

Please file this Supplement to the NEST Direct College Savings Plan
Program Disclosure Statement with your records

**NEST DIRECT COLLEGE SAVINGS PLAN
PROGRAM DISCLOSURE STATEMENT DATED MARCH 1, 2020
SUPPLEMENT NUMBER ONE DATED JUNE 30, 2020**

This Supplement amends the Program Disclosure Statement dated March 1, 2020 (the "Program Disclosure Statement"). You should read this Supplement in conjunction with the Program Disclosure Statement and retain it for future reference.

New Program Manager Effective December 4, 2020

The Nebraska State Treasurer, as trustee for the Nebraska Educational Savings Plan Trust (the "Trust"), and the State Investment Officer, on behalf of the Nebraska Investment Council, have entered into a 10-year contract with Union Bank & Trust Company to become the new Program Manager to all four plans in the Trust, including the NEST Direct College Savings Plan (the "Plan"). The change in Program Manager will become effective December 4, 2020 (the "Effective Date"). After the Effective Date, First National Bank of Omaha will no longer serve as Program Manager and will no longer provide services to the Plan.

On the Effective Date, Union Bank & Trust Company will modify the Plan and its Investment Options, including asset allocations, Portfolios and the underlying funds in which Portfolios invest. In addition, the Program Management Fee will decrease and expenses associated with the Investment Options may change.

Union Bank & Trust Company will provide materials describing these changes in advance of the Effective Date.

NEST Direct College Savings Plan

Program Disclosure Statement and Participation Agreement

March 1, 2020



PROGRAM MANAGER

Use of this Program Disclosure Statement

This Program Disclosure Statement is for use by persons investing in the Nebraska Educational Savings Trust Direct College Savings Plan ("NEST Direct Plan" or the "Plan"). This Program Disclosure Statement contains important information about establishing and maintaining an account with the NEST Direct Plan. Investing is an important decision. Investors should carefully read this Program Disclosure Statement in its entirety to understand and consider the Plan's investment objectives, risks, charges and expenses before opening an account and making an investment decision. No one is authorized to provide information that is different from the information contained in this Program Disclosure Statement. Please keep this Program Disclosure Statement and all updates for future reference.

About the Nebraska 529 College Savings Plans

The NEST Direct Plan is one of four college savings plans issued by the Nebraska Educational Savings Plan Trust and administered by the Nebraska State Treasurer, who serves as trustee to each of the four plans. The four plans offer a series of investment options within the Nebraska Educational Savings Plan Trust. The four plans are intended to operate as qualified tuition programs, pursuant to Section 529 of the U.S. Internal Revenue Code.

This Program Disclosure Statement describes only accounts held through the NEST Direct Plan. The other plans in the Nebraska Educational Savings Plan Trust may offer different investment advisors, different benefits, different fees, different costs, and sales commissions, if any, which may be more or less than those relative to accounts held in the NEST Direct Plan described in this Program Disclosure Statement. You can obtain information regarding the other plans in the Nebraska Educational Savings Plan Trust by contacting the Nebraska State Treasurer at (402) 471-2455, or by visiting the Nebraska State Treasurer's website at treasurer.nebraska.gov.

Accounts in the NEST Direct Plan have not been registered with the Securities and Exchange Commission (the "SEC") or with any state securities commission pursuant to exemptions from registration available for securities issued by a public instrumentality of a state. Neither the SEC nor any state securities commission has reviewed this Program Disclosure Statement.

No insurance and no guarantees

Opening an account in the NEST Direct Plan involves certain risks, including possible loss of the principal amount invested. These risks are highlighted in the Section of the Program Disclosure Statement, "Part 10 – Certain Risks to Consider."

Except as described herein for accounts invested in the Bank Savings Static Investment Option, accounts in the NEST Direct Plan are not insured by the Federal Deposit Insurance Corporation (FDIC). Accounts in the NEST Direct Plan are not guaranteed or insured by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, First National Bank of Omaha or its authorized agents or their affiliates, or any other federal or state entity or person.

The value of your account may vary depending on market conditions, the performance of the Investment Options you select, the timing of purchases, and fees. The value of your account could be more or less than the amount you contribute to your account. In short, you could lose money. Account owners should periodically assess, and if appropriate, adjust their investment choices with their time horizon, risk tolerance and investment objective in mind.

FDIC insurance is provided for the Bank Savings Static Investment Option only, which invests in an FDIC-insured omnibus savings account held in trust by the Nebraska Educational Saving Plan Trust at First National Bank of Omaha. Contributions to, and earnings on, the investments in the Bank Savings Static Investment Option are insured by the FDIC on a per participant, pass-through basis to each account owner up to the maximum limit established by federal law, which currently is \$250,000.

Investments in the Goldman Sachs Financial SquareSM Government Money Market Individual Investment Option are not bank deposits and are not insured by the FDIC.

Participation in the NEST Direct Plan does not guarantee that contributions and the investment earnings, if any, will be adequate to cover future tuition and other qualifying post-high school education expenses ("Qualified Higher Education Expenses") or that a Beneficiary will be admitted to or permitted to continue to attend an accredited college or university or other eligible educational institution (an "Eligible Educational Institution").

For use only for Qualified Higher Education Expenses

The NEST Direct Plan is intended to be used only to save for Qualified Higher Education Expenses. The NEST Direct Plan and any tax information contained in this Program Disclosure Statement, are not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.

Nebraska state tax deduction

Contributions by an account owner who files a Nebraska state income tax return, including the principal and earnings portions of rollovers from another qualified college savings plan not issued by the State of Nebraska, are deductible in computing the account owner's Nebraska taxable income for Nebraska income tax purposes in an amount not to exceed \$10,000 (\$5,000 for married taxpayers filing separate returns) in the aggregate for all contributions to all accounts within the Trust in any taxable year. Contributions by a custodian of an UGMA or UTMA account who is also the parent or guardian of the Beneficiary of an UGMA or UTMA account may claim this deduction. See "Part 14 – Federal and State Tax Considerations" for important additional information about state tax benefits.

Taxpayers and residents of other states

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.

Privacy Policy

Except as otherwise required or permitted by law, any information regarding a NEST Direct Plan account owner or Beneficiary will not be shared with anyone other than the account owner, an authorized representative, or those employers and/or service providers who access such information to provide services to the account owner or Beneficiary.

Conflicts with Applicable Law

This Program Disclosure Statement is for informational purposes only. In the event of any conflicts between the description of the Plan contained herein and any requirement of federal or Nebraska law applicable to matters addressed herein, such legal requirement would prevail over this Program Disclosure Statement and Participation Agreement.

Information is Subject to Change

Statements contained in this Program Disclosure Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact or guarantee of future performance.

Not an Offer to Sell

This Plan Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security described in this Program Disclosure Statement by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation, or sale.

This Program Disclosure Statement is designed to comply with the College Savings Plans Network Disclosure Principles, Statement No. 6, adopted on July 1, 2017. You should carefully read and understand this Program Disclosure Statement. Please keep this Program Disclosure Statement for future reference.

This Program Disclosure Statement is dated March 1, 2020

IMPORTANT LEGAL INFORMATION

THE NEST DIRECT PLAN AND ITS AUTHORIZED AGENTS OR AFFILIATES MAKE NO REPRESENTATIONS REGARDING THE SUITABILITY OF THE INVESTMENT OPTIONS DESCRIBED IN THIS PROGRAM DISCLOSURE STATEMENT FOR ANY PARTICULAR INVESTOR. OTHER TYPES OF INVESTMENTS AND OTHER TYPES OF COLLEGE SAVINGS VEHICLES MAY BE MORE APPROPRIATE DEPENDING ON YOUR PERSONAL CIRCUMSTANCES. YOU SHOULD CONSULT YOUR TAX ADVISOR OR INVESTMENT ADVISOR FOR MORE INFORMATION.

THE INFORMATION IN THIS PROGRAM DISCLOSURE STATEMENT IS SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER DELIVERY OF THIS PROGRAM DISCLOSURE STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE NEST DIRECT PLAN SINCE THE DATE OF THIS DOCUMENT.

SUMMARY OF KEY FEATURES AND REFERENCE GUIDE

This section is intended to provide a summary of key features of the Plan. Before investing you should read and understand the complete detailed information contained in this Program Disclosure Statement and Participation Agreement. The capitalized terms in “Description” are defined in Part 16 – Glossary.

Plan Structure

Issuer:	Nebraska Educational Savings Plan Trust		
Trustee:	Nebraska State Treasurer		
Investment Oversight:	Nebraska Investment Council		
Program Manager:	First National Bank of Omaha		
Distributor/Underwriter:	First National Capital Markets, Inc. First National Capital Markets and First National Bank of Omaha are affiliated companies.		
Contact Information:	NEST Direct Plan P.O. Box 30276 Omaha, NE 68103-1376	Phone: 888.993.3746 8:00 a.m. to 8:00 p.m. Central Time Monday through Friday	Web: www.NEST529Direct.com

Topic	Description	Reference Page
Nebraska State Income Tax Benefits	<ul style="list-style-type: none"> Contributions by account owners, and custodians of an UGMA or UTMA account where the custodian is the parent or guardian of the Beneficiary of an UGMA or UTMA account, and rollovers by account owners may be deductible up to \$10,000 per tax return (\$5,000 if married filing separately). Earnings grow free from Nebraska state income tax The earnings portion of a Qualified Withdrawal is exempt from Nebraska income tax The earnings and principal portions of a rollover into the NEST Direct Plan from another qualified 529 plan are exempt from Nebraska income tax 	11, 55-56
Federal Tax Benefits	<ul style="list-style-type: none"> Contributions are not deductible for federal income tax purposes Earnings grow tax-deferred from federal income tax No federal income tax on Qualified Withdrawals For federal gift and estate tax purposes, contributions are generally considered completed gifts to the Beneficiary. 	52-56
No Guarantees	<ul style="list-style-type: none"> There are no guarantees that contributions and the investment earnings, if any, will be adequate to cover future 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 as described herein for accounts invested in the Bank Savings Static Investment Option, investments in the NEST Direct Plan are not insured by the FDIC. Investments in the NEST Direct Plan are not guaranteed or insured by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, First National Bank of Omaha or its authorized agents or affiliates, or any other federal or state entity or person. The value of your account could be more or less than the amount you contribute to your account. In short, you could lose money. 	3, 12, 37
Enrollment Form	<ul style="list-style-type: none"> Enroll online at www.NEST529Direct.com Download from www.NEST529Direct.com 	13
Account Ownership	<ul style="list-style-type: none"> Individuals, trusts, certain entities, and custodial accounts Must have a Social Security or taxpayer identification number and a U.S. residential street address No joint account ownership 	13-16

Topic	Description	Reference Page
Beneficiary	<ul style="list-style-type: none"> • Must have a Social Security or taxpayer identification number • Does not need to have a Nebraska or U.S. address • Can be changed at any time to another Member of the Family 	17, 53, 54-55
Contributions	<ul style="list-style-type: none"> • Contributions can be made by anyone but account owner retains ownership and control of the account and its assets • Can be made online, automatically contributed from a checking or savings account; by check; wire transfer; payroll deduction; or electronic funds transfer • No contribution minimum • Maximum Contribution Limit of \$400,000 per Beneficiary for all accounts for the same Beneficiary in all plans administered by the Nebraska State Treasurer. Assets can grow beyond \$400,000. 	18-22
Investment Options	<ul style="list-style-type: none"> • 3 Age-Based Investment Options (Aggressive, Growth, Index) • 6 Static Investment Options (All Equity, Growth, Moderate Growth, Balanced, Conservative, Bank Savings) • 15 Individual Investment Options • If an account owner has multiple accounts in the Plan for the same Beneficiary, or multiple accounts among the NEST Direct Plan, the NEST Advisor Plan, the TD Ameritrade 529 College Savings Plan, or the State Farm 529 Savings Plan, the account owner may change the Investment Options in all accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Beneficiary. • Funds can be moved from one Investment Option to another twice per calendar year for all accounts administered by the Nebraska State Treasurer or at any time when the Beneficiary is changed to a Member of the Family. • Transferring assets among Plans administered by the Nebraska State Treasurer is considered an Investment Option change. 	23-37
Risk Factors	<p>Opening an account involves certain risks, including:</p> <ul style="list-style-type: none"> • The risk that the value of your account may decrease, you could lose money, including the principal you invest; • The risk of state or federal tax law changes; • The risk of Plan changes, including changes in fees; and • The risk that an investment in the Plan may adversely affect the account owner or Beneficiary's eligibility for financial aid or other benefits. 	38-40
Performance	<ul style="list-style-type: none"> • Performance of the Investment Options 	41-43
Plan Fees and Expenses	<ul style="list-style-type: none"> • No annual account fee • No enrollment, investment change, transfer or withdrawal fee • Age-Based Investment Option Cost Range: 0.32% - 0.44% • Static Investment Option Cost Range: 0.20% - 0.44% • Individual Investment Option Cost Range: 0.29% - 1.26% <p>Except for the Bank Savings Static Investment Option, these costs include a 0.25% Program Management Fee and a 0.02% State Administration Fee to cover administrative costs of overseeing, distributing and marketing the Plan. With respect to the Bank Savings Static Investment Option, the Program Management Fee is 0.18%.</p>	45-49

Topic	Description	Reference Page
Distributions	<ul style="list-style-type: none"> • Assets in the account can be used to pay for Qualified Higher Education Expenses of the Beneficiary including: tuition, fees, room & board (with certain limitations), books, supplies, equipment required for the enrollment or attendance at an eligible post-secondary institution in the U.S. or abroad and the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution regardless of whether such technology or equipment is required by the Eligible Educational Institution. Computer software means any program designed to cause a computer to perform a desired function. Such term does not include any database or similar item unless the database or item is in the public domain and is incidental to the operation of otherwise qualifying computer software. Computer software designed for sports, games, or hobbies is not included unless this software is predominantly educational in nature. • The earnings portion of withdrawals not used for qualified expenses generally are subject to federal income taxes, may be subject to an additional 10% federal tax, and may be subject to state or local taxes. 	50-51
Rollovers and Transfers	<ul style="list-style-type: none"> • Funds can be rolled over from another 529 plan to this Plan or from this Plan to another 529 plan once every 12 months for the same Beneficiary without being subject to federal tax. • Funds can be rolled over from this Plan to an ABLÉ account for the same Beneficiary without being subject to federal tax. • A rollover to another Beneficiary who is a Member of the Family of the current Beneficiary can take place at any time without federal income tax consequences. • Nebraska state income tax deductions are subject to recapture when a participation agreement is cancelled, the assets in an account are rolled over to another state's qualified tuition program or ABLÉ program, or when a Non-Qualified Withdrawal is made. • Liquidated assets from Coverdell ESA accounts, UGMA/UTMA assets and certain U.S. Savings Bonds can be transferred to the Plan at any time. Restrictions and tax considerations may apply. 	20, 51, 53

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PART 1 – OVERVIEW

The Trust and the Plan

The Nebraska Educational Savings Plan Trust (the “Trust”), established on January 1, 2001, is designed to qualify as a tax-advantaged qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended (the “Code”). Section 529 permits states and state agencies to sponsor qualified tuition programs under which you can contribute to an account for the benefit of any individual, including you (a “Beneficiary”). The Trust has a series of four plans, the NEST Direct Plan, the NEST Advisor College Savings Plan (“NEST Advisor Plan”), the TD Ameritrade 529 College Savings Plan, and the State Farm 529 Savings Plan.

The NEST Direct Plan provides a convenient and tax-advantaged way to save for Qualified Higher Education Expenses. Each account in the Plan represents an interest in the Trust and holds units of one or more underlying investment options (each an “Investment Option”) in the Plan.

The Nebraska State Treasurer acts as trustee for the Trust (the “Trustee”) and is responsible for the overall administration of the Plan.

The Nebraska Investment Council is responsible for the investment of the money in the Trust and the selection of all Investment Options.

The Program Manager

The Trustee entered into a Program Management Agreement with First National Bank of Omaha (the “Program Manager”). The seven-year contract ending December 17, 2017 was extended for an additional three-year term ending December 17, 2020. Under this contract, the Program Manager provides day-to-day administrative and marketing services to the Plan. The Program Manager is a subsidiary of First National of Nebraska, Inc., the largest privately owned banking company in the United States. For more than 160 years, First National Bank of Omaha has dedicated itself to providing quality products and superior service. First National of Nebraska, Inc. and its affiliates have \$23 billion in managed assets and 5,000 employee associates.

The Program Manager has entered into a distribution agreement with First National Capital Markets, Inc. (the “Distributor”). The Distributor and Program Manager are affiliated companies. First National Capital Markets is the underwriter.

Contributing to an account

The Plan is open to residents of any state, not just residents of Nebraska. As long as you have a Social Security number or taxpayer identification number, and a residential street address in the United States (including Puerto Rico, Guam or the U.S. Virgin Islands), you may open and contribute to an account regardless of your income or the age of the Beneficiary.

While there are no limits on the number of accounts an account owner can own, no additional contributions may be made for the

benefit of a particular Beneficiary when the fair market value of all accounts owned by all account owners within the Trust for that Beneficiary exceeds \$400,000 (the “Maximum Contribution Limit”). If, however, the market value of such accounts falls below the Maximum Contribution Limit, additional contributions will be accepted. The \$400,000 per Beneficiary Maximum Contribution Limit applies to all accounts for the same Beneficiary in all plans administered by the Nebraska State Treasurer, including the NEST Advisor Plan, the NEST Direct Plan, the TD Ameritrade 529 College Savings Plan, and the State Farm 529 Savings Plan.

Investment Options

The Plan has 24 Investment Options from which to choose: three Age-Based Investment Options, six Static Investment Options, and 15 Individual Investment Options. The Age-Based Investment Options and Static Investment Options invest in specified allocations of domestic equity, real estate, international equity, international bond, fixed income funds, and cash equivalent investments (a money market fund and an FDIC-insured savings account). The Bank Savings Static Investment Option invests in an FDIC-insured savings account.

Account owners do not (1) own shares of the underlying funds or (2) in the case of the Bank Savings Static Investment Option, directly hold a savings account but, rather, own an interest in the Investment Options offered by the Plan. Account owners may not deposit directly into the Savings Account at a Bank branch or otherwise. See “Part 6 – Investment Options Overview.” The Investment Options have been reviewed and approved by the Nebraska Investment Council.

You can choose an Investment Option that is tailored to meet your investment risk and return profile.

Federal income tax benefits

Investment earnings on your contributions accumulate on a tax-deferred basis while in an account. Qualified Withdrawals are exempt from federal and Nebraska state income tax if they are used to pay for the Beneficiary’s Qualified Higher Education Expenses. Qualified Higher Education Expenses include a Beneficiary’s tuition, fees, books, supplies, equipment required for the enrollment or attendance of the Beneficiary at an Eligible Educational Institution and the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution regardless of whether such technology or equipment is required by the Eligible Educational Institution. Computer software means any program designed to cause a computer to perform a desired function. Such term does not include any database or similar item unless the database or item is in the public domain and is incidental to the operation of otherwise qualifying computer software. Computer software designed for sports, games, or hobbies is not included unless this software is predominantly educational in nature. For Beneficiaries enrolled at an Eligible

Educational Institution on at least a half time basis, the Beneficiary's room and board expenses also qualify as Qualified Higher Education Expenses.

The earnings portion (if any) of a Non-Qualified Withdrawal will be treated as ordinary income to the recipient and may also be subject to an additional 10% federal tax, as well as partial recapture of any Nebraska state income tax deduction previously claimed.

Nebraska state tax deduction

Contributions by an account owner who files a Nebraska state income tax return, including the principal and earnings portions of rollovers from another qualified college savings plan not issued by the State of Nebraska, are deductible in computing the account owner's Nebraska taxable income for Nebraska income tax purposes in an amount not to exceed \$10,000 (\$5,000 for married taxpayers filing separate returns) in the aggregate for all contributions to all accounts within the Trust in any taxable year. Contributions by a custodian of an UGMA or UTMA account who is also the parent or guardian of the Beneficiary of an UGMA or UTMA account may claim this deduction. See "Part 14 – Federal and State Tax Considerations" for important additional information about state tax benefits.

Taxpayers and residents of other states

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.

PART 2 – LEGAL DESCRIPTION OF THE PLAN

The Trust and Plan

The NEST Direct College Savings Plan is one of four college savings plans issued by the Nebraska Educational Savings Plan Trust. The Plan is authorized by the State of Nebraska and is designed to qualify as a tax-advantaged qualified tuition program under Code Section 529. The primary purpose of the Trust and Plan is to promote and enhance the affordability and accessibility of higher education by offering a convenient and tax-advantaged way to save for the cost of tuition and other Qualified Higher Education Expenses. Amounts contributed to the Plan are invested in the Trust. The Trust holds the assets of the Plan, including all contributions made to accounts established by account owners.

The Treasurer

The Plan is overseen by the Nebraska State Treasurer, as Trustee of the Trust. As Trustee, the Nebraska State Treasurer is responsible for the overall administration of the Plan. The Plan is subject to the rules and regulations established by the Nebraska State Treasurer. A copy of these rules and regulations is available upon request to the Distributor.

The Nebraska Investment Council

The Nebraska Investment Council is responsible for investment oversight for the Trust and the Plan. The Nebraska Investment Council is responsible for the investment of money in the Trust and the selection of all Investment Options offered through the Plan.

The Program Manager

The Nebraska State Treasurer, as Trustee, has engaged the Program Manager to administer and market the Plan on behalf of the Trustee. The Program Manager works with the Treasurer to provide day-to-day administrative and marketing services to the Plan. The Distributor works with the Program Manager to assist in marketing the Plan accounts.

No insurance and no guarantees

Except as described herein for accounts invested in the Bank Savings Static Investment Option, accounts in the NEST Direct Plan are not insured by the FDIC. Accounts in the NEST Direct Plan are not guaranteed or insured by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, First National Bank of Omaha or its authorized agents or their affiliates, or any other federal or state entity or person.

The value of your account may vary depending on market conditions, the performance of the Investment Options you select, timing of purchases, and fees. The value of your account could be more or less than the amount you contribute to your account. In short, you could lose money.

FDIC insurance is provided for the Bank Savings Static Investment Option only, which invests in an FDIC-insured

omnibus savings account held in trust by the Nebraska Educational Savings Plan Trust at First National Bank of Omaha. Contributions to, and earnings on, the investments in the Bank Savings Static Investment Option are insured by the FDIC on a per participant, pass-through basis to each account owner up to the maximum limit established by federal law, which currently is \$250,000.

The Plan is not a mutual fund

Neither the NEST Direct Plan nor your account is a mutual fund, and you do not own shares in the underlying investments held in the Investments Options offered through the Plan. Investments in the Plan are considered municipal fund securities, which are not registered with the SEC or any state securities commission.

PART 3 – OPENING AND MAINTAINING AN ACCOUNT

Who can open an account

An account may be opened by an individual, certain entities (including a partnership, corporation, estate or association that is domiciled in the United States), a custodian under a state's UGMA or UTMA statute, or a trust to save for the Qualified Higher Education Expenses of a Beneficiary. An account may also be established by a state or local government or a tax-exempt organization described in Code Section 501(c)(3) as part of a scholarship program operated by the government or organization without naming a specific Beneficiary when the account is opened. Each account owner must have a Social Security number or taxpayer identification number and a residential U.S. street address.

You may select multiple Investment Options for the account you open for your Beneficiary when you complete the Enrollment Form or at a later date. All Investment Options opened by you for your Beneficiary will be placed into a single account.

No limits on the number of accounts

A single account can include different Investment Options for the same Beneficiary. Separate accounts may be established for the same Beneficiary by different account owners. An account owner may open multiple accounts for different Beneficiaries. Joint or multiple account owners are not permitted.

Restrictions

When an account owner or the address is changed on an account, there is a 10-business-day hold before a withdrawal can be made. A withdrawal request must be signature guaranteed if the request is within 10 business days of the change to have the withdrawal released before the hold period expires.

Maximum limits on contributions

While there are no limits on the number of accounts an account owner can own, no additional contributions may be made for the benefit of a particular Beneficiary when the fair market value of all accounts owned by all account owners within the Trust for that Beneficiary equals the \$400,000 Maximum Contribution Limit. If, however, the fair market value of such accounts falls below the Maximum Contribution Limit, additional contributions will be accepted. The Maximum Contribution Limit applies to all accounts for the same Beneficiary in all plans administered by the Nebraska State Treasurer, including the NEST Direct Plan, the NEST Advisor Plan, the TD Ameritrade 529 College Savings Plan, and the State Farm 529 Savings Plan.

Completing and submitting an Enrollment Form

To open an account, you must complete an Enrollment Form. By completing and submitting an Enrollment Form, you agree to be bound by the terms and conditions of the Program Disclosure Statement and Participation Agreement, which govern your rights, benefits and obligations as an account owner. The current version of the Participation Agreement is included as Exhibit A to this Program Disclosure Statement.

Any amendments to the Code, Nebraska law, or regulations relating to the Plan may automatically amend the terms of your Participation Agreement, and the Trustee may amend your Participation Agreement at any time and for any reason by giving you written notice of such amendments.

You can obtain an Enrollment Form by:

Enrolling online at www.NEST529Direct.com
Downloading the form at www.NEST529Direct.com

Writing the NEST Direct Plan at:
P.O. Box 30276
Omaha, NE 68103-1376

Calling the NEST Direct Plan at:
888.993.3746
8:00 a.m. – 8:00 p.m. Central Time
Monday – Friday

Required information

The Federal U.S.A. Patriot Act requires the Program Manager to obtain, verify, and record information that identifies each person who opens an account. You are required to provide the account owner's name, street address, date of birth, citizenship status, and Social Security or taxpayer identification number. Your account will not be opened if you do not provide the Program Manager with this information. If the Program Manager is unable to verify your identity, it reserves the right to close the account at the next calculated unit price following such determination, at your risk, or take other steps it deems reasonable.

Choosing an Investment Option

You must select one or more Investment Options in an account for your Beneficiary when you open an account or at a later date. All Investment Options selected by you for your Beneficiary will be placed into a single account. See "Part 6 – Investment Options Overview."

Account ownership

Individual account owner – An individual account owner who has reached the age of majority with a valid Social Security number or taxpayer identification number and a residential street address in the United States, Puerto Rico, Guam or the U.S. Virgin Islands can open an account. The account owner must register the account with a U.S. residential street address when an account is opened but may also designate a U.S. Post Office box to receive mail. There may only be one account owner – joint or multiple account ownership is not allowed. If an account owner changes his or her address on his or her account from a U.S. address to a foreign address contributions to the account will no longer be allowed.

Change in ownership – You may change ownership of your account to another individual or entity that is eligible to be an account owner. When you transfer ownership of your account, you are not required to change the Beneficiary. A change of ownership of an account will only be effective if the assignment is irrevocable and transfers all ownership rights. To be effective, a

transfer of ownership of your account also requires the new account owner to complete and execute an Enrollment Form (and thereby enter into a Participation Agreement), and an Account Information Change Form completed by the current account owner. You should consult your tax advisor regarding the potential gift and/or generation-skipping transfer tax consequences of changing ownership of your account.

Trusted Contact – You may designate someone you trust who is at least 18 years of age (a “Trusted Contact”) to act as a resource if we lose contact with you or believe you and/or your assets are at risk. By choosing to provide information about a Trusted Contact, you authorize us to contact this person and disclose information about your account to that person in the following circumstances: to address possible financial exploitation; to confirm the specifics of your current contact information, your health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney; or as otherwise permitted by FINRA Rule 2165 (Financial Exploitation of Specified Adults). Designating a Trusted Contact does not mean you are authorizing him or her to act on your account. Instead, he or she can be a resource to protect your account from suspected fraud or if you are unable to speak for yourself. We will not release information beyond what is necessary to protect you and/or your assets from potential harm. To designate or change a Trusted Contact please call the Plan.

Death or legal incapacity of the account owner and successor account owner – On your Enrollment Form, you may designate a successor account owner to take ownership of your account in the event of your death or legal incapacity. A successor account owner can be an individual, entity or trust but cannot be a minor. If you have already established an account, you may designate a successor account owner or change your designation by completing the appropriate form which may be obtained by submitting a form available on the Plan’s website or by calling the Plan. If you do not designate a successor account owner, then the Beneficiary, rather than your estate, shall be named the account owner.

Before the successor account owner will be permitted to transact business in respect to your account, he or she will be required to provide a certified copy of the death certificate, in the case of the death of the account owner, or an acceptable medical authorization or court order in the case of the incapacity of the account owner, and execute a new Enrollment Form, accepting the terms of the then-current Program Disclosure Statement and Participation Agreement. If the new account owner is an entity or trust, appropriate documentation may be required to accompany the Enrollment Form.

Custodial accounts – If a custodian holding assets under a state’s UGMA or UTMA statute establishes an account, the minor for whose benefit the custodian holds the UGMA or UTMA account assets must be designated as the account owner and Beneficiary of the account. The custodian must complete the Enrollment Form and assume account owner responsibilities until the

Beneficiary reaches the age of majority under the applicable UGMA or UTMA statute, at which time the Beneficiary will assume account owner responsibilities. At the time the Beneficiary reaches the age of majority, the custodian must submit a signature guaranteed letter of authorization, an Enrollment Form accepting the terms of the then-current Program Disclosure Statement and Participation Agreement, and a certified copy of the Beneficiary’s birth certificate indicating that the Beneficiary has reached the age of majority.

The custodian must liquidate the assets from the current UGMA or UTMA account (which may be subject to federal and state income taxes) for deposit into the Plan’s custodial account. Money in a custodial account is irrevocable and is a permanent gift to the Beneficiary. Money in a custodial account can only be used for the Beneficiary’s expenses. Any earnings portion of any Non-Qualified Withdrawal made before the Beneficiary reaches the age of majority will be included in the income of the Beneficiary.

The custodian will not be permitted to change the account owner or Beneficiary of a custodial account or transfer assets to another Beneficiary. The custodian will be required to certify on a withdrawal form that the withdrawal is for the benefit of the Beneficiary. Any contributions to a custodial account holding UGMA or UTMA funds will be subject to these restrictions.

A custodian can be changed on a custodial account by providing supporting documentation in writing from the current custodian or submitting a valid court order appointing another person as the custodian. The new custodian must complete an Enrollment Form available by downloading a form from the Plan’s website, or by calling the Plan.

None of the Program Manager or its agents or their affiliates, the Trustee, the Nebraska Investment Council, or the State of Nebraska will assume responsibility to ensure, or will incur any liability for failing to ensure, that a custodian applies assets held under an UGMA or UTMA custodianship for proper purposes. Liquidating an UGMA or UTMA account for deposit into the NEST Direct Plan may trigger tax consequences. Custodians should discuss the tax implications with their tax advisors before transferring funds to the NEST Direct Plan.

Accounts owned by minors – As of February 1, 2016 a minor may only be named an account owner in the event of the death or legal incapacity of the account owner in which a successor account owner had not been designated for that account. If at the time of the account owner’s death or legal incapacity the Beneficiary is a minor, the minor will become both the account owner and the Beneficiary of the account. The parent or legal guardian of the minor Beneficiary must provide a letter of instruction, a certified copy of the account owner’s death certificate or other proof of legal incapacitation, and execute a new Enrollment Form, accepting the terms of the then-current Program Disclosure Statement and Participation Agreement.

For all minor-owned accounts opened prior to or after February 1, 2016, the parent or legal guardian must assume account owner responsibilities until the Beneficiary reaches the age of majority as designated by his or her residential state. At the time the Beneficiary reaches the age of majority, the parent or legal guardian or the Beneficiary must submit a signature guaranteed letter of authorization, an Enrollment Form signed by the Beneficiary who has reached the age of majority accepting the terms of the then-current Program Disclosure Statement and Participation Agreement, and a certified copy of the Beneficiary's birth certificate indicating that the Beneficiary has reached the age of majority.

As with UGMA or UTMA accounts, the parent or guardian will not be permitted to change the account owner or Beneficiary of the account or transfer assets to another Beneficiary. The parent or guardian will be required to certify on a withdrawal form that the withdrawal is for the benefit of the Beneficiary.

Entity-owned accounts – If the account owner is a partnership, corporation or other entity, the entity must provide a valid taxpayer identification number, and the name and title of a contact person authorized by the entity to act in its capacity. The entity must be domiciled in the U.S. including Puerto Rico, Guam, or the U.S. Virgin Islands. The entity may be required to provide appropriate documentation to accompany the Enrollment Form.

When signing Plan forms or conducting a transaction, the person authorized to act on behalf of the entity will certify that he or she continues to be authorized to act on behalf of the entity. The Program Manager will presume that any entity documents provided are valid, effective to bind the entity, and will have no liability for defective documentations submitted by the authorized contact person.

Trust accounts – If the account owner is a trust, the trustee should consult with his or her legal and tax advisors before establishing the account. This Program Disclosure Statement does not attempt to address the income or transfer tax consequences of investments in the Plan made by a trust or the propriety of such an investment under state trust law. The trustee may be required to submit documents when an account is opened. Call the Plan for more information.

Accounts for infants – All Beneficiaries must have a Social Security number or taxpayer identification number. If you have an infant, you cannot open an account until you obtain a Social Security number or taxpayer identification number for that infant.

Maintaining and reviewing your account

The Plan will send you confirmation statements each time financial transactions are made (with the exception of age-band rolls, a systematic contribution through AIP, payroll deduction, systematic exchanges, or transfers from a Upromise® by Sallie Mae® Account) as well as when there are changes to your account registration. For quarters one, two and three, if there were financial transactions during the quarter, the Plan will also send you a quarterly statement

that indicates the current account balance and financial transactions made during the quarter and transactions from previous quarters within the same calendar year, if applicable. For the fourth quarter, the Plan will send all account owners an annual statement that will include all financial transactions during the entire year. You can check your account balance, transaction history, and quarterly statements online at www.NEST529Direct.com or by calling the Plan. Contributors who are not account owners will not receive any notification of a transaction nor will they have any right to the account or to receive information about the account. Account owners can request that an interested party receive duplicate statements.

Program Manager's right to terminate, freeze, suspend or redeem your account

The Program Manager can terminate the account if the account owner provided false or misleading information or if the account reaches a zero balance. In addition, if there has been no activity in the account and the Program Manager or its designee has not been able to contact the account owner for a period of at least five years, the account may be considered abandoned under Nebraska state law. If the account is considered abandoned, it may, without authorization from the account owner, be transferred to the Nebraska State Treasurer's Unclaimed Property Division. The Program Manager can freeze the account or suspend account services if the Program Manager reasonably believes there is a dispute regarding the assets in the account, that fraudulent transactions may have occurred, upon notification of the death of an account owner until the Program receives required documentation in good order and reasonably believes it is lawful to transfer account ownership to the successor account owner, or if there is suspicious conduct relating to the account.

Per FINRA Rule 2165 Financial Exploitation of Specified Adults, the Plan may place a temporary hold on a disbursement of funds or securities from the account of a specified adult if the Plan has reason to believe that financial exploitation has occurred, is occurring or has been occurring. A "Specified Adult" is (a) a natural person age 65 and older; or (b) a natural person age 18 and older who the Plan believes has a mental or physical impairment that renders the individual unable to protect his or her own interests.

Account opening error

If the account owner believes that a new account's Investment Option was not what the account owner indicated on the Enrollment Form, or if the Beneficiary's age is incorrect, the Plan must be notified within 60 calendar days from the date the account opening confirmation was mailed. If you do not notify the Plan within 60 calendar days, you will be considered to have approved the information in the confirmation and to have released the State of Nebraska, the Nebraska Investment Council, the Trustee, the Nebraska State Investment Officer, and the Program Manager or its authorized agents or their affiliates, of responsibility for all matters covered by the confirmation. After 60 calendar days, the assets will remain in the Investment Option until withdrawn or when the account owner requests an

Investment Option change. The Program Manager may waive the 60-calendar-day notice requirement at its sole discretion in the event that an error has occurred.

Documents must be in good order

In order to timely process any transaction, such as opening an account in or processing a contribution to the Plan, all necessary documents must be in good order. Documents are in good order when they are fully, properly and accurately completed, executed (where necessary) and received by the Program Manager or its authorized agents. For example, in order for an Enrollment Form or a contribution to be received in good order, certain information must be provided. Where information is missing, an Enrollment Form or a contribution is not received in good order and processing may be delayed or the Form or the contribution may be returned to you.

PART 4 – BENEFICIARIES

Beneficiary

The Beneficiary is the individual for whom Qualified Higher Education Expenses are expected to be paid from the account. Any individual with a valid Social Security number or taxpayer identification number can be a Beneficiary. A Beneficiary can be of any age and need not be a resident of the State of Nebraska or of the United States.

An account owner does not have to be related to the Beneficiary. However, if you change the Beneficiary in the future, the new Beneficiary must be a Member of the Family of the former Beneficiary in order to avoid a taxable transaction.

One Beneficiary

Each account may have only one Beneficiary, but different account owners may establish different accounts for the same Beneficiary. An account owner may also name himself or herself as the Beneficiary.

Infant Beneficiary

All Beneficiaries must have a Social Security number or taxpayer identification number. An account cannot be opened until you can provide the Plan with the infant's Social Security number or taxpayer identification number.

Scholarship account Beneficiary

If an account is established by a state or local government (or agency or instrumentality thereof) or an organization described in Code Section 501(c)(3) as part of a scholarship program operated by the government or organization, the Beneficiary is not required to be identified on the Enrollment Form at the time the account is established. The government or organization shall designate the Beneficiary prior to any distributions for Qualified Higher Education Expenses from the account.

UGMA or UTMA or minor-owned account Beneficiary

If the source of contributions to an account was a state UGMA or UTMA funds, or if the account is owned by a minor, the Beneficiary of the account may not be changed even if the new Beneficiary is a Member of the Family of the original Beneficiary of the account.

Changing the Beneficiary

Except as set forth below, an account owner may change the Beneficiary at any time without adverse federal income tax consequences if the new Beneficiary is a Member of the Family of the former Beneficiary. Upon a change in Beneficiary, the account owner may also change the Investment Options in which the account is invested.

However, upon a change of Beneficiary, the existing assets plus the assets moved to the new Beneficiary's account cannot result in the total account values in all accounts in the Trust for the new Beneficiary to exceed the Maximum Contribution Limit.

If the new Beneficiary is not a Member of the Family of the former Beneficiary, then the change is treated as a Non-Qualified Withdrawal that is subject to federal and state taxes and an additional 10% federal tax on any earnings, as well as partial recapture of any Nebraska state income tax deduction previously claimed.

To change the Beneficiary of an account, you should visit the Plan's website at www.NEST529Direct.com to download the appropriate form or you can change the Beneficiary online.

An account owner may change the Beneficiary at any time without adverse federal income tax consequences if the new Beneficiary is a Member of the Family of the former Beneficiary.

A Beneficiary cannot be changed on an UGMA or UTMA or minor-owned account.

Member of the Family

A Member of the Family is defined as anyone who is related to the Beneficiary in one of the following ways:

- A son or daughter, or a descendant of either;
- A stepson or stepdaughter;
- A brother, sister, stepbrother or stepsister;
- The father or mother, or an ancestor of either;
- A stepfather or stepmother;
- A son or daughter of a brother or sister;
- A brother or sister of the father or mother;
- A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law;
- The spouse of the Beneficiary or the spouse of any of the foregoing individuals; or
- A first cousin of the Beneficiary.

For purposes of determining who is a Member of the Family, a legally adopted child or foster child of an individual is treated as the child of such individual by blood. The terms "brother" and "sister" include half-brothers and half-sisters.

Death of a Beneficiary

Upon the death of a Beneficiary, the account owner can change the Beneficiary on the account, transfer assets to another Beneficiary who is a Member of the Family of the former Beneficiary, or take a Non-Qualified Withdrawal. Some Non-Qualified Withdrawals following the death of the Beneficiary are not subject to the additional 10% federal tax. See "Part 13 – Distributions from an Account."

PART 5 – CONTRIBUTING TO AN ACCOUNT

Contributions

Anyone can contribute to a NEST Direct Plan account but only the account owner can (1) control how the assets are invested and used, (2) designate a Beneficiary, and (3) claim tax benefits related to the account, regardless of who contributed to it.

Contribution restrictions

All contributions must be cash-equivalent and denominated in U.S. dollars. Cash is not accepted. The Program Manager will hold all contributions up to five business days before a withdrawal of those assets can occur.

No contribution minimums

There are no minimum contribution requirements and there is no minimum amount that must be maintained in a NEST Direct Plan account. The Program Manager reserves the right to close a zero-balance account.

Limits on maximum contributions to an account

Additional contributions to an account are not permitted when the fair market value of all accounts owned by all account owners within the Trust for that Beneficiary equals the Maximum Contribution Limit. If, however, the market value of such accounts falls below the Maximum Contribution Limit, additional contributions will be accepted.

The \$400,000 per Beneficiary Maximum Contribution Limit applies to all accounts for the same Beneficiary in all plans administered by the Nebraska State Treasurer, including the NEST Direct Plan, the NEST Advisor Plan, the TD Ameritrade 529 College Savings Plan, and the State Farm 529 Savings Plan. The Nebraska State Treasurer may periodically adjust the Maximum Contribution Limit.

Excess contributions

The Program Manager will notify you if you attempt to make a contribution to an account that exceeds the Maximum Contribution Limit. The Program Manager will not knowingly accept and will reject contributions in excess of the Maximum Contribution Limit. Contributions will be deposited up to the Maximum Contribution Limit and the remainder will be refunded less any amounts attributable to market losses suffered between the date of the contribution and the date of the refund. If the Program Manager determines that a contribution in excess of the Maximum Contribution Limit has been accepted, the excess contributions and any earnings thereon will be promptly refunded less any amounts attributable to market losses suffered between the date of the contribution and the date of the refund. If a contribution is applied to an account and it is later determined that the contribution resulted in exceeding the Maximum Contribution Limit, the excess contribution and any earnings will be refunded to the account owner. Any refund of an excess contribution may be treated as a Non-Qualified Withdrawal.

Allocation of contributions

At the time an account is established, you must select how you want the contributions allocated among the Investment Options you selected for future contributions ("Standing Allocation"). Additional contributions will be invested according to the Standing Allocation unless you provide different instructions. You may reallocate assets to different Investment Options twice per calendar year and with a permissible change in the Beneficiary. You can view your Standing Allocation any time online. You can change your Standing Allocation anytime by accessing the Plan's secure website, by downloading and submitting a form available on the Plan's website, or by calling the Plan.

Systematic Exchange Program

The Systematic Exchange Program allows the exchange of a minimum of \$200 from one Investment Option to another Investment Option on a pre-scheduled basis ("Systematic Exchange").

In order to establish the Systematic Exchange Program, you must deposit a minimum contribution of at least \$2,500 into a "source" Investment Option. When you establish a Systematic Exchange, you must select a preset dollar amount of \$200 or more to be exchanged into each of one or more preselected "receiving" Investment Options over a preset period of time, either monthly or quarterly. Any Age-Based, Static or Individual Investment Option can serve as the source Investment Option or receiving Investment Option.

Systematic Exchange does not ensure a profit or protect against loss in a declining market. Systematic Exchange commits you to a preset investment in the receiving Investment Option(s) selected regardless of fluctuating prices.

If Systematic Exchange is selected at the time that an account is opened or after an account is opened and is selected for new contributions, it will be considered the initial investment strategy for that account and not be counted toward the investment change limit for that Beneficiary for the calendar year.

If Systematic Exchange is selected for money already deposited into an account after an account is opened or if any changes to a current Systematic Exchange Program are made, that selection or change will be counted toward the investment change limit for that Beneficiary for the calendar year.

Contributions by non-account owners

Anyone can make contributions to an account. However, only the account owner and a custodian of an UGMA or UTMA account where the custodian is the parent or guardian of the Beneficiary of an UGMA or UTMA account, are eligible for a Nebraska state income tax deduction for contributions made by him or her. In addition, only the account owner maintains control over all contributions to an account regardless of their source, including the right to change Investment Options and make withdrawals from an account. For the purpose of an UGMA or UTMA or minor-owned accounts, the minor is the account owner.

Under current law, the gift and generation-skipping transfer tax consequences of a contribution by anyone other than the account owner are unclear. Accordingly, if a person other than the account owner plans to make a contribution to an account, that person should consult his or her own tax or legal advisors as to the consequences of a contribution.

Contribution methods

Contributions can be made to an account by:

- Contributing electronically from your bank account
- Checks
- Wire Transfer
- Payroll deduction
- Rollover from another qualified tuition program
- Coverdell ESA
- Redemption from certain U.S. Savings Bonds
- Transfer within the NEST Direct Plan
- UGMA or UTMA accounts
- Transfer from Upromise® by Sallie Mae® Account
- Contributions from Ugift®

Contributing electronically from your bank account

Account owners can authorize contributions from their checking or savings bank account into their NEST Direct Plan account for one-at-a-time contributions (an "Electronic Funds Transfer" or "EFT") or prescheduled, ongoing contributions ("Automatic Investment Plan" or "AIP"), subject to certain processing restrictions. The bank from which the contribution is drawn must be a member of the Automated Clearing House. You can authorize these instructions when you complete an Enrollment Form, or, after your account is opened, online by accessing the secure website, by downloading and submitting a form available on the Plan's website, or by calling the Plan (if you have previously submitted certain information about the bank account from which the money will be withdrawn).

For both EFT and AIP you must provide the Plan with your banking instructions. For AIP you must also indicate the amount and frequency you want the ongoing contributions to occur. If the account owner does not own the bank account, the bank account owner must authorize in writing the use of the other person's bank account. This can be accomplished on the form that establishes or changes bank account information for your account. The bank must be a U.S. bank and the contribution must be in U.S. dollars.

You can initiate EFT contributions, change your bank, stop AIP, or change your AIP contribution amount or frequency online by accessing the secure website. You can also make changes by downloading and submitting a form available on the Plan's website or by calling the Plan.

If your EFT or AIP contribution cannot be processed because of insufficient funds or incomplete or inaccurate information, or if the transaction would violate processing restrictions, the Plan reserves the right to suspend future EFT or AIP contributions. A \$25 charge may be assessed for rejected electronic transfers from bank accounts against each account that was the proposed recipient of

the attempted contribution. The account owner will also be responsible for any losses or expenses incurred by the Investment Option.

We do not charge a fee for accepted EFT or AIP transactions.

Automatic Investment Plan (AIP)

When you contribute to your account through AIP you are authorizing us to receive periodic automated debits from a checking or savings account at your bank (if your bank is a member of the Automated Clearing House), subject to certain processing restrictions. Your AIP authorization will remain in effect until we have received notification of its termination from you and we have had a reasonable amount of time to act on it. AIP debits from your bank account will occur on the day you indicate, provided the day is a regular business day. If the day you indicate falls on a weekend or a holiday, the AIP debit will occur on the next business day ("debit date"). Quarterly AIP debits will be made on the day you indicate (or the next business day, if applicable). You will receive a trade date of the business day on which the bank debit occurs.

The start date for an AIP must be at least three business days from the date of submission of the AIP request. If a start date for an AIP is less than three business days from the date of the submission of the AIP request, the AIP will start on the requested day in the next succeeding period.

A program of regular investments cannot assure a profit or protect against a loss in a declining market.

Electronic Funds Transfer (EFT)

If you have identified a checking or savings account from which the money will be withdrawn, you may authorize us to withdraw funds by EFT for contributions into your account. EFT contributions can be made online or by calling the Plan. The Plan may place a limit on the total dollar amount per day you may contribute to an account by EFT. EFT purchase requests that are received in good order:

- Before 10 p.m. Eastern Time will be given a trade date of the next business day after the date of receipt and will be effective at that day's closing price for the applicable Investment Option or Portfolio. In such cases, the EFT debit from your bank account will occur on the second business day after the request is received; or
- After 10 p.m. Eastern Time will be given a trade date of the second business day after the date the request is received, and they will be effective at that day's closing price for the applicable Investment Option or Portfolio. In such cases, the EFT debit from your bank account will occur on the third business day after the request is received. Your trade date will be on the business day prior to your debit date.

Checks

Checks should be made payable to "NEST Direct Plan" or "NEST." A contribution by mail coupon should accompany the check. Contribution by mail coupons are sent to you when an account is opened, when a transaction is performed, and in statement mailings. You can also download a contribution coupon from www.NEST529Direct.com. If a coupon is not available, include the account number and name of the Beneficiary on the check or include separate written instructions. All checks must be in good order. Some checks that will also not be accepted include: travelers checks, foreign checks, checks dated more than 180 days from the date of receipt, post-dated checks, checks with unclear instructions, starter checks or counter checks, credit card or bank courtesy checks, promotional checks, third-party personal checks over \$10,000, instant loan checks, and any other check we deem unacceptable. Money orders are not accepted. Third-party personal checks must be payable to you or the Beneficiary and be properly endorsed by you or the Beneficiary to the NEST Direct Plan.

A \$25 charge may be assessed for returned checks against each account that was the proposed recipient of the attempted contribution. The account owner may also be responsible for any losses or expenses incurred in the Investment Options.

Checks should be made payable to "NEST Direct Plan" or "NEST" and can be sent to the following address:

Mailing Address:

NEST Direct Plan
P.O. Box 30276
Omaha, NE 68103-1376

For faster delivery, consider using the overnight or courier address below.

Overnight or Courier Address:

NEST Direct Plan
920 Main Street, Suite 900
Kansas City, MO 64105

Wire transfer

Wire transfers are initiated from the contributor's financial institution. Please call the Plan to obtain information regarding wire transfers.

Payroll deduction

Contributions can be made into a NEST Direct Plan from a paycheck if the employer permits direct deposit. Payroll deduction is made with after-tax dollars. Account owners initiate payroll deduction and any changes directly with their employer. Mistakes made by the employer can only be remedied between the employee and the employer. The Plan will not take any responsibility for mistakes made by the employer or employee. You must complete payroll deduction instructions by logging into your account at www.NEST529Direct.com, selecting the payroll deduction option, and designating the contribution amount in the

instructions. You will need to print these instructions and submit them to your employer. Please call the NEST Direct Plan for further instructions on establishing direct deposit from your paycheck.

Rollover

Contributions may also be made by a rollover or direct transfer of funds from another qualified tuition program. Rollovers from another qualified tuition program are treated as a non-taxable distribution from the distributing qualified tuition program if you (1) change the Beneficiary of the account to a Member of the Family of the former Beneficiary, or (2) do not change the Beneficiary if the rollover does not occur within 12 months from the date of any previous rollover to a qualified tuition program for the Beneficiary.

To initiate a rollover from another qualified tuition program you must first open a NEST Direct Plan account. You have the option of withdrawing funds from the former account and, if that is the case, you must deposit the funds within 60 days into either (1) another account for the benefit of another Beneficiary who is a Member of the Family of the former Beneficiary, or (2) an account in the NEST Direct Plan account for the benefit of the same Beneficiary.

You may instruct the Plan to contact another qualified tuition program directly to request the funds from your account in that program be sent to the NEST Direct Plan. Check with the other qualified tuition program first to determine the best approach for you to take. You can call the Plan for further instructions.

Under Internal Revenue Service (IRS) guidance, the Program Manager is required to assume that the entire amount of any contribution that is a rollover contribution from another qualified tuition program is earnings in the account receiving the contribution unless the Program Manager receives appropriate documentation showing the actual earnings portion of the rollover contribution.

Account owners who are Nebraska taxpayers who roll over funds into the NEST Direct Plan may be eligible for a Nebraska state income tax deduction. See "Part 14 – Federal and State Tax Considerations." The qualified tuition program from which you are transferring funds may impose other restrictions on a rollover, such as the recapture of any state income tax deduction previously claimed, so you should investigate this option thoroughly before requesting a transfer.

Coverdell Education Savings Account

Contributions may also be made by a rollover or direct transfer of funds from a Coverdell Education Savings Account ("ESA") (formerly known as an Education IRA). Amounts distributed from an ESA and contributed to an account may be treated as non-taxable distributions from the ESA. Call the Plan for more information and instructions.

Under IRS guidance, the Program Manager is required to assume that the entire amount of any contribution that is a rollover contribution from an ESA is earnings in the account receiving the contribution unless the Program Manager receives appropriate documentation showing the actual earnings portion of the contribution.

Redemptions from certain U.S. Savings Bonds

Subject to certain limitations, redemption of certain qualified United States Savings Bonds may be tax-free if the proceeds are contributed to a Plan account. Certain rules and requirements must be met. For more information consult IRS Publication 970 and your financial, tax or legal advisor.

Under IRS guidance, the Program Manager is required to assume that the entire amount of any contribution that is a rollover contribution from a qualified United States Savings Bond is earnings in the account receiving the contribution unless the Program Manager receives appropriate documentation showing the actual earnings portion of the contribution.

Transfers within the NEST Direct Plan

Funds can be transferred between existing NEST Direct Plan accounts that have different owners or Beneficiaries (or both). You can also transfer the entirety or a portion of the account's balance. To initiate a transfer within the NEST Direct Plan, you must complete and submit a form available from the Plan's website or by calling the Plan. The total account assets for all accounts held on behalf of the Beneficiary to whom the money is being transferred cannot exceed the Maximum Contribution Limit.

Transfer to another account owner – The NEST Direct Plan permits a transfer of a portion or the entire amount of an account to another account owner. If the new account owner does not have an account, he or she must complete an Enrollment Form before the transfer of assets can occur. The current account owner must also submit an Account Information Change Form. You should consider consulting a tax advisor about the potential tax consequences of a change in account owner.

Transfer to another Beneficiary – The NEST Direct Plan permits the transfer of a portion or the entire amount of an account to another Beneficiary with either the same account owner or a different account owner. If 100% of the assets are being transferred to another Beneficiary for the same account owner, and an account has not been opened for that account owner and Beneficiary, a Beneficiary Change Form must be completed. The new Beneficiary must be a Member of the Family of the former Beneficiary.

Transferring accounts among Nebraska-issued 529 qualified tuition plans – Transferring a portion or the entire amount of a NEST Direct Plan account to another account within the Trust for the same account owner and Beneficiary is considered an Investment Option change and requires the account owner to complete an appropriate form. This change counts toward the account owner's twice per calendar year Investment Option change limit.

Potential tax consequences of a transfer – Transferring funds to a Beneficiary who is not a Member of the Family of the former Beneficiary is considered a Non-Qualified Withdrawal by the IRS and may be subject to federal and state income taxes and an additional 10% federal tax on the earnings portion of the transfer, as well as partial recapture of any Nebraska state income tax deduction previously claimed.

UGMA or UTMA accounts

A custodian for a minor under a state UGMA or UTMA statute may liquidate the assets held in the UGMA or UTMA account to open an account in the Plan, subject to the laws of the state under which the UGMA or UTMA account was established. If the custodian of an UGMA or UTMA account establishes an account, the minor for whose benefit the assets are held must be designated as the account owner and Beneficiary of the account, and the custodian will not be permitted to change the Beneficiary of the account or transfer assets to another Beneficiary. The custodian will be required to certify on a withdrawal form stating that the distribution from the UGMA or UTMA account will be used for the benefit of the Beneficiary of the account.

When the Beneficiary reaches the age of majority under the applicable state UGMA or UTMA statute and the custodianship terminates, the Beneficiary will become the sole account owner with complete control over the account. The custodian is required to notify the Program Manager when the minor attains the age of majority under the applicable state UGMA or UTMA statute.

All contributions once made to an UGMA or UTMA account, regardless of their source, become subject to the limitations described above at the time of their contribution into an UGMA or UTMA account.

The conversion of non-cash UGMA or UTMA assets to cash for contribution to a NEST Direct Plan account may be a taxable transaction. Before liquidating assets in an UGMA or UTMA account in order to contribute them to an account, you should review the potential tax and legal consequences with your tax and legal advisors. Moreover, none of the Treasurer, the Program Manager, or the Plan assumes responsibility to ensure, or will incur any liability for failing to ensure, that a custodian applies assets held under an UGMA or UTMA custodianship for proper purposes.

Transfers from a Upromise® by Sallie Mae® Account

If you are enrolled in the Upromise service, you can link that account to your NEST Direct Plan account and have all or a portion of your savings automatically transferred to your NEST Direct Plan from your Upromise® by Sallie Mae® Account on a periodic basis. The minimum amount for an automatic transfer made from a Upromise® by Sallie Mae® Account to your Plan account is currently \$25 and is subject to change. However, you cannot use the transfer of funds from a Upromise® by Sallie Mae® Account as the initial funding source for your Plan account. Transfers from a Upromise® by Sallie Mae® Account are not considered a deductible contribution for Nebraska state tax purposes.

This Program Disclosure Statement is not intended to provide detailed information concerning Upromise. Upromise is administered in accordance with the terms and procedures set forth in the Upromise Member Agreement (as amended from time to time), which is available by going to www.NEST529Direct.com and clicking on the Upromise logo. The Upromise service is an optional service, offered by Upromise, Inc., is separate from the Plan, and is not affiliated with the State of Nebraska or the Program Manager. 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.

Contributions through Upromise are subject to the Maximum Contribution Limit. Upromise is a registered service mark of Upromise, Inc.

Contributions from Ugift®

This free to use service gives account owners a simple way to ask family and friends to celebrate birthdays, holidays, and other events with a gift contribution to a NEST Direct Plan account. Gift contributions received in good order will be held by the Program Manager for approximately five business days before being transferred into your Plan account. Contributions from Ugift from persons other than the account owner are not considered a deductible contribution for Nebraska state tax purposes.

Gift contributions through Ugift are subject to the Maximum Contribution Limit. Gift contributions will be invested according to the Standing Allocation on file for your account at the time the gift contribution is transferred. There may be potential tax consequences of gift contributions invested in your account. You and the gift giver should consult a tax advisor for more information. Ugift is an optional service, is separate from the Plan, and is not affiliated with the State of Nebraska or the Program Manager. Ugift can be initiated from the Plan's website by clicking on the Ugift logo. Ugift is a registered service mark of Ascensus Broker Dealer Services, LLC.

Contribution date

Contributions are considered received on the date the contribution is reviewed and processed by the Program Manager or its authorized agents. Contributions to an account that are received in good order before the market close (typically 4 p.m. Eastern Time) on any day the New York Stock Exchange (NYSE) is open for business are generally processed on that day for the Investment Options you selected. Contributions to an account that are received in good order after market close, or on a day the NYSE is closed for business, will be generally processed on the next business day.

Contributions sent by U.S. mail that are postmarked on or before December 31 will be treated as having been made in that year even if the check was actually received by the Program Manager or its authorized agents in good order in the next year, provided the checks are subsequently cleared. For EFT contributions, for tax purposes, the contributions will be considered in that year if

the EFT was initiated on or before December 31 of such year, provided the funds are successfully deducted from your checking or savings account by your financial institution.

Regardless of the calendar year for which a contribution is deductible, the trade date of the contribution (and thus the price of the units purchased with the contribution) will be determined based on the day the contribution is received by the Program Manager or its authorized agents in good order, and with respect to AIP contributions you will receive the trade date of the business day on which the debit occurs. For EFT contributions, the following applies:

- Before 10 p.m. Eastern Time will be given a trade date of the next business day after the date of receipt and will be effective at that day's closing price for the applicable Investment Option or Portfolio. In such cases, the EFT debit from your bank account will occur on the second business day after the request is received; or
- After 10 p.m. Eastern Time will be given a trade date of the second business day after the date the request is received, and they will be effective at that day's closing price for the applicable Investment Option or Portfolio. In such cases, the EFT debit will occur on the third business day after the request is received. Your trade date will be on the business day prior to your debit date.

Contribution pricing

The unit price for each Investment Option is calculated at the close of regular trading on the NYSE each day the NYSE is open for trading. The unit price is calculated by dividing the value of the Investment Option's net assets by the total number of units in the Investment Option outstanding. The unit price is based on the value of the Investment Option underlying investments as well as expenses and fees for administering and managing the NEST Direct Plan. See "Part 12 – Plan Fees and Expenses."

Contribution errors

If the account owner believes an error was made regarding his or her contribution, the Program Manager must be notified within 60 calendar days. If you do not notify the Plan within 60 days, you will be considered to have approved the information in the confirmation and to have released the State of Nebraska, the Nebraska Investment Council, the Trustee, the Nebraska State Investment Officer, and the Program Manager and its authorized agents or their affiliates of responsibility for all matters covered by the confirmation. The Program Manager may waive the 60-calendar-day notice requirement at its sole discretion.

PART 6 – INVESTMENT OPTIONS OVERVIEW

Investment Options

Contributions to an account will be invested in the Investment Option you select on the Enrollment Form. The Investment Options invest in one or more investments, trust accounts, or other investment vehicles as designed by the Nebraska Investment Council. The Investment Options described in this Program Disclosure Statement allow account owners to direct funds to specific investment categories and strategies approved by the Nebraska Investment Council. These may include Investment Options investing in domestic equity, real estate, international equity, international bond, fixed income, money market funds, and an FDIC-insured savings account.

You do not (1) own shares in the underlying funds or (2) in the case of the Bank Savings Static Investment Option, directly hold a savings account but, rather, own an interest in the Investment Options offered by the Plan. However, you may obtain prospectuses of the current investments in which the Plan is invested at any time by going online to www.NEST529Direct.com.

24 Investment Options

There are 24 separate Investment Options. The following Investment Options are available:

- 3 Age-Based Investment Options
- 6 Static Investment Options
- 15 Individual Investment Options

The three Age-Based Investment Options are designed to become more conservative the closer the Beneficiary gets to college.

The six Static Investment Options keep the same asset allocation between domestic equity, real estate, international equity, international bond, fixed income, and cash equivalents over the life of your account.

The 15 Individual Investment Options each invest in a single fund or, in the case of the Bank Savings Static Investment Option, an FDIC-insured savings account.

No investment direction

Under federal law, neither you nor your Beneficiary may exercise investment discretion, directly or indirectly, over contributions to an account or any earnings on those contributions. As a result, you are not able to select the securities in which your account is invested. Instead, contributions are invested according to the percentage you indicate into the Investment Option or Options you select on the Enrollment Form. The percentage can be changed online by accessing the Plan's secure website, by downloading and submitting a form available on the Plan's website, or by calling the Plan.

The Nebraska Investment Council may change the Investment Options, the asset allocation within each of the Investment Options, and the underlying investments in which each of the

Investment Options invest at any time without notice to you. Any such change in Investment Options, allocations within an Investment Option, or change in underlying investments within an Investment Option made by the Nebraska Investment Council is not considered a change in investment direction by an account owner.

Changing Investment Options

Generally, an account owner may only change the Investment Options in which their account is invested twice per calendar year or upon a change of Beneficiary. Therefore an account owner should carefully make their investment selection at the time they complete the Enrollment Form. You can change the way you want to invest future contributions any time by changing your Standing Allocation. See Page 18, "Allocation of contributions."

If an account owner has multiple accounts in the Plan for the same Beneficiary, or multiple accounts among the NEST Direct Plan, the NEST Advisor Plan, the TD Ameritrade 529 College Savings Plan, or the State Farm 529 Savings Plan, the account owner may change the Investment Options in all accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Beneficiary.

Investment Options in which an account is invested can be changed online by accessing the secure website, by downloading and submitting a form available on the Plan's website, or by calling the Plan.

PART 7 – AGE-BASED INVESTMENT OPTIONS

Three Age-Based Investment Options

The three Age-Based Investment Options adjust over time so as the Beneficiary nears college the allocation becomes more conservative.

The Age-Based Investment Options generally invest in a mix of domestic equity, real estate, international equity, international bond, fixed income funds, (including bond, short-term bond, and inflation-protected securities), and cash equivalent investments (a money market fund and an FDIC-insured savings account) allocated based on the current age of the Beneficiary.

Within the Age-Based Investment Options you may choose from an Aggressive, Growth, or Index asset allocation based on, among other factors, your investment goals and objectives, and your tolerance for market volatility and investment risk.

Regardless of the Age-Based Investment Option selected, each adjusts over time (each age band is called a "Portfolio") so that as the Beneficiary nears college enrollment age each Portfolio's allocation between domestic equity, real estate, international equity, international bond, fixed income funds, and cash equivalent investments becomes more conservative relative to the allocation in earlier years.

As a result of market gains and losses and earnings, the Portfolios may differ over time from the target asset allocation described below. To maintain the target asset allocation for each Portfolio, the Program Manager will rebalance each of the Age-Based Investment Options any time there is a positive or negative variance of two percent (2%) or more to retain the target asset allocation described below.

You should review each of the Age-Based Investment Options before making a selection from among the Investment Options offered through the Plan.

Age-Based Aggressive Investment Option

The Age-Based Aggressive Investment Option is allocated primarily in equity or stock investment funds during the early years of the Beneficiary's life. As the Beneficiary nears college age, the equity or stock allocation decreases, and the fixed income and the cash equivalent allocations increase. When the Beneficiary attains age 3, 6, 9, 11, 13, 15, 17 and 19, the Portfolios within the Age-Based Aggressive Investment Option automatically realign with a decrease in the stock or equity portion and an increase in the fixed income and the cash equivalent investments. The Age-Based Aggressive Investment Option seeks to provide capital appreciation. The strategy is based on the understanding that the volatility associated with equity markets can be accompanied by the highest potential for long-term capital appreciation.

Newborn to 2 years old Portfolio

Objectives – For Beneficiaries newborn to two years old, this Portfolio seeks to provide long-term growth by investing 94.75%

of its assets in diversified investments of domestic and international equity funds, and 5.25% real estate funds.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 71.5% domestic equity funds, 5.25% real estate funds, and 23.25% international equity funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

3 to 5 years old Portfolio

Objectives – For Beneficiaries three to five years old, this Portfolio seeks to provide long-term growth and some income by investing 90% of its assets in diversified investments of domestic and international equity funds, 5% real estate funds, and 5% domestic fixed income funds.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 68% domestic equity funds, 5% real estate funds, 22% international equity funds, and 5% fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

6 to 8 years old Portfolio

Objectives – For Beneficiaries six to eight years old, this Portfolio seeks to provide growth of capital and some current income by investing 80% of its assets in diversified investments of domestic and international equity funds, 5% real estate funds, and 15% domestic and international fixed income funds.

Strategies – The Portfolio invests funds according to a fixed formula that typically results in an allocation of 60% domestic equity funds, 5% real estate funds, 20% international equity funds, 2% international bond funds, and 13% fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

9 to 10 years old Portfolio

Objectives – For Beneficiaries nine to 10 years old, this Portfolio seeks to provide growth of capital and some current income by investing 70.5% of its assets in diversified investments of domestic and international equity funds, 4.5% real estate funds, 23% domestic and international fixed income funds, and 2% money market funds.

Strategies – The Portfolio invests funds according to a fixed formula that typically results in an allocation of 53% domestic equity funds, 4.5% real estate funds, 17.5% international equity funds, 2.5% international bond funds, 20.5% fixed income funds, and 2% money market funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the

underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

11 to 12 years old Portfolio

Objectives – For Beneficiaries 11 to 12 years old, this Portfolio seeks to provide growth of capital and some current income by investing 61% of its assets in diversified investments of domestic and international equity funds, 4% real estate funds, 31% domestic and international fixed income funds, and 4% money market funds.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 46% domestic equity funds, 4% real estate funds, 15% international equity funds, 3% international bond funds, 28% fixed income funds, and 4% money market funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

13 to 14 years old Portfolio

Objectives – For Beneficiaries 13 to 14 years old, this Portfolio seeks to provide growth of capital and some current income by investing 51.5% of its assets in diversified investments of domestic and international equity funds, 3.5% real estate funds, 36.5% domestic and international fixed income funds, 5.5% money market funds, and 3% FDIC-insured savings account.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 39% domestic equity funds, 3.5% real estate funds, 12.5% international equity funds, 3.5% international bond funds, 33% fixed income funds, 5.5% money market funds, and 3% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

15 to 16 years old Portfolio

Objectives – For Beneficiaries 15 to 16 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 42% of its assets in diversified investments of domestic and international equity funds, 3% real estate funds, 42% domestic and international fixed income funds, 7% money market funds, and 6% FDIC-insured savings account.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 32% domestic equity funds, 3% real estate funds, 10% international equity funds, 4% international bond funds, 38% fixed income funds, 7% money market funds, and 6% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

17 to 18 years old Portfolio

Objectives – For Beneficiaries 17 to 18 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 32.5% of its assets in diversified investments of domestic and international equity funds, 2.5% real estate funds, 45.5% domestic and international fixed income funds, 2.5% inflation protected funds, 9% money market funds, and 8% FDIC-insured savings account.

Strategies – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 25% domestic equity funds, 2.5% real estate funds, 7.5% international equity funds, 4% international bond funds, 41.5% fixed income funds, 2.5% inflation protected funds, 9% money market funds, and 8% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

19 years and older Portfolio

Objectives – For Beneficiaries 19 years and older, this Portfolio seeks to provide current income and some growth of capital by investing 23% of its assets in diversified investments of domestic and international equity funds, 2% real estate funds, 49% domestic and international fixed income funds, 5% inflation protected funds, 11% money market funds, and 10% FDIC-insured savings account.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 18% domestic equity funds, 2% real estate funds, 5% international equity funds, 4% international bond funds, 45% fixed income funds, 5% inflation-protected funds, 11% money market funds, and 10% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

Age-Based Growth Investment Option

The Age-Based Growth Investment Option is allocated primarily in equity or stock investment funds during the early years of the Beneficiary's life. As the Beneficiary nears college age, the equity or stock allocation decreases, and the fixed income and the cash equivalent allocations increase. When the Beneficiary attains age 3, 6, 9, 11, 13, 15, 17 and 19, the Portfolios in the Age-Based Growth Investment Option automatically realign with a decrease in the stock or equity portion and an increase in the fixed income and the cash equivalent allocations.

The Age-Based Growth Investment Option seeks to provide capital appreciation and some current income. This strategy is based on accepting the risks associated with stocks, which have the potential to provide high returns, and seeking to balance the effects of volatility through diversification in fixed-income securities.

Newborn to 2 years old Portfolio

Objectives – For Beneficiaries newborn to two years old, this Portfolio seeks to provide growth of capital and some current income by investing 80% of its assets in diversified investments of domestic and international equity funds, 5% real estate funds, and 15% domestic and international fixed income funds.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 60% domestic equity funds, 5% real estate funds, 20% international equity funds, 2% international bond funds, and 13% fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

3 to 5 years old Portfolio

Objectives – For Beneficiaries three to five years old, this Portfolio seeks to provide growth of capital and some current income by investing 70.5% of its assets in diversified investments of domestic and international equity funds, 4.5% real estate funds, 23% domestic and international fixed income funds, and 2% money market funds.

Strategies – The Portfolio invests funds according to a fixed formula that typically results in an allocation of 53% domestic equity funds, 4.5% real estate funds, 17.5% international equity funds, 2.5% international bond funds, 20.5% fixed income funds, and 2% money market funds.. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

6 to 8 years old Portfolio

Objectives – For Beneficiaries six to eight years old, this Portfolio seeks to provide growth of capital and some current income by investing 61% of its assets in diversified investments of domestic and international equity funds, 4% real estate funds, 31% domestic and international fixed income funds, and 4% money market funds.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 46% domestic equity funds, 4% real estate funds, 15% international equity funds, 3% international bond funds, 28% fixed income funds, and 4% money market funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

9 to 10 years old Portfolio

Objectives – For Beneficiaries nine to 10 years old, this Portfolio seeks to provide growth of capital and some current income by investing 51.5% of its assets in diversified investments of domestic and international equity funds, 3.5% real estate funds, 36.5%

domestic and international fixed income funds 5.5% money market funds, and 3% FDIC-insured savings account.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 39% domestic equity funds, 3.5% real estate funds, 12.5% international equity funds, 3.5% international bond funds, 33% fixed income funds, 5.5% money market funds, and 3% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

11 to 12 years old Portfolio

Objectives – For Beneficiaries 11 to 12 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 42% of its assets in diversified investments of domestic and international equity funds, 3% real estate funds, 42% in domestic and international fixed income funds, 7% money market funds, and 6% FDIC-insured savings account.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 32% domestic equity funds, 3% real estate funds, 10% international equity funds, 4% international bond funds, 38% fixed income funds, 7% money market funds, and 6% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

13 to 14 years old Portfolio

Objectives – For Beneficiaries 13 to 14 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 32.5% of its assets in diversified investments of domestic and international equity funds, 2.5% real estate funds, 45.5% domestic and international fixed income funds, 2.5% inflation protected funds, 9% in money market funds, and 8% FDIC-insured savings account.

Strategies – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 25% domestic equity funds, 2.5% real estate funds, 7.5% international equity funds, 4% international bond funds, 41.5% fixed income funds, 2.5% inflation protected funds, 9% money market funds, and 8% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

15 to 16 years old Portfolio

Objectives – For Beneficiaries 15 to 16 years old, this Portfolio seeks to provide current income and some growth of capital by investing 23% of its assets in diversified investments of domestic and international equity funds, 2% real estate funds, 49%

domestic and international fixed income funds, 5% inflation protected funds, 11% money market funds, and 10% FDIC-insured savings account.

Strategies – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 18% domestic equity funds, 2% real estate funds, 5% international equity funds, 4% international bond funds, 45% fixed income funds, 5% inflation protected funds, 11% money market funds, and 10% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

17 to 18 years old Portfolio

Objectives – For Beneficiaries 17 to 18 years old, this Portfolio seeks to provide current income and some growth of capital by investing 14% of its assets in diversified investments of domestic and international equity funds, 1% real estate funds, 43% domestic and international fixed income funds, 9% inflation protected funds, 18% money market funds, and 15% FDIC-insured savings account.

Strategies – The Portfolio invests according to a fixed formula that typically results in an allocation of 11% domestic equity funds, 1% real estate funds, 3% international equity funds, 3% international bond funds, 40% fixed income funds, 9% inflation protected funds, 18% money market funds, and 15% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation.

19 years and older Portfolio

Objectives – For Beneficiaries 19 years and older, this Portfolio seeks to provide current income and some growth of capital by investing 5% of its assets in diversified investments of domestic and international equity funds, 35% domestic and international fixed income funds, 5% inflation protected funds, 35% money market funds, and 20% FDIC-insured savings account.

Strategies – The Portfolio invests according to a fixed formula that typically results in an allocation of 4% domestic equity funds, 1% international equity funds, 2% international bond funds, 33% fixed income funds, 5% inflation protected funds, 35% money market funds, and 20% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation.

Age-Based Index Investment Option

The Age-Based Index Investment Option is allocated primarily in equity or stock index funds during the early years of the Beneficiary's life. As the Beneficiary nears college age, the equity or stock allocation decreases, and the fixed income and the cash equivalent allocations increase. When the Beneficiary attains age 3, 6, 9, 11, 13, 15, 17 and 19, the Portfolios in the Age-Based Index Investment Option automatically realign with a decrease in the stock or equity portion and an increase in the fixed income and the cash equivalent allocations. The Age-Based Index Investment Option seeks to provide a balance of capital appreciation and

current income through the use of index-based investments. This strategy is based on accepting the risks associated with stocks, which have the potential to provide high returns, seeking to balance the effects of volatility through diversification in fixed-income securities.

Newborn to 2 years old Portfolio

Objectives – For Beneficiaries newborn to two years old, this Portfolio seeks to provide growth of capital and some current income by investing 61% of its assets in diversified investments of domestic and international equity funds, 4% real estate funds, 31% domestic and international fixed income funds, and 4% money market funds.

Strategies – The Portfolio primarily invests in index and money market funds according to a fixed formula that typically results in an allocation of 46% domestic equity funds, 4% real estate funds, 15% international equity funds, 3% international bond funds, 28% fixed income funds, and 4% money market funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

3 to 5 years old Portfolio

Objectives – For Beneficiaries three to five years old, this Portfolio seeks to provide growth of capital and some current income by investing 51.5% of its assets in diversified investments of domestic and international equity funds, 3.5% real estate funds, 36.5% domestic and international fixed income funds, 5.5% money market funds, and 3% FDIC-insured savings account.

Strategies – The Portfolio primarily invests in index funds and cash equivalents according to a fixed formula that typically results in an allocation of 39% domestic equity funds, 3.5% real estate funds, 12.5% international equity funds, 3.5% international bond funds, 33% fixed income funds, 5.5% money market funds, and 3% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

6 to 8 years old Portfolio

Objectives – For Beneficiaries six to eight years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 42% of its assets in diversified investments of domestic and international equity funds, 3% real estate funds, 42% domestic and international fixed income funds, 7% money market funds, and 6% FDIC-insured savings account.

Strategies – The Portfolio primarily invests in index funds and cash equivalents according to a fixed formula that typically results in an allocation of 32% domestic equity funds, 3% real estate funds, 10% international equity funds, 4% international bond funds, 38% fixed income funds, 7% money market funds, and 6% FDIC-insured savings account. The Portfolio manages cash flows to

maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

9 to 10 years old Portfolio

Objectives – For Beneficiaries nine to 10 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 32.5% of its assets in diversified investments of domestic and international equity funds, 2.5% real estate funds, 45.5% domestic and international fixed income funds, 2.5% inflation protected funds, 9% in money market funds, and 8% FDIC-insured savings account.

Strategies – The Investment Option invests in index funds and cash equivalents according to a fixed formula that typically results in an allocation of 25% domestic equity funds, 2.5% real estate funds, 7.5% international equity funds, 4% international bond funds, 41.5% fixed income funds, 2.5% inflation protected funds, 9% money market funds, and 8% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

11 to 12 years old Portfolio

Objectives – For Beneficiaries 11 to 12 years old, this Portfolio seeks to provide current income and some growth of capital by investing 23% of its assets in diversified investments of domestic and international equity funds, 2% real estate funds, 49% domestic and international fixed income funds, 5% inflation protected funds, 11% money market funds, and 10% FDIC-insured savings account.

Strategies – The Portfolio primarily invests in index funds and cash equivalents according to a fixed formula that typically results in an allocation of 18% domestic equity funds, 2% real estate funds, 5% international equity funds, 4% international bond funds, 45% fixed income funds, 5% inflation protected funds, 11% money market funds, and 10% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

13 to 14 years old Portfolio

Objectives – For Beneficiaries 13 to 14 years old, this Portfolio seeks to provide current income and some growth of capital by investing 14% of its assets in diversified investments of domestic and international equity funds, 1% real estate funds, 43% domestic and international fixed income funds, 9% inflation protected funds, 18% money market funds, and 15% FDIC-insured savings account.

Strategies – The Portfolio primarily invests in index funds and cash equivalents according to a fixed formula that typically results in an allocation of 11% domestic equity funds, 1% real estate funds, 3%

international equity funds, 3% international bond funds, 40% fixed income funds, 9% inflation protected funds, 18% money market funds, and 15% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation.

15 to 16 years old Portfolio

Objectives – For Beneficiaries 15 to 16 years old, this Portfolio seeks to provide current income and some growth of capital by investing 5% of its assets in diversified investments of domestic and international equity funds, 35% domestic and international fixed income funds, 5% inflation protected funds, 35% money market funds, and 20% FDIC-insured savings account.

Strategies – The Portfolio invests in index funds and cash equivalents according to a fixed formula that typically results in an allocation of 4% domestic equity funds, 1% international equity funds, 2% international bond funds, 33% fixed income funds, 5% inflation protected funds, 35% money market funds, and 20% FDIC-insured savings account. The Portfolio manages cash flows to maintain the stated asset allocation.

17 to 18 years old Portfolio

Objectives – For Beneficiaries 17 to 18 years old, this Portfolio seeks to provide preservation of principal by investing 100% in money market funds. No funds are invested in stock investments.

Strategies – The Portfolio invests according to a fixed formula that typically results in an allocation of 100% money market funds. The Portfolio manages cash flows to maintain the stated asset allocation.

19 years and older Portfolio

Objectives – For Beneficiaries 19 years and older, this Portfolio seeks to provide preservation of principal by investing 100% in money market funds. No funds are invested in stock investments.

Strategies – The Portfolio invests according to a fixed formula that typically results in an allocation of 100% money market funds. The Portfolio manages cash flows to maintain the stated asset allocation.

The detailed asset allocation, mix of underlying investments, and the age ranges for each of the Age-Based Investment Options are described in the following table:

Domestic Equity						US Real Estate	International Equity	International Bond	Fixed Income				Cash Equivalents		
US Equity Large Cap			US Equity Small/Mid Cap	US Equity Small Cap			US Real Estate	International Equity	International Bond	Fixed Income		Short-Term Bond	TIPS	FDIC Insured	Money Market
State Street S&P 500 ^{®1} Index	Vanguard Equity Income	T. Rowe Price Large-Cap Growth	Vanguard Extended Market Index	Tributary Small Company	iShares Russell 2000 Growth ETF	Vanguard Real Estate Index	State Street MSCI ^{®2} ACWI ex USA Index*	DFA World ex-US Government Fixed Income	MetWest Total Return Bond	Vanguard Total Bond Market Index	Vanguard Short-Term Bond Index	Vanguard Short-Term Inflation-Protected Index	Bank Savings	Goldman Sachs Financial Square SM Government Money Market	
N/A	VEIRX	TRLGX	VEMPX	FOSBX	IWO	VGSNX	N/A	DWFIX	MWTSX	VBMPX	VBIPX	VTSPX	N/A	FGTX	
AGGRESSIVE															
0-2	38.00%	11.50%	11.50%	2.00%	4.25%	4.25%	5.25%	23.25%							
3-5	36.00%	11.00%	11.00%	2.00%	4.00%	4.00%	5.00%	22.00%		5.00%					
6-8	32.00%	10.00%	10.00%	2.00%	3.00%	3.00%	5.00%	20.00%	2.00%	5.00%	8.00%				
9-10	27.00%	9.50%	9.50%	1.50%	2.75%	2.75%	4.50%	17.50%	2.50%	7.00%	10.50%	3.00%		2.00%	
11-12	22.00%	9.00%	9.00%	1.00%	2.50%	2.50%	4.00%	15.00%	3.00%	9.00%	13.00%	6.00%		4.00%	
13-14	18.00%	8.00%	8.00%	1.00%	2.00%	2.00%	3.50%	12.50%	3.50%	9.50%	14.00%	9.50%	3.00%	5.50%	
15-16	14.00%	7.00%	7.00%	1.00%	1.50%	1.50%	3.00%	10.00%	4.00%	10.00%	15.00%	13.00%	6.00%	7.00%	
17-18	13.00%	4.50%	4.50%	1.00%	1.00%	1.00%	2.50%	7.50%	4.00%	10.00%	16.50%	15.00%	2.50%	8.00%	9.00%
19+	12.00%	2.00%	2.00%	1.00%	0.50%	0.50%	2.00%	5.00%	4.00%	10.00%	18.00%	17.00%	5.00%	10.00%	11.00%
GROWTH															
0-2	32.00%	10.00%	10.00%	2.00%	3.00%	3.00%	5.00%	20.00%	2.00%	5.00%	8.00%				
3-5	27.00%	9.50%	9.50%	1.50%	2.75%	2.75%	4.50%	17.50%	2.50%	7.00%	10.50%	3.00%		2.00%	
6-8	22.00%	9.00%	9.00%	1.00%	2.50%	2.50%	4.00%	15.00%	3.00%	9.00%	13.00%	6.00%		4.00%	
9-10	18.00%	8.00%	8.00%	1.00%	2.00%	2.00%	3.50%	12.50%	3.50%	9.50%	14.00%	9.50%	3.00%	5.50%	
11-12	14.00%	7.00%	7.00%	1.00%	1.50%	1.50%	3.00%	10.00%	4.00%	10.00%	15.00%	13.00%	6.00%	7.00%	
13-14	13.00%	4.50%	4.50%	1.00%	1.00%	1.00%	2.50%	7.50%	4.00%	10.00%	16.50%	15.00%	2.50%	8.00%	9.00%
15-16	12.00%	2.00%	2.00%	1.00%	0.50%	0.50%	2.00%	5.00%	4.00%	10.00%	18.00%	17.00%	5.00%	10.00%	11.00%
17-18	10.00%			1.00%			1.00%	3.00%	3.00%		25.00%	15.00%	9.00%	15.00%	18.00%
19+	4.00%							1.00%	2.00%		15.00%	18.00%	5.00%	20.00%	35.00%
INDEX															
0-2	40.00%			6.00%			4.00%	15.00%	3.00%		22.00%	6.00%		4.00%	
3-5	34.00%			5.00%			3.50%	12.50%	3.50%		23.50%	9.50%	3.00%	5.50%	
6-8	28.00%			4.00%			3.00%	10.00%	4.00%		25.00%	13.00%	6.00%	7.00%	
9-10	22.00%			3.00%			2.50%	7.50%	4.00%		26.50%	15.00%	2.50%	8.00%	9.00%
11-12	16.00%			2.00%			2.00%	5.00%	4.00%		28.00%	17.00%	5.00%	10.00%	11.00%
13-14	10.00%			1.00%			1.00%	3.00%	3.00%		25.00%	15.00%	9.00%	15.00%	18.00%
15-16	4.00%							1.00%	2.00%		15.00%	18.00%	5.00%	20.00%	35.00%
17-18															100.00%
19+															100.00%

Description of the underlying investments

Each of the underlying investments that comprise the three Age-Based Investment Options (as shown above in the table) is described in detail, along with the risks associated with each underlying investment, in "Part 9 – Individual Investment Options."

It is important to remember that none of the Nebraska State Treasurer, the Nebraska Investment Council, the Nebraska State Investment Officer, the State of Nebraska or its officials/employees, or the Program Manager or its authorized agents or any of their affiliates can guarantee a minimum rate of return. Except as described herein for accounts invested in the Bank Savings Static Investment Option, accounts in the NEST Direct Plan are not insured by the FDIC. Accounts are not guaranteed or insured by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, the Program Manager or its authorized agents or their affiliates, or any other party. See "Part 10 – Certain Risks to Consider."

¹ The S&P 500[®] Index is a product of S&P Dow Jones Indices LLC ("SPDJ"), and has been licensed for use by State Street. Standard & Poor's[®] and S&P[®] are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500[®] Index.

² The MSCI ACWI ex USA Index is a trademark of MSCI Inc.

* Trust account managed by State Street Global Advisors Trust Company for the benefit of the NEST Direct Plan. Not a mutual fund and not otherwise registered with the SEC. See "Part 9 – Individual Investment Options" for more information about the investments.

PART 8 – STATIC INVESTMENT OPTIONS

Six Static Investment Options

The Static Investment Options are asset allocation Investment Options that invest in a set or “static” mix of domestic equity, real estate, international equity, international bond, fixed income, FDIC-insured bank savings account or money market funds. The six Static Investment Options keep the same asset allocation between domestic equity, real estate, international equity, international bond, fixed income, FDIC-insured savings account, and money market funds over the life of your account. Unlike the Age-Based Investment Options, they do not move to a more conservative allocation mix as the Beneficiary approaches college enrollment.

The six Static Investment Options you may choose from are the All Equity, Growth, Moderate Growth, Balanced, Conservative and Bank Savings asset allocation investments. In your selection of any Investment Option you should consider among other factors, your investment goals and objectives, and your tolerance for market volatility and investment risk.

Although the Static Investment Options keep the same asset allocation over the life of an account, as a result of market gains and losses and earnings, the asset allocation of each of the six Static Investment Options may differ over time from the target asset allocation described below. To maintain the target asset allocation for each of the Static Investment Options, the Program Manager will rebalance each of the Static Investment Options any time there is a positive or negative variance of two percent (2%) or more to retain the target asset allocation described below.

You should review each of the Static Investment Options before making a selection from among the Investment Options offered through the Plan.

All Equity Static Investment Option

Objectives – All Equity Static Investment Option seeks to provide long-term growth by investing 94.75% of its assets in diversified investments of domestic and international equity funds, and 5.25% real estate funds.

Strategies – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 71.5% domestic equity funds, 5.25% real estate funds, and 23.25% international equity funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

Growth Static Investment Option

Objectives – The Growth Static Investment Option seeks to provide growth of capital and some current income by investing 80% of its assets in diversified investments of domestic and international equity funds, 5% real estate funds, and 15% domestic and international fixed income funds.

Strategies – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 60% domestic equity funds, 5% real estate funds, 20% international equity funds, 2% international bond funds, and 13% fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

Moderate Growth Static Investment Option

Objectives – Moderate Growth Static Investment Option seeks to provide growth of capital and some current income by investing 61% of its assets in diversified investments of domestic and international equity funds, 4% real estate funds, 31% domestic and international fixed income funds, and 4% money market funds.

Strategies – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 46% domestic equity funds, 4% real estate funds, 15% international equity funds, 3% international bond funds, 28% fixed income funds, and 4% money market funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

Balanced Static Investment Option

Objectives – The Balanced Static Investment Option seeks to provide a balance of growth of capital and current income by investing 51.5% of its assets in diversified investments of domestic and international equity funds, 3.5% real estate funds, 36.5% domestic and international fixed income funds, 5.5% money market funds, and 3% FDIC-insured savings account.

Strategies – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 39% domestic equity funds, 3.5% real estate funds, 12.5% international equity funds, 3.5% international bond funds, 33% fixed income funds, 5.5% money market funds, and 3% FDIC-insured savings account. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

Conservative Static Investment Option

Objectives – The Conservative Static Investment Option seeks to provide current income and some growth of capital by investing 23% of its assets in diversified investments of domestic and international equity funds, 2% real estate funds, 49% domestic and international fixed income funds, 5% inflation protected funds, 11% in money market funds, and 10% FDIC-insured savings account.

Strategies – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 18% domestic equity funds, 2% real estate funds, 5% international equity funds, 4% international bond funds, 45% fixed income

funds, 5% inflation protected funds, 11% money market funds, and 10% FDIC-insured savings account. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the underlying investments consist primarily of large-cap U.S. stocks and to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks.

Bank Savings Static Investment Option

Objectives – The Bank Savings Static Investment Option seeks income consistent with the preservation of principal and invests all of its assets in a savings account (the “Savings Account”) held at First National Bank of Omaha (the “Bank”). The Savings Account is an omnibus savings account insured by the FDIC and is held in trust by the Nebraska Educational Savings Plan Trust at the Bank. The Bank also serves as Program Manager of the Plan.

Investments in the Bank Savings Static Investment Option will earn varying rates of interest. The interest rate generally will be equivalent to short-term deposit rates. Interest on the Savings Account will be compounded daily based on the actual number of days in a year (typically 365 days, except for 366 days in leap years) and will be credited to the Savings Account on monthly basis. The interest on the Savings Account is expressed as an annual percentage yield (“APY”). The APY on the Savings Account will be reviewed by the Bank on a periodic basis and may be recalculated as needed at any time. To see the current Bank Savings Static Investment Option APY please go to www.NESTDirect529.com.com or call 888.993.3746.

FDIC insurance

Subject to the application of Bank and FDIC rules and regulations to each account owner, funds in the Bank Savings Static Investment Option will retain their value as a result of the FDIC insurance. In contrast, all other Investment Options of the Plan are not insured by the FDIC.

FDIC insurance is provided for the Bank Savings Static Investment Option only, which invests in an FDIC-insured omnibus savings account held in trust by the Nebraska Educational Savings Plan Trust at the Bank. Contributions to and earnings on the investments in the Bank Savings Static Investment Option are insured by the FDIC on a per participant, pass-through basis to each account owner up to the maximum limit established by federal law, which currently is \$250,000.

The amount of FDIC insurance provided to an account owner is based on the total of: (1) the value of an account owner’s investment in the Bank Savings Static Investment Option, and (2) the value of all other accounts held by the account owner at the Bank (including Bank deposits), as determined in accordance with Bank and FDIC rules and regulations. Each account owner should determine whether the amount of FDIC insurance available to the account owner is sufficient to cover the total of the account owner’s investment in the Bank Savings Static Investment Option plus the account owner’s other deposits at the Bank. The NEST Direct Plan, the Program Manager, the State of

Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer or its authorized agents or their affiliates are not responsible for determining the amount of FDIC insurance provided to an account owner.

No other guarantees

FDIC insurance is the sole insurance available for the Bank Savings Static Investment Option. Furthermore, the Bank Savings Static Investment Option does not provide a guarantee of any level of performance or return or offer any additional guarantees. Like all of the Investment Options, neither the contributions into the Bank Savings Static Investment Option nor any investment return earned on the contributions are guaranteed by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, the Bank or its authorized agents or their affiliates or any other federal or state entity or person.

Risks – To the extent that FDIC insurance applies, the Bank Savings Static Investment Option is primarily subject to the risk that the return on the underlying Savings Account will vary because of changing interest rates and that the return on the Savings Account will decline because of falling interest rates.

It is important to remember that none of the Nebraska State Treasurer, the Nebraska Investment Council, the Nebraska State Investment Officer, the State of Nebraska or its officials and employees, or the Program Manager or any of its authorized agents or their affiliates can guarantee a minimum rate of return. Except for accounts invested in the Bank Savings Static Investment Option, funds deposited in an account are not guaranteed or insured by the FDIC. Deposits in an account are not guaranteed or insured by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, the Program Manager or its authorized agents and their affiliates, or any other party. The value of your account may vary depending on market conditions, the performance of the Investment Option you select, timing of purchases, and fees. The value of your account could be more or less than the amount you contribute to your account. In short you could lose money. See “Part 10 – Certain Risks to Consider.”

The detailed asset allocation and mix of underlying investments for each of the Static Investment Options are described in the following table:

Domestic Equity						US Real Estate	International Equity	International Bond	Fixed Income				Cash Equivalents		
US Equity Large Cap			US Equity Small/Mid Cap	US Equity Small Cap			US Real Estate	International Equity	International Bond	Fixed Income		Short-Term Bond	TIPS	FDIC Insured	Money Market
State Street S&P 500 ^{®3} Index	Vanguard Equity Income	T. Rowe Price Large-Cap Growth	Vanguard Extended Market Index	Tributary Small Company	iShares Russell 2000 Growth ETF	Vanguard Real Estate Index	State Street MSCI ^{®4} ACWI ex USA Index*	DFA World ex-US Government Fixed Income	MetWest Total Return Bond	Vanguard Total Bond Market Index	Vanguard Short-Term Bond Index	Vanguard Short-Term Inflation-Protected Index	Bank Savings	Goldman Sachs Financial Square SM Government Money Market	
N/A	VEIRX	TRLGX	VEMPX	FOSBX	IWO	VGSNX	N/A	DWFIX	MWTSX	VBMPX	VBIPX	VTSPX	N/A	FGTXX	
ALL EQUITY															
38.00%	11.50%	11.50%	2.00%	4.25%	4.25%	5.25%	23.25%								
GROWTH															
32.00%	10.00%	10.00%	2.00%	3.00%	3.00%	5.00%	20.00%	2.00%	5.00%	8.00%					
MODERATE GROWTH															
22.00%	9.00%	9.00%	1.00%	2.50%	2.50%	4.00%	15.00%	3.00%	9.00%	13.00%	6.00%			4.00%	
BALANCED															
18.00%	8.00%	8.00%	1.00%	2.00%	2.00%	3.50%	12.50%	3.50%	9.50%	14.00%	9.50%		3.00%	5.50%	
CONSERVATIVE															
12.00%	2.00%	2.00%	1.00%	0.50%	0.50%	2.00%	5.00%	4.00%	10.00%	18.00%	17.00%	5.00%	10.00%	11.00%	
BANK SAVINGS															
													100.00%		

Description of the underlying investments

Each of the underlying investments that comprise the six Static Investment Options (as shown above in the table) is described in detail, along with the risks associated with each underlying investment, in "Part 9 – Individual Investment Options."

It is important to remember that none of the Nebraska State Treasurer, the Nebraska Investment Council, the Nebraska State Investment Officer, the State of Nebraska or its officials/employees, or the Program Manager or any of its affiliates can guarantee a minimum rate of return. Except as described herein for accounts invested in the Bank Savings Static Investment Option, accounts in the NEST Direct Plan are not insured by the FDIC. Accounts are not guaranteed or insured by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, the Program Manager or its authorized agents or their affiliates, or any other party. See "Part 10 – Certain Risks to Consider."

³ The S&P 500[®] Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by State Street. Standard & Poor's[®] and S&P[®] are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500[®] Index.

⁴ The MSCI ACWI ex USA Index is a trademark of MSCI Inc.

* Trust account managed by State Street Global Advisors Trust Company for the benefit of the NEST Direct Plan. Not a mutual fund and not otherwise registered with the SEC. See "Part 9 – Individual Investment Options" for more information about the investments.

PART 9 – INDIVIDUAL INVESTMENT OPTIONS

This Part 9 describes the underlying investments that are offered as Individual Investment Options (except the Bank Savings Static Investment Option, which is not offered as an Individual Investment Option, but is included in some Age-Based Investment Options and is offered as a Static Investment Option). These investments also serve as the underlying investments in the Age-Based and Static Investment Options, except Vanguard Total Stock Market Index, which is only offered as an Individual Investment Option. Additional information discussing the risks of investing in each of these Investment Options may be found in the underlying fund prospectus (with the exception of the Bank Savings Static Investment Option) which is available at <https://www.nest529direct.com/home/learn/investment-options/individual-options.html> or upon request by calling the Program Manager. Also see "Part 10 – Certain Risks to Consider."

15 Individual Investment Options

The Individual Investment Options each invest in a single investment fund. You may allocate your contributions to an account among one or more Individual Investment Options according to your investment objective and risk tolerance.

Since the Individual Investment Options invest in a single fund, their performance is based on the performance of the individual fund in which each of the Individual Investment Options is invested. Performance differences for the Individual Investment Options and their underlying funds may result from differences in the timing of purchases and sales and fees charged. Consequently, the performance of each of the Individual Investment Options may be more volatile than the Age-Based or Static Investment Options. Account owners do not own shares of the underlying funds directly, but rather own an interest in the Investment Options offered by the Plan. Part 11 of this Program Disclosure Statement describes performance in a greater detail.

The underlying investments in which each Individual Investment Option is invested are described below. The Individual Investment Options are designed for account owners seeking a more focused investment strategy. You may select an Individual Investment Option or mix of Individual Investment Options based on, among other factors, your investment goals and objectives, and your tolerance for market volatility and investment risk. You should review each of the Individual Investment Options before making a selection from among the Investment Options offered through the Plan.

Descriptions of the underlying investments are taken from the prospectuses of the funds, as published by the investment managers and described as follows. The Program Manager intends these descriptions to summarize the single fund's respective investment objectives and policies that comprise each Individual Investment Option. Each of the underlying fund's investment managers have reviewed and approved these descriptions:

DFA World ex-US Government Fixed Income Individual Investment Option

The World ex-US Government Fund seeks its investment objective by investing in a universe of obligations issued primarily by non-US government issuers and supranational organizations and their agencies having investment grade credit ratings at the time of purchase. As a non-fundamental policy, under normal circumstances, the Fund will invest at least 80% of its net assets in fixed income securities issued by foreign governments (including political subdivisions) and their authorities, agencies or instrumentalities. Generally, the World ex-US Government Portfolio will purchase fixed income securities that mature between five and fifteen years from the date of settlement. Under normal circumstances, the Portfolio will generally maintain a weighted average duration of no more than one quarter year greater than, and no less than one year below, the weighted average duration of the Portfolio's benchmark, the FTSE Non-USD World Government Bond Index, currency-hedged in USD terms, which was approximately 8.89 years as of December 31, 2018. Because many of the World ex-US Government Fund's investments may be denominated in foreign currencies, the Fund may also enter into forward foreign currency contracts to attempt to protect against uncertainty in the level of future foreign currency rates, to hedge against fluctuations in currency exchange rates or to transfer balances from one currency to another.

Risks – As with all investments, there are certain risks of investing in the Fund. The Fund's shares will change in value, and you could lose money by investing in the Fund. The value of the debt securities may increase or decrease as a result of the following: market risk, foreign securities and currencies risk, foreign government debt risk, interest rate risk, non-diversification risk and credit risk. Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk, income risk, derivatives risk, liquidity risk, securities lending risk, and cyber security risk.

Goldman Sachs Financial SquareSM Government Money Market Individual Investment Option

The Fund seeks to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing exclusively in high quality money market instruments. The Fund pursues the investment objective by investing in U.S. Treasury and government agency obligations and repurchase agreements.

Risks – Loss of money is a risk of investing in the Fund. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any other governmental agency.

You could lose money by investing in this Investment Option. Although a money market fund seeks to preserve the value of an investment at \$1 per share, it cannot guarantee it will do so. Investment in this Investment Option is not insured or guaranteed by the FDIC or any other government agency. The sponsor has no legal obligation to provide financial support to

the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

iShares Russell 2000 Growth ETF Individual Investment Option

The Fund seeks to track the investment results of the Russell 2000 Growth Index (the "Underlying Index"), which measures the performance of the small-capitalization growth sector of the U.S. equity market. It is a subset of the Russell 2000® Index, which measures the performance of the small-capitalization sector of the U.S. equity market. The Underlying Index measures the performance of equity securities of Russell 2000 Index issuers with relatively higher price-to-book ratios and higher forecasted growth.

Risks – The risks of investing in the equity securities market include both short-term and prolonged price declines. The value of an equity security may decline due to factors affecting equity securities markets generally or particular industries represented in the markets or factors specific to a particular security. Equity securities may underperform fixed income investments and securities market indexes that track other markets, segments and sectors. Equity securities of small-cap companies tend to present greater risks than equity securities of large-cap companies because they are generally more volatile and can be less liquid. Further information on the investment strategies, risks and policies of this Fund can be found in the Fund's prospectus and statement of additional information, which is available from the Program Manager upon request.

MetWest Total Return Bond Individual Investment Option

The Fund's investment objective is to maximize current income and achieve above average total return consistent with prudent investment management over a full market cycle. The Fund seeks to outperform the broad fixed income market over time and produce favorable relative returns in all interest rate environments by focusing on security selection and portfolio construction rather than anticipating the direction of rates. The objective is grounded in long-term value considerations.

Risks – Funds investing in U.S. government-guaranteed securities are neither insured nor guaranteed by the U.S. government and neither the Fund nor its yield is guaranteed by the U.S. government. Fixed income investments entail interest rate risk, the risk of issuer default, issuer credit risk, and price volatility risk. Funds investing in bonds can lose their value as interest rates rise and an investor can lose principal. Mortgage-backed and other asset-backed securities ("MBS") often involve risks that are different from or more acute than risks associated with other types

of debt instruments. MBS related to floating rate loans may exhibit greater price volatility than a fixed rate obligation of similar credit quality. With respect to non-agency MBS, there are no direct or indirect government or agency guarantees of payments in pools created by non-governmental issuers. Non-agency MBS are also not subject to the same underwriting requirements for the underlying mortgages that are applicable to those mortgage-related securities that have a government or government-sponsored entity guarantee. For a complete list of Fund risks, please see the prospectus.

State Street MSCI®⁵ ACWI ex USA Index Individual Investment Option⁶

This Investment Option seeks an investment return that approximates as closely as practicable, before expenses, the performance of the MSCI ACWI ex USA Index over the long term.

An investment in the strategy is subject to a number of risks, which include but are not limited to: cash position risk, concentration risk, conflicts of interest risk, counterparty risk, currency risk, custodial risk, cybersecurity risk, defensive investing risk/temporary defensive positions, depository receipts risk, derivatives risk, emerging markets risk, energy sector risk, equity investing risk, frontier markets risk, futures commission merchant risk, futures contract risks: other exchange traded derivatives risk, geographic focus risk, hedging risk, IPO risk, index tracking risk, industrial sector risk, investment risk, large shareholder risk, leveraging risk, limited investment program risk, liquidity risk, market capitalization risk, market disruption and geopolitical risk, market risk, market volatility; government intervention risk, modeling risk, non-U.S. securities risk, index strategy/index risk, portfolio turnover risk, re-balancing policy risk, repurchase agreement risk, restricted securities risk, risk of investment in other pools, securities lending risk; risks of investment of cash collateral, settlement risk, significant withdrawal risk, small-, mid- and micro-cap companies risk, tax risk, risk considerations of investing in China, and utilities sector risk. A detailed description of the risks of investing in this strategy is included in the Strategy Disclosure Document, which is available from the Program Manager upon request.

Risk management does not promise any level of performance or guarantee against loss of principal. State Street encourages investors to seek the advice of well-qualified financial and tax advisors, accountants, attorneys and other professionals before making any investment or retirement decision.

State Street S&P 500®⁷ Index Individual Investment Option⁶

This Investment Option seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P 500® Index over the long term.

⁵ The MSCI ACWI ex USA Index is a trademark of MSCI Inc.

⁶ State Street Global Advisors Trust Company has been appointed as discretionary trustee over the assets invested in these trust accounts and may commingle the particular trust property into a bank maintained common trust fund. These trust accounts are exempt from registration with the Securities and Exchange Commission

⁷ The S&P 500® Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by State Street. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500® Index.

An investment in the strategy is subject to a number of risks, which include but are not limited to: cash position risk, concentration risk, conflicts of interest risk, counterparty risk, custodial risk, cybersecurity risk, derivatives risk, equity investing risk, futures commission merchant risk, futures contract risks: other exchange traded derivatives risk, geographic focus risk, growth stock risk, hedging risk, IPO risk, index tracking risk, investment risk, large shareholder risk, limited investment program risk, liquidity risk, market capitalization risk, market disruption and geopolitical risk, market risk, market volatility; government intervention risk, modeling risk, index strategy/index risk, portfolio turnover risk, repurchase agreement risk, restricted securities risk, risk of investment in other pools, securities lending risk; risks of investment of cash collateral, significant withdrawal risk, small-, mid- and micro-cap companies risk, tax risk, and value stock risk. A detailed description of the risks of investing in this strategy is included in the Strategy Disclosure Document, which is available from the Program Manager upon request.

Tributary Small Company Individual Investment Option

The investment objective of the Tributary Small Company Fund is long-term capital appreciation. Under normal market conditions, the Fund invests primarily in common stocks and securities that are convertible into the common stocks of small-capitalization companies. The Fund's adviser has defined a "small" market capitalization as less than \$5 billion. The Fund's investment adviser uses a value-oriented investment approach, looking for companies whose stock is trading below what the adviser considers its intrinsic value.

Risks – Stocks of small-capitalization companies are more volatile and carry more risk than other forms of equity investments. The net asset value per share of this Fund will generally fluctuate more than the stock market, as measured by the S&P 500 Index. Common stocks, and funds investing in common stocks, generally provide greater return potential when compared with other types of investments.

T. Rowe Price Large-Cap Growth Individual Investment Option

The fund seeks to provide long-term capital appreciation through investments in common stocks of growth companies. In taking a growth approach to investment selection, the Fund will normally invest at least 80% of its net assets in the common stocks of large-cap companies. The Fund defines a large-cap company as one whose market cap is larger than the median market cap of companies in the Russell 1000 Growth Index, a widely used benchmark of the largest domestic growth stocks.

Risks – As with all equity funds, this Fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The investment approach reflects a belief that when a company increases its earnings faster than both inflation and the overall economy, the market will eventually reward it with a higher stock price.

The Fund is nondiversified, and has the ability to invest a larger percentage of its assets in the securities of a smaller number of

issuers than a diversified fund. As a result, poor performance by a single issuer could adversely affect Fund performance more than if the Fund were invested in a larger number of issuers.

Vanguard Equity Income Individual Investment Option

The Fund invests mainly in common stocks of mid-size and large companies whose stocks typically pay above-average levels of dividend income and are, in the opinion of the purchasing advisor, undervalued relative to other such stocks. In addition, the advisors generally look for companies that they believe are committed to paying dividends consistently. Under normal circumstances, the Fund will invest at least 80% of its assets in equity securities. The Fund uses multiple investment advisors.

Risks – An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range. The Fund is subject to the following risks, which could affect the Fund's performance.

Investment style risk: The chance that returns from mid- and large-capitalization dividend-paying value stocks will trail returns from the overall stock market. Mid- and large-cap stocks each tend to go through cycles of doing better - or worse - than other segments of the stock market, or the stock market in general. These periods have, in the past, lasted for as long as several years. Historically, mid-cap stocks have been more volatile in price than large-cap stocks.

The Fund is also subject to asset concentration risk, manager risk and stock market risk.

Vanguard Extended Market Index Individual Investment Option

The Fund employs an indexing investment approach designed to track the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small- and mid-size U.S. companies. The S&P Completion Index contains all of the U.S. common stocks regularly traded on the New York Stock Exchange and the Nasdaq over-the-counter market, except those stocks included in the S&P 500 Index. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Risks – An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return, to fluctuate within a wide range. The Fund is subject to the following risks, which could affect the Fund's performance.

Stock market risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund's target index tracks a subset of the U.S. stock market, which could cause the Fund to perform differently from the overall stock market. In addition the

Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

The Fund is also subject to investment style risk and index sampling risk.

Vanguard Real Estate Index Individual Investment Option

The Fund employs an indexing investment approach designed to track the performance of the MSCI® US Investable Market Real Estate 25/50 Transition Index, an interim index that will gradually increase exposure to other real-estate based investments while proportionately reducing exposure to other stocks based on their weightings in the MSCI US Investable Market Real Estate 25/50 Index. The Index is made up of stocks of large, mid-size, and small U.S. companies within the real estate sector, as classified under the Global Industry Classification Standard (GICS). The GICS real estate sector is composed of equity real estate investment trusts (known as REITs), which includes specialized REITs, and real estate management and development companies. The Fund attempts to replicate the Index by investing all, or substantially all, of its assets - either directly or through a wholly owned subsidiary (the underlying fund), which is itself a registered investment company - in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index. The Fund may invest a portion of its assets in the underlying fund.

Risks – An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range. The Fund is subject to the following risks, which could affect the Fund's performance.

Industry concentration risk: The chance that the stocks of REITs and other real estate-related investments will decline because of adverse developments affecting the real estate industry and real property values. Because the Fund concentrates its assets in these stocks, industry concentration risk is high.

This Fund is also subject to stock market risk, interest rate risk, investment style risk, asset concentration risk, nondiversification risk, and derivatives risk.

Vanguard Short-Term Bond Index Individual Investment Option

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of U.S. government, investment grade corporate, and investment-grade international dollar-denominated bonds that have maturities between one and five years and are publicly issued. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund

maintains a dollar-weighted average maturity consistent with that of the Index, which generally does not exceed three years.

Risks – The Fund is designed for investors with a low tolerance for risk, but you could still lose money by investing in it. The Fund is subject to the following risks, which could affect the Fund's performance.

Interest rate risk: The chance that bond prices will decline because of rising interest rates. Interest rate risk should be low for the Fund because it invests primarily in short-term bonds, whose prices are much less sensitive to interest rate changes than are the prices of long-term bonds.

The Fund is also subject to income risk, credit risk, liquidity risk, and index sampling risk.

Vanguard Short-Term Inflation-Protected Index Individual Investment Option

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than five years.

The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed three years.

Risks – The Fund is designed for investors with a low tolerance for risk, but you could still lose money by investing in it. The Fund is subject to income fluctuations, which could affect the Fund's performance. The Fund's quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. In fact, under certain conditions, the Fund may not have any income to distribute. Income fluctuations associated with changes in interest rates are expected to be low, however, income fluctuations associated with changes in inflation are expected to be high. Overall, investors can expect income fluctuations to be high for the Fund.

The Fund is also subject to interest rate risk.

Vanguard Total Bond Market Index Individual Investment Option

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the U.S. – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities – all with maturities of more than one year. The Fund invests by sampling the Index, meaning that it holds a

broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between five and ten years.

Risks – An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range. The Fund is subject to the following risks, which could affect the Fund's performance.

Interest rate risk: The chance that bond prices will decline because of rising interest rates. Interest rate risk should be moderate for the Fund because it invests primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

The Fund is also subject to income risk, credit risk, call risk, prepayment risk, extension risk, liquidity risk, and index sampling risk.

Vanguard Total Stock Market Index Individual Investment Option

The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Risks – An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range. The Fund is subject to the following risks, which could affect the Fund's performance.

Stock market risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

This Fund is also subject to index sampling risk.

Bank Savings

The Bank Savings, which is an underlying investment used in some Age-Based Investment Options and the Bank Savings Static Investment Option, and not offered as an Individual Investment Option, seeks income consistent with the preservation of principal and invests all of its assets in a Savings Account held at the Bank.

The Savings Account is an omnibus savings account insured by the FDIC and is held in trust by the Nebraska Educational Savings Plan Trust at the Bank. The Bank also serves as Program Manager of the Plan.

Investments in the Savings Account will earn varying rates of interest. The interest rate generally will be equivalent to short-term deposit rates. Interest on the Savings Account will be compounded daily based on the actual number of days in a year (typically 365 days, except for 366 days in leap years) and will be credited to the Savings Account on a monthly basis. The interest on the Savings Account is expressed as an APY. The APY on the Savings Account will be reviewed by the Bank on a periodic basis and may be recalculated as needed at any time. To see the current Bank Savings Static Investment Option APY please go to www.NEST529Direct.com or call 888.993.3746.

FDIC insurance

Subject to the application of Bank and FDIC rules and regulations to each account owner, funds in the Savings Account will retain their value as a result of the FDIC insurance. In contrast, all other Investment Options of the Plan are not insured by the FDIC.

No other guarantees

FDIC insurance is the sole insurance available for the Savings Account. Furthermore, the Savings Account does not provide a guarantee of any level of performance or return or offer any additional guarantees. Investment returns earned are not guaranteed by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, the Bank or its authorized agents or their affiliates or any other federal or state entity or person.

Risks – To the extent that FDIC insurance applies, the risk that the return on the underlying Savings Account will vary because of changing interest rates and that the return on the Savings Account will decline because of falling interest rates.

It is important to remember that none of the Nebraska State Treasurer, the Nebraska Investment Council, the Nebraska State Investment Officer, the State of Nebraska or its officials and employees, or the Program Manager or its authorized agents or their affiliates can guarantee a minimum rate of return. Except for accounts invested in the Bank Savings Static Investment Option, funds deposited in an account are not insured by the FDIC. Furthermore, funds deposited in an account are not guaranteed or insured by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, the Program Manager or its authorized agents or their affiliates, or any other party. The value of your account may vary depending on market conditions, the performance of the Investment Option you select, timing of purchases, and fees. The value of your account could be more or less than the amount you contribute to your account. In short, you could lose money. See "Part 10 - Certain Risks to Consider."

PART 10 – CERTAIN RISKS TO CONSIDER

Opening an account involves certain risks. Among other things discussed in this Program Disclosure Statement, you should carefully consider the following risks before completing an Enrollment Form. You also should read this Program Disclosure Statement carefully before making a decision to open an account.

Investment risks

An account's value may decline. As with any investment, there can be no assurance that the value of your account will grow at any particular rate or that it will not decline. The value of the securities in which the Investment Options invest will change due to market fluctuations and a number of other factors, which will not be in the control of the Nebraska Investment Council, the Trustee or the Program Manager. If the value of these securities declines, you may lose some or all of the principal in your account. None of the Nebraska State Treasurer, the Nebraska Investment Council, the Nebraska State Investment Officer, the State of Nebraska or its officials/employees, or the Program Manager or any of its affiliates guarantees any minimum rate of return or any return on your account or that you will not lose some or all of the principal amount invested.

No insurance or guarantees

Except as described herein for accounts invested in the Bank Savings Static Investment Option, your account is not insured by the FDIC. In addition, your account is not guaranteed or insured by the State of Nebraska, the Nebraska Investment Council, the Nebraska State Treasurer, the Nebraska State Investment Officer, First National Bank of Omaha or its authorized agents or their affiliates, or any other federal or state entity or person.

Investment Options have certain risks

Each of the Investment Options is subject to certain risks that may affect performance. Set forth below is a list of the major risks applicable to the Investment Options. In addition, see the descriptions of each of the underlying investments in each of the Investment Options. For a description of the risks associated with the underlying investments of each Investment Option, see "Part 9 – Individual Investment Options."

- **Call risk.** The chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the funds income.
- **Concentration risk.** To the extent that an Investment Option is exposed to securities of a single country, region, industry, structure or size, its performance may be unduly affected by factors common to the type of securities involved.
- **Credit risk.** The value or yield of a bond or money market security could fall if its credit backing deteriorates. In more extreme cases, default or the threat of default could cause a security to lose most or all of its value. Credit risks are higher in high-yield bonds.
- **ETF risks.** Because ETF shares are traded on an exchange, they are subject to additional risks. The ETF shares made available through the Plan are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, the Plan may pay more or less than NAV when it buys ETF shares on the secondary market, and may receive more or less than NAV when it sells those shares. Although the ETF shares available through the Plan are listed for trading on the NYSE Arca, it is possible that an active trading market may not be maintained. Trading of ETF shares on NYSE Arca may be halted if NYSE Arca officials deem such action appropriate, if the ETF shares are delisted from NYSE Arca, or if the activation of market wide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage).
- **Extension risk.** The chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. Extension risk is generally low for short-term bonds.
- **Foreign investment risk.** Foreign stocks and bonds tend to be more volatile and may be less liquid than their U.S. counterparts. The reasons for such volatility can include greater political and social instability, lower market liquidity, higher costs, less stringent investor protections, and inferior information on issuer finances. In addition, the dollar value of most foreign currencies changes daily. All of these risks tend to be higher in emerging markets than in developed markets.
- **Index sampling risk.** The chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the fund's target index.
- **Interest rate risk.** A rise in interest rates typically causes bond prices to fall. Bonds with longer maturities and higher credit quality tend to be more sensitive to changes in interest rates, as are mortgage-backed bonds. Short- and long-term interest rates do not necessarily move the same amount or in the same direction. Money market investments are also affected by interest rates, particularly short-term rates, but in the opposite way: when short-term interest rates fall, money market yields usually fall as well. Bonds that can be paid off before maturity, such as mortgage-backed securities, tend to be more volatile than other types of debt securities.

- **Investment style risk.** The chance that returns from the types of stocks the Investment Option invests in (small, mid, or large capitalization stocks) will trail returns from the overall stock market. Historically, these stocks have performed quite differently from the overall market.
- **Issuer risk.** Changes in an issuer's business prospects or financial condition, including those resulting from concerns over accounting or corporate governance practices, could significantly affect an Investment Option's performance if the Investment Option has sufficient exposure to those securities.
- **Management risk.** An Investment Option's performance could suffer if the investment fund or funds in which it invests underperforms.
- **Market risk.** Securities prices change every business day, based on investor reactions to economic, political, market, industry and corporate developments. At times, these price changes may be rapid and dramatic. Some factors may affect the market as a whole, while others affect particular industries, firms, or sizes or types of securities. Market risk primarily affects stocks, but also affects high-yield bonds and, to a lesser extent, higher quality bonds.
- **Prepayment risk.** The chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the fund. The fund would then lose any price appreciation above the mortgages principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income.

Individual Investment Options and Bank Savings Static Investment Option are not as diversified as other Investment Options

The Individual Investment Options are designed to invest in a single fund, or in the case of the Bank Savings Static Investment Option, an FDIC-insured savings account. Individual Investment Options, by design, are not as diverse as the Age-Based and most Static Investment Options, which are invested in a number of different investments. For the Individual Investment Options, account owners do not own shares of a single fund but, rather, own an interest in the Investment Options offered by the Plan. Performance differences for the Individual Investment Options and their underlying funds may result from differences in the timing of purchases and sales and fees charged. Performance for the Bank Savings Static Investment Option is based on the interest earned on the FDIC-insured Savings Account. Account owners may not deposit directly into the Savings Account at a Bank branch or otherwise. The performance of each of the Individual Investment Options may be more volatile than most Static Investment Options or Age-Based Investment Options. Part 11 of this Program Disclosure Statement describes performance in greater detail.

Program risks

- **Possible changes to the NEST Direct Plan** – The Nebraska State Treasurer, Nebraska Investment Council and the Program Manager reserve the right to make changes to the NEST Direct Plan at any time. These changes may include changes to the underlying investment in which the Plan invests and changes to the expenses the Plan imposes. If the underlying investments are changed, the fees and expenses of the replacement investments may be higher or lower and the replacement investments may achieve different performance results than the investments the Plan currently utilizes.
- **Limitation on investment selection** – An account owner may only change the investment election for an account twice per calendar year or upon a change in Beneficiary. If an account owner has multiple accounts in the Plan for the same Beneficiary, or multiple accounts in the NEST Direct Plan, the NEST Advisor Plan, the TD Ameritrade 529 College Savings Plan, or the State Farm 529 Savings Plan, the account owner may change the Investment Options in all accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Beneficiary.
- **Illiquidity of account** – Funds in your account will be subject to the terms and conditions of the Plan and the Participation Agreement. These provisions may limit your ability to withdraw funds or to transfer these funds. Under no circumstances may any interest in an account or the Plan be used as security for a loan.
- **Acceptance to an Eligible Educational Institution is not guaranteed** – There is no guarantee that a Beneficiary will be admitted to, or permitted to continue to attend, any Eligible Educational Institution. If the Beneficiary does not attend an Eligible Educational Institution, withdrawals from your account may be subject to state and federal taxes and penalties.
- **Qualified Higher Education Expenses may exceed the balance in your account** – Even if you make the maximum amount of contributions to your account, the balance may not be sufficient to cover the Beneficiary's Qualified Higher Education Expenses.
- **Plan does not create Nebraska residency** – Neither opening nor contributing to a Plan account creates Nebraska residency status for you or a Beneficiary for purposes of determining the rate of tuition charged by a Nebraska Eligible Educational Institution.
- **Laws governing 529 qualified tuition programs may change** – There is a risk that federal and state laws and regulations governing 529 plans could change in the future.

The proposed federal Treasury regulations that have been issued under Code Section 529 provide guidance and requirements for the establishment and operation of the Trust but do not provide guidance on all aspects of the Trust. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences or requirements with respect to the Trust or contributions to or withdrawals from your account.

In addition, Code Section 529 or other federal law could be amended in a manner that materially changes the federal tax treatment of contributions to and withdrawals from your account. You should understand that changes in the law governing the federal and/or state tax consequences described in this Program Disclosure Statement might necessitate material changes to the Trust for the anticipated tax consequences to apply. Furthermore, the Trust has been established pursuant to Nebraska law, the guidelines and procedures adopted by the Nebraska State Treasurer, and applicable securities laws. Changes to any of those laws or regulations may also affect the operation and tax treatment of the Trust, as described in this Program Disclosure Statement.

Impact on the Beneficiary's ability to receive financial aid

The eligibility of the Beneficiary for financial aid may depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in an Eligible Educational Institution, as well as on the policies of the governmental agencies, school or private organizations to which the Beneficiary and/or the Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the Beneficiary and the Beneficiary's family, it most likely will have some effect on the Beneficiary's eligibility. These policies vary at different institutions and can change over time. Therefore, no person or entity can say with certainty how the federal aid programs, or the school to which the Beneficiary applies, will treat your account. However, financial aid programs administered by agencies of the State of Nebraska will not take your account balance into consideration, except as may be otherwise provided by federal law.

Medicaid and other federal and state benefits

The effect of an account on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that an account will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how an account may affect eligibility for Medicaid or other state and federal benefits.

PART 11 – PERFORMANCE

The performance chart below includes performance for investments in the Plan as of December 31, 2019. Performance data for the most recent month-end is available on the Plan’s website at www.NEST529Direct.com. Please keep in mind, past performance – especially short-term past performance – is not a guarantee of future results. Investment returns and principal values will fluctuate, so that account owners’ interests in an Investment Option may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited.

No ownership in underlying investments

Account owners do not directly own shares of the underlying funds, or, in case of the Bank Savings Static Investment Option, directly hold a savings account, but rather own interests in the Investment Options of the Plan. As a result, the performance of the Investment Options will differ from the performance of the underlying funds, even in circumstances where an Investment Option invests in a single, individual fund. This is due in part to the differences in the expense ratios of the underlying funds and the Investment Options.

Performance differences

Performance differences between an Investment Option and its underlying investments may also result from differences in the timing of purchases and fees. On days when contributions are made to an account, the Investment Options will not use that money to purchase shares of an underlying investment until the next business day. This timing difference, depending on how the markets are moving, will cause the Investment Option’s performance to either trail or exceed the underlying investment’s performance.

When you invest money in an Investment Option, you will receive units in the Investment Option as of the trade date. Your money will be used by the Trust to purchase shares of an underlying investment. However, the settlement date for the purchase of shares of an underlying investment typically will be one to three business days after the trade date for your purchase of units. Depending on the amount of cash flow into or out of the Investment Option and whether the underlying investment is going up or down in value, this timing difference and fees will cause the Investment Option’s performance either to trail or exceed the underlying investment’s performance.

Performance as of December 31, 2019

Investment Option Name	Average Annualized Total Returns					
	Benchmark*	1 year	3 year	5 year	Since Inception**	Inception Date
Age-Based Investment Options						
Age-Based Aggressive 0-2		27.13%			9.08%	7/20/2018
<i>NEST Benchmark 0-2 yr Aggressive</i>		28.28%				
Age-Based Aggressive 3-5		26.20%	12.77%	9.44%	10.04%	12/17/2010
<i>NEST Benchmark 3-5 yr Aggressive</i>		27.20%	12.82%	9.57%		
Age-Based Aggressive 6-8		24.28%	11.90%	8.79%	9.54%	12/17/2010
<i>NEST Benchmark 6-8 yr Aggressive</i>		25.09%	11.91%	8.91%		
Age-Based Aggressive 9-10		22.10%			8.62%	7/20/2018
<i>NEST Benchmark 9-10 yr Aggressive</i>		22.78%				
Age-Based Aggressive 11-12		19.90%	9.89%	7.37%	7.90%	12/17/2010
<i>NEST Benchmark 11-12 yr Aggressive</i>		20.45%	9.90%	7.47%		
Age-Based Aggressive 13-14		17.53%			7.68%	7/20/2018
<i>NEST Benchmark 13-14 yr Aggressive</i>		18.06%				
Age-Based Aggressive 15-16		15.18%	7.70%	5.78%	6.15%	12/17/2010
<i>NEST Benchmark 15-16 yr Aggressive</i>		15.64%	7.74%	5.92%		
Age-Based Aggressive 17-18		12.99%			6.54%	7/20/2018
<i>NEST Benchmark 17-18 yr Aggressive</i>		13.37%				
Age-Based Aggressive 19+		10.85%	5.30%	4.05%	4.36%	12/17/2010
<i>NEST Benchmark 19+ yr Aggressive</i>		11.08%	5.53%	4.31%		
Age-Based Growth 0-2		24.28%	11.87%	8.79%	9.54%	12/17/2010
<i>NEST Benchmark 0-2 yr Growth</i>		25.09%	11.91%	8.91%		
Age-Based Growth 3-5		22.10%			8.62%	7/20/2018
<i>NEST Benchmark 3-5 yr Growth</i>		22.78%				
Age-Based Growth 6-8		19.90%	9.89%	7.37%	7.90%	12/17/2010
<i>NEST Benchmark 6-8 yr Growth</i>		20.45%	9.90%	7.47%		
Age-Based Growth 9-10		17.53%			7.68%	7/20/2018
<i>NEST Benchmark 9-10 yr Growth</i>		18.06%				

Investment Option Name	Average Annualized Total Returns					
	Benchmark*	1 year	3 year	5 year	Since Inception**	Inception Date
Age-Based Growth 11-12		15.18%	7.70%	5.78%	6.15%	12/17/2010
<i>NEST Benchmark 11-12 yr Growth</i>		15.64%	7.74%	5.92%		
Age-Based Growth 13-14		12.99%			6.54%	7/20/2018
<i>NEST Benchmark 13-14 yr Growth</i>		13.37%				
Age-Based Growth 15-16		10.85%	5.30%	4.05%	4.36%	12/17/2010
<i>NEST Benchmark 15-16 yr Growth</i>		11.08%	5.53%	4.31%		
Age-Based Growth 17-18		8.17%			4.99%	7/20/2018
<i>NEST Benchmark 17-18 yr Growth</i>		8.40%				
Age-Based Growth 19+		4.78%			3.57%	7/20/2018
<i>NEST Benchmark 19+ yr Growth</i>		5.19%				
Age-Based Index 0-2		20.66%	9.62%	7.13%	8.02%	12/17/2010
<i>NEST Benchmark 0-2 yr Index</i>		20.71%	9.86%	7.38%		
Age-Based Index 3-5		18.18%			8.02%	7/20/2018
<i>NEST Benchmark 3-5 yr Index</i>		18.28%				
Age-Based Index 6-8		15.78%	7.45%	5.60%	6.27%	12/17/2010
<i>NEST Benchmark 6-8 yr Index</i>		15.83%	7.71%	5.85%		
Age-Based Index 9-10		13.30%			6.75%	7/20/2018
<i>NEST Benchmark 9-10 yr Index</i>		13.48%				
Age-Based Index 11-12		10.96%	5.24%	4.01%	4.42%	12/17/2010
<i>NEST Benchmark 11-12 yr Index</i>		11.13%	5.52%	4.30%		
Age-Based Index 13-14		8.11%	3.94%	2.98%	2.53%	12/17/2010
<i>NEST Benchmark 13-14 yr Index</i>		8.39%	4.28%	3.29%		
Age-Based Index 15-16		4.70%	2.47%	1.78%	1.41%	12/17/2010
<i>NEST Benchmark 15-16 yr Index</i>		5.18%	2.87%	2.13%		
Age-Based Index 17-18		1.79%			1.79%	7/20/2018
<i>NEST Benchmark 17-18 yr Index</i>		2.25%				
Age-Based Index 19+		1.79%			1.79%	7/20/2018
<i>NEST Benchmark 19+ yr Index</i>		2.25%				
Static Investment Options						
All Equity Static		27.13%			9.08%	7/20/2018
<i>NEST Benchmark All Equity Static</i>		28.28%				
Growth Static		24.33%	11.91%	8.80%	9.54%	12/17/2010
<i>NEST Benchmark Growth Static</i>		25.09%	11.91%	8.91%		
Moderate Growth Static		19.76%			8.22%	7/20/2018
<i>NEST Benchmark Moderate Growth Static</i>		20.49%				
Balanced Static		17.53%			7.68%	7/20/2018
<i>NEST Benchmark Balanced Index Static</i>		18.06%				
Conservative Static		10.85%	5.30%	4.05%	4.36%	12/17/2010
<i>NEST Benchmark Conservative Static</i>		11.08%	5.53%	4.31%		
Bank Savings Static		1.53%	1.00%	0.81%	0.70%	10/17/2011
<i>FTSE 3-Month T-Bill</i>		2.25%	1.65%	1.05%		
Individual Investment Options						
State Street S&P 500® Index		31.17%	14.94%	11.37%	13.14%	12/17/2010
<i>S&P 500</i>		31.49%	15.27%	11.70%		
Vanguard Total Stock Market Index		30.44%	14.25%	10.91%	12.78%	12/17/2010
<i>CRSP US Total Mkt</i>		30.84%	14.56%	11.21%		
Vanguard Equity Income		24.97%	11.59%	9.85%	12.88%	6/22/2012
<i>FTSE High Div Yld</i>		24.24%	10.87%	9.86%		
T. Rowe Price Large-Cap Growth		28.15%	22.37%	15.57%	15.72%	12/17/2010
<i>Russell 1000 Growth</i>		36.39%	20.49%	14.63%		
Vanguard Extended Market Index		27.76%	10.80%	8.73%	11.07%	12/17/2010
<i>S&P Completion</i>		27.95%	10.97%	8.90%		
Tributary Small Company		23.13%	6.00%	8.08%	9.82%	12/17/2010
<i>Russell 2000</i>		25.52%	8.59%	8.23%		
iShares Russell 2000 Growth ETF		27.69%	11.92%	8.95%	13.17%	6/22/2012
<i>Russell 2000 Growth</i>		28.48%	12.49%	9.34%		

Investment Option Name	Average Annualized Total Returns					
	Benchmark*	1 year	3 year	5 year	Since Inception**	Inception Date
Vanguard Real Estate Index		28.66%	8.09%	6.89%	10.47%	12/17/2010
<i>MSCI US Investable Market Real Estate 25/50</i>		29.03%	8.46%	7.27%		
State Street MSCI® ACWI ex USA Index		21.15%	9.41%	5.05%	4.10%	12/17/2010
<i>MSCI ACWI ex USA (Net)</i>		21.51%	9.87%	5.51%		
DFA World ex-US Government		8.25%	4.65%		4.32%	4/29/2016
<i>FTSE World Government Bond Index ex USA</i>		8.02%	4.49%			
MetWest Total Return Bond		8.90%	3.99%		2.67%	2/6/2015
<i>BBgBarc US Agg Bond TR USD</i>		8.72%	4.03%			
Vanguard Total Bond Market Index		8.45%	3.74%	2.72%	3.14%	12/17/2010
<i>BBgBarc US Agg Bond TR USD</i>		8.72%	4.03%	3.05%		
Vanguard Short-Term Bond Index		4.55%	2.18%	1.68%	1.55%	12/17/2010
<i>BBgBarc US Govtl/Credit 1-5 Yr TR USD</i>		5.01%	2.54%	2.03%		
Vanguard Short Term Inflation-Protected		4.63%	1.79%		1.68%	4/29/2016
<i>BBgBarc U.S. Treasury TIPS 0-5Y TR USD</i>		4.85%	2.09%			
Goldman Sachs Financial SquareSM Government Money Market^{***}		1.86%	1.28%		1.05%	4/29/2016
<i>FTSE 3-Month T-Bill</i>		2.25%	1.65%			

* Each benchmark is not managed. Therefore, its performance does not reflect management fees, expenses or the imposition of sales charges.

** Since Inception Returns for less than one year are not annualized.

*** **You could lose money by investing in this Investment Option.** Although the money market fund in which your Investment Option invests (the underlying fund) seeks to preserve the value at \$1.00 per share, it cannot guarantee it will do so. An investment in this Investment Option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

Customized performance benchmarks

The benchmarks for the Age-Based and the Static Investment Options represent customized composites of market indices for the available underlying investments weighted by its relative target allocation. Investors cannot directly invest in the compilation of the benchmark indices.

	S&P 500	FTSE High Dividend Yield	Russell 1000 Growth	S&P Completion	Russell 2000	Russell 2000 Growth	MSCI US REIT Index	MSCI ACWI ex USA (Net)	Citigroup World Govt Bond Index ex USA (Hedged to USD)	BBgBarc U.S. Agg Bond TR USD	BBgBarc U.S. Govt/Credit 1-5 Yr TR USD	BBgBarc U.S. Treasury TIPS 0-5Y TR USD	FTSE 3-Month T-Bill
Age-Based Investment Options													
AGGRESSIVE													
0-2	38.00%	11.50%	11.50%	2.00%	4.25%	4.25%	5.25%	23.25%					
3-5	36.00%	11.00%	11.00%	2.00%	4.00%	4.00%	5.00%	22.00%		5.00%			
6-8	32.00%	10.00%	10.00%	2.00%	3.00%	3.00%	5.00%	20.00%	2.00%	13.00%			
9-10	27.00%	9.50%	9.50%	1.50%	2.75%	2.75%	4.50%	17.50%	2.50%	17.50%	3.00%		2.00%
11-12	22.00%	9.00%	9.00%	1.00%	2.50%	2.50%	4.00%	15.00%	3.00%	22.00%	6.00%		4.00%
13-14	18.00%	8.00%	8.00%	1.00%	2.00%	2.00%	3.50%	12.50%	3.50%	23.50%	9.50%		8.50%
15-16	14.00%	7.00%	7.00%	1.00%	1.50%	1.50%	3.00%	10.00%	4.00%	25.00%	13.00%		13.00%
17-18	13.00%	4.50%	4.50%	1.00%	1.00%	1.00%	2.50%	7.50%	4.00%	26.50%	15.00%	2.50%	17.00%
19+	12.00%	2.00%	2.00%	1.00%	0.50%	0.50%	2.00%	5.00%	4.00%	28.00%	17.00%	5.00%	21.00%
GROWTH													
0-2	32.00%	10.00%	10.00%	2.00%	3.00%	3.00%	5.00%	20.00%	2.00%	13.00%			
3-5	27.00%	9.50%	9.50%	1.50%	2.75%	2.75%	4.50%	17.50%	2.50%	17.50%	3.00%		2.00%
6-8	22.00%	9.00%	9.00%	1.00%	2.50%	2.50%	4.00%	15.00%	3.00%	22.00%	6.00%		4.00%
9-10	18.00%	8.00%	8.00%	1.00%	2.00%	2.00%	3.50%	12.50%	3.50%	23.50%	9.50%		8.50%
11-12	14.00%	7.00%	7.00%	1.00%	1.50%	1.50%	3.00%	10.00%	4.00%	25.00%	13.00%		13.00%
13-14	13.00%	4.50%	4.50%	1.00%	1.00%	1.00%	2.50%	7.50%	4.00%	26.50%	15.00%	2.50%	17.00%
15-16	12.00%	2.00%	2.00%	1.00%	0.50%	0.50%	2.00%	5.00%	4.00%	28.00%	17.00%	5.00%	21.00%
17-18	10.00%			1.00%			1.00%	3.00%	3.00%	25.00%	15.00%	9.00%	33.00%
19+	4.00%							1.00%	2.00%	15.00%	18.00%	5.00%	55.00%
INDEX													
0-2	40.00%			6.00%			4.00%	15.00%	3.00%	22.00%	6.00%		4.00%
3-5	34.00%			5.00%			3.50%	12.50%	3.50%	23.50%	9.50%		8.50%
6-8	28.00%			4.00%			3.00%	10.00%	4.00%	25.00%	13.00%		13.00%
9-10	22.00%			3.00%			2.50%	7.50%	4.00%	26.50%	15.00%	2.50%	17.00%
11-12	16.00%			2.00%			2.00%	5.00%	4.00%	28.00%	17.00%	5.00%	21.00%
13-14	10.00%			1.00%			1.00%	3.00%	3.00%	25.00%	15.00%	9.00%	33.00%
15-16	4.00%							1.00%	2.00%	15.00%	18.00%	5.00%	55.00%
17-18													100.00%
19+													100.00%
Static Investment Options													
ALL EQUITY													
	38.00%	11.50%	11.50%	2.00%	4.25%	4.25%	5.25%	23.25%					
GROWTH													
	32.00%	10.00%	10.00%	2.00%	3.00%	3.00%	5.00%	20.00%	2.00%	13.00%			
MODERATE GROWTH													
	22.00%	9.00%	9.00%	1.00%	2.50%	2.50%	4.00%	15.00%	3.00%	22.00%	6.00%		4.00%
BALANCED													
	18.00%	8.00%	8.00%	1.00%	2.00%	2.00%	3.50%	12.50%	3.50%	23.50%	9.50%		8.50%
CONSERVATIVE													
	12.00%	2.00%	2.00%	1.00%	0.50%	0.50%	2.00%	5.00%	4.00%	28.00%	17.00%	5.00%	21.00%
BANK SAVINGS													
													100.00%

PART 12 – PLAN FEES AND EXPENSES

Program Management Fee

The Program Manager receives a management fee equal to 0.25% of the average daily net assets in each Investment Option. However, with respect to the Bank Savings Static Investment Option, the Program Manager receives a management fee equal to 0.18% of the average daily net assets in that Investment Option. This fee accrues daily as a percentage of average daily net assets and will be deducted from each Investment Option. This fee will reduce the value of an account.

The Program Manager will also receive a fee from Goldman Sachs and the Tributary Small Company Fund, which is an affiliate of the Program Manager, to assist with the ongoing marketing and distribution associated with its Program Manager duties under the Plan. Account owners are not separately charged for this fee. The Trustee reserves the right to increase or decrease fees as the Trustee deems appropriate.

Negative return

The Program Manager will endeavor to maintain a positive or zero return on the Goldman Sachs Financial SquareSM Government Money Market Individual Investment Option by foregoing a portion of its Program Management Fee earned on that Investment Option. However, the Program Manager cannot guarantee any return on Goldman Sachs Financial SquareSM Government Money Market Individual Investment Option or that the return on this Investment Option will not be negative.

State Administration Fee

An administration fee equal to 0.02% of the average daily net assets in each Investment Option will be allocated to the state's cost to administer, market, and distribute the Plan. This fee accrues daily as a percentage of average daily net assets and is deducted from each Investment Option. This fee will reduce the value of an account.

Underlying investment fee

The underlying investments that comprise an Investment Option charge a fee, which ranges from 0.00% to 0.99% of the average daily net assets in each underlying investment. This fee will reduce the value of an account.

Other account fees

There are no account opening fees and no other annual or quarterly fees associated with the NEST Direct Plan.

Fee or Charge Type	Amount
Enrollment/account opening	None
Annual or quarterly	None
Cancellation/withdrawal	None
Change in Beneficiary	None
Change in investment Portfolios	None
Returned check	Up to \$25*
Rejected ACH or EFT	Up to \$25*
Outgoing wire	Up to \$25*
Overnight delivery	\$15*

* charged against the account

Fee structure tables

Specific fees and expenses are outlined in the tables below.

	Weighted Average Operating Expense Ratio ⁸	Program Management Fee ⁹	State Administration Fee	Total Estimated Annual Asset-Based Fees ¹⁰
AGE-BASED INVESTMENT OPTIONS				
AGGRESSIVE				
0-2	0.17%	0.25%	0.02%	0.44%
3-5	0.16%	0.25%	0.02%	0.43%
6-8	0.17%	0.25%	0.02%	0.44%
9-10	0.17%	0.25%	0.02%	0.44%
11-12	0.17%	0.25%	0.02%	0.44%
13-14	0.16%	0.25%	0.02%	0.43%
15-16	0.15%	0.25%	0.02%	0.42%
17-18	0.13%	0.25%	0.02%	0.40%
19+	0.11%	0.25%	0.02%	0.38%
GROWTH				
0-2	0.17%	0.25%	0.02%	0.44%
3-5	0.17%	0.25%	0.02%	0.44%
6-8	0.17%	0.25%	0.02%	0.44%
9-10	0.16%	0.25%	0.02%	0.43%
11-12	0.15%	0.25%	0.02%	0.42%
13-14	0.13%	0.25%	0.02%	0.40%
15-16	0.11%	0.25%	0.02%	0.38%
17-18	0.06%	0.25%	0.02%	0.33%
19+	0.08%	0.25%	0.02%	0.35%
INDEX				
0-2	0.05%	0.25%	0.02%	0.32%
3-5	0.05%	0.25%	0.02%	0.32%
6-8	0.05%	0.25%	0.02%	0.32%
9-10	0.05%	0.25%	0.02%	0.32%
11-12	0.05%	0.25%	0.02%	0.32%
13-14	0.06%	0.25%	0.02%	0.33%
15-16	0.08%	0.25%	0.02%	0.35%
17-18	0.17%	0.25%	0.02%	0.44%
19+	0.17%	0.25%	0.02%	0.44%
STATIC INVESTMENT OPTIONS				
ALL EQUITY				
	0.17%	0.25%	0.02%	0.44%
GROWTH				
	0.17%	0.25%	0.02%	0.44%
MODERATE GROWTH				
	0.17%	0.25%	0.02%	0.44%
BALANCED				
	0.16%	0.25%	0.02%	0.43%
CONSERVATIVE				
	0.11%	0.25%	0.02%	0.38%
BANK SAVINGS				
	0.00%	0.18%	0.02%	0.20%

⁸ Weighted Average Operating Expense Ratio is the weighted average of each underlying investment's expense ratio as of December 31, 2019.

⁹ The Program Management Fee accrues daily as a percentage of average daily net assets.

¹⁰ Total Estimated Annual Asset-Based Fees include the Weighted Average Operating Expense Ratio, the Program Management Fee, and the State Administration Fee.

Fee structure tables, continued

Specific fees and expenses are outlined in the tables below.

	Weighted Average Operating Expense Ratio ¹¹	Program Management Fee ¹²	State Administration Fee	Total Estimated Annual Asset-Based Fees ¹³
INDIVIDUAL INVESTMENT OPTIONS				
DFA World ex-US Government Fixed Income	0.20%	0.25%	0.02%	0.47%
Goldman Sachs Financial SquareSM Government Money Market	0.17%	0.25%	0.02%	0.44%
iShares Russell 2000 Growth ETF	0.24%	0.25%	0.02%	0.51%
MetWest Total Return Bond	0.37%	0.25%	0.02%	0.64%
State Street MSCI^{®14} ACWI ex USA Index*	0.09%	0.25%	0.02%	0.36%
State Street S&P 500^{®15} Index	0.0175%	0.25%	0.02%	0.29%
T. Rowe Price Large-Cap Growth	0.56%	0.25%	0.02%	0.83%
Tributary Small Company	0.99%	0.25%	0.02%	1.26%
Vanguard Equity Income	0.18%	0.25%	0.02%	0.45%
Vanguard Extended Market Index	0.05%	0.25%	0.02%	0.32%
Vanguard Real Estate Index	0.10%	0.25%	0.02%	0.37%
Vanguard Short-Term Bond Index	0.04%	0.25%	0.02%	0.31%
Vanguard Short-Term Inflation-Protected Index	0.04%	0.25%	0.02%	0.31%
Vanguard Total Bond Market Index	0.03%	0.25%	0.02%	0.30%
Vanguard Total Stock Market Index	0.04%	0.25%	0.02%	0.31%

¹¹ Weighted Average Operating Expense Ratio is the weighted average of each underlying investment's expense ratio as of December 31, 2019.

¹² The Program Management Fee accrues daily as a percentage of average daily net assets.

¹³ Total Estimated Annual Asset-Based Fees include the Weighted Average Operating Expense Ratio, the Program Management Fee, and the State Administration Fee.

¹⁴ The MSCI ACWI ex USA Index is a trademark of MSCI Inc.

¹⁵ The S&P 500[®] Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by State Street. Standard & Poor's[®] and S&P[®] are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500[®] Index.

* Trust account managed by State Street Global Advisors Trust Company for the benefit of the NEST Direct Plan. Not a mutual fund and not otherwise registered with the SEC. See "Part 9 – Individual Investment Options" for more information about the investments.

Approximate cost of \$10,000 investment

The following table compares the approximate cost of investing in the Plan over different periods of time. This hypothetical is not intended to predict or project investment performance. Past performance is no guarantee of future performance. Your actual cost may be higher or lower. The tables are based on the following assumptions:

- A \$10,000 contribution is invested for the time periods shown;
- A 5% annually compounded rate of return on the amount invested throughout the period;
- The account is redeemed at the end of the period shown to pay for Qualified Expenses (the table does not consider the impact of any potential state or federal taxes on the redemption); and
- The total estimated annual asset based fees remain the same as those shown in the fee structure tables.

Approximate cost of \$10,000 investment

	INVESTMENT PERIOD			
	One Year	Three Years	Five Years	Ten Years
AGE-BASED INVESTMENT OPTIONS				
AGGRESSIVE				
Ages 0-2	\$45	\$141	\$246	\$555
Ages 3-5	\$44	\$138	\$241	\$542
Ages 6-8	\$45	\$141	\$246	\$555
Ages 9-10	\$45	\$141	\$246	\$555
Ages 11-12	\$45	\$141	\$246	\$555
Ages 13-14	\$44	\$138	\$241	\$542
Ages 15-16	\$43	\$135	\$235	\$530
Ages 17-18	\$41	\$128	\$224	\$505
Ages 19+	\$39	\$122	\$213	\$480
GROWTH				
Ages 0-2	\$45	\$141	\$246	\$555
Ages 3-5	\$45	\$141	\$246	\$555
Ages 6-8	\$45	\$141	\$246	\$555
Ages 9-10	\$44	\$138	\$241	\$542
Ages 11-12	\$43	\$135	\$235	\$530
Ages 13-14	\$41	\$128	\$224	\$505
Ages 15-16	\$39	\$122	\$213	\$480
Ages 17-18	\$34	\$106	\$185	\$418
Ages 19+	\$36	\$113	\$197	\$443
INDEX				
Ages 0-2	\$33	\$103	\$180	\$406
Ages 3-5	\$33	\$103	\$180	\$406
Ages 6-8	\$33	\$103	\$180	\$406
Ages 9-10	\$33	\$103	\$180	\$406
Ages 11-12	\$34	\$106	\$185	\$418
Ages 13-14	\$33	\$103	\$180	\$406
Ages 15-16	\$36	\$113	\$197	\$443
Ages 17-18	\$45	\$141	\$246	\$555
Ages 19+	\$45	\$141	\$246	\$555
STATIC INVESTMENT OPTIONS				
All Equity	\$45	\$141	\$246	\$555
Growth	\$45	\$141	\$246	\$555
Moderate Growth	\$45	\$141	\$246	\$555
Balanced	\$44	\$138	\$241	\$542
Conservative	\$39	\$122	\$213	\$480
Bank Savings	\$20	\$64	\$113	\$255
INDIVIDUAL INVESTMENT OPTIONS				
DFA World ex-US Government Fixed Income	\$48	\$151	\$263	\$591
Goldman Sachs Financial Square SM Government Money Market	\$46	\$144	\$252	\$567
iShares Russell 2000 Growth ETF	\$52	\$164	\$285	\$640
MetWest Total Return Bond	\$65	\$205	\$357	\$798
State Street MSCI [®] ACWI ex USA Index	\$37	\$116	\$202	\$456
State Street S&P 500 [®] Index	\$30	\$93	\$163	\$368
T. Rowe Price Large-Cap Growth	\$85	\$265	\$460	\$1,025
Tributary Small Company	\$128	\$400	\$692	\$1,523
Vanguard Equity Income	\$46	\$144	\$252	\$567
Vanguard Extended Market Index	\$33	\$103	\$180	\$406
Vanguard Real Estate Index	\$38	\$119	\$208	\$468
Vanguard Short-Term Bond Index	\$32	\$100	\$174	\$393
Vanguard Short-Term Inflation-Protected Index	\$32	\$100	\$174	\$393
Vanguard Total Bond Market Index	\$31	\$97	\$169	\$381
Vanguard Total Stock Market Index	\$32	\$100	\$174	\$393

PART 13 – DISTRIBUTIONS FROM AN ACCOUNT

Requesting a distribution from an account

There is no Beneficiary age or other deadline by which distributions from your account must begin. To request a distribution, the account owner may complete and submit a form to the Program Manager by mail. You can initiate a Qualified Withdrawal online by logging into your account at www.NEST529Direct.com. You can also request a Qualified Withdrawal, Non-Qualified Withdrawal or Rollover out of the NEST Direct Plan by submitting a form downloaded from the Plan's website, or by calling the Plan.

The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by telephone or Internet are genuine, including requiring certain personal identifying information prior to acting upon telephone or Internet instructions. None of the Program Manager, its authorized agents, the Trust, or the Trustee will be liable for following telephone or Internet instructions that are reasonably believed to be genuine.

The Program Manager will review each withdrawal request to determine that all information needed to process such request has been received. Withdrawal requests will be satisfied as soon as practicable following the Program Manager's receipt and review of a properly completed form. The Plan typically will process a withdrawal form sent by mail and will initiate payment of a distribution within two business days of receipt of the request. During periods of market volatility and at year-end, withdrawal requests may take up to five business days to process. Please submit your withdrawal requests well in advance of the start of each academic period. See also "Temporary withdrawal restrictions" below regarding withdrawals of recent contributions to an account.

Although the Program Manager is required to report the earnings portion of any withdrawal to tax authorities, it is solely the responsibility of the person receiving the withdrawal to calculate and report any resulting tax liability.

Temporary withdrawal restrictions

If you made a contribution that was in good order, you will not be able to make a withdrawal of that contribution from your account for five business days after deposit. When an account owner or the address is changed on an account there is a 10-business-day hold before a withdrawal can be made. A withdrawal request must be signature guaranteed if the request is within 10 business days of the change to have the withdrawal released before the hold period expires. There is a 15-calendar-day hold on ACH withdrawals after bank information is added or changed.

Systematic Withdrawal Program (SWP)

You may choose to establish periodic, pre-scheduled withdrawals for Qualified Higher Education Expenses from your NEST Direct Plan account. The Plan will file IRS Form 1099-Q annually for

distributions taken for all withdrawals, including those using systematic withdrawals. You can have up to two SWPs on your account. If the balance in your Investment Option is less than the SWP amount specified, the SWP instructions will be stopped. A SWP distribution will be held for up to five business days for contributions that have not yet cleared, 10 business days if the account owner or address has been changed on the account and the SWP is within 10 business days of that change. The distribution will be released when the specified waiting period has been satisfied.

Qualified Withdrawal

Qualified Withdrawals from your account are free from federal income tax. A Qualified Withdrawal is a withdrawal that is used to pay the Qualified Higher Education Expenses of the Beneficiary. Qualified Higher Education Expenses include tuition, fees, books, supplies and equipment required for the enrollment or attendance of the Beneficiary at an Eligible Educational Institution. Expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution regardless of whether such technology or equipment is required by the Eligible Educational Institution. Computer software means any program designed to cause a computer to perform a desired function. Such term does not include any database or similar item unless the database or item is in the public domain and is incidental to the operation of otherwise qualifying computer software. Computer software designed for sports, games, or hobbies is not included unless this software is predominantly educational in nature. Reasonable room and board expenses are also considered Qualified Higher Education Expenses for students enrolled on at least a half-time basis.

Eligible Educational Institution

An Eligible Educational Institution is an institution that is eligible to participate in federal student aid programs under Title IV of the Higher Education Act of 1965 (20 USC 1088). These are generally any accredited college or university, including trade and technical schools, in the United States and abroad that participates in federal financial aid programs. To check if a specific school is an Eligible Educational Institution go to the U.S. Department of Education Website at www.fafsa.ed.gov.

Distribution of a Qualified Withdrawal

A Qualified Withdrawal may be distributed as follows:

- To the account owner at the address on the account;
- To the Beneficiary at the address on the account; or
- Directly to the Eligible Educational Institution at the address on the withdrawal form.

Because money in your account may be withdrawn free from federal income tax only if it is used to pay the Beneficiary's Qualified Higher Education Expenses, you should retain documentation of all of the Beneficiary's Qualified Higher Education Expenses for your records. The account owner or

Beneficiary, not the Plan nor the Program Manager, is solely responsible for determining if a withdrawal is Qualified Withdrawal or Non-Qualified Withdrawal and whether a federal penalty applies.

Non-Qualified Withdrawals

To the extent that a withdrawal is a Non-Qualified Withdrawal, any earnings portion of such Non-Qualified Withdrawal will be includable in your income for state income tax purposes and subject to partial recapture of any Nebraska state income tax deduction previously claimed.

In general, a Non-Qualified Withdrawal is also includable in your income for federal income tax purposes and subject to an additional 10% federal tax. Certain exceptions to this rule apply. For example, under Nebraska law, withdrawals from the NEST Direct Plan that are used to pay for a Beneficiary's K-12 tuition, costs associated with the Beneficiary's apprenticeship program(s), or student loan repayments for the Beneficiary and/or the Beneficiary's siblings are Non-Qualified Withdrawals and the earnings portion of the withdrawal will be includable in your income for state income tax purposes and is subject to recapture. However, the withdrawal is not includable in your income for federal income tax purposes or subject to an additional 10% federal tax.

The account owner or the Beneficiary is responsible for determining whether a withdrawal is a Non-Qualified Withdrawal and, if so, making the appropriate filings with the IRS and paying the additional 10% federal tax on earnings. More information is available in "Part 14 – Federal and State Tax Considerations" about how the earnings portion of a Non-Qualified Withdrawal is calculated and the other tax consequences of a Non-Qualified Withdrawal.

Exceptions to the federal penalty tax

The additional 10% federal tax does not apply to Non-Qualified Withdrawals if:

- Paid to the estate of the Beneficiary on or after the death of the Beneficiary;
- Used to pay for the Beneficiary's K-12 tuition, up to the federal limit (currently \$10,000);
- Used to pay for fees, books, supplies or equipment required for the Beneficiary's participation in a registered apprenticeship program;
- Used to pay the principal or interest on a qualified education loan of the Beneficiary and/or the Beneficiary's sibling, up to the federal lifetime limit (\$10,000 per qualifying individual);
- Made because the Beneficiary is disabled. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must

determine that his or her condition can be expected to result in death or to be of long-continued and indefinite duration;

- Included in income because the Beneficiary received a tax-free scholarship, up to the amount of scholarship received by the Beneficiary;
- Made on account of the attendance of the Beneficiary at a U.S. military academy (such as the United States Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance; or
- Included in income only because the Qualified Higher Education Expenses were taken into account in determining the American Opportunity and Lifetime Learning Tax Credits.

You should consult your own tax advisor regarding the application of any of the above exceptions.

Refunds from Eligible Educational Institution

Refunds of any Qualified Higher Education Expense from an Eligible Educational Institution, to the extent that the portion of the refund is from a previous Qualified Withdrawal, must be recontributed back into the Beneficiary's account within 60 days of receipt of the refund otherwise the refund is considered a Non-Qualified Withdrawal.

Rollovers

You may direct a transfer of money from your account to an account in another qualified tuition program or an Achieving a Better Life Experience Act ("ABLE") program for the same or another Beneficiary (a "rollover"). Alternatively, you may make a withdrawal from your account and re-deposit the withdrawn balance within 60 days into an account in another qualified tuition program or ABLE program for the same or another Beneficiary. If the Beneficiary stays the same, the transfer will be treated as a tax free qualified rollover as long as the transfer does not occur within 12 months from the date of a previous rollover to a qualified tuition program account for the same Beneficiary. If you change Beneficiaries, the transfer will be treated as a qualified rollover only if the new Beneficiary is a Member of the Family of the former Beneficiary.

You may transfer money in your NEST Direct Plan account to an Enable Savings Plan or Enable Savings Plan Alabama account (both issued by the State of Nebraska) without adverse tax consequences, provided the transfer is a qualified rollover. However, if you roll over money in your NEST Direct Plan account to any ABLE program not issued by the State of Nebraska, the earnings portion of the rollover will be subject to Nebraska state income tax. In addition, the rollover will be subject to recapture of any Nebraska state income tax deduction previously claimed by the account owner. Not all ABLE program sponsors may accept rollovers from a 529 college savings plan; you should contact your tax advisor for more information.

PART 14 – FEDERAL AND STATE TAX CONSIDERATIONS

IRS Circular 230 Disclosure

Pursuant to U.S. Treasury Department regulations, the following statement is provided: Any information contained in this Program Disclosure Statement is not intended or written to be used, and cannot be used, by a person as tax advice for the purpose of avoiding any penalties that may be imposed under the Internal Revenue Code. In addition, the information contained in this Program Disclosure Statement was written to support the promotion or marketing of the transaction(s) or matter(s) addressed in this Program Disclosure Statement. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The following discussion summarizes certain aspects of federal and state income, gift, estate and generation-skipping transfer tax consequences relating to the NEST Direct Plan and contributions to, earnings of, and withdrawals from the accounts. The summary is not exhaustive and is not intended as individual tax advice. In addition, there can be no assurance that the IRS or Nebraska Department of Revenue will accept the statements made herein or, if challenged, that such statements would be sustained in court. The applicable tax rules are complex, and certain of the rules are at present uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. The Code and regulations thereunder, and judicial and administrative interpretations thereof, are subject to change, retroactively and/or prospectively. A qualified tax advisor should be consulted regarding the application of law in individual circumstances.

This summary is based on the relevant provisions of the Code, Nebraska state tax law and proposed Treasury regulations. It is possible that Congress, the Treasury Department, the IRS, the State of Nebraska and other taxing authorities or the courts may take actions that will adversely affect the tax law consequences described and that such adverse effects may be retroactive. No final tax regulations or rulings concerning the NEST Direct Plan have been issued by the IRS and, when issued, such regulations or rulings may alter the tax consequences summarized herein or necessitate changes in the Plan to achieve the tax benefits described. The summary does not address the potential effects on account owners or Beneficiaries of the tax laws of any state other than Nebraska.

Qualified tuition program

The NEST Direct Plan is designed to be a qualified tuition program under Code Section 529.

Federal tax information

Contributions to a qualified tuition program are not deductible for federal income tax purposes.

There are two primary federal income tax advantages to investing in a qualified tuition program, such as the NEST Direct Plan:

- Investment earnings on the money you invest in the Plan will not be subject to federal income tax until they are distributed since they are not includable in the federal gross income of either the account owner or the Beneficiary until funds are withdrawn, in whole or in part, from an account; and
- If the investment earnings are distributed as part of a Qualified Withdrawal, they are free from federal, and in most cases state, income tax.

The tax treatment of a withdrawal from an account will vary depending on the nature of the withdrawal, that is, whether the withdrawal is a Qualified Withdrawal or a Non-Qualified Withdrawal.

Qualified Withdrawals

If a Qualified Withdrawal is made from an account, no portion of the distribution is includable in the gross income of the account owner or the Beneficiary.

A Qualified Withdrawal is a withdrawal that is solely used to pay the Qualified Higher Education Expenses of the Beneficiary.

Qualified Higher Education Expenses

Qualified Higher Education Expenses include:

- Tuition
- Fees
- Books
- Supplies
- Equipment
- Computers

that are required for the enrollment or attendance of the Beneficiary at an Eligible Educational Institution.

Qualified Higher Education Expenses also include expenses for special needs services in the case of a special needs Beneficiary at an Eligible Educational Institution.

Expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution regardless of whether such technology or equipment is required by the Eligible Educational Institution. Computer software means any program designed to cause a computer to perform a desired function. Such term does not include any database or similar item unless the database or item is in the public domain and is incidental to the operation of otherwise qualifying computer software. Computer software designed for sports, games, or hobbies is not included unless this software is predominantly educational in nature.

In addition, reasonable room and board expenses are considered Qualified Higher Education Expenses for students enrolled on at least a half-time basis at an Eligible Educational Institution.

Non-Qualified Withdrawal taxable

There are also potential federal income tax disadvantages to an investment in a qualified tuition program. To the extent that a distribution from an account is a Non-Qualified Withdrawal, the portion of the Non-Qualified Withdrawal attributable to investment earnings on the account will generally be ordinary income to the recipient of the withdrawal for the year in which the withdrawal is made. A few exceptions to this are when a Non-Qualified Withdrawal is used to pay the Beneficiary's K-12 tuition, costs associated with the Beneficiary's apprenticeship program(s), or student loan repayments for the Beneficiary and/or the Beneficiary's siblings. The earnings on such withdrawals will not be included in the recipient's income for federal tax purposes, up to the federal limit. No part of the earnings portion of a Non-Qualified Withdrawal will be treated as capital gain. Under current law, the federal tax rates on ordinary income are generally greater than the tax rates on capital gain. The contribution portion of a withdrawal is not includable in gross income.

A Non-Qualified Withdrawal is a distribution from an account that is not a Qualified Withdrawal, a qualified rollover, or a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution that is recontributed back into the Beneficiary's account within 60 days of receipt of the refund from the Eligible Educational Institution.

Federal penalty tax on Non-Qualified Withdrawals

Additionally, to the extent that a distribution is a Non-Qualified Withdrawal, the federal income tax liability of the recipient will be increased by an amount equal to 10% of any earnings portion of the withdrawal distribution.

Exceptions to penalty tax

The additional 10% federal tax does not apply to Non-Qualified Withdrawals if:

- Paid to the estate of a Beneficiary on or after the death of the Beneficiary;
- Used to pay for the Beneficiary's K-12 tuition, up to the federal limit (currently \$10,000);
- Used to pay for fees, books, supplies or equipment required for the Beneficiary's participation in a registered apprenticeship program;
- Used to pay the principal or interest on a qualified education loan of the Beneficiary and/or the Beneficiary's sibling, up to the federal lifetime limit (\$10,000 per qualifying individual);
- Made on account of the disability of the Beneficiary. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of

his or her physical or mental condition. A physician must determine that his or her condition can be expected to result in death or to be of long-continued and indefinite duration;

- Included in income because the Beneficiary received a tax-free scholarship, up to the amount of the scholarship received by the Beneficiary;
- Made on account of the attendance of the Beneficiary at a U.S. military academy (such as the United States Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance; or
- Included in income only because the Qualified Higher Education Expenses were taken into account in determining the American Opportunity and Lifetime Learning Tax Credits.

You should consult your own tax advisor regarding the application of any of the above exceptions.

Rollovers

No portion of a qualified rollover is includable in the gross income of the account owner or the Beneficiary, or subject to the additional 10% federal tax.

Change of Beneficiary

A change in the Beneficiary of an account is not treated as a distribution if the new Beneficiary is a Member of the Family of the former Beneficiary. However, if the new Beneficiary is not a Member of the Family of the former Beneficiary, the change is treated as a Non-Qualified Withdrawal by the account owner.

A change in the Beneficiary of an account or a transfer to an account for another Beneficiary may have federal gift tax or generation-skipping transfer ("GST") tax consequences.

Earnings portion

If there are earnings in an account, each distribution from an account consists of two parts. One part is a return of the contributions to the account. The other part is a distribution of earnings in the account. A pro rata calculation is made as of the date of the distribution of the earnings portion and the contributions portion of the distribution.

For any year in which there is a withdrawal from an account, the Program Manager will provide an IRS Form 1099-Q. This form will set forth the total amount of the withdrawal and identify the earnings portion and the contribution portion of any withdrawal.

Earnings aggregation

All Plan accounts for the benefit of a single Beneficiary and having the same account owner, must be treated as a single account for purposes of calculating the earnings portion of each withdrawal. Therefore, if more than one account is established for a

Beneficiary that has the same account owner and a Non-Qualified Withdrawal is made from one or more of those accounts, the amount includable in taxable income must be calculated based on the earnings portion of all such accounts.

Thus, the amount withdrawn from an account may carry with it a greater or lesser amount of income than the earnings portion of that account alone, depending on the earnings portion of all other accounts for that Beneficiary with the same account owner. In the case of a Non-Qualified Withdrawal, this aggregation rule may result in an account owner being taxed upon more or less income than that directly attributable to the earnings portion of the account from which the withdrawal was made.

Claiming a loss

A loss can only be claimed when all funds in an account have been withdrawn and the total distributions from that account are less than the total contributions made to that account. If there is a loss on an account, those losses are not capital losses but claimed as a miscellaneous itemized deduction, subject to a two percent (2%) of adjusted gross income limit for federal income tax purposes. Please consult with your own tax advisor regarding any loss on an account.

Estate and gift tax

For federal gift and GST tax purposes, contributions to an account are considered a completed gift from the contributor to the Beneficiary. Accordingly, except as described below, if an account owner dies while there is a balance in the account, the value of the account is not includable in the account owner's estate for federal estate tax purposes. However, amounts in an account at the death of the Beneficiary are includable in the Beneficiary's gross estate.

An account owner's contributions to an account for a Beneficiary are eligible for the gift tax annual exclusion. Contributions that qualify for the gift tax annual exclusion are generally also excludable for purposes of the federal GST tax, unless an election is made on the federal gift tax return to the contrary. A donor's total contributions to an account for the Beneficiary in any given year (together with any other gifts made by the donor to the Beneficiary in the year) will not be considered taxable gifts and will generally be excludable for purposes of the GST tax if the gifts do not in total exceed the annual exclusion for the year. Currently, the annual exclusion is \$15,000 per donee (\$30,000 for a married couple that elects on a federal gift tax return to "split" gifts). This means that in each calendar year you may contribute up to \$15,000 to a Beneficiary's account without the contribution being considered a taxable gift, if you make no other gifts to the Beneficiary in the same year.

The annual exclusion is indexed for inflation and therefore is expected to increase over time.

Five-year election

In addition, if your total contributions to an account for a Beneficiary during a single year exceed the annual exclusion for that year, you may elect to have the amount you contributed that

year treated as though you made one-fifth of the contribution that year, and one-fifth of the contribution in each of the next four calendar years. You must make this election on your federal gift tax return by filing IRS Form 709.

This means that you may contribute up to \$75,000 in a single year to an account without the contribution being considered a taxable gift, provided that you make no other gifts to the Beneficiary in the same year in which the contribution is made and in any of the succeeding four calendar years. Moreover, a married contributor whose spouse elects on a federal gift tax return to have gifts treated as "split" with the contributor may contribute up to twice that amount (\$150,000) without the contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Beneficiary in the same year and in any of the succeeding four calendar years. **An election to have the contribution taken into account ratably over a five-year period must be made by the donor on a federal gift tax return.**

For example, an account owner who makes a \$75,000 contribution to an account for a Beneficiary in 2020 may elect to have that contribution treated as a \$15,000 gift in 2020 and a \$15,000 gift in each of the following four years. If the account owner makes no other contributions or gifts to the Beneficiary before January 1, 2025, and has made no excess contributions treated as gifts subject to the one-fifth rule during any of the previous four years, the account owner will not be treated as making any taxable gifts to the Beneficiary during that five-year period. As a result, the \$75,000 contribution will not be treated as a taxable gift and also will generally be excludable for purposes of the GST tax. However, if the account owner dies before the end of the five-year period, the portion of the contributions allocable to years after the year of death will be includable in the account owner's gross estate for federal estate tax purposes.

Change of Beneficiary

A change of the Beneficiary of an account or transfer of an account to another Beneficiary may have federal gift tax consequences. An account owner may change the Beneficiary or transfer an account without gift tax consequences if the new Beneficiary is a Member of the Family of the replaced Beneficiary and the new Beneficiary is assigned to the same generation as the replaced Beneficiary. If the new Beneficiary is a Member of the Family assigned to a younger generation than the replaced Beneficiary, the change will be treated for federal gift tax purposes as a gift. Federal gift tax law is unclear as to whether the gift will be considered made by the account owner or by the replaced Beneficiary.

A change of the Beneficiary of an account or a transfer to an account for another Beneficiary may also have GST tax consequences. A change or transfer will be considered a generation-skipping transfer if the new Beneficiary is two or more generations younger than the replaced Beneficiary.

A change of account ownership may also have gift and/or GST tax consequences. Accordingly, account owners should consult their

own tax advisors for guidance when considering a change of Beneficiary or account ownership.

Coordination with education tax credits

An American Opportunity or a Lifetime Learning Tax Credit may be taken in the same year that funds from your Plan account are withdrawn. The use will not effect participation in or receipt of benefits from a NEST Direct Plan account as long as any individual from the NEST Direct Plan account is not used for the same expenses for which the credit was claimed. Please consult your own tax or legal advisor if you plan to claim these tax credits.

Coverdell Education Savings Accounts (ESAs)

An individual may contribute money to, or withdraw money from, both a NEST Direct Plan account and an ESA in the same year. The same expenses, however, cannot count both as "qualified education expenses" for education savings account purposes and Qualified Higher Education Expenses for NEST Direct Plan purposes. Accordingly, to the extent the total withdrawals from both programs exceed the amount of the Qualified Higher Education Expenses incurred that qualifies for tax-free treatment under Code Section 529, the recipient must allocate his or her Qualified Higher Education Expenses between both such withdrawals in order to determine how much may be treated as tax-free under each program. Please consult your tax or legal advisor for further details.

Lack of certainty

As of the date of this Program Disclosure Statement, proposed regulations have been issued under Code Section 529 upon which taxpayers may rely at least until final regulations are issued. The proposed regulations do not, however, provide guidance on various aspects of the NEST Direct Plan. It is uncertain when final regulations will be issued. Therefore, there can be no assurance that the federal tax consequences described herein for account owners and Beneficiaries are applicable. Code Section 529 or other federal law could be amended in a manner that would materially change or eliminate the federal tax treatment described above. The Program Manager and Trustee intend to modify the NEST Direct Plan within the constraints of applicable law for the Plan to meet the requirements of Code Section 529.

Nebraska state income tax deduction

Contributions by an account owner who files a Nebraska state income tax return, including the principal and earnings portions of rollovers from another qualified college savings plan not issued by the State of Nebraska, are deductible in computing the account owner's Nebraska taxable income for Nebraska income tax purposes in an amount not to exceed \$10,000 (\$5,000 for married taxpayers filing separate returns) in the aggregate for all contributions to all accounts within the Trust in any taxable year. Contributions by a custodian of an UGMA or UTMA account who is also the parent or guardian of the Beneficiary of an UGMA or UTMA account may claim this deduction. Minors filing a Nebraska state income tax return are eligible to take deductions for his or her contributions to his or her UGMA or UTMA account or to his or her minor-owned account.

For contributions to be deductible for a given calendar year, they must be postmarked prior to the end of that year (for contributions sent by U.S. mail, the contribution must be postmarked prior to the end of that year).

The following contributions are not eligible for the Nebraska state tax deduction:

- A parent or guardian's contribution into a minor-owned account
- Contributions by a custodian of an UGMA or UTMA account who is not the parent or guardian of the Beneficiary of an UGMA or UTMA account
- Contributions by any other person who is not the account owner or parent or guardian custodian of an UGMA or UTMA account of the Beneficiary of an UGMA or UTMA account
- Contributions to an account from Ugift, Upromise® by Sallie Mae® Account or any other rewards program

Recapture of Nebraska income tax deduction

Nebraska law currently provides for the partial recapture of the Nebraska state income tax deduction if a Participation Agreement is cancelled, when a Non-Qualified Withdrawal is made, or if funds are rolled over to a qualified tuition program or ABLE program sponsored by another state or entity. Additionally, to the extent that a distribution constitutes a Non-Qualified Withdrawal, the Nebraska Department of Revenue will subject the distribution to partial recapture of the Nebraska state income tax deduction claimed in prior years.

In general, an account owner or a custodian of an UGMA or UTMA account where the custodian is the parent or guardian of the Beneficiary of an UGMA or UTMA account, must increase him or her Nebraska taxable income by the amount of the cancellation distribution, rollover to another state's qualified tuition or ABLE program, or Non-Qualified Withdrawal but only to the extent previously deducted. Before cancelling a Participation Agreement, rolling funds to another state's qualified tuition program or ABLE program, or requesting a Non-Qualified Withdrawal, you should consult with your own tax or legal advisor.

Nebraska state income tax

The earnings credited to an account will not be includable in computing the Nebraska taxable income of either the account owner or the Beneficiary of the account so long as the earnings remain in the account. There are no Nebraska state income taxes due on investment earnings paid out as a Qualified Withdrawal or included in a qualified rollover to an ABLE plan issued by the State of Nebraska.

However, there are Nebraska state income taxes due on investment earnings paid out as a Non-Qualified Withdrawal or included in a qualified rollover to a qualified tuition program or ABLE plan not issued by the State of Nebraska. For Non-Qualified

Withdrawals distributed to the Beneficiary, the Beneficiary is responsible for Nebraska state income tax on the earnings. For Non-Qualified Withdrawals distributed to the account owner, the account owner is responsible for the Nebraska state income tax on the earnings.

The account owner or Beneficiary will not be required to include any amount in computing Nebraska taxable income as a result of: (1) a permissible change of a qualifying Beneficiary of an account; or (2) a transfer of amounts from an account of a Beneficiary to the account of a different qualifying Beneficiary, provided that in each case the new Beneficiary is a "Member of the Family" of the replaced Beneficiary and that the transfers occur either directly or by deposit to the new account within 60 days of the withdrawal from the prior account.

Before investing in the NEST Direct Plan, you should consider carefully the following:

- **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;**
- **Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision; and**
- **You should consult with your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan.**

PART 15 – OTHER CONSIDERATIONS

Scholarships

If the Beneficiary of your account receives a scholarship, all of the funds in that Beneficiary's account may not be needed to pay his or her Qualified Higher Education Expenses. If you choose to withdraw funds from the account, any earnings portion of the withdrawal will be includable in your federal gross income, but the portion of the withdrawal up to the amount of the scholarship will not be subject to the additional 10% federal tax.

You may also change the Beneficiary on your account to cover the Qualified Higher Education Expenses of the new Beneficiary without adverse federal income tax consequences if the new Beneficiary is a Member of the Family of the former Beneficiary.

Contests

The Plan may periodically participate in scholarship contests which award Plan contributions to contest winners. In some circumstances, contest participation may be limited to account owners who physically reside in Nebraska. In other instances, that scholarship contest may be open to all account owners nationwide.

Financial aid

The eligibility of the Beneficiary for financial aid may depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in an Eligible Educational Institution, as well as on the policies of the governmental agencies, school or private organizations to which the Beneficiary and/or the Beneficiary's family applies for financial assistance. These policies vary at different institutions and can change over time. Therefore, no person or entity can say with certainty how aid programs, or the school to which the Beneficiary applies, will treat your account. However, financial aid programs administered by agencies of the State of Nebraska will not take your account balance into consideration, except as may be otherwise provided by federal law. For federal financial aid purposes, your account balance will be included in the calculation of your expected family contribution but only to the extent of approximately 5.64% of qualified assets.

Bankruptcy

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 protects many Code Section 529 accounts in federal bankruptcy proceedings. Your account will be protected if the Beneficiary is your child, stepchild, grandchild, or step grandchild (including a child, stepchild, grandchild, or step grandchild through adoption or foster care) subject to the following limits:

- Contributions made to all Code Section 529 accounts for the same Beneficiary more than 720 days before a federal bankruptcy filing are completely protected;
- Contributions made to all Code Section 529 accounts for the same Beneficiary during the period between 365 days and 720 days before a federal bankruptcy filing are protected up to \$6,225; and

- Contributions made to all Code Section 529 accounts for the same Beneficiary 365 days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

Your own state law may offer additional creditor protections. You should consult your legal advisor regarding the effect of any bankruptcy filing on your account.

Creditor protection

The legislation establishing the Trust is interpreted in accordance with Nebraska law. Nebraska law generally provides that any amount credited to an account is not susceptible to any levy, execution, judgment or other operation of law, garnishment or other judicial enforcement, and that an amount is not an asset or property of either the Beneficiary or the account owner for purposes of any state insolvency or inheritance tax laws.

As of the date of this Program Disclosure Statement, courts have yet to interpret, apply or rule on matters involving an interpretation of the Nebraska legislation. None of the Trust, the Nebraska State Treasurer, the Nebraska Investment Council, the Nebraska State Investment Officer, the Program Manager, or the Distributor makes any representations or warranties regarding protection from creditors. You should consult your legal advisor regarding this law and your circumstances.

Audits

Nebraska law requires the Trust to be audited by a certified public accountant or the Nebraska State Auditor. The Trust's audited financial statements may be viewed or downloaded at treasurer.nebraska.gov. The Trustee has currently engaged Hayes & Associates, L.L.C., Omaha, Nebraska, to perform the annual audit.

PART 16 – GLOSSARY

Age-Based Investment Option means an Investment Option that invests in a mix of domestic equity, real estate, international equity, international bond, fixed income and cash equivalent investments based on the current age of the Beneficiary. Each Age-Based Investment Option adjusts over time (each age band is called a Portfolio) so that as the Beneficiary nears college enrollment age the asset allocation between domestic equity, real estate, international equity, international bond, fixed income and cash equivalent investments becomes more conservative relative to the allocation in earlier years. See “Part 7 – Age-Based Investment Options.”

Beneficiary means the individual designated in the Enrollment Form as the Beneficiary of an account at the time the account is established, or the individual designated as the new Beneficiary if the account owner changes the Beneficiary of an account. The Beneficiary must be a U.S. citizen or resident alien with a Social Security number or taxpayer identification number. A Beneficiary may be of any age. In the case of an account established by a state or local government or a Section 501(c)(3) organization as part of a scholarship program, the Beneficiary is any individual receiving benefits accumulated in the account as a scholarship. See “Part 4 – Beneficiaries.”

Code means the Internal Revenue Code of 1986, as amended from time to time.

Enrollment Form means the Nebraska Educational Savings Trust Direct College Savings Plan Enrollment Form signed by an account owner establishing an account and agreeing to be bound by the terms of the Program Disclosure Statement and Participation Agreement. A separate Enrollment Form is required for each account.

Eligible Educational Institution means an eligible educational institution, as defined in Code Section 529. This generally includes any accredited post-secondary educational institution in the United States offering credit toward a bachelor’s degree, an associate’s degree, a graduate level or professional degree or another recognized post-secondary credential. Certain proprietary institutions, post-secondary vocational institutions and foreign schools also are Eligible Educational Institutions. These institutions must be eligible to participate in U.S. Department of Education student aid programs.

Individual Investment Option means an Investment Option that invests in a single fund. Account owners do not own shares of the underlying funds but, rather, own an interest in the Investment Option offered by the Plan. You can choose to allocate your contributions among one or more Individual Investment Options according to your investment objectives and risk tolerance.

The performance of the Individual Investment Options is dependent on the performance of the individual underlying funds, plus the timing of the purchases, and applicable fees. As a result,

their performance may be more volatile than the other available Investment Options in the Plan. See “Part 9 – Individual Investment Options.”

Investment Option means any of the Investment Options available under the Plan. An account owner must designate an Investment Option or Options on the Enrollment Form for each account. The Plan currently has Age-Based, Static, and Individual Investment Options. See “Part 6 – Investment Options Overview.”

Maximum Contribution Limit means no additional contributions may be made for the benefit of a particular Beneficiary when the fair market value of all accounts owned by all account owners within the Trust for that Beneficiary exceeds \$400,000. If, however, the market value of such accounts falls below the Maximum Contribution Limit, additional contributions will be accepted. The \$400,000 per Beneficiary Maximum Contribution Limit applies to all accounts for the same Beneficiary in all plans administered by the Nebraska State Treasurer, including the NEST Direct Plan, the NEST Advisor Plan, the TD Ameritrade 529 College Savings Plan, and the State Farm 529 Savings Plan.

Member of the Family means an individual who is related to the Beneficiary in any of the following ways:

- A son or daughter, or a descendant of either;
- A stepson or stepdaughter;
- A brother, sister, stepbrother or stepsister;
- The father or mother, or an ancestor of either;
- A stepfather or stepmother;
- A son or daughter of a brother or sister;
- A brother or sister of the father or mother;
- A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law;
- The spouse of the Beneficiary or the spouse of any of the foregoing individuals; or
- A first cousin of the Beneficiary.

For purposes of determining who is a Member of the Family, a legally adopted child or foster child of an individual is treated as the child of such individual by blood. The terms brother and sister include a brother or sister by the half-blood.

Non-Qualified Withdrawal means any distribution from an account to the extent it is not a Qualified Withdrawal, a qualified rollover or a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution that is recontributed back into the Beneficiary’s account within 60 days of receipt of the refund from the Eligible Educational Institution. The earnings portion of a Non-Qualified Withdrawal will generally be treated as income subject to state and federal income tax and an additional 10% federal penalty tax as well as partial recapture of any Nebraska state income tax deduction previously claimed. See “Part 14 – Federal and State Tax Considerations.”

Participation Agreement means the legally binding contract between an account owner and the Trust. However, the Trustee may amend the Participation Agreement at any time.

Plan means the Nebraska Educational Savings Trust Direct College Savings Plan. See "Part 1 – Overview."

Program Manager means First National Bank of Omaha, its authorized agents or any of its affiliates. See "Part 1 – Overview."

Qualified Higher Education Expenses means the Beneficiary's qualified higher education expenses, as defined in Code Section 529(e)(3). Currently, tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution are considered Qualified Higher Education Expenses. Expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution are also considered Qualified Higher Education Expenses regardless of whether such technology or equipment is required by the Eligible Educational Institution. Computer software means any program designed to cause a computer to perform a desired function. Such term does not include any database or similar item unless the database or item is in the public domain and is incidental to the operation of otherwise qualifying computer software. Computer software designed for sports, games, or hobbies is not included unless this software is predominantly educational in nature. Reasonable room and board expenses are included as Qualified Higher Education Expenses for those students enrolled on at least a half-time basis. In addition, in the case of a special needs Beneficiary, Qualified Higher Education Expenses include expenses for special needs services that are incurred in connection with such Beneficiary's enrollment or attendance at an Eligible Educational Institution.

Qualified Withdrawal means a withdrawal from an account that is used to pay the Qualified Higher Education Expenses of the Beneficiary. A Qualified Withdrawal generally is not subject to federal income tax. See "Part 13 – Distributions from an Account."

Static Investment Option means an Investment Option that may invest in either (1) a mix of domestic equity, real estate, international equity, international bond, fixed income and cash equivalents or, (2) in the case of the Bank Savings Static Investment Option, an FDIC-Insured savings account. Contributions and earnings are invested in a set asset or static allocation. Unlike the Age-Based Investment Options, the Static Investment Options' asset allocations do not adjust as the Beneficiary ages. See "Part 8 – Static Investment Options."

Trust means the Nebraska Educational Savings Plan Trust. See "Part 1 – Overview."

Trustee means the Nebraska State Treasurer. See "Part 1 – Overview."

Upromise® by Sallie Mae® Account means an account maintained with Upromise that is separate from the Plan and not affiliated with the Nebraska State Treasurer, the Nebraska Investment Council, or the Program Manager. See "Part 5 – Contributing to an Account."

EXHIBIT A – PARTICIPATION AGREEMENT

Pursuant to the terms and conditions of this Participation Agreement for the Nebraska Educational Savings Trust Direct College Savings Plan (the “Plan”), the account owner, by completing and signing an Enrollment Form, hereby requests the Nebraska Educational Savings Plan Trust (the “Trust”) to open (or in the case of a successor account owner, to maintain) an account for the Beneficiary on the Enrollment Form.

The Participant (“you”), the Trust, which holds the assets for the Plan, the Nebraska State Treasurer (“Trustee”) and First National Bank of Omaha, as the Program Manager (“Program Manager”), and its authorized agents agree as follows:

Section 1. Accounts and Beneficiaries.

- (a) Opening account. The purpose of this Participation Agreement is to establish an account for the Qualified Higher Education Expenses of the Beneficiary named in the Enrollment Form.
- (b) Separate accounts. The Trust will maintain a separate account for each Beneficiary. Each account is governed by a Participation Agreement. All assets held in your account are held for the exclusive benefit of you and the Beneficiary as provided by applicable law.
- (c) Naming and changing Beneficiaries. You will name the Beneficiary in the Enrollment Form. You can change the Beneficiary at any time, subject to limitations imposed by federal and state law. To avoid adverse income tax consequences, the new Beneficiary must be a “Member of the Family” of the former Beneficiary, as that term is defined under Section 529(e)(2) of the Internal Revenue Code of 1986, as amended, or any other corresponding provision of future law (the “Code”). The designation of the new Beneficiary will be effective upon receipt of the appropriate form, properly completed.
- (d) Choice of Investment Option. Money invested in an account is invested in the Investment Option or Options designated in the Enrollment Form by you. The account owner may change the Investment Options or Options in which money is invested twice every calendar year or upon a change of Beneficiary.

Section 2. Contributions.

- (a) Contributions to be in cash equivalents. Cash equivalents means only (i) checks, (ii) payroll deductions made by your employer, (iii) electronic funds transfers from your bank, (iv) automatic investment plan, (v) funds wired through the Federal Reserve System, or (vi) a rollover from another 529 qualified tuition program.
- (b) Minimum contributions. A contribution need not be made every year. If you use a payroll deduction plan or monthly automatic deductions from your bank account, the Plan has no minimum initial or subsequent required contributions.

- (c) Additional contributions. You may make additional contributions at any time.
- (d) Maximum Contribution Limit. The Trustee will set a Maximum Contribution Limit for each Beneficiary. You may not make additional contributions to any account for a Beneficiary when the fair market value of all accounts owned by all account owners within the Trust for a Beneficiary equals the Maximum Contribution Limit. If, however, the fair market value of such account falls below the Maximum Contribution Limit, additional contributions will be accepted. The Trust will inform you of the Maximum Contribution Limit for each year. Currently, the Maximum Contribution Limit is \$400,000. The \$400,000 per Beneficiary Maximum Contribution Limit applies to all accounts for the same Beneficiary in all plans administered by the Trustee, including the Plan, the NEST Advisor Plan, the TD Ameritrade 529 College Savings Plan, and the State Farm 529 Savings Plan.

Section 3. Distribution From Accounts. You may direct the Trustee to distribute part or all of the money in an account at any time.

- (a) You must complete the appropriate form or follow such other procedures for the withdrawal of money in an account as the Program Manager may designate. The Program Manager may change the form or modify the procedures for withdrawing money from an account from time to time.
- (b) You acknowledge the earnings portion of a Non-Qualified Withdrawal, as defined in the Program Disclosure Statement, will be included in your income for federal and state income tax purposes and may be subject to a 10% federal tax as well as partial recapture of any Nebraska state income tax deduction previously claimed.
- (c) Notwithstanding any other provision of this Agreement, the Trustee or the Program Manager may terminate an account at any time upon a determination that you or the Beneficiary have provided false or misleading information to the Trust, the Program Manager or an Eligible Educational Institution. The Trustee will pay you the balance remaining in the account, less any fees, if applicable.

Section 4. Your Representations and Acknowledgments.

You hereby represent and warrant to, and agree with, the Trust, the Trustee and the Program Manager as follows:

- (a) I have accepted, read and understand the Program Disclosure Statement for the NEST Direct Plan and have carefully reviewed all the information contained therein, including information provided by or with respect to the Trust and the Program Manager. You also agree that you have had the opportunity to review and hereby approve and consent to all compensation paid or received by any party connected with the Trust or any of its investments. In making a decision to

open an account and enter into this Participation Agreement, I have not relied upon any representations or other information, whether oral or written, other than as set forth in the Program Disclosure Statement and this Participation Agreement.

(b) You acknowledge and agree that the value of any account will increase or decrease based on the investment performance of the Investment Options of the Trust in which the account is then invested. YOU UNDERSTAND THAT THE VALUE OF ANY ACCOUNT MAY BE MORE OR LESS THAN THE AMOUNT INVESTED IN THE ACCOUNT. You agree that all investment decisions will be made by the Nebraska Investment Council or any other adviser hired by the Trust, and that you will not direct the investment of any funds invested in the Trust, either directly or indirectly. You also acknowledge and agree that none of the State of Nebraska, the State Investment Officer, the Nebraska Investment Council, the Trust, the Trustee, the Program Manager, or any other adviser or consultant retained by or on behalf of the Trust makes any guarantee that you will not suffer a loss of the amount invested in any account.

(c) You understand that so long as the Program Manager is performing services for the Trust, it may follow the directives of the Trustee and the Nebraska Investment Council. When acting in such capacity, the Program Manager will have no liability to you or any other Beneficiary of this Agreement.

(d) You acknowledge and agree that participation in the NEST Direct Plan does not guarantee that any Beneficiary: (i) will be accepted as a student by an Eligible Educational Institution; (ii) if accepted, will be permitted to continue as a student; (iii) will be treated as a state resident of any state for tuition purposes; (iv) will graduate from any Eligible Educational Institution; or (v) will achieve any particular treatment under applicable state or federal financial aid program. You also acknowledge and agree that none of the State of Nebraska, the Trust, the Trustee, the Program Manager or any other adviser or consultant retained by or on behalf of the Trust makes any such representation or guarantee.

(e) You acknowledge and agree that no account will be used as collateral for any loan. Any attempted use of an account as collateral for a loan will be void.

(f) You acknowledge and agree that the Trust will not loan any assets to you or the Beneficiary.

(g) You acknowledge and agree that the Trust is established and maintained by the Treasurer of the State of Nebraska, pursuant to state law, and is intended to qualify for certain federal income tax consequences under Code Section 529. You further acknowledge that such federal and state laws are subject to change, sometimes with retroactive effect, and that neither the State of Nebraska, the Trust, the Trustee, the Program Manager nor any adviser or consultant retained by the Trust makes any representation that such state or federal laws will not be changed or repealed.

(h) You acknowledge and agree that the Trust is the record owner of the shares of any underlying investments in which each Investment Option is invested and that you will have no right to vote, or direct the voting of, any proxy with respect to such shares.

(i) If you are establishing an account as a custodian for a minor under UGMA/UTMA, you understand and agree that you assume any responsibility for any adverse consequences resulting from the establishment of an account.

(j) You understand and agree that your account and this Agreement are subject to the rules and regulations as the State Treasurer may promulgate in accordance with Nebraska law. You also understand and agree that all decisions and interpretations by the Trustee, the Nebraska Investment Council, or the Program Manager in connection with the Plan shall be final and binding on you and your Beneficiary and any successors.

Section 5. Fees and Expenses. The Trust will make certain charges against each account in order to provide for the costs of administration of the accounts and such other purposes as the Trustee shall determine appropriate.

(a) Program Management Fee. Each Investment Option is subject to a program management fee at an annual rate of 0.25% (0.18% for the Bank Savings Static Investment Option) of the average daily net assets, which is accrued daily and reflected in the price of each Investment Option.

(b) Investment Management Fees. You acknowledge and agree that each of the underlying investments also may have investment management fees and other expenses, which will be disclosed or made available on an annual basis.

(c) State Administration Fee. Each Investment Option is subject to a state administration fee at an annual rate of 0.02% of the average daily net assets, which is accrued daily and reflected in the NAV of each Investment Option.

(d) Change in fees. You acknowledge and agree that the charges described above may be increased or decreased as the Trustee shall determine to be appropriate.

Section 6. Necessity of Qualification. The Trust intends to qualify for favorable federal tax treatment under Code Section 529. You agree and acknowledge that qualification under Code Section 529 is vital and agree that the Trustee may amend this Participation Agreement upon a determination that such an amendment is required to maintain such qualification.

Section 7. Reporting. The Trust, through the Program Manager, will make quarterly reports of account activity and the value of each account. Account information can also be obtained via the Plan's secure website.

Section 8. Account Owner's Indemnity. You recognize that each account will be established based upon your statements, agreements, representations and warranties set forth in this Participation Agreement and the Enrollment Form. You agree to indemnify and to hold harmless the Trust, the Trustee, the Nebraska Investment Council, the Nebraska State Investment Officer, the Program Manager and its affiliates, First National Capital Markets, Inc. (the "Distributor") and any representatives of the Trust, the Trustee, the Program Manager, or the Distributor from and against any and all loss, damage, liability or expense, including costs of reasonable attorneys' fees to which they may be put or which they may incur by reason of, or in connection with, any breach by you of your acknowledgments, representations or warranties or any failure of you to fulfill any covenants or agreements set forth herein. You agree that all statements, representations and warranties will survive the termination of your account.

Section 9. Amendment and Termination. Nothing contained in the Trust or this Participation Agreement shall constitute an agreement or representation by the Trustee or anyone else that the Trust will continue in existence. At any time, the Trustee may amend this Participation Agreement or suspend or terminate the Trust by giving written notice of such action to the account owner, so long as, after the action, the assets in your accounts are still held for the exclusive benefit of you and your Beneficiaries.

Section 10. Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of Nebraska. All parties agree that exclusive venue and jurisdiction for any legal proceedings related to this Participation Agreement or the NEST Direct Plan shall be in the State of Nebraska.

NEST Direct College Savings Plan
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888.993.3746
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**Nebraska Educational Savings Trust
Direct College Savings Plan
Program Disclosure Statement**

March 1, 2020