

FOR IMMEDIATE RELEASE

November 2, 2009

Media Contact:

Stephanie Apple, Preston-Osborne
859.231.7711 x233

**Kentucky's 529 college savings plan announces lower fees,
additional investment option**

FRANKFORT, Ky.—Effective November 2, the Kentucky Higher Education Assistance Authority (KHEAA) and TIAA-CREF Tuition Financing, Inc. (TFI) will offer an additional investment option and a reduction in fees for the Kentucky Education Savings Plan Trust (KESPT).

KESPT will add the Balanced Option to the existing menu of investment options. The Balanced Option seeks to provide favorable returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income by investing in a balanced combination of equity and fixed-income mutual funds.

This will bring the number of KESPT investment options to six that vary in risk and objective. These include: Managed Allocation Option; Active Equity Option; Equity Index Option; Balanced Option; Fixed Income Option; and Guaranteed Option.

KESPT, the state-sponsored 529 college savings plan for Kentucky, KESPT has been helping families save for college for more than 22 years.

"With the cost of higher education constantly rising, it is important that parents plan early for their children's future," said Edward J. Cunningham, Executive Director/CEO of KHEAA. "KHEAA is committed to providing families with a low cost, flexible 529 college savings plan. Lower fees and additional investment options should help families accomplish their goal that much faster."

"The earlier families start saving for college, the more successful they can be in meeting the financial demands of a future college education," said Craig Parkin, TFI Director of KESPT. "With six investment options offered by KESPT, parents and grandparents can better diversify their portfolio based on their personal investment strategy and risk tolerance."

KESPT will also reduce the total annual asset-based fee for the Managed Allocation Option, the most popular option among account owners, from 0.70 percent to 0.65 percent (less than 1 percent). The total annual asset-based fee for the Equity Index Option will also be reduced from 0.58 percent to 0.55 percent. This is the second fee reduction in the last 14 months for KESPT. KESPT does not pay commissions or have additional annual administrative fees.

TFI is the program manager for KESPT and is an affiliate company of TIAA-CREF. TIAA-CREF is a national financial services organization with \$402 billion in combined assets under management, as of September 30, 2009, and has been a provider of retirement services in the academic, research, medical and cultural fields for more than 90 years.

For more information on KESPT please visit www.kysaves.com or call 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.**

© 2009 TIAA-CREF Tuition Financing, Inc., program manager.

C46094