



NEST Direct Plan
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SUMMARY OF CHANGES TO THE NEST DIRECT COLLEGE SAVINGS PLAN EFFECTIVE APRIL 29, 2016

We are excited to report, effective on April 29, 2016, the NEST Direct College Savings Plan changed and you should be pleased by the improvements.

We lowered costs, adjusted allocations to underlying investments in the Age-Based and Static Investment Options, and changed three underlying investments. The investment changes are intended to build upon the strong line-up of investment options that already exist within the NEST Direct Plan. A complete description of the new allocations and investments are in the Program Disclosure Statement (PDS) dated April 29, 2016. Changes to investment options will not count towards your twice per calendar year investment option change limit.

Below are brief highlights of the changes. Answers to frequently asked questions follow.

- ▶ **Lowered fees:** The total estimated annual asset-based fees have changed. A total of 15 out of 20 (75%) of the Age-Based Portfolios and one Static Option decreased between one and four basis points. The fees for a specific Investment Option are described beginning on Page 41 of the PDS.

Summary of Changes to Total Estimated Annual Asset-Based Fees

Investment Option	Range of Total Estimated Annual Asset-Based Fees	
	After Changes	Before Changes
Age-Based Aggressive	0.42-0.48%	0.45-0.48%
Age-Based Growth	0.41-0.48%	0.43-0.48%
Age-Based Index	0.36-0.39%	0.36-0.40%
Age-Based Conservative	0.39-0.46%	0.40-0.47%
Static Growth	0.47%	0.47%
Static Balanced Index	0.36%	0.36%
Static Conservative	0.41%	0.45%
Individual Investments	0.20-1.29%	0.20-1.29%

- ▶ **Replaced three underlying investments:**
 - Replaced SPDR Barclays International Treasury Bond ETF with DFA World ex-US Government Fixed Income adding a new fund manager to the NEST lineup while reducing volatility.
 - Replaced Vanguard Inflation-Protected Securities with Vanguard Short-Term Inflation-Protected Index to reduce interest rate sensitivity.
 - Substituted Goldman Sachs Prime Obligations Money Market Fund with the Goldman Sachs Financial SquareSM Government Money Market Fund due to upcoming money market reform changes.

► **Fine-tuned allocations to underlying investments in Age-Based and Static Options**

- Changed allocations to gradually get more conservative between the Aggressive, Growth, Index and Conservative Options.
- Adjusted real estate allocations from a fixed 5% allocation to a more consistent and appropriate percentage of equity allocation.
- Adjusted fixed income allocations to ensure consistency across investment options and Age-Based portfolios while reducing the steepness in the change in duration between Age-Based portfolios.
- Reduced allocations to the TIPS fund in portfolios that were more conservative and, therefore, more at risk to inflation.
- Reduced allocations to the money market fund and increased allocations to the FDIC-Insured Bank Savings Option to improve performance and to receive a higher yield.

Descriptions and risks of underlying investments begin on Page 35 of the PDS.

FREQUENTLY ASKED QUESTIONS

1. Will I have to do anything as a result of these changes?

No, changes occurred automatically.

2. Will the investment changes count towards my twice per calendar year investment option change limit?

No. This change does not count towards your twice per calendar year investment option change limit.

3. How did the changes impact my account?

Age-Based and Static Options: You continue to invest in the same investment options but the underlying funds in some of the portfolios and/or the allocations among the underlying investments may change.

Individual Investment Options: Investments in the SPDR Barclays International Treasury Bond ETF Individual Investment Option, the Vanguard Inflation-Protected Securities Individual Investment Option, and the Goldman Sachs Prime Money Market Individual Investment Option were automatically moved to new Individual Investment Options.

5. Will forms change and will the old forms still be accepted?

Forms are updated to reflect the new Individual Investment Options. Old forms will continue to be accepted, but we may reach out to you for clarification if needed. If you download forms from www.NEST529Direct.com, make a request online through Account Access, or request forms by phone, you can be assured that you are using the most up-to-date information.

If you have any questions, please visit the website at www.NEST529Direct.com or call us toll-free at 1-888-993-3746 Monday – Friday, 8 a.m. to 8 p.m. Central Time.



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