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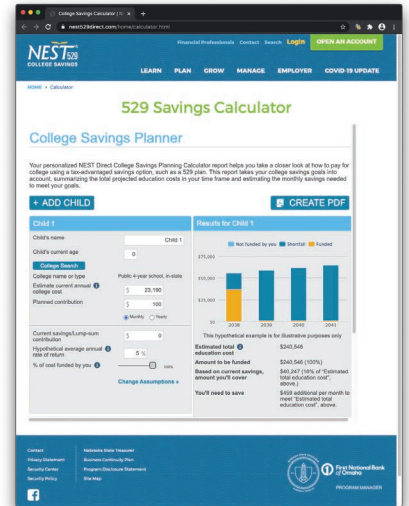
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## A Message from the NEST Team: Top Savings Challenges and How to Overcome Them

This season is the perfect time to hit the refresh button on your college savings. To help you get started, we've gathered together some of the top savings challenges that our Account Owners face, with tips to help overcome them.

**"I don't know how much to save."**

The NEST Direct College Savings Planning Calculator is here to help. This tool provides savings projections tailored to your specific goals so that you can save with confidence. Once you have your goal, set benchmarks to keep you on pace, check in with your progress often, and remain flexible when external circumstances prompt you to change your course.



**"I don't have enough time."**

Staying up to date with your NEST 529 account online is easy and quick! Using our secure website, you have the option to make contributions, view balances, manage your account, and make qualified withdrawals when necessary.

**"I never remember to contribute."**

NEST 529 offers a way for you to put your savings on autopilot. Features such as the Automatic Investment Plan (AIP) and Payroll Direct Deposit allow you to send a set amount from your bank account or paycheck directly to your NEST 529 account. Let your employer know about this no-cost option by showing them our new motion-graphic video found on our YouTube channel: <https://bit.ly/NestAtWork>.

**Contact Us**

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## NEST 529 Gifting Spotlight

In search of the perfect gift? Look no further than the gift your loved one won't ever outgrow: that of higher education. This holiday season, gift to your child's higher education, and encourage family and friends to do so as well through NEST 529 gift card contributions or through Ugift, the online gifting service. For more information, visit the Friends & Family Gifting page on our website.



## Grateful for the NEST 529 Community

### Message from the Nebraska State Treasurer

While the school season and holidays may look much different this year for many – from social distancing to creating new holiday memories and traditions – what remains unchanged is the unwavering commitment to higher education planning within the NEST 529 community.

It is inspiring to see your continuous commitment to ensure your loved ones have the opportunity to achieve their higher education goals. The NEST 529 community is filled with bright young scholars, and it's exciting to think about their strong academic futures, that will be filled with many milestones.

As we embark upon the upcoming holiday season, I encourage everyone to take a moment and reflect on all there is to be grateful for and to celebrate even the smallest of victories. As you speak with your loved ones, I challenge you to continue to spark conversations of educational futures, as well as to continuously take advantage of all of NEST 529's resources to help you achieve your goals.

From mine to yours, I wish all of our Account Owners and their families a happy and healthy holiday season.

## Market Commentary



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

The stock market has continued its impressive rebound with the S&P 500 hitting a new high at the end of August, up +9.74% so far this year.<sup>1</sup> Investors have bid up stocks in anticipation of continued economic improvement as the coronavirus subsides. The market is being led by information technology, consumer discretionary and communication services sectors. Value-oriented industries such as energy and financials have lagged the U.S. market in 2020. Although international equities have recovered, their returns remain in negative territory, down -4.61% year-to-date.<sup>2</sup>

Economic data is trending in the right direction, even though we continue to see high unemployment and certain parts of the economy effectively shut down. Industries experiencing strong demand include housing, home improvement, grocery stores, and autos. This growth is offsetting weak demand in hotel, travel, and leisure. The data should continue to improve with current estimates of +28.9% GDP growth in the third quarter.<sup>3</sup> Although this won't completely make up for the second quarter downturn, continued economic improvement will support a corporate earnings recovery.

Fixed income returns are positive with the Barclay's Intermediate Government/Credit Index up +5.94% so far this year.<sup>4</sup> Both government securities and corporate bonds have contributed to the positive results. The economic situation of high unemployment and low inflation will likely allow the Fed to keep interest rates low for the foreseeable future. Low interest rates negatively impact bond investors looking for income and may push more investors into equities for additional returns.

We believe the economic and stock market decline and subsequent recovery in 2020 confirms a key investment principle. Investors have been typically rewarded by staying invested through market cycles. Investors have a 46% chance of losing money if you hold the S&P 500 for just one day, but only a 6% chance if you hold equities for 10 years.<sup>5</sup> We advocate determining an appropriate long-term asset allocation and maintaining that investment discipline even during difficult times.

1 S&P 500 YTD return as of 08.31.20; Source FactSet

2 MSCI Europe, Australia, Far East (EAFE) YTD return as of 08.31.2020; Source FactSet

3 Economic Consensus Forecast as of 08.31.20; Source Bloomberg

4 Barclay's Intermediate U.S. Government/Credit YTD return as of 08.31.2020; Source FactSet

5 Market Week 08.31.20; Source Barron's

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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



## Voice of the Customer: Why I'm Thankful for NEST 529

The following excerpt is from Mary Molliconi, NEST 529 Account Owner and Executive Director of Edgerton Explorit Center:

*Forbes has completed studies that show a college graduate is 177 times more likely than a high school graduate to earn \$4 million or more throughout their lifetime. This striking study illustrates just how important it is to invest in your child's future.*

*To me, there is nothing more important than education, and it is the foundation of my life's work. When we had our son, Jake, we immediately started thinking about his future and education. We started a NEST 529 account for him and invest in it every month. We have also shared this information with Jake and it gives us a great avenue to talk to him about his future.*

*Even at age 11, we encouraged him to have the attitude that it is not "if I go to college" but "when I go to college." The NEST 529 College Savings Plan is what helps make that difference, as well as our conversations regarding college, saving, and our son's future. I encourage every family to start a NEST 529 account ... don't miss out on an opportunity to invest in your child!*

Interested in having your NEST 529 story featured? We'd love to hear from you at [NEST529.com/share](https://www.nest529.com/share).



## Be Tax Savvy

Saving for college is a marathon, not a sprint. Throughout this journey, dedication, commitment, and vision will take you far, and the tax benefits of NEST 529 may help take your savings even further.

In addition to tax-deferred growth and tax-free withdrawals, investing in a NEST 529 account can also have significant state income tax benefits. For Nebraska state income tax payers, Account Owners are offered significant tax advantages for investing in NEST 529, including up to an annual \$10,000 income tax deduction, or \$5,000 per spouse if filing separately. To take advantage of the Nebraska state income tax deduction for contributions made in 2020, contributions must be postmarked by Dec. 31, 2020 or submitted electronically by 10:59 p.m. CST on Dec. 31, 2020. Make sure you report your 2020 contributions on your 2020 Nebraska state income tax return.

Account Owners living outside of Nebraska may have options as well. Some states offer a tax benefit even if Account Owners are investing in another state's plan. Consult with a financial advisor or tax professional to determine your eligibility for state tax benefits.



# KIDS' TIME: Cozy Craft Corner

'Tis the season! Engage your child with these homemade gifts they can make for loved ones this holiday season:

## Creative Calendar

Have your child create a 2021 calendar, and have him or her design an image or drawing to accompany each respective month's page. This will help teach him or her about the various months as well as holidays and awareness days throughout the year.

*(Recommended for children five and older.)*



## Board Game Extravaganza



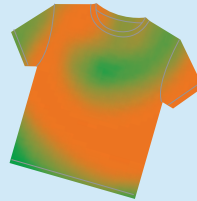
Help your child create a fun new board game, as well as the corresponding rules and guidelines. This will help to refine strategic thinking skills and encourage creativity.

*(Recommended for children eight and older.)*

## Tie-Dye Time

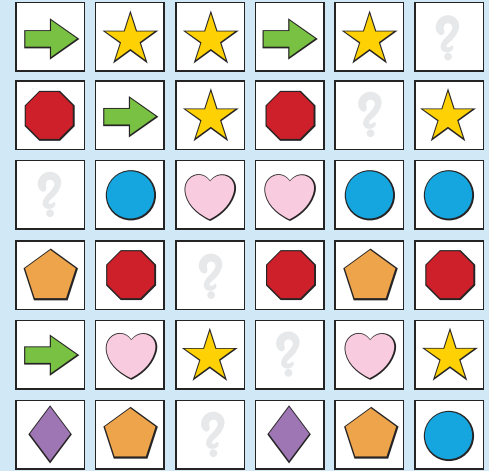
Give a fresh, fun new look to household items and clothes by helping your child tie-dye any white fabric items. Fun and easy, this makes for a great gift for all.

*(Recommended for children six and older.)*



## What Comes Next?

Guess the next shape in the sequence.



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](http://www.NEST529Direct.com) or [www.NEST529Advisor.com](http://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

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