



NOTICE OF PUBLIC MEETING

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Thursday, March 22, 2018 at 10:00 a.m.

Meeting via videoconference at the following locations:

Dial in access: 1-888-251-2909 Access Code 7399092

Grant Sawyer State Office Building
Governor's Conf. Room -Suite 5100
555 E. Washington Avenue
Las Vegas, NV 89101

State Capitol Building
Old Assembly Chambers, 2nd Floor
101 N Carson Street
Carson City, NV 89701

All items listed on this agenda are for discussion and action by the Board of Trustees unless otherwise noted. Action may consist of any of the following: approve, deny, condition, hold, or table.

AGENDA

1. **Public Comment.** *Comments from the public are invited at this time prior to the commencement of possible action items. The Board is precluded from acting on items raised during Public Comment that are not on the agenda.*

Consent Agenda

Consent Agenda - All matters in this sub-category are considered by the Board of Trustees to be routine and may be acted upon in one motion without discussion. Most agenda items are phrased for a positive action. However, the Board of Trustees may take other actions, such as hold, table, amend, etc.

2. **For possible action:** Board review and approval of the minutes of the College Savings Board of Trustees meeting of February 22, 2018.
3. **For possible action:** Board review and approval of the Ascensus program manager's report encompassing results for Vanguard, USAA, SSGA Upromise 529 and Wealthfront 529 plans for the quarter ended December 31, 2017.

4. **For possible action:** Board review and approval of the Putnam 529 for America program manager's report for the quarter ended December 31, 2017.
5. **For possible action:** Board review and approval of the Thomas & Thomas unaudited financial statements of the Nevada College Savings Plans compiled for the quarter ended December 31, 2017.
6. **For possible action:** Board review and approval of the education and outreach expenditure report for the SSGA Upromise 529 Plan for the quarter ended December 31, 2017 to be recorded as non-cash revenue in the State's accounting system.
7. **For possible action:** Board review and approval of the Nevada Prepaid Tuition Program activity report for quarter ended December 31, 2017.

Discussion Agenda

8. **For possible action:** Board review and approval of amendments to Nevada Administrative Code 353B based upon comments received at regulation workshop meetings. (Staff)
9. **For possible action:** Board review and approval of the Prepaid Tuition Investment Monitoring Report prepared by Pension Consulting Alliance, Inc. for the quarter ending December 31, 2017. (Eric White, PCA.)
10. **For possible action:** Board review and approval of the Nevada College Savings Plans Investment Monitoring Report prepared by Pension Consulting Alliance, Inc. for the quarter ending December 31, 2017. (Eric White, PCA.)
11. **For possible action:** Board review and approval of Putnam annual investment presentation which will include investment changes for Putnam 529 for America.
 - a. Putnam Absolute Return 500 Fund to merge into the Putnam Absolute Return 700 Fund and Absolute Return 700 and rename the resulting fund the Putnam Multi-Asset Absolute Return Fund within Putnam 529
 - b. Putnam Absolute Return 300 Fund will be renamed the Putnam Fixed Income Absolute Return fund within Putnam 529.
 - c. Putnam Absolute Return 100 Fund will be renamed the Putnam Short Duration Bond Fund within Putnam 529.
 - d. Putnam will close the B share class to new investment and future contributions for all funds within Putnam 529.
 - e. Putnam will automatically convert C share class to A shares after seven (7) years.

- f. Putnam will eliminate the administrative fee on the 529 Government Money Market fund.

Putnam representatives will be in attendance to present its recommendations and PCA will provide its analysis on proposed changes and provided recommendations for the Board's consideration.

12. **For possible action:** Board review and approve of amendments to the Monitoring Guidelines and Criteria in the 529 College Savings Plans Investment Policy Statement as a result of the Putnam investment changes recommendations. (Please note this agenda item is dependent upon the Board's approval of agenda item #12.)

Informational Items

13. Board to receive an update on "Let's Go to College! Nevada Saves" from Amplify Relations.
14. Staff Notes
15. Public Comment. *The Board is precluded from acting on items raised during Public Comment that are not on the agenda*

Comments

16. Staff Notes
17. Public Comment. *The Board is precluded from acting on items raised during Public Comment that are not on the agenda*

Prior to the commencement and conclusion of a contested case or a quasi judicial proceeding that may affect the due process rights of an individual the board may refuse to consider public comment. See NRS 233B.126.

Items on the agenda may be taken out of the order presented at the discretion of the Chairman.
Items may be combined for consideration by the public body.
Items may be pulled or removed from the agenda at any time.

Notice of this meeting was posted at the following locations in Carson City, Nevada:

State Capitol Building, 1st & 2nd Floor & Basement, 101 North Carson Street
Nevada Legislative Building, 401 South Carson Street
Nevada State Library, 100 Stewart Street
Blasdel Building, 209 East Musser Street

Notice of this meeting was posted at the following location in Las Vegas, Nevada:

Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4600, Las Vegas, Nevada
1st Floor Capitol Police - (702) 486-2012

Notice of this meeting was posted on the following website:

www.nevadatreasurer.gov
www.notice.nv.gov

We are pleased to provide members of the public supporting material for the meeting as well as make reasonable accommodations for members of the public who are disabled and would like to attend the meeting. If supporting material or special arrangements for the meeting

are required, please notify Linda English with the Office of the State Treasurer, 555 E Washington, Suite 4600, Las Vegas, NV 89101 or call (702) 486-3889 or fax your request to (702) 486-3246 as soon as possible. Materials will also be available at the Office of the State Treasurer, College Savings, 555 E. Washington Suite 4600, Las Vegas, NV 89101

THE BOARD OF TRUSTEES OF
THE COLLEGE SAVINGS PLANS OF NEVADA
MINUTES OF BOARD MEETING
February 22, 2018

Chairman Bob Seale called the meeting of the Board of Trustees of the College Savings Plans of Nevada to order at 10:00 a.m., on Thursday, February 22, 2018. The meeting was held by video conference from the Nevada Capitol Building, 101 N. Carson Street, Carson City, Nevada to the Grant Sawyer Building, 555 East Washington Avenue, Suite 5100, Las Vegas, Nevada. Other attendees participated in person or by conference call.

Board members present:

Chairman Bob Seale – Carson City
Vice Chair Jeff Haag – Carson City
Susan Brown – Carson City
Stephanie Shepherd – Carson City
Ned Martin – Las Vegas
Grant Hewitt – Las Vegas, Ex-Officio Non-Voting Board Member

Others present:

Tara Hagan, Chief Deputy Treasurer
Holly Primka, Treasurer's Office – North
Beth Ann Yeats, Senior Deputy Treasurer - South
Sheila Salehian, Deputy Treasurer - South
Blanca Platt, Treasurer's Office – South
Troy Watts, Treasurer's Office – South
Daniel Carter, Eide Bailey
Ardie Hollingsworth, Ascensus
Justin Gardner, ARDI

Roll was taken, and it was determined a quorum was present. Ms. Hagan indicated the meeting had been properly noticed and the agenda was posted in accordance with the Open Meeting Law in both Carson City and Las Vegas.

1. **Public Comment**

There was no public comment in Las Vegas, Carson City or telephone.

Consent Agenda

2. **For possible action:** Board review and approval of the minutes of the College Savings Board of Trustees meeting of December 14, 2017.

Vice Chair Haag motioned to approve Agenda Item #2 of the Consent Agenda. Susan Brown seconded the motion. Motion passed unanimously.

Discussion Agenda

3. **For possible action:** Board review and approval of the Fiscal Year 2017 annual audit of the Nevada Prepaid Tuition Program by Eide Bailey LLP.

Dan Carter with Eide Bailey presented an overview to the Board of the 2017 financial statements for the Nevada Higher Education Prepaid Tuition Trust Fund.

Chairman Seale wanted to know what deferred outflows referred to.

Dan Carter stated that the deferred outflows were related to the trust fund's portion of the PERS liability.

Ned Martin wanted to know what the Board's obligation of PERS is related to.

Dan Carter explained it is the portion of the PERS liability that the trust fund, itself picks up and that it's a statutory allocation similar to all other funds of the State.

Ned Martin motioned to approve Agenda Item #3. Vice Chair Haag seconded the motion. Motion passed unanimously.

4. **For possible action:** Board review and approval of the Fiscal Year 2017 annual report for the Nevada Prepaid Tuition Program.

Sheila Salehian presented the annual report of the Nevada Higher Education Prepaid Tuition Trust Fund as of June 30, 2017 to the Board. She noted that the market value rate of return was strong with a rate of about 10% which helped increase the assets under management to ~\$251 million. She stated that there are over 3,000 beneficiaries using benefits in Program and that 924 families enrolled into the program in the last fiscal year. She noted that the Program continues to grow and is one of the top programs in the country.

Chairman Seale stated that there has been some federal legislation that has occurred recently relative to the 529 programs and wanted to know these changes impacted the Prepaid program.

Sheila Salehian explained that the Tax Act passed in December 2017 only affected the 529 savings accounts and did not impact the prepaid tuition programs. She noted that Prepaid Tuition program will continue as a higher education institution program only and not allow savings for K-12.

Stephanie Shepherd motioned to approve Agenda Item #4. Ned Martin seconded the motion. Motion passed unanimously.

5. **For possible action:** Board review and approval of amendments to Nevada Administrative Code 353B for codification of federal law changes to Internal Revenue Code 529 as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) which include participant self-reporting requirements for distributions.

Jamie Canup, outside counsel to the Nevada programs, stated staff requested that he review the current regulations (Nevada Revised Statute) which was being amended as a result of AB475 to ensure that it was consistent with current law and to determine if any changes need to occur based on the passage of the Tax Act. He noted that he did find that the 2002 federal legislation which changed the distribution requirements to place the burden on the beneficiary for 'qualified' or 'unqualified' withdrawals rather than the Program had not been incorporated. Therefore, the amendments being recommended ensure compliance with the federal statutes.

Tara Hagan noted that the Board has seen the majority of the amendments and noted that Section 18 is the new language.

Susan Brown motioned to approve Agenda Item #5. Ned Martin seconded the motion. Motion passed unanimously.

6. **For possible action:** Board discussion regarding AB475 concerns regarding College Kick Start funding in future biennium budget years and reclaiming questions.

Wayne Howle, Deputy Attorney General, was present to answer any questions regarding AB475 concerns specifically regarding two main questions which are outlined in the draft memorandum which was supplied to staff yesterday.

Ned Martin stated that his basic question relates to the Board's fiduciary responsibility as it relates to the Prepaid Tuition Program and the 529 savings plans for which the Board is statutorily required to oversee as stewards for the programs. He noted that with the passage of AB475 the Board is now required to fund the College Kick Start accounts, noting that he understands the legislation does allow for budgetary constraints which may prevent funding. However, he questions if the Board does determine it can't fund a cohort in a given year what politically would

the Legislature do in this situation. He noted that he is concerned that the Board would then be required to pull the monies from another area of responsibility to fund the accounts even though it didn't think funding was prudent or in the best interest of the plan. He noted the question stems around the potential conflict between the fiduciary responsibilities of the Board versus something the Legislature is compelling the Board to.

Wayne Howle noted that the Legislature's authority is predominant in its ability to allocated funding. He noted that Legislatures are unconstrained by previous Legislatures and that one Legislature cannot bind another. He stated that the Legislature's authority with respect to trust funds is only constrained by Constitution or contract.

Ned Martin noted that he didn't see how that answered his question in relation to his and the Board's fiduciary duty as it related to overseeing the billions in 529 savings plans and millions in the Prepaid Tuition plan. He noted that the Board's fiduciary duty could be comprised if monies were taken from these accounts.

Tara Hagan noted that the Board has several statutory funds under its purview. She noted that AB475 doesn't affect the trust funds for either Prepaid Tuition or the 529 savings plans; NRS 353B.140 is the trust fund which holds the assets for the Prepaid Tuition fund and NRS 33B.340 is the trust fund which holds the billions of assets for the hundreds of thousands of 529 savings plan participants. She stated that monies cannot be removed from these trust funds by the Board or the Legislature under current statute. However, the fees which the program receives from its 529 savings plan partners fund the Endowment which amounts to about \$5 million per year. The Endowment accounts funds the administrative account which is used for day to day operations at the Treasurer's office for the College Savings division. She noted that both the administrative and endowment accounts are general portfolio funds and therefore, both the Governor's Finance Office and the Legislature oversee these funds and can and do make amendments to the funding. She noted that the Governor and Legislature have nearly always had this authority over the Board's budget which includes the College Kick Start funding. She stated the AB475 takes the Board's notion of reclaiming the funds which aren't claimed by a certain grade year and returns these to the endowment fund; the purpose of which was to set up a self-sustaining program.

Grant Hewitt noted that the Board over one year ago voted to reclaim accounts which ensures the College Kick Start program could continue because without reclaiming funds, the Board would not be able to sustain the ~\$1.8 million expenditure each year in perpetuity. He noted that currently the program has about 13% of the total accounts have been claimed to date across all the cohorts. He noted that the program would then return a significant amount each year to the

endowment, although staff and its partners will continue to strive to increase the claimed rate through education and outreach.

Ned Martin stated that he understands the mechanics of the program and asked the Attorney General representative, Wayne Howle, if he would be willing to write an opinion regarding the notion that AB475 does not negatively affect the Board's fiduciary duty or conflict of interest.

Wayne Howle noted that the Board can obtain a legal opinion from the Attorney General and noted that he is not the Attorney General but as the Board's counsel he concurs with the notion that the Board does not have a conflict of interest regarding its fiduciary duty as it relates to AB475 and the changes to NRS 353B.

No motion required.

7. **For possible action:** Board review and approval of Fiscal Year 2018 Financial Literacy initiatives which include online training and awareness of 529 college saving options for families with children who have disabilities and development of a Financial Literacy Website in support of SB249 Summits.

Sheila Salehian presented this agenda item the Board and requested approval of two Financial Literacy initiatives:

- Financial Literacy & College Savings for Families who have children with disabilities or special health needs (\$10,450). The goal of this program is to increase access for families with children who have disabilities with financial literacy materials, resources, and support services in addition to providing information and access to college saving resources, leading to 529 enrollments, and increasing the number of claimed Kick Start accounts.
- Financial Literacy Website & College Savings Curriculum in Support of SB249 requirements and May Summits. (\$18,550 with ~\$1,500 in additional in ongoing annual maintenance for the site starting in fiscal year 2019.)

Chairman Seale questioned if there is a way to measure the effectiveness of the programs.

Sheila Salehian stated that two meetings ago the Board's direction, on any future initiatives, was to ensure that there were three components: 1) pre and post testing to measure knowledge and assessment of what the participants gained from the exposure to the initiatives; 2) to ensure they are statewide and not just in the north and south; 3) to understand, engage and report on the awareness with respect to College Savings Programs, including the number of families who knew about the programs initially and then after the financial literacy initiatives. She noted that this direction by the Board helps to ensure that these three

components are present in all financial literacy initiatives which are presented to the Board for consideration and approval.

Vice Chair Haag wanted to know where we get the list of families with disabilities.

Justin Gardner explained that they work with their partners such as the Department of Health and Human Services and their various divisions. They've worked with providers across the state as well as advocacy groups and other entities that work with these families. He noted they have a fairly extensive network across the state which helps communicate to these families on its behalf.

Vice Chair Haag question why the vendor isn't working with the Nevada Department of Education (NDOE). He stated that this seems to be a critical missing component and asked if we knew why we're not getting the level of participation from NDOE.

Justin Gardner stated that there have been attempts made to work with NDOE but have been met with some legal issues, such as privacy rights which prevent the department from sharing data.

Vice Chair Haag stated he would like staff and the Board to work with NDOE to work with us on this initiative so we ensure we reach our targeted audience. He noted that he would gladly participate in any meetings with staff and NDOE representatives.

Grant Hewitt stated staff will reach out to the Superintendent but would caution the Board to realize the limitations of NDOE. He noted that it does have legal constraints and resources constraints; noting that staff has generally had better luck with dealing directly with the various schools districts.

Vice Chair Haag asked if the website is something we will develop on our own.

Justin Gardner stated that the website will be a custom built enterprise on an existing website.

Stephanie Shepherd asked if there was any thoughts on any of the outreach going to the directly to the educators themselves who are working with these children to make sure they are aware of these resources.

Justin Gardner stated there are a number of ways they can deploy that and will work on designing something within the proposal. He noted that he will report

back directly to the Board at any time to continue to answer these types of questions surrounding the initiative.

Vice Chair Haag motioned to approve Agenda Item #7. Susan Brown seconded the motion. Motion passed unanimously.

Informational Agenda Items

8. Discuss and provide update regarding federal 529 savings plan amendments.

Jamie Canup reviewed two changes in the 2017 tax act that affect the 529 plans. These include allowing distributions from the 529 savings plans for tuition expenses for K-12 up to \$10,000 per year and rollovers from 529 savings plans into ABLE (Achieving a Better Life Experience) accounts are also now allowable.

Vice Chair Haag asked if Staff worked with the Attorney General's office to make sure they were in agreement with this interpretation.

Tara Hagan stated yes the Attorney General's Office was in agreement with outside counsel, and we have both outside counsel and the Attorney General's Office opinion in writing.

9. Staff Notes

Sheila Salehian reviewed the staff notes for the Board.

Chairman Seale asked if the College Savings programs continue to increase.

Sheila Salehian stated that we won't know for sure until open enrollment closes. Explaining that they have done things with marketing to help and have done a lot of outreach.

10. Public Comment. There was no public comment in Las Vegas, Carson City or telephone.

Meeting was adjourned at 11:24 a.m.

Attest:

Tara Hagan, Secretary to the Board

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 3
March 22, 2018

**Item: Program Manager Report for the Quarter End and
Performance Summary**

Recommendation:

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| That the Board review and approve the December 31, 2017 report from Ascensus College Savings for the direct-sold college savings plans, and direct staff accordingly. |
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Fiscal:
None.

Summary:
Sue Serewicz, Vice President, Relationship Management with Ascensus College Savings, will be available to answer questions.



**College Savings Plans of Nevada
Board of Trustees Meeting
March 22nd, 2018**

**Program Management Report
For the Quarter Ended December 31, 2017**



College Savings Plans of Nevada Board of Trustees Meeting

March 22nd, 2018

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Executive Summary

SSGA Upromise 529 Plan

- At the end of the 4th quarter, assets in the SSGA Upromise 529 Plan totaled \$1.43B, which was a 2.9% increase from the previous quarter and 9.2% higher than one year ago. New Funded Accounts were down by 12.0% over the previous quarter to 577 which was a 17.6% decrease compared to the same time last year. Total Funded Accounts were down 0.8% compared to last quarter and down by 3.2% compared to the same time last year. There were a total of 94,261 unique account holders at the end of the quarter, representing a decrease of 0.9% from the previous quarter and a 3.5% decrease over the same period last year. Gross contributions, including transfers/rollovers-in, for the quarter equaled \$32.03M, an increase of 24.9% compared to the previous quarter and down 3.2% compared to the same time last year. Distributions were down 34.4% compared to last quarter with a total of \$31.33M distributed from the plan this quarter. Distributions were up 8.8% compared to the same time last year.
- All tactical asset allocation accounts performed as expected for the quarter.

Vanguard 529® College Savings Plan

- The Vanguard 529 Plan ended the quarter with \$17.0 billion in assets under management. Relative to 2016, YTD net cash flow was up 16% at \$1.1 billion. 2017 marked the first year since the Plan's inception that we eclipsed the \$1 billion in net cash flow mark. During 2017, net new accounts (38,000) were up 25% compared to 2016.
- Average account balance continues to be among the highest in the industry at \$46,000.
- Global stock markets were resilient during the fourth quarter ended December 31, 2017, with emerging markets outperforming their developed-market counterparts (a trend that characterized much of 2017). In the United States, stocks hit record highs as investors welcomed tax reform legislation, strong corporate profits, low unemployment, and decent economic growth. The Federal Reserve also acknowledged the health of the economy, raising rates for a third time in December. Although expansionary monetary policies outside the United States supported bond prices during the year, central bank actions suggested a bias toward less accommodation in 2018.
- The U.S. Treasury yield curve flattened in the fourth quarter, with yields on all but the longest maturities rising. Short-term maturities moved higher on expectations that the Federal Reserve would stay on schedule to raise the federal funds rate a third time in 2017, which it did in mid-December. Solid GDP growth in the third quarter and robust gains in the labor market helped lift yields further out on the curve. Long-term market expectations were little changed, however, even after the fiscal stimulus in the tax-reform bill was signed into law just before year-end. Over the quarter, the yield of the 2-year Treasury note rose 40 basis points to 1.88% and that of the bellwether 10-year note rose 7 basis points to 2.41%, while the 30-year Treasury yield fell 12 basis points to 2.74%.

Executive Summary

USAA® 529 College Savings Plan

- 4th quarter assets in the USAA 529 Plan totaled over \$3.5B, representing a increase of 4.6% from 3rd quarter and a 21.7% increase from 4th quarter in 2016. Total Funded Accounts were up 1.3% from prior quarter and up 6.6% compared to the previous quarter. There were a total of 166,015 unique account holders at the end of 4th quarter, representing an increase of 1.0% from prior quarter (up 0.8% for Unique NV accounts) and up 5.4% compared to the same time last year. Gross contributions for the quarter were \$65M, an increase of 142% from prior quarter and an increase of 15.4% compared to the same time last year. Plan Distributions were down 34.8% from prior quarter with a total of \$49M. Distributions are up 15.8% compared to the same time last year. Net contributions for the quarter were \$117M, compared to \$104M in prior quarter.

Wealthfront College Savings Plan

- 4rd quarter assets in the Wealthfront College Savings Plan 529 Plan totaled just over \$74M. Total Funded Accounts are 7,948 and NV funded accounts are 52. There were a total of 5,963 unique account holders at the end of the quarter. Average account size for the plan is \$11,834.21 with NV average account assets at \$5,122.88. Gross contributions for the quarter were \$19.38M, with a net of \$18.86M.

Highlights This Period

| | Fourth Quarter 2017 | | | | | Third Quarter 2017 | | | | | Fourth Quarter 2016 | | | | |
|----------------------------|---------------------|---------------------------------------|-------------------------------|-------------------------------------|--------------------|--------------------|---------------------------------------|---------------------------|-------------------------------------|--------------------|---------------------|---------------------------------------|-------------------------------|-------------------------------------|--------------------|
| | SSGA Upromise 529 | The Vanguard 529 College Savings Plan | USAA 529 College Savings Plan | Wealthfront College Savings Program | Total | SSGA Upromise 529 | The Vanguard 529 College Savings Plan | USAA College Savings Plan | Wealthfront College Savings Program | Total | SSGA Upromise 529 | The Vanguard 529 College Savings Plan | USAA 529 College Savings Plan | Wealthfront College Savings Program | Total |
| AUM (Millions) | \$1,436.86 | \$17,015.40 | \$3,549.12 | \$94.06 | \$22,095.44 | \$1,398.21 | \$16,042.70 | \$3,394.13 | \$71.77 | \$20,906.82 | \$1,317.06 | \$13,722.71 | \$2,917.25 | \$17.84 | \$17,974.87 |
| Funded Accounts | 133,827 | 367,777 | 275,026 | 7,948 | 784,578 | 134,945 | 355,487 | 271,643 | 6,482 | 768,557 | 138,289 | 330,058 | 257,905 | 1,588 | 727,840 |
| NV Account Owners (Unique) | 4,438 | 3,321 | 1,992 | 40 | 9,791 | 4,373 | 3,188 | 1,965 | 32 | 9,558 | 3,677 | 2,875 | 1,861 | 3 | 8,416 |
| Account Owners | 94,261 | 211,041 | 165,986 | 5,963 | 477,251 | 95,079 | 203,977 | 164,422 | 4,894 | 468,372 | 97,652 | 189,506 | 157,534 | 1,184 | 445,876 |
| New Funded Accounts | 577 | 14,466 | 6,370 | 1,428 | 22,841 | 656 | 9,709 | 6,035 | 1,352 | 17,752 | 700 | 11,408 | 5,987 | 1,580 | 19,675 |
| Average Account Assets | \$10,736.72 | \$46,265.53 | \$12,904.68 | \$11,834.21 | \$28,162.20 | \$10,361.37 | \$45,128.78 | \$12,494.82 | \$11,072.83 | \$27,202.69 | \$9,523.98 | \$41,576.66 | \$11,311.34 | \$11,237.13 | \$24,696.18 |
| NV Funded Accounts | 7,465 | 5,706 | 3,326 | 52 | 16,549 | 7,358 | 5,489 | 3,270 | 41 | 16,158 | 6,257 | 4,965 | 3,053 | 5 | 14,280 |
| NV Average Account Assets | \$7,710.34 | \$33,837.20 | \$11,274.58 | \$5,122.88 | \$17,426.94 | \$7,268.88 | \$33,045.02 | \$10,960.06 | \$4,939.82 | \$16,766.33 | \$7,656.79 | \$31,468.07 | \$10,000.24 | \$1,338.34 | \$16,434.52 |
| NV AUM (Millions) | \$57.56 | \$193.08 | \$37.50 | \$0.27 | \$288.40 | \$53.48 | \$181.38 | \$35.84 | \$0.20 | \$270.91 | \$47.91 | \$156.24 | \$30.53 | \$0.01 | \$234.68 |

Highlights This Period

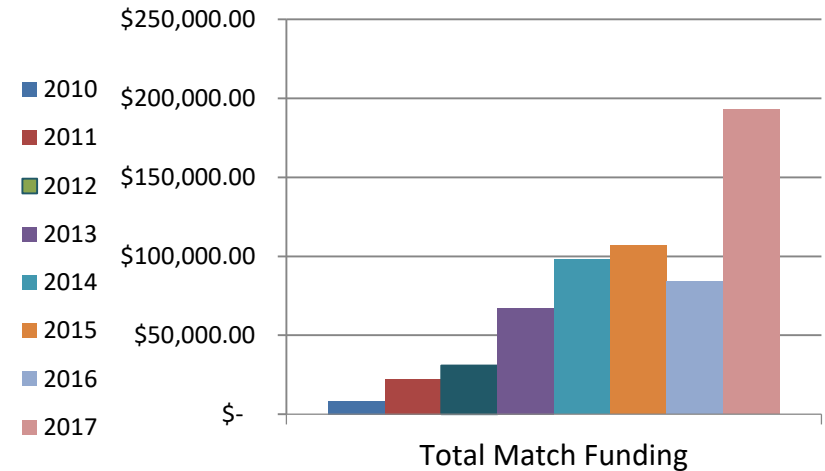
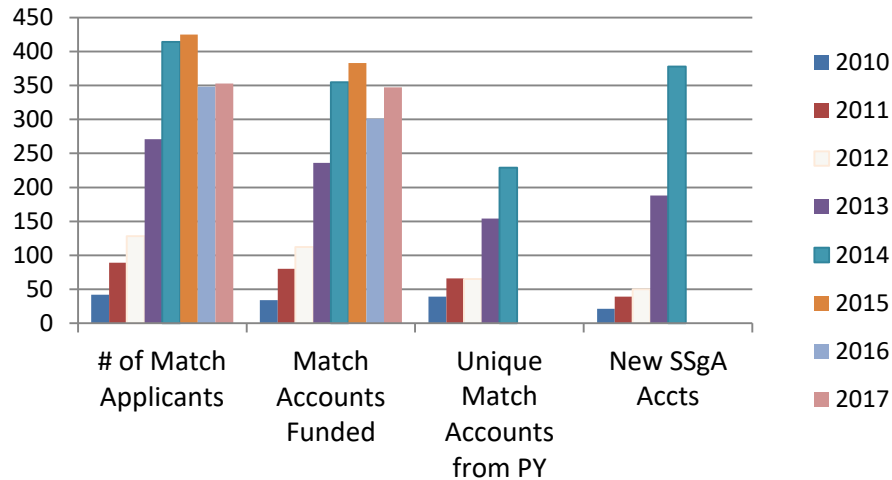
| | | Fourth Quarter 2017 | | | | | Third Quarter 2017 | | | | | Fourth Quarter 2016 | | | | |
|---|----------------------------|---------------------|---------------------------------------|-------------------------------|-------------------------------------|----------------------|---------------------|---------------------------------------|---------------------------|-------------------------------------|----------------------|---------------------|---------------------------------------|-------------------------------|-------------------------------------|----------------------|
| | | SSGA Upromise 529 | The Vanguard 529 College Savings Plan | USAA 529 College Savings Plan | Wealthfront College Savings Program | Total | SSGA Upromise 529 | The Vanguard 529 College Savings Plan | USAA College Savings Plan | Wealthfront College Savings Program | Total | SSGA Upromise 529 | The Vanguard 529 College Savings Plan | USAA 529 College Savings Plan | Wealthfront College Savings Program | Total |
| Inflow (Millions) | Contribution | \$31.83 | \$515.07 | \$112.16 | \$18.13 | \$677.20 | \$25.31 | \$332.00 | \$100.29 | \$14.60 | \$472.20 | \$32.00 | \$420.07 | \$97.98 | \$12.60 | \$562.65 |
| | Plan Transfer In | | \$2.41 | \$0.41 | \$0.55 | \$3.37 | | \$2.30 | \$0.12 | \$0.41 | \$2.84 | | \$2.13 | \$0.19 | \$2.75 | \$5.07 |
| | Rollover In | \$0.20 | \$47.33 | \$4.58 | \$0.69 | \$52.80 | \$0.34 | \$47.73 | \$3.85 | \$1.24 | \$53.17 | \$1.10 | \$48.24 | \$3.51 | \$2.31 | \$55.17 |
| | Gross Contributions | \$32.03 | \$564.81 | \$117.15 | \$19.38 | \$733.37 | \$25.65 | \$382.04 | \$104.26 | \$16.26 | \$528.21 | \$33.10 | \$470.45 | \$101.68 | \$17.66 | \$622.89 |
| Outflow (Millions) | Fee | (\$0.53) | (\$0.01) | (\$0.26) | (\$0.04) | (\$0.84) | (\$0.56) | (\$0.02) | (\$0.04) | (\$0.03) | (\$0.65) | (\$0.56) | (\$0.05) | (\$0.27) | (\$0.00) | (\$0.88) |
| | Plan Transfer Out | (\$0.86) | (\$0.63) | (\$1.88) | | (\$3.37) | (\$1.22) | (\$0.56) | (\$1.20) | | (\$2.98) | (\$0.91) | (\$1.50) | (\$1.90) | | (\$4.31) |
| | Rollover Out | (\$3.54) | (\$17.60) | (\$6.23) | (\$0.07) | (\$27.44) | (\$3.36) | (\$14.87) | (\$6.68) | (\$0.01) | (\$24.92) | (\$3.69) | (\$14.95) | (\$5.71) | (\$0.00) | (\$24.35) |
| | Withdrawal | (\$26.39) | (\$197.97) | (\$43.26) | (\$0.42) | (\$268.04) | (\$42.61) | (\$266.57) | (\$69.26) | (\$0.33) | (\$378.77) | (\$23.64) | (\$170.42) | (\$37.02) | (\$0.04) | (\$231.12) |
| Gross Distributions | | (\$31.33) | (\$216.22) | (\$51.62) | (\$0.52) | (\$299.69) | (\$47.74) | (\$282.03) | (\$77.19) | (\$0.37) | (\$407.32) | (\$28.80) | (\$186.92) | (\$44.89) | (\$0.04) | (\$260.65) |
| Total Net Contributions (Millions) | | \$0.70 | \$348.59 | \$65.53 | \$18.86 | \$433.68 | (\$22.09) | \$100.01 | \$27.07 | \$15.89 | \$120.89 | \$4.31 | \$283.52 | \$56.79 | \$17.62 | \$362.24 |
| Rollovers In (Thousands) | Plan Transfer In | | \$2,410.04 | \$408.27 | \$552.96 | \$3,371.27 | | \$2,303.48 | \$118.14 | \$414.78 | \$2,836.40 | | \$2,133.55 | \$189.26 | \$2,749.19 | \$5,072.00 |
| | Rollover In | \$202.37 | \$47,329.64 | \$4,580.24 | \$692.66 | \$52,804.91 | \$343.19 | \$47,733.63 | \$3,849.75 | \$1,242.82 | \$53,169.39 | \$1,104.68 | \$48,244.61 | \$3,511.33 | \$2,313.00 | \$55,173.62 |
| | Gross Rollovers In | \$202.37 | \$49,739.69 | \$4,988.50 | \$1,245.62 | \$56,176.18 | \$343.19 | \$50,037.11 | \$3,967.89 | \$1,657.60 | \$56,005.79 | \$1,104.68 | \$50,378.15 | \$3,700.59 | \$5,062.20 | \$60,245.62 |
| Rollovers Out (Thousands) | Plan Transfer Out | (\$863.53) | (\$625.91) | (\$1,876.05) | | (\$3,365.49) | (\$1,216.31) | (\$564.98) | (\$1,199.03) | | (\$2,980.32) | (\$906.24) | (\$1,503.91) | (\$1,903.56) | | (\$4,313.71) |
| | Rollover Out | (\$3,538.79) | (\$17,603.72) | (\$6,227.60) | (\$72.55) | (\$27,442.67) | (\$3,360.84) | (\$14,866.20) | (\$6,681.09) | (\$11.65) | (\$24,919.77) | (\$3,690.93) | (\$14,947.54) | (\$5,706.07) | (\$0.64) | (\$24,345.18) |
| | Gross Rollovers Out | (\$4,402.32) | (\$18,229.64) | (\$8,103.65) | (\$72.55) | (\$30,808.15) | (\$4,577.15) | (\$15,431.18) | (\$7,880.12) | (\$11.65) | (\$27,900.10) | (\$4,597.16) | (\$16,451.46) | (\$7,609.62) | (\$0.64) | (\$28,658.89) |
| Net Rollovers (Thousands) | | (\$4,199.95) | \$31,510.05 | (\$3,115.14) | \$1,173.07 | \$25,368.03 | (\$4,233.96) | \$34,605.93 | (\$3,912.23) | \$1,645.95 | \$28,105.69 | (\$3,492.48) | \$33,926.69 | (\$3,909.03) | \$5,061.55 | \$31,586.73 |

Matching Grant and Service Levels

SSGA Upromise 529 Plan Matching Grant and Service Levels

Silver State Matching Grant (2010-2017)

As of December 31, 2017



| | # of Match Applicants | Y/Y Increase | Match Accts Funded | Y/Y Increase |
|------|-----------------------|--------------|--------------------|--------------|
| 2010 | 42 | | 34 | |
| 2011 | 89 | 112.00% | 80 | 135.00% |
| 2012 | 128 | 44.00% | 112 | 40.00% |
| 2013 | 271 | 112.00% | 236 | 111.00% |
| 2014 | 414 | 52.8% | 355 | 50.4% |
| 2015 | 425 | 1.02% | 383 | 1.08% |
| 2016 | 348 | (18.1%) | 301 | (21.4%) |
| 2017 | 353 | 1.4% | 347 | 15.3% |

| Funding FY | Enrollment Year | Total Match Funding | Y/Y Increase |
|------------|-----------------|---------------------|--------------|
| 2011 | 2010 | \$8,363.51 | |
| 2012 | 2011 | \$22,344.00 | 167.00% |
| 2013 | 2012 | \$30,889.47 | 38.25% |
| 2014 | 2013 | \$67,283.37 | 118.00% |
| 2015 | 2014 | \$98,024.06 | 45.6% |
| 2016 | 2015 | \$106,971.02 | 9.1% |
| 2017 | 2016 | \$84,026.54 | (21.4%) |
| 2018 | 2017 | \$96,443.78 | 14.8% |

| | Service Level Agreement | SSgA Upromise 529 Actual 10/31/17 | SSgA Upromise 529 Actual 11/30/17 | SSgA Upromise 529 Actual 12/31/17 |
|--|--------------------------------------|--|--|--|
| TRANSACTIONS | | | | |
| Financial sub deposits (same day) | 98.00% | 100% | 100% | 100% |
| Financial sub deposits (accuracy) | 98.00% | 100% | 100% | 100% |
| New account set up (same day) | 98.00% | 100% | 100% | 100% |
| New account set up (accuracy) | 97.00% | 96.30% | 91.67% | 89.66% |
| Withdrawal (same day) | 98.00% | 100% | 100% | 100% |
| Withdrawal (accuracy) | 98.00% | 100% | 100% | 98% |
| Non-financial maintenance (3 day) | 98.00% | 100% | 100% | 100% |
| Non-financial maintenance (accuracy) | 98.00% | 96.15% | 98% | 100% |
| Financial correspondence (2 day) | 98.00% | 100% | 100% | 100% |
| Non-financial correspondence (7 day) | 98.00% | 100% | 100% | 100% |
| As of trading (accuracy) | 98.00% | 100% | 100% | 100% |
| CORRESPONDENCE | | | | |
| Average answer time | 30 seconds or less | 0:13 | 0:09 | 0:09 |
| Average abandonment rate | 5% or less | 0.33% | 0.21% | 0.13% |
| Phone inquiries responded to | Within 30 seconds | 92.40% | 96.66% | 96.39% |
| Email processed | Within 2 business days | 432 | 145 | 202 |
| Meet licensing requirements | | Yes | Yes | Yes |
| INFORMATION DELIVERY | | | | |
| Marketing kits delivered | Within 3 business days | Yes | Yes | Yes |
| Annual statements, quarterly statements and confirms | Delivered within industry guidelines | | | |

Client Service Metrics – Missed SLA Explanation

New Account Set Up (Accuracy) – (SLA 97% / Actual SLA 96.30%)

- 27 out of 27 possible new account transactions reviewed with one (1) error identified
 - Bene middle initial and SAO was not added – U201515238

Client Service Metrics – Missed SLA Explanation

Non-Financial Maintenance (Accuracy) – (SLA 98% / Actual SLA 96.15%)

- 26 out of 26 possible maintenance transactions reviewed with one (1) error identified
 - Bene's address was not updated – U201515238

Client Service Metrics – Missed SLA Explanation

New Account Set Up (Accuracy) – (SLA 97% / Actual SLA 91.67%)

- 24 out of 24 possible new account transactions reviewed with two (2) errors identified
 - Bene address entered wrong and check not deposited – U208497734
 - Wrong AIP start date was entered – U285812259

Client Service Metrics – Missed SLA Explanation

New Account Set Up (Accuracy) – (SLA 97% / Actual SLA 89.66%)

- 29 out of 29 possible new account transactions reviewed with three (3) errors identified
 - Wrong address entered for new bene – U276254324
 - Wrong address entered for new bene – U276258320
 - Wrong address entered for new bene – U234128416

Field Rep Activity

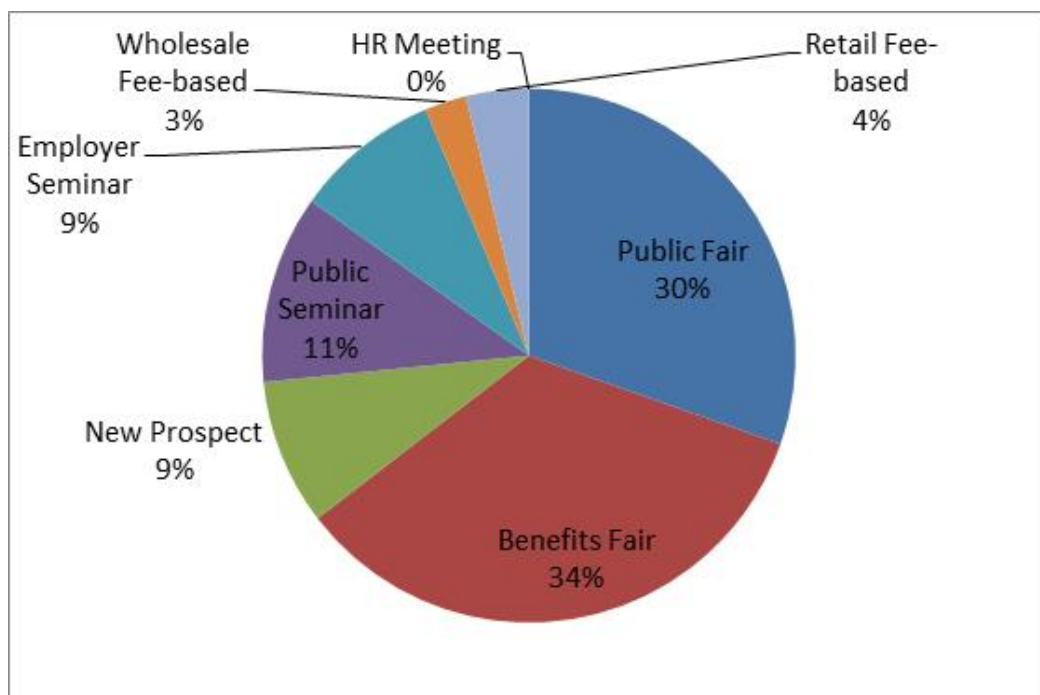
October – December 2017

FY' Q4 Employer Outreach Progress

- **Employer Leads**

- Sponsorship for the Northern NV Business Summit in October allowed us to showcase the college savings programs to area businesses. Good opportunity to talk with northern NV business community.
- Secured several new employers this quarter including City of Reno, Konami Gaming and Tahoe Transportation. Was able to conduct workshops and/or participate in their Benefit Fairs during the fall.
- Participated in State of Nevada's Financial Education Days in Reno, Carson City and Las Vegas. We also were able to present at each event to talk about the college savings programs.
- Participated in the Benefit Fairs at City of Las Vegas, City of Reno, and City of Carson City. Large employers with good opportunity to share college savings information especially with pre-paid open enrollment just beginning in November.
- Participated in several Benefit Fairs this quarter including: Carson Tahoe Hospital, Snap-On, Reno-Sparks Convention Visitors Authority, Binions casino, Carson Valley Medical Center, MV Transportation, North Sails, Tahoe Forest Hospital, Baldini's Casino, and McLelland Labs. Good opportunity to share college savings information with employees. .

Field Rep Activity – October 1st – December 31st 2017



Samples of what each category could represent:

- ***Retail Fee-Based:** NV Women's Expo; Baby Expo
- ***Wholesale Fee-Based:** SHRM; PTA
- ***New Prospect:** Zappo's
- ***HR Meeting:** City of Las Vegas
- ***Seminar:** State Agencies; City of Carson City
- ***Public Seminar:** PTA Parent Night (various)
- ***Benefit Fair:** State Agencies
- ***Public Fair:** Middle School College Fair

| Regional Breakdown | |
|------------------------|-------|
| Greater Reno Area | 41 |
| Outer Reno Area | 8 |
| Greater Las Vegas Area | 28 |
| Outer Las Vegas Area | 0 |
| Rural Nevada | 0 |
| Other | 2 |
| Total Sessions | 80 |
| Total Events | 79 |
| Total Attendees | 27399 |

Note: Sessions differ from events in that one event may have multiple sessions. For example, the field rep will visit one employer, but host 2 workshops or visit one employer and spend more than 8 hours there, which would be considered 2 sessions.

*A total of 79 events and HR meetings were hosted in the 4th Quarter 2017.
 Below is a highlight of the events for the Quarter.*

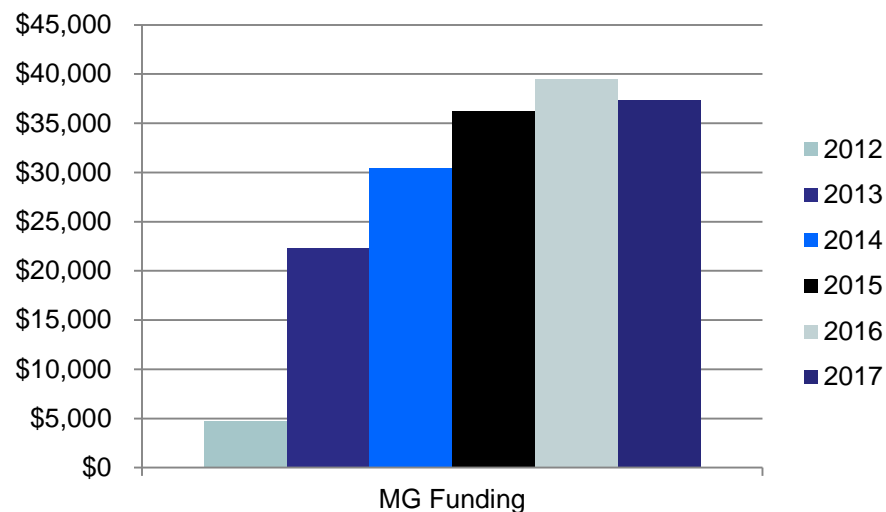
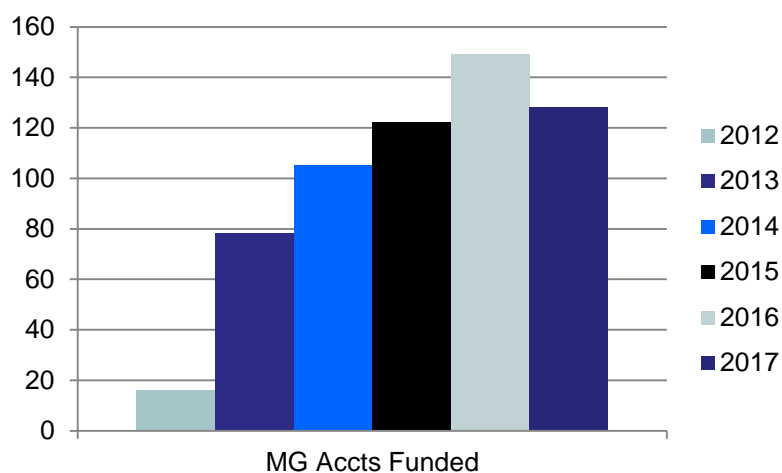
| Event | Month | Type of Event | Attendees |
|----------------------------------|--------------|----------------------|------------------|
| Reno Aces Trick or Suite | October | Community | 800 |
| Haunted Harvest – Las Vegas | October | Community | 6000 |
| Discovery Museum – Las Vegas | November | Community | 1000 |
| Family Access Day - Reno | November | Community | 400 |
| First Friday's Las Vegas | November | Community | 5000 |
| Stroll & Roll - Henderson | November | Community | 500 |
| Career Fair – Reno | November | Community | 800 |
| Henderson Winterfest - Henderson | December | Community | 3000 |

USAA 529 College Savings Plan®

Distinguished Valor Matching Grant

Distinguished Valor Matching Grant Update

As of December 31, 2017



| Year | Funded Match Accounts | Y/Y Increase | Total Match Funding | Y/Y Increase |
|------|-----------------------|--------------|---------------------|--------------|
| 2012 | 16 | | \$4,700.00 | |
| 2013 | 78 | 387.5% | \$22,280.00 | 374.00% |
| 2014 | 105 | 34.6% | \$30,450.00 | 36.7% |
| 2015 | 122 | 16.2% | \$36,230.00 | 19.0% |
| 2016 | 149 | 22.1% | \$39,450.00 | 8.9% |
| 2017 | 128 | -14.1% | \$37,310.00 | -5.4% |

Marketing Activity

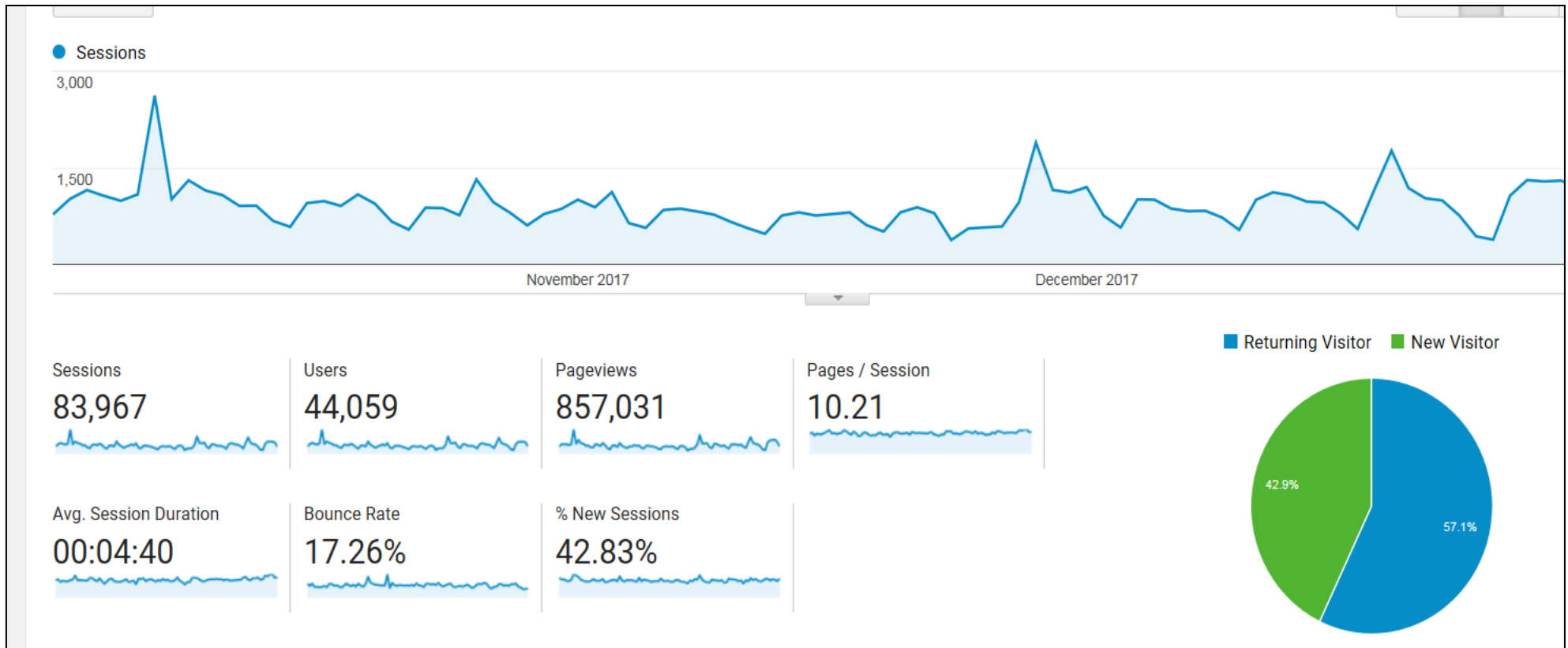
Table of Contents

- Section I: SSGA Upromise 529 Plan
- Section II: Vanguard 529[®] College Savings Plan
- Section III: USAA 529 College Savings Plan[®]
- Section IV: Wealthfront College Savings Plan

Section I

SSGA Upromise 529 Plan Marketing Activity

Web traffic: Volume (October-December)



Web traffic: Location (October-December)

| Region ? x | Acquisition | | | Behavior | | |
|---------------|--|--|--|--|--|--|
| | Sessions ? ↓ | % New Sessions ? | New Users ? | Bounce Rate ? | Pages / Session ? | Avg. Session Duration ? |
| | 83,967 % of Total: 100.00% (83,967) | 42.93% Avg for View: 42.83% (0.22%) | 36,047 % of Total: 100.22% (35,967) | 17.26% Avg for View: 17.26% (0.00%) | 10.21 Avg for View: 10.21 (0.00%) | 00:04:40 Avg for View: 00:04:40 (0.00%) |
| California | 9,465 (11.27%) | 42.21% | 3,995 (11.08%) | 16.61% | 10.18 | 00:04:38 |
| New Jersey | 6,456 (7.69%) | 38.85% | 2,508 (6.96%) | 13.15% | 10.47 | 00:04:26 |
| Texas | 6,442 (7.67%) | 39.58% | 2,550 (7.07%) | 13.78% | 10.48 | 00:04:43 |
| Nevada | 5,966 (7.11%) | 48.14% | 2,872 (7.97%) | 25.39% | 8.96 | 00:04:51 |
| Florida | 5,474 (6.52%) | 42.97% | 2,352 (6.52%) | 16.42% | 10.58 | 00:04:54 |
| Massachusetts | 4,792 (5.71%) | 39.19% | 1,878 (5.21%) | 13.00% | 10.49 | 00:04:36 |
| Pennsylvania | 4,566 (5.44%) | 36.71% | 1,676 (4.65%) | 12.46% | 10.38 | 00:04:30 |
| Illinois | 4,182 (4.98%) | 39.69% | 1,660 (4.61%) | 16.69% | 10.28 | 00:04:24 |
| New York | 3,483 (4.15%) | 45.39% | 1,581 (4.39%) | 24.00% | 8.70 | 00:03:56 |
| Virginia | 3,411 (4.06%) | 52.01% | 1,774 (4.92%) | 29.61% | 9.19 | 00:04:08 |

Top Traffic by Channel (October-December)

| Default Channel Grouping | Acquisition | | | Behavior | | |
|--------------------------|---|---|---|---|---|---|
| | Sessions ? ↓ | % New Sessions ? | New Users ? | Bounce Rate ? | Pages / Session ? | Avg. Session Duration ? |
| | 83,967 % of Total: 100.00% (83,967) | 42.93% Avg for View: 42.83% (0.22%) | 36,047 % of Total: 100.22% (35,967) | 17.26% Avg for View: 17.26% (0.00%) | 10.21 Avg for View: 10.21 (0.00%) | 00:04:40 Avg for View: 00:04:40 (0.00%) |
| 1. Direct | 47,517 (56.59%) | 40.06% | 19,034 (52.80%) | 16.31% | 9.94 | 00:04:20 |
| 2. Organic Search | 20,936 (24.93%) | 40.68% | 8,517 (23.63%) | 10.45% | 11.99 | 00:05:24 |
| 3. Referral | 7,301 (8.70%) | 52.87% | 3,860 (10.71%) | 21.91% | 9.56 | 00:05:25 |
| 4. (Other) | 5,090 (6.06%) | 48.00% | 2,443 (6.78%) | 29.43% | 9.79 | 00:04:54 |
| 5. Paid Search | 3,090 (3.68%) | 70.13% | 2,167 (6.01%) | 46.57% | 4.45 | 00:02:36 |
| 6. Email | 19 (0.02%) | 68.42% | 13 (0.04%) | 57.89% | 5.47 | 00:02:46 |
| 7. Social | 14 (0.02%) | 92.86% | 13 (0.04%) | 85.71% | 1.29 | 00:00:45 |

Top 10 Traffic Sources (October-December)

| Source / Medium ? | Sessions ? ↓ | % New Sessions ? | New Users ? | Bounce Rate ? | Pages / Session ? | Avg. Session Duration ? |
|--|---|---|---|---|---|---|
| | 83,967 % of Total: 100.00% (83,967) | 42.93% Avg for View: 42.83% (0.22%) | 36,047 % of Total: 100.22% (35,967) | 17.26% Avg for View: 17.26% (0.00%) | 10.21 Avg for View: 10.21 (0.00%) | 00:04:40 Avg for View: 00:04:40 (0.00%) |
| 1. (direct) / (none) | 47,517 (56.59%) | 40.06% | 19,034 (52.80%) | 16.31% | 9.94 | 00:04:20 |
| 2. google / organic | 17,616 (20.98%) | 41.49% | 7,309 (20.28%) | 10.55% | 11.96 | 00:05:22 |
| 3. google / cpc | 3,090 (3.68%) | 70.13% | 2,167 (6.01%) | 46.57% | 4.45 | 00:02:36 |
| 4. lty.s.upromise.com / referral | 2,243 (2.67%) | 57.11% | 1,281 (3.55%) | 18.81% | 10.05 | 00:05:53 |
| 5. bing / organic | 2,147 (2.56%) | 39.12% | 840 (2.33%) | 10.67% | 12.31 | 00:05:28 |
| 6. NV Account Owner Email 2017 / Email | 1,393 (1.66%) | 57.93% | 807 (2.24%) | 24.12% | 12.24 | 00:05:53 |
| 7. yahoo / organic | 989 (1.18%) | 30.33% | 300 (0.83%) | 8.29% | 12.09 | 00:05:48 |
| 8. AO Email 2017 / AO Email | 807 (0.96%) | 47.71% | 385 (1.07%) | 47.09% | 4.69 | 00:02:15 |
| 9. NV AO College Savings Month Email / Email | 728 (0.87%) | 24.73% | 180 (0.50%) | 18.54% | 12.14 | 00:05:55 |
| 10. salliemae.com / referral | 728 (0.87%) | 57.14% | 416 (1.15%) | 19.37% | 12.22 | 00:06:51 |

Campaigns (October-December)

| Campaign ? | Acquisition | | | Behavior | | |
|---------------------------------|--|---|--|---|--|---|
| | Sessions ? ↓ | % New Sessions ? | New Users ? | Bounce Rate ? | Pages / Session ? | Avg. Session Duration ? |
| | 5,121 % of Total: 6.10% (83,967) | 48.06% Avg for View: 42.83% (12.19%) | 2,461 % of Total: 6.84% (35,967) | 29.51% Avg for View: 17.26% (70.91%) | 9.78 Avg for View: 10.21 (-4.19%) | 00:04:54 Avg for View: 00:04:40 (4.95%) |
| 1. PDD No Code Enabled | 1,269 (24.78%) | 58.00% | 736 (29.91%) | 24.59% | 12.08 | 00:05:50 |
| 2. College Savings Month 2017 | 728 (14.22%) | 24.73% | 180 (7.31%) | 18.54% | 12.14 | 00:05:55 |
| 3. No Tax Benefit | 715 (13.96%) | 57.62% | 412 (16.74%) | 31.19% | 10.52 | 00:05:14 |
| 4. Ugift No Code | 440 (8.59%) | 56.59% | 249 (10.12%) | 49.32% | 4.59 | 00:02:14 |
| 5. Ugift No Code Enabled | 430 (8.40%) | 48.37% | 208 (8.45%) | 21.86% | 11.98 | 00:05:14 |
| 6. Ugift Code Enable | 367 (7.17%) | 37.06% | 136 (5.53%) | 44.41% | 4.81 | 00:02:16 |
| 7. enroll | 274 (5.35%) | 62.04% | 170 (6.91%) | 49.64% | 5.20 | 00:03:56 |
| 8. Back to School Increase 2017 | 245 (4.78%) | 7.76% | 19 (0.77%) | 13.88% | 8.70 | 00:03:37 |
| 9. learnmore | 207 (4.04%) | 69.57% | 144 (5.85%) | 28.02% | 4.97 | 00:04:50 |
| 10. Ugift Code Enabled | 126 (2.46%) | 42.86% | 54 (2.19%) | 16.67% | 14.75 | 00:07:41 |

Onboarding Emails – Nevada Only

| Version | Delivered Count | Unique Opens | Open Rate | Clickthrough Rate | Click to Open Rate |
|------------|-----------------|--------------|-----------|-------------------|--------------------|
| Summary | 113 | 58 | 35.47% | 7.59% | 14.39% |
| AIP | 26 | 10 | 38.18% | 7.88% | 20.83% |
| Upromise | 98 | 49 | 31.79% | 6.49% | 15.60% |
| Ugift | 547 | 144 | 24.69% | 1.78% | 6.76% |
| E-delivery | 10 | 4 | 43.75% | 0.00% | 0.00% |



Onboarding Emails – Total

| Version | Delivered Count | Unique Opens | Open Rate | Clickthrough Rate | Click to Open Rate |
|------------|-----------------|--------------|-----------|-------------------|--------------------|
| Summary | 898 | 420 | 47.86% | 5.74% | 9.38% |
| AIP | 496 | 200 | 39.45% | 3.90% | 5.59% |
| Upromise | 1,027 | 424 | 41.43% | 4.52% | 10.34% |
| Ugift | 49,947 | 10,248 | 20.51% | 0.82% | 3.98% |
| E-delivery | 210 | 52 | 26.87% | 1.40% | 2.21% |



Prospect Enrollment – Total

| Campaign | Enrollment |
|--|------------|
| NVFIELDREPDATENTRY | 8 |
| 09-01-17 (2017 College Savings Month September Giveaway) | 11 |
| SSGA09012016 (2016 College Savings Month September Giveaway) | 3 |
| 04-24-17 SSGA (2017 529 Day Giveaway) | 6 |
| UCF052015 | 2 |
| Non SSGA Upromise prospect entry | 7 |

1 new account owner sourced in the September contest opened 5 accounts!

Field rep entries included:

- Bike Rodeo, Carson Valley Med, City CC, City of Reno, and UNR

Seasonal Emails – Account Owners

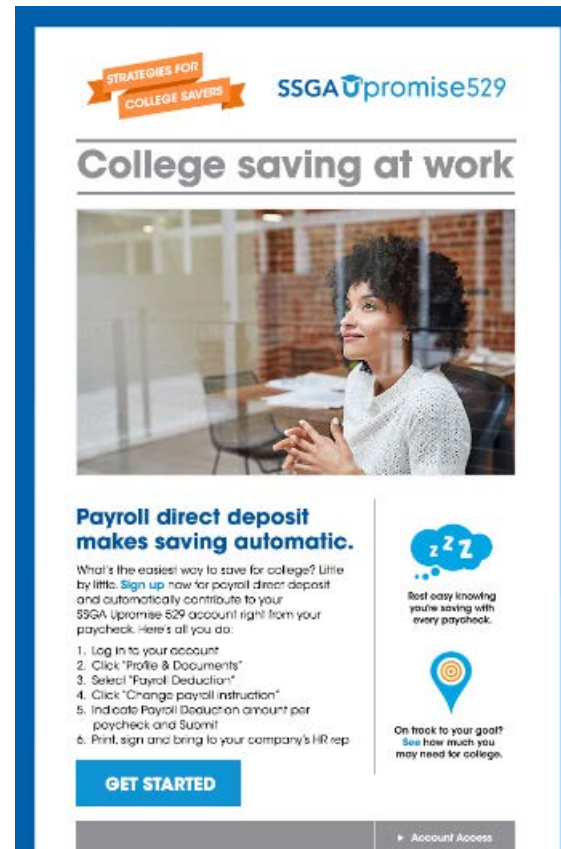
Marketing-driven email campaigns (2 versions) to account owners on utilizing the payroll direct deposit feature – for those who have enrolled and those who have not.

11/28 PDD Email – Not Enrolled

- **Delivered:** 75,959
- **Open rate:** 29.43%
- **Click through rate:** 1.20%
- **Click to open rate:** 4.09%

11/28 PDD Email - Enrolled

- **Delivered:** 6,464
- **Open rate:** 29.43%
- **Click through rate:** 1.25%
- **Click to open rate:** 6.85%



Not Enrolled Version



Enrolled Version

Seasonal Emails – Account Owners

Marketing-driven email campaign to account owners on inviting family and friends through Ugift.

- **12/19 Year End Email**
 - **Delivered:** 74,939
 - **Open rate:** 19.89%
 - **Click through rate:** 0.82%
 - **Click to open rate:** 4.14%



SSGA Upromise 529 Plan

RIA Marketing & Distribution Initiatives

SSGA Upromise 529 Plan — RIA Marketing & Distribution Initiatives — Q4 2017 RIA Marketing Highlights

Direct marketing efforts in Q4 2017 generated 274 leads and a 2.07 percent engagement rate which is on par with our 529 email average of 2.09 percent

Advertising efforts in Q4 2017 around *The College Savings Conversation Guide* generated an average click-through rate of 1.8 percent well above the financial service benchmark of 0.11 percent. We also extended our media buy this quarter which generated 1,064,006 more impressions than Q4 of 2016

Traffic to the ssga.upromise529.com/advisor website continues to increase and efforts to align paid search, advertising and direct marketing efforts are in development

Nevada advisors highlights:

- Seven Nevada advisors have a total of nine accounts with \$403,402 in assets, a 7 percent increase from Q4 2016
- The average Nevada advisors plan account size is \$39,021, a 8 percent increase from Q4 2016

Overall plan advisor highlights:

- Lexington Management has 44 accounts with total contributions of \$3,109,678, a 4 percent increase from Q4 2016
- The average RIA Account size is \$51,189, a 10 percent increase from Q4 2016

Source: SSGA, EMI, Ascensus College Savings. As of December 2017.



Appendix A: Important Disclosures

Important Disclosures

The SSGA Upromise 529 Plan (the “Plan”) is administered by the Board of Trustees of the College Savings Plans of Nevada (the “Board”), chaired by Nevada State Treasurer. Ascensus Broker Dealer Services, Inc. (ABD) serves as the Program Manager. ABD has overall responsibility for the day-to-day operations, including distribution of the Plan and provision of certain marketing services. State Street Global Advisors (SSGA) serves as Investment Manager for the Plan except for the Savings Portfolio, which is managed by Sallie Mae Bank, and also provides or arranges for certain marketing services for the Plan. The Plan’s Portfolios invest in either (i) Exchange Traded Funds and mutual funds offered or managed by SSGA or its affiliates; or (ii) a Federal Deposit Insurance Corporation (FDIC) — insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in the Plan are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

For more information about the SSGA Upromise 529 Plan (“the Plan”) download the Plan Description and Participation Agreement or request one by calling 1-800-587-7305. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Description; read and consider it carefully before investing.

Ascensus Broker Dealer Services, Inc. “ABD” is distributor of the Plan.

Before investing in the Plan, you should consider whether your or the beneficiary’s home state offers a 529 plan that provides its taxpayers with favorable state tax and other benefits that are only available through investment in the home state’s 529 plan. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Index performance does not reflect charges and expenses associated with the fund or brokerage commissions associated with buying and selling a fund. Index performance is not meant to represent that of any particular fund.

In general, ETFs can be expected to move up or down in value with the value of the applicable index. Although ETF shares may be bought and sold on the exchange through any brokerage account, ETF shares are not individually redeemable from the Fund. Investors may acquire ETFs and tender them for redemption through the Fund in Creation Unit Aggregations only.

Please see the prospectus for more details.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

Investments in mid/small companies may involve greater risks than those in larger, better known companies.

REIT funds may be subject to a high degree of market risk due to lack of industry diversification. REIT funds may be subject to other risks including, but not limited to, changes in real estate values or economic conditions, credit risk and interest rate fluctuations and changes in the value of the underlying property owned by the trust and defaults by borrowers.

International Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns.

90-day US Treasury bills are insured and guaranteed by the US government. US Treasury Bills maintain a stable value if held to maturity, but returns are generally only slightly above the inflation rate.

Increase in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable.

Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

Important Disclosures

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

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Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

In addition to normal risks associated with equity investing, international investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, and from adverse political, social and economic instability in other nations.

Passively managed funds invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

Foreign investments involve greater risks than US investments, including political and economic risks and the risk of currency fluctuations, all of which may be magnified in emerging markets.

Non-diversified funds that focus on a relatively small number of securities tend to be more volatile than diversified funds and the market as a whole.

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Investing in high yield fixed income securities, otherwise known as

“junk bonds” is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These lower-quality debt securities involve greater risk of default or price change due to potential changes in the credit quality of the issuer.

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Tracking Code: 2023883.1.1.NA.INST

Expiration Date: May 31, 2018

Section II

Vanguard 529® College Savings Plan Marketing Activity



Vanguard 529 College Savings Plan

Marketing & Communications – Q4 NV & National Prospecting Campaign

Goal:

- Raise awareness of Vanguard 529 Plan and increase plan adoption among existing Vanguard retail client base

Target Audience and Volumes:

- 389,339 Vanguard clients (including 3,170 NV residents)

Channels: email & offers on the web

Test strategy:

- Test challenger email/web offer focused on the behavioral finance principle of loss aversion. The loss aversion approach will appeal to the fact that people hate losing out on something—in this case that something will be the extra \$16,850 parents get when saving for higher education in the Vanguard 529 account vs a bank.

Key Dates:

- Email deployment: 11/2/17
- Web offer elevation: 11/2/17 – 2/22/18

Campaign Results – Week 12:

Peer Effect (Control) Email Open Rate: 24.70%

Peer Effect (Control) Email Click Rate: 1.95%

Peer Effect (Control) Web Offer Click Rate: .80%

Loss Aversion Email Open Rate: 32.97%

Loss Aversion Email Click Rate: 1.44%

Loss Aversion Web Offer Click Rate: .85%

Complete behavior results available 90 days after offer completion

Control Offer (peer effect):

Get smart about saving for college!
Open a Vanguard 529 Plan account today.

Open an account

Get smart about saving for college

U.S. families have opened over 12 million 529 college saving accounts*—giving their children and grandchildren the chance at a brighter future.

Investing in a 529 plan account is the smart way to save for college because:

- There are tax benefits.**
- Money has a chance to grow tax-deferred.
- There's minimal impact on financial aid eligibility.

Don't miss out!

Open a Vanguard 529 today.

*Source: The College Savings Plans Network's 529 Report, March 2017

**The availability of tax or

benefit. What do other families know that yours doesn't?

***The right time to invest in a child's future is now!

Challenger Offer (loss aversion):

Stop missing out on a better way to save for college!
Open a Vanguard 529 Plan account today.

Open an account

Stop missing out!

Bank accounts are so old-school when saving for your child's higher education! Millions of savvy parents have opened 529 college savings accounts.

Do the math... \$16,850

If you put \$25 a week in a Vanguard 529 account versus your bank account, after 18 years you could have an additional \$16,850.* No additional cash from you, just more money for college.

Open a Vanguard 529 today!

*This hypothetical example does not represent the 9% rate of return on an investment of \$25 per week versus the same investment regimen in a traditional

Subject Line: Are you missing out on over \$16,000?

Pre-header: Chances are you don't even know it!



Vanguard 529 College Savings Plan

Marketing & Communications – 529 Connection

529 Insights newsletter with relevant and timely college savings information to existing VG529 account owners owners

| Results | Email sent | Month released | E-mail open rate | E-mail click through rate |
|--------------|------------|----------------|------------------|---------------------------|
| Spring Issue | 44,853 | April | 37.44% | 2.74% |
| Summer Issue | 45,391 | July | 36.47% | 3.85% |
| Fall Issue | 46,186 | October | 33.48% | 5.64% |
| Winter Issue | 47,479 | December | 35..06% | 2.19% |

Notes: Vanguard's e-mail open rate average is 24%
Vanguard's e-mail open click rate average is 8.5. %



529 Connection

The Vanguard 529 Plan



Gifts to a 529 won't lose their shine

A contribution to a 529 plan is better than the latest toy, which loses value the moment it's opened. Here's how to get others on board.

[Read the article](#)

[6 ways to minimize student debt](#)

Saving for college? Combine your savings with cost-cutting strategies to make the most of your money.

[Put your college savings on autopilot](#)

An automatic investment plan may be the right choice to fund your college savings plan.

CONNECT WITH US®



Legal notices and email administration

Investment returns are not guaranteed, and you could lose money by investing in the plan.

This material may be used in conjunction with the offering of shares of The Vanguard 529 College Savings Plan portfolios only if preceded or accompanied by the current Program Description.

Because you're a valued Vanguard 529 client, we thought you'd be interested in this information. If you prefer not to receive emails of this type, simply call us at 866-734-4524 or [email](#) us. Please do not reply to this message to opt out.

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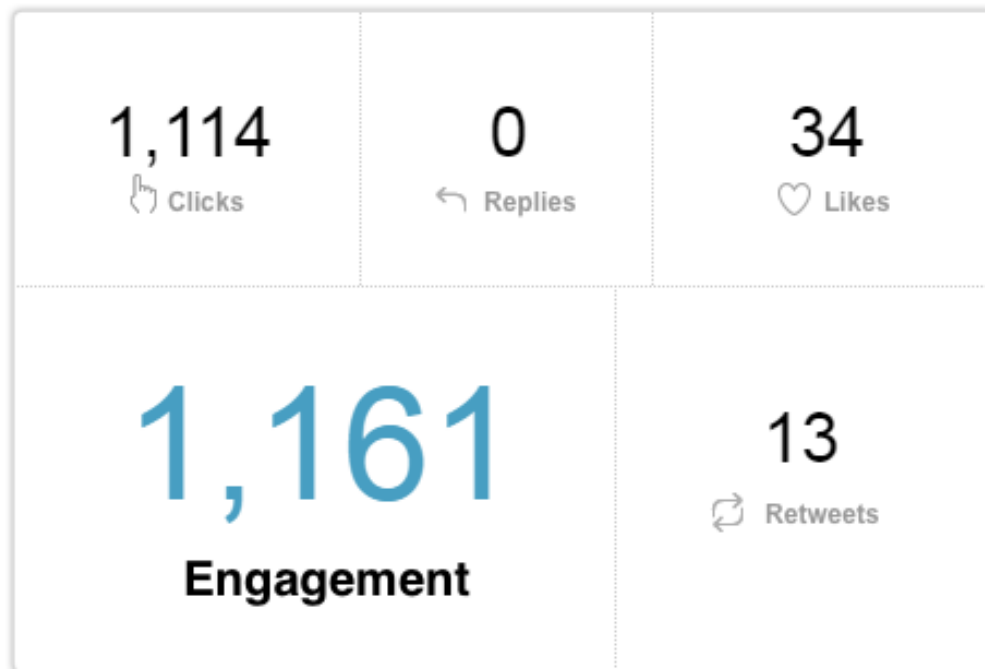
[Privacy policy](#) | [Contact us](#) | [Online security](#) | [Home](#)



Vanguard 529 College Savings Plan

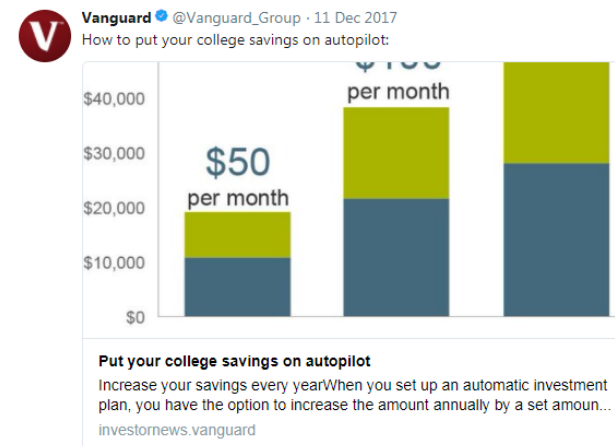
Marketing & Communications – Social Media

Q4: We focused on how to save, how to withdraw, and #CollegeSavingsMonth.



4 tweets with college savings tips.

Below: The most popular tweet from Vanguard. 441 clicks.



Section III

USAA 529 College Savings Plan® Marketing Activity

USAA 529 College Savings Plan Marketing Initiatives

Q4 Gifting Theme Emails

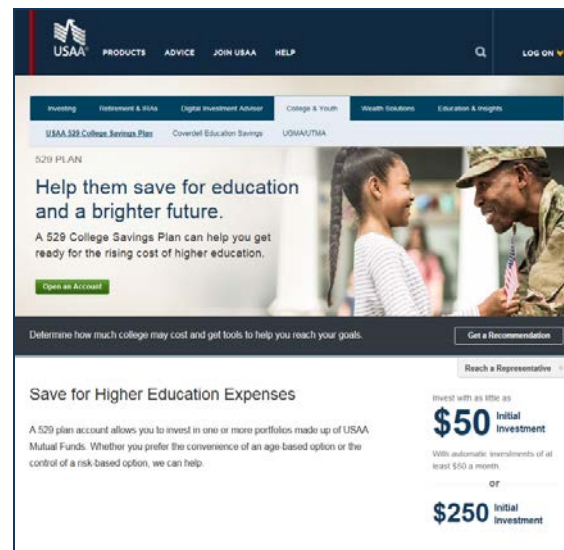
- Encourage existing USAA 529 members to review account
 - Dropped October & November
 - Total volume 5,042
- Members with children but no active USAA 529
 - Dropped October & November
 - Total volume 94,384
- Non Active Nevada resident's of their potential eligibility for the USAA Distinguished Valor Matching Grant
 - Dropped October, November & December
 - Total volume 861



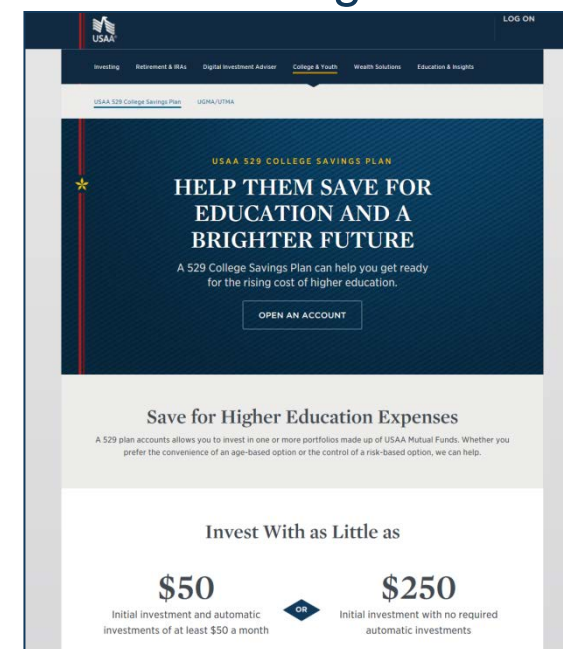
USAA 529 College Savings Plan Storefront Updates

- Released redesigned page in Q3 (September)
 - Updated content, clearer CTA to Open an Account
 - New FAQ section
 - Integration into digital assistant
 - Consistent experience across all platforms (mobile & dotcom)
- A/B Testing on the redesigned 529 Storefront, results demonstrate:
 - 25.6% increase from Q3 in average app start
 - 23.5% increase in acquired product

Previous



Redesign



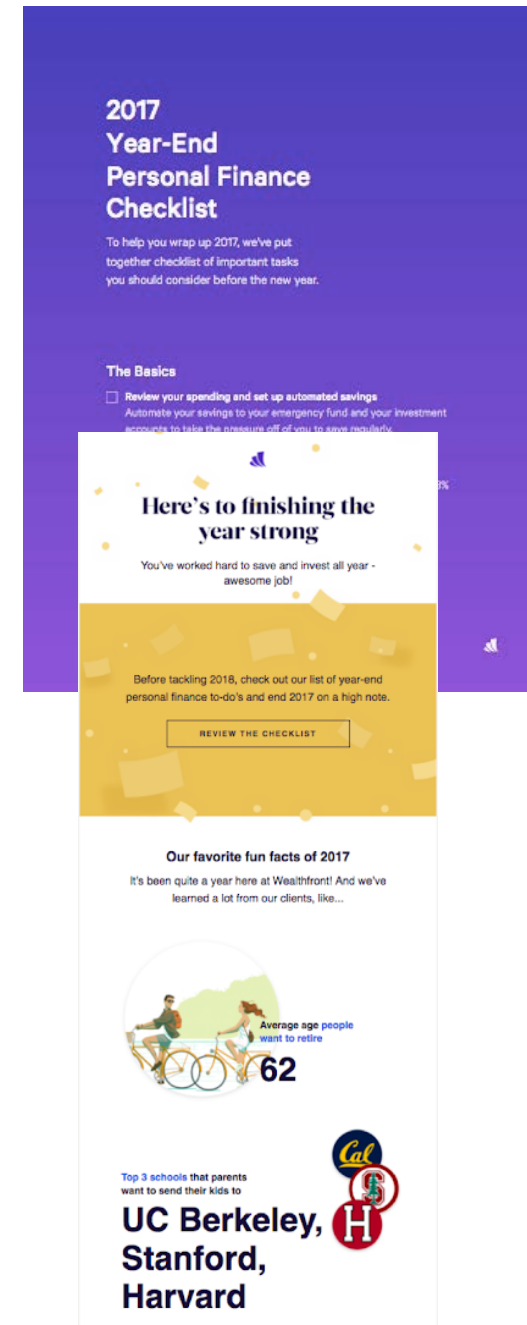
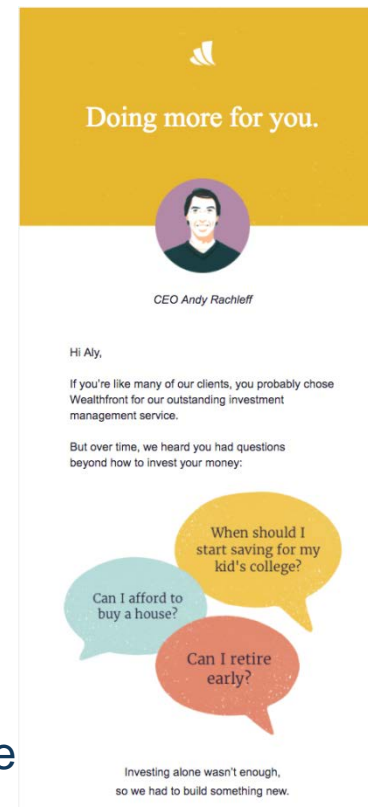
Section IV

Wealthfront College Savings Plan® Marketing Activity

Wealthfront College Savings Plan Marketing Initiatives

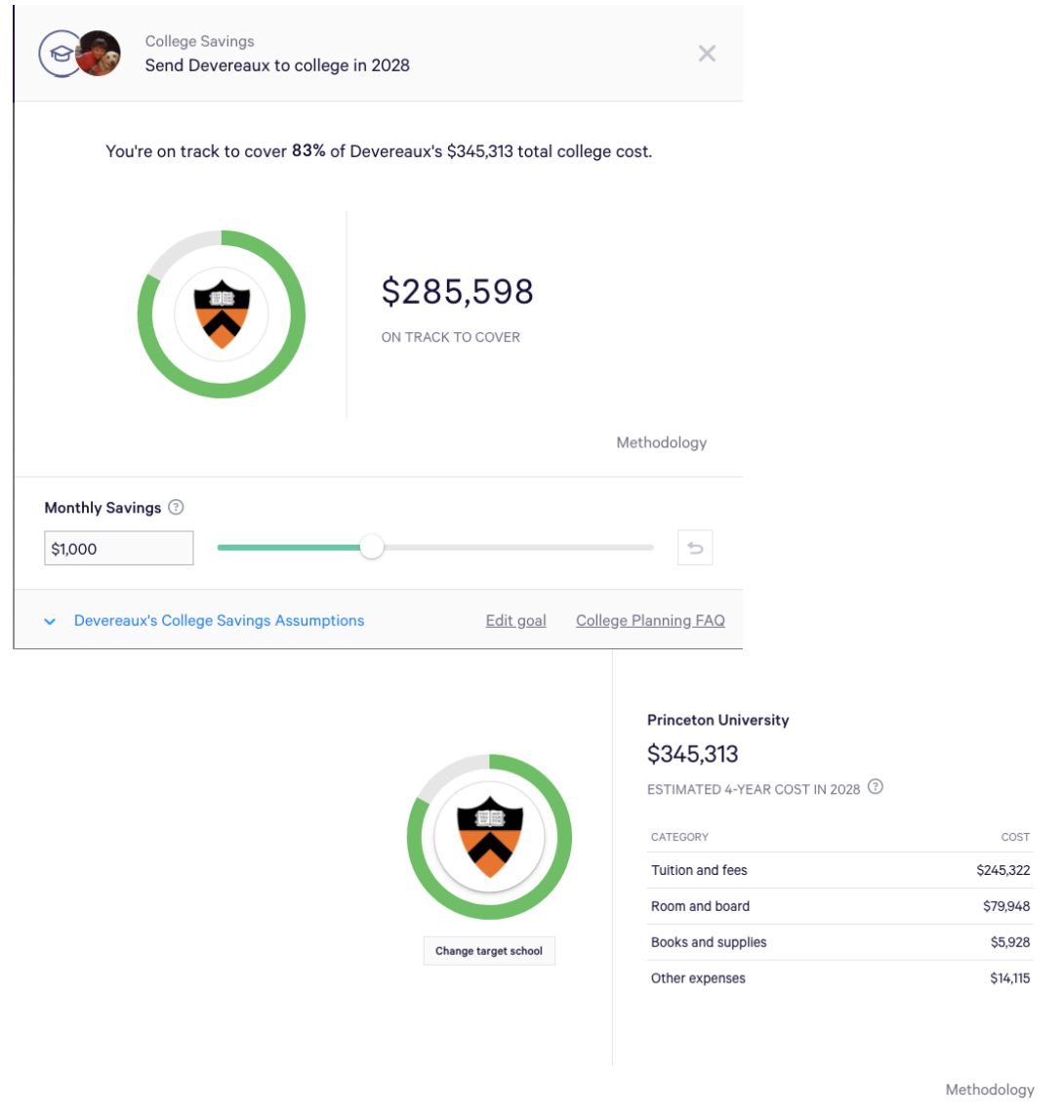
Q4 End of Year Emails

- Letter from CEO about new financial model and interaction of goals (71% open rate)
- Personal finance checklist email with custom version for 529 clients to encourage 2017 account contributions (48% open rate)
- “Fun facts” about college savings goals to drive engagement with college savings app
- Email to 529 clients about updated Plan Description, reminders to update account information and important disclosures



Wealthfront College Savings Plan College Savings App Updates

- Updated underlying financial model for goals trade-offs (December 2017)
- App now also available for Wealthfront clients who link external 529 accounts (provides insights into potential rollover clients)
- Next release will make app available for clients without a 529 account to encourage sign-ups for clients interested in college planning



College Savings Plans of Nevada Performance Reports

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- Section I: SSGA Upromise 529 Plan
- Section II: Vanguard 529[®] College Savings Plan
- Section III: USAA College Savings Plan[®]
- Section IV: Wealthfront College Savings Program

Section I

SSGA Upromise 529 Plan Performance Reports

SSGA Upromise 529 Account Performance Commentary 4Q2017

Asset allocation added value or was flat in Q4 for all ten 529 plan funds:

- Seven of ten funds exceeded benchmark performance for the quarter with no fund underperforming the benchmark by more than 0.09%
- Active performance was most favorable for funds with the most diversified fund mixes
- Asset allocation added 0.55% of value or better against benchmarks for six of ten funds with the most diversified opportunity sets
- Overweight positions to global equities benefitted most funds as global equity markets finished 2017 with strong gains
- Most funds also benefitted from an underweight to US fixed income on the view short term interest rates were likely to continue to rise through the duration of 2017

Source: SSGA

Past performance is not a guarantee of future results.

As of December 31, 2017

Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross of fees basis and do not reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars.

Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

SSGA Upromise529

POWERED BY SPDR® ETFs

SSGA Upromise 529 Account Portfolio Performance (as of December 31, 2017)

| Name | APY as of 01/16/2017 | Average annual total returns as of 12/31/2016 | | | | | Inception date |
|---|----------------------------|--|--------|--------|---------|-------------------|----------------|
| | | 1 year | 3 year | 5 year | 10 year | Since inception** | |
| SSGA College 2033 Portfolio | — | 8.90% | — | — | — | 7.89% | 09/24/2015 |
| SSGA College 2030 Portfolio | — | 6.64% | 4.11% | — | — | 7.64% | 04/16/2012 |
| SSGA College 2027 Portfolio | — | 5.80% | 4.06% | — | — | 7.20% | 04/16/2012 |
| SSGA College 2024 Portfolio | — | 4.59% | 3.74% | — | — | 6.11% | 04/16/2012 |
| SSGA College 2021 Portfolio | — | 3.23% | 3.07% | — | — | 4.77% | 04/16/2012 |
| SSGA College 2018 Portfolio | — | 1.95% | 1.95% | — | — | 3.05% | 04/16/2012 |
| SSGA College Today Portfolio | — | 0.99% | 0.23% | — | — | 0.42% | 04/16/2012 |
| SSGA Aggressive Portfolio | — | 8.97% | 4.72% | — | — | 8.92% | 04/16/2012 |
| SSGA Moderate Portfolio | — | 5.03% | 3.74% | — | — | 5.65% | 04/16/2012 |
| SSGA Conservative Portfolio | — | 1.08% | 0.59% | — | — | 0.63% | 04/16/2012 |
| SPDR S&P 500® ETF Trust Portfolio | — | 11.52% | 8.28% | — | — | 12.53% | 04/16/2012 |
| SPDR S&P MidCap 400® ETF Trust Portfolio | — | 19.67% | 8.23% | — | — | 12.66% | 04/16/2012 |
| SPDR S&P 600® Small Cap ETF Portfolio | — | 25.51% | 8.94% | — | — | 14.60% | 04/16/2012 |
| SPDR S&P® World ex-US ETF Portfolio | — | 2.72% | -1.68% | — | — | 4.10% | 04/16/2012 |
| SPDR S&P International Small Cap ETF Portfolio | — | 6.69% | 1.30% | — | — | 5.60% | 04/16/2012 |
| SPDR S&P Emerging Markets ETF Portfolio | — | 10.62% | -2.07% | — | — | -0.91% | 04/16/2012 |
| SPDR S&P Emerging Markets Small Cap ETF Portfolio | — | 7.57% | -2.61% | — | — | -0.11% | 04/16/2012 |
| SPDR Dow Jones REIT ETF Portfolio | — | 6.16% | 12.88% | — | — | 9.24% | 04/16/2012 |
| SPDR Dow Jones International Real Estate ETF Portfolio | — | -0.16% | 0.14% | — | — | 4.41% | 04/16/2012 |
| SPDR Barclays Aggregate Bond ETF Portfolio | — | 2.08% | 2.57% | — | — | 1.63% | 04/16/2012 |
| Savings Portfolio | 0.61% ¹ | 0.58% | 0.62% | 0.61% | — | 0.65% | 10/18/2010 |
| SPDR Barclays TIPS ETF Portfolio | — | 4.30% | 1.92% | — | — | -0.13% | 04/17/2012 |
| SPDR DB International Government Inflation-Protected Bond ETF Portfolio | — | 3.79% | -2.58% | — | — | -1.53% | 04/16/2012 |
| SPDR Barclays High Yield Bond ETF Portfolio | — | 13.60% | 2.09% | — | — | 4.15% | 04/16/2012 |
| SPDR Barclays Short Term Corporate Bond ETF Portfolio | — | 1.65% | 0.91% | — | — | 1.02% | 04/16/2012 |
| SPDR Barclays 1-3 Month T-Bill ETF Portfolio | — | -0.20% | -0.37% | — | — | -0.43% | 04/16/2012 |

The performance data shown represents past performance. Past performance - especially short-term past performance - is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' units, when sold, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data cited. For performance data current to the most recent month-end, click [here](#).

Source: <https://www.ssga.upromise529.com/rdr/cp/annual/quarter/EndPerformanceAll.cs>

As of December 31, 2017. The performance data shown represents past performance. **Past performance is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' units, when sold, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data cited. For SSGA Upromise 529 Portfolio performance data current to the most recent month-end visit our website at www.ssga.upromise529.com**

Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross of fees basis and do not reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars..

SSGA Upromise529

POWERED BY SPDR® ETFs

SSGA Upromise 529 Account Performance: College-Date & Risk-Based Options (as of December 31, 2017)

SSGA Upromise 529 Plan

| | One Month (%) | Three Months (%) | Year to Date (%) | Last 12 Months (%) | Three Years (%) | Five Years (%) | Inception (%) |
|---------------------------|---------------|------------------|------------------|--------------------|-----------------|----------------|-----------------|
| SSGA College Today | | | | | | | Apr/2012 |
| Gross Returns | 0.11 | 0.12 | 1.16 | 1.16 | 0.82 | 0.72 | 0.82 |
| Custom Blended Index | 0.11 | 0.15 | 1.25 | 1.25 | 0.94 | 0.81 | 0.88 |
| Difference | 0.00 | -0.04 | -0.09 | -0.09 | -0.12 | -0.09 | -0.06 |
| SSGA College 2018 | | | | | | | Apr/2012 |
| Gross Returns | 0.21 | 0.23 | 2.20 | 2.20 | 1.47 | 2.79 | 3.18 |
| Custom Blended Index | 0.23 | 0.22 | 2.16 | 2.16 | 1.68 | 2.76 | 3.12 |
| Difference | -0.01 | 0.01 | 0.04 | 0.04 | -0.22 | 0.03 | 0.05 |
| SSGA College 2021 | | | | | | | Apr/2012 |
| Gross Returns | 0.53 | 1.35 | 6.26 | 6.26 | 3.14 | 5.02 | 5.30 |
| Custom Blended Index | 0.43 | 0.85 | 4.88 | 4.88 | 3.23 | 4.88 | 5.14 |
| Difference | 0.10 | 0.51 | 1.37 | 1.37 | -0.09 | 0.14 | 0.16 |
| SSGA College 2024 | | | | | | | Apr/2012 |
| Gross Returns | 0.79 | 2.76 | 10.56 | 10.56 | 4.97 | 6.99 | 7.16 |
| Custom Blended Index | 0.71 | 2.27 | 9.19 | 9.19 | 5.09 | 6.90 | 7.04 |
| Difference | 0.08 | 0.48 | 1.37 | 1.37 | -0.12 | 0.08 | 0.12 |
| SSGA College 2027 | | | | | | | Apr/2012 |
| Gross Returns | 0.96 | 3.58 | 13.70 | 13.70 | 6.23 | 8.49 | 8.59 |
| Custom Blended Index | 0.89 | 3.12 | 12.32 | 12.32 | 6.41 | 8.50 | 8.55 |
| Difference | 0.07 | 0.46 | 1.38 | 1.38 | -0.18 | -0.01 | 0.05 |

The calculation method for value added returns may show rounding differences. Source: SSGA. Performance data source is SSGA for applicable separately managed account or underlying ETFs. The underlying ETF's performance reflects the expenses of managing the ETF, including brokerage and advisory expenses. **The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For SSGA Upromise 529 Portfolio performance data current to the most recent month-end visit our website at www.ssga.upromise529.com.** Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross of fees basis and do not reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars. Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

SSGA Upromise 529 Account Performance: College-Date & Risk-Based Options (as of December 31, 2017) (continued)

SSGA Upromise 529 Plan

| | One Month (%) | Three Months (%) | Year to Date (%) | Last 12 Months (%) | Three Years (%) | Five Years (%) | Inception (%) |
|--------------------------|------------------|---------------------|---------------------|-----------------------|--------------------|-------------------|------------------|
| SSGA 2030 | | | | | | | Apr/2012 |
| Gross Returns | 1.09 | 4.33 | 16.73 | 16.73 | 7.28 | 9.43 | 9.47 |
| Custom Blended Index | 1.05 | 3.93 | 15.41 | 15.41 | 7.60 | 9.58 | 9.53 |
| Difference | 0.04 | 0.40 | 1.31 | 1.31 | -0.32 | -0.15 | -0.06 |
| SSGA 2033 | | | | | | | Sep/2015 |
| Gross Returns | 1.17 | 4.88 | 18.56 | 18.56 | N/A | N/A | 13.57 |
| Custom Blended Index | 1.16 | 4.54 | 17.59 | 17.59 | N/A | N/A | 13.50 |
| Difference | 0.01 | 0.34 | 0.97 | 0.97 | N/A | N/A | 0.06 |
| SSGA 2036 | | | | | | | Oct/2017 |
| Gross Returns | 0.70 | N/A | N/A | N/A | N/A | N/A | 2.52 |
| Custom Blended Index | 1.20 | N/A | N/A | N/A | N/A | N/A | 3.10 |
| Difference | -0.50 | N/A | N/A | N/A | N/A | N/A | -0.58 |
| SSGA Aggressive | | | | | | | Apr/2012 |
| Gross Returns | 1.33 | 5.66 | 22.00 | 22.00 | 9.46 | 11.58 | 11.39 |
| Custom Blended Index | 1.41 | 5.81 | 22.48 | 22.48 | 10.14 | 12.19 | 11.90 |
| Difference | -0.08 | -0.15 | -0.48 | -0.48 | -0.68 | -0.61 | -0.51 |
| SSGA Moderate | | | | | | | Apr/2012 |
| Gross Returns | 0.98 | 3.58 | 13.35 | 13.35 | 5.93 | 7.17 | 7.24 |
| Custom Blended Index | 0.90 | 3.12 | 11.96 | 11.96 | 6.17 | 7.13 | 7.16 |
| Difference | 0.07 | 0.46 | 1.39 | 1.39 | -0.24 | 0.04 | 0.08 |
| SSGA Conservative | | | | | | | Apr/2012 |
| Gross Returns | 0.17 | 0.18 | 1.72 | 1.72 | 1.01 | 0.94 | 1.07 |
| Custom Blended Index | 0.18 | 0.19 | 1.74 | 1.74 | 1.24 | 1.11 | 1.23 |
| Difference | -0.01 | -0.01 | -0.02 | -0.02 | -0.23 | -0.17 | -0.16 |

The calculation method for value added returns may show rounding differences. Source: SSGA. Performance data source is SSGA for applicable separately managed account or underlying ETFs. The underlying ETF's performance reflects the expenses of managing the ETF, including brokerage and advisory expenses. **The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For SSGA Upromise 529 Portfolio performance data current to the most recent month-end visit our website at www.ssga.upromise529.com.** Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross of fees basis and do not reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars. Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

SSGA Upromise 529 Plan Underlying ETF and Mutual Fund Performance — Static (as of December 31, 2017)

| Name | Ticker | Gross Expense Ratio | Performance | 3 Month (%) | YTD (%) | Annualized 1YR (%) | Annualized 3YR (%) | Annualized 5 YR (%) | Annualized 10 YR (%) | Since Inception (%) | Inception Date | Perf as of |
|---|--------|---------------------|-------------------|-------------|---------|--------------------|--------------------|---------------------|----------------------|---------------------|----------------|------------|
| SPDR S&P MIDCAP 400 ETF | MDY | 0.24 | NAV | 6.16 | 15.86 | 15.86 | 10.81 | 14.65 | 9.63 | 11.96 | 05/04/1995 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 6.24 | 15.90 | 15.90 | 10.82 | 14.65 | 9.69 | 11.96 | 05/04/1995 | 12/31/2017 |
| S&P MidCap 400 Index | | | Primary Benchmark | 6.25 | 16.24 | 16.24 | 11.14 | 15.01 | 9.97 | 12.36 | 05/04/1995 | 12/31/2017 |
| SPDR S&P 600 Small Cap ETF | SLY | 0.15 | NAV | 3.92 | 13.14 | 13.14 | 11.90 | 15.83 | 10.64 | 10.53 | 11/08/2005 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 3.87 | 13.04 | 13.04 | 11.94 | 15.83 | 10.62 | 10.54 | 11/08/2005 | 12/31/2017 |
| S&P SmallCap 600 Index | | | Primary Benchmark | 3.96 | 13.23 | 13.23 | 12.00 | 15.99 | 10.43 | 9.87 | 11/08/2005 | 12/31/2017 |
| State Street Equity 500 Index Fund — Class K (SSSYX)* | SSSYX | 0.15 | NAV | 6.56 | 21.61 | 21.61 | 11.27 | 15.57 | 8.32 | 6.86 | 09/17/2014 | 12/31/2017 |
| S&P 500 | | | Primary Benchmark | 6.64 | 21.83 | 21.83 | 11.41 | 15.79 | 8.50 | 6.83 | 01/01/1986 | 12/31/2017 |
| SPDR Dow Jones REIT ETF | RWR | 0.25 | NAV | 1.93 | 3.53 | 3.53 | 4.67 | 8.79 | 6.90 | 10.39 | 04/23/2001 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 1.99 | 3.48 | 3.48 | 4.66 | 8.80 | 6.93 | 10.40 | 04/23/2001 | 12/31/2017 |
| Dow Jones US Select REIT Index | | | Primary Benchmark | 1.98 | 3.76 | 3.76 | 4.97 | 9.09 | 7.07 | 10.64 | 04/23/2001 | 12/31/2017 |
| SPDR Dow Jones International Real Estate ETF | RWX | 0.59 | NAV | 6.42 | 15.30 | 15.30 | 3.75 | 4.40 | 1.74 | 1.28 | 12/15/2006 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 6.10 | 15.73 | 15.73 | 3.92 | 4.06 | 1.69 | 1.26 | 12/15/2006 | 12/31/2017 |
| Dow Jones Global ex-US Select Real Estate Securities Index | | | Primary Benchmark | 6.61 | 15.56 | 15.56 | 4.12 | 4.73 | 2.07 | 1.67 | 12/31/2001 | 12/31/2017 |
| State Street Emerging Markets Equity Index Fund — Class K (SSKEX) | SSKEX | 0.57 | NAV | 7.41 | 37.19 | 37.19 | N/A | N/A | N/A | 22.90 | 12/18/2015 | 12/31/2017 |
| MSCI Emerging Markets Index | | | Primary Benchmark | 7.44 | 37.28 | 37.28 | N/A | N/A | N/A | 23.53 | 12/31/1997 | 12/31/2017 |

Source: www.spdrs.com, www.ssgafunds.com

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit www.spdrs.com & ssgafunds.com for most recent month-end performance.

Performance data source is SSGA for applicable separately managed account or underlying ETFs. Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

* Performance shown for the periods prior to the inception of Class K shares on September 17, 2014, reflect the historical performance of the fund's Administrative shares.

Had the fund's Class K fees been reflected, the returns shown for those periods would have been higher.

SSGA Upromise529

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SSGA Upromise 529 Plan Underlying ETF Performance — Static (as of December 31, 2017)

| Name | Ticker | Gross Expense Ratio | Performance | 3 Month (%) | YTD (%) | Annualized 1YR (%) | Annualized 3YR (%) | Annualized 5 YR (%) | Annualized 10 YR (%) | Since Inception (%) | Inception Date | Perf as of |
|---|--------|---------------------|-------------------|-------------|---------|--------------------|--------------------|---------------------|----------------------|---------------------|----------------|------------|
| SPDR S&P Emerging Markets Small Cap ETF | EWX | 0.65 | NAV | 6.96 | 31.98 | 31.98 | 7.97 | 4.90 | N/A | 2.64 | 05/12/2008 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 6.94 | 33.84 | 33.84 | 8.19 | 4.83 | N/A | 2.67 | 05/12/2008 | 12/31/2017 |
| S&P Emerging Markets Under USD2 Billion Index | | | Primary Benchmark | 7.19 | 32.43 | 32.43 | 7.94 | 5.39 | 3.35 | 4.07 | 12/31/1997 | 12/31/2017 |
| SPDR Portfolio Developed World ex-US ETF | SPDW | 0.04 | NAV | 4.72 | 25.53 | 25.53 | 8.24 | 7.77 | 2.30 | 2.38 | 04/20/2007 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 4.16 | 25.79 | 25.79 | 8.34 | 7.46 | 2.29 | 2.36 | 04/20/2007 | 12/31/2017 |
| S&P Developed Ex-US BMI Index | | | Primary Benchmark | 4.90 | 26.12 | 26.12 | 8.50 | 8.12 | 2.45 | 2.54 | 12/31/2001 | 12/31/2017 |
| SPDR S&P International Small Cap ETF | GWX | 0.40 | NAV | 7.11 | 28.13 | 28.13 | 13.20 | 10.63 | 4.51 | 3.98 | 04/20/2007 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 6.68 | 28.80 | 28.80 | 13.49 | 10.45 | 4.30 | 3.98 | 04/20/2007 | 12/31/2017 |
| S&P Developed Ex-US Under USD2 Billion | | | Primary Benchmark | 7.39 | 29.21 | 29.21 | 13.15 | 10.70 | 4.07 | 3.49 | 12/31/2001 | 12/31/2017 |
| SPDR Portfolio Aggregate Bond ETF | SPAB | 0.04 | NAV | 0.38 | 3.51 | 3.51 | 2.19 | 2.03 | 4.00 | 4.29 | 05/23/2007 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 0.50 | 3.70 | 3.70 | 2.13 | 2.04 | 4.00 | 4.30 | 05/23/2007 | 12/31/2017 |
| Bloomberg Barclays US Aggregate Index | | | Primary Benchmark | 0.39 | 3.54 | 3.54 | 2.24 | 2.10 | 4.01 | 4.30 | 01/31/1989 | 12/31/2017 |
| SPDR Portfolio Short Term Corporate Bond ETF | SPSB | 0.07 | NAV | -0.08 | 1.70 | 1.70 | 1.54 | 1.37 | N/A | 1.83 | 12/16/2009 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | -0.08 | 1.57 | 1.57 | 1.51 | 1.36 | N/A | 1.84 | 12/16/2009 | 12/31/2017 |
| Bloomberg Barclays US 1–3 Year Corporate Bond Index | | | Primary Benchmark | -0.04 | 1.85 | 1.85 | 1.74 | 1.62 | 3.11 | 2.30 | 03/30/2004 | 12/31/2017 |

Source: www.spdrs.com

Performance quoted represents past performance, which is no guarantee of future results.

Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold.

Current performance may be higher or lower than that quoted. Visit www.spdrs.com for most recent month-end performance.

Performance data source is SSGA for applicable separately managed account or underlying ETFs. Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

SSGA Upromise529

POWERED BY SPDR® ETFs

SSGA Upromise 529 Plan Underlying ETF and Money Market Performance — Static (as of December 31, 2017) (continued)

| Name | Ticker | Gross Expense Ratio | Performance | 3 Month (%) | YTD (%) | Annualized 1YR (%) | Annualized 3YR (%) | Annualized 5 YR (%) | Annualized 10 YR (%) | Since Inception (%) | Inception Date | Perf as of |
|--|--------|---------------------|-------------------|-------------|---------|--------------------|--------------------|---------------------|----------------------|---------------------|----------------|------------|
| SPDR Bloomberg Barclays High Yield Bond ETF | JNK | 0.40 | NAV | 0.13 | 6.49 | 6.49 | 4.27 | 3.96 | 5.70 | 5.68 | 11/28/2007 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 0.16 | 6.52 | 6.52 | 4.34 | 3.92 | 5.55 | 5.70 | 11/28/2007 | 12/31/2017 |
| Bloomberg Barclays High Yield Very Liquid Index | | | Primary Benchmark | 0.19 | 6.81 | 6.81 | 5.69 | 5.14 | 7.80 | 7.82 | 11/28/2007 | 12/31/2017 |
| SPDR® Citi International Government Inflation-Protected Bond ETF | WIP | 0.50 | NAV | 1.98 | 11.61 | 11.61 | 1.68 | -0.06 | N/A | 1.73 | 03/13/2008 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 2.02 | 12.12 | 12.12 | 1.76 | -0.19 | N/A | 1.71 | 03/13/2008 | 12/31/2017 |
| Citi International Inflation-Linked Securities Select Index | | | Primary Benchmark | 2.16 | 12.19 | 12.19 | N/A | N/A | N/A | N/A | 1/14/2006 | 12/31/2017 |
| SPDR Bloomberg Barclays TIPS ETF | IPE | 0.15 | NAV | 1.38 | 3.14 | 3.14 | 1.94 | 0.01 | 3.46 | 4.13 | 05/25/2007 | 12/31/2017 |
| MARKET VALUE | | N/A | Market Value | 1.45 | 3.35 | 3.35 | 1.90 | 0.03 | 3.43 | 4.14 | 05/25/2007 | 12/31/2017 |
| Bloomberg Barclays US Government Inflation — linked Bond Index | | | Primary Benchmark | 1.41 | 3.30 | 3.30 | 2.10 | 0.17 | 3.60 | 4.29 | 05/23/2007 | 12/31/2017 |
| State Street Institutional Treasury Money Market Fund | TRIXX | 0.12* | NAV | 0.26 | 0.76 | 0.76 | 0.32 | 0.19 | 0.23 | 0.28 | 10/25/2007 | 12/31/2017 |

Source: www.spdrs.com, www.ssga.com/cash

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit www.spdrs.com & ssgafunds.com for most recent month-end performance.

Performance data source is SSGA for applicable separately managed account or underlying ETFs. Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

* Net Expense Ratio.



Important Disclosures

The SSGA Upromise 529 Plan (the “Plan”) is administered by the Board of Trustees of the College Savings Plans of Nevada (the “Board”), chaired by Nevada State Treasurer. Ascensus Broker Dealer Services, Inc. (ABD) serves as the Program Manager. ABD has overall responsibility for the day-to-day operations, including distribution of the Plan and provision of certain marketing services. State Street Global Advisors (SSGA) serves as Investment Manager for the Plan except for the Savings Portfolio, which is managed by Sallie Mae Bank, and also provides or arranges for certain marketing services for the Plan. The Plan’s Portfolios invest in either (i) Exchange Traded Funds and mutual funds offered or managed by SSGA or its affiliates; or (ii) a Federal Deposit Insurance Corporation (FDIC) — insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in the Plan are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

For more information about the SSGA Upromise 529 Plan (“the Plan”) download the Plan Description and Participation Agreement or request one by calling 1-800-587-7305. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Description; read and consider it carefully before investing.

Ascensus Broker Dealer Services, Inc. “ABD” is distributor of the Plan.

Before investing in the Plan, you should consider whether your or the beneficiary’s home state offers a 529 plan that provides its taxpayers with favorable state tax and other benefits that are only available through investment in the home state’s 529 plan. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Index performance does not reflect charges and expenses associated with the fund or brokerage commissions associated with buying and selling a fund. Index performance is not meant to represent that of any particular fund.

In general, ETFs can be expected to move up or down in value with the value of the applicable index. Although ETF shares may be bought and sold on the exchange through any brokerage account, ETF shares are not individually redeemable from the Fund. Investors may acquire ETFs and tender them for redemption through the Fund in Creation Unit Aggregations only.

Please see the prospectus for more details.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

Investments in mid/small companies may involve greater risks than those in larger, better known companies.

REIT funds may be subject to a high degree of market risk due to lack of industry diversification. REIT funds may be subject to other risks including, but not limited to, changes in real estate values or economic conditions, credit risk and interest rate fluctuations and changes in the value of the underlying property owned by the trust and defaults by borrowers.

International Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns.

90-day US Treasury bills are insured and guaranteed by the US government. US Treasury Bills maintain a stable value if held to maturity, but returns are generally only slightly above the inflation rate.

Increase in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable.

Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

Important Disclosures

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

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Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

In addition to normal risks associated with equity investing, international investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, and from adverse political, social and economic instability in other nations.

Passively managed funds invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

Foreign investments involve greater risks than US investments, including political and economic risks and the risk of currency fluctuations, all of which may be magnified in emerging markets.

Non-diversified funds that focus on a relatively small number of securities tend to be more volatile than diversified funds and the market as a whole.

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Investing in high yield fixed income securities, otherwise known as

"junk bonds" is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These lower-quality debt securities involve greater risk of default or price change due to potential changes in the credit quality of the issuer.

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Expiration Date: May 31, 2018

Section II

Vanguard 529® College Savings Plan Performance



Vanguard 529 Portfolio Performance (as of December 31, 2017)

The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end visit our website at www.vanguard.com/performance.

| As of 12/31/2017 | | | | | Annualized Returns | | | | |
|------------------|---|-------|-------|-----|--------------------|------|------|----------------------------|------------------|
| ID # | Portfolio/Index | 1 Mo | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception* |
| 4401 | Vanguard Total International Bond Indx Port | 0.00 | 1.08 | -- | -- | -- | -- | -- | -- |
| | BloomBarc GA ex-USD FIAdjRIC Cp Hgd | -0.02 | 1.15 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | 0.02 | -0.07 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | | Assets: | \$8,260,503 |
| | Total Annual Asset Based Fee: 0.21% | | | | | | | Percentage of Plan Assets: | 0.05% |
| 4402 | Vanguard 90% Stock/10% Bond Portfolio | 1.33 | 5.17 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 90/10 Composite | 1.45 | 5.42 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | -0.12 | -0.25 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | | Assets: | \$657,489,093 |
| | Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 3.87% |
| 4403 | Vanguard 80% Stock/20% Bond Portfolio | 1.26 | 4.74 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 80/20 Composite | 1.33 | 4.88 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | -0.07 | -0.14 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | | Assets: | \$793,888,550 |
| | Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 4.68% |
| 4404 | Vanguard 70% Stock/30% Bond Portfolio | 1.18 | 4.20 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 70/30 Composite | 1.20 | 4.34 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | -0.02 | -0.14 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | | Assets: | \$965,110,602 |
| | Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 5.68% |
| 4405 | Vanguard 60% Stock/40% Bond Portfolio | 1.01 | 3.67 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 60/40 Composite | 1.08 | 3.81 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | -0.07 | -0.14 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | | Assets: | \$1,107,291,597 |
| | Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 6.52% |

*Since-inception returns for less than one year are not annualized.



Vanguard 529 Portfolio Performance (as of December 31, 2017)

The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end visit our website at www.vanguard.com/performance.

| As of 12/31/2017 | | | | | Annualized Returns | | | | |
|------------------|--|-------|-------|-----|--------------------|------|----------------------------|---------------|------------------|
| ID # | Portfolio/Index | 1 Mo | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception* |
| 4406 | Vanguard 40% Stock/60% Bond Portfolio | 0.75 | 2.57 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 40/60 Composite | 0.83 | 2.74 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | -0.08 | -0.17 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | Assets: | \$758,424,262 | |
| | Total Annual Asset Based Fee: 0.16% | | | | | | Percentage of Plan Assets: | 4.47% | |
| 4407 | Vanguard 30% Stock/70% Bond Portfolio | 0.66 | 2.11 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 30/70 Composite | 0.70 | 2.21 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | -0.04 | -0.10 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | Assets: | \$748,425,755 | |
| | Total Annual Asset Based Fee: 0.16% | | | | | | Percentage of Plan Assets: | 4.41% | |
| 4408 | Vanguard 20% Stock/80% Bond Portfolio | 0.57 | 1.54 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 20/80 Composite | 0.57 | 1.68 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | 0.00 | -0.14 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | Assets: | \$484,490,170 | |
| | Total Annual Asset Based Fee: 0.16% | | | | | | Percentage of Plan Assets: | 2.85% | |
| 4409 | Vanguard 10% Stock/90% Bond Portfolio | 0.38 | 1.07 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 10/90 Composite | 0.45 | 1.15 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | -0.07 | -0.08 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | Assets: | \$696,930,785 | |
| | Total Annual Asset Based Fee: 0.16% | | | | | | Percentage of Plan Assets: | 4.11% | |
| 4410 | Vanguard 50% Bond/50% ST Reserves Port | 0.20 | 0.49 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 50Bd/50 Sh-Tr RsrvComposite | 0.18 | 0.44 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | 0.02 | 0.05 | -- | -- | -- | -- | -- | -- |
| | Inception Date 3/17/2017 | | | | | | Assets: | \$66,018,032 | |
| | Total Annual Asset Based Fee: 0.16% | | | | | | Percentage of Plan Assets: | 0.39% | |



Vanguard 529 Portfolio Performance (as of December 31, 2017)

The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end visit our website at www.vanguard.com/performance.

| As of 12/31/2017 | | | | | Annualized Returns | | | | |
|-------------------------------------|--|-------|-------|-------|--------------------|-------|----------------------------|-----------------|------------------|
| ID # | Portfolio/Index | 1 Mo | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception* |
| 4411 | Vanguard 25% Bond/75% ST Reserves Port | 0.20 | 0.50 | -- | -- | -- | -- | -- | -- |
| | Vanguard 529 75Bd/25 Sh-Tr RsrvComposite | 0.14 | 0.37 | -- | -- | -- | -- | -- | -- |
| | Fund Performance Relative to Benchmark | 0.06 | 0.13 | -- | -- | -- | -- | -- | -- |
| Inception Date 3/17/2017 | | | | | | | Assets: | \$73,773,076 | |
| Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 0.43% | |
| 4509 | Vanguard Aggressive Growth Portfolio | 1.42 | 5.72 | 23.51 | 23.51 | 10.03 | 12.73 | 6.58 | 9.11 |
| | Vanguard 529 Aggressive Growth Composite | 1.58 | 5.96 | 23.73 | 23.73 | 10.27 | 13.09 | 6.89 | 9.60 |
| | Fund Performance Relative to Benchmark | -0.16 | -0.24 | -0.22 | -0.22 | -0.24 | -0.36 | -0.31 | -0.49 |
| Inception Date 12/12/2002 | | | | | | | Assets: | \$1,505,517,308 | |
| Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 8.87% | |
| 4510 | Vanguard Growth Portfolio | 1.15 | 4.41 | 18.26 | 18.26 | 8.14 | 10.10 | 6.22 | 7.76 |
| | Vanguard 529 Growth Composite | 1.26 | 4.61 | 18.39 | 18.39 | 8.36 | 10.38 | 6.47 | 8.13 |
| | Fund Performance Relative to Benchmark | -0.11 | -0.20 | -0.13 | -0.13 | -0.22 | -0.28 | -0.25 | -0.37 |
| Inception Date 12/16/2002 | | | | | | | Assets: | \$419,367,569 | |
| Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 2.47% | |
| 4511 | Vanguard Moderate Growth Portfolio | 0.91 | 3.14 | 13.13 | 13.13 | 6.18 | 7.40 | 5.60 | 6.72 |
| | Vanguard 529 Mod Growth Composite | 0.95 | 3.27 | 13.25 | 13.25 | 6.38 | 7.64 | 5.85 | 7.07 |
| | Fund Performance Relative to Benchmark | -0.04 | -0.13 | -0.12 | -0.12 | -0.20 | -0.24 | -0.25 | -0.35 |
| Inception Date 12/11/2002 | | | | | | | Assets: | \$1,449,635,952 | |
| Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 8.54% | |
| 4512 | Vanguard Conservative Growth Portfolio | 0.62 | 1.84 | 8.23 | 8.23 | 4.13 | 4.64 | 4.74 | 5.62 |
| | Vanguard 529 Conservative Growth Composite | 0.64 | 1.95 | 8.30 | 8.30 | 4.34 | 4.87 | 5.03 | 5.99 |
| | Fund Performance Relative to Benchmark | -0.02 | -0.11 | -0.07 | -0.07 | -0.21 | -0.23 | -0.29 | -0.37 |
| Inception Date 12/16/2002 | | | | | | | Assets: | \$160,233,389 | |
| Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 0.94% | |

*Since-inception returns for less than one year are not annualized.



Vanguard 529 Portfolio Performance (as of December 31, 2017)

The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end visit our website at www.vanguard.com/performance.

| As of 12/31/2017 | | | | | Annualized Returns | | | | |
|------------------|---|-------|-------|-------|--------------------|-------|-------|----------------------------|-----------------|
| ID # | Portfolio/Index | 1 Mo | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception |
| 4513 | Vanguard Income Portfolio | 0.25 | 0.50 | 2.34 | 2.34 | 1.44 | 0.93 | 2.78 | 3.25 |
| | Vanguard 529 Income Composite | 0.22 | 0.51 | 2.40 | 2.40 | 1.54 | 1.05 | 3.00 | 3.55 |
| | Fund Performance Relative to Benchmark | 0.03 | -0.01 | -0.06 | -0.06 | -0.10 | -0.12 | -0.22 | -0.30 |
| | Inception Date 12/16/2002 | | | | | | | Assets: | \$678,727,449 |
| | Total Annual Asset Based Fee: 0.16% | | | | | | | Percentage of Plan Assets: | 4.00% |
| 4514 | Vanguard Total Stock Market Index Portfolio | 1.00 | 6.30 | 20.94 | 20.94 | 10.92 | 15.39 | 8.49 | 9.73 |
| | Spliced Inst Total Stock Market Index | 1.01 | 6.34 | 21.19 | 21.19 | 11.09 | 15.58 | 8.72 | 10.22 |
| | Fund Performance Relative to Benchmark | -0.01 | -0.04 | -0.25 | -0.25 | -0.17 | -0.19 | -0.23 | -0.49 |
| | Inception Date 12/11/2002 | | | | | | | Assets: | \$1,059,443,695 |
| | Total Annual Asset Based Fee: 0.18% | | | | | | | Percentage of Plan Assets: | 6.24% |
| 4515 | Vanguard 500 Index Portfolio | 1.09 | 6.60 | 21.61 | 21.61 | 11.20 | 15.55 | 8.22 | 9.28 |
| | S&P 500 Index | 1.11 | 6.64 | 21.83 | 21.83 | 11.41 | 15.79 | 8.50 | 9.71 |
| | Fund Performance Relative to Benchmark | -0.02 | -0.04 | -0.22 | -0.22 | -0.21 | -0.24 | -0.28 | -0.43 |
| | Inception Date 12/17/2002 | | | | | | | Assets: | \$1,221,716,389 |
| | Total Annual Asset Based Fee: 0.18% | | | | | | | Percentage of Plan Assets: | 7.20% |
| 4516 | Vanguard Mid-Cap Index Portfolio | 0.92 | 5.60 | 19.05 | 19.05 | 9.19 | 14.80 | 8.66 | 11.21 |
| | Spliced Mid Cap Index | 0.95 | 5.65 | 19.30 | 19.30 | 9.42 | 15.06 | 8.96 | 11.54 |
| | Fund Performance Relative to Benchmark | -0.03 | -0.05 | -0.25 | -0.25 | -0.23 | -0.26 | -0.30 | -0.33 |
| | Inception Date 12/17/2002 | | | | | | | Assets: | \$507,012,235 |
| | Total Annual Asset Based Fee: 0.22% | | | | | | | Percentage of Plan Assets: | 2.99% |
| 4517 | Vanguard Growth Index Portfolio | 0.70 | 6.17 | 27.55 | 27.55 | 11.66 | 15.84 | 9.23 | 9.73 |
| | Spliced Growth Index | 0.73 | 6.22 | 27.86 | 27.86 | 11.95 | 16.14 | 9.58 | 10.12 |
| | Fund Performance Relative to Benchmark | -0.03 | -0.05 | -0.31 | -0.31 | -0.29 | -0.30 | -0.35 | -0.39 |
| | Inception Date 12/17/2002 | | | | | | | Assets: | \$364,339,617 |
| | Total Annual Asset Based Fee: 0.24% | | | | | | | Percentage of Plan Assets: | 2.15% |

*Since-inception returns for less than one year are not annualized.



Vanguard 529 Portfolio Performance (as of December 31, 2017)

The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end visit our website at www.vanguard.com/performance.

| As of 12/31/2017 | | | | | Annualized Returns | | | | |
|------------------|--|-------|-------|-------|----------------------------|-------|---------|---------------|------------------|
| ID # | Portfolio/Index | 1 Mo | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception* |
| 4518 | Vanguard Value Index Portfolio | 1.48 | 6.94 | 16.90 | 16.90 | 10.49 | 15.12 | 7.38 | 9.46 |
| | Spliced Value Index | 1.48 | 6.97 | 17.16 | 17.16 | 10.74 | 15.42 | 7.67 | 9.91 |
| | Fund Performance Relative to Benchmark | 0.00 | -0.03 | -0.26 | -0.26 | -0.25 | -0.30 | -0.29 | -0.45 |
| | Inception Date 12/11/2002 | | | | | | Assets: | \$302,689,841 | |
| | Total Annual Asset Based Fee: 0.24% | | | | Percentage of Plan Assets: | | | | 1.78% |
| 4519 | Vanguard Small-Cap Index Portfolio | 0.37 | 5.05 | 16.03 | 16.03 | 9.63 | 14.22 | 9.41 | 11.50 |
| | Spliced Small Cap Index | 0.40 | 5.10 | 16.24 | 16.24 | 9.81 | 14.43 | 9.61 | 12.01 |
| | Fund Performance Relative to Benchmark | -0.03 | -0.05 | -0.21 | -0.21 | -0.18 | -0.21 | -0.20 | -0.51 |
| | Inception Date 12/16/2002 | | | | | | Assets: | \$527,484,752 | |
| | Total Annual Asset Based Fee: 0.22% | | | | Percentage of Plan Assets: | | | | 3.11% |
| 4520 | Vanguard Total Int'l Stock Index Port | 2.05 | 4.83 | 27.33 | 27.33 | 8.29 | 6.84 | 1.60 | 8.21 |
| | Spliced Total International Stock Index | 2.42 | 5.36 | 27.41 | 27.41 | 8.49 | 7.39 | 1.95 | 8.76 |
| | Fund Performance Relative to Benchmark | -0.37 | -0.53 | -0.08 | -0.08 | -0.20 | -0.55 | -0.35 | -0.55 |
| | Inception Date 12/11/2002 | | | | | | Assets: | \$677,839,085 | |
| | Total Annual Asset Based Fee: 0.23% | | | | Percentage of Plan Assets: | | | | 3.99% |
| 4522 | Vanguard Total Bond Market Index Portfolio | 0.40 | 0.34 | 3.37 | 3.37 | 1.98 | 1.84 | 3.67 | 3.78 |
| | Spliced Bloomberg USAgg Float Adj Ix | 0.47 | 0.41 | 3.63 | 3.63 | 2.27 | 2.10 | 4.03 | 4.24 |
| | Fund Performance Relative to Benchmark | -0.07 | -0.07 | -0.26 | -0.26 | -0.29 | -0.26 | -0.36 | -0.46 |
| | Inception Date 12/16/2002 | | | | | | Assets: | \$303,778,093 | |
| | Total Annual Asset Based Fee: 0.21% | | | | Percentage of Plan Assets: | | | | 1.79% |
| 4523 | Vanguard Inflation Protected Securities Port | 0.89 | 1.17 | 2.77 | 2.77 | 1.75 | -0.11 | 3.11 | 4.05 |
| | Bloomberg US Trsy Inflation Protected Index | 0.92 | 1.26 | 3.01 | 3.01 | 2.05 | 0.13 | 3.53 | 4.56 |
| | Fund Performance Relative to Benchmark | -0.03 | -0.09 | -0.24 | -0.24 | -0.30 | -0.24 | -0.42 | -0.51 |
| | Inception Date 12/11/2002 | | | | | | Assets: | \$134,543,066 | |
| | Total Annual Asset Based Fee: 0.24% | | | | Percentage of Plan Assets: | | | | 0.79% |

*Since-inception returns for less than one year are not annualized.



Vanguard 529 Portfolio Performance (as of December 31, 2017)

The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end visit our website at www.vanguard.com/performance.

| As of 12/31/2017 | | | | | Annualized Returns | | | |
|--|-------|-------|-------|-------|----------------------------------|-------|-------|------------------|
| ID # Portfolio/Index | 1 Mo | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception* |
| 4524 Vanguard High-Yield Bond Portfolio | 0.22 | 0.04 | 6.89 | 6.89 | 5.36 | 4.98 | 6.62 | 6.78 |
| High-Yield Corporate Composite Index | 0.20 | 0.36 | 6.60 | 6.60 | 5.62 | 5.22 | 7.18 | -- |
| Fund Performance Relative to Benchmark | 0.02 | -0.32 | 0.29 | 0.29 | -0.26 | -0.24 | -0.56 | -- |
| Inception Date 12/11/2002 | | | | | Assets: \$161,559,316 | | | |
| Total Annual Asset Based Fee: 0.31% | | | | | Percentage of Plan Assets: 0.95% | | | |
| 4528 Vanguard Interest Accumulation Portfolio | 0.08 | 0.41 | 1.41 | 1.41 | 0.83 | 0.55 | 0.84 | 1.52 |
| Interest Accumulation Composite | 0.10 | 0.29 | 0.92 | 0.92 | 0.47 | 0.33 | 0.70 | 1.48 |
| Fund Performance Relative to Benchmark | -0.02 | 0.12 | 0.49 | 0.49 | 0.36 | 0.22 | 0.14 | 0.04 |
| Inception Date 10/15/2004 | | | | | Assets: \$794,195,583 | | | |
| Total Annual Asset Based Fee: 0.16% | | | | | Percentage of Plan Assets: 4.68% | | | |
| 4541 Vanguard Morgan Growth Portfolio | 0.57 | 6.08 | 29.81 | 29.81 | 12.62 | 16.35 | 8.43 | 8.53 |
| Russell 3000 Growth Index | 0.73 | 7.61 | 29.59 | 29.59 | 13.51 | 17.16 | 9.93 | 10.06 |
| Fund Performance Relative to Benchmark | -0.16 | -1.53 | 0.22 | 0.22 | -0.89 | -0.81 | -1.50 | -1.53 |
| Inception Date 12/1/2006 | | | | | Assets: \$98,730,455 | | | |
| Total Annual Asset Based Fee: 0.44% | | | | | Percentage of Plan Assets: 0.58% | | | |
| 4542 Vanguard Windsor Portfolio | 0.91 | 5.45 | 18.93 | 18.93 | 8.91 | 14.41 | 7.44 | 6.42 |
| Russell 1000 Value Index | 1.46 | 5.33 | 13.66 | 13.66 | 8.65 | 14.04 | 7.10 | 6.59 |
| Fund Performance Relative to Benchmark | -0.55 | 0.12 | 5.27 | 5.27 | 0.26 | 0.37 | 0.34 | -0.17 |
| Inception Date 12/1/2006 | | | | | Assets: \$120,793,683 | | | |
| Total Annual Asset Based Fee: 0.43% | | | | | Percentage of Plan Assets: 0.71% | | | |
| 4543 Vanguard STAR Portfolio | 1.07 | 3.88 | 18.14 | 18.14 | 7.81 | 9.57 | 6.44 | 6.36 |
| STAR Composite Index | 0.99 | 3.78 | 15.24 | 15.24 | 7.37 | 8.96 | 6.25 | 6.37 |
| Fund Performance Relative to Benchmark | 0.08 | 0.10 | 2.90 | 2.90 | 0.44 | 0.61 | 0.19 | -0.01 |
| Inception Date 12/1/2006 | | | | | Assets: \$129,736,703 | | | |
| Total Annual Asset Based Fee: 0.44% | | | | | Percentage of Plan Assets: 0.76% | | | |

*Since-inception returns for less than one year are not annualized.



Investment commentary for the Nevada College Savings Trust Fund

December 31, 2017

Quarterly commentary

Market comments

- The U.S. Treasury yield curve flattened in the fourth quarter, with yields on all but the longest maturities rising. Short-term maturities moved higher amid expectations that the Federal Reserve would stay on schedule to raise the federal funds rate a third time in 2017, which it did in mid-December. Solid GDP growth in the third quarter and robust gains in the labor market helped lift yields further out on the curve. Over the quarter, the yield of the 2-year Treasury note rose 40 basis points to 1.88% and that of the bellwether 10-year note rose 7 basis points to 2.41%, while the 30-year Treasury yield fell 12 basis points to 2.74%. (A basis point is one one-hundredth of a percentage point.)
- The fixed income market, as measured by the Bloomberg Barclays U.S. Intermediate Aggregate Bond Index, returned -0.07%, for the quarter, driven primarily by the negative performance of the Treasury market.
- Within the index, Commercial Mortgage Backed Securities (CMBS) were the best performers among sectors; they returned 0.35%, as demand for yield continued to increase. Investment-grade corporate bonds returned 0.11%, with their average yield over Treasuries narrowing a little amid the uptick in economic growth. For the year, the index returned 2.27%.

Total returns

Portfolio comments

- Cash flows remained positive over the quarter and total assets increased from \$1,028.8 million to \$1,053.6 million. As a result of an additional placement to the Nationwide Life Insurance's contract, the portfolio's cash position decreased from 12.34% to 9.90%. The yield of the portfolio's cash position, Vanguard Federal Money Market Fund, increased 0.22% over the quarter, to 0.1.22%.
- Consistent with the activity highlighted above and bond market performance during the quarter, the fund's market value to book value ratio decreased slightly to 99.45%. The portfolio's gross blended yield increased from 1.66% to 1.77%.

Fund Facts

| | |
|-------------------|------------------|
| Fund Number | 4532 |
| Assets (millions) | \$1,054 |
| Inception | October 15, 2004 |

Characteristics

| | |
|----------------------------|-----------|
| Number of contract issuers | 6 |
| Average duration | 2.8 years |
| MV/BV ratio* | 99.45% |
| Gross spot yield | 1.77% |

Periods ended December 31, 2017

| | Quarter | One year | Three years | Five years | Ten years |
|--|---------|----------|-------------|------------|-----------|
| Nevada College Savings Trust Fund (10/15/2004) | 0.43% | 1.53% | 0.97% | 0.68% | 1.06% |

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. Fund returns are net of expenses. Return figures reflect past performance, which is no guarantee of future results.

* The ratio of the market value of all fund assets relative to the book value of those assets. Contracts provide for the payment of participant benefits at book value under normal circumstances. When this ratio is less than 100%, the occurrence of an event or condition which is outside the normal operation of the plan (e.g., layoffs, plan amendments, sale of a division, participant withdrawals due to plan sponsor's insolvency or bankruptcy) could cause participant benefits to be paid at less than book value.



Investment commentary for the Nevada College Savings Trust Fund

Total Returns as of December 31, 2017:

Distribution by investment¹

| | |
|----------------------------------|---------------|
| Constant Duration Contracts | 72.5% |
| Prudential Insurance Co. | 18.8 |
| State Street Bank | 17.6 |
| Nationwide Life | 14.6 |
| American General Life | 13.7 |
| New York Life | 7.8 |
| Traditional Investment Contracts | 17.6% |
| Metropolitan Life | 10.7 |
| New York Life | 6.9 |
| Cash Investments | 9.9% |
| VGI Federal Money Market | 9.9 |
| Total | 100.0% |

Synthetic underlying fund exposure²

| | |
|---------------------------------------|--------------|
| VGI Inst. Intermediate-Term Bond Fund | 48.1% |
| VGI Inst. Short-Term Bond Fund | 16.1 |
| New York Life 529 Separate Account | 7.8 |
| Total | 72.0% |

Distribution by duration²

| | |
|---------------|---------------|
| Under 1 Year | 27.0% |
| 1 to 3 Years | 31.8 |
| 3 to 5 Years | 17.8 |
| 5 to 10 Years | 22.9 |
| Over 10 Years | 0.5 |
| Total | 100.0% |

Distribution by sector²

| | |
|--------------------------------------|---------------|
| Corporate | 17.0% |
| Treasury | 16.9 |
| Pass-Through MBS | 15.4 |
| Asset-Backed | 11.3 |
| Cash Equivalent | 10.4 |
| Foreign | 5.6 |
| Agency | 3.4 |
| CMBIS | 2.0 |
| Traditional Contracts | 17.6 |
| Exposure to synthetic wrap providers | 0.5 |
| Total | 100.1% |

Distribution by credit quality³

| | |
|--------------|---------------|
| Govt | 35.8% |
| Aaa | 21.2 |
| Aa1 | 10.4 |
| Aa2 | 2.3 |
| Aa3 | 14.6 |
| A1 | 3.2 |
| A2 | 4.8 |
| A3 | 6.7 |
| Other | 1.0 |
| Total | 100.0% |

¹Based on total fund book value

²Based on total fund market value

³Credit-quality ratings for each issue are obtained from Moody's Investors Service (Moody's), Fitch Ratings (Fitch), and Standard & Poor's (S&P). When ratings of all three agencies are available, the median rating is used. When ratings are available from two agencies, the lower rating is used. When one rating is available, that rating is used. Percentages based on total market value.

An investment in a stable value fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.

The fund is not a mutual fund. It is a separately managed investment fund available only to tax-qualified plans and their eligible participants. This collective trust is managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc. For more information about Vanguard investments, visit vanguard.com, or call 800-523-1036. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing.

All investing is subject to risk, including the possible loss of the money you invest. Investments in bonds are subject to interest rate, credit, and inflation risk.

Stable value funds are subject to event risk, which is the chance that a synthetic or traditional contract issuer⁸¹ will pay participant benefits at a value less than book value because of the occurrence of an event or condition which is outside the normal operation of the plan (for example, layoffs, plan amendments, sale of a division, participant withdrawals due to the plan sponsor's insolvency or bankruptcy).



Schedule of Investments for the Nevada College Savings Trust Fund

December 31, 2017

| Issuer | Rate | Duration(yrs.)/ Final Maturity | Ratings | | Contract Value (000s) | % of Fund |
|--|-------|-----------------------------------|---------|---------|--------------------------|--------------|
| | | | S&P | Moody's | | |
| Traditional Investment Contracts | | | | | | |
| Metropolitan Life | 1.65% | 27-Apr-18 | AA- | Aa3 | \$44,303 | 4.2% |
| | 1.88% | 08-Jul-18 | AA- | Aa3 | \$29,488 | 2.8% |
| | 2.15% | 14-Dec-18 | AA- | Aa3 | \$10,010 | 1.0% |
| | 1.88% | 27-Sep-19 | AA- | Aa3 | \$28,656 | 2.7% |
| New York Life | 1.68% | 15-Dec-18 | AA+ | Aaa | \$9,590 | 0.9% |
| | 2.25% | 18-Nov-20 | AA+ | Aaa | \$24,114 | 2.3% |
| | 2.05% | 12-Oct-21 | AA+ | Aaa | \$38,943 | 3.7% |
| Total - Traditional Investment Contracts | | | | | | |
| | 1.91% | 1.57 yrs | AA | Aa2 | \$185,085 | 17.6% |

* The bonds or bond funds which back the contracts are listed directly below the issuer name. The net exposure to the Alternative Investment Contract Issuer is shown on the Exposure Report.



Schedule of Investments for the Nevada College Savings Trust Fund

December 31, 2017

| Issuer | Rate | Duration(yrs.)/ Final Maturity | S&P | Ratings Moody's | Contract Value (000s) | % of Fund |
|--|--------------|-----------------------------------|-----------|--------------------|--------------------------|---------------|
| Alternative Investment Contracts* | | | | | | |
| American General Life | 1.91% | 3.23 | A+ | A2 | \$144,388 | 13.7% |
| VGI Inst. Intermediate-Term Bond Fund | | | AA | Aa1 | | |
| VGI Inst. Short-Term Bond Fund | | | AA | Aa2 | | |
| Nationwide Life | 1.85% | 3.42 | A+ | A1 | \$154,057 | 14.6% |
| VGI Inst. Intermediate-Term Bond Fund | | | AA | Aa1 | | |
| VGI Inst. Short-Term Bond Fund | | | AA | Aa2 | | |
| New York Life | 1.98% | 3.47 | AA+ | Aaa | \$82,446 | 7.8% |
| New York Life 529 Separate Account | | | AA- | Aa3 | | |
| Prudential Insurance Co. | 1.88% | 3.60 | AA- | A1 | \$197,963 | 18.8% |
| VGI Inst. Intermediate-Term Bond Fund | | | AA | Aa1 | | |
| VGI Inst. Short-Term Bond Fund | | | AA | Aa2 | | |
| State Street Bank | 1.56% | 3.42 | AA- | Aa3 | \$185,315 | 17.6% |
| VGI Inst. Intermediate-Term Bond Fund | | | AA | Aa1 | | |
| VGI Inst. Short-Term Bond Fund | | | AA | Aa2 | | |
| Total - Alternative Investment Contracts* | 1.81% | 3.44 yrs | AA | Aa1 | \$764,169 | 72.5% |
| Cash | | | | | | |
| VGI Federal Money Market | 1.22% | | AA | Aa1 | \$104,350 | 9.9% |
| Portfolio Total: | 1.77% | 2.77 yrs | AA | Aa1 | \$1,053,603 | 100.0% |
| Net Yield: 1.77% | | | | | | |

* The bonds or bond funds which back the contracts are listed directly below the issuer name. The net exposure to the Alternative Investment Contract Issuer is shown on the Exposure Report.



Notice

For more information about Vanguard funds, visit www.vanguard.com, or call 866-734-4530, to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

The Vanguard Income Portfolio and Vanguard Interest Accumulation Portfolio both invest in the Vanguard Short-Term Reserves Account which, in turn, invests in Vanguard Federal Money Market Fund. The Vanguard Short-Term Reserves Account's investment in the Vanguard Federal Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at \$1 per share, it is possible that the Vanguard Short-Term Reserves Account may lose money by investing in the Fund.

To obtain more information about the investment adviser, Vanguard Advisers, Inc. ("VAI"), and its business, including advisory services and fees, types of investments advised on, methods of analysis, and investment strategies, among other information, please contact your relationship manager, Thomas Hewitt, at 1-800-662-0106, extension 30733 and request a copy of VAI's Form ADV Part II.

Investments are subject to risk. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Stocks of relatively narrow market sectors face the risk of higher share-price volatility. Foreign investing involves additional risks including currency fluctuations and political uncertainty. Stocks of companies in emerging markets are generally more risky than stocks of companies in developed countries. Investments in bonds are subject to interest rate, credit, and inflation risk. Because high-yield bonds are considered speculative, investors should be prepared to assume a substantially greater level of credit risk than with other types of bonds.

Diversification does not ensure a profit or protect against a loss in a declining market.

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Operations and Web Activity

December 31, 2017

| | December | | | Year-to-Date | | |
|-------------------------------|----------|----------|----------|--------------|-----------|-----------|
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| Calls | | | | | | |
| Calls Handled | 9,989 | 8,777 | 9,059 | 78,093 | 67,579 | 68,647 |
| Prospect | 27% | 25% | 26% | 27% | 25% | 26% |
| Service | 73% | 75% | 73% | 73% | 75% | 74% |
| Service Level (20 Sec) | 81.4% | 91.6% | 80.7% | 85.3% | 84.5% | 83.6% |
| Abandon Rate | 2.1% | 1.1% | 4.5% | 1.8% | 3.5% | 5.6% |
| Average Speed to Answer (Sec) | 43.9 | 9.0 | 59.6 | 30.3 | 36.8 | 63.9 |
| Emails | | | | | | |
| Received | 634 | 411 | 482 | 4,912 | 3,709 | 3,808 |
| Completed | 401 | 400 | 502 | 4,497 | 3,688 | 3,833 |
| Service Level (48 Hrs) | 12.9 hrs | 31.8 hrs | 19.9 hrs | 18.8 hrs | 26.1 hrs | 18.0 hrs |
| Web Traffic | | | | | | |
| Total Visits | 611,210 | 709,186 | 380,409 | 8,549,667 | 8,734,799 | 2,478,750 |
| Unique Visitors | 500,223 | 634,625 | 327,436 | 7,504,872 | 8,058,858 | 2,198,219 |
| New Visitors | 323,287 | 445,280 | 1,845 | 5,277,467 | 3,881,630 | 16,793 |

Section III

USAA 529 College Savings Plan® Performance

Investments provided by USAA Investment Management Company and USAA Financial Advisors Inc., both registered broker dealers.

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USAA 529 College Savings

Plan Portfolio Performance as of December 31, 2017

| Portfolio Age Base | One Year | Three Year | Five Year | Ten Year | Since Inception | Inception Date | Total Annual Fees* |
|---|----------|------------|-----------|----------|-----------------|----------------|--------------------|
| Very Aggressive Ages: 0-2 | 22.19% | N/A % | N/A % | N/A % | 9.44% | 3/27/2015 | 1.14% |
| Aggressive Growth Ages: 3-4 | 19.21% | 8.48% | 9.49% | 5.78% | 6.69% | 6/3/2002 | 1.07% |
| Growth Ages: 5-6 | 17.02% | 7.71% | 8.60% | 5.79% | 6.64% | 6/3/2002 | 1.02% |
| Moderately Aggressive Ages: 7-8 | 14.88% | 6.94% | 7.62% | 5.90% | 6.57% | 6/3/2002 | 0.96% |
| Moderate Ages: 9-11 | 12.74% | 6.15% | 6.69% | 5.76% | 6.12% | 6/3/2002 | 0.90% |
| Moderately Conservative Ages: 12-13 | 10.67% | N/A % | N/A % | N/A % | 5.22% | 3/27/2015 | 0.85% |
| Conservative Ages: 14-15 | 8.53% | 4.39% | 3.96% | 4.55% | 4.66% | 6/3/2002 | 0.79% |
| Very Conservative Ages: 16-17 | 4.00% | N/A % | N/A % | N/A % | 2.31% | 3/27/2015 | 0.70% |
| In College Ages: 18+ | 2.01% | 1.46% | 2.03% | 3.26% | 3.35% | 6/3/2002 | 0.69% |
| Preservation of Capital | 0.50% | 0.17% | 0.10% | N/A % | 0.07% | 9/1/2009 | 0.65% |

NOTE: FUND CHANGES AND SMOOTHER GLIDEPATH implemented on March 27, 2016.

An investment in the Preservation of Capital Portfolio is not insured or guaranteed by the FDIC or any other government agency. Although the Portfolio seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Current performance may be higher or lower than the performance data quoted. The return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. For the most recent month-end performance, please click on the name of the fund, above.

*This total represents the portfolio expense limit, as reported in the current plan description, and is assessed against assets over the course of the year and does not include the annual state account maintenance fee or the annual USAA minimum-balance fee. If as determined periodically by USAA, a portfolio's underlying fund expenses exceed the portfolio expense limit, USAA has voluntarily agreed to make payments to the portfolio to the extent of such excess. USAA may discontinue these payments at any time without notice. The 3 month number is not annualized.

USAA 529 College Savings Plan

Underlying Mutual Fund Performance as of December 31, 2017

| USAA Fund Lipper Index | Expense Ratio* | Current Month Return | Average Annual Returns | | | | |
|--|-------------------|----------------------------|------------------------|--------|---------|---------|-------------------------|
| | | | 1 Year | 3 Year | 5 Year | 10 Year | Since Fund Inception |
| USAA Aggressive Growth Fund Lipper US Index - Large Cap Growth Funds | 0.81% | 0.43% | 30.05% | 11.56% | 15.62% | 7.19% | 8.82% |
| | | 0.48% | 31.85% | 11.87% | 15.90% | 8.20% | |
| USAA Emerging Markets Fund Lipper US Index - Emerging Markets Funds | 1.51% | 3.21% | 33.55% | 8.78% | 3.56% | 0.13% | 5.03% |
| | | 3.57% | 35.56% | 9.12% | 4.54% | 1.49% | |
| USAA Growth Fund Lipper US Index - Multi Cap Growth Funds | 0.99% | 0.43% | 28.42% | 13.01% | 17.58% | 7.78% | 6.93% |
| | | 0.50% | 28.76% | 11.01% | 15.71% | 8.33% | |
| USAA Growth & Income Fund Lipper US Index - Multi Cap Core Funds | 0.91% | 1.24% | 20.64% | 10.31% | 15.20% | 7.16% | 8.44% |
| | | 1.04% | 20.54% | 10.07% | 14.24% | 7.69% | |
| USAA High Income Fund Lipper US Index - High Yield Bond Funds | 0.85% | 0.85% | 7.17% | 4.93% | 5.35% | 7.25% | 6.99% |
| | | 0.37% | 7.53% | 5.43% | 5.22% | 6.47% | |
| USAA Income Fund Lipper US Index - A Rated Bond Funds | 0.49% | 0.54% | 5.66% | 3.41% | 3.17% | 5.10% | 8.03% |
| | | 0.86% | 6.29% | 3.41% | 3.41% | 4.84% | |
| USAA Income Stock Fund Lipper US Index - Equity Income Funds | 0.77% | 0.81% | 16.63% | 8.78% | 13.53% | 6.47% | 8.57% |
| | | 1.15% | 16.43% | 8.91% | 12.98% | 6.96% | |
| USAA Intermediate-Term Bond Fund Lipper US Index - Core Plus Bond Funds | 0.63% | 0.39% | 5.90% | 3.34% | 3.41% | 5.78% | 5.72% |
| | | 0.40% | 4.62% | 2.76% | 2.61% | 4.81% | |
| USAA International Fund Lipper US Index - Intl Large Cap Growth Funds | 1.11% | 1.71% | 28.10% | 9.44% | 7.98% | 4.30% | 7.68% |
| | | 1.51% | 28.64% | 7.93% | 7.45% | 2.62% | |
| USAA Money Market Fund Lipper US Index - Money Market Funds | 0.63% | 0.08% | 0.58% | 0.22% | 0.14% | 0.44% | 4.45% |
| | | 0.08% | 0.65% | 0.26% | 0.16% | 0.35% | |
| USAA Precious Metals & Minerals Lipper US Index - Precious Metals Equity Funds | 1.22% | 5.98% | 9.65% | 5.62% | -12.05% | -4.37% | 3.60% |
| | | 5.77% | 9.92% | 7.53% | -9.89% | -3.85% | |
| USAA Short-Term Bond Fund Lipper US Index - Short Investment Grade Debt Fds | 0.59% | 0.07% | 2.29% | 1.76% | 1.59% | 3.00% | 3.94% |
| | | 0.10% | 1.77% | 1.43% | 1.19% | 2.11% | |
| USAA Small Cap Stock Fund Lipper US Index - Small Cap Core Funds | 1.09% | -1.10% | 10.13% | 7.43% | 11.87% | 7.47% | 7.10% |
| | | -0.08% | 13.95% | 10.17% | 13.64% | 8.69% | |
| USAA Real Return Fund Lipper US Index - Inflation Protected Bond Funds | 1.31% | 1.46% | 8.35% | 2.62% | 1.53% | - | 2.97% |
| | | 0.62% | 2.49% | 1.60% | -0.25% | 3.00% | |
| USAA Value Fund Lipper US Index - Multi Cap Value Funds | 0.98% | 1.01% | 15.15% | 8.32% | 13.36% | 7.55% | 8.22% |
| | | 1.66% | 14.06% | 8.20% | 13.41% | 6.67% | |

*Expense ratios are after fund reimbursement. The performance data quoted represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance data current to month-end, visit usaa.com. Represents the total annual operating expenses (which includes acquired fund fees and expenses (AFFE), if any), before reductions of any expenses paid indirectly, as reported in the fund's most current prospectus. It is calculated as a percentage of average net assets (ANA).

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Section IV

Wealthfront College Savings Program Performance

Prepared and presented exclusively for The Board of Trustees of the College Savings Plans of Nevada. Wealthfront does not approve or authorize any content being made available for public use or viewing.

Performance Commentary - 2017Q4 (As of December 31, 2017)

- The Wealthfront 529 launched publicly on November 1, 2016.
- Performance of our municipal securities for Q4 2017 ranged from - 1.17%(Emerging Markets Bonds) to 7.91% (US Dividend Growth Stocks).
- Performance of our municipal securities for CY 2017 ranged from - 4.6%(Real Estate Portfolio) to 30.46% (Emerging Markets Portfolio).

Past performance does not guarantee future results. Performance information is presented net of all expenses and assumes the reinvestment of dividends, interest and other earnings. Wealthfront does not charge trading commissions to clients on its platform. Inception is defined as the seeded date of the municipal securities (5/25/2016). The performance figures presented do not reflect the deduction of investment advisory fees. A client's return will be reduced by the advisory fee and any other expenses it may incur in the management of its investment advisory account. Wealthfront's investment advisory fees are described in Part 2 of Wealthfront's Form ADV.

Performance of Wealthfront 529 Plan Securities – 2017Q4 (As of December 31, 2017)

| Asset Class | Type | Year-to-date | 1 Year | 3 Years | 5 Years | Inception |
|--------------------------------|--------|--------------|--------|---------|---------|-----------|
| US Treasury Bills | T-Bill | 0.60% | 0.60% | N/A | N/A | 0.19% |
| US IG Corporate Bonds | Bond | 6.77% | 6.77% | N/A | N/A | 4.43% |
| US TIPS | Bond | 0.70% | 0.70% | N/A | N/A | 0.68% |
| Emerging Markets Bonds | Bond | 9.79% | 9.79% | N/A | N/A | 7.38% |
| US REITs | Equity | 4.60% | 4.60% | N/A | N/A | 4.19% |
| US Dividend Growth Stocks | Equity | 21.29% | 21.29% | N/A | N/A | 16.76% |
| US Stocks | Equity | 20.46% | 20.46% | N/A | N/A | 17.84% |
| International Developed Stocks | Equity | 25.44% | 25.44% | N/A | N/A | 16.19% |
| Emerging Markets Stocks | Equity | 30.46% | 30.46% | N/A | N/A | 23.85% |

Past performance does not guarantee future results. Performance information is presented net of all expenses and assumes the reinvestment of dividends, interest and other earnings. Wealthfront does not charge trading commissions to clients on its platform. Inception is defined as the seeded date of the municipal securities (5/25/2016). The performance figures presented do not reflect the deduction of investment advisory fees. A client's return will be reduced by the advisory fee and any other expenses it may incur in the management of its investment advisory account. Wealthfront's investment advisory fees are described in Part 2 of Wealthfront's Form ADV.

Disclosures

For more information about the Wealthfront 529 College Savings Plan (the "Plan"), download the [Plan Description and Participation Agreement](#) or request one by calling or emailing support@wealthfront.com or 844.995.8437. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Description and Participation Agreement; read and consider it carefully before investing. Wealthfront Brokerage Corporation serves as the distributor and the underwriter of the Plan.

Financial advisory services are offered by Wealthfront, Inc., an SEC-registered investment adviser. Brokerage products and services are offered by Wealthfront Brokerage Corporation, member FINRA / SIPC, and a wholly-owned subsidiary of Wealthfront, Inc.

Please Note: Before you invest, consider whether your or the 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 the state's qualified tuition program. You also should consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact directly your home state's 529 plan(s), or any other 529 plan, to learn more about those plans' features, benefits and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The Plan is administered by the Board of Trustees of the College Savings Plans of Nevada (the "Board"), chaired by the Nevada State Treasurer. Ascensus Broker Dealer Services, Inc. ("ABD") serves as the Program Manager.

Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10 percent federal tax penalty, as well as state and local income taxes. The availability of tax and other benefits may be contingent on meeting other requirements. The information contained is provided for general informational purposes, and should not be construed as investment advice. Nothing should be construed as tax advice, solicitation or offer, or recommendation, to buy or sell any security. Financial advisory services are only provided to investors who become Wealthfront clients. This article is not intended as tax advice, and Wealthfront does not represent in any manner that the tax consequences described here will be obtained or will result in any particular tax consequence.

Your investment is not insured or guaranteed by the State of Nevada, the Board, Plan or any state official, the FDIC or any other federal agency, the Program Manager, or Wealthfront. Investment returns will vary depending upon the performance of the Designated Portfolios in your account. You could lose all or a portion of your investment.

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 4
March 22, 2018

**Item: Putnam 529 for America Program Manager Report
for the Quarter End Performance Summary**

Recommendation:

**That the Board review and approve the Putnam 529 for
America Quarterly Report and Performance Summary as of
December 31, 2017 and direct staff accordingly.**

Fiscal:
None.

Summary:

Judy Minsk, Senior Product Marketing Manager with Putnam
Investments will be available to answer questions.

College Savings Plans of Nevada Board of Trustees Meeting

Putnam 529 for AmericaSM **Quarterly Report**

October 1–December 31, 2017

Putnam 529 for America

Commentary as of 12/31/17

Plan update

- Putnam 529 for America plan assets were \$449M
- Sales in Nevada topped \$700,000 for the quarter
- Average account balance reached over \$22,000
- Net rollovers increased 14% year over year

Quarterly campaign: Gift giving

- Promoted Putnam 529 for America for back to school with follow up activities in September and October
- Year-end planning and gift-giving season was the focus throughout November and December
- Campaign materials included banner ads for advisor and shareholder sites, email to advisors highlighting Putnam's webcast on year-end strategies for wealth planning and 529 benefits, and content on our Wealth Management Center blog

Putnam organizational updates

- In October 2017, Scott C. Sipple, previously Head of Global Investment Strategies, was appointed President of Great-West Investments. He was replaced by Michael P. Wands, CFA, who now reports directly to Putnam Investments President and CEO Robert L. Reynolds. Mr. Wands joined Putnam in 2008 and has been in the industry since 1986.
- In December, 2017, Robert Kea, CFA, Co-Head of Global Asset Allocation and Eric Harthun, CFA, Portfolio Manager for Small Cap Value Fund have retired from Putnam as of December 31, 2017
- In December 2017, Peter J. Curran, Chief of Human Resources, retired from Putnam. Edward Whalen was promoted into the role. Mr. Whalen joined Putnam in 1990 and most recently served as a divisional Head of Human Resources.

Putnam 529 for America

Highlights as of 12/31/17

| Highlights this period | 4th quarter 2017 | 3rd quarter 2017 | % change QvQ | 4th quarter 2016 | % change y/y |
|---|------------------|------------------|--------------|------------------|--------------|
| Assets under management | \$449,012,759 | \$435,530,716 | 3.10% | \$407,385,395 | 10.22% |
| Total funded accounts | 20,187 | 20,178 | 0.04% | 20,202 | -0.07% |
| Total # unique customers | 11,706 | 11,730 | -0.20% | 11,764 | -0.49% |
| New accounts | 347 | 434 | -20.05% | 320 | 8.44% |
| Average customer balance | \$22,243 | \$21,584 | 3.05% | \$20,166 | 10.30% |
| | | | | | |
| Nevada total assets | \$10,732,510 | \$9,490,591 | 13.09% | \$8,979,715 | 19.52% |
| Nevada funded accounts | 503 | 484 | 3.93% | 474 | 6.12% |
| Nevada average customer balance | \$21,337 | \$19,609 | 8.81% | \$18,945 | 12.63% |
| New Nevada accounts | 25 | 22 | 13.64% | 14 | 78.57% |
| | | | | | |
| Total gross contributions | \$10,000,018 | \$8,508,212 | 17.53% | \$8,936,163 | 11.91% |
| Total distributions | \$11,204,442 | \$14,309,134 | -21.70% | \$11,094,927 | 0.99% |
| Net contributions | (\$1,204,423) | (\$5,800,922) | 79.24% | (\$2,158,764) | 44.21% |
| | | | | | |
| Rollovers in | \$825,226 | \$802,812 | 2.79% | \$719,172 | 14.75% |
| Rollovers out | \$2,790,724 | \$1,528,609 | 82.57% | \$2,998,736 | -6.94% |
| Net rollovers | (\$1,965,498) | (\$725,797) | -170.81% | (\$2,279,565) | 13.78% |
| % of funded accounts with systematic investments | 29.70% | 30.40% | -2.30% | 30.30% | -1.98% |

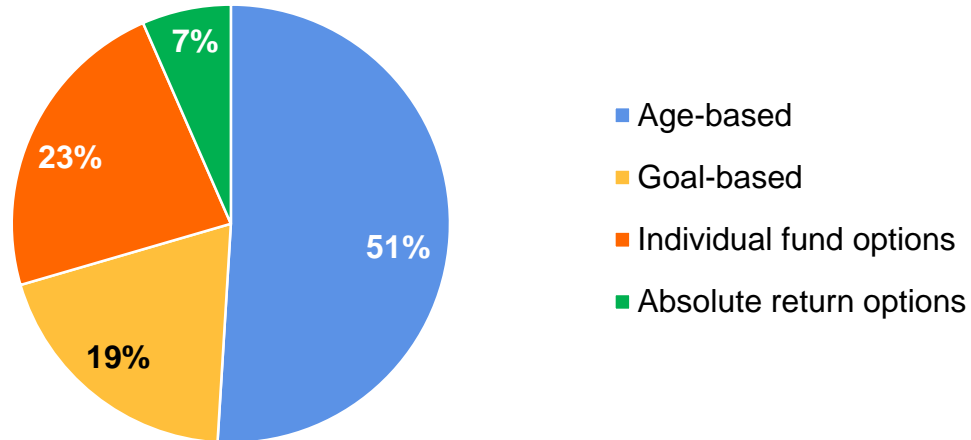
Accounts defined as a unique owner/beneficiary combination.

Average account balance defined as total assets divided by the number of unique owner/beneficiary combinations.

Dollars in millions except average account balances.

Putnam 529 for America

Assets by investment category as of 12/31/17



| Category | 12/31/17 assets | Percentage of grand total |
|-------------------------|-----------------|---------------------------|
| Age-based | \$228,872,180 | 50.97% |
| Goal-based | \$87,642,162 | 19.52% |
| Individual fund options | \$103,028,042 | 22.95% |
| Absolute return options | \$29,470,375 | 6.56% |
| Grand total | \$449,012,759 | 100.00% |

Excludes seed transactions.

Putnam 529 for America

Assets by investment option as of 12/31/17

| Category | Fund | 12/31/17 assets | Percentage of grand total |
|--------------------------------|--|----------------------|---------------------------|
| Age-based | Total | \$228,872,180 | 50.97% |
| Goal-based | Total | \$87,642,162 | 19.52% |
| | Goal-based balanced | \$29,712,597 | 6.62% |
| | Goal-based growth | \$32,774,998 | 7.30% |
| | Goal-based aggressive growth | \$25,154,568 | 5.60% |
| Individual fund options | Total | \$103,028,042 | 22.95% |
| | Federated U.S. Gov. Securities 2–5 years | \$1,655,885 | 0.37% |
| | MFS Institutional International Equity | \$11,388,901 | 2.54% |
| | Principal MidCap | \$18,861,991 | 4.20% |
| | Putnam 529 SSgA S&P 500 | \$10,571,216 | 2.35% |
| | Putnam Equity Income | \$19,340,460 | 4.31% |
| | Putnam Government Money Market | \$9,982,954 | 2.22% |
| | Putnam Growth Opportunities | \$14,824,786 | 3.30% |
| | Putnam High Yield | \$4,827,538 | 1.08% |
| | Putnam Income | \$5,984,138 | 1.33% |
| | Putnam Small Cap Value | \$5,590,172 | 1.24% |
| Absolute return | Total | \$29,470,375 | 6.56% |
| | Absolute 100 | \$1,348,512 | 0.30% |
| | Absolute 300 | \$4,694,559 | 1.05% |
| | Absolute 500 | \$11,133,795 | 2.48% |
| | Absolute 700 | \$12,293,509 | 2.74% |
| | Grand total | \$449,012,759 | 100.00% |

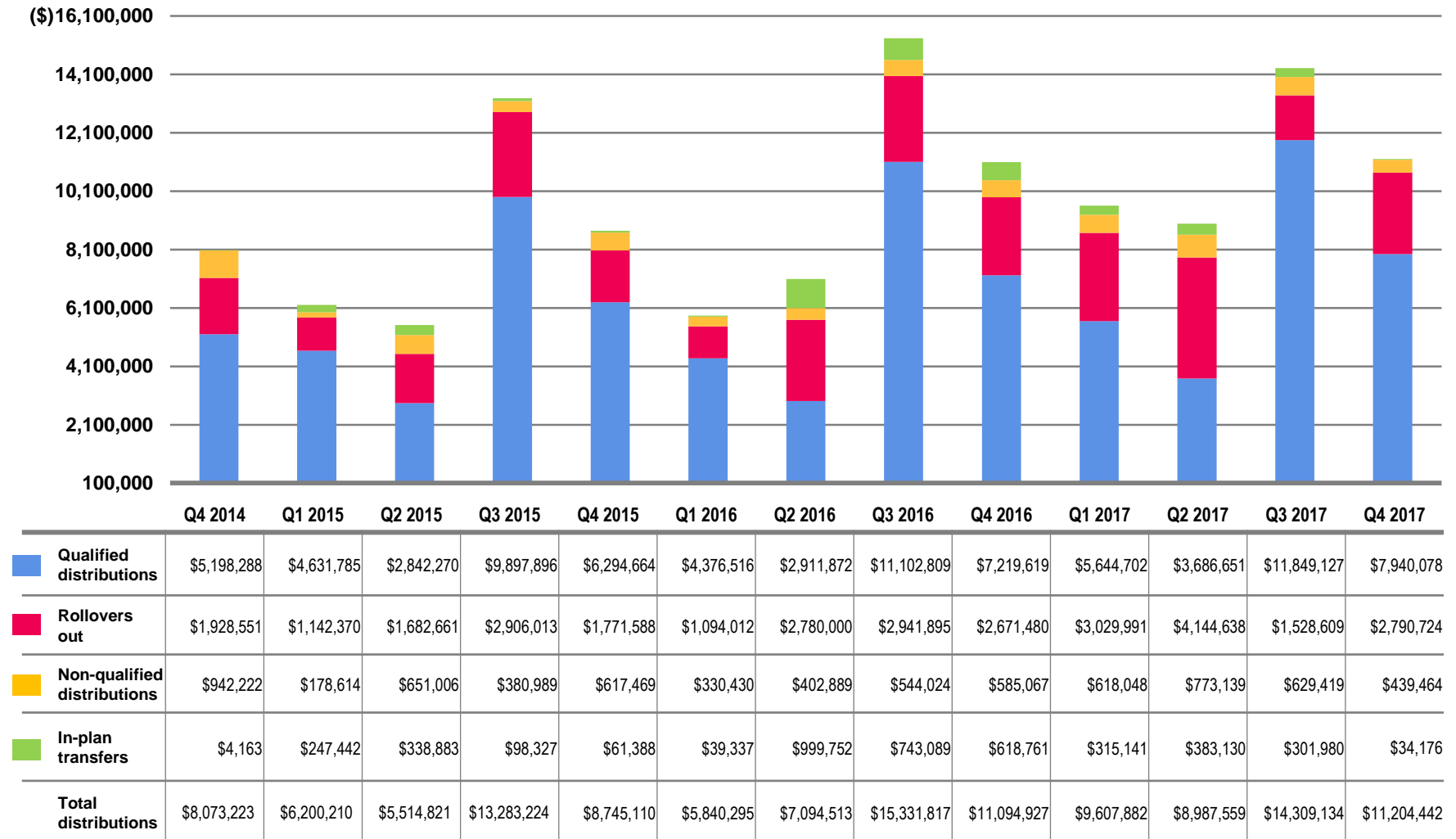
Putnam 529 for America

Contributions by type as of 12/31/17

| Sales | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 |
|--|------------|------------|-----------|-------------|-----------|------------|------------|-------------|-------------|-----------|-------------|---------------|---------------|
| NV sales | \$114,144 | \$273,713 | \$216,257 | \$177,238 | \$107,716 | \$170,004 | \$240,194 | \$627,624 | \$273,838 | \$337,377 | \$206,942 | \$296,233 | \$748,626 |
| National sales | 12,158,134 | 11,756,070 | 8,882,407 | 10,372,221 | 9,793,121 | 10,149,831 | 13,411,647 | 8,501,471 | 8,662,325 | 8,722,049 | 7,489,856 | \$8,211,979 | \$9,251,393 |
| Gross | 12,272,278 | 12,029,783 | 9,098,663 | 10,549,459 | 9,900,837 | 10,319,835 | 13,651,841 | 9,129,095 | 8,936,163 | 9,059,426 | 7,696,797 | \$8,508,212 | \$10,000,018 |
| NV net | 69,868 | 165,371 | 117,214 | 21,752 | 19,809 | 67,261 | (6,446) | 415,788 | 149,645 | 197,336 | 63,660 | \$161,734 | \$437,411 |
| National net | 4,129,187 | 5,664,202 | 3,466,629 | (2,755,518) | 1,135,919 | 4,412,279 | 6,563,773 | (6,618,510) | (2,308,410) | (745,792) | (1,354,421) | (\$5,962,656) | (\$1,641,834) |
| Net | 4,199,055 | 5,829,573 | 3,583,843 | (2,733,766) | 1,155,727 | 4,479,540 | 6,557,328 | (6,202,722) | (2,158,764) | (548,456) | (1,290,761) | (\$5,800,922) | (\$1,204,423) |
| New or existing account contributions | 8,222,386 | 7,346,943 | 5,913,812 | 6,906,167 | 6,346,924 | 5,727,358 | 4,401,986 | 4,858,292 | 5,499,487 | 4,881,350 | 3,975,155 | \$5,098,928 | \$6,564,740 |
| Total rollovers | 1,813,134 | 2,403,195 | 862,580 | 1,190,184 | 1,060,867 | 2,022,844 | 6,577,510 | 1,588,678 | 719,172 | 1,528,049 | 1,077,539 | \$802,812 | \$825,226 |
| Systematic investments | 2,236,759 | 2,279,645 | 2,322,271 | 2,453,107 | 2,493,046 | 2,569,633 | 2,672,346 | 2,682,125 | 2,717,504 | 2,650,027 | 2,644,103 | \$2,606,472 | \$2,610,053 |
| Systematics as % of sales | 18.22% | 18.95% | 25.52% | 23.25% | 25.18% | 24.89% | 19.57% | 29.37% | 30.41% | 29.25% | 34.35% | 30.63% | 26.10% |
| Total rollovers | 88 | 70 | 71 | 48 | 47 | 112 | 665 | 525 | 42 | 58 | 38 | 45 | 27 |

Putnam 529 for America

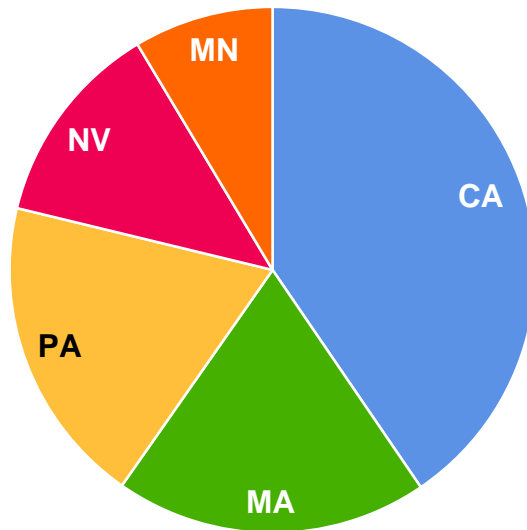
Distributions by category as of 12/31/17



Putnam 529 for America

Sales by state as of 12/31/17

Top-selling states during Q4 2017



| State | Q4 2017 sales |
|-------|---------------|
| CA | \$2,397,903 |
| MA | \$1,139,813 |
| PA | \$1,129,890 |
| NV | \$748,626 |
| MN | \$508,862 |
| TX | \$482,054 |
| MO | \$444,459 |
| IL | \$412,798 |
| FL | \$340,090 |
| NJ | \$284,835 |

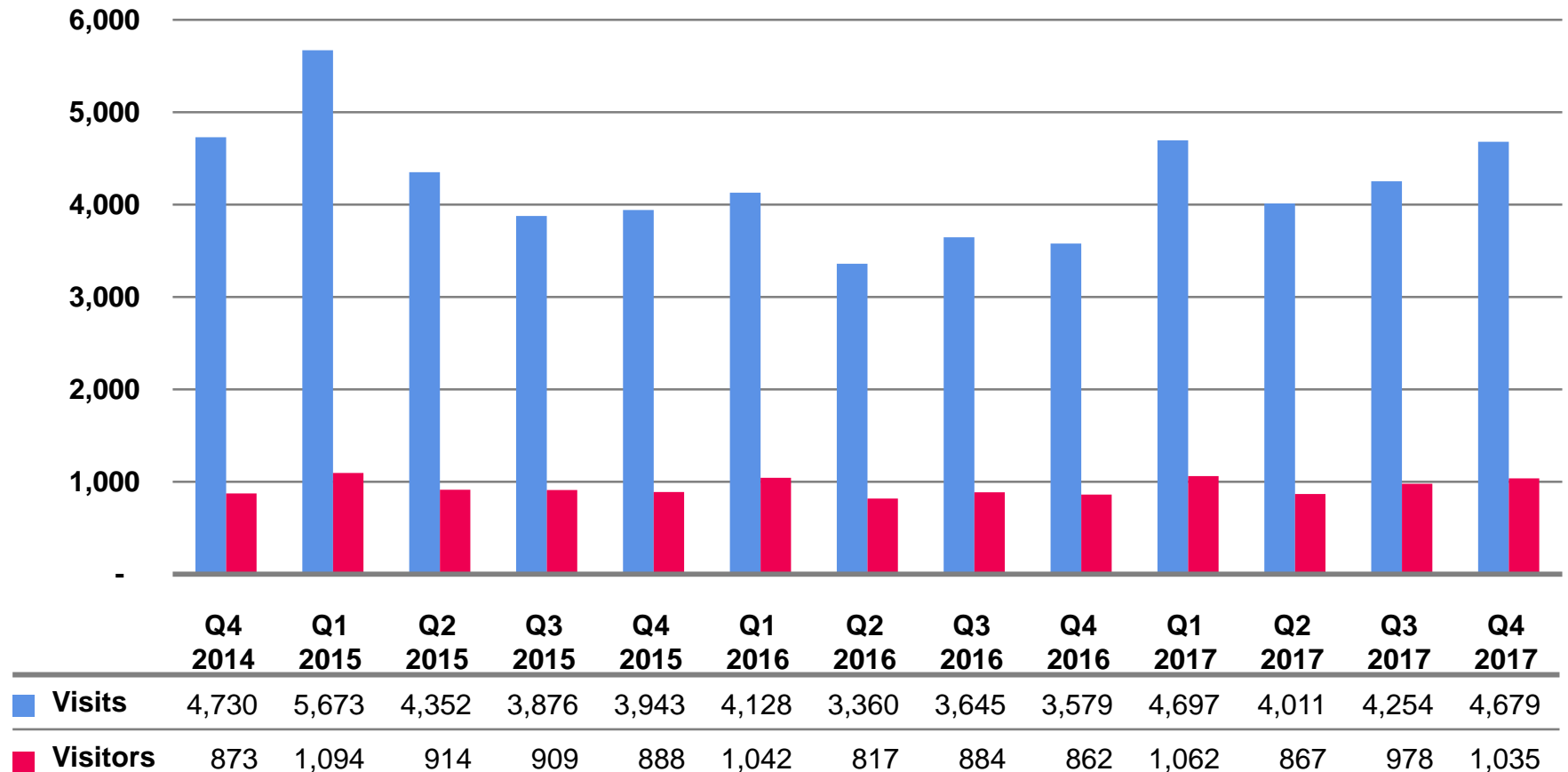
Putnam 529 for America

Client Services metrics as of December 31, 2017

| CRITERIA | SERVICE LEVEL |
|---|---------------|
| Transactions <ul style="list-style-type: none">• 96% of all financial and non-financial transactions processed error free | 99.5% |
| Telephone service <ul style="list-style-type: none">• 80% of calls answered within 20 seconds | 84.8% |
| Mail service <ul style="list-style-type: none">• Transaction confirmations<ul style="list-style-type: none">– 99% of confirmations and checks mailed within 2 business days of any transaction• Quarterly statements<ul style="list-style-type: none">– 97% of customers receive quarterly statements within 5 business days of the end of each quarter | 100% |

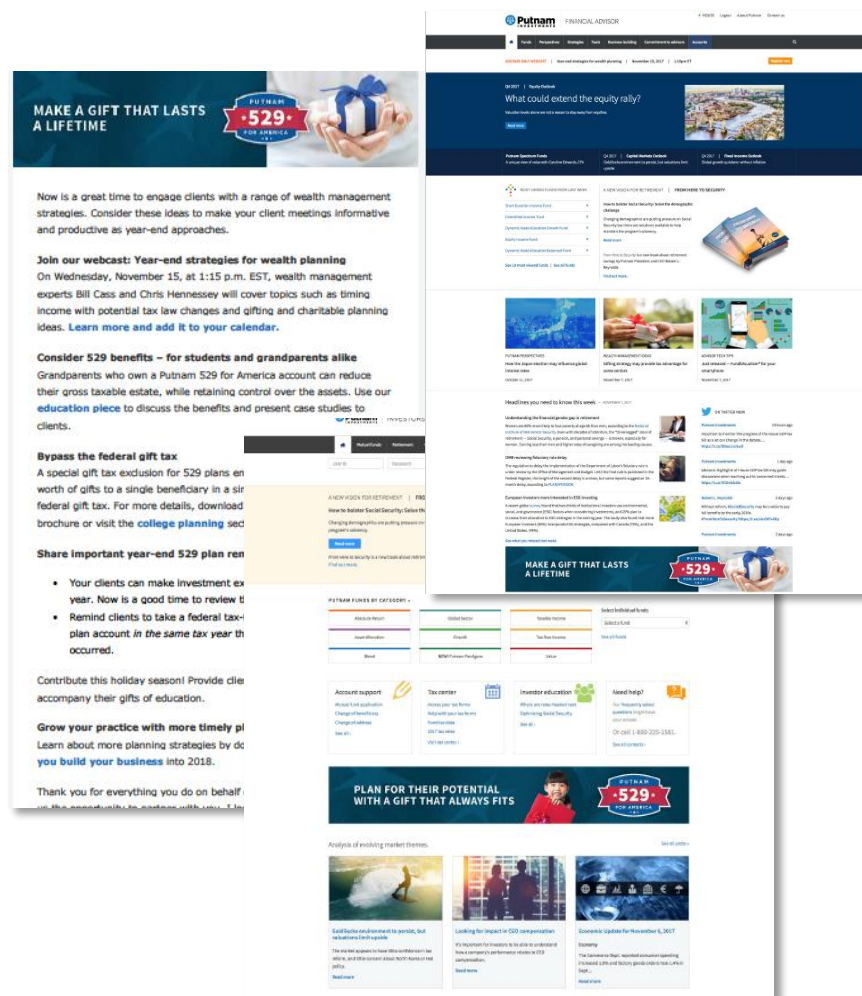
Putnam 529 for America

Web usage by customers as of 12/31/17



Seasonal campaign — Year-end planning and gift giving

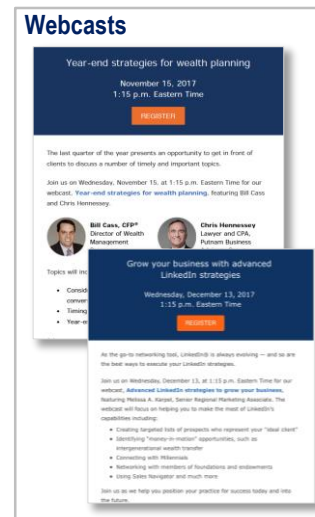
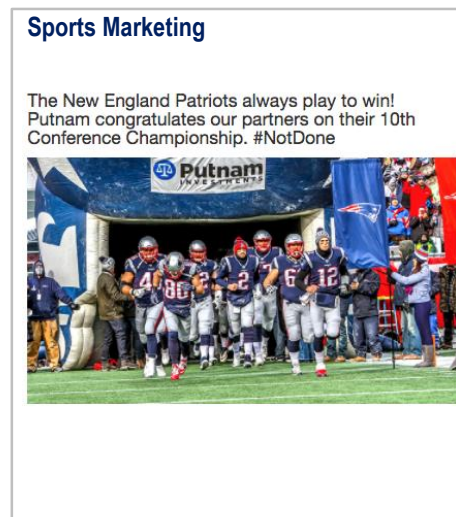
- Posted banners on advisor and shareholder sites promoting year-end gift giving and planning
- Sent out targeted email to advisors promoting Putnam's year-end strategies for wealth planning on 11/15. Topics discussed were:
 - Considerations for retirement accounts
 - Timing of income given tax law changes
 - Year-end gifting and charitable planning strategies
- 13K advisors were emailed during the campaign period
 - Email saw an above-average open rate 10.8%
 - 13% of attendees to the Year-end Planning webcast in November were from the 529 advisor target list
- 1,600 of the targeted financial advisors were contacted via phone and 60 in-person meetings were held



Marketing and brand awareness

As of 12/31/17

- Created new ESG brochure – Sustainable Investing at Putnam
- Developed new advisor prospecting content for Women and Millennials
- Posted new content to the Advisor Tech Tips blog and Wealth Management Center with social media content for advisors
- Promoted a variety of advisor webcasts including year-end strategies for wealth planning (~540 attendees) and Advanced LinkedIn strategies (~400 attendees)
- Sports Marketing: Implemented new creative to celebrate the Patriots advancement to the playoffs



Performance commentary

| Fund | Assets as of 9/30/17 | % of plan |
|--------------------|----------------------|-----------|
| Putnam Income Fund | \$5,971,896 | 1.37% |

Putnam Income Fund

- For the three-month period ending 12/31/17, Putnam Income Fund was up 1.19% (net, Y shares) and modestly outperformed its benchmark, the Bloomberg Barclays Aggregate Bond Index, which was up 0.39%.
- Our allocation to mezzanine CMBS was the primary contributor during the quarter. Exposure to cash bonds contributed to performance, as did our long exposure to BBB- Series 6, as spreads tightened in November and December after widening during the previous few months. An allocation to agency CRT also contributed, albeit more modestly. The market recovered from the hurricane driven selloff experienced in August and September after investors had an opportunity to review data of the actual impacts from the storms.
- Within our prepayment risk, exposure to reverse mortgage IO (HECMs) contributed to performance. The changes made to the HECM program at the end of August that decrease the likelihood of voluntary prepayments on existing loans continued to benefit our holdings.
- An overweight to investment grade early in the period benefited from general risk-on sentiment, however, a short position to high yield served as a partial offset.
- We maintained an underweight to duration during the quarter while rates were higher across the majority of the curve.

Performance figures reflect Y-share returns of underlying funds.

Putnam 529 for America

Performance as of 12/31/17

| PORTFOLIOS | INCEPTION DATE | 3 MONTHS | | 1 YEAR | | 3 YEARS | | 5 YEARS | | SINCE INCEPTION | | TOTAL EXPENSE RATIO |
|----------------------|----------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | |
| AGE-BASED PORTFOLIOS | | | | | | | | | | | | |
| Graduate | 10/1/2010 | 0.44 | -5.34 | 1.50 | -4.33 | 0.53 | -1.44 | 1.63 | 0.43 | 1.91 | 1.08 | 0.96 |
| Graduate Index | | 1.16 | | 4.55 | | 2.51 | | 2.88 | | 2.96 | | |
| 1997 | 10/1/2010 | 0.45 | -5.33 | 1.96 | -3.90 | 0.96 | -1.02 | 3.42 | 2.20 | 4.23 | 3.38 | 0.98 |
| 1997 Index | | 0.59 | | 2.46 | | 1.56 | | 3.57 | | 4.57 | | |
| 1998 | 10/1/2010 | 0.72 | -5.07 | 2.85 | -3.06 | 1.41 | -0.57 | 4.07 | 2.84 | 4.81 | 3.96 | 1.00 |
| 1998 Index | | 0.75 | | 3.19 | | 1.99 | | 4.17 | | 5.13 | | |
| 1999 | 10/1/2010 | 0.90 | -4.91 | 3.76 | -2.21 | 1.89 | -0.10 | 4.75 | 3.51 | 5.40 | 4.54 | 1.03 |
| 1999 Index | | 0.94 | | 4.05 | | 2.46 | | 4.80 | | 5.71 | | |
| 2000 | 10/1/2010 | 1.20 | -4.62 | 4.81 | -1.21 | 2.41 | 0.41 | 5.45 | 4.21 | 5.99 | 5.12 | 1.04 |
| 2000 Index | | 1.16 | | 4.98 | | 2.98 | | 5.46 | | 6.29 | | |
| 2001 | 10/1/2010 | 1.54 | -4.30 | 5.95 | -0.15 | 2.99 | 0.97 | 6.20 | 4.95 | 6.57 | 5.70 | 1.07 |
| 2001 Index | | 1.43 | | 6.02 | | 3.55 | | 6.15 | | 6.86 | | |
| 2002 | 10/1/2010 | 1.86 | -4.00 | 7.23 | 1.06 | 3.60 | 1.58 | 6.93 | 5.67 | 7.13 | 6.26 | 1.08 |
| 2002 Index | | 1.71 | | 7.17 | | 4.17 | | 6.85 | | 7.43 | | |
| 2003 | 10/1/2010 | 2.27 | -3.61 | 8.64 | 2.39 | 4.28 | 2.24 | 7.65 | 6.38 | 7.68 | 6.81 | 1.09 |
| 2003 Index | | 2.04 | | 8.49 | | 4.84 | | 7.54 | | 7.99 | | |
| 2004 | 10/1/2010 | 2.72 | -3.18 | 10.13 | 3.80 | 4.97 | 2.92 | 8.36 | 7.09 | 8.21 | 7.33 | 1.10 |
| 2004 Index | | 2.40 | | 9.86 | | 5.51 | | 8.20 | | 8.51 | | |
| 2005 | 10/1/2010 | 3.16 | -2.77 | 11.61 | 5.20 | 5.59 | 3.53 | 9.00 | 7.71 | 8.66 | 7.78 | 1.11 |
| 2005 Index | | 2.77 | | 11.26 | | 6.14 | | 8.82 | | 8.98 | | |
| 2006 | 10/1/2010 | 3.59 | -2.37 | 13.07 | 6.57 | 6.18 | 4.10 | 9.58 | 8.29 | 9.08 | 8.19 | 1.12 |
| 2006 Index | | 3.14 | | 12.69 | | 6.73 | | 9.39 | | 9.42 | | |
| 2007 | 10/1/2010 | 3.96 | -2.01 | 14.26 | 7.69 | 6.60 | 4.51 | 10.04 | 8.74 | 9.38 | 8.49 | 1.13 |
| 2007 Index | | 3.49 | | 13.78 | | 7.16 | | 9.83 | | 9.76 | | |
| 2008 | 10/1/2010 | 4.22 | -1.77 | 15.12 | 8.50 | 6.91 | 4.82 | 10.39 | 9.09 | 9.65 | 8.75 | 1.13 |
| 2008 Index | | 3.72 | | 14.66 | | 7.51 | | 10.20 | | 10.04 | | |

Periods of less than one year are not annualized, but cumulative.

Putnam 529 for America

Performance as of 12/31/17

| PORTFOLIOS | INCEPTION DATE | 3 MONTHS | | 1 YEAR | | 3 YEARS | | 5 YEARS | | SINCE INCEPTION | | TOTAL EXPENSE RATIO |
|--------------------------|----------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | |
| AGE-BASED PORTFOLIOS | | | | | | | | | | | | |
| 2009 | 10/1/2010 | 4.48 | -1.52 | 15.98 | 9.31 | 7.20 | 5.11 | 10.71 | 9.41 | 9.89 | 9.00 | 1.13 |
| 2009 Index | | 3.94 | | 15.49 | | 7.81 | | 10.52 | | 10.28 | | |
| 2010 | 10/1/2010 | 4.64 | -1.38 | 16.80 | 10.09 | 7.48 | 5.38 | 11.00 | 9.70 | 10.10 | 9.21 | 1.14 |
| 2010 Index | | 4.15 | | 16.33 | | 8.12 | | 10.82 | | 10.50 | | |
| 2011 | 1/3/2011 | 4.87 | -1.16 | 17.62 | 10.85 | 7.76 | 5.66 | 11.26 | 9.95 | 9.57 | 8.65 | 1.14 |
| 2011 Index | | 4.36 | | 17.15 | | 8.42 | | 11.10 | | 9.84 | | |
| 2012 | 1/3/2012 | 5.07 | -0.97 | 18.38 | 11.57 | 8.02 | 5.91 | 11.51 | 10.20 | 12.15 | 11.05 | 1.14 |
| 2012 Index | | 4.55 | | 17.88 | | 8.68 | | 11.35 | | 12.00 | | |
| 2013 | 1/2/2013 | 5.27 | -0.78 | 18.88 | 12.04 | 8.20 | 6.09 | 11.69 | 10.37 | 11.69 | 10.37 | 1.15 |
| 2013 Index | | 4.72 | | 18.49 | | 8.90 | | 11.55 | | 11.55 | | |
| 2014 | 1/2/2014 | 5.37 | -0.69 | 19.35 | 12.49 | 8.35 | 6.23 | -- | -- | 8.66 | 7.06 | 1.15 |
| 2014 Index | | 4.85 | | 18.95 | | 9.06 | | - | | 8.72 | | |
| 2015 | 1/2/2015 | 5.45 | -0.62 | 19.66 | 12.78 | 8.52 | 6.40 | -- | -- | 8.52 | 6.40 | 1.15 |
| 2015 Index | | 4.96 | | 19.32 | | 9.20 | | - | | 9.20 | | |
| 2016 | 1/4/2016 | 5.43 | -0.63 | 19.70 | 12.82 | -- | -- | -- | -- | 13.23 | 9.92 | 1.16 |
| 2016 Index | | 5.05 | | 19.61 | | - | | - | | 14.62 | | |
| 2017 | 1/3/2017 | 5.55 | -0.52 | 19.90 | 13.01 | -- | -- | -- | -- | 19.90 | 13.01 | 1.16 |
| 529 Age-Based 2017 Index | | 5.12 | | 19.81 | | - | | - | | 19.81 | | |

Periods of less than one year are not annualized, but cumulative.

Putnam 529 for America

Performance as of 12/31/17

| PORTFOLIOS | INCEPTION DATE | 3 MONTHS | | 1 YEAR | | 3 YEARS | | 5 YEARS | | SINCE INCEPTION | | TOTAL EXPENSE RATIO |
|--|----------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | |
| GOAL-BASED PORTFOLIOS | | | | | | | | | | | | |
| Balanced | 10/1/2010 | 4.26 | -1.73 | 14.90 | 8.30 | 6.88 | 4.79 | 9.58 | 8.29 | 8.92 | 8.04 | 1.12 |
| Balanced Index | | 3.76 | | 14.46 | | 7.44 | | 9.40 | | 9.21 | | |
| Growth | 10/1/2010 | 5.53 | -0.53 | 19.95 | 13.06 | 8.56 | 6.43 | 11.93 | 10.62 | 10.77 | 9.86 | 1.16 |
| Growth Index | | 5.18 | | 19.97 | | 9.45 | | 11.94 | | 11.30 | | |
| Aggressive Growth | 10/1/2010 | 5.95 | -0.14 | 21.82 | 14.82 | 9.12 | 6.99 | 13.15 | 11.82 | 11.91 | 11.00 | 1.18 |
| Aggressive Growth Index | | 6.02 | | 22.88 | | 10.47 | | 13.50 | | 12.52 | | |
| INDIVIDUAL OPTIONS | | | | | | | | | | | | |
| Putnam Equity Income Fund | 10/1/2010 | 6.22 | 0.11 | 18.43 | 11.62 | 9.09 | 6.96 | 13.85 | 12.51 | 13.55 | 12.63 | 1.11 |
| Russell 1000 Value Index | | 5.33 | | 13.66 | | 8.65 | | 14.04 | | 13.48 | | |
| Putnam Small Cap Value Fund | 9/12/2014 | 3.01 | -2.91 | 7.75 | 1.56 | 9.32 | 7.19 | -- | -- | 9.12 | 7.18 | 1.32 |
| Russell 2000 Value Index | | 2.05 | | 7.84 | | 9.55 | | - | | 9.76 | | |
| MFS Institutional International Equity Fund | 10/1/2010 | 3.90 | -2.07 | 27.41 | 20.08 | 8.27 | 6.16 | 7.41 | 6.14 | 7.40 | 6.53 | 1.09 |
| MSCI EAFE Index (ND) | | 4.23 | | 25.03 | | 7.80 | | 7.90 | | 6.70 | | |
| Putnam Growth Opportunities Fund | 7/5/2016 | 6.53 | 0.40 | 30.63 | 23.12 | -- | -- | -- | -- | 25.58 | 20.68 | 1.10 |
| Russell 1000 Growth Index | | 7.86 | | 30.21 | | - | | - | | 23.98 | | |
| Principal MidCap Fund | 10/1/2010 | 4.74 | -1.28 | 24.75 | 17.58 | 11.41 | 9.23 | 15.57 | 14.21 | 15.79 | 14.84 | 1.09 |
| Russell Mid Cap Index | | 6.07 | | 18.52 | | 9.58 | | 14.96 | | 14.16 | | |
| SSGA S&P 500 Index | 6/27/2012 | 6.54 | 0.41 | 21.13 | 14.17 | 10.81 | 8.65 | 15.12 | 13.77 | 15.23 | 14.00 | 0.54 |
| S&P 500 Index | | 6.64 | | 21.83 | | 11.41 | | 15.79 | | 15.91 | | |
| Putnam High Yield* | 4/21/2017 | 0.77 | -3.26 | -- | -- | -- | -- | -- | -- | 4.20 | 0.03 | 1.24 |
| JPMorgan Developed High Yield Index* | | 0.75 | | - | | - | | - | | 4.53 | | |
| Putnam Income Fund | 10/1/2010 | 1.09 | -2.95 | 5.61 | 1.38 | 1.83 | 0.46 | 2.46 | 1.63 | 3.69 | 3.10 | 1.01 |
| BBG Barclays U.S. Aggregate Bond Index | | 0.39 | | 3.54 | | 2.24 | | 2.10 | | 2.91 | | |
| Federated U.S. Government Securities Fund | 10/1/2010 | -0.59 | -4.56 | -0.10 | -4.09 | 0.03 | -1.32 | -0.35 | -1.16 | 0.26 | -0.30 | 0.98 |
| ICE BofA Merrill Lynch 3–5 Year Treasury Index | | -0.57 | | 0.95 | | 1.29 | | 1.02 | | 1.54 | | |

* Since inception returns are cumulative.
Periods less than one year are not annualized, but cumulative.

Putnam 529 for America

Performance as of 12/31/17

| PORTFOLIOS | INCEPTION DATE | 3 MONTHS | | 1 YEAR | | 3 YEARS | | 5 YEARS | | SINCE INCEPTION | | TOTAL EXPENSE RATIO |
|---|----------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | BEFORE SALES CHARGE | AFTER SALES CHARGE | |
| INDIVIDUAL OPTIONS | | | | | | | | | | | | |
| Putnam Government Money Market Fund | 8/18/2016 | 0.03 | 0.03 | 0.05 | 0.05 | -- | -- | -- | -- | 0.04 | 0.04 | 0.93 |
| Lipper U.S. Government Money Market Funds Average | | 0.13 | | 0.32 | | - | | - | | 0.25 | | |
| Absolute Return 100 Fund | 10/1/2010 | 0.37 | -0.63 | 3.14 | 2.11 | 1.49 | 1.15 | 1.33 | 1.12 | 1.11 | 0.97 | 0.77 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | | 0.25 | | 0.81 | | 0.42 | | 0.28 | | 0.24 | | |
| Absolute Return 300 Fund | 10/1/2010 | 0.44 | -0.56 | 5.09 | 4.04 | 1.57 | 1.23 | 2.06 | 1.85 | 1.78 | 1.63 | 0.83 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | | 0.25 | | 0.81 | | 0.42 | | 0.28 | | 0.24 | | |
| Absolute Return 500 Fund | 10/1/2010 | 1.92 | -3.94 | 7.07 | 0.91 | 2.39 | 0.39 | 3.04 | 1.83 | 3.38 | 2.53 | 1.16 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | | 0.25 | | 0.81 | | 0.42 | | 0.28 | | 0.24 | | |
| Absolute Return 700 Fund | 10/1/2010 | 2.63 | -3.27 | 9.64 | 3.33 | 3.39 | 1.37 | 4.34 | 3.11 | 4.39 | 3.54 | 1.30 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | | 0.25 | | 0.81 | | 0.42 | | 0.28 | | 0.24 | | |

Periods of less than one year are not annualized, but cumulative.

Putnam 529 for America

Underlying performance as of 12/31/17

| | QUARTER | YEAR TO DATE | 1 YR | 3 YRS | 5 YRS | 10 YRS | SINCE INCEPTION |
|---|---------|-----------------|-------|-------|-------|--------|--------------------|
| Putnam GAA All Equity Portfolio (9/29/2010) | 6.07 | 22.37 | 22.37 | 9.58 | 13.64 | — | 12.44 |
| Putnam Equity Blended Index | 6.02 | 22.88 | 22.88 | 10.47 | 13.50 | — | 12.53 |
| Lipper Multi-Cap Core Funds average | 5.84 | 19.43 | 19.43 | 8.89 | 13.74 | — | 12.74 |
| Putnam GAA Growth Portfolio (9/29/2010) | 5.53 | 19.88 | 19.88 | 8.79 | 11.99 | — | 10.89 |
| Putnam Growth Blended Benchmark | 4.90 | 19.02 | 19.02 | 9.10 | 11.41 | — | 10.90 |
| Lipper Mixed-Asset Target Allocation Growth Funds average | 4.05 | 15.70 | 15.70 | 6.81 | 9.19 | — | 8.85 |
| Putnam GAA Balanced Portfolio (9/29/2010) | 4.37 | 15.36 | 15.36 | 7.43 | 10.25 | — | 9.72 |
| Putnam Balanced Blended Benchmark | 3.74 | 14.41 | 14.41 | 7.56 | 9.61 | — | 9.48 |
| Lipper Mixed-Asset Target Allocation Moderate Funds average | 3.02 | 12.77 | 12.77 | 5.70 | 7.29 | — | 7.35 |
| Putnam GAA Conservative Portfolio (9/29/2010) | 2.44 | 9.83 | 9.83 | 5.01 | 6.46 | — | 6.66 |
| Putnam Conservative Blended Benchmark | 2.07 | 8.97 | 8.97 | 5.04 | 5.95 | — | 6.34 |
| Lipper Mixed-Asset Target Allocation Consv. Funds average | 1.87 | 8.65 | 8.65 | 4.18 | 4.80 | — | 5.28 |
| Federated US Government Sec Fund: 2-5 Years Instl (2/18/1983) | -0.54 | 0.28 | 0.28 | 0.40 | 0.04 | 2.07 | 5.63 |
| ICE BofA Merrill Lynch 3-5 Year Treasury Index | -0.57 | 0.95 | 0.95 | 1.29 | 1.02 | 2.94 | — |
| Lipper Short-Intermediate U.S. Government Funds average | -0.25 | 0.62 | 0.62 | 0.47 | 0.30 | 2.05 | 5.63 |
| Putnam Small Cap Value Y (4/13/1999) | 3.04 | 8.11 | 8.11 | 9.76 | 13.65 | 7.76 | 10.15 |
| Russell 2000 Value Index | 2.05 | 7.84 | 7.84 | 9.55 | 13.01 | 8.17 | 10.09 |
| Lipper Small-Cap Value Funds average | 3.56 | 8.97 | 8.97 | 8.05 | 11.99 | 7.98 | 11.02 |
| Principal MidCap Fund Instl (3/1/2001) | 4.89 | 25.32 | 25.32 | 11.92 | 16.12 | 11.48 | 11.09 |
| Russell Mid Cap Index | 6.07 | 18.52 | 18.52 | 9.58 | 14.96 | 9.11 | 9.46 |
| Lipper Multi-Cap Growth Funds average | 6.16 | 28.06 | 28.06 | 10.43 | 14.84 | 8.15 | 6.49 |
| SSgA S&P 500 Index Fund (12/30/1992) | 6.64 | 21.68 | 21.68 | 11.26 | 15.62 | 8.35 | 9.50 |
| S&P 500 Index | 6.64 | 21.83 | 21.83 | 11.41 | 15.79 | 8.50 | 9.66 |
| Lipper S&P 500 Index Funds average | 6.55 | 21.27 | 21.27 | 10.86 | 15.19 | 7.94 | 9.39 |
| Putnam Equity Income Fund Y (6/15/1977) | 6.33 | 18.95 | 18.95 | 9.54 | 14.35 | 8.94 | 10.50 |
| Russell 1000 Value Index | 5.33 | 13.66 | 13.66 | 8.65 | 14.04 | 7.10 | — |
| Lipper Equity Income Funds average | 5.44 | 15.44 | 15.44 | 8.24 | 12.31 | 6.99 | 10.83 |
| Putnam Growth Opportunities Fund Y (10/2/1995) | 6.64 | 31.28 | 31.28 | 12.34 | 17.19 | 10.51 | 8.17 |
| Russell 1000 Growth Index | 7.86 | 30.21 | 30.21 | 13.79 | 17.33 | 10.00 | 8.69 |
| Lipper Large-Cap Growth Funds average | 6.38 | 29.52 | 29.52 | 11.66 | 15.65 | 8.41 | 5.33 |

Periods of less than one year are not annualized, but cumulative.

Putnam 529 for America

Underlying performance as of 12/31/17

| | QUARTER | YEAR TO DATE | 1 YR | 3 YRS | 5 YRS | 10 YRS | SINCE INCEPTION |
|---|---------|-----------------|-------|-------|-------|--------|--------------------|
| Putnam Income Fund Y (11/1/1954) | 1.19 | 6.10 | 6.10 | 2.23 | 2.88 | 5.46 | 7.56 |
| Bloomberg Barclays U.S. Aggregate Bond Index | 0.39 | 3.54 | 3.54 | 2.24 | 2.10 | 4.01 | — |
| Lipper Core Bond Funds average | 0.32 | 3.56 | 3.56 | 2.15 | 1.95 | 3.83 | — |
| Putnam High Yield Fund:Y (3/25/1986) | 0.89 | 7.16 | 7.16 | 5.48 | 5.14 | 6.99 | 7.58 |
| JPMorgan Developed High Yield Index | 0.75 | 7.80 | 7.80 | 6.76 | 6.15 | 8.29 | — |
| Lipper High Yield Funds average | 0.49 | 6.58 | 6.58 | 5.00 | 4.63 | 6.43 | 7.16 |
| Putnam Govt Money Market A (4/14/2016) | 0.13 | 0.30 | 0.30 | — | — | — | 0.18 |
| Lipper U.S. Government Money Market Funds | 0.13 | 0.32 | 0.32 | — | — | — | 0.20 |
| MFS Intl International Equity Fund (1/30/1996) | 4.00 | 28.02 | 28.02 | 8.70 | 7.84 | 4.50 | 8.13 |
| MSCI EAFE Index (ND) | 4.23 | 25.03 | 25.03 | 7.80 | 7.90 | 1.94 | 5.12 |
| Lipper International Large-Cap Growth average | 4.09 | 27.54 | 27.54 | 7.76 | 7.00 | 2.43 | 7.12 |
| Putnam Absolute Return 100 Fund Y (12/23/2008) | 0.42 | 3.47 | 3.47 | 1.88 | 1.72 | — | 1.73 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | 0.25 | 0.81 | 0.81 | 0.42 | 0.28 | — | 0.24 |
| Putnam Absolute Return 300 Fund Y (12/23/2008) | 0.60 | 5.53 | 5.53 | 1.97 | 2.46 | — | 2.82 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | 0.25 | 0.81 | 0.81 | 0.42 | 0.28 | — | 0.24 |
| Putnam Absolute Return 500 Fund Y (12/23/2008) | 2.00 | 7.46 | 7.46 | 2.77 | 3.45 | — | 4.23 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | 0.25 | 0.81 | 0.81 | 0.42 | 0.28 | — | 0.24 |
| Putnam Absolute Return 700 Fund Y (12/23/2008) | 2.71 | 10.09 | 10.09 | 3.77 | 4.75 | — | 5.57 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | 0.25 | 0.81 | 0.81 | 0.42 | 0.28 | — | 0.24 |

Periods of less than one year are not annualized, but cumulative.

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THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 5
March 22, 2018

**Item: Quarterly Compiled Unaudited Financial
Statements for Nevada 529 Plans**

Recommendation:

That the Board review and approve the unaudited financial statements for the quarter ended December 31, 2017, for the 529 College Savings Plans managed by Ascensus College Savings and Putnam 529 for America.

Fiscal:

None.

Summary:

Thomas & Thomas LLP, Certified Public Accountants have been retained to provide the Board with quarterly unaudited compiled financial statements and schedules of the College Savings Plans of Nevada that are managed by Ascensus College Savings. These plans include the USAA 529 College Savings Plan, the Vanguard 529 College Savings Plan, the Wealthfront 529 College Savings, and the SSgA Upromise 529 Plan. In addition, Putnam Investments has provided data for inclusion from the advisor-sold plan – Putnam 529 for America.

The statement compiles the net assets, changes in net assets, and the fees from the plans, during the quarter ended December 31, 2017.

Pattie Weed, representing Thomas & Thomas will be available via conference call to answer any questions.



College Savings Plans of Nevada

**Compiled Financial Statements
and
Supplemental Schedules**

December 31, 2017

College Savings Plans of Nevada

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ACCOUNTANT'S COMPILATION REPORT

Members of the Board of Trustees
College Savings Plans of Nevada

The accompanying financial statements present the statements of fiduciary net position of USAA 529 College Savings Plan®, The Vanguard® 529 College Savings Plan, SSGA Upromise 529 Plan, Putnam 529 for America and Wealthfront 529 College Savings Plan (collectively, "the College Savings Plans of Nevada") as of December 31, 2017, and the related statements of changes in fiduciary net position for the three months and six months ended December 31, 2017, in accordance with accounting principles generally accepted in the United States of America. The College Savings Plans of Nevada are college savings options available through the Nevada College Savings Trust and are included in the reporting entity of the state of Nevada as private purpose trust funds. Ascensus Broker Dealer Services, Inc. is responsible for administration of USAA 529 College Savings Plan®, The Vanguard® 529 College Savings Plan, SSGA Upromise 529 Plan and Wealthfront 529 College Savings Plan. Putnam Investments is responsible for administration of Putnam 529 for America. Collectively, Ascensus Broker Dealer Services, Inc. and Putnam Investments are referred to as "Management" of the College Savings Plans of Nevada.

Management is responsible for the accompanying financial statements. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Management. Accordingly, we do not express an opinion or a conclusion, nor do we provide any form of assurance on these financial statements.

The summarized comparative totals as of December 31, 2016, and for the three and six months then ended, have been derived from the December 31, 2016 financial statements of the College Savings Plans of Nevada, on which we issued an accountant's compilation report dated March 6, 2017.

The accompanying compiled financial statements do not include any balances or transactions attributable to the Nevada Prepaid Tuition Program, which is another college savings option offered through the Nevada College Savings Trust. Therefore, these financial statements do not and are not intended to represent a complete presentation of the fiduciary net position of the Nevada College Savings Trust or the changes therein.

Members of the Board of Trustees
College Savings Plans of Nevada

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the financial position and changes therein of the College Savings Plans of Nevada. Accordingly, the financial statements are not designed for those who are not informed about such matters. In addition, Management has elected to omit management's discussion and analysis that accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB), require to supplement the basic financial statements. Although not a required part of the financial statements, management's discussion and analysis is considered by the GASB to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context.

The supplemental schedules of fee information are presented for purposes of additional analysis and are not a required part of the financial statements. The information in these schedules is the representation of Management. The information in these schedules was subject to our compilation engagement; however, we have not audited or reviewed the information in these schedules and, accordingly, do not express an opinion or a conclusion on the information in the schedules, nor do we provide any form of assurance on such information.

Thomas & Thomas LLP

Certified Public Accountants

February 16, 2018
Little Rock, Arkansas

COLLEGE SAVINGS PLANS OF NEVADA

STATEMENTS OF FIDUCIARY NET POSITION

As of December 31, 2017

(With summarized comparative totals as of December 31, 2016)

| | USAA 529 College Savings Plan® | The Vanguard® 529 College Savings Plan | SSGA Upromise 529 Plan | Putnam 529 for America | Wealthfront 529 College Savings Plan | Total December 31, 2017 | Total December 31, 2016 |
|--|--------------------------------------|--|------------------------------|------------------------------|--|----------------------------|----------------------------|
| ASSETS | | | | | | | |
| Investments, at fair value | \$ 3,549,493,697 | \$ 17,002,022,166 | \$ 1,419,473,968 | \$ 449,322,564 | \$ 91,421,450 | \$ 22,511,733,845 | \$ 18,359,877,237 |
| Cash and cash equivalents | 3,007,278 | 37,463,298 | 5,453,885 | 243,691 | 4,149,143 | 50,317,295 | 40,170,447 |
| Receivables for investment sales | 123,787 | 3,847,951 | 657,662 | 267,791 | - | 4,897,191 | 17,717,584 |
| Accrued investment income | - | - | 13,549,897 | 65,430 | - | 13,615,327 | 6,683,686 |
| Total Assets | <u>3,552,624,762</u> | <u>17,043,333,415</u> | <u>1,439,135,412</u> | <u>449,899,476</u> | <u>95,570,593</u> | <u>22,580,563,658</u> | <u>18,424,448,954</u> |
| LIABILITIES | | | | | | | |
| Payables for investment purchases | 1,901,315 | 19,180,978 | 868,577 | 310,920 | 1,505,682 | 23,767,472 | 31,456,998 |
| Withdrawals payable | 1,188,799 | 6,753,500 | 985,240 | 266,826 | 2,110 | 9,196,475 | 7,505,337 |
| Accrued fees | 412,868 | 2,001,684 | 418,621 | 259,341 | 4,520 | 3,097,034 | 3,020,826 |
| Total Liabilities | <u>3,502,982</u> | <u>27,936,162</u> | <u>2,272,438</u> | <u>837,087</u> | <u>1,512,312</u> | <u>36,060,981</u> | <u>41,983,161</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | | | | | | | |
| | <u>\$ 3,549,121,780</u> | <u>\$ 17,015,397,253</u> | <u>\$ 1,436,862,974</u> | <u>\$ 449,062,389</u> | <u>\$ 94,058,281</u> | <u>\$ 22,544,502,677</u> | <u>\$ 18,382,465,793</u> |

See Accountant's Compilation Report.

COLLEGE SAVINGS PLANS OF NEVADA

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Three Months Ended December 31, 2017

(With summarized comparative totals for the three months ended December 31, 2016)

| | USAA 529 College Savings Plan® | The Vanguard® 529 College Savings Plan | SSGA Upromise 529 Plan | Putnam 529 for America Plan | Wealthfront 529 College Savings Plan | Total Three Months Ended December 31, 2017 | Total Three Months Ended December 31, 2016 |
|---|--------------------------------------|--|------------------------------|-----------------------------------|--|--|--|
| ADDITIONS AND NET INVESTMENT INCOME | | | | | | | |
| Contributions | \$ 117,190,099 | \$ 564,845,325 | \$ 32,018,140 | \$ 10,063,293 | \$ 19,379,217 | \$ 743,496,074 | \$ 632,025,829 |
| Investment income: | | | | | | | |
| Dividends and interest | 31,440,592 | 161,012,558 | 22,327,790 | 4,551,569 | 725,401 | 220,057,910 | 173,808,589 |
| Net appreciation (depreciation) in fair value of investments | 59,129,200 | 468,966,140 | 16,695,677 | 10,741,127 | 2,716,778 | 558,248,922 | (78,425,026) |
| Net investment income | 90,569,792 | 629,978,698 | 39,023,467 | 15,292,696 | 3,442,179 | 778,306,832 | 95,383,563 |
| Total Additions and Net Investment Income | 207,759,891 | 1,194,824,023 | 71,041,607 | 25,355,989 | 22,821,396 | 1,521,802,906 | 727,409,392 |
| DEDUCTIONS | | | | | | | |
| Withdrawals | 51,302,384 | 216,116,324 | 30,795,695 | 11,291,451 | 488,416 | 309,994,270 | 270,074,871 |
| Account fees | 258,458 | 13,665 | 534,827 | 35,847 | 36,450 | 879,247 | 913,193 |
| Asset-based fees | 1,208,624 | 5,993,042 | 1,063,037 | 554,999 | 12,327 | 8,832,029 | 7,848,427 |
| Total Deductions | 52,769,466 | 222,123,031 | 32,393,559 | 11,882,297 | 537,193 | 319,705,546 | 278,836,491 |
| NET INCREASE | 154,990,425 | 972,700,992 | 38,648,048 | 13,473,692 | 22,284,203 | 1,202,097,360 | 448,572,901 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF PERIOD | 3,394,131,355 | 16,042,696,261 | 1,398,214,926 | 435,588,697 | 71,774,078 | 21,342,405,317 | 17,933,892,892 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF PERIOD | \$ 3,549,121,780 | \$ 17,015,397,253 | \$ 1,436,862,974 | \$ 449,062,389 | \$ 94,058,281 | \$ 22,544,502,677 | \$ 18,382,465,793 |

See Accountant's Compilation Report.

Quarter

COLLEGE SAVINGS PLANS OF NEVADA

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Six Months Ended December 31, 2017

(With summarized comparative totals for six months ended December 31, 2016)

| | USAA 529 College Savings Plan® | The Vanguard® 529 College Savings Plan | SSGA Upromise 529 Plan | Putnam 529 for America | Wealthfront 529 College Savings Plan | Total Six Months Ended December 31, 2017 | Total Six Months Ended December 31, 2016 |
|---|--------------------------------------|--|------------------------------|------------------------------|--|--|--|
| ADDITIONS AND NET INVESTMENT INCOME | | | | | | | |
| Contributions | \$ 221,461,022 | \$ 946,878,877 | \$ 57,649,789 | \$ 18,579,677 | \$ 35,647,544 | \$ 1,280,216,909 | \$ 1,107,492,444 |
| Investment income: | | | | | | | |
| Dividends and interest | 44,291,668 | 239,896,667 | 27,276,006 | 4,932,306 | 1,196,035 | 317,592,682 | 257,547,511 |
| Net appreciation | | | | | | | |
| in fair value of investments | 143,290,053 | 907,352,003 | 43,930,043 | 23,712,090 | 4,596,351 | 1,122,880,540 | 412,016,146 |
| Net investment income | 187,581,721 | 1,147,248,670 | 71,206,049 | 28,644,396 | 5,792,386 | 1,440,473,222 | 669,563,657 |
| Total Additions and Net Investment Income | 409,042,743 | 2,094,127,547 | 128,855,838 | 47,224,073 | 41,439,930 | 2,720,690,131 | 1,777,056,101 |
| DEDUCTIONS | | | | | | | |
| Withdrawals | 128,504,353 | 499,230,944 | 77,980,002 | 25,661,011 | 825,972 | 732,202,282 | 638,775,214 |
| Account fees | 302,023 | 36,384 | 1,092,794 | 70,479 | 64,014 | 1,565,694 | 1,629,859 |
| Asset-based fees | 2,363,593 | 11,946,966 | 2,107,613 | 1,095,358 | 21,723 | 17,535,253 | 15,526,390 |
| Total Deductions | 131,169,969 | 511,214,294 | 81,180,409 | 26,826,848 | 911,709 | 751,303,229 | 655,931,463 |
| NET INCREASE | 277,872,774 | 1,582,913,253 | 47,675,429 | 20,397,225 | 40,528,221 | 1,969,386,902 | 1,121,124,638 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF PERIOD | 3,271,249,006 | 15,432,484,000 | 1,389,187,545 | 428,665,164 | 53,530,060 | 20,575,115,775 | 17,261,341,155 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF PERIOD | \$ 3,549,121,780 | \$ 17,015,397,253 | \$ 1,436,862,974 | \$ 449,062,389 | \$ 94,058,281 | \$ 22,544,502,677 | \$ 18,382,465,793 |

See Accountant's Compilation Report.

Year-to-Date

COLLEGE SAVINGS PLANS OF NEVADA

SUPPLEMENTAL SCHEDULE OF FEE INFORMATION For the Three Months Ended December 31, 2017

(With summarized comparative totals for the three months ended December 31, 2016)

| | USAA 529 College Savings Plan® | The Vanguard® 529 College Savings Plan | SSGA Upromise 529 Plan | Putnam 529 for America Plan | Wealthfront 529 College Savings Plan | Total Three Months Ended December 31, 2017 | Total Three Months Ended December 31, 2016 |
|-------------------------------|--------------------------------------|--|------------------------------|-----------------------------------|--|--|--|
| ASSET-BASED FEES | | | | | | | |
| Investment Manager | \$ 1,208,624 ⁽¹⁾ | \$ 4,280,361 ⁽⁴⁾ | \$ 198,420 ⁽⁶⁾ | \$ 443,203 ⁽¹⁰⁾ | \$ - | \$ 6,130,608 | \$ 5,247,095 |
| Program Manager | - | 1,712,681 ⁽⁴⁾ | 793,033 ⁽⁷⁾ | - | 10,273 ⁽¹³⁾ | 2,515,987 | 2,434,177 |
| State | - | - | 71,584 ⁽⁸⁾ | 111,796 ⁽¹¹⁾ | 2,054 ⁽¹⁴⁾ | 185,434 | 167,155 |
| Total Asset-Based Fees | <u>\$ 1,208,624</u> | <u>\$ 5,993,042</u> | <u>\$ 1,063,037</u> | <u>\$ 554,999</u> | <u>\$ 12,327</u> | <u>\$ 8,832,029</u> | <u>\$ 7,848,427</u> |
| ACCOUNT FEES | | | | | | | |
| Investment Manager | \$ 217,791 ⁽²⁾ | \$ 13,665 ⁽⁵⁾ | \$ - | \$ - | \$ 36,450 ⁽¹⁵⁾ | \$ 267,906 | \$ 277,696 |
| Program Manager | 40,667 ⁽³⁾ | - | 534,827 ⁽⁹⁾ | 35,847 ⁽¹²⁾ | - ⁽¹⁶⁾ | 611,341 | 635,497 |
| Total Account Fees | <u>\$ 258,458</u> | <u>\$ 13,665</u> | <u>\$ 534,827</u> | <u>\$ 35,847</u> | <u>\$ 36,450</u> | <u>\$ 879,247</u> | <u>\$ 913,193</u> |

See Notes to Supplemental Schedules on Pages 8 - 9.

See Accountant's Compilation Report.

Quarter

COLLEGE SAVINGS PLANS OF NEVADA

SUPPLEMENTAL SCHEDULE OF FEE INFORMATION

For the Six Months Ended December 31, 2017

(With summarized comparative totals for the six months ended December 31, 2016)

| | USAA 529 College Savings Plan® | The Vanguard® 529 College Savings Plan | SSGA Upromise 529 Plan | Putnam 529 for America | Wealthfront 529 College Savings Plan | Total Six Months Ended December 31, 2017 | Total Six Months Ended December 31, 2016 |
|-------------------------------|--------------------------------------|--|------------------------------|------------------------------|--|--|--|
| ASSET-BASED FEES | | | | | | | |
| Investment Manager | \$ 2,363,593 ⁽¹⁾ | \$ 8,563,175 ⁽⁴⁾ | \$ 397,085 ⁽⁶⁾ | \$ 875,104 ⁽¹⁰⁾ | \$ - | \$ 12,198,957 | \$ 10,382,271 |
| Program Manager | - | 3,383,791 ⁽⁴⁾ | 1,568,911 ⁽⁷⁾ | - | 18,103 ⁽¹³⁾ | 4,970,805 | 4,834,532 |
| State | - | - | 141,617 ⁽⁸⁾ | 220,254 ⁽¹¹⁾ | 3,620 ⁽¹⁴⁾ | 365,491 | 309,587 |
| Total Asset-Based Fees | <u>\$ 2,363,593</u> | <u>\$ 11,946,966</u> | <u>\$ 2,107,613</u> | <u>\$ 1,095,358</u> | <u>\$ 21,723</u> | <u>\$ 17,535,253</u> | <u>\$ 15,526,390</u> |
| ACCOUNT FEES | | | | | | | |
| Investment Manager | \$ 217,791 ⁽²⁾ | \$ 36,384 ⁽⁵⁾ | \$ - | \$ - | \$ 64,014 ⁽¹⁵⁾ | \$ 318,189 | \$ 328,707 |
| Program Manager | 84,232 ⁽³⁾ | - | 1,092,794 ⁽⁹⁾ | 70,479 ⁽¹²⁾ | - ⁽¹⁶⁾ | 1,247,505 | 1,301,152 |
| Total Account Fees | <u>\$ 302,023</u> | <u>\$ 36,384</u> | <u>\$ 1,092,794</u> | <u>\$ 70,479</u> | <u>\$ 64,014</u> | <u>\$ 1,565,694</u> | <u>\$ 1,629,859</u> |

See Notes to Supplemental Schedules on Pages 8 - 9.

See Accountant's Compilation Report.

Year-to-Date

COLLEGE SAVINGS PLANS OF NEVADA

NOTES TO SUPPLEMENTAL SCHEDULES

- ⁽¹⁾ Program Management Fees are accrued daily and paid directly to USAA. This fee is 0.14% for all portfolios (0.15% until December 31, 2016), except that this fee has been waived for the Preservation of Capital Portfolio. See page 2 in the Supplement dated April 2017 to the Plan Description and Participation Agreement.
- ⁽²⁾ Minimum Balance Fees of \$10 are charged annually in October to all Plan accounts with a balance of less than \$1,000 that do not have an active automatic investment plan, direct deposits from payroll or investment through a systematic withdrawal plan from a USAA mutual fund. In addition, these fees are not charged for matching grant accounts and are waived for all accounts owned by a Nevada resident or if the designated beneficiary is a Nevada resident. See page 51 in the Plan Description and Participation Agreement.
- ⁽³⁾ Transaction Fees are charged for certain transactions, including returned checks, overnight delivery, wire transfer withdrawals, requests for historical statements and rejected automatic investment plan or telephone purchases. See page 54 in the Plan Description and Participation Agreement.
- ⁽⁴⁾ The Program Management Fee includes fees for administrative and investment management services. These fees range from 0.12% to 0.19% (0.09% to 0.19% from April 1, 2017 through November 6, 2017; 0.09% to 0.28% prior to April 1, 2017). Vanguard and Ascensus have agreed to a specific formula for the allocation of the Program Management Fee. See page 1 of the Supplement dated November 2017 to the Program Description.
- ⁽⁵⁾ Transaction Fees are charged to Plan accounts for certain transactions, including a request for a withdrawal by express delivery service or when a check, automatic investment payment or electronic bank transfer is returned unpaid by the financial institution upon which it is drawn. See page 31 in the Program Description. Prior to April 1, 2017, account owners were also charged a low balance fee annually if the account balance was less than \$3,000.
- ⁽⁶⁾ Tactical Asset Allocation Fees of 0.07% are charged for the College Date Portfolio Options and the Risk-Based Portfolio Options. See page 21 in the Plan Description and Participation Agreement.
- ⁽⁷⁾ Program Management Fees are charged for providing administration and program management services. These fees are 0.22%, except for the Savings Portfolio, which is 0.27%. See page 21 in the Plan Description and Participation Agreement.
- ⁽⁸⁾ State Fees are charged to pay for expenses related to oversight and administration of the Plan. These fees are 0.02%. See page 21 in the Plan Description and Participation Agreement.
- ⁽⁹⁾ Includes both Annual Account Maintenance Fees and Transaction Fees. Annual Account Maintenance Fees of \$20 are charged annually in the anniversary month of the month in which the account was opened, unless the Plan account is owned by a Nevada resident or the designated beneficiary is a Nevada resident. See page 21 in the Plan Description and Participation Agreement. Transaction Fees are charged for certain transactions, including fees for returned checks, overnight delivery, requests for historical statements, rollovers from the Plan and rejected automatic investment plan and EFT purchases. See page 25 in the Plan Description and Participation Agreement.
- ⁽¹⁰⁾ Administration Fees are charged for the administrative services provided to the Plan. These fees range from 0.25% to 1.00% depending on share class. See page 9 in the Offering Statement.
- ⁽¹¹⁾ Board Fees are charged to cover expenses incurred by the Board in administration of the Plan. These fees are 0.10%. See page 9 in the Offering Statement. Putnam is responsible for the payment of Board Fees attributable to each account whose account owner or beneficiary is a resident of the state of Nevada. Putnam may either pay the Board Fee directly to the Board without charging the accounts of Nevada residents, or Putnam may continue to charge the accounts and then reimburse the amounts charged. The amount of Board Fees reimbursed to accounts by Putnam during the three months and six months ended December 31, 2017, totaled \$2,566 and \$4,828, respectively.
- ⁽¹²⁾ Annual Maintenance Fees of \$15 are charged to each Plan account, unless the account owner or designated beneficiary is a Nevada resident, the aggregate Plan account balance or net contributions to all accounts with the same account owner exceeds \$25,000, the account owner chooses to make periodic contributions by automatic transfers from their bank account or through payroll deduction in minimum periodic amounts of \$100, or the account owner participates in particular types of corporate payroll deduction plans and affinity programs. See page 9 in the Offering Statement.
- ⁽¹³⁾ Ascensus Program Management Fees are charged for providing administration and program management services for the Plan. These fees are 0.05% annually. See page 30 in the Plan Description and Participation Agreement.

See Accountant's Compilation Report.

COLLEGE SAVINGS PLANS OF NEVADA

NOTES TO SUPPLEMENTAL SCHEDULES *(Continued)*

- ⁽¹⁴⁾ Board Fees are charged to cover expenses incurred by the Board in administration of the Plan. If assets in the Plan are \$5 billion or less, the annualized fee is 0.01% of Plan assets. However, if assets in the Plan are less than \$1 billion, the Board Fee will be an annual fixed fee equal to \$100,000, and Wealthfront will directly pay the portion of the Board Fee equal to the difference between the 0.01% annualized fee for all portfolios and the annual fixed fee of \$100,000. If assets in the Plan are greater than \$5 billion, the annualized fee borne by each portfolio will be reduced below 0.01% based on the assets in such portfolios, such that the entire amount of the fees for all portfolios equals a fixed annual fee of \$500,000. See page 30 in the Plan Description and Participation Agreement.
- ⁽¹⁵⁾ Wealthfront charges an annualized Wealthfront Advisory Fee of 0.25% of the assets in each account. This fee is calculated daily and paid to Wealthfront monthly. The Wealthfront Advisory Fee is waived for the first \$10,000 of assets in all accounts under management by Wealthfront. For Nevada residents who open an account, Wealthfront waives investment advisory fees for an additional \$15,000 of assets (\$25,000 of assets in total) in all Wealthfront accounts in and outside of the Plan in the aggregate. See page 29 in the Plan Description and Participation Agreement.
- ⁽¹⁶⁾ Transaction Fees are charged for certain transactions, including fees for priority delivery, and rejected recurring contributions and EFTs. See page 34 in the Plan Description and Participation Agreement.

See Accountant's Compilation Report.

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 6
March 22, 2018

Item: SSGA Upromise 529 Expenditure Report

Recommendation:

That the Board review and approve an expenditure report for the SSgA Upromise 529 Plan for the quarter ended December 31, 2017 and approve the expenditures for inclusion in the non-cash marketing commitment budget as specified in Amendment #5 to the Ascensus contract.

Fiscal:

None by this action.

Summary:

Under NRS 353B.370, the Board must approve all education and outreach materials for the Nevada College Savings Program. Prior Board action requires that Ascensus College Savings submit a quarterly invoice to the Board reporting in-kind expenses and that those expenses be recorded in the State's recordkeeping system.

Amendment #5 of the Ascensus contract was executed in February 2012 which amended Section 10.5 of the Direct Program Management Agreement to require a non-cash commitment of \$200,000. The annual non-cash commitment is used for marketing to Upromise reward members, in-state marketing, marketing to existing SSgA Upromise 529 account owners and other in-state marketing activities. The plan for these activities are traditionally approved at the July board meeting each year.

Please note that amounts unused in a fiscal year are credited to the next year which explains the attached invoice which notes a balance of \$181,823.

Staff and Sue Serewicz of Ascensus College Savings will be available to answer any questions.

Quarter 2 State Fiscal Year 2018, SSGA Upromise 529 Plan Marketing Expenses

Customer: Office of the Nevada State Treasurer
 Contact: Sheila Salehian
 Phone: 702-486-3955

| SSGA UPROMISE 529 PLAN MARKETING COMMITMENT SUMMARY FY'18 | | |
|--|----------------------|-------------------|
| INITIATIVE | 2018 BUDGETED | Q2 |
| | | |
| Sponsorships | \$294,116.52 | \$9,966.36 |
| | | |
| | | |
| <i>Total Q4</i> | | |
| <i>Total Q3</i> | | |
| <i>Total Q2</i> | \$9,966.36 | |
| <i>Total Q1</i> | \$102,326.76 | |
| Total Spend | \$112,293.12 | |
| REMAINDER TO SPEND | \$181,823.40 | |

Please note that any payments made by ACS during the quarter pursuant to Amendment No.3 are to be recorded as non-cash revenue commitments, via journal vouchers, in the Program budget account No. 1092, which are made in accordance with the recommendations in the audit of the Program dated May 14, 2007 and your office, and as outlined in the Treasurer's December 10, 2009 letter.

Reference: Q2SFY2018
 Date: 1/16/2018

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 7
March 22, 2018

**Item: Prepaid Summary and Quarterly Performance
Report for the Nevada Prepaid Tuition Program**

Recommendation:

| |
|---|
| That the Board review and approve the Prepaid Tuition quarterly program activity report for quarter ended December 31, 2017, and direct staff accordingly. |
|---|

Fiscal:
None.

Summary:
Sheila Salehian, Deputy Treasurer, will be available to answer
questions.

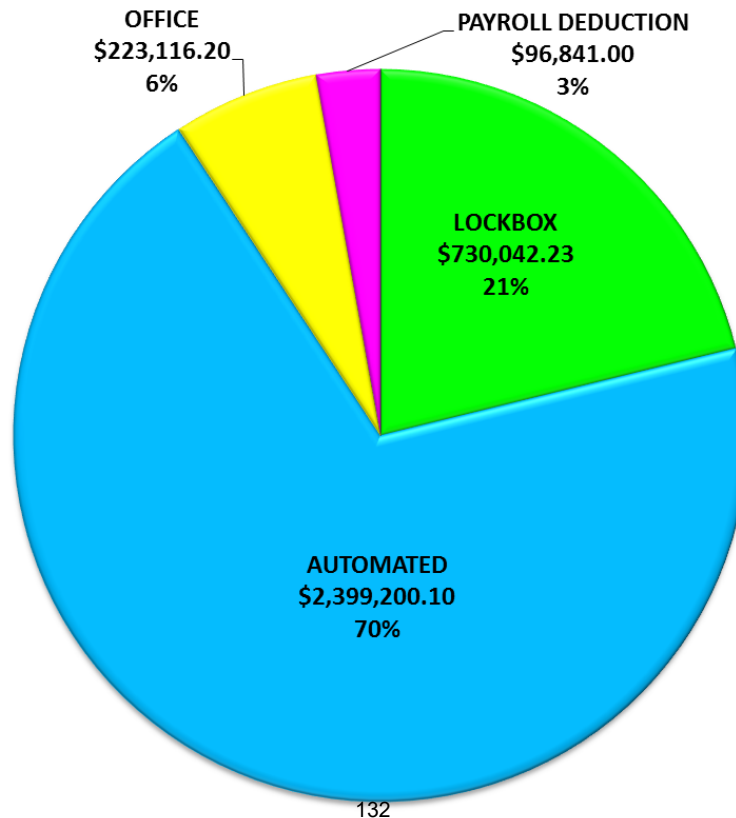
NEVADA **PREPAID** TUITION

Quarterly Report as of December 31, 2017

- **20,438 contracts sold since inception**
- **\$271.2 million market value of assets**
- **\$4,405,948 in tuition benefits paid fourth quarter 2017**
- **12,232 active accounts (paid in full, those still making payments, and those using benefits)**
- **132.7% funded status as of 6/30/17**

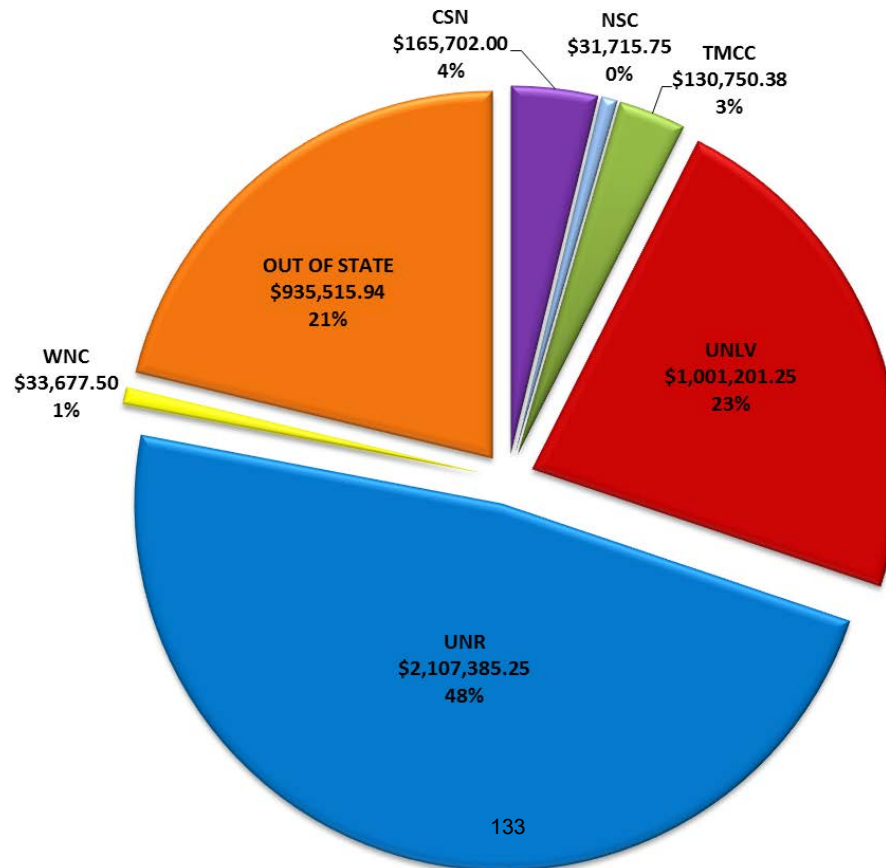
Contributions

- Total contributions 4th quarter of \$3,449,199.53
- Almost 3/4 (70%) of payments are Automated (ACH, Epay, and Credit Card)



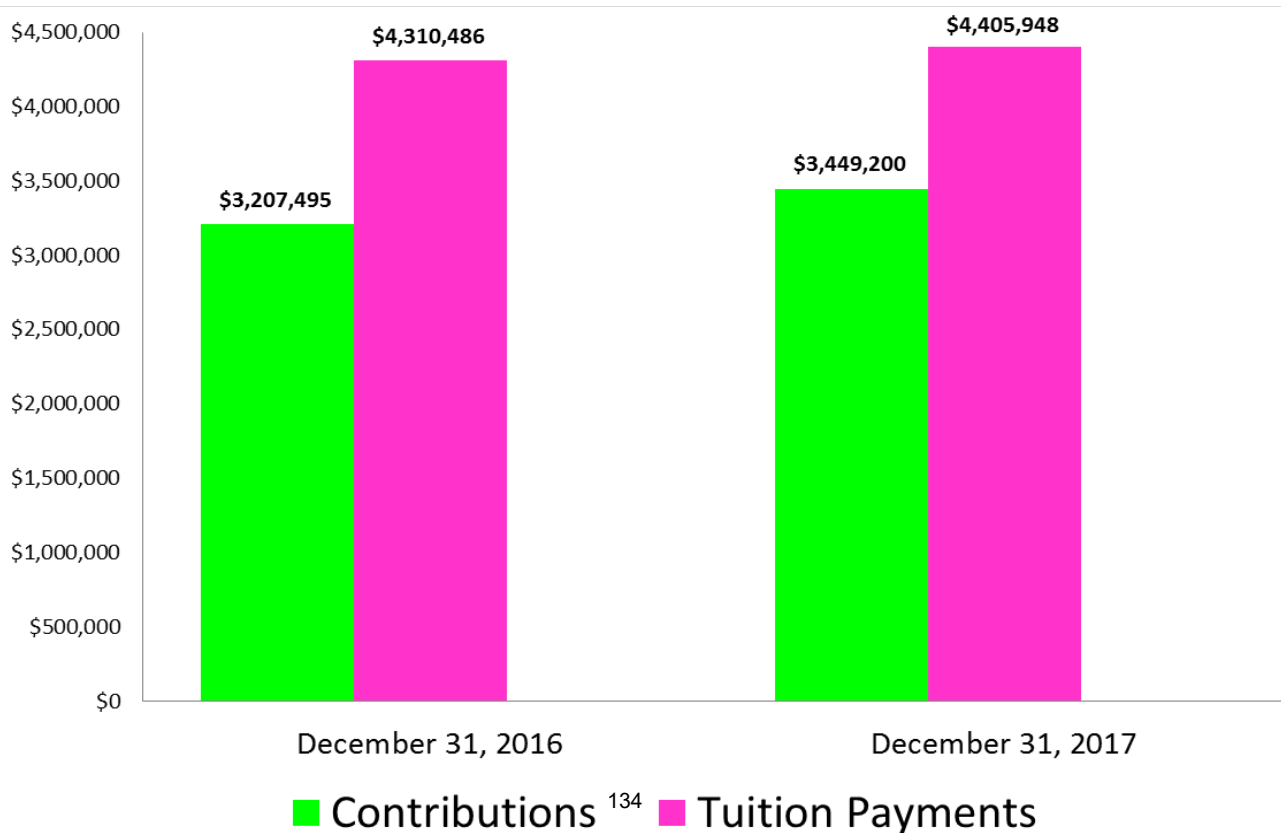
Tuition Payments

- \$4,405,948 paid in tuition benefits 4th quarter 2017
- 78.7% of tuition payments were paid to NSHE schools
- 175 different schools were paid during the quarter



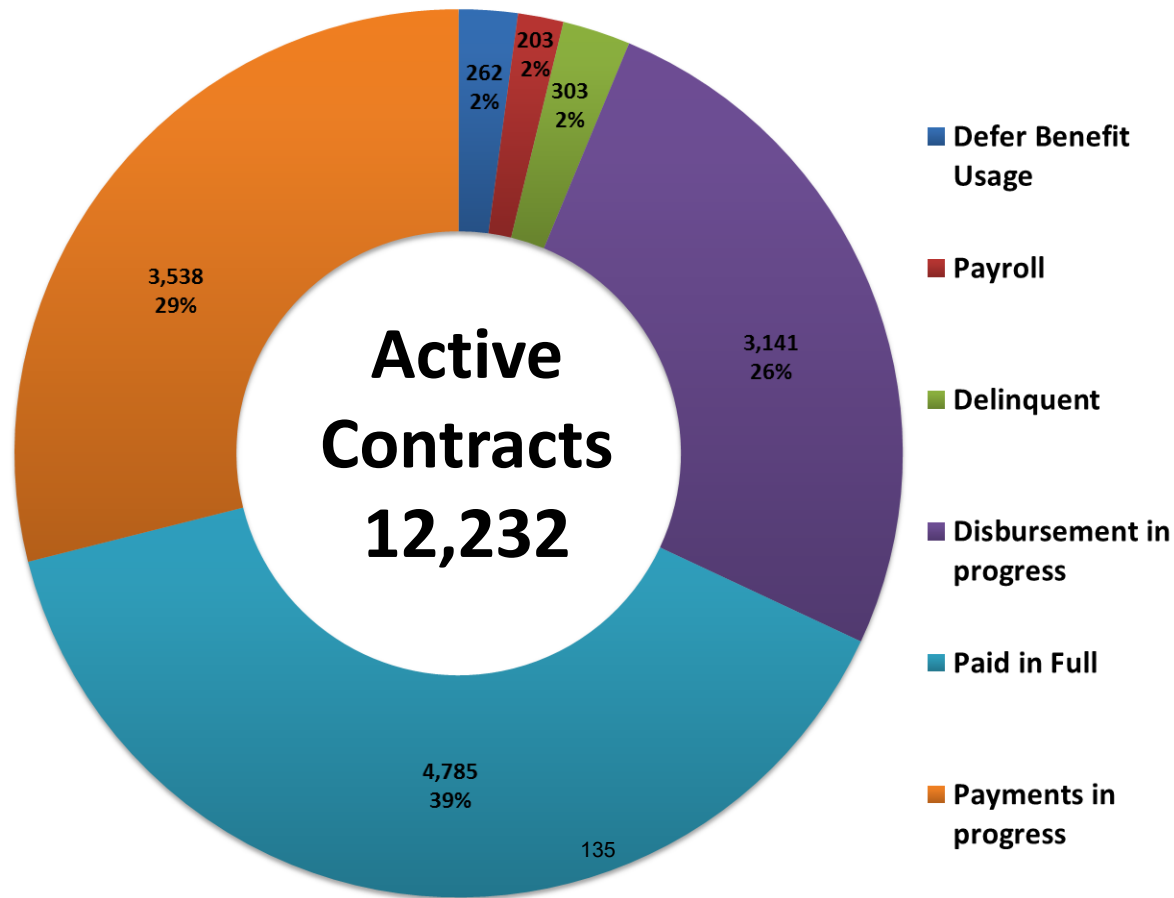
Contributions vs. Tuition Payments

- Tuition payments exceeded contributions by \$956,748 in fourth quarter of 2017
- Tuition Payments increased by 2.21% from same quarter prior fiscal year
- Contributions increased by 7.54% from same quarter prior fiscal year



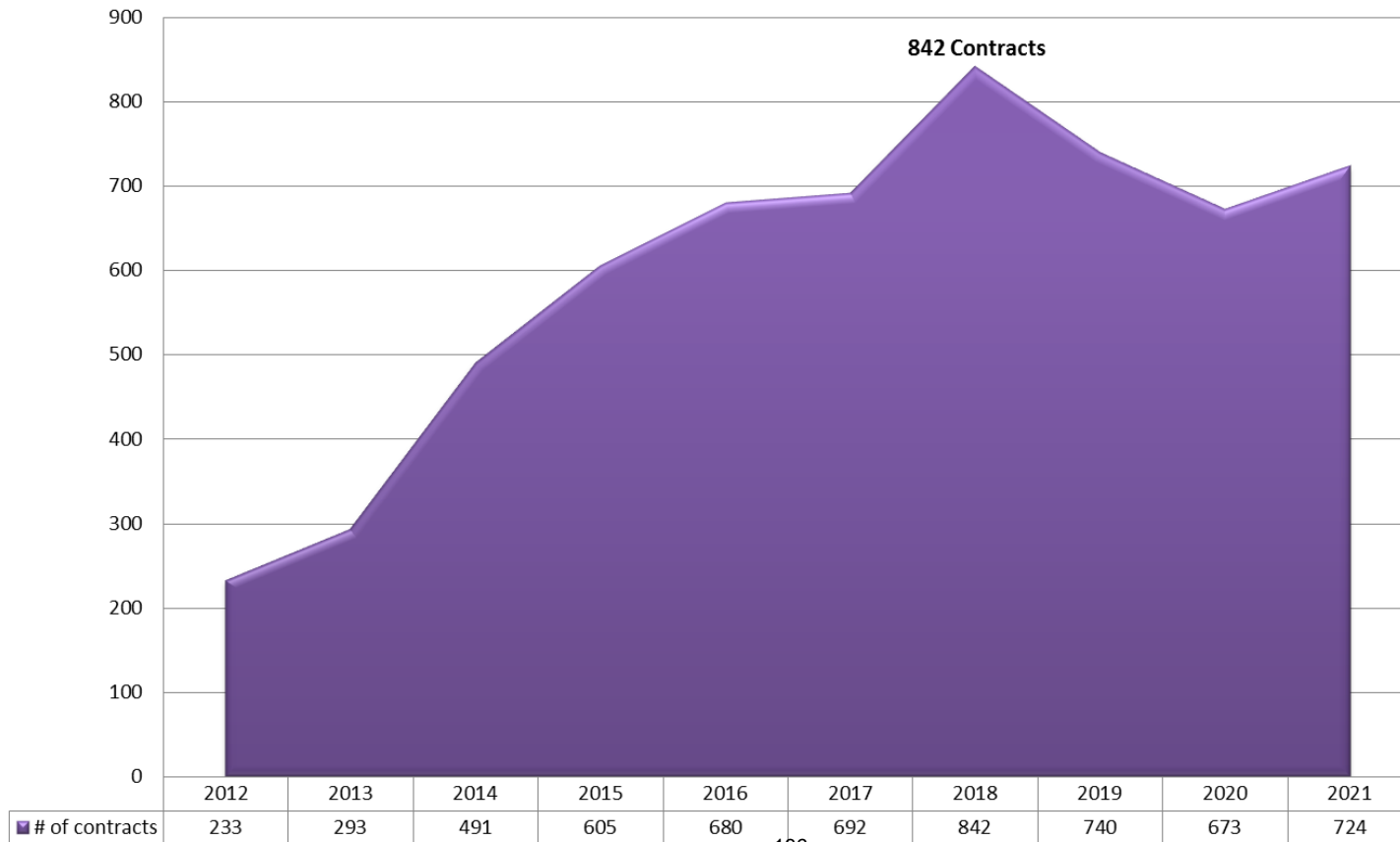
Contract Status

- 12,232 active accounts (either using their benefits or awaiting use and/or paying)
- Little over 1/3 (39%) are paid in full and waiting to matriculate
- 3,141 beneficiaries are currently using their benefits (disbursements in progress). This is an increase of 10.4% from the prior quarter.



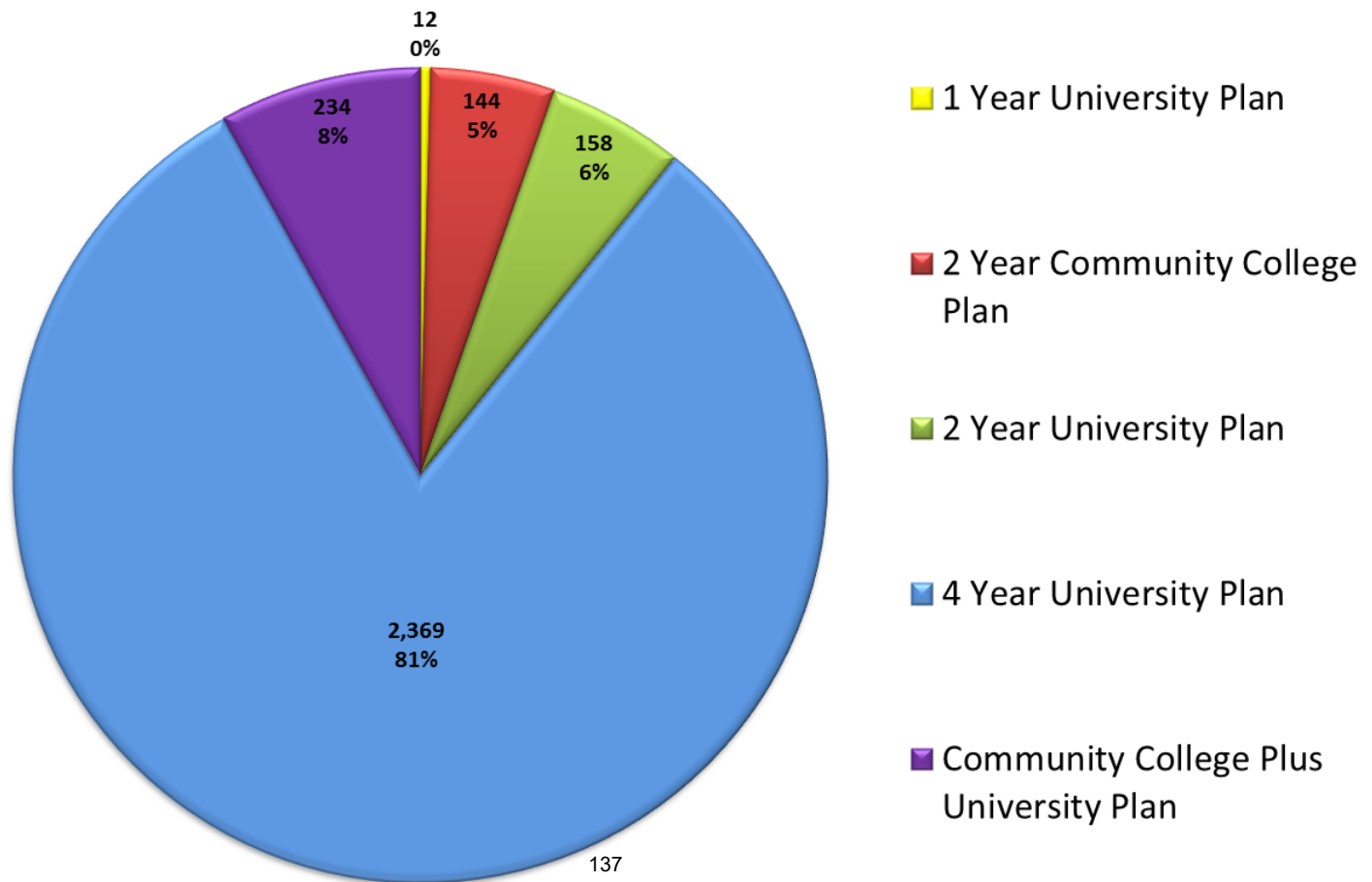
Matriculating Students

- The number of students graduating will rise again in 2018, representing 6.8% of all active contracts



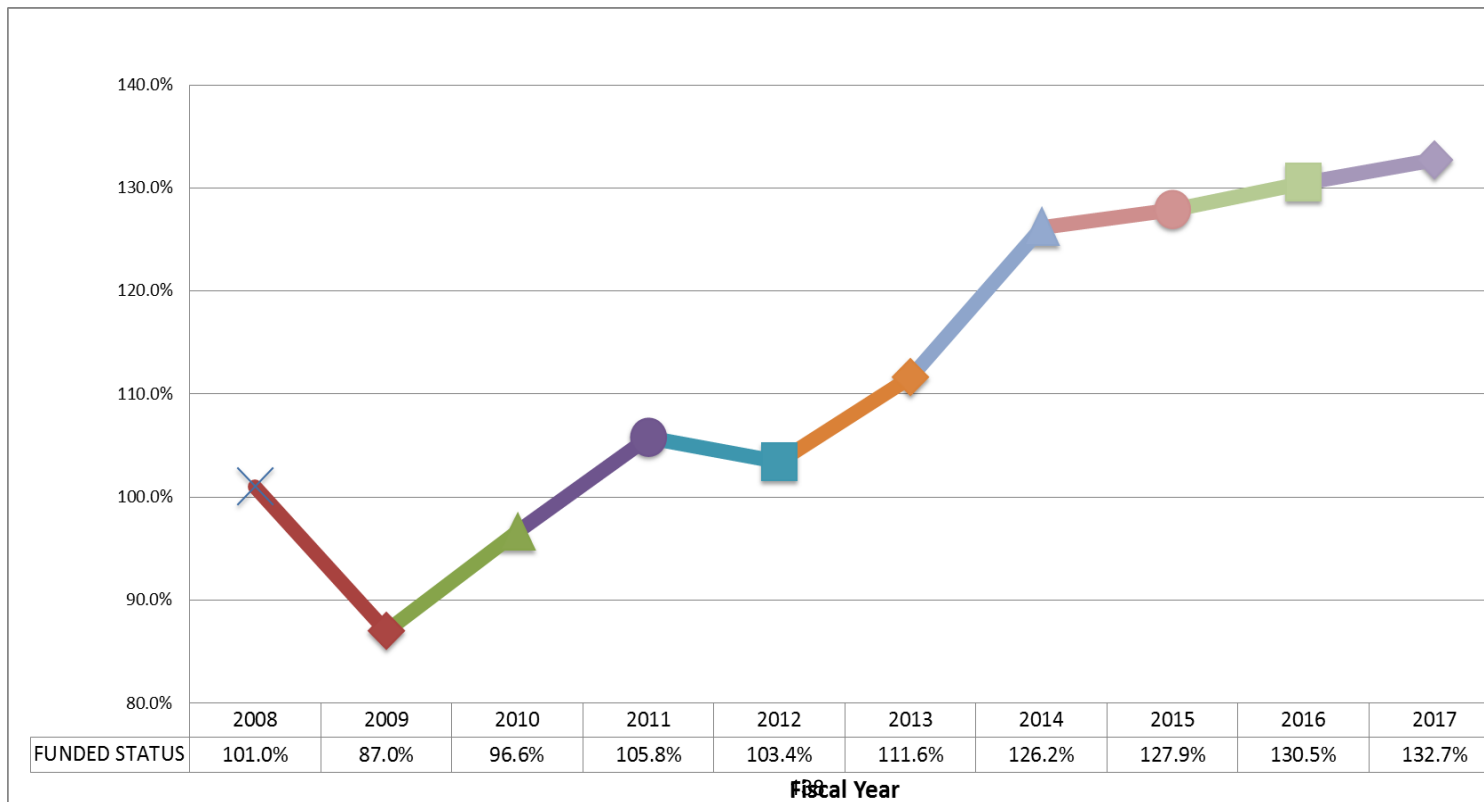
Depleted Contracts

- 2,917 beneficiaries depleted their contracts
- The majority of students (81%) that have used all of their Prepaid Tuition benefits had a 4 year university plan



Funded Status

- As of June 30, 2017 the Program was 132.7% funded, the highest since inception



Next Quarter Upcoming Activities

- Annual Statements to be sent to all active account holders
- 1099 Q's to be sent to those participants with qualified or non-qualified distributions
- 2 contest winners to be chosen (1 in the North and 1 in the South) to win 1 year of free tuition. The contest runs through January 31, 2018
- Enrollment scheduled to end March 31, 2018
- Prepaid Print Ads scheduled to run in local magazines

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 8 March 22, 2018

Item: Amendments to Nevada Administrative Code 353B

Recommendation

| |
|---|
| Board review and approval of amendments to Nevada Administrative Code 353B based upon comments received at regulation workshop meetings. |
|---|

Fiscal Impact: None

Background:

During the December 2017 meeting, staff presented the Board with amendments to NRS 353B which were required as a result of the passage of Assembly Bill 475 in the 2017 Legislative Session which codified the Nevada College Kick Start Program into statute.

Summary:

Staff has held two workshops for amendments approved by the Board for NAC 353B. Workshops provide interested parties to provide testimony regarding the draft regulation changes, ability to provide recommended amendments and overall commentary. Please find attached the written comments (which were also read into the record at the second workshop on February 28, 2018) staff received at the workshops. Based on this feedback, Staff has attached recommended changes to the regulations for the Board's consideration.

Staff will present this item and be available for questions.

ADOPTED REGULATION OF THE OFFICE OF THE
NEVADA COLLEGE SAVINGS BOARD

LCB FILE No. R__ -17

Effective __, 2018

Authority: §§1.5 - 2, AB475 (2017).

A REGULATION relating to implementation of the Nevada College Kick Start Program to provide for the creation of a college savings account for each pupil who is a resident of this State upon commencement of his or her enrollment in kindergarten at a public school in this State, including providing for enrollment into the program; providing procedures concerning accessing the account; providing guidelines to claim the account within certain time limits; and providing other matters properly relating thereto.

Sec. 1. Chapter 353B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 17, inclusive, of this regulation.

Sec. 2. The provisions of sections 3 to 17, inclusive, may be cited as the Nevada College Savings Kick Start Program Regulations.

Sec. 3.

1. The purposes of sections 4 to 17 inclusive, are:
 - (a) To implement the intent of the legislature outlined in AB 475 (2017) to provide guidelines for enrollment in the program, including opting in or out of the program;
 - (b) To provide certain guidelines regarding parents and guardians ability to access the account and claim the funds;
 - (c) To provide guidelines regarding appropriate usage of the account at the time of distribution);
2. For the accomplishment of these purposes, the provisions of sections 4 to 18, inclusive, must be broadly and liberally construed.

Sec. 4. As used in sections 5 to 17, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 5 to 18, inclusive, have the meanings ascribed to them in those sections.

Sec. 5 “Claimed Account” means an account that has been acknowledged by the parent or guardian as ascribed by the State Treasurer’s Office.

Sec. 6 “Cohort” means Nevada College Kick Start student school year group.

Sec. 7 “Count Day” means Kindergarteners enrolled in a public school on or before the third Friday in September of the new school year.

Sec. 8 “Expired Account” means:

1. Account that has not been claimed by the parent or guardian prior to August 1st following the student’s Fourth Grade year; or
2. Not using the Claimed Account funds by the student’s 25th birthday.

Sec. 9 “Late Start” means any Kindergartener that enrolls after the initial Count Day submission in September who are still eligible to participate in the Program. Late Start data is collected in June at the conclusion of the kindergarten year.

Sec. 10 “Opt-In” means that a parent or guardian can request to be added to the program:

1. The Student attended Kindergarten at a Nevada Public school during Kindergarten, and
2. If the parent or guardian requested their information be treated as confidential

Sec. 11 “Opt-out” means that a parent or guardian chooses not to participate in the program.

Sec. 12 “Qualified Scholarships” means that the Nevada College Kick Start accounts are intended to qualify as qualified scholarships under Section 117 of the Internal Revenue Code of 1986, as amended (the “Code”) and, as such, can only be used for qualified tuition and related expenses as defined in Section 117 (b)(2) of the Code.

Sec. 13

1. The Board shall set a per pupil contribution rate for the designated beneficiaries.
 - a. The Board shall review the contribution rate every two years consistent with the biennium budget process and consider whether the rate should be changed.
 - b. Rate change considerations must include changes in Nevada tuition rates, cost of living, and inflation.
2. The Board shall own the Account and shall direct the funds in an appropriate investment option for a kindergartener assuming the funds in the account will begin distribution following graduation from high school.
3. Designated beneficiaries are students for which the State Treasurer’s Office has created an account.

Sec. 14

1. Eligible designated beneficiaries must be Nevada residents and attend kindergarten in a public school in this State.
2. Students are automatically enrolled on Count Day when they enter Kindergarten in a public school in this State.
3. Late Start Students are enrolled automatically at the end of the school year.
4. If a parent or guardian had previously requested that their student’s directory information be treated as confidential by the school, they must complete an Opt-In form obtained from the State Treasurer’s Office for an account to be created.

Sec. 15

1. To establish accounts, schools will transfer to the State Treasurer's Office files containing the current school year enrollment:
 - a. By the end of October for students attending on Count Day, and
 - b. By the end of the school year for kindergarten new enrollments after Count Day.
2. All Account funding and transactions will be directed by the Board.
3. All Accounts received the initial contribution of \$50 which is funded with program manager fees received from the College Savings Plans of Nevada program partners.
 - a. Separate records and accounting will be maintained for each account established under a plan.
 - b. Reports and account balances are accessible online to each designated beneficiary.
4. **At a minimum, within 90 days after an account is established the Treasurer's Office, or its designee, will communicate to each participant in various mediums including but not limited to a letter via United States Postal Service required to be mailed to the address provided to the program by the district or school for the participant of the account. The letter will contain:**
 - a. Student's name,
 - b. Kick Start ID number, and
 - c. How to claim account funds.

Sec. 16

1. To claim an account, the parent or guardian of the student must claim the account by August 1st following the completion of the student's fourth grade year in the designated online portal which is outlined in the initial letter notification. The parent or guardian will need to input the following information into the designated portal.
 - a. Program ID number
 - b. Student's Date of Birth
 - c. Zip Code
 - d. Parents or Guardian email address
2. **The State Treasurer's Office, or its designee, will communicate in various mediums the impending expiration of the account including but not limited to a requirement to mail a letter via United States Postal Service to the address on the account during the month of April of the student's fourth grade school year. This will serve as the final notification to parents or guardians prior to account expiration.**

Letters will be sent to the mailing address which was provided by the school when the account was established.
3. Accounts may be voluntarily closed by:
 - a. Completing a State Treasurer's office, or its designee, Opt-Out form; or
 - b. Allowing the Account to expire by not claiming it by August 1st following the student's completion of his or her fourth grade year; or
 - c. Claiming the Account but not distributing the funds for a qualified educational expense by the designated beneficiary's 25th birthday.
4. Account shall not be transferred or sold to other individuals.

5. All funds from Accounts not claimed or distributed by the designated beneficiary's 25th birthday will return to the Endowment Account.

Sec. 17

1. A designated beneficiary may request a distribution from the Account by submitting a Treasurer's Office Disbursement Request to the Treasurer's Office, or its designee, after the student has graduated from high school and is attending a qualifying education institution.
2. A distribution must be for a qualified educational expense and will be paid directly to the qualified educational institution.

Sec. 18 Amend the following sections to comply with current federal law (Internal Revenue Code Section 529)

NAC 353B.615 Opening of account; selection of investment option; reassignment of accounts under age-based investment option. (NRS 353B.310)

1. To open an account, an applicant must submit to the Plan Investment Manager a completed application and:
 - (a) An initial contribution; or
 - (b) A designation of an alternative method of funding approved by the Plan Investment Manager.
2. An applicant must select an investment option in which all contributions to the account will be invested. After an account has been opened, the account owner may not change the investment option for the account, except as permitted by 26 U.S.C. § 529 and any regulations, rulings, announcements or other guidance issued pursuant thereto.
3. Under the age-based investment option, reassignment of accounts to different "Years-to-College" portfolios will, with regard to those accounts in which the age of the designated beneficiary makes such reassignment appropriate, occur in accordance with the investment policies of the Program.

(Added to NAC by St. Treasurer by R185-01, eff. 4-5-2002; A by R041-03, 10-29-2003; R054-09, 10-27-2009)

NAC 353B.655 Limitation on contributions; maximum aggregate balance for designated beneficiary; return of excess contributions. (NRS 353B.310)

1. A contribution to an account established for a designated beneficiary will not be accepted to the extent the contribution would cause the total account balance of all accounts in all Plans under the Program for the same designated beneficiary to exceed the amount necessary to provide for the qualified higher education expenses of the designated beneficiary.
2. The Board will establish the maximum aggregate balance for the accounts of a designated beneficiary and will, from time to time, revise the maximum aggregate balance as it determines necessary.
3. If any contribution would cause the total account balance of all accounts in all Plans under the Program for the same designated beneficiary to exceed the maximum aggregate

balance for the accounts of a designated beneficiary established by the Board, the excess money will be rejected and returned to the contributors in order of receipt.

4. The balance in all accounts for that designated beneficiary under the Nevada Higher Education Prepaid Tuition Program will be included in calculating whether the maximum aggregate balance has been exceeded.

(Added to NAC by St. Treasurer by R185-01, eff. 4-5-2002; A by R041-03, 10-29-2003)

NAC 353B.665 Distributions: Procedure; classification; restriction. (NRS 353B.310)

1. An account owner may request a distribution of money from the account by submitting to the Plan Investment Manager not less than 3 business days before the date of the requested distribution a completed distribution request form and such other information as required by the Board or a Plan Investment Manager. The Plan Investment Manager will begin processing properly completed distribution request forms upon receipt. A designated beneficiary may not withdraw money from an account.

A distribution may only be arranged by the account owner and only in accordance with [NAC 353B.665](#) to [353B.695](#), inclusive.

(Added to NAC by St. Treasurer by R185-01, eff. 4-5-2002; A by R054-09, 10-27-2009)

NAC 353B.680 Refund of all or part of qualified distribution. (NRS 353B.310) A refund from a higher education institution of all or part of a distribution that is used to pay for qualified higher education expenses of a designated beneficiary must be contributed to the Plan Investment Manager for credit to that designated beneficiary within 60 days after the date of the refund and cannot exceed the refunded amount.

(Added to NAC by St. Treasurer by R185-01, eff. 4-5-2002; A by R054-09, 10-27-2009)

NAC 353B.690 Rollover distributions to account in qualified tuition program of another state or to another account in Program; return of excess money. (NRS 353B.310)

1. Except as otherwise provided in subsection 2, if a qualified tuition program of another state allows rollover contributions or an ABLE program allows rollover contributions, an account owner may authorize a direct rollover distribution from an account in the Program to an account in the qualified tuition program of the other state or to an ABLE program for the same designated beneficiary or for a different designated beneficiary who is a member of the family of the designated beneficiary of the account in the Program out of which the rollover distribution is being made.

2. A rollover distribution pursuant to subsection 1 for the same designated beneficiary will be permitted only once in any 12-month period or as otherwise permitted by 26 U.S.C. § 529 and any regulations, rulings, announcements or other guidance issued pursuant thereto.

3. An account owner may authorize a direct rollover distribution from an account in the Program to another account in the Program so long as the designated beneficiary of the other account is a member of the family of the designated beneficiary of the account out of which the rollover distribution is being made. If the rollover distribution that is deposited in an account causes the total account balance of all accounts for a designated beneficiary to exceed the maximum aggregate balance for the accounts of a designated beneficiary established by the Board pursuant to [NAC 353B.655](#), the excess money will be rejected and returned.

4. When authorizing a rollover distribution, the account owner must complete the forms and make such disclosures of financial information as required by the Plan Investment Manager and the Board.

(Added to NAC by St. Treasurer by R185-01, eff. 4-5-2002; A by R041-03, 10-29-2003; R054-09, 10-27-2009)

DRAFT

Tara R. Hagan

From: Lynne Keller <lynnekeller5@gmail.com>
Sent: Tuesday, February 27, 2018 4:12 PM
To: Tara R. Hagan
Cc: Jason.Frierson@asm.state.nv.us; Kelvin.Atkinson@sen.state.nv.us;
Aaron.Ford@sen.state.nv.us; James.Settlemeyer@sen.state.nv.us;
Maggie.Carlton@asm.state.nv.us; Keith.Pickard@asm.state.nv.us; Brown, Nancy E.
Subject: Request to Present
Attachments: Adopted Regulation with highlighted Additions-changes.pdf

Opportunity Alliance Nevada wishes to provide public comment at tomorrow's meeting (Wednesday, February 28th) at 10:00 am.

We believe that CKS kids awarded accounts prior to the 2017 law being adopted and also prior to the NAC regulations being adopted later this year are exempt. That the regulations and law ONLY apply to cohorts that are established after the regulations were passed. We have provided our comments and recommended changes to the adopted regulations for review by LCB.

- The new legislation establishes and implements the Nevada Kick Start Savings program as of July 2017.
- The original program was a 2014, 2015, 2016 was a pilot program. The pilot was designed so that families would not need to claim accounts.
- A system with the ability to claim accounts was not in place until late November 2016.
- Through OANV work in the schools families have indicated that they never received statements or welcome letters from late 2015, 2016 and possibly 2017.
- We propose that the 2017 law to established and implementation Nevada Kick Start program passed in July of 2017 include communications be made by email, letters and every method available to inform families their child's Kick Start Savings.

We have enclosed a copy of the LCB file with changes highlighted in yellow for reference.

Thank you in advance for allowing us to present.

Lynne E. Keller
Executive Director
Opportunity Alliance Nevada

ADOPTED REGULATION OF THE OFFICE OF THE

NEVADA COLLEGE SAVINGS BOARD

LCB FILE No. R___-17

Effective __, 2018

Authority: §§1.5 - 2, AB475 (2017).

A REGULATION relating to establishment and implementation of the Nevada College Kick Start Program to provide for the creation of a college savings account for each pupil who is a resident of this State upon commencement of his or her enrollment in kindergarten at a public school in this State, including providing for enrollment into the program; providing procedures concerning accessing the account; providing guidelines to claim the account within certain time limits; and providing other matters properly relating thereto.

Sec. 1. Chapter 353B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 17, inclusive, of this regulation.

Sec. 2. The provisions of sections 3 to 17, inclusive, may be cited as the Nevada College Savings Kick Start Program Regulations.

Sec. 3.

1. The purposes of sections 4 to 17 inclusive, are:
 - (a) To implement the intent of the legislature outlined in AB 475 (2017) to provide guidelines for enrollment in the program, including opting in or out of the program;
 - (b) To provide certain guidelines regarding parents and guardians ability to access the account and claim the funds;
 - (c) To provide guidelines regarding appropriate usage of the account at the time of distribution);
2. For the accomplishment of these purposes, the provisions of sections 4 to 18, inclusive, must be broadly and liberally construed.

Sec. 4. As used in sections 5 to 17, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 5 to 18, inclusive, have the meanings ascribed to them in those sections.

Sec. 5 “Claimed Account” means an account that has been acknowledged by the parent or guardian as ascribed by the State Treasurer’s Office.

Sec. 6 “Cohort” means Nevada College Kick Start student school year group.

Sec. 7 “Count Day” means Kindergarteners enrolled in a public school on or before the third Friday in September of the new school year.

Sec. 8 “Expired Account” means: applying to all cohorts established after the law (AB475) was passed and signed into law in June 2017

1. Account that has not been claimed by the parent or guardian prior to August 1st following the student’s Fourth Grade year; or
2. Not using the Claimed Account funds by the student’s 25th birthday.

Sec. 9 “Late Start” means any Kindergartener that enrolls after the initial Count Day submission in September who are still eligible to participate in the Program. Late Start data is collected in June at the conclusion of the kindergarten year.

Sec. 10 “Opt-In” means that a parent or guardian can request to be added to the program:

1. The Student attended Kindergarten at a Nevada Public school during Kindergarten, and
2. If the parent or guardian requested their information be treated as confidential

Sec. 11 “Opt-out” means that a parent or guardian chooses not to participate in the program.

Sec. 12 “Qualified Scholarships” means that the Nevada College Kick Start accounts are intended to qualify as qualified scholarships under Section 117 of the Internal Revenue Code of 1986, as amended (the “Code”) and, as such, can only be used for qualified tuition and related expenses as defined in Section 117 (b)(2) of the Code.

Sec. 13

1. The Board shall set a per pupil contribution rate for the designated beneficiaries.
 - The Board shall review the contribution rate every two years consistent with the biennium budget process and consider whether the rate should be changed.

2. Designated beneficiaries are students for which the State Treasurer's Office has created an account.

Sec. 14

1. Eligible designated beneficiaries must be Nevada residents and attend kindergarten in a public school in this State.
2. Students are automatically enrolled on Count Day when they enter Kindergarten in a public school in this State.
3. Late Start Students are enrolled automatically at the end of the school year.
4. If a parent or guardian had previously requested that their student's directory information be treated as confidential by the school, they must complete an Opt-In form obtained from the State Treasurer's Office for an account to be created.

Sec. 15

1. To establish accounts, schools will transfer to the State Treasurer's Office files containing the current school year enrollment:
 - a. By the end of October for students attending on Count Day, and
 - b. By the end of the school year for kindergarten new enrollments after Count Day.
2. All Account funding and transactions will be directed by the Board.
3. All Accounts received the initial contribution of \$50 which is funded with program manager fees received from the College Savings Plans of Nevada program partners.
 - a. Separate records and accounting will be maintained for each account established under a plan.
 - b. Reports and account balances are accessible online to each designated beneficiary.
4. Within 90 days after an account is established the Treasurer's Office, or its designee, will provide each participant a letter and/or an email notifying them of the account. The letter and/or email will contain:
 - a. Student's name,
 - b. Kick Start ID number, and
 - c. How to claim account funds.

Sec. 16

1. To claim an account, the parent or guardian of the student must claim the account by August 1st following the completion of the student's fourth grade year in the designated online

portal which is outlined in the initial letter notification. The parent or guardian will need to input the following information into the designated portal.

- a. Program ID number
 - b. Student's Date of Birth
 - c. Zip Code
 - d. Parents or Guardian email address
2. The State Treasurer's Office, or its designee, will send a letter and an email of expiration to the mailing address and the email address on the account during the month of April of the student's fourth grade school year. This will serve as the final notification to parents or guardians prior to account expiration.

Letters will be sent to the mailing address and the email address which was provided by the school when the account was established.

3. Accounts may be voluntarily closed by:
- a. Completing a State Treasurer's office, or its designee, Opt-Out form; or
 - b. Allowing the Account to expire by not claiming it by August 1st following the student's completion of his or her fourth grade year; or
 - c. Claiming the Account but not distributing the funds for a qualified educational expense by the designated beneficiary's 25th birthday.
4. Account shall not be transferred or sold to other individuals.
5. All funds from Accounts not claimed or distributed by the designated beneficiary's 25th birthday will return to the Endowment Account.

Nancy Brown, OANV Board Chair
Workshop for Proposed Regulations for NAC 353B
Wednesday, February 28, 2018 @ 10:00 a.m.
Written Comments as presented

For the record my name is Nancy Brown, Board Chair of Opportunity Alliance Nevada

Thank you for the opportunity to provide public comment on the proposed regulations for NAC 353B as it pertains the Nevada Kick Start. In addition I would like to provide comment on the Deputy AG legal conclusion for Kick Start as it pertains to AB475 that I received late yesterday, heard at the College Savings Board meeting this past Thursday. In addition we ask that the **AG Office provide an "Official Opinion"**.

OANV respectfully disagrees with the Deputy AG conclusions that the intent has always been that families need to claim their accounts and that the pilot program is not exempt from the legislation:

- We know this because OANV (formerly the FSPNN) partnered with the NSTO to host events in Washoe County School District, at BGCTM & UNR to get the word out that all kindergarteners in the state of Nevada have a gift, a \$50 college savings account.
- We know this because we were there when the message was delivered from the NSTO, that nothing needed to be done to claim or keep this gift.
- We know this because we were there when the message was from the NSTO that families could add to this gift by simply opening up their own child's account with \$15.
- We know this because the pilot program from 2013-2014, 2014-2015 & 2015-2016 school years was not designed or had a mechanism in place to claim accounts until late 2016, well into the 2016-2017 school year.
- We know this because families were not required to sign onto a website to claim their child's \$50 but could opt out if not interested.
- We know this because I was there and I heard the message loud and clear, that this was a gift to all children in Nevada that they can believe that college is within reach. That they can go to college, that they can go to trade school, that they can be what they want to be.

Let's not take back our promise to our children.

On behalf of OANV we are here today to represent the children that don't have a voice in this process, those that are in the foster care system, those with parents and guardians that cannot advocate on their behalf, or are unaware that this account even exists, those that are children of the military that have been deployed, those that have not yet to receive the message

because they moved or did not receive any communication from the Treasurer's office. **I'm here today to claim their accounts.**

We believe we have legal grounds for the recommended changes to the regulations our opinion be presented to LCB for consideration. That the original program was a pilot and that at a minimum the 2013-2014, 2014-2015 & 2015-2016 recipients are exempt from a law that did not even pass until the 2016-2017 class completed their school year.

In final I request that confirmation of a request for an AG Official Opinion that LCB received all public comments and request for review of exemption as we presented in both workshops.

In addition as a national model and we request that teleconference be set up for the upcoming public hearing for our national partners and other that cannot physically attend so they can participate in the process.

Thank you

Nancy Brown

February 27, 2018

Nevada State College Savings Board
State Treasurer's Office
101 N. Carson Street, Suite 4600
Carson City, NV 89702

Dear Members of the Nevada State College Savings Board:

On behalf of Prosperity Now, I am eager to provide input on the final regulations for College Kick Start (CKS). Prosperity Now is a national, nonpartisan, nonprofit organization that works to help families – especially low-income families and those excluded from the financial mainstream – build financial stability, wealth and prosperity.

As you know, CKS is an innovative college savings program that helps all young Nevadans, starting in kindergarten, to build savings for post-secondary success. In fact, CKS is one of the leading state models of a national movement that is helping hundreds of thousands of young people build both savings and aspirations for education beyond high school. According to our research, more than 382,000 children and youth nationwide in 32 states have a matched “children’s savings account” in their name to save for future education. Empirical research by Dr. Willie Elliott at the University of Michigan finds that low-income children with as much as \$500 in an account dedicated to post-secondary education are three times more likely to go to college and four times more likely to graduate compared to their peers without savings.

As a national organization committed to expanding children’s savings account nationwide, Prosperity Now is an enthusiastic supporter of CKS and is eager for this innovative program to continue to grow and succeed. After careful review of the draft regulations for CKS, I would like to make the following recommendations that will help to strengthen the program and ensure that it continues to build college savings and aspirations for all children in Nevada:


1. Issue of Account Claiming. The draft regulations are designed, in part, to “provide certain guidelines regarding parents’ and guardians’ ability to access the account and claim the funds.” This creates an entirely new notion of ownership of CKS accounts and could result in the forfeiture of tens of thousands CKS accounts created before the

notion of “claimed accounts” was formulated. The original program launched in 2014 and continued in 2015 and 2016 was a statewide pilot program that was designed so that families would not need to claim accounts. Therefore, we propose that all CKS accounts awarded to kids prior to the passage of the 2017 law and prior to the adoption of final regulations be exempt from any requirement to claim the CKS funds. In other words, we propose that the final regulations and law only apply to CKS cohorts that are established after the law and regulations are passed.

2. Communication with students and parents. The draft regulations require that only up to two notices (by mail) be sent to parents and/or guardians regarding CKS. The first would be a letter sent to each participant that notifies them of the account being established (within 90 days of account establishment). The second would be a letter of expiration to the mailing address on the account during the month of April of the student’s fourth grade school year that would be the final notification prior to account expiration. This plan relies on too little communication, too narrow of a communications channel (only via letter), and is likely to reach many wrong addresses unless a plan is in place to update addresses after the account is established. We propose that the regulations to establish and implement CKS include that communications be made by email, letters and every method available to inform families of their child's CKS account.
3. Exceptions for Military or National Service. In most other states with similar college savings programs, exceptions in the deadline for claiming or distributing funds are common for young people that choose military or national service following their high school graduation. Therefore, we propose that the regulations include an extension in the deadline for funds in the CKS account being claimed or distributed such that for every month of military or national service, the deadline for claiming or distributing funds would be extended one month beyond the beneficiary’s 25th birthday.

I hope that you will accept these recommended changes to the CKS regulations.

Sincerely,



Carl Rist

Senior Director of Children’s Savings

Prosperity Now

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 9
March 22, 2018

**Item: Prepaid Tuition/Higher Education Trust Fund
Investment Performance Review for the Quarter
End Performance Summary**

Recommendation:

That the Board review and approve the Nevada Higher Education Trust Fund quarterly review of investment performance by Pension Consulting Alliance for the quarter ending December 31, 2017 and direct staff as appropriate.

Fiscal:
None.

Summary:

In October 2011, the Board approved the Amended Investment Policy Statement and Comprehensive Investment Plan for the Nevada Higher Education Prepaid Tuition Trust Fund outlining the criteria for investment monitoring and analysis, including the establishment of a "Watch List" process.

In October of 2014, the Board approved a contract with Pension Consulting Alliance (PCA) to perform investment review services of the Nevada Prepaid Tuition/Higher Education Trust Fund (formerly performed by Callan Associates). These services include an independent quarterly review of investment performance and fund monitoring of each underlying fund or separate account. Attached is PCA's report for the quarter ending December 31, 2017.

Eric White from PCA will be available should there be any questions from the Board.

4Q 2017

Nevada Higher Education Prepaid Tuition Program QUARTERLY REPORT



This report is solely for the use of client personnel. No part of it may be circulated, quoted, or reproduced for distribution outside the client organization without prior written approval from Pension Consulting Alliance, LLC

Nothing herein is intended to serve as investment advice, a recommendation of any particular investment or type of investment, a suggestion of the merits of purchasing or selling securities, or an invitation or inducement to engage in investment activity.

INTRODUCTION

The Nevada Prepaid Tuition Plan Portfolio had an aggregate value of \$269.6 million as of December 31, 2017. During the latest quarter, the Total Portfolio increased in value by \$7.6 million, and over the latest year the Total Portfolio increased by \$33.1 million. Real US GDP growth increased by 2.6% (advance estimate) in the fourth quarter of 2017. GDP growth was driven by increases in consumer spending, business investment, housing investment, as well as federal and state local government spending. At quarter-end, the unemployment rate was unchanged at 4.1%. The seasonally adjusted Consumer Price Index for All Urban Consumers increased by 2.6% on an annualized basis during the quarter. Commodities increased during the fourth quarter, bringing the 1-year return into positive territory at 1.7%. Global equity returns were positive for the quarter at 5.8% (MSCI ACWI). The US Dollar depreciated against the Euro and the Pound by (1.6%) and (0.9%), respectively. Conversely, the US Dollar appreciated against the Yen by 20 basis points.

Asset Allocation Trends

With respect to policy targets, the Total Portfolio ended the latest quarter overweight Equities and Covered Calls, while Fixed income ended the quarter underweight its policy target. All asset class weights remain within their policy target bands.

Recent Investment Performance

The Total Portfolio underperformed its policy benchmark over the most recent quarter by (36) basis points, and underperformed over the 1-year period by (1.0%). The portfolio also underperformed over the 3-year period by (34) basis points, and matched the benchmark over the 5-year period.

Recent Investment Performance (Net of Fees)²

| | Quarter | 1 Year | 3 Year | 5 Year |
|--|---------|--------|--------|--------|
| Total Portfolio (Gross of Fees) ³ | 3.5 | 12.6 | 8.0 | 10.2 |
| Total Portfolio (Net of Fees) ² | 3.4 | 12.4 | 7.7 | 9.9 |
| Policy Benchmark ¹ | 3.8 | 13.5 | 8.1 | 9.9 |
| Excess Return (Net) | -0.4 | -1.0 | -0.3 | 0.0 |

¹ Policy Benchmark consists of 39% S&P 500 Index, 30% BBgBarc US Aggregate A+ Bond Index, 20% CBOE BXM Index, 7% S&P Midcap 400 Index, 4% S&P Smallcap 600 Index as of 9/30/2014. Prior to 9/30/2014 Policy Benchmark consisted of 45% S&P 500 Index, 43% BBgBarc US Aggregate A+ Bond Index, 8% S&P Midcap 400 Index, 4% S&P Small cap 600 Index

² Total fees for the Chicago Equity Partners Fixed Income Portfolio approximately 17 bps annually

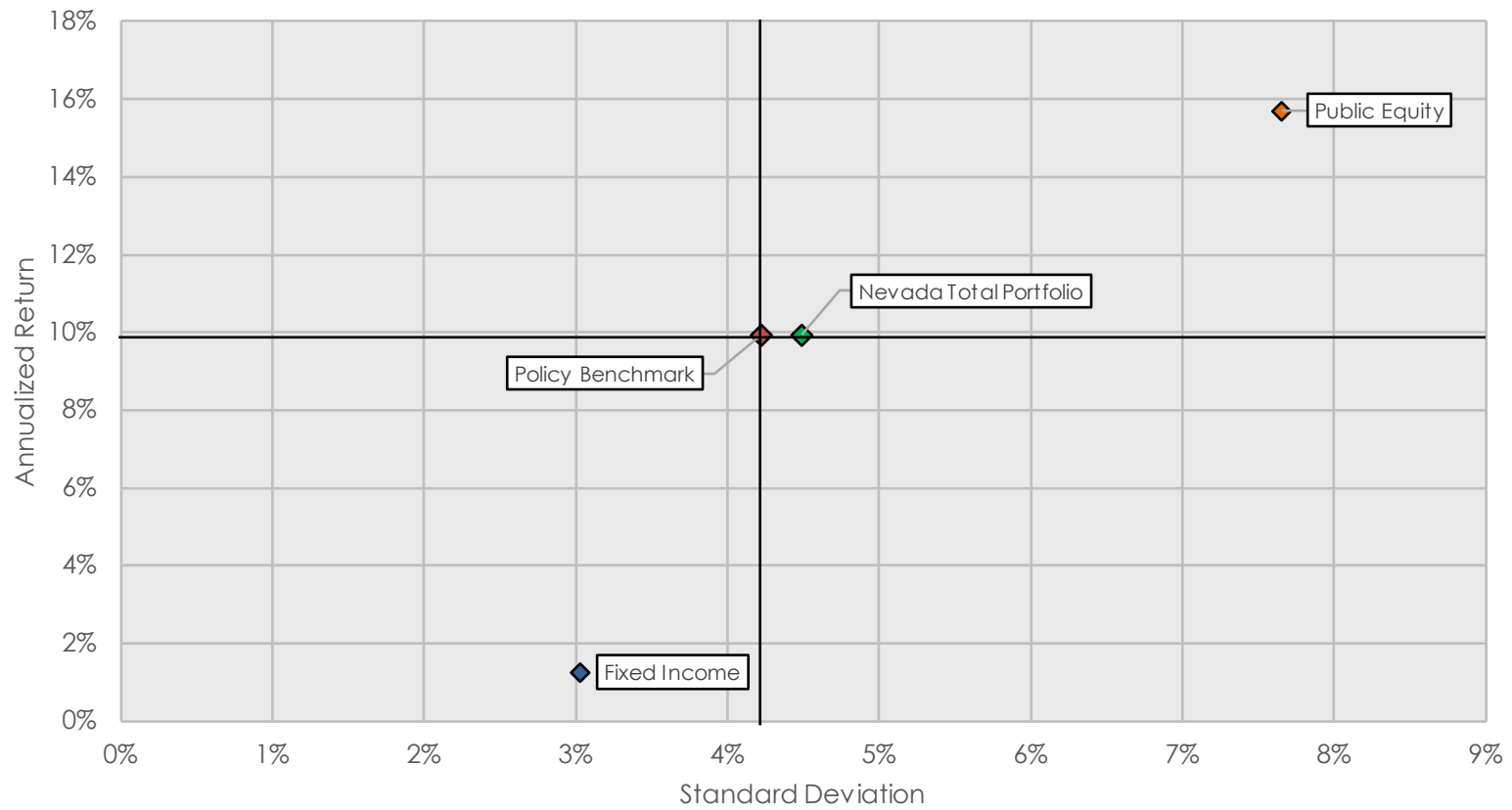
³ Total Gross of Fees amounts estimated using manager fee schedule detailed on Page 6

NEVADA PREPAID PORTFOLIO REVIEW

Nevada Prepaid Tuition Plan RISK/RETURN ANALYSIS

Period ending December 31, 2017

5-Year Annualized Risk/Return (Net)



ASSET ALLOCATION

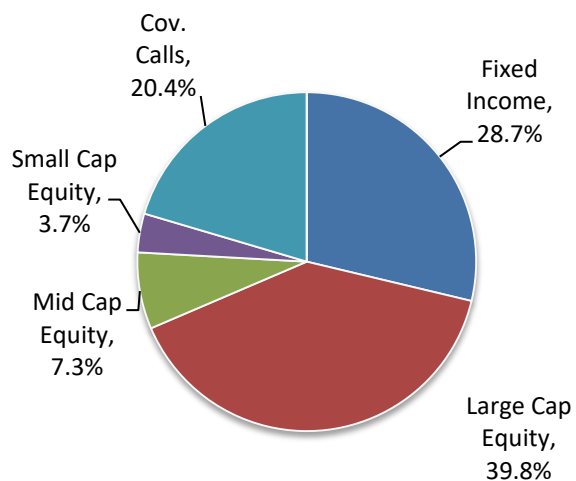
Actual vs. Target Allocations

With respect to policy targets, the Total Portfolio ended the latest quarter slightly overweight Equities and Covered Calls, while Fixed Income was underweight its target allocation. Within Domestic Equity, Large cap and Mid cap equity were both overweight their respective target allocations, while Small cap equity was underweight its target allocation. Fixed Income was (1.3%) below its target and the Covered Calls asset class is currently 0.4% overweight its 20% target allocation.

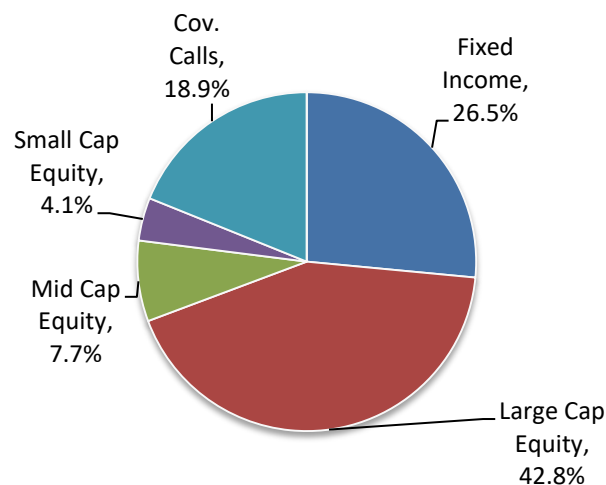
Asset Allocation - As of December 31, 2017 (This chart does not represent performance)

| Segment | Actual \$(000) | Actual % | Target %* | Policy Minimum | Policy Maximum | Acceptable Variance |
|---------------------------|-------------------|--------------|--------------|-------------------|-------------------|------------------------|
| Total Portfolio | 269,624 | 100% | 100% | --- | --- | |
| Domestic Equity | 135,575 | 50.3% | 50.0% | 45.0% | 55.0% | ✓ |
| Large Cap | 107,352 | 39.8% | 39.0% | 34.0% | 44.0% | ✓ |
| Mid Cap | 19,661 | 7.3% | 7.0% | 2.0% | 12.0% | ✓ |
| Small Cap | 10,107 | 3.7% | 4.0% | 1.0% | 7.0% | ✓ |
| Covered Calls | 55,133 | 20.4% | 20.0% | 15.0% | 25.0% | ✓ |
| Total Fixed Income | 77,372 | 28.7% | 30.0% | 25.0% | 35.0% | ✓ |

December 31, 2017



September 30, 2017



Asset Class Performance

The **Domestic Equity** asset class components (Large cap, Mid cap, and Small cap) all tracked their respective benchmarks to within a reasonable standard over the quarter, 1-, 5-year periods. The Plan's passive small cap fund outperformed its benchmark by 20 basis points, both the Large and Mid cap funds matched their respective benchmarks.

The **Fixed Income** asset class underperformed its Bloomberg Barclays US Aggregate A or Better benchmark over the quarter by (18) basis points and underperformed over the most recent 1-year period by 49 basis points. Over the 3- and 5-year periods, the fixed income asset class underperformed by (58) and (60) basis points, respectively.

The **Covered Calls** asset class returned 0.9% over the quarter, underperforming its benchmark by (1.9%). Over the 1-year period, the Covered Calls asset class has struggled, underperforming its benchmark by (6.8%). Covered Calls has also underperformed over the 3-year period (2.0%).

Periods ending December 31, 2017 (Net of Fees)*

| Asset Class | Quarter | 1 Year | 3 Year | 5 Year |
|------------------------------------|------------|-------------|-------------|-------------|
| Total Portfolio | 3.4 | 12.4 | 7.7 | 9.9 |
| Policy Benchmark ^ | 3.8 | 13.5 | 8.1 | 9.9 |
| Large Cap Equity | 6.6 | 21.8 | 11.4 | 15.8 |
| <i>S&P 500 Index</i> | <i>6.6</i> | <i>21.8</i> | <i>11.4</i> | <i>15.8</i> |
| Mid Cap Equity | 6.2 | 16.2 | 11.1 | 14.9 |
| <i>S&P Mid Cap 400 Index</i> | <i>6.3</i> | <i>16.2</i> | <i>11.1</i> | <i>15.0</i> |
| Small Cap Equity | 4.0 | 13.4 | 12.0 | 16.0 |
| <i>S&P Small Cap 600 Index</i> | <i>4.0</i> | <i>13.2</i> | <i>12.0</i> | <i>16.0</i> |
| Covered Calls | 0.9 | 6.2 | 6.4 | --- |
| <i>CBOE BXM Index</i> | <i>2.8</i> | <i>13.0</i> | <i>8.4</i> | <i>---</i> |
| Total Fixed Income | 0.1 | 2.5 | 1.4 | 1.3 |
| <i>BBgBarc US Agg. A+ Index</i> | <i>0.3</i> | <i>2.9</i> | <i>2.0</i> | <i>1.9</i> |
| <i>BBgBarc US Agg. Index</i> | <i>0.4</i> | <i>3.5</i> | <i>2.2</i> | <i>2.1</i> |

^ Policy Benchmark consists of 39% S&P 500 Index, 30% BBgBarc US Aggregate A+ Bond Index, 20% CBOE BXM Index, 7% S&P Midcap 400 Index, 4% S&P Smallcap 600 Index as of 9/30/2014. Prior to 9/30/2014 Policy Benchmark consisted of 45% S&P 500 Index, 43% BBgBarc US Aggregate A+ Bond Index, 8% S&P Midcap 400 Index, 4% S&P Small cap 600 Index

* Total fees for the Chicago Equity Partners Fixed Income Portfolio approximately 17 bps annually

MANAGER PERFORMANCE

Manager Performance – Periods ending December 31, 2017 (Net of Fees)

| Manager | Mkt Value (\$000) | Asset Class | Management Style | Quarter | | 1-Year | | 3-Year | | 5-Year | | Estimated Annual Fee (bps) |
|--|-------------------|------------------|------------------|---------|--------|--------|--------|--------|--------|--------|--------|----------------------------|
| | | | | Return | % Rank | Return | % Rank | Return | % Rank | Return | % Rank | |
| Vanguard Institutional Fund | 107,352 | Large Cap Equity | Passive | 6.6 | 38 | 21.8 | 37 | 11.4 | 18 | 15.8 | 15 | 4 |
| <i>S&P 500 Index</i> | --- | --- | --- | 6.6 | --- | 21.8 | --- | 11.4 | --- | 15.8 | --- | --- |
| Vanguard S&P Mid Cap | 19,661 | Mid Cap Equity | Passive | 6.2 | 26 | 16.2 | 44 | 11.1 | 11 | 14.9 | 15 | 8 |
| <i>S&P Mid Cap 400</i> | --- | --- | --- | 6.3 | --- | 16.2 | --- | 11.1 | --- | 15.0 | --- | --- |
| Vanguard S&P Small Cap | 10,107 | Small Cap Equity | Passive | 4.0 | 13 | 13.4 | 31 | 12.0 | 8 | 16.0 | 9 | 8 |
| <i>S&P Small Cap 600</i> | --- | --- | --- | 4.0 | --- | 13.2 | --- | 12.0 | --- | 16.0 | --- | --- |
| Glenmede | 55,133 | Covered Calls | Active | 0.9 | 83 | 6.2 | 75 | 6.4 | 34 | --- | --- | 65 |
| <i>CBOE BXM</i> | --- | --- | --- | 2.8 | --- | 13.0 | --- | 8.4 | --- | --- | --- | --- |
| Chicago Equity Partners¹ | 77,372 | Fixed Income | Active | 0.1 | 98 | 2.5 | 98 | 1.4 | 100 | 1.3 | 100 | 17 |
| <i>BBgBarc US Agg A or Better</i> | --- | --- | --- | 0.3 | | 2.9 | | 2.0 | | 1.9 | | --- |

* Peer group percentile rankings calculated using Investment Metric recommended Lipper peer groups

Vanguard:

The three passive Vanguard equity funds all performed roughly in line with their benchmarks. This performance is within expectations for passive mandates.

Glenmede:

The Plan's Covered Calls manager returned 0.9% during the most recent quarter, underperforming its benchmark by (1.9%) and ranking in the 83rd percentile of its peer group. Over the 1-year period, the Covered Calls manager underperformed the benchmark by (6.8%), while also underperforming its benchmark over the 3-year period by (2.0%).

Chicago Equity Partners:

The Plan's Fixed Income manager underperformed its index, the BBgBarc US Aggregate A or Better index, over the quarter by (18) basis points. Over the 1-year period, Chicago Equity Partners returned 2.5%, trailing its benchmark by (49) basis points. Over the 3- and 5-year periods, Chicago Equity Partners underperformed its benchmark by (58) and (60) basis points, respectively.

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THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 10
March 22, 2018

Item: PCA Investment Monitoring Report

Recommendation:

That the Board review and approve the Nevada College Savings Plans Investment Monitoring Report prepared by Pension Consulting Alliance, Inc. for the quarter ended December 31, 2017.

Fiscal:
None.

Summary:

In December of 2010 the Board hired Pension Consulting Alliance (PCA) to perform investment review services of the Nevada College Savings Plans. These services include an independent quarterly review of investment performance and fund monitoring of each underlying fund or portfolio within each of the four college savings plans.

In May of 2011, the Board adopted the 2011 Comprehensive Investment Policies for College Savings outlining the criteria for investment monitoring and analysis, including the establishment of a "Watch List" process. Attached is the quarterly report for the quarter ended December 31, 2017. In their report and memorandum regarding funds on "Watch" status, PCA is recommending the following changes to "Watch" status:

Removal from Watch Status

- USAA Precious Metals & Minerals
- USAA Income
- USAA Intermediate-term bond
- USAA High Income
- USAA Short-term bond
- Putnam Income

Initial Placement on Watch Status

- None

Eric White of PCA will be in attendance to answer any questions or provide further information to the Board.

Date: March 22, 2018

To: Nevada College Savings Plans

From: Pension Consulting Alliance, LLC (PCA)

CC: Eric White, CFA – PCA
Kay Ceserani – PCA
Sean Copus, CFA – PCA

RE: Review of Portfolios Qualifying for “Watch” Status

Summary

PCA has conducted a review of the underlying funds in the Nevada College Savings Plans for the period ending December 31, 2017.

Currently, seven funds from the **USAA** Program remain on “Watch” status with no additional funds qualifying for “Watch” status.

- USAA Precious Metals & Minerals – **Recommend removal from “Watch” status**
- USAA Income – **Recommend removal from “Watch” status**
- USAA Intermediate-term bond – **Recommend removal from “Watch” status**
- USAA High Income – **Recommend removal from “Watch” status**
- USAA Short-term bond – **Recommend removal from “Watch” status**
- USAA Income Stock
- USAA Small Cap Stock

In the **Putnam** 529 for America Program, there is one fund currently on “Watch” status with no additional funds qualifying for “Watch.”

- Putnam Income – **Recommend removal from “Watch” status**

The **Vanguard** 529 Program does not have any funds that qualify for “Watch” status, or are currently on “Watch” status.

The **SSgA** Upromise 529 College Savings Plan does not have any funds that qualify for “Watch” status, or are currently on “Watch” status.

The **Wealthfront** 529 College Savings Plan does not have any funds that qualify for “Watch” status, or are currently on “Watch” status.

Summary of Watch Status

| Portfolios | On Watch | Criteria Utilized for Watch Status | | | |
|------------------------------|----------|------------------------------------|-------------|-----------|--------------|
| | | Short-term | Medium-term | Long-term | Organization |
| USAA Precious Metals & Mnrls | Yes | --- | --- | N/A | --- |
| USAA Income | Yes | --- | --- | N/A | --- |
| USAA Intermediate-term Bond | Yes | --- | --- | N/A | --- |
| USAA High Income | Yes | --- | --- | N/A | --- |
| USAA Short-term Bond | Yes | --- | --- | N/A | --- |
| USAA Income Stock | Yes | --- | ✓ | N/A | ✓ |
| USAA Small Cap Stock | Yes | ✓ | ✓ | N/A | --- |

N/A Watch status not applicable for time period due to fund inception date

✓ Indicates eligible for Watch status as a result of performance

--- Indicates not eligible for Watch status as a result of performance

Performance of Funds Currently on Watch Status

| Funds on Watch Status | Board Action Date | Watch Status Start Date | No. Months Since Watch Began | Excess Return Since Watch |
|-------------------------------|-------------------|-------------------------|------------------------------|---------------------------|
| USAA Precious Metals & Minrls | 3/23/2017 | 1/1/2017 | 12 | 0.8% |
| USAA Income | 3/23/2017 | 1/1/2017 | 12 | 2.2% |
| USAA Intermediate-term Bond | 3/23/2017 | 1/1/2017 | 12 | 2.4% |
| USAA High Income | 3/23/2017 | 1/1/2017 | 12 | -4.3% |
| USAA Short-term Bond | 3/23/2017 | 1/1/2017 | 12 | 1.5% |
| USAA Income Stock | 6/14/2017 | 4/1/2017 | 9 | -1.2% |
| USAA Small Cap Stock | 7/20/2017 | 7/1/2017 | 6 | -0.4% |

Funds Currently on "Watch"

USAA Precious Metals & Minerals (4Q Combined Status Report – Page 68)

Since being placed on "Watch" status 12 months ago, the USAA Precious Metals & Minerals fund has outperformed its benchmark, the PHLX Gold & Silver Index, by 80 basis points, placing the fund in the 44th percentile of its Lipper Gold-Oriented Sector peer group. The fund also outperformed over the most recent 3-month period by 50 basis points, placing it in the 31st percentile of its peer group. The fund's performance benefited from the general increases in the price of gold and related mining companies, which constitutes the bulk of the fund's holdings, during the period. However, outperformance was somewhat constrained as the fund holds many smaller mining names for diversification purposes, which didn't appreciate as much as the larger industry names.

The fund's recent extended run of improved performance has allowed short-term performance to move into the Positive range. Although medium-term performance remains in the lower end of the Acceptable range, short-term performance has improved sufficiently that **PCA recommends that the USAA Precious Metals & Minerals fund be removed from "Watch" status.**

USAA Income (4Q Combined Status Report – Page 52)

Since being placed on “Watch” status 12 months ago due to organizational issues, the USAA Income fund has outperformed its benchmark, the Bloomberg Barclays U.S. Aggregate Index, by 2.2%, placing the fund in the 51st percentile of its Lipper Corporate Bonds peer group. The fund also outperformed over the most recent quarter by 40 basis points, placing it in the 47th percentile of its peer group. In general, the fund's continued outperformance can be attributed to its overweighting of outperforming corporate bonds and underweighting of underperforming government bonds. The fund's short- and medium-term performance remain in the Positive range and the fund continues to provide excess returns over all time periods measured.

As a reminder, the fund was placed on “Watch” status due to the announcement that Matt Freund, former CIO of USAA, was leaving the firm effective November 2016. Over the ensuing 13-month period, the fund's new management team has remained stable and has continued to add value to the fund. Therefore, **PCA recommends that the USAA Income fund be removed from “Watch” status** as PCA no longer has organizational concerns regarding the USAA fixed income management team.

USAA Intermediate-term Bond (4Q Combined Status Report – Page 56)

Since being placed on “Watch” status 12 months ago due to organizational issues, the USAA Intermediate-term Bond fund has outperformed its benchmark, the Bloomberg Barclays U.S. Aggregate Index, by 2.4%, placing the fund in the 9th percentile of its Lipper U.S. Broad Market Core+ Fixed Income peer group. The fund has also outperformed over the most recent 3-month period by 10 basis points, placing it in the 31st percentile of its peer group. Much like the USAA Income fund, the Intermediate-term Bond fund's outperformance can mostly be attributed to its overweighting of outperforming corporate bonds and underweighting of underperforming government bonds. The fund's short- and medium-term performance remain in the Positive range and the fund continues to provide excess returns over all time periods measure.

As a reminder, the fund was placed on “Watch” status due to the announcement that Matt Freund, former CIO of USAA, was leaving the firm effective November 2016. Over the ensuing 13-month period, the fund's new management team has remained stable and has continued to add value to the fund. Therefore, **PCA recommends that the USAA Intermediate-term Bond fund be removed from “Watch” status** as PCA no longer has organizational concerns regarding the USAA fixed income management team.

USAA High Income (4Q Combined Status Report – Page 60)

Since being placed on “Watch” status 12 months ago due to organizational issues, the USAA High Income fund has underperformed its benchmark, the Credit Suisse High Yield Index, by (4.3%), placing the fund in the 32nd percentile of its Lipper U.S. High Yield Bond peer group. Performance over the most recent quarter has been brighter as the fund was able to outperform its benchmark by 50 basis points and earn a 14th percentile ranking in its peer group. Active High Yield managers have continued to face a difficult market over the past 12 months as evidenced by the benchmark being ranked in the 1st percentile of the High Yield Bond peer group.

Although the USAA High Income fund has underperformed over all periods measured, it continues to rank above the median fund over all periods, and in the top third over the quarter, 1-year, 5-year, and since inception periods. Despite the underperformance, the fund's short- and medium-term performance remains in the Acceptable range.

As a reminder, the fund was placed on "Watch" status due to the announcement that Matt Freund, former CIO of USAA, was leaving the firm effective November 2016. Over the ensuing 13-month period, the fund's new management team has remained stable and, despite the underperformance, has continued to manage the fund to an acceptable level. Therefore, **PCA recommends that the USAA High Income fund be removed from "Watch" status** as PCA no longer has organizational concerns regarding the USAA fixed income management team, and the fund does not qualify for "Watch" status due to performance.

USAA Short-term Bond (4Q Combined Status Report – Page 64)

Since being placed on "Watch" status 12 months ago due to organizational issues, the USAA Short-term Bond fund has outperformed its benchmark, the Bloomberg Barclays 1-3 year Government/Credit Index, by 1.5%, placing the fund in the 15th percentile of its Lipper U.S. Short-term Investment Grade peer group. Over the most recent quarter, the fund outperformed its benchmark by 30 basis points and ranked in the 50th percentile of its peer group. Outperformance during the quarter can be attributed to strong coupon income and tighter corporate spreads. Like USAA's other fixed income portfolios, corporate bond holdings helped overall performance, while US Treasuries detracted from performance. The fund's short- and medium-term performance remains in the Positive range and the fund continues to provide excess returns over all time periods measured.

As a reminder, the fund was placed on "Watch" status due to the announcement that Matt Freund, former CIO of USAA, was leaving the firm effective November 2016. Over the ensuing 13-month period, the fund's new management team has remained stable and has continued to add value to the fund. Therefore, **PCA recommends that the USAA Short-term Bond fund be removed from "Watch" status** as PCA no longer has organizational concerns regarding the USAA fixed income management team.

USAA Income Stock (4Q Combined Status Report – Page 44)

Since being placed on "Watch" status nine months ago, the USAA Income Stock fund has underperformed its benchmark, the MSCI USA IMI High Dividend Yield index, by (1.2%), ranking the fund in the 49th percentile of its Lipper Equity Income peer group. Over the most recent quarter, the fund has underperformed its benchmark by (90) basis points and ranked in the 45th percentile of its peer group. Underperformance during the most recent quarter was mostly due to poor stock selection in the Industrials sector; the fund's second most heavily weighted. An underweighting to the Technology sector also hurt performance as it was one of the strongest performing sectors during the period. The fund's short-term performance remains in the Acceptable range, while medium-term performance remains in the Caution range according to the Performance Monitoring Criteria.

As a reminder, the USAA Income Stock fund also qualifies for “Watch” status due to recent changes to the portfolio management team. Effective in May 2017, former portfolio manager Stephan Klaffke left the portfolio management team and USAA. Following his departure, John Toohey and Dan Denbow have taken over as primary managers of the fund. Mr. Toohey has been with the fund since November 2012, while Mr. Denbow has worked on the team since December 2015.

Given the fund's continued performance deficiencies, as well as the relatively recent high-level changes to the fund's management team, **PCA recommends that the USAA Income Stock fund remain on “Watch” status and be closely monitored over the coming periods.**

USAA Small Cap Stock (4Q Combined Status Report – Page 48)

Since being placed on “Watch” status six months ago, the USAA Small Cap Stock fund has underperformed its benchmark, the Russell 2000 index, by (40) basis points, placing the fund in the 46th percentile of its Lipper U.S. Small Cap Core Equity peer group. Over the most recent quarter, the fund has outperformed its benchmark by 20 basis points and ranked in the 25th percentile of its peer group. The fund's slight outperformance during the 3-month period can be attributed to strong stock selection in the Healthcare sector, as well as being underweight in the underperforming Real Estate sector. Despite the performance of the most recent quarter, the fund's short- and medium-term performance both remain in the Caution range according to the Performance Monitoring Criteria.

Due to the fund's continued underperformance over the short- and medium-term, **PCA recommends that the USAA Small Cap Stock fund remain on “Watch” status, and be closely monitored over the coming periods.**

Putnam 529 for America Plan

Summary of Watch Status

| Portfolios | On Watch | Criteria Utilized for Watch Status | | | |
|---------------|----------|------------------------------------|------------|-------------|-----------|
| | | 1-12 months | Short-term | Medium-term | Long-term |
| Putnam Income | Yes | N/A | --- | --- | --- |

Performance of Funds Currently on Watch Status

| Funds on Watch Status | Board Action Date | Watch Status Start Date | No. Months Since Watch Began | Excess Return Since Watch |
|-----------------------|-------------------|-------------------------|------------------------------|---------------------------|
| Putnam Income | 9/24/2015 | 7/1/2015 | 30 | -0.3% |

Funds Currently on "Watch"

Putnam Income (4Q Combined Status Report – Page 76)

Since being placed on "Watch" status 30 months ago, the Putnam Income fund has underperformed its benchmark, the Bloomberg Barclays US Aggregate Bond index, by (30) basis points, ranking the fund in the 68th percentile of its Lipper Broad Market Core Fixed Income peer group. The fund once again performed well over the most recent quarter as it outperformed its benchmark by 80 basis points and ranked in the 2nd percentile of its peer group. Outperformance during the most recent quarter can be attributed to the fund's mortgage credit holdings, especially the fund's positions in mezzanine CMBS. The fund also benefited from its holdings in agency credit-risk transfer securities which rebounded after a couple of poor months due to the hurricanes in Texas and Florida. The fund also had a duration below that of the benchmark which proved beneficial as interest rates increased. The fund's strong performance streak (six straight outperforming quarters) continues apace as short-term performance remains well into the Positive range, and medium-term performance has pushed into the Acceptable range.

Due to the fund's sustained improvement in performance, it no longer qualifies for "Watch" status, ***therefore, PCA recommends that the Putnam Income fund be removed from "Watch" status.***

Vanguard 529 Plan

No Funds qualify for "Watch," or are currently on "Watch."

SSgA Upromise 529 College Savings Plan

No Funds qualify for "Watch," or are currently on "Watch."

Wealthfront 529 Plan

No Funds qualify for "Watch," or are currently on "Watch."

APPROVED FOR WATCH STATUS:

Dan Schwartz, State Treasurer

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2017

NEVADA COLLEGE SAVINGS PROGRAMS

INVESTMENT PERFORMANCE STATUS REPORT



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AGENDA ITEMS

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SECTION 1

SUMMARY OF FUND PERFORMANCE STATUS

SUMMARY OF FUND PERFORMANCE STATUS

| Program | Total Funds [^] | Positive | Acceptable | Caution | Watch ^{**} |
|-------------------------------|--------------------------|-------------|------------|-----------|---------------------|
| Vanguard 529 Plan | | | | | |
| Number of Funds | 14 | 10 | 3 | 1 | -- |
| Percentage | 100% | 71% | 21% | 7% | 0% |
| Fund Status ↑ | 0 | -- | -- | -- | -- |
| Fund Status ↓ | 1 | -- | 1 | -- | -- |
| US Equity Funds | 8 | 7 | 1 | -- | -- |
| Intl Equity Funds | 1 | -- | -- | 1 | -- |
| Fixed Income Funds | 4 | 2 | 2 | -- | -- |
| Other Funds* | 1 | 1 | -- | -- | -- |
| SSgA Upromise 529 Plan | | | | | |
| Number of Funds | 15 | 15 | -- | -- | -- |
| Percentage | 100% | 100% | 0% | 0% | 0% |
| Fund Status ↑ | 0 | -- | -- | -- | -- |
| Fund Status ↓ | 0 | -- | -- | -- | -- |
| US Equity Funds | 4 | 4 | -- | -- | -- |
| Intl Equity Funds | 4 | 4 | -- | -- | -- |
| Fixed Income Funds | 6 | 6 | -- | -- | -- |
| Other Funds* | 2 | 2 | -- | -- | -- |

[^]Money Market funds not included

^{*}Includes Balanced, Commodities, REITs, and MLPs

^{**}Reflects funds currently on "Watch" status and new funds qualifying for "Watch" status

Vanguard 529 Program

- 93% of funds in the Vanguard Program have either a Positive or Acceptable status
- Fund status changes:
 - 0 funds improved during the quarter
 - 1 fund deteriorated during the quarter (Vanguard Infl-Prot Securities)

SSgA Upromise 529 Program

- 100% of funds in the SSgA Upromise Program have either a Positive or Acceptable status
- Fund status changes:
 - 0 funds improved during the quarter
 - 0 funds deteriorated during the quarter

SUMMARY OF FUND PERFORMANCE STATUS

| Program | Total Funds [^] | Positive | Acceptable | Caution | Watch ^{**} |
|-------------------------------|--------------------------|------------|------------|------------|---------------------|
| USAA 529 Plan | | | | | |
| Number of Funds | 12 | 1 | 4 | -- | 7 |
| Percentage | 100% | 8% | 33% | 0% | 58% |
| Fund Status ↑ | 0 | -- | -- | -- | -- |
| Fund Status ↓ | 0 | -- | -- | -- | -- |
| US Equity Funds | 5 | -- | 3 | -- | 2 |
| Intl Equity Funds | 2 | 1 | 1 | -- | -- |
| Fixed Income Funds | 4 | -- | -- | -- | 4 |
| Other Funds* | 1 | -- | -- | -- | 1 |
| Putnam 529 for America | | | | | |
| Number of Funds | 17 | 7 | 5 | 4 | 1 |
| Percentage | 100% | 41% | 29% | 24% | 6% |
| Fund Status ↑ | 1 | 1 | -- | -- | -- |
| Fund Status ↓ | 2 | -- | 2 | -- | -- |
| US Equity Funds | 5 | 4 | 1 | -- | -- |
| Intl Equity Funds | 1 | 1 | -- | -- | -- |
| Fixed Income Funds | 3 | -- | 1 | 1 | 1 |
| Other Funds* | 8 | 2 | 3 | 3 | -- |

[^]Money Market fund and NY Life Insurance not included

*Includes Balanced, Commodities, REITs, and MLPs

^{**}Reflects funds currently on "Watch" status and new funds qualifying for "Watch" status

USAA 529 Program

- 41% of funds in the USAA Program have either a Positive or Acceptable status
- Fund status changes:
 - 0 funds improved during the quarter
 - 0 fund deteriorated during the quarter

Putnam 529 Program

- 70% of funds in the Putnam Program have either a Positive or Acceptable status
- Fund status changes:
 - 1 fund improved during the quarter (Putnam Small Cap Value)
 - 2 funds deteriorated during the quarter (GAA Growth, GAA Balanced)

SUMMARY OF FUND PERFORMANCE STATUS

| Program | Total Funds [^] | Positive | Acceptable | Caution | Watch ^{**} |
|-----------------------------|--------------------------|------------|------------|------------|---------------------|
| Wealthfront 529 Plan | | | | | |
| Number of Funds | 9 | 8 | -- | 1 | -- |
| Percentage | 100% | 89% | 0% | 11% | 0% |
| Fund Status ↑ | 0 | -- | -- | -- | -- |
| Fund Status ↓ | 0 | -- | -- | -- | -- |
| US Equity Funds | 2 | 2 | -- | -- | -- |
| Intl Equity Funds | 2 | 1 | -- | 1 | -- |
| Fixed Income Funds | 4 | 4 | -- | -- | -- |
| Other Funds* | 1 | 1 | -- | -- | -- |

[^]Money Market fund and NY Life Insurance not included

*Includes Balanced, Commodities, zREITs, and MLPs

^{**}Reflects funds currently on "Watch" status and new funds qualifying for "Watch" statuszzzzzz

Wealthfront 529 Program

- 89% of funds in the Wealthfront Program have either a Positive or Acceptable status
- Fund status changes:
 - 0 funds improved during the quarter
 - 0 fund deteriorated during the quarter

SUMMARY OF FUND PERFORMANCE STATUS

Vanguard 529 Plan

SUMMARY OF FUND PERFORMANCE STATUS

| Portfolios | Prior Quarter Status | Current Quarter Status |
|---------------------------------------|----------------------|------------------------|
| <i>Passively Managed Funds</i> | | |
| Vanguard 500 Index Fund | Positive | Positive |
| Vanguard Ttl Stock Mkt Indx Fund | Positive | Positive |
| Vanguard Value Index Fund | Positive | Positive |
| Vanguard Growth Index Fund | Positive | Positive |
| Vanguard Mid-Cap Index Fund | Positive | Positive |
| Vanguard Small Cap Index Fund | Positive | Positive |
| Vanguard Ttl Intl Stock Index Fund* | Caution | Caution |
| Vanguard Total Bond Market Fund | Positive | Positive |
| Vanguard Ttl Bond Market II Fund | Positive | Positive |
| <i>Actively Managed Funds</i> | | |
| Vanguard Morgan Growth Fund | Acceptable | Acceptable |
| Vanguard Windsor Fund | Positive | Positive |
| Vanguard STAR | Positive | Positive |
| Vanguard Infl-Protected Securities | Positive | Acceptable |
| Vanguard High-Yield Bond Fund | Acceptable | Acceptable |

* Fund has been excluded from Watch status but remains below watch criteria

- Current status is based on evaluation results from short-term (rolling 12-months), medium-term (rolling 36-month) analysis.
- According to the Investment Status Schedule, the portfolio's overall "Current Status" equals the lowest status as achieved by one or more of the criteria during the quarter (see page Appendix for details.)

SUMMARY OF FUND PERFORMANCE STATUS

Vanguard 529 Plan

SUMMARY OF WATCH STATUS

| Portfolios | Currently on Watch? | Qualifies for Watch? |
|---------------------------------------|---------------------|---------------------------|
| <i>Passively Managed Funds</i> | | |
| Vanguard 500 Index Fund | NO | NO |
| Vanguard Ttl Stock Mkt Indx Fund | NO | NO |
| Vanguard Value Index Fund | NO | NO |
| Vanguard Growth Index Fund | NO | NO |
| Vanguard Mid-Cap Index Fund | NO | NO |
| Vanguard Small Cap Index Fund | NO | NO |
| Vanguard Ttl Intl Stock Index Fund* | NO | Short-Term Medium-Term |
| Vanguard Total Bond Market Fund | NO | NO |
| Vanguard Ttl Bond Market II Fund | NO | NO |
| <i>Actively Managed Funds</i> | | |
| Vanguard Morgan Growth Fund | NO | NO |
| Vanguard Windsor Fund | NO | NO |
| Vanguard STAR | NO | NO |
| Vanguard Infl-Protected Securities | NO | NO |
| Vanguard High-Yield Bond Fund | NO | NO |

* Fund has been excluded from Watch status but remains below watch criteria

- Funds identified as "Currently on Watch" are those whose Watch status has been approved by the State Treasurer's Office.
- Funds identified as "Qualifying for Watch" have not necessarily been approved as being on Watch by the State Treasurer's Office, but qualify for Watch according to the approved Monitoring Criteria (see Appendix for details).

SUMMARY OF FUND PERFORMANCE STATUS

SSgA Upromise 529 Plan

SUMMARY OF FUND PERFORMANCE STATUS

| Portfolios | Prior Quarter Status | Current Quarter Status |
|--|----------------------|------------------------|
| <i>Passively Managed Funds</i> | | |
| SPDR S&P 500 ETF Trust | Positive | Positive |
| SPDR S&P Mid-Cap 400 ETF Trust | Positive | Positive |
| SPDR S&P 600 Small Cap ETF | Positive | Positive |
| SPDR Dow Jones REIT ETF | Positive | Positive |
| SPDR Dow Jones International Real Estate ETF | Positive | Positive |
| SPDR S&P World ex-US ETF | Positive | Positive |
| SPDR S&P International Small-Cap ETF | Positive | Positive |
| SPDR S&P Emerging Markets ETF | Positive | Positive |
| SPDR S&P Emerging Markets Small-Cap | Positive | Positive |
| SPDR BarCap Aggregate Bond ETF | Positive | Positive |
| SPDR BarCap TIPS ETF | Positive | Positive |
| SPDR Citi Intl Govt Infl-Protected Bond ETF | Positive | Positive |
| SPDR BarCap High Yield Bond ETF | Positive | Positive |
| SPDR BarCap Short-Term Corp Bond ETF | Positive | Positive |
| SPDR BarCap 1-3 Month T-Bill ETF | Positive | Positive |

- Current status is based on evaluation results from short-term (rolling 12-months), medium-term (rolling 36-month) analysis.
- According to the Investment Status Schedule, the portfolio's overall "Current Status" equals the lowest status as achieved by one or more of the criteria during the quarter (see page Appendix for details.)

SUMMARY OF FUND PERFORMANCE STATUS

SSgA Upromise 529 Plan

SUMMARY OF WATCH STATUS

| Portfolios | Currently on Watch? | Qualifies for Watch? |
|--|---------------------|----------------------|
| <i>Passively Managed Funds</i> | | |
| SPDR S&P 500 ETF Trust | NO | NO |
| SPDR S&P Mid-Cap 400 ETF Trust | NO | NO |
| SPDR S&P 600 Small Cap ETF | NO | NO |
| SPDR Dow Jones REIT ETF | NO | NO |
| SPDR Dow Jones International Real Estate ETF | NO | NO |
| SDPR S&P World ex-US ETF | NO | NO |
| SPDR S&P International Small-Cap ETF | NO | NO |
| SPDR S&P Emerging Markets ETF | NO | NO |
| SPDR S&P Emerging Markets Small-Cap | NO | NO |
| SPDR BarCap Aggregate Bond ETF | NO | NO |
| SPDR BarCap TIPS ETF | NO | NO |
| SPDR Citi Intl Govt Infl-Protected Bond ETF | NO | NO |
| SPDR BarCap High Yield Bond ETF | NO | NO |
| SPDR BarCap Short-Term Corp Bond ETF | NO | NO |
| SPDR BarCap 1-3 Month T-Bill ETF | NO | NO |

- Funds identified as “Currently on Watch” are those whose Watch status has been approved by the State Treasurer’s Office.
- Funds identified as “Qualifying for Watch” have not necessarily been approved as being on Watch by the State Treasurer’s Office, but qualify for Watch according to the approved Monitoring Criteria (see Appendix for details).

SUMMARY OF FUND PERFORMANCE STATUS

USAA 529 Plan

SUMMARY OF FUND PERFORMANCE STATUS

| Portfolios | Prior Quarter Status | Current Quarter Status |
|---------------------------------|----------------------|------------------------|
| USAA Growth Fund | Acceptable | Acceptable |
| USAA Growth & Income Fund | Acceptable | Acceptable |
| USAA Value Fund | Acceptable | Acceptable |
| USAA Income Stock Fund | On Watch | On Watch |
| USAA Small Cap Stock Fund | On Watch | On Watch |
| USAA International Fund | Positive | Positive |
| USAA Emerging Markets Fund | Acceptable | Acceptable |
| USAA Income Fund | On Watch | On Watch |
| USAA Intermediate-Term Bond | On Watch | On Watch |
| USAA High Income Fund | On Watch | On Watch |
| USAA Short-Term Bond Fund | On Watch | On Watch |
| USAA Precious Metals & Minerals | On Watch | On Watch |

- Current status is based on evaluation results from short-term (rolling 12-months), medium-term (rolling 36-month) analysis.
- According to the Investment Status Schedule, the portfolio's overall "Current Status" equals the lowest status as achieved by one or more of the criteria during the quarter (see page Appendix for details.)

SUMMARY OF FUND PERFORMANCE STATUS

USAA 529 Plan

SUMMARY OF WATCH STATUS

| Portfolios | Currently On Watch? | Qualifies for Watch? |
|---------------------------------|---------------------|---------------------------|
| USAA Growth Fund | NO | NO |
| USAA Growth & Income Fund | NO | NO |
| USAA Value Fund | NO | NO |
| USAA Income Stock Fund | YES | Medium-Term |
| USAA Small Cap Stock Fund | YES | Short-Term Medium-Term |
| USAA International Fund | NO | NO |
| USAA Emerging Markets Fund | NO | NO |
| USAA Income Fund | YES | NO |
| USAA Intermediate-Term Bond | YES | NO |
| USAA High Income Fund | YES | NO |
| USAA Short -Term Bond Fund | YES | NO |
| USAA Precious Metals & Minerals | YES | NO |

- Funds identified as “Currently on Watch” are those whose Watch status has been approved by the State Treasurer’s Office.
- Funds identified as “Qualifying for Watch” have not necessarily been approved as being on Watch by the State Treasurer’s Office, but qualify for Watch according to the approved Monitoring Criteria (see Appendix for details).

SUMMARY OF FUND PERFORMANCE STATUS

Putnam 529 for America Plan

SUMMARY OF FUND PERFORMANCE STATUS

| Portfolios | Prior Quarter Status | Current Quarter Status |
|---|----------------------|------------------------|
| <i>Portfolios for Age/Goal Based</i> | | |
| GAA All Equity | Acceptable | Acceptable |
| GAA Growth | Positive | Acceptable |
| GAA Balanced | Positive | Acceptable |
| GAA Conservative | Positive | Positive |
| <i>Individual Fund Options</i> | | |
| SPDR S&P 500 ETF Trust | Positive | Positive |
| Putnam Equity Income | Positive | Positive |
| Principal Mid Cap | Positive | Positive |
| Putnam Growth Opportunities | Acceptable | Acceptable |
| Putnam Small Cap Value | Acceptable | Positive |
| MFS Inst. International Equity | Positive | Positive |
| Putnam Income | On Watch | On Watch |
| Federated US Govt Sec: 2-5 Years* | Caution | Caution |
| Putnam High Yield | Acceptable | Acceptable |
| <i>Absolute Return Funds</i> | | |
| Putnam Absolute Return 100 | Positive | Positive |
| Putnam Absolute Return 300* | Caution | Caution |
| Putnam Absolute Return 500* | Caution | Caution |
| Putnam Absolute Return 700* | Caution | Caution |

* Fund has been excluded from Watch status but remains below watch criteria

- Current status is based on evaluation results from short-term (rolling 12-months), medium-term (rolling 36-month) analysis.
- According to the Investment Status Schedule, the portfolio's overall "Current Status" equals the lowest status as achieved by one or more of the criteria during the quarter (see page Appendix for details.)

SUMMARY OF FUND PERFORMANCE STATUS

Putnam 529 for America Plan

SUMMARY OF WATCH STATUS

| Portfolios | Currently on Watch? | Qualifies for Watch? |
|---|---------------------|----------------------|
| <i>Portfolios for Age/Goal Based</i> | | |
| GAA All Equity | NO | NO |
| GAA Growth | NO | NO |
| GAA Balanced | NO | NO |
| GAA Conservative | NO | NO |
| <i>Individual Fund Options</i> | | |
| SPDR S&P 500 ETF Trust | NO | NO |
| Putnam Equity Income | NO | NO |
| Principal MidCap Blend | NO | NO |
| Putnam Growth Opportunities | NO | NO |
| Putnam Small Cap Value | NO | NO |
| MFS Inst. International Equity | NO | NO |
| Putnam Income | YES | NO |
| Federated US Govt Sec: 2-5 Years* | NO | Medium-Term |
| Putnam High Yield Trust | NO | NO |
| <i>Individual Fund Options</i> | | |
| Putnam Absolute Return 100 | NO | NO |
| Putnam Absolute Return 300* | NO | Medium-Term |
| Putnam Absolute Return 500* | NO | Medium-Term |
| Putnam Absolute Return 700* | NO | Medium-Term |

* Fund has been removed from Watch status but remains below watch criteria

- Funds identified as “Currently on Watch” are those whose Watch status has been approved by the State Treasurer’s Office.
- Funds identified as “Qualifying for Watch” have not necessarily been approved as being on Watch by the State Treasurer’s Office, but qualify for Watch according to the approved Monitoring Criteria (see Appendix for details).

SUMMARY OF FUND PERFORMANCE STATUS

Wealthfront 529 Plan

SUMMARY OF FUND PERFORMANCE STATUS

| Portfolios | Prior Quarter Status | Current Quarter Status |
|--|----------------------|------------------------|
| Vanguard Total Stock Market ETF | Positive | Positive |
| Vanguard Dividend Appreciation ETF | Positive | Positive |
| Vanguard FTSE Developed Markets ETF* | Caution | Caution |
| Vanguard FTSE Emerging Markets ETF | Positive | Positive |
| Vanguard REIT ETF | Positive | Positive |
| iShares iBoxx \$ Invst. Grade Corp. Bond ETF | Positive | Positive |
| iShares JP Morgan USD Em. Mkt. Bond ETF | Positive | Positive |
| Vanguard Short Treasury Bond ETF | Positive | Positive |
| Vanguard Short-Term Infl-Prot Securities ETF | Positive | Positive |

* Fund has been excluded from Watch status but remains below watch criteria

- Current status is based on evaluation results from short-term (rolling 12-months), medium-term (rolling 36-month) analysis.
- According to the Investment Status Schedule, the portfolio's overall "Current Status" equals the lowest status as achieved by one or more of the criteria during the quarter (see page Appendix for details.)

SUMMARY OF FUND PERFORMANCE STATUS

Wealthfront 529 Plan

SUMMARY OF WATCH STATUS

| Portfolios | Currently on Watch? | Qualifies for Watch? |
|--|---------------------|----------------------|
| Vanguard Total Stock Market ETF | NO | NO |
| Vanguard Dividend Appreciation ETF | NO | NO |
| Vanguard FTSE Developed Markets ETF* | NO | Medium-Term |
| Vanguard FTSE Emerging Markets ETF | NO | NO |
| Vanguard REIT ETF | NO | NO |
| iShares iBoxx \$ Invst. Grade Corp. Bond ETF | NO | NO |
| iShares JP Morgan USD Em. Mkt. Bond ETF | NO | NO |
| Vanguard Short Treasury Bond ETF | NO | NO |
| Vanguard Short-Term Infl-Prot Securities ETF | NO | NO |

* Fund has been excluded from Watch status but remains below watch criteria

- Funds identified as "Currently on Watch" are those whose Watch status has been approved by the State Treasurer's Office.
- Funds identified as "Qualifying for Watch" have not necessarily been approved as being on Watch by the State Treasurer's Office, but qualify for Watch according to the approved Monitoring Criteria (see Appendix for details).

SECTION 2

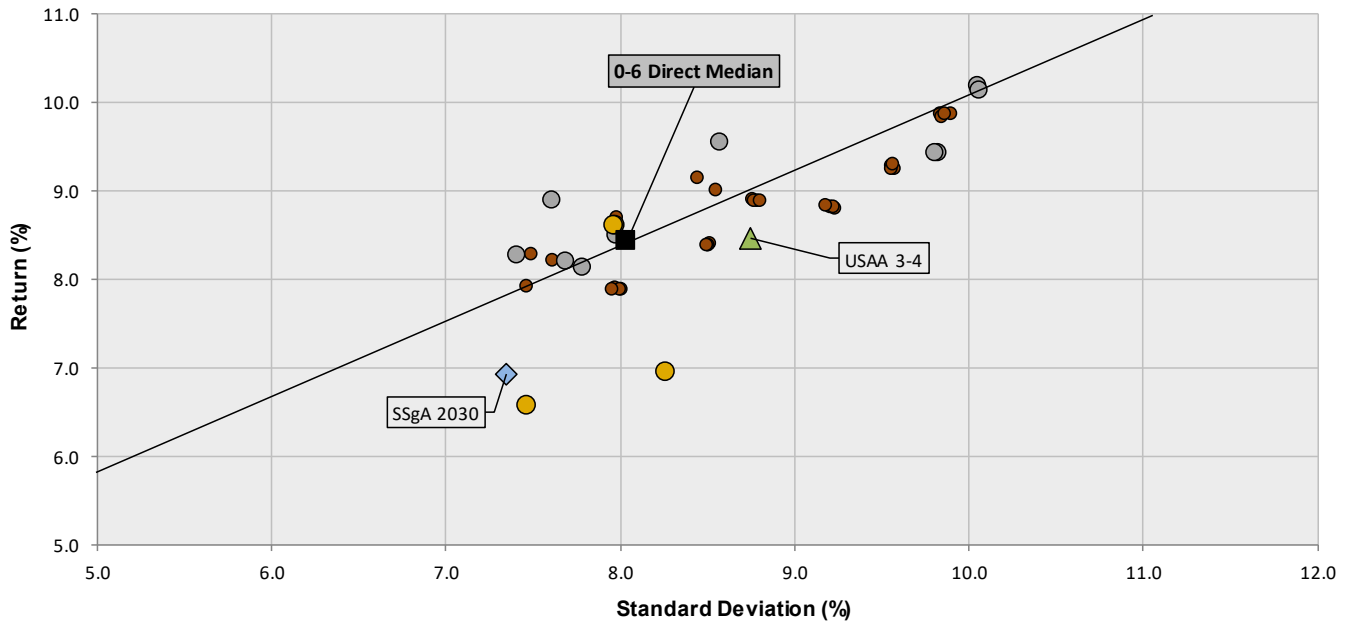
AGE-BASED PERFORMANCE CHARTS

AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

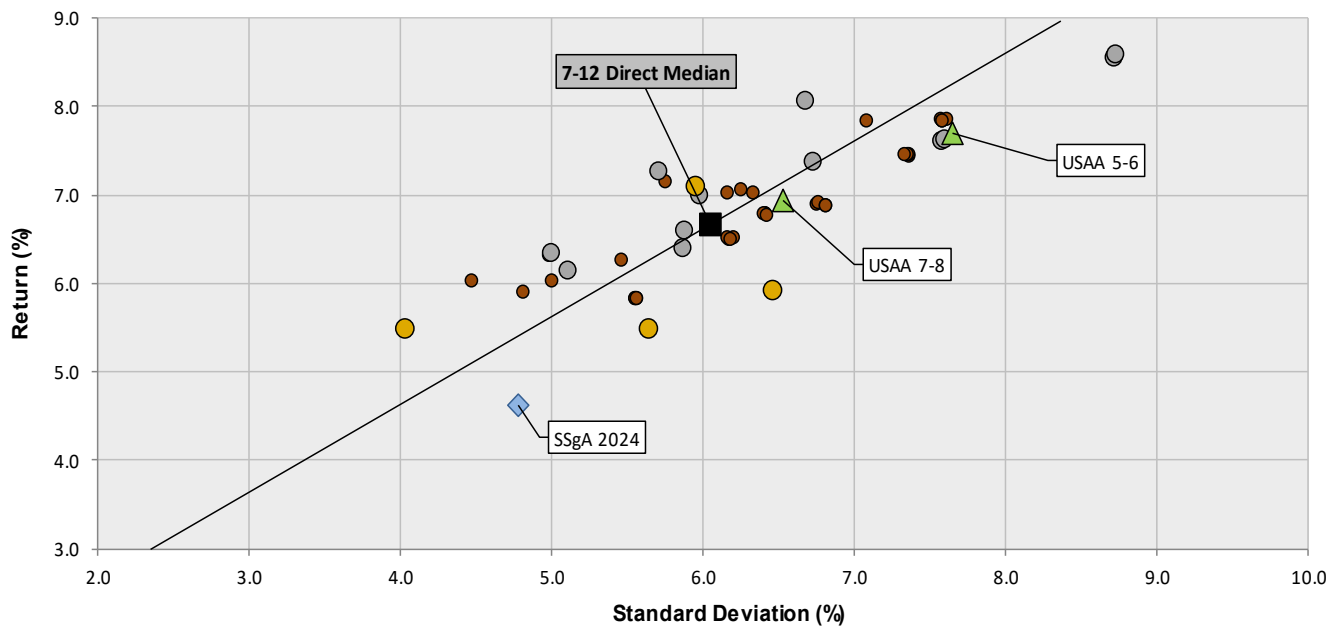
Age 0-6

3-year (as of December 31, 2017)



Age 7-12

3-year (as of December 31, 2017)



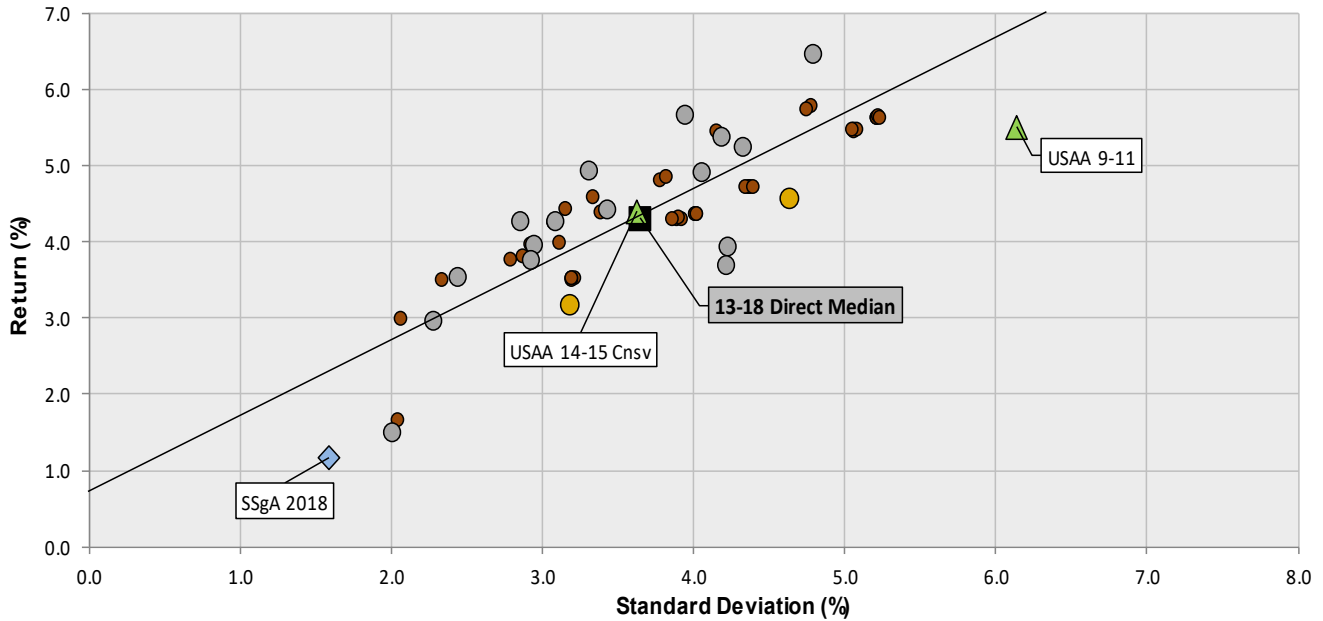
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

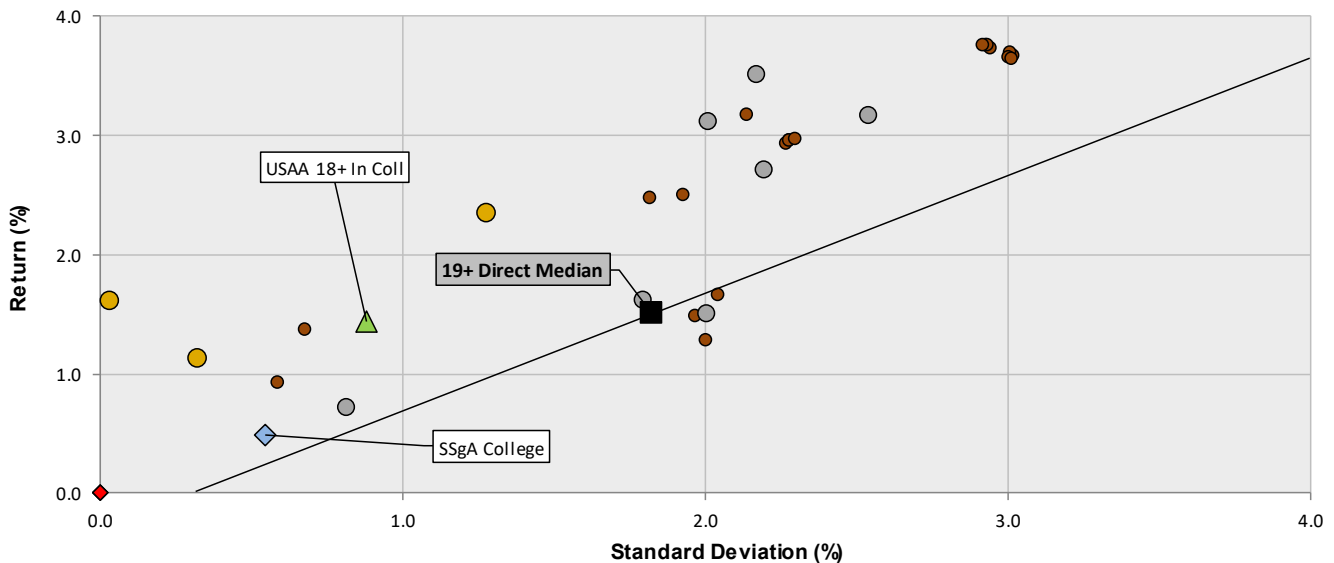
Age 13-18

3-year (as of December 31, 2017)



Age 19+

3-year (as of December 31, 2017)



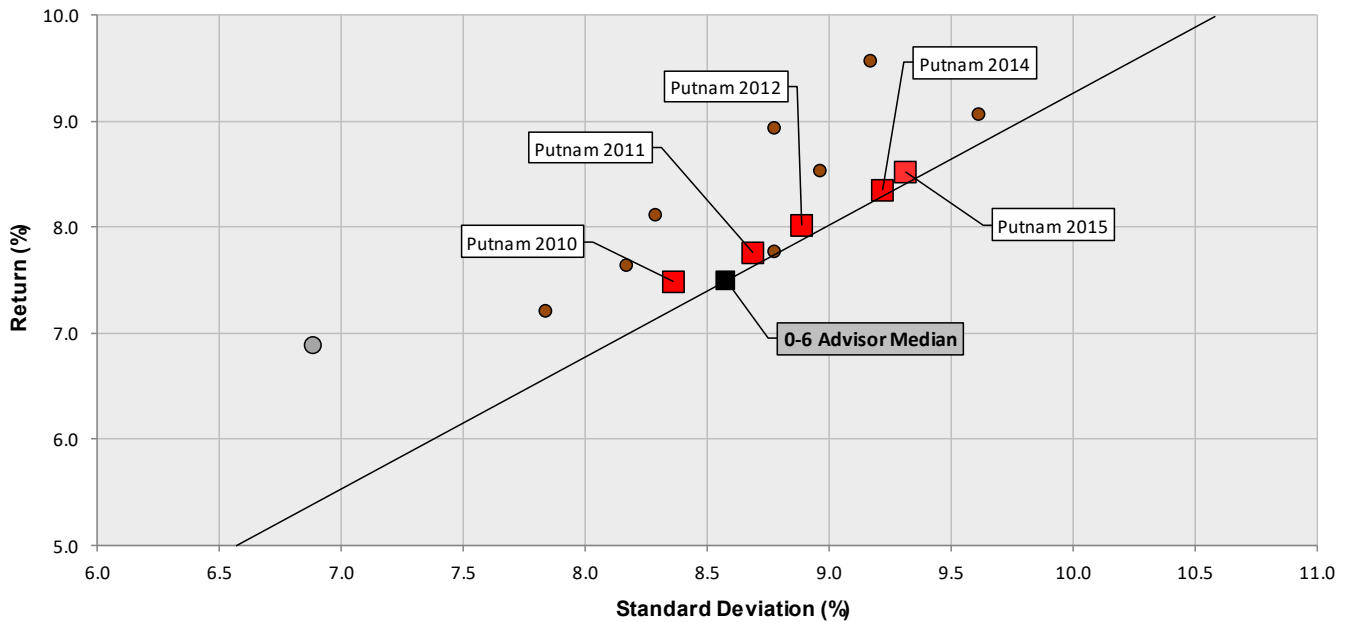
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Advisor-Sold Programs

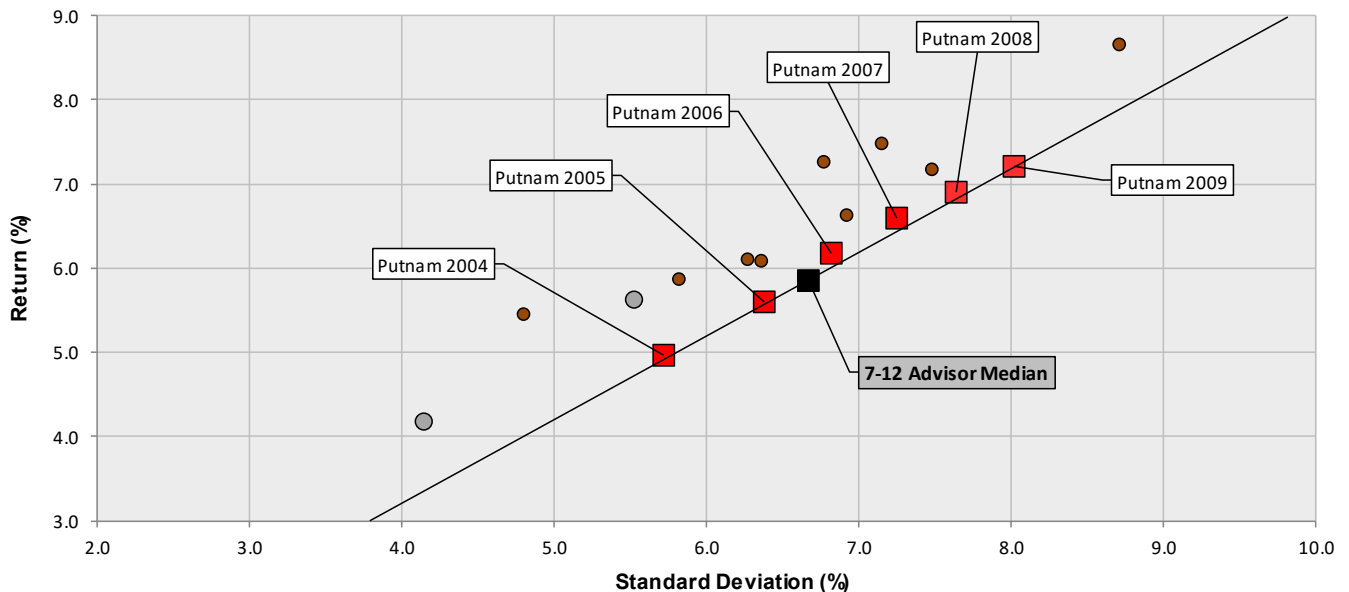
Age 0-6

3-year (as of December 31, 2017)



Age 7-12

3-year (as of December 31, 2017)



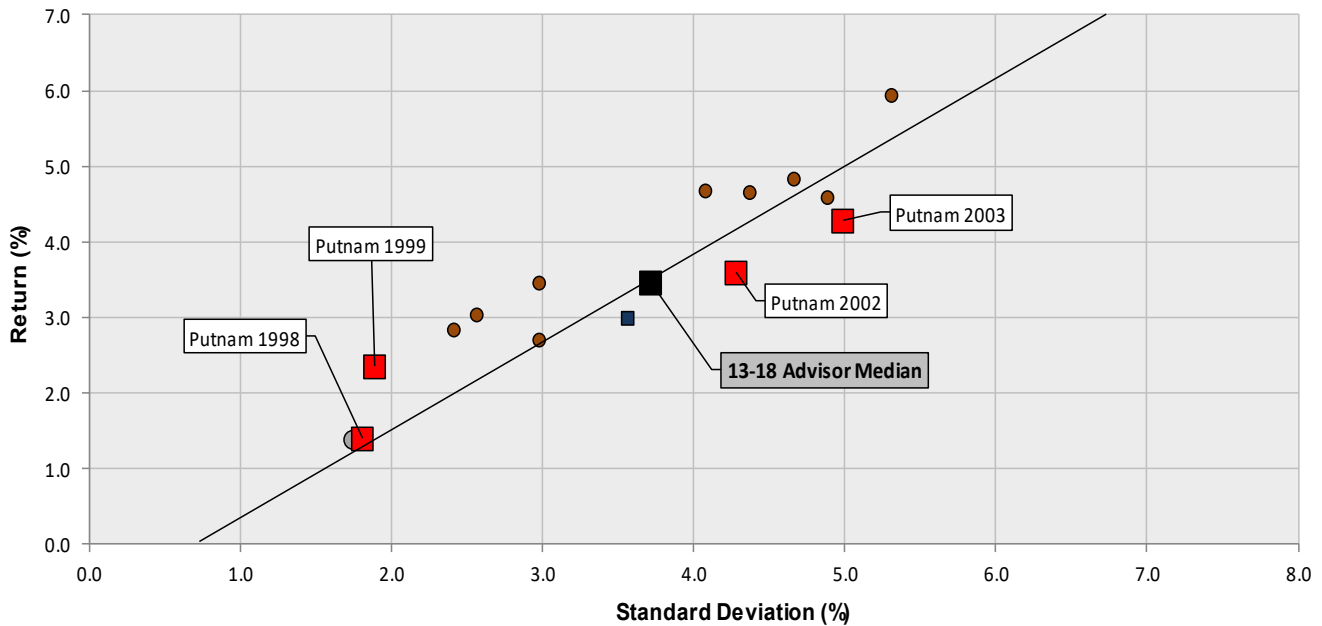
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Advisor-Sold Programs

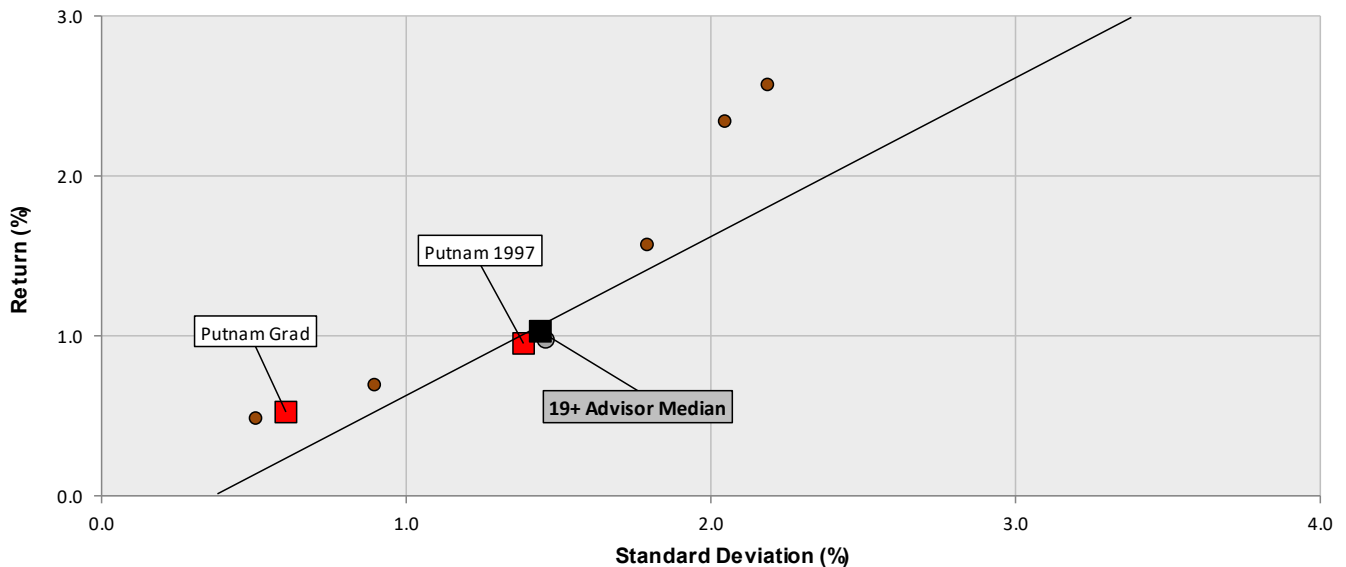
Age 13-18

3-year (as of December 31, 2017)



Age 19+

3-year (as of December 31, 2017)



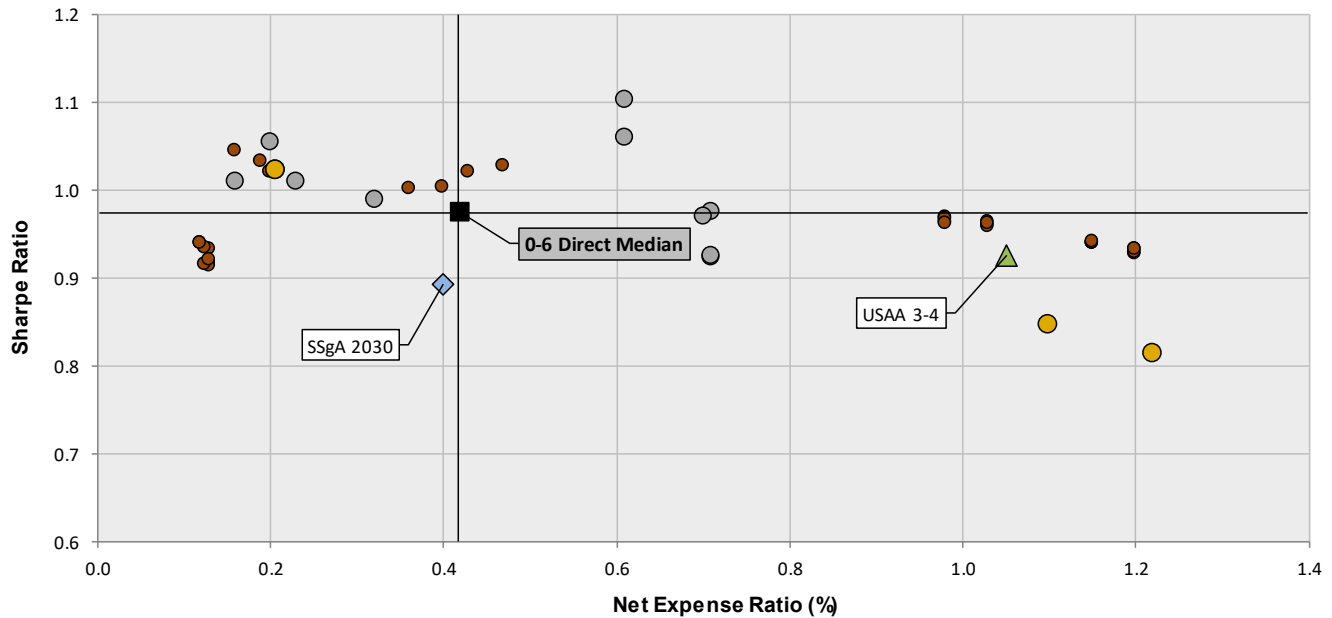
Source: MorningStar

AGE-BASED SHARPE / EXPENSE CHARTS

Direct-Sold Programs

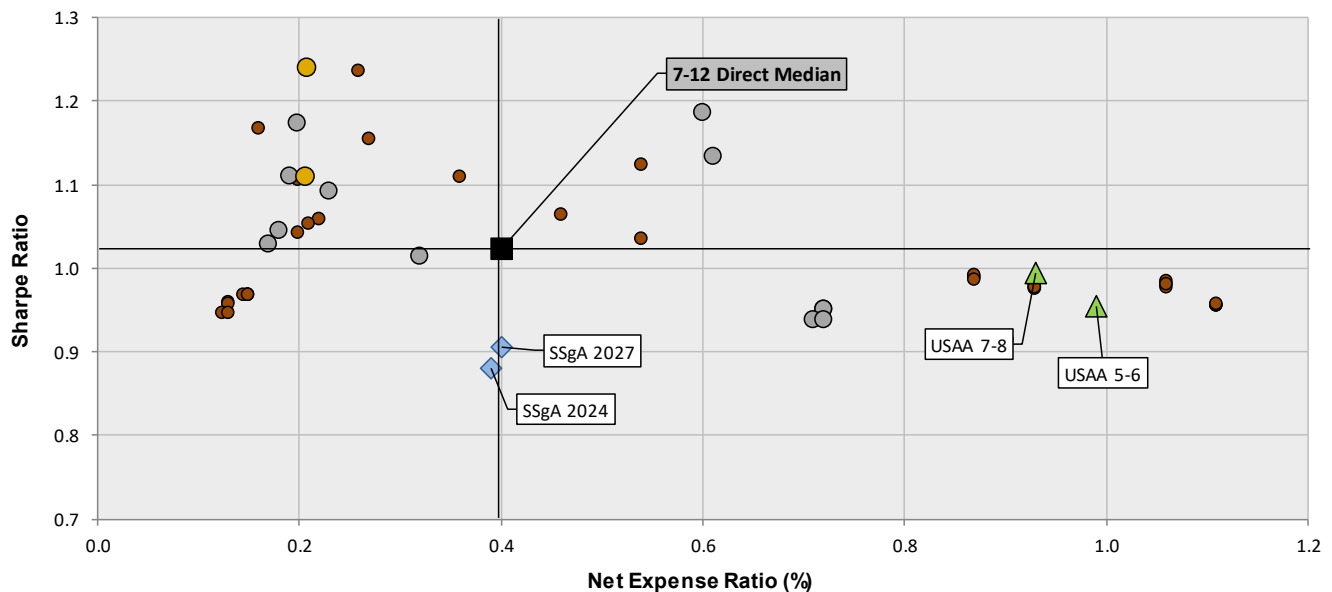
Age 0-6

3-year (as of December 31, 2017)



Age 7-12

3-year (as of December 31, 2017)



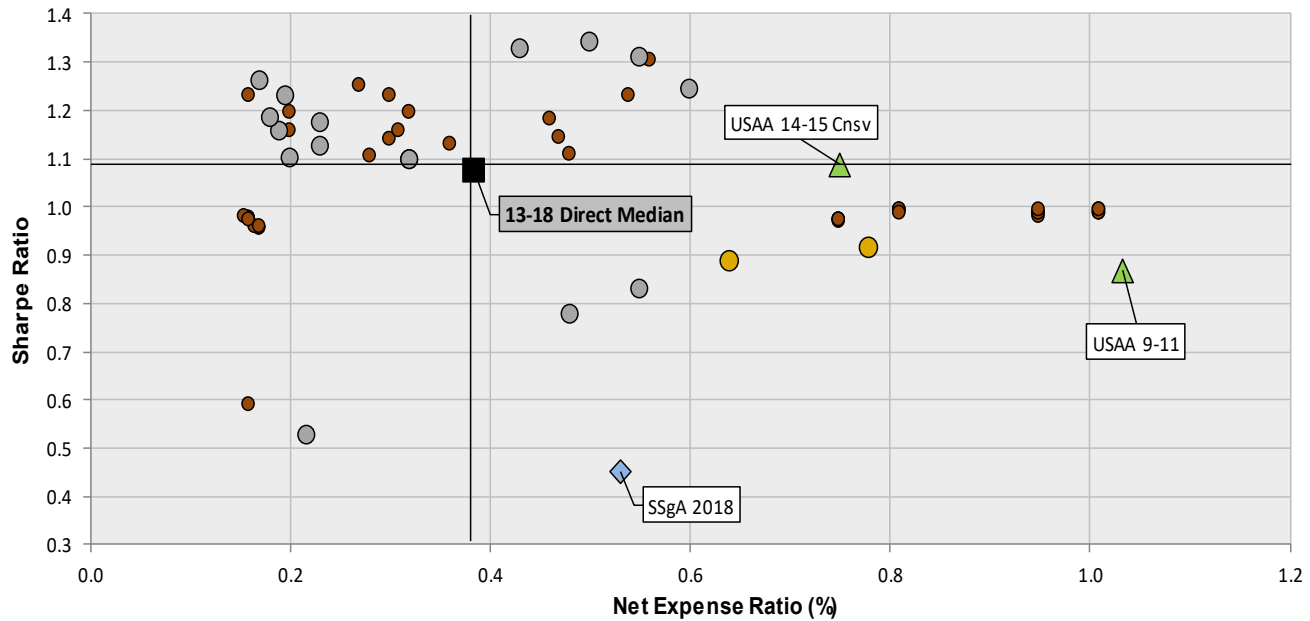
Source: MorningStar

AGE-BASED SHARPE / EXPENSE CHARTS

Direct-Sold Programs

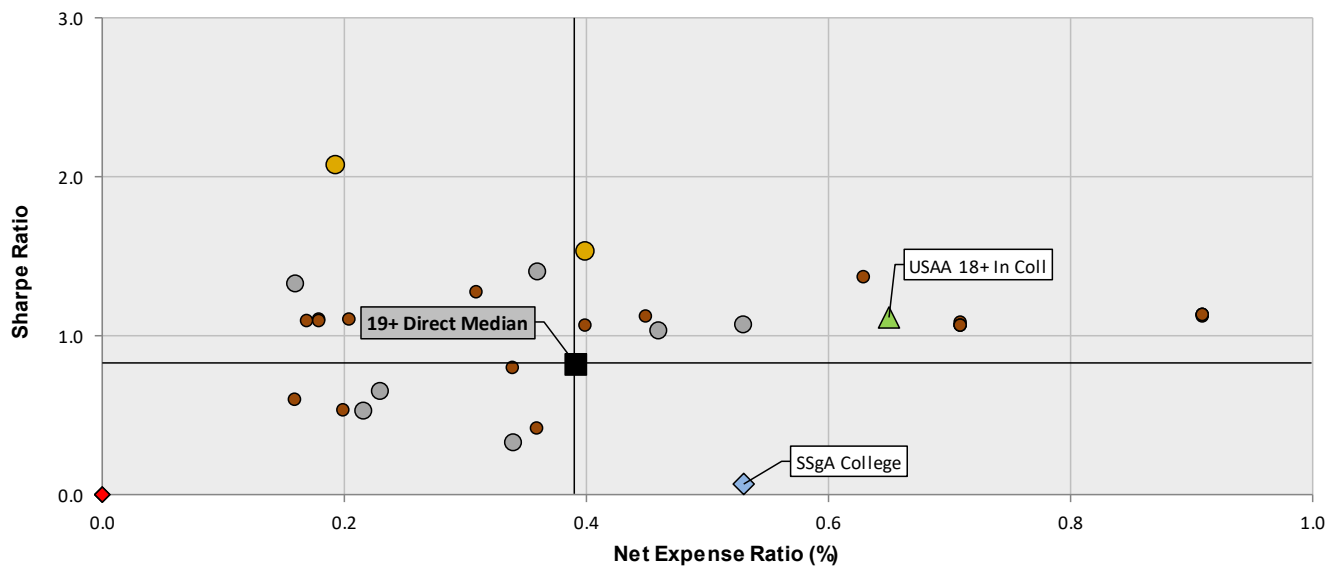
Age 13-18

3-year (as of December 31, 2017)



Age 19+

3-year (as of December 31, 2017)



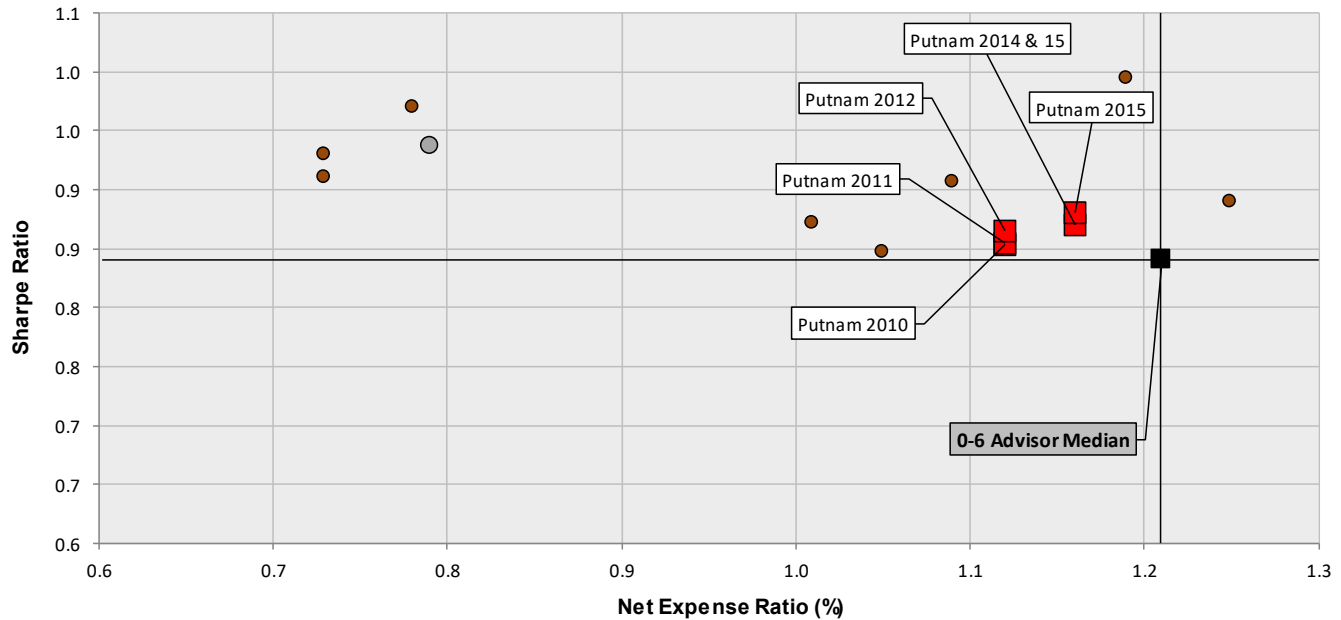
Source: MorningStar

AGE-BASED SHARPE / EXPENSE CHARTS

Advisor-Sold Programs

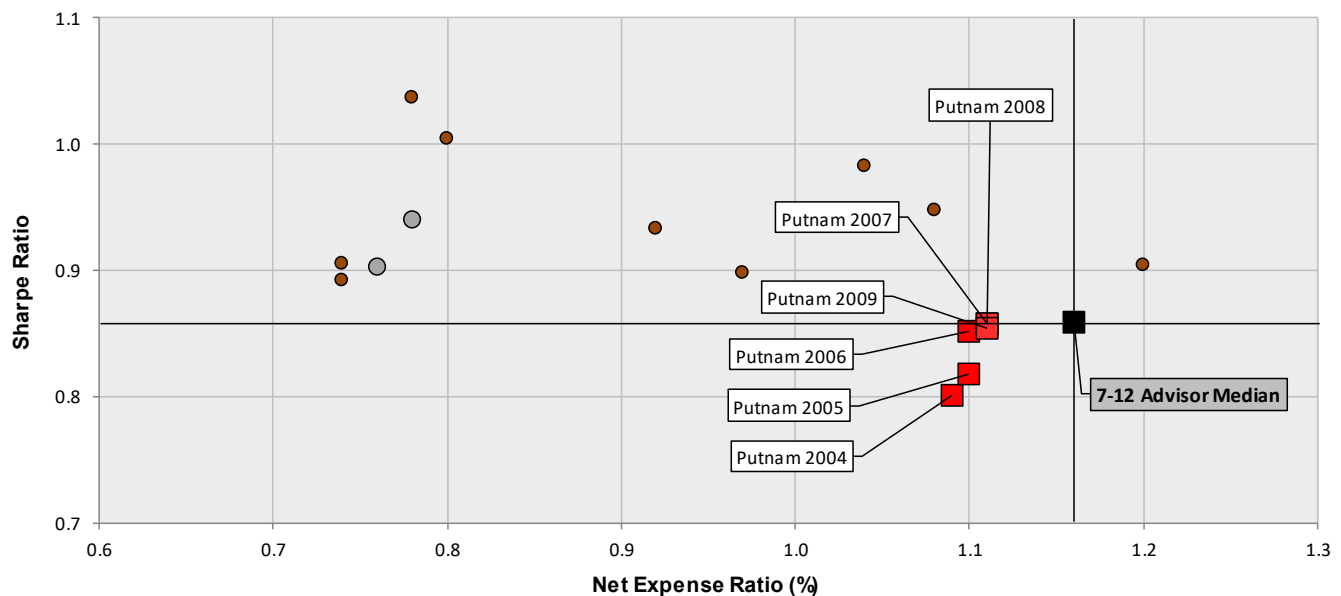
Age 0-6

3-year (as of December 31, 2017)



Age 7-12

3-year (as of December 31, 2017)



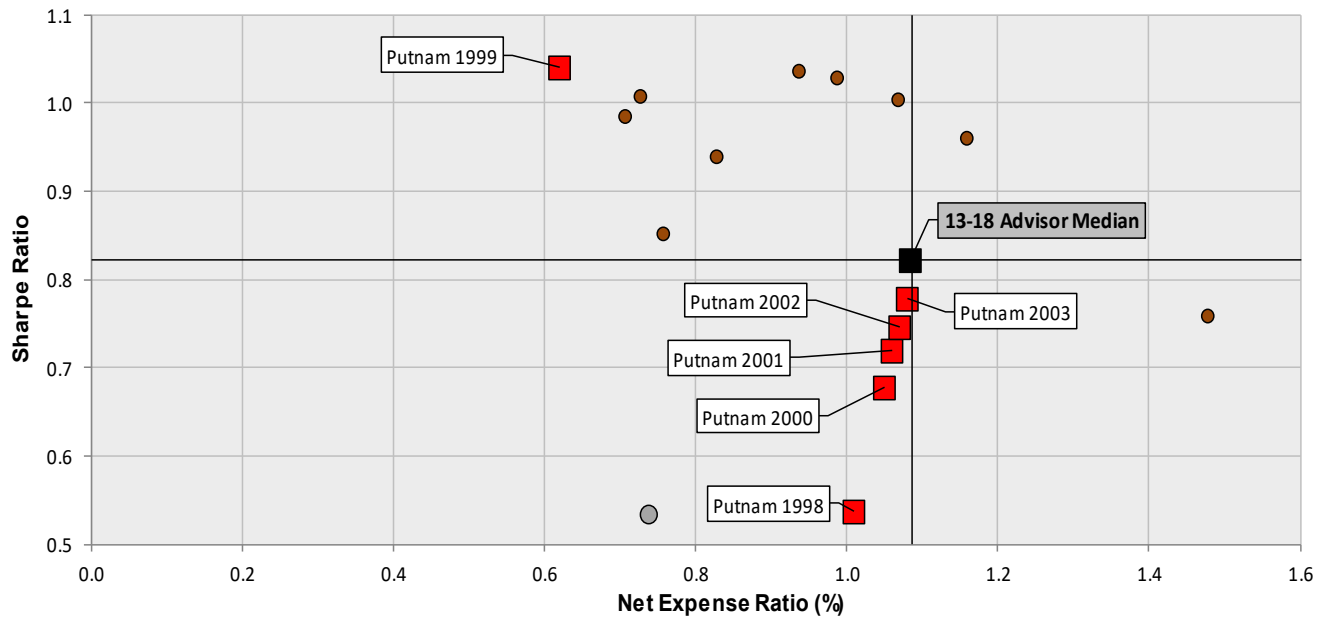
Source: MorningStar

AGE-BASED SHARPE / EXPENSE CHARTS

Advisor-Sold Programs

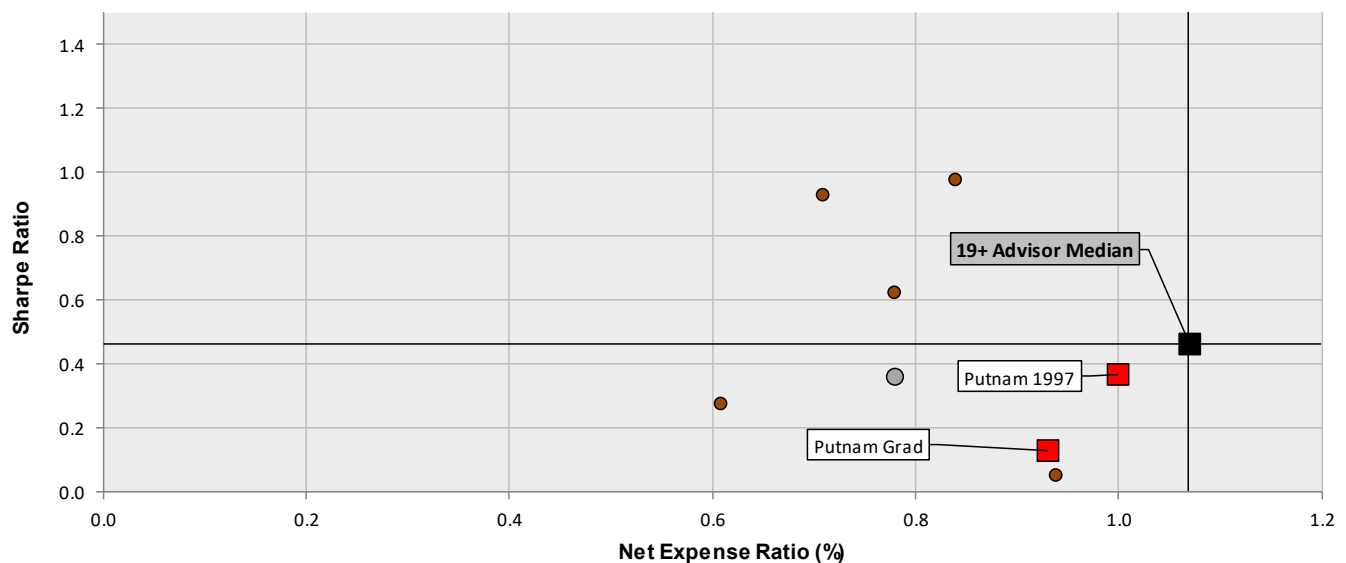
Age 13-18

3-year (as of December 31, 2017)



Age 19+

3-year (as of December 31, 2017)



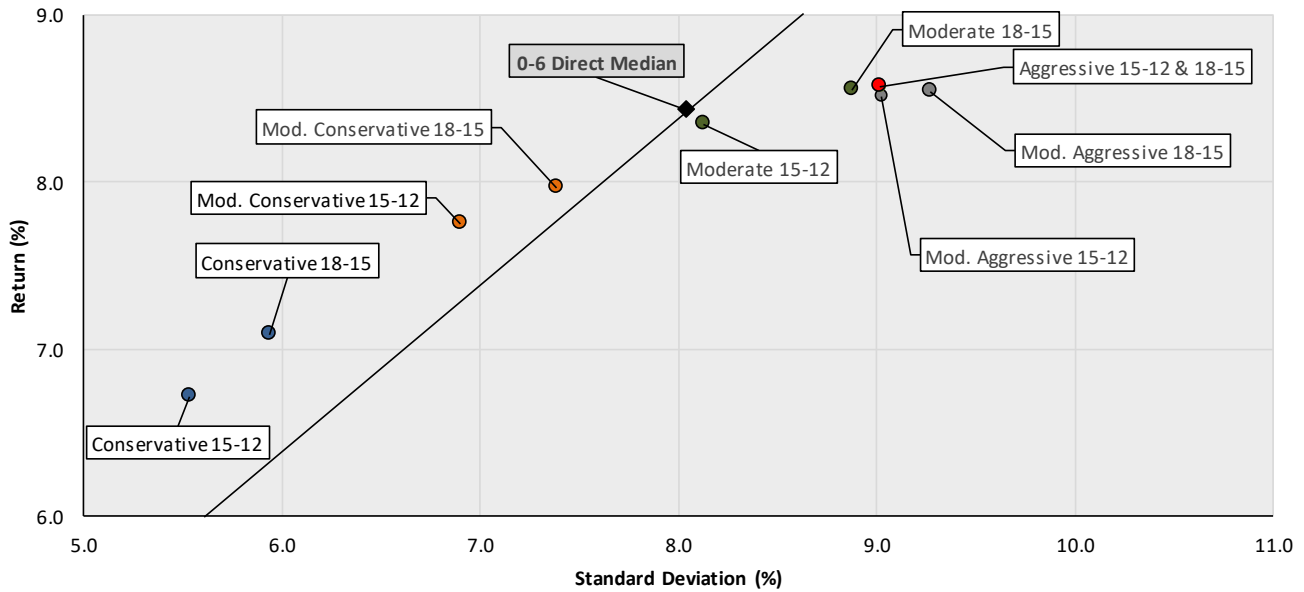
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Wealthfront Consolidated Portfolios*

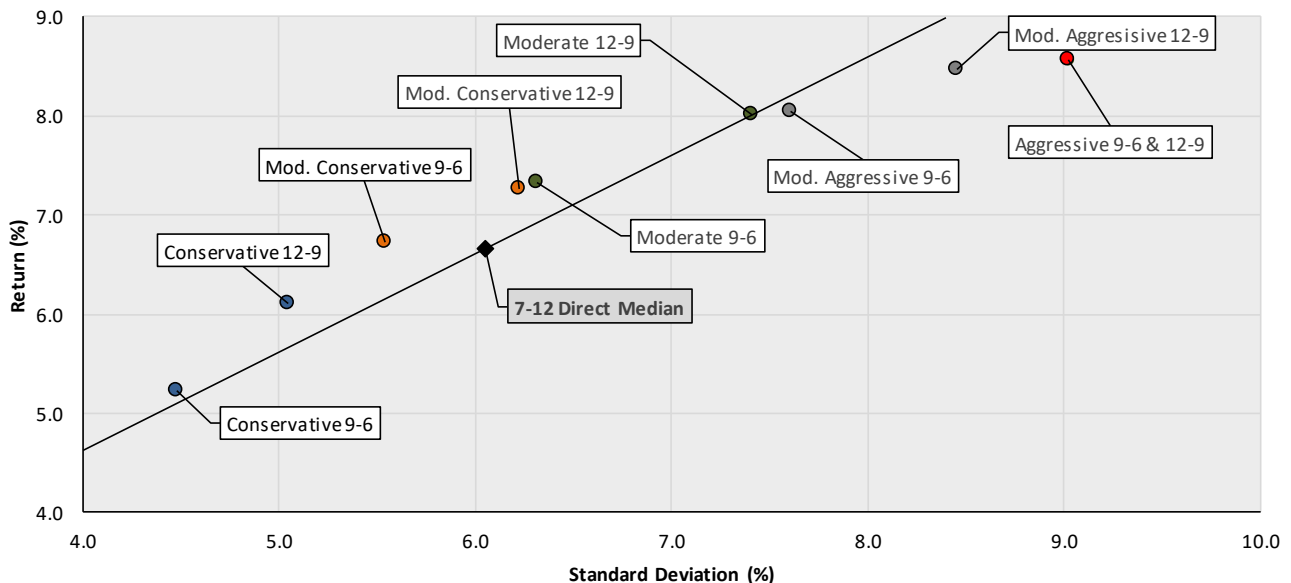
Age 0-6

3-year (as of December 31, 2017)



Age 7-12

3-year (as of December 31, 2017)



Source: MorningStar

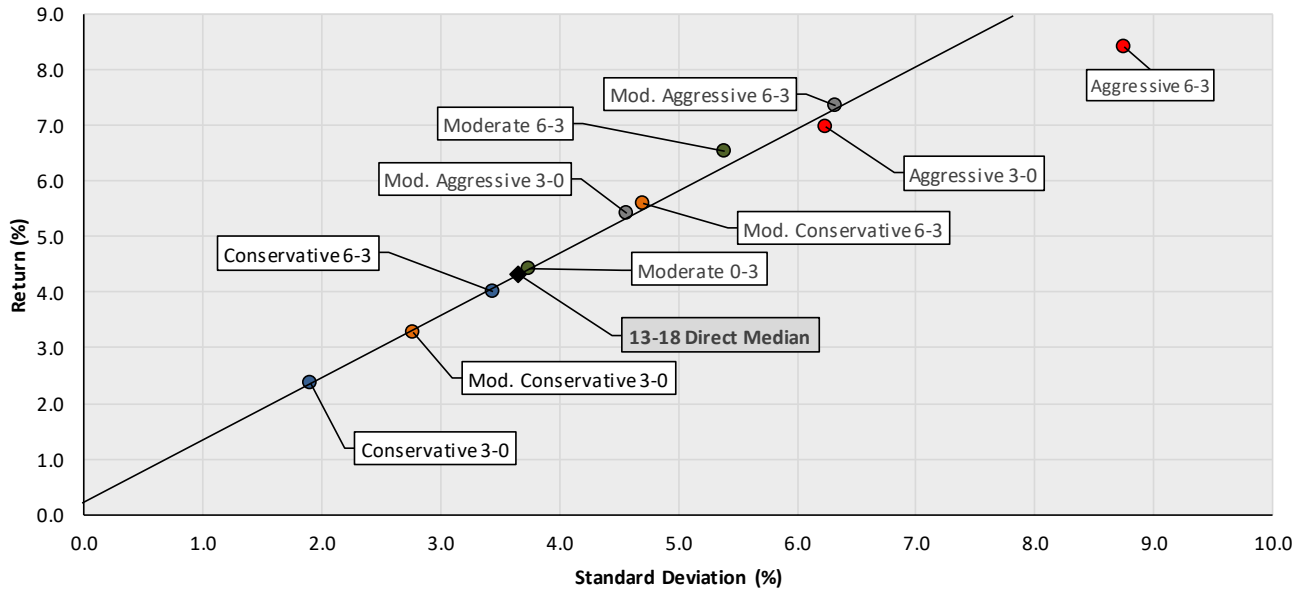
* 3-year returns estimated using Wealthfront glide path allocations to underlying funds

AGE-BASED RISK / RETURN CHARTS

Wealthfront Consolidated Portfolios*

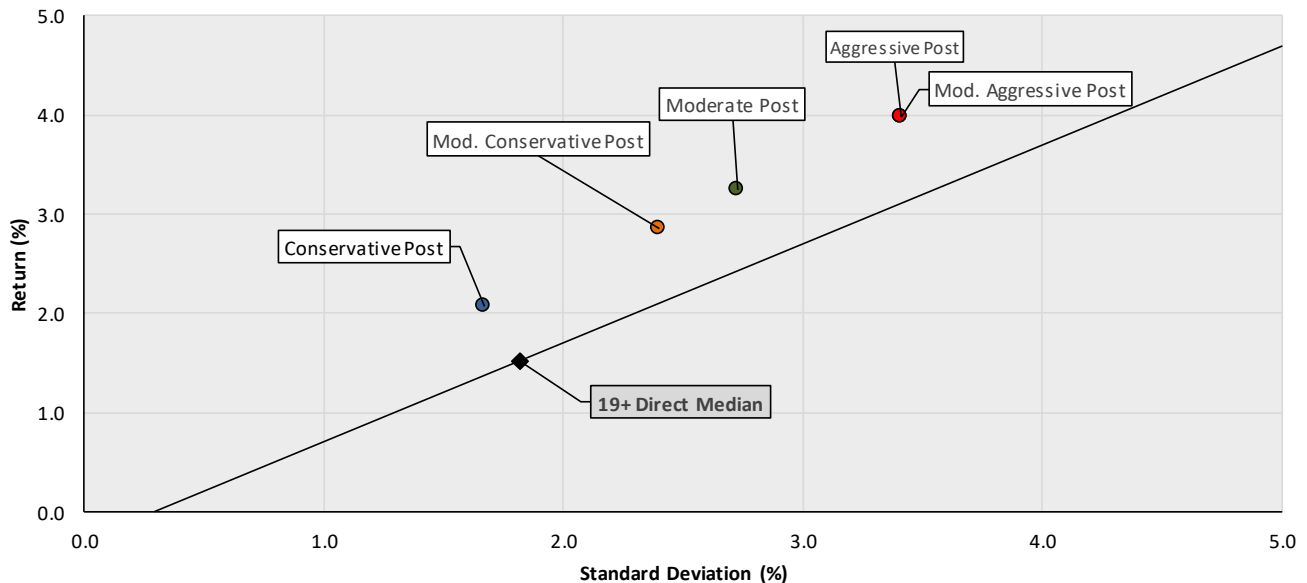
Age 13-18

3-year (as of December 31, 2017)



Age 19+

3-year (as of December 31, 2017)



Source: MorningStar

* 3-year returns estimated using Wealthfront glide path allocations to underlying funds

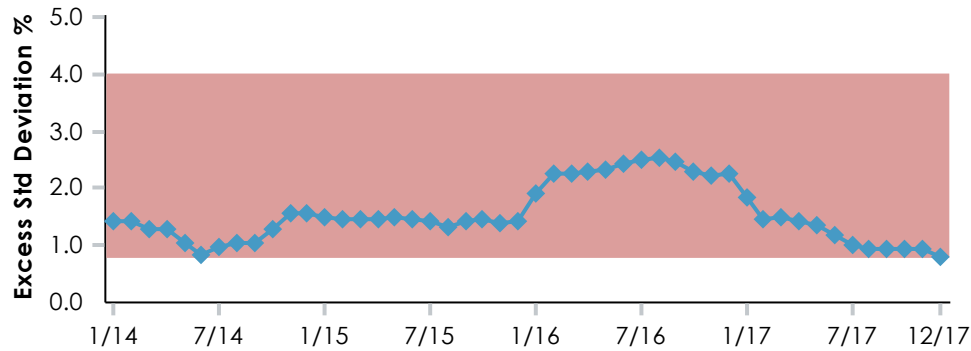
UNDERLYING FUND PERFORMANCE

SECTION 3

REVIEW OF FUNDS – VANGUARD 529 PLAN

Vanguard Total International Stock Index vs. FTSE Global ex USA All Cap Index

Short-term (Rolling 12 Months Tracking Error)

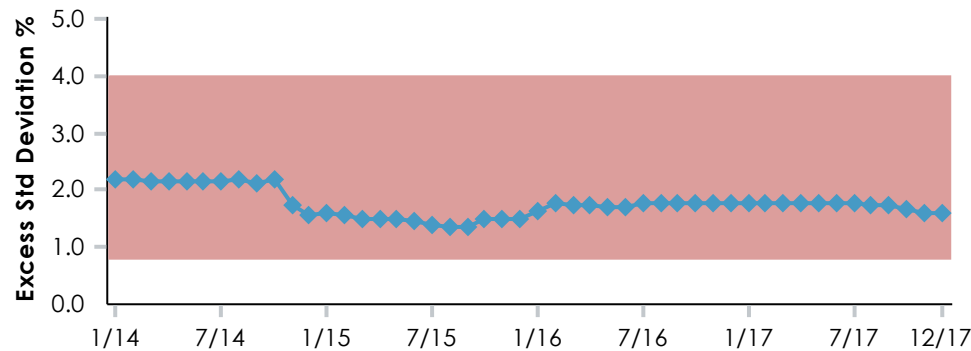


Short-term Performance:

Caution

Probationary Performance = 0.75%

Medium-term (Rolling 36 Months Tracking Error)

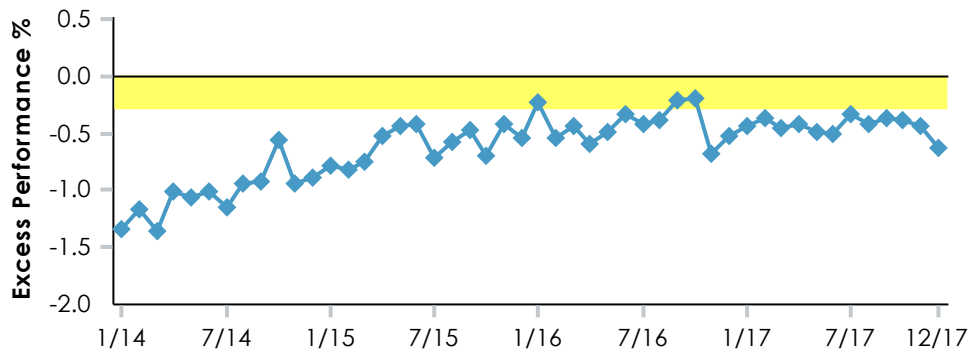


Medium-term Performance:

Caution

Probationary Performance = 0.70%

Long-term (Rolling 60 Months Excess Performance)



Long-term Performance:

Caution

Probationary Performance = -0.30%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years |
|--|--------------|-----------|------------|------------|
| Vanguard Total International Stock Index | 4.8 (14) | 27.4 (25) | 8.4 (32) | 7.0 (68) |
| FTSE Global ex USA All Cap Index | 5.4 (5) | 27.8 (19) | 8.8 (25) | 7.7 (43) |
| IM International Multi-Cap Core Equity (MF) Median | 3.9 | 25.4 | 7.8 | 7.5 |

Monitoring Status

Caution

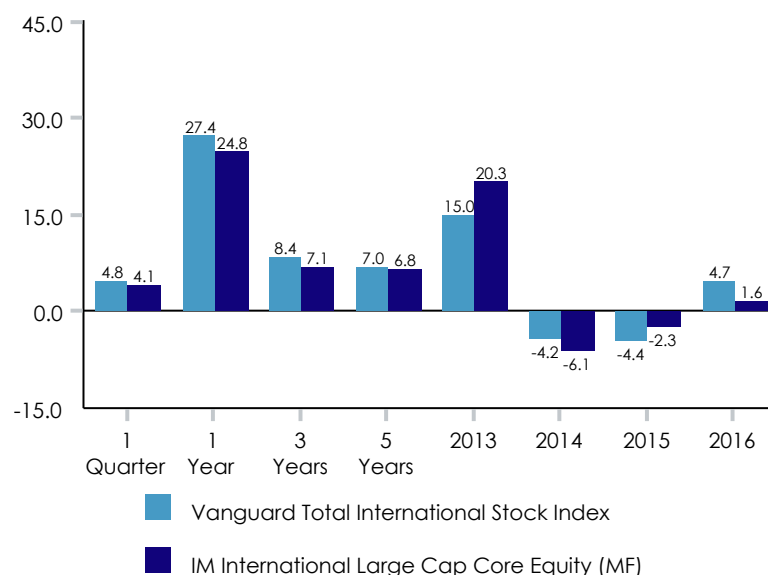
Vanguard Total International Stock Index

December 31, 2017

Mutual Fund Info

Product Name : Vanguard Tot I Stk;Inv (VGTSX)
 Fund Family : Vanguard Group Inc
 Ticker : VGTSX
 Peer Group : IM International Multi-Cap Core Equity (MF)
 Benchmark : MSCI EAFE IMI
 Fund Inception : 04/29/1996
 Portfolio Manager : Perre/Franquin
 Total Assets : \$118,325 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 0.2%
 Net Expense : 0.2%
 Turnover : 3%

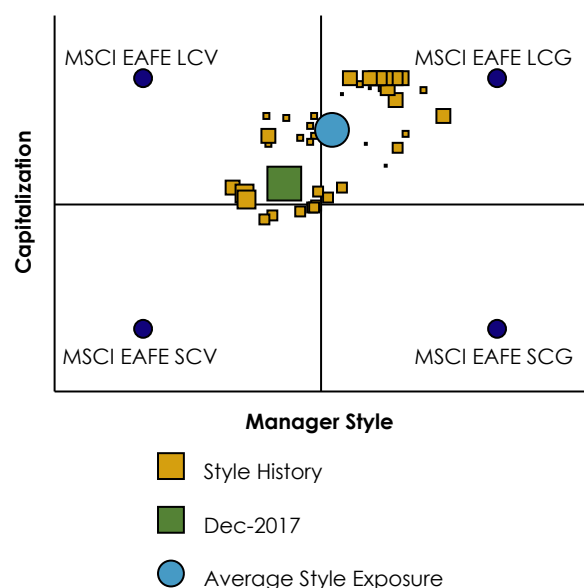
Comparative Performance



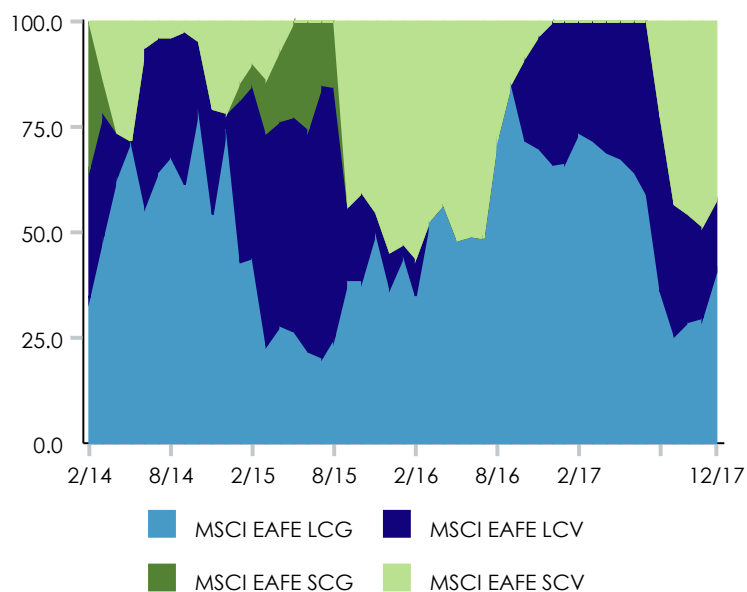
Fund Investment Policy

The Fund seeks to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market capitalization weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

Style Map (5 Years)



Style History (5 Years)



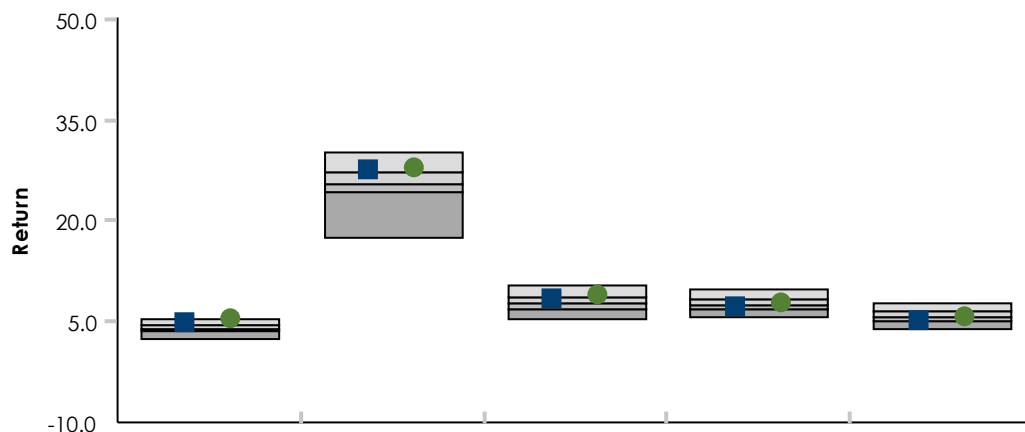
Vanguard Total International Stock Index

December 31, 2017

Historical Statistics (3 Years)

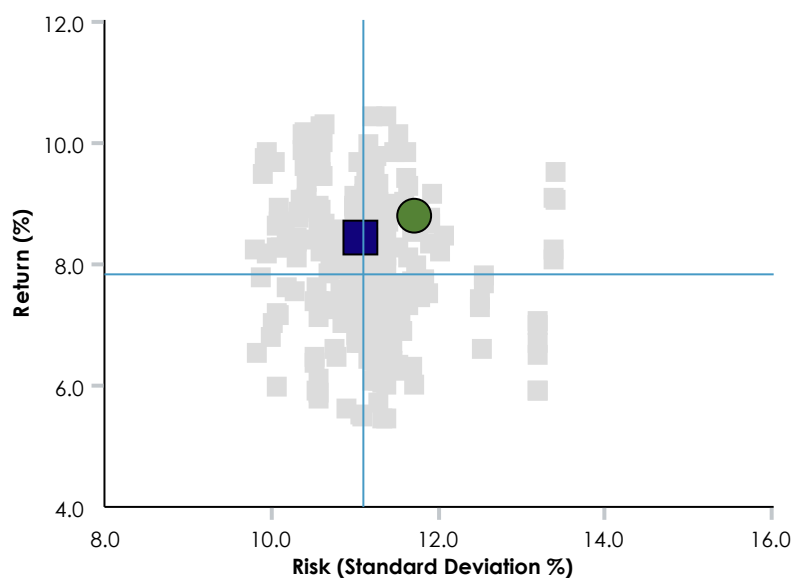
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|--|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| Vanguard Total International Stock Index | 8.4 | 11.1 | 0.8 | 0.2 | 0.9 | 1.0 | 1.6 | -0.3 | 95.5 | 95.6 |
| FTSE Global ex USA All Cap Index | 8.8 | 11.7 | 0.7 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM International Multi-Cap Core Equity (MF) Median | 7.8 | 11.1 | 0.7 | -0.2 | 0.9 | 0.9 | 3.8 | -0.3 | 90.0 | 90.6 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | 7 Years |
|--|-----------|-----------|----------|----------|----------|
| ■ Vanguard Total International Stock Index | 4.8 (14) | 27.4 (25) | 8.4 (32) | 7.0 (68) | 5.1 (74) |
| ● FTSE Global ex USA All Cap Index | 5.4 (5) | 27.8 (19) | 8.8 (25) | 7.7 (43) | 5.6 (53) |
| Median | 3.9 | 25.4 | 7.8 | 7.5 | 5.7 |

Peer Group Scattergram (3 Years)



Performance Statistics (3 Years)

| | Months | % |
|------------------------|--------|------|
| Market Capture | | |
| Up Markets | 21 | 95.5 |
| Down Markets | 15 | 95.6 |
| Batting Average | | |
| Up Markets | 21 | 38.1 |
| Down Markets | 15 | 60.0 |
| Overall | 36 | 47.2 |

| | Return | Standard Deviation |
|--|--------|--------------------|
| ■ Vanguard Total International Stock Index | 8.4 | 11.1 |
| ● FTSE Global ex USA All Cap Index | 8.8 | 11.7 |
| — Median | 7.8 | 11.1 |

Vanguard Total International Stock Index

December 31, 2017

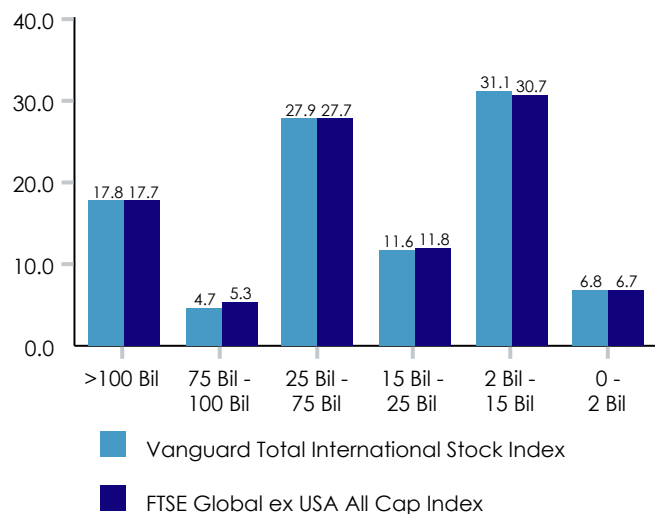
Portfolio Characteristics (As of 12/31/2017)

| | Portfolio | Benchmark |
|---------------------------|-----------|-----------|
| Wtd. Avg. Mkt. Cap (\$M) | 55,205 | - |
| Median Mkt. Cap (\$M) | 1,839 | - |
| Price/Earnings ratio | 15.9 | N/A |
| Price/Book ratio | 2.2 | N/A |
| 5 Yr. EPS Growth Rate (%) | 9.6 | N/A |
| Current Yield (%) | 2.6 | N/A |
| Beta (5 Years, Monthly) | 1.0 | 1.0 |
| Number of Stocks | 6,117 | 5,913 |

Top 10 Holdings (As of 12/31/2017)

| | Portfolio Weight (%) | Benchmark Weight (%) | Quarterly Return (%) |
|--------------------------|----------------------|----------------------|----------------------|
| Tencent Holdings LTD | 1.1 | 1.1 | 20.7 |
| Nestle SA | 1.1 | 1.1 | 2.6 |
| HSBC Holdings PLC | 0.8 | 0.8 | 6.0 |
| NOVARTIS AG | 0.8 | 0.0 | N/A |
| Taiwan Semiconductor | 0.7 | 0.7 | 8.1 |
| Roche Holding AG | 0.7 | 0.7 | -1.0 |
| Toyota Motor Corp | 0.7 | 0.7 | 7.4 |
| Royal Dutch Shell PLC | 0.6 | 0.6 | 12.0 |
| British American Tobacco | 0.6 | 0.6 | 5.0 |
| BP PLC | 0.6 | 0.5 | 12.1 |
| % of Portfolio | 7.7 | 6.8 | |

Market Cap Distribution (As of 12/31/2017)



Sector Attribution (1 Year as of 12/31/2017)

No data found.

Sector Allocation (1 Year as of 12/31/2017)

No data found.

Sector Performance (1 Year as of 12/31/2017)

No data found.

SECTION 4

REVIEW OF FUNDS – UPROMISE COLLEGE FUND 529 PLAN

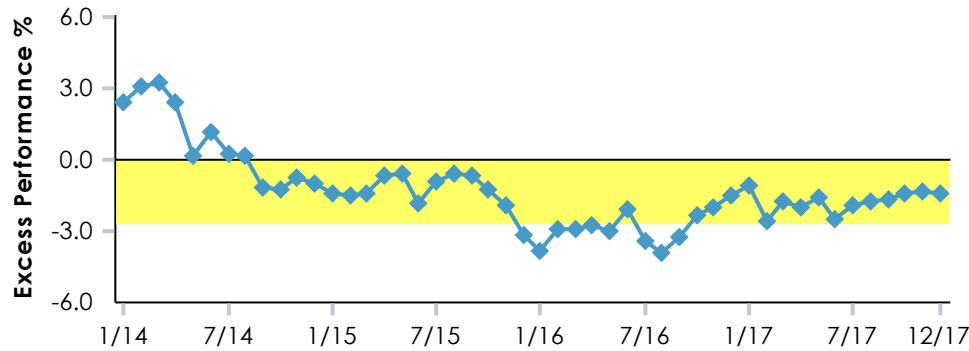
There are currently no underlying funds in the Upromise Plan that are either on “Watch” or qualify for Caution status.

SECTION 5

REVIEW OF FUNDS – USAA 529 PLAN

USAA Income Stock vs. MSCI USA IMI High Dividend Yield NR

Short-term (Rolling 12 Months Excess Performance)

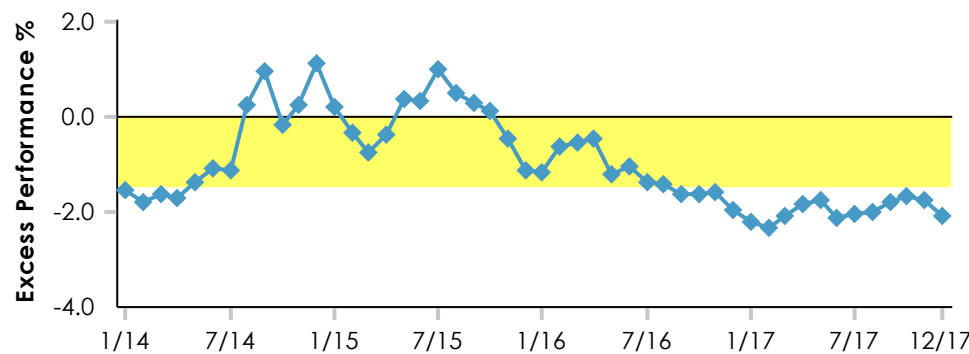


Short-term Performance:

Acceptable

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

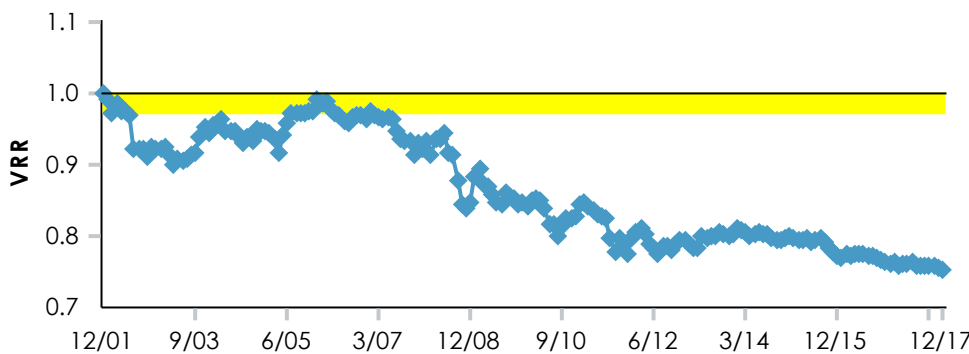


Medium-term Performance:

Caution

Probationary Performance = -1.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (1/1/2002) |
|-------------------------------------|--------------|-----------|------------|------------|-------------------------------|
| USAA Income Stock | 5.8 (45) | 16.6 (43) | 8.8 (50) | 13.5 (27) | 6.2 (90) |
| MSCI USA IMI High Dividend Yield NR | 6.7 (24) | 18.0 (29) | 10.9 (9) | 14.8 (8) | 8.1 (33) |
| IM Equity Income (MF) Median | 5.6 | 16.1 | 8.7 | 12.6 | 7.5 |

Monitoring Status

On Watch

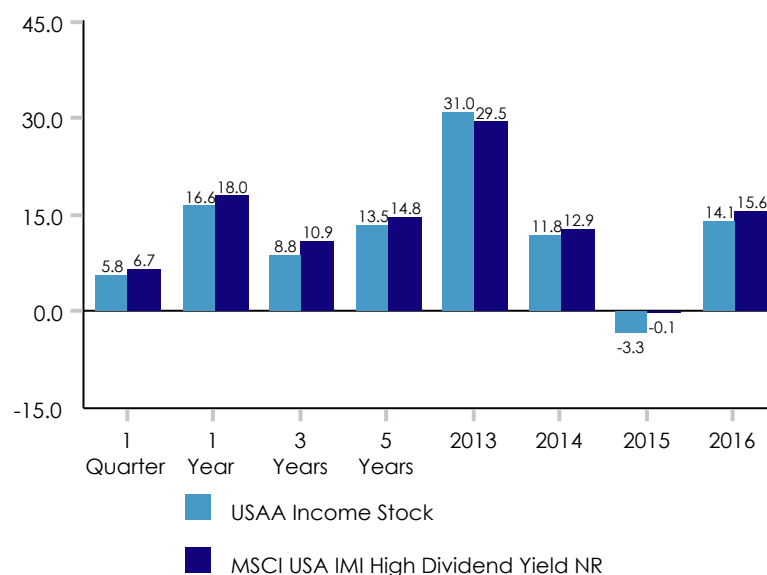
USAA Income Stock

December 31, 2017

Mutual Fund Info

Product Name : USAA Income Stock;Fund (USISX)
 Fund Family : USAA Asset Management Company
 Ticker : USISX
 Peer Group : IM Equity Income (MF)
 Benchmark : S&P 500 Index
 Fund Inception : 05/04/1987
 Portfolio Manager : Team Managed
 Total Assets : \$1,742 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 0.8%
 Net Expense : 0.8%
 Turnover : 23%

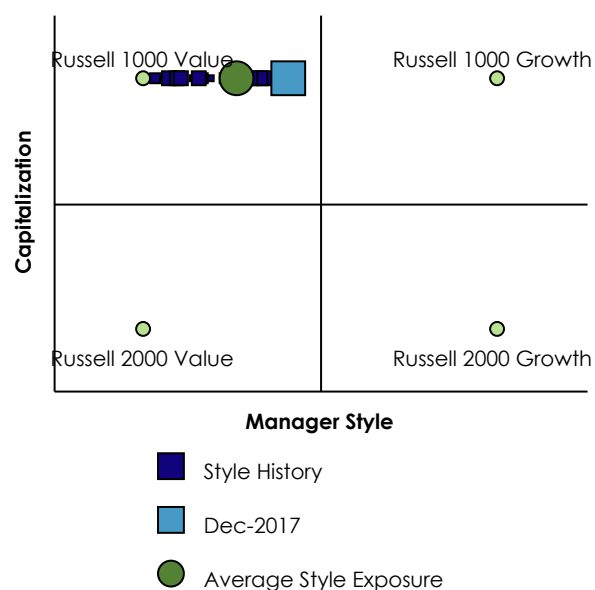
Comparative Performance



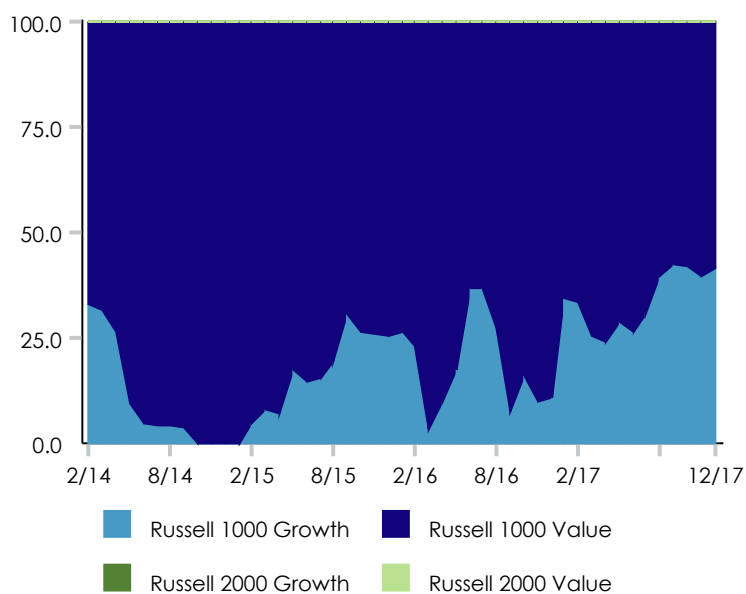
Fund Investment Policy

The Fund seeks to provide current income with the prospect of increasing dividend income and the potential for capital appreciation. The Fund normally invests at least 80% of its assets in common stocks, with at least 65% of the Fund's assets normally invested in common stocks of companies that pay dividends.

Style Map (5 Years)



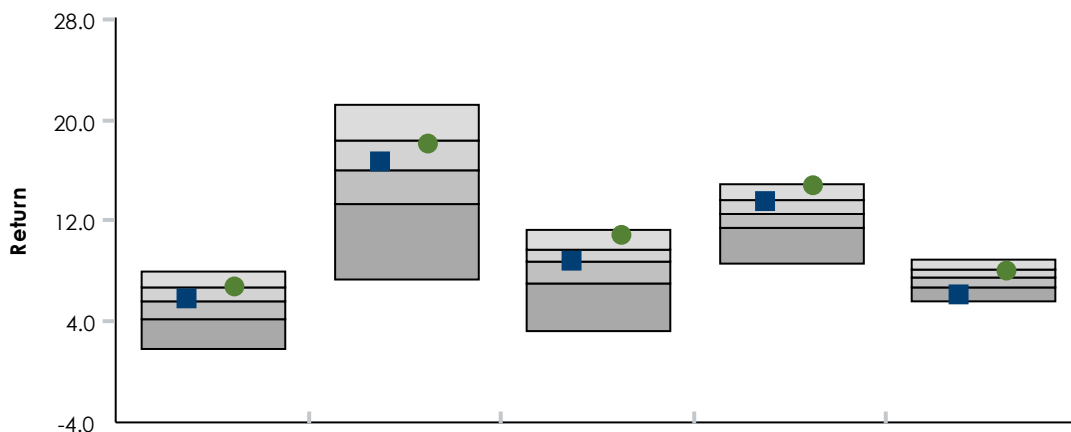
Style History (5 Years)



Historical Statistics (5 Years)

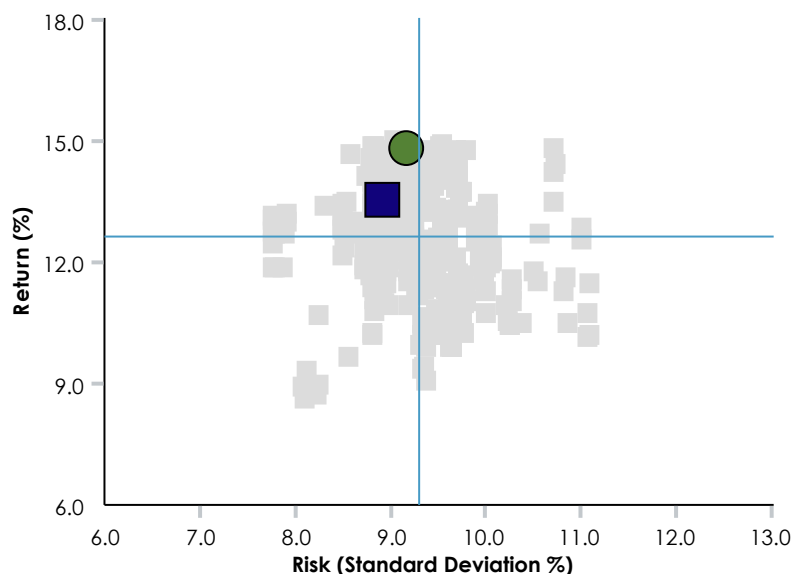
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|-------------------------------------|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| USAA Income Stock | 13.5 | 8.9 | 1.4 | -0.5 | 1.0 | 1.0 | 1.8 | -0.6 | 96.9 | 107.1 |
| MSCI USA IMI High Dividend Yield NR | 14.8 | 9.2 | 1.5 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM Equity Income (MF) Median | 12.6 | 9.3 | 1.3 | -1.0 | 1.0 | 0.9 | 3.4 | -0.6 | 94.0 | 107.1 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (1/1/2002) |
|---------------------------------------|-----------|-----------|----------|-----------|----------------------------|
| ■ USAA Income Stock | 5.8 (45) | 16.6 (43) | 8.8 (50) | 13.5 (27) | 6.2 (90) |
| ● MSCI USA IMI High Dividend Yield NR | 6.7 (24) | 18.0 (29) | 10.9 (9) | 14.8 (8) | 8.1 (33) |
| Median | 5.6 | 16.1 | 8.7 | 12.6 | 7.5 |

Peer Group Scattergram (5 Years)



Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|-------|
| Market Capture | | |
| Up Markets | 42 | 96.9 |
| Down Markets | 18 | 107.1 |
| Batting Average | | |
| Up Markets | 42 | 40.5 |
| Down Markets | 18 | 38.9 |
| Overall | 60 | 40.0 |

| | Return | Standard Deviation |
|---------------------------------------|--------|--------------------|
| ■ USAA Income Stock | 13.5 | 8.9 |
| ● MSCI USA IMI High Dividend Yield NR | 14.8 | 9.2 |
| — Median | 12.6 | 9.3 |

USAA Income Stock

December 31, 2017

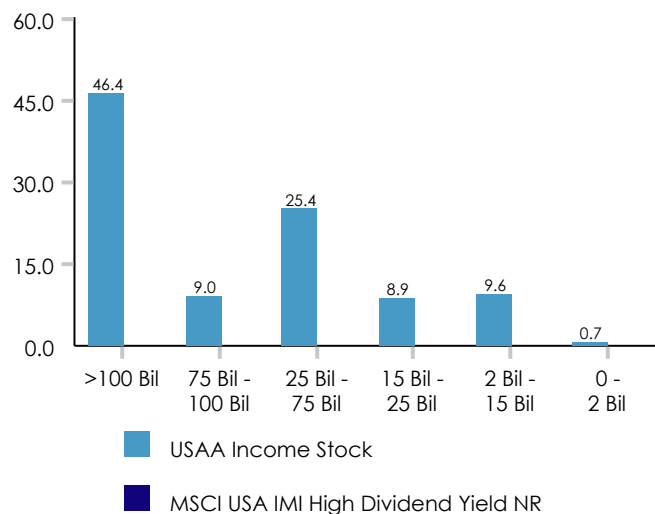
Portfolio Characteristics (As of 11/30/2017)

| | Portfolio | Benchmark |
|---------------------------|-----------|-----------|
| Wtd. Avg. Mkt. Cap (\$M) | - | - |
| Median Mkt. Cap (\$M) | - | - |
| Price/Earnings ratio | N/A | N/A |
| Price/Book ratio | N/A | N/A |
| 5 Yr. EPS Growth Rate (%) | N/A | N/A |
| Current Yield (%) | N/A | N/A |
| Beta (5 Years, Monthly) | 1.0 | 1.0 |
| Number of Stocks | 144 | 0 |

Top 10 Holdings (As of 11/30/2017)

| | Portfolio Weight (%) | Benchmark Weight (%) | Quarterly Return (%) |
|---------------------------|----------------------|----------------------|----------------------|
| Pfizer Inc | 2.3 | 0.0 | 2.4 |
| Johnson & Johnson | 2.3 | 0.0 | 8.1 |
| JPMorgan Chase & Co | 2.2 | 0.0 | 12.6 |
| AbbVie Inc | 2.1 | 0.0 | 9.6 |
| Microsoft Corp | 2.1 | 0.0 | 15.4 |
| Occidental Petroleum Corp | 2.1 | 0.0 | 16.0 |
| Cisco Systems Inc | 1.8 | 0.0 | 14.9 |
| Merck & Co Inc. | 1.7 | 0.0 | -11.4 |
| Bank of America Corp | 1.7 | 0.0 | 17.0 |
| Wal-Mart Stores Inc | 1.7 | 0.0 | 27.0 |
| % of Portfolio | 20.0 | 0.0 | |

Market Cap Distribution (As of 11/30/2017)



Sector Attribution (1 Year as of 12/31/2017)

No data found.

Sector Allocation (1 Year as of 12/31/2017)

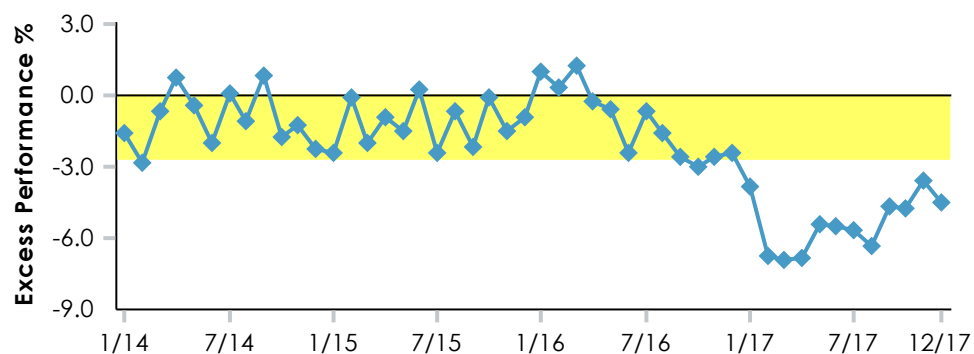
No data found.

Sector Performance (1 Year as of 12/31/2017)

No data found.

USAA Small Cap Stock vs. Russell 2000 Index

Short-term (Rolling 12 Months Excess Performance)

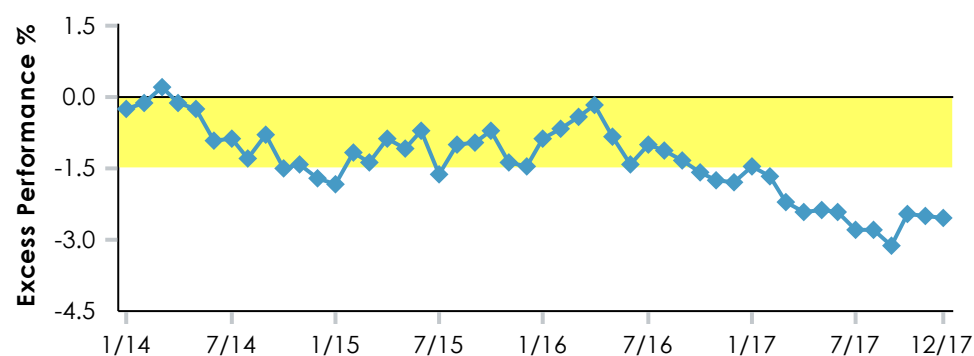


Short-term Performance:

Caution

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

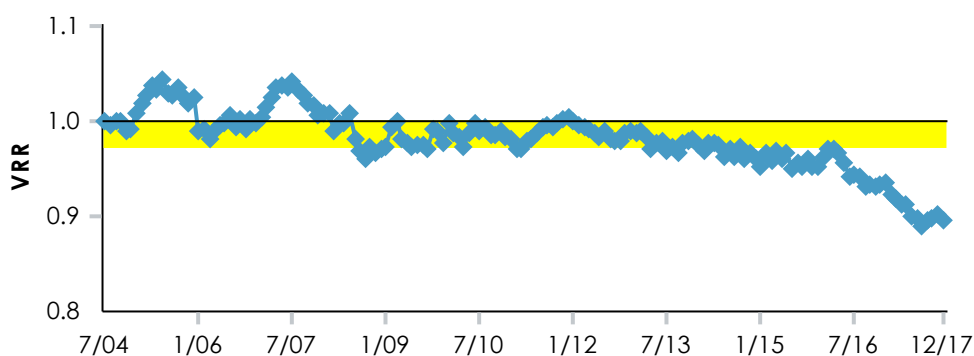


Medium-term Performance:

Caution

Probationary Performance = -1.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (8/1/2004) |
|---|--------------|-----------|------------|------------|-------------------------------|
| USAA Small Cap Stock | 3.5 (27) | 10.1 (58) | 7.4 (73) | 11.9 (74) | 8.5 (41) |
| Russell 2000 Index | 3.3 (30) | 14.6 (20) | 10.0 (47) | 14.1 (44) | 9.4 (26) |
| IM U.S. Small Cap Core Equity (MF) Median | 2.5 | 11.0 | 9.7 | 13.6 | 8.1 |

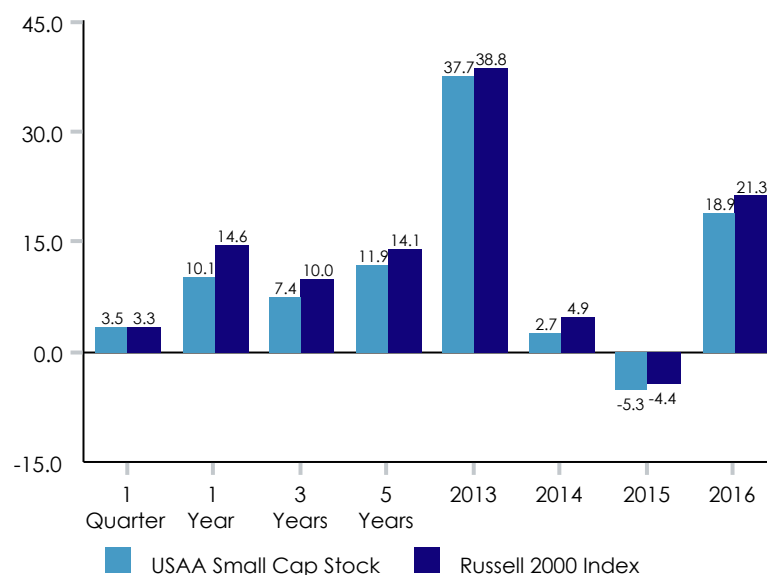
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Small Cap Stck;Fund (USCAX)
 Fund Family : USAA Asset Management Company
 Ticker : USCAX
 Peer Group : IM U.S. SMID Cap Core Equity (MF)
 Benchmark : Russell 2500 Index
 Fund Inception : 08/02/1999
 Portfolio Manager : Team Managed
 Total Assets : \$709 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 1.1%
 Net Expense : 1.1%
 Turnover : 53%

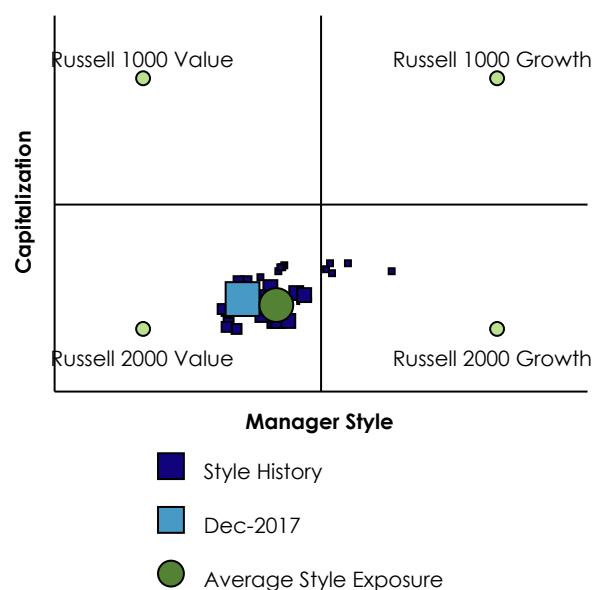
Comparative Performance



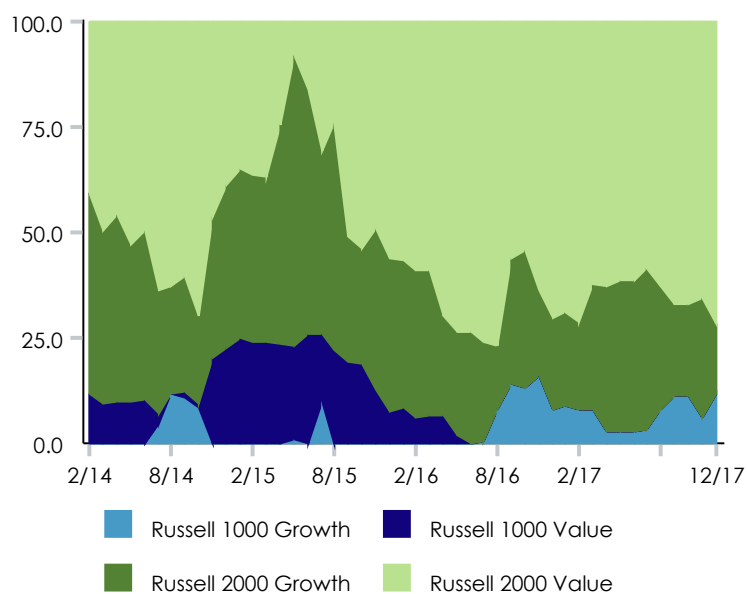
Fund Investment Policy

The Fund seeks long-term growth of capital. The Fund invests at least 80% of its assets in equity securities of companies with small market capitalizations. Although the Fund will invest primarily in US securities, it may invest up to 20% of its assets in foreign securities including securities issued in emerging markets.

Style Map (5 Years)



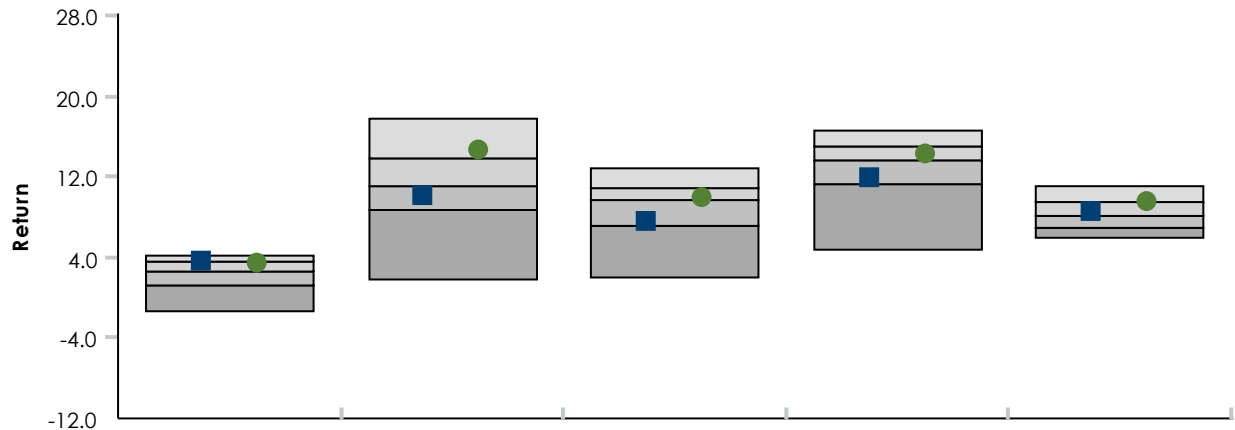
Style History (5 Years)



Historical Statistics (5 Years)

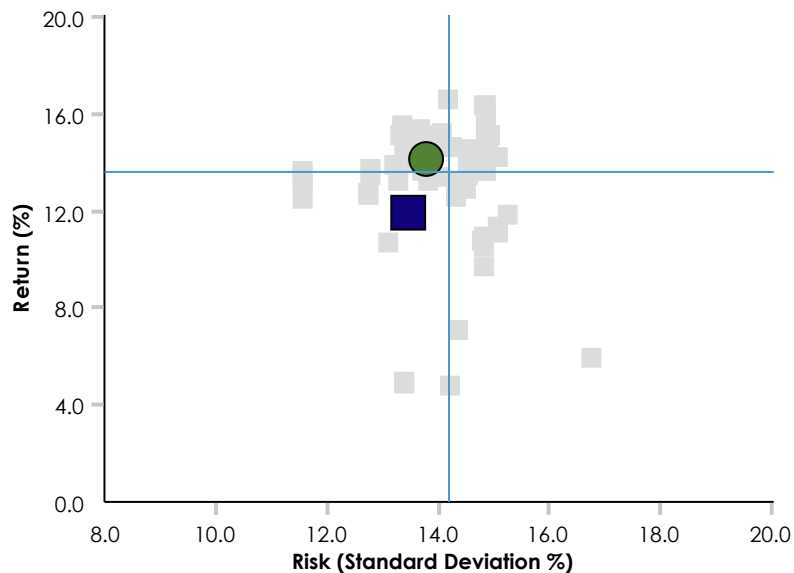
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|----------------------------------|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| USAA Small Cap Stock | 11.9 | 13.5 | 0.9 | -1.5 | 1.0 | 1.0 | 2.7 | -0.8 | 93.4 | 102.1 |
| Russell 2000 Index | 14.1 | 13.8 | 1.0 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| U.S. SMID Cap Core Equity Median | 13.4 | 12.9 | 1.0 | 0.5 | 0.9 | 0.9 | 4.0 | -0.2 | 88.9 | 86.0 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (8/1/2004) |
|------------------------|-----------|-----------|-----------|-----------|----------------------------|
| ■ USAA Small Cap Stock | 3.5 (27) | 10.1 (58) | 7.4 (73) | 11.9 (74) | 8.5 (41) |
| ● Russell 2000 Index | 3.3 (30) | 14.6 (20) | 10.0 (47) | 14.1 (44) | 9.4 (26) |
| Median | 2.5 | 11.0 | 9.7 | 13.6 | 8.1 |

Peer Group Scattergram (5 Years)



| | Return | Standard Deviation |
|------------------------|--------|--------------------|
| ■ USAA Small Cap Stock | 11.9 | 13.5 |
| ● Russell 2000 Index | 14.1 | 13.8 |
| — Median | 13.6 | 14.2 |

Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|-------|
| Market Capture | | |
| Up Markets | 39 | 93.4 |
| Down Markets | 21 | 102.1 |
| Batting Average | | |
| Up Markets | 39 | 41.0 |
| Down Markets | 21 | 47.6 |
| Overall | 60 | 43.3 |

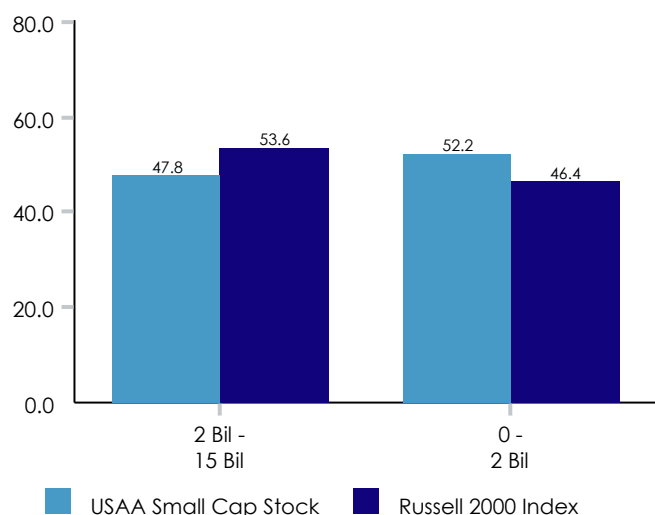
Portfolio Characteristics (As of 11/30/2017)

| | Portfolio | Benchmark |
|---------------------------|-----------|-----------|
| Wtd. Avg. Mkt. Cap (\$M) | 2,198 | 2,379 |
| Median Mkt. Cap (\$M) | 1,710 | 858 |
| Price/Earnings ratio | 23.5 | 22.2 |
| Price/Book ratio | 2.1 | 2.5 |
| 5 Yr. EPS Growth Rate (%) | 6.4 | 9.7 |
| Current Yield (%) | 1.6 | 1.3 |
| Beta (5 Years, Monthly) | 1.0 | 1.0 |
| Number of Stocks | 120 | 1,983 |

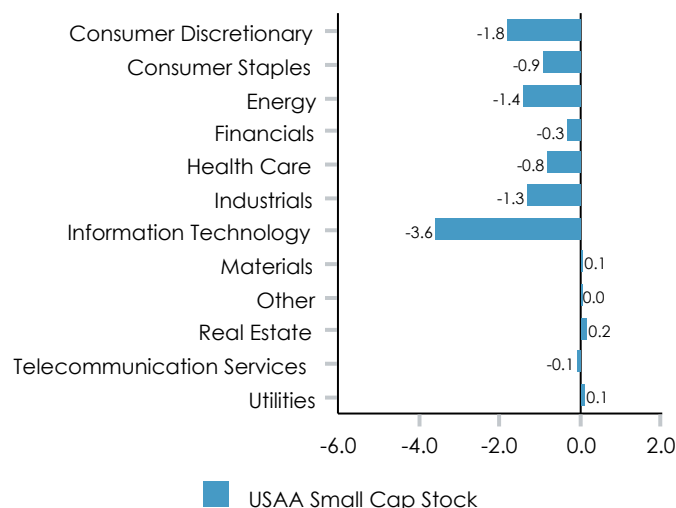
Top 10 Holdings (As of 11/30/2017)

| | Portfolio Weight (%) | Benchmark Weight (%) | Quarterly Return (%) |
|-----------------------------|----------------------|----------------------|----------------------|
| First Midwest Bancorp Inc | 2.4 | 0.1 | 2.9 |
| Orion Engineered Carbons SA | 2.0 | 0.0 | 15.0 |
| Belden Inc | 1.9 | 0.2 | -4.1 |
| Mueller Industries Inc. | 1.8 | 0.1 | 1.7 |
| TriMas Corp | 1.7 | 0.1 | -0.9 |
| Hancock Holding Co | 1.6 | 0.2 | 2.6 |
| Greif Inc. | 1.5 | 0.1 | 4.2 |
| Albany International Corp. | 1.5 | 0.1 | 7.4 |
| Forward Air Corp | 1.4 | 0.1 | 0.6 |
| MB Financial Inc | 1.4 | 0.2 | -0.6 |
| % of Portfolio | 17.2 | 1.2 | |

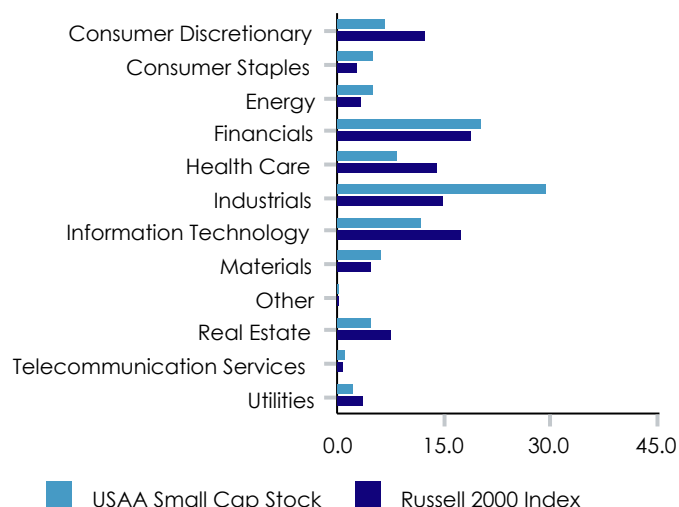
Market Cap Distribution (As of 11/30/2017)



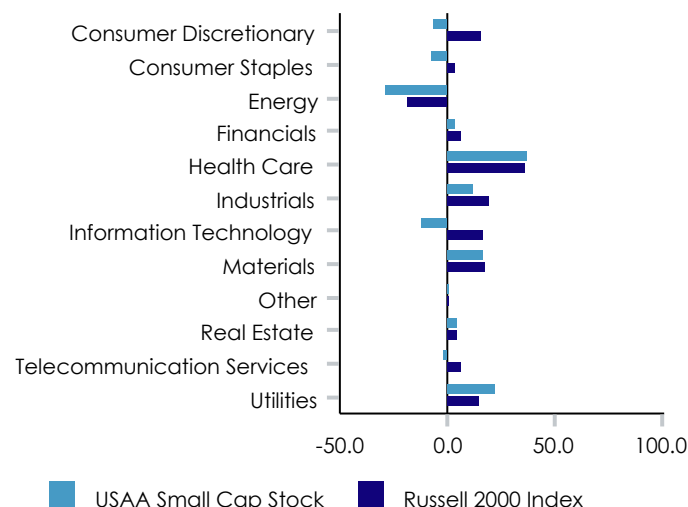
Sector Attribution (1 Year as of 11/30/2017)



Sector Allocation (1 Year as of 11/30/2017)

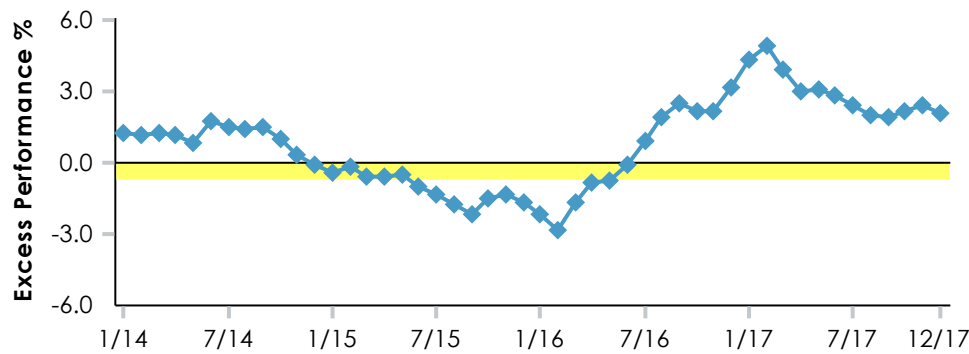


Sector Performance (1 Year as of 11/30/2017)



USAA Income vs. Bloomberg Barclays U.S. Aggregate Index

Short-term (Rolling 12 Months Excess Performance)

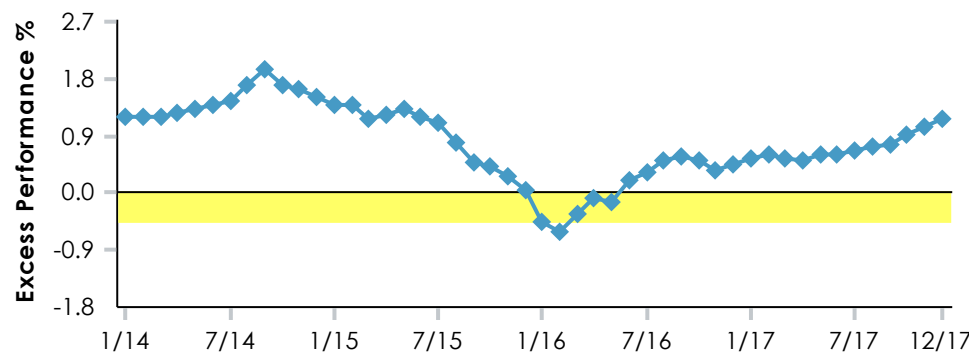


Short-term Performance:

Positive

Probationary Performance = -0.75%

Medium-term (Rolling 36 Months Excess Performance)

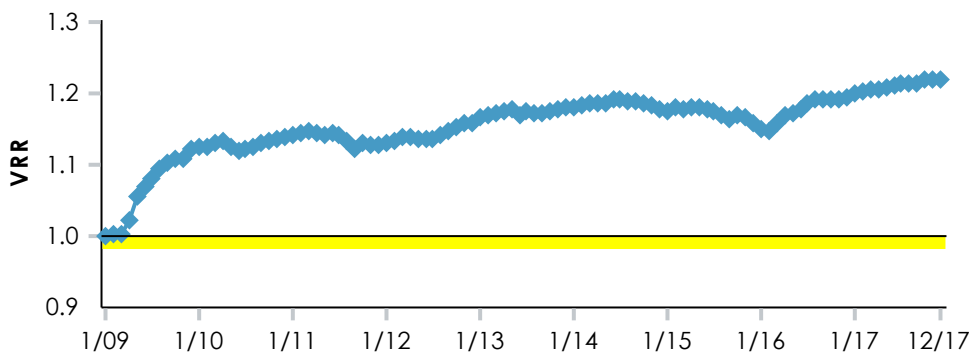


Medium-term Performance:

Positive

Probationary Performance = -0.50%

Long-term (Since Fund Inclusion VRR)



Long-term Performance:

Positive

Probationary Performance = 0.98%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (2/1/2009) |
|---|--------------|-----------|------------|------------|-------------------------------|
| USAA Income | 0.8 (47) | 5.7 (51) | 3.4 (47) | 3.2 (46) | 6.4 (51) |
| Bloomberg Barclays U.S. Aggregate Index | 0.4 (75) | 3.5 (86) | 2.2 (80) | 2.1 (79) | 4.0 (91) |
| IM U.S. Corporate Bonds (MF) Median | 0.7 | 5.7 | 3.3 | 3.1 | 6.4 |

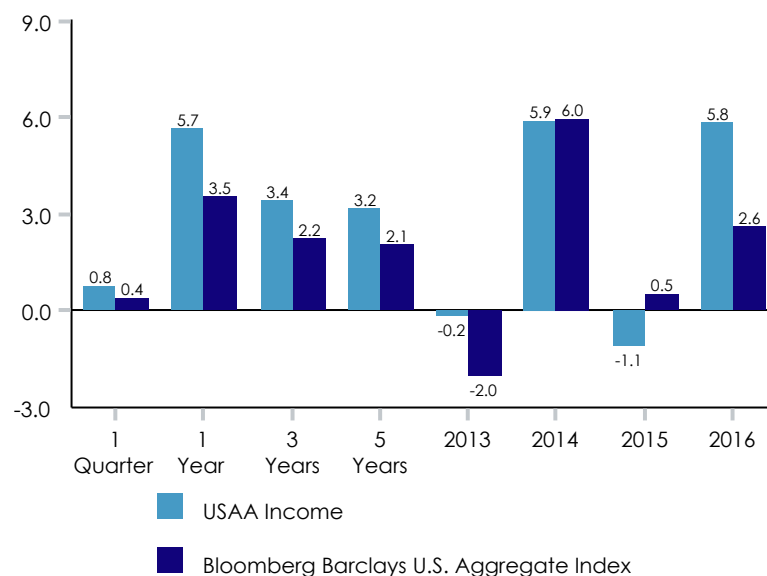
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Income;Fund (USAIX)
Fund Family : USAA Asset Management Company
Ticker : USAIX
Peer Group : IM U.S. Corporate Bonds (MF)
Benchmark : Bloomberg Barclays U.S. Corporate Investment Grade Index
Fund Inception : 03/04/1974
Portfolio Manager : Team Managed
Total Assets : \$3,804 Million
Total Assets Date : 11/30/2017
Gross Expense : 0.5%
Net Expense : 0.5%
Turnover : 9%

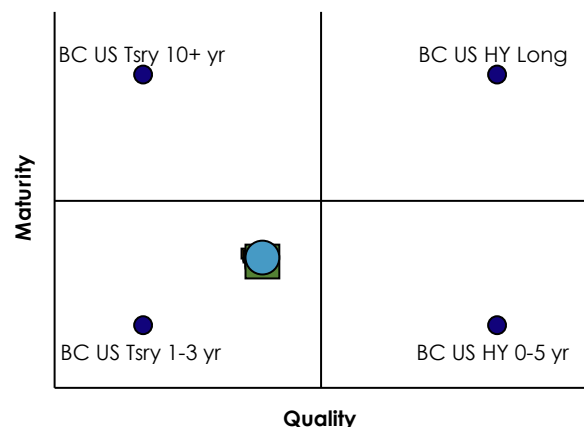
Comparative Performance



Fund Investment Policy

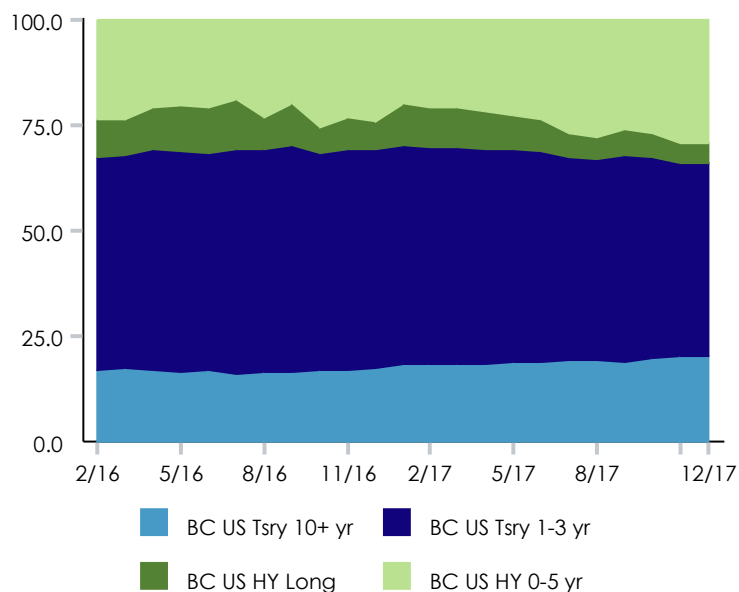
The Fund seeks to maximize current income without undue risk to principal. The Fund invests its assets primarily in US dollar-denominated securities that have been selected for high yields relative to risk involved.

Style Map (5 Years)



- Style History
- Dec-2017
- Average Style Exposure

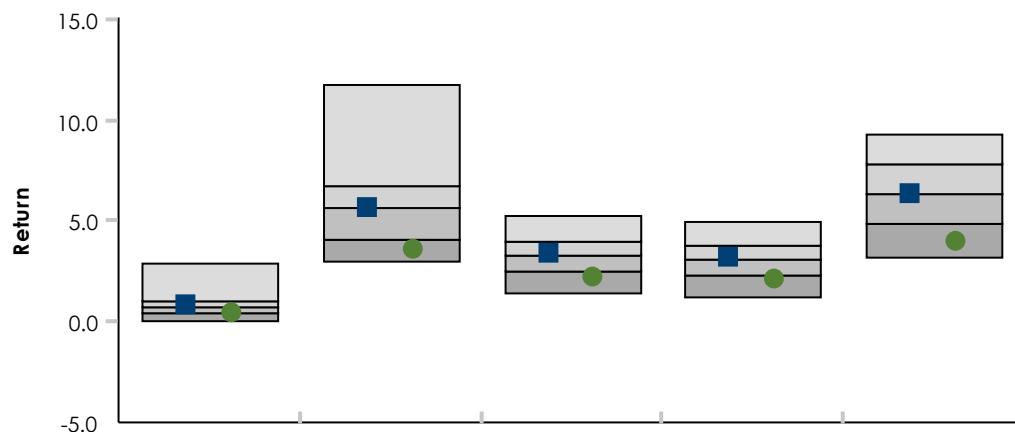
Style History (5 Years)



Historical Statistics (5 Years)

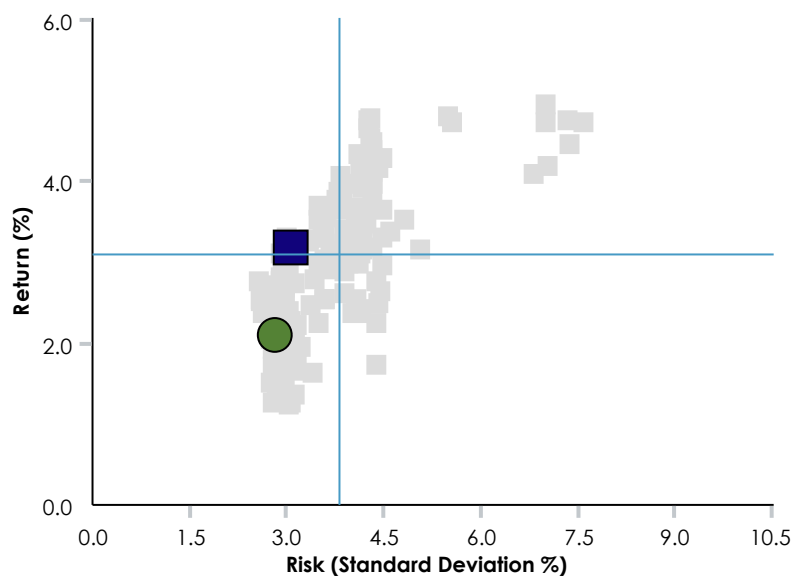
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|---|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| USAA Income | 3.2 | 3.1 | 1.0 | 1.0 | 1.0 | 0.9 | 1.2 | 0.9 | 117.7 | 93.5 |
| Bloomberg Barclays U.S. Aggregate Index | 2.1 | 2.8 | 0.7 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM U.S. Corporate Bonds (MF) Median | 3.1 | 3.8 | 0.7 | 0.5 | 1.1 | 0.8 | 1.8 | 0.5 | 127.1 | 111.0 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (2/1/2009) |
|---|-----------|----------|----------|----------|----------------------------|
| ■ USAA Income | 0.8 (47) | 5.7 (51) | 3.4 (47) | 3.2 (46) | 6.4 (51) |
| ● Bloomberg Barclays U.S. Aggregate Index | 0.4 (75) | 3.5 (86) | 2.2 (80) | 2.1 (79) | 4.0 (91) |
| Median | 0.7 | 5.7 | 3.3 | 3.1 | 6.4 |

Peer Group Scattergram (5 Years)



| | Return | Standard Deviation |
|---|--------|--------------------|
| ■ USAA Income | 3.2 | 3.1 |
| ● Bloomberg Barclays U.S. Aggregate Index | 2.1 | 2.8 |
| — Median | 3.1 | 3.8 |

Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|-------|
| Market Capture | | |
| Up Markets | 36 | 117.7 |
| Down Markets | 24 | 93.5 |
| Batting Average | | |
| Up Markets | 36 | 66.7 |
| Down Markets | 24 | 66.7 |
| Overall | 60 | 66.7 |

USAA Income

December 31, 2017

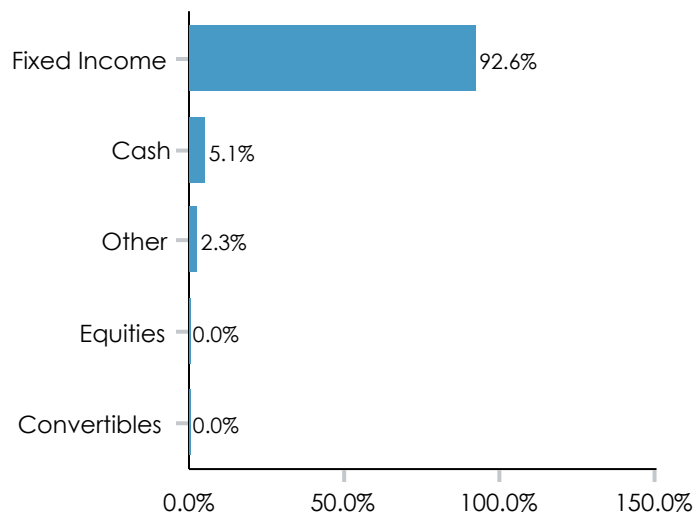
Portfolio Characteristics (As of 12/31/2008)

| | |
|---------------------|------------|
| Avg. Coupon | 5.77 % |
| Nominal Maturity | N/A |
| Effective Maturity | 5.06 Years |
| Duration | 3.72 Years |
| SEC 30 Day Yield | 3.2 |
| Avg. Credit Quality | AA |

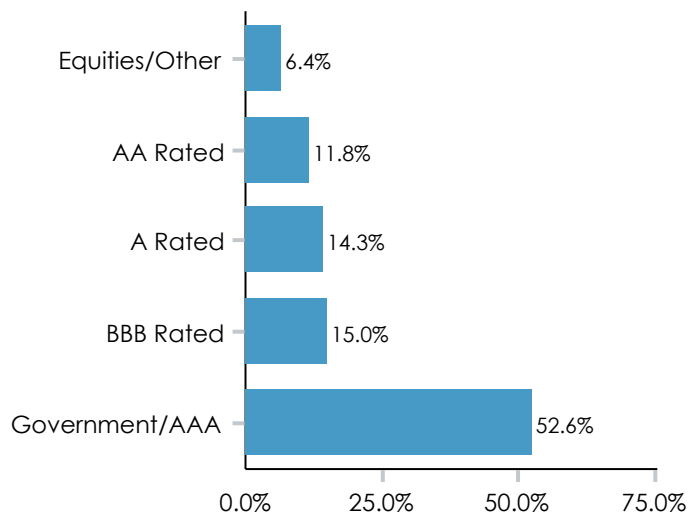
Top 10 Holdings (As of 12/31/2008)

| | |
|---------------------------------|--------|
| GNMA and Other Mtg Backed | 38.0 % |
| Corporate Notes/Bonds | 28.7 % |
| US\$ Denominated Fgn. Gvt. | 11.0 % |
| Treasury Notes/Bonds | 6.3 % |
| Preferred Stock-Non Convertible | 4.1 % |
| Asset Backed Securities | 3.1 % |
| Government Agency Securities | 1.4 % |

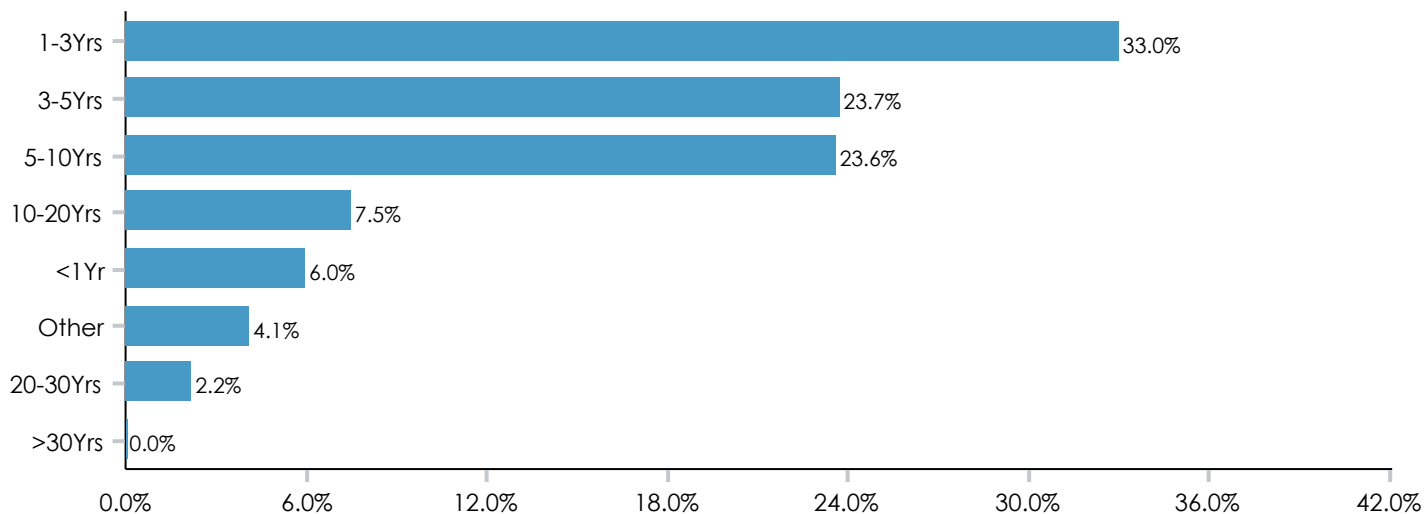
Asset Allocation (As of 12/31/2008)



Quality Allocation (As of 12/31/2008)

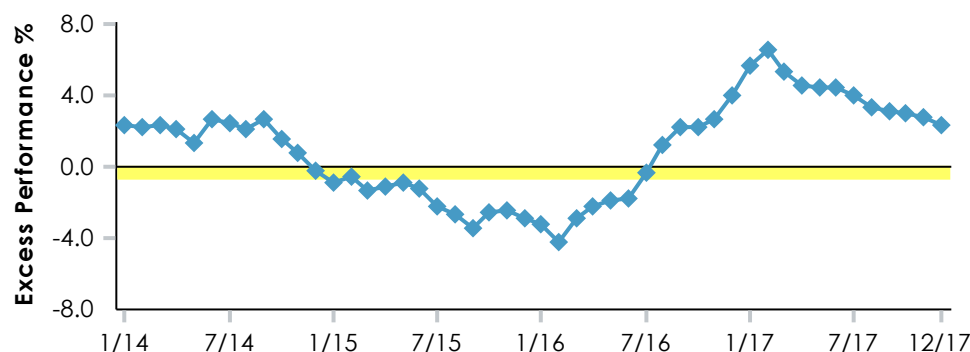


Maturity Distribution (As of 12/31/2008)



USAA Intermediate-Term Bond vs. Bloomberg Barclays U.S. Aggregate Index

Short-term (Rolling 12 Months Excess Performance)

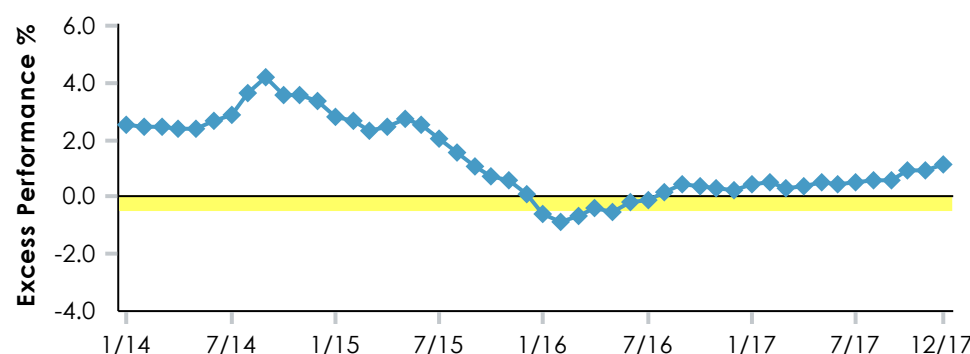


Short-term Performance:

Positive

Probationary Performance = -0.75%

Medium-term (Rolling 36 Months Excess Performance)

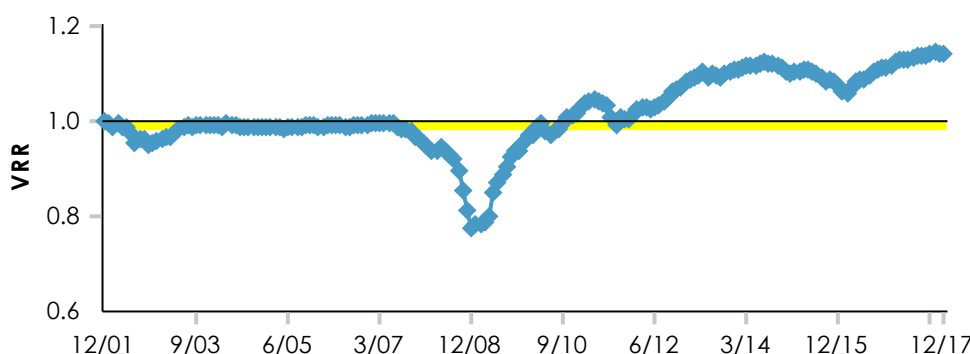


Medium-term Performance:

Positive

Probationary Performance = -0.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Positive

Probationary Performance = 0.98%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (1/1/2002) |
|---|--------------|-----------|------------|------------|-------------------------------|
| USAA Intermediate-Term Bond | 0.5 (31) | 5.9 (9) | 3.3 (19) | 3.4 (13) | 5.4 (28) |
| Bloomberg Barclays U.S. Aggregate Index | 0.4 (45) | 3.5 (75) | 2.2 (70) | 2.1 (65) | 4.5 (75) |
| IM U.S. Broad Market Core+ Fixed Income (MF) Median | 0.3 | 4.5 | 2.7 | 2.4 | 4.9 |

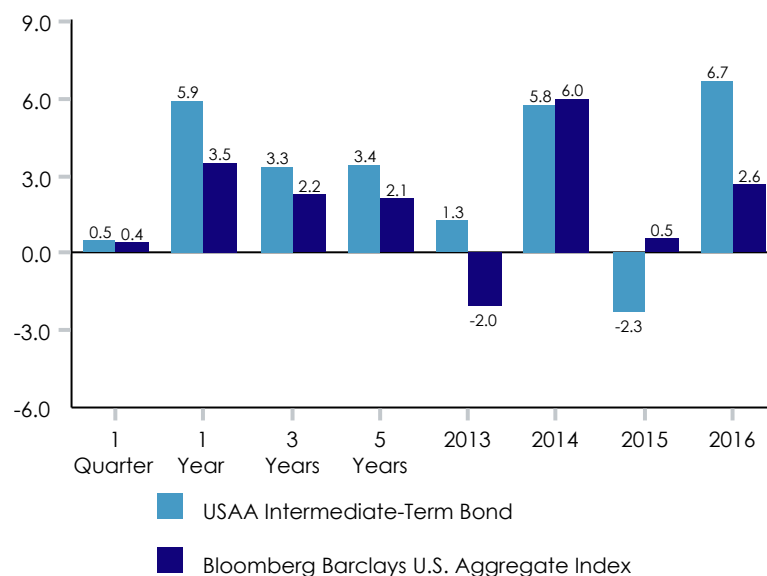
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Intm-Term Bd;Fund (USIBX)
Fund Family : USAA Asset Management Company
Ticker : USIBX
Peer Group : IM U.S. Broad Market Core+ Fixed Income (MF)
Benchmark : Bloomberg Barclays U.S. Aggregate
Fund Inception : 08/02/1999
Portfolio Manager : Team Managed
Total Assets : \$1,995 Million
Total Assets Date : 11/30/2017
Gross Expense : 0.6%
Net Expense : 0.6%
Turnover : 13%

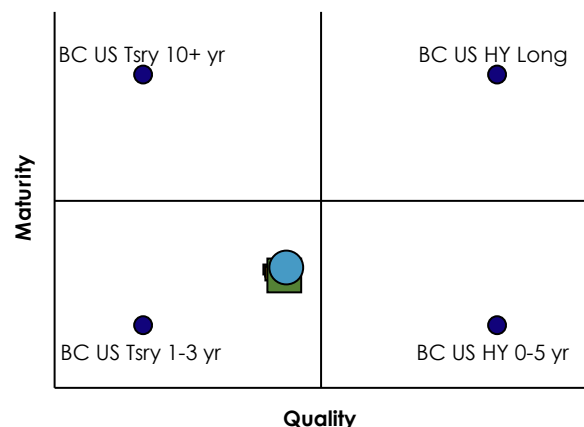
Comparative Performance



Fund Investment Policy

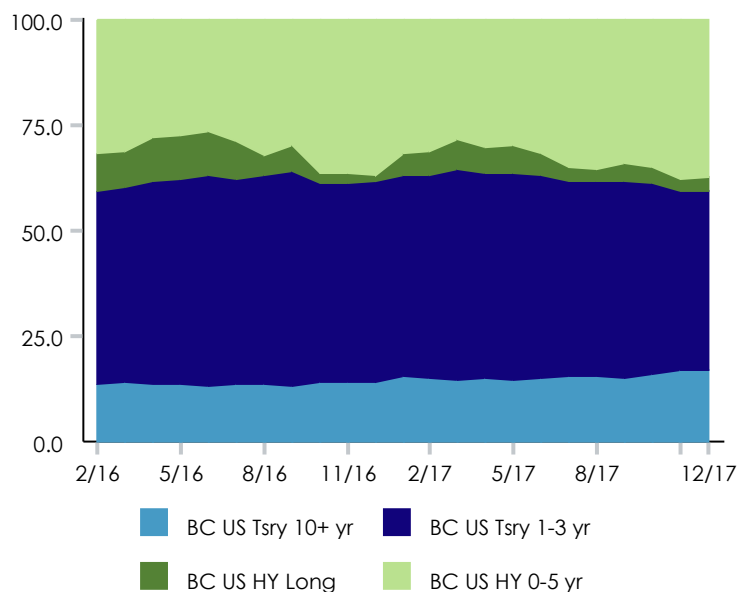
The Fund seeks high current income without undue risk to principal. The Fund's strategy to achieve this objective is to normally invest at least 80% of the Fund's assets in a broad range of debt securities. The Fund will maintain a dollar-weighted average portfolio maturity between three to 10 years.

Style Map (5 Years)



- Style History
- Dec-2017
- Average Style Exposure

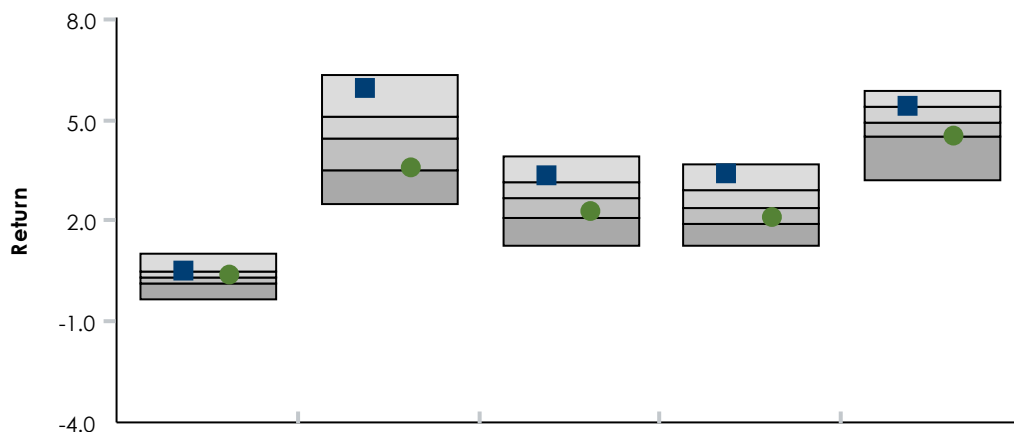
Style History (5 Years)



Historical Statistics (5 Years)

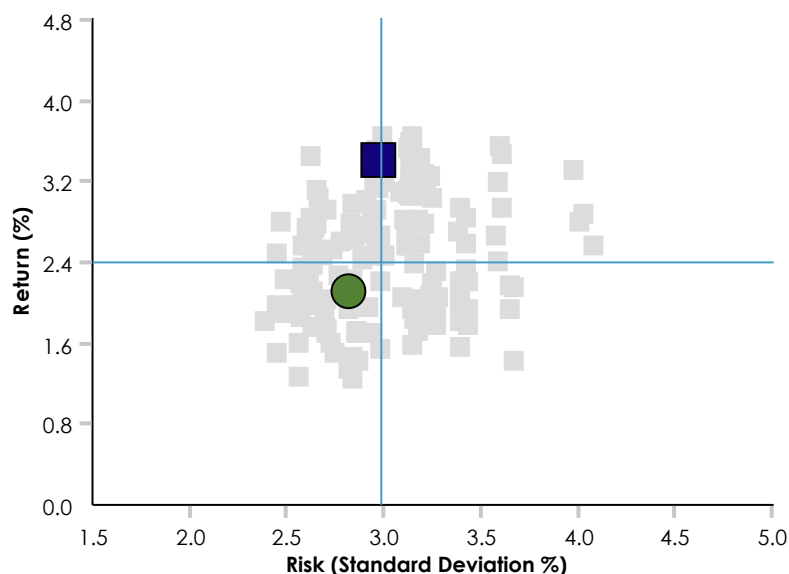
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|---|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| USAA Intermediate-Term Bond | 3.4 | 3.0 | 1.1 | 1.5 | 0.9 | 0.7 | 1.7 | 0.8 | 112.4 | 76.0 |
| Bloomberg Barclays U.S. Aggregate Index | 2.1 | 2.8 | 0.7 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM U.S. Broad Market Core+ Fixed Income (MF) Median | 2.4 | 3.0 | 0.7 | 0.5 | 1.0 | 0.8 | 1.3 | 0.2 | 105.0 | 93.8 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (1/1/2002) |
|---|-----------|----------|----------|----------|----------------------------|
| ■ USAA Intermediate-Term Bond | 0.5 (31) | 5.9 (9) | 3.3 (19) | 3.4 (13) | 5.4 (28) |
| ● Bloomberg Barclays U.S. Aggregate Index | 0.4 (45) | 3.5 (75) | 2.2 (70) | 2.1 (65) | 4.5 (75) |
| Median | 0.3 | 4.5 | 2.7 | 2.4 | 4.9 |

Peer Group Scattergram (5 Years)



| | Return | Standard Deviation |
|---|--------|--------------------|
| ■ USAA Intermediate-Term Bond | 3.4 | 3.0 |
| ● Bloomberg Barclays U.S. Aggregate Index | 2.1 | 2.8 |
| — Median | 2.4 | 3.0 |

Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|-------|
| Market Capture | | |
| Up Markets | 36 | 112.4 |
| Down Markets | 24 | 76.0 |
| Batting Average | | |
| Up Markets | 36 | 58.3 |
| Down Markets | 24 | 70.8 |
| Overall | 60 | 63.3 |

USAA Intermediate-Term Bond

December 31, 2017

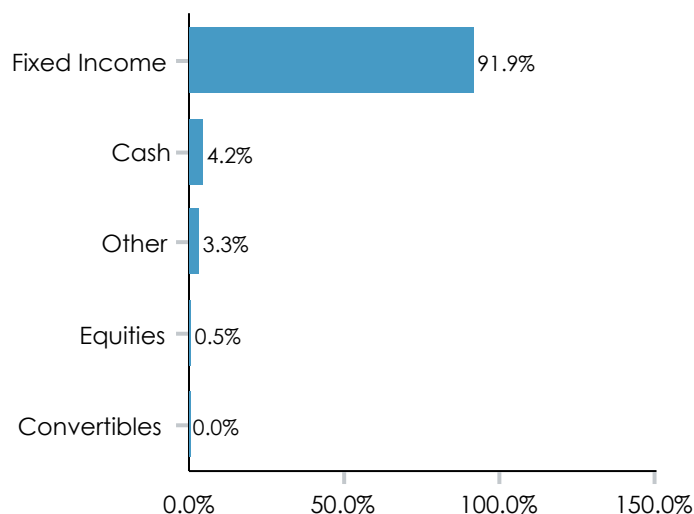
Portfolio Characteristics (As of 12/31/2008)

| | |
|---------------------|------------|
| Avg. Coupon | 8.91 % |
| Nominal Maturity | N/A |
| Effective Maturity | 4.41 Years |
| Duration | 3.18 Years |
| SEC 30 Day Yield | 4.6 |
| Avg. Credit Quality | A |

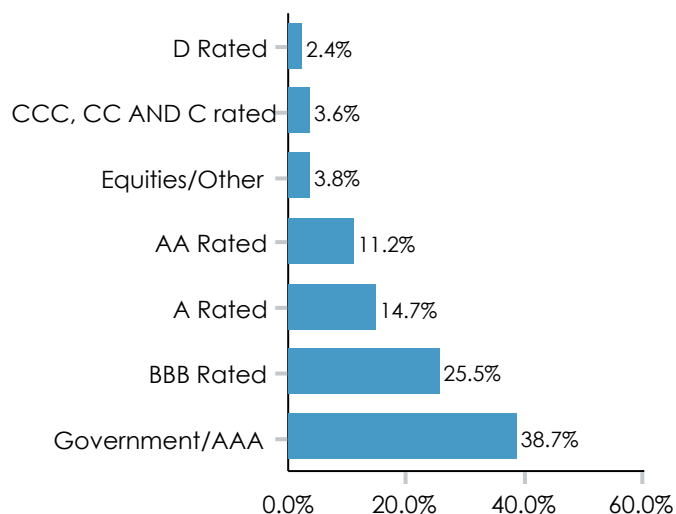
Top 10 Holdings (As of 12/31/2008)

| | |
|----------------------------|--------|
| Corporate Notes/Bonds | 39.5 % |
| GNMA and Other Mtg Backed | 34.1 % |
| Asset Backed Securities | 12.2 % |
| US\$ Denominated Fgn. Gvt. | 5.8 % |
| Common Stock | 0.5 % |
| Treasury Notes/Bonds | 0.4 % |

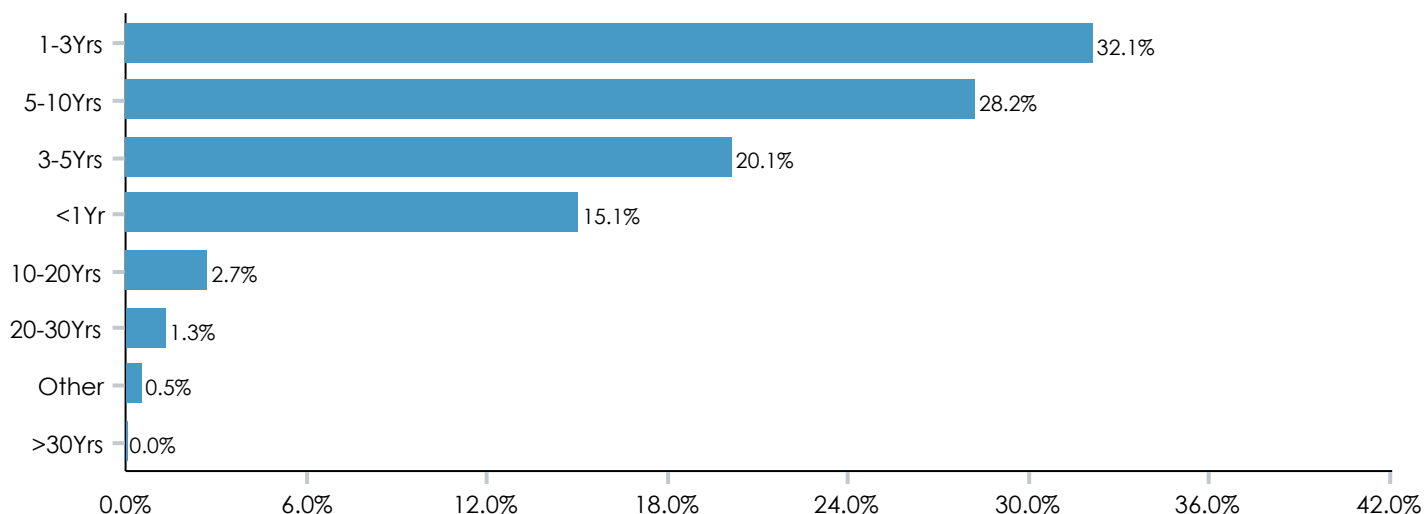
Asset Allocation (As of 12/31/2008)



Quality Allocation (As of 12/31/2008)

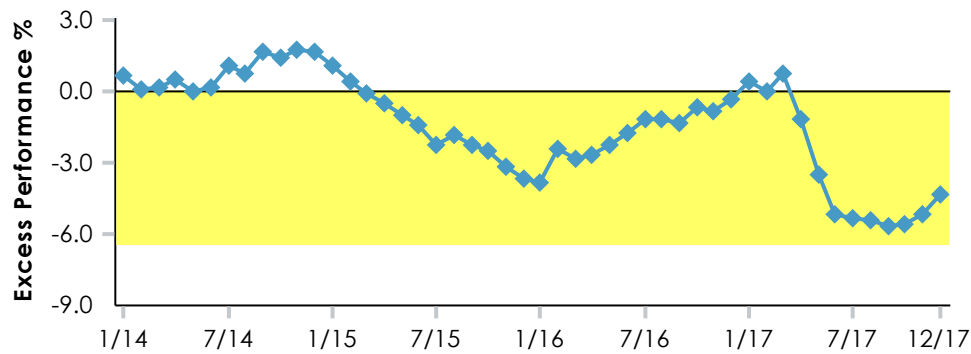


Maturity Distribution (As of 12/31/2008)



USAA High Income vs. Credit Suisse High Yield

Short-term (Rolling 12 Months Excess Performance)

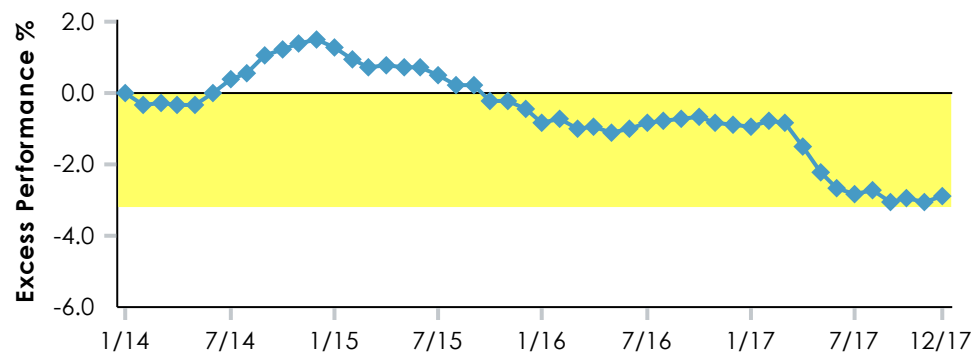


Short-term Performance:

Acceptable

Probationary Performance = -6.50%

Medium-term (Rolling 36 Months Excess Performance)

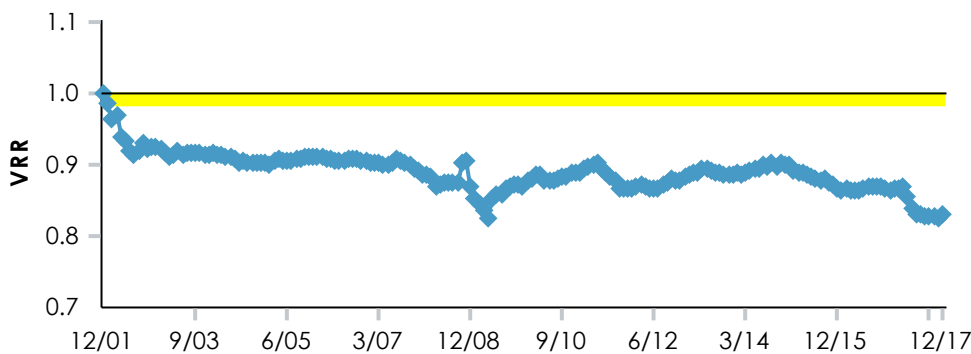


Medium-term Performance:

Acceptable

Probationary Performance = -3.25%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.98%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (1/1/2002) |
|--------------------------------------|--------------|-----------|------------|------------|-------------------------------|
| USAA High Income | 1.0 (14) | 7.2 (32) | 4.9 (54) | 5.3 (22) | 7.4 (30) |
| Credit Suisse High Yield | 0.5 (43) | 11.5 (1) | 7.8 (1) | 6.6 (4) | 8.6 (6) |
| IM U.S. High Yield Bonds (MF) Median | 0.4 | 6.6 | 5.0 | 4.7 | 7.0 |

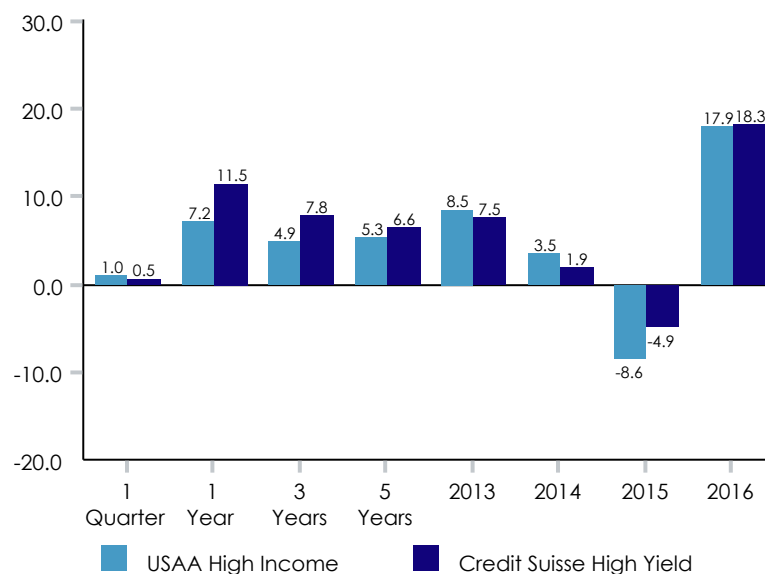
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA High Income;Fund (USHYX)
 Fund Family : USAA Asset Management Company
 Ticker : USHYX
 Peer Group : IM U.S. High Yield Bonds (MF)
 Benchmark : FTSE High Yield Market Index
 Fund Inception : 08/02/1999
 Portfolio Manager : Bass/Spear/Daum
 Total Assets : \$1,220 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 0.9%
 Net Expense : 0.9%
 Turnover : 21%

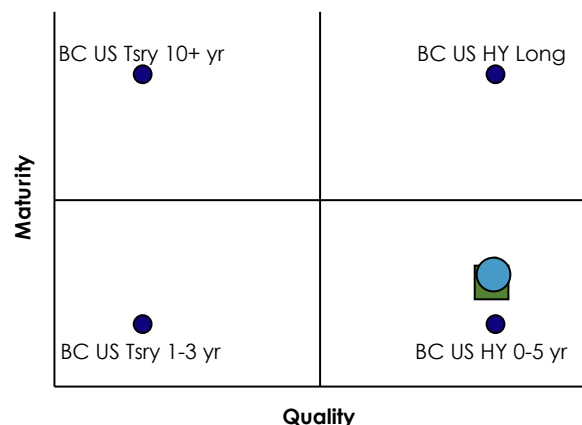
Comparative Performance



Fund Investment Policy

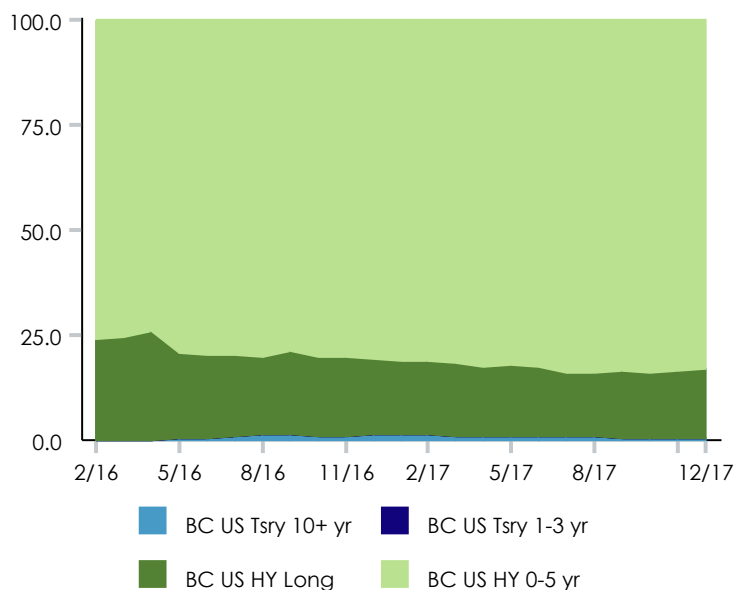
The Fund seeks to provide an attractive total return primarily through high current income and secondarily through capital appreciation. The Fund primarily invests its assets in a broad range of US dollar denominated high-yield securities, including bonds, convertible securities, leverage loans, or preferred stocks.

Style Map (5 Years)



- Style History
- Dec-2017
- Average Style Exposure

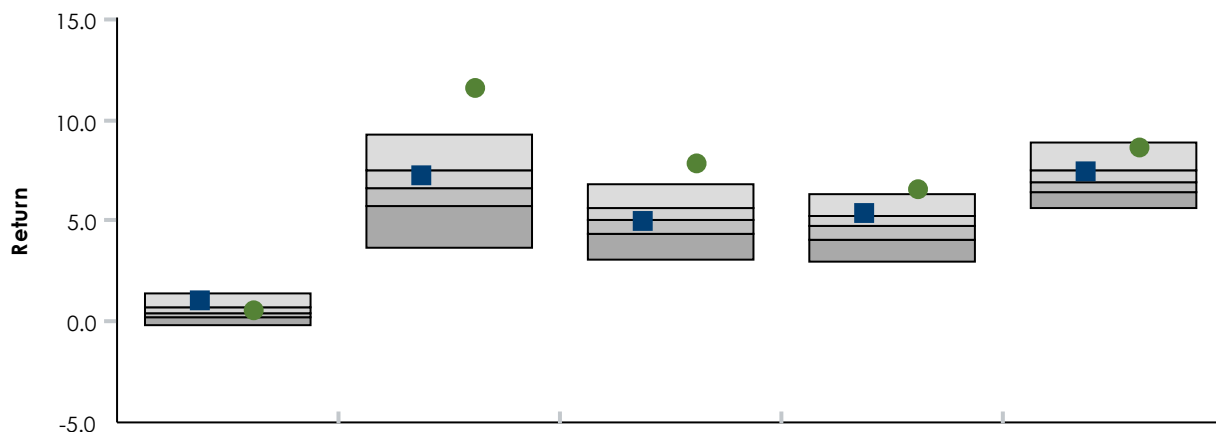
Style History (5 Years)



Historical Statistics (5 Years)

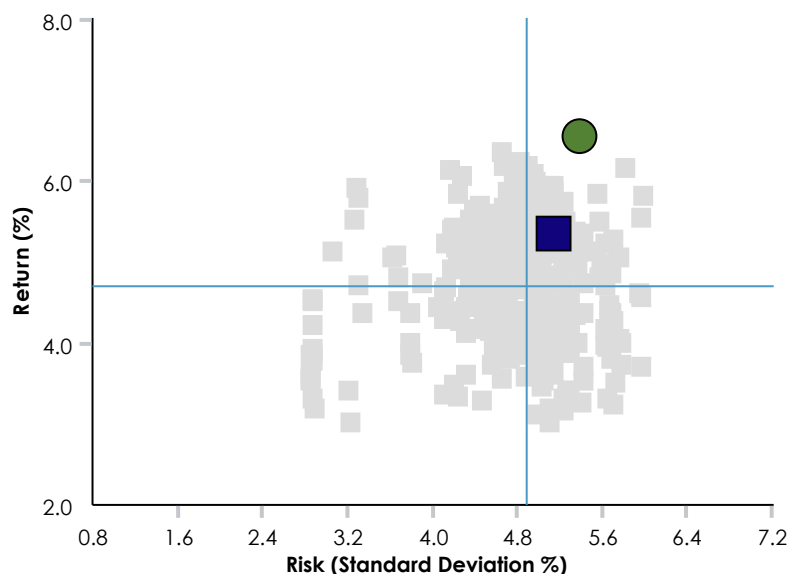
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|--------------------------------------|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| USAA High Income | 5.3 | 5.2 | 1.0 | -0.5 | 0.9 | 0.9 | 1.7 | -0.7 | 90.4 | 101.4 |
| Credit Suisse High Yield | 6.6 | 5.4 | 1.2 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM U.S. High Yield Bonds (MF) Median | 4.7 | 4.9 | 1.0 | -0.6 | 0.9 | 0.9 | 1.8 | -0.9 | 82.5 | 94.2 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (1/1/2002) |
|----------------------------|-----------|----------|----------|----------|----------------------------|
| ■ USAA High Income | 1.0 (14) | 7.2 (32) | 4.9 (54) | 5.3 (22) | 7.4 (30) |
| ● Credit Suisse High Yield | 0.5 (43) | 11.5 (1) | 7.8 (1) | 6.6 (4) | 8.6 (6) |
| Median | 0.4 | 6.6 | 5.0 | 4.7 | 7.0 |

Peer Group Scattergram (5 Years)



| | Return | Standard Deviation |
|----------------------------|--------|--------------------|
| ■ USAA High Income | 5.3 | 5.2 |
| ● Credit Suisse High Yield | 6.6 | 5.4 |
| — Median | 4.7 | 4.9 |

Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|-------|
| Market Capture | | |
| Up Markets | 41 | 90.4 |
| Down Markets | 19 | 101.4 |
| Batting Average | | |
| Up Markets | 41 | 48.8 |
| Down Markets | 19 | 36.8 |
| Overall | 60 | 45.0 |

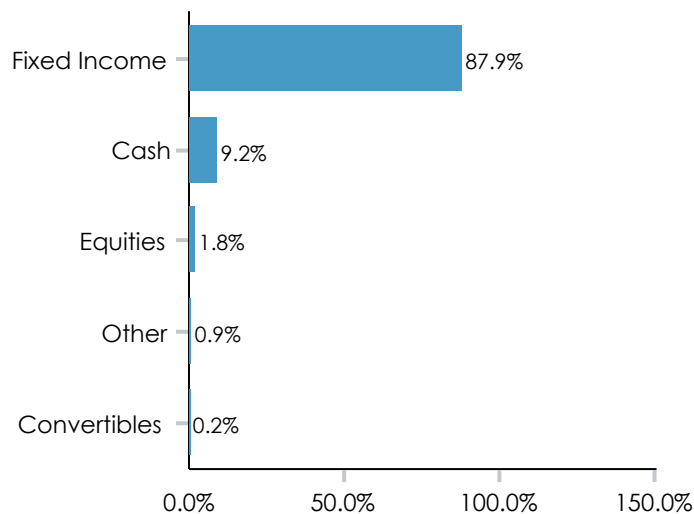
Portfolio Characteristics (As of 12/31/2008)

| | |
|---------------------|------------|
| Avg. Coupon | 7.62 % |
| Nominal Maturity | N/A |
| Effective Maturity | 5.37 Years |
| Duration | 2.88 Years |
| SEC 30 Day Yield | 6.9 |
| Avg. Credit Quality | BB |

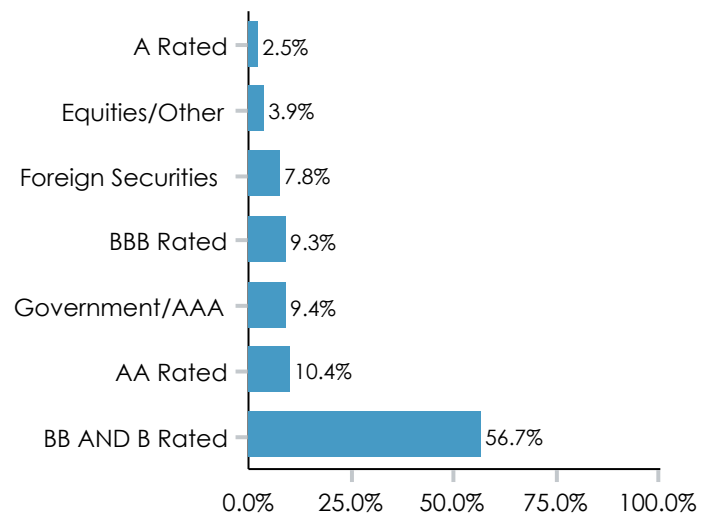
Top 10 Holdings (As of 12/31/2008)

| | |
|---------------------------------|--------|
| Corporate Notes/Bonds | 69.3 % |
| Asset Backed Securities | 8.8 % |
| Fgn. Currency Denominated Bonds | 7.8 % |
| Preferred Stock-Non Convertible | 1.9 % |
| Common Stock | 1.8 % |
| Convertible Securities | 0.2 % |

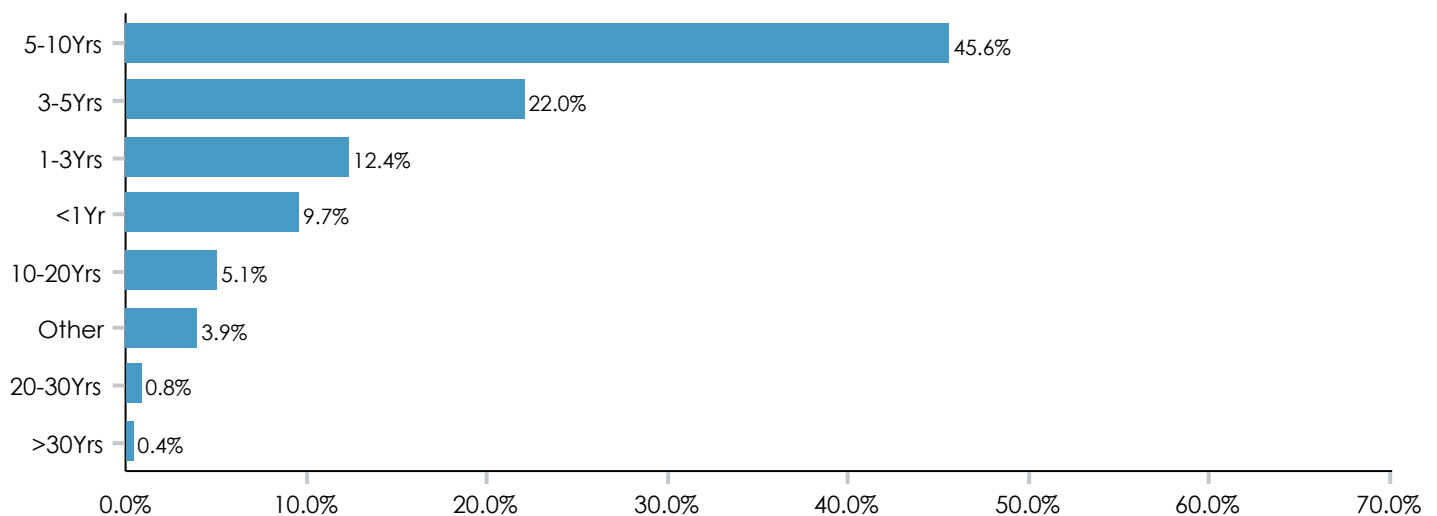
Asset Allocation (As of 12/31/2008)



Quality Allocation (As of 12/31/2008)

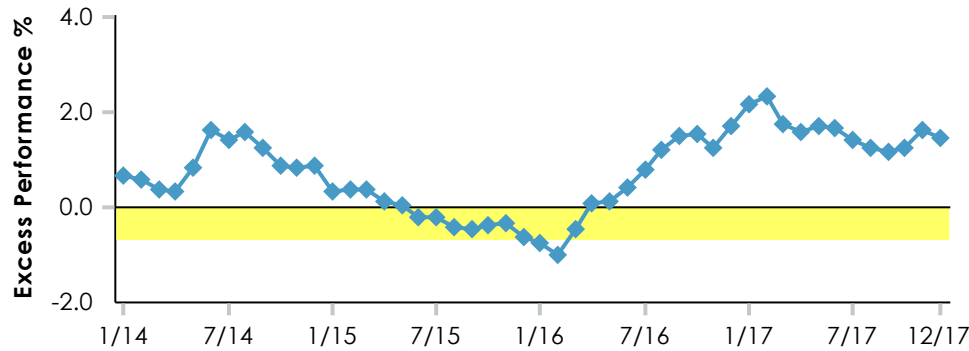


Maturity Distribution (As of 12/31/2008)

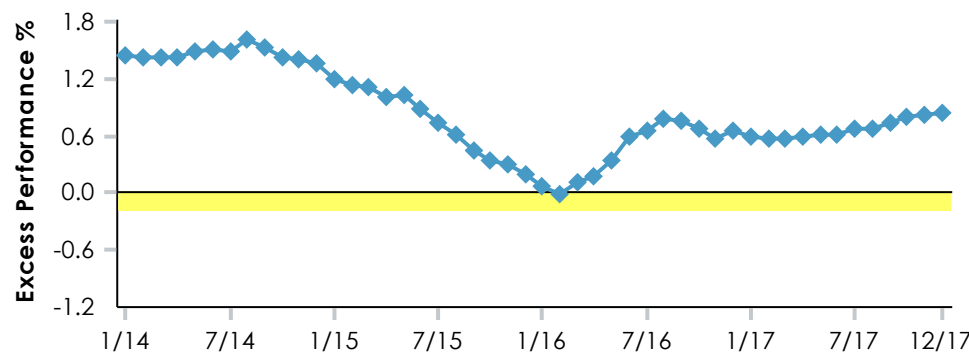


USAA Short-Term Bond vs. Bloomberg Barclays 1-3 Year Gov/Credit Index

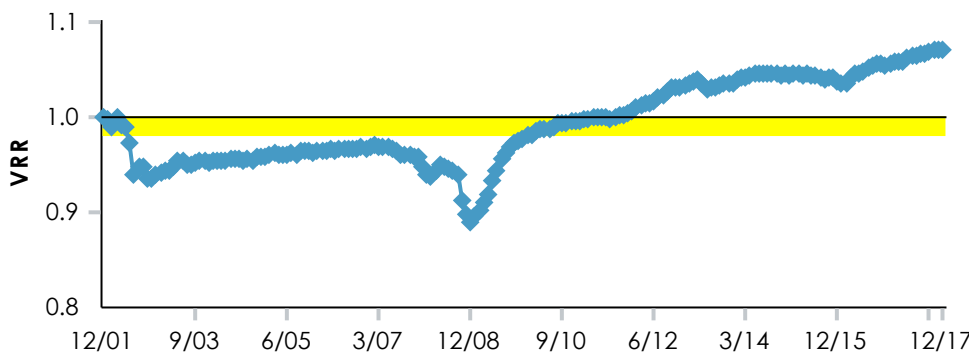
Short-term (Rolling 12 Months Excess Performance)



Medium-term (Rolling 36 Months Excess Performance)



Long-term (Since Program Inclusion VRR)



Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (1/1/2002) |
|---|--------------|-----------|------------|------------|-------------------------------|
| USAA Short-Term Bond | 0.1 (50) | 2.3 (15) | 1.8 (19) | 1.6 (13) | 3.0 (19) |
| Bloomberg Barclays 1-3 Year Gov/Credit Index | -0.2 (89) | 0.8 (85) | 0.9 (67) | 0.8 (59) | 2.6 (42) |
| IM U.S. Short Term Investment Grade (MF) Median | 0.1 | 1.4 | 1.1 | 0.9 | 2.5 |

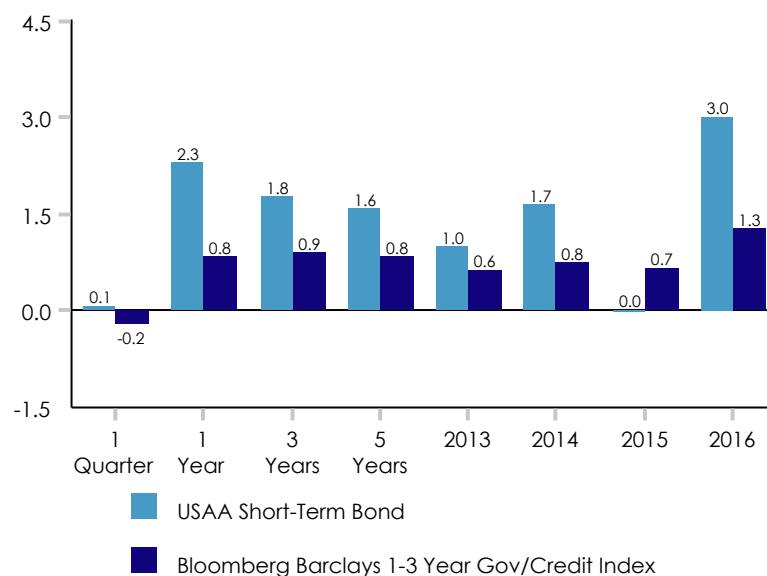
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Short-Term Bd;Fund (USSBX)
Fund Family : USAA Asset Management Company
Ticker : USSBX
Peer Group : IM U.S. Short Term Investment Grade (MF)
Benchmark : Bloomberg Barclays U.S. Aggregate 1-3 Yrs
Fund Inception : 06/01/1993
Portfolio Manager : Team Managed
Total Assets : \$1,306 Million
Total Assets Date : 11/30/2017
Gross Expense : 0.6%
Net Expense : 0.6%
Turnover : 31%

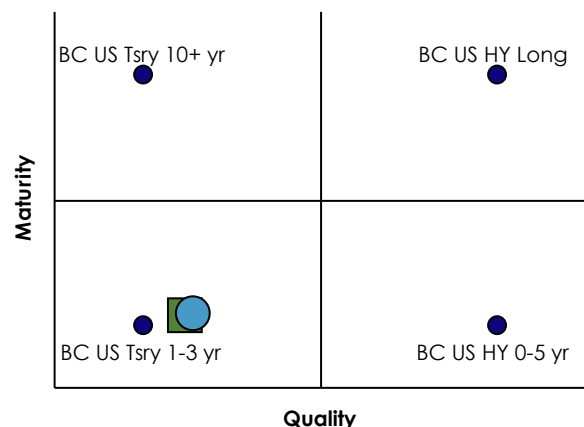
Comparative Performance



Fund Investment Policy

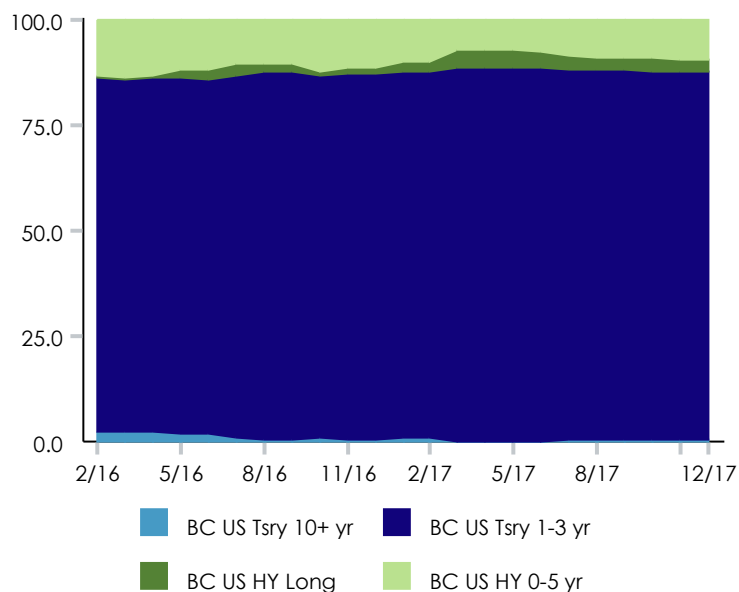
The Fund seeks high current income consistent with preservation of principal. The Fund invests at least 80% of its assets in a broad range of investment-grade debt securities that have a dollar-weighted average portfolio maturity of three years or less.

Style Map (5 Years)



- Style History
- Dec-2017
- Average Style Exposure

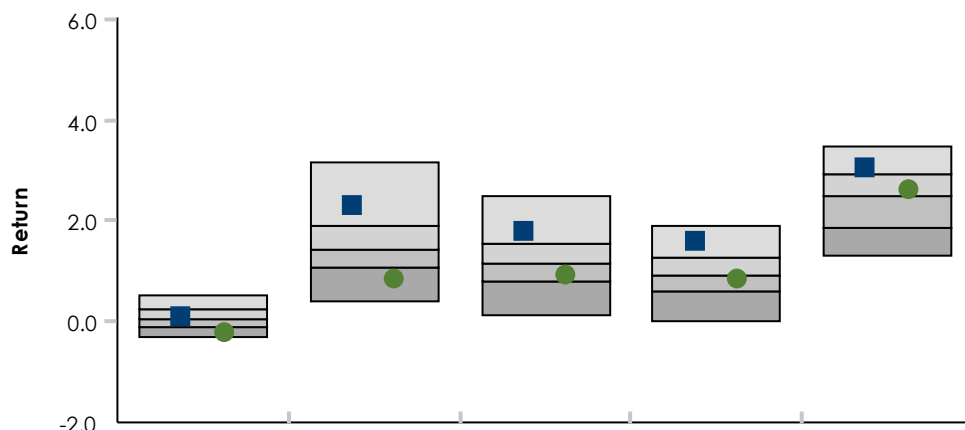
Style History (5 Years)



Historical Statistics (5 Years)

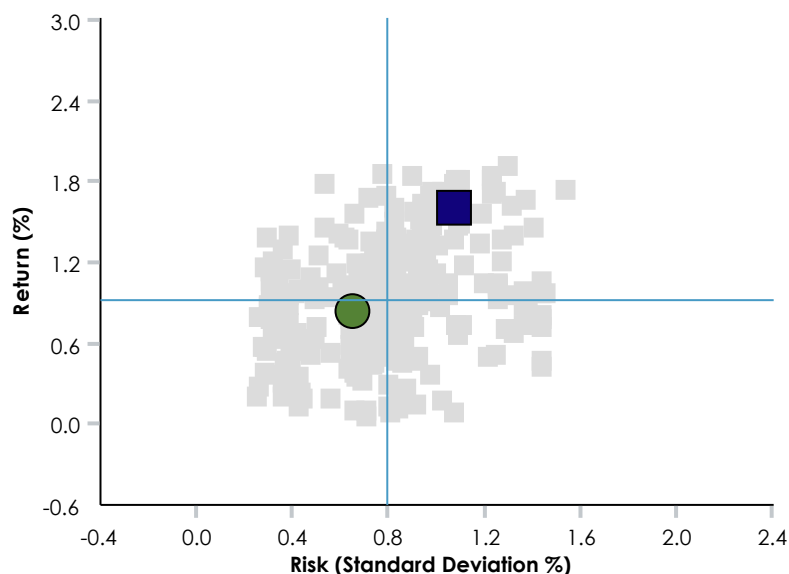
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|---|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| USAA Short-Term Bond | 1.6 | 1.1 | 1.3 | 0.5 | 1.3 | 0.6 | 0.7 | 1.1 | 167.1 | 132.1 |
| Bloomberg Barclays 1-3 Year Gov/Credit Index | 0.8 | 0.7 | 0.9 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM U.S. Short Term Investment Grade (MF) Median | 0.9 | 0.8 | 0.9 | 0.3 | 0.9 | 0.4 | 0.6 | 0.1 | 101.8 | 96.1 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (1/1/2002) |
|--|-----------|----------|----------|----------|----------------------------|
| ■ USAA Short-Term Bond | 0.1 (50) | 2.3 (15) | 1.8 (19) | 1.6 (13) | 3.0 (19) |
| ● Bloomberg Barclays 1-3 Year Gov/Credit Index | -0.2 (89) | 0.8 (85) | 0.9 (67) | 0.8 (59) | 2.6 (42) |
| Median | 0.1 | 1.4 | 1.1 | 0.9 | 2.5 |

Peer Group Scattergram (5 Years)



Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|-------|
| Market Capture | | |
| Up Markets | 37 | 167.1 |
| Down Markets | 23 | 132.1 |
| Batting Average | | |
| Up Markets | 37 | 75.7 |
| Down Markets | 23 | 56.5 |
| Overall | 60 | 68.3 |

| | Return | Standard Deviation |
|--|--------|--------------------|
| ■ USAA Short-Term Bond | 1.6 | 1.1 |
| ● Bloomberg Barclays 1-3 Year Gov/Credit Index | 0.8 | 0.7 |
| — Median | 0.9 | 0.8 |

USAA Short-Term Bond

December 31, 2017

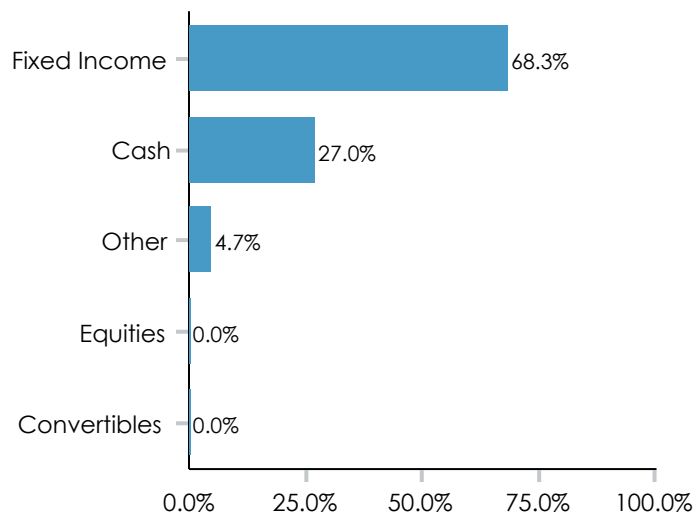
Portfolio Characteristics (As of 12/31/2008)

| | |
|---------------------|------------|
| Avg. Coupon | 5.46 % |
| Nominal Maturity | N/A |
| Effective Maturity | 1.95 Years |
| Duration | 1.59 Years |
| SEC 30 Day Yield | 2.6 |
| Avg. Credit Quality | AA |

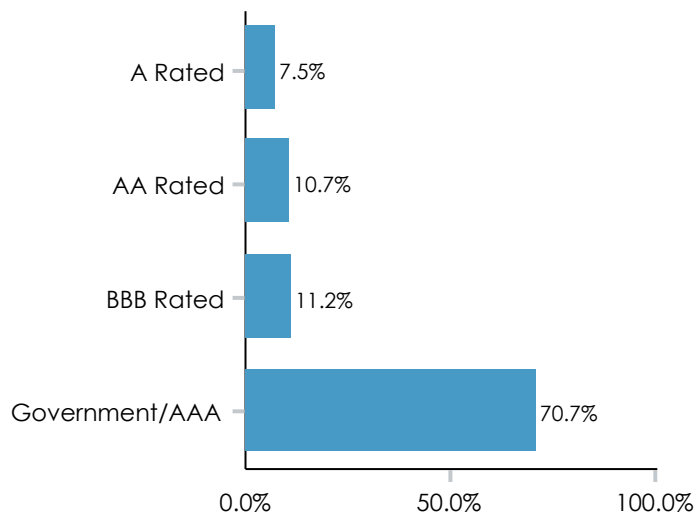
Top 10 Holdings (As of 12/31/2008)

| | |
|------------------------------|--------|
| GNMA and Other Mtg Backed | 43.0 % |
| Asset Backed Securities | 17.4 % |
| Corporate Notes/Bonds | 4.5 % |
| US\$ Denominated Fgn. Gvt. | 2.8 % |
| Government Agency Securities | 0.6 % |

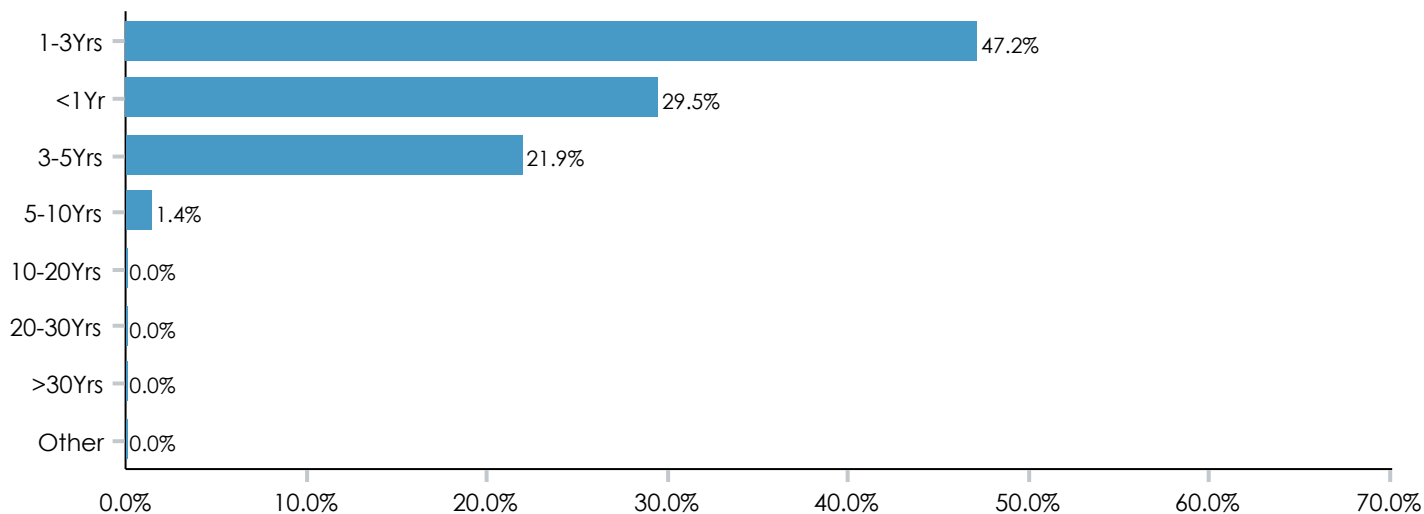
Asset Allocation (As of 12/31/2008)



Quality Allocation (As of 12/31/2008)

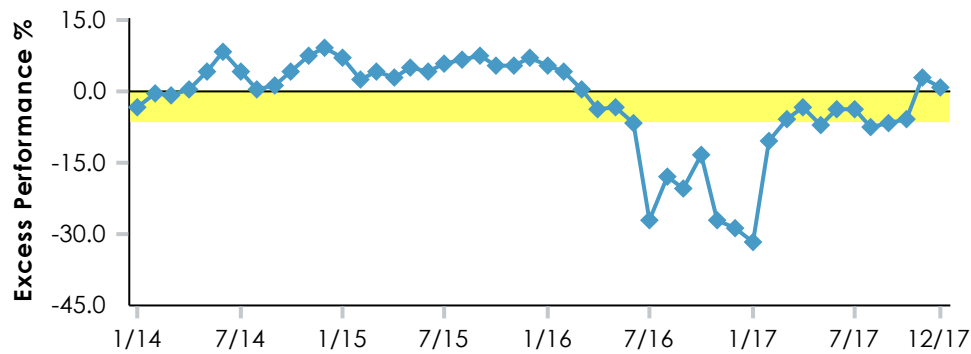


Maturity Distribution (As of 12/31/2008)



USAA Precious Metals & Minerals vs. PHLX Gold & Silver TR

Short-term (Rolling 12 Months Excess Performance)

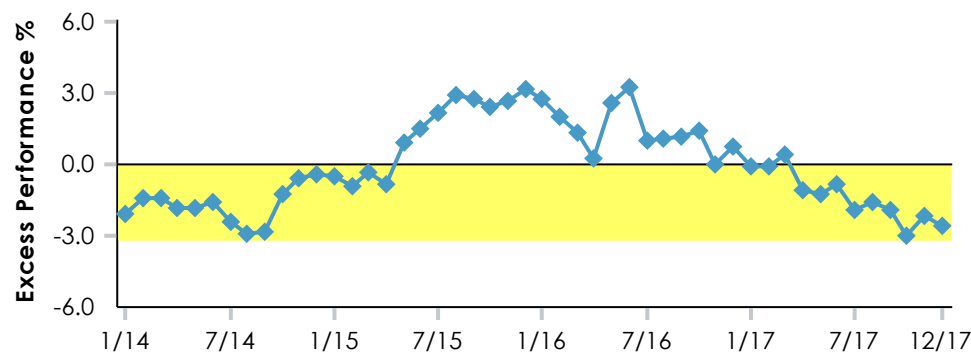


Short-term Performance:

Positive

Probationary Performance = -6.50%

Medium-term (Rolling 36 Months Excess Performance)

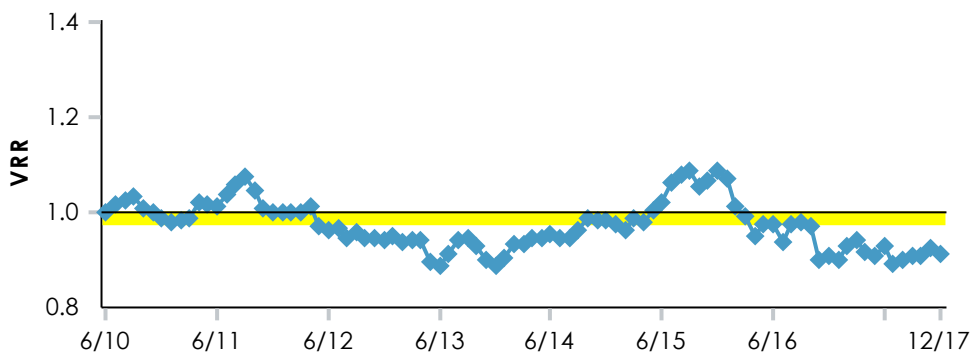


Medium-term Performance:

Acceptable

Probationary Performance = -3.25%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (7/1/2010) |
|-------------------------------------|--------------|-----------|------------|------------|-------------------------------|
| USAA Precious Metals & Minerals | 1.4 (31) | 9.7 (44) | 5.6 (93) | -12.1 (89) | -9.5 (95) |
| PHLX Gold & Silver TR | 0.9 (59) | 8.9 (50) | 8.2 (53) | -11.5 (77) | -8.5 (71) |
| IM Gold Oriented Sector (MF) Median | 1.1 | 8.9 | 8.4 | -10.3 | -8.0 |

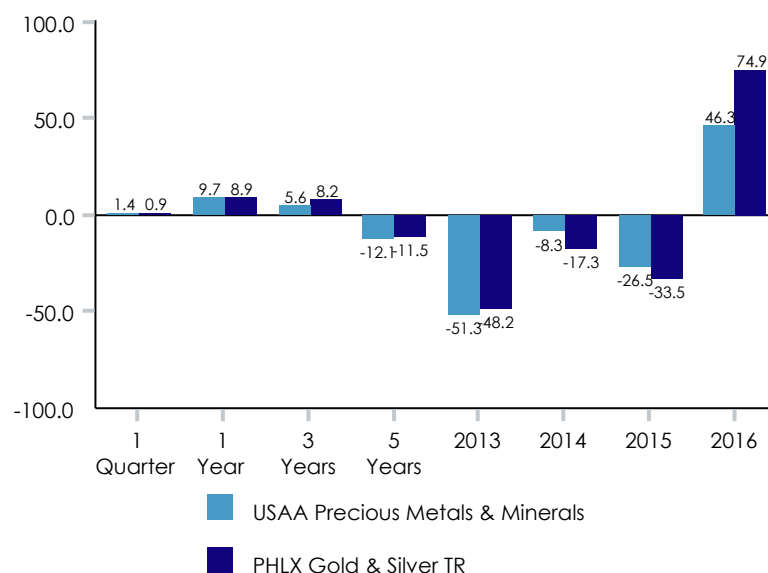
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Prec Met&Min;Fund (USAGX)
 Fund Family : USAA Asset Management Company
 Ticker : USAGX
 Peer Group : IM Gold Oriented Sector (MF)
 Benchmark : Dow Jones U.S. Gold Mining Index
 Fund Inception : 08/15/1984
 Portfolio Manager : Dan Denbow
 Total Assets : \$546 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 1.2%
 Net Expense : 1.2%
 Turnover : 14%

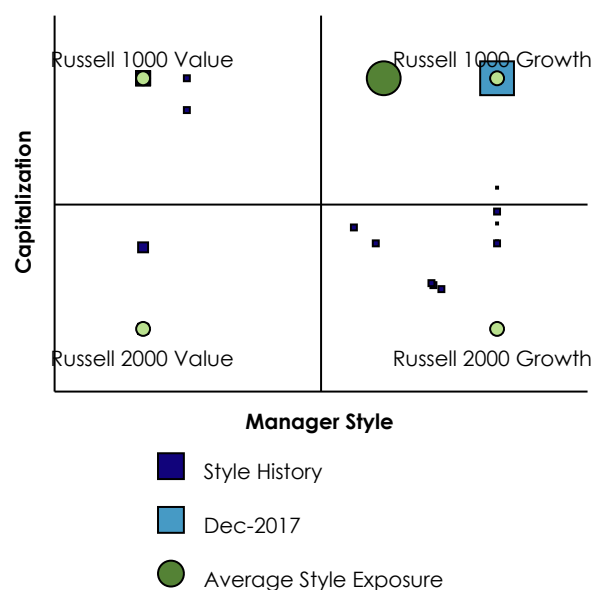
Comparative Performance



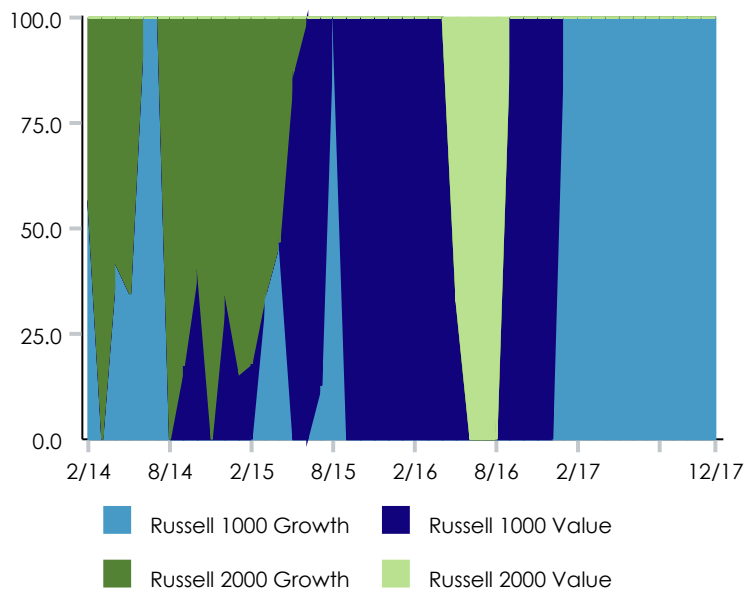
Fund Investment Policy

The Fund seeks long-term capital appreciation and to protect the purchasing power of your capital against inflation. The Fund normally invests at least 80% of its assets in equity securities of domestic and foreign companies principally engaged in the exploration, mining, and processing of gold and other precious metals.

Style Map (5 Years)



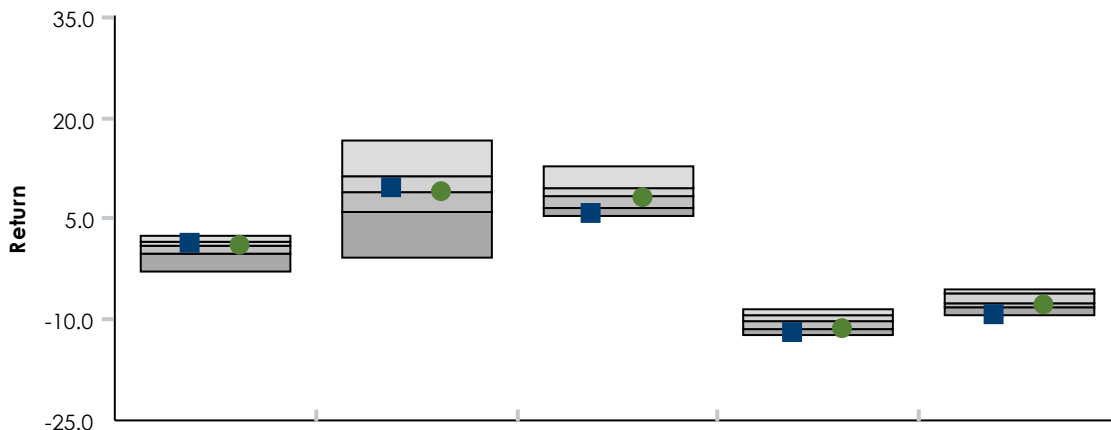
Style History (5 Years)



Historical Statistics (5 Years)

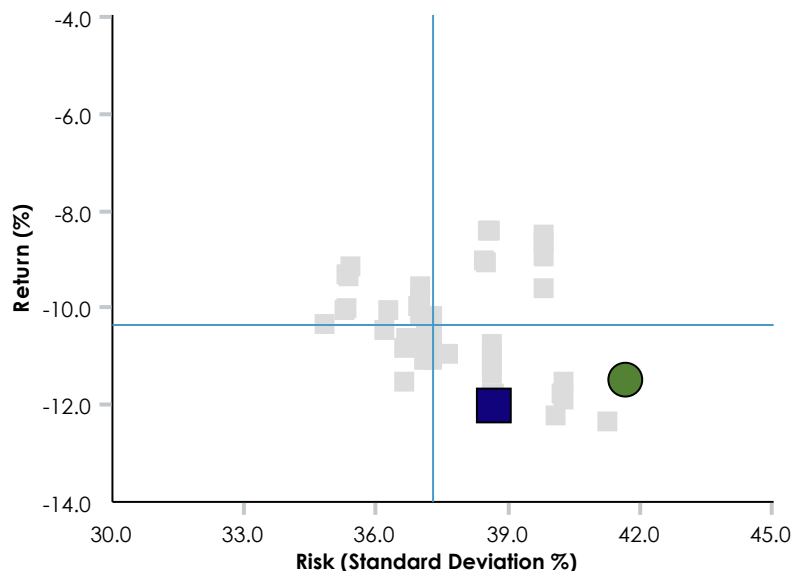
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|-------------------------------------|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| USAA Precious Metals & Minerals | -12.1 | 38.7 | -0.1 | -2.0 | 0.9 | 1.0 | 8.4 | -0.2 | 93.3 | 96.8 |
| PHLX Gold & Silver TR | -11.5 | 41.7 | -0.1 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM Gold Oriented Sector (MF) Median | -10.3 | 37.3 | -0.1 | -0.9 | 0.9 | 0.9 | 10.6 | -0.1 | 90.1 | 91.7 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (7/1/2010) |
|-----------------------------------|-----------|----------|----------|------------|----------------------------|
| ■ USAA Precious Metals & Minerals | 1.4 (31) | 9.7 (44) | 5.6 (93) | -12.1 (89) | -9.3 (95) |
| ● PHLX Gold & Silver TR | 0.9 (59) | 8.9 (50) | 8.2 (53) | -11.5 (77) | -8.0 (65) |
| Median | 1.1 | 8.9 | 8.4 | -10.3 | -7.5 |

Peer Group Scattergram (5 Years)



| | Return | Standard Deviation |
|-----------------------------------|--------|--------------------|
| ■ USAA Precious Metals & Minerals | -12.1 | 38.7 |
| ● PHLX Gold & Silver TR | -11.5 | 41.7 |
| — Median | -10.3 | 37.3 |

Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|------|
| Market Capture | | |
| Up Markets | 27 | 93.3 |
| Down Markets | 33 | 96.8 |
| Batting Average | | |
| Up Markets | 27 | 37.0 |
| Down Markets | 33 | 60.6 |
| Overall | 60 | 50.0 |

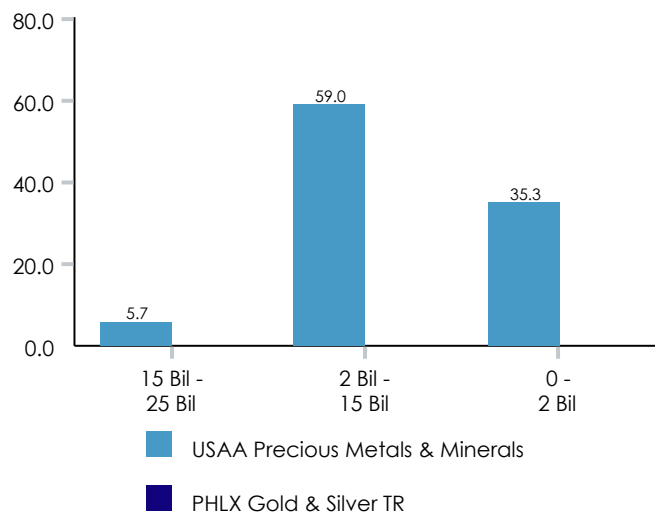
Portfolio Characteristics (As of 11/30/2017)

| | Portfolio | Benchmark |
|---------------------------|-----------|-----------|
| Wtd. Avg. Mkt. Cap (\$M) | - | - |
| Median Mkt. Cap (\$M) | - | - |
| Price/Earnings ratio | N/A | N/A |
| Price/Book ratio | N/A | N/A |
| 5 Yr. EPS Growth Rate (%) | N/A | N/A |
| Current Yield (%) | N/A | N/A |
| Beta (5 Years, Monthly) | 0.9 | 1.0 |
| Number of Stocks | 54 | 0 |

Top 10 Holdings (As of 11/30/2017)

| | Portfolio Weight (%) | Benchmark Weight (%) | Quarterly Return (%) |
|------------------------------|----------------------|----------------------|----------------------|
| Randgold Resources Ltd | 4.7 | 0.0 | 1.3 |
| Newmont Mining Corp | 4.7 | 0.0 | 0.2 |
| Agnico Eagle Mines Ltd | 4.7 | 0.0 | 3.0 |
| Wheaton Precious Metals Corp | 4.3 | 0.0 | 17.0 |
| Newcrest Mining Ltd | 4.3 | 0.0 | 8.2 |
| Kinross Gold Corp | 3.3 | 0.0 | 2.2 |
| St Barbara Ltd | 3.1 | 0.0 | 44.8 |
| Comp De Minas Buenaventura | 3.1 | 0.0 | 10.3 |
| Royal Gold Inc | 3.0 | 0.0 | -4.3 |
| Alamos Gold Inc | 3.0 | 0.0 | -2.9 |
| % of Portfolio | 38.2 | 0.0 | |

Market Cap Distribution (As of 11/30/2017)



Sector Attribution (1 Year as of 12/31/2017)

No data found.

Sector Allocation (1 Year as of 12/31/2017)

No data found.

Sector Performance (1 Year as of 12/31/2017)

No data found.

SECTION 6

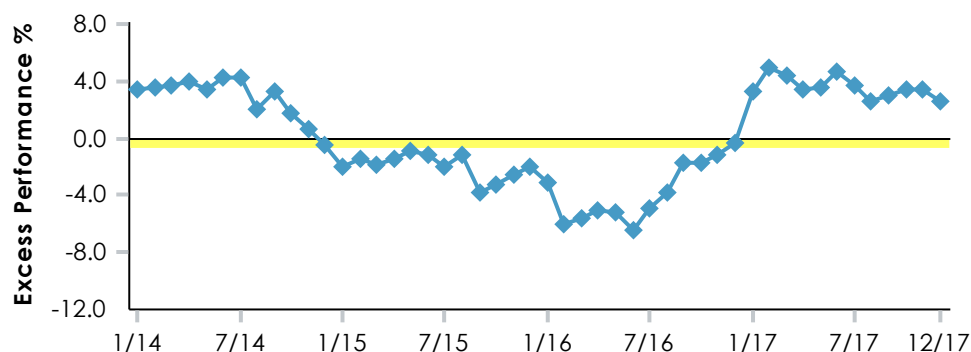
REVIEW OF FUNDS – PUTNAM 529 FOR AMERICA PLAN

SECTION 6

PUTNAM – INDIVIDUAL FUND OPTIONS

Putnam Income vs. Bloomberg Barclays U.S. Aggregate Index

Short-term (Rolling 12 Months Excess Performance)

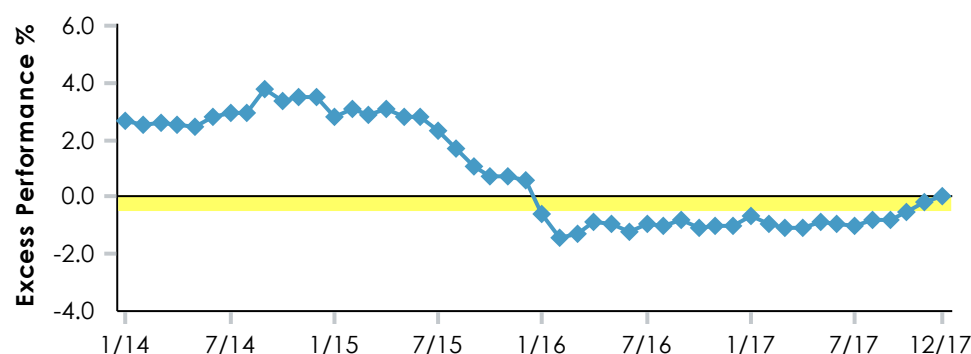


Short-term Performance:

Positive

Probationary Performance = -0.75%

Medium-term (Rolling 36 Months Excess Performance)

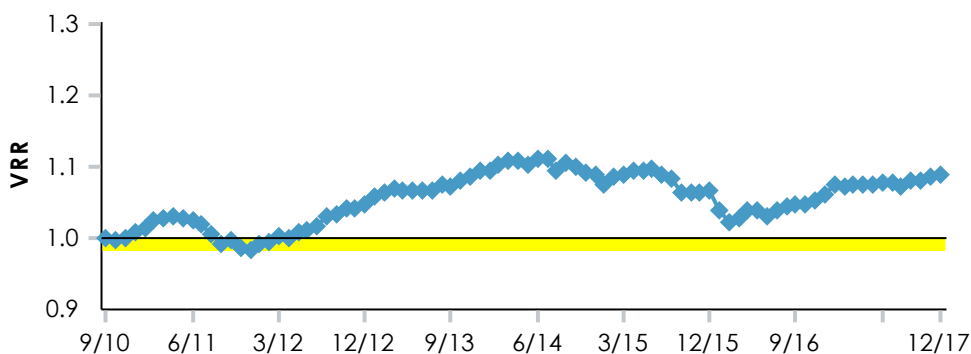


Medium-term Performance:

Acceptable

Probationary Performance = -0.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Positive

Probationary Performance = 0.98%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|---|--------------|-----------|------------|------------|--------------------------------|
| Putnam Income | 1.2 (2) | 6.1 (2) | 2.2 (43) | 2.9 (5) | 4.1 (3) |
| Bloomberg Barclays U.S. Aggregate Index | 0.4 (39) | 3.5 (52) | 2.2 (43) | 2.1 (39) | 2.9 (52) |
| IM U.S. Broad Market Core F.I. Median | 0.3 | 3.6 | 2.2 | 2.0 | 2.9 |

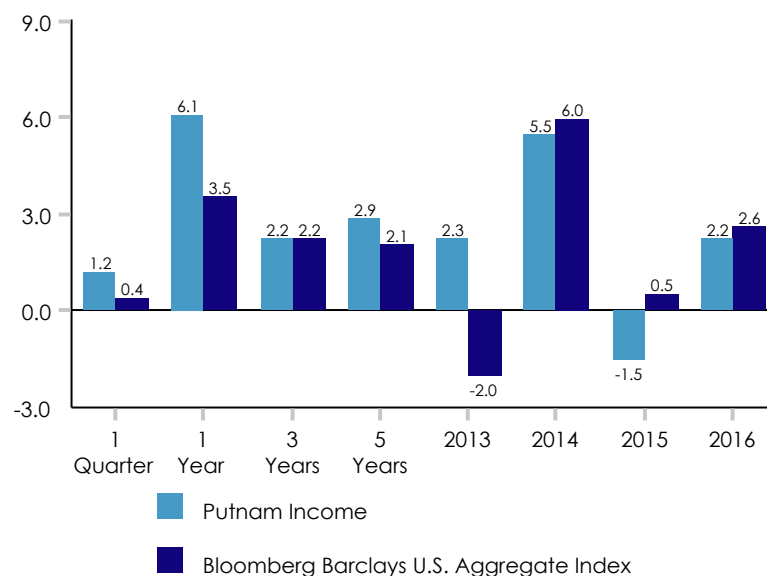
Monitoring Status

On Watch

Mutual Fund Info

Product Name : Putnam Income;Y (PNCYX)
 Fund Family : Putnam Investment Management LLC
 Ticker : PNCYX
 Peer Group : IM U.S. Broad Market Core Fixed Income (MF)
 Benchmark : Bloomberg Barclays U.S. Aggregate
 Fund Inception : 06/16/1994
 Portfolio Manager : Salm/Kozlowski
 Total Assets : \$577 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 0.6%
 Net Expense : 0.6%
 Turnover : 981%

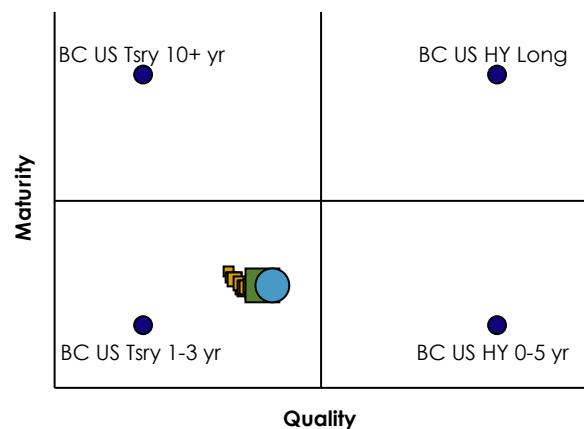
Comparative Performance



Fund Investment Policy

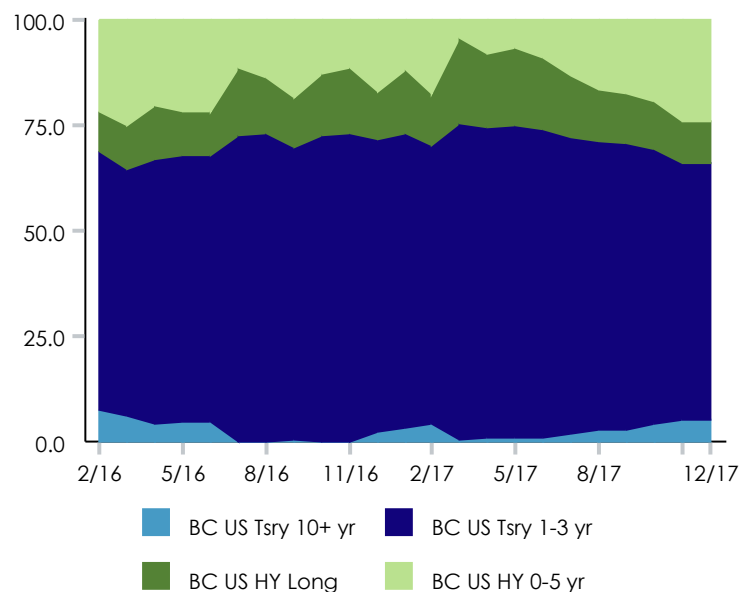
The Fund seeks high current income consistent with prudent risk. The Fund invests mainly in bonds that are securitized debt instruments and other obligations of companies and governments worldwide denominated in U.S. dollars; and have intermediate- to long-term maturities (three years or longer).

Style Map (5 Years)



- Style History
- Dec-2017
- Average Style Exposure

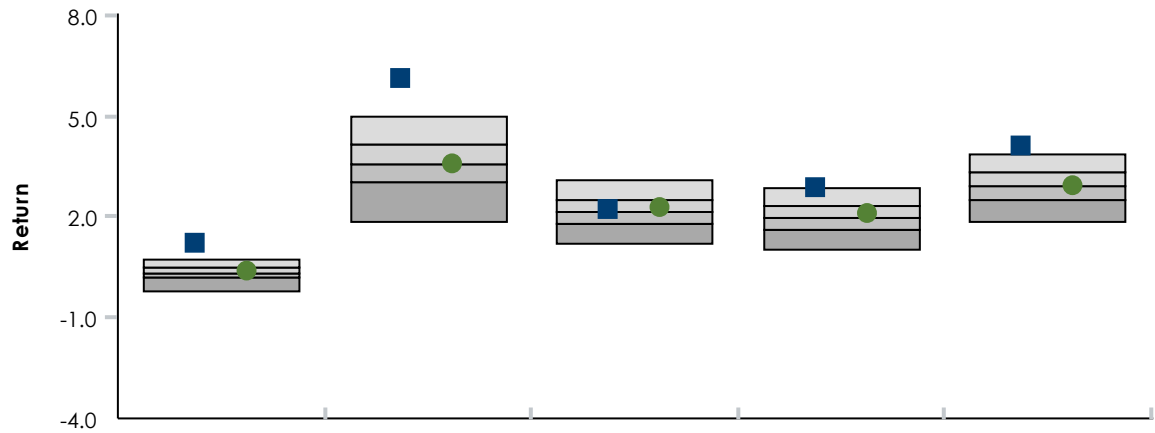
Style History (5 Years)



Historical Statistics (5 Years)

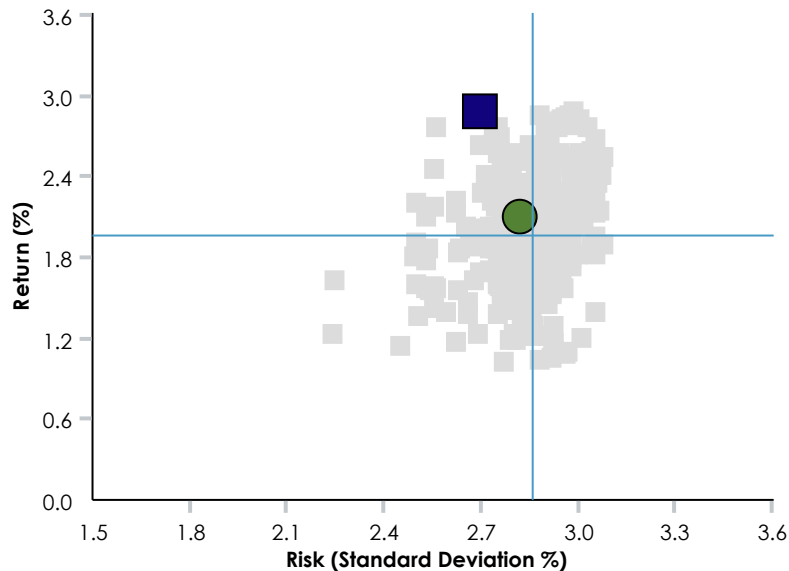
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|------------------------------------|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| Putnam Income | 2.9 | 2.7 | 1.0 | 1.7 | 0.6 | 0.3 | 2.5 | 0.3 | 78.0 | 34.4 |
| Bbg. BC U.S. Aggregate Index | 2.1 | 2.8 | 0.7 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| U.S. Broad Market Core F.I. Median | 2.0 | 2.9 | 0.6 | -0.1 | 1.0 | 0.9 | 0.8 | -0.2 | 98.2 | 100.0 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|--------------------------------|-----------|----------|----------|----------|-----------------------------|
| ■ Putnam Income | 1.2 (2) | 6.1 (2) | 2.2 (43) | 2.9 (5) | 4.1 (3) |
| ● Bbg. BC U.S. Aggregate Index | 0.4 (39) | 3.5 (52) | 2.2 (43) | 2.1 (39) | 2.9 (52) |
| Median | 0.3 | 3.6 | 2.2 | 2.0 | 2.9 |

Peer Group Scattergram (5 Years)



| | Return | Standard Deviation |
|--------------------------------|--------|--------------------|
| ■ Putnam Income | 2.9 | 2.7 |
| ● Bbg. BC U.S. Aggregate Index | 2.1 | 2.8 |
| — Median | 2.0 | 2.9 |

Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|------|
| Market Capture | | |
| Up Markets | 36 | 78.0 |
| Down Markets | 24 | 34.4 |
| Batting Average | | |
| Up Markets | 36 | 50.0 |
| Down Markets | 24 | 83.3 |
| Overall | 60 | 63.3 |

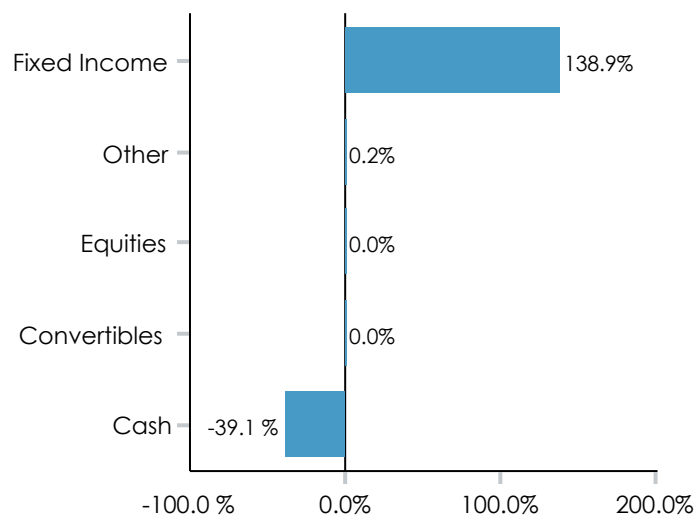
Portfolio Characteristics (As of 9/30/2017)

| | |
|---------------------|-------------|
| Avg. Coupon | 5.54 % |
| Nominal Maturity | N/A |
| Effective Maturity | 13.57 Years |
| Duration | 5.20 Years |
| SEC 30 Day Yield | 5.7 |
| Avg. Credit Quality | A |

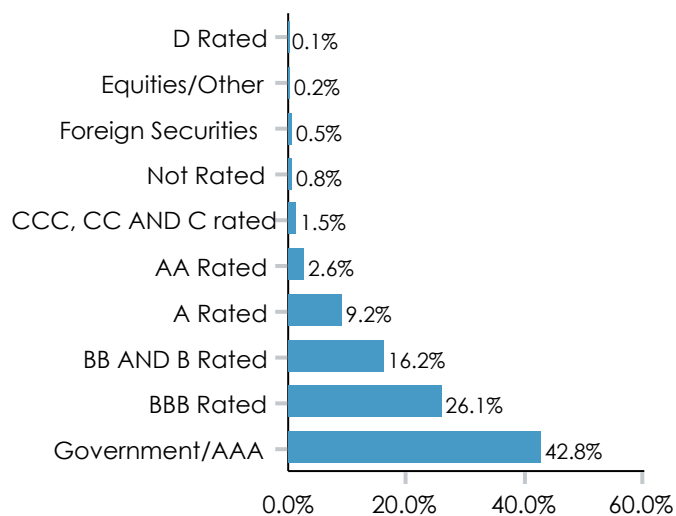
Top 10 Holdings (As of 9/30/2017)

| | |
|---------------------------------|---------|
| GNMA and Other Mtg Backed | 105.9 % |
| Corporate Notes/Bonds | 31.8 % |
| Asset Backed Securities | 0.5 % |
| Fgn. Currency Denominated Bonds | 0.5 % |
| Treasury Notes/Bonds | 0.0% |

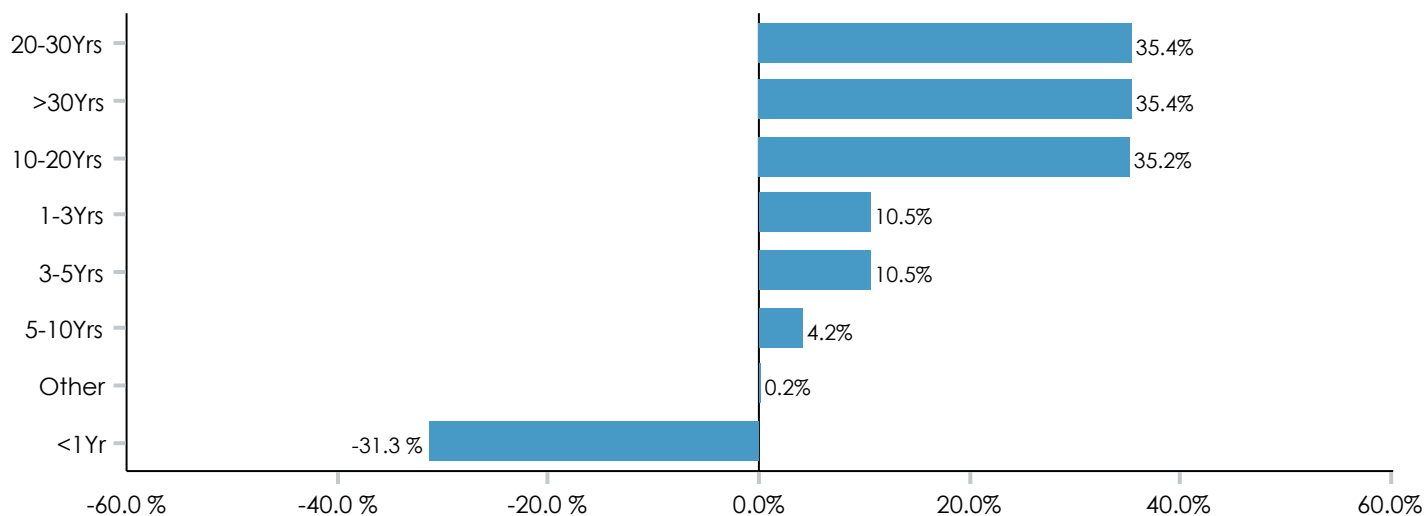
Asset Allocation (As of 9/30/2017)



Quality Allocation (As of 9/30/2017)

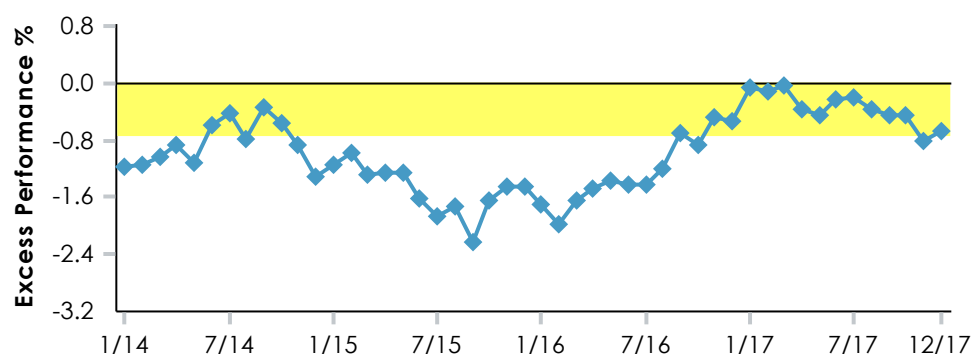


Maturity Distribution (As of 9/30/2017)



Federated U.S. Govt. Securities: 2-5 Years vs. ICE BofAML 3-5 Year U.S. Treasury

Short-term (Rolling 12 Months Excess Performance)

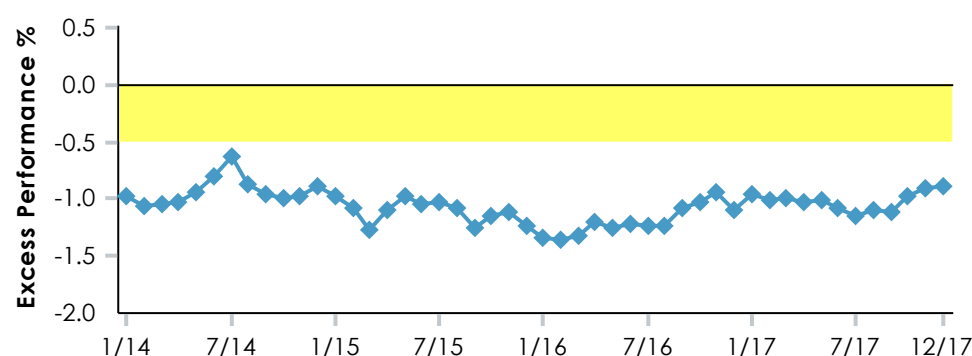


Short-term Performance:

Acceptable

Probationary Performance = -0.75%

Medium-term (Rolling 36 Months Excess Performance)

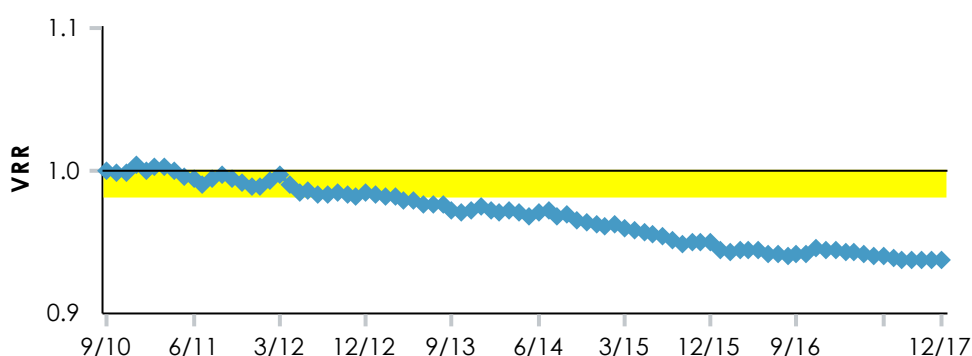


Medium-term Performance:

Caution

Probationary Performance = -0.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.98%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|--|--------------|-----------|------------|------------|--------------------------------|
| Federated U.S. Govt. Securities: 2-5 Years | -0.5 (96) | 0.3 (70) | 0.4 (62) | 0.0 (77) | 0.6 (41) |
| ICE BofAML 3-5 Year U.S. Treasury | -0.6 (97) | 1.0 (24) | 1.3 (5) | 1.0 (4) | 1.5 (2) |
| IM U.S. Short Term Treasury/Govt Bonds (MF) Median | -0.2 | 0.5 | 0.5 | 0.4 | 0.6 |

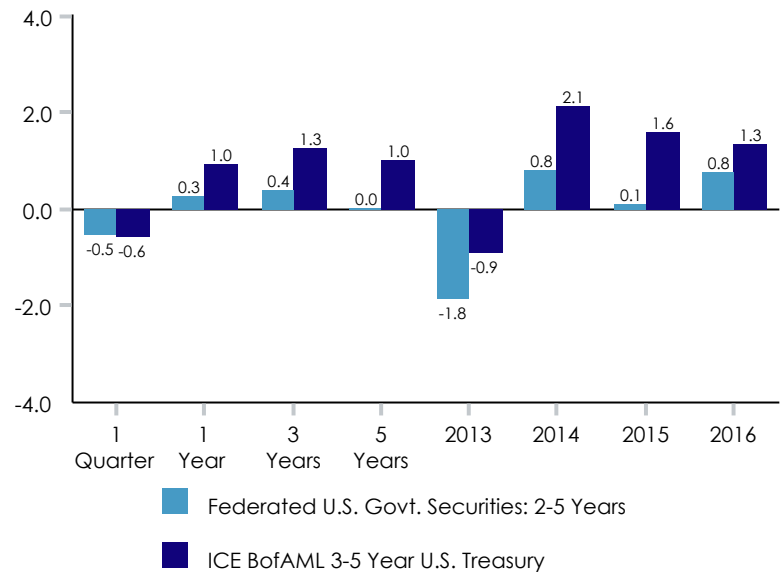
Monitoring Status

Caution

Mutual Fund Info

Product Name : Federated Govt 2-5;Inst (FIGTX)
 Fund Family : Federated Investors
 Ticker : FIGTX
 Peer Group : IM U.S. Short Term Treasury/Govt Bonds (MF)
 Benchmark : Bloomberg Barclays 1-3 Year Government
 Fund Inception : 02/18/1983
 Portfolio Manager : J. Andrew Kirschler
 Total Assets : \$356 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 0.9%
 Net Expense : 0.6%
 Turnover : 125%

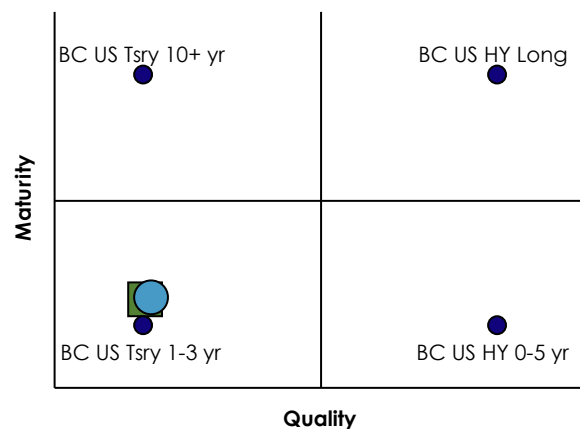
Comparative Performance



Fund Investment Policy

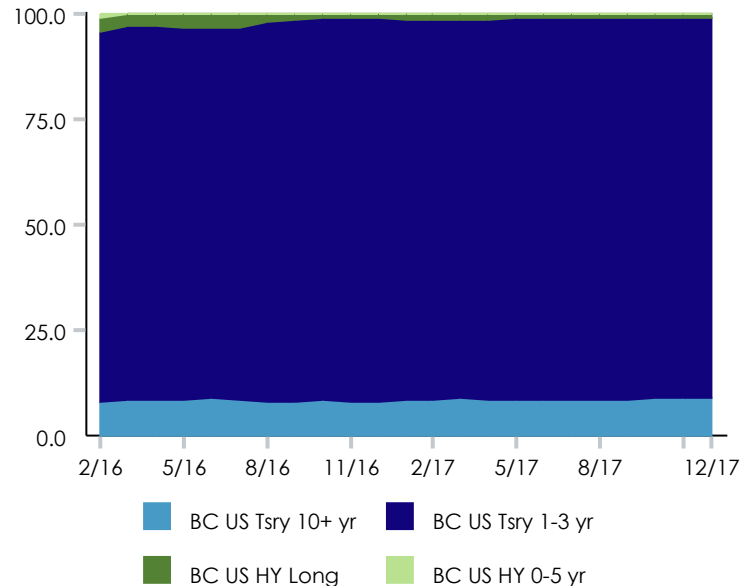
The Fund seeks current income by investing in US Government securities with remaining maturities of 5 years or less.

Style Map (5 Years)



- Style History
- Dec-2017
- Average Style Exposure

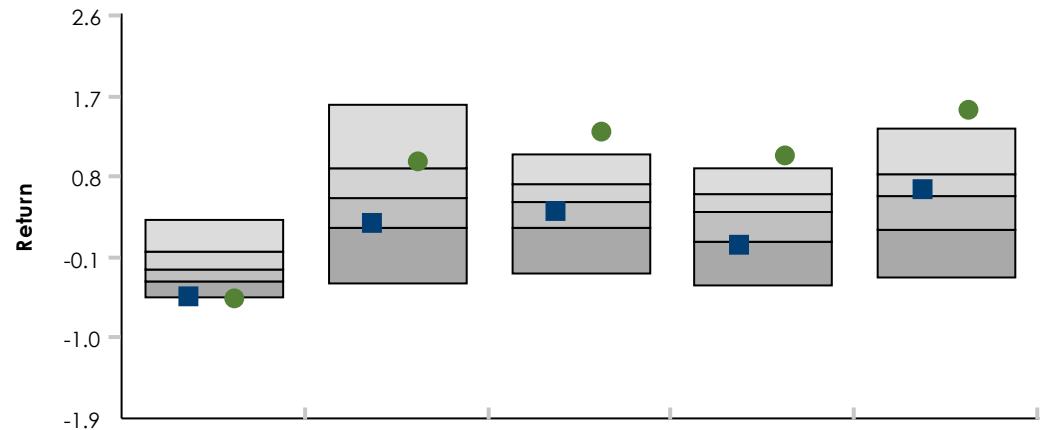
Style History (5 Years)



Historical Statistics (5 Years)

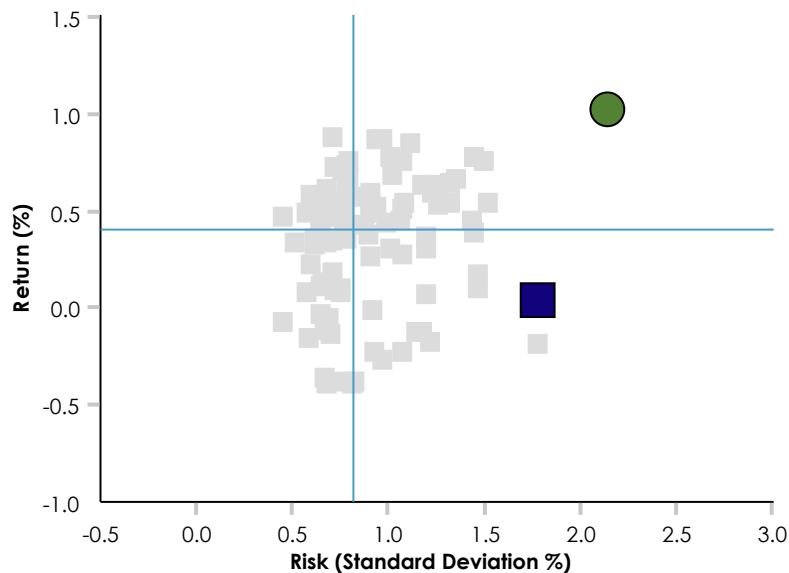
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|--|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| Federated U.S. Govt. Securities: 2-5 Years | 0.0 | 1.8 | -0.1 | -0.8 | 0.8 | 0.9 | 0.6 | -1.6 | 67.5 | 94.6 |
| ICE BofAML 3-5 Year U.S. Treasury | 1.0 | 2.2 | 0.4 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM U.S. ST Treasury/Govt Bonds (MF) Median | 0.4 | 0.8 | 0.2 | 0.0 | 0.3 | 0.8 | 1.5 | -0.4 | 34.6 | 35.2 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|--|-----------|----------|----------|----------|-----------------------------|
| ■ Federated U.S. Govt. Securities: 2-5 Years | -0.5 (96) | 0.3 (70) | 0.4 (62) | 0.0 (77) | 0.6 (41) |
| ● ICE BofAML 3-5 Year U.S. Treasury | -0.6 (97) | 1.0 (24) | 1.3 (5) | 1.0 (4) | 1.5 (2) |
| Median | -0.2 | 0.5 | 0.5 | 0.4 | 0.6 |

Peer Group Scattergram (5 Years)



Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|------|
| Market Capture | | |
| Up Markets | 34 | 67.5 |
| Down Markets | 26 | 94.6 |
| Batting Average | | |
| Up Markets | 34 | 14.7 |
| Down Markets | 26 | 57.7 |
| Overall | 60 | 33.3 |

| | Return | Standard Deviation |
|--|--------|--------------------|
| ■ Federated U.S. Govt. Securities: 2-5 Years | 0.0 | 1.8 |
| ● ICE BofAML 3-5 Year U.S. Treasury | 1.0 | 2.2 |
| — Median | 0.4 | 0.8 |

Federated U.S. Govt. Securities: 2-5 Years

December 31, 2017

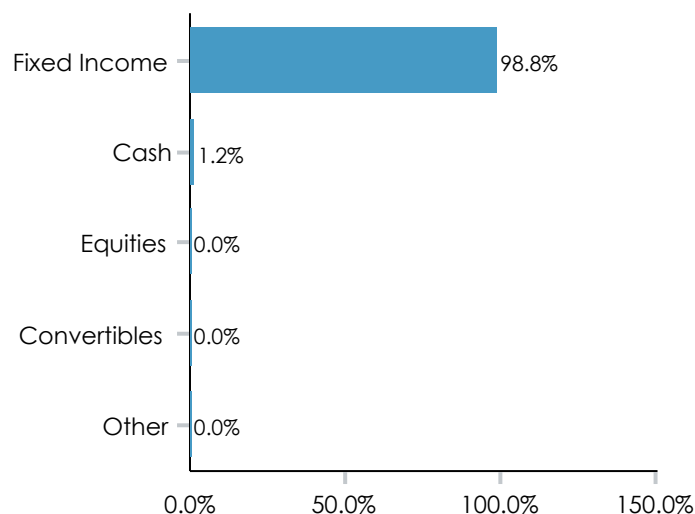
Portfolio Characteristics (As of 9/30/2017)

| | |
|---------------------|------------|
| Avg. Coupon | 5.27 % |
| Nominal Maturity | N/A |
| Effective Maturity | 9.20 Years |
| Duration | 6.30 Years |
| SEC 30 Day Yield | 0.4 |
| Avg. Credit Quality | AAA |

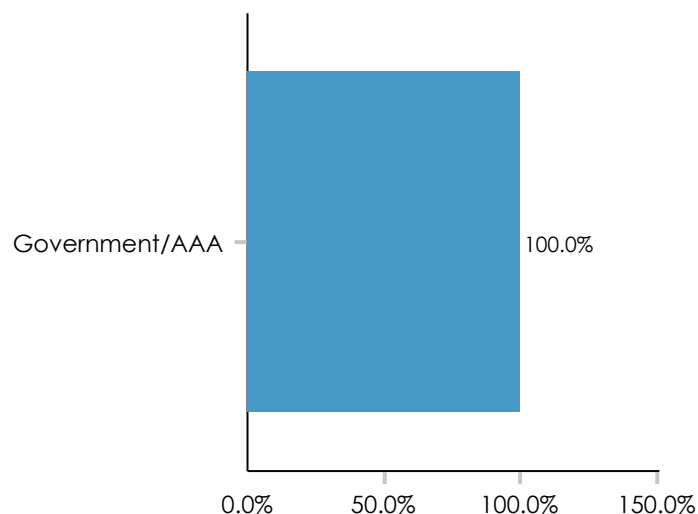
Top 10 Holdings (As of 9/30/2017)

| | |
|---------------------------|--------|
| Treasury Notes/Bonds | 95.3 % |
| GNMA and Other Mtg Backed | 3.5 % |

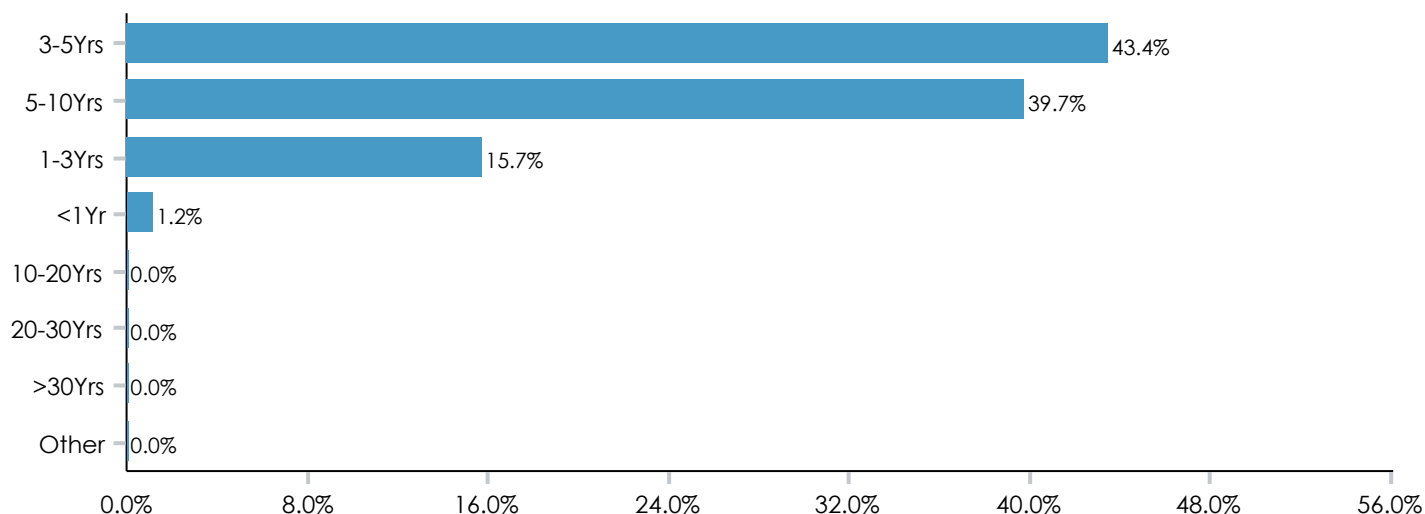
Asset Allocation (As of 9/30/2017)



Quality Allocation (As of 9/30/2017)



Maturity Distribution (As of 9/30/2017)

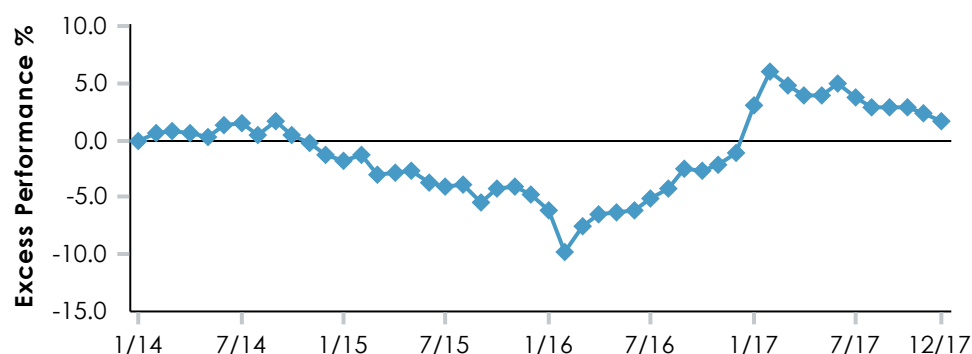


SECTION 6

PUTNAM – ABSOLUTE RETURN FUNDS

Putnam Absolute Return 300 vs. BofAML T-Bill + 3.0%

Short-term (Rolling 12 Months Excess Performance)

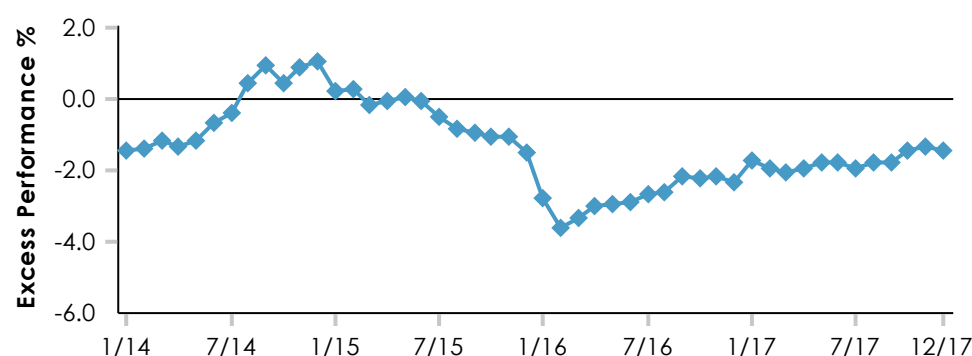


Short-term Performance:

Positive

Probationary Performance = 0.00%

Medium-term (Rolling 36 Months Excess Performance)

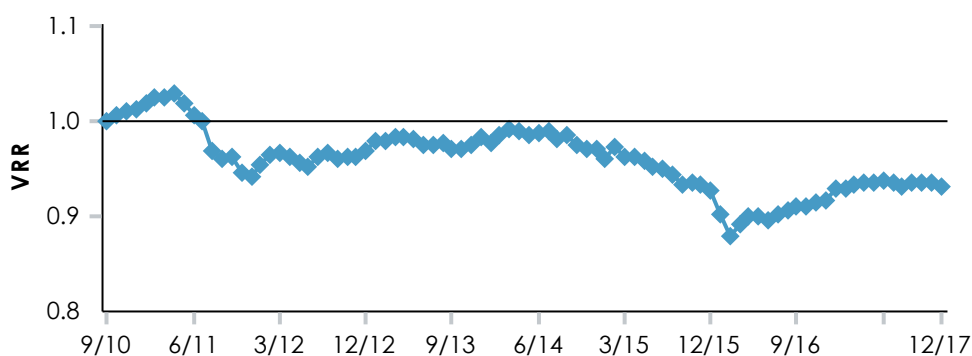


Medium-term Performance:

Caution

Probationary Performance = 0.00%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 1.00%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|--------------------------------|--------------|-----------|------------|------------|--------------------------------|
| Putnam Absolute Return 300 | 0.6 (64) | 5.5 (43) | 2.0 (56) | 2.5 (51) | 2.2 (54) |
| BofAML T-Bill + 3.0% | 1.0 (48) | 3.9 (60) | 3.4 (35) | 3.3 (38) | 3.2 (37) |
| IM Absolute Return (MF) Median | 1.0 | 5.0 | 2.4 | 2.5 | 2.4 |

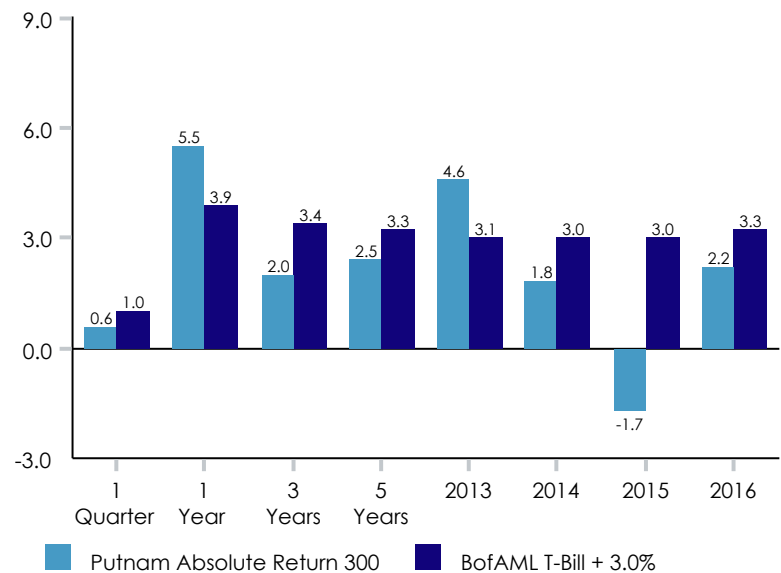
Monitoring Status

Caution

Mutual Fund Info

Product Name : Putnam Abs Return 300;Y (PYTRX)
 Fund Family : Putnam Investment Management LLC
 Ticker : PYTRX
 Peer Group : IM Absolute Return (MF)
 Benchmark : ICE BofAML LIBOR 3-month Constant Maturity
 Fund Inception : 12/23/2008
 Portfolio Manager : Kohli/Salm/Scanlon
 Total Assets : \$133 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 0.5%
 Net Expense : 0.5%
 Turnover : 428%

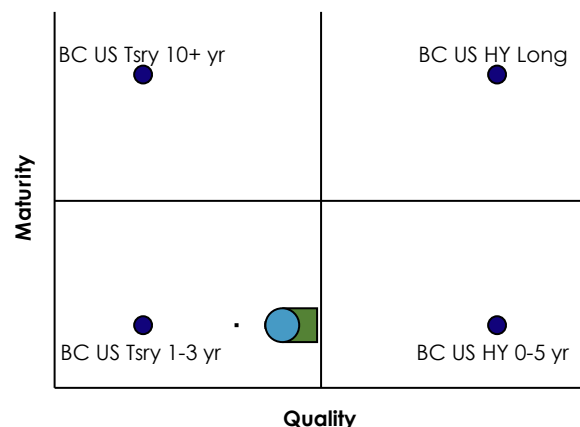
Comparative Performance



Fund Investment Policy

The Fund seeks to earn a positive total return that exceeds the rate of inflation by 300 basis points over a reasonable period of time regardless of market conditions by employing a broadly diversified portfolio of uncorrelated fixed income strategies designed to exploit market inefficiencies across global markets.

Style Map (5 Years)

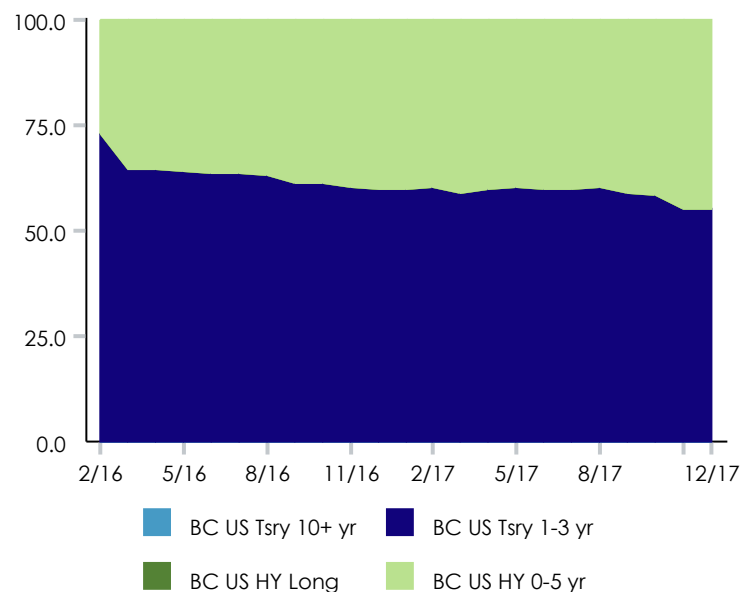


Style History

Dec-2017

Average Style Exposure

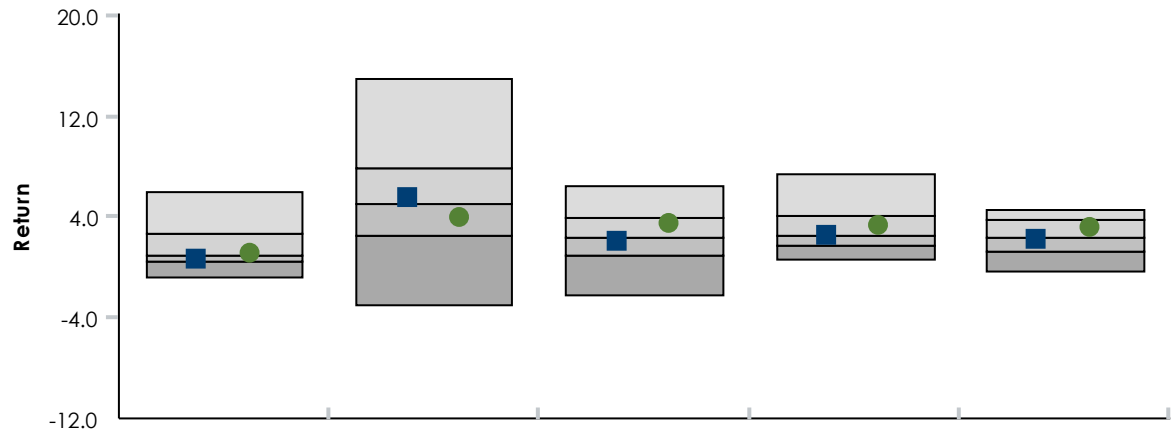
Style History (5 Years)



Historical Statistics (5 Years)

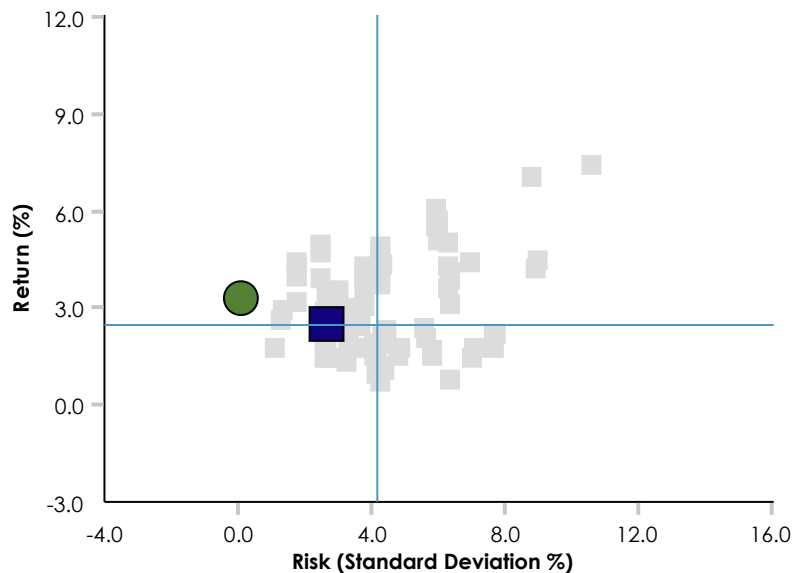
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|--------------------------------|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| Putnam Absolute Return 300 | 2.5 | 2.7 | 0.8 | -8.8 | 3.6 | 0.0 | 2.7 | -0.3 | 76.9 | N/A |
| BofAML T-Bill + 3.0% | 3.3 | 0.1 | 11,408.3 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | N/A |
| IM Absolute Return (MF) Median | 2.5 | 4.2 | 0.7 | -6.1 | 3.6 | 0.0 | 4.1 | -0.1 | 77.4 | N/A |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|----------------------------|-----------|----------|----------|----------|-----------------------------|
| Putnam Absolute Return 300 | 0.6 (64) | 5.5 (43) | 2.0 (56) | 2.5 (51) | 2.2 (54) |
| BofAML T-Bill + 3.0% | 1.0 (48) | 3.9 (60) | 3.4 (35) | 3.3 (38) | 3.2 (37) |
| Median | 1.0 | 5.0 | 2.4 | 2.5 | 2.4 |

Peer Group Scattergram (5 Years)



Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|------|
| Market Capture | | |
| Up Markets | 60 | 76.9 |
| Down Markets | 0 | |
| Batting Average | | |
| Up Markets | 60 | 48.3 |
| Down Markets | 0 | |
| Overall | 60 | 48.3 |

| | Return | Standard Deviation |
|----------------------------|--------|--------------------|
| Putnam Absolute Return 300 | 2.5 | 2.7 |
| BofAML T-Bill + 3.0% | 3.3 | 0.1 |
| Median | 2.5 | 4.2 |

Putnam Absolute Return 300

December 31, 2017

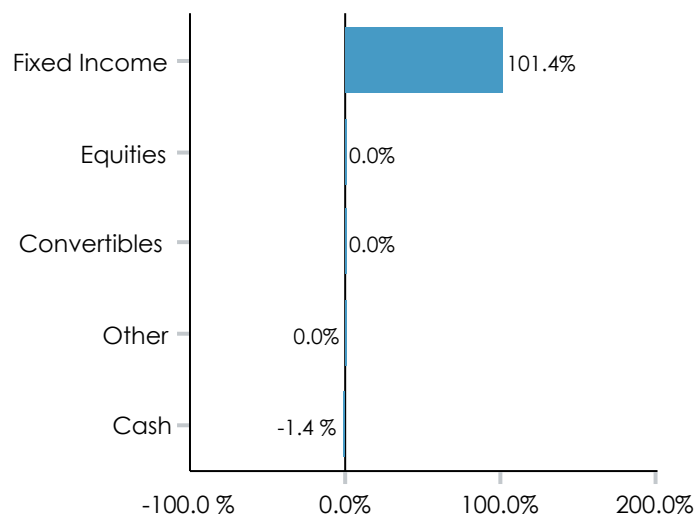
Portfolio Characteristics (As of 9/30/2017)

| | |
|------------------|---------------|
| Total Securities | 454 |
| Avg. Market Cap | \$818 Million |
| P/E | N/A |
| P/B | 5.3 |
| Div. Yield | N/A |
| Annual EPS | -50.0 |
| 5Yr EPS | N/A |
| 3Yr EPS Growth | N/A |

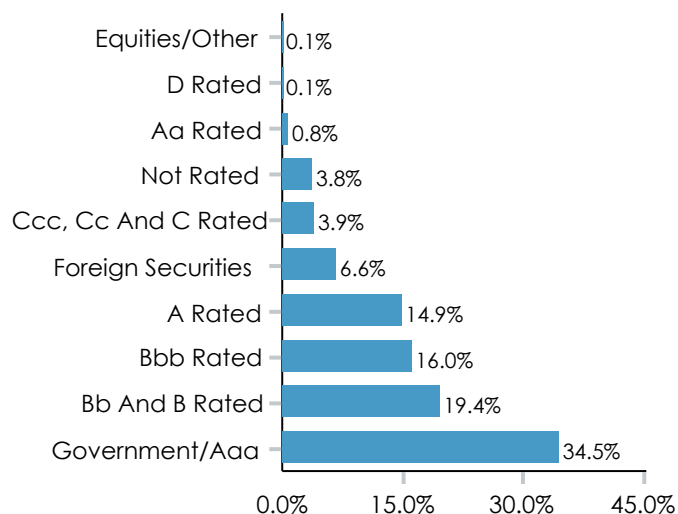
Top 10 Holdings (As of 9/30/2017)

| | |
|--------------------------------|-------|
| Vantage Drilling International | 0.1 % |
|--------------------------------|-------|

Asset Allocation (As of 9/30/2017)



Quality Allocation (As of 3/31/2017)

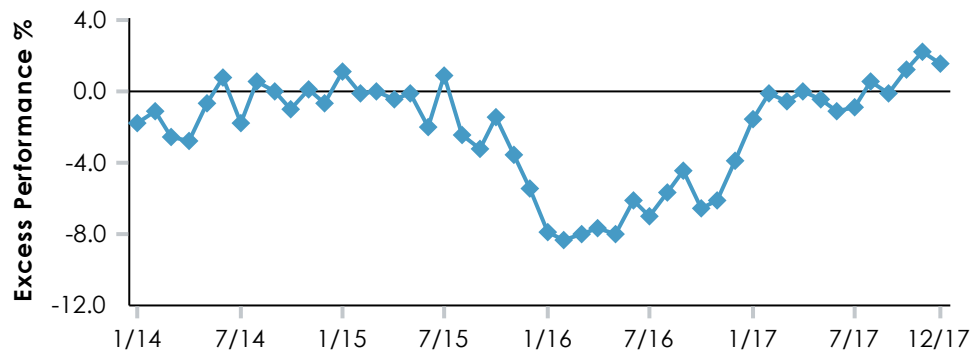


Maturity Distribution (As of 1/1/0001)

No data found.

Putnam Absolute Return 500 vs. BofAML T-Bill + 5.0%

Short-term (Rolling 12 Months Excess Performance)

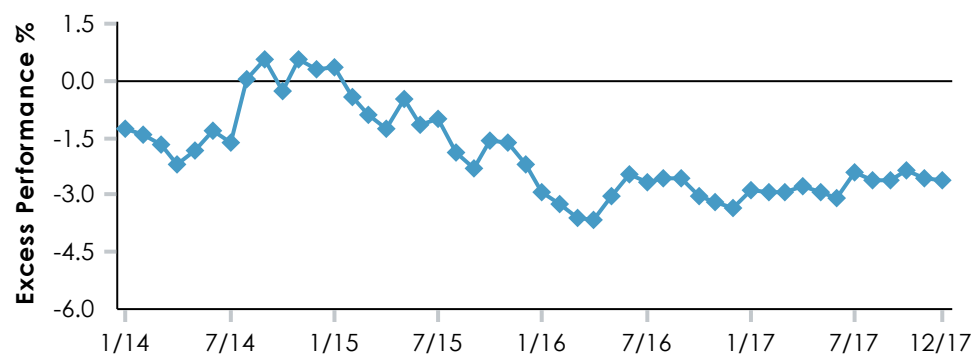


Short-term Performance:

Positive

Probationary Performance = 0.00%

Medium-term (Rolling 36 Months Excess Performance)

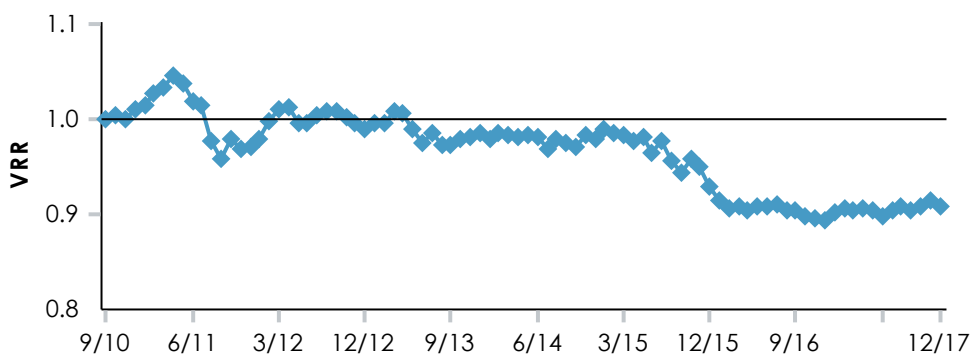


Medium-term Performance:

Caution

Probationary Performance = 0.00%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 1.00%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|--------------------------------|--------------|-----------|------------|------------|--------------------------------|
| Putnam Absolute Return 500 | 2.0 (32) | 7.5 (30) | 2.8 (45) | 3.5 (37) | 3.8 (26) |
| BofAML T-Bill + 5.0% | 1.5 (40) | 5.9 (41) | 5.4 (9) | 5.3 (10) | 5.2 (1) |
| IM Absolute Return (MF) Median | 1.0 | 5.0 | 2.4 | 2.5 | 2.4 |

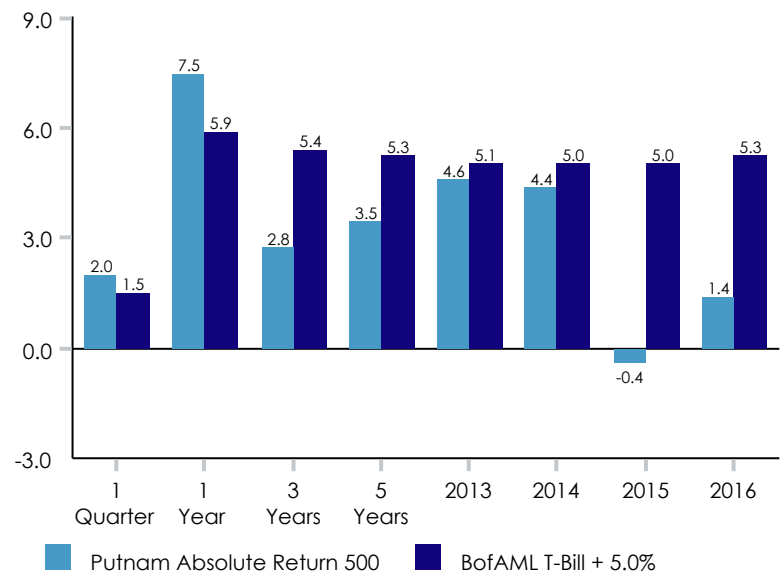
Monitoring Status

Caution

Mutual Fund Info

Product Name : Putnam Abs Return 500;Y (PJMYX)
 Fund Family : Putnam Investment Management LLC
 Ticker : PJMYX
 Peer Group : IM Absolute Return (MF)
 Benchmark : ICE BofAML LIBOR 3-month Constant Maturity
 Fund Inception : 12/23/2008
 Portfolio Manager : Team Managed
 Total Assets : \$410 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 0.9%
 Net Expense : 0.8%
 Turnover : 522%

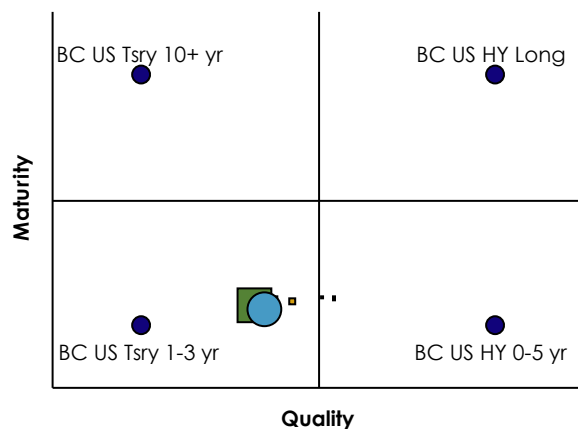
Comparative Performance



Fund Investment Policy

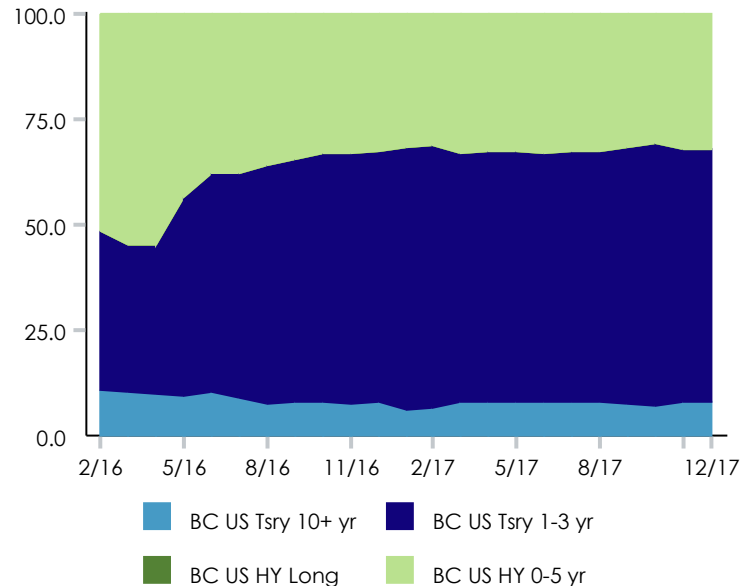
The Fund seeks to earn a positive total return that exceeds the rate of inflation by 500 basis points over a reasonable period of time regardless of market conditions. The Fund will use a globally diversified asset allocation strategy. The Fund may also use various overlay strategies to provide additional total return.

Style Map (5 Years)



- Style History
- Dec-2017
- Average Style Exposure

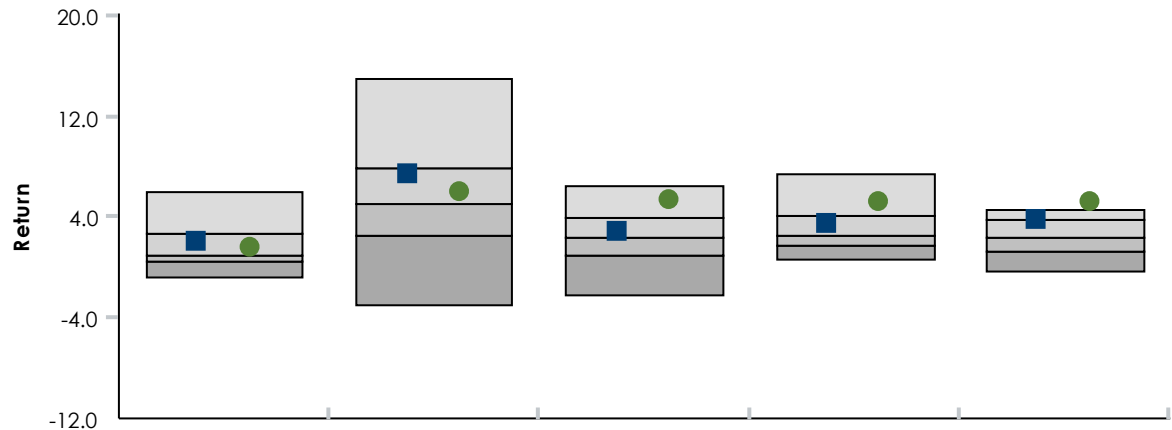
Style History (5 Years)



Historical Statistics (5 Years)

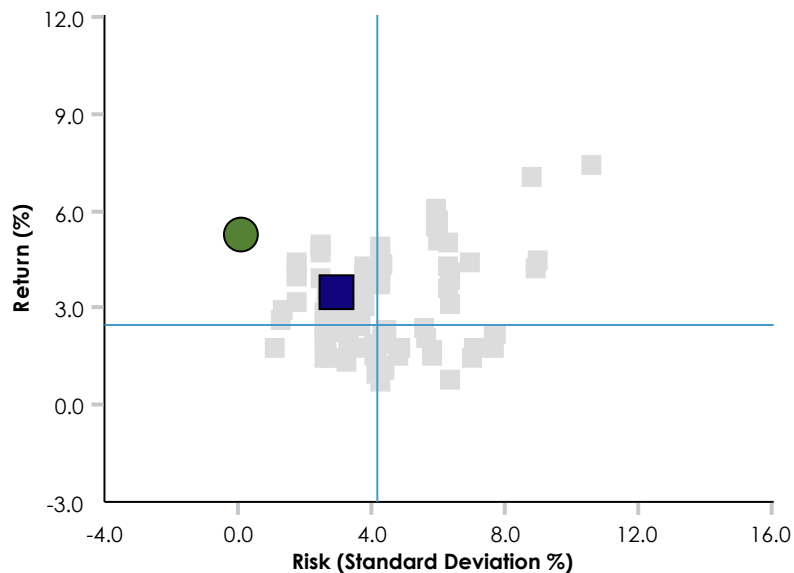
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|--------------------------------|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| Putnam Absolute Return 500 | 3.5 | 3.0 | 1.1 | -9.2 | 2.5 | 0.0 | 3.0 | -0.6 | 67.1 | N/A |
| BofAML T-Bill + 5.0% | 5.3 | 0.1 | 11,408.3 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | N/A |
| IM Absolute Return (MF) Median | 2.5 | 4.2 | 0.7 | -11.2 | 3.6 | 0.0 | 4.1 | -0.6 | 48.3 | N/A |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|------------------------------|-----------|----------|----------|----------|-----------------------------|
| ■ Putnam Absolute Return 500 | 2.0 (32) | 7.5 (30) | 2.8 (45) | 3.5 (37) | 3.8 (26) |
| ● BofAML T-Bill + 5.0% | 1.5 (40) | 5.9 (41) | 5.4 (9) | 5.3 (10) | 5.2 (1) |
| Median | 1.0 | 5.0 | 2.4 | 2.5 | 2.4 |

Peer Group Scattergram (5 Years)



| | Return | Standard Deviation |
|------------------------------|--------|--------------------|
| ■ Putnam Absolute Return 500 | 3.5 | 3.0 |
| ● BofAML T-Bill + 5.0% | 5.3 | 0.1 |
| — Median | 2.5 | 4.2 |

Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|------|
| Market Capture | | |
| Up Markets | 60 | 67.1 |
| Down Markets | 0 | |
| Batting Average | | |
| Up Markets | 60 | 46.7 |
| Down Markets | 0 | |
| Overall | 60 | 46.7 |

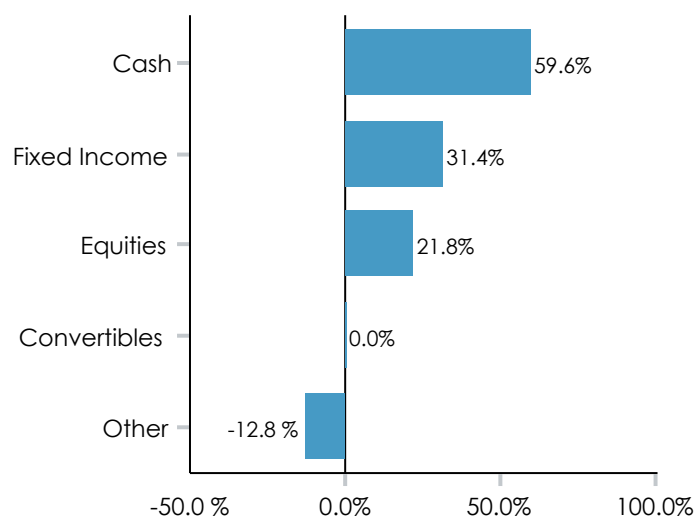
Portfolio Characteristics (As of 9/30/2017)

| | |
|------------------|------------------|
| Total Securities | 574 |
| Avg. Market Cap | \$97,824 Million |
| P/E | 17.2 |
| P/B | 3.7 |
| Div. Yield | N/A |
| Annual EPS | 25.5 |
| 5Yr EPS | 14.8 |
| 3Yr EPS Growth | N/A |

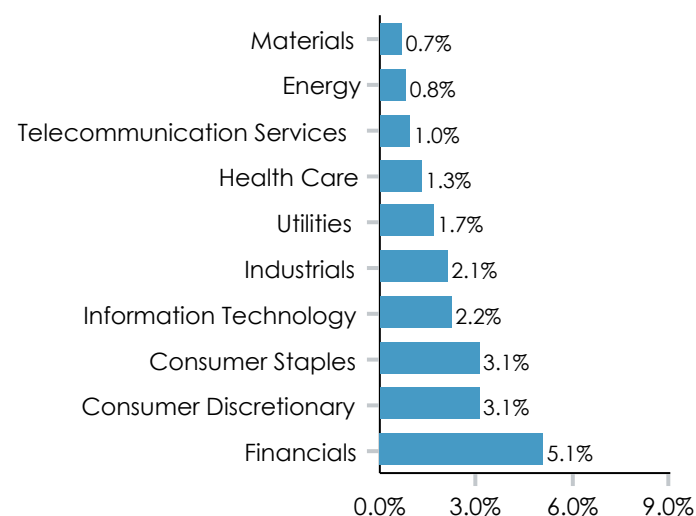
Top 10 Holdings (As of 9/30/2017)

| | |
|--------------------------------------|-------|
| iShares MSCI India ETF | 1.2 % |
| Financial Select Sector SPDR Fund | 1.1 % |
| Health Care Select Sector SPDR | 1.1 % |
| Consumer Discretionary Select Sector | 1.1 % |
| Technology Select Sector SPDR Fund | 1.1 % |
| Consumer Staples Select Sector | 1.1 % |
| Utilities Select Sector SPDR Fund | 1.0 % |
| Samsung Electronics Co Ltd ORD | 1.0 % |
| DISH Network Corp ORD | 1.0 % |
| Tencent Holdings Ltd ORD | 0.4 % |

Asset Allocation (As of 9/30/2017)



Quality Allocation (As of 9/30/2017)

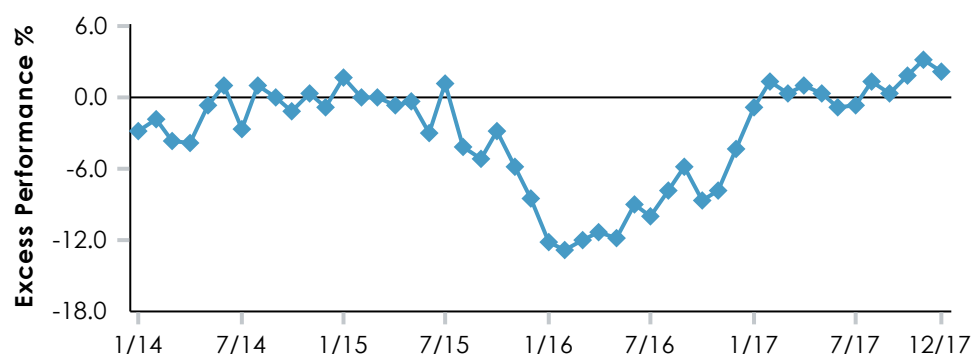


Maturity Distribution (As of 1/1/0001)

No data found.

Putnam Absolute Return 700 vs. BofAML T-Bill + 7.0%

Short-term (Rolling 12 Months Excess Performance)

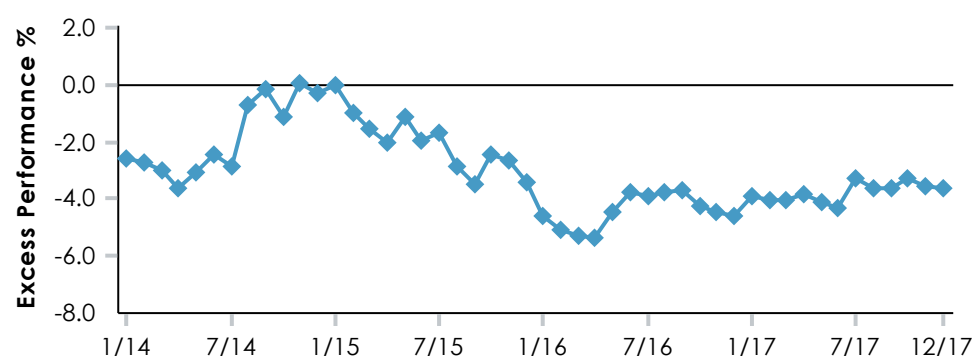


Short-term Performance:

Positive

Probationary Performance = 0.00%

Medium-term (Rolling 36 Months Excess Performance)

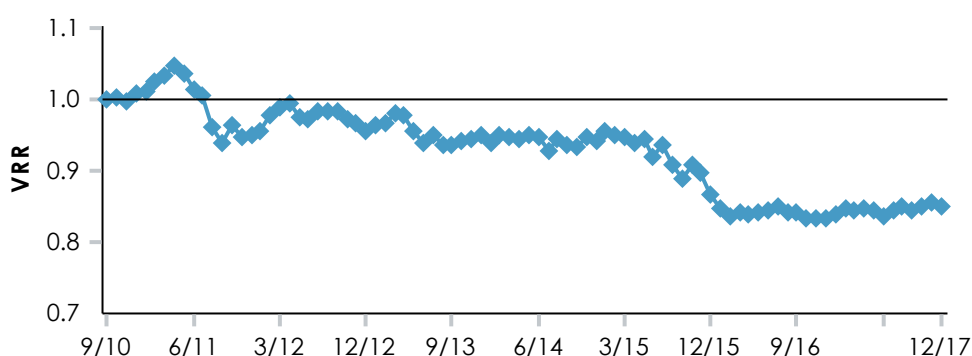


Medium-term Performance:

Caution

Probationary Performance = 0.00%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 1.00%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|--------------------------------|--------------|-----------|------------|------------|--------------------------------|
| Putnam Absolute Return 700 | 2.7 (23) | 10.1 (16) | 3.8 (28) | 4.7 (15) | 4.8 (2) |
| BofAML T-Bill + 7.0% | 2.0 (32) | 7.9 (25) | 7.4 (1) | 7.3 (6) | 7.2 (1) |
| IM Absolute Return (MF) Median | 1.0 | 5.0 | 2.4 | 2.5 | 2.4 |

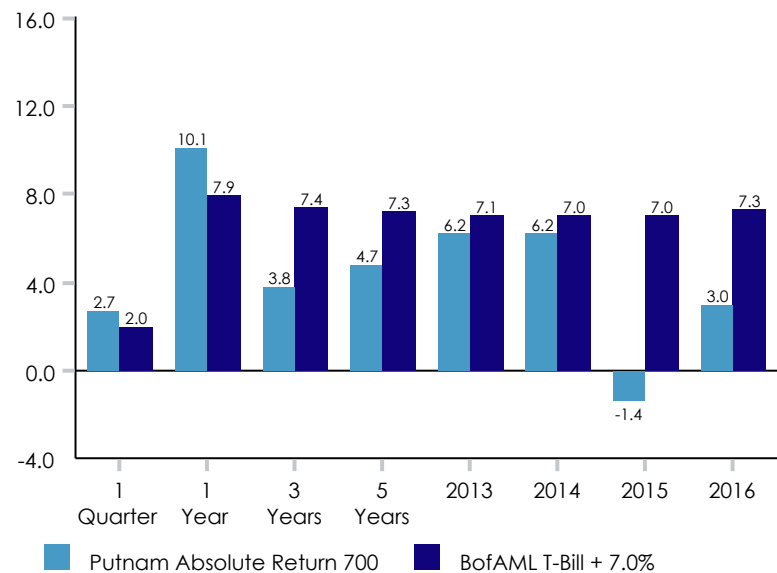
Monitoring Status

Caution

Mutual Fund Info

Product Name : Putnam Abs Return 700;Y (PDMYX)
 Fund Family : Putnam Investment Management LLC
 Ticker : PDMYX
 Peer Group : IM Absolute Return (MF)
 Benchmark : ICE BofAML LIBOR 3-month Constant Maturity
 Fund Inception : 12/23/2008
 Portfolio Manager : Team Managed
 Total Assets : \$641 Million
 Total Assets Date : 11/30/2017
 Gross Expense : 1.0%
 Net Expense : 1.0%
 Turnover : 578%

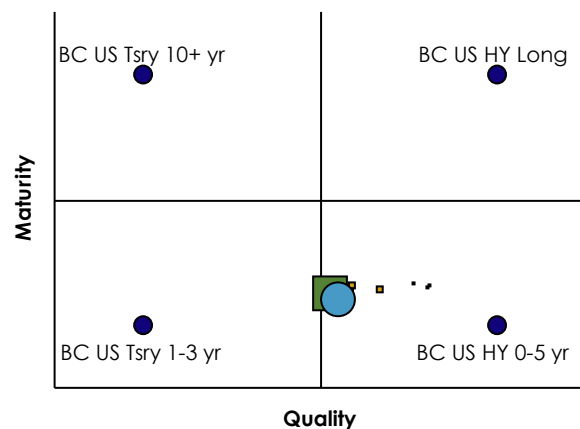
Comparative Performance



Fund Investment Policy

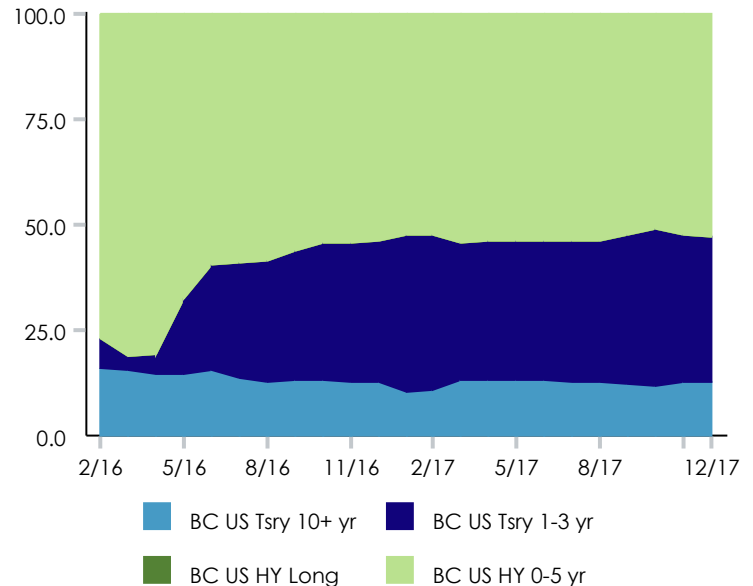
The Fund seeks to earn a positive total return that exceeds the rate of inflation by 700 basis points over a reasonable period of time regardless of market conditions. The Fund will use a globally diversified asset allocation strategy. The Fund may also use various overlay strategies to provide additional total return.

Style Map (5 Years)



- Style History
- Dec-2017
- Average Style Exposure

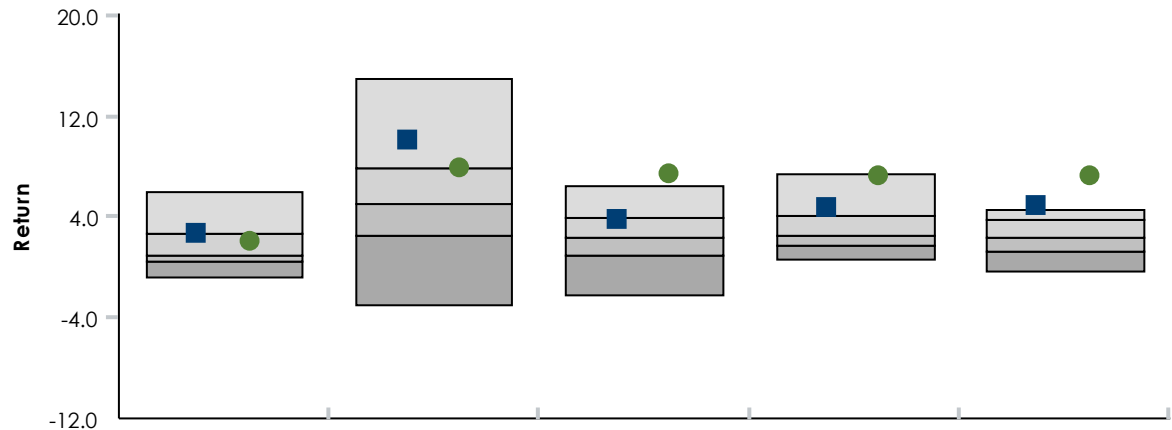
Style History (5 Years)



Historical Statistics (5 Years)

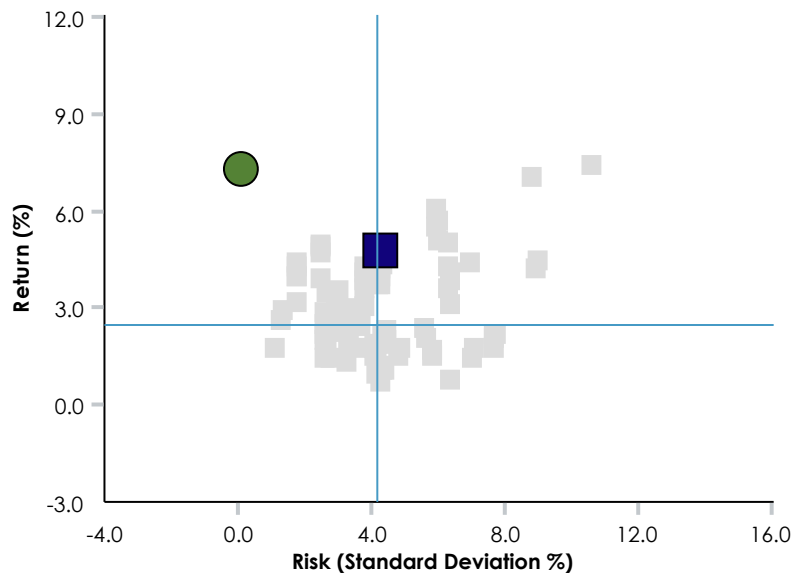
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|--------------------------------|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| Putnam Absolute Return 700 | 4.7 | 4.3 | 1.1 | -19.9 | 3.8 | 0.0 | 4.3 | -0.5 | 67.4 | N/A |
| BofAML T-Bill + 7.0% | 7.3 | 0.1 | 11,408.3 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | N/A |
| IM Absolute Return (MF) Median | 2.5 | 4.2 | 0.7 | -17.5 | 3.6 | 0.0 | 4.1 | -1.1 | 35.3 | N/A |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | Since Inception (10/1/2010) |
|------------------------------|-----------|-----------|----------|----------|-----------------------------|
| ■ Putnam Absolute Return 700 | 2.7 (23) | 10.1 (16) | 3.8 (28) | 4.7 (15) | 4.8 (2) |
| ● BofAML T-Bill + 7.0% | 2.0 (32) | 7.9 (25) | 7.4 (1) | 7.3 (6) | 7.2 (1) |
| Median | 1.0 | 5.0 | 2.4 | 2.5 | 2.4 |

Peer Group Scattergram (5 Years)



| | Return | Standard Deviation |
|------------------------------|--------|--------------------|
| ■ Putnam Absolute Return 700 | 4.7 | 4.3 |
| ● BofAML T-Bill + 7.0% | 7.3 | 0.1 |
| — Median | 2.5 | 4.2 |

Performance Statistics (5 Years)

| | Months | % |
|------------------------|--------|------|
| Market Capture | | |
| Up Markets | 60 | 67.4 |
| Down Markets | 0 | |
| Batting Average | | |
| Up Markets | 60 | 48.3 |
| Down Markets | 0 | |
| Overall | 60 | 48.3 |

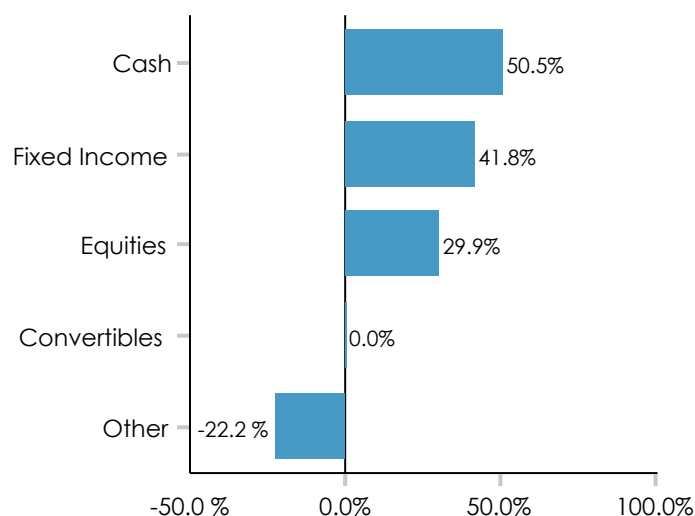
Portfolio Characteristics (As of 9/30/2017)

| | |
|------------------|-------------------|
| Total Securities | 598 |
| Avg. Market Cap | \$100,620 Million |
| P/E | 17.7 |
| P/B | 3.8 |
| Div. Yield | N/A |
| Annual EPS | 26.3 |
| 5Yr EPS | 15.4 |
| 3Yr EPS Growth | N/A |

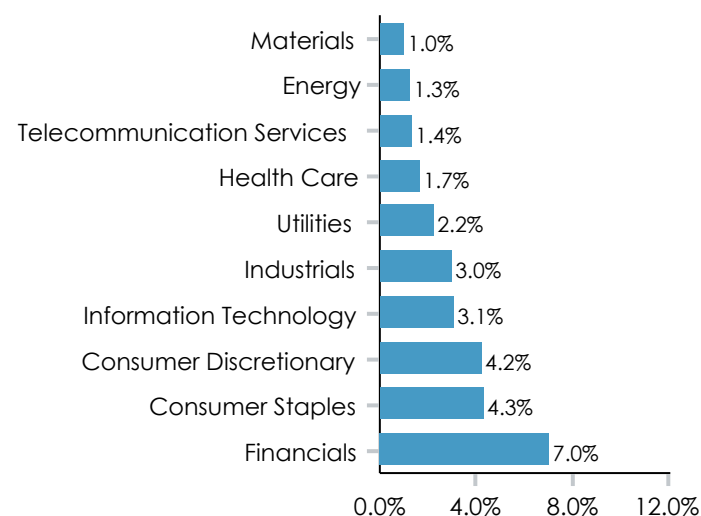
Top 10 Holdings (As of 9/30/2017)

| | |
|--------------------------------------|-------|
| iShares MSCI India ETF | 1.7 % |
| Samsung Electronics Co Ltd ORD | 1.5 % |
| Technology Select Sector SPDR Fund | 1.4 % |
| Consumer Discretionary Select Sector | 1.4 % |
| Financial Select Sector SPDR Fund | 1.4 % |
| Consumer Staples Select Sector | 1.4 % |
| Health Care Select Sector SPDR | 1.4 % |
| Utilities Select Sector SPDR Fund | 1.4 % |
| DISH Network Corp ORD | 1.3 % |
| Tencent Holdings Ltd ORD | 0.6 % |

Asset Allocation (As of 9/30/2017)



Quality Allocation (As of 9/30/2017)



Maturity Distribution (As of 1/1/0001)

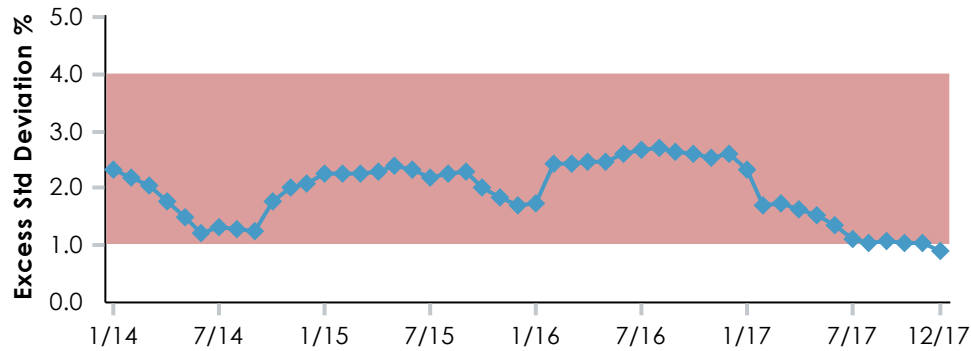
No data found.

SECTION 7

REVIEW OF FUNDS – WEALTHFRONT 529 PLAN

Vanguard FTSE Developed Markets ETF vs. FTSE Developed All Cap ex-US Index

Short-term (Rolling 12 Months Tracking Error)

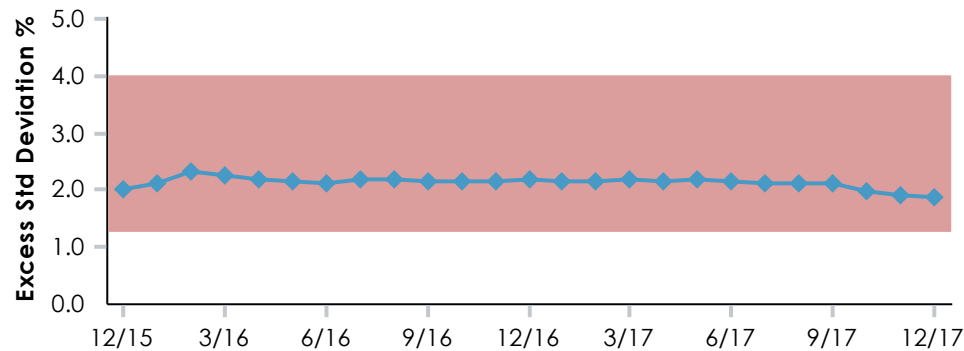


Short-term Performance:

Positive

Probationary Performance = 1.00%

Medium-term (Rolling 36 Months Tracking Error)

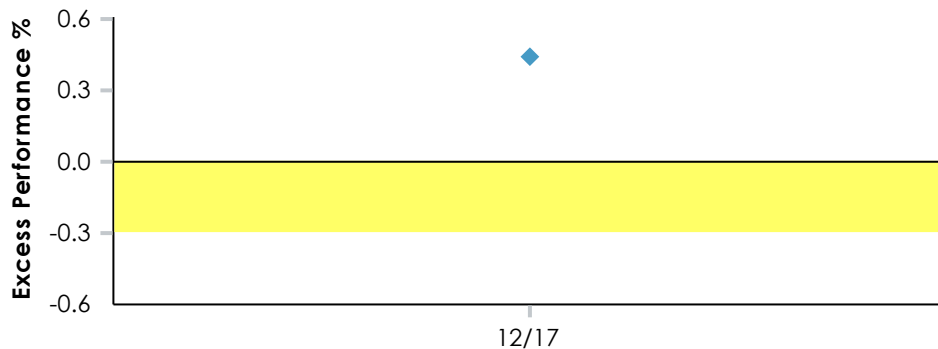


Medium-term Performance:

Caution

Probationary Performance = 1.25%

Long-term (Rolling 60 Months Excess Performance)



Long-term Performance:

Positive

Probationary Performance = -0.30%

Annualized Performance Results (Net of management fees)

| | 1 Quarter | 1 Year | 3 Years | 5 Years |
|--|--------------|-----------|------------|------------|
| Vanguard FTSE Developed Markets ETF | 4.4 (34) | 26.4 (34) | 9.0 (4) | 8.3 (12) |
| FTSE Developed All Cap ex-US Index (NET) | 4.9 (19) | 26.1 (35) | 8.3 (14) | 7.8 (18) |
| IM International Large Cap Core Equity (MF) Median | 4.1 | 24.8 | 7.1 | 6.8 |

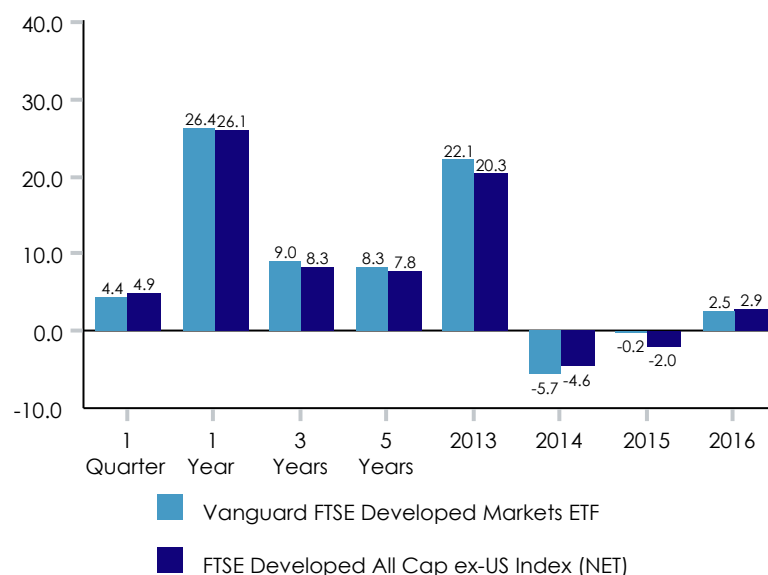
Monitoring Status

Caution

Mutual Fund Info

Product Name : Vanguard FTSE Dev Mk ETF (VEA)
Fund Family : Vanguard Group Inc
Ticker : VEA
Peer Group : IM International Multi-Cap Core Equity (MF)
Benchmark : MSCI EAFE IMI
Fund Inception : 07/20/2007
Portfolio Manager : Franquin/Perre
Total Assets : \$66,706 Million
Total Assets Date : 11/30/2017
Gross Expense : 0.1%
Net Expense : 0.1%
Turnover : 11%

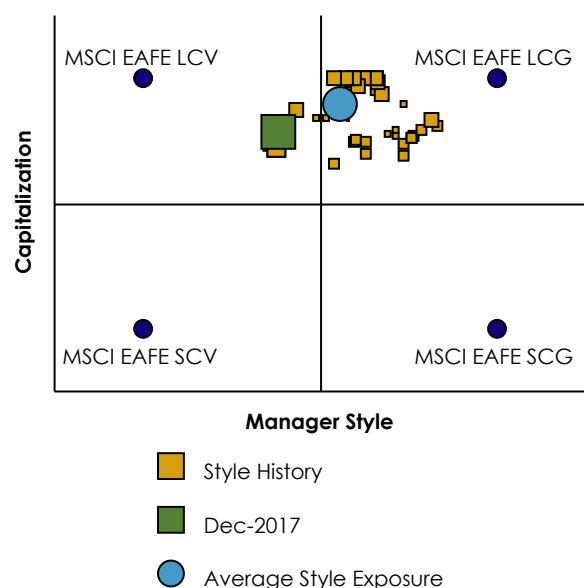
Comparative Performance



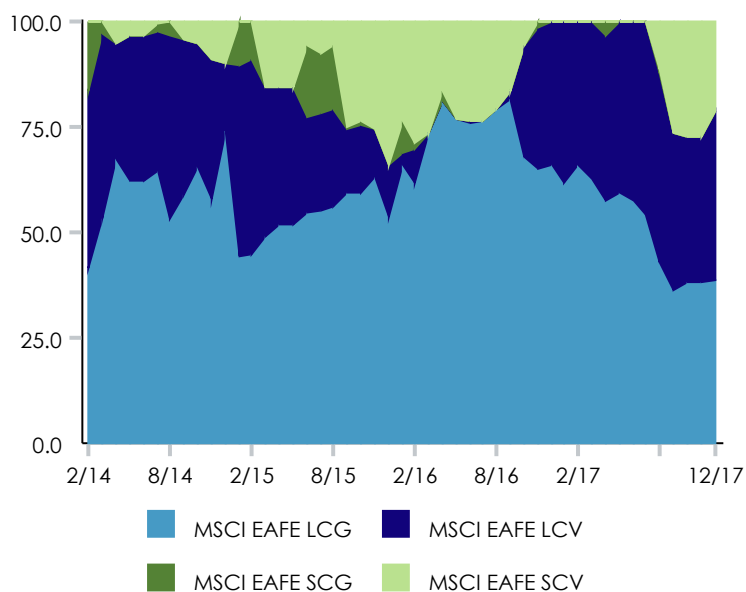
Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in the major markets of Europe and the Pacific Region. The Fund employs an indexing investment approach designed to track the performance of FTSE Developed All Cap ex US Index.

Style Map (5 Years)



Style History (5 Years)



Vanguard FTSE Developed Markets ETF

December 31, 2017

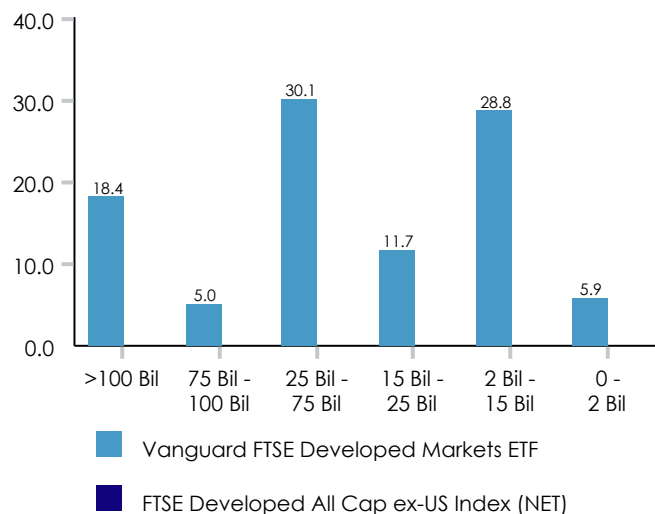
Portfolio Characteristics (As of 12/31/2017)

| | Portfolio | Benchmark |
|---------------------------|-----------|-----------|
| Wtd. Avg. Mkt. Cap (\$M) | 52,306 | - |
| Median Mkt. Cap (\$M) | 1,961 | - |
| Price/Earnings ratio | 16.3 | N/A |
| Price/Book ratio | 2.1 | N/A |
| 5 Yr. EPS Growth Rate (%) | 9.1 | N/A |
| Current Yield (%) | 2.6 | N/A |
| Beta (5 Years, Monthly) | 1.0 | 1.0 |
| Number of Stocks | 3,812 | 0 |

Top 10 Holdings (As of 12/31/2017)

| | Portfolio Weight (%) | Benchmark Weight (%) | Quarterly Return (%) |
|--------------------------|----------------------|----------------------|----------------------|
| Nestle SA | 1.4 | 0.0 | 2.6 |
| HSBC Holdings PLC | 1.1 | 0.0 | 6.0 |
| NOVARTIS AG | 1.0 | 0.0 | N/A |
| Roche Holding AG | 0.9 | 0.0 | -1.0 |
| Toyota Motor Corp | 0.9 | 0.0 | 7.4 |
| Royal Dutch Shell PLC | 0.8 | 0.0 | 12.0 |
| British American Tobacco | 0.8 | 0.0 | 5.0 |
| BP PLC | 0.7 | 0.0 | 12.1 |
| Royal Dutch Shell PLC | 0.7 | 0.0 | 11.9 |
| Total SA Oil & Gas | 0.6 | 0.0 | 4.3 |
| % of Portfolio | 8.9 | 0.0 | |

Market Cap Distribution (As of 12/31/2017)



Sector Attribution (1 Year as of 12/31/2017)

No data found.

Sector Allocation (1 Year as of 12/31/2017)

No data found.

Sector Performance (1 Year as of 12/31/2017)

No data found.

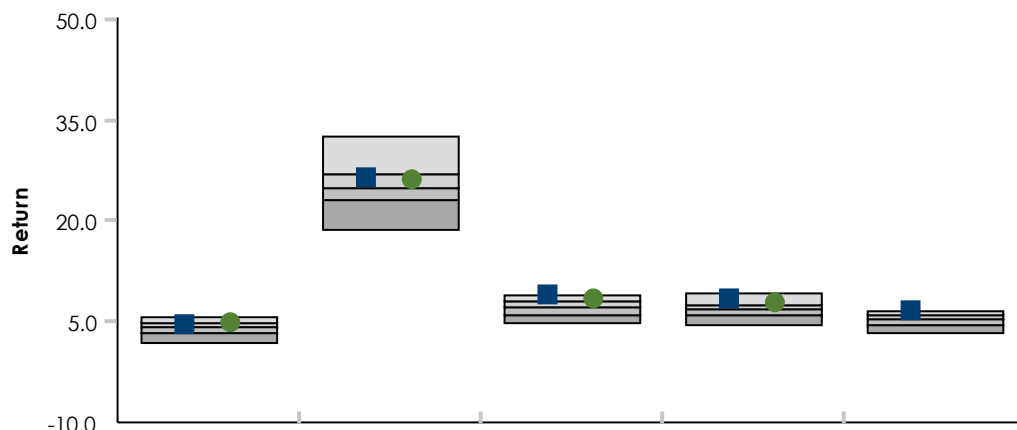
Vanguard FTSE Developed Markets ETF

December 31, 2017

Historical Statistics (3 Years)

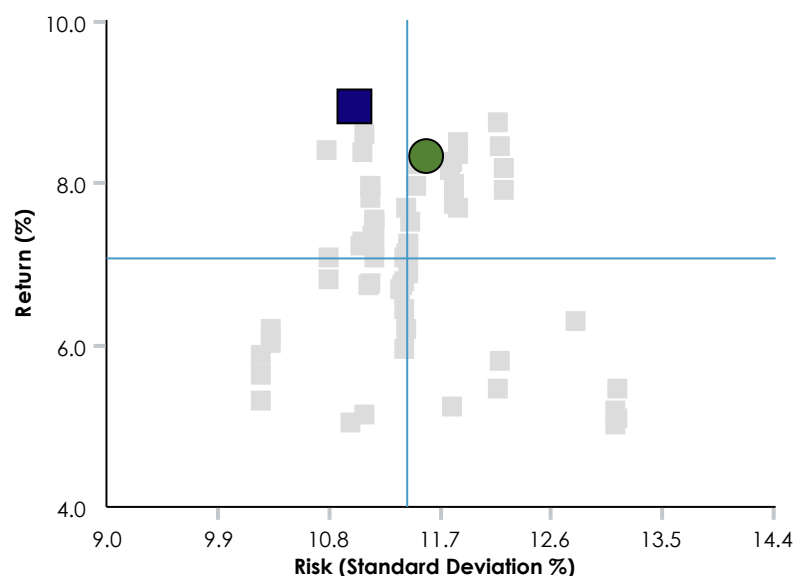
| | Return | Standard Deviation | Sharpe Ratio | Alpha | Beta | R-Squared | Tracking Error | Information Ratio | Up Market Capture | Down Market Capture |
|--|--------|--------------------|--------------|-------|------|-----------|----------------|-------------------|-------------------|---------------------|
| Vanguard FTSE Developed Markets ETF | 9.0 | 11.0 | 0.8 | 1.1 | 0.9 | 1.0 | 1.9 | 0.3 | 96.7 | 90.1 |
| FTSE Developed All Cap ex-US Index (NET) | 8.3 | 11.6 | 0.7 | 0.0 | 1.0 | 1.0 | 0.0 | N/A | 100.0 | 100.0 |
| IM International Large Cap Core Equity (MF) Median | 7.1 | 11.4 | 0.6 | -0.7 | 1.0 | 0.9 | 3.0 | -0.4 | 94.1 | 98.3 |

Peer Group Analysis



| | 1 Quarter | 1 Year | 3 Years | 5 Years | 7 Years |
|--|-----------|-----------|----------|----------|----------|
| ■ Vanguard FTSE Developed Markets ETF | 4.4 (34) | 26.4 (34) | 9.0 (4) | 8.3 (12) | 6.4 (10) |
| ● FTSE Developed All Cap ex-US Index (NET) | 4.9 (19) | 26.1 (35) | 8.3 (14) | 7.8 (18) | N/A |
| Median | 4.1 | 24.8 | 7.1 | 6.8 | 5.4 |

Peer Group Scattergram (3 Years)



| | Return | Standard Deviation |
|--|--------|--------------------|
| ■ Vanguard FTSE Developed Markets ETF | 9.0 | 11.0 |
| ● FTSE Developed All Cap ex-US Index (NET) | 8.3 | 11.6 |
| — Median | 7.1 | 11.4 |

Performance Statistics (3 Years)

| | Months | % |
|------------------------|--------|------|
| Market Capture | | |
| Up Markets | 21 | 96.7 |
| Down Markets | 15 | 90.1 |
| Batting Average | | |
| Up Markets | 21 | 42.9 |
| Down Markets | 15 | 66.7 |
| Overall | 36 | 52.8 |

Vanguard FTSE Developed Markets ETF

December 31, 2017

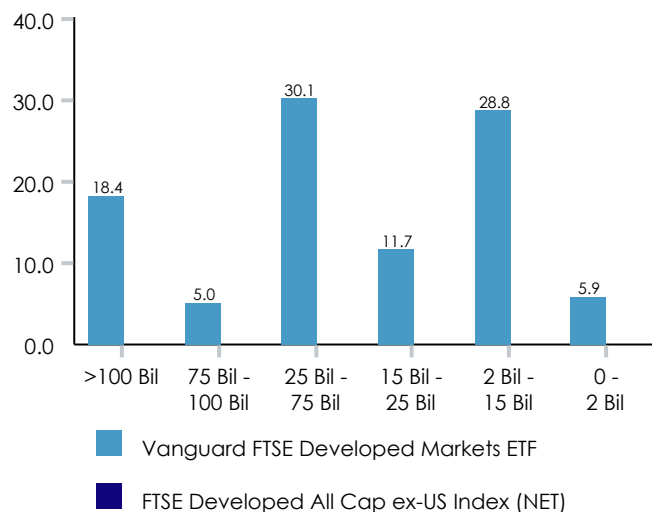
Portfolio Characteristics (As of 12/31/2017)

| | Portfolio | Benchmark |
|---------------------------|-----------|-----------|
| Wtd. Avg. Mkt. Cap (\$M) | 52,306 | - |
| Median Mkt. Cap (\$M) | 1,961 | - |
| Price/Earnings ratio | 16.3 | N/A |
| Price/Book ratio | 2.1 | N/A |
| 5 Yr. EPS Growth Rate (%) | 9.1 | N/A |
| Current Yield (%) | 2.6 | N/A |
| Beta (5 Years, Monthly) | 1.0 | 1.0 |
| Number of Stocks | 3,812 | 0 |

Top 10 Holdings (As of 12/31/2017)

| | Portfolio Weight (%) | Benchmark Weight (%) | Quarterly Return (%) |
|--------------------------|----------------------|----------------------|----------------------|
| Nestle SA | 1.4 | 0.0 | 2.6 |
| HSBC Holdings PLC | 1.1 | 0.0 | 6.0 |
| NOVARTIS AG | 1.0 | 0.0 | N/A |
| Roche Holding AG | 0.9 | 0.0 | -1.0 |
| Toyota Motor Corp | 0.9 | 0.0 | 7.4 |
| Royal Dutch Shell PLC | 0.8 | 0.0 | 12.0 |
| British American Tobacco | 0.8 | 0.0 | 5.0 |
| BP PLC | 0.7 | 0.0 | 12.1 |
| Royal Dutch Shell PLC | 0.7 | 0.0 | 11.9 |
| Total SA Oil & Gas | 0.6 | 0.0 | 4.3 |
| % of Portfolio | 8.9 | 0.0 | |

Market Cap Distribution (As of 12/31/2017)



Sector Attribution (1 Year as of 12/31/2017)

No data found.

Sector Allocation (1 Year as of 12/31/2017)

No data found.

Sector Performance (1 Year as of 12/31/2017)

No data found.

Disclosures

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**THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA**

**Agenda Item 11a - f
March 22, 2018**

Item: Putnam 529 for America Investment Review

Recommendation:

That the Board review and approve a presentation from Putnam 529 for America concerning their current investment strategies and investment performance during the past year; receive a memorandum from Pension Consulting Alliance, Inc. commenting on recommendations; approve investment options and/or provide direction, as appropriate.

Fiscal:

None to the Board.

Summary:

As provided in the contracts for each of the college savings plans sponsored by the State of Nevada and the comprehensive investment plan and investment policies adopted by the Board in August 2009, each plan must present an annual investment review to the Board of Trustees. In addition, the Board is required to annually approve the investment options of the plans offered to account holders.

Putnam has prepared its annual investment review for the Putman 529 for America plan. The Board is asked to receive and review the report and approve the lineup of investment options proposed for the upcoming year. By contract, if the Board does not approve a particular proposed portfolio or investment option, the investment manager must retain the investment lineup from the previous year and bring a new proposal to the Board for approval.

Putnam is recommending the following changes:

- a. Putnam Absolute Return 500 Fund to merge into the Putnam Absolute Return 700 Fund and Absolute Return 700 and rename the resulting fund the Putnam Multi-Asset Absolute Return Fund within Putnam 529
- b. Putnam Absolute Return 300 Fund will be renamed the Putnam Fixed Income Absolute Return fund within Putnam 529.
- c. Putnam Absolute Return 100 Fund will be renamed the Putnam Short Duration Bond Fund within Putnam 529.
- d. Putnam will close the B share class to new investment and future contributions for all funds within Putnam 529.
- e. Putnam will automatically convert C share class to A shares after seven (7) years.
- f. Putnam will eliminate the administrative fee on the 529 Government Money Market fund.

Although merging the Absolute Return 500 and 700 funds into the newly named Multi-Asset Absolute Return Fund will streamline the investment options, Staff, in conjunction with PCA, do have want to bring to the Board's attention that participants who originally invested in the Absolute Return 500 were seeking a lower risk investment than the 700 fund. These investors have made conscious decisions to seek less risk in the 500 fund, and mapping the accounts to the new option would increase the risk for each investor. However, it should be noted that plan participants are utilizing the Putnam plan in conjunction with an investment adviser. The oversight and assistance of the investment adviser may assist participants in utilizing the plan's stand-alone funds to help diversify participants' portfolios to better meet their needs.

Staff, in conjunction with PCA is recommending that Putnam consider mapping investors in the Absolute Return 100 into the Putnam Governmental Money Market Fund rather than the recommended Short Duration Fund. As outlined in PCA's analysis, the Short Duration Fund has a high correlation to existing funds in the current lineup which provide investment in the short-end of the fixed income yield curve. In addition, the addition of the fund crowds an existing lineup of three similar fixed income options (Putnam Government Money Market, Federated US

Government Securities: 2-5 year and the Absolute Return 300 fund. Therefore, staff and PCA would recommend mapping the participants in the Absolute Return 100 fund into the Putnam Government Money Market Fund.

Staff is less concerned with mapping the Absolute Return 100 account holders to the more conservative portfolio. Although these investors may now have less upside potential, the reduction in risk may result in less volatility. In addition, as PCA notes in its memo, participants can utilize a combination of the three similar fixed income options to allocate funds which are similar to the Absolute Return 100 fund.

The key to the success of any investment option change is communication to the account holders. The communication will clearly note the changes which will occur, and the timeframe for which the investor can modify the change prior to the transfer or after the transfer occurs. Staff will work with Putnam to ensure the communication is sent timely to account holders in an effort to notify investors early enough in the calendar year in hopes that they have not yet utilized their annual investment option change.

Judy Minsk and others from Putnam will be present to make the presentation, and Eric White from PCA will provide additional detail and recommendations regarding the investment options.

Putnam 529 for America Annual investment update

A world of investing.®



Performance review
and outlook as of December 31, 2017

Not FDIC
Insured

May Lose
Value

No Bank
Guarantee

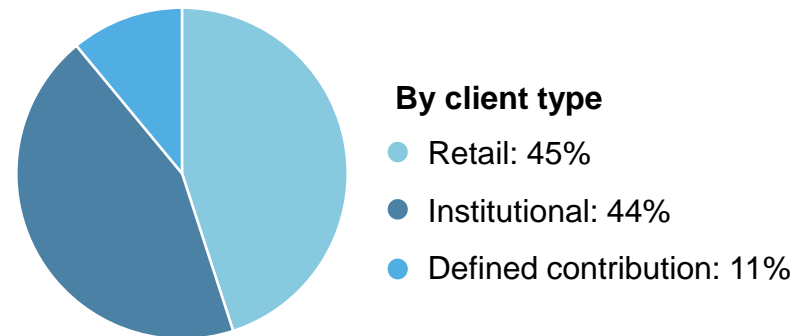
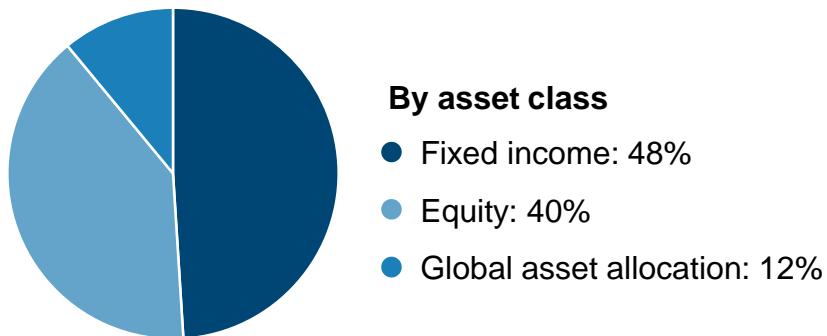
For use with the College Savings Plans of Nevada Board of Trustees. Not for public distribution.
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Putnam's advantage

Global resources, market agility, and active communication drive our success

- A diversified, global asset manager with over 80 years of experience
- Deep resources across all disciplines
- The ability to be very nimble in the markets where we invest
- A collaborative culture that actively promotes cross-functional and cross-asset-class communication

\$171B assets under management



All data as of December 31, 2017. Total assets and client type figures include subsidiary PanAgora Asset Management. Asset class figures are Putnam only.

A seasoned management team emphasizes innovative thinking across the organization

Robert L. Reynolds

President, Chief Executive Officer

Investments

Aaron M. Cooper, CFA
Chief Investment Officer,
Equities

D. William Kohli
Chief Investment Officer,
Fixed Income

Robert J. Schoen
Chief Investment Officer,
Global Asset Allocation

Brian D. Lenhardt
Chief Operating Officer,
Investment Division

Distribution and Product

William T. Connolly, CFA
Co-Head of Global Distribution

Jeffrey L. Gould
Co-Head of Global Distribution

Michael P. Wands, CFA
Head of Global Investment
Strategies

Finance, Human Resources, and Legal

Andra S. Bolotin
Chief Financial Officer

Edward F. Whalen
Chief of Human Resources

Robert T. Burns
General Counsel

Marketing, Public Relations, and Policy

Mark J. McKenna
Head of Global Marketing

Jonathan M. Goldstein
Director, Public Relations

Leonard M. Glynn
Director of Policy

Operations and Technology

Michael J. Woodall
Chief of Operations

Sumedh Mehta
Chief Technology Officer

As of January 1, 2018.

How is Putnam 529 for America different?

- Distribution: Putnam 529 for America is sold through advisors
 - Putnam has strong relationships with hundreds of broker dealer firms who sell our 529 plan
 - The firm's financial advisors educate families nationwide on the importance of saving for college costs; customize plans based on clients' individual time horizon and goals
 - Advisors are typically paid by charging either up-front- or back-end sales charges on new contributions. They may also collect an annual trailer fee for providing ongoing services
- Superior customer service: critical to serving our clients
 - For 28 consecutive years, Putnam has earned a DALBAR Service Award for outstanding service to mutual fund shareholders
- Performance: Putnam 529 for America is ranked #1 for 5 years of all advisor-sold plans as of December 31, 2017, by savingforcollege.com*
- Benefits just for Nevada residents
 - No annual maintenance fee
 - \$100 one-time scholarship payment for eligible accounts (established for at least one year and with a minimum \$1,000 balance)
- Offers a wide array of investment options including age-based, goal-based, absolute return, and individual mutual funds managed by Putnam, Federated, MFS, Principal Funds, and SSgA

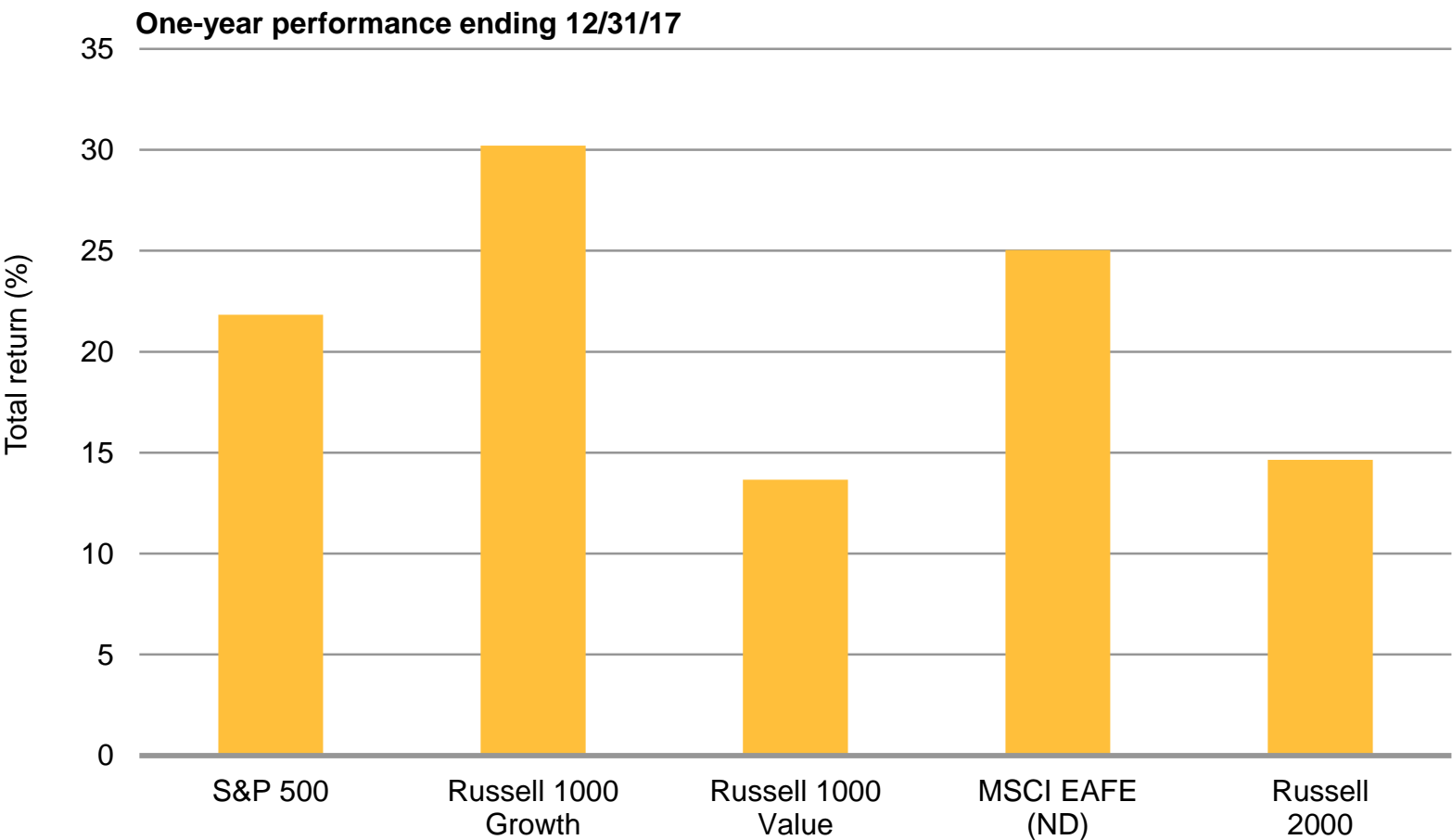
* Savingforcollege.com ("SFC") ranks 529 plans based on published investment returns for the 1-, 3-, 5-, and 10-year periods. The "asset-allocation category rankings" compare the historical performance of all 529 portfolios selected by SFC within a particular asset-allocation category, such as 100% equity. The "composite 529 performance rankings" represent an overall, or composite, ranking for each 529 plan based on a comparative analysis of the asset-allocation category rankings across all categories.

MARKET OVERVIEW

Markets – A year in review

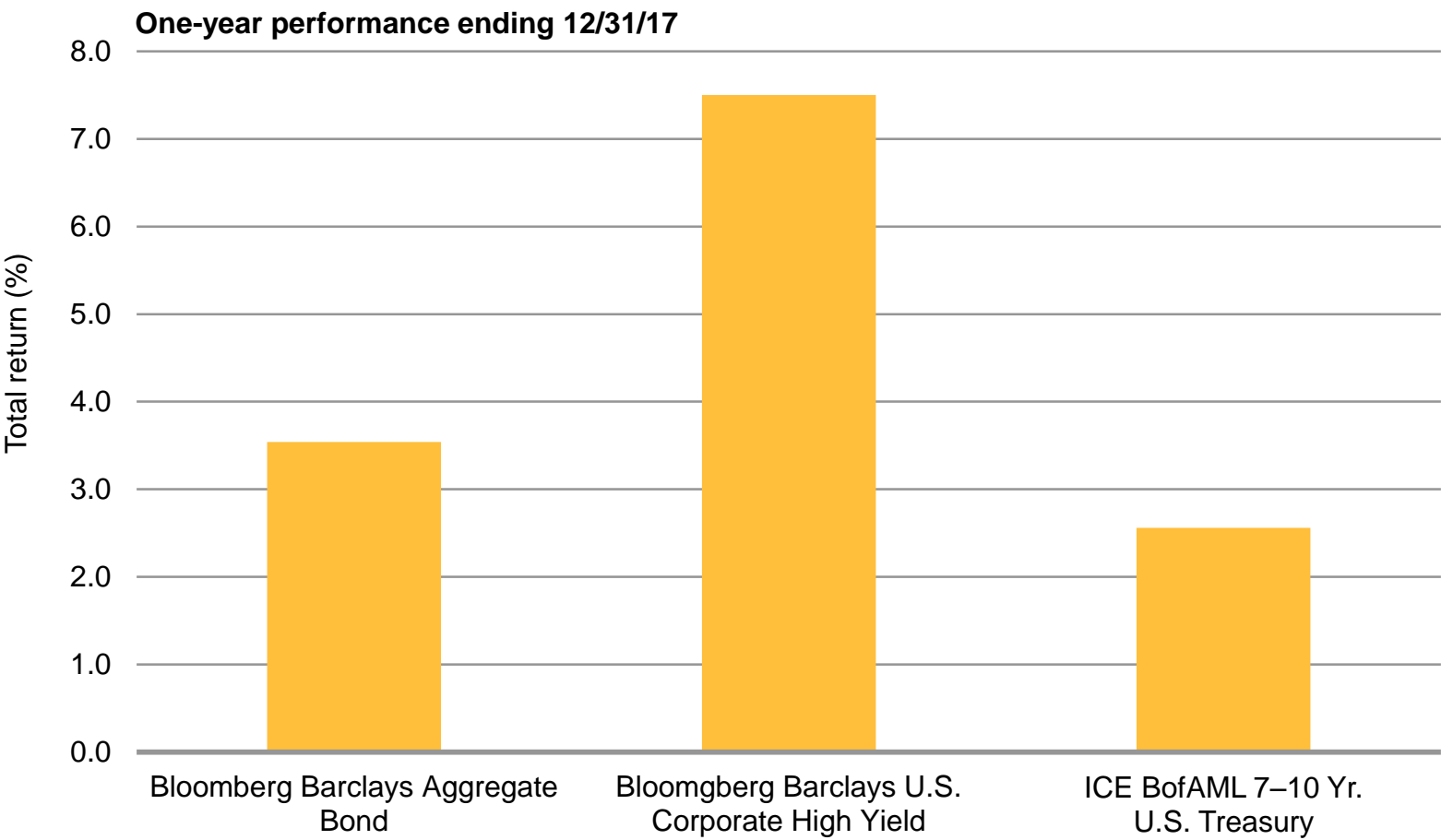
- During the trailing 12-month period, global stocks made solid gains, as major economies continued with modest advances:
 - Synchronous growth across the United States, Europe, Japan, and China
 - Best performance for emerging markets since 2009
 - Tax reform
 - Rate increases by the Federal Reserve, with indications of more to come

Global stocks made solid gains; major U.S. equity indexes set records during the year



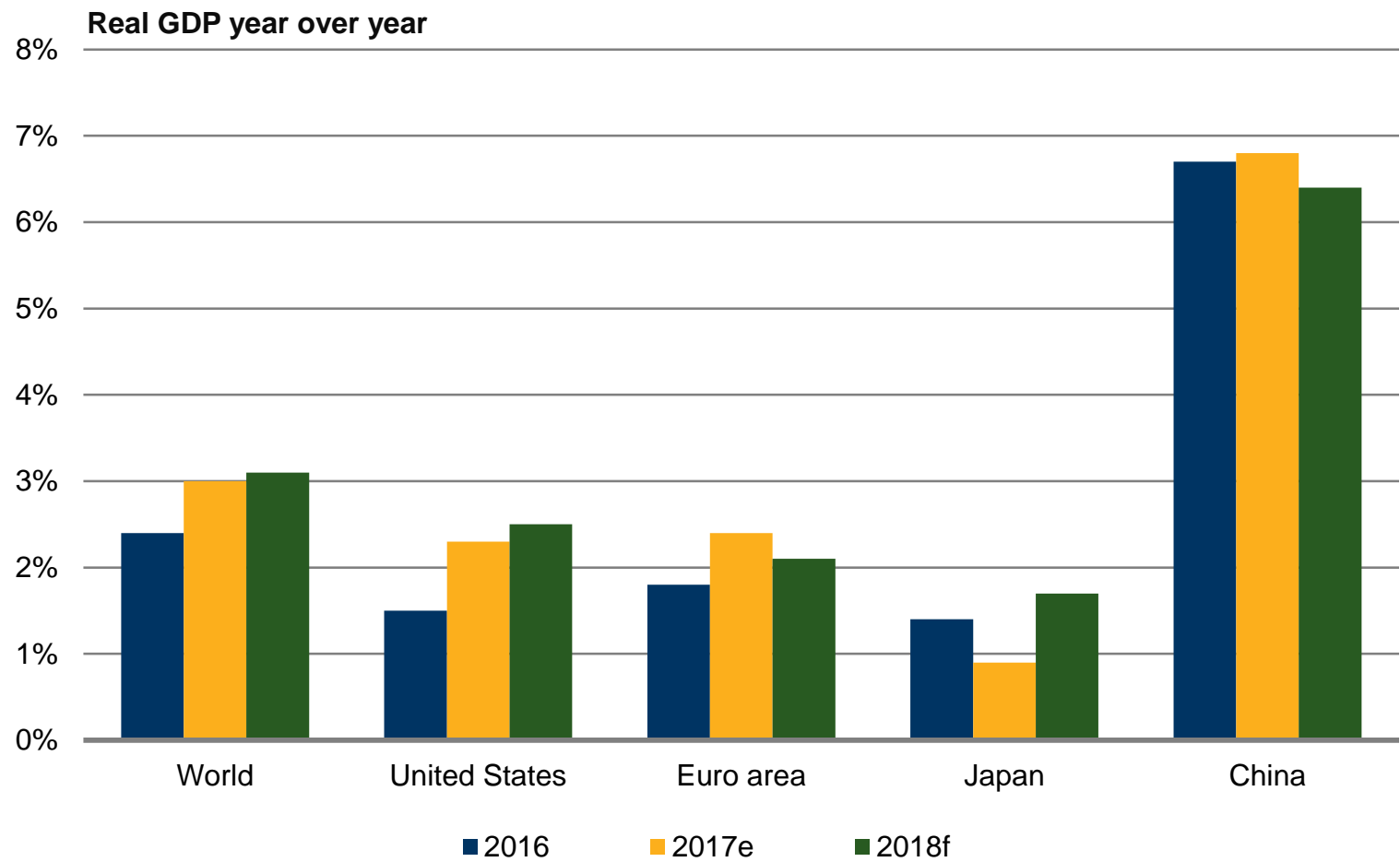
Source: Putnam. As of 12/31/17. Past performance is not indicative of future results. Indexes are unmanaged, and it is not possible to invest directly in an index.

Fixed-income markets experienced another year of solid returns



Source: Putnam. As of 12/31/17. Past performance is not indicative of future results. Indexes are unmanaged, and it is not possible to invest directly in an index.

World markets saw synchronized global growth



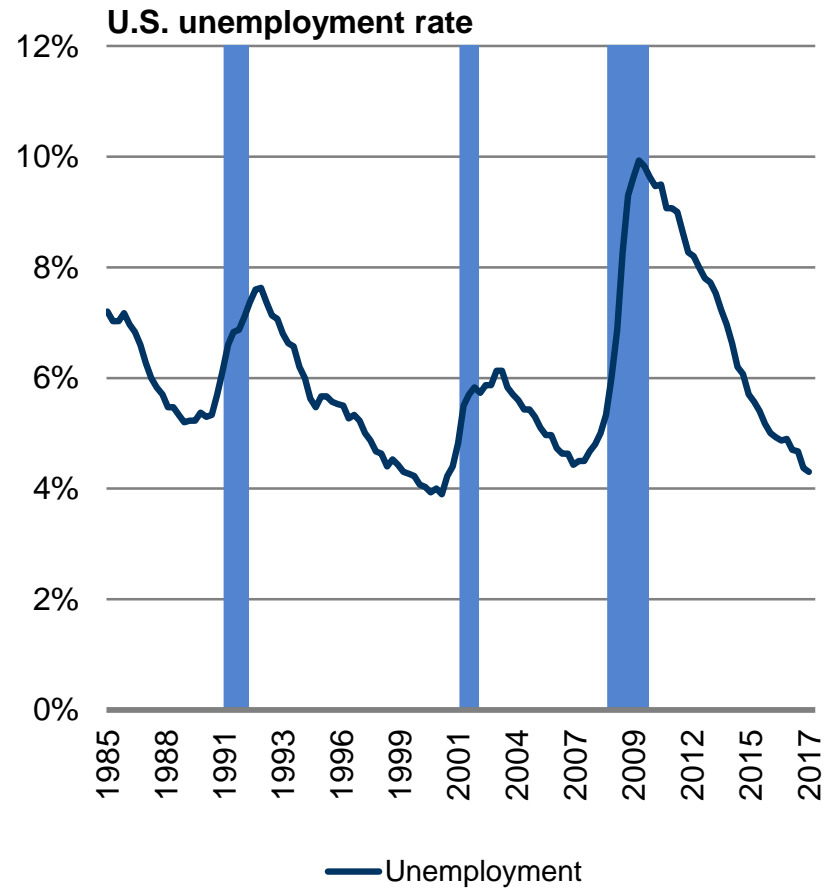
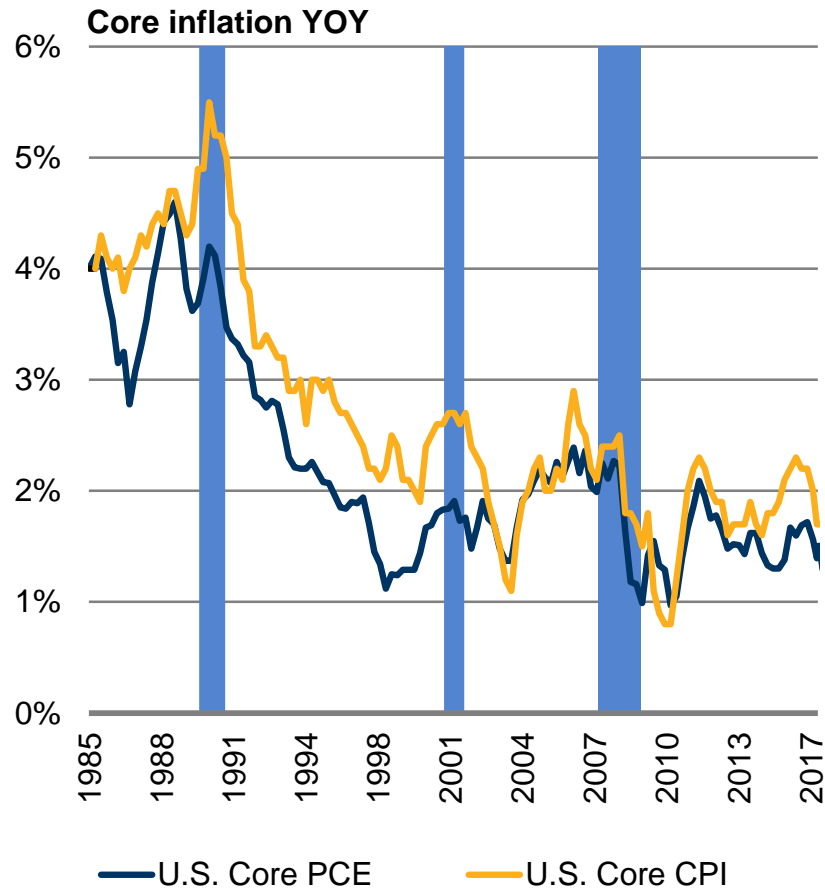
Source: World Bank, as of 12/31/17.

Key risks to monitor as of 12/31/17

Over the course of the next 12 months, there are several risks that investors should be aware of. Market volatility has remained low compared to historic levels, but volatility spikes could result from any of the following:

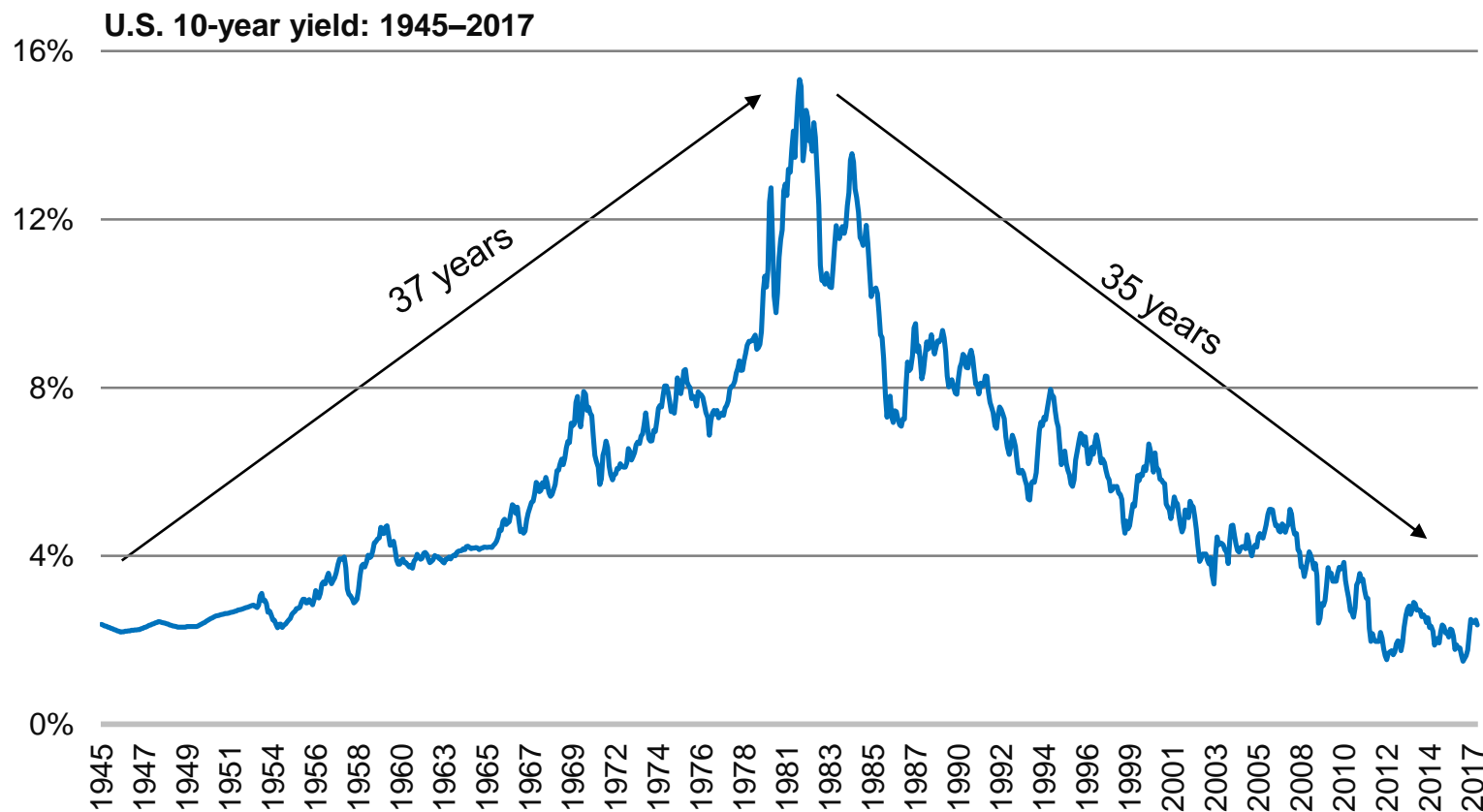
- Uncertainty about global monetary policy
 - The focus will be on both policy rates and balance sheet normalization across the globe
 - Size of global balance sheets is still large, but the amount of asset purchases is starting to fade
- Fed moving too aggressively
 - With the real economy likely to do a bit better in 2018, the Fed has legitimate concerns about the possibility that inflation will tick higher
 - Longer-term trends in the economy suggest that higher rates could be risky
- China turns to restructuring
 - Restructuring could slow the economy, and anything that destabilizes internal debt markets creates the risk of a more significant downturn.

FOMC dual mandates achieved: Low inflation and “full” employment



Source: Bloomberg, as of 9/30/17 and 12/31/17.

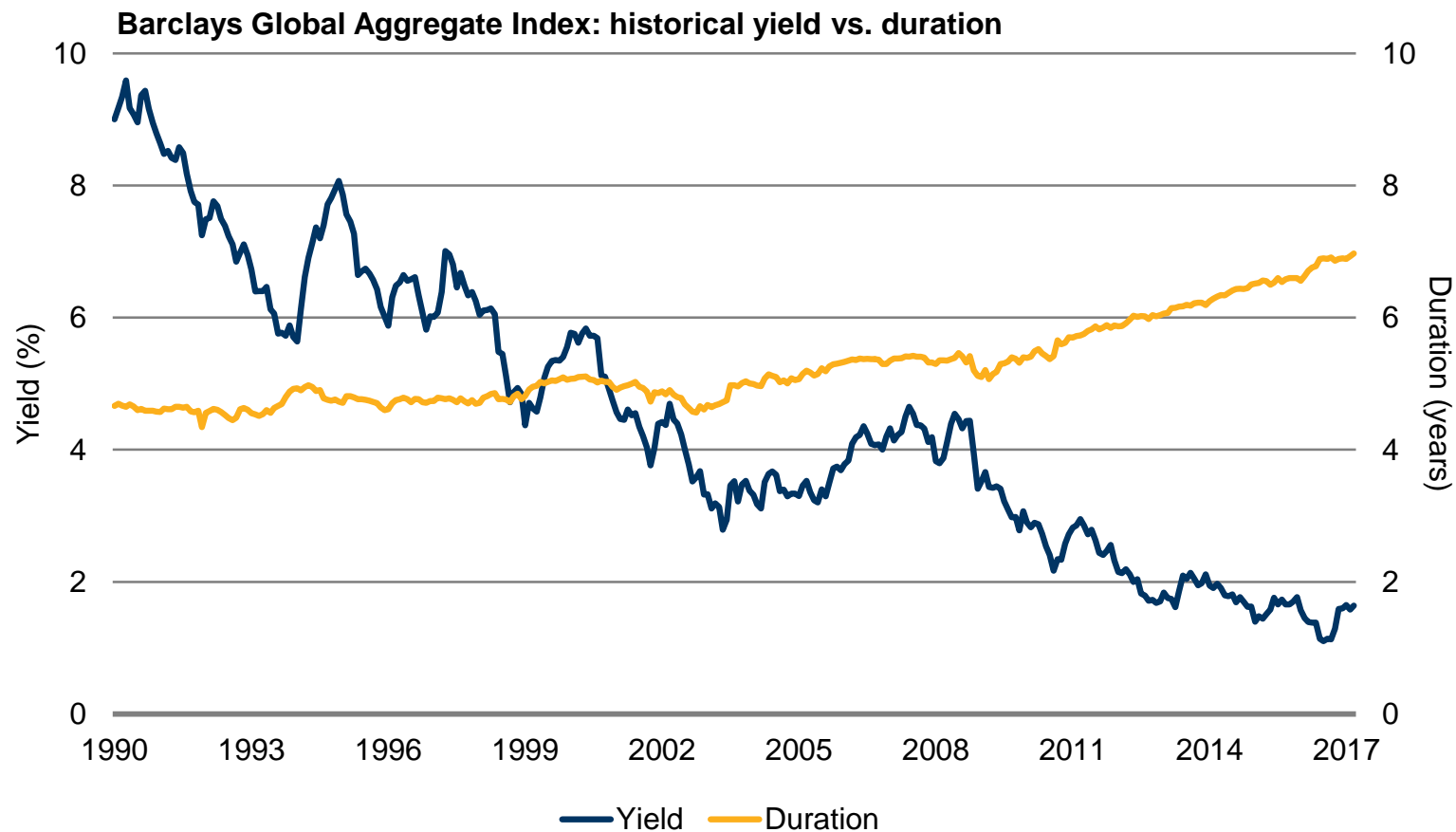
Interest-rate cycles are long, typically stretching 22 to 37 years*



Source: <http://www.multpl.com/10-year-treasury-rate/table/by-month>, 3/31/17.

*<https://www.cnbc.com/2018/02/16/bonds-are-entering-a-rising-rates-cycle-for-the-first-time-since-the-1940s.html>

Interest-rate risk is unprecedented given the low level of rates



Sources: Barclays, Putnam, as of 3/31/17.

This chart uses yield to worst as the representation of yield, and modified adjusted duration as the representation of duration.

Putnam 529 for America: Prepared for market volatility

In our view, potential impact of market risks include the following:

- Short term — any of these risks would likely have a negative price impact for risky assets, accompanied by higher volatility
- Longer term — it will be hard to expect strong performance from government bonds as the threat of rising interest rates still looms, while equities could continue a positive trend but at a much more modest pace than in recent history

Putnam 529 for America seeks to handle certain key risks:

- We believe that the diversification of investment choices in the plan helps to mitigate a rise in volatility and to stabilize returns; Putnam's absolute return products are available in the plan with a goal of mitigating this risk
- Age-based strategies are designed to ward off investment risk in tandem with a beneficiary's age with a goal of minimizing steep losses around the time when withdrawals begin
- At the present time, we are currently overweight U.S. equity exposure. Valuations remain a concern, but the benefits of tax reform will accelerate EPS growth, which will continue to keep the momentum positive. We have neutral interest-rate exposure, given subdued inflation, and some evidence that if strong global growth peaks, it will temper the effect of global central bank normalization. Our credit views are currently neutral, as positive momentum of this higher-yielding asset class in a benign economic environment is offset by unattractive balance sheet fundamentals, such as high levels of leverage and declining interest coverage ratios

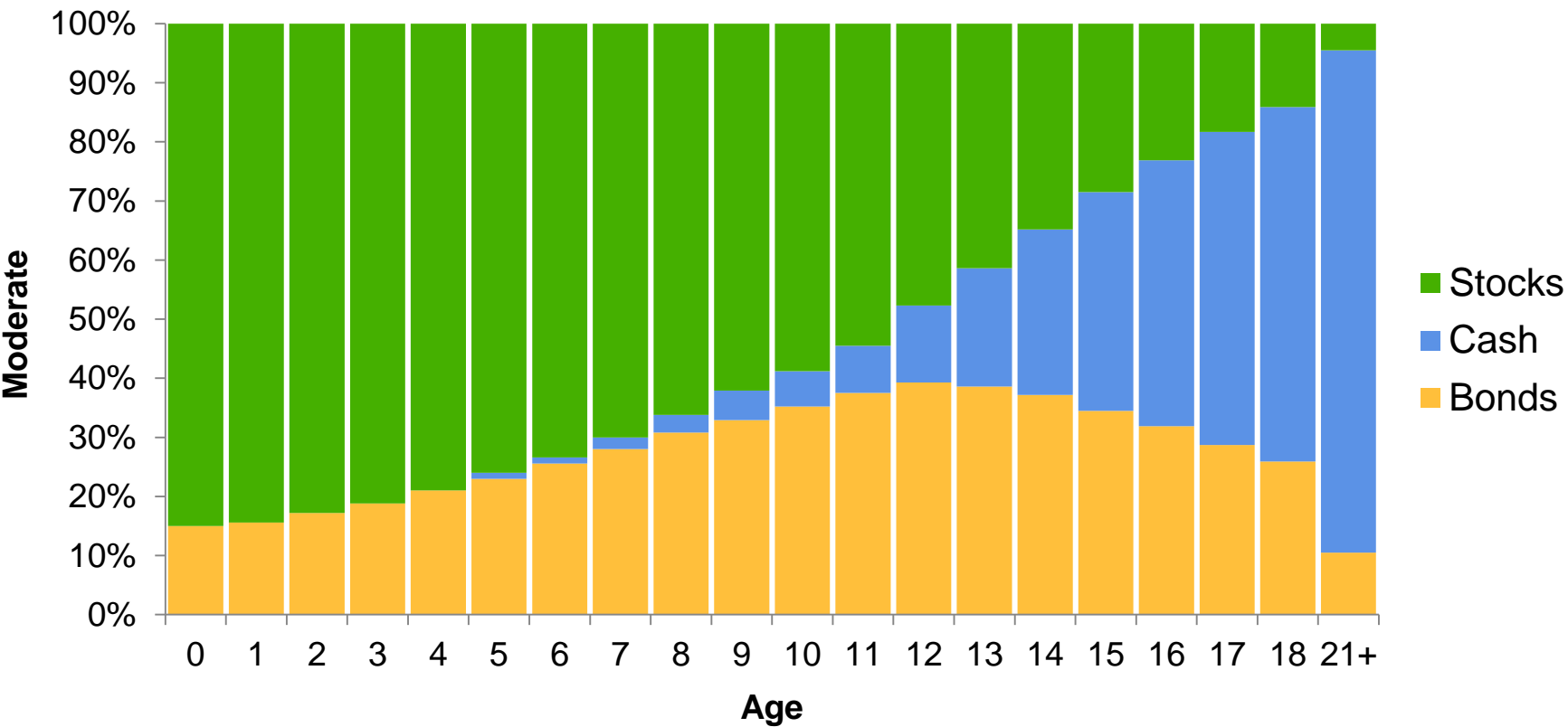
PERFORMANCE REVIEW AS OF 12/31/17

Putnam 529 for America glide path summary

- Our glide path allows for greater potential appreciation in the early years but emphasizes preservation of capital as the child approaches college age
- Complete in-house management allows our asset allocation managers comprehensive control
 - We control both tactical allocation and security selection, providing the ability to dynamically implement changes and reduce overlap and unintended risk — we are NOT a traditional fund of funds
- Senior team members have been managing 529 portfolios since 2000

Age-based portfolios

Actively managed and adjust over time; designed to be more conservative as the child approaches college age



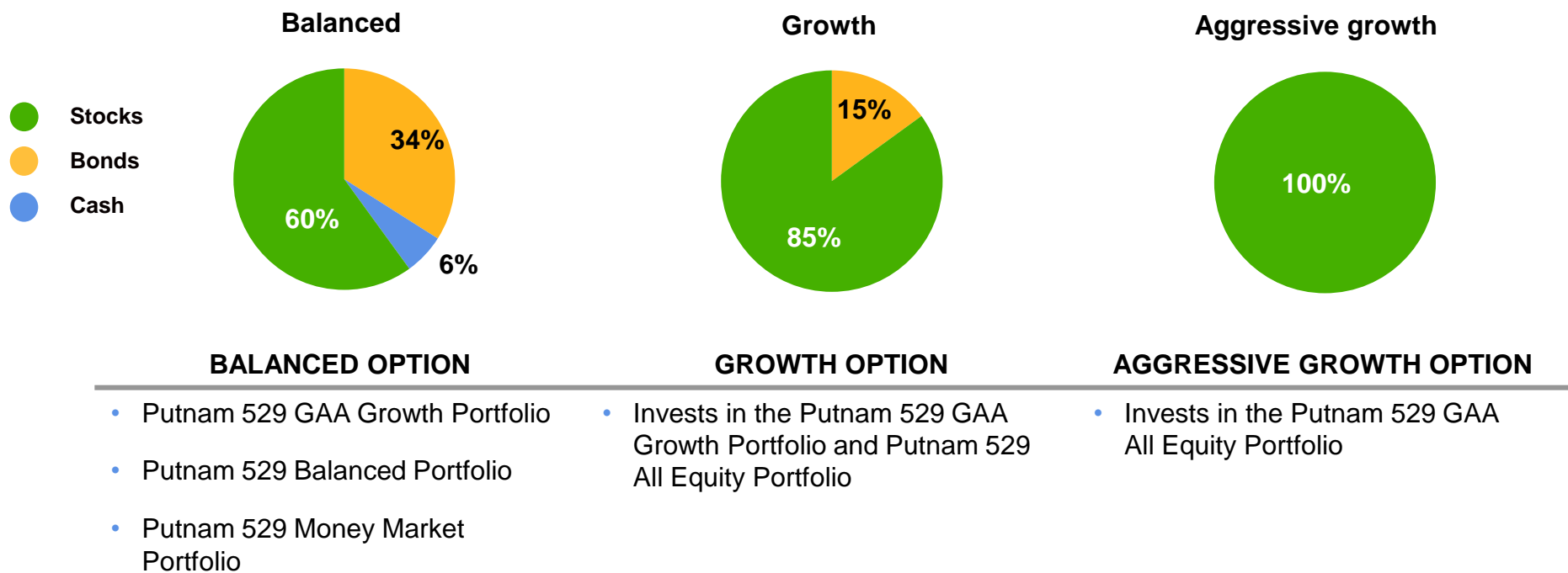
Asset allocations shown are target allocations. Actual allocations may vary.

The age-based and goal-based options invest across four broad asset categories: short-term investments, fixed-income investments, U.S. equity investments, and non-U.S. equity investments. Within these categories, investments are spread over a range of asset allocation portfolios that concentrate on different asset classes or reflect different styles.

Each age-based option has a different target date, which is based on the year in which the beneficiary of an account was born. The principal value of the funds is not guaranteed at any time, including age-based options closest to the college age.

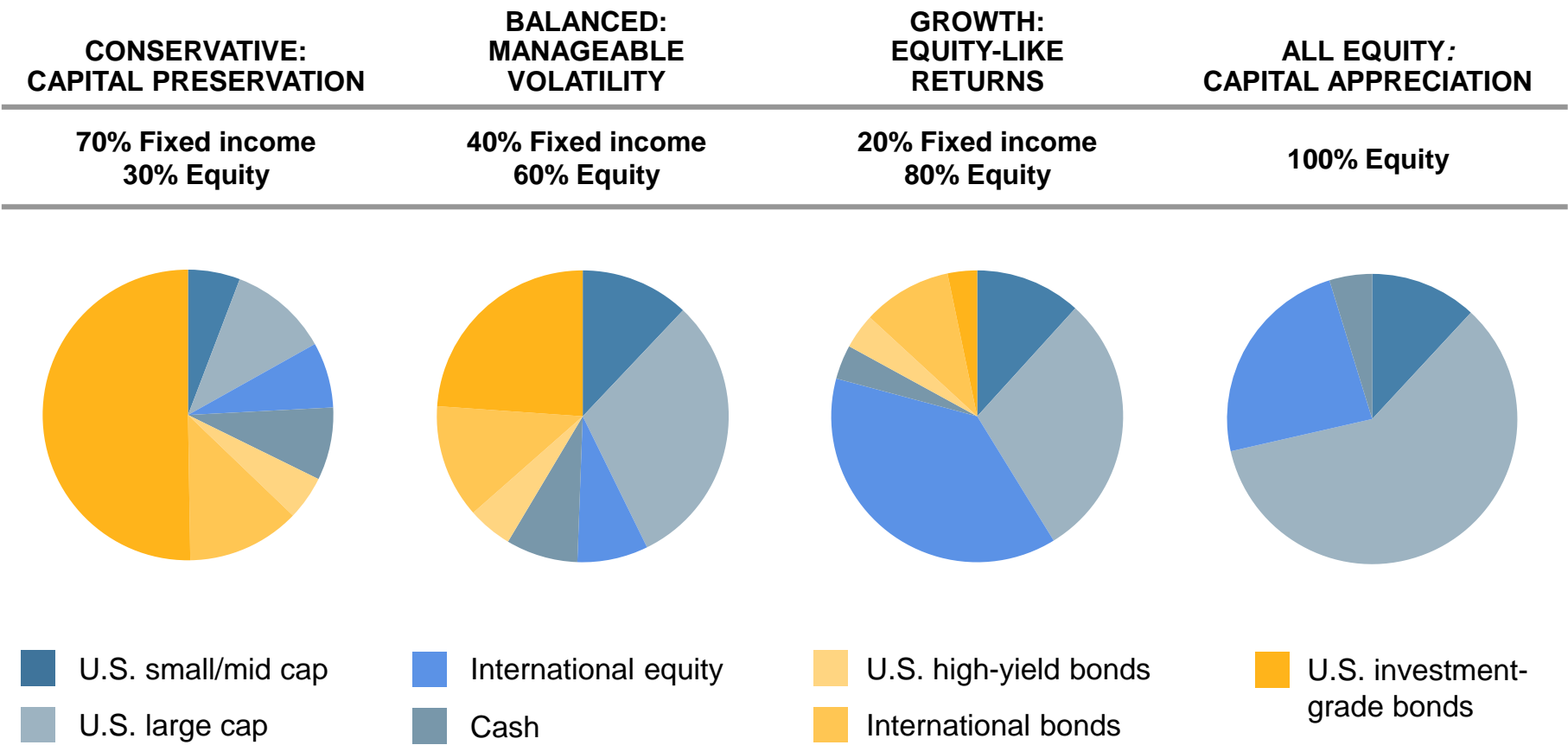
Goal-based portfolios

- Actively managed and keep the same allocation mix, regardless of the child's age
- Separately managed accounts



Allocations shown are target allocations; actual allocations may vary. See the offering statement for details.

Age-based and goal-based options: Underlying fund strategies



Allocations shown are target allocations; actual allocations may vary. See the offering statement for details.

Performance commentary: Age-based and goal-based strategies

- The strategies posted overall positive results for the one-year period as of 12/31/17
- Positive contributors to performance
 - Within dynamic allocation, selectively favoring equities over bonds at times benefited the portfolio. Positioning in commodities also added value over the one-year time period.
 - Security selection within U.S. large cap and international developed equities was overall positive.
- Notable detractors to performance
 - Selection within small-cap core exposures was a detractor.

Underlying asset allocation portfolios

Performance as of 12/31/17

| As of 12/31/17 | Quarter | Year to date | 1 yrs | 3 yrs | 5 yrs | 10 yrs | Since inception |
|---|----------------|---------------------|--------------|--------------|--------------|---------------|------------------------|
| Putnam GAA All Equity Portfolio (9/29/2010) | 6.07% | 22.37% | 22.37 % | 9.58% | 13.64% | – | 12.44 |
| Putnam Equity Blended Index | 6.02 | 22.88 | 22.88 | 10.47 | 13.50 | – | 12.53 |
| Lipper Multi-Cap Core Funds average | 5.84 | 19.43 | 19.43 | 8.89 | 13.74 | – | 12.74 |
| Putnam GAA Growth Portfolio (9/29/2010) | 5.53 | 19.88 | 19.88 | 8.79 | 11.99 | – | 10.89 |
| Putnam Growth Blended Benchmark | 4.90 | 19.02 | 19.02 | 9.10 | 11.41 | – | 10.90 |
| Lipper Mixed-Asset Target Allocation Growth Funds average | 4.05 | 15.70 | 15.70 | 6.81 | 9.19 | – | 8.85 |
| Putnam GAA Balanced Portfolio (9/29/2010) | 4.37 | 15.36 | 15.36 | 7.43 | 10.25 | – | 9.72 |
| Putnam Balanced Blended Benchmark | 3.74 | 14.41 | 14.41 | 7.56 | 9.61 | – | 9.48 |
| Lipper Mixed-Asset Target Allocation Moderate Funds average | 3.02 | 12.77 | 12.77 | 5.70 | 7.29 | – | 7.35 |
| Putnam GAA Conservative Portfolio (9/29/2010) | 2.44 | 9.83 | 9.83 | 5.01 | 6.46 | – | 6.66 |
| Putnam Conservative Blended Benchmark | 2.07 | 8.97 | 8.97 | 5.04 | 5.95 | – | 6.34 |
| Lipper Mixed-Asset Target Allocation Conserv. Funds average | 1.87 | 8.65 | 8.65 | 4.18 | 4.80 | – | 5.28 |

Putnam Income Fund review

- For the one year period ended December 31, 2017, Putnam Income Fund was up 6.10% (net, Y shares) and outperformed its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, which was up 3.54%. Credit (both corporate and mortgage credit) was the largest contributor, and performance was also aided, albeit more modestly, by our prepayment strategy. Our term structure positioning was the sole detractor during 2017.
- Mortgage Credit: Performance from our holdings in BBB- mezzanine CMBS cash bonds led the way, and agency credit risk transfer (CRT) securities also posted strong returns. Spreads were driven tighter by robust investor demand and improving housing fundamentals. Similarly, Pay Option ARMs within our legacy non-agency RMBS exposure also continued to modestly benefit from positive technicals.
- Corporate Credit: Our corporate credit exposures (both investment grade and high yield) were also a meaningful contributor to the fund's performance in 2017. Spreads, as measured by the by the Bloomberg Barclays U.S. Corporate Index and the JP Morgan Developed Market Index, tightened by 30 bps and 74 bps, respectively. Performance was driven by a solid macro backdrop, improving growth momentum, healthy balance sheets, and a steady corporate earnings environment.
- Prepayment: Both agency IO and HECM IO proved to be positive. In the case of HECM IO, the sector experienced a tailwind in the latter part of the year after HUD announced changes to the HECM program that decrease the likelihood of voluntary prepayments on existing loans.
- Term Structure: This was the sole detractor, albeit a relatively modest one. Although our directional U.S. rates position was somewhat tactical during the period, the steepening bias the fund had was a headwind as the yield curve flattened meaningful in 2017.

Proposed changes

- Reposition Absolute Return Funds
- Revise share classes/fees
- Outline timing

Putnam Absolute Return Funds

Evolving to meet client needs

- Putnam Absolute Return Funds were designed to provide diversification, volatility management, and positive overall returns regardless of market conditions over a full business cycle
- As part of our continuous evaluation of product offerings, Putnam Management has proposed, and the underlying funds' Board of Trustees have approved the changes shown below along with the associated proposed changes within Putnam 529 for America:

| Fund | Underlying fund change | Proposed change to Putnam 529 for America |
|---------------------------------|---|--|
| Putnam Absolute Return 500 Fund | Will merge into Putnam Absolute Return 700 Fund (April 30) | Reallocate assets and accounts into Putnam Absolute Return 700 Fund Investment Option* |
| Putnam Absolute Return 700 Fund | Name change (April 30) Putnam Multi-Asset Absolute Return Fund | Name change |
| Putnam Absolute Return 300 Fund | Name change (April 30) Putnam Fixed Income Absolute Return fund | Name change |
| Putnam Absolute Return 100 Fund | Will change to Putnam Short Duration Bond Fund (June 1) | Reallocate assets and accounts to Government Money Market Fund Investment Option |

Repositioning offers added scale and lower fees, and is consistent with the institutional marketplace and the needs of the client and end investor

* The execution will be treated as a reallocation of assets and accounts. Once the reallocation occurs, there will be no further impact to 529 participant accounts.

How we will simplify absolute return options for clients

- Absolute Return 500 Fund will be merged into Absolute Return 700 Fund for retail investors
 - Putnam recommends reallocating Putnam Absolute Return 500 Fund Investment Option accounts and assets into Putnam Absolute Return 700 Fund Investment Option
- Absolute Return 700 Fund will change its name to Putnam Multi-Asset Absolute Return Fund
 - No change to benchmark, investment philosophy, or process
 - The surviving track record will use performance of Absolute Return 700 Fund
 - Absolute Return 700 management fee expected to decrease from 87 bps to 72 bps* as result of the merger and the adoption of the Absolute Return 500 management fee schedule
 - Investment objective will be “seeks positive total return”; removes goal of T-bills +7.00%
- Absolute Return 300 Fund will be renamed Putnam Fixed Income Absolute Return Fund
 - No change to benchmark, investment philosophy, or process
 - Investment objective will change to “seeks positive return”; removes goal of T-bills +3.00%
 - Monthly dividend is added
- Absolute Return 100 Fund will be repositioned as Putnam Short Duration Bond Fund (short-term bond category)
 - Putnam recommends reallocating Putnam Absolute Return 100 Fund Investment Option accounts and assets to Government Money Market Fund Investment Option

* Fee based on assets as of October 31, 2017.

Recommendations for fee and share class changes (Schedule A)

- Closure of B shares: This share class is no longer actively offered by 529 plans
 - B shares have no up-front sales charge but have a contingent deferred sales charge for 6 years and higher administrative fees than A shares
 - Account for 0.53% of industry assets and 0.04% of gross new sales
 - Putnam recommends closing B shares to any new investments
 - Existing B share account owners will maintain existing accounts, but future contributions (including systematic investments) will be placed into A shares, unless account owner selects class C shares
- Automatic conversion of C shares to A shares after 7 years
 - C shares have no up-front sales charges but have higher administrative fee
 - Currently C shares never convert to A shares
 - Lowers admin fee especially for younger beneficiaries
 - First sweep of eligible accounts would lower fees for 916 account owners
- Eliminate the administrative fee on 529 Government Money Market
 - Fee is currently being waived to subsidize the yield

Putnam 529 for AmericaSM

Estimated timeline to execute proposed Plan changes

March 22

- NV CSB Meeting: seek approvals
 - Implement Absolute Return Funds' (AR) changes
 - Close B shares
 - Discontinue admin fee: Government Money Market
 - Establish C-share auto conversion to A shares
- Notify broker dealers
- File supplement with MSRB

April 19

Close 529 AR 500 to new investments*

April 30

Rename 529 AR 300 and AR 700 Funds

March 27–31

- Send advisor and customer notification
- End admin fee: 529 Gov Money Market

April 25

Reallocate 529 AR 500 to AR 700

Mid-May

- Close B shares (11th)
- Close AR 100 to new investments* (11th)
- Reallocate 529 AR 100 to Gov MM (on or about 18th)
- Sweep eligible C share accounts to A shares (11th)
- Restate Offering Statement

* Reallocations will not require blackout period. Subsequent investments will be permitted until the business day prior to mapping; redemptions will be permitted on the day of mapping.

Appendix

- Performance
 - Age-based portfolios
 - Goal-based portfolios
 - Individual options
 - Absolute Return
 - Underlying funds
- Organizational changes
- Assets by investment option
- Client service metrics
- Bios

Putnam 529 for America

Performance as of 12/31/17

| Portfolios | Inception date | 3 months | | 1 year | | 3 years | | 5 years | | Since inception | | Total expense ratio |
|----------------------|----------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | |
| Age-based portfolios | | | | | | | | | | | | |
| Graduate | 10/1/2010 | 0.44 | -5.34 | 1.50 | -4.33 | 0.53 | -1.44 | 1.63 | 0.43 | 1.91 | 1.08 | 0.96 |
| Graduate Index | | 1.16 | | 4.55 | | 2.51 | | 2.88 | | 2.96 | | |
| 1997 | 10/1/2010 | 0.45 | -5.33 | 1.96 | -3.90 | 0.96 | -1.02 | 3.42 | 2.20 | 4.23 | 3.38 | 0.98 |
| 1997 Index | | 0.59 | | 2.46 | | 1.56 | | 3.57 | | 4.57 | | |
| 1998 | 10/1/2010 | 0.72 | -5.07 | 2.85 | -3.06 | 1.41 | -0.57 | 4.07 | 2.84 | 4.81 | 3.96 | 1.00 |
| 1998 Index | | 0.75 | | 3.19 | | 1.99 | | 4.17 | | 5.13 | | |
| 1999 | 10/1/2010 | 0.90 | -4.91 | 3.76 | -2.21 | 1.89 | -0.10 | 4.75 | 3.51 | 5.40 | 4.54 | 1.03 |
| 1999 Index | | 0.94 | | 4.05 | | 2.46 | | 4.80 | | 5.71 | | |
| 2000 | 10/1/2010 | 1.20 | -4.62 | 4.81 | -1.21 | 2.41 | 0.41 | 5.45 | 4.21 | 5.99 | 5.12 | 1.04 |
| 2000 Index | | 1.16 | | 4.98 | | 2.98 | | 5.46 | | 6.29 | | |
| 2001 | 10/1/2010 | 1.54 | -4.30 | 5.95 | -0.15 | 2.99 | 0.97 | 6.20 | 4.95 | 6.57 | 5.70 | 1.07 |
| 2001 Index | | 1.43 | | 6.02 | | 3.55 | | 6.15 | | 6.86 | | |
| 2002 | 10/1/2010 | 1.86 | -4.00 | 7.23 | 1.06 | 3.60 | 1.58 | 6.93 | 5.67 | 7.13 | 6.26 | 1.08 |
| 2002 Index | | 1.71 | | 7.17 | | 4.17 | | 6.85 | | 7.43 | | |
| 2003 | 10/1/2010 | 2.27 | -3.61 | 8.64 | 2.39 | 4.28 | 2.24 | 7.65 | 6.38 | 7.68 | 6.81 | 1.09 |
| 2003 Index | | 2.04 | | 8.49 | | 4.84 | | 7.54 | | 7.99 | | |
| 2004 | 10/1/2010 | 2.72 | -3.18 | 10.13 | 3.80 | 4.97 | 2.92 | 8.36 | 7.09 | 8.21 | 7.33 | 1.10 |
| 2004 Index | | 2.40 | | 9.86 | | 5.51 | | 8.20 | | 8.51 | | |
| 2005 | 10/1/2010 | 3.16 | -2.77 | 11.61 | 5.20 | 5.59 | 3.53 | 9.00 | 7.71 | 8.66 | 7.78 | 1.11 |
| 2005 Index | | 2.77 | | 11.26 | | 6.14 | | 8.82 | | 8.98 | | |
| 2006 | 10/1/2010 | 3.59 | -2.37 | 13.07 | 6.57 | 6.18 | 4.10 | 9.58 | 8.29 | 9.08 | 8.19 | 1.12 |
| 2006 Index | | 3.14 | | 12.69 | | 6.73 | | 9.39 | | 9.42 | | |
| 2007 | 10/1/2010 | 3.96 | -2.01 | 14.26 | 7.69 | 6.60 | 4.51 | 10.04 | 8.74 | 9.38 | 8.49 | 1.13 |
| 2007 Index | | 3.49 | | 13.78 | | 7.16 | | 9.83 | | 9.76 | | |
| 2008 | 10/1/2010 | 4.22 | -1.77 | 15.12 | 8.50 | 6.91 | 4.82 | 10.39 | 9.09 | 9.65 | 8.75 | 1.13 |
| 2008 Index | | 3.72 | | 14.66 | | 7.51 | | 10.20 | | 10.04 | | |

Periods of less than one year are not annualized, but cumulative.

Putnam 529 for America

Performance as of 12/31/17

| Portfolios | Inception date | 3 months | | 1 year | | 3 years | | 5 years | | Since inception | | Total expense ratio |
|--------------------------|----------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | |
| AGE-BASED PORTFOLIOS | | | | | | | | | | | | |
| 2009 | 10/1/2010 | 4.48 | -1.52 | 15.98 | 9.31 | 7.20 | 5.11 | 10.71 | 9.41 | 9.89 | 9.00 | 1.13 |
| 2009 Index | | 3.94 | | 15.49 | | 7.81 | | 10.52 | | 10.28 | | |
| 2010 | 10/1/2010 | 4.64 | -1.38 | 16.80 | 10.09 | 7.48 | 5.38 | 11.00 | 9.70 | 10.10 | 9.21 | 1.14 |
| 2010 Index | | 4.15 | | 16.33 | | 8.12 | | 10.82 | | 10.50 | | |
| 2011 | 1/3/2011 | 4.87 | -1.16 | 17.62 | 10.85 | 7.76 | 5.66 | 11.26 | 9.95 | 9.57 | 8.65 | 1.14 |
| 2011 Index | | 4.36 | | 17.15 | | 8.42 | | 11.10 | | 9.84 | | |
| 2012 | 1/3/2012 | 5.07 | -0.97 | 18.38 | 11.57 | 8.02 | 5.91 | 11.51 | 10.20 | 12.15 | 11.05 | 1.14 |
| 2012 Index | | 4.55 | | 17.88 | | 8.68 | | 11.35 | | 12.00 | | |
| 2013 | 1/2/2013 | 5.27 | -0.78 | 18.88 | 12.04 | 8.20 | 6.09 | 11.69 | 10.37 | 11.69 | 10.37 | 1.15 |
| 2013 Index | | 4.72 | | 18.49 | | 8.90 | | 11.55 | | 11.55 | | |
| 2014 | 1/2/2014 | 5.37 | -0.69 | 19.35 | 12.49 | 8.35 | 6.23 | -- | -- | 8.66 | 7.06 | 1.15 |
| 2014 Index | | 4.85 | | 18.95 | | 9.06 | | - | | 8.72 | | |
| 2015 | 1/2/2015 | 5.45 | -0.62 | 19.66 | 12.78 | 8.52 | 6.40 | -- | -- | 8.52 | 6.40 | 1.15 |
| 2015 Index | | 4.96 | | 19.32 | | 9.20 | | - | | 9.20 | | |
| 2016 | 1/4/2016 | 5.43 | -0.63 | 19.70 | 12.82 | -- | -- | -- | -- | 13.23 | 9.92 | 1.16 |
| 2016 Index | | 5.05 | | 19.61 | | - | | - | | 14.62 | | |
| 2017 | 1/3/2017 | 5.55 | -0.52 | 19.90 | 13.01 | -- | -- | -- | -- | 19.90 | 13.01 | 1.16 |
| 529 Age-Based 2017 Index | | 5.12 | | 19.81 | | - | | - | | 19.81 | | |

Periods of less than one year are not annualized, but cumulative.

Putnam 529 for America

Performance as of 12/31/17

| Portfolios | Inception date | 3 months | | 1 year | | 3 years | | 5 years | | Since inception | | Total expense ratio |
|--|----------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | |
| GOAL-BASED PORTFOLIOS | | | | | | | | | | | | |
| Balanced | 10/1/2010 | 4.26 | -1.73 | 14.90 | 8.30 | 6.88 | 4.79 | 9.58 | 8.29 | 8.92 | 8.04 | 1.12 |
| Balanced Index | | 3.76 | | 14.46 | | 7.44 | | 9.40 | | 9.21 | | |
| Growth | 10/1/2010 | 5.53 | -0.53 | 19.95 | 13.06 | 8.56 | 6.43 | 11.93 | 10.62 | 10.77 | 9.86 | 1.16 |
| Growth Index | | 5.18 | | 19.97 | | 9.45 | | 11.94 | | 11.30 | | |
| Aggressive Growth | 10/1/2010 | 5.95 | -0.14 | 21.82 | 14.82 | 9.12 | 6.99 | 13.15 | 11.82 | 11.91 | 11.00 | 1.18 |
| Aggressive Growth Index | | 6.02 | | 22.88 | | 10.47 | | 13.50 | | 12.52 | | |
| INDIVIDUAL OPTIONS | | | | | | | | | | | | |
| Putnam Equity Income Fund | 10/1/2010 | 6.22 | 0.11 | 18.43 | 11.62 | 9.09 | 6.96 | 13.85 | 12.51 | 13.55 | 12.63 | 1.11 |
| Russell 1000 Value Index | | 5.33 | | 13.66 | | 8.65 | | 14.04 | | 13.48 | | |
| Putnam Small Cap Value Fund | 9/12/2014 | 3.01 | -2.91 | 7.75 | 1.56 | 9.32 | 7.19 | -- | -- | 9.12 | 7.18 | 1.32 |
| Russell 2000 Value Index | | 2.05 | | 7.84 | | 9.55 | | - | | 9.76 | | |
| MFS Institutional International Equity Fund | 10/1/2010 | 3.90 | -2.07 | 27.41 | 20.08 | 8.27 | 6.16 | 7.41 | 6.14 | 7.40 | 6.53 | 1.09 |
| MSCI EAFE Index (ND) | | 4.23 | | 25.03 | | 7.80 | | 7.90 | | 6.70 | | |
| Putnam Growth Opportunities Fund | 7/5/2016 | 6.53 | 0.40 | 30.63 | 23.12 | -- | -- | -- | -- | 25.58 | 20.68 | 1.10 |
| Russell 1000 Growth Index | | 7.86 | | 30.21 | | - | | - | | 23.98 | | |
| Principal MidCap Fund | 10/1/2010 | 4.74 | -1.28 | 24.75 | 17.58 | 11.41 | 9.23 | 15.57 | 14.21 | 15.79 | 14.84 | 1.09 |
| Russell Mid Cap Index | | 6.07 | | 18.52 | | 9.58 | | 14.96 | | 14.16 | | |
| SSGA S&P 500 Index | 6/27/2012 | 6.54 | 0.41 | 21.13 | 14.17 | 10.81 | 8.65 | 15.12 | 13.77 | 15.23 | 14.00 | 0.54 |
| S&P 500 Index | | 6.64 | | 21.83 | | 11.41 | | 15.79 | | 15.91 | | |
| Putnam High Yield* | 4/21/2017 | 0.77 | -3.26 | -- | -- | -- | -- | -- | -- | 4.20 | 0.03 | 1.24 |
| JPMorgan Developed High Yield Index* | | 0.75 | | - | | - | | - | | 4.53 | | |
| Putnam Income Fund | 10/1/2010 | 1.09 | -2.95 | 5.61 | 1.38 | 1.83 | 0.46 | 2.46 | 1.63 | 3.69 | 3.10 | 1.01 |
| BBG Barclays U.S. Aggregate Bond Index | | 0.39 | | 3.54 | | 2.24 | | 2.10 | | 2.91 | | |
| Federated U.S. Government Securities Fund | 10/1/2010 | -0.59 | -4.56 | -0.10 | -4.09 | 0.03 | -1.32 | -0.35 | -1.16 | 0.26 | -0.30 | 0.98 |
| ICE BofA Merrill Lynch 3–5 Year Treasury Index | | -0.57 | | 0.95 | | 1.29 | | 1.02 | | 1.54 | | |

* Since inception returns are cumulative.
Periods less than one year are not annualized, but cumulative.

Putnam 529 for America

Performance as of 12/31/17

| Portfolios | Inception date | 3 months | | 1 year | | 3 years | | 5 years | | Since inception | | Total expense ratio |
|---|----------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | Before sales charge | After Sales charge | |
| INDIVIDUAL OPTIONS | | | | | | | | | | | | |
| Putnam Government Money Market Fund | 8/18/2016 | 0.03 | 0.03 | 0.05 | 0.05 | -- | -- | -- | -- | 0.04 | 0.04 | 0.93 |
| Lipper U.S. Government Money Market Funds Average | | 0.13 | | 0.32 | | - | | - | | 0.25 | | |
| Absolute Return 100 Fund | 10/1/2010 | 0.37 | -0.63 | 3.14 | 2.11 | 1.49 | 1.15 | 1.33 | 1.12 | 1.11 | 0.97 | 0.77 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | | 0.25 | | 0.81 | | 0.42 | | 0.28 | | 0.24 | | |
| Absolute Return 300 Fund | 10/1/2010 | 0.44 | -0.56 | 5.09 | 4.04 | 1.57 | 1.23 | 2.06 | 1.85 | 1.78 | 1.63 | 0.83 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | | 0.25 | | 0.81 | | 0.42 | | 0.28 | | 0.24 | | |
| Absolute Return 500 Fund | 10/1/2010 | 1.92 | -3.94 | 7.07 | 0.91 | 2.39 | 0.39 | 3.04 | 1.83 | 3.38 | 2.53 | 1.16 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | | 0.25 | | 0.81 | | 0.42 | | 0.28 | | 0.24 | | |
| Absolute Return 700 Fund | 10/1/2010 | 2.63 | -3.27 | 9.64 | 3.33 | 3.39 | 1.37 | 4.34 | 3.11 | 4.39 | 3.54 | 1.30 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | | 0.25 | | 0.81 | | 0.42 | | 0.28 | | 0.24 | | |

Periods of less than one year are not annualized, but cumulative.

Putnam 529 for America

Underlying performance as of 12/31/17

| | Quarter | Year to date | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since inception |
|---|---------|--------------|-------|-------|-------|--------|-----------------|
| Putnam GAA All Equity Portfolio (9/29/2010) | 6.07 | 22.37 | 22.37 | 9.58 | 13.64 | — | 12.44 |
| Putnam Equity Blended Index | 6.02 | 22.88 | 22.88 | 10.47 | 13.50 | — | 12.53 |
| Lipper Multi-Cap Core Funds average | 5.84 | 19.43 | 19.43 | 8.89 | 13.74 | — | 12.74 |
| Putnam GAA Growth Portfolio (9/29/2010) | 5.53 | 19.88 | 19.88 | 8.79 | 11.99 | — | 10.89 |
| Putnam Growth Blended Benchmark | 4.90 | 19.02 | 19.02 | 9.10 | 11.41 | — | 10.90 |
| Lipper Mixed-Asset Target Allocation Growth Funds average | 4.05 | 15.70 | 15.70 | 6.81 | 9.19 | — | 8.85 |
| Putnam GAA Balanced Portfolio (9/29/2010) | 4.37 | 15.36 | 15.36 | 7.43 | 10.25 | — | 9.72 |
| Putnam Balanced Blended Benchmark | 3.74 | 14.41 | 14.41 | 7.56 | 9.61 | — | 9.48 |
| Lipper Mixed-Asset Target Allocation Moderate Funds average | 3.02 | 12.77 | 12.77 | 5.70 | 7.29 | — | 7.35 |
| Putnam GAA Conservative Portfolio (9/29/2010) | 2.44 | 9.83 | 9.83 | 5.01 | 6.46 | — | 6.66 |
| Putnam Conservative Blended Benchmark | 2.07 | 8.97 | 8.97 | 5.04 | 5.95 | — | 6.34 |
| Lipper Mixed-Asset Target Allocation Conserv. Funds average | 1.87 | 8.65 | 8.65 | 4.18 | 4.80 | — | 5.28 |
| Federated US Government Sec Fund: 2-5 Years Instl (2/18/1983) | -0.54 | 0.28 | 0.28 | 0.40 | 0.04 | 2.07 | 5.63 |
| ICE BofA Merrill Lynch 3-5 Year Treasury Index | -0.57 | 0.95 | 0.95 | 1.29 | 1.02 | 2.94 | — |
| Lipper Short-Intermediate U.S. Government Funds average | -0.25 | 0.62 | 0.62 | 0.47 | 0.30 | 2.05 | 5.63 |
| Putnam Small Cap Value Y (4/13/1999) | 3.04 | 8.11 | 8.11 | 9.76 | 13.65 | 7.76 | 10.15 |
| Russell 2000 Value Index | 2.05 | 7.84 | 7.84 | 9.55 | 13.01 | 8.17 | 10.09 |
| Lipper Small-Cap Value Funds average | 3.56 | 8.97 | 8.97 | 8.05 | 11.99 | 7.98 | 11.02 |
| Principal MidCap Fund Instl (3/1/2001) | 4.89 | 25.32 | 25.32 | 11.92 | 16.12 | 11.48 | 11.09 |
| Russell Mid Cap Index | 6.07 | 18.52 | 18.52 | 9.58 | 14.96 | 9.11 | 9.46 |
| Lipper Multi-Cap Growth Funds average | 6.16 | 28.06 | 28.06 | 10.43 | 14.84 | 8.15 | 6.49 |
| SSgA S&P 500 Index Fund (12/30/1992) | 6.64 | 21.68 | 21.68 | 11.26 | 15.62 | 8.35 | 9.50 |
| S&P 500 Index | 6.64 | 21.83 | 21.83 | 11.41 | 15.79 | 8.50 | 9.66 |
| Lipper S&P 500 Index Funds average | 6.55 | 21.27 | 21.27 | 10.86 | 15.19 | 7.94 | 9.39 |
| Putnam Equity Income Fund Y (6/15/1977) | 6.33 | 18.95 | 18.95 | 9.54 | 14.35 | 8.94 | 10.50 |
| Russell 1000 Value Index | 5.33 | 13.66 | 13.66 | 8.65 | 14.04 | 7.10 | — |
| Lipper Equity Income Funds average | 5.44 | 15.44 | 15.44 | 8.24 | 12.31 | 6.99 | 10.83 |
| Putnam Growth Opportunities Fund Y (10/2/1995) | 6.64 | 31.28 | 31.28 | 12.34 | 17.19 | 10.51 | 8.17 |
| Russell 1000 Growth Index | 7.86 | 30.21 | 30.21 | 13.79 | 17.33 | 10.00 | 8.69 |
| Lipper Large-Cap Growth Funds average | 6.38 | 29.52 | 29.52 | 11.66 | 15.65 | 8.41 | 5.33 |

Periods of less than one year are not annualized, but cumulative.

Putnam 529 for America

Underlying performance as of 12/31/17

| | Quarter | Year to date | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since inception |
|---|---------|--------------|-------|-------|-------|--------|-----------------|
| Putnam Income Fund Y (11/1/1954) | 1.19 | 6.10 | 6.10 | 2.23 | 2.88 | 5.46 | 7.56 |
| Bloomberg Barclays U.S. Aggregate Bond Index | 0.39 | 3.54 | 3.54 | 2.24 | 2.10 | 4.01 | – |
| Lipper Core Bond Funds average | 0.32 | 3.56 | 3.56 | 2.15 | 1.95 | 3.83 | – |
| Putnam High Yield Fund:Y (3/25/1986) | 0.89 | 7.16 | 7.16 | 5.48 | 5.14 | 6.99 | 7.58 |
| JPMorgan Developed High Yield Index | 0.75 | 7.80 | 7.80 | 6.76 | 6.15 | 8.29 | – |
| Lipper High Yield Funds average | 0.49 | 6.58 | 6.58 | 5.00 | 4.63 | 6.43 | 7.16 |
| Putnam Govt Money Market A (4/14/2016) | 0.13 | 0.30 | 0.30 | – | – | – | 0.18 |
| Lipper U.S. Government Money Market Funds | 0.13 | 0.32 | 0.32 | – | – | – | 0.20 |
| MFS Intl International Equity Fund (1/30/1996) | 4.00 | 28.02 | 28.02 | 8.70 | 7.84 | 4.50 | 8.13 |
| MSCI EAFE Index (ND) | 4.23 | 25.03 | 25.03 | 7.80 | 7.90 | 1.94 | 5.12 |
| Lipper International Large-Cap Growth average | 4.09 | 27.54 | 27.54 | 7.76 | 7.00 | 2.43 | 7.12 |
| Putnam Absolute Return 100 Fund Y (12/23/2008) | 0.42 | 3.47 | 3.47 | 1.88 | 1.72 | – | 1.73 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | 0.25 | 0.81 | 0.81 | 0.42 | 0.28 | – | 0.24 |
| Putnam Absolute Return 300 Fund Y (12/23/2008) | 0.60 | 5.53 | 5.53 | 1.97 | 2.46 | – | 2.82 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | 0.25 | 0.81 | 0.81 | 0.42 | 0.28 | – | 0.24 |
| Putnam Absolute Return 500 Fund Y (12/23/2008) | 2.00 | 7.46 | 7.46 | 2.77 | 3.45 | – | 4.23 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | 0.25 | 0.81 | 0.81 | 0.42 | 0.28 | – | 0.24 |
| Putnam Absolute Return 700 Fund Y (12/23/2008) | 2.71 | 10.09 | 10.09 | 3.77 | 4.75 | – | 5.57 |
| ICE BofA Merrill Lynch U.S. Treasury Bill Index | 0.25 | 0.81 | 0.81 | 0.42 | 0.28 | – | 0.24 |

Periods of less than one year are not annualized, but cumulative.

Summary of organizational changes

- The following are details regarding material organizational and senior management changes at Putnam Investments from July 2017 to January 2018:

Senior Management

- In December 2017, Peter J. Curran, Chief of Human Resources, retired from Putnam. Edward Whalen was promoted into the role. Mr. Whalen joined Putnam in 1990 and most recently served as a divisional Head of Human Resources.
- In October 2017, Scott C. Sipple was appointed President of Great-West Investments, where he now provides leadership of the firm's efforts to identify, create, and deliver investment, retirement income, and advice solutions for the retirement market. Mr. Sipple previously served as Head of Global Investment Strategies at Putnam. He was replaced by Michael P. Wands, CFA, who now reports directly to Putnam Investments President and CEO Robert L. Reynolds. Mr. Wands, who previously led the Fixed Income Global Investment Strategies group at the firm, joined Putnam in 2008 and has been in the industry since 1986.

Portfolio Management

- In January 2018, Portfolio Manager Robert M. Brookby left the firm. Mr. Brookby was Portfolio Manager of Putnam Growth Opportunities Fund. Upon his departure, Richard E. Bodzy was promoted to Portfolio Manager of the fund with Samuel Cox being named Assistant Portfolio Manager. Mr. Bodzy had been the Assistant Portfolio Manager of the strategy since 2017. He has been with Putnam since 2009 and has worked in the investment industry since 2003. Mr. Cox is Co-Director of Research and an analyst responsible for covering the health-care sector. He has been with Putnam since 2014 and in the investment industry since 2002.

Summary of organizational changes (continued)

- In December 2017, Portfolio Manager Eric N. Harthun, CFA, retired from Putnam. Mr. Harthun was responsible for Putnam Small Cap Value Fund. Portfolio Manager, David L. Diamond, CFA, has taken over leadership of the fund. Mr. Diamond joined Putnam in 2017 in preparation for Mr. Harthun's retirement. Mr. Diamond previously served in the investment industry from 1986 to 2005, and reentered when he joined Putnam.
- In December 2017, Robert J. Kea, CFA, Co-Head of Global Asset Allocation, retired from Putnam. In addition to working with the other senior members on overall portfolio strategy, Mr. Kea was responsible for formulating duration and top-down equity views, sharing responsibility for duration views with Co- Head of Global Asset Allocation James A. Fetch and top-down equity views with Portfolio Manager Brett E. Risser. These veteran professionals continue to contribute to these areas and there will be no changes to the investment objectives or processes of Putnam's Global Asset Allocation portfolios.

Putnam 529 for America

Assets by investment option as of 12/31/17

| Category | Fund | 12/31/17 assets | Percentage of grand total |
|--------------------------------|--|----------------------|---------------------------|
| Age-based | Total | \$228,872,180 | 50.97% |
| Goal-based | Total | \$87,642,162 | 19.52% |
| | Goal-based balanced | \$29,712,597 | 6.62% |
| | Goal-based growth | \$32,774,998 | 7.30% |
| | Goal-based aggressive growth | \$25,154,568 | 5.60% |
| Individual fund options | Total | \$103,028,042 | 22.95% |
| | Federated U.S. Gov. Securities 2–5 years | \$1,655,885 | 0.37% |
| | MFS Institutional International Equity | \$11,388,901 | 2.54% |
| | Principal MidCap | \$18,861,991 | 4.20% |
| | Putnam 529 SSgA S&P 500 | \$10,571,216 | 2.35% |
| | Putnam Equity Income | \$19,340,460 | 4.31% |
| | Putnam Government Money Market | \$9,982,954 | 2.22% |
| | Putnam Growth Opportunities | \$14,824,786 | 3.30% |
| | Putnam High Yield | \$4,827,538 | 1.08% |
| | Putnam Income | \$5,984,138 | 1.33% |
| | Putnam Small Cap Value | \$5,590,172 | 1.24% |
| Absolute return | Total | \$29,470,375 | 6.56% |
| | Absolute 100 | \$1,348,512 | 0.30% |
| | Absolute 300 | \$4,694,559 | 1.05% |
| | Absolute 500 | \$11,133,795 | 2.48% |
| | Absolute 700 | \$12,293,509 | 2.74% |
| | Grand total | \$449,012,759 | 100.00% |

Putnam 529 for America

Client Services Metrics - 2017

| CRITERIA | SERVICE LEVEL |
|---|---------------|
| Transactions <ul style="list-style-type: none">• 96% of all financial and non-financial transactions processed error free | 98.8% |
| Telephone service <ul style="list-style-type: none">• 80% of calls answered within 20 seconds | 87.2% |
| Mail service <ul style="list-style-type: none">• Transaction confirmations<ul style="list-style-type: none">– 99% of confirmations and checks mailed within 2 business days of any transaction• Quarterly statements<ul style="list-style-type: none">– 97% of customers receive quarterly statements within 5 business days of the end of each quarter | 100% |

Judith A. Minsk

*Senior Manager,
Investment Strategies
Global Investment Strategies*

Responsibilities at Putnam

Ms. Minsk is a Senior Manager, Investment Strategies, in the Global Investment Strategies group. She is responsible for Putnam's 529 for America college savings plan marketing and product development, manages key client relationships, and oversees internal processes related to marketing materials. Previously at Putnam, Ms. Minsk served in various roles, including Regional Marketing Associate Advisory Specialist, Alliance Account Manager for Investment-Only, and Broker-Dealer Relationship Manager. She has been in the investment industry since she joined Putnam in 1993.

Experience

Avitar, Inc.

- *Marketing Associate, 1990–1993*

Education

University of Massachusetts at Amherst, B.A.

Brendan T. Murray

Senior Investment Director, Global Asset Allocation
Global Investment Strategies

Responsibilities at Putnam

Mr. Murray is a Senior Investment Director in the Global Investment Strategies group, dedicated to Global Asset Allocation products. In this role, he is responsible for developing and launching new products; defining product messaging for existing products; providing ongoing marketing and sales support; interpreting and communicating performance, positioning, and strategy to existing clients; and gathering market intelligence on trends in the global marketplace. Previously at Putnam, he served as Investment Director and Team Leader in the Fixed Income group. He has been in the investment industry since he joined Putnam in 2002.

Education

Boston College, B.A.

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Date: March 22, 2018

To: Nevada College Savings Plans

From: Pension Consulting Alliance, LLC (PCA)

CC: Eric White, CFA – PCA
Kay Ceserani – PCA
Sean Copus, CFA – PCA

RE: Review of Putnam 529 for America Plan Updates

Background and Summery

In late February 2018, Putnam Investments, one of Nevada's 529 program managers, recommended several updates to its Putnam 529 for America plan. In general, the proposed updates to the program focus around a reorganization and simplification of the current Absolute Return fund lineup and the inclusion of several new short duration-focused fixed income fund options. For informational purposes, a more detailed outline of the proposed changes is as follows:

- Merge the current Absolute Return 500 fund into the Absolute Return 700 fund and rename the resulting fund the Putnam Multi-Asset Absolute Return fund.
- Change the name of the Absolute Return 100 fund to the Short Duration Bond fund and reallocate the assets away from the newly named Short Duration Bond Fund.
- Addition of the Putnam Short Duration Income fund to the program lineup. Transition assets from the Absolute Return 100 fund to the Putnam Short Duration Income fund
- Rename the Absolute Return 300 fund to the Fixed Income Absolute Return Fund and change its current T-bills + 3% performance goal to one that simply seeks any positive return.
- Closure of all B share classes to new investments and future contributions for all program funds.
- Addition of an automatic conversion feature of C share classes to A class shares after 7 years.
- Elimination of administrative fees on the Putnam 529 Government Money Market fund.

Putnam believes these program changes will offer added scale, lower fees, and a more robust fund lineup. However, PCA does have concerns relating to a possible increase in risk and complexity for Nevada 529 investors without associated benefits as a result of the proposed

changes and recommends some modifications to several Putnam's proposed updates. PCA's concerns are discussed in more detail on the following pages.

Discussion

In general, PCA supports the majority of Putnam's proposed changes for the 529 for America plan. However, PCA has following three major concerns relating to the proposed changes:

1. Reallocating the Absolute Return 500 fund assets to the Absolute Return 700 fund's investment strategy constitutes an increase in the risk exposure of plan participants that originally invested in the Absolute Return 500 fund.
2. The addition of the Putnam Short Duration Income fund appears to be redundant given the similarities to current fixed income options in the program and may create confusion among plan participants.
3. The use of a simple T-bill benchmark for the remaining Absolute Return funds is inappropriate given the amount of risk inherent in their respective strategies.

Merging of the Absolute Return 500 and Absolute 700 Funds

PCA agrees with Putnam that by merging the Absolute Return 500 and 700 funds into the newly named Multi-Asset Absolute Return fund will benefit the program by simplifying the Absolute Return lineup and lowering fees. The newly named Multi-Asset Absolute Return fund will continue to use the investment strategy of the former Absolute Return 700 fund which attempted to earn an annualized real return of 7%. Plan participants that originally invested in the Absolute Return 500 fund did so because its 5% real return goal was more in line with their investment goals and risk appetite. By moving the Absolute Return 500 assets to the higher risk/reward investment strategy of the former Absolute Return 700, **the plan will be unilaterally increasing the risk exposure of participants who had self-identified as having a lower risk tolerance than that of the former Absolute Return 700 fund.**

Reallocation of AR100 Asset to the Short Duration Income Fund

Putnam plans to change the name and the investment process of the Absolute Return 100 fund to the Short Duration Bond fund. They are simultaneously recommending that the Program reallocate the assets away from the Short Duration Bond Fund to a new fund, the Putnam Short Duration Income fund.

Putnam recommends the Putnam Short Duration Income fund be added to the program to fill a hypothetical gap in the fund lineup. This perceived gap is amongst the current Putnam Government Money Market fund and the Federated US Government Securities: 2-5 Year fund and the new Fixed Income Absolute Return Fund (the old AR 300 fund). It is PCA's opinion that the addition of the fund is unnecessary and that its addition would create redundancies in the fund lineup that has the potential to be more detrimental than beneficial.

It is PCA's opinion that the Putnam Short Duration Income fund is not differentiated enough to be necessary for inclusion in the program. The Program's current short-term debt options include the Putnam Government Money Market fund, the Federated US Government Securities: 2-5 Year fund, and the Putnam Fixed Income Absolute Return fund (the legacy AR 300 fund); a lineup that sufficiently covers the short end of the yield curve. The Putnam Short Duration Income fund resembles how Money Market funds were structured prior to the Money Market reforms of 2016. It has an average maturity of approximately one year and an effective duration of 0.16 years with approximately 90% of the asset rated A or better. The Fund's duration of 0.16 years is not significantly different than the (essentially) zero duration of the Putnam Government Money Market fund. The yield advantage is relatively modest (less than 1%) relative to the Putnam Government Money Market fund for taking credit risk and moving to a floating NAV. The Plan's fund lineup already has credit exposure through the Putnam Fixed Income Absolute Return fund (the legacy AR 300 fund) which offers credit (spread) exposure with essentially no duration risk.

The three funds currently offered enable an investor to create essentially any market exposure or risk-return exposure desired on the short end of the yield curve. This can be accomplished equally well with the three funds already in the Program as could be done with the current funds plus the addition of the proposed fourth fund. A participant or advisor can use a combination of the Putnam Government Money Market fund and the Federated US Government Securities: 2-5 Year fund to target any level of duration they desire on the short end of the yield curve. The individual then could determine the level of credit risk exposure they desire by adding an allocation to the Putnam Fixed Income Absolute Return fund to their combination of the Putnam Government Money Market and the Federated US Government Securities: 2-5 Year funds. As such, a participant can target any level of interest rate risk (duration) and credit risk they desire through the combination of the three funds already included in the Program.

Given that, the additional fourth fund would create an overcrowded selection of fixed income options on the short end of the yield curve. While there are relatively few explicit drawbacks to having an overcrowded fund lineup, it can create a point of confusion for some investors and appear as a lack of focus from a plan design perspective.

We believe the addition of the Putnam Short Duration Income fund would be redundant as its market exposure and risk-return profile can be replicated with the funds already in the Program. In other words, we do not believe the Putnam Short Duration Income fund's addition will fill any discernable gap in the investment lineup. We also believe that the combination of three short-duration fixed income funds along with the three longer-term fixed income funds within the Program give plan participants and their advisors ample fixed income investment choices. As such, from a pure investment standpoint the Putnam Short Duration Income fund's inclusion is superfluous. That being said, there may be "non-investment related" plan design goals that its addition brings to the table (marketing as a single fund solution for K-12 savers). Therefore, PCA recommends the Board review the non-investment related merits of adding the fund while being aware of the fact that it will likely be redundant from an investment standpoint.

If the Putnam Short Duration Income fund is added to the Program, PCA concurs with Putnam recommendation to reallocate the funds currently in the Absolute Return 100 fund to the new Putnam Short Duration Income fund. If, however, the Board elects not to add the fund to the fund lineup, PCA recommends the assets be allocated to the Putnam Government Money Market fund.

Use of T-bills Benchmark for Remaining Absolute Return Funds

One of Putnam's proposals for the newly configured absolute return funds is to remove the current performance goal of each fund (Absolute Return 300 = T-bills + 3%, Absolute Return 700 = T-Bills + 7%) and replace them with a basic "positive return" objective for the newly named Fixed Income and Multi-Asset Absolute Return funds. Concurrent with these changes, Putnam recommends using a 3-month T-bill benchmark for both funds. PCA believes that a simple 3-month T-bill benchmark would be inappropriate for each fund as they will continue to pursue the same investment philosophies, meaning they will continue to take significantly more investment risk than is denoted by a pure T-bills benchmark. As a result, there would be a significant mismatch between the investment process and the benchmark utilized to measure their investment aptitude.

Without a premium added to a risk-free benchmark (T-bills), success of a particular fund can not be discerned. For example, you can have two funds that produce the same premium relative to T-bills and one could do so extremely efficiently relative to the risk taken while the other could generate the same return despite taking outsized risks. Without a premium scaled to the level of risk inherent in the investment strategy of the two funds it would appear the two funds did equally well. If the premium to the risk-free rate is scaled to the level of risk of the individual fund, then the skill of the individual manager becomes apparent.

Given the inherent risks involved in the absolute return funds, PCA recommends that a premium relative to T-bills be maintained. That being said, we recommend the current monitoring benchmarks for both the Absolute Return 300 and Absolute Return 700 funds be reduced to the following upon their rebranding:

| Current Fund | Current Benchmark | Proposed Rebranded Fund | Proposed Benchmark |
|---------------------|-------------------|------------------------------|--------------------|
| Absolute Return 300 | T-Bills + 3.0% | Fixed Income Absolute Return | T-Bills + 2.0% |
| Absolute Return 700 | T-Bills + 7.0% | Multi-Asset Absolute Return | T-Bills + 4.0% |

PCA's believes the proposed benchmarks listed above offer a more realistic mechanism for measuring the success of each fund in meeting its positive return objective while also recognizing the various market risks that each fund will have to undertake in order to achieve their respective goals. PCA also believes that the lowered return expectations for each fund represent a more realistic performance benchmark relative to the current benchmarks.

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THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 12
March 22, 2018

**Item: 529 Savings Investment Policy Statement and
Monitoring Guideline Amendments**

Recommendation:

| |
|--|
| <p>That the Board receive and approve amended Monitoring Guidelines as part of the Investment Policy Statement for the Nevada College Savings Plan.</p> |
|--|

Fiscal: None

Summary: Pursuant to the suggested changes to the Putnam for America 529 plan, staff has amended the Monitoring Guidelines specially the benchmarks for the Putnam Absolute Return funds. In addition, Staff has modified the Investment Policy Statement to reflect the change to the Board as the result of the passage of Assembly Bill 475.

Staff will present this item (assuming the passage of Agenda Item #11) and be available to answer questions.



Monitoring Procedures and Criteria

for the

NEVADA COLLEGE SAVINGS PROGRAM

Board of Trustees
College Savings Plans of Nevada

~~October 17,~~
~~2013~~March 22,
2017

The Nevada College Savings Program (“College Savings Program”) was created as part of the College Savings Plans of Nevada. The College Savings Program is a vehicle for families to save for higher education on a tax-advantaged basis. Under federal law, participants in 529 plans cannot directly control investments, instead investments are held in state trusts. As the administrator of the Plans, Board of Trustees (the “Board”) of the College Savings Plans of Nevada directs investments and has a fiduciary responsibility for the assets invested by the Plan’s Participants.

These monitoring procedures enable the Board to monitor performance and help it achieve consistent long-term investment success for its Participants. In addition, it provides the Board with a road map for action if it is not satisfied with specific aspects of a fund’s activities and/or investment performance.

A. Monitoring Procedures

The Board’s monitoring procedures are designed to provide qualitative and quantitative information to the Board on investment performance to aid it in making the best decisions on behalf of account owners and beneficiaries. Specifically, the procedures outline what will be monitored, how it will be monitored, and when it will be monitored; what is acceptable and unacceptable performance; and how underperformance may be addressed.

There are two major groups of monitoring activities: Ongoing Monitoring and Periodic Monitoring. For purposes of these monitoring procedures, the term “fund” shall be deemed to refer to funds and other individual investment vehicles.

1. Ongoing Monitoring Activities

Ongoing monitoring activities include measurement and assessment of investment performance and related investment activities. The differences in the structures for individual fund portfolios and multi-fund portfolios require different monitoring procedures as outlined below. Both the Program Manager(s) and independent Investment Consultant will provide quarterly monitoring reports.

a. Portfolio Construction

Individual Fund Portfolios Investment Performance – Performance of each individual fund portfolio (each portfolio is made up of a single fund) is monitored relative to its benchmarks for a specific time period. Monitoring criteria can be found in Section D., the Investment Performance Criteria Schedules.

Multi-Fund Portfolios (Age-Based and Goal-Based) Investment Performance – Performance monitoring of portfolios containing multiple funds will occur at the underlying fund level. Each multi-fund portfolio will have its underlying funds monitored and performance compared to their applicable benchmarks. Should underlying fund information not be available, the performance will be monitored at the aggregate portfolio level against custom asset weighted benchmarks. Specific monitoring criteria for each asset class can be found in Section D., the Investment Performance Criteria Schedules.

b. Quarterly Investment Performance Review by Program Manager

As part of the ongoing reporting process, the Program Manager will report calendar quarter and trailing annualized performance of the funds to the Board, the State Treasurer's Office and the Investment Consultant on at least a quarterly basis. The Program Manager will also provide to the Board quarterly performance reports for each portfolio and underlying fund used by the Program against its respective benchmark. In addition, the Program Manager is responsible for providing: i) an explanation of investment activities that caused under- or out-performance each quarter, ii) any major changes in the investment related to personnel, organization and/or investment approach/strategy, and iii) any other reporting as required by law.

c. Quarterly Investment Performance Evaluation by the Investment Consultant

Using the data provided by the Program Manager, the Investment Consultant will provide a quarterly report for the Board comparing each individual fund portfolio and each underlying fund in multi-fund portfolios to its respective benchmark according to the investment performance criteria found in the Section D., the Investment Performance Criteria Schedules. The quarterly monitoring report compares each individual fund portfolio to a benchmark and each underlying fund in a multi-fund portfolio against applicable benchmarks. Should the underlying fund information not be available, the performance will be monitored at the aggregate portfolio level against a custom asset-weighted benchmark. Performance for each individual fund portfolio, underlying fund or multi-fund portfolio is then categorized as Positive, Acceptable, Caution, or Watch using the criteria listed in the Investment Status Schedule as detailed in Section B below.

2. Periodic Monitoring Activities

As part of its ongoing fiduciary responsibilities, the Investment Consultant will regularly (annually or more often if needed) review and report to the State Treasurer's Office several qualitative aspects of the Program Manager's practices and underlying investment funds. Key factors include, but are not limited to a review of:

1. Fund investment guidelines to ensure they are consistent with the Board's mandate for the fund
2. Fund investment strategy and style, especially the buy/sell disciplines
3. Portfolio activity, specifically the turnover rate, number of holdings, and execution costs
4. Risk profile relative to the fund's benchmark
5. Organizational structure
6. Stability of fund personnel and organization
7. Contractual obligations to Board
8. Each underlying fund within the multi-fund portfolios against appropriate benchmarks
9. Multi-fund portfolios against an appropriate custom asset-weighted benchmark
10. Efficacy of active versus passive management in the age-based portfolios

B. Investment Status

1. Investment Status Schedule

The quarterly investment reports provided by the Investment Consultant will rate all individual fund portfolios, each underlying fund within the multi-fund portfolios, and the multi-fund portfolios when the underlying funds are not available, as Positive, Acceptable, Caution or Watch as detailed in the table below. These ratings will serve to summarize performance for each fund or asset class.

Investment Status Schedule

| Performance Category | Actively Managed Portfolios | Passively Managed Portfolios |
|----------------------|--|---|
| Positive | <ul style="list-style-type: none">Performance exceeds the benchmark | <ul style="list-style-type: none">Performance exceeds the benchmark (first 1-12 month period), orTracking error is within the allowable range¹ (short, medium and long time periods) |
| Acceptable | <ul style="list-style-type: none">Performance meets or is under the benchmark and is within the allowable range¹ | <ul style="list-style-type: none">Performance does not exceed the benchmark but is within the allowable range (first 1-12 month period only) |
| Caution | <ul style="list-style-type: none">Performance is below allowable range, but for less than six consecutive months². | <ul style="list-style-type: none">Tracking error falls outside of the allowable range, but for less than six consecutive months |
| Watch | <ul style="list-style-type: none">Performance is below allowable range for more than six consecutive months and the Investment Consultant has recommended placing the asset class or individual fund on Watch status.The Investment Consultant has recommended placing the individual fund or portfolio on Watch status due to non-investment performance related reasons (i.e., qualitative issues). | <ul style="list-style-type: none">Tracking error falls outside of the allowable range for more than six consecutive months and the Investment Consultant has formally recommended placing the individual fund or portfolio on Watch status. |

2. Caution Status

Individual fund portfolios or multi-fund portfolios that meet the criteria in the Investment Status Schedule for Caution will be identified in the quarterly monitoring report. The Investment Consultant will provide a heightened level of monitoring for the funds meeting

¹ Ranges are shown in the Investment Performance Criteria Schedules

² The amount of time generally required before an investment is put on Watch

the criteria for Caution and report to the State Treasurer's Office if conditions do not improve. In some cases, certain funds may exhibit underperformance, but don't meet the Watch status criteria (i.e., for less than 6 consecutive months). Such funds require a higher level of scrutiny and monitoring, but to a slightly lesser degree than those exhibiting a clear trend of underperformance. In these cases, the Investment Consultant will provide regular updates via the quarterly monitoring report of such funds and report to State Treasurer's Office if performance conditions do not improve.

3. Watch Status

On at least a quarterly basis, the Investment Consultant will provide a report to the State Treasurer's Office and Board detailing those funds that have exhibited a clear path of declining performance results, as defined in the Investment Status Schedule, and qualifying for Watch status. The Board will then determine the funds to be officially placed on Watch status after reviewing this report. Once on Watch status, the individual fund portfolio, each underlying fund within the multi-fund portfolios, or multi-fund portfolio will receive continual monitoring by the Investment Consultant. Specifically, the Program Manager will provide a quarterly report explaining causes of underperformance or improvement. Additionally, the Investment Consultant will monitor the individual fund portfolios, underlying funds and multi-fund portfolios carefully and provide additional reports as necessary. This heightened level of monitoring continues during the Watch status period until the individual fund portfolio, underlying fund or multi-fund portfolio no longer meets the Watch status criteria or if other corrective measures are taken as detailed in the following sections.

Generally, once an individual fund portfolio, underlying fund within the multi-fund portfolio, or a multi-fund portfolio is placed on Watch status, it should be able to exhibit improvement within a time frame of 9 to 18 months. However, extenuating market circumstances may require a fund on Watch status to extend beyond this time frame (or action taken sooner). These instances will be documented in the Investment Consultant reports and presented to the Board for approval. The Investment Consultant will endeavor to recommend a final action for a fund on Watch status which has met or exceeded the time frame of 9 to 18 months during the annual investment review. Funds placed on Watch status will be subject to enhanced scrutiny during the annual investment review and action taken, if appropriate. Regardless, an individual fund portfolio, underlying fund or multi-fund portfolio will remain on Watch status until the Investment Consultant provides details of its improvement to the State Treasurer's Office, and, based on conditions stated in the following section, the Board releases the fund from Watch status.

4. Improvement Occurs – Release from Watch Status

If an individual fund portfolio, underlying fund within a multi-fund portfolio, or a multi-fund portfolio shows indications of improvement in one or more of the factors that caused it to be placed on Watch status, the Investment Consultant provides updated details to the State Treasurer's Office. Examples of improvements warranting a change in status are:

1. Improved investment performance;
2. Investment style and/or risk characteristics return to, and remain at, levels originally agreed upon; or,
3. Other factors such as organizational structure stabilizes, personnel adjustments, compliance requirements, etc. are met/satisfied.

The Investment Consultant will provide reports on at least a quarterly basis to the State Treasurer's Office on any individual fund portfolio, each underlying fund within the multi-fund portfolio or the multi-fund portfolio on Watch status. These reports will highlight the original reasons for placing the individual fund portfolio, underlying fund, or multi-fund portfolio on Watch status and discuss how these issues have been addressed. If improvement occurs in an appropriate amount of time (generally 9 to 18 months) the Investment Consultant may make a recommendation to the State Treasurer's Office to release the individual fund portfolio underlying fund, or multi-fund portfolio from Watch status. The Board will then make the determination to release the individual fund portfolio, underlying fund or multi-fund portfolio from Watch status.

C. Corrective Measures

1. Improvement Does Not Occur – Corrective Measures

If an individual fund portfolio, underlying fund or multi-fund portfolio is not released from Watch status within an appropriate period (generally 9 to 18 months), corrective action may be necessary. Differences in structure between the individual fund portfolios, underlying funds and the multi-fund portfolios mean that corrective action will take different forms as explained below.

a. Individual Fund Portfolios

If the quantitative and/or qualitative performance of an individual fund portfolio does not improve, the Investment Consultant will conduct an analysis and provide the Board with options and a recommendation for action. Options include:

1. Giving the fund more time,
2. Closing it to new investment, or
3. Replacing it (replacement specifics are outlined below).

If the Board decides that funds must be replaced the process is outlined in Section C.2. below.

b. Multi-Fund Portfolios

In a multi-fund portfolio, it may not be feasible to replace an entire portfolio or all underlying funds with the portfolio. However, the procedures outlined in this document are structured to bring attention to the particular underlying fund(s) that is the cause(s) for the under- or outperformance.. If the underlying fund is not released from Watch status within a period of 9 to 18 months, the Investment Consultant may recommend to the Board that the Program Manager replace one or more of the underlying funds. Multi-fund portfolios are diversified among several underlying funds; however, replacing underlying funds does require the same caution as with the individual fund portfolios.

2. Fund Replacement

The Board may replace funds on Watch status as part of its fiduciary responsibility to monitor and take corrective action if required. If a fund replacement is necessary, the Program Manager will provide the Board with one or more recommended replacement

funds. The Investment Consultant will also provide the Board with its opinion of the Program Manager's recommendation.

For individual fund portfolios, if the Board determines that a fund must be removed, generally it will direct the Program Manager to provide advance notice to all account owners and financial advisors. This notice will be provided within a reasonable time frame, or upon a shorter time frame as directed by the Board. The notice will provide information regarding the upcoming actions, the steps that will occur, and the timing of the removal, addition, and/or replacement of the fund(s). In normal conditions the fund will be removed, added, and/or replaced within a 60-90 day time frame to allow for adequate advance notice to investors and financial advisors. In the event immediate action is required, the fund(s) may be replaced immediately and the Program Manager will provide notice after the change has occurred.

For multi-fund portfolios, if the Board determines that an underlying fund must be removed, the State Treasurer's Office will work with the Investment Consultant and Program Manager on a case-by-case basis to consider removal of the fund from the portfolio's fund allocation. A new investment in a multi-fund portfolio must have more competitive performance characteristics than the fund that is being replaced while also maintaining (or enhancing) the integrity and expected results of the asset allocation processes used to construct the portfolio.

To the extent possible, and with the exception of changes that require immediate action, all changes to individual fund portfolios and/or multi-fund portfolios shall be made in conjunction with the Program Manager's annual review to the Board.

3. Other Possible Actions

When a fund is being considered for replacement, the State Treasurer's staff will work with the Program Manager and Investment Manager(s) to evaluate options, including those other than replacement such as:

- a) Replacing a fund's sub-manager - when the fund uses one or more sub-managers and one of the sub-managers' poor performance has negatively affected the overall performance of a fund. This may require a separately managed account.
- b) No action to replacement – State Treasurer's staff could recommend retaining a fund to continue to provide exposure to an asset class or section when a fund has underperformed its benchmark but outperformed its peer group (i.e., top quartile) and/or there are no available suitable replacements.
- c) Temporarily Closing a Fund to New Investors – if a fund's performance or market circumstances warrant, a fund could be closed to all new investors while existing investors are permitted to choose to stay invested in the fund to "ride it out"
- d) Restructuring multi-fund portfolios by changing the percentages attributed to each underlying fund by either over or under-weighting certain funds in an effort to improve the portfolio's risk/return metrics. Similarly, the recommendation could be to eliminate an underlying fund from the portfolio and reallocate among the remaining funds.

D. Investment Performance Criteria Schedules

The Vanguard 529 College Savings Plan Schedules

Table 1a: Passively Managed Individual Stand Alone Funds
(Based on net of fee³ fund performance)

| Asset Class | Short-Term (rolling 12-month periods) | Medium-term (rolling 36-month periods) | Long-term (rolling 60-month periods) |
|------------------------------------|---|--|--|
| Domestic Equity | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.25% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months |
| Domestic Equity – Large Cap Value | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.25% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months |
| Domestic Equity – Large Cap Growth | Tracking Error > 0.20% for 6 consecutive months | Tracking Error> 0.15% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.25% for 6 consecutive months |
| Domestic Equity – Mid Cap | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.25% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.50% for 6 consecutive months |
| Domestic Equity – Small Cap | Tracking Error > 0.40% for 6 consecutive months | Tracking Error> 0.35% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.60% for 6 consecutive months |
| International Equity | Tracking Error > 0.75% for 6 consecutive months | Tracking Error> 0.70% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months |
| Fixed Income | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.50% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.35% for 6 consecutive months |

Monitors:

Fund

Vanguard 500 Index Fund
Vanguard Total Stock Market Index Fund
Vanguard Value Index Fund
Vanguard Growth Index Fund
Vanguard Mid-Cap Index Fund
Vanguard Small Cap Index Fund
Vanguard Total Intl Stock Index Fund
Vanguard Total Bond Market
Vanguard Total Bond Market II

Asset Class

Domestic Equity
Domestic Equity
Domestic Equity
Domestic Equity
Domestic Equity
Domestic Equity
International Equity
Fixed Income
Fixed Income

Benchmark

S&P 500 Index
CRSP US Total Market Index
CRSP US Large Cap Value Index
CRSP US Large Cap Growth Index
CRSP Mid Cap Index
CRSP US Small Cap Index
FTSE Global All Cap Ex US Index
BC US Agg Float Adj Bond Index
BC US Agg Float Adj Bond Index

³ Net of underlying mutual fund fees, but not net of the State's Administrative Fee or Program Manager Fee

The Vanguard 529 College Savings Plan Schedules

Table 1b: Actively Managed Individual Stand Alone Funds
(Based on net of fee⁴ fund performance)

| Asset Class | Short-Term (rolling 12-month periods) | Medium-term (rolling 36-month periods) | Long-term (rolling 60-month periods) |
|----------------------|---|--|--|
| Domestic Equity | Tracking Error > 0.30% for 6 consecutive months | Tracking Error > 0.25% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months |
| International Equity | Tracking Error > 0.75% for 6 consecutive months | Tracking Error > 0.70% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months |
| Fixed Income | Tracking Error > 0.30% for 6 consecutive months | Tracking Error > 0.50% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.35% for 6 consecutive months |
| High Yield | Fd return < bench return -6.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -3.25% for 6 consecutive months | VRR < 0.96 for 6 consecutive months |
| Short-Term | Fd return < bench return -0.7% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.2% for 6 consecutive months | VRR < 0.99 for 6 consecutive months |

Annualized return is the average annual return of either the fund or its benchmark.
VRR – Value Relative Ratio – is calculated as: fund cumulative return / benchmark cumulative return.

Monitors:

| Fund | Asset Class | Benchmark |
|---|-----------------|----------------------------------|
| Vanguard Morgan Growth | Domestic Equity | Russell 3000 Growth Index |
| Vanguard Windsor | Domestic Equity | Russell 1000 Value Index |
| Vanguard STAR | Blend | Composite* |
| Vanguard Inflation-Protected Securities | Fixed Income | BC US TIPS Index |
| Vanguard High Yield Bond | High Yield | BC US Corporate High Yield Index |

*43.75% MSCI US Broad Market Index, 25% BC US Agg Bond Index, 12.5% BC US 1-5 Year Cr Bond Index, and 18.75% MSCI ACWI ex USA

⁴ Net of underlying mutual fund fees, but not net of the State's Administrative Fee or Program Manager Fee

SSgA Upromise 529 Plan Schedules

Table 2a: Passively Managed Underlying Fund/Individual Stand Alone Funds
(Based on net-of-fee⁵ fund performance)

| Asset Class | Short-Term (rolling 12-month periods) | Medium-term (rolling 36-month periods) | Long-term (rolling 60-month periods) |
|-----------------------------|--|---|--|
| Domestic Equity | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.25% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months |
| Domestic Equity – Mid Cap | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.25% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.50% for 6 consecutive months |
| Domestic Equity – Small Cap | Tracking Error > 0.40% for 6 consecutive months | Tracking Error> 0.35% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.60% for 6 consecutive months |
| International Equity | Tracking Error > 0.75% for 6 consecutive months | Tracking Error> 0.70% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months |
| Emerging Markets Equity | Tracking Error > 2.75% for 6 consecutive months | Tracking Error > 2.75% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.75% for 6 consecutive months |
| Real Estate | Tracking Error > 0.30% for 6 consecutive months | Tracking Error > 0.60% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.20% for 6 consecutive months |
| Fixed Income | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.50% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.35% for 6 consecutive months |
| High Yield | Tracking Error > 1.25% for 6 consecutive months | Tracking Error > 0.75% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.50% for 6 consecutive months |
| International Fixed Income | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.50% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.35% for 6 consecutive months |
| Short-Term | Tracking Error > 0.30% for 6 consecutive months | Tracking Error> 0.50% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.35% for 6 consecutive months |

⁵ Net of underlying mutual fund fees, but not net of the State's Administrative Fee or Program Manager Fee

Monitors:

| <u>Fund</u> | <u>Asset Class</u> | <u>Benchmark</u> |
|---|----------------------|---|
| SPDR S&P 500 ETF | Domestic Equity | S&P 500 Index |
| SPDR S&P Mid Cap 400 ETF | Domestic Equity | S&P Mid Cap 400 Index |
| SPDR S&P 600 Small Cap ETF | Domestic Equity | S&P Small Cap 600 Index |
| SPDR S&P World ex-US ETF | International Equity | S&P Developed ex-US BMI Index |
| SPDR S&P International Small Cap ETF | International Equity | S&P Developed ex-US MCAP BMI |
| SPDR S&P Emerging Markets ETF | International Equity | S&P Emerging Markets BMI Index |
| SPDR S&P Emerging Markets Small Cap ETF | International Equity | S&P Emerging Markets MCAP BMI |
| SPDR S&P Dow Jones REIT ETF | Real Estate | Dow Jones US Select REIT Index |
| SPDR S&P Dow Jones International REIT ETF | Real Estate | Dow Jones Global ex-US t REIT Index |
| SPDR Barclays Capital Aggregate Bond ETF | Fixed Income | Barclays Capital US Aggregate Bond Ind |
| SPDR Barclays Capital TIPS ETF | Fixed Income | Barclays Capital Inflation-Linked Bond |
| SPDR DB International TIPS ETF | Fixed Income | DB Global ex-US TIPS Capped Index |
| SPDR Barclays Capital High Yield Bond ETF | High Yield | Barclays Capital US High Yield Index |
| SPDR Barclays Capital ST Corporate Bond ETF | Fixed Income | Barclays Capital 1-3 Year Corp. Index |
| SPDR US 1-3 Month T-Bill ETF | Fixed Income | Barclays Capital 1-3 Month T-Bill Index |

USAA 529 College Savings Plan Schedules

Table 3a: Actively Managed Individual Stand Alone Funds

(Based on net-of-fee⁶ fund performance)

| Asset Class | Short-Term (rolling 12-month periods) | Medium-term (rolling 36-month periods) | Long-term (> 60-months) |
|----------------------------|--|---|--|
| Domestic Equity | Fd return < bench return -2.75% for 6 consecutive months | Fd annlzd return < bench annlzd return -1.5% for 6 consecutive months | VRR < 0.97 for 6 consecutive months |
| International Equity | Fd return < bench return -4.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -2.0% for 6 consecutive months | VRR < 0.97 for 6 consecutive months |
| Emerging Markets Equity | Fd return < bench return -4.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -2.75% for 6 consecutive months | VRR < 0.97 for 6 consecutive months |
| Fixed Income | Fd return < bench return -0.75% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.5% for 6 consecutive months | VRR < 0.98 for 6 consecutive months |
| High Yield | Fd return < bench return -6.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -3.25% for 6 consecutive months | VRR < 0.96 for 6 consecutive months |
| Precious Metals | Fd return < bench return -6.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -3.25% for 6 consecutive months | VRR < 0.96 for 6 consecutive months |
| Short-Term | Fd return < bench return -0.7% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.2% for 6 consecutive months | VRR < 0.99 for 6 consecutive months |

Annualized return is the average annual return of either the fund or its benchmark.

VRR – Value Relative Ratio – is calculated as: fund cumulative return / benchmark cumulative return.

Monitors:

Fund

USAA Aggressive Growth Fund
USAA Growth Fund
USAA Growth & Income
USAA Value Funds
USAA Income Stock Fund
USAA Small Cap Stock Fund
USAA International Fund
USAA Emerging Markets Fund
USAA Income Fund
USAA Intermediate-Term Bond Fund
USAA High Yield Opportunities Fund
USAA Short-Term Bond Fund
USAA Precious Metals & Minerals
USAA Real Return

Asset Class

Domestic Equity
Domestic Equity
Domestic Equity
Domestic Equity
Domestic Equity
Domestic Equity
International Equity
International Equity
Fixed Income
Fixed Income
High Yield
Short-Term
Other
Other

Benchmark

Russell 1000 Growth Index
Russell 1000 Growth Index
Russell 3000 Growth Index
Russell 3000 Value Index
Russell 1000 Value Index
Russell 2000 Index
MSCI EAFE Index
MSCI Emerging Markets Index
BC USA Aggregate Bond Index
BC USA Aggregate Bond Index
Credit Suisse High Yield
BC 1-3 Year Treasury Bond Index
PHLX Gold & Silver Index
BCUS Treasury Inflation Protected Notes (TIPS)

Putnam 529 for America Plan Schedules

Table 4a: Age/Goal Based Portfolio
(Based on net-of-fee⁷ fund performance)

| Asset Class | 1 st 12-months (rolling 3-month periods) | Short-Term (rolling 12-month periods) | Medium-term (rolling 36-month periods) | Long-term (> 60-months) |
|-------------------------|---|---|--|---|
| Domestic Equity | Fd return < bench return -2.0% for 6 consecutive months | Fd return < bench return -2.75% for 6 consecutive months | Fd annlzd return < bench annlzd return -1.5% for 6 consecutive months | VRR < 0.97 for 6 consecutive months |
| International Equity | Fd return < bench return -3.0% for 6 consecutive months | Fd return < bench return -4.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -2.0% for 6 consecutive months | VRR < 0.97 for 6 consecutive months |
| Fixed Income | Fd return < bench return -1.0% for 6 consecutive months | Fd return < bench return -0.75% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.5% for 6 consecutive months | VRR < 0.98 for 6 consecutive months |
| High Yield | Fd return < bench return -4.0% for 6 consecutive months | Fd return < bench return -6.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -3.25% for 6 consecutive months | VRR < 0.96 for 6 consecutive months |
| Short-Term | Fd return < bench return -0.60% for 6 consecutive months | Fd return < bench return -0.7% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.2% for 6 consecutive months | VRR < 0.99 for 6 consecutive months |

^{1st} 1-12 month performance criteria is not annualized; all other criteria is on an annualized basis.

Annualized return is the average annual return of either the fund or its benchmark.

VRR – Value Relative Ratio – is calculated as: fund cumulative return / benchmark cumulative return.

Monitors:

Fund

GAA All Equity
GAA Growth
GAA Balanced
GAA Conservative

Asset Class

Blend
Blend
Blend
Blend

Benchmark

Custom AA Equity Index*
Custom AA Global Growth Index**
Custom AA Global Balanced Index***
Custom AA Global Conservative Index****

*75% Russell 3000, 19% MSCI EAFE, 6% MSCI EM

**60% Russell 3000, 15% MSCI EAFE, 5% MSCI EM, 15% BC Aggregate Bond, 5% Chase High Yield

***50% Russell 3000, 10% MSCI EAFE, 35% BC Aggregate Bond, 5% Chase High Yield

****25% Russell 3000, 5% MSCI EAFE, 65% BC Aggregate Bond, 5% Chase High Yield

⁷ Net of underlying mutual fund fees, but not net of the State's Administrative Fee or Program Manager Fee

Table 4b: Actively Managed Individual Stand Alone Funds
(Based on net-of-fee⁸ fund performance)

| Asset Class | 1st 12-months (rolling 3-month periods) | Short-Term (rolling 12-month periods) | Medium-term (rolling 36-month periods) | Long-term (> 60-months) |
|-------------------------|---|---|--|---|
| Domestic Equity | Fd return < bench return -2.0% for 6 consecutive months | Fd return < bench return -2.75% for 6 consecutive months | Fd annlzd return < bench annlzd return -1.5% for 6 consecutive months | VRR < 0.97 for 6 consecutive months |
| International Equity | Fd return < bench return -3.0% for 6 consecutive months | Fd return < bench return -4.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -2.0% for 6 consecutive months | VRR < 0.97 for 6 consecutive months |
| Fixed Income | Fd return < bench return -1.0% for 6 consecutive months | Fd return < bench return -0.75% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.5% for 6 consecutive months | VRR < 0.98 for 6 consecutive months |
| High Yield | Fd return < bench return -4.0% for 6 consecutive months | Fd return < bench return -6.5% for 6 consecutive months | Fd annlzd return < bench annlzd return -3.25% for 6 consecutive months | VRR < 0.96 for 6 consecutive months |
| Short-Term | Fd return < bench return -0.60% for 6 consecutive months | Fd return < bench return -0.7% for 6 consecutive months | Fd annlzd return < bench annlzd return -0.2% for 6 consecutive months | VRR < 0.99 for 6 consecutive months |

1st 1-12 month performance criteria is not annualized; all other criteria is on an annualized basis.

Annualized return is the average annual return of either the fund or its benchmark.

VRR – Value Relative Ratio – is calculated as: fund cumulative return / benchmark cumulative return.

Monitors:

Fund

Putnam Equity Income Fund
Putnam Voyager Fund
Principal MidCap Blend Fund
Fidelity Advisor Small Cap Fund
MFS Institutional International Equity Fund
Putnam International Cap Opportunities Fund
Putnam Income Fund
Federated U.S. Govt Securities: 2-5 Years
Putnam High Yield Trust

Asset Class

Domestic Equity
Domestic Equity
Domestic Equity
Domestic Equity
International Equity
International Equity
Fixed Income
Fixed Income
High Yield

Benchmark

Russell 1000 Value Index
Russell 1000 Growth Index
Russell MidCap Index
Russell 2000 Index
MSCI EAFE Index
S&P Developed xUS Small Cap Index
BC US Aggregate Bond Index
BoFA ML 3-5 Year Treasury Index
JP Morgan Developed High Yield Index

⁸ Net of underlying mutual fund fees, but not net of the State's Administrative Fee or Program Manager Fee

Table 4c: Absolute Return Individual Stand Alone Funds
(Based on net-of-fee⁹ fund performance)

| Asset Class | 1 st 12-months (rolling 3-month periods) | Short-Term (rolling 12-month periods) | Medium-term (rolling 36-month periods) | Long-term (rolling 60-month periods) |
|-----------------|---|---|---|---|
| Absolute Return | Fd return < 0.0% for 6 consecutive months | Fd return < 0.0% for 6 consecutive months | Fd annlzd return < bench annlzd return for 6 consecutive months | Fd annlzd return < bench annlzd return for 6 consecutive months |

1st 1-12 month performance criteria is not annualized; all other criteria is on an annualized basis.

Annualized return is the average annual return of either the fund or its benchmark.

VRR – Value Relative Ratio – is calculated as: fund cumulative return / benchmark cumulative return.

Monitors:

Fund

~~Putnam Absolute Return 100 Fund~~
~~Fixed Income Absolute Return Putnam~~
~~Putnam Absolute Return 500 Fund~~
~~Multi-Asset Absolute Return Putnam~~
~~Absolute Return 700 Fund~~

Asset Class

Absolute Return
 Absolute Return
~~Absolute Return~~
 Absolute Return

Benchmark

~~BofA ML US Treasury Bill Index + 1.0%~~
~~T-Bills + 2.0% BofA ML US Treasury Bill Index~~
~~BofA ML US Treasury Bill Index + 5.0%~~
~~BofA ML US Treasury Bill Index + 7.0% T-Bills +~~
~~4.0%~~

⁹ Net of underlying mutual fund fees, but not net of the State's Administrative Fee or Program Manager Fee



Investment Policy Statement
for the
NEVADA COLLEGE SAVINGS PROGRAM

Board of Trustees
College Savings Plans of Nevada

~~January 2017~~ March 2018

A. PLAN PURPOSE

The Nevada College Savings Program (the "College Savings Program") is administered by the Board of Trustees (the "Board") of the College Savings Plans of Nevada, which was established under the Nevada Revised Statutes ("NRS") Chapter 353B, and Section 529 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). There are four distinct 529 plans (the "Plans") operating under the College Savings Program: the Vanguard 529 College Savings Plan, the SSgA Upromise 529 Plan, the USAA College Savings Plan, and the Putnam 529 for America plan. The Program was established to provide families with an opportunity to invest toward future qualified higher education expenses, and is administered separately from the Nevada Higher Education Prepaid Tuition Program ("Prepaid Program"), which is also a part of the collective College Savings Plans of Nevada.

This investment policy statement is intended to:

1. Articulate the objectives of the College Savings Program;
2. Identify the roles of specific entities having program management and fiduciary responsibilities in administering the College Savings Program;
3. Include policies regarding permitted investments, benchmarks, asset allocation strategies, etc.;
4. Establish the reporting requirements mandated by the Board;
5. Establish objectives for the process of prudently monitoring and evaluating the performance of investments and of contractors that provide investment management services to the College Savings Program;
6. Establish objectives for structuring investment options offered in the College Savings Program; and,
7. Formulate policies for selecting appropriate investment managers and the use of specific investment vehicles ("Underlying Investments") in the Portfolios within the framework of the structure as stated in this Policy.

B. ESTABLISHMENT AND AUTHORITY

NRS Chapter 353B establishes the College Savings Plans, which includes the College Savings Program. At the Board's discretion, the administration of the College Savings Program can be delegated to the State Treasurer, per NRS 353B.310 and NRS 353B.320. NRS 353B.370 grants the Board latitude in dictating how College Savings Program assets are to be invested, which may include the selection of an Investment Manager(s) and/or mutual funds, and the selection of a Program Administrator(s). The Program Administrator, who may contract directly with Investment Manager(s), shall report directly to the State Treasurer in the administration of the College Savings Trust Fund, but otherwise to the Board in the administration of the College Savings Program as a whole.

To the extent that there is any conflict between i) this Investment Policy Statement (including any attached documents) and ii) any contractual relationships among any Program Administrator, any Investment Manager, and/or the Board, such contractual relationship(s) will take precedence.

At the discretion of the Program Administrator and with the approval and consent of the Board, College Savings Program investments may be sold directly to account owners, or indirectly through financial advisors, or both.

C. RESPONSIBILITIES

1. Board: The Board will operate the College Savings Program in compliance with the Code, NRS, and, where more restrictive, any Investment Policy(ies). The Board will also ensure that the Program Administrator and Investment Manager(s) (both described below) are similarly in compliance with the Code, NRS, and any Investment Policy(ies). The Board will:

1. Implement a comprehensive investment plan for the College Savings Program;
2. Establish criteria and select an Investment Manager(s), mutual funds, or other such entities or vehicles for investing College Savings Program assets;
3. Employ personnel and contract for goods and services necessary for the effective operation of the College Savings Program;
4. Review, approve, and/or modify the Program Administrator's annual investment review;
5. Review the investment performance of the Investment Manager(s) or equivalent, and review any changes in benchmarking;
6. Develop appropriate college savings investment options and programs for account owners/beneficiaries;
7. Reaffirm all investment options in the Program no less frequently than annually.

2. State Treasurer: (which may include other members of the State Treasurer's Office, as delegated by the State Treasurer): The State Treasurer will administer the College Savings Program, establish accounts as needed, and accept and expend on behalf of the College Savings Program any monies provided for expenses. The State Treasurer will:

1. Conduct reviews of proposed actions and requests from the Program Administrator and Investment Manager(s) (or equivalent), and present recommendations to the Board;
2. Review Investment Manager(s) (or equivalent) reports with a special consideration of benchmarking (i.e., performance relative to benchmarks and the appropriateness of the benchmarks);
3. In conjunction with the Investment Consultant, review recommendations regarding any items being presented to the Board by the Program Administrator or Investment Manager with respect to asset allocation, age bands, underlying funds, benchmarks, etc.;
4. Review the Investment Consultant's recommendations for funds to be placed on or removed from "Watch" status prior to such recommendations being presented to the Board; and
5. Work with the Program Administrator and Investment Manager(s) to identify alternative investment solutions when investment options are recommended for replacement in the Program.

3. Investment Consultant: The Board has determined that it is necessary and reasonable to retain a professional investment consultant (the "Investment Consultant") to advise the Board with regard to the investments of the Trust. Under the College Savings Program, the investment consultant has certain fiduciary responsibilities as defined by its contract with the Board and by law. Under this policy, the Investment Consultant will generally be responsible for the following:

1. Providing general investment advice to the Board and State Treasurer;

2. Develop and maintain criteria for the determination of "Watch" status in conjunction with the Board and State Treasurer Staff ~~State Treasurer~~;
3. Make recommendations on investment options, policies, objectives, and strategies, including asset allocation and compliance monitoring, all consistent with the objectives of the College Savings Program;
4. Review and provide recommendations regarding any items being presented to the Board by the Program Administrator or Investment Manager with respect to asset allocation, age bands, underlying funds, benchmarks, etc.;
5. Monitor the Program Manager and portfolio and underlying investment fund or vehicle performance as detailed in Monitoring Procedures and Criteria;
6. Determine when any investment qualifies to be placed on or removed from "Watch" status, using criteria detailed in Monitoring Procedures and Criteria and recommend such action to the Board;
7. Maintain the list of investments on "Watch" status and provide updated reports to the State Treasurer and the Board no less frequently than quarterly;
8. As quickly as reasonably possible, notify the State Treasurer and the Board of any adverse changes which may require immediate action in any of the investments options in the Program; and,
9. Monitor the Investment Manager(s), their investment performance, and their adherence to the requirements imposed by the NRS, the Board, and any relevant policies which shall have been made fully available to the Investment Managers(s).

4. Program Administrator: The Board has determined that it is necessary and reasonable to retain professional program administrators to manage the College Savings Program and contract with Investment Managers with the consent of the Board. Under the College Savings Program, a Program Administrator and/or Investment Manager has certain fiduciary responsibilities as defined by its contract with the Board and by applicable law. A Program Administrator (which may by current contract be referred to as "Program Manager") and any of its affiliates (taken as a whole) will:

1. No less frequently than annually, in concert with each Investment Manager independently, prepare an investment review, which shall include an asset allocation review and any proposed changes to the underlying investments, benchmarks, etc.;
2. Inform the Board of any changes to any benchmarks or material changes in objectives by any underlying mutual funds of which it is aware, ETFs or separate accounts in the College Savings Program that aren't directly voted on by the Board, in a reasonable time after the Program Administrator learns of such changes;
3. No less frequently than quarterly, along with each Investment Manager, collect performance data for the investments and present a performance report of individual plans available to account owners/beneficiaries, in a format acceptable to the Board;
4. No less frequently than quarterly, provide reports to the Board and State Treasurer, all as contemplated by the contractual relationship and in a format acceptable to the Board and reasonably agreed to by the Program Administrator;
5. Coordinate, manage, and oversee the Investment Manager relationship(s), which will include performing due diligence and advising the Board of issues and concerns,;
6. Review, analyze, and develop guidelines in the College Savings Program, relating to asset mix, age bands, etc., and recommend changes (if any) in individual plans for the Board's review and approval, no less frequently than annually;

7. Provide any additional customized reports as contractually permitted and as reasonably requested by the Board or State Treasurer in consultation with the Program Administrator and relevant Investment Manager(s);
8. Employ a qualified Investment Manager(s) to manage investments in the College Savings Trust Fund;
9. Review investment proposals from the Investment Manager(s), as applicable to ensure compliance with contractual obligations as well as Code, NRS, and any Investment Policy-related constraints;
10. Monitor ongoing adherence to Code, NRS, and any Investment Policy-related constraints;
11. Develop appropriate college savings investment options and programs for account owners / beneficiaries for consideration by the Board, and manage those programs as directed by the Board; and
12. Take action as directed by the Board to modify the College Savings Program, which may include (but not be limited to) the termination or hiring of an Investment Manager or the elimination or addition of an investment option, all consistent with constraints imposed by the Code, NRS, any contractual relationship(s) with the Program Administrator, any relevant policy(ies), and/or any contractual relationship between the Program Administrator and the Investment Manager(s).

5. Investment Manager(s) (if any): The Investment Manager will manage assets of the College Savings Trust Fund, on a non-commingled basis across various individual College Savings Program plans, in a manner consistent with Code, NRS, and/or any relevant policy(ies). This will include:

1. Providing a range of investment options for account owners and beneficiaries, and also provide support relating to administration, distribution and customer service, per the terms of any contracts with the Program Administrator or the Board, as appropriate and as approved by the Board;
2. Managing College Savings Trust Fund assets in a manner consistent with criteria established by the Board and any written communications to the Investment Manager;
3. Investing, monitoring, and rebalancing College Savings Trust Fund assets as needed to ensure consistency with any target allocations;
4. Providing performance reports to the Board no less frequently than quarterly or as requested by the Board;
5. Developing proprietary policies for reviewing, monitoring, and refining investment performance to meet Board objectives; and
6. Employing qualified fund managers, securities custodians, and investment advisors.

D. INVESTMENT OBJECTIVES

The primary goal of the College Savings Program is to provide eligible participants with a range of investment options for accounts held in the College Savings Trust Fund, and to employ a qualified Investment Manager(s) to administer the investments. The investment options made available to beneficiaries and account owners shall be selected and managed in accordance with the contracts between the Investment Manager(s) and/or Program Administrator and the Board, the Code, NRS, and any applicable policies. As such, the College Savings Program taken as a whole shall seek to achieve the following objectives:

1. Meet the various educational savings needs of account owners and beneficiaries;

2. Provide at least one Direct Plan and one Advisor Plan to accommodate account owners' different preferences for either managing their own investments or using a financial advisor to manage their account;
3. Provide investment options which, first and foremost, are consistent with the objectives of the College Savings Program, and within that constraint, encompass a range of expected risk and return opportunities, to allow for an expected rate of return commensurate with an expected level of risk to meet the investment goals of account owners and beneficiaries. Investment options must have a minimum performance track record of at least three years, and the managers should have a minimum of three years managing the proposed asset class with a verifiable track record (composites are acceptable). The three-year requirement helps to ensure that the manager has had enough time to manage the strategy in a variety of market conditions. While a complete market cycle (between five and seven years) is preferable when analyzing a fund's past performance, a three-year track record will generally provide enough history to perform a reasonable assessment;
4. Provide flexibility for the College Savings Program by providing a range of investment options that take into consideration risk tolerances, investment objectives, the age of the account owner, the age of the beneficiary, etc.;
5. Strive to include "low-cost" funds within the Program, and in general assess the relative operating costs of a fund against the relative benefit of utilizing that specific fund in the College Savings Program;
6. Consider and potentially include investment vehicles which are not mutual funds; and
7. Strive to be competitive with alternative investment options, and with terms and investment choices which are easily communicated to, and understood by, account owners.

E. PERMITTED INVESTMENTS

The underlying investments in the College Savings Trust Fund shall draw from the following broad asset classes:

1. Short-term marketable debt securities
2. Fixed-income securities
3. U.S. equity securities
4. International equity securities
5. Bank certificates of deposit
6. Stable value investments
7. Real estate investments/real estate investment trusts (REITS)
8. Real or absolute return investment options
9. Natural resource investment options

The underlying investment vehicles of the College Savings Trust Fund shall be limited to mutual funds, exchange-traded funds, stable value investments, direct holdings of bank certificates of deposit, FDIC-insured savings accounts, or in separately managed accounts with similar investment strategies. Investment instruments or asset classes which differ materially from these broad categories would necessitate a revision to this Policy. The Board may establish guidelines for the development and structuring of the College Savings Program investment alternatives, which may include specific prohibitions on certain investments, limits on asset class exposures, various risk constraints, benchmarks, and investment return objectives.

There will be no categorical prohibition against the use of derivatives and/or other forms of leverage in mutual funds or exchange-traded funds. However the Board will consider a particular fund's policies and activities in these areas as part of a more general screening and surveillance of mutual funds and other investment vehicles. Where the Board permits the use of derivatives instruments, the Investment Manager shall be permitted, in connection with the exercise of its power and authority hereunder, as agent of the Board, to post securities, cash or other property of the applicable fund or other investment vehicle as margin or collateral with any counterparty, clearing broker or clearing or settlement agent in connection with transactions in derivatives contracts entered into on behalf of the applicable fund or other investment vehicle in accordance with this Investment Policy Statement, which securities, cash or other property shall be subject to a general lien and security interest to secure the performance of the applicable fund or other investment vehicle under such derivatives contracts. In connection with the preceding sentence, the Board agrees that it will not cause or allow any such fund or other investment vehicle to be or become subject to liens, security interests, mortgages or encumbrances of any kind. Similarly, "funds of funds" and short-selling will not be categorically prohibited. To the extent that less conventional activities or instruments or techniques are permitted in the College Savings Trust Fund, the Board in its discretion will apply special surveillance to protect against abuse, all in the interest of ensuring a continuing appropriateness for College Savings Program objectives.

F. PERFORMANCE MONITORING

The Board determined it is necessary and reasonable to develop an investment monitoring program and has delegated such a role to the State Treasurer and Staff and Investment Consultant to advise the Board with regard to investment and compliance issues. The Investment Consultant is charged with the goal of monitoring and reporting to the State Treasurer and Staff on issues directly affecting the prudent administration of the College Savings Program, on behalf of the Board and other College Savings Program stakeholders, and will perform in a manner consistent with generally accepted standards of fiduciary responsibility.

The investment options will be selected and monitored with the skill, care, and diligence of a prudent person acting in a like capacity, familiar with such matters and in accordance with all applicable laws and policies of the Board. All decisions made on behalf of the College Savings Program will be for the sole benefit of the account owners and beneficiaries. The Investment Consultant will monitor the investments and may make informal recommendations to add, remove, or change the investment options to the State Treasurer and Staff as may be appropriate, and as detailed in Section A above, and the Monitoring Procedures and Criteria.

1. Benchmarks

The Board shall evaluate investment performance relative to an assigned benchmark. The Program Administrator shall at all times seek to provide performance consistent with performance criteria as shown in the Monitoring Procedures and Criteria. When evaluating investment performance, a benchmark will be used to provide relative results with the following stipulations:

1. Evaluations shall be against an industry standard benchmark;
2. Program Investment Portfolios are to be displayed against an appropriate benchmark or policy benchmark as outlined in the College Savings Plans of Nevada Monitoring Procedures and Criteria; and,

3. All Underlying Investments and Investment Portfolios shall be considered against their respective benchmarks over an identical time period.

Each of the benchmarks to be utilized in performance evaluation are identified in the Monitoring Procedures and Criteria.

2. Investment Status Report

The Investment Consultant shall prepare a separate evaluation, no less frequently than quarterly, which shall review the performance and status of all underlying investment options and multi-fund portfolios. The quarterly investment reports provided by the Investment Consultant will rate all individual fund portfolios and every multi-fund portfolio as either Positive, Acceptable, Caution or Watch. Additionally, the Investment Consultant may determine that an Investment Manager, across the College Savings Program, merits "Watch" status. The quarterly status report will also recommend changes in "Watch" status, and will include the timing of any status change and the reason for the change. Any investment or Investment Manager on "Watch" status may have unique reporting requirements while it is on "Watch" status as reasonably requested by the Board. This "Watch" status reporting shall be provided to the Board.

The Investment Consultant, ~~and~~ State Treasurer and Staff have jointly determined the criteria for an investment fund or Investment Manager to be placed on, or removed from, "Watch" status as detailed in a separate document entitled the Monitoring Procedures and Criteria for the Nevada College Savings Program.

G. ANNUAL INVESTMENT REVIEW

The Investment Manager(s) and the Program Administrator will jointly present investment reviews for each of the Investment Manager's segment of the College Savings Program, on an annual basis or more frequently as requested by the Board, in accordance with contractual requirements, if all parties consider it to be prudent and reasonable. These reviews will include any proposed (by any party) changes to approved benchmarks, the investment menu, asset mix, fees, etc. Proposed changes will be reviewed by the Investment Consultant and the State Treasurer and Staff prior to presentation to the Board, and this review may result in changes to the presentation, any proposals, etc. However the Board will retain the final decision-making authority to accept, reject, request modification, or defer any recommendations. Updates to all disclosure and customer documents to reflect approved changes will be reviewed and approved as appropriate by the State Treasurer or designee.

H. PROXY VOTING

By virtue of owning shares of underlying mutual funds and other products, the Program receives proxy voting materials periodically, which range from the election of board members for mutual funds to requests to modify a fund's fee structure or investment guidelines. Consistent with its fiduciary responsibilities, the Program has chosen not to delegate these votes to the Program Managers, but has developed the following guidelines in order to manage the exercise of proxy voting rights for the Program investment options. These guidelines recognize that generally our Program represents a very small share of voting shares for a fund, and the frequency of regular Board meetings may prevent the Program from entering votes by funds' deadlines.

Also, the Investment Managers are responsible for adopting written proxy voting policies and procedures as required by Rule 206 (4)-6 under the Investment Advisers Act of 1940. The Policy is generally adopted by each Fund, series of Funds or Investment Management Firm. These policies and procedures will cover the voting of the underlying equity securities and may also apply to voting and/or consent rights of the underlying fixed income securities in funds, separately managed accounts and other similar products. The Board specifically delegates to each Investment Management Firm, the responsibility to vote each of the securities listed in the immediately preceding sentence. These policies should be designed and implemented in a manner to ensure voting is exercised in the best interest of Fund shareholders.

1. Upon receipt of proxy voting materials, the Program Manager or Investment Manager will forward all materials to the State Treasurer's Office. The Program Manager and Investment Manager will attempt to direct that proxy voting materials be mailed or sent electronically directly to the State Treasurer's Office.
2. Upon receipt of the proxy, staff at the State Treasurer's Office will carefully analyze the implications of proxy proposals. Based on the guidelines below, staff will determine whether it shall administratively vote on a proxy or forward the proxy vote to the Board for a decision. This helps ensure the Program (1) always votes the proxies it is entitled to vote; (2) votes after careful consideration of the issues; and (3) always casts votes in the best interest of Program beneficiaries. These guidelines are intended to provide general direction on particular issues. They are not meant as a substitute for careful review of ballot proposals.
3. The Board has delegated the following types of votes to the State Treasurer's Office:
 - a. Election of Board(s) Trustees
 - i. The Board(s) of Trustees must be an independent force in fund affairs and manage on behalf of shareholders. In 2004, The Securities and Exchange Commission adopted amendments to rules under the Investment Company Act of 1940 which help to ensure trustees remain independent and make decisions in the best interest of shareholders. Due to this, the State Treasurer and Staff will generally vote for trustee nominees recommended by the Investment Manager.
 - b. Increases in Expenses of the Investment Option
 - i. Staff will vote against proposals which will increase investment option expenses.
 - ii. A situation in which staff is supportive of a fee increase will require the item to be submitted to the Board for affirmative action.
 - c. Distribution Agreements
 - i. Staff will vote on distribution agreements on a case-by-case basis.
4. The following types of proxies will be placed on the Board's next regularly scheduled agenda or in extraordinary cases, may merit a special Board meeting:
 - a. Amendments to Investment Options' Fundamental Policies¹

¹ The 1940 Investment Act requires each fund adopt fundamental policies with respect to certain activities, and effectively provides that such policies may not be changed except by a majority of shareholder votes. These activities include, but are not limited to, underwriting securities issued by other persons, purchasing or selling real estate, issuing senior securities, borrowing money, making loans, purchasing or selling commodities, and the concentration of investments in a particular industry(ies).

- i. Votes on amendments to funds' fundamental policies will be made on a case-by-case basis.
 - b. Amendments to Fundamental Investment Restrictions
 - i. Votes on amendments to fundamental investment restrictions will be made on a case-by-case basis.
 - c. Social and Environmental Issues
 - i. Votes on social and environmental issues will be made on a case-by-case basis.
- 5. Other Items
 - a. On other items that are deemed routine by staff (such as those which do not change the fundamentals of the fund), staff will generally vote in the manner recommended by the Investment Manager.
 - b. On other items that are deemed non-routine by staff, proxy votes will be placed on the Board's next regularly scheduled agenda or in extraordinary cases, may merit a special Board meeting.

These guidelines are intended to provide general direction on particular issues. Staff will provide the Board with a report of any missed votes at the next regularly scheduled Board meeting with an analysis of the reason(s). The Board will receive a proxy voting summary report annually.

The above guidelines apply to proxy votes for underlying mutual funds or other types of investment options, but do not apply to proxy votes for companies for which these funds own shares or debt of.

J. ADOPTION AND REVIEW OF POLICY

The Board will review this Policy at least once every two years. Changes can be made at any time to this Policy to the extent such changes would be in the best interest of the Account Owners and beneficiaries; however changes are expected to be infrequent, as they will reflect long-term considerations, rather than short-term changes in the financial markets. The State Treasurer's Office will communicate any proposed modifications in writing on a timely basis to interested parties, including the Program Administrator and Investment Managers, who shall have a reasonable amount of time to respond to such proposals.

Adopted this ~~26th~~-22nd day of ~~January, 2017~~March 22, 2018

BOARD OF TRUSTEES, COLLEGE SAVINGS PLANS OF NEVADA

~~Dan Schwartz~~Bob Seale, Chair

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 13 **March 22, 2018**

Item: Education and Outreach Update

Recommendation:

That the Board receive an update on education and outreach activities and results for Let's Go to College! Nevada Saves.

Fiscal Impact:
None.

Summary:

Campaign Partners and Responsibilities

The "Let's Go To College! Nevada Saves" campaign is executed with three different partners working together:

- 1.) Amplify Relations provides campaign management, creative, public relations, digital and production services, along with the creating public awareness of the "Let's Go To College! Nevada Saves" campaign.
- 2.) Nevada State Treasurer's Office College Savings Division Staff utilizes the equivalent of 2.5 staff FTE to conduct education and outreach programs. Their main focus is on identifying and attending non-profit family events, coordinating with schools and ensuring legal compliance of the overall campaign.
- 3.) Acensus College Savings is contracted to support the outreach of the programs. They provide two full-time field staff in the state to attend events and educate families and employers on the programs. In addition, they focus on encouraging payroll direct deposit and sharing information on the tax credit for participation in a Nevada 529 as an employer match option for their employees.

Campaign Metrics

In order to continue to monitor the success of the programs, each fiscal year, the overall efforts by the three partners will be assessed using the following:

- 1.) Overall brand awareness (Updated Annually)
- 2.) New SSGA account creations
- 3.) Average age of beneficiary
- 4.) Campaign recall (Updated Annually)
- 5.) Event goals and lead generation (Tracked and Reported Quarterly)

Online Ads

Online ad efforts consisted of ads on NCM (National CineMedia).

Notable Q2 FY18 Statistics

(National Average CTR for Financial services is .33%)

- CTR
 - America's Movie Network - .95%

Q1 FY18 Outreach Events

Events

| FY17 | FY18 |
|-------------|-------------|
| 95 | 92 |

Leads

| FY17 | FY18 |
|-------------|-------------|
| 563 | 570 |

Sponsorships

| FY17 | FY18 |
|-------------|-------------|
| 11 | 15 |

Nevada College Kick Start

A new, easy-to-use online portal was deployed by VistaShare/Ascensus last year to allow families to claim their Kick Start accounts in a more streamlined way. To activate an account, families only need their child's Kick Start ID number.

Total Kick Start Portal Statistics – as of March 9, 2018

23,164 Kick Start accounts have been claimed.

Grant Hewitt and representatives from Amplify are available to answer questions.



“Let’s Go to College: Nevada Saves” Campaign

October, November, December 2017

2nd Quarter Report to the State of Nevada

College Savings Board

March 22, 2018



Campaign Metrics



- SSGA New Account Openings

| Month | FY 17 | FY 18 | YOY Percent Change |
|---------------------|-------------------|-------------------|----------------------|
| October | 38 | 38 | 0.0% |
| November | 147* | 52 | -64.6% |
| December | 111* | 80 | -27.9% |
| <u>TOTAL</u> | <u>296</u> | <u>170</u> | <u>-42.5%</u> |

- Advertising Recall

| 2017 Ascensus College Savings 529 Plan Awareness Study | FY 16 | FY 17 | YOY Percent Change |
|--|-------|-------|--------------------|
| <i>Net Ad Recall (% Aware of Plans x % Recall Ads)</i> | 18% | 19% | 1% |

*A \$200 account opening incentive was offered in Nov. 2016 - June 2017. In November 2016, 81 accounts were opened as a result of the CKS incentive, and in December 2016, 48 accounts were opened because of the incentive. Without this inclusion, 66 accounts were opened for November and 69 for December.



Campaign Partners



- Provides Campaign Management
- Provides Creative, Public Relations, Digital, and Production Services
- Increase Overall Awareness of College Savings Programs
- Drives Traffic to NV529.org

- Sponsorship and attendance at community events
- Coordinate with Schools/Non-Profits
- Ensure Legal Compliance of Overall Campaign
- Capture/Report Event Leads and build business network

- Attend Events and educate public on programs
- Focus on Employer Channel
- Educate HR Groups on SB412 (Employer Tax Credit)




Online Ads




NEVADA PREPAID TUITION

Enroll Today!

Enroll by January 31st for a chance to win a free year of college tuition!*



*Visit NV529.ORG for contest rules and details.



Administered by
Nevada State Treasurer
Dan Schwartz

Click Here To Enroll Now!



Oct. 1– Dec. 31

- 280,041 impressions
- 2665 clicks
- .95 CTR

NEVADA PREPAID TUITION

Administered by
Nevada State Treasurer
Dan Schwartz

Enroll Today!

Enroll by January 31st for a chance to win a free year of college tuition!*



Click Here To Enroll Now!

*Visit NV529.ORG for contest rules and details.



SSGA promise529



**College Savings
START SMALL.
DREAM BIG.**

LEARN MORE!



SSGA promise529

**College Savings
START SMALL.
DREAM BIG.**

Administered by
Nevada State Treasurer
Dan Schwartz

LEARN MORE!



National Average CTR for Financial Services is .33%

Q2 Social Media Outreach



Nevada College Savings Plans
Published by Amplify Relations [?] · December 5, 2017 ·

Don't forget to enroll in the Prepaid Tuition Program before January 31, 2018, for your chance to win a year of free tuition and secure a college education for your child. Click the link below to enroll.
http://www.nevadatreasurer.gov/Prepaid_Tuition/Prepaid_Home/

NEVADA PREPAID TUITION

Enroll between November 1, 2017 and January 31, 2018 To Be Entered Into a Random Drawing to Win a Year of Free Tuition!

Click Here for complete contest rules.

www.nevadatreasurer.gov

Tomorrow's Tuition. Today's Prices! The Nevada Prepaid Tuition Program helps Nevada families keep the promise of higher education for their children. The Program allows you to purchase tomorrow's college tuition at today's rates,...

NEVADATREASURER.GOV

Nevada College Savings Plans
Published by Amplify Relations [?] · October 29, 2017 ·

Nowadays students use technology to demonstrate their learning in innovative ways. This article shows how technology is changing the way students learn.
<http://kleinspiration.com/>

Nevada College Savings Plans
Published by Amplify Relations [?] · October 5, 2017 ·

Today is World Teacher's Day! It is celebrated to raise awareness of the importance of the role played by teachers all over the world. The responsibility for educating future generations is not easy, so don't forget to show your support for these dedicated and important individuals.

We Love Our Teachers!

Celebrate World Teacher's Day With Us
NV529.ORG

Nevada College Savings Plans
Published by Amplify Relations [?] · October 25, 2017 ·

Some parents are confused about how a 529 college savings plan works. Here are some facts that discard some of the doubts and confusions you may have.
<https://www.ssga.upromise529.com/.../plann.../top-529-myths.html>



Q2 Traditional Media Outreach



- Q2 focus was on Prepaid Tuition open enrollment and the Prepaid Tuition Contest.
- The opinion piece (left) was covered in three outlets: The Nevada Appeal, The Elko Daily Free Press, and South Tahoe Now.
- The contest and open enrollment announcement was featured on KTVN Channel 2 News in Washoe County



Nevada Prepaid Tuition Enrollment, Contest Now Open

Posted: Nov 07, 2017 10:19 AM PST
Updated: Nov 07, 2017 10:19 AM PST

The Nevada State Treasurer's Office announced that Nevada Prepaid Tuition is now open for enrollment. Nevadans who enroll before January 31, 2018, will be eligible to win a full year of college tuition.

"College tuition continues to rise, but with Nevada Prepaid Tuition you can lock in tomorrow's in-state tuition at today's prices," said Dan Schwartz, Nevada State Treasurer. "Enrollment is now open, and if you enroll today, you could win a year of university tuition for your child's future college!"


Nevada Prepaid Tuition benefits may be used at any eligible school in the country, which includes any accredited public or private university, college, or vocational school that is qualified to participate in federal financial aid programs. Payment plans start as low as \$38 per month for prepaid tuition at a community college and \$49 per month for one-year of university tuition.

Parents who purchase a Nevada Prepaid Tuition Plan by Wednesday, January 31, 2018, will be automatically entered into a drawing to be awarded a Nevada Prepaid Tuition Plan account. The winner will have their choice of a 1-year University Plan account or a 2-Year Community College Plan account. Enrollment forms can be completed online at www.NVPrepaid.gov.

Plans offered by the Nevada State Treasurer's Office include the Nevada Prepaid Tuition Program, SSGA Upromise 529 Plan, the Vanguard 529 College Savings Plan, the USAA 529 College Savings Plan, the Putnam 529 for America, and Wealthfront 529 College Savings Plan. Each plan is different and they can even be used together to offer families a complete savings strategy.

To learn more about any of these programs please visit www.NV529.org.

(Nevada State Treasurer's Office contributed to this report.)



NEVADA APPEAL

Serving Northern Nevada

Lahontan VALLEY NEWS

Guest Column: Future costs of college and how to plan for it

Bob Seale
December 16, 2017

As a parent, you may be concerned about how to pay for your child's future higher education expenses. You want what's best for your children and to help them fulfill their dream of becoming whatever they want to be. However, as we all know, the cost of college is getting more expensive each year. By the time your children are ready for college, it may be even more expensive than you thought.

In recent years, college costs have been rising. The average tuition rate for a public college has increased by 9 percent over the past five years. It's estimated that costs will continue to rise by 5 percent per year.

Of course you may feel concerned when considering these staggering figures. That's where The State of Nevada is here to help. The Nevada State Treasurer's Office offers college savings programs can help you prepare for the rising cost of higher education.

The Nevada Prepaid Tuition Program lets you lock in tomorrow's in-state tuition at today's prices. And, you can use the tuition benefits at any institution that accepts the Free Application for Student Aid (FAFSA) nationwide. This includes any eligible public or private university, college, or vocational school that's qualified to participate in federal financial aid. Act now! Nevada Prepaid Tuition is now open for enrollment and newborns through ninth graders are eligible. This program can be used with other 529 college savings plans or scholarships to cover remaining higher education expenses, such as room and board, books, fees, and even a computer! Payments are affordable, and start as low as \$38 a month and the payments won't change regardless of future increases in tuition. That's the benefit of locking in today's in-state rates!

Education is important. Don't let the rising cost of college discourage you from supporting your child's dream of a college education. The Nevada State Treasurer's Office has many programs to help you financially prepare for your child's college education without dipping into your retirement accounts or taking out crippling student loans.

To learn more about Nevada College Savings Plans, visit our website <http://www.NV529.org>, or call us at 702-486-6980 or 888-477-2667.

Sincerely,

RECOMMENDED STORIES FOR YOU

Bob Seale, College Savings Board Chairman



Outreach Events



| Month | Total Number of STO/Ascensus Outreach Events | | Total Leads Generated | |
|--------------|--|-----------|-----------------------|------------|
| | FY 17 | FY 18 | FY 17 | FY 18 |
| October | 35 | 40 | 313 | 308 |
| November | 38 | 23 | 183 | 199 |
| December | 22 | 29 | 67 | 63 |
| <u>TOTAL</u> | <u>95</u> | <u>92</u> | <u>563</u> | <u>570</u> |

Total Number of Q2 Sponsorships

| Month | FY 17 | FY 18 |
|--------------|-----------|-----------|
| October | 5 | 5 |
| November | 2 | 5 |
| December | 4 | 4 |
| <u>TOTAL</u> | <u>11</u> | <u>15</u> |



Post-Event Follow-up E-mails

3 E-mail series following each event



Average Open Rates

| Month | E-mail 1 | E-mail 2 | E-mail 3 | Total Opens | Unsubscribes |
|----------|----------|----------|----------|-------------|--------------|
| October | 35.5% | 15.8% | 17.7% | 317* | 3 |
| November | 37.7% | 22.3% | 17% | 226 | 0 |
| December | 32% | 27.9% | 22.6% | 74 | 1 |

F.Y.I...

The average open rate for an e-mail sent by a business/finance entity is 20.93%.

**Data compiled by MailChimp*



Dear *|FNAME|*,

Thank you for signing up to learn more about saving for college at *|EVENTLONG|*. You've taken an important first step to helping your child reach his or her education goals.

Nevada State Treasurer Dan Schwartz wants to help by making sure you've heard about the great college savings programs and scholarships administered by the Treasurer's Office.

NEVADA
PREPAID TUITION

SSGA **promise529**

- Plans available for newborns through 9th graders
- Plan benefits can be used nationwide*
- Prices start at \$38 per month with several payment plan options available
- **Open enrollment ends March 31, 2016!**

[Learn More](#) | [Enroll Now](#)

- Open with as little as \$15
- Makes saving easy and affordable
- Contribute on your schedule in amounts that fit your budget
- Save for all qualified education expenses
- Use at any eligible school in the country

[Learn More](#) | [Open an Account](#)

*Visit FAFSA.gov for a complete list of eligible schools



*Number of events in October were notably higher than November and December.

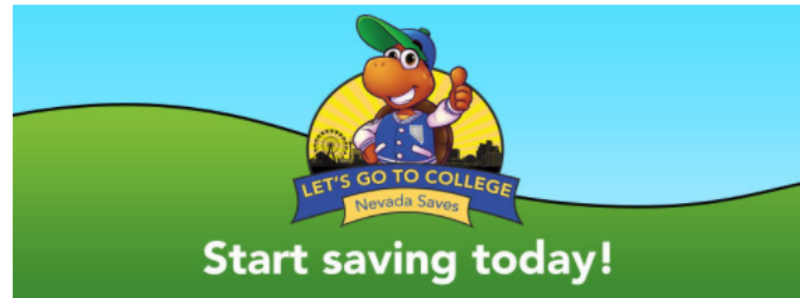
Monthly E-mail Campaign

Ongoing email campaign



Average Open Rates

| Month | Open Rate | Total Opens |
|----------|-----------|-------------|
| October | 14.8% | 1,054 |
| November | 15.8% | 1,209 |
| December | 16.6% | 1,284 |



Nevada Families,

The holidays are finally here and there's no better gift to give your child than the gift of a college education! The Nevada State Treasurer's Office has many programs to help you save for college like [SSGA Upromise 529 Plan](#) and [The Nevada Prepaid Tuition Program](#). And now it is easier to give and receive the gift of education with Ugift.

Ugift is a free service that allows family and friends to give a significant gift to children by giving a monetary contribution to their SSGA Upromise 529 Plan account. We know that saving for college can be hard, but with Ugift you can ask for help. Just give your Ugift code to your family and friends, and they can use it to make their contribution to [Ugift529.com](#) anytime they want.

This Christmas ask your relatives to contribute to your child's Ugift account, instead of giving clothes or toys. If you don't have a SSGA Upromise 529 Plan account, you need to open one to receive contributions. Visit [Ugift529.com](#) to learn more and start gifting today!

And remember to [enroll your child](#) in The Nevada Prepaid Tuition Program before January 31, 2018, for your chance to win a free year of college tuition!



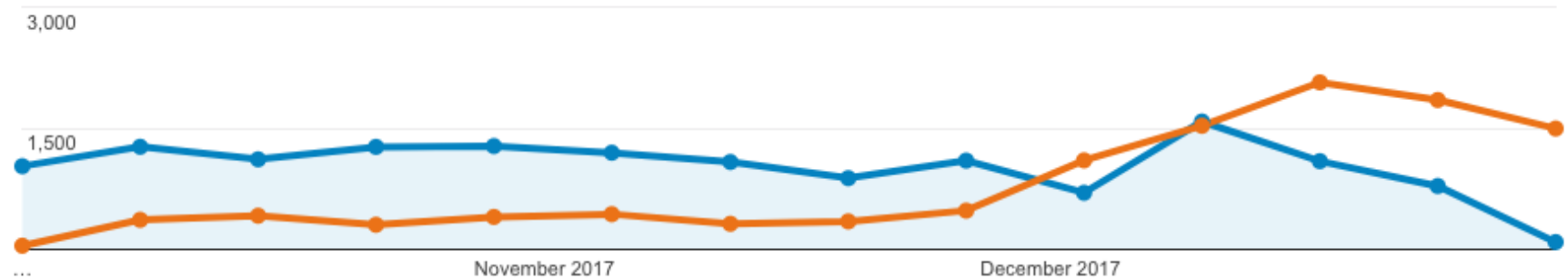
NV529.org Web Traffic

Q1 vs Q2 Comparison*



Oct 1, 2017 - Dec 31, 2017: ● Pageviews

Jul 1, 2017 - Sep 30, 2017: ● Pageviews



| Users | Sessions | Page Views |
|----------------------|-----------------------|------------------------|
| <u>Q1: 3,894</u> | <u>Q1: 4,807</u> | <u>Q1: 11,160</u> |
| <u>Q2: 4,548</u> | <u>Q2: 5,873</u> | <u>Q2: 14,475</u> |
| <u>Growth: 16.8%</u> | <u>Growth: 22.18%</u> | <u>Growth: 29.07%</u> |
| Pages/Session | Avg. Session Duration | Bounce Rate |
| <u>Q1: 2.4</u> | <u>Q1: 0:41</u> | <u>Q1: 6.38%</u> |
| <u>Q2: 2.6</u> | <u>Q2: 0:44</u> | <u>Q2: 2.82%</u> |
| <u>Growth: 8.58%</u> | <u>Growth: 8.76%</u> | <u>Growth: -55.75%</u> |

*In addition to online ads, Q2 also had Prepaid Tuition brochures sent to schools, College Kick Start letters sent to parents, and a Prepaid Tuition public radio buy spanning from Oct. through March



Distribution of Website Exit Clicks



| Month | SSGA Learn | SSGA Enroll | Prepaid Learn | Prepaid Enroll | VistaShare Platform (College Kick Start) |
|--------------|------------|-------------|---------------|----------------|--|
| October | 55 | 71 | 210 | 7 | 100 |
| November | 74 | 90 | 190 | 5 | 132 |
| December | 72 | 67 | 90 | 0 | 183 |
| TOTAL | 201 | 228 | 490 | 12 | 415 |





Total Kick Start Portal Statistics As of December 29, 2017

| Claimed CKS Accounts | | |
|----------------------|------------------|-------------------------------|
| Year of cohort | Claimed Accounts | Total CKS Accounts per cohort |
| 2013 | 4,700 | 34,519 |
| 2014 | 4,567 | 33,477 |
| 2015 | 5,071 | 33,773 |
| 2016 | 4,863 | 35,668 |
| <u>2017</u> | <u>706</u> | <u>32,973</u> |
| <u>TOTAL</u> | <u>19,907</u> | <u>170,410</u> |

| Linked SSGA Accounts | |
|----------------------|-----------------------|
| Year | Total Linked Accounts |
| 2013 | 238 |
| 2014 | 188 |
| 2015 | 208 |
| 2016 | 486 |
| <u>2017</u> | <u>41</u> |
| <u>TOTAL</u> | <u>1,161</u> |

| Total CKS Accounts who also have a non-SSGA NV 529 account | |
|--|------------|
| Year | |
| 2013 | 40 |
| 2014 | 46 |
| 2015 | 52 |
| 2016 | 101 |
| <u>2017</u> | <u>10</u> |
| <u>TOTAL</u> | <u>249</u> |



Quarter 2 Activity Highlights

During the second quarter of FY18, staff sent out emails to targeted CKS cohorts, issued a press release, and participated in events to promote the program:

- Emails Blasts to all cohorts to encourage them to claim their CKS account,
- CKS events at schools such as Somerset Academy, Bennet Elementary, and Dayton Elementary

Dan Schwartz
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE
TREASURER

FOR IMMEDIATE RELEASE
December 12, 2017

Media Contacts: Grant Hewitt, Chief of Staff
[775-684-5751](tel:775-684-5751)
Pierina Nassi, Amplify Relations
[775-453-0618](tel:775-453-0618)

The Nevada State Treasurer's Office Wants Parents to Claim Nevada College Kick Start Accounts

Carson City, Nev. – The Nevada State Treasurer's Office reminds Nevada families that it's time to claim their child's Kick Start account. Over 35,000 kindergarten students entering public school this year across Nevada will receive an automatic deposit of \$50 in their Kick Start accounts. Previous kindergarten classes, beginning in 2013, could also become eligible for benefits the program may provide in the future, so all Kick Start participants are encouraged to claim their accounts.

"As the new school year begins, it provides the opportunity for such an important program to continue," Dan Schwartz, Nevada State Treasurer said. "Nevada College Kick Start has become an essential part of the education culture in our state."

The Nevada College Kick Start Program currently has about 170,400 established accounts. The concept behind the Kick Start Program is that it plays an important role in creating a "college-going culture", by planting a seed in the minds of Nevada kindergartners and their parents that attending and graduating from an institution of higher learning is a goal within reach.

"As the cost of a college education increases, it's more important than ever to begin saving," Schwartz said. "Saving for college can be an intimidating task, but we want Nevadans to know they have support and access to many plans and programs, including the Nevada College Kick Start Program."

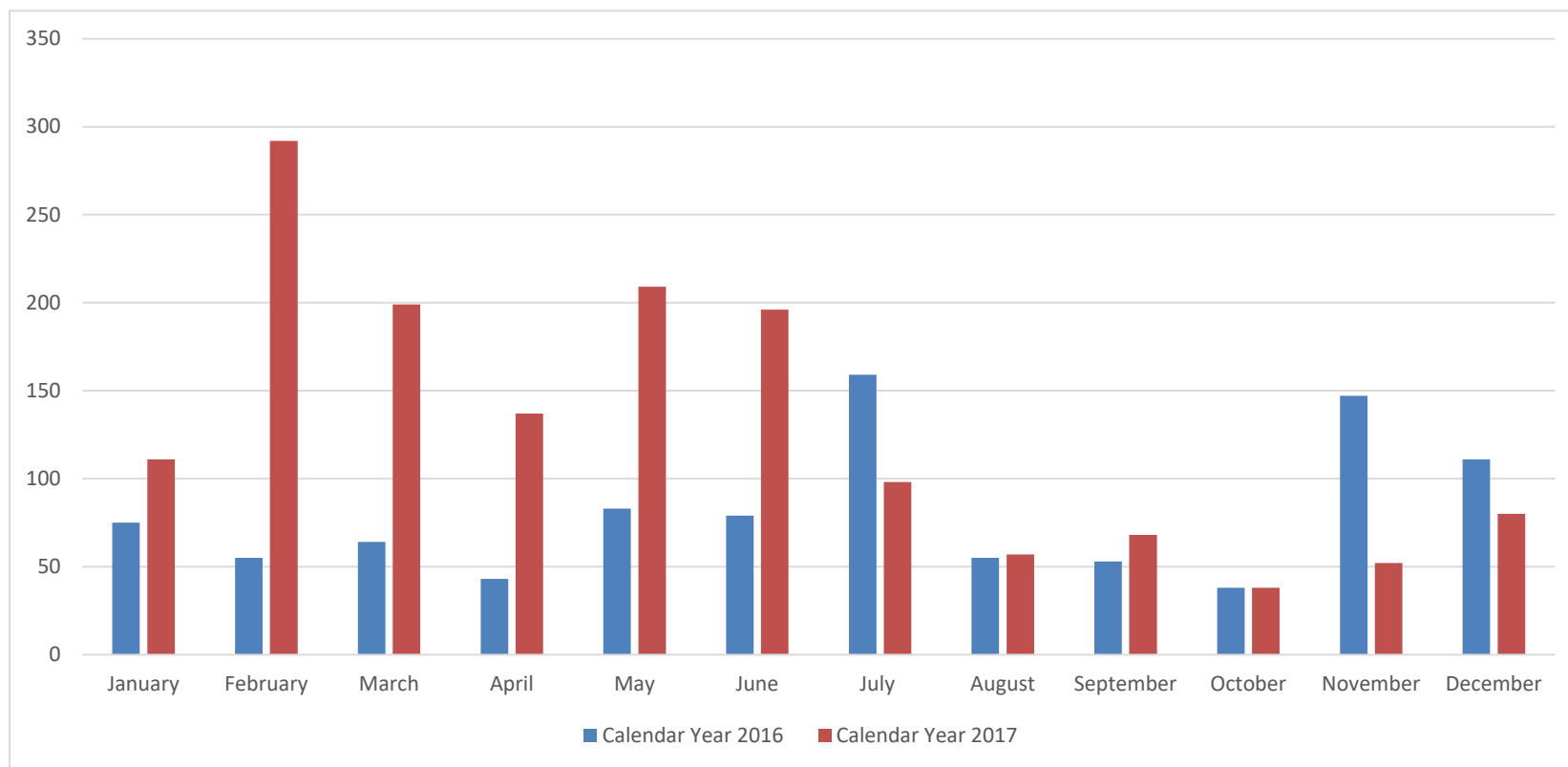
To claim the account, visit the portal at: www.NV529.org. Registering on the portal also allows families to easily open and/or link an existing Nevada 529 college savings plan to the Kick Start account.

"You can claim your child's account until the time he or she enters 5th grade," Schwartz said. "So don't delay and claim your money today!"

NevadaTreasurer.gov | StateTreasurer@NevadaTreasurer.gov



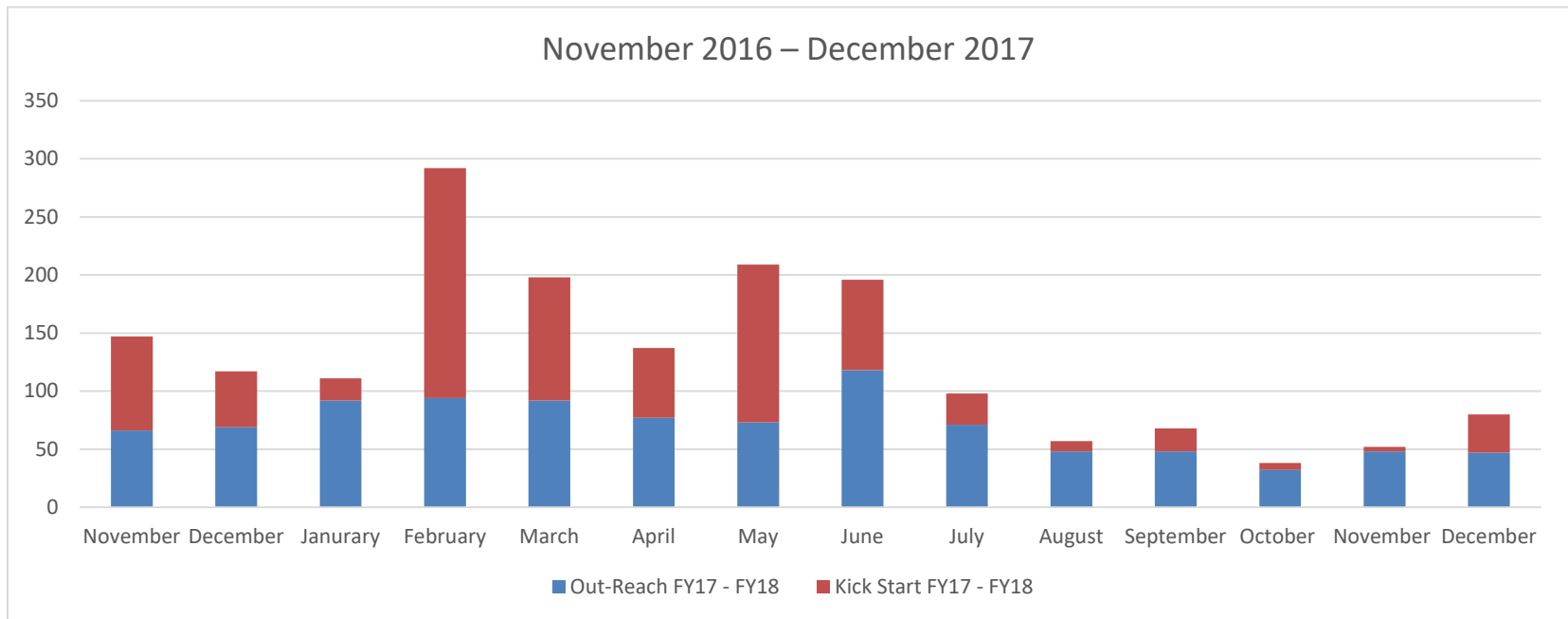
Year-over-Year SSGA Upromise Account Growth Jan 2016 – Dec 2017



*A \$200 account opening incentive was offered in Nov. 2016 - June 2017



Account Growth Since November 2016 resulting from OUTREACH and College Kick Start E-Mails/Incentives*



*November 2016 – December 2017 total SSGA Upromise accounts opened from (1) outreach is 991, and from (2) CKS emails and incentives is 809.



As of December 31, there were 171 enrollments in the Nevada Prepaid Tuition Program. This represents a 6.88% increase in account growth from December 31, 2016.

The 6th annual Nevada Prepaid Tuition Contest started in Q2. The contest ended on January 31 and the winners will be recognized on TV in Quarter 3.



Next Quarter Report Preview



- Prepaid Tuition Enrollment Status
- Prepaid Tuition Contest Results
- Large Outreach Events
- Upcoming Sponsorships





Grant Hewitt from the Treasurer's Office and Megan Bedera from Amplify Relations are available to answer any questions.



Staff Updates
March 14, 2018

1. Nevada Prepaid Tuition (NPT) Program Open Enrollment:

- Staff is recommending that the 2018 open enrollment period for the Prepaid Tuition Program be extended through April 30, 2018. Last year this gave folks on the fence an additional month to review and commit/enroll.
- As of March 9th, there were **432** new enrollments for the Prepaid Tuition Program. This is slightly down 4.85% in enrollments from last year on this date.
- Over the last few months, staff has attended multiple school and community events and Deputy Treasurer Shelia Salehian has appeared on Las Vegas & Reno morning and/or afternoon TV shows to help drive awareness and enrollments for the program.
- Also, since November, ads for Prepaid Tuition have been running on public radio stations, KNPR (Las Vegas), KUNR (Reno), to help drive enrollments for the program. This will continue through April.
- Staff is taking advantage of several upcoming events before April 30th to further promote the Nevada Prepaid Tuition Program, including:
 1. Speaking to the Washoe County School District Elementary School Counselors (March 21)
 2. Tri-Elementary School Community Event – Las Vegas (March 22)
 3. Women’s Money Conferences in Las Vegas and Reno (April 14 and 28, respectively)
 4. Boy Scout Expo (April 28)

2. Nevada Prepaid Tuition Contest:

As in previous years, the State Treasurer’s Office conducted a contest during the first half of the open enrollment for Prepaid Tuition that awarded two participants with a Nevada Prepaid Tuition account of one full year at the university level, valued at over \$6,300. The winners have been chosen. The Northern Nevada winner is Ryan Dolan and the Southern Winner is Cianna Thomas. This year’s winners are both middle school students. They will both be recognized on local TV stations with Treasurer Dan Schwartz by the end of March with a big check.

3. Nevada College Kick Start

As of March 9, 2018, **23,164** CKS accounts have been claimed, and **1,259** CKS accounts have been linked to a Nevada 529 account. There are numerous efforts underway to

work with Family Engagement offices and to participate in upcoming large school events to help spread CKS information and emphasize the need to 'claim the accounts' this year before 4th graders are at risk of losing them August 1.

3/9/2018

| Claimed CKS Accounts | | | Linked SSGA Accounts | | | Participating in Other Nevada 529 Plans | | | | | | | |
|----------------------|------------------|-------------------------------|----------------------|------------|--------------|---|-----------------------------------|------------------------|--------------------------------------|-------------------------------|-------------------------------------|---|----------------------------------|
| | Claimed Accounts | Total CKS Accounts per cohort | Existing | New | Total Linked | Nevada Prepaid Tuition Program | Vanguard 529 College Savings Plan | Putnam 529 for America | Wealthfront 529 College Savings Plan | USAA 529 College Savings Plan | Total other NV 529 Plans Identified | Total CKS Accounts who also have a NV 529 account | Other - another state's 529 plan |
| Cohort | | | | | | | | | | | | | |
| 2013 | 5408 | 34,520 | 121 | 134 | 255 | 21 | 12 | 0 | 1 | 8 | 42 | 297 | 21 |
| 2014 | 4992 | 33,482 | 76 | 118 | 194 | 21 | 13 | 0 | 0 | 18 | 52 | 246 | 18 |
| 2015 | 5459 | 33,774 | 79 | 144 | 223 | 22 | 18 | 0 | 1 | 14 | 55 | 278 | 14 |
| 2016 | 5527 | 35,669 | 71 | 426 | 497 | 35 | 35 | 1 | 0 | 34 | 105 | 602 | 40 |
| 2017 | 1778 | 32,976 | 34 | 56 | 90 | 12 | 5 | 0 | 0 | 8 | 25 | 115 | 9 |
| Total | 23,164 | 170,421 | 381 | 878 | 1259 | 111 | 83 | 1 | 2 | 82 | 279 | 1538 | 102 |

4. **SSGA Upromise 529 Account Growth:**

104 SSGA Upromise 529 accounts were opened in February. Staff has been busy participating in spring school and community events which are anticipated to result in increased account openings in the coming months.

5. **Financial Literacy Efforts:**

Staff has been busy implementing several financial literacy initiatives that were approved at previous college savings board meetings. Updates on these initiatives are as follows:

- **Junior Achievement Finance Park** – The Education kiosk at Finance Park continues to go well. So far, nearly 200 adult volunteers have taken the pre-test survey about college savings awareness. Also, staff has spoken to and given out college savings information to over 1,200 students and they have been given a 2 question pre- and post-test survey regarding their knowledge that college graduates earn on average over \$1 Million more in their working lifetimes than those without a college degree, and a question regarding their awareness of the Governor Guinn Millennium Scholarship Program. More to come and survey results in an upcoming board meeting when the Finance Park sponsorship has concluded.

- **Nevada Women's Money Conferences** – The State Treasurer's Office has successfully partnered with the Nevada Women's Money Conferences for several years. This year, our office is once again sponsoring the Las Vegas and Reno Conferences. The Mujeres Y Dinero conferences will run concurrent with the English language conferences on April 14th in Las Vegas and on April 28th in Reno. Registration is now open and spots are filling up. All online registrants are asked to take a pre-test survey and in that survey are asked questions about Nevada college savings plans awareness. Post-test surveys will be administered to those same registrants after the conference.
- **Piggy Bank Program Nevada Expansion** – The State Treasurer's Office is sponsoring Andson to bring this proven system to two rural elementary schools in Nevada. The two schools selected to participate are Pahrnagat Valley Elementary and Pioche Elementary, both in Lincoln County, NV. On April 17-18, 2018 STO staff will be holding parent 'college savings nights' at the two schools. Video lessons of "Andson Money" are being filmed for use in the spring with full 'piggy banks' rolled out this fall. In addition, staff will be sending parent reminder emails to encourage families to claim their Nevada College Savings Kick Start account and to encourage them to open up their child's own college savings account.
- **School Savings Software Program** – This visionary platform allows students to make regular deposits into a savings account AND (in NEVADA ONLY) into their SSGA Upromise 529 Account while at school. This bank savings program has been successfully implemented in many states for several years and now our sponsorship dollars have been used to allow deposits into SSGA Upromise529 accounts! Currently, staff from the State Treasurer's Office has been working with School Savings to test the 529 college savings deposit functionality of the system and to identify the two pilot schools that will be involved in piloting this program in Nevada. We have discussed the pilot with many schools and have tentatively identified Lena Juniper Elementary School as the target school. Most of the feedback has been the fall semester would be a better time to fully pilot the functionality since the 2017-2018 school year is ending in May this year, almost a full month earlier than past school years.
- **Senate Bill 249 Educator Summits** – The State Treasurer's Office has led a team to collaborate with the Department of Education and the School Districts as well as curriculum providers on the approved college savings board summits to

inform and train state social studies teachers on the new required instruction mandate to teach financial literacy principles (including college savings and scholarship program information) in grades 3-12. The dates are set for May 5th in Las Vegas and May 19th in Reno. Agenda is close to being finalized with national speakers and state specific research data being presented by the Center of Financial Literacy, Champlain College.

- **Financial Literacy for Military and Veteran Families & Website in support of SB249 Summit** – The Informal Solicitations to support these initiatives are up to ensure that the needs and delivery of these programs as outlined in the funding proposals to the College Savings Board are awarded to the most qualified vendor in accordance to the State Purchasing and Contracting rules and regulations. We expect these initiatives to move forward as outlined in the timeline presented to the CSB once the bid process is complete.