



FRANKLIN
TEMPLETON

FRANKLIN TEMPLETON 529 COLLEGE SAVINGS PLAN

Offered Nationwide by the New Jersey Higher Education
Student Assistance Authority



WHAT DOES THE FUTURE HOLD?

As soon as your child is born, you begin imagining what his or her future will hold. You await the first word, watch for the first step, and try to envision what they will grow up to be.

Whatever that is, it's likely to require a college degree. So as your child takes the first steps toward the future, it's important that you take the first steps toward seeing that a college education will be a part of it.

Franklin Templeton 529 College Savings Plan,¹ offered nationwide by the New Jersey Higher Education Student Assistance Authority, is a great place to begin.

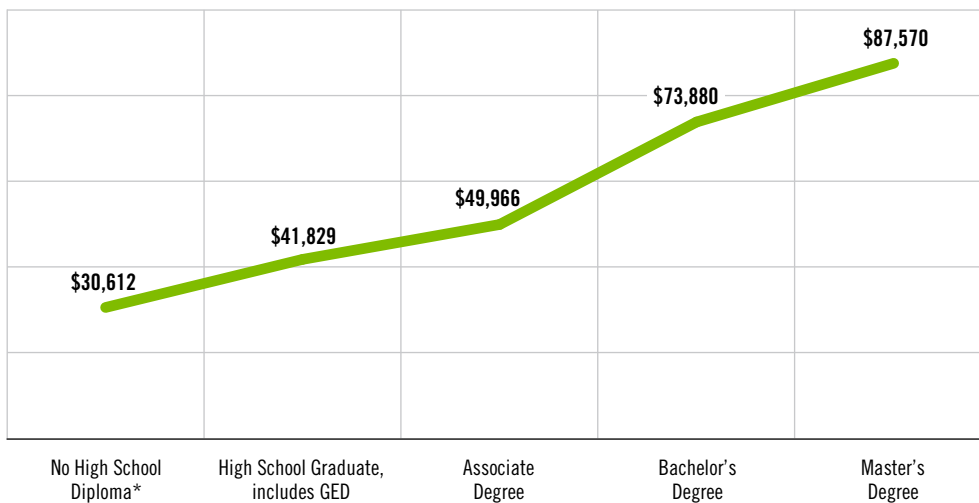
This brochure will help you discover:

- The rewards of a college degree
- How much a college education could cost
- The impact of borrowing later
- Lump-sum contribution vs. monthly investments
- The benefits of the plan
- Multiple investment options
- Frequently asked questions
- Different ways to save
- How to get started today

The Future Holds More for College Graduates

A college education is an investment in your child's future that pays handsomely—college graduates earn an average of 77% more per year than high school graduates and, over a lifetime, that difference amounts to more than \$1.4 million in earnings.² People who hold advanced degrees are paid even more—clear evidence of the lifelong value of a college education.

Average Earnings in 2018, Based on Level of Education²



* Attended a portion of high school but did not graduate

1. Offered and administered by the New Jersey Higher Education Student Assistance Authority (HESAA); managed and distributed by Franklin Templeton Distributors, Inc., an affiliate of Franklin Resources, Inc., which operates as Franklin Templeton. No federal or state guarantee. Principal value may be lost, and investing in the plan does not guarantee admission to any particular primary or secondary school or to college or sufficient funds for primary or secondary school or for college. Please refer to the *Investor Handbook* for more complete information.

2. Source: U.S. Census Bureau, Current Population Survey, 2019 Annual Social and Economic Supplement.

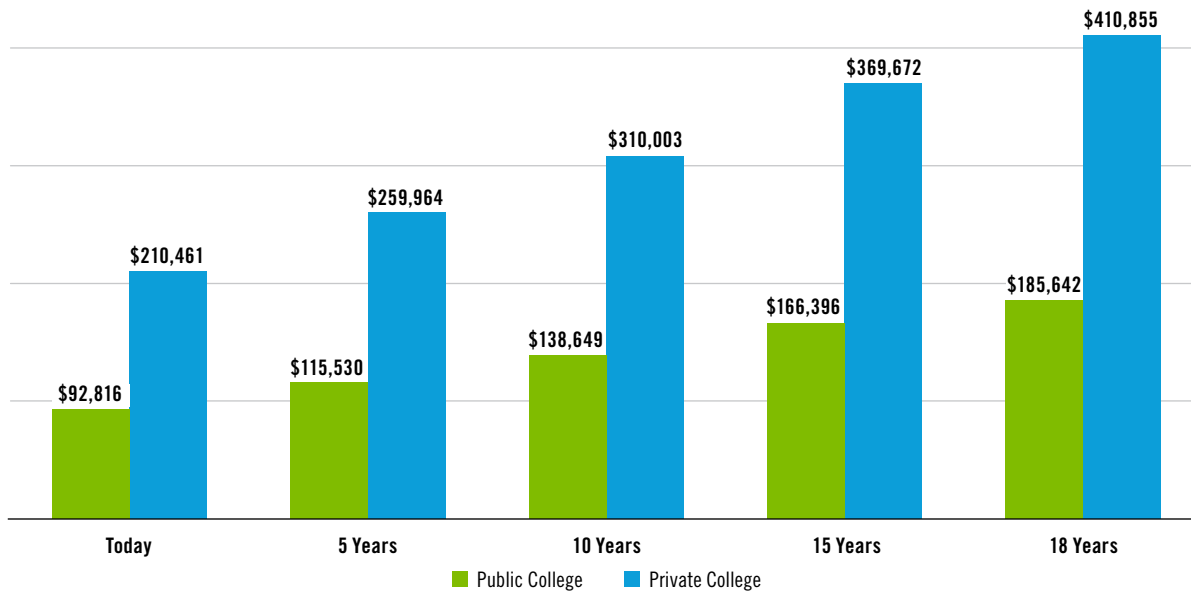
Not FDIC Insured | May Lose Value | No Bank Guarantee

A COLLEGE EDUCATION IS EXPENSIVE

If paying for your child's college education is your goal, you'll need to plan well in advance. College education expenses have climbed over 3.5% annually during the past 10 years, almost double the nation's inflation rate. That means a child born today could need over \$185,642 to attend a four-year public college, more than double of today's college costs.³

HOW MUCH WILL IT COST?³

Projected Average Cost for Four Years of College



“ My daughter enjoys going to school and her grades reflect her enthusiasm. With the rising cost of a college education, it's important for our family to invest in her future now.”

3. Source: *Trends in College Pricing*, © 2019 The College Board, www.collegeboard.org. Projected cost based upon child's entrance to a 4-year public or private college. As reported by the College Board for 2019–20, the \$21,950 public college cost and \$49,870 private college cost include tuition, fees, room and board. College cost inflation figures of 3.72% (public) and 3.58% (private) are based on the 10-year average annual increase in public and private college costs respectively, as reported by The College Board for 2019–20.

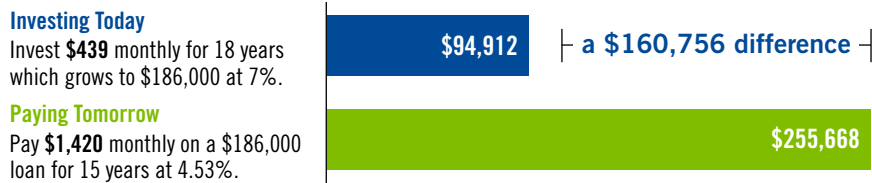
START SAVING NOW

When your child is young, it's easy to believe you have plenty of time to save for college. The truth is that saving for college is a long-term goal. Start small if you have to, but start now.

Invest for College Now or Borrow Later?⁴

In 18 years it could cost over \$185,000 to send a newborn to college. Let's look at a hypothetical investing vs. borrowing example. The parents could wait until their child is 18 years old and borrow the money, paying interest for at least 15 years. Or, when their child is born, they could begin investing \$439 monthly in a tax-advantaged investment earning a hypothetical 7% annual return before taxes and investment expenses. In this example, they would save over \$160,756 by investing now, rather than borrowing later.

The Cost of a Newborn's College Education



A One-Time Contribution or Monthly Investments?

The hypothetical illustration in the table below shows the one-time or monthly contributions you would need to invest today, assuming a 7% annual rate of return after taxes, to meet the projected cost of a four-year public college education.

	CHILD'S CURRENT AGE			
	2 Years Old	5 Years Old	10 Years Old	15 Years Old
Projected Cost of College ³	\$172,579	\$154,687	\$128,893	\$107,400
Years to College	16	13	8	3
One-Time Contribution	\$58,458	\$64,189	\$75,017	\$87,670
Monthly Investments	\$497	\$617	\$1,009	\$2,683

Examples are for illustrative purposes only and are not representative of any particular investment. The table does not take into account investment expenses, which if reflected, would lower the results shown. All investments involve risk and do not guarantee any specific rate of return, and you may have a gain or a loss on the amounts invested. Periodic investing plans do not assure a profit and do not protect against loss in a declining market.

4. Source: **The College Board, Trends in College Pricing**, 2019. Projected cost based upon child's entrance to college for four years at a public college. Figure is based upon the 3.72% 10-year average annual increase in public college costs, as reported by The College Board for the 2019–2020 school year. Cost includes tuition, fees and room and board. The borrowing example assumes a fixed interest rate of 4.53% based on a subsidized Stafford loan issued between 7/1/2019–7/1/2020. Examples are for illustrative purposes only, are not representative of any particular investment, and do not take taxes into account. Investments do not guarantee any specific rate of return, and you may have a gain or a loss on the amounts invested. Periodic investing plans do not assure a profit and do not protect against loss in a declining market.

A SMARTER WAY TO INVEST FOR COLLEGE®

Franklin Templeton 529 College Savings Plan, offered nationwide by the New Jersey Higher Education Student Assistance Authority, can be a smarter way to invest for college. Here are just a few features you can enjoy as an account owner:⁵

Smart Tax Advantages

- **Federal Income Tax Benefits** Earnings grow federal income tax-free, and earnings are free from federal income tax when withdrawn for qualified higher education expenses, used up to \$10,000 per year for tuition for eligible primary and secondary schools, or up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or a sibling.⁶
- **Special Gift and Estate Tax Treatment** A contribution in one year of up to \$75,000 (or \$150,000 if a married couple) to a single beneficiary is generally exempt from federal gift and estate taxes if you make no further gifts to the beneficiary for five years.

Tax benefits are conditioned on meeting certain requirements. Federal income tax, a 10% federal tax penalty, and state income tax and penalties may apply to nonqualified withdrawals of earnings. Generation-skipping tax may apply to substantial transfers to a beneficiary at least two generations below the contributor. Gift examples are general; individual financial circumstances and state laws vary—consult a tax professional before investing. If the contributor dies within the five-year period, a prorated portion of contributions may be included in their taxable estate. See the Investor Handbook for more complete information.

Smart Benefits

- **Control over Plan Assets** As account owner, you maintain control over how and when plan assets will be spent for qualified college expenses.
- **Low Contribution Requirement** You can open a plan with just \$250.
- **No Income Restrictions** You can open a plan regardless of how much you earn.

NOW WITH
SPRYNG™

A crowdfunding tool for college savings. Spryng allows you to create a personalized profile and share it with friends and family. Learn more at franklinspryng.com.



“ My son is interested in computers. I want him to go to college and learn about technology. That’s why I contribute to a tax-advantaged 529 Savings Plan each month to save for his future college expenses.”

5. Please read the *Investor Handbook* for more information, or speak with your financial professional.

6. Federal tax law provides that up to \$10,000 per year may be withdrawn from a 529 savings plan federal income-tax free, if used for tuition expenses at private, public or religious primary and secondary (K-12) schools. It is not clear what public K-12 school costs, if any, will be regarded as tuition for this purpose. Additionally, amounts paid as principal or interest on certain existing loans of the Beneficiary or their sibling, subject to various limits including annual limits, can constitute qualified distributions. State tax benefits and treatment of withdrawals for K-12 tuition and loans may vary by state, may not have been updated for changes in federal tax law and may be uncertain; consult a tax professional concerning your state.

INVESTMENT OPTIONS

When you open a Franklin Templeton 529 College Savings Plan, you get more than a powerful college savings tool: you also get experienced and knowledgeable management of your assets. Franklin Templeton’s distinct multi-manager structure combines the specialized expertise of three world-class investment management groups—Franklin, Templeton and Franklin Mutual Series.⁷

Smart Investment Options

With a wide range of investment options, the plan allows you and your financial professional to design a program matching your individual needs. You may choose to invest among as many of the following portfolios as you’d like, as long as the total allocation equals 100%.

Objective-Based Asset Allocations

These portfolios allow you to invest your assets according to the amount of investment risk you’re comfortable taking and the potential return characteristics you prefer. **The portfolios are periodically rebalanced to maintain allocation percentages.**

Franklin Corefolio® 529 Portfolio*

This portfolio invests in a combination of four underlying equity funds with distinct investment strategies. The allocation provides **significant diversification across multiple industries, which may help reduce overall risk, and offers potential for long-term growth.**



Franklin Growth Opportunities Fund	25%
Franklin Growth Fund	25%
Templeton Growth Fund	25%
Franklin Mutual Shares Fund	25%

Franklin Founding Funds 529 Portfolio

This portfolio invests in three value-oriented underlying funds to create an investment portfolio offering **diversification across multiple asset classes and the potential for attractive long-term results.**



Franklin Income Fund	33 1/3%
Templeton Growth Fund	33 1/3%
Franklin Mutual Shares Fund	33 1/3%

Franklin Growth Allocation 529 Portfolio

This growth allocation is designed for investors with a **longer investment time horizon and/or a higher tolerance for risk.**



Domestic Equity	70%
International Equity	30%

Franklin Growth & Income Allocation 529 Portfolio

This moderate allocation is designed for investors with a **medium to longer investment time horizon and/or a moderate tolerance for risk.**



Domestic Equity	35%
International Equity	15%
Income	40%
Cash	10%

Franklin Income Allocation 529 Portfolio

This more conservative allocation is designed for investors with a **shorter to medium investment time horizon and/or a lower tolerance for risk.**



Income	80%
Cash	20%

* Effective at the close of market on August 26, 2016, Franklin Flex Cap Growth Fund was closed and was reorganized into Franklin Growth Opportunities Fund. For more information on these changes, please contact your financial professional or call Franklin Templeton Investor Services at (800) 632-2301.

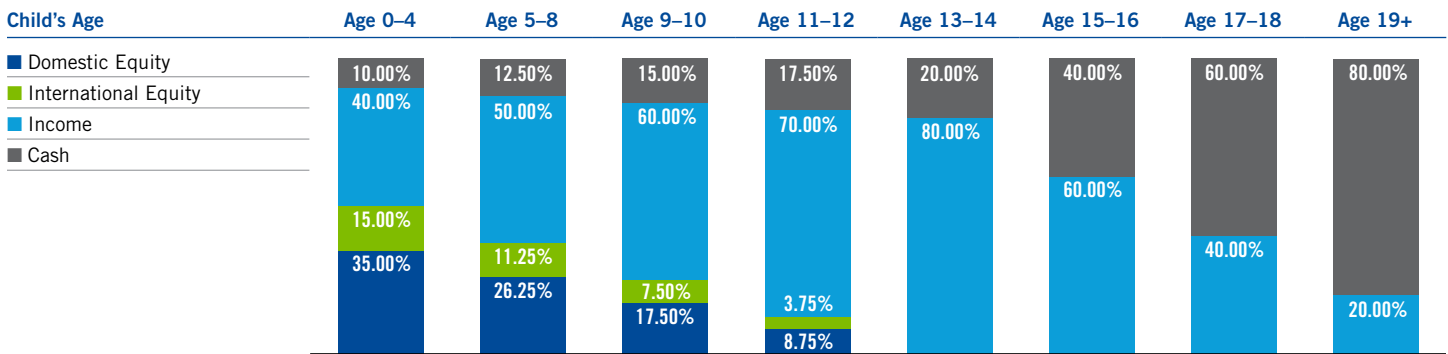
7. The plan is managed by Franklin Mutual Advisers, LLC, an affiliate of Franklin Templeton Distributors, Inc. Plan portfolios generally invest in mutual funds managed by affiliates of Franklin Mutual Advisers, LLC. An investment in Franklin Templeton 529 College Savings Plan is an investment in a municipal security that may invest in one or more underlying mutual funds. It is not an investment in shares of the underlying mutual fund(s).

Age-Based Asset Allocations⁸

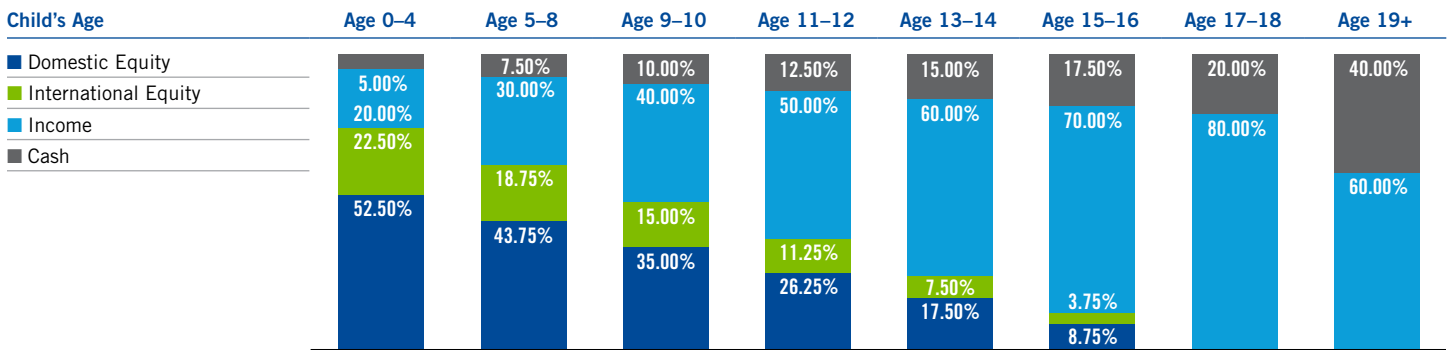
Work with your financial professional to select an age-based asset allocation track appropriate for you—conservative, moderate or growth. Your investments will be placed in a portfolio within the asset allocation you choose based on the beneficiary's age. As your beneficiary ages, the age-based allocations move into plan portfolios that invest less in equity-based funds (which have more stocks) and more in more conservative, income-seeking funds (such as bond and money market funds). By the time college is around the corner, a greater proportion of your assets will be in investments designed to be more conservative and lower-risk.

How Your Investment Changes as Your Beneficiary Ages

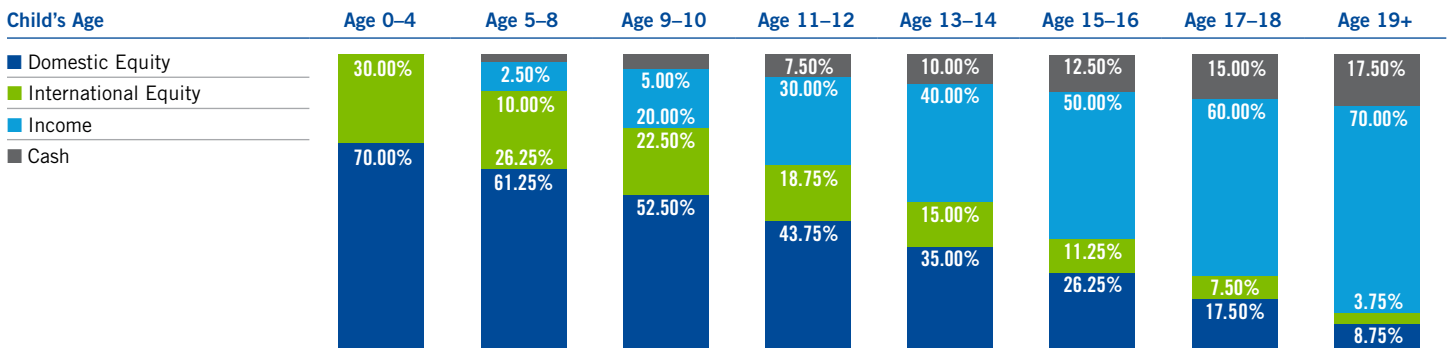
FRANKLIN CONSERVATIVE ALLOCATION 529 PORTFOLIO



FRANKLIN MODERATE ALLOCATION 529 PORTFOLIO



FRANKLIN GROWTH ALLOCATION 529 PORTFOLIO



8. The Age-Based Asset Allocations have been designed for savings intended for qualified higher education (i.e. college) expenses, not for elementary or secondary education tuition expenses.

Individual Portfolios

You also have the option of working with your financial professional to assemble your own portfolio, creating an asset allocation mix to suit your college investing needs.

Value

Franklin Mutual Shares 529 Portfolio

Growth

Franklin Growth 529 Portfolio

Franklin Small-Mid Cap Growth 529 Portfolio

Global

Templeton Growth 529 Portfolio

Franklin Mutual Global Discovery 529 Portfolio

Hybrid

Franklin Income 529 Portfolio

Income

Templeton Global Bond 529 Portfolio

Index Style

S&P 500 Index 529 Portfolio

Principal Preservation

Franklin U.S. Government Money 529 Portfolio

You could lose money by investing in the Franklin Money U.S. Government 529 Portfolio. Because the share price of the portfolio will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. An investment in the portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The portfolio's sponsor has no legal obligation to provide financial support to the portfolio, and you should not expect that the sponsor will provide financial support to the portfolio at any time.

FREQUENTLY ASKED QUESTIONS⁵

Here are some common questions about Franklin Templeton 529 College Savings Plan:

What education expenses qualify?

Savings can be used for any qualified tuition expenses. Additionally, savings can be used at accredited colleges and certain vocational schools for qualified expenses which can include mandatory fees, supplies, books or other required equipment, and room and board, if the beneficiary is enrolled at least half-time. Savings can also be used for certain certified apprenticeship expenses. In addition, up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or a sibling.⁶

Can I withdraw my money for a non-education related expense?

Yes. You can access your money at any time. However, if you withdraw money for reasons other than qualified education expenses, you must pay federal income tax, a 10% federal tax penalty, and you may be liable for state income tax and penalties on the taxable portion of the earnings.

Does the beneficiary have access to the money?

No. You—not the beneficiary—maintain control over how and when plan assets will be spent for higher education expenses.

Are there restrictions on schools?

529 savings can be used at most accredited two- and four-year colleges and universities and vocational schools, including many outside the U.S., as well as certified apprenticeships. Up to \$10,000 per year per beneficiary can be used for tuition for eligible public, private and religious primary and secondary educational institutions (K-12). What expenses will be regarded as “tuition” in the case of public schools may vary by state.⁶

Can I change the beneficiary?

Yes, you can change the beneficiary at any time. To avoid taxes, however, the new beneficiary must be a member of the previous beneficiary’s family (including children, grandchildren, siblings, spouses, nieces and nephews, aunts and uncles, cousins and in-laws).

What is the program management fee?

The program management fee is currently 0.25% annually. This fee is used to pay for the services of Franklin Templeton Distributors, Inc., and its affiliates and subcontractors, as well as the New Jersey Higher Education Student Assistance Authority for its services in connection with the program. The program management fee is subject to change. Investment management fees and expenses are also assessed by the mutual funds in which the plan portfolios generally invest. Please see the *Investor Handbook* for further discussion of the expenses associated with the plan.

Can I roll over other 529 plan assets?

You may roll over funds from another qualified tuition program established under Section 529 of the Tax Code to Franklin Templeton 529 College Savings Plan. Such a rollover will be subject to requirements of the Tax Code, and you will need to provide Franklin Templeton with acceptable documentation from the prior program regarding the portion of any rollover contribution that consists of a return of principal and the portion that consists of earnings. Please contact your tax professional for more information.



WAYS TO SAVE FOR EDUCATION

A number of education savings vehicles are available, and the chart below illustrates their main features. Once you've compared them, we think you'll agree that Franklin Templeton 529 College Savings Plan can be a smart way to save for education.

	Franklin Templeton 529 College Savings Plan	UGMA/UTMA	Coverdell Education Savings Account	Regular Investment Account
Federal income tax-free	Earnings grow federal income tax-free, and earnings are free from federal income tax when withdrawn for qualified higher education expenses, used up to \$10,000 per year for tuition for eligible primary and secondary schools, or up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or a sibling ⁶	No. Earnings are taxed at the parent's or the minor's rate	Yes. Money grows income tax-free and qualified distributions are federal income tax-free	No
Maximum contribution	\$305,000 in all plans for any one beneficiary	None	\$2,000 per beneficiary under age 18, per year ⁹	None
Maximum income to qualify	No limits	No limits	Phases out for single filers at \$95,000 to \$110,000; for joint filers at \$190,000 to \$220,000	No limits
Who controls disbursement of assets?	Plan owner	Custodian, until minor reaches age of majority (varies by state)	Responsible individual	Registered owner
Ability to change beneficiary	In most instances, the beneficiary can be changed to another member of the beneficiary's family, without penalty	No	Can be transferred to the account of an eligible member of the same family without tax consequences and must occur before the original beneficiary attains the age of 30 ⁹	No named beneficiary; transfer may be considered a gift or sale
Estate-planning features	Assets are generally transferred out of the donor's estate, yet the donor retains control	Assets are transferred out of the donor's estate	Assets are transferred out of the donor's estate	Transfer or income may be considered a gift
Freedom to choose educational institutions	Can be used at most accredited two- and four-year colleges and universities and vocational schools, including many outside the U.S., as well as certified apprenticeships ⁶	No restrictions on use	Can be used for any qualified higher education expense. Must be used before beneficiary is age 30 ⁹	No restrictions
Use for primary and secondary (K-12) education	Up to \$10,000 per year per beneficiary can be used for tuition for primary and secondary educational institutions (K-12) ⁶ <i>NOTE: What expenses will be regarded as "tuition" in the case of public schools may vary by state</i>	No restrictions on use	Can be used for any qualified primary and secondary education expenses	No restrictions
Use for student loans	Up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or sibling ⁶	No	No	No restrictions
Early or non-qualified withdrawal	Earnings are taxable and are subject to a 10% federal tax penalty, state taxes and penalties	No	Earnings are taxable and are subject to a 10% federal tax penalty, state taxes and penalties	No
Investments available	Multiple portfolio options: age-based, objective-based and individual ⁸	Wide range of securities and personal property, as permitted by state law	Varies by provider	Any legal security
Professional management/asset allocation	Yes	Yes, varies based upon provider	Yes, varies based upon provider	Yes, varies based upon provider
Sprung crowdfunding tool	Yes, makes it easy for friends and family to contribute	No	No	No

For Franklin Templeton 529 College Savings Plan:

Tax benefits are conditioned on meeting certain requirements. Federal income tax, a 10% federal tax penalty, and state income tax and penalties may apply to nonqualified withdrawals of earnings. Generation-skipping tax may apply to substantial transfers to a beneficiary at least two generations below the contributor. Gift examples are general; individual financial circumstances and state laws vary—consult a tax professional before investing. If the contributor dies within the five-year period, a prorated portion of contributions may be included in their taxable estate. See the Investor Handbook for more complete information.

9. Except in the case of a Special Needs Beneficiary.

GETTING STARTED IS AS EASY AS 1, 2, 3

All You Need to Do Is:

1 | **EDUCATE YOURSELF**
Find more complete information about the plan in the *Investor Handbook*.

2 | **SELECT AN INVESTMENT PORTFOLIO**
Select the investment strategy that best suits your college savings needs.

3 | **OPEN A PLAN**
Just fill out an application and return it following the instructions provided.

Your Best Investment May Be a Financial Professional

Finding the resources and discipline to invest regularly for college is challenging for many people. Knowing how to invest your money may present an even bigger challenge.

That's why we recommend seeking the assistance of a financial professional.

A financial professional can help you lay the groundwork for a successful investment plan tailored to your financial goals, risk tolerance and time frame, as well as recommend the appropriate investments that can help you reach your education savings goals.



A few words about risk. 529 plan underlying funds have risks that will cause your investment return and principal value to fluctuate. Stocks tend to fluctuate dramatically over the short term. Bond prices generally move opposite to interest rates; as bond prices adjust to a rise in interest rates, a fund's share price may decline. High-yield, lower-rated bonds generally have greater price swings and higher default risks. Foreign investing, especially in developing markets, has additional risks such as currency and market volatility and political or social instability. These and other risks are discussed in each fund's prospectus.

Each plan account is subject to an annual program management fee of 0.25% of assets and underlying fund expenses, currently up to 0.99% of assets, which may vary, and sales charges, which vary by class of share. See the Investor Handbook for more complete information.

Investors should carefully consider 529 plan investment goals, risks, charges and expenses before investing. To obtain the Investor Handbook, which contains this and other information, talk to your financial professional or call Franklin Templeton Distributors, Inc., the manager and underwriter for the 529 plan at (800) DIAL BEN/342-5236 or visit franklintempleton.com. You should read the Investor Handbook carefully before investing and consider whether your, or the beneficiary's, home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in its qualified tuition program.

You should note that:

(i) depending upon the laws of the home state of the 529 plan account owner, third-party contributor or beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in qualified tuition programs may be available for investments only in such home state's qualified tuition program;

(ii) any state-based benefit offered with respect to a particular qualified tuition program should be one of many appropriately weighted factors to be considered in making an investment decision; and

(iii) you should consult with your financial, tax or other professional to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances; you may also wish to contact the home state of the account owner, third-party contributor and/or beneficiary, as applicable, or any other qualified tuition program to learn more about the features, benefits and limitations of that state's qualified tuition program.

An investment in Franklin Templeton 529 College Savings Plan does not guarantee any specific rate of return or that your education investing goals will actually be met. The value of an investment in the plan may fluctuate, and investors may have a gain or a loss from investment in the plan. This is not a recommendation of any particular security, is not based on any particular financial situation or needs, and is not intended to replace the advice of a qualified financial professional. Before making any financial commitment regarding a Section 529 college savings plan, consult with an appropriate financial professional.

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