

Exciting changes are on the way.

LOOK INSIDE FOR IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

Learn about the exciting new enhancements and great benefits coming in December 2020.

Dear NEST College Savings Investor,

Thank you for making the important decision to invest in a child's future through the NEST Direct College Savings Plan (NEST Direct Plan). Saving for college is one of the most important investments we make as a family. We're committed to ensuring that NEST is an excellent value for college savers. That's why we're excited to announce new enhancements to the program, effective in early December:

- **Even Lower Costs.** We've worked hard to negotiate lower fees, keeping more money in the accounts of future students. You'll benefit as we will be reducing the NEST Direct Plan program management fee by 68%.
- **Investment Changes and Enhancements.** NEST will be adding several additional Age-Based Investment Options to the NEST Direct Plan, along with modifying and updating the asset allocations of the existing Age-Based and Static Investment Options. We'll continue to offer quality fund families including Vanguard, T. Rowe Price, DFA, and others.
- **New Program Manager.** Through an open and competitive bid process, the State of Nebraska has selected a new program manager — Union Bank & Trust (UBT). Since 2001, UBT has managed highly regarded 529 plans, and we're excited to partner with such a well-established and respected institution.

The newly enhanced NEST Direct Plan will continue to provide exceptional tax perks, including a Nebraska tax deduction for contributions (up to \$10,000 for contributions by account owners and \$5,000 if married, filing separately').

It's important to note your NEST investments will seamlessly transition to the new program manager and Investment Options. There will be a short blackout period during the process and you'll need to establish new account credentials (see pages 14–15 for important dates and details for those steps). If you have any questions, contact our special transition assistance line at 833.399.1019 or visit our transition site at NEST529Transition.com.

No action required by you. These changes will automatically become part of your account in early December, and you'll receive an updated Program Disclosure Statement dated December 7, 2020, for your review and records.

Thank you again for your continued investment in your loved one and the future of Nebraska.





Here's something to celebrate — in addition to the already-great tax benefits, beginning December 7, 2020, NEST 529 will be adding exciting new enhancements to the education savings program:

**Even
Lower
Costs**

**Additional
Investment
Choices**

**New
Program
Manager**



Same plan. Even more to love.

Beginning in early December, the NEST Direct Plan will provide lower account costs and more investment choices. In addition to the reduced program management fee, your NEST account will continue to feature premier mutual fund families, diverse Age-Based Investment Options, and 15 Individual Fund Investment Options from the following fund families:



Vanguard®



T. Rowe Price
INVEST WITH CONFIDENCE



Dimensional

METWESTFunds

STATE STREET GLOBAL
ADVISORS

Again — no action is required by you for these enhancements to take effect. The transition to your lower-cost, more diverse NEST account will be automatic and seamless.



Your NEST Direct Plan offers new investment options with high quality fund families.

THE EXPANDED NEST DIRECT PLAN MENU

AGE-BASED INDEX INVESTMENT OPTIONS

(Invest in Vanguard mutual funds)

- ▶ Age-Based Index Aggressive
- ▶ Age-Based Index Moderate
- ▶ Age-Based Index Conservative

AGE-BASED INVESTMENT OPTIONS

(Invest in Vanguard, DFA, T. Rowe Price, and MetWest Funds)

- ▶ Age-Based Aggressive
- ▶ Age-Based Moderate
- ▶ Age-Based Conservative

STATIC INVESTMENT OPTIONS

- ▶ All Equity Static
- ▶ Growth Static
- ▶ Balanced Static
- ▶ Conservative Static
- ▶ Bank Savings Static

INDIVIDUAL FUND INVESTMENT OPTIONS

▶ Money Market

- Vanguard Federal Money Market 529

▶ Fixed Income

- Vanguard Short-Term Inflation-Protected Securities Index 529
- Vanguard Short-Term Bond Index 529
- Vanguard Total Bond Market Index 529
- MetWest Total Return Bond 529
- DFA World ex U.S. Government Fixed Income 529

▶ U.S. Equity

- State Street Equity 500 Index 529
- Vanguard Total Stock Market Index 529
- Vanguard Equity Income 529
- T. Rowe Price Large-Cap Growth 529
- Vanguard Extended Market Index 529
- Vanguard Explorer 529
- DFA U.S. Small Cap Value 529

▶ Non-U.S. Equity

- Vanguard Total International Stock Index 529

▶ Real Estate

- Vanguard Real Estate Index 529

A Word About Risk: Keep in mind that you can lose money by investing in an Investment Option. Each of the Age-Based, Static, and Individual Fund Investment Options involves investment risks, which are described in the Program Disclosure Statement. You should consider these risks before making any investment decisions. For example, international investing, especially in emerging markets, has additional risks such as currency fluctuation, economic and political risks, and market volatility. Investing in small, medium, and international companies may increase the risk of fluctuations in the value of your investment and involves greater risks than investing in more established companies. Investment Options that invest in specific industries or sectors, such as real estate, have industry concentration risk. As an example, the options that invest in real estate may perform poorly during a downturn in the real estate industry.

Investment Options that invest in bonds are subject to risks such as interest rate risk, credit risk, and inflation risk. In particular, as interest rates rise, the prices of bonds will generally fall, which can adversely impact performance. It is important to note that the value of your account will fluctuate with market conditions. When you withdraw funds, you may have more or less than your actual investment. For more information on the Investment Options and the underlying funds in which they invest, see the underlying funds prospectus and the Program Disclosure Statement available at NEST529Transition.com. This guide does not contain all information about the NEST Direct Plan or the investments available through the NEST Direct Plan or all the risks presented by those investments. Accordingly, you are urged to read the Program Disclosure Statement carefully before making any investment decisions.

Age-Based Investment Options

SIX AGE-BASED TRACKS

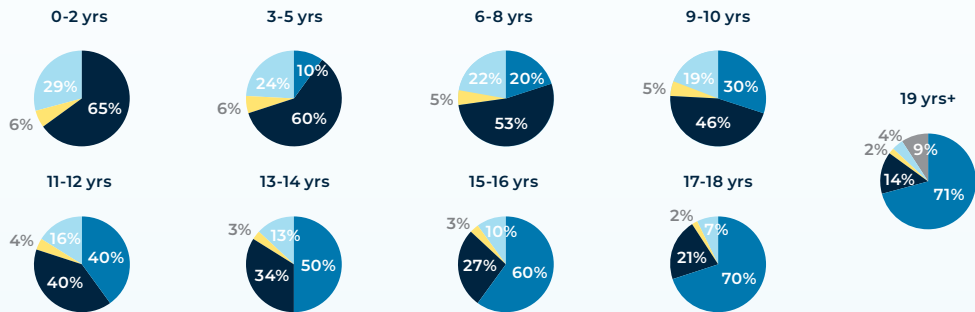


NEST 529 INDEX INVESTMENT OPTIONS

◆ U.S. EQUITY
 ◆ FIXED INCOME
 ◆ NON-U.S. EQUITY
 ◆ MONEY MARKET
 ◆ REAL ESTATE

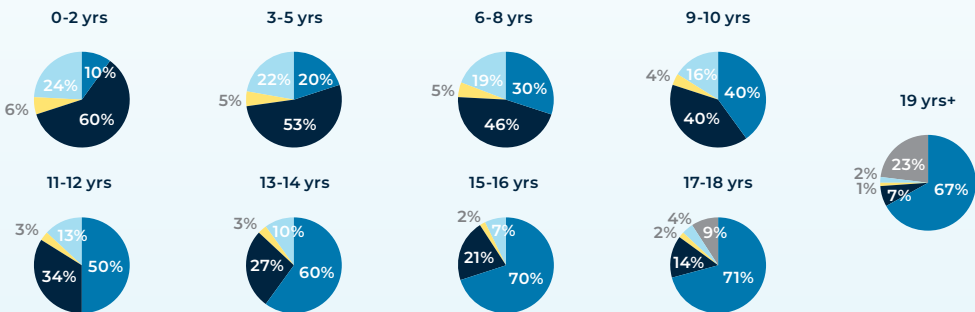
Age of Beneficiary

NEW
Aggressive



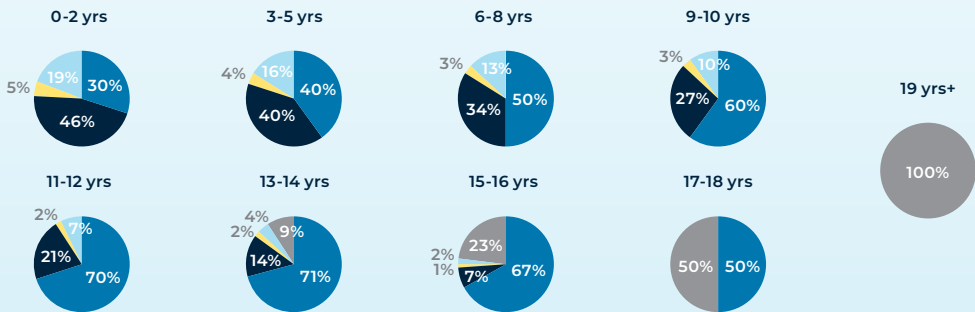
Age of Beneficiary

NEW
Moderate



Age of Beneficiary

Conservative





Age-Based Investment Options automatically adjust from more aggressive, equity-focused investment allocations when the designated beneficiary is younger, to more conservative, fixed-income, and money market-based investment allocations as the designated beneficiary gets older. These adjustments are made automatically as they approach college age.

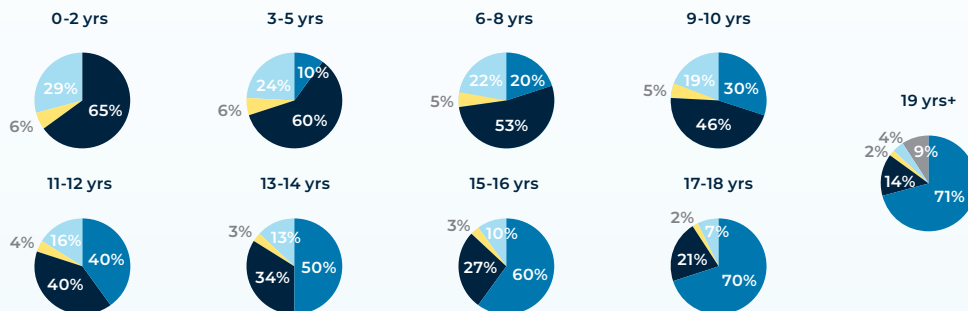
The new NEST Age-Based Investment Options (shown below) let you select between aggressive, moderate, and conservative investment styles. You will also have the diversity and choice to select between an index strategy that utilizes Vanguard funds or a multi-firm strategy that utilizes multiple fund families including Vanguard, T. Rowe Price, Dimensional, and MetWest.

NEST 529 MULTI-FIRM INVESTMENT OPTIONS

◆ U.S. EQUITY
 ◆ FIXED INCOME
 ◆ NON-U.S. EQUITY
 ◆ MONEY MARKET
 ◆ REAL ESTATE

Age of Beneficiary

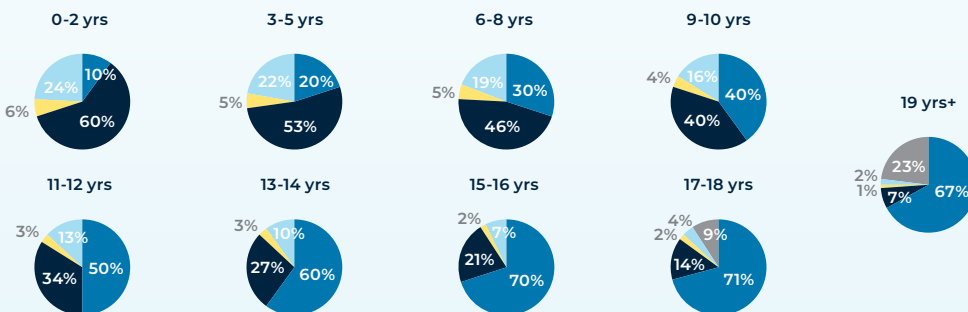
Aggressive



Age of Beneficiary

Moderate

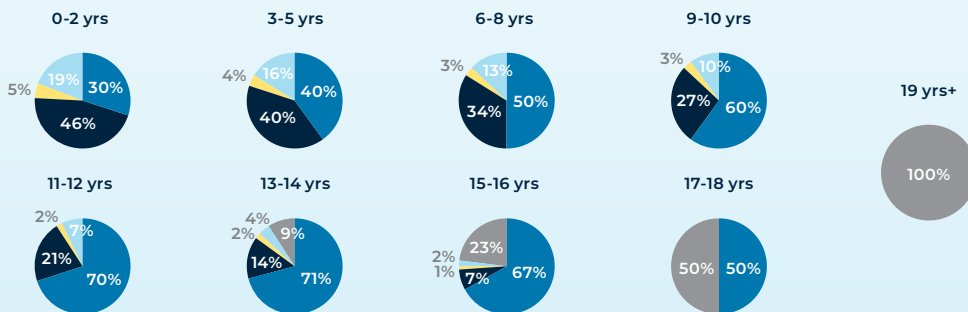
Previously called Age-Based Growth



Age of Beneficiary

NEW

Conservative



Static Investment Options

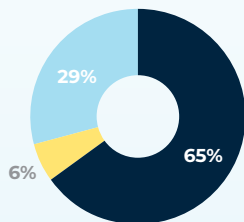


The new NEST Direct Plan will offer five Static Investment Options. The following charts detail the new asset allocations of each Investment Option. In contrast to our Age-Based Investment Options, Static Investment Options remain constant over time, allowing account owners to select a fixed-asset allocation for the life of their account.

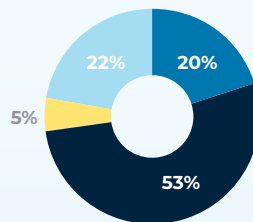
Each Static Investment Option has a different investment strategy and objective. More aggressive asset allocations feature greater exposure to equity or stock investment funds, while more conservative asset allocations focus primarily on fixed income, bond, and money market investment funds.

NEST 529 STATIC INVESTMENT OPTIONS

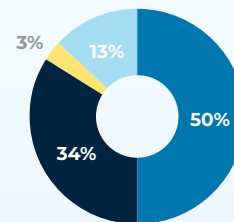
◆ U.S. EQUITY
 ◆ FIXED INCOME
 ◆ NON-U.S. EQUITY
 ◆ MONEY MARKET
 ◆ REAL ESTATE



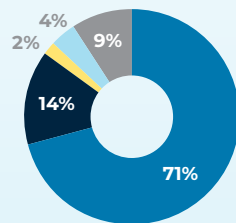
ALL EQUITY STATIC INVESTMENT OPTION



GROWTH STATIC INVESTMENT OPTION



BALANCED STATIC INVESTMENT OPTION



CONSERVATIVE STATIC INVESTMENT OPTION



BANK SAVINGS STATIC INVESTMENT OPTION

*Visit NEST529Transition.com for information, and carefully read the Program Disclosure Statement dated December 7, 2020, for detailed asset allocation, underlying investment fund, and risk information on all of the Investment Options and underlying funds.

Individual Fund Investment Options

To provide additional flexibility and choices, NEST Direct Plan will offer 15 Individual Fund Investment Options. Eleven will be the same as the current investment lineup, and four will have new underlying investments. An investor will be able to select any combination of the Individual Fund Investment Options to design an investment portfolio to meet his or her needs, risk tolerance, and investing style. The new Investment Options will be available beginning on December 7, 2020.

MONEY MARKET

- ▶ Vanguard Federal Money Market 529*

FIXED INCOME

- ▶ Vanguard Short-Term Inflation-Protected Securities Index 529
- ▶ Vanguard Short-Term Bond Index 529
- ▶ Vanguard Total Bond Market Index 529
- ▶ MetWest Total Return Bond 529
- ▶ DFA World ex U.S. Government Fixed Income 529

U.S. EQUITY

- ▶ State Street Equity 500 Index 529
- ▶ Vanguard Total Stock Market Index 529
- ▶ Vanguard Equity Income 529
- ▶ T. Rowe Price Large-Cap Growth 529
- ▶ Vanguard Extended Market Index 529
- ▶ Vanguard Explorer 529
- ▶ DFA U.S. Small Cap Value 529

NON-U.S. EQUITY

- ▶ Vanguard Total International Stock Index 529

REAL ESTATE

- ▶ Vanguard Real Estate Index 529

***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.



How will my current Investment Options be changing?

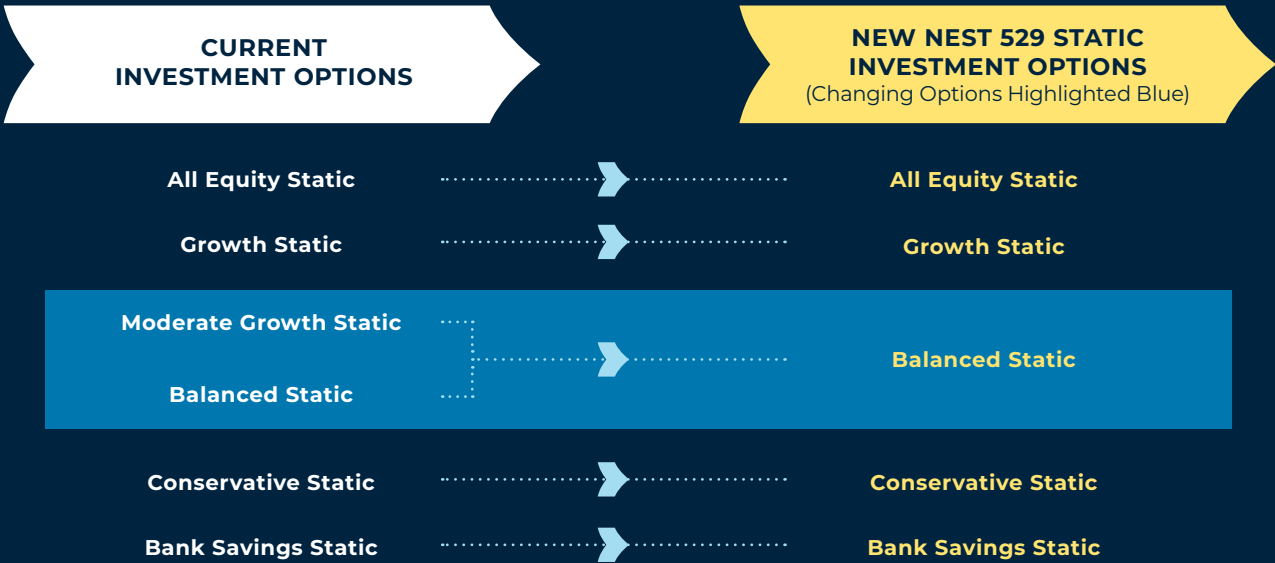
The following charts detail how the current Investment Options will map to the new Investment Options over the conversion weekend (December 4–6, 2020). This will be an automatic process with no action required by you. While your new Investment Options have similar objectives and risk profiles as the old Investment Options, they are not identical. The new Investment Options, including their asset allocations, are detailed on pages 6–8.

The IRS allows a 529 investor to make an investment change twice per calendar year, or upon a change of beneficiary. This program-initiated transition to new Investment Options and program manager should not count toward the account owner’s twice per calendar year investment change limit allowed by the IRS.

AGE-BASED OPTIONS



STATIC OPTIONS



INDIVIDUAL FUND OPTIONS

CURRENT INVESTMENT OPTIONS

NEW NEST 529 INDIVIDUAL FUND INVESTMENT OPTIONS (Changing Options Highlighted Blue)

Money Market	Goldman Sachs Financial Square Government Money Market	➔	Vanguard Federal Money Market 529
Fixed Income	Vanguard Short-Term Inflation-Protected Index	➔	Vanguard Short-Term Inflation-Protected Securities Index 529
	Vanguard Short-Term Bond Index	➔	Vanguard Short-Term Bond Index 529
	Vanguard Total Bond Market Index	➔	Vanguard Total Bond Market Index 529
	MetWest Total Return Bond	➔	MetWest Total Return Bond 529
	DFA World ex U.S. Government Fixed Income	➔	DFA World ex U.S. Government Fixed Income 529
U.S. Equity	State Street S&P 500® Index	➔	State Street Equity 500 Index 529
	Vanguard Total Stock Market Index	➔	Vanguard Total Stock Market Index 529
	Vanguard Equity Income	➔	Vanguard Equity Income 529
	T. Rowe Price Large-Cap Growth	➔	T. Rowe Price Large-Cap Growth 529
	Vanguard Extended Market Index	➔	Vanguard Extended Market Index 529
	iShares Russell 2000 Growth ETF	➔	Vanguard Explorer 529
	Tributary Small Company	➔	DFA U.S. Small Cap Value 529
Non-U.S. Equity	State Street MSCI® ACWI ex-USA Index	➔	Vanguard Total International Stock Index 529
Real Estate	Vanguard REIT Index	➔	Vanguard Real Estate Index 529

Visit NEST529Transition.com for information and carefully read the Program Disclosure Statement dated December 7, 2020, for detailed asset allocation, underlying investment fund, and risk information on all of the Investment Options and underlying funds.

Lower Account Fees and Expenses

NEST is committed to offering an extremely competitive, low-cost 529 program for college savers and to providing complete details and transparency regarding your investment costs. The NEST Direct Plan has no account fees or set-up fees. The NEST Direct Plan has also reduced fees across the board to help investors retain more of their investment dollars and have them build toward their future college savings costs. The following table includes current annual plan expenses and the estimated annual fees with the new Investment Options effective December 7, 2020.

	CURRENT INVESTMENT OPTIONS	ENHANCED NEST DIRECT PLAN (Effective December 7, 2020)
AGE-BASED INVESTMENT OPTIONS		
	Average Expense Ratio	
Age-Based Index Aggressive	Not Offered	0.14%
Age-Based Index Moderate	Not Offered	0.14%
Age-Based Index Conservative	0.35%	0.15%
Age-Based Aggressive	0.42%	0.27%
Age-Based Moderate	0.40%	0.26%
Age-Based Conservative	Not Offered	0.24%
STATIC INVESTMENT OPTIONS		
All Equity Static	0.44%	0.28%
Growth Static	0.44%	0.28%
Moderate Growth Static	0.44%	0.27%
Balanced Static	0.43%	
Conservative Static	0.38%	0.23%
Bank Savings Static	0.20%	0.10%
INDIVIDUAL FUND INVESTMENT OPTIONS		
Vanguard Federal Money Market 529 <i>OLD PLAN: Goldman Sachs Financial Square Government Money Market</i>	0.44%	0.21%
Vanguard Short-Term Inflation-Protected Securities Index 529	0.31%	0.14%
Vanguard Short-Term Bond Index 529	0.31%	0.14%
Vanguard Total Bond Market Index 529	0.30%	0.13%
MetWest Total Return Bond 529	0.64%	0.48%
DFA World ex U.S. Government Fixed Income 529	0.47%	0.30%
State Street Equity 500 Index 529	0.29%	0.12%
Vanguard Total Stock Market Index 529	0.31%	0.12%
Vanguard Equity Income 529	0.45%	0.28%
T. Rowe Price Large-Cap Growth 529	0.83%	0.66%
Vanguard Extended Market Index 529	0.32%	0.14%
Vanguard Explorer 529 <i>OLD PLAN: iShares Russell 2000 Growth ETF</i>	0.51%	0.44%
DFA U.S. Small Cap Value 529 <i>OLD PLAN: Tributary Small Company</i>	1.26%	0.61%
Vanguard Total International Stock Index 529 <i>OLD PLAN: State Street MSCI® ACWI ex USA Index</i>	0.36%	0.17%
Vanguard Real Estate Index 529	0.37%	0.20%

EXPENSE INFORMATION: The NEST Direct Plan prior to December 4, 2020, expense information obtained from NEST Direct Plan Program Disclosure Statement dated March 1, 2020. The NEST Direct Plan after December 4, 2020, expense information includes program management fee, state administration fee, and underlying investments expense information as of the most recent mutual fund prospectus dated on or before October 1, 2020.



Have questions? We have answers.

WHY IS NEST CHANGING?

The Nebraska State Treasurer serves as Trustee and Administrator for the NEST Direct Plan. In the interest of offering the best value and Investment Options for families saving for college, an open and competitive bid process was undertaken this past year. Through this process, the Treasurer and Nebraska Investment Council selected a new program manager (Union Bank & Trust) and worked to enhance and structure a program that will continue to be attractive for Nebraska families and college savers.

WHAT CHANGES ARE BEING MADE TO NEST?

Effective December 7, 2020, NEST will have a new program manager, which will result in the following positive changes to your account:

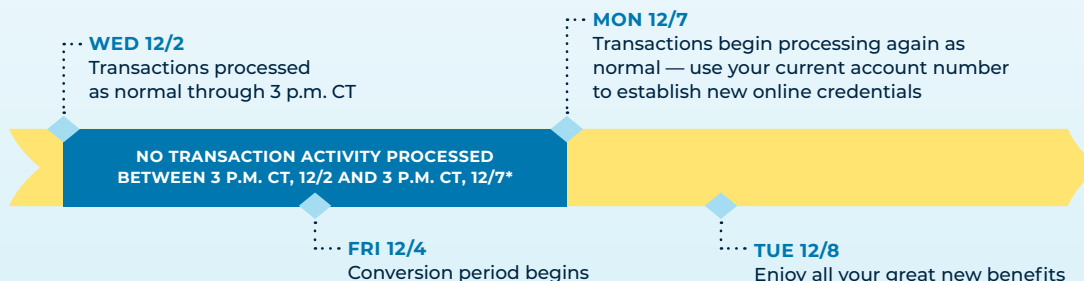
- ▶ Additional Age-Based Investment Options
- ▶ Expanded fund options from quality fund families, including Vanguard, T. Rowe Price, DFA, and others
- ▶ Lower program management fee and Investment Option costs
- ▶ New mailing addresses **beginning December 2, 2020:**
 - **Regular Mail:** NEST 529 Direct, PO Box 83529, Lincoln, NE 68501
 - **Overnight or Courier:** NEST 529 Direct, 3606 South 48th Street, Lincoln, NE 68506

WHAT IS STAYING THE SAME?

- ▶ Nebraska tax benefits: Contributions are deductible up to \$10,000 for contributions by account owners (\$5,000 if married, filing separately)¹
- ▶ Tax-deferred growth
- ▶ Tax-free withdrawals for qualified college costs²
- ▶ Our phone number (888.993.3746) and website (NEST529.com)

WHAT DO I NEED TO DO?

Keep your account number handy as you will need it to create new account credentials. **Otherwise, no action is required on your part**, and all account records, balances, and automatic contributions from bank accounts will transfer over automatically on the following timeline:



*Transactions submitted between 3 p.m. CT on Wednesday, December 2, 2020, and 3 p.m. CT on Monday, December 7, 2020, are scheduled to be processed on Monday, December 7, 2020, using the closing prices of Monday, December 7, 2020.

WILL I BE ABLE TO CHANGE HOW MY ACCOUNT IS INVESTED?

Yes. The IRS allows two investment changes per calendar year, or upon a change of beneficiary. If you will be making any investment changes, we recommend that you make these changes prior to 3 p.m. CT on Wednesday, December 2, or request as normal beginning Monday, December 7, 2020. The program-initiated Investment Option transition over the conversion weekend should not count toward the account owner's twice per calendar year investment change limit allowed by the IRS.

WHAT ARE THE NEW INVESTMENT OPTIONS?

The NEST Direct Plan will have Age-Based Investment Options, Static Investment Options, and 15 Individual Fund Investment Options. The new Investment Options are overviewed on pages 5–9 and page 12.

WILL THERE BE AN ANNUAL ACCOUNT FEE?

No. The NEST Direct Plan will have no annual account fee or setup fees.

WILL I RECEIVE ADDITIONAL INFORMATION?

Yes. Our transition site (NEST529Transition.com) will be updated and kept current throughout the process, so check back. You will also receive a welcome letter and account confirmation a week to ten days following the conversion.

WILL I HAVE ANY TAX IMPLICATIONS WITH THE CHANGE?

The transition to the new investments and program manager are program-initiated and should not have tax implications or count against your allowable two investment changes per calendar year.

WHAT IF I HAVE QUESTIONS?

Contact the new program manager from 7 a.m. CT through 7 p.m. CT (M–F) at our special transition assistance line, 833.399.1019, and visit NEST529Transition.com.

WILL MY ACCOUNT HAVE A BLACKOUT PERIOD?

Yes, there will be a blackout period while the records and accounts transfer.

IMPORTANT: Requests via paper form, online, or via phone for account changes and transactions received after 3 p.m. CT Wednesday, December 2, 2020, through 3 p.m. CT Monday, December 7, 2020, will be processed on Monday, December 7, 2020, using closing prices as of December 7, 2020.

You will not be able to access or transact on your account via phone, paper form, or online beginning 3 p.m. CT Wednesday, December 2, 2020. After the conversion is complete, we will make the website available to access your account the afternoon of Monday, December 7, 2020.

Please plan accordingly and make needed changes to your account prior to 3 p.m. CT on Wednesday, December 2, 2020, or request as normal beginning Monday, December 7, 2020.



An investor should consider the investment objectives, risks, and charges and expenses associated with municipal fund securities before investing. This and other important information is contained in the fund prospectuses and the NEST Direct College Savings Plan Program Disclosure Statement (issuer's official statement), which can be obtained at NEST529.com and should be read carefully before investing. You can lose money by investing in an Investment Option. Each of the Investment Options involves investment risks, which are described in the Program Disclosure Statement.

An investor should consider, before investing, whether the investor's or 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 529 plan. Investors should consult a tax advisor.

The NEST Direct College Savings Plan (the "Plan") is sponsored by the State of Nebraska, administered by the Nebraska State Treasurer, and the Nebraska Investment Council provides investment oversight. Through 3 p.m. CT December 4, 2020, First National Bank of Omaha serves as Program Manager and First National Capital Markets, Inc. serves as Distributor. **Effective 3 p.m. CT December 4, 2020**, Union Bank & Trust will serve as Program Manager for the Nebraska Educational Savings Plan Trust (the "Trust"). The Plan offers a series of Investment Options within the Trust, which offers other Investment Options not affiliated with the NEST Direct College Savings Plan. The Plan is intended to operate as a qualified tuition program.

Except for any investments made by a Plan participant in the Bank Savings Static Investment Option up to the limit provided by Federal Deposit Insurance Corporation ("FDIC") insurance, neither the principal contributed to an account, nor earnings thereon, are guaranteed or insured by the State of Nebraska, the Nebraska State Treasurer, the Nebraska Investment Council, the Trust, the Plan, any other state, any agency or instrumentality thereof, the Program Manager, the FDIC, or any other entity. Investment returns are not guaranteed. Account owners in the Plan assume all investment risk, including the potential loss of principal.

¹Account owners are eligible to receive a Nebraska state income tax deduction of up to a maximum of \$10,000 (\$5,000 if married, filing separately) for contributions they make to their own NEST accounts. Contributions in excess of \$10,000 cannot be carried over to a future year. For a minor-owned or UGMA/UTMA NEST account, the minor is considered the account owner for Nebraska state income tax deductions. The minor must file a Nebraska tax return for the year their contributions are made to be eligible for a tax deduction for their own contributions. In the case of a UGMA/UTMA NEST account, contributions by the parent/guardian listed as the Custodian on the UGMA/UTMA NEST account are also eligible for a Nebraska state tax deduction.

²Withdrawals used to pay for federal qualified higher education expenses are free from federal income tax. Federal qualified higher education expenses include: (i) tuition, fees, books, supplies, and equipment required for enrollment or attendance; (ii) certain room and board expenses incurred by students who are enrolled at least half-time; (iii) the purchase of computer or peripheral equipment, computer software, or Internet access and related services if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; (iv) certain expenses for special needs services needed by a special needs beneficiary; (v) K-12 expenses; (vi) apprenticeship program expenses; and (vii) qualified education loan payments.

Withdrawals used to pay for Nebraska qualified higher education expenses are free from Nebraska state income tax. Nebraska qualified higher education expenses include: (i) tuition, fees, books, supplies, and equipment required for enrollment or attendance; (ii) certain room and board expenses incurred by students who are enrolled at least half-time; (iii) the purchase of computer or peripheral equipment, computer software, or Internet access and related services if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; and (iv) certain expenses for special needs services needed by a special needs beneficiary. Nebraska qualified higher education expenses do not include K-12 expenses, apprenticeship program expenses, and qualified education loan payments, therefore, withdrawals for these purposes would be a Nebraska non-qualified withdrawal and subject to Nebraska state income tax and recapture of Nebraska state tax benefits.

The earnings portion 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 recapture of any Nebraska state income tax deduction previously claimed.

Not FDIC Insured* / No Bank Guarantee / May Lose Value

(*Except the Bank Savings Static Investment Option Underlying Investment)



Effective 3 p.m. CT December 4, 2020:

UBT
Union Bank & Trust
Program Manager