

UESP NEWS



UTAH EDUCATIONAL SAVINGS PLAN, A 529 PLAN

January 2016

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Congress Boosts 529 Plans



Now may be a good time to upgrade.

COMPUTERS, INTERNET SERVICE NOW CONSIDERED QUALIFIED EXPENSES

As your student leaves for college this month for the spring semester, he or she will likely be taking a laptop.

The reality of 21st century higher education is that students—whether studying astrophysics or English literature—are using computers.

Now federal law has caught up with that reality by allowing 529 funds to be used for computers, educational software, peripheral equipment, and even Internet access for the beneficiary. The equipment and services must be used primarily by the beneficiary while he or she is enrolled at an eligible educational institution.

The Protecting Americans from Tax Hikes (PATH) Act was passed by Congress and

signed into law by President Barack Obama on December 18, 2015. The PATH Act included several provisions that impacted 529 plans.

Previously, computers were designated as a qualified higher education expense only if required by the institution. The PATH Act now allows computer purchases as a qualified educational expense regardless of school requirement as long as the beneficiary is the primary user.

Recontribute without penalty

Another PATH Act enhancement gives account owners a 60-day window to recontribute refunds from schools into the same 529 account from which the money was withdrawn.

For example, if a beneficiary withdraws from a qualified higher education institution due to illness or unforeseen circumstances, he or she may be entitled to a refund. The account owner has 60 days from the date of the refund to recontribute the money into his or her 529 account. The recontributed amount must not exceed the refunded amount.

The new legislation was made retroactive to January 1, 2015. For refunds received prior to the passage of the PATH Act, account owners have 60 days from the enactment date to recontribute the funds to their 529 accounts. That deadline is February 16, 2016.

Aggregation change

The final 529 enhancement involves aggregation of accounts. Prior to passage of the PATH Act, when account owners with multiple 529 UESP accounts for the same beneficiary made withdrawals, the withdrawals were taken proportionally across all accounts in order to meet a then-existing aggregation requirement.

The PATH Act eliminates the aggregation of multiple UESP accounts for withdrawals, which eases recordkeeping requirements. Once UESP has updated its computer system to accommodate this change, account owners will be able to choose the UESP account from which to withdraw funds, or they may choose to take a proportional withdrawal across all accounts for the same beneficiary. UESP expects to complete this upgrade of its record-keeping systems and to issue new withdrawal forms (form 300) on or before June 30, 2016.

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How It All Began



UTAH'S 529 PLAN CELEBRATES 20 YEARS OF INSPIRED FUTURES

Carol Withrow can call herself a trailblazer. On the last day of 1996, with her grandson's future in mind, Withrow opened a college savings account with the Utah Educational Savings Plan.

Her account was one of just 157 UESP accounts opened in 1996, just months after the Utah Legislature established the new tax-advantaged, state-sponsored college savings plan qualified under Section 529 of the U.S. Internal Revenue Code.

Withrow created the account to help with the future college expenses of her first grandchild, Scott Hilton, who was 6 years old at the time.

"I guess I'm part of a unique crowd," Withrow said recently.

Two decades later, her account is still active, and Withrow continues to fund it. The account helped Hilton study at Westminster College for two years and will probably help him again this fall. Hilton is weighing a combined bachelor's and master's degree program in computer science and mathematics at the University of Idaho.

"It's a good resource to have, and it's nice to know it's there," Hilton, now 25, said of the account.

Success for plan, students

Now 20 years old, UESP has outgrown its formative years to reach the top tier of the nation's 529 plans.

At the end of 1996, UESP had just \$200,000 under management in a handful of accounts owned by Utah residents. Today, UESP manages more than \$8 billion total in over 300,000 accounts. Owners live in every U.S. state.

"It's been wildly successful. Nobody even talked about a billion dollars in those days," said Edward Alter, who served as treasurer

of the State of Utah from 1981 to 2009. Alter now chairs UESP's Investment Advisory Committee.

More important to Alter is how UESP has improved the lives of thousands of Utah students.

"I think it's definitely helped people save for college," he said. "There is no doubt in my mind that more kids are going (to college), and they are coming out of school with less student loan debt than they would have.

"Clearly, it's helped people," Alter said.

How 529 plans came to be

The drive to help families save for college arose in response to escalating tuition. Over the past 40 years, tuition has consistently increased at two to three times the rate of inflation, according to the College Savings Plans Network. In the late 1980s, states such as Florida and Michigan developed prepaid tuition plans out of concern for families struggling with the burden of financing their children's higher education without relying on loans.

The movement gained speed in 1994, when a U.S. Court of Appeals upheld the tax-exempt status of Michigan's prepaid tuition program. Two years later, a bipartisan effort in Congress to provide federal tax relief for the state-sponsored plans resulted in the creation of Section 529 of the Internal Revenue Code. It permitted tax-deferred treatment of account earnings if used to pay for qualified higher education expenses. In 2001, qualified withdrawals became exempt from federal income taxes for a limited time, and in 2006, Congress made the federal tax exemption permanent.

"There is no doubt in my mind that more kids are going (to college), and they are coming out of school with less student loan debt."

Edward Alter, former Utah state treasurer

During the early 1990s, Utah policymakers watched students and families in other states flock to their state-sponsored college savings plans, but they weren't sure how Utah should proceed. These early programs were prepaid plans that locked in only future tuition costs at state colleges and universities and did not cover other costs.

Alter said those plans carried a flaw. Tuition inflation would likely always exceed the investment returns that Utah could earn on the premiums it collected, and a funding gap would develop. Eventually, the state would owe more money in benefits than it could pay.

"We kind of held back and watched, and then we saw the first one

continued on next page

or two actual savings programs initiated, and we thought that's obviously the way to go. We needed to get a tax-advantaged savings program established so that people could save for college education and accumulate some funds that would be available when their kids got old enough to go to college," Alter said.

Fitting in families

Because many young Utah families do not have a lot of spare dollars to put aside for college, extremely low fees would be essential for a Utah plan to succeed, said Stephen Nadauld, a former Dixie State University president.

"We also wanted a plan that would have low minimum initial and continuing (contributions), so somebody could put in \$50 or \$100 anytime they wanted," Nadauld said.

House Bill 1003, legislation that enabled the state to set up UESP, was introduced by former Rep. Doug Peterson, R-Riverdale, during a 1996 special legislative session. The law became effective July 1 of that year, and on November 1, then-Gov. Mike Leavitt set the plan in motion.

At the outset, account owners had one investment choice, the Public Treasurers' Investment Fund managed by the Office of the Utah State Treasurer. Unlike today, the interest rate environment in 1996 was relatively high. The Public Treasurers' Investment Fund's rate of return averaged between 6 percent and 8 percent, and over the previous 10 years the average was 5.5 percent, "so it was at least decent," Alter said.

In 1999, UESP introduced several investment options that consisted of Vanguard stock and bond index funds. Vanguard was the obvious choice for UESP. Alter's office already had a longstanding relationship with the investment management company.

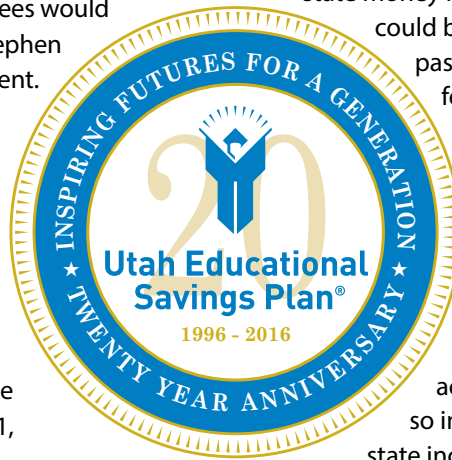
"I had state land funds that were already invested in Vanguard," he said. "And I said, 'If you (UESP) want to piggyback on that relationship, I'll take the money up to the treasurer's office, and I'll invest it alongside the state land fund money already invested in Vanguard funds.' So we did that."

The move worked to the benefit of UESP's growing base of account owners. Because the treasurer's office already had a lot of state money invested with Vanguard, UESP account money could be invested at a lower cost. The savings were passed to account owners through lower account fees. The arrangement continued until UESP direct investments in Vanguard funds were large enough to qualify for Vanguard's lower fee structure by themselves.

Alter said the federal tax deferral benefit, which gave 529 plans an investment advantage, was vital to the success of UESP. Deferring taxes on interest earnings allowed account balances to grow faster. The benefit was so important that it eclipsed the value of the Utah state income tax deduction parents could take on contributions up to a certain amount in the first years of the plan, he said. In 1996, the maximum deduction was \$1,200 per beneficiary. (It is now a 5 percent credit on contributions up to \$1,900 for a single-filer in 2016.)

"If you have to pay taxes on the earnings every year, it just bleeds (the investment) dry. The tax (deferral) was key," he said.

At the close of 2000, UESP had grown to \$19.3 million under management in 4,500 accounts. Although still small, Utah's 529 plan was on the threshold of explosive growth as it entered the 21st century.



Coming in April: UESP's growth accelerates.

An Education Resolution

January is a good time to look at personal goals and how to achieve them. As you contemplate goals for you and your family, don't forget to think about college and how you'll handle the cost when the time comes.

According to the U.S. Department of Education, college costs have increased 6.5 percent every year for the last decade. If that trend continues, by 2030, public college tuition will cost an estimated \$44,047 per year, or more than \$205,000 over four years. Families need as many avenues as possible to help defray the cost.

To help save for college, a Utah Educational Savings Plan 529 account offers benefits including tax-deferred earnings, tax-free withdrawals, and Utah state income tax benefits.

The overall total cost of higher education can be overwhelming to think about, but creating a habit of putting small amounts of money away at a time goes a long way. Every dollar you are able to save now is a dollar less you'll need to borrow and repay with interest.

There are several ways to contribute to your UESP account. Make the savings habit your education resolution this year.



Online: Make a one-time contribution or set up recurring electronic contributions at uesp.org.



Check: Include the UESP account number and beneficiary's name and mail it to UESP.



Payroll: Deposit a portion of your paycheck into your UESP account at uesp.org.



Gift Program: Go to Account Access at uesp.org and sign up to invite family members and friends to contribute.



Rollover: Contact UESP for assistance in rolling over assets from another 529 plan.

See page 6 for UESP contact information.

A Guide to Your 2015 UESP Tax Documents

It is time to prepare your 2015 federal and Utah state income tax returns.

First, ask yourself these questions:

1. Did I withdraw money from my UESP account(s) in 2015?
2. Did I roll over money from my account(s) to another 529 plan in 2015?
3. Am I a Utah taxpayer who contributed to a qualified account in 2015 or made a withdrawal or transfer?

Federal tax form

A "yes" to either of the first two questions requires UESP to send you Internal Revenue Service (IRS) Form 1099-Q, Payments From Qualified Education Programs. The 1099-Q reports the total of all withdrawals you made in 2015.

The UESP account owner will receive IRS Form 1099-Q by January 31, 2016, if the withdrawal was sent to:

- the account owner/agent
- another 529 plan

The beneficiary will receive IRS Form 1099-Q by January 31, 2016, if the withdrawal was sent to:

- the beneficiary
- an eligible education institution

Use the information on Form 1099-Q to prepare your 2015 federal income tax return. If you do not receive this form, contact UESP.

Utah tax document

A "yes" to at least one part of question 3 requires UESP to send you form TC-675H, Utah Educational Savings Plan Tax Statement for Contributions, Withdrawals and Transfers. Use TC-675H to claim Utah state income tax benefits and/or report nonqualified withdrawals, rollovers, and transfers as you prepare your 2015 tax return. This form will be mailed to you by January 31, 2016. If you do not receive this form, contact UESP. The form is also available at uesp.org through Account Access.

See the Program Description online at uesp.org for more specific information about the TC-675H form related to Uniform Gifts to Minors Act/Uniform Transfers to Minors Act custodial accounts, and accounts owned by Utah trusts or corporations.

UESP will also send a copy of your TC-675H form to the Utah State Tax Commission. Enter your tax credit on form TC-40A, which you should submit with your Utah state tax return. Keep a copy of your

TC-675H to substantiate your claim for a tax credit should the Utah State Tax Commission audit you.



Pocket your tax refund for college

While preparing your 2015 Utah state income tax forms, consider sending your state tax refund directly to your UESP account(s). Your refund will be applied equally among accounts owned by you or, if filing jointly, your spouse.

To have your state tax refund sent directly to UESP, on the final page of the Utah state income tax form TC-40, Part 5, enter an "X" next to the option to have a tax refund sent directly to UESP.



A Golden Moment

UESP RECEIVES GOLD ANALYST RATING FROM MORNINGSTAR, 2015

"Utah Educational Savings Plan offers compelling investment options at some of the lowest prices in the country, resulting in the plan's Morningstar Analyst Rating of Gold. ... Both residents and nonresidents will be well-served by its low-cost and appealing set of investment options."

Morningstar Analyst Janet Yang, CFA

"Morningstar Names Best 529 College-Savings Plans for 2015"



A Morningstar Analyst Rating for a 529 College Savings Plan is not a credit or risk rating. Analyst Ratings are subjective in nature and should not be used as the sole basis for investment decisions. Morningstar does not represent its Analyst Ratings to be guarantees. Please visit Morningstar.com for more information about the Analyst Ratings, as well as other Morningstar ratings and fund rankings.

UESP offices • Monday, January 18
are closed • Monday, February 15

UESP wants to hear about your UESP college savings experience! Please email shareyourstory@uesp.org.



Investment Option Performance as of December 31, 2015

		Latest Month	Latest Three Months	Year to Date ¹	One Year	Average Annualized Return ²				Inception Date ³
						Three Year	Five Year	Ten Year	Since Inception	
AGE-BASED INVESTMENT OPTIONS										
Age-Based Aggressive Global	Age 0-3	-2.01%	5.25%	-1.13%	-1.13%	11.71%	9.84%	6.52%	9.69%	4/1/2003
	Age 4-6	-2.02%	5.24%	-1.15%	-1.15%	11.70%	9.84%	6.52%	9.69%	4/1/2003
	Age 7-9	-1.69%	4.01%	-0.74%	-0.74%	9.65%	8.59%	6.52%	9.02%	4/1/2003
	Age 10-12	-1.35%	2.82%	-0.38%	-0.38%	7.54%	7.25%	6.25%	8.09%	4/1/2003
	Age 13-15	-0.98%	1.76%	0.00%	0.00%	5.42%	5.71%	5.68%	6.87%	4/1/2003
	Age 16-18	-0.59%	0.77%	0.38%	0.38%	3.18%	4.04%	4.85%	5.38%	4/1/2003
	Age 19+ or College Enrolled ⁴	-0.06%	-0.03%	0.71%	0.71%	0.71%	0.71%	1.70%	1.73%	4/1/2003
Age-Based Aggressive Domestic	Age 0-3	-2.03%	6.25%	0.30%	0.30%	14.31%	12.04%	6.98%	4.58%	9/20/1999
	Age 4-6	-2.03%	6.25%	0.30%	0.30%	13.81%	11.65%	7.08%	4.88%	9/20/1999
	Age 7-9	-1.70%	4.81%	0.36%	0.36%	11.66%	10.27%	6.67%	4.86%	9/20/1999
	Age 10-12	-1.37%	3.41%	0.43%	0.43%	9.47%	8.85%	6.20%	4.80%	9/20/1999
	Age 13-15	-0.99%	2.16%	0.53%	0.53%	7.01%	6.94%	5.43%	4.53%	9/20/1999
	Age 16-18	-0.60%	0.97%	0.64%	0.64%	3.95%	4.43%	4.34%	4.20%	9/20/1999
	Age 19+ or College Enrolled ⁴	-0.06%	-0.03%	0.71%	0.71%	0.71%	0.71%	1.70%	2.20%	9/20/1999
Age-Based Moderate	Age 0-3	-1.70%	4.00%	-0.74%	-0.74%	8.78%	7.67%	6.11%	8.84%	4/1/2003
	Age 4-6	-1.68%	4.02%	-0.74%	-0.74%	8.44%	7.47%	6.25%	8.58%	4/1/2003
	Age 7-9	-1.35%	2.82%	-0.38%	-0.38%	6.91%	6.55%	5.97%	7.98%	4/1/2003
	Age 10-12	-0.98%	1.76%	-0.01%	-0.01%	5.22%	5.52%	5.57%	7.28%	4/1/2003
	Age 13-15	-0.59%	0.77%	0.38%	0.38%	3.51%	4.23%	4.87%	6.29%	4/1/2003
	Age 16-18	-0.35%	0.33%	0.61%	0.61%	2.30%	3.23%	4.26%	5.36%	4/1/2003
	Age 19+ or College Enrolled ⁴	-0.02%	0.03%	0.68%	0.68%	0.63%	0.66%	1.68%	1.71%	4/1/2003
Age-Based Conservative	Age 0-3	-1.36%	2.81%	-0.39%	-0.39%	6.82%	6.63%	6.09%	7.64%	4/1/2003
	Age 4-6	-1.36%	2.81%	-0.39%	-0.39%	6.51%	6.33%	6.02%	7.18%	4/1/2003
	Age 7-9	-0.98%	1.75%	-0.01%	-0.01%	4.78%	5.20%	5.48%	6.33%	4/1/2003
	Age 10-12	-0.59%	0.77%	0.37%	0.37%	2.99%	3.87%	4.66%	5.22%	4/1/2003
	Age 13-15	-0.15%	-0.15%	0.76%	0.76%	0.98%	2.31%	3.67%	3.96%	4/1/2003
	Age 16-18	-0.14%	-0.14%	0.76%	0.76%	0.64%	1.83%	3.17%	3.06%	4/1/2003
	Age 19+ or College Enrolled ⁴	0.06%	0.16%	0.63%	0.63%	0.49%	0.57%	1.64%	1.68%	4/1/2003
Option 3 (Closed to new investments)	Age 0-3	-2.03%	6.24%	0.14%	0.14%	14.47%	12.17%	6.88%	4.40%	9/20/1999
	Age 4-6	-2.04%	6.24%	0.27%	0.27%	14.55%	12.22%	6.90%	4.41%	9/20/1999
	Age 7-9	-1.95%	5.88%	0.28%	0.28%	13.91%	11.80%	6.66%	4.26%	9/20/1999
	Age 10-12	-1.71%	4.80%	0.31%	0.31%	11.95%	10.51%	6.10%	4.05%	9/20/1999
	Age 13-15	-1.41%	3.84%	0.39%	0.39%	9.90%	8.92%	5.53%	3.94%	9/20/1999
	Age 16-18	-1.15%	2.88%	0.48%	0.48%	7.86%	7.34%	4.92%	3.80%	9/20/1999
	Age 19+ or College Enrolled ⁴	-0.83%	1.99%	0.57%	0.57%	5.73%	5.61%	4.20%	3.58%	9/20/1999

Important Information Regarding Investments in UESP

The performance returns shown in the table above are based on a \$10,000 beginning account balance, assuming the money was invested on the first day and held until the last day of each period shown. These returns only reflect the performance returns of a hypothetical \$10,000 investment for a particular investment option over the stated period of time reflected in the table, not for individual accounts. Individual account performance will vary based on the timing of the initial and subsequent investments; withdrawals (if any); and the account balances.

The returns shown above (a) take into account the underlying investment performance for each period; (b) show applicable interest and dividends; and (c) are net of the Administrative Asset Fee charged by UESP during such periods. Beginning on January 1, 2010, and ending on September 30, 2014, the Administrative Maintenance Fee of up to \$15 annually was not reflected on the returns. Beginning on October 1, 2014, returns do not reflect the Administrative Maintenance Fee, which was renamed the Administrative Mail Delivery Fee and is capped at \$12 annually. The Administrative Mail Delivery Fee does not apply to Utah residents. It also does not apply to non-Utah residents who elect to view their quarterly account statements, Program Description, Program Description Supplements, newsletters, and all other UESP communications online rather than receiving them in the U.S. mail. The hypothetical performance for non-Utah residents who elect to receive quarterly account statements in the mail would be lower due to the annual Administrative Mail Delivery Fee.

For age-based and static investment options, performance returns shown above assume that (a) prior to January 1, 2007, the investment options did not rebalance; (b) beginning January 1, 2007, and ending December 31, 2012, investment options rebalanced on January 1 of each year to match the target

allocations for each investment option in effect at the time; and (c) beginning January 1, 2013, investment returns are based on the aggregate market value of the investment options, which reflect the actual investment rebalancing that takes place on the birthday of each beneficiary. For these reasons and the reasons stated above, the actual returns in an individual account will not match those shown in the tables.

Past performance does not guarantee future results. The value of a UESP account may vary depending on market conditions and the performance of the investment option selected. It could be more or less than the amount contributed. In short, an investment could lose value. Except for the underlying investment in the accounts insured by the Federal Deposit Insurance Corporation (FDIC) and held in trust by UESP at Sallie Mae Bank and U.S. Bank (Banks), investments in UESP are not insured by the FDIC. Contributions to and earnings on investments in the FDIC-insured accounts:

- Retain their value, subject to the application of the rules and regulations of the Banks and the FDIC to each account owner.
- Are allocated between the Banks according to the following percentages: Sallie Mae Bank (90 percent) and U.S. Bank (10 percent).
- Are insured by the FDIC on a pass-through basis to each account owner at each bank up to the maximum amount set by federal law, which is \$250,000. The amount of FDIC insurance is based on the total of (a) the value of an account owner's investments in the FDIC-insured account at each bank, plus (b) the value of an account owner's other accounts (if any) at each Bank, as determined by the Banks and by FDIC regulations.

See *Notes* on the next page.

Investment Option Performance as of December 31, 2015

	Latest Month	Latest Three Months	Year to Date ¹	One Year	Average Annualized Return ²				Inception Date ³	
					Three Year	Five Year	Ten Year	Since Inception		
STATIC INVESTMENT OPTIONS										
Equity—100% Domestic	-1.59%	7.01%	1.21%	1.21%	14.92%	12.36%	6.98%	4.46%	9/20/1999	
Equity—30% International	-1.97%	5.55%	0.04%	0.04%	11.55%	9.48%	N/A	9.34%	10/3/2008	
Equity—10% International	-2.36%	5.09%	-0.88%	-0.88%	13.06%	10.64%	6.91%	10.00%	4/1/2003	
70% Equity/30% Fixed Income	-1.52%	3.79%	-0.01%	-0.01%	N/A	N/A	N/A	8.16%	6/21/2013	
20% Equity/80% Fixed Income	-0.59%	0.77%	0.39%	0.39%	N/A	N/A	N/A	3.04%	6/21/2013	
Fixed Income	-0.36%	-0.57%	0.53%	0.53%	0.78%	2.80%	4.05%	3.96%	9/9/2002	
Public Treasurers' Inv. Fund: Utah Res.	0.06%	0.17%	0.60%	0.60%	0.56%	0.61%	1.80%	2.89%	11/3/1996	
Public Treasurers' Inv. Fund: Non-Utah Res.	0.04%	0.13%	0.44%	0.44%	0.37%	0.41%	1.57%	2.77%	11/3/1996	
FDIC-Insured	0.06%	0.17%	0.64%	0.64%	0.50%	0.59%	N/A	0.64%	2/11/2009	
CUSTOMIZED INVESTMENT OPTIONS										
The information below shows the returns for the following underlying investments and are net of the UESP Administrative Asset Fee. Returns on an account invested in the Customized Age-Based or Customized Static investment options will depend upon the underlying investment allocation chosen by the account owner/agent. In addition, individual account performance will vary based on the timing of the investments in the investment option, any cash flow in or out of the UESP account during the investment period, and on the balances in the UESP accounts.										
Vanguard Funds	VG Institutional Total Stock Market Index Fund	-2.04%	6.24%	0.26%	0.26%	14.54%	12.01%	N/A	13.70%	2/1/2010
	VG Institutional Index Fund	-1.60%	6.99%	1.20%	1.20%	14.90%	12.34%	N/A	13.65%	2/1/2010
	VG Value Index Fund	-0.99%	6.94%	-1.06%	-1.06%	N/A	N/A	N/A	10.49%	6/21/2013
	VG Growth Index Fund	-2.42%	6.45%	3.11%	3.11%	N/A	N/A	N/A	14.61%	6/21/2013
	VG Mid-Cap Index Fund	-2.67%	3.41%	-1.50%	-1.50%	14.72%	11.34%	N/A	14.47%	2/1/2010
	VG Small-Cap Index Fund	-4.21%	3.06%	-3.82%	-3.82%	12.40%	10.25%	N/A	13.83%	2/1/2010
	VG Small-Cap Value Index Fund	-4.92%	2.69%	-4.88%	-4.88%	N/A	N/A	N/A	9.77%	6/21/2013
	VG Small-Cap Growth Index Fund	-3.39%	3.48%	-2.72%	-2.72%	N/A	N/A	N/A	8.44%	6/21/2013
	VG Total International Stock Index Fund	-2.05%	2.70%	-4.41%	-4.41%	1.68%	N/A	N/A	0.25%	5/6/2011
	VG Developed Markets Index Fund	-1.84%	3.89%	-0.41%	-0.41%	4.54%	3.48%	N/A	5.21%	2/1/2010
	VG International Value Fund ⁵	-3.12%	2.42%	-6.65%	-6.65%	1.96%	1.62%	N/A	3.44%	2/1/2010
	VG International Growth Fund	-2.46%	7.03%	-0.74%	-0.74%	4.77%	3.53%	N/A	6.46%	2/1/2010
	VG Emerging Markets Stock Index Fund	-2.48%	-0.37%	-15.48%	-15.48%	N/A	N/A	N/A	-2.48%	6/21/2013
	VG Total Bond Market Index Fund	-0.39%	-0.66%	0.20%	0.20%	1.14%	2.96%	N/A	3.29%	2/1/2010
	VG Short-Term Investment-Grade Fund	-0.38%	-0.33%	0.95%	0.95%	1.18%	N/A	N/A	1.72%	8/1/2011
VG Short-Term Bond Index Fund	-0.31%	-0.68%	0.76%	0.76%	N/A	N/A	N/A	1.10%	6/21/2013	
VG Short-Term Infl.-Prof. Sec. Index Fund	-0.27%	-0.46%	-0.40%	-0.40%	N/A	N/A	N/A	-1.15%	2/3/2014	
VG Total International Bond Index Fund	-0.30%	0.49%	0.93%	0.93%	N/A	N/A	N/A	4.04%	2/3/2014	
Dimensional Funds	DFA Global Equity Portfolio	-2.89%	3.99%	-2.92%	-2.92%	N/A	N/A	N/A	7.64%	6/21/2013
	DFA Global Allocation 60/40 Portfolio	-1.82%	2.29%	N/A	N/A	N/A	N/A	N/A	-1.03%	2/2/2015
	DFA Global Allocation 25/75 Portfolio	-1.01%	0.54%	N/A	N/A	N/A	N/A	N/A	-0.83%	2/2/2015
	DFA Five-Year Global Fixed Income Portfolio	-0.35%	-0.65%	N/A	N/A	N/A	N/A	N/A	-0.52%	4/16/2015
	DFA U.S. Large Cap Value Portfolio	-3.15%	5.10%	-3.69%	-3.69%	N/A	N/A	N/A	10.02%	6/21/2013
	DFA U.S. Small Cap Value Portfolio	-6.22%	1.83%	-8.00%	-8.00%	N/A	N/A	N/A	6.18%	6/21/2013
	DFA Real Estate Securities Portfolio	1.87%	7.09%	3.02%	3.02%	N/A	N/A	N/A	12.39%	6/21/2013
	DFA International Value Portfolio	-3.20%	2.80%	-6.50%	-6.50%	N/A	N/A	N/A	2.07%	6/21/2013
DFA One-Year Fixed Income Portfolio	-0.07%	-0.19%	0.10%	0.10%	N/A	N/A	N/A	0.10%	6/21/2013	
Public Treasurers' Investment Fund ⁶	0.05%	0.12%	0.40%	0.40%	0.34%	0.39%	N/A	0.38%	2/1/2010	
FDIC-Insured Accounts	0.06%	0.16%	0.61%	0.61%	0.46%	0.57%	N/A	0.62%	2/1/2010	

Notes

- ¹ Year-to-date calculations are based on a calendar year; January 1 to the current month-end date.
- ² Average Annualized Returns for investment options with an inception date in the past 12 months are cumulative and nonannualized.
- ³ The inception date is the first date that (a) the investment option was offered and/or received a contribution, or (b) the underlying fund was offered as part of either the Customized Age-Based or Customized Static investment options.
- ⁴ UESP will reallocate the account balance to the Age 19+ or College Enrolled age bracket for accounts with an age-based investment option, including the Customized Age-Based investment option, when either (a) the beneficiary turns age 19, or (b) a qualified withdrawal is processed for the account owner/agent, whichever comes first.
- ⁵ Closed to new investments beginning on July 25, 2011.
- ⁶ Public Treasurers' Investment Fund is a pool of money managed by the Utah state treasurer in short-term investments. Closed to new investments as an underlying investment in the Customized Age-Based and Customized Static investment options beginning on July 25, 2011.

UESP's historical and monthly returns are available online at uesp.org.

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Important Legal Notice

Read the Program Description for more information and consider all investment objectives, risks, charges, and expenses before investing. Call 800.418.2551 for a copy of the Program Description or visit uesp.org.

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Non-Utah taxpayers and residents: You should determine whether the state in which you or your beneficiary pays taxes or lives offers a 529 plan that provides state tax or other benefits not otherwise available to you by investing in UESP. You should consider such state tax treatment and benefits, if any, before investing in UESP.

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