

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, March 21, 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. **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 10 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 without discussion. Most agenda items are phrased for a positive action. However, the Board of Trustees may take other actions, such as hold, table, amend, etc.

2. **For possible action:** Board review and approval of the minutes of the College Savings Board of Trustees meeting of February 27, 2019.

3. **For possible action:** Board review and approval of the Ascensus program manager's

report encompassing results for Vanguard, USAA, SSgA Upromise and Wealthfront 529 plans for the quarter ended December 31, 2018.

4. **For possible action:** Board review and approval of the Putnam 529 for America program manager's report for the quarter ended December 31, 2018.
5. **For possible action:** Board review and approval of the Nevada Prepaid Tuition Program activity report for the quarter ended December 31, 2018.
6. **For possible action:** Board review and approval of the Landmark (formerly known as Thomas & Thomas) unaudited financial statements of the Nevada College Savings Plans compiled for the quarter ended December 31, 2018.
7. **For possible action:** Board review and approval of the education and outreach expenditure report for the SSgA Upromise 529 Plan for the quarter ended December 31, 2018 to be recorded as non-cash revenue in the State's accounting system.

Discussion Agenda

8. **For possible action:** Board review and approval of the Nevada Prepaid Tuition Investment Monitoring Report prepared by Pension Consulting Alliance for the quarter ending December 31, 2018.
9. **For possible action:** Board review and approval of the Nevada 529 College Savings Plans Investment Monitoring Report prepared by Pension Consulting Alliance for the quarter ending December 31, 2018.
10. **For possible action:** Board review and approval of the annual investment presentation for Putnam 529 Plan for America.
11. Board to enter into a non-meeting pursuant to NRS 241.015(3)(b)(2) with counsel to discuss the contract and contract negotiations associated with the impending acquisition of USAA Asset Management Company, including the USAA 529 Plan by Victory Capital Holdings, Inc. No action will be taken by the Board during the closed session.
12. **For possible action:** Board to direct Treasurer Conine and Staff regarding the contract negotiations with USAA and Victory Capital Holdings, Inc.
13. **For possible action:** Board review and approval of considerations for the proxy vote associated with the acquisition of USAA Asset Management Company, including the USAA 529 Plan by Victory Capital Holdings, Inc.

Informational Agenda

14. Board to receive a marketing update on “Let’s Go to College! Nevada Saves” from Amplify Relations for the quarter ending December 31, 2018.
15. Board to receive an update on College Savings activities and receive the Staff Notes since the last Board update on December 13, 2018.

16. 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 10 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.

17. 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.

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

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:

http://www.nevadatreasurer.gov/CollegeSavings/Board/Meetings/2018/2018_Meeting/ and <https://notice.nv.gov/>

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 2
March 21, 2019

**Item: The minutes of College Savings Board of Trustees
Meeting of February 27, 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 February 27, 2019, College Savings Board of Trustees meeting.

1 STATE OF NEVADA

2 OFFICE OF THE STATE TREASURER

3 BOARD OF TRUSTEES - COLLEGE SAVINGS PLANS

4 WEDNESDAY, FEBRUARY 27, 2019

5
6 CHAIRMAN: Good morning everybody. I'd like to call
7 to order the meeting of the Board of Trustees of the College
8 Savings Plan, to order. Can I ask Beth to please call the
9 roll?

10 YEATTES: Member Klinger is excused. Member Seale.

11 SEALE: Here.

12 YEATTES: Member Martin.

13 MARTIN: Here.

14 YEATTES: Member Greenameyer.

15 GREENAMEYER: Here.

16 YEATTES: Chairman Haag.

17 CHAIRMAN: I'm here. And, Madam Secretary, do we
18 have a quorum?

19 YEATTES: Yes, we do.

20 CHAIRMAN: And, was the meeting properly noticed?

21 YEATTES: Yes, it was noticed both in Las Vegas and
22 in Carson City.

23 CHAIRMAN: Great, thank you very much. So, before I
24 go on to public comment, I'd like to welcome Ms. Greenameyer
25 to the College Savings Board. She comes to us from the

1 Governor's Finance Office and we're excited to have your
2 participation in this Board.

3 I'd also like to take the opportunity to welcome
4 Treasurer Conine, to the Board. Very happy to have your
5 leadership here with us, sir, and I know this body is very
6 excited to work with you.

7 With that, I'll go to Public Comment here in Carson City.
8 Do we have anybody who wishes to make a comment? Seeing none.
9 Do we have any public comment in Las Vegas? I don't see
10 anybody down there. How about on the phone? Oh, go ahead.

11 CONINE: I just--this is Treasurer Conine for the
12 record. Just wanted to thank everyone for being here today.
13 You know, as we--one of the main reasons why I ran for this
14 Office is because of the work that is done in College Savings
15 here in Nevada, that's been done for over a group of
16 Treasurer's. I'm really interested in taking an active role
17 in the Board. I think it's a very important Board, given the
18 work that you all do. I'm very happy to be here. Thank you
19 all for your service. I know this takes away from lives and
20 everything else, so thank you for being here. Thanks for
21 having me.

22 CHAIRMAN: Thank you for that. Do we have any public
23 comment over the phone? All right. Hearing none.

24 We'll go on to the Consent Agenda. Do any members wish
25 to pull an item from the Consent Agenda for further

1 discussion?

2 SEALE: I'd like to pull Item No. 3, please.

3 CHAIRMAN: Member Seale has asked for further
4 discussion on Item No. 3 which is the Board review and
5 approval of the Fiscal Year 2018 Annual Audit of the Nevada
6 Prepaid Tuition Program by ID Bailey. Do we have somebody,
7 over the phone, to speak to this agenda item?

8 SPEAKER: Dan, are you there?

9 SEALE: So, can we put this off until towards the
10 end—let's go ahead and vote on the other ones, I guess, huh?

11 CHAIRMAN: Yeah, that was going to be my
12 recommendation as well. Maybe we can hold this until later in
13 the meeting. So, can I have a motion to approve Agenda Item 2
14 and 4 on the Consent Agenda and we'll hold No. 3 for later in
15 our meeting.

16 MARTIN: Motion to approve Items 2 and 4 on the
17 Consent Agenda.

18 SEALE: I'll second that motion. Bob Seale.

19 CHAIRMAN: So, I have a first from Member Martin and
20 a second from Member Seale. Any discussion on the item?
21 Hearing none, all in favor, please say aye. [ayes around]
22 Any motion—or, any opposed? With that, the motion is
23 unanimous.

24 We will go on to Agenda Item No. 5 which is on the
25 Discussion Agenda. Board review and approval of the following

1 investment change in the Vanguard 529 Plan. This is the
2 merger of the Morgan Growth Fund and the US Growth Fund into a
3 new fund to be named the Vanguard US Growth Fund. Please go
4 ahead sir.

5 WHITE: All right. Eric White for the record with
6 PCA. So, Vanguard reached out to us with a proposed merger of
7 two of their funds. They have two overlapping funds that are
8 both what we would term a fund of funds. So, they do not have
9 a portfolio manager that is buying individual securities.
10 Instead, they invest in different mutual funds, sub-advised
11 portfolios, in actuality.

12 Essentially, Vanguard has two large cap growth funds that
13 are very similar in terms of their holdings, their underlying
14 managers and their characteristics. So, essentially they have
15 overlap in their product line up and because of that, they
16 want to essentially create more efficiency, reduce that
17 redundancy in their product lineup.

18 So, they are in the process of merging two of their
19 funds. One of those funds is held within the program which is
20 the Morgan Growth Fund. If you actually turn to Page 2 of our
21 memo, which I believe is on Page 76 of the PDF. What you'll
22 see is the two Vanguard Funds up at the top. The Morgan
23 Growth Fund which is the one the plan is currently invested in
24 and then the US Growth Fund. Those two will be merging
25 together. Of the subadvisors, you'll see that the Morgan

1 Growth Fund had four subadvisors whereas the US Growth Fund
2 had five. The new fund will have five subadvisors.

3 Two of the subadvisors will be removed. One of the
4 subadvisors for the Morgan Growth Fund and one of the
5 subadvisors for the US Growth Fund. You will also see that
6 there is a reweighting of the individual subadvisors within
7 the portfolio.

8 The other thing I would note is that, within Wellington,
9 both of them have Wellington as subadvisors. The largest
10 subadvisor actually for each of them. Those are actually
11 separate mandates, historically, up until the end of December
12 2018, the Wellington, within the Morgan had one portfolio
13 manager and then the Wellington within the US Growth Fund had
14 a different portfolio manager. At the end of 2018, the
15 manager that was in charge of the sub-portfolio for the US
16 Growth Fund became the subadvisor or the lead portfolio
17 manager for the Morgan Growth Fund as well.

18 So, that's just one little kind of caveat there. Based
19 on looking at the subadvisors, we predict that the fund
20 overall will have a slightly higher growth orientation. So,
21 very technical term, it's going to be "growthier". One way to
22 think about that is, if you think about the spectrum of value,
23 core and then growth on this side, it's farther on the growth
24 spectrum, or it should be. That being said, it's still
25 providing the exposure that participants want out of this

1 fund, which is, you know, broad based growth exposure.

2 So, we think the combined fund will be a very solid
3 choice for participants. We don't really see any issues with
4 that. There is the potential that it will be slightly more
5 volatile. So, as you get farther down on the growthier
6 spectrum, there's likely going to be more volatility and you
7 have seen that through some of the subadvisors that will now
8 have larger weights. They do tend to exhibit higher
9 volatility in their strategies.

10 All that told though, we think this change is probably
11 for the positive. There's no apparent drawbacks. It probably
12 gives a slightly even purer exposure for participants. So, we
13 don't really see any issue. That being said, this is kind of
14 a major change, so we will be recommending the fund be placed
15 on watched, just so we can kind of do additional due diligence
16 and watch it closer with time.

17 CHAIRMAN: Thank you for that. Do we have any
18 questions from Board Members? Go ahead Mr. Martin.

19 SEALE: Yes. I do have a--this is Bob Seale. Is
20 there any cost to us, from this merger?

21 WHITE: Not that I'm aware of.

22 SEALE: Okay, thanks.

23 MARTIN: Okay, looking at the--Andrew Martin for the
24 record. Looking at these two funds, both of which I'm
25 familiar with, are either of them currently on our watch list?

1 WHITE: No.

2 MARTIN: Okay. And, what are the comparisons
3 between their performances? I mean, I know you may not know
4 that off the top of your head, but maybe you do.

5 WHITE: Let me see if we have it in here. We have
6 characteristics, but no, it does not have the performance.
7 Over time, they've been very comparable. The US Growth Fund—
8 they're investment styles are so comparable that they have
9 very long-term track records that are similar. They tend to
10 produce different returns, during different time periods, that
11 are slightly different. Just based on their subadvisors.

12 That's information we could get for you. We're trying to
13 avoid that comparison because we don't want to focus on the
14 two legacy funds because they're kind of basically going away.
15 It's not like the assets are just merging from one to the
16 other. It is a—it's going to be a new fund completely. It
17 has a different subadvisor lineup and will have different
18 characteristics based on that.

19 MARTIN: Okay. I just wanted to make sure we're
20 not creating one big watch fund and I appreciate your
21 clarification. I like the fact that it's US Growth. You
22 know, I've been an outspoken critic of holding foreign assets
23 given the taxation effects. I realize there are rates of
24 return that need to compare but still, I'm very happy to see
25 this. Thank you.

1 CHAIRMAN: Any other questions from Board Members.

2 Seeing none, do I have a motion for Agenda Item No. 6?

3 SEALE: This is Bob Seale, I'll move approval.

4 GREENAMEYER: Second approve.

5 CHAIRMAN: All right. So, we have a first from
6 Member Seale and a second from Member Greenameyer. Do we have
7 any discussion on the motion? Hearing none, all those in
8 favor say aye. [ayes around] Any opposed? The motion passes
9 unanimously.

10 With that, we'll move on to Agenda Item—well, actually
11 before I do, Tara, have we been able to get in touch with
12 anybody for Agenda Item No. 3, or should we put that a little
13 further?

14 HAGAN: Thanks Mr. Chair, Tara Hagan for the
15 record. No, we're still working on the conference line, so
16 I'll let you know. Thank you.

17 CHAIRMAN: Okay, great. So, we'll move on to Agenda
18 Item No. 6 which is the Board to receive a presentation from
19 USAA and Victory Capital regarding the impending acquisition
20 of USAA Asset Management Company, including the USAA 529 Plan
21 by Victory Capital Holdings, Inc. Please go ahead when you're
22 ready.

23 ENGLEHARDT: Good morning, my name is Brooks Englehardt
24 and I have the privilege of being the President of USAA's
25 Investment Management Company. On behalf of both the team

1 from USAA and from Victory Capital Management, I first of all
2 wanted to say thank you all so much for your time and for your
3 partnership over the many years that we've had an opportunity
4 to work together on the Nevada USAA 529 College Savings
5 Program.

6 I wanted to first of all just introduce our team and I'm
7 going to talk very slowly because we have one individual who
8 is actually--was planning on dialing in, so I'm hopeful that
9 the technology will catch up with my introduction here at some
10 point in time.

11 The most important part or member of our team as far as
12 this relationship is concerned is on my right, Salma Meraz,
13 has been a USAA employee for eight years and has been
14 responsible for the relationship with our partners both from
15 the State as well the Board, as well with a census now for two
16 and a half years. Salma started at USAA as a Member Service
17 Representative, so when you called USAA for any of your needs,
18 there was folks like Salma that would've been there and they
19 really are our first line of defense and great representatives
20 of all that means to be a USAA member.

21 As I said, Salma has responsibility both for the
22 responsibility of the outward relationship but she also serves
23 as a front door to all the resources of USAA that are put to
24 bear as far as this important relationship, this partnership
25 is concerned.

1 Wasif Latif has been with USAA for 13 years now. Wasif
2 is in our Portfolio Management area. So, while Salma's
3 responsibility is on the relationship side, Wasif takes
4 responsibility for the investment, the portfolio management
5 side of the relationship of this account.

6 We've also got with us as well, Mannick Dhillon. Mannick
7 is actually from Victory Capital Management. As the Board is
8 aware, one of our objectives here today is to further educate
9 on the proposed transaction between USAA's Asset Management
10 Company and Victory Capital Management.

11 So, Mannick's responsibility is as President of Victory's
12 Solutions Group and Victory Shares. So, the product
13 management of which the 529 Program will be one of our core
14 products will fall under his responsibility in our target
15 organization as well.

16 To the extent that we have anybody on the phone who is
17 able to me, we were planning on bringing in Michael Merwath
18 [phonetic], who is our Executive Vice President at USAA.
19 Michael is actually in San Antonio, where we're headquartered
20 today. Michael's responsibility is as Head of Strategy and as
21 well as Head of Marketing for USAA. So, the strategic
22 imperative of this partnership between USAA and between
23 Victory Capital Management was something he was a key
24 contributor to. So, we were hoping that he could join us. If
25 not, we'll move forward.

1 Okay. As far as our deck today, we did put a
2 presentation in place, I'm hoping that everybody has had an
3 opportunity to at least see that. You'll see that our very
4 first slide in our presentation, Slide 2 is the USAA Mission
5 Statement. That's very deliberate.

6 At USAA we are first and foremost a mission driven
7 company.

8 CHAIRMAN: If I could, my apologies for interrupting
9 you. So, it doesn't appear that all the Members have a copy
10 of the presentation. Is it possible for us to get them a
11 copy? I thought maybe it would be available electronically,
12 but—

13 ENGLEHARDT: Was it not in the 202 pages that—

14 CHAIRMAN: No, it's not.

15 ENGLEHARDT: So, we needed—I thought we were getting
16 away easy this time with not 400 pages, but—

17 [audio silence]

18 CHAIRMAN: Just, I think for the sake of time, as
19 Tara goes and gets that sir, if you could maybe just continue
20 through with your presentation and we'll get those copies when
21 available. Tiffany, do you have—you have a copy, okay, great.
22 You're good, okay. Oh, there we go.

23 ENGLEHARDT: Excellent. Well, thank you for snuggling
24 and for your patience here. As I mentioned, first and
25 foremost, USAA is a mission driven company. The mission of

1 the Association is to facilitate the financial security of our
2 members and their families through a provision of a full range
3 of highly competitive financial products and services. In
4 doing so, USAA seeks to be the provider of choice for the
5 military community.

6 We've also included our USAA standards. If our mission
7 statement is our north star and what we aspire to do, our USAA
8 standard really provides the guardrails as to the how. It
9 performs our culture statement. There's a couple of things
10 that I would really call out both between the mission
11 statement, as well as the USAA standard that directly pertain
12 to the 529 College Savings Program.

13 First and foremost from a mission standpoint, again, our
14 responsibility is to provide a full range of highly
15 competitive financial products and services and clearly, a 529
16 College Savings Plan would qualify within that full range.

17 Then as it relates to the USAA Standard, we stand, first
18 and foremost, on our core values. So, Service, Loyalty,
19 Honesty and Integrity will sound familiar to all of you in
20 public service. Those are really the foundational to how we
21 proceed and we engage with our members on a going forward
22 basis.

23 SPEAKER: Pardon me just one moment. We have a
24 technical need to just stop for a moment while they conference
25 line—

1 CHAIRMAN: We can do that.

2 [audio silence]

3 [teleconference set-up]

4 ENGLEHARDT: Michael, can you hear us now?

5 MERWATH: I'm on the line. Thank you.

6 ENGLEHARDT: Excellent. So, again, Michael Merwath is
7 in San Antonio. Our Executive Vice President. Michael,
8 thanks so much for your patience. We're on Page 2. We were
9 just connecting the mission and the USAA standard back to the
10 529 Program, specifically and talking about both the highly
11 competitive products and services and also from a standards
12 standpoint, the importance of innovation.

13 As we talk about kind of the "why" of the Victory Capital
14 Management transaction, you'll see that it has a lot to do
15 with our—our aspiring to continue to be innovative and to
16 continue to get stronger in terms of this program.

17 Just from a grounding standpoint, I felt it was important
18 to set the agenda on Page 3. You'll see we've got an
19 Executive Summary of exactly what it is that we're trying to
20 accomplish here today.

21 As I mentioned in our kickoff, on November 6th, Victory
22 Capital Management did announce its intent to acquire USAA's
23 Asset Management company at the end of Q2. As of right now,
24 that transaction still is on track for end of Q2. I would say
25 we could take ourselves into Q3, but we do anticipate within

1 that timeframe is when we'll actually close the sale of this
2 transaction.

3 As part of that transaction, of course and as it relates
4 to this Board specifically, what we're asking is really three
5 things. One is the confirmation of the sale, of AMCO to
6 Victory Capital, as it relates to the College Savings Plan.

7 Secondly, confirming that after the sale, that AMCO's
8 multi-asset team and as I mentioned, that's really Wasif's
9 area of opportunity here, responsibility rather and as well as
10 Mannick's. And will be continued to be responsible for
11 determining those model allocations and managing the
12 underlying mutual funds that are core to the program from an
13 investment perspective.

14 Lastly, as it relates to the assignment of
15 responsibilities, from a distribution standpoint, from some of
16 our distribution partners at USAA. So, that's really the ask
17 of this presentation.

18 In terms of how we'll accomplish that, we're going to
19 start off again, with a grounding. I know we have a number of
20 folks who are new to the USAA name and to that relationship,
21 so we'll start off with an understanding of the association
22 first and foremost. Then we'll turn it over to Michael to
23 talk about kind of the strategic imperative as to why we
24 engaged in this transaction and kind of what was the rationale
25 to begin with. As well as, why Victory Capital Management,

1 amongst all the different firms that were out there, that we
2 could have partnered with, why were we confident that Victory
3 was the right firm. We'll actually close with an introduction
4 to Victory and we'll let Mannick take us through that as well.

5 So, as I said, USAA—I'm on Page 4 now of the
6 presentation. USAA is a—first and foremost—a mission driven
7 company. We were founded in 1922 by 25 US Army Officers who
8 knew even 100 years ago that knowing that being in the
9 military had some certain aspects of it that really required a
10 very focused service level and required a certain set of
11 products and services that were uniquely built and maintained
12 for the military community.

13 So, over time, what hasn't wavered in the growth of the
14 association is that commitment to that same core vocation and
15 that same military community. As you can see, over time we
16 have diversified our company. So, going from what was a
17 property and casualty company to now a full service financial
18 services company with life insurance capabilities, obviously
19 investment company capabilities, real estate and then more
20 recently, our bank.

21 From a member perspective, we actually—while this is a
22 presentation that's somewhat dated in terms of its timing, we
23 actually ended 2018 with close to 13 million members now
24 within the Association. One of the questions that we're
25 often asked is, given that extraordinary growth, are there

1 still opportunities to grow further? In fact, the answer is
2 yes. If you look at all of the folks who would be eligible
3 for USAA membership today, so anyone who has ever served, as
4 well as their immediate family member, that pool is actually
5 60 million members.

6 So, while we're proud of the growth that we've
7 experienced to get to 13 million, there's still plenty of
8 upside, plenty of other members out there who we would love to
9 find a way to do business with them. Both on a broader USAA
10 contact as well as through the 529 Program.

11 I'll pause there to see if there's any questions
12 regarding USAA from an Association standpoint before turning
13 it over to Salma to talk about the Program itself?

14 CHAIRMAN: Any questions from Board Members? Please
15 proceed.

16 MERAZ: This is Salma Meraz from USAA for the
17 record. So, starting on Slide 5, the Plan, the USAA 529 Plan
18 was established in 2002 and today, through the end of January,
19 we have over \$3.7 billion in assets, serving over 293,000
20 members.

21 What we've experienced is consistent growth year over
22 year. From last year to this year, we've seen a growth of 3%
23 in the assets under management and from the account
24 perspective, an increase of 5% in overall accounts. For the
25 State of Nevada, specifically, we have over 3,000 accounts and

1 that's continued to grow. Last year we saw an increase of 6%
2 from 2017 to 2018 in the overall Nevada accounts.

3 What we proudly celebrate within the 529 Plan is the
4 participation of our members and actually consistently
5 contributing to the Plan. So, of all the plans that we have,
6 about 59% of those plans actively contribute on a month-to-
7 month basis to their USAA 529 Plan. The minimum there, that's
8 required to be contributed is \$50. So, we're definitely
9 seeing that there is a desire to continue to contribute to the
10 USAA 529 Plan.

11 From our overall investment option standpoint, we have
12 two options available for members. The first being a fixed
13 allocation, or an age-based allocation. So, member lets us
14 know what their child or the beneficiary age is and we
15 recommend a portfolio based on that age that of course becomes
16 progressively more conservative as they get closer to college.

17 Then we also have 10 fixed allocation portfolios that the
18 member is also allowed to contribute to and they can actually
19 do a mix of any of them. What we do see is, most members,
20 two-thirds to be exact, of our members actually go through the
21 age-based option so they select the age-based portfolio and
22 kind of let USAA continue to handle the investments from
23 there.

24 Specifically to the State of Nevada as well, we do offer
25 a distinguished valor matching grant. Very specific in

1 regards to, you have to be a Nevada resident. You do have to
2 have either served and be a purple heart recipient or be
3 active duty military to be able to participate in this grant
4 which actually matches \$300 per year for five years within the
5 account.

6 Last year we saw—we've been on the sixth year of this
7 grant. Last year we saw over \$37,000 in funds matched. This
8 year, because we did reach a lot of those folks hitting their
9 five year anniversary, so they fell off; our match program did
10 decline slightly to \$26,000, but we're hoping that we will
11 continue to see an increase in participation moving forward.

12 Now, I'm actually going to pass it to Michael Merwath who
13 is on the phone, he's going to talk a little bit more about
14 the overall strategy between Victory Capital and USAA.

15 MERWATH: Yeah, thank you very much. Good afternoon
16 everyone. This is Michael Merwath. I lead Strategy for USAA
17 as an enterprise. I'm sure you're aware that USAA is an
18 integrated financial services company that includes a large
19 property and casualty insurance company; fairly large consumer
20 retail bank operations; a life insurance company and of
21 course, or investment management company.

22 The financial services industry, just like every other
23 industry is being disrupted in pretty significant ways.
24 Multiple fronts at an increasing pace. So, we're looking at
25 situations where all of those lines business that I just

1 talked about where we're seeing companies with scale who are
2 bringing sort of increased margin compression into the
3 environment making it pretty challenging to compete on price.

4 We're also seeing, our members preferences are continuing
5 to shift from phone to digital, from active to passive
6 investments. All of that of course is driving a tremendous
7 amount of digitization of business from end to end. Which is
8 also creating an opportunity for new disruptive competitors to
9 come in and change the game up in ways. Especially for some
10 of the larger established financial institutions like USAA.
11 They're moving pretty quick.

12 And then, at the end of the day, we're also looking at
13 increased regulation that's driving a lot of cost and
14 complexity. So, that's happening in all of our lines of
15 business and you know, we've really concluded that
16 strategically, some of these business models that have served
17 us so well in an environment that wasn't changing quite so
18 rapidly now really need to be reevaluated in order for us to
19 continue to stay competitive, to continue to fulfill our
20 mission, to serve these military families.

21 I would say that historically, USAA had a build it
22 ourselves mentality to fulfilling our mission, but over the
23 last few years because of all of the things I just described
24 our CEO and our Senior Executive Team have been very
25 consistent in challenging that traditional mindset, realizing

1 that status quo really isn't going to cut it in this
2 environment.

3 So, strategically, we've come to the conclusion that a
4 lot of these business models that have served us so well are
5 going to need to evolve to stay relevant. We believe that
6 strategic partnerships will become increasingly important for
7 us in order to deliver member value, through best-in-class
8 advice, investment banking and insurance solutions.

9 I'll say this though, we don't enter into strategic
10 partnerships lightly. Our members trust is the most important
11 asset that we have, we say that a lot at USAA. You won't see
12 it on a balance sheet, but it's certainly the most precious
13 asset that this company has earned for nearly 100 years.

14 We hold all of our partners to the same high standards
15 that we hold ourselves and would only enter into a
16 relationship where we have confidence that that partner can
17 live up to those expectations.

18 So, there's kind of a litany of criteria that we will
19 work through when vetting a partner for a strategic
20 partnership. First, the partner has a strong brand and a
21 strong reputation because typically, we're looking to develop
22 and a deploy a co-branded experience for our members. So, to
23 pull at the USAA brand, up to another company's brand, they
24 would need to match our standards in terms of our own brand
25 and reputation.

1 We're also looking for relationships where our members
2 will get as good or better service in terms of the experience
3 they have with that partnership, as they would receive from
4 USAA. As you know, one of our great competitive advantages is
5 the way we serve our members and that reputation for service
6 excellence is what makes USAA special, so we definitely
7 wouldn't compromise on that.

8 We're also though looking at this from a competitiveness
9 angle. Will the partner allow us to be highly competitive.
10 When you say that, it's as good or often better pricing and
11 fees. In the case of investments, you know, as good or better
12 investment performance. Then just the depth of the offerings
13 that they would provide to our members.

14 Last but not least, USAA has a strong and unique culture,
15 so we certainly would be looking for a culture match with
16 anyone who we would strategically partner with. So, this is
17 the idea of a member first mindset, shared military values and
18 a strong culture of compliance. These are all things that
19 matter a lot to us.

20 So, I would also add that we've had some successful
21 experience with these kinds of partnerships in our P&C
22 business. For example, we have members who have special
23 insurance needs around-maybe it's a high-value home or a boat,
24 or a motorcycle insurance. We've found that there are other
25 providers who can meet our high standards and actually deliver

1 more value for those particular products. So it was very
2 consistent with our mission to develop strategic partnerships
3 with other companies that then we can help co-brand and serve
4 our members with.

5 We think it's a similar situation here with this part of
6 our investment business. So, after a lengthy due diligence
7 process that was closely overseen by the USAA Board of
8 Directors, we did conclude that Victory Capital could deliver
9 on all those fronts that I just described. Brooks is going to
10 provide a little bit more insight into the specifics of
11 Victory Capital and why we chose them.

12 I'll just step back and from an enterprise perspective
13 and a strategic perspective to say, at the end of the day,
14 this course of action was motivated first and foremost because
15 it benefits our members and we think we can deliver more value
16 to them. So, that's sort of the strategy in a nutshell.

17 CHAIRMAN: Thank you sir, for that, if I could ask
18 you to pause, we have a question from Member Martin.

19 MARTIN: Thank you, Mr. Chair. Okay. I just want—
20 I need some clarification on USAA and where it might be going
21 with Victory. Is the prohibition of non-military people who
22 try to sign up for an account still in effect? So, I know
23 that you get a bank account if you're—and, by the way, I'm
24 able to get one—not wanting to get into those reasons, but
25 that's not why I'm asking.

1 Is there a prohibition for let's say John Q. Public or
2 Jane Q. Public to be fair, if they want to sign up for a 529
3 Plan through USAA, can they do it if they have no military
4 connection?

5 MERWATH: Yes, they can. So, this is going to be
6 available to all. We will continue to stay focused on
7 members, but we will serve you.

8 MARTIN: To follow up, thank you. What are the
9 prohibitions? Is it just a bank account? Is it life
10 insurance? Car insurance? I'm trying to figure out the
11 public access nature of it.

12 MERWATH: Yeah, it's primarily our property and
13 casualty business is where the eligibility restrictions are
14 kind of written into the bylaws of the company. There's more
15 flexibility in the other parts of our business.

16 MARTIN: Okay. So, the general public can—for the
17 record, the general public coming in and wanting to sign up
18 for a 529 Plan and say, I want to use USAA for part or all of
19 my investment, they can do it.

20 MERWATH: Yes. Correct.

21 MARTIN: Thank you.

22 MERWATH: You're welcome.

23 ENGLEHARDT: So, this is Brooks Englehardt again, for
24 the record, from USAA. So, yes, we should've been more clear
25 upfront with that, in terms of the general public is eligible

1 today to invest through the USAA 529 Program with the State of
2 Nevada and they will continue to be through this transition
3 going forward as well.

4 MARTIN: But do they know it, is the question.
5 Because obviously if I brought up the question as being
6 financially sophisticated and involved with people who have
7 plenty of experience with USAA, I was unaware of that. I
8 appreciate the clarification, but maybe we want to make sure
9 that the potential 529 Plan people—it's good marketing for
10 you, are aware that you're an open fund in that situation.
11 And, I'm assuming, Victory will continue that openness.

12 MERWATH: Correct.

13 MARTIN: If I'm wrong, let me know. Thank you.

14 MERAZ: So, just to add to that, this is Salma
15 Meraz from USAA. So, 98% of the 529 Accounts today are USAA
16 Members, 2% are what we call, not eligible for P&C for the
17 property and casualty. So, we do have a great opportunity to
18 continue to market outside of just USAA members, but we've
19 been focusing on USAA members for the time being.

20 DHILLON: This is Mannick Dhillon from Victory
21 Capital. To add to that, our intent is, from a product
22 perspective, from an investment performance perspective, from
23 a fee competitive perspective, to have it standalone and be an
24 option that anyone would want to choose and select outside of
25 just being a member.

1 To the specific question, our intent is to keep that
2 availability open. And furthermore, educate the market that
3 it is available.

4 ENGLEHARDT: This is Brooks Englehardt again with USAA.
5 I'll keep us moving, on Page 7 of the presentation, as Michael
6 Merwath just set up, the strategic imperative for the
7 partnership on Page 7, we've documented the more specifics as
8 to why Victory Capital Management. As Michael eluded, we did
9 go through a very thorough due diligence process, as you can
10 imagine, when USAA decides to partner with somebody, there are
11 a lot of firms out there that would love to associate with
12 this brand and do business with this member base.

13 So, we were very fortunate in that there were a number of
14 very significant investment folks out there who wanted to do
15 business with us. We went through a due diligence process in
16 combination with our investment bankers and with our outside
17 counsel and narrowed down to a very short list. It became
18 very clear to those of us who were on the team, and I was
19 fortunate to be a member of that small group along with Wasif,
20 that Victory was the right fit for us.

21 I would boil it down to, we've given you a number of
22 reasons on Page 7 to really three things that stuck out with
23 me personally. The first of those was the cultural alignment
24 that Michael had mentioned and the fact that Victory does have
25 a long history of putting clients first. Coming out of a

1 banking environment, they had a culture of compliance as well,
2 that again, really set well with us when we were considering
3 future investment partners.

4 Secondly, was their unique business model. I'll let
5 Wasif and Mannick talk a little bit more about that.
6 Essentially, what that enabled us to do is feel much more
7 comfortable that many, in fact, most of the investment
8 professionals and the service professionals that are working
9 with the plan today as USAA employees, will transition over to
10 Victory Capital Management as part of this transition. And in
11 fact, both Wasif, Salma and myself, all three of us who
12 combined have over 20 years of service to this particular plan
13 and program have all been offered opportunities to join the
14 Victory team and we've all accepted those opportunities. So,
15 we truly look forward to that continuity in this partnership
16 on a going forward basis.

17 The last thing that really appealed to us about Victory
18 had to do with its commitment to the membership and to the
19 members themselves. There's a few examples of that but I
20 would highlight the fact that one, Victory has announced,
21 subsequent that they're going to relocate their headquarters
22 to San Antonio, to be a great steward of the community,
23 similar to how USAA is today in San Antonio. So, we look
24 forward to that combination. As well as the fact that they've
25 announced the establishment of a program where they'll

1 actually be contributing, similar to the matching grant
2 program that Salma referenced earlier, they'll actually be
3 contributing on behalf of the Military Literacy efforts. So,
4 they've announced \$1 million commitment and an ongoing
5 commitment as well. That's something that we look forward to
6 spending more time with both the State and a census in terms
7 of building out that program and thinking about how that
8 commitment could also benefit the residence of Nevada, as
9 well.

10 A lot of reasons to be excited about Victory Capital.
11 I'll now turn it over to Salma to get into the next level of
12 detail regarding the impacts and the transition timeline.

13 MERAZ: So, Salma Meraz from USAA for the record.
14 So, one of the primary items that we mentioned at the
15 beginning of the executive summary was that we are looking for
16 the Board to approve an assignment of the current contract
17 between USAA and a census over to Victory Capital.

18 As Brooks previously mentioned, Victory or AMCO, under
19 Wasif Latif will continue their responsibilities of the
20 portfolio management. They have done that currently for over
21 eight years. So, he will continue to do that at Victory
22 Capital as well.

23 One of the questions that I know we've been trying to
24 address with Tara through various calls is in regards to what-
25 how does this impact our USAA members in regards to a

1 transition service agreement and a transitional trademark
2 licensing agreement that has been mentioned multiple times.

3 So, the first, I'll take a stab at the transition service
4 agreement. That is in place for 18 months between USAA and
5 Victory Capital with the intent to potentially extend longer
6 term if necessary. What that means to our membership is that
7 today, they go to USAA.com, they see their USAA 529 Account.
8 They will continue to see their USAA 529 Account after close.

9 If a member is interested in learning more about the USAA
10 529, they will have that storefront, like they do today, on
11 USAA.com. They'll be acquisition process on USAA.com. Again,
12 through--then transitioned over to a census to complete that
13 acquisition process.

14 So, we're trying to disrupt--we are not trying to disrupt
15 sorry, any of the experience that the member currently has
16 today. The biggest disruption will be for those who like to
17 read disclosures, because we will be just changing the
18 disclosures to let members know that this is a product offered
19 by Victory Capital, versus USAA.

20 In regards to even keeping from the transitional
21 trademark licensing agreement--the name of the plan will
22 continue to stay the same, USAA 529 College Savings Plan.
23 Victory Capital will be cobranding its marketing. So, as it
24 continues to reach out to members, to try to educate them and
25 to be able to offer them a 529, it will be branded with USAA

1 and with strict guidelines that USAA has provided. With that
2 of course, that agreement lasting three years, with a
3 potential of a 12-month winddown if the agreement were not to
4 be renewed. I know that Brooks and Mannick will continue to
5 reiterate that that is not the intent. That the intent is to
6 continue to renew the transitional trademark licensing
7 agreement, beyond that initial three-year period.

8 CHAIRMAN: So, if I could stop you there for a few
9 questions. Before I jump in, do any members have questions at
10 this point? Treasurer Conine?

11 CONINE: Thank you. Treasurer Conine for the
12 record. What sort of metrics are you going to be looking at
13 when it comes to extending both the licensing agreement and
14 the transitional agreement? I guess, it is hard for me to
15 feel comfortable, it's hard for the State to feel comfortable--
16 and not intending to pick on you ma'am--but, from a--our intent
17 is to potentially extend if necessary is not a definitive
18 statement.

19 So, I think we're trying to get comfortable as to what
20 the metrics would be around that sort of decision and how are
21 we going to know from the period between, you know, when it
22 starts and then whether or not we're trending in a direction
23 of continuing or not.

24 MERAZ: So, one of the things that we currently
25 are using in regards to the servicing agreement is, we will

1 continue to take a look at everything from the funnel
2 perspective. So, how many members are coming into our
3 sessions? How many are actually closing or starting up a USAA
4 529? That will be metrics that we'll continue to measure, as
5 we do today post-close.

6 In regards to the servicing agreements, so the intent
7 there is that it's really to give—that 18-month period is to
8 give time for Victory Capital to build their infrastructure.
9 When I say "infrastructure", I mean databases, so that they
10 can then start storing USAA member information on their
11 databases. The intent would be that even outside of that 18-
12 month period, that USAA will continue to have the USAA 529
13 Plan on that storefront page. Maybe there would need to be—I
14 know Mannick may jump in on this, but that there may be a page
15 where we, you know, inform them that this is a USAA/Victory
16 Capital product and then redirect them, as we do today, over
17 to a census.

18 DHILLON: This is Mannick Dhillon from Victory
19 Capital for the record. So, I think it's important to
20 separate the two agreements. The transition services
21 agreement and the licensing agreement and talk about them
22 separately.

23 The transition services agreement is specifically for the
24 infrastructure that allows us to support the acquisition
25 servicing of the member. So, things like the website, mobile

1 experience, phone, call center, etc. Our goal and USAA's goal
2 was because the intent to not disrupt the service to the
3 members, to allow Victory Capital time to stand up our own
4 infrastructure and processes that in our mind together would
5 be worked on as an enhancement.

6 In the meantime, while that 18-month TSA, transition
7 service agreement exists, it's the same experience that the
8 member has received before. It just allows us time to
9 replicate and enhance all of the technology and plumbing, so
10 to speak, that goes along with servicing the members.

11 So, with all things—with the goal, the hope would be for
12 the TSA not to need to be extended, that we can stand up and
13 set up that infrastructure, a seamless infrastructure for the
14 members before that 18-months is up. That's specific to the
15 TSA.

16 CONINE: Treasurer Conine again. So, post-TSA is
17 the intention for what's currently in the private label
18 product agreement to remain exactly the same, to provide a
19 higher level of service, a lower level of service? I guess,
20 we just want to be very comfortable that your intention for
21 that service level to remain the same or get better.

22 DHILLON: This is Mannick Dhillon from Victory
23 Capital for the record. Our intention is to enhance that
24 service. So, one of the reasons, as Michael and Brooks have
25 talked about, the impetus for the transaction was to make sure

1 that with focus and investment, the service to members around
2 the investment products that they receive can be enhanced.

3 That is our goal and mission as well.

4 So, for us, for this to be successful is, that during the
5 TSA, the member experience is exactly what they've experienced
6 before. Post the TSA, when our infrastructure is in place,
7 they actually come back and say, I actually think this is an
8 enhanced experience for me.

9 CONINE: And, are you assuming that private label
10 product agreement as part of this transaction?

11 DHILLON: Yes, we are.

12 CONINE: So, that's the transition service
13 agreement. Moving back over to the license agreement. What
14 are your intentions there, post this three-year process?

15 DHILLON: Again, this is Mannick Dhillon from
16 Victory Capital for the record. Our intention is to service
17 the members through the actual service they receive digitally
18 through the call centers and through the investment outcomes
19 they face to be able to keep that agreement in place for an
20 extended period of time.

21 Our goal and mission is to not only maintain the service
22 so that USAA feels comfortable with those first three years
23 but feels that we've also contributed to the enhancement of
24 the brand, so we can continue to use it post that three-year
25 agreement. We're going to do that through everything we've

1 talked about in terms of the investment performance, the fee
2 competitiveness of products, the service level they receive
3 through the call centers, their experience through the digital
4 interactions they have with Victory Capital.

5 And, if realistically, if you step back, if this
6 licensing agreement only lasts three years, I'll probably
7 speak for both organizations, we failed at this partnership.
8 It is nobody's intent for this to last in that finite window,
9 but I won't speak to the specifics of why it was set up in
10 that way.

11 ENGLEHARDT: Yeah, this is Brooks Englehardt, for the
12 record with USAA again. I would echo Mannick's comment that
13 if this is a three-year deal, then we have failed miserably.
14 That is certainly not the intent, but however, our Board felt
15 very strongly that given the nature of the USAA brand, and the
16 fact that this is a new partnership for us on the investment
17 side, that we needed to have a three year term in place, an
18 agreement that specified that tenure. We have every intention
19 and expectation that this will continue well, well beyond a
20 three-year time period and we will renegotiate a trademark
21 agreement in advance of that three-year timeframe.

22 CONINE: So, maybe if--Treasurer Conine for the
23 record. Maybe we could go one at a time here. What would be
24 a scenario in which you wouldn't? Which USAA wouldn't want to
25 extend this licensing agreement.

1 ENGLEHARDT: I think it begins, this is Brooks
2 Englehardt again with USAA. I think it begins with the
3 competitiveness. I'll go back to the mission statement which
4 requires us to maintain a competitive product set to the
5 extent that the competitiveness of the product is no longer
6 where it needs to be from a USAA standard perspective. That
7 would be my first flag. And that competitiveness could be
8 through the lens of investment performance or that could be
9 through a servicing arrangement as well.

10 Again, I would echo that it's our every intention and we
11 can share some more specifics as to things that we have been
12 working on that we intend to work on quicker now that we have
13 this partnership in place that would enhance both the service
14 level, the acquisition and servicing experience that members
15 have today with the program, as well as the investment
16 performance.

17 CONINE: And, continuing to walk down that path, if
18 for some reason the service level of the competitiveness did
19 not exist, would USAA be interested in setting up a new 529
20 Plan somewhere else, potentially taking existing members or
21 new members floating in?

22 ENGLEHARDT: So, that would certainly be--this is Brooks
23 Englehardt again. That would certainly be an option for us.
24 It's not one that we would look forward to. Clearly, we would
25 prefer to work with the Victory team to end up in a better

1 place than putting anybody through that type of an experience
2 and the transition. But yes, that would be a possibility for
3 us. Absolutely.

4 CONINE: Thank you. And, on the Victory side, I
5 could understand why, if you're unable to perform,
6 hypothetically, that USAA would want to pull that brand. What
7 are the circumstances where Victory wouldn't want to continue
8 using that brand?

9 DHILLON: This is Mannick Dhillon from Victory
10 Capital for the record. A partnership like this is truly a
11 partnership in our eyes. So, the—we recognize wholeheartedly
12 the value of the brand that the firm, USAA has built since
13 1922. The magnitude of that responsibility is not lost on us.

14 However, as a partnership, we would have similar
15 expectations that that brand maintain the quality, the
16 standards and frankly, what it represents in the marketplace
17 that it does today.

18 CONINE: Treasurer Conine, for the record. Are you
19 comfortable with the long-term financial viability of the
20 licensing agreement? In other words, are you comfortable with
21 what you are paying USAA for the access to the brand and these
22 customers?

23 DHILLON: This is Mannick Dhillon from Victory
24 Capital. We are.

25 CONINE: Thank you. Sorry, this is the prosecutor

1 in me. So, I was watching the hearing this morning, I got all
2 ramped up. So, the—if that's the case, why not have some sort
3 of built in extension in the deal? Right, why not set metrics
4 and quantitative factors so that if everyone's comfortable in
5 three years, we don't have to be nervous for the next 35
6 months.

7 DHILLON: For the record, this is Mannick Dhillon
8 from Victory Capital again. One of the things about brands
9 is, it's very difficult to objectify standards. Service level
10 agreements between, how are interaction with the members is
11 evaluated, how our investment products perform; those are
12 fairly objective where you can measure call center
13 satisfaction. You can measure wait times, hang-ups, etc. You
14 can measure investment performance relative to peers.

15 There are many, however, intangible aspects around
16 whether a brand is being supported well or it's not. And, for
17 us, what we hope to do is view this as a continually
18 renewable agreement and control what we can control.

19 So, for example, there are things that we've already put
20 into place to work towards that. One being the retention of
21 the investment professionals. To retain the culture and the
22 continuity on the investment products and outcomes. Folks
23 like Wasif joining our solutions team to be able to continue
24 to do that specifically for the 529 Plan here.

25 The other being the service representatives that we are

1 bringing into our organization and setting them up in our new
2 headquarters in San Antonio. So, we have that proximity to
3 USAA. We have individuals who have serviced the members
4 today, joining our organization to maintain that continuity of
5 culture and service.

6 So, we're working towards things like that. As far as
7 also during the TSA, looking at building that seamless
8 interaction. So, as far as a member is concerned, they really
9 don't know, except for as Salma mentioned, maybe if they're
10 looking deep in the disclosures that they're now, you know, be
11 serviced by Victory Capital Advisors.

12 CONINE: Treasurer Conine, I appreciate that. I
13 think from a—from the State's perspective, it would make us
14 much more comfortable to have a more clearly defined set of
15 metrics, so to the extent that you could share those with
16 staff, I think that would help us get comfortable. Thank you
17 Chair.

18 CHAIRMAN: Thank you Treasurer Conine. Any other
19 questions? Member Martin?

20 MARTIN: Thank you Mr. Chairman. To pick up and
21 drill down a little bit off of Treasurer Conine's questions.
22 I just want to clarify, who is working for who at this point,
23 or is it whom? I'm not the English major, I'm an accountant.
24 I get the feeling and I'm going to butcher your names—Monique?
25 Mannick, thank you. And, Wasif, I got that one? Okay. Are

1 you currently working for USAA?

2 LATIF: This is Wasif Latif from USAA for the
3 record. I am currently a USAA employee. When this deal
4 closes, my contract or my Victory with begin and USAA will
5 end. My responsibilities and my role as it pertains to the
6 management of the 529 Plan will continue uninterrupted. That
7 will not change. My team that has been in place for several
8 years that has managed this fund together will continue on and
9 that will be ongoing as well.

10 So, from our vantage point, for members and the programs,
11 the clear message is the continuity of the team, the
12 continuity of the process as we currently have in place with
13 greater tools and opportunities that we can use with this
14 merger.

15 MARTIN: And, how about yourself, are you part of
16 Victory Fund, Victory excuse me, or--

17 DHILLON: This is Mannick Dhillon of Victory
18 Capital. So, I'm a Victory Capital employee today and will be
19 post-close as well.

20 MARTIN: Okay. And you two gentlemen are primarily
21 responsible for the 529 plans and the investments that our
22 State entrusts with, I'll say you, USAA/Victory, is that
23 correct?

24 DHILLON: That is correct. This is Mannick Dhillon
25 with Victory Capital. So, the team that manages the current

1 plan, the asset allocation and the investment selection at the
2 underlying manager level will be a part of the solutions
3 business that I oversee.

4 So, together we are responsible for the ongoing
5 investment outcomes of this plan. Overseeing the business and
6 the overall product platform for Victory Capital. I'm also
7 responsible for the growth of the 529 Plan.

8 MARTIN: Okay. I'm trying to drill down into the
9 investment level as well. Very concerned about licenses and
10 experience. Can you articulate what licenses you hold—what
11 security licenses you both hold and your length of tenure.
12 And if you want to comment on other things, it's hard to do on
13 performance I realize, but if you just want to educate us in
14 terms of your background. We're entrusting you with a lot of
15 money, so I just want to make sure that the fund management is
16 not being kicked down to a junior investment advisor who
17 barely knows what a Series 7 is. So, I would appreciate your
18 commentary on that. Thank you.

19 LATIF: This is Wasif Latif from USAA for the
20 record. I have over 20 years of investment experience. My
21 prior employment was at Deutsche Bank in New York for almost a
22 decade doing asset allocation and investment management, as
23 well as doing manager due diligence and manager selection. In
24 programs that were very similar to the mutual fund structure
25 that we have in the 529 Plan today.

1 I started my employment with USAA in 2006, so this coming
2 June, I will be a USAA employee for 13 years. Through that
3 entire period, I have been involved with the investment
4 management activities at USAA. No other job has been part of
5 what I've done. It's been all investment management and it
6 has spanned asset allocation of various portfolios, including
7 the 529 Plan, manager due diligence and selection of
8 investment managers and funds that we select to employ into
9 programs like the 529 Plan and that will continue onwards.

10 I am the head of the team that is responsible for the 529
11 Plan. Everybody else reports to me. That will continue on.
12 I have been managing directly this program since I have been
13 with USAA for 13 years and will continue to do so. There are
14 various members of my team who have helped me and they will
15 continue to help me in that manner. I will be ultimately
16 responsible for the program.

17 MARTIN: Okay, follow-up question, which I did ask,
18 if you can highlight, both of you gentlemen, it would be
19 appreciated if you can do this, your--this should be an easy
20 question, it's not what's going on in Washington, don't worry.
21 The question really is, do you have master's degrees? PhDs?
22 Are you Series 7, Series 24? 66 and any other crazy numbers
23 that might be out there. I'm trying to get to the commitment
24 to the licensure and the ongoing continuing education, which I
25 know is not necessarily a requirement, holding some of those

1 licenses myself, but as a former compliance officer for a
2 small securities company, I'm always interested in hearing
3 about those kind of background things. So, if you can
4 articulate--this is a chance for you to shine, so shine away.
5 Thanks.

6 LATIF: This is Wasif Latif again for the record.
7 In the role my team and I service, we are not required to have
8 Series 7 licenses because we do not talk directly with
9 members. So, I do not have a Series 7 license currently. I
10 have had one in the past, but my current role does not require
11 me to have one as we manage overall mutual funds and programs
12 such as this and do not--are not required to speak with--
13 directly with individual investors. Our advisors, who will
14 continue with us, go over to Victory with us and service our
15 members are absolutely licensed and that is going to continue
16 on as they will be talking directly with members and providing
17 them that advice.

18 I have a bachelor's degree and a master's degree in
19 business and finance. And, as I said earlier, I have over 20
20 years of experience in managing these types of portfolios with
21 varying success, with great success over time. Over full
22 market cycle.

23 Our approach to investment management, our philosophy is
24 one of being ground and focused on the investment
25 fundamentals. The stuff that works over time, such as being

1 focused on quality of investment, such as being focused on the
2 valuation of what you're paying for those investments and
3 those type of philosophical tenants will continue onwards in
4 the new team and those tenants have helped us serve really
5 well in our portfolios over time.

6 DHILLON: This is Mannick Dhillon from Victory
7 Capital for the record. So, let me start off with a little
8 bit about my background and then I'll talk about licenses and
9 designations if it's okay.

10 I have just over 17 years of experience in the industry.
11 I began my career with defined contribution plans and on the
12 institutional consulting side of the business. That later
13 transitioned at a firm called Hewitt to strictly focusing on
14 manager selection.

15 From there I joined Wilshire Associates and was their
16 head of manager research for that business. That included all
17 the multi-manager side of the business, as well as the
18 institutional consulting business. A total of roughly \$1
19 trillion in assets under advisement management. At Wilshire,
20 I also had the privilege of doing the investment allocation
21 and selection for two 529 Plans. That being one in the State
22 of Alabama and one in the State of Illinois.

23 From there, I've been with Victory Capital for four
24 years. So, bringing that asset allocation and institutional
25 consulting and manager research background to what we do in

1 the multi-boutique, multi-franchise structure of Victory.

2 As far as my educational background and designations go.
3 We-so, I completed my bachelor's degree at the University of
4 Georgia and I have my Chartered Financial Analyst Designation
5 and my Chartered Alternative Investment Analyst Designation.
6 Those two designations for those that are unfamiliar have very
7 strict standards in terms of the continuing education that
8 goes along with it, the rigor that goes through obtaining them
9 and then also the ethical standards you have to meet on an
10 ongoing basis to keep those designations.

11 If you look on our Slide 27, which is our combine team
12 going forward, the Solutions Team that will be servicing the
13 investment allocation and selection for the 529 Plan, you'll
14 see many members hold that or similar designations. That is
15 something that further education, whether through master's
16 Programs or these types of programs is very important to me in
17 building a team. It's been important to Wasif. If you look
18 across that page, you'll see that we are very well resourced
19 from an educational perspective, at least a designation
20 perspective as well.

21 Similar to what Wasif mentioned, my current role does not
22 require any securities specific licenses because I don't sell
23 securities directly to clients.

24 MARTIN: Just one more follow-up to Wasif. You had
25 the Series 7 and then you just let it go. It's not that hard

1 to maintain. I still maintain mine. I mean, I'm just
2 curious.

3 LATIF: Sure, this is Wasif Latif for the record.
4 My role--this happened at Deutsche Bank. I had the Series 7
5 and when I joined Deutsche Bank, I was part of the Private
6 Bank and Asset Management Division. That Division did not
7 require and was not supporting licenses being hung for
8 investment professionals because their roles did not require
9 direct interaction with individual investors. That is why my
10 license lapsed. I did not let it lapse myself. I really
11 wanted to keep it. It was something that I prized very much.
12 But, as my role evolved and grew into a more responsible type
13 of a role, where I was overseeing more broader and
14 institutional level investments with next to no direct contact
15 with individuals who would be making those decisions that I
16 would be selling to, that license was not required and my
17 employer decided not to keep it.

18 ENGLEHARDT: This is Brooks Englehardt with USAA for
19 the record. We have a bright line at USAA that our compliance
20 and legal team has established. That bright line is, if you
21 are engaging directly with members and promoting the products
22 and services associated with the investment company, such as
23 the 529 Program, then you will be licensed. If you are
24 instead, focused on the day-to-day portfolio management, the
25 oversight of the underlying securities, then you do not need

1 to be licensed.

2 So, in my case, for example, as President of the firm, I
3 am out engaging with members advocating for the brand and
4 advocating for this program. I'm licensed, I carry both a
5 Series 7 as well as a 24 and have for decades now, with over
6 30 years in the industry. There is a method to that
7 bifurcation if you will between licensed and non-licensed
8 professionals. Thank you.

9 CHAIRMAN: Questions? No. Okay, now it's my turn.
10 Thank you to my fellow Board Members, I—

11 SPEAKER: Turn it on.

12 CHAIRMAN: I'm on. I see the red light.

13 [crosstalk]

14 CHAIRMAN: How can you fall asleep with such good
15 discussion? Thank you guys. Thank you for the conversation.
16 Thank you for your thoughtful answers to the questions from
17 the Board Members. I hope it's evident to you how important
18 this topic is to us.

19 I'm going to do my best not to repeat the questions that
20 my colleagues have asked but I would like to step back a
21 little bit as it relates to the transition service agreement.
22 I think I heard you say as you were articulating that process
23 that existing members, those 293,000 members, at the point
24 that this transition is completed will have the option to opt
25 into the—if you will—the new Victory/USAA Program. Is that—

1 did I understand that correct?

2 MERAZ: They won't necessarily opt in because the
3 Board holds one, the proxy vote for the move over to Victory
4 but we will inform them of the plan, through the plan
5 description, we will let them know that the USAA 529 Plan is
6 transitioning over to Victory Capital.

7 CHAIRMAN: Thank you for that clarification. Was
8 encouraged to hear that the three existing USAA folks are
9 transitioning over to Victory. Not to get into your personal
10 business, but is it safe for this body to assume that your
11 employment contracts are for three years?

12 ENGLEHARDT: This is Brooks Englehardt with USAA for
13 the record. We're not privy to disclosing length of contract,
14 but I will commit that all of us are committed to being part
15 of this program for much longer than three years. We are—we
16 are all-in on this deal but we don't have signed agreements
17 with a tenure for three years, that was not part of the
18 discussion.

19 CHAIRMAN: So, there's no limitations on your current
20 employment contracts. Thank you for that. Is the
21 transitional trademark license agreement, has that document
22 and the terms within it been solidified or is that still going
23 through negotiations?

24 MERAZ: This is Salma Meraz from USAA for the
25 record. So, it's still in draft mode. The copy that we have

1 provided to your staff is still the current draft. They will
2 actually finalize it at close.

3 CHAIRMAN: Thank you for that. I think just to kind
4 of reiterate a comment that Treasurer Conine had made and I—
5 not to speak for my fellow Board Members but to speak for my
6 fellow Board Members, I think we share the sentiment in that
7 the transition service agreement, we too hope that it doesn't
8 extend past 18-months because I think that would indicate that
9 there's problems in that transition.

10 It's my assumption that one of the—one of the primary
11 reasons that Victory was chosen was because of the, if you
12 will, infrastructure that you brought organically to the
13 relationship. Given the focus of USAA and how they're trying
14 to evolve this program, I'm going to assume that those assets
15 and capabilities that you bring organically to this
16 transaction should simplify that transition agreement. So,
17 I'm good with the 18-months. I think three years is woefully
18 short.

19 My day job is contracting. I'm very familiar with
20 various terms and clauses that can be put in those agreements.
21 I think that on the surface, the three-year term demonstrates
22 to me a lack of commitment to the relationship. I think to
23 the comment that Treasurer Conine made, we would be comforted
24 by a longer term or at least language articulated in the
25 agreement that allows for a more seamless extension of that

1 relationship because we want to assume success, as I assume
2 you want to assume success. Three years just makes me feel
3 like you're done after three years, because it is a really
4 short period of time. I don't think it demonstrates long-term
5 commitment to the members.

6 I would like to be bold, to make a request, given this
7 agreement is still in draft mode that you heartily review that
8 with your respective teams and understand what the comfort
9 level will be in there. Obviously in all agreements, there's
10 the opportunity to get out if we need to get out and we should
11 be confident in that ability to get out if things aren't going
12 the way that we want to them to do.

13 I do think that we need to lead by example and give
14 ourselves the longest runway possible. So, that's how I coach
15 my customers in state government as we work through
16 contracting initiatives, that we assume success on the front-
17 end. We have confidence in the contract documents if there
18 isn't success, but we allow nimbleness in that contractual
19 relationship to extend it, when that success has proven to be
20 successful.

21 I think all of the thinking and questions that you're
22 hearing is driven by a profound commitment to veterans in
23 Nevada. Right, Governor Sandoval and I'm sure Governor
24 Sisolak have a very purposeful goal to make Nevada the most
25 Veteran friendly state in the country. We're very concerned

1 that this acquisition is going to jeopardize that goal and is
2 not going to provide the level of service to the military
3 members that USAA has provided historically.

4 And so, we will continue to be focused on ensuring that
5 commitment to that population and ensuring that the
6 Victory/USAA relationship, USAA/Victory relationship, whoever
7 wants to lead there, has a long-term commitment to this body
8 because quite honestly, we have other plans that can meet
9 other members needs. We don't have any other plan that's
10 specific to the military. You know, dare I say, but I think
11 you would agree, very few organizations that support military
12 members to the degree that USAA does. I don't think Victory
13 can do it without you, no offense sir.

14 So, I think that's why we will continue to push and hold,
15 if necessary, until we see a longer commitment to the
16 marketing agreement. Treasurer Conine?

17 CONINE: And, if I could echo the Chair's
18 statements, on behalf of the State, that is assuredly
19 something we are worried about. In addition, it's just sort
20 of ruminating on what you both said as to what criteria would
21 cause you to not consider the licensing agreement. It seems,
22 perhaps, there is a solution.

23 I don't think USAA's brand is going to have some sort of
24 serious deterioration in the next three years, right? Okay,
25 good. We have on the record, right, that he nodded?

1 With that said, it seems that the more likely scenario
2 would be they aren't comfortable with the servicing that you
3 all are doing. And so, since the agreement is still in draft
4 form, if there was an ability to put in there, something to
5 the effect of, the agreement will extend in perpetuity, so
6 long as you meet these service metrics. And then to give
7 Victory an opt out that says, if USAA goes to pot in the next
8 few years, just tell us. Tell us that you see that there's a
9 big problem there because I'm sure, USAA is going to be more
10 committed than anyone else in the room to make sure that USAA
11 doesn't have brand deterioration, right. So, if that is a
12 concern that you have, it could be brought well before the
13 time that that ran out. That sort of commitment, that sort of
14 automatic renewal makes us much more comfortable.

15 ENGLEHARDT: This is Brooks Englehardt for the record.
16 I really appreciate this feedback, specific to the licensing
17 agreement. As Salma had mentioned earlier, this is still a
18 work in progress. I can't commit to changes that our
19 attorneys may or may not be contemplating right now, but you
20 are an incredibly important partner to us and your feedback is
21 invaluable, so I appreciate the opportunity to bring that
22 back.

23 I think the one clarifying comment I would make is when
24 we talk about the transitional service agreement and how we
25 evolve to this target state, when we talk about Victory and

1 their deterioration of service—to be clear, Victory is
2 actually hiring USAA's own customer service representatives
3 who are performing these functions today. Our own marketing
4 people who are performing these functions. Salma as a point
5 from a relationship standpoint. So, in this context, the
6 "them" is really "us", as it relates to Victory's employees
7 being current USAA employees.

8 CONINE: Thank you. I appreciate that and that is
9 another reason why it seems like creating that sort of long-
10 term licensing arrangement would be very easy. Right?
11 Because you are effectively agreeing with yourselves.

12 CHAIRMAN: Yeah, you bet, thank you Treasurer. So,
13 just if I could, two more questions. So, looking back at
14 Slide 4, five unique business portfolios, if you will, that
15 you offer to your members. You're looking to outsource the
16 investment company, obviously with this transaction. Does
17 that continue to be a long-term strategy for USAA in the terms
18 of products for your members?

19 ENGLEHARDT: Brooks Englehardt with USAA. Clarifying
20 in terms of, does it continue to be our strategy specific to
21 the investment company or really on a broader enterprise USAA
22 perspective?

23 CHAIRMAN: A broader USAA perspective.

24 ENGLEHARDT: So yes, and that's really why I was
25 excited that Michael was able to join us earlier is that,

1 again, I bring us back to the mission statement, is very
2 specific as to our responsibilities to provide competitive
3 products and services. It is purposefully not specific in
4 terms of how we accomplish that.

5 So, Michael had mentioned that historically we had a
6 tendency to build our own, as the business models have
7 evolved, competitiveness bars have been moved on us. We have
8 felt it would be more prudent to start partnering on a more
9 aggressive basis. So, my anticipate—I anticipate that the
10 type of partnership that we're talking about here today with
11 Victory Capital Management is one that the life insurance
12 company is looking at, that the bank is looking at and even
13 the property and casualty company is doing as well.

14 CHAIRMAN: So, thank you for that. If I could
15 maybe talk about a hypothetical, if you will. One that I am
16 very confident isn't going to happen but for some reason
17 Victory does not deliver to the degree I think that we're
18 confident—you're a very reputable organization, you manage
19 your portfolios very well. If they don't perform to your
20 desires, are you having conversations now, at that three-year
21 point that would allow you to continue to provide another 529
22 Plan because you realize that your members want a 529 Plan and
23 if this partnership with Victory is not successful then—again,
24 not ideal as we mentioned earlier—but that you would be
25 pursuing another avenue to continue to provide a 529 or do you

1 think this is a program that your members could do without?

2 ENGLEHARDT: That's a great question, thank you.

3 Brooks Englehardt again. We will absolutely remain in the
4 College Savings Plan Program business. How we do that,
5 whether it's through Victory partnerships or with a player to
6 be named later if this Victory partnership doesn't deliver as
7 we intended is to be determined, obviously.

8 What we do know is how important these programs are to
9 our members. One of the things that we do a very good job of
10 at USAA is listening to our members and we survey constantly.
11 What we hear from our member is how they define financial
12 security and what keeps them up at night is consistently in my
13 10 years in being on board with this company comes back to
14 three things.

15 The first has to do with retirement savings, the second
16 is debt repayment and the third has to do with, how am I going
17 to finance my children's education. In all of my tenure here,
18 those have been the top three. So, what's not wavering is for
19 us to continue to provide the tools that our members need to
20 deliver on that financial security commitment.

21 Yes, we will be in this business long-term.

22 CHAIRMAN: Thank you for that. We hope the licensing
23 agreement will reflect that with Victory. So, if could, I'm
24 going to ask you three questions, to Victory and if this is
25 going to be in your presentation, which I'm sure you're

1 anxious to get into, then I'm happy to wait until that time.

2 Where are you currently headquartered? As you move to
3 San Antonio, will you all be cohabitating in USAA's existing
4 space? Have you gotten your own space? How many employees
5 will be transitioning to San Antonio as a part of this move?

6 DHILLON: This is Mannick Dhillon from Victor
7 Capital for the record. We're currently headquartered in
8 Cleveland, Ohio, just outside in a town called Brooklyn.
9 That's where the firm became independent from Key Bank. It
10 was the Asset Management business, so we've stayed there.

11 As a result of this transaction plus the ongoing
12 development and security of our firm, we felt a move to San
13 Antonio was very important.

14 First and foremost, the continuity of service,
15 interaction with military affairs, marketing efforts; from our
16 perspective, we want to be so to speak, joined at the hip with
17 USAA in everything we do from an investment product
18 perspective and servicing the members on their various
19 investment products, mutual funds, ETFs and 529. So, for us,
20 it was very important to move there.

21 At close, we will cohabitate for some period of time, but
22 we will be getting our own location in San Antonio, which has
23 not yet been finalized.

24 The number of people that will be coming along. So, the
25 majority--this new headquarters for us will be the largest

1 concentration of employees for Victory Capital in any one
2 location. The majority of those employees, 300-400 or so will
3 be from USAA Legacy. As far as folks that are moving, my
4 boss, the COO, the leader of the firm is relocating with the
5 headquarters, naturally. Myself and a few other executive
6 members also.

7 We have in—and we'll talk about how we're structured a
8 little bit later in the presentation but we still intend to
9 maintain a lot of the trading operations, compliance aspects
10 that happen today in Cleveland there, but this is more to
11 service the investment side, so all of the investment people
12 will move into this new office. We have call center,
13 servicing people will move into this new office in San Antonio
14 and then our leadership team will be in this office.

15 CHAIRMAN: Thank you for that. Any other questions
16 from Board Members before we move on to Victory's piece of the
17 presentation? Okay, thank you guys, please proceed.

18 DHILLON: So, this is Mannick Dhillon from Victory
19 Capital for the record. We're on Slide 14. So, I wanted to
20 talk a little bit about Victory Capital, what we stand for,
21 what we bring in our opinion to the transaction and to the
22 members in the 529 Plan.

23 One of the first things and the most important things
24 that we look for in any partnership or acquisition that we've
25 done is cultural alignment. The business we're in is very

1 much a people business. We're not manufacturing widgets to
2 put up on a factory shelf. It is driven by the human capital
3 that goes up and down our elevators every day and that
4 cultural alignment with any firm that we've acquired or not
5 acquired is very important over time.

6 We had to go into this partnership confident that we
7 could enhance the experience for USAA members and we felt
8 comfortable we could do that through a few different ways.
9 First and foremost, unlike USAA which is a very diverse
10 financial services firm, Victory Capital is focused solely on
11 investment management. All we're built for, all we do every
12 day is deliver investment outcomes to our investors, which
13 today span retail and institutional clients.

14 The other way that we see this partnership benefitting
15 USAA members is the complimentary fit of the investment
16 capabilities that came together. We today, as we'll see in
17 some of the subsequent slides, are very strong, particularly
18 in the equity space. USAA is very strong in the fixed income
19 and multi-assets space. The individual who is responsible for
20 the multi-assets sitting here next to me.

21 Together, the two organizations can provide a more
22 comprehensive toolkit for members. Whether that be in their
23 retirement plans or their 529 Plans. So, enhancing the high-
24 quality investment options available to the team building
25 those portfolios is very critical to delivering those

1 investment outcomes.

2 We have structured our business as a multi-boutique firm,
3 an integrated multi-boutique firm. So, our investment
4 franchises, these are the investment teams, they operate
5 independently from one another. So, there's no overarching
6 CIO that tells them what to do because we do not want to alter
7 their secret sauce as a stock picking or bond selection
8 process.

9 We service everything else for them, to leave them
10 undistracted from that. It's hard enough in today's day and
11 age and how efficient the markets are becoming to—you know, to
12 win. We don't want them to be distracted with things that are
13 operational in nature, compliance in nature, etc. So, we take
14 care of that.

15 The other benefit that that provides is, being focused in
16 that space, our team has gathered and developed the best in
17 class processes, procedures, infrastructure in investment
18 management and we can continue to do that for the USAA
19 members.

20 The other aspect of our relationship is, through this
21 partnership we will be reopening access to the direct member
22 channel. That means, part of what we're committing to do,
23 part of our intent to enter this business is to further
24 educate and enhance the financial outcomes of the USAA member
25 base directly.

1 So, from the financial literacy program that we're
2 undertaking, committing \$1 million on an ongoing basis, to be
3 able to educate on the importance of savings, saving for
4 retirement, saving for college education. Because it's
5 something that over time, we realize a lot of—a lot of the
6 hurdles to preparing for the future are just simply not
7 knowing what's available and kind of how to go about it. So,
8 very much important for us to continue that effort.

9 If you flip to the next slide, to give you a sense of the
10 clients and investors we serve today. We cater to the
11 institutional community. We cater to the retail community
12 through financial advisors today. So, the member base will be
13 our third, call it channel, or distribution avenue.

14 Those end-clients today are pension plans I serve,
15 teachers, firefighters, police officers. We have corporations
16 whose defined contribution plans, whose pension plans that we
17 serve. And then as far as individuals as well, through that
18 intermediary space. Going out, who are saving for retirement,
19 saving for life goals, like college education and so forth.
20 Just—they have a different demographic than a USAA member
21 today.

22 On Slide 16, I'd like to touch on some of our cultural
23 pillars. The first one is building trust. I think that's
24 very important in this context and what I want to say is,
25 relative to all the questions that have been asked, I as a

1 representative of Victory Capital am not going to sit here and
2 say, trust me today, or trust us today. We're going to build
3 that trust with the Board and with the participants in the 529
4 Plan, day-by-day, through the actions that we undertake. We
5 recognize that.

6 We recognize that USAA is a known entity to the Board and
7 to the State and Victory Capital may not be. Building trust
8 is what we are committed to doing across the board from an
9 investment aspect. We do that through delivering those
10 outcomes that clients want and making sure that they are
11 getting the service they want, the risk adjusted outcomes they
12 want and being able to closer meet their goals that they've
13 set out.

14 The other is respecting the autonomy of the investment
15 decision-makers. I talked about the integrated multi-boutique
16 structure. That's very important. So, relative to other
17 organizations that have elected to centralized investment
18 decision-making, we feel decentralized investment decision-
19 making is a much better way about going about it so the folks
20 are undistracted and they can continue to focus on their
21 particular area of the market. They're specialists in what
22 they do. That's another aspect of what stands out in our
23 structure versus other asset managers sometimes is that we've
24 committed to letting them be specialists in those areas of the
25 market where they can add value.

1 Another aspect of our firm which I'm very proud of is, we
2 have significantly invested personally alongside our clients.
3 What I mean by that is, it's not a mandate within the firm
4 that we have our own capital invested in our mutual funds and
5 EFTs. It is a byproduct of the culture that exists in our
6 firm that we have—being a 300 person firm, approximately over
7 \$100 million invested in our own capital, in our investment
8 product. So that, when our investment professionals come in
9 every day, they know the decisions they're making for the
10 portfolio are going to impact their own net worth, just as
11 they are the end client that are sitting beside them in that
12 fund or that product.

13 All of this together for us is about creating alignment.
14 If our goals and objectives are misaligned with the end
15 investor, that's not a sustainable business. We want to make
16 sure that we, along with everybody in the organization, are
17 aligned with our clients in terms of driving those outcomes.
18 It's very important to us.

19 On 17, you'll see we're roughly \$53 billion in assets
20 under management at the end of 2018. We have 109 investment
21 professionals spread out across the globe, mostly concentrated
22 in the United States. We've done three successful
23 acquisitions, prior to the ones we've announced, they're soon
24 to be closed and we went public as a firm in 2018, in the
25 beginning.

1 That was an important step for us in making sure that we
2 could have a permanent capital structure for our clients, so
3 they are not having to worry about what is going to be the
4 next ownership change, etc., that goes along with the firm.
5 So, about driving continuity and stability to our investors.

6 We have 71 investment products to date, delivered across
7 retail institutional clients. The highlight here on the
8 middle of the page that I like to talk about is our dedicated
9 sales and marketing efforts. So, out of a firm of
10 approximately 300 people, 92 are in sales and marketing. That
11 means we have the infrastructure focused on the investment
12 products to be able to drive awareness of the 529 Plan, into
13 the Nevada market. Whether that will be digitally or
14 directly, we have the experience in educating clients on
15 financial products and we have the focus to be able to do that
16 100% of the time, versus it being a marketing department that
17 has to also serve other financial business lines and so forth.

18 If you look on Page 18, you'll see a quick snapshot of
19 our various investment teams, what we call franchises.
20 They're all distinct in terms of their brand, the areas of the
21 market that they traffic in and again, they're not—they're not
22 made to talk to one another. They don't rely on a central
23 investment resource. So, they can staff and build their
24 portfolios as they see fit and we leave them alone from how
25 they manage their teams and their portfolios. We think that's

1 very important. When you identify highly skilled investment
2 professionals, not get in their way but resource them
3 adequately.

4 On Page 19 is a little bit of our record of driving some
5 of those investment outcomes. I'm not going to sit here and
6 say stars are the best way to buy products for the future, but
7 they are an objective way to evaluate how a product has
8 performed relative to peers, on a net of fee basis. 23 of our
9 funds and EFTs have four or five star ratings, as rated by an
10 objective agency like Morningstar. 65% of our assets are in
11 those corresponding four and five star ratings.

12 That's important, I think because, you know, often times,
13 good performance can be concentrated in small products in
14 certain organizations, we've been able to deliver it on an
15 asset weighted basis. If you look below, over long periods of
16 time, three, five 10-years, a significant majority of our
17 investment strategies outperform their benchmarks.

18 We think that's a testament to the model we've built.
19 Allow highly skilled professionals to remain autonomous in
20 their decision-making. Take all the distracting features of
21 asset management out of them and centralize it and in the end,
22 you can provide those positive outcomes for clients.

23 If you look on 20, you'll see a snapshot of how our asset
24 base is split up today across asset classes and types of
25 clients. Similar to what I was talking about earlier, you'll

1 see that we are very much focused in the equity space today.
2 Particularly, in those areas of the equity market that we deem
3 are less efficient. US Small Cap Equity International,
4 Emerging Markets and so forth, where we've assembled, not by
5 accident, teams that we think are highly qualified specialists
6 there. Because we believe active management can still win in
7 a meaningful way in those less efficient parts of the market.

8 Our assets are fairly split between institutional and
9 retail clients. Institutions do access our strategies through
10 mutual funds as well. So, you'll see about \$30.5 billion at
11 the end of the year in mutual funds, about \$19 billion of our
12 assets in separate accounts and then, a smaller but growing
13 part in ETFs, make up the pie.

14 Our history of acquisitions is on 21. It is a part of
15 our model to go out and acquire asset managers and put them on
16 to our integrated platform so they can excel at what they do
17 from an investment making standpoint and take the rest out of
18 the equation.

19 So, our first acquisition was Winder Capital [phonetic].
20 Then we got into the rules based, strategic beta and ETF
21 business with the acquisition of Kemp in 2015. Then we
22 announced RS Investments and a minority investment in
23 [inaudible] Capital in 2016 and '17. In 2018, we made the
24 announcement of the USAA acquisition, the one we're talking
25 about as well as another firm called Harvest.

1 It is a part of our ongoing growth strategy to both
2 organically grow products for clients and access to financial
3 products, but also to inorganically increase the capabilities
4 inside the firm so we can go out and meet those objectives for
5 clients.

6 Let me stop there, maybe pause and see if there are any
7 questions up to this point and—

8 CHAIRMAN: Thank you for that. Go ahead, Member
9 Martin.

10 MARTIN: Thank you, Mr. Chairman. Andrew Martin
11 for the record. With all this merger activity, I'm kind of
12 curious to gain your perspectives both on the Victory side and
13 the USAA side about what you think the most challenging aspect
14 will be. Is it a cultural thing between the firms? Is it—I
15 guess, that would include investment management style. Are
16 there any area of potential conflict that you've identified?

17 Certainly you've identified areas where there's a
18 synergy, but I'm kind of curious to hear if there's any
19 expectations of any corporate cultural issues. That will
20 effect performance and that will effect, you know, obviously
21 our children who are basically have their funds invested with
22 you. So, if you could comment on that, I'd appreciate it.
23 Thank you.

24 DHILLON: So, maybe I'll start and then Brooks, you
25 want to jump in. This is Mannick Dhillon from Victory Capital

1 for the record. So, any time two organizations are coming
2 together there are a lot of things to consider. There are
3 things from a technology standpoint, operations standpoint.
4 Those admittedly are probably more complicated with the USAA
5 transaction then they have been with any other transaction.
6 That was the impetus for the transition services agreement as
7 well.

8 So, we feel that there's ample time for us to stand up
9 the infrastructure needed to enhance the service for members.
10 That is something that is very important, but it's also part
11 of the culture and the experience that USAA members have been
12 used to and we want to make sure we can take that forward.

13 As far as the human beings, I talked about this being a
14 very human capital intensive business. And now, especially
15 with the individuals servicing the members, that is something
16 that we're very mindful of. So a lot of the things that we've
17 already put in place, in terms of the offers to be able to
18 bring across the line existing members of USAA so that we can
19 maintain continuity of that culture, it's very important to
20 us.

21 One of the things that us moving headquarters to San
22 Antonio does, it closer aligns us to the culture of USAA. So,
23 if you think about future hires that we can make, I would love
24 to say that there may be opportunities for people seeking
25 career development, to come down the road a little bit from

1 main campus, to where we might be, to maintain that culture.

2 Also, we have the ability to learn and grow with USAA as
3 they enhance the culture because of our proximity to them.
4 That is something that we're very mindful of and always in a
5 human based business, is the most challenging. We've done it
6 before and we feel that with the support of our partners at
7 USAA and the close proximity we'll have, we'll be able to
8 maintain that.

9 ENGLEHARDT: Brooks Englehardt with USAA. I would just
10 echo. The culture is probably my least area of concern right
11 now. We've done our homework. We've done a lot of due
12 diligence. Spoke with some of the firms that Victory has
13 acquired over their business model and feel that we are in
14 very close cultural alignment.

15 We had an opportunity to spend a significant amount of
16 time with their senior management team. Both within USAA
17 employees, but also with our various governing bodies. So,
18 our USAA Board of Directors, at the parent company level, as
19 spent a significant amount of time with the Victory
20 executives, as well as our mutual fund trustees and we'll
21 actually now meet for the third time tomorrow, actually, in
22 San Antonio, again with the Victory executive team as well.
23 Thank you.

24 CHAIRMAN: Treasurer Conine.

25 CONINE: Thank you, Chair. You mentioned that that

1 was your area, lowest, smallest area of concern. What's your
2 greatest area of concern?

3 ENGLEHARDT: I think it goes back to what Michael had—
4 Brooks Englehardt for the record. Michael had mentioned that
5 we have a historical preference at USAA to build it ourselves.
6 So, if you look at many of our underlying systems, the
7 infrastructure on which we serve is—our systems which we have
8 been developing ourselves, particularly as it relates to the
9 front-end of our member interactions.

10 So, we have a great partnership with a census in that
11 while we do rely on our front-end, from a USAA infrastructure
12 systems perspective, we ultimately transition to a censuses
13 platform for fulfillment and transfer agency services and the
14 like. So, there is precedent for these handoffs, but I think
15 going through the scale of a transition that we're going
16 through it would be naïve to say that the systems work, the IT
17 infrastructure, when we have three parties involved, is not
18 going to be an area of concern because it will be. Again, I
19 go back to what we've consistently referenced here is this
20 transition services agreement. We're not going to force that
21 until we're all comfortable that we're ready.

22 Again, it's still a USAA branded product, to the extent
23 that we trip here, those calls are going to come back to San
24 Antonio, they're not going to Cleveland. So, we're going to
25 get that right. If it means that we have to extend that TSA,

1 then we'll extend that TSA. That's the area that has a lot of
2 us more anxious than not, is just the systems integration.

3 Thank you.

4 CONINE: Thank you, I appreciate that. On the
5 Victory side, within these acquisitions, are there other 529
6 plans that you're currently out there promoting and if so,
7 what are they?

8 DHILLON: This is Mannick Dhillon from Victory
9 Capital for the record. No, there are no other 529 plans that
10 we support.

11 CONINE: Thank you, that kind of gets rid of a
12 number of my follow-up questions. As a public company who is
13 clearly growing through acquisitions, talk to us a little bit
14 about your bandwidth. As you continue the acquisition plan,
15 how do future and past acquisitions interact with each other
16 and then I guess, conceptually at what point do you stop or is
17 the plan to continue to acquire? Which is obviously
18 completely fine. If that's the case, how do we make sure that
19 the bandwidth and the resources are there to make sure this
20 acquisition is as successful as we need it to be?

21 DHILLON: Mannick Dhillon from Victory Capital for
22 the record. So, the acquisition model for us is important
23 because we see the stresses that the industry of asset
24 management is facing. Part of the impetus for this, for USAA
25 to go out and find a suitable partner for the investment

1 products was the recognition, the size and scale are critical
2 to delivering investment outcomes for investors going forward.
3 It's just too difficult to do it in a fragmented way.

4 So, we've decided to set up part of our strategy to be on
5 the consolidator side of that equation. Over time, we will
6 look to add investment capabilities to our lineup that makes
7 sense for our overall investor base. And also, what we feel
8 we can handle from an operational and servicing perspective.
9 We do not have an intent to be everything to everyone. We
10 want to focus on what we know and slowly go through that
11 progression as you could see.

12 Obviously USAA, the acquisition of their asset management
13 business is the biggest one to date. So, it will take some
14 time to integrate the transition services agreement, the
15 infrastructure, the technology and we have a lot of work to do
16 to further enhance the awareness of these products in the
17 member channel. This is a lot.

18 Does that mean that we will cease from doing
19 acquisitions? I can't say, we don't know. But what I would
20 like to say is that, we're always mindful of the resources we
21 have inside the organization. We're always looking for
22 opportunities that we can look at to enhance their outcomes.
23 We're—we also want to make sure we're delivering to every
24 client.

25 So, it's not just about USAA members for us going

1 forward, post-close. We are always mindful of the existing
2 investor base that we have to date. So, we'll want to make
3 sure that once we feel comfortable that they have been served,
4 along with the members, we'll take every size, type of
5 acquisition into consider and move forward. They're all
6 different.

7 CONINE: Thank you, I appreciate that. From a size
8 of capital pool, from an assets under management standpoint,
9 as you continue to grow, obviously your performance against
10 benchmarks continues, right, they're sort of inversely
11 related, do you believe that's a product of additional
12 programs and services? Do you think that the longer that
13 someone is under your—that assets are under your control, that
14 that starts to normalize? Could you speak to that a little
15 bit?

16 My specific question is in regards to scaling and sort of
17 the ability to deploy that capital effectively as it continues
18 to grow.

19 DHILLON: This is Mannick Dhillon from Victory
20 Capital for the record. So, we look at acquiring our
21 investment teams over time as building a portfolio. We think
22 that diversification comes in many different forms, not just
23 style boxes and things like that, but in terms of approaches,
24 the way people think may be different from one another. So,
25 we're very careful about how we put things together.

1 We have no expectation that all of our investment
2 products and strategies and teams will be performing at the
3 same time at the same level. What we do know is that, if we
4 can continue to resource them, adequately, then those
5 outcomes, if they are skilled at what they do, should continue
6 to come about.

7 One of the things that we look for in anything, I used to
8 look for when I was a manager as a selector is consistency.
9 It's not about trailing numbers always, it's about being able
10 to consistently deliver for clients. What we'll continue to
11 do is look at all the areas where we can invest capital.

12 So, one area could be the investment teams themselves.
13 Sometimes, depending on the particular asset class or what's
14 happening in the particular market, we might need additional
15 resources, data, technology. If you think about the minority
16 investment we made in the firm called Cerebellum Capital, it's
17 an AI and machine learning asset manager. The real reason to
18 do that was also to be able to bring what they do from a
19 forward thinking perspective to our franchises. Some of our
20 franchises have already started to use some of their
21 technology to help them better make decisions.

22 The other is the operational platform. We want to make
23 sure the operational platform is scaled enough to support all
24 of those assets and clients as they grow. So, we're always
25 making sure that we can invest in the technology we need to

1 service that. Then there's also capital around the education
2 of the products themselves and the marketing.

3 So, there's always this balance between all these areas
4 of the business, but what we want to make sure is promote
5 longevity and we want to make sure that we can promote the
6 resources and tools that those teams, first and foremost need
7 to be able to execute on our mission of building that trust
8 with clients.

9 CONINE: Thank you, I appreciate that.

10 CHAIRMAN: Go ahead, Member Martin.

11 MARTIN: Thank you, Mr. Chairman. We've heard—we
12 can see a lot of merger activity and acquisitions and so
13 forth. These are obviously the success stories. I have to
14 ask the question, have there been any failures and if so, can
15 you comment on what happened? If there have been no failures,
16 then I probably don't have any follow-up questions either.
17 Thank you.

18 DHILLON: This is Mannick Dhillon from Victory
19 Capital for the record. Since we've become an independent
20 firm in 2013, the acquisitions you see on this page are the
21 acquisitions we have made and the ones that we have closed are
22 still part of the organization.

23 There's one exception. There was a franchise that came
24 along. It was called Diversified Equity that came through the
25 Key Bank days into the firm. It was a large cap core active

1 franchise. The issue there was, there was a very seasoned
2 individual who was the CIO of that organization, of that
3 franchise and was looking for a succession plan. So, we had a
4 succession plan named for him, somebody else on that team.
5 When that individual decided that he no longer wanted to be in
6 the investment management business, it did not make sense for
7 us, because there were more junior members on the team to say,
8 we think this is right for clients to just keep this going.

9 So, we actually moved away from Diversified Equity as a
10 franchise and transitioned those assets to other franchises to
11 continue managing them and the investment outcomes have
12 actually improved significantly.

13 So, that wasn't related specifically to an acquisition
14 but I mention it because it was part of the management buyout
15 that happened in 2013.

16 MARTIN: So, we basically have a company in
17 Victory—that's probably why I really haven't—I'm not familiar
18 with the entity because obviously some of the groups you've
19 acquired like Munder and so forth, I am familiar with. So,
20 what we have is a rapidly growing consolidator of investment
21 firms and it's only been—it's been active for about five or
22 six years approximately.

23 I'm just trying to make sure, you know, I mean—let's just
24 say, theoretically you were building a house and you built it
25 really, really fast. Kind of would raise concerns about

1 stability, structure and Brook mentioned the technological
2 issues. I mean, I face that myself. I've bought and sold
3 several businesses, both—all in the CPA space, which I operate
4 in and I can only imagine—because we experienced it at a small
5 level, what you all must be dealing with, with the different
6 technologies and platforms and so forth. Never mind the human
7 personnel which we've spoken about, but—it sounds like it's a
8 rapidly growing enterprise that's actively trying to seek
9 other investment firms and funds.

10 I don't know, I guess I have some concerns with that, but
11 at least I know that your track record so far has been good.
12 So, I appreciate the candor. Thank you.

13 DHILLON: If I may comment on that. This is Mannick
14 Dhillon from Victory Capital for the record. Victory as a
15 firm actually goes back through proceeding firms, maybe in
16 some cases through different names, back to the early 1900s.

17 So, Victory Capital itself is not new. I mention that,
18 in its last instance, prior to 2013, it just happened to be
19 the asset management business within Key Bank, which is a
20 Midwest based bank. So, the history of the firm and the
21 evolution goes a long way back in time.

22 The other aspect of this is, we wouldn't characterize our
23 growth necessarily as fast, we'd say it's measured. So, we
24 don't necessarily have the intent to bite off something that
25 we cannot undertake. The point around the technology is very

1 well taken. I think the concept around the complexity of that
2 aspect of this acquisition is to Brooks point, what he
3 mentioned about a lot of the legacy systems that we will be
4 relying on in the TSA to which we have to improve upon were
5 built in house.

6 So, it's not to say that we don't have the technological
7 capability or we don't have the technological advancements
8 necessarily to do this, we're looking at building this for the
9 next generation of investors and not necessarily relying on
10 how it had been done.

11 So, as far as that goes, one of the things that we took
12 away wholeheartedly from USAA leadership is, look, they've
13 built something that's very strong, but don't assume the way
14 they've done it is the way to do it in the future. We took
15 that to heart to say, we have the ability to improve the
16 technology infrastructure, which we've been using best in
17 class for investment management, the marketing aspects of
18 this, the digital storefront that's going to be exposed to the
19 members, and really take it to the next step forward.

20 CHAIRMAN: Thank you, Member Martin. So, I'd like to
21 try to flush out fast versus measured. Where does USAA rank
22 in the context of size to your other acquisitions?

23 DHILLION: This is Mannick Dhillon from Victory
24 Capital for the record. It is the largest to date.

25 CHAIRMAN: Thank you for that. Not asking for

1 specifics, but do you have other acquisitions in the pop line
2 that aren't articulated on this slide?

3 DHILLION: This is Mannick Dhillon from Victory
4 Capital. I can't comment on acquisitions in the pipeline, but
5 as I mentioned before, I can comment on what our growth
6 strategy is, both organic and inorganic. Particularly, I
7 mean, being a public company, there are things that we can't
8 comment to.

9 CHAIRMAN: Thank you for that. So, how much time as
10 an organization are you allowing yourself for this acquisition
11 before you would contemplate doing another or could there be a
12 scenario that you envision where there could be another
13 acquisition ongoing, as you are finalizing the acquisition
14 with USAA?

15 DHILLION: This is Mannick Dhillon from Victory
16 Capital. As you can see on this page, the other acquisition
17 that we have announced last year is the Harvest Volatility
18 Management. We're expecting that one to close sometime in the
19 second quarter as well. Likely prior to the close of the USAA
20 transaction. So, when it comes time to close the USAA
21 transaction, we don't anticipate that one being pending out
22 there.

23 As far as the time, the question to time, there's a lot
24 that remains to be seen, right. So, as we enter the post-
25 close period and we integrate the investment professionals, we

1 settle into our new headquarters, we stand up the
2 infrastructure during the TSA, how that's progressing will
3 signal us as to how we can approach future acquisitions.

4 CHAIRMAN: That's fair. Okay, thank you Members, I
5 appreciate the thoughtful engagement. I will remind my
6 colleagues we have 63 slides to go. So, we may want to just
7 push through the presentation and save some questions until
8 the end. Please proceed.

9 DHILLION: Thank you. This is Mannick Dhillon from
10 Victory Capital. We were on Slide 22 and what I would like to
11 mention here is that the combined organization of USAA's asset
12 management business today which is very fixed-income and
13 multi-asset solution heavy, combined with our organization
14 offers a more balanced toolkit to our clients and to our
15 members, going forward.

16 On 23, I'd like touch on our notion that insourcing
17 investment management drives better outcomes, in our opinion,
18 than outsourcing investment management. We think it can lead
19 to better outcomes for members and fund shareholders because
20 it allows for enhanced oversight. More day-to-day risk
21 management of those and we have more direct control over,
22 again, the human capital issues that are very important to
23 asset management.

24 So, as an example, you know, today, there are certain
25 funds that use subadvisors in the USAA platform. The reason

1 that is, is because they did not have the internal
2 capabilities, historically, when they set out to manage those
3 funds. So, naturally what you do is you outsource.

4 Well, going forward in a combined organization where we
5 do have highly skilled investment professionals that we can
6 maintain closer oversight for. We also run less risk for
7 members in the overall continuity of those teams. The reason
8 being, I or nobody else in the firm, Victory Capital, has any
9 control over what decisions somebody is making over personnel
10 at firms like MFS or QS, etc. We do have more direct control
11 over what we do.

12 We also can more actively monitor and provide oversight
13 to what our franchises do, versus what somebody is doing
14 externally because they will simply tell you, that's how we do
15 it, that's what we're going to do. We're more conscious of
16 being able to deliver a more customized outcome to our
17 clients.

18 Our integrated multi-boutique promotes the autonomy that
19 we believe can lead to better outcomes by insourcing than
20 outsourcing in the investment management function. And our
21 exercise to evaluate or recommendations the additions that
22 we've made to the fund is specifically with the desire to
23 enhance those member outcomes at the end of the day.

24 Our current investment platform and franchises, I'd like
25 to add, are commercially recognized. We have been vetted by

1 some of the most stringent investment consultants, public and
2 private pension plans, as well as advisor fund clients that we
3 sub-advise for as well.

4 Flipping over the next few pages, I'd like to talk about
5 the Victory Solutions teams of which the Legacy USAA Multi-
6 Asset Team, that Wasif leads will be a part of. So, solutions
7 for us means anything that is multi-asset, multi-franchise,
8 rules based, factor oriented. It's around using those
9 capabilities to drive these outcomes in a more objective way
10 for clients.

11 The solutions business sits alongside the investment
12 franchises as you can see on this page. The reason is that
13 all of those franchises and their strategies are mere parts of
14 the toolkit that our team has available to us to meet those
15 multi-asset objectives for members and clients going forward.

16 As far as the 529 investment process on Slide 26, both
17 organizations are committed to helping participants achieve
18 the educational savings goal. The process that has been
19 utilized by USAA today in the multi-asset team to drive the
20 asset allocation and fund selection, in my opinion, doesn't
21 need to be altered. They've done a great job. All we hope to
22 do in the new phase of this organization is better resource
23 that team. So now the solutions team will have more resource
24 than they did as standalone and also have access to more
25 investment capabilities, high quality investment capabilities

1 to drive those outcomes. As well as a diversified set of
2 vehicles.

3 Victory Capital today has an ETF business that is over \$3
4 billion size which we grew organically. Many of those
5 products have—will have this summer, track records. So, it is
6 an established ETF business and the reason we're in that
7 business is because we can deliver tax efficient low cost
8 investing to the clients that want it. And now it just
9 enhances the toolkit, those type of products, the different
10 investment asset classes that we have exposure to, just make
11 the investment team's job that much easier, in my opinion.

12 So, as far as the asset allocation changes, I wouldn't
13 expect the members in the 529 Plan to experience anything
14 meaningful in the terms of asset allocation changes. The only
15 things that should drive asset allocation changes are Wasif
16 and team's view on the overall macro-economic environment, the
17 objective of those various portfolios. Nothing specific to
18 the transition itself.

19 The enhanced proximity of investment management via
20 insourcing will allow our solutions team to better serve
21 members. So, not only will the asset allocation process stay
22 the same but the underlying management of those investments
23 will no longer be in a separate firm, in many cases. We'll
24 have access to franchises and investment teams that are inside
25 Victory Capital who will be colleagues of Wasif and the rest

1 of the team. It's a very different conversation when you're
2 thinking about investment due diligence and how do you use a
3 particular strategy in a portfolio then if, you know, it's on
4 the other side in another firm.

5 On the next slide, on 27, you see the team. I referenced
6 this slide earlier. So, I lead our solutions business and the
7 investments vertical, the portfolio strategy vertical will
8 report up through me. We are supported by a risk analytics
9 and support team. Now, I think what should be evident here,
10 compared to a prior state is the extensive addition of
11 resources to—to what is directly available to the 529 Plan.

12 So, to date, I'll talk about this slide. The existing
13 members of the USAA team, and Wasif, you can feel free to jump
14 in wherever you'd like—are Wasif, Lance, Lela, Raymond and
15 Tony. That is who is on the team today serving the 529 Plan,
16 from an investment allocation and selection perspective. All
17 of the other resources are additive as part of this
18 acquisition. And they have very distinct responsibilities.

19 So, risk analytics and support. Well, understanding
20 where intended and unintended risks in the portfolio sit is
21 very important to the managing and outcomes for clients. So,
22 we have a dedicated team that does that, and can support
23 further quantitative techniques, quantitative strategies that
24 we have.

25 Our portfolio strategy team is there to unload some of

1 the burden that a team might have from a communicating with
2 clients perspective, so they can focus on managing money and
3 not have to deal with those aspects, but also sitting
4 alongside and making sure that we're serving our clients in
5 the best way possible and catering to their own needs.

6 To the aspect that Brooks talked about, about listening
7 to members, we have no intent of changing that. There's no
8 better person to tell us what do than our clients. So, to be
9 able to combine that information with the investment
10 capabilities we have to further enhance those outcomes, that
11 is what the portfolio strategy team is intending to do.

12 The implementation team that's down below is designed to
13 add resources to take a lot of the burden off an investment
14 professional's hands from things like, managing a model or
15 managing some of the rules based passive strategies.

16 So, overall, we view this business as a very strategic
17 part of our business. It's a growing part of our business and
18 we wanted to make sure that we had the adequate resources to
19 do so.

20 With that, we can transition to the existing funds on the
21 watch list, if that's acceptable to the Board. If there are
22 no other questions.

23 CHAIRMAN: Do we have questions from Board Members
24 before we move on? Treasurer Conine.

25 CONINE: Treasurer Conine for the record. Just a

1 quick question, in your earnings call on the 6th of February
2 you mentioned \$100 million synergy in the acquisition of USAA.
3 How much of that is associated with the move to San Antonio?
4 How much of that is—I guess, what makes up that number with
5 specific attention, if you could to—you're obviously acquiring
6 a whole bunch of individuals, you're bringing on a lot of
7 team. Where are you saving the money?

8 DHILLION: This is Mannick Dhillon from Victory
9 Capital. So, there's a number of different places. The move
10 itself is not necessarily one because if you think back to
11 what we talked about, there are only a handful of people from
12 the existing Victory Capital organization that are moving.
13 So, that is not expected to be a significant source of synergy
14 for us.

15 Really where it comes, the bulk of that is around the
16 subadvisors that are external today which will be internalized
17 at close.

18 CONINE: So, from a percentage of assets under
19 management—sorry, Treasurer Conine for the record—you don't
20 expect that the percentage that is spent on outreach, customer
21 service or the rest is going to adjust—

22 DHILLION: Again, Mannick Dhillon with Victory
23 Capital. We intend to redeploy expenses where we think
24 appropriate and we think technology, the digital experience
25 and the marketing of the USAA products is where frankly, they

1 may have been underserved historically. So, that's where we
2 actually hope to use some of those—those resources going
3 forward.

4 The other interesting thing about the synergies is, you
5 know, maybe Brooks can touch on how existing expenses and so
6 forth are allocated, but there's opportunity for us to avoid
7 certain redundancies and things like that as well.

8 ENGLEHARDT: Yeah, Brooks Englehardt with USAA for the
9 record. What I will share is that, in the process of putting
10 together the financials, the performance for this transaction,
11 what we did do was an accounting autopsy of looking at the
12 expense base that the asset management company at USAA is
13 currently bearing. Without going into too much painful
14 detail, I will say that over half of the expense base that our
15 business absorbs today is associated, not with the direct
16 support of the fund company and the direct servicing of our
17 clients and marketing of those products, but instead have to
18 do with enterprise expenses.

19 As you can imagine, being part of a large organization,
20 we bear our performer's share of a lot of those expenses and
21 as we step out of that enterprise environment, frankly, we
22 won't be paying for things like softball fields and the like
23 that may not directly benefit a 529 shareholder. Thank you.

24 CONINE: Thank you, I appreciate the [inaudible].

25 LATIF: This is Wasif Latif with USAA for the

1 record. Slide 28 discusses, highlights some of the funds that
2 are currently on the watchlist. The date as of the watchlist
3 criteria is as of September end, 2018. We are in February 27,
4 2019, so there have been some performance changes during that
5 ensuing period and you will notice those changes whenever the
6 watchlist is updated for the next quarter.

7 With that backdrop, I can go fund by fund or just talk
8 high-level of our views on those funds. Whatever the Chair
9 would like.

10 CHAIRMAN: Why don't you give us a global overview,
11 that would be fine.

12 LATIF: Thank you. So, at the global level, the
13 funds that are highlighted here that are on the watchlist are
14 primarily for two reasons. One is underperformance because—as
15 I mentioned earlier in my comments, our manager, we tend to
16 focus on an emphasis on valuation and an emphasis on quality.
17 With the run up in the market that we saw through September of
18 last year, there was some underperformance and lagging in the
19 performance because of that.

20 In the ensuing volatility that we experienced in the
21 fourth quarter, particularly in the month of December, that
22 has given a lot back and we have improved our performance in
23 some of the funds that were lagging because of that and that
24 will show up in the next quarterly update that you receive.

25 The other high-level comment would be, some of the

1 managers in a few of the funds had been underperforming and we
2 have been reviewing them. We have made a couple of manager
3 changes that took place up a year ago and that really hasn't
4 shown up in the longer term numbers. As the time passes, that
5 will show up and bring that improvement to bear.

6 The last thing I would leave you with is and Mannick will
7 touch on that as well is that, with this acquisition, we on
8 our team have a much greater toolkit if you will at our
9 disposal. We have much more managers to pick from and be able
10 to use them in these programs to be able to diversity and add
11 increasing value to members in these programs. So, it allows
12 us a greater choice, if you will, of managers of great skill
13 that we can deploy and substitute out or add to the funds
14 with—from the existing managers.

15 CHAIRMAN: Is the next quarterly report April? Is
16 that—when will we see the next quarterly report that updates
17 the watchlist? March? Okay. Any questions from Board
18 Members on the watch list before we proceed? Please go ahead
19 sir.

20 DHILLION: This is Mannick Dhillon from Victory
21 Capital. Before we start talking about how we anticipate
22 expanding the utilization and education of the plan, the one
23 thing that I do want to touch on is, in the context of
24 improving the investment performance of some of the funds that
25 we just talked about and others, we are proposing certain

1 manager additions to the multi-manager funds where we can take
2 advantage of the benefits of insourcing.

3 So, around the heightened oversight and risk management
4 and the specialization, first and foremost. So, as-all those
5 years that I was looking at asset managers, there are really
6 two different models. There's the model of, get a whole bunch
7 of analysts together and then every PM can pick off that same
8 pool of analysts. Okay, that's great, you can be industry
9 specialists and maybe there's some style specialties and so
10 forth in there.

11 Our view is that, further segregating and specializing is
12 much better at driving those outcomes. So, for example, in
13 the growth space, one of our franchises is RS Growth.
14 Obviously we acquired them through the RS acquisition. All
15 they focus on every day is growth companies up and down the
16 cap spectrum. Large, mid, small. That's all they do. So,
17 those analysts are not having to weigh, should I pitch this to
18 a value PM or should I pitch this to a growth PM or the core
19 PM. We do not have a centralized analyst pool like that.
20 They are specialized in their areas.

21 Same thing, for example, with RS International. All that
22 team does is focus on international and global investing, off
23 their existing process. [inaudible] our emerging market
24 specialist, similarly. All that team is focused on doing is
25 emerging market equities.

1 We believe that focus is very important to driving those
2 outcomes and that's how we've gone about and recommended these
3 manager additions.

4 Now, as far as a specific allocation and so forth, our
5 team is working on that now. So, what we do know is that
6 these additions are what's being requested or asked to be
7 approved through the proxy, but as far as how these separate
8 strategies and teams will come together and specific
9 allocations, we'll be determining that over the next few
10 months.

11 MERAZ: So, now on Slide 31, we have the overall
12 marketing of what is this done. This is Salma Meraz for USAA
13 for the record. So, today USAA concentrates on really
14 marketing to members three times a year. In May/June
15 timeframe to tell members, hey congratulations on your child
16 graduating pre-K. The second step is in August and September.
17 Hey, it's back to school time, it's time to start thinking
18 about your college savings. The third time is around what we
19 call our gifting season, so November/December timeframe.

20 That's been the focus of what our marketing team has been
21 doing over the course of the past few years. I think one of
22 the things that Victory Capital will bring, as Mannick has
23 mentioned is an enhanced marketing opportunity for us to be
24 able to continue that marketing campaign that has been so
25 successful in the past but to be able to expand and really tie

1 into the military as well through things like Military.com,
2 which has a strong presence and a strong aptitude to military
3 members. Continuing our campaigns or starting campaigns with
4 Nellis Air Force Base because we know that is one of the
5 largest bases for military here in Nevada.

6 We look to continue to even just-to Member Andrew's
7 point, continue to broaden our marketing as well through
8 things like, Saving for College, where a lot of folks go out
9 to just find out information on 529s. Right now, USAA has
10 their plan out there but there's not really any marketing.
11 So, what can we do, how can we partner with Saving for College
12 moving forward, to really be able to highlight to maybe non-
13 USAA members, those who don't know who USAA, that this plan is
14 an option and it is available for them.

15 On Slide 32, we want to continue to emphasize that
16 Victory Capital will continue to focus on the military. Their
17 plan is to continue to support the distinguished valor
18 matching grant. Come time of-or, at post-close and we'll
19 continue with the same requirements that we have today. So,
20 Nevada resident, purple heart recipient or active duty and
21 continue to focus on providing the match of up to \$300 for the
22 five years for those participants who meet the requirements.

23 As mentioned earlier, there will be a financial literacy
24 foundation established by Victory Capital to support the
25 military foundation and really help educate the military

1 community in regards to just basic financial and investing
2 principals. Part of that as well is the importance of saving
3 for college.

4 CHAIRMAN: If I could just stop you there for a
5 question. So, I may have missed something. Help me
6 understand, on Slide 31, what of these marketing strategies is
7 new?

8 MERAZ: So, the first one is the ones that we do
9 today and then the second and third would be things that we
10 would look—that Victory Capital would look to add.

11 CHAIRMAN: So, you're—currently, you're not marketing
12 with Military.com, MilitaryTimes.com. You're not working with
13 Nellis Air Force Base.

14 MERAZ: So, we've had—this is Salma Meraz from
15 USAA, for the record. We have in the past partnered with our
16 military—the USAA Military Affairs Group to go out to Nellis
17 Air Force Base to do various campaigns but they haven't been—
18 we haven't been continuing to do that from a 529 perspective.
19 The Military Affairs Group is still going out there and
20 providing just broad education but not specific to 529.

21 CHAIRMAN: Okay. And then you're not currently
22 marketing with SavingForCollege.com.

23 MERAZ: Correct. We have, in the past, done
24 marketing with SavingForCollege.com, but we haven't had that
25 partnership in place in a while.

1 CHAIRMAN: So, again on Slide 31, 2 and 3, these are
2 the only new marketing initiatives we should expect to see?

3 MERAZ: Not necessarily the only new marketing,
4 it's just the thing that we're looking to focus at, at first,
5 when we move over to transition over to Victory Capital.

6 CHAIRMAN: And, have you discussed growth goals in
7 this acquisition that you would like to see, maybe over the
8 first three years? I know you can't share specifics, but you
9 know, to what degree are you anticipating the benefit of these
10 marketing strategies, these new marketing strategies, helping
11 your member acquisition rate?

12 DHILLION: This is Mannick Dhillon from Victory
13 Capital. You know, we haven't set out yet, hard and fast
14 growth targets for the 529 Plan or haven't communicated
15 anything specific to the acquisition.

16 What we set out here are in conjunction with working with
17 our marketing department to say, how can we enhance what was
18 being done historically to build awareness of the 529 Plan.
19 We don't know yet if these are going to work. Right, we hope
20 they're going to work. And then what we'll continue to do and
21 we commit to the Board to do is to continue to enhance that
22 marketing effort, to make sure we can grow awareness.

23 The one thing I can tell you is, this is an important
24 part of the acquisition of the product capabilities for us, it
25 is an important area of the growth we see going forward. It

1 is not anything that we—that competes with anything we do
2 internally today. So, it is completely additive for us as an
3 organization and we want to make sure we can do all the things
4 we can to contribute to that.

5 There will be other venues, periodicals, websites,
6 tactics, that we'll bring to the Board and say this is how we
7 think they've been working. I always view this as a
8 partnership around distribution and marketing. So, I don't
9 sit here and say, we know all the answers, as to the best way
10 to reach Nevada potential members for the 529 Plan. So,
11 feedback from the Board, from Staff, is incredibly welcome and
12 we can come back with information at our meetings on how those
13 statistics are working.

14 What I can commit to you is that we are going to be
15 committed to growing this business.

16 ENGLEHARDT: This is Brooks Englehardt with USAA just
17 for the record here. Maybe take a half-step back. As it
18 relates to the broader marketing strategy, I would just like
19 to reinforce that USAA still is—still has a broader commitment
20 to enterprise marketing. So, the USAA brand will continue to
21 be in front of potential members, potential 529 donors through
22 their typical branding work that they do through mass media.

23 What we're talking about here is how do we complement
24 that through some of the direct marketing techniques that
25 Salma has already—those plays have already been run. We know

1 they're successful in terms of some of the email campaigns for
2 example and then layering on an addition, some of these
3 tactics that we're talking here.

4 So, we really do feel like we're doing--going from a
5 position of strength today and getting even stronger. Thank
6 you.

7 CHAIRMAN: So, I'm just going to make a comment. I
8 see this as a weak point. To your point, marketing and
9 marketing it appropriately and investing in that marketing
10 strategy is key to your long-term success, is key to the long-
11 term success of this relationship. I guess I just struggle to
12 see how spending some money on three websites and better
13 engaging with Nellis Air Force Base is going to drive that
14 long-term success.

15 I appreciate the partnership comments around your
16 marketing strategy, however, we're trying to find confidence
17 in this acquisition. At least from my perspective, the
18 marketing is a big piece of that. This is just very weak.
19 Very weak and does not give me personal confidence that,
20 again, from a sales and marketing perspective that your
21 setting yourselves up for long-term success.

22 SPEAKER: So, in Nevada, we've had a difficult time
23 in selling 529s. Our citizens sometimes aren't interested in
24 the 529 and perhaps our approach has not been adequate. To
25 follow-up what we've been talking about, I would hope you

1 would consider multi-language approaches and looking at a
2 different segment of the population that we have not been able
3 to reach. So, that's my hints on to what you might give some
4 consideration to.

5 DHILLION: This is Mannick Dhillon from Victory
6 Capital. That's very helpful feedback. I mean, that's the
7 type of guidance that we'd be looking for because nobody knows
8 the constituent base here better than I think folks in the
9 actual state. So, that type of feedback is warranted and I'm
10 going to take that back to our marketing team and make sure we
11 can evolve it.

12 Also, in the ongoing marketing efforts, we're committed
13 to doing, using whatever format is the most impactful to drive
14 the long-term success of the plan. So again, looking for
15 feedback, looking for ideas, as to how to do that. This was
16 our initial look at what had been done, to say what could
17 immediately be done, but it's not where we would stop.

18 CONINE: Treasure Conine for the record, I echo all
19 of the Board's comments. I think this is an area where
20 certainly sharpening your pencil would give us additional
21 comfort. As you know, the rate of growth in the US plans has
22 been declining for some time, right, the finite number gets
23 bigger but the rate is slowing down.

24 From a--let me ask a broad question. In Section 2 and 3,
25 these new initiatives, are you spending a greater amount of

1 money or are you redistributing money from 1 into 2 and 3?

2 Intending to spend, excuse me.

3 DHILLION: This is Mannick Dhillon from Victory
4 Capital for the record. For us, this is incremental new
5 spend.

6 CONINE: Can you help us quantify that? I mean,
7 just functionally, right, being on MilitaryTimes.com is
8 probably not the world's most expensive thing, given USAA's
9 buying power. Links, Facebook—

10 DHILLION: This is Mannick Dhillon from Victory
11 Capital. I don't have the specific numbers but we can, as we
12 formulate what the frequency, the magnitude of the placement
13 will look like, we can refine that for you. Unless, I don't
14 know if you Salma have, or if you guys have historical rough
15 numbers.

16 CONINE: I appreciate that. I think having a
17 little bit more clarity into those programs, or frankly, a
18 commitment from Victory and USAA to help fund some of the
19 other outreach efforts that we have on the state level would,
20 you know, make us feel a little more comfortable that we were
21 going to be in those communities. Thank you Chair.

22 CHAIRMAN: Member Martin?

23 MARTIN: Thank you, Andrew Martin for the record.
24 If I heard you right earlier, this is the first entry into the
25 529 market that you have and we're starting off, I think—one,

1 we've been talking about the marketing, I'm also looking at
2 the performance of these funds which you addressed earlier.
3 The pick up on Treasurer Conine's comments and the Chairman's
4 comments, the marketing is going to be essential. I mean,
5 this is your first entry into this 529 world. It is a very
6 different investment than your traditional fund managers and
7 whatnot. So, that's why we're honing in on the marketing
8 effort and also the experience level. We appreciate the—you
9 know, the honesty and the integrity, but we need to really
10 understand how this is going to be successful for our
11 participants. That's more a statement than a question, but if
12 you want to respond to it, I welcome it. Thank you.

13 DHILLION: This is Mannick Dhillon from Victory
14 Capital for the record. Your sentiment is not lost on us.
15 It's for that reason that we wanted to—at least from two
16 aspects of the 529 Plan maintain continuity. One was the team
17 that's been responsible for the asset allocation and
18 selection, Wasif and others, continuity. Bring them in.

19 The other was, Salma, who has been a part of this plan as
20 well and has driven a lot of the historical marketing
21 campaigns and outreach, wanting to make sure she's a part of
22 the team and ongoing effort.

23 So, at least from a starting point we can say to
24 ourselves, we're no worse off than we would've been prior and
25 then build from there.

1 MARTIN: I would certainly agree with that. It
2 just seems the way—I don't mean to speak for the Board or our
3 State Treasurer, but it seems like we're trying to jam a round
4 peg in a square hole and we're all trying to figure out how to
5 make it work because everyone has a positive working
6 relationship here. I think that's where our mindset might be.
7 If anyone disagrees with what I'm saying, now would be a great
8 time. I apologize if I'm stepping over anybody else's
9 opinions, but that's where I'm at with this, anyway. Thank
10 you.

11 CHAIRMAN: Treasurer Conine.

12 CONINE: To echo Member Martin's take on this. I
13 feel comfortable with your ability to manage money, to deploy
14 it appropriate, to generate a return. I am less comfortable
15 with the longevity of the agreement between USAA and making
16 sure that we continue to reach as many members as effectively
17 as possible.

18 And so, as you move closer to this transaction, provide
19 us more information, the more information you could provide on
20 those two items, because you know—selling past sold on the—on
21 the—at least on my behalf, I don't want to speak for the rest
22 of the Board, but from an investment experience we're good,
23 I'm good. But I'm not in any way, shape or form comfortable
24 on the marketing side and I'm definitely not comfortable on
25 the longevity of the license side.

1 CHAIRMAN: I'm going to give a big ditto to Treasurer
2 Conine on that. Thoroughly agree. A high-degree of
3 confidence in your ability to manage the assets. I have a
4 growing degree of confidence in the technology solutions that
5 you'll bring in complement to the program.

6 I can't find the slide but in my feeble mind I have that
7 you have 92 existing sales and marketing professionals in your
8 Victory organization, is that correct? And I believe you also
9 stated in context to Slide 31, that these marketing
10 initiatives outlined in 2 and 3 were above and beyond
11 historical marketing initiatives that your organization has
12 taken on.

13 So, are your 92 sales and marketing folks really sales
14 people that are part of the marketing department, or what have
15 they been doing historically and what of those historical
16 practices do you anticipate leveraging to ensure success for
17 this acquisition?

18 DHILLION: So, our sales professionals are distinct
19 from our marketing professionals. So, the marketing
20 professional's role is to support the sales of our products,
21 whether in the field or digitally through the website,
22 collateral. Think about things like, thought pieces,
23 leadership, aspects around the literacy initiative that we'll
24 have. So, marketing is distinct from those folks that are
25 actually designed to align a product to an end client.

1 So, of the 92 people, you know, you have institutional
2 sales people, you have retail and retirement sales people and
3 you have marketing folks. Our marketing effort is led by
4 Carolyn Churchill, she's our Chief Marketing Officer. She has
5 extensive experience in the asset management business. She
6 joined us, her prior experience was at Janus.

7 So, marketing in asset management for investment products
8 is something that she is very experienced in and the team that
9 she's assembled is very experienced in. So, some of the
10 things that they've done, so whether it's around aspects such
11 as creating collateral to support the awareness of our
12 strategies and our brand. The entire branding aspect that we
13 went through in our multi-boutique structure, she led that as
14 we created those brands so that we could go out to the
15 institutional community, for example and educate them on the
16 segregated investment specialties we have.

17 You know, we do not today do things like, television. We
18 do not do things like radio today. The reason is, for a firm
19 like ours, as specialists in the investment management space,
20 those aren't as relevant. It doesn't mean that we don't have
21 the capabilities or a team in-house to be able to execute on
22 those. And also leverage the experience of our partners at
23 USAA who have done those things.

24 So, that is one important aspect of this that I'd like to
25 mention is that, we—our marketing team is very much engaged

1 with the marketing team and will be at USAA. Carolyn is one
2 of the individuals anticipated to also move to San Antonio.

3 So, it's one of those things for us that because of the
4 nature of our business historically, we may not have done all
5 of the same things. We have not done anything on Military.com
6 or on the Facebook of Nellis Air Force Base, but those similar
7 tactics around web, periodicals and things like that we have
8 done.

9 CHAIRMAN: So, what marketing resources from USAA
10 will be part of this acquisition?

11 ENGLEHARDT: We're still working through what the
12 marketing support mechanism looks like but the intent is that
13 we would continue, from a people standpoint, that's still work
14 to be done but the intent is that the marketing tactics that
15 Salma eluded to as it relates to the direct marketing to USAA
16 members via the website, via email, via banner ads and the
17 like will continue on a going forward basis.

18 This is the, still the USAA 529 Program that we intend to
19 bring to market, to our member base.

20 CHAIRMAN: Thank you for that. So, I just—I think to
21 echo Treasurer Conine's comments, based on where we are, Slide
22 31, 53 more to go, I'm a hard stop on the marketing strategy,
23 on the longevity of the agreement between Victory and USAA.
24 As I know you are taking this back to your organizations, as
25 the Chair of this Board, I need to see more on that. I think

1 there's--there needs to be a lot more thought into how this
2 relationship is going to improve the marketing strategy of the
3 organization and how that marketing strategy is going to
4 contribute to growth in the participation of this plan.

5 I just think that these are two areas, the longevity of
6 the relationship, the weakness of the marketing strategy that
7 does not give me the confidence to support this acquisition.

8 ENGLEHARDT: This is Brooks Englehardt for the record.
9 I just--we had not intended, just to be clear, on going through
10 the appendix pages, so we could certainly take that to a
11 future meeting if you care to. Our prepared comments are
12 done.

13 I would just like to close with three comments. First of
14 all, I wanted to thank both the staff as well as the Board for
15 a partnership which has existed since 2002. We're incredibly
16 proud of this program. I mentioned how we consistently hear
17 from our members how important college savings is to their
18 financial security. So, having this program in place is
19 something that's--something that this team is incredibly,
20 incredibly proud of.

21 Secondly, I'd like to reinforce that we hear you loud and
22 clear in terms of, we still have work to do, in terms of
23 sharpening the pencil, both in terms of the licensing
24 agreement and we will take this feedback to our lawyers. As I
25 mentioned, that is still a work in progress document. One.

1 Then two, as it relates to the marketing campaigns, I'm
2 confident with Salma in this role and the experience that she
3 has had in navigating those marketing commitments from our
4 internal partners and with the strength of Victory's marketing
5 resources, which we hadn't had access to until the past—I
6 mean, clearly we're still trying to understand some of the art
7 of the possible as it relates to some of these marketing
8 options. We have every intention to coming back with you and
9 look forward to coming back with more definition around what
10 marketing could look like in the future.

11 Again, the last thing I would say is, we as a team,
12 remain fully committed to this program. We are confident in
13 our ability to take what we feel is a very strong program
14 today and even get stronger into the future. I will tell you
15 that, I'm personally invested in this program. My two
16 children's entire college savings investments are invested in
17 this particular program. So, we're in it for the long-haul,
18 personally and professionally.

19 Thank you very much for your service on the Board.

20 CHAIRMAN: Thank you for those comments. I think
21 our—you know, we share your sentiment. We've enjoyed a really
22 good relationship for quite a long time. As we should, we're
23 pausing at this time of acquisition to ensure that success.
24 So, we just wanted to, hopefully provide you guys with the
25 insight into our thinking process as we go through this to

1 ensure that you have the ability to provide whatever you have.

2 Listen, I've been through two very large acquisitions
3 over my career. I understand the difficulty of what we're
4 asking you at this stage in the process. I certainly
5 appreciate that there's a lot more to be flushed out and
6 there's, you know, a lot of this relationship that you may not
7 know about each other, given where you are.

8 So, it does not fall lightly on this body that we're
9 asking difficult questions and asking for information that you
10 know, you would probably rather not provide. Unfortunately,
11 we are a public body. We're forced to do our business in the
12 public and that's going to cause us to, you know, maybe
13 stretch the bounds of comfort to give us the information that
14 we need to be able to give you the vote that you're asking
15 for.

16 I just don't think that we're here today. We appreciate
17 you taking this back and kind of retooling it and we look
18 forward to engaging you further on this topic.

19 With that, do we have any other questions or comments
20 from Board Members?

21 CONINE: Mr. Chair, if I could recommend the Board
22 consider a motion? Which requires USAA and Victory to provide
23 staff and outside counsel with the most current versions of
24 the transitional licensing agreement as you have and any
25 suggested and potential changes. So, if something is on the

1 burner, I understand that it's not going to go final until the
2 actual acquisition, but sort of by definition, if you know
3 about it, we'd like to. That's not part of the motion, I
4 suppose, that's pretty long.

5 Also, to provide specificity with regards to the
6 continuation of the services and obligations that ICMO
7 currently is required to provide under the private label
8 product agreement and additionally to provide an updated
9 marketing plan and a solution to our longevity concerns. And
10 of course, to continue working—if all the parties could
11 continue working with staff, I think we've made significant
12 progress on that but I think there's still some opportunities
13 there.

14 You know, I don't spend a ton of time on Board's making
15 motions, so let me know how to do that more appropriately,
16 but—

17 CHAIRMAN: Member Seale, please sir.

18 SEALE: I'll make the motion as long as I don't
19 have to repeat it.

20 CHAIRMAN: I think that's the right—the right, so
21 I'll call for the motion now. If a member is willing to make
22 the motion that was articulated by Treasurer Conine, that
23 would be the time.

24 SEALE: I will do that.

25 CHAIRMAN: So, we have a first from Member Seale, do

1 we have a second?

2 MARTIN: I'll second it.

3 CHAIRMAN: We have a second from Member Martin. Any
4 discussion on the item? All those in favor, say aye. [ayes
5 around] Any opposed? All right, that motion carries. Thank
6 you guys for your presentation, your thoughtful engagement, we
7 look forward to hearing more from you guys.

8 With that, we'll move on to Agenda Item No. 7, which is
9 the Board to enter into a non-meeting closed session pursuant
10 to NRS 241.015(3)(b)(2), with Counsel to discuss the contract
11 and contract negotiations associated with this impending
12 acquisition of USAA Asset Management Company, including the
13 USAA 529 Plan for Victory Capital Holdings.

14 Can I have a motion for the Board to enter into a non-
15 meeting pursuant to NRS 241.015(3)(b)(2) with Counsel to
16 discuss the contract, contract negotiations as it relates to
17 the acquisition of USAA by Victory Capital?

18 SEALE: I'll make that motion with the caveat that
19 we're not breaking any-what's the word, public meeting laws.
20 You back there-

21 CHAIRMAN: Mr. Howell, can you confirm please?

22 HOWELL: Member Seale, this is Wayne Howell, Chief
23 Deputy AG. I gave initial advice that we could do this and
24 under that provision of the Open Meeting Law, that allows for
25 a non-meeting. To have communication between Attorney and

1 Client. On further reflection this morning, I have to say
2 that I see a question about the use of this provision because
3 it is limited to communications in anticipation of litigation.

4 Now, I can—I can construe and support this communication
5 now if we can agree that there is some prospect for
6 litigation. Actually, if we don't have the consultation. And
7 if that's the case, then I would support the closure of the
8 meeting. I hope I'm being clear.

9 SEALE: As an attorney might be, yes. And I'll
10 accept that and you'll go to the slammer anyway if it's wrong.

11 CHAIRMAN: Okay, thank you for that Mr. Howell. So,
12 can I have a motion?

13 MARTIN: So moved.

14 SEALE: I'll second.

15 CHAIRMAN: So, I have a first from Member Martin and
16 a second from Member Seale. All those—any discussion on the
17 motion?

18 MARTIN: One comment, I do think it's necessary at
19 times to go into a closed session. Agenda Item 8 will probably
20 address the concerns of anybody regarding the Open Meeting
21 Rule, so I'm very comfortable with this. Thank you.

22 CHAIRMAN: Thank you for that. So, with that
23 discussion, all those in favor say aye. [ayes around] Any
24 opposed? That motion carries unanimously. With that, we'll
25 adjourn to go into a non-meeting, closed session. Thanks

1 again.

2 [end of meeting]

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THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 3
March 21, 2019

**Item: Ascensus Program Manager Report for the Quarter
End Performance Summary for the period ended
December 31, 2018.**

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 December
31, 2018.**



**College Savings Plans of Nevada
Board of Trustees Meeting
March 21st , 2019**

**Program Management Report
FY 2nd – CY 4th Quarter Ended December 31, 2018**

College Savings Plans of Nevada Board of Trustees Meeting

March 21st, 2019

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Executive Summary

SSGA Upromise 529 Plan

- At the end of the 4th quarter, assets in the SSGA Upromise 529 Plan totaled \$1.37B, which was a 5.5% decrease from the previous quarter and 4.6% lower than one year ago. New Funded Accounts were down by 18.4% over the previous quarter to 721 which was a 25% decrease compared to the same time last year. Total Funded Accounts were down 0.7% compared to last quarter and down by 3.3% compared to the same time last year. There were a total of 4,848 unique account holders at the end of the quarter, representing an increase of 1.2% from the previous quarter and a 9.8% increase over the same period last year. Gross contributions, including transfers/rollovers-in, for the quarter equaled \$31.55M, representing a decrease of 17.5% compared to the previous quarter and down 1.5% compared to the same time last year. Distributions were down 37.3% compared to last quarter with a total of \$35.38M distributed from the plan this quarter. Distributions were up 1829% compared to the same time last year.
- All tactical asset allocation accounts performed as expected for the quarter.

Vanguard 529® College Savings Plan

- Fourth Quarter 2018 assets in the Vanguard 529 College Savings Plan totaled just over \$17.4B, which was a 6.5% decrease from the previous quarter and 2.5% higher than one year ago. Total Funded Accounts are 409,421 and NV funded accounts are 6,476. There were a total of 3,782 unique account holders at the end of the quarter. Average account size for the plan is \$42,618.133 with NV average account assets at \$30,791.62.

USAA® 529 College Savings Plan

- Fourth Quarter 2018 assets in the USAA 529 College Savings Plan totaled just over \$3.5B, which was a 5.1% decrease from the previous quarter and 1.1% higher than one year ago. Total Funded Accounts are 291,326 and NV funded accounts are 2,124. There were a total of 2,124 unique NV account holders at the end of the quarter. Average account size for the plan is \$12,308.43 with NV average account assets at \$10,603.51.

Wealthfront College Savings Plan

- Fourth Quarter 2018 assets in the Wealthfront 529 College Savings Plan totaled just over \$158M. Total Funded Accounts are 12,778 and NV funded accounts are 102. There were a total of 76 unique NV account holders at the end of the quarter (9,407 total account holders). Average account size for the plan is \$12,402.260 with NV average account assets at \$7,985.12.

Highlights This Period

	Fourth Quarter 2018					Third Quarter 2018					Fourth Quarter 2017				
	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)	\$1,370.34	\$17,448.76	\$3,585.76	\$158.48	\$22,563.34	\$1,449.64	\$18,666.12	\$3,779.79	\$157.63	\$24,053.18	\$1,436.86	\$17,015.40	\$3,549.12	\$94.06	\$22,095.44
Funded Accounts	129,459	409,421	291,326	12,778	842,984	130,320	398,937	289,548	12,128	830,933	133,827	367,777	275,026	7,948	784,578
NV Account Owners (Unique)	4,848	3,782	2,122	76	10,828	4,789	3,658	2,107	69	10,623	4,416	3,302	1,985	44	9,747
Account Owners	90,991	235,272	174,138	9,407	509,808	91,533	229,336	173,468	8,974	503,311	94,260	211,035	165,986	5,963	477,244
New Funded Accounts	721	12,866	5,377	762	19,726	884	11,022	6,228	960	19,094	577	14,466	6,370	1,428	22,841
Average Account Assets	\$10,585.12	\$42,618.13	\$12,308.43	\$12,402.26	\$26,766.03	\$11,123.71	\$46,789.63	\$13,054.10	\$12,997.26	\$28,947.19	\$10,736.72	\$46,265.53	\$12,904.68	\$11,834.21	\$28,162.20
NV Funded Accounts	8,264	6,476	3,573	102	18,415	8,172	6,258	3,545	92	18,067	7,423	5,671	3,312	58	16,464
NV Average Account Assets	\$6,934.33	\$30,791.62	\$10,603.51	\$7,985.12	\$16,041.96	\$7,340.84	\$33,871.66	\$11,198.17	\$8,528.99	\$17,293.43	\$7,692.54	\$34,337.50	\$11,193.10	\$4,713.68	\$17,564.06
NV AUM (Millions)	\$57.31	\$199.41	\$37.89	\$0.81	\$295.41	\$59.99	\$211.97	\$39.70	\$0.78	\$312.44	\$57.10	\$194.73	\$37.07	\$0.27	\$289.17

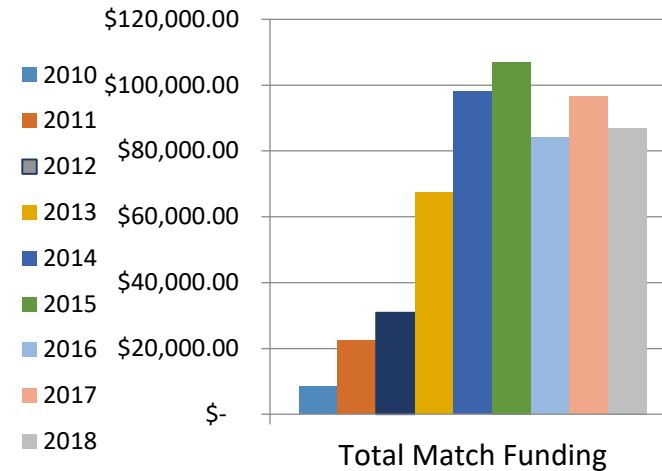
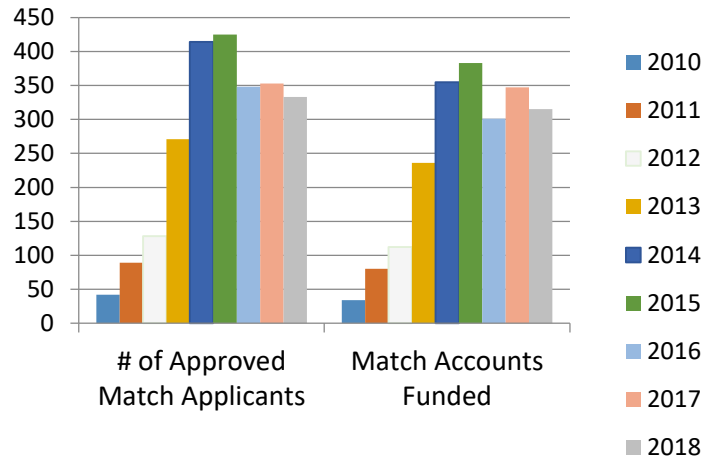
Highlights This Period

		Fourth Quarter 2018					Third Quarter 2018					Fourth Quarter 2017				
		SSGA Upromise 529	The Vanguard 529 College Savings Plan	USAA 529 College Savings Plan	Wealthfront College Savings Program	Total	SSGA Upromise 529	The Vanguard 529 College Savings Plan	USAA College Savings Plan	Wealthfront College Savings Program	Total	SSGA Upromise 529	The Vanguard 529 College Savings Plan	USAA 529 College Savings Plan	Wealthfront College Savings Program	Total
Inflow (Millions)	Contribution	\$31.32	\$551.29	\$117.40	\$16.31	\$716.32	\$26.52	\$384.92	\$109.11	\$17.60	\$538.15	\$31.83	\$515.07	\$112.16	\$18.13	\$677.20
	Plan Transfer In	-	\$4.27	\$0.17	\$0.22	\$4.66	\$0.08	\$2.25	\$0.16	\$0.57	\$3.07		\$2.41	\$0.41	\$0.55	\$3.37
	Rollover In	\$0.23	\$42.51	\$3.09	\$0.27	\$46.09	\$0.24	\$47.86	\$4.42	\$0.75	\$53.28	\$0.20	\$47.33	\$4.58	\$0.69	\$52.80
	Gross Contributions	\$31.55	\$598.07	\$120.66	\$16.80	\$767.08	\$26.85	\$435.02	\$113.69	\$18.93	\$594.50	\$32.03	\$564.81	\$117.15	\$19.38	\$733.37
Outflow (Millions)	Fee	(\$0.51)	(\$0.02)	(\$0.29)	(\$0.08)	(\$0.89)	(\$0.53)	(\$0.03)	(\$0.05)	(\$0.07)	(\$0.68)	(\$0.53)	(\$0.01)	(\$0.26)	(\$0.04)	(\$0.84)
	Plan Transfer Out	(\$1.13)	(\$0.19)	(\$2.46)	-	(\$3.78)	(\$0.49)	(\$0.54)	(\$2.01)	-	(\$3.05)	(\$0.86)	(\$0.63)	(\$1.88)	-	(\$3.37)
	Rollover Out	(\$3.38)	(\$30.71)	(\$8.94)	(\$1.38)	(\$44.41)	(\$4.60)	(\$23.37)	(\$8.04)	(\$1.00)	(\$37.02)	(\$3.54)	(\$17.60)	(\$6.23)	(\$0.07)	(\$27.44)
	Withdrawal	(\$30.36)	(\$222.42)	(\$51.10)	(\$1.14)	(\$305.01)	(\$50.76)	(\$321.97)	(\$84.72)	(\$0.99)	(\$458.43)	(\$26.39)	(\$197.97)	(\$43.26)	(\$0.42)	(\$268.04)
Gross Distributions		(\$35.38)	(\$253.34)	(\$62.79)	(\$2.59)	(\$354.09)	(\$56.39)	(\$345.91)	(\$94.82)	(\$2.06)	(\$499.18)	(\$31.33)	(\$216.22)	(\$51.62)	(\$0.52)	(\$299.69)
Total Net Contributions (Millions)		(\$3.83)	\$344.74	\$57.87	\$14.21	\$412.99	(\$29.54)	\$89.11	\$18.88	\$16.87	\$95.32	\$0.70	\$348.59	\$65.53	\$18.86	\$433.68
Rollovers In (Thousands)	Plan Transfer In	-	\$4,273.03	\$166.63	\$219.76	\$4,659.41	\$84.85	\$2,247.87	\$164.87	\$574.44	\$3,072.03		\$2,410.04	\$408.27	\$552.96	\$3,371.27
	Rollover In	\$227.15	\$42,510.20	\$3,091.03	\$266.22	\$46,094.61	\$244.53	\$47,856.88	\$4,424.15	\$753.96	\$53,279.53	\$202.37	\$47,329.64	\$4,580.24	\$692.66	\$52,804.91
	Gross Rollovers In	\$227.15	\$46,783.23	\$3,257.66	\$485.97	\$50,754.01	\$329.38	\$50,104.76	\$4,589.02	\$1,328.40	\$56,351.56	\$202.37	\$49,739.69	\$4,988.50	\$1,245.62	\$56,176.18
Rollovers Out (Thousands)	Plan Transfer Out	(\$1,129.68)	(\$185.80)	(\$2,463.44)	-	(\$3,778.92)	(\$493.14)	(\$540.90)	(\$2,012.52)	-	(\$3,046.56)	(\$863.53)	(\$625.91)	(\$1,876.05)	-	(\$3,365.49)
	Rollover Out	(\$3,383.37)	(\$30,711.63)	(\$8,939.02)	(\$1,375.38)	(\$44,409.39)	(\$4,604.26)	(\$23,373.00)	(\$8,040.90)	(\$998.53)	(\$37,016.68)	(\$3,538.79)	(\$17,603.72)	(\$6,227.60)	(\$72.55)	(\$27,442.67)
	Gross Rollovers Out	(\$4,513.05)	(\$30,897.43)	(\$11,402.46)	(\$1,375.38)	(\$48,188.32)	(\$5,097.40)	(\$23,913.90)	(\$10,053.42)	(\$998.53)	(\$40,063.24)	(\$4,402.32)	(\$18,229.64)	(\$8,103.65)	(\$72.55)	(\$30,808.15)
Net Rollovers (Thousands)		(\$4,285.90)	\$15,885.80	(\$8,144.80)	(\$889.41)	\$2,565.70	(\$4,768.02)	\$26,190.86	(\$5,464.39)	\$329.87	\$16,288.31	(\$4,199.95)	\$31,510.05	(\$3,115.14)	\$1,173.07	\$25,368.03

SSGA Upromise 529 Plan Matching Grant and Service Levels

Silver State Matching Grant (2010-2018)

As of December 31, 2018



	# of Approved Match Applicants	Y/Y Increase	Match Accts Funded	Y/Y Increase
2010	42		34	
2011	89	112.00%	80	135.00%
2012	128	44.00%	112	40.00%
2013	271	112.00%	236	111.00%
2014	414	52.80%	355	50.40%
2015	425	2.65%	383	7.88%
2016	348	(18.11%)	304	(20.62%)
2017	352	1.14%	346	13.81%
2018	332	(5.68%)	312	(9.82%)

Funding FY	Enrollment Year	Total Match Funding	Y/Y Increase
2011	2010	\$8,363.51	
2012	2011	\$22,344.00	167.00%
2013	2012	\$30,889.47	38.25%
2014	2013	\$67,283.37	118.00%
2015	2014	\$98,024.06	45.6%
2016	2015	\$106,971.02	9.1%
2017	2016	\$84,026.54	(21.4%)
2018	2017	\$96,443.78	14.8%
2019	2018	\$87,005.00	(9.7%)

	Service Level Agreement	SSgA Upromise 529 Actual 10/31/18	SSgA Upromise 529 Actual 11/30/18	SSgA Upromise 529 Actual 12/31/18
TRANSACTIONS				
Financial sub deposits (same day)	98.00%	100%	100%	100%
Financial sub deposits (accuracy)	98.00%	99%	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%	97.30%	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	0:11	0:09	0:13
Average abandonment rate	5% or less	0.26%	0.00%	0.12%
Phone inquiries responded to	Within 30 seconds	97%	98%	95%
Email processed	Within 2 business days	97%	97%	96%
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

Client Service Metrics – Missed SLA Explanation

SSgA – Non-Financial Maintenance (Accuracy) (SLA 98% / Actual SLA 97.30%)

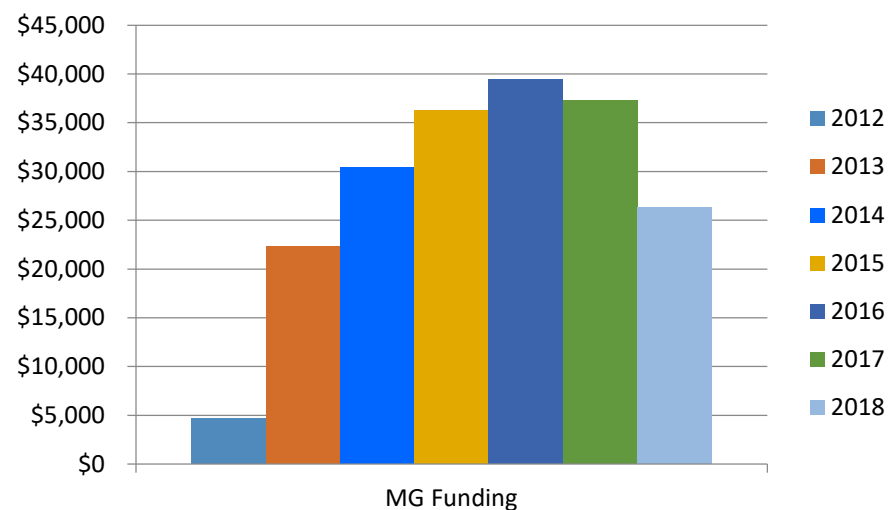
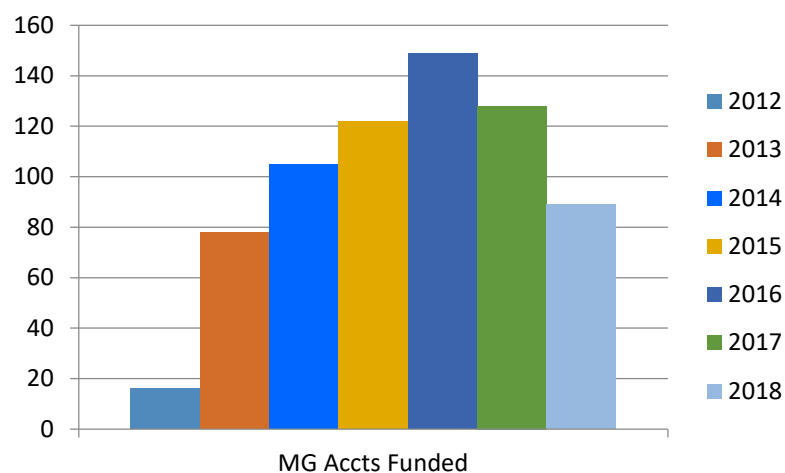
- 37 maintenance transactions reviewed with one (1) error identified
 - Per letter from trustee, bene DOB updated in error as outcall should have been sent to advise DOB on account is for the trust – U212378099

USAA 529 College Savings Plan®

Distinguished Valor Matching Grant

Distinguished Valor Matching Grant Update

As of December 31, 2018



Year	Funded Match Accounts	Y/Y Increase	Total Match Funding	Y/Y Increase
2012	16		\$4,700.00	
2013	78	387.5%	\$22,280.00	374.00%
2014	105	34.6%	\$30,450.00	36.7%
2015	122	16.2%	\$36,230.00	19.0%
2016	149	22.1%	\$39,450.00	8.9%
2017	128	-14.1%	\$37,310.00	-5.4%
2018	89	-30.4	\$26,350.00	-29.3%

Marketing Activity

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

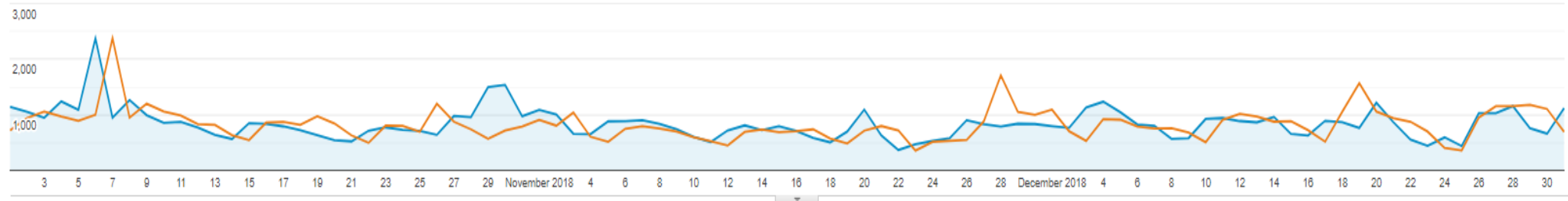
Section I

SSGA Upromise 529 Plan Marketing Activity

Web traffic: Volume 2017 – 2018 Comparison (October-December)

Oct 1, 2018 - Dec 31, 2018: ● Users

Oct 1, 2017 - Dec 31, 2017: ● Users



Users

16.45%
51,878 vs 44,551

New Users

21.55%
43,718 vs 35,967

Sessions

0.57%
84,443 vs 83,967

Number of Sessions per User

-13.64%
1.63 vs 1.88

Pageviews

-0.68%
851,177 vs 857,031

Pages / Session

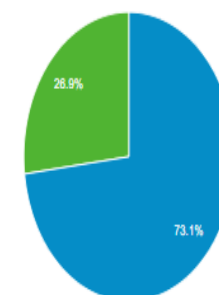
-1.24%
10.08 vs 10.21

Avg. Session Duration

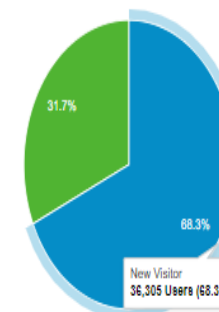
-3.88%
00:04:29 vs 00:04:40

■ New Visitor ■ Returning Visitor

Oct 1, 2018 - Dec 31, 2018



Oct 1, 2017 - Dec 31, 2017



Bounce Rate

19.67%
20.66% vs 17.26%

Web traffic: Location (October-December)

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) ?
	46,820 % of Total: 90.25% (51,878)	38,840 % of Total: 88.84% (43,718)	79,088 % of Total: 93.66% (84,443)	21.21% Avg for View: 20.66% (2.66%)	10.37 Avg for View: 10.08 (2.84%)	00:04:43 Avg for View: 00:04:29 (5.20%)	0.80% Avg for View: 0.76% (6.27%)	635 % of Total: 99.53% (638)	\$0.00 % of Total: 0.00% (\$0.00)
1. California	5,173 (10.82%)	4,184 (10.77%)	8,781 (11.10%)	21.00%	10.51	00:04:46	0.57%	50 (7.87%)	\$0.00 (0.00%)
2. Texas	3,451 (7.22%)	2,725 (7.02%)	6,002 (7.59%)	17.58%	10.71	00:04:50	0.67%	40 (6.30%)	\$0.00 (0.00%)
3. New Jersey	3,352 (7.01%)	2,653 (6.83%)	5,903 (7.46%)	15.30%	11.21	00:04:51	0.66%	39 (6.14%)	\$0.00 (0.00%)
4. Florida	3,074 (6.43%)	2,510 (6.46%)	5,298 (6.70%)	20.01%	10.75	00:04:53	0.64%	34 (5.35%)	\$0.00 (0.00%)
5. Nevada	3,041 (6.36%)	2,454 (6.32%)	5,396 (6.82%)	22.89%	10.17	00:05:05	1.72%	93 (14.65%)	\$0.00 (0.00%)
6. New York	2,740 (5.73%)	2,377 (6.12%)	4,015 (5.08%)	30.44%	8.38	00:03:56	1.07%	43 (6.77%)	\$0.00 (0.00%)
7. Pennsylvania	2,642 (5.53%)	2,190 (5.64%)	4,537 (5.74%)	18.51%	10.50	00:04:40	0.82%	37 (5.83%)	\$0.00 (0.00%)
8. Massachusetts	2,443 (5.11%)	1,952 (5.03%)	4,268 (5.40%)	18.81%	10.64	00:04:43	0.70%	30 (4.72%)	\$0.00 (0.00%)
9. Illinois	2,157 (4.51%)	1,713 (4.41%)	3,672 (4.64%)	20.42%	10.33	00:04:21	0.54%	20 (3.15%)	\$0.00 (0.00%)
10. Virginia	2,065 (4.32%)	1,742 (4.49%)	3,017 (3.81%)	29.13%	9.57	00:04:25	0.73%	22 (3.46%)	\$0.00 (0.00%)

Web traffic: Location- Nevada (October-December)

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) ?
	3,041 % of Total: 5.86% (51,878)	2,454 % of Total: 5.61% (43,718)	5,396 % of Total: 6.39% (84,443)	22.89% Avg for View: 20.66% (10.78%)	10.17 Avg for View: 10.08 (0.87%)	00:05:05 Avg for View: 00:04:29 (13.41%)	1.72% Avg for View: 0.76% (128.12%)	93 % of Total: 14.58% (638)	\$0.00 % of Total: 0.00% (\$0.00)
1. (not set)	1,095 (34.77%)	877 (35.74%)	1,866 (34.58%)	26.47%	9.82	00:04:52	1.50%	28 (30.11%)	\$0.00 (0.00%)
2. Reno	680 (21.59%)	547 (22.29%)	1,058 (19.61%)	20.70%	10.64	00:04:57	2.17%	23 (24.73%)	\$0.00 (0.00%)
3. Las Vegas	640 (20.32%)	487 (19.85%)	1,181 (21.89%)	19.39%	10.14	00:04:37	1.78%	21 (22.58%)	\$0.00 (0.00%)
4. Carson City	185 (5.87%)	146 (5.95%)	383 (7.10%)	16.19%	12.67	00:09:26	2.09%	8 (8.60%)	\$0.00 (0.00%)
5. Sparks	156 (4.95%)	117 (4.77%)	297 (5.50%)	25.25%	8.59	00:03:49	1.35%	4 (4.30%)	\$0.00 (0.00%)
6. Henderson	122 (3.87%)	91 (3.71%)	190 (3.52%)	26.32%	9.44	00:04:47	2.63%	5 (5.38%)	\$0.00 (0.00%)
7. North Las Vegas	36 (1.14%)	25 (1.02%)	52 (0.96%)	36.54%	9.19	00:03:10	0.00%	0 (0.00%)	\$0.00 (0.00%)
8. Elko	22 (0.70%)	18 (0.73%)	31 (0.57%)	16.13%	13.39	00:07:34	3.23%	1 (1.08%)	\$0.00 (0.00%)
9. Boulder City	20 (0.64%)	14 (0.57%)	28 (0.52%)	10.71%	10.71	00:09:28	3.57%	1 (1.08%)	\$0.00 (0.00%)
10. Winnemucca	19 (0.60%)	13 (0.53%)	20 (0.37%)	30.00%	10.35	00:05:13	0.00%	0 (0.00%)	\$0.00 (0.00%)

Top Traffic by Channel (October-December)

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) [?]
	51,878 % of Total: 100.00% (51,878)	43,794 % of Total: 100.17% (43,718)	84,443 % of Total: 100.00% (84,443)	20.66% Avg for View: 20.66% (0.00%)	10.08 Avg for View: 10.08 (0.00%)	00:04:29 Avg for View: 00:04:29 (0.00%)	0.76% Avg for View: 0.76% (0.00%)	638 % of Total: 100.00% (638)	\$0.00 % of Total: 0.00% (\$0.00)
1. Direct	26,812 (50.65%)	22,319 (50.96%)	45,427 (53.80%)	17.17%	9.98	00:04:08	0.44%	199 (31.19%)	\$0.00 (0.00%)
2. Organic Search	13,913 (26.28%)	10,795 (24.65%)	22,574 (26.73%)	14.42%	12.01	00:05:22	0.60%	135 (21.16%)	\$0.00 (0.00%)
3. Referral	9,391 (17.74%)	8,543 (19.51%)	12,400 (14.68%)	40.78%	7.17	00:04:04	2.22%	275 (43.10%)	\$0.00 (0.00%)
4. (Other)	2,031 (3.84%)	1,424 (3.25%)	3,108 (3.68%)	25.26%	11.20	00:05:30	0.90%	28 (4.39%)	\$0.00 (0.00%)
5. Paid Search	752 (1.42%)	675 (1.54%)	892 (1.06%)	57.62%	3.35	00:01:40	0.00%	0 (0.00%)	\$0.00 (0.00%)
6. Social	34 (0.06%)	33 (0.08%)	36 (0.04%)	86.11%	2.22	00:01:12	2.78%	1 (0.16%)	\$0.00 (0.00%)
7. Email	5 (0.01%)	5 (0.01%)	6 (0.01%)	16.67%	9.00	00:18:53	0.00%	0 (0.00%)	\$0.00 (0.00%)

Top 10 Traffic Sources – 2018 Comparison (October-December)

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) ?
	16.45% ▲ 51,878 vs 44,551	21.49% ▲ 43,794 vs 36,047	0.57% ▲ 84,443 vs 83,967	19.67% ▲ 20.66% vs 17.26%	1.24% ▼ 10.08 vs 10.21	3.88% ▼ 00:04:29 vs 00:04:40	11.89% ▲ 0.76% vs 0.68%	12.52% ▲ 638 vs 567	0.00% \$0.00 vs \$0.00
1. (direct) / (none)									
Oct 1, 2018 - Dec 31, 2018	26,812 (50.41%)	22,319 (50.96%)	45,427 (53.80%)	17.17%	9.98	00:04:08	0.44%	199 (31.19%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	23,924 (51.33%)	19,034 (52.80%)	47,517 (56.59%)	16.31%	9.94	00:04:20	0.42%	201 (35.45%)	\$0.00 (0.00%)
% Change	12.07%	17.26%	-4.40%	5.33%	0.35%	-4.49%	3.56%	-1.00%	0.00%
2. google / organic									
Oct 1, 2018 - Dec 31, 2018	11,613 (21.83%)	9,114 (20.81%)	18,574 (22.00%)	14.96%	11.83	00:05:13	0.59%	109 (17.08%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	9,936 (21.32%)	7,309 (20.28%)	17,616 (20.98%)	10.55%	11.96	00:05:22	0.61%	108 (19.05%)	\$0.00 (0.00%)
% Change	16.88%	24.70%	5.44%	41.73%	-1.08%	-3.03%	-4.28%	0.93%	0.00%
3. upromise.com / referral									
Oct 1, 2018 - Dec 31, 2018	7,204 (13.54%)	6,861 (15.67%)	8,938 (10.58%)	43.82%	6.78	00:03:56	2.60%	232 (36.36%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	350 (0.75%)	280 (0.78%)	521 (0.62%)	18.62%	10.64	00:05:21	0.77%	4 (0.71%)	\$0.00 (0.00%)
% Change	1,958.29%	2,350.36%	1,615.55%	135.39%	-36.28%	-26.50%	238.08%	5,700.00%	0.00%

Top 10 Traffic Sources – 2018 Comparison (October-December)- 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. bing / organic									
Oct 1, 2018 - Dec 31, 2018	1,797 (3.38%)	1,264 (2.89%)	3,062 (3.63%)	11.33%	12.66	00:06:02	0.49%	15 (2.35%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	1,297 (2.78%)	840 (2.33%)	2,147 (2.56%)	10.67%	12.31	00:05:28	0.88%	19 (3.35%)	\$0.00 (0.00%)
% Change	38.55%	50.48%	42.62%	6.25%	2.83%	10.27%	-44.64%	-21.05%	0.00%
5. google / cpc									
Oct 1, 2018 - Dec 31, 2018	752 (1.41%)	675 (1.54%)	892 (1.06%)	57.62%	3.35	00:01:40	0.00%	0 (0.00%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	2,458 (5.27%)	2,167 (6.01%)	3,090 (3.68%)	46.57%	4.45	00:02:36	0.16%	5 (0.88%)	\$0.00 (0.00%)
% Change	-69.41%	-68.85%	-71.13%	23.74%	-24.74%	-36.02%	-100.00%	-100.00%	0.00%
6. SSGA 529 / Email									
Oct 1, 2018 - Dec 31, 2018	538 (1.01%)	430 (0.98%)	872 (1.03%)	29.47%	10.59	00:04:42	1.15%	10 (1.57%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	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%
7. AccountOwner / 2018YearEndEmail									
Oct 1, 2018 - Dec 31, 2018	527 (0.99%)	398 (0.91%)	676 (0.80%)	26.78%	12.57	00:05:58	0.59%	4 (0.63%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	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%

Top 10 Traffic Sources – 2018 Comparison (October-December)- Cont'd

Source / Medium [?]	Acquisition			Behavior			Conversions <div>Goal 1: Create Account Online [?]</div>		
	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. yahoo / organic									
Oct 1, 2018 - Dec 31, 2018	525 (0.99%)	358 (0.82%)	830 (0.98%)	13.25%	13.10	00:05:54	0.96%	8 (1.25%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	507 (1.09%)	300 (0.83%)	989 (1.18%)	8.29%	12.09	00:05:48	0.51%	5 (0.88%)	\$0.00 (0.00%)
% Change	3.55%	19.33%	-16.08%	59.84%	8.36%	1.64%	90.65%	60.00%	0.00%
9. Account Owner Email 2018 / Email									
Oct 1, 2018 - Dec 31, 2018	494 (0.93%)	379 (0.87%)	678 (0.80%)	23.30%	12.16	00:05:40	0.44%	3 (0.47%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	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%
10. nevadatreasurer.gov / referral									
Oct 1, 2018 - Dec 31, 2018	472 (0.89%)	408 (0.93%)	671 (0.79%)	40.39%	6.09	00:04:33	1.94%	13 (2.04%)	\$0.00 (0.00%)
Oct 1, 2017 - Dec 31, 2017	512 (1.10%)	457 (1.27%)	685 (0.82%)	34.74%	5.56	00:04:07	1.61%	11 (1.94%)	\$0.00 (0.00%)
% Change	-7.81%	-10.72%	-2.04%	16.24%	9.49%	10.77%	20.65%	18.18%	0.00%

All Campaigns (October-December)

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) ?
	2,031 % of Total: 3.91% (51,878)	1,422 % of Total: 3.25% (43,718)	3,114 % of Total: 3.69% (84,443)	25.02% Avg for View: 20.66% (21.08%)	11.23 Avg for View: 10.08 (11.43%)	00:05:32 Avg for View: 00:04:29 (23.30%)	0.90% Avg for View: 0.76% (19.01%)	28 % of Total: 4.39% (638)	\$0.00 % of Total: 0.00% (\$0.00)
1. NoTaxBenefit	527 (25.30%)	398 (27.99%)	676 (21.71%)	26.78%	12.57	00:05:58	0.59%	4 (14.29%)	\$0.00 (0.00%)
2. Ugift No Code Enabled	346 (16.61%)	278 (19.55%)	479 (15.38%)	22.96%	12.14	00:05:41	0.21%	1 (3.57%)	\$0.00 (0.00%)
3. Back to School AO V2	295 (14.16%)	217 (15.26%)	512 (16.44%)	26.76%	10.20	00:04:27	0.59%	3 (10.71%)	\$0.00 (0.00%)
4. Back to School AO V1	207 (9.94%)	180 (12.66%)	294 (9.44%)	27.21%	12.72	00:05:46	1.70%	5 (17.86%)	\$0.00 (0.00%)
5. Withdrawal 2018	157 (7.54%)	47 (3.31%)	302 (9.70%)	16.56%	11.27	00:05:54	0.33%	1 (3.57%)	\$0.00 (0.00%)
6. Ugift Code Enabled	150 (7.20%)	101 (7.10%)	204 (6.55%)	24.51%	12.23	00:05:37	0.98%	2 (7.14%)	\$0.00 (0.00%)
7. 529 Day V2	135 (6.48%)	23 (1.62%)	224 (7.19%)	14.73%	10.80	00:04:23	0.89%	2 (7.14%)	\$0.00 (0.00%)
8. learnmore	118 (5.66%)	92 (6.47%)	164 (5.27%)	28.66%	6.02	00:07:42	2.44%	4 (14.29%)	\$0.00 (0.00%)
9. Back to School Prospect	37 (1.78%)	33 (2.32%)	66 (2.12%)	60.61%	4.17	00:01:49	3.03%	2 (7.14%)	\$0.00 (0.00%)
10. 529 Day V1	27 (1.30%)	9 (0.63%)	69 (2.22%)	18.84%	11.75	00:05:30	1.45%	1 (3.57%)	\$0.00 (0.00%)

Onboarding Emails – Nevada Only

Version	Delivered Count	Unique Opens	Open Rate	Clickthrough Rate	Click to Open Rate
Summary	125	78	62.40%	14.40%	23.07%
AIP	38	20	52.63%	5.26%	10.00%
Upromise	0	0	0.00%	0.00%	0.00%
Ugift	929	265	28.53%	2.15%	7.55%
E-delivery	6	1	16.67%	0.00%	0.00%



Onboarding Emails – National

Version	Delivered Count	Unique Opens	Open Rate	Clickthrough Rate	Click to Open Rate
Summary	625	351	56.16%	7.36%	13.11%
AIP	267	113	42.32%	3.37%	7.96%
Upromise	36	21	58.33%	5.56%	9.52%
Ugift	26,125	5,464	20.91%	0.87%	4.14%
E-delivery	78	21	26.92%	2.56%	9.52%



Prospect Email Outreach

Version	Delivered Count	Unique Opens	Open Rate	Clickthrough Rate	Click to Open Rate	Unsubscribe
Email 1A	2,993	452	15.18%	0.84%	5.53%	11
Email 1B	2,974	459	15.51%	0.64%	4.14%	8
Email 2A	2,982	514	17.30%	1.04%	6.03%	11
Email 2B	2,965	397	13.43%	0.78%	5.79%	9
Email 3A	2,822	394	14.03%	0.68%	4.82%	6
Email 3B	2,813	347	12.38%	0.36%	2.88%	4
Email 4A	2,964	433	14.69%	0.75%	5.08%	5
Email 4B	2,945	382	13.02%	0.92%	7.07%	9
Email 5A	2,947	370	12.64%	1.02%	8.11%	15
Email 5B	2,928	407	13.95%	0.82%	5.90%	10



Prospect Enrollment – Total


Campaign	Enrollment
NVFIELDREPDATENTRY	
<ul style="list-style-type: none"> • AT Gatorfest 10/19/18 – 6 • Diaper Derby 11/10/18 – 2 • Gibson Trunk Treat 10/25/18 – 2 • NV Women's Expo – 4 • Renown – 1 • Rio – 1 • Rural Conference 1/23/16 – 2 • TRPA 10/30/18 – 4 • WCSD 9/8/18 - 1 	
	22
09-01-17 (2017 College Savings Month September Giveaway)	2
441	2
SSGA_529Contest_05118 (529 Day Contest 2018)	1
SSGA_Sept_2018 (College Savings Month Contest 2018)	2
SSGA09012016 (College Savings Month Contest 2016)	1
UCF052015 (529 Day Contest 2015)	2
UCF092014 (529 Day Contest 2014)	2

Back to School Emails – Account Owners


Marketing-driven email campaigns encouraging account owners to contribute to their 529 accounts in the spirit of back to school season.

Mail Date: October 4

- **Version I – AOs who have not contributed to their 529 in 2018**
 - **Delivered:** 14,926
 - **Open rate:** 23.62%
 - **Click through rate:** 1.04%
 - **Click to open rate:** 4.40%
- **Version II – AOs who have contributed to their 529 in 2018**
 - **Delivered:** 13,469
 - **Open rate:** 36.81%
 - **Click through rate:** 1.69%
 - **Click to open rate:** 4.58%


SSGA Upromise529

Saving > Borrowing



Simple math: Saving now can beat borrowing later.

Today, college is essential. College debt? It's a growing problem. Fortunately, as an SSGA Upromise 529 Plan saver, you may be able to reduce your college loans with every contribution.


Have you contributed this year?
Every dollar helps. A \$25 monthly contribution over 18 years can add up to nearly \$9,000.¹ That's money you or your child potentially won't have to repay with interest.

[Calculate the real cost of borrowing for your family.](#)


[Sign up for eDelivery of your account statements now.](#)

[CONTRIBUTE NOW >](#)

Version I – have not contributed in 2018


SSGA Upromise529

Saving > Borrowing



Simple math: Saving now can beat borrowing later.

Today, college is essential. College debt? It's a growing problem. Fortunately, as an SSGA Upromise 529 Plan saver, you may be able to reduce your college loans with every contribution.

Ready to contribute again? Every dollar helps. Contributing an extra \$100 a year over 18 years could add up to nearly \$3,000 more in savings.¹ That's money you or your child potentially won't have to repay with interest.

[Calculate the real cost of borrowing for your family.](#)

[Sign up for eDelivery of your account statements now.](#)

[CONTRIBUTE NOW >](#)

Version II – have contributed in 2018

Ugift Emails – Account Owners

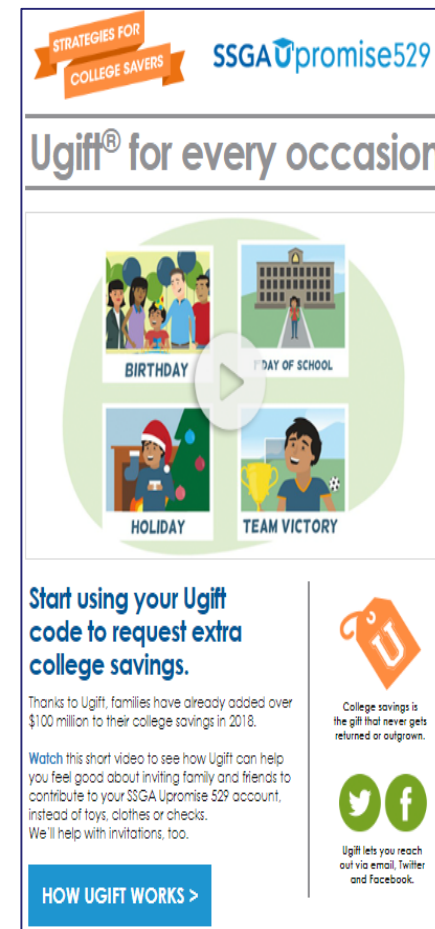
Marketing-driven email campaign encouraging account owners to utilize Ugift® as an additional college saving tool.

Mail Date: November 20

- **Ugift Email – No Ugift Code**
 - **Delivered:** 65,343
 - **Open rate:** 20.75%
 - **Click through rate:** 1.10%
 - **Click to open rate:** 5.29%
- **Ugift Email – Ugift Code Enabled**
 - **Delivered:** 7,945
 - **Open rate:** 41.21%
 - **Click through rate:** 4.58%
 - **Click to open rate:** 11.12%



Ugift Email – No Ugift Code



Ugift Email – Ugift Code Enabled

Year-End Email – Account Owners

Marketing-driven email campaign reminding account owners to invite family to give to their child's 529 account during the holiday season.

Mail Date: December 20

- **Year-End Email**
 - **Delivered:** 72,818
 - **Open rate:** 18.37%
 - **Click through rate:** 0.80%
 - **Click to open rate:** 4.37%





Ugift®: 'Tis the season



Invite family to give to your child's SSGA Upromise 529 account.

No returns to make, or toys they'll break. With Ugift, it's easy to [invite family](#) to contribute to your child's SSGA Upromise 529 Plan college savings account. Instead, Gift givers avoid a trip to the mall, and the money goes into your account automatically. Plus, unlike a college education, Ugift is absolutely free.

TELL ME MORE



Instead of one more gift, [add a little extra](#) to your child's 529 account.





Ugift helps you invite gift givers using email and social media.

Year-End Email

SSGA Upromise 529 Plan

RIA Marketing & Distribution Initiatives

SSGA Upromise 529 Plan — RIA Marketing & Distribution Initiatives — FY 2nd – CY 4th 2018 RIA Marketing Highlights

During Q4 we launched the 529 Best Practices Infographic through direct email marketing efforts.

- This email finished off the year well, as the view rate (25.12 percent) was higher than the Q1 2018 Fact or Fiction email
- The email underperformed in terms of the Engagement Rate (1.06 percent) and % of Viewers Engaged (4.22 percent) when compared to both the 2018 Fact or Fiction and Tax Law Infographic emails
- As in Q3, the text link received more unique clicks than the button, which could support the strength of the content
- Due to the lower than expected engagement with the initial deployment (email sent on a Friday in December), we decided to redeploy the email in Q1 in an attempt to increase engagement with content.

Paid search program generated 45,681 Impressions which is up 24.6 percent from 2017

- Top performing Ad Group is the Advisor Education set and the campaign ran most efficiently on desktops, generating a higher percentage of the total clicks.
- Majority of impressions came from the New York metro area

Traffic to the ssga.upromise529.com website increased by 16.45%

- Total visitors to the site equaled 51,787
- New visitors accounted for 73.1 percent of traffic; returning visitors 26.9 percent

Social Media; LinkedIn

- SSGA Upromise 529 Plans sponsored post on the SPDR ETF LinkedIn page accumulated 61,145 impressions. This performance is 3x the financial services benchmark on LinkedIn.



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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: 2023883.3.1.AM.INST

Expiration Date: May 31, 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 college savers nationwide
- Increasing the number of new marketing-attributed accounts
- Deepening engagement and driving positive outcomes for existing 529 plan clients

Q4 2018 CAMPAIGN RESULTS

- November prospecting campaign
- Action-based client experience campaign
- Advertising
- Social Media
- January 529 Connection campaign

Q1 2019 EFFORTS IN FLIGHT

- Action-based client experience campaign – Enroll in an automatic investment plan
- Social Media – Twitter and Facebook
- Development of the 2019/2020 fiscal year marketing plan

Marketing & Communications – Results

Q4 Nevada & National Prospecting Campaign

Campaign details

Goal

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

Target Audience & Volumes

357,315 Vanguard clients (including 3,924 NV residents)

Channels

- Emails
- Offers on the web

Test Strategy

Test the control creative (loss aversion) against the challenger creative based on time-of-year messaging, for December focused on tax benefits

Key Dates

- Email deployment: 11/19/2018; Reminder: 11/27/2018
- Web offers: 11/19/2018-12/31/2018

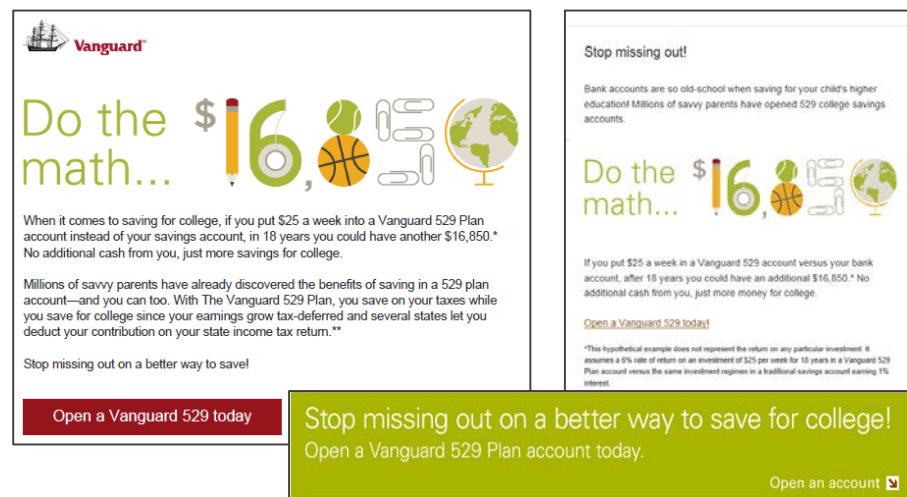
Initial campaign results

Overall Campaign Results

- Champion Email Open Rate: 49%
- Challenger Email Open Rate: 41%
- Champion Email Click Rate: .35%
- Challenger Email Click Rate: .19%
- Champion Web Offer Click Rate: .49%
- Challenger Web Offer Click Rate: .45%

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

Champion (Control)



Do the math...

When it comes to saving for college, if you put \$25 a week into a Vanguard 529 Plan account instead of your savings account, in 18 years you could have another \$16,850.* No additional cash from you, just more savings for college.

Millions of savvy parents have already discovered the benefits of saving in a 529 plan account—and you can too. With The Vanguard 529 Plan, you save on your taxes while you save for college since your earnings grow tax-deferred and several states let you deduct your contribution on your state income tax return.**

Stop missing out on a better way to save!

Open a Vanguard 529 today

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

Open an account

*This hypothetical example does not represent the return on any particular investment. It assumes a 6% rate of return on an investment of \$25 per week for 18 years in a Vanguard 529 Plan account versus the same investment regimen in a traditional savings account earning 1% interest.

Challenger

* Challenger had 2 versions – NV specific version had adjusted tax messaging



End the year right! 2019

Open a 529 account by year-end to claim a state tax deduction

When it comes to saving for education expenses for a child or for yourself, the sooner you start the longer your money will have to grow. So why wait for the New Year to get started?

If you open an account by **December 31, 2018**, you may be able to list your contribution as a state tax deduction for the year.* Your account will also grow tax-free and the money will be tax-free later when you use it to pay for qualifying education expenses.

Get started today

*Most states allow 529 plan contributions to see if your state offers a state tax deduction.

Make this the year!
Start saving now for education expenses.

Get started

Marketing & Communications – Results

Action-based client experience campaign – Save more

Campaign details

Goal

Deepening engagement and driving positive outcomes for existing 529 plan clients

Channel

Email

Description

Action-based campaigns are designed to help existing VG529 investors feel encouraged and knowledgeable in order to maximize their engagement with the plan. This is the first email of it's kind deployed, with 7 planned for 2019. Offers will focus on influencing four key outcomes, and each will have a distinct and measurable call-to-action: save, invest, optimize, or withdraw.

Key Dates

Email deployment: 12/6/2018

Target Audience

191,140

Initial campaign results

Overall Campaign Results

- Email open rate: 34%
- Email click rate: 18%

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

Subject Line: It's time to use your super power
Pre-header: Add to your 529 account by December 31



You're a
hero!



Saving for a child's future in a 529 plan is a super power you're using to do good!

Although flying and running at the speed of light are cool, they're no match for the formidable cost of education. By investing in a 529 plan, you:

- Help a child take on education expenses they'll face in the future.
- Boost your saving power with impressive tax advantages.

One more bit of good news, if you contribute more to your account by December 31, you can get a bigger 2018 tax deduction—as long as your state offers deductions.

Congratulations on being a super human!

[Log on today](#)

Legal notices



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Nevada State Treasurer's Office

Marketing & Communications – Results

Advertising

Campaign details

Goal

Increasing 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

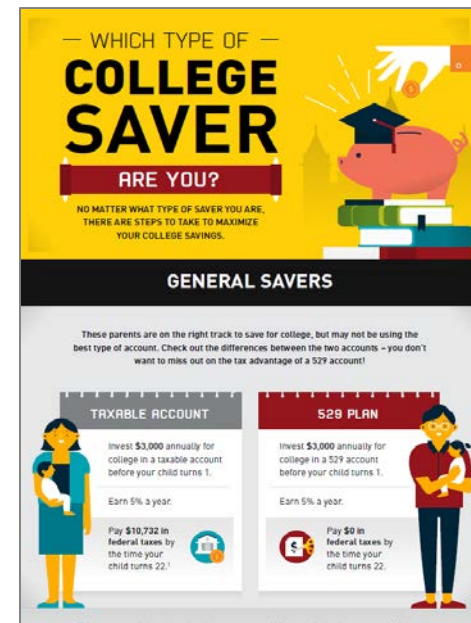
- Paid search, programmatic, site direct, content

Key Dates & Spend

Ads in market mid-September through year-end 2018, 200K spend

Additional Details

Site direct and content placements include Amazon, Savingforcollege.com, and The Balance



Final campaign results & key learnings

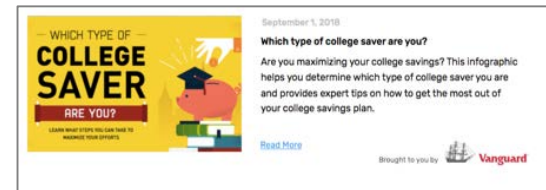
Overall Campaign Results

- 4,085 net new VG 529 accounts
- In November, the campaign was 6% ahead of expected pace, but the projection was ultimately missed by 1%. December still recorded more new accounts than any other month (+73% versus the average month), but it was lower than historical results/expectations

Key Learnings

- December typically represents ~20% of annual 529 account openings, but accounted only for 13% in 2018.
- It is believed that the government shutdown and market volatility played a role, as both took effect during 529 peak season. Results are consistent across other states.

Full results from the Q4 2018 529 advertising test will be available in the March/April timeframe. The expectation is that results will be lower than the test run in 2017 (308% ROI), but still very positive.



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 college savers nationwide

Twitter

- 29 Tweets in Q4
- Average engagement rate: 2.29% (compared to 3.2% average for the channel across all products and services in Q4)

Facebook

- 3 Facebook posts
- Engagement 4.47% compared to Q4 channel average 6.2%

Key learnings

Videos are most successful in generating in-channel engagement. They always include a call-to-action, but do not typically result in many click-throughs.

When looking to drive web traffic, text-only content is most effective.

- *Engagement = Likes, comments, etc. / impressions*
- *Channel average = The average of all content Retail Marketing publishes in those channels.*



This was the most engaged with tweet

This was the most engaged with FB post



Marketing & Communications – Results

January 529 Connection Campaign

Campaign details

Goal

Deepening engagement and driving 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

- January 16th is the most recent deployment.
- Deployments are quarterly.

Article Engagement

- In spite of being the article listed third, “5 Trends among parents saving for college” was the most highly engaged with piece.

Results	Audience size	Month released	E-mail open rate	E-mail click through rate
Spring Issue	50,806	May	30%	16%
Summer Issue	181,200*	July	40%	20%
Fall Issue	179, 151	October	36%	21%
Winter Issue	189,625	January	35%	13%

- Beginning with 2Q 2018, we expanded our audience to include all VG529 account owners, rather than solely the primary marketing contact within a household.



529 Connection

The Vanguard 529 Plan



A college savings resolution that's easy to keep

When it comes to college savings, consistency gets results. It's also the easiest way to save. Learn more about the advantages of making automatic contributions.

[Read the article](#)

3 ways to avoid having school loans after age 60

The number of retirement-age Americans with outstanding college loans quadrupled from 2001 to 2015.

5 trends among parents saving for college

More than half of college-savers are using 529 plans. Here are 4 other strategies they're using to boost their savings.

CONNECT WITH US®



Legal notices and email administration

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

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

Because you're a valued Vanguard 529 client, we thought you'd be interested in this information. If you

Section III

USAA 529 College Savings Plan® Marketing Activity

USAA 529 College Savings Plan Storefront Updates

2018 Dotcom Efforts

- Redesigned storefront to include K-12 and expand on FAQ
- Released 529 intro video in June
 - Social media promotion in Q3 through Twitter & Facebook

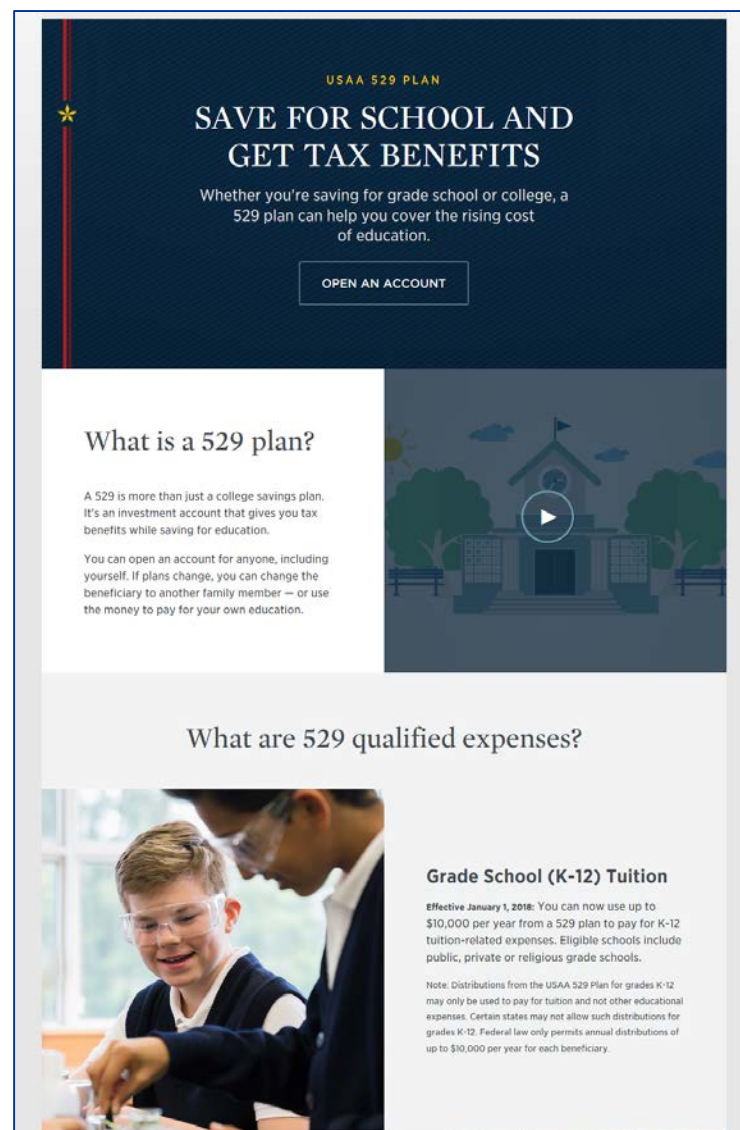
2019 Dotcom Efforts

- Enhancing College & Youth Hub with target of Q1 release

Q4 Results

- Sessions and funnel performance have improved slightly YoY:
 - 74K Sessions
 - 10K App Starts
 - 8K App Completes

CONFIDENTIAL : For institutional investor use only- Not for distribution to the public



USAA 529 College Savings Plan

Marketing Initiatives

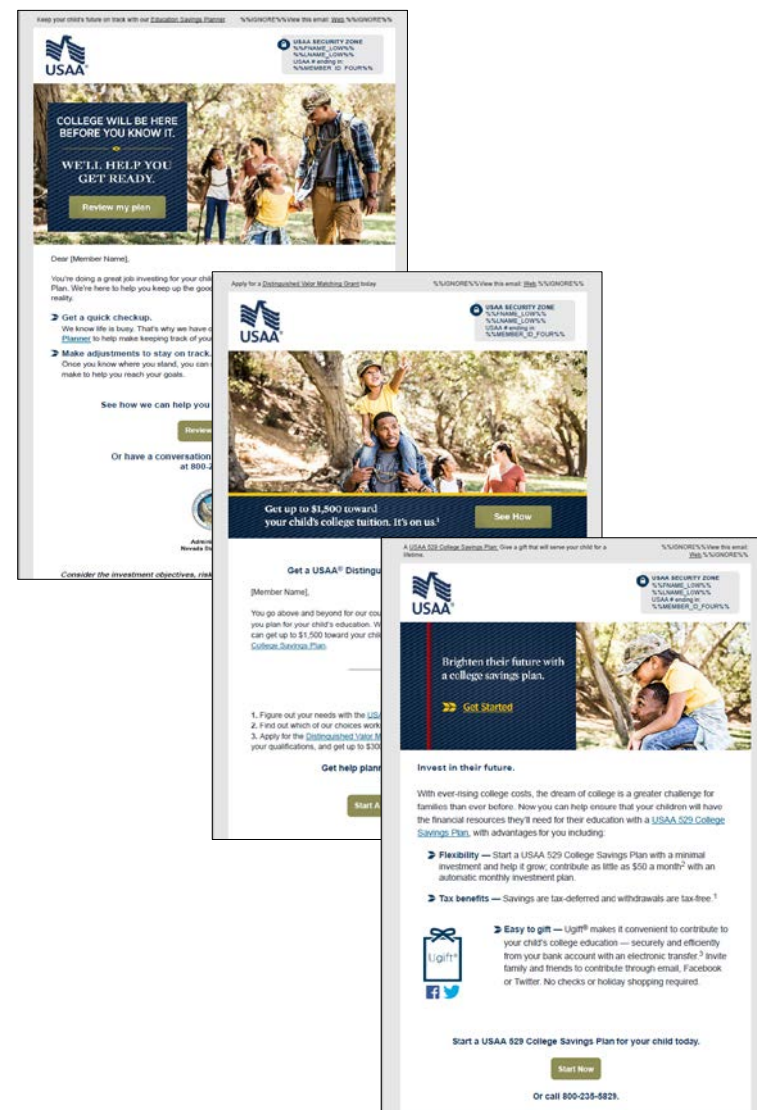
2018 Marketing for 529

➤ 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

2018 Marketing Results

- 48K existing active 529 members with 34% open rate, 2.4% CTR
- 225K members with no 529 with 30% open rate, 0.9% CTR
- 689 Nevada members with no 529 with 31% open rate, 1.4% CTR



Section IV

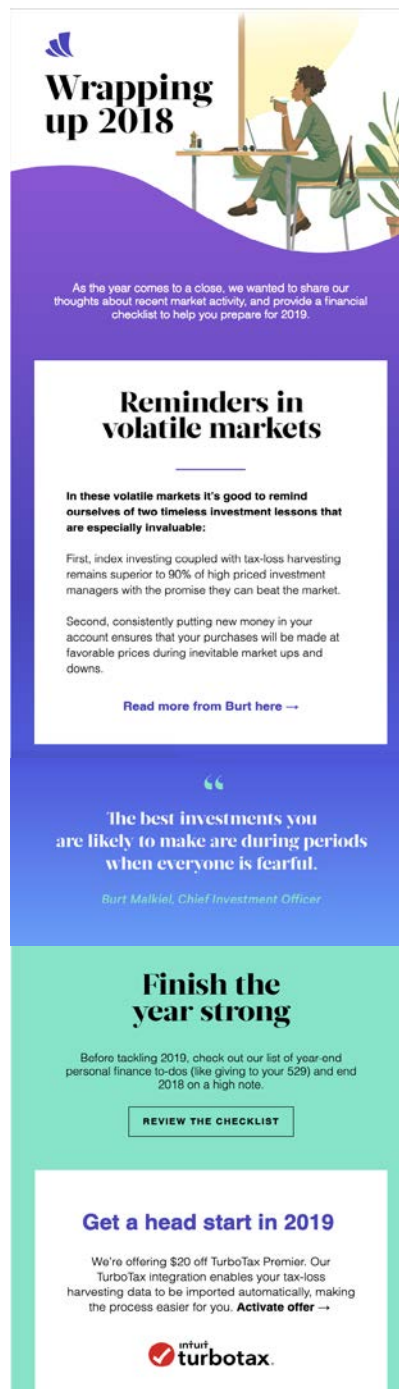
Wealthfront College Savings Plan® Marketing Activity

Wealthfront College Savings Plan

College Savings Marketing Updates

- In December, we launched a year end checklist campaign that included a [blog post](#) and [email](#)
- Campaign Audience
 - All Wealthfront clients
 - Specific call outs for clients with a 529 or college goal

Metrics	Open Rate	CTR	Click to Open	Unsub Rate
Email	43.46%	3.38%	7.77%	0.31%
	Unique Page Views	Avg Time on Page		
Blog	5,260	2:27		



Wrapping up 2018

As the year comes to a close, we wanted to share our thoughts about recent market activity, and provide a financial checklist to help you prepare for 2019.

Reminders in volatile markets

In these volatile markets it's good to remind ourselves of two timeless investment lessons that are especially invaluable:

First, index investing coupled with tax-loss harvesting remains superior to 90% of high priced investment managers with the promise they can beat the market.

Second, consistently putting new money in your account ensures that your purchases will be made at favorable prices during inevitable market ups and downs.

[Read more from Burt here →](#)

The best investments you are likely to make are during periods when everyone is fearful.

Burt Malkiel, Chief Investment Officer


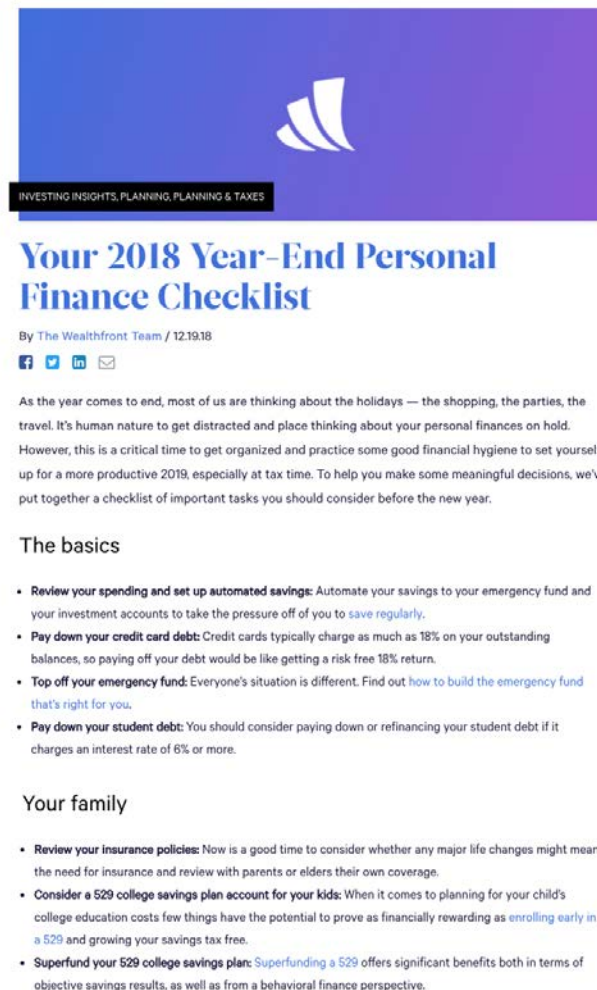
Finish the year strong

Before tackling 2019, check out our list of year-end personal finance to-dos (like giving to your 529) and end 2018 on a high note.

[REVIEW THE CHECKLIST](#)

Get a head start in 2019

We're offering \$20 off TurboTax Premier. Our TurboTax integration enables your tax-loss harvesting data to be imported automatically, making the process easier for you. [Activate offer →](#)

Your 2018 Year-End Personal Finance Checklist

By The Wealthfront Team / 12.19.18

[f](#) [t](#) [in](#) [e](#)

As the year comes to end, most of us are thinking about the holidays — the shopping, the parties, the travel. It's human nature to get distracted and place thinking about your personal finances on hold. However, this is a critical time to get organized and practice some good financial hygiene to set yourself up for a more productive 2019, especially at tax time. To help you make some meaningful decisions, we've put together a checklist of important tasks you should consider before the new year.

The basics

- Review your spending and set up automated savings:** Automate your savings to your emergency fund and your investment accounts to take the pressure off of you to [save regularly](#).
- Pay down your credit card debt:** Credit cards typically charge as much as 18% on your outstanding balances, so paying off your debt would be like getting a risk-free 18% return.
- Top off your emergency fund:** Everyone's situation is different. Find out [how to build the emergency fund that's right for you](#).
- Pay down your student debt:** You should consider paying down or refinancing your student debt if it charges an interest rate of 6% or more.

Your family

- Review your insurance policies:** Now is a good time to consider whether any major life changes might mean the need for insurance and review with parents or elders their own coverage.
- Consider a 529 college savings plan account for your kids:** When it comes to planning for your child's college education costs few things have the potential to prove as financially rewarding as [enrolling early in a 529](#) and growing your savings tax-free.
- Superfund your 529 college savings plan:** [Superfunding a 529](#) offers significant benefits both in terms of objective savings results, as well as from a behavioral finance perspective.

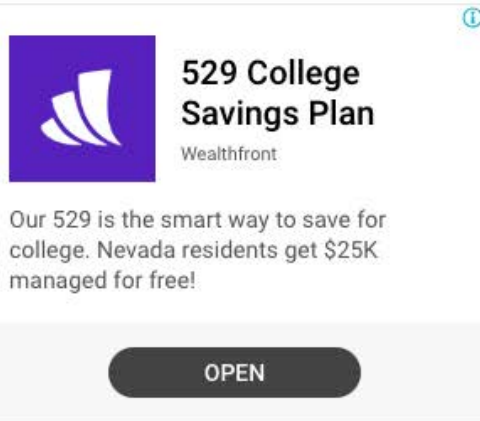
Wealthfront College Savings Plan

Nevada Targeted Ad Campaigns

We also had focused highly effective and targeted campaigns to attract Nevada residents

Campaigns	Impressions	Cost
529 Search - NV Generic	15,913	\$5,730
Core Search - NV Wealthfront	632	\$171
529 Display - NV Wealthfront	1,391,793	\$11,606

Text

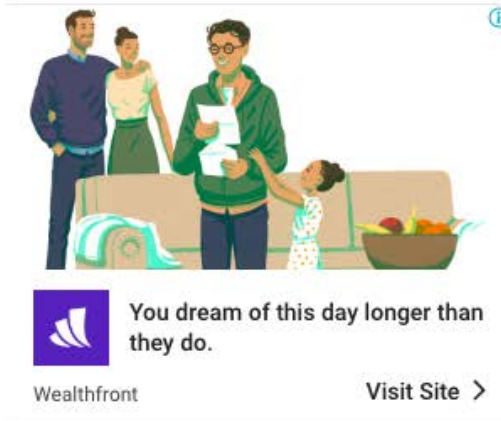


529 College Savings Plan
Wealthfront

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

OPEN

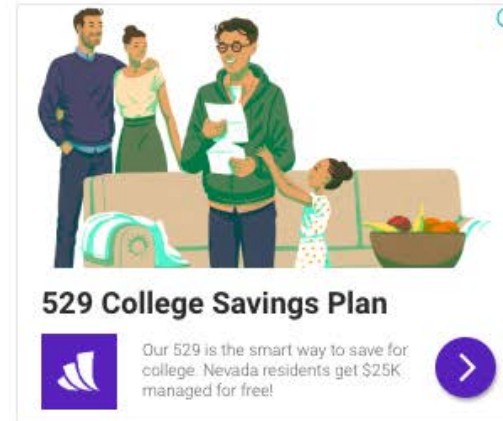
Native



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!



THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 4
March 21, 2019

Item: Putnam 529 for America Program Manager Report for the Quarter End Performance Summary for the period ended December 31, 2018

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 December 31, 2018.

College Savings Plans of Nevada Board of Trustees Meeting

Putnam 529 for AmericaSM **Quarterly Report**

October 1–December 31, 2018
FY 2019 Q2

Putnam 529 for America

Commentary as of 12/31/18 (FY 2019 Q2)

Plan update

- Putnam 529 for America plan assets are \$407M
 - Assets declined 9.9% from the prior quarter. This is mostly attributable to market depreciation
- Gross contributions were up 10% from the prior quarter
- NV resident sales and funded accounts increased versus previous quarter and year over year
- Net contributions were negative for the quarter
 - Distributions decreased for the quarter but were up 30% year over year
 - \$8.3M were qualified distributions
 - Increase in outbound rollovers: \$4.6M

Quarterly campaign: *Give a gift with meaning*

- Promoted year-end resources and highlighted top ranked performance from Savingforcollege as of 9/30/18
- Targeted email sent to 13,000 advisors
- Website banner ads, gift cards, and invite to December webcast, “Year-end strategies under tax reform”
- Wealth Management Center blog post (also shared via LinkedIn)
 - Tax reform enhances college savings plans

Putnam 529 for America

Highlights as of 12/31/18 (FY 2019 Q2)

Highlights this period	4th quarter 2018 (FY'19 Q2)	3rd quarter 2018 (FY'19 Q1)	% change QvQ	4th quarter 2017 (FY'18 Q2)	% change y/y
Assets under management	\$407,451,720	\$452,253,351	-9.91%	\$449,012,759	-9.26%
Total funded accounts	19,976	20,123	-0.73%	20,187	-1.05%
Total # unique customers	11,476	11,587	-0.96%	11,706	-1.96%
New accounts	276	483	-42.86%	347	-20.46%
Average customer balance	\$20,397	\$22,474	-9.24%	\$22,243	-8.30%
Nevada total assets	\$10,305,689	\$11,111,576	-7.25%	\$10,732,510	-3.98%
Nevada funded accounts	559	555	0.72%	503	11.13%
Nevada average customer balance	\$18,436	\$20,021	-7.92%	\$21,337	-13.60%
New Nevada accounts	15	22	-31.82%	25	-40.00%
Total gross contributions	\$8,142,260	\$7,406,102	9.94%	\$10,000,018	-18.58%
Total distributions	\$14,595,897	\$21,248,517	-31.31%	\$11,204,442	30.27%
Net contributions	(\$6,453,637)	(\$13,842,415)	53.38%	(\$1,204,423)	-435.83%
Rollovers in	\$610,986	\$700,637	-12.80%	\$825,226	-25.96%
Rollovers out	\$4,676,985	\$6,097,679	-23.30%	\$2,790,724	67.59%
Net rollovers	(\$4,065,999)	(\$5,397,042)	24.66%	(\$1,965,498)	-106.87%
% of funded accounts with systematic investments	29.90%	29.80%	0.34%	29.70%	0.67%

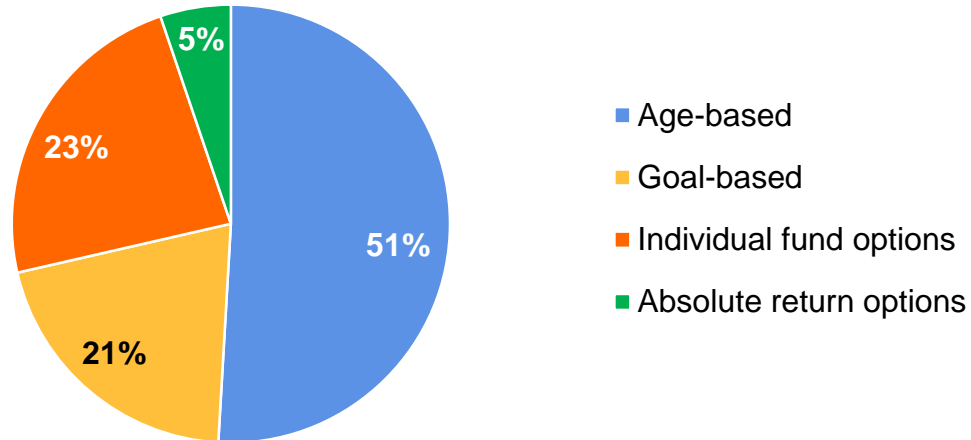
Accounts defined as a unique owner/beneficiary combination.

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 12/31/18 (FY 2019 Q2)



Category	12/31/18 assets	Percentage of grand total
Age-based	\$214,622,209	52.67%
Goal-based	\$80,692,447	19.80%
Individual fund options	\$90,586,782	22.23%
Absolute return options	\$21,550,281	5.29%
Grand total	\$407,451,720	100.00%

Excludes seed transactions.

Putnam 529 for America

Assets by investment option as of 12/31/18 (FY 2019 Q2)

Category	Fund	12/31/18 assets	Percentage of grand total
Age-based	Total	\$214,622,209	52.67%
Goal-based	Total	\$80,692,447	19.80%
	Goal-based balanced	\$26,967,889	6.62%
	Goal-based growth	\$30,396,881	7.46%
	Goal-based aggressive growth	\$23,327,677	5.73%
Individual fund options	Total	\$90,586,782	22.23%
	Federated U.S. Gov. Securities 2–5 years	\$1,373,481	0.34%
	MFS Institutional International Equity	\$9,060,546	2.22%
	Principal MidCap Blend	\$14,776,193	3.63%
	Putnam 529 SSgA S&P 500	\$9,923,775	2.44%
	Putnam Equity Income	\$16,444,509	4.04%
	Putnam Government Money Market	\$11,613,056	2.85%
	Putnam Growth Opportunities	\$14,096,272	3.46%
	Putnam High Yield	\$3,577,660	0.88%
	Putnam Income	\$5,924,595	1.45%
	Putnam Small Cap Value	\$3,796,698	0.93%
Absolute return	Total	\$21,550,281.39	5.29%
	Fixed Income Absolute Return	\$7,947,798	1.95%
	Multi-Asset Absolute Return	\$13,602,483	3.34%
	Grand total	\$407,451,720	100.00%

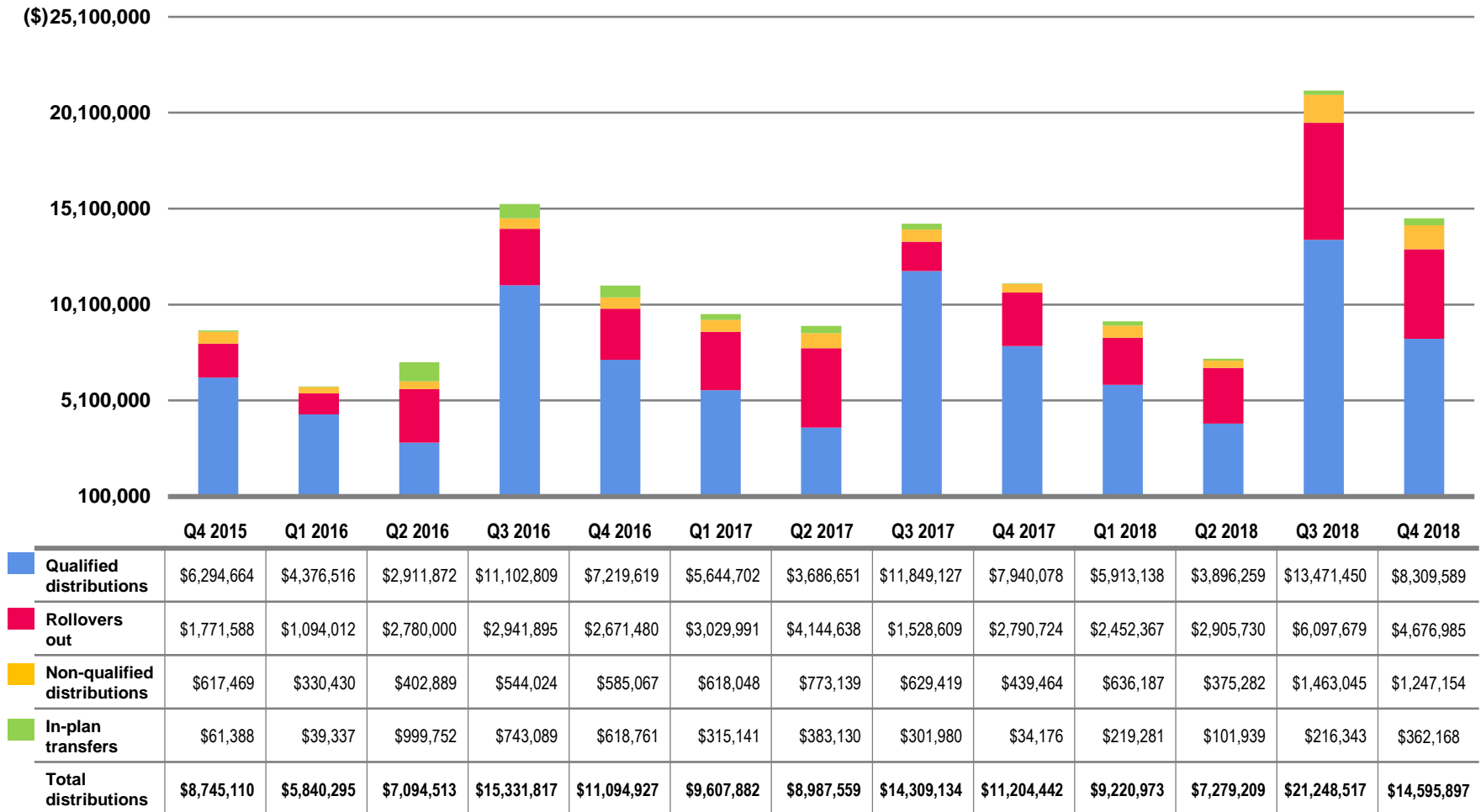
Putnam 529 for America

Contributions by type as of 12/31/18 (FY 2019 Q2)

Sales (calendar year)	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
NV sales	\$107,716	\$170,004	\$240,194	\$627,624	\$273,838	\$337,377	\$206,942	\$296,233	\$748,626	\$656,735	\$163,878	\$205,986	\$347,738
National sales	9,793,121	10,149,831	13,411,647	8,501,471	8,662,325	8,722,049	7,489,856	8,211,979	9,251,393	10,049,947	\$7,772,511	\$7,200,116	\$7,794,521
Gross	9,900,837	10,319,835	13,651,841	9,129,095	8,936,163	9,059,426	7,696,797	8,508,212	10,000,018	10,706,682	\$7,936,389	\$7,406,102	\$8,142,260
NV net	19,809	67,261	(6,446)	415,788	149,645	197,336	63,660	161,734	437,411	566,424	\$25,358	(\$150,577)	\$191,770
National net	1,135,919	4,412,279	6,563,773	(6,618,510)	(2,308,410)	(745,792)	(1,354,421)	(5,962,656)	(1,641,834)	919,284	\$631,822	(\$13,691,838)	(\$6,645,408)
Net	1,155,727	4,479,540	6,557,328	(6,202,722)	(2,158,764)	(548,456)	(1,290,761)	(5,800,922)	(1,204,423)	1,485,709	\$657,180	(\$13,842,415)	(\$6,453,637)
New or existing account contributions	6,346,924	5,727,358	4,401,986	4,858,292	5,499,487	4,881,350	3,975,155	5,098,928	6,564,740	6,597,424	\$4,748,751	\$4,093,605	\$4,881,391
Total rollovers	1,060,867	2,022,844	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
Systematic investments	2,493,046	2,569,633	2,672,346	2,682,125	2,717,504	2,650,027	2,644,103	2,606,472	2,610,053	2,586,567	\$2,643,717	\$2,611,860	\$2,649,883
Systematics as % of sales	25.18%	24.89%	19.57%	29.37%	30.41%	29.25%	34.35%	30.63%	26.10%	24.15%	33.31%	35.26%	32.54%
Total rollovers	47	112	665	525	42	58	38	45	27	41	25	26	21

Putnam 529 for America

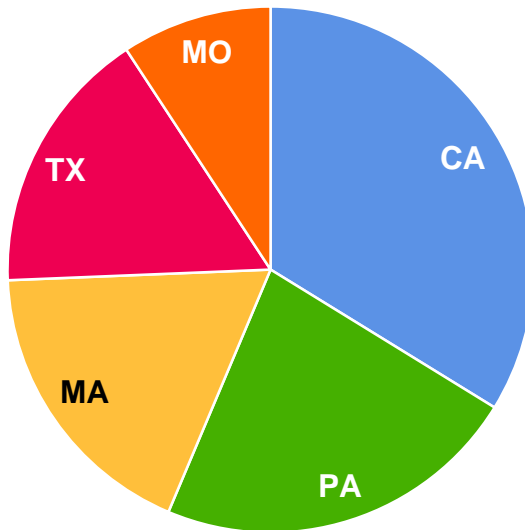
Distributions by category as of 12/31/18 (FY 2019 Q2)



Putnam 529 for America

Sales by state as of 12/31/18 (FY 2019 Q2)

**Top-selling states
FY 2019 Q2**



State	FY 2019 Q2 Sales
CA	\$1,677,512
PA	\$1,120,506
MA	\$893,910
TX	\$814,789
MO	\$458,700
MN	\$437,295
NV	\$347,738
NJ	\$268,267
NY	\$230,084
GA	\$200,967

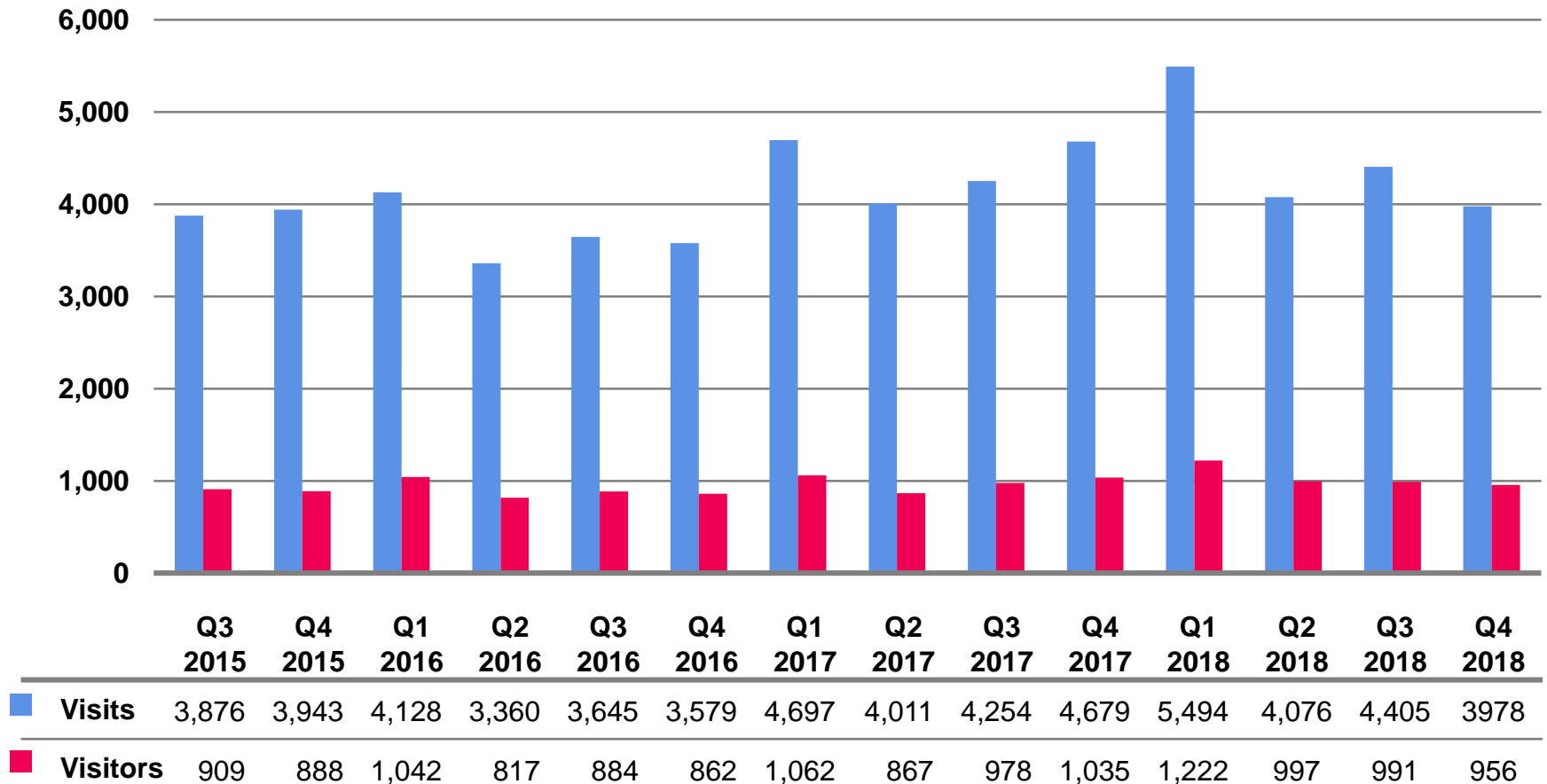
Putnam 529 for America

Client Services Metrics as of December 31, 2018 (FY 2019 Q2)

CRITERIA	SERVICE LEVEL
Transactions	98.3%
<ul style="list-style-type: none">• 96% of all financial and non-financial transactions processed error free	
Telephone service	85.6%
<ul style="list-style-type: none">• 80% of calls answered within 20 seconds	
Mail service	
<ul style="list-style-type: none">• Transaction confirmations– 99% of confirmations and checks mailed within 2 business days of any transaction	100%
<ul style="list-style-type: none">• Quarterly statements– 97% of customers receive quarterly statements within 5 business days of the end of each quarter	100%

Putnam 529 for America

Web usage by customers as of 12/31/18 (FY 2019 Q2)



Seasonal campaign — 529 Gift Giving*

- Released new investor seminar and invitation:
Invest in their future
- Give a gift with meaning.*** Theme banners posted on advisor and shareholder websites
- Wealth Management Center content
- Sent email to 13K targeted advisors nationwide; invite to year-end Webinar
- Trained Wealth Management Specialists
 - Important year-end reminders
 - Updates on K–12 state approvals and
 - Recognizing cross-sell opportunities

SHAREHOLDER:



ADVISOR:



Tax reform enhances college savings plans

The Tax Cuts and Jobs Act resulted in the largest overhaul to the tax system in 30 years, including some key changes to 529 college savings plans.



Another year-end is approaching, and we have information and resources to help make your planning meetings informative and productive.

Join our webcast: Year-end strategies under tax reform

On Wednesday, November 14, at 1:15 p.m. Eastern Time, wealth management experts Bill Cass and Chris Hennessey will discuss how the new tax law affects year-end planning strategies, key considerations for retirement accounts, and ideas for year-end gifting and charitable planning. [Learn more and add it to your calendar.](#)

Your client meetings are likely to include families who are saving for college, and we have reminders and resources to help.

Not just for college — 529 plan tax savings expanded

The Tax Cuts and Jobs Act enhanced the benefits of 529 plans. Now, up to \$10,000 per year per student may be used to pay for tuition at elementary or secondary public, private, or religious schools. 529 plans will continue to offer tax-free withdrawals for college expenses. In addition, the annual federal gift tax exclusion amount has increased to \$15,000 for individuals and to \$30,000 for couples filing jointly.

New brochure! Early college planning

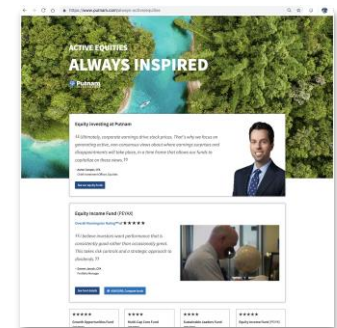
It's never too early to start saving for college, and our newest brochure offers information and ideas for saving, from infancy to elementary and middle school. Download ["Early college planning for a growing family"](#) from our advisor website.

*FY 2019 Q2.

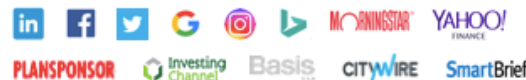
Marketing and brand awareness

As of 12/31/18

- Continued digital-first marketing campaign targeted toward ~87K advisors based on predictive scores, which included rounds of fund-specific emails and social and search programs
- Launched brand new “Always Active” cross-channel marketing campaign in November 2018. Will continue to run and make enhancements to the campaign in 2019.
 - More than 22 million paid display and content promotion media impressions
 - 35K clicks
 - 27K visits to putnam.com
 - 1.9M video views
- Sports marketing: Supported the New England Patriots in the Playoffs with new creative shown at 100 Federal Street and on social



Media partners



Putnam 529 for America

Performance as of 12/31/18

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	-0.52	-6.24	0.35	-5.42	0.76	-1.21	0.84	-0.35	1.72	0.99	0.96
Graduate Index		-1.54	—	0.18	—	2.49	—	2.10	—	2.62	—	—
1998	10/1/2010	-0.71	-6.41	0.14	-5.62	1.49	-0.50	1.89	0.69	4.24	3.49	0.98
1998 Index		-0.13	—	1.21	—	2.32	—	2.42	—	4.65	—	—
1999	10/1/2010	-1.28	-6.96	-0.27	-6.01	1.80	-0.19	2.22	1.02	4.70	3.95	1.00
1999 Index		-0.52	—	0.90	—	2.67	—	2.73	—	5.12	—	—
2000	10/1/2010	-1.95	-7.58	-0.85	-6.55	2.09	0.10	2.54	1.33	5.13	4.38	1.03
2000 Index		-0.98	—	0.53	—	3.05	—	3.06	—	5.57	—	—
2001	10/1/2010	-2.68	-8.27	-1.39	-7.06	2.46	0.46	2.88	1.67	5.57	4.82	1.04
2001 Index		-1.53	—	0.18	—	3.50	—	3.41	—	6.03	—	—
2002	10/1/2010	-3.53	-9.07	-2.00	-7.64	2.84	0.83	3.24	2.03	5.98	5.22	1.07
2002 Index		-2.20	—	-0.24	—	3.97	—	3.78	—	6.47	—	—
2003	10/1/2010	-4.42	-9.92	-2.69	-8.29	3.27	1.25	3.59	2.37	6.37	5.61	1.08
2003 Index		-2.93	—	-0.70	—	4.48	—	4.15	—	6.89	—	—
2004	10/1/2010	-5.47	-10.91	-3.44	-8.99	3.66	1.64	3.92	2.69	6.73	5.97	1.09
2004 Index		-3.76	—	-1.20	—	4.99	—	4.48	—	7.28	—	—
2005	10/1/2010	-6.62	-11.99	-4.22	-9.72	4.04	2.01	4.17	2.94	7.01	6.25	1.10
2005 Index		-4.70	—	-1.76	—	5.44	—	4.76	—	7.62	—	—
2006	10/1/2010	-7.71	-13.02	-4.95	-10.42	4.37	2.33	4.39	3.16	7.27	6.50	1.11
2006 Index		-5.65	—	-2.31	—	5.86	—	5.02	—	7.93	—	—
2007	10/1/2010	-8.84	-14.08	-5.74	-11.16	4.49	2.45	4.51	3.28	7.42	6.65	1.12
2007 Index		-6.62	—	-2.87	—	6.12	—	5.16	—	8.14	—	—
2008	10/1/2010	-9.70	-14.90	-6.41	-11.79	4.57	2.53	4.55	3.32	7.56	6.79	1.13
2008 Index		-7.49	—	-3.46	—	6.28	—	5.24	—	8.31	—	—

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

Putnam 529 for America

Performance as of 12/31/18

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	-10.35	-15.51	-6.92	-12.27	4.71	2.67	4.64	3.41	7.70	6.93	1.13
2009 Index		-8.06	—	-3.84	—	6.50	—	5.34	—	8.47	—	—
2010	10/1/2010	-10.91	-16.03	-7.32	-12.65	4.88	2.83	4.73	3.49	7.83	7.06	1.13
2010 Index		-8.61	—	-4.20	—	6.72	—	5.44	—	8.61	—	—
2011	1/3/2011	-11.44	-16.54	-7.75	-13.06	5.00	2.94	4.79	3.56	7.24	6.45	1.14
2011 Index		-9.12	—	-4.56	—	6.91	—	5.53	—	7.93	—	—
2012	1/3/2012	-11.99	-17.05	-8.19	-13.47	5.09	3.04	4.86	3.63	8.99	8.07	1.14
2012 Index		-9.62	—	-4.93	—	7.06	—	5.61	—	9.41	—	—
2013	1/2/2013	-12.40	-17.44	-8.57	-13.83	5.14	3.09	4.88	3.65	8.02	6.96	1.14
2013 Index		-10.06	—	-5.26	—	7.16	—	8.55	—	8.55	—	—
2014	1/2/2014	-12.77	-17.79	-8.90	-14.13	5.16	3.11	4.90	3.66	4.90	3.66	1.15
2014 Index		-10.45	—	-5.56	—	7.21	—	5.70	—	5.70	—	—
2015	1/2/2015	-13.11	-18.10	-9.23	-14.45	5.14	3.09	—	—	3.78	2.26	1.15
2015 Index		-10.76	—	-5.76	—	7.27	—	—	—	5.25	—	—
2016	1/4/2016	-13.21	-18.20	-9.28	-14.50	5.16	3.11	—	—	5.16	3.11	1.15
2016 Index		-11.03	—	-5.93	—	7.32	—	—	—	7.32	—	—
2017	1/3/2017	-13.33	-18.31	-9.42	-14.63	—	—	—	—	4.21	1.17	1.16
529 Age-Based 2017 Index		-11.25	—	-6.07	—	—	—	—	—	6.09	—	—
2018	1/2/2018	-13.21	-18.20	-9.30	-14.52	—	—	—	—	-9.25	-14.44	1.16
529 Age-Based 2018 Index		-11.40	—	-6.17	—	—	—	—	—	-6.17	—	—
GOAL-BASED PORTFOLIOS												
Balanced	10/1/2010	-10.42	-15.57	-7.00	-12.34	4.28	2.24	4.31	3.09	6.86	6.09	1.12
Balanced Index		-8.20	—	-3.94	—	5.95	—	5.05	—	7.52	—	—
Growth	10/1/2010	-13.41	-18.39	-9.49	-14.69	5.16	3.10	4.89	3.65	8.09	7.31	1.16
Growth Index		-11.54	—	-6.27	—	7.32	—	5.77	—	9.00	—	—
Aggressive Growth	10/1/2010	-14.42	-19.34	-10.26	-15.42	5.50	3.44	5.13	3.89	8.96	8.18	1.18
Aggressive Growth Index		-13.53	—	-7.39	—	7.92	—	6.20	—	9.89	—	—

Putnam 529 for America

Performance as of 12/31/18

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 Equity Income Fund	10/1/2010	-14.01	-18.95	-8.36	-13.63	7.15	5.06	5.95	4.71	10.64	9.85	1.06
Russell 1000 Value Index		-11.72	—	-8.27	—	6.95	—	5.95	—	10.59	—	—
Putnam Small Cap Value Fund	9/12/2014	-23.29	-27.70	-20.01	-24.61	2.88	0.86	—	—	1.52	0.13	1.35
Russell 2000 Value Index		-18.67	—	-12.86	—	7.37	—	—	—	4.02	—	—
MFS Institutional International Equity Fund	10/1/2010	-11.28	-16.38	-10.97	-16.08	4.29	2.25	1.51	0.32	4.99	4.24	1.10
MSCI EAFE Index (ND)		-12.54	—	-13.79	—	2.87	—	0.53	—	3.98	—	—
Putnam Growth Opportunities Fund	7/5/2016	-14.69	-19.60	2.21	-3.67	—	—	—	—	15.60	12.88	1.04
Russell 1000 Growth Index		-15.89	—	-1.51	—	—	—	—	—	13.02	—	—
Principal MidCap Fund	10/1/2010	-13.37	-18.35	-7.02	-12.36	8.38	6.26	7.61	6.35	12.75	11.94	1.07
Russell Mid Cap Index		-15.37	—	-9.06	—	7.04	—	6.26	—	11.06	—	—
529 State Street S&P 500 Index Fund	6/27/2012	-13.57	-18.54	-4.95	-10.41	8.62	6.50	7.89	6.62	11.87	10.86	0.55
S&P 500 Index		-13.52	—	-4.38	—	9.26	—	8.49	—	12.53	—	—
Putnam High Yield	4/21/2017	-5.11	-8.91	-3.84	-7.69	—	—	—	—	0.12	-2.27	1.18
JPMorgan Developed High Yield Index		-4.65	—	-2.36	—	—	—	—	—	1.21	—	—
Putnam Income Fund	10/1/2010	0.15	-3.85	0.31	-3.70	2.58	1.20	2.16	1.33	3.27	2.76	1.02
BBG Barclays U.S. Aggregate Bond Index		1.64	—	0.01	—	2.06	—	2.52	—	2.55	—	—
Federated U.S. Government Securities Fund	10/1/2010	1.99	-2.09	0.59	-3.43	0.29	-1.06	0.22	-0.60	0.30	-0.20	0.98
ICE BofAML 3–5 Year Treasury Index		2.38	—	1.47	—	1.25	—	1.50	—	1.53	—	—
Putnam Government Money Market Fund	8/18/2016	0.40	0.40	1.09	1.09	—	—	—	—	0.48	0.48	0.68
Lipper U.S. Government Money Market Funds Average		0.41	—	1.22	—	—	—	—	—	0.65	—	—
Fixed Income Absolute Return Fund	10/1/2010	-2.14	-3.12	0.62	-0.39	2.48	2.14	1.35	1.14	1.63	1.51	0.84
ICE BofAML U.S. Treasury Bill Index		0.58	—	1.88	—	1.02	—	0.64	—	0.44	—	—
Multi-Asset Absolute Return Fund	10/1/2010	-5.86	-11.27	-9.38	-14.59	0.66	-1.31	1.15	-0.04	2.61	1.88	1.16
ICE BofAML U.S. Treasury Bill Index		0.58	—	1.88	—	1.02	—	0.64	—	0.44	—	—

Putnam 529 for America

Underlying performance as of 12/31/18

	QUARTER	YEAR TO DATE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
Putnam GAA All Equity Portfolio (9/29/2010)	-14.38	-10.00	-10.00	5.90	5.54	—	9.45
Putnam Equity Blended Index	-13.53	-7.39	-7.39	7.92	6.20	—	9.91
Lipper Multi-Cap Core Funds average	-14.41	-7.88	-7.88	6.59	5.52	—	10.03
Putnam GAA Growth Portfolio (9/29/2010)	-13.07	-8.93	-8.93	5.46	5.22	—	8.28
Putnam Growth Blended Benchmark	-10.87	-5.91	-5.91	7.11	5.63	—	8.72
Lipper Mixed-Asset Target Allocation Growth Funds average	-10.03	-6.81	-6.81	4.99	3.91	—	6.88
Putnam GAA Balanced Portfolio (9/29/2010)	-10.43	-6.68	-6.68	4.76	4.90	—	7.59
Putnam Balanced Blended Benchmark	-8.17	-3.90	-3.90	6.02	5.24	—	7.77
Lipper Mixed-Asset Target Allocation Moderate Funds average	-7.64	-5.81	-5.81	4.31	3.18	—	5.64
Putnam GAA Conservative Portfolio (9/29/2010)	-5.55	-4.13	-4.13	3.42	3.65	—	5.29
Putnam Conservative Blended Benchmark	-3.48	-1.92	-1.92	4.22	3.97	—	5.31
Lipper Mixed-Asset Target Allocation Conserv. Funds average	-4.73	-4.11	-4.11	3.35	2.52	—	4.09
Federated US Government Sec Fund: 2–5 Years Instl (2/18/1983)	2.02	0.94	0.94	0.67	0.60	1.13	5.49
ICE BofAML 3–5 Year Treasury Index	2.38	1.47	1.47	1.25	1.50	1.92	—
Lipper Short-Intermediate U.S. Government Funds average	1.22	0.80	0.80	0.64	0.76	1.42	5.49
Putnam Small Cap Value Y (4/13/1999)	-23.31	-19.75	-19.75	3.26	1.93	10.82	8.40
Russell 2000 Value Index	-18.67	-12.86	-12.86	7.37	3.61	10.40	8.79
Lipper Small-Cap Value Funds average	-19.71	-15.89	-15.89	5.05	1.69	10.83	9.19
Principal MidCap Fund Instl (3/1/2001)	-13.30	-6.69	-6.69	8.84	8.07	15.37	10.01
Russell Mid Cap Index	-15.37	-9.06	-9.06	7.04	6.26	14.03	8.33
Lipper Multi-Cap Growth Funds average	-16.21	-2.95	-2.95	8.41	7.24	13.65	6.03
SS S&P 500 Index;N (12/30/1992)	-13.56	-4.62	-4.62	9.06	8.32	12.95	8.92
S&P 500 Index	-13.52	-4.38	-4.38	9.26	8.49	13.12	9.08
Lipper S&P 500 Index Funds average	-13.82	-5.04	-5.04	8.64	7.89	12.50	8.81
Putnam Equity Income Fund Y (6/15/1977)	-13.97	-8.06	-8.06	7.58	6.38	12.13	10.01
Russell 1000 Value Index	-11.72	-8.27	-8.27	6.95	5.95	11.18	—
Lipper Equity Income Funds average	-11.33	-7.24	-7.24	6.88	5.44	10.60	10.35
Putnam Growth Opportunities Fund Y (10/2/1995)	-14.69	2.55	2.55	12.80	10.61	15.71	7.92
Russell 1000 Growth Index	-15.89	-1.51	-1.51	11.15	10.40	15.29	8.23
Lipper Large-Cap Growth Funds average	-15.46	-0.80	-0.80	9.41	8.92	14.13	4.95

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

Putnam 529 for America

Underlying performance as of 12/31/18

	QUARTER	YEAR TO DATE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
Putnam Income Fund Y (11/1/1954)	0.20	0.64	0.64	2.97	2.55	7.93	7.45
Bloomberg Barclays U.S. Aggregate Bond Index	1.64	0.01	0.01	2.06	2.52	3.48	—
Lipper Core Bond Funds average	0.90	-0.69	-0.69	1.99	2.20	4.19	—
Putnam High Yield Fund:Y (3/25/1986)	-5.03	-3.53	-3.53	6.09	2.96	9.60	7.22
JPMorgan Developed High Yield Index	-4.65	-2.36	-2.36	7.56	3.95	11.45	—
Lipper High Yield Funds average	-4.54	-2.84	-2.84	5.49	2.65	9.25	6.84
Putnam Govt Money Market A (4/14/2016)	0.44	1.31	1.31	—	—	—	0.59
Lipper U.S. Government Money Market Funds	0.41	1.22	1.22	—	—	—	0.55
MFS Intl International Equity Fund (1/30/1996)	-11.22	-10.66	-10.66	4.68	1.91	7.87	7.23
MSCI EAFE Index (ND)	-12.54	-13.79	-13.79	2.87	0.53	6.32	4.22
Lipper International Large-Cap Growth average	-12.85	-14.32	-14.32	2.77	0.66	6.48	6.52
Putnam Fixed Income Absolute Return Fund Y (12/23/2008)	-2.11	0.90	0.90	2.87	1.72	2.63	2.63
ICE BofAML U.S. Treasury Bill Index	0.58	1.88	1.88	1.02	0.64	0.40	0.40
Putnam Multi-Asset Absolute Return Fund Y (12/23/2008)	-5.89	-9.04	-9.04	1.03	1.55	4.02	4.01
ICE BofAML U.S. Treasury Bill Index	0.58	1.88	1.88	1.02	0.64	0.40	0.40

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

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THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 5
March 21, 2019

**Item: Prepaid Summary and Quarterly Performance
Report for the Nevada Prepaid Tuition Program for
the period ended December 31, 2018**

**Summary: The Prepaid Tuition Program had another very
busy quarter and is currently open for enrollment with a 10 -
year payment option for purchasers this year.**

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

Fiscal Impact: None by this action.

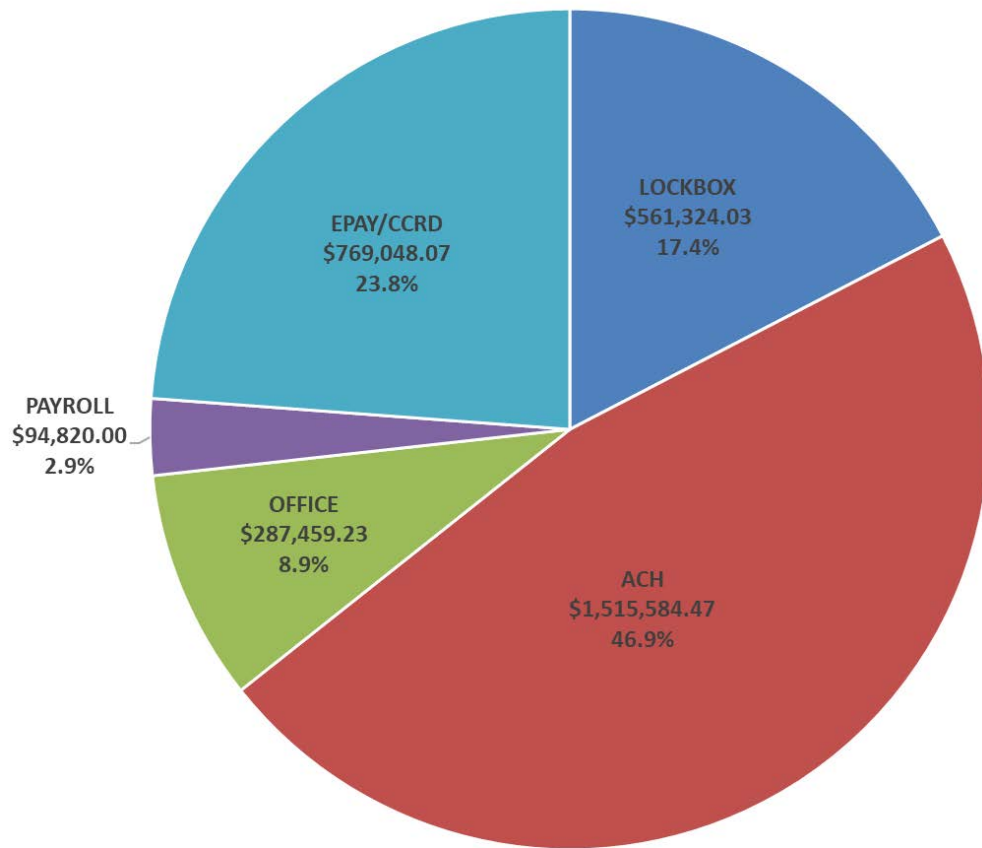
Staff recommended motion:

To accept and approve the Prepaid Tuition quarterly program activity report for quarter ended December 31, 2018.



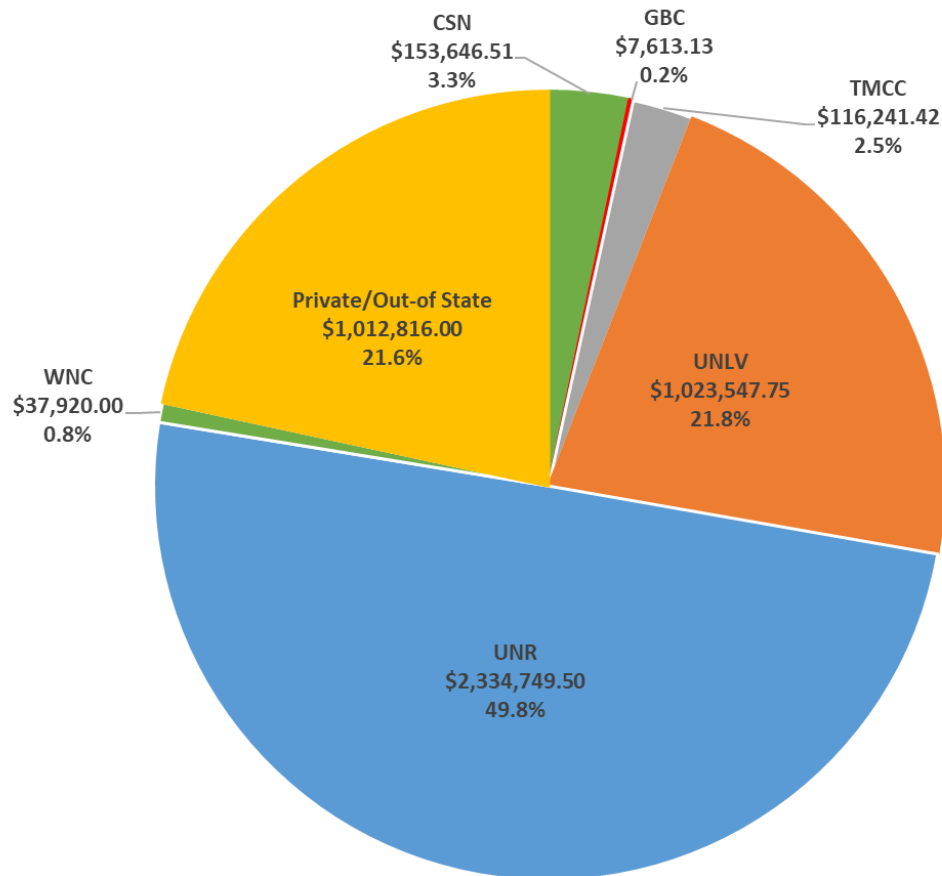
Quarterly Report as of December 31, 2018

- 21,193 contracts sold since inception
- 152 new contracts sold during 4th quarter
- \$264,015,300 - market value of assets
- \$4,686,534 in tuition benefits paid
- 12,197 active accounts
- 142% funded status



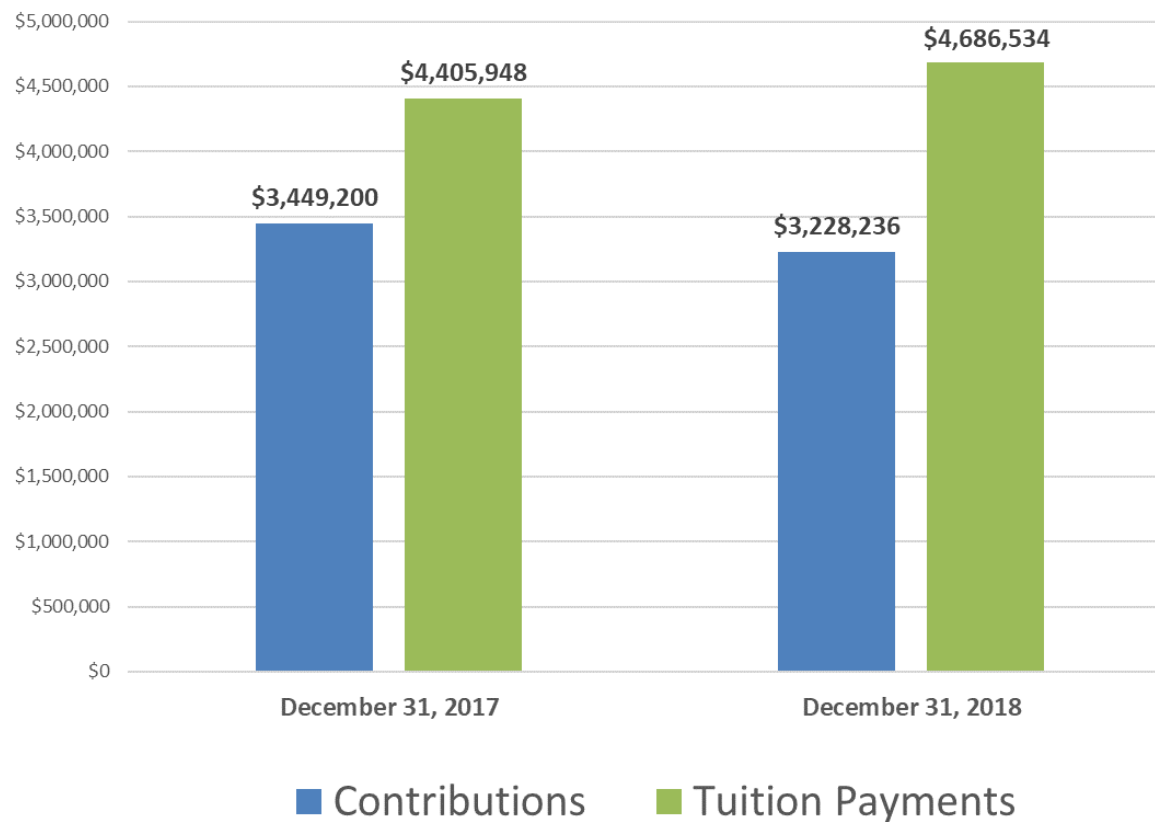
Contributions 4th Qtr. 2018

- Total incoming contributions of \$3.23 M
- 71% of incoming payments are Automated (ACH, Epay, and Credit Card enrollments)



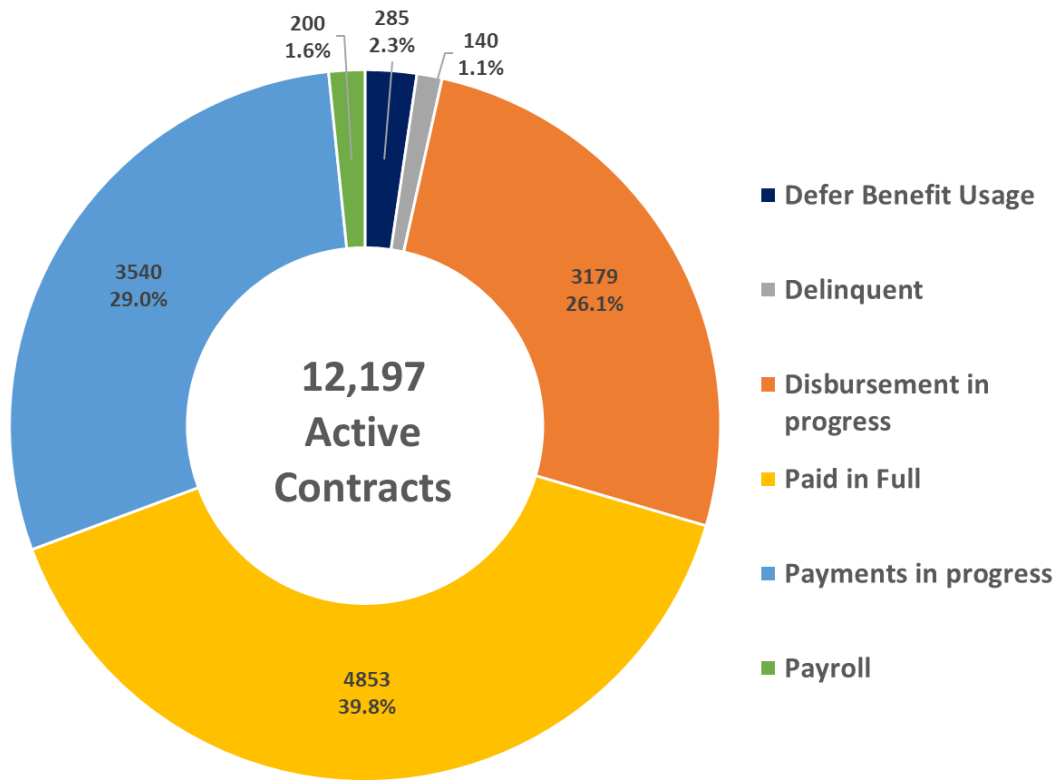
Tuition Payments 4th Qtr. 2018

- \$4,686,534 in tuition benefits paid
- Slightly over 78% of tuition payments were paid to the Nevada System of Higher Education
- 170 out of state and/or private schools paid



- Tuition payments exceeded contributions by \$1.45 M or 45.17% in the 4th Qtr. 2018
- Tuition payments increased by 6.37% from same quarter prior fiscal year

Contributions and Tuition Payments

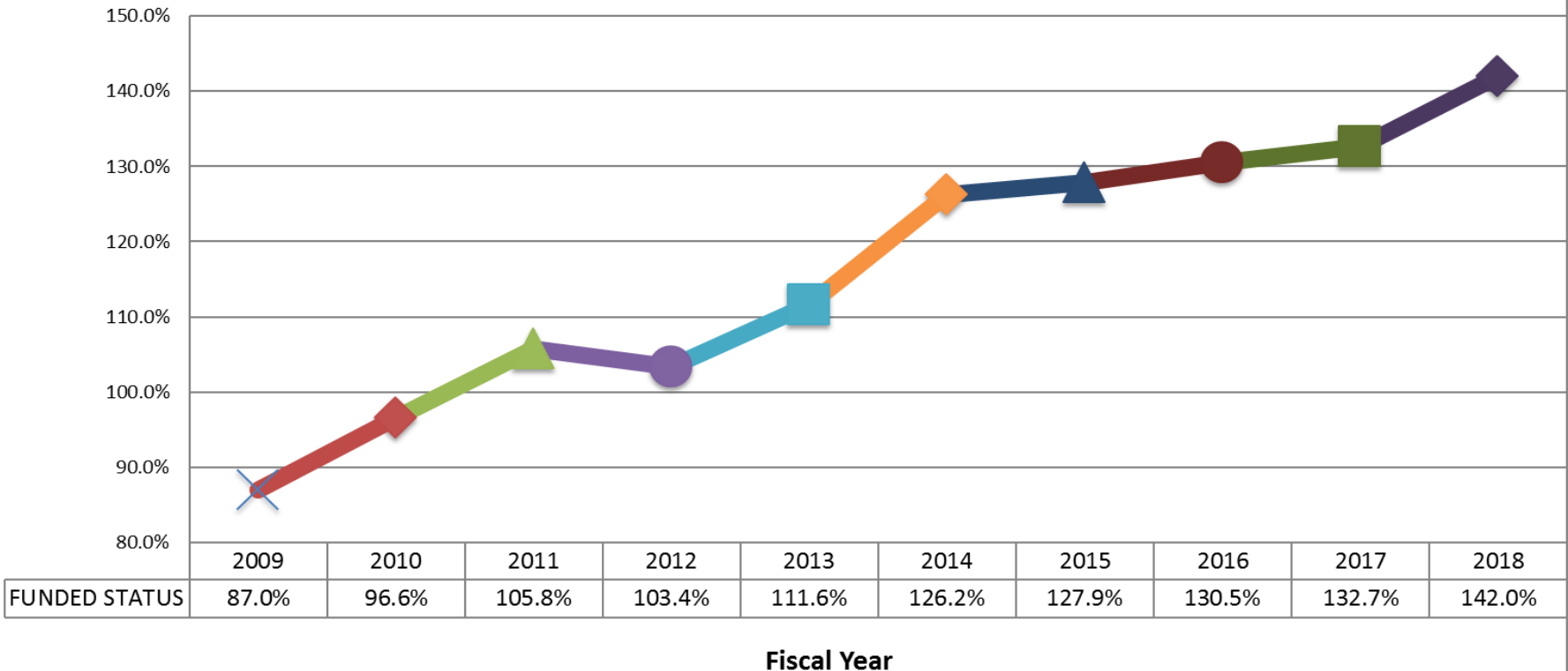


Contract Status 4th Qtr. 2018

- 12,197 active accounts (using benefits, awaiting use, or currently paying)
- 39.8% are paid in full with beneficiaries waiting to matriculate
- 26.1% of the active contracts are students that are currently attending college (3,179)

Funded Status

As of June 30, 2018 the Program was 142% funded,
the highest since inception



4TH Qtr. 2018 Activities

Open Enrollment began November 1, 2018 and offered purchasers a new 10 year payment plan option for newborns to 2nd grade children.

152 new contracts opened during
4th quarter

Hosted Discovery Museum event in Las Vegas in late December during winter break. There were 250+ families that stopped by our table for information.

Upcoming Activities

College Info and Parent nights scheduled for January at Paseo Verde Library and Lawrence Jr H.S.

Prepaid testimonials to be finalized and posted to websites.

Contest to win 1 year of free tuition ends January 31st.
Open enrollment closes March 31, 2019.

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 6 March 21, 2019

**Item: Quarterly Compiled Unaudited Financial
Statements for Nevada 529 Plans for period ended
December 31, 2018**

Summary:

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

The statement compiles the net assets, changes in net assets, and the fees from the plans, during the quarter ended December 31, 2018.

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

Fiscal Impact: None by this action.

Staff recommended motion:

To approve the unaudited financial statements for the quarter ended December 31, 2018, for the 529 College Savings Plans managed by Ascensus College Savings and Putnam 529 for America.



College Savings Plans of Nevada

**Compiled Financial Statements
and
Supplemental Schedules**

December 31, 2018

College Savings Plans of Nevada

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ACCOUNTANT'S COMPILATION REPORT

Members of the Board of Trustees
College Savings Plans of Nevada

The accompanying financial statements present the statements of fiduciary net position of USAA 529 College Savings Plan®, The Vanguard® 529 College Savings Plan, SSGA Upromise 529 Plan, Putnam 529 for America and Wealthfront 529 College Savings Plan (collectively, "the College Savings Plans of Nevada") as of December 31, 2018, and the related statements of changes in fiduciary net position for the three months and six months ended December 31, 2018, in accordance with accounting principles generally accepted in the United States of America. The College Savings Plans of Nevada are included in the reporting entity of the state of Nevada as private purpose trust funds.

Ascensus Broker Dealer Services, LLC is responsible for administration of USAA 529 College Savings Plan®, The Vanguard® 529 College Savings Plan, SSGA Upromise 529 Plan and Wealthfront 529 College Savings Plan. Putnam Investment Management LLC, Putnam Retail Management LP, Putnam Investor Services, Inc. and Putnam Fiduciary Trust Company are collectively responsible for administration of Putnam 529 for America. Ascensus Broker Dealer Services, LLC and the Putnam entities are hereinafter referred to as "Management" of the College Savings Plans of Nevada.

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

The summarized comparative totals as of December 31, 2017, and for the three and six months then ended, have been derived from the December 31, 2017 financial statements of the College Savings Plans of Nevada, on which we issued an accountant's compilation report dated February 16, 2018.

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

Members of the Board of Trustees
College Savings Plans of Nevada

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

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

Landmark PLC
Certified Public Accountants

February 12, 2019
Little Rock, Arkansas

COLLEGE SAVINGS PLANS OF NEVADA

STATEMENTS OF FIDUCIARY NET POSITION

As of December 31, 2018

(With summarized comparative totals as of December 31, 2017)

	USAA 529 College Savings Plan®	The Vanguard® 529 College Savings Plan	SSGA Upromise 529 Plan	Putnam 529 for America	Wealthfront 529 College Savings Plan	Total December 31, 2018	Total December 31, 2017
ASSETS							
Investments, at fair value	\$ 3,586,134,085	\$ 17,433,688,726	\$ 1,364,506,305	\$ 407,907,937	\$ 154,331,702	\$ 22,946,568,755	\$ 22,511,733,845
Cash and cash equivalents	1,955,340	42,403,620	5,890,875	343,374	5,428,194	56,021,403	50,317,295
Receivables for investment sales	1,873,454	4,047,643	951,791	517,387	-	7,390,275	4,897,191
Accrued investment income	-	-	1,391,569	175,811	-	1,567,380	13,615,327
Total Assets	<u>3,589,962,879</u>	<u>17,480,139,989</u>	<u>1,372,740,540</u>	<u>408,944,509</u>	<u>159,759,896</u>	<u>23,011,547,813</u>	<u>22,580,563,658</u>
LIABILITIES							
Payables for investment purchases	421,771	16,261,940	201,236	411,148	1,221,238	18,517,333	23,767,472
Withdrawals payable	3,377,151	13,192,441	1,195,749	507,826	54,544	18,327,711	9,196,475
Accrued fees	399,405	1,929,121	1,005,093	511,967	8,059	3,853,645	3,097,034
Total Liabilities	<u>4,198,327</u>	<u>31,383,502</u>	<u>2,402,078</u>	<u>1,430,941</u>	<u>1,283,841</u>	<u>40,698,689</u>	<u>36,060,981</u>
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES							
	<u>\$ 3,585,764,552</u>	<u>\$ 17,448,756,487</u>	<u>\$ 1,370,338,462</u>	<u>\$ 407,513,568</u>	<u>\$ 158,476,055</u>	<u>\$ 22,970,849,124</u>	<u>\$ 22,544,502,677</u>

See Accountant's Compilation Report.

COLLEGE SAVINGS PLANS OF NEVADA

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Three Months Ended December 31, 2018

(With summarized comparative totals for the three months ended December 31, 2017)

	USAA 529 College Savings Plan®	The Vanguard® 529 College Savings Plan	SSGA Upromise 529 Plan	Putnam 529 for America Plan	Wealthfront 529 College Savings Plan	Total Three Months Ended December 31, 2018	Total Three Months Ended December 31, 2017
ADDITIONS AND NET INVESTMENT							
INCOME (LOSS)							
Contributions	\$ 120,689,800	\$ 598,087,276	\$ 31,622,509	\$ 7,738,558	\$ 16,801,257	\$ 774,939,400	\$ 743,496,074
Investment income (loss):							
Dividends and interest	168,159,542	261,233,971	18,836,352	6,445,791	1,494,519	456,170,175	220,057,910
Net appreciation (depreciation)							
in fair value of investments	(419,124,112)	(1,817,728,190)	(93,335,109)	(44,225,666)	(14,863,877)	(2,389,276,954)	558,248,922
Net investment income (loss)	(250,964,570)	(1,556,494,219)	(74,498,757)	(37,779,875)	(13,369,358)	(1,933,106,779)	778,306,832
Total Additions and Net							
Investment Income (Loss)	(130,274,770)	(958,406,943)	(42,876,248)	(30,041,317)	3,431,899	(1,158,167,379)	1,521,802,906
DEDUCTIONS							
Withdrawals	62,262,785	252,805,032	34,865,684	14,237,418	2,487,067	366,657,986	309,994,270
Account fees	286,436	16,634	508,720	34,630	75,783	922,203	879,247
Asset-based fees	1,198,943	6,130,068	1,053,236	498,116	23,707	8,904,070	8,832,029
Total Deductions	63,748,164	258,951,734	36,427,640	14,770,164	2,586,557	376,484,259	319,705,546
NET INCREASE (DECREASE)	(194,022,934)	(1,217,358,677)	(79,303,888)	(44,811,481)	845,342	(1,534,651,638)	1,202,097,360
NET POSITION HELD IN TRUST							
FOR ACCOUNT OWNERS AND							
BENEFICIARIES, BEGINNING OF							
PERIOD	3,779,787,486	18,666,115,164	1,449,642,350	452,325,049	157,630,713	24,505,500,762	21,342,405,317
NET POSITION HELD IN TRUST							
FOR ACCOUNT OWNERS AND							
BENEFICIARIES, END OF PERIOD	\$ 3,585,764,552	\$ 17,448,756,487	\$ 1,370,338,462	\$ 407,513,568	\$ 158,476,055	\$ 22,970,849,124	\$ 22,544,502,677

See Accountant's Compilation Report.

COLLEGE SAVINGS PLANS OF NEVADA

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Six Months Ended December 31, 2018

(With summarized comparative totals for six months ended December 31, 2017)

	USAA 529 College Savings Plan®	The Vanguard® 529 College Savings Plan	SSGA Upromise 529 Plan	Putnam 529 for America	Wealthfront 529 College Savings Plan	Total Six Months Ended December 31, 2018	Total Six Months Ended December 31, 2017
ADDITIONS AND NET INVESTMENT INCOME (LOSS)							
Contributions	\$ 234,384,208	\$ 1,033,149,207	\$ 58,408,779	\$ 15,148,565	\$ 35,728,238	\$ 1,376,818,997	\$ 1,280,216,909
Investment income (loss):							
Dividends and interest	184,674,011	362,024,796	25,611,644	7,162,113	2,682,206	582,154,770	317,592,682
Net appreciation (depreciation) in fair value of investments	(364,041,988)	(1,327,709,433)	(67,116,914)	(30,513,428)	(12,124,854)	(1,801,506,617)	1,122,880,540
Net investment income (loss)	(179,367,977)	(965,684,637)	(41,505,270)	(23,351,315)	(9,442,648)	(1,219,351,847)	1,440,473,222
Total Additions and Net Investment Income (Loss)	55,016,231	67,464,570	16,903,509	(8,202,750)	26,285,590	157,467,150	2,720,690,131
DEDUCTIONS							
Withdrawals	157,268,057	599,527,379	90,722,978	35,509,658	4,498,780	887,526,852	732,202,282
Account fees	336,691	47,115	1,040,427	71,224	145,892	1,641,349	1,565,694
Asset-based fees	2,425,723	12,757,589	2,139,116	1,019,070	46,091	18,387,589	17,535,253
Total Deductions	160,030,471	612,332,083	93,902,521	36,599,952	4,690,763	907,555,790	751,303,229
NET INCREASE (DECREASE)	(105,014,240)	(544,867,513)	(76,999,012)	(44,802,702)	21,594,827	(750,088,640)	1,969,386,902
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF PERIOD	3,690,778,792	17,993,624,000	1,447,337,474	452,316,270	136,881,228	23,720,937,764	20,575,115,775
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF PERIOD	\$ 3,585,764,552	\$ 17,448,756,487	\$ 1,370,338,462	\$ 407,513,568	\$ 158,476,055	\$ 22,970,849,124	\$ 22,544,502,677

See Accountant's Compilation Report.

Year-to-Date

COLLEGE SAVINGS PLANS OF NEVADA

SUPPLEMENTAL SCHEDULE OF FEE INFORMATION

For the Three Months Ended December 31, 2018

(With summarized comparative totals for the three months ended December 31, 2017)

	USAA 529 College Savings Plan®	The Vanguard® 529 College Savings Plan	SSGA Upromise 529 Plan	Putnam 529 for America Plan	Wealthfront 529 College Savings Plan	Total Three Months Ended December 31, 2018	Total Three Months Ended December 31, 2017
ASSET-BASED FEES							
Investment Manager	\$ 1,198,943 ⁽¹⁾	\$ 4,212,452 ⁽⁴⁾	\$ 196,611 ⁽⁶⁾	\$ 390,598 ⁽¹⁰⁾	\$ -	\$ 5,998,604	\$ 6,130,608
Program Manager	-	1,917,616 ⁽⁴⁾	785,772 ⁽⁷⁾	-	19,756 ⁽¹³⁾	2,723,144	2,515,987
State	-	-	70,853 ⁽⁸⁾	107,518 ⁽¹¹⁾	3,951 ⁽¹⁴⁾	182,322	185,434
Total Asset-Based Fees	<u>\$ 1,198,943</u>	<u>\$ 6,130,068</u>	<u>\$ 1,053,236</u>	<u>\$ 498,116</u>	<u>\$ 23,707</u>	<u>\$ 8,904,070</u>	<u>\$ 8,832,029</u>
ACCOUNT FEES							
Investment Manager	\$ 242,852 ⁽²⁾	\$ 16,634 ⁽⁵⁾	\$ -	\$ -	\$ 75,783 ⁽¹⁵⁾	\$ 335,269	\$ 267,906
Program Manager	43,584 ⁽³⁾	-	508,720 ⁽⁹⁾	34,630 ⁽¹²⁾	- ⁽¹⁶⁾	586,934	611,341
Total Account Fees	<u>\$ 286,436</u>	<u>\$ 16,634</u>	<u>\$ 508,720</u>	<u>\$ 34,630</u>	<u>\$ 75,783</u>	<u>\$ 922,203</u>	<u>\$ 879,247</u>

See Notes to Supplemental Schedules on Pages 8 - 9.

See Accountant's Compilation Report.

Quarter

COLLEGE SAVINGS PLANS OF NEVADA

SUPPLEMENTAL SCHEDULE OF FEE INFORMATION

For the Six Months Ended December 31, 2018

(With summarized comparative totals for the six months ended December 31, 2017)

	USAA 529 College Savings Plan®	The Vanguard® 529 College Savings Plan	SSGA Upromise 529 Plan	Putnam 529 for America	Wealthfront 529 College Savings Plan	Total Six Months Ended December 31, 2018	Total Six Months Ended December 31, 2017
ASSET-BASED FEES							
Investment Manager	\$ 2,425,723 ⁽¹⁾	\$ 8,964,668 ⁽⁴⁾	\$ 399,311 ⁽⁶⁾	\$ 797,378 ⁽¹⁰⁾	\$ -	\$ 12,587,080	\$ 12,198,957
Program Manager	-	3,792,921 ⁽⁴⁾	1,595,849 ⁽⁷⁾	-	38,409 ⁽¹³⁾	5,427,179	4,970,805
State	-	-	143,956 ⁽⁸⁾	221,692 ⁽¹¹⁾	7,682 ⁽¹⁴⁾	373,330	365,491
Total Asset-Based Fees	<u>\$ 2,425,723</u>	<u>\$ 12,757,589</u>	<u>\$ 2,139,116</u>	<u>\$ 1,019,070</u>	<u>\$ 46,091</u>	<u>\$ 18,387,589</u>	<u>\$ 17,535,253</u>
ACCOUNT FEES							
Investment Manager	\$ 242,852 ⁽²⁾	\$ 47,115 ⁽⁵⁾	\$ -	\$ -	\$ 145,892 ⁽¹⁵⁾	\$ 435,859	\$ 318,189
Program Manager	93,839 ⁽³⁾	-	1,040,427 ⁽⁹⁾	71,224 ⁽¹²⁾	- ⁽¹⁶⁾	1,205,490	1,247,505
Total Account Fees	<u>\$ 336,691</u>	<u>\$ 47,115</u>	<u>\$ 1,040,427</u>	<u>\$ 71,224</u>	<u>\$ 145,892</u>	<u>\$ 1,641,349</u>	<u>\$ 1,565,694</u>

See Notes to Supplemental Schedules on Pages 8 - 9.

See Accountant's Compilation Report.

Year-to-Date

COLLEGE SAVINGS PLANS OF NEVADA

NOTES TO SUPPLEMENTAL SCHEDULES

- ⁽¹⁾ Program Management Fees are accrued daily and paid directly to USAA. This fee is 0.13% for all portfolios (0.14% from December 31, 2016 through December 31, 2017), excluding the Preservation of Capital Portfolio, for which the fee was waived through January 31, 2018. Effective February 1, 2018, the fee waiver for the Preservation of Capital Portfolio was discontinued. See page 54 in the Plan Description and Participation Agreement.
- ⁽²⁾ Minimum Balance Fees of \$10 are charged annually in October to all Plan accounts with a balance of less than \$1,000 that do not have an active automatic investment plan, direct deposits from payroll or investment through a systematic withdrawal plan from a USAA mutual fund. In addition, these fees are not charged for matching grant accounts and are waived for all accounts owned by a Nevada resident or if the designated beneficiary is a Nevada resident. See page 53 in the Plan Description and Participation Agreement.
- ⁽³⁾ Transaction Fees are charged for certain transactions, including returned checks, overnight delivery, wire transfer withdrawals, requests for historical statements and rejected automatic investment plan or telephone purchases. See page 56 in the Plan Description and Participation Agreement.
- ⁽⁴⁾ The Program Management Fee includes fees for administrative and investment management services. These fees range from 0.11% to 0.19% effective November 15, 2018 (0.12% to 0.22% from May 16, 2018 through November 14, 2018; 0.12% to 0.19% from November 6, 2017 through May 15, 2018; 0.09% to 0.19% from April 1, 2017 through November 5, 2017). Vanguard and Ascensus have agreed to a specific formula for the allocation of the Program Management Fee. See pages 1 and 2 of the Supplement dated November 2018 to the Program Description.
- ⁽⁵⁾ Transaction Fees are charged to Plan accounts for certain transactions, including a request for a withdrawal by express delivery service or when a check, automatic investment payment or electronic bank transfer is returned unpaid by the financial institution upon which it is drawn. See page 31 in the Program Description.
- ⁽⁶⁾ Tactical Asset Allocation Fees of 0.07% are charged for the College Date Portfolio Options and the Risk-Based Portfolio Options. See page 21 in the Plan Description and Participation Agreement.
- ⁽⁷⁾ Program Management Fees are charged for providing administration and program management services. These fees are 0.22%, except for the Savings Portfolio, which is 0.27%. See page 21 in the Plan Description and Participation Agreement.
- ⁽⁸⁾ State Fees are charged to pay for expenses related to oversight and administration of the Plan. These fees are 0.02%. See page 21 in the Plan Description and Participation Agreement.
- ⁽⁹⁾ Includes both Annual Account Maintenance Fees and Transaction Fees. Annual Account Maintenance Fees of \$20 are charged annually in the anniversary month of the month in which the account was opened, unless the Plan account is owned by a Nevada resident or the designated beneficiary is a Nevada resident. See page 21 in the Plan Description and Participation Agreement. Transaction Fees are charged for certain transactions, including fees for returned checks, overnight delivery, requests for historical statements, rollovers from the Plan and rejected automatic investment plan and EFT purchases. See page 25 in the Plan Description and Participation Agreement.
- ⁽¹⁰⁾ Administration Fees are charged for the administrative services provided to the Plan. These fees range from 0.25% to 1.00% depending on share class, excluding the Putnam Government Money Market Fund Investment Option, for which this fee is waived beginning in May 2018. See page 9 in the Offering Statement.
- ⁽¹¹⁾ Board Fees are charged to cover expenses incurred by the Board in administration of the Plan. These fees are 0.10%. Putnam is responsible for the payment of Board Fees attributable to each account whose account owner or beneficiary is a resident of the state of Nevada. Putnam may either pay the Board Fee directly to the Board without charging the accounts of Nevada residents, or Putnam may continue to charge the accounts and then reimburse the amounts charged. The amount of Board fees reimbursed to accounts by Putnam during the three months and six months ended December 31, 2018, totaled \$2,646 and \$5,376, respectively. See page 9 in the Offering Statement.
- ⁽¹²⁾ Annual Maintenance Fees of \$15 are charged to each Plan account, unless the account owner or designated beneficiary is a Nevada resident, the aggregate Plan account balance or net contributions to all accounts with the same account owner exceeds \$25,000, the account owner chooses to make periodic contributions by automatic transfers from their bank account or through payroll deduction in minimum periodic amounts of \$100, or the account owner participates in particular types of corporate payroll deduction plans and affinity programs. See page 9 in the Offering Statement.

See Accountant's Compilation Report.

COLLEGE SAVINGS PLANS OF NEVADA

NOTES TO SUPPLEMENTAL SCHEDULES *(Continued)*

- ⁽¹³⁾ Ascensus Program Management Fees are charged for providing administration and program management services for the Plan. These fees are 0.05% annually. See page 30 in the Plan Description and Participation Agreement.
- ⁽¹⁴⁾ Board Fees are charged to cover expenses incurred by the Board in administration of the Plan. If assets in the Plan are \$5 billion or less, the annualized fee is 0.01% of Plan assets. However, if assets in the Plan are less than \$1 billion, the Board Fee will be an annual fixed fee equal to \$100,000, and Wealthfront will directly pay the portion of the Board Fee equal to the difference between the 0.01% annualized fee for all portfolios and the annual fixed fee of \$100,000. If assets in the Plan are greater than \$5 billion, the annualized fee borne by each portfolio will be reduced below 0.01% based on the assets in such portfolios, such that the entire amount of the fees for all portfolios equals a fixed annual fee of \$500,000. See page 30 in the Plan Description and Participation Agreement.
- ⁽¹⁵⁾ Wealthfront charges an annualized Wealthfront Advisory Fee of 0.25% of the assets in each account. This fee is calculated daily and paid to Wealthfront monthly. For Wealthfront clients who opened an account(s) prior to April 1, 2018, the Wealthfront Advisory Fee is waived for the first \$10,000 of assets in all accounts under management by Wealthfront. Effective April 1, 2018, Wealthfront discontinued this fee waiver for new Wealthfront clients. For Nevada residents, Wealthfront waives the Wealthfront investment Advisory Fees on the first \$25,000 of assets under management in all Wealthfront accounts. See page 1 in the Supplement dated April 2018 to the Plan Description and Participation Agreement.
- ⁽¹⁶⁾ Transaction Fees are charged for certain transactions, including fees for priority delivery, and rejected recurring contributions and EFTs. See page 34 in the Plan Description and Participation Agreement.

See Accountant's Compilation Report.

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 7 March 21, 2019

**Item: SSGA Upromise 529 Expenditure Report for the
period ended March 21, 2019**

Summary:

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

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

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

Fiscal Impact: None by this action.

Staff recommended motion:

Move to approve the expenditures for the second quarter for inclusion in the non-cash marketing commitment budget as specified in Amendment #5 to the Ascensus contract.

State Fiscal Year 2019, SSGA Upromise 529 Plan Marketing Expenses

Customer:

Office of the Nevada State Treasurer

Contact:

Troy Watts

Phone:

702-486-3817

Date:

8/21/2018

SSGA UPROMISE 529 PLAN MARKETING COMMITMENT SUMMARY FY'19					
INITIATIVE	2019 BUDGETED	Q1 ACTUAL	Q2 ACTUAL	Q3 ACTUAL	Q4 ACTUAL
Sponsorships	\$328,430.08				
Budget FY19					
Total Q1	\$52,845.00	\$77,298.61			
Total Q2	\$40,258.00		\$27,993.58		
Total Q3	\$52,842.00			\$0.00	
Total Q4	\$40,258.00				\$0.00
Total Budget	\$186,203.00				
REMAINDER TO SPEND	\$108,904.39				

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

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 8
March 21, 2019

**Item: Prepaid Tuition/Higher Education Trust Fund
Investment Performance Review for the Quarter
End Performance Summary for period ended
December 31, 2018**

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 December of 2018, the Board approved a contract with Pension Consulting Alliance (PCA) to perform investment review services of the Nevada Prepaid Tuition/Higher Education Trust Fund (formerly performed by Callan Associates). These services include an independent quarterly review of investment performance and fund monitoring of each underlying fund or separate account. Attached is PCA's report for the quarter ending December 31, 2018.

Sean Copus with PCA 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 Pension Consulting Alliance for the quarter ending December 31, 2018.



PENSION
CONSULTING
ALLIANCE



Q4 2018

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 Pension Consulting Alliance, LLC.

Nothing herein is intended to serve as investment advice, a recommendation of any particular investment or type of investment, a suggestion of 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 \$259.9 million as of December 31, 2018. During the latest quarter, the Total Portfolio decreased in value by (\$27.2) million, and over the past 1-year period the Total Portfolio decreased by (\$9.8) million. Real U.S. GDP increased by 2.6% (initial estimate) in the fourth quarter of 2018. GDP growth was driven by increases in personal consumption expenditures, nonresidential fixed investment, exports, private inventory investment, and federal government spending, while negative contributions from residential fixed investment and decreases in state and local government spending detracted from GDP growth over the quarter. At quarter-end, the unemployment rate increased to 3.9%. The seasonally adjusted Consumer Price Index for All Urban Consumers increased by 1.2% on an annualized basis during the quarter. Commodities fell during the fourth quarter, and the 1-year return for a basket of commodities was negative at -11.2%. Global equity returns were negative for the quarter at -12.7% (MSCI ACWI). The U.S. Dollar appreciated against the Euro and Pound by 1.2% and 2.1%, respectively. The Dollar depreciated against the Yen by 3.5%.

Asset Allocation Trends

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

Recent Investment Performance

The Total Portfolio slightly underperformed its policy benchmark over the most recent quarter by (54) basis points. The portfolio has also underperformed its benchmark over the 1-, 3-, and 5-year periods by (23), (52), and (22) basis points, respectively.

Recent Investment Performance

	Quarter	1 Year	3 Year	5 Year
Total Portfolio (Gross of Fees) ³	-9.4	-3.4	5.8	5.8
Total Portfolio (Net of Fees) ²	-9.5	-3.6	5.6	5.6
Policy Benchmark ¹	-9.0	-3.4	6.2	5.8
Excess Return (Net)	-0.5	-0.2	-0.5	-0.2

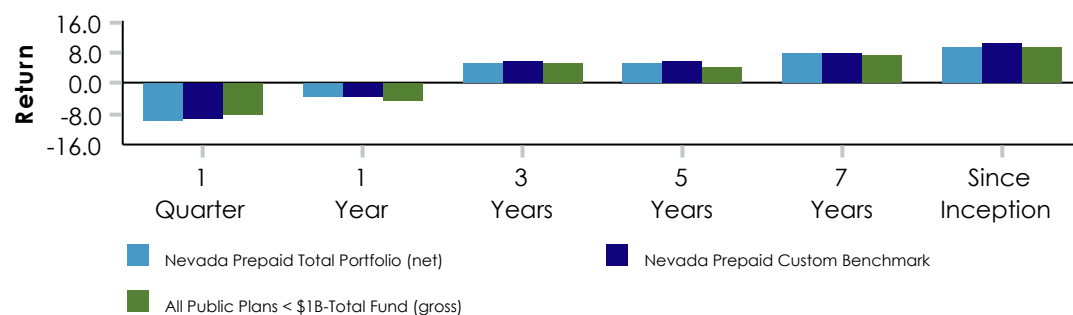
¹ Policy Benchmark consists of 39% S&P 500 Index, 30% BBgBarc US Aggregate A+ Bond Index, 20% CBOE BXM Index, 7% S&P Midcap 400 Index, 4% S&P Smallcap 600 Index as of 9/30/2014. Prior to 9/30/2014 Policy Benchmark consisted of 45% S&P 500 Index, 43% BBgBarc US Aggregate A+ Bond Index, 8% S&P Midcap 400 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 = 2 bps, Vanguard MCE & SCE = 8 bps, Glenmede = 65 bps, CEP = 17 bps

Performance and Market Values (As of December 31, 2018)

Investment Performance



Portfolio Valuation (000's)

	1 Quarter	1 Year
Nevada Prepaid Total Portfolio		
Beginning Market Value	287,050	269,624
Gain/Loss	-27,198	-9,771
Ending Market Value	259,852	259,852

Asset Class Performance (net of fees)

	Performance(%)				
	1 Quarter	1 Year	3 Years	5 Years	7 Years
Nevada Prepaid Total Portfolio	-9.5	-3.6	5.6	5.6	8.2
Policy Benchmark*	-9.0	-3.4	6.2	5.8	8.0
Large Cap Equity	-13.5	-4.4	9.2	8.5	12.7
<i>S&P 500 Index</i>	<i>-13.5</i>	<i>-4.4</i>	<i>9.3</i>	<i>8.5</i>	<i>12.7</i>
Mid Cap Equity	-17.3	-11.1	7.6	6.0	11.2
<i>S&P MidCap 400 Index</i>	<i>-17.3</i>	<i>-11.1</i>	<i>7.7</i>	<i>6.0</i>	<i>11.2</i>
Small Cap Equity	-20.1	-8.5	9.5	6.3	12.1
<i>S&P SmallCap 600 Index</i>	<i>-20.1</i>	<i>-8.5</i>	<i>9.5</i>	<i>6.3</i>	<i>12.2</i>
Covered Calls	-11.7	-4.6	2.4	---	---
<i>CBOE BXM Index</i>	<i>-10.8</i>	<i>-4.8</i>	<i>4.8</i>	<i>---</i>	<i>---</i>
Total Fixed Income**	2.3	0.7	1.4	2.0	---
<i>Blmbg. Barc. U.S. Aggregate: A+</i>	<i>2.0</i>	<i>0.5</i>	<i>1.8</i>	<i>2.4</i>	<i>---</i>
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>1.6</i>	<i>0.0</i>	<i>2.1</i>	<i>2.5</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

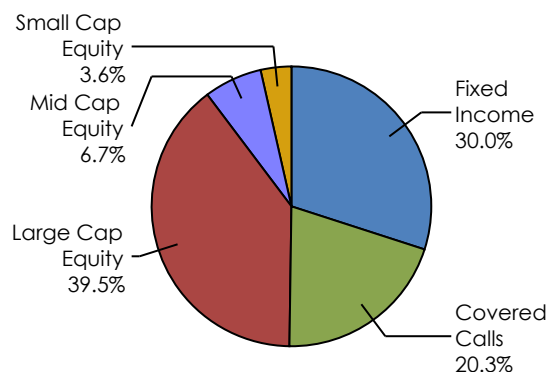
As of December 31, 2018

Actual vs. Target Allocations

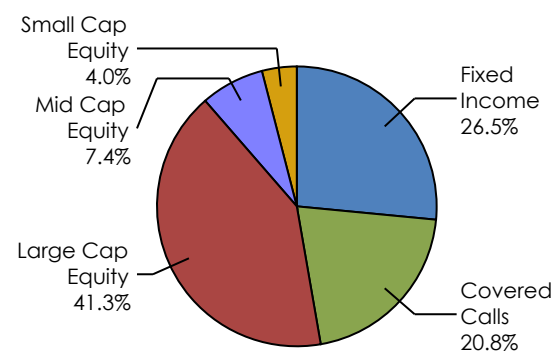
With respect to policy targets, the Total Portfolio ended the latest quarter slightly overweight Equities and Covered Calls while Fixed Income matched its target allocation. Within Domestic Equity, Small cap and Mid cap equity were both underweight their respective target allocations, while Large cap equity was overweight its target allocation. Fixed Income moved back in line with its 30% target and the Covered Calls asset class is currently 0.3% overweight its 20% target allocation.

	Asset Allocation (\$000)	Actual Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)	Acceptable Variance?
Nevada Prepaid Total Portfolio	259,852	100.0	100.0	0.0	---	---	
Public Equity	129,335	49.8	50.0	-0.2	---	---	
Vanguard - Small Cap Equity	9,245	3.6	4.0	-0.4	1.0	7.0	Yes
Vanguard - Mid Cap Equity	17,471	6.7	7.0	-0.3	2.0	12.0	Yes
Vanguard - Large Cap Equity	102,619	39.5	39.0	0.5	34.0	44.0	Yes
Fixed Income Composite	77,895	30.0	30.0	0.0	---	---	
Chicago Equity Partners	77,895	30.0	30.0	0.0	25.0	35.0	Yes
Covered Calls	52,623	20.3	20.0	0.3	---	---	
Glenmede Secured Options	52,623	20.3	20.0	0.3	15.0	25.0	Yes

December 31, 2018 : \$259,852,457

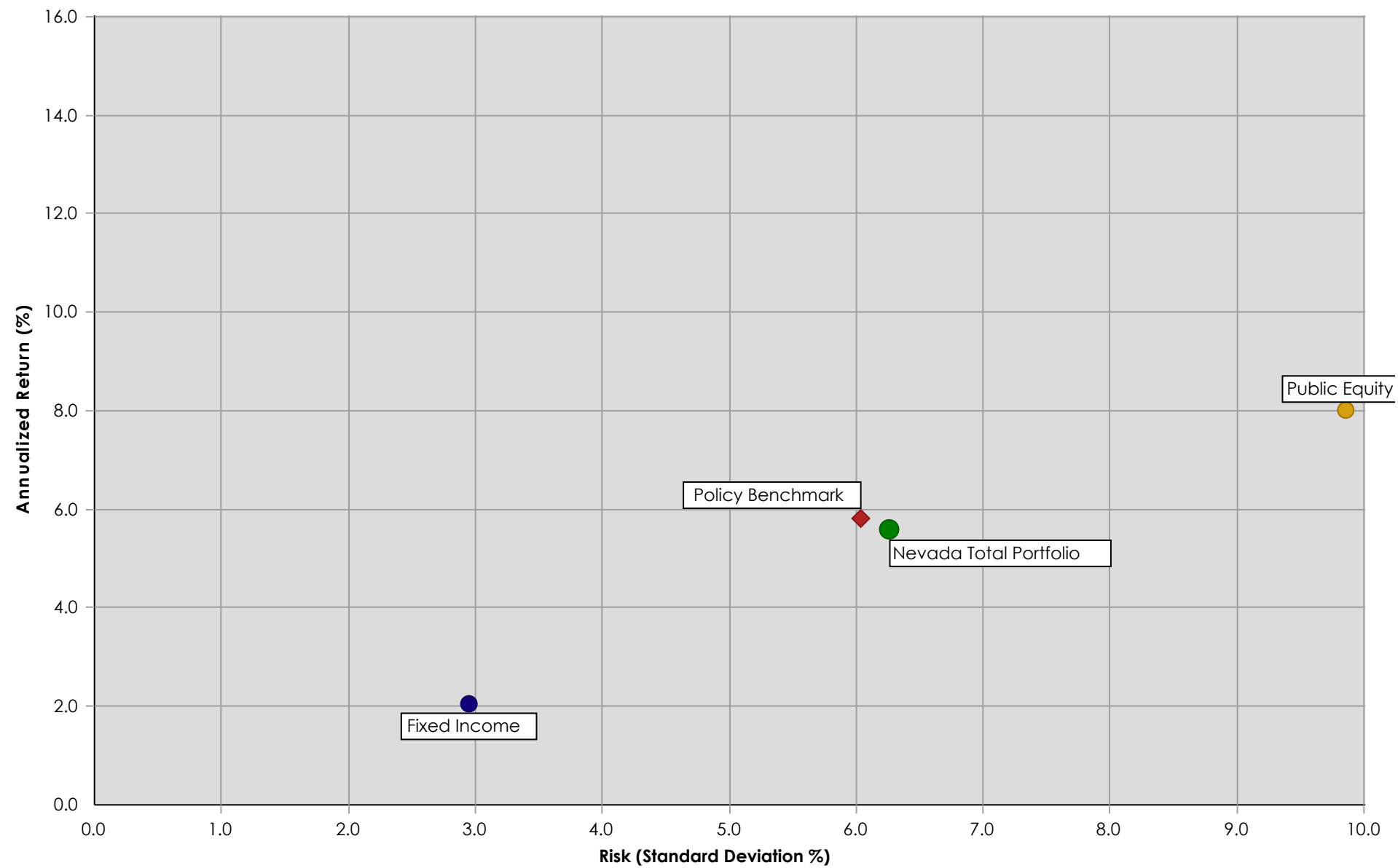


September 30, 2018 : \$287,050,013



Nevada Prepaid Plan RISK/RETURN Analysis
5 Years Ending December 31, 2018

5-Year Annualized Risk/Return (Net)



Manager Performance
As of December 31, 2018 (Net of Fees)

	Allocation	Performance(%)			
	Market Value (\$000)	1 Quarter	1 Year	3 Years	5 Years
Vanguard Institutional Fund	102,619	-13.5 (45)	-4.4 (31)	9.2 (20)	8.5 (12)
<i>S&P 500 Index</i>		-13.5 (45)	-4.4 (31)	9.3 (19)	8.5 (12)
Excess Return		0.0	0.0	-0.1	0.0
Vanguard S&P Mid Cap 400	17,471	-17.3 (70)	-11.1 (43)	7.6 (20)	6.0 (16)
<i>S&P MidCap 400 Index</i>		-17.3 (70)	-11.1 (41)	7.7 (20)	6.0 (16)
Excess Return		0.0	0.0	-0.1	0.0
Vanguard S&P Small Cap 600	9,245	-20.1 (43)	-8.5 (12)	9.5 (10)	6.3 (4)
<i>S&P SmallCap 600 Index</i>		-20.1 (42)	-8.5 (11)	9.5 (11)	6.3 (4)
Excess Return		0.0	0.0	0.0	0.0
Glenmede Secured Options	52,623	-11.7 (74)	-4.6 (39)	2.4 (57)	---
<i>CBOE BXM Index</i>		-10.8 (68)	-4.8 (42)	4.8 (22)	---
Excess Return		-0.9	0.2	-2.4	---
Chicago Equity Partners	77,895	2.3 (3)	0.7 (14)	1.4 (100)	2.0 (100)
<i>Blmbg. Barc. U.S. Aggregate: A+</i>		2.0 (8)	0.5 (20)	1.8 (97)	2.4 (97)
Excess Return		0.3	0.2	-0.4	-0.4

* 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 (11.7)% during the most recent quarter, underperforming its benchmark by (0.9%) and ranking in the 74th percentile of its peer group. Over the 1-year period, the Covered Calls manager outperformed the benchmark by 0.2% but underperformed its benchmark over the 3-year period by (2.4%).

Chicago Equity Partners: The Plan's Fixed Income manager outperformed its index, the BBgBarc US Aggregate A or Better index, over the quarter by 31 basis points and ranked in the 3rd percentile of its peer group. Over the 1-year period, Chicago Equity Partners returned 0.7%, beating its benchmark by 23 basis points. Over the 3- and 5-year periods, Chicago Equity Partners underperformed its benchmark by (37) and (35) basis points, respectively.

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THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 9

March 21, 2019

**Item: PCA Investment Monitoring Report for 529 Plans
for the period ended December 31, 2018**

Summary:

In December of 2010 the Board hired Pension Consulting Alliance, Inc. (PCA) to perform investment review services of the Nevada College Savings Plans. These services include an independent quarterly review of investment performance and fund monitoring of each underlying fund or portfolio within each of the 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 December 31, 2018. In their report and memorandum regarding funds on "Watch" status, PCA is recommending the following changes to "Watch" status:

Removal from Watch Status

- None

Initial Placement on Watch Status

- USAA Growth & Income Fund
- USAA Precious Metals and Minerals
- Putnam GAA All Equity Fund
- Putnam Small Cap Fund

Sean Copus with PCA 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 Pension Consulting Alliance, Inc. for the quarter ending December 31, 2018.

Date: March 21, 2019

To: Nevada College Savings Plans

From: Pension Consulting Alliance, LLC (PCA)

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

RE: Review of Portfolios Qualifying for “Watch” Status

Summary

PCA has conducted a review of the underlying funds in the Nevada College Savings Plans for the period ending December 31, 2018.

Currently, five funds from the **USAA** Program remain on “Watch” status, and two additional funds qualify 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 – **Qualifies for “Watch” status**
- USAA Precious Metals & Minerals – **Qualifies for “Watch” status**

The **Putnam** 529 for America Program does not have any funds currently on “Watch” status, while two new funds qualify for “Watch” status. These funds are listed below.

- GAA All Equity – **Qualifies for “Watch” status**
- Putnam Small Cap Value – **Qualifies for “Watch” status**

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

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

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

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	No	✓	✓	---
USAA Precious Metals & Minerals	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	21	-1.2%
USAA Small Cap Stock	7/20/2017	7/1/2017	18	0.6%
USAA Growth	12/13/2018	10/1/2018	3	3.4%
USAA Value	12/13/2018	10/1/2018	3	-3.4%
USAA Emerging Markets	12/13/2018	10/1/2018	3	-0.1%

Funds Currently on “Watch”

USAA Income Stock (4Q Combined Status Report – Page 54)

Since being placed on “Watch” status 21 months ago, the USAA Income Stock fund has underperformed its benchmark, the MSCI USA IMI High Dividend Yield index, by (1.2%), ranking the fund in the 30th percentile of its Lipper Equity Income peer group. Over the most recent quarter, the fund underperformed its benchmark by (31) basis points and ranked in the 22nd percentile of its peer group. The fund's underperformance during the quarter was mostly due to its Consumer Defensive sector positioning as it was underweight the relatively strong sector. The fund's poor stock selection within the sector also hurt performance as the fund's sector holdings trailed the sector benchmark by (2.8%). The fund's out-of-benchmark holding in British American Tobacco was the largest detractor within the sector as it was down (29.2%) for the 3-month period. The fund's slight overweight to the Energy sector also detracted from performance as it was one of the poorest performing sectors over the quarter.

Although the USAA Income Stock fund has continued to trail its benchmark, its recent performance has continued to rank well compared to its peer group and has allowed it to move into the Acceptable range according to the Medium-term performance criteria and no longer qualifies for “Watch” status. It should also be noted that despite trailing its dividend-focused

benchmark, the fund has handily outperformed the Russell 1000 Value index by 2.8% over the most recent 12-month period, and by 2.6% since being placed on "Watch"; this is what would normally be expected of a dividend-focused value fund given recent market volatility. Although the fund no longer qualifies for "Watch" status, due to the combination of USAA's recent organization changes and the fund's medium-term performance remaining very close to the Caution range **PCA recommends that the USAA Income Stock fund remain on "Watch" status and continue to be monitored over the coming periods.**

USAA Small Cap Stock (4Q Combined Status Report – Page 58)

Since being placed on "Watch" status 18 months ago, the USAA Small Cap Stock fund has outperformed its benchmark, the Russell 2000 index, by 58 basis points, placing the fund in the 32nd percentile of its Lipper U.S. Small Cap Core Equity peer group. Over the most recent quarter, the fund has outperformed its benchmark by 45 basis points and ranked in the 35th percentile of its peer group. The fund's outperformance during the period was mostly due to its underweights to the three poorest performing sectors over the period: Healthcare, Energy, and Communication Services. The fund's positioning in Healthcare was its most advantageous as it only had 1.5% of its holdings in the sector compared to a 14.5% benchmark weight during a period when the Healthcare sector benchmark returned (26.1%). Additionally, the fund's only two Healthcare sector holdings that were overweight the benchmark both strongly outperformed the benchmark overall. The fund also benefited from its underweight to an Energy sector that returned (44.7%) and from its complete absence from the Communication Services sector that returned (28.5%) during the quarter.

This is the USAA Small Cap Stock fund's third straight outperforming quarter and the fund's short-term performance has now been in the Positive range for the past seven months. However, thanks to the fund's run of poor performance between 2Q2016 and 3Q2017 medium-term performance remains in the Caution range. Therefore, **PCA recommends that the USAA Small Cap Stock fund remain on "Watch" status and continue to be monitored over the coming periods.**

USAA Growth (4Q Combined Status Report – Page 50)

Since being placed on "Watch" status three months ago, the USAA Growth fund has outperformed its benchmark, the Russell 1000 Growth index, by 3.4% and ranked in the 8th percentile of its Lipper U.S. Large Cap Growth peer group. Despite the fund's strong recent quarter, the fund continues to underperform the benchmark by (2.9%) and rank in the 87th percentile over the most recent 12-month period. The fund's strong quarterly performance was due to quality stock selection in its three most heavily weighted sectors; Technology, Healthcare, and Consumer Cyclical. However, over the 12-month period, the fund has been mostly hurt by its stock selection in the Financial Services sector as it has trailed the sector benchmark by nearly (10.0%) thanks to holdings like SEI Investments which has a 1.7% active share and returned (34.9%) during the period. The fund's stock selection in the Healthcare sector also hurt the fund over the 12-month period as its largest active holding within the sector, Novo Nordisk, returned (11.9%).

Prior to the most recent quarter the fund had trailed its benchmark over five straight quarters. As of the end of 2018 the fund now qualifies for “Watch” status due to both its short- and medium-term performance. However, the fund's strong recent quarter has led to strong upward trends in both its short- and medium-term performance allowing both performance measures to move very close to the Acceptable range. Therefore, **PCA recommends that the USAA Growth fund remain on “Watch” status** and be closely monitored over the coming periods to see if upward performance trends can continue.

USAA Value (4Q Combined Status Report – Page 46)

Since being placed on “Watch” status three months ago, the USAA Value fund has underperformed its Russell 3000 Value benchmark by (3.4%), ranking the fund in the 92nd percentile of its Lipper U.S. Large Cap Value peer group. Over the most recent 12-month period, the fund has underperformed its benchmark by (4.2%), good for the 94th percentile of its peer group. The fund's underperformance since being placed on “Watch” is due to both poor sector positioning and poor stock selection. The fund's overweighting of the Industrials sector continues to detract from fund performance, much as it has throughout the past year. An overweight to an Energy sector that was down (25.3%) over the quarter also hurt performance. The fund's largest source of stock selection pain came from the Consumer Cyclical sector as large active holdings in American Axel & Manufacturing, Norwegian Cruise Lines, and Royal Caribbean Cruises were down (36.4%), (26.2%), and (24.2%), respectively.

Thanks to a poor ending to 2018 the USAA Value fund's short-term and medium-term performance both took steep dives during the quarter with short-term performance dropping from a near-Positive position into the Caution range while medium-term performance dropped further into the Caution range. Therefore, **PCA recommends that the USAA Value fund remain on “Watch” status** and be closely monitored over the coming periods.

USAA Emerging Markets (4Q Combined Status Report – Page 62)

Since being placed on “Watch” status three months ago, the USAA Emerging Markets fund has slightly underperformed its benchmark, the MSCI Emerging Markets index, by (14) basis points and ranked in the 50th percentile of its Lipper Emerging Markets peer group. Over the most recent 12-month period, the fund has underperformed by (5.3%) and placed in the 81st percentile of its peer group. The fund's slight underperformance since being placed on “Watch” was mostly due to poor stock selection in the Industrials and Technology sectors. On a regional basis, poor stock selection in Emerging Asia was the largest detractor from performance while an underweight to Canada also hurt performance.

The USAA Emerging Markets continues to qualify for “Watch” status due to its short-term performance. Despite underperforming during the quarter, the fund's short-term performance moved upward to a position just below the Acceptable range. However, this marks the fund's fifth-straight underperforming quarter which has led to the fund's medium-term performance dropping further into the Caution range. Therefore, **PCA recommends that the USAA Emerging Markets fund remain on “Watch” status** and be closely monitored over the coming periods.

Funds Qualifying for “Watch”

USAA Growth & Income (4Q Combined Status Report – Page 66)

The USAA Growth & Income fund qualifies for “Watch” status by having rolling 12-month and 36-month excess returns below (2.75%) and (1.5%), respectively, for six or more consecutive months. Over the most recent 12-month period, the fund has underperformed its benchmark, the Russell 3000 index, by (3.5%) and ranked in the 88th percentile of its Lipper U.S. Large Cap Core peer group. Over the past year, the fund’s performance was hurt by both poor positioning and stock selection across most of its sectors. The fund had the most trouble within the Energy sector where the fund was overweight a sector that returned (19.6%) during the year with poor stock selection bringing an additional (5.6%) in sector-specific losses. The fund also had trouble with the Technology sector by being significantly underweight one of the few sectors that outperformed the overall benchmark. Significant active holdings in Technology names such as Applied Materials (-34.9%) and Micro Focus Intl. (-57.7%) were also major sources of poor performance.

The USAA Growth & Income fund enjoyed a brief spike of strong performance in late-2016 and early-2017 but has since underperformed its benchmark over five of the last six quarters. However, the fund’s medium-term performance is poised to move back into the Acceptable range with a strong start to 2019 as the fund’s poor early 2016 performance ceases to affect the fund’s rolling 36-month numbers moving forward. **PCA recommends that the USAA Growth & Income fund be placed on “Watch” status and be closely monitored over the coming periods.**

USAA Precious Metals & Minerals (4Q Combined Status Report – Page 70)

The USAA Precious Metals & Minerals fund qualifies for “Watch” status by having a rolling 36-month excess return below (3.25%) for six or more consecutive months. The fund has performed quite well over the most recent 12-month period, outperforming its PHLX Gold & Silver benchmark by 4.1%, good for a 20th percentile ranking in its Lipper Gold-Oriented peer group. The fund’s medium-term performance is mostly being negatively affected by a period of deep underperformance during the 2016 calendar year when the fund’s benchmark increased by 74.9% and the fund failed to keep pace resulting in an excess return of (28.7%) for the period. However, in the two years since that extreme bull market, the USAA Precious Metals & Minerals fund has outperformed the benchmark by 2.7%.

The USAA Precious Metals & Minerals fund’s medium-term performance continues to heavily influenced by its poor 2016. However, the fund’s performance since then has been strong and its 36-month excess returns are poised to jump in the near future as the difficult early quarters of 2016 are rolled off. Despite this future possibility, the fund currently qualifies for “Watch” status. Therefore, **PCA recommends that the USAA Precious Metals & Minerals fund be placed on “Watch” status and 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	No	---	✓	---
Putnam Small Cap Value	No	---	✓	---

Funds Qualifying for “Watch”

Putnam GAA All Equity (4Q Combined Status Report – Page 78)

The Putnam GAA All Equity portfolio, one of the underlying portfolios in Putnam’s goal-based investment line-up, qualifies for “Watch” status by having a rolling 36-month excess return below (1.5%) for six or more consecutive months. The fund has struggled to outperform its custom benchmark (75% Russell 3000, 18.75% MSCI EAFE, 6.23% MSCI EM) over recent years as it has trailed its benchmark over the 1- and 3-year periods by (2.6%) and (2.0%), respectively. Over the most recent 12-month period, the fund’s underperformance was mostly due to the underperformance of its U.S. Large Cap equity holdings compared to the Russell 3000 index. The fund was also hurt by poor stock selection within its Emerging Markets sleeve as it trailed its sleeve benchmark by (3.4%). The fund’s Developed International Equity holdings also trailed its MSCI EAFE index benchmark, but an underweight to that portion of the portfolio helped to minimize the effects of poor stock selection within the sleeve.

The GAA All Equity fund has experienced difficulty outperforming its custom benchmark as of late as it has underperformed over its last four consecutive quarters. Although short-term performance remains in the Acceptable range, medium-term performance continues to be negatively affected by poor performance in early-2016. Therefore, **PCA recommends that the Putnam GAA All Equity fund be placed on “Watch” status and be closely monitored over the coming periods.**

Putnam Small Cap Value (4Q Combined Status Report – Page 80)

The Putnam Small Cap Value fund qualifies for “Watch” status by having a rolling 36-month excess return below (1.5%) over six or more consecutive months. Over the most recent 36-month period, the fund has underperformed its Russell 2000 Value benchmark by (4.1%) and ranked in the 76th percentile of its U.S. Small Cap Value peer group. The fund has also experienced sub-par performance over more recent time periods as it has trailed its benchmark over the most recent quarter and 12-month periods by (4.6%) and (6.9%), respectively, and ranked in the 88th and 89th percentiles, respectively, of its peer group. The fund’s poor performance over the past 12-months was mostly due to many factors involving both poor stock selection and detrimental sector positioning. The largest detractor during the period was poor stock selection within the Industrials sector where the fund underperformed the sector benchmark by (11.0%). A heavy overweight to the Energy sector was also a major detractor as the energy sector was the worst performing sector within the benchmark with a return of (39.5%) over the period. The fund’s

complete absence from the Utilities sector also detracted from performance as it was the only sector to post a positive return over the 12-month period. The fund also suffered from poor stock selection in the Basic Materials sector.

The Putnam Small Cap Value fund's short-term performance is currently rated as Acceptable; however, its performance over the most recent quarter was its worst since the Financial Crises and has caused its rolling 12-month excess return to drop well below the Acceptable range. The fund's medium-term performance has also been steadily trending downward further into the Caution range. Therefore, **PCA recommends that the Putnam Small Cap Value fund be placed on "Watch" status** and be closely monitored over the coming periods.

Vanguard 529 Plan

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

SSgA Upromise 529 College Savings Plan

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

Wealthfront 529 Plan

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

APPROVED FOR WATCH STATUS:

Zach Conine, State Treasurer

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2018

NEVADA COLLEGE SAVINGS PROGRAMS
INVESTMENT PERFORMANCE STATUS REPORT

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AGENDA ITEMS

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SECTION 1

SUMMARY OF FUND PERFORMANCE STATUS

SUMMARY OF FUND PERFORMANCE STATUS

Program	Total Funds [^]	Positive	Acceptable	Caution	Watch ^{**}
Vanguard 529 Plan					
Number of Funds	15	9	4	2	--
Percentage	100%	60%	27%	13%	0%
Fund Status ↑	--	--	--	--	--
Fund Status ↓	2	--	1	1	--
US Equity Funds	8	6	1	1	--
Intl Equity Funds	1	--	--	1	--
Fixed Income Funds	5	3	2	--	--
Other Funds*	1	--	1	--	--
SSgA Upromise 529 Plan					
Number of Funds	15	15	--	--	--
Percentage	100%	100%	0%	0%	0%
Fund Status ↑	--	--	--	--	--
Fund Status ↓	--	--	--	--	--
US Equity Funds	4	4	--	--	--
Intl Equity Funds	4	4	--	--	--
Fixed Income Funds	6	6	--	--	--
Other Funds*	2	2	--	--	--

[^]Money Market funds not included

*Includes Balanced, Commodities, REITs, and MLPs

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

Vanguard 529 Program

- 87% of funds in the Vanguard Program have either a Positive or Acceptable status
- Fund status changes:
 - No funds improved during the quarter
 - 2 funds deteriorated during the quarter (Vanguard Windsor, Vanguard Star)

SSgA Upromise 529 Program

- 100% of funds in the SSgA Upromise Program have either a Positive or Acceptable status
- Fund status changes:
 - No funds improved during the quarter
 - No funds deteriorated during the quarter

SUMMARY OF FUND PERFORMANCE STATUS

Program	Total Funds [^]	Positive	Acceptable	Caution	Watch ^{**}
USAA 529 Plan					
Number of Funds	12	4	1	--	7
Percentage	100%	33%	8%	0%	59%
Fund Status ↑	--	--	--	--	--
Fund Status ↓	2	--	--	--	2
US Equity Funds	5	--	--	--	5
Intl Equity Funds	2	1	--	--	1
Fixed Income Funds	4	3	1	--	--
Other Funds*	1	--	--	--	1
Putnam 529 for America					
Number of Funds	16	6	5	3	2
Percentage	100%	38%	31%	19%	12%
Fund Status ↑	--	--	--	--	--
Fund Status ↓	6	--	2	2	2
US Equity Funds	5	4	--	--	1
Intl Equity Funds	1	1	--	--	--
Fixed Income Funds	4	1	2	1	--
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

- 41% of funds in the USAA Program have either a Positive or Acceptable status
- Fund status changes:
 - 0 funds improved during the quarter
 - 2 funds deteriorated during the quarter (Growth & Income, Precious Metals & Minerals)

Putnam 529 Program

- 69% of funds in the Putnam Program have either a Positive or Acceptable status
- Fund status changes:
 - 0 funds improved during the quarter
 - 6 funds deteriorated during the quarter (GAA All Equity, GAA Conservative, Small Cap Value, Fed. US Govt 2-5yr, Short Duration Bond, Fixed Income AR)

SUMMARY OF FUND PERFORMANCE STATUS

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

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

*Includes Balanced, Commodities, zREITs, and MLPs

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

Wealthfront 529 Program

- 89% of funds in the Wealthfront Program have either a Positive or Acceptable status
- Fund status changes:
 - No funds improved during the quarter
 - No funds deteriorated during the quarter

SUMMARY OF FUND PERFORMANCE STATUS

Vanguard 529 Plan

SUMMARY OF FUND PERFORMANCE STATUS

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

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

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

SUMMARY OF FUND PERFORMANCE STATUS

Vanguard 529 Plan

SUMMARY OF WATCH STATUS

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

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

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

SUMMARY OF FUND PERFORMANCE STATUS

SSgA Upromise 529 Plan

SUMMARY OF FUND PERFORMANCE STATUS

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

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

SUMMARY OF FUND PERFORMANCE STATUS

SSgA Upromise 529 Plan

SUMMARY OF WATCH STATUS

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

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

SUMMARY OF FUND PERFORMANCE STATUS

USAA 529 Plan

SUMMARY OF FUND PERFORMANCE STATUS

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

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

SUMMARY OF FUND PERFORMANCE STATUS

USAA 529 Plan

SUMMARY OF WATCH STATUS

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

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

SUMMARY OF FUND PERFORMANCE STATUS

Putnam 529 for America Plan

SUMMARY OF FUND PERFORMANCE STATUS

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

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

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

SUMMARY OF FUND PERFORMANCE STATUS

Putnam 529 for America Plan

SUMMARY OF WATCH STATUS

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

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

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

SUMMARY OF FUND PERFORMANCE STATUS

Wealthfront 529 Plan

SUMMARY OF FUND PERFORMANCE STATUS

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

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

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

SUMMARY OF FUND PERFORMANCE STATUS

Wealthfront 529 Plan

SUMMARY OF WATCH STATUS

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

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

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

SECTION 2

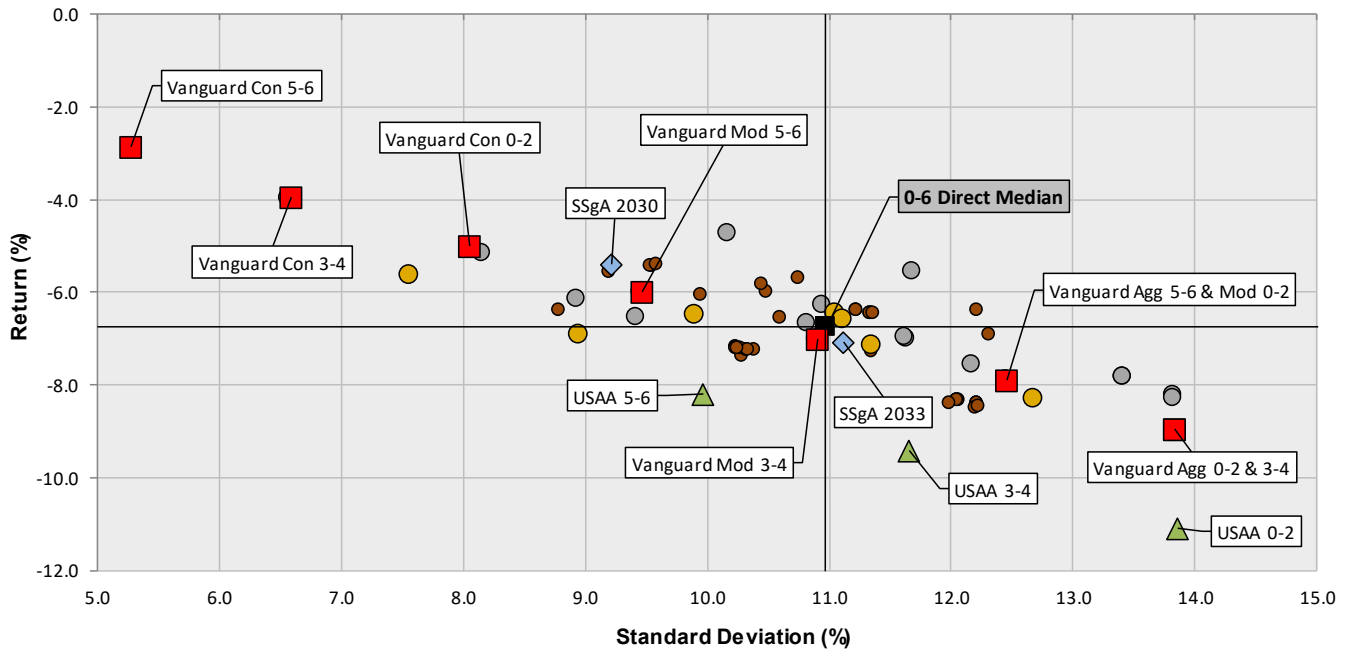
AGE-BASED RISK / RETURN CHARTS

AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

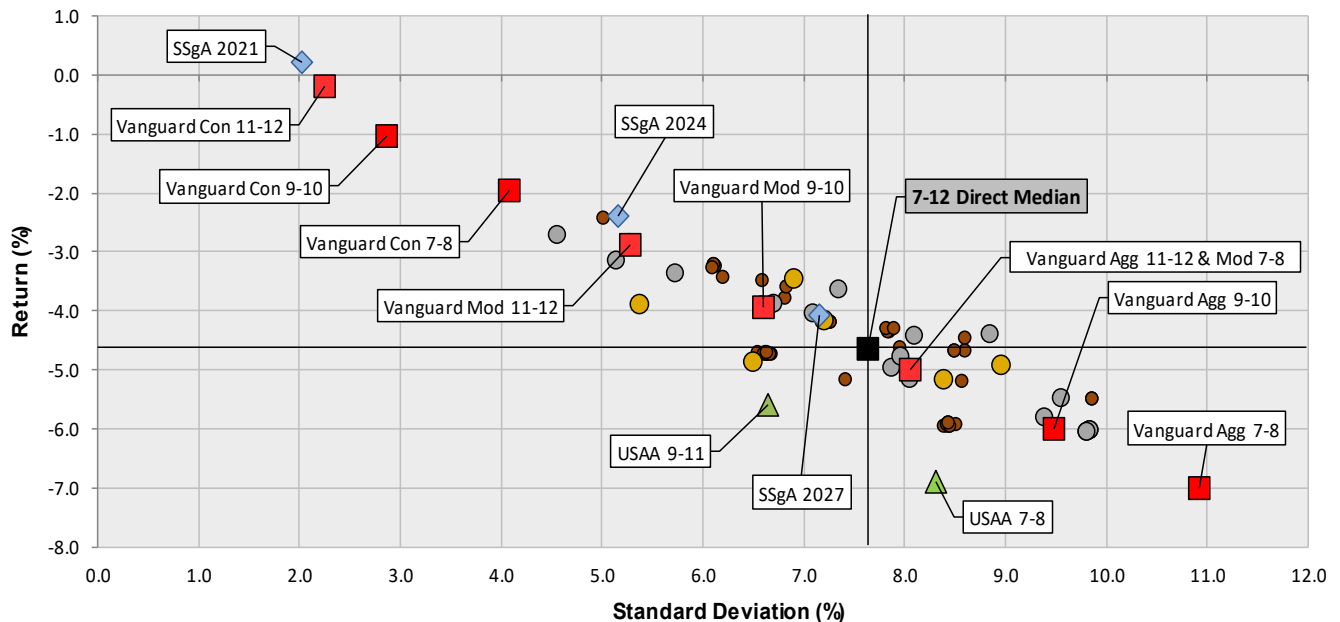
Age 0-6

1-year (as of December 31, 2018)



Age 7-12

1-year (as of December 31, 2018)



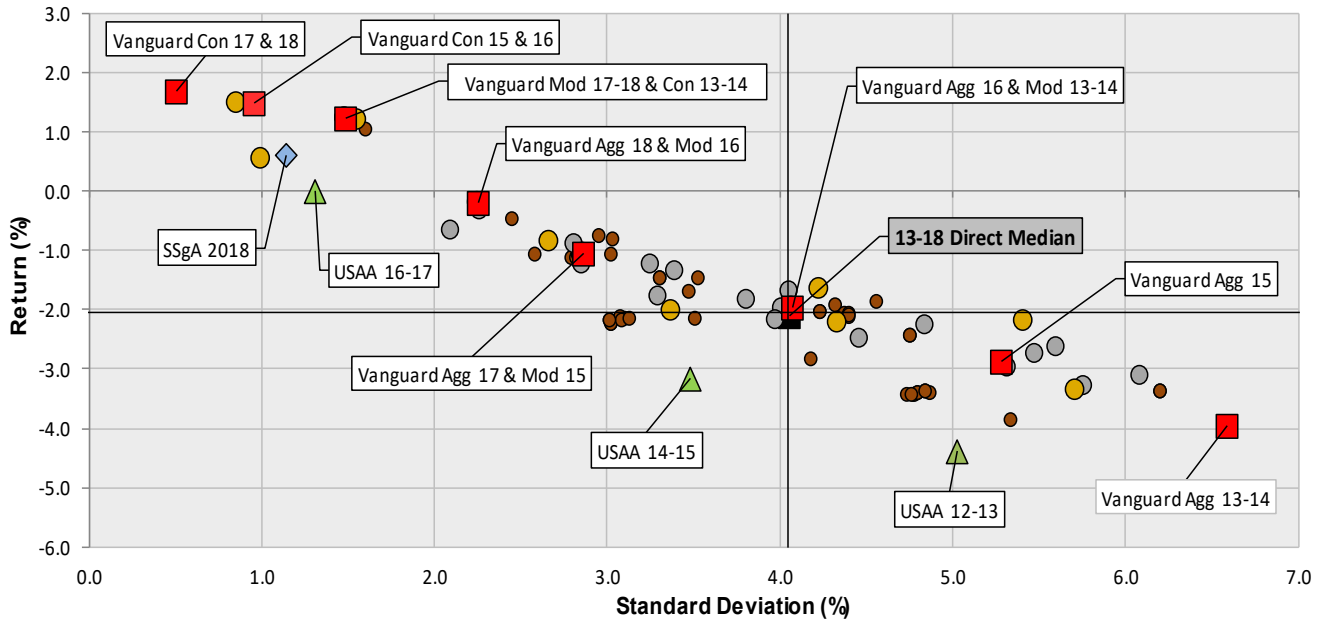
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Direct-Sold Programs

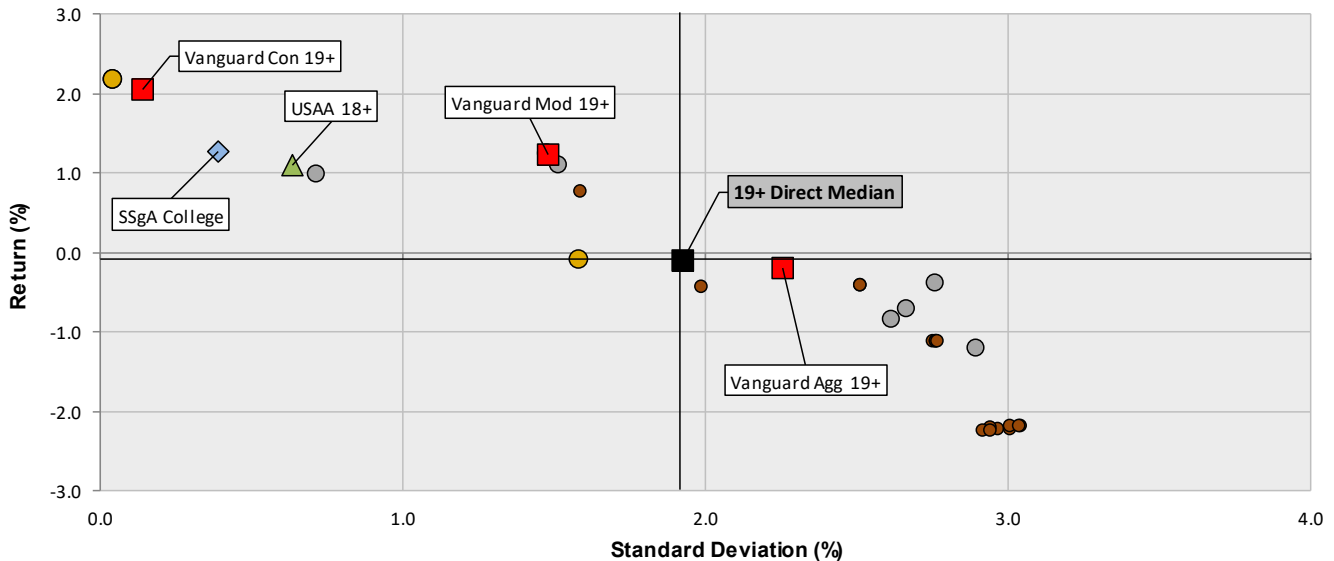
Age 13-18

1-year (as of December 31, 2018)



Age 19+

1-year (as of December 31, 2018)



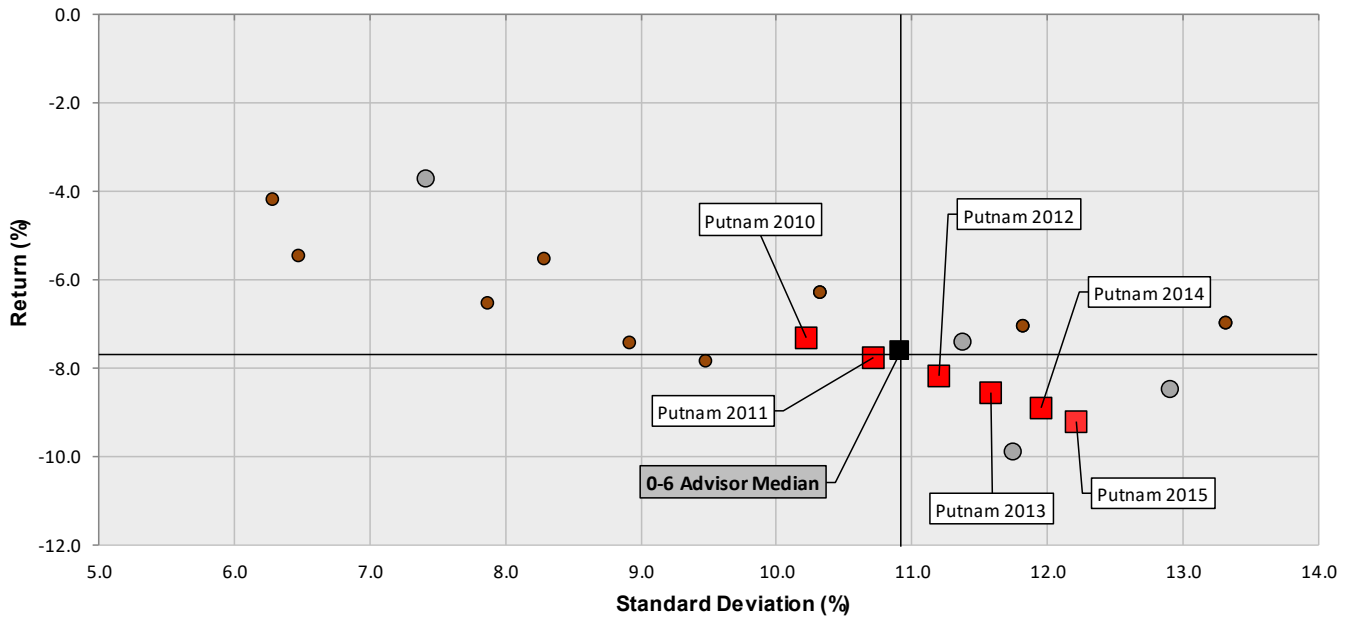
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Advisor-Sold Programs

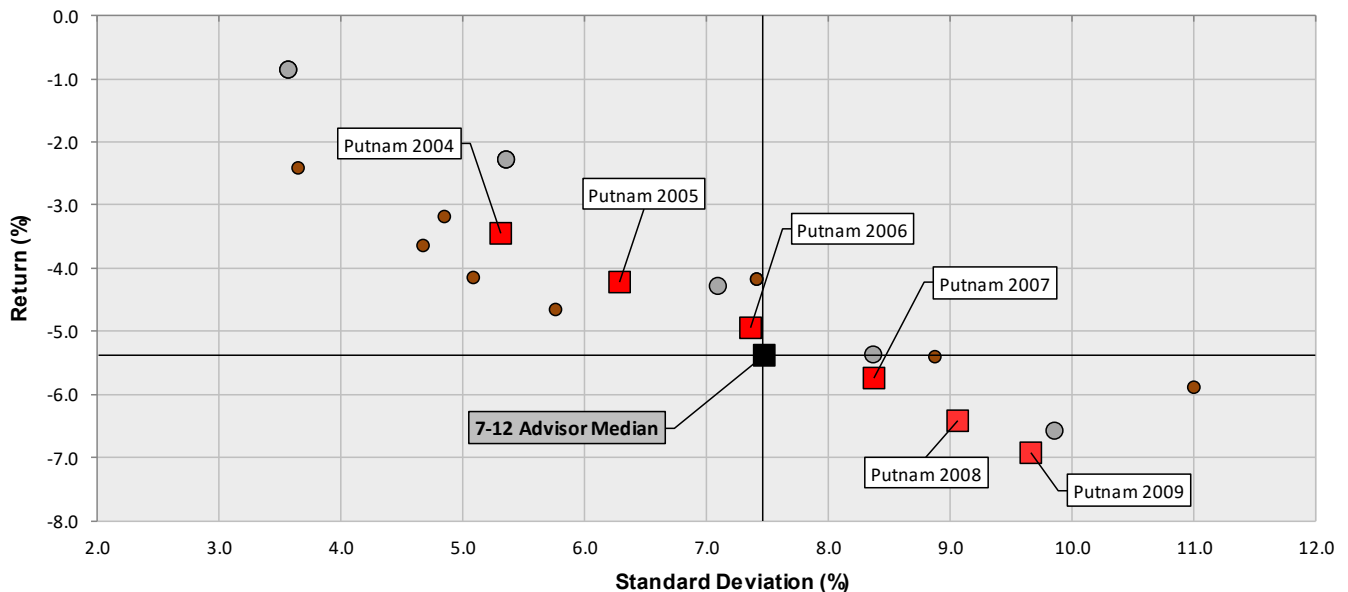
Age 0-6

1-year (as of December 31, 2018)



Age 7-12

1-year (as of December 31, 2018)



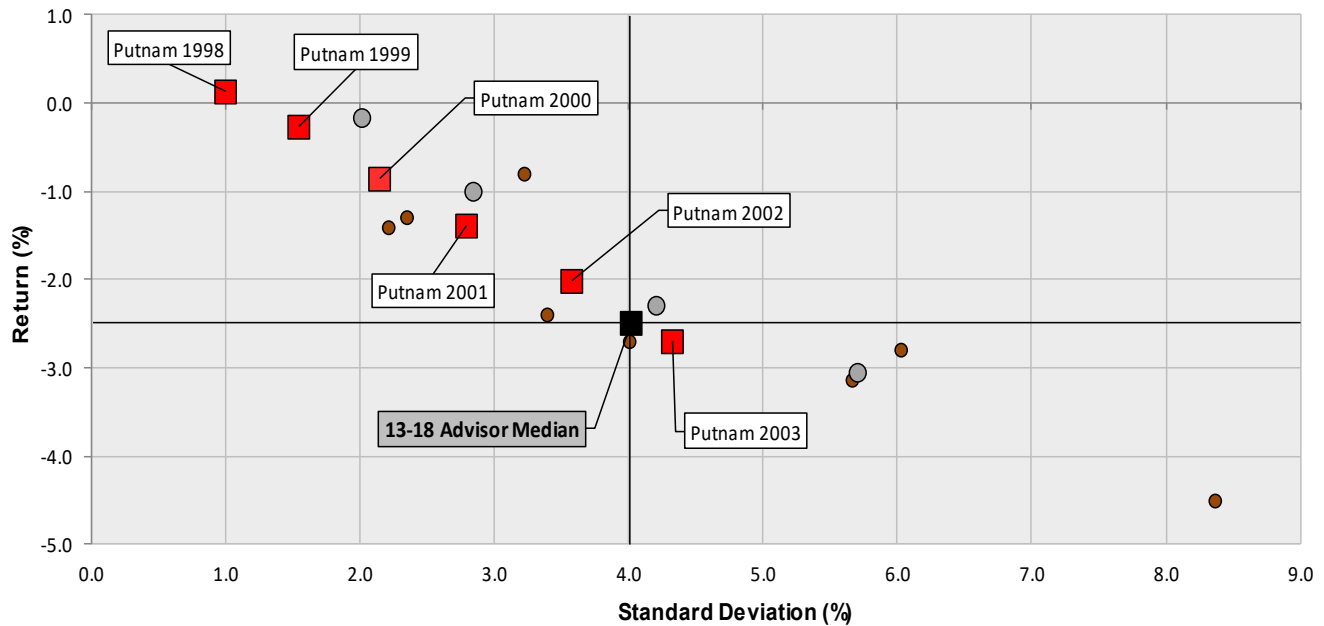
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Advisor-Sold Programs

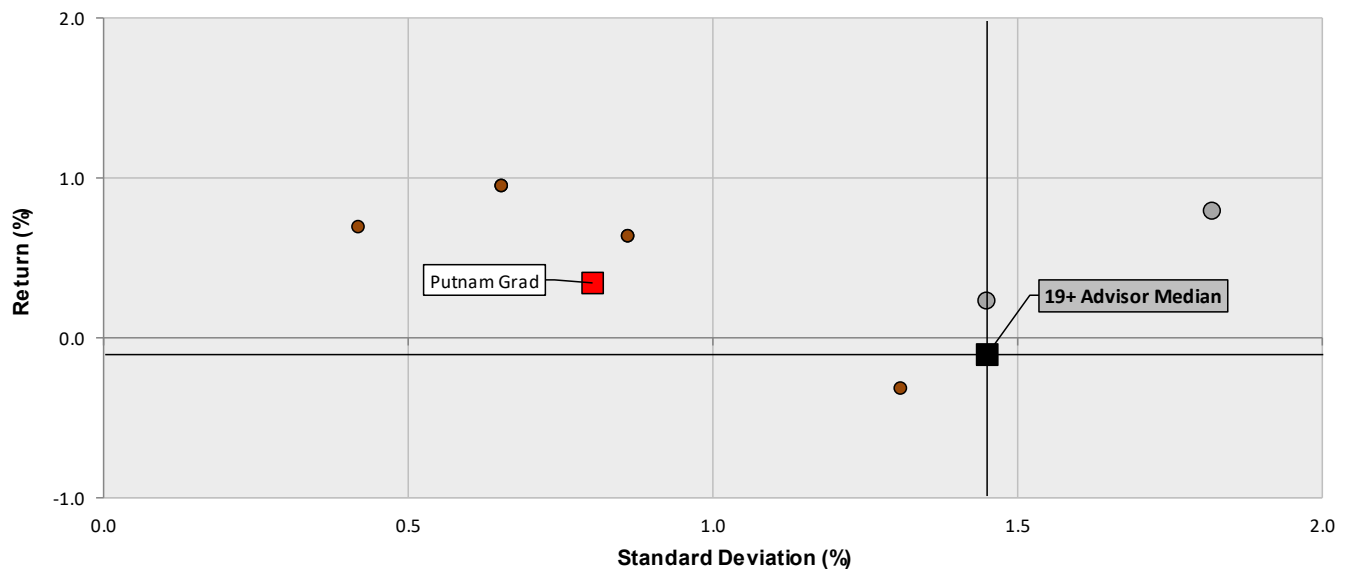
Age 13-18

1-year (as of December 31, 2018)



Age 19+

1-year (as of December 31, 2018)



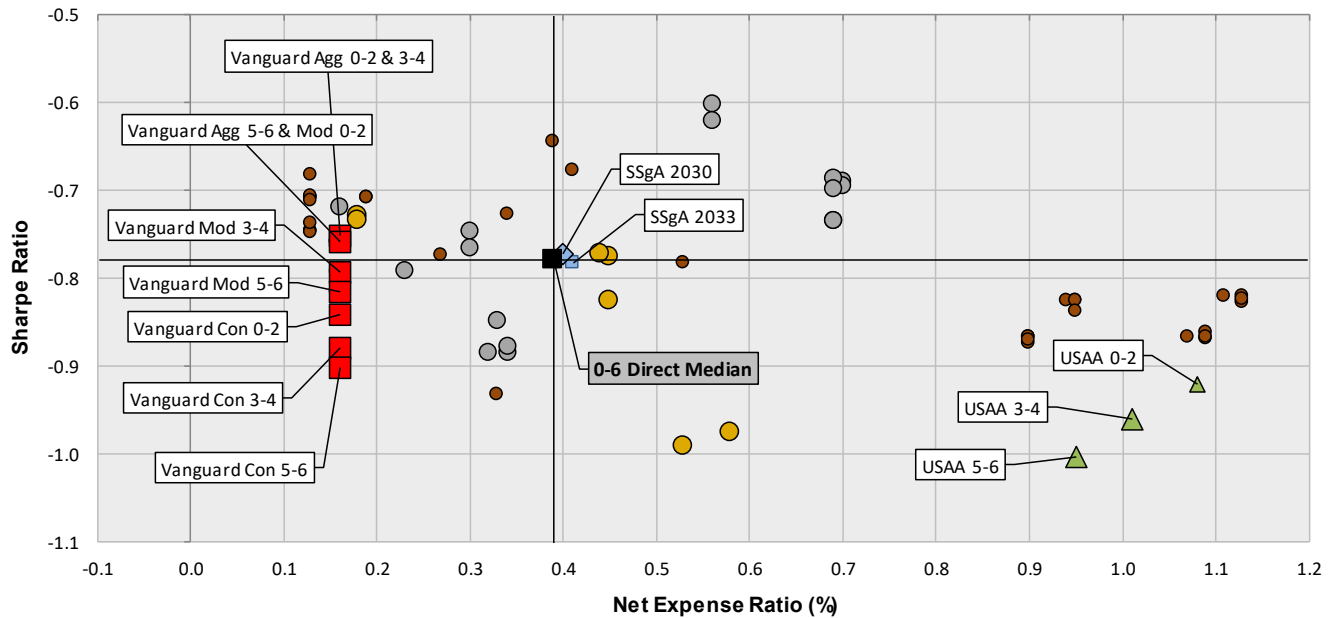
Source: MorningStar

AGE-BASED SHARPE / EXPENSE CHARTS

Direct-Sold Programs

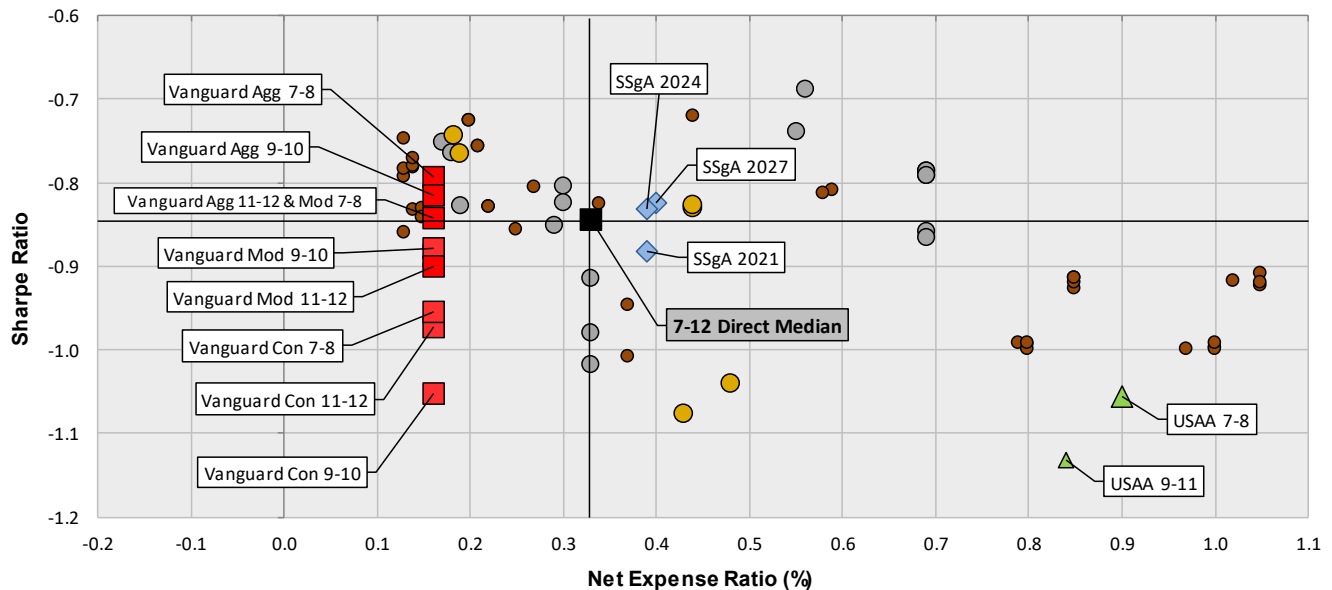
Age 0-6

1-year (as of December 31, 2018)



Age 7-12

1-year (as of December 31, 2018)



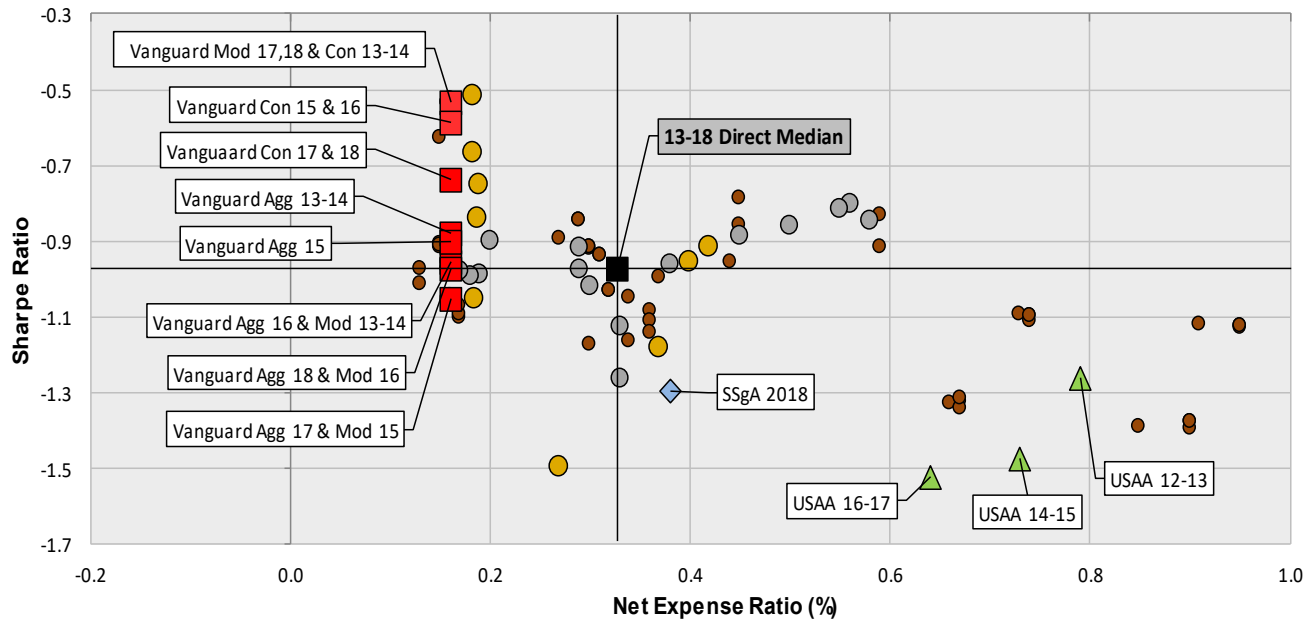
Source: MorningStar

AGE-BASED SHARPE / EXPENSE CHARTS

Direct-Sold Programs

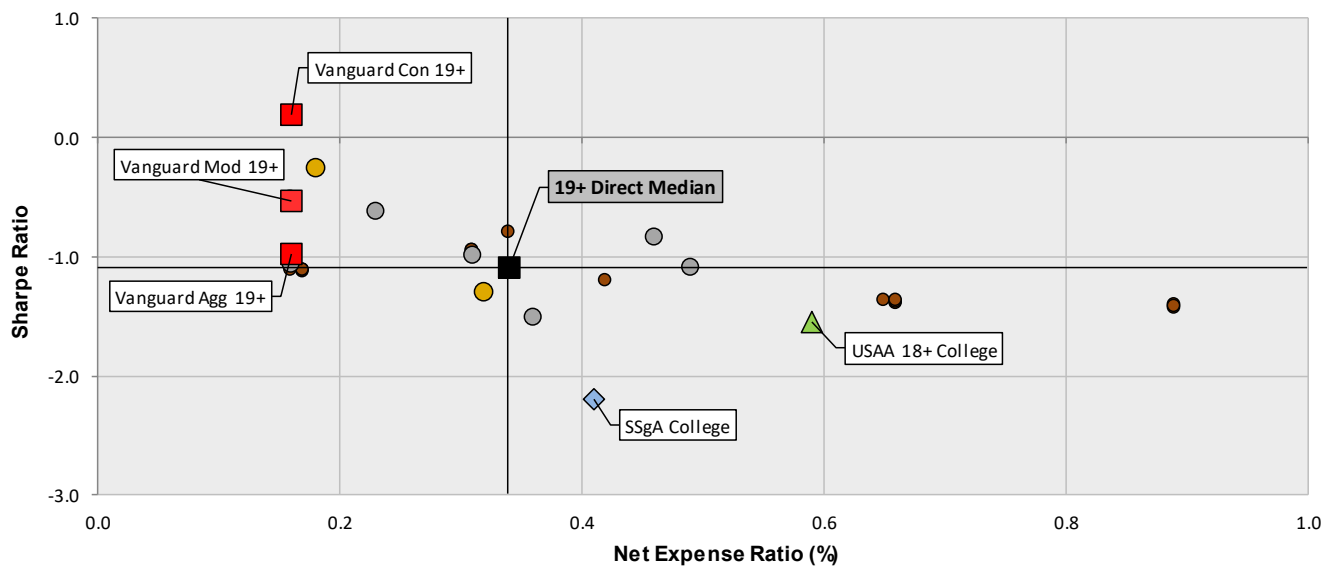
Age 13-18

1-year (as of December 31, 2018)



Age 19+

1-year (as of December 31, 2018)



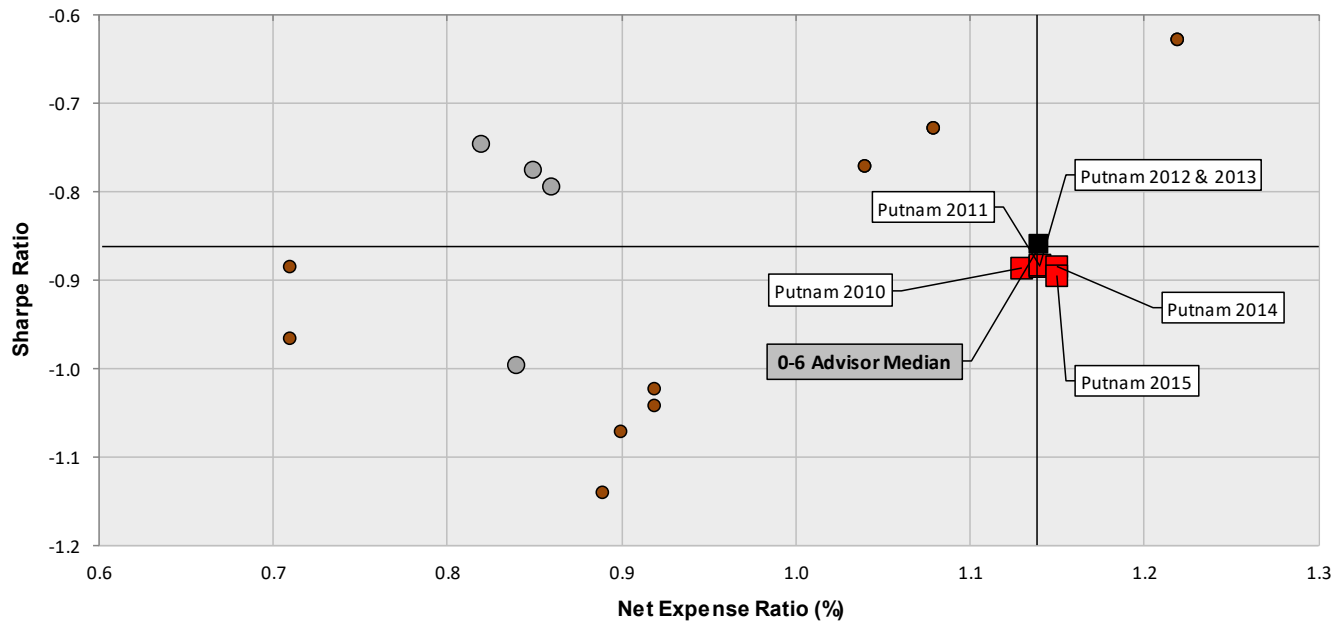
Source: MorningStar

AGE-BASED SHARPE / EXPENSE CHARTS

Advisor-Sold Programs

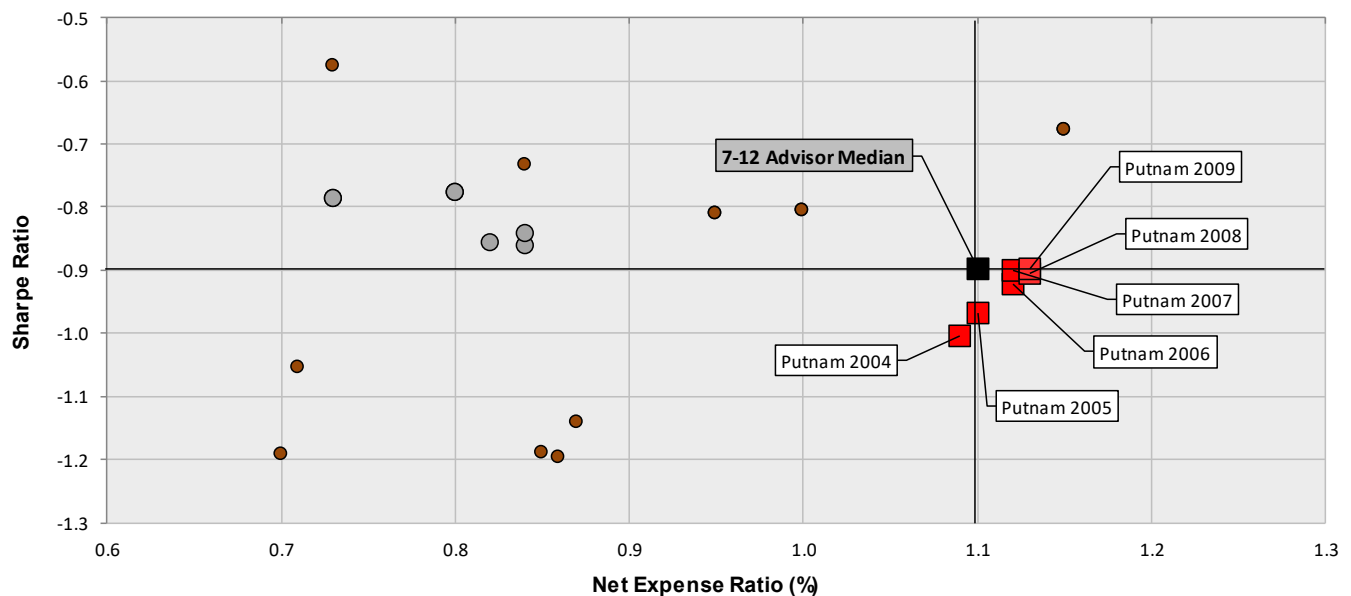
Age 0-6

1-year (as of December 31, 2018)



Age 7-12

1-year (as of December 31, 2018)



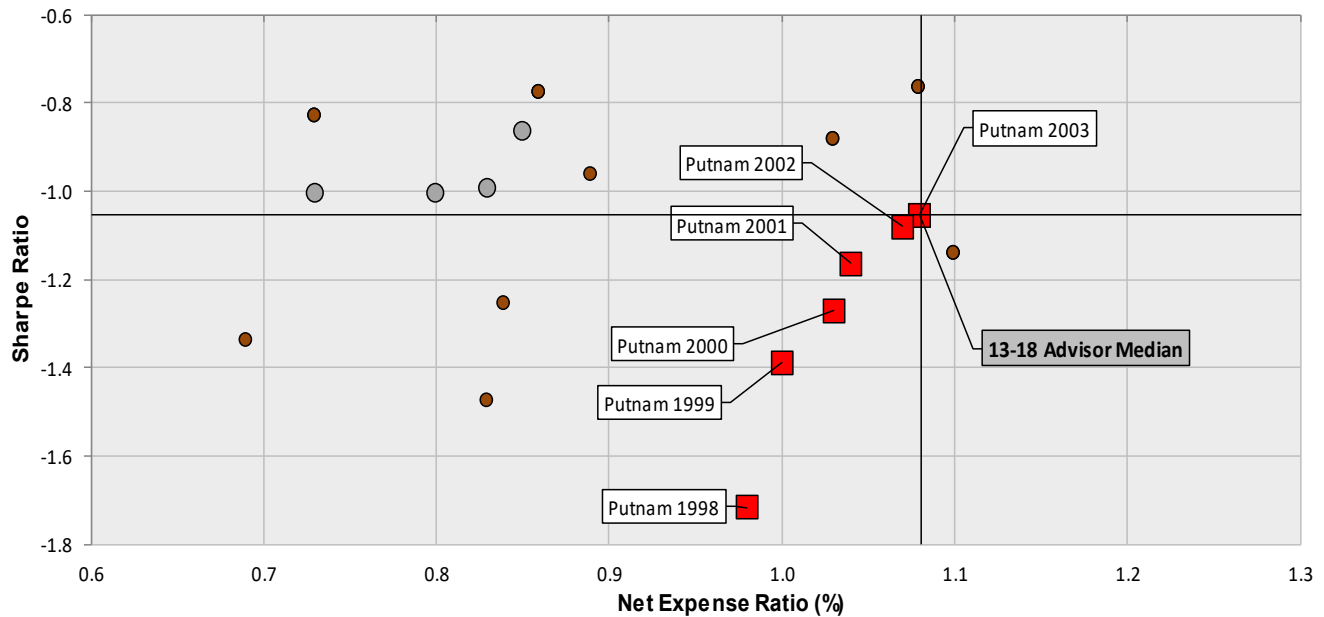
Source: MorningStar

AGE-BASED SHARPE / EXPENSE CHARTS

Advisor-Sold Programs

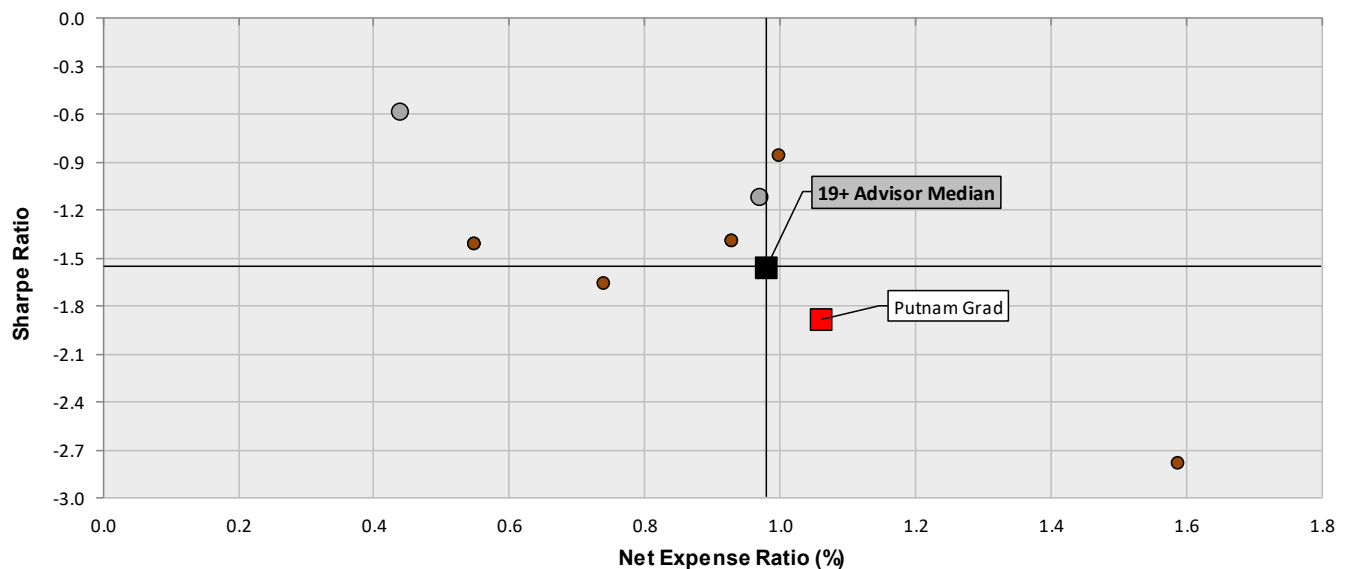
Age 13-18

1-year (as of December 31, 2018)



Age 19+

1-year (as of December 31, 2018)



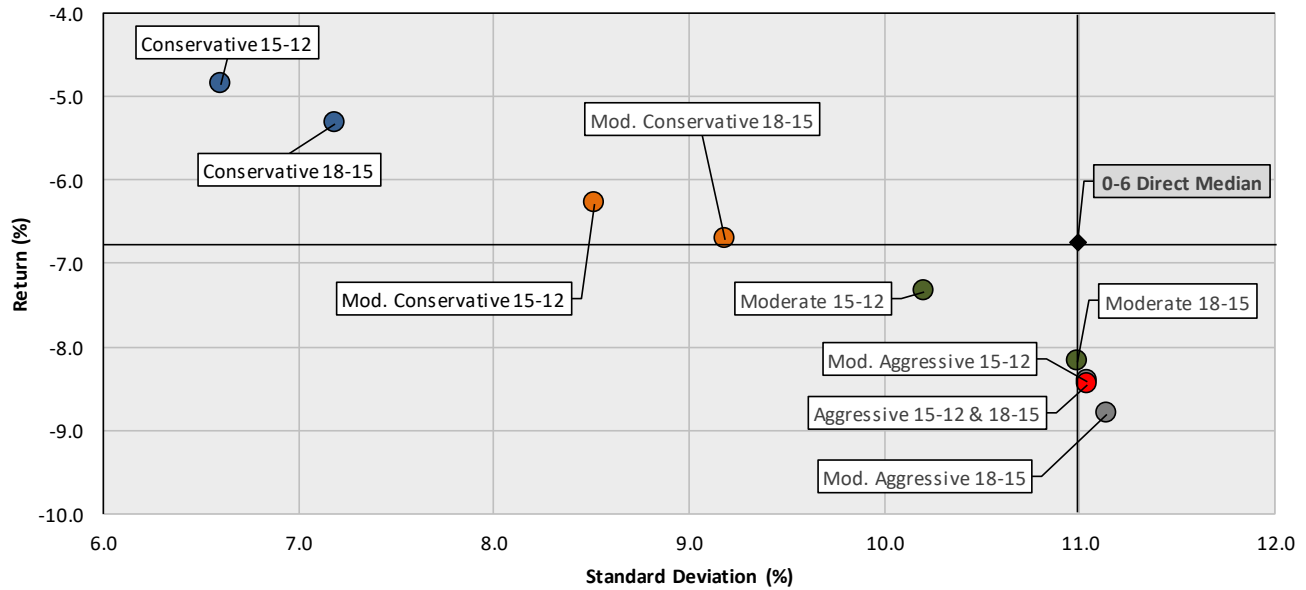
Source: MorningStar

AGE-BASED RISK / RETURN CHARTS

Wealthfront Consolidated Portfolios*

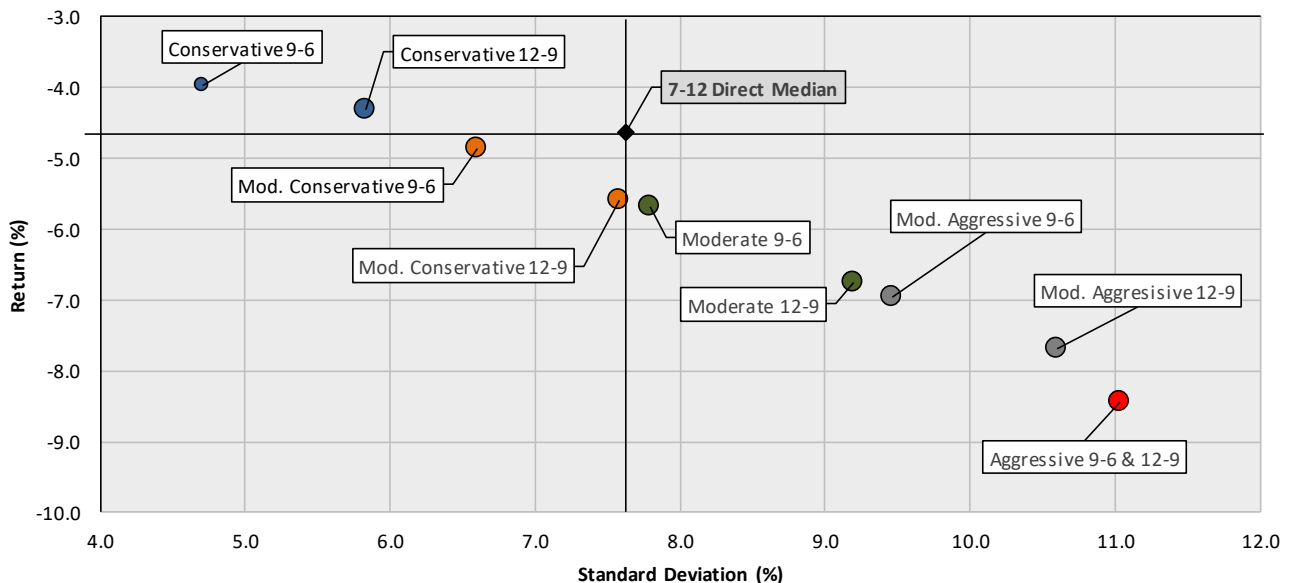
Age 0-6

1-year (as of December 31, 2018)



Age 7-12

1-year (as of December 31, 2018)



Source: MorningStar

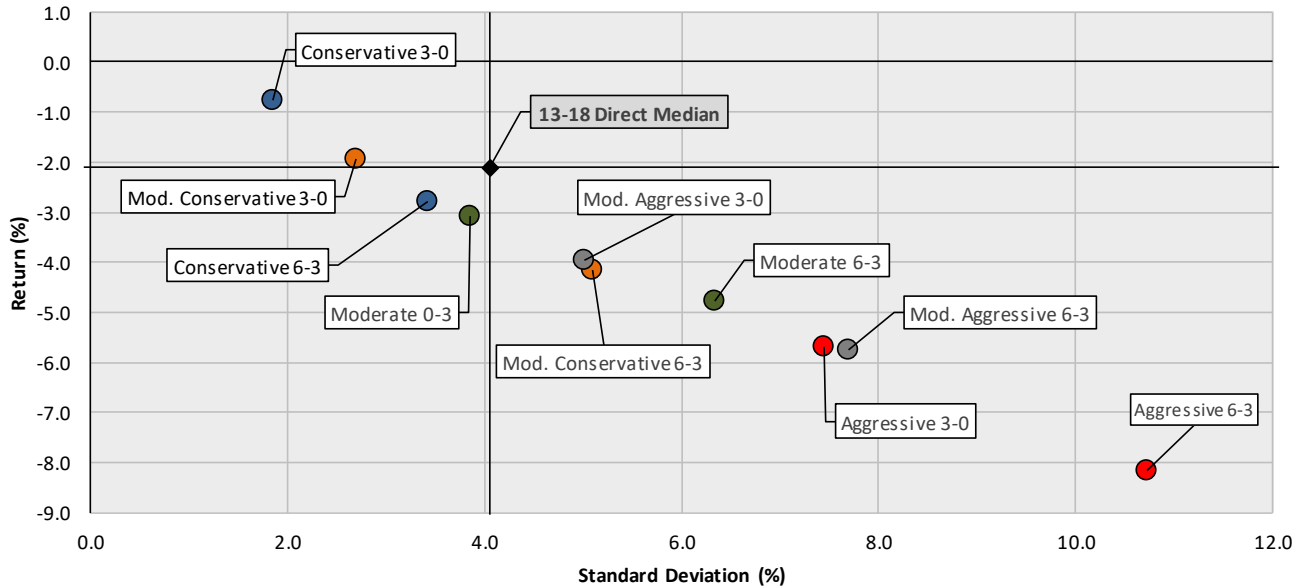
* 3-year returns estimated using Wealthfront glide path allocations to underlying funds

AGE-BASED RISK / RETURN CHARTS

Wealthfront Consolidated Portfolios*

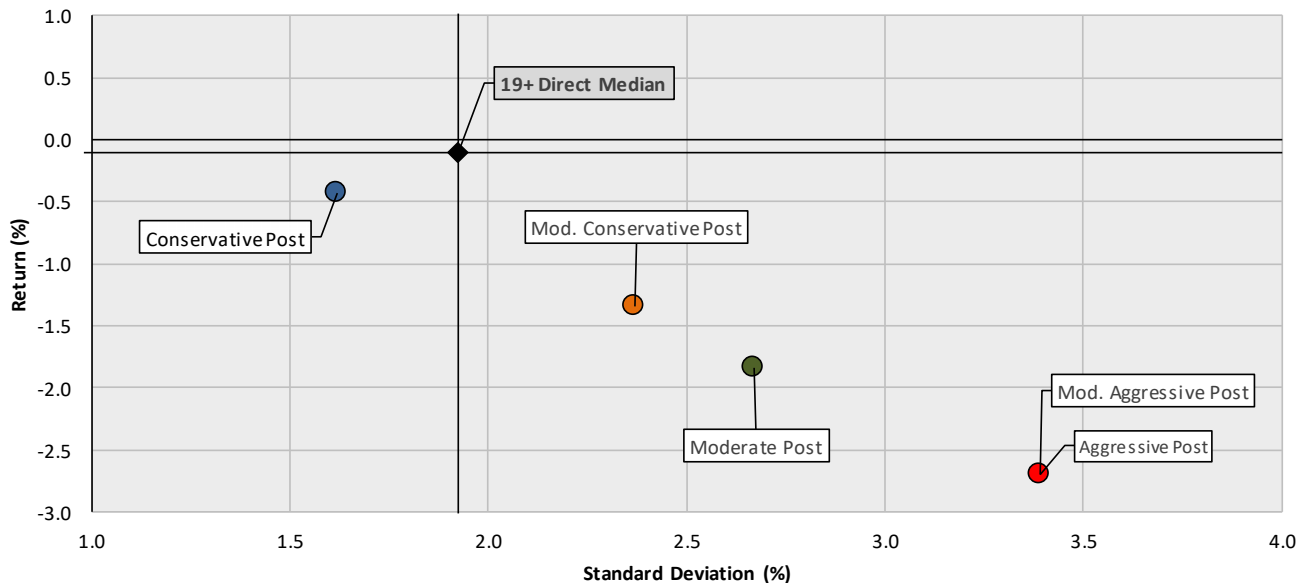
Age 13-18

1-year (as of December 31, 2018)



Age 19+

1-year (as of December 31, 2018)



Source: MorningStar

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

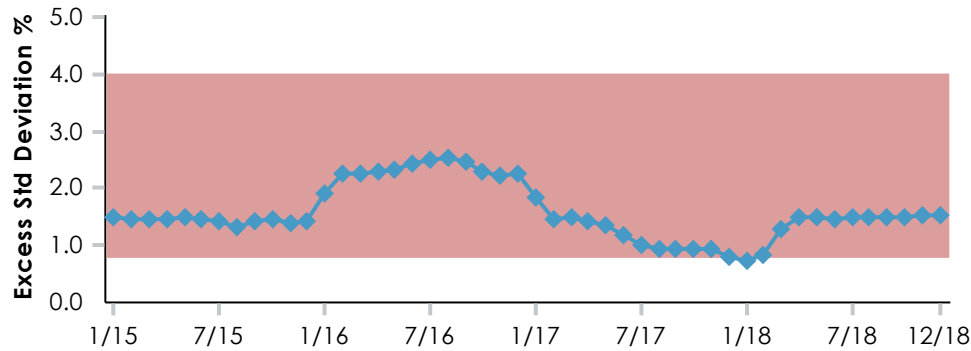
UNDERLYING FUND PERFORMANCE

SECTION 3

REVIEW OF FUNDS – VANGUARD 529 PLAN

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

Short-term (Rolling 12 Months Tracking Error)

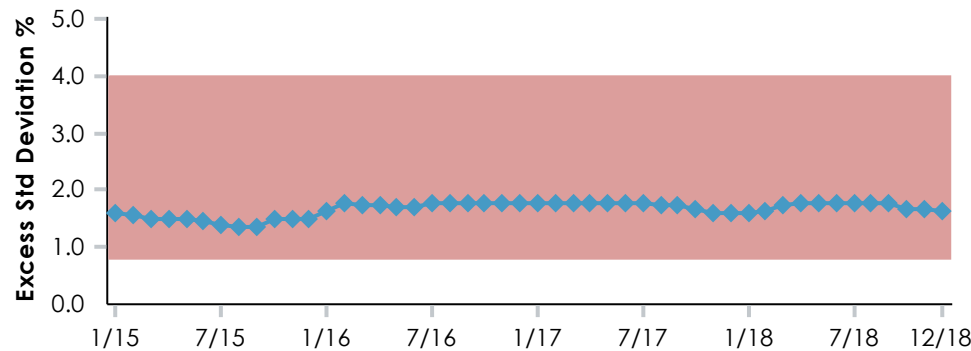


Short-term Performance:

Caution

Probationary Performance = 0.75%

Medium-term (Rolling 36 Months Tracking Error)

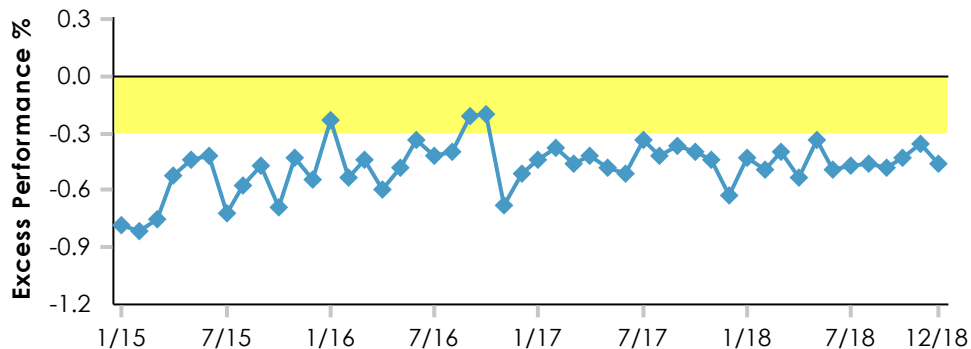


Medium-term Performance:

Caution

Probationary Performance = 0.70%

Long-term (Rolling 60 Months Excess Performance)



Long-term Performance:

Caution

Probationary Performance = -0.30%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years
Vanguard Total International Stock Index	-11.7 (24)	-14.4 (43)	4.5 (14)	0.9 (29)
FTSE Global ex USA All Cap Index	-11.8 (25)	-14.4 (40)	4.7 (8)	1.3 (16)
IM International Multi-Cap Core Equity (MF) Median	-12.9	-14.9	2.7	0.4

Monitoring Status

Caution

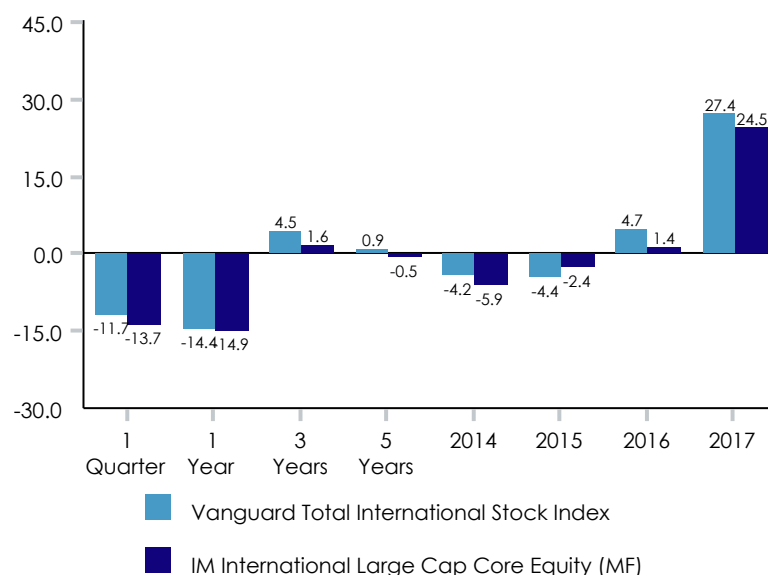
Vanguard Total International Stock Index

December 31, 2018

Mutual Fund Info

Product Name : Vanguard Tot I S;Inv (VGTSX)
 Fund Family : Vanguard Group Inc
 Ticker : VGTSX
 Peer Group : IM International Multi-Cap Core Equity (MF)
 Benchmark : MSCI EAFE IMI
 Fund Inception : 04/29/1996
 Portfolio Manager : Perre/Franquin
 Total Assets : \$122,479 Million
 Total Assets Date : 12/31/2018
 Gross Expense : 0.2%
 Net Expense : 0.2%
 Turnover : 3%

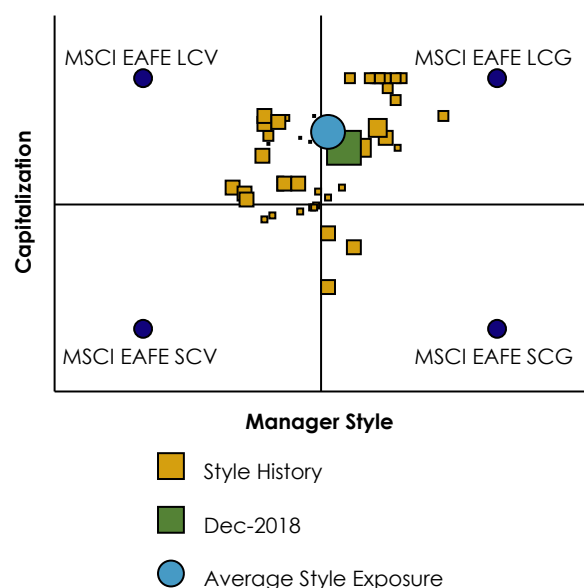
Comparative Performance



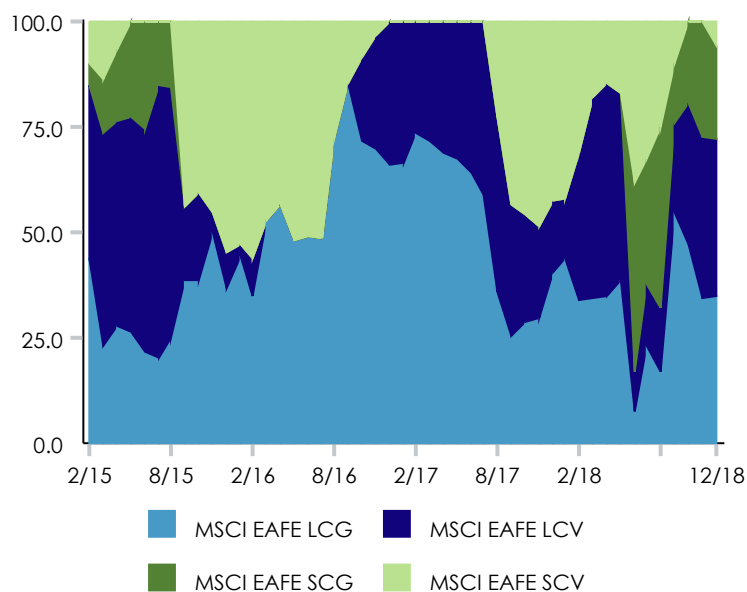
Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index.

Style Map (5 Years)



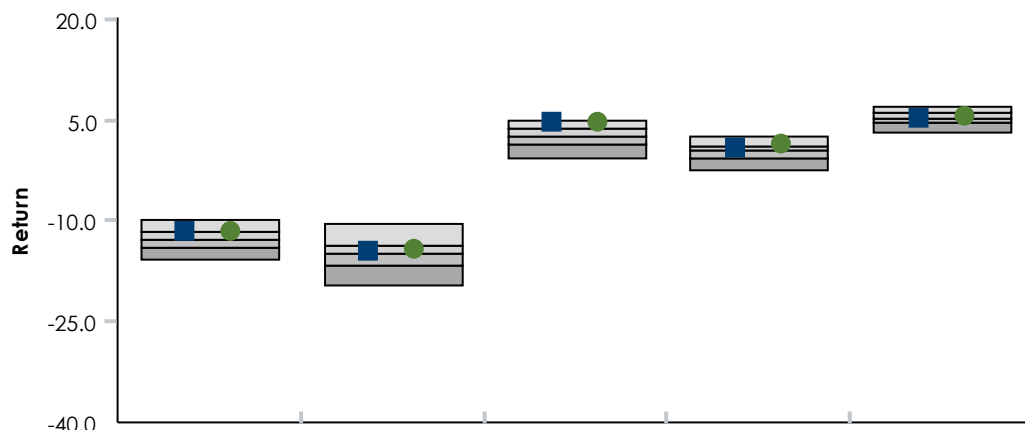
Style History (5 Years)



Historical Statistics (3 Years)

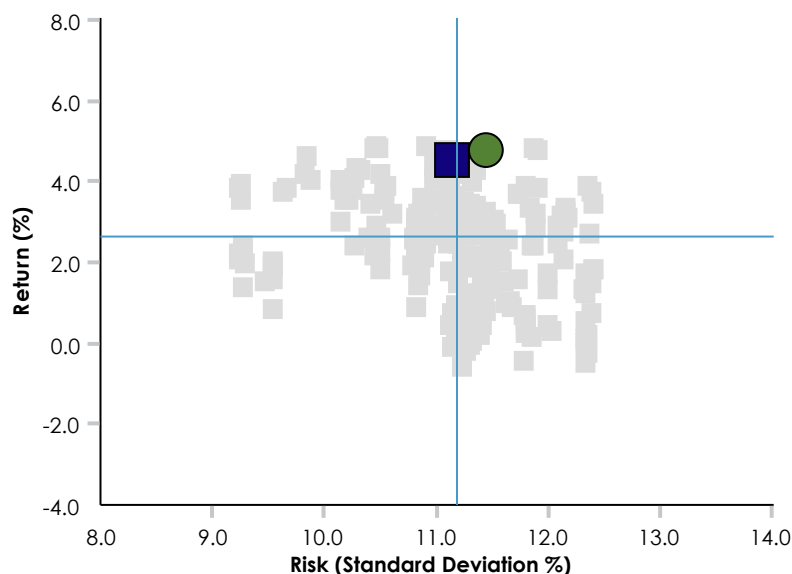
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
Vanguard Total International Stock Index	4.5	11.2	0.4	-0.1	1.0	1.0	1.6	-0.2	96.5	97.2
FTSE Global ex USA All Cap Index	4.7	11.5	0.4	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM International Multi-Cap Core Equity (MF) Median	2.7	11.2	0.2	-1.6	0.9	0.9	3.2	-0.7	89.5	101.4

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	7 Years
■ Vanguard Total International Stock Index	-11.7 (24)	-14.4 (43)	4.5 (14)	0.9 (29)	5.1 (60)
● FTSE Global ex USA All Cap Index	-11.8 (25)	-14.4 (40)	4.7 (8)	1.3 (16)	5.6 (40)
Median	-12.9	-14.9	2.7	0.4	5.3

Peer Group Scattergram (3 Years)



Performance Statistics (3 Years)

	Months	%
Market Capture		
Up Markets	23	96.5
Down Markets	13	97.2
Batting Average		
Up Markets	23	43.5
Down Markets	13	53.8
Overall	36	47.2

	Return	Standard Deviation
■ Vanguard Total International Stock Index	4.5	11.2
● FTSE Global ex USA All Cap Index	4.7	11.5
— Median	2.7	11.2

Vanguard Total International Stock Index

December 31, 2018

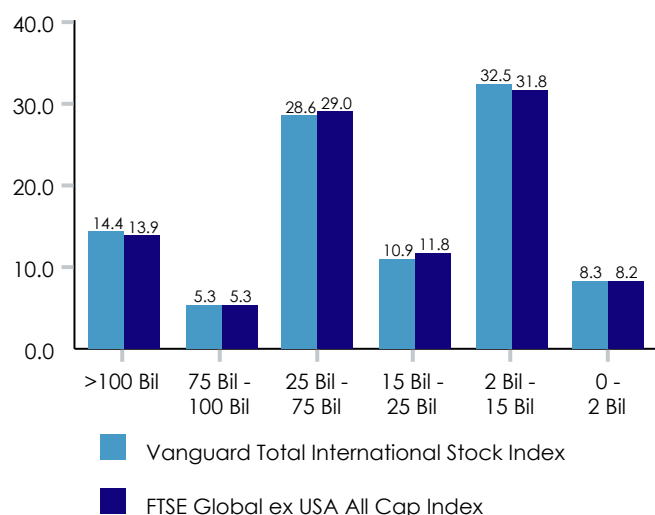
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	49,350	50,322
Median Mkt. Cap (\$M)	1,463	1,465
Price/Earnings ratio	12.1	12.1
Price/Book ratio	2.1	2.1
5 Yr. EPS Growth Rate (%)	10.8	10.7
Current Yield (%)	3.2	3.5
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	6,212	6,002

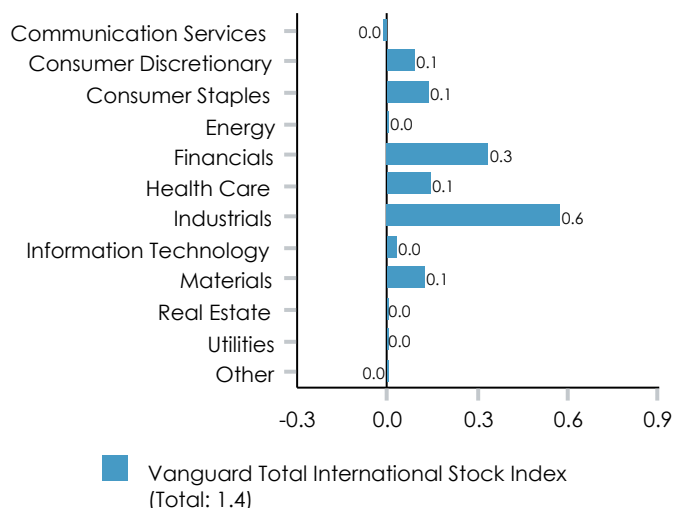
Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
Nestle SA	1.2	1.1	-3.3
Tencent Holdings LTD	1.1	1.1	-2.9
NOVARTIS AG	0.9	0.0	N/A
Taiwan Semiconductor	0.8	0.8	-14.4
Roche Holding AG	0.8	0.8	1.6
HSBC Holdings PLC	0.8	0.8	-4.5
Alibaba Group Holding Ltd	0.8	0.8	-16.8
Toyota Motor Corp	0.7	0.7	-6.6
Royal Dutch Shell PLC	0.6	0.6	-13.2
Total SA Oil & Gas	0.6	0.6	-17.4
% of Portfolio	8.3	7.3	

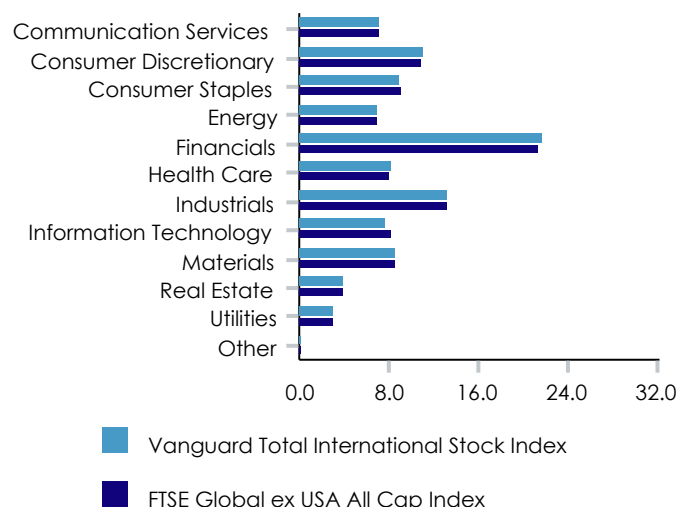
Market Cap Distribution (As of 12/31/2018)



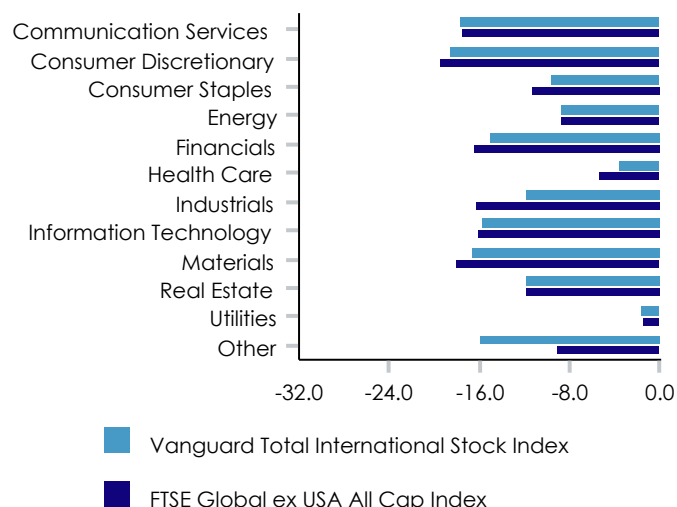
Sector Attribution (1 Year as of 12/31/2018)



Sector Allocation (1 Year as of 12/31/2018)

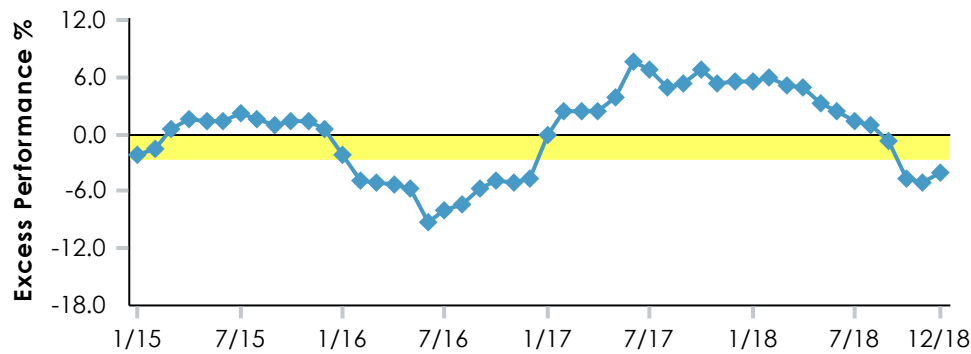


Sector Performance (1 Year as of 12/31/2018)



Vanguard Windsor vs. Russell 1000 Value Index

Short-term (Rolling 12 Months Excess Performance)

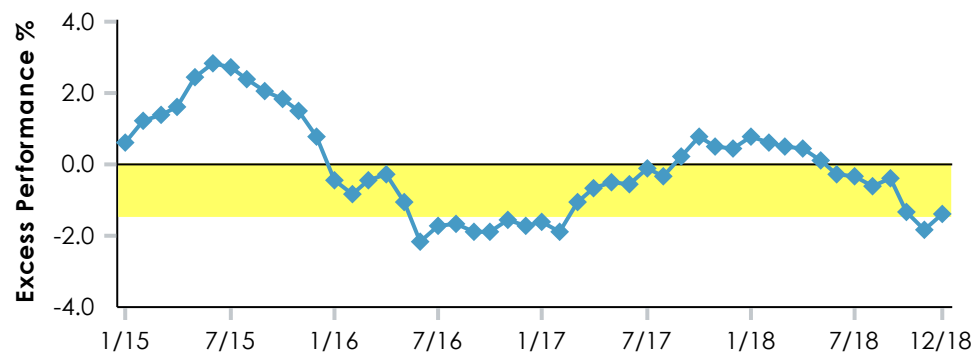


Short-term Performance:

Caution

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

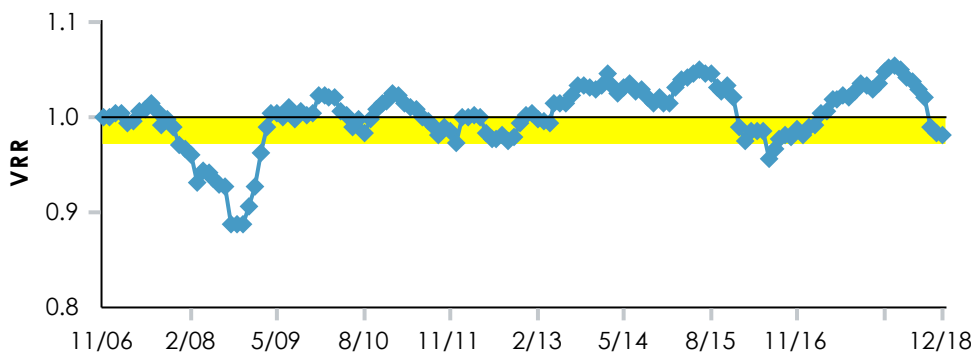


Medium-term Performance:

Acceptable

Probationary Performance = -1.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Acceptable

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (12/1/2006)
Vanguard Windsor	-15.0 (85)	-12.4 (94)	5.6 (74)	5.0 (61)	5.1 (47)
Russell 1000 Value Index	-11.7 (29)	-8.3 (35)	7.0 (37)	5.9 (29)	5.3 (43)
IM U.S. Large Cap Value Equity (MF) Median	-12.9	-9.0	6.5	5.3	5.0

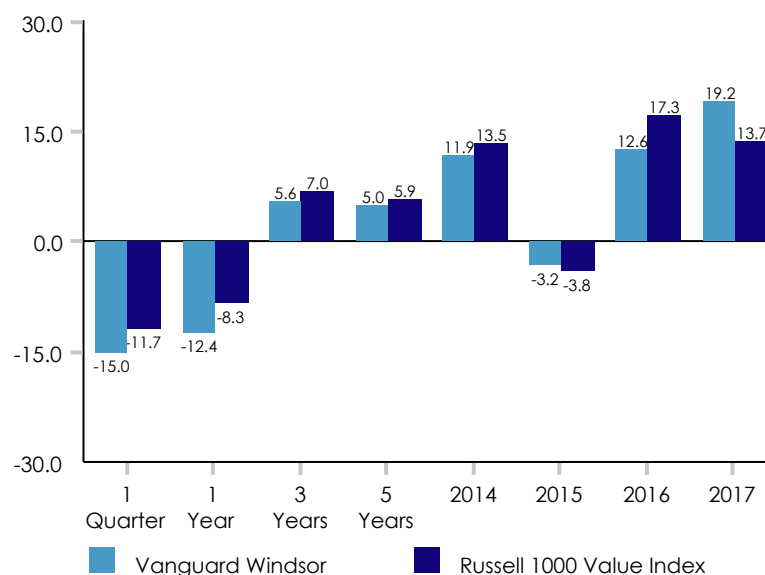
Monitoring Status

Caution

Mutual Fund Info

Product Name : Vanguard Windsor;Adm (VWNEX)
 Fund Family : Vanguard Group Inc
 Ticker : VWNEX
 Peer Group : IM U.S. Multi-Cap Value Equity (MF)
 Benchmark : Russell 3000 Value Index
 Fund Inception : 11/12/2001
 Portfolio Manager : Team Managed
 Total Assets : \$12,717 Million
 Total Assets Date : 12/31/2018
 Gross Expense : 0.2%
 Net Expense : 0.2%
 Turnover : 33%

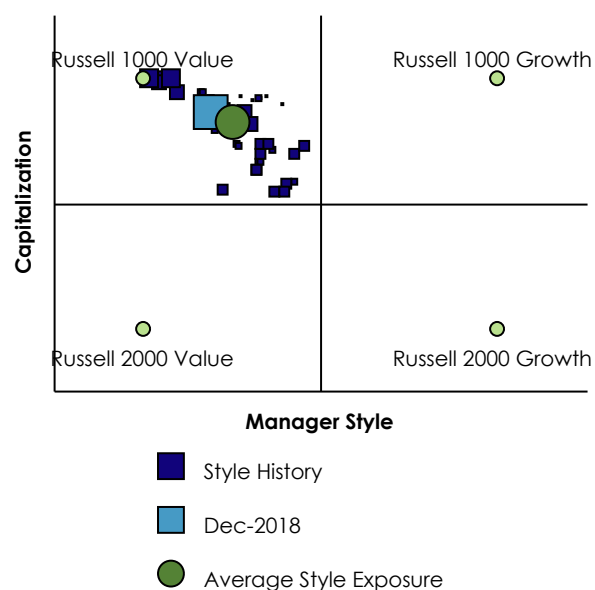
Comparative Performance



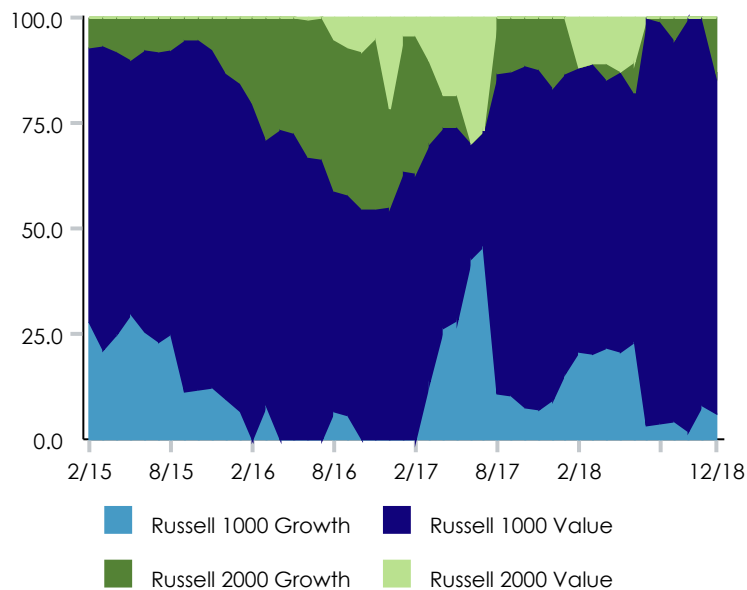
Fund Investment Policy

The Fund seeks long-term growth of capital and income. The Fund invests mainly in large- and mid-capitalization companies whose stocks are considered to be undervalued. Undervalued stocks generally trade at prices that are below average in relation to such measures as earnings and book value.

Style Map (5 Years)



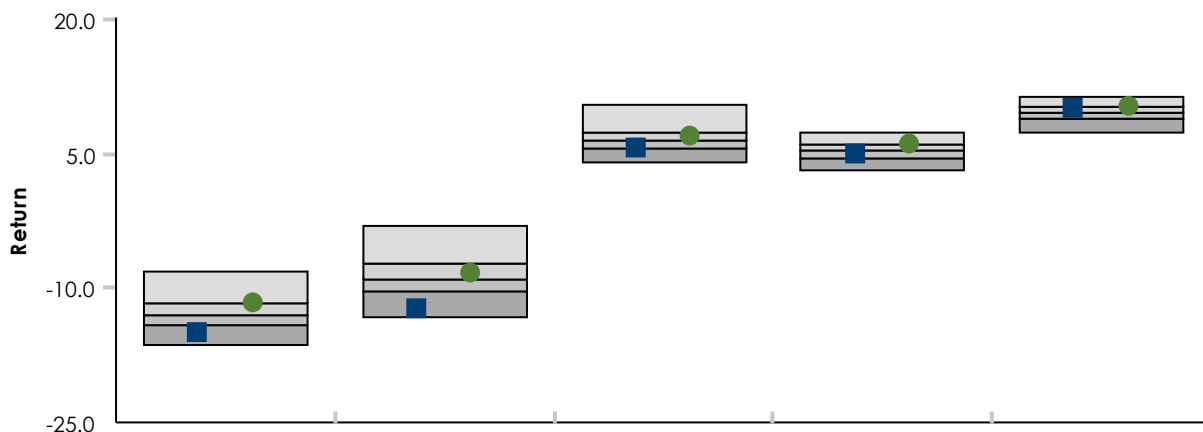
Style History (5 Years)



Historical Statistics (5 Years)

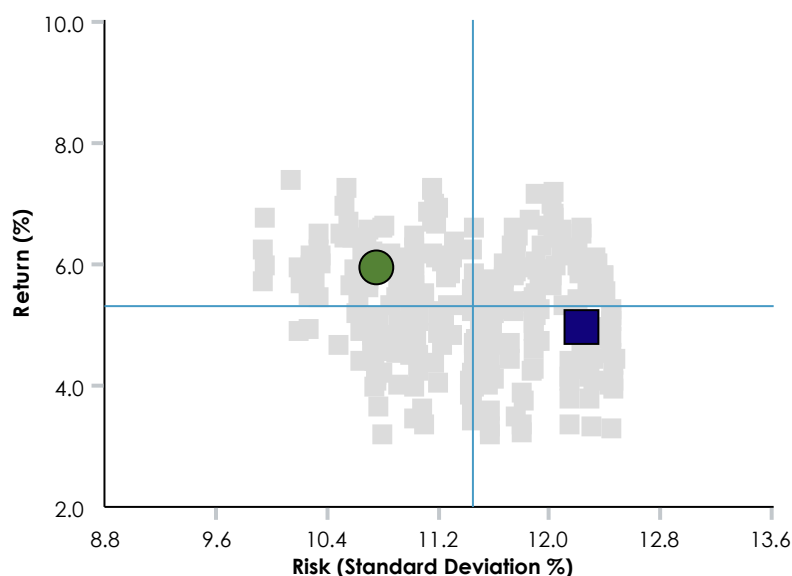
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
Vanguard Windsor	5.0	12.2	0.4	-1.4	1.1	0.9	3.4	-0.2	102.6	110.8
Russell 1000 Value Index	5.9	10.8	0.5	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM U.S. Large Cap Value Equity (MF) Median	5.3	11.4	0.5	-0.7	1.0	0.9	2.9	-0.2	99.0	104.7

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (12/1/2006)
■ Vanguard Windsor	-15.0 (85)	-12.4 (94)	5.6 (74)	5.0 (61)	10.0 (35)
● Russell 1000 Value Index	-11.7 (29)	-8.3 (35)	7.0 (37)	5.9 (29)	10.2 (27)
Median	-12.9	-9.0	6.5	5.3	9.5

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
■ Vanguard Windsor	5.0	12.2
● Russell 1000 Value Index	5.9	10.8
— Median	5.3	11.4

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	39	102.6
Down Markets	21	110.8
Batting Average		
Up Markets	39	56.4
Down Markets	21	42.9
Overall	60	51.7

Portfolio Characteristics (As of 12/31/2018)

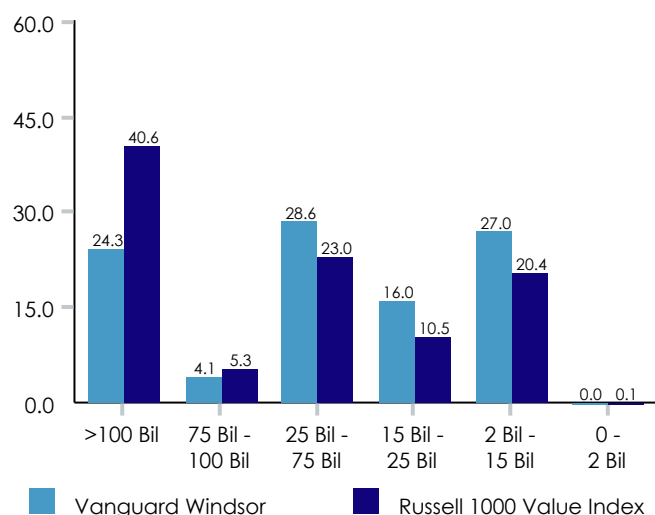
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	76,197	119,166
Median Mkt. Cap (\$M)	22,108	8,313
Price/Earnings ratio	12.7	13.7
Price/Book ratio	2.1	2.1
5 Yr. EPS Growth Rate (%)	13.8	8.6
Current Yield (%)	2.6	2.9
Beta (5 Years, Monthly)	1.1	1.0
Number of Stocks	135	725

Top 10 Holdings (As of 12/31/2018)

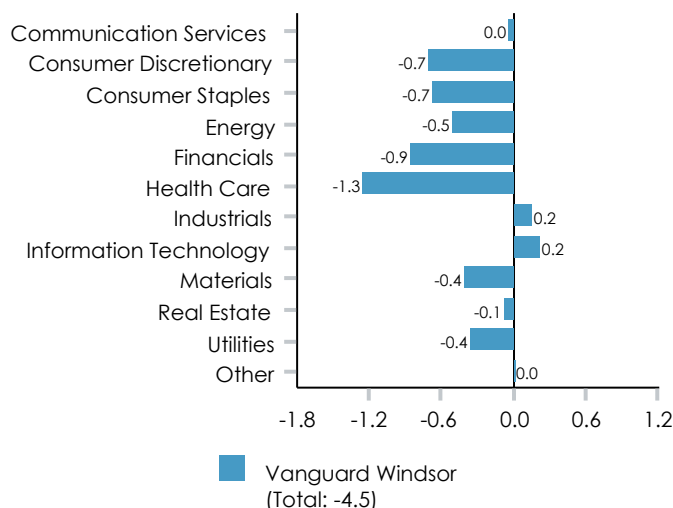
	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
Bank of America Corp	2.5	1.9	-15.9
Broadcom Inc	2.1	0.4	4.2
Verizon Communications Inc	2.0	2.0	6.5
Metlife Inc.	1.9	0.3	-11.3
American Int'l Group Inc	1.9	0.3	-25.3
Citigroup Inc	1.7	1.1	-26.9
Unitedhealth Group Inc	1.7	0.0	-6.1
Bristol-Myers Squibb Co	1.6	0.3	-15.7
Arrow Electronics Inc	1.5	0.1	-6.5
Wells Fargo & Co	1.5	1.7	-11.6

% of Portfolio 18.4 8.1

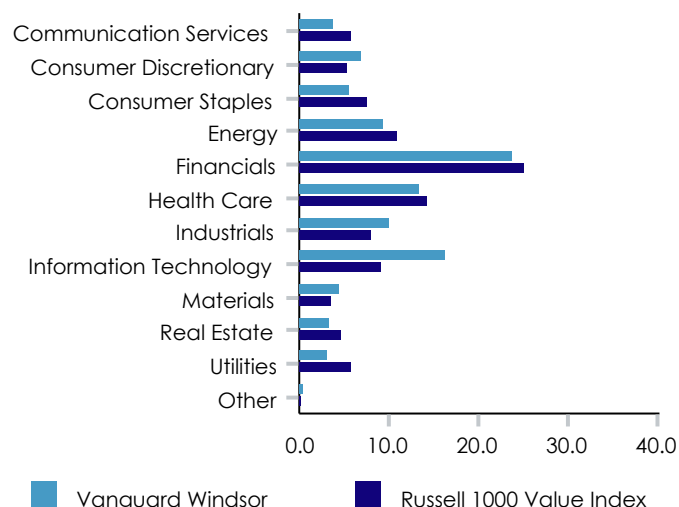
Market Cap Distribution (As of 12/31/2018)



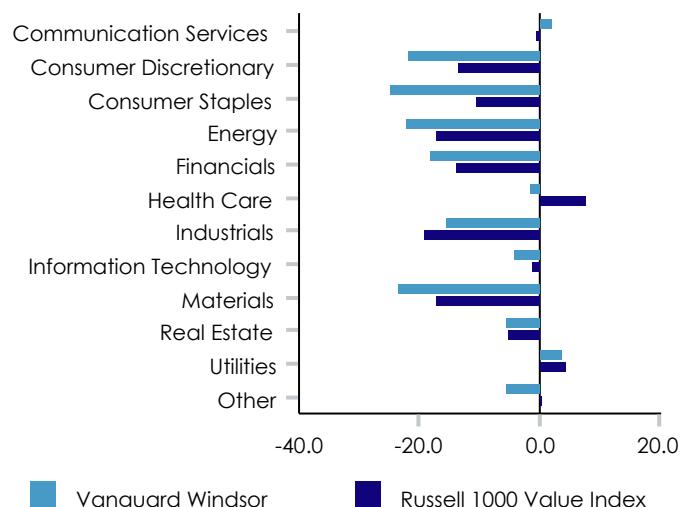
Sector Attribution (1 Year as of 12/31/2018)



Sector Allocation (1 Year as of 12/31/2018)



Sector Performance (1 Year as of 12/31/2018)



SECTION 4

REVIEW OF FUNDS – UPROMISE COLLEGE FUND 529 PLAN

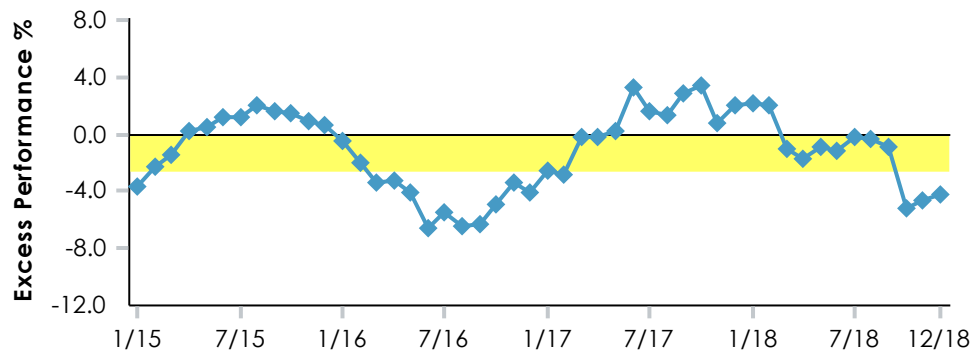
There are currently no underlying funds in the Upromise Plan that are either on “Watch” or qualify for Caution status.

SECTION 5

REVIEW OF FUNDS – USAA 529 PLAN

USAA Value vs. Russell 3000 Value Index

Short-term (Rolling 12 Months Excess Performance)

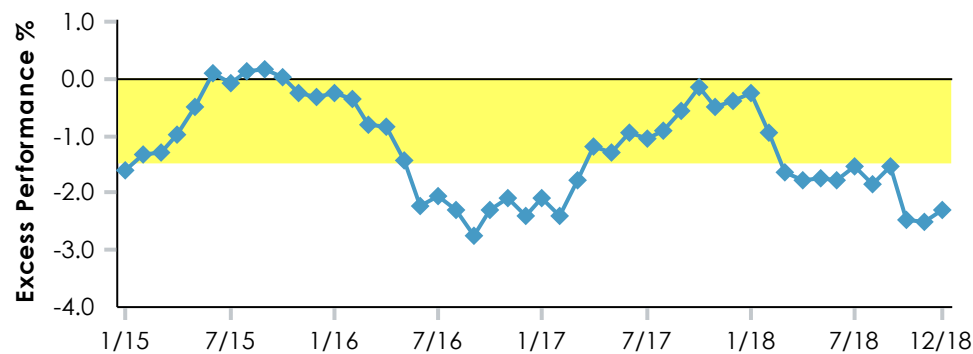


Short-term Performance:

Caution

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

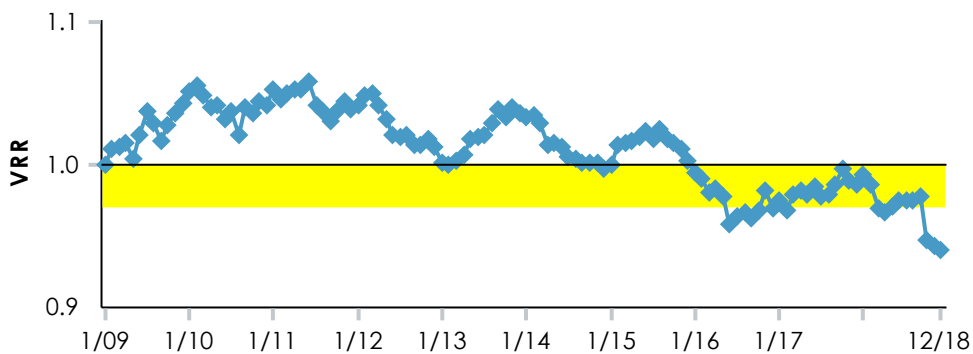


Medium-term Performance:

Caution

Probationary Performance = -1.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (2/1/2009)
USAA Value	-15.6 (92)	-12.8 (94)	4.7 (90)	3.7 (91)	11.9 (46)
Russell 3000 Value Index	-12.2 (39)	-8.6 (42)	7.0 (35)	5.8 (37)	12.6 (30)
IM U.S. Large Cap Value Equity (MF) Median	-12.9	-9.0	6.5	5.3	11.8

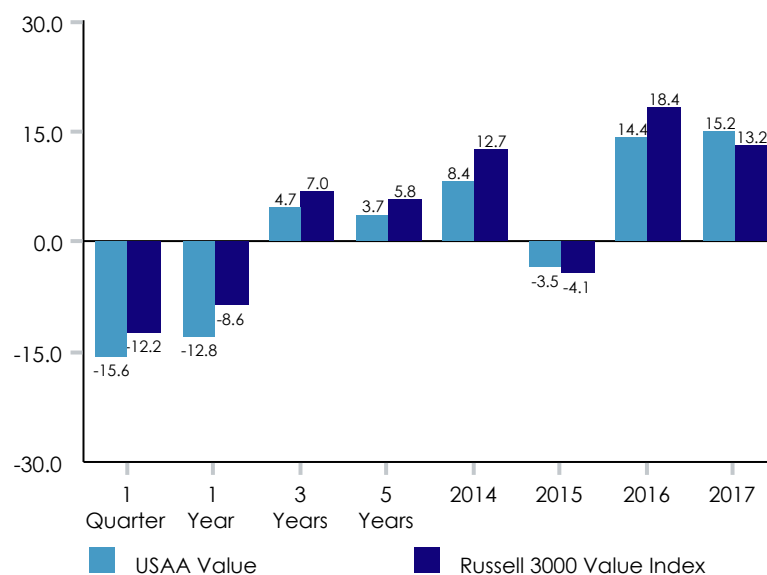
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Value;Fund (UVALX)
 Fund Family : USAA Asset Management Company
 Ticker : UVALX
 Peer Group : IM U.S. Multi-Cap Value Equity (MF)
 Benchmark : Russell 3000 Value Index
 Fund Inception : 08/03/2001
 Portfolio Manager : Team Managed
 Total Assets : \$920 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 1.0%
 Net Expense : 1.0%
 Turnover : 29%

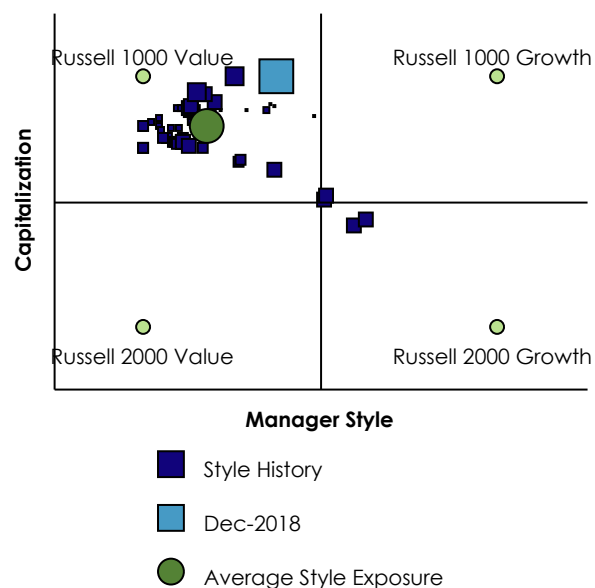
Comparative Performance



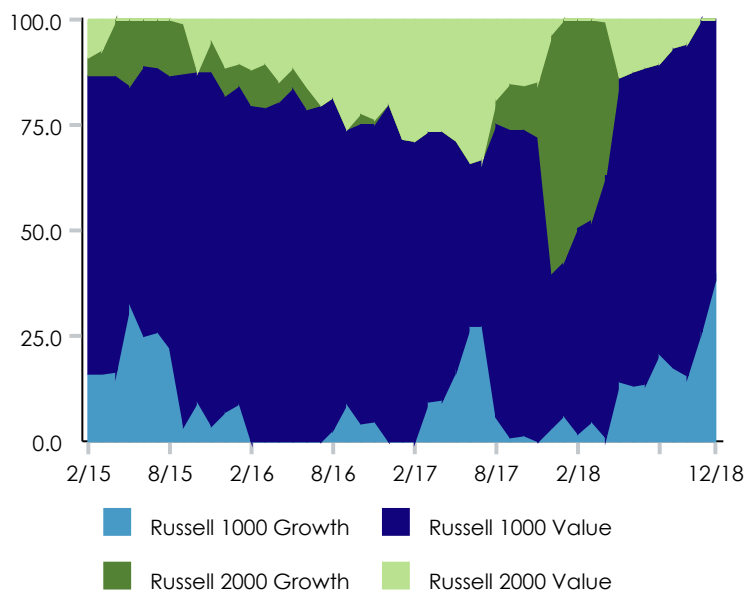
Fund Investment Policy

The Fund seeks long-term growth of capital. The Fund invests its assets in equity securities of companies that are considered to be undervalued. Although the Fund will invest primarily in US securities, it may invest up to 20% of its total assets in foreign securities including securities issued in emerging markets.

Style Map (5 Years)



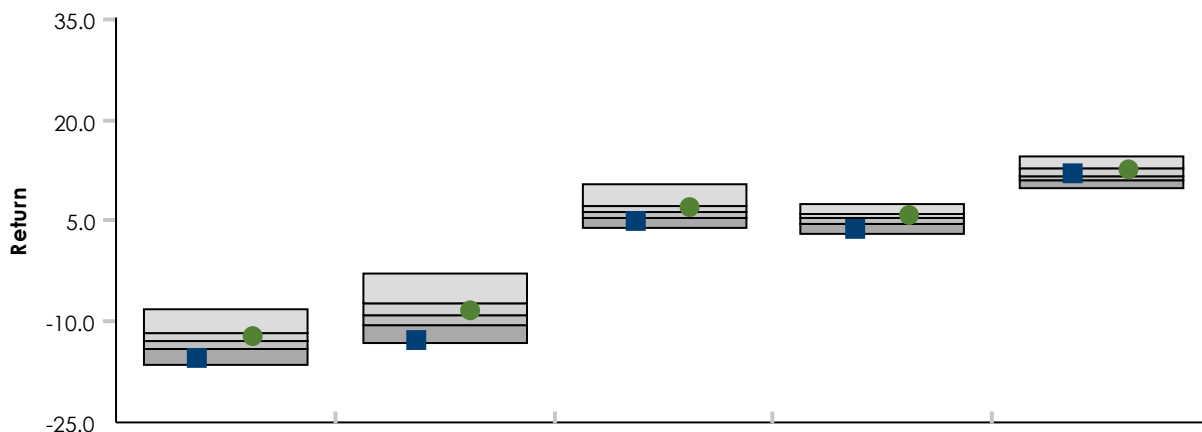
Style History (5 Years)



Historical Statistics (5 Years)

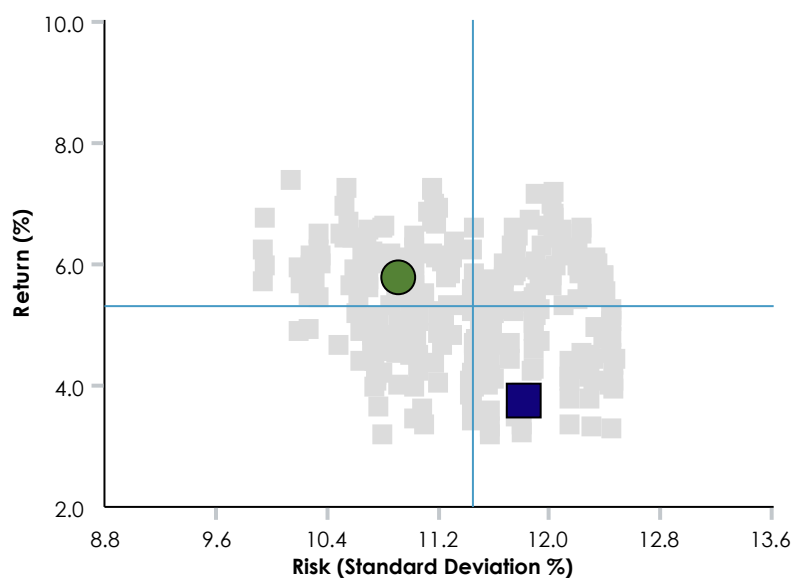
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
USAA Value	3.7	11.8	0.3	-2.2	1.1	0.9	2.7	-0.7	96.1	110.1
Russell 3000 Value Index	5.8	10.9	0.5	0.0	1.0	1.0	0.0	N/A	100.0	100.0
U.S. Large Cap Value Equity Median	5.3	11.4	0.5	-0.4	1.0	0.9	2.9	-0.1	97.6	101.1

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (2/1/2009)
■ USAA Value	-15.6 (92)	-12.8 (94)	4.7 (90)	3.7 (91)	11.9 (46)
● Russell 3000 Value Index	-12.2 (39)	-8.6 (42)	7.0 (35)	5.8 (37)	12.6 (30)
Median	-12.9	-9.0	6.5	5.3	11.8

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
■ USAA Value	3.7	11.8
● Russell 3000 Value Index	5.8	10.9
— Median	5.3	11.4

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	39	96.1
Down Markets	21	110.1
Batting Average		
Up Markets	39	46.2
Down Markets	21	42.9
Overall	60	45.0

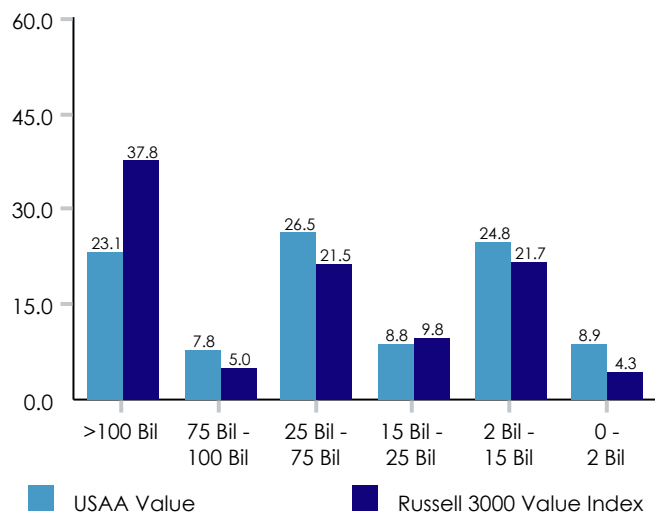
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	73,999	111,114
Median Mkt. Cap (\$M)	8,467	1,346
Price/Earnings ratio	14.4	13.6
Price/Book ratio	2.1	2.0
5 Yr. EPS Growth Rate (%)	11.9	8.6
Current Yield (%)	2.5	2.9
Beta (5 Years, Monthly)	1.1	1.0
Number of Stocks	110	2,112

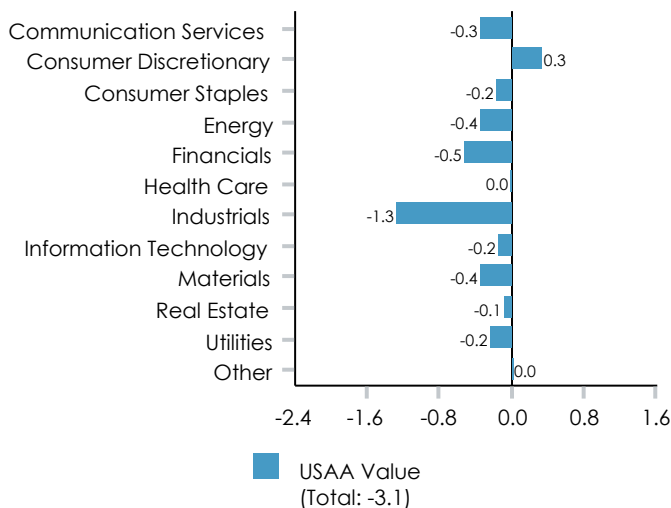
Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarter Return (%)
Anthem Inc	2.7	0.5	-3.9
Medtronic PLC	2.4	1.0	-7.0
Pfizer Inc	2.4	2.0	-0.2
Johnson Controls International Plc	2.1	0.2	-14.6
Cigna Corp	2.0	0.4	-8.8
Oracle Corp	2.0	0.8	-12.1
Wells Fargo & Co	1.9	1.5	-11.6
Dollar General Corp	1.9	0.0	-0.8
Lowe's Cos Inc.	1.9	0.0	-19.2
JPMorgan Chase & Co	1.8	2.6	-12.9
% of Portfolio	21.1	9.0	

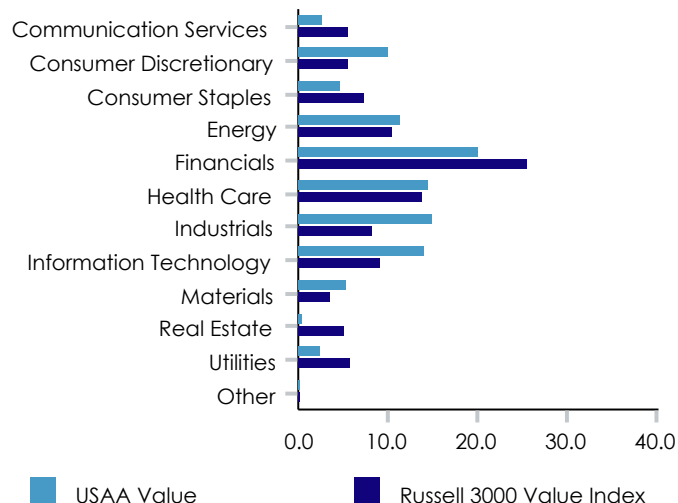
Market Cap Distribution (As of 12/31/2018)



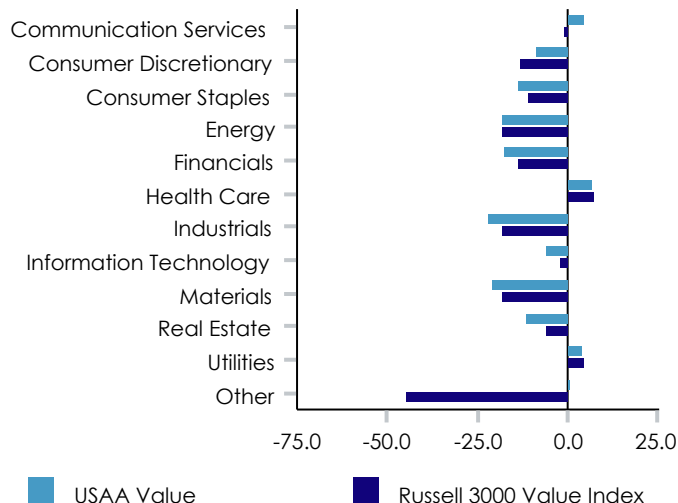
Sector Attribution (1 Year as of 12/31/2018)



Sector Allocation (1 Year as of 12/31/2018)

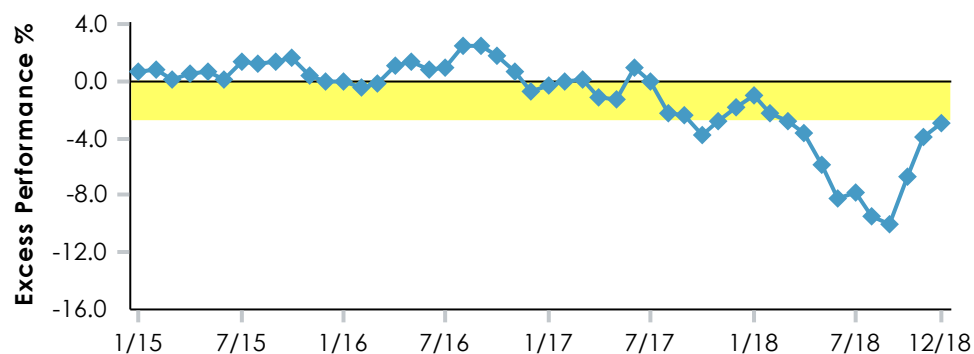


Sector Performance (1 Year as of 12/31/2018)



USAA Growth vs. Russell 1000 Growth Index

Short-term (Rolling 12 Months Excess Performance)

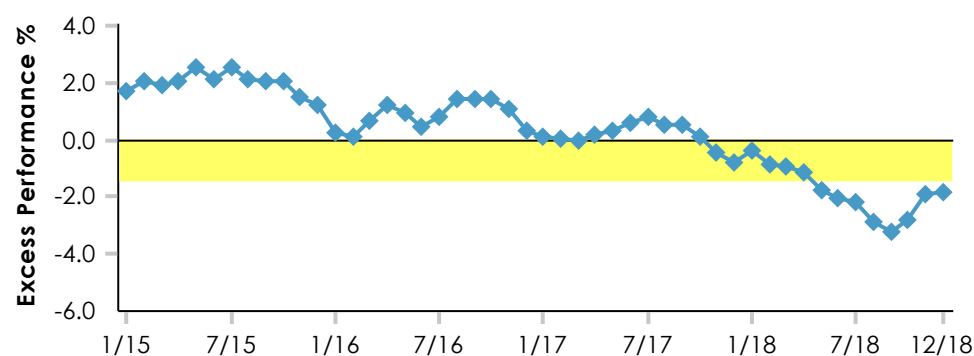


Short-term Performance:

Caution

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

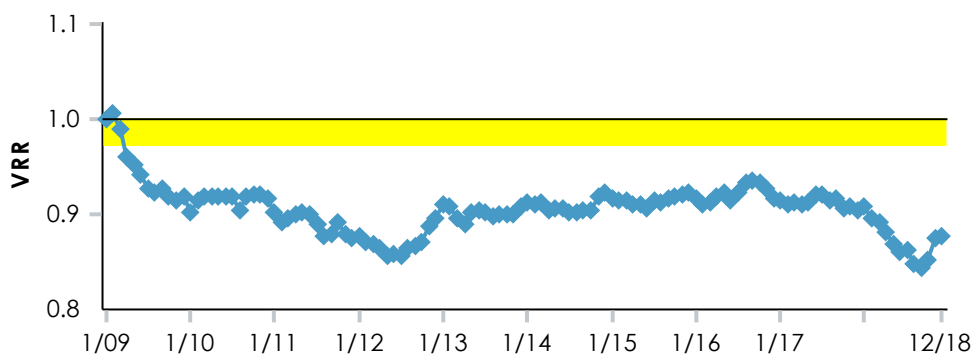


Medium-term Performance:

Caution

Probationary Performance = -1.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (2/1/2009)
USAA Growth	-12.5 (8)	-4.4 (87)	9.3 (58)	9.6 (33)	14.5 (57)
Russell 1000 Growth Index	-15.9 (53)	-1.5 (58)	11.1 (17)	10.4 (15)	16.0 (17)
IM U.S. Large Cap Growth Equity (MF) Median	-15.8	-0.9	9.6	9.1	14.7

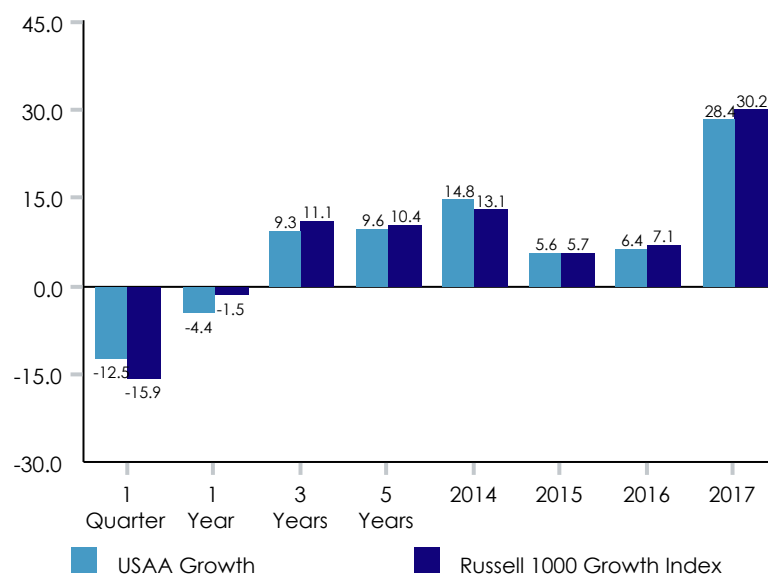
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Growth;Fund (USAAX)
 Fund Family : USAA Asset Management Company
 Ticker : USAAX
 Peer Group : IM U.S. Large Cap Growth Equity (MF)
 Benchmark : Russell 1000 Growth Index
 Fund Inception : 04/05/1971
 Portfolio Manager : Hamzaogullari/Schroer/Eng
 Total Assets : \$1,530 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 0.9%
 Net Expense : 0.9%
 Turnover : 19%

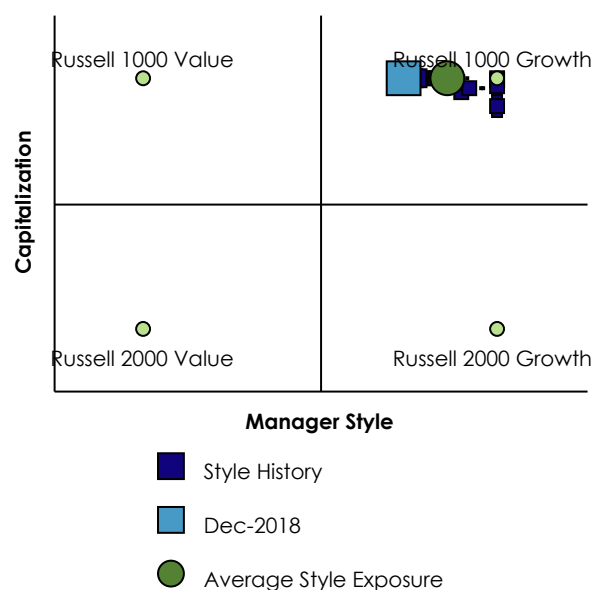
Comparative Performance



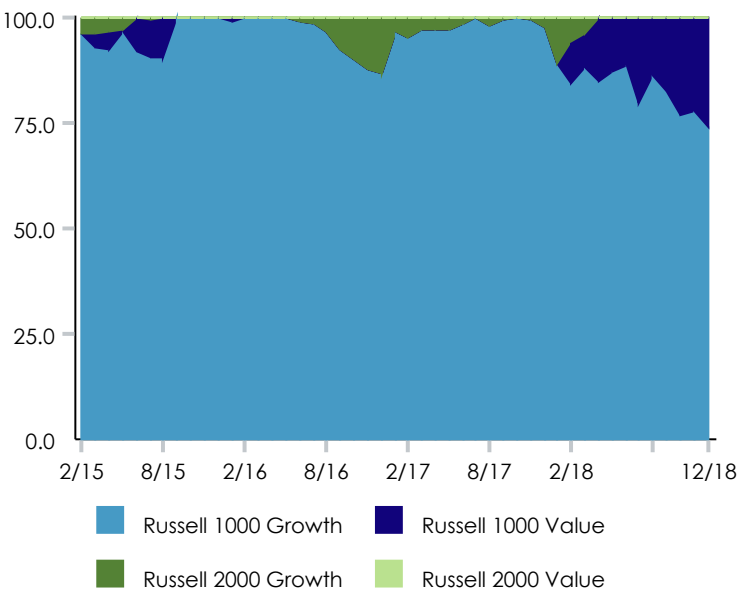
Fund Investment Policy

The Fund seeks long-term growth of capital. The Fund invests its assets in a diversified portfolio of equity securities selected for their growth potential. Although the Fund will invest in US securities, it may invest up to 20% of its total assets in foreign securities including securities issued in emerging markets.

Style Map (5 Years)



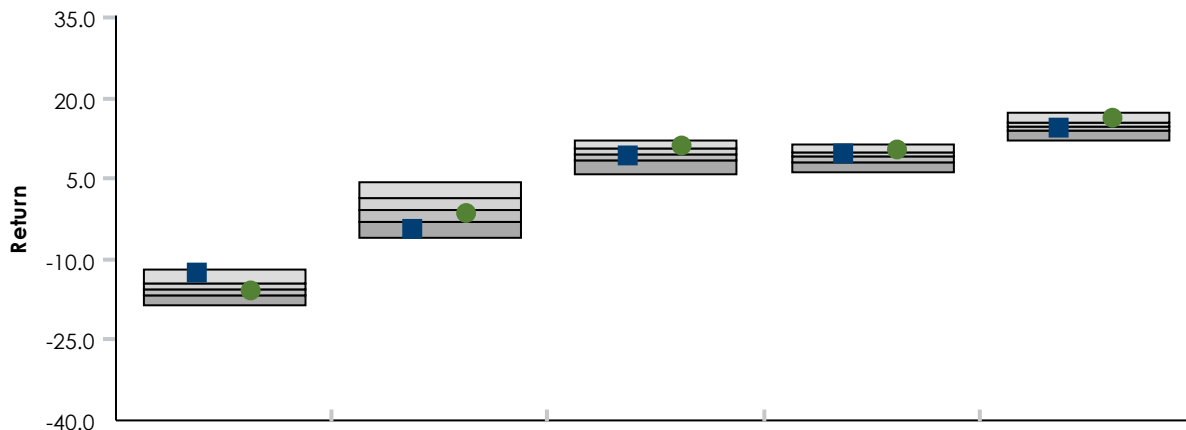
Style History (5 Years)



Historical Statistics (5 Years)

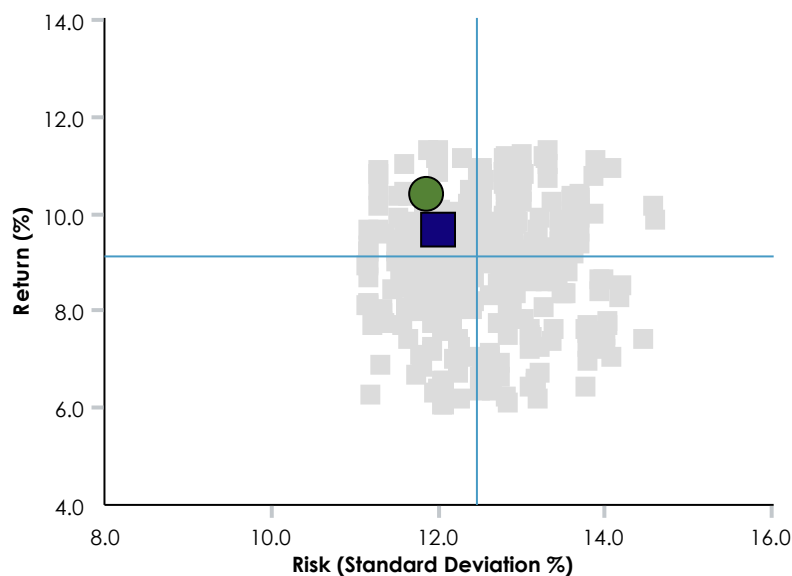
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
USAA Growth	9.6	12.0	0.8	-0.6	1.0	1.0	2.6	-0.3	96.9	100.1
Russell 1000 Growth Index	10.4	11.9	0.8	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM U.S.LCG Equity (MF) Median	9.1	12.5	0.7	-1.3	1.0	0.9	3.4	-0.4	97.9	107.0

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inclusion (2/1/2009)
■ USAA Growth	-12.5 (8)	-4.4 (87)	9.3 (58)	9.6 (33)	14.5 (57)
● Russell 1000 Growth Index	-15.9 (53)	-1.5 (58)	11.1 (17)	10.4 (15)	16.0 (17)
Median	-15.8	-0.9	9.6	9.1	14.7

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
■ USAA Growth	9.6	12.0
● Russell 1000 Growth Index	10.4	11.9
— Median	9.1	12.5

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	38	96.9
Down Markets	22	100.1
Batting Average		
Up Markets	38	52.6
Down Markets	22	50.0
Overall	60	51.7

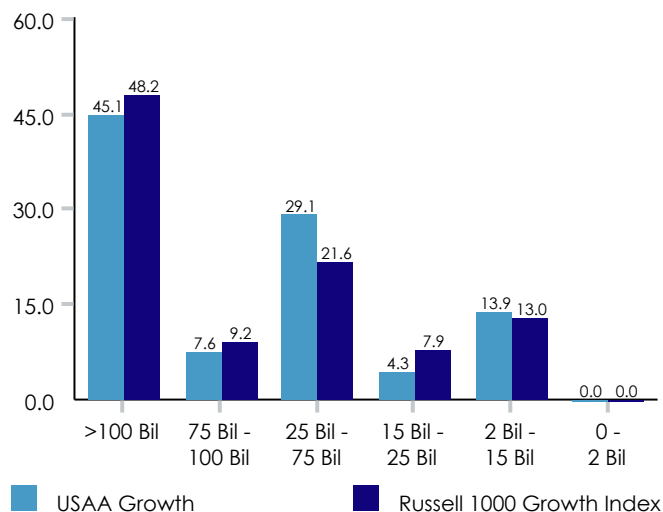
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	184,003	241,405
Median Mkt. Cap (\$M)	47,521	10,325
Price/Earnings ratio	23.5	22.7
Price/Book ratio	5.3	6.1
5 Yr. EPS Growth Rate (%)	24.3	23.6
Current Yield (%)	1.5	1.5
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	83	546

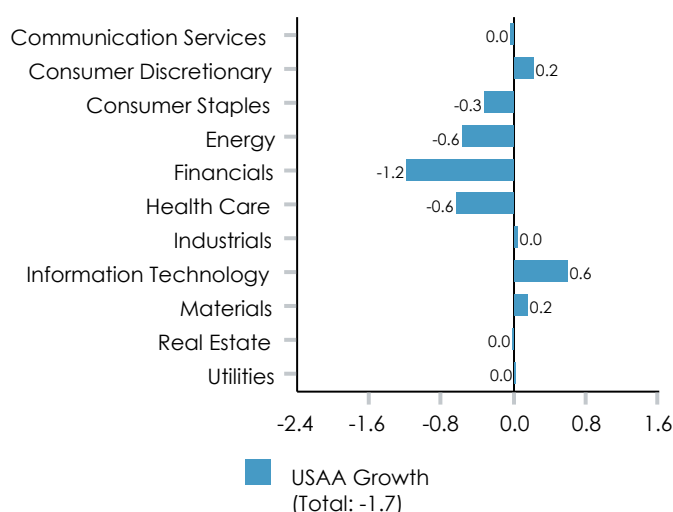
Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
Visa Inc	4.9	2.0	-11.9
Amazon.com Inc	4.3	5.3	-25.0
Oracle Corp	4.0	0.1	-12.1
Facebook Inc	3.9	2.7	-20.3
Alibaba Group Holding Ltd	3.4	0.0	-16.8
Microsoft Corp	3.0	6.3	-10.8
Alphabet Inc	2.7	2.7	-13.4
Autodesk Inc.	2.7	0.2	-17.6
Cisco Systems Inc	2.6	0.0	-10.3
Regeneron Pharma	2.3	0.3	-7.6
% of Portfolio	33.8	19.6	

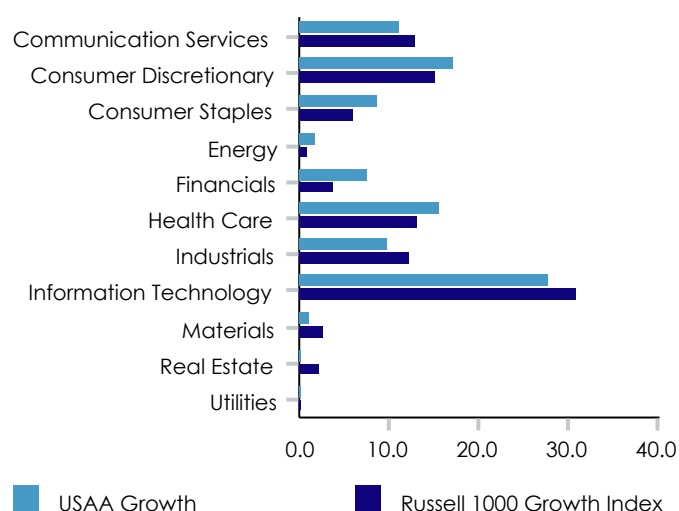
Market Cap Distribution (As of 12/31/2018)



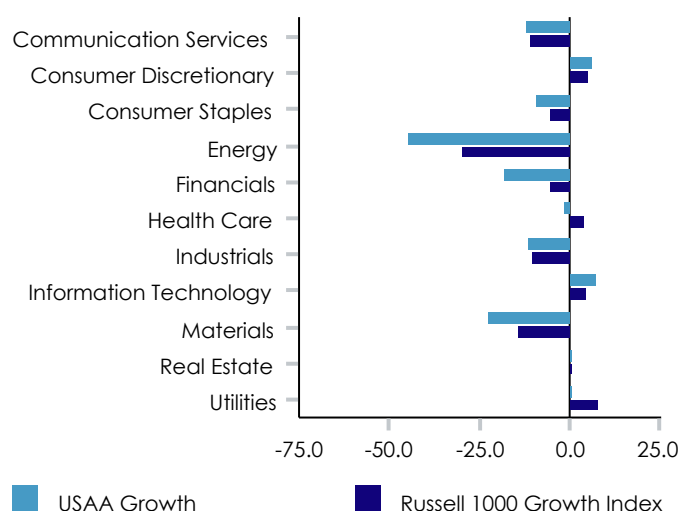
Sector Attribution (1 Year as of 12/31/2018)



Sector Allocation (1 Year as of 12/31/2018)

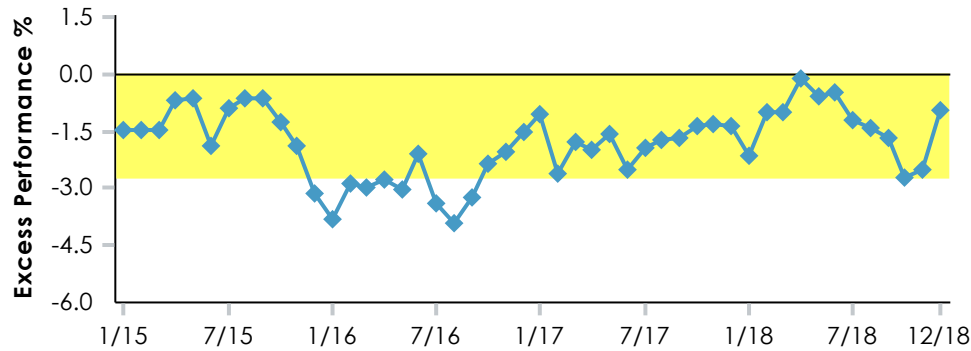


Sector Performance (1 Year as of 12/31/2018)



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

Short-term (Rolling 12 Months Excess Performance)

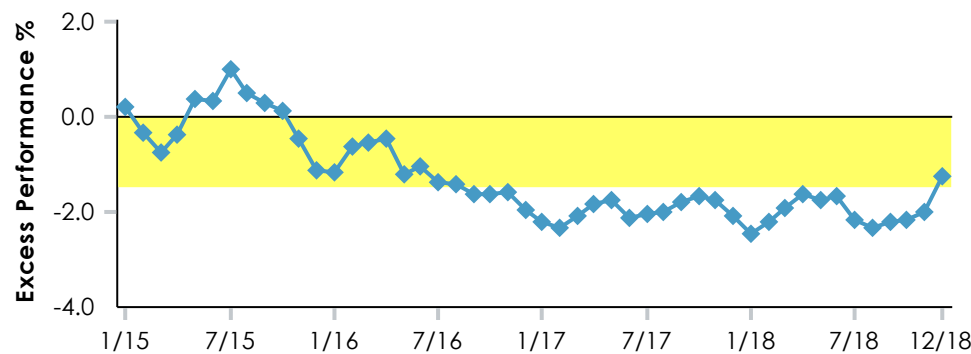


Short-term Performance:

Acceptable

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

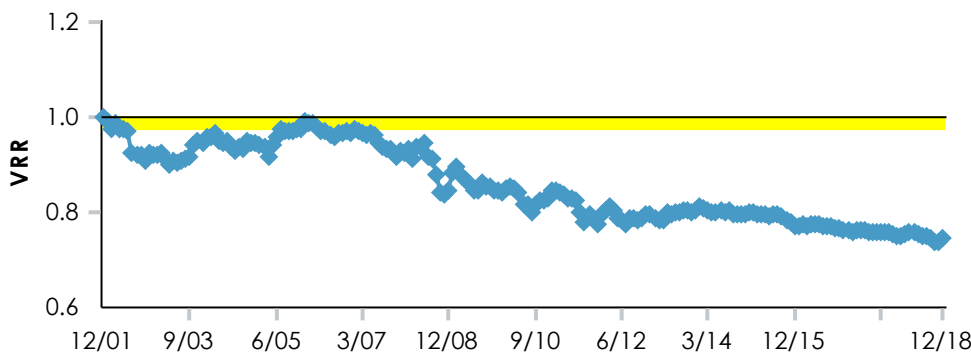


Medium-term Performance:

Acceptable

Probationary Performance = -1.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (1/1/2002)
USAA Income Stock	-9.3 (22)	-5.5 (32)	7.9 (33)	6.4 (36)	5.4 (83)
MSCI USA IMI High Dividend Yield NR	-9.0 (18)	-4.6 (19)	9.2 (13)	8.0 (5)	7.3 (29)
IM Equity Income (MF) Median	-11.5	-7.2	7.1	5.6	6.6

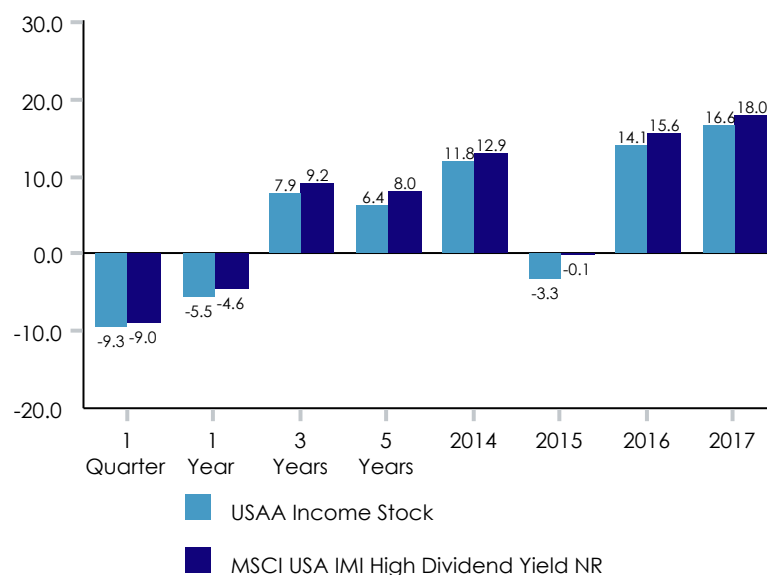
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Income Stock;Fund (USISX)
 Fund Family : USAA Asset Management Company
 Ticker : USISX
 Peer Group : IM Equity Income (MF)
 Benchmark : S&P 500 Index
 Fund Inception : 05/04/1987
 Portfolio Manager : Team Managed
 Total Assets : \$1,626 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 0.8%
 Net Expense : 0.8%
 Turnover : 23%

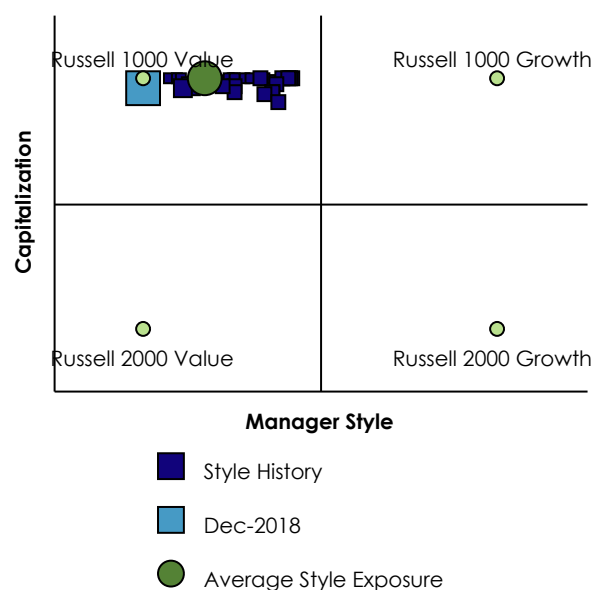
Comparative Performance



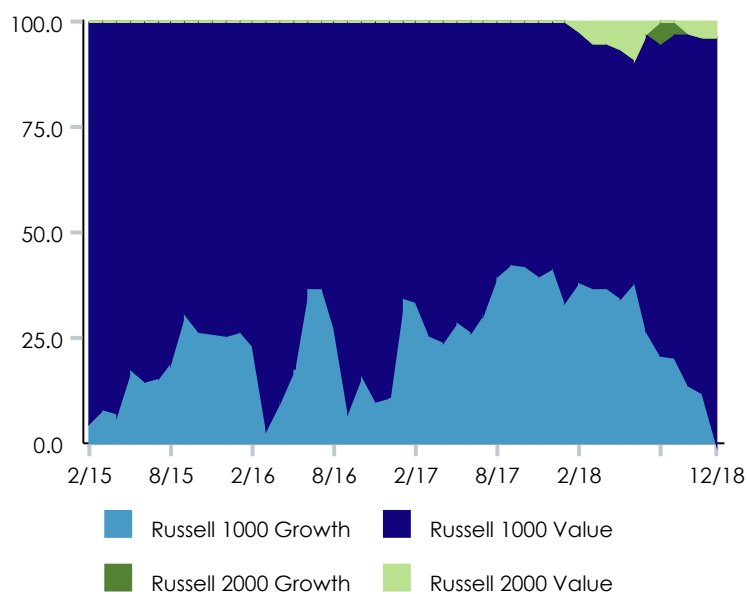
Fund Investment Policy

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

Style Map (5 Years)



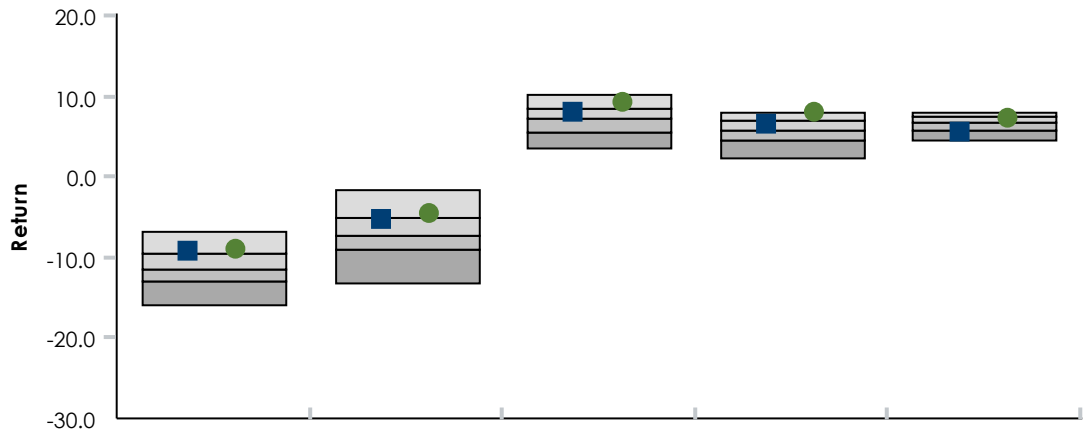
Style History (5 Years)



Historical Statistics (5 Years)

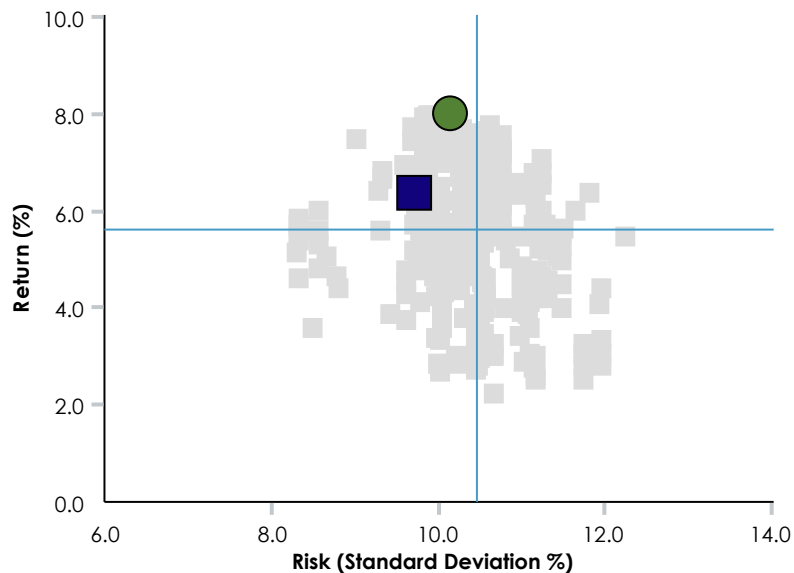
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
USAA Income Stock	6.4	9.7	0.6	-1.1	0.9	1.0	1.6	-1.0	92.7	102.4
MSCI USA IMI High Dividend Yield NR	8.0	10.2	0.7	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM Equity Income (MF) Median	5.6	10.5	0.5	-1.7	1.0	0.9	3.5	-0.6	91.3	105.9

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (1/1/2002)
■ USAA Income Stock	-9.3 (22)	-5.5 (32)	7.9 (33)	6.4 (36)	5.4 (83)
● MSCI USA IMI High Dividend Yield NR	-9.0 (18)	-4.6 (19)	9.2 (13)	8.0 (5)	7.3 (29)
Median	-11.5	-7.2	7.1	5.6	6.6

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
■ USAA Income Stock	6.4	9.7
● MSCI USA IMI High Dividend Yield NR	8.0	10.2
— Median	5.6	10.5

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	39	92.7
Down Markets	21	102.4
Batting Average		
Up Markets	39	33.3
Down Markets	21	47.6
Overall	60	38.3

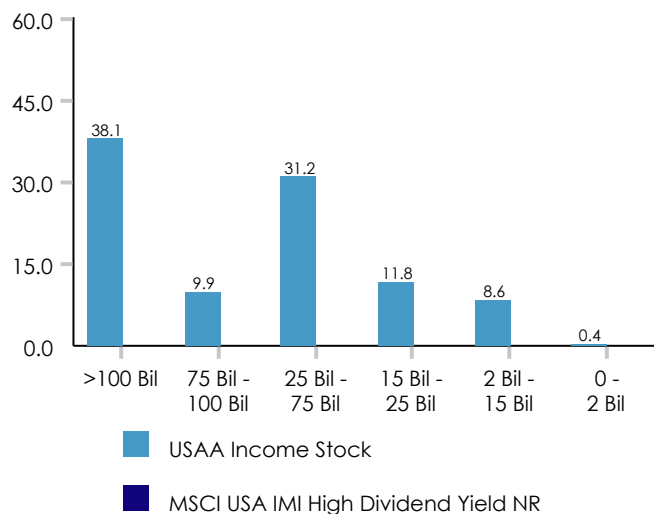
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	124,260	-
Median Mkt. Cap (\$M)	40,784	-
Price/Earnings ratio	14.9	0.0
Price/Book ratio	2.5	0.0
5 Yr. EPS Growth Rate (%)	7.0	0.0
Current Yield (%)	3.5	0.0
Beta (5 Years, Monthly)	0.9	1.0
Number of Stocks	149	0

Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
Microsoft Corp	2.3	0.0	-10.8
Johnson & Johnson	2.2	0.0	-6.0
Pfizer Inc	1.9	0.0	-0.2
JPMorgan Chase & Co	1.8	0.0	-12.9
Cisco Systems Inc	1.8	0.0	-10.3
Royal Dutch Shell PLC	1.7	0.0	-13.2
CME Group Inc	1.7	0.0	12.0
Walmart Inc	1.6	0.0	-0.3
Merck & Co Inc.	1.5	0.0	8.5
Procter & Gamble Co (The)	1.5	0.0	11.4
% of Portfolio	18.0	0.0	

Market Cap Distribution (As of 12/31/2018)



Sector Attribution (1 Year as of 12/31/2018)

No data found.

Sector Allocation (1 Year as of 12/31/2018)

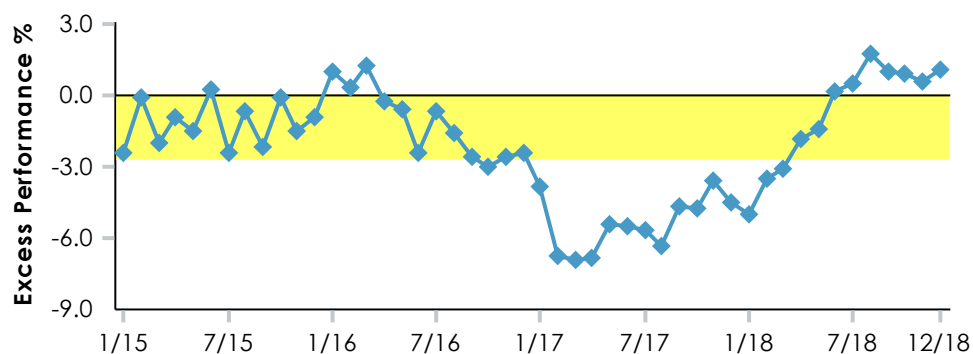
No data found.

Sector Performance (1 Year as of 12/31/2018)

No data found.

USAA Small Cap Stock vs. Russell 2000 Index

Short-term (Rolling 12 Months Excess Performance)

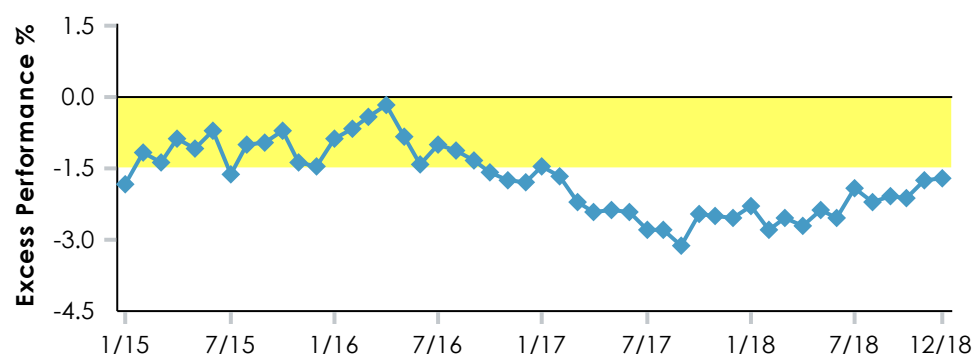


Short-term Performance:

Positive

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

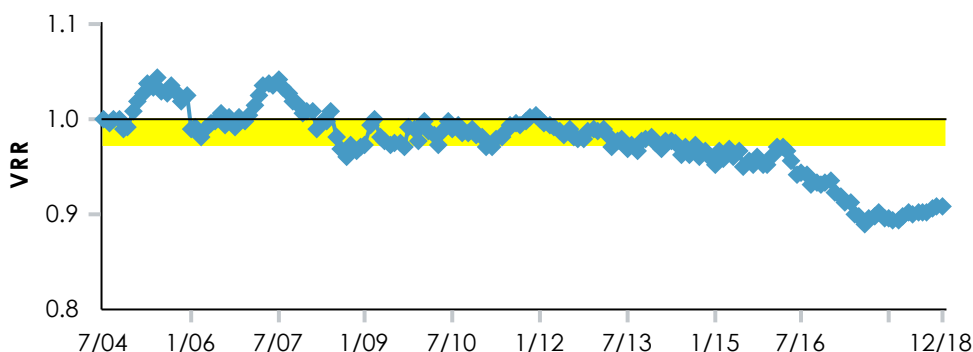


Medium-term Performance:

Caution

Probationary Performance = -1.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (8/1/2004)
USAA Small Cap Stock	-19.8 (35)	-9.9 (36)	5.7 (55)	2.8 (59)	7.1 (44)
Russell 2000 Index	-20.2 (49)	-11.0 (44)	7.4 (38)	4.4 (36)	7.8 (39)
IM U.S. Small Cap Core Equity (MF) Median	-20.3	-12.3	5.9	3.1	6.9

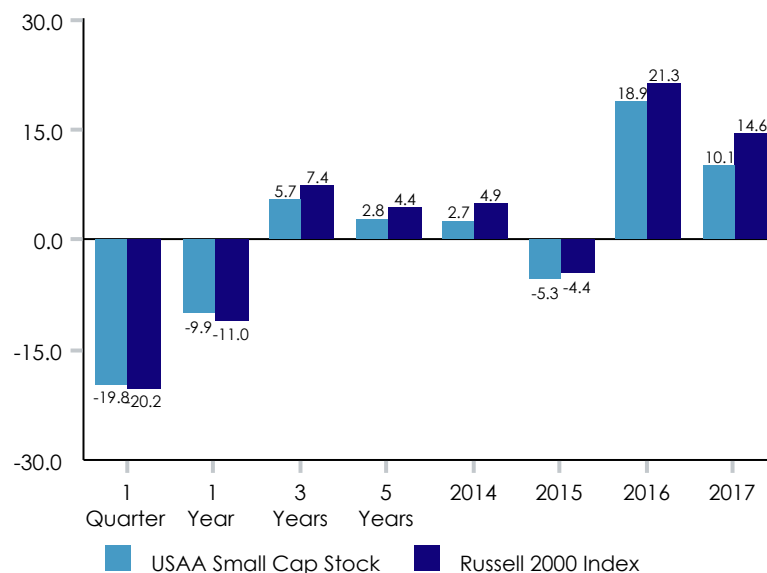
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Small Cap Stck;Fund (USCAX)
 Fund Family : USAA Asset Management Company
 Ticker : USCAX
 Peer Group : IM U.S. Small Cap Core Equity (MF)
 Benchmark : Russell 2000 Index
 Fund Inception : 08/02/1999
 Portfolio Manager : Team Managed
 Total Assets : \$668 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 1.1%
 Net Expense : 1.1%
 Turnover : 68%

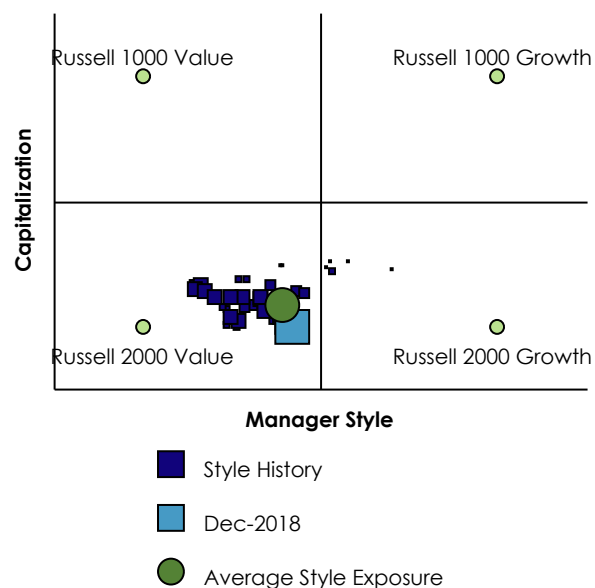
Comparative Performance



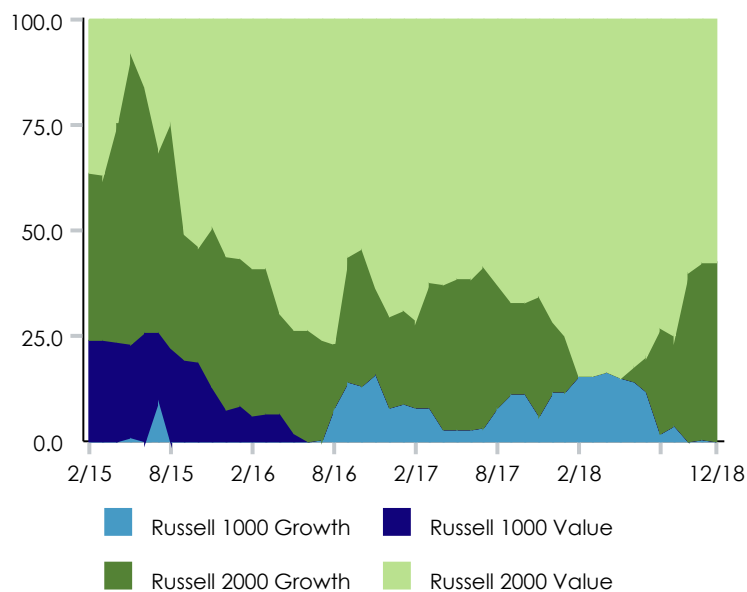
Fund Investment Policy

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

Style Map (5 Years)



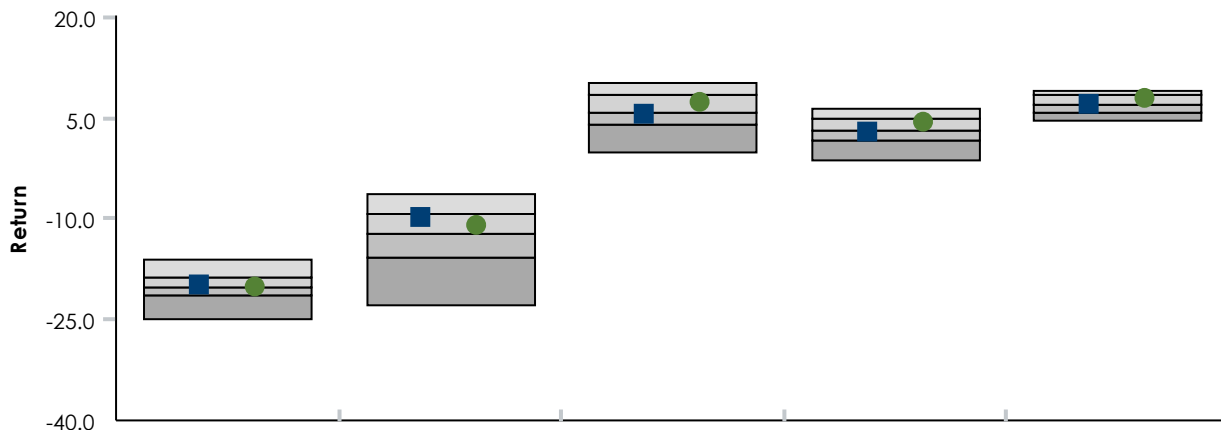
Style History (5 Years)



Historical Statistics (5 Years)

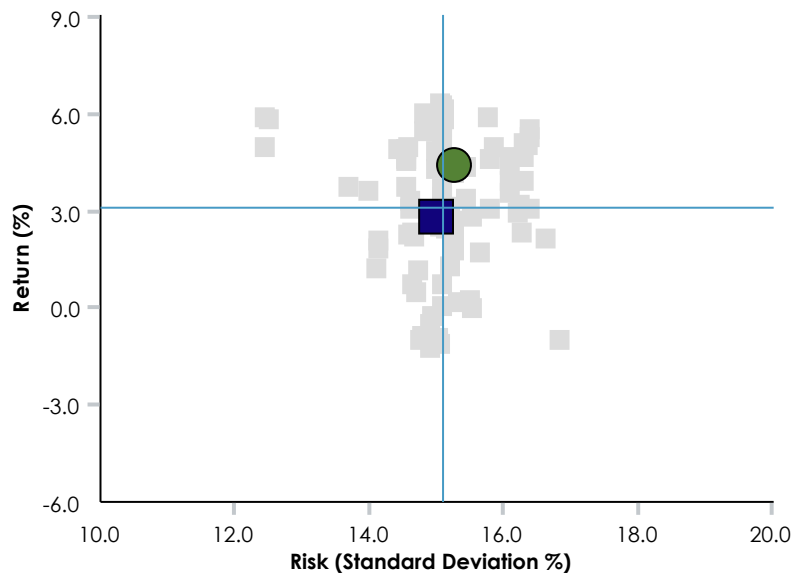
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
USAA Small Cap Stock	2.8	15.0	0.2	-1.4	1.0	1.0	2.5	-0.6	93.3	100.4
Russell 2000 Index	4.4	15.3	0.3	0.0	1.0	1.0	0.0	N/A	100.0	100.0
U.S. SMID Cap Core Equity Median	3.7	14.1	0.3	-0.3	0.9	0.9	4.3	-0.2	85.7	87.2

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (8/1/2004)
■ USAA Small Cap Stock	-19.8 (35)	-9.9 (36)	5.7 (55)	2.8 (59)	7.1 (44)
● Russell 2000 Index	-20.2 (49)	-11.0 (44)	7.4 (38)	4.4 (36)	7.8 (39)
Median	-20.3	-12.3	5.9	3.1	6.9

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
■ USAA Small Cap Stock	2.8	15.0
● Russell 2000 Index	4.4	15.3
— Median	3.1	15.1

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	38	93.3
Down Markets	22	100.4
Batting Average		
Up Markets	38	42.1
Down Markets	22	40.9
Overall	60	41.7

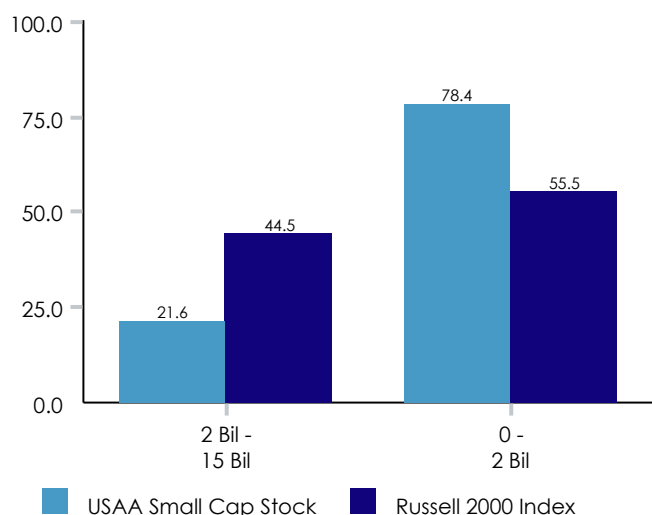
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	1,586	2,012
Median Mkt. Cap (\$M)	1,293	707
Price/Earnings ratio	14.9	15.1
Price/Book ratio	1.8	2.3
5 Yr. EPS Growth Rate (%)	16.4	11.9
Current Yield (%)	2.1	1.6
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	74	2,032

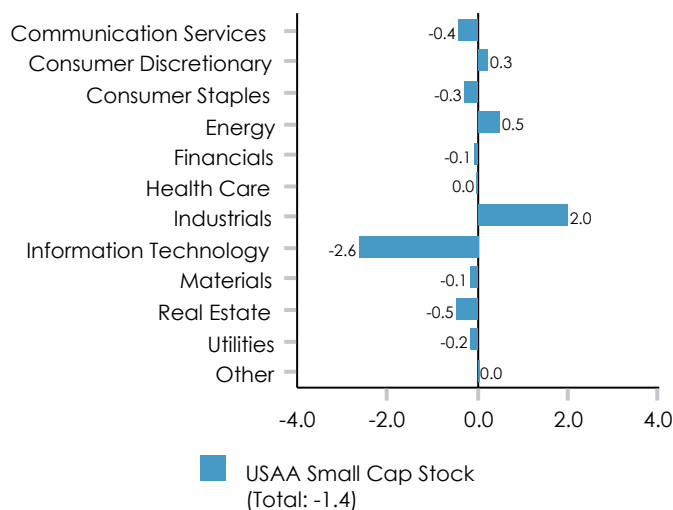
Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
TriMas Corp	3.3	0.1	-10.2
Northwest Bancshares Inc	2.7	0.1	-1.2
ESCO Technologies Inc.	2.6	0.1	-3.0
First Midwest Bancorp Inc	2.5	0.1	-25.0
MB Financial Inc	2.5	0.2	-13.5
Mueller Industries Inc.	2.4	0.1	-19.0
WNS (Holdings) Ltd	2.3	0.0	-18.7
Forrester Research Inc	2.2	0.0	-2.2
Orion Engineered Carbons SA	2.2	0.0	-20.6
Belden Inc	2.2	0.1	-41.4
% of Portfolio	24.9	0.8	

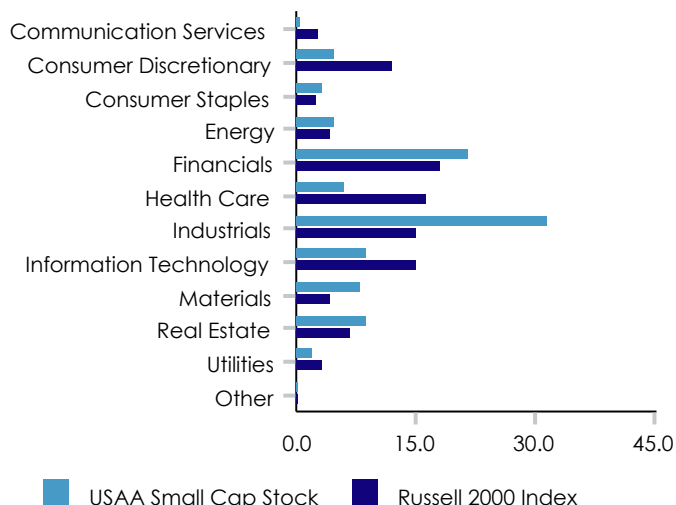
Market Cap Distribution (As of 12/31/2018)



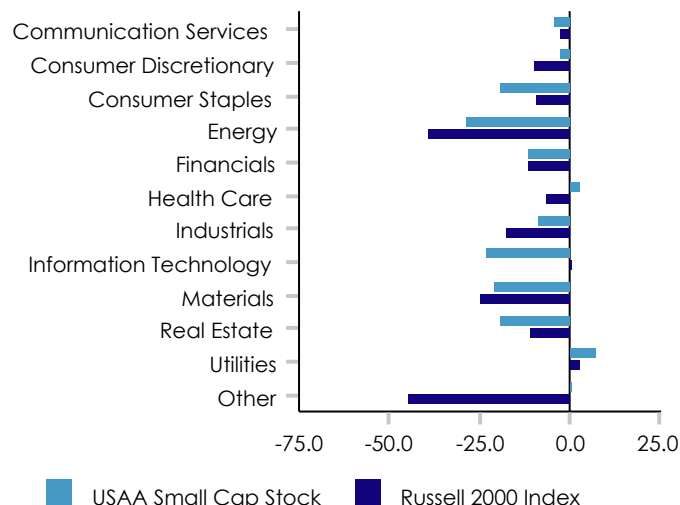
Sector Attribution (1 Year as of 12/31/2018)



Sector Allocation (1 Year as of 12/31/2018)

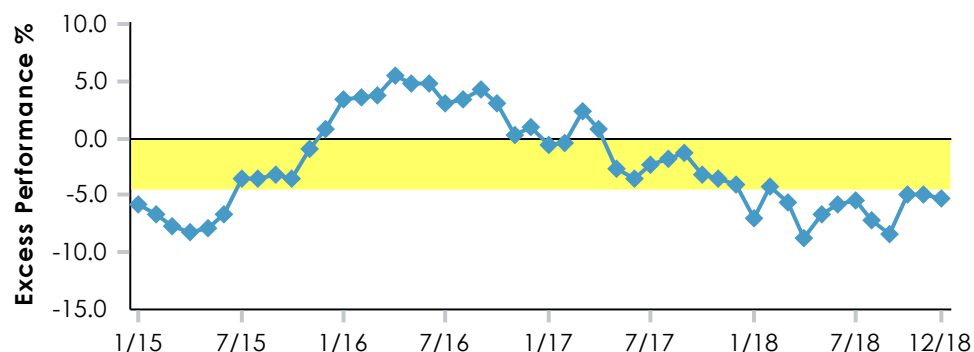


Sector Performance (1 Year as of 12/31/2018)



USAA Emerging Markets vs. MSCI Emerging Markets (Net) Index

Short-term (Rolling 12 Months Excess Performance)

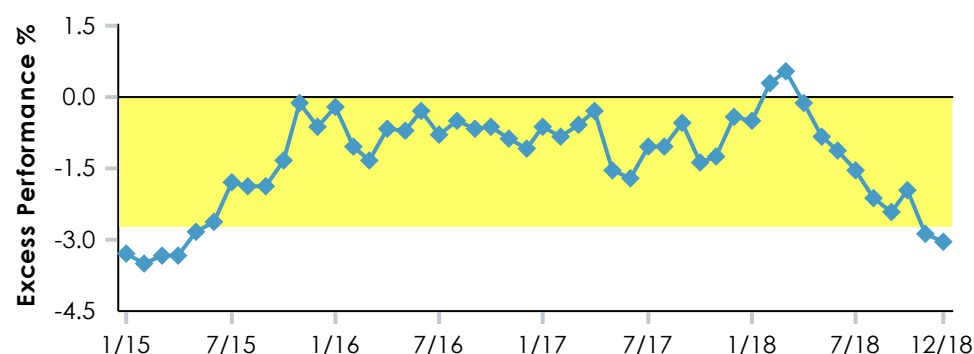


Short-term Performance:

Caution

Probationary Performance = -4.50%

Medium-term (Rolling 36 Months Excess Performance)

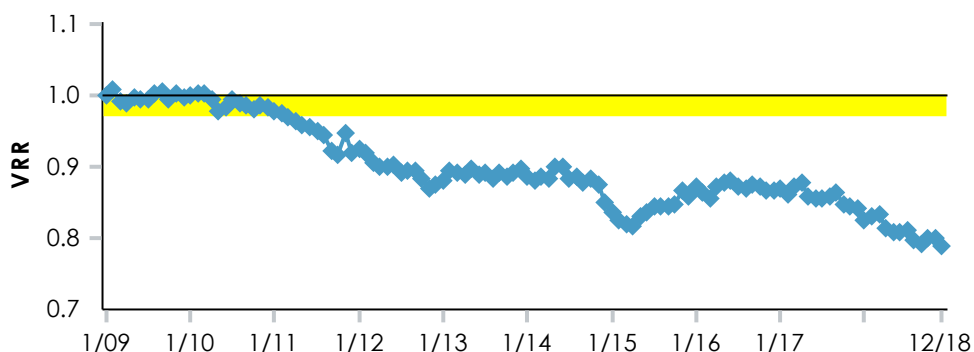


Medium-term Performance:

Acceptable

Probationary Performance = -2.75%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (2/1/2009)
USAA Emerging Markets	-7.6 (50)	-19.9 (81)	6.2 (62)	-0.9 (81)	6.3 (95)
MSCI Emerging Markets (Net) Index	-7.5 (48)	-14.6 (30)	9.2 (17)	1.6 (27)	8.8 (42)
IM Emerging Markets Equity (MF) Median	-7.6	-16.4	6.9	0.9	8.5

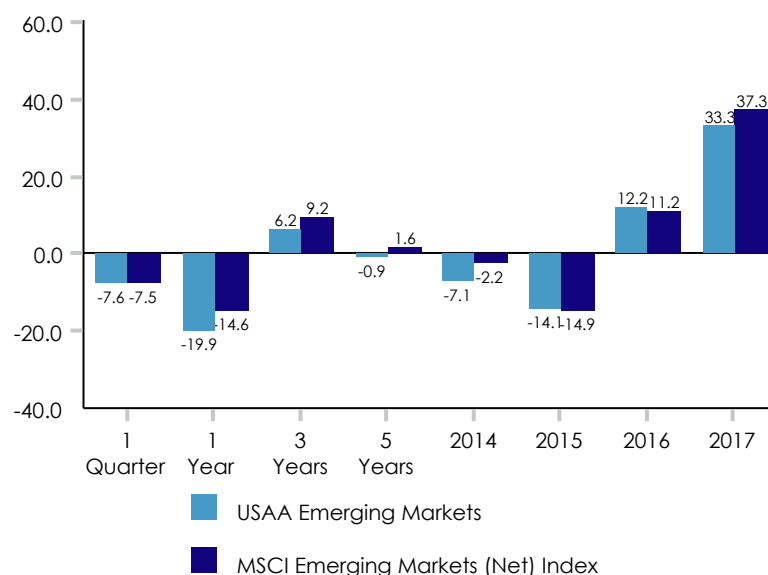
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Emerg Markets;Fund (USEMX)
 Fund Family : USAA Asset Management Company
 Ticker : USEMX
 Peer Group : IM Emerging Markets Equity (MF)
 Benchmark : MSCI Emerging Markets Index
 Fund Inception : 11/07/1994
 Portfolio Manager : Team Managed
 Total Assets : \$358 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 1.5%
 Net Expense : 1.5%
 Turnover : 59%

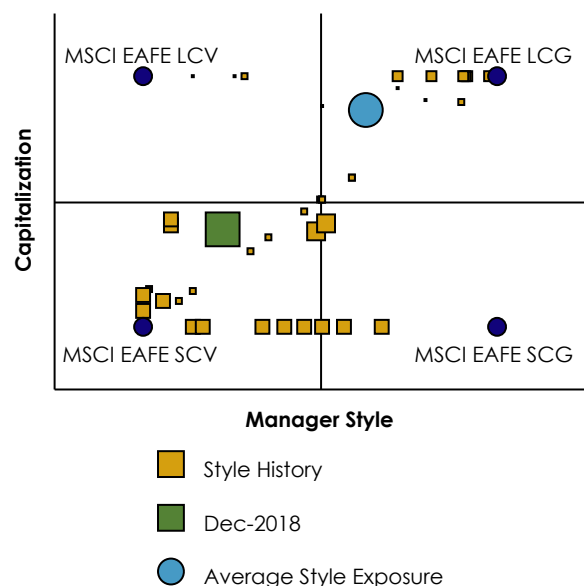
Comparative Performance



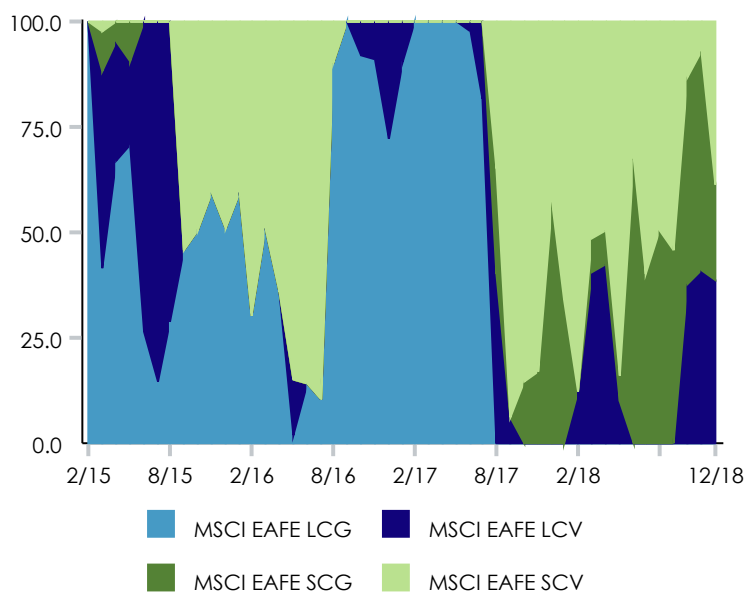
Fund Investment Policy

The Fund seeks capital appreciation. The Fund invests at least 80% of its assets in equity securities of emerging market companies. The equity securities in which the Fund invests are common stocks, preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks.

Style Map (5 Years)



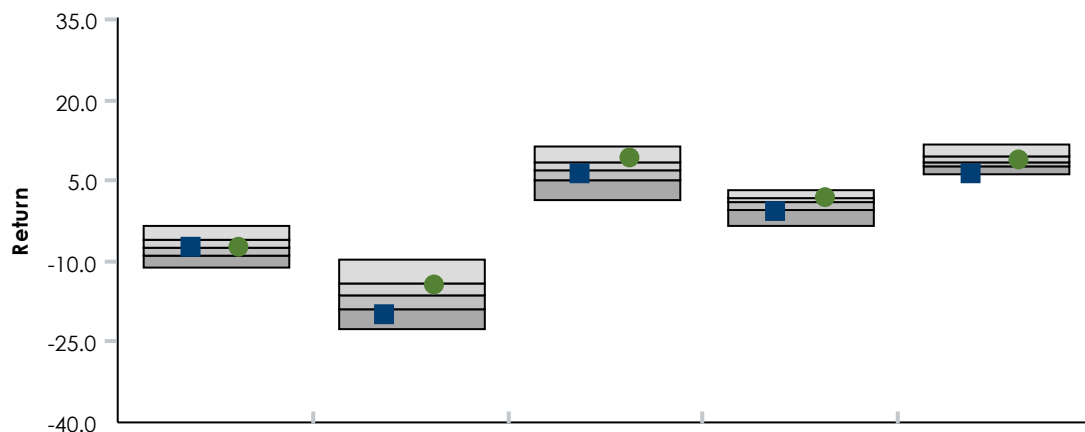
Style History (5 Years)



Historical Statistics (5 Years)

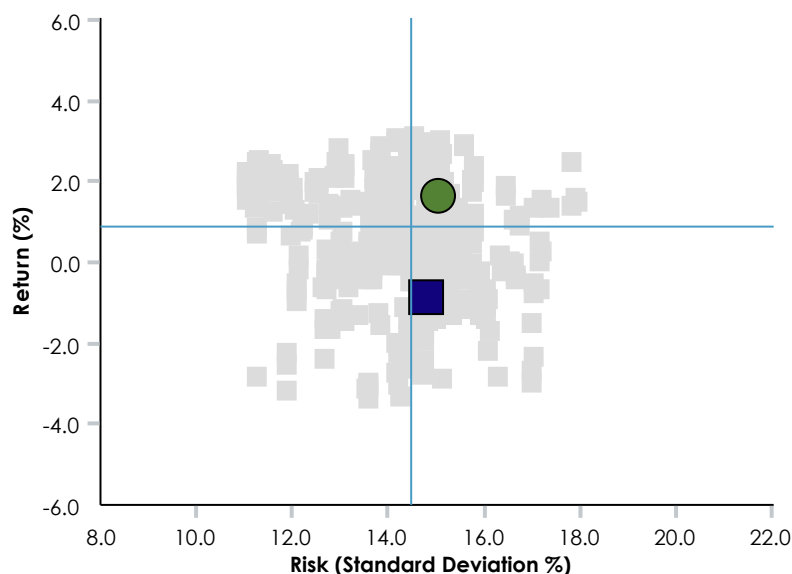
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
USAA Emerging Markets	-0.9	14.8	0.0	-2.4	1.0	0.9	3.7	-0.7	92.4	104.5
MSCI Emerging Markets (Net) Index	1.6	15.1	0.1	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM Emerging Markets Equity (MF) Median	0.9	14.5	0.1	-0.6	0.9	0.9	5.0	-0.2	90.4	95.1

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (2/1/2009)
■ USAA Emerging Markets	-7.6 (50)	-19.9 (81)	6.2 (62)	-0.9 (81)	6.3 (95)
● MSCI Emerging Markets (Net) Index	-7.5 (48)	-14.6 (30)	9.2 (17)	1.6 (27)	8.8 (42)
Median	-7.6	-16.4	6.9	0.9	8.5

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
■ USAA Emerging Markets	-0.9	14.8
● MSCI Emerging Markets (Net) Index	1.6	15.1
— Median	0.9	14.5

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	34	92.4
Down Markets	26	104.5
Batting Average		
Up Markets	34	41.2
Down Markets	26	38.5
Overall	60	40.0

Portfolio Characteristics (As of 11/30/2018)

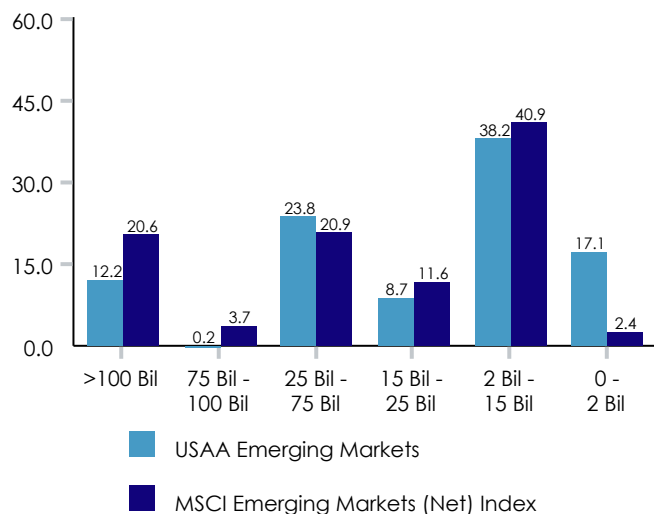
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	40,732	70,373
Median Mkt. Cap (\$M)	3,545	4,928
Price/Earnings ratio	10.7	11.1
Price/Book ratio	2.3	2.4
5 Yr. EPS Growth Rate (%)	10.3	13.5
Current Yield (%)	3.0	3.1
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	198	1,125

Top 10 Holdings (As of 11/30/2018)

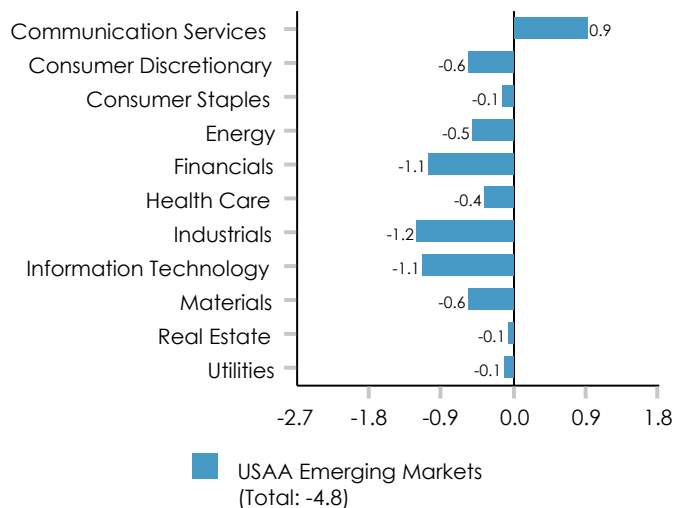
	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
Icici Bank Ltd	2.5	0.3	21.2
Sberbank of Russia OJSC	2.4	0.6	-13.6
Baidu Inc	2.4	0.9	-30.6
Uti Bank Ltd	2.2	0.3	5.9
China Construction Bank Corp	2.2	1.6	-5.6
Netease Inc	2.0	0.4	3.3
Ping An Insurance Group	1.9	1.0	-13.1
Taiwan Semiconductor	1.9	3.8	-16.4
PT Bank Persero	1.9	0.3	20.1
Reliance Industries Ltd	1.7	1.0	-7.1

% of Portfolio 21.1 10.2

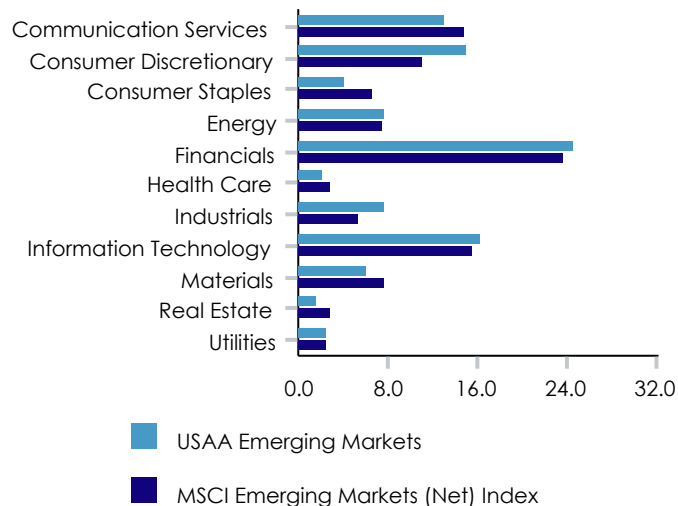
Market Cap Distribution (As of 11/30/2018)



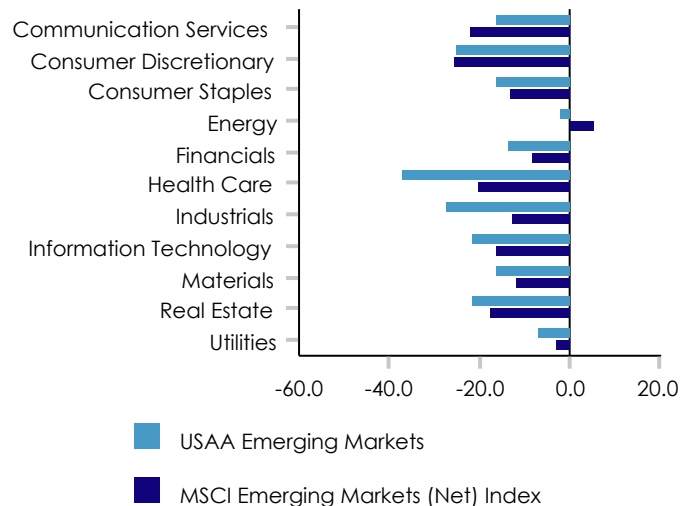
Sector Attribution (1 Year as of 11/30/2018)



Sector Allocation (1 Year as of 11/30/2018)

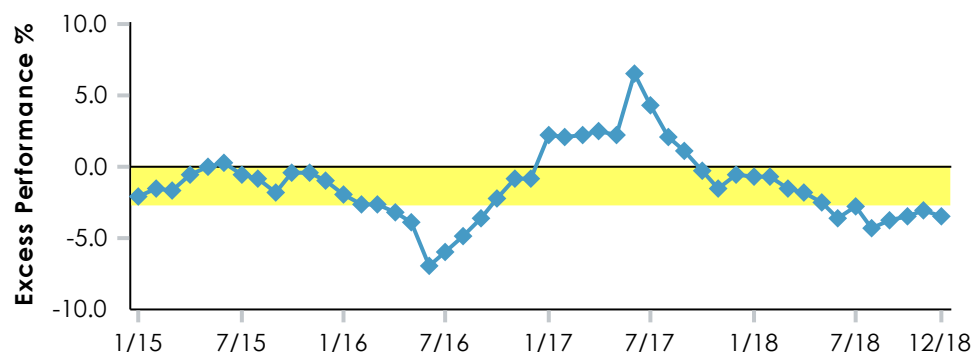


Sector Performance (1 Year as of 11/30/2018)



USAA Growth & Income vs. Russell 3000 Index

Short-term (Rolling 12 Months Excess Performance)

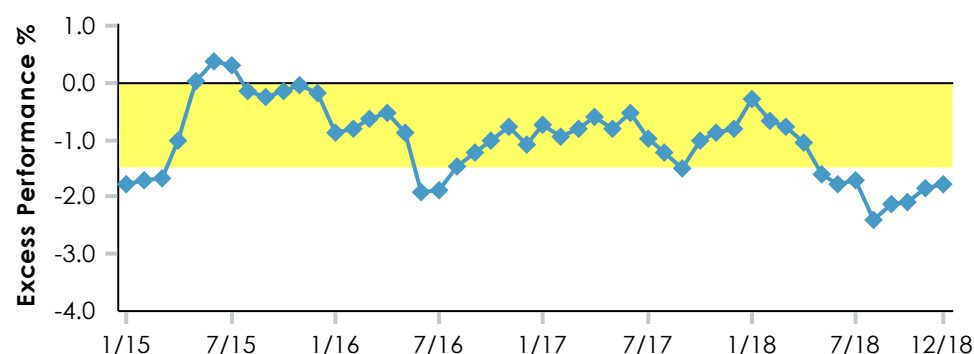


Short-term Performance:

Caution

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

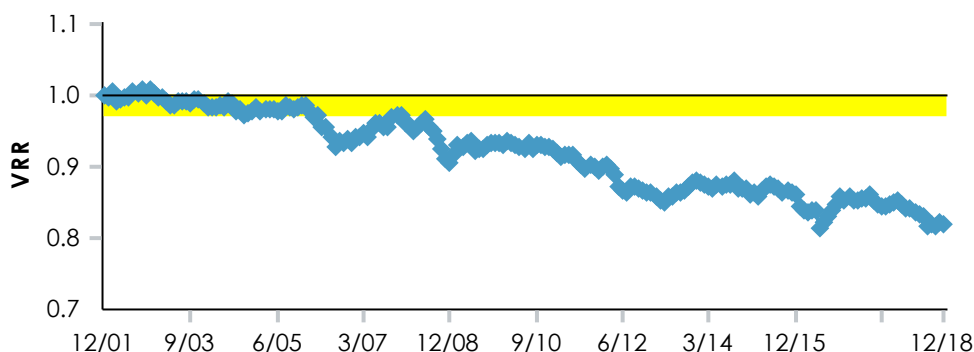


Medium-term Performance:

Caution

Probationary Performance = -1.50%

Long-term (Since Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (1/1/2002)
USAA Growth & Income	-14.3 (67)	-8.7 (88)	7.2 (70)	6.4 (70)	5.9 (66)
Russell 3000 Index	-14.3 (67)	-5.2 (43)	9.0 (27)	7.9 (26)	7.1 (13)
IM U.S. Large Cap Core Equity (MF) Median	-13.8	-5.6	8.0	7.1	6.2

Monitoring Status

Caution

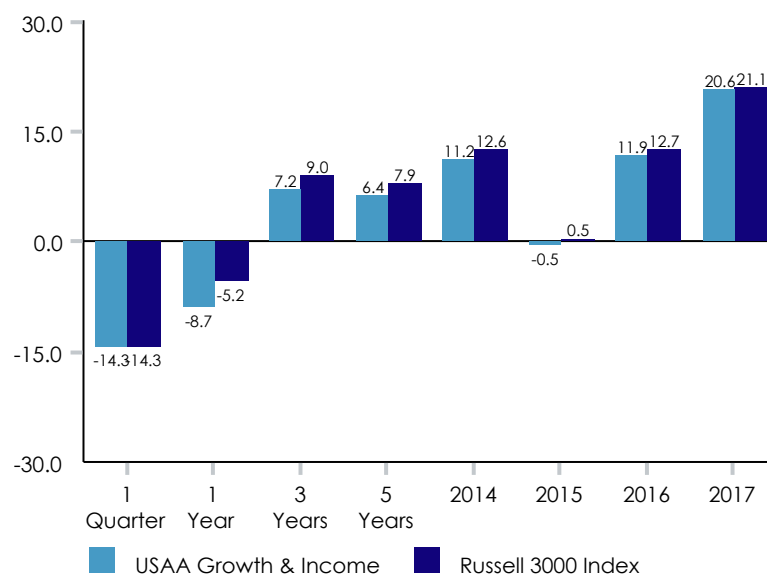
USAA Growth & Income

December 31, 2018

Mutual Fund Info

Product Name : USAA Growth & Inc;Fund (USGRX)
 Fund Family : USAA Asset Management Company
 Ticker : USGRX
 Peer Group : IM U.S. Multi-Cap Core Equity (MF)
 Benchmark : Russell 3000 Index
 Fund Inception : 06/01/1993
 Portfolio Manager : Team Managed
 Total Assets : \$1,631 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 0.9%
 Net Expense : 0.9%
 Turnover : 23%

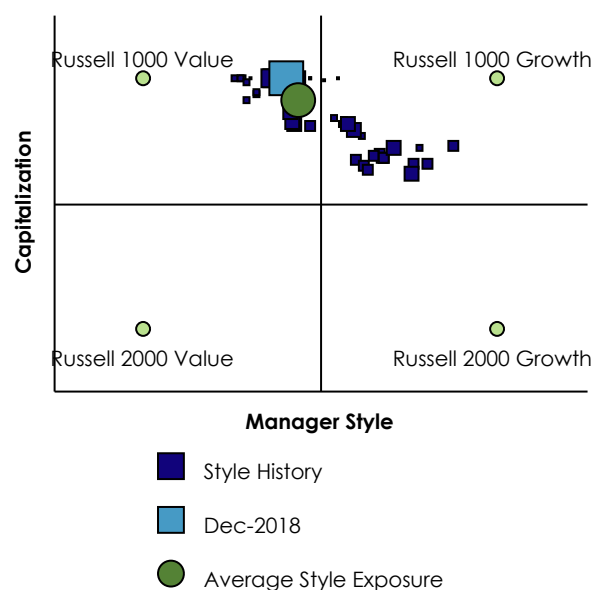
Comparative Performance



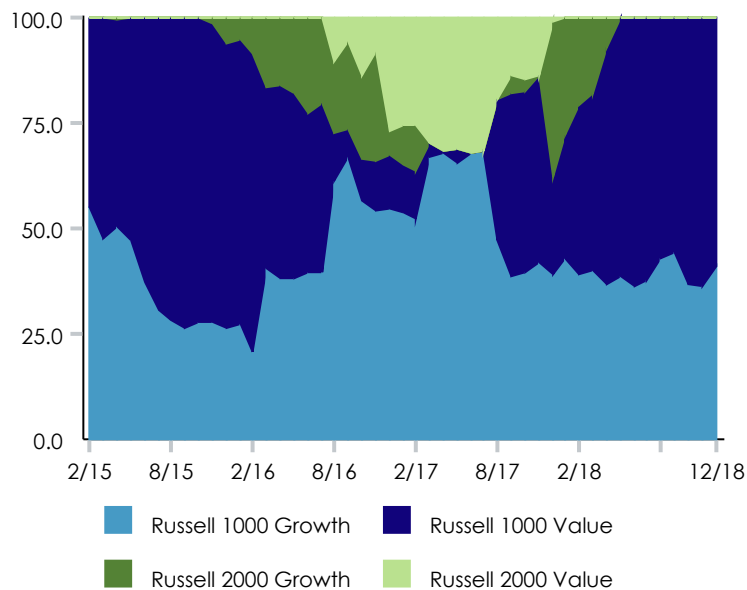
Fund Investment Policy

The Fund seeks capital growth and current income by investing the Fund's assets primarily in dividend paying equity securities.

Style Map (5 Years)



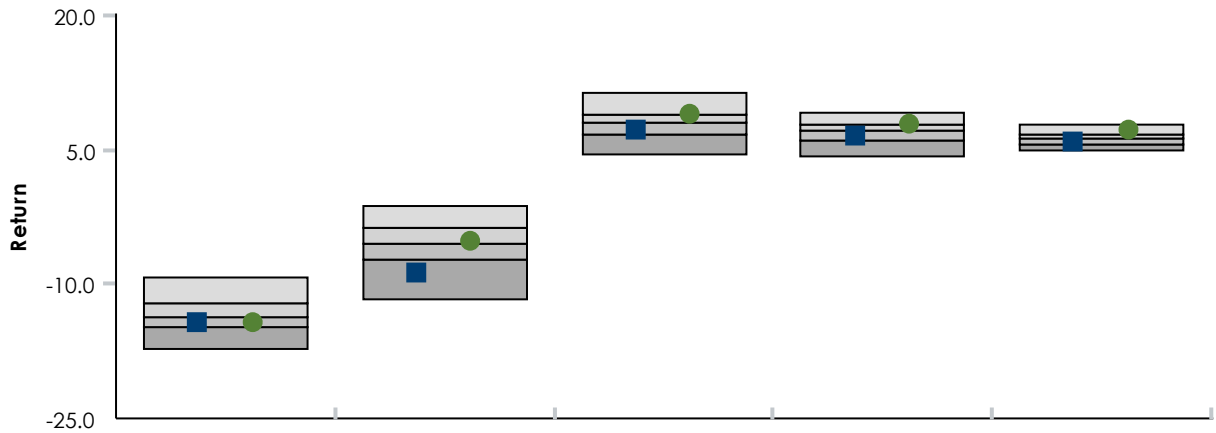
Style History (5 Years)



Historical Statistics (5 Years)

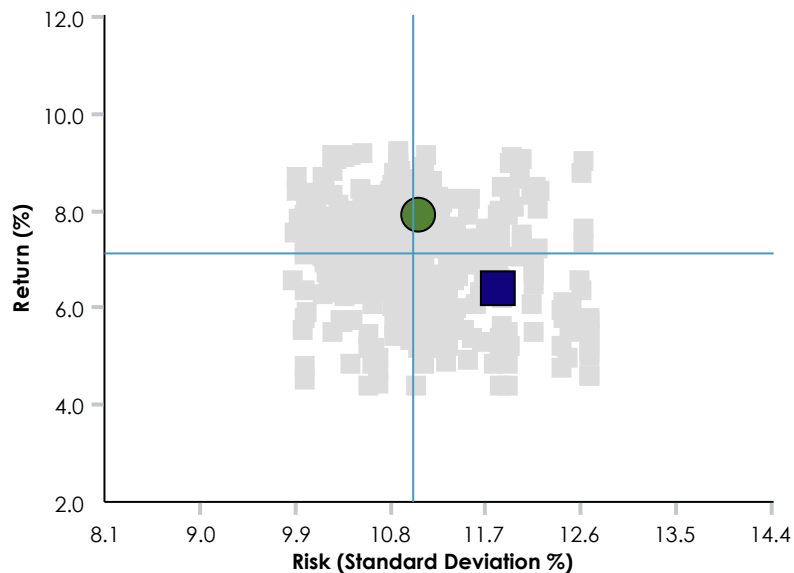
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
USAA Growth & Income	6.4	11.8	0.5	-1.7	1.0	1.0	2.6	-0.5	98.2	109.3
Russell 3000 Index	7.9	11.1	0.7	0.0	1.0	1.0	0.0	N/A	100.0	100.0
U.S. Large Cap Core Equity Median	7.1	11.0	0.6	-0.5	1.0	0.9	2.8	-0.3	95.6	99.4

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (1/1/2002)
■ USAA Growth & Income	-14.3 (67)	-8.7 (88)	7.2 (70)	6.4 (70)	5.9 (66)
● Russell 3000 Index	-14.3 (67)	-5.2 (43)	9.0 (27)	7.9 (26)	7.1 (13)
Median	-13.8	-5.6	8.0	7.1	6.2

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
■ USAA Growth & Income	6.4	11.8
● Russell 3000 Index	7.9	11.1
— Median	7.1	11.0

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	43	98.2
Down Markets	17	109.3
Batting Average		
Up Markets	43	48.8
Down Markets	17	29.4
Overall	60	43.3

USAA Growth & Income

December 31, 2018

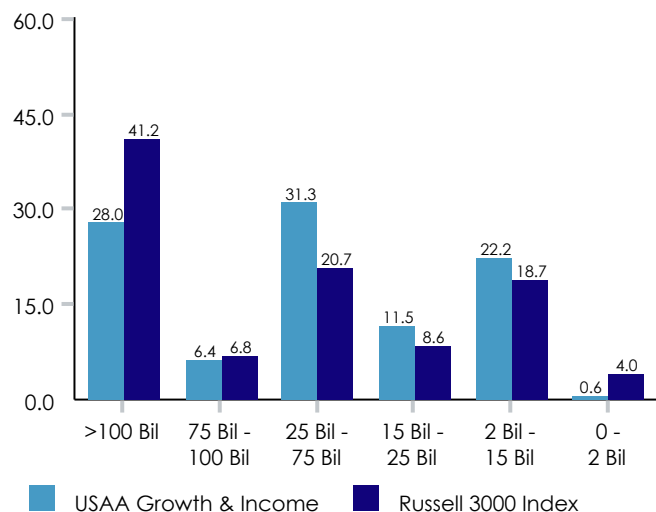
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	118,892	167,103
Median Mkt. Cap (\$M)	31,963	1,418
Price/Earnings ratio	14.3	17.0
Price/Book ratio	2.7	3.0
5 Yr. EPS Growth Rate (%)	22.1	15.9
Current Yield (%)	2.1	2.1
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	132	3,015

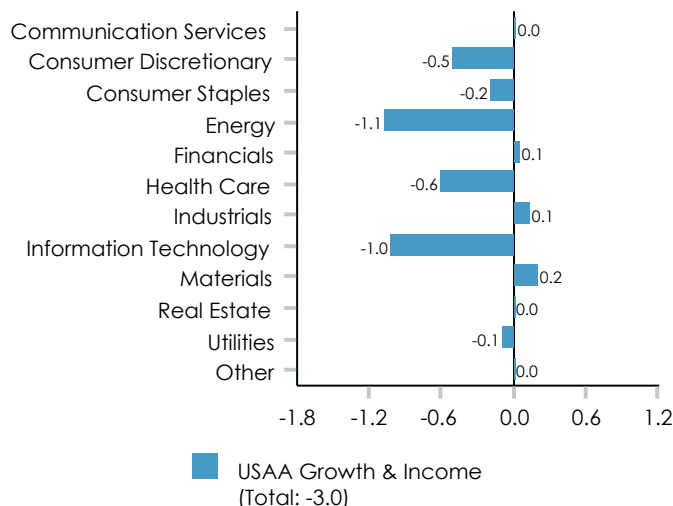
Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
Microsoft Corp	2.9	3.1	-10.3
Norwegian Cruise Line Holdings Ltd	2.2	0.0	-26.3
Canadian Pacific Railway	2.2	0.0	-16.1
CME Group Inc	2.1	0.3	12.1
Unitedhealth Group Inc	1.9	0.9	-6.1
Amazon.com Inc	1.7	2.4	-25.1
Visa Inc	1.6	0.9	-11.1
Broadcom Inc	1.6	0.4	4.1
United Continental Holdings Inc	1.6	0.1	-6.1
MGM Resorts International	1.4	0.0	-12.1
% of Portfolio	19.2	8.1	

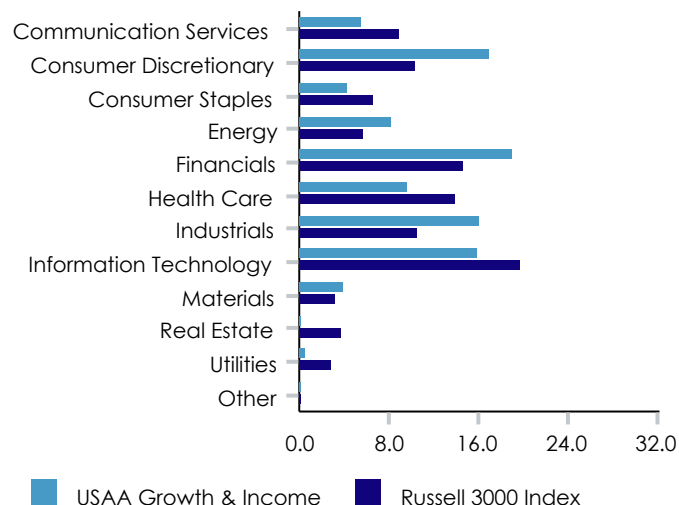
Market Cap Distribution (As of 12/31/2018)



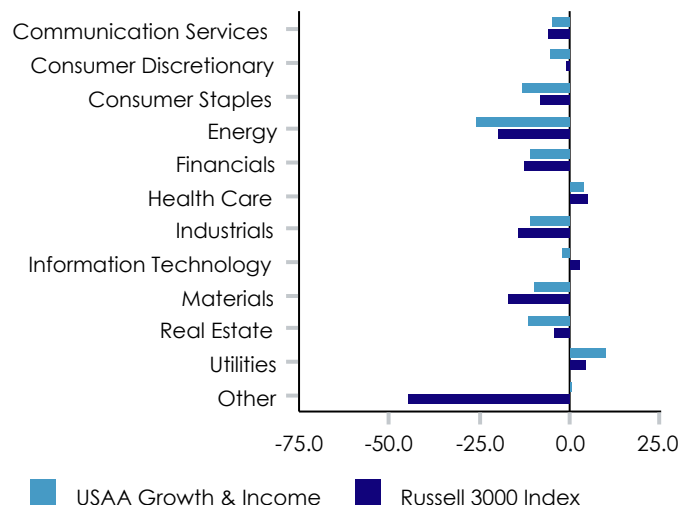
Sector Attribution (1 Year as of 12/31/2018)



Sector Allocation (1 Year as of 12/31/2018)

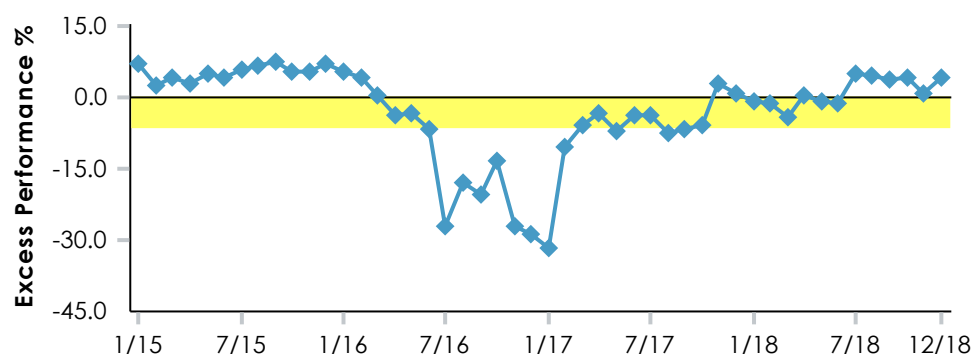


Sector Performance (1 Year as of 12/31/2018)



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

Short-term (Rolling 12 Months Excess Performance)

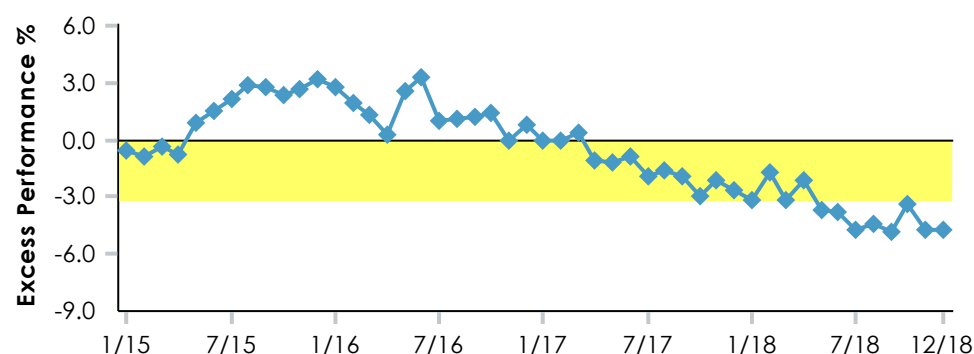


Short-term Performance:

Positive

Probationary Performance = -6.50%

Medium-term (Rolling 36 Months Excess Performance)

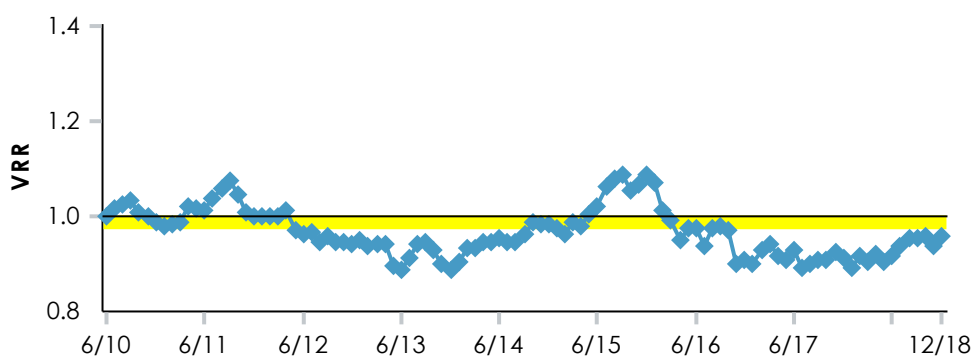


Medium-term Performance:

Caution

Probationary Performance = -3.25%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (7/1/2010)
USAA Precious Metals & Minerals	9.2 (39)	-12.3 (20)	12.1 (52)	-1.1 (60)	-9.9 (86)
PHLX Gold & Silver TR	8.7 (48)	-16.4 (68)	16.8 (6)	-2.6 (83)	-9.4 (76)
IM Gold Oriented Sector (MF) Median	8.5	-14.3	12.1	-0.3	-8.5

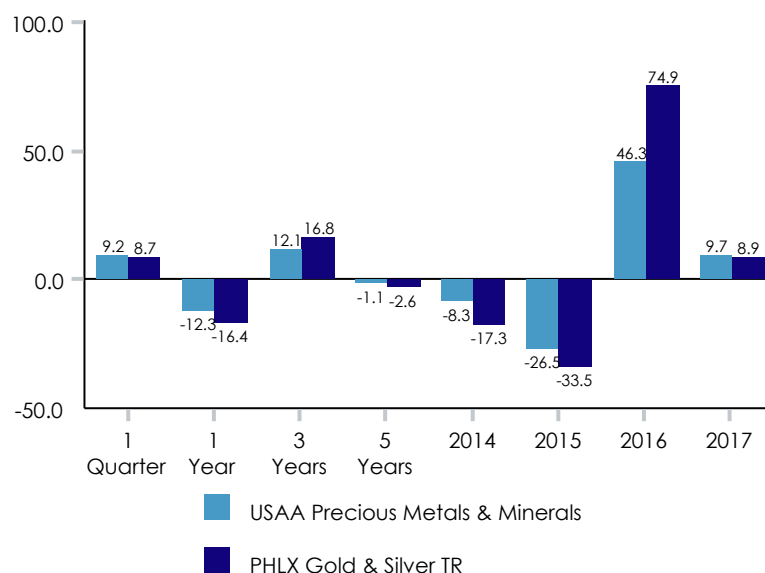
Monitoring Status

On Watch

Mutual Fund Info

Product Name : USAA Prec Met&Min;Fund (USAGX)
 Fund Family : USAA Asset Management Company
 Ticker : USAGX
 Peer Group : IM Gold Oriented Sector (MF)
 Benchmark : Dow Jones U.S. Gold Mining Index
 Fund Inception : 08/15/1984
 Portfolio Manager : Denbow/Toohey
 Total Assets : \$505 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 1.2%
 Net Expense : 1.2%
 Turnover : 13%

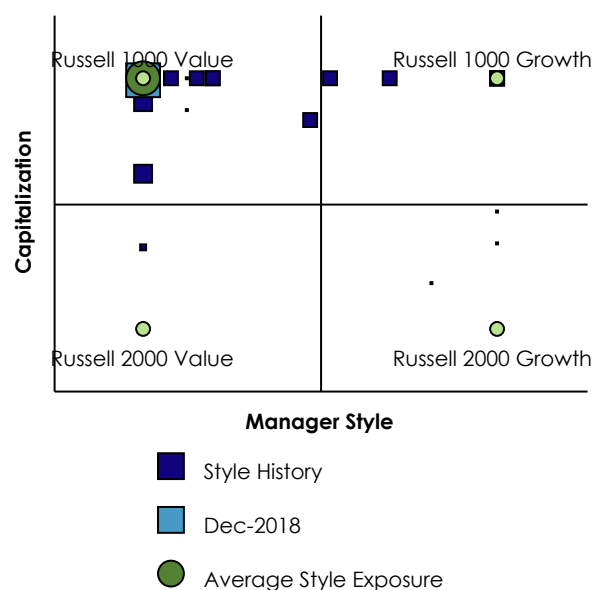
Comparative Performance



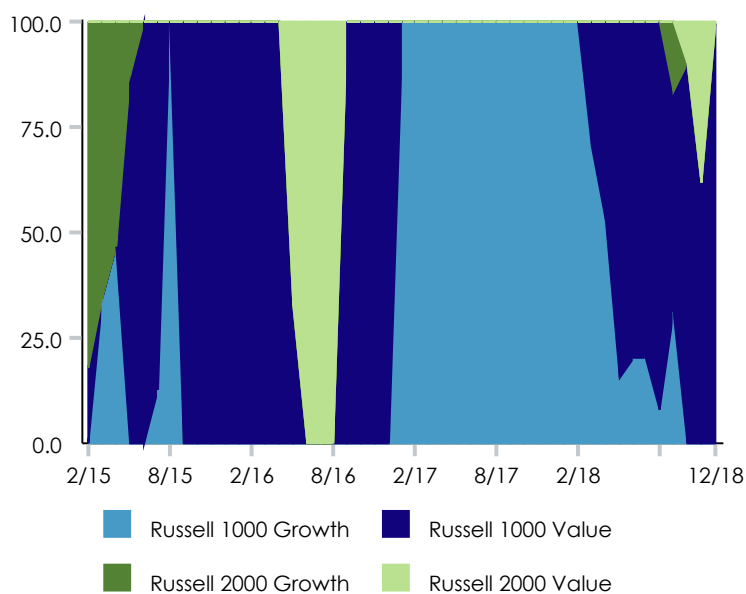
Fund Investment Policy

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

Style Map (5 Years)



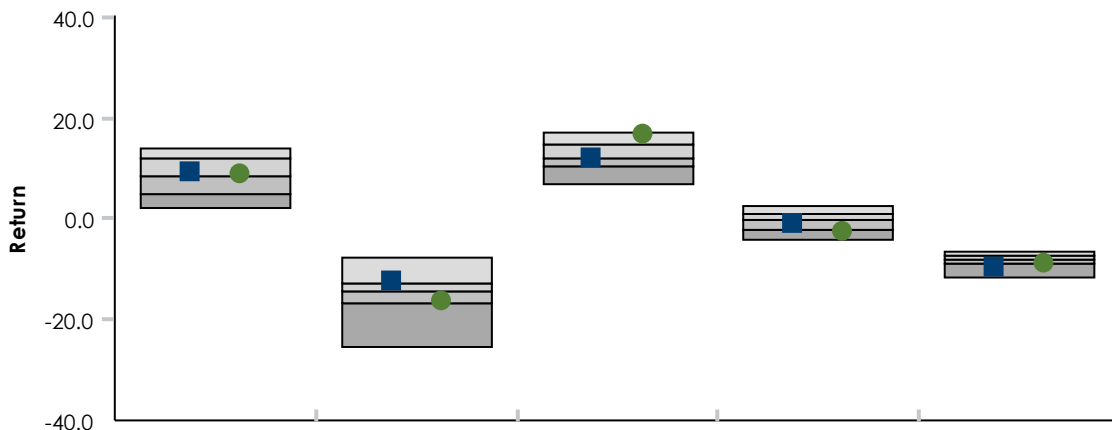
Style History (5 Years)



Historical Statistics (5 Years)

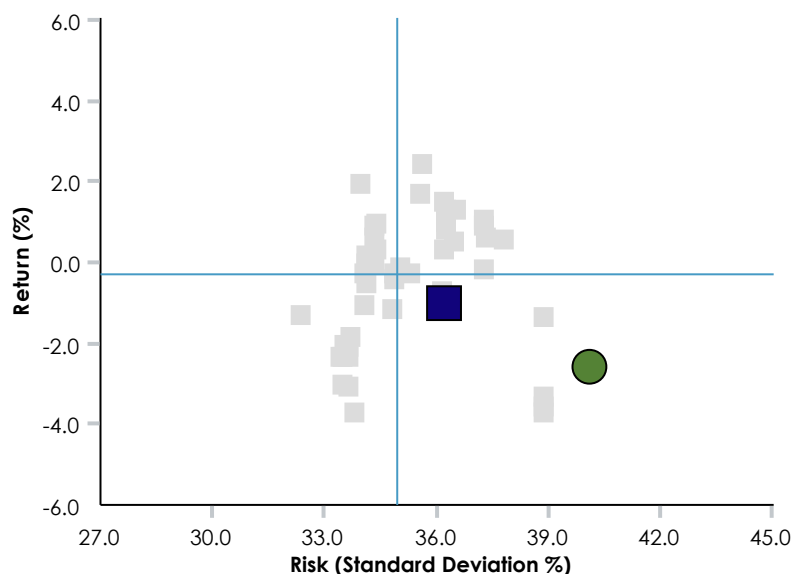
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
USAA Precious Metals & Minerals	-1.1	36.2	0.1	0.8	0.9	1.0	8.3	0.0	90.0	88.5
PHLX Gold & Silver TR	-2.6	40.2	0.1	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM Gold Oriented Sector (MF) Median	-0.3	35.0	0.1	1.2	0.9	0.9	10.7	0.0	87.1	83.7

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (7/1/2010)
■ USAA Precious Metals & Minerals	9.2 (39)	-12.3 (20)	12.1 (52)	-1.1 (60)	-9.6 (85)
● PHLX Gold & Silver TR	8.7 (48)	-16.4 (68)	16.8 (6)	-2.6 (83)	-9.0 (75)
Median	8.5	-14.3	12.1	-0.3	-8.2

Peer Group Scattergram (5 Years)



Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	29	90.0
Down Markets	31	88.5
Batting Average		
Up Markets	29	31.0
Down Markets	31	77.4
Overall	60	55.0

	Return	Standard Deviation
■ USAA Precious Metals & Minerals	-1.1	36.2
● PHLX Gold & Silver TR	-2.6	40.2
— Median	-0.3	35.0

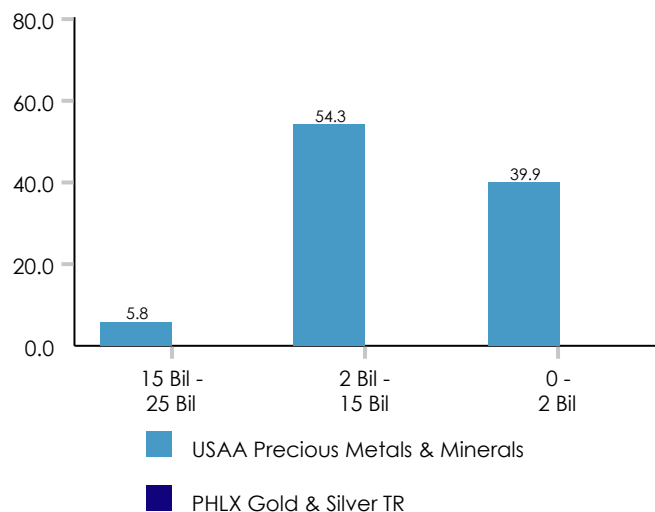
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	4,858	-
Median Mkt. Cap (\$M)	1,550	-
Price/Earnings ratio	22.8	0.0
Price/Book ratio	1.9	0.0
5 Yr. EPS Growth Rate (%)	6.4	0.0
Current Yield (%)	0.9	0.0
Beta (5 Years, Monthly)	0.9	1.0
Number of Stocks	51	0

Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
Randgold Resources Ltd	6.8	0.0	32.4
Agnico Eagle Mines Ltd	5.3	0.0	18.5
Newmont Mining Corp	5.1	0.0	15.2
Wheaton Precious Metals Corp	4.7	0.0	12.2
OceanaGold Corp	4.6	0.0	20.5
Pan American Silver Corp	4.5	0.0	-0.8
Kirkland Lake Gold Ltd	3.7	0.0	37.5
Northern Star Resources Ltd	3.7	0.0	8.4
Comp De Minas Buenaventura	3.0	0.0	21.5
Newcrest Mining Ltd	2.9	0.0	9.4
% of Portfolio	44.3	0.0	

Market Cap Distribution (As of 12/31/2018)



Sector Attribution (1 Year as of 12/31/2018)

No data found.

Sector Allocation (1 Year as of 12/31/2018)

No data found.

Sector Performance (1 Year as of 12/31/2018)

No data found.

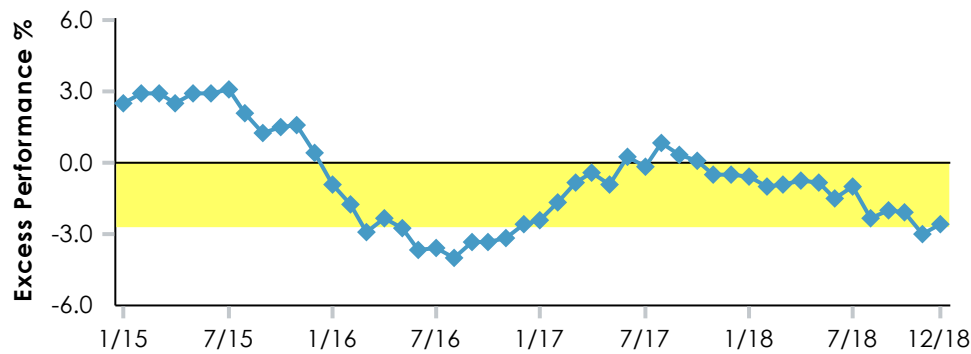
SECTION 6

REVIEW OF FUNDS – PUTNAM 529 FOR AMERICA PLAN

PUTNAM – AGE/GOAL BASED PORTFOLIOS

GAA All Equity vs. GAA All Equity Custom Index

Short-term (Rolling 12 Months Excess Performance)

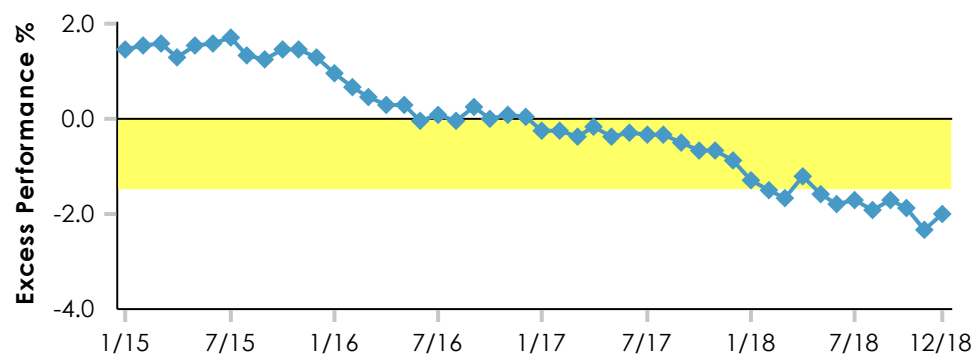


Short-term Performance:

Acceptable

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

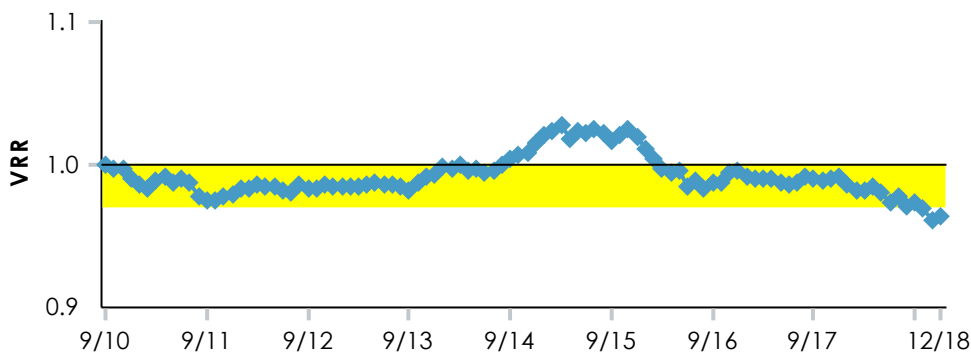


Medium-term Performance:

Caution

Probationary Performance = -1.50%

Long-term (Since Inception VRR VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (10/1/2010)
GAA All Equity	-14.4	-10.0	5.9	5.5	9.5
GAA All Equity Custom Index	-13.5	-7.4	7.9	6.2	10.0

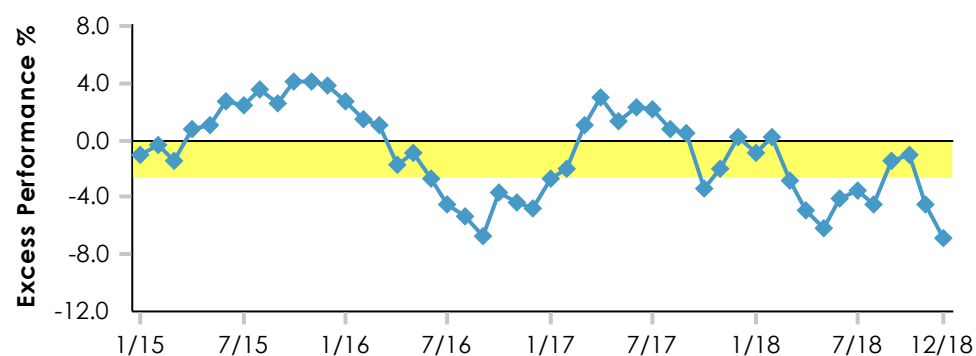
Monitoring Status

Caution

PUTNAM – INDIVIDUAL FUND OPTIONS

Putnam Small Cap Value vs. Russell 2000 Value Index

Short-term (Rolling 12 Months Excess Performance)

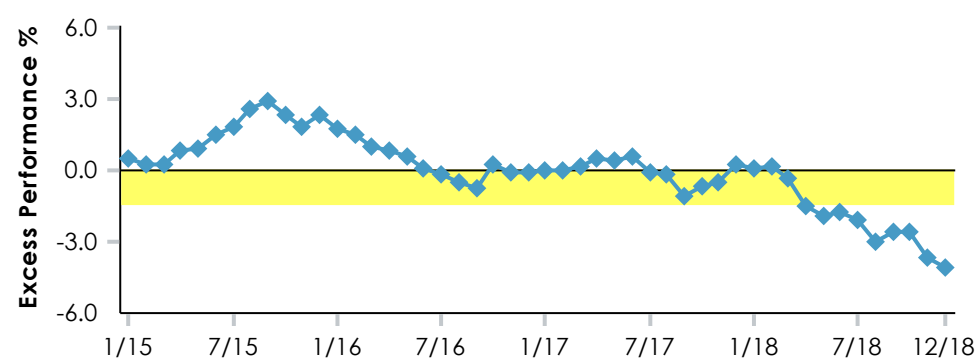


Short-term Performance:

Acceptable

Probationary Performance = -2.75%

Medium-term (Rolling 36 Months Excess Performance)

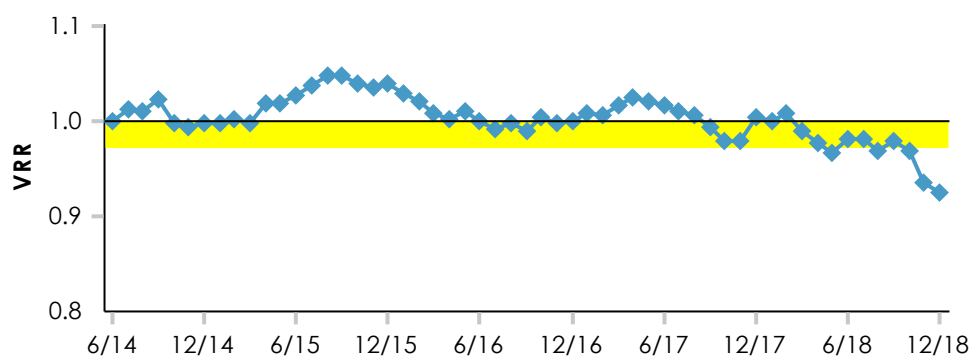


Medium-term Performance:

Caution

Probationary Performance = -1.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.97%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (7/1/2014)
Putnam Small Cap Value	-23.3 (88)	-19.7 (89)	3.3 (76)	1.9 (51)	1.3 (55)
Russell 2000 Value Index	-18.7 (30)	-12.9 (31)	7.4 (26)	3.6 (16)	3.1 (18)
IM U.S. Small Cap Value Equity (MF) Median	-19.9	-15.6	5.0	2.0	1.5

Monitoring Status

Caution

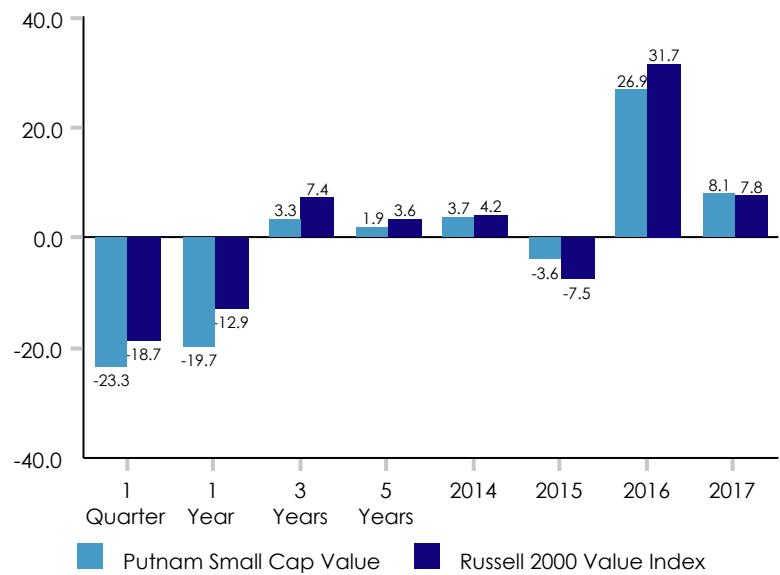
Putnam Small Cap Value

December 31, 2018

Mutual Fund Info

Product Name : Putnam Sm Cap Value;Y (PYSVX)
 Fund Family : Putnam Investment Management LLC
 Ticker : PYSVX
 Peer Group : IM U.S. SMID Cap Value Equity (MF)
 Benchmark : Russell 2500 Value Index
 Fund Inception : 01/03/2001
 Portfolio Manager : Michael Petro
 Total Assets : \$77 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 1.2%
 Net Expense : 1.2%
 Turnover : 469%

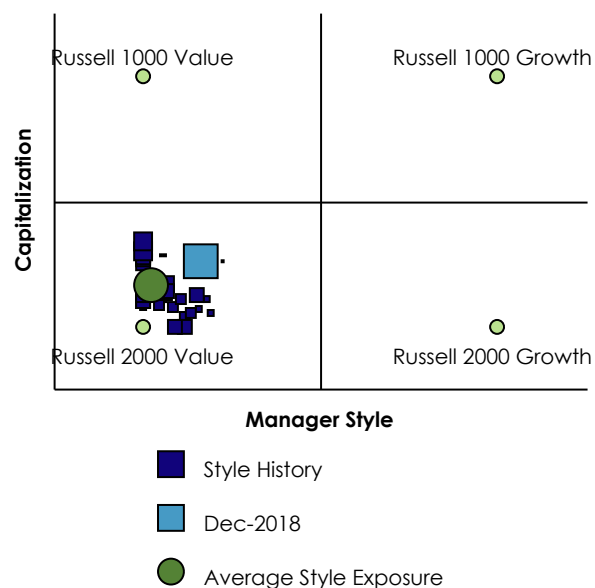
Comparative Performance



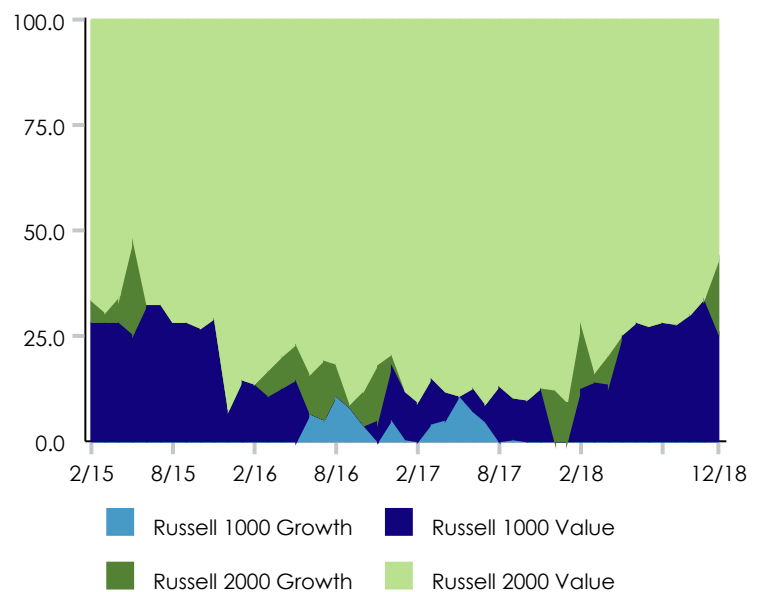
Fund Investment Policy

The Fund seeks capital appreciation. Invests mainly in common stocks of US companies, with a focus on value stocks believed currently undervalued by the market. Invests mainly in small companies of a size similar to those in the Russell 2000 Index.

Style Map (5 Years)



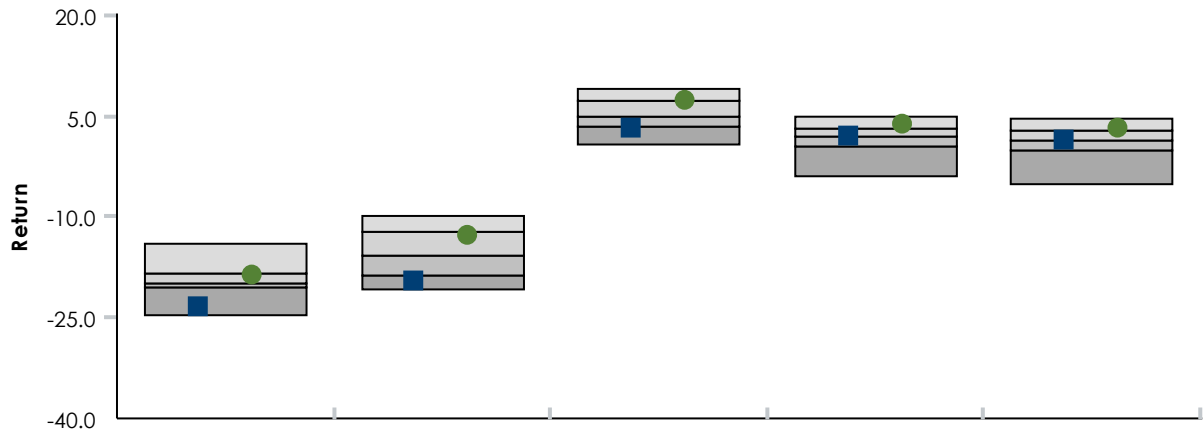
Style History (5 Years)



Historical Statistics (5 Years)

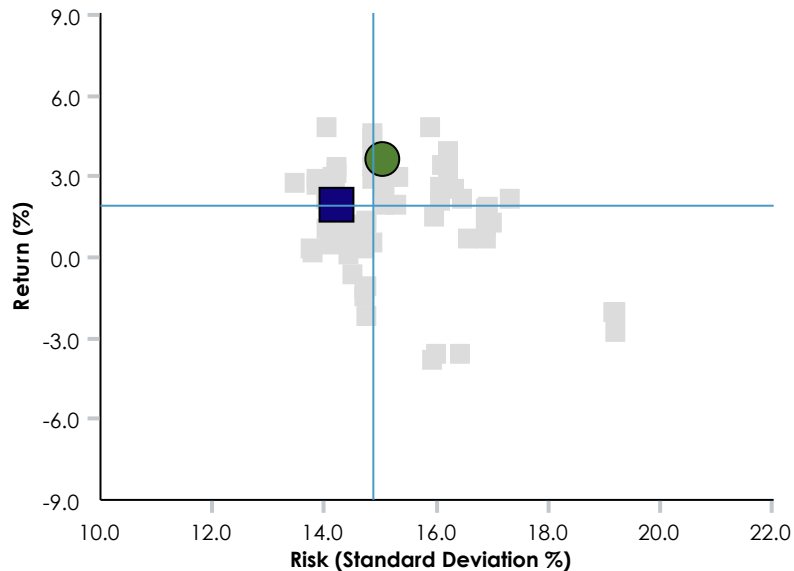
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
Putnam Small Cap Value	1.9	14.2	0.2	-1.3	0.9	0.9	3.7	-0.5	82.7	87.9
Russell 2000 Value Index	3.6	15.1	0.3	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM U.S. Small Cap Value Equity (MF) Median	2.0	14.9	0.2	-1.4	1.0	0.9	4.3	-0.4	94.1	97.5

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inclusion (7/1/2014)
Putnam Small Cap Value	-23.3 (88)	-19.7 (89)	3.3 (76)	1.9 (51)	1.3 (55)
Russell 2000 Value Index	-18.7 (30)	-12.9 (31)	7.4 (26)	3.6 (16)	3.1 (18)
Median	-19.9	-15.6	5.0	2.0	1.5

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
Putnam Small Cap Value	1.9	14.2
Russell 2000 Value Index	3.6	15.1
Median	2.0	14.9

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	38	82.7
Down Markets	22	87.9
Batting Average		
Up Markets	38	31.6
Down Markets	22	68.2
Overall	60	45.0

Putnam Small Cap Value

December 31, 2018

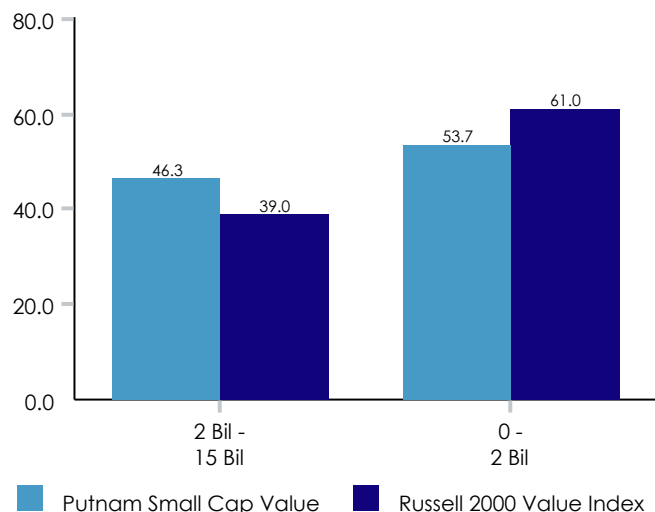
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	2,241	1,837
Median Mkt. Cap (\$M)	1,257	632
Price/Earnings ratio	12.2	12.7
Price/Book ratio	1.9	1.5
5 Yr. EPS Growth Rate (%)	19.9	8.3
Current Yield (%)	1.9	2.5
Beta (5 Years, Monthly)	0.9	1.0
Number of Stocks	231	1,387

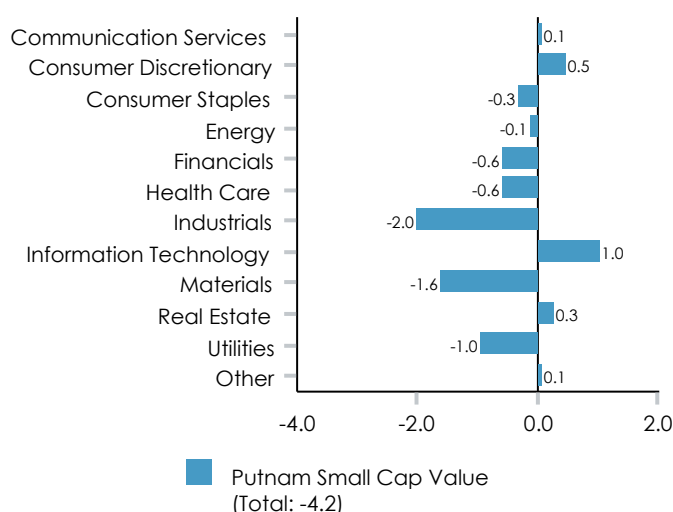
Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarter Return (%)
Cedar Fair LP	2.9	0.0	-7.6
Vermilion Energy Inc	2.0	0.0	-34.6
American Equity Life	1.5	0.3	-20.3
Clean Harbors Inc	1.5	0.0	-31.1
Dave & Buster's Entertainment Inc	1.4	0.0	-32.5
Madison Square Garden Co (The)	1.3	0.0	-15.1
Caesars Entertainment Corp	1.2	0.0	-33.8
Celestica Inc	1.2	0.0	-19.0
Salvatore Ferragamo	1.2	0.0	-15.7
LogMeIn Inc	1.1	0.0	-8.1
% of Portfolio	15.3	0.3	

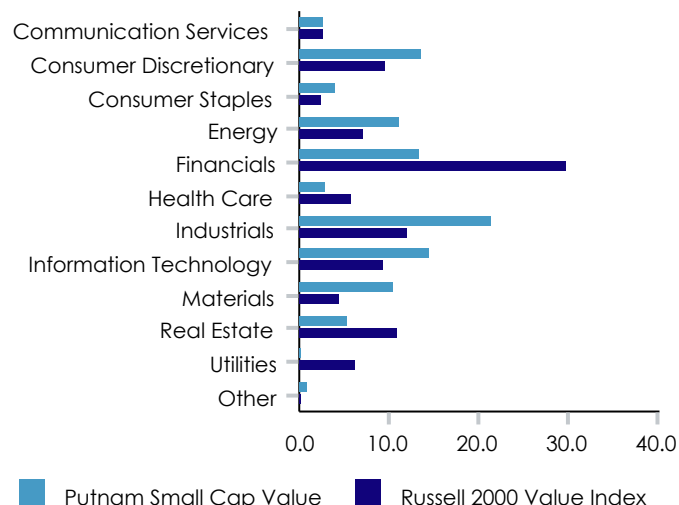
Market Cap Distribution (As of 12/31/2018)



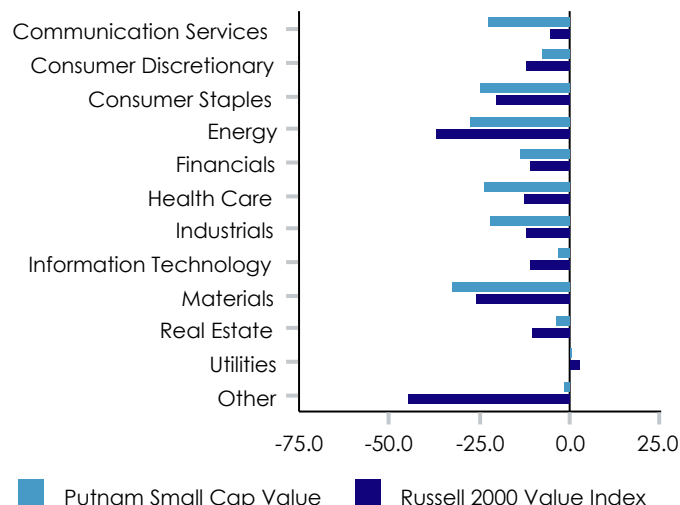
Sector Attribution (1 Year as of 12/31/2018)



Sector Allocation (1 Year as of 12/31/2018)

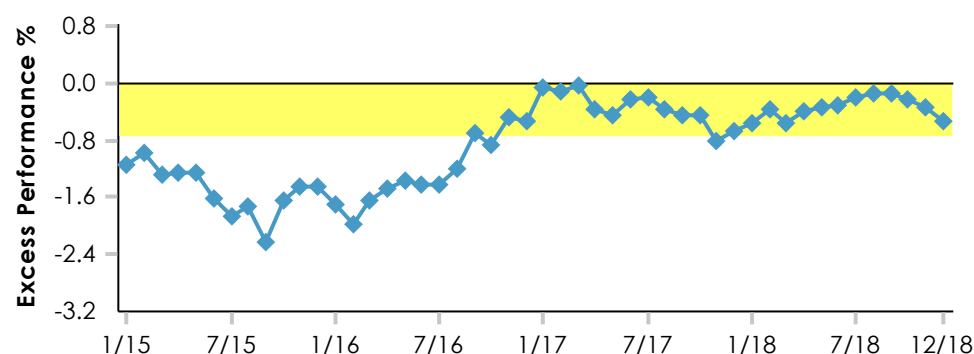


Sector Performance (1 Year as of 12/31/2018)



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

Short-term (Rolling 12 Months Excess Performance)

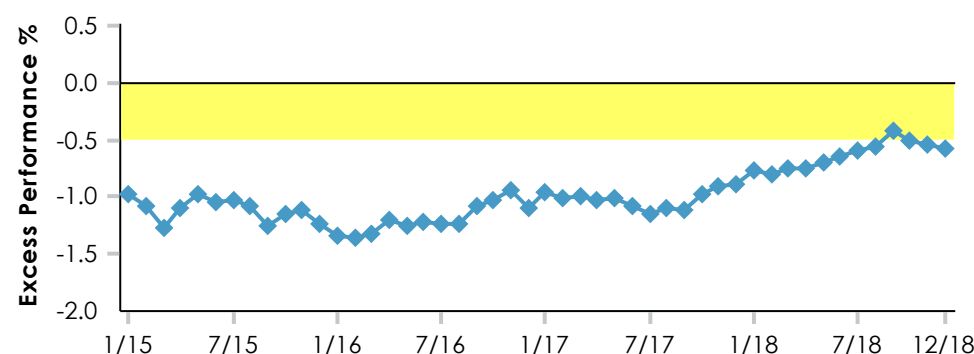


Short-term Performance:

Acceptable

Probationary Performance = -0.75%

Medium-term (Rolling 36 Months Excess Performance)

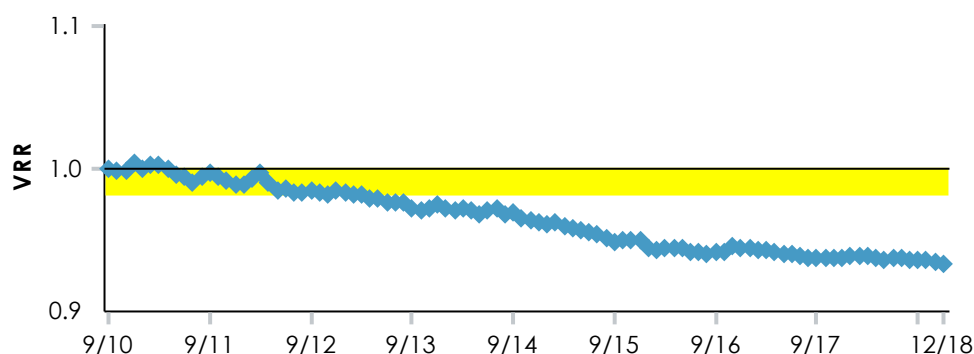


Medium-term Performance:

Caution

Probationary Performance = -0.50%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 0.98%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (10/1/2010)
Federated U.S. Govt. Securities: 2-5 Years	2.0 (3)	0.9 (62)	0.7 (66)	0.6 (62)	0.7 (43)
ICE BofAML 3-5 Year U.S. Treasury	2.4 (2)	1.5 (17)	1.3 (6)	1.5 (6)	1.5 (4)
IM U.S. Short Term Treasury/Govt Bonds (MF) Median	1.0	1.1	0.8	0.7	0.7

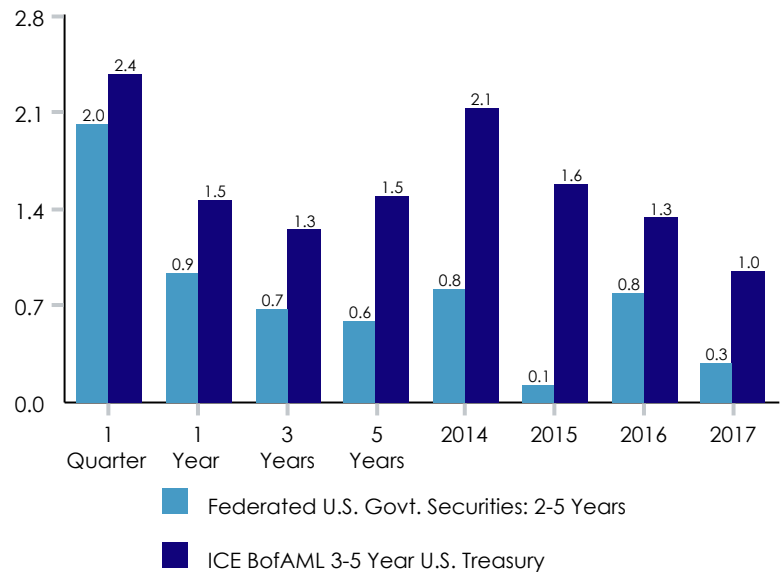
Monitoring Status

Caution

Mutual Fund Info

Product Name : Federated Govt 2-5;Inst (FIGTX)
 Fund Family : Federated Investors
 Ticker : FIGTX
 Peer Group : IM U.S. Short Term Treasury/Govt Bonds (MF)
 Benchmark : Bloomberg Barclays 1-3 Year Government
 Fund Inception : 02/18/1983
 Portfolio Manager : Kirschler/Abraham
 Total Assets : \$227 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 0.9%
 Net Expense : 0.6%
 Turnover : 182%

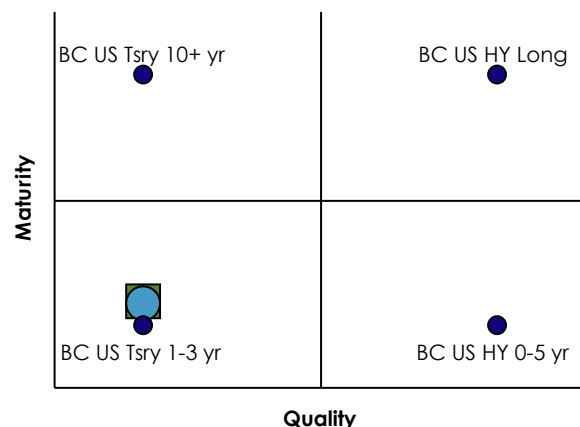
Comparative Performance



Fund Investment Policy

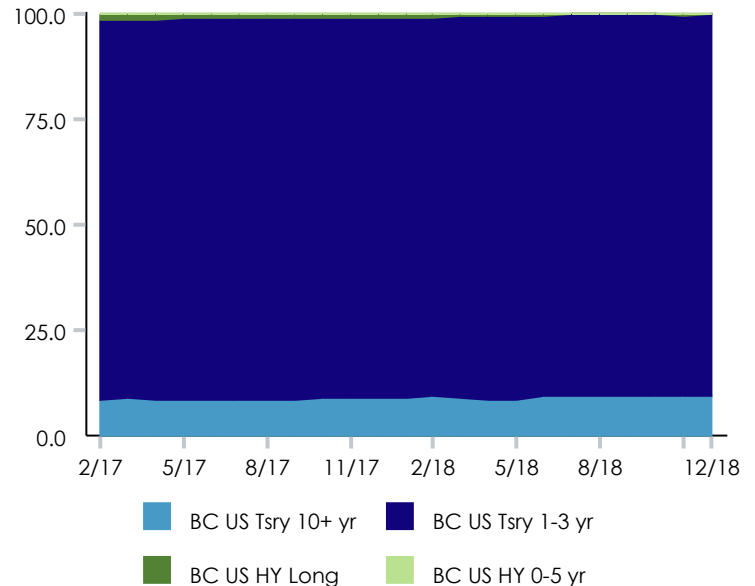
The Fund seeks current income by investing in US Government securities with remaining maturities of 5 years or less.

Style Map (5 Years)



■ Style History
 ■ Dec-2018
 ● Average Style Exposure

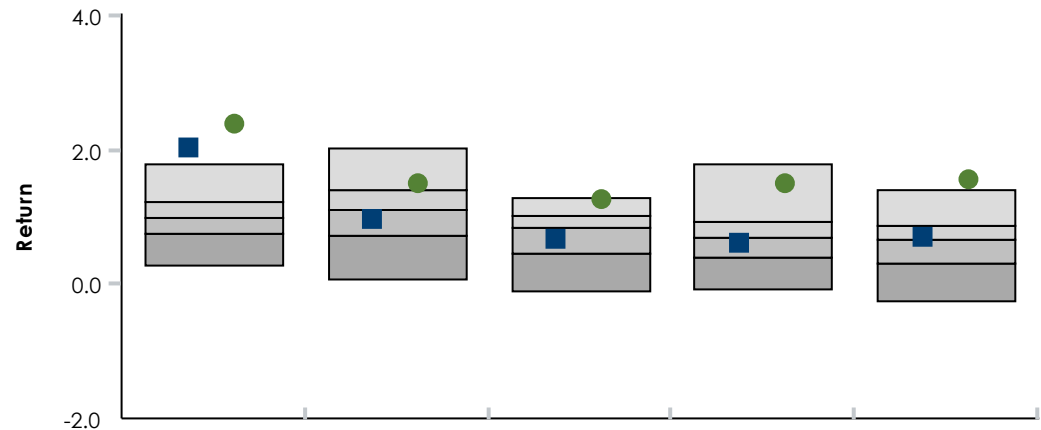
Style History (5 Years)



Historical Statistics (5 Years)

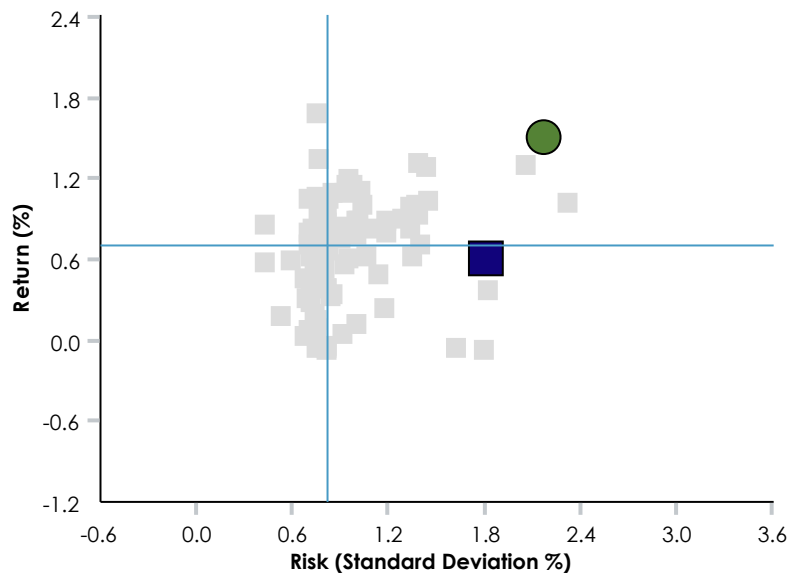
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
Federated U.S. Govt. Securities: 2-5 Years	0.6	1.8	0.0	-0.6	0.8	1.0	0.5	-1.7	71.4	92.7
ICE BofAML 3-5 Year U.S. Treasury	1.5	2.2	0.4	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM U.S. ST Treasury/Govt Bonds (MF) Median	0.7	0.8	0.1	0.2	0.3	0.8	1.5	-0.6	36.9	32.3

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (10/1/2010)
■ Federated U.S. Govt. Securities: 2-5 Years	2.0 (3)	0.9 (62)	0.7 (66)	0.6 (62)	0.7 (43)
● ICE BofAML 3-5 Year U.S. Treasury	2.4 (2)	1.5 (17)	1.3 (6)	1.5 (6)	1.5 (4)
Median	1.0	1.1	0.8	0.7	0.7

Peer Group Scattergram (5 Years)



Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	33	71.4
Down Markets	27	92.7
Batting Average		
Up Markets	33	12.1
Down Markets	27	59.3
Overall	60	33.3

	Return	Standard Deviation
■ Federated U.S. Govt. Securities: 2-5 Years	0.6	1.8
● ICE BofAML 3-5 Year U.S. Treasury	1.5	2.2
— Median	0.7	0.8

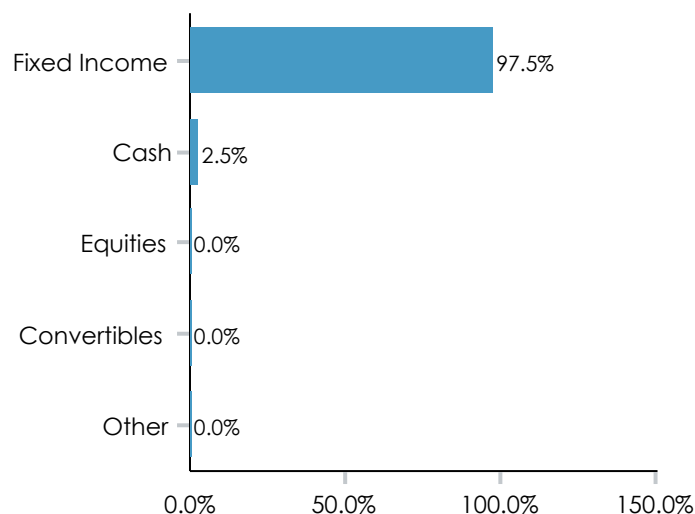
Portfolio Characteristics (As of 12/31/2018)

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

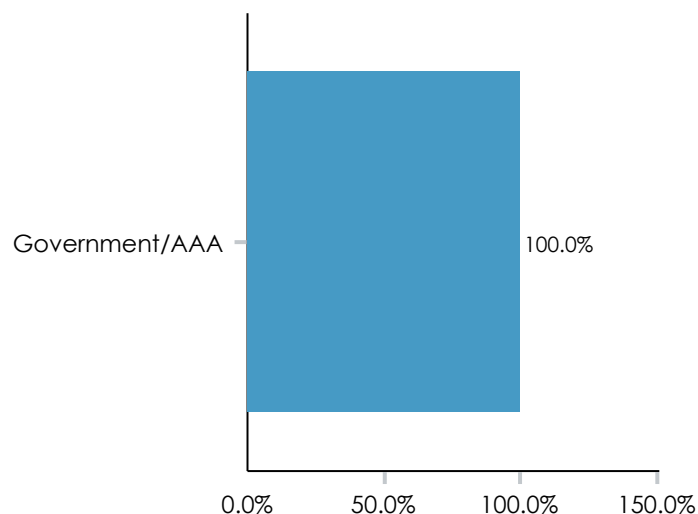
Top 10 Holdings (As of 9/30/2018)

Treasury Notes/Bonds	73.7 %
Government Agency Securities	15.2 %
GNMA and Other Mtg Backed	8.6 %

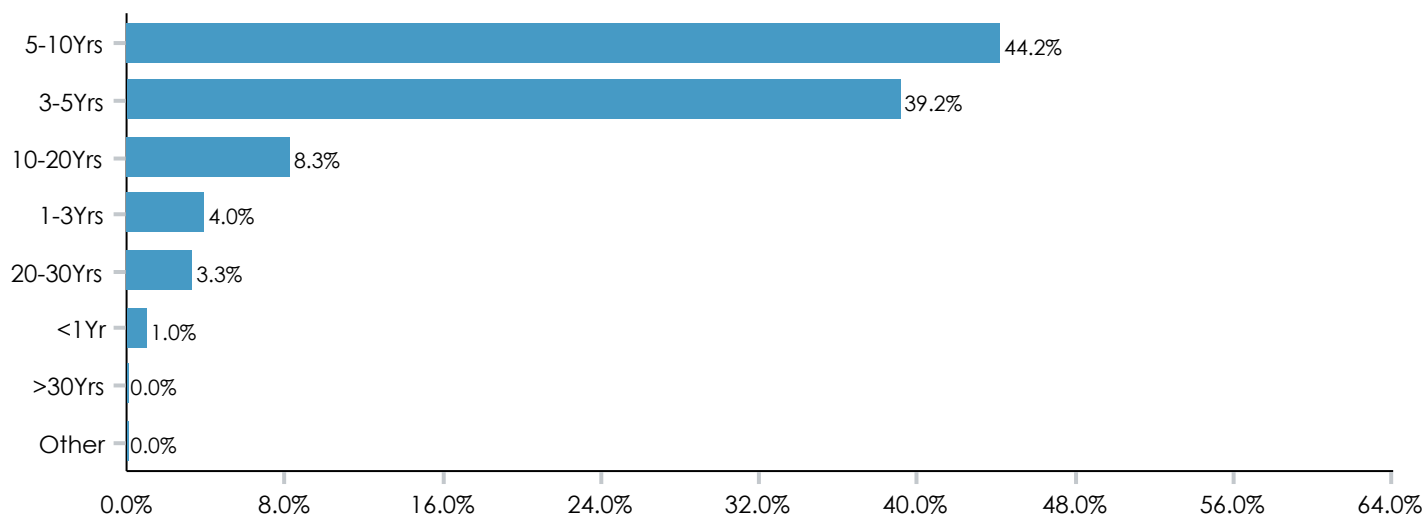
Asset Allocation (As of 9/30/2018)



Quality Allocation (As of 9/30/2018)



Maturity Distribution (As of 12/31/2018)

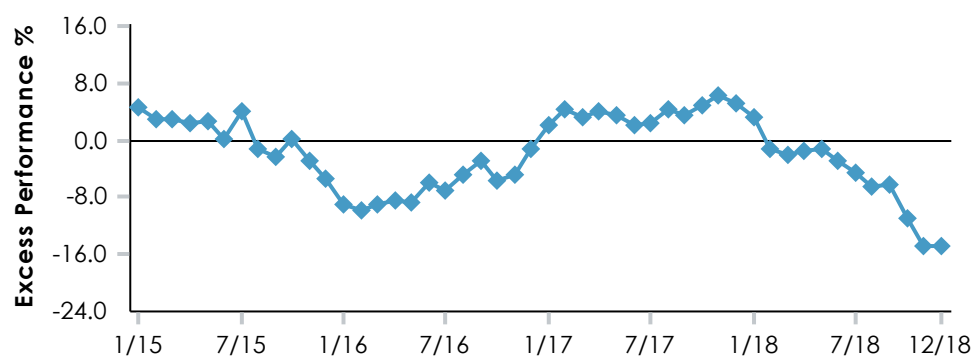




PUTNAM – ABSOLUTE RETURN FUNDS

Putnam Multi-Asset Absolute Return vs. ICE BofAML T-Bill +4.0%

Short-term (Rolling 12 Months Excess Performance)

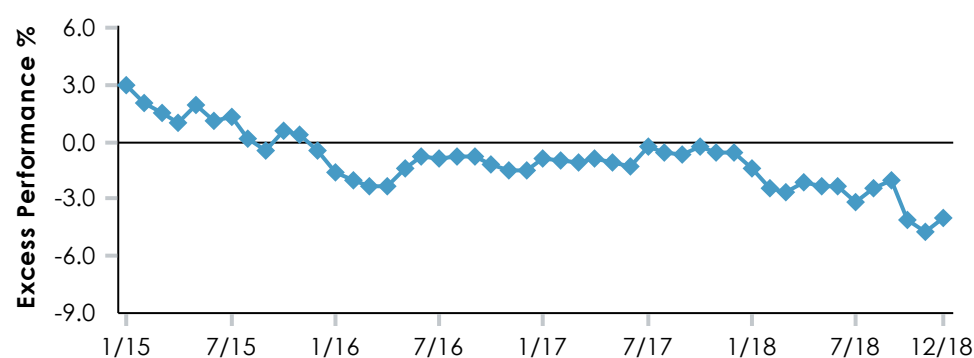


Short-term Performance:

Caution

Probationary Performance = 0.00%

Medium-term (Rolling 36 Months Excess Performance)

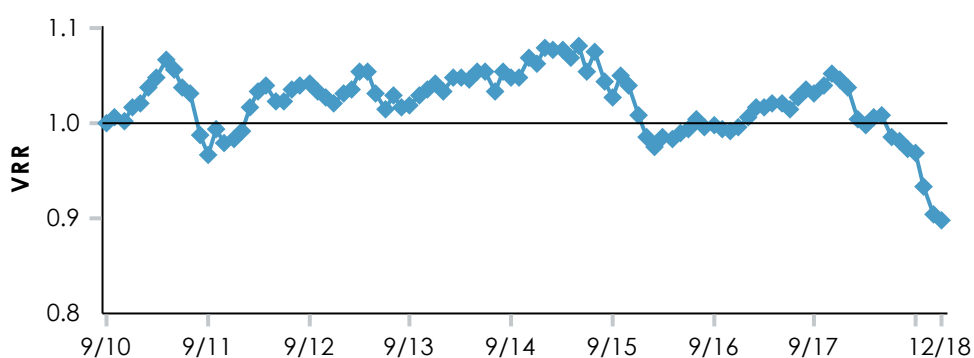


Medium-term Performance:

Caution

Probationary Performance = 0.00%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 1.00%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (10/1/2010)
Putnam Multi-Asset Absolute Return	-5.9 (74)	-9.0 (82)	1.0 (56)	1.6 (31)	3.0 (15)
ICE BofAML T-Bill +4.0%	1.5 (9)	5.9 (5)	5.0 (7)	4.6 (1)	4.4 (1)
IM Absolute Return (MF) Median	-2.8	-4.4	1.8	1.1	1.8

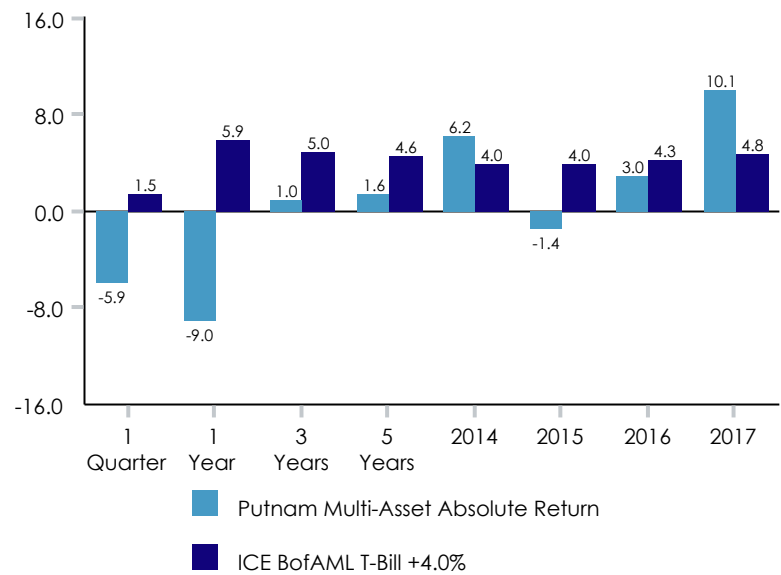
Monitoring Status

Caution

Mutual Fund Info

Product Name : Putnam Multi-Asset AR;Y (PDMYX)
 Fund Family : Putnam Investment Management LLC
 Ticker : PDMYX
 Peer Group : IM Absolute Return (MF)
 Benchmark : ICE BofAML LIBOR 3-month Constant Maturity
 Fund Inception : 12/23/2008
 Portfolio Manager : Schoen/Fetch/Vaillancourt
 Total Assets : \$511 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 0.8%
 Net Expense : 0.8%
 Turnover : 479%

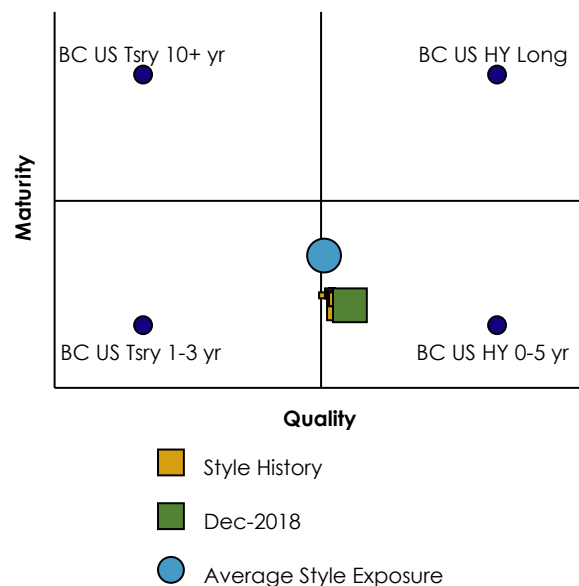
Comparative Performance



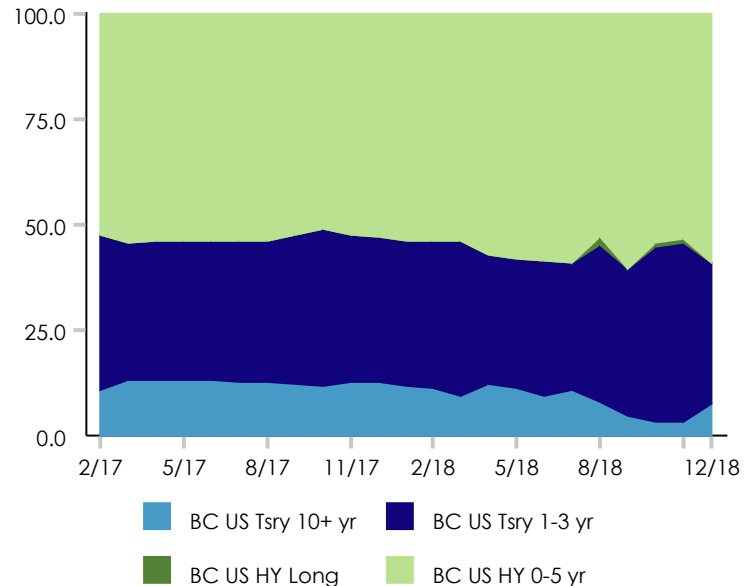
Fund Investment Policy

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

Style Map (5 Years)



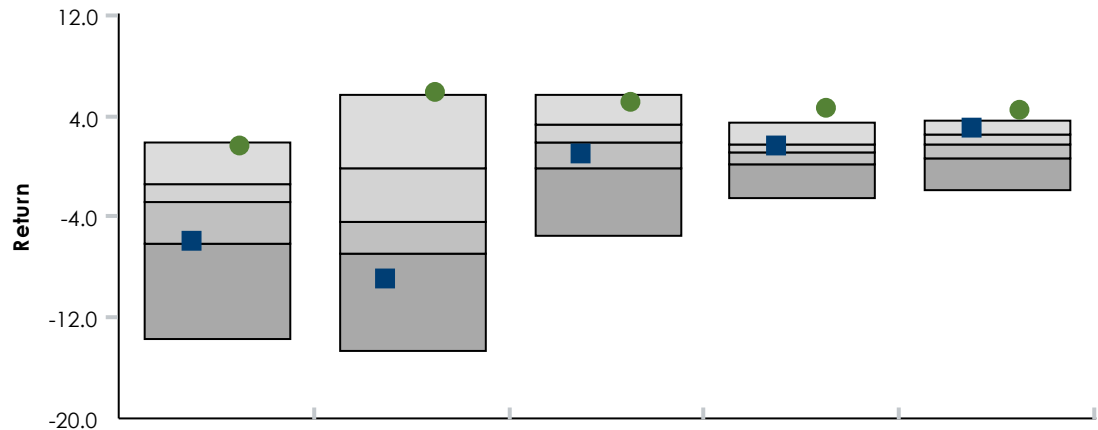
Style History (5 Years)



Historical Statistics (5 Years)

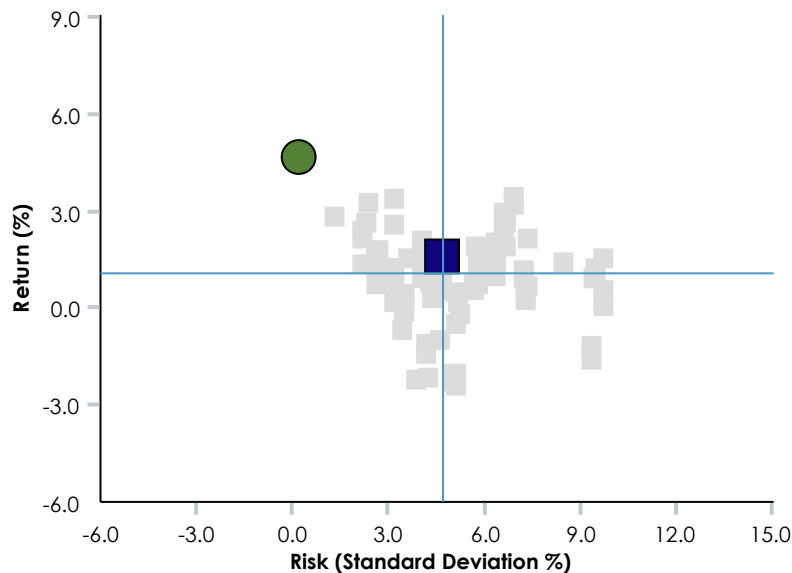
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
Putnam Multi Asset Absolute Return	1.6	4.7	0.2	31.2	-5.7	0.1	4.7	-0.6	36.5	N/A
ICE BofAML T-Bill +4.0%	4.6	0.2	160.5	0.0	1.0	1.0	0.0	N/A	100.0	N/A
IM Absolute Return (MF) Median	1.1	4.7	0.1	13.3	-2.4	0.0	4.8	-0.7	26.4	N/A

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (10/1/2010)
Putnam Multi Asset Absolute Return	-5.9 (74)	-9.0 (82)	1.0 (56)	1.6 (31)	3.0 (15)
ICE BofAML T-Bill +4.0%	1.5 (9)	5.9 (5)	5.0 (7)	4.6 (1)	4.4 (1)
Median	-2.8	-4.4	1.8	1.1	1.8

Peer Group Scattergram (5 Years)



	Return	Standard Deviation
Putnam Multi Asset Absolute Return	1.6	4.7
ICE BofAML T-Bill +4.0%	4.6	0.2
Median	1.1	4.7

Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	60	36.5
Down Markets	0	
Batting Average		
Up Markets	60	40.0
Down Markets	0	
Overall	60	40.0

Putnam Multi-Asset Absolute Return

December 31, 2018

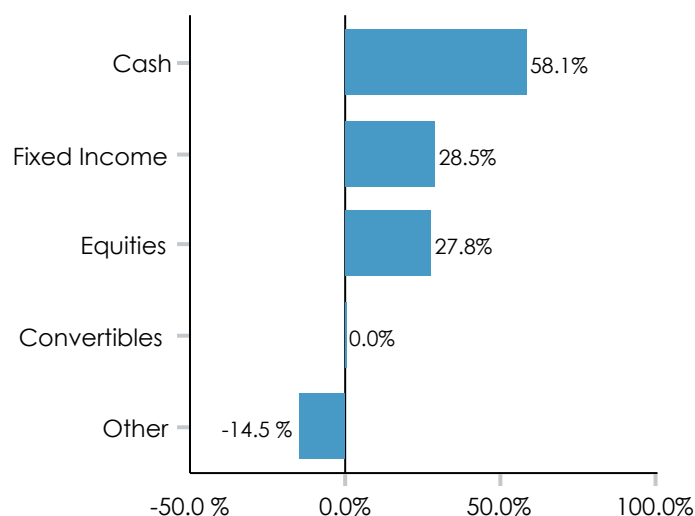
Portfolio Characteristics (As of 9/30/2018)

Total Securities	640
Avg. Market Cap	\$109,034 Million
P/E	14.9
P/B	3.2
Div. Yield	N/A
Annual EPS	46.4
5Yr EPS	20.2
3Yr EPS Growth	N/A

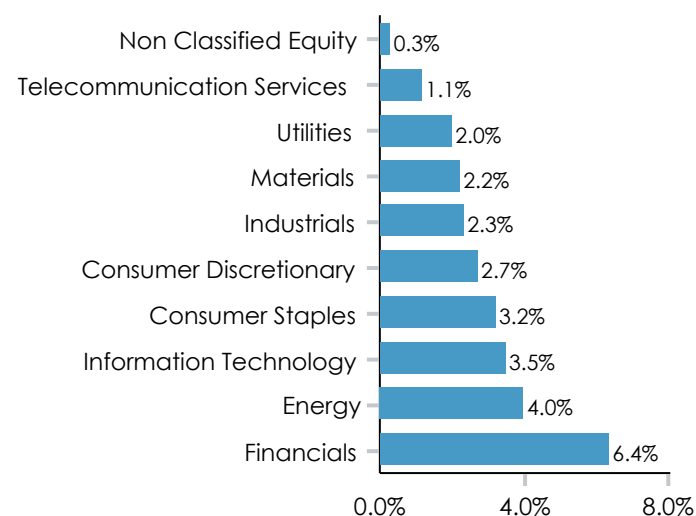
Top 10 Holdings (As of 9/30/2018)

Energy Select Sector SPDR Fund	2.7 %
iShares MSCI India ETF	1.7 %
Consumer Discretionary Select Sector	1.3 %
Technology Select Sector SPDR Fund	1.3 %
Financial Select Sector SPDR Fund	1.3 %
Utilities Select Sector SPDR Fund	1.3 %
Samsung Electronics Co Ltd ORD	1.2 %
Tencent Holdings Ltd ORD	0.6 %
China Construction Bank Corp ORD	0.6 %
Taiwan Semiconductor Manufacturing	0.5 %

Asset Allocation (As of 9/30/2018)



Quality Allocation (As of 9/30/2018)

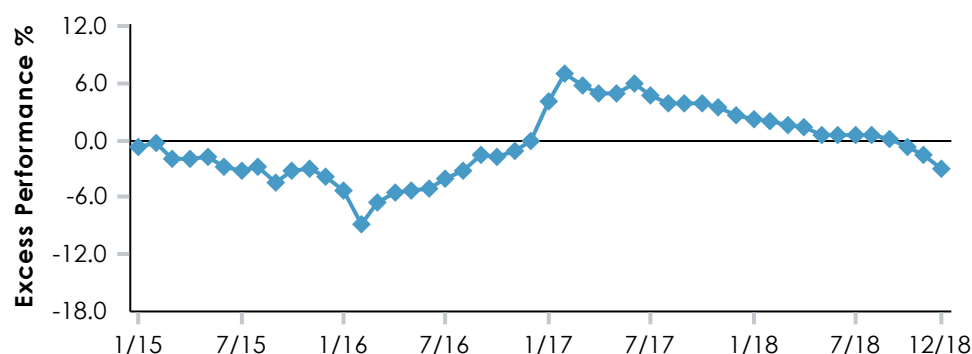


Maturity Distribution (As of 1/1/0001)

No data found.

Putnam Fixed Income Absolute Return vs. ICE BofAML T-Bill +2.0%

Short-term (Rolling 12 Months Excess Performance)

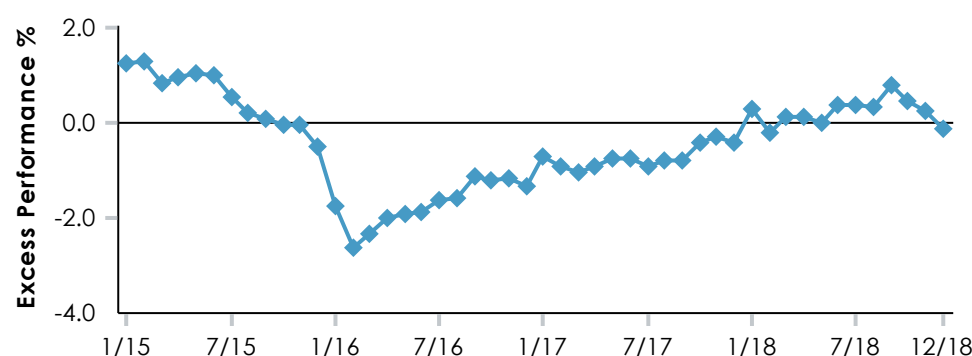


Short-term Performance:

Caution

Probationary Performance = 0.00%

Medium-term (Rolling 36 Months Excess Performance)

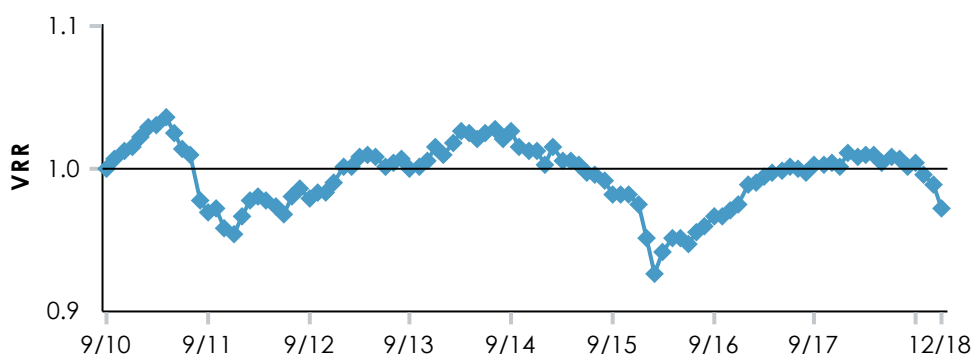


Medium-term Performance:

Positive

Probationary Performance = 0.00%

Long-term (Since Program Inclusion VRR)



Long-term Performance:

Caution

Probationary Performance = 1.00%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years	Since Inception (10/1/2010)
Putnam Fixed Income Absolute Return	-2.1 (38)	0.9 (14)	2.9 (30)	1.7 (26)	2.0 (40)
ICE BofAML T-Bill +2.0%	1.1 (10)	3.9 (6)	3.0 (29)	2.6 (14)	2.4 (33)
IM Absolute Return (MF) Median	-2.8	-4.4	1.8	1.1	1.8

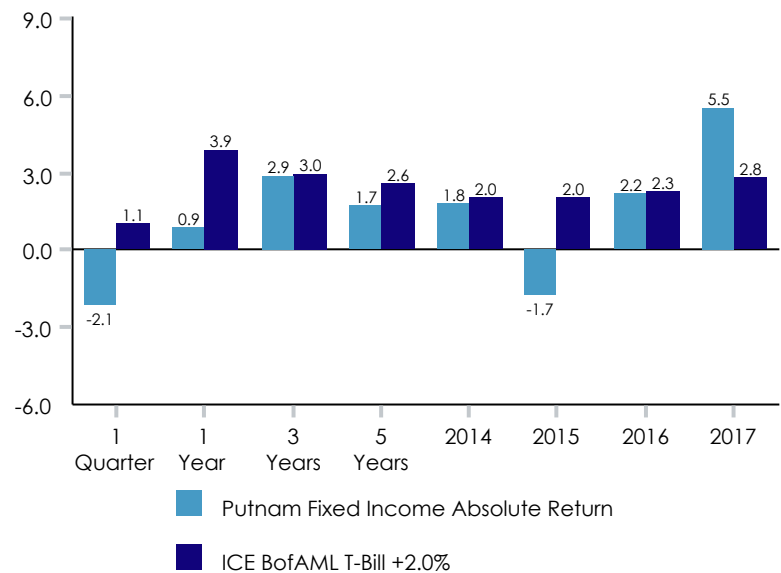
Monitoring Status

Caution

Mutual Fund Info

Product Name : Putnam Fixed Inc AR;Y (PYTRX)
 Fund Family : Putnam Investment Management LLC
 Ticker : PYTRX
 Peer Group : IM Absolute Return (MF)
 Benchmark : ICE BofAML LIBOR 3-month Constant Maturity
 Fund Inception : 12/23/2008
 Portfolio Manager : Kohli/Salm/Scanlon
 Total Assets : \$199 Million
 Total Assets Date : 01/31/2019
 Gross Expense : 0.5%
 Net Expense : 0.5%
 Turnover : 532%

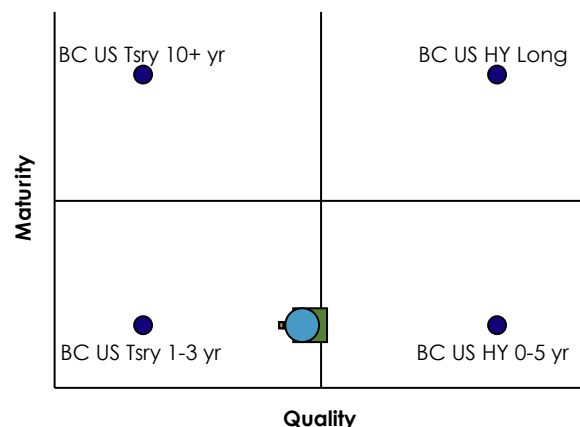
Comparative Performance



Fund Investment Policy

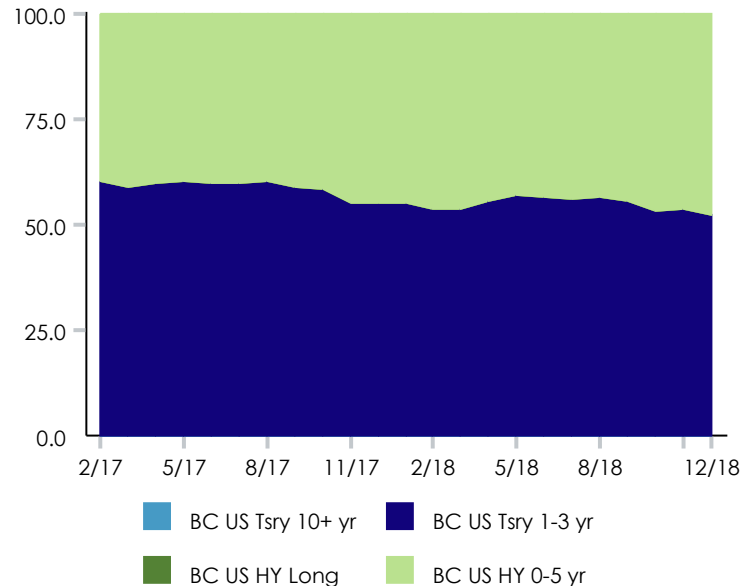
The Fund seeks to earn a positive total return that exceeds the rate of inflation by 300 basis points over a reasonable period of time regardless of market conditions by employing a broadly diversified portfolio of uncorrelated fixed income strategies designed to exploit market inefficiencies across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

Style Map (5 Years)



- Style History
- Dec-2018
- Average Style Exposure

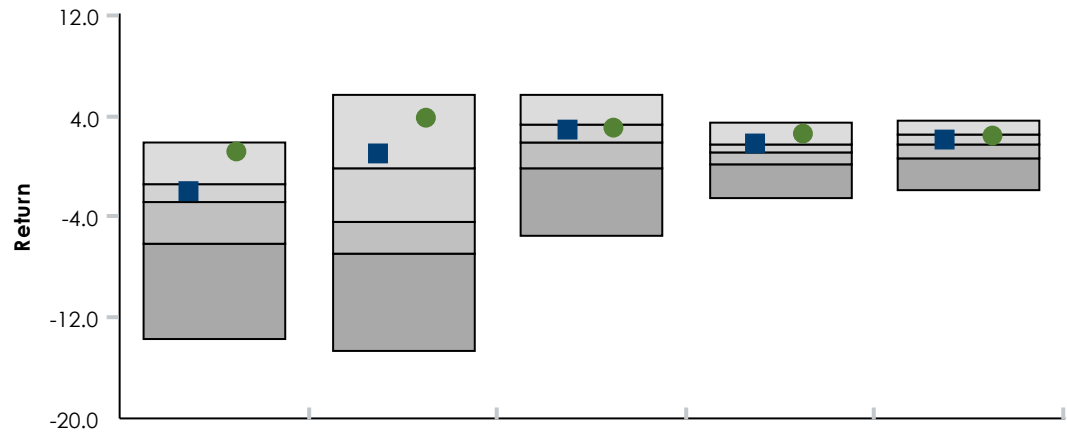
Style History (5 Years)



Historical Statistics (5 Years)

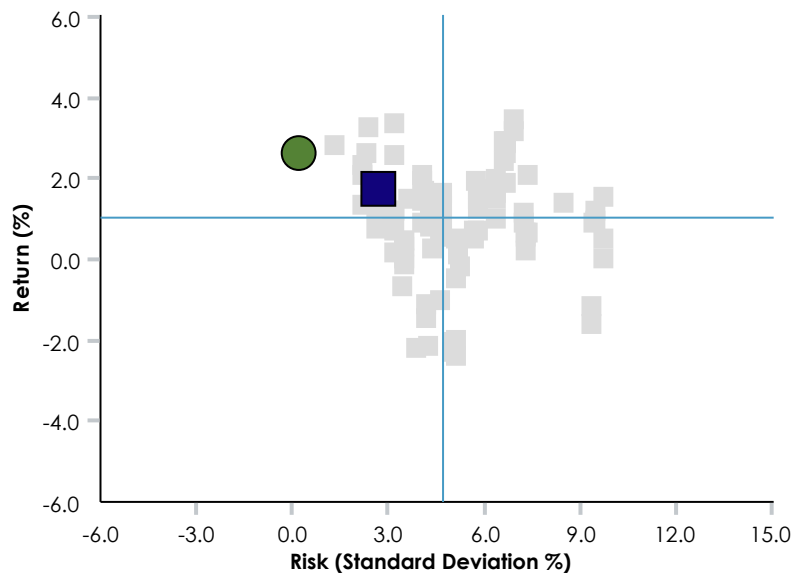
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
Putnam Fixed Income Absolute Return	1.7	2.7	0.4	1.8	0.0	0.0	2.7	-0.3	68.0	N/A
ICE BofAML T-Bill +2.0%	2.6	0.2	80.3	0.0	1.0	1.0	0.0	N/A	100.0	N/A
IM Absolute Return (MF) Median	1.1	4.7	0.1	7.9	-2.4	0.0	4.8	-0.3	46.4	N/A

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	Since Inception (10/1/2010)
■ Putnam Fixed Income Absolute Return	-2.1 (38)	0.9 (14)	2.9 (30)	1.7 (26)	2.0 (40)
● ICE BofAML T-Bill +2.0%	1.1 (10)	3.9 (6)	3.0 (29)	2.6 (14)	2.4 (33)
Median	-2.8	-4.4	1.8	1.1	1.8

Peer Group Scattergram (5 Years)



Performance Statistics (5 Years)

	Months	%
Market Capture		
Up Markets	60	68.0
Down Markets	0	
Batting Average		
Up Markets	60	53.3
Down Markets	0	
Overall	60	53.3

	Return	Standard Deviation
■ Putnam Fixed Income Absolute Return	1.7	2.7
● ICE BofAML T-Bill +2.0%	2.6	0.2
— Median	1.1	4.7

Putnam Fixed Income Absolute Return

December 31, 2018

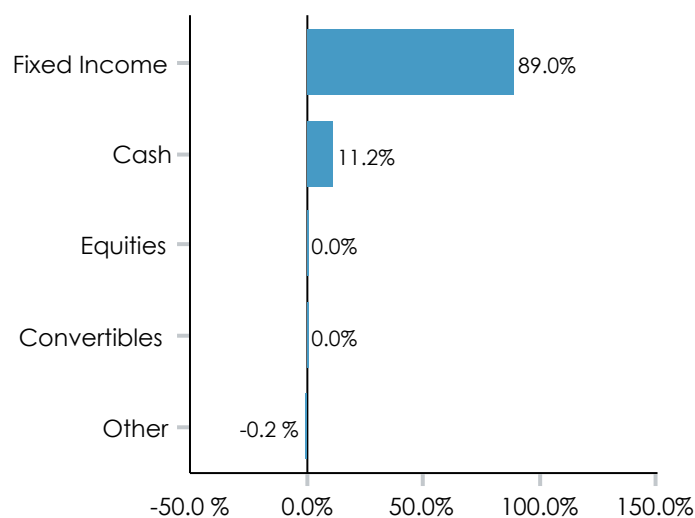
Portfolio Characteristics (As of 9/30/2018)

Total Securities	580
Avg. Market Cap	\$7,039 Million
P/E	N/A
P/B	2.2
Div. Yield	N/A
Annual EPS	86.9
5Yr EPS	N/A
3Yr EPS Growth	N/A

Top 10 Holdings (As of 9/30/2018)

No data found.

Asset Allocation (As of 9/30/2018)



Quality Allocation (As of 9/30/2018)

No data found.

Maturity Distribution (As of 1/1/0001)

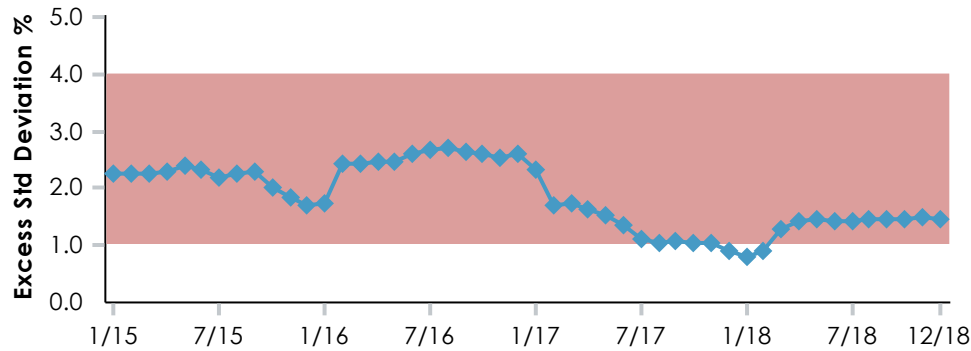
No data found.

SECTION 7

REVIEW OF FUNDS – WEALTHFRONT 529 PLAN

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

Short-term (Rolling 12 Months Tracking Error)

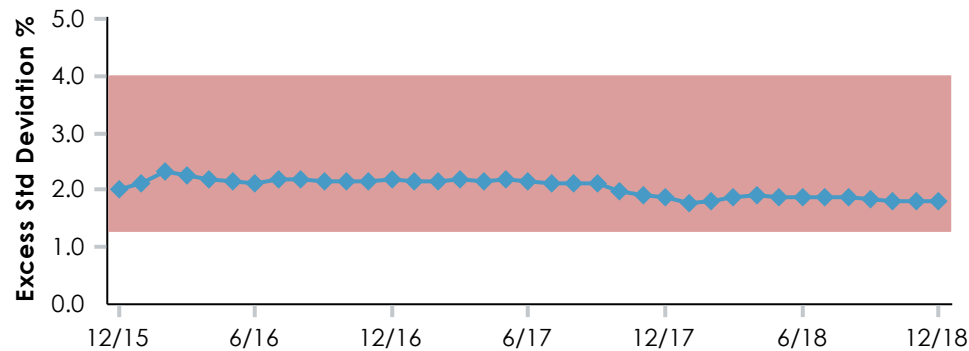


Short-term Performance:

Caution

Probationary Performance = 1.00%

Medium-term (Rolling 36 Months Tracking Error)

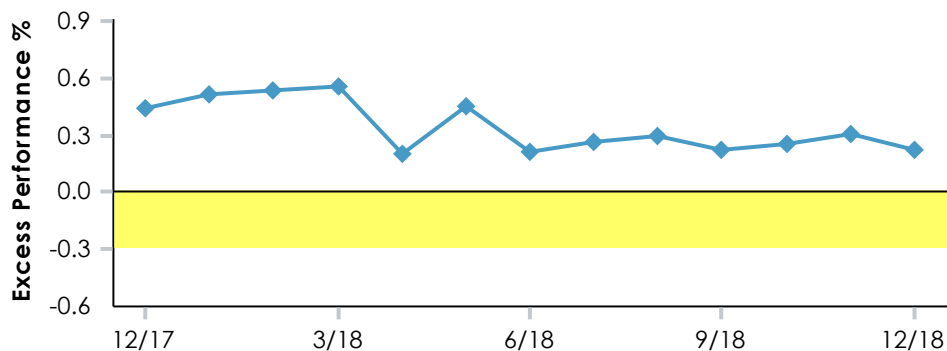


Medium-term Performance:

Caution

Probationary Performance = 1.25%

Long-term (Rolling 60 Months Excess Performance)



Long-term Performance:

Positive

Probationary Performance = -0.30%

Annualized Performance Results (Net of management fees)

	1 Quarter	1 Year	3 Years	5 Years
Vanguard FTSE Developed Markets ETF	-13.1 (35)	-14.5 (42)	3.5 (12)	0.8 (1)
FTSE Developed All Cap ex-US Index (NET)	-13.2 (36)	-15.0 (51)	3.3 (14)	0.6 (6)
IM International Large Cap Core Equity (MF) Median	-13.7	-14.9	1.6	-0.5

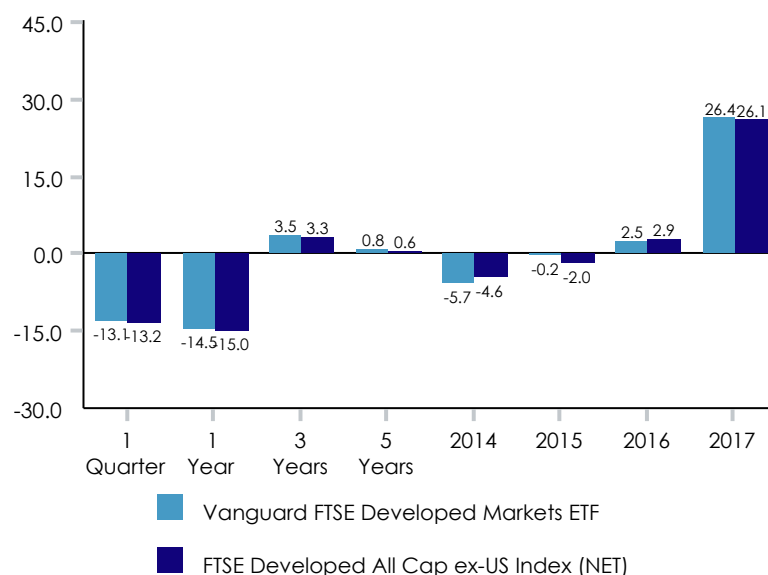
Monitoring Status

Caution

Mutual Fund Info

Product Name : Vanguard Dev Mkt;ETF (VEA)
Fund Family : Vanguard Group Inc
Ticker : VEA
Peer Group : IM International Multi-Cap Core Equity (MF)
Benchmark : MSCI EAFE IMI
Fund Inception : 07/20/2007
Portfolio Manager : Franquin/Perre
Total Assets : \$65,139 Million
Total Assets Date : 12/31/2018
Gross Expense : 0.1%
Net Expense : 0.1%
Turnover : 3%

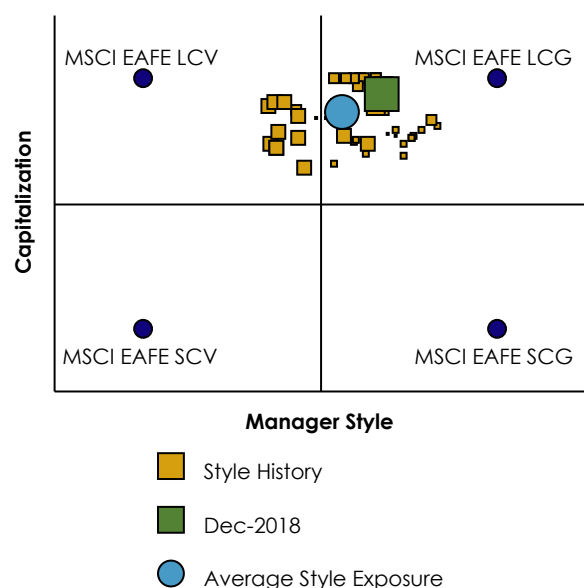
Comparative Performance



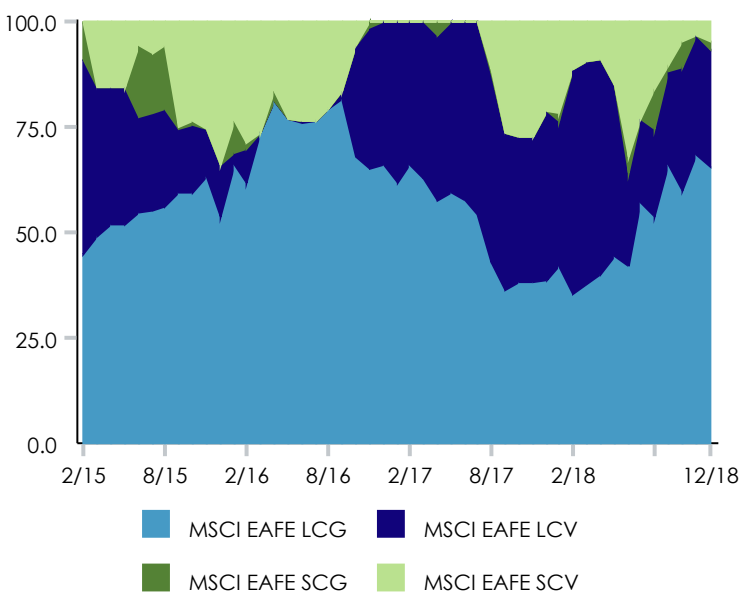
Fund Investment Policy

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

Style Map (5 Years)



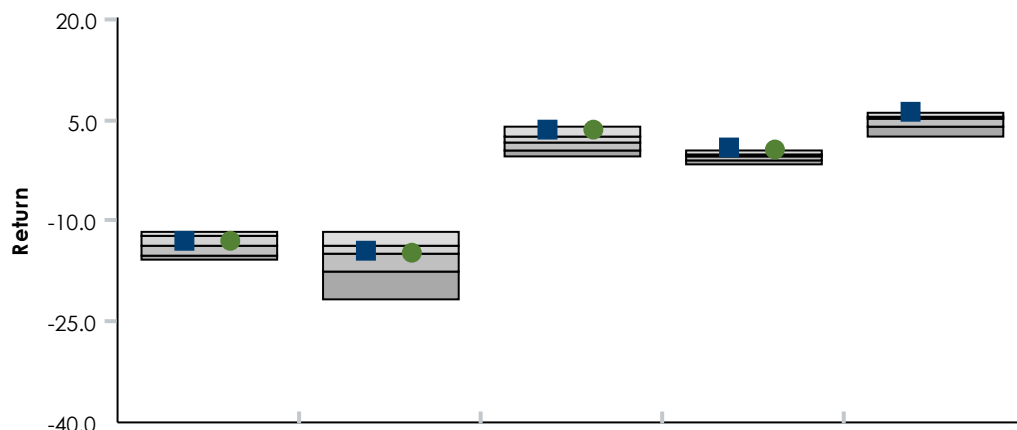
Style History (5 Years)



Historical Statistics (3 Years)

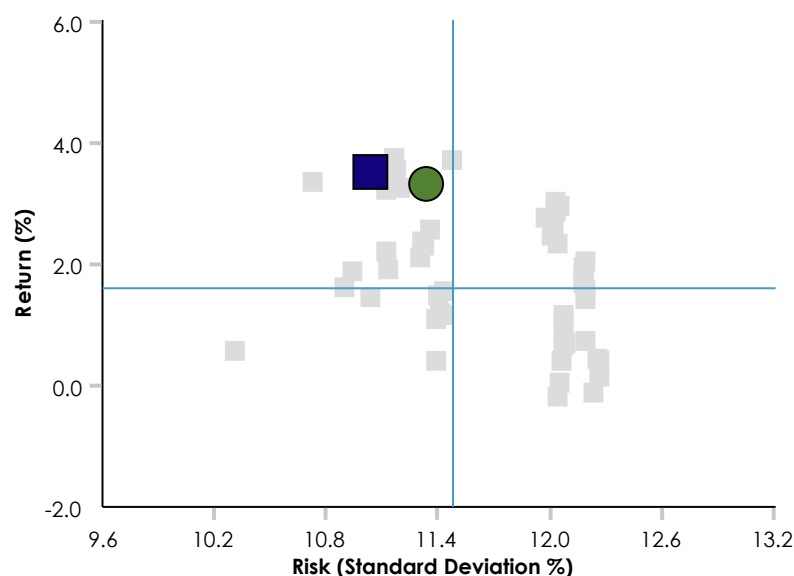
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Up Market Capture	Down Market Capture
Vanguard FTSE Developed Markets ETF	3.5	11.0	0.3	0.3	1.0	1.0	1.8	0.1	98.0	96.4
FTSE Developed All Cap ex-US Index (NET)	3.3	11.3	0.3	0.0	1.0	1.0	0.0	N/A	100.0	100.0
IM International Large Cap Core Equity (MF) Median	1.6	11.5	0.1	-1.6	1.0	0.9	3.0	-0.5	97.1	107.8

Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	7 Years
■ Vanguard FTSE Developed Markets ETF	-13.1 (35)	-14.5 (42)	3.5 (12)	0.8 (1)	6.1 (3)
● FTSE Developed All Cap ex-US Index (NET)	-13.2 (36)	-15.0 (51)	3.3 (14)	0.6 (6)	N/A
Median	-13.7	-14.9	1.6	-0.5	5.1

Peer Group Scattergram (3 Years)



	Return	Standard Deviation
■ Vanguard FTSE Developed Markets ETF	3.5	11.0
● FTSE Developed All Cap ex-US Index (NET)	3.3	11.3
— Median	1.6	11.5

Performance Statistics (3 Years)

	Months	%
Market Capture		
Up Markets	22	98.0
Down Markets	14	96.4
Batting Average		
Up Markets	22	50.0
Down Markets	14	57.1
Overall	36	52.8

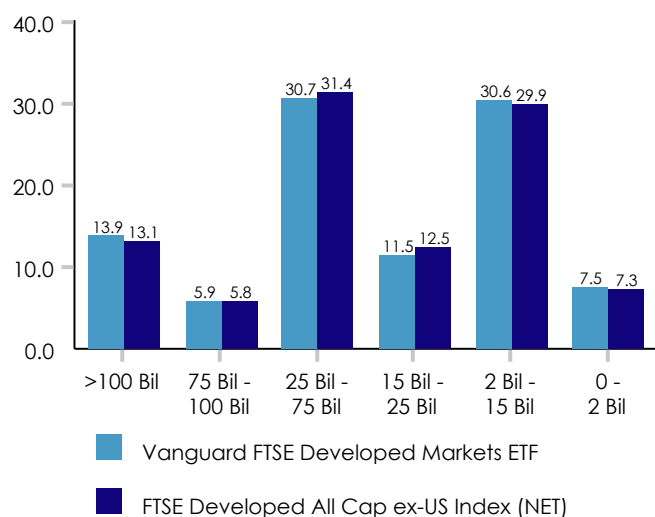
Portfolio Characteristics (As of 12/31/2018)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	45,871	-
Median Mkt. Cap (\$M)	1,518	-
Price/Earnings ratio	12.2	N/A
Price/Book ratio	2.0	N/A
5 Yr. EPS Growth Rate (%)	10.2	N/A
Current Yield (%)	3.2	N/A
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	3,919	1

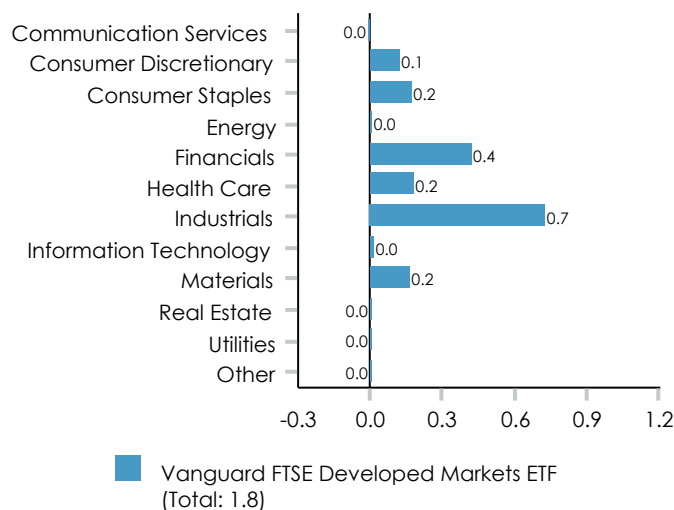
Top 10 Holdings (As of 12/31/2018)

	Portfolio Weight (%)	Benchmark Weight (%)	Quarterly Return (%)
Nestle SA	1.5	1.5	-3.3
NOVARTIS AG	1.1	0.0	N/A
Roche Holding AG	1.0	1.0	1.6
HSBC Holdings PLC	1.0	1.0	-4.5
Toyota Motor Corp	0.9	0.9	-6.6
Royal Dutch Shell PLC	0.8	0.8	-13.2
Total SA Oil & Gas	0.8	0.8	-17.4
BP PLC	0.8	0.7	-16.6
Royal Dutch Shell PLC	0.7	0.7	-13.7
AIA Group Ltd	0.6	0.6	-7.1
% of Portfolio	9.2	8.0	

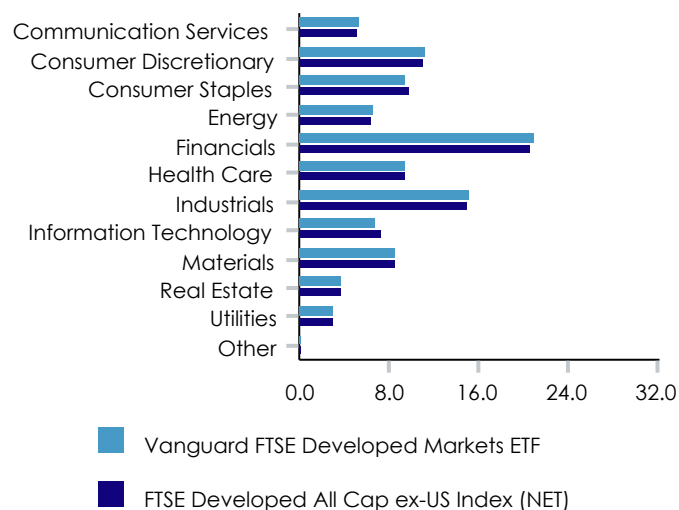
Market Cap Distribution (As of 12/31/2018)



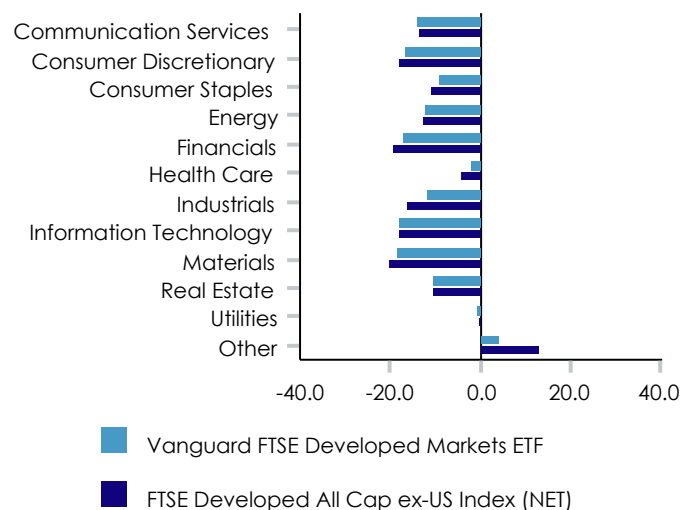
Sector Attribution (1 Year as of 12/31/2018)



Sector Allocation (1 Year as of 12/31/2018)



Sector Performance (1 Year as of 12/31/2018)



Disclosures

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THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 10 **March 21, 2019**

Item: Putnam 529 Annual Investment Review

Summary:

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

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

Putnam is not recommending any proposed changes during this year's annual investment review.

Judy Minsk and others from Putnam will be either present or available via teleconference to make the presentation.

Fiscal Impact: None by this action.

Staff recommended motion:

Move to approve the Putnam 529 Annual Investment Plan concerning its current investment strategies and investment performance during the past year.

Putnam 529 for America Annual investment update

A world of investing.®



Performance review and outlook
as of December 31, 2018

Not FDIC
Insured

May Lose
Value

No Bank
Guarantee

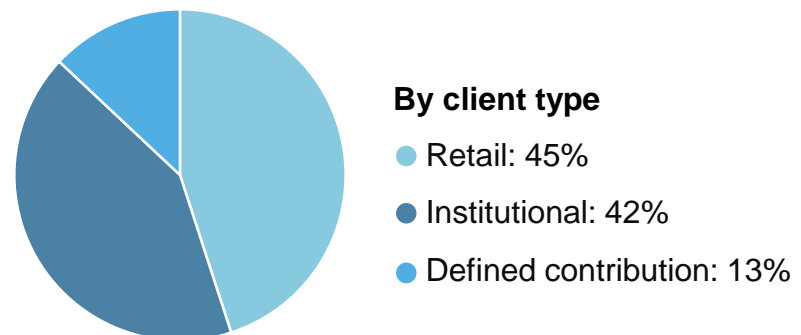
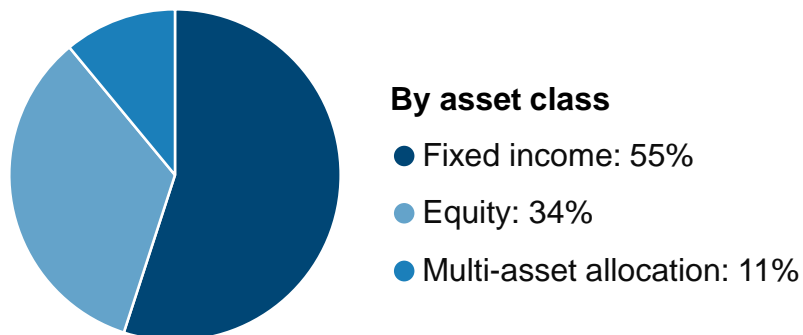
For use with the College Savings Plans of Nevada Board of Trustees. Not for public distribution.
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Putnam's advantage

Combining global resources, active communication, and market agility

- Actively managing investments for over 80 years
- Global asset management is our only business
- Client-focused, solutions-driven culture
- Stable ownership fosters long-term client relationships

\$160B assets under management



All data as of December 31, 2018. Total assets and client type figures include subsidiary PanAgora Asset Management. Asset class figures are Putnam only. Total assets under management is based on unaudited numbers and subject to change.

A seasoned management team emphasizes innovative thinking across the organization

Robert L. Reynolds
President, Chief Executive Officer

Aaron M. Cooper, CFA
Executive Vice President, Chief Operating Officer

Investments

D. William Kohli
Chief Investment Officer,
Fixed Income

Shep Perkins, CFA
Chief Investment Officer,
Equities

Robert J. Schoen
Chief Investment Officer,
Global Asset Allocation

Brian D. Lenhardt
Chief Operating Officer,
Investment Division

Product

Michael P. Wands, CFA
Head of Global Investment
Strategies

Operations and Technology

Michael J. Woodall
Chief of Operations

Sumedh Mehta
Chief Information Officer

Distribution

William T. Connolly, CFA
Co-Head of Global Distribution

Jeffrey L. Gould
Co-Head of Global Distribution

Finance, Human Resources, and Legal

Andra S. Bolotin
Chief Financial Officer

Edward F. Whalen
Chief of Human Resources

Robert T. Burns
General Counsel

Marketing and Corporate Communications

Mark J. McKenna
Head of Global Marketing

Jonathan M. Goldstein
Head of Corporate
Communications

As of February 13, 2019.

How is Putnam 529 for America different?

- Distribution: Putnam 529 for America is sold through advisors
 - Putnam has strong relationships with hundreds of broker dealer firms who sell our 529 plan
 - The firm's financial advisors educate families nationwide on the importance of saving for college costs; customize plans based on clients' individual time horizon and goals
 - Advisors are typically paid by charging either up-front- or back-end sales charges on new contributions. They may also collect an annual trailer fee for providing ongoing services
- Superior customer service: For 29 consecutive years, Putnam has earned a DALBAR Service Award for outstanding service to mutual fund shareholders
- Benefits just for Nevada residents
 - No annual maintenance fee (savings of up to \$15 per customer account per year)
 - \$100 one-time scholarship payment for eligible accounts (established for at least one year and with a minimum \$1,000 balance)
 - No Board fee (Putnam reimburses 0.010% on average assets per quarter) (savings of \$17 based on average account size of NV accounts as of 12/31/18)

A wide range of investment choices

- Age-based portfolios
- Goal-based portfolios
- Individual fund options from Putnam and other firms
- Putnam Absolute Return Funds



Individual investment options allow you to build a custom portfolio with a broad range of choices

Stocks

Putnam Equity Income Fund Option

Putnam Growth Opportunities Fund Option

Putnam Small Cap Value Fund Option

MFS Institutional International Equity Fund Option

Principal MidCap Fund Option

State Street S&P 500® Index Fund Option

Bonds

Putnam High Yield Investment Option

Putnam Income Fund Option

Federated U.S. Government Securities Fund:
2–5 years Option

Cash

Capital preservation money market:
Putnam Government Money Market
Fund Option*

* Consider these risks before investing: You can lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. The values of money market investments usually rise and fall in response to changes in interest rates. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's credit quality or value.

Certain securities in which the fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States. Mortgage-backed securities are subject to prepayment risk and the risk that they may increase in value less when interest rates decline and decline in value more when interest rates rise.

Putnam Absolute Return Funds

These funds are designed to help you meet your college savings goals with potentially lower volatility than more traditional mutual fund investments. Your financial advisor can help you choose the fund that suits your goal.

- **Putnam Fixed Income Absolute Return Fund** invests in a combination of fixed-income and cash securities for investors seeking a lower level of risk than traditional bond funds
- **Putnam Multi-Asset Absolute Return Fund** invests in a combination of stocks and fixed-income securities for investors seeking a lower level of risk than traditional equity funds

The funds' strategies are designed to be largely independent of market direction, and the funds are not intended to outperform stocks and bonds during strong market rallies

Consider these risks before investing: Our allocation of assets among permitted asset categories may hurt performance. The prices of stocks and bonds in the funds' portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions and factors related to a specific issuer or industry. Our active trading strategy may lose money or not earn a return sufficient to cover associated trading and other costs. Our use of leverage obtained through derivatives increases these risks by increasing investment exposure. Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds.

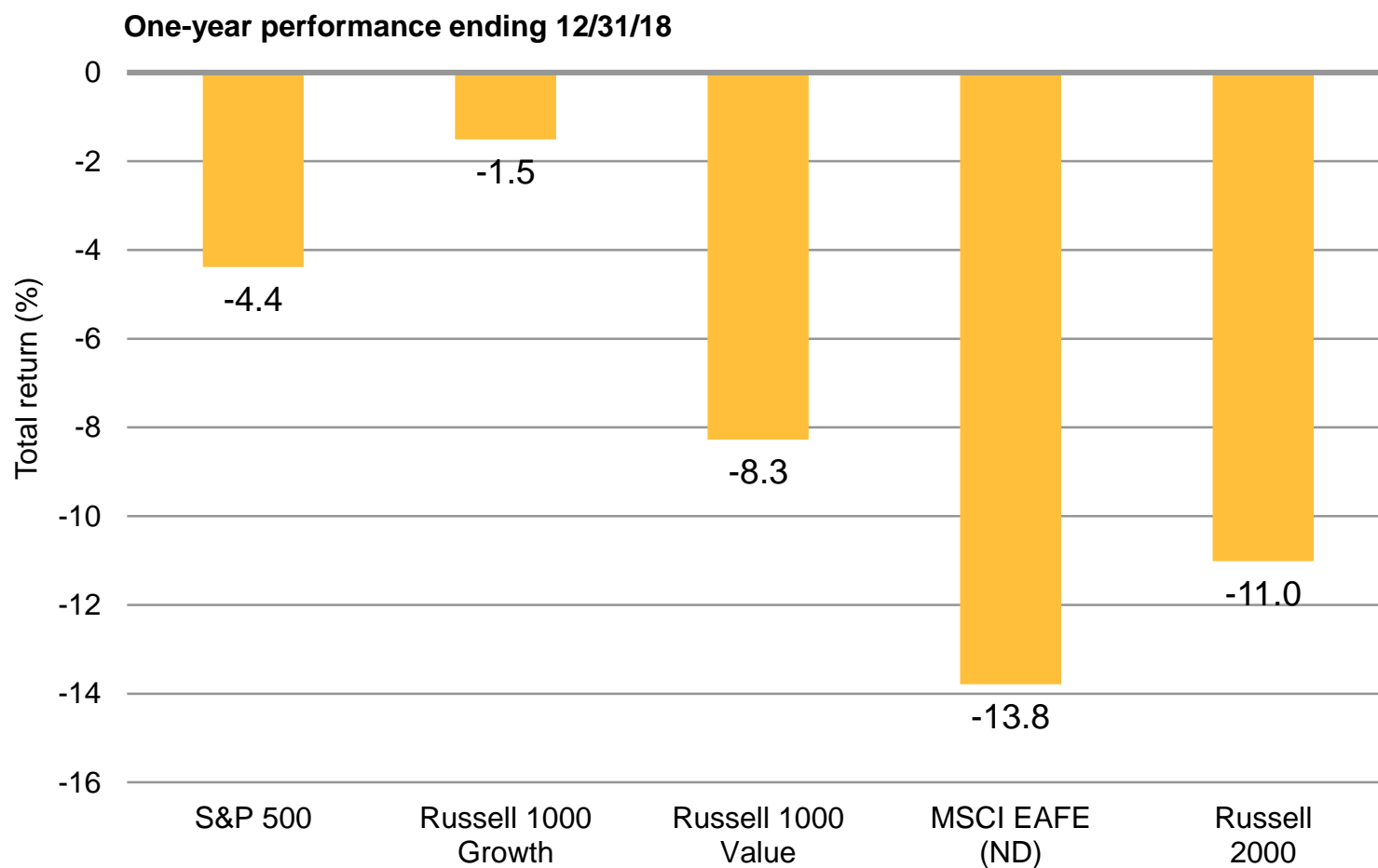
Unlike bonds, funds that invest in bonds have ongoing fees and expenses. Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Additional risks may be associated with emerging market securities, including illiquidity and volatility. Our use of derivatives may increase these risks by increasing investment exposure (which may be considered leverage) or, in the case of many over-the-counter instruments, because of the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. The funds may not achieve their goal, and they are not intended to be a complete investment program. The funds' effort to produce lower-volatility returns may not be successful and may make it more difficult at times for the funds to achieve their targeted return. In addition, under certain market conditions, the funds may accept greater volatility than would typically be the case, in order to seek their targeted return. For the Putnam Multi-Asset Absolute Return Fund, these risks also apply: REITs involve the risks of real estate investing, including declining property values. Commodities involve the risks of changes in market, political, regulatory, and natural conditions. Additional risks are listed in the funds' prospectus. You can lose money by investing in the funds.

MARKET OVERVIEW

Markets – A year in review

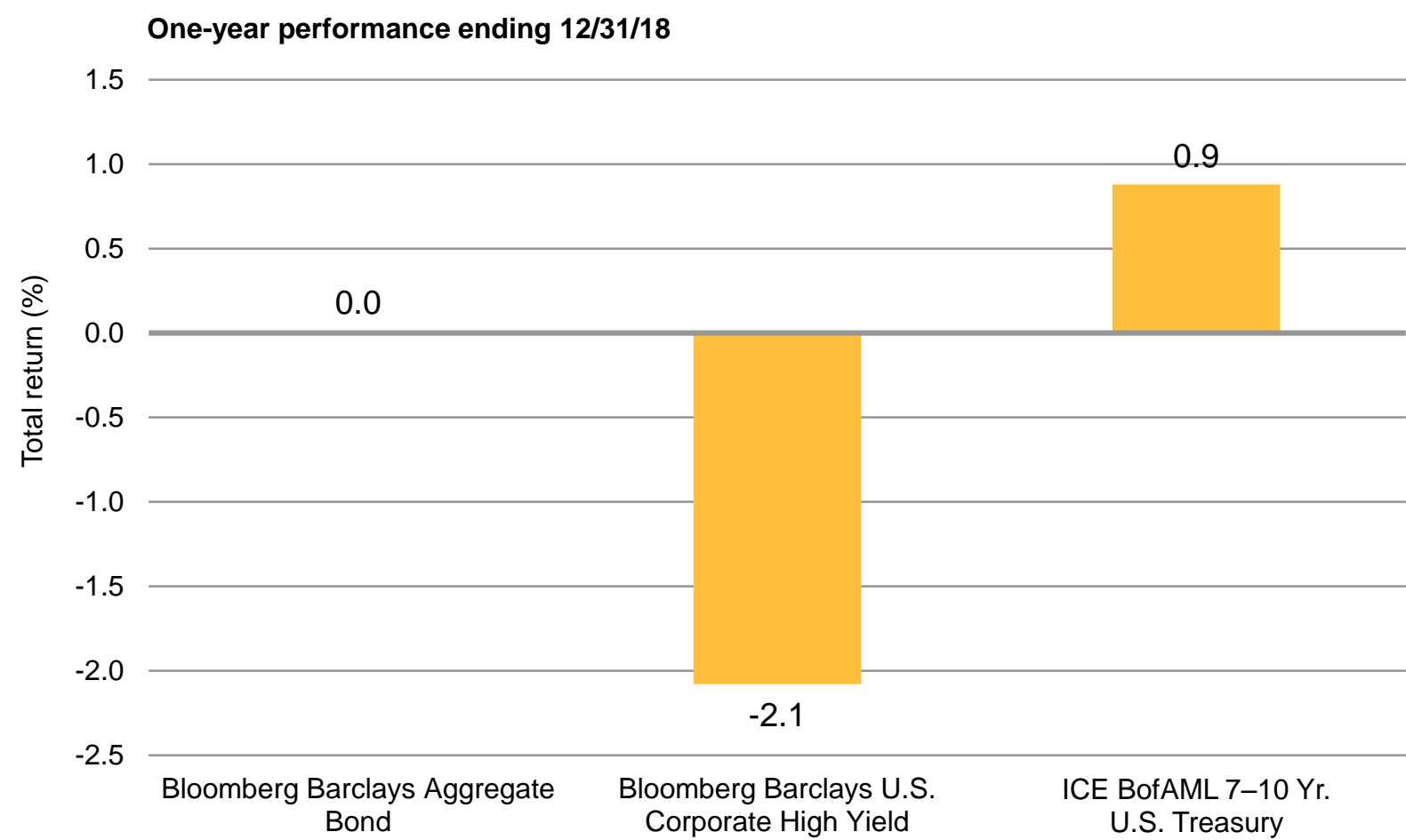
- During the trailing 12-month period, very few major asset classes generated positive returns:
 - Falling stock prices, a strong U.S. dollar, weakening global growth, rising interest rates, and concerns about President Donald Trump's trade and economic policies set investors on edge
 - U.S. stocks, U.S. bonds, and commodities all underperformed cash for only the third time since 1970
 - Economic indicators deteriorated globally, including in China and the eurozone, particularly in the fourth quarter
 - Treasury yields moved higher on the short end of the yield curve and lower on the intermediate and long end
 - An escalation in the U.S.-China trade dispute rattled global financial markets and businesses

Equity markets across the globe finished negative, falling from mid-year highs



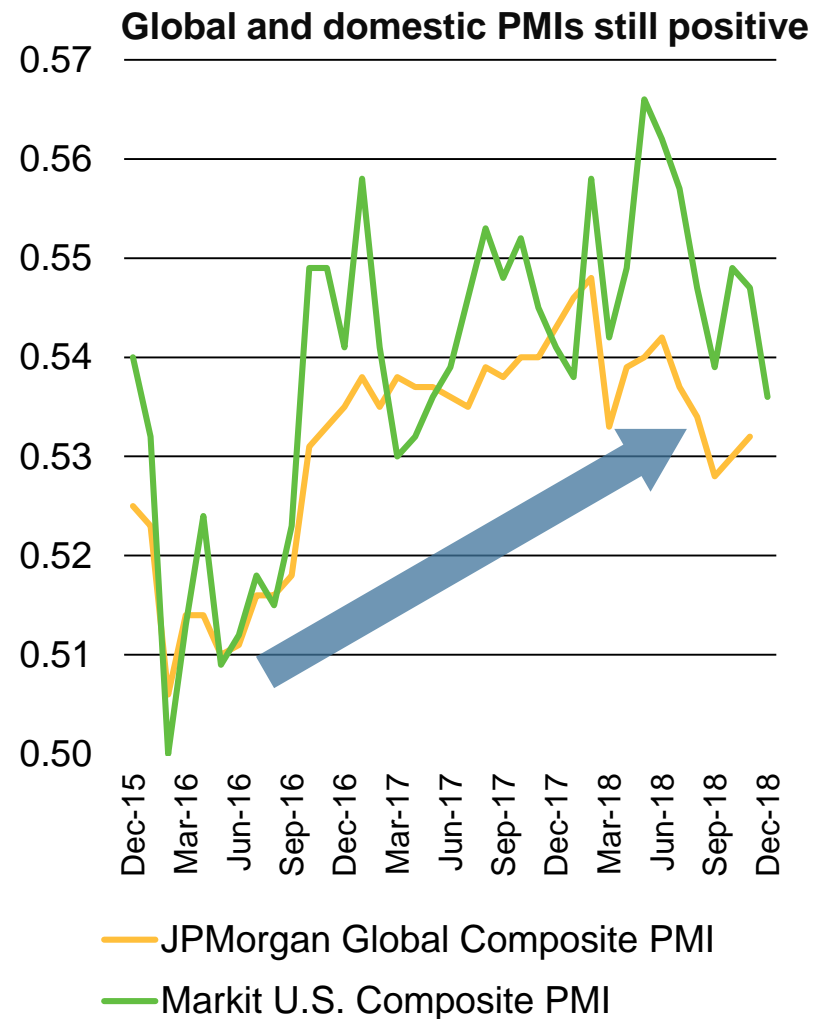
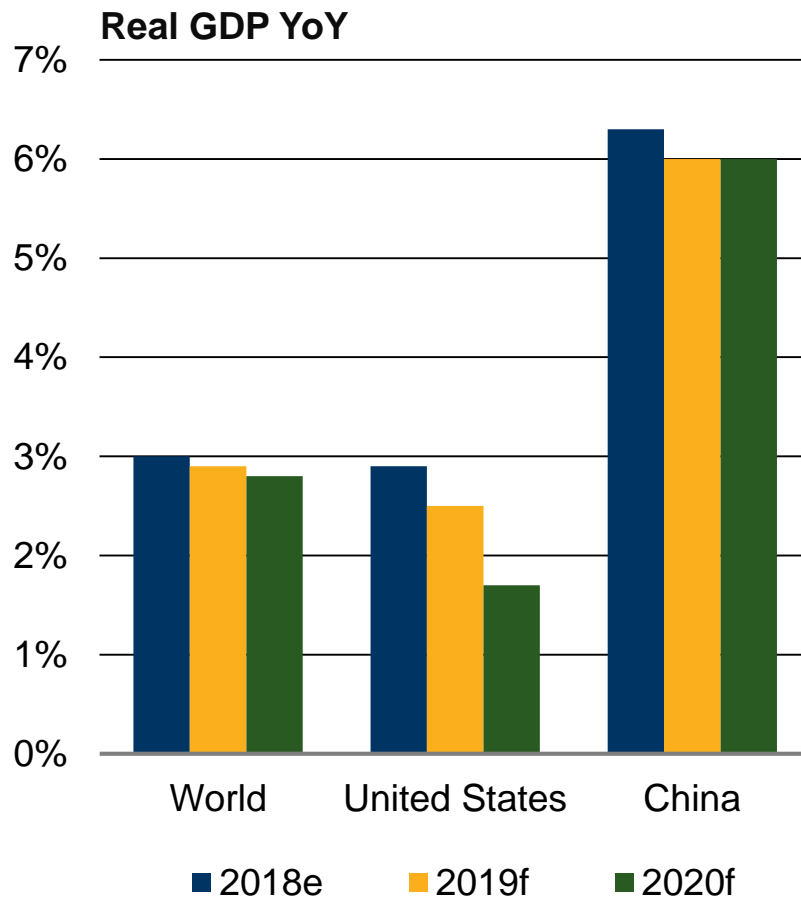
Source: Putnam. As of 12/31/18. Past performance is not indicative of future results. Indexes are unmanaged, and it is not possible to invest directly in an index.

Fixed-income markets were mixed, with rate-sensitive sectors performing best



Source: Putnam. As of 12/31/18. Past performance is not indicative of future results. Indexes are unmanaged, and it is not possible to invest directly in an index.

Global economies moving in the right direction, at a slower pace



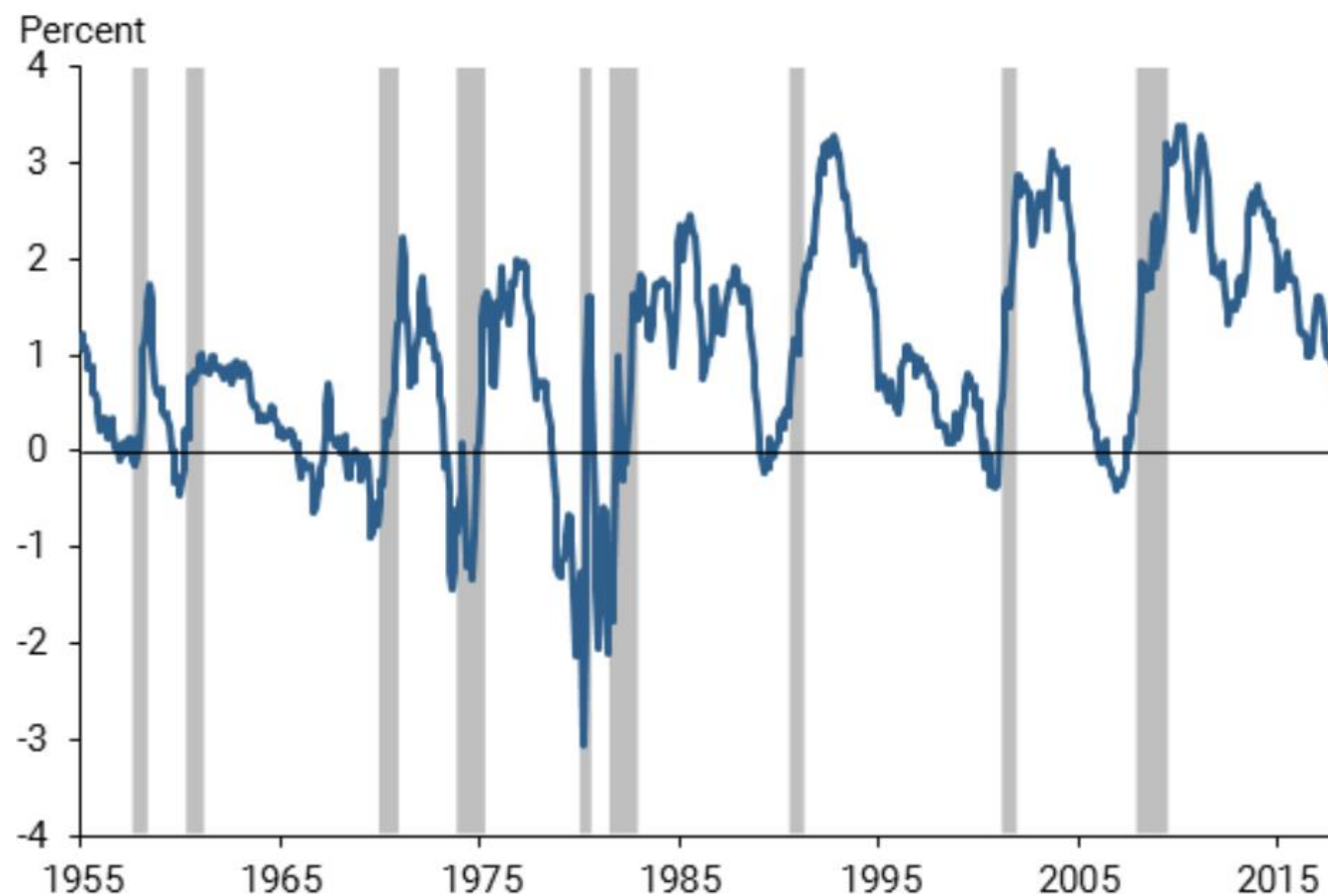
Sources: World Bank, January 2019; Bloomberg, 12/31/18.

Key risks to monitor as of 12/31/18

- Over the course of the next 12 months, there are several risks that investors should be aware of. While none are overly concerning to start the year, a material change to any of the following could lead to heightened volatility and an increase in global risk:
- The yield curve
 - The slope of the yield curve plays an important role in the economy
 - A positive spread between the long end and short end of the yield curve is indicative of a reasonably well-functioning economy
- The policy rate
 - In preceding market cycles, the real federal funds rate had to exceed 200 basis points to exert any kind of slowing effect on the economy
 - In the final days of 2018, the rate was only 60 bps — far below the restrictive levels of previous cycles
- Credit availability
 - We begin 2019 with ample evidence that banks are willing and able to lend
- Capital misallocation
 - We struggle to find clear cases of large pools of poor capital investment decisions that could cause a recession
- Trump, trade, and the re-election goal
 - A prolonged trade war would be the proximate cause of recession should one emerge at this stage

The slope of the yield curve plays an important role in the economy

The term spread and recessions

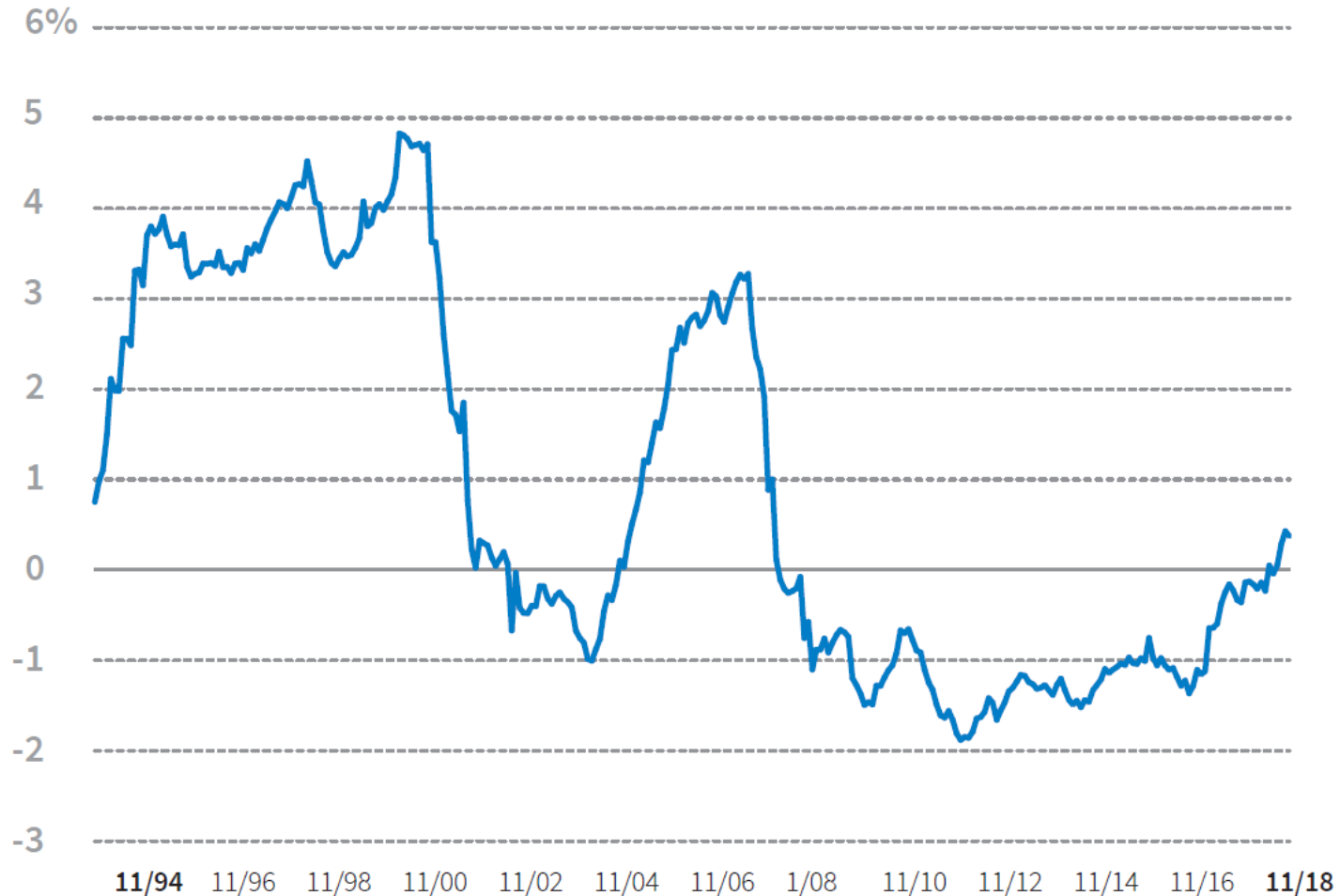


Grey bars indicate recession dates.

Source: The Federal Reserve Bank of San Francisco, 2018.

The real federal funds rate is well below levels that slowed the economy in past cycles

Real federal funds rate

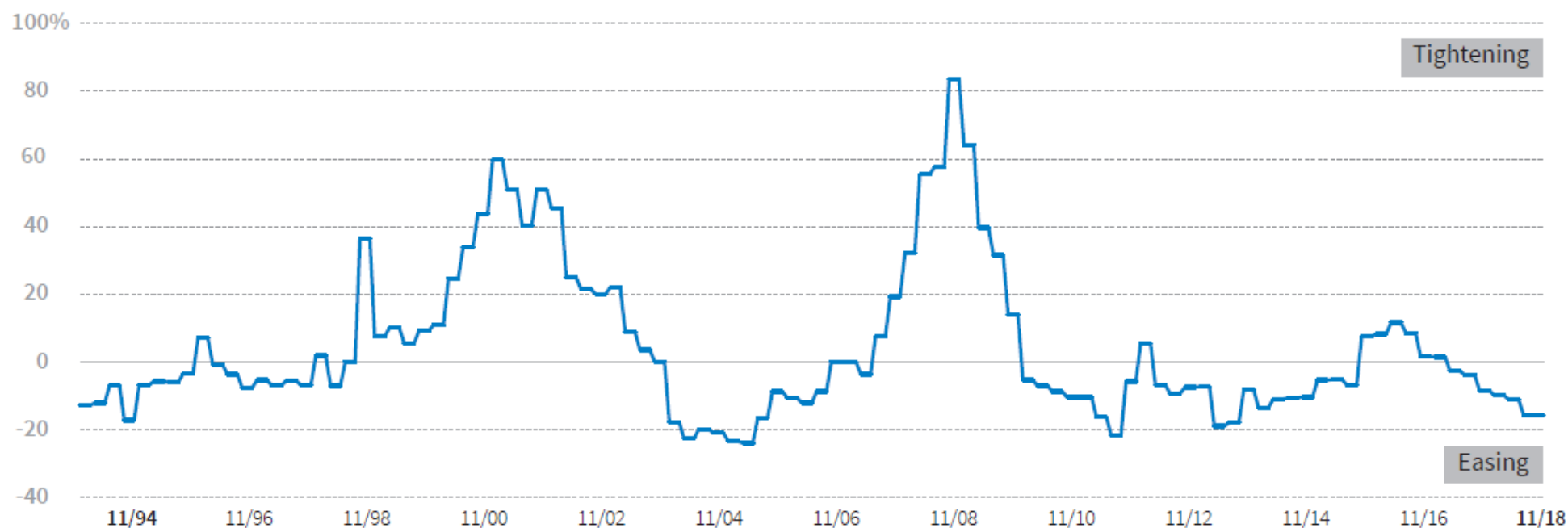


Federal funds rate minus core PCE inflation, 1/31/94 – 11/30/18.

Source: Putnam.

The Fed's Senior Loan Officer Survey shows credit is available to borrowers

Banks are willing and able to lend

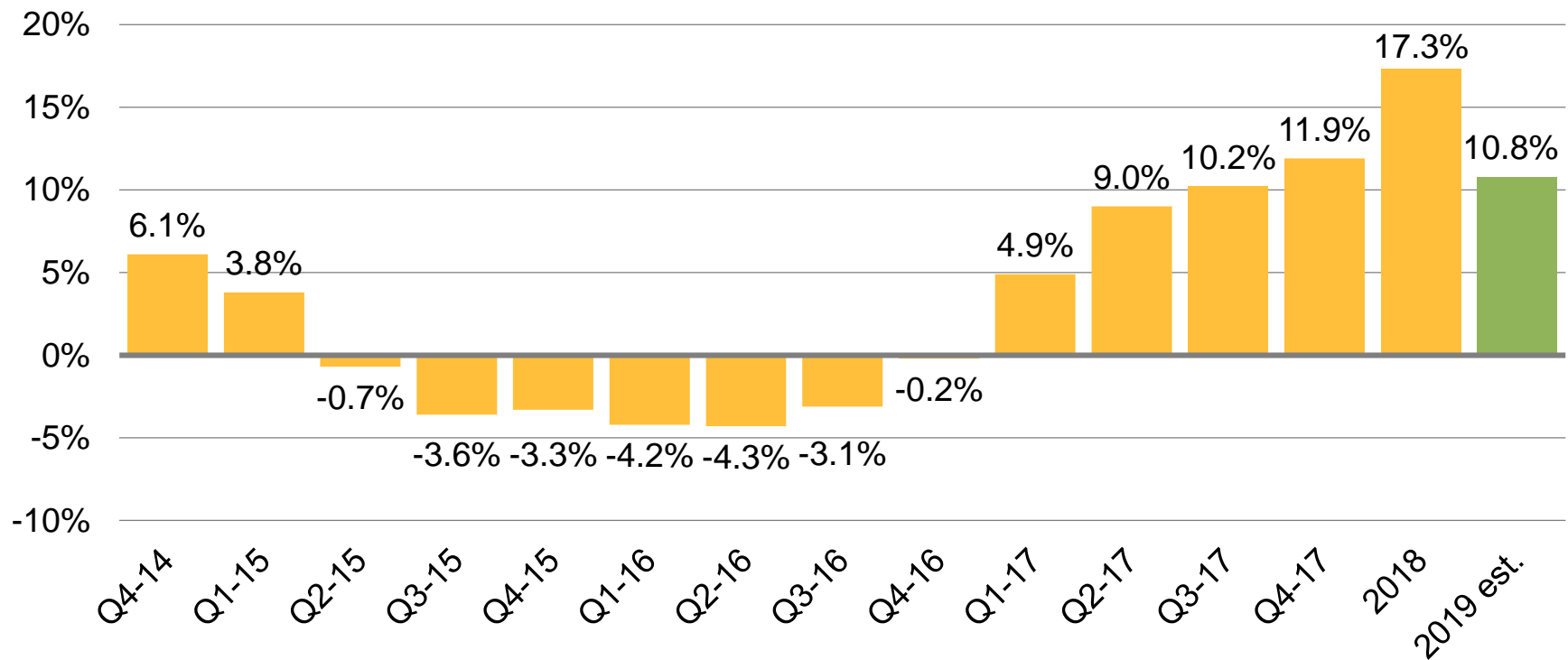


Net percentage of banks tightening lending standards (commercial and industrial loans to medium/large firms), based on Fed Senior Loan Officer Survey on Bank Lending Practices, 1/1/94–11/30/18.

Source: Putnam.

Earnings growth remains strong

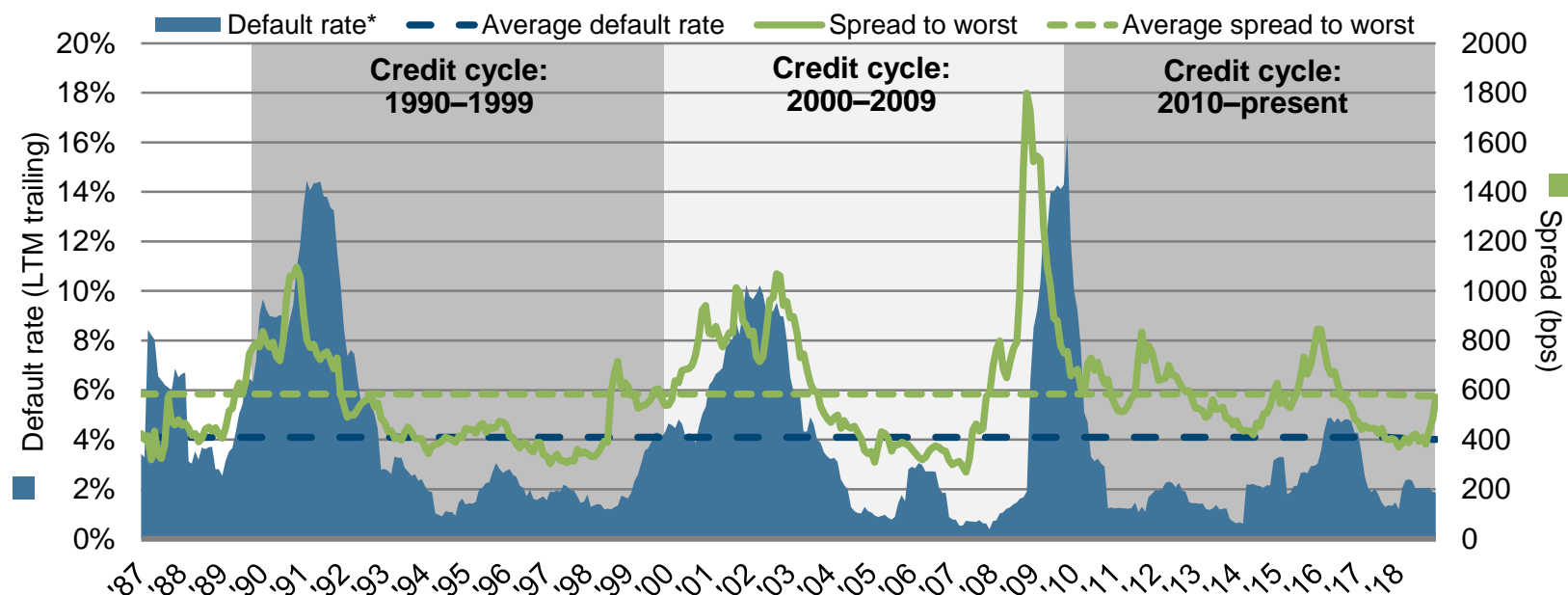
S&P 500 trailing 12-month earnings-per-share growth



Sources: Bloomberg, Putnam, as of 12/31/18.

Evaluation of the current corporate credit cycle

Within the context of past credit cycles, current global spreads are near fair value and defaults remain low



Credit cycle	1990–1999	2000–2009	2010–present	
Spread high (bps)	1,096	1,798	846	Current spread (bps)
Spread low (bps)	304	269	369	571
Average default rate*	4.37%	4.70%	2.46%	Current default rate
Average total return**	11.60%	8.66%	7.10%	1.87%
# of negative total return years	2	3	2	

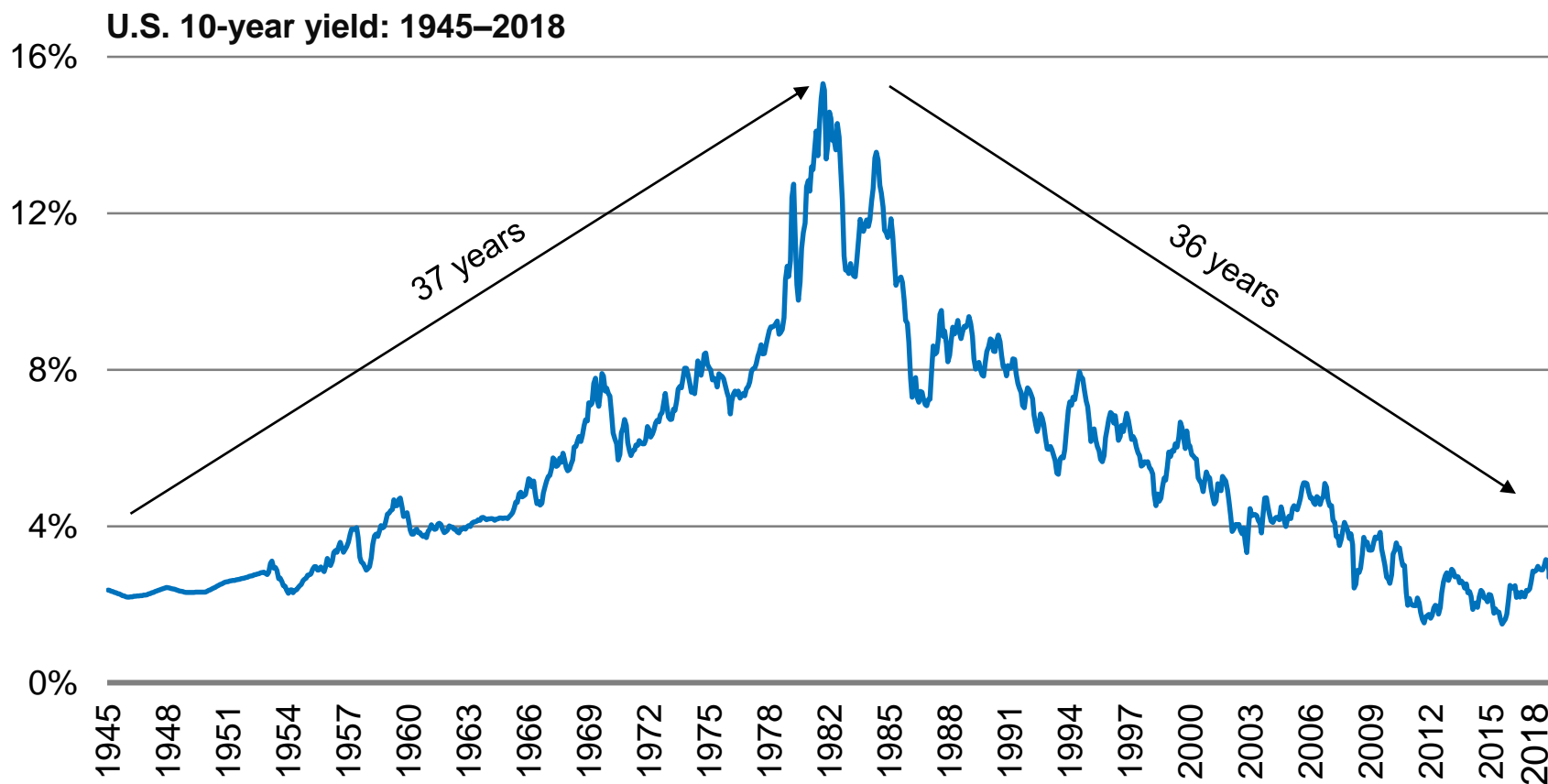
* Current and average default rates include distressed exchanges.

** As measured by the BBG Barclays High Yield Index, as of 12/31/18.

Sources: JPMorgan High Yield Market Monitor, Barclays U.S. High Yield Update, Putnam. As of 12/31/18, unless otherwise noted. Past performance is not a guarantee of future results.

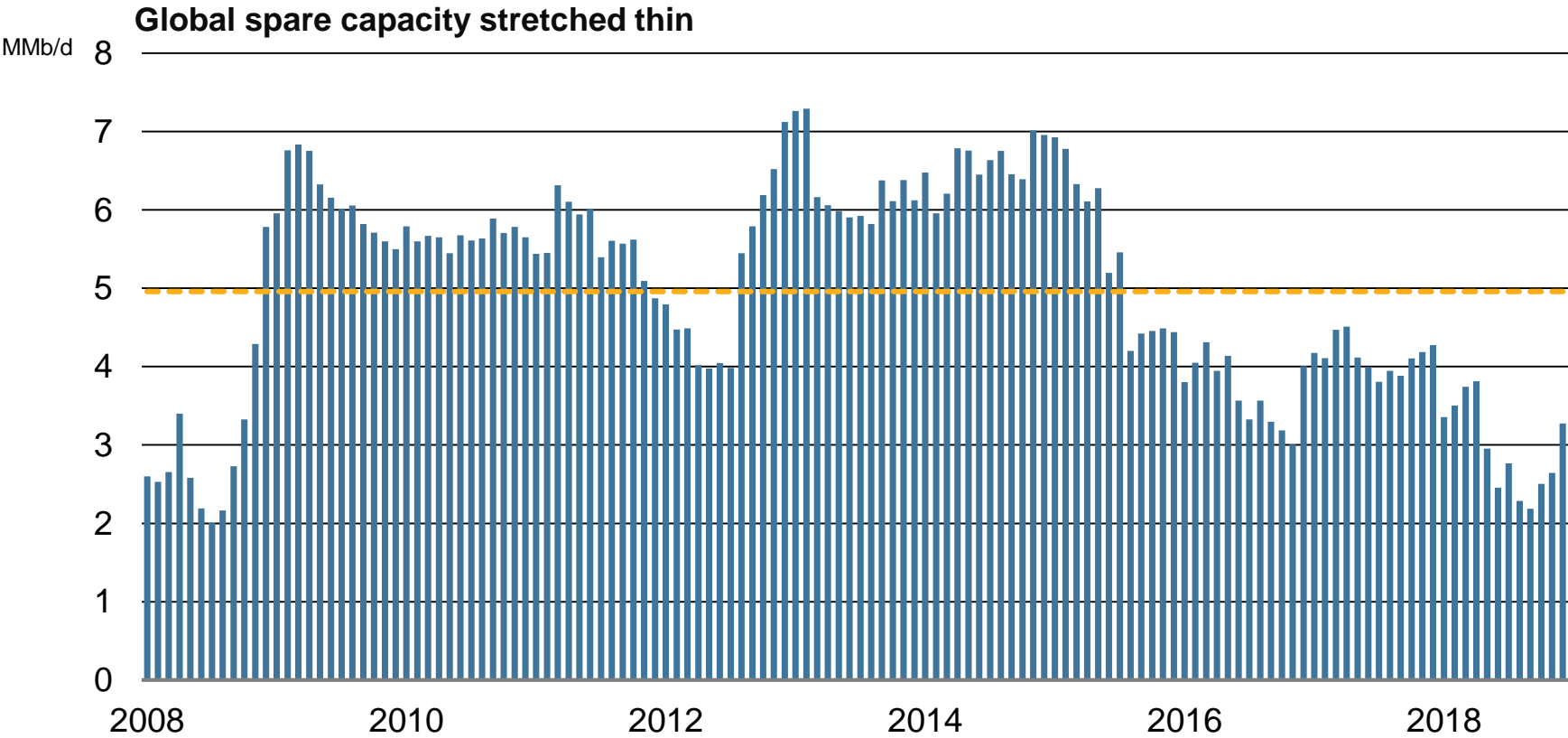
Over the long term, a secular shift upward is likely underway

Interest-rate cycles span decades



Source: <http://www.multpl.com/10-year-treasury-rate/table/by-month>, as of 12/31/18.

Bullish setup for crude



Note: Dotted line denotes 2007–2017 average (2.3 MMb/d). 2H18 and 2019 are projections.

Source: U.S. Energy Information Administration, 12/31/18.

Putnam 529 for America: Prepared for market volatility

- In our view, potential impact of market risks include the following:
 - Short term — a material change in the conditions described prior would have a negative impact on risky assets, accompanied by higher volatility
 - Longer term — it will be hard to expect strong performance from government bonds as the threat of rising interest rates still looms, while equities could continue a positive trend but at a much more modest pace than in recent history
- Putnam 529 for America seeks to handle certain key risks:
 - We believe that the diversification of investment choices in the plan helps to mitigate a rise in volatility and to stabilize returns; Putnam's absolute return products are available in the plan with a goal of mitigating this risk
 - Age-based strategies are designed to ward off investment risk in tandem with a beneficiary's age with a goal of minimizing steep losses around the time when withdrawals begin
- At the present time, we maintain a modest overweight to U.S. equity exposure, though this has been reduced given strong performance during the month of January. We have positive interest-rate exposure, but are somewhat underweight relative to traditional benchmarks. We view credit risk and high-yield bonds as moderately attractive given current spread levels, a supportive economic backdrop, and a dearth of new issue supply. We are also constructive on commodities, believing the fourth-quarter sell-off was overdone given what we see as positive supply and demand dynamics in oil prices

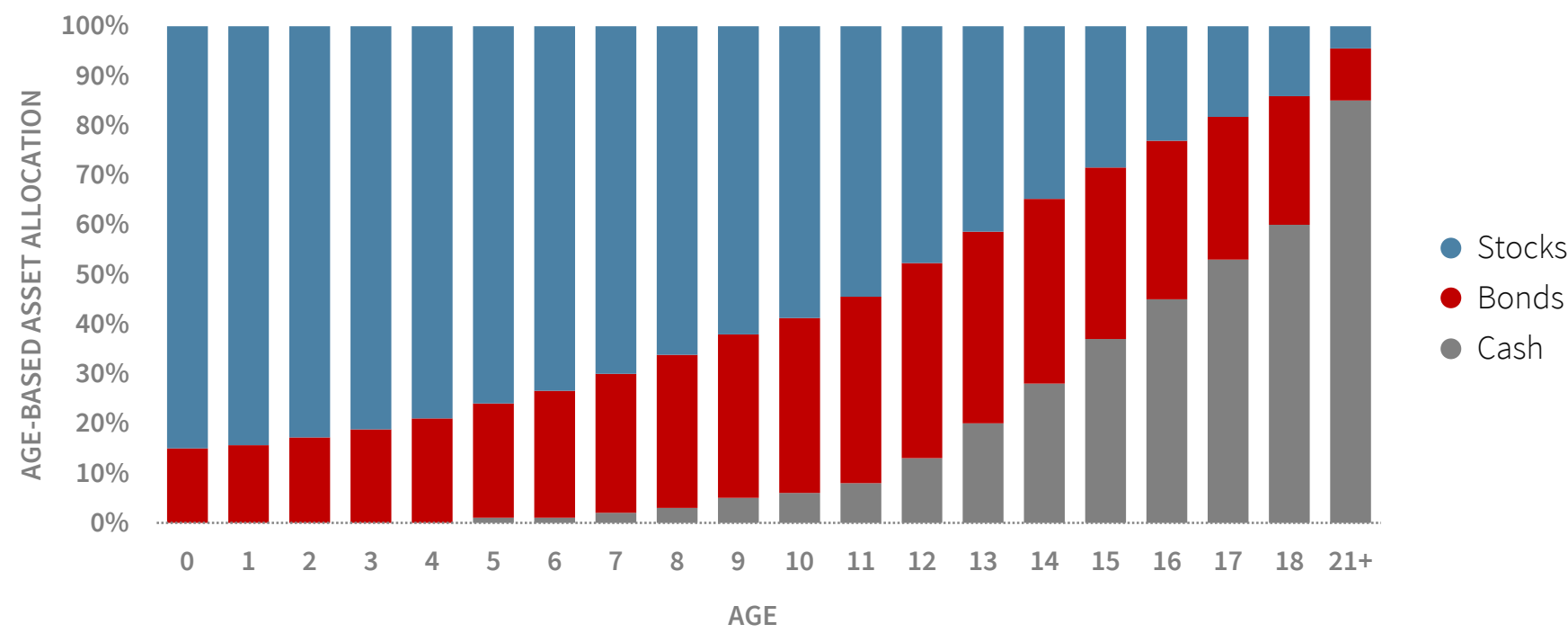
PERFORMANCE REVIEW AS OF 12/31/18

Putnam 529 for America glide path summary

- Our glide path allows for greater potential appreciation in the early years but emphasizes preservation of capital as the child approaches college age
- Complete in-house management allows our asset allocation managers comprehensive control
 - We control both tactical allocation and security selection, providing the ability to dynamically implement changes and reduce overlap and unintended risk — we are NOT a traditional fund of funds
- Senior team members have been managing 529 portfolios since 2000

Age-based portfolios

Actively managed and adjust over time; designed to be more conservative as the child approaches college age

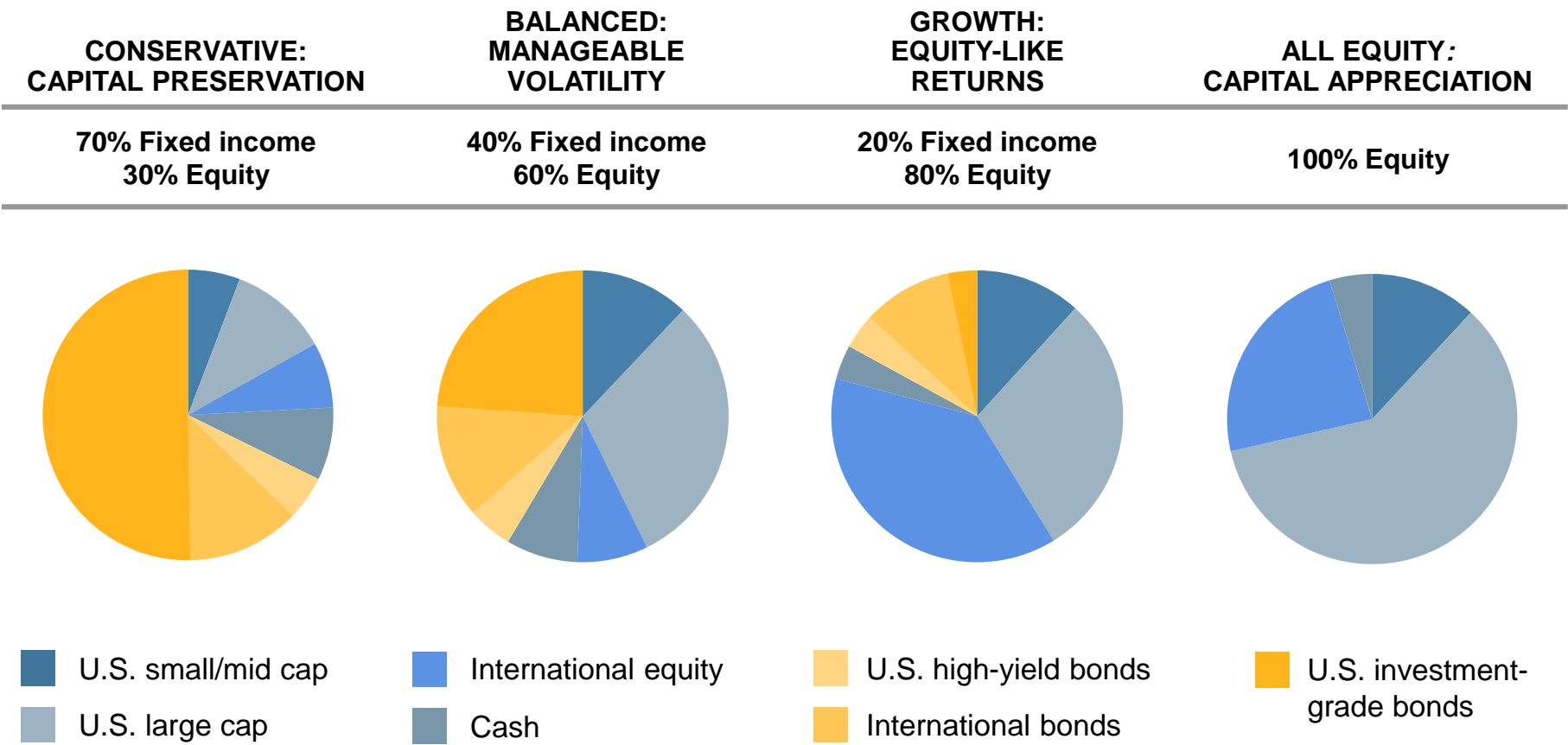


Asset allocations shown are target allocations. Actual allocations may vary.

The age-based and goal-based options invest across four broad asset categories: short-term investments, fixed-income investments, U.S. equity investments, and non-U.S. equity investments. Within these categories, investments are spread over a range of asset allocation portfolios that concentrate on different asset classes or reflect different styles.

Each age-based option has a different target date, which is based on the year in which the beneficiary of an account was born. The principal value of the funds is not guaranteed at any time, including age-based options closest to the college age.

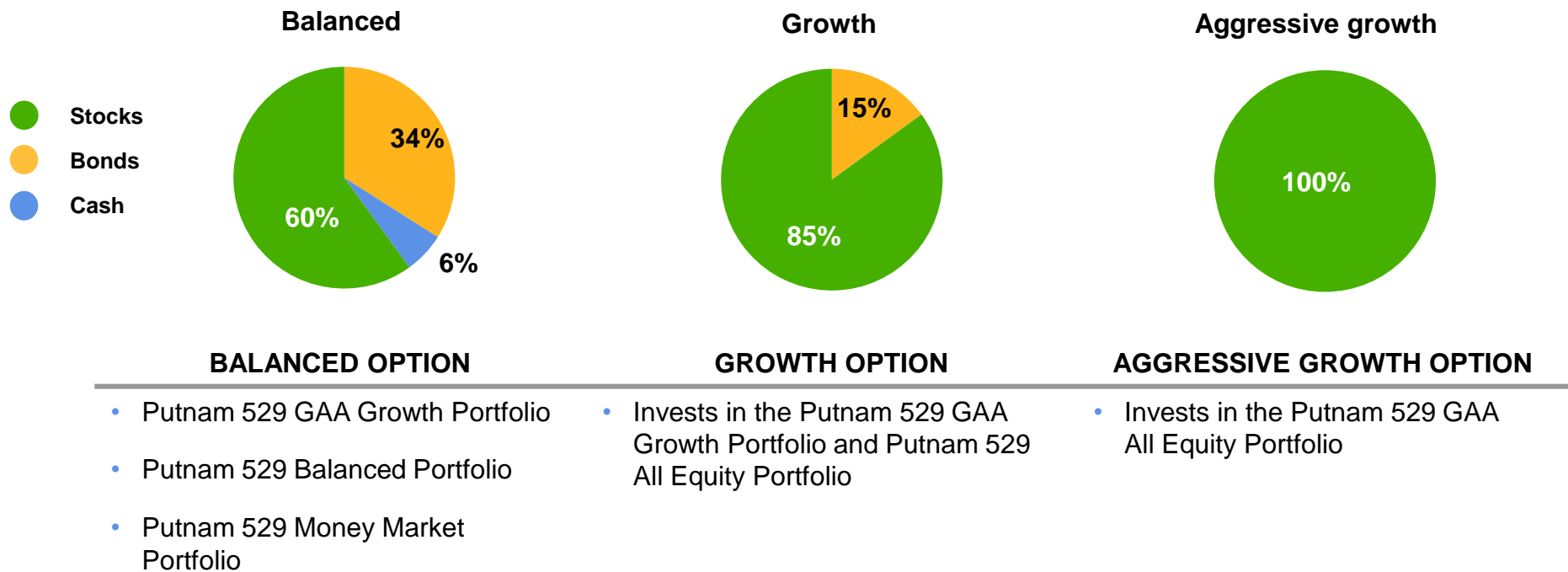
Age-based and goal-based options: Underlying fund strategies



Allocations shown are target allocations; actual allocations may vary. See the offering statement for details.

Goal-based portfolios

- Actively managed and keep the same allocation mix, regardless of the child's age
- Separately managed accounts



Allocations shown are target allocations; actual allocations may vary. See the offering statement for details.

Underlying asset allocation portfolios

Performance as of 12/31/18

As of 12/31/18	Quarter	Year to date	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Putnam GAA All Equity Portfolio (9/29/2010)	-14.38	-10.00	-10.00	5.90	5.54	–	9.45
Putnam Equity Blended Index	-13.53	-7.39	-7.39	7.92	6.20	–	9.91
Lipper Multi-Cap Core Funds average	-14.41	-7.88	-7.88	6.59	5.52	–	10.03
Putnam GAA Growth Portfolio (9/29/2010)	-13.07	-8.93	-8.93	5.46	5.22	–	8.28
Putnam Growth Blended Benchmark	-10.87	-5.91	-5.91	7.11	5.63	–	8.72
Lipper Mixed-Asset Target Allocation Growth Funds average	-10.03	-6.81	-6.81	4.99	3.91	–	6.88
Putnam GAA Balanced Portfolio (9/29/2010)	-10.43	-6.68	-6.68	4.76	4.90	–	7.59
Putnam Balanced Blended Benchmark	-8.17	-3.90	-3.90	6.02	5.24	–	7.77
Lipper Mixed-Asset Target Allocation Moderate Funds average	-7.64	-5.81	-5.81	4.31	3.18	–	5.64
Putnam GAA Conservative Portfolio (9/29/2010)	-5.55	-4.13	-4.13	3.42	3.65	–	5.29
Putnam Conservative Blended Benchmark	-3.48	-1.92	-1.92	4.22	3.97	–	5.31
Lipper Mixed-Asset Target Allocation Consv. Funds average	-4.73	-4.11	-4.11	3.35	2.52	–	4.09

Performance commentary: Age-based and goal-based strategies combined make up 75% of plan assets

- The strategies posted overall negative results for the one-year period as of 12/31/18
- Positive contributors to performance
 - Selection within high yield fixed income was a positive contributor to strategy performance
- Notable detractors to performance
 - Performance was primarily the result of poor asset class returns for the period, with both equity and fixed income markets delivering generally negative returns
 - Our dynamic allocation decisions, particularly in equities and commodities, detracted from results
 - Our active implementation decisions and security selections also detracted, driven by quantitative strategies in U.S. large-cap and international developed equity markets

Appendix

- Performance
 - Age-based portfolios
 - Goal-based portfolios
 - Individual options
 - Absolute Return
 - Underlying funds
- Organizational changes
- Assets by investment option
- Client service metrics
- Bios

Putnam 529 for America

Performance as of 12/31/18

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	-0.52	-6.24	0.35	-5.42	0.76	-1.21	0.84	-0.35	1.72	0.99	0.96
Graduate Index		-1.54	—	0.18	—	2.49	—	2.10	—	2.62	—	—
1998	10/1/2010	-0.71	-6.41	0.14	-5.62	1.49	-0.50	1.89	0.69	4.24	3.49	0.98
1998 Index		-0.13	—	1.21	—	2.32	—	2.42	—	4.65	—	—
1999	10/1/2010	-1.28	-6.96	-0.27	-6.01	1.80	-0.19	2.22	1.02	4.70	3.95	1.00
1999 Index		-0.52	—	0.90	—	2.67	—	2.73	—	5.12	—	—
2000	10/1/2010	-1.95	-7.58	-0.85	-6.55	2.09	0.10	2.54	1.33	5.13	4.38	1.03
2000 Index		-0.98	—	0.53	—	3.05	—	3.06	—	5.57	—	—
2001	10/1/2010	-2.68	-8.27	-1.39	-7.06	2.46	0.46	2.88	1.67	5.57	4.82	1.04
2001 Index		-1.53	—	0.18	—	3.50	—	3.41	—	6.03	—	—
2002	10/1/2010	-3.53	-9.07	-2.00	-7.64	2.84	0.83	3.24	2.03	5.98	5.22	1.07
2002 Index		-2.20	—	-0.24	—	3.97	—	3.78	—	6.47	—	—
2003	10/1/2010	-4.42	-9.92	-2.69	-8.29	3.27	1.25	3.59	2.37	6.37	5.61	1.08
2003 Index		-2.93	—	-0.70	—	4.48	—	4.15	—	6.89	—	—
2004	10/1/2010	-5.47	-10.91	-3.44	-8.99	3.66	1.64	3.92	2.69	6.73	5.97	1.09
2004 Index		-3.76	—	-1.20	—	4.99	—	4.48	—	7.28	—	—
2005	10/1/2010	-6.62	-11.99	-4.22	-9.72	4.04	2.01	4.17	2.94	7.01	6.25	1.10
2005 Index		-4.70	—	-1.76	—	5.44	—	4.76	—	7.62	—	—
2006	10/1/2010	-7.71	-13.02	-4.95	-10.42	4.37	2.33	4.39	3.16	7.27	6.50	1.11
2006 Index		-5.65	—	-2.31	—	5.86	—	5.02	—	7.93	—	—
2007	10/1/2010	-8.84	-14.08	-5.74	-11.16	4.49	2.45	4.51	3.28	7.42	6.65	1.12
2007 Index		-6.62	—	-2.87	—	6.12	—	5.16	—	8.14	—	—
2008	10/1/2010	-9.70	-14.90	-6.41	-11.79	4.57	2.53	4.55	3.32	7.56	6.79	1.13
2008 Index		-7.49	—	-3.46	—	6.28	—	5.24	—	8.31	—	—

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

Putnam 529 for America

Performance as of 12/31/18

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	-10.35	-15.51	-6.92	-12.27	4.71	2.67	4.64	3.41	7.70	6.93	1.13
2009 Index		-8.06	—	-3.84	—	6.50	—	5.34	—	8.47	—	—
2010	10/1/2010	-10.91	-16.03	-7.32	-12.65	4.88	2.83	4.73	3.49	7.83	7.06	1.13
2010 Index		-8.61	—	-4.20	—	6.72	—	5.44	—	8.61	—	—
2011	1/3/2011	-11.44	-16.54	-7.75	-13.06	5.00	2.94	4.79	3.56	7.24	6.45	1.14
2011 Index		-9.12	—	-4.56	—	6.91	—	5.53	—	7.93	—	—
2012	1/3/2012	-11.99	-17.05	-8.19	-13.47	5.09	3.04	4.86	3.63	8.99	8.07	1.14
2012 Index		-9.62	—	-4.93	—	7.06	—	5.61	—	9.41	—	—
2013	1/2/2013	-12.40	-17.44	-8.57	-13.83	5.14	3.09	4.88	3.65	8.02	6.96	1.14
2013 Index		-10.06	—	-5.26	—	7.16	—	8.55	—	8.55	—	—
2014	1/2/2014	-12.77	-17.79	-8.90	-14.13	5.16	3.11	4.90	3.66	4.90	3.66	1.15
2014 Index		-10.45	—	-5.56	—	7.21	—	5.70	—	5.70	—	—
2015	1/2/2015	-13.11	-18.10	-9.23	-14.45	5.14	3.09	—	—	3.78	2.26	1.15
2015 Index		-10.76	—	-5.76	—	7.27	—	—	—	5.25	—	—
2016	1/4/2016	-13.21	-18.20	-9.28	-14.50	5.16	3.11	—	—	5.16	3.11	1.15
2016 Index		-11.03	—	-5.93	—	7.32	—	—	—	7.32	—	—
2017	1/3/2017	-13.33	-18.31	-9.42	-14.63	—	—	—	—	4.21	1.17	1.16
529 Age-Based 2017 Index		-11.25	—	-6.07	—	—	—	—	—	6.09	—	—
2018	1/2/2018	-13.21	-18.20	-9.30	-14.52	—	—	—	—	-9.25	-14.44	1.16
529 Age-Based 2018 Index		-11.40	—	-6.17	—	—	—	—	—	-6.17	—	—
GOAL-BASED PORTFOLIOS												
Balanced	10/1/2010	-10.42	-15.57	-7.00	-12.34	4.28	2.24	4.31	3.09	6.86	6.09	1.12
Balanced Index		-8.20	—	-3.94	—	5.95	—	5.05	—	7.52	—	—
Growth	10/1/2010	-13.41	-18.39	-9.49	-14.69	5.16	3.10	4.89	3.65	8.09	7.31	1.16
Growth Index		-11.54	—	-6.27	—	7.32	—	5.77	—	9.00	—	—
Aggressive Growth	10/1/2010	-14.42	-19.34	-10.26	-15.42	5.50	3.44	5.13	3.89	8.96	8.18	1.18
Aggressive Growth Index		-13.53	—	-7.39	—	7.92	—	6.20	—	9.89	—	—

Putnam 529 for America

Performance as of 12/31/18

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 Equity Income Fund	10/1/2010	-14.01	-18.95	-8.36	-13.63	7.15	5.06	5.95	4.71	10.64	9.85	1.06
Russell 1000 Value Index		-11.72	—	-8.27	—	6.95	—	5.95	—	10.59	—	—
Putnam Small Cap Value Fund	9/12/2014	-23.29	-27.70	-20.01	-24.61	2.88	0.86	—	—	1.52	0.13	1.35
Russell 2000 Value Index		-18.67	—	-12.86	—	7.37	—	—	—	4.02	—	—
MFS Institutional International Equity Fund	10/1/2010	-11.28	-16.38	-10.97	-16.08	4.29	2.25	1.51	0.32	4.99	4.24	1.10
MSCI EAFE Index (ND)		-12.54	—	-13.79	—	2.87	—	0.53	—	3.98	—	—
Putnam Growth Opportunities Fund	7/5/2016	-14.69	-19.60	2.21	-3.67	—	—	—	—	15.60	12.88	1.04
Russell 1000 Growth Index		-15.89	—	-1.51	—	—	—	—	—	13.02	—	—
Principal MidCap Fund	10/1/2010	-13.37	-18.35	-7.02	-12.36	8.38	6.26	7.61	6.35	12.75	11.94	1.07
Russell Mid Cap Index		-15.37	—	-9.06	—	7.04	—	6.26	—	11.06	—	—
529 State Street S&P 500 Index Fund	6/27/2012	-13.57	-18.54	-4.95	-10.41	8.62	6.50	7.89	6.62	11.87	10.86	0.55
S&P 500 Index		-13.52	—	-4.38	—	9.26	—	8.49	—	12.53	—	—
Putnam High Yield	4/21/2017	-5.11	-8.91	-3.84	-7.69	—	—	—	—	0.12	-2.27	1.18
JPMorgan Developed High Yield Index		-4.65	—	-2.36	—	—	—	—	—	1.21	—	—
Putnam Income Fund	10/1/2010	0.15	-3.85	0.31	-3.70	2.58	1.20	2.16	1.33	3.27	2.76	1.02
BBG Barclays U.S. Aggregate Bond Index		1.64	—	0.01	—	2.06	—	2.52	—	2.55	—	—
Federated U.S. Government Securities Fund	10/1/2010	1.99	-2.09	0.59	-3.43	0.29	-1.06	0.22	-0.60	0.30	-0.20	0.98
ICE BofAML 3–5 Year Treasury Index		2.38	—	1.47	—	1.25	—	1.50	—	1.53	—	—
Putnam Government Money Market Fund	8/18/2016	0.40	0.40	1.09	1.09	—	—	—	—	0.48	0.48	0.68
Lipper U.S. Government Money Market Funds Average		0.41	—	1.22	—	—	—	—	—	0.65	—	—
Fixed Income Absolute Return Fund	10/1/2010	-2.14	-3.12	0.62	-0.39	2.48	2.14	1.35	1.14	1.63	1.51	0.84
ICE BofAML U.S. Treasury Bill Index		0.58	—	1.88	—	1.02	—	0.64	—	0.44	—	—
Multi-Asset Absolute Return Fund	10/1/2010	-5.86	-11.27	-9.38	-14.59	0.66	-1.31	1.15	-0.04	2.61	1.88	1.16
ICE BofAML U.S. Treasury Bill Index		0.58	—	1.88	—	1.02	—	0.64	—	0.44	—	—

Putnam 529 for America

Underlying performance as of 12/31/18

	QUARTER	YEAR TO DATE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
Putnam GAA All Equity Portfolio (9/29/2010)	-14.38	-10.00	-10.00	5.90	5.54	—	9.45
Putnam Equity Blended Index	-13.53	-7.39	-7.39	7.92	6.20	—	9.91
Lipper Multi-Cap Core Funds average	-14.41	-7.88	-7.88	6.59	5.52	—	10.03
Putnam GAA Growth Portfolio (9/29/2010)	-13.07	-8.93	-8.93	5.46	5.22	—	8.28
Putnam Growth Blended Benchmark	-10.87	-5.91	-5.91	7.11	5.63	—	8.72
Lipper Mixed-Asset Target Allocation Growth Funds average	-10.03	-6.81	-6.81	4.99	3.91	—	6.88
Putnam GAA Balanced Portfolio (9/29/2010)	-10.43	-6.68	-6.68	4.76	4.90	—	7.59
Putnam Balanced Blended Benchmark	-8.17	-3.90	-3.90	6.02	5.24	—	7.77
Lipper Mixed-Asset Target Allocation Moderate Funds average	-7.64	-5.81	-5.81	4.31	3.18	—	5.64
Putnam GAA Conservative Portfolio (9/29/2010)	-5.55	-4.13	-4.13	3.42	3.65	—	5.29
Putnam Conservative Blended Benchmark	-3.48	-1.92	-1.92	4.22	3.97	—	5.31
Lipper Mixed-Asset Target Allocation Conserv. Funds average	-4.73	-4.11	-4.11	3.35	2.52	—	4.09
Federated US Government Sec Fund: 2–5 Years Instl (2/18/1983)	2.02	0.94	0.94	0.67	0.60	1.13	5.49
ICE BofAML 3–5 Year Treasury Index	2.38	1.47	1.47	1.25	1.50	1.92	—
Lipper Short-Intermediate U.S. Government Funds average	1.22	0.80	0.80	0.64	0.76	1.42	5.49
Putnam Small Cap Value Y (4/13/1999)	-23.31	-19.75	-19.75	3.26	1.93	10.82	8.40
Russell 2000 Value Index	-18.67	-12.86	-12.86	7.37	3.61	10.40	8.79
Lipper Small-Cap Value Funds average	-19.71	-15.89	-15.89	5.05	1.69	10.83	9.19
Principal MidCap Fund Instl (3/1/2001)	-13.30	-6.69	-6.69	8.84	8.07	15.37	10.01
Russell Mid Cap Index	-15.37	-9.06	-9.06	7.04	6.26	14.03	8.33
Lipper Multi-Cap Growth Funds average	-16.21	-2.95	-2.95	8.41	7.24	13.65	6.03
SS S&P 500 Index;N (12/30/1992)	-13.56	-4.62	-4.62	9.06	8.32	12.95	8.92
S&P 500 Index	-13.52	-4.38	-4.38	9.26	8.49	13.12	9.08
Lipper S&P 500 Index Funds average	-13.82	-5.04	-5.04	8.64	7.89	12.50	8.81
Putnam Equity Income Fund Y (6/15/1977)	-13.97	-8.06	-8.06	7.58	6.38	12.13	10.01
Russell 1000 Value Index	-11.72	-8.27	-8.27	6.95	5.95	11.18	—
Lipper Equity Income Funds average	-11.33	-7.24	-7.24	6.88	5.44	10.60	10.35
Putnam Growth Opportunities Fund Y (10/2/1995)	-14.69	2.55	2.55	12.80	10.61	15.71	7.92
Russell 1000 Growth Index	-15.89	-1.51	-1.51	11.15	10.40	15.29	8.23
Lipper Large-Cap Growth Funds average	-15.46	-0.80	-0.80	9.41	8.92	14.13	4.95

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

Putnam 529 for America

Underlying performance as of 12/31/18

	QUARTER	YEAR TO DATE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
Putnam Income Fund Y (11/1/1954)	0.20	0.64	0.64	2.97	2.55	7.93	7.45
Bloomberg Barclays U.S. Aggregate Bond Index	1.64	0.01	0.01	2.06	2.52	3.48	—
Lipper Core Bond Funds average	0.90	-0.69	-0.69	1.99	2.20	4.19	—
Putnam High Yield Fund:Y (3/25/1986)	-5.03	-3.53	-3.53	6.09	2.96	9.60	7.22
JPMorgan Developed High Yield Index	-4.65	-2.36	-2.36	7.56	3.95	11.45	—
Lipper High Yield Funds average	-4.54	-2.84	-2.84	5.49	2.65	9.25	6.84
Putnam Govt Money Market A (4/14/2016)	0.44	1.31	1.31	—	—	—	0.59
Lipper U.S. Government Money Market Funds	0.41	1.22	1.22	—	—	—	0.55
MFS Intl International Equity Fund (1/30/1996)	-11.22	-10.66	-10.66	4.68	1.91	7.87	7.23
MSCI EAFE Index (ND)	-12.54	-13.79	-13.79	2.87	0.53	6.32	4.22
Lipper International Large-Cap Growth average	-12.85	-14.32	-14.32	2.77	0.66	6.48	6.52
Putnam Fixed Income Absolute Return Fund Y (12/23/2008)	-2.11	0.90	0.90	2.87	1.72	2.63	2.63
ICE BofAML U.S. Treasury Bill Index	0.58	1.88	1.88	1.02	0.64	0.40	0.40
Putnam Multi-Asset Absolute Return Fund Y (12/23/2008)	-5.89	-9.04	-9.04	1.03	1.55	4.02	4.01
ICE BofAML U.S. Treasury Bill Index	0.58	1.88	1.88	1.02	0.64	0.40	0.40

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

Summary of organizational changes

- In January 2018, Portfolio Manager Robert M. Brookby left the firm. Mr. Brookby was Portfolio Manager of Putnam Growth Opportunities Fund. Upon his departure, Richard E. Bodzy was promoted to Portfolio Manager. Mr. Bodzy had been the Assistant Portfolio Manager of the strategy since 2017. He has been with Putnam since 2009, and in the investment industry since 2003.
- There were no other senior organization or personnel changes for the underlying funds within Putnam 529 for America during the year ended December 31, 2018.
- In January 2019, Leonard M. Glynn, Director of Policy, left the firm. Mr. Glynn served in a variety of roles at the firm, including public policy, government and industry relations, speech writing, and executive communications.
- In January 2019, Co-Director of Equity Research Samuel Cox left the firm. Mr. Cox was one of two Co-Directors of Equity Research, alongside Kathryn B. Lakin. Ms. Lakin is now Director of Equity Research, with responsibility for leading Putnam's equity research effort. Mr. Cox's portfolio management duties, including Putnam Small Cap Value Fund, were absorbed by current members of each portfolio team. Additionally, Andrew N. O'Brien, CFA, was named Assistant Director of Equity Research. Mr. O'Brien oversees the Equity Associate and Sector Specialist groups continues with his analyst responsibilities.
- In January 2019, Portfolio Manager David L. Diamond, CFA, left the firm. Mr. Diamond was a portfolio manager of Putnam's small cap value products. Portfolio Manager Michael C. Petro, CFA, assumed management responsibilities of the product. Mr. Petro joined Putnam in 2002 and has been in the investment industry since 1999. In his prior role at Putnam, he was responsible for conducting fundamental analysis and valuation of small-cap companies operating across multiple sectors and making buy/sell recommendations.

Summary of organizational changes(continued)

In February 2019, Putnam announced some structural changes to the firm and equity division leadership:

- Aaron M. Cooper, CFA was named to the newly created role of Executive Vice President and Chief Operating Officer of Putnam, reporting to President and Chief Executive Officer, Robert L. Reynolds. Mr. Cooper now oversees Investments, Operations, Digital Technology, and Global Investment Strategies, with a mandate to provide strategic direction and drive execution of Putnam's business goals. Mr. Cooper served as Chief Investment Officer, Equities, since 2016 and was a member of Putnam's Operating Committee, as well as a Portfolio Manager on Putnam mutual funds and institutional strategies. He joined Putnam in 2011 and has worked in the investment industry since 2000.
- Shep Perkins, CFA succeeded Mr. Cooper as Chief Investment Officer, Equities, with responsibility for overseeing portfolio management, research, and trading areas. Mr. Perkins previously served as Co-Head of Equities, providing strategic direction to equity portfolio managers and analysts, and as a portfolio manager on global equity and sustainable equity strategies. He continues in these portfolio responsibilities. Mr. Perkins joined Putnam in 2011 and has worked in the investment industry since 1993.

Firm overview

A distinguished heritage and breadth of capabilities



- 1830** Justice Samuel Putnam defines the legal standard for responsible money management: The Prudent Man Rule
- 1937** Judge Putnam's great-great-grandson launches one of the first balanced funds, The George Putnam Fund of Boston
- 1962** Introduces Putnam Income Fund, the firm's first bond fund
- 1968** Launches institutional defined benefit business
- 1970** Marsh & McLennan Companies acquires Putnam
- 1976** Begins managing assets for institutional clients in the Middle East
- 1978** Launches one of the first high-yield bond funds, Putnam High Yield Trust
- 1983** Expands globally, establishing offices in London and Tokyo
- 1991** Expands institutional business to include defined contribution plans
- 1998** Initiates strategic alliance in Japan with Nissay Asset Management, a subsidiary of Nippon Life
- 2000** Expands institutional investment services into Europe with German presence
- 2003** Launches Asian institutional investment services with presence in Australia
- 2007** Power Financial Corporation/Great-West Lifeco Inc. acquires Putnam
- 2008** Names Robert L. Reynolds President and Chief Executive Officer
- 2009** Launches industry's first suite of absolute return funds
Receives top U.S. mutual fund family ranking by *Barron's* in its "Best Fund Families" report
- 2012** Receives top U.S. mutual fund family ranking by *Barron's* for a second time
- 2013** Launches suite of alternative investment strategies
Ranks among top U.S. mutual fund families by *Barron's* for the third time in five years
- 2014** Great-West Financial® launches Empower™. Empower™ acquires J.P. Morgan Retirement Plan Services and integrates with Putnam's retirement business
- 2017** Celebrates 80 years of serving investors
Launches Sustainable Investing team to focus on ESG research and investment management



Justice
Samuel
Putnam



Barron's annually determines the mutual fund family rankings based on the performance of U.S. mutual funds and not any other type of fund, product, or strategy. Putnam mutual funds are offered only within the United States or to U.S. citizens.

Putnam 529 for America

Assets by investment option as of 12/31/18 (FY 2019 Q2)

Category	Fund	12/31/18 assets	Percentage of grand total
Age-based	Total	\$214,622,209	52.67%
Goal-based	Total	\$80,692,447	19.80%
	Goal-based balanced	\$26,967,889	6.62%
	Goal-based growth	\$30,396,881	7.46%
	Goal-based aggressive growth	\$23,327,677	5.73%
Individual fund options	Total	\$90,586,782	22.23%
	Federated U.S. Gov. Securities 2–5 years	\$1,373,481	0.34%
	MFS Institutional International Equity	\$9,060,546	2.22%
	Principal MidCap Blend	\$14,776,193	3.63%
	Putnam 529 SSgA S&P 500	\$9,923,775	2.44%
	Putnam Equity Income	\$16,444,509	4.04%
	Putnam Government Money Market	\$11,613,056	2.85%
	Putnam Growth Opportunities	\$14,096,272	3.46%
	Putnam High Yield	\$3,577,660	0.88%
	Putnam Income	\$5,924,595	1.45%
	Putnam Small Cap Value	\$3,796,698	0.93%
Absolute return	Total	\$21,550,281.39	5.29%
	Fixed Income Absolute Return	\$7,947,798	1.95%
	Multi-Asset Absolute Return	\$13,602,483	3.34%
	Grand total	\$407,451,720	100.00%

Putnam 529 for America

Client Services Metrics as of December 31, 2018 (FY 2019 Q2)

CRITERIA	SERVICE LEVEL
Transactions	98.3%
• 96% of all financial and non-financial transactions processed error free	
Telephone service	85.6%
• 80% of calls answered within 20 seconds	
Mail service	
• Transaction confirmations	100%
– 99% of confirmations and checks mailed within 2 business days of any transaction	
• Quarterly statements	100%
– 97% of customers receive quarterly statements within 5 business days of the end of each quarter	

Judith A. Minsk

*Senior Manager,
Investment Strategies
Global Investment Strategies*

Responsibilities at Putnam

Ms. Minsk is a Senior Manager, Investment Strategies, in the Global Investment Strategies group. She is responsible for Putnam's 529 for America college savings plan marketing and product development, manages key client relationships, and oversees internal processes related to marketing materials. Previously at Putnam, Ms. Minsk served in various roles, including Regional Marketing Associate Advisory Specialist, Alliance Account Manager for Investment-Only, and Broker-Dealer Relationship Manager. She has been in the investment industry since she joined Putnam in 1993.

Experience

Avitar, Inc.

- *Marketing Associate, 1990–1993*

Education

University of Massachusetts at Amherst, B.A.

Brendan T. Murray

Senior Investment Director, Global Asset Allocation
Global Investment Strategies

Responsibilities at Putnam

Mr. Murray is a Senior Investment Director in the Global Investment Strategies group, dedicated to Global Asset Allocation products. In this role, he is responsible for developing and launching new products; defining product messaging for existing products; providing ongoing marketing and sales support; interpreting and communicating performance, positioning, and strategy to existing clients; and gathering market intelligence on trends in the global marketplace. Previously at Putnam, he served as Investment Director and Team Leader in the Fixed Income group. He has been in the investment industry since he joined Putnam in 2002.

Education

Boston College, B.A.

**FOR USE WITH THE COLLEGE SAVINGS PLANS OF NEVADA BOARD OF TRUSTEES.
NOT FOR PUBLIC DISTRIBUTION.**

Putnam 529 for America is sponsored by the State of Nevada, acting through the Trustees of the College Savings Plans of Nevada and the Nevada College Savings Trust Fund. Anyone may invest in the plan and use the proceeds to attend school in any state. **Before investing, consider whether your state's plan or that of your beneficiary offers state tax and other benefits not available through Putnam 529 for America.** 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 earnings. Consult your tax advisor. **You should carefully consider the investment objectives, risks, charges, and expenses of the plan before investing. Ask your financial representative or call Putnam at 1-877-PUTNAM529 for an offering statement containing this and other information for Putnam 529 for America, and read it carefully before investing.** Putnam Retail Management, principal underwriter and distributor. Putnam Investment Management, investment manager.

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 11
March 21, 2019

Item: Pursuant to NRS 241.015(3)(b)(2), the Board will enter into a non-meeting with counsel to discuss the contract and contract negotiations associated with the impending acquisition of USAA Asset Management Company and the USAA 529 Plan.

Fiscal: None

Summary:

Jamie Canup, outside counsel with Hirschler Fleischer, will discuss the contract and provide recommendations for contract negotiations to the Board for its consideration.

The Board will not take any action during this agenda item; it will simply receive information to assist in providing direction to Treasurer Conine and Staff regarding next steps in the contract process. The Board will take action under Agenda Item #12, after it reconvenes the public meeting.

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 12
March 21, 2019

Item: **Board will direct Treasurer Conine and staff
 regarding the contract negotiations with USAA and
 Victory Capital Holdings, Inc.**

Fiscal: None

Summary:

The Board will consider information it received from outside counsel regarding the USAA and Victory Capital Holdings, Inc. contract provisions during the non-meeting in Agenda Item #11. The Board will direct Treasurer Conine and staff, as appropriate during this agenda item.

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 13
March 21, 2019

Item: **Board review and approval of considerations for the proxy vote associated with the acquisition of USAA Asset Management Company, including the USAA 529 Plan by Victory Capital Holdings, Inc.**

Summary:

Treasurer Conine and staff will provide an update regarding any additional information it was able to obtain regarding the underlying funds within the USAA 529 plan and impending investment option changes based upon the acquisition.

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 14
March 21, 2019

Item: **Marketing Program Update**

Summary:

Amplify Relations will present marketing update for the quarter ended December 31, 2018, and highlight key marketing activities.

Representatives from Amplify are available to answer questions.

Fiscal Impact: None by this action.



“Let’s Go to College: Nevada Saves” Campaign

October, November, December 2018

2nd Quarter Report to the State of Nevada

College Savings Board

March 21, 2019



Campaign Partners



- Provides Campaign Management
- Provides Creative, Public Relations, Digital, and Production Services
- Increase Overall Awareness of College Savings Programs
- Drives Traffic to NV529.org

- Sponsorship and attendance at community events
- Coordinate with Schools/Non-Profits
- Ensure Legal Compliance of Overall Campaign
- Capture/Report Event Leads and build business network

- Attend Events and educate public on programs
- Focus on Employer Channel
- Educate HR Groups on SB412 (Employer Tax Credit)



Campaign Metrics



- SSGA New Account Openings*

Month	FY 17	FY 18	YOY Percent Change
October	37	39	5.41%
November	51	63	23.53%
December	80	67	-16.25%
<u>TOTAL *</u>	<u>168</u>	<u>169</u>	<u>.59%</u>

- Advertising Recall**

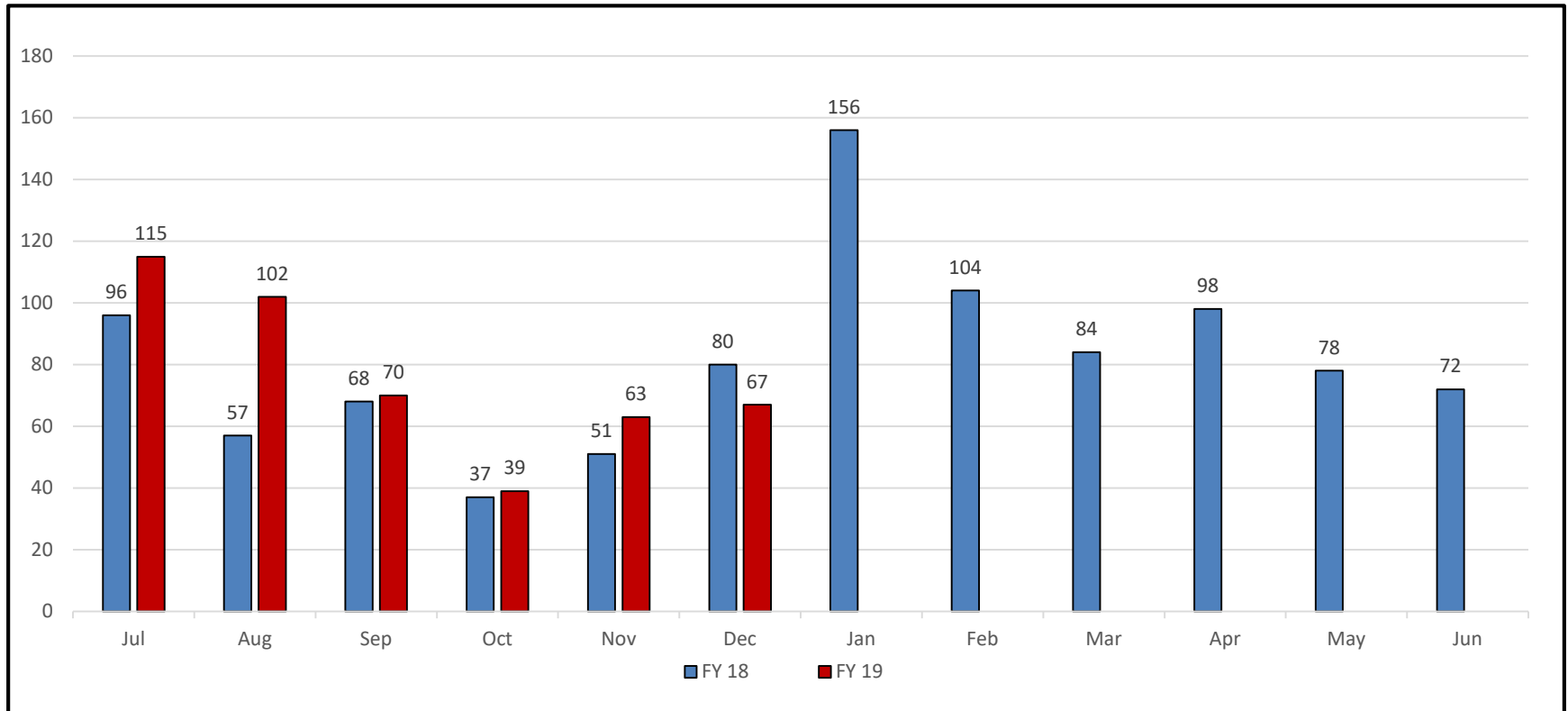
2018 Ascensus College Savings 529 Plan Awareness Study	FY 17	FY 18	YOY Percent Change
<i>Net Ad Recall (% Aware of Plans x % Recall Ads)</i>	19%	19%	0%

*see graph of YOY account growth on next slide

** The null percentage growth of advertising recall between FY17 and FY18 reflects that ad recall is holding steady after the budget cut of FY17.



SSGA Upromise Account Opens YOY Comparison FY18 vs FY19



Online Ads



Oct 1-Dec 31

- 644,614 Impressions
- 4,158 Clicks
- .645% CTR



Basis
BY CENTRO

Oct 1-Dec 31

- 811,659 Impressions
- 679 Clicks
- 0.08% CTR*

Nevada College Savings Plans
Sponsored ·

Help your child shoot for the stars and achieve their big dreams. Save for their future with an SSGA Upromise 529 college savings account.



NV529.ORG
Start saving for your child's future with \$15
Visit NV529.ORG to learn about your savings options.

[Learn More](#)

NCM
AMERICA'S MOVIE NETWORK

Oct 1-Dec 31

- 7,281,887 Impressions
- 92,208 Clicks
- 1.26% CTR

*National Average CTR for Financial Services is 0.33%.



Commentary

Op ed: Give the gift that lasts a lifetime to your child this year. Give the gift of Education.

📅 November 12, 2018 👤 Robert Perea 💬 0 Comments

Courtesy Nevada Deputy Treasurer Sheila Salehian

Parents, can you believe it is November already? Where does the time go? It seems like the kids just got back to school and it is already time for the Holiday Season.

If you're like me, you look forward to the holidays, but also find gift shopping, planning family get-togethers, trying to make sure you have everything covered while working full time, and being the best parent you can be, a bit overwhelming. This year, you could skip the mall, skip Amazon, and stop worrying if your gifts will be the right style, size, color, or fit, by considering giving a gift that will last a lifetime, the gift of higher education.

That's right, a college education opens the door to many opportunities in a child's life which include higher lifetime earnings (studies report up to a million dollars more than just a high school degree), not to mention invaluable knowledge, skills, higher employment, fewer college loans, and greater job satisfaction.

Don't know where to start? How about the Nevada Prepaid Tuition Plan? This program is a state administered program that lets you buy in-state college tuition credit hours at today's rates, for use when your child is ready to go to college. That's right, if your child is 5 years old today, and you lock in a 4-year University plan, you can pay for it monthly, for 10 years, and when your child is ready to go to college, their college tuition is covered 100 percent if they go to UNR or UNLV. And if your child goes to college out of state, like about 30 percent of the participants in the Nevada Prepaid Tuition Program do, the value of the University Plan goes with them.



Outreach Events



Total Number of STO/Ascensus Outreach Events

Total Leads Generated

Month	FY 18	FY 19	FY 18	FY 19
October	41	39	308	454
November	23	34	199	284
December	29	19	63	167
<u>TOTAL</u>	<u>93</u>	<u>92</u>	<u>570</u>	<u>905</u>

*The higher number of leads in FY19 vs. FY18 in October thru December was due to the rescheduling of some high lead generating events in FY19, such as the Reno Discovery Museum Event (Changed in FY19 to October 2018), the Reno Baby Fair (Changed in FY19 to November 2018), and the Las Vegas Children's Museum Event (Changed in FY19 to December 2018)

Total Number of Q2 Sponsorships

Month	FY 18	FY 19
October	2	2
November	2	2
December	3	3
<u>TOTAL</u>	<u>7</u>	<u>7</u>



Post-Event Follow-up E-mails

3 E-mail series following each event

Average Open Rates

Month	E-mail 1	E-mail 2	E-mail 3	Total Opens	Unsubscribes
Oct.	40.9%	28.8%	26.3%	233	8
Nov.	40.2%	20.7%	28.3%	189	3
Dec.	35.9%	24.4%	19.9%	217	4

F.Y.I...

The average open rate for an e-mail sent by a business/finance entity is 20.93%.

**Data compiled by MailChimp*



Dear Nevada Family,

Thank you for signing up to learn more about saving for college at the recent event. You've taken an important first step to helping your child reach his or her education dreams.

Nevada State Treasurer Dan Schwartz wants to help by making sure you've heard about the great college savings programs and scholarships administered by the Treasurer's Office.

**NEVADA
PREPAID TUITION**

SSGA promise529

- Plans available for newborns through 9th graders
- Plan benefits can be used nationwide*
- Prices start at \$38 per month with several payment plan options available
- **Open enrollment begins November 1, 2018!**
- Open with as little as \$15
- Makes saving easy and affordable
- Contribute on your schedule in amounts that fit your budget
- Save for all qualified education expenses
- Use at any eligible school in the country*

[Learn More](#)

[Learn More](#) | [Open an Account](#)

*Visit FAFSA.gov for a complete list of eligible schools



Monthly E-mail Campaign

Ongoing email campaign



Average Open Rates

Month	Open Rate	Total Sent	Unique Opens	Total Opens
Oct	16.5%	5,731	948	1,260
Nov.	15.7%	5,715	900	1,301
Dec.	16.3%	5,881	956	1,291

Click to:
[Open an SSGA Upromise 529 Account](#)
[Learn more about Nevada Prepaid Tuition](#)

[View this email in your browser](#)



Nevada Parents,

It may seem overwhelming to keep up with the never-ending rise in tuition rates, but we're always here to help! For starters, the [Nevada Prepaid Tuition Program](#), designed to help you lock in tomorrow's tuition at today's in-state prices, is a great start to your college savings future.

Throughout the past 16 years, [Nevada tuition rates and fees for a 4-year public universities have risen by nearly 185%](#). Throughout the past 20 years, [national tuition rates and fees for 4-year public universities had increased by 234%](#)!

With the Nevada Prepaid Tuition Program, you can help protect your family from rising tuition costs. [Open Enrollment begins November 1st](#) and is open until March 31, 2019. Enroll your child before January 31, 2019 for a chance to win 1 free year of college tuition, valued at \$6,700!

- Plans are available for newborns through 9th graders.
- You have the option of choosing 5 plan choices that include community college and university plans.
- If your chosen student decides to not use their Prepaid Tuition benefits, they are transferable between family members, meaning a sibling can take advantage of these great savings!
- Should your child want to attend out of state college, credit hours from the Nevada Prepaid Tuition Program can also be applied there as well!*

*On previous slide, open rates are much higher than the average. The post-event emails are sent to a small list and are first or second communications with people new to the program. The monthly email campaign is sent to a large audience of roughly 6,000 who may have had multiple previous touches with the campaign.



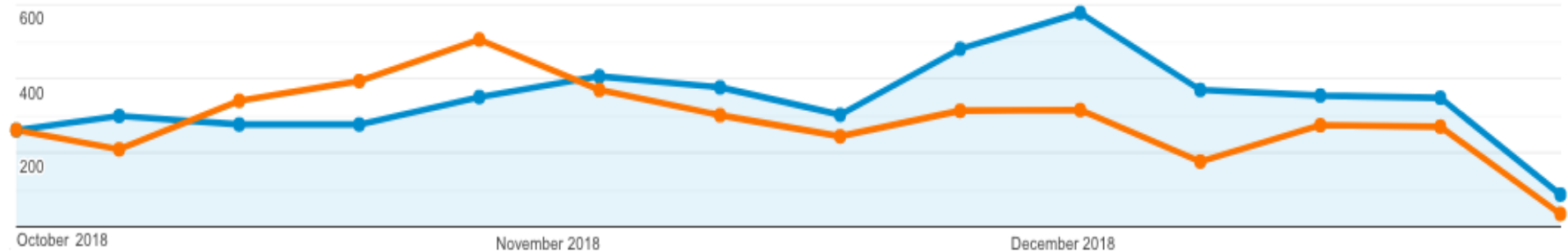
NV529.org Web Traffic

Q2 FY 19 vs Q1 FY 19 Comparison



Oct 1, 2018 - Dec 31, 2018: ● Users

Jul 1, 2018 - Sep 30, 2018: ● Users



Users	Sessions	Page Views
<u>FY 19 Q1:</u> 3,800	<u>FY 19 Q1:</u> 4,377	<u>FY 19 Q1:</u> 10,892
<u>FY 19 Q2:</u> 4,252	<u>FY 19 Q2:</u> 5,402	<u>FY 19 Q2:</u> 14,014
<u>Increase:</u> 11.89%	<u>Increase:</u> 23.42%	<u>Increase:</u> 28.68%

Pages/Session	Avg. Session Duration	Bounce Rate
<u>FY 19 Q1:</u> 2.49	<u>FY 19 Q1:</u> 0:47	<u>FY 19 Q1:</u> 4.55%
<u>FY 19 Q2:</u> 2.59	<u>FY 19 Q2:</u> 1:10	<u>FY 19 Q2:</u> 6.96
<u>Increase:</u> 4.26%	<u>Increase:</u> 48.16%	<u>Increase:</u> 53.09%

*Increase in traffic may be due to ads running for both Prepaid Tuition and SSGA 529





Total Kick Start Portal Statistics As of December 31, 2018

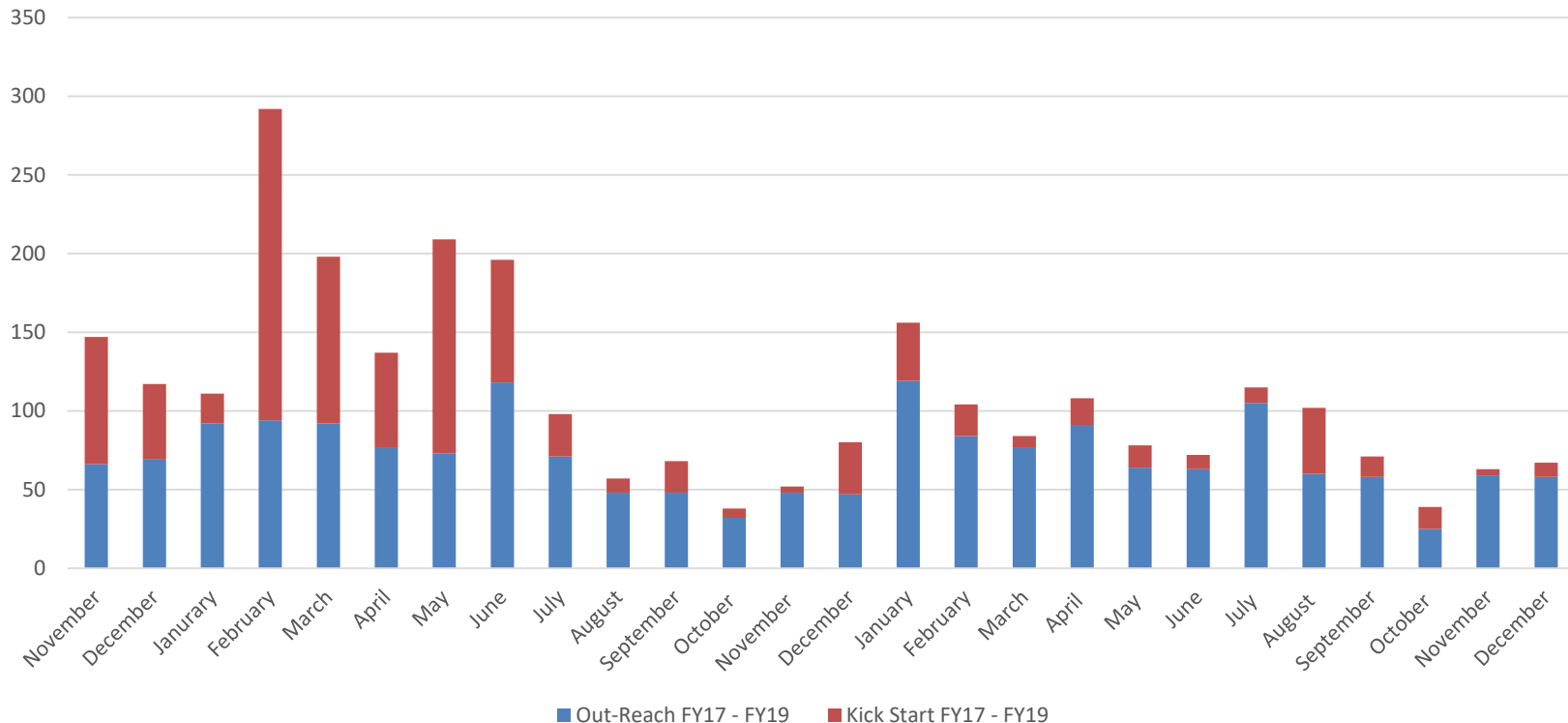
Claimed CKS Accounts		
Year of cohort	Claimed Accounts	Total CKS Accounts per cohort
2013	6,210	34,520
2014	5,624	33,487
2015	6,035	33,775
2016	6,054	35,670
2017	<u>3,250</u>	<u>35,512</u>
<u>TOTAL</u>	<u>27,173</u>	<u>172,964</u>

Linked SSGA Accounts	
Year	Total Linked Accounts
2013	297
2014	234
2015	274
2016	555
2017	<u>145</u>
<u>TOTAL</u>	<u>1,505</u>

Total CKS Accounts who also have a non-SSGA NV 529 account	
Year	
2013	27
2014	21
2015	14
2016	42
2017	<u>17</u>
<u>TOTAL</u>	<u>121</u>



Account Growth Since November 2016 resulting from **OUTREACH** and **College Kick Start E-Mails/Incentives***

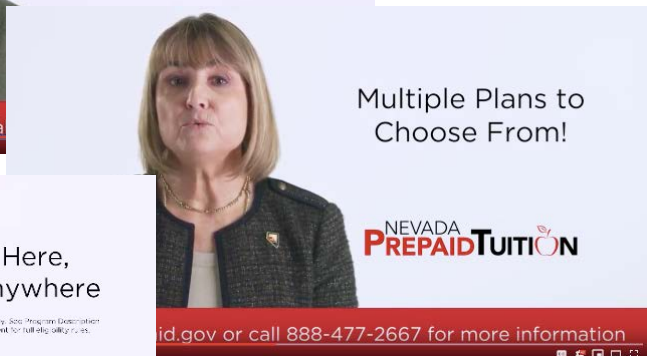
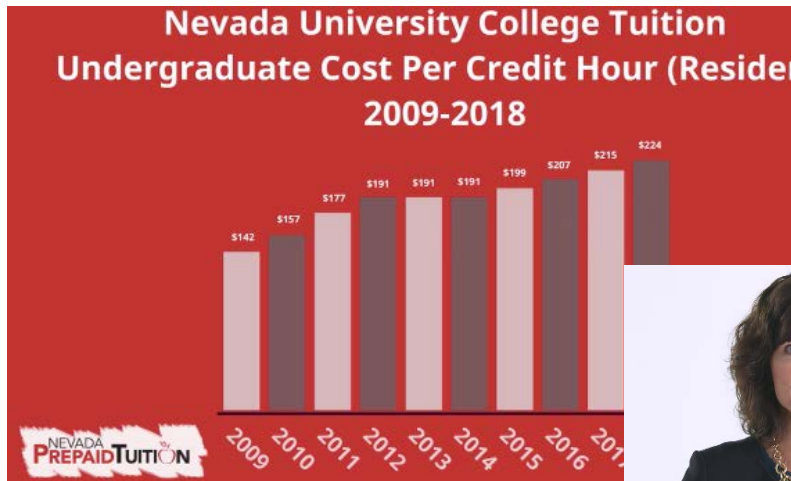


*November 2016 – 2018 total SSGA Upromise accounts opened from (1) outreach is 1,838, and from (2) CKS emails and incentives is 1,024.



Rich Media and Prepaid Testimonials

- Rich Media are short video clips of 15-30 seconds, used on digital ad platforms
- 4 testimonial videos were recorded December 2018, featuring prominent Nevadans with Prepaid Tuition contracts



School Savings Pilot



The Nevada State Treasurer's Office has partnered with SchoolSavings.com to pilot a new program, *in Nevada only*, to allow elementary school students to deposit money to go directly into their 529 Account while at school!

- This Internet based, time tested, “Bank at School” concept has allowed students all of the country to save money into their bank accounts for many years.
- For the first time ever, students can now deposit as little as \$1.00 into their SSGA Upromise 529 Account at each deposit day.
- Since the fall of 2018, the program is being piloted in two Nevada Schools, Alyce Taylor Elementary (Sparks, NV) and Gibson Elementary (Henderson, NV)



School Savings Pilot



READY TO START SAVING AT SCHOOL?

Visit nevadas529.com to open an **SSGA Uprromise 529 account** for your child. Here's what you'll need to get your child ready to save at school!

- 1 OPEN A COLLEGE SAVINGS ACCOUNT AT NEVADASS29.COM**

Your Information as Account Holder:

 - Name
 - Social Security or Tax Identification Number
 - Date of Birth
 - Address

Your Child's Information as Beneficiary:

 - Name
 - Social Security Number
 - Date of Birth
 - Address
- 2 INVESTMENT CHOICES**

The SSGA Uprromise 529 Plan offers a wide variety of investment options:

 - College Date
 - Risk-Based
 - Static
 - Savings
- 3 ENROLL AT WWW.SCHOOLSAVINGS.COM**

Register your child and their college savings account on the www.schoolsavings.com website prior to your school's next Deposit Day. Remember: Saving today beats borrowing tomorrow!

Once you have an account number, visit www.schoolsavings.com to establish a parent account for yourself and then ADD your child. Just click the "Sign Up" link on the Home page to begin. Click My Student after login. For more information call 888-787-7728.

SCHOOL SAVINGS

Questions?
SSGA Uprromise 1-800-587-7305 or 775-851-4357
 See back for additional information

School Savings Pilot

(As of December 31, 2018)



- Alyce Taylor Elementary
 - 7 Deposit Days
 - 95 total deposits into 27 SSGA Upromise Accounts
 - Total Deposited: **\$1,128.86**
- Gibson Elementary
 - 5 Deposit Days
 - 28 total deposits into 10 SSGA Upromise Accounts
 - Total Deposited: **\$188.38**



Next Quarter Report Preview



- New website enhancements
 - Quiz to help people choose what college savings programs to consider for their family
 - More detail on Programs offered
 - Direct links to account management for Prepaid, Kick Start and SSGA 529 Upromise
- School Savings Program update
- Prepaid Tuition enrollment





Megan Bedera from Amplify Relations is available to answer any questions.



THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

Agenda Item 15
March 21, 2019

Item: Staff Notes

Summary: Activity and Outreach highlighted

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

Fiscal Impact: None by this action.

Staff Updates
March 21, 2019

1. Nevada Prepaid Tuition (NPT) Program Open Enrollment:

- Staff is recommending that the 2019 open enrollment period for the Prepaid Tuition Program be extended through April 30, 2019. This will allow parents/caregivers an additional month to review & commit/enroll.
- As of March 8th, there were **416** new enrollments for the Prepaid Tuition Program. This is slightly down 3% in enrollments from last year on this date.
- Also, since November, ads for Prepaid Tuition have been running on public radio stations, KNPR (Las Vegas), KUNR (Reno), to help drive enrollments for the program. This will continue as the enrollment period winds down.
- Prepaid Tuition videos were produced last month that feature testimonials of the program from former Governor Brian Sandoval, Current Lieutenant Governor Kate Marshall, State Senator Heidi Gansert, and State Senator Ben Kieckhefer.
- Staff is taking advantage of several upcoming events before April 30th to further promote the Nevada Prepaid Tuition Program, including:
 1. Peccole Little League Kickoff – Las Vegas (March 16)
 2. LV Lights Tailgate Before the Game – Las Vegas (March 30)
 3. Asian Chamber Luncheon – Las Vegas (March 28 and April 25)
 4. Children’s Day @ Springs Preserve – Las Vegas (April 27)

2. Nevada Prepaid Tuition Contest:

As in previous years, the State Treasurer’s Office conducted a contest during the first half of the open enrollment for Prepaid Tuition that awarded two participants with a Nevada Prepaid Tuition account of one full year at the university level, valued at over \$6,300. The winners have been chosen. The Northern Nevada winner is Harleen Hines and the Southern Winner is Janessa Salazar. This year’s winners are both elementary school students. They will both be recognized on local TV stations with Treasurer Zach Conine by the end of March with a big check.

3. Nevada College Kick Start

As of March 8, 2019, **29,643** CKS accounts have been claimed, and **1,555** CKS accounts have been linked to a Nevada 529 account. Staff has spent time sending out emails to CKS participants and Nevada State Employees, as well as speaking at school events to emphasize the need to ‘claim the accounts’ this year before 4th graders are at risk of losing them.

4. **SSGA Upromise 529 Account Growth:**

106 SSGA Upromise 529 accounts were opened in February. This is a 1.92% increase from February 2018. Staff has been busy preparing for spring school and community events which are anticipated to result in increased account openings in the coming months.

5. **School Savings Update:**

This visionary platform allows students to make regular deposits into a savings account and **(in NEVADA)** into their SSGA Upromise 529 Account while at school. This bank savings program has been successfully implemented in many states for several years, but it's ***the first time ever that the School Savings platform*** has allowed students to deposit into their own SSGA Upromise 529 college savings account directly at school! Currently, two elementary schools in Nevada are piloting the School Savings Program.

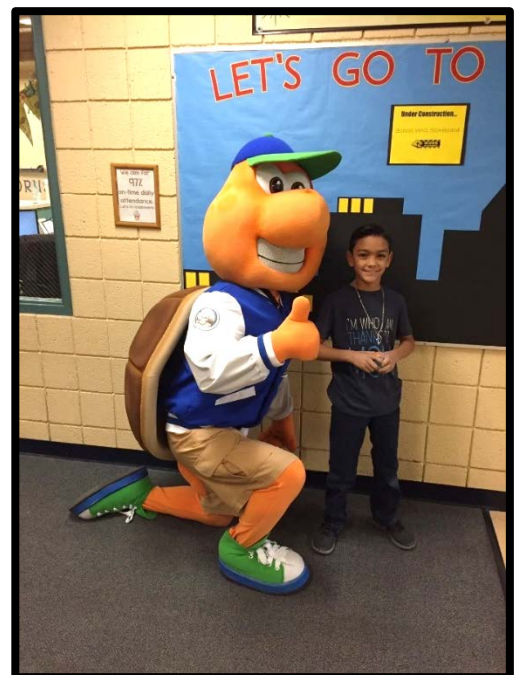
Statistics (as of March 8, 2019): Over 86% of the deposits are made into a Nevada 529 College Savings Account

Alyce Taylor Elementary (Sparks, NV)

- 40 Registered Savers
- 185 Total Deposits Since September 28, 2018
- Total deposited: **\$2,226.51**

Gibson Elementary (Henderson, NV)

- 28 Registered Savers
- 76 Total Deposits Since November 15, 2018
- Total deposited: **\$828.21**



6. Junior Achievement “It’s My Business” Treasurer Partnership establishes College Savings Accounts for Students:

The Treasurer’s Office has once again partnered with Junior Achievement and Barclays Bank to recognize deserving Southern Nevada high school students for their entrepreneurial skills in developing product ideas. As teams, they develop and present their ideas to a panel of judges, like the “Shark Tank” TV show. This year, the competition included students from Silverado High School. Because of generous funding from Barclays Bank, as well as Title One funding from Prosperity Now and Charles Schwab bank, the 1st – 6th place winners were awarded checks to start college savings accounts in an SSGA Upromise 529 Account. Initial deposit awards were made based on where the students placed in the competition. Barclay’s Bank will deposit a \$750 contribution for each student in 1st place, a \$400 deposit for each student in 2nd place, and a \$200 contribution for each student in 3rd place. A grant from Charles Schwab Bank is allowing for \$50 contributions for each student in 4th – 6th place. We expect to open at least 20 new college savings accounts with this exciting partnership in its 2nd year.

7. New Sponsorships/Partnerships:

Staff has been working to identify and partner with new organizations to further promote Nevada’s College Savings Plans. This year, new sponsorships have or are being secured with these organizations:

- FIT4Moms
 - This new sponsorship will partner with an active local support group to assist busy mothers through the challenges of work, exercise, pregnancy, and raising a family. This sponsorship allows us to exhibit at their “Celebration of Moms” event and offer an incentive to make a \$15 contribution to a limited number of open college savings accounts, to raise awareness and engagement in our college savings programs.
- Asian Chamber of Commerce
 - This is a new sponsorship to provide outreach and education about the Treasurer’s Office college savings programs and scholarships, by attending luncheons and other activities held at the Asian Chamber of Commerce throughout 2019.
- Las Vegas Lights Soccer

- This is the first time we are partnering with the newly formed Las Vegas Lights Soccer Team. Their local fan base in Las Vegas is expanding rapidly. This sponsorship includes reaching parents through exhibiting at a few of their popular tailgate events held before the games and participating in their youth soccer nights later in the summer.
- New Las Vegas Aviators Baseball
 - The Las Vegas Aviators, formerly the Las Vegas 51s, has emerged as a newly rebranded baseball team and will be playing for the first time at their new ballpark in Summerlin, starting next month. Our sponsorship will allow staff a unique outreach and education opportunity to reach baseball fans in Summerlin and even select a child at random, at the game on June 29th vs. The Reno Aces, to officially award the winner (during the 7th inning) with a \$529 contribution into their college savings account.
- Peccole Little League
 - Our office is again partnering with the Peccole Little League in Las Vegas, to provide education and outreach of our College Savings Plans throughout the season to parents of the players, and to exhibit at their opening kickoff event on March 16th.

8. Kenny C. Guinn Memorial Scholarship

Applications for the 2019 Kenny C. Guinn Memorial Scholarship are now being accepted until April 1, 2019. The Kenny C. Guinn Memorial Millennium Scholarship Award was unanimously passed by both houses of the 2011 Legislature and signed into law by Gov. Brian Sandoval. SB 220, codified in Nevada Revised Statutes 396.940 and 396.945, created a scholarship fund from donations received by the Treasurer's office after the tragic death in July 2010 of former Governor Kenny C. Guinn. Each year, two students are selected and are each awarded a \$4,500 scholarship; one winner is selected in Northern Nevada and one in Southern Nevada. Among the astounding requirements for the scholarship applicants, they must also be pursuing a degree in education with the intention to teach in Nevada upon graduation and have a commendable record of academic and community service.