

## Message from the Nebraska State Treasurer

Summertime and, according to songwriter George Gershwin's lyrics, the living is easy. Children are home from school and already off to the pool. Teenagers are starting first jobs between one sports camp and another. And parents are arranging childcare and car pools before starting their own workdays.

These precious days of summer go by quickly, just like the precious days of childhood. Before we know it, these toddlers have grown into fourth-graders and then into adolescents and eventually into teens. And those teens start planning for the future, including what they want to do when they grow up, where they want to go to college, and how they will pay for it.

As our children's wants and needs grow, we, too, must grow with them, recognizing that one of our children's

most important needs may be just a summer away—the financial resources to pay for tuition, housing, and books associated with college. As trustee of NEST, I encourage you to start saving early for that important day in your child's life. Start while your son or daughter is still in the wading pool; don't wait until he or she is off driving the car to a first-time summer job.

The easy living of summer goes by quickly. So do the summers of childhood. While you are living easy this summer, take a few easy steps to set up a state-sponsored 529 college savings plan for your child, or increase your contributions to an existing account. Then let the summer days drift by. You truly will rest easy this summer and for summers to come.



## Introducing the NEST 529 Direct College Savings Plan Blog

The new NEST 529 blog is another informative tool for families who are saving for college. This blog will answer questions, provide resources, share stories, and engage with current and prospective NEST 529 account owners.

In a recent post, the Nebraska State Treasurer celebrated National 529 College Savings Day. "Every state celebrates 529 Day in its own unique way. Here in Nebraska, we are celebrating with the Big Dreams \$20K Giveaway, a scholarship program that will give four lucky winners a \$5,000 contribution each to a NEST 529 College Savings Plan."

We've heard from Christina K., a mother of three saving for her kids' future. "When we save for college—and our children know that—they understand that we have big dreams for them, and we believe in them and their dreams. And, it is a powerful tool in creating hope for their future."

Be sure to check back often to see new posts at [NEST529.com](http://NEST529.com), under the "Learn" button of our website!

## Calling All Savers!

**Follow us on  
Facebook for blog  
updates, news, and  
stories to help you  
more easily achieve  
your children's or  
grandchildren's  
Big Dreams.**



## Market Commentary



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

Following the election of President Trump, confidence picked up on expectations of a pro-growth agenda. However, it now appears any business-friendly policies will be delayed and will not likely add to growth in 2017. Despite the disappointing political environment, it appears the economy is on a

firm footing, and growth has accelerated in the second quarter. We have a positive outlook for the economy due to continued growth in personal consumption and a resumption of investment spending. With rising profits, increased business optimism and better global growth, business investment has increased. In addition, the global economy, which accelerated late in 2016, appears to be maintaining its momentum. Consistent with this view, the most recent assessment of global conditions published by the International Monetary Fund (IMF) was relatively upbeat and reflected a better economic tone.

Global equities have reported strong returns with international markets benefiting from the pick up in global economic growth and U.S. dollar weakness. As of May 31, the MSCI Europe Australia Far East (EAFE) year-to-date return of +14.0% exceeded the S&P 500 return of +8.7%.<sup>1</sup>

In the U.S., equity returns reflect the best company earnings growth in five years. In the first quarter, S&P 500 companies reported sales growth of 7% and profit growth of 14%.<sup>2</sup> This emphasis on company fundamentals has led to growth outperforming value and better performance of active managers. As of June 2, the majority of active management funds have outperformed their respective benchmarks.<sup>3</sup> Stock market valuations remain somewhat elevated, with the S&P 500 trading on a 17.5x price-to-earnings (P/E) ratio.<sup>4</sup> While this may limit future returns, a U.S. economy with low unemployment, inflation and interest rates may be a good environment for stocks. In our opinion, the major equity risk would be an economic growth scare and a subsequent decline in expectations for earnings growth.

The fixed income market continues to be resilient, with interest rates lower than expected. This has led to a year-to-date return of +1.9% in taxable bonds. As of June 5, the bond market is pricing in a 91% probability of a Fed Funds rate hike in June, which would be the third increase in interest rates over the last year.<sup>5</sup>

- 1 MSCI EAFE & S&P 500 YTD return as of 05.31.2017; Source Bloomberg
- 2 S&P 500 YTD return as of 02.28.2017; Source Bloomberg
- 3 U.S. Mutual Fund Performance Update as of 06.02.2017; Source BAML
- 4 S&P 500 price-to-earnings ratio on next 12-month earnings; FactSet
- 5 World Interest Rate Probability as of 06.05.2017; Bloomberg

## Scholarship Corner

We're proud to have many NEST scholarships awarded and opportunities presented this year, both nationwide and in Nebraska. And, more scholarships and bonuses are being offered regularly.

Make sure to check the website regularly for details about new scholarships. We launch new opportunities throughout the year.

### My Nebraska Big Dreams \$20,000 Giveaway

In conjunction with Nebraska's Sesquicentennial and the Truckin' Through Nebraska Mobile Children's Museum, NEST 529 is giving away a \$5,000 contribution to each of four NEST 529 College Savings accounts for a child 8 years old or younger. Entering is easy: Nebraska residents can fill out the entry form at [www.NEST529.com/NebraskaDreams](http://www.NEST529.com/NebraskaDreams) or send in an entry by October 16, 2017. As a bonus, new NEST 529 account owners can gain an additional entry by using promo code "NebraskaDreams" when opening an account.

### Teach Children to Save

As part of the national Teach Children to Save campaign, the NEST 529 College Savings team visited Wilson Focus Elementary School in Omaha with the Nebraska State Treasurer and a Benjamin Franklin character to teach students to save and spend wisely. Two lucky students, Aniyah and Deja, each won a \$1,000 college savings scholarship. We're excited for the chance to help these students achieve their big dreams!



## Voice of the Customer

Commonly asked questions from our customers

**Q:** Reflecting on my daughter's recent graduation from preschool and transition into elementary school has made us realize how quickly time goes by. We're focusing on celebrating occasions like these by increasing investments into her NEST account. How can friends and family contribute to her college savings plan?

**A:** Giving the gift of education is easy at NEST529direct.com. Relatives and other well-wishers can find all the information they need to contribute to your child's account by going to NEST529.com and selecting "Options for Giving." We offer quick and easy gifting cards for most occasions. Friends and family can just print, enter the information, and mail the gift cards. Or use Ugift, our free online gifting service. Check the website today to learn more.

**Q:** I want an easy way to save more. How can I make regular contributions that I can set up once, say monthly?

**A:** We offer two simple ways to make systematic contributions. For the Automatic Investment Plan (AIP), you tell us the contribution amount, frequency (such as monthly), and the start date, and NEST will pull the contribution directly from your personal bank account according to your instructions. For the Payroll Deduction, you tell us and your employer just how much money from your paycheck you want to contribute to your NEST account each paycheck.




Setting these up is easy.

- Securely log in to your account on the NEST 529 website.
- For AIP, select "Contribute," then "Electronically from your bank account," and follow the instructions.
- For Payroll Deduction, select "Profile & Documents," then "Payroll Deduction," and follow the instructions.

You can always mail a form downloaded from the web, call the service center, or speak to your financial advisor.

## Summer Saving Made Easy



Use the lazy days of summer to encourage kids to be imaginative about saving for college. Turn saving into a game. Brainstorm together to find inexpensive alternatives to costly warm-weather fun and creative ways to spend less. Put the extra money into their NEST accounts and watch their summer savings grow! Here are some ideas to get started:

- Visit websites for discount tickets to events you plan to attend, or as inspiration for something new.
- Keep reusable ice packs and a cooler ready to go. Taking your own beverages and snacks along on hot summer adventures is healthier for your children and for their NEST accounts.
- Take a hike! Explore nature centers, walking trails, plants, and wildlife. Go to the National Park Foundation's website at <https://www.nps.gov> to find parks close to you.
- Invite friends to a relaxed summer potluck dinner and play cards or board games. Then camp out in your own back yard. Stargaze and play flashlight tag. 
- Local libraries are a cool spot on a hot summer day. Instead of heading to the mall or arcade, check out the summer reading program and a book or two. 
- Local convention centers and visitors bureaus offer information on free attractions and special summer activities. Use those ideas to plan a field trip to a nearby town. Explore outdoor film festivals and concerts or attend a carnival, fair, or parade.
- Create an at-home water park experience. Purchase inexpensive sprinklers and kiddie pools and splash the afternoon away. Bring out the water toys, blow bubbles, or spread out trash can liners for an impromptu slip n' slide. 

Help your children set goals for college savings, celebrate their successes, and have fun.

# Kids' Corner

The pitcher needs to get the ball to the catcher. Draw the path starting at three and counting by threes up to 300.

			3	6	9	12	27	30	
			102	99	96	15	24	33	36
			105	108	93	18	21	42	39
171	168	117	114	111	90	63	60	45	48
174	165	120	123	126	87	66	57	54	51
177	162	159	156	129	84	69	72	285	288
180	189	192	153	132	81	78	75	282	291
183	186	195	150	135	264	267	276	279	294
210	207	198	147	138	261	270	273	300	297
213	204	201	144	141	258	255			
216	219	228	231	240	243	252			
	222	225	234	237	246	249			

Find the hidden words listed below.



COLLEGE CONTRIBUTION	EDUCATION FAMILY	FRIENDS NEST	SAVINGS SUMMER											
E	M	R	H	K	S	F	Y	G	B	Z	A	T	P	U
Y	E	J	E	V	R	A	I	L	J	Y	M	S	W	X
F	J	P	T	I	S	X	V	W	I	G	P	E	R	S
Q	B	U	E	G	U	N	T	I	L	M	N	N	C	Z
M	D	N	O	M	Q	A	E	A	N	O	A	Y	I	Q
E	D	U	C	A	T	I	O	N	I	G	R	F	E	L
S	E	T	A	U	S	P	K	T	E	G	S	F	A	C
N	N	A	O	W	N	E	U	Y	J	Z	Y	C	I	I
G	F	T	S	G	V	B	D	G	Z	U	A	O	M	X
M	Y	D	X	B	I	V	T	H	K	S	D	L	A	O
E	X	J	R	R	Q	R	E	M	M	U	S	L	H	G
B	L	E	T	U	C	U	C	G	L	W	S	E	I	M
A	S	N	W	K	U	X	J	I	K	K	B	G	V	E
J	O	J	M	V	V	D	D	C	O	Q	S	E	P	S
C	K	A	C	D	P	D	T	J	O	S	X	O	L	U

## Contact Us

**by web:**

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

**by social media:**

 NEST 529 College Savings  
 NEST 529 Advisor College Savings Plan

**by email:**

[clientservice@NEST529Direct.com](mailto:clientservice@NEST529Direct.com)  
[clientservice@NEST529Advisor.com](mailto: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 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 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



Investments Are Not FDIC Insured\* | No Bank, State or Federal Guarantee | May Lose Value  
 \*Except the Bank Savings Individual Investment Option  
 ©2017 First National Bank of Omaha