Nebraska Educational Savings Plan Trust

Nebraska Investment Council

June 10, 2021

UBT
Union Bank & Trust

NEBRASKA STATE TREASURER
EST. 1867
PROGRAM TRUSTEE

Nebraska Educational Savings Plan Trust

TD Ameritrade 529 College Savings Plan

- Plan changed program managers (December 2020)
- TD Ameritrade notified the State of its intention to exit marketing agreement and wind-down the Plan (March 2021)

Transition Considerations

- Minimize disruption
- What's best for account owners
- Recency of program manager conversion
- Minimize transition costs

	Q 1 2020	Q 1 2021
Assets	$1.349 *bil*	$1.921 *bil*
Total Accounts	63,552	70,138
New Accounts	2,789	3,415
Contributions	$60.1 mil	$61.2 mil

Nebraska Educational Savings Plan Trust

Re-Name / Re-Brand Plan

- No action required by the account owner
- Investment options, account numbers and login information all remain the same
- Plan disclosure statement, forms and website will be updated and re-branded

Benefits to Account Owners

- Lower fees
    - No more TD Ameritrade sub-administration fee (0.05%) on all investment options
    - No more TDAIM portfolio management fee (0.10%) on age-based and static investment options
    - Program management fee (0.12%) and state administration fee (0.02%) remain unchanged
- Investment continuity
- Expertise and oversight of Wilshire Associates
- Potential benefit to Morningstar ratings
- All changes will occur automatically

Fee & Expense Table - Current and New Annual Asset-Based Fee *(Age-Based and Static Investment Options)*

Age-Based Investment Options	Estimated Underlying Investment Expenses1	Program Management Fee	State Administration Fee	TD Ameritrade Sub-Administration Fee	TDAIM Portfolio Consultant Fee	CURRENT Total Annual Asset-Based Fee	NEW Total Annual Asset-Based Fee	Asset-Based Fee Reduction
Age-Based Core								
0 - 2 years	0.04%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.33%	0.18%	45.5%
3 - 5 years	0.04%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.33%	0.18%	45.5%
6 - 8 years	0.04%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.33%	0.18%	45.5%
9 - 10 years	0.05%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.34%	0.19%	44.1%
11 - 12 years	0.05%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.34%	0.19%	44.1%
13 - 14 years	0.06%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.35%	0.20%	42.9%
15 - 16 years	0.07%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.36%	0.21%	41.7%
17 - 18 years	0.07%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.36%	0.21%	41.7%
age 19 +	0.09%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.38%	0.23%	39.5%
Age-Based Socially Aware								
0 - 2 years	0.18%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.47%	0.32%	31.9%
3 - 5 years	0.16%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.45%	0.30%	33.3%
6 - 8 years	0.15%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.44%	0.29%	34.1%
9 - 10 years	0.14%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.43%	0.28%	34.9%
11 - 12 years	0.14%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.43%	0.28%	34.9%
13 - 14 years	0.13%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.42%	0.27%	35.7%
15 - 16 years	0.12%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.41%	0.26%	36.6%
17 - 18 years	0.11%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.40%	0.25%	37.5%
age 19 +	0.11%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.40%	0.25%	37.5%
Static Investment Options								
CORE								
Aggressive	0.05%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.34%	0.19%	44.1%
Growth	0.05%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.34%	0.19%	44.1%
Moderate Growth	0.05%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.34%	0.19%	44.1%
Moderate	0.06%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.35%	0.20%	42.9%
Conservative	0.05%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.34%	0.19%	44.1%
Socially Aware								
Aggressive	0.18%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.47%	0.32%	31.9%
Growth	0.15%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.44%	0.29%	34.1%
Moderate Growth	0.12%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.41%	0.26%	36.6%
Moderate	0.11%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.40%	0.25%	37.5%
Conservative	0.08%	0.12%	0.02%	~~0.05%~~	~~0.10%~~	0.37%	0.22%	40.5%

Fee & Expense Table - Current and New Annual Asset-Based Fee *(Individual Fund Investment Options)*

Individual Fund Investment Options	Estimated Underlying Investment Expenses1	Program Management Fee	State Administration Fee	TD Ameritrade Sub-Administration Fee	CURRENT Total Annual Asset-Based Fee	NEW Total Annual Asset-Based Fee	Asset-Based Fee Reduction
Goldman Sachs Government Money Market 529	0.18%	0.12%	0.02%	~~0.05%~~	0.37%	0.32%	13.5%
Vanguard Short-Term Inflation-Protected Securities Index 529	0.04%	0.12%	0.02%	~~0.05%~~	0.23%	0.18%	21.7%
Vanguard Short-Term Bond Index 529	0.04%	0.12%	0.02%	~~0.05%~~	0.23%	0.18%	21.7%
Vanguard Total Bond Market Index 529	0.03%	0.12%	0.02%	~~0.05%~~	0.22%	0.17%	22.7%
MetWest Total Return Bond 529	0.38%	0.12%	0.02%	~~0.05%~~	0.57%	0.52%	8.8%
DFA World ex U.S. Government Fixed Income 529	0.20%	0.12%	0.02%	~~0.05%~~	0.39%	0.34%	12.8%
State Street S&P 500® Index 529	0.02%	0.12%	0.02%	~~0.05%~~	0.21%	0.16%	23.8%
Vanguard Total Stock Market Index 529	0.02%	0.12%	0.02%	~~0.05%~~	0.21%	0.16%	23.8%
Vanguard Equity Income 529	0.18%	0.12%	0.02%	~~0.05%~~	0.37%	0.32%	13.5%
Vanguard Russell 1000 Value Index 529	0.07%	0.12%	0.02%	~~0.05%~~	0.26%	0.21%	19.2%
T. Rowe Price Large Cap Growth 529	0.56%	0.12%	0.02%	~~0.05%~~	0.75%	0.70%	6.7%
Vanguard Extended Market Index 529	0.04%	0.12%	0.02%	~~0.05%~~	0.23%	0.18%	21.7%
Vanguard Russell 2000 Growth Index 529	0.08%	0.12%	0.02%	~~0.05%~~	0.27%	0.22%	18.5%
iShares Core S&P Small-Cap ETF 529	0.07%	0.12%	0.02%	~~0.05%~~	0.26%	0.21%	19.2%
State Street MSCI® ACWI ex USA Index 529	0.09%	0.12%	0.02%	~~0.05%~~	0.28%	0.23%	17.9%
Vanguard Emerging Markets Stock Index 529	0.10%	0.12%	0.02%	~~0.05%~~	0.29%	0.24%	17.2%
Vanguard Real Estate Index 529	0.10%	0.12%	0.02%	~~0.05%~~	0.29%	0.24%	17.2%

1 Program Disclosure Statement dated December 4, 2020. For registered mutual funds, in the absence of a change that would materially affect the information, based on the expense ratio reported in the applicable fund's most recent prospectus dated prior to October 26, 2020, and for Investment Options invested in multiple Underlying Investments, based on a weighted average of each fund's total annual operating expenses, in accordance with the Investment Option's asset allocation as of the December 4, 2020 Program Disclosure Statement.

Nebraska Educational Savings Plan Trust

Next Steps / Communications

- {*New Plan name*}
- New web url
- Account owner communications
  - Press release (following Nebraska Investment Council decision)
  - Letter/E-mail to account owners and RIAs re: re-branding (mid-June)
  - Mail Program Disclosure Statement supplement and FAQs (early-July)
- New Program Disclosure Statements distributed to account owners (mid-July)