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Morningstar: Utah Educational Savings Plan Is One of the Best in the U.S.

Assets Managed by Utah's Nonprofit 529 College Savings Plan Exceed \$9 Billion

(Salt Lake City) The Utah Educational Savings Plan (UESP) is one of the nation's premier tax-advantaged 529 college savings plans, according to a recent analysis of the nation's 529 plans by Morningstar Inc. The investment research firm recommends Utah's plan to families in states without income tax benefits for savers, as well as to families in states that provide tax benefits regardless of which state plan they choose.

Separately, UESP announced today that assets under its management have surpassed \$9 billion, an important achievement that points out the benefit of saving for higher education with Utah's official and only nonprofit 529 college savings plan.

In its annual survey of the 529 college-savings plan landscape, released on May 26, 2016, Morningstar said Utah residents also should look to UESP rather than seek out another state's 529 plan to save for their child's higher education expenses.

Measured by market share, UESP is the sixth-largest 529 plan in the nation, according to Morningstar. UESP, which is celebrating its 20th anniversary in 2016, is also one of the fastest-growing direct-sold 529 plans in the nation. It reached the \$9 billion mark only a year after assets topped \$8 billion.

UESP administers 315,000 accounts for college savers, a 12.5 percent increase from the same time last year when the number of accounts was 280,000.

"The value of saving for higher education through UESP is validated by the rapid growth of assets and account numbers," said Lynne Ward, UESP executive director. "UESP offers numerous flexible investment options with low fees. Regular contributions to a UESP account can reduce or even eliminate the need for student loans to pay for a college education."

In its analysis, Morningstar singled out UESP for its low fee structure and use of outside experts with strong asset-allocation skills. The plan also offers a robust mix of Vanguard index funds that produce strong earnings for account owners, Morningstar said. Over the last six years, UESP's Age-Based Aggressive Domestic and Age-Based Aggressive Global investment options produced returns that rank among the top 10 age-based investment options offered by direct-sold plans.

"The track within Utah's Education[al] Savings Plan that invests only in U.S. securities performed exceptionally well. Utah offers a wide selection of investments to plan participants, including three age-based tracks that invest globally and one that invests strictly in the U.S.," Morningstar said.

Morningstar praised UESP's "solid" management. According to the investment research firm's analysis, the plan is relatively insulated from political pressures and is operated by employees who focus solely on running UESP in the best interest of its account owners.

While direct-sold plans like UESP continue to take market share from advisor-sold plans, Morningstar noted that UESP works closely with financial advisors to create low-cost customized investment options for their clients. UESP has also built a technology platform to serve its growing advisor base, Morningstar said.

About UESP

UESP, Utah's official nonprofit 529 college savings plan, is highly ranked by Morningstar Inc., *Kiplinger's Personal Finance* magazine, *Money* magazine, CBS MoneyWatch.com, and consumer expert Clark Howard for its low fees and industry innovations such as its customized allocation investment options.

Accounts are free to open, and UESP requires no minimum deposit or account balance. UESP's user-friendly website, uesp.org, makes it easy to open, manage, and contribute to an account online.

To learn more about the Utah Educational Savings Plan, visit uesp.org, call UESP toll-free at 800.418.2551, or send an email to info@uesp.org.

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.

Investments in UESP are not guaranteed by UESP, the Utah State Board of Regents, the Utah Higher Education Assistance Authority or any other state or federal agency. However, Federal Deposit Insurance Corporation (FDIC) insurance is provided for the FDIC-insured accounts. Please read the Program Description to learn about the FDIC-insured accounts. Your investment could lose value.

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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