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CONCLUSION

For 20 years, the Utah Educational Savings Plan (UESP) has helped families save for higher education. Like the children we serve, we have grown in size and matured, while maintaining our flexibility and creativity. We have risen to prominence in the 529 industry. As our original beneficiaries graduate, we are looking to serve the next generation.



Our Past

Doug Peterson was a junior at Utah's Weber State University in 1991 when he wrote a paper proposing a solution for the financial struggles he and his peers were facing. Peterson presented the idea to higher education officials a year later as a student member of the State Board of Regents. Together, they drafted a concept for a college savings program.

Peterson was elected to the Utah House of Representatives while a 23-year-old college senior. In 1994, he introduced a bill for the savings plan. Other state leaders joined the cause, and UESP was founded in 1996.

"I firmly felt that creating the right opportunity to save and invest was a key part of the solution," Peterson said.

Forging a path in a new industry, UESP started with one investment option, the Public Treasurers' Investment Fund, managed by the Utah State Treasurer's Office. The plan finished the first year with 157 accounts and \$155,000 in assets under management.

Today

Twenty years later, UESP is the fifth-largest 529 plan in the nation, managing more than \$9.4 billion in assets in over 309,000 accounts. In the past 10 fiscal years, more than 44,882 students have accessed their accounts to pay for higher education.

A direct-sold plan, UESP offers 14 age-based, static, and customized investment options, including an age-based customized option not available in any other 529 plan—and the plan's fees are among the lowest in the industry.

Our investment options feature funds offered by highly regarded managers Vanguard and Dimensional, as well as FDIC-insured accounts at two banks.

Attracted by these features and the tax advantages of a 529 plan, people from every state invest in UESP.

UESP staff administers the 309,000 accounts in-house, performs fiduciary duties, and innovates markets and platforms, ensuring the plan is a solid choice for college savers.

Our Future

UESP expects to remain a leader in the 529 industry. With new technologies, we are improving how we work and enhancing the user experience for our customers.

What Doug Peterson dreamed of for a school assignment has made a difference for thousands of families, and is now making a difference for his own.

"There was never a time that I didn't think I would go to college, and that has changed the way I think about my future," said his son Dallin, 18. "Dad would convince me to do homework by telling me that success in college and afterward would be the result of how I invest my time today. He said he would take care of the investing money part."



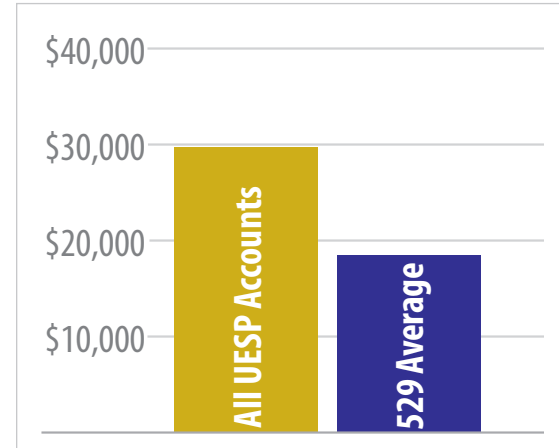
The Peterson Family, 2016

UESP and the 529 Industry

Comparison with national 529 marketplace as of June 30, 2016.¹

	UESP	529 Industry	Market Share
Total Number of Accounts²	305,111	11.8 Million	2.6 Percent
Total Assets Under Management	\$9.1 Billion	\$242.7 Billion	3.7 Percent
Average Account Balance	\$29,930	\$17,949	

Average Account Balance



¹Source: Strategic Insight, “529 College Savings Quarterly Data Update,” second quarter, 2016.

²Strategic Insight defines accounts as the number of active unique account owner-beneficiary relationships with a balance greater than \$0.00. If an account owner has three accounts in different investment options for the same beneficiary, those accounts are counted as one account.

UESP Snapshot

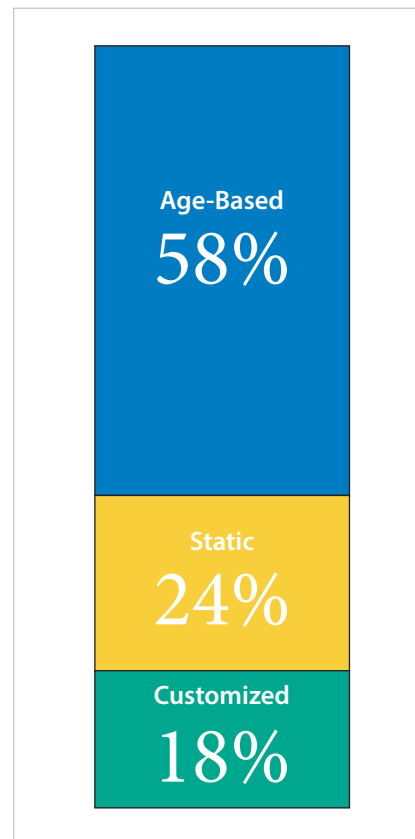
A breakdown of UESP investment options as of July 31, 2016.

UESP Investment Options

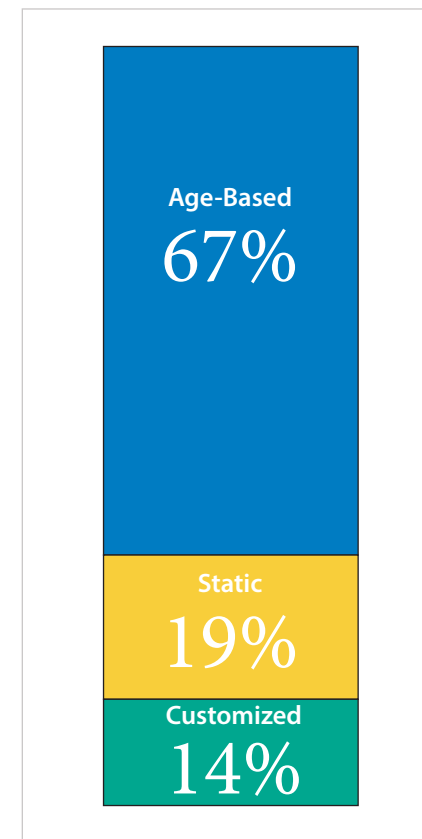
Investment Option	Total Assets	Percent of Total AUM	Number of Accounts ⁴	Percent of Total Accounts
Age-Based Investment Options				
Age-Based Aggressive Global	\$2,672,985,165	28.46%	100,144	32.36%
Age-Based Aggressive Domestic	\$962,043,302	10.24%	43,024	13.90%
Age-Based Moderate	\$1,668,520,850	17.76%	57,421	18.55%
Age-Based Conservative	\$187,061,680	1.99%	7,011	2.27%
Total Age-Based	\$5,490,610,997	58.46%	207,600	67.07%
Static Investment Options				
Equity—100% Domestic	\$454,602,790	4.84%	10,960	3.54%
Equity—30% International	\$241,843,971	2.57%	7,195	2.32%
Equity—10% International	\$1,018,604,496	10.85%	22,486	7.27%
70% Equity/30% Fixed Income	\$113,194,885	1.21%	3,565	1.15%
20% Equity/80% Fixed Income	\$44,084,659	0.47%	956	0.31%
Fixed Income	\$73,306,384	0.78%	2,153	0.70%
Public Treasurers' Investment Fund	\$69,411,132	0.74%	4,159	1.34%
FDIC-Insured	\$198,092,890	2.11%	7,503	2.42%
Total Static	\$2,213,141,206	23.56%	58,977	19.06%
Customized Investment Options				
Customized Age-Based ³	\$658,124,577	7.01%	17,447	5.64%
Customized Static	\$1,030,327,718	10.97%	25,482	8.23%
Total Customized	\$1,688,452,295	17.98%	42,929	13.87%
Total	\$9,392,204,499	100.00%	309,506	100.00%

Totals do not sum because of rounding.

UESP Assets Under Management



UESP Accounts



³Includes former Option 3 accounts converted to customized age-based in July 2011.

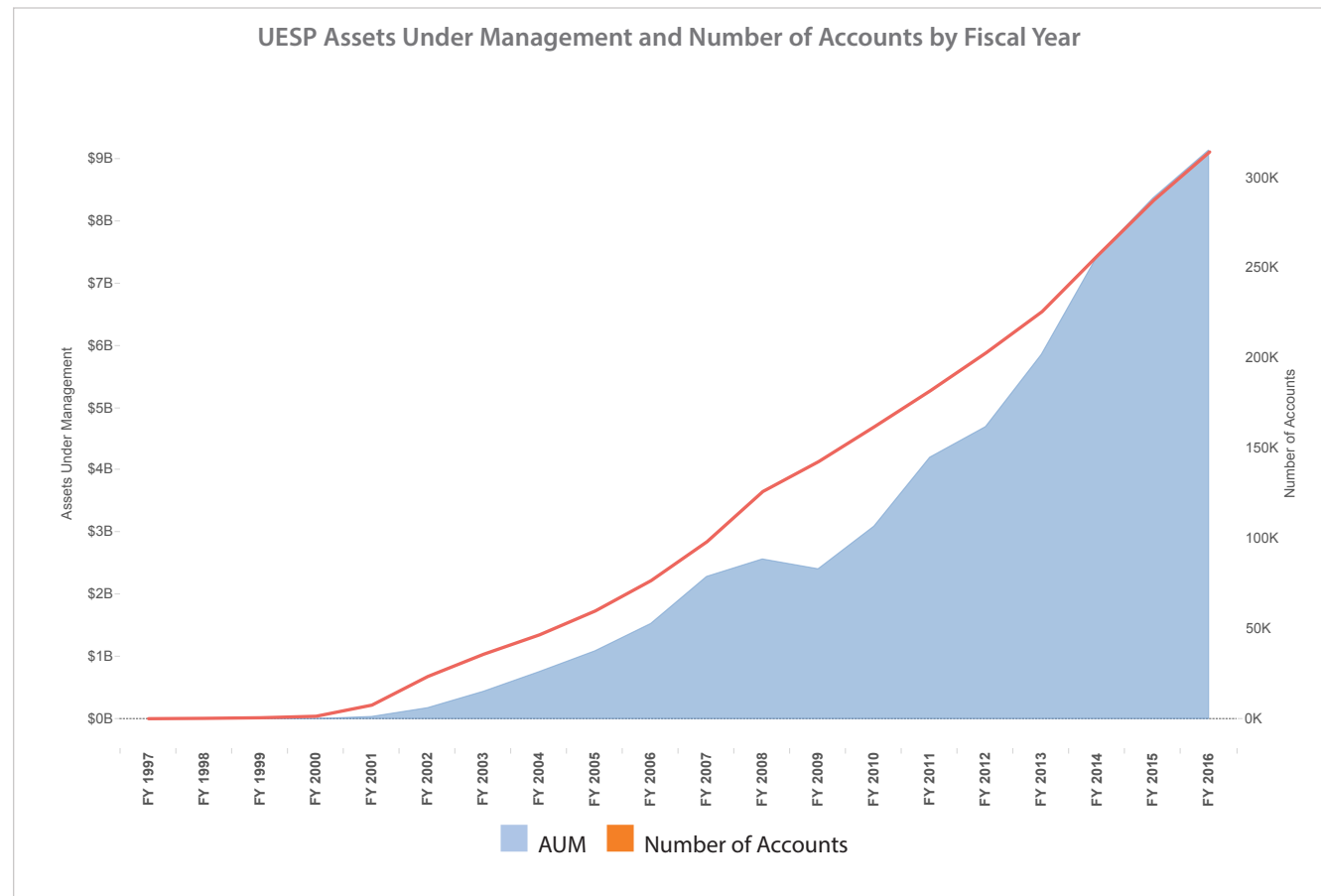
⁴In the UESP Investment Option table and throughout the remainder of this report, UESP defines accounts as any active account with a balance greater than \$0.00. If an account owner has three accounts in different investment options for the same beneficiary, those accounts are counted as three accounts. This accounting method provides better transparency for account numbers and for the distribution of assets under management than the Strategic Insight method.

UESP Account Growth and AUM Over 20 Years

UESP accounts and assets under management (AUM) have increased steadily from the organization's inception in 1996 through June 30, 2016.

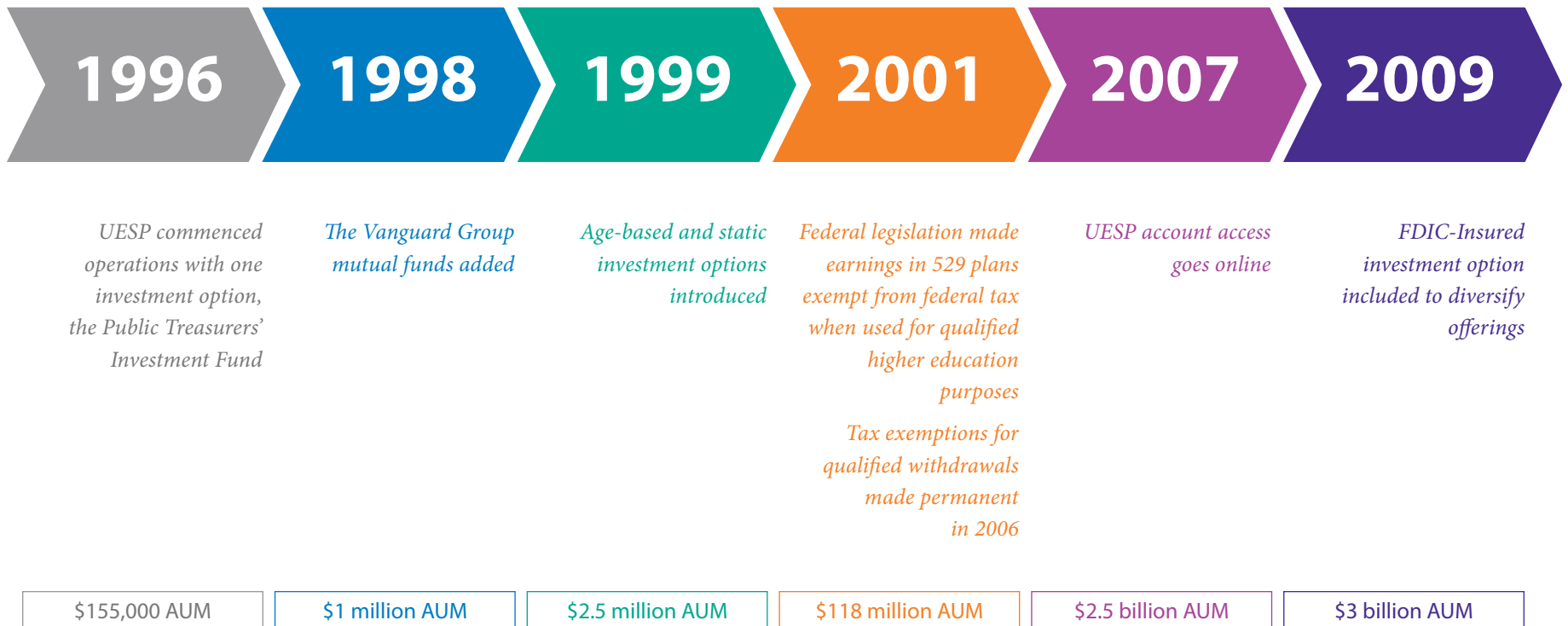
Since 2000, UESP's account growth has been exceptional; over the last three fiscal years, we have added more than 100,000 accounts.

Today, as many of our beneficiaries are starting to age out of the plan, UESP is well-positioned to serve their children.



UESP History

Key moments in UESP's 20 years



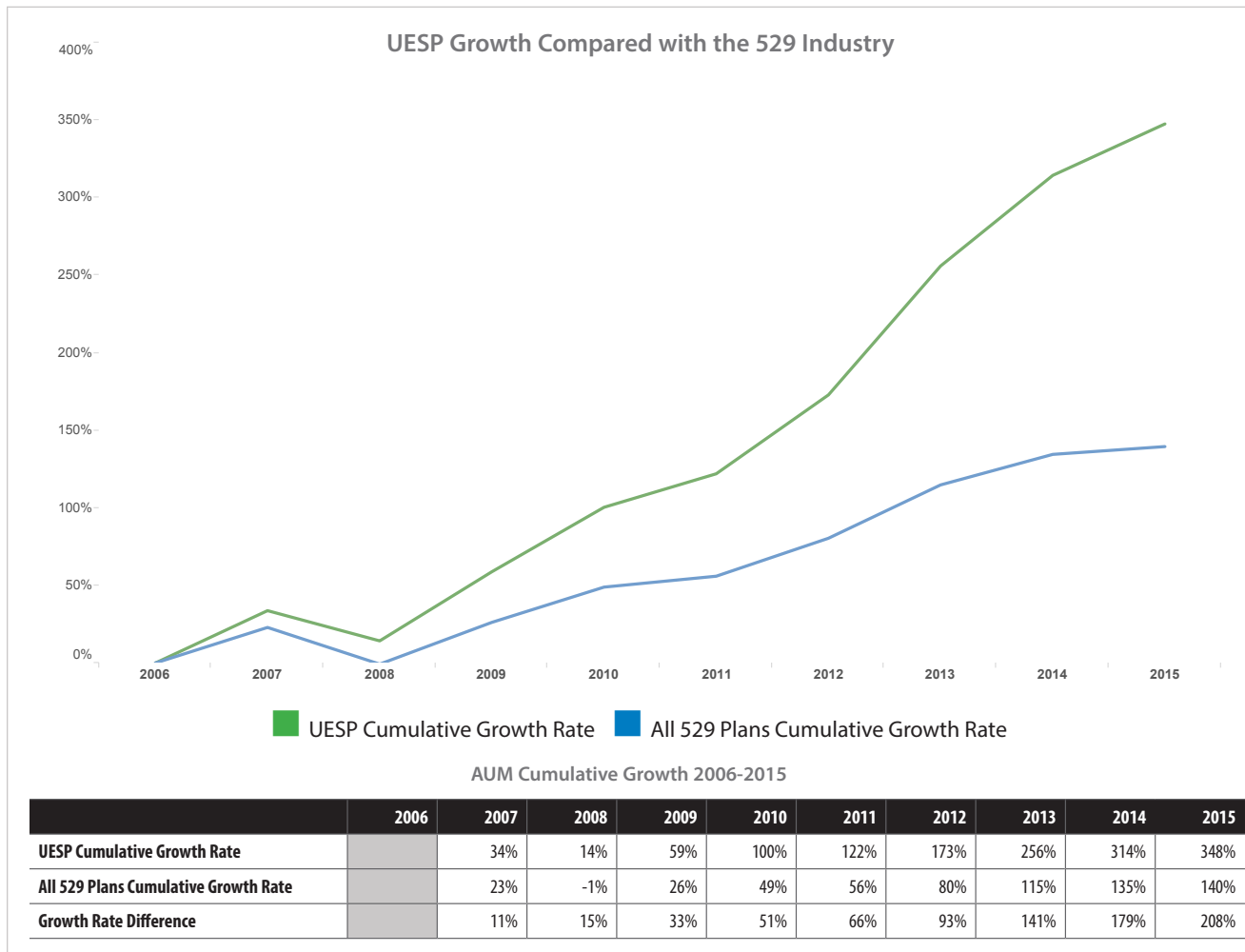
UESP and the 529 Industry—Growth Over 10 Years

The growth of UESP assets under management (AUM) has surpassed the average of all 529 plans over the past 10 years.

During the Great Recession of 2008-2009, the most difficult period in modern financial history, UESP weathered the economic crisis better than the rest of the 529 industry. Since then, AUM growth has exceeded the industry numbers.

At left are two perspectives of AUM growth, annual and cumulative.

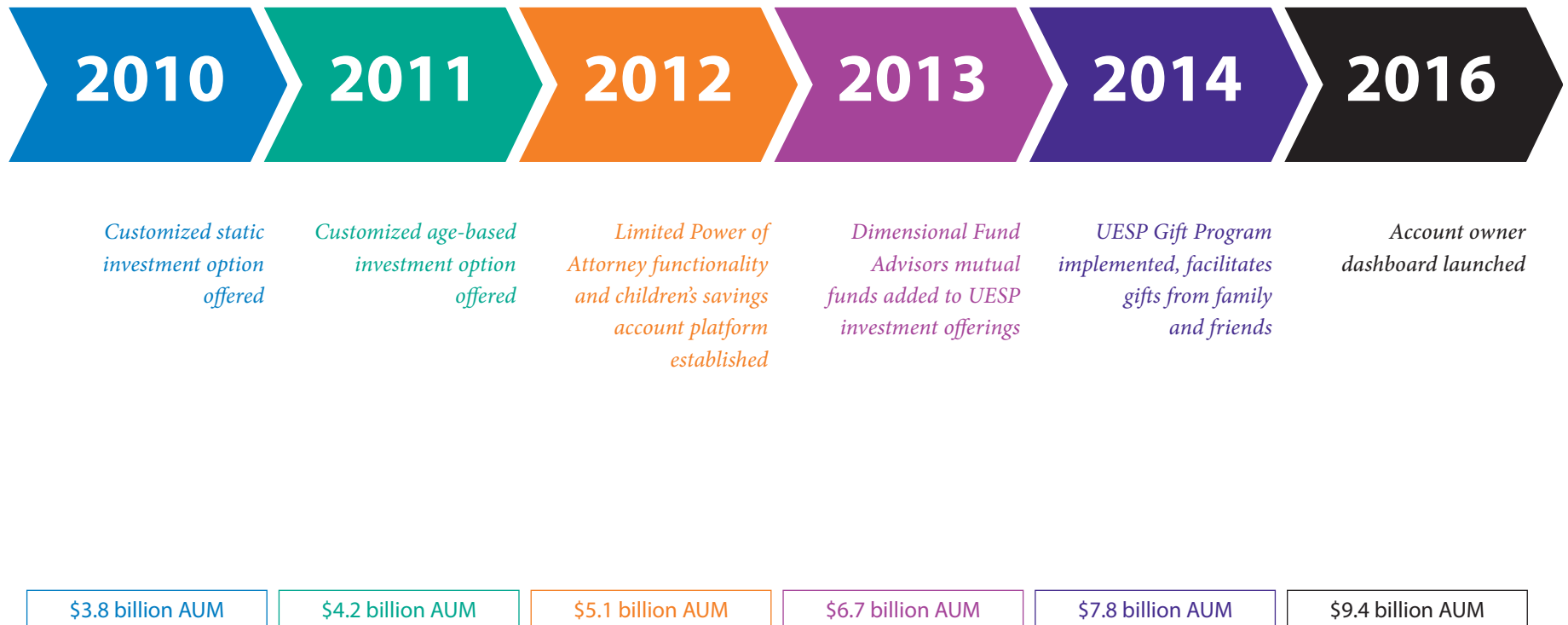
Data as of December 31 of each year.



AUM Growth Rate Comparison by Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UESP Annual Growth Rate	46%	34%	-15%	39%	26%	11%	23%	31%	16%	8%
All 529 Plans Annual Growth Rate	28%	23%	-19%	27%	18%	5%	16%	19%	9%	2%
Growth Rate Difference	18%	11%	4%	12%	8%	6%	7%	12%	7%	6%

Source: UESP and College Savings Plans Network



Assets Under Management data as of December 31 of that year. Data for 2016 as of July 31, 2016.

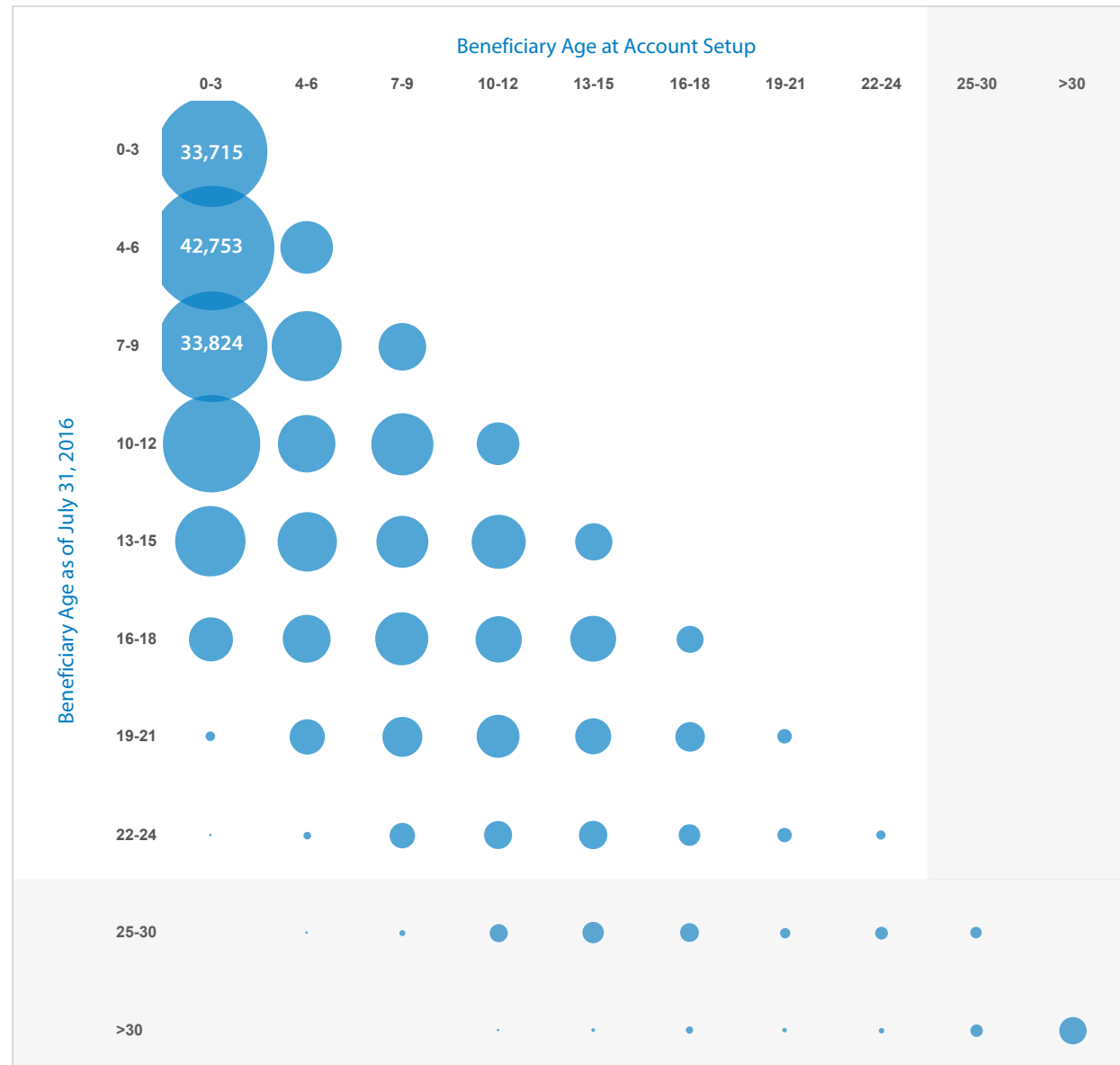
Future Growth Is Already Here

Children age 6 and younger make up the largest pool of UESP beneficiaries. In the graphic at right, the X-axis shows the age of beneficiaries when the account is established. The Y-axis shows the current age of the beneficiaries. The circle size reflects the number of beneficiaries in a particular age group.

Our largest segment of beneficiaries (42,753) had accounts opened for them between ages 0-3 and are now in the 4-6 age range. The next largest segment (33,824) is made up of beneficiaries who are age 7-9 and had their accounts set up between ages 0-3.

Our beneficiaries are young, and their accounts were established early, allowing time for investments to grow. We will be holding the investments for these future students until they enter college.

Number of Accounts by Beneficiary Age at Account Opening and the Beneficiary Current Age



■ Larger time spans for age bands skew data in shaded area