



October 26, 2012

Bright Directions College Savings Program Investment Changes

The investment options offered in the Bright Directions College Savings Program are reviewed on an ongoing basis. As a result of that review, the Program is implementing several changes designed to provide additional diversification for investors and to enhance the current investment lineup. Details of the changes are included in the enclosed Program Disclosure Statement Supplement. Please read it carefully and keep it with your other plan papers. A summary of the changes is set forth below:

Increased Diversification

To broaden the overall diversification of the Investment Portfolios, the international stock allocation will increase in Fund 100, Fund 80 and Fund 60, as well as in the corresponding Age-Based Portfolios. Increasing the international exposure in the Investment Portfolios is intended to increase their diversification. The table below details the Current Asset Allocation and the New Asset Allocation.

“Current Asset Allocation” and the “New Asset Allocation” after the changes

Fund 100	<u>Domestic Equity</u>	<u>International Equity</u>	<u>Real Estate</u>	<u>Fixed Income</u>
Current Allocation	68%	29%	3%	
New Allocation	64%	33%	3%	

Fund 80	<u>Domestic Equity</u>	<u>International Equity</u>	<u>Real Estate</u>	<u>Fixed Income</u>
Current Allocation	54%	24%	2%	20%
New Allocation	51%	27%	2%	20%

Fund 60	<u>Domestic Equity</u>	<u>International Equity</u>	<u>Real Estate</u>	<u>Fixed Income</u>
Current Allocation	39.5%	18.5%	2%	40%
New Allocation	37.5%	20.5%	2%	40%

The above asset allocation changes will also be implemented in the following highlighted Age-Based Portfolios:

Age-Based Track	Beneficiary Age				
	0 – 8	9 – 12	13 – 16	17 – 20	21 and over
Aggressive	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20
Growth	Fund 80	Fund 60	Fund 40	Fund 20	Fund 10
Balanced	Fund 60	Fund 40	Fund 20	Fund 10	Fixed Income

New Investment Fund

The DFA International Small Company Portfolio will be added to the above-referenced Age-Based and Target Portfolios to increase the overall international equity exposures as detailed. The DFA International Small Company Portfolio will also be added as an Individual Fund Portfolio.

Underlying Fund Changes

As part of our ongoing due diligence and monitoring of the Program's Investment Portfolios, to further diversify the Portfolios, and to lower the overall costs of the Age-Based and Target Portfolios the allocations to the large cap blend and developed international equity categories will be further diversified and a portion of each weighting will be allocated to low-cost index funds. In the large cap blend category this change will be accomplished by replacing the American Century Equity Growth Fund with the Northern Funds Stock Index Fund. In the developed international equity category, the allocations to the Dodge and Cox International Stock Fund and the Oppenheimer International Growth Fund will also be reduced by allocating a portion of their assets to the Northern Funds International Equity Index Fund.

The "new" allocations are reflected on page 8 of the enclosed Program Disclosure Statement Supplement. The "new" allocations will be effective after market close November 30, 2012.

New Investment Portfolios – Fee Structure F

In addition, to meet investor demand for high quality and low cost ETF options, the Program is adding the following Individual Fund Portfolios that invest in exchange-traded funds. The new ETF 529 Portfolios will only be available in Fee Structure F of the Program and are listed below.

ETF 529 Portfolio	Expense Ratio
Vanguard Short-Term Bond ETF 529 Portfolio	0.46%
Vanguard Total Bond Market ETF 529 Portfolio	0.45%
Vanguard Mega Cap 300 Value ETF 529 Portfolio	0.47%
Vanguard Mega Cap 300 ETF 529 Portfolio	0.47%
Vanguard Mega Cap 300 Growth ETF 529 Portfolio	0.47%
Vanguard Mid-Cap Value ETF 529 Portfolio	0.45%
Vanguard Mid-Cap ETF 529 Portfolio	0.45%
Vanguard Mid-Cap Growth ETF 529 Portfolio	0.45%
Vanguard Small-Cap Value ETF 529 Portfolio	0.45%
Vanguard Small-Cap ETF 529 Portfolio	0.45%
Vanguard Small-Cap Growth ETF 529 Portfolio	0.45%
Vanguard FTSE Developed Markets ETF 529 Portfolio	0.47%
Vanguard FTSE Emerging Markets ETF 529 Portfolio	0.55%
Vanguard REIT ETF 529 Portfolio	0.45%
Vanguard Global ex-U.S. Real Estate ETF 529 Portfolio	0.70%

What do you need to do? As a current investor no action will be required on your part. **The changes will be made to the Portfolios on Friday, November 30th.** These changes to the Program are not considered an investment change to your account.

What if I want to invest differently than outlined? If you choose to change the Portfolio in which you invest, you may use your once per calendar year investment change for 2012 to select a new Portfolio(s). If you are uncertain whether or not you have used your one investment change for calendar year 2012 please feel free to contact us. If you have questions regarding the Program, your account, or the upcoming enhancements, please feel free to contact your investment professional or one of our customer care representatives at (866) 722 - 7283 between 7:30 am and 6:00 pm CT Monday through Friday.

Thank you for investing with Bright Directions!

The Bright Directions College Savings Program is part of the Illinois College Savings Pool and is designed to qualify as a qualified tuition program under the provisions of Section 529 of the Internal Revenue Code. The Bright Directions College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank & Trust Company serves as Program Manager, and Northern Trust Securities, Inc., acts as Distributor.

You should be aware that other states may sponsor their own qualified tuition plans and may offer a state tax deduction or other benefits that are limited to residents who invest in that plan. You should consult with a tax advisor about state and local taxes.

Investments in the Bright Directions College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, Union Bank & Trust Company, Northern Trust Securities, Inc., the Federal Deposit Insurance Corporation, or any other entity. An investor should consider the investment objectives, risks, and charges and expenses associated with municipal fund securities and the underlying investment companies before investing. Please contact your investment professional or call (866) 722 – 7283 to obtain a Program Disclosure Statement (issuer’s official statement) or prospectus for any of the underlying funds. Please read the Program Disclosure Statement carefully prior to investing.

Not FDIC Insured No Bank Guarantee May Lose Value

BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM PROGRAM DISCLOSURE STATEMENT

Supplement dated October 29, 2012 to the Program
Disclosure Statement dated May 31, 2012, as supplemented

The Bright Directions College Savings Program's (the "Program") Program Disclosure Statement dated May 31, 2012, as supplemented, is hereby amended as follows:

❖ **Maximum Account Balance**

Effective November 12, 2012, the Maximum Account Balance is increased from \$320,000 to \$350,000.

❖ **Gift Tax Annual Exclusion Increase in 2013**

For 2013, the gift tax annual exclusion is increasing from \$13,000 to \$14,000 per donee, or twice that amount (ie: \$28,000) for a married donor whose spouse elects on a Federal Gift Tax Return to "split" gifts with the donor. In addition, the donor may elect to treat contributions that total up to five times the annual exclusion (or up to ten times if the donor and his or her spouse split gifts) as having been made ratably over a five year period. Consequently, in 2013, a single donor may contribute up to \$70,000 in a single year without incurring federal gift tax, so long as the donor makes no other gifts to the same Beneficiary during the calendar year in which the Contribution is made or any of the next four calendar years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return to have gifts treated as "split" with the contributor may contribute up to twice that amount (\$140,000 in 2013) without the Contribution being considered a taxable gift, provided that neither spouse makes any additional gifts to the Beneficiary in the same year or in any of the next four calendar years.

❖ **Underlying Investments and Target Allocations**

To provide additional diversification the Program is making modifications to the asset allocations of certain of the Age-Based and Target Portfolios. The following changes will go into effect November 30, 2012.

• **Addition of New Investment Fund**

Effective November 30, 2012, the DFA International Small Company Portfolio will be added as an Individual Fund Portfolio.

• **Asset Allocation Changes**

Effective November 30, 2012, the international equity exposure will be increased in the Target Portfolios Fund 60, 80 and 100 along with the corresponding Age-Based Portfolios through the addition of the DFA International Small Company Portfolio. In addition, the Northern Funds Stock Index Fund and the Northern Funds International Equity Index Fund will be added to certain of the Age-Based and Target Portfolios. The American Century Equity Growth Fund will be removed from the Age-Based and Target Portfolios and will be replaced by the Northern Funds Stock Index Fund. The American Century Equity Growth Fund will remain as an Individual Fund Portfolio. The new asset allocations for the Target and Age-Based Portfolios follow:

♦ **Target Portfolios (effective November 30, 2012)**

The following updated table replaces the table appearing on page 10 of the Program Disclosure Statement. For a detailed asset allocation and a summary description of the underlying mutual funds, see "Exhibit C – Investment Portfolios and Underlying Fund Information."

	Domestic Equity	Real Estate	International Equity	Fixed Income	Money Market
Fund 100	64%	3%	33%		
Fund 80	51%	2%	27%	20%	
Fund 60	37.5%	2%	20.5%	40%	
Fund 40	27%	2%	11%	60%	
Fund 20	13.5%	1.5%	5%	60%	20%
Fund 10	7.5%		2.5%	50%	40%
Fixed Income Fund				50%	50%

◆ **Age-Based Portfolios (effective November 30, 2012)**

The following updated table replaces the table appearing on page 9 of the Program Disclosure Statement, dated May 31, 2012. For a detailed asset allocation and a summary description of the underlying mutual funds, see "Exhibit C - Investment Portfolios and Underlying Fund Information."

Beneficiary Age	<u>Aggressive Option</u>	<u>Growth Option</u>	<u>Balanced Option</u>
0-8 years	Bright Directions Fund 100 64% Domestic Equity 3% Real Estate 33% International Equity	Bright Directions Fund 80 51% Domestic Equity 2% Real Estate 27% International Equity 20% Fixed Income	Bright Directions Fund 60 37.5% Domestic Equity 2% Real Estate 20.5% International Equity 40% Fixed Income
9-12 years	Bright Directions Fund 80 51% Domestic Equity 2% Real Estate 27% International Equity 20% Fixed Income	Bright Directions Fund 60 37.5% Domestic Equity 2% Real Estate 20.5% International Equity 40% Fixed Income	Bright Directions Fund 40 27% Domestic Equity 2% Real Estate 11% International Equity 60% Fixed Income
13-16 years	Bright Directions Fund 60 37.5% Domestic Equity 2% Real Estate 20.5% International Equity 40% Fixed Income	Bright Directions Fund 40 27% Domestic Equity 2% Real Estate 11% International Equity 60% Fixed Income	Bright Directions Fund 20 13.5% Domestic Equity 1.5% Real Estate 5% International Equity 60% Fixed Income 20% Money Market
17-20 years	Bright Directions Fund 40 27% Domestic Equity 2% Real Estate 11% International Equity 60% Fixed Income	Bright Directions Fund 20 13.5% Domestic Equity 1.5% Real Estate 5% International Equity 60% Fixed Income 20% Money Market	Bright Directions Fund 10 7.5% Domestic Equity 2.5% International Equity 50% Fixed Income 40% Money Market
21 and over	Bright Directions Fund 20 13.5% Domestic Equity 1.5% Real Estate 5% International Equity 60% Fixed Income 20% Money Market	Bright Directions Fund 10 7.5% Domestic Equity 2.5% International Equity 50% Fixed Income 40% Money Market	Bright Directions Fixed Income Fund 50% Fixed Income 50% Money Market

❖ **Northern Institutional Funds to Merge into Corresponding Northern Funds**

On August 9, 2012 the Board of Trustees of the Northern Institutional Funds approved the reorganization of a number of funds, including the funds listed below that are utilized in the Bright Directions College Savings Program. On or about November 2, 2012 the following current underlying Northern Institutional Funds used in the Program are scheduled to merge into the corresponding Northern Fund as set forth below. This change will not result in any change to the investment objectives, strategies or risks of any of the funds. You should review the prospectus for each fund for more information.

Current Underlying Mutual Fund

Northern Institutional Equity Index Portfolio
(Ticker - BEIAX Expense Ratio - 0.10%)

Northern Institutional Small Company Index
(Ticker - BSCAX Expense Ratio - 0.15%)

Northern Institutional International Equity Index
(Ticker - BIEIX Expense Ratio - 0.25%)

New Underlying Mutual Fund Name

Northern Funds Stock Index Fund
(Ticker - NOSIX Expense Ratio - 0.11%)

Northern Funds Small Cap Index Fund
(Ticker - NSIDX Expense Ratio - 0.16%)

Northern Funds International Equity Index Fund
(Ticker - NOINX Expense Ratio - 0.26%)

The Individual Fund Portfolios in the Program Disclosure Statement dated May 31, 2012 are updated as follows:

Current Individual Fund Portfolio Name

Northern Institutional Equity Index 529 Portfolio

Northern Institutional Small Company Index
529 Portfolio

Northern Institutional International Equity Index
529 Portfolio

New Individual Fund Portfolio Name

Northern Funds Stock Index 529 Portfolio

Northern Funds Small Cap Index 529 Portfolio

Northern Funds International Equity Index
529 Portfolio

❖ **Fee Structure F – New Individual Fund Portfolios & Updated Fee Table**

Effective November 30, 2012, additional Individual Fund Portfolios that invest in certain exchange-traded funds will be added under Fee Structure F. Fee Structure F is available only to Account Owners that establish an Account through registered investment advisors or other financial advisors that are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management.

The program management fee and state fee will be at a reduced rate of 0.32% and 0.03% respectively on the new individual fund portfolios that invest in exchange-traded funds.

The following ETF Individual Fund Portfolios will be available under Fee Structure F:

Fee Structure F Fee and Expense Table	Estimated Underlying Fund Expenses	Program Management Fee	State Fee	Total Annual Asset-Based Fees
Vanguard Short-Term Bond ETF 529	0.11%	0.32%	0.03%	0.46%
Vanguard Total Bond Market ETF 529	0.10%	0.32%	0.03%	0.45%
Vanguard REIT ETF 529	0.10%	0.32%	0.03%	0.45%
Vanguard Global ex-U.S. Real Estate ETF 529	0.35%	0.32%	0.03%	0.70%
Vanguard Mega Cap 300 Value ETF 529	0.12%	0.32%	0.03%	0.47%
Vanguard Mega Cap 300 ETF 529	0.12%	0.32%	0.03%	0.47%
Vanguard Mega Cap 300 Growth ETF 529	0.12%	0.32%	0.03%	0.47%
Vanguard Mid-Cap Value ETF 529	0.10%	0.32%	0.03%	0.45%
Vanguard Mid-Cap ETF 529	0.10%	0.32%	0.03%	0.45%
Vanguard Mid-Cap Growth ETF 529	0.10%	0.32%	0.03%	0.45%
Vanguard Small-Cap Value ETF 529	0.10% ¹	0.32%	0.03%	0.45%
Vanguard Small-Cap ETF 529	0.10% ¹	0.32%	0.03%	0.45%
Vanguard Small-Cap Growth ETF 529	0.10%	0.32%	0.03%	0.45%
Vanguard FTSE Developed Markets ETF 529	0.12%	0.32%	0.03%	0.47%
Vanguard FTSE Emerging Markets ETF 529	0.20%	0.32%	0.03%	0.55%

¹ Does not include Acquired Fund Fees and Expenses otherwise applicable to the underlying fund.

❖ **Certain Risks to Consider**

The following additional Risk Factor is added to the "Certain Risks to Consider" section of page 37 of the Program Disclosure Statement.

ETF Risks

Certain of the Individual Fund Portfolios invest all of their assets in exchange-traded funds (ETFs). As a result, these Individual Fund Portfolios are subject to certain additional risks. The ETF shares in which the Individual Fund Portfolios invest are traded on securities exchanges and are bought and sold on the secondary market at market prices. Generally, the market price of an ETF will approximate its net asset value. The net asset value of an ETF will fluctuate with changes in the market value of the ETFs holdings. However, under certain circumstances the market price of an ETF and its net asset value may vary significantly. Under those circumstances, the Program may pay more or less than net asset value for each ETF that it purchases on the secondary market, and may receive more or less than net asset value for each ETF that it sells on the secondary market. There can be no assurance that an active trading market will develop or be maintained for the ETFs in which the Individual Fund Portfolios invest and trading may be halted by a national securities exchange because of market conditions or for other reasons. Moreover, there can be no assurance that the requirements for listing of the shares of an ETF will continue to be met. The ETFs in which certain of the Individual Fund Portfolios invest seek to track an index. Each of the ETF's returns, however, may not match or achieve a high degree of correlation with the index due to operating expenses, transaction costs, cash flows, regulatory requirements or operational inefficiencies. In addition, as a result of the fees and expenses of the Program, the Individual Fund Portfolios' returns will be lower than the returns of the index that each of the ETFs seeks to track.

❖ **Program Fees and Expenses**

Effective November 30, 2012, under the heading “Program Fees and Expenses – What Does the Program Cost?” beginning on page 22, the Fee and Expense tables for each Fee Structure describing the Target Portfolios, Age-Based Portfolios and Individual Fund Portfolios (other than the new ETF Individual Fund Portfolios, which are described on page 3 of this supplement) are revised to include the estimated underlying fund expenses and the estimated total annual asset-based fees set forth in the table below:

<u>Investment Portfolio</u>	<u>Estimated Underlying Fund Expenses*</u>	<u>Estimated Total Annual Asset-Based Fees Fee Structure</u>			
		<u>A</u>	<u>C</u>	<u>E</u>	<u>F</u>
Target Portfolios					
Fund 100	0.51%	1.16%	1.41%	1.16%	0.91%
Fund 80	0.48%	1.13%	1.38%	1.13%	0.88%
Fund 60	0.47%	1.12%	1.37%	1.12%	0.87%
Fund 40	0.47%	1.12%	1.37%	1.12%	0.87%
Fund 20	0.38%	1.03%	1.28%	1.03%	0.78%
Fund 10	0.32%	0.97%	1.22%	0.97%	0.72%
Fixed Income Fund	0.29%	0.94%	1.19%	0.94%	0.69%
Age-Based Portfolios					
Aggressive Portfolio					
Ages 0-8	0.51%	1.16%	1.41%	1.16%	0.91%
Ages 9-12	0.48%	1.13%	1.38%	1.13%	0.88%
Ages 13-16	0.47%	1.12%	1.37%	1.12%	0.87%
Ages 17-20	0.47%	1.12%	1.37%	1.12%	0.87%
Ages 21+	0.38%	1.03%	1.28%	1.03%	0.78%
Growth Portfolio					
Ages 0-8	0.48%	1.13%	1.38%	1.13%	0.88%
Ages 9-12	0.47%	1.12%	1.37%	1.12%	0.87%
Ages 13-16	0.47%	1.12%	1.37%	1.12%	0.87%
Ages 17-20	0.38%	1.03%	1.28%	1.03%	0.78%
Ages 21+	0.32%	0.97%	1.22%	0.97%	0.72%
Balanced Portfolio					
Ages 0-8	0.47%	1.12%	1.37%	1.12%	0.87%
Ages 9-12	0.47%	1.12%	1.37%	1.12%	0.87%
Ages 13-16	0.38%	1.03%	1.28%	1.03%	0.78%
Ages 17-20	0.32%	0.97%	1.22%	0.97%	0.72%
Ages 21+	0.29%	0.94%	1.19%	0.94%	0.69%

* For registered mutual funds, in the absence of a change that would materially affect the information, based on the most the applicable fund’s most recent prospectus, and for Portfolios invested in multiple registered mutual funds, based on a weighted average of each fund’s total annual operating expenses, in accordance with the Portfolio’s asset allocation as of the date of this supplement to the Program Disclosure Statement. Additional information about the new investment funds can be found in the description of the changes to Exhibit C to the Program Disclosure Statement below.

❖ **Program Fees and Expenses (continued)**

<u>Investment Portfolio</u>	<u>Estimated Underlying Fund Expenses*</u>	<u>Estimated Total Annual Asset-Based Fees Fee Structure</u>			
		<u>A</u>	<u>C</u>	<u>E</u>	<u>F</u>
Individual Fund Portfolios					
BlackRock Cash Funds 529 Portfolio	0.12%	0.47%	0.47%	0.47%	0.47%
PIMCO Short-Term 529 Portfolio	0.46%	1.11%	1.36%	1.11%	0.86%
PIMCO Low Duration 529 Portfolio	0.46%	1.11%	1.36%	1.11%	0.86%
Northern Funds Bond Index 529 Portfolio	0.17%	0.82%	1.07%	0.82%	0.57%
PIMCO Total Return 529 Portfolio	0.46%	1.11%	1.36%	1.11%	0.86%
BlackRock Inflation Protected Bond 529 Portfolio	0.45%	1.10%	1.35%	1.10%	0.85%
Templeton International Bond 529 Portfolio	0.76%	1.41%	1.66%	1.41%	1.16%
T. Rowe Price Balanced 529 Portfolio	0.66%	1.31%	1.56%	1.31%	1.06%
T. Rowe Price Real Estate 529 Portfolio	0.78%	1.43%	1.68%	1.43%	1.18%
ING Global Real Estate 529 Portfolio	0.99%	1.64%	1.89%	1.64%	1.39%
Calvert Equity 529 Portfolio	0.69%	1.34%	1.59%	1.34%	1.09%
MFS Value 529 Portfolio	0.69%	1.34%	1.59%	1.34%	1.09%
T. Rowe Price Equity Income 529 Portfolio	0.68%	1.33%	1.58%	1.33%	1.08%
American Century Value 529 Portfolio	0.81%	1.46%	1.71%	1.46%	1.21%
American Century Equity Growth 529 Portfolio	0.49%	1.14%	1.39%	1.14%	0.89%
Northern Funds Stock Index 529 Portfolio	0.11%	0.76%	1.01%	0.76%	0.51%
American Century Growth 529 Portfolio	0.78%	1.43%	1.68%	1.43%	1.18%
T. Rowe Price Instl. Large-Cap Growth 529 Portfolio	0.57%	1.22%	1.47%	1.22%	0.97%
T. Rowe Price Ext. Equity Mkt Index 529 Portfolio	0.42%	1.07%	1.32%	1.07%	0.82%
William Blair Mid Cap Growth 529 Portfolio	1.10%	1.75%	2.00%	1.75%	1.50%
Northern Funds Small Cap Value 529 Portfolio	1.01%	1.66%	1.91%	1.66%	1.41%
Northern Funds Small Cap Index 529 Portfolio	0.16%	0.81%	1.06%	0.81%	0.56%
Delaware Small Cap Core 529 Portfolio	1.15%	1.80%	2.05%	1.80%	1.55%
Eagle Small Cap Growth 529 Portfolio	0.82%	1.47%	1.72%	1.47%	1.22%
Dodge & Cox International Stock 529 Portfolio	0.64%	1.29%	1.54%	1.29%	1.04%
Northern Funds International Equity Index 529 Portfolio	0.26%	0.91%	1.16%	0.91%	0.66%
Oppenheimer International Growth 529 Portfolio	0.74%	1.39%	1.64%	1.39%	1.14%
DFA International Small Company 529 Portfolio	0.55%	1.20%	1.45%	1.20%	0.95%
Artisan Emerging Markets 529 Portfolio	1.47%	2.12%	2.37%	2.12%	1.87%
Touchstone Total Return Bond 529 Portfolio	0.50%	1.15%	1.40%	1.15%	0.90%
Sit Dividend Growth 529 Portfolio	1.17%	1.82%	2.07%	1.82%	1.57%
Ariel Fund 529 Portfolio	0.79%	1.44%	1.69%	1.44%	1.19%
John Hancock Small Company 529 Portfolio	1.14%	1.79%	2.04%	1.79%	1.54%

Hypothetical Expense Example

The following table replaces the table appearing on page 29 and 30 of the Program Disclosure Statement, dated May 31, 2012. The following table compares the approximate cost of investing in the different fee structures within the Program over different periods of time. Your actual costs may be higher or lower. The hypothetical chart assumes an initial \$10,000 investment in a Program Portfolio and a 5% annual rate of return, compounded annually on the net amount invested throughout the period. All expense ratios and asset allocations are assumed to remain the same for the duration of the periods. The \$10 setup fee and the \$3 quarterly account fee have been included in the calculation. The chart assumes that all withdrawals are made for Higher Education Costs and, therefore, does not reflect the impact of potential federal, state, or local taxes. This hypothetical does not reflect actual expenses or performance from the past or future. Actual expenses may be higher or lower than those shown.

		1 Year						3 Years						5 Years						10 Years					
		A	C	E	F	A	F	A	C	E	F	A	F	A	C	E	F	A	C	E	F				
Target Portfolios																									
Fund 100	\$487	\$166	\$141	\$115	\$752	\$494	\$415	\$337	\$1,037	\$843	\$709	\$574	\$1,836	\$1,818	\$1,536	\$1,246									
Fund 80	\$484	\$163	\$138	\$112	\$743	\$485	\$406	\$327	\$1,021	\$827	\$693	\$558	\$1,803	\$1,785	\$1,501	\$1,211									
Fund 60	\$483	\$162	\$137	\$111	\$740	\$481	\$403	\$324	\$1,016	\$822	\$688	\$552	\$1,792	\$1,774	\$1,490	\$1,199									
Fund 40	\$483	\$162	\$137	\$111	\$740	\$481	\$403	\$324	\$1,016	\$822	\$688	\$552	\$1,792	\$1,774	\$1,490	\$1,199									
Fund 20	\$476	\$153	\$127	\$102	\$719	\$453	\$374	\$295	\$979	\$773	\$639	\$503	\$1,714	\$1,672	\$1,386	\$1,092									
Fund 10	\$469	\$147	\$121	\$96	\$698	\$434	\$356	\$276	\$943	\$741	\$606	\$470	\$1,636	\$1,604	\$1,316	\$1,021									
Fixed Income Fund	\$465	\$144	\$118	\$93	\$686	\$425	\$346	\$267	\$922	\$725	\$590	\$454	\$1,591	\$1,570	\$1,281	\$985									
Age Based Portfolios																									
Aggressive Portfolio																									
Ages 0-8	\$487	\$166	\$141	\$115	\$752	\$494	\$415	\$337	\$1,037	\$843	\$709	\$574	\$1,836	\$1,818	\$1,536	\$1,246									
Ages 9-12	\$484	\$163	\$138	\$112	\$743	\$485	\$406	\$327	\$1,021	\$827	\$693	\$558	\$1,803	\$1,785	\$1,501	\$1,211									
Ages 13-16	\$483	\$162	\$137	\$111	\$740	\$481	\$403	\$324	\$1,016	\$822	\$688	\$552	\$1,792	\$1,774	\$1,490	\$1,199									
Ages 17-20	\$483	\$162	\$137	\$111	\$740	\$481	\$403	\$324	\$1,016	\$822	\$688	\$552	\$1,792	\$1,774	\$1,490	\$1,199									
Ages 21+	\$476	\$153	\$127	\$102	\$719	\$453	\$374	\$295	\$979	\$773	\$639	\$503	\$1,714	\$1,672	\$1,386	\$1,092									
Growth Portfolio																									
Ages 0-8	\$484	\$163	\$138	\$112	\$743	\$485	\$406	\$327	\$1,021	\$827	\$693	\$558	\$1,803	\$1,785	\$1,501	\$1,211									
Ages 9-12	\$483	\$162	\$137	\$111	\$740	\$481	\$403	\$324	\$1,016	\$822	\$688	\$552	\$1,792	\$1,774	\$1,490	\$1,199									
Ages 13-16	\$483	\$162	\$137	\$111	\$740	\$481	\$403	\$324	\$1,016	\$822	\$688	\$552	\$1,792	\$1,774	\$1,490	\$1,199									
Ages 17-20	\$476	\$153	\$127	\$102	\$719	\$453	\$374	\$295	\$979	\$773	\$639	\$503	\$1,714	\$1,672	\$1,386	\$1,092									
Ages 21+	\$469	\$147	\$121	\$96	\$698	\$434	\$356	\$276	\$943	\$741	\$606	\$470	\$1,636	\$1,604	\$1,316	\$1,021									
Balanced Portfolio																									
Ages 0-8	\$483	\$162	\$137	\$111	\$740	\$481	\$403	\$324	\$1,016	\$822	\$688	\$552	\$1,792	\$1,774	\$1,490	\$1,199									
Ages 9-12	\$483	\$162	\$137	\$111	\$740	\$481	\$403	\$324	\$1,016	\$822	\$688	\$552	\$1,792	\$1,774	\$1,490	\$1,199									
Ages 13-16	\$476	\$153	\$127	\$102	\$719	\$453	\$374	\$295	\$979	\$773	\$639	\$503	\$1,714	\$1,672	\$1,386	\$1,092									
Ages 17-20	\$469	\$147	\$121	\$96	\$698	\$434	\$356	\$276	\$943	\$741	\$606	\$470	\$1,636	\$1,604	\$1,316	\$1,021									
Ages 21+	\$465	\$144	\$118	\$93	\$686	\$425	\$346	\$267	\$922	\$725	\$590	\$454	\$1,591	\$1,570	\$1,281	\$985									

HYPOTHETICAL EXPENSE EXAMPLE

	1 Year						3 Years						5 Years						10 Years							
	A	C	E	F	A	F	A	C	E	F	A	F	A	C	E	F	A	C	E	F	A	C	E	F		
Individual Fund Portfolios																										
BlackRock Cash Funds 529 Portfolio	\$70	\$70	\$70	\$70	\$197	\$197	\$197	\$478	\$400	\$321	\$682	\$333	\$333	\$816	\$682	\$321	\$333	\$816	\$682	\$321	\$333	\$816	\$682	\$321	\$333	
PIMCO Short-Term 529 Portfolio	\$136	\$161	\$136	\$110	\$400	\$400	\$400	n/a	n/a	\$194	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Vanguard Short-Term Bond ETF 529 Portfolio	\$136	\$161	\$136	\$110	\$400	\$400	\$400	\$478	\$400	\$321	\$682	\$333	\$333	\$816	\$682	\$321	\$333	\$816	\$682	\$321	\$333	\$816	\$682	\$321	\$333	
PIMCO Low Duration 529 Portfolio	\$136	\$161	\$136	\$110	\$400	\$400	\$400	\$478	\$400	\$321	\$682	\$333	\$333	\$816	\$682	\$321	\$333	\$816	\$682	\$321	\$333	\$816	\$682	\$321	\$333	
Vanguard Total Bond Market ETF 529 Portfolio	\$453	\$131	\$106	\$80	\$649	\$387	n/a	n/a	\$308	\$229	\$859	\$661	\$661	\$661	\$859	\$229	\$661	\$661	\$859	\$229	\$661	\$661	\$859	\$229	\$661	
Northern Funds Bond Index 529 Portfolio	\$482	\$161	\$136	\$110	\$737	\$478	\$478	\$478	\$400	\$321	\$1,011	\$816	\$816	\$816	\$1,011	\$321	\$816	\$816	\$1,011	\$321	\$816	\$816	\$1,011	\$321	\$816	
PIMCO Total Return 529 Portfolio	\$481	\$160	\$135	\$109	\$734	\$475	\$475	\$475	\$397	\$318	\$1,005	\$811	\$811	\$811	\$1,005	\$318	\$811	\$811	\$1,005	\$318	\$811	\$811	\$1,005	\$318	\$811	
BlackRock Inflation Protected Bond 529 Portfolio	\$511	\$192	\$166	\$141	\$828	\$572	\$572	\$572	\$494	\$415	\$1,166	\$975	\$975	\$975	\$1,166	\$415	\$975	\$975	\$1,166	\$415	\$975	\$975	\$1,166	\$415	\$975	
Templeton International Bond 529 Portfolio	\$501	\$182	\$156	\$130	\$798	\$541	\$541	\$541	\$463	\$384	\$1,114	\$922	\$922	\$922	\$1,114	\$384	\$922	\$922	\$1,114	\$384	\$922	\$922	\$1,114	\$384	\$922	
T Rowe Price Balanced 529 Portfolio	\$513	\$194	\$168	\$143	\$834	\$578	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	
Vanguard REIT ETF 529 Portfolio	\$513	\$194	\$168	\$143	\$834	\$578	\$578	\$578	\$500	\$422	\$1,176	\$986	\$986	\$986	\$1,176	\$422	\$986	\$986	\$1,176	\$422	\$986	\$986	\$1,176	\$422	\$986	
T Rowe Price Real Estate 529 Portfolio	n/a	n/a	n/a	\$91	n/a	n/a	n/a	n/a	n/a	\$260	n/a	n/a	n/a	n/a	n/a	\$260	n/a	n/a	n/a	\$260	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard Global ex-U.S. Real Estate ETF 529 Portfolio	\$534	\$215	\$190	\$164	\$898	\$643	\$643	\$643	\$566	\$488	\$1,283	\$1,096	\$1,096	\$1,096	\$1,283	\$488	\$1,096	\$1,096	\$1,283	\$488	\$1,096	\$1,096	\$1,283	\$488	\$1,096	
ING Global Real Estate 529 Portfolio	\$504	\$185	\$159	\$134	\$807	\$550	\$550	\$550	\$472	\$393	\$1,130	\$938	\$938	\$938	\$1,130	\$393	\$938	\$938	\$1,130	\$393	\$938	\$938	\$1,130	\$393	\$938	
Calvert Equity 529 Portfolio	\$504	\$185	\$159	\$134	\$807	\$550	n/a	n/a	n/a	\$197	n/a	n/a	n/a	n/a	n/a	\$197	n/a	n/a	n/a	\$197	n/a	n/a	n/a	n/a	n/a	
Vanguard Mega Cap 300 Value ETF 529 Portfolio	\$504	\$185	\$159	\$134	\$807	\$550	\$550	\$550	\$472	\$393	\$1,130	\$938	\$938	\$938	\$1,130	\$393	\$938	\$938	\$1,130	\$393	\$938	\$938	\$1,130	\$393	\$938	
MFS Value 529 Portfolio	\$503	\$184	\$158	\$133	\$804	\$547	\$547	\$547	\$469	\$390	\$1,125	\$933	\$933	\$933	\$1,125	\$390	\$933	\$933	\$1,125	\$390	\$933	\$933	\$1,125	\$390	\$933	
T Rowe Price Equity Income 529 Portfolio	\$516	\$197	\$171	\$146	\$843	\$588	\$588	\$588	\$510	\$431	\$1,191	\$1,002	\$1,002	\$1,002	\$1,191	\$431	\$1,002	\$1,002	\$1,191	\$431	\$1,002	\$1,002	\$1,191	\$431	\$1,002	
American Century Value 529 Portfolio	\$485	\$164	\$139	\$113	\$746	\$488	\$488	\$488	\$409	\$330	\$1,026	\$832	\$832	\$832	\$1,026	\$330	\$832	\$832	\$1,026	\$330	\$832	\$832	\$1,026	\$330	\$832	
American Century Equity Growth 529 Portfolio	\$447	\$125	\$100	\$74	\$630	\$368	n/a	n/a	n/a	\$209	\$827	\$628	\$628	\$628	\$827	\$209	\$628	\$628	\$827	\$209	\$628	\$628	\$827	\$209	\$628	
Vanguard Mega Cap 300 ETF 529 Portfolio	n/a	n/a	n/a	\$70	n/a	n/a	n/a	n/a	n/a	\$197	n/a	n/a	n/a	n/a	n/a	\$197	n/a	n/a	n/a	\$197	n/a	n/a	n/a	n/a	n/a	n/a
Northern Funds Stock Index 529 Portfolio	\$513	\$194	\$168	\$143	\$834	\$578	\$578	\$578	\$500	\$422	\$1,176	\$986	\$986	\$986	\$1,176	\$422	\$986	\$986	\$1,176	\$422	\$986	\$986	\$1,176	\$422	\$986	
Vanguard Mega Cap 300 Growth ETF 529 Portfolio	\$492	\$172	\$147	\$121	\$771	\$513	\$513	\$513	\$434	\$356	\$1,068	\$875	\$875	\$875	\$1,068	\$356	\$875	\$875	\$1,068	\$356	\$875	\$875	\$1,068	\$356	\$875	
American Century Growth 529 Portfolio	\$478	\$157	\$131	\$106	\$725	\$466	\$466	\$466	\$387	\$308	\$990	\$795	\$795	\$795	\$990	\$308	\$795	\$795	\$990	\$308	\$795	\$795	\$990	\$308	\$795	
T Rowe Price Instl Large-Cap Growth 529 Portfolio	n/a	n/a	n/a	\$65	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	n/a
T Rowe Price Ext Eq Market Index 529 Portfolio	n/a	n/a	n/a	\$65	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard Mid-Cap Value ETF 529 Portfolio	n/a	n/a	n/a	\$65	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard Mid-Cap ETF 529 Portfolio	n/a	n/a	n/a	\$65	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard Mid-Cap Growth ETF 529 Portfolio	\$452	\$130	\$105	\$79	\$646	\$384	\$384	\$384	\$305	\$225	\$854	\$655	\$655	\$655	\$854	\$225	\$655	\$655	\$854	\$225	\$655	\$655	\$854	\$225	\$655	
William Blair Mid-Cap Growth 529 Portfolio	\$545	\$227	\$201	\$176	\$931	\$678	\$678	\$678	\$600	\$522	\$1,339	\$1,153	\$1,153	\$1,153	\$1,339	\$522	\$1,153	\$1,153	\$1,339	\$522	\$1,153	\$1,153	\$1,339	\$522	\$1,153	
Vanguard Small-Cap Value ETF 529 Portfolio	\$536	\$217	\$192	\$166	\$904	\$650	\$650	\$650	\$572	\$494	\$1,293	\$1,106	\$1,106	\$1,106	\$1,293	\$494	\$1,106	\$1,106	\$1,293	\$494	\$1,106	\$1,106	\$1,293	\$494	\$1,106	
Northern Funds Small Cap Value 529 Portfolio	n/a	n/a	n/a	\$65	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard Small-Cap ETF 529 Portfolio	n/a	n/a	n/a	\$65	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	\$181	n/a	n/a	n/a	\$181	n/a	n/a	n/a	n/a	n/a	n/a
Northern Funds Small Cap Index 529 Portfolio	\$452	\$130	\$105	\$79	\$646	\$384	\$384	\$384	\$305	\$225	\$854	\$655	\$655	\$655	\$854	\$225	\$655	\$655	\$854	\$225	\$655	\$655	\$854	\$225	\$655	
Delaware Small Cap Core 529 Portfolio	\$550	\$232	\$206	\$181	\$946	\$693	\$693	\$693	\$616	\$538	\$1,364	\$1,179	\$1,179	\$1,179	\$1,364	\$538	\$1,179	\$1,179	\$1,364	\$538	\$1,179	\$1,179	\$1,364	\$538	\$1,179	
Vanguard Small-Cap Growth ETF 529 Portfolio	\$517	\$198	\$172	\$147	\$846	\$591	\$591	\$591	\$513	\$434	\$1,196	\$1,007	\$1,007	\$1,007	\$1,196	\$434	\$1,007	\$1,007	\$1,196	\$434	\$1,007	\$1,007	\$1,196	\$434	\$1,007	
Eagle Small Cap Growth 529 Portfolio	\$499	\$180	\$154	\$128	\$792	\$535	\$535	\$535	\$456	\$378	\$1,104	\$912	\$912	\$912	\$1,104	\$378	\$912	\$912	\$1,104	\$378	\$912	\$912	\$1,104	\$378	\$912	
Dodge & Cox International Stock 529 Portfolio	n/a	n/a	n/a	\$67	n/a	n/a	n/a	n/a	n/a	\$187	n/a	n/a	n/a	n/a	n/a	\$187	n/a	n/a	n/a	\$187	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard FTSE Developed Markets ETF 529 Portfolio	\$462	\$141	\$115	\$90	\$676	\$415	\$415	\$415	\$337	\$257	\$906	\$709	\$709	\$709	\$906	\$257	\$709	\$709	\$906	\$257	\$709	\$709	\$906	\$257	\$709	
Northern Funds International Equity Index 529 Portfolio	\$509	\$190	\$164	\$139	\$822	\$566	\$566	\$566	\$488	\$409	\$1,155	\$965	\$965	\$965	\$1,155	\$409	\$965	\$965	\$1,155	\$409	\$965	\$965	\$1,155	\$409	\$965	
Oppenheimer International Growth 529 Portfolio	\$490	\$170	\$145	\$119	\$765	\$506	\$506	\$506	\$428	\$349	\$1,057	\$864	\$864	\$864	\$1,057	\$349	\$864	\$864	\$1,057	\$349	\$864	\$864	\$1,057	\$349	\$864	
DFA International Small Company 529 Portfolio	n/a	n/a	n/a	\$75	n/a	n/a	n/a	n/a	n/a	\$213	n/a	n/a	n/a	n/a	n/a	\$213	n/a	n/a	n/a	\$213	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard FTSE Emerging Markets ETF 529 Portfolio	\$581	\$265	\$239	\$213	\$1,041	\$792	\$792	\$792	\$715	\$637	\$1,525	\$1,344	\$1,344	\$1,344	\$1,525	\$637	\$1,344	\$1,344	\$1,525	\$637	\$1,344	\$1,344	\$1,525	\$637	\$1,344	
Artisan Emerging Markets 529 Portfolio	\$486	\$165	\$140	\$114	\$749	\$491	\$491	\$491	\$412	\$333	\$1,031	\$837	\$837	\$837	\$1,031	\$333	\$837	\$837	\$1,031	\$333	\$837	\$837	\$1,031	\$333	\$837	
Touchstone Total Return Bond 529 Portfolio	\$552	\$234	\$208	\$183	\$952	\$699	\$699	\$699	\$622	\$544	\$1,374	\$1,189	\$1,189	\$1,189	\$1,374	\$544	\$1,189	\$1,189	\$1,374	\$544	\$1,189	\$1,189	\$1,374	\$544	\$1,189	
Sit Dividend Growth 529 Portfolio	\$514	\$195	\$169	\$144	\$837	\$581	\$581	\$581	\$503	\$425	\$1,181	\$991	\$991	\$991	\$1,181	\$425	\$991	\$991	\$1,181	\$425	\$991	\$991	\$1,181	\$425	\$991	
Ariel Fund 529 Portfolio	\$549	\$231	\$205	\$180	\$943	\$690	\$690	\$690	\$612	\$535	\$1,359	\$1,174	\$1,174	\$1,174	\$1,359	\$535	\$1,174	\$1,174	\$1,359	\$535	\$1,174	\$1,174	\$1,359	\$535	\$1,174	
John Hancock Small Company 529 Portfolio	\$549	\$231	\$205	\$180	\$943	\$690	\$690	\$690	\$612	\$535	\$1,359	\$1,174	\$1,174	\$1,174	\$1,359	\$535	\$1,174	\$1,174	\$1,359	\$535	\$1,174	\$1,174	\$1,359	\$535	\$1,174	

Exhibit C – Investment Portfolios and Mutual Fund Information

The following table replaces the tables on page 49 and 50 of the Program Disclosure Statement, dated May 31, 2012. The table shows the target investment allocations for the Age-Based and Target Portfolios. These target allocations were designed by the Illinois State Treasurer in consultation with the Program Manager and Wilshire Associates. The Program Manager rebalances the Portfolios on an ongoing basis pursuant to the stated investment strategy. The Illinois State Treasurer may change/substitute investment funds at any time without notice.

Age-Based & Target Portfolios - New Asset Allocations November 30, 2012

Age-Based Portfolios	Age of beneficiary							Fixed Income Fund
	0 - 8	9 - 12	13 - 16	17 - 20	21 plus	21 plus	21 plus	
Aggressive Option								
Growth Option		0 - 8	9 - 12	13 - 16	17 - 20	21 plus		
Balanced Option			0 - 8	9 - 12	13 - 16	17 - 20		
Target Portfolios	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20	Fund 10		
Underlying Mutual Funds								
BlackRock Cash Funds					20.0%	40.0%	50.0%	
MONEY MARKET TOTAL	0.0%	0.0%	0.0%	0.0%	20.0%	40.0%	50.0%	
PIMCO Short-Term Fund				20.0%	23.0%	25.0%	28.0%	
PIMCO Low Duration Fund			20.0%	19.0%	17.0%	15.0%	12.0%	
BlackRock Inflation-Protected Bond Portfolio			3.0%	7.0%	8.0%	10.0%	10.0%	
Northern Funds Bond Index Fund		8.0%	7.0%	6.0%	6.0%			
PIMCO Total Return Fund		8.0%	7.0%	6.0%	6.0%			
Templeton International Bond Fund		4.0%	3.0%	2.0%				
FIXED INCOME TOTAL	0.0%	20.0%	40.0%	60.0%	60.0%	50.0%	50.0%	
ING Global Real Estate Fund	3.0%	2.0%	2.0%	2.0%	1.5%			
REAL ESTATE TOTAL	3.0%	2.0%	2.0%	2.0%	1.5%	0.0%	0.0%	
DFA U.S. Large Cap Value Fund	19.0%	15.0%	11.0%	7.0%	3.5%	2.0%		
Northern Funds Stock Index Fund	16.0%	13.0%	10.5%	7.0%	3.5%	2.0%		
T. Rowe Price Instl. Large-Cap Growth Fund	19.0%	15.0%	11.0%	7.0%	3.5%	2.0%		
Northern Funds Small Cap Value Fund	3.0%	2.5%	1.5%	2.0%	1.0%	0.5%		
Delaware Small Cap Core Fund	4.0%	3.0%	2.0%	2.0%	1.0%	0.5%		
Eagle Small Cap Growth Fund	3.0%	2.5%	1.5%	2.0%	1.0%	0.5%		
DOMESTIC EQUITY TOTAL	64.0%	51.0%	37.5%	27.0%	13.5%	7.5%	0.0%	
Dodge & Cox International Stock Fund	6.25%	5.25%	4.0%	2.5%	1.25%	0.5%		
Northern Funds International Equity Index Fund	12.5%	10.5%	8.5%	5.0%	2.5%	1.5%		
Oppenheimer International Growth Fund	6.25%	5.25%	4.0%	2.5%	1.25%	0.5%		
DFA International Small Company Portfolio	4.0%	3.0%	2.0%					
Artisan Emerging Markets Fund	4.0%	3.0%	2.0%	1.0%				
INTERNATIONAL EQUITY TOTAL	33.0%	27.0%	20.5%	11.0%	5.0%	2.5%	0.0%	
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

NEW INVESTMENT FUND DESCRIPTIONS

"*Exhibit C – Investment Portfolios and Underlying Fund Information*" beginning on page 52, the summary and descriptions of the investment objectives and strategies, primary risks, and fees and expenses of the new investment funds are added as set forth below. The descriptions are taken from the most recent prospectuses of the funds dated prior to October 1, 2012 and are intended to summarize their respective investment objectives and policies.

For more complete information regarding any fund, you may request a prospectus from your financial advisor, the Program Manager, or by visiting www.BrightDirections.com. All investments carry some degree of risk which will affect the value of the fund's investments, investment performance, and price of its shares. It is possible to lose money by investing in the funds. For more complete information, please see each fund's Prospectus.

DFA INTERNATIONAL SMALL COMPANY PORTFOLIO

(Institutional Class Shares)

Investment Objective

The investment objective of the International Small Company Portfolio is to achieve long-term capital appreciation. The International Small Company Portfolio pursues its objective by investing substantially all of its assets in The Canadian Small Company Series, The Japanese Small Company Series, The Asia Pacific Small Company Series, The United Kingdom Small Company Series and The Continental Small Company Series (the "International Small Company Master Funds") of The DFA Investment Trust Company (the "Trust").

Primary Investment Strategies

Dimensional Fund Advisors LP (the "Advisor") believes that equity investing should involve a long-term view and a systematic focus on sources of expected returns, not on stock picking or market timing. In constructing an investment portfolio, the Advisor identifies a broadly diversified universe of eligible securities with precisely-defined risk and return characteristics. It then places priority on efficiently managing portfolio turnover and keeping trading costs low. The Advisor does not intend to purchase or sell securities for the investment portfolio based on prospects for the economy, the securities markets or the individual issuers whose shares are eligible for purchase.

The International Small Company Portfolio seeks to achieve its investment objective of providing investors with access to securities portfolios consisting of a broad range of equity securities of primarily small Canadian, Japanese, United Kingdom, European and Asia Pacific companies. The International Small Company Portfolio also may have some exposure to small cap equity securities associated with other countries or regions. The International Small Company Portfolio pursues its investment objective by investing substantially all of its assets in the International Small Company Master Funds. Each International Small Company Master Fund invests in small companies using a market capitalization weighted approach in each country or region designated by the Advisor as an approved market for investment. A company's market capitalization is the number of its shares outstanding times its price per share. In general, the higher the relative market capitalization of a small company within an eligible country, the greater its representation in the International Small Company Master Fund. The Advisor may modify market capitalization weights after considering such factors as free float, momentum, trading strategies, liquidity

management and other factors that the Advisor determines to be appropriate, given market conditions.

As a non-fundamental policy, under normal circumstances, the International Small Company Portfolio, through its investments in the International Small Company Master Funds, will invest at least 80% of its net assets in securities of small companies. The International Small Company Portfolio and each International Small Company Master Fund may invest in affiliated and unaffiliated registered and unregistered money market funds to manage its cash pending investment in other securities or to maintain liquidity for the payment of redemptions or other purposes. Investments in money market funds may involve a duplication of certain fees and expenses.

Each International Small Company Master Fund may gain exposure to companies associated with approved markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country. The International Small Company Master Funds each may use derivatives, such as futures contracts and options on futures contracts, to gain market exposure on their uninvested cash pending investment in securities or to maintain liquidity to pay redemptions or enter into futures contracts or options on futures contracts for equity securities and indices of its approved markets or other equity market securities or indices, including those of the United States.

The International Small Company Master Funds may lend their portfolio securities to generate additional income.

Primary Risks

- **Fund of Funds Risk:** The investment performance of the International Small Company Portfolio is affected by the investment performance of the International Small Company Master Funds in which the International Small Company Portfolio invests. The ability of the International Small Company Portfolio to achieve its investment objective depends on the ability of the International Small Company Master Funds to meet their investment objectives and on the Advisor's decisions regarding the allocation of the Portfolio's assets among the International Small Company Master Funds. There can be no assurance that the investment objective of the International Small Company Portfolio or any International Small Company Master Fund will be achieved. Through its investments in the International Small Company Master Funds, the International Small Company Portfolio is subject to the risks of the International Small Company Master Funds' investments. The risks of

the International Small Company Master Funds' investments are described below.

- **Foreign Securities and Currencies Risk:** Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities may also be exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar or that a foreign government will convert, or be forced to convert, its currency to another currency, changing its value against the U.S. dollar). The International Small Company Master Funds do not hedge foreign currency risk.
- **Small Company Risk:** Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.
- **Market Risk:** Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer specific events will cause the value of securities, and the International Small Company Master Funds that own them, and, in turn, the International Small Company Portfolio itself, to rise or fall. Because the value of your investment in the Portfolio will fluctuate, there is the risk that you will lose money.
- **Derivatives Risk:** Derivatives are instruments, such as futures and foreign exchange forward contracts, whose value is derived from that of other assets, rates or indices. The use of derivatives for non-hedging purposes may be considered more speculative than other types of investments. When the International Small Company Master Funds use derivatives, the International Small Company Portfolio will be directly exposed to the risks of that derivative. Derivative instruments are subject to a number of risks including liquidity, interest rate, market, credit and management risks, and the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and the Portfolio could lose more than the principal amount invested.
- **Securities Lending Risk:** Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the International Small Company Master Funds may lose money and there may be a delay in recovering the loaned securities. The International Small Company Master Funds could also lose money if they do not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. Securities lending also may have certain adverse tax consequences.

Fees & Expenses.

(Based on the prospectus dated December 16, 2011)

Total Annual Fund Operating Expenses 0.55%
expenses deducted from Fund's assets

VANGUARD SHORT-TERM BOND ETF

Investment Objective

The fund seeks to track the performance of a marketweighted bond index with a short-term dollar-weighted average maturity.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. The fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the Index. The fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally does not exceed 3 years.

Primary Risks

The fund is designed for investors with a low tolerance for risk, but you could still lose money by investing in it. The fund's performance could be hurt by:

- **Interest rate risk**, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for the fund because it invests primarily in short-term bonds, whose prices are much less sensitive to interest rate changes than are the prices of long-term bonds.
- **Income risk**, which is the chance that the fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the fund's monthly income to fluctuate.
- **Credit risk**, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be low for the fund because it purchases only bonds that are of investment-grade quality.
- **Index sampling risk**, which is the chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the fund's target index. Index sampling risk for the fund should be low.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Short-Term Bond ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Short-Term Bond ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Short-Term Bond ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

- Although Short-Term Bond ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Short-Term Bond ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide “circuit breakers” (which halt trading for a specified period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Short-Term Bond ETF may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 25, 2012)

Total Annual Fund Operating Expenses 0.11%
expenses deducted from Fund’s assets

VANGUARD TOTAL BOND MARKET ETF

Investment Objective

The fund seeks to track the performance of a broad, market-weighted bond index.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the fund’s investments will be selected through the sampling process, and at least 80% of the fund’s assets will be invested in bonds held in the Index. The fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall bond market. The fund’s performance could be hurt by:

- **Interest rate risk**, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the fund because it invests

primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

- **Income risk**, which is the chance that the fund’s income will decline because of falling interest rates. Income risk is generally moderate for intermediate-term bond funds, so investors should expect the fund’s monthly income to fluctuate accordingly.

- **Credit risk**, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer’s ability to make such payments will cause the price of that bond to decline. Credit risk should be low for the fund because it purchases only bonds that are of investment-grade quality.

- **Call risk**, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The fund would then lose any price appreciation above the bond’s call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund’s income. For mortgage-backed securities, this risk is known as prepayment risk. Call/prepayment risk should be moderate for the fund because it invests only a portion of its assets in callable bonds and mortgage-backed securities.

- **Index sampling risk**, which is the chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the fund’s target index. Index sampling risk for the fund should be low.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Total Bond Market ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Total Bond Market ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Total Bond Market ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Total Bond Market ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Total Bond Market ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide “circuit breakers” (which halt trading for a specified period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Total Bond Market ETF may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 25, 2012)

Total Annual Fund Operating Expenses 0.10%
expenses deducted from Fund's assets

VANGUARD REIT ETF

Investment Objective

The fund seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US REIT Index. The Index is composed of stocks of publicly traded equity real estate investment trusts (known as REITs). The fund attempts to replicate the Index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- Industry concentration risk, which is the chance that the stocks of REITs will decline because of adverse developments affecting the real estate industry and real property values. Because the fund concentrates its assets in REIT stocks, industry concentration risk is high.
- Stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a limited number of companies, which could cause the fund to underperform the overall stock market.
- Interest rate risk, which is the chance that REIT stock prices overall will decline because of rising interest rates. Interest rate risk should be high for the fund.
- Investment style risk, which is the chance that the returns from REIT stocks—which typically are small- or mid-capitalization stocks—will trail returns from the overall stock market. Historically, REIT stocks have performed quite differently from the overall market.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- REIT ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a REIT ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and

the NAV differ significantly. Thus, you may pay more or less than NAV when you buy REIT ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

- Although REIT ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of REIT ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of REIT ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated May 29, 2012)

Total Annual Fund Operating Expenses 0.10%
expenses deducted from Fund's assets

VANGUARD GLOBAL EX-U.S. REAL ESTATE ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of international real estate stocks.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the S&P Global ex-U.S. Property Index, a free-float-adjusted, market-capitalization-weighted index that measures the equity market performance of international real estate stocks in both developed and emerging markets. The Index is composed of stocks of publicly traded equity real estate investment trusts (known as REITs) and certain real estate management and development companies (REMDs). The fund attempts to replicate the Index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of global stock markets. The fund's performance could be hurt by:

- Industry concentration risk, which is the chance that real estate stocks will decline because of adverse developments

affecting the real estate industry and real property values. Because the fund concentrates its assets in real estate stocks, industry concentration risk is high. The real estate industry can be adversely affected by, among other things, the value of securities of issuers in the real estate industry, including REITs and REMDs, and changes in real estate values and rental income, property taxes, interest rates, and demographics.

- Investment style risk, which is the chance that returns from real estate securities—which frequently are small- or mid-capitalization stocks—will trail returns from global stock markets. Historically, real estate securities have performed quite differently from the global stock markets.
- Nondiversification risk, which is the chance that the fund's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. The fund is considered nondiversified, which means that it may invest a greater percentage of its assets in the securities of particular issuers as compared with other mutual funds.
- Stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's investments in foreign stocks can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions.
- Country/regional risk, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the fund may invest a large portion of its assets in securities of companies located in any one country or region, including emerging markets, the fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets.
- Currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets. Because ETF Shares are traded on an exchange, they are subject to additional risks:
 - Global ex-U.S. Real Estate ETF Shares are listed for trading on Nasdaq and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Global ex-U.S. Real Estate ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Global ex-U.S. Real Estate ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
 - Although Global ex-U.S. Real Estate ETF Shares are listed for trading on Nasdaq, it is possible that an active trading market may not be maintained.
 - Trading of Global ex-U.S. Real Estate ETF Shares on Nasdaq may be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall

market prices decline by a specified percentage). Trading of Global ex-U.S. Real Estate ETF Shares may also be halted if (1) the shares are delisted from Nasdaq without first being listed on another exchange or (2) Nasdaq officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated February 28, 2012)

Total Annual Fund Operating Expenses 0.35%
expenses deducted from Fund's assets

VANGUARD MEGA CAP 300 VALUE ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks in the United States.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Large Cap Value Index, which represents the value companies of the MSCI US Large Cap 300 Index. The Index is a free-float-adjusted, market-capitalization-weighted index designed to measure equity market performance of large-capitalization value stocks. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies. Because the fund seeks to track its target index, the fund may underperform the overall stock market.
- **Investment style risk**, which is the chance that returns from large-capitalization value stocks will trail returns from the overall stock market. Large-cap value stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Mega Cap 300 Value ETF Shares are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a Mega Cap 300 Value ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Mega Cap 300 Value ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Mega Cap 300 Value ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Mega Cap 300 Value ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide “circuit breakers”(which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Mega Cap 300 Value ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated December 20, 2011)

Total Annual Fund Operating Expenses 0.12%
expenses deducted from Fund’s assets

VANGUARD MEGA CAP 300 ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks in the United States.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Large Cap 300 Index. The Index is a free-float-adjusted, market-capitalization-weighted index designed to measure equity market performance of large-capitalization stocks. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund’s share price

and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund’s performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund’s target index may, at times, become focused in stocks of a particular sector, category, or group of companies. Because the fund seeks to track its target index, the fund may underperform the overall stock market.
- **Investment style risk**, which is the chance that returns from large-capitalization stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Mega Cap 300 ETF Shares are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a Mega Cap 300 ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Mega Cap 300 ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Mega Cap 300 ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Mega Cap 300 ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide “circuit breakers”(which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Mega Cap 300 ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated December 20, 2011)

Total Annual Fund Operating Expenses 0.12%
expenses deducted from Fund’s assets

VANGUARD MEGA CAP 300 GROWTH ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks in the United States.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Large Cap Growth Index, which represents the growth companies of the MSCI US Large Cap 300 Index. The Index is a free-float-adjusted, market-capitalization-weighted index designed to measure equity market performance of large-capitalization growth stocks. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies. Because the fund seeks to track its target index, the fund may underperform the overall stock market.

- **Investment style risk**, which is the chance that returns from large-capitalization growth stocks will trail returns from the overall stock market. Large-cap growth stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Mega Cap 300 Growth ETF Shares are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a Mega Cap 300 Growth ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Mega Cap 300 Growth ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

- Although Mega Cap 300 Growth ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.

- Trading of Mega Cap 300 Growth ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Mega Cap 300 Growth ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated December 20, 2011)

Total Annual Fund Operating Expenses 0.12%
expenses deducted from Fund's assets

VANGUARD MID-CAP VALUE ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization value stocks.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Mid Cap Value Index, a broadly diversified index of value stocks of mid-size U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies, which could cause the fund to underperform the overall stock market.

- **Investment style risk**, which is the chance that returns from mid-capitalization value stocks will trail returns from the overall stock market. Historically, mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Mid-Cap Value ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Mid-Cap Value ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Mid-Cap Value ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

- Although Mid-Cap Value ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Mid-Cap Value ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide “circuit breakers” (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Mid-Cap Value ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 26, 2012)

Total Annual Fund Operating Expenses 0.10%
expenses deducted from Fund’s assets

VANGUARD MID-CAP ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Mid Cap 450 Index, a broadly diversified index of stocks of mid-size U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund’s performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund’s target index may, at times, become focused in stocks of a particular sector, category, or group of companies, which could cause the fund to underperform the overall stock market.
- **Investment style risk**, which is the chance that returns from mid-capitalization stocks will trail returns from the overall stock market. Historically, mid-cap stocks have been more volatile in price than the large-cap stocks that

dominate the overall market, and they often perform quite differently.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Mid-Cap ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Mid-Cap ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Mid-Cap ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Mid-Cap ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Mid-Cap ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide “circuit breakers” (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Mid-Cap ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 26, 2012)

Total Annual Fund Operating Expenses 0.10%
expenses deducted from Fund’s assets

VANGUARD MID-CAP GROWTH ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization growth stocks.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Mid Cap Growth Index, a broadly diversified index of growth stocks of midsize U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund’s share price

and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies, which could cause the fund to underperform the overall stock market.
- **Investment style risk**, which is the chance that returns from mid-capitalization growth stocks will trail returns from the overall stock market. Historically, mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Mid-Cap Growth ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Mid-Cap Growth ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Mid-Cap Growth ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Mid-Cap Growth ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Mid-Cap Growth ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Mid-Cap Growth ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 26, 2012)

Total Annual Fund Operating Expenses 0.10%
expenses deducted from Fund's assets

VANGUARD SMALL-CAP VALUE ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization value stocks.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Small Cap Value Index, a broadly diversified index of value stocks of smaller U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies, which could cause the fund to underperform the overall stock market.
- **Investment style risk**, which is the chance that returns from small-capitalization value stocks will trail returns from the overall stock market. Historically, small-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Small-Cap Value ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Small-Cap Value ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Small-Cap Value ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Small-Cap Value ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Small-Cap Value ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Small-Cap Value ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 26, 2012)

Total Annual Fund Operating Expenses¹ 0.10%
expenses deducted from Fund's assets

¹Expenses are net of Acquired Fund Fees and Expenses

- Trading of Small-Cap ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Small-Cap ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 26, 2012)

Total Annual Fund Operating Expenses¹ 0.10%
expenses deducted from Fund's assets

¹Expenses are net of Acquired Fund Fees and Expenses

VANGUARD SMALL-CAP ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Small Cap 1750 Index, a broadly diversified index of stocks of smaller U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies, which could cause the fund to underperform the overall stock market.
- **Investment style risk**, which is the chance that returns from small-capitalization stocks will trail returns from the overall stock market. Historically, small-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Small-Cap ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Small-Cap ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Small-Cap ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Small-Cap ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.

VANGUARD SMALL-CAP GROWTH ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization growth stocks.

Primary Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Small Cap Growth Index, a broadly diversified index of growth stocks of smaller U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies, which could cause the fund to underperform the overall stock market.
- **Investment style risk**, which is the chance that returns from small-capitalization growth stocks will trail returns from the overall stock market. Historically, small-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- Small-Cap Growth ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of a Small-Cap Growth ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy Small-Cap Growth ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Small-Cap Growth ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Small-Cap Growth ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide “circuit breakers” (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Small-Cap Growth ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 26, 2012)

Total Annual Fund Operating Expenses 0.10%
expenses deducted from Fund’s assets

VANGUARD MSCI EAFE ETF

Investment Objective

The fund seeks to provide a tax-efficient investment return consisting of long-term capital appreciation.

Primary Investment Strategies

The fund purchases stocks included in the MSCI EAFE Index, which is made up of approximately 925 common stocks of companies located in 22 countries in Europe, Australia, Asia, and the Far East. The fund uses statistical methods to “sample” the Index, aiming to closely track its investment performance while limiting investments in Index securities that have undesirable tax characteristics in an attempt to minimize taxable income distributions.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund’s share price and total return to fluctuate within a wide range, like the fluctuations of global stock markets. The fund’s performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund’s investments in foreign stocks can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions. In addition, the fund’s benchmark index may, at times, become focused in stocks of a particular sector, category, or group of companies.
- **Country/regional risk**, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the fund may invest a large portion of its assets in securities of companies located in any one country or region, the fund’s performance may be hurt disproportionately by the poor performance of its investments in that area.
- **Currency risk**, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- MSCI EAFE ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an MSCI EAFE ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy MSCI EAFE ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
 - Although MSCI EAFE ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
 - Trading of MSCI EAFE ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide “circuit breakers” (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of MSCI EAFE ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.
- An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated April 26, 2012)

Total Annual Fund Operating Expenses 0.12%
expenses deducted from Fund’s assets

VANGUARD MSCI EMERGING MARKETS ETF

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries.

Primary Investment Strategies

The fund employs an indexing investment approach by investing substantially all (normally about 95%) of its assets in the common stocks included in the MSCI Emerging Markets Index, while employing a form of sampling to reduce risk. The MSCI Emerging Markets Index includes approximately 820 common stocks of companies located in emerging markets around the world.

Primary Risks

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's investments in foreign stocks can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions. In addition, the fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies.
- **Emerging markets risk**, which is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.
- **Country/Regional risk**, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. The Index's, and therefore the fund's, heavy exposure to China, Brazil, South Korea, and Taiwan subjects the fund to a higher degree of country risk than that of more geographically diversified international funds.
- **Currency risk**, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.
- **Index sampling risk**, which is the chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the fund's target index. Index sampling risk for the fund should be low.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- MSCI Emerging Markets ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an MSCI Emerging Markets ETF Share typically will approximate its NAV, there may be times when the market price and the NAV differ significantly. Thus, you may

pay more or less than NAV when you buy MSCI Emerging Markets ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

- Although MSCI Emerging Markets ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of MSCI Emerging Markets ETF Shares on NYSE Arca may be halted by the activation of individual or marketwide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of MSCI Emerging Markets ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors. An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.

(Based on the prospectus dated February 28, 2012)

Total Annual Fund Operating Expenses 0.20%
expenses deducted from Fund's assets