

CollegeBoundfund sm Advantage				
	CollegeBoundfund sm	Other 529 Plans	UGMA/UTMA	Coverdell Education Savings Account (formerly Education IRA)
Maximum Contribution Per Account	\$265,000 per beneficiary over the life of the account	Varies by state	Unlimited, subject to Annual Maximum Contribution per donor (see below)	In 2002, \$2,000 per year, contributions must stop when child turns 18*
Limitations on Income	None	None	None	AGI Limits Apply
Age Limitations	None	Varies by plan	Contributions must generally cease when child reaches age of majority.	No contributions after age 18, all distributions must be made by age 30
Annual Maximum Contribution Per Donor	\$50,000 per beneficiary in the first year of a five-year period to avoid federal gift tax consequences (\$100,000 per married couple)	\$50,000 per beneficiary in the first year of a five-year period to avoid federal gift tax consequences (\$100,000 per married couple)	\$10,000 per beneficiary per year to avoid federal gift tax consequences	In 2002, \$2,000 per account per year*
Account Earnings	No tax on earnings while they remain in the account	No tax on earnings while they remain in the account	Taxable. Under age 14 are taxed at parent's rate	No tax on earnings while they remain in the account
State Tax Deductible Contributions	Varies by state of residence of account owner	Varies by state of residence of account owner	No	No
Qualified Use of Proceeds	Any accredited post-secondary program in the U.S. and some overseas	Any accredited post-secondary program in the U.S. and some overseas	Limited for expenses of child only - can not be used for parent's expenses	Any accredited program in the U.S. and some overseas (K-12)
Funds Managed by Alliance Capital	Yes	No	May be	May be
Investment Options	Variety of portfolios of top-selling Alliance Capital mutual funds	CDs, money market instruments, mutual funds and other investments	Variety of securities	Variety of securities
Funds Removed from Donor's Estate	Yes. Subject to an "add back" rule in the event of the donor's death within five years	Yes. Subject to an "add back" rule in the event of the donor's death within five years	Generally no if the donor dies while acting as custodian	Yes
Donor May Change Beneficiary at Any Time	Yes	Yes	No	Yes
Control of Withdrawals	Account owner only	Account owner only	Transfers to child when child reaches age of maturity	May be transferred to child when child reaches age of majority
Penalties for Non-qualified Withdrawals	10% penalty withheld on earnings only	10% penalty withheld on earnings only	No	10% penalty on earnings only
Taxation of Qualified Withdrawals	Distributions for qualified education expenses are federal income tax free.*	Distributions for qualified education expenses are federal income tax free.*	Sale of account assets may trigger capital gains or other taxes to custodian or child	Tax free
Attribution of Assets for Financial Aid Purposes	Account owner	Account owner	Student	Student
Fees to Setup and Maintain	Minimum contribution needed to open an account will be \$1,000.** \$25 annual fee, waived if account is over \$25,000 or if automatic contributions are made	Varies	Varies	Varies

*Under a "sunset provision," the tax exemption for earnings on qualified withdrawals is scheduled to expire on December 31, 2010, unless extended by Congress. As with all tax-related decisions, consult with your tax advisor.

**The minimum initial contribution for Rhode Island accounts (and certain other accounts subject to the same sales and asset-based charge structure as applies to Rhode Island accounts) is \$250.

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There is no guarantee that any investment portfolio will achieve its investment goals. The value of your CollegeBoundfundsm account will fluctuate, as the value of the mutual fund shares in which it invests fluctuate, so that your investment, when it is withdrawn, may be worth more or less than its original cost.

The investments in CollegeBoundfundsm are not guaranteed by the State of Rhode Island, the Rhode Island Higher Education Assistance Authority, the State Investment Commission or any instrumentality thereof.

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