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Nebraska's 529 College Savings Plan Expands and Updates Investment Choices, Lowers Prices

(OMAHA, Neb. March 22, 2012) – First National Bank of Omaha (FNBO), the Nebraska Educational Savings Trust (NEST), and Nebraska State Treasurer Don Stenberg today announced important investment plan changes designed to enhance the customer experience, respond to current market conditions and lower account owner costs for NEST, Nebraska's 529 College Savings Plan. The State Treasurer serves as the Trustee of NEST and First National Bank of Omaha serves as Program Manager. The plan changes were approved today by the Nebraska Investment Council, which is responsible for investment oversight.

“We are committed to nurturing a smart and thoughtful strategy to address the costs of higher education and help parents and grandparents plan for their children's future,” Treasurer Stenberg said. “The improvements to our College Savings Plan will modestly expand the investment options and reduce price, allowing us to offer a more competitive product.”

Changes made to the NEST Direct, NEST Advisor and TD Ameritrade 529 college savings plans include the following:

- **Reduced portfolio expenses** (net of asset-based fees) by up to 52 percent, resulting in total estimated annual asset-based fees being reduced by an average of 0.03 percent each for NEST Direct and NEST Advisor Plans. The TD Ameritrade 529 Plan has also been reduced.
- **Modestly expanded the underlying fund asset classes** in response to current and projected market conditions, resulting in more diversified investments well suited to respond to market variability. Fixed Income diversification was achieved by adding a Global Bond fund and Short-Term Bond fund into both the

allocations and individual options. Individual Option diversification was achieved by adding Equity Income and Emerging Markets funds.

- **Fine-tuned allocations to existing underlying funds** to reduce cost and expand diversification. Recognizing the current state of money market investments, administrators reduced allocations to the money market fund in Age-Based and Static options and added other low risk investments, including the plan's FDIC-insured option, into the NEST Direct and NEST Advisor Plans.
- **Maintained open architecture plans at reasonable costs** by selecting new or replacement funds with an eye towards providing solid and affordable investments, including adding iShares, SPDR and Vanguard exchange traded funds (ETFs).
- **Enhanced the customer experience** by adding innovative, useful and cost-effective features including dollar cost averaging through systematic exchanges and the ability to waive the Class A load for assets rolling in from other 529 plans, if permitted by the broker dealer firm.

“When we first launched NEST, we reduced the program management fee by 50 percent; these new changes continue our policy of providing investments appropriate for the direct, RIA and Advisor communities at a competitive cost,” said Deborah Goodkin, Managing Director, College Savings Plans at First National Bank of Omaha. “Looking forward, we are committed to providing customers with an easy way to save for college while helping them earn as much as they can with smart investment choices.”

Goodkin added that *Kiplinger's Personal Finance* magazine named NEST the “Best College Savings Plan” for Fund Selection in 2011 and these investment changes are intended to build upon the strong line-up of investment options that already exists within the plan.

Treasurer Stenberg said that plan participants will receive official notification of the changes in May, with the changes to the plan scheduled to take effect by July.

NEST is a tax-advantaged 529 college savings plan and provides four plans to help make saving for college simple and affordable: NEST Direct College Savings Plan, NEST Advisor College Savings Plan, TD Ameritrade 529 College Savings Plan, and The State Farm College Savings Plan. The Nebraska State Treasurer serves as the Program Trustee. First National Bank serves as the Program Manager, and all investments are approved by the Nebraska Investment Council. Currently, more than 52,000 families in Nebraska and over 189,000 nationwide are saving for their children's higher education through NEST. For more information, visit www.NEST529.com or www.treasurer.org.

First National Bank is a subsidiary of First National of Nebraska. First National of Nebraska

has grown into the largest privately owned banking company in the United States. First National and its affiliates have \$17 billion in managed assets and nearly 5,000 employee associates. Primary banking offices are located in Nebraska, Colorado, Illinois, Iowa, Kansas, South Dakota and Texas.

Investments Are Not FDIC Insured* • No Bank, State or Federal Guarantee • May Lose Value

*Except the Bank Savings Individual Investment Option

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