

For Immediate Release

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The Kentucky Education Savings Plan Trust Introduces New Investment Options

Enhancements announced in conjunction with National College Savings Month

FRANKFORT, Ky. – The Kentucky Higher Education Assistance Authority (KHEAA) and TIAA-CREF Tuition Financing, Inc. (TFI) are announcing new enhancements to the Kentucky Education Savings Plan Trust (KESPT) which includes an expanded investment portfolio, a new fee structure and additional website features.

Effective September 2, 2008, KESPT, Kentucky's official 529 college savings plan, will add two new investment options for a total of five to choose from. Account owners will be able to diversify their current portfolios among the two new options—the Active Equity Option and the Fixed-Income Option—as well as the existing Managed Allocation Option, 100% Equity Option and Guaranteed Option.

“We are pleased to provide a stronger, more competitive plan for Kentucky families,” said Edward J. Cunningham, Executive Director/CEO of KHEAA. “It’s important for us to provide a smart and flexible way for families to help save money so their children can afford a college education.”

The Active Equity Option is an aggressive option which mainly invests in equity mutual funds that seek capital appreciation and a favorable long-term return. The Fixed-Income Option takes a more moderate approach by using a combination of mutual funds that invest in conventional and inflation-linked bonds, seeking to preserve capital and provide a moderate rate of return.

“With these new options added to KESPT, our account owners will be able to better diversify their portfolio based on their personal investment strategy, risk levels and economic conditions,” said Craig Parkin, KESPT Program Director. “Also, portfolio changes can now be made online with our new enhanced website feature which allows account owners with secure

access to transfer funds among their investment options.” Other website changes include enhanced security features for account owners, an event calendar and a soon-to-be launched web presentation explaining the features and benefits of the plan.

KESPT also has a new fee structure and has lowered the annual asset management fee on the Managed Allocation Option from .80 percent to .70 percent. The range for the choice of investment options will vary from .70 to .91 percent depending on the investment option. The Guaranteed Option will continue to be offered with no program manager fee. KESPT continues to be a low-cost option and does not apply broker or applications fees.

KESPT to promote the new enhancements in National College Savings Month with a series of financial workshops and events

KESPT’s addition of new enhancements in September comes in time for National College Savings Month. “Now is the perfect time for families to start a college savings account for their children,” Cunningham said. “The beginning of each school year is another year closer to the day your child leaves for college, and a KESPT account can help make that transition less stressful.” KESPT will celebrate National College Savings Month and the new plan enhancements with a series of family events and workshops.

Personal finance writer Nathan Dungan, author of *Prodigal Sons and Material Girls: How Not to Be Your Child’s ATM*, will be bringing his “Diapers, Daycare to Degree” presentation to Kentucky the week of September 22. Dungan will teach families how to talk with their children about money, set up an allowance plan and find ways to save more. Dungan will be at the Louisville Science Center on Tuesday, September 23, from 1 to 2 p.m. and at the Lexington Children’s Theatre on Wednesday, September 24, from 6 to 8 p.m. To learn more about Nathan Dungan or to RSVP for the event, please visit www.kysaves.com.

KESPT will also be sponsoring the Louisville Zoo’s *Princesses and Pirates and the Royal Tea Party* event, September 20 and 21 from 10:00 a.m. – 2:00 p.m. Children can meet their favorite storybook princesses and pirates at this fun event. Coupons for the event can be downloaded at www.kysaves.com.

For more information on KESPT, events and the Program Disclosure Booklet, visit www.kysaves.com or call toll-free 1-877-598-7878.

Consider the investment objectives, risks, charges and expenses before investing in the Kentucky Education Savings Plan Trust. Please visit www.kysaves.com for a Disclosure Booklet containing this and other information. Read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your Beneficiary reside in or have taxable income in has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in that state's 529 plan.

The tax information contained herein is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. It was written to support the promotion of the Plan. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

The Commonwealth of Kentucky, its agencies, TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America and its affiliates do not insure any account or guarantee its principal or investment return except for TIAA-CREF Life Insurance Company's guarantee to the Kentucky Education Savings Plan under the funding agreement for the Guaranteed Option. Account value will fluctuate based upon a number of factors, including general market conditions.

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