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Upcoming Holidays

UESP's office will be closed on:

- Thursday, November 27, 2008
- Friday, November 28, 2008
- Thursday, December 25, 2008
- Thursday, January 1, 2009
- Monday, January 19, 2009

Our office is closed for these holidays, but you can visit us anytime at www.uesp.org.

UESP is a Section 529 plan managed and administered by the Utah State Board of Regents and the Utah Higher Education Assistance Authority (UHEAA).

Investors should read the Program Description and consider all investment objectives, risks, charges, and expenses before investing. The Program Description is available online at www.uesp.org or by calling 800.418.2551.

Investments are not guaranteed by UESP, the Utah State Board of Regents, UHEAA, the FDIC, or any other state or federal government agency. Your investment may lose value.

Non-Utah residents should check their own or their beneficiary's state's 529 plan for state tax or other benefits not available through UESP.



Fee Reduction!

Our rock-bottom fees have put UESP at the top of the 529 class for years. So, what's better than saving money? Saving **more** money! UESP is pleased to announce a new fee reduction for all account owners, effective October 1.

The **Administrative Asset Fee** has been reduced by 12 percent on all investment options. The total annual asset fees on UESP investment options now range from only 0.22 to 0.34 percent, charged quarterly on the last day of the quarter. This fee is waived for Utah resident account owners invested in the Public Treasurer's Investment Fund (Option 1).

The **Administrative Maintenance Fee** is falling 25 percent—from \$20 down to \$15 annually. That works out to be a maximum of only \$3.75 per quarter for accounts with at least \$5,000. This fee is assessed on the last day of each quarter. It is waived for all Utah resident account owners, regardless of investment option.

At UESP, we know college is expensive—saving for it shouldn't be. We hope you'll agree with *Kiplinger's* recent salute: "For overall low costs, we like the Utah Educational Savings Plan Trust."

Holiday Gift Notice

Investing in your children's higher education is a gift that can influence the rest of their lives.

After you contribute to a UESP account, send the beneficiary a gift notice to tell them of your investment in their future.

Just go to www.uesp.org and click *Send a UESP Gift Notice* to download a certificate.



New Investment Option

UESP announces our newest investment option: Equities—30% International (Option 10).

This new option was developed in response to account owner requests for a fund with more foreign investments.

Option 10 represents the highest allocation to international equities of any current UESP product:

- 70% Vanguard Institutional Total Stock Market Index Fund (VITMX)
- 30% Vanguard Institutional Developed Markets Index Fund (VIDMX)

This will provide our investors greater access to the world market and growing regional economies.

Underlying Funds

The Vanguard Institutional Total Stock Market Index Fund seeks to track the performance of the MSCI U.S. Broad Market Index. The fund typically holds 1,200 to 1,300 stocks in its target index (95 percent of the U.S. Broad Market Index) and a representative sample of the remaining stocks.

The Vanguard Institutional Developed Markets Index Fund seeks to track the performance of the MSCI Europe, Australasia, and Far East Index (EAFE) by investing all, or substantially all, of its assets between the Vanguard European Stock Index Fund and the Vanguard Pacific Stock Index Fund, based on the market capitalizations of European and Pacific stocks in the Index.

Visit www.vanguard.com to learn more about these underlying funds.

Available Now

This new investment option rolled out on October 1. Check the UESP Web site for more information. Also, see the next page for tips on changing your investment option.

2008 Year-end Tax Deadlines

Contribution Deadlines

Life is filled with deadlines, and the UESP year-end contribution deadline is an important one to note.

Contributions for the 2008 tax year must be received at the UESP office before **5:00 p.m. Mountain Time (MT), Wednesday, December 31, 2008.**

Contributions postmarked on or before this date, but received by UESP after December 31, 2008, will be recorded as 2009 tax-year contributions.

Contributions received by UESP during the final business days of calendar year 2008 will be applied to your account for the 2008 tax year. However, the contributions will be invested in January 2009 and reflected on your March 2009 quarterly statement.

Other 2008 Tax Benefit Deadlines

New Accounts. All efforts will be made to process new accounts received by December 31. However, UESP cannot guarantee the new account will make the 2008 year-end processing deadline.

Rollovers. Rollover requests can take several weeks to process. Funds from rollovers must be received by Friday, December 26, 2008.

Option Changes and Internal

Transfers. If mailed with a contribution, the contribution will be processed before the option change or transfer is made. To ensure adequate time for processing, remit changes to UESP by Monday, December 15, 2008.

Disbursements. UESP cannot guarantee that disbursement requests received after Monday, December 15, 2008, will be processed by the end of the year.

Utah State Tax Benefit Summary

Individuals. The 2008 Utah state tax credit for Utah residents who contribute to their UESP account is five percent of contributions up to \$1,650 per qualified beneficiary, resulting in a tax credit of up to \$82.50 per beneficiary. Individuals who file jointly can claim up to \$3,300 per qualified beneficiary, resulting in a tax credit of up to \$165 per beneficiary.

Trusts. The 2008 Utah state tax credit for Utah-based trusts with contributions to a UESP account is five percent of contributions up to \$1,650 per qualified beneficiary, resulting in a tax credit of up to \$82.50 per beneficiary.

Corporations. For the 2008 tax year, corporations can claim a deduction up to \$1,650 per qualified beneficiary.

2008 Deadline Summary

Monday, December 15:

- Option changes
- Internal transfers
- Disbursement requests

Friday, December 26:

- Rollover requests

Wednesday, December 31 before 5:00 p.m. Mountain Time:

- Receipt of check contributions
- Online contributions
- New Account Agreements

Changing Your Investment Option

Are you thinking about changing your investment option? Here are a few things to keep in mind:

Review Your Options

Learn more about UESP's investment options at www.uesp.org. You can also dive into the details of the underlying Vanguard funds by visiting their Web site: www.vanguard.com. Read up on the Utah Public Treasurer's Investment Fund here: www.treasurer.state.ut.us/ptif.html.

Know the Fine Print

According to IRS 529 rules, you can change your investment option once per calendar year for each beneficiary.

Additionally, transferring funds between two UESP accounts with different options where both the account owner and the beneficiary are identical is considered an option change.

Make the Switch

To change your investment option, submit a completed Investment Option Change form (form 405), available at www.uesp.org or by calling 800.418.2551.

New Online Account Feature: "Interested Parties"

As the account owner, you can allow others to view your UESP account information online through our newest online feature: "Interested Parties."

With your permission, an interested party can view transaction history, account owner and beneficiary names and addresses, successor and secondary successor names, investment options, account balances, and quarterly statements for accounts you specify.

They won't be able to make changes or initiate a transaction, and you can cancel their access anytime.

You can have multiple interested parties for each account. So, go ahead:

- Have your financial adviser review your quarterly statements
- Allow another family member to view your account activity
- Keep your successor(s) current on account information
- Let your beneficiaries watch their college funds

Interested? Here's how to sign up:

1. Go to www.uesp.org and click *Account Login*.

Account Login

2. Once you've logged into your account, click on *Interested Parties*.

Interested Parties

3. Click *Add an Interested Party* and fill in the information.

Add an Interested Party

4. Follow the directions on the screen to provide your interested party with the PIN they need to access your account.

To keep your information secure, the PIN expires in five days (you can resend an invitation and receive a new PIN). Additionally, UESP will not give your account information to interested parties through e-mail, fax, letter, or over the phone. They can only view your account online at your discretion.

Ways to Contribute to Your UESP Account

Sometimes the hardest thing about saving is knowing how to start. That's why UESP offers a variety of ways for you to start contributing to your UESP account:

- mail in a check
- contribute online
- set up automatic contributions
- use payroll deduction
- walk in our front door

Checks. Anyone can mail in a check to contribute to an established UESP account. There are no deposit slips or forms to fill out, but be sure to clearly write the UESP account number and beneficiary's name on the front of the check.

Make your contribution check payable to UESP and mail it to: UESP, PO Box 145100, Salt Lake City, UT 84114-5100.

To send your check overnight, address it to: UESP, Board of Regents Building, Gateway 2, 60 South 400 West, Salt Lake City, Utah 84101-1284.

Online Contributions. Make a one-time contribution online by visiting UESP's Web site, www.uesp.org.

1. Click *Account Login* and sign in.

Account Login ▶

2. Click *Contribute Online*.

Contribute Online

3. Enter the contribution amount and contribution date.
4. Enter your bank account information and personal contact information.
5. Agree to the terms by clicking *I Agree* and then confirm your contribution.

Automated Contributions. Account owners can set up ongoing automated contributions (ACH) from their checking or savings accounts to a UESP account.

To set up a recurring contribution schedule for your account or to change an existing schedule, submit a completed ACH Authorization form (form 200) to UESP. Download the

form online at www.uesp.org or call 800.418.2551 to have one sent to you.

When you sign up for automated contributions, don't forget:

- Attach a voided check or savings withdrawal slip to the ACH Authorization form.
- Although there is only one UESP account owner, each person listed on the bank account must sign the ACH Authorization form.

Payroll Deduction. Some employers offer a payroll deduction program for UESP contributions. Once you've signed up with your employer, access your UESP online account by going to www.uesp.org.

1. Click *Account Login* and sign in.

Account Login ▶

2. Click *Payroll Deduction*.

Payroll Deduction

3. Enter your Employer Code and Employee ID.
4. Enter the amount you would like to contribute each pay period.

To change the amount you contribute, enter the new amount on the Payroll Deduction screen.

Companies with at least five employees interested in payroll deduction services should have their Human Resources representative contact UESP at 800.418.2551 to take advantage of this convenient feature.

In Person. You're also welcome to drop off your contribution in person. Keep in mind that in past years, long lines have formed on December 31. Plan ahead and beat the crowds.

UESP's office is in downtown Salt Lake City in the Gateway 2 office building (60 South and 400 West). Come in at street level—a friendly UESP representative will be waiting to help you.

Protecting Your Personal Information

UESP values the privacy and security of your personal information.

UESP will never send you an e-mail or link to a Web site asking you to disclose confidential financial or personal information, like passwords, account numbers, or Social Security numbers.

If you receive any communication requesting this information, delete it. It's a scam known as "phishing."

UESP will never solicit by e-mail information that:

- Requires you to enter personal information directly into the e-mail
- Threatens to close or suspend your account if you do not provide personal information
- Solicits your participation in a survey where you are asked to provide personal information
- States that your account has been compromised and requests you to enter or confirm your account information
- States that there are unauthorized changes on your account and requests your account information
- Asks you to enter your user name, password, or account numbers into an e-mail or non-secure Web page
- Asks you to confirm, verify, or refresh your account

To manage your account, make sure you are on the official UESP Web site, which will always include uesp.org in the URL address. In fact, it is wise to type the Web site address in the URL field instead of clicking on a link from another Web site or e-mail.

If you have any questions about UESP security processes, you can e-mail info@uesp.org or call 800.418.2551.

In the News

In August, *Money* magazine touted UESP's low fees in the following best-case scenario:

"Tax breaks usually make 529s unbeatable. Say you're in the 28% tax bracket, have a five-year-old, and save \$200 a month in Utah's low-cost 529, which has annual expenses of 0.38% [now 0.34%]. Assuming annual average returns of 5%, you'll have \$39,100 by the time your kid is 18."

~ "Is a 529 Still the Top College Savings Plan?" *Money*, August 2008

Utah Educational Savings Plan

Investment Option Performance as of September 30, 2008

Investment Options	Age Range	Latest Month	Latest Three Months	Latest Quarter End ¹	Year to Date ²	Average Annual ⁴				Inception Date	
						One Year	Three Year	Five Year	Since Inception		
Option 2 - S&P/Bonds/PTIF⁵	0-3	-8.55%	-8.05%	-8.05%	-18.52%	-21.02%	-0.04%	4.61%	0.14%	9/20/99	
	4-6	-7.77%	-7.26%	-7.26%	-16.51%	-18.44%	0.36%	4.48%	0.69%	9/20/99	
	7-9	-6.99%	-6.46%	-6.46%	-14.50%	-15.86%	0.76%	4.34%	1.24%	9/20/99	
	10-12	-6.21%	-5.67%	-5.67%	-12.49%	-13.28%	1.16%	4.21%	1.79%	9/20/99	
	13-15	-4.91%	-4.37%	-4.37%	-9.31%	-9.41%	1.80%	3.99%	2.41%	9/20/99	
	16+	-2.76%	-2.22%	-2.22%	-4.04%	-2.96%	2.86%	3.63%	3.47%	9/20/99	
	College Enrolled ³	0.20%	0.63%	0.63%	2.24%	3.45%	4.16%	3.17%	3.32%	9/20/99	
Option 3 - S&P/Bonds	0-3	-8.94%	-8.44%	-8.44%	-19.53%	-22.31%	-0.24%	4.68%	-0.13%	9/20/99	
	4-6	-8.94%	-8.44%	-8.44%	-19.53%	-22.31%	-0.24%	4.68%	-0.13%	9/20/99	
	7-9	-8.94%	-8.44%	-8.44%	-19.53%	-22.31%	-0.24%	4.68%	-0.13%	9/20/99	
	10-12	-8.55%	-8.05%	-8.05%	-18.52%	-21.02%	-0.04%	4.61%	0.14%	9/20/99	
	13-15	-7.77%	-7.26%	-7.26%	-16.51%	-18.44%	0.36%	4.48%	0.69%	9/20/99	
	16+	-6.99%	-6.46%	-6.46%	-14.50%	-15.86%	0.76%	4.34%	1.24%	9/20/99	
	College Enrolled ³	-6.21%	-5.67%	-5.67%	-12.49%	-13.28%	1.16%	4.21%	1.79%	9/20/99	
Option 7 - Diversified-A	0-3	-10.21%	-10.21%	-10.21%	-19.53%	-22.45%	0.05%	6.57%	10.05%	4/1/03	
	4-6	-10.21%	-10.21%	-10.21%	-19.53%	-22.45%	0.05%	6.57%	10.05%	4/1/03	
	7-9	-8.40%	-8.28%	-8.28%	-15.51%	-17.26%	0.79%	5.92%	8.72%	4/1/03	
	10-12	-6.58%	-6.34%	-6.34%	-11.49%	-12.07%	1.53%	5.27%	7.40%	4/1/03	
	13-15	-4.77%	-4.40%	-4.40%	-7.47%	-6.88%	2.28%	4.63%	6.07%	4/1/03	
	16+	-2.96%	-2.47%	-2.47%	-3.45%	-1.69%	3.02%	3.98%	4.75%	4/1/03	
	College Enrolled ³	0.20%	0.63%	0.63%	2.24%	3.45%	4.16%	3.17%	2.98%	4/1/03	
Option 8 - Diversified-B	0-3	-8.62%	-9.76%	-9.76%	-17.14%	-18.46%	1.31%	6.37%	9.20%	4/1/03	
	4-6	-7.69%	-8.61%	-8.61%	-14.93%	-15.72%	1.61%	5.99%	8.48%	4/1/03	
	7-9	-6.76%	-7.45%	-7.45%	-12.72%	-12.97%	1.92%	5.61%	7.75%	4/1/03	
	10-12	-5.82%	-6.30%	-6.30%	-10.50%	-10.23%	2.23%	5.23%	7.03%	4/1/03	
	13-15	-4.75%	-5.03%	-5.03%	-8.12%	-7.49%	2.57%	4.83%	6.27%	4/1/03	
	16+	-3.68%	-3.76%	-3.76%	-5.74%	-4.75%	2.92%	4.44%	5.50%	4/1/03	
	College Enrolled ³	0.20%	0.63%	0.63%	2.24%	3.45%	4.16%	3.17%	2.98%	4/1/03	
Option 9 - Diversified-Bonds Emphasis	0-3	-5.75%	-5.83%	-5.83%	-9.99%	-9.85%	2.07%	5.09%	6.88%	4/1/03	
	4-6	-4.83%	-4.77%	-4.77%	-7.88%	-7.18%	2.40%	4.74%	6.19%	4/1/03	
	7-9	-3.91%	-3.71%	-3.71%	-5.77%	-4.51%	2.74%	4.39%	5.50%	4/1/03	
	10-12	-2.85%	-2.54%	-2.54%	-3.49%	-1.84%	3.12%	4.02%	4.76%	4/1/03	
	13-15	-1.80%	-1.36%	-1.36%	-1.21%	0.82%	3.50%	3.65%	4.03%	4/1/03	
	16+	-0.74%	-0.18%	-0.18%	1.07%	3.49%	3.88%	3.28%	3.29%	4/1/03	
	College Enrolled ³	0.20%	0.63%	0.63%	2.24%	3.45%	4.16%	3.17%	2.98%	4/1/03	
STATIC OPTIONS	Option 1 - PTIF⁵	All Ages	0.20%	0.63%	0.63%	2.24%	3.45%	4.46%	3.56%	4.20%	11/1/96
	Option 4 - S&P Index	All Ages	-8.94%	-8.44%	-8.44%	-19.53%	-22.31%	-0.24%	4.68%	-0.13%	9/20/99
	Option 5 - Bonds	All Ages	-1.15%	-0.53%	-0.53%	0.57%	3.50%	3.76%	3.33%	3.79%	9/9/02
	Option 6 - 10% International	All Ages	-10.21%	-10.21%	-10.21%	-19.53%	-22.45%	0.05%	6.57%	10.05%	4/1/03

Important Information Regarding Investments in UESP

Past performance does not guarantee future results; investment return and value will fluctuate; the value of your account, when redeemed, may be worth more or less than the amount you contribute. Your investment could lose value. These performance numbers are that of the investment options, not individual accounts. Actual performance may be higher or lower than the option performance. Investments utilizing the PTIF are not insured or guaranteed by the FDIC or any other government agency. Investors should read the UESP Program Description and consider all investment objectives, risks, and charges and expenses before investing. Returns are based on a \$10,000 account balance for non-Utah residents and are net of all fees. Actual performance for Utah residents may be higher. Administrative fees are applied to UESP accounts quarterly, but investment performance is presented here as if the fees were assessed monthly. Residents of states other than Utah should consider whether their home state or the beneficiary's home state offer state tax or other benefits that are only available in that state's 529 plan.

¹ UESP quarterly reporting periods end each March 31, June 30, September 30, and December 31.

² Year-to-date calculations are based on a calendar year; January 1 to the current month end date.

³ UESP will reallocate the funds to the College Enrolled investment bracket on age-based accounts when the account owner notifies UESP of the beneficiary's enrollment.

⁴ Average Annual Return for the trailing 12 months, 36 months, and 60 months.

⁵ Public Treasurer's Investment Fund (PTIF) is a pool of money managed by the Utah State Treasurer in short-term investments.