



Horizons

The newsletter for the NEST 529 Direct and Advisor College Savings Plan account owners.

SUMMER 2016

Message from the Nebraska State Treasurer

For those whose work schedules lighten this time of year, and even for those of us whose work doesn't let up, summer brings a sense of freedom and adventure and joy. "Enjoy the summer," we are inclined to say. Get out in the sunshine. Smell the flowers. Walk in the grass. Get away. Take a few days off. Relax.

While you are planning those adventures and getaways that bring joy and relaxation to your family's summer, take some time to think about your children's educational futures and your relationship with the Nebraska Educational Savings Trust.

Summer is a perfect time to reassess your college savings goals and your strategy for getting there. As you plan your children's schedules and write checks for sports, camps, and enrichment activities, and as you make reservations for family getaways, consider your long-term commitment to your children's NEST 529 college savings accounts.

You might consider increasing your contributions to your children's NEST accounts or adding a one-time contribution to celebrate a special occasion. You might want to take advantage of a NEST 529 gift certificate contribution for that special life event, or you might want to encourage grandparents, other family members, or friends to forego birthday or holiday gifts and, instead, make a contribution to your child's NEST college savings account.

Here at NEST we say, any time – winter, spring, summer, or fall – or any occasion is the right time to give a gift of education. It's a gift your child will never outgrow. And to help your children appreciate gifts to their 529 college savings accounts, you might want to talk to them about wise saving, spending, and sharing to introduce financial literacy skills early in their lives. Then let the sun shine, the flowers bloom, and the green grass grow. Get away. Take a few days off. Relax. Your children's futures are as bright as a summer day.



Summer-inspired Savings

By having a NEST 529 College Savings Plan account, you have taken the first step in the right direction of saving for your child's education. As you are enjoying time with your children or grandchildren this summer, take time to think about ways you can make your investment grow even more.

Is your child going into kindergarten? This is the perfect time to use the money you spent on daycare to contribute to your child's college savings plan account. Is your child graduating from elementary school? It is a great time

to have family and friends give a gift into his or her NEST account.

You might want to consider increasing your Automatic Investment Plan, sending in a lump sum payment in honor of your child or encouraging others to give the gift of education. You may want to visit the Plan's website to use our calculator to see if your savings remain on track to your goal. Go to **NEST529Direct.com** or **NEST529Advisor.com** for a wealth of information on scholarship opportunities and a number of smart ways to save.

Market Commentary



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After a volatile start in 2016, both the stock and bond markets have rallied since February.¹ Equities finished May with the fourth consecutive month of gains with S&P 500 now up 3.6% year-to-date.¹ The market rebound coincided with better economic reports with gauges related to

housing, spending, and industrial production advancing. Economic surprises have led to the New York Federal Reserve raising its second quarter GDP forecast to 2.2%.² On the negative side, the labor market added fewer jobs than expected in May with a 38,000 gain in nonfarm payrolls. The unemployment rate, however, did drop to 4.7%.³

The Federal Reserve continues to evaluate the strength of the U.S. economy to determine if interest rate increases are appropriate. The yield curve has flattened with short-term rates rising and long-term rates declining. The 10-year Treasury now yields only 0.97% more than the

2-year Treasury.⁴ Fixed income returns are positive with the Barclay's Intermediate Government/Credit Index up 2.6% so far in 2016.⁵

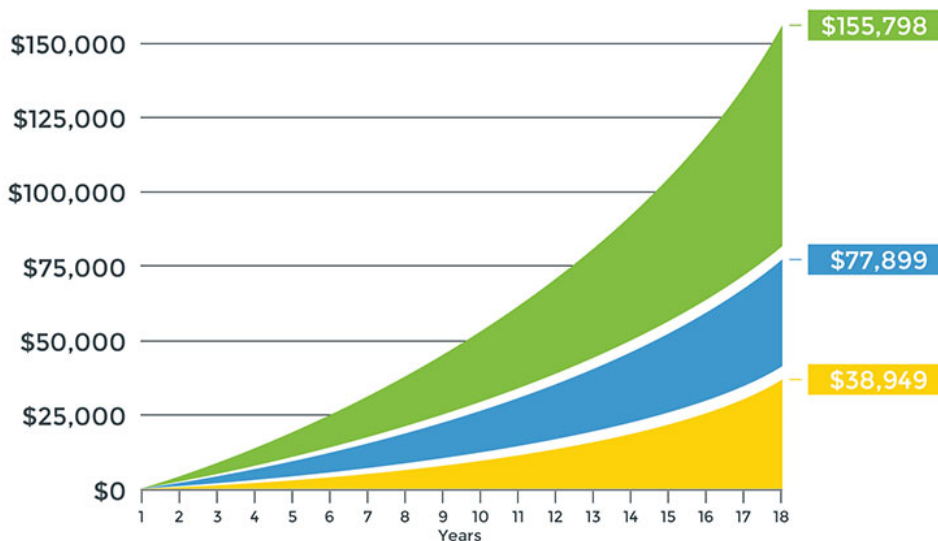
Uncertainty and volatility are normal during election years. As the president will likely face some degree of political gridlock, we believe markets will focus on fundamental drivers like corporate earnings. The key to a continuation of positive stock market returns is a resumption of sales and earnings growth. First quarter earnings reflected the fourth consecutive quarter of earnings decline, which last occurred during the 2008/2009 recession. We are seeing positive earnings revision in the energy and industrial sectors with oil prices up, and the U.S. dollar stabilizing, and analysts now expect positive earnings growth to resume in the third quarter.

- 1 S&P500 Index return as of 5.31.2016 as measured by FactSet
- 2 361 Capital
- 3 Bloomberg Bureau of Labor Statistics
- 4 Bloomberg 2- and 10-year Treasury yields as of 5.31.2016
- 5 Barclays Intermediate Government/Credit Index as of 5.31.2016 as measured by FactSet

Increasing Your Savings Can Make a Huge Difference!

Here's the bottom line: saving for college takes an investment plan that fits your financial situation and goals. It's important to save when you can, with as much as you can. Consider your comfort level now, and plan to increase your contributions at key time frames such as kindergarten, sixth grade, and ninth grade. Even adding as little as \$100 a month can result in significant savings.

Disclosure: This chart illustrates investments of \$100, \$200, and \$400 a month on the first day in the month into a college savings account that earns 6% per year, compounded monthly. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular college savings plan or in the NEST 529 Plan.



- \$400 per month (\$4,800 annually)**
\$86,400 contributions + \$69,398 earnings = \$155,798 saved in 18 years
- \$200 per month (\$2,400 annually)**
\$43,200 contributions + \$34,699 earnings = \$77,899 saved in 18 years
- \$100 per month (\$1,200 annually)**
\$21,600 contributions + \$17,350 earnings = \$38,949 saved in 18 years

Updates to the NEST College Savings Plan!

We are excited to report, effective April 29, 2016, the NEST College Savings Plans changed, and you will be pleased with the changes.

We lowered costs, adjusted allocations to underlying investments in the Age-Based and Static Investment Options, and changed underlying investments. The investment changes are intended to build upon the strong lineup of investment options that already exist in the NEST Plans. A complete description is in the Program Disclosure Statement (PDS) dated April 29, 2016. These changes did not count toward your twice-per-calendar-year investment option change limit.

For more information regarding the investments, go to NEST529Direct.com or NEST529Advisor.com.



Study Up This Summer

MAGIC SQUARES

Add down and across. Then add the totals you calculated. The sum across should equal the sum down.

7	3	
7	2	

4	4	
6	7	

5	3	
8	7	

0	7	
3	8	

9	6	
0	9	

Scholarship Corner

We are proud to award NEST scholarships in Nebraska and nationwide. Below is what is happening now, and more scholarships and bonuses are yet to come. Make sure to check the website regularly.

Big Dreams \$20k Giveaway

As the Official Sponsor of Big Dreams, NEST is giving away a \$5,000 contribution into each of four NEST 529 College Savings accounts for a child 10 years old or younger. Entering is easy ... just fill out the entry form at www.NEST529.com/BigDreamsGiveaway or send in a postcard by July 31, 2016.

Young Beneficiary New Account \$100 Bonus

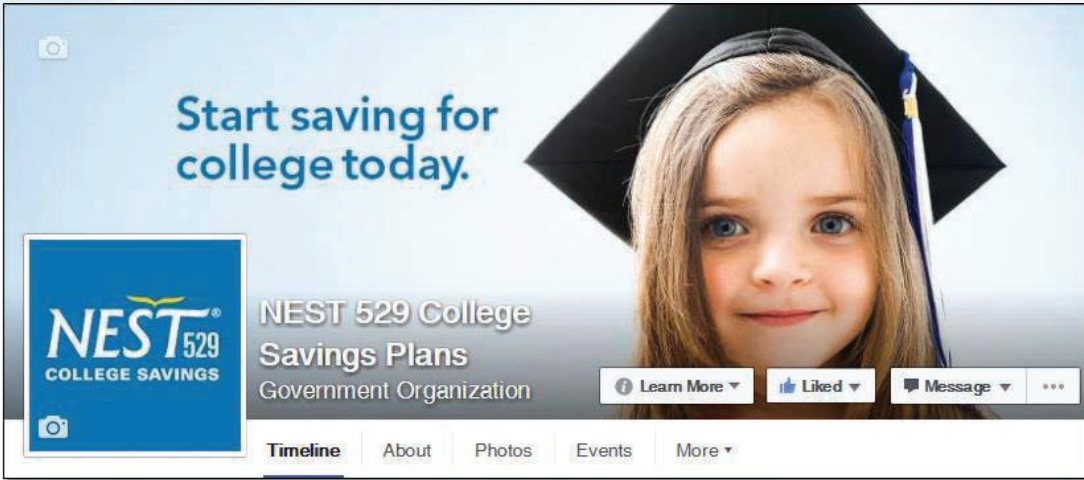
Be one of the first 100 individuals to open and contribute to a new account for a child who is 8 years old or younger between May 26 and October 31, 2016, and receive a \$100 bonus contribution into your new account. Visit the website for the official rules that include the promo code for this bonus.

Fantastic Future Me

The Fantastic Future Me exhibit is now at Nebraska's Keene Memorial Library in Fremont. Using this interactive



exhibit, children create avatars of their fantastic future selves and email them to friends and family. They are then invited to open NEST accounts using a promo code to win a \$25 contribution into a new account.



Answers to puzzles on previous page:

9	15	6
9	9	0
15	6	9

18	15	3
11	8	3
7	7	0

23	10	13
15	7	8
8	3	5

21	11	10
13	7	6
8	4	4

19	5	14
9	2	7
3	10	7

MAGIC SQUARES

NEST is on Facebook!

We are excited to announce that you can now find us on Facebook by searching NEST 529 College Savings Plans. Please like our page and visit often to see new events, scholarship opportunities, updates, and more.

Contact Us

by Web:
www.NEST529Direct.com
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 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 Plans. 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 or www.NEST529Advisor.com, 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.

Except for the Bank Savings Individual Investment Option, investments in the NEST Direct and NEST Advisor Plans are not guaranteed or insured by the FDIC or any other government agency and 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 loss of the principal amount invested. FDIC insurance is provided for the Bank Savings Individual Investment Option up to the maximum amount set by federal law, currently \$250,000.

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



Nebraska State Treasurer, Trustee

1 **First National Bank**
 Omaha
 Program Manager

Investments Are Not FDIC Insured* | No Bank, State or Federal Guarantee | May Lose Value
 *Except the Bank Savings Individual Investment Option
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