



# Horizons

The newsletter for Nebraska's 529 Direct and Advisor College Savings Plan account holders.

**SPRING 2011**

## Message from the Treasurer

Welcome to the first edition of Horizons, the NEST quarterly newsletter. These newsletters will provide you with exciting information that can help you on your road to saving for college—whether for your child, your grandchild, or yourself.

As of December 20, 2010, investors in Nebraska and around the country have access to these excellent Plans with the following enhancements:

- New name and brand
- No annual account fee
- Simple investment structure
- Tax advantages
- Enhanced website
- Scholarship opportunities

So, welcome. I am thrilled that you chose to save through the NEST College Savings Plans.

*Your Nebraska State Treasurer*

## Start saving this year with our easy Automatic Investment Plan

The **NEST Automatic Investment Plan (AIP)** is a savings option that allows you to systematically contribute to your NEST account directly from your personal checking or savings bank account.

**Just set it and forget it ...** Saving your own way, on your own schedule, will help you meet your saving goals.

Let's look at an example. There is a new baby in your family, and you want to start saving for college. You have 18 years to save and will not withdraw any money during those 18 years. You decide to deposit \$100 per month from your bank account into NEST, where earnings are tax-deferred until withdrawn. Let's assume a modest 4% annual rate of return, compounded annually. At the end of 18 years, you will have contributed \$21,600, plus \$9,174 in accumulated earnings due to the power of compounding, for a total of \$30,774.

### SAVING WITH AIP

Depositing \$100 per month, for 18 years, into a NEST account.



At a 4% Annual Rate of Return **\$21,600** in contributions  
**\$9,174** in earnings generated (48% of contributions)  
**\$30,774** at the end of year 18

This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular college savings plan or in the NEST Direct Plan or any taxes payable upon withdrawal.

### Want to start AIP?

1. Securely log in to your NEST account
2. Select Asset Management
3. Select and complete Automatic Investments

**Already invest through AIP?** Why not think about increasing your AIP contribution? It may not seem like a difference, but if you increase your contribution by only \$25 a month (just \$300 per year) you can get even closer to your savings goals (assuming a 4% annual rate of return, compounded annually).

Saving Years	3	6	9	12	15	18
<b>\$100</b> per month	\$3,745.92	\$7,959.57	\$12,699.35	\$18,030.97	\$24,028.31	\$30,774.50
<b>\$125</b> per month	\$4,683.40	\$9,949.46	\$15,874.19	\$22,538.71	\$30,035.38	\$38,468.12

# Market Commentary



**Kurt Spieler, CFA**  
Vice President,  
Chief Investment Officer  
First National  
Wealth Management

The resumption of global economic growth has led investors to continue their recent trend of buying equities and commodities. Over the year ending February 28, stock market returns have exceeded investor expectations, with small cap and mid cap stocks up 32.8% and 32.6%, respectively.<sup>1</sup> Commodities also participated in the rally, with returns of 24.2% over the last year.<sup>2</sup> Stocks

of emerging economies around the world, bolstered by strong performance in natural resources and growth of their consumer class, performed well, up 21.0% through February 28.<sup>3</sup> With the strong returns, stock indices have turned positive over the last five years, although they remain below the market peak in October 2007. Fixed income returns have recently been more subdued, as bonds reacted negatively to increased concerns of inflation. Over the last year, bond returns were up 4.9%.<sup>4</sup>

In February and March, we have seen increased market volatility due to the social unrest in the Middle East and North Africa, as well as the catastrophic earthquake in Japan. Most economists believe the earthquake's impact on U.S. economic growth to be limited, given trade with Japan comprises just 1.2% of GDP.<sup>5</sup> The more significant risk to the global economy is from higher energy and



agricultural prices. OPEC's spare capacity rose following the recession, which should help absorb the increase in oil prices.<sup>6</sup> Overall, we expect the global economy to continue to grow at a moderate pace. Weakness in construction and expected lower government spending is being offset by growth in consumption and company investments.

1 Measured by the Russell 2000 Small Cap Index and S&P 400 Mid-Cap Index

2 Measured by the Dow Jones UBS Commodity Index

3 Measured by the MSCI Emerging Markets Index

4 Measured by the Barclays Aggregate Bond Index

5 Citigroup Global Markets

6 UBS Securities

## Scholarship Corner

Congratulations to our 10 winners in the **New Plan, New Year Scholarship** contest. Each has won \$529, which will be placed in their NEST College Savings Plan account.

**Anya** Louisville, KY

**Courtney** Omaha, NE

**Elise** Lincoln, NE

**Jeffrey** Lincoln, NE

**Jeremy** Omaha, NE

**Julianna** Tucson, AZ

**Kennedy** Cave Creek, AZ

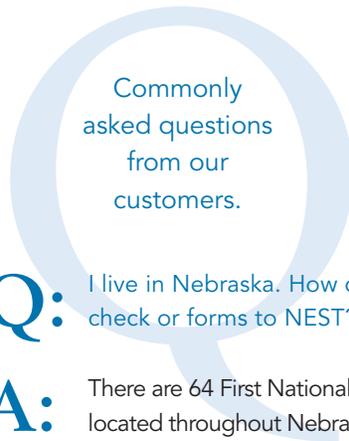
**Margaret** Bellevue, NE

**Robert** Olympia, WA

**Tyler** Bellevue, NE

Congratulations to **Aevyn Anne Smith** from Gordon, NE, who won the **New Plan, Newborn Scholarship** contest. She was born on December 20, 2010, at 11:08 p.m. Aevyn has won \$529, which will be placed in her NEST College Savings Plan account.

**NEW!** In honor of **529 Day** (May 29), NEST will contribute \$25 to the account of anyone starting an AIP (automatic investment plan) in the month of May. Visit **www.NEST529.com** for details.



Commonly asked questions from our customers.

# Voice of the Customer

**Q:** How do I know if I have an account in the NEST Direct or the NEST Advisor College Savings Plan?

**A:** Your quarterly statement will indicate whether you are in the NEST Direct or NEST Advisor College Savings Plan. Your account number will start with the number 74 if you are in the Advisor Plan, or 75 if you are in the Direct Plan. You can also call either toll-free number and representatives will be glad to assist you.

**Q:** Can I use my username and password from the former program manager to access my NEST account online?

**A:** No. But creating a new username and password on the NEST website is easy. Simply visit [www.NEST529.com](http://www.NEST529.com) and follow these steps:

1. Click on your Plan's big blue button (either NEST Direct or NEST Advisor).
2. Click "Sign up for online access" in the file folder.
3. Enter your former or current NEST account number, your SSN and ZIP code, and follow the instructions.

**Q:** How can I find my total contributions for the 2010 year, so I can determine the amount I can use for the state's tax deduction for contributions to NEST?

**A:** You should add together the year-to-date contributions that were shown on the last statement you received from the previous program manager, along with the December 17, 2010, through December 31, 2010, statement you received from NEST, and any contributions that were postmarked by December 31, 2010.

**Q:** I live in Nebraska. How can I personally deliver a check or forms to NEST?

**A:** There are 64 First National Bank branches, conveniently located throughout Nebraska, that will accept NEST contributions and forms. A listing of these branch locations can be found at [www.firstnational.com](http://www.firstnational.com). Please drop in anytime!

**Q:** I opened a NEST account and sent in a form to NEST requesting a transfer of funds from another state's college savings plan into my new account. How long does it take before I can see my money in my account?

**A:** The transfer typically takes up to 15 business days. NEST will process your request on the day it is received in good order. We then send a letter to your former college savings plan to request the funds. They will process the request and send a check back to NEST, which will be deposited into your account on the day it is received.

## Upcoming Events

Date	Event
April 12, 2011	NEST participates in <b>Teach Children to Save Day</b> events in schools throughout Nebraska
April 16, 2011	NEST booth at the <b>Nebraska Spring Game</b>
May 29, 2011	<b>National 529 Day</b>
June 11 & 12, 2011	NEST activities at the <b>Children's Fair</b> as part of the Omaha Summer Arts Festival



## Contact Us

### by Web:

www.NEST529Direct.com  
www.NEST529Advisor.com

### by e-mail:

clientservice@NEST529Direct.com  
clientservice@NEST529Advisor.com

### by phone:

Direct – 888.993.3746  
Advisor – 888.659.NEST (6378)

The NEST Direct and NEST Advisor Plans are sponsored by the State of Nebraska and administered by the Nebraska State Treasurer. The NEST Direct and NEST Advisor Plans offer a series of investment portfolios within the Nebraska Educational Savings Plan Trust, which offers other investment portfolios not affiliated with the NEST Direct or NEST Advisor Plan. The NEST Direct and NEST Advisor Plans are intended to operate as qualified tuition programs to be used only to save for qualified higher education expenses, pursuant to Section 529 of the U.S. Internal Revenue Code.

An investor should consider the Plans' investment objectives, risks, charges and expenses before investing. The Program Disclosure Statements at [www.NEST529Direct.com](http://www.NEST529Direct.com) (NEST Direct Plan) or [www.NEST529Advisor.com](http://www.NEST529Advisor.com) (NEST Advisor Plan), which contain more information, should be read carefully before investing.

Investors should consider before investing whether their or their beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program and should consult their tax advisor, attorney and/or other advisor regarding their specific legal, investment or tax situation.

This material is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice, or for use to avoid penalties that may be imposed under U.S. federal tax laws. This material is not an offer to sell or a solicitation of an offer to buy any securities. Any offer to sell units within the Plan may only be made by the Program Disclosure Statement and Participation Agreement relating to the Plan.

Participation in the Plans does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover tuition and other higher education expenses, or that a beneficiary will be admitted to or permitted to continue to attend an eligible educational institution.

Investments in the NEST Direct and NEST Advisor Plans are not guaranteed or insured by the FDIC or any other government agency; are not deposits or other obligations of any depository institution. Investments are not guaranteed or insured by the State of Nebraska, the Nebraska State Treasurer, the Nebraska Investment Council or First National Bank of Omaha or its authorized agents or their affiliates, and are subject to investment risks, including the loss of principal amount invested.

**Nebraska Educational Savings Plan Trust** Issuer  
**Nebraska State Treasurer** Trustee  
**Nebraska Investment Council** Investment Oversight  
**First National Bank of Omaha** Program Manager and Sponsor  
**First National Capital Markets** Principal Distributor, Member FINRA, Member SIPC  
First National Capital Markets and First National Bank of Omaha are affiliates



Trustee

 First National Bank Omaha

Program Manager

Investments Are Not FDIC Insured | No Bank, State or Federal Guarantee | May Lose Value

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