

Zach Conine
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

NOTICE OF PUBLIC MEETING

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Thursday, September 19, 2019 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

AGENDA

1. **Roll Call.**

Treasurer Conine
Member Clinger
Member Greenaway
Member Haag
Member Martin

2. **Public Comment.**

Comments from the public are invited at this time. Pursuant to NRS 241.020(2)(d)(7), the Board intends to limit to 3 minutes the time for an individual to speak and may impose reasonable restrictions on place or manner for such comment. No restriction will be imposed based on viewpoint. Comment will only be received on matters relevant to the Board's jurisdiction. The Board may discuss but 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. Most agenda items are

phrased for a positive action. However, the Board of Trustees may take other actions, such as hold, table, amend, etc.

3. **For possible action to approve:** the minutes of the College Savings Board of Trustees meeting of June 20, 2019.
4. **For possible action to approve:** the Ascensus program manager's report encompassing results for Vanguard, USAA, SSgA Upromise and Wealthfront 529 plans for the quarter ending June 30, 2019.
5. **For possible action to approve:** the Putnam 529 for America program manager's report for the quarter ending June 30, 2019.
6. **For possible action to approve:** the Nevada Prepaid Tuition Program activity report for the quarter ending June 30, 2019.

Discussion Agenda

7. **For discussion and possible action:** on the Nevada Prepaid Tuition Investment Monitoring Report prepared by Meketa Investment Group Inc for the quarter ending June 30, 2019.
8. **For discussion and possible action:** on the Nevada 529 College Savings Plans Investment Monitoring Report prepared by Meketa Investment Group Inc for the quarter ending June 30, 2019.
9. **For discussion and possible action:** on the Prepaid Tuition funding guideline established by the Board for direction in the pricing of future Prepaid Tuition contracts.
10. **For discussion and possible action:** on the Prepaid Tuition program 2020 contract prices, open enrollment dates and fee schedule.
11. **For discussion and possible action:** on the amendments to the 2020 Prepaid Tuition Master Agreement.
12. **For discussion and possible action:** on the annual marketing overview for fiscal year 2020.

Informational Agenda

13. Board to receive an update on the College Savings activities and the Staff notes since the last Board update on June 30, 2019

14. **Public Comment.**

Comments from the public are invited at this time. Pursuant to NRS 241.020(2)(d)(7), the Board intends to limit to 3 minutes the time for an individual to speak and may impose reasonable restrictions on place or manner for such comment. No restriction will be imposed based on viewpoint. Comment will only be received on matters relevant to the Board's jurisdiction. The Board may discuss but is precluded from acting on items raised during Public Comment that are not on the agenda.

15. **Adjournment.**

Notes:

Items may be taken out of order; items may be combined for consideration by the public body; and items may be pulled or removed from the agenda at any time.

The College Savings Board of Trustees is 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 Beth Yeatts 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 and State Capitol, 101 N. Carson Street, Suite 4, Carson City, NV 89701.

THIS AGENDA HAS BEEN POSTED IN THE FOLLOWING PUBLIC LOCATIONS:

- Capitol Building, 1st & 2nd Floors, Carson City, Nevada
- Legislative Building, Carson City, Nevada
- Nevada State Library, Carson City, Nevada
- Blasdel Building, Carson City, Nevada

Also online at: [Nevada Treasurer](#) and the [Nevada Public Notice](#).

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 3
September 19, 2019

**Item: The minutes of College Savings Board of Trustees
Meeting of July 25, 2019.**

Summary:

The minutes of the Board have been prepared and are complete for review and approval.

Fiscal Impact: None by this action.

Staff recommended motion:

To approve, as stated or amended (if applicable), the minutes of the July 25, 2019, College Savings Board of Trustees meeting.

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING

July 25, 2019

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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 by conference call.

Board members present:

Chairman Jeff Haag – Carson City
Andrew Clinger – Carson City
Tiffany Greenameyer - Excused
Andrew Martin – Excused
Treasurer Zach Conine – Carson City, Ex-Officio Non-Voting Board Member

Others present:

Miles Dickson, Chief of Staff, Treasurer's Office
Tara Hagan, Chief Deputy Treasurer
Holly Shrum, Treasurer's Office
Beth Yeatts, Senior Deputy Treasurer – South
Sheila Salehian, Deputy Treasurer – South
Blanca Platt, Treasurer's Office
Iben Patino, Treasurer's Office
Tom Hewitt, Vanguard
Christy Erickson, Vanguard
Scott Donaldson, Vanguard
Sue Hopkins, Ascensus
Jay Candelfmo, Ascensus
Ardie Hollingsworth, Ascensus
Judy Minsk, Putnam
Jen Sansone, Putnam
Leah Mullen, Putnam
Salma Meraz, USAA
Dan Cahill, SSGA
Kelly Ryan, SSGA
Brittany Resendes, SSGA
Ashley Johnson, Wealthfront
Greg Ott, Deputy Attorney General

1. Roll Call

Chairman Haag called the meeting to order at 10:04 am. Secretary Beth Yeatts took roll and it was determined a quorum was present. Ms. Yeatts indicated the meeting had been properly noticed and the agenda was posted in both Carson City and Las Vegas in accordance with the Nevada Open Meeting Law.

2. Public Comment

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

Consent Agenda

- 3. For possible action to approve:** the minutes of the College Savings Board of Trustees meeting of June 20, 2019.
- 4. For possible action to approve:** the annual marketing plan for the Nevada College Savings' USAA 529 Plan

Treasurer Conine motioned to approve Agenda Items 3 - 4. Member Clinger seconded the motion. Motion passed unanimously.

Discussion Agenda

- 5. For discussion and possible action:** on the annual marketing plan for the Nevada College Savings' Putnam 529 for America Plan.

Judy Minsk, Senior Manager of Investment Strategies at Putnam, presented the annual marketing plan for the Nevada College Savings' Putnam 529 for America Plan. Ms. Minsk outlined the goals and timeline of activities, for the current year, in order to drive sales and growth into the plan. She stated that the goals include increasing the number of participants and the number of advisors doing business with the plan. She noted growth opportunities will be identified by: focusing on key states, channels, and internal audiences; cross-selling with Putnam's Client Engagement Center pillars (investment management, wealth management, and practice management); and targeting firms and advisors with new content and prospecting ideas. Leah Mullen, Business Development Manager, detailed the advisor marketing strategies.

Ms. Minsk explained that Putnam recognizes the importance of social media and utilizes several different social media sites to communicate with advisors. She stated that over the course of 2020 they will focus on four campaign's which include: Back to School/College Savings Month, Year-End Planning and Gift Giving, Tax Season, and 529 Awareness.

Treasurer Conine asked how much of the spend, in terms of social targeting, is on end users versus advisors.

Ms. Minsk stated that because they solely distribute through advisors, the majority of what Putnam does is for the advisors and they do not directly reach out to shareholders. They do have content on their shareholders site and the pieces they develop are always with the end user in mind.

Treasurer Conine asked what makes an advisor sell Putnam's product and what is the differentiation you're able to push in order to pull on more advisors.

Ms. Minsk stated that it's up to the advisor to decide the direction they want to go. If the advisor wants to talk about the investment options, Putnam will highlight the options available and talk about key highlights of the plan. Ms. Minsk stated the resources provided to the advisors are very important in terms of how the advisers reach their clients and Putnam provides a lot of training devoted to the needs-based approach.

Chair Haag asked what their advisors report as to the reason(s) why the Putnam plan isn't selected.

Ms. Minsk stated the number one reason is due to in-state tax deductions and pointed out that the advisors complete suitability forms and that would cause this reason to rise to the top of the list.

Member Clinger motioned to approve Agenda Item #5. Treasurer Conine seconded the motion. Motion passed unanimously.

6. For discussion and possible action: on the annual marketing plan for the Nevada College Savings' SSGA Upromise 529 Plan.

Dan Cahill, Client Relationship Manager of SSGA, presented the annual marketing plan for the Nevada College Savings' SSGA Upromise 529 Plan. He stated SSGA's objective is to build a dedicated presence with Registered Investment Advisors (RIA) and Investment Broker Dealers (IBD) in Nevada and nationally. The target audience is the advisors who are having conversations with their clients about managing wealth and tasked with plugging in the appropriate investment product while looking for college savings. Mr. Cahill explained that they are looking for opportunities to drive engagement through a process of education, dispelling myths around 529s and helping clients understand the benefits. Mr. Cahill stated that their goals are to increase the number of accounts sold annually, increase the assets within existing accounts and expand the number of RIAs and IBDs selling the 529 plans to clients. Mr. Cahill reviewed the SSGA 2020 Marketing Plan which includes: building on the Google paid search program by using tracking pixels on an advisor site to track keywords and groups; improving content by emailing advisors with up-to-date material they can utilize in meetings with clients; and improving social media by promoting the Upromise 529 site and newly developed content.

Chair Haag asked for an understanding of what is meant by "building a dedicated presence" with Nevada RIAs and IBDs; and, is that not in existence today.

Kelly Ryan, Managing Director with SSGA, explained that SSGA has divided the country into sixteen territories with external regional consultants in the field to educate advisors, specifically in the RIA and IBD space on exchange traded funds. She explained that resources are dedicated specifically to each state in terms of individual coverage. The State of Nevada has a dedicated consultant who resides in California but is here on a regular rotation schedule and who has many different support personnel. such as: an individual on the internal sales desk, dedicated investment analysts, and marketing staff..

Chair Haag asked how the consultant's performance is measured.

Ms. Ryan stated that this individual is measured on a quarterly score card using both qualitative and quantitative metrics. Scored items include activities, face-to-face and virtual meetings, conference calls, sales numbers, assets and revenue.

Chair Haag asked Ms. Ryan to speak to the impact of the new K-12 regulations for 529 plans.

Ms. Ryan replied that the target audience is mostly made up of registered advisors working with ultra-high net worth individuals that don't normally identify the need for a 529 plan. SSGA is working to educate advisors that private elementary and high schools are now eligible for payments from the 529 plans.

Treasurer Conine motioned to approve Agenda Item #6. Member Clinger seconded the motion. Motion passed unanimously.

7. For discussion and possible action: on the annual marketing plan for the Nevada College Savings' Vanguard 529 College Savings Plan.

Tom Hewitt, Vanguard Relationship Manager, presented the annual marketing plan for the Nevada College Savings' Vanguard 529 College Savings Plan. Mr. Hewitt provided background information and differentiated Vanguard by stating that it is one of the lowest cost plans in the 529 space and that it has created a client 529 experience with Ascensus that closely resembles the Vanguard retail experience. He then turned the marketing presentation over to Lindsey Ruddy, Senior Marketing Manager.

Ms. Ruddy explained the investor life cycle with the traditional sales funnel is looked at by her team with a seasonal approach. That is, their goals, strategies and tactics, throughout the plan, start with an awareness phase to ensure as many investors are informed of the existence and benefits of the 529. Once awareness is in play, her team strives to provide enough information for investors to decide to commit and convert to the plan by opening and funding the account. Once an account has been opened, the investor will receive plan communications regarding logistics and regulatory updates. The marketing goals for the 2019/2020 year are to increase the total number of accounts in the 529 plan by: raising awareness as the plan of choice for Nevadans, Vanguard clients, and education savers nationwide; acquiring new accounts through

paid advertising and prospect email campaigns; and increasing engagement and research on the positive outcomes for existing 529 plan clients. It is Vanguard's intent to establish benchmarks for the 529 space this year and to meet people where they are.

Treasurer Conine asked if Ms. Ruddy's team has found a difference in the types of marketing between the different generations and what is resonating with whom.

Ms. Ruddy acknowledged that they have found differences in the prospecting emails to the existing retail client base. The older and high net worth audiences have responded very positively to some of the messages, so they are targeting them with estate planning, gifting, and fitting in with a larger portfolio while the millennial audience is more motivated by loss aversion.

Treasurer Conine asked what kind of nudges are most successful in encouraging auto deposits in their client bases.

Ms. Ruddy replied that the most successful messages are not related to the message content but rather on time of year with January/February emails getting the best call to action responses; but, she also noted that this was a pilot year, so they still are learning.

Member Clinger motioned to approve Agenda Item #7. Treasurer Conine seconded the motion. Motion passed unanimously.

8. For discussion and possible action: on the annual marketing plan for the Nevada College Savings' Wealthfront 529 Plan.

Ashley Johnson, Chief Financial Officer and Chief Operating Officer from Wealthfront, presented the annual marketing plan for the Nevada College Savings' Wealthfront 529 Plan. Ms. Johnson explained that Wealthfront is the only 529 robo-advisor plan with a fully automated solution – both web and robo applications. Wealthfront's offering is heavily based on data research to provide a rich advisory resource and a pleasant user experience targeted to the millennial audience. The client base is broken down and marketed to two buckets: savvy advocates and responsible delegators.

Ms. Johnson stated that Wealthfront tends to market nationally but does focus some funds directly on Nevada. Up until October they were not spending much on advertising while they grappled with how to engage their audience. As a result, Wealthfront now offers a free app which messages, "try us before you buy us" and based on this response, they then implement nurture, lifestyle and seasonal campaigns. This year Wealthfront has invested heavily in a content team who are creating in-depth content to incorporate the 529 and college planning education in the financial blog, the IPO & Equity Guide, and Guide to Financial Health applications. Ms. Johnson explained that they are now heavily investing in marketing for Cash Account. They are also optimizing and growing Facebook and Instagram channels as well as exploring opportunities to merchandise 529 to new cash clients.

Treasurer Conine asked what has the most effect in terms of data driven marketing

Ms. Johnson stated the recent increase in content marketing has Wealthfront looking into which of the channels is most effective in converting clients into opening investment accounts. Currently there is about a 20% conversion rate from the cash accounts

Treasurer Conine motioned to approve Agenda Item #8. Member Clinger seconded the motion. Motion passed unanimously.

9. For discussion and possible action: Board members will designate one of its members to serve as Chair.

Chair Haag informed the Board that recent changes had occurred to NRS 353B in the 2019 legislative session due to Senate Bill 82. The bill has re-established the Treasurer as a voting member of the Board. Chair Haag then called for nominations for the Board Chair.

Member Clinger motioned to appoint Treasurer Zach Conine to serve as future Chair. Chair Haag seconded the motion. Motion passed unanimously.

10. Public Comment

Treasurer Conine thanked everyone for coming and talking about their marketing plans and thanked Chair Haag for his level of dedication and the passion that he has shown to the Board and f his leadership.

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

Member Clinger motioned to adjourn at 11:30am. Treasurer Conine seconded the motion. The motion passed unanimously.

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 4
September 19, 2019

**Item: Ascensus Program Manager Report for the Quarter
End Performance Summary for the period ended June
30, 2019.**

Summary:

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

Fiscal Impact: None by this action.

Staff recommended motion:

**To accept and approve the Ascensus College Savings
Program Manager Report for the quarter ending June 30,
2019.**



**College Savings Plans of Nevada
Board of Trustees Meeting
September 19th , 2019**

**Program Management Report
FY 4th - CY 2nd Quarter Ended June 30, 2019**

College Savings Plans of Nevada Board of Trustees Meeting

September 6th , 2019

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Executive Summary

SSGA Upromise 529 Plan

- At the end of the 2nd quarter, assets in the SSGA Upromise 529 Plan totaled \$1.48B, which was a 2.5% increase from the previous quarter and 2.8% higher than one year ago. New Funded Accounts were down by 23.2% over the previous quarter to 651 which was a 13.1% decrease compared to the same time last year. Total Funded Accounts were down 0.9% compared to last quarter and down by 3.6% compared to the same time last year. There were a total of 5,028 unique account holders at the end of the quarter. Average account size for the plan is \$11,708.25 with NV average account assets at \$7,518.81

Vanguard 529® College Savings Plan

- Second Quarter 2019 assets in the Vanguard 529 College Savings Plan totaled just over \$20.4B, which was a 5.1% increase from the previous quarter and 13.5% higher than one year ago. Total Funded Accounts are 426,532 and NV funded accounts are 6,836. There were a total of 4,004 unique account holders at the end of the quarter. Average account size for the plan is \$47,894.44 with NV average account assets at \$33,947.93

USAA ® 529 College Savings Plan

- Second Quarter 2019 assets in the USAA 529 College Savings Plan totaled over \$4.1B, which was a 5.2% increase from the previous quarter and 11.8% higher than one year ago. Total Funded Accounts are 299,013 and NV funded accounts are 3,677. There were a total of 2,167 unique NV account holders at the end of the quarter. Average account size for the plan is \$13,795.68 with NV average account assets at \$11,855.33.

Wealthfront College Savings Plan

- Second Quarter 2019 assets in the Wealthfront 529 College Savings Plan totaled \$214.8M. Total Funded Accounts are 14,454, and NV funded accounts are 135. There were a total of 94 unique NV account holders at the end of the quarter (10,371 total unique account holders). Average account size for the plan is \$14,862 with NV average account assets at \$8,423.

Highlights This Period

	Second Quarter 2019					First Quarter 2019					Second Quarter 2018				
	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)	\$1,488.13	\$20,428.51	\$4,125.09	\$213.40	\$26,255.14	\$1,452.04	\$19,432.00	\$3,922.46	\$190.60	\$24,997.10	\$1,447.34	\$17,992.75	\$3,690.83	\$136.86	\$23,267.78
Funded Accounts	127,101	426,532	299,013	14,256	866,902	128,207	418,286	295,908	13,580	855,981	131,839	390,961	286,444	11,230	820,474
NV Account Owners (Unique)	5,028	4,004	2,168	93	11,293	4,950	3,901	2,147	81	11,079	4,653	3,535	2,075	66	10,329
Account Owners	89,235	244,781	177,667	10,306	521,989	90,017	240,157	176,267	9,898	516,339	92,562	224,524	171,964	8,338	497,388
New Funded Accounts	651	10,213	5,567	766	17,197	848	11,445	6,897	897	20,087	749	11,173	6,368	1,187	19,477
Average Account Assets	\$11,708.25	\$47,894.44	\$13,795.68	\$14,969.37	\$30,286.16	\$11,325.72	\$46,456.24	\$13,255.68	\$14,035.53	\$29,202.86	\$10,978.07	\$46,021.87	\$12,884.98	\$12,186.96	\$28,358.95
NV Funded Accounts	8,639	6,836	3,680	132	19,287	8,510	6,652	3,630	110	18,902	7,972	6,032	3,476	83	17,563
NV Average Account Assets	\$7,518.81	\$33,947.93	\$11,850.33	\$8,359.25	\$17,718.45	\$7,170.92	\$33,224.34	\$11,307.76	\$8,338.61	\$17,140.90	\$7,337.30	\$33,379.81	\$11,117.83	\$6,524.50	\$17,025.97
NV AUM (Millions)	\$64.96	\$232.07	\$43.61	\$1.10	\$341.74	\$61.02	\$221.01	\$41.05	\$0.92	\$324.00	\$58.49	\$201.35	\$38.65	\$0.54	\$299.03

Highlights This Period

		Second Quarter 2019					First Quarter 2019					Second Quarter 2018				
		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	\$28.46	\$432.63	\$117.58	\$16.97	\$595.64	\$31.14	\$532.01	\$135.60	\$17.42	\$716.17	\$27.17	\$413.92	\$112.86	\$17.57	\$571.53
	Plan Transfer In	\$0.08	\$3.38	\$0.07	\$0.69	\$4.21	\$0.05	\$5.54	\$0.32	\$0.21	\$6.12		\$2.00	\$0.19	\$0.45	\$2.64
	Rollover In	\$0.18	\$48.07	\$3.11	\$0.41	\$51.77	\$0.44	\$51.90	\$4.19	\$0.35	\$56.88	\$0.26	\$48.12	\$3.30	\$0.78	\$52.46
	Gross Contributions	\$28.71	\$484.08	\$120.75	\$18.07	\$651.62	\$31.63	\$589.45	\$140.10	\$17.98	\$779.16	\$27.43	\$464.04	\$116.36	\$18.79	\$626.63
Outflow (Millions)	Fee	(\$0.52)	(\$0.01)	(\$0.04)	(\$0.10)	(\$0.67)	(\$0.57)	(\$0.02)	(\$0.04)	(\$0.08)	(\$0.71)	(\$0.55)	(\$0.01)	(\$0.04)	(\$0.06)	(\$0.65)
	Plan Transfer Out	(\$0.68)	(\$0.38)	(\$3.01)	(\$0.02)	(\$4.09)	(\$1.74)	(\$0.30)	(\$3.73)	N/A	(\$5.77)	(\$0.53)	(\$0.33)	(\$1.75)	N/A	(\$2.62)
	Rollover Out	(\$3.46)	(\$27.36)	(\$9.83)	(\$0.59)	(\$41.24)	(\$3.71)	(\$24.59)	(\$11.05)	(\$2.49)	(\$41.84)	(\$3.18)	(\$21.34)	(\$7.38)	(\$0.49)	(\$32.39)
	Withdrawal	(\$20.26)	(\$100.67)	(\$37.64)	(\$1.09)	(\$159.66)	(\$26.25)	(\$168.13)	(\$51.50)	(\$1.33)	(\$247.22)	(\$17.29)	(\$80.65)	(\$33.28)	(\$0.75)	(\$131.96)
Gross Distributions		(\$24.92)	(\$128.42)	(\$50.52)	(\$1.79)	(\$205.65)	(\$32.28)	(\$193.04)	(\$66.32)	(\$3.90)	(\$295.54)	(\$21.55)	(\$102.33)	(\$42.45)	(\$1.29)	(\$167.63)
Total Net Contributions (Millions)		\$3.79	\$355.66	\$70.24	\$16.27	\$445.96	(\$0.65)	\$396.41	\$73.78	\$14.08	\$483.62	\$5.88	\$361.71	\$73.91	\$17.50	\$459.00
Rollovers In (Thousands)	Plan Transfer In	\$75.20	\$3,377.59	\$66.30	\$691.58	\$4,210.66	\$48.08	\$5,536.46	\$318.38	\$213.53	\$6,116.44		\$1,997.92	\$194.22	\$450.14	\$2,642.28
	Rollover In	\$176.05	\$48,073.55	\$3,105.53	\$411.77	\$51,766.90	\$439.30	\$51,899.20	\$4,185.32	\$353.10	\$56,876.91	\$257.26	\$48,122.31	\$3,304.69	\$777.38	\$52,461.65
	Gross Rollovers In	\$251.25	\$51,451.14	\$3,171.83	\$1,103.34	\$55,977.56	\$487.38	\$57,435.66	\$4,503.70	\$566.62	\$62,993.35	\$257.26	\$50,120.23	\$3,498.91	\$1,227.53	\$55,103.93
Rollovers Out (Thousands)	Plan Transfer Out	(\$677.52)	(\$378.00)	(\$3,014.16)	(\$19.92)	(\$4,089.60)	(\$1,741.67)	(\$299.50)	(\$3,729.09)	N/A	(\$5,770.26)	(\$534.29)	(\$333.66)	(\$1,753.70)	N/A	(\$2,621.65)
	Rollover Out	(\$3,464.80)	(\$27,358.82)	(\$9,829.77)	(\$586.69)	(\$41,240.08)	(\$3,711.50)	(\$24,594.33)	(\$11,046.67)	(\$2,485.40)	(\$41,837.90)	(\$3,178.42)	(\$21,341.34)	(\$7,381.70)	(\$491.94)	(\$32,393.40)
	Gross Rollovers Out	(\$4,142.32)	(\$27,736.83)	(\$12,843.93)	(\$606.61)	(\$45,329.69)	(\$5,453.18)	(\$24,893.83)	(\$14,775.76)	(\$2,485.40)	(\$47,608.16)	(\$3,712.71)	(\$21,675.01)	(\$9,135.40)	(\$491.94)	(\$35,015.05)
Net Rollovers (Thousands)		(\$3,891.07)	\$23,714.31	(\$9,672.10)	\$496.74	\$10,647.88	(\$4,965.80)	\$32,541.83	(\$10,272.06)	(\$1,918.78)	\$15,385.19	(\$3,455.45)	\$28,445.22	(\$5,636.49)	\$735.59	\$20,088.88

SSGA Upromise 529 Plan Service Levels

	Service Level Agreement	SSgA Upromise 529 Actual 4/30/19	SSgA Upromise 529 Actual 5/31/19	SSgA Upromise 529 Actual 6/30/19
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%	100%	100%	100%
Withdrawal (same day)	98.00%	100%	100%	100%
Withdrawal (accuracy)	98.00%	100%	100%	100%
Non-financial maintenance (3 day)	98.00%	100%	100%	100%
Non-financial maintenance (accuracy)	98.00%	100%	100%	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	0:17	0:13	0:11
Average abandonment rate	5% or less	0.88%	0.60%	0.40%
Phone inquiries responded to	Within 30 seconds	99%	100%	99%
Email processed	Within 2 business days	100%	100%	100%
Meet licensing requirements				
INFORMATION DELIVERY				
Marketing kits delivered	Within 3 business days	Yes	Yes	Yes
Annual statements, quarterly statements and confirms	Delivered within industry guidelines	Yes	Yes	Yes

Marketing Activity

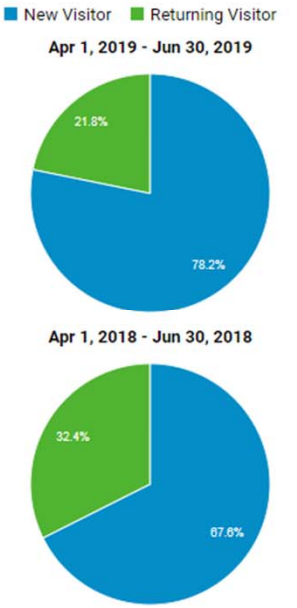
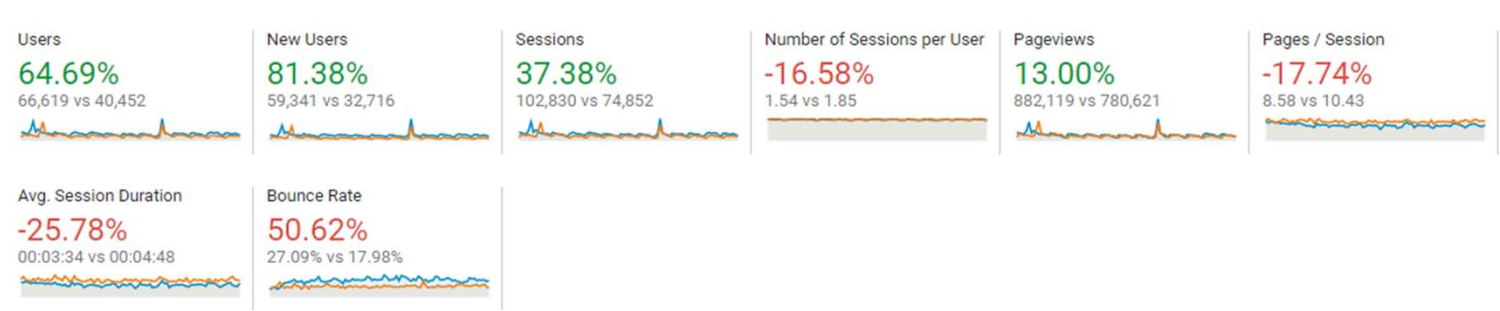
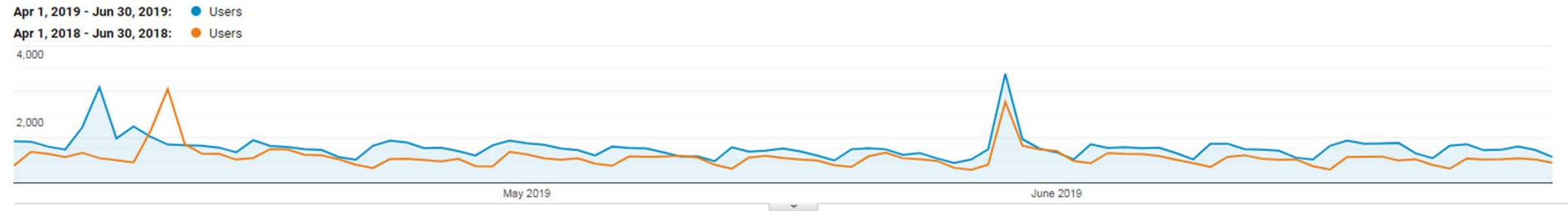
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- Section IV: Wealthfront College Savings Plan

Section I

SSGA Upromise 529 Plan Marketing Activity

Web traffic: Volume 2018 – 2019 Comparison (April-June)



Web traffic: Location (April-June)

Region ?	Acquisition			Behavior			Conversions Goal 1: Create Account Online ▾		
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Create Account Online (Goal 1 Conversion Rate) ?	Create Account Online (Goal 1 Completions) ?	Create Account Online (Goal 1 Value) ?
	57,363 % of Total: 86.11% (66,619)	49,809 % of Total: 83.94% (59,341)	92,681 % of Total: 90.13% (102,830)	29.53% Avg for View: 27.09% (9.03%)	8.83 Avg for View: 8.58 (2.96%)	00:03:51 Avg for View: 00:03:34 (8.07%)	0.59% Avg for View: 0.54% (9.56%)	550 % of Total: 98.74% (557)	\$0.00 % of Total: 0.00% (\$0.00)
1. (not set)	10,059 (17.10%)	10,042 (20.16%)	10,075 (10.87%)	98.76%	1.11	00:00:02	0.00%	0 (0.00%)	\$0.00 (0.00%)
2. California	5,895 (10.02%)	4,884 (9.81%)	9,864 (10.64%)	23.81%	9.84	00:04:23	0.50%	49 (8.91%)	\$0.00 (0.00%)
3. Nevada	3,750 (6.37%)	3,158 (6.34%)	6,944 (7.49%)	25.66%	9.71	00:04:48	1.71%	119 (21.64%)	\$0.00 (0.00%)
4. Texas	3,571 (6.07%)	2,918 (5.86%)	6,142 (6.63%)	19.10%	9.99	00:04:27	0.62%	38 (6.91%)	\$0.00 (0.00%)
5. Florida	3,203 (5.44%)	2,593 (5.21%)	5,651 (6.10%)	16.28%	10.43	00:04:35	0.57%	32 (5.82%)	\$0.00 (0.00%)
6. New Jersey	3,159 (5.37%)	2,519 (5.06%)	5,844 (6.31%)	16.14%	10.47	00:04:17	0.44%	26 (4.73%)	\$0.00 (0.00%)
7. New York	2,435 (4.14%)	2,030 (4.08%)	3,811 (4.11%)	25.14%	8.26	00:03:39	0.73%	28 (5.09%)	\$0.00 (0.00%)
8. Pennsylvania	2,296 (3.90%)	1,831 (3.68%)	4,277 (4.61%)	15.60%	9.45	00:04:06	0.35%	15 (2.73%)	\$0.00 (0.00%)
9. Massachusetts	2,216 (3.77%)	1,753 (3.52%)	3,908 (4.22%)	15.79%	10.20	00:04:30	0.46%	18 (3.27%)	\$0.00 (0.00%)
10. Illinois	2,091 (3.55%)	1,685 (3.38%)	3,646 (3.93%)	16.62%	10.07	00:04:11	0.60%	22 (4.00%)	\$0.00 (0.00%)

Web traffic: Location - Nevada (April-June)

City ?	Acquisition			Behavior			Conversions Goal 1: Create Account Online ▾		
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Create Account Online (Goal 1 Conversion Rate) ?	Create Account Online (Goal 1 Completions) ?	Create Account Online (Goal 1 Value) ?
	3,750 % of Total: 5.63% (66,619)	3,158 % of Total: 5.32% (59,341)	6,944 % of Total: 6.75% (102,830)	25.66% Avg for View: 27.09% (-5.26%)	9.71 Avg for View: 8.58 (13.24%)	00:04:48 Avg for View: 00:03:34 (34.61%)	1.71% Avg for View: 0.54% (216.37%)	119 % of Total: 21.36% (557)	\$0.00 % of Total: 0.00% (\$0.00)
1. (not set)	1,894 (48.69%)	1,578 (49.97%)	3,448 (49.65%)	25.70%	9.52	00:04:34	1.77%	61 (51.26%)	\$0.00 (0.00%)
2. Reno	669 (17.20%)	536 (16.97%)	1,144 (16.47%)	25.00%	10.31	00:05:01	2.27%	26 (21.85%)	\$0.00 (0.00%)
3. Las Vegas	417 (10.72%)	306 (9.69%)	793 (11.42%)	21.44%	9.91	00:04:52	0.88%	7 (5.88%)	\$0.00 (0.00%)
4. Carson City	399 (10.26%)	345 (10.92%)	723 (10.41%)	30.29%	9.83	00:05:53	2.49%	18 (15.13%)	\$0.00 (0.00%)
5. Sparks	164 (4.22%)	134 (4.24%)	264 (3.80%)	22.35%	10.27	00:04:56	0.76%	2 (1.68%)	\$0.00 (0.00%)
6. Henderson	104 (2.67%)	79 (2.50%)	172 (2.48%)	39.53%	7.14	00:03:41	1.16%	2 (1.68%)	\$0.00 (0.00%)
7. Elko	25 (0.64%)	16 (0.51%)	45 (0.65%)	15.56%	12.93	00:05:06	0.00%	0 (0.00%)	\$0.00 (0.00%)
8. North Las Vegas	25 (0.64%)	20 (0.63%)	36 (0.52%)	25.00%	11.44	00:05:14	2.78%	1 (0.84%)	\$0.00 (0.00%)
9. Pahrump	17 (0.44%)	12 (0.38%)	24 (0.35%)	29.17%	6.54	00:02:59	0.00%	0 (0.00%)	\$0.00 (0.00%)
10. Winnemucca	17 (0.44%)	15 (0.47%)	27 (0.39%)	22.22%	10.70	00:04:35	0.00%	0 (0.00%)	\$0.00 (0.00%)

Top Traffic by Channel (April-June)

Default Channel Grouping	Acquisition			Behavior			Conversions Goal 1: Create Account Online ▾		
	Users [?] ↓	New Users [?]	Sessions [?]	Bounce Rate [?]	Pages / Session [?]	Avg. Session Duration [?]	Create Account Online (Goal 1 Conversion Rate) [?]	Create Account Online (Goal 1 Completions) [?]	Create Account Online (Goal 1 Value) [?]
	66,619 % of Total: 100.00% (66,619)	59,425 % of Total: 100.14% (59,341)	102,830 % of Total: 100.00% (102,830)	27.09% Avg for View: 27.09% (0.00%)	8.58 Avg for View: 8.58 (0.00%)	00:03:34 Avg for View: 00:03:34 (0.00%)	0.54% Avg for View: 0.54% (0.00%)	557 % of Total: 100.00% (557)	\$0.00 % of Total: 0.00% (\$0.00)
1. Direct	44,071 (64.34%)	39,825 (67.02%)	65,456 (63.65%)	29.89%	7.74	00:02:54	0.28%	182 (32.68%)	\$0.00 (0.00%)
2. Organic Search	12,796 (18.68%)	9,766 (16.43%)	21,341 (20.75%)	13.08%	11.69	00:05:11	0.69%	147 (26.39%)	\$0.00 (0.00%)
3. Referral	5,308 (7.75%)	4,545 (7.65%)	7,465 (7.26%)	35.35%	8.02	00:04:21	2.42%	181 (32.50%)	\$0.00 (0.00%)
4. (Other)	3,561 (5.20%)	2,608 (4.39%)	5,423 (5.27%)	24.51%	10.75	00:05:17	0.83%	45 (8.08%)	\$0.00 (0.00%)
5. Paid Search	2,658 (3.88%)	2,579 (4.34%)	3,026 (2.94%)	47.29%	2.45	00:01:38	0.07%	2 (0.36%)	\$0.00 (0.00%)
6. Social	105 (0.15%)	102 (0.17%)	119 (0.12%)	79.83%	1.27	00:00:16	0.00%	0 (0.00%)	\$0.00 (0.00%)

Top 10 Traffic Sources – 2019 Comparison (April-June)

Source / Medium ?	Acquisition			Behavior			Conversions Goal 1: Create Account Online ▾		
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Create Account Online (Goal 1 Conversion Rate) ?	Create Account Online (Goal 1 Completions) ?	Create Account Online (Goal 1 Value) ?
	64.69% ▲ 66,619 vs 40,452	81.25% ▲ 59,425 vs 32,786	37.38% ▲ 102,830 vs 74,852	50.62% ▲ 27.09% vs 17.98%	17.74% ▼ 8.58 vs 10.43	25.78% ▼ 00:03:34 vs 00:04:48	31.16% ▼ 0.54% vs 0.79%	5.43% ▼ 557 vs 589	0.00% \$0.00 vs \$0.00
1. (direct) / (none)									
Apr 1, 2019 - Jun 30, 2019	44,071 (64.03%)	39,825 (67.02%)	65,456 (63.65%)	29.89%	7.74	00:02:54	0.28%	182 (32.68%)	\$0.00 (0.00%)
Apr 1, 2018 - Jun 30, 2018	22,074 (51.77%)	17,421 (53.14%)	42,083 (56.22%)	17.80%	9.98	00:04:24	0.45%	188 (31.92%)	\$0.00 (0.00%)
% Change	99.65%	128.60%	55.54%	67.94%	-22.40%	-34.14%	-37.76%	-3.19%	0.00%
2. google / organic									
Apr 1, 2019 - Jun 30, 2019	10,675 (15.51%)	8,181 (13.77%)	17,231 (16.76%)	13.63%	11.57	00:05:09	0.68%	118 (21.18%)	\$0.00 (0.00%)
Apr 1, 2018 - Jun 30, 2018	9,850 (23.10%)	7,248 (22.11%)	16,906 (22.59%)	12.09%	11.87	00:05:25	0.62%	104 (17.66%)	\$0.00 (0.00%)
% Change	8.38%	12.87%	1.92%	12.71%	-2.45%	-4.83%	11.32%	13.46%	0.00%
3. upromise.com / referral									
Apr 1, 2019 - Jun 30, 2019	3,568 (5.18%)	3,191 (5.37%)	4,640 (4.51%)	37.82%	8.09	00:04:21	2.69%	125 (22.44%)	\$0.00 (0.00%)
Apr 1, 2018 - Jun 30, 2018	259 (0.61%)	187 (0.57%)	334 (0.45%)	29.94%	10.31	00:05:53	0.90%	3 (0.51%)	\$0.00 (0.00%)
% Change	1,277.61%	1,606.42%	1,289.22%	26.33%	-21.48%	-25.97%	199.93%	4,066.67%	0.00%

Top 10 Traffic Sources – 2019 Comparison (April-June) - Cont'd

Source / Medium [?]	Acquisition			Behavior			Conversions	Goal 1: Create Account Online [?] ▾		
	Users [?] ↓	New Users [?]	Sessions [?]	Bounce Rate [?]	Pages / Session [?]	Avg. Session Duration [?]	Create Account Online (Goal 1 Conversion Rate) [?]	Create Account Online (Goal 1 Completions) [?]	Create Account Online (Goal 1 Value) [?]	
4. google / cpc										
Apr 1, 2019 - Jun 30, 2019	2,658 (3.86%)	2,579 (4.34%)	3,026 (2.94%)	47.29%	2.45	00:01:38	0.07%	2 (0.36%)	\$0.00 (0.00%)	
Apr 1, 2018 - Jun 30, 2018	1,144 (2.68%)	984 (3.00%)	1,442 (1.93%)	43.69%	5.32	00:03:10	0.42%	6 (1.02%)	\$0.00 (0.00%)	
% Change	132.34%	162.09%	109.85%	8.24%	-53.95%	-48.65%	-84.12%	-66.67%	0.00%	
5. AO529Day / Email										
Apr 1, 2019 - Jun 30, 2019	2,559 (3.72%)	2,117 (3.56%)	3,597 (3.50%)	23.80%	11.40	00:05:08	0.36%	13 (2.33%)	\$0.00 (0.00%)	
Apr 1, 2018 - Jun 30, 2018	0 (0.00%)	0 (0.00%)	0 (0.00%)	0.00%	0.00	00:00:00	0.00%	0 (0.00%)	\$0.00 (0.00%)	
% Change	∞%	∞%	∞%	∞%	∞%	∞%	∞%	∞%	0.00%	
6. bing / organic										
Apr 1, 2019 - Jun 30, 2019	1,665 (2.42%)	1,114 (1.87%)	3,066 (2.98%)	10.60%	12.04	00:05:16	0.75%	23 (4.13%)	\$0.00 (0.00%)	
Apr 1, 2018 - Jun 30, 2018	1,861 (4.36%)	1,339 (4.08%)	3,028 (4.05%)	9.38%	12.88	00:05:47	0.53%	16 (2.72%)	\$0.00 (0.00%)	
% Change	-10.53%	-16.80%	1.25%	13.02%	-6.48%	-9.19%	41.97%	43.75%	0.00%	
7. yahoo / organic										
Apr 1, 2019 - Jun 30, 2019	522 (0.76%)	366 (0.62%)	884 (0.86%)	9.62%	12.94	00:05:43	0.68%	6 (1.08%)	\$0.00 (0.00%)	
Apr 1, 2018 - Jun 30, 2018	516 (1.21%)	353 (1.08%)	859 (1.15%)	11.53%	13.10	00:06:06	0.81%	7 (1.19%)	\$0.00 (0.00%)	
% Change	1.16%	3.68%	2.91%	-16.57%	-1.20%	-6.26%	-16.71%	-14.29%	0.00%	

Top 10 Traffic Sources – 2019 Comparison (April -June) - Cont'd

Source / Medium ?	Acquisition			Behavior			Conversions Goal 1: Create Account Online ▾		
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Create Account Online (Goal 1 Conversion Rate) ?	Create Account Online (Goal 1 Completions) ?	Create Account Online (Goal 1 Value) ?
8. nevadas529_com / online									
Apr 1, 2019 - Jun 30, 2019	519 (0.75%)	299 (0.50%)	854 (0.83%)	31.03%	10.37	00:06:49	2.93%	25 (4.49%)	\$0.00 (0.00%)
Apr 1, 2018 - Jun 30, 2018	0 (0.00%)	0 (0.00%)	0 (0.00%)	0.00%	0.00	00:00:00	0.00%	0 (0.00%)	\$0.00 (0.00%)
% Change	∞%	∞%	∞%	∞%	∞%	∞%	∞%	∞%	0.00%
9. nevadatreasurer.gov / referral									
Apr 1, 2019 - Jun 30, 2019	499 (0.72%)	441 (0.74%)	695 (0.68%)	40.58%	5.48	00:03:35	2.16%	15 (2.69%)	\$0.00 (0.00%)
Apr 1, 2018 - Jun 30, 2018	519 (1.22%)	435 (1.33%)	738 (0.99%)	42.28%	5.79	00:04:35	2.17%	16 (2.72%)	\$0.00 (0.00%)
% Change	-3.85%	1.38%	-5.83%	-4.02%	-5.27%	-22.01%	-0.45%	-6.25%	0.00%
10. nv529.org / referral									
Apr 1, 2019 - Jun 30, 2019	223 (0.32%)	165 (0.28%)	311 (0.30%)	49.52%	8.97	00:06:08	7.07%	22 (3.95%)	\$0.00 (0.00%)
Apr 1, 2018 - Jun 30, 2018	226 (0.53%)	183 (0.56%)	340 (0.45%)	37.06%	9.71	00:08:02	13.24%	45 (7.64%)	\$0.00 (0.00%)
% Change	-1.33%	-9.84%	-8.53%	33.62%	-7.59%	-23.82%	-46.55%	-51.11%	0.00%

All Campaigns (April-June)

Campaign ?	Acquisition			Behavior			Conversions Goal 1: Create Account Online ▾		
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Create Account Online (Goal 1 Conversion Rate) ?	Create Account Online (Goal 1 Completions) ?	Create Account Online (Goal 1 Value) ?
	3,552 % of Total: 5.33% (66,619)	2,598 % of Total: 4.38% (59,341)	5,424 % of Total: 5.27% (102,830)	24.32% Avg for View: 27.09% (-10.22%)	10.78 Avg for View: 8.58 (25.67%)	00:05:18 Avg for View: 00:03:34 (48.86%)	0.83% Avg for View: 0.54% (53.16%)	45 % of Total: 8.08% (557)	\$0.00 % of Total: 0.00% (\$0.00)
1. V1	1,909 (52.60%)	1,537 (59.16%)	2,732 (50.37%)	24.49%	11.08	00:04:56	0.33%	9 (20.00%)	\$0.00 (0.00%)
2. V2	651 (17.94%)	580 (22.32%)	865 (15.95%)	21.62%	12.44	00:05:46	0.46%	4 (8.89%)	\$0.00 (0.00%)
3. field_rep	517 (14.25%)	297 (11.43%)	851 (15.69%)	31.14%	10.38	00:06:48	2.94%	25 (55.56%)	\$0.00 (0.00%)
4. NV	230 (6.34%)	24 (0.92%)	451 (8.31%)	21.51%	6.94	00:04:40	0.89%	4 (8.89%)	\$0.00 (0.00%)
5. learnmore	83 (2.29%)	61 (2.35%)	144 (2.65%)	20.83%	6.49	00:04:07	1.39%	2 (4.44%)	\$0.00 (0.00%)
6. NoTaxBenefit	82 (2.26%)	16 (0.62%)	134 (2.47%)	20.15%	10.55	00:03:45	0.00%	0 (0.00%)	\$0.00 (0.00%)
7. Withdrawal 2018	39 (1.07%)	25 (0.96%)	62 (1.14%)	14.52%	11.81	00:05:13	1.61%	1 (2.22%)	\$0.00 (0.00%)
8. Ugift Code Enabled	23 (0.63%)	5 (0.19%)	38 (0.70%)	10.53%	11.32	00:04:16	0.00%	0 (0.00%)	\$0.00 (0.00%)
9. Ugift No Code Enabled	22 (0.61%)	9 (0.35%)	28 (0.52%)	3.57%	18.50	00:07:25	0.00%	0 (0.00%)	\$0.00 (0.00%)
10. 529 Day V2	18 (0.50%)	11 (0.42%)	29 (0.53%)	20.69%	9.48	00:02:49	0.00%	0 (0.00%)	\$0.00 (0.00%)

- 1.) "V1" represents the Account Owner 529 day email for those who have already signed up for e-delivery.
- 2.) "V2" represents the Account Owner 529 day email for those who have not signed up for e-delivery.
- 3.) "field_rep" represents traffic resulting from field rep activity.
- 4.) "NV" - represents SAGE website traffic from "Enroll Now" button.
- 5.) "learnmore"- represents SAGE website traffic from "Learn More" button.
- 6.) "NoTaxBenefit" represents the Year-end email to account owners who do not have a tax benefit encouraging them to invite family to contribute to their child's Ugift account during the holiday season.

- 7.) "Withdrawal 2018" represents the 2018 account owner withdrawal email.
- 8.) "Ugift Code Enabled" represents the 2018 October Ugift emails sent to Account Owners who have enabled their beneficiary's Ugift code.
- 9.) "Ugift No Code Enabled" represents the 2018 October Ugift emails sent to Account Owners who have not enabled their beneficiary's Ugift code.
- 10.) "529 Day V2" represents the 529 Day email non e-delivery version.

Email Metrics Explained

KEY VALUES

- A. Deliveries
- B. Opens
- C. Clicks
- * Unsubscribes/Spam

DEFINITIONS

- # of people who received our email
- # of people who opened our email
- # of people who clicked our email CTA

BENCHMARKS

- Delivered Rate = 99.5% or higher
- Open Rate = 21% or higher
- Clickthrough Rate = 1.5% or higher
- Click-to-Open Rate = 4% or higher
- Unsubscribes/Spam = 0.1% or less

KEY PERCENTAGES

- 1. Delivered Rate
- 2. Open Rate
- 3. Clickthrough Rate
- 4. Click-to-Open Rate

HOW IT IS CALCULATED

- $\frac{\text{\# of people who received the email}}{\text{\# of emails we sent}}$
- $\frac{\text{\# of people who opened the email}}{\text{\# of people who received the email}}$
- $\frac{\text{\# of people who clicked email CTA}}{\text{\# of people who received the email}}$
- $\frac{\text{\# of people who clicked email CTA}}{\text{\# of people who opened the email}}$

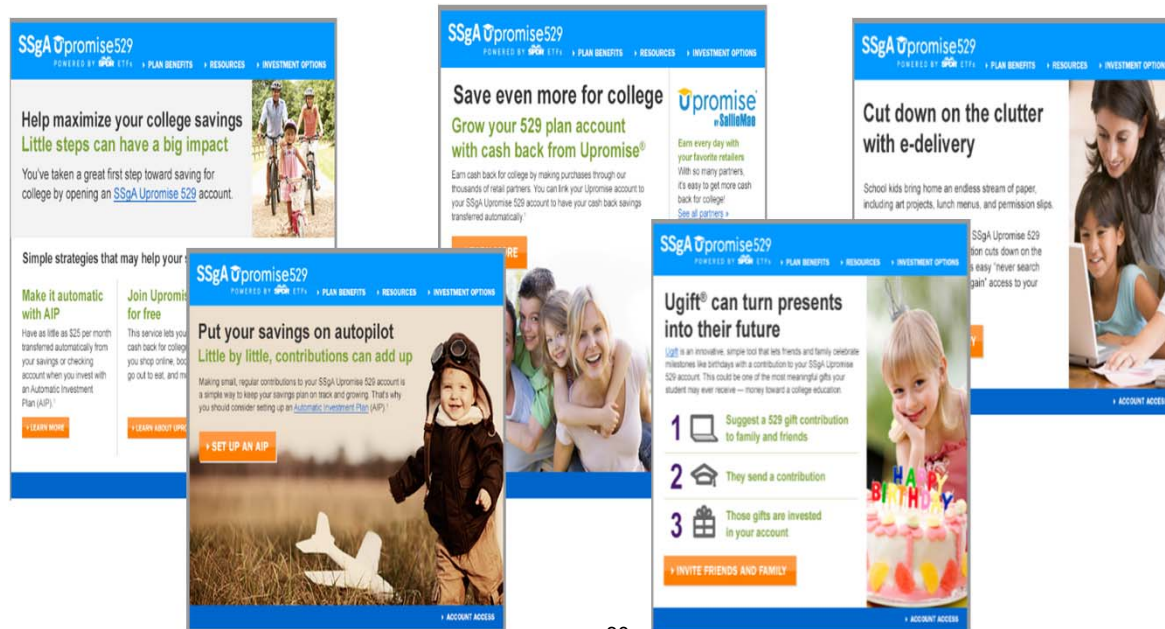
B / A
C / A
C / B

WHAT IT TELLS US

- Are our email addresses reliable?
- Are people interested enough to open? Are we hitting the right audience?
- Is our message resonating with our target audience? Are we driving action?
- Is our reliably engaged audience finding this information helpful or compelling?

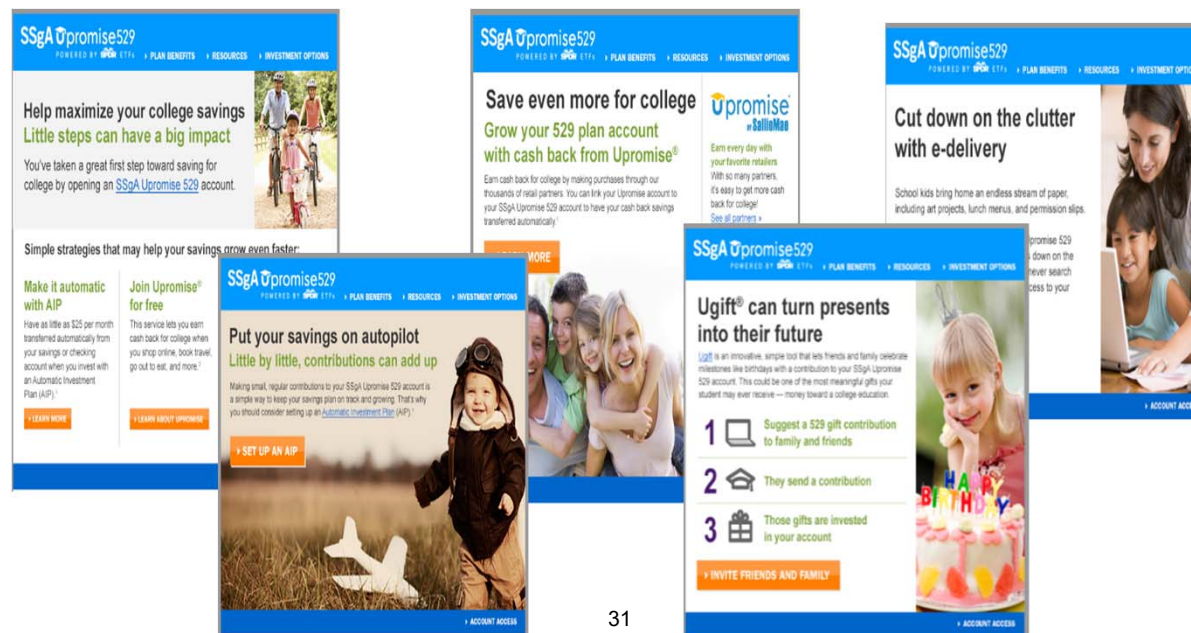
Onboarding Emails – Nevada Only

Version	Delivered Count	Unique Opens	Open Rate	Clickthrough Rate	Click to Open Rate
Summary	305	194	63.61% (+42.61^)	11.48% (+9.98^)	18.04% (+14.04^)
AIP	168	98	58.33% (+37.33^)	3.57% (+2.07^)	6.12% (+2.12^)
Ugift	1,271	429	33.75% (+12.75^)	1.57% (+0.07^)	4.66% (+0.66^)
E-delivery	13	6	46.15% (+25.15^)	0.00% (-1.50)	0.00% (-4.00)



Onboarding Emails – National

Version	Delivered Count	Unique Opens	Open Rate	Clickthrough Rate	Click to Open Rate
Summary	509	290	56.97% (+35.97 [^])	6.68% (+5.18 [^])	11.72% (+7.72 [^])
AIP	390	202	51.79% (+30.79 [^])	3.33% (+1.83 [^])	6.44% (+2.44 [^])
Ugift	28,224	6,898	24.44% (+3.44 [^])	1.27% (-0.23)	5.20% (+1.20 [^])
E-delivery	66	18	27.27% (+6.27 [^])	3.03% (+1.53 [^])	11.11% (+7.11 [^])



Account Holder Outreach – 529 Day Emails

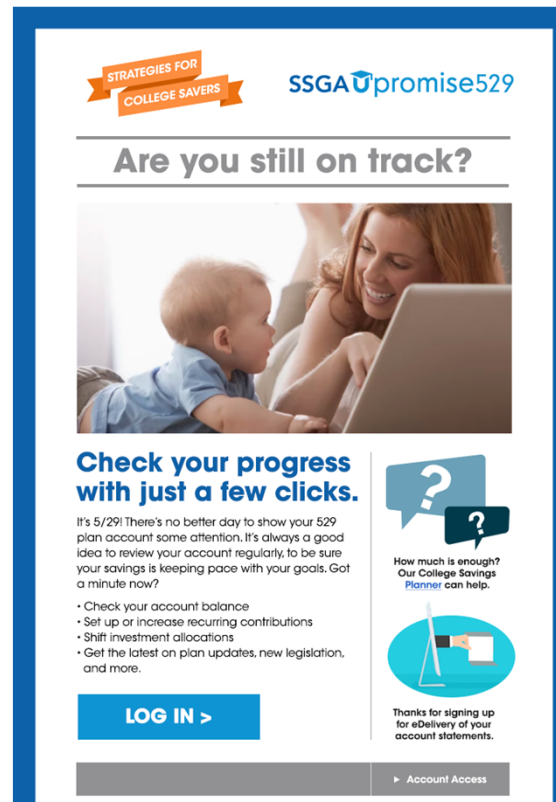
Marketing-driven email campaign encouraging account owners to review their SSGA Upromise 529 Plan to make sure they are on track to fulfill their savings goals.

529 Day Email – E-delivery

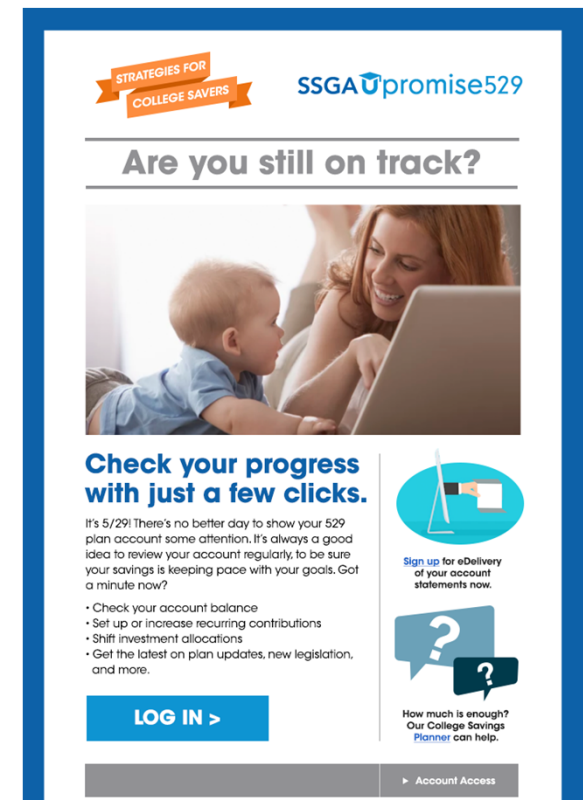
- **Sent:** May 29th
- **Audience:** AOs who have signed up for e-delivery
- **Delivered:** 55,695
- **Open rate:** 28.13% (+7.13[^])
- **Click through rate:** 3.75% (+2.25[^])
- **Click to open rate:** 13.34% (+9.34[^])

529 Day Email – Non E-delivery

- **Sent:** May 29th
- **Audience:** AOs who have not signed up for e-delivery
- **Delivered:** 15,878
- **Open rate:** 30.36% (+9.36[^])
- **Click through rate:** 4.58% (+0.58[^])
- **Click to open rate:** 15.10% (+11.10[^])



529 Day Email – E-delivery



529 Day Email – Non E-delivery

Prospect Enrollment – Total

Campaign	Enrollment
NVFIELDREPDATENTRY	
<ul style="list-style-type: none"> • Alyce Taylor Parent Referral – 1 • Baby Expo – 2 • Batter man Element 3/1/18 – 2 • Be My Neighbor 6/10/17- 2 • COUPONOCT14 – 1 • Fam Fest 6/02/18 - 1 • RSCVA – 2 • UNR SEC 3-20-19 - 1 • Washoe County – 1 • Washoe County 5/16/17 - 1 	14
529Contest_0519 (May 529 Day Drawing 2019)	12
SSGA_529Contest_050118 (May 529 Day Drawing 2018)	2
04-24-17 SSGA (529 Day Giveaway 2017)	7
09-01-17 (2017 College Savings Month September Giveaway)	4
SSGA_Sept_2018 (College Savings Month Contest 2018)	4
SSGA09012016 (College Savings Month Contest 2016)	5
UCF052015 (529 Day Contest 2015)	2
Ucf06012015	2
UCF092014	2

SSGA Upromise 529 Plan

RIA Marketing & Distribution Initiatives

SSGA Upromise 529 Plan — RIA Marketing & Distribution Initiatives — Q2 2019 RIA Marketing Highlights

During Q2 we deployed the 529 Day Email in the new mobile-responsive email template on May 29, 2019

- At 27.2%, the 529 Day email had the highest View Rate of 2019, surpassing the SSGA Upromise 529 All-Time Averages for email view rate of 25.10%. This email highlighted resources advisors can use when engaging clients and the different ways in which 529s can be utilized, aside from saving for college. It leveraged the new email template and provided the “email a client” call to action which allowed advisors to email clients directly from our email with links to resources.

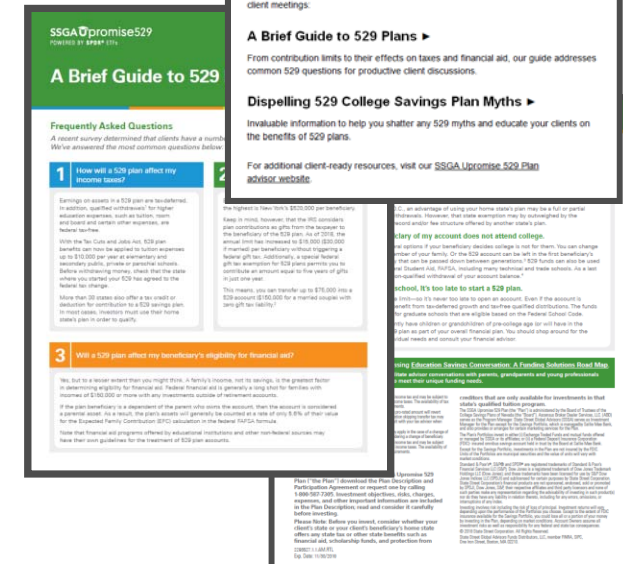
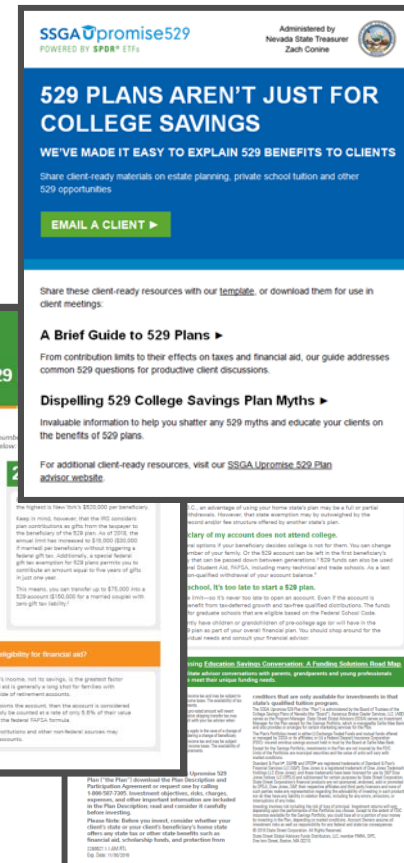
- Engagement Rate of 3.05% also surpassed the SSGA Upromise 529 All-Time Average of 2.28%.

Paid search program generated 47,635 impressions which is up approximately 67% from Q1 2019

- Top keyword was “529 plan”
- Increase in overall impressions could be attributed to the increase in spend targeted to keywords in May and on 529 Day.
- Overall clicks totaled 2,875, which is up 67% from Q1 2019

Promoted multiple Tweets and LinkedIn Posts during Q2, specifically around 529 Day

- Impressions for LinkedIn during Q2 totaled 50,983, which included a combination of organic and promoted posts. The posts promoted the 529 Best Practices Infographic and the Client FAQ Brochure.
- Impressions for Twitter during Q2 totaled 18,000, which included a combination of organic and promoted tweets. LinkedIn posts were repurposed for the Twitter audience.
- Promotion on 529 Day was increased on both platforms to reinforce the message and importance of 529 plans and their benefits.



Important Disclosures

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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, LLC. ("ABD") is distributor of the Plan.

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 that state's qualified tuition program. You should also 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 college savings 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.

Web: www.ssga.com

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Tracking Number: 2023883.5.1.AM.INST

Expiration Date: November 30, 2019

Section II

Vanguard 529® College Savings Plan Marketing Activity

Marketing & Communications

GOALS

Grow the total number of accounts in the VG 529 Plan through:

- Raising awareness as the plan of choice for Nevada residents, Vanguard retail clients, and education savers nationwide
- Increasing the number of new marketing-attributed accounts
- Deepening engagement and driving positive outcomes for existing 529 plan clients

Q2 2019 CAMPAIGN RESULTS

- July prospecting email
- Action-based client experience campaigns (March, April, & June)
- Advertising – Graduation Season Test
- Social media
- June 529 Highlighter campaign

Q3 2019 EFFORTS IN FLIGHT

- September prospecting email
- July & September action-based client experience campaigns
- Advertising – Back-to-school Season Test
- Social media
- Content: Blogs & Homepage banners
- September 529 Highlighter Campaign

Marketing & Communications – Results

July 2019 Prospecting Campaign

Campaign details

Goal

Increase the number of new marketing-attributed accounts

Target Audience & Volumes

- 1,178,224 Vanguard clients

Channels

- Email

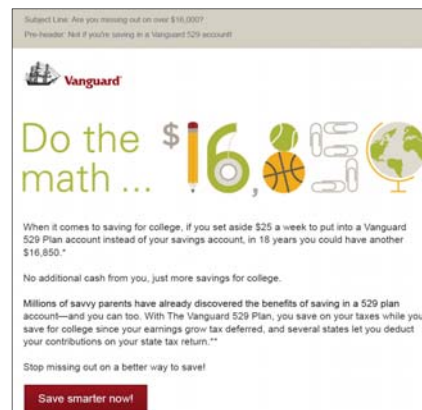
Test Strategy

Loss aversion messaging has resonated with clients on a consistent basis YOY. In an effort to further enhance engagement rates, 2 versions of the pre-header and 2 versions of the CTA button were tested.

Key Dates

- Email deployment: 7/22/19

Product-Specific



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

Pre-header: Not if you're saving in a Vanguard 529 account!

Save smarter now!

Benefits-Focused



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

Pre-header: Think of the tuition, books—even tech stuff—that could pay for!

Ready? Let's go!

Initial campaign results

The financial principle of loss aversion continues to perform strongly in attracting reader interest. We will continue to pursue testing to understand how best to encourage readers to take action and follow through on opening an account.

Averages across both creative versions

- Email open rate: 41% (above average response rate)
- Email click rate: 1% (below average response rates)

We suspect the lower-than-average click rates were due to new legal feedback that required longer, more detailed content when comparing types of investment accounts. We are looking to refine and simplify content for the fall campaign to test whether that encourages additional click-throughs.

Marketing & Communications – Results

March action-based client experience campaign: Enroll in automatic investment service

Campaign details

Goal

Deepen engagement and drive positive outcomes for existing 529 plan clients

Channel

Email

Description

This is the second email of it's kind deployed, and the first of 2019. Offers focus on influencing four key outcomes: saving, investing, optimizing, or withdrawing. This campaign focused on **optimizing**, by encouraging clients to enroll in the automatic investment service.

Key Dates

Email deployment: 3/1/2019

Target Audience

26,134 Clients

This campaign targeted clients who had opened an account or made a contribution within the last 90 days, prompting them to enroll in automatic investments.

Initial campaign results

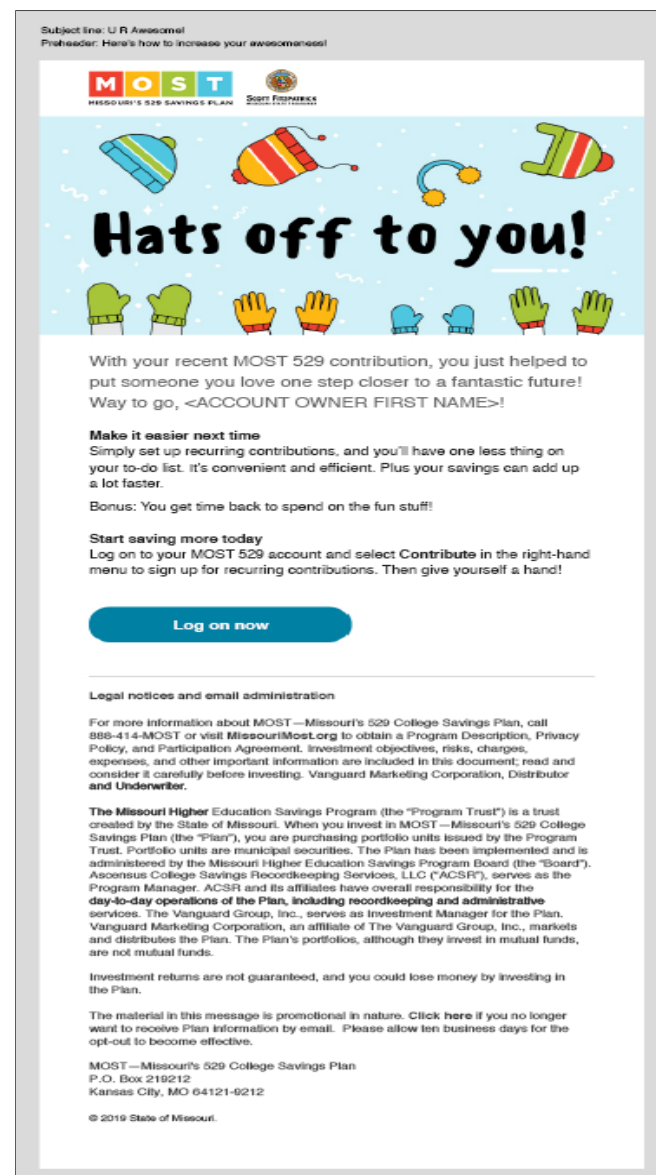
Overall Campaign Results

Open rate: 46% (above average response rate)

Click Rate: 3% (average response rate)

Full campaign analysis is to be completed in Q3 and will be included in the Q4 board meeting.

A 90-day window is used to assess campaign impact.



Marketing & Communications – Results

April action-based client experience campaign: Save more

Campaign details

Goal

Deepen engagement and drive positive outcomes for existing 529 plan clients

Channel

Email

Description

Action-based client experience campaigns focus on influencing four key outcomes: saving, investing, optimizing, or withdrawing. This campaign focused on **saving more**, by testing time of year messaging centered around the tax benefits of investing in a 529.

There were two versions of this content, developed based on states that have state tax benefits for investing in the VG529 vs. those that do not.

Key Dates

Email deployment: 4/4/2019

Target Audience

27,808 Clients (Tax Parity Version); 167,466 Clients (All other states version)

Initial campaign results

Overall Campaign Results

Version for 7 states with tax parity

Open rate: 35% (average response rate)

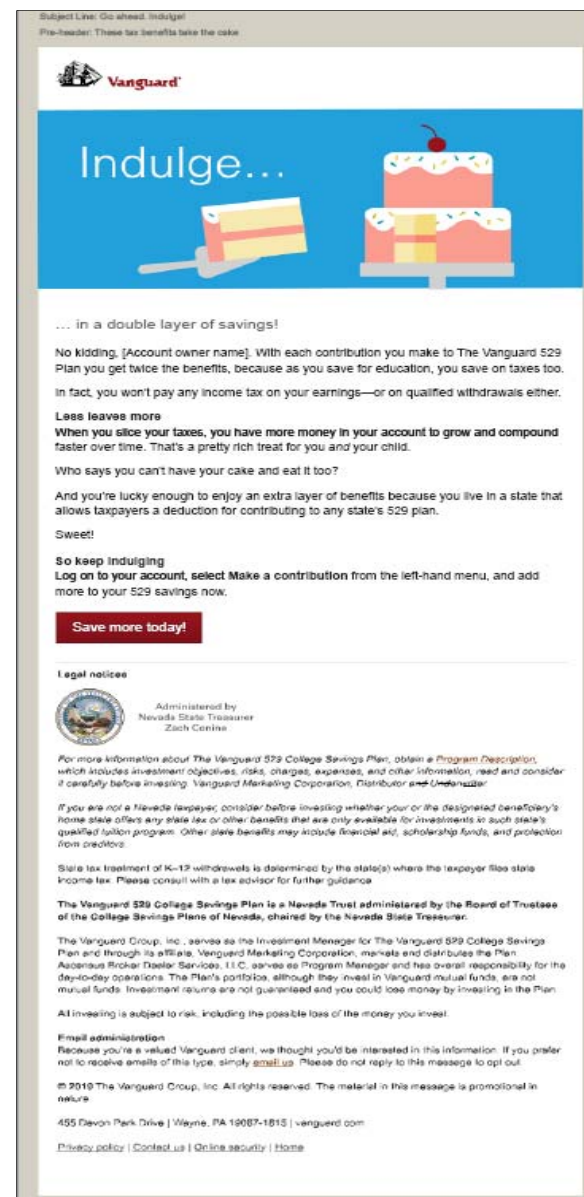
Click Rate: 1% (average response rate)

Version for all other states with no tax parity

Open rate: 32% (average response rate)

Click Rate: 1% (average response rate)

Full campaign analysis is to be completed in Q3 and will be included in the Q4 board meeting.
A 90-day window is used to assess campaign impact.



Marketing & Communications – Results

June action-based client experience campaign: Ugift

Campaign details

Goal

Deepen engagement and drive positive outcomes for existing 529 plan clients

Channel

Email

Description

Action-based client experience campaigns focus on influencing four key outcomes: saving, investing, optimizing, or withdrawing. This campaign focused on **optimizing**, by encouraging account owners to utilize the Ugift capability to engage friends and family in making contributions to help reach education saving goals.

Key Dates

Email deployment: 6/28/2019

Target Audience

147,445 Clients

Initial campaign results

Overall Campaign Results


Open rate: 32% (average response rate)


Click Rate: 1% (below average response rate)

*Full campaign analysis is to be completed in Q3 and will be included in the Q4 board meeting.
A 90-day window is used to assess campaign impact.*

Subject: A smartphone is OK, but for a really smart gift...

Date: Monday, June 17, 2019 8:15:42 AM



Gift your grad! 

Gifting can be a cinch for graduations—and birthdays—or just because! But surfing the web or scurrying around to buy trendy toys or tech stuff is so last year. Instead, suggest that gift givers take the stress-free route: Make a Vanguard 529 Plan contribution.


With the convenience of Ugift®, any family member or friend can safely transfer money for future school needs into a Vanguard 529 account.

No size or color decisions. No batteries. No sweat.

It's the perfect gift.

Log on to your 529 account and select the Ugift link to discover more about Ugift and how family and friends can contribute to your child's education.

[Log on now](#)

 Administered by
Nevada State Treasurer
Zach Carine

Marketing & Communications – Results

June action-based client experience campaign: Withdrawals

Campaign details

Goal

Deepen engagement and drive positive outcomes for existing 529 plan clients

Channel

Email

Description

Action-based client experience campaigns focus on influencing four key outcomes: saving, investing, optimizing, or withdrawing. This campaign focused on **withdrawing**, by encouraging account owners to think ahead about withdrawal needs, only take what they need, and to continue making contributions to the plan even when in the draw-down phase of their journey.

Key Dates

Email deployment: 6/28/2019

Target Audience

42,862 Clients

Initial campaign results


Overall Campaign Results


Open rate: 34% (average response rate)

Click Rate: 2% (below average response rate)

Full campaign analysis is to be completed in Q3 and will be included in the Q4 board meeting. A 90-day window is used to assess campaign impact.

Subject: Whooooo's been a smart saver? You, for sure.
Date: Tuesday, June 18, 2019 8:45:39 AM





Be wise about withdrawals!


You've already been saving in a Vanguard 529 Plan account for your child's future. Wise move!

Now, as school bills arrive, continue that smart streak with your withdrawals:

1. Set up online banking to make bill paying easier.
2. Submit withdrawal requests in time—generally, 7 to 10 days before a bill is due.
3. Take out the "right" amount. Avoid taxes and fees by withdrawing only for qualified education expenses.
4. And don't forget, even though you're making withdrawals, you can still save for future semesters and continue getting the tax perks you deserve!

Log on to your account to learn more about withdrawals. And keep those contributions coming!

[Log on now](#)

 Administered by
Nevada State Treasurer
Zach Corine

Marketing & Communications – Results

Advertising – Graduation Season Test

Campaign details

Goal

Increase the number of new marketing-attributed accounts

Target Audience

- Pure prospects
- Users who have visited college savings content on Vanguard.com
- Investors searching the web for college savings-related topics

Channels

- Paid search, remarketing, & site direct

Key Dates/Testing

Q4 has consistently proven to be the most successful time of year for 529-based advertising. In 2019, we've expanded to test how 529 advertising performs during other key education-saving timeframes, such as graduation and back-to-school seasons.

For this test, we utilized proven, demand-based tactics to drive lower-funnel prospects through to conversion. Testing ran from 5/20-6/30.



Final campaign results & key learnings

Overall Campaign Results

Paid Search

- Yielded a positive, 20% ROI
- Google continues to capture the majority of traffic, but expansion into Bing drove an additional 2.3K impressions and 315 clicks.

Remarketing

- Yielded a positive, 194% ROI
- More than 1.1M impressions delivered with a 0.035% click-through-rate.

Site Direct

- Yielded a positive, 32% ROI
- Over 200K impressions delivered with a .32% click-through-rate.

Key Learnings

1. We can drive a positive advertising ROI with 529-targeted ads beyond Q4
2. Site direct, search, and programmatic advertising are consistently positive 529 tactics that should be considered for a future "Core" 529 advertising program.

Marketing & Communications – Results

Social Media (Organic)

Campaign details

Goal

Raise awareness of The Vanguard 529 Plan as the plan of choice for Nevada residents, Vanguard retail clients, and education savers nationwide.

Q2 2019

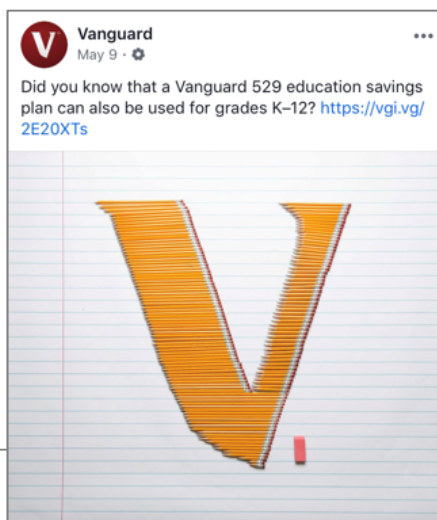
Metric	Facebook	Twitter
Posts (Total)	6	39
Avg. Engagement per Post	5%	3.6%
Avg. Impressions per Post	14.5k	8.5k
Total Impressions	86.7k	330k
Avg. Click per Post	203	202
Total Click	1.2k	7.9k

Top Facebook Post by Engagement Rate

What's your college savings story? "I was the first person in my family to go to college. And today, I lead Vanguard Education Savings Group." Our expert Amanda Muir shares her perspective on saving, on #529Day

Top Twitter Post by Engagement Rate

We debunk some common college savings myths



3 strategies for managing college savings: <https://vgi.vg/2ISkgBI>

Marketing & Communications – Results

March 529 Connection Campaign

Campaign details

Goal

Deepen engagement and drive positive outcomes for existing 529 plan clients

Channel

Email

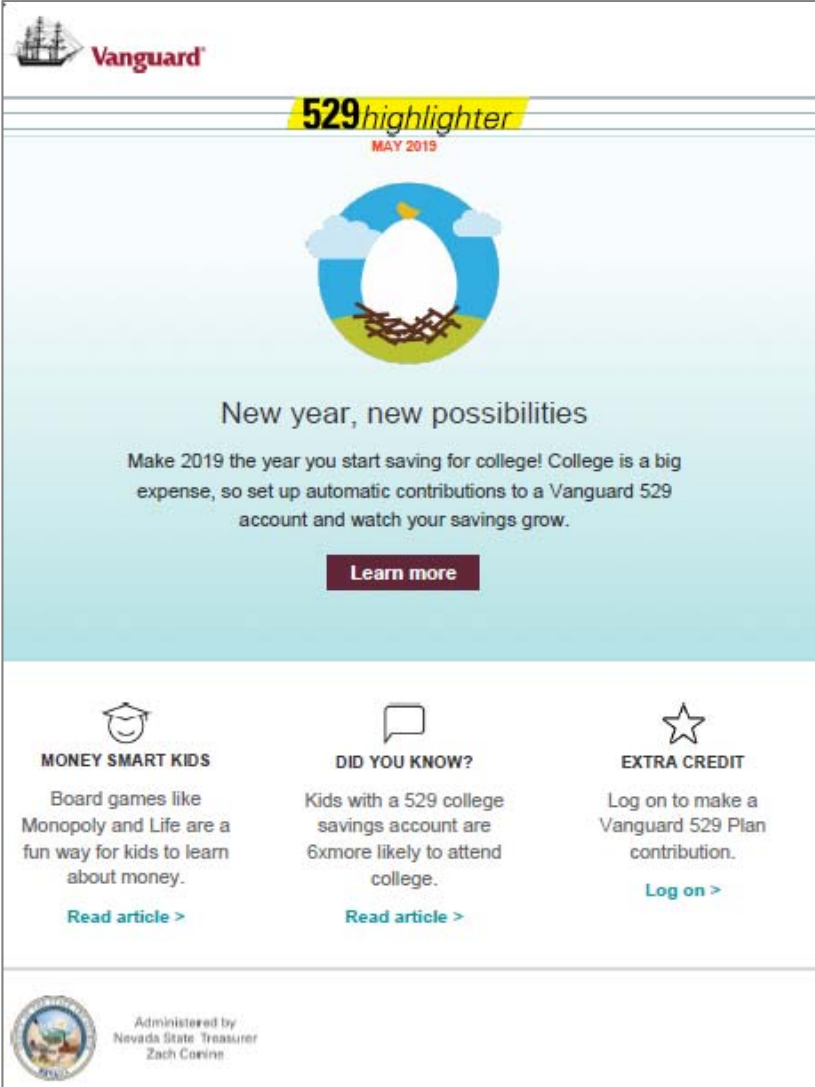
Description

This quarterly communication to existing Vanguard 529 account owners shares relevant and timely education savings information in order to help investors feel more informed and capable of making necessary decisions to reach education savings goals.

Key Dates

- June 25th is the most recent deployment.
- Deployments are quarterly.

Results	Audience size	Month released	E-mail open rate	E-mail click through rate
Fall 2018 Issue	179, 151	October	36%	21%
Winter 2019 Issue	189,625	January	35%	13%
Spring 2019 Issue	191,861	March	31%	8%
Summer 2019 Issue	195,472	June	42%	30%



Section III

USAA 529 College Savings Plan® Marketing Activity

USAA 529 College Savings Plan Storefront Updates

Q2 2019 Enhancement Efforts

- New College & Youth Page
 - Released April 2019
 - Provides guidance and education on 529 vs. UTMA/UGMA
 - 28% increase in traffic to 529 Storefront

COLLEGE AND YOUTH INVESTING
Save for education and other large expenses.

What is the best way to invest for your child?
Choosing how to pay for college and other big expenses should depend on when and how you plan to use the money. Popular investing choices to help save money for a child's future include 529 plans and UGMA or UTMA accounts.

FEATURES	USAA 529 PLAN	UGMA AND UTMA ACCOUNTS
Minimum Initial Investment	One-time deposit of \$250 or more, or a \$50 automatic monthly investment	A \$50 automatic monthly investment for select USAA mutual funds, or a one-time deposit of \$5,000 to choose your own investments
How to Use the Money	For qualified education expenses only	For any purpose related to the child's benefit
Account Control	Account owner for the life of the account	Controlled until the child reaches adult age
Beneficiary Changes	Can change to another child or eligible family member	No changes allowed
Financial Aid Impact	Considered an asset of the account owner that will have less impact on financial aid	Considered an asset of the child and may have a significant impact on the amount of financial aid available
Investments the Account Can Contain	Age-based or fixed allocation portfolios of USAA Mutual Funds	Mutual funds, stocks, exchange-traded funds (ETFs) and more
Taxes on Withdrawals	Tax-free for qualified education expenses	May be taxable at the child's or parent's tax rate



USAA 529 PLAN
SAVE FOR SCHOOL AND GET TAX BENEFITS
Whether you're saving for grade school or college, a 529 plan can help you cover the rising cost of education.
[OPEN AN ACCOUNT](#)

What is a 529 plan?
A 529 is more than just a college savings plan. It's an investment account that gives you tax benefits while saving for education.
You can open an account for anyone, including yourself. If plans change, you can change the beneficiary to another family member — or use the money to pay for your own education.

What are 529 qualified expenses?
Grade School (K-12) Tuition
Effective January 1, 2018, you can now use up to \$10,000 per year from a 529 plan to pay for K-12 tuition-related expenses. Eligible schools include public, private or religious grade schools.
Note: Distributions from the USAA 529 Plan for grades K-12 may only be used to pay for tuition and not other educational expenses. Certain states may not allow such distributions for grades K-12. Federal law only permits annual distributions of up to \$10,000 per year for each beneficiary.

USAA 529 College Savings Plan Marketing Initiatives

2019 Q2 Marketing for 529

- Real time web offers within usaa.com
- Leads email cadence for members visiting 529 storefront page
- New member email

2019 Q2 Marketing for 529

- Email campaigns:

Email	Subject Line	Open Rate	CTR
Non Active Parents Nevada Matching Grant	Get up to \$1,500 for your child's college education	15%	2%
529 Active Parents	Are you doing enough to save for your child's education?	25%	2%
529 Non Active Parents	Help fund your child's future	16%	<1%

USAA 529 College Savings Plan Marketing Initiatives

2019 Q1 Marketing for 529

- Real time web offers within usaa.com
- Leads email cadence for members visiting 529 storefront page
- New member email

2019 Q2 Marketing for 529

- Email campaigns:
 - Encourage existing USAA 529 members to review account
 - Members with children but no active USAA 529
 - Non Active Nevada resident's of their potential eligibility for the USAA Distinguished Valor Matching Grant



USAA

USAA SECURITY ZONE

USAA # ending in:

Grow a USAA® 529 College Savings Plan with as little as \$50 a month.¹

★ [Get Started](#)

Give your child the gift of a college education.

Dear Example Member,

The costs of college education are rising to monumental levels, and at USAA, we want to help our members afford to send their children to college. So we make it easy to open and fund a USAA 529 College Savings Plan for the child or grandchild in your life.

Investment	5 years	10 years	15 years	20 years
\$500 invested	\$500.00	\$625.00	\$796.25	\$1,024.00
\$1,000 invested	\$1,000.00	\$1,250.00	\$1,592.50	\$2,048.00

*This chart is a hypothetical example and should not be considered an indication of performance of the USAA 529 College Savings Plan. These estimates assume that contributions of \$50, \$100 or \$150 a month made at the beginning of the month with a 7% annual return and no withdrawals.

- **Affordability** — Start with an initial investment of \$250 or set up easy \$50 monthly automatic investments.¹
- **Flexibility** — Our plan is transferable, has no income or age restrictions, and has several investment strategies.
- **Less effect on financial aid** — A college savings plan is considered a parental asset, so it has minimal effect on scholarships and financial aid.
- **Tax benefits** — Pay no federal income tax when you use funds for costs such as tuition, books or housing.

Call 1-800-845-6834 today to speak with an advisor about your child's future.



USAA

USAA SECURITY ZONE

USAA # ending in:

Believe it or not, graduation will be here before you know it.

[Start Saving Now](#)



USAA

USAA SECURITY ZONE

USAA # ending in:

Brighten their future with a college savings plan.

➤ [Get Started](#)

Invest in their future.

With ever-rising college costs, the dream of college is a greater challenge for families than ever before. Now you can help ensure that your children will have the financial resources they'll need for their education with a USAA 529 College Savings Plan, with advantages for you including:

- **Flexibility** — Start a USAA 529 College Savings Plan with a minimal investment and help it grow: contribute as little as \$50 a month¹ with an automatic monthly investment plan.
- **Tax benefits** — Savings are tax-deferred and withdrawals are tax-free.¹
- **Easy to gift** — Ugift® makes it convenient to contribute to your child's college education — securely and efficiently from your bank account with an electronic transfer.² Invite family and friends to contribute through email, Facebook or Twitter. No checks or holiday shopping required.



Start a USAA 529 College Savings Plan for your child today.

[Start Now](#)

Or call 800-235-8829.

Section IV

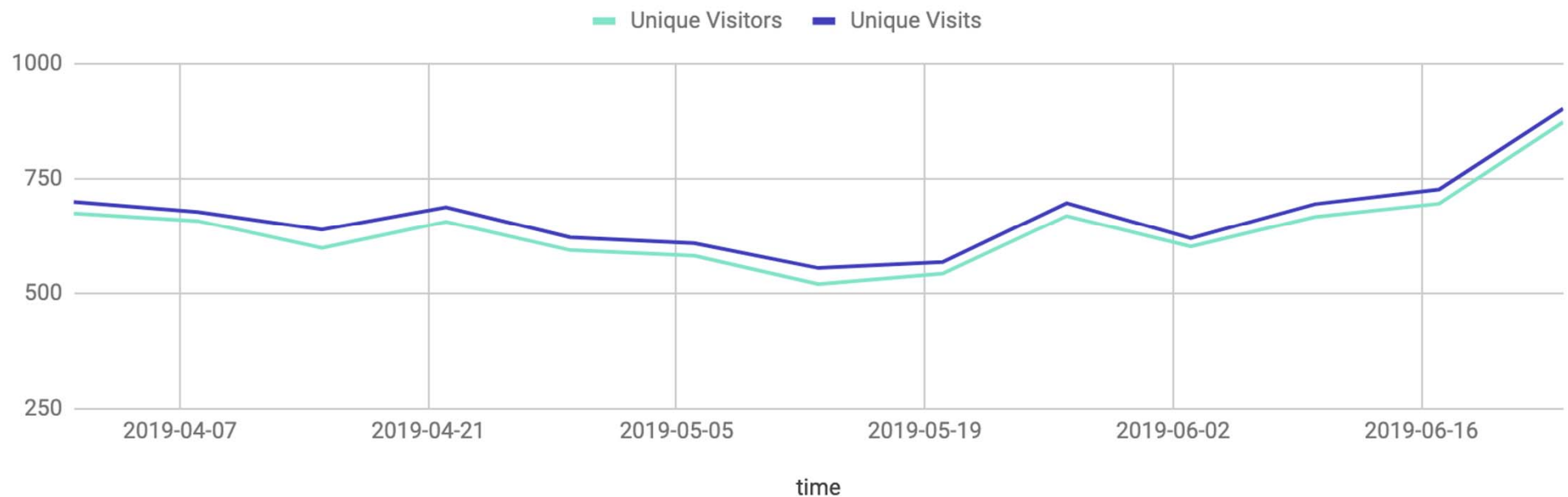
Wealthfront College Savings Plan® Marketing Activity

Wealthfront College Savings Plan

Web Traffic Overview

- Seeing an upward trend starting in June due to seasonal swings

Visits and Visitors to College Page

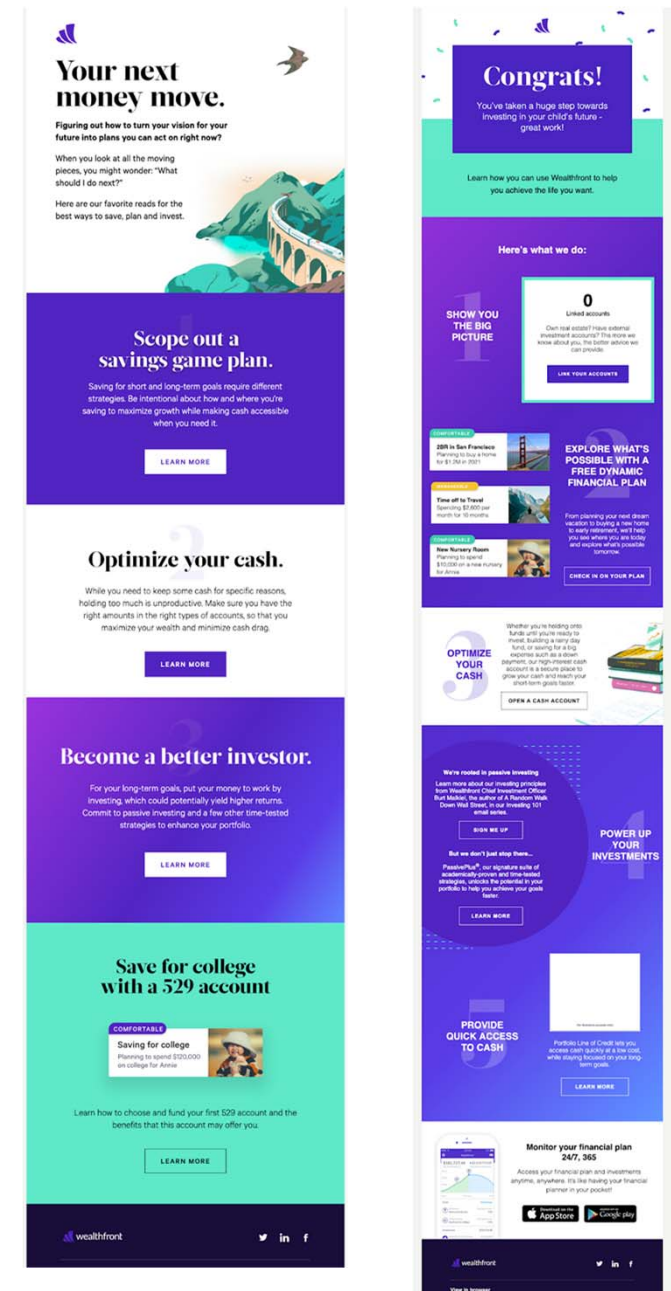


Wealthfront College Savings Plan

Email Engagement Rates

- Updated onboarding email for 529-first clients
- Added a 529-specific module for users who started with planning for college

Metrics	Open Rate	Click Rate	Click to Open	Unsub Rate
New Onboarding	73.53%	9.80%	13.33%	0.05%
Free Planning	57.26%	8.66%	15.12%	3.07%



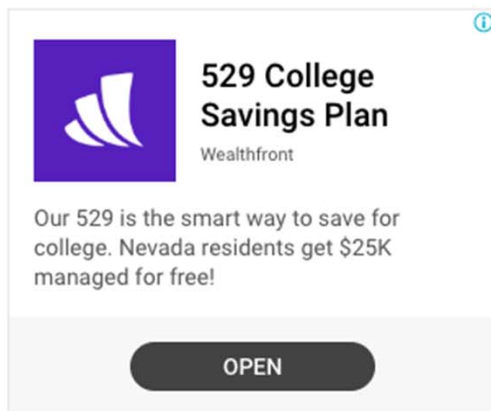
Wealthfront College Savings Plan

Nevada Targeted Ad Campaigns

We have continued to push targeted Google Brand Search and Display campaigns for Nevada Residents

Campaigns	Impressions	Cost
529 Search - NV Generic	16,249	\$6,082
Core Search - NV Wealthfront	768	\$224
529 Display - NV Wealthfront	413,754	\$2,070

Text

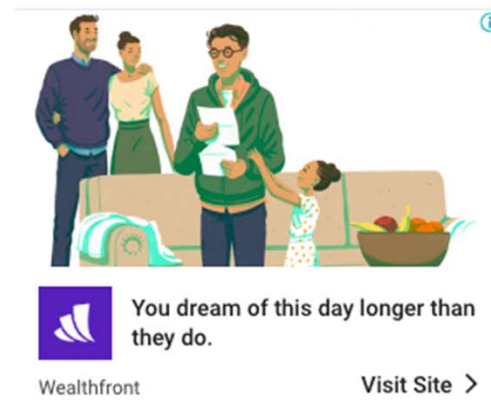


529 College Savings Plan
Wealthfront

Our 529 is the smart way to save for college. Nevada residents get \$25K managed for free!

OPEN

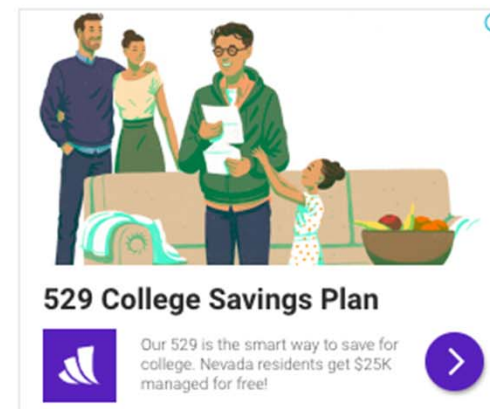
Native



You dream of this day longer than they do.

Wealthfront **Visit Site >**

Image



529 College Savings Plan

Our 529 is the smart way to save for college. Nevada residents get \$25K managed for free!

>

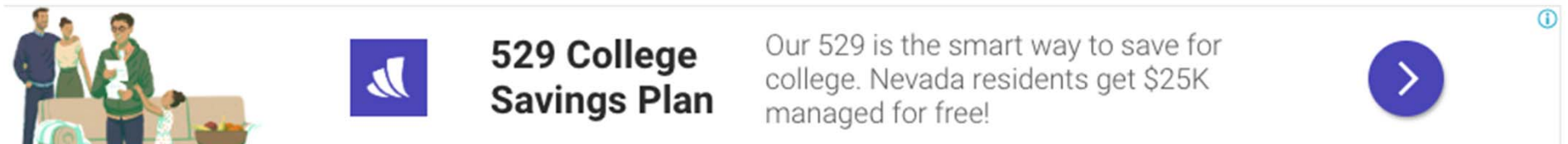
Ad

Wealthfront | 529 College Savings Plan
www.wealthfront.com/college
Our 529, sponsored by the State of Nevada, is the smart way to save for college.

Wealthfront 529 College Plan | An Easy & Low-Cost Way to Save
www.wealthfront.com/college
Save on taxes & time with our low-cost college savings plan. No paperwork required.

Start Planning for College | Wealthfront College Planning
www.wealthfront.com/college
Understand the costs and how much you need to save to send your child to college.

Understand the Costs | Wealthfront College Planning
www.wealthfront.com/college
Learn how much you need to save and which accounts are right for you.



529 College Savings Plan

Our 529 is the smart way to save for college. Nevada residents get \$25K managed for free!


>

Wealthfront College Savings Plan Paid Facebook Tests

We are continuing to experiment with Facebook paid marketing for our cash account and engaging in new efforts to convert new cash clients to 529 accounts.

Wealthfront
Sponsored · ✨

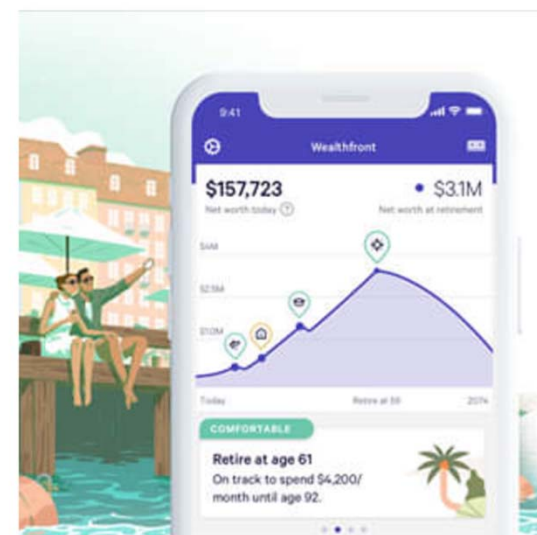
"Are my finances fully optimized?"
👉 Validate your plan with automated advice.



Download the Free App. Get Your Finances Optimized. [DOWNLOAD](#)

Wealthfront
Sponsored · ✨

"Am I on track financially?"
👉 Evaluate your financial health in 5 minutes.



Download the Free App. Get Your Money On Track. [DOWNLOAD](#)



Distributed by Wealthfront Brokerage LLC

Check out the background of Wealthfront Brokerage LLC on [FINRA's BrokerCheck](#).

Wealthfront's College Planning Service

Path is a planning model that allows Clients to explore projections of various possible financial outcomes based on data from your linked external financial accounts, a variety of other inputs, your tolerance for risk and your current investments. College Planning enhances the features of Path and provides for [additional planning](#) functionality using additional inputs and assumptions.

Wealthfront Advisers LLC is an SEC-registered investment advisor providing financial advisory and planning services to investors who become clients pursuant to a written agreement, which you can [read here](#). Path's financial planning models are designed to assist Clients in preparing for their financial future and allows them to personalize assumptions for their portfolios.

Important Wealthfront 529 College Savings Plan Disclosures

The Wealthfront 529 College Savings Plan ("the Plan") is sponsored by the State of Nevada, acting through the Board of Trustees of the College Savings Plans of Nevada, and administered by the State Treasurer's Office. Ascensus Broker Dealer Services, Inc. serves as Program Manager.

Anyone may invest in the Plan and use the proceeds to pay for qualified higher education expenses of a beneficiary at an eligible educational institution. If you withdraw money for something other than qualified higher education expenses, you will owe federal income tax and may face a 10% federal tax penalty on your earnings.



Important Wealthfront 529 College Savings Plan Disclosures, continued

Before investing in a 529 plan, consider whether your state's plan or that of your beneficiary offers state tax and other benefits not available through the Plan. Nevada residents who open a Wealthfront 529 College Savings Plan account will have their first \$25,000 managed for free.

All investing involves risk, including the possible loss of money you invest. Past performance does not guarantee future performance. Consider the investment objectives, risks, charges, and expenses of any 529 plan before investing. Please review the [Plan Description and Participation Agreement](#) carefully before investing. Request one by calling us at (844) 995-8437 or emailing support@wealthfront.com. 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.

Wealthfront Brokerage LLC, member [FINRA](#) / [SIPC](#), is a wholly-owned subsidiary of Wealthfront Corporation and serves as distributor and underwriter of the Plan. Neither Wealthfront Brokerage LLC or Wealthfront Advisers provide tax advice, and investors are encouraged to consult with their personal tax advisor.



Administered by
Nevada State Treasurer

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 5
September 19, 2019

Item: Putnam 529 for America Program Manager Report for the Quarter End Performance Summary for the period ended June 30, 2019

Summary:

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

Fiscal Impact: None by this action.

Staff recommended motion:

To accept and approve the Putnam 529 for America Program Manager Report for the quarter ending June 30, 2019.

College Savings Plans of Nevada Board of Trustees Meeting

Putnam 529 for AmericaSM **Quarterly Report**

April 1–June 30, 2019
FY 2019 Q4

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317538 8/19



Putnam 529 for America

Commentary as of 6/30/19 (FY 2019 Q4)

Plan update

- Putnam 529 for America plan assets are \$446M
- Net contributions were up from the prior quarter, but gross contributions were down
- Total distributions were down 30% from the previous quarter
- NV funded accounts increased versus previous quarter
 - Assets slightly up from last quarter and 8% year over year

Quarterly campaign: 529 Awareness

- ***You know saving for education is important. Do you know about 529 plans?***
- Targeted emails to 15K advisors and prospects
- Focus on promoting “5/29 Day” with two emails
 - Provided resources for every stage of planning from young families to high school students

Putnam 529 for America

Highlights as of 6/30/19 (FY 2019 Q4)

Highlights this period	2nd quarter 2019	1st quarter 2019	% change QvQ	2nd quarter 2018	% change y/y
Assets under management	\$446,210,368	\$435,512,727	2.46%	\$452,247,753	-1.33%
Total funded accounts	19,751	19,825	-0.37%	20,206	-2.25%
Total # unique customers	11,324	11,385	-0.54%	11,701	-3.22%
New accounts	205	238	-13.87%	348	-41.09%
Average customer balance	\$22,592	\$21,968	2.84%	\$22,382	0.94%
Nevada total assets	\$11,638,884	\$11,437,701	1.76%	\$10,770,508	8.06%
Nevada funded accounts	574	566	1.41%	542	5.90%
Nevada average customer balance	\$20,277	\$20,208	0.34%	\$19,872	2.04%
New Nevada accounts	15	16	-6.25%	30	-50.00%
Total gross contributions	\$6,063,232	\$7,448,536	-18.60%	\$7,936,389	-23.60%
Total distributions	\$7,216,819	\$10,371,288	-30.42%	\$7,279,209	-0.86%
Net contributions	(\$1,153,587)	(\$2,922,752)	60.53%	\$657,180	-275.54%
Rollovers in	\$567,070	\$603,265	-6.00%	\$543,921	4.26%
Rollovers out	\$2,402,879	\$2,294,650	4.72%	\$2,905,730	-17.31%
Net rollovers	(\$1,835,809)	(\$1,691,385)	-8.54%	(\$2,361,809)	22.27%
% of funded accounts with systematic investments	30.00%	30.10%	-0.33%	29.80%	0.67%

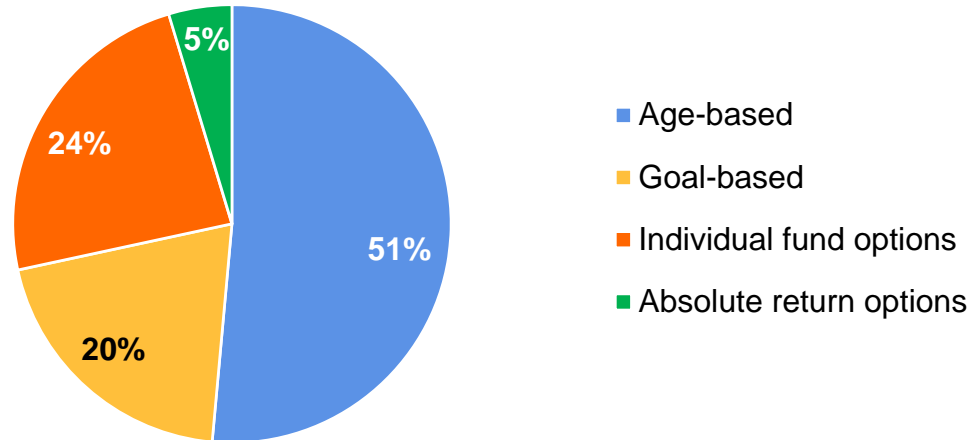
Accounts defined as a unique owner/beneficiary combination.

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 6/30/19 (FY 2019 Q4)



Category	06/30/19 Assets	Percentage of Grand Total
Age-based	\$229,549,529	51.44%
Goal-based	\$90,018,109	20.17%
Individual fund options	\$105,825,914	23.72%
Absolute return options	\$20,816,817	4.67%
Grand total	\$446,210,368	100.00%

Excludes seed transactions.

Putnam 529 for America

Assets by investment option as of 6/30/19 (FY 2019 Q4)

Category	Fund	06/30/19 Assets	Percentage of Grand Total
Age-based	Total	\$229,549,529	51.44%
Goal-based	Total	\$90,018,109	20.17%
	Goal-based balanced	\$30,385,237	6.81%
	Goal-based growth	\$32,991,821	7.39%
	Goal-based aggressive growth	\$26,641,050	5.97%
Individual fund options	Total	\$105,825,914	23.72%
	Federated U.S. Gov. Securities 2–5 years	\$1,352,881	0.30%
	MFS Institutional International Equity	\$10,257,604	2.30%
	Principal MidCap Blend	\$18,636,000	4.18%
	Putnam 529 State Street S&P 500 Index	\$12,305,807	2.76%
	Putnam Equity Income	\$18,701,530	4.19%
	Putnam Government Money Market	\$12,621,799	2.83%
	Putnam Growth Opportunities	\$17,278,725	3.87%
	Putnam High Yield	\$3,647,184	0.82%
	Putnam Income	\$6,846,841	1.53%
	Putnam Small Cap Value	\$4,177,543	0.94%
Absolute return	Total	\$20,816,817	4.67%
	Fixed Income Absolute Return	\$7,553,157	1.69%
	Multi-Asset Absolute Return	\$13,263,660	2.97%
	Grand total	\$446,210,368	100.00%

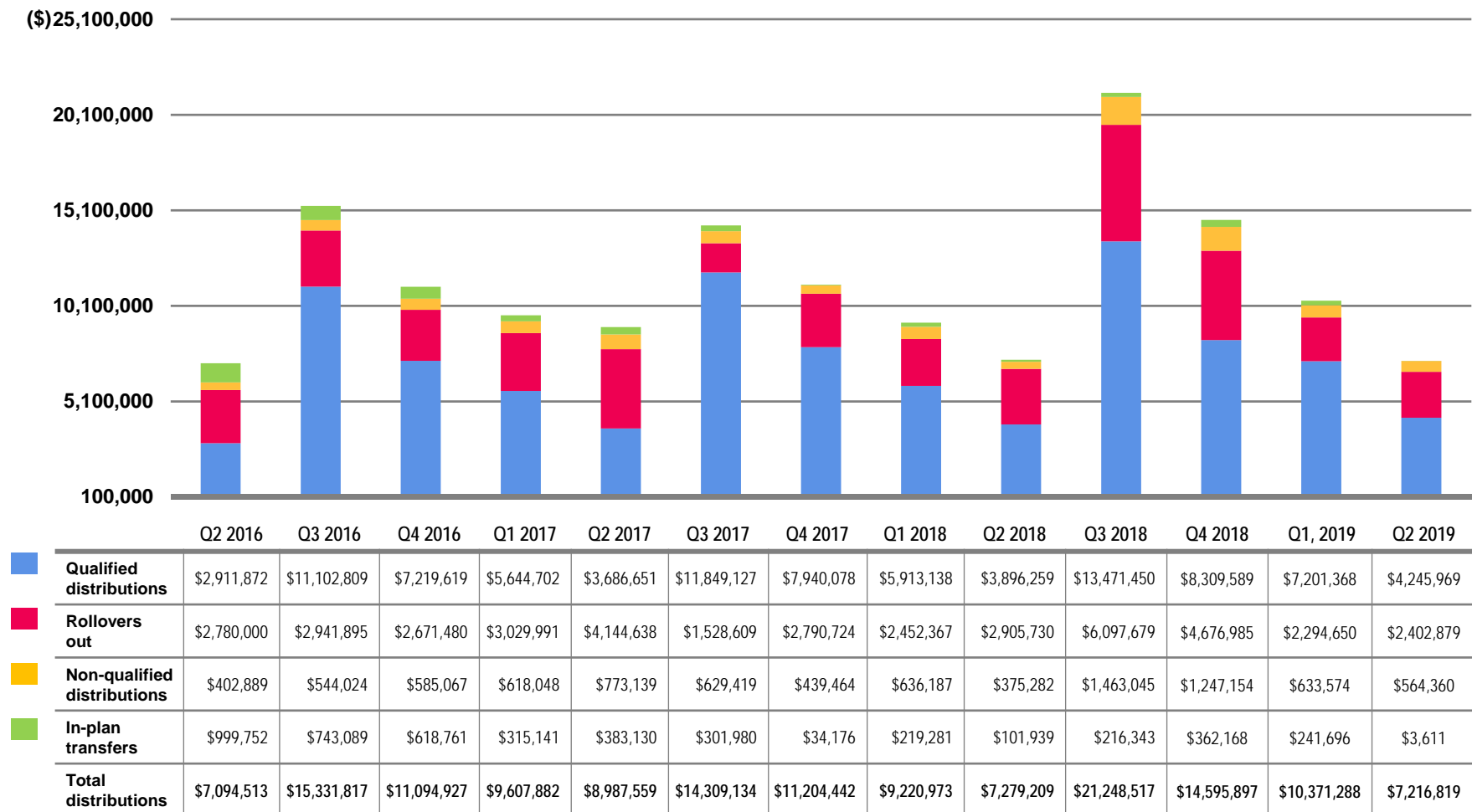
Putnam 529 for America

Contributions by type as of 6/30/19 (FY 2019 Q4)

Sales (calendar year)	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
NV sales	\$240,194	\$627,624	\$273,838	\$337,377	\$206,942	\$296,233	\$748,626	\$656,735	\$163,878	\$205,986	\$347,738	\$581,346	\$202,558
National sales	13,411,647	8,501,471	8,662,325	8,722,049	7,489,856	8,211,979	9,251,393	10,049,947	\$7,772,511	\$7,200,116	\$7,794,521	\$6,867,191	\$5,860,673
Gross	13,651,841	9,129,095	8,936,163	9,059,426	7,696,797	8,508,212	10,000,018	10,706,682	\$7,936,389	\$7,406,102	\$8,142,260	\$7,448,536	\$6,063,232
NV net	(6,446)	415,788	149,645	197,336	63,660	161,734	437,411	566,424	\$25,358	(\$150,577)	\$191,770	\$322,783	(\$47,037)
National net	6,563,773	(6,618,510)	(2,308,410)	(745,792)	(1,354,421)	(5,962,656)	(1,641,834)	919,284	\$631,822	(\$13,691,838)	(\$6,645,408)	(\$3,245,535)	(\$1,106,550)
Net	6,557,328	(6,202,722)	(2,158,764)	(548,456)	(1,290,761)	(5,800,922)	(1,204,423)	1,485,709	\$657,180	(\$13,842,415)	(\$6,453,637)	(\$2,922,752)	(\$1,153,587)
New or existing account contributions	4,401,986	4,858,292	5,499,487	4,881,350	3,975,155	5,098,928	6,564,740	6,597,424	\$4,748,751	\$4,093,605	\$4,881,391	\$4,255,555	\$2,894,538
Total rollovers	6,577,510	1,588,678	719,172	1,528,049	1,077,539	802,812	825,226	1,522,691	\$543,921	\$700,637	\$610,986	\$603,265	\$567,070
Systematic investments	2,672,346	2,682,125	2,717,504	2,650,027	2,644,103	2,606,472	2,610,053	2,586,567	\$2,643,717	\$2,611,860	\$2,649,883	\$2,589,716	\$2,601,623
Systematics as % of sales	19.57%	29.37%	30.41%	29.25%	34.35%	30.63%	26.10%	24.15%	33.31%	35.26%	32.54%	34.76%	42.90%
Total rollovers	665	525	42	58	38	45	27	41	25	26	21	14	16

Putnam 529 for America

Distributions by category as of 6/30/19 (FY 2019 Q4)



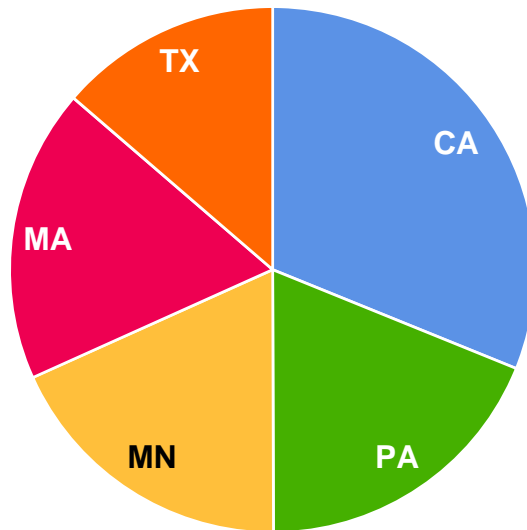
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Putnam 529 for America

Sales by state as of 6/30/19 (FY 2019 Q4)

**Top-selling states
FY 2019 Q4**



State	FY 2019 Q4 Sales
CA	\$1,136,953
PA	\$686,741
MN	\$669,137
MA	\$659,127
TX	\$499,428
FL	\$366,620
NJ	\$251,991
MO	\$205,971
NV	\$202,558
IL	\$183,468

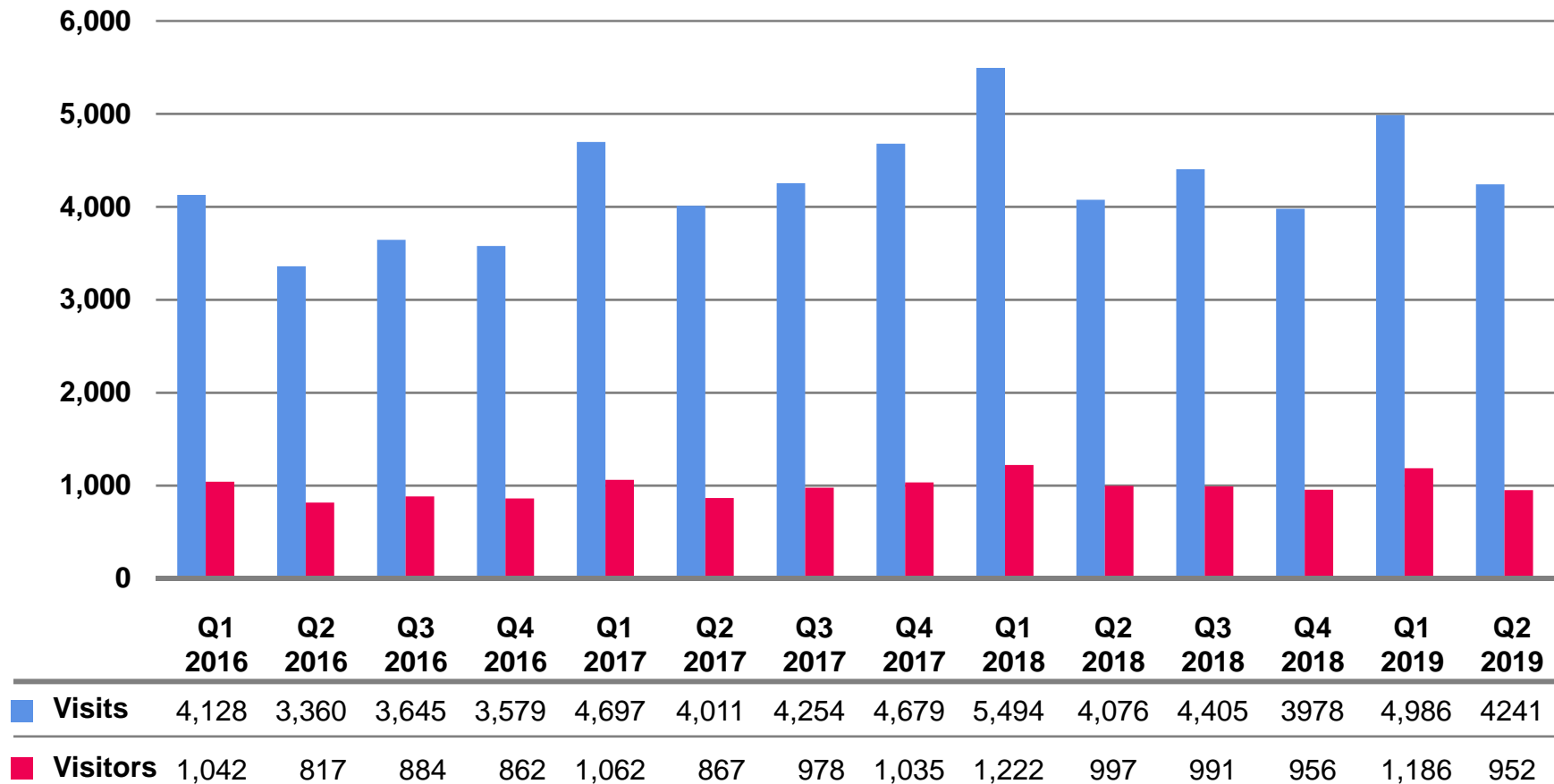
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Client Services Metrics as of 6/30/19 (FY 2019 Q4)

CRITERIA	SERVICE LEVEL
Transactions <ul style="list-style-type: none"> • 96% of all financial and non-financial transactions processed error free 	97.9%
Telephone service <ul style="list-style-type: none"> • 80% of calls answered within 20 seconds 	86.3%
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%

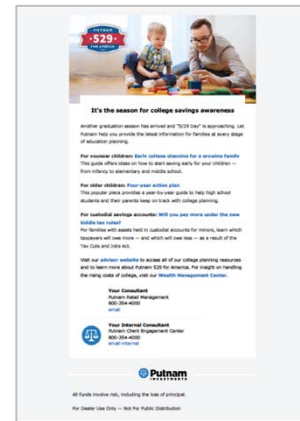
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Web usage by customers as of 6/30/19 (FY 2019 Q4)



Seasonal campaign — 529 Awareness

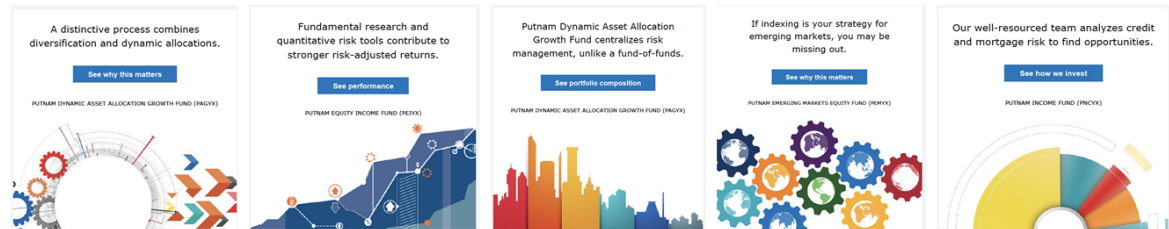
- Banners on advisor and shareholder websites
- Wealth Management Center Resources and cross sell blogs
- Cross webinars
- Two targeted emails to 15,000 advisors
- Social media and paid search
 - Facebook (NV investors): 276,360 impressions, 1,491 clicks
 - LinkedIn (Advisors): 41,507 impressions, 248 clicks



Marketing and brand awareness

As of 6/30/19

- Continued digital-first marketing campaign targeted toward ~69K advisors based on predictive scores, which included rounds of fund-specific emails and social and search programs
- Another phase of Putnam's "Always Active" campaign went live at the end of June promoting Asset Allocation, ESG, Fixed Income and Equities across multiple media platforms
 - ESG content coincided with launch of inaugural ESG Impact Report
- Launched multi-channel Putnam Income Fund campaign across print, web and email
- "Defining Value" webcast held on May 15, 2019 with Darren Jaroch
 - 285 registrants; 131 total attendees



Inaugural ESG impact report



Defining value outside the index

Tuesday, May 14, 2019
1:15 p.m. Eastern Time

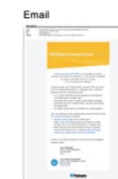
REGISTER

Value stocks have underperformed growth by a considerable amount over much of the past 10 years. It is important to understand the reasons for this, and to know how to navigate today's vastly different value investing landscape.

In this exclusive webcast, Darren A. Jaroch, CFA, Portfolio Manager of Putnam Equity Income Fund, and Jyotsna Wadhwa, Investment Director, Global Investment Strategies, discuss:

- Reasons for value's underperformance, and where to seek opportunities today
- Shortcomings of value benchmarks, and what it means for investors
- How the value investing landscape has changed
- Why the best stocks may not be in traditional value sectors
- How and why Darren looks outside the index for opportunities

Income Fund campaign



Performance commentary

Fund	Assets as of 6/30/19	Percentage of plan
Putnam GAA All Equity:	\$35,384,082	<u>Age-based glidepath</u>
		25% newborn
		22% age 1
		16% age 2
		9% age 3
		<u>Goal-based option</u>
		99.7% Aggressive Growth Option
		25% Growth Option
Putnam Small Cap Value Fund	\$4,177,543	0.94%

Putnam Asset Allocation All Equity Fund

- For the three-month period ending 6/30/19, the Putnam 529 GAA All Equity portfolio was up 2.80% (net), underperforming its custom blended benchmark, which returned 3.81%.
- Quantitative stock selection in U.S. large-caps and international developed equity markets were the primary areas of quarterly weakness.
- Our team analyzes stock market history to identify characteristics of stocks (factors) that have excess risk-adjusted returns. Despite a strong long-term relationship between these factors and positive stock performance, the strategies underperformed during the quarter.
- In both U.S. large-cap and international developed equity valuation factors continued recent weakness. Short interest and momentum were two factors that performed well in both strategies, though they did not fully offset valuation factor underperformance.
- Specific to our U.S. large-cap strategy, we saw negative selection within the Media and Entertainment industry group, mostly driven by an overweight to Google and underweight to Disney.
- Emerging-market stock selection was a notable positive contributor for the quarter, helping offset some of the short-term performance weakness described above.

Putnam Small Cap Value Fund

- During the second quarter of 2019, the Putnam 529 Small Cap Value portfolio was up 2.23% (net), outperforming the Russell 2000 Value Index (1.38%) by 85 basis points.
- Outperformance was a result of favorable stock selection. Sector allocation had a negative effect in the quarter.
- In terms of sectors, our overweight to consumer discretionary, energy and communication services and an underweight to utilities detracted from performance. This was partially offset by an overweight to the industrials, and consumer staples sectors.
- From a stock selection perspective, the portfolio added the most value within the information technology, energy, health care and industrials sectors. This was partially offset by weak stock selection within the communication services and consumer discretionary sectors.

Putnam 529 for America

Performance as of 6/30/19

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	0.86	-4.94	2.17	-3.70	1.40	-0.58	0.87	-0.31	1.86	1.17	0.96
Graduate Index		1.81	—	4.70	—	3.53	—	2.70	—	3.04	—	—
1998	10/1/2010	0.84	-4.96	2.06	-3.81	2.05	0.06	1.57	0.38	4.24	3.54	0.98
1998 Index		1.06	—	3.17	—	2.54	—	2.16	—	4.68	—	—
1999	10/1/2010	0.94	-4.86	2.32	-3.56	2.55	0.54	1.96	0.76	4.75	4.04	1.00
1999 Index		1.22	—	3.56	—	3.00	—	2.53	—	5.19	—	—
2000	10/1/2010	1.10	-4.71	2.49	-3.40	3.08	1.07	2.34	1.14	5.24	4.53	1.03
2000 Index		1.46	—	4.03	—	3.55	—	2.95	—	5.71	—	—
2001	10/1/2010	1.37	-4.46	2.84	-3.08	3.74	1.71	2.82	1.61	5.75	5.04	1.04
2001 Index		1.72	—	4.57	—	4.20	—	3.44	—	6.24	—	—
2002	10/1/2010	1.56	-4.28	3.10	-2.83	4.41	2.37	3.30	2.08	6.23	5.52	1.07
2002 Index		1.97	—	5.01	—	4.88	—	3.93	—	6.76	—	—
2003	10/1/2010	1.73	-4.12	3.28	-2.66	5.15	3.10	3.80	2.57	6.71	5.99	1.08
2003 Index		2.21	—	5.48	—	5.63	—	4.45	—	7.28	—	—
2004	10/1/2010	1.95	-3.91	3.50	-2.45	5.94	3.86	4.26	3.03	7.17	6.45	1.09
2004 Index		2.47	—	5.97	—	6.43	—	4.96	—	7.77	—	—
2005	10/1/2010	2.16	-3.71	3.73	-2.24	6.73	4.65	4.70	3.46	7.56	6.84	1.10
2005 Index		2.76	—	6.47	—	7.27	—	5.44	—	8.23	—	—
2006	10/1/2010	2.31	-3.57	3.89	-2.08	7.46	5.36	5.10	3.86	7.92	7.20	1.11
2006 Index		3.02	—	6.93	—	8.08	—	5.90	—	8.65	—	—
2007	10/1/2010	2.47	-3.42	4.03	-1.96	7.97	5.86	5.38	4.14	8.19	7.46	1.12
2007 Index		3.27	—	7.33	—	8.73	—	6.24	—	8.99	—	—
2008	10/1/2010	2.58	-3.32	4.00	-1.98	8.37	6.25	5.57	4.33	8.41	7.68	1.13
2008 Index		3.45	—	7.56	—	9.24	—	6.49	—	9.26	—	—

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

Putnam 529 for America

Performance as of 6/30/19

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	2.59	-3.31	3.89	-2.08	8.71	6.59	5.73	4.48	8.60	7.86	1.13
2009 Index		3.53	—	7.61	—	9.66	—	6.67	—	9.47	—	—
2010	10/1/2010	2.66	-3.25	3.83	-2.14	9.06	6.93	5.89	4.64	8.77	8.04	1.13
2010 Index		3.59	—	7.65	—	10.07	—	6.85	—	9.66	—	—
2011	1/3/2011	2.61	-3.29	3.74	-2.22	9.38	7.24	6.03	4.78	8.28	7.53	1.14
2011 Index		3.64	—	7.66	—	10.45	—	7.03	—	9.10	—	—
2012	1/3/2012	2.59	-3.31	3.57	-2.39	9.61	7.47	6.15	4.90	10.12	9.26	1.14
2012 Index		3.67	—	7.60	—	10.76	—	7.18	—	10.70	—	—
2013	1/2/2013	2.63	-3.27	3.34	-2.61	9.79	7.64	6.24	4.98	9.44	8.44	1.14
2013 Index		3.69	—	7.55	—	11.01	—	10.15	—	10.15	—	—
2014	1/2/2014	2.64	-3.26	3.30	-2.64	9.93	7.78	6.30	5.05	6.85	5.71	1.15
2014 Index		3.70	—	7.50	—	11.20	—	7.39	—	7.87	—	—
2015	1/2/2015	2.65	-3.25	3.21	-2.72	10.01	7.86	—	—	6.33	4.94	1.15
2015 Index		3.71	—	7.44	—	11.36	—	—	—	7.99	—	—
2016	1/4/2016	2.56	-3.34	3.12	-2.81	10.05	7.89	—	—	8.30	6.49	1.15
2016 Index		3.71	—	7.40	—	11.48	—	—	—	10.67	—	—
2017	1/3/2017	2.57	-3.33	3.17	-2.76	—	—	—	—	8.84	6.30	1.16
2017 Index		3.72	—	7.38	—	—	—	—	—	11.08	—	—
2018	1/2/2018	2.58	-3.31	3.30	-2.64	—	—	—	—	2.12	-1.83	1.16
2018 Index		3.73	—	7.36	—	—	—	—	—	5.62	—	—
2019*	1/2/2019	2.70	-3.20	—	—	—	—	—	—	14.00	7.45	1.16
2019 Index*		3.73	—	—	—	—	—	—	—	15.76	—	—

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

* Since inception performance is not annualized, but cumulative.

Putnam 529 for America

Performance as of 6/30/19

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	2.55	-3.35	3.93	-2.04	8.19	6.08	5.54	4.30	7.81	7.08	1.12
Balanced Index		3.57	—	7.71	—	9.15	—	6.54	—	8.60	—	—
Growth	10/1/2010	2.61	-3.29	3.25	-2.69	10.12	7.96	6.38	5.12	9.22	8.49	1.16
Growth Index		3.74	—	7.37	—	11.63	—	7.62	—	10.31	—	—
Aggressive Growth	10/1/2010	2.69	-3.22	3.51	-2.44	10.99	8.82	6.75	5.49	10.16	9.41	1.18
Aggressive Growth Index		3.81	—	7.07	—	12.98	—	8.28	—	11.32	—	—
INDIVIDUAL OPTIONS												
Putnam Equity Income Fund	10/1/2010	4.12	-1.86	6.40	0.28	11.43	9.25	7.53	6.26	11.92	11.16	1.06
Russell 1000 Value Index		3.84	—	8.46	—	10.19	—	7.46	—	11.86	—	—
Putnam Small Cap Value Fund	9/12/2014	2.23	-3.65	-9.63	-14.82	7.48	5.38	—	—	4.57	3.28	1.35
Russell 2000 Value Index		1.38	—	-6.24	—	9.81	—	—	—	6.36	—	—
MFS Institutional International Equity Fund	10/1/2010	6.62	0.49	7.07	0.91	11.77	9.59	4.44	3.21	6.76	6.04	1.10
MSCI EAFE Index (ND)		3.68	—	1.08	—	9.11	—	2.25	—	5.32	—	—
Putnam Growth Opportunities Fund	7/5/2016	6.39	0.27	15.57	8.93	—	—	—	—	21.34	18.96	1.04
Russell 1000 Growth Index		4.64	—	11.56	—	—	—	—	—	18.20	—	—
Principal MidCap Fund	10/1/2010	9.17	2.90	17.65	10.89	16.78	14.50	12.10	10.78	15.40	14.62	1.07
Russell Mid Cap Index		4.13	—	7.83	—	12.16	—	8.63	—	12.87	—	—
SSGA S&P 500 Index	6/27/2012	4.16	-1.83	9.80	3.49	13.52	11.30	10.09	8.79	13.66	12.70	0.55
S&P 500 Index		4.30	—	10.42	—	14.19	—	10.71	—	14.33	—	—
Putnam High Yield	4/21/2017	2.61	-1.49	6.28	2.03	—	—	—	—	4.45	2.52	1.18
JPMorgan Developed High Yield Index		2.60	—	7.51	—	7.80	—	4.78	—	5.46	—	—

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

Putnam 529 for America

Performance as of 6/30/19

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 Income Fund	10/1/2010	3.77	-0.38	7.10	2.82	4.52	3.10	2.59	1.75	3.94	3.46	1.02
BBG Barclays U.S. Aggregate Bond Index		3.08	—	7.87	—	2.31	—	2.95	—	3.10	—	—
Federated U.S. Government Securities Fund	10/1/2010	2.12	-1.97	5.16	0.95	0.54	-0.82	0.77	-0.05	0.67	0.20	0.98
ICE BofAML 3–5 Year Treasury Index		2.42	—	6.34	—	1.38	—	2.03	—	1.90	—	—
Putnam Government Money Market Fund	8/18/2016	0.43	0.43	1.59	1.59	—	—	—	—	0.70	0.70	0.68
Lipper U.S. Government Money Market Funds Average		0.45	—	1.66	—	—	—	—	—	0.85	—	—
Fixed Income Absolute Return Fund	10/1/2010	1.78	0.76	3.27	2.23	4.91	4.56	2.00	1.79	2.12	2.00	0.84
ICE BofAML U.S. Treasury Bill Index		0.67	—	2.39	—	1.38	—	0.89	—	0.56	—	—
Multi-Asset Absolute Return Fund	10/1/2010	2.31	-3.57	0.61	-5.18	2.90	0.88	2.01	0.81	3.30	2.60	1.16
ICE BofAML U.S. Treasury Bill Index		0.67	—	2.39	—	1.38	—	0.89	—	0.56	—	—

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

Putnam 529 for America

Underlying performance as of 6/30/19

	QUARTER	YEAR TO DATE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
Putnam GAA All Equity Portfolio (9/29/2010)	2.80	15.14	3.94	11.46	7.18	—	10.66
Putnam Equity Blended Index	3.81	17.32	7.07	12.98	8.28	—	11.33
Lipper Multi-Cap Core Funds average	3.69	17.28	6.18	12.15	7.80	—	11.53
Putnam GAA Growth Portfolio (9/29/2010)	2.67	13.85	3.49	10.27	6.67	—	9.40
Putnam Growth Blended Benchmark	3.72	15.33	7.46	11.17	7.40	—	9.98
Lipper Mixed-Asset Target Allocation Growth Funds average	3.16	13.34	5.43	8.67	5.47	—	8.05
Putnam GAA Balanced Portfolio (9/29/2010)	2.85	12.30	4.74	8.75	6.15	—	8.57
Putnam Balanced Blended Benchmark	3.75	13.47	8.16	9.22	6.75	—	8.87
Lipper Mixed-Asset Target Allocation Moderate Funds average	2.96	11.45	5.61	7.04	4.46	—	6.71
Putnam GAA Conservative Portfolio (9/29/2010)	2.89	9.41	5.55	5.83	4.49	—	6.07
Putnam Conservative Blended Benchmark	3.46	9.92	8.18	5.93	4.96	—	6.14
Lipper Mixed-Asset Target Allocation Conserv. Funds average	2.62	8.97	5.38	4.94	3.39	—	4.98
Federated US Government Sec Fund: 2-5 Years Instl (2/18/1983)	2.25	3.72	5.57	0.95	1.16	1.61	5.52
ICE BofAML 3-5 Year Treasury Index	2.42	4.04	6.34	1.38	2.03	2.55	—
Lipper Short-Intermediate U.S. Government Funds average	1.34	2.55	3.81	0.90	1.00	1.56	5.52
Putnam Small Cap Value Y (4/13/1999)	2.29	15.96	-9.43	7.86	4.24	12.32	8.99
Russell 2000 Value Index	1.38	13.47	-6.24	9.81	5.39	12.40	9.25
Lipper Small-Cap Value Funds average	0.47	13.01	-8.07	7.91	3.59	11.58	9.27
Principal MidCap Fund Instl (3/1/2001)	9.28	30.35	18.12	17.27	12.57	17.49	11.32
Russell Mid Cap Index	4.13	21.35	7.83	12.16	8.63	15.16	9.24
Lipper Multi-Cap Growth Funds average	4.83	22.37	10.21	16.85	10.76	14.76	7.07
SSgA: SS S&P 500 Index;N (12/30/1992)	4.26	18.45	10.26	13.99	10.54	14.53	9.45
S&P 500 Index	4.30	18.54	10.42	14.19	10.71	14.70	9.61
Lipper S&P 500 Index Funds average	4.19	18.28	9.99	13.67	10.16	14.11	9.34
Putnam Equity Income Fund Y (6/15/1977)	4.22	16.55	6.82	11.89	7.97	13.15	10.29
Russell 1000 Value Index	3.84	16.24	8.46	10.19	7.46	13.19	—
Lipper Equity Income Funds average	3.14	14.55	7.00	9.59	6.93	11.97	10.62
Putnam Growth Opportunities Fund Y (10/2/1995)	6.51	24.57	16.10	21.73	13.88	16.74	8.75
Russell 1000 Growth Index	4.64	21.49	11.56	18.07	13.39	16.28	8.94
Lipper Large-Cap Growth Funds average	4.81	21.76	10.77	17.84	12.37	15.04	5.68

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

Putnam 529 for America

Underlying performance as of 6/30/19

	QUARTER	YEAR TO DATE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
Putnam Income Fund Y (11/1/1954)	3.92	7.78	7.59	4.93	2.99	6.49	7.52
Bloomberg Barclays U.S. Aggregate Bond Index	3.08	6.11	7.87	2.31	2.95	3.90	—
Lipper Core Bond Funds average	2.99	6.29	7.35	2.37	2.62	4.25	—
Putnam High Yield Fund:Y (3/25/1986)	2.74	10.04	6.67	6.65	3.87	8.16	7.42
JPMorgan Developed High Yield Index	2.60	10.09	7.51	7.80	4.78	9.66	—
Lipper High Yield Funds average	2.41	9.47	6.54	6.51	3.62	7.97	7.10
Putnam Govt Money Market A (4/14/2016)	0.46	0.92	1.73	0.84	—	—	0.79
Lipper U.S. Government Money Market Funds	0.45	0.89	1.66	0.81	—	—	0.75
MFS Intl International Equity Fund (1/30/1996)	6.74	18.85	7.48	12.23	4.84	9.30	7.86
MSCI EAFE Index (ND)	3.68	14.03	1.08	9.11	2.25	6.90	4.71
Lipper International Large-Cap Growth average	4.75	17.81	3.14	9.38	3.16	7.30	6.27
Putnam Fixed Income Absolute Return Fund Y (12/23/2008)	1.86	5.32	3.69	5.32	2.38	2.88	3.01
ICE BofAML U.S. Treasury Bill Index	0.67	1.30	2.39	1.38	0.89	0.52	0.51
Putnam Multi-Asset Absolute Return Fund Y (12/23/2008)	2.40	7.55	0.96	3.29	2.40	4.28	4.54
ICE BofAML U.S. Treasury Bill Index	0.67	1.30	2.39	1.38	0.89	0.52	0.51

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COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 6
September 19, 2019

Item: Prepaid Summary and Quarterly Performance Report for the Nevada Prepaid Tuition Program for the period ended June 30, 2019

Summary:

The Nevada Prepaid Tuition Program finished the quarter with approximately \$301M AUM. Contributions of \$5.5M were received this quarter, with 60% received automatically (ACH, Epay, CCRD). 35% of tuition payments this quarter were made to a private or out-of-state higher education institutions and roughly 331 unique schools were paid throughout the fiscal year. As of June 30, 2019 there were 674 new enrollees with 61% purchasing the 4-year university plan, and 42% paying by lump sum, to truly “buy tomorrow’s in state tuition at today’s rates.”

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

Fiscal Impact: None by this action.

Staff recommended motion:

To accept and approve the Prepaid Tuition quarterly program activity report for quarter ended June 30, 2019.



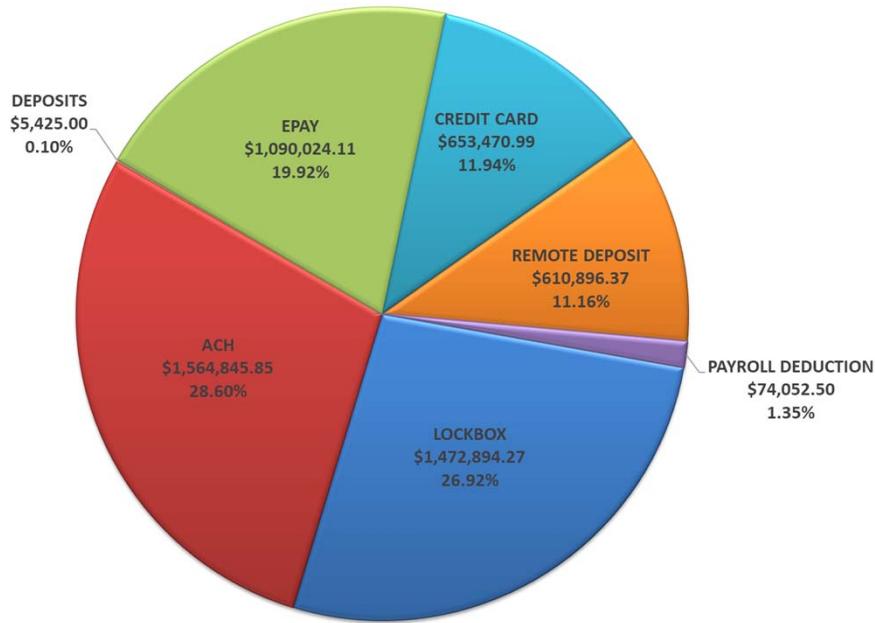
QUARTERLY REPORT
AS OF JUNE 30, 2019

Summary of Nevada Prepaid Tuition 4th Quarter Fiscal Year 2019 Activity

Contributions Received \$5,475,135	Contracts Sold 77	Contracts Paid in Full 408
Tuition Paid to Schools \$2,903,961	New High School Graduates with Prepaid Contracts 778	Students who used 100% of their Prepaid Tuition Program 135

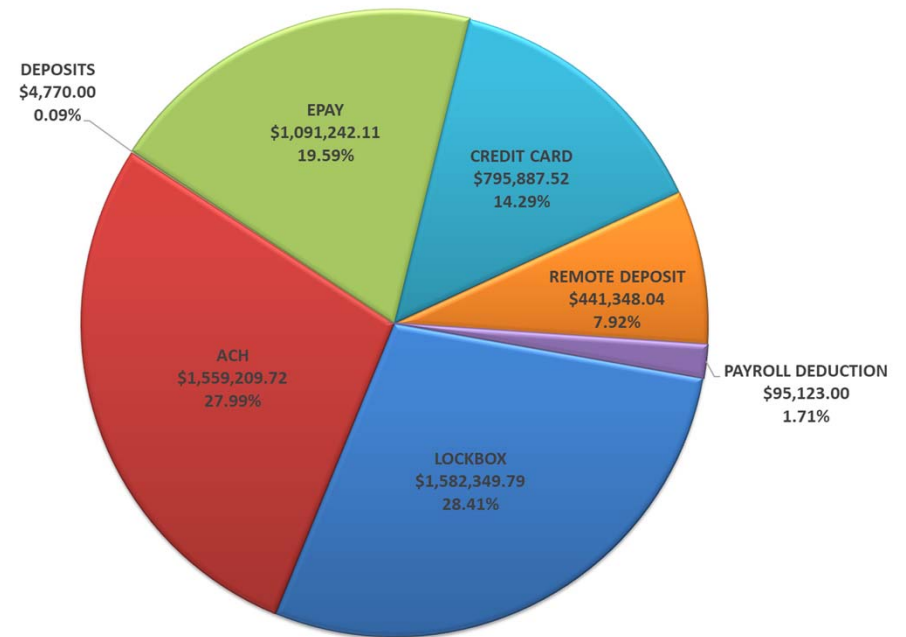
Fiscal YOY 4th Quarter contributions by type of payment

4th Quarter FY 19 Contributions By Type



Total Contributions: \$ 5,475,135

4th Quarter FY 18 Contributions By Type



Total Contributions: \$ 5,569,930

There was a small decrease (\$94,795) in contract payments during 4th quarter 2019 compared with the same quarter prior fiscal year.

The percentage for payment types remained relatively the same in FY 19 compared to prior fiscal year. ACH is preferred payment method.

Summary Status: Nevada Prepaid Tuition (As of June 30, 2019)

Contracts sold since
inception
21,711

Active contracts
12,312

Market Value of
Assets
\$300,728,848

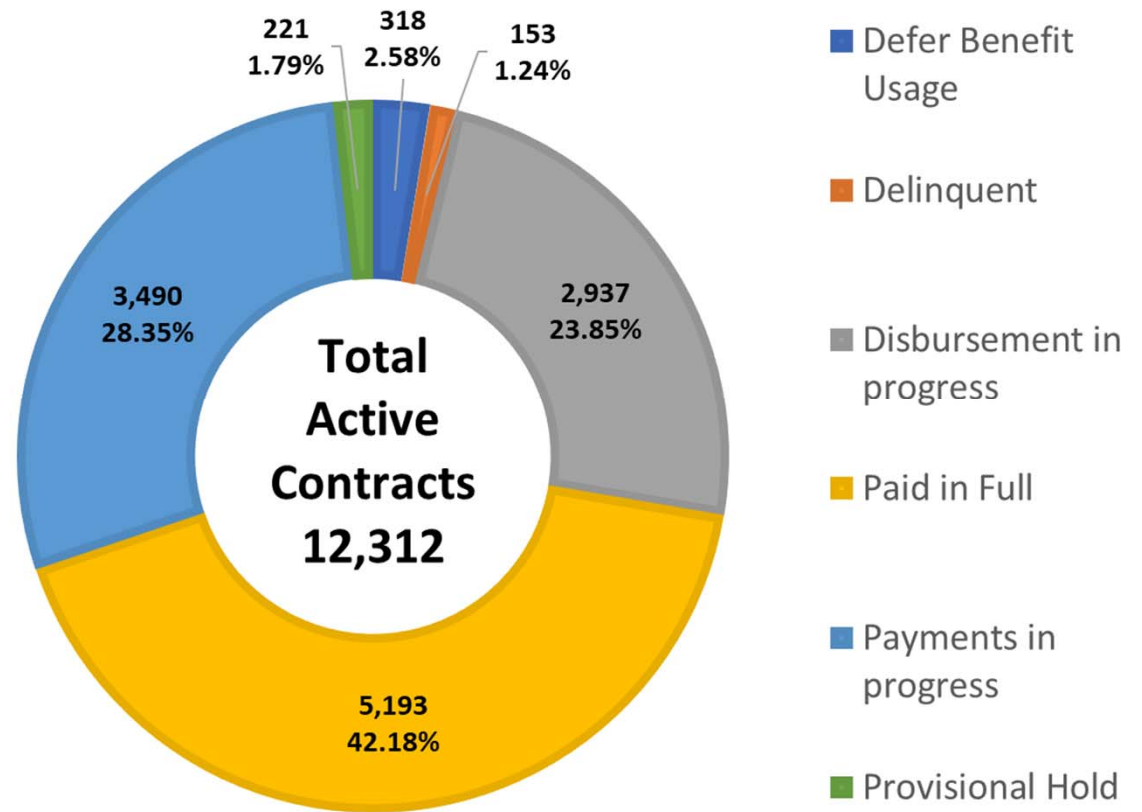
Tuition paid to date
for students
\$97,093,444

Students that have
used all of their
tuition benefits
3,500

Funded status
142%

Contract Status As of June 30, 2019

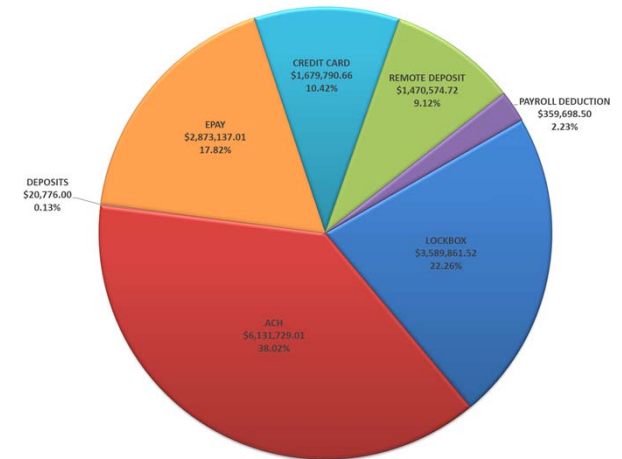
- 391 students used all of their tuition benefits during Fiscal Year 2019.
- 674 Prepaid Tuition contracts were added during the 2019 fiscal year



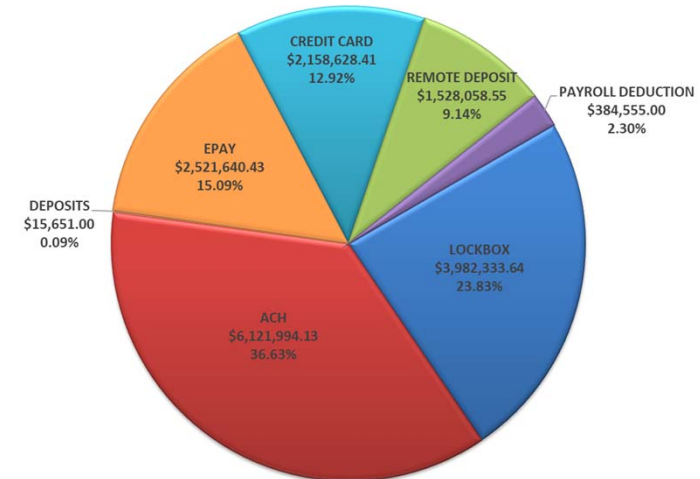
Fiscal Year 2019 Total Contributions

- \$16,125,567.42
- Contributions declined slightly (3.51%) from the prior fiscal year.
- Top 3 ways people pay into prepaid plan
 - ACH (autopay)
 - Lockbox (mail in payment)
 - E-pay (sign in and make payment through portal)

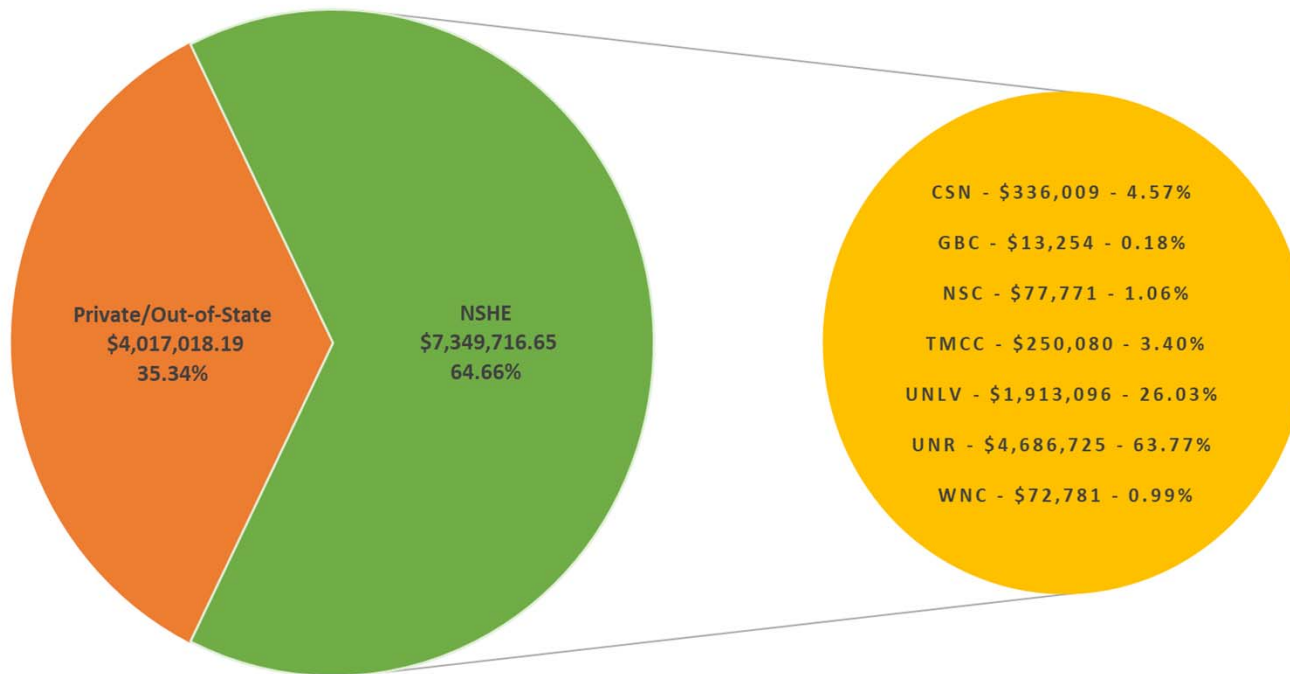
FY 2019



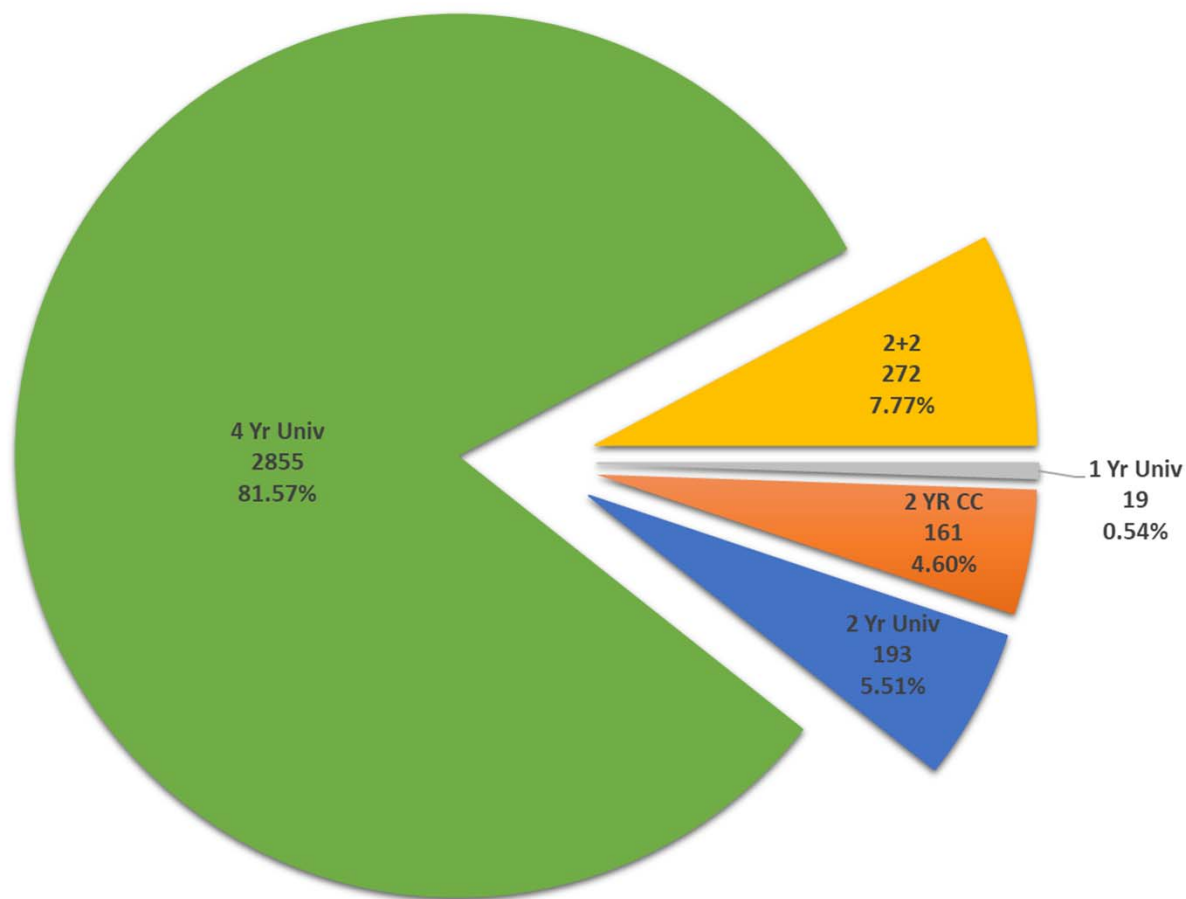
FY 2018



Fiscal Year 2019 Total Tuition Payments



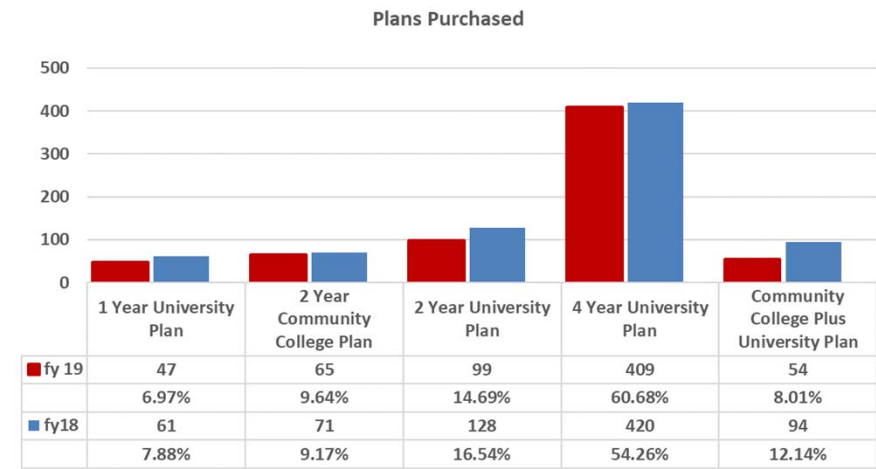
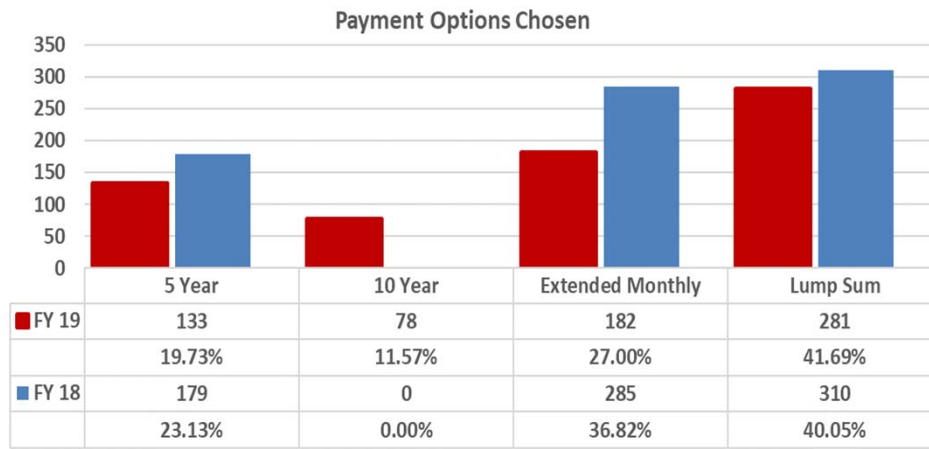
- Fiscal Year 2019 Tuition payments up 1.24% from prior fiscal year.
- Of the \$11,366,735
 - Of 65% paid to NSHE, 41% paid to UNR
 - 35% paid to out of state schools
- 331 unique higher education institutions were paid.



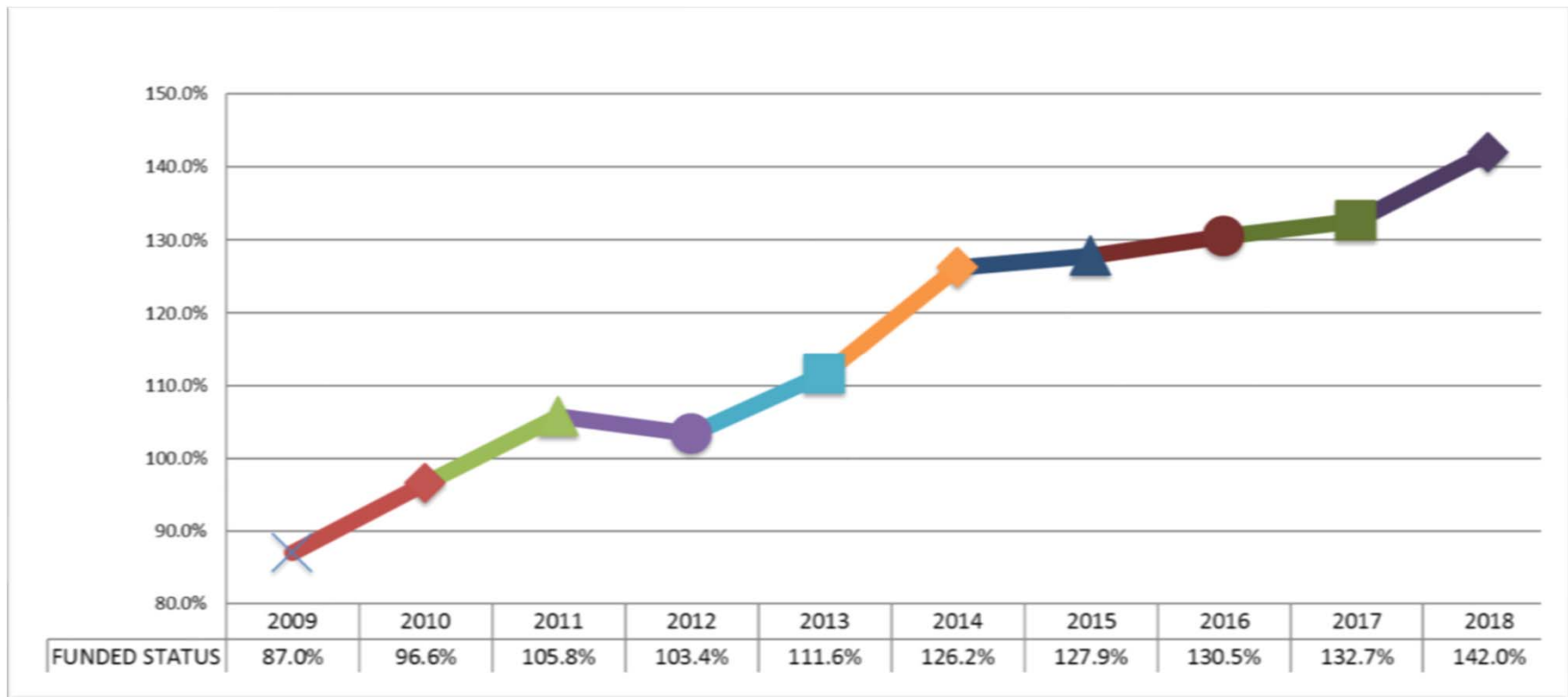
Prepaid Tuition Plans Used for Higher Education

- 3,500 beneficiaries have completely used their contract credit hours as of 6/30/19
- The majority of students (81.57%) that have depleted their contracts had a 4 year university plan followed by the 2+2 plan (7.77%)

Fiscal Year 2019 Plans Purchased & Payment Options



- § The Lump Sum payment option (41.69%) and 4 year prepaid tuition plan option (60.68%) continue to be the most popular choices for enrollees in fiscal year 2019.
- § The 4 year university plan experienced the largest % increase for the plan purchased over the prior fiscal year.
- § In Fiscal Year 2019, a 10 year payment option was offered to families and was very well received. Almost 12% chose this payment option available families with newborns to 2nd graders.



Funded Status by Fiscal Year

As of June 30, 2018 the funded status was 142.0%, the highest since inception. This record high funded status will :
 Allow the program to offer contracts in 2020 with little to no increase in prices, despite the 4% increase in the in-state college tuition, due to the established board funding guideline document.

Upcoming Quarter Activity

- Scheduled to attend Clark County Elementary School Counselor meeting in August.
- 2020 Assumptions and pricing to be established for upcoming enrollment period.
- Program Description and Master Agreement being updated for new enrollment year.
- Project Kickoff for new Prepaid Tuition administration database (Academia)
 - Enhanced Self Servicing Purchaser Capabilities
 - Opportunity for Students (beneficiaries) to review tuition payments, etc.
 - Focus on email correspondence options

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 7
September 19, 2019

**Item: Prepaid Tuition/Higher Education Trust Fund
Investment Performance Review for the Quarter
End Performance Summary for period ended June
30, 2019**

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, now known as Meketa Investment Group Inc. (Meketa), 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 Meketa's report for the quarter ending June 30, 2019.

Sean Copus, with Meketa, will present the report and be available to answer questions.

Fiscal Impact: None by this action.

Staff recommended motion:

Move to approve the Nevada Higher Education Trust Fund quarterly review of investment performance by Meketa for the quarter ending June 30, 2019.



Q2 2019

Nevada Prepaid Tuition Plan 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 Meketa Investment Group.

Nothing herein is intended to serve as investment advice, a recommendation of any particular investment or type of investment, a suggestion 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 \$293.1 million as of June 30, 2019. During the latest quarter, the Total Portfolio increased in value by \$9.7 million, and over the past 1-year period the Total Portfolio increased in value by \$17.9 million.

Real U.S. GDP increased by 2.1% in the second quarter of 2019. Growth was driven by increases in personal consumption expenditures, federal government spending, and state and local government spending. At quarter-end, the unemployment rate decreased to 3.7%. Commodities were down in the second quarter, and the 1-year return for a basket of commodities was negative at -6.8%. Global equity returns were moderate over the quarter as the MSCI ACWI was up 3.8%.

Asset Allocation Trends

With respect to policy targets, the Total Portfolio ended the latest quarter overweight Equities and underweight Fixed Income while Covered Calls was in line with 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 (16) basis points, net of fees. The portfolio also underperformed its benchmark over the 1-, 3-, and 5-year periods by (66), (40), and (20) basis points, respectively.

Recent Investment Performance

	Quarter	1 Year	3 Year	5 Year
Total Portfolio (Gross of Fees) ³	3.4	6.6	8.7	7.2
Total Portfolio (Net of Fees) ²	3.4	6.5	8.6	7.0
<i>Policy Benchmark¹</i>	<i>3.6</i>	<i>7.2</i>	<i>9.0</i>	<i>7.2</i>
Excess Return (Net)	-0.2	-0.7	-0.4	-0.2

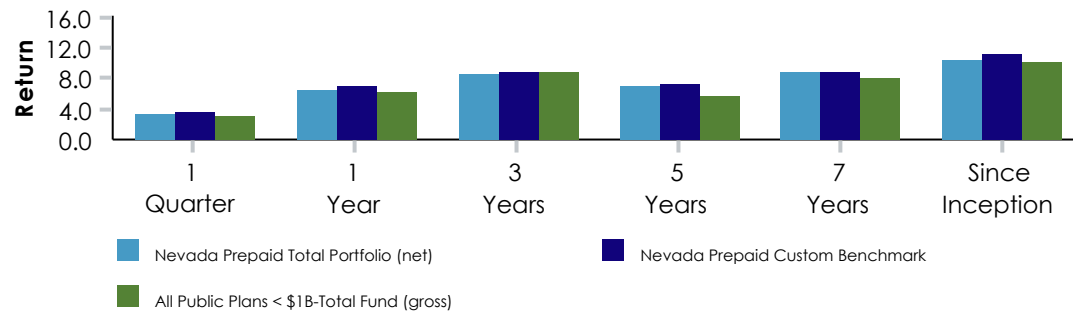
¹ Policy Benchmark consists of 39% S&P 500 Index, 30% BBgBarc US Aggregate A+ Bond Index, 20% CBOE BXM Index, 7% S&P Midcap 400 Index, 4% S&P Smallcap 600 Index as of 9/30/2014. Prior to 9/30/2014 Policy Benchmark consisted of 45% S&P 500 Index, 43% BBgBarc US Aggregate A+ Bond Index, 8% S&P Midcap 400 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 following manager fee schedule: Vanguard LCE = 4 bps, Vanguard MCE & SCE = 8 bps, Glenmede = 64 bps, CEP = 17 bps

Performance and Market Values (As of June 30, 2019)

Investment Performance



Portfolio Valuation (000's)

	1 Quarter	1 Year
Nevada Prepaid Total Portfolio		
Beginning Market Value	283,369	275,172
Gain/Loss	9,766	17,997
Ending Market Value	293,085	293,085

Asset Class Performance (net of fees)

	Performance(%)				
	1 Quarter	1 Year	3 Years	5 Years	7 Years
Nevada Prepaid Total Portfolio	3.4	6.5	8.6	7.0	9.0
Policy Benchmark*	3.6	7.2	9.0	7.2	9.0
Large Cap Equity	4.3	10.4	14.2	10.7	14.0
<i>S&P 500 Index</i>	<i>4.3</i>	<i>10.4</i>	<i>14.2</i>	<i>10.7</i>	<i>14.0</i>
Mid Cap Equity	3.0	1.3	10.8	8.0	12.6
<i>S&P MidCap 400 Index</i>	<i>3.0</i>	<i>1.4</i>	<i>10.9</i>	<i>8.0</i>	<i>12.7</i>
Small Cap Equity	1.8	-4.9	12.0	8.4	13.0
<i>S&P SmallCap 600 Index</i>	<i>1.9</i>	<i>-4.9</i>	<i>12.0</i>	<i>8.4</i>	<i>13.0</i>
Covered Calls	3.1	2.5	5.8	---	---
<i>CBOE BXM Index</i>	<i>3.3</i>	<i>3.2</i>	<i>7.4</i>	<i>---</i>	<i>---</i>
Total Fixed Income**	2.7	7.0	1.5	2.4	---
<i>Blmbg. Barc. U.S. Aggregate: A+</i>	<i>2.8</i>	<i>7.3</i>	<i>1.9</i>	<i>2.7</i>	<i>---</i>
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>3.1</i>	<i>7.9</i>	<i>2.3</i>	<i>2.9</i>	<i>---</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

Asset Allocation

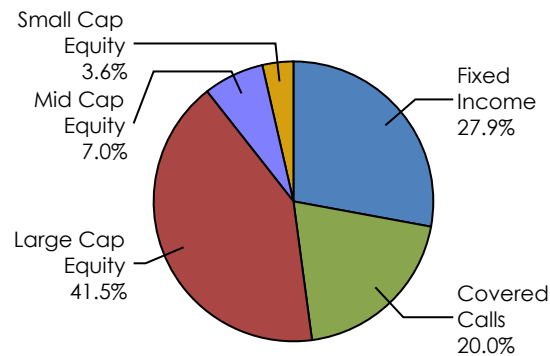
As of June 30, 2019

Actual vs. Target Allocations

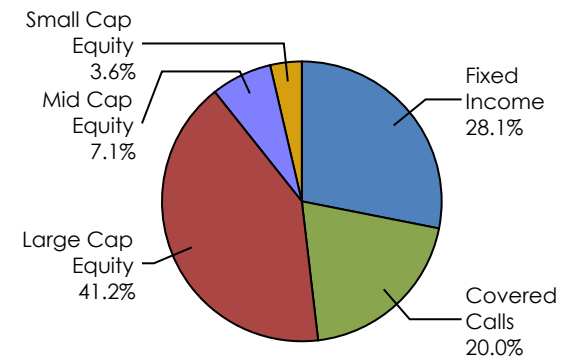
With respect to policy targets, the Total Portfolio ended the latest quarter overweight Equities and underweight Fixed Income. Within Domestic Equity, Small cap was underweight its target allocation, while Mid cap equity was in-line, and Large cap equity was overweight its target allocation. Fixed Income is currently (2.1%) below its 30% target and the Covered Calls asset class is in-line with its 20% target allocation.

	Asset Allocation (\$000)	Actual Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)	Acceptable Variance?
Nevada Prepaid Total Portfolio	293,085	100.0	100.0	0.0	---	---	
Public Equity	152,756	52.1	50.0	2.1	---	---	
Vanguard - Small Cap Equity	10,507	3.6	4.0	-0.4	1.0	7.0	Yes
Vanguard - Mid Cap Equity	20,604	7.0	7.0	0.0	2.0	12.0	Yes
Vanguard - Large Cap Equity	121,646	41.5	39.0	2.5	34.0	44.0	Yes
Fixed Income Composite	81,754	27.9	30.0	-2.1	---	---	
Chicago Equity Partners	81,754	27.9	30.0	-2.1	25.0	35.0	Yes
Covered Calls	58,574	20.0	20.0	0.0	---	---	
Glenmede Secured Options	58,574	20.0	20.0	0.0	15.0	25.0	Yes

June 30, 2019 : \$293,084,511

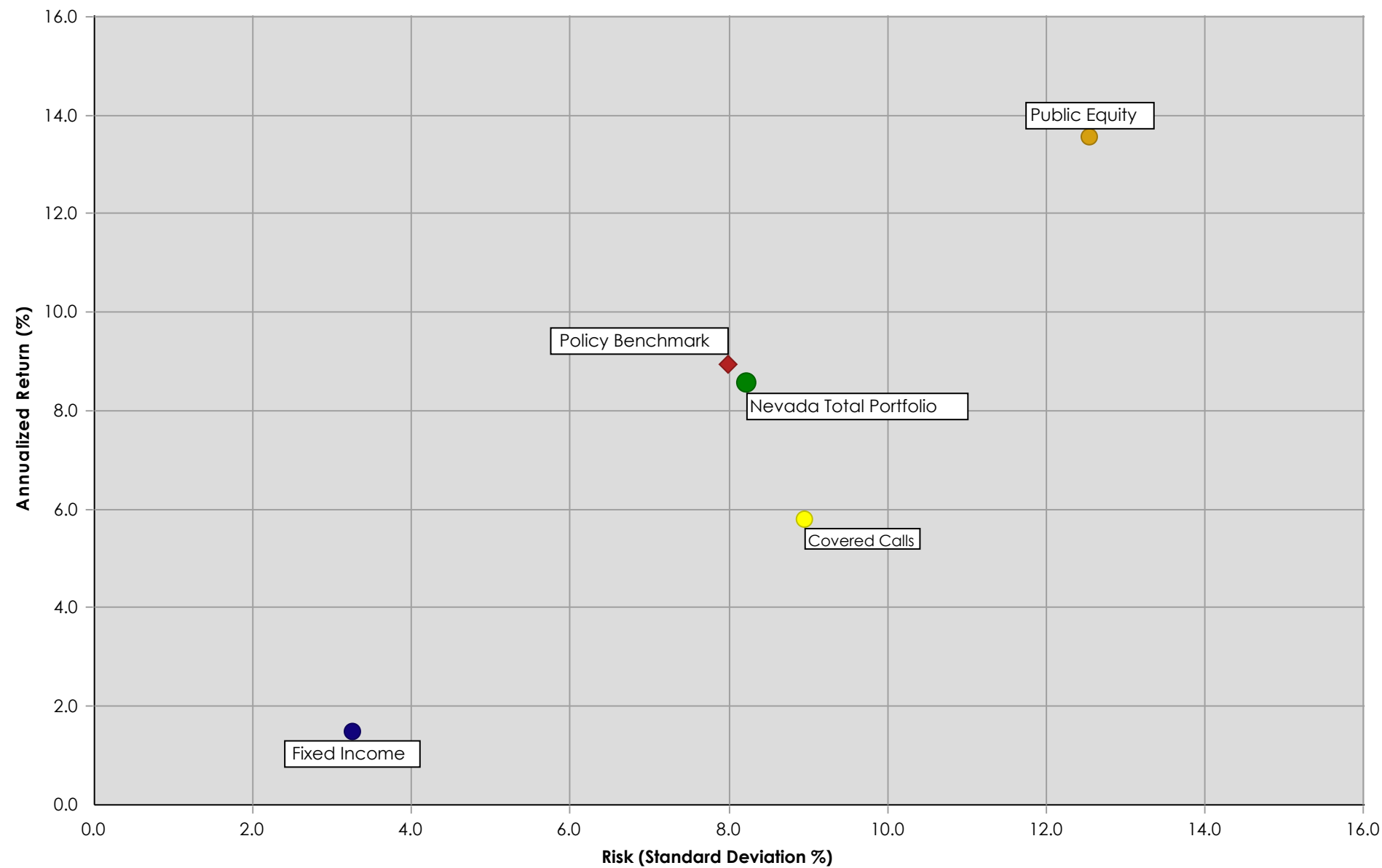


March 31, 2019 : \$283,369,333



Nevada Prepaid Plan RISK/RETURN Analysis
3 Years Ending June 30, 2019

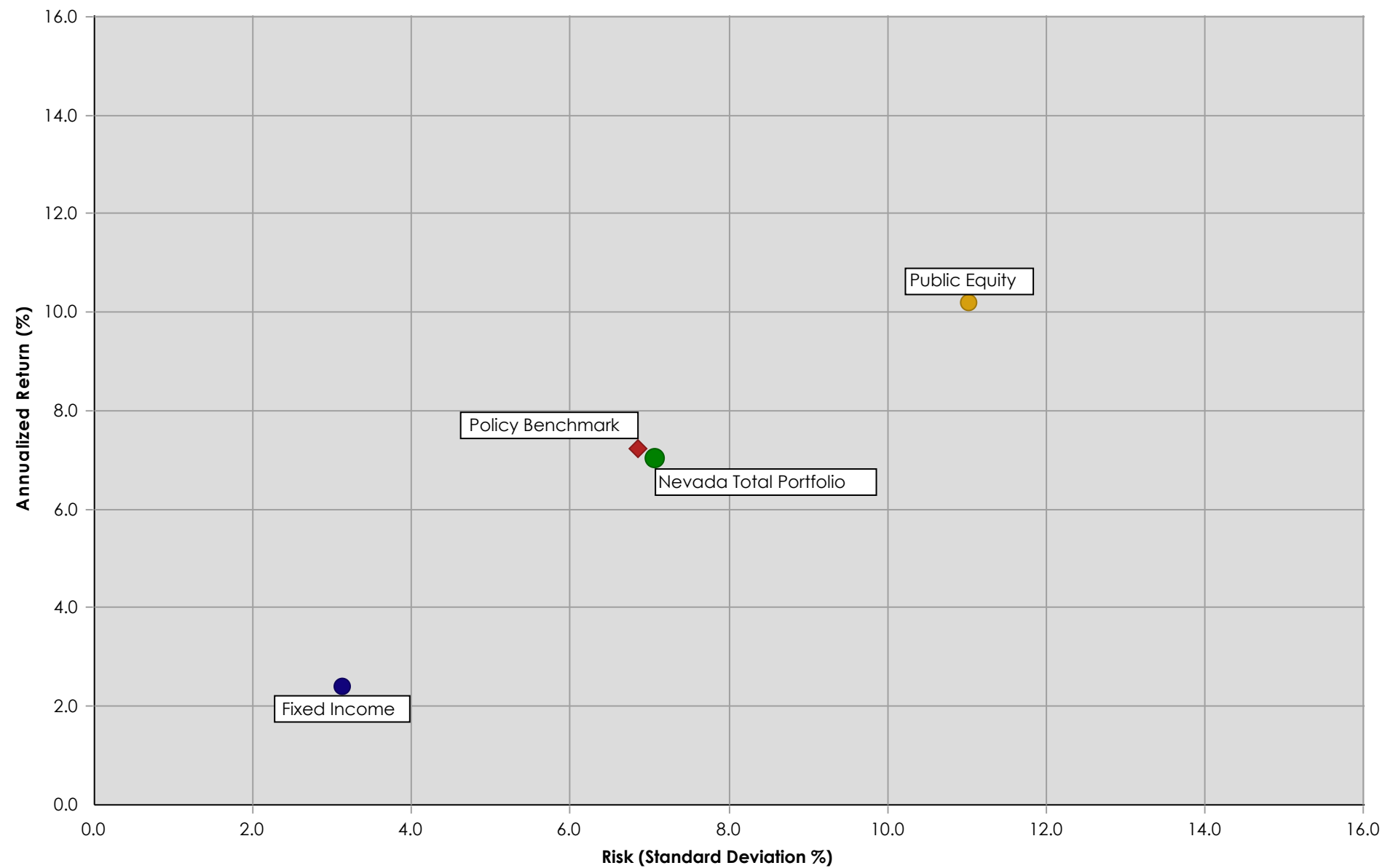
3-Year Annualized Risk/Return (Net)



Calculation based on quarterly periodicity.

Nevada Prepaid Plan RISK/RETURN Analysis
5 Years Ending June 30, 2019

5-Year Annualized Risk/Return (Net)



Calculation based on quarterly periodicity.

Manager Performance
As of June 30, 2019 (Net of Fees)

	Allocation	Performance(%)			
	Market Value (\$000)	1 Quarter	1 Year	3 Years	5 Years
Vanguard Institutional Fund	121,646	4.3 (45)	10.4 (34)	14.2 (27)	10.7 (15)
<i>S&P 500 Index</i>		4.3 (45)	10.4 (34)	14.2 (26)	10.7 (14)
Excess Return		0.0	0.0	0.0	0.0
Vanguard S&P Mid Cap 400	20,604	3.0 (70)	1.3 (70)	10.8 (37)	8.0 (22)
<i>S&P MidCap 400 Index</i>		3.0 (69)	1.4 (69)	10.9 (36)	8.0 (22)
Excess Return		0.0	-0.1	-0.1	0.0
Vanguard S&P Small Cap 600	10,507	1.8 (38)	-4.9 (31)	12.0 (13)	8.4 (6)
<i>S&P SmallCap 600 Index</i>		1.9 (35)	-4.9 (30)	12.0 (13)	8.4 (6)
Excess Return		-0.1	0.0	0.0	0.0
Glenmede Secured Options	58,574	3.1 (26)	2.5 (47)	5.8 (50)	---
<i>CBOE BXM Index</i>		3.3 (22)	3.2 (43)	7.4 (27)	---
Excess Return		-0.2	-0.7	-1.6	---
Chicago Equity Partners[CE]	81,754	2.7 (97)	7.0 (97)	1.5 (100)	2.4 (100)
<i>Blmbg. Barc. U.S. Aggregate: A+</i>		2.8 (94)	7.3 (96)	1.9 (100)	2.7 (97)
Excess Return		-0.1	-0.3	-0.4	-0.3

* 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 3.1% during the most recent quarter, underperforming its benchmark by (14) basis points and ranking in the 26th percentile of its peer group. Over the 1-year period, the Covered Calls manager underperformed the benchmark by (67) and underperformed its benchmark over the 3-year period by (1.6%).

Chicago Equity Partners: The Plan's Fixed Income manager underperformed its benchmark, the BBgBarc US Aggregate A or Better index, over the quarter by (14) basis points and ranked in the 97th percentile of its peer group. Over the 1-year period, Chicago Equity Partners returned 7.0%, underperforming its benchmark by (36) basis points. Over the 3- and 5-year periods, Chicago Equity Partners underperformed its benchmark by (47) and (35) basis points, respectively.

Disclosures

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THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 8 September 19, 2019

**Item: Meketa Investment Group Inc. Investment
Monitoring Report for 529 Plans for the period
ended June 30, 2019**

Summary:

In December of 2010 the Board hired Pension Consulting Alliance (PCA), now known as Meketa Investment Group Inc. (Meketa), to perform investment review services for 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 five 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 March 31, 2019. In their report and memorandum regarding funds on "Watch" status, Meketa is recommending the following changes to "Watch" status:

Removal from Watch Status

- Putnam GAA All Equity portfolio

Initial Placement on Watch Status

- USAA International fund

Sean Copus, with Meketa, will present the report and be available for questions.

Fiscal Impact: None by this action.

Staff recommended motion.

Move to approve and accept the Nevada 529 College Savings Plans Investment Monitoring Report prepared by Meketa for the quarter ending June 30, 2019.



MEMORANDUM

Date: September 19, 2019

To: Nevada College Savings Plans

From: Meketa Investment Group (MIG)

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

RE: Review of Portfolios Qualifying for “Watch” Status

Summary

Meketa has conducted a review of the underlying funds in the Nevada College Savings Plans for the period ending June 30, 2019.

Currently, six funds from the **USAA** Program remain on “Watch” status, and one additional fund qualifies for “Watch” status. These funds are listed below.

- USAA Income Stock
- USAA Small Cap Stock
- USAA Growth
- USAA Value
- USAA Emerging Markets
- USAA Growth & Income
- USAA International - **Qualifies for “Watch” status**

Currently, two funds from the **Putnam** 529 for America Program remain on “Watch” status, while no additional funds qualify for “Watch” status. These funds are listed below.

- GAA All Equity - **Recommend Removal from “Watch”**
- Putnam Small Cap Value

The **Vanguard** 529 Program has two funds currently on “Watch” status, while no funds qualify for “Watch” status. These funds are listed below.

- Vanguard Windsor
- Vanguard US Growth

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.



USAA 529 Plan

Summary of “Watch” Status

Portfolios	Criteria Utilized for Watch Status			
	On Watch	Short-term	Medium-term	Organization
USAA Income Stock	Yes	---	---	✓
USAA Small Cap Stock	Yes	---	---	✓
USAA Growth	Yes	---	---	✓
USAA Value	Yes	---	---	✓
USAA Emerging Markets	Yes	---	---	✓
USAA Growth & Income	Yes	✓	---	✓
USAA International	No	---	---	✓

✓ 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 Income Stock	6/14/2017	4/1/2017	27	-0.1%
USAA Small Cap Stock	7/20/2017	7/1/2017	24	1.3%
USAA Growth	12/13/2018	10/1/2018	9	4.6%
USAA Value	12/13/2018	10/1/2018	9	-3.8%
USAA Emerging Markets	12/13/2018	10/1/2018	9	3.4%
USAA Growth & Income	3/21/2019	1/1/2019	6	-2.7%

Funds Qualifying for “Watch”

USAA International (2Q Combined Status Report – Page 76)

The USAA International qualifies for “Watch” status due to organizational issues relating to the changes in the underlying management of the fund. As with all of the USAA equity funds in the program, Victory's takeover of the management of the fund has led to changes in the fund's underlying sub-advisor lineup. **Meketa views these changes as substantial and thus recommends that the USAA International fund be placed on “Watch” status and be closely monitored as changes to the fund's management structure are implemented.**

Funds Currently on “Watch”

USAA Income Stock (2Q Combined Status Report – Page 68)

Since being placed on “Watch” status 27 months ago, the USAA Income Stock fund has underperformed its benchmark, the MSCI USA IMI High Dividend Yield index, by (11) basis points, ranking the fund in the 35th percentile of its Lipper Equity Income peer group. Over the most recent quarter, the fund outperformed its benchmark by 86 basis points and ranked in the 53rd



percentile of its peer group. The fund's outperformance during the 3-month period was due to strong stock selection in the Industrials and Technology sectors. The fund scored big with its large active holding in Cypress Semiconductor which was up 49.8% during the quarter while also benefiting from its large underweight in Intel which was down (10.3%). The fund's overweight in Financial Services also benefited performance as it was the strongest performing sector during the period.

Thanks to strong recent results, the USAA Income Stock fund's short-term performance moved into the Positive range during the quarter while medium-term performance remains Acceptable. Although the fund no longer qualifying for "Watch" status, due to the upcoming organizational changes with USAA and the imminent changes to the fund's management structure **Meketa recommends that the USAA Income Stock fund remain on "Watch" status and continue to be closely monitored as changes to the fund's management structure are implemented.**

USAA Small Cap Stock (2Q Combined Status Report – Page 72)

Since being placed on "Watch" status 24 months ago, the USAA Small Cap Stock fund has outperformed its benchmark, the Russell 2000 index, by 1.3%, placing the fund in the 8th percentile of its Lipper US Small Cap Core Equity peer group. Over the most recent quarter, the fund outperformed its benchmark by 2.2% and ranked in the 9th percentile of its peer group. Strong stock selection in the Technology sector was the largest contributor to outperformance thanks to the fund's large active bet on ESCO Technologies which increased 23.4% during the quarter. The fund's out-of-benchmark holding in C&C Group in the Consumer Defensive sector was also a big winner with a 3-month return of 27.2%. The fund's near absence from the Healthcare sector was also beneficial as the sector returned (1.1%) during the period.

The fund's recent run of strong short-term performance has allowed its medium-term performance to move up into the Acceptable range for the first time since early 2017. Although the fund no longer qualifies for "Watch" status for performance reasons we believe that extra scrutiny of the fund remains warranted due to the upcoming fund management and organization changes at USAA. Therefore, **Meketa recommends that the USAA Small Cap Stock fund remain on "Watch" status and continue to be closely monitored as changes to the fund's management structure are implemented.**

USAA Growth (2Q Combined Status Report – Page 56)

Since being placed on "Watch" status nine months ago, the USAA Growth fund has outperformed its benchmark, the Russell 1000 Growth index, by 2.8% and ranked in the 11th percentile of its Lipper US Large Cap Growth peer group. The fund also outperformed its benchmark over the most recent quarter by 78 basis points, good enough for a 34th percentile peer group ranking. The fund benefited from strong stock selection in the Consumer Defensive and Technology sectors during the quarter with holdings in Cerner and Monster Beverage providing strong returns of 28.5% and 17.0% during the period. The fund also benefited from its overweight to Financial Services as it was the strongest performing sector during the quarter.



The USAA Growth fund has built on its strong final quarter of 2018 which has allowed its short-term performance to move into the Positive range while its medium-term performance remains Acceptable. Although the fund no longer qualifies for “Watch” status we believe the imminent organizational changes to USAA and the fund's underlying management structure deserve continued monitoring. Therefore, **Meketa recommends that the USAA Growth fund remain on “Watch” status** and continue to be closely monitored as changes to the fund's management structure are implemented.

USAA Value (2Q Combined Status Report – Page 64)

Since being placed on “Watch” status nine months ago, the USAA Value fund has underperformed its Russell 3000 Value benchmark by (3.8%), ranking the fund in the 75th percentile of its Lipper US Large Cap Value peer group. Over the most recent quarter, the fund has underperformed its benchmark by (31) basis points and ranked in the 54th percentile of its peer group. The fund's underperformance during the period was mostly due to poor stock selection in the Financial Services, Healthcare, and Industrials sectors.

The USAA Value fund's short-term performance was able to move into the Acceptable range during the period but it continues to be heavily affected by the fund's abnormally poor final quarter of 2018. While the fund's medium-term performance is also in the Acceptable range, meaning the fund no longer qualifies for “Watch” status, we believe the imminent organizational changes to USAA and the fund's underlying management structure deserve continued monitoring. Therefore, **Meketa recommends that the USAA Value fund remain on “Watch” status** and continue to be closely monitored over the coming periods.

USAA Emerging Markets (2Q Combined Status Report – Page 80)

Since being placed on “Watch” status nine months ago, the USAA Emerging Markets fund has outperformed its benchmark, the MSCI Emerging Markets index, by 3.4% and ranked in the 33rd percentile of its Lipper Emerging Markets peer group. Strong stock selection in the Energy and Financial Services sectors were the fund's major sources of outperformance on a sector basis while, on a regional basis, the fund's holdings in Latin America and Emerging Asia were the largest contributors.

The fund has now outperformed over two straight quarters, allowing its short-term performance to move into the Positive range. Medium-term performance is currently Acceptable but remains very close to the Caution range. Although the fund does not qualify for “Watch” status for performance reasons, we believe the imminent organizational changes to USAA and the fund's underlying management structure deserve continued monitoring. Therefore, **Meketa to recommend that the USAA Emerging Markets fund remain on “Watch” status** and continue to be closely monitored over the coming periods.

USAA Growth & Income (2Q Combined Status Report – Page 60)

Since being placed on “Watch” status six months ago, the USAA Growth & Income fund has underperformed its Russell 3000 benchmark by (2.7%), placing the fund in the 74th percentile of its Lipper US Large Cap Core peer group. Over the most recent quarter, the fund



underperformed its benchmark by (33) basis points and ranked in the 65th percentile of its peer group. The fund's underperformance over the most recent quarter was mostly due to poor stock selection in the Consumer Cyclical and Financial Services sectors while an overweight to the Energy, the only sector with a negative return, also detracted from performance.

The USAA Growth & Income fund has underperformed over both quarters during which it has been on "Watch" status which has kept its short-term performance in the Caution range. Medium-term performance remains Acceptable, mostly due to strong outperformance during 2017, but recent performance trends will most likely start to pull the 36-month rolling excess return downward. Therefore, **Meketa recommends that the USAA Growth & Income fund remain on "Watch" status** and continue to be closely monitored over the coming periods.

Putnam 529 for America Plan

Summary of "Watch" Status

Portfolios	Criteria Utilized for Watch Status			
	On Watch	Short-term	Medium-term	Organization
Putnam GAA All Equity	Yes	---	---	---
Putnam Small Cap Value	Yes	---	✓	✓

✓ 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
Putnam GAA All Equity	6/20/2019	1/1/2019	6	-2.2%
Putnam Small Cap Value	6/20/2019	1/1/2019	6	2.5%

Funds Currently on "Watch"

Putnam GAA All Equity (2Q Combined Status Report – Page 89)

Since being placed on "Watch" status six months ago, the Putnam GAA All Equity portfolio, one of the underlying portfolios in Putnam's goal-based investment line-up, has underperformed its custom benchmark (75% Russell 3000, 18.75% MSCI EAFE, 6.23% MSCI EM) by (2.2%). Over the most recent quarter, the fund underperformed by (1.0%) underperformance during the quarter was due to both the fund's domestic and developed international sleeves' trailing their respective benchmarks by (1.8%). However, performance was helped by outperformance in the emerging markets sleeve which outperformed its benchmark by 2.0%.



The GAA All Equity fund has continued to struggle against its custom benchmark as it has now underperformed over its last six consecutive quarters. However, the fund's medium-term performance remains in the Acceptable range for the second straight quarter thanks to poor returns from early 2016 no longer affecting 36-month excess returns. With short-term performance also in the Acceptable range the fund no longer qualifies for "Watch" status. Therefore, **Meketa recommends that the Putnam GAA All Equity fund be removed from "Watch" status.**

Putnam Small Cap Value (2Q Combined Status Report – Page 92)

Since being placed on "Watch" status six months ago, the Putnam Small Cap Value fund has outperformed its Russell 2000 benchmark by 8.5%, placing the fund in the 3rd percentile of its Lipper US Small Cap Value Equity peer group. The fund also outperformed by 91 basis points over the most recent quarter; good enough for a 9th percentile ranking. A combination of strong stock selection in Industrials combined with an overweight to the sector was the largest source of outperformance during the quarter as several large active holdings appreciated handily including Herman Miller and Scorpio Tankers which returned 27.8% and 49.4%, respectively.

As a reminder, David Diamond, the fund's lead manager left Putnam at the end of January 2019. Mr. Diamond had managed the fund for two years after taking over from long-time lead manager Eric Harthun in 2017. Going forward, the fund will be managed by Michael Petro who has been with Putnam since 2002 and has spent his entire tenure with the firm working on the Small Cap Value fund in a primarily analytical role. Despite Mr. Petro's familiarity with the fund, Meketa views this management change as significant and warranting of "Watch" status on an organizational basis.

Thanks to strong performance since being placed on "Watch" status the Putnam Small Cap Value fund's short-term performance has inched into the Acceptable range. However, the fund continues to qualify for "Watch" status due to its medium-term performance. Given the fund's combination of poor performance and recent management changes, **Meketa recommends that the Putnam Small Cap Value fund remain on "Watch" status and continue be closely monitored over the coming periods as new management settles in.**

Vanguard 529 Plan

Summary of "Watch" Status

Criteria Utilized for Watch Status				
Portfolios	On Watch	Short-term	Medium-term	Organization
Vanguard Windsor	Yes	✓	---	---
Vanguard US Growth	Yes	---	---	✓

✓ 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
Vanguard Windsor	3/21/2019	4/1/2019	3	-0.3%
Vanguard US Growth	3/21/2019	4/1/2019	3	1.0%

Funds Currently on “Watch”

Vanguard Windsor (2Q Combined Status Report – Page 44)

Since being placed on “Watch” status three months ago, the Vanguard Windsor fund has underperformed Russell 1000 Value benchmark by (28) basis points, ranking the fund in the 48th percentile of its Lipper US Large Cap Value peer group. Underperformance during the quarter was mostly due to poor stock selection in the Consumer Defensive, Technology, and Healthcare sectors.

The fund also experienced a manager change at its subadvisor, Wellington, which manages roughly 70% of the fund. James Mordy, the previous manager, retired at the end of 2018 and was replaced with David Palmer, who has been involved with the fund since 1998 and has also been the sole manager of the Vanguard Capital Value fund since 2016.

The Vanguard Windsor fund had enjoyed a strong run of performance during 2017 and early 2018 before stumbling in the second half of that year. Although the fund's medium-term performance is currently in the Positive range, its short-term performance continues on its downward trend and has now been in the Caution range for nine straight months. Therefore, **Meketa recommends that the Vanguard Windsor fund remain on “Watch” status and continue to closely monitored over the coming periods as new management settles in.**

Vanguard US Growth (2Q Combined Status Report – Page 40)

As a reminder, The Vanguard Plan was utilizing the Vanguard Morgan Growth fund until it was merged into the Vanguard US Growth fund during the second quarter of 2019. Due to changes in the underlying manager mix of the fund going forward, Meketa recommended the fund be placed on “Watch” status at the June 2019 quarterly meeting.

Since being placed on “Watch” status three months ago, the Vanguard US Growth fund has outperformed its benchmark, the Russell 1000 Growth index, by 1.0% and ranked in the 25th percentile of its Lipper US Large Cap Growth peer group. The Vanguard US Growth fund has been experience a strong run of performance over the most recent two years and currently has short-term and medium-term performance in the Positive range. Although the fund does not qualify for “Watch” status due to performance reasons, **Meketa recommends that the Vanguard**



US Growth fund remain on “Watch” status and continue to closely monitored over the coming periods to see how the new manager mix effects the fund's performance profile.

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:



Zach Conine, State Treasurer



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AGENDA ITEMS

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Summary of Fund Performance	1
Age-based Risk / Return Analysis	2

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	15	9	3	1	2
Percentage	100%	60%	20%	7%	13%
Fund Status ↑	--	--	--	--	--
Fund Status ↓	1	--	--	--	1
US Equity Funds	8	6	--	--	2
Intl Equity Funds	1	--	--	1	--
Fixed Income Funds	5	3	2	--	--
Other Funds*	1	--	1	--	--
SSgA Upromise 529 Plan					
Number of Funds	15	14	--	1	--
Percentage	100%	93%	0%	7%	0%
Fund Status ↑	--	--	--	--	--
Fund Status ↓	1	--	--	1	--
US Equity Funds	4	4	--	--	--
Intl Equity Funds	4	4	--	--	--
Fixed Income Funds	6	5	--	1	--
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

- 80% of funds in the Vanguard Program have either a Positive or Acceptable status
- Fund status changes:
 - No funds improved during the quarter
 - The Vanguard US Growth Fund now qualifies for "Watch" status due to organizational concerns

SSgA Upromise 529 Program

- 93% of funds in the SSgA Upromise Program have either a Positive or Acceptable status
- Fund status changes:
 - No funds improved during the quarter
 - 1 fund deteriorated during the quarter (SPDR FTSE Intl Infl-Prtd Bond)

SUMMARY OF FUND PERFORMANCE STATUS

Program	Total Funds [^]	Positive	Acceptable	Caution	Watch ^{**}
USAA 529 Plan					
Number of Funds	11	4	1	--	6
Percentage	100%	36%	9%	0%	55%
Fund Status ↑	3	3	--	--	--
Fund Status ↓	--	--	--	--	--
US Equity Funds	5	--	--	--	5
Intl Equity Funds	2	1	--	--	1
Fixed Income Funds	4	3	1	--	--
Other Funds*	--	--	--	--	--
Putnam 529 for America					
Number of Funds	16	5	7	2	2
Percentage	100%	31%	43%	13%	13%
Fund Status ↑	--	--	--	--	--
Fund Status ↓	1	--	1	--	--
US Equity Funds	5	3	1	--	1
Intl Equity Funds	1	1	--	--	--
Fixed Income Funds	4	1	3	--	--
Other Funds*	6	--	3	2	1

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

*Includes Balanced, AR, Commodities, REITs, and MLPs

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

USAA 529 Program

- 45% of funds in the USAA Program have either a Positive or Acceptable status
- Fund status changes:
 - 3 funds improved during the quarter (International, Income, Intermediate-Term Bond)
 - No funds deteriorated during the quarter

Putnam 529 Program

- 74% of funds in the Putnam Program have either a Positive or Acceptable status
- Fund status changes:
 - No funds improved during the quarter
 - 1 fund deteriorated during the quarter (Putnam Income)

SUMMARY OF FUND PERFORMANCE STATUS

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

[^]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" statuszzzzzz

Wealthfront 529 Program

- 100% of funds in the Wealthfront Program have either a Positive or Acceptable status
- Fund status changes:
 - 1 fund improved during the quarter (Vanguard FTSE Developed Markets)
 - No funds deteriorated during the quarter

SECTION 2

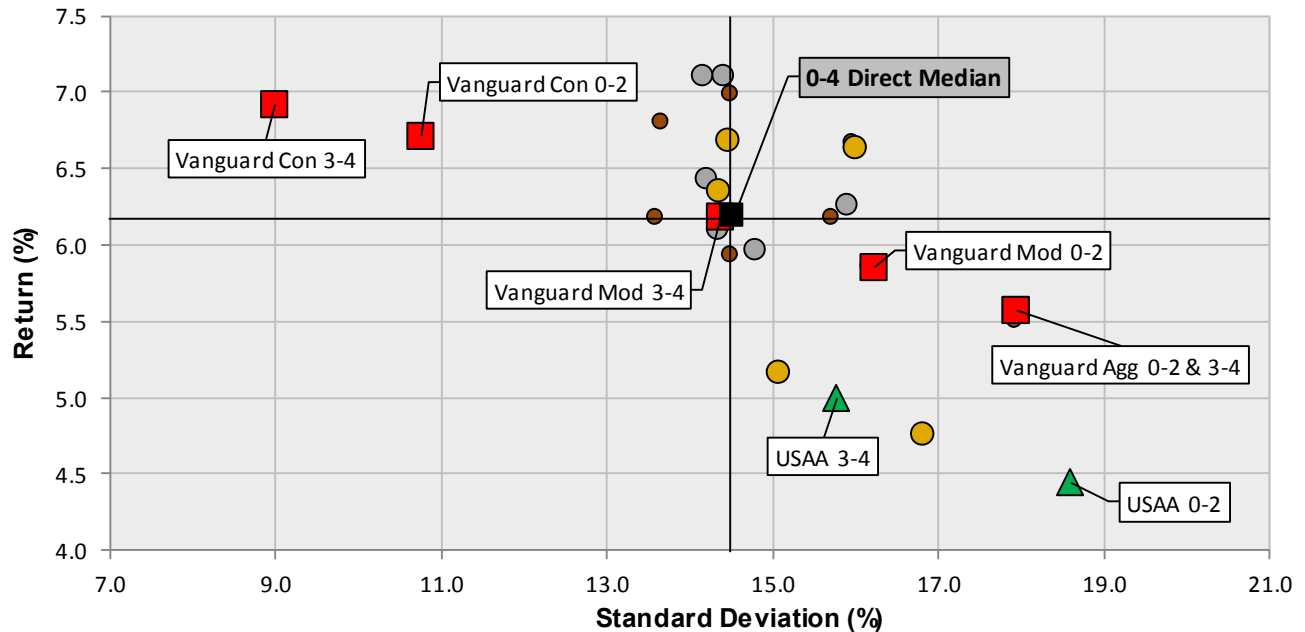
AGE-BASED RISK / RETURN CHARTS

AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

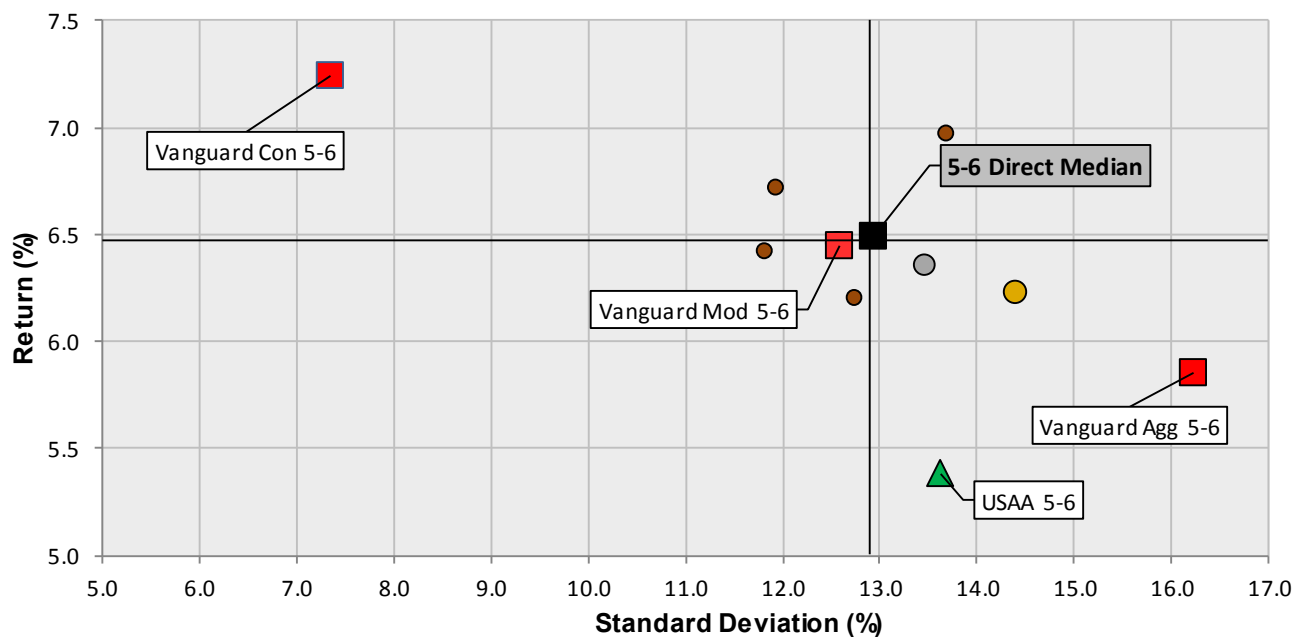
Age 0-4

1-year (as of June 30, 2019)



Age 5-6

1-year (as of June 30, 2019)



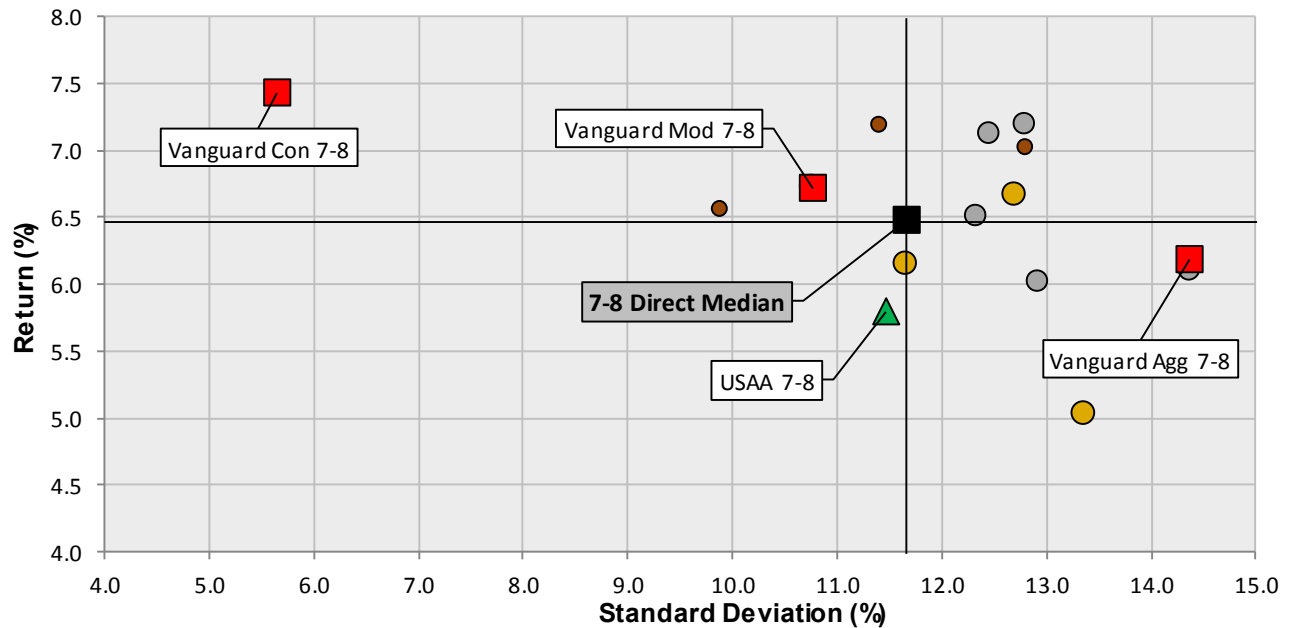
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

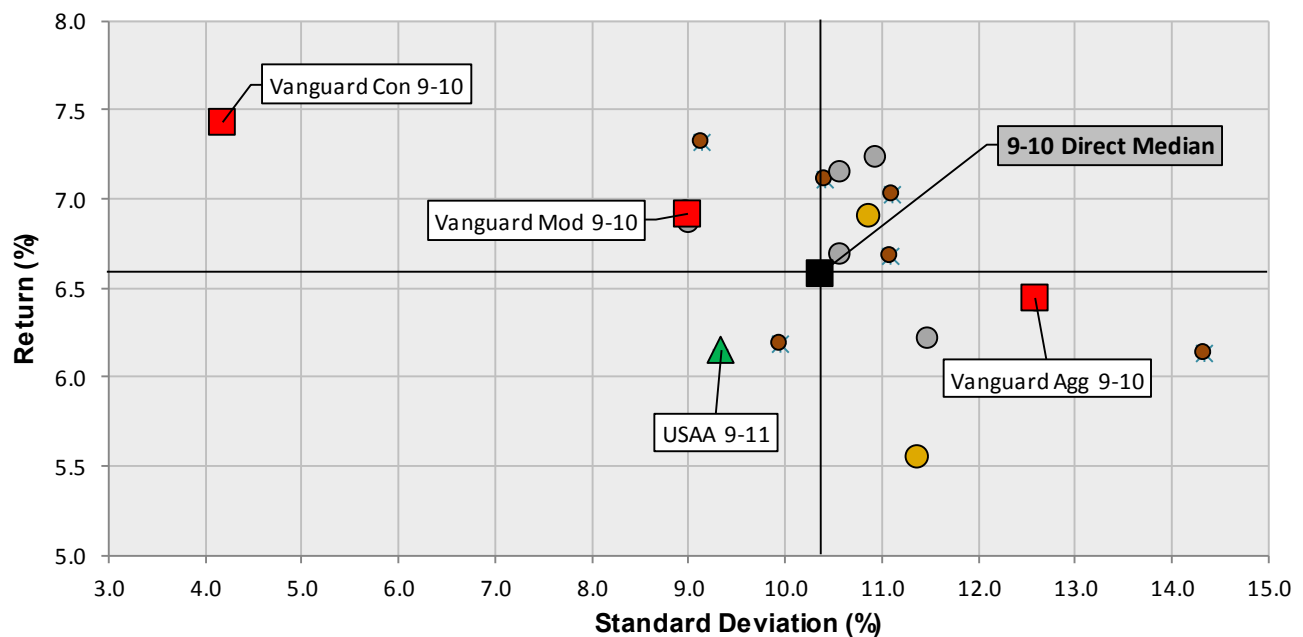
Age 7-8

1-year (as of June 30, 2019)



Age 9-10

1-year (as of June 30, 2019)



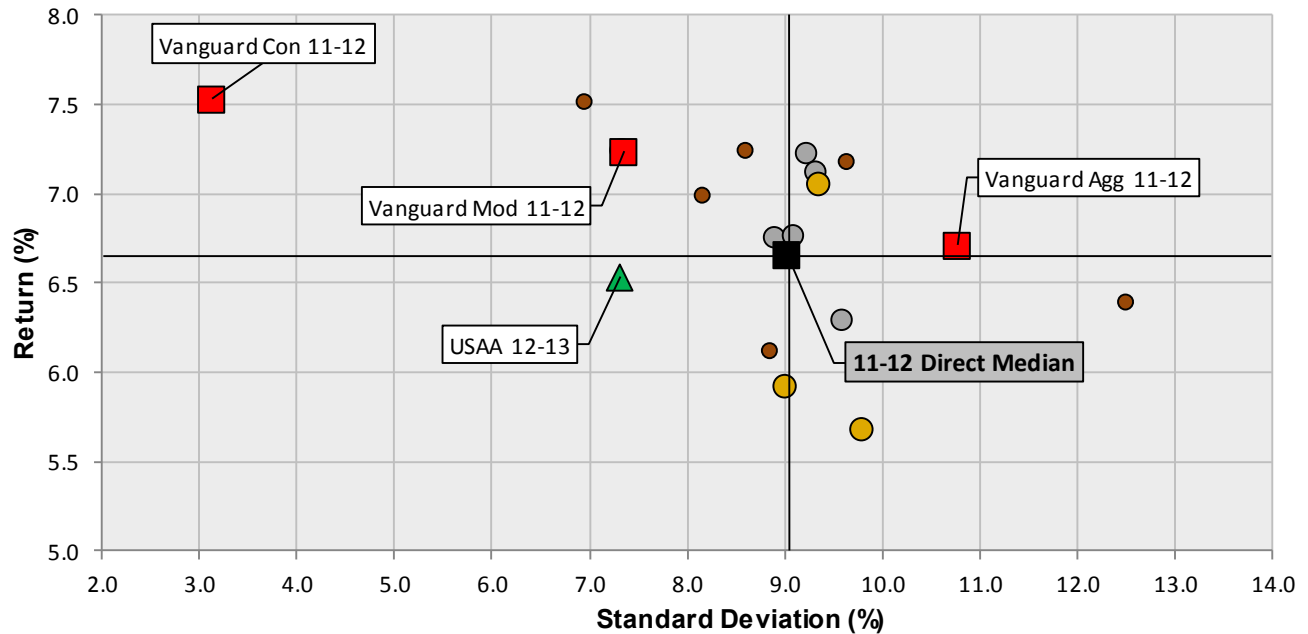
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AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

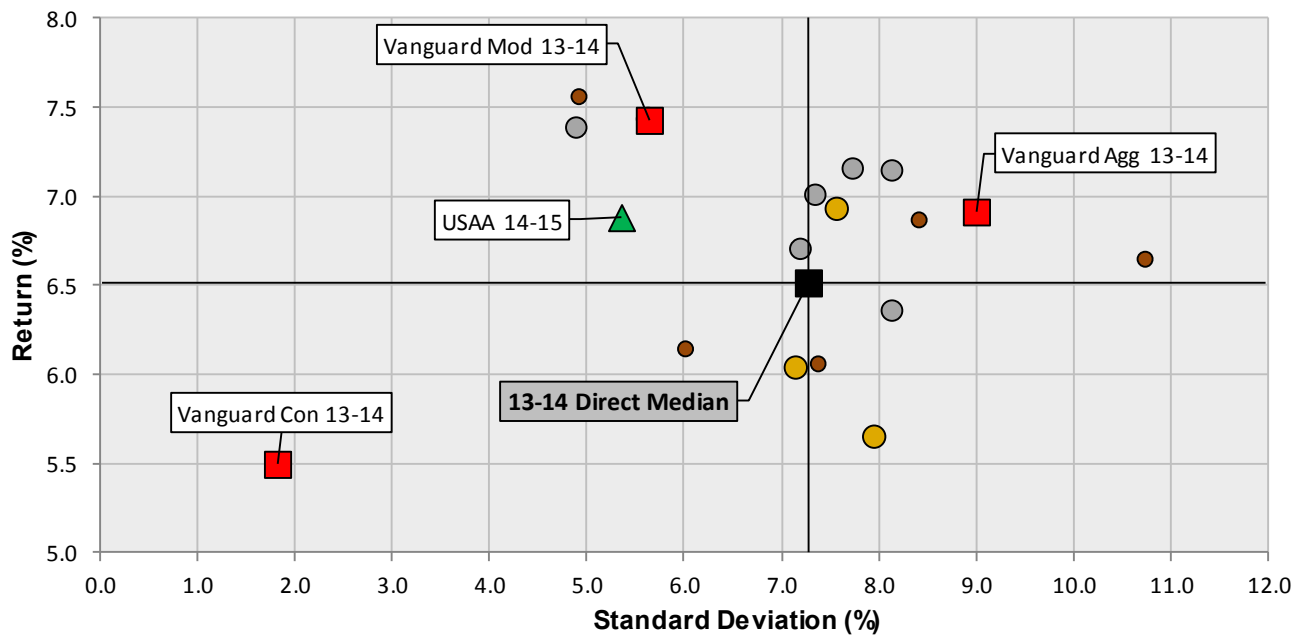
Age 11-12

1-year (as of June 30, 2019)



Age 13-14

1-year (as of June 30, 2019)



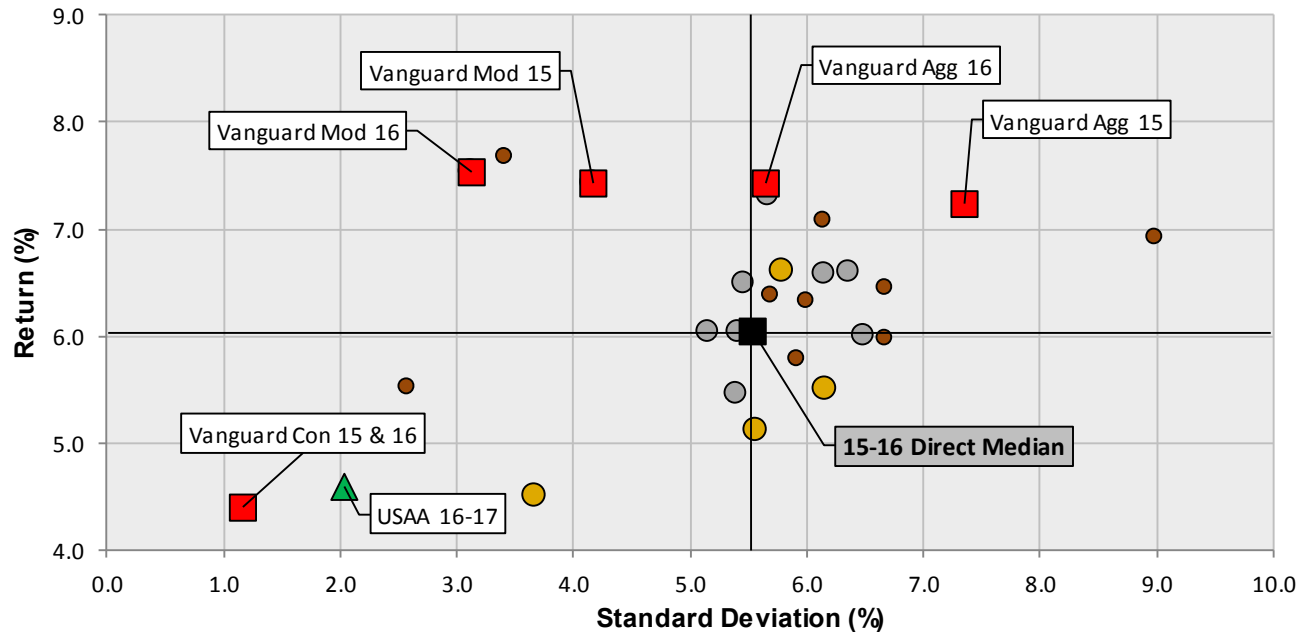
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AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

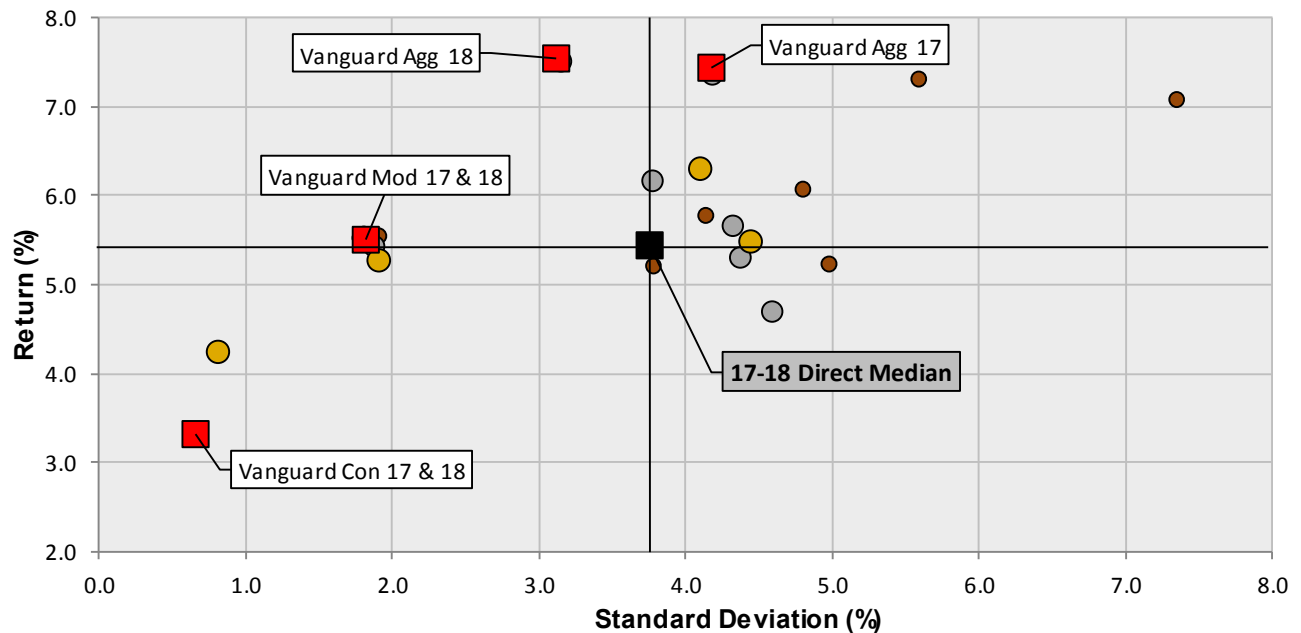
Age 15-16

1-year (as of June 30, 2019)



Age 17-18

1-year (as of June 30, 2019)



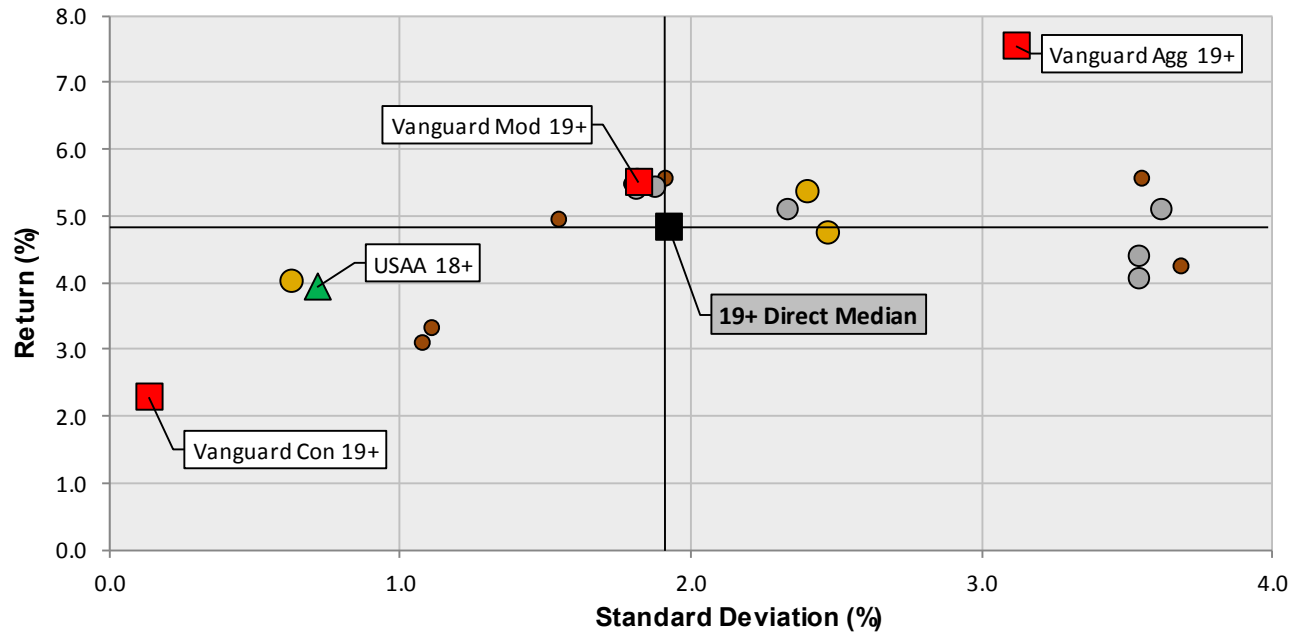
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

Age 19+

1-year (as of June 30, 2019)



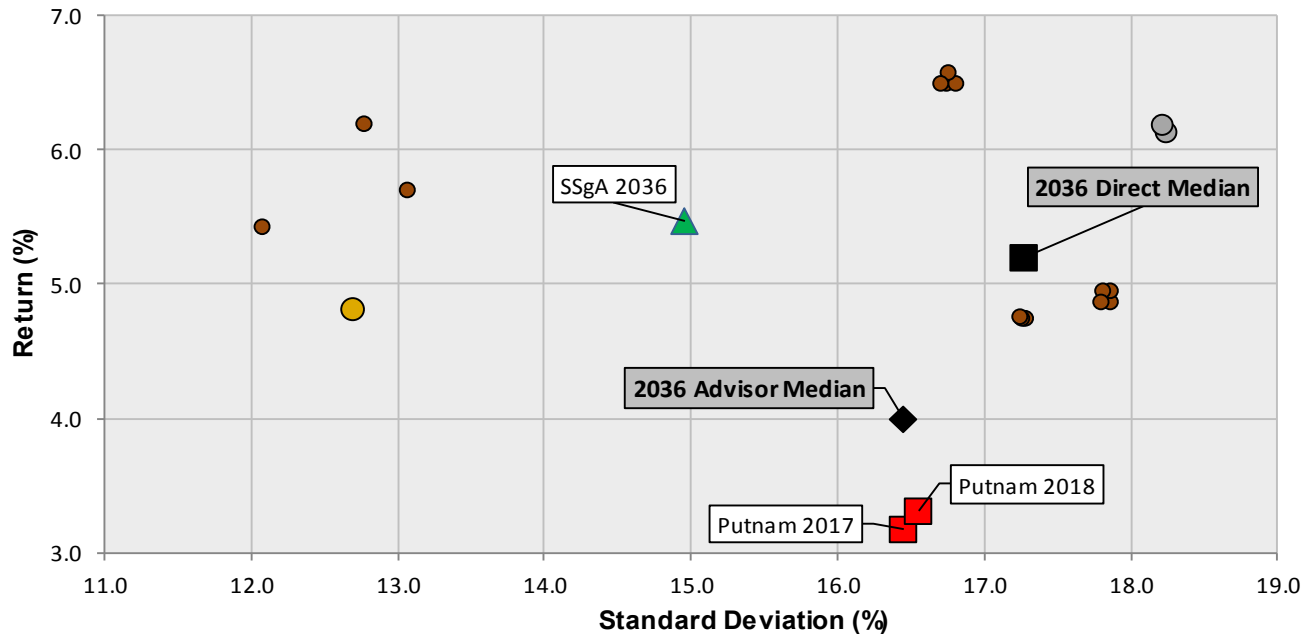
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ENROLLMENT-DATE RISK / RETURN CHARTS

Direct & Advisor-Sold Programs

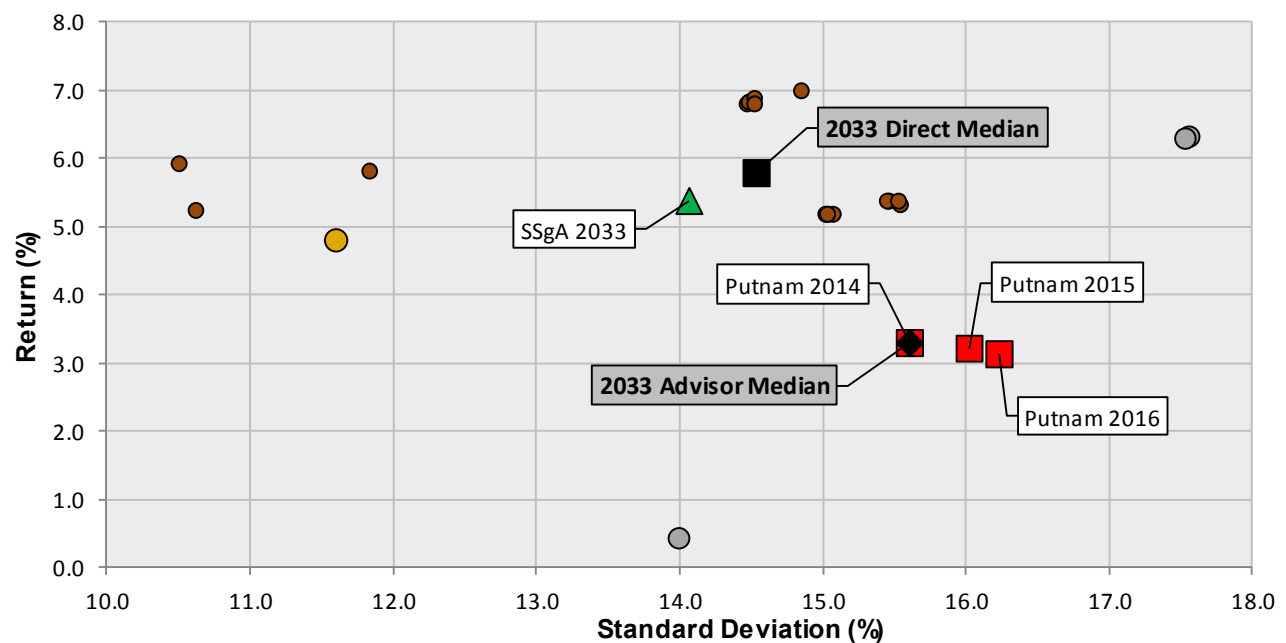
Year 2036

1-year (as of June 30, 2019)



Year 2033

1-year (as of June 30, 2019)



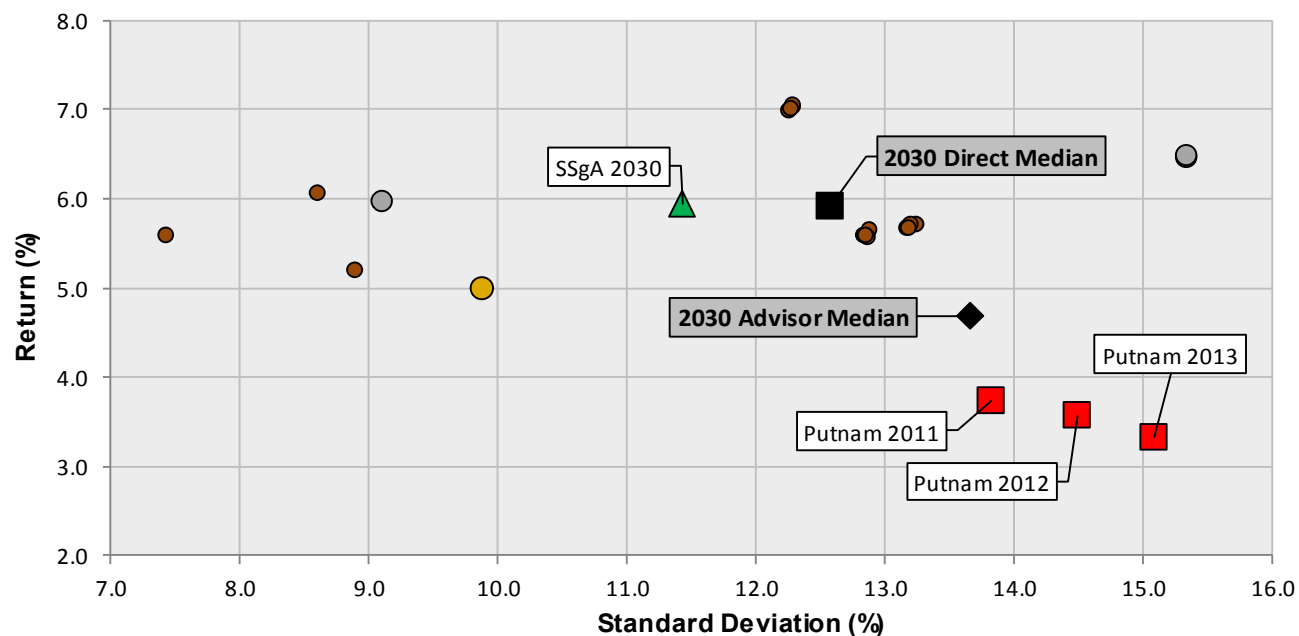
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ENROLLMENT-DATE RISK / RETURN CHARTS

Direct & Advisor-Sold Programs

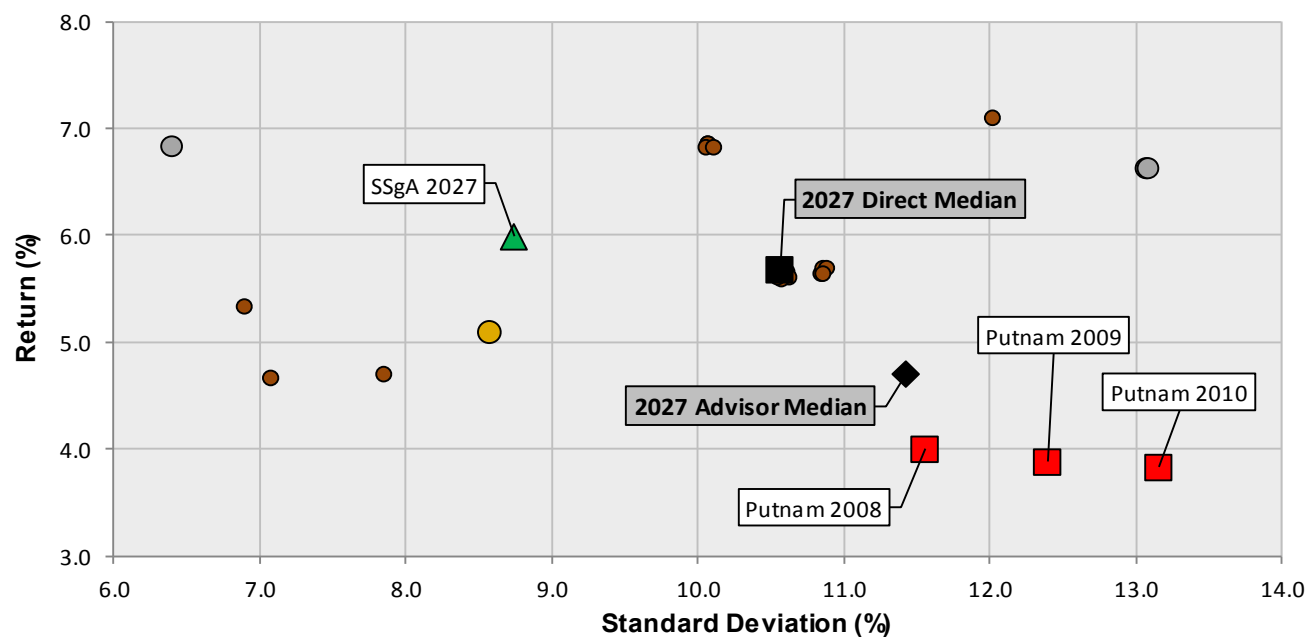
Year 2030

1-year (as of June 30, 2019)



Year 2027

1-year (as of June 30, 2019)



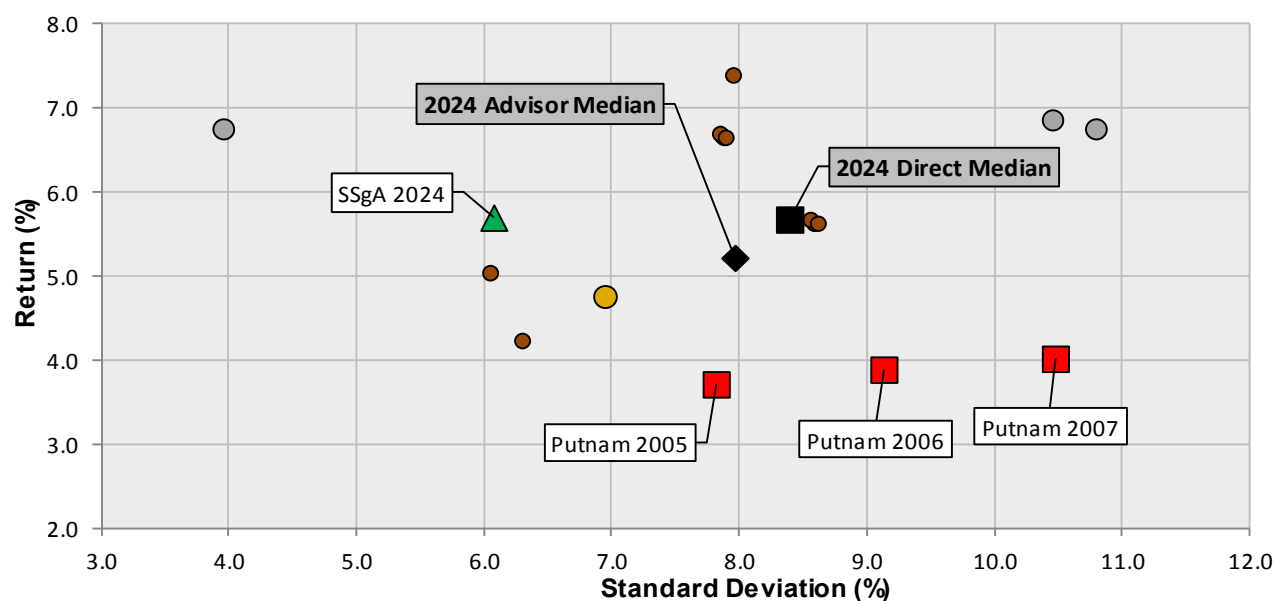
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ENROLLMENT-DATE RISK / RETURN CHARTS

Direct & Advisor-Sold Programs

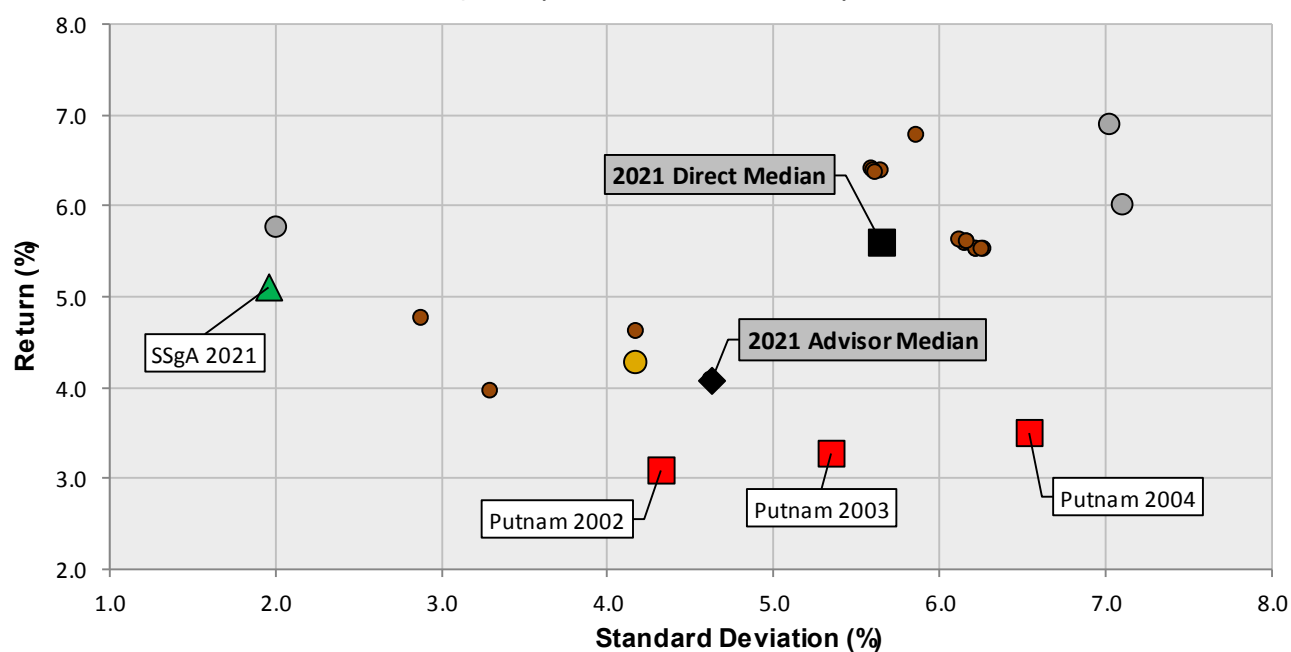
Year 2024

1-year (as of June 30, 2019)



Year 2021

1-year (as of June 30, 2019)



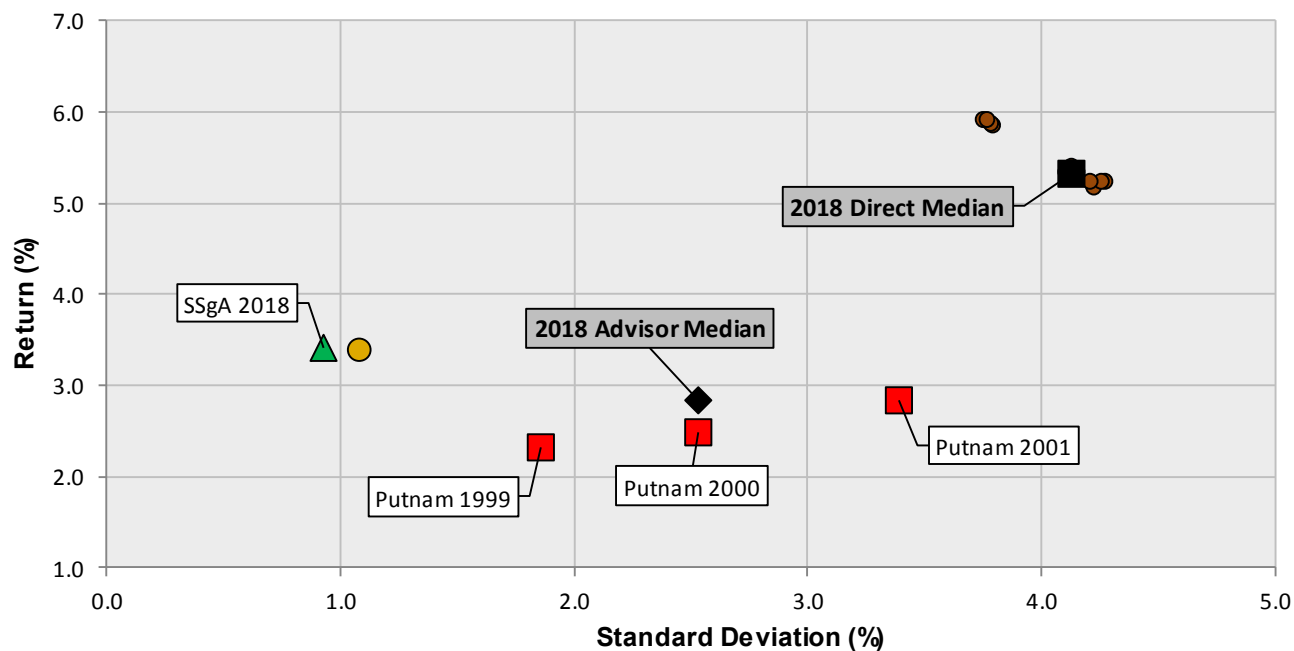
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ENROLLMENT-DATE RISK / RETURN CHARTS

Direct & Advisor-Sold Programs

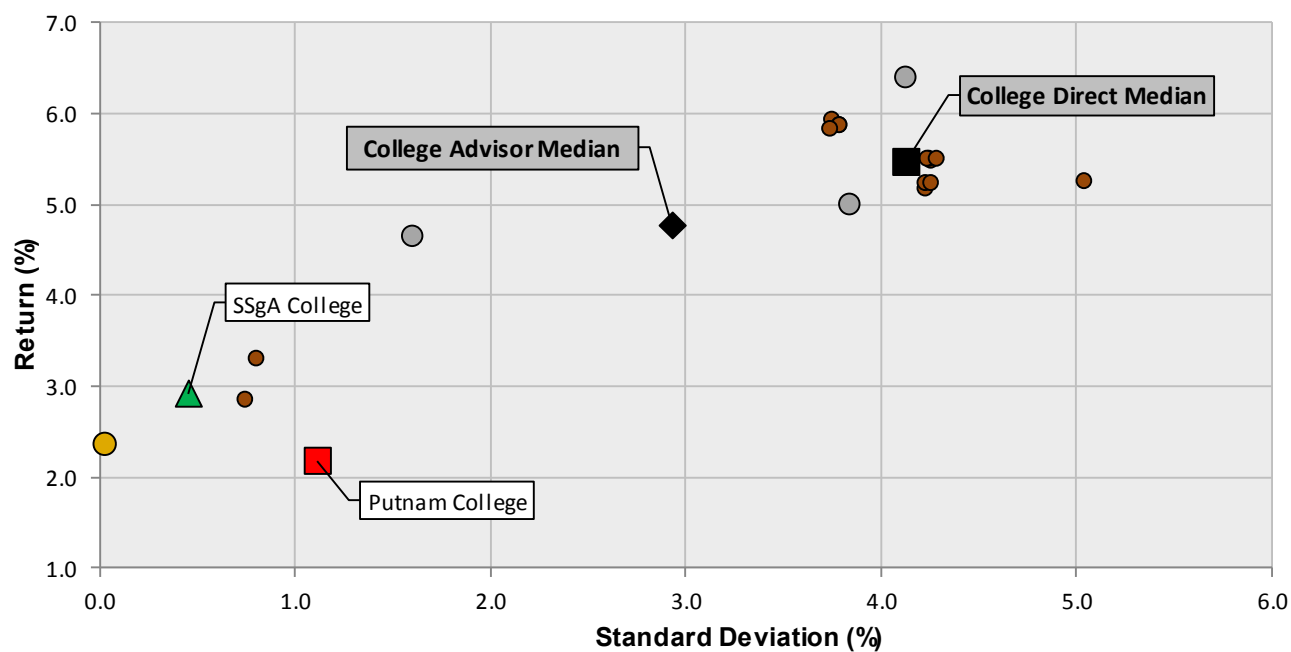
Year 2018

1-year (as of June 30, 2019)



College

1-year (as of June 30, 2019)



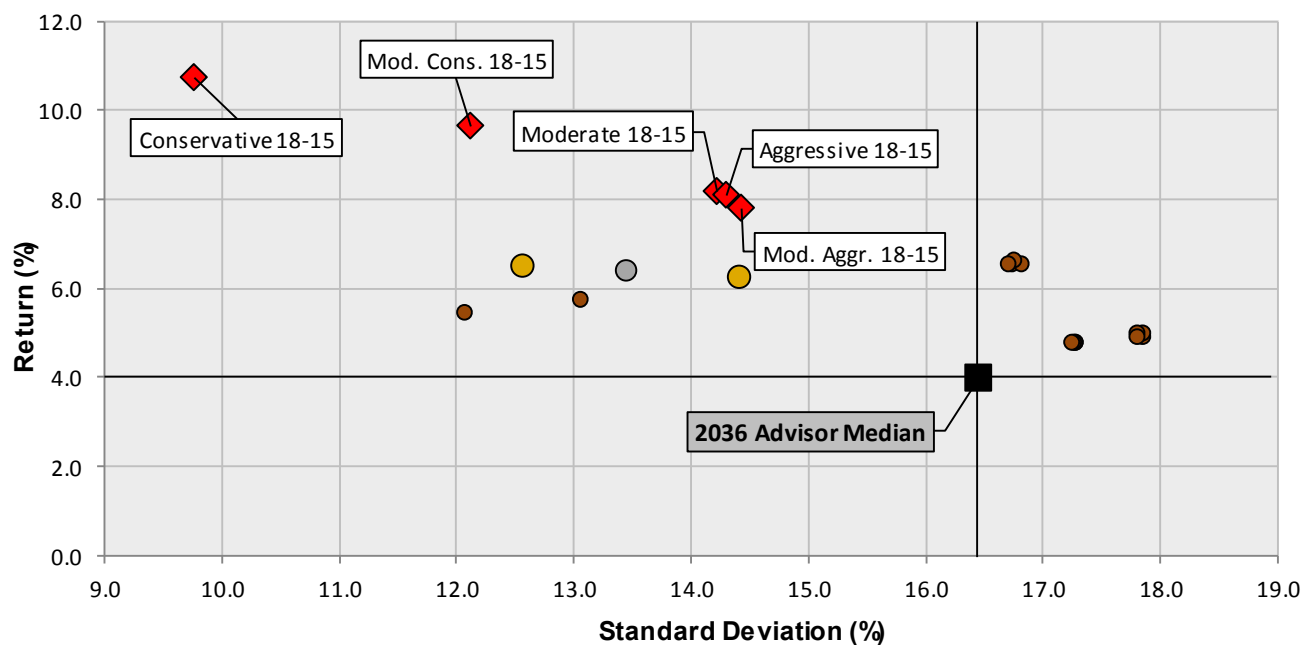
Source: MorningStar

ENROLLMENT-BASED RISK / RETURN CHARTS

Wealthfront Consolidated Portfolios*

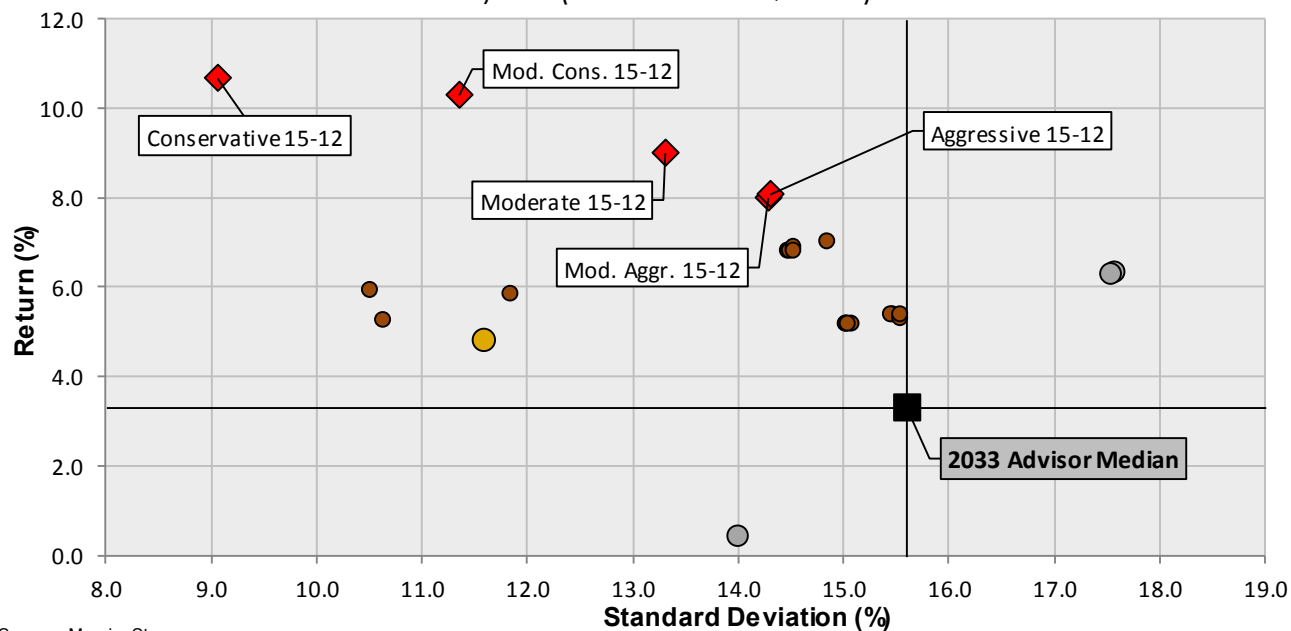
Year 2036

1-year (as of June 30, 2019)



Year 2033

1-year (as of June 30, 2019)



Source: MorningStar

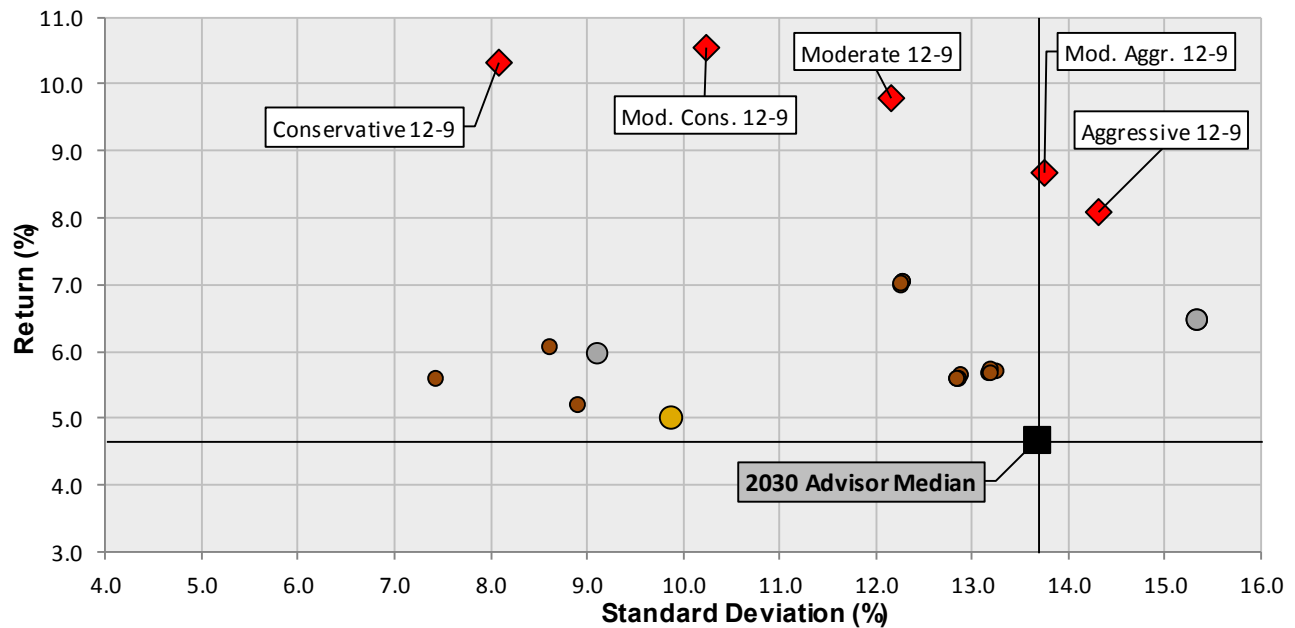
* Performance estimated using Wealthfront glide path allocations to underlying funds

ENROLLMENT-BASED RISK / RETURN CHARTS

Wealthfront Consolidated Portfolios*

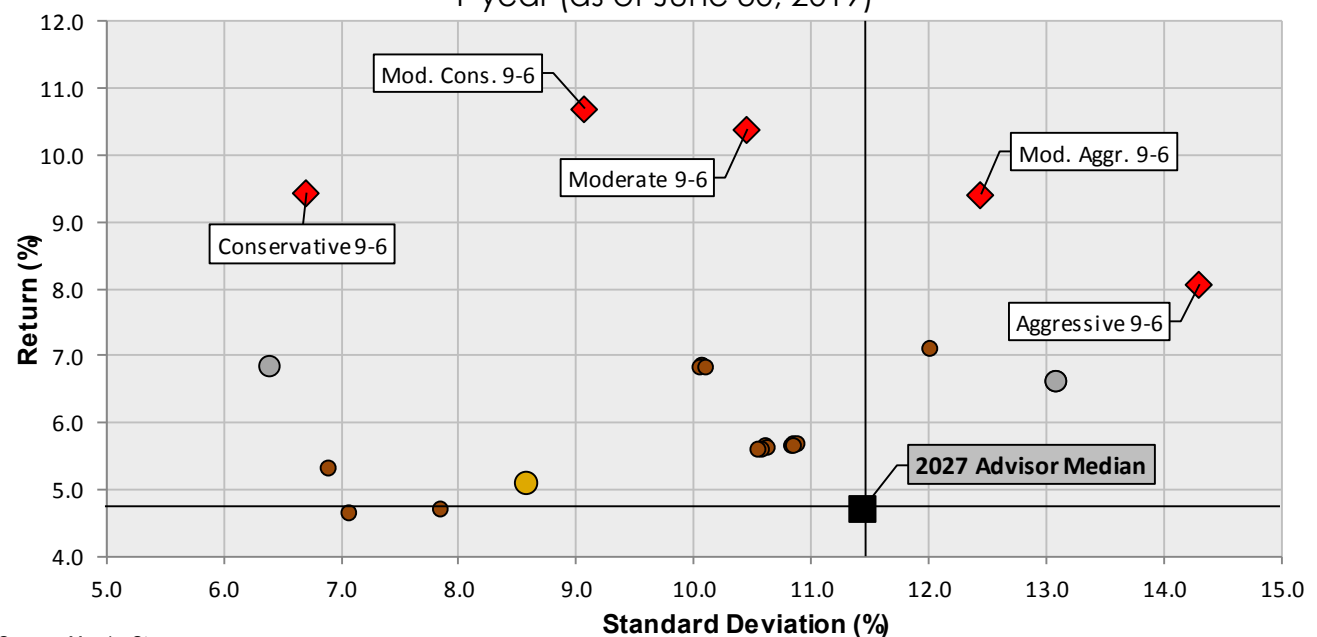
Year 2030

1-year (as of June 30, 2019)



Year 2027

1-year (as of June 30, 2019)



Source: MorningStar

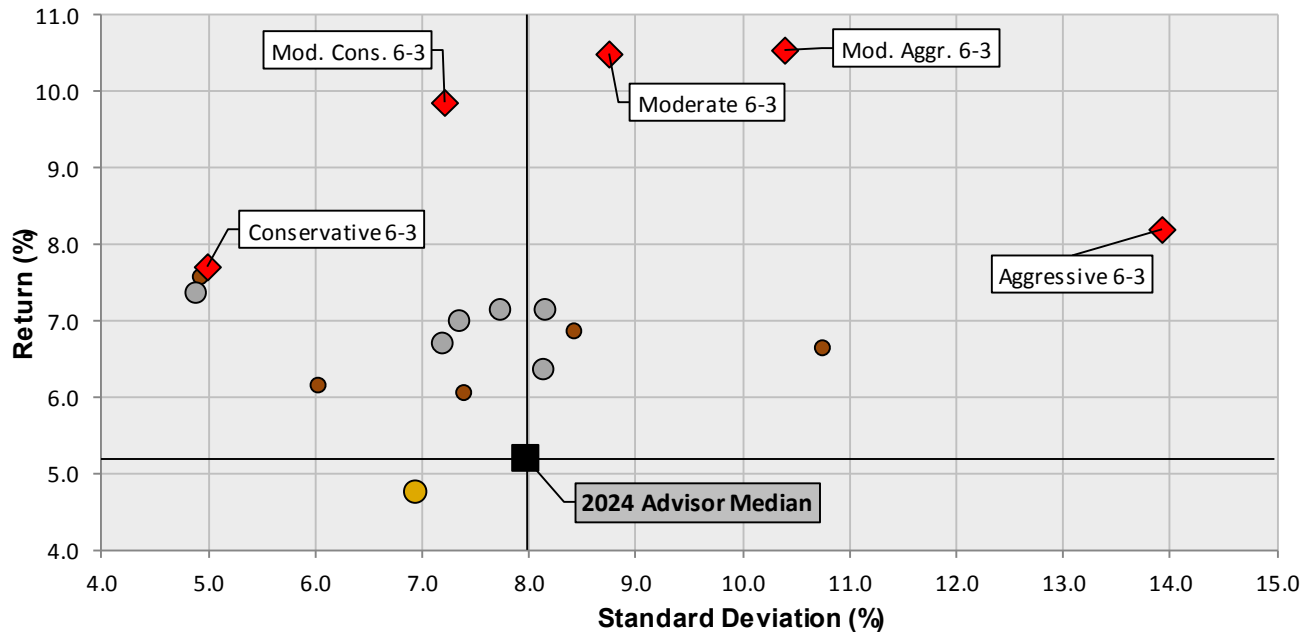
* Performance estimated using Wealthfront glide path allocations to underlying funds

ENROLLMENT-BASED RISK / RETURN CHARTS

Wealthfront Consolidated Portfolios*

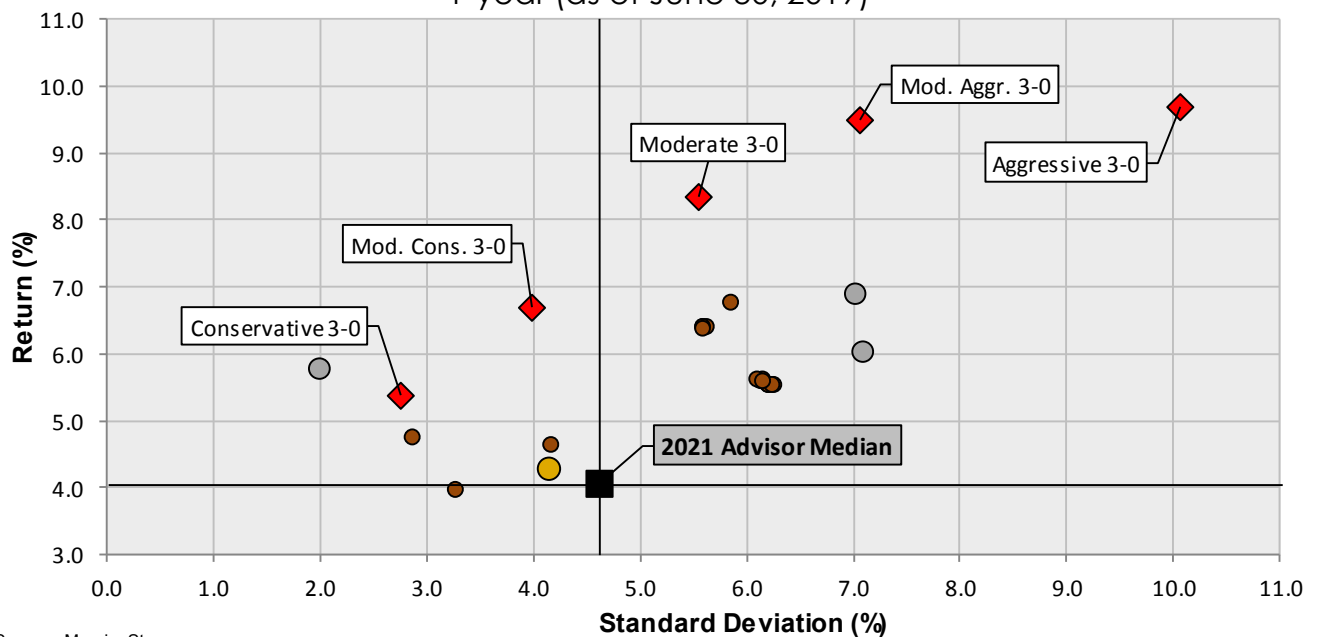
Year 2024

1-year (as of June 30, 2019)



Year 2021

1-year (as of June 30, 2019)



Source: MorningStar

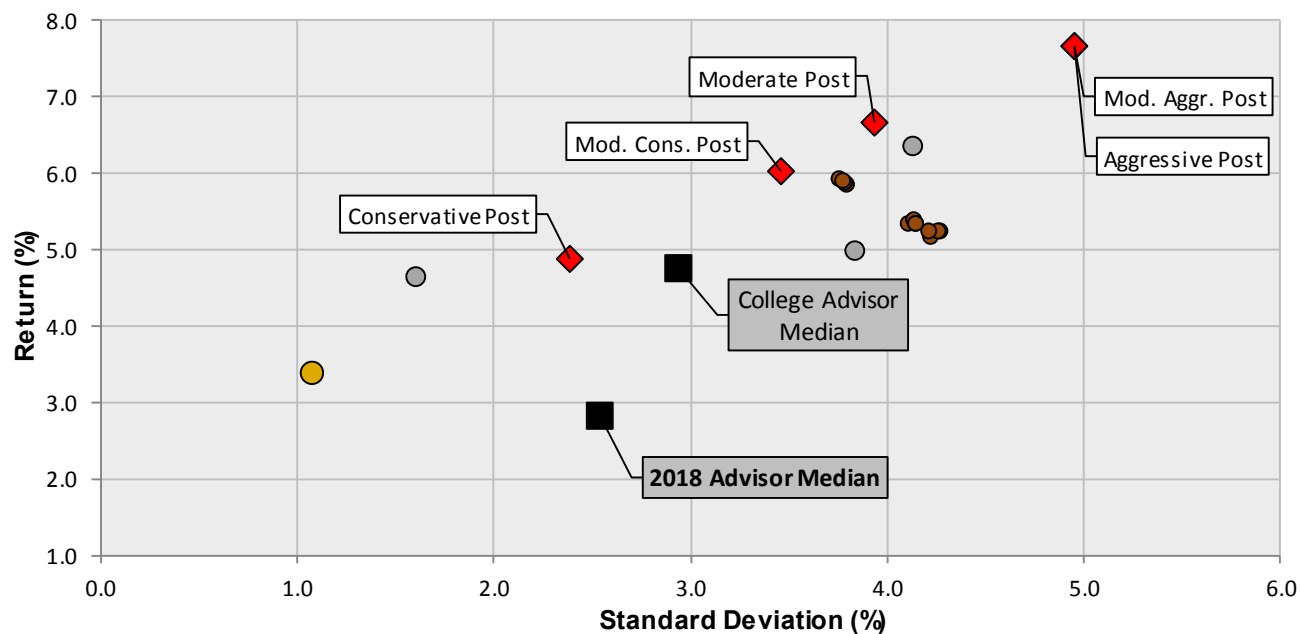
* Performance estimated using Wealthfront glide path allocations to underlying funds

ENROLLMENT-BASED RISK / RETURN CHARTS

Wealthfront Consolidated Portfolios*

Year 2018 & College

1-year (as of June 30, 2019)



Source: MorningStar

* Performance estimated using Wealthfront glide path allocations to underlying funds

Disclosures

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 9 September 19, 2019

Item: Board review and consideration of an amended Funding Policy guideline for pricing of future Prepaid Tuition contracts which delegates the Funding Policy guideline oversight to Staff.

Background:

In September 2017, the Board approved a Prepaid Tuition Funding Policy guideline. The Funding Policy guideline (Policy guideline) enables the Board to demonstrate transparency and stability of the Prepaid Tuition trust fund and ensure a balance between contract pricing and funded ratios.

The objective of the Policy Guideline is to maintain trust assets in excess of the liability (liability equals 100%) based on the funding target (percentage over 100% as determined by the Board). This allows the pricing of future contracts to reflect future tuition costs while also considering an appropriate risk premium (margin). The risk premium is an amount that is added to the price of the contracts in excess of the price developed from the actuarial valuation assumptions. The Policy guideline provides a framework to allow staff and GRS to price the contracts in accordance with the funded ratio target. The Board has set the excess liability or funded ratio target at 120%; therefore, the risk premium is increased or decreased based on this target ratio as outlined in the Policy Guideline.

During the September 2017 meeting, the Board agreed to formally review the Policy Guideline every two years. The primary reason for the formal review was the Board was uncertain how a formulaic methodology would affect its ability to set future contract pricing given

the need to balance keeping the program affordable while managing risk, given that the Trust Fund is not backed by the full faith and credit of the State of Nevada

Recommendation:

Staff is requesting the Board delegate the oversight of the Policy guideline to staff rather than continue the formal Board review. Staff and GRS will approve the annual actuarial assumptions (e.g. inflationary rate, investment return, tuition rates) and use these assumptions and the Policy guideline to set future contract prices. The contract prices will continue to be approved annually by the Board. The pricing methodology outlined in the Policy guideline has created a transparent framework which allows staff and GRS to price future contracts using a consistent, formulaic methodology. The calculation reflects future expected costs while considering the appropriate risk premium which ensures contract prices aren't too high or too low from year to year. Prior to the adoption of the Policy guideline, the future contract prices did not consider the funded ratio target and therefore, were higher than the Board thought was appropriate. Please see attached the redlined Funding Policy guideline for the Board's consideration.

Tara Hagan, Chief Deputy will present this agenda item.

Fiscal Impact: None by this action.

Staff recommendation motion:

Move to approve an amended Funding Policy Guideline for Nevada Prepaid Tuition future contract pricing which includes delegating the Funding Policy guideline oversight to staff.

Nevada Prepaid Tuition Program Funding Policy Guideline

Introduction

The purpose of this Funding Policy Guideline is to document the funding objectives and targets set by the Board of Trustees (Board) for the Nevada Prepaid Tuition Program (Program). The Board establishes this Funding Policy Guideline to:

- 1) Ensure that the trust will have sufficient funds to pay tuition benefits when due.
- 2) Provide guidance with respect to establishing appropriate risk reserves for pricing of future contracts recognizing that the Prepaid Tuition Trust Fund is not backed by the full faith and credit of the State of Nevada.

Funding Goals

1. The objective is to maintain assets in excess of the liability based on the funding target.
2. The pricing of future contracts will be reflective of (1) future expected costs for each participant purchasing a new contract and (2) an explicit risk premium (also referred to as a margin for adverse experience).

Funding Target

1. The Board has established a funding target of actuarial value of assets equal to 120% of actuarial liability for the Program.
2. In 2016, the Board adopted an explicit risk premium for pricing new contracts of 6% for universities (4-year institutions) and 1% for community colleges (2-year institutions). Staff and GRS use these adopted rates to set future explicit and implicit risk premiums in accordance with this policy.

Board Actions if Funded Ratio Falls Below Target

1. In any year that the funded ratio falls below the 120% funded target (based on the most recent valuation), but is within 200 basis points, then the explicit risk premium for new contracts will be increased by 2% (200 basis points) for 4-year institutions and 1% (100 basis point) for 2-year institutions.
2. If the funded ratio is below the 120% funding target by at least 200 basis points but less than 1,000 basis points, then the explicit risk premium for new contracts will be increased by 4% (400 basis points) for 4-year institutions and 2% (200 basis points) for 2-year institutions.
3. If the funded ratio is below the funding target by at least 1,000 basis points, then the implicit risk premium will be increased by 6% (600 basis points) for 4-year and 3% (300 basis points) for 2-year institutions.
4. The increase in the risk premium may be smoothed over a period of years if the Board determines the year to year pricing increase is too large.

Board Actions if Funded Ratio Exceeds Target

1. In any year that the funded ratio exceeds the 120% funded target (based on the most recent valuation), but is within 200 basis points, then the explicit risk premium for new contracts will be decreased by 2% (200 basis points) for 4-year institutions and 1% (100 basis point) for 2-year institutions.
2. If the funded ratio exceeds the 120% funding target by at least 200 basis points but less than 1,000 basis points, then the explicit risk premium for new contracts will be decreased by 4% (400 basis points) for 4-year institutions and 2% (200 basis points) for 2-year institutions.
3. If the funded ratio exceeds the funding target by at least 1,000 basis points, then the implicit risk premium will be decreased by 6% (600 basis points) for 4-year and 3% (300 basis points) for 2-year institutions.
4. If the stated decrease in the explicit risk premium is larger than the current explicit risk premium, then the implicit risk premium may be reduced.
5. The prior year's pricing will be considered a floor for the current year on a lump sum basis.

Other Considerations

Staff may at its discretion, based on current economic conditions, delay or accelerate changes in the risk premiums. Consider the following examples:

- If the funded status exceeds the Board's target and current economic conditions suggest that the current investment return of the fund will be less than assumed by a substantial amount, Staff may delay a reduction in the risk premium.
- If the funded status trails the Board's target and current economic conditions suggest that the current investment return of the fund will be greater than assumed by a substantial amount, Staff may delay an increase in the risk premium.

Board Delegation of Funding Guideline

The Board has delegated the review of the Funding Guideline to Staff. Staff will set contract prices in accordance with the policy and may amend, as necessary the Funding Policy Guideline. Amendments may occur due to tuition rates, economic factors, funded status and annual actuarial assumptions. However, should the Program's funded ratio change +/- 10%; Staff will bring forth material amendments to the Board for its review and approval prior to pricing future contracts. The funded ratio is presented to the Board annually on or around October with the Program's Actuarial Valuation Report.

Measurement of Funding Target

The Board will measure the funding target in an annual actuarial valuation. The target will be the funding status, determined as follows:

- The funded status will be a fraction;
- Whose numerator is the actuarial value of assets plus the present value of future contract payments for contracts already sold as of the valuation date; and
- The denominator will be the present value of future expected tuition payments and expenses.

Present values and expected payments will be based on the actuarial assumptions adopted by the Board for purposes of the annual actuarial valuation.

For this purpose, the actuarial value of assets will be a market related value that recognizes investment return above or below the assumed investment return over a 5-year period. In no event will the actuarial value of assets be less than 80% of market value or more than 120% of market value.

Review of Actuarial Assumptions and Methods

1. Staff will review the tuition increase assumption annually based on readily available market information and tuition price increases as set by the Nevada System of Higher Education.
2. Staff will review the assumed rate(s) of investment return annually based on readily available capital market information and the Board's investment policy.
3. Staff will review all actuarial assumptions used in the annual actuarial valuation every year.

Glossary

1. **Actuarial Liability (AL):** The actuarial present value of future expected tuition plan benefits and expenses.
2. **Actuarial Assumptions:** Estimates of future plan experience with respect to utilization of credits, rates of refunds, elections and timing of tuition payments. Decrement assumptions (rates of utilization, refunds, etc.) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (tuition increases and investment rate of return) consist of a long-term average rate of inflation plus real return above inflation on invested assets, and tuition increase expectations above inflation.
3. **Actuarial Value of Assets:** The value of current plan assets recognized for valuation purposes (may be based on a phased-in recognition of all or a portion of market related investment return) plus the present value of future contract payments for contract already initiated as of the valuation date. Sometimes referred to as Funding Value of Assets.
4. **Market Value of Assets:** The fair value of plan assets as reported in the plan's audited financial statements.
5. **Unfunded Actuarial Liability (UAL):** The positive difference, if any, between the actuarial liability and valuation assets. Sometimes referred to as "unfunded accrued liability."

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 10 **September 19, 2019**

Item: 2020 Prepaid Tuition Program Contact Pricing, Enrollment Period and Program Fees

Summary:

Under NAC 353B.200 the Board will establish future contract prices, program open enrollment dates and certain program fees annually. Therefore, staff is recommending board review and approval of the following items:

- a. Contract Pricing – Request approval of the attached 2020 contract prices which aligns to the Funding Policy guideline.
- b. Open Enrollment – Staff is proposing open enrollment dates for 2020 to be November 1, 2019 through March 31, 2020. These dates are consistent with the program open enrollment dates observed over the past several years.
- c. Program Fees – Staff is not recommending any changes to existing program fees as noted in the attached, detailed fee document.

Fiscal Impact: None by this action.

Sheila Salehian, Deputy Treasurer, will be available to discuss historical information regarding the program enrollment dates, or data elements and Tara Hagan, Chief Deputy can answer any questions regarding the proposed contract pricing.

Staff recommended motion:

To accept and approve the 2020 Nevada Prepaid Tuition Open Enrollment Dates, Program Fees, and Contract Pricing as outlined in the attached pricing and fee schedules for contract sales.

Nevada Prepaid Tuition Program

Pricing Report for 2020 Open Enrollment Year



September 9, 2019

Board of Trustees of the
College Savings Plans of Nevada
Office of the State Treasurer
555 E. Washington Avenue, Suite 4600
Las Vegas, Nevada 89101

Attention: Ms. Sheila A. Salehian, Deputy Treasurer

Re: Nevada Prepaid Tuition Program Pricing Report for the 2020 Open Enrollment Year

Dear Trustees:

Gabriel, Roeder, Smith & Company ("GRS") has performed the pricing for the Nevada Prepaid Tuition Program ("the Program") for fiscal year 2020. The purpose of this report is to set the Program's pricing for future contracts for the 2020 open enrollment year. This report replaces our report dated August 22, 2019. The numerical results are unchanged from that report.

This report presents:

- A calculation of the future pricing for new contracts in the Nevada Prepaid Tuition Program during the 2020 open enrollment year.

This report was prepared at the request of the State Treasurer's Staff and is intended for use by the Program's Board. This report may be provided to parties other than the Program's Board only in its entirety. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The pricing results set forth in this report are based upon data and other information furnished by the Program, concerning plan benefits, Board's funding policy, and current tuition and enrollment information of Nevada Colleges and Universities. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Program.

There are currently no Actuarial Standards of Practice that specifically refer to prepaid tuition plans. We have followed the guidance from the Actuarial Standards of Practice on pensions due to its similar nature.

The major actuarial assumptions used in this analysis were adopted by and are the responsibility of the Program and the Program's Board. GRS performed a detailed experience study covering the Program's non-economic experience from July 1, 2012 through June 30, 2017. Updated assumptions were adopted by the Board in conjunction with the study. Economic assumptions are reviewed annually. The latest review is contained in our letter dated June 7, 2019. We understand the Program has adopted the proposed assumptions from that letter for use in the 2020 open enrollment pricing and June 30, 2019 actuarial valuation reports. We believe these assumptions are within a reasonable range and are in compliance with actuarial standards regarding pension calculations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in Program provisions or applicable law.

We believe that the actuarial methods used in this report are reasonable and appropriate for the purpose for which they have been used. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

This report is not a recommendation to anyone to participate in Nevada Prepaid Tuition Program. GRS makes no representations or warranties to any person participating in or considering participation in the Program.

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial pricing of the Nevada Prepaid Tuition Program contracts for the 2020 open enrollment year based on the Board's funding policy and administrative rules.

James R. Sparks is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing individuals are independent of the program sponsor.

Respectfully submitted,



Kenneth G. Alberts



James R. Sparks, ASA, MAAA

KGA/JRS:dj



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Adopted Pricing Assumptions.....	B-1

SECTION A

PRICING

2020 Open Enrollment Year – Four-Year University Cost

2019/2020 Tuition per credit hour		\$	233.00								
2019/2020 Tuition for 30 credit hours		\$	6,990.00								
Investment Return Assumption			5.25%								
Explicit Margin			0.00%								
Average Total Margin			4.88%								
4-Year Purchase Costs											
		Projected	Spot-Rate			Raw Cost					
	Tuition	Tuition per	Interest	Discounted	Grade/Age at	for 120	2019/2020				Year to
Year	Increase	Credit Hour	Rates^	Tuition*	Purchase	Credit	Proposed	Estimated	2018/2019		Year
						Hours	Price	Margin	Price		Increase
0		\$ 233.00									
1	4.00%	242.32									
2	2.80%	249.10									
3	2.80%	256.08									
4	4.50%	267.60	5.25%	\$ 213.49							
5	4.50%	279.65	5.25%	211.96							
6	4.50%	292.23	5.25%	210.45							
7	4.50%	305.38	5.25%	208.95							
8	4.50%	319.12	5.25%	207.47	9th Grade	25,229	25,587	1.42%	25,587	0.0%	
9	4.50%	333.48	5.25%	205.99	8th Grade	25,049	25,526	1.90%	25,526	0.0%	
10	4.50%	348.49	5.25%	204.52	7th Grade	24,871	25,465	2.39%	25,465	0.0%	
11	4.50%	364.17	5.25%	203.06	6th Grade	24,694	25,405	2.88%	25,405	0.0%	
12	4.50%	380.56	5.25%	201.61	5th Grade	24,518	25,344	3.37%	25,344	0.0%	
13	4.50%	397.68	5.25%	200.18	4th Grade	24,343	25,284	3.87%	25,284	0.0%	
14	4.50%	415.58	5.25%	198.75	3rd Grade	24,169	25,224	4.37%	25,224	0.0%	
15	4.50%	434.28	5.25%	197.34	2nd Grade	23,997	25,164	4.86%	25,164	0.0%	
16	4.50%	453.82	5.25%	195.93	1st Grade	23,826	25,104	5.36%	25,104	0.0%	
17	4.50%	474.25	5.25%	194.53	Kindergarten	23,656	25,044	5.87%	25,044	0.0%	
18	4.50%	495.59	5.25%	193.15	Age 4	23,488	24,984	6.37%	24,984	0.0%	
19	4.50%	517.89	5.25%	191.77	Age 3	23,321	24,925	6.88%	24,925	0.0%	
20	4.50%	541.19	5.25%	190.40	Age 2	23,154	24,865	7.39%	24,865	0.0%	
21	4.50%	565.55	5.25%	189.05	Age 1	22,989	24,806	7.90%	24,806	0.0%	
22	4.50%	591.00	5.25%	187.70	Newborn	22,826	24,747	8.42%	24,747	0.0%	
23	4.50%	617.59	5.25%	186.36							

* Discounting assumes half the tuition is payable 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

^ If the Spot-Rate Interest Rates are less than the Investment Return Assumption, an implicit margin is created.

Pricing includes utilization of credits assumption.

The 2018/2019 Price is a floor for the 2019/2020 Proposed Price.

2020 Open Enrollment Year – Two-Year University Cost

2019/2020 Tuition per credit hour		\$ 233.00								
2019/2020 Tuition for 30 credit hours		\$ 6,990.00								
Investment Return Assumption		5.25%								
Explicit Margin		0.00%								
Average Total Margin		4.68%								
2-Year Purchase Costs										
		Projected	Spot-Rate							
	Tuition	Tuition per	Interest	Discounted	Grade/Age at	Raw Cost	2019/2020			Year to
Year	Increase	Credit Hour	Rates^	Tuition*	Purchase	for 60	Proposed	Estimated	2018/2019	Year
						Credit	Price	Margin	Price	Increase
0		\$ 233.00				Hours				
1	4.00%	242.32								
2	2.80%	249.10								
3	2.80%	256.08								
4	4.50%	267.60	5.25%	\$ 213.49						
5	4.50%	279.65	5.25%	211.96						
6	4.50%	292.23	5.25%	210.45						
7	4.50%	305.38	5.25%	208.95						
8	4.50%	319.12	5.25%	207.47	9th Grade	12,651	12,806	1.23%	12,806	0.0%
9	4.50%	333.48	5.25%	205.99	8th Grade	12,560	12,775	1.71%	12,775	0.0%
10	4.50%	348.49	5.25%	204.52	7th Grade	12,471	12,745	2.20%	12,745	0.0%
11	4.50%	364.17	5.25%	203.06	6th Grade	12,382	12,714	2.68%	12,714	0.0%
12	4.50%	380.56	5.25%	201.61	5th Grade	12,294	12,684	3.17%	12,684	0.0%
13	4.50%	397.68	5.25%	200.18	4th Grade	12,206	12,654	3.67%	12,654	0.0%
14	4.50%	415.58	5.25%	198.75	3rd Grade	12,119	12,624	4.17%	12,624	0.0%
15	4.50%	434.28	5.25%	197.34	2nd Grade	12,033	12,594	4.66%	12,594	0.0%
16	4.50%	453.82	5.25%	195.93	1st Grade	11,947	12,564	5.16%	12,564	0.0%
17	4.50%	474.25	5.25%	194.53	Kindergarten	11,862	12,534	5.67%	12,534	0.0%
18	4.50%	495.59	5.25%	193.15	Age 4	11,777	12,504	6.17%	12,504	0.0%
19	4.50%	517.89	5.25%	191.77	Age 3	11,694	12,474	6.67%	12,474	0.0%
20	4.50%	541.19	5.25%	190.40	Age 2	11,610	12,445	7.19%	12,445	0.0%
21	4.50%	565.55	5.25%	189.05	Age 1	11,527	12,415	7.70%	12,415	0.0%
22	4.50%	591.00	5.25%	187.70	Newborn	11,445	12,385	8.21%	12,385	0.0%
23	4.50%	617.59	5.25%	186.36						

* Discounting assumes half the tuition is payable 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

^ If the Spot-Rate Interest Rates are less than the Investment Return Assumption, an implicit margin is created.

Pricing includes utilization of credits assumption.

The 2018/2019 Price is a floor for the 2019/2020 Proposed Price.

2020 Open Enrollment Year – One-Year University Cost

2019/2020 Tuition per credit hour		\$	233.00								
2019/2020 Tuition for 30 credit hours		\$	6,990.00								
Investment Return Assumption		5.25%									
Explicit Margin		0.00%									
Average Total Margin		3.82%									
						1-Year Purchase Costs					
		Projected		Spot-Rate	Raw Cost						
	Tuition	Tuition per	Interest	Discounted	Grade/Age at	for 30	2019/2020			Year to	
Year	Increase	Credit Hour	Rates^	Tuition*	Purchase	Credit	Proposed	Estimated	2018/2019	Year	
						Hours	Price	Margin	Price	Increase	
0		\$ 233.00									
1	4.00%	242.32									
2	2.80%	249.10									
3	2.80%	256.08									
4	4.50%	267.60	5.25%	\$ 213.49							
5	4.50%	279.65	5.25%	211.96							
6	4.50%	292.23	5.25%	210.45							
7	4.50%	305.38	5.25%	208.95							
8	4.50%	319.12	5.25%	207.47	9th Grade	6,405	6,430	0.39%	6,430	0.0%	
9	4.50%	333.48	5.25%	205.99	8th Grade	6,359	6,414	0.86%	6,414	0.0%	
10	4.50%	348.49	5.25%	204.52	7th Grade	6,314	6,399	1.35%	6,399	0.0%	
11	4.50%	364.17	5.25%	203.06	6th Grade	6,269	6,384	1.83%	6,384	0.0%	
12	4.50%	380.56	5.25%	201.61	5th Grade	6,224	6,369	2.33%	6,369	0.0%	
13	4.50%	397.68	5.25%	200.18	4th Grade	6,180	6,353	2.80%	6,353	0.0%	
14	4.50%	415.58	5.25%	198.75	3rd Grade	6,136	6,338	3.29%	6,338	0.0%	
15	4.50%	434.28	5.25%	197.34	2nd Grade	6,092	6,323	3.79%	6,323	0.0%	
16	4.50%	453.82	5.25%	195.93	1st Grade	6,048	6,308	4.30%	6,308	0.0%	
17	4.50%	474.25	5.25%	194.53	Kindergarten	6,005	6,293	4.80%	6,293	0.0%	
18	4.50%	495.59	5.25%	193.15	Age 4	5,963	6,278	5.28%	6,278	0.0%	
19	4.50%	517.89	5.25%	191.77	Age 3	5,920	6,263	5.79%	6,263	0.0%	
20	4.50%	541.19	5.25%	190.40	Age 2	5,878	6,248	6.29%	6,248	0.0%	
21	4.50%	565.55	5.25%	189.05	Age 1	5,836	6,233	6.80%	6,233	0.0%	
22	4.50%	591.00	5.25%	187.70	Newborn	5,794	6,219	7.34%	6,219	0.0%	
23	4.50%	617.59	5.25%	186.36							

* Discounting assumes half the tuition is payable 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

^ If the Spot-Rate Interest Rates are less than the Investment Return Assumption, an implicit margin is created.

Pricing includes utilization of credits assumption.

The 2018/2019 Price is a floor for the 2019/2020 Proposed Price.

2020 Open Enrollment Year – Two-Year University and Two-Year Community College Cost

2019/2020 CC. Tuition per credit hour		\$	102.75										
2019/2020 Univ. Tuition per credit hours		\$	233.00										
Investment Return Assumption			5.25%										
Explicit Margin			0.00%										
Average Total Margin			5.05%										
Tuition Increase				4-Year Purchase Costs (2 Years University & 2 Years Community College)									
Year	2-Year CC.	4-Year Univ.	Projected CC Tuition per Credit Hour	Projected Univ. Tuition per Credit Hour	Spot-Rate Interest Rates^	Discounted CC Tuition*	Discounted Univ. Tuition*	Grade/Age at Purchase	Raw Cost for 120 Credit Hours	2019/2020 Proposed Price	Estimated Margin	2018/2019 Price	Year to Year Increase
0			\$ 102.75	\$ 233.00									
1	4.00%	4.00%	106.86	242.32									
2	2.80%	2.80%	109.85	249.10									
3	2.80%	2.80%	112.93	256.08									
4	3.75%	4.50%	117.16	267.60	5.25%	\$ 93.47	\$ 213.49						
5	3.75%	4.50%	121.56	279.65	5.25%	92.14	211.96						
6	3.75%	4.50%	126.11	292.23	5.25%	90.82	210.45						
7	3.75%	4.50%	130.84	305.38	5.25%	89.53	208.95						
8	3.75%	4.50%	135.75	319.12	5.25%	88.25	207.47	9th Grade	18,005	18,284	1.55%	18,284	0.0%
9	3.75%	4.50%	140.84	333.48	5.25%	87.00	205.99	8th Grade	17,837	18,201	2.04%	18,201	0.0%
10	3.75%	4.50%	146.12	348.49	5.25%	85.76	204.52	7th Grade	17,671	18,118	2.53%	18,118	0.0%
11	3.75%	4.50%	151.60	364.17	5.25%	84.53	203.06	6th Grade	17,507	18,036	3.02%	18,036	0.0%
12	3.75%	4.50%	157.29	380.56	5.25%	83.33	201.61	5th Grade	17,344	17,955	3.52%	17,955	0.0%
13	3.75%	4.50%	163.19	397.68	5.25%	82.14	200.18	4th Grade	17,183	17,874	4.02%	17,874	0.0%
14	3.75%	4.50%	169.31	415.58	5.25%	80.97	198.75	3rd Grade	17,024	17,794	4.52%	17,794	0.0%
15	3.75%	4.50%	175.65	434.28	5.25%	79.82	197.34	2nd Grade	16,867	17,714	5.02%	17,714	0.0%
16	3.75%	4.50%	182.24	453.82	5.25%	78.68	195.93	1st Grade	16,711	17,635	5.53%	17,635	0.0%
17	3.75%	4.50%	189.08	474.25	5.25%	77.56	194.53	Kindergarten	16,556	17,556	6.04%	17,556	0.0%
18	3.75%	4.50%	196.17	495.59	5.25%	76.45	193.15	Age 4	16,404	17,478	6.55%	17,478	0.0%
19	3.75%	4.50%	203.52	517.89	5.25%	75.36	191.77	Age 3	16,253	17,400	7.06%	17,400	0.0%
20	3.75%	4.50%	211.15	541.19	5.25%	74.29	190.40	Age 2	16,103	17,323	7.58%	17,323	0.0%
21	3.75%	4.50%	219.07	565.55	5.25%	73.23	189.05	Age 1	15,955	17,247	8.10%	17,247	0.0%
22	3.75%	4.50%	227.29	591.00	5.25%	72.19	187.70	Newborn	15,809	17,171	8.62%	17,171	0.0%
23	3.75%	4.50%	235.81	617.59	5.25%	71.16	186.36						

* Discounting assumes half the tuition is payable 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

^ If the Spot-Rate Interest Rates are less than the Investment Return Assumption, an implicit margin is created.

Pricing includes utilization of credits assumption.

The 2018/2019 Price is a floor for the 2019/2020 Proposed Price.

2020 Open Enrollment Year – Two-Year Community College Cost

2019/2020 Tuition per credit hour		\$	102.75							
2019/2020 Tuition for 30 credit hours		\$	3,082.50							
Investment Return Assumption			5.25%							
Explicit Margin			0.00%							
Average Total Margin			3.91%							
2-Year Purchase Costs										
		Projected	Spot-Rate			Raw Cost				
	Tuition	Tuition per	Interest	Discounted	Grade/Age at	for 60	2019/2020			Year to
Year	Increase	Credit Hour	Rates^	Tuition*	Purchase	Credit	Proposed	Estimated	2018/2019	Year
						Hours	Price	Margin	Price	Increase
0		\$ 102.75								
1	4.00%	106.86								
2	2.80%	109.85								
3	2.80%	112.93								
4	3.75%	117.16	5.25%	\$ 93.47						
5	3.75%	121.56	5.25%	92.14						
6	3.75%	126.11	5.25%	90.82						
7	3.75%	130.84	5.25%	89.53						
8	3.75%	135.75	5.25%	88.25	9th Grade	5,471	5,496	0.46%	5,496	0.0%
9	3.75%	140.84	5.25%	87.00	8th Grade	5,393	5,444	0.95%	5,444	0.0%
10	3.75%	146.12	5.25%	85.76	7th Grade	5,316	5,392	1.43%	5,392	0.0%
11	3.75%	151.60	5.25%	84.53	6th Grade	5,240	5,340	1.91%	5,340	0.0%
12	3.75%	157.29	5.25%	83.33	5th Grade	5,165	5,290	2.42%	5,290	0.0%
13	3.75%	163.19	5.25%	82.14	4th Grade	5,092	5,239	2.89%	5,239	0.0%
14	3.75%	169.31	5.25%	80.97	3rd Grade	5,019	5,189	3.39%	5,189	0.0%
15	3.75%	175.65	5.25%	79.82	2nd Grade	4,948	5,140	3.88%	5,140	0.0%
16	3.75%	182.24	5.25%	78.68	1st Grade	4,877	5,091	4.39%	5,091	0.0%
17	3.75%	189.08	5.25%	77.56	Kindergarten	4,808	5,042	4.87%	5,042	0.0%
18	3.75%	196.17	5.25%	76.45	Age 4	4,739	4,994	5.38%	4,994	0.0%
19	3.75%	203.52	5.25%	75.36	Age 3	4,672	4,947	5.89%	4,947	0.0%
20	3.75%	211.15	5.25%	74.29	Age 2	4,605	4,900	6.41%	4,900	0.0%
21	3.75%	219.07	5.25%	73.23	Age 1	4,539	4,853	6.92%	4,853	0.0%
22	3.75%	227.29	5.25%	72.19	Newborn	4,475	4,807	7.42%	4,807	0.0%
23	3.75%	235.81	5.25%	71.16						

* Discounting assumes half the tuition is payable 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

^ If the Spot-Rate Interest Rates are less than the Investment Return Assumption, an implicit margin is created.

Pricing includes utilization of credits assumption.

The 2018/2019 Price is a floor for the 2019/2020 Proposed Price.

SECTION B

METHODS AND ASSUMPTIONS

Nevada Prepaid Tuition Program

June 30, 2019 Pricing Assumptions (2020 Open Enrollment Year)

Economic Assumptions

Price Inflation (Implicit Assumption): 2.00%

Assumed Rate of Investment Return, Net of Investment Fees: 5.25%

Interest Rate for Payment Plans: 6.25%

Assumed Rate of Tuition Increases:

- **Short-Term** See Table Below

Rate of Tuition Increases	2020-21	2021-22	2022-23
4-Year Colleges	4.00%	2.80%	2.80%
2-Year Colleges	4.00%	2.80%	2.80%

- **Long-Term** 3.75% (2-year colleges)/4.50% (4-year colleges) for each subsequent school year.

The rates above for 2021-22 and 2022-23 are based on the 2018 HEPI Index.

Annual Tuition	2018/19	2019/20
4-Year Colleges	\$6,720.00	\$6,990.00
2-Year Colleges	\$2,962.50	\$3,082.50

Matriculation/Credit Utilization

Utilization of Credits*: Benefit payments are based on the following schedule in accordance with the type of Contract and the expected Payout Year.

Type of Contract	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Sixth Year
4-Year University Contracts (post-2010)	20%	20%	20%	15%	15%	10%
2-Year CC plus 2-Year Univ Contracts (post-2010)	18%	18%	18%	18%	14%	14%
2-Year University Contracts	25%	25%	20%	15%	10%	5%
2-Year Community College Contracts	30%	25%	15%	10%	10%	10%
1-Year University Contracts	100%					

* Pricing is modeled assuming two payments per year (one in mid-September, one in mid-February).

Nevada Prepaid Tuition Program

June 30, 2019 Pricing Assumptions (2020 Open Enrollment Year)

Refund Rates

For pricing, it is assumed 100% of beneficiaries will matriculate in their expected matriculation year and will utilize 100% of their purchased credits.

Other Assumptions

Election of Program Changes:	None.
Election of Change of Beneficiary:	None.
Contract Terms:	No changes in contract terms are assumed, once initiated.
Timing of Tuition Payments:	Two payments per year (one in the fall, one in the winter) for beneficiaries have matriculated.

Pricing Methodology

Based on the current tuition rate increased to assumed year of payment (using tuition increase assumption) and discounted to payment date based on the net investment return assumption.

Implicit Risk Premium

An implicit risk premium is created by using discount rates from a yield curve with spot rates that are on average lower than the assumed rate of investment return. Based on the most recent valuation results and funding guidelines, no implicit risk premium was included in this year's pricing.

Explicit Risk Premium

An explicit risk premium is created when pricing is increased by a specific percentage for risk. Based on the most recent valuation results and funding guidelines, no explicit risk premium was included in this year's pricing.

Nevada Prepaid Tuition Program 2020 Fee Chart

<u>Enrollment Fee</u>	\$100
Fee charged for application processing and administration of contracts	
<u>Dishonored Payment Fee</u>	\$25
Payments returned by a financial institution unpaid	
<u>Late Payment for Monthly Contract Payments</u>	\$15
Assessed on monthly payments not received within the 15 day grace period	
<u>Delinquency Fee Rate</u>	6.25%
Assessed on any unpaid delinquent balance over 90 days	
<u>Late Payment Fee - Lump Sum Purchase</u>	\$15 the first month
Additional 1% of balance including outstanding fees for each additional 30 day period	
<u>Termination Fee</u>	\$100
Fee charged for cancellation of a contract (involuntary and voluntary)	
<u>Fraud Penalty</u>	\$250
Penalty for submitting fraudulent information on an Open Enrollment Form	
<u>Payment Option Change Fee</u>	\$20
Fee charged for change in payment option (i.e., monthly to extended monthly, etc.)	
<u>Change of Tuition Plan Fee</u>	\$20
Fee charged for changing the type of Prepaid Tuition plan originally purchased.	
<u>Change of Purchaser Fee</u>	\$20
Fee charged to change the Purchaser on a Prepaid Tuition contract (waived due to death)	
<u>Change of Beneficiary Fee</u>	\$20
Fee charged for a transfer of benefits to another qualified beneficiary (waived if requested change is due to beneficiary death, disability or receipt of full scholarship)	
<u>Document Replacement Fee</u>	\$7
Fee charged for Coupon Book, Welcome Pack, or Student Handbook replacement	
<u>Private/Out-of-State School Processing Fee</u>	\$25
Fee charged to establish third-party billing at an institution for a qualified beneficiary to a private and/or out-of-state school	
<u>Interest on Refund</u>	0%
<u>Interest on Monthly Payment Option</u>	6.25%
Rate of interest charged to contracts purchased in 2018 enrollment, paid in monthly installments	
<u>Early Pay-Off Discount</u>	6.25%
Rate of discount given when paying off the balance of a Prepaid Tuition monthly installment contract with a lump sum payment	

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 11
September 19, 2019

**Item: Nevada Prepaid Tuition Master Agreement for
2020**

Summary:

NRS 353B.100 requires the Board to create a prepaid tuition contract in accordance with the Nevada Revised Statutes. This document referred to as the "Master Agreement," delineates the rules and policies for the Nevada Prepaid Tuition Plan ("Plan"), which is adopted by the Board and meets the federal 529 requirements for disclosure of the program.

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

Fiscal Impact: Printing of the Master Agreement is estimated to cost \$1,000 and is included in the printing budget.

Staff recommended motion:

To accept and approve the 2020 Nevada Prepaid Tuition Master Agreement and direct the Treasurer's Office to administer all contracts within the provisions set forth in this Master Agreement.

Chapter III:

~~2019~~ 2020 Master Agreement

Before you purchase a Nevada Prepaid Tuition Contract, please carefully read the Master Agreement, which explains the rules of the Program. When you sign an Enrollment form, you are agreeing to the terms of the Master Agreement.

1. DEFINITIONS

Definitions.— Terms used in this Master Agreement and the Enrollment form for purchase of a Contract have the following meaning:

A. "529 Plan" A qualified prepaid tuition program or college savings plan within the definition of IRS Section 529 of the Code.

B. "Academic Year" Undergraduate school year beginning the first Semester, term, or quarter after July 15th of any year.

C. "Basic Registration Fee" The charge for the basic per Credit Hour of course work as established by the Nevada Board of Regents **excluding all other fees or charges.**

D. "Beneficiary" or "Qualified Beneficiary" The child designated in the Program Contract Enrollment form to receive the Educational Benefits of the Program.

E. "Benefit Use Year" The year of Matriculation to college, which the Beneficiary may begin drawing on Educational Benefits in the form of Credit Hours from the Contract.

F. "Board" The Board of Trustees of the College Savings Plans of Nevada.

G. "Cancellation of Contract" A voluntary request from the Purchaser to terminate the Contract and request a refund.

H. "Clock Hours" College level credit course benefit requested to be converted to Credit Hours

for payment to an Eligible Educational Institution that charges tuition based on hours spent in class time rather than Semester Credit Hours. Clock Hours are converted based on the Free Application for Federal Student Aid (FASFA) guidelines for the current academic year.

I. "Code" Internal Revenue Code of 1986, as amended.

J. "Community College" An Eligible Educational Institution which grants a two-year degree.

K. "Contract" A Program Contract accepted by the Program Office, including the Master Agreement, the Program Description, the Enrollment Form, and the Plan and payment option selected by the Purchaser.

L. "Contract Benefits" In-State Credit Hours purchased for use by the Beneficiary.

M. "Credit Hours" Semester Credit Hours established by the Nevada Board of Regents. Credit hours paid for by the Program are intended for undergraduate studies, and in some instances the undergraduate benefit may be applied toward graduate-level work once a Beneficiary attains an undergraduate degree if he/she has credit hours left in the Prepaid Tuition Contract when he/she graduates from college and uses the remaining credit hours prior to the original Contract Expiration Date.

N. "Custodian" Person who is designated with the rights of the Purchaser on a Contract where the Purchaser is a minor or the Contract was acquired by way of UGMA or UTMA and the Custodian is required to act under the terms of the UGMA or UTMA. The Custodian is responsible for performing all duties of the Purchaser.

O. "Disabled" or "Disability" Limitation of individual's physical or mental abilities resulting from an injury or disease which renders the individual incapable of participating in the Program as either a Purchaser or Beneficiary.

P. "Distribution" Payment by the Program to the Beneficiary's Eligible Educational Institution toward Credit Hours, as authorized by the Contract Purchaser.

Q. "Down-payment" Minimum down payment of \$1,000.00 toward the total purchase price of a 5 year monthly, 10 year monthly, or extended monthly payment plan Contract at the time of enrollment.

R. "Eligible Educational Institution" Includes accredited postsecondary educational institutions offering credit towards an associate's degree, a bachelor's degree, professional degree, or another recognized postsecondary credential, and certain postsecondary vocational and proprietary institutions. The institution must be recognized by the U.S. Department of Education as eligible to participate in federal student financial aid programs.— See www.fafsa.ed.gov for additional information.

S. "Expiration Date" The date in which contract benefits conclude and can no longer be paid. The beneficiary has six (6) years from the expected high school graduation date to use the Contract benefits. Extensions are only allowed per Nevada Administrative Code outlined in NAC 353B.210.

T. "Family Member" Member of the family as set forth in IRS Code Section 529(e)(2) which includes a son or daughter, or a descendant of either; a stepson or stepdaughter or a descendant of either; a brother, sister, stepbrother, or stepsister; the father or mother, or an ancestor of either; a stepfather or stepmother; a son or daughter of a brother or sister; a brother or sister of the father or mother; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; the spouse of the Beneficiary or the spouse of any individual listed above; and a first cousin. A legally adopted child or foster child is also treated as a Family Member, as is a brother or sister by half-blood.

U. "Fiscal Year" Time period from July 1st to June 30th (inclusive) of the next calendar year.

V. "Gift Contribution" Contribution or payment by a Person who is not the original Contract Purchaser in connection with an established Contract.

W. "Gifter" An individual authorized by the Purchaser to make a Gift Contribution(s) to the Contract.

X. "Graduate-Level" ~~PostLevel~~ Post baccalaureate coursework taken by the Beneficiary in order to obtain a master's, ~~professional,~~ ~~or professional,~~ or doctorate degree.

Y. "Guardian" An adult authorized to make decisions on a Contract owned by a minor who becomes the Purchaser due to death of the original Purchaser or other legal action without a designated Purchaser Legal Successor.

Z. "Investment Manager(s)" The Investment Manager(s) is/are selected by the Board and administers Program assets in accordance with the guidelines and objectives contained in the Program's Investment Policy.— The detailed investment policy is located at www.NVPrepaid.gov.

AA. "Lump Sum Payment" Payment in full for the Plan at the time of enrollment in the Program with the Contract accepted by the Program administrator.

BB. "Mandatory Fee" Any fee, other than charges for Credit Hours, which a public educational ~~institution requires~~ institution requires all students to pay as a condition of enrollment in such ~~institution, including~~ institution, including but not limited to class specific fees, health fees, or technology fees. These examples are not all inclusive. Mandatory Fees are not covered by the Program as Educational Benefits. Credit Hours are the only payments made on behalf of Beneficiaries in the Program.

CC. "Matching ~~Contribution~~ Contribution" ~~Contribution~~ Contribution or payment by an employer as directed by the employee to match their contribution to an open, active, "in payment status" Contract for a designated beneficiary.

DD. "Matriculation" The year that a Beneficiary is anticipated to commence attendance at a postsecondary educational institution, generally concurrent with the high school graduation year.

EE. "Monthly Purchase" Monthly installment payment option chosen by the Purchaser, with the Monthly Purchase Amount to be remitted on or before the 15th day of each month.

FF. "Monthly Purchase Amount" Monthly dollar amount specified by the Program for payment by the Purchaser on a Monthly Purchase Contract by the 15th day of each month.

GG. "Newborn" A child under one year ~~old~~at old at the time of enrollment.

HH. "Non-qualified Refund" All voluntary refunds (that are not Qualified Refunds), caused by Terminations and cancellations are subject to Termination Fee and penalties payable by the Purchaser, and shall also include refunds due to the actuarial unsoundness of the Program as described in Section 10.B, for which Termination Fee will not be applicable. A Non-qualified Refund may also have adverse tax consequences.

II. "Open Enrollment" Period of time designated by the Board annually to accept new Contracts.

JJ. "Person" An individual who is a citizen of or legal alien resident of the United States, or a partnership, trust, association, corporation, or governmental subdivision existing under the laws of the United States or any state of the United States.

KK. "Plan" Type of Program Contract purchased under Section 3 of the Master Agreement.

LL. "Program" The Nevada Prepaid Tuition Program.

MM. "Program Administrator" The State Treasurer of the State of Nevada, or designee.

NN. "Program Fees" The Fees as noted in the Program Fee Chart as well as the Master Agreement Section 8.P.

OO. "Purchaser" Person specified in the Contract who is responsible for payments under the Contract. If the Purchaser is a natural Person, he or she must be 18 years of age or older, or have a trustee, or a designated Custodian of a minor under the UTMA, or be represented by a court appointed or approved conservator or Guardian. ~~—~~ — The Purchaser also must satisfy applicable residency requirements.

PP. "Purchaser Legal Successor" Person designated by the Purchaser on the Contract to ~~receive correspondence and~~ have full ownership

rights for the Contract in case of the death or Disability of the Purchaser.

QQ. "Quarterly Payments" Payments requested to be converted to Semester Credit Hours from an Eligible Educational Institution that charges based on a quarter year system.

RR. "Qualified Refund" A refund made because the beneficiary (1) ~~because the beneficiary~~ received a full scholarship, (2) attended and at a service academy, or (3) ~~as a result of the Beneficiary's death or Disability became deceased or disabled.~~

SS. "Resident" Individual who is domiciled in the State of Nevada and meets the definition of US Citizen as defined in the Nevada Revised Statutes (NRS) 10.155. Includes military personnel who reside out-of-state, but list Nevada as their home of record in their military files.

TT. "Rollover" Contribution from a Qualified, or ~~Qualified~~ Non-qualified Refund, transferred to a qualified 529 Plan which shall include a contribution from a Coverdell Education Savings Account, and ~~/or Savings Bonds~~ Savings Bonds, for the same Beneficiary or a new Beneficiary.

UU. "UGMA/UTMA" Uniform Gifts to Minors Act/Uniform Transfers to Minor Act.

VV. "Semester" The fall or spring term of the Academic Year of 15 to 18 weeks, or the summer Semester equivalent, as defined by the Nevada Board of Regents.

WW. "State" State of Nevada.

XX. "Standard Bachelor Degree" Consists of 120 Semester Credit Hours achieving a defined course of study at an accredited Eligible Education Institution granting undergraduate degrees.

YY. "Termination" Discontinuation of the Beneficiaries right to receive Educational Benefits at an Eligible Educational Institution under the Contract.

ZZ. "Termination Fee" Fee charged for a Non-qualified cancellation refund of Contract.

AAA. "Total Contract Price" means the cumulative amount of all Monthly Purchase

Amounts owed under a Monthly Purchase Plan, or the Total Contract Price set forth in a Lump Sum Contract.

BBB. "Trust Fund" Nevada Higher Education Prepaid Tuition Trust Fund, which owns Program assets and from which all Program Educational Benefits are paid.

CCC. "Tuition Charge" The charge assessed against students who are not residents of Nevada and which is in addition to the Basic Registration Fees or other fees assessed against students who are residents of the State of Nevada. (See, NRS 396.540 (1) (c)).

DDD. "University" An Eligible Educational Institution which grants a ~~four-year~~four-year standard bachelor's degree. In the context of this document, any institution which includes "college" in its name and is otherwise eligible for this Program will be described as a "University," as long as it also grants a standard bachelor's degree.

EEE. "Weighted Average Tuition (WAT)" The average tuition rate calculated based on the cost per credit hour and the number of attendees at each of Nevada's public colleges and universities.— The rates for the public community colleges and public universities will be calculated separately.

2. PROGRAM OBLIGATIONS

A. General Provisions: The Program agrees to pay the Basic Registration Fee of Credit Hours from the assets in the Trust Fund for the level of Credit Hours purchased in a Contract. University Credit Hours and Community College Credit Hours are priced and disbursed at different amounts and will determine the Total Contract Price and Educational Benefit disbursed under a Contract. Educational Benefits may be used at any Eligible Educational Institution, but only at the level purchased and up to the maximum number of Credit Hours purchased.

B. Standard Bachelor's Degree: A Standard Bachelor's Degree usually consists of 120 Semester Credit Hours (or, on average, 30 credit hours each year)—. The student Beneficiary may require more credit hours than purchased in order to graduate for various reasons such as dropping, failing, or repeating classes; taking non-transferable classes at

another Eligible Educational Institution; or changing majors. The Program will not pay for any additional Credit Hours.

C. Limit of Benefits: The Program will stop providing Contract Benefits under this Contract when the Program has paid the total Credit Hours purchased, regardless of the number of Credit Hours the Beneficiary has accumulated toward graduation.

D. Basic Registration Fee-Credit Hour Payments Only: The Program will only pay Educational Benefits, as defined by the ~~Contract and~~Contract and provide Qualified and Non-qualified Refunds under the Contract from the assets of the Trust Fund. The ability of the Program to pay Contract Benefits and provide Qualified and Non-qualified Refunds under the Contract is not guaranteed by the State of Nevada.

E. Contract Benefits Disbursed at Community College and University Level: The Educational Benefits disbursed at both the Community College and University level will be established by the Board and based on the cost or Weighted Average Tuition Cost of Credit Hours established for Nevada Universities and Community Colleges set by the Nevada Board of Regents. The rate will be the rate paid to both in-state and out-of-state Eligible Educational Institutions unless the ~~o~~Out-of-sState institution charges less than the in-state credit hour rate, in which case the Program will pay the lower rate. The Program agrees to pay the cost of Credit Hours from the assets of the Trust Fund. Out-of-state and private or independent Eligible Educational Institutions may charge tuition fees in excess of the ~~Contract—Benefits~~Contract Benefits. If the Beneficiary chooses to attend one of these institutions, Colleges, or Universities, the Beneficiary is financially liable to pay the difference between the Program Contract Benefits disbursement amount and the actual costs.—. If ~~the~~ ~~Basie~~the —RegistrationBasic —FeeRegistration isFee is less than the rate of Contract Benefits paid under the Contract during that year, the Purchaser may have an overpayment at the termination of the Contract and an overpayment reimbursement may be made by the Program.

F. Contract Requirements: Before the ~~Contract~~ ~~Benefits~~Contract Benefits can be utilized, all outstanding balances and Program Fees must be paid in full. A Contract is considered paid in full when the Total Contract Price owed and all outstanding fees are paid to the Program. The Contract must have been purchased at least three years prior to the Benefit Use Year and a valid

Social Security ~~Number~~ or Taxpayer Identification Number must be on file for the Beneficiary prior to any benefits being paid.

3. PLAN OPTIONS

A. Four Year University Contract, 120 University Level Credit Hours: The Program will pay for 120 Credit Hours at the Beneficiary's Eligible Educational Institution.

B. Two Year University Contract, 60 University Level Credit Hours: The Program will pay for 60 Credit Hours at the Beneficiary's Eligible Educational Institution.

C. One Year University Contract, 30 University Level Credit Hours: The Program will pay for 30 Credit Hours at the Beneficiary's Eligible Educational Institution.

D. Two Year Community College Contract, 60 Community College Level Credit Hours: The Program will pay for 60 Credit Hours at the Beneficiary's Eligible Educational Institution.

E. Combination, Two Years of Community College Level (60) Credit Hours and Two Years of University Level (60) Credit Hours: The Program will pay for 60 Credit Hours at the Beneficiary's Eligible Educational Institution at the Community College level first. The Program will ~~then pay~~ then pay ~~for 60~~ for 60 Credit Hours at the University level after the Community College hours have been exhausted. The Basic Registration Fee for Credit Hours at both the Community College and the University levels will be established by the Nevada Board of Regents for Nevada domiciled Community College and four-year Universities and will be paid to the Beneficiary's Eligible Educational Institution. As noted above, **Community College credits must be used first, before University credit hours.** All remaining provisions of the University and Community College Contracts will apply to the combination two-year Community College Contract and two-year University Contract.

Note: ~~The Basic~~ The Basic ~~Registration Fees~~ Registration Fees ~~for Credit~~ for Credit Hours established by the Nevada Board of Regents for Nevada-domiciled four-year Universities and two-year Community Colleges will be paid to both in-state and out-of-state Eligible Educational Institutions. In the event that the Nevada System

of Higher Education Board of Regents adopts varying tuition rates at Nevada colleges and universities, a Weighted Average Tuition Model may be used for Credit Hour payments.

4. ENROLLMENT

A. Submitting an Open Enrollment Form: The Open Enrollment Form and Enrollment Fee must be completed and submitted to the Program ~~between November 1 and March 31 and must be completed~~ according to the Open Enrollment form instructions and may be accepted only during Open Enrollment periods designated by the Board. A separate Open Enrollment form is required for each Beneficiary. The Open Enrollment form must be completed online by midnight on the last day of Open Enrollment or postmarked by the last day of the Open Enrollment period in order to be processed. The Board at its sole discretion may extend the Open Enrollment period.

B. Contract Acceptance: The Program has no obligation to the Purchaser unless and until it accepts the Contract. The Program will accept the Contract only ~~after it~~ after it receives a fully completed Open Enrollment form from a qualified Purchaser and payment of the Enrollment Fee is received in the form of a personal check, credit card, electronic withdrawal, cash, cashier's check, certified check, or money order payable to the Program.

C. Purchaser Qualifications: A qualified purchaser must (1) satisfy the Nevada residency requirement: either be a resident of the State of Nevada, hold a degree or certificate from a Nevada-domiciled University or Community College or designate a Beneficiary who is a resident of the State of Nevada, (2) provide a valid Social Security ~~Number~~ or Taxpayer Identification Number, and (3) be 18 years of age or older or have a designated Custodian under UTMA who may name a minor as the Purchaser; or be a trust with the authority to enter into the Contract on behalf of the Beneficiary, or be a court-appointed conservator or Guardian.

D. Beneficiary Qualifications: The Beneficiary must have a valid Social Security Number or Taxpayer Identification Number and must not have completed the ninth grade of school and not reached the age of 18 at the time of Contract acceptance. The Beneficiary must be a resident of the State of Nevada at the time of enrollment in the Program, and/or the Purchaser must be a resident of

the State of Nevada and/or hold a degree or certificate from a Nevada-domiciled University or Community College.

E. Enrollment Form Acceptance or Rejection:

A Contract is not established until the Program sends a written or electronic confirmation of acceptance of the Open Enrollment form and initial payment (either Lump Sum or the initial Monthly Payment) is processed. If an Open Enrollment form is not accepted based on criteria established by the Program Administrator, the Enrollment Fee will be forfeited by the potential enrollee, but an amount equal to any lump sum or down-payment made will be returned to the Purchaser. The Purchaser must have a valid Social Security number (or a Taxpayer Identification Number) and provide accurate and full information on the Open Enrollment form or the enrollment will be rejected. The Program Administrator will accept ~~more than one~~ one Open Enrollment form, ~~up to a maximum of four Contracts for a single Beneficiary, as long as~~ up to a maximum of four Contracts for a single Beneficiary, as long as the total Credit Hours of the combined Contracts do not exceed 120 Semester Credit Hours at any level.

F. Payment and Participation Schedule: A payment and participation schedule will be forwarded in writing or electronically to the Purchaser of an accepted Contract within 60 days of the close of Open Enrollment and first payments are due by May 15 of the Open Enrollment year. If the Purchaser does not receive this schedule by that time, the Purchaser should immediately notify the Program.

G. Newborn Enrollment: A Contract for a Newborn child may be accepted by the Program without a ~~S~~social ~~S~~security ~~N~~umber. However, the purchaser must supply the ~~B~~beneficiary's ~~S~~social ~~S~~security ~~N~~umber or Taxpayer Identification Number within 60 days of Contract acceptance.

H. Ownership: The Purchaser will hold ownership rights to the Contract, and only the Purchaser may exercise rights under the Contract, unless the Purchaser's rights are transferred to the Purchaser's Legal Successor, or to the Beneficiary. Any person making a Gift contribution will not have any title to or rights under the Contract. If the Program is unable to locate either the Purchaser or the Beneficiary within the term of the Contract, the Program will treat the Contract payments received as unclaimed property and they shall be transferred

to the State Treasurer in accordance with NRS 120A.

I. Automatic Transfer of Ownership: The Beneficiary designated in the Contract will automatically assume the Purchaser's rights and responsibilities under the title to the Contract in the event that the Purchaser dies, becomes legally incompetent, or cannot be located by the Program and the Purchaser has not designated a living Purchaser's Legal Successor to assume control of ~~the Contract~~ the Contract. In such event, the Program, without further notice, consent, authorization or otherwise, shall act at the specific direction of the Beneficiary, if not a minor. If the Beneficiary is a minor, the Contract shall not distribute Educational Benefits unless and until the Program in its sole judgment receives acceptable documentation that a legal Guardian may act on behalf of the Beneficiary, and the Program will adhere to the directives of such Guardian. A Change of Purchaser Form, acceptable documents and Program Fee must be submitted to the Program Office.

J. Voluntary Transfer of Ownership: The Purchaser may transfer ownership rights under the Contract to another Person to act as the Purchaser if such a transfer is not prohibited by state or federal law or regulation, and is specifically approved by the new Purchaser and completed in full on a Change of Purchaser form provided by the Program. ~~The new Purchaser must agree to the transfer by signing the Change of Purchaser form, submitting the required fee, and shall be subject to all the terms of the Contract and any outstanding and unpaid balance and Program Fees on the Contract. The signature of the current Purchaser must be notarized.~~

5. CONTRACT PURCHASER

A. Only One Contract Purchaser Allowed: The Purchaser must meet the following qualifications (as applicable):

1. A Purchaser must provide a valid Social Security ~~N~~umber ~~and/or~~ a Taxpayer Identification Number.
2. A Purchaser under the age of 18 must have an adult sign the Open Enrollment form and certify that this adult will serve as the Guardian or Custodian of the Contract.

3. In case of a legal entity purchasing a Contract, a legally authorized representative of the entity must sign the Open Enrollment form. This authorized representative is an individual designated by a partnership, corporation, trust, estate, ~~association~~association, or organization to control a Contract, however the entity itself and not the representative, will be the Purchaser of the Contract. The authorized representative must sign all forms. The entity must notify the Program in a timely manner if the authorized representative changes by submitting a completed Change of Purchaser from provided by the Program.

4. The Purchaser must meet the qualifications of a Purchaser as defined In Section 4.C of this Agreement.

5. Notices:— All notices from the Program will be directed only to the Contract Purchaser, unless otherwise requested in writing by the Purchaser.

6. Address Change:— The Purchaser shall keep their address up to date by changing it online, or by notifying the Program in writing of any change of address of the Purchaser, Beneficiary, or the Purchaser's Legal Successor.— The Program is not responsible for non-delivered mail regardless of any change of address and any/all Master Agreement updates still apply.

B. Using Funds from UGMA/UTMA Accounts:

Custodians for minors under UGMA/UTMA may purchase a Contract using funds from an UGMA/UTMA account subject to all state laws and rules governing such accounts.

1. When proceeds from UGMA/UTMA accounts are used to purchase a Contract, the Beneficiary must be shown as the Purchaser and a Custodian must be designated and provide required documentation to the Program and the Custodian will be considered the Purchaser by the Program for all transactions and documentation.—

2. The Beneficiary will obtain ownership control of the Contract and all rights of the Purchaser upon reaching the age of majority. No Change of Purchaser fee will be charged for transfer of the Contract at the time of majority.

3. Any and all contributions toward the purchase of the Contract will be considered to be UGMA/ UTMA funds and become an asset

of the Beneficiary. Custodians should consider carefully whether future contributions to a Contract initially purchased with UGMA/UTMA proceeds would be appropriate or whether non-UGMA/UTMA funds in the future should be used to purchase a new Contract for a particular Beneficiary.

4. The Program will not be liable for any consequences related to a Custodian's improper use, transfer, or characterization of UGMA/UTMA-related activity, or other custodial funds.

C. Rollovers: The Purchaser must indicate if the purchase of a Contract is funded by a Rollover contribution from a Coverdell Education Savings Account, or another IRS Section 529 plan for the same Beneficiary or for a new Beneficiary who qualified as a Family Member of the previous Beneficiary. If it is a Rollover contribution, the Purchaser must provide documentation acceptable to the Program showing the earnings portion of the contribution. To the extent such documentation is not provided, the Program will treat the entire amount of the Rollover proceeds as earnings. Acceptable documentation includes:

1. Statement issued by the 529 Plan showing the earnings, less the portion of the Purchaser's withdrawal.

2. Coverdell Education Savings Account (ESA) statement or documentation issued by the account custodian that shows the basis and earnings.

3. Such other documents determined by the Program Administrator in its sole judgment to be acceptable and in accordance with current and future guidance issued by the IRS. Rollovers will be applied to a Lump Sum Payment on the Contract unless the Purchaser specifies otherwise. The distribution must be reinvested in the Contract within 60 days of the withdrawal date to avoid adverse tax consequences on the part of the Purchaser.

D. Power of Attorney: The Program will accept a notarized Power of Attorney acting on behalf of a Purchaser (with acceptable documentation). The Program may request additional documentation if the Power of Attorney is drawn in another State and/or the 529 legal counsel requests it.— It is the Purchaser's responsibility to notify the program if and when the Power of Attorney ends.

6. BENEFICIARY

A. Designation: An individual designated as a Beneficiary must meet the qualifications of a Beneficiary and have a valid Social Security Number or Taxpayer Identification Number. The Beneficiary need not be related to the Purchaser.

B. Change of Beneficiary Without Benefit Usage: For any reason prior to the Benefit Use Year designated in the Contract and if the Contract is not in default, has not been Terminated, **and no Educational Benefits have been distributed on behalf of the current Beneficiary, the Purchaser may submit a Change of Beneficiary form to designate a new Beneficiary** who must qualify as a Family Member of the previously designated Beneficiary. The Purchaser must submit the required Program Fee and a completed Change of Beneficiary form including the name, date of birth, Social Security Number or Taxpayer Identification Number, and date of Benefit Use Year for the new Beneficiary before the Program may consider amending the Contract. The Contract may be amended by the Program if the age of the proposed new Beneficiary is less than the age of the existing qualified Beneficiary or no more than three years older; or the Purchaser pays any additional sum the Program determines in its sole judgment to be necessary, as a result of the change, to ensure the actuarial soundness of the Trust Fund. A Change of Beneficiary form must be notarized.

C. Change of Beneficiary with Benefit Usage: For any reason, prior to the Benefit Expiration date, and if the Contract has not been Terminated, the Purchaser may submit a Change of Beneficiary form to designate a new Beneficiary who must qualify as a Family Member of the previously designated Beneficiary. The Purchaser must submit the required Program Fee and a completed Change of Beneficiary form including the name, date of birth, Social Security Number or Taxpayer Identification Number, and date of Benefit Use Year for the new Beneficiary before the Program may consider amending the Contract. The Change of Beneficiary **will not** be amended if the—Benefitthe Benefit Use Year exceeds the Benefit Use Expiration Date of the original beneficiary or if the transfer results in the new beneficiary exceeding the statutory limit of 120 credit hour limit per Beneficiary on all Contracts issued by Programby Program—. Contracts will not

be extended past the original Beneficiary Expiration Date for the new beneficiary.

D. Transfer to a Family Member Due to Death/ Disability of the Beneficiary: If the Beneficiary dies or becomes Disabled all Contract Educational Benefits may be transferred with the Program's written approval and in accordance with Section 529 to a Family Member of the Beneficiary, or a nonprofit organization (501.3(e))501(c)(3), at the organization's direction to be used as a scholarship to a designated individual of the 501.3(e)—501(c)(3) choosing provided the original expiration date of the Contract is adhered to on any Contracts that have been partially used by the decedent. The transfer shall be subject to (1) payment of any outstanding Program fees (if any), and (2) payment to the Programthe—ofProgram of the amount necessary in its sole judgment to reimburse the Program for any additional expense or loss of funds associated with the transfer to an older Beneficiary, if applicable. If a Contract is transferred to an older Beneficiary who was ineligible for a Contract when the Contract was purchased, the transfer may not be approved by the Program.—. A Change of Beneficiary form must be completed and documentation acceptable to the Program of death or Disability submitted. The Program Administrator may waive the Change of Beneficiary fee.

E. Total Credit Hours: A Beneficiary may not accumulate Contracts that exceed 120 Credit Hours in the Program.

F. Maximum Contribution limit – An account owner may continue to make contributions to both the Nevada Prepaid Tuition Program and other Nevada College Savings Plans for the same Beneficiary so long as the aggregate balance of all Section 529 plans sponsored by the State of Nevada does not exceed the maximum contribution limit, which is currently \$500370,000. The Board is required to set the maximum allowable contribution limit for all accounts for a Beneficiary. The Board expects to evaluate the maximum allowable contribution limit annually,—butannually but reserves the right to make adjustments more or less frequently.—. It is possible that federal law might impose different limits on maximum allowable contributions in the future.

G. Designation of Benefit Use Year: The Purchaser must designate a Benefit Use Year for

the Beneficiary of a Contract. The year must coincide with the Beneficiary's Matriculation. The Purchaser may submit a Deferment of Benefit Request form to the Program on behalf of the Beneficiary during any year the Program would disburse Educational Benefits on the Contract, but the Program must distribute all benefits within 6 years of the Benefit Use Year, except as provided by the Contract.

7. PURCHASING OPTIONS

A. Annual Enrollment Period: The Board will publish an annual Open Enrollment period for each fiscal year. Open Enrollment forms to purchase a Lump Sum, Five Year, Ten Year, or an extended Monthly Installment payment plan may be submitted only during the Open Enrollment period.

The Purchaser must indicate on the Open Enrollment form the option selected for payment.

B. Lump Sum Contracts: The Purchaser may choose to purchase a Contract in one Lump Sum payment at the time of enrollment.

1. ~~Insufficient Payment~~ Insufficient Payment - If the Purchaser who has chosen a Lump Sum Contract pays less than the total Program Contract amount plus the one-time Enrollment Fee, the Program will notify the Purchaser. If the Program does not receive instructions and payment (if applicable) from the Purchaser within 90 business days of the date notice is sent, the Program shall Terminate the Contract. If the Program sends notice, the Purchaser shall advise the Program by mail that he/she will do one of the following:

- Enclose payment in full, including any specified Program Fees;
- Inform the Program to apply the amount submitted and convert the unpaid balance (if any) to a Monthly Purchase option;
- Inform the Program to convert the Contract to a different Plan Option (see Section 3) which is equal to or less than the lump sum paid; or
- Withdraw the Open Enrollment Application.

2. Lump Sum Late Fees - If the Program does not receive payment within 15 days of the due date, a Late Fee for Lump Sum Purchase will be

applied (see Program Fee Chart). Forty-five days after the due date, a penalty of 1 percent of the total amount due, including the amount of all outstanding fees and penalties imposed pursuant to the Contract, will be imposed for each period of 30 days or portion thereof that passes until:

- The total amount due is paid; or
- The Contract is terminated at the discretion of the Program Administrator, whichever occurs first.

The Program will then return to the purchaser the amount paid by the purchaser (without interest), less the enrollment fee, any outstanding fees, and a termination fee (see Program Fee Chart).

C. Monthly Payment Purchase Options: A Purchaser may choose one of three Monthly Purchase options: make monthly payments over a 60-month time frame (five years); make monthly payments over a 120-month time frame (ten years); or make monthly payments from the time of enrollment in the Program until the Beneficiary graduates from high school.

1. Down Payment on Monthly Purchase Plans - If any Monthly Payment options are selected, the Purchaser may choose to apply an up-front \$1,000 or greater Down Payment amount to reduce the total cost of the Contract balance and Monthly Payments.

2. Interest on Balance - The Purchaser must pay any outstanding balance, calculated Program Fees, and interest included in the Total Contract Price by submitting Monthly Purchase Amounts to the Program. Monthly Purchase Amounts include an interest component, (currently 6.25% interest). The total cumulative amount paid under a Monthly Payment option over the Contract's life will be more than if paid by Lump Sum. The Purchaser may submit additional Monthly Purchase Amounts early without penalty, but will still be obligated to the Total Contract Price, unless Purchaser submits an Early Payoff Request (see Section 8.E).

8. PAYMENTS

A. Methods of Payment: Payments for Contracts, including any Program Fees must be made in United States currency, using any of the payment

methods permitted by the Program, which may include the following:

1. ~~Cashier's or~~ Cashier's or personal check.
2. Money order.
3. Cash, limit not to exceed \$500.
4. Automated Withdrawal authorization.—Purchasers selecting this method must complete the Automated Withdrawal Authorization Form provided by the Program, along with a voided check for verification of routing and bank account numbers.
5. Payroll deduction. Purchasers selecting this method must be employed by an organization that offers payroll deduction for the Program and must complete a Payroll Deduction Authorization Form provided by or acceptable to the Program. It is the employee's responsibility to monitor their Contract payments and stop payroll deduction once their Contract is paid in full.
6. Employer Matching Contribution.—A matching contribution made by an employer for an employee who makes contributions to a qualified Beneficiary. The employee must provide proof of Contract payment(s) to their employer.—A matching contribution is accepted when the ~~employer submits~~ employer submits to the Program the name of the employee and the corresponding Contract ~~number, Certain~~ number, ; Ceertain limitations may apply.—See NRS 353B.310.
7. E-check.—Online automated payment option via the Program's website using your checking or savings bank account. -
8. Credit Card for the payment of enrollment fee, optional down payment, and/or lump sum accepted **at the time of enrollment only.** Visa, Master Card, and Discover ~~Discover are accepted.—~~ Although there is currently no extra charge for the use of a credit card, the Program reserves the right to impose a transaction fee for future credit card payments.— To reduce the cost of fees, the Program encourages you to use—euse e-check.—

B. Wire Transfers: The Program does not accept payments via wire transfers.

C. Fees: The Purchaser will be responsible for any fees charged by a bank or entity that may be applicable to the payment method selected,

including fees assessed on returned or dishonored payments.

D. Acceptance of Payments: Upon acceptance of a Monthly Purchase Amount or Lump Sum Payment, the Program will record payment in the Purchaser's account based on policies established by the Program Administrator.

E. Early Payoff: A Purchaser under a Monthly Purchase option who makes a Lump Sum payment to complete ~~the Total~~ the Contract ~~Contract~~ Total Contract Price before the final Monthly Purchase Amount is due will receive an Early Payoff Discount (currently 6.25%) on the unpaid remaining balance at the rate set annually by the Board (see Program Fee Chart). In order for the Early Payoff Discount to be applied by the Program, the Contract may not be delinquent or converted to a different Plan Option (see Section 11) to bring the Contract current on payments, and all Program Fees must be paid in full.

F. Late Payments: If a Monthly Purchase Amount is not paid by the 15th day of the month due, the Purchaser is granted a ~~15-day~~ 15-day grace period. After the grace period (month-end), the Program will accept the payment only if it is accompanied by a Late Fee for Monthly Purchase (see Program Fees). Additional late fees apply for each month the payment is late (see Program Fee Chart).—Any amount owing that is 90 days past due will also be subject to a Delinquency Fee (see Program Fee Chart) not to exceed 8% applied to the delinquent balance. The Delinquency Fee will be applied at 90 days past due and assessed until overdue payments are received by the Program or the Contract is Terminated. When a Contract is 180 days past due the Program will inform the Purchaser of pending cancellation and will Terminate the Contract in 45 days from the date of pending cancellation notice, if no payment or appeal is received (see Section 10).

G. Overpayments by Purchaser or Gift Contributions: If a Contract is paid-in-full and the Program receives additional ~~payments toward~~ payments toward the Contract, the Program will notify the purchaser and return the overpayment to the Purchaser. No Program Fees will apply to overpayments.

H. Overpayments of Employer Matching Contributions: If Employer matching contributions are received, in excess of the amount owed on a Contract, the matching contribution will

be returned to the employer. The employer is responsible for notifying the employee on whose behalf the match was not made, as well as updating tax credit records with the Nevada Department of Taxation.

I. Prepayments: The Purchaser may prepay or allow Gift contributions toward any amount due under the Monthly Purchase option, including the remaining balance of a Contract. The Program will automatically apply prepayments in the following order of priority: (1) to any outstanding Program Fees; (2) to future Monthly Purchase Amounts in chronological order by due date. A prepayment will not result in a reduction in the cumulative Monthly Purchase Amounts due under the Contract, including the interest component thereof. A Purchaser may prepay the remaining balance on a Contract in full as a Lump Sum payment (see Section 8.E).

J. Default: The Purchaser must remit payments pursuant to a Contract on the dates and in the amounts set forth in the schedule for payment and participation provided to the Purchaser in the Contract. If the Purchaser: (a) fails to remit a payment as required pursuant to a Contract within 30 days after the date the payment is due, the purchaser shall be deemed in Default; (b) does not make the required first payment for a new Contract within 90 days after the date the payment is due, the Program will Terminate the Contract; or (c) does not make all past due payments (including relevant Program Fees required pursuant to a Contract) within 180 days after the date the Purchaser is deemed to be in Default pursuant to this section, the Program will inform the Purchaser of pending cancellation and will Terminate the Contract in 45 days from the date of pending cancellation notice, if no payment or appeal is received. The Program will provide the Purchaser, after deducting the total amount of any Program Fees and penalties imposed pursuant to the Contract, a Non-qualified Refund of the balance of the amount paid by the purchaser pursuant to the Contract under the terms and conditions established by the Program Administrator.

K. Dishonored Payments: If a check, automated withdrawal, or other payment by a Purchaser is not honored or not paid in full by the applicable bank or other entity (including stop payments), the payment will be treated as a dishonored payment and subject to a Dishonored Payment Fee (see

Program Fee Chart). If the dishonored payment represents the initial payment, the Program may choose not to accept the Contract. If the Contract was previously accepted, the Program will cancel the Contract. If the dishonored payment is a Monthly Purchase option payment, the amounts relating to the dishonored payment and applicable Program Fees will remain due and subject to Late Payment conditions (see Section 8.F).

L. Gifts: A Purchaser may authorize individuals to make Gift Contributions toward a Contract. Gifts will only be accepted when accompanied by a signed Gifor Form provided by the Program. The Gift Contribution may be applied to the current or future Monthly Purchase payments of the Contract, subject to the Total Contract Price. If a Gift Contribution results in an overpayment that exceeds the Total Contract Price, the overpayment will be refunded to the Purchaser (see Section 8.G). All Gift Contributions will be used to meet Contract obligations and will be owned by, and subject to direction solely by, the Purchaser of the Contract, not by the Person making the Gift Contribution. Gift Contributions may be received at any time.

M. Suspended Contract: A Purchaser may request the monthly payments in a Monthly Purchase option be suspended for a maximum ~~90 day~~90-day period without being subject to Termination once during the term of the Contract. The Program may approve the suspension request and will charge a Late Fee for Monthly Purchase. Reinstatement of the Contract will require the payment of all past due payments, any applicable Program Fees accrued during the ~~90 day~~90-day period or the Contract will be considered in default. Contracts may only be suspended once during the term of the Contract and a Contract may not be suspended within one year of the stated Matriculation of the Beneficiary.

N. Term of Payments: The term of a Monthly Purchase option must end before the Academic Year the Beneficiary is projected to Matriculate.

O. Due Date of Monthly Payments: Monthly payments of a Monthly Purchase option are due on or before the 15th day of the month in which the obligation is due.

P. Program Fees: Fees currently assessed by the Board:

Enrollment Fee	\$100
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Document Replacement Fee (coupon book, welcome pack, or student handbook)	\$7
Late Fee for Lump Sum Plans	\$15 for 1st month (then 1% per month thereafter of the outstanding balance for additional months)
Late Fee for Monthly Plans	\$15 per month
Delinquency Fee on any payments over 90 days past due	6.25% per annum (applied to overdue amount)
Private or Out-of- s State School Fee	\$25
Payment Option Change Fee	\$20
Plan Conversion Fee	\$20
Change of Purchaser Fee	\$20
Dishonored Payment Fee	\$25
Change of Beneficiary Fee	\$20
Termination or Cancellation Fee	\$100
Fraud Penalty	\$250
Interest on Monthly Payment Option	6.25%
Early Pay-off Discount	6.25%
Interest on Refunds	0%

The Board in its sole discretion may change existing Program Fees or impose future administrative fees without notice.

9. DISTRIBUTION OF BENEFITS

A. Distribution of ~~Contract of~~ Contract Benefits: Contract Benefits distributed from a Contract are payments made only for the Registration Fees (a.k.a. in-state tuition) for Semester based Credit Hours as determined in a manner prescribed by the Board and have no monetary value to the Purchaser. Additional fees, ~~s~~urcharges, Mandatory Fees, ~~t~~uition ~~c~~harges or additional costs charged by an Eligible Educational Institution including, but not limited ~~to room to~~ room or board, supplies, or any application, entrance, parking, technology, athletic, studio, fees,

or fines are not eligible for payment under the Program ~~or distribution~~ or distribution under any Contract. Distribution to Eligible Educational Institutions requested in any form other than Semester Credit Hours (including Quarterly Payment and Clock Hour calculations) will be converted by the Program using a formula prescribed by the Board with guidelines from the Free Application for Federal ~~Student Aid~~ Student ~~(Aid ("FAFSA") for)~~ Aid ("FAFSA") for the current Academic Year.

B. Notification of Intent to Enroll: A Beneficiary who intends to begin using Contract Benefits at the start of an Academic Year must notify the Program by returning the Intent to Enroll Form signed by both the Purchaser and the Beneficiary 60 days prior to the start of the Academic Year.

C. Payment to Eligible Educational Institutions: Any distribution of Contract Benefits by the Program on behalf of a Beneficiary will be paid directly to the Eligible Educational Institution to which the Beneficiary has submitted an Intent to Enroll Form.

D. Conditions of Payments to Eligible Educational Institutions: ~~A distribution of~~ A distribution of ~~Contract of~~ Contract Benefits will be made only after the Program determines:

1. The chosen institution is an Eligible Educational Institution.
2. The requested Contract Benefits distribution has been converted to Credit Hours, if the request is from an institution based on Quarterly Payments or Clock Hours.
3. The Program has established third-party billing for each out-of-state and private Eligible Educational Institution in order to distribute Contract Benefits to the chosen institution and the required Private or Out-of-State Processing Fee has been paid (See Program Fee Chart). If the Eligible Educational Institution will not accept third-party billing from the Program, the Beneficiary must submit a Request for Tuition Payment to an Eligible Private or Out-of-State Institution Form to the Program along with proof of enrollment in the form of a letter, transcript, or enrollment certificate including the Semester Credit Hours Contract Benefits requested to be distributed from the Eligible Educational Institution acceptable to the Program and the Program will then issue payment directly to the Eligible Educational

Institution. The Beneficiary is responsible for any reimbursement from the Eligible Educational Institution for any direct payments made to the Eligible Educational Institution.

4. Should a Prepaid Tuition Contract have Credit Hours remaining after a qualified beneficiary has graduated with an undergraduate degree, those Credit Hours may be applied toward tuition for graduate-level ~~studies~~ at studies at an Eligible Educational Institution at the undergraduate rate provided the remaining Credit Hours are used prior to the original Contract Expiration Date. Payments authorized toward graduate-level work may not exceed the amount that would have been paid towards undergraduate credit hours and may not exceed the usage time limit of the original Contract. Beneficiaries must submit their request for graduate tuition payment ~~on the~~ on the Graduate School Provision form provided by the Program and may be asked to provide proof of undergraduate degree attainment.

E. Deferment of Benefits: A Beneficiary who does not intend to begin using Contract Benefits during the stated Benefit Use Year must submit a Deferment of Benefits Form signed by the Purchaser which indicates reason for deferment. All Deferment of Benefits forms must be submitted at least 60 days prior to the start of an Academic Year.

F. Reinstatement of Contract Benefits: Requests to reinstate the use of deferred Contract Benefits should be submitted on an Intent to Enroll Form ~~and submitted~~ at least 60 days prior to the start of the academic Semester in which the Beneficiary will commence use of Contract Benefits.

G. Term of Contract Benefit Use: Distributions will not be made more than two years before the date of the specified Benefit Use Year unless the Beneficiary is a senior in High School and enrolls in an Eligible Educational Institution before that date and provides proper documentation of enrollment acceptable to the Program, and an Intent to Enroll Form to the Program. Commencement of distributions will not be made later than six years from the original Benefit Use Year excluding any period during which the Beneficiary was (1) on active duty in the Armed Services of the United States; or, (2) ~~been~~ actively serving or participating

in a charitable, religious, or public service assignment or mission after the expected date of Matriculation, as evidenced by documentation acceptable to the Program Administrator for extension of the term of a Contract. In addition, if Beneficiary has not applied for and received an extension of benefit usage as outlined in (1) or (2) above, the Contract benefits may not be used past 6 years post high school graduation.

H. Forfeiture of Contract: The Program may Terminate the Contract if there is no activity on the Contract in the 6 years after the Beneficiary graduates from High School and no notification of intended usage or request for extension to the term of the Contract has been received by the Program. Written notification of the forfeiture of Contract will be sent by the Program to the Purchaser, Beneficiary, and any Purchaser's Legal Successor. Parties will have 60 days to respond from the date of the mailing. **Failure to respond within the time given will result in the rights to distribution of Contract Benefits being forfeited and the Contract Terminated.** The balance of payments made, minus any Program Fees will be refunded to the Purchaser.

I. Tax Implications: The Program is not responsible for any taxes imposed as a result of (1) the Contract, (2) any contributions made to the Contract, or (3) Contract Benefit distributions made from the Contract. Purchaser and Beneficiaries are urged to consult their own tax advisor.

10. TERMINATION AND REFUNDS

A. General Rules: All Terminations, ~~and~~ Qualified, and Non-qualified Refunds ~~qualified Refunds~~ will be made in accordance with State law, Program policies and rules, and IRS Code Section 529, including:

1. Qualified Refunds will be made by the Program only for the amount held in the Program for a minimum of three years or such shorter time ~~period as~~ period as may be imposed by state or federal laws, regulations or policies or approved by the Program Administrator. This ~~three-year~~ three-year time limit does not apply to Non-qualified Refunds.

2. The Program may charge Program Fees which may include penalties in connection with a Qualified or Non-qualified Refund (see Program Fee Chart). The Program will deduct

all such Program Fees prior to a Qualified or Non-qualified Refund being issued.

~~3. The Program will make Qualified or Non-qualified Refunds or transfer remaining balances to another Contract, an amount paid to the Purchaser, or an alternate 529 Plan account at the direction of the Purchaser. At the direction of the Purchaser, the Program will make Qualified or Non-qualified refunds to the purchaser, or transfer remaining balances to another Nevada Prepaid Tuition Contract or an alternate 529 Plan account.~~

4. The Board will set an annual rate of interest on Qualified/ and Non-qualified Refunds (see Program Fee Chart).

5. The Board will provide a Qualified or Non-qualified Refund only after deducting Contract Benefit payments the Trust Fund made on behalf of the Beneficiary. A Qualified or Non-qualified Refund amount shall not exceed the total amount paid by the Purchaser pursuant to the Contract, with the interest on the adjusted amount (Qualified Refunds only) in accordance with the applicable rates established by the Board in the year in which the request is made. (see Program Fee Chart). A Non-qualified Refund amount shall not exceed the total amount paid by the Purchaser.

~~6. Qualified and Qualified — Non and Non-qualified Refund qualified — and Refunds and Termination disbursements will be made as soon as practicable following the end of the calendar month of month of the request to a Purchaser who has agreed to accept in full satisfaction — a Qualified Refund, / Non-qualified Refund, or / Termination claim. The amount will not exceed the total amount paid by the Purchaser pursuant to the Contract as of the last business day of the calendar month.~~

7. Qualified and / Non-qualified Refund amounts may be set by the Board at a rate lower than 100% of the Total Contract Price if the Board, in its sole judgment, determines that any such refunds would jeopardize the actuarial soundness of the Fund. If the Board institutes such a policy, a purchaser will have the option to (1) accept an amount determined by the Board, which may be less than the cumulative Monthly Purchase Amount or Lump Sum paid by the Purchaser pursuant to the Contract; or (2) choose to wait until the market value of the

Trust Fund is sufficient, in the sole judgment of the Board to provide a Qualified or / Non-qualified Refund equal to 100% of the cumulative Monthly Purchase Amount/Lump Sum made by the Purchaser. No representation is made regarding the timing when the market value of the Trust Fund will achieve a level of adequacy to provide 100% refund values.

8. Qualified and Non-qualified Refund and Termination requests must be submitted on the Refund Request Form provided by the Program, and be notarized, and a Program Fee will be assessed for Non-qualified Refunds (see Program Fee Chart).

B. Termination:

1. Voluntary Termination by Purchaser:

The Contract may be terminated upon written request, on the prescribed Refund Request Form, to the Program by the Purchaser (or, in the case of death or Disability of the Purchaser, the Purchaser's Legal Successor or estate appointee with acceptable documentation provided to the Program). A Termination Fee will be charged (see Program Fee Chart). Once a Contract is requested to be terminated and action has been taken to terminate the Contract, it may not be reinstated for any reason.

2. Death or Disability: Upon submittal of a Refund Request Form and acceptable documentation of the death or Disability, the Program will issue a Qualified Refund of the cumulative Monthly Purchase Amount or Lump Sum paid into the Contract, less any Program fees and contract benefits distributed on the Beneficiary's behalf. Interest will be applied to the balance in accordance with the applicable rates established by the any payments distributed in Contract Benefits with interest on the balance in accordance with the applicable rates established by the Board in the year in which the refund request is made (see Program Fee Chart). or Under conditions established in Section 6.C, a new qualifying Beneficiary may be named in substitution of a Qualified refund.

3. Scholarship: Qualified Refunds for full scholarships that make the Contract Benefits of a Prepaid Tuition Contract unusable for undergraduate studies must be requested in writing. Documentation must be provided by the educational institution or authority issuing

the scholarship and the documentation must be acceptable to the Program Administrator. If acceptable documentation is provided within the required timeframe and approved by the Program Administrator, the Program will amend the Contract to change the identity of the Beneficiary of the Contract under the conditions provided in Section 6.B or 6.C, or the Purchaser may choose to terminate the Contract pursuant to Section 10.B and receive a Qualified Refund. The Program may waive Program Cancellation Fees. The Beneficiary may also contact the Prepaid Tuition Program office for detailed information on program rules of using undergraduate program hours for graduate level coursework before the Contract is cancelled.

4. Non-payment: The Program will terminate the Contract and no Qualified or Non-qualified Refund will be issued if the Purchaser fails to make the necessary payments and the outstanding Program Fees exceed the Monthly Purchase payments and Program Fees already paid.

5. Forfeiture or Term: The Contract will be terminated if the Contract Benefits are forfeited because the term of Contract Benefit use has expired or the age of the Beneficiary now exceeds the Program maximum (see Section 9.G). The Program will pay the Purchaser a Non-qualified Refund to the extent the Lump Sum ~~or—cumulative~~ or cumulative Monthly Purchase amount paid into the Contract exceeds cumulative Contract Benefits paid out (if any) under the Contract. A Termination Fee will apply.

6. Fraud: The Program will terminate the Contract and issue a Non-qualified Refund to the Purchaser made up of the Lump Sum or cumulative Monthly Purchase amount paid by the Purchaser, less a Termination ~~Fee,~~ Fraud Fee, Fraud Penalty and any cumulative Education Benefits paid out, if any of the following have been fraudulently stated on an enrollment form or otherwise:

- a. The age of the Beneficiary;
- b. The grade of the Beneficiary;
- c. The Academic Year in which the Beneficiary (stated benefit use year) is to receive Educational Benefits under the Contract;

- d. The Social Security Number or Taxpayer Identification Number of the Purchaser or Beneficiary is invalid;
- e. The residency of the Purchaser, or the Purchaser's academic background, at the time the Open Enrollment Form is submitted to the Program; or
- f. Other matters as determined by the Program Administrator.

7. Actuarial Unsoundness: An actuarial valuation study of the Program shall be made annually by a certified actuary. If this actuary determines that the Program does not have sufficient funds to ensure the actuarial soundness of the Program and the Board reasonably determines there will be an insufficient number of new Contracts in the future with reasonably predictable terms to ensure the actuarial soundness of the Program, the Program may provide Qualified and Non-qualified Refunds at a reduced rate, may pay Educational Benefits at a reduced rate, or may Terminate all Contracts and prorate the assets of Program among the existing Contracts. If the Trust Fund is liquidated, the amount to be returned is uncertain and could be less than the Purchaser's contributions. Upon termination of the Program pursuant to this subsection, the Program may stop providing ~~Contract Benefits~~ Contract Benefits from the Program and will pay Non-qualified Refunds determined as follows:

- a. The Program will calculate the Contract's "asset value,"² which is the Lump Sum or cumulative Monthly Purchase Amount paid by the Purchaser, less any Contract Benefits or Qualified ~~or~~ Non-qualified Refunds paid by the Program, less any Program Fees due and payable to the Program; or
- b. A percentage of the amount of the total Trust Fund assets after liquidating all of the Trust Fund investments. The percentage is determined by dividing the asset value of a given Contract by the asset value of all Program Contracts combined. This Non-qualified Refund shall be applied, at the option of each Purchaser, either toward the purposes of this Contract on behalf of the Beneficiary; or paid to the Purchaser.

8. Cancellation by the Program for Failure to Provide Information: The Program may cancel a Contract immediately and charge a Termination Fee, if:

- a. The Purchaser fails to provide within 90 days of a written request from the Board any reasonable information relating to a Contract.
- b. The Purchaser fails to provide a valid Social Security ~~##~~Number or Taxpayer Identification Number~~##~~ for the Beneficiary within six months after the date a Contract is accepted.
- c. The initial payment in either a Lump Sum or Monthly Purchase option is dishonored.
- d. The Purchaser fails to comply with the terms of the Contract (other than failure to make a Monthly Purchase Amount payment by the monthly due date) and does not correct such failure within the time period provided in this Master Agreement.

9. Three Day Cancellation: The Purchaser may cancel his/her Open Enrollment application within three business days after the Program receives the Open Enrollment Form~~##~~. The Program will return all payments to the Purchaser, including the Enrollment Fee. No Termination Fee will be charged.

C. Qualified and ~~Non~~-qualified Refunds: The Program will calculate the amount of any Qualified or ~~Non~~-qualified Refund pursuant to the terms of this Master Agreement. The Qualified or ~~Non~~-qualified Refund amount paid is based on the Lump Sum or Monthly Purchase Amount paid by the Purchaser on the Contract to date less any Program Fees due and payable, and any Educational Benefits already paid on behalf of the Beneficiary:

1. Non-~~g~~Qualified Refund Due to Bankruptcy: If a Non-qualified Refund is requested by the Purchaser due to bankruptcy, the Purchaser must provide the Program with a copy of the bankruptcy filing~~##~~. The Contract will be valued as provided in Section 10.B.7 and the value will be equal to the calculated asset value of that provision.

2. Rollover of Qualified and ~~Non~~-qualified Refund: The Purchaser may choose to have any Qualified or ~~Non~~-qualified Refund administered as a rollover to a qualified 529 Plan~~##~~. Rollovers between 529 Plans for the

same Beneficiary or a new Beneficiary must provide acceptable documentation as detailed in Section 5.C. The Qualified or ~~Non~~-qualified Refund must be re-invested within 60 days and the Beneficiary of the accepting plan must be an eligible Family Member~~##~~. Rollover requests must be submitted on a completed Rollover Request Form provided by the Program. Requests that do not meet these requirements will be considered under Section 10.B Terminations.

3. Tax Implications: The Program shall not be responsible for any state or federal taxes imposed on the Purchaser, the Beneficiary, or otherwise in connection with any Qualified or ~~Non~~-qualified Refund~~##~~, ~~including~~ Refund, the including the 10 percent penalty tax payable to the IRS in connection with a Non-qualified Refund~~##~~. The Program sends a tax document to recipients of Qualified and Non-qualified Refunds and any distributions made during the calendar year as required by the IRS~~##~~. The tax document details the gross distribution, gain (or loss), and the basis of all distributions.

D. Appeals: Appeals of Cancellation, Terminations, and Qualified and ~~Non~~-qualified Refunds must be made in writing to the Program Administrator by a Purchaser within 30 days of a notice by the Program to cancel or Terminate a Contract~~##~~. Appeals of cancellations, Terminations, assessment of Program Fees and special petitions for conversions and waivers will be decided by the Program Administrator~~##~~. An aggrieved party may appeal the decision of the Program Administrator to the Board by the filing of a written request within 30 days of the notice of denial of appeal by the Program. The Board will conduct a review of the merits of the appeal and render final decision at the Board's next regularly scheduled meeting.

11. CONTRACT AMENDMENT AND CONVERSION

A. Contract Amendments and Plan Conversion: The Purchaser may request the conversion of a Contract either for method of payment or for selection of Plan. The Purchaser must submit the request on a Contract Conversion Form and all required Program Fees and any additional sum the Program determines in its sole judgment to be necessary as a result of the conversion or amendment in the interest of

maintaining the Actuarial Soundness of the Trust Fund. The Contract in question must meet the following criteria:

1. No Contract Benefits have been disbursed pursuant to the Contract;
2. The Purchaser is not in default on the Contract;
3. The Contract has not otherwise been Terminated; and
4. The Plan requested must have been available for the Open Enrollment year the Contract was purchased.

B. Fees and Costs: Amendments to the method of payment (Section 7) and conversion from one Credit Hour Plan (Section 3) to another will likely have Contract price implications to the Purchaser. The Program will determine the change in Total Contract Price, change in monthly payments (where applicable), the proposed amendment/conversion will impose, and provide new Contract documents to the Purchaser detailing the changes prior to the due date of the first new payment. The Purchaser may choose to pay any difference in plan cost either in a Lump Sum or through an amendment in the remaining Monthly Purchase Amount payments. Applicable Program Fees and interest will apply.

C. Non-Qualified Refunds Due to Conversion: Any Non-qualified Refund amount due to conversion to a lower cost Plan will be made by the Program as soon as practicable following the end of the calendar month.

12. OPERATION OF THE FUND

A. Higher Education Prepaid Tuition Trust Fund: Amounts received from Contracts under the Nevada Prepaid Tuition Program are commingled and held by the Board of Trustees of the College Savings Plans of Nevada and/or invested in the Higher Education Prepaid Tuition Trust Fund. The Trust Fund consists of payments received pursuant to a Contract; any bequest, endowment, or grant funds from the federal government; and any other public or private sources of money. The Program will not separately invest amounts paid under an individual Contract, but will maintain records showing the Purchaser; the Beneficiary; the amounts paid; the type of Plan purchased; and any distributions of Contract Benefits, Program Fees (already paid, as well as due and payable), and

Qualified and Non-Qualified Refunds (to date or pending) in connection with the Contract.

B. Program Administrator: As the Administrator of the Program and Trust Fund, the State Treasurer's Office maintains the financial records and any associated accounts of the Trust Fund.

C. Investment and Use: The Program is permitted to invest amounts paid under the Contracts in accordance with State law and any Investment Policies of the Board. The current Investment Policy can be found online at www.NVPrepaid.gov, under "More Info/Enrollment".

D. Investment Not Subject to Direction: Contract Purchasers and Beneficiaries may not direct the investment of amounts paid to or otherwise held by the Program in connection with any Contract.

E. Use: The Program may apply amounts received under the Contracts on a commingled basis to pay for or reimburse the State Treasurer's Office for administrative expenses in connection with the Program.

F. Reserve: As part of the Contract pricing, the Program will accumulate amounts as a stabilization reserve, available to pay immediate obligations of the Program if the Program does not otherwise have revenues at any particular point in time sufficient to pay such obligations.

G. Annual Analysis: In accordance with State law, the Program undertakes an annual valuation study using a certified actuary to determine the actuarial soundness of the Program and conducts an annual audit using a certified public accounting firm. The results of the actuarial valuation are used to determine the price of future Contracts and stabilization reserve embedded in the Contract pricing. The reports are available to the public at: www.NV-Prepaid.gov, under "More Info/Enrollment", or upon request.

H. Fund Termination: If the Board determines (in its sole judgment) that the Program is not financially viable, or for any other reason determines that the Program shall be terminated, the Board will cease to accept any further Contracts and notify all current Contract Purchasers of the plan for final disbursements (as a Non-qualified Refund to the Purchaser or the Beneficiary) from the Trust Fund as outlined in Section 10.B.7.

I. No State Guarantee: The Nevada Prepaid Tuition Program is not guaranteed by the State of Nevada and is not an obligation of the taxpayers of the State. The Contract is not an obligation of the State of Nevada and neither the full faith and credit nor taxing power of the State is pledged directly or indirectly or contingently, morally or otherwise, to the payment of Contract Benefits or a Qualified ~~or~~ Non-qualified Refund from the Contract. ~~The Board cannot directly or indirectly or contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation whatsoever, or to make any appropriation for the payment of the Contract or Qualified~~ or Non-qualified Refund.

13. MASTER AGREEMENT AMENDMENTS

A. Changes in Contract Prices: Prices are based in large part on actuarial assumptions established on an annual basis and such prices may be changed in the future annually by the Board, at its sole discretion.

B. Entire Agreement: This Master Agreement is considered a part of all Contracts and represents the entire understanding of the parties.

C. Invalid Provisions: If any portion of this Master Agreement or Contract shall be found to be invalid or unenforceable by any court, that portion shall be severed from this Master Agreement and/or Contract and the remainder will remain in full force.

D. Captions: The captions in this Master Agreement and any Contracts are for convenience only and in no way limit the intent of any provision of this Master Agreement or any Contracts.

E. Amendment to Contracts and Master Agreement: The Board reserves the right to amend any Contract to the extent required by law, or to the extent necessary or desirable in order to preserve favorable tax treatment under federal and state law, or for reasons in the interest of the Purchaser and the Program to make technical corrections. ~~The Board may in future years unilaterally amend this Master Agreement or individual Contracts if necessary to make reasonable changes including, but not limited to, administrative procedures, Program Fees (as listed as in listed 8.0 in Section 8. PQ.), and), methods and of methods~~

~~calculation of~~ calculation of ~~Contract~~ Contract prices. Any such changes shall be implemented across all Contracts affected by the amendment. ~~Purchasers choosing not to be bound by any such Contract changes may elect to terminate the Contract and receive a Non-qualified Refund, which may include Program Fees imposed by the Board.~~ Master Agreements are published on the Nevada Prepaid Tuition website at www.NVPrepaid.gov.

14. GENERAL TERMS

A. Judgment or Attachment: It is the intent of the parties that the right to Contract Benefits or Qualified and ~~Non-qualified~~ Refunds shall not be subject to any attachment, garnishment, seizure, or attachment by creditors of the Purchaser or Beneficiary.

B. Tax Considerations: The Contract is offered pursuant to Nevada Revised Statutes (“NRS”) 353B and the Nevada Administrative Code (“NAC”) 353B promulgated under these statutes. The Contract is intended to qualify for the tax benefits described and required in IRS Code Section 529. The Program is not liable for the effect of any state or federal taxes on any transactions or activity in conjunction with the Contract. Potential Purchasers are strongly advised to consult their own tax advisor.

C. Arbitration: Any controversy or claim arising out of or relating to a Program Contract and this Master Agreement, or breach, Termination, or questions relating to the validity thereof, shall be settled by arbitration administered by the American Arbitration Association ~~(Association (“AAA”))~~ in accordance with its Commercial Arbitration Rules. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

D. Attorney Fees: Except as otherwise provided by law or the Contract and this Master Agreement, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual ~~damages, and damages,~~ and the prevailing party’s reasonable attorneys’ fees and costs. It is specifically agreed that reasonable attorneys’ fees shall be not more than \$425 per hour.

E. Liability Limitations: The State and the Board will not waive and intends to assert available NRS

Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Damages for any breach shall never exceed the amount of accrued financial obligations to either party under this Contract at the time of breach.

F. Prevention of Performance of Contract: Neither the State nor the Board nor the Program Administrator shall be deemed to be in violation of any Contract or this Master Agreement if prevented from performing any of their obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event, the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

G. Failure to Declare Breach: Failure to declare a breach or the actual waiver of any particular breach of any Contract or its material or non-material terms by either party shall not ~~operate~~ asoperate as a waiver by such party of any of its rights or remedies as to any other breach.

H. Sale of Contract: A Contract may not be sold for any reason. A Contract may not be used as security for any loan.

I. Impact on Financial Aid:— The Program cannot determine and makes no representation as to what effect, if any, a Contract may have on the current or future state, federal, institutional, or private financial aid eligibility of any student Beneficiary.

J. Student Eligibility: Purchase of a Contract or participation in the Program, including being named as a Beneficiary under a Contract, does not constitute a guarantee or a promise by the Program or the State that a Beneficiary will be admitted to any or a particular Eligible Educational Institution, or be allowed to continue to attend an Eligible Educational Institution after having been admitted, or will graduate from an Eligible Educational Institution.

K. Nevada Law: The Contract is to be interpreted under the laws of the State of Nevada.—All parties consent to the jurisdiction of Nevada's district courts for enforcement of the Contract and this Master Agreement.—The provisions of NRS 353B

and NAC 353B, as amended from time to time, are incorporated into and govern the interpretation and performance of this Master Agreement and individual Contracts.

L. Notices to Program:—Notices to the Program must be sent by mail to:

Nevada Prepaid Tuition
Office of the State Treasurer
555 East Washington Avenue, Suite ~~4600~~5200
Las Vegas, NV 89101

M. Records: Records for the Program shall be subject to the public disclosure laws of the State. Individual Contract records shall be subject to the privacy policy of the Board.

N. Forms: Electronic forms and signatures may be accepted at the discretion of the Program Administrator. All forms are available on the Nevada State Treasurer's website www.NVPrepaid.gov or by contacting the Nevada Prepaid Tuition Office:

Nevada Prepaid Tuition
Office of the State Treasurer
555 E. Washington Avenue, Suite ~~4600~~5200
Las Vegas, NV 89101
PrepaidTuition@NevadaTreasurer.gov
Phone (888)477-2667(toll free) or
(702) 486-2025
Fax (702) 486-3246

Program Fee Chart

<u>Type of Fee</u>	<u>Amount</u>
Non-refundable Enrollment Fee	\$100
Document Replacement Fee <u>Fee</u> (for example, a payment coupon book)	\$ 7
Late Fee for Lump Sum Plans	\$ 15 for 1 st month (plus 1% per month of outstanding balance for additional months)
Late Fee for Monthly Plans	\$ 15 per month
Delinquency Fee on any payments over 90 days past due (applied to overdue amount)	6.25% per annum
Out-of-State School Processing Fee	\$ 25
Payment Option Change Fee	\$ 20
Plan Conversion Fee	\$ 20
Change of Purchaser Fee	\$ 20
Dishonored Payment Fee	\$ 25
Change of Beneficiary Fee	\$ 20
Contract Termination Fee	\$100
Fraud Penalty	\$250
Interest on Monthly Payment Option	6.25%
Early Pay-off Discount	6.25%
Interest on Refunds	0%

NOTE: The Board, in its sole discretion, may change existing Program Fees or impose future administrative fees without notice. ~~Program Fees are always published on our website at www.NVPrepaid.gov.~~ Program Fees are always published in the Program's Master Agreement located on our website at: www.NVprepaid.gov.

Chapter III:

2020 Master Agreement

Before you purchase a Nevada Prepaid Tuition Contract, please carefully read the Master Agreement, which explains the rules of the Program. When you sign an Enrollment form, you are agreeing to the terms of the Master Agreement.

1. DEFINITIONS

Definitions. Terms used in this Master Agreement and the Enrollment form for purchase of a Contract have the following meaning:

A. "529 Plan" A qualified prepaid tuition program or college savings plan within the definition of IRS Section 529 of the Code.

B. "Academic Year" Undergraduate school year beginning the first Semester, term, or quarter after July 15th of any year.

C. "Basic Registration Fee" The charge for the basic per Credit Hour of course work as established by the Nevada Board of Regents **excluding all other fees or charges.**

D. "Beneficiary" or "Qualified Beneficiary" The child designated in the Program Contract Enrollment form to receive the Educational Benefits of the Program.

E. "Benefit Use Year" The year of Matriculation to college, which the Beneficiary may begin drawing on Educational Benefits in the form of Credit Hours from the Contract.

F. "Board" The Board of Trustees of the College Savings Plans of Nevada.

G. "Cancellation of Contract" A voluntary request from the Purchaser to terminate the Contract and request a refund.

H. "Clock Hours" College level credit course benefit requested to be converted to Credit Hours for payment to an Eligible Educational Institution that charges tuition based on hours spent in class time rather than Semester Credit Hours. Clock Hours are converted based on the Free Application

for Federal Student Aid (FASFA) guidelines for the current academic year.

I. "Code" Internal Revenue Code of 1986, as amended.

J. "Community College" An Eligible Educational Institution which grants a two-year degree.

K. "Contract" A Program Contract accepted by the Program Office, including the Master Agreement, the Program Description, the Enrollment Form, and the Plan and payment option selected by the Purchaser.

L. "Contract Benefits" In-State Credit Hours purchased for use by the Beneficiary.

M. "Credit Hours" Semester Credit Hours established by the Nevada Board of Regents. Credit hours paid for by the Program are intended for undergraduate studies, and in some instances the undergraduate benefit may be applied toward graduate-level work once a Beneficiary attains an undergraduate degree if he/she has credit hours left in the Prepaid Tuition Contract when he/she graduates from college and uses the remaining credit hours prior to the original Contract Expiration Date.

N. "Custodian" Person who is designated with the rights of the Purchaser on a Contract where the Purchaser is a minor or the Contract was acquired by way of UGMA or UTMA and the Custodian is required to act under the terms of the UGMA or UTMA. The Custodian is responsible for performing all duties of the Purchaser.

O. "Disabled" or "Disability" Limitation of individual's physical or mental abilities resulting from an injury or disease which renders the individual incapable of participating in the Program as either a Purchaser or Beneficiary.

P. "Distribution" Payment by the Program to the Beneficiary's Eligible Educational Institution toward Credit Hours, as authorized by the Contract Purchaser.

Q. "Down-payment" Minimum down payment of \$1,000.00 toward the total purchase price of a 5 year monthly, 10 year monthly, or extended monthly payment plan Contract at the time of enrollment.

R. "Eligible Educational Institution" Includes accredited postsecondary educational institutions offering credit towards an associate's degree, a bachelor's degree, professional degree, or another recognized postsecondary credential, and certain postsecondary vocational and proprietary institutions. The institution must be recognized by the U.S. Department of Education as eligible to participate in federal student financial aid programs. See www.fafsa.ed.gov for additional information.

S. "Expiration Date" The date in which contract benefits conclude and can no longer be paid. The beneficiary has six (6) years from the expected high school graduation date to use the Contract benefits. Extensions are only allowed per Nevada Administrative Code outlined in NAC 353B.210.

T. "Family Member" Member of the family as set forth in IRS Code Section 529(e)(2) which includes a son or daughter, or a descendant of either; a stepson or stepdaughter or a descendant of either; a brother, sister, stepbrother, or stepsister; the father or mother, or an ancestor of either; a stepfather or stepmother; a son or daughter of a brother or sister; a brother or sister of the father or mother; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; the spouse of the Beneficiary or the spouse of any individual listed above; and a first cousin. A legally adopted child or foster child is also treated as a Family Member, as is a brother or sister by half-blood.

U. "Fiscal Year" Time period from July 1st to June 30th (inclusive) of the next calendar year.

V. "Gift Contribution" Contribution or payment by a Person who is not the original Contract Purchaser in connection with an established Contract.

W. "Gifto" An individual authorized by the Purchaser to make a Gift Contribution(s) to the Contract.

X. "Graduate-Level" Post baccalaureate coursework taken by the Beneficiary in order to obtain a master's, professional, or doctorate degree.

Y. "Guardian" An adult authorized to make decisions on a Contract owned by a minor who

becomes the Purchaser due to death of the original Purchaser or other legal action without a designated Purchaser Legal Successor.

Z. "Investment Manager(s)" The Investment Manager(s) is/are selected by the Board and administer Program assets in accordance with the guidelines and objectives contained in the Program's Investment Policy. The detailed investment policy is located at www.NVPrepaid.gov.

AA. "Lump Sum Payment" Payment in full for the Plan at the time of enrollment in the Program with the Contract accepted by the Program administrator.

BB. "Mandatory Fee" Any fee, other than charges for Credit Hours, which a public educational institution requires all students to pay as a condition of enrollment in such institution, including but not limited to class specific fees, health fees, or technology fees. These examples are not all inclusive. Mandatory Fees are not covered by the Program as Educational Benefits. Credit Hours are the only payments made on behalf of Beneficiaries in the Program.

CC. "Matching Contribution" Contribution or payment by an employer as directed by the employee to match their contribution to an open, active, "in payment status" Contract for a designated beneficiary.

DD. "Matriculation" The year that a Beneficiary is anticipated to commence attendance at a postsecondary educational institution, generally concurrent with the high school graduation year.

EE. "Monthly Purchase" Monthly installment payment option chosen by the Purchaser, with the Monthly Purchase Amount to be remitted on or before the 15th day of each month.

FF. "Monthly Purchase Amount" Monthly dollar amount specified by the Program for payment by the Purchaser on a Monthly Purchase Contract by the 15th day of each month.

GG. "Newborn" A child under one year old at the time of enrollment.

HH. "Non-qualified Refund" All voluntary refunds (that are not Qualified Refunds), caused by Terminations and cancellations are subject to Termination Fee and penalties payable by the Purchaser, and shall also include refunds due to the actuarial unsoundness of the Program as described in Section 10.B, for which Termination Fee will not be applicable. A Non-qualified Refund may also have adverse tax consequences.

II. "Open Enrollment" Period of time designated by the Board annually to accept new Contracts.

JJ. "Person" An individual who is a citizen of or legal alien resident of the United States, or a partnership, trust, association, corporation, or governmental subdivision existing under the laws of the United States or any state of the United States.

KK. "Plan" Type of Program Contract purchased under Section 3 of the Master Agreement.

LL. "Program" The Nevada Prepaid Tuition Program.

MM. "Program Administrator" The State Treasurer of the State of Nevada, or designee.

NN. "Program Fees" The Fees as noted in the Program Fee Chart as well as the Master Agreement Section 8.P.

OO. "Purchaser" Person specified in the Contract who is responsible for payments under the Contract. If the Purchaser is a natural Person, he or she must be 18 years of age or older, or have a trustee, or a designated Custodian of a minor under the UTMA, or be represented by a court appointed or approved conservator or Guardian. The Purchaser also must satisfy applicable residency requirements.

PP. "Purchaser Legal Successor" Person designated by the Purchaser on the Contract to have full ownership rights for the Contract in case of the death or Disability of the Purchaser.

QQ. "Quarterly Payments" Payments requested to be converted to Semester Credit Hours from an Eligible Educational Institution that charges based on a quarter year system.

RR. "Qualified Refund" A refund made because the beneficiary (1) received a full scholarship, (2) attended a service academy, or (3) became deceased or disabled.

SS. "Resident" Individual who is domiciled in the State of Nevada and meets the definition of US Citizen as defined in the Nevada Revised Statutes (NRS) 10.155. Includes military personnel who reside out-of-state, but list Nevada as their home of record in their military files.

TT. "Rollover" Contribution from a Qualified or Non-qualified Refund transferred to a qualified 529 Plan which shall include a contribution from a Coverdell Education Savings Account, and/or Savings Bonds, for the same Beneficiary or a new Beneficiary.

UU. "UGMA/UTMA" Uniform Gifts to Minors Act/Uniform Transfers to Minor Act.

VV. "Semester" The fall or spring term of the Academic Year of 15 to 18 weeks, or the summer Semester equivalent, as defined by the Nevada Board of Regents.

WW. "State" State of Nevada.

XX. "Standard Bachelor Degree" Consists of 120 Semester Credit Hours achieving a defined course of study at an accredited Eligible Education Institution granting undergraduate degrees.

YY. "Termination" Discontinuation of the Beneficiaries right to receive Educational Benefits at an Eligible Educational Institution under the Contract.

ZZ. "Termination Fee" Fee charged for a Non-qualified cancellation refund of Contract.

AAA. "Total Contract Price" means the cumulative amount of all Monthly Purchase Amounts owed under a Monthly Purchase Plan, or the Total Contract Price set forth in a Lump Sum Contract.

BBB. "Trust Fund" Nevada Higher Education Prepaid Tuition Trust Fund, which owns Program assets and from which all Program Educational Benefits are paid.

CCC. "Tuition Charge" The charge assessed against students who are not residents of Nevada and which is in addition to the Basic Registration Fees or other fees assessed against students who are residents of the State of Nevada. (See, NRS 396.540 (1) (c)).

DDD. "University" An Eligible Educational Institution which grants a four-year standard bachelor's degree. In the context of this document, any institution which includes "college" in its name and is otherwise eligible for this Program will be described as a "University", as long as it also grants a standard bachelor's degree.

EEE. "Weighted Average Tuition (WAT)" The average tuition rate calculated based on the cost per credit hour and the number of attendees at each of Nevada's public colleges and universities. The rates for the public community colleges and public universities will be calculated separately.

2. PROGRAM OBLIGATIONS

A. General Provisions: The Program agrees to pay the Basic Registration Fee of Credit Hours from the assets in the Trust Fund for the level of Credit Hours purchased in a Contract. University Credit Hours and Community College Credit Hours are priced and disbursed at different amounts and will determine the Total Contract Price and Educational Benefit disbursed under a Contract. Educational Benefits may be used at any Eligible Educational Institution, but only at the level purchased and up to the maximum number of Credit Hours purchased.

B. Standard Bachelor's Degree: A Standard Bachelor's Degree usually consists of 120 Semester Credit Hours (or, on average, 30 credit hours each year). The student Beneficiary may require more credit hours than purchased in order to graduate for various reasons such as dropping, failing, or repeating classes; taking non-transferable classes at another Eligible Educational Institution; or changing majors. The Program will not pay for any additional Credit Hours.

C. Limit of Benefits: The Program will stop providing Contract Benefits under this Contract when the Program has paid the total Credit Hours purchased, regardless of the number of Credit

Hours the Beneficiary has accumulated toward graduation.

D. Basic Registration Fee-Credit Hour Payments Only: The Program will only pay Educational Benefits, as defined by the Contract and provide Qualified and Non-qualified Refunds under the Contract from the assets of the Trust Fund. The ability of the Program to pay Contract Benefits and provide Qualified and Non-qualified Refunds under the Contract is not guaranteed by the State of Nevada.

E. Contract Benefits Disbursed at Community College and University Level: The Educational Benefits disbursed at both the Community College and University level will be established by the Board and based on the cost or Weighted Average Tuition Cost of Credit Hours established for Nevada Universities and Community Colleges set by the Nevada Board of Regents. The rate will be the rate paid to both in-state and out-of-state Eligible Educational Institutions unless the out-of-state institution charges less than the in-state credit hour rate, in which case the Program will pay the lower rate. The Program agrees to pay the cost of Credit Hours from the assets of the Trust Fund. Out-of-state and private or independent Eligible Educational Institutions may charge tuition fees in excess of the Contract Benefits. If the Beneficiary chooses to attend one of these institutions, Colleges, or Universities, the Beneficiary is financially liable to pay the difference between the Program Contract Benefits disbursement amount and the actual costs. If the Basic Registration Fee is less than the rate of Contract Benefits paid under the Contract during that year, the Purchaser may have an overpayment at the termination of the Contract and an overpayment reimbursement may be made by the Program.

F. Contract Requirements: Before the Contract Benefits can be utilized, all outstanding balances and Program Fees must be paid in full. A Contract is considered paid in full when the Total Contract Price owed and all outstanding fees are paid to the Program. The Contract must have been purchased at least three years prior to the Benefit Use Year and a valid Social Security Number or Tax Payer Identification Number must be on file for the Beneficiary prior to any benefits being paid.

3. PLAN OPTIONS

A. Four Year University Contract, 120 University Level Credit Hours: The Program will pay for 120 Credit Hours at the Beneficiary's Eligible Educational Institution.

B. Two Year University Contract, 60 University Level Credit Hours: The Program will pay for 60 Credit Hours at the Beneficiary's Eligible Educational Institution.

C. One Year University Contract, 30 University Level Credit Hours: The Program will pay for 30 Credit Hours at the Beneficiary's Eligible Educational Institution.

D. Two Year Community College Contract, 60 Community College Level Credit Hours: The Program will pay for 60 Credit Hours at the Beneficiary's Eligible Educational Institution.

E. Combination, Two Years of Community College Level (60) Credit Hours and Two Years of University Level (60) Credit Hours: The Program will pay for 60 Credit Hours at the Beneficiary's Eligible Educational Institution at the Community College level first. The Program will then pay for 60 Credit Hours at the University level after the Community College hours have been exhausted. The Basic Registration Fee for Credit Hours at both the Community College and the University levels will be established by the Nevada Board of Regents for Nevada domiciled Community College and four-year Universities and will be paid to the Beneficiary's Eligible Educational Institution. As noted above, **Community College credits must be used first, before University credit hours.** All remaining provisions of the University and Community College Contracts will apply to the combination two-year Community College Contract and two-year University Contract.

Note: The Basic Registration Fees for Credit Hours established by the Nevada Board of Regents for Nevada-domiciled four-year Universities and two-year Community Colleges will be paid to both in-state and out-of-state Eligible Educational Institutions. In the event that the Nevada System of Higher Education Board of Regents adopts varying tuition rates at Nevada colleges and universities, a Weighted Average Tuition Model may be used for Credit Hour payments.

4. ENROLLMENT

A. Submitting an Open Enrollment Form: The Open Enrollment Form and Enrollment Fee must be completed and submitted to the Program according to the Open Enrollment form instructions and may be accepted only during Open Enrollment periods designated by the Board. A separate Open Enrollment form is required for each Beneficiary. The Open Enrollment form must be completed online by midnight on the last day of Open Enrollment or postmarked by the last day of the Open Enrollment period in order to be processed. The Board at its sole discretion may extend the Open Enrollment period.

B. Contract Acceptance: The Program has no obligation to the Purchaser unless and until it accepts the Contract. The Program will accept the Contract only after it receives a fully completed Open Enrollment form from a qualified Purchaser and payment of the Enrollment Fee is received in the form of a personal check, credit card, electronic withdrawal, cash, cashier's check, certified check, or money order payable to the Program.

C. Purchaser Qualifications: A qualified purchaser must (1) satisfy the Nevada residency requirement: either be a resident of the State of Nevada, hold a degree or certificate from a Nevada-domiciled University or Community College or designate a Beneficiary who is a resident of the State of Nevada, (2) provide a valid Social Security Number or Taxpayer Identification Number, and (3) be 18 years of age or older or have a designated Custodian under UTMA who may name a minor as the Purchaser; or be a trust with the authority to enter into the Contract on behalf of the Beneficiary, or be a court-appointed conservator or Guardian.

D. Beneficiary Qualifications: The Beneficiary must have a valid Social Security Number or Taxpayer Identification Number and must not have completed the ninth grade of school and not reached the age of 18 at the time of Contract acceptance. The Beneficiary must be a resident of the State of Nevada at the time of enrollment in the Program, and/or the Purchaser must be a resident of the State of Nevada and/or hold a degree or certificate from a Nevada-domiciled University or Community College.

E. Enrollment Form Acceptance or Rejection: A Contract is not established until the Program sends a written or electronic confirmation of

acceptance of the Open Enrollment form and initial payment (either Lump Sum or the initial Monthly Payment) is processed. If an Open Enrollment form is not accepted based on criteria established by the Program Administrator, the Enrollment Fee will be forfeited by the potential enrollee, but an amount equal to any lump sum or down-payment made will be returned to the Purchaser. The Purchaser must have a valid Social Security number (or a Taxpayer Identification Number) and provide accurate and full information on the Open Enrollment form or the enrollment will be rejected. The Program Administrator will accept more than one Open Enrollment form, up to a maximum of four Contracts for a single Beneficiary, as long as the total Credit Hours of the combined Contracts do not exceed 120 Semester Credit Hours at any level.

F. Payment and Participation Schedule: A payment and participation schedule will be forwarded in writing or electronically to the Purchaser of an accepted Contract within 60 days of the close of Open Enrollment and first payments are due by May 15 of the Open Enrollment year. If the Purchaser does not receive this schedule by that time, the Purchaser should immediately notify the Program.

G. Newborn Enrollment: A Contract for a Newborn child may be accepted by the Program without a Social Security Number. However, the purchaser must supply the Beneficiary's Social Security Number or Taxpayer Identification Number within 60 days of Contract acceptance.

H. Ownership: The Purchaser will hold ownership rights to the Contract, and only the Purchaser may exercise rights under the Contract, unless the Purchaser's rights are transferred to the Purchaser's Legal Successor, or to the Beneficiary. Any person making a Gift contribution will not have any title to or rights under the Contract. If the Program is unable to locate either the Purchaser or the Beneficiary within the term of the Contract, the Program will treat the Contract payments received as unclaimed property and they shall be transferred to the State Treasurer in accordance with NRS 120A.

I. Automatic Transfer of Ownership: The Beneficiary designated in the Contract will automatically assume the Purchaser's rights and responsibilities under the title to the Contract in the event that the Purchaser dies, becomes legally incompetent, or cannot be located by the Program

and the Purchaser has not designated a living Purchaser's Legal Successor to assume control of the Contract. In such event, the Program, without further notice, consent, authorization or otherwise, shall act at the specific direction of the Beneficiary, if not a minor. If the Beneficiary is a minor, the Contract shall not distribute Educational Benefits unless and until the Program in its sole judgment receives acceptable documentation that a legal Guardian may act on behalf of the Beneficiary, and the Program will adhere to the directives of such Guardian. A Change of Purchaser Form, acceptable documents and Program Fee must be submitted to the Program Office.

J. Voluntary Transfer of Ownership: The Purchaser may transfer ownership rights under the Contract to another Person to act as the Purchaser if such a transfer is not prohibited by state or federal law or regulation, and is specifically approved by the new Purchaser and completed in full on a Change of Purchaser form provided by the Program. The new Purchaser must agree to the transfer by signing the Change of Purchaser form, submitting the required fee, and shall be subject to all the terms of the Contract and any outstanding and unpaid balance and Program Fees on the Contract. The signature of the current Purchaser must be notarized.

5. CONTRACT PURCHASER

A. Only One Contract Purchaser Allowed: The Purchaser must meet the following qualifications (as applicable):

1. A Purchaser must provide a valid Social Security Number or a Taxpayer Identification Number.
2. A Purchaser under the age of 18 must have an adult sign the Open Enrollment form and certify that this adult will serve as the Guardian or Custodian of the Contract.
3. In case of a legal entity purchasing a Contract, a legally authorized representative of the entity must sign the Open Enrollment form. This authorized representative is an individual designated by a partnership, corporation, trust, estate, association, or organization to control a Contract, however the entity itself and not the representative, will be the Purchaser of the Contract. The authorized representative must sign all forms. The entity must notify the

Program in a timely manner if the authorized representative changes by submitting a completed Change of Purchaser from provided by the Program.

4. The Purchaser must meet the qualifications of a Purchaser as defined In Section 4.C of this Agreement.

5. Notices: All notices from the Program will be directed only to the Contract Purchaser, unless otherwise requested in writing by the Purchaser.

6. Address Change: The Purchaser shall keep their address up to date by changing it online, or by notifying the Program in writing of any change of address of the Purchaser, Beneficiary, or the Purchaser's Legal Successor. The Program is not responsible for non-delivered mail regardless of any change of address and any/all Master Agreement updates still apply.

B. Using Funds from UGMA/UTMA Accounts: Custodians for minors under UGMA/UTMA may purchase a Contract using funds from an UGMA/UTMA account subject to all state laws and rules governing such accounts.

1. When proceeds from UGMA/UTMA accounts are used to purchase a Contract, the Beneficiary must be shown as the Purchaser and a Custodian must be designated and provide required documentation to the Program and the Custodian will be considered the Purchaser by the Program for all transactions and documentation.

2. The Beneficiary will obtain ownership control of the Contract and all rights of the Purchaser upon reaching the age of majority. No Change of Purchaser fee will be charged for transfer of the Contract at the time of majority.

3. Any and all contributions toward the purchase of the Contract will be considered to be UGMA/UTMA funds and become an asset of the Beneficiary. Custodians should consider carefully whether future contributions to a Contract initially purchased with UGMA/UTMA proceeds would be appropriate or whether non-UGMA/UTMA funds in the future should be used to purchase a new Contract for a particular Beneficiary.

4. The Program will not be liable for any consequences related to a Custodian's improper use, transfer, or characterization of UGMA/

UTMA-related activity, or other custodial funds.

C. Rollovers: The Purchaser must indicate if the purchase of a Contract is funded by a Rollover contribution from a Coverdell Education Savings Account, or another IRS Section 529 plan for the same Beneficiary or for a new Beneficiary who qualified as a Family Member of the previous Beneficiary. If it is a Rollover contribution, the Purchaser must provide documentation acceptable to the Program showing the earnings portion of the contribution. To the extent such documentation is not provided, the Program will treat the entire amount of the Rollover proceeds as earnings. Acceptable documentation includes:

1. Statement issued by the 529 Plan showing the earnings, less the portion of the Purchaser's withdrawal.

2. Coverdell Education Savings Account (ESA) statement or documentation issued by the account custodian that shows the basis and earnings.

3. Such other documents determined by the Program Administrator in its sole judgment to be acceptable and in accordance with current and future guidance issued by the IRS. Rollovers will be applied to a Lump Sum Payment on the Contract unless the Purchaser specifies otherwise. The distribution must be reinvested in the Contract within 60 days of the withdrawal date to avoid adverse tax consequences on the part of the Purchaser.

D. Power of Attorney: The Program will accept a notarized Power of Attorney acting on behalf of a Purchaser (with acceptable documentation). The Program may request additional documentation if the Power of Attorney is drawn in another State and/or the 529 legal counsel requests it. It is the Purchaser's responsibility to notify the program if and when the Power of Attorney ends.

6. BENEFICIARY

A. Designation: An individual designated as a Beneficiary must meet the qualifications of a Beneficiary and have a valid Social Security Number or Taxpayer Identification Number. The Beneficiary need not be related to the Purchaser.

B. Change of Beneficiary Without Benefit Usage: For any reason **prior to the Benefit Use Year** designated in the Contract and if the Contract is not in default, has not been Terminated, **and no**

Educational Benefits have been distributed on behalf of the current Beneficiary, the Purchaser may submit a Change of Beneficiary form to designate a new Beneficiary who must qualify as a Family Member of the previously designated Beneficiary. The Purchaser must submit the required Program Fee and a completed Change of Beneficiary form including the name, date of birth, Social Security Number or Taxpayer Identification Number, and date of Benefit Use Year for the new Beneficiary before the Program may consider amending the Contract. The Contract may be amended by the Program if the age of the proposed new Beneficiary is less than the age of the existing qualified Beneficiary or no more than three years older; or the Purchaser pays any additional sum the Program determines in its sole judgment to be necessary, as a result of the change, to ensure the actuarial soundness of the Trust Fund. A Change of Beneficiary form must be notarized.

C. Change of Beneficiary with Benefit Usage: For any reason, prior to the Benefit Expiration date, and if the Contract has not been Terminated, the Purchaser may submit a Change of Beneficiary form to designate a new Beneficiary who must qualify as a Family Member of the previously designated Beneficiary. The Purchaser must submit the required Program Fee and a completed Change of Beneficiary form including the name, date of birth, Social Security Number or Taxpayer Identification Number, and date of Benefit Use Year for the new Beneficiary before the Program may consider amending the Contract. The Change of Beneficiary **will not** be amended if the Benefit Use Year exceeds the Benefit Use Expiration Date of the original beneficiary or if the transfer results in the new beneficiary exceeding the statutory limit of 120 credit hour limit per Beneficiary on all Contracts issued by Program. Contracts will not be extended past the original Beneficiary Expiration Date for the new beneficiary.

D. Transfer to a Family Member Due to Death/ Disability of the Beneficiary: If the Beneficiary dies or becomes Disabled all Contract Educational Benefits may be transferred with the Program's written approval and in accordance with Section 529 to a Family Member of the Beneficiary, or a nonprofit organization 501(c)(3), at the organization's direction to be used as a scholarship to a designated individual of the

501(c)(3) choosing provided the original expiration date of the Contract is adhered to on any Contracts that have been partially used by the decedent. The transfer shall be subject to (1) payment of any outstanding Program fees (if any), and (2) payment to the Program of the amount necessary in its sole judgment to reimburse the Program for any additional expense or loss of funds associated with the transfer to an older Beneficiary, if applicable. If a Contract is transferred to an older Beneficiary who was ineligible for a Contract when the Contract was purchased, the transfer may not be approved by the Program. A Change of Beneficiary form must be completed and documentation acceptable to the Program of death or Disability submitted. The Program Administrator may waive the Change of Beneficiary fee.

E. Total Credit Hours: A Beneficiary may not accumulate Contracts that exceed 120 Credit Hours in the Program.

F. Maximum Contribution limit – An account owner may continue to make contributions to both the Nevada Prepaid Tuition Program and other Nevada College Savings Plans for the same Beneficiary so long as the aggregate balance of all Section 529 plans sponsored by the State of Nevada does not exceed the maximum contribution limit, which is currently \$500,000. The Board is required to set the maximum allowable contribution limit for all accounts for a Beneficiary. The Board expects to evaluate the maximum allowable contribution limit annually but reserves the right to make adjustments more or less frequently. It is possible that federal law might impose different limits on maximum allowable contributions in the future.

G. Designation of Benefit Use Year: The Purchaser must designate a Benefit Use Year for the Beneficiary of a Contract. The year must coincide with the Beneficiary's Matriculation. The Purchaser may submit a Deferment of Benefit Request form to the Program on behalf of the Beneficiary during any year the Program would disburse Educational Benefits on the Contract, but the Program must distribute all benefits within 6 years of the Benefit Use Year, except as provided by the Contract.

7. PURCHASING OPTIONS

A. Annual Enrollment Period: The Board will publish an annual Open Enrollment period for each fiscal year. Open Enrollment forms to purchase a

Lump Sum, Five Year, Ten Year, or an extended Monthly Installment payment plan may be submitted only during the Open Enrollment period. The Purchaser must indicate on the Open Enrollment form the option selected for payment.

B. Lump Sum Contracts: The Purchaser may choose to purchase a Contract in one Lump Sum payment at the time of enrollment.

1. Insufficient Payment: If the Purchaser who has chosen a Lump Sum Contract pays less than the total Program Contract amount plus the one-time Enrollment Fee, the Program will notify the Purchaser. If the Program does not receive instructions and payment (if applicable) from the Purchaser within 90 business days of the date notice is sent, the Program shall Terminate the Contract. If the Program sends a notice, the Purchaser shall advise the Program by mail that he/she will do one of the following:

- Enclose payment in full, including any specified Program Fees;
- Inform the Program to apply the amount submitted and convert the unpaid balance (if any) to a Monthly Purchase option;
- Inform the Program to convert the Contract to a different Plan Option (see Section 3) which is equal to or less than the lump sum paid; or
- Withdraw the Open Enrollment Application.

2. Lump Sum Late Fees: If the Program does not receive payment within 15 days of the due date, a Late Fee for Lump Sum Purchase will be applied (see Program Fee Chart). Forty-five days after the due date, a penalty of 1 percent of the total amount due, including the amount of all outstanding fees and penalties imposed pursuant to the Contract, will be imposed for each period of 30 days or portion thereof that passes until:

- The total amount due is paid; or
- The Contract is terminated at the discretion of the Program Administrator, whichever occurs first.

The Program will then return to the purchaser the amount paid by the purchaser (without interest), less the enrollment fee, any outstanding fees, and a termination fee (see Program Fee Chart).

C. Monthly Payment Purchase Options: A Purchaser may choose one of three Monthly Purchase options: make monthly payments over a 60-month time frame (five years); make monthly payments over a 120-month time frame (ten years); or make monthly payments from the time of enrollment in the Program until the Beneficiary graduates from high school.

1. Down Payment on Monthly Purchase Plans: If any Monthly Payment options are selected, the Purchaser may choose to apply an up-front \$1,000 or greater Down Payment amount to reduce the total cost of the Contract balance and Monthly Payments.

2. Interest on Balance: The Purchaser must pay any outstanding balance, calculated Program Fees, and interest included in the Total Contract Price by submitting Monthly Purchase Amounts to the Program. Monthly Purchase Amounts include an interest component, (currently 6.25% interest). The total cumulative amount paid under a Monthly Payment option over the Contract's life will be more than if paid by Lump Sum. The Purchaser may submit additional Monthly Purchase Amounts early without penalty, but will still be obligated to the Total Contract Price, unless Purchaser submits an Early Payoff Request (see Section 8.E).

8. PAYMENTS

A. Methods of Payment: Payments for Contracts, including any Program Fees must be made in United States currency, using any of the payment methods permitted by the Program, which may include the following:

1. Cashier's or personal check.
2. Money order.
3. Cash, limit not to exceed \$500.
4. Automated Withdrawal authorization. Purchasers selecting this method must complete the Automated Withdrawal Authorization Form provided by the Program, along with a voided check for verification of routing and bank account numbers.
5. Payroll deduction. Purchasers selecting this method must be employed by an organization that offers payroll deduction for the Program and must complete a Payroll Deduction Authorization Form provided by or acceptable to the Program. It is the employee's responsibility to monitor their Contract

payments and stop payroll deduction once their Contract is paid in full.

6. Employer Matching Contribution. A matching contribution made by an employer for an employee who makes contributions to a qualified Beneficiary. The employee must provide proof of Contract payment(s) to their employer. A matching contribution is accepted when the employer submits to the Program the name of the employee and the corresponding Contract number. Certain limitations may apply. See NRS 353B.310.

7. E-check. Online automated payment option via the Program's website using your checking or savings bank account.

8. Credit Card for the payment of enrollment fee, optional down payment, and/or lump sum accepted at the time of enrollment only. Visa, Master Card, and Discover are accepted. Although there is currently no extra charge for the use of a credit card, the Program reserves the right to impose a transaction fee for future credit card payments. To reduce the cost of fees, the Program encourages you to use e-check.

B. Wire Transfers: The Program does not accept payments via wire transfers.

C. Fees: The Purchaser will be responsible for any fees charged by a bank or entity that may be applicable to the payment method selected, including fees assessed on returned or dishonored payments.

D. Acceptance of Payments: Upon acceptance of a Monthly Purchase Amount or Lump Sum Payment, the Program will record payment in the Purchaser's account based on policies established by the Program Administrator.

E. Early Payoff: A Purchaser under a Monthly Purchase option who makes a Lump Sum payment to complete the Total Contract Price before the final Monthly Purchase Amount is due will receive an Early Payoff Discount (currently 6.25%) on the unpaid remaining balance at the rate set annually by the Board (see Program Fee Chart). In order for the Early Payoff Discount to be applied by the Program, the Contract may not be delinquent or converted to a different Plan Option (see Section 11) to bring the Contract current on payments, and all Program Fees must be paid in full.

F. Late Payments: If a Monthly Purchase Amount is not paid by the 15th day of the month

due, the Purchaser is granted a 15-day grace period. After the grace period (month-end), the Program will accept the payment only if it is accompanied by a Late Fee for Monthly Purchase (see Program Fees). Additional late fees apply for each month the payment is late (see Program Fee Chart). Any amount owing that is 90 days past due will also be subject to a Delinquency Fee (see Program Fee Chart) not to exceed 8% applied to the delinquent balance. The Delinquency Fee will be applied at 90 days past due and assessed until overdue payments are received by the Program or the Contract is Terminated. When a Contract is 180 days past due the Program will inform the Purchaser of pending cancellation and will Terminate the Contract in 45 days from the date of pending cancellation notice, if no payment or appeal is received (see Section 10).

G. Overpayments by Purchaser or Gift Contributions: If a Contract is paid-in-full and the Program receives additional payments toward the Contract, the Program will notify the purchaser and return the overpayment to the Purchaser. No Program Fees will apply to overpayments.

H. Overpayments of Employer Matching Contributions: If Employer matching contributions are received, in excess of the amount owed on a Contract, the matching contribution will be returned to the employer. The employer is responsible for notifying the employee on whose behalf the match was not made, as well as updating tax credit records with the Nevada Department of Taxation.

I. Prepayments: The Purchaser may prepay or allow Gift contributions toward any amount due under the Monthly Purchase option, including the remaining balance of a Contract. The Program will automatically apply prepayments in the following order of priority: (1) to any outstanding Program Fees; (2) to future Monthly Purchase Amounts in chronological order by due date. A prepayment will not result in a reduction in the cumulative Monthly Purchase Amounts due under the Contract, including the interest component thereof. A Purchaser may prepay the remaining balance on a Contract in full as a Lump Sum payment (see Section 8.E).

J. Default: The Purchaser must remit payments pursuant to a Contract on the dates and in the amounts set forth in the schedule for payment and participation provided to the Purchaser in the

Contract. If the Purchaser: (a) fails to remit a payment as required pursuant to a Contract within 30 days after the date the payment is due, the purchaser shall be deemed in Default; (b) does not make the required first payment for a new Contract within 90 days after the date the payment is due, the Program will Terminate the Contract; or (c) does not make all past due payments (including relevant Program Fees required pursuant to a Contract) within 180 days after the date the Purchaser is deemed to be in Default pursuant to this section, the Program will inform the Purchaser of pending cancellation and will Terminate the Contract in 45 days from the date of pending cancellation notice, if no payment or appeal is received. The Program will provide the Purchaser, after deducting the total amount of any Program Fees and penalties imposed pursuant to the Contract, a Non-qualified Refund of the balance of the amount paid by the purchaser pursuant to the Contract under the terms and conditions established by the Program Administrator.

K. Dishonored Payments: If a check, automated withdrawal, or other payment by a Purchaser is not honored or not paid in full by the applicable bank or other entity (including stop payments), the payment will be treated as a dishonored payment and subject to a Dishonored Payment Fee (see Program Fee Chart). If the dishonored payment represents the initial payment, the Program may choose not to accept the Contract. If the Contract was previously accepted, the Program will cancel the Contract. If the dishonored payment is a Monthly Purchase option payment, the amounts relating to the dishonored payment and applicable Program Fees will remain due and subject to Late Payment conditions (see Section 8.F).

L. Gifts: A Purchaser may authorize individuals to make Gift Contributions toward a Contract. Gifts will only be accepted when accompanied by a signed Gifor Form provided by the Program. The Gift Contribution may be applied to the current or future Monthly Purchase payments of the Contract, subject to the Total Contract Price. If a Gift Contribution results in an overpayment that exceeds the Total Contract Price, the overpayment will be refunded to the Purchaser (see Section 8.G). All Gift Contributions will be used to meet Contract obligations and will be owned by, and subject to direction solely by, the Purchaser of the Contract,

not by the Person making the Gift Contribution. Gift Contributions may be received at any time.

M. Suspended Contract: A Purchaser may request the monthly payments in a Monthly Purchase option be suspended for a maximum 90-day period without being subject to Termination once during the term of the Contract. The Program may approve the suspension request and will charge a Late Fee for Monthly Purchase. Reinstatement of the Contract will require the payment of all past due payments, any applicable Program Fees accrued during the 90-day period or the Contract will be considered in default. Contracts may only be suspended once during the term of the Contract and a Contract may not be suspended within one year of the stated Matriculation of the Beneficiary.

N. Term of Payments: The term of a Monthly Purchase option must end before the Academic Year the Beneficiary is projected to Matriculate.

O. Due Date of Monthly Payments: Monthly payments of a Monthly Purchase option are due on or before the 15th day of the month in which the obligation is due.

P. Program Fees: Fees currently assessed by the Board:

Enrollment Fee	\$100
Document Replacement Fee (coupon book, welcome pack, or student handbook)	\$7
Late Fee for Lump Sum Plans	\$15 for 1st month (then 1% per month thereafter of the outstanding balance for additional months)
Late Fee for Monthly Plans	\$15 per month
Delinquency Fee on any payments over 90 days past due	6.25% per annum (applied to overdue amount)
Private or Out-of-state School Fee	\$25
Payment Option Change Fee	\$20

Plan Conversion Fee	\$20
Change of Purchaser Fee	\$20
Dishonored Payment Fee	\$25
Change of Beneficiary Fee	\$20
Termination or Cancellation Fee	\$100
Fraud Penalty	\$250
Interest on Monthly Payment Option	6.25%
Early Pay-off Discount	6.25%
Interest on Refunds	0%

The Board in its sole discretion may change existing Program Fees or impose future administrative fees without notice.

9. DISTRIBUTION OF BENEFITS

A. Distribution of Contract Benefits: Contract Benefits distributed from a Contract are payments made only for the Registration Fees (a.k.a. in-state tuition) for Semester based Credit Hours as determined in a manner prescribed by the Board and have no monetary value to the Purchaser. Additional fees, surcharges, Mandatory Fees, tuition charges or additional costs charged by an Eligible Educational Institution including, but not limited to room or board, supplies, or any application, entrance, parking, technology, athletic, studio, fees or fines are not eligible for payment under the Program or distribution under any Contract. Distribution to Eligible Educational Institutions requested in any form other than Semester Credit Hours (including Quarterly Payment and Clock Hour calculations) will be converted by the Program using a formula prescribed by the Board with guidelines from the Free Application for Federal Student Aid ("FAFSA") for the current Academic Year.

B. Notification of Intent to Enroll: A Beneficiary who intends to begin using Contract Benefits at the start of an Academic Year must notify the Program by returning the Intent to Enroll Form signed by both the Purchaser and the Beneficiary 60 days prior to the start of the Academic Year.

C. Payment to Eligible Educational Institutions: Any distribution of Contract Benefits by the Program on behalf of a Beneficiary will be paid directly to the Eligible Educational Institution to which the Beneficiary has submitted an Intent to Enroll Form.

D. Conditions of Payments to Eligible Educational Institutions: A distribution of

Contract Benefits will be made only after the Program determines:

1. The chosen institution is an Eligible Educational Institution.
2. The requested Contract Benefits distribution has been converted to Credit Hours, if the request is from an institution based on Quarterly Payments or Clock Hours.
3. The Program has established third-party billing for each out-of-state and private Eligible Educational Institution in order to distribute Contract Benefits to the chosen institution and the required Private or Out-of-State Processing Fee has been paid (See Program Fee Chart). If the Eligible Educational Institution will not accept third-party billing from the Program, the Beneficiary must submit a Request for Tuition Payment to an Eligible Private or Out-of-State Institution Form to the Program along with proof of enrollment in the form of a letter, transcript, or enrollment certificate including the Semester Credit Hours Contract Benefits requested to be distributed from the Eligible Educational Institution acceptable to the Program and the Program will then issue payment directly to the Eligible Educational Institution. The Beneficiary is responsible for any reimbursement from the Eligible Educational Institution for any direct payments made to the Eligible Educational Institution.
4. Should a Prepaid Tuition Contract have Credit Hours remaining after a qualified beneficiary has graduated with an undergraduate degree, those Credit Hours may be applied toward tuition for graduate-level studies at an Eligible Educational Institution at the undergraduate rate provided the remaining Credit Hours are used prior to the original Contract Expiration Date. Payments authorized toward graduate-level work may not exceed the amount that would have been paid towards undergraduate credit hours and may not exceed the usage time limit of the original Contract. Beneficiaries must submit their request for graduate tuition payment on the Graduate School Provision form provided by the Program and may be asked to provide proof of undergraduate degree attainment.

E. Deferral of Benefits: A Beneficiary who does not intend to begin using Contract Benefits during the stated Benefit Use Year must submit a

Deferment of Benefits Form signed by the Purchaser which indicates reason for deferment. All Deferment of Benefits forms must be submitted at least 60 days prior to the start of an Academic Year.

F. Reinstatement of Contract Benefits:

Requests to reinstate the use of deferred Contract Benefits should be submitted on an Intent to Enroll Form at least 60 days prior to the start of the academic Semester in which the Beneficiary will commence use of Contract Benefits.

G. Term of Contract Benefit Use: Distributions will not be made more than two years before the date of the specified Benefit Use Year unless the Beneficiary is a senior in High School and enrolls in an Eligible Educational Institution before that date and provides proper documentation of enrollment acceptable to the Program, and an Intent to Enroll Form to the Program. Commencement of distributions will not be made later than six years from the original Benefit Use Year excluding any period during which the Beneficiary was (1) on active duty in the Armed Services of the United States; or (2) actively serving or participating in a charitable, religious, or public service assignment or mission after the expected date of Matriculation. Documentation evidencing the acceptable service must be provided to the Program Administrator for extension of the term of the Contract. In addition, if Beneficiary has not applied for and received an extension of benefit usage as outlined in (1) or (2) above, the Contract benefits may not be used past 6 years post high school graduation.

H. Forfeiture of Contract: The Program may Terminate the Contract if there is no activity on the Contract in the 6 years after the Beneficiary graduates from High School and no notification of intended usage or request for extension to the term of the Contract has been received by the Program. Written notification of the forfeiture of Contract will be sent by the Program to the Purchaser, Beneficiary, and any Purchaser's Legal Successor. Parties will have 60 days to respond from the date of the mailing. **Failure to respond within the time given will result in the rights to distribution of Contract Benefits being forfeited and the Contract Terminated.** The balance of payments made, minus any Program Fees will be refunded to the Purchaser.

I. Tax Implications: The Program is not responsible for any taxes imposed as a result of (1)

the Contract, (2) any contributions made to the Contract, or (3) Contract Benefit distributions made from the Contract. Purchaser and Beneficiaries are urged to consult their own tax advisor.

10. TERMINATION AND REFUNDS

A. General Rules: All Terminations, Qualified, and Non-qualified Refunds will be made in accordance with State law, Program policies and rules, and IRS Code Section 529, including:

1. Qualified Refunds will be made by the Program only for the amount held in the Program for a minimum of three years or such shorter time period as may be imposed by state or federal laws, regulations or policies or approved by the Program Administrator. This three-year time limit does not apply to Non-qualified Refunds.
2. The Program may charge Program Fees which may include penalties in connection with a Qualified or Non-qualified Refund (see Program Fee Chart). The Program will deduct all such Program Fees prior to a Qualified or Non-qualified Refund being issued.
3. At the direction of the Purchaser, the Program will make Qualified or Non-qualified Refunds to the purchaser, or transfer remaining balances to another Nevada Prepaid Tuition Contract or an alternate 529 Plan account.
4. The Board will set an annual rate of interest on Qualified and Non-qualified Refunds (see Program Fee Chart).
5. The Board will provide a Qualified or Non-qualified Refund only after deducting Contract Benefit payments the Trust Fund made on behalf of the Beneficiary. A Qualified or Non-qualified Refund amount shall not exceed the total amount paid by the Purchaser pursuant to the Contract, with the interest on the adjusted amount (Qualified Refunds only) in accordance with the applicable rates established by the Board in the year in which the request is made. (see Program Fee Chart). A Non-qualified Refund amount shall not exceed the total amount paid by the Purchaser.
6. Qualified and Non-qualified Refunds and Termination disbursements will be made as soon as practicable following the end of the calendar month of the request to a Purchaser who has agreed to accept in full satisfaction a Qualified Refund, Non-qualified Refund, or

Termination claim. The amount will not exceed the total amount paid by the Purchaser pursuant to the Contract as of the last business day of the calendar month.

7. Qualified and Non-qualified Refund amounts may be set by the Board at a rate lower than 100% of the Total Contract Price if the Board, in its sole judgment, determines that any such refunds would jeopardize the actuarial soundness of the Fund. If the Board institutes such a policy, a purchaser will have the option to (1) accept an amount determined by the Board, which may be less than the cumulative Monthly Purchase Amount or Lump Sum paid by the Purchaser pursuant to the Contract; or (2) choose to wait until the market value of the Trust Fund is sufficient, in the sole judgment of the Board to provide a Qualified or Non-qualified Refund equal to 100% of the cumulative Monthly Purchase Amount/Lump Sum made by the Purchaser. No representation is made regarding the timing when the market value of the Trust Fund will achieve a level of adequacy to provide 100% refund values.

8. Qualified and Non-qualified Refund and Termination requests must be submitted on the Refund Request Form provided by the Program, be notarized, and a Program Fee will be assessed for Non-qualified Refunds (see Program Fee Chart).

B. Termination:

1. Voluntary Termination by Purchaser:

The Contract may be terminated upon written request, on the prescribed Refund Request Form, to the Program by the Purchaser (or, in the case of death or Disability of the Purchaser, the Purchaser's Legal Successor or estate appointee with acceptable documentation provided to the Program). A Termination Fee will be charged (see Program Fee Chart). Once a Contract is requested to be terminated and action has been taken to terminate the Contract, it may not be reinstated for any reason.

2. Death or Disability: Upon submittal of a Refund Request Form and acceptable documentation of the death or Disability, the Program will issue a Qualified Refund of the cumulative Monthly Purchase Amount or Lump Sum paid into the Contract, less any Program fees and contract benefits distributed on the Beneficiary's behalf. Interest will be

applied to the balance in accordance with the applicable rates established by the Board in the year in which the refund request is made (see Program Fee Chart). Under conditions established in Section 6.C, a new qualifying Beneficiary may be named in substitution of a Qualified refund.

3. Scholarship: Qualified Refunds for full scholarships that make the Contract Benefits of a Prepaid Tuition Contract unusable for undergraduate studies must be requested in writing. Documentation must be provided by the educational institution or authority issuing the scholarship and the documentation must be acceptable to the Program Administrator. If acceptable documentation is provided within the required timeframe and approved by the Program Administrator, the Program will amend the Contract to change the identity of the Beneficiary of the Contract under the conditions provided in Section 6.B or 6.C, or the Purchaser may choose to terminate the Contract pursuant to Section 10.B and receive a Qualified Refund. The Program may waive Program Cancellation Fees. The Beneficiary may also contact the Prepaid Tuition Program office for detailed information on program rules of using undergraduate program hours for graduate level coursework before the Contract is cancelled.

4. Non-payment: The Program will terminate the Contract and no Qualified or Non-qualified Refund will be issued if the Purchaser fails to make the necessary payments and the outstanding Program Fees exceed the Monthly Purchase payments and Program Fees already paid.

5. Forfeiture or Term: The Contract will be terminated if the Contract Benefits are forfeited because the term of Contract Benefit use has expired or the age of the Beneficiary now exceeds the Program maximum (see Section 9.G). The Program will pay the Purchaser a Non-qualified Refund to the extent the Lump Sum or cumulative Monthly Purchase amount paid into the Contract exceeds cumulative Contract Benefits paid out (if any) under the Contract. A Termination Fee will apply.

6. Fraud: The Program will terminate the Contract and issue a Non-qualified Refund to the Purchaser made up of the Lump Sum or

cumulative Monthly Purchase amount paid by the Purchaser, less a Termination Fee, Fraud Penalty and any cumulative Education Benefits paid out, if any of the following have been fraudulently stated on an enrollment form or otherwise:

- a. The age of the Beneficiary;
- b. The grade of the Beneficiary;
- c. The Academic Year in which the Beneficiary (stated benefit use year) is to receive Educational Benefits under the Contract;
- d. The Social Security Number or Taxpayer Identification Number of the Purchaser or Beneficiary is invalid;
- e. The residency of the Purchaser, or the Purchaser's academic background, at the time the Open Enrollment Form is submitted to the Program; or
- f. Other matters as determined by the Program Administrator.

7. Actuarial Unsoundness: An actuarial valuation study of the Program shall be made annually by a certified actuary. If this actuary determines that the Program does not have sufficient funds to ensure the actuarial soundness of the Program and the Board reasonably determines there will be an insufficient number of new Contracts in the future with reasonably predictable terms to ensure the actuarial soundness of the Program, the Program may provide Qualified and Non-qualified Refunds at a reduced rate, may pay Educational Benefits at a reduced rate, or may Terminate all Contracts and prorate the assets of Program among the existing Contracts. If the Trust Fund is liquidated, the amount to be returned is uncertain and could be less than the Purchaser's contributions. Upon termination of the Program pursuant to this subsection, the Program may stop providing Contract Benefits from the Program and will pay Non-qualified Refunds determined as follows:

- a. The Program will calculate the Contract's "asset value", which is the Lump Sum or cumulative Monthly Purchase Amount paid by the Purchaser, less any Contract Benefits or Qualified or Non-qualified Refunds

paid by the Program, less any Program Fees due and payable to the Program; or

- b. A percentage of the amount of the total Trust Fund assets after liquidating all of the Trust Fund investments. The percentage is determined by dividing the asset value of a given Contract by the asset value of all Program Contracts combined. This Non-qualified Refund shall be applied, at the option of each Purchaser, either toward the purposes of this Contract on behalf of the Beneficiary or paid to the Purchaser.

8. Cancellation by the Program for Failure to Provide Information: The Program may cancel a Contract immediately and charge a Termination Fee, if:

- a. The Purchaser fails to provide within 90 days of a written request from the Board any reasonable information relating to a Contract.
- b. The Purchaser fails to provide a valid Social Security Number or Taxpayer Identification Number for the Beneficiary within six months after the date a Contract is accepted.
- c. The initial payment in either a Lump Sum or Monthly Purchase option is dishonored.
- d. The Purchaser fails to comply with the terms of the Contract (other than failure to make a Monthly Purchase Amount payment by the monthly due date) and does not correct such failure within the time period provided in this Master Agreement.

9. Three Day Cancellation: The Purchaser may cancel his/her Open Enrollment application within three business days after the Program receives the Open Enrollment Form. The Program will return all payments to the Purchaser, including the Enrollment Fee. No Termination Fee will be charged.

C. Qualified and Non-qualified Refunds: The Program will calculate the amount of any Qualified or Non-qualified Refund pursuant to the terms of this Master Agreement. The Qualified or Non-qualified Refund amount paid is based on the Lump Sum or Monthly Purchase Amount paid by the Purchaser on the Contract to date less any Program Fees due and payable, and any Educational Benefits already paid on behalf of the Beneficiary:

1. Non-Qualified Refund Due to Bankruptcy: If a Non-qualified Refund is requested by the Purchaser due to bankruptcy, the Purchaser must provide the Program with a copy of the bankruptcy filing. The Contract will be valued as provided in Section 10.B.7 and the value will be equal to the calculated asset value of that provision.

2. Rollover of Qualified and Non-qualified Refund: The Purchaser may choose to have any Qualified or Non-qualified Refund administered as a rollover to a qualified 529 Plan. Rollovers between 529 Plans for the same Beneficiary or a new Beneficiary must provide acceptable documentation as detailed in Section 5.C. The Qualified or Non-qualified Refund must be re-invested within 60 days and the Beneficiary of the accepting plan must be an eligible Family Member. Rollover requests must be submitted on a completed Rollover Request Form provided by the Program. Requests that do not meet these requirements will be considered under Section 10.B Terminations.

3. Tax Implications: The Program shall not be responsible for any state or federal taxes imposed on the Purchaser, the Beneficiary, or otherwise in connection with any Qualified or Non-qualified Refund, including the 10 percent penalty tax payable to the IRS in connection with a Non-qualified Refund. The Program sends a tax document to recipients of Qualified and Non-qualified Refunds and any distributions made during the calendar year as required by the IRS. The tax document details the gross distribution, gain (or loss), and the basis of all distributions.

D. Appeals: Appeals of Cancellation, Terminations, and Qualified and Non-qualified Refunds must be made in writing to the Program Administrator by a Purchaser within 30 days of a notice by the Program to cancel or Terminate a Contract. Appeals of cancellations, Terminations, assessment of Program Fees and special petitions for conversions and waivers will be decided by the Program Administrator. An aggrieved party may appeal the decision of the Program Administrator to the Board by the filing of a written request within 30 days of the notice of denial of appeal by the Program. The Board will conduct a review of the

merits of the appeal and render final decision at the Board's next regularly scheduled meeting.

11. CONTRACT AMENDMENT AND CONVERSION

A. Contract Amendments and Plan Conversion: The Purchaser may request the conversion of a Contract either for method of payment or for selection of Plan. The Purchaser must submit the request on a Contract Conversion Form and all required Program Fees and any additional sum the Program determines in its sole judgment to be necessary as a result of the conversion or amendment in the interest of maintaining the Actuarial Soundness of the Trust Fund. The Contract in question must meet the following criteria:

1. No Contract Benefits have been disbursed pursuant to the Contract;
2. The Purchaser is not in default on the Contract;
3. The Contract has not otherwise been Terminated; and
4. The Plan requested must have been available for the Open Enrollment year the Contract was purchased.

B. Fees and Costs: Amendments to the method of payment (Section 7) and conversion from one Credit Hour Plan (Section 3) to another will likely have Contract price implications to the Purchaser. The Program will determine the change in Total Contract Price, change in monthly payments (where applicable), the proposed amendment/conversion will impose, and provide new Contract documents to the Purchaser detailing the changes prior to the due date of the first new payment. The Purchaser may choose to pay any difference in plan cost either in a Lump Sum or through an amendment in the remaining Monthly Purchase Amount payments. Applicable Program Fees and interest will apply.

C. Non-qualified Refunds Due to Conversion: Any Non-qualified Refund amount due to conversion to a lower cost Plan will be made by the Program as soon as practicable following the end of the calendar month.

12. OPERATION OF THE FUND

A. Higher Education Prepaid Tuition Trust Fund: Amounts received from Contracts under the

Nevada Prepaid Tuition Program are commingled and held by the Board of Trustees of the College Savings Plans of Nevada and/or invested in the Higher Education Prepaid Tuition Trust Fund. The Trust Fund consists of payments received pursuant to a Contract; any bequest, endowment, or grant funds from the federal government; and any other public or private sources of money. The Program will not separately invest amounts paid under an individual Contract, but will maintain records showing the Purchaser; the Beneficiary; the amounts paid; the type of Plan purchased; and any distributions of Contract Benefits, Program Fees (already paid, as well as due and payable), and Qualified and Non-qualified Refunds (to date or pending) in connection with the Contract.

B. Program Administrator: As the Administrator of the Program and Trust Fund, the State Treasurer's Office maintains the financial records and any associated accounts of the Trust Fund.

C. Investment and Use: The Program is permitted to invest amounts paid under the Contracts in accordance with State law and any Investment Policies of the Board. The current Investment Policy can be found online at www.NVPrepaid.gov, under "More Info/ Enrollment".

D. Investment Not Subject to Direction: Contract Purchasers and Beneficiaries may not direct the investment of amounts paid to or otherwise held by the Program in connection with any Contract.

E. Use: The Program may apply amounts received under the Contracts on a commingled basis to pay for or reimburse the State Treasurer's Office for administrative expenses in connection with the Program.

F. Reserve: As part of the Contract pricing, the Program will accumulate amounts as a stabilization reserve available to pay immediate obligations of the Program if the Program does not otherwise have revenues at any particular point in time sufficient to pay such obligations.

G. Annual Analysis: In accordance with State law, the Program undertakes an annual valuation study using a certified actuary to determine the actuarial soundness of the Program and conducts an annual audit using a certified public accounting firm. The results of the actuarial valuation are used to determine the price of future Contracts and

stabilization reserve embedded in the Contract pricing. The reports are available to the public at: www.NVPrepaid.gov, under "More Info / Enrollment", or upon request.

H. Fund Termination: If the Board determines (in its sole judgment) that the Program is not financially viable, or for any other reason determines that the Program shall be terminated, the Board will cease to accept any further Contracts and notify all current Contract Purchasers of the plan for final disbursements (as a Non-qualified Refund to the Purchaser or the Beneficiary) from the Trust Fund as outlined in Section 10.B.7.

I. No State Guarantee: The Nevada Prepaid Tuition Program is not guaranteed by the State of Nevada and is not an obligation of the taxpayers of the State. The Contract is not an obligation of the State of Nevada and neither the full faith and credit nor taxing power of the State is pledged directly or indirectly or contingently, morally or otherwise, to the payment of Contract Benefits or a Qualified or Non-qualified Refund from the Contract. The Board cannot directly or indirectly or contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation whatsoever, or to make any appropriation for the payment of the Contract or Qualified or Non-qualified Refund.

13. MASTER AGREEMENT AMENDMENTS

A. Changes in Contract Prices: Prices are based in large part on actuarial assumptions established on an annual basis and such prices may be changed in the future annually by the Board, at its sole discretion.

B. Entire Agreement: This Master Agreement is considered a part of all Contracts and represents the entire understanding of the parties.

C. Invalid Provisions: If any portion of this Master Agreement or Contract shall be found to be invalid or unenforceable by any court, that portion shall be severed from this Master Agreement and/or Contract and the remainder will remain in full force.

D. Captions: The captions in this Master Agreement and any Contracts are for convenience only and in no way limit the intent of any provision of this Master Agreement or any Contracts.

E. Amendment to Contracts and Master Agreement: The Board reserves the right to amend any Contract to the extent required by law, or to the extent necessary or desirable in order to preserve favorable tax treatment under federal and state law, or for reasons in the interest of the Purchaser and the Program to make technical corrections. The Board may in future years unilaterally amend this Master Agreement or individual Contracts if necessary to make reasonable changes including, but not limited to, administrative procedures, Program Fees (as listed in Section 8. P.), and methods of calculation of Contract prices. Any such changes shall be implemented across all Contracts affected by the amendment. Purchasers choosing not to be bound by any such Contract changes may elect to terminate the Contract and receive a Non-qualified Refund, which may include Program Fees imposed by the Board. Master Agreements are published on the Nevada Prepaid Tuition website at www.NVPrepaid.gov.

14. GENERAL TERMS

A. Judgment or Attachment: It is the intent of the parties that the right to Contract Benefits or Qualified and Non-qualified Refunds shall not be subject to any attachment, garnishment, seizure, or attachment by creditors of the Purchaser or Beneficiary.

B. Tax Considerations: The Contract is offered pursuant to Nevada Revised Statutes ("NRS") 353B and the Nevada Administrative Code ("NAC") 353B promulgated under these statutes. The Contract is intended to qualify for the tax benefits described and required in IRS Code Section 529. The Program is not liable for the effect of any state or federal taxes on any transactions or activity in conjunction with the Contract. Potential Purchasers are strongly advised to consult their own tax advisor.

C. Arbitration: Any controversy or claim arising out of or relating to a Program Contract and this Master Agreement, or breach, Termination, or questions relating to the validity thereof, shall be settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

D. Attorney Fees: Except as otherwise provided by law or the Contract and this Master Agreement,

the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and the prevailing party's reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall be not more than \$425 per hour.

E. Liability Limitations: The State and the Board will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Damages for any breach shall never exceed the amount of accrued financial obligations to either party under this Contract at the time of breach.

F. Prevention of Performance of Contract: Neither the State nor the Board nor the Program Administrator shall be deemed to be in violation of any Contract or this Master Agreement if prevented from performing any of their obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event, the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

G. Failure to Declare Breach: Failure to declare a breach or the actual waiver of any particular breach of any Contract or its material or non-material terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

H. Sale of Contract: A Contract may not be sold for any reason. A Contract may not be used as security for any loan.

I. Impact on Financial Aid: The Program cannot determine and makes no representation as to what effect, if any, a Contract may have on the current or future state, federal, institutional, or private financial aid eligibility of any student Beneficiary.

J. Student Eligibility: Purchase of a Contract or participation in the Program, including being named as a Beneficiary under a Contract, does not constitute a guarantee or a promise by the Program or the State that a Beneficiary will be admitted to any or a particular Eligible Educational Institution,

or be allowed to continue to attend an Eligible Educational Institution after having been admitted, or will graduate from an Eligible Educational Institution.

K. Nevada Law: The Contract is to be interpreted under the laws of the State of Nevada. All parties consent to the jurisdiction of Nevada's district courts for enforcement of the Contract and this Master Agreement. The provisions of NRS 353B and NAC 353B, as amended from time to time, are incorporated into and govern the interpretation and performance of this Master Agreement and individual Contracts.

L. Notices to Program: Notices to the Program must be sent by mail to:

Nevada Prepaid Tuition
Office of the State Treasurer
555 East Washington Avenue, Suite 5200
Las Vegas, NV 89101

M. Records: Records for the Program shall be subject to the public disclosure laws of the State. Individual Contract records shall be subject to the privacy policy of the Board.

N. Forms: Electronic forms and signatures may be accepted at the discretion of the Program Administrator. All forms are available on the Nevada State Treasurer's website www.NVPrepaid.gov or by contacting the Nevada Prepaid Tuition Office:

Nevada Prepaid Tuition
Office of the State Treasurer
555 E. Washington Avenue, Suite 5200
Las Vegas, NV 89101
PrepaidTuition@NevadaTreasurer.gov
Phone (888)477-2667(toll free) or
(702) 486-2025
Fax (702) 486-3246

Program Fee Chart

<u>Type of Fee</u>	<u>Amount</u>
Non-refundable Enrollment Fee	\$100
Document Replacement Fee (for example, a payment coupon book)	\$ 7
Late Fee for Lump Sum Plans	\$ 15 for 1 st month (plus 1% per month of outstanding balance for additional months)
Late Fee for Monthly Plans	\$ 15 per month
Delinquency Fee on any payments over 90 days past due	6.25% per annum
(applied to overdue amount)	
Out-of-State School Processing Fee	\$ 25
Payment Option Change Fee	\$ 20
Plan Conversion Fee	\$ 20
Change of Purchaser Fee	\$ 20
Dishonored Payment Fee	\$ 25
Change of Beneficiary Fee	\$ 20
Contract Termination Fee	\$100
Fraud Penalty	\$250
Interest on Monthly Payment Option	6.25%
Early Pay-off Discount	6.25%
Interest on Refunds	0%

NOTE: The Board, in its sole discretion, may change existing Program Fees or impose future administrative fees without notice. Program Fees are always published in the Program's Master Agreement located on our website at: www.NVprepaid.gov.

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 12
September 19, 2019

**Item: Nevada State Treasurer's Office, Division of College
Savings' Marketing Plan for Fiscal Year 2020**

Summary:

Miles Dickson, Chief of Staff, with the Nevada State Treasurer's Office will present an overview of the FY20 Marketing Plan for the Nevada College Savings Programs, and be available to answer questions.

Fiscal Impact: None by this action.

Staff recommended motion:

**To accept and approve the Nevada State Treasurer's Office,
Division of College Savings' Marketing Plan for Fiscal Year
2020.**



Nevada College Savings Programs FY20 Marketing Plan Overview

COLLEGE SAVINGS BOARD PRESENTATION
SEPTEMBER 19, 2019

MILES DICKSON, CHIEF OF STAFF
NEVADA TREASURER'S OFFICE

Situational Analysis

Context	A post-secondary credential has never been more important. Or more expensive.
Customers	Nevadans need trustworthy, comprehensive information on how they can make post-secondary education as affordable as possible based on their unique circumstances.
Company (Nevada)	The State (via Treasurer's Office) has long offered many valuable savings products and scholarships. With the launch of several new educational and assistance services, we can provide (more) comprehensive information and resources to help Nevadans in all aspects of their post-secondary financial journey <u>and</u> promote legacy products and scholarships.
Competitors	We face competition in a variety of forms: alternative savings products; products and information provided by bad actors; competing priorities for household dollars ranging from making ends meet to emergency and retirement savings; etc.
Collaborators	Nationally-recognized program manager (Ascensus) and partners (Putnam, SSGA, USAA/Victory, Vanguard, Wealthfront) can deliver best-practices, innovation, and resources, while NSHE, NDOE, and local school districts and nonprofits offer abundant opportunities to coordinate.

Products & Services Mix (Office-wide)

Program	Description	Type
529 Savings Plans	Tax-advantaged savings accounts, administered by leading financial services firms, that students can use to save and pay for qualified education expenses.	Savings Product
Prepaid Tuition	Tax-advantaged savings accounts, administered by the State, that households can use to purchase and make payments for a fixed contract amount.	Savings Product
College Kickstart	\$50 tax-free starter scholarship provided by the State to every kindergartner in public school.	Savings Product
Guinn Millennium	Merit-based scholarship worth up to \$10,000 awardable to all eligible students pursuing post-secondary education.	Scholarship Product
Guinn Memorial	Merit-based scholarship worth up to \$5,000 awardable to up to four eligible students per year pursuing post-secondary education and a career in education.	Scholarship Product
Scholarship Database	<i>Unbiased digital listing of scholarships available to Nevada students.</i>	<i>Education & Assistance Service</i>
Financial Education	<i>Trustworthy information and resources that aid Nevadans in their journey to affordably plan, save, and pay for post-secondary education.</i>	<i>Education & Assistance Service</i>
Student Loan Ombudsman	<i>Information and resources that help future and current student loan borrowers make informed borrowing decisions, and assistance for borrowers to address problematic loans.</i>	<i>Education & Assistance Service</i>

1. **Awareness and Understanding:** Increase awareness and understanding of the unique benefits, features, and enrolment process for each product.
2. **New Accounts:**
 - Increase number of **529s and Prepaid** accounts opened and funded.
 - Increase number of **College Kickstart** accounts claimed.
3. **Feature Utilization:** Increase utilization of account features such as matched savings offers, automatic deposits, employer matching, etc.
4. **Take the Next Step:** Encourage – and provide information and resources that assist – students/households to take the next step in their college savings and planning journey.

Marketing Goals

Savings Products

529s, Prepaid, and College Kickstart

1. **Position:** Establish the Nevada Treasurer's Office as a source and partner for trustworthy information and resources for all Nevadans in planning, saving and paying for post-secondary education.
2. **Awareness and Understanding:** Create and grow awareness of the various resources and assistance services available (in Treasurer's Office and elsewhere), and understanding of how to access and use them.
3. **Engagement:** Create and grow engagement (e.g. downloads, shares, forwards, attendance at workshops, etc.) with the various resources and assistance services.

Marketing Goals

Education & Assistance Services

Financial Literacy, Loan Ombudsman, and
Scholarship Database

Key Marketing Strategies

Savings Products
+
Education & Assistance Services

Customers

- Identify, segment, and target
- Map the journey and decision-making factors

Branding and Packaging

- Refresh brand(s) and all packaging

Distribution

- Significantly expand and leverage community partnerships
- Maximize and align 529 partners' role and resources

Media Mix

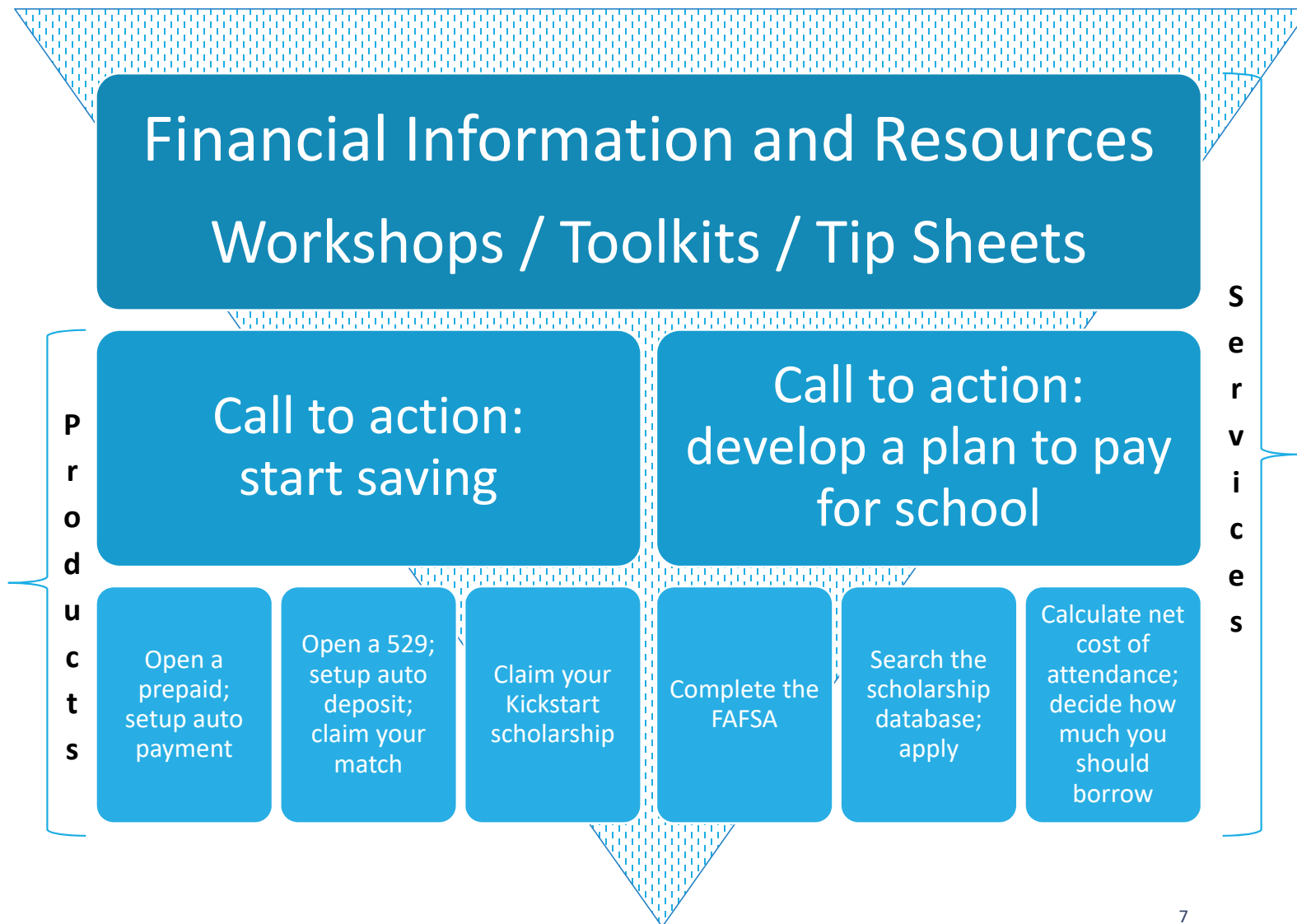
- Create and secure earned media opportunities
- Develop and launch comprehensive digital marketing and advertising

Cross Promotion

- Cross promote – and in some cases integrate – products and services

Marketing Funnel Scenario (sample)

Savings Products
+
Education & Assistance Services



Implementation

FUNDING AVAILABLE

Source	Amount
<u>College Savings Endowment Account</u>	
Legislatively approved and funded	\$225,682
Est. additional marketing funds available*	~\$59,251
<u>Subtotal</u>	<u>\$284,933</u>
<u>Program Manager In-Kind</u>	
Ascensus' annual commitment	\$200,000
<u>Subtotal</u>	<u>\$200,000</u>
<u>Total</u>	<u>\$484,933</u>

*SB82 (2019) increased the annual maximum amount of Endowment Account revenue that can be used for marketing.

TIMELINE

Major Milestones – 2 quarters	Qtr. / FY
Marketing vendor RFP released and awarded	Q2 / 20
Student Loan Ombudsman and College Savings Navigator hired; programs developed	
Phase I** community partnership (distribution) network developed	Q3 / 20
Marketing vendor begins work in earnest; overall marketing strategy refined	
Phase I** customer segmentation completed	
Brand updates decided; phase I** implemented	

** Multiple phases anticipated.



Nevada College Savings Programs FY20 Marketing Plan Overview

Questions?

COLLEGE SAVINGS BOARD PRESENTATION
SEPTEMBER 19, 2019

MILES DICKSON, CHIEF OF STAFF
NEVADA TREASURER'S OFFICE

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 13
September 19, 2019

Item: Staff Notes

Summary: College Savings Activity and Outreach highlighted

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

Fiscal Impact: None by this action.

Staff recommended motion:

To accept and approve the information as presented by staff.

Staff Updates
September 19, 2019

- **College Savings Month – September \$529 Account Giveaway:** To celebrate college savings month during September, The Treasurer’s Office is giving away a \$529 college savings account. The contest runs from September 1st through September 30th, and the link to enter the contest can be found at ssga.upromise529.com/giveaway. It is open to Nevada residents with children 13 years old or younger.
- **The Silver State Matching Grant Program:** The 2019 Enrollment Period for the Silver State Matching Grant Program ended on July 31, and we received a record number of applications since program inception in 2010. **520** applications were received. We attribute the continued application growth to highlighting the program at outreach events, reaching out to state municipalities to share the information with their employees, and, most importantly, to encourage current account holders & previous applicants to apply for the grant annually.
- **Outreach School/Community Events:** Staff has been busy participating in fall outreach events throughout the state, particularly Back to School Events at elementary schools. During August alone, staff participated in **30** events to promote College Savings. Staff has scheduled additional community/school events in September and October to further promote the college savings programs, and support high school students with FAFSA completion while sharing GGMS scholarship program information, etc. Speaking and/or tabling events include:
 - Asian Chamber of Commerce Lunch and Learn – Las Vegas
 - 5th Annual College Readiness Boot Camp – UNLV (LV)
 - Baby Fair and Diaper Derby – Reno
 - Boy Scout Grand Camporee – Las Vegas
 - Las Vegas Lights Soccer vs. Reno (pre-event table) –Las Vegas
 - Numerous CCSD sponsored FAFSA completion nights – Las Vegas
- **Nevada Prepaid Tuition Program:** The 2020 open enrollment period for Prepaid Tuition will begin on November 1st and conclude on March 31st. Staff is busy updating program materials to reflect the new open enrollment dates and 2020 pricing. **A great selling point this year will be to share that the pricing will remain the same as 2019**

pricing despite the 4% increase in Tuition at NSHE institutions! This is due to the high funded status of the program and should contribute to increased sales.

- **Nevada College Kick Start:** Staff has been sending email messages and participating in outreach events targeted to parents of Nevada College Kick Start participants encouraging them to claim their child's CKS account. As of August 30, 2019, **31,263** CKS accounts have been claimed, and **1,976** CKS accounts have been linked to a Nevada 529 account. Staff has been utilizing a flyer at events that illustrates to families the easy step-by-step process to claim their child's Nevada College Kick Start account.
- **SSGA Upromise 529 Account Growth:**
104 SSGA Upromise 529 accounts were opened in June 2019, and **116** in July 2019. These accounts openings represent a 44% and 2% increase (23.1% average) in new accounts as compared to the same time last year. (June and July 2018).
- **Governor Guinn Millennium Scholarship - High School Graduating Class of 2019:**
The 2018 Governor Guinn Millennium Scholarship graduation packets were sent out the first week of August to the High School Graduating class of 2019. **A record 15,315 students qualified for the scholarship this year, and as of September 4, 2019; 9,172 students** have acknowledged their award online which is a 60% award acceptance rate.
- **Governor Guinn Millennium MEMORIAL Scholarship Celebration at UNLV:**
The 2019 recipient of the Southern Nevada GGMS Memorial Scholarship will be recognized at UNLV with a luncheon on September 23rd, 2019 at 12 noon. The Treasurer, Board of Regents Chair, and Board of Trustees of the College Savings Board will all be invited. The Treasurer will present the recipient with a 'big check' and Guinn family members will be in attendance.
- **Governor Guinn Millennium MEMORIAL Scholarship Celebration at UNR:** The 2019 recipient of the Northern Nevada GGMS Memorial Scholarship will be recognized at UNR on September 25th, 2019 at 3 p.m. The Treasurer, Board of Regents Chair, and Board of Trustees of the College Savings Board will all be invited. The Treasurer will present the recipient with a 'big check' and former first lady Dema Guinn will be in attendance.