

## ***1<sup>st</sup> Quarter 2009 Report***



***Prepared by TIAA-CREF Education Savings Products  
Business Analysis & Corporate Reporting***



## **I. Executive Summary**

## **Executive Summary**

**The highlights from the 1<sup>st</sup> Quarter 2009 Connecticut Higher Education Trust College Savings Program Report include:**

### **Asset & Account Growth**

- During the 1<sup>st</sup> quarter of 2009, the Connecticut Higher Education Trust College Savings Program added 1,688 net accounts with new account contributions of \$9.3 million. Contributions to existing accounts were \$37.4 million, bringing total 1<sup>st</sup> quarter contributions to \$46.7 million. The 1<sup>st</sup> quarter 2009 total contributions decreased by 28% from 1<sup>st</sup> quarter 2008 contributions.
- Net contributions (after redemptions) for the quarter were \$32.9 million versus \$51.3 million for the same time period last year. This represents a 36.7% decrease in net contributions from 1<sup>st</sup> quarter 2008, mainly due to the drop in contributions to new accounts (\$5.3 million).
- Average account size in the Connecticut Higher Education Trust College Savings Program declined slightly; the average account size at the end of March was \$11,078, down from \$11,472 as of last quarter. Average new account contribution amount for the 1<sup>st</sup> quarter decreased from \$3,351 (Q1 2008) to \$2,534. At the end of the quarter, total program accounts were 85,373; up by 2% from 4<sup>th</sup> quarter 2008 (83,685) and by 10% from last year's 1<sup>st</sup> quarter results (77,387).
- The quarter ended with program assets of \$946 million, a 1% decrease from last quarter's assets of \$960 million.
- On-line enrollment made up 62% of total new accounts opened during the 1<sup>st</sup> quarter.
- Of the \$46.7 million in year to date contributions at the end of the 1<sup>st</sup> quarter, 72% of those contributions were via check, 23% via automatic contribution (ACH), and 5% via payroll deduction; however, 75% of the number of accounts associated with a contribution was ACH or payroll deduction.
- The 1<sup>st</sup> quarter closed with 503 employers offering payroll deduction; with 1,239 employees enrolled and \$2.4 million in payroll deduction contributions.

## Investment Performance

- In the 1<sup>st</sup> quarter of 2009, the Dow Jones Industrial Average fell just below 6500 on March 9 – its lowest level in 12 years and more than 54% lower than its all-time high of over 14,000 in October 2007. The Dow rebounded later in March but still lost 13% in the 1<sup>st</sup> quarter. For the month of March, the Russell 3000® Index, a broad measure of the U.S. stock market, gained over 8%, while the technology-heavy Nasdaq Composite Index rose by 11%, logging the highest gains for the month of March in Nasdaq history. However, for the quarter as a whole, the Russell 3000 declined nearly 11%. Small-cap stocks were particularly hard-hit, dropping nearly 15%, while mid-caps fell about 9%, and large-caps lost more than 10%. Value stocks took a much larger hit in the quarter than growth stocks, which were down 17% and 5%, respectively. (All size and style returns are based on Russell indexes.) The MSCI EAFE® Index fell nearly 14% in dollar terms. In contrast, the MSCI Emerging Markets Index posted a modest 1% gain in the quarter.
- The broad bond market gained 0.12% for the quarter. The Treasury sector, which lifted the market last year, posted a negative 1% return. Inflation-linked bonds (TIPS) and municipal bonds gained during the quarter, reflecting emerging concerns about possible inflation and improved state financial prospects (both of which were based on increased government spending and monetary stimulus). The most active part of the credit market was below-investment-grade bonds, which rose almost 6% during the quarter, in contrast to a steep decline in 2008.
- Home prices continued to sink albeit at a slower pace than in 2008. New home construction increased slightly but still remained at a historically abysmal level.
- Among the Investment Options in the program, the Fixed Income Option achieved the best absolute return of 1.06% due to the relatively better return from fixed income vs. equities in the quarter. The 0-3 Age Band in the Aggressive Managed Allocation Option registered the worst absolute return of -13.84% due to the combined all-equity allocation to the Equity Index Fund (70% weighting), the International Equity Index Fund (20% weighting) and the Real Estate Securities Fund (10% weighting). Among all investment options in the program, in terms of relative returns, the 8-11 Age Band in the Managed Allocation Option obtained the best relative return of 85 basis points above its blended benchmark. The 100% Fixed Income Option achieved the best absolute return in the program; however it also registered the worst relative return of 41 basis points below its blended benchmark due to underperformance of the Inflation-Linked Bond Fund in the quarter.

- The Managed and the Aggressively Managed Allocation Options produced absolute losses ranging from -13.84% (8bps above blended benchmark) for the youngest beneficiaries ages 0-3 to -1.91% (28bps above blended benchmark) for beneficiaries ages 18 and over. The age bands that produced the best relative returns are ages 8–11 and ages 4-7. The underlying funds in these options registered absolute returns ranging from -32.65% (the Real Estate Securities Fund, 120bps above benchmark) to 4.09% (the Inflation-Linked Bond Fund, 143bps below benchmark).
- The 100% Equity Index Option registered a loss of -11.78%, 35 basis points below its blended benchmark. The below-benchmark performance was mostly due to the program fee and the underperformance of the International Equity Index Fund (20% weighting), which trailed the MSCI EAFE Index by 106 basis points.
- The Social Choice Option declined by -10.29%, 51 basis points above its benchmark, due to the outperformance of the Social Choice Equity Fund.
- The High Equity Option declined by -8.60% during the quarter, 41 basis points above its blended benchmark. The above-blended-benchmark performance was primarily due to the outperformance of the Mid Cap Value Fund and the Mid Cap Growth Fund. These funds' above-index returns were partly offset by the underperformance of the International Equity Index Fund and the Inflation-Linked Bond Fund.
- The 100% Fixed Income Option generated a return of 1.06%, 41 basis points below its blended benchmark. The below-blended-benchmark performance was due to the underperformance from the Inflation-Linked Bond Fund (143bps below index, 25% weighting) and the program fee.
- The Money Market Option which produced a 0.20% return for the quarter, 10 basis points above its benchmark.
- The Principal Plus Interest Option generated a return of 0.83% during the 1<sup>st</sup> quarter. The annual interest rate of 3.55% is guaranteed until June 30, 2009.

## **Operational Performance**

- Overall 1<sup>st</sup> quarter processing was modestly lower than last quarter, with decreases in new accounts and purchases. However, there was an overall increase in withdrawals and maintenance requests received and processed by BFDS.
- Overall transaction processing accuracy for 1<sup>st</sup> quarter 2009 approached 98%, as measured by BFDS' Quality Assurance Team (QAT), and performed at the industry average, as measured by National Quality Review (NQR). Incremental improvements are being made by the centralized processing teams with a continued emphasis on accuracy in transaction processing.
- BFDS successfully cross trained employees in the Kansas City, MO and Rockland, ME locations to handle calls. This means that calls can be serviced in at least two BFDS locations, creating a dynamic call center environment and allowing BFDS to effectively utilize skilled representatives in each location.
- Overall call volume remained virtually unchanged from 4<sup>th</sup> quarter 2008 but significantly declined from the same period last year.
- All statements and confirmations were mailed on time.

## **Customer Contact Summary**

- Call volume for the 1<sup>st</sup> quarter of 2009 was 22.8% lower than the same period last year.
- The service level for the 1<sup>st</sup> quarter of 2009 was 92.7%, which was well ahead of target and over 4% higher than the same period last year. The abandonment rate for the 1<sup>st</sup> quarter was 1.3%, well under our 5% target and 1.3% lower than the same period as last year. Service level and abandonment rate performance has continued its positive results since the launching of the BFDS Call Center in December of 2007. We expect the same positive impact on our service level and abandonment rate in the quarters to follow.
- We continuously monitor call volumes to ensure adequate resources are allocated, which allows us to continue providing CHET customers with a superior sales and service experience.

## **Marketing Activity**

- The 1<sup>st</sup> quarter (Q1) marketing initiatives for the Connecticut Higher Education Trust (CHET) program included a series of integrated direct marketing, community outreach and public relations activities.
- The primary marketing initiatives for CHET during Q1, 2009 were the Tax Time campaign and the CHET Dream Big! campaign.
- Q1 initiatives leveraged a multi-channel approach including off-line (direct mail), on-line (search, banners, e-mail, etc.), community outreach and public relations to stimulate account growth and generate leads.
- On-going Account Owner communications included distribution of the quarterly e-newsletter, statement inserts, and beneficiary birthday card mailings.
- Follow-up email and direct mail communication were sent on an on-going basis to inquirers (individuals who requested information about the program).
- General quarter highlights include:
  - More than 2.3 million outbound marketing messages were delivered across all channels to prospects and Account Owners during the quarter.
  - Over 11,000 inbound inquiries (inbound calls, business reply cards, and web clicks) directly linked to marketing initiatives were generated during the quarter.

### **Particular Channel Highlights:**

- Search is exhibiting the capability of capturing new accounts (149 openings directly linked to search) and deepening Account Owner relationships (308 total transactions including deposits and automatic payment plan sign-ups).
- Banners generated over 750 clicks for more detailed CHET 529 plan information.
- E-mail has proven to be an efficient means to communicate and stimulate interest among past inquirers (an 8.4% inquiry rate for e-mails to this segment was the highest among all channel and audience combinations).
- The direct mail channel generated over 100 inquiries (clicks and calls) from prospects and over 550 inquiries (clicks and calls) from account owners during Q1, 2009.

## **Statistical & Demographic Information**

- For the 1<sup>st</sup> quarter, CHET had 65,779 accounts with 39,084 account owners and 63,114 beneficiaries and over \$945 million in total program assets. Note, that in this section of the report, an account is defined as inclusive of all investment options associated with the account. In other sections of this report, each investment option is considered to comprise a separate account.
- Account Owners in their forties comprised the largest group of college savers within the Program, making up 39% of Program participants and accounting for 40% of Program assets.
- Account Owners of age fifty and above, many of whom are grandparents, made up 30% of total program participants and accounted for 39% of program assets due to a higher average amount of assets per account owner.
- Beneficiaries 11 years old and younger account for the majority of accounts (60%) and assets (45%). Beneficiaries ages 12-19 accounted for 50% of program assets with a higher amount of average assets per beneficiary.

## **Service Concerns**

- TFI documented 33 customer service concerns during the quarter out of 7,047 calls handled by the Education Savings call centers. Transaction processing decreased 2.6% to 128,175 transactions (vs. 131,532 transactions last quarter). These documented service concerns represent a customer-reported error ratio of less than ½ of 1% of all transactions.
- All documented service concerns were generally completed within the 7-business day service standard; otherwise Account Owners would have been notified if additional time was needed.

## **II. Asset & Account Growth**

**Connecticut Higher Education Trust Contributions, Redemptions, and New Accounts Summary**  
**January through March 2009**

Contributions & Redemptions (\$000's)	Year 2008	Jan	Feb	Mar	1st Qtr	YTD	% of 2008
<b>Contributions</b>							
New Account Contributions	\$ 73,069	\$ 2,969	\$ 2,864	\$ 3,490	\$ 9,324	\$ 9,324	13%
Contributions to Existing Accounts	136,076	17,099	9,990	10,295	37,384	37,384	27%
Adjustment*	(65)	143	2	(163)	(19)	(19)	n/a
<b>Total Contributions</b>	<b>209,079</b>	<b>20,211</b>	<b>12,856</b>	<b>13,622</b>	<b>46,689</b>	<b>46,689</b>	<b>22%</b>
<b>Redemptions</b>							
Qualified Withdrawals	\$ (67,425)	\$ (6,973)	\$ (2,360)	\$ (1,553)	\$ (10,886)	\$ (10,886)	16%
Non-Qualified Withdrawals	(3,796)	(693)	(437)	(540)	(1,670)	(1,670)	44%
Death, Disability, Scholarship	(181)	(36)	(33)	(18)	(87)	(87)	48%
Rollover Out of Program	(8,023)	(351)	(281)	(480)	(1,113)	(1,113)	14%
Adjustment*	(5)	5	1	0	6	6	n/a
<b>Total Redemptions</b>	<b>(79,430)</b>	<b>(8,048)</b>	<b>(3,112)</b>	<b>(2,591)</b>	<b>(13,751)</b>	<b>(13,751)</b>	<b>17%</b>
<b>Net Contributions</b>	<b>\$ 129,649</b>	<b>\$ 12,163</b>	<b>\$ 9,745</b>	<b>\$ 11,030</b>	<b>\$ 32,938</b>	<b>\$ 32,938</b>	
<b>Total Program Assets (\$000's)</b>		<b>\$932,283</b>	<b>\$898,078</b>	<b>\$945,743</b>			
Net Transfers Between Investment Options (\$000's)	Year 2008	Jan	Feb	Mar	1st Qtr	YTD	
Managed Allocation Option	\$ (13,744)	\$ (2,240)	\$ (1,743)	\$ (2,087)	\$ (6,070)	\$ (6,070)	
High Equity Option	(5,646)	(203)	(423)	(504)	(1,129)	(1,129)	
Principal Plus Interest Option	13,778	2,139	1,867	2,579	6,586	6,586	
100% Equity Index Option	95	(173)	(201)	(37)	(411)	(411)	
100% Fixed Income Option	862	78	194	123	395	395	
Money Market Option	1,957	556	309	(12)	853	853	
Social Choice Option	9	(0)	(5)	0	(5)	(5)	
Aggressive Managed Allocation Option	2,688	(156)	0	(63)	(219)	(219)	
<b>Account Activity</b>	<b>Year 2008</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>1st Qtr</b>	<b>YTD</b>	<b>% of 2008</b>
New Accounts Opened	15,313	1,367	1,069	1,244	3,680	3,680	24%
Accounts Closed	(6,050)	(873)	(548)	(571)	(1,992)	(1,992)	33%
<b>Net New Accounts</b>	<b>9,263</b>	<b>494</b>	<b>521</b>	<b>673</b>	<b>1,688</b>	<b>1,688</b>	<b>18%</b>
<b>Total Program Accounts</b>		<b>84,179</b>	<b>84,700</b>	<b>85,373</b>			
YTD Average New Account Contribution Amount	Year 2008	Jan	Feb	Mar	1st Qtr	YTD	
Average Contributions to Existing Accounts^	\$ 4,772	\$ 2,172	\$ 2,395	\$ 2,534	\$ 2,534	\$ 2,534	
	\$ 1,828	\$ 204	\$ 119	\$ 123	\$ 447	\$ 447	



\*This report includes all non-account related adjustments necessary to agree to FY2009 audited financial statements.

<sup>^</sup>Contributions to Existing Accts / 2008 Ending Accounts

## Connecticut Higher Education Trust Asset & Account Growth Summary

January through March 2009

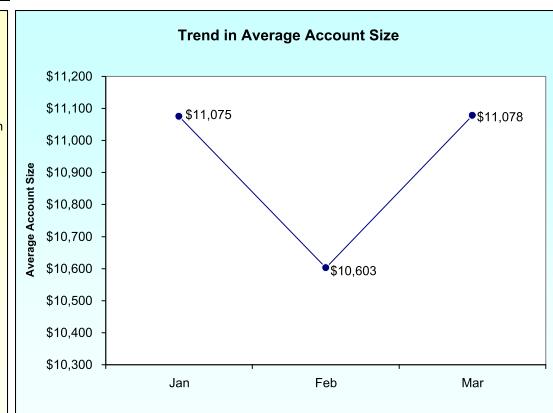
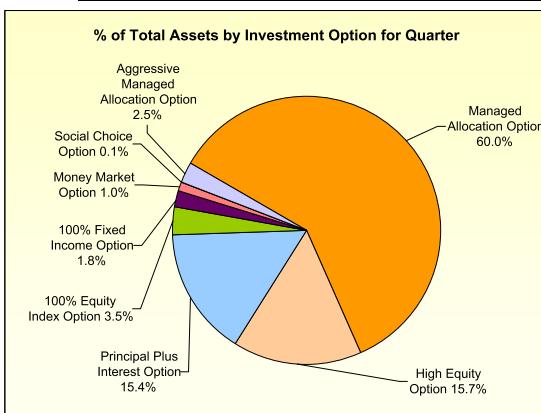
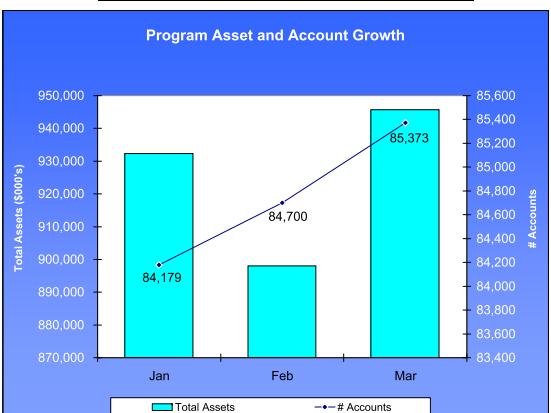
# Accounts	Year 2008	Jan	Feb	Mar	% of Ttl	% of Inc/Dec of 2008
Managed Allocation Option	42,707	42,703	42,783	42,830	50.2%	0%
High Equity Option	17,031	17,002	16,955	16,940	19.8%	-1%
Principal Plus Interest Option	9,676	9,891	10,110	10,430	12.2%	8%
100% Equity Index Option	6,108	6,153	6,171	6,202	7.3%	2%
100% Fixed Income Option	2,572	2,629	2,686	2,758	3.2%	7%
Money Market Option	860	926	1,003	1,075	1.3%	25%
Social Choice Option	378	382	388	404	0.5%	7%
Aggressive Managed Allocation Option	4,353	4,493	4,604	4,734	5.5%	9%
<b>Total Program Accounts</b>	<b>83,685</b>	<b>84,179</b>	<b>84,700</b>	<b>85,373</b>	<b>100%</b>	<b>2%</b>

Assets (\$000's)	Year 2008	Jan	Feb	Mar	% of Ttl	% of Inc/Dec of 2008
Managed Allocation Option	\$591,457	\$569,526	\$544,288	\$567,114	60.0%	-4%
High Equity Option	158,280	149,484	138,606	148,530	15.7%	-6%
Principal Plus Interest Option	130,639	134,749	138,968	145,924	15.4%	12%
100% Equity Index Option	33,806	31,982	29,275	32,634	3.5%	-3%
100% Fixed Income Option	15,145	15,308	16,005	17,409	1.8%	15%
Money Market Option	7,228	8,200	9,012	9,742	1.0%	35%
Social Choice Option	867	857	791	906	0.1%	5%
Aggressive Managed Allocation Option	22,598	22,176	21,132	23,483	2.5%	4%
Adjustments*	0	0	0	0	0.0%	
<b>Total Program Assets</b>	<b>960,020</b>	<b>932,283</b>	<b>898,078</b>	<b>945,743</b>	<b>100%</b>	<b>-1%</b>

Periodic Change in Assets (\$000's)	Year 2008	Jan	Feb	Mar	1st Qtr
Beginning Assets	\$1,034,649	\$960,020	\$932,283	\$898,078	\$960,020
Plus: Contributions/Rollovers In	209,079	20,211	12,856	13,622	46,689
Less: Redemptions/Rollovers Out	(79,430)	(8,048)	(3,112)	(2,591)	(13,751)
Plus/Minus: Incr/Decr from Operations	(204,279)	(39,901)	(43,949)	36,634	(47,216)
<b>Ending Assets</b>	<b>\$960,020</b>	<b>932,283</b>	<b>898,078</b>	<b>945,743</b>	<b>\$945,743</b>

Average Account Size
Managed Allocation Option
High Equity Option
Principal Plus Interest Option
100% Equity Index Option
100% Fixed Income Option
Money Market Option
Social Choice Option
Aggressive Managed Allocation Option
<b>Total</b>

Jan	Feb	Mar
\$13,337	\$12,722	\$13,241
\$8,792	\$8,175	\$8,768
\$13,623	\$13,746	\$13,991
\$5,198	\$4,744	\$5,262
\$5,823	\$5,959	\$6,312
\$8,855	\$8,985	\$9,063
\$2,243	\$2,039	\$2,243
\$4,936	\$4,590	\$4,960
<b>\$11,075</b>	<b>\$10,603</b>	<b>\$11,078</b>

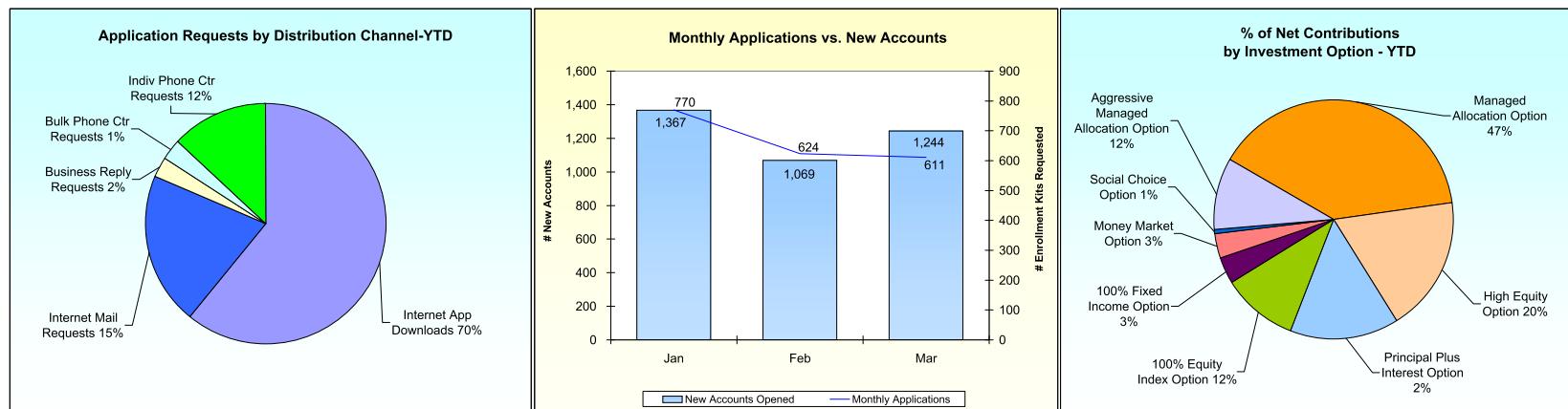


\*This report includes all non-account related adjustments necessary to agree to FY2009 audited financial statements.

## Connecticut Higher Education Trust Enrollment Kit Requests, New Accounts, and Contributions Summary

January through March 2009

Enrollment Kit/Application Mailings	Year 2008	Jan	Feb	Mar	1st Qtr	YTD	% of 2008
Internet Applications Downloaded	8,588	475	381	361	1,217	1,217	14%
Internet Kit Requests - Mail	1,886	148	138	130	416	416	22%
Business Reply Requests	272	23	11	20	54	54	20%
Bulk Phone Center Requests	94	20	20	16	56	56	60%
Individual Phone Center Requests	1,430	104	74	84	262	262	18%
<b>Total Enrollment Kit/Application Requests</b>	<b>12,270</b>	<b>770</b>	<b>624</b>	<b>611</b>	<b>2,005</b>	<b>2,005</b>	<b>16%</b>
Number of Net New Accounts	Year 2008	Jan	Feb	Mar	1st Qtr	YTD	% of 2008
Managed Allocation Option	1,533	(4)	80	47	123	123	8%
High Equity Option	466	(29)	(47)	(15)	(91)	(91)	-20%
Principal Plus Interest Option	1,405	215	219	320	754	754	54%
100% Equity Index Option	1,045	45	18	31	94	94	9%
100% Fixed Income Option	774	57	57	72	186	186	24%
Money Market Option	860	66	77	72	215	215	25%
Social Choice Option	274	4	6	16	26	26	9%
Aggressive Managed Allocation Option	2,906	140	111	130	381	381	13%
<b>Total Net New Accounts</b>	<b>9,263</b>	<b>494</b>	<b>521</b>	<b>673</b>	<b>1,688</b>	<b>1,688</b>	<b>18%</b>
<b>On-Line Enrollment</b>	<b>8,982</b>	<b>833</b>	<b>623</b>	<b>814</b>	<b>2,270</b>	<b>2,270</b>	
<b>New Account/On-Line Enrollment Ratio</b>	<b>59%</b>	<b>61%</b>	<b>58%</b>	<b>65%</b>	<b>62%</b>	<b>62%</b>	
<b>New Account/Kit Request Ratio</b>	<b>125%</b>	<b>178%</b>	<b>171%</b>	<b>204%</b>	<b>184%</b>	<b>184%</b>	
Net Contributions (\$000's)	Year 2008	Jan	Feb	Mar	1st Qtr	YTD	% of 2008
Managed Allocation Option	\$61,826	\$5,104	\$3,629	\$4,265	\$12,999	\$12,999	21%
High Equity Option	26,132	2,404	2,029	1,573	6,006	6,006	23%
Principal Plus Interest Option	2,543	1,080	1,411	2,382	4,873	4,873	192%
100% Equity Index Option	15,234	1,436	996	982	3,414	3,414	22%
100% Fixed Income Option	3,476	156	569	494	1,220	1,220	35%
Money Market Option	3,414	425	312	336	1,074	1,074	31%
Social Choice Option	1,014	80	29	42	151	151	15%
Aggressive Managed Allocation Option	16,081	1,329	767	1,119	3,215	3,215	20%
Adjustment*	(71)	148	2	(163)	(14)	(14)	
<b>Total Net Contributions</b>	<b>\$129,649</b>	<b>\$12,163</b>	<b>\$9,745</b>	<b>\$11,030</b>	<b>\$32,938</b>	<b>\$32,938</b>	
<b>Year Over Year Incr/Decr in Net Contributions</b>	<b>12%</b>	<b>-44%</b>	<b>-25%</b>	<b>-33%</b>	<b>-36%</b>	<b>-66%</b>	
<b>% of Contributions to New Accounts</b>	<b>35%</b>	<b>15%</b>	<b>22%</b>	<b>26%</b>	<b>20%</b>	<b>20%</b>	
<b>% of Contributions to Existing Accounts</b>	<b>65%</b>	<b>85%</b>	<b>78%</b>	<b>74%</b>	<b>80%</b>	<b>80%</b>	

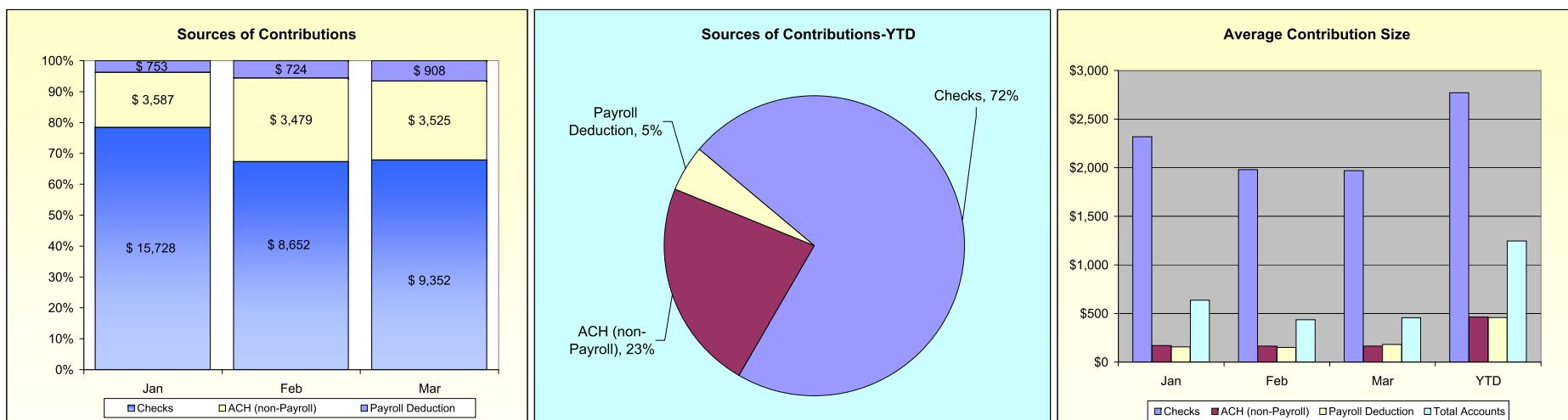


\*This report includes all non-account related adjustments necessary to agree to FY2009 audited financial statements.

## Connecticut Higher Education Trust Sources of Contributions

January through March, 2009

Contributions (\$000's)	Year 2008	Jan	Feb	Mar	1st Qtr	YTD	% of Total
<b>Contributions</b>							
Checks	\$ 157,383	\$ 15,728	\$ 8,652	\$ 9,352	\$ 33,731	\$ 33,731	72%
ACH (non-Payroll)	42,178	3,587	3,479	3,525	10,592	10,592	23%
Payroll Deduction	9,585	753	724	908	2,385	2,385	5%
<b>Total Contributions*</b>	<b>\$ 209,145</b>	<b>\$ 20,068</b>	<b>\$ 12,855</b>	<b>\$ 13,785</b>	<b>\$ 46,708</b>	<b>\$ 46,708</b>	<b>100%</b>
<b>Accounts**</b>							
Checks	35,779	6,783	4,370	4,750	12,173	12,173	
ACH (non-Payroll)	27,735	21,134	21,074	21,256	22,836	22,836	
Payroll Deduction	6,370	4,825	4,830	5,033	5,190	5,190	
<b>Total Accounts</b>	<b>60,585</b>	<b>31,504</b>	<b>29,453</b>	<b>30,203</b>	<b>37,513</b>	<b>37,513</b>	
<b>Average Contribution Size***</b>							
Checks	\$4,399	\$2,319	\$1,980	\$1,969	\$2,771	\$2,771	
ACH (non-Payroll)	1,521	170	165	166	464	464	
Payroll Deduction	1,505	156	150	180	459	459	
<b>Total Accounts</b>	<b>\$3,452</b>	<b>\$637</b>	<b>\$436</b>	<b>\$456</b>	<b>\$1,245</b>	<b>\$1,245</b>	



\*Excludes adjustments attributable to non-account related items (accruals, etc.)

\*\*Represents the # of accounts associated with the contribution amount. Since a single account may contribute in multiple months, or via multiple contribution methods (Check, ACH, Payroll), the account totals will not add up to the sum of the individual components.

\*\*\*[Contributions] / [Accounts]

### **III. Investment Performance**

## **Connecticut Higher Education Trust**

### **Investment Performance Commentary – 1<sup>st</sup> Quarter 2009**

#### **Key Points**

- In the 1<sup>st</sup> quarter of 2009, the Dow Jones Industrial Average fell just below 6500 on March 9 – its lowest level in 12 years and more than 54% lower than its all-time high of over 14,000 in October 2007. The Dow rebounded later in March but still lost 13% in the 1<sup>st</sup> quarter. For the month of March, the Russell 3000® Index, a broad measure of the U.S. stock market, gained over 8%, while the technology-heavy Nasdaq Composite Index rose by 11%, logging the highest gains for the month of March in Nasdaq history. However, for the quarter as a whole, the Russell 3000 declined nearly 11%. Small-cap stocks were particularly hard-hit, dropping nearly 15%, while mid-caps fell about 9%, and large-caps lost more than 10%. Value stocks took a much larger hit in the quarter than growth stocks, which were down 17% and 5%, respectively. (All size and style returns are based on Russell indexes.) The MSCI EAFE® Index fell nearly 14% in dollar terms. In contrast, the MSCI Emerging Markets Index posted a modest 1% gain in the quarter.
- The broad bond market gained 0.12% for the quarter. The Treasury sector, which lifted the market last year, posted a negative 1% return. Inflation-linked bonds (TIPS) and municipal bonds gained during the quarter, reflecting emerging concerns about possible inflation and improved state financial prospects (both of which were based on increased government spending and monetary stimulus). The most active part of the credit market was below-investment-grade bonds, which rose almost 6% during the quarter, in contrast to a steep decline in 2008.
- Home prices continued to sink albeit at a slower pace than in 2008. New home construction increased slightly but still remained at a historically abysmal level.
- Among the Investment Options in the program, the Fixed Income Option achieved the best absolute return of 1.06% due to the relatively better return from fixed income vs. equities in the quarter. The 0-3 Age Band in the Aggressive Managed Allocation Option registered the worst absolute return of -13.84% due to the combined all-equity allocation to the Equity Index Fund (70% weighting), the International Equity Index Fund (20% weighting) and the Real Estate Securities Fund (10% weighting). Among all investment options in the program, in terms of relative returns, the 8-11 Age Band in the Managed Allocation Option obtained the best relative return of 85 basis points above its blended benchmark. The 100% Fixed Income Option achieved the best absolute return in the program; however it also registered the worst relative return of 41 basis points below its blended benchmark due to underperformance of the Inflation-Linked Bond Fund in the quarter.

## **U.S. Equity Markets**

- In the 1<sup>st</sup> quarter of 2009, the U.S. Commerce Department reported a 6.2% drop in GDP in the 4th quarter of 2008, the biggest drop in almost 25 years and significantly worse than an earlier preliminary estimate of a 3.8% decline. This revision was a surprise not priced into the market, and the Dow Jones Industrial Average fell just below 6500 on March 9 – its lowest level in 12 years and more than 54% lower than its all-time high of over 14,000 in October 2007. The Dow rebounded later in March but still lost 13% in the 1<sup>st</sup> quarter.
- Adding to the bad news was three more months of accelerating unemployment. Between January 2008, and March 2009, the U.S. economy shed a total of 5.1 million jobs, including more than 660,000 in March alone. A broad swath of other key indicators, including consumer spending, finance, and confidence; housing sales and starts; manufacturing and business investment; and services, continued to fall, with some of these indicators reaching all-time lows.
- As a result, equity markets experienced wild volatility in the 1<sup>st</sup> quarter of 2009, with March's plunges and rallies being the most extreme. For the month of March, the Russell 3000® Index, a broad measure of the U.S. stock market, gained over 8%, while the technology-heavy Nasdaq Composite Index rose by 11%, logging the highest gains for the month of March in Nasdaq history. However, for the quarter as a whole, the Russell 3000 declined nearly 11%.

## **Performance by Cap and Style**

- Small-cap stocks were particularly hard-hit, dropping nearly 15%, while mid-caps fell about 9%, and large-caps lost more than 10%. Value stocks took a much larger hit in the quarter than growth stocks, which were down 17% and 5%, respectively. (All size and style returns are based on Russell indexes.)

## **International Equity Markets**

- In the 1<sup>st</sup> quarter of 2009, foreign stocks began to move in markedly different directions, suggesting that investors have stopped selling stocks indiscriminately and have begun looking for those stocks that will perform well during the world-wide economic recovery. The MSCI EAFE® Index, which measures stock performance in 21 nations outside North America, fell nearly 14% in dollar terms. Equities in Japan and Europe were hit harder than U.S. issues at about -17%, -15% and -11% respectively. In contrast, the MSCI Emerging Markets Index posted a modest 1% gain in the quarter while country benchmark indexes in Brazil and Russia both gained approximately 9% in the quarter, and the broader Pacific (ex Japan) Index fell only a little over 2%.

## **U.S. Fixed Income Markets**

- The broad bond market eked out a positive 0.12% return for the quarter (per the Barclays Capital U.S. Aggregate Index) on the strength of a strong March performance. The Treasury sector, which lifted the market last year, posted a negative 1% return. Yields rose slightly in the 1<sup>st</sup> quarter, particularly for maturities in the middle part of the Treasury curve (7-10 years) as the Fed announced a massive buying program in that range. Still, the shortest-term Treasury yields remained close to 0%, and long-term Treasury yields, while rising during the quarter, were nearly as low as they have been at any time since the 1950s as investors continue to value the safety, if not the returns, of term government securities. In contrast, inflation-linked bonds (TIPS) and municipal bonds gained during the quarter, reflecting emerging concerns about possible inflation and improved state financial prospects (both of which were based on increased government spending and monetary stimulus).
- Risk premiums on corporate bonds decreased slightly and corporate bond returns fell. Government intervention and guarantees did a little more to free up the short-term credit markets businesses use to fund their most immediate financial needs. Corporations also raised some new longer-term debt. The most active part of the credit market was below-investment-grade bonds, which rose almost 6% during the quarter, in contrast to a steep decline in 2008. Investors may have concluded that this sector was oversold and offered new opportunities.

## **Real Estate Markets**

- Residential real estate woes continued to worsen as home prices continued to sink albeit at a slower pace than in 2008. New home construction increased slightly but still remained at a historically abysmal level. A broad measure of real estate stocks that includes both residentially and commercially oriented companies (Wilshire REIT Index) lost about 34% during the 4<sup>th</sup> quarter, despite an uptick of 3% in March.

**The Managed and the Aggressive Managed Allocation Options** produced absolute losses ranging from -13.84% (8bps above blended benchmark) for the youngest beneficiaries ages 0-3 to -1.91% (28bps above blended benchmark) for beneficiaries ages 18 and over. The age bands that produced the best relative returns are ages 8-11 and ages 4-7. The underlying funds in these options registered absolute returns ranging from -32.65% (the **Real Estate Securities Fund**, 120bps above benchmark) to 4.09% (the **Inflation-Linked Bond Fund**, 143bps below benchmark).

The **TIAA-CREF Real Estate Securities Fund (REITS) – Institutional Class (TIREX)** beat its benchmark in the 1<sup>st</sup> quarter (+120 basis points), largely due to holdings in the Retail REITs sector, where positions that boosted relative results were mainly underweights, including Kimco Realty, Cedar Shopping Centers, and Weingarten Realty Investors. A mix of overweight and underweights helped results from the Residential REITs sector, where Apartment Investment &

Management, Colonial Properties Trust, and Equity Residential were among the supportive underweights, and Essex Property Trust, American Campus Communities, and AvalonBay Communities were among the supportive overweights. Another supportive sector was Office REITs, where an out-of-index position in Mission West Properties as well as underweights in Brandywine Realty Trust, BioMed Realty Trust, and Duke Realty boosted results. Limiting the reach of picks that were additive to relative performance, avoiding Dupont Fabros Technology cost the fund some performance as it surged in the quarter, with further detractions from a non-benchmark stake in Thomas Properties Group, both of the Diversified Real Estate Activities sector. The Office Electronics sector was another downdraft, solely due to an underweight in Digital Realty Trust. Although the fund trailed its benchmark over five years (-75 basis points), it outperformed that measure over one (+204 basis points) and three years (+138 basis points) and since its October 2002 inception (+8 basis points).

The **TIAA-CREF Inflation-Linked Bond Fund – Institutional Class (TIILX)** underperformed the Barclays Capital U.S. Treasury Inflation-Protected Securities Index by 143 basis points on a return of 4.09% for the 1<sup>st</sup> quarter. The positive returns in inflation-linked securities for the period were driven by increased overall liquidity in spread markets, easing the way for investors to sell some of those holdings and reallocate the cash to TIPS, and by long term inflationary concerns due to the federal government's stimulus bill. The strategy for this fund is to have a duration similar to that of the index, and it seeks to protect investors from rising inflation's impact on asset values by investing in inflation-indexed bonds. Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Keeping a profile close to that of the index most often means performance that is also close to the index. Expenses and technical factors can put the fund behind its benchmark, as the fund underperformed over one (-70 basis points), three (-42 basis points), and five years (-29 basis points) and since its October 2002 inception (-28 basis points).

**The 100% Equity Index Option** registered a loss of -11.78%, 35 basis points below its blended benchmark. The below-benchmark performance was mostly due to the program fee and the underperformance of the **International Equity Index Fund** (20% weighting), which trailed the MSCI EAFE Index by 106 basis points.

**The Social Choice Option** declined by -10.29%, 51 basis points above its benchmark, due to the outperformance of the **Social Choice Equity Fund**.

The **TIAA-CREF Social Choice Equity Fund – Institutional Class (TISCX)** outperformed the Russell 3000 Index by 56 basis points in the 1<sup>st</sup> quarter of 2009, with the exclusion of several falling industrial stocks due to the fund's comprehensive social screening process being the most significant contributor to these results. They included General Electric, building systems and aerospace product maker United Technologies, and top military contractors General Dynamics and Raytheon, among others. The screening process involves selecting a universe of stocks that meet a comprehensive set of environmental, social, and governance (ESG) criteria. Avoiding screened holdings also produced the top contributor in the health care sector, pharmaceutical concern Pfizer, which fell in the quarter. Other support from

that sector came from overweighting holdings such as bioengineering firm Genentech, Wyeth, and Schering-Plough. In telecommunication services, overweighting Time Warner Cable, Embarq, and Sprint Nextel, as well as avoiding Comcast due to ESG screens, played a role in that sector's contribution to outperformance. Sectors that detracted somewhat from these positive results included financials, where overweighting insurer AFLAC, U.S. Bancorp, SunTrust, and PNC hampered results, as did avoiding ESG-screened Morgan Stanley, which rose notably in the quarter. Consumer staples holdings that detracted from relative results included ESG-screened Coca-Cola and Altria Group, as well as overweighted Procter & Gamble. The fund continued to meet its objective of tracking the return of the U.S. market while investing only in companies that pass the comprehensive ESG screens. The fund also outperformed in March (+32 basis points), over one (+99 basis points), three (+16 basis points), and five years (+13 basis points), but underperformed since its July 1999 inception (-3 basis points). In addition to outperformance in March, the fund produced a positive return of 9.08%.

The fund seeks investments that are considered socially responsible, generally avoiding companies in the tobacco, nuclear power, weapons production, firearms, gambling, alcohol, and other such industries. Other screens examine companies' environmental, social, and corporate governance (ESG) practices. The fund does not make sector bets and uses only quantitative methods to recover the performance lost due to screens against certain stocks in the benchmark, and it is categorized as an enhanced indexed product. As such, it is not considered one of the actively managed equity funds discussed in this report.

**The High Equity Option** declined by -8.60% during the quarter, 41 basis points above its blended benchmark. The above-blended-benchmark performance was primarily due to the outperformance of the **Mid Cap Value Fund** and the **Mid Cap Growth Fund**. These funds' above-index returns were partly offset by the underperformance of the **International Equity Index Fund** and the **Inflation-Linked Bond Fund**.

During the 1<sup>st</sup> quarter, the **TIAA-CREF Mid-Cap Value Fund – Institutional Class (TIMVX)** outperformed the Russell Midcap ® Value Index by 556 basis points, largely driven by holdings in the financials, consumer discretionary, and materials sectors. Overweighting rare occurrence insurer XL Capital, First Horizon National, and Northern Trust, as well as avoiding Fifth Third Bancorp, which dropped in the quarter, proved to be the most significant contributors from the shaken financial sector. Consumer discretionary positions that added to outperformance in the quarter included out-of-index Darden Restaurants, which owns lower-priced chains like Red Lobster and Olive Garden, appealing options for consumers looking to trade down in a weak economy. Other positives in that sector were The Financial Times publisher Pearson PLC, a non-benchmark holding that provides financial information and business news; the avoidance of CBS, which plummeted in the quarter; and an overweight in Interpublic Group. The biggest boosts from the materials sector came from an out-of-index stake in Crown Holdings and an overweight in conglomerate Rohm & Haas, with further support from the avoidance of Vulcan Materials, Owens-Illinois, and International Paper, which all fell in the quarter. Although detractors did not offset contributors in the period, they included radio tower owner and manager Crown Castle International, Leap Wireless International, whose services include the Cricket brand of mobile phone service; and

Embarq. All were stocks in the telecommunication services sector that turned in positive performance in the period, but the fund avoided them. Among utilities, avoiding Consolidated Edison dampened relative results a bit, as did overweighting Pepco Holdings. In addition to outperforming in the quarter, the fund led its benchmark in March (+1 basis point), over one (+165 basis points), three (+303 basis points), and five years (+213 basis points), and since its October 2002 inception (+262 basis points).

In the 1<sup>st</sup> quarter of 2009, the **TIAA-CREF Mid-Cap Growth Fund – Institutional Class (TRPWX)** beat its benchmark by 41 basis points, mainly on industrials, energy, and utilities holdings. Although most of the top contributors from the industrials sector were falling benchmark names that the fund avoided, the top three were overweights, such as Quanta Services, FTI Consulting, and Shaw Group. Contributing energy holdings were a blend of positions relative to the benchmark, such as overweights in Denbury Resources and Range Resources, the avoidance of falling benchmark names Sunoco and SunPower, and an out-of-index stake in National Oilwell Varco. In utilities, the benefits came by eschewing benchmark stocks like Allegheny Energy, AES, Mirant, and NRG Energy. Negative impacts were found in the information technology sector, where an out-of-index position in Data Domain was the largest detractor, with similar headwinds from overweights in Itron, which makes wireless devices for the collection of meter data by utilities worldwide; Trimble Navigation, and Harris Corporation. A position in non-benchmark maker of over-the-counter drugs, personal care products, and dietary supplements Chattem, and the avoidance of surging Whole Foods Market were the most notable detractors from the consumer staples sector. The fund trailed its benchmark over one year by 152 basis points and to a lesser extent over three (-46 basis points) and five years (-19 basis points), while outperforming that measure since its October 2002 inception (+19 basis points).

**The 100% Fixed Income Option** generated a return of 1.06%, 41 basis points below its blended benchmark. The below-blended-benchmark performance was due to the underperformance from the **Inflation-Linked Bond Fund** (143bps below index, 25% weighting) and the program fee.

**The Money Market Option** which was launched on February 18, 2008, produced a 0.20% return for the quarter, 10 basis points above its benchmark.

**The Principal Plus Interest Option** generated a return of 0.83% during the 1<sup>st</sup> quarter. The annual interest rate of 3.55% is guaranteed until June 30, 2009.

## 1st Quarter, 2009 Connecticut Higher Education Trust Performance Summary: Managed Allocation Option

### Asset Allocation: Managed Allocation Option

Age of Beneficiary	Institutional Equity Index Fund	Institutional International Equity Index Fund	Institutional Real Estate Securities Fund	Institutional Bond Fund	Inflation-Linked Bond Fund	Institutional Money Market Fund
0-3	56.00%	16.00%	8.00%	15.00%	5.00%	0.00%
4-7	45.50%	13.00%	6.50%	26.25%	8.75%	0.00%
8-11	35.00%	10.00%	5.00%	37.50%	12.50%	0.00%
12-14	28.00%	8.00%	4.00%	45.00%	15.00%	0.00%
15-17	21.00%	6.00%	3.00%	37.50%	12.50%	20.00%
18 and over	14.00%	4.00%	2.00%	26.25%	8.75%	45.00%

### Investment Option Returns: Managed Allocation Option

Age Of Beneficiary	Inception Date	Total Annual Asset Based Fees	1st Quarter, 2009 Rtn			Year-to-Date Rtn			1 Year Rtn			3 Year Avg Annual Rtn			5 Year Avg Annual Rtn			Avg Annual Return Since Option Inception		
			Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk
Ages 0 - 3	3/10/2005	0.65%	-10.37%	-10.86%	0.49%	-10.37%	-10.86%	0.49%	-33.83%	-34.82%	0.99%	-10.85%	-11.11%	0.26%	N/A	N/A	N/A	-5.89%	-5.66%	-0.23%
Ages 4 - 7	3/10/2005	0.65%	-7.81%	-8.55%	0.74%	-7.81%	-8.55%	0.74%	-27.28%	-28.81%	1.53%	-7.62%	-7.90%	0.28%	N/A	N/A	N/A	-3.65%	-3.58%	-0.07%
Ages 8 - 11	3/10/2005	0.65%	-5.40%	-6.25%	0.85%	-5.40%	-6.25%	0.85%	-20.66%	-22.41%	1.75%	-4.50%	-4.79%	0.29%	N/A	N/A	N/A	-1.67%	-1.63%	-0.04%
Ages 12 - 14	3/10/2005	0.65%	-4.15%	-4.71%	0.56%	-4.15%	-4.71%	0.56%	-17.31%	-17.92%	0.61%	-2.89%	-2.71%	-0.18%	N/A	N/A	N/A	-0.74%	-0.35%	-0.39%
Ages 15 - 17	3/10/2005	0.65%	-3.02%	-3.41%	0.39%	-3.02%	-3.41%	0.39%	-12.61%	-13.27%	0.66%	-1.13%	-1.04%	-0.09%	N/A	N/A	N/A	0.47%	0.67%	-0.20%
Ages 18 and Over	3/10/2005	0.65%	-1.91%	-2.19%	0.28%	-1.91%	-2.19%	0.28%	-7.58%	-8.49%	0.91%	0.63%	0.52%	0.11%	N/A	N/A	N/A	1.56%	1.62%	-0.06%

### Underlying Fund Performance: Managed Allocation Option

Investment Option	Inception Date	Underlying Fund Expenses	Benchmark	1st Quarter, 2009 Rtn			Year-to-Date Rtn			1 Year Rtn			3 Year Avg Annual Rtn			5 Year Avg Annual Rtn			Avg Annual Return Since Fund Inception		
				TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk
Equity Index	07/01/1999	0.07%	Russell 3000	-10.81%	-10.80%	-0.01%	-10.81%	-10.80%	-0.01%	-38.12%	-38.20%	0.08%	-13.55%	-13.55%	0.00%	-4.61%	-4.59%	-0.02%	-3.21%	-3.11%	-0.10%
International Equity Index	10/01/2002	0.12%	Morgan Stanley EAFE	-15.00%	-13.94%	-1.06%	-15.00%	-13.94%	-1.06%	-45.98%	-46.51%	0.53%	-14.25%	-14.47%	0.22%	-2.06%	-2.18%	0.12%	5.00%	5.04%	-0.04%
Real Estate Securities	10/01/2002	0.56%	Wilshire Real Estate Sec	-32.65%	-33.85%	1.20%	-32.65%	-33.85%	1.20%	-58.99%	-61.03%	2.04%	-25.88%	-27.26%	1.38%	-10.18%	-9.43%	-0.75%	-0.73%	-0.81%	0.08%
Bond Inflation-Linked Bond	07/01/1999	0.32%	LB Aggregate Bond	0.16%	0.12%	0.04%	0.16%	0.12%	0.04%	1.30%	3.13%	-1.83%	4.72%	5.78%	-1.06%	3.48%	4.13%	-0.65%	5.65%	5.96%	-0.31%
	10/01/2002	0.34%	LB TIPS	4.09%	5.52%	-1.43%	4.09%	5.52%	-1.43%	-2.74%	-2.04%	-0.70%	5.30%	5.72%	-0.42%	3.86%	4.15%	-0.29%	5.16%	5.44%	-0.28%
Money Market	07/01/1999	0.14%	iMoneyNet Mny Mkt Avg	0.28%	0.10%	0.18%	0.28%	0.10%	0.18%	2.12%	1.36%	0.76%	4.09%	3.44%	0.65%	3.53%	2.92%	0.61%	3.47%	2.93%	0.54%

\* "Program Returns" are net of program management fees and mutual fund expenses.

## 1st Quarter, 2009 Connecticut Higher Education Trust Performance Summary: Aggressive Managed Allocation Option

### Asset Allocation: Aggressive Managed Allocation Option

Age of Beneficiary	Institutional Equity Index Fund	Institutional International Equity Index Fund	Institutional Real Estate Securities Fund	Institutional Bond Fund	Institutional Inflation-Linked Bond Fund	Institutional Money Market Fund
0-3	70.00%	20.00%	10.00%	0.00%	0.00%	0.00%
4-7	59.50%	17.00%	8.50%	11.25%	3.75%	0.00%
8-11	49.00%	14.00%	7.00%	22.50%	7.50%	0.00%
12-14	42.00%	12.00%	6.00%	30.00%	10.00%	0.00%
15-17	35.00%	10.00%	5.00%	37.50%	12.50%	0.00%
18 and over	21.00%	6.00%	3.00%	33.75%	11.25%	25.00%

### Investment Option Returns: Aggressive Managed Allocation Option

Age Of Beneficiary	Inception Date	Total Annual Asset Based Fees	1st Quarter, 2009 Rtn			Year-to-Date Rtn			1 Year Rtn			3 Year Avg Annual Rtn			5 Year Avg Annual Rtn			Avg Annual Return Since Option Inception		
			Program Returns*	Blended Index Return	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk
Ages 0 - 3	11/20/2007	0.65%	<b>-13.84%</b>	-13.92%	0.08%	<b>-13.84%</b>	-13.92%	0.08%	<b>-42.19%</b>	-42.25%	0.06%	<b>N/A</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>-35.71%</b>	-36.58%	0.87%
Ages 4 - 7	11/19/2007	0.65%	<b>-11.54%</b>	-11.63%	0.09%	<b>-11.54%</b>	-11.63%	0.09%	<b>-35.91%</b>	-36.74%	0.83%	<b>N/A</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>-31.40%</b>	-31.15%	-0.25%
Ages 8 - 11	11/20/2007	0.65%	<b>-8.78%</b>	-9.32%	0.54%	<b>-8.78%</b>	-9.32%	0.54%	<b>-29.83%</b>	-30.85%	1.02%	<b>N/A</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>-25.07%</b>	-25.82%	0.75%
Ages 12 - 14	11/19/2007	0.65%	<b>-7.16%</b>	-7.79%	0.63%	<b>-7.16%</b>	-7.79%	0.63%	<b>-25.61%</b>	-26.72%	1.11%	<b>N/A</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>-20.92%</b>	-21.81%	0.89%
Ages 15 - 17	11/21/2007	0.65%	<b>-5.88%</b>	-6.25%	0.37%	<b>-5.88%</b>	-6.25%	0.37%	<b>-21.69%</b>	-22.41%	0.72%	<b>N/A</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>-17.58%</b>	-17.61%	0.03%
Ages 18 and Over	11/20/2007	0.65%	<b>-3.36%</b>	-3.47%	0.11%	<b>-3.36%</b>	-3.47%	0.11%	<b>-12.82%</b>	-13.27%	0.45%	<b>N/A</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>-10.18%</b>	-9.99%	-0.19%

### Underlying Fund Performance: Aggressive Managed Allocation Option

Investment Option	Inception Date	Underlying Fund Expenses	Benchmark	1st Quarter, 2009 Rtn			Year-to-Date Rtn			1 Year Rtn			3 Year Avg Annual Rtn			5 Year Avg Annual Rtn			Avg Annual Return Since Fund Inception		
				TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk
Equity Index International Equity Index	07/01/1999 10/01/2002	0.07% 0.12%	Russell 3000 Morgan Stanley EAFE	<b>-10.81%</b> <b>+15.00%</b>	-10.80% -13.94%	-0.01% -1.06%	<b>-10.81%</b> <b>+15.00%</b>	-10.80% -13.94%	-0.01% -1.06%	<b>-38.12%</b> <b>+45.98%</b>	-38.20% -46.51%	0.08% 0.53%	<b>-13.55%</b> <b>-14.25%</b>	-13.55% -14.47%	0.00% 0.22%	<b>-4.61%</b> <b>-2.06%</b>	-4.59% -2.18%	-0.02% 0.12%	<b>-3.21%</b> <b>5.00%</b>	-3.11% 5.04%	-0.10% -0.04%
Real Estate Securities	10/01/2002	0.56%	Wilshire Real Estate Sec	<b>-32.65%</b>	-33.85%	1.20%	<b>-32.65%</b>	-33.85%	1.20%	<b>-58.99%</b>	-61.03%	2.04%	<b>-25.88%</b>	-27.26%	1.38%	<b>-10.18%</b>	-9.43%	-0.75%	<b>-0.73%</b>	-0.81%	0.08%
Bond Inflation-Linked Bond	07/01/1999 10/01/2002	0.32% 0.34%	LB Aggregate Bond LB TIPS	<b>0.16%</b> <b>4.09%</b>	0.12% 5.52%	0.04% -1.43%	<b>0.16%</b> <b>4.09%</b>	0.12% 5.52%	0.04% -1.43%	<b>1.30%</b> <b>-2.74%</b>	3.13% -2.04%	-1.83% -0.70%	<b>4.72%</b> <b>5.30%</b>	5.78% 5.72%	-1.06% -0.42%	<b>3.48%</b> <b>3.86%</b>	4.13% 4.15%	-0.65% -0.29%	<b>5.65%</b> <b>5.16%</b>	5.96% 5.44%	-0.31% -0.28%
Money Market	07/01/1999	0.14%	iMoneyNet Mny Mkt Avg	<b>0.28%</b>	0.10%	0.18%	<b>0.28%</b>	0.10%	0.18%	<b>2.12%</b>	1.36%	0.76%	<b>4.09%</b>	3.44%	0.65%	<b>3.53%</b>	2.92%	0.61%	<b>3.47%</b>	2.93%	0.54%

\* "Program Returns" are net of program management fees and mutual fund expenses.

## 1st Quarter, 2009 Connecticut Higher Education Trust Performance Summary: Additional Investment Options

### Asset Allocation: 100% Equity Index Option

Institutional International Equity Index Fund	
80.00%	20.00%

### Asset Allocation: Social Choice Option

Institutional Social Choice Equity Fund	
100.00%	

### Asset Allocation: High Equity Option

Institutional S&P 500 Index Fund	Institutional Mid-Cap Growth Fund	Institutional Mid-Cap Value Fund	Institutional Small-Cap Equity Fund	Institutional International Equity Index Fund	Institutional Bond Fund	Institutional Inflation-Linked Bond Fund
48.00%	5.10%	5.10%	5.80%	16.00%	15.00%	5.00%

### Asset Allocation: 100% Fixed Income Option

Institutional Bond Fund	Institutional Inflation - Linked Bond Fund
75.00%	25.00%

### Asset Allocation: Money Market Option

Institutional Money Market Fund
100.00%

### Asset Allocation: Principal Plus Interest Option

Guaranteed Funding Agreement
100.00%

### Investment Option Returns: Additional Investment Options

Investment Option	Inception Date	Total Annual Asset Based Fees	1st Quarter, 2009 Rtn			Year-to-Date Rtn			1 Year Rtn			3 Year Avg Annual Rtn			5 Year Avg Annual Rtn			Avg Annual Return Since Option Inception					
			Program Returns*	Blended Index Return	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk	Program Returns*	Blended Bnchmk Returns	Over/(Under) Benchmk			
100% Equity Index	6/20/2006	0.65%	-11.78%	-11.43%	-0.35%	-11.78%	-11.43%	-0.35%	-40.09%	-39.90%	-0.19%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-13.93%	-13.20%	-0.73%		
Social Choice	11/19/2007	0.65%	-10.29%	-10.80%	0.51%	-10.29%	-10.80%	0.51%	-37.45%	-38.20%	0.75%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-31.82%	-33.42%	1.60%		
High Equity	3/22/2001	0.65%	-8.60%	-9.01%	0.41%	-8.60%	-9.01%	0.41%	-32.00%	-32.94%	0.94%	-10.20%	-10.11%	-0.09%	N/A	N/A	N/A	N/A	N/A	N/A	-1.55%		
100% Fixed Income	6/20/2006	0.65%	1.06%	1.47%	-0.41%	1.06%	1.47%	-0.41%	0.00%	1.90%	-1.90%	1.60%	1.37%	0.23%	1.60%	1.37%	0.23%	3.63%	0.91%	2.72%	3.60%	3.12%	0.48%
Money Market	2/18/2008	0.65%	0.20%	0.10%	0.10%	0.20%	0.10%	0.10%	0.20%	0.10%	0.10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.95%	0.46%	3.73%	2.45%	1.28%
Principal Plus Interest	4/23/2001	N/A	0.83%	0.16%	0.67%	0.83%	0.16%	0.67%	0.83%	0.16%	0.67%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.95%	0.46%	3.73%	2.45%	1.28%

### Underlying Fund Performance: Additional Investment Options

Underlying Mutual Funds as of 03/31/2009	Inception Date	Underlying Fund Expenses	Benchmark	1st Quarter, 2009 Rtn			Year-to-Date Rtn			1 Year Rtn			3 Year Avg Annual Rtn			5 Year Avg Annual Rtn			Avg Annual Return Since Fund Inception			
				TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	TIAA-CREF Returns	Bnchmk Returns	Over/(Under) Benchmk	
Equity Index	07/01/1999	0.07%	Russell 3000	-10.81%	-10.80%	-0.01%	-10.81%	-10.80%	-0.01%	-38.12%	-38.20%	0.08%	-13.55%	-13.55%	0.00%	-4.61%	-4.59%	-0.02%	-3.21%	-3.11%	-0.10%	
S&P 500 Index	10/01/2002	0.06%	S&P500	-10.98%	-11.01%	0.03%	-10.98%	-11.01%	0.03%	-37.99%	-38.09%	0.10%	-13.05%	-13.06%	0.01%	-4.81%	-4.76%	-0.05%	0.95%	1.03%	-0.08%	
Mid-Cap Growth	10/01/2002	0.56%	Russell MidCap Growth	-2.95%	-3.36%	0.41%	-9.11%	-14.67%	5.56%	-41.10%	-39.56%	-1.52%	-15.35%	-14.89%	-0.46%	4.41%	4.22%	0.19%	6.11%	3.49%	2.62%	
Mid-Cap Value	10/01/2002	0.52%	Russell MidCap Value	-9.11%	-14.67%	5.56%	-14.93%	-14.95%	0.02%	-37.33%	-37.50%	0.17%	-17.74%	-16.80%	-0.94%	-5.91%	-5.24%	-0.67%	3.14%	3.48%	-0.34%	
Small-Cap Equity	10/01/2002	0.53%	Russell 2000	-10.24%	-10.80%	0.56%	-15.00%	-13.94%	-1.06%	-37.21%	-38.20%	0.99%	-13.39%	-13.55%	0.16%	-4.46%	-4.59%	0.13%	-3.14%	-3.11%	-0.03%	
Social Choice Equity	07/01/1999	0.22%	Russell 3000	-15.00%	-13.94%	-1.06%	-15.00%	-13.94%	-1.06%	-45.98%	-46.51%	0.53%	-14.25%	-14.47%	0.22%	-2.06%	-2.18%	0.12%	5.00%	5.04%	-0.04%	
International Equity Index	10/01/2002	0.12%	Morgan Stanley EAFE																			
Bond	07/01/1999	0.32%	LB Aggregate Bond	0.16%	0.12%	0.04%	0.16%	0.12%	0.04%	1.30%	3.13%	-1.83%	4.72%	5.78%	-1.06%	3.48%	4.13%	-0.65%	5.65%	5.96%	-0.31%	
Inflation-Linked Bond	10/01/2002	0.34%	LB TIPS	4.09%	5.52%	-1.43%	4.09%	5.52%	-1.43%	-2.74%	-2.04%	-0.70%	5.30%	5.72%	-0.42%	3.86%	4.15%	-0.29%	5.16%	5.44%	-0.28%	
Money Market	07/01/1999	0.14%	iMoneyNet Mny Mkt Avg	0.28%	0.10%	0.18%	0.28%	0.10%	0.18%	2.12%	1.36%	0.76%	4.09%	3.44%	0.65%	3.53%	2.92%	0.61%	3.47%	2.93%	0.54%	

\* "Program Returns" are net of program management fees and mutual fund expenses.

## **IV. Operational Performance**

**Connecticut Higher Education Trust Operational Performance Summary**  
**January through March 2009**

<b>Correspondence</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>1st Qtr</b>	<b>YTD</b>
Financial Correspondence					
Accuracy	97.9%	100.0%	98.9%	98.9%	98.9%
Timeliness	99.3%	96.1%	97.9%	97.8%	97.8%
Non-Financial Correspondence					
Accuracy	100.0%	94.7%	100.0%	98.2%	98.2%
Timeliness	100.0%	100.0%	94.7%	98.2%	98.2%
<b>Check Processing</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>1st Qtr</b>	<b>YTD</b>
Accuracy	100.0%	100.0%	100.0%	100.0%	100.0%
Timeliness	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Confirmations/Statements (1)</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>1st Qtr</b>	<b>YTD</b>
Accuracy	100.0%	100.0%	100.0%	100.0%	100.0%
Timeliness	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Mail Processing</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>1st Qtr</b>	<b>YTD</b>
Total Mailed	693	362	749	1,804	1,804
Mailed within 5 Days	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Account Set Up (2)</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>1st Qtr</b>	<b>YTD</b>
Accuracy	94.5%	91.8%	90.7%	92.3%	92.3%
Timeliness	99.0%	100.0%	100.0%	99.7%	99.7%
<b>Account Redemption</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>1st Qtr</b>	<b>YTD</b>
Accuracy	96.2%	97.7%	98.7%	97.5%	97.5%
Timeliness	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Systems Availability and Timeliness (3)</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>1st Qtr</b>	<b>YTD</b>
System Performance Timeliness (Peak)	100.0%	100.0%	100.0%	100.0%	100.0%
Minutes Systems were Unavailable	0	0	0	0	0
System Performance Timeliness (Non-Peak)	100.0%	100.0%	100.0%	100.0%	100.0%
Minutes Systems were Unavailable	0	0	0	0	0

(1) Confirmation Statements and Daily Statements are mailed within 3 days

(2) Account set-up includes manual accounts only

(3) This data is compiled for total system downtime and is not available by state component

## **V. Customer Contact Summary**

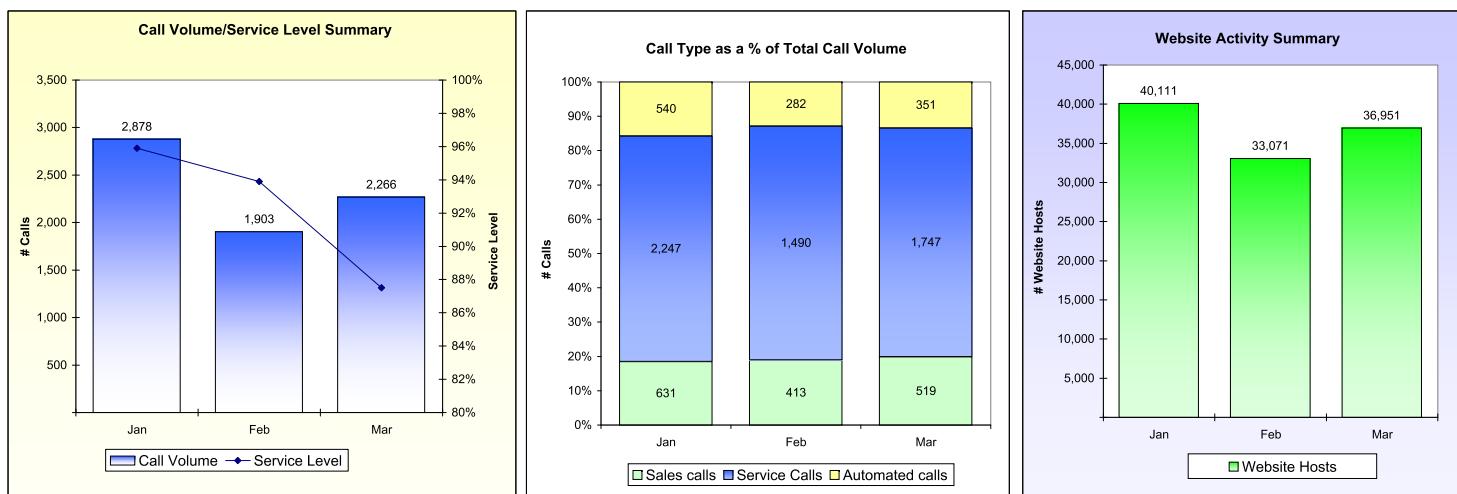
## Connecticut Higher Education Trust Customer Contact Summary

January through March 2009

Live Calls	Jan	Feb	Mar	1st Qtr Totals	YTD 2009
- Sales Calls	631	413	519	1,563	1,563
% Incr/Decr Over Prev Year	-42.1%	-42.8%	-39.5%	-41.5%	-41.5%
- Service Calls	2,247	1,490	1,747	5,484	5,484
% Incr/Decr Over Prev Year	-24.5%	-11.8%	-2.7%	-15.1%	-15.1%
Total Live Calls	2,878	1,903	2,266	7,047	7,047
% Incr/Decr Over Prev Year	-29.2%	-21.1%	-14.6%	-22.8%	-22.8%
Calls Abandoned	43	14	37	94	94
Abandonment Rate**	1.5%	0.7%	1.6%	1.3%	1.3%
Incr/Decr Over Prev Year	-0.7%	-1.7%	-1.9%	-1.3%	-1.3%
Service Level**	95.9%	93.9%	87.5%	92.7%	92.7%
Service Level (prev year)	87.6%	91.2%	87.0%	88.4%	88.4%

Automated Calls	Jan	Feb	Mar	1st Qtr Totals	YTD 2009
- IVR Calls	20	27	14	61	61
% Incr/Decr Over Prev Year	-63.0%	-22.9%	-64.1%	-52.3%	-52.3%
- BFDS Calls	520	255	337	1,112	1,112
% Incr/Decr Over Prev Year	44.0%	2.0%	23.0%	25.6%	25.6%
Total Automated Calls*	540	282	351	1,173	1,173
% Incr/Decr Over Prev Year	30.1%	-1.1%	12.1%	15.8%	15.8%

Unique Website Hosts	40,111	33,071	36,951	110,133	110,133
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\*IVR Volume refers to requests for enrollment materials via the automated telephone system. \* BFDS Volume refers to account maintenance via the automated telephone system.

\*\* Service Level and Abandonment Rate calculations are based on phone calls taken by live phone representatives and therefore do not include IVR calls received.

## **VI. Marketing Activity**

## **Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Highlights and Summary**

- The 1<sup>st</sup> quarter (Q1) marketing initiatives for the Connecticut Higher Education Trust (CHET) program included a series of integrated direct marketing, community outreach and public relations activities.
- The primary marketing initiatives for CHET during Q1, 2009 were the Tax Time campaign and the CHET Dream Big! campaign.
- Q1 initiatives leveraged a multi-channel approach including off-line (direct mail), on-line (search, banners, e-mail, etc.), community outreach and public relations to stimulate account growth and generate leads.
- On-going Account Owner communications included distribution of the quarterly e-newsletter, statement inserts, and beneficiary birthday card mailings.
- Follow-up email and direct mail communication were sent on an on-going basis to inquirers (individuals who requested information about the program).
- General quarter highlights include:
  - More than 2.3 million outbound marketing messages were delivered across all channels to prospects and Account Owners during the quarter.
  - Over 11,000 inbound inquiries (inbound calls, business reply cards, and web clicks) directly linked to marketing initiatives were generated during the quarter.

# **Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009**

## **Channel Highlights**

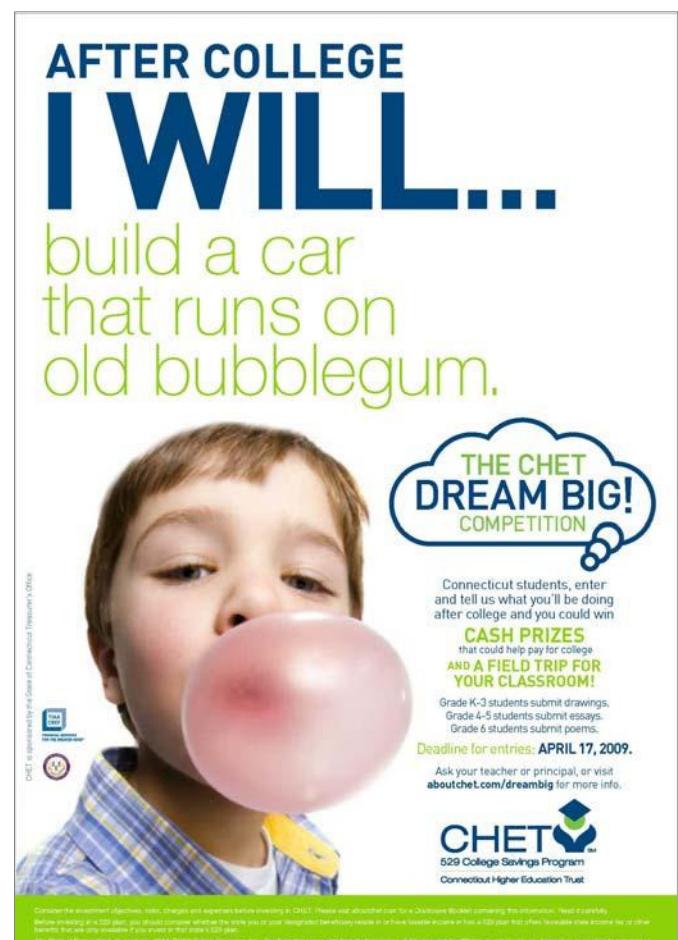
### **PARTICULAR CHANNEL HIGHLIGHTS:**

- Search is exhibiting the capability of capturing new accounts (149 openings directly linked to search) and deepening Account Owner relationships (308 total transactions including deposits and automatic payment plan sign-ups).
- Banners generated over 750 clicks for more detailed CHET 529 plan information.
- E-mail has proven to be an efficient means to communicate and stimulate interest among past inquirers (an 8.4% inquiry rate for e-mails to this segment was the highest among all channel and audience combinations).
- The direct mail channel generated over 100 inquiries (clicks and calls) from prospects and over 550 inquiries (clicks and calls) from account owners during Q1, 2009.

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 CHET Dream Big! Campaign Highlights

## CHET Dream Big! Competition Poster

Additional creative samples found at the end of this section.



- The CHET Dream Big! Competition, sponsored by the State of Connecticut Treasurer's office and CHET, was a drawing poetry and essay contest for Connecticut students in grades Kindergarten (K) through six (6). The competition ran from February 16, 2009 through April 3, 2009.
- The CHET Dream Big! Competition was promoted via a series of multi-channel, integrated communications during Q1, 2009.
- Children in grades K through three (3) were asked to draw a picture that portrays the answer to the question, "*What do I want to do after I go to college?*" Fourth (4) and fifth (5) grade students were asked to write an essay explaining, "*How will I change the world after I go to college?*" Sixth (6) grade students answered the same question by penning an original poem.
- The promotion was designed to encourage children to dream big about their future and to remind parents that it's important to have a college savings strategy in place to support the dreams of their children.
- At the end of March, preliminary results indicated that approx. 1,800 entries were received from across the state.
- A panel of judges, including writers, poets, artists, and representatives from TIAA-CREF Tuition Financing, Inc. and the Connecticut State Treasurer's Office will select the competition winners (twenty-four county winners – three (3) from each of Connecticut's eight counties and three (3) statewide winners) during Q2.

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 CHET Dream Big! Campaign Highlights

## Teacher E-mail

*Additional creative samples found at the end of this section.*

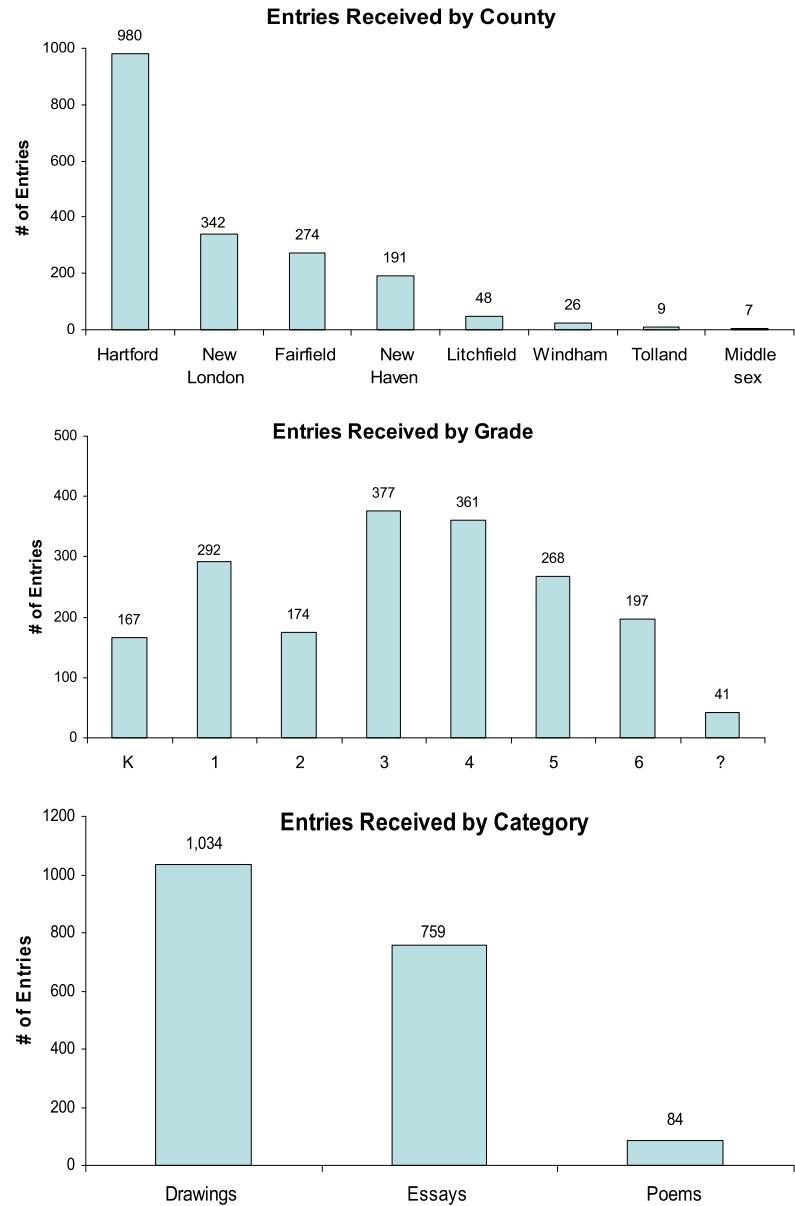


- Outbound communications promoting the Dream Big! Competition included:
  - During Q3, the Dream Big! Competition press release, letters to superintendents and principals were finalized and distributed.
  - E-mails were distributed to Connecticut parents, superintendents, and principals (over 60,000 deployed).
  - Over 4,500 entry forms, 1,750 buck slips, 250 posters, and 2,500 CHET flyers were distributed directly to schools and/or urban and suburban locations across Connecticut (such as coffee shops, libraries, community centers, restaurants, salons and other gathering places).
  - Banner Ads on the CHET Website.
  - Dedicated Website ([www.chetdreambig.com](http://www.chetdreambig.com)) on which details, rules, deadlines and entry forms could be viewed.
- Media coverage for the events included:
  - On Monday, March 16, Kathleen Tunson spoke with Nancy Barrow of Hot 93.7, WZMX FM radio about the Dream Big! Competition and College Fair.
  - *Journal Inquirer* coverage in the Saturday March, 14<sup>th</sup> issue.
  - Hartford.com, Westhartford.org, the ConneCT Kids Government Web site) and the iTowns section online at The Hartford Courant all featured calendar listings of the CHET Dream Big! events.

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009

## CHEY Dream Big! Campaign Highlights

- The CHEY Dream Big! Competition stimulated significant interest in the CHEY 529 program.
  - Over 1,800 entries were submitted in the CHEY Dream Big! Competition as of the end of March/beginning of April).
  - Over 300 clicks and 27 inbound calls were directly attributed to the e-mail deployments and 5 new accounts were opened on-line directly from the e-mails
  - At the end of March, over 25 schools requested materials via telephone, email, fax and regular mail
  - Approximately 22 calls were received on the CHEY Dream Big! Hot Line
- Over 50% of the entrants came from the Hartford county area with significant representation for each grade level. 3<sup>rd</sup> and 4<sup>th</sup> graders had the highest level of enrollment.



# **Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Community Outreach Highlights**

## **IN COMMUNITY EVENTS AND ACTIVITIES:**

- During the first quarter, TFI reached out to Connecticut's general population, Account Owners, schools, employers and the financial community via the following community events:



- Mar. 7 – CHET and Connecticut Magazine Camp Fair, Connecticut Post Mall, Milford (Community)
- Mar. 18 – CHET Dream Big! College Fair, Classical Magnet School, Hartford (Community)
- Mar. 18 – ALCOA Lunch 'n Learn, Winsted (Employer)
- Mar. 18 – ALCOA Webinar, online (Employer)
- Mar. 21 & 22 – Latino Expo, Hartford (Community – Hispanic Outreach)
- Mar. 25 – Greater Bridgeport Latino Network – “It’s Your Money Conference,” Casey Family Services, Bridgeport (Community – Hispanic and Low- to Moderate-Income Outreach)
- Mar. 27 – Treasurer’s Annual Public Finance Outlook Conference, Rentschler Field, Hartford (Financial)

# **Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Community Outreach Highlights**

## **IN COMMUNITY EVENTS AND ACTIVITIES (cont'd):**

### **□ March 7<sup>th</sup> - CHET and Connecticut Parent Magazine Camp Fair:**



Pamela McNulty at the CHET exhibit table during the CHET and Connecticut Parent Magazine Camp Fair

- The Second Annual CHET and Connecticut Parent Magazine Camp Fair was held on Saturday, March 7<sup>th</sup> at the Connecticut Post Mall in Milford, CT from 10 a.m. – 8 p.m.
- A press release announcing the event was distributed on March 4<sup>th</sup>.
- Pam McNulty and Kathleen Tunson worked the event and discussed CHET and the CHET Dream Big! Competition with hundreds of families during the event.
- The sponsorship included a full page ad in CT Parent Magazine, signage at the CT Post Mall, radio announcements before and during event, and table during the event.
- Connecticut Parent Magazine included post-event articles in their print and online publications.
- A few photos from the event are to the left.



Promotional signage posted before and during the event.

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Community Outreach Highlights

## IN COMMUNITY EVENTS AND ACTIVITIES (cont'd):

### March 18<sup>th</sup> - CHET Dream Big! College Fair:



The CHET Dream Big! College Fair was held in the cafeteria at Classical Magnet School, Hartford.



Kathleen Tunson and Pamela McNulty were on-site to answer questions about CHET and to hand out information about the CHET Dream Big! Competition.

- The CHET Dream Big! College Fair was held on March 18, at Classical Magnet School, Hartford, CT.
- The College Fair was designed to educate parents and children grades K-6 about the importance of going to college and starting to save early.
- Over 50 parents and children attended the event.
- The event solidified very positive relationships with the Classical Magnet School and all participating colleges and universities, who were all interested in future collaborations.
- The list of colleges included: Albertus Magnus, Central Connecticut State University, Briarwood, Paier College of Art, Southern Connecticut State University, University of Hartford, University of New Haven, Wesleyan University, Yale University, Central Connecticut State University, Eastern Connecticut State University, Gateway Community College, Goodwin, Sacred Heart, Trinity College, Tunxis Community College, University of Bridgeport and University of Connecticut.
- The list of career speakers included: Fran Morales (Telemundo Communications, marketing & promotions), Sarah French (Fox 61, news reporter), Kathleen Tunson and Pam McNulty (TFI and CHET representatives), Joseph Shiman (Hensley Associates, financial advisor), Kate Sidley (Hartford Stage Company, theater careers), Shellie Giroux (Avon Wellness Center Dental Associates, dental careers), Don Carter (author and illustrator for children's books, careers in writing and animation), Catherine Carter (UConn Health Center, dietician and medical careers), and Sonia Plumb (choreographer, dance careers).

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Community Outreach Highlights

## IN COMMUNITY EVENTS AND ACTIVITIES (cont'd.):

### March 18<sup>th</sup> - CHET Dream Big! College Fair (cont'd.):



Sarah French (Fox 61, news reporter), is pictured with CHET Dream Big! College Fair attendees.



Pre-event coverage included a calendar listing on [www.kids.ct.gov](http://www.kids.ct.gov) website. A screen capture appears above.

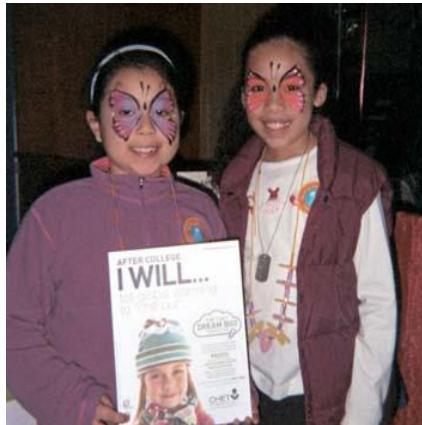
- CHET Dream Big! Competition Official Entry Forms were distributed to all College Fair participants, and left behind for the sixth graders at the Classical Magnet School.
- Pre-Event Media Coverage:
  - On Monday, March 16, Kathleen Tunson spoke with Nancy Barrow of Hot 93.7, WZMX FM radio about the Dream Big! College Fair. The interview aired on Tuesday, March 17, the day before the College Fair.
  - The College Fair was featured in the State section of the daily newspaper, *Journal Inquirer*, on Saturday, March 14.
  - Hartford.com, Westhartford.org, the ConneCT Kids Government Web site) and the iTowns section online at The Hartford Courant all featured calendar listings of the CHET Dream Big! College.
- Post-Event Media Coverage:
  - On the night of the College Fair, and the next morning, event coverage appeared on both Fox 61 (three times) and NBC 30 (three times)—bringing the messages of CHET, the College Fair and the Dream Big! Competition into 50,000 Connecticut homes for each of the six airings—for a total of 300,000 household impressions.
  - Fox 61 also posted a link to the CHET Dream Big! microsite on their station Web site for even more visibility.

*Online links to the pre- and post-event coverage were submitted to the Treasurer's staff during March.*

# **Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009**

## **Community Outreach Highlights**

### **IN COMMUNITY EVENTS AND ACTIVITIES (cont'd):**



#### **□ March 21<sup>st</sup> – 22<sup>nd</sup>, Latino Expo:**

- CHET participated as an exhibitor at the 19th Annual Latino Expo held on March 21 – 22 at the Expo Center in Hartford, CT.
- Kathleen Tunson was the CHET representative during the two day event.
- Hundreds of families (primarily Latino) took enrollment materials, program brochures and CHET Dream Big! Competition information and entry forms and asked questions about saving for college and the benefits of using CHET to help them meet their college savings goals.

Two attendees at the Latino Expo take CHET Dream Big! Competition information to review.

#### **□ March 25<sup>th</sup> - Greater Bridgeport Latino Network- "It's Your Money" Conference:**

- CHET participated as an exhibitor and speaker at the first annual Greater Bridgeport Latino Network - "It's Your Money" Conference on March 25 at Casey Family Services, Bridgeport, CT, from 5:30 – 8:30 p.m.
- The focus of this event was to educate individuals on many of the services (financial and other) that are available to low- to moderate-income families.
- Speakers at the event included: Credit Counseling, 2-1-1 (CT based services for low- to moderate-income families), People's Bank (promoting their checking and savings accounts), State Farm (promoting their free retirement planning services), Connecticut Association for Human Services (financial education services on host of issues) and CHET.
- Pam McNulty was the CHET representative. As an exhibitor and speaker, Pam was given the opportunity to speak about the benefits of saving for College early via CHET and promote the CHET Dream Big! Competition.
- Fifteen- twenty low- to moderate income families (primarily from the Hispanic community were in attendance at the event.

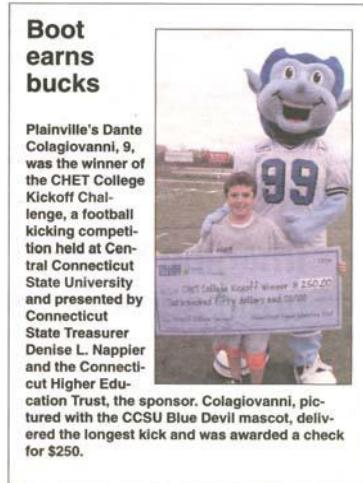
# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Public Relations Highlights

Summary of media outreach efforts conducted by Adams & Knight, the public relations agency of record for CHET.

## Media Outreach:

- CHET Kick-Off Challenge – During January, CHET Kick-Off Challenge winners were featured in local newspapers. Dante Colagiovanni was featured in *The Plainville Citizen* and Jonathan Beck, Grand Prize Kickoff winner, was featured in the *Connecticut Voices* newspaper.
- The fall 2008 CHET College Kickoff events won a 2009 Mark of Excellence Award from the American Marketing Association. The awards ceremony was held on Thursday, March 26 at The Colonnade in Glastonbury.

## *Connecticut Voices*



## *The Plainville Citizen*

## **Jonathan Beck Wins CHET Championship**

WOODBURY — Jonathan Beck of Woodbury, 11, won the CHET College Kickoff Challenge Championship, a statewide football kicking competition, which took place in November during half-time of a football game at Central Connecticut State University.

Jonathan won a grand prize of \$500, presented by State Treasurer Denise L. Nappier and the Connecticut Higher Education Trust, sponsor of the event.

The CHET College Kickoff Challenge, designed for school children ages 7 to 12 years-old, was offered at three state universities during the college football season to help generate awareness among residents of the need to save money for college.

Children were randomly selected in drawings during the games and invited onto the football field at half-time to see who could kick a football the furthest.

Jonathan advanced to the CHET College Kickoff Challenge Championship after winning the Western Connecticut State University College Kickoff Challenge in October.

CHET, the state's 529 college savings plan, is designed to provide families of all household incomes and backgrounds with an affordable way to save for higher education expenses.

Those seeking additional information about CHET or applications may call the customer service center at 1-888-799-2438 or visit [www.aboutchet.com](http://www.aboutchet.com).

## ▪ CHET Dream Big! Competition and College Fair Outreach:

- Press releases for the CHET Dream Big! Competition and College Fair were distributed in March.
- A&K conducted e-mail and phone pitches about the CHET Dream Big! Competition and College Fair with outlets including—but not limited to: *The Hartford Courant*, *Journal Inquirer*, *Avon Life*, *The Bristol Press*, *The New Britain Herald*, *Inner City*, *The New Haven Register*, *The Connecticut Post*, *Business New Haven*, *Connecticut Business Magazine*, *Wethersfield Post*, *Newington Town Crier* and *Rocky Hill Post*.
- A&K continued to reach out to Latino publications such as *Identidad Latina*, *Registro*, *El Sol*, *El Canilita*, and *La Voz*, as well as Latino and urban radio stations across the state about upcoming CHET events.

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009

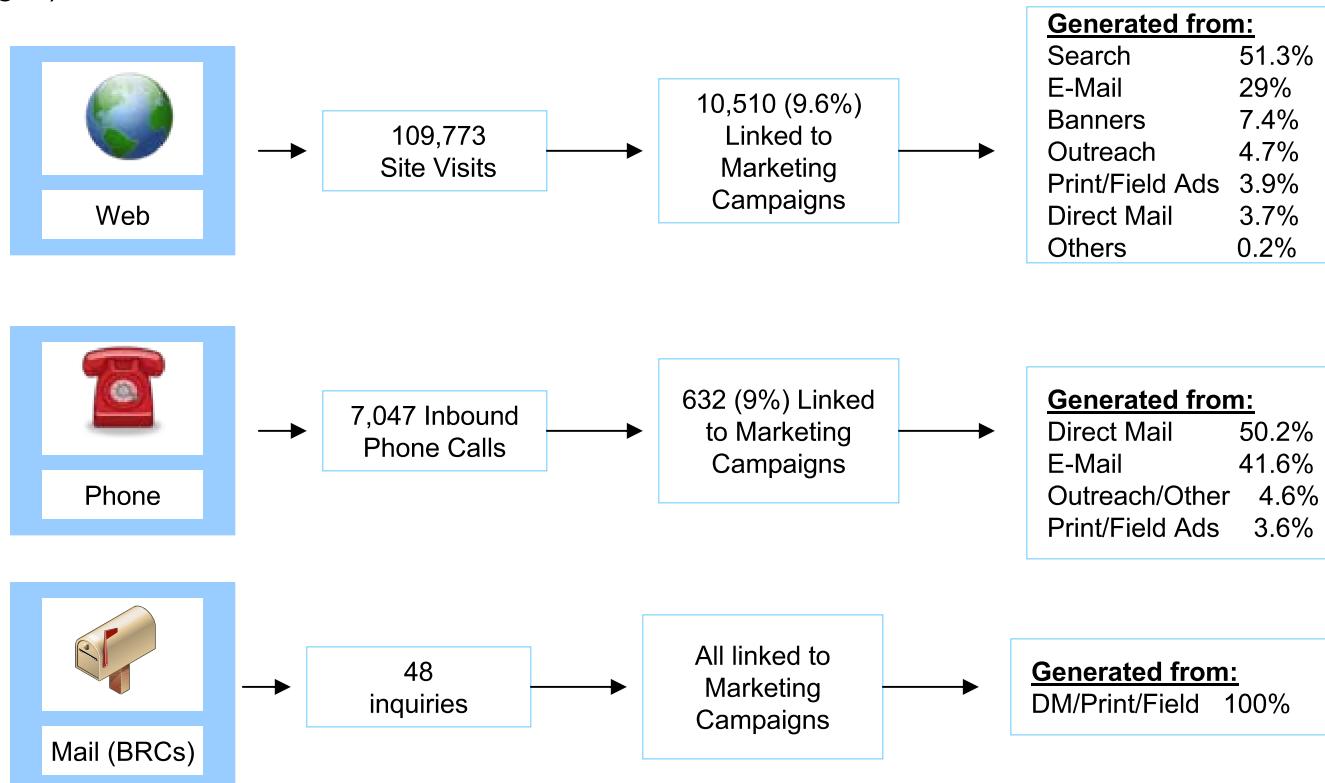
## Marketing Matrix: Channel and Audience Mix

	Prospects	Inquirers	Account Owners
E-Mail	52,145 Mailed	1,194 Delivered	33,342 Delivered
Direct Mail	6,118 Mailed	2,196 Delivered	97,503 (incl. statement inserts)
Paid Search	541,177 Impressions Served		
Banners	1,663,622 Impressions Served		
Print Ads	Connecticut Parent Magazine, Inner City News (Black History Month and Martin Luther King Celebration issues), Latino Expo Program Guide and the Connecticut FPA Conference Program Guide		
Radio/TV	CHET Dream Big! Competition and College Fair Announcements on Hot 93.7, WZMX FM radio, Fox 61 (three times) and NBC 30 (three times)—bringing the messages of CHET, the College Fair and the Dream Big! Competition into 50,000 Connecticut homes for each of the six airings—for a total of 300,000 household impressions.		
Field Events	CHET and Connecticut Camp Fair, CHET Dream Big! College Fair, Latino Expo, ALCOA Lunch 'n Learn, ALCOA Webinar, Greater Bridgeport Latino Network—It's Your Money” Conference, and the Treasurer’s Annual Public Finance Outlook Conference.		

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009

## Overall Inbound Inquiry Activity

- The CHET program continued to stimulate inbound inquiry activity among the prospect and Account Owner populations with over 116,000 inquiries during the quarter.
- On-line is the most preferred channel of inquiry. Web-based activity that can be directly attributed to campaigns is primarily sourced to search, banner, and e-mail initiatives (88% of web-based inquiries).
- E-mail generated over 3,000 web-based inquiries and over 263 inbound calls during the quarter.
- Print and Field activities were directly responsible for over 410 inquiries (on-line and inbound calls).
- Direct mail is driving inquiry activity into the call centers (over 316 phone inquiries were successfully attributed to DM campaigns).

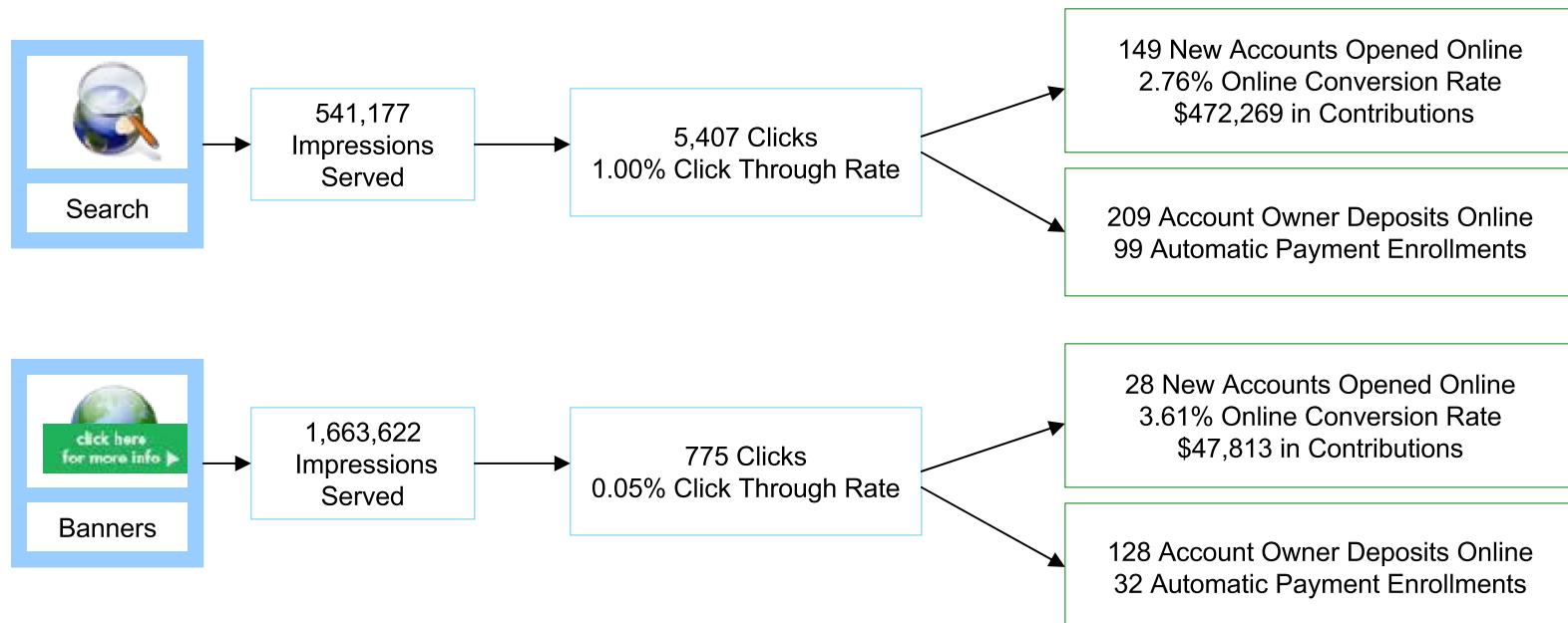


# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009

## Channel Highlights & Effectiveness

### SEARCH AND BANNERS:

- The search channel exhibited strong performance in Q1, 2009, serving over 540,000 impressions and generating over 5,400 web-based inquiries. The channel directly accounted for 149 new accounts totaling over \$470,000 in contributions via the web. Account Owners are leveraging search frequently to navigate to the account contributions page, evidenced by the 209 existing account deposits sourced to this channel.
- Banners generated 28 new accounts via the web. This media type proved valuable in deepening existing Account Owner relationships, capturing 128 Account Owner deposits and 31 automatic payment plan enrollments via the web during the quarter.

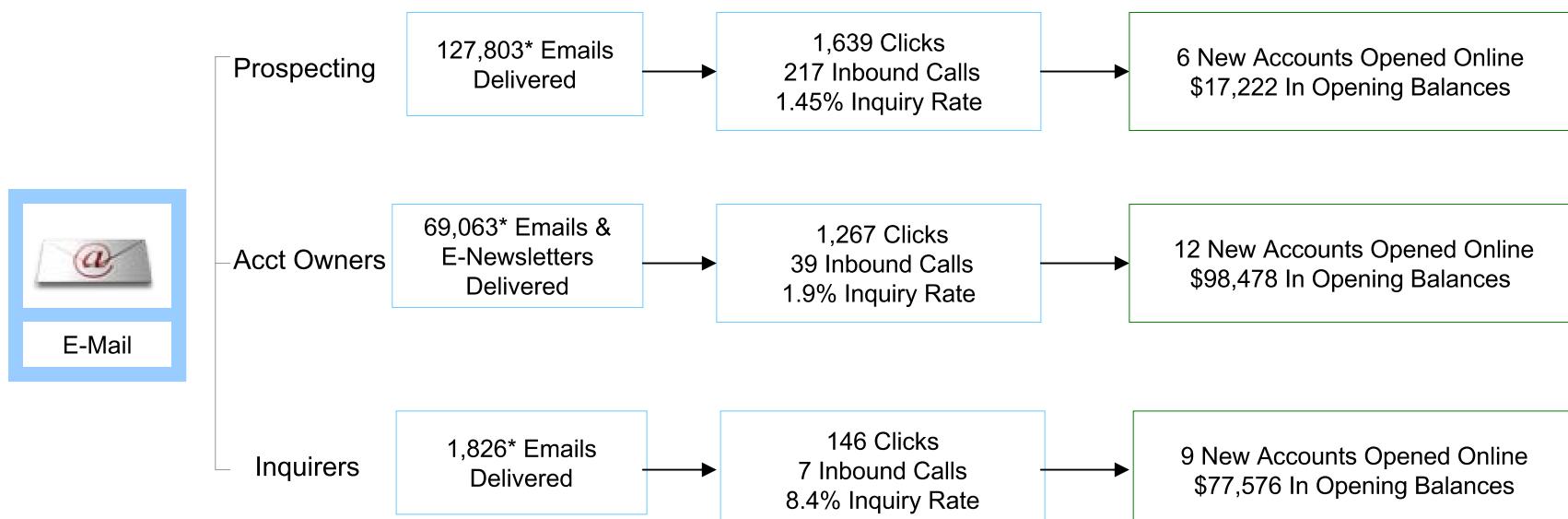


# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009

## Campaign Measurement & Insights: Channel Highlights & Effectiveness

### E-MAIL:

- The e-mail channel generated over 1,800 inquiries (clicks and calls) from prospects and over 1,300 inquiries (clicks and calls) from Account Owners during Q1, 2009.
- E-mail is proving to be an effective channel for increasing engagement and investment activity among the Account Owner and inquirer population.
  - The inquiry rate among the Account Owners was higher than the pure prospect audience (1.9% Vs. 1.45%)
  - The inquiry rate for past inquirers at 8.4% was the highest of any segment.
- Note that the current attribution process for linking account openings to a particular EM campaign only captures web-based account openings sourced through specific links imbedded in the e-mail.



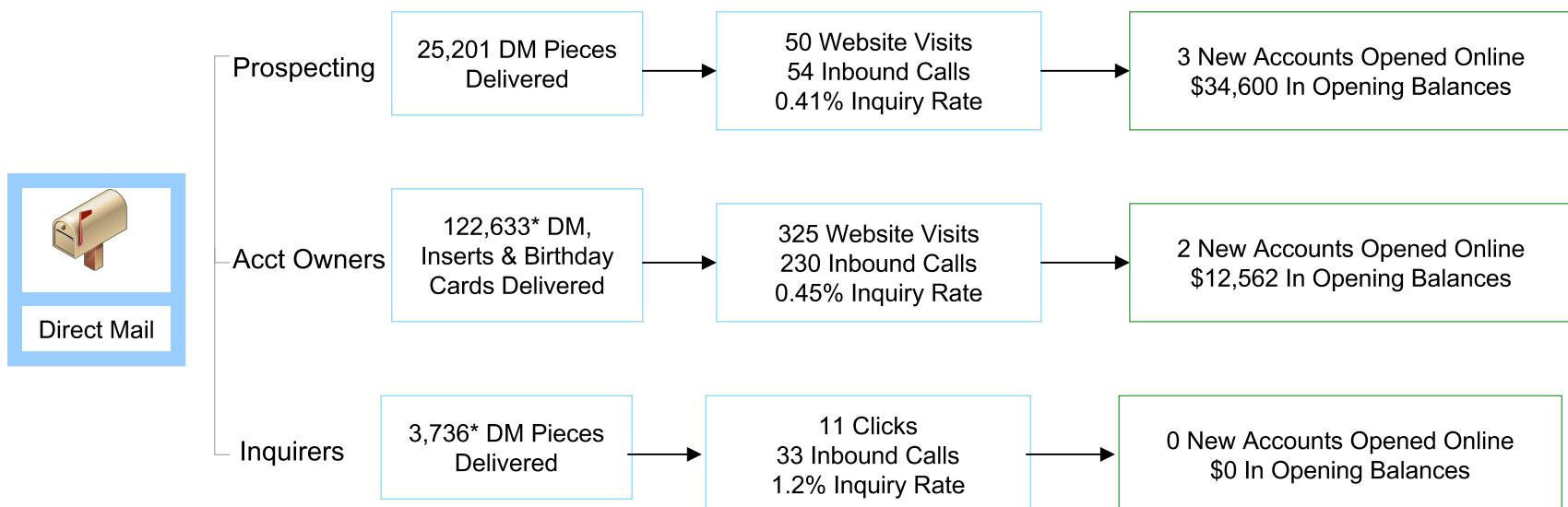
\* Includes November, December 08 Initiatives as inquiries were still being generated from these campaigns in January, 2009.

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009

## Campaign Measurement & Insights: Channel Highlights & Effectiveness

### DIRECT MAIL:

- The direct mail channel generated over 100 inquiries (clicks and calls) from prospects and over 550 inquiries (clicks and calls) from account owners during Q1, 2009.
- The direct mail channel is proving to be an effective channel for increasing engagement and investment activity among the inquirer population.
  - The inquiry rate for past inquirers at 1.2% was the highest of any segment.
- Note that the current attribution process for linking account openings to a particular DM campaign only captures web-based account openings sourced through specific links imbedded in the direct mail.



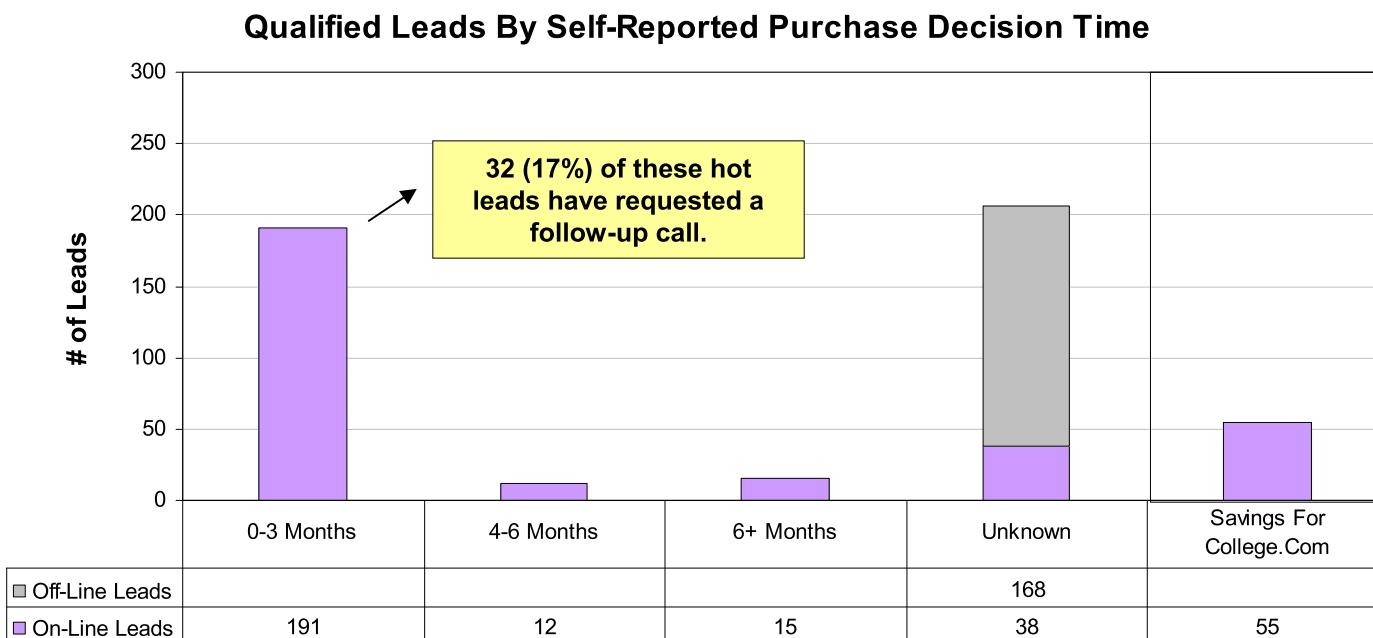
\* Includes November, December 08 Initiatives as inquiries were still being generated from these campaigns in January, 2009.

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009

## Campaign Measurement & Insights: Channel Highlights & Effectiveness

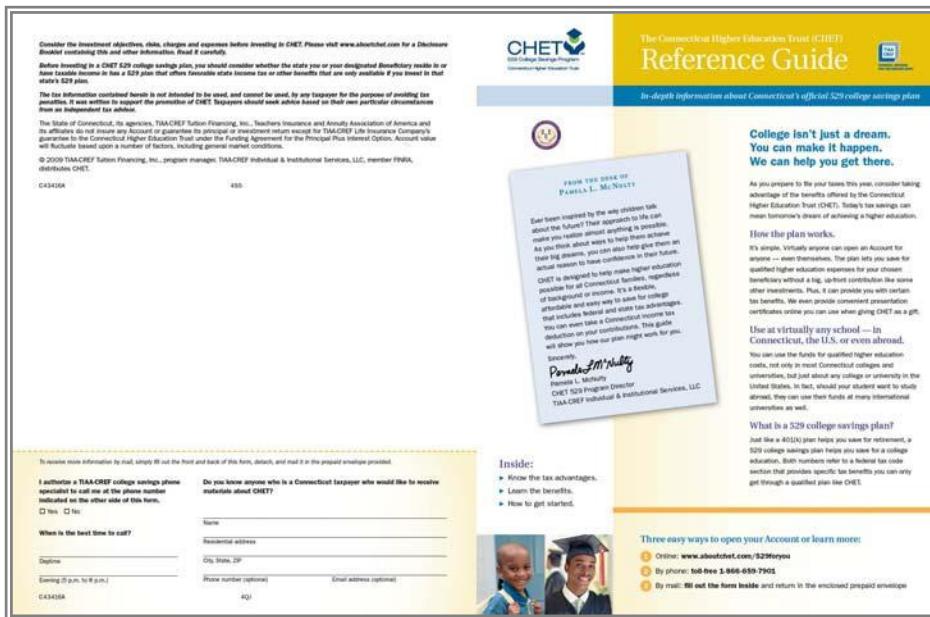
### INQUIRER COMMUNICATION:

- A total of 479 qualified leads were captured via on-line and off-line channels for continuing marketing communications and call center follow-up.
- The leads were sourced via off-line channels (BRC's and Phone calls) and via online channels (the account information request page on the state's 529 plan website and the automated voice response system). Information around the 529 plan decision time for each prospect was captured at the time of inquiry.
  - 191 leads reporting a 529 plan decision within the subsequent 3 months contacted CREF.
  - 17% of these leads requested a follow-up call from a consultant.



# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Creative – Prospect Communication – Direct Mail

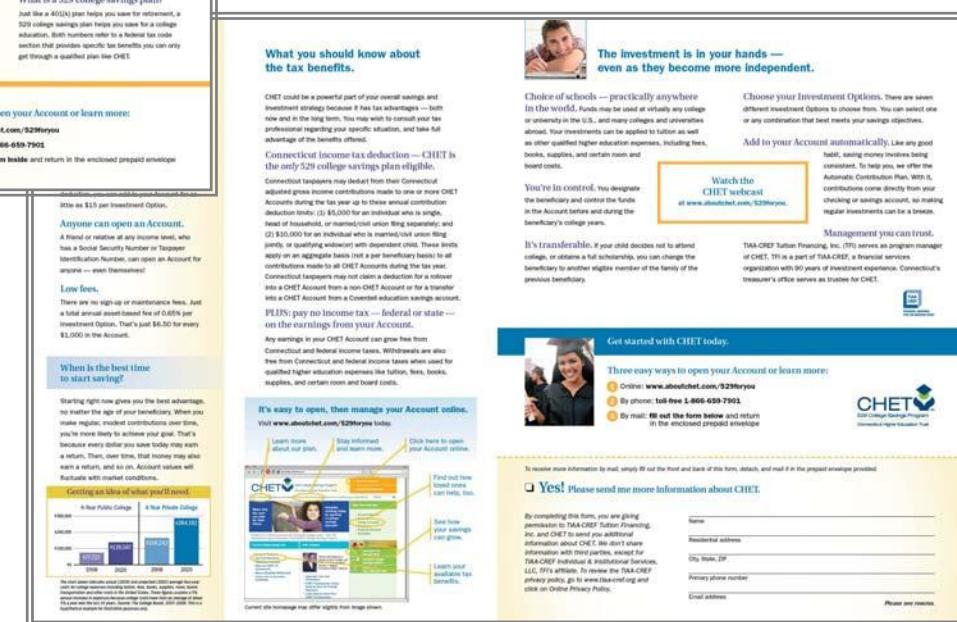
## Direct Mail – Prospects



## 11x17 Resource Guide



## Outer Envelope



# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Creative – Prospect Communication – Online

E-mail

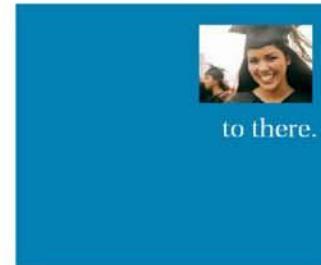
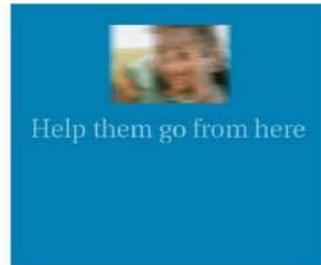
## Landing Page

The landing page for Connecticut's Official 529 College Savings Plan (CHET) features a large banner with a father and son smiling. Below the banner, a headline reads "Fulfill their dreams with a college savings plan. We can help you get there." A call-to-action button says "Open an Account". To the right, a section titled "What is a 529 college savings plan?" provides a brief explanation. Further down, sections include "Considering CHET as a gift?", "RESOURCES", and "Tell a friend about us.". At the bottom, a disclaimer states: "Consider the investment objectives, risks, charges and expenses before investing in CHET. Please visit [www.aboutchet.com](#) for a Disclosure Booklet containing this and other information. Read it carefully." Other footer text includes: "Before investing in a CHET 529 college savings plan, you should consider whether the state you or your designated Beneficiary reside in or have taxable income in 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 law contains certain restrictions and 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 CHET. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.", and "The State of Connecticut, 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 the Connecticut Higher Education Trust under the Funding Agreement for the Principle Plus Interest Option. Account value will fluctuate based upon a number of factors, including general market conditions." The page also mentions "© 2009 TIAA-CREF Tuition Financing, Inc., program manager. TIAA-CREF Individual & Institutional Services, LLC, member FINRA, distributes CHET."

The e-mail header shows "From: CHET", "To: [redacted]", and "Subject: College saving that helps maximize Connecticut tax benefits." The body of the email includes a blue banner with the text "Save for college with a plan that fits your budget. You can get there. We can help." and two images of children. Below the banner, the CHET logo is displayed with the text "Connecticut's official 529 college savings plan." and buttons for "Open an Account", "Learn More", "Request Enrollment Kit", and "View our Webcast". A section titled "Consider opening an Account today to help maximize your tax benefits." follows. This section includes a "Dear Connecticut Resident," salutation, a "Choose the college savings plan that can help you reach your goals." section, and a "Connecticut income tax deduction — the only 529 college savings plan eligible is CHET." section. The "Connecticut income tax deduction" section details how contributions to CHET accounts are deductible. Below this, a "Zero income tax on your earnings — both federal and state." section explains that earnings in CHET accounts are tax-free. The "Easy to start." section reiterates that anyone can open an account. The "Considering CHET as a gift?" section provides information on gifting. The "RESOURCES" section lists links to the CHET homepage, enrollment kit, college savings calculator, parent resources, investment options, download booklet, and news. The "Tell a friend about us." section has a link to "Open an Account". The signature at the bottom left is "Pamela L. McNulty" with the title "CHET 529 Program Director, TIAA-CREF Individual & Institutional Services, LLC". The TIAA-CREF logo is at the bottom right. A yellow banner at the bottom right encourages users to "You can help ensure a better life through higher education. And we can help you get there. Questions? We'll help. Call us toll-free at 1-866-314-3267."

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Creative – Prospect Communication – Online

## Animated Banner Ads



Child photo moves right as text fades.  
The photo blurs and fades into...

graduate photo, which ends in position.  
Text fades in.



Text fades in as text under photo fades out,  
then state seal fades in.



CHET logo fades in, replacing state seal.

300 x 250 banner ad size  
will also have versions with  
the following photo pairings:



Compliance  
code:

C43425D



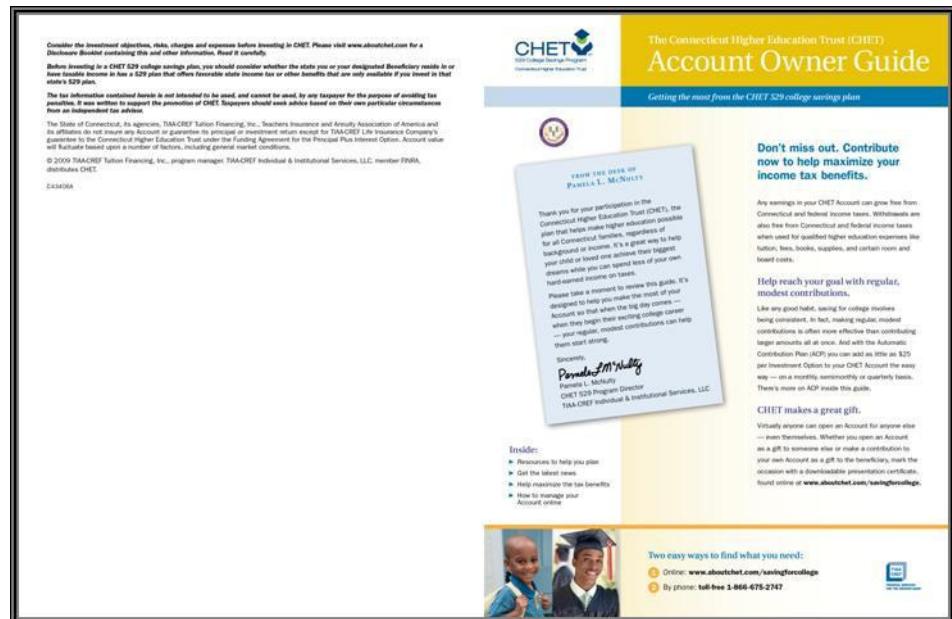
C43425G



C43425J

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Creative – Account Owner DM Communication

## Direct Mail – Account Owner



## Outer Envelope



## 11x17 Resource Guide



# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Creative – Account Owner Online Communication

E-mail

The screenshot shows an email from the Connecticut Higher Education Trust (CHET) titled "Tax benefits that help keep your 529 on track." The subject line is "Keep your college education goal in focus. CHET can help you get there." The email features a blue header with the CHET logo and navigation links for "Add to Your Account," "Automatic Contribution Plan," "College Savings Calculator," and "Parent Resources." Below the header, a yellow banner encourages users to contribute to their CHET Account to maximize tax benefits. The main content includes sections on optimizing savings plans, developing a saving habit (with links to automatic contribution plans and payroll deductions), and CHET making a great gift. It also mentions the CHET 529 college savings program and its tax advantages. A signature from Pamela L. McMurtry, CHET 529 Program Director, is present. The footer contains a photo of two children, contact information for CHET specialists, and a link to their website.

From: Connecticut Higher Education Trust  
Subject: Tax benefits that help keep your 529 on track.

Keep your college education goal in focus.  
CHET can help you get there.

Connecticut's official 529 college savings plan.

Add to Your Account   Automatic Contribution Plan   College Savings Calculator   Parent Resources

Contribute to your CHET Account now to help maximize your tax benefits.

Dear Account Owner,

Thank you for your participation in the Connecticut Higher Education Trust (CHET), the plan that helps make higher education possible for all Connecticut families, regardless of background or income. It's a great way to help your child or loved one achieve their biggest dreams while you can spend less of your own hard-earned income on taxes. And whether that big day — when they begin their exciting college career — is right around the corner or years away, your regular, modest contributions can help them start strong.

Income tax benefits: make the most of the advantages.

Any earnings in your CHET Account can grow free from Connecticut and federal income taxes. Withdrawals are also free from Connecticut and federal income taxes when used for qualified higher education expenses like tuition, fees, books, supplies, and certain room and board costs. [Learn more.](#)

Help reach your goal with regular, modest contributions.

Like any good habit, saving for college involves being consistent in your approach. In fact, making regular, modest contributions is often more effective than contributing larger amounts all at once. You can add as little as \$25 per Investment Option to your CHET Account on a monthly, semi-monthly or quarterly basis — the easy way with the Automatic Contribution Plan. To sign up for or increase your ACP contributions, [click here.](#)

CHET is the **only** 529 college savings program that provides a Connecticut income tax deduction.

Connecticut taxpayers may deduct from their Connecticut adjusted gross income contributions made to one or more CHET Accounts during the tax year up to these annual contribution deduction limits: (1) \$5,000 for an individual who is single, head of household, or married/civil union filing separately; and (2) \$10,000 for an individual who is married/civil union filing jointly, or qualifying widow(er) with dependent child. These limits apply on an aggregate basis (not a per beneficiary basis) to all contributions made to all CHET Accounts during the tax year. Connecticut taxpayers may not claim a deduction for a rollover into a CHET Account from a non-CHET Account or for a transfer into a CHET Account from a Coverdell education savings account.

And to help you optimize your savings strategy, please use our online savings calculator. Try it out by [clicking here.](#)

**Pamela L. McMurtry**  
Pamela L. McMurtry  
CHET 529 Program Director  
TIAA-CREF Individual & Institutional Services, LLC

This email is a commercial advertisement.  
Please see below for information about your opt-out rights.

Questions? We'll help.  
Speak directly to a CHET specialist.  
Call toll-free at 1-866-675-2748. Or visit us online.

# Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Creative – Account Owner Online Communication

## E-newsletter

The screenshot shows an email client displaying the Spring 2009 issue of the Connecticut Higher Education Trust (CHET) e-newsletter. The subject line is "Growing the Dream, your Spring 2009 CHET E-newsletter". The header features the CHET logo and a photo of a young girl and her mother. Below the header, there's a yellow banner with the title "Growing the Dream" and the subtitle "A College Savings Quarterly Newsletter". A message from the Program Director follows, with a call to action about checking up on the tax season. The newsletter includes sections for "Manage Your Account", "Services & Forms", and "Resource Links", each with a list of links. At the bottom, there's a signature from Pamela L. McNulty, CHET Program Director, TIAA-CREF Tuition Financing, Inc.

From: Date: Subject:

Growing the Dream, your Spring 2009 CHET E-newsletter

**Growing the Dream**  
A College Savings Quarterly Newsletter

CHET  
529 College Savings Program  
Connecticut Higher Education Trust

Spring 2009      A MESSAGE FROM THE PROGRAM DIRECTOR

Inside:  
> CHET Dream Big!  
> Spotlight Features  
> Calendar of Events  
> Resource Links

Manage Your Account:  
Log in and:  
> Check Current Performance  
> Make a Contribution  
> Start/Change Automatic Contribution Plan  
> Update Personal Information

Services & Forms:  
> Download Forms  
> Make a Withdrawal  
> Update Personal Information  
> Rollover Form  
> Disclosure Booklet  
> CHET Homepage

Resource Links:  
> TIAA-CREF  
> CHET Treasurer's Office

With the tax season here again — it's a perfect time for your CHET checkup!

Dear Account Owner,

I want to remind you that not only is CHET one of the state tax deductions available to Connecticut taxpayers, it is the only 529 college savings plan for which Connecticut taxpayers may claim a Connecticut income tax deduction.

As you close the books on 2008 and start planning for 2009, below are a few tips to help ensure you are taking advantage of all the benefits your CHET Account has to offer and maximizing your college savings opportunities:

- Claim your Connecticut state income tax deduction on 2008 CHET contributions.
- Set your 2009 savings goals. Consider earmarking a portion of your potential 2008 tax refund for contribution to your CHET Account in 2009, and you'll be that much closer to realizing the dream of a college education for your child or loved one.
- Continue to review and monitor your savings goals. Are you on track? If you're not sure, start with a visit to the National Center for Education Statistics, which provides current tuition and expense data for nearly 7,000 colleges and universities in the United States. Then, use those figures to see how your progress and current investment strategy compare in the [College Savings Calculator](#).
- If you haven't already, consider signing up for our Automatic Contribution Plan (ACP). By automating them, your monthly contributions are taken care of. This will help keep your savings goals on track while you continue to see potential long-term benefits for you and your child or loved one.
- Review your Investment Options. The Treasury Department and the IRS recently announced that for 2009 only, 529 plan Account Owners will be allowed to change Investment Options two times per year. Consider taking advantage of this change to make adjustments to your investment allocations. Note this change is for 2009 only.

Is your strategy planned according to when you'll need the money? In general, equity investments (such as stocks) offer the potential for higher returns over the long term, but also expose you to more risk. On the other hand, investments with less risk – such as bonds – offer lower potential returns, but also less risk. It's important to meet your goals on time. A good rule of thumb is to consider starting with a more aggressive, higher-risk strategy if you're in the early saving stages (10 years or more away from needing the money), and then switch to a more conservative, lower-risk strategy as college approaches. Whether you use the Age-Based allocation options to do this automatically or not, it's very important to periodically review your Account to make sure your goals are still on track. How you allocate your investments is a very important and individual decision. It depends on your own personal circumstances, and if you need help deciding, please contact us, toll-free, at 1-866-875-2747.

Thank you for being a CHET Account Owner and have a wonderful spring season!

Sincerely,

*Pamela L. McNulty*  
Pamela L. McNulty  
CHET Program Director  
TIAA-CREF Tuition Financing, Inc.

# Connecticut Higher Education Trust Dream Big! Competition Creative

Micosite

The screenshot shows the official website for the CHET Dream Big! Competition. At the top, there's a navigation bar with links for 'HOME', 'NEWS', 'CONTACT US', and 'RULES'. Below this is a main banner featuring a large blue cloud icon with the text 'THE CHET DREAM BIG! COMPETITION' and the CHET logo. To the right of the banner, there are sections for 'HOW TO ENTER', 'OVERVIEW', 'PRIZES', and 'FOR EDUCATORS'. A central call-to-action box highlights 'AFTER COLLEGE I WILL...' followed by three sub-options: 'build a car that runs on old bubblegum.', 'GET YOUR WHOLE SCHOOL INVOLVED!', and 'LEARN WHY I CHOSE COLLEGE...'. Below this, there are sections for 'THE FACTS', 'OFFICIAL RULES', and 'ENTRY FORM'. The 'THE FACTS' section contains detailed information about the competition, including categories (Drawing, Essay, Poetry), submission requirements (postmarked by April 17, 2009), and prizes (e.g., college savings). The 'OFFICIAL RULES' and 'ENTRY FORM' sections provide legal details and instructions for participation.

Web Banner

The image displays three different versions of a promotional banner for the competition. Each version features a young boy blowing a large pink bubble. The top banner has the text 'AFTER COLLEGE I WILL...' in blue and 'build a car that runs on old bubblegum.' in green. The middle banner has the same text structure but with 'build a car that runs on old bubblegum.' in a larger, bolder green font. The bottom banner has the text 'WHAT WILL YOUR CHILD DO?' in blue and 'ENTER AND FIND OUT.' in green. All three banners include the CHET logo and the deadline 'APRIL 17, 2009' at the bottom. The banners are set against a white background with a thin black border around each individual banner.

# Connecticut Higher Education Trust Dream Big! Competition Creative

## Official Registration Form

Official Registration/Entry Form

**AFTER COLLEGE  
I WILL...**  
tell global warming  
to "chill out."



**THE CHET DREAM BIG! COMPETITION**

Connecticut K-6 students, enter and tell us what you'll be doing after college and you could win **PRIZES** that could help pay for college AND A CELEBRATION FOR YOUR CLASSROOM!

Grade K-3 students submit drawings.  
Grade 4-5 students submit essays.  
Grade 6 students submit poems.

Deadline for postmarked entries **APRIL 3, 2009**.  
Entries must be received by April 7, 2009.

**CHET**  
529 College Savings Program  
Connecticut Higher Education Trust

The CHET Dream Big! Competition is sponsored by the State of Connecticut Treasury and CHET.

## Material Order Form

Promotion/Entry Materials Order Form

Spread the word and help Connecticut students grades K-6 enter the CHET Dream Big! Competition by ordering these free promotion and entry materials.

**Entry Form**  
Entry form allows Connecticut K-6 students to enter the Competition and informs parents and guardians of rules  
▪ Everything needed to learn about and enter the Competition

**Buck Slip**  
Small 8"x5" marketing piece describes the CHET Dream Big! Competition  
▪ Perfect for direct mailings or take-ones at events

**Posters**  
Two double-sided 12"x18" posters feature different messages on each side  
▪ Hang up to promote the Competition to children

**Brochure**  
Pocket-sized brochure provides an overview of the CHET 529 College Savings Plan  
▪ Return the postage-paid reply card to learn more

**Web site, Banner Ads & Emails**  
CHET will also be promoting the Dream Big! Competition to families and teachers with a Web site, banner ads and emails. Please contact us if you are interested in learning more about these materials.

**Primary Contact Information**

Name _____	Title _____
School/Organization _____	_____
Shipping Address _____	_____
Phone _____	Email _____
Additional Questions/Requests: _____	

**MAIL OR FAX FORM TO:**  
CHET Dream Big! Competition  
P.O. Box 271455  
West Hartford, CT 06127-1455  
Phone: (860) 305-4405  
Fax: (860) 474-2300  
Email: [admin@chetdreambig.com](mailto:admin@chetdreambig.com)

**Deadline for postmarked entries: APRIL 3, 2009.**

**VOID WHERE PROHIBITED. NO PURCHASE NECESSARY TO ENTER OR WIN.**  
Sponsored by the State of Connecticut Treasury, Office of Connecticut Higher Education Trust (CHET). For more details and official rules and prize descriptions, please visit [www.chetdreambig.com](http://www.chetdreambig.com). The CHET Plan is administered by the Connecticut State Treasury/TIAA-CREF Tuition Financing, Inc. (TFI) services as Program Manager. TFI is a affiliate, TIAA-CREF Individual & Institutional Services, LLC, member FINRA, as its distributor. © 2009 TIAA-CREF Individual & Institutional Services, LLC, member FINRA, as its distributor.

Entries must be received no later than April 7, 2009.

# Connecticut Higher Education Trust Dream Big! Competition Creative

Parent E-mail

Parent Version

To: Click Here to add recipients  
From: Connecticut Higher Education Trust (CHET)  
Subject: Introducing the CHET Dream Big! Competition

In Attachment: None

Verdano 12 B I U T

**AFTER COLLEGE I WILL...**  
**build a car that runs on old bubblegum.**

**THE CHET DREAM BIG! COMPETITION**

How will your Connecticut K-6 child change the world after going to college? By putting their plans to paper, and submitting their entry, they could win \$250 or even \$500 that could be used to help them pay for their future education!

CHET, Connecticut's 529 college savings program, is sponsoring the Dream Big! Competition to help get Connecticut K-6 students and their parents thinking about college—and saving for it. By entering, your child could win prizes that could help pay for college. \$250 prizes will be awarded to 24 county winners—three winners from each of Connecticut's eight counties. A winning poem (Grade 6), essay (Grades 4-6) and drawing (Grades K-3) will be selected from each county. Three top statewide winners will also each win \$500.

The prize checks will be issued to the parents or legal guardians of the 24 county and three statewide winners. Teachers or principals of the three statewide winners will also receive a check for \$150 that can be used for a classroom celebration.

To find out more about the CHET Dream Big! Competition, just go to [www.chetdreambig.com](http://www.chetdreambig.com).

Deadline for postmarked entries: **APRIL 3, 2009**.  
Entries must be received by April 7, 2009.

**OFFICIAL RULES** **ENTER FORM** **ORDER MATERIALS** **VIEW WEBCAST**

If you are a Commercial Superintendent, principal or teacher, you can order CHET Dream Big! Competition Posters, registration/entry forms and more by clicking on the order materials button.

To learn more about CHET click the view webcast button.

The CHET Dream Big! Competition is sponsored by:  
The State of Connecticut Treasurer's Office and CHET.

No purchase necessary to enter or win. Void where prohibited.  
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Please note that we cannot honor requests to not email. If you feel that you are receiving this email by mistake or would like to unsubscribe **CLICK HERE**. If you have questions or comments, please write to us at the Commercial Higher Education Trust, 400 Main Street, Suite 100, Hartford, CT 06103, Attention: Kristen Turner, 800-202-0000, Customer Support, 800-202-0000, Toll-Free, Fax: 860-520-0000, Email: [kturner@chett.org](mailto:kturner@chett.org).

Before investing in a CHET 529 College Savings Plan, you should consider whether the state you or your designated Beneficiary reside in or have taxable income in has a 529 plan that offers favorable state tax treatment or other benefits that are available to you under the state's 529 plan.

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

The Plan is administered by the Connecticut State Treasury Tax-529 College Savings Program Manager, 1010 Atlantic Avenue, P.O. Box 94000, Hartford, CT 06109-0400, Tel: 860-520-0000, Fax: 860-520-0000, Email: [tax529@state.ct.us](mailto:tax529@state.ct.us), Website: [www.state.ct.us/tax529](http://www.state.ct.us/tax529).

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Teacher E-mail

Teacher Version

To: Click Here to add recipients  
From: Connecticut Higher Education Trust (CHET)  
Subject: Introducing the CHET Dream Big! Competition

In Attachment: None

Verdano 12 B I U T

**AFTER COLLEGE I WILL...**  
**invent grass that mows itself.**

**THE CHET DREAM BIG! COMPETITION**

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The prize checks will be issued to the parents or legal guardians of the 24 county and three statewide winners. Teachers or principals of the three statewide winners will also receive a check for \$150 that can be used for a classroom celebration.

Prizes will be distributed during an awards ceremony in May. The 24 county winners, three statewide winners and their teachers, principals, superintendents and family members will be invited to attend the awards ceremony.

The CHET Dream Big! Competition provides a great opportunity to promote the benefits of college savings and inspire your school and students to think about how they can make a difference in the future and ways to achieve their higher education goals. The CHET Dream Big! Competition provides the foundation for a great classroom project with prizes to help inspire student participation. You may order materials for your school or classroom by clicking on the "ORDER MATERIALS" button below, emailing us at: [admin@chetdreambig.com](mailto:admin@chetdreambig.com) or, calling us at (860) 505-4605.

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Please note that we cannot honor requests to not email. If you feel that you are receiving this email by mistake or would like to unsubscribe **CLICK HERE**. If you have questions or comments, please write to us at the Commercial Higher Education Trust, 400 Main Street, Suite 100, Hartford, CT 06103, Attention: Kristen Turner, 800-202-0000, Customer Support, 800-202-0000, Toll-Free, Fax: 860-520-0000, Email: [kturner@chett.org](mailto:kturner@chett.org).

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Connecticut Higher Education Trust Dream Big! Competition Creative

## Posters

A close-up portrait of a young girl with dark hair pulled back, smiling warmly at the camera. She is wearing a light-colored collared shirt. The image serves as the main visual for the CHET Dream Big! competition poster.

# Connecticut Higher Education Trust Print Ads

½ Page Black and White  
CT FPA Program Ad



**HE WANTS TO MAJOR IN SUPERHERO WITH A MINOR IN WRESTLER.**

Your kids don't have a clue about college. Which is why you need a plan.

It's okay for kids to dream about college, as long as you have a plan. CHET is Connecticut's official 529 college savings plan. Anyone with a Social Security Number or Federal Taxpayer Identification Number can open an account, regardless of income, and you can begin saving with as little as \$25. Check CHET out at [www.aboutchet.com/savingsplan](http://www.aboutchet.com/savingsplan) or call 866-346-1037.

Consider the investment objectives, risks, charges and expenses before investing in CHET (the Plan). Please visit [www.aboutchet.com/savingsplan](http://www.aboutchet.com/savingsplan) for a Disclosure Booklet containing this and other information. Read it carefully.

Before investing in a CHET 529 college savings plan, you should consider whether the state you or your designated 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.

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The State of Connecticut, 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 Connecticut Higher Education Trust under the Contract Agreement for the Principal Plus Interest Option. Account value will fluctuate based upon a number of factors, including general market conditions.

The CHET Plan is administered by the Connecticut State Treasury. TIAA-CREF Tuition Financing, Inc. (TFI) serves as Program Manager. TFI's Affiliate, TIAA-CREF Individual & Institutional Services, LLC, member FINRA, is the distributor.

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**PLEASE VISIT BOOTH #20.**



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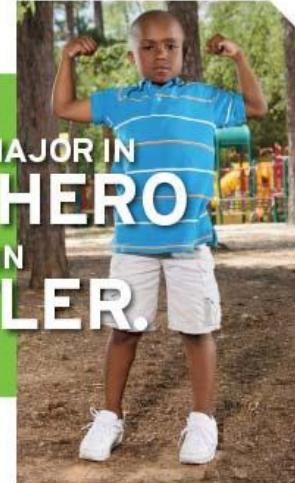
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C433018



Full Page, Four Color Ad  
used in Inner City News



**HE WANTS TO MAJOR IN  
SUPERHERO  
WITH A MINOR IN  
WRESTLER.**

Your kids don't have a clue about college.  
Which is why you need a plan.

It's okay for kids to dream about college, as long as you have a plan. CHET is Connecticut's official 529 college savings plan. Anyone with a Social Security Number or Federal Taxpayer Identification Number can open an account, regardless of income, and you can begin saving with as little as \$25. Check CHET out at [www.aboutchet.com/chetcollegeplan](http://www.aboutchet.com/chetcollegeplan) or call 800-974-0106. CHET is proud to celebrate Martin Luther King, Jr. Day.

Consider the investment objectives, risks, charges and expenses before investing in CHET. Please visit [www.aboutchet.com/chetcollegeplan](http://www.aboutchet.com/chetcollegeplan) 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 designated beneficiary resides in, or has 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.

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## **Connecticut Higher Education Trust 1<sup>st</sup> Quarter 2009 Campaign Calendar**

Marketing initiatives across multiple channels were actively executed and managed over each week during Q1, 2009.