

YOU WILL
live your dreams

A look at
Learning Quest[®]

*A presentation for clients
interested in investing in a
529 college savings plan.*

LearningQuestSM
529 EDUCATION SAVINGS PROGRAM

Notice: Accounts established under Learning Quest and their earnings are neither insured nor guaranteed by the State of Kansas, the Kansas State Treasurer or American Century.

Administered by Kansas State Treasurer Lynn Jenkins, CPA.
Managed by American Century Investment Management, Inc.

Distributed by American Century Investment Services, Inc.
©2003 American Century Investment Management, Inc.



agenda

- Cost of college
- How Learning Quest compares to other college savings options
- Features and benefits of Learning Quest



cost of college

48580308

why save?

College Investing At-a-Glance

Cost of College in 18 Years

■ Public College	\$123,000
■ Private College	\$266,000

Source: College Board, 2002

Annual Earnings Advantage of College Graduates

■ High School	\$36,722
■ Bachelor's Degree	\$65,922
■ Master's Degree	\$77,935
■ Professional Degree	\$100,000+

Source: Census Population Reports, March 2002 Survey

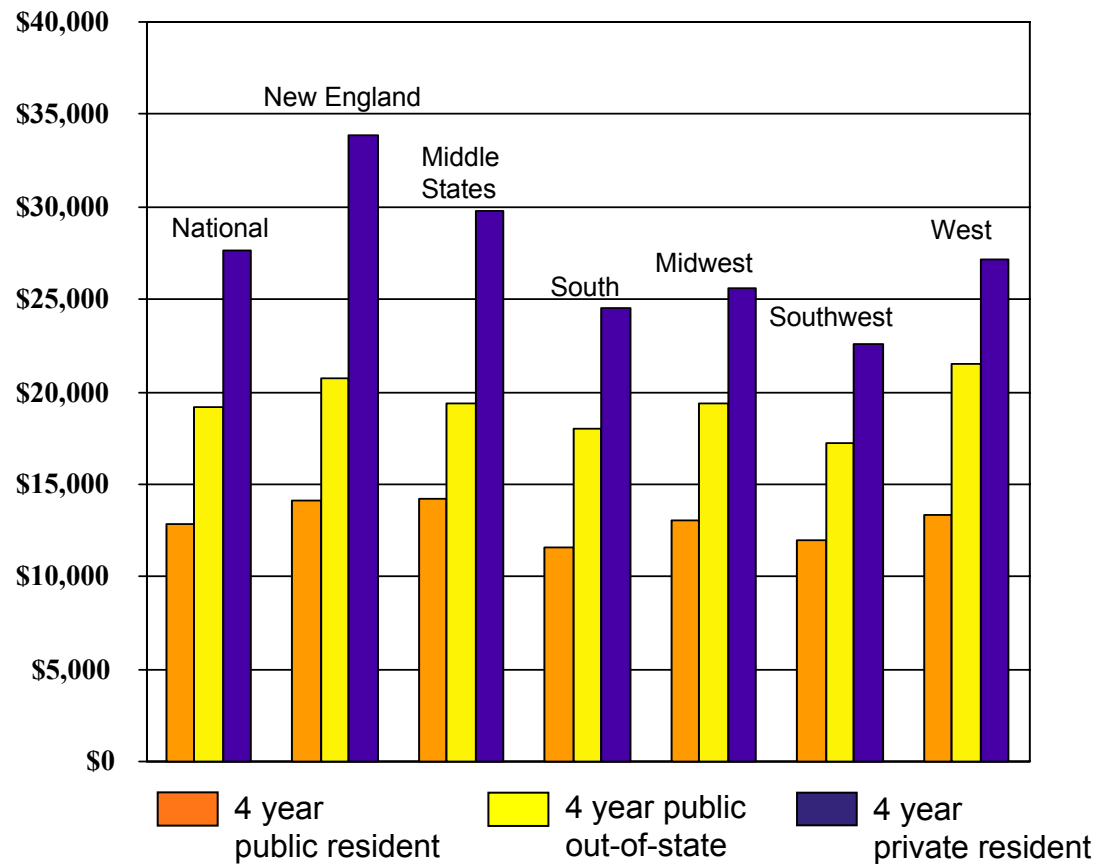


48580308

regional cost comparison



Average Annual Cost of College in America (2002-2003)



The Average Annual Cost of College (2002-2003) by region includes tuition, books, supplies, room, board, transportation and miscellaneous expenses. Source: Annual Survey of Colleges, The College Board, New York, NY.



comparing 529 Plans to other college savings options

LearningQuestSM
529 EDUCATION SAVINGS PROGRAM

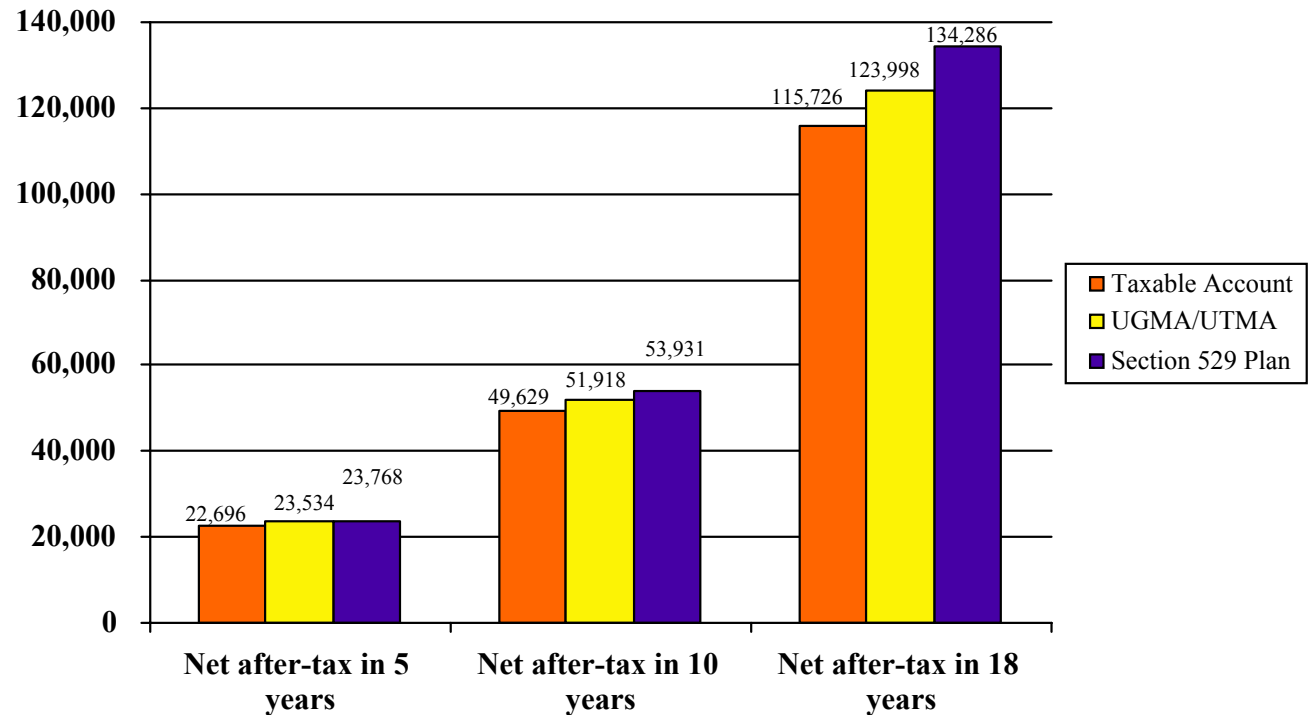
college savings options

	Custodial Account (UGMA/UTMA)	Coverdell ESA	Personal Savings	Prepaid Tuition Plan	529 Plans
What Is It?	You invest on behalf of a minor for their expenses including college	You invest in a non-deductible plan for elementary, high school or college-related expenses	You invest in a regular investment account earmarked for college	You lock in tomorrow's tuition at today's cost	You invest in a state plan for qualified college expenses
Income Tax Treatment	No tax deferral Unearned income can be taxed at the parent's rate	Tax-free withdrawals for qualified expenses	Limited to no tax benefits	Varies state by state and whether or not organized under Internal Revenue Code 529	Tax-free withdrawals for qualified expenses at the federal level -- tax deduction for Kansas residents
Account Control	Custodian controls until minor reaches a set age which varies by state	Parent or guardian can elect to retain control beyond age 21	Owner controls	State managed investments usually in state-backed bonds	Retained by the account owner
Limitation	Loss of control at set age which varies by state	Low maximum contribution \$2,000/yr.	Limited to no tax benefit	Student beneficiaries may be penalized for attending out-of-state or private schools	Contribution limit varies by state

These comparisons are for general information only and are not intended to be comprehensive comparisons. This information is for educational purposes only and is not intended to serve as investment or tax advice. By investing in a 529 plan outside of the state in which you pay taxes, you may lose any tax benefits offered by that state's plan.



tax-free growth makes a difference



These projections assume an 8% annual total return on an equity investment of \$3,000 yearly with 80% of the capital appreciation taxable as long term capital gain annually at a long term capital gain rate of 20% on the taxable account owned by the parent. Annual earnings are reduced by the applicable taxes due annually and UGMA/UTMA income is taxed using applicable income tax rates assuming that the student has no other unearned income and the parent is in a 38.6% tax bracket. The 529 plan is assumed to be withdrawn tax free through qualified withdrawals with no federal income tax liability. The accumulated amounts are the net after tax proceeds of the accounts upon liquidation at the end of the applicable period. This chart is for illustrative purposes only and is not intended to represent any Learning Quest portfolio. This information is for educational purposes only and not intended to serve as investment or tax advice. As with any investment, redemption value may be more or less than your original investment.



why a 529 plan?

- Earnings are tax deferred
- Gift and estate tax advantages (unique to 529 Plans)
- No income limits
- High contribution limits
- Account owner maintains control
- Ability to change beneficiary
- Potential income tax benefits
- Limited impact on financial aid



learning quest[®]

helping you pursue your dreams



Learning Quest[®]

- Kansas State Legislature created Learning Quest in 1999
- Administered by Kansas State Treasurer, Lynn Jenkins
- Managed by American Century Investment Management, Inc.



Learning quest[®] benefits

Helps Secure Your Child's Future

- Contribution limit currently \$235,000
- Open to any U.S. citizen, regardless of income

Manage Your Wealth and Assets

- Contributions are completed gifts eligible for the \$11,000 annual federal gift tax exclusion
- Contributions are removed from your gross estate
- Full control of assets

This information is for educational purposes only and is not intended to serve as investment or tax advice.



Learning Quest[®] benefits

No Limit On How Far or Where to Go

- Can attend any accredited U.S. school for undergraduate, graduate or post-graduate education

You Keep More of What You Earn

- Any earnings grow tax deferred until withdrawn
- Withdrawals for qualified educational expenses are federal income tax free*

*state tax varies



learning quest[®] benefits

Peace of Mind with Professional Investment Management

- American Century Investments, an experienced investment manager with 45 years of professional investment management
- Investment choices with 19 portfolio options based on time and risk tolerance or a static portfolio

This information is for educational purposes only and is not intended to serve as investment or tax advice.



investments

Aggressive Track

This track seeks to provide higher return potential with corresponding higher price fluctuation risk.

Moderate Track

This track seeks to provide moderate return potential with moderate price fluctuation risk.

Conservative Track

This track seeks to provide lower return potential with corresponding lower price fluctuation risk.

Static Portfolio

This LQ Money Market Portfolio invests in one underlying fund and does not rebalance or reallocate into another portfolio. Offers high-credit quality and capital preservation.

portfolio composition

aggressive track

Portfolio	2021	2018	2015	2012	2009	2006	Short-Term
Year of birth	2002-2004	1999-2001	1996-1998	1993-1995	1990-1992	1987-1989	1983 and earlier
Years until college	17-19	14-16	11-13	8-10	5-7	2-4	1 or less
Year money needed	2020-2022	2017-2019	2014-2016	2011-2013	2008-2010	2005-2007	2003
Growth Fund	23%	23%	23%	23%	15%	10%	
Select Fund	15%	15%	15%	15%	10%	10%	4%
Vista Fund	5%	5%	5%	5%			
Heritage Fund					5%	4%	
Income & Growth Fund	7%	7%	7%	7%	11%	10%	
Large Company Value Fund	15%	15%	15%	15%	10%	10%	8%
Equity Income Fund	5%	5%	5%	5%	5%	5%	
Small Company Fund	4%	4%	4%	4%			
Domestic Equity Total	74%	74%	74%	74%	56%	49%	12%
International Growth Fund ¹	16%	16%	16%	16%	15%	14%	
International Equity Total	16%	16%	16%	16%	15%	14%	0%
Diversified Bond Fund	10%	10%	10%	10%	25%	33%	28%
Bond Total	10%	10%	10%	10%	25%	33%	28%
Premium Money Market Fund ²					4%	4%	60%
Money Market Total	0%	0%	0%	0%	4%	4%	60%
TOTAL	100%	100%	100%	100%	100%	100%	100%

¹Investing in international investments may involve special risks including foreign taxation, currency risks, risks associated with possible differences in financial standards, and other monetary and political risks associated with future political and economic development. ²An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency.

Administered by Kansas State Treasurer Lynn Jenkins, CPA.

Managed by American Century Investment Management, Inc.

Notice: Accounts established under Learning Quest and their earnings are neither insured nor guaranteed by the State of Kansas, the Kansas State Treasurer, or American Century. By investing in a 529 plan outside of the state in which you pay taxes, you may lose any tax benefits offered by the state's plan.

portfolio composition

moderate track

Portfolio	2021	2018	2015	2012	2009	2006	Short-Term
Year of birth	2002-2004	1999-2001	1996-1998	1993-1995	1990-1992	1987-1989	1983 and earlier
Years until college	17-19	14-16	11-13	8-10	5-7	2-4	1 or less
Year money needed	2020-2022	2017-2019	2014-2016	2011-2013	2008-2010	2005-2007	2003
Growth Fund	15%	15%	15%	10%	9%	8%	
Select Fund	10%	10%	10%	10%	9%	8%	4%
Heritage Fund	5%	5%	5%	4%	3%		
Income & Growth Fund	11%	11%	11%	10%	9%	9%	
Large Company Value Fund	10%	10%	10%	10%	9%	7%	8%
Equity Income Fund	5%	5%	5%	5%	3%	4%	
Domestic Equity Total	56%	56%	56%	49%	42%	36%	12%
International Growth Fund ¹	15%	15%	15%	14%	10%	4%	
International Equity Total	15%	15%	15%	14%	10%	4%	0%
Diversified Bond Fund	25%	25%	25%	33%	42%	46%	28%
Bond Total	25%	25%	25%	33%	42%	46%	28%
Premium Money Market Fund ²	4%	4%	4%	4%	6%	14%	60%
Money Market Total	4%	4%	4%	4%	6%	14%	60%
TOTAL	100%	100%	100%	100%	100%	100%	100%

¹Investing in international investments may involve special risks including foreign taxation, currency risks, risks associated with possible differences in financial standards, and other monetary and political risks associated with future political and economic development. ²An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency.

Administered by Kansas State Treasurer Lynn Jenkins, CPA.

Managed by American Century Investment Management, Inc.

Notice: Accounts established under Learning Quest and their earnings are neither insured nor guaranteed by the State of Kansas, the Kansas State Treasurer, or American Century. By investing in a 529 plan outside of the state in which you pay taxes, you may lose any tax benefits offered by the state's plan.

portfolio composition

conservative track

Portfolio	2021	2018	2015	2012	2009	2006	Short-Term
Year of birth	2002-2004	1999-2001	1996-1998	1993-1995	1990-1992	1987-1989	1983 and earlier
Years until college	17-19	14-16	11-13	8-10	5-7	2-4	1 or less
Year money needed	2020-2022	2017-2019	2014-2016	2011-2013	2008-2010	2005-2007	2003
Growth Fund	9%	9%	9%	8%	8%		
Select Fund	9%	9%	9%	8%	8%	6%	4%
Heritage Fund	3%	3%	3%				
Income & Growth Fund	9%	9%	9%	9%	9%	13%	
Large Company Value Fund	9%	9%	9%	7%	7%	10%	8%
Equity Income Fund	3%	3%	3%	4%	4%	2%	
Domestic Equity Total	42%	42%	42%	36%	36%	31%	12%
International Growth Fund ¹	10%	10%	10%	4%	4%	0%	
International Equity Total	10%	10%	10%	4%	4%	0%	0%
Diversified Bond Fund	42%	42%	42%	46%	46%	37%	28%
Bond Total	42%	42%	42%	46%	46%	37%	28%
Premium Money Market Fund ²	6%	6%	6%	14%	14%	32%	60%
Money Market Total	6%	6%	6%	14%	14%	32%	60%
TOTAL	100%	100%	100%	100%	100%	100%	100%

¹Investing in international investments may involve special risks including foreign taxation, currency risks, risks associated with possible differences in financial standards, and other monetary and political risks associated with future political and economic development. ²An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency.

Administered by Kansas State Treasurer Lynn Jenkins, CPA.

Managed by American Century Investment Management, Inc.

Notice: Accounts established under Learning Quest and their earnings are neither insured nor guaranteed by the State of Kansas, the Kansas State Treasurer, or American Century. By investing in a 529 plan outside of the state in which you pay taxes, you may lose any tax benefits offered by the state's plan.

why learning quest[®]



Helps Secure Your Child's Future

- Comprehensive 529 college savings plan
- Contribution limit currently \$235,000

Helps You Manage Your Wealth and Assets

- Tax advantages
- Estate and gift tax benefits
- Flexibility and control

Professional Investment Management

- Managed by American Century Investment Management, Inc.
- Investment choices with 19 portfolio options based on time and risk tolerance or a static portfolio
- Investor can change the investments election once per calendar year



summary

questions?