computer, to name a few.

It Pays to Live in New Mexico.

While you don't need to live in the state or even go to college there, New Mexico residents enjoy some additional state tax benefits by saving with The Education Plan.

- Contributions to the Plan are deductible from New Mexico state taxable income.
- Any earnings grow free from New Mexico state taxes.
- Qualified withdrawals are exempt from New Mexico state tax.

Some states provide favorable tax treatment to their residents only if they invest in the state's own plan. Investors should consider before investing whether their home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program and should consult their tax advisor.

The Basics: Understanding 529 Plans

Who can open a 529 college savings plan account?

Any U.S. citizen or resident with a valid Social Security Number can open an account, regardless of income level or state of residence.

Does the money have to be used at a college in New Mexico?

The money can be used at an accredited public or private higher education institution in any state as well as many international colleges and universities. That means a student can attend almost any two-year or four-year college, university, vocational and technical school, graduate school or professional, medical or law school. To determine if you can use funds from a 529 college savings plan at a particular school — either in the United States or abroad — run a Federal School Code search at fafsa.ed.gov and confirm with the school.

What are 529 college savings plan's qualified higher education expenses?

Qualified higher education expenses include tuition, fees, books, supplies and equipment required for attendance. Room and board costs are also eligible when certain requirements are met. Students with special needs may have other necessary expenses, and those costs are also eligible.

Will a 529 college savings plan affect my child's financial aid eligibility?

Since assets in 529 college savings plans are treated as assets of the account owner, not the beneficiary, when determining eligibility for financial aid, the impact on a child's ability to get aid is lower than if the assets were in the name of the child. However, certain exceptions apply.

After I've opened an account, what do I do next?

Go to the My Accounts section of TheEducationPlan.com to customize your preferences. You can:

- Change investment options or allocations
- Establish, change or delete your Automatic Investment Plan (AIP)[3]
- Purchase, redeem or exchange shares
- Sign up for electronic delivery (eDelivery) of account-related documents
- Designate a "Successor Account Owner" who will assume responsibility for the account in the event you are no longer able to do so
- Add or change bank account information

[3] Systematic investing does not assure a profit or protect against loss in declining markets. Before investing, investors should evaluate their long-term financial ability to participate in such a plan.

The Education Plan®
Investment Flexibility

The Education Plan features two main investment approaches and offers a variety of underlying investments designed to meet your needs, situation and risk tolerance.

The portfolios include underlying investments[4] from OppenheimerFunds, Inc. and The Vanguard Group.

4. Each underlying investment has its own risks. For example, the prices of small-cap stocks are generally more volatile than large-company stocks. There are special risks inherent to international investing, including currency, political, social and economic risks. Investments in growth stocks may be more volatile than other securities. With value investing, if the marketplace does not recognize that a security is undervalued, the expected price increase may not occur. Fixed income investing entails credit and interest risks. When interest rates rise, bond prices generally fall, and the underlying fund's or account's value can fall. Diversification does not guarantee profit or protect against loss.

The Education Plan has a range of professionally managed investments available to meet your objectives. This gives your Education Plan account the flexibility to meet your investment needs.

An Overview of The Education Plan investment design

The Blended Approach

The blended approach consists of a mixture of index funds and actively managed funds.

The Index Approach

An index–or passive–approach tries to mirror the performance of the industry benchmarks that the underlying funds are tracked against. This is distinguished from active investing, where portfolio managers make decisions to buy or sell securities in the underlying funds.

The Model Portfolios

Model portfolios provide a range of risk-based investment choices — from aggressive to conservative. In a model portfolio, the underlying funds and the percentages allocated to each of them are already selected.

The Education Plan offers age-based options as well as more customizable options

Age Based

The Education Plan offers both Blended Age Based tracks and Index Age Based tracks. These tracks utilize the model portfolios discussed above to invest your money based on your beneficiary's age. As your beneficiary gets older, your account is automatically invested in more conservative portfolios.

Custom Choice

This "do it yourself" option allows you to mix and match any combination of the model portfolios that are available in the plan. Within this option, you can choose a blended or index-only strategy, or a mixture of the two.

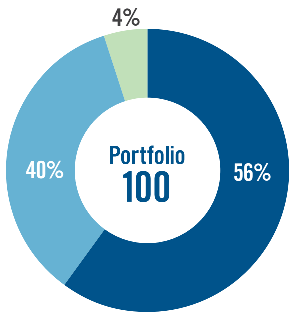
Choose the investment option that is right for you.

Blended Age Based Approach

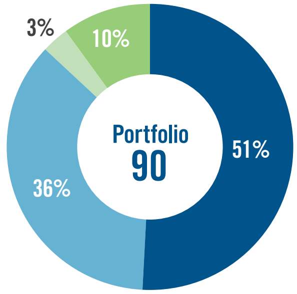
This approach contains two different tracks, Blended Growth and Blended Balanced, that allow you to more closely align your college savings goals with your risk tolerance and return expectations. They are designed to simplify the act of investing by automatically shifting the money in the account to increasingly conservative portfolios as the beneficiary gets closer to college age.

Blended Growth Age Based Track

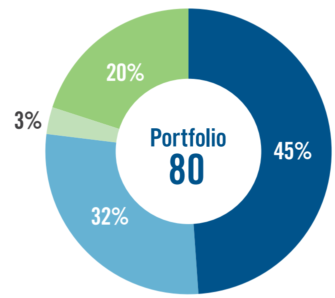
The equity to fixed income and money market fund allocations are modestly lower than industry averages.



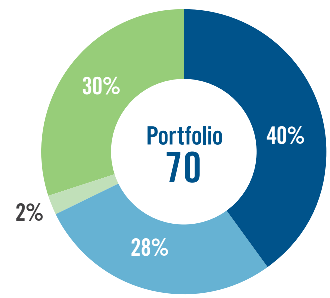
Ages 0-2



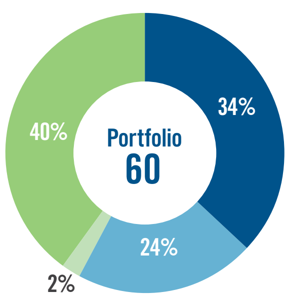
Ages 3-4



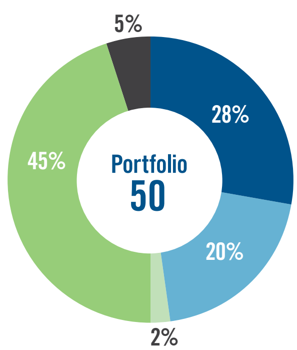
Ages 5-6



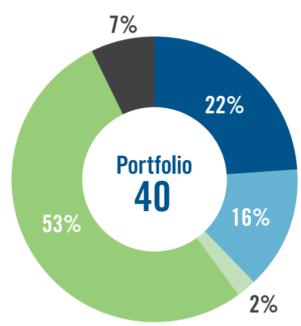
Ages 7-8



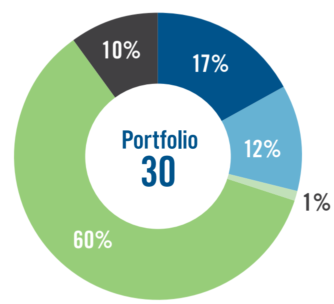
Ages 9-10



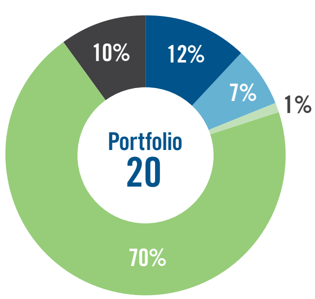
Ages 11-12



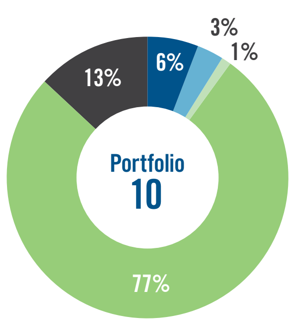
Ages 13-14



Ages 15-16



Ages 16-17



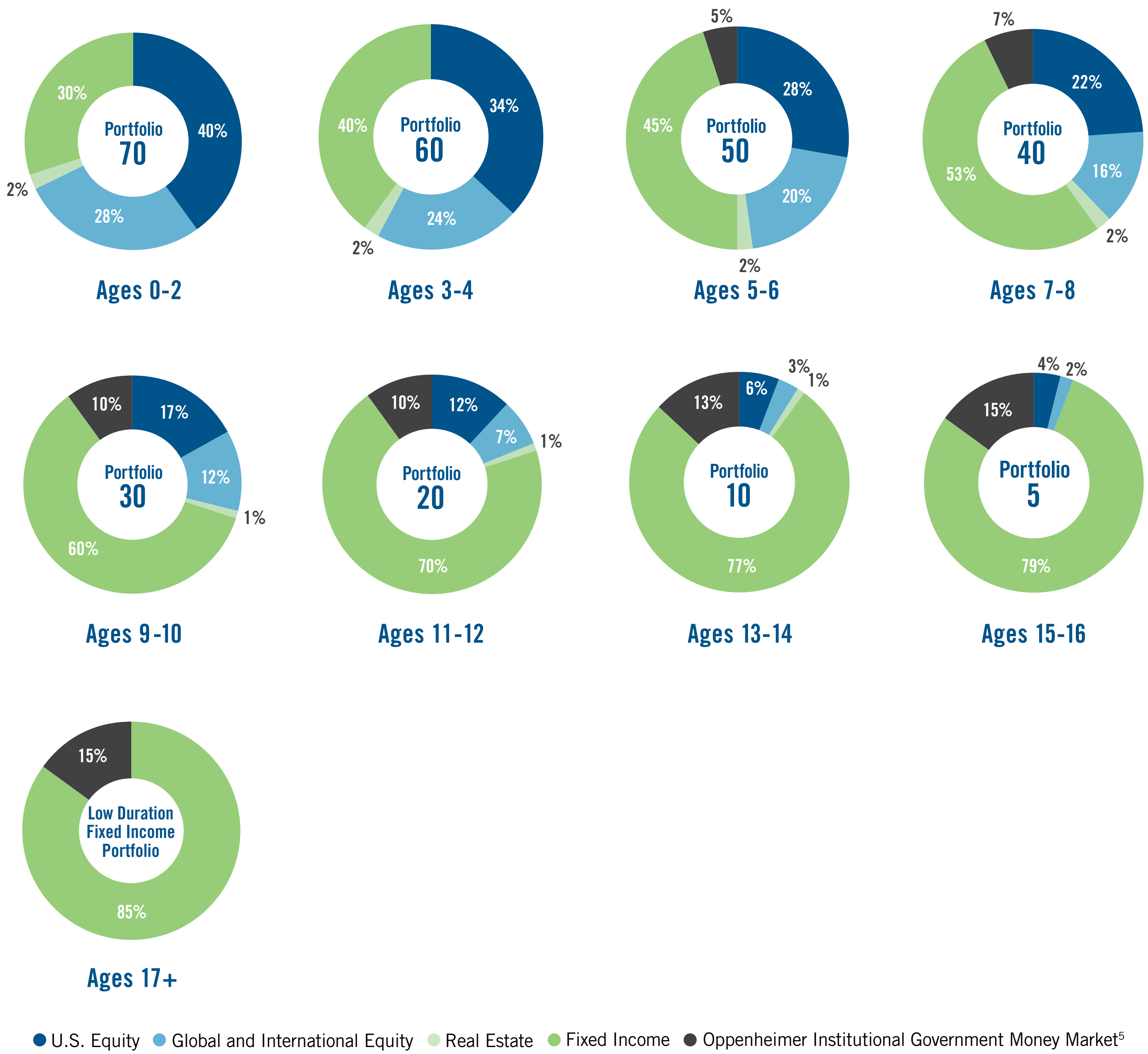
Ages 19+

● U.S. Equity ● Global and International Equity ● Real Estate ● Fixed Income ● Oppenheimer Institutional Government Money Market[5]

[5.] Prior to 9/28/16, the Portfolio's name was Oppenheimer Institutional Money Market Portfolio. You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

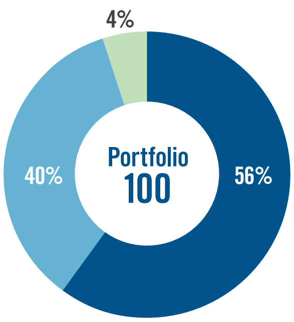
Blended Balanced Age Based Track

The equity to fixed income and money market fund allocations are meaningfully lower than industry averages.

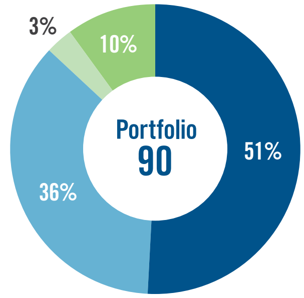


Blended Custom Choice Approach[6]

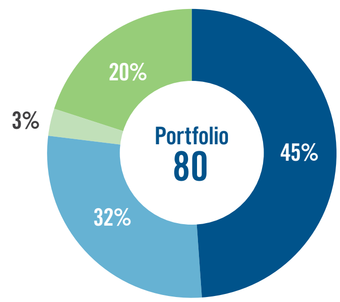
With this option, you can invest in one or any combination of the portfolios below.



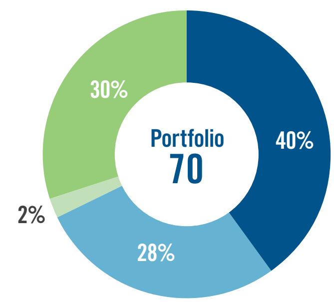
Invests primarily in equity and real estate investments in order to seek capital appreciation.



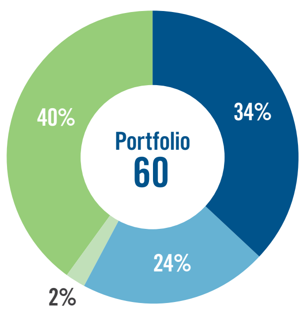
Invests primarily in equity, real estate, and fixed income investments in order to seek capital appreciation.



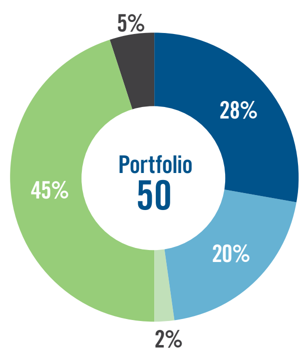
Invests in a combination of equity, fixed income, and real estate investments in order to seek capital appreciation and income.



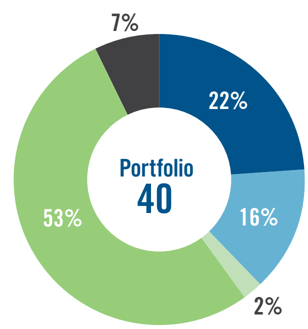
Invests in a combination of equity, fixed income, and real estate investments in order to seek capital appreciation and income.



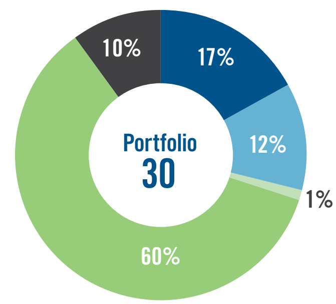
Invests in a combination of equity, fixed income, and real estate investments – with a slight emphasis on equity – in order to seek capital appreciation and income.



Invests in a combination of equity, fixed income, real estate investments – with equal emphasis on fixed income and equity – in order to seek capital appreciation and income.



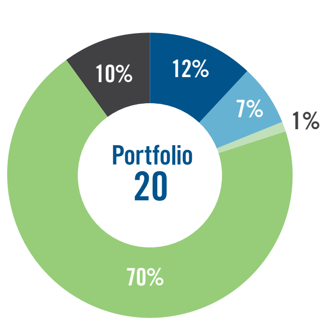
Invests in a combination of fixed income, inflation protected fixed income , equity , real estate, and money market investments – with an emphasis on fixed income – in order to seek income and moderate appreciation.



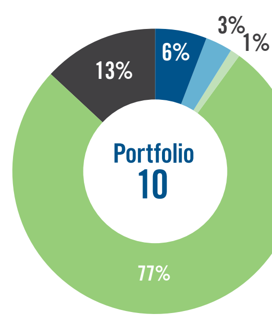
Invests primarily in fixed income, inflation protected fixed income, equity, real estate and money market investments – with an emphasis on fixed income in order to seek income and conservative appreciation.

● U.S. Equity ● Global and International Equity ● Real Estate ● Fixed Income ● Oppenheimer Institutional Government Money Market[5]

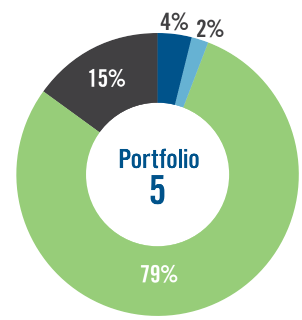
[6.] Once you invest in a portfolio, your money will remain in that portfolio until you instruct the Plan to move it to another portfolio or investment approach. Your portfolio will not automatically adjust as your beneficiary reaches enrollment age.



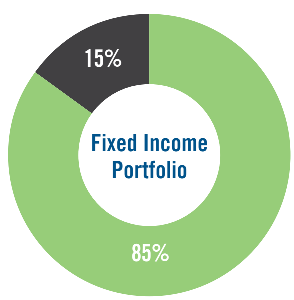
Invests primarily in fixed income and inflation protected fixed income investments – with an emphasis on fixed income and money market – in order to seek income and conservative appreciation.



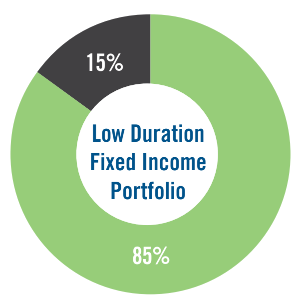
Invests in fixed income, inflation protected fixed income and money market securities – with a slight emphasis on equity and real estate – to seek conservative appreciation and principal protection.



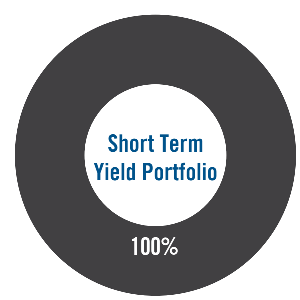
Invests in fixed income, inflation protected fixed income and money market securities – with a slight emphasis on equity and real estate – to seek conservative appreciation and principal protection.



Invests in fixed income and money market investments to seek income and principal protection.



Invests primarily in short-term fixed income and money market investments to seek income with an emphasis on principal protection.



Invests 100% in Oppenheimer Institutional Government Money Market Fund[5] to seek maximum current income consistent with stability of principal.

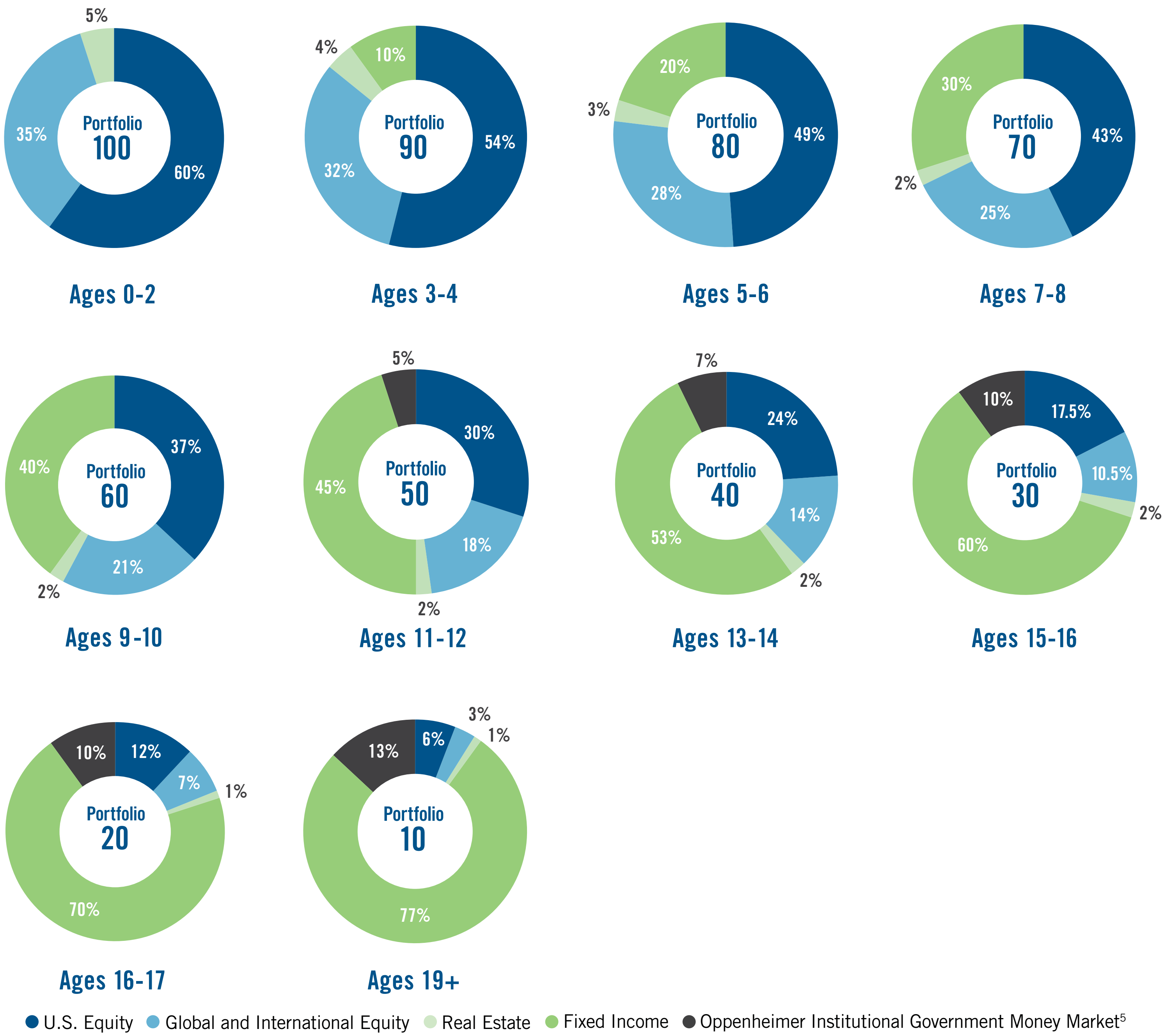
● U.S. Equity ● Global and International Equity ● Real Estate ● Fixed Income ● Oppenheimer Institutional Government Money Market[5]

Index Age Based Approach

This approach contains two different tracks, Index Growth and Index Balanced, that allow you to more closely align your college savings goals with your risk tolerance and return expectations. They are designed to simplify the act of investing by automatically shifting the money in the account to increasingly conservative portfolios as the beneficiary gets closer to college age. All of the portfolios in this approach are comprised of passive index investments.[7]

Index Growth Age Based Track

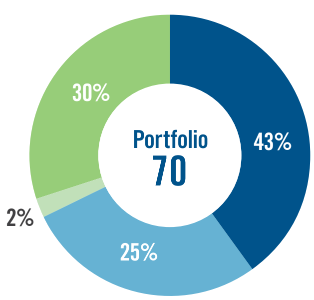
The equity to fixed income and money market fund allocations are modestly lower than industry averages.



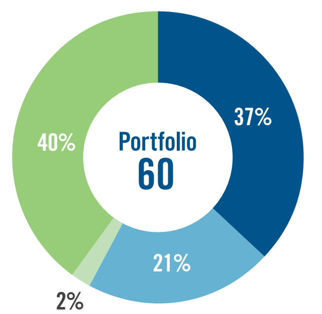
[7] An index only, or "passive," strategy invests in a fund that seeks to emulate a market index. Indices are collections of stocks or other investment vehicles that are looked at in aggregate. Indices cannot be purchased directly by investors.

Index Balanced Age Based Track

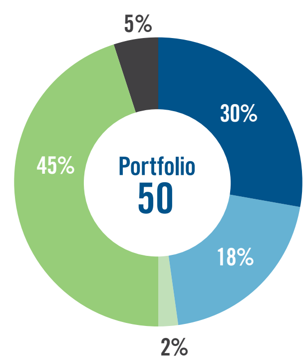
The equity to fixed income and money market fund allocations are meaningfully lower than industry averages.



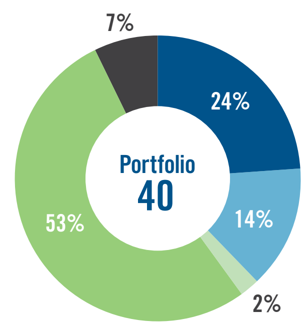
Ages 0-2



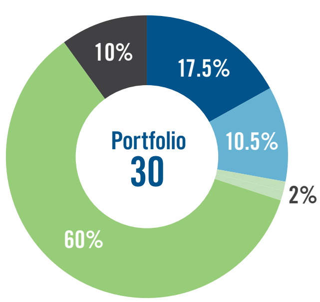
Ages 3-4



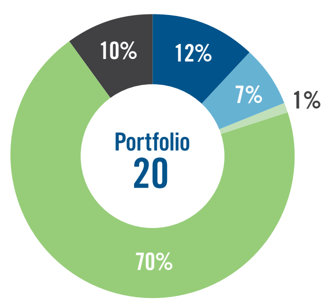
Ages 5-6



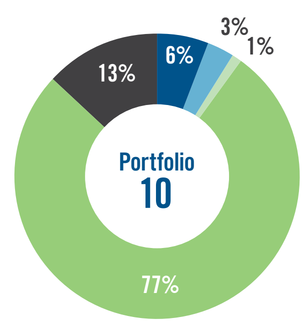
Ages 7-8



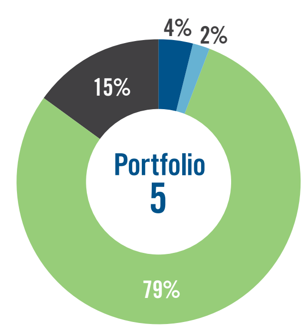
Ages 9-10



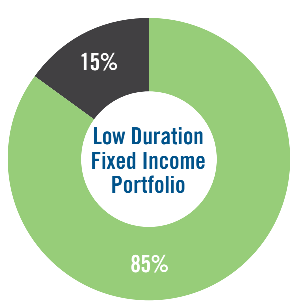
Ages 11-12



Ages 13-14



Ages 15-16

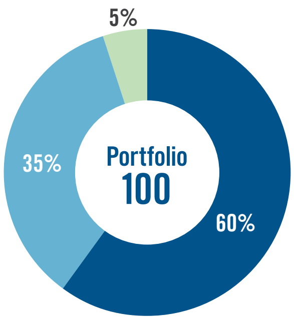


Ages 17+

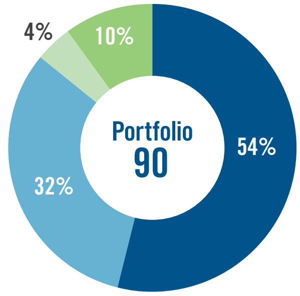
● U.S. Equity ● Global and International Equity ● Real Estate ● Fixed Income ● Oppenheimer Institutional Government Money Market[5]

Index Custom Choice Approach[6]

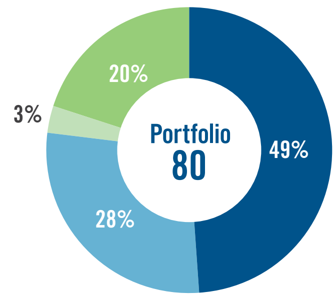
With this option, you can invest in one or any combination of the portfolios below, all of which comprise passive or index investments.[6]



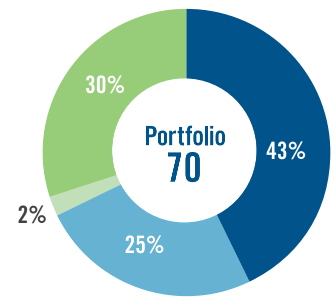
Invests primarily in equity and real estate investments in order to seek capital appreciation.



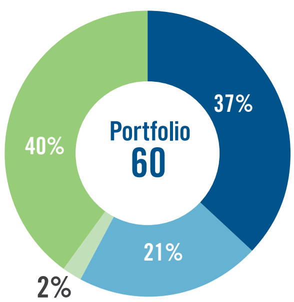
Invests in a combination of equity, fixed income, and real estate securities – with an emphasis on equity – in order to seek capital appreciation and income.



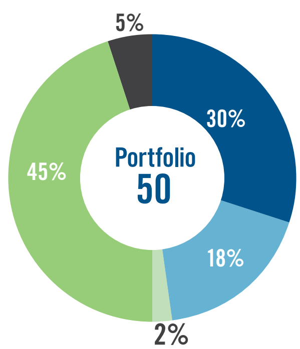
Invests in a combination of equity, fixed income, and real estate securities – with an emphasis on equity - in order to seek capital appreciation and income.



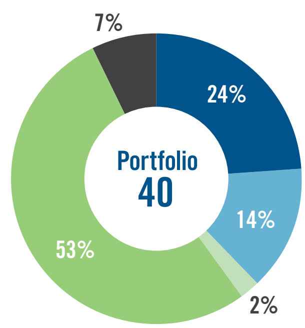
Invests in a combination of equity, fixed income, and real estate – with a slight emphasis on equity – in order to seek capital appreciation and income.



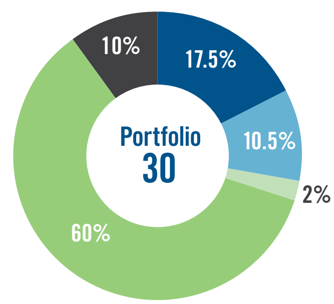
Invests in a combination of equity, fixed income, and real estate – with a slight emphasis on equity – in order to seek capital appreciation and income.



Invests primarily in fixed income and inflation protected fixed income securities – with an equal weighting in fixed income and equity – to seek conservative appreciation and income.

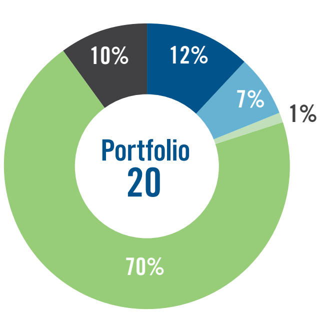


Invests in a combination of equity, fixed income, inflation protected fixed income and real estate – with a slight emphasis on fixed income – in order to seek income and capital appreciation.

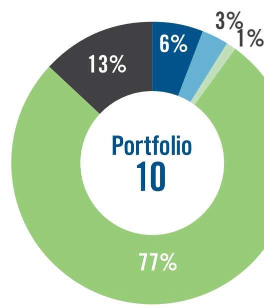


Invests primarily in fixed income and inflation protected fixed income securities – with a slight emphasis on equity and real estate – to seek conservative appreciation and principal protection.

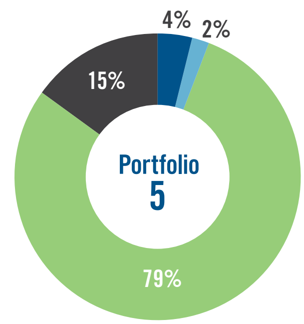
● U.S. Equity ● Global and International Equity ● Real Estate ● Fixed Income ● Oppenheimer Institutional Government Money Market[5]



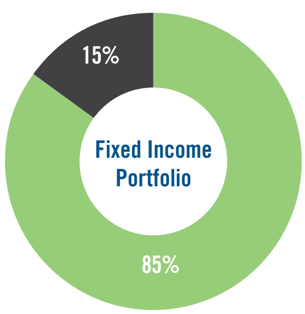
Invests primarily in short-term fixed income, inflation protected fixed income and money market securities – with a slight emphasis on equity and real estate – to seek conservative appreciation and principal protection.



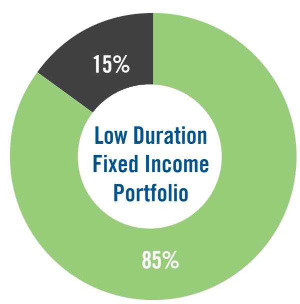
Invests in short-term fixed income, inflation protected fixed income and money market securities – with a slight emphasis on equity and real estate – to seek conservative appreciation and principal protection.



Invests in short-term fixed income, inflation protected fixed income and money market securities – with a slight emphasis on equity and real estate – to seek conservative appreciation and principal protection.



Invests primarily in fixed income, inflation protected fixed income and money market securities to seek the primary objective of income.



Invests primarily in short-term fixed income, inflation protected fixed income and money market securities to seek principal protection and income.

● U.S. Equity ● Global and International Equity ● Real Estate ● Fixed Income ● Oppenheimer Institutional Government Money Market[5]

All You Need to Know About Beneficiaries

Who can be a beneficiary?

Any U.S. citizen or resident with a valid Social Security or Tax Identification Number can be the beneficiary of the 529 college savings account you set up. The beneficiary can be your child, grandchild, spouse, friend or even yourself if you're planning to attend college or graduate school. Each 529 college savings account can have just one beneficiary at a time. However, the same person can be listed as the beneficiary for multiple accounts.

Can I change the beneficiary on my account in The Education Plan®?

Yes. You can typically change the designated beneficiary to another eligible family member without tax consequences. If the new and old beneficiaries are not family members, however, the account owner is likely to face tax implications and you should consult a tax advisor.

If my child is in high school, is it too late to open an account?

It's never too late to open a 529 college savings account, although the earlier you begin saving the longer your dollars may benefit from compounded earnings.

What if my beneficiary receives a scholarship?

There are different ways to handle your 529 college savings account if your beneficiary receives a scholarship. If your beneficiary receives a partial scholarship, the funds in your 529 college savings account can be used to pay for all or part of the remaining college costs, depending on the size of the balance. Or, the amount equal to that of the partial scholarship can be "refunded" or withdrawn from the account on an annual basis. If the beneficiary receives a full scholarship, you can change the beneficiary to another child or withdraw funds from the account. If you withdraw an amount less than or equal to the value of the scholarship from your account(s), the earnings on the amount you withdraw are subject to income taxes at the ordinary federal income tax rates, but you will not be subject to the additional 10% federal tax penalty.

IMPORTANT NOTICE TO NEW MEXICO TAXPAYERS

As a result of federal tax law changes, language was added to Section 529 of the Internal Revenue Code providing that any reference to the term "qualified higher education expense" shall include tuition expenses for K-12 Schools. K-12 Schools are elementary or secondary public, private or religious schools.

Effective January 1, this change in the federal tax law permits Account Owners to withdraw up to $10,000 for tuition expenses from a 529 college savings account for K-12 Schools free of federal taxes. This limitation applies on a per-student basis, rather than a per-account basis. Although an individual may be the designated beneficiary of multiple accounts, that individual may receive a maximum of $10,000 in distributions free of federal tax, regardless of whether the funds are distributed from multiple accounts.

These federal tax law changes also permit transfers from a 529 account to an account in a Qualified ABLE Program made before January 1, 2026, without subjecting the transferred amount to federal income tax on earnings, provided certain conditions are met. ABLE accounts are subject to an annual contribution limit (currently $15,000). Transfers from a 529 account that cause the ABLE account to exceed the $15,000 limit will be subject to federal tax. This provision applies to 529 to ABLE transfers made after December 22, 2017.

Under current New Mexico tax law, contributions to the New Mexico 529 plans by a New Mexico individual taxpayer may be deducted for New Mexico individual income tax purposes and the earnings on such contributions may not be subject to New Mexico income tax. In certain circumstances, the amounts deducted may be recaptured in subsequent years.

By letter, the New Mexico Education Trust Board requested the New Mexico Taxation and Revenue Department to rule on the New Mexico tax consequences pertaining to transfers from New Mexico 529 accounts to ABLE accounts and distributions from such 529 accounts to pay tuition expenses for K-12 Schools. The Board recently received an advisory letter in response to its request.

According to the advisory letter, despite the new federal tax law changes for tuition expenses for K-12 Schools, such K-12 tuition expenses will not constitute qualified higher education expenses under the New Mexico tax code, thereby resulting in a recapture of any deduction related to amounts distributed for such K-12 tuition expenses.

In addition, the advisory letter clarifies that amounts distributed from a New Mexico 529 plan account to a Qualified ABLE program, including the ABLE program offered in the State of New Mexico (notwithstanding that such a transfer is a Qualified Withdrawal for federal tax purposes), will be subject to New Mexico income tax on earnings and distributed amounts previously deducted for New Mexico income tax purposes must be recaptured.

Account Owners who are New Mexico taxpayers should consult their own tax advisors before making withdrawals from a New Mexico 529 plan for K-12 tuition expenses or transferring funds from a New Mexico 529 Plan to a Qualified ABLE Program.

They Have Started Preparing for Their Future. Now It's Your Turn.

Get Started Today.

- **Open a 529 account at www.TheEducationPlan.com.**
- **Call 1.877.337.5268 for more information.**

This material is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice, or for use to avoid penalties that may be imposed under U.S. federal tax laws. Contact your attorney or other advisor regarding your specific legal, investment or tax situation.

The Education Plan® is operated as a qualified tuition program offered by The Education Trust Board of New Mexico and is available to all U.S. residents. OFI Private Investments Inc., a subsidiary of OppenheimerFunds, Inc., is the program manager for The Education Plan and OppenheimerFunds Distributor, Inc. is the distributor of The Education Plan.

Some states offer favorable tax treatment to their residents only if they invest in the state's own plan. Investors should consider before investing whether their or their designated beneficiary's home state offers any state tax or other benefits that are only available for investment in such state's qualified tuition program, such as financial aid, scholarship funds, and protection from creditors. Any state-based benefit offered with respect to a particular 529 College Savings Plan should be one of the many appropriately weighted factors considered in making an investment decision. You should consult with your tax or other advisor to learn more about how state based benefits (including any limitations) would apply to their specific circumstances. In addition, some states may offer an income tax deduction to any qualified tuition programs. These securities are neither FDIC insured nor guaranteed and may lose value.

Before investing in the Plan, investors should carefully consider the investment objectives, risks, charges and expenses associated with municipal fund securities. The Plan Description and Participation Agreement contain this and other information about the Plan, and may be obtained by visiting www.TheEducationPlan.com or calling 1.877.EdPlan8 (1.877.337.5268). Investors should read these documents carefully before investing.

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225 Liberty Street, New York, NY 10281-1008

EP0000.001.0818 August 22, 2018

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