



March 2015

Dear Account Owner,

We are pleased to report some important enhancements to the Kentucky Education Savings Plan Trust (KESPT), which are detailed in the attached [Supplement to your Program Disclosure Booklet](#) and also highlighted below.

Two Rebalances Allowed per Calendar Year

Effective January 1, 2015, account owners may rebalance existing investments up to two times per calendar year. Prior to 2015, only one rebalance was allowed.

Maximum Account Balance Increased

KESPT account owners may now contribute as much as \$350,000 per beneficiary as long as the total balance of all accounts for that beneficiary does not exceed \$350,000. Accounts that have reached the maximum limit may continue to accrue earnings. The previous account balance limit was \$235,000 per beneficiary.

Reduced Fees

Total annual asset based fees have declined slightly in the Equity Index Option, the Balanced Option and the Fixed Income Option. The fee reductions range from .01% to .02%.

New Allocations in the Managed Allocation Option

Effective March 25, 2015, the Managed Allocation Option has reduced its weighting in the TIAA-CREF Short-Term Bond Fund, removed the TIAA-CREF Money Market Fund and added the TIAA-CREF Life Funding Agreement. The Funding Agreement is issued by TIAA-CREF Life, an affiliate of TFI, and provides a minimum guaranteed rate of return. Similar to the Guaranteed Investment Option, the interest rate of the Funding Agreement is reset each year. In the Managed Allocation Option, the Funding Agreement interest rate of 1.10% will be guaranteed through March 31, 2016, versus the Guaranteed Option, which has a 1.10% Funding Agreement interest rate that is guaranteed through June 30, 2015. Please note that only the two oldest age bands of the Managed Allocation Option are affected by these changes, the 15-17 years age band and the 18+ years age band. The goal is to increase investment return potential as well as stability of investment performance.

The attached Supplement and your Disclosure Booklet contain more information, but if you have any questions, please call the Plan at 877-598-7878. As always, we appreciate that you have chosen to invest in KESPT to help achieve your college savings goals.

Sincerely,

David Lawhorn  
Administrator  
Kentucky Education Savings Plan Trust

(Over, please)

***This letter must be preceded or accompanied by a Disclosure Booklet for KESPT. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss. Before investing in a 529 plan, consider whether the state in which you or your Beneficiary reside has a 529 plan that offers favorable state tax benefits that are available if you invest in that state's 529 plan. The funding agreement guarantee is made by TIAA-CREF Life to the policyholder, not to Account Owners.***

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