



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

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A Message from the NEST Team: Plan Review

The beginning of a new year is a chance to look back and reset. This provides the perfect opportunity to review your NEST 529 College Savings Plan account.

A lot can change in a year, so here are some tips to help set you up for success in 2019 and get the most out of your account:

Have your saving goals changed?

Life happens — we understand. Even if you have to reassess your savings goals, remember many strategies are available to help cover the cost of higher education. Still, the more you contribute to your NEST 529 account, the less you will have to rely on other sources of college funding — and potentially have to pay back later. With this in mind, spend some time developing a revamped budget and game plan that includes a realistic timeline to increase your NEST 529 account savings. You can always reach out to a trusted financial advisor for assistance.

Looking for the perfect place to invest year-end bonuses or tax returns?

Saving your end-of-year windfall is a great way to give your NEST 529 account a boost and start the New Year off right. Your NEST 529 account earnings will grow tax-deferred, and when they are needed for qualified expenses, they can be withdrawn tax-free. The satisfaction of saving for your child's academic future is a bonus.

Can you afford to save more?

Perhaps your New Year's resolution was to spend less on extras like that fancy latte or the barely used cable subscription. If you find yourself with additional funds in the New Year, put them to good use. Now is the perfect time to increase your regular NEST 529 account contributions and prioritize preparing for the future above instant gratification. After all, when it comes to saving for college, every dollar counts.

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Voice of the Customer

Consider the many reasons to save for the academic future with a NEST 529 account. Whether your child wants to be a doctor or an artist, an astronaut or a mechanic, having access to higher education is essential. In these videos, NEST 529 account owners tell their unique family stories and share why they choose to save for their children's future with NEST 529. Visit NEST529.com/stories.



Savings Insights

Message from the Nebraska State Treasurer

For eight years, I have visited with you as State Treasurer and Trustee of NEST. But in January, I will step down from both roles as a new Treasurer will be sworn into office. So now, I come to you as simply a parent and grandparent, whose family owns NEST accounts for 13 grandchildren.

Our first accounts were set up for our first grandchildren, now ages 12 and 13. My wife and I made this commitment believing in the value of higher education. Having both graduated from college and having guided our four children through college, graduate school, and a doctoral program for one, we know personally of the dedication and sacrifice that college demands of young families.

That's why we wanted to help our children help their children prepare for the future. We chose NEST because we believe in investment products grounded in Midwestern values – hard work, perseverance, common sense. We have watched our accounts grow, confident that the investment decisions, overseen by the Nebraska Investment Council, were wise, prudent, and reflected our own choices and philosophy.

Our confidence in NEST has been reaffirmed by favorable ratings published by savingforcollege.com. And reaffirmed by the NEST website, newsletters, and scholarship opportunities. You can count our family among your faithful fellow NEST account owners for at least another 20 years and maybe more.

Thank you for this opportunity to serve you. It has been an honor and a privilege. Your interests have always come first. From now on, however, I will look at NEST, not from an administrative perspective, but rather from the perspective of a grandparent looking out for a mere 13 of the total 261,000 NEST accounts. My wife and I know full well that our grandchildren, the beneficiaries of these NEST accounts, will be our greatest legacy.

Market Commentary



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

Stock market volatility increased in October and November as result of concerns regarding the U.S. and global economy. Specifically, equity investors focused on the implications of an extended trade war with China and the potential impact of tighter monetary policy from the Federal Reserve. Global growth has slowed with much of Europe, Japan and China experiencing a deceleration in economic activity. In terms of year-to-date returns, U.S. equities are leading global markets with the S&P 500 return +5.1% and the S&P Small Cap 600 +4.1%.¹ International equity markets are negative, due to the slowing global economy and recent U.S. dollar strength. The MSCI Europe Far East (EAFE) return is -9.4%.² Fixed Income returns are relatively flat so far in 2018.

As we evaluate the U.S. economy, most economists expected growth to slip back to 2.0 – 2.5% in 2019 from the approximate 3% level. It's important to remember that economic growth has been stuck around 2% since the last recession. If we return to this environment, we believe company fundamentals will be critical to equity market returns. As of November 30th, earnings growth of 9.6% is expected over the next year.³ This earnings environment would likely be positively received due to the reasonable valuations of the stock market. The current price-to-earnings ratio (P/E) of 15.7x is attractive given low interest rates and economic growth.⁴

Spikes in volatility tend to be short term, but test the conviction of investors. At First National Bank, we believe investments should primarily focus on meeting long-term objectives and not short-term volatility. Trading in and out of the market has proven to be extremely difficult. Setting the appropriate asset allocation based on the time horizon, distribution requirements and risk tolerance is an important endeavor to meeting financial goals.

¹ S&P 500 & S&P 600 YTD Return as of 11.30.2018; Source FactSet

² MSCI EAFE YTD Return as of 11.30.2018; Source FactSet

³ S&P 500 Index data as of 11.30.2018; Source FactSet

⁴ S&P 500 price-to-earnings ratio on next twelve month earnings as of 11.30.2018; Source FactSet

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Indexes shown are economic indicators and are for comparative purposes only. They are not meant to represent any actual investment. Indexes are unmanaged and cannot be invested in directly.

Investments Are Not FDIC-insured* | No Bank, State or Federal Guarantee | May Lose Value

This New Year, Resolve to Save More with NEST

As you evaluate your 2019 resolutions to improve your health and lifestyle, we encourage you to take charge of your financial health and resolve to maximize your savings. More easily said than done, right? No need to worry — with a NEST 529 account, increasing your contributions in the New Year is simple. To help you get started, check out these New Year's savings tips that will set you up for success:

Maximize your savings and have fun doing it by involving yourself in NEST 529 contests, drawings and scholarships. Opportunities are announced regularly, so stay tuned to our website and Facebook page to keep up-to-date.

Keep it simple and consider automating your savings process by establishing recurring contributions towards your NEST 529 account. Our Automatic Investment Plan is easy to set up and can be implemented at any time. If your employer offers direct deposit, you can make automatic contributions to your NEST account

from your paycheck through a payroll direct deposit of after-tax dollars.

Make saving a combined effort and invite your family and friends to join by using Ugift^{®5}, the free online gifting service. The holidays may be over, but that doesn't mean the goodwill has to end. With Ugift, friends and family members can contribute to an account owner's NEST 529 account electronically or by mail. Perfect for graduations, birthdays or just as a thinking-of-you gesture, Ugift makes it easy to add dollars to your account and maintain your connection to loved ones near and far.

Get cash back rewards with Upromise^{®6}. Upromise is a free-to-join rewards program that can turn everyday purchases — from shopping online to dining out, from booking travel to buying groceries — into cash back for college.

- 5 Ugift is a registered service mark of Ascensus Broker Dealer Services, Inc.
- 6 Upromise, an optional service offered by Upromise, Inc., is separate from the Plan and is not affiliated with First National Bank of Omaha or the State of Nebraska. Transfers from Upromise to a Plan account are subject to a \$25 minimum. Terms and conditions apply to the Upromise service. Participating companies, contribution levels and terms and conditions are subject to change at any time without notice. Upromise is a registered service mark of Upromise, Inc.

Scholarship Connection

New Year, New Account \$100 Bonus: To kick off a new year of saving, starting January 1 through March 31, the first 200 people to open new NEST 529 College Savings accounts and contribute \$100 each will be matched with a \$100 bonus contribution. Do you have a friend or family member who could open an account for a child or grandchild? Share this opportunity with them! For more details, visit NEST529.com/bonus.



NEST 529 COLLEGE SAVINGS

FALL FESTIVITIES
\$1,000 PHOTO DRAWING



Capture and share your festive fall photos of costumes, traditions, and family fun with NEST 529 for your chance to win \$1,000.

Submit your photo with a child 12 years old or younger to be eligible for a drawing to win a NEST College Savings Plan contribution. Five winners will be drawn to receive \$1,000 each!

Submit your entry before November 10, 2018. See official rules at NEST529.com/fall.

Past Scholarships: It's been a busy year for NEST 529 scholarship awards! Throughout 2018, over \$100,000 was awarded in scholarship contributions. A big thank-you to all of the participants and congratulations to the winners in the following drawings:

Dear Grandchild Drawing: \$529 contributions were awarded to 10 grandchildren.

Fall Festivities Photo Drawing: \$1,000 contributions were awarded to five beneficiaries 12 years old or younger.

Back-to-School Fun Photo Drawing: \$2,000 contributions were awarded to 10 beneficiaries eight years old or younger.

Read to Win \$529 Drawing: More than \$10,000 in scholarships and donations were awarded to 15 young readers and their local libraries.

Big Dreams \$20K Giveaway: \$5,000 contributions were awarded to four beneficiaries 10 years old or younger.

KIDS' TIME: Winter Wonderland

For holiday fun without the chilly winter weather, take a few minutes to cozy up with your child and try out these fun winter educational activities:



2019 Resolutions

Ask your child to create and list their education-related resolutions and detail plans to achieve each goal. For example, set a goal to read more books, with a plan to read for 30 minutes before bed every night.

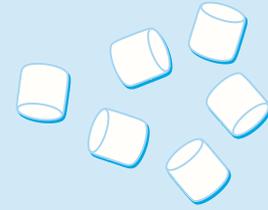
(Recommended for children eight or older.)



The Perfect Snow Day

Encourage your child to write and illustrate a short story about the perfect snow day to build on creative and vocabulary skills. As a bonus, ask your child to write two versions — one in first-person and another in third-person narrative.

(Recommended for children five or older.)



Marshmallow Madness

Bring some sweetness to writing exercises by asking your child to write winter-related words, such as hat, sled or snow, in large print. Then glue mini marshmallows over the letters to develop vocabulary and visual skills.

(Recommended for children under five.)

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 state benefits such as financial aid, scholarship funds, and protection from creditors 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.

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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 Static 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 Static 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

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