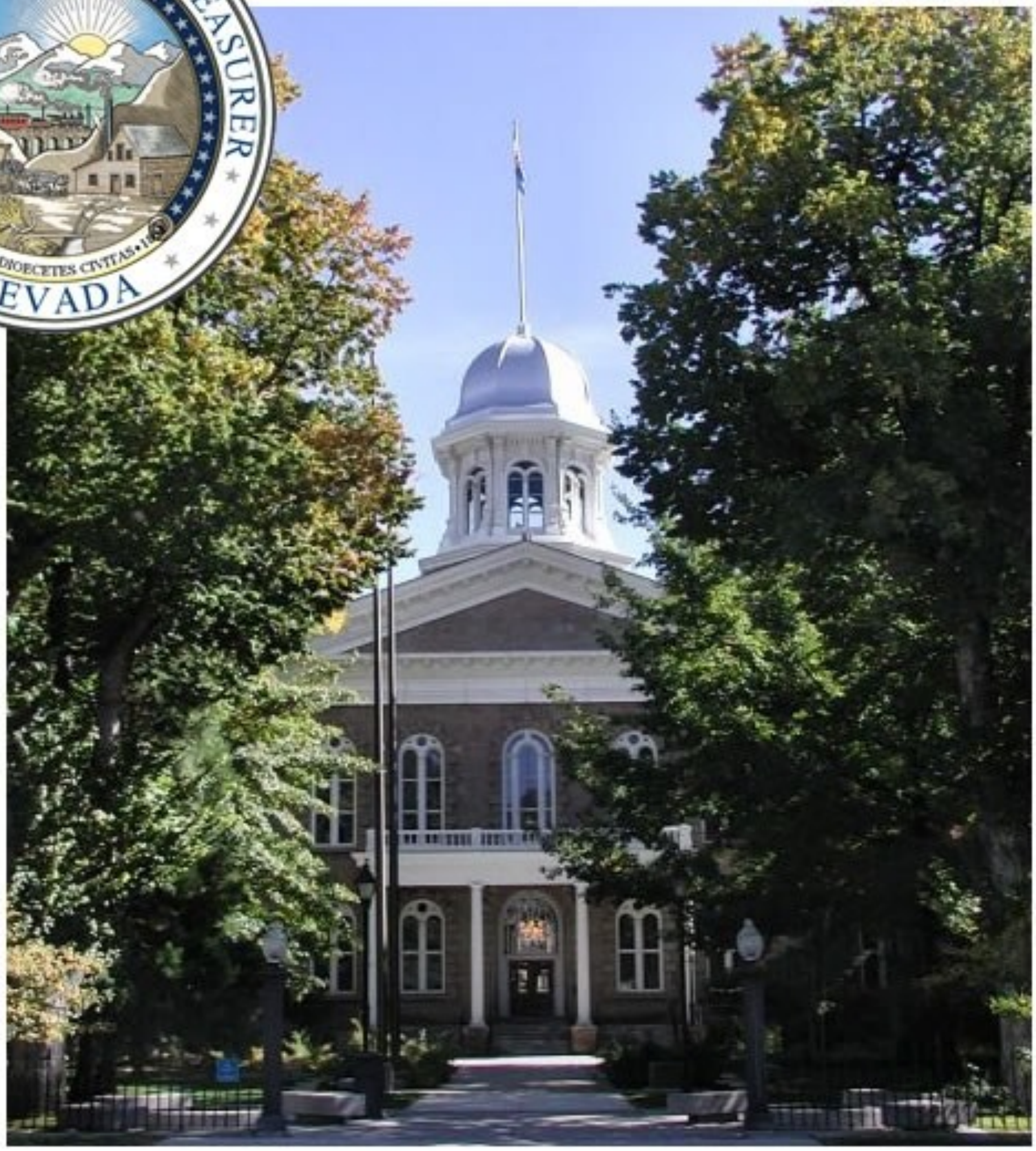

State of Nevada

Office of the State Treasurer

Kate Marshall

Nevada Prepaid Tuition Program

ANNUAL REPORT

FISCAL YEAR 2011

NVPrepaid.gov 1-888-477-2667

Kate Marshall
State Treasurer

Steve George
Chief of Staff

Mark Mathers
Chief Deputy Treasurer

STATE OF NEVADA
OFFICE OF THE STATE TREASURER
NEVADA PREPAID TUITION PROGRAM

March 1, 2012

The Honorable Brian Sandoval
Governor of the State of Nevada
Capitol Building
Carson City, NV 89701

Dear Governor Sandoval:

In accordance with Nevada Revised Statute 353B.170, on behalf of the Board of Trustees of the College Savings Plans of Nevada (Board), I respectfully submit the Nevada Prepaid Tuition Program Annual Report for Fiscal Year 2011.

The Nevada Prepaid Tuition Program, which began in 1998 as the state's first 529 college savings plan under IRS Section 529, continues to offer families a unique opportunity to save for their children's higher education expenses. One of only 12 such programs available in the nation, through the Nevada Prepaid Tuition Program, families may pre-purchase college credit hours to be used at a future date, providing a cost effective and easy way to afford future college education costs.

During the thirteenth annual year of enrollment—which began on December 1, 2010, and closed on February 28, 2011—594 new enrollees were added to the Nevada Prepaid Tuition Program, bringing the total number of children enrolled to 14,120. This enrollment period continued an increasing trend of new enrollment producing a 15% increase over the previous year.

The Board contracts for professional investment services to manage the assets in the Higher Education Tuition Trust Fund (Fund). At the conclusion of FY 2011, more than $130.5 million was invested in the program. Through the efforts of the Board and the State Treasurer's Office, the program continues to be self-supporting, requiring no contribution from the state's general fund.

For your information and use, included in this report is the annual independent audit of the Nevada Prepaid Tuition Program and Fund, as required by the Board.

In closing, I wish to restate my commitment to the success of our state's children in achieving a college education. The Nevada Prepaid Tuition Program continues to provide families with a financial tool that can help pave the way to their children's future success. Your support of this worthwhile program is appreciated.

Sincerely,

Kate Marshall
State Treasurer

Nevada Prepaid Tuition

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Las Vegas, NV 89101-1075

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

The purpose of the Nevada Prepaid Tuition Program (Program) is to provide a simple and convenient way for Nevada families to save for a college education through a system that allows purchasers to lock in the cost of higher education credit hours today for credit hour payments in the future. The Nevada Prepaid Tuition Program allows parents, grandparents, businesses and others to purchase a contract for a fixed amount of undergraduate credit hours for a child at any Nevada public college or university. A purchaser enters into a contract for the future payment for a specified beneficiary. When the beneficiary enrolls in college, the Program will pay the contract benefits. The contract benefits are based on in-state rates of Nevada public colleges, but can be used toward costs at any accredited public or private institution of higher education, either in-state or out-of-state.

The Program operates under Nevada Revised Statutes (NRS) 353B, which was adopted by the Nevada Legislature in 1997. The Program is administered by the Office of the State Treasurer under the direction of the Board of Trustees of the College Savings Plans of Nevada (Board). The Board consists of five members composed of:

- State Treasurer
- Director of the Department of Administration
- Chancellor of the Nevada System of Higher Education (NSHE) or his/her designee
- Two members appointed by the Governor

In accordance with NRS 353B, the Board is required to contract with a certified actuary and a certified public accounting firm to perform an annual actuarial valuation and financial audit. For FY 2011, the Board contracted with Buck Consultants to conduct the actuarial valuation study and with Kafoury, Armstrong & Co. to conduct the annual audit of the accounts and records of the State Treasurer and the Board.

The Program also contracts with a professional investment manager to invest assets of the plan. Investments were made in accordance with the Program Investment Policies approved by the Board. The Board contracted with The Bank of New York Mellon for Fiscal Year 2011.

FINANCIAL STABILITY

The Nevada Prepaid Tuition Program is not supported by the full faith and credit of the State of Nevada, nor is it guaranteed by the State's General Fund. The Board must continuously evaluate and take necessary measures to remain self-supported and maintain the financial stability of the Program. In fiscal year 2011, the Board:

- Approved transfer of funds from an endowment account to cover administrative costs and increase the actuarial soundness of the Program.
- Contracted with an investment advisor to monitor investments and assist the Board.
- Expanded marketing and outreach to increase customer participation.

Those measures helped to make fiscal year 2011 a successful one, resulting in:

- A funded status of 105.8%.
- Eliminating the deficit and increasing net assets to $3,301,100.
- A return of 20.15% in the Program's investment portfolio.
- Increasing enrollment by 15% from the prior fiscal year.

ENROLLMENT

The fiscal year 2011 enrollment period ran from December 1, 2010 to February 28, 2011, with newborns under the age of one being eligible to enroll through June 30, 2011. The FY 2011 enrollment proved to be a successful one.

- There were 594 new enrollments, which was an increase of about 15% from the previous enrollment period.
- The 4-year University Plan remained to be the most popular plan choice (60.1%).
- Lump sum payment option remains to be a popular choice (29.8%).
- Newborns continue to make up the largest percentage (14.31%) of new enrollees.

OBJECTIVES

The financial objectives of the Board have remained firm and consistent:

- Require the fair value of the Program's investments and assets to be greater than or equal to the actuarial value of all obligations, including future tuition benefits and all future administrative expenses and liabilities associated with operating the Program.

- Establish an appropriate investment portfolio of assets to accumulate an amount sufficient to pay future tuition benefits and administrative expenses associated with all prepaid contracts.

- Establish contract plans and payment options that are affordable to most of Nevada's families.

STRATEGIES

The Program's pricing schedule used for FY 2011 increased 4-6% from the previous year's enrollment depending on the age of the child and the tuition plan chosen. Prices were established in consideration of four basic criteria:

- Assumption regarding the growth rate of credit hour cost at the Nevada System of Higher Education (NSHE).

- Assumption regarding the rate of return on investments.

- Methodology allocating current and future administrative expenses of the Program.

- Utilization of credit hours.

BENEFIT USAGE

The Program's benefits can be used at any eligible educational institution nationwide upon the expected matriculation year of the beneficiary. The number of students using their benefits continues to grow each year as older contracts begin to mature.

- Roughly 2,113 students used their tuition benefits in FY 2011.
- Tuition benefits paid out were $5,401,978.96.
- Just slightly over 73% of tuition benefits were paid to a Nevada school in FY 2011. This resulted in the Program paying nearly $4 million to a Nevada System of Higher Education institution.
- As of June 30, 2011, 908 students had depleted their tuition benefits.

Future objectives and strategies will include ongoing evaluation of the assumptions used to develop contract prices and the asset allocation of the Trust Fund portfolio to ensure its long-term financial integrity.

SUMMARY OF ACTUARIAL VALUATION REPORT

Nevada Revised Statute (NRS) 353B.190 requires the Board to contract with an independent certified actuary to perform an annual actuarial valuation of the Higher Education Tuition Trust Fund. The Board contracted with Buck Consultants, as of July 2011. The fiscal year 2011 Actuarial Valuation Report prepared by Buck Consultants, shows significant improvement in the financial position of Nevada's Higher Education Trust Fund and the Prepaid Tuition Program.

During the fiscal year 2011, the stabilization reserve/(deficit) position of the Program improved greatly from a stabilization deficit of $4,512,925 to a stabilization reserve of $8,301,101, an improvement of $12,814,026 from the prior fiscal year. The improvement was mostly attributable to a significant investment gain. An estimated $2 million was generated from new contracts to add to the stabilization reserve.

The return on fund investments was approximately 19.4% , which was 66 basis point over the previous fiscal year(12.8%), and well over the assumed investment return of 6.75%. The result was a $13.5 million gain in assets.

The assets exceeded the liabilities by $8,301,101, which resulted in a funded status of 105.8% as of June 30, 2011. This was a great improvement from the prior fiscal year's funded status of 96.6%.

At the close of the fiscal year, June 30, 2011, the ending market value of investments was $130.5 million, which was an increase of $22 million from fiscal year ending 2010.

The Board continues to take steps to build the stabilization reserve and improve the overall funded status of the Program. By revising investment assumptions, tuition projections, investment allocations, and contract pricing the Program is better able to handle the risk of adverse deviations in investment and tuition growth experience.

The full actuarial valuation report can be viewed in Appendix A.

STATEMENT OF ASSETS AS OF JUNE 30, 2011

INVESTMENTS	MARKET VALUE
EQUITY	$71,516,729
FIXED INCOME	$57,443,064
CASH	$1,566,766
TOTAL MARKET VALUE OF INVESTMENTS	$130,526,559
PRESENT VALUE OF INSTALLMENT CONTRACT RECEIVABLES	$19,749,836
VALUE OF TOTAL FUND ASSETS	$150,276,395

SUMMARY OF INDEPENDENT AUDITOR'S REPORT

NRS 353B.180 requires the Board to contract with an independent certified public accounting firm to perform an annual audit of accounts and records of the State Treasurer and the Board. The Board contracted with independent auditors Kafoury, Armstrong & Co., which performed the audit on the Higher Education Tuition Trust Fund for FY 2011, which ended on June 30, 2011.

For FY 2011, the Trust Fund received a clean audit with no qualifications. Material issues of note were:

- During FY 2011, the Trust Fund continued to be classified as an enterprise fund of the State of Nevada and was included in the State of Nevada's *Comprehensive Annual Financial Report*.
- Total operating revenues increased for FY 2011 by $1,061,911 compared to the previous fiscal year, for a total of $9,283,969 as of June 30, 2011.
- Total assets held as of June 30, 2011 were $156,110,396. This was an increase of $28,957,843 from the previous fiscal year.
- As of June 30, 2011 there was an increase of $15,948,582 in total liabilities as compared to the previous fiscal year ending June 30, 2010. The increase resulted mainly from an increase in the tuition benefits obligation.
- In fiscal year 2011, the Trust Fund's deficit was eliminated. The net assets grew to $3,301,100, an increase of $13,009,261 over the prior fiscal year. The improvement was primarily due to an increase in contract enrollments and investment returns.
- No deficiencies or material weakness in internal control over financial reporting were found or reported.

Higher Education Tuition Trust Fund Net Assets

	2011	2010
Assets		
Current and other assets	$ 156,110,030	$ 127,150,864
Net capital assets	366	1,689
Total Assets	156,110,396	127,152,553
Liabilities		
Current liabilities	17,434,745	10,355,714
Noncurrent liabilities	135,374,551	126,505,000
Total Liabilities	152,809,296	136,860,714
Net Assets (Deficit)		
Invested in capital assets	366	1,689
Unrestricted	3,300,734	(9,709,850)
Total Net Assets (Deficit)	$ 3,301,100	$ (9,708,161)

The financial statements of the Trust Fund have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government agencies and standards accepted by the Governmental Accounting Standards Board (GASB).

The full auditor's report can be viewed in Appendix B.

SUMMARY OF INVESTMENT REPORTS

The Board contracts with a professional investment manager for the investment and management of assets held in the Higher Education Tuition Trust Fund. The Board contracted with The Bank of New York Mellon (BNY Mellon) as of September 2007, as the investment manager for the Program, and they continued as the manager throughout fiscal year 2011. Included in this annual report is the Program Update Statement as of June 30, 2011 from BNY Mellon.

For fiscal year 2011, the portfolio maintained the same asset allocation of 45% fixed income and 55% equities. The equities portion of the portfolio is further allocated to three separate funds: Large Cap, Mid Cap, and Small Cap. The total return for the investments in FY 2011 as of June 30, 2011 was 20.15%, with a total Market Value of $128,959,793.

Fund Market Values For Period Ending June 30, 2011		
Allocation	%	Market Value
Large Cap	33%	$42,842,379
Mid Cap	11%	$14,300,198
Small Cap	11%	$14,374,152
Fixed Income	45%	$57,443,064
Total	100%	$128,959,793

The return on investments continued to perform well through out the year, and ended positively for fiscal year 2011. The highlights noted were:

- For the fiscal year ending June 30, 2011, the Program's portfolio had a 20.15% return, which greatly exceeded the Board's long-term expected return of 6.75%.
- The Portfolio out performed the benchmark by 60 basis points for FY 2011.
- Second quarter ending June 30, 2011 out performed the same quarter in the previous fiscal year by 566 basis points (June 30, 2011, 1.25% vs. June 30, 2010, -4.41%).

The Board along with their investment advisors, continuously examine the investment portfolio throughout the year and rebalance whenever considered appropriate.

The BNY Mellon Report is attached as Appendix C.

SUMMARY OF PROGRAM STATISTICS

Various statistics are collected from the enrollment forms submitted by purchasers who enrolled children in the Program. This information is provided by purchasers on a strictly voluntary basis. The information is collected and presented by enrollment year and on a cumulative basis. Below are some highlights of the information collected for fiscal year 2011 enrollment.

- The four-year university plan remains the most popular, with slightly over 60% of purchasers choosing this plan option. The two year university plan followed with 13.47%. The lump sum payment option plan was chosen by roughly 29.8% while the five-year and extended monthly installment payment options made up the other 70.2%. A down payment option was chosen by 17.17% of the purchasers.

- Residents from Clark and Washoe counties remained the top purchasers in fiscal year 2011. Residents of Clark County purchased roughly half (49.66%) of the contracts, while residents of Washoe County purchased 31.82% of the contracts. Carson followed in third with 5.56%.

- Newborns continued to account for the highest percentage of contracts (14.31%). However, more and more parents are realizing it is not to late to start saving for their older children. The number of ninth graders grew to 6.23% compared to the cumulative total since inception of 4.22%. The average age of the beneficiary remained at seven years old.

- Slightly over 61.2% of the beneficiaries were Caucasian, followed by Asians (8.92%), Hispanics (6.23%), African-Americans (3.2%), and Native Americans (1.34%).

- Parents continued to purchase the largest percentage of contracts (86.7%) for their children, followed by grandparents (13.57%).

- Participants with a bachelor’s degree continued to purchase the largest percentage of contracts (32.49%), followed by those with a master’s degree (20.54%).

- Purchasers with annual household incomes under $50,000 represented 8.75% of the plans sold. Purchasers with annual household incomes ranging from $50,000 to $79,000 represented 14.5%, and those with an income level of $80,000 or more represented 57.4%.

- For the fourth year in a row, word of mouth and website came in as the top two avenues to learn about the Program. Word of mouth represented 39.06%, followed by the website with 22.73%.

The complete collection of tables and charts can be viewed in Appendix D.

OUTREACH AND FUTURE DIRECTION

The Nevada State Treasurer's Office continues to offer a broad range of college savings options to help more Nevadans be prepared for future college costs. Office staff continues to work with public and private schools throughout the state, as well as through various professional groups and community events in disseminating college savings information throughout the State.

In FY 2011, staff extended it's outreach efforts by partnering with local chambers of commerce organizations, producing various mailing pieces, and by communicating with Nevadans though social media. Staff attended over 175 events throughout the State during FY 2011. These efforts resulted in an increase of approximately 15% in new enrollees from the prior fiscal year. The increased success of these efforts amidst such economic uncertainty demonstrates the emphasis families are placing on saving for college, and the potential for future growth in the Nevada Prepaid Tuition Program.

The Program continues to distribute outreach materials to schools statewide throughout the State to promote the Program and to explain its compatibility with the Gov. Guinn Millennium Scholarship Program and other 529 college savings plans administered by the State Treasurer.

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Nevada Prepaid Tuition

APPENDIX A

ACTUARIAL VALUATION REPORT

NEVADA PREPAID TUITION PROGRAM

ACTUARY'S REPORT ON PROGRAM SOUNDNESS

JUNE 30, 2011

November 2011

buckconsultants

Nevada Prepaid Tuition Program

Actuary's Report on Program Soundness
June 30, 2011

Contents

Section I – Executive Summary

Adequacy of the Fund

As of June 30, 2011, the Plan had a surplus of $8,301,101. The surplus represents the difference between the sum of the market value of the assets and the present value of the expected future contract payments and the sum of the present value of the expected future tuition and required fees, refunds and expenses. The surplus represents a $12,814,026 improvement over last year's unfunded liability of $4,512,925, and a $13,118,648 improvement over the expected unfunded liability of $4,817,547. The two primary sources of change are:

a) Investment asset performance of 19.4% compared to the assumed investment return of 6.75%. The result was an asset gain of $13.5 million. This estimate may vary from the actual asset performance as determined by the investment consultant.
b) Assumption changes generated a loss of $7.2 million.
c) The 572 contracts sold generated an estimated gain of $2.0 million.

The table below summarizes current balances:

Assets	
Investments	$ 130,526,559
Future Contract Collections	19,749,836
Total Assets	150,276,395
Liabilities and Surplus	
Future Contract Benefits and Expenses	$ 141,975,295
Surplus Assets over Liabilities	8,301,101
Total Liabilities and Surplus (Deficit)	150,276,395

The program's funded ratio is 105.8%.

The assumptions used to measure the adequacy of the Plan, which were approved by the Board, are stated in Section IV. The most important assumptions are:

The investment yield;
The rate of increase in tuition/fees;
Withdrawal rates;
Future new entrants; and
Expense.

Investment Yield

The investment yield is the expected long-term net earnings rate of return on the assets.

The actuarial valuation of the Plan was determined using the schedule of interest rates found in Section IV. We also assumed the Plan is exempt from federal income tax. It is important to highlight the sensitivity of this analysis to this assumption. As pointed out subsequently, a 25-basis points shortfall in such a goal would place the Plan in a much less favorable position. Additionally, the nature of this type of program involves payment of benefits at fixed future points in time, subjecting the Plan to greater than average investment risk due to short-term fluctuation and in matching investment maturities with expected outlays.

Rate of Increase in Tuition/Fees

After careful analysis, the Board selected tuition and fee increase assumptions above an expected rate of inflation. The assumed annual increases for both Public Senior Colleges and Junior Colleges are 0% for Fiscal Year 2012, 13% for Fiscal year 2013, and 6% thereafter.

Future New Entrants

New contracts in future years would serve: a) to expand the base for spreading fixed expenses; b) to increase the likelihood that the Plan average tuition cost will not exceed Weighted Average Tuition (WAT) by a significant amount; and c) to ensure a large enough fund balance to invest profitably.

As of this valuation, the plan is still open to new enrollment. But for purpose of the actuarial analysis in this report, it is assumed that no future contracts will be sold.

Expense

In our analysis we provide an expense provision for records administration charges and for general expenses. The per contract assumption for fiscal year 2012 is $6.65 per year with an additional $11.07 per year once the contract goes into payment status. These expenses are assumed to increase 3.0% per year for inflation.

Use of Report

This report is prepared solely to assist the Board of the Nevada Prepaid Tuition Program in evaluating the actuarial soundness of the Plan each year. The report is not intended and is not suitable for any other purpose. Accordingly, Buck Consultants does not intend this report or the data contained therein to be used as personal financial advice. Other readers of this report should consult with their own financial advisors regarding the application of this report to their particular circumstances.

Qualifications

Daniel Sherman is an Associate of the Society of Actuaries, and a Member of the American Academy of Actuaries. He is the new actuary for the Nevada prepaid tuition plan, and is the current actuary for the Alabama, Texas, and West Virginia prepaid tuition plans. He meets the Qualification Standards of the Academy to render the actuarial opinions contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions concerning it.

All assumptions were chosen by the Board. In my opinion the actuarial assumptions selected by the Board are reasonable.

BUCK CONSULTANTS, LLC

Daniel W. Sherman

Daniel Sherman, ASA, MAAA, EA
Director and Consulting Actuary

SECTION II – Summary of Current Assets

Current Assets

The assets are administered by the State Treasury and invested by external managers with whom the Board contracts. The value of the assets as of June 30, 2011 is $130,874,646. Asset totals shown below do not include securities lending collateral, investment transfers receivable, tuition contracts receivable or the related obligations for those assets.

Assets held as of June 30, 2011:

Equities	$71,516,729
Fixed Income	57,443,064
Cash, Cash Equivalents, Payables and Receivables	1,566,766
Net Realized and Unrealized Gains and Losses	$130,526,559

It is assumed that this mix will produce a net annual investment return of 6.75% in fiscal year 2012.

Reconciliation of Investments

Investments at June 30, 2010	$108,210,437
Contract Purchase Payments	7,968,902
Interest and Dividends	2,894,145
Net Realized and Unrealized Gains and Losses	18,816,144
Tuition Benefits Paid	(5,401,979)
Refunds Paid	(1,963,148)
Rollovers Paid	(28,815)
Operating Expenses	(575,676)
Investment Management Fees	(520,875)
Operating Expenses Transfer from Endowment	468,424
Operating Expenses Transfer from Endowment	659,000
Investments at June 30, 2011	$130,526,559

SECTION III – Plan Description

Overview

The Nevada Prepaid Tuition Program (Plan) is an Internal Revenue Code Section 529 prepaid tuition plan. It allows the contract holder to lock in the cost of undergraduate college tuition and required fees, thus providing protection against future tuition inflation.

At matriculation, the Plan will pay the undergraduate in-state rate of credit hours at the level selected on the contract for either a university or community college.

The contract holder buys credit hours representing a fixed amount of resident tuition and required fees. When the beneficiary is ready for college, all or a portion of the tuition and required fees will be covered at all four- or two-year public colleges and universities in Nevada. The portion of the fees covered will vary based on the type of contract purchased. The contract can also be used to help pay for tuition at all private colleges in Nevada and out-of-state institutions. Nevada public colleges and universities are required by statute to accept the benefit payments as payment in full for the hours purchased.

Eligibility

At the time of enrollment, the beneficiary must be a Nevada resident or his/her parent must be both the purchaser and a Nevada resident.

Contract Types

The fund will pay the maximum number of credit hours listed below for the type of plan purchased:

- **Junior College Plan**
  Purchaser can prepay up to 60 credit hours of tuition and required fees at any public junior or community college in the state.

- **Senior College Plan**
  Purchaser can prepay up to 120 credit hours of tuition and required fees at any public senior college or university in the state.

- **Junior-senior College Plan**
  Purchaser can prepay up to 60 credit hours of tuition and required fees at any public, community or technical college in the state. In addition, the purchaser can prepay up to 60 credit hours of tuition and required fees for any public senior college or university in the state. Thus, a total of 120 credit hours can be purchased.

Payment Plans

The Plan offers two types of payment plans: Lump Sum and Installment:

- **Lump Sum**
  - Entire purchase made in one lump sum payment.

- **Installment Plan**
  - Pay every month.

- Payment period of either 5 years or the number of years until the beneficiary's projected high school graduation date.

Refunds

The purchaser may receive a refund on the unused portion of the contract.

SECTION IV – Actuarial Methods and Assumptions

Actuarial Methods

The actuarial method projects the expected future cash flows from contract payments, tuition and refund benefits and expense. These projected future cash flows are discounted to the present and compared to the market value of the assets to indicate the soundness of the Plan.

The development of the measurement of soundness has seven stages:

> Develop base line average tuition and required fees from data provided by the Plan;
>
> Project average tuition and required fees through the expected term of the contracts, based on assumptions as to future tuition increases;
>
> Determine the nominal cost of expected future tuition and required fees, based on the contract inventory and assumptions as to mortality, disability, voluntary surrender and utilization of benefits;
>
> Determine the nominal cost of expected future administrative expenses, based on the contract inventory and the records administration fee schedule, as well as assumptions as to inflation and utilization of benefits;
>
> Project future contract payments based on the contracts and assumptions as to mortality, disability and voluntary surrender;
>
> Determine the present value of expected future benefits, expenses and contract payments, based on the discount rate assumption;
>
> As the indication of soundness, measure the surplus or deficit, which is the difference between the sum of the market value of the assets and the present value of the expected future contract payments and the sum of the present values of the expected future tuition and required fees, refunds and expenses.

Actuarial Assumptions

Necessary adjustments to reflect new information were made to this year’s assumptions. The assumptions were approved by the Board. The revisions to the assumptions, if any, are noted herein.

Investment Yield

The assumed annual net investment yield is 6.75% per year. This assumption is unchanged from the prior valuation.

Tuition/Fee Increase

Assumed annual increases in future tuition and required fees are shown in the following table:

	New Assumption		Prior Assumption	
	University	Community College	University	Community College
Fall 2012	0%	0%	0%	0%
Fall 2013	13%	13%	6%	4%
Fall 2014+	6%	6%	6%	4%

Utilization of Credits

Based on an experience study, the Board approved a modification of the assumption of when beneficiaries will use their credits to the following schedule:

	New Assumption					
Type of Contract	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Sixth Year
Four – Year Contracts	20%	20%	20%	20%	15%	5%
Two – Year Contracts	40%	40%	15%	5%	0%	0%
One- Year Contracts	100%	0%	0%	0%	0%	0%

	Prior Assumption					
Type of Contract	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Sixth Year
Four – Year Contracts	25%	25%	25%	25%	0%	0%
Two – Year Contracts	50%	50%	0%	0%	0%	0%
One- Year Contracts	100%	0%	0%	0%	0%	0%

Expenses

In our analysis we provide an expense provision for records administration charges and for general expense. The per contract assumption for fiscal year 2012 is $6.65 per year with an additional $11.07 per year once the contract goes into payment status. These expenses are assumed to increase 3.0% per year for inflation. These assumptions are unchanged from the prior valuation.

Future Participation in the Program

Although the plan is open to new enrollments, for purposes of this report it is assumed that no new contracts will be issued in the future. This assumption is unchanged from the prior valuation.

Mortality and Disability

Due to the transferability of the contract, there are no mortality or disability assumption. This assumption is unchanged from the prior valuation.

Early Voluntary Surrender of Contract
We assumed the following percentages of the contracts in effect at the beginning of the year would be surrendered during the year. This assumption is unchanged from the prior valuation.

Years From Purchase	Lump Sum	Five-Year Payments	Extended Payments
1 - 3	0.50%	3.00%	5.00%
4	0.50%	1.25%	3.50%
5	0.50%	1.20%	2.00%
6+	0.50%	0.50%	0.50%

Matriculation Percent
We assumed the beneficiary of a contract not voluntarily surrendered matriculates at the date specified in the contract. This assumption is unchanged from the prior valuation.

Dropout Rate
We assumed beneficiaries use the number of credits specified in the contract. This assumption is unchanged from the prior valuation.

Frequency of Beneficiary Replacement
We assumed no replacement of beneficiaries. This assumption is unchanged from the prior valuation.

Federal Income Tax
We assume the income of the Plan is exempt from Federal Income Tax. This assumption is unchanged from the prior valuation.

SECTION V – Soundness of the Plan as of June 30, 2011

As a measure of the soundness of the Plan as of June 30, 2011, we determined the difference between the value of the assets and the actuarial present value of the future contract payments and the actuarial present value of future benefits and expenses. This measurement of soundness is summarized on the following pages.

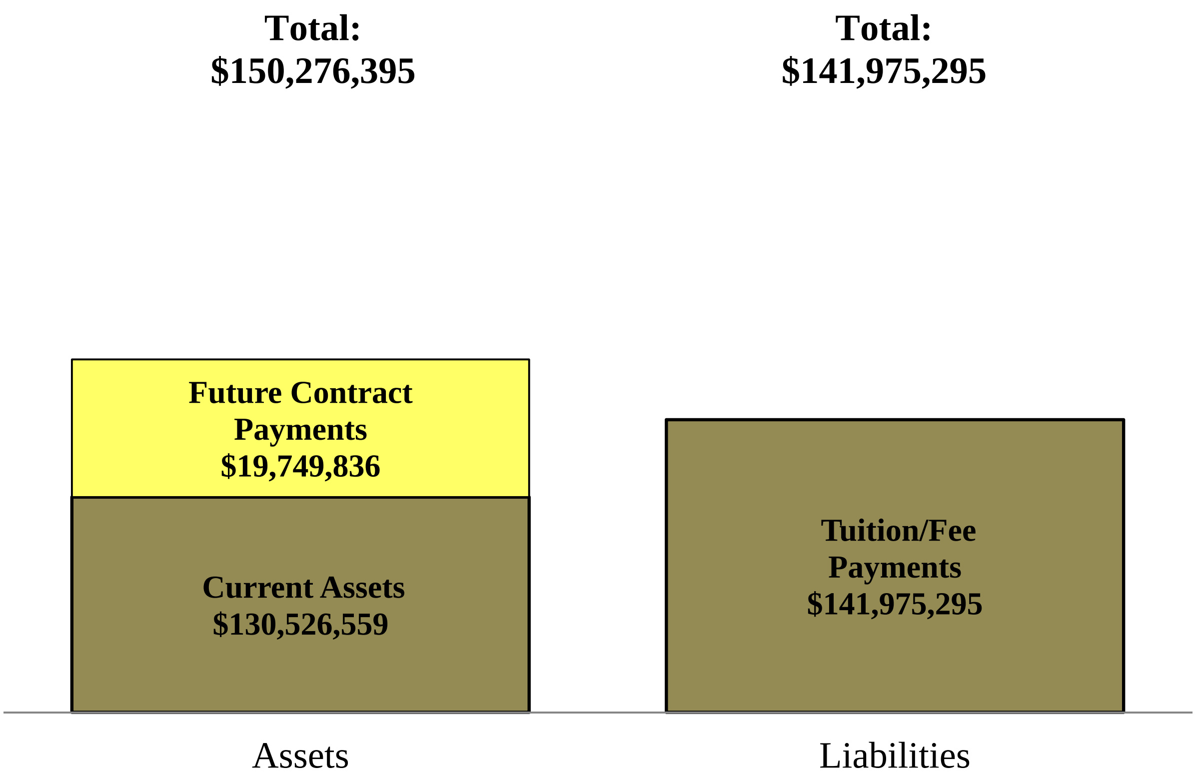
A projection of the status of the Plan at each future anniversary date through the life of these contracts is presented on page 12, labeled Present Value of Assets and Liabilities.

The projections of future benefits and expenses and contract payments are presented on page 13, labeled Expected Cash Flows.

Our measurement of the present value and projection are based on asset and contract information provided and on the assumptions chosen by the Board.

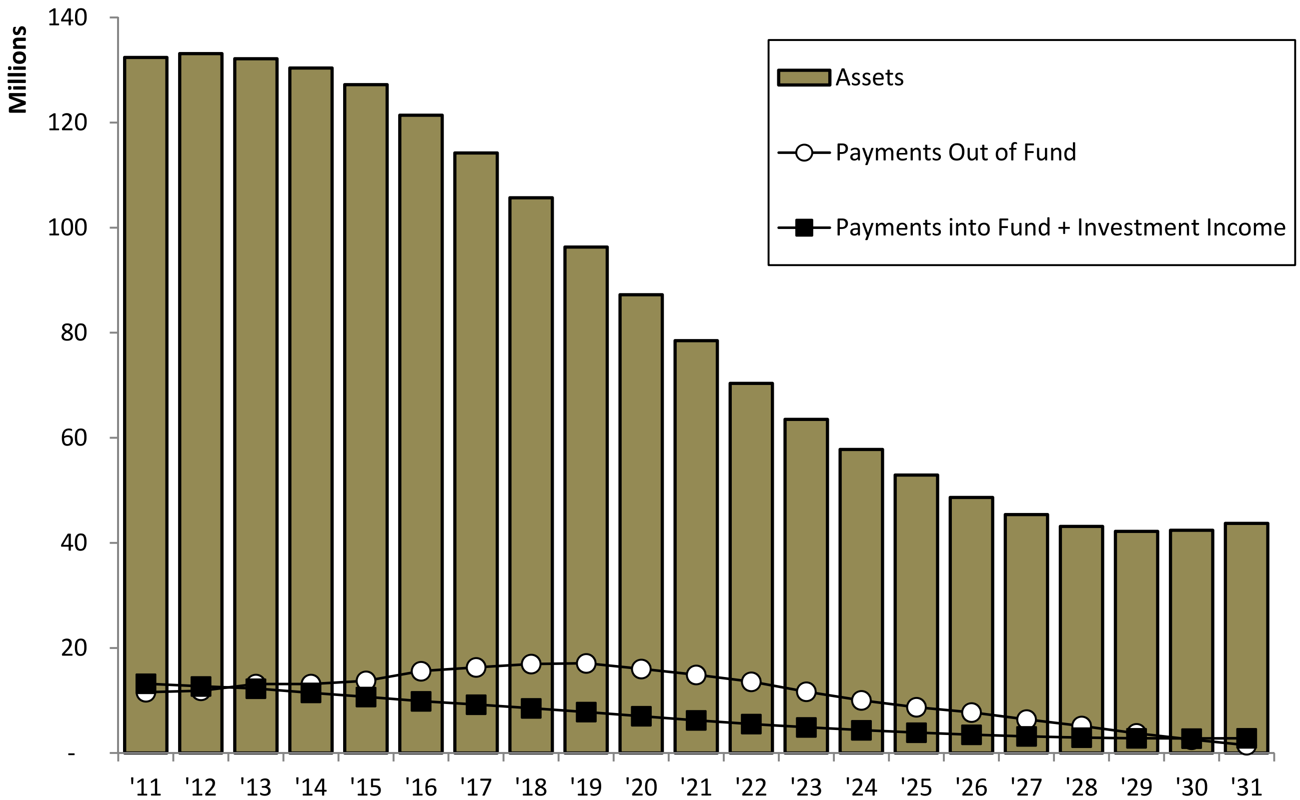
Funded Status

The value of the assets exceed the liabilities of the trust fund as of June 30, 2011 (including the value of future payments by contract purchasers) by $8,301,101. The funded ratio, assets divided by liabilities, is equal to 105.8%. Asset totals shown below do not include securities lending collateral, investment transfers receivable or the related obligations for those assets. The assumptions used to perform the actuarial valuation of the fund were approved by the Board and are described in Section III.



Cash Flow Projection

The expected income and disbursements of the trust fund, based on the assumptions used in the actuarial valuation, and the current group of contract beneficiaries, are shown below. These amounts are cash amounts, not present value amounts.



Fiscal Year End

Present Value of Assets and Liabilities

8/31 of Year	Present Value of Future Benefit and Expenses	Value of Assets and Present Value of Future Collections	Surplus of Assets Over Liabilities
2011	141,975,294	150,276,395	8,301,101
2012	139,377,348	148,425,297	9,047,949
2013	127,700,038	146,169,932	18,469,894
2014	115,589,606	142,450,528	26,860,922
2015	104,253,422	138,491,739	34,238,316
2016	93,145,484	133,642,839	40,497,355
2017	81,341,088	126,559,266	45,218,178
2018	69,787,600	118,276,667	48,489,067
2019	58,546,434	108,785,576	50,239,141
2020	47,929,801	98,511,268	50,581,467
2021	38,604,617	88,642,218	50,037,601
2022	30,483,479	79,269,112	48,785,633
2023	23,549,502	70,623,422	47,073,920
2024	17,964,283	63,355,774	45,391,492
2025	13,465,328	57,284,024	43,818,696
2026	9,802,749	52,157,750	42,355,001
2027	6,763,373	47,712,083	40,948,710
2028	4,405,213	44,334,741	39,929,529
2029	2,625,461	42,011,751	39,386,290
2030	1,411,414	40,976,792	39,565,378
2031	637,607	41,109,061	40,471,454
2032	210,045	42,330,464	42,120,419

Expected Annual Cash Flows

Fiscal Year Ending	Benefit Payments and Expenses	Contract Payment Receipts	Annual Cash Flow
2012	11,600,744	4,515,830	(7,084,914)
2013	11,871,834	3,947,199	(7,924,635)
2014	13,152,910	3,505,594	(9,647,316)
2015	13,142,647	2,794,510	(10,348,137)
2016	13,754,304	2,173,437	(11,580,868)
2017	15,605,137	1,625,274	(13,979,863)
2018	16,310,202	1,401,532	(14,908,669)
2019	16,946,753	1,212,011	(15,734,742)
2020	17,091,786	1,071,778	(16,020,007)
2021	16,027,758	897,333	(15,130,424)
2022	14,901,830	700,201	(14,201,629)
2023	13,584,856	559,481	(13,025,375)
2024	11,680,845	436,374	(11,244,471)
2025	10,046,254	308,992	(9,737,262)
2026	8,734,175	210,468	(8,523,707)
2027	7,737,924	127,214	(7,610,710)
2028	6,409,226	59,337	(6,349,889)
2029	5,164,673	7,742	(5,156,930)
2030	3,760,583	0	(3,760,583)
2031	2,558,728	0	(2,558,728)
2032	1,508,280	0	(1,508,280)

Note: The amounts shown above are annual expected amounts for the year corresponding to the "Fiscal Year Ending" column. They are not cumulative amounts. In addition, Payment Receipts are frontloaded.

SECTION VI – Sensitivity Testing

The Program operates under conditions of risk and uncertainty. For example, while it is assumed the assets of the fund will earn the annual net rate found in Section IV, we also expect actual returns to vary from year to year. To accept the reasonableness of the basis for the measurement of the soundness, it is useful to know how the status of the fund may be affected by the vagaries of the markets and other factors. We have rerun the valuation under the following alternative scenarios, and the surplus as of June 30, 2010 under each of these scenarios is presented in the following table:

Scenarios	**Surplus**
Baseline	8,301,101
Tuition increases are 25 basis points higher in each future year than assumed	6,127,238
The investment return is 25 basis points lower than assumed	6,146,959
Tuition increases are 25 basis points higher in each future year and the investment return is 25 basis points lower than assumed	3,920,071
Tuition increases are 25 basis points lower in each future year than assumed	10,430,019
Tuition increases are 25 basis points lower in each future year and the investment return is 25 basis points lower than assumed	8,327,572
The investment return is 50 basis points lower than assumed	3,934,600
The investment return is 75 basis points lower than assumed	1,662,065
The investment return is 100 basis points lower than assumed	-672,685
Tuition increases are 50 basis points higher in each future year than assumed	3,907,354
Tuition increases are 75 basis points higher in each future year than assumed	1,640,342
Tuition increases are 100 basis points higher in each future year than assumed	-674,931

SECTION VII – Changes in Surplus

Adequacy of the Fund

As of June 30, 2011, the Plan had a surplus of $8,301,101. The surplus represents the difference between the sum of the market value of the assets and the present value of the expected future contract payments and the sum of the present value of the expected future tuition and required fees, refunds and expenses. The surplus is $12,814,026 more favorable than last year's unfunded liability of $4,512,925. The primary sources of change are:

a) Investment asset performance of 19.1% compared to the assumed investment return of 6.75%. The result was an asset gain of $13.5 million. This estimate may vary from the actual asset performance as determined by the investment consultant.
b) Assumption changes generated a loss of $7.2 million.
c) The 572 contracts sold generated an estimated gain of $2.0 million.

Following is a comparison of the assumed and the actual results for the year ended June 30, 2011.

Investment Return

Assets performed better than expected during the 2011 fiscal year, returning 19.1% versus the prior year assumption of 6.75%. The result was an asset gain of $13.5 million. Investment returns greater than assumed produces an actuarial gain.

Tuition and Required Fee Increase

The tuition experience resulted in no actuarial gain or loss. The Weighted Average Tuition (WAT) for Senior College increased from $4,283 to $4,703, an increase of 9.81% which exactly matches the assumed 9.81% increase. The Junior College WAT increased from $1,890 to $2,078, an increase of 9.92% which exactly matches the assumed 9.92% increase.

New Contracts Sold

572 new contracts were sold since the prior valuation. These contracts generated an estimated gain of $2.0 million.

Endowment Transfer

The $659,000 endowment transfer created an actuarial gain.

Assumption Changes

The change in trend assumption to 13% for Fall 2013 generated a $7.4 million loss. The change in matriculation assumption based on the experience study generated a $0.2 million gain. The net effect of assumption changes was a $7.2 million decrease in the surplus.

Change in Surplus Summary

During the last year, the plan went from a $4.5 million deficit to an $8.6 million surplus. The sources of change are as follows (in millions):

Surplus as of 6/30/2010		$(4.5)
Expected increase in surplus		(0.3)
Asset Gain (19.4% return)	13.5	
Tuition Inflation Gain	0.0	
New contracts (572)	2.0	
Endowment transfer	0.7	
Other actuarial gain	4.1	
Total actuarial gain		20.3
Change in assumptions		(7.2)
Surplus as of 6/30/2011		8.3

APPENDIX A – Active Contract Counts

Matriculation Year	Plan C2	C2U2	U1	U2	U4	Total	% of Total
2002	1	3			12	16	0.16%
2003	3	8			27	38	0.38%
2004	6	16			68	90	0.90%
2005	4	10		2	98	114	1.14%
2006	12	31		3	138	184	1.85%
2007	11	47		4	234	296	2.97%
2008	18	48		6	345	417	4.19%
2009	20	67		16	417	520	5.22%
2010	18	58		21	481	578	5.80%
2011	23	69		19	475	586	5.88%
2012	35	63		20	523	641	6.43%
2013	27	61	3	24	574	689	6.92%
2014	22	60	10	40	548	680	6.83%
2015	43	56	3	32	542	676	6.79%
2016	31	64	3	33	585	716	7.19%
2017	28	68		34	511	641	6.43%
2018	29	53	2	30	523	637	6.39%
2019	17	40	1	26	444	528	5.30%
2020	22	42	2	20	252	338	3.39%
2021	26	35	4	27	269	361	3.62%
2022	21	26	3	19	260	329	3.30%
2023	9	26	3	16	173	227	2.28%
2024	8	25	5	11	152	201	2.02%
2025	11	14	1	14	107	147	1.48%
2026	12	16	5	10	104	147	1.48%
2027	6	14	3	8	68	99	0.99%
2028	7	5	1	6	47	66	0.66%
Total	470	1,025	49	441	7,977	9,962	100%
% of Total	4.72%	10.29%	0.49%	4.43%	80.07%	100%	

Estimated number of years of tuition in force:

Plan	Years
C2	874
C2U2	3,651
U1	49
U2	850
U4	28,732
Total	34,155

APPENDIX B

INDEPENDENT AUDITOR'S REPORT

STATE OF NEVADA
OFFICE OF THE STATE TREASURER
HIGHER EDUCATION TUITION TRUST FUND
JUNE 30, 2011

STATE OF NEVADA
OFFICE OF THE STATE TREASURER
HIGHER EDUCATION TUITION TRUST FUND
JUNE 30, 2011

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KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Trustees,
Higher Education Tuition Trust Fund

We have audited the accompanying financial statements of the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (the Trust Fund), an enterprise fund of the State of Nevada, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Trust Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Trust Fund's 2010 financial statements and, in our report dated February 7, 2011, we expressed an unqualified opinion on the financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Trust Fund and do not purport to, and do not, present fairly the financial position of the State of Nevada, as of June 30, 2011, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Trust Fund, as of June 30, 2011, and the changes in its financial position and cash flows, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2012, on our consideration of the Trust Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3A through 3D be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Kafoury, Armstrong & Co.

Reno, Nevada
February 6, 2012

State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund
Management's Discussion and Analysis

As management of the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (the Trust Fund), we offer readers of the Trust Fund's financial statements this narrative overview and analysis of the financial activities of the Trust Fund for the fiscal year (FY) ended June 30, 2011.

FINANCIAL HIGHLIGHTS

The Trust Fund's financial position positively improved from last year.

- The Trust Fund's total assets increased by $28,957,843 from the prior year. These assets are used to pay tuition benefits for contracts purchased.

- The Trust Fund's total net assets improved by $13,009,261 from a deficit of $9,708,161 in FY 2010 to a positive position of $3,301,100 in FY 2011. The elimination of the deficit in FY 2011 was primarily due to an increase in investment returns and an increase in contract enrollments.

- The Trust Fund's certified actuary reported that the funded status of the plan as of June 30, 2011 is 105.8%. This compares to June 30, 2010 when the funded status of the plan was 96.6%, still a very high funded status for a state prepaid tuition plan.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Trust Fund's annual report. The Trust Fund's financial report consists of: Management's Discussion and Analysis (MD&A), Basic Financial Statements including Notes to the Financial Statements and a Compliance Section.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Trust Fund report information about the Trust Fund using a single proprietary fund. Proprietary funds use the full accrual basis of accounting similar to that used by private sector companies. Under this method, revenues are recorded when earned and expenses are recorded at the time a liability is incurred. The Statement of Net Assets includes all of the Trust Fund's assets and liabilities and provides information about the nature and amount of its resources and the obligations to contract holders. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This Statement measures the success of the Trust Fund's operations over the past year, and can be used to determine whether the Trust Fund has successfully met all of its costs through its tuition contributions, along with other fees and charges for sales and services. The final statement is the Statement of Cash Flows, which is used to provide information about the Trust Fund's cash receipts, cash payments and net changes in cash resulting from operating, investing and financing activities.

NET ASSETS (DEFICIT)

Net assets may serve over time as a useful indicator of financial position. In the case of the Trust Fund, the Trust Fund's position improved and closed the fiscal year in a positive position, ending with positive net assets of $3,301,100.

The vast majority of the Trust Fund's assets, 80.9%, are its investments. The Trust Fund uses these assets to pay future tuition benefits for contracts purchased.

Higher Education Tuition Trust Fund Net Assets

	2011	2010
Assets		
Current and other assets	$ 156,110,030	$ 127,150,864
Net capital assets	366	1,689
Total Assets	156,110,396	127,152,553
Liabilities		
Current liabilities	17,434,745	10,355,714
Noncurrent liabilities	135,374,551	126,505,000
Total Liabilities	152,809,296	136,860,714
Net Assets (Deficit)		
Invested in capital assets	366	1,689
Unrestricted	3,300,734	(9,709,850)
Total Net Assets (Deficit)	$ 3,301,100	$ (9,708,161)

The Trust Fund's net assets made large gains in fiscal year 2011. The deficit was eliminated and the trust fund has net assets of $3,301,100; an increase of $13,009,261 over the prior fiscal year. The improvement was primarily due to an increase in contract enrollments and an increase in investment returns.

CHANGE IN NET ASSETS (DEFICIT)

Higher Education Tuition Trust Fund Change in Net Assets

	2011	2010
Operating Revenues		
Tuition contributions and other revenues	$ 9,283,969	$ 8,222,058
Operating Expenses		
Operating expenses before depreciation	18,956,408	14,048,580
Depreciation	1,323	2,000
Total Operating Expenses	18,957,731	14,050,580
Operating Loss	(9,673,762)	(5,828,522)
Nonoperating revenues (expenses) and interest income	21,555,599	12,156,290
Contribution - State of Nevada College Savings Trust	1,127,424	427,915
Change in Net Assets	13,009,261	6,755,683
Net Assets (Deficit), July 1	(9,708,161)	(16,463,844)
Net Assets (Deficit), June 30	$ 3,301,100	$ (9,708,161)

Tuition contributions and other revenues increased from the prior fiscal year, as a result of the increased number of enrollments in fiscal year 2011. Operating expenses for the plan primarily consist of future tuition benefits, which are calculated to be $15,865,614 on an accrued basis. Operating expenses increased from the prior year as a result of a $4,633,628 increase in the tuition benefits expense. This is mainly due to a larger number of students using benefits and an increase in the actuarial assumptions used in the calculation of tuition rates charged by Nevada universities and colleges.

CAPITAL ASSET ADMINISTRATION

The Trust Fund's investment in capital assets as of June 30, 2011, amounts to $366 (net of accumulated depreciation). Detailed information about the Trust Fund's capital assets can be found in Note 4 to the Trust Fund's financial statements.

ECONOMIC FACTORS AND CURRENTLY KNOWN FACTS

During the January 20, 2010 meeting of the Board of Trustees of the College Savings Plans of Nevada (the Board), the Board approved a loan from the State of Nevada General Fund-College

Savings Endowment account to the Trust in an amount not to exceed $5,000,000. This amount is recorded as a portion of noncurrent liabilities.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Trust Fund's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the State of Nevada Treasurer's Office, Nevada Prepaid Tuition Program, 555 E. Washington Ave., Suite 4600, Las Vegas, NV 89101.

STATE OF NEVADA, OFFICE OF THE STATE TREASURER
HIGHER EDUCATION TUITION TRUST FUND
STATEMENT OF NET ASSETS (DEFICIT)
JUNE 30, 2011
(WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010)

	2011	2010
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 7,479,719	$ 1,822,546
Investment income receivable	486,222	515,805
Due from State of Nevada	664,138	7,448
Tuition contributions receivable	4,515,830	4,400,000
Investments	126,232,291	106,364,432
Trades pending settlement	1,497,824	5,609
Total Current Assets	140,876,024	113,115,840
Noncurrent Assets		
Capital Assets, Net	366	1,689
Other Noncurrent Assets:		
Tuition contributions receivable	15,234,006	14,035,024
Total Noncurrent Assets	15,234,372	14,036,713
Total Assets	156,110,396	127,152,553
LIABILITIES		
Current Liabilities:		
Accounts payable	332,976	221,989
Accrued salaries and benefits	23,989	21,165
Due to State of Nevada	9,418	29,300
Due to other governments	29,551	29,867
Trades pending settlement	5,438,067	53,393
Tuition benefits payable	11,600,744	10,000,000
Total Current Liabilities	17,434,745	10,355,714
Noncurrent Liabilities:		
Advance from State of Nevada General Fund - College Savings Endowment Account	5,000,000	5,000,000
Tuition benefits payable	130,374,551	121,505,000
Total Noncurrent Liabilities	135,374,551	126,505,000
Total Liabilities	152,809,296	136,860,714
NET ASSETS (DEFICIT)		
Invested in capital assets	366	1,689
Unrestricted	3,300,734	(9,709,850)
Total Net Assets (Deficit)	$ 3,301,100	$ (9,708,161)

See accompanying notes.

STATE OF NEVADA, OFFICE OF THE STATE TREASURER
HIGHER EDUCATION TUITION TRUST FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010)

	2011	2010
OPERATING REVENUES		
Charges for sales and services	$ 88,965	$ 88,763
Tuition contributions	9,195,004	8,133,295
Total Operating Revenues	9,283,969	8,222,058
OPERATING EXPENSES		
Personnel costs	168,713	149,572
Contract and other administrative services	930,118	703,344
Tuition benefits expense	15,865,614	11,231,986
Refunds	1,991,963	1,963,678
Depreciation	1,323	2,000
Total Operating Expenses	18,957,731	14,050,580
OPERATING LOSS	(9,673,762)	(5,828,522)
NONOPERATING REVENUES		
Interest, dividends and other investment income	2,888,132	2,761,824
Net increase in fair value of investments	18,667,467	9,394,466
Contribution from the State of Nevada General Fund - College Savings Endowment Account	1,127,424	427,915
Total Nonoperating Revenues	22,683,023	12,584,205
CHANGE IN NET ASSETS	13,009,261	6,755,683
NET ASSETS (DEFICIT), JULY 1	(9,708,161)	(16,463,844)
NET ASSETS (DEFICIT), JUNE 30	$ 3,301,100	$ (9,708,161)

See accompanying notes.

STATE OF NEVADA, OFFICE OF THE STATE TREASURER
HIGHER EDUCATION TUITION TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts for sales and services	$ 88,965	$ 88,763
Tuition contributions received	7,880,192	7,509,569
Payments to suppliers for good and services	(1,496,019)	(645,683)
Payments to employees	(165,889)	(145,454)
Payments for tuition benefits	(5,395,319)	(4,657,986)
Payments of refunds	(1,991,963)	(1,963,678)
Net Cash Provided (Used) by Operating Activities	(1,080,033)	185,531
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from advance from State of Nevada General Fund - College Savings Endowment Account	-	5,000,000
Contribution from the State of Nevada General Fund - College Savings Endowment Account	1,127,424	427,915
Net Cash Provided by Noncapital Financing Activities	1,127,424	5,427,915
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales or maturities of investments	155,469,376	124,427,620
Purchase of investments	(152,777,309)	(136,243,404)
Interest, dividends and other investment income received	2,917,715	2,680,885
Net Cash Provided (Used) by Investing Activities	5,609,782	(9,134,899)
Net Increase (Decrease) in Cash and Cash Equivalents	5,657,173	(3,521,453)
Cash and Cash Equivalents, July 1	1,822,546	5,343,999
Cash and Cash equivalents, June 30	$ 7,479,719	$ 1,822,546
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	$ (9,673,762)	$ (5,828,522)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	1,323	2,000
Change in assets and liabilities:		
(Increase) decrease in due from State of Nevada	(656,690)	13,225
(Increase) decrease in tuition contributions receivable	(1,314,812)	(623,726)
Increase (decrease) in accounts payable and accrued liabilities	113,811	59,762
Increase (decrease) in due to State of Nevada	(19,882)	(4,653)
Increase (decrease) in due to other governments	(316)	(6,555)
Increase (decrease) in tuition benefits payable	10,470,295	6,574,000
Total Adjustments	8,593,729	6,014,053
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (1,080,033)	$ 185,531
NONCASH INVESTING ACTIVITIES		
Net increase in fair value of investments	$ 18,667,467	$ 9,394,466

See accompanying notes.

STATE OF NEVADA
OFFICE OF THE STATE TREASURER
HIGHER EDUCATION TUITION TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (the Trust Fund) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity:

The Trust Fund operates under Nevada Revised Statutes (NRS) 353B, *Prepayment of Tuition at Institutions of Higher Learning*, which was adopted by the Nevada Legislature in 1997. The Trust Fund is administered by the Office of the State Treasurer under the direction of a five-member Board of Trustees (the Board).

The purpose of the Trust Fund's program is to provide a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. When the beneficiary enrolls in college, the program will pay the contract benefits. The beneficiary has ten years after the projected college entrance date to begin using the benefits of the contract, or until they reach the age of 30. Exceptions are granted for military service. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college.

The Trust Fund completed its thirteenth enrollment period on February 28, 2011 with 594 new enrollments. The Trust Fund also had 342 cancellations, five rollovers to other plans, and 120 contracts completing benefits for a total enrollment of 10,199 at June 30, 2011.

Measurement Focus and Basis of Accounting:

The Trust Fund is an enterprise fund (proprietary fund type) of the State of Nevada and thus is included in the State of Nevada's *Comprehensive Annual Financial Report.* The accompanying financial statements present only the Trust Fund and are not intended to present fairly the financial position of the State of Nevada, the changes in its financial position or its cash flows in conformity with GAAP.

Activities of enterprise funds resemble activities of business enterprises; the purpose is to obtain and use economic resources to meet operating objectives. The financial statements for the Trust Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized at the time they are earned and expenses are recognized when the related liabilities are incurred.

A proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from exchange transactions such as providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonoperating revenues and nonoperating expenses result from nonexchange transactions or ancillary services.

The Trust Fund applies all applicable GASB pronouncements in accounting and reporting for proprietary activities, as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure, (unless those pronouncements conflict with or contradict GASB pronouncements) issued on or before November 30, 1989 in accounting and reporting for its operations. The Trust Fund has elected not to apply private sector standards issued subsequent to December 1, 1989.

Cash Equivalents:

Cash equivalents include short-term highly liquid investments (3 months or less) that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes of value. Such amounts include the Trust Fund's cash and investments pooled with the State Treasurer and money market mutual funds.

Custodian and Transfer Agent:

Wells Fargo Bank is the custodian and transfer agent for the Trust Fund.

Investment Valuation and Income Recognition:

Investments are reported at fair value as determined by quoted market prices. The investments are marked to market daily.

Security transactions are accounted for on the trade date (date order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Dividends are recorded on the ex-dividend date.

Tuition Contributions Receivable:

Tuition contributions receivable in the Trust Fund represents the actuarially determined present value of future installment payments anticipated from contract holders.

Capital Assets:

Capital assets are recorded at cost and consist of assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets are depreciated on a straight-line basis over an estimated useful life of four years.

Tuition Benefits Payable:

The Trust Fund records tuition benefits payable at the actuarial present value of its future tuition obligation, which is adjusted for the effects of projected tuition and fee increases and termination of contracts.

NOTE 2 – COMPLIANCE WITH NEVADA REVISED STATUTES AND ADMINISTRATIVE CODE

The Trust Fund conformed to all significant statutory constraints on its financial administration during the year.

NOTE 3 – CASH AND INVESTMENTS

The State Treasurer serves as the administrator to the Trust Fund. The Trust Fund's assets are managed in accordance with the Trust Fund's investment objectives and policies, as provided in Section 353B.160.1 of NRS. Authorized investments are as follows:

- A bond, note, debenture or other valid obligation that is issued by the Treasury of the United States, or other security that is issued by an agency or instrumentality of the United States or that is fully guaranteed by the United States in the Federal Farm Credit Bank, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association;
- A mortgage-backed security that is issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association;
- "AAA" rated collateralized mortgage obligations that is issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association;
- A bond, note, certificate or other general obligation of the State of Nevada, or of a county, city, general improvement district or school district of the State of Nevada;

- "A" or better rated corporate bonds of a corporation created by or existing under the laws of the United States or of a state, district or territory of the United States;
- "A-1", "P-1", "F-1" or better rated commercial paper;
- "AAA" rated commercial mortgage-backed securities whose policies meet the criteria set forth in statute;
- "AAA" rated asset-backed securities financing credit cards, auto, manufactured housing, or student loans;
- "A" rated money-market mutual funds whose policies meet the criteria set forth in statute;
- Common or preferred stock of corporations that have a total market value of not less than $50,000,000; and
- Mutual funds or common trust funds that consist of any combination of the investments listed above.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Trust Fund's investment policies address interest rate risk by providing for an asset allocation plan that gives appropriate consideration to an average investment horizon of 3 to 18 years, while taking into consideration current and near-term liquidity needs.

As of June 30, 2011 the Trust Fund had the following investments and maturities (including money market mutual funds representing cash equivalents) that are subject to interest rate risk:

		Maturities, in Years			
	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
Investments:					
Corporate notes	$ 12,109,518	$ 186,251	$ 3,286,713	$ 6,569,956	$ 2,066,598
U.S. Agencies	25,662,529	-	3,757,701	1,264,119	20,640,709
Collateralized mortgage obligations	2,968,237	-	217,337	-	2,750,900
Asset-backed securities	900,009	-	646,514	253,495	-
U.S. Treasury notes	19,103,398	6,026,879	7,774,810	1,989,178	3,312,531
Cash equivalents:					
Money market mutual funds	1,034,647	1,034,647	-	-	-
	$ 61,778,338	$7,247,777	$15,683,075	$10,076,748	$28,770,738

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Trust Fund. The Trust Fund's investments (including money market mutual funds) as of June 30, 2011 were rated by Standard and Poor's and the ratings for the portfolio are as follows:

		Credit Quality Ratings		
	Fair Value	AAA	AA	A
Investments:				
Corporate notes	$ 12,109,518	$ -	$ 1,809,806	$ 10,299,712
U.S. Agencies	25,662,529	25,662,529	-	-
Collateralized mortgage obligations	2,968,237	2,968,237	-	-
Asset-backed securities	900,009	900,009	-	-
Cash equivalents:				
Money market mutual funds	1,034,647	1,034,647	-	-
Interest Rate Risk Table	$ 42,674,940	$ 30,565,422	$ 1,809,806	$ 10,299,712

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2011, the following investments exceeded 5% of the Trust Fund's total investments:

	Fair Value	Percentage
Federal National Mortgage Association	$18,757,157	14.86%

Other Risk:

The Trust Fund invests in various equity securities, including at June 30, 2011 when equity securities comprised approximately 56% of total investments. Equity securities are exposed to other risks such as market risks. Due to the level of risk associated with equity securities, it is at least reasonably possible that changes in the values of equity securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Pooled Cash and Investments:

Of the $7,479,719 cash and cash equivalents at June 30, 2011, $1,245,124 represents the Trust Fund's investment in the State of Nevada's external investment pool.

The Trust Fund is an internal participant in the external investment pool maintained by the Treasurer of the State of Nevada. The external investment pool is not registered with the SEC as an investment company. State of Nevada has not provided or obtained any legally binding guarantees during the period to support the value of the shares.

The Trust Fund receives a prorated share of the earnings from its participation in the investment pool based on daily cash balances. Due to the nature of the investment pool, it is not possible to separately identify any specific investment as being that of the Trust Fund. Instead, the Trust Fund owns a proportionate share of each investment, based on the Trust Fund's participation percentage in the investment pool.

Custodial Credit Risk: The State Treasurer minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The Nevada Revised Statutes direct the Office of the State Treasurer to deposit funds into any state or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits.

Interest Rate Risk: The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period. (Rolling 90 day T-Bill).

As of June 30, 2011, the Trust Fund's investments held in the external investment pool are categorized as follows:

	Percentage Based on Fair Value	Maturities, in Years: Less Than 1	1-5	6-10	Greater Than 10
Investments:					
U.S. Treasury obligations	4.06%	2.14%	1.92%	0.00%	0.00%
U.S. Agencies	58.77%	45.75%	13.02%	0.00%	0.00%
Mutual funds	0.24%	0.24%	0.00%	0.00%	0.00%
Asset-backed securities	9.80%	9.74%	0.06%	0.00%	0.00%
Corporate bonds and notes	11.16%	0.98%	10.18%	0.00%	0.00%
Collateralized mortgage obligations	15.97%	15.75%	0.00%	0.01%	0.21%
	100.00%				

Credit Risk: The State Treasurer's investment policy addresses credit risks. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Banker's Acceptances are rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. and municipal bonds (effective September 2011) are rated by a nationally recognized rating service as "A" or its equivalent, or better,
- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as "AAA" or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as "AAA" or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

The State's investments as of June 30, 2011 were rated by Standard and Poor's and/or an equivalent national rating organization and categorized as follows:

	Credit Quality Rating			
	AAA	AA	A	Unrated
Investments:				
U.S. agencies	27.80%	0.00%	72.01%	0.19%
Mutual funds	100.00%	0.00%	0.00%	0.00%
Asset-backed securities	0.69%	0.00%	99.31%	0.00%
Corporate bonds and notes	0.00%	28.49%	63.74%	7.77%
Collateralized mortgage obligations	1.36%	0.00%	98.64%	0.00%

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio. At June 30, 2011, the following investments exceeded 5% of the State of Nevada's investments in the external investment pool:

Federal Farm Credit Bank Discount Notes	32.05%
Federal National Mortgage Association Collateralized Mortgage Obligations	15.75%
Federal Home Loan Mortgage Corporation Discount Notes	10.28%

Securities Lending: NRS 355.155 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of the market value of the underlying securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2011.

NOTE 4 – CAPITAL ASSETS

The following schedule summaries the changes in capital assets for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital Assets				
Computer equipment	$ 15,295	$ -	$ -	$ 15,295
Less: Accumulated Depreciation	(13,606)	(1,323)	-	(14,929)
Capital Assets, Net	$ 1,689	$ (1,323)	$ -	$ 366

NOTE 5 – NONCURRENT LIABILITIES

Tuition Benefits Payable:

Included in noncurrent liabilities is the Trust Fund's tuition benefits obligation based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses. This amount reflects the present value of estimated tuition benefits and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts.

APV of the Future Tuition Obligation	$ 141,975,295
Net Assets Available	$ 145,276,395
Net Assets as a Percentage of Tuition Benefits Obligation	102.33%

The following assumptions were used in the actuarial valuation:

- Investment Rates: The investment yield assumption is 6.75% per year, which is the same as the prior year assumption.

- Tuition Growth Assumptions:

	Universities	Community Colleges
Fall 2012	0.00%	0.00%
Fall 2013	13.00%	13.00%
Fall 2014 and later	6.00%	6.00%

Advance from the State of Nevada General Fund – College Savings Endowment Account:

Noncurrent liabilities include an advance from the State of Nevada's General Fund – College Savings Endowment Account. The liability will be repaid in accordance with one of the following two methods. The first method requires payments in increments determined by the State Treasurer at the time the annual actuarial evaluation, approved by the Board at the end of each fiscal year, determines that the best estimate percentage of reserve of the Trust Fund is estimated to meet or exceed 100% within the valuation study's fiscal year, or based on quarterly estimates of the status reviewed and determined by the Board. The second method indicates that repayment can occur under other conditions as proposed by the State Treasurer and adopted by the Board.

Changes in the Trust Fund's noncurrent liabilities:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Due Within One Year
Tuition benefits payable	$131,505,000	$15,872,274	$(5,401,979)	$141,975,295	$11,600,744
Advance from State of Nevada General Fund – College Savings Endowment Account	5,000,000	-	-	5,000,000	-
	$136,505,000	$15,872,274	$(5,401,979)	$146,975,295	$11,600,744

NOTE 6 – TUITION CONTRIBUTIONS AND TUITION BENEFITS EXPENSE

The tuition contributions of $9,195,004 and the tuition benefits expense of $15,865,614 on the Statement of Revenues, Expenses and Changes in Net Assets (Deficit) represent the annual accrual of contributions and benefit expenses for the year ended June 30, 2011 as determined by the actuarial valuation and adjusted by the actual activity for the fiscal year.

NOTE 7 – PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

Employees of the Trust Fund are employees of the State of Nevada and the Nevada Legislature created various plans to provide benefits to qualified employees of the State.

Pension Plan: The employees participate in a cost-sharing, multiple-employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada (PERS). PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. As the State of Nevada, not the Trust Fund, has overall responsibility for determining contributions to PERS, information relating to PERS is available in the State of Nevada's *Comprehensive Annual Financial Report* for the year ended June 30, 2011.

Other Post Employment Benefits (OPEB): The employees participate in a cost-sharing, multiple-employer, defined benefit postemployment plan administered by the Public Employees' Benefits Program of the State of Nevada (PEBP). PEBP provides group health and life insurance benefits to plan members, both active and retired, and their dependents. As the State of Nevada, not the Trust Fund, has overall responsibility for determining contributions to PEBP, information relating to PEBP is available in the State of Nevada's *Comprehensive Annual Financial Report* for the year ended June 30, 2011.

NOTE 8 – RISK MANAGEMENT

As with all governmental entities, the Trust Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. Such losses, if any, are accounted for in the State of Nevada's various insurance funds. The Trust Fund is responsible for premium charges payable to the State of Nevada for coverage in the self-funded programs. There have been no material settlements related to the Trust Fund in any of the past four years.

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees,
Higher Education Tuition Trust Fund

We have audited the financial statements of the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (the Trust Fund), an enterprise fund of the State of Nevada, as of and for the year ended June 30, 2011, and have issued our report thereon dated February 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Trust Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Trust Fund's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust Fund's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of the Board of Trustees, the Office of the State Treasurer, the Office of the State Controller, and management of the Trust Fund, and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Reno, Nevada
February 6, 2012

APPENDIX C

THE BANK OF NEW YORK MELLON REPORT

August 26, 2011

Nevada Prepaid Tuition Program

Second Quarter 2011 Program Update

Agenda

I. Economic and Market Overview

II. Portfolio Review and Analytics

III. Appendix

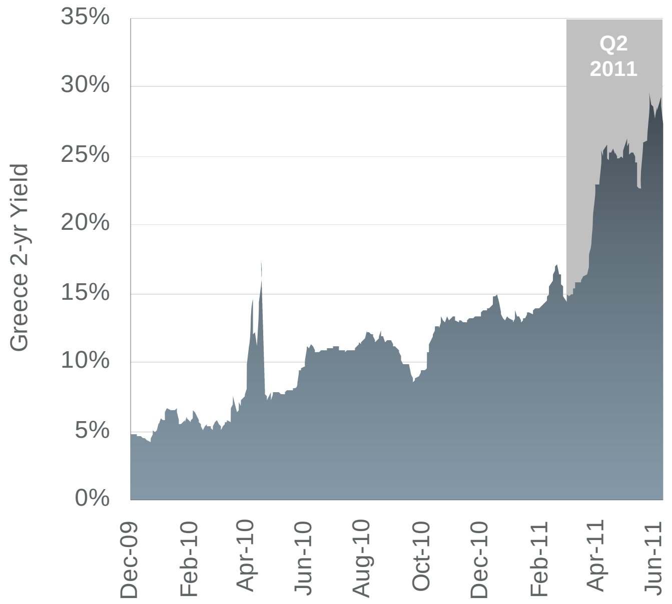
- Glossary of Terms
- Disclosures

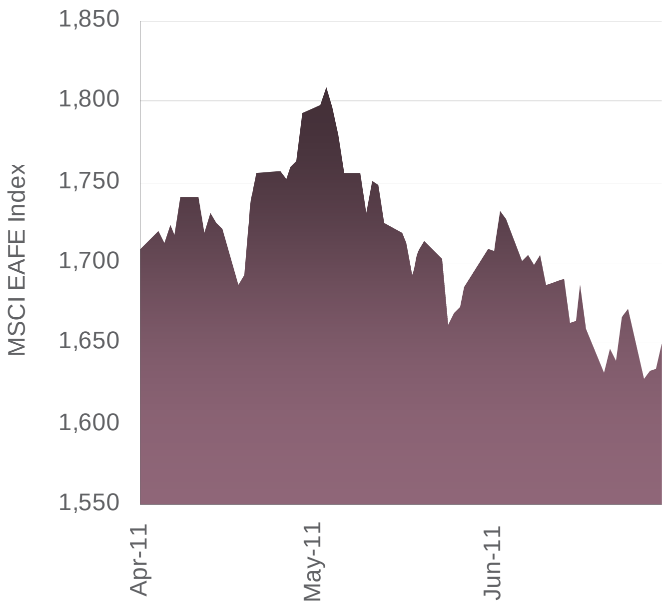
Section I.

Economic and Market Overview

Greek Debt Crisis Weighs on Markets in Q2

- Fears of a Greek default reversed April's equity market gains, sending the yield on 2-year Greek debt to nearly 30%
  - The 2-year yield on Greek debt has nearly doubled from a 15% yield at the end of December 2010
  - The ECB (European Central Bank) is considering austerity measures to avert a default
- After posting a 6.0% gain in April, the MSCI EAFE index fell 3.0% and 1.3% in May and June, respectively, as the Greek debt crisis took headlines
- Investors fear that Greece's troubles may spread to other European nations in similar debt situations



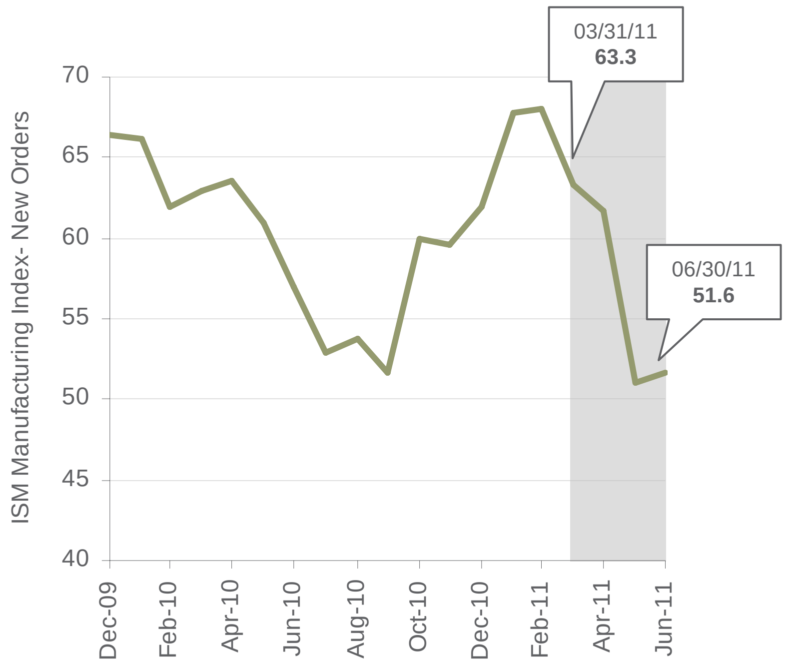


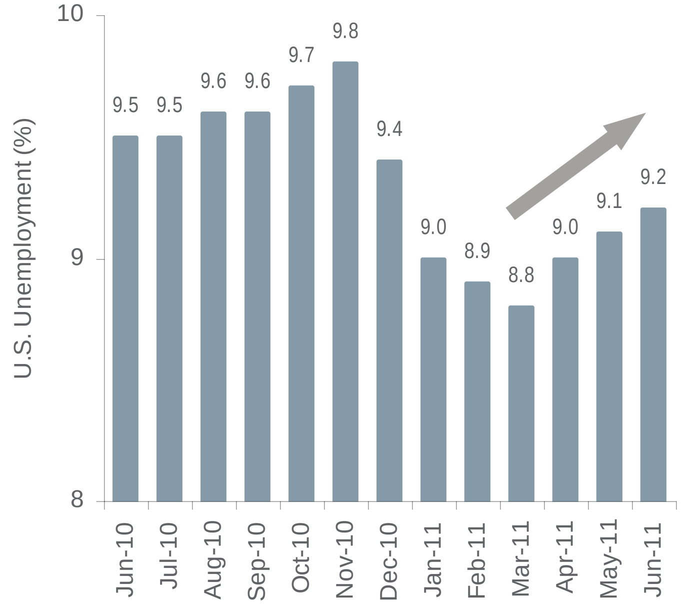
Sources: Bloomberg

Please review the disclosures which follow this presentation.

Slow Growth and Stubborn Unemployment in U.S.

- Growth has been slowing in the U.S. as manufacturers and other businesses cut back spending
  - The ISM Manufacturing Survey indicated that while new orders by manufacturers are still growing, the pace at which orders are being placed declined significantly in the second quarter
  - An ISM reading of 50 or above indicates month over month growth, while a reading of less than 50 indicates month over month contraction
- Private sector hiring was unable to keep pace with public sector layoffs and a growing labor force, sending unemployment from 8.8% to 9.2% over the quarter





Sources: Bloomberg

Please review the disclosures which follow this presentation.

Equity Markets

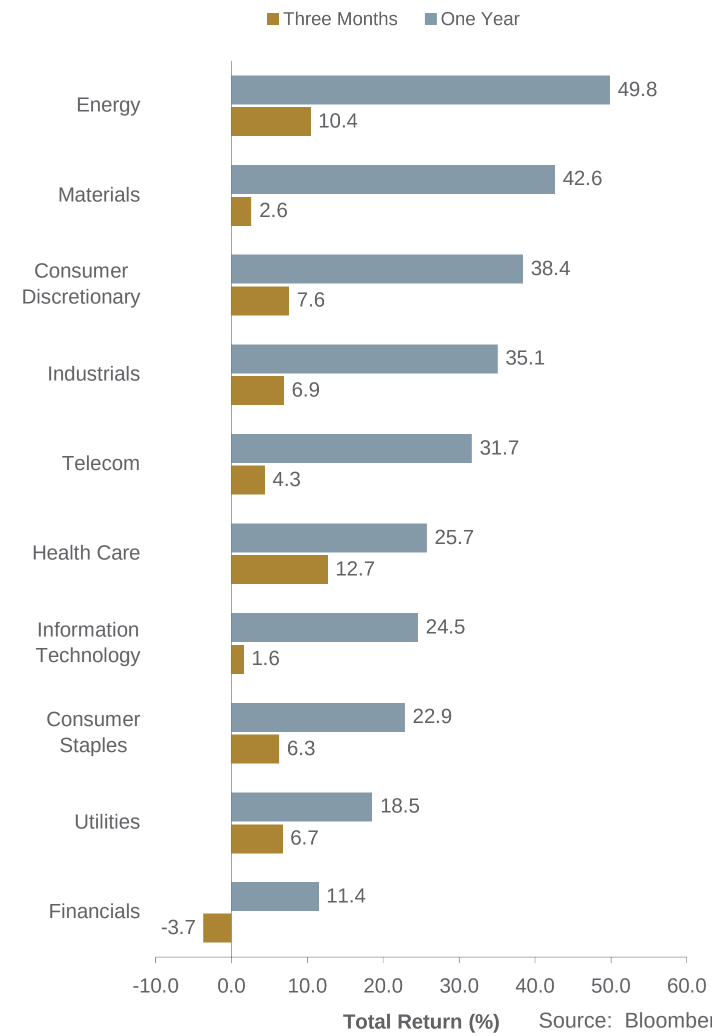
- U.S. markets were essentially flat over the quarter
- International developed markets outperformed U.S. markets, returning 1.6%
- U.S. Small Cap was the poorest performing index, falling 1.6% over the period
- High commodity prices and continued global demand helped fuel returns in the Energy sector
- Health Care and Energy were the bright spots among U.S. industry returns, gaining 12.7% and 10.4%, respectively

Equity Index Returns as of 6/30/11 (%)

	Quarter	YTD	1 Year	3 Years	5 Years
S&P 500	0.1	6.0	30.7	3.3	2.9
Russell 3000	0.0	6.4	32.4	4.0	3.4
Russell Large Cap	0.1	6.4	31.9	3.7	3.3
Russell Mid Cap	0.4	8.1	38.5	6.5	5.3
Russell Small Cap	-1.6	6.2	37.4	7.8	4.1
Russell Growth	0.6	7.0	35.7	5.3	5.4
Russell Value	-0.7	5.7	29.1	2.7	1.2
MSCI EAFE	1.6	5.0	30.4	-1.8	1.5
MSCI Emerging	-1.1	0.9	27.8	4.2	11.4

Source: Bloomberg, S&P, Russell, MSCI

Industry Returns as of 6/30/11



Source: Bloomberg, S&P

Please review the disclosures which follow this presentation.

Fixed Income Markets

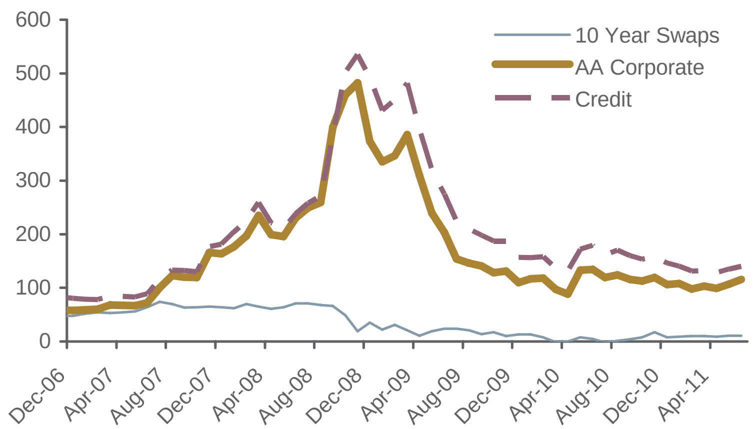
- Fixed income markets continued their strong performance in Q2 2011
- High Yield was the poorest performer in the quarter, rising only 1.1% in reaction to sluggish economic growth
- Global bonds led all fixed income sectors, returning 3.6%
- Year-to-date, Emerging and Global bonds have been the strongest performers, returning 5.8% and 5.5%, respectively

Fixed Income Returns as of 6/30/11 (%)

	Quarter	YTD	1 Year	3 Years	5 Years
Aggregate	2.3	2.7	3.9	6.5	6.5
Treasury	2.4	2.2	2.2	5.1	6.2
Agency	1.4	1.7	2.4	5.0	5.8
Credit	2.5	3.4	6.2	8.2	7.0
Mortgage	2.3	2.9	3.8	6.9	7.0
Asset-Backed	1.8	2.4	3.4	6.6	4.6
High Yield	1.1	5.0	15.6	12.7	9.3
Global	3.6	5.5	15.4	5.8	7.4
Emerging	3.4	5.8	14.3	9.9	9.3

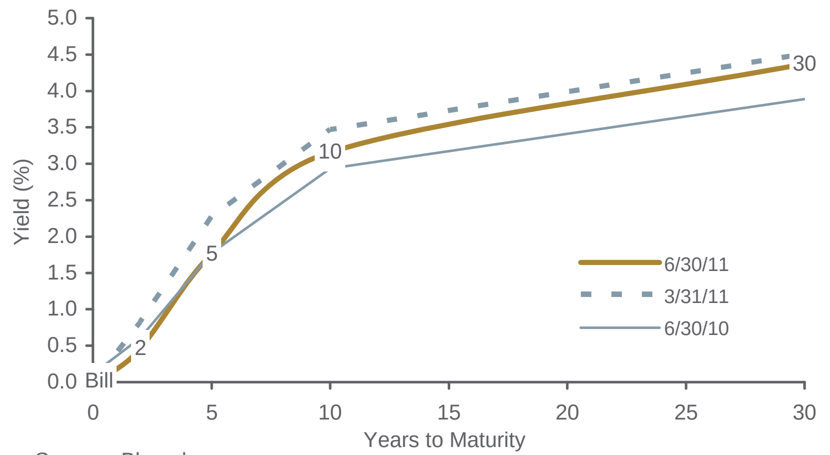
Source: Bloomberg, Barclays Capital

Bond Yield Spreads Vs. Treasury (bp)



Source: Barclays Capital

US Treasury Term Structures



Source: Bloomberg, Barclays Capital

Please review the disclosures which follow this presentation.

Section II.

Portfolio Review and Analytics

Fund Market Values for period ending June 30, 2011

Market Value of Assets Allocation Overview

Allocation	Policy % Allocation - Market Value		Market Value	Actual % Allocation - Market Value
Nevada Prepaid Tuition Program Large Cap Equity Fund	**33.0%**	$	42,842,379	**33.2%**
Nevada Prepaid Tuition Program Mid Cap Equity Fund	**11.0%**	$	14,300,198	**11.1%**
Nevada Prepaid Tuition Program Small Cap Equity Fund	**11.0%**	$	14,374,152	**11.1%**
Total Equities	**55.0%**	$	71,516,729	**55.5%**
Nevada Prepaid Tuition Program Fixed Income Fund	**45.0%**	$	57,443,064	**44.5%**
Total Assets	**Total Market Value Assets**	**$**	**128,959,793**	

Cost Value of Assets Allocation Overview

Allocation	Policy % Allocation - State Statutes *		Cost	Actual % Allocation - Cost
Nevada Prepaid Tuition Program Large Cap Equity Fund	n/a	$	39,289,980	32.8%
Nevada Prepaid Tuition Program Mid Cap Equity Fund	n/a	$	12,035,830	10.0%
Nevada Prepaid Tuition Program Small Cap Equity Fund	n/a	$	12,468,746	10.4%
Equities Cost	**60.0%**	$	63,794,556	**53.3%**
Nevada Prepaid Tuition Program Fixed Income Fund	40.0%	$	55,994,442	46.7%
	40.0%		**Fixed Cost**	**46.7%**
	Total Cost Value Assets	**$**	**119,788,998**	

* Nevada Revised Statutes: Chapter 353B.160 Investment #2(j)(3) mandates that "The maximum investment in stock is not greater than 60 percent of the book value of the total investments of the Trust Fund."

Please review the disclosures which follow this presentation.

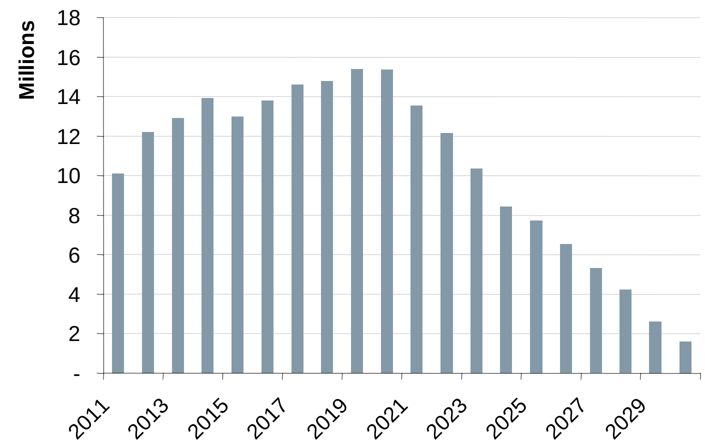
Funded Status Estimate – June 30, 2011

- Actuarial information and cash flow projections were provided by Milliman
- The **Market Value of Assets** equals the market value of investments plus the present value of future contract receivables ($15.1 MM)
- The **Discount Rate** is the rate that is used to compute the Actuarial Liabilities and is based on the expected long term rate of return of the assets
- The **Actuarial Liabilities** are calculated by taking the present value of all Expected Future Cashflows which are comprised of tuition payments and administrative expenses
- The **Funded Ratio** is equal to the Market Value of Assets divided by the Actuarial Liabilities. A Funded Ratio over 100% implies there are sufficient assets to cover the liabilities
- A graph of the **Expected Future Cashflows** is presented to the right

Asset & Liability Information

Valuation Date	6/30/2011
Market Value of Assets (MVA)	146,000,000
Discount Rate	6.75%
Actuarial Liabilities (AL)	130,000,000
Funded Ratio (MVA/AL)	112.3%

Expected Future Cashflows



Note - Market Value of Assets includes $1.9 million in cash held at Wells Fargo.

Please review the disclosures which follow this presentation.

Investment Performance Summary for period ending June 30, 2011

Fund	Quarter Ending	Year to Date	1 Year	3 Years	5 Years	Since Inception *
TOTAL PORTFOLIO						
Nevada Prepaid Tuition Program	**1.25**	**5.61**	**20.15**	**7.01**	--	**4.19**
Benchmark: Inception through June 2010 - 33% S&P 500 Stock Index, 11% S&P 400 Stock Index, 11% S&P 600 Stock Index, 45% Barclays US Aggregate Index; July 2010 to current - 33% S&P 500 Stock Index, 11% S&P 400 Stock Index, 11% S&P 600 Stock Index, 45% Barclays US Aggregate A or Better Index	0.96	4.95	19.55	6.41	--	3.58
EQUITIES						
Nevada Prepaid Tuition Program Large Cap Equity Fund	**1.39**	**8.07**	**32.05**	**3.73**	--	**-0.74**
Benchmark: S&P 500 Stock Index	0.10	6.02	30.69	3.34		-1.65
Nevada Prepaid Tuition Program Mid Cap Equity Index Fund	**-0.70**	**8.59**	**39.40**	**7.86**	--	**4.42**
Benchmark: S&P 400 Stock Index	-0.73	8.56	39.38	7.82		4.31
Nevada Prepaid Tuition Program Small Cap Equity Index Fund	**-0.09**	**7.60**	**37.01**	**8.31**	--	**2.70**
Benchmark: S&P 600 Stock Index	-0.16	7.54	37.03	8.16		2.57
Nevada Prepaid Tuition Program Equity Allocation	**0.67**	**8.08**	**34.55**	**5.54**	--	**1.02**
Benchmark: 60% S&P 500 Stock Index, 20% S&P 400 Stock Index, 20% S&P 600 Stock Index	-0.12	6.84	33.70	5.28		0.45
FIXED INCOME						
Nevada Prepaid Tuition Program Fixed Income Fund	**1.97**	**2.45**	**3.85**	**6.41**	--	**6.11**
Benchmark: Inception through June 2010 - 100% Barclays Capital U.S. Aggregate Bond Index; July 2010 to present - Barclays Capital U.S. Aggregate A or Better Index	2.26	2.60	3.52	6.33		6.18

**** Inception Date: September 28, 2007***

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Large Cap Fund Commentary – June 30, 2011

Equity markets began the quarter on a positive note with strong earnings and signs of economic recovery that took the markets to a one year high in early May. Prospects dimmed as economic news disappointed with unemployment remaining high, housing prices taking a further turn down, slower than expected GDP growth, and sovereign debt concerns over Greece all weighed on the markets. High unemployment remains a drag on growth prospects for the economy. Economic sector returns for the quarter were mixed with the Health Care sector performing the best and the Financial sector the worst.

The fund outperformed the S&P 500® Index due to favorable stock selection within sectors. Valuation and momentum factors performed well for the quarter and were a large positive contributor to performance. Earnings quality factors were neutral for the quarter. Health Care, Financial and Consumer Staples sectors all added to relative performance, while Energy was the largest detractor to relative performance.

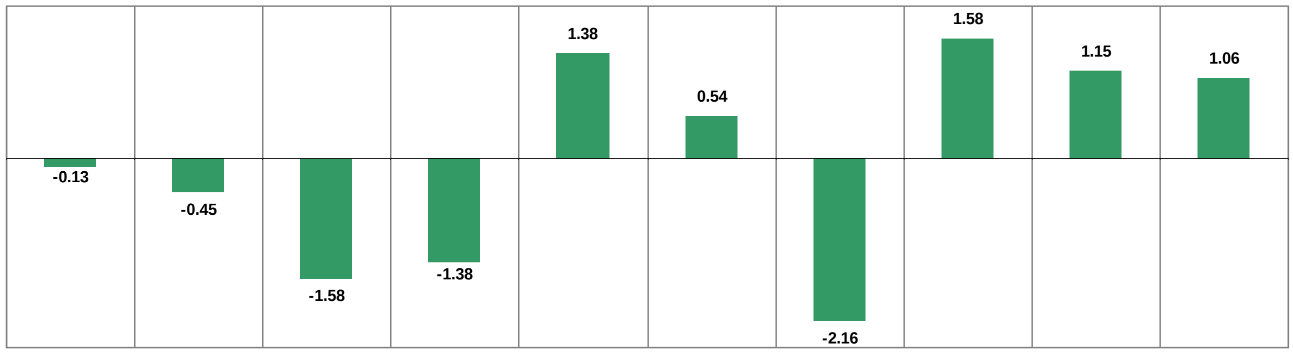
Nevada Prepaid Tuition Program Large Cap Equity Fund Sector Attribution – Quarter Ending June 30, 2011

Economic Sector	Nevada Prepaid Tuition Program Large Cap Fund		S&P 500® Index		
	Average Percent Cap	Total Return	Average Percent Cap	Total Return	Relative Return
Health Care	12.21	12.46	11.54	7.86	0.62
Financials	13.34	-4.53	15.39	-5.93	0.33
Consumer Staples	11.84	7.17	10.68	5.26	0.27
Information Technology	19.60	-0.17	17.94	-1.41	0.22
Materials	3.38	5.17	3.61	-0.88	0.18
Telecommunication Services	4.23	2.05	3.05	2.09	0.02
Industrials	9.38	-1.16	11.22	-0.69	-0.03
Consumer Discretionary	9.71	3.56	10.53	3.51	-0.04
Utilities	3.61	3.57	3.32	6.14	-0.04
Energy	12.69	-5.90	12.72	-4.64	-0.16

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Large Cap Equity Fund Portfolio Characteristics – June 30, 2011

Sector Exposure (%)



	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecomm	Utilities
Nevada Prepaid Tuition Program Large Cap Fund	12.54	3.21	9.67	9.27	12.02	12.26	12.97	19.37	4.24	4.44
S&P 500® Index	12.68	3.66	11.26	10.65	10.64	11.71	15.13	17.79	3.09	3.38

	Number of Holdings in Portfolio	Weighted Mkt. Cap ($ Billions)	P/E Ratio	P/B Ratio	Yield (%)	Trailing 5 Year EPS Growth (%)	Return on Equity
Nevada Prepaid Tuition Program Large Cap Fund	107	$84.20	14.11X	3.78X	2.16%	8.00%	19.25X
S&P 500® Index	500	$88.05	17.40X	3.76X	1.99%	6.00%	19.79X

Second Quarter 2011 Portfolio Turnover: 22.01%
Second Quarter 2011 Benchmark Turnover: 0.62%

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Large Cap Equity Fund – Portfolio Characteristics June 30, 2011

Largest Overweights	Exposure
Chevron Corp.	1.38%
AT&T Inc.	1.37%
CVS Caremark Corp	1.36%
O'Reilly Automotive Inc.	1.29%
Intel Corp.	1.27%

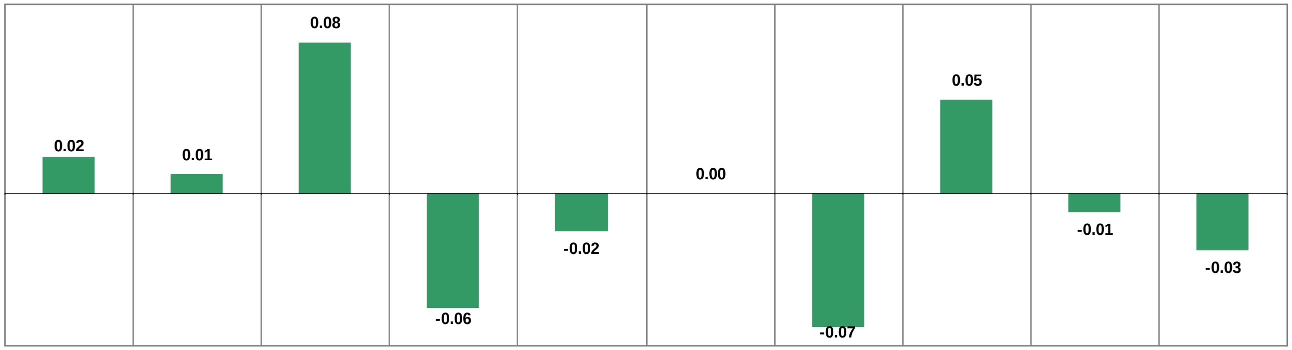
Largest Underweights	Exposure	
Coca-Cola Co.	-1.14%	
Procter & Gamble Co.	-1.14%	
Berkshire Hathaway Inc.	-1.11%	*
Oracle Corp.	-1.07%	*
Wells Fargo & Co.	-1.05%	

*Held in benchmark, not in portfolio

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Mid Cap Equity Index Fund Portfolio Characteristics – June 30, 2011

Sector Exposure (%)



	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecomm	Utilities
Nevada Prepaid Tuition Program Mid Cap Equity Index Fund	7.41	7.36	15.56	13.51	4.18	10.89	19.07	15.97	0.49	5.55
S&P 400® Index	7.39	7.35	15.48	13.57	4.20	10.89	19.14	15.92	0.50	5.58

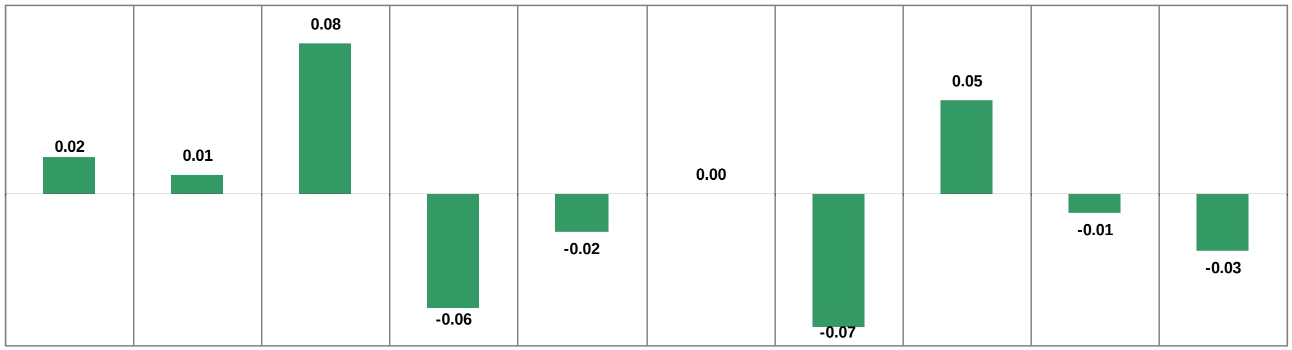
	Number of Holdings in Portfolio	Weighted Mkt. Cap ($ Billions)	P/E Ratio	P/B Ratio	Yield (%)	Trailing 5 Year EPS Growth (%)	Return on Equity
Nevada Prepaid Tuition Program Mid Cap Equity Index Fund	400	$3.99	20.16X	2.18X	1.29%	6.88%	13.18X
S&P 400® Index	400	$3.99	20.20X	2.18X	1.29%	6.91%	13.21X

Second Quarter 2011 Portfolio Turnover: 3.98%
Second Quarter 2011 Benchmark Turnover: 2.85%

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Small Cap Equity Index Fund Portfolio Characteristics – June 30, 2011

Sector Exposure (%)



	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecomm	Utilities
Nevada Prepaid Tuition Program Mid Cap Equity Index Fund	7.41	7.36	15.56	13.51	4.18	10.89	19.07	15.97	0.49	5.55
S&P 400® Index	7.39	7.35	15.48	13.57	4.20	10.89	19.14	15.92	0.50	5.58

	Number of Holdings in Portfolio	Weighted Mkt. Cap ($ Billions)	P/E Ratio	P/B Ratio	Yield (%)	Trailing 5 Year EPS Growth (%)	Return on Equity
Nevada Prepaid Tuition Program Mid Cap Equity Index Fund	400	$3.99	20.16X	2.18X	1.29%	6.88%	13.18X
S&P 400® Index	400	$3.99	20.20X	2.18X	1.29%	6.91%	13.21X

Second Quarter 2010 Portfolio Turnover: 4.98%
Second Quarter 2010 Benchmark Turnover: 3.09%

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Fixed Income Fund Commentary – June 30, 2011

Market Environment

Sentiment of the US fixed income market shifted over the quarter as the outperformance of risk assets in April gave way to increased worries about the performance of the US economy and the likelihood of a debt restructuring for Greece in May and June. Treasury yields fell over the quarter reaching their lowest levels of the year, with the 10-year trading at 2.8%, before ending the quarter at 3.2%. Along with the bond market, prices of other financial assets were also volatile over the quarter: the US equity market ended flat but prices moved over 7%, commodities declined 5% and the US dollar lagged the Euro and Japanese Yen.

Data released during Q2 was not rosy and points to a slowdown in US economic growth activity. The unemployment rate rose to 9.2% and initial jobless claims trended higher with the four-week moving average remaining above 425,000 at quarter-end compared to 395,000 for Q1. Additionally, the ISM manufacturing survey came in below expectations at 53.5 reaching an 18-month low, though remains above the 50 level which indicates an expanding economy.

Sector Performance

Treasury yields experienced volatility during May and June as investors sought a safe haven amidst the headlines of social unrest and tense parliamentary negotiations in Greece. Over the quarter, yields fell across the curve with the 5-year yield declining 50bp to 1.8% and the benchmark 10-year yield falling 30bp, ending the quarter at 3.2%. The performance of non-Treasury sectors were mixed as the credit sectors underperformed relative to Treasuries, and the Government-related sectors generated positive excess returns. CMBS and corporates were the most negatively impacted by the confluence of the flight-to-quality and quarter-end risk reduction. Relative to Treasuries, both CMBS and corporates fell behind -0.54% and -0.32%, respectively during the quarter. Conversely, investment grade sovereign debt benefited from the flight-to-quality environment and gained 1.1%. Among the Government-related sectors, agency debt and MBS also advanced relative to Treasuries.

Nevada Prepaid Tuition Program Fixed Income Fund Commentary – June 30, 2011 (continued)

Outlook

While we expect economic activity in the US to resume a trajectory closer to trend growth, our outlook for the bond market is a bit guarded heading into the second half of the year. The economy is poised to rebound, benefiting from the decline of energy prices in the aftermath of the Arab Spring and following the disruption of global manufacturing in Japan. However, the expected path of US GDP growth will likely be restrained as the impact of fiscal stimulus runs out, high unemployment persists and the housing sector remains soft. Overall, with risk premiums roughly back to where they began the year, there remains to be opportunities in spread product, albeit in reduced allocations relative to the benchmark.

Nevada Prepaid Tuition Program Fixed Income Fund Characteristics – June 30, 2011

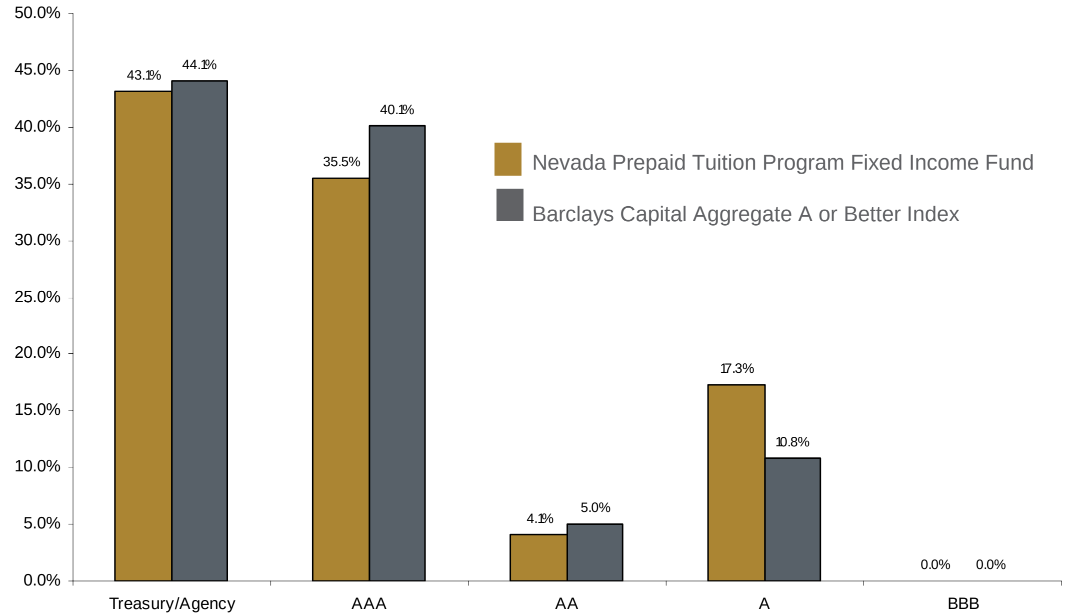
Portfolio Characteristics

	Portfolio	Barclays Capital Aggregate A or Better Bond Index
Average Duration (years)	4.80	4.76
Average Quality	AAA	AAA
Portfolio Turnover (quarterly)	26.5%	n/a

Sector Diversification

	Portfolio	Barclays Capital Aggregate A or Better Bond Index
Government	29.8%	43.0%
Corporate	21.2%	18.0%
Asset Backed	1.6%	0.3%
Mortgage	44.7%	38.7%
Cash	2.7%	0.0%

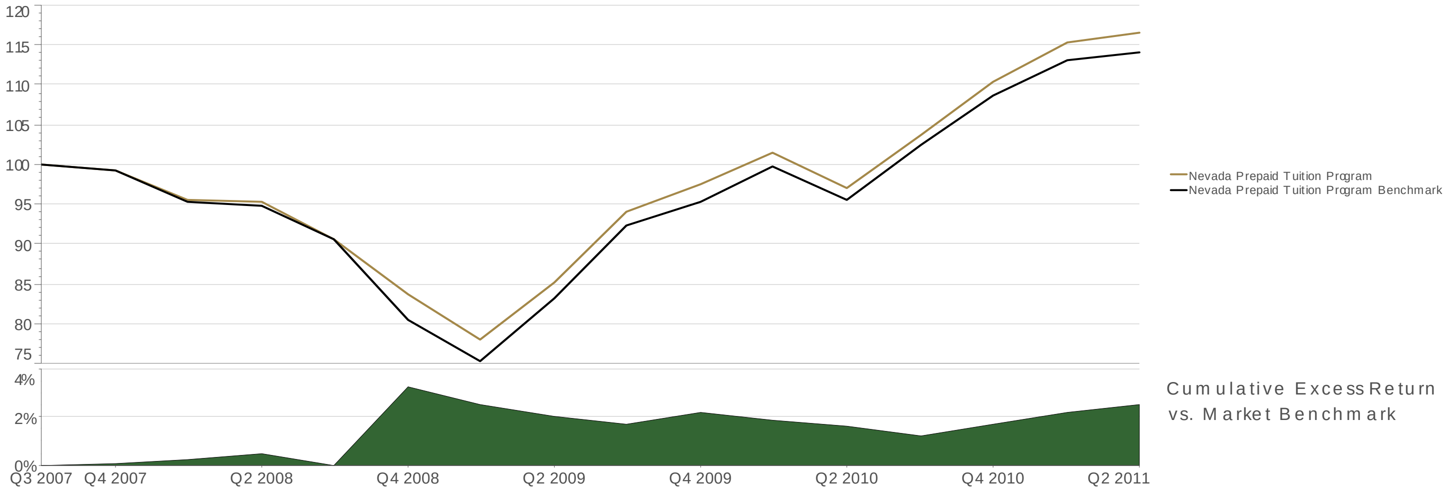
Quality Distribution



Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Portfolio – Manager Performance

Manager Performance
October 2007 - June 2011 (Single Computation)



Performance Table
October 2007 - June 2011. Single Computation

	Portfolio Performance			vs. Nevada Prepaid Tuition Program Benchmark					
	Annualized Return (%)	Cumulative Return (%)	Std Dev (%)	Annualized Excess Return (%)	Cumulative Excess Return (%)	Info Ratio	Significance Level (%)	Explained Variance (%)	Tracking Error (%)
Nevada Prepaid Tuition Program	4.19	16.64	11.67	0.61	2.52	0.28	69.03	97.67	2.17

Nevada Prepaid Tuition Program Portfolio*: 33% Nevada Prepaid Tuition Program Large Cap Equity Fund; 11% Nevada Prepaid Tuition Program Midcap Equity Index Fund; 11% Nevada Prepaid Tuition Program Smallcap Equity Index Fund; 45% Nevada Prepaid Tuition Program Fixed Income Fund

Sandvik Inc. Pension Plan Benchmark (ex derivatives)*: 33% S&P 500 Largecap Stock Index; 11% S&P 400 Midcap Stock Index; 11% S&P 600 Smallcap Stock Index' 45% Barclay's Capital Aggregate A or Better Index

*Allocation as current quarter end; prior periods may differ;

Performance / Excess Return Graph: The top portion of the graph shows the cumulative performance of the manager, and the market benchmark over the period. The bottom portion of the graph represents the excess return of the manager over the market benchmark.

Performance Table: The performance table displays statistics against the market benchmarks. Definitions of the statistics displayed may be found in the glossary at the end of this document.

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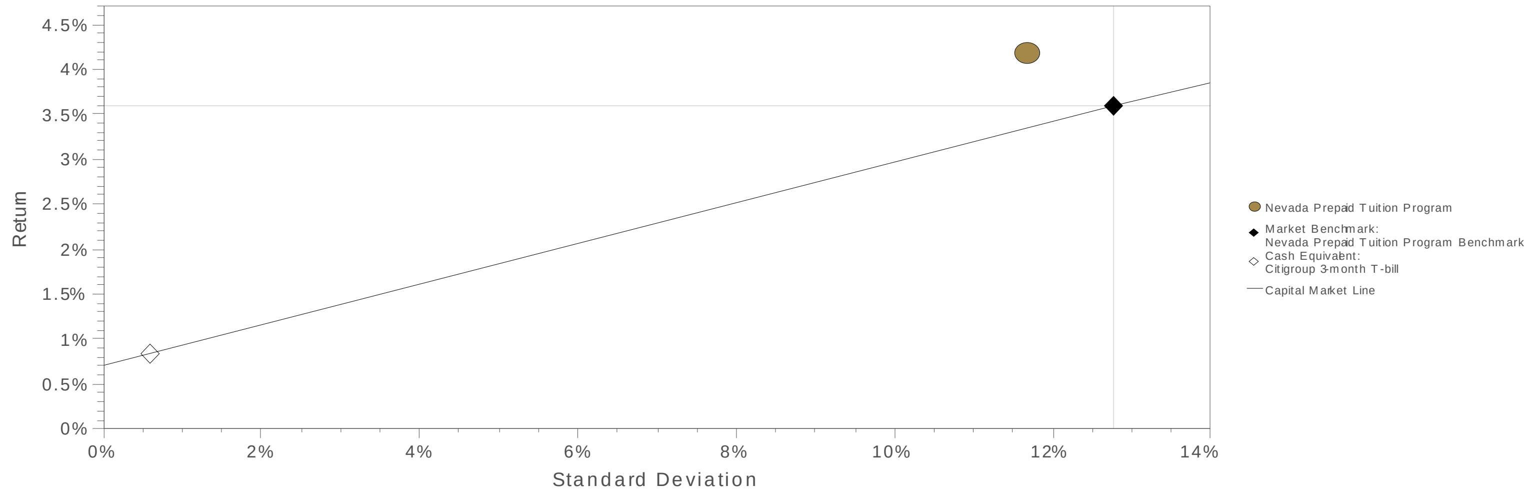
Nevada Prepaid Tuition Program Portfolio – Risk/Return Analysis

Risk / Return

October 2007 - June 2011 (Single Computation)



Risk/Return Table

Annualized Summary Statistics: October 2007 - June 2011

	Return (%)	Std Dev (%)	Downside Risk (%)	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)	Sharpe Ratio	Tracking Error vs. Market (%)	Observs.
Nevada Prepaid Tuition Program	4.19	11.67	8.04	0.9026	0.88	97.67	0.2875	2.1718	15
Nevada Prepaid Tuition Program Benchmark	3.58	12.77	8.89	1.0000	0.00	100.00	0.2151	0.0000	15

Nevada Prepaid Tuition Program Portfolio*: 33% Nevada Prepaid Tuition Program Large Cap Equity Fund; 11% Nevada Prepaid Tuition Program Midcap Equity Index Fund; 11% Nevada Prepaid Tuition Program Smallcap Equity Index Fund; 45% Nevada Prepaid Tuition Program Fixed Income Fund

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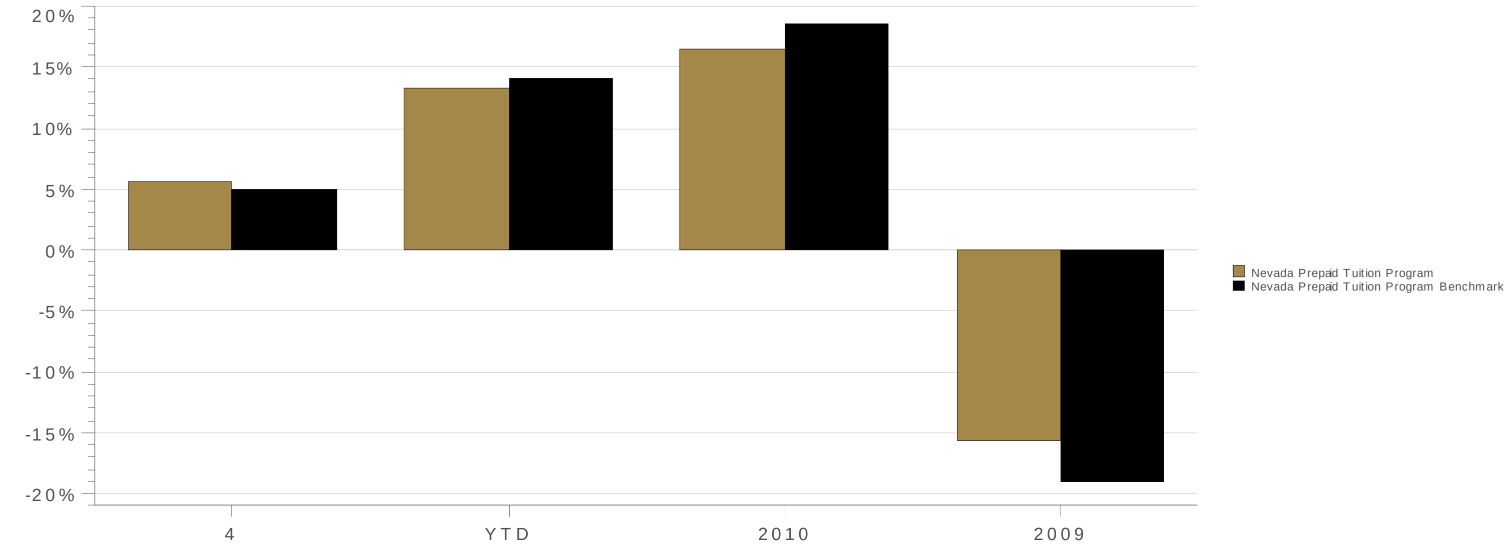
*Allocation as current quarter end; prior periods may differ;

Risk-Return Analysis Graph: The risk-return graph plots the manager's return and standard deviation relative to the selected market benchmark (emphasized by the cross hairs) over the given time period. The risk-free rate is also plotted.

Risk-Return Table: The risk-return table displays statistics for both the manager and the market benchmark. Definitions of the statistics displayed may be found in the glossary at the end of this document

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Portfolio – Calendar Year Performance



Calendar Year Return
As of June 2011

	YTD	2010	2009	2008
Nevada Prepaid Tuition Program	5.61%	13.26%	16.48%	-15.70%
Nevada Prepaid Tuition Program Benchmark	4.95%	14.03%	18.57%	-18.97%

Nevada Prepaid Tuition Program Portfolio*: 33% Nevada Prepaid Tuition Program Large Cap Equity Fund; 11% Nevada Prepaid Tuition Program Midcap Equity Index Fund; 11% Nevada Prepaid Tuition Program Smallcap Equity Index Fund; 45% Nevada Prepaid Tuition Program Fixed Income Fund

Sandvik Inc. Pension Plan Benchmark (ex derivatives)*: 33% S&P 500 Largecap Stock Index; 11% S&P 400 Midcap Stock Index; 11% S&P 600 Smallcap Stock Index' 45% Barclay's Capital Aggregate A or Better Index

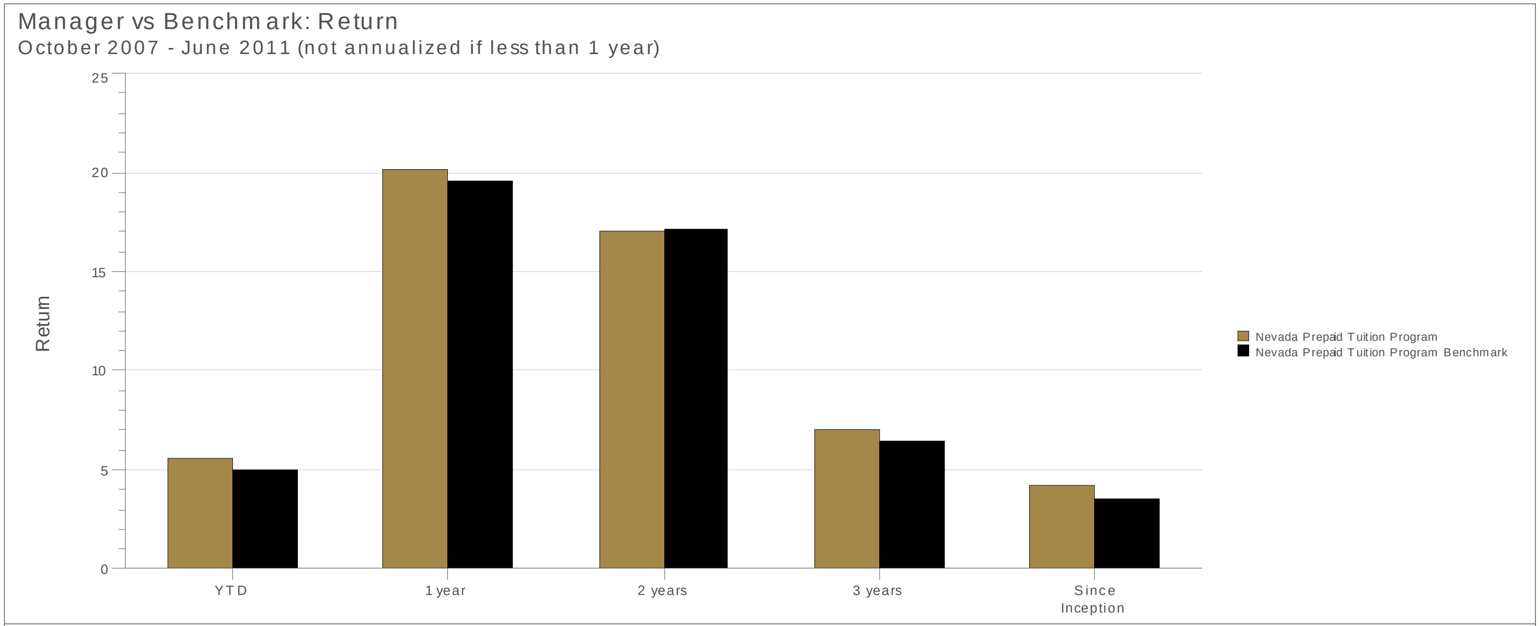
*Allocation as current quarter end; prior periods may differ;

Manager vs. Calendar Year Returns Graph: The managers annual returns graph plots the annual return (vertical axis) for each of the periods listed (horizontal axis) for the manager.

Manager vs. Calendar Year Returns Table: The managers annual returns table lists the annual return for each of the periods listed for the managers.

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Portfolio – Annualized Manager vs. Benchmark Performance



Manager vs Benchmark: Return
October 2007 - June 2011 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Since Inception
Nevada Prepaid Tuition Program	1.25%	5.61%	20.15%	17.01%	7.01%	4.19%
Nevada Prepaid Tuition Program Benchmark	0.96%	4.95%	19.56%	17.14%	6.42%	3.58%

Nevada Prepaid Tuition Program Portfolio*: 33% Nevada Prepaid Tuition Program Large Cap Equity Fund; 11% Nevada Prepaid Tuition Program Midcap Equity Index Fund; 11% Nevada Prepaid Tuition Program Smallcap Equity Index Fund; 45% Nevada Prepaid Tuition Program Fixed Income Fund

Sandvik Inc. Pension Plan Benchmark (ex derivatives)*: 33% S&P 500 Largecap Stock Index; 11% S&P 400 Midcap Stock Index; 11% S&P 600 Smallcap Stock Index' 45% Barclay's Capital Aggregate A or Better Index

*Allocation as current quarter end; prior periods may differ;

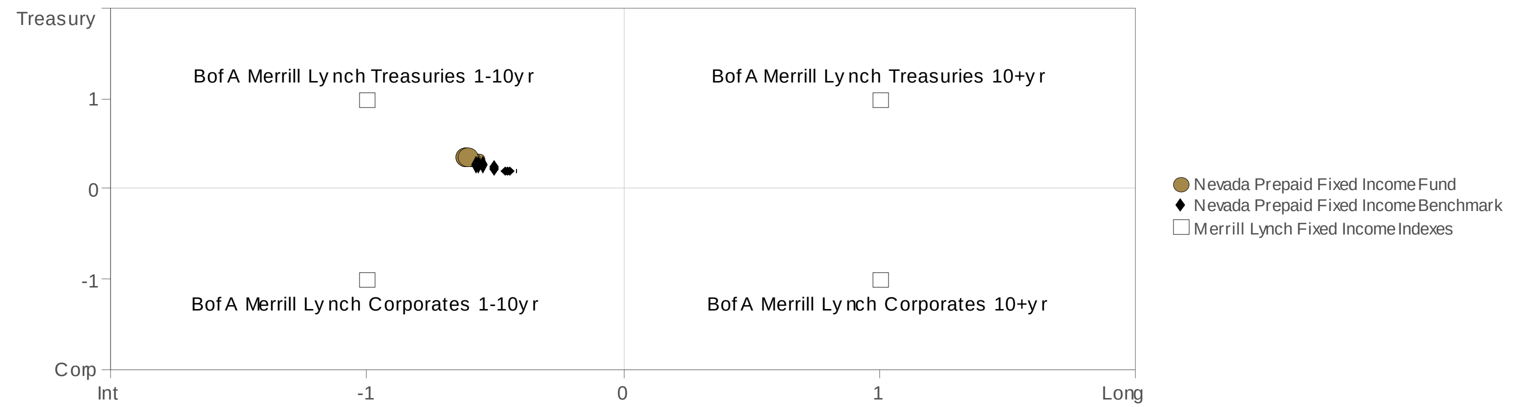
Manager vs. Benchmark Graph: The manager vs. benchmark graph plots the annualized return (vertical axis) for each of the cumulative periods listed (horizontal axis) for the manager and the benchmark.

Manager vs. Benchmark Table: The manager vs. benchmark table displays annualized returns for the manager and the benchmark over the time periods listed in the table. Returns for periods of less than one year are not annualized.

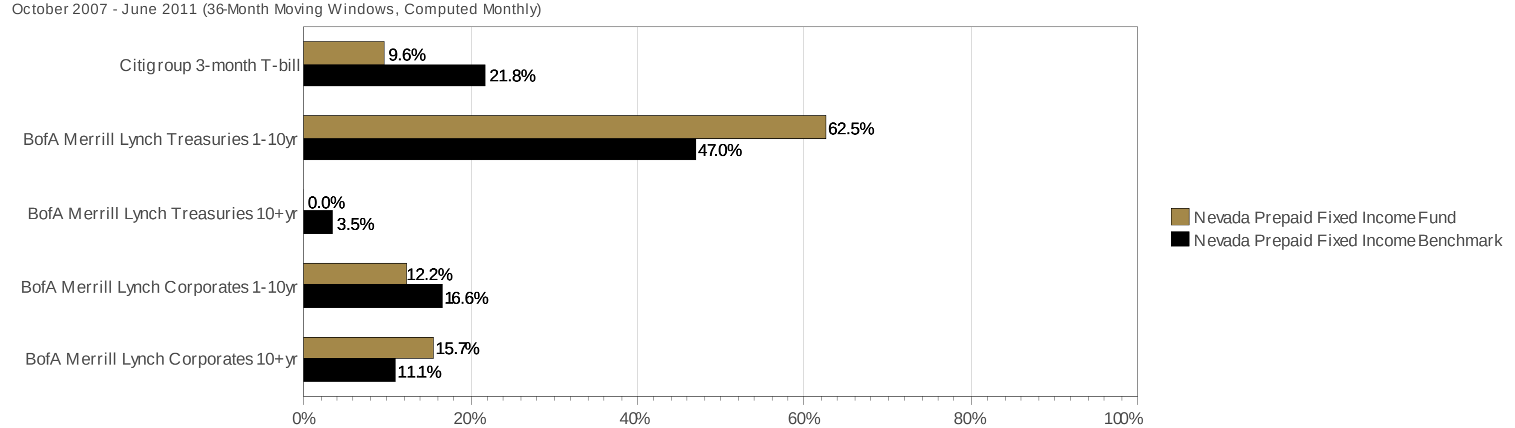
Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Fixed Income Fund – Style Analysis

Manager Style
October 2007 - June 2011 (36-Month Moving Windows, Computed Monthly)



Asset Allocation Nevada Prepaid Fixed Income Fund
October 2007 - June 2011 (36-Month Moving Windows, Computed Monthly)

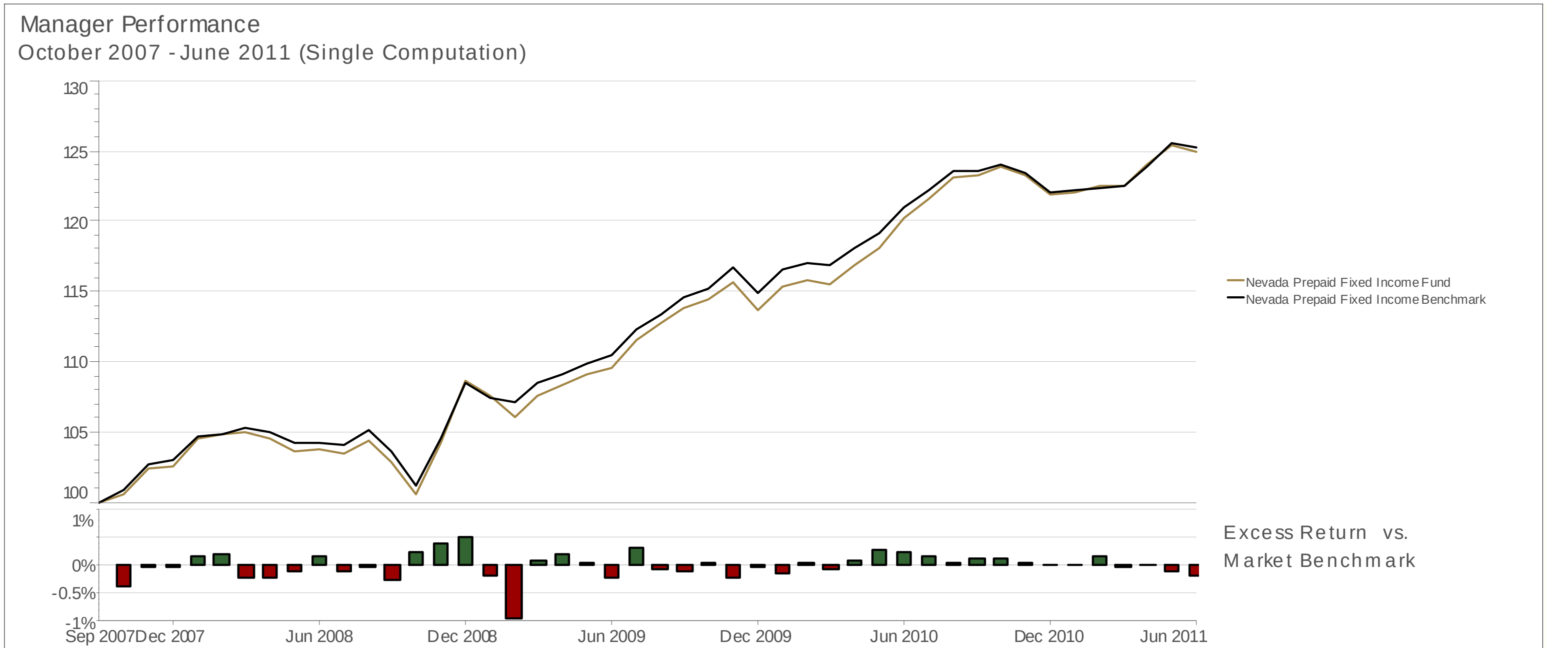


Manager Style Graph: Using a 36 month trailing window, the historical style of the manager is plotted against the four Merrill Lynch style corners. Each point represents a 36 month period, with the crosses growing larger as time progresses.

Asset Allocation Analysis: This graphs displays the combination of the Merrill Lynch style indices that best tracks the actual returns of the manager. Known as the “effective mix”, this combination of indices comprises the customized style benchmark. Citigroup 3 Month Tbills are used as the cash equivalent.

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Fixed Income Fund – Manager Performance



Performance Table
October 2007 - June 2011. Single Computation

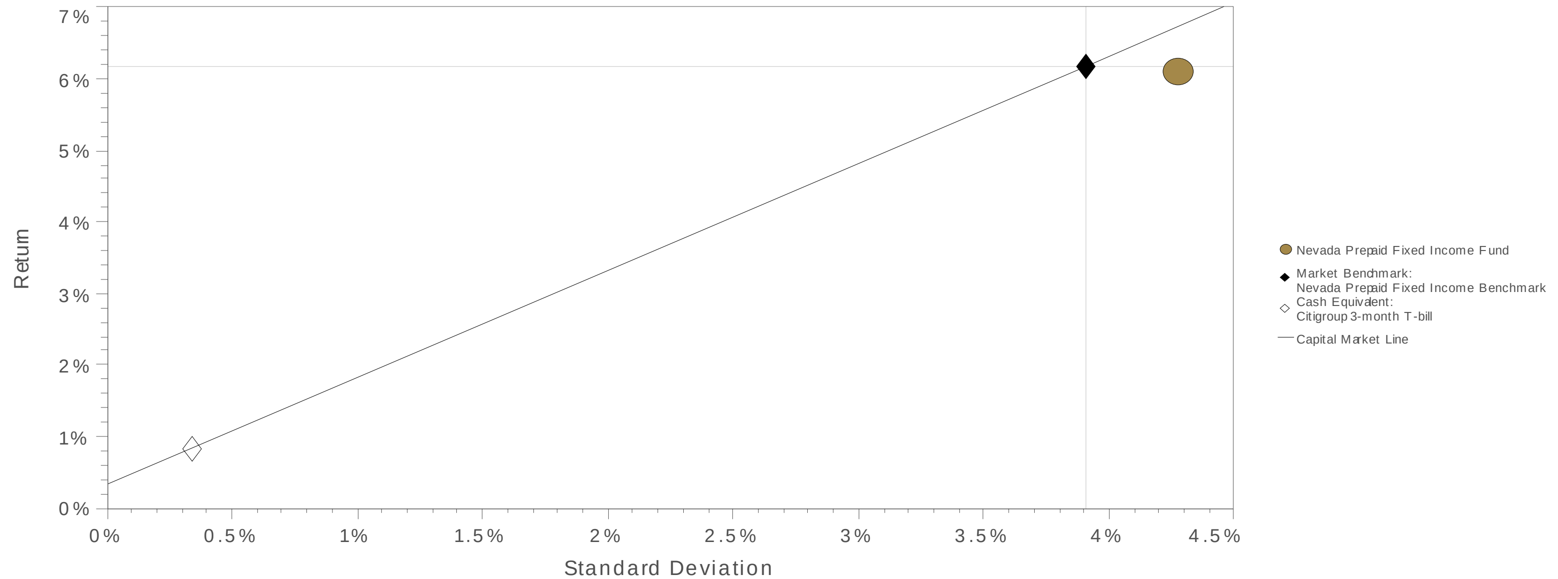
	Portfolio Performance			vs. Nevada Prepaid Fixed Income Benchmark					
	Annualized Return (%)	Cumulative Return (%)	Std Dev (%)	Annualized Excess Return (%)	Cumulative Excess Return (%)	Info Ratio	Significance Level (%)	Explained Variance (%)	Tracking Error (%)
Nevada Prepaid Fixed Income Fund	6.11	24.91	4.27	-0.07	-0.29	-0.08	55.88	96.93	0.80

Performance / Excess Return Graph: The top portion of the graph shows the cumulative performance of the manager, and the market benchmark over the period. The bottom portion of the graph represents the excess return of the manager over the market benchmark.

Performance Table: The performance table displays statistics against the market benchmarks. Definitions of the statistics displayed may be found in the glossary at the end of this document.

Nevada Prepaid Tuition Program Fixed Income Fund – Risk/Return Analysis

Risk / Return
October 2007 - June 2011 (Single Computation)



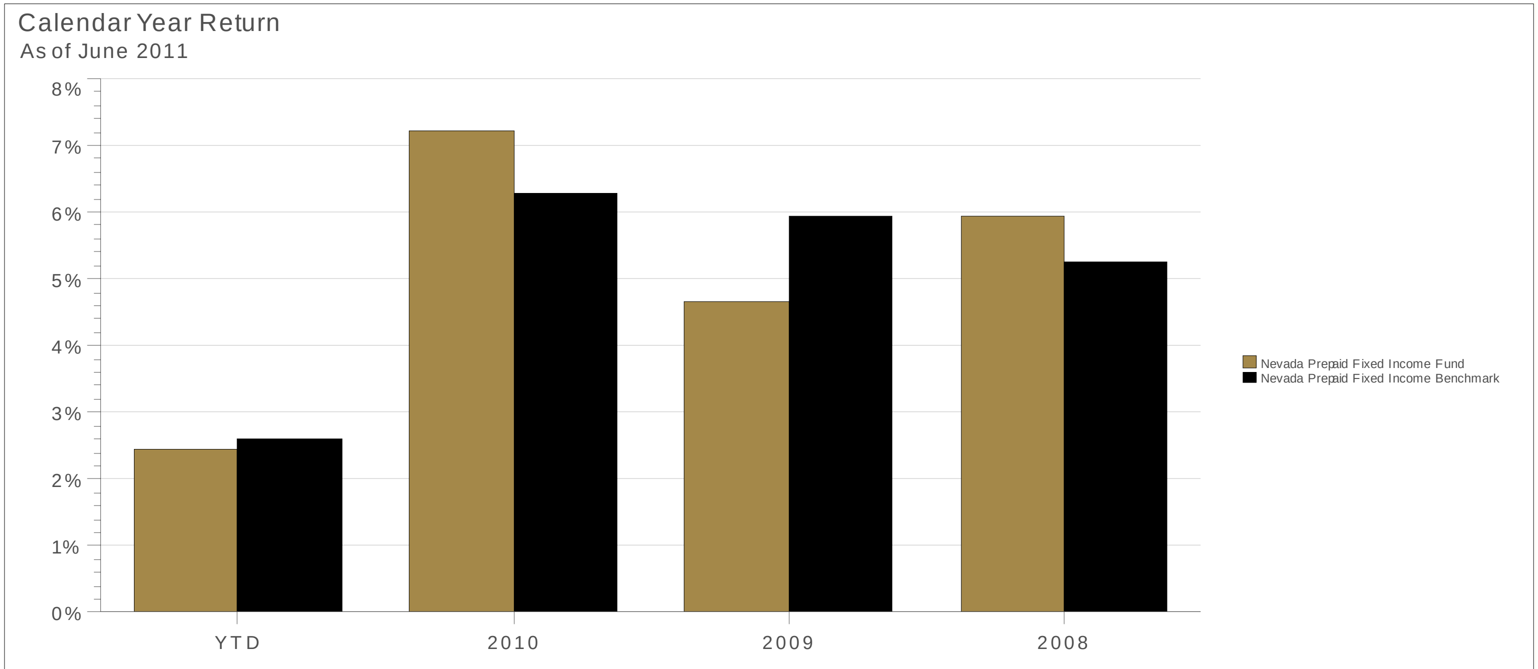
Risk / Return Table
Annualized Summary Statistics: October 2007 - June 2011

	Return (%)	Std Dev (%)	Downside Risk (%)	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)	Sharpe Ratio	Tracking Error vs. Market (%)	Observs.
Nevada Prepaid Fixed Income Fund	6.11	4.27	2.85	1.0760	-0.51	96.93	1.2364	0.8048	45
Nevada Prepaid Fixed Income Benchmark	6.18	3.90	2.68	1.0000	0.00	100.00	1.3681	0.0000	45

Risk-Return Analysis Graph: The risk-return graph plots the manager's return and standard deviation relative to the selected market benchmark (emphasized by the cross hairs) over the given time period. The risk-free rate is also plotted.

Risk-Return Table: The risk-return table displays statistics for both the manager and the market benchmark. Definitions of the statistics displayed may be found in the glossary at the end of this document

Nevada Prepaid Tuition Program Fixed Income Fund – Calendar Year Performance



Calendar Year Return
As of June 2011

	YTD	2010	2009	2008
Nevada Prepaid Fixed Income Fund	2.45%	7.21%	4.67%	5.95%
Nevada Prepaid Fixed Income Benchmark	2.60%	6.27%	5.93%	5.24%

Manager vs. Calendar Year Returns Graph: The managers annual returns graph plots the annual return (vertical axis) for each of the periods listed (horizontal axis) for the manager.

Manager vs. Calendar Year Returns Table: The managers annual returns table lists the annual return for each of the periods listed for the managers.

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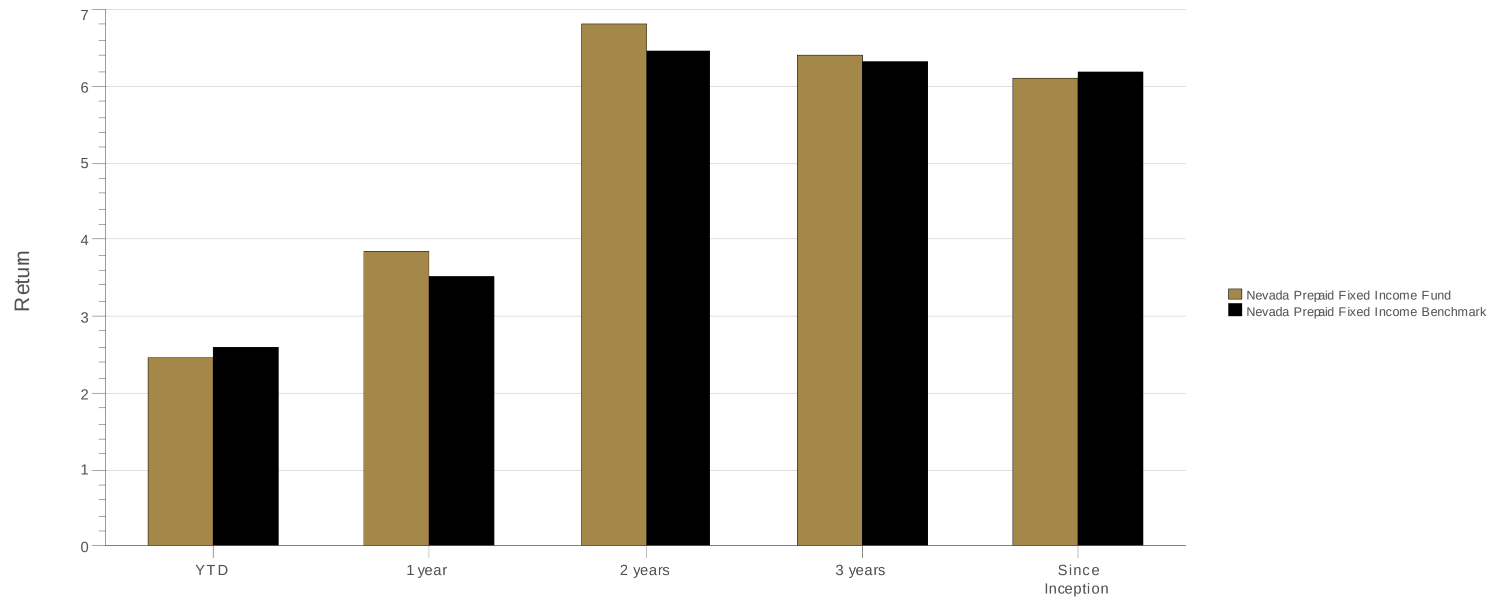
Nevada Prepaid Tuition Program Fixed Income Fund – Annualized Manager vs. Benchmark Performance

Manager vs Benchmark: Return
October 2007 - June 2011 (not annualized if less than 1 year)



Manager vs Benchmark: Return
October 2007 - June 2011 (not annualized if less than 1 year)

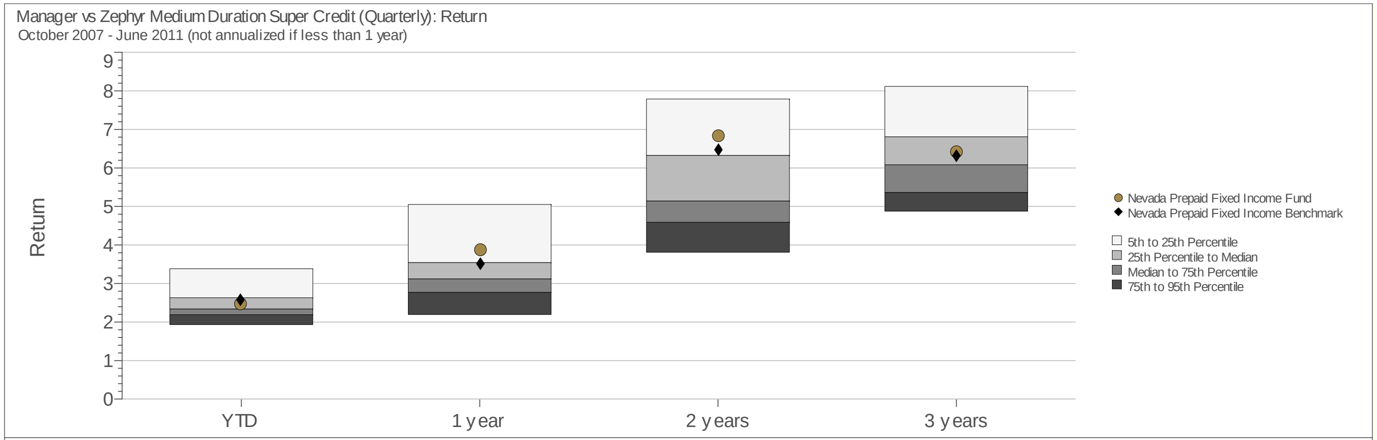
	1 quarter	YTD	1 year	2 years	3 years	Since Inception
Nevada Prepaid Fixed Income Fund	1.97%	2.45%	3.85%	6.82%	6.41%	6.11%
Nevada Prepaid Fixed Income Benchmark	2.26%	2.60%	3.52%	6.46%	6.33%	6.18%

Manager vs. Benchmark Graph: The manager vs. benchmark graph plots the annualized return (vertical axis) for each of the cumulative periods listed (horizontal axis) for the manager and the benchmark.

Manager vs. Benchmark Table: The manager vs. benchmark table displays annualized returns for the manager and the benchmark over the time periods listed in the table. Returns for periods of less than one year are not annualized.

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Fixed Income Fund – Manager vs. Universe Analysis



Manager vs Zephyr Medium Duration Super Credit (Quarterly): Return Rank

October 2007 - June 2011 (not annualized if less than 1 year)

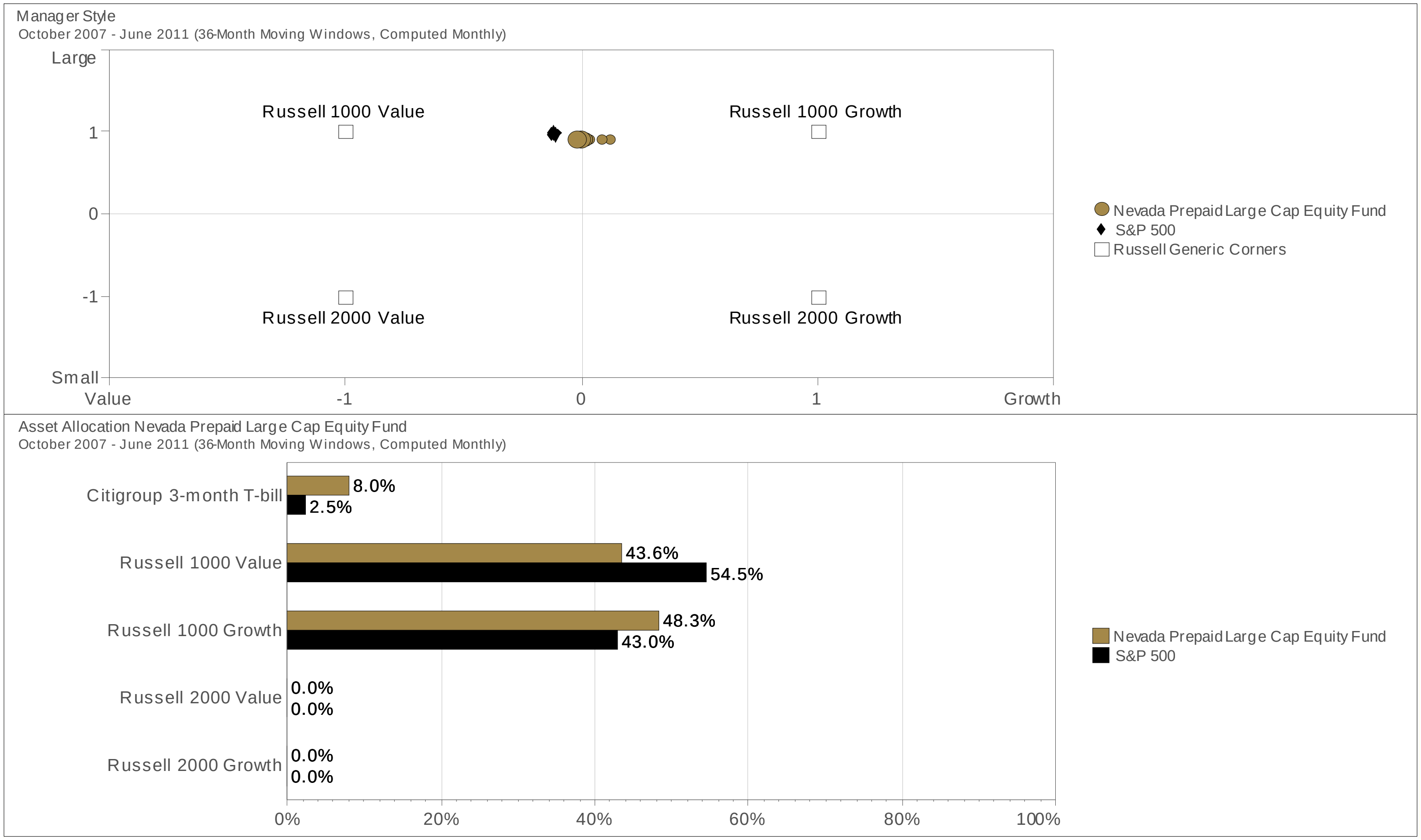
	YTD 34 mng	1 year 34 mng	2 years 33 mng	3 years 32 mng
Nevada Prepaid Fixed Income Fund	36.13%	20.49%	8.80%	38.19%
Nevada Prepaid Fixed Income Benchmark	27.10%	26.96%	19.17%	39.60%

Manager vs. Universe Annual Return Ranks Graph: The manager vs. universe annual return ranks graph plots the return rank of the manager and the benchmark (vertical axis) within the selected universe for each cumulative period listed (horizontal axis).

Manager vs. Universe Annual Return Ranks Table: The manager vs. universe annual return ranks table displays the average rank of the manager and benchmark over the entire period, as listed under the Median Rank column. The rank for each cumulative period is also listed. The lower the rank the better (e.g. a manager with a rank of 20% would have beaten 80% of all managers in the universe).

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Large Cap Equity Fund – Style Analysis

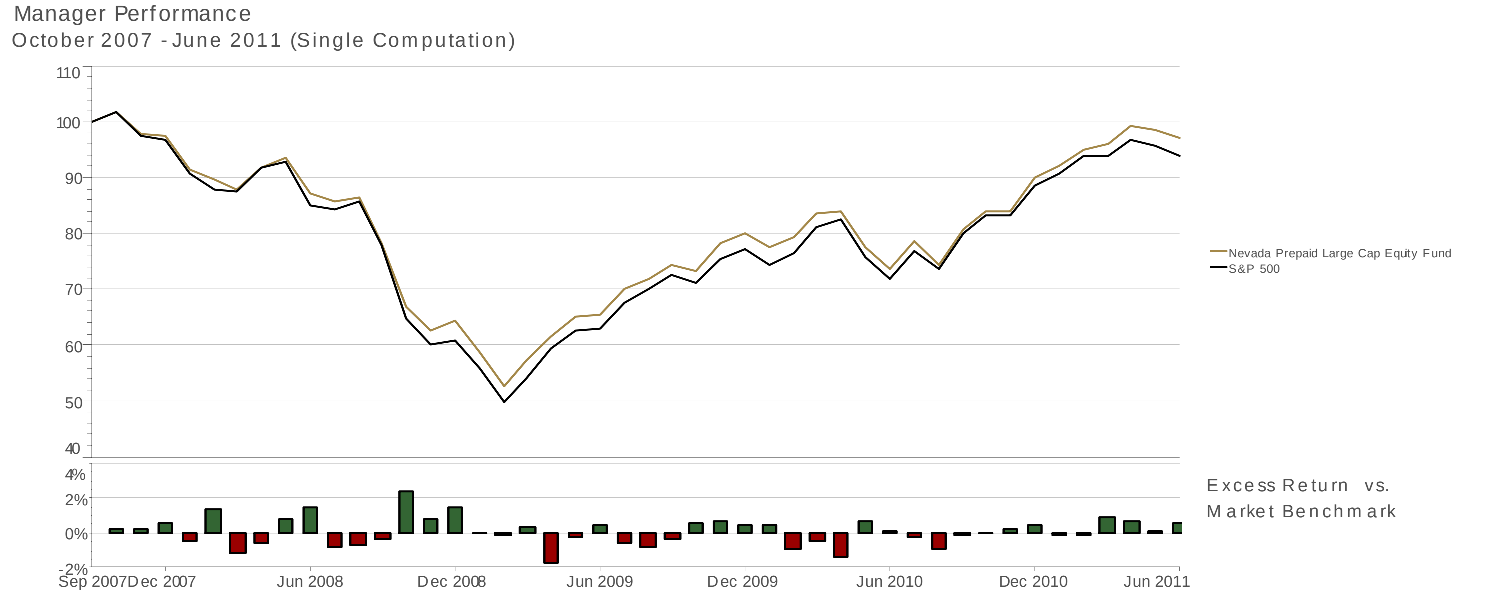


Manager Style Graph: Using a 36 month trailing window, the historical style of the manager is plotted against the four Russell style corners. Each point represents a 36 month period, with the crosses growing larger as time progresses.

Asset Allocation Analysis: This graphs displays the combination of the Russell style indices that best tracks the actual returns of the manager. Known as the “effective mix”, this combination of indices comprises the customized style benchmark. Citigroup 3 Month Tbills are used as the cash equivalent.

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Large Cap Equity Fund – Manager Performance



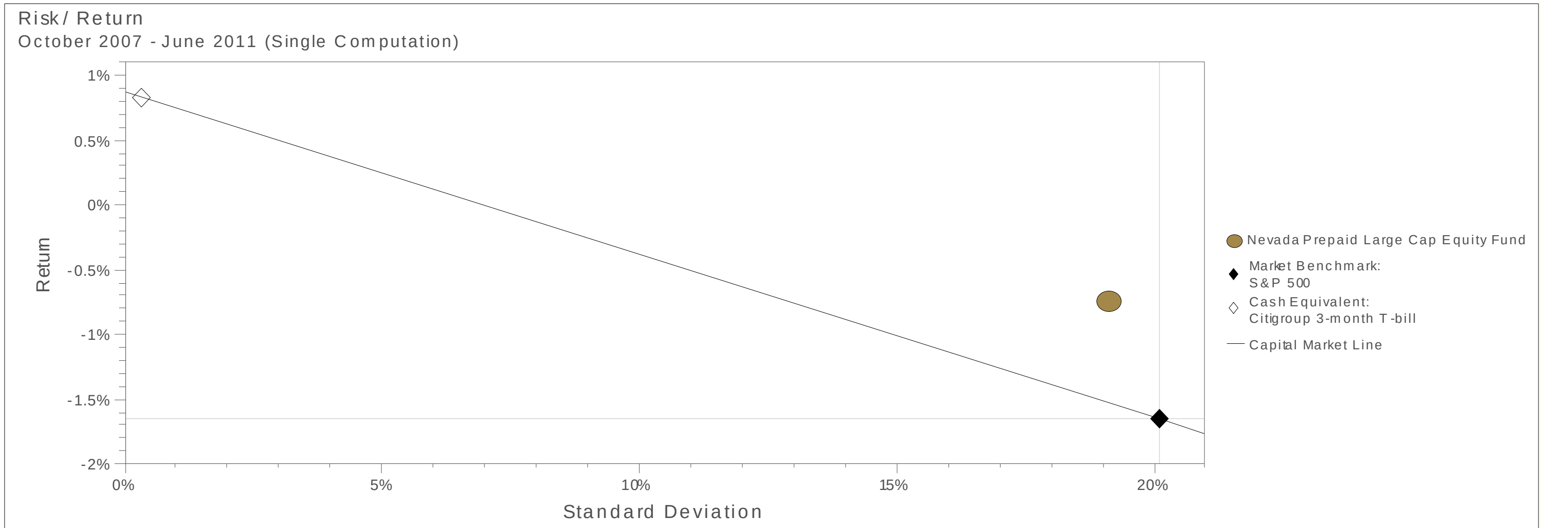
Performance Table
October 2007 - June 2011. Single Computation

	Portfolio Performance			vs. S&P 500					
	Annualized Return (%)	Cumulative Return (%)	Std Dev (%)	Annualized Excess Return (%)	Cumulative Excess Return (%)	Info Ratio	Significance Level (%)	Explained Variance (%)	Tracking Error (%)
Nevada Prepaid Large Cap Equity Fund	-0.74	-2.75	19.10	0.91	3.29	0.33	71.84	98.27	2.77

Performance / Excess Return Graph: The top portion of the graph shows the cumulative performance of the manager, and the market benchmark over the period. The bottom portion of the graph represents the excess return of the manager over the market benchmark.

Performance Table: The performance table displays statistics against the market benchmarks. Definitions of the statistics displayed may be found in the glossary at the end of this document.

Nevada Prepaid Tuition Program Large Cap Equity Fund – Risk/Return Analysis



Risk / Return Table

Annualized Summary Statistics: October 2007 - June 2011

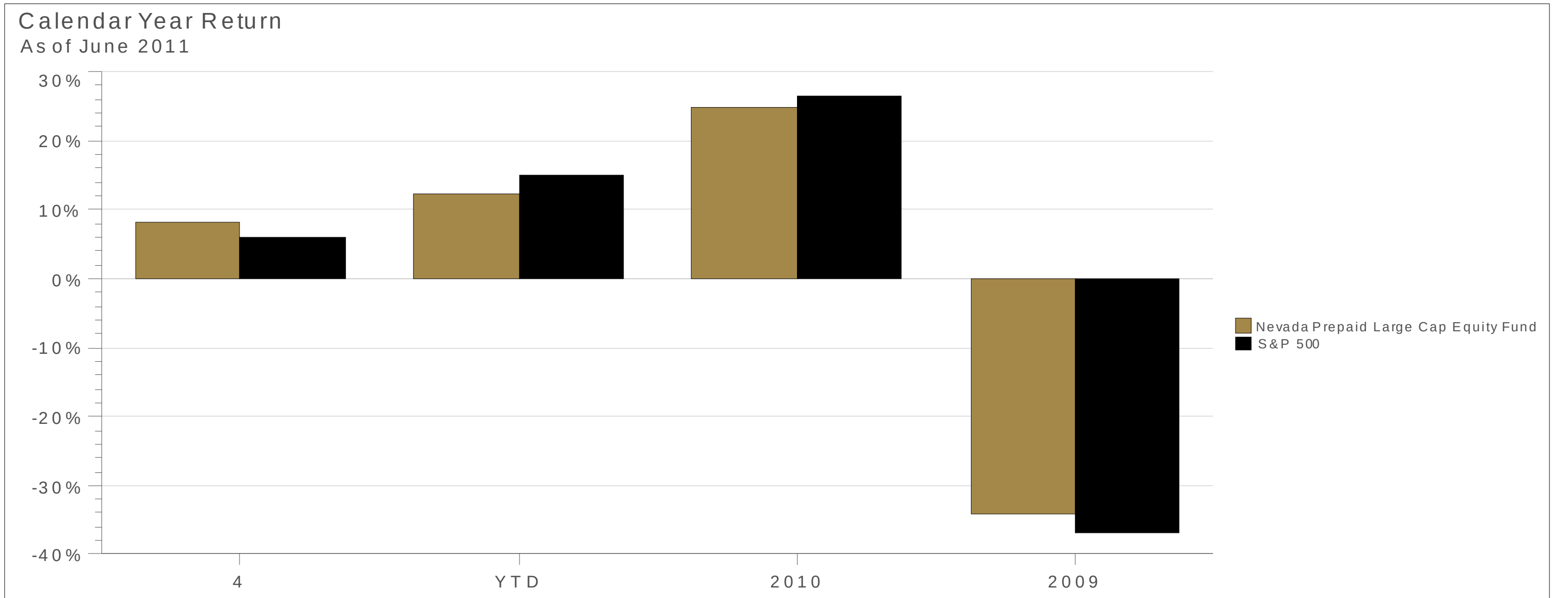
	Return (%)	Std Dev (%)	Downside Risk (%)	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)	Sharpe Ratio	Tracking Error vs. Market (%)	Observs.
Nevada Prepaid Large Cap Equity Fund	-0.74	19.10	14.45	0.9417	0.73	98.27	-0.0825	2.7708	45
S&P 500	-1.65	20.11	15.25	1.0000	0.00	100.00	-0.1234	0.0000	45

Risk-Return Analysis Graph: The risk-return graph plots the manager's return and standard deviation relative to the selected market benchmark (emphasized by the cross hairs) over the given time period. The risk-free rate is also plotted.

Risk-Return Table: The risk-return table displays statistics for both the manager and the market benchmark. Definitions of the statistics displayed may be found in the glossary at the end of this document

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Large Cap Equity Fund – Calendar Year Performance



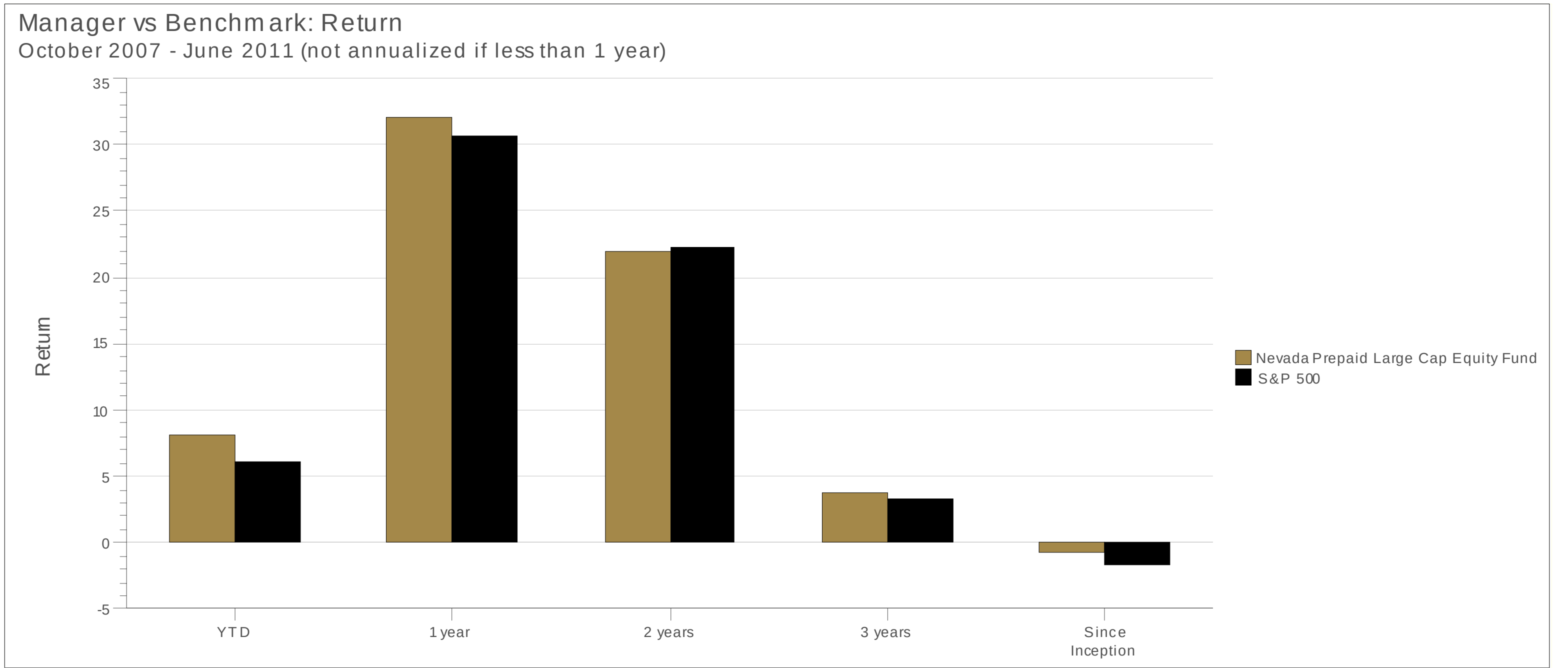
Calendar Year Return
As of June 2011

	YTD	2010	2009	2008
Nevada Prepaid Large Cap Equity Fund	8.07%	12.23%	24.74%	-34.14%
S&P 500	6.02%	15.06%	26.46%	-37.00%

Manager vs. Calendar Year Returns Graph: The managers annual returns graph plots the annual return (vertical axis) for each of the periods listed (horizontal axis) for the manager.

Manager vs. Calendar Year Returns Table: The managers annual returns table lists the annual return for each of the periods listed for the managers.

Nevada Prepaid Tuition Program Large Cap Equity Fund – Annualized Manager vs. Benchmark Performance



Manager vs Benchmark: Return
October 2007 - June 2011 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Since Inception
Nevada Prepaid Large Cap Equity Fund	1.39%	8.07%	32.05%	21.92%	3.73%	-0.74%
S&P 500	0.10%	6.02%	30.69%	22.29%	3.34%	-1.65%

Manager vs. Benchmark Graph: The manager vs. benchmark graph plots the annualized return (vertical axis) for each of the cumulative periods listed (horizontal axis) for the manager and the benchmark.

Manager vs. Benchmark Table: The manager vs. benchmark table displays annualized returns for the manager and the benchmark over the time periods listed in the table. Returns for periods of less than one year are not annualized.

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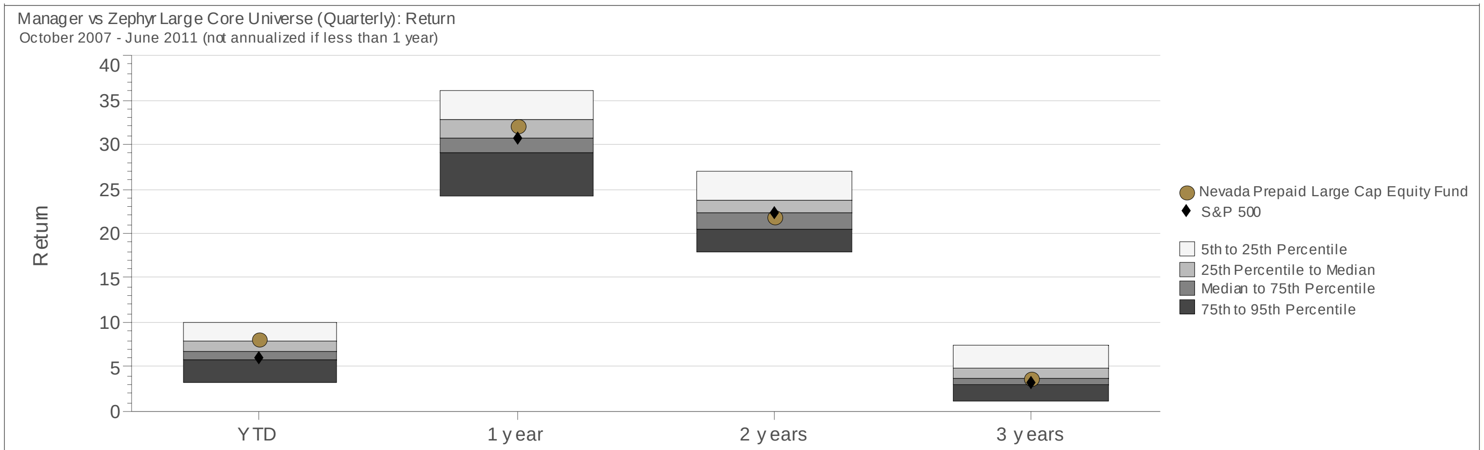
Nevada Prepaid Tuition Program Large Cap Equity Fund – Manager vs. Universe Analysis



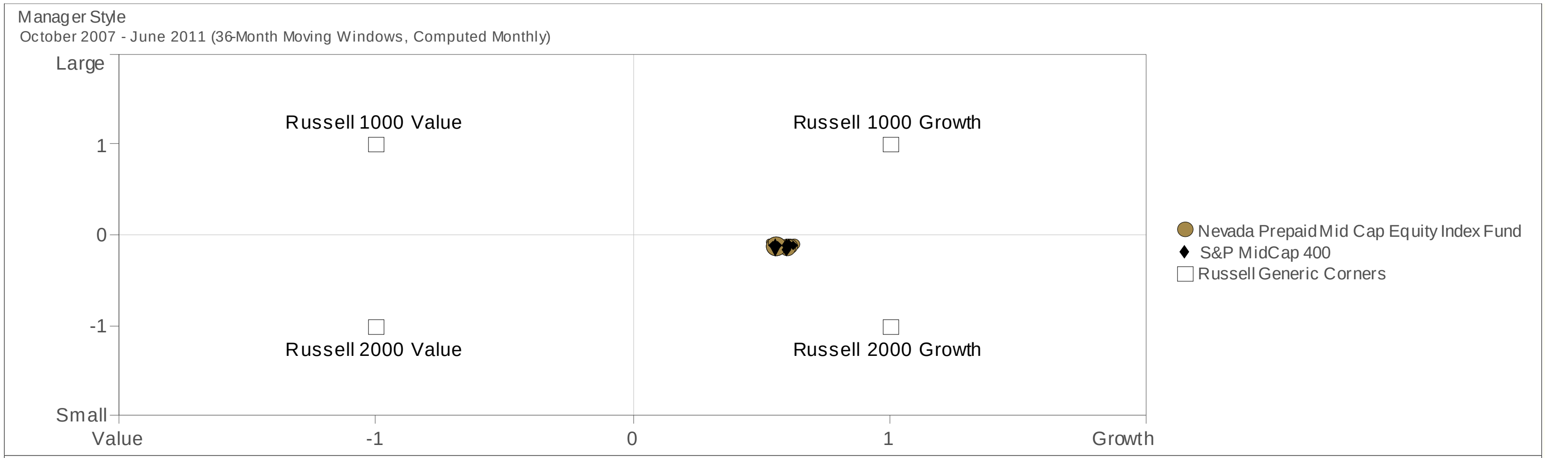
Manager vs Zephyr Large Core Universe (Quarterly): Return Rank
October 2007 - June 2011 (not annualized if less than 1 year)

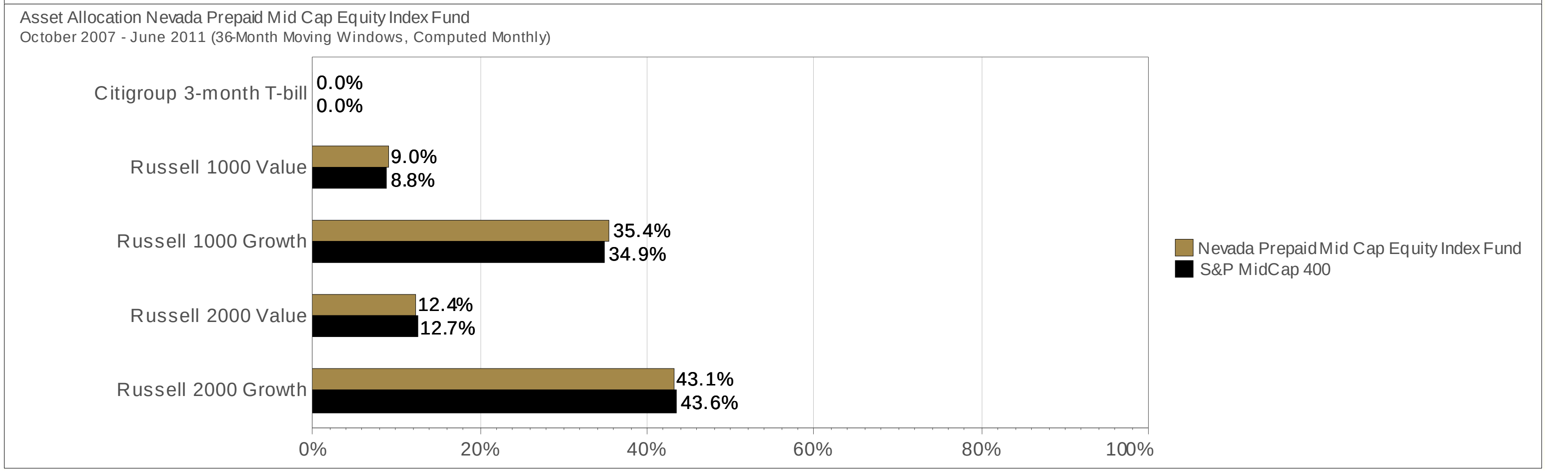
	YTD 296 mng	1 year 296 mng	2 years 292 mng	3 years 289 mng
Nevada Prepaid Large Cap Equity Fund	21.17%	32.49%	57.15%	49.17%
S&P 500	70.37%	52.23%	48.29%	65.62%

Manager vs. Universe Annual Return Ranks Graph: The manager vs. universe annual return ranks graph plots the return rank of the manager and the benchmark (vertical axis) within the selected universe for each cumulative period listed (horizontal axis).

Manager vs. Universe Annual Return Ranks Table: The manager vs. universe annual return ranks table displays the average rank of the manager and benchmark over the entire period, as listed under the Median Rank column. The rank for each cumulative period is also listed. The lower the rank the better (e.g. a manager with a rank of 20% would have beaten 80% of all managers in the universe).

Nevada Prepaid Tuition Program Mid Cap Equity Index Fund – Style Analysis



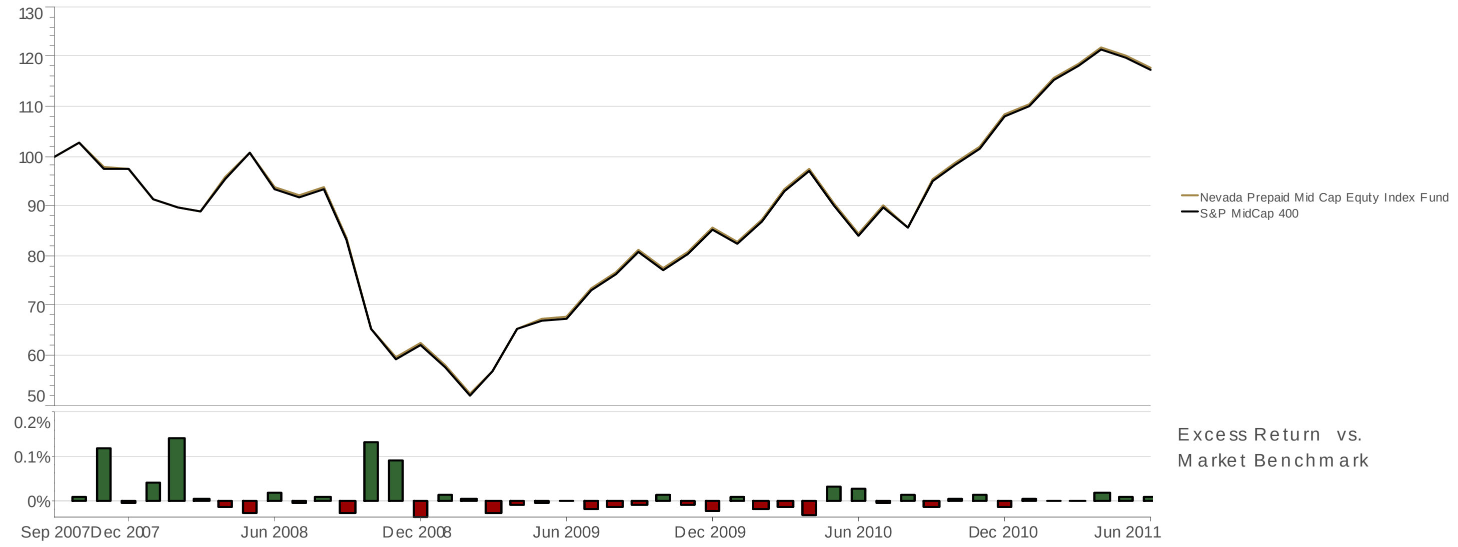


Manager Style Graph: Using a 36 month trailing window, the historical style of the manager is plotted against the four Russell style corners. Each point represents a 36 month period, with the crosses growing larger as time progresses.

Asset Allocation Analysis: This graphs displays the combination of the Russell style indices that best tracks the actual returns of the manager. Known as the “effective mix”, this combination of indices comprises the customized style benchmark. Citigroup 3 Month TBills are used as the cash equivalent.

Nevada Prepaid Tuition Program Mid Cap Equity Index Fund – Manager Performance

Manager Performance
October 2007 - June 2011 (Single Computation)



Performance Table
October 2007 - June 2011. Single Computation

	Portfolio Performance			vs. S&P MidCap 400					
	Annualized Return (%)	Cumulative Return (%)	Std Dev (%)	Annualized Excess Return (%)	Cumulative Excess Return (%)	Info Ratio	Significance Level (%)	Explained Variance (%)	Tracking Error (%)
Nevada Prepaid Mid Cap Equity Index Fund	4.42	17.63	23.68	0.11	0.47	0.81	90.14	100.00	0.14

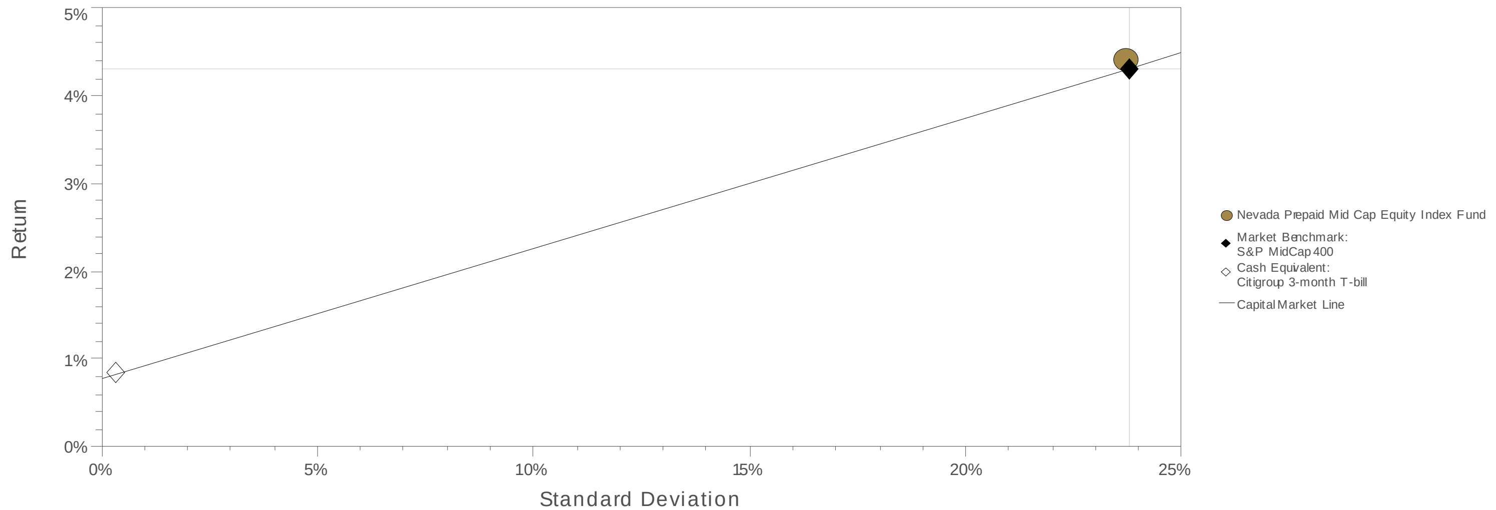
Performance / Excess Return Graph: The top portion of the graph shows the cumulative performance of the manager, and the market benchmark over the period. The bottom portion of the graph represents the excess return of the manager over the market benchmark.

Performance Table: The performance table displays statistics against the market benchmarks. Definitions of the statistics displayed may be found in the glossary at the end of this document.

Nevada Prepaid Tuition Program Mid Cap Equity Index Fund – Risk/Return Analysis

Risk/ Return

October 2007 - June 2011 (Single Computation)



Risk / Return Table

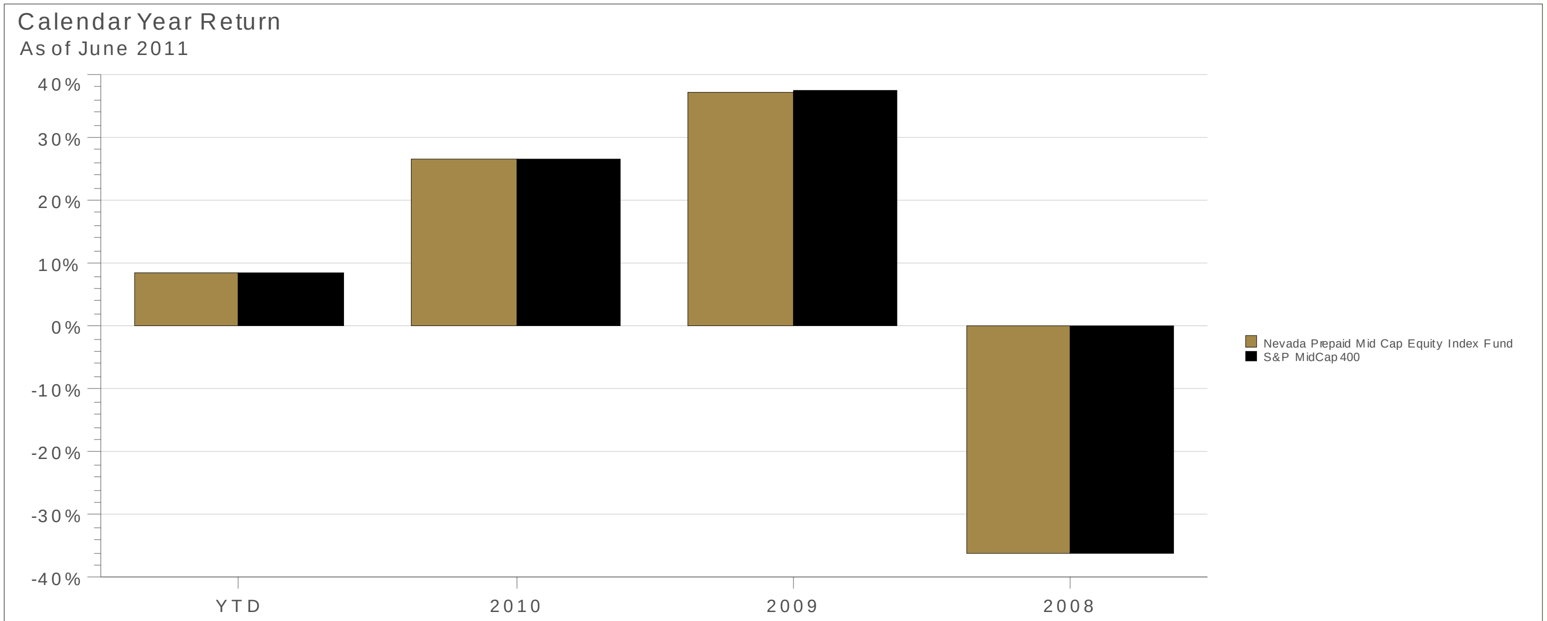
Annualized Summary Statistics: October 2007 - June 2011

	Return (%)	Std Dev (%)	Downside Risk (%)	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)	Sharpe Ratio	Tracking Error vs. Market (%)	Observs.
Nevada Prepaid Mid Cap Equity Index Fund	4.42	23.68	18.08	0.9965	0.11	100.00	0.1516	0.1366	45
S&P MidCap 400	4.31	23.76	18.15	1.0000	0.00	100.00	0.1464	0.0000	45

Risk-Return Analysis Graph: The risk-return graph plots the manager's return and standard deviation relative to the selected market benchmark (emphasized by the cross hairs) over the given time period. The risk-free rate is also plotted.

Risk-Return Table: The risk-return table displays statistics for both the manager and the market benchmark. Definitions of the statistics displayed may be found in the glossary at the end of this document

Nevada Prepaid Tuition Program Mid Cap Equity Index Fund – Calendar Year Performance



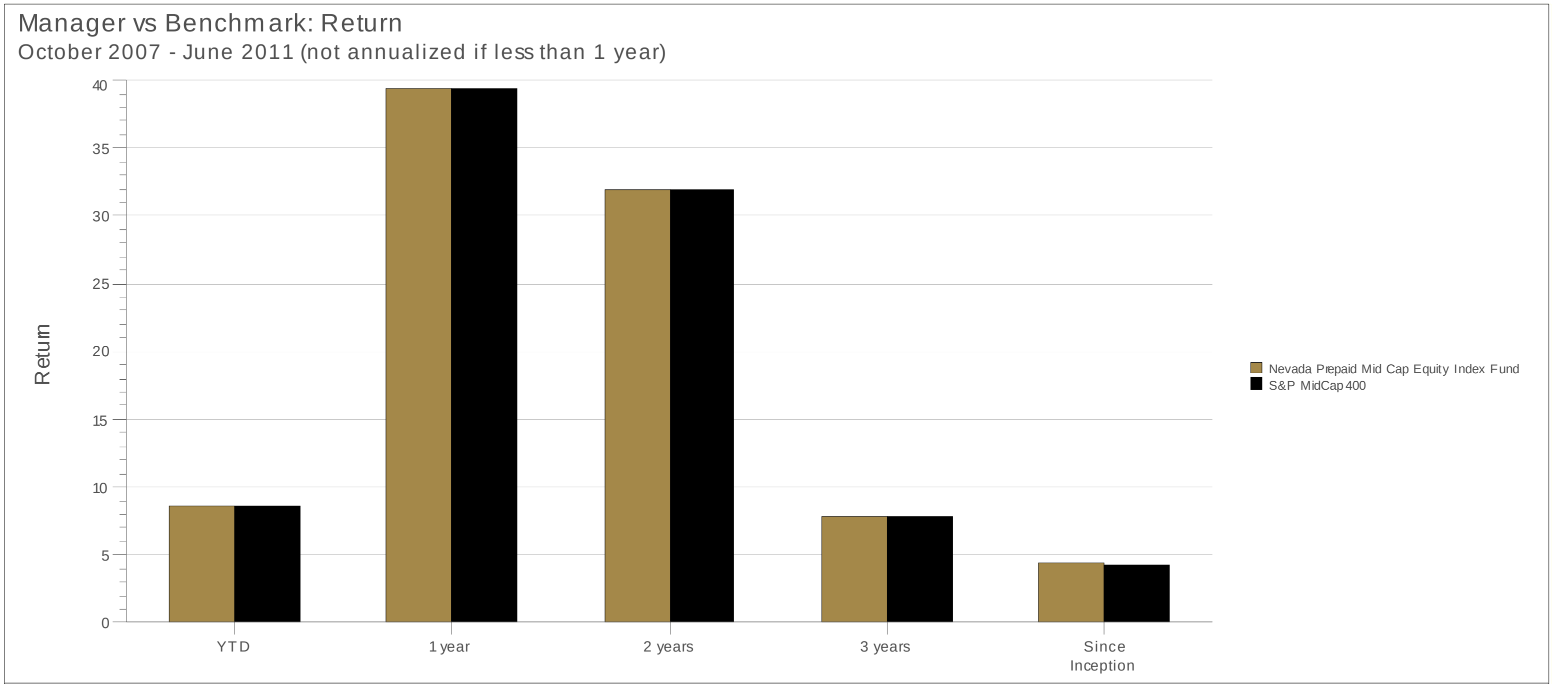
Calendar Year Return
As of June 2011

	YTD	2010	2009	2008
Nevada Prepaid Mid Cap Equity Index Fund	8.59%	26.62%	37.25%	-36.00%
S&P MidCap 400	8.56%	26.64%	37.38%	-36.23%

Manager vs. Calendar Year Returns Graph: The managers annual returns graph plots the annual return (vertical axis) for each of the periods listed (horizontal axis) for the manager.
Manager vs. Calendar Year Returns Table: The managers annual returns table lists the annual return for each of the periods listed for the managers.

Please review the disclosures which follow this presentation.

Nevada Prepaid Tuition Program Mid Cap Equity Index Fund – Annualized Manager vs. Benchmark Performance



Manager vs Benchmark: Return
October 2007 - June 2011 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Since Inception
Nevada Prepaid Mid Cap Equity Index Fund	-0.70%	8.59%	39.40%	31.92%	7.86%	4.42%
S&P MidCap 400	-0.73%	8.56%	39.38%	31.96%	7.82%	4.31%

Manager vs. Benchmark Graph: The manager vs. benchmark graph plots the annualized return (vertical axis) for each of the cumulative periods listed (horizontal axis) for the manager and the benchmark.

Manager vs. Benchmark Table: The manager vs. benchmark table displays annualized returns for the manager and the benchmark over the time periods listed in the table. Returns for periods of less than one year are not annualized.

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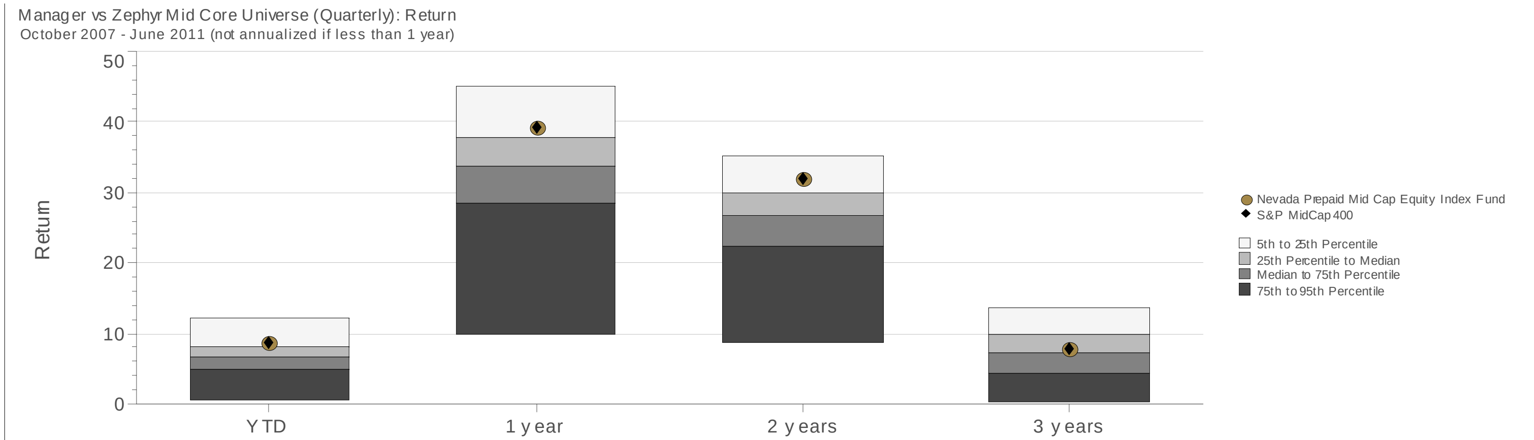
Nevada Prepaid Tuition Program Mid Cap Equity Index Fund – Manager vs. Universe Analysis



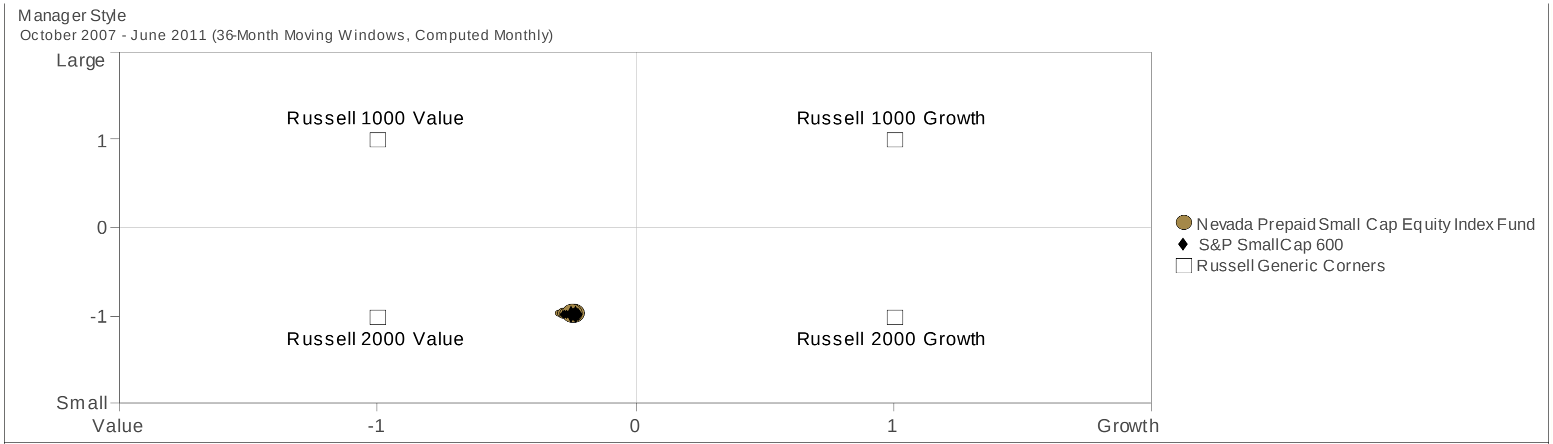
Manager vs Zephyr Mid Core Universe (Quarterly): Return Rank
October 2007 - June 2011 (not annualized if less than 1 year)

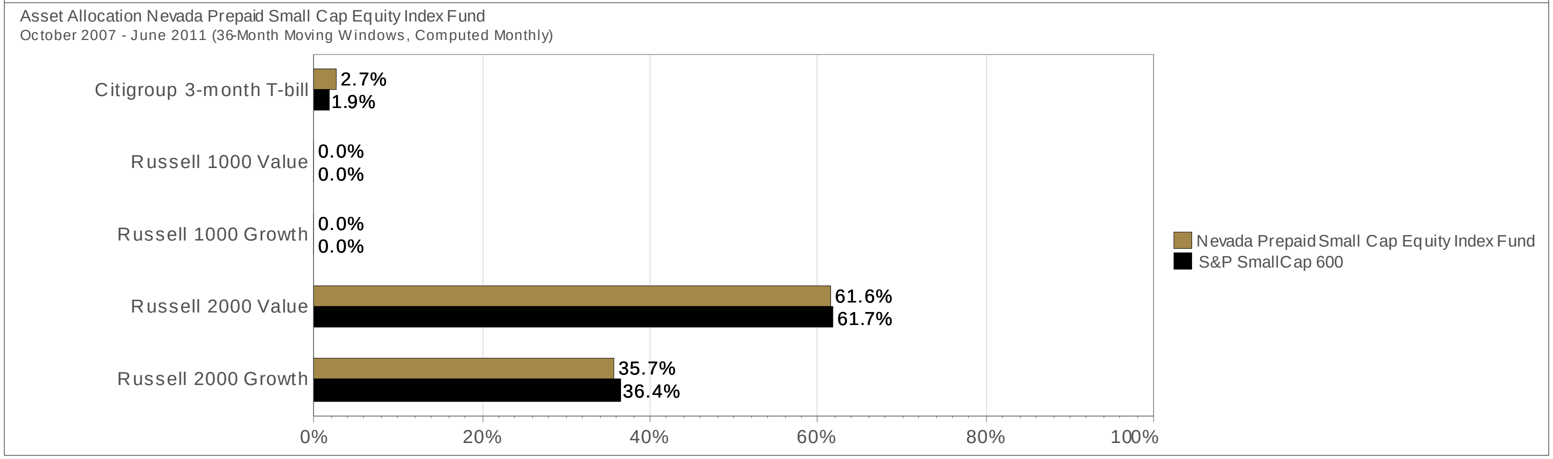
	YTD 91 mng	1 year 91 mng	2 years 91 mng	3 years 85 mng
Nevada Prepaid Mid Cap Equity Index Fund	22.38%	19.61%	10.81%	45.40%
S&P MidCap 400	22.75%	19.63%	10.75%	45.58%

Manager vs. Universe Annual Return Ranks Graph: The manager vs. universe annual return ranks graph plots the return rank of the manager and the benchmark (vertical axis) within the selected universe for each cumulative period listed (horizontal axis).

Manager vs. Universe Annual Return Ranks Table: The manager vs. universe annual return ranks table displays the average rank of the manager and benchmark over the entire period, as listed under the Median Rank column. The rank for each cumulative period is also listed. The lower the rank the better (e.g. a manager with a rank of 20% would have beaten 80% of all managers in the universe).

Nevada Prepaid Tuition Program Small Cap Equity Index Fund – Style Analysis





Manager Style Graph: Using a 36 month trailing window, the historical style of the manager is plotted against the four Russell style corners. Each point represents a 36 month period, with the crosses growing larger as time progresses.

Asset Allocation Analysis: This graphs displays the combination of the Russell style indices that best tracks the actual returns of the manager. Known as the “effective mix”, this combination of indices comprises the customized style benchmark. Citigroup 3 Month TBills are used as the cash equivalent.

Nevada Prepaid Tuition Program Small Cap Equity Index Fund – Manager Performance

Manager Performance

October 2007 - June 2011 (Single Computation)

Performance Table

October 2007 - June 2011. Single Computation

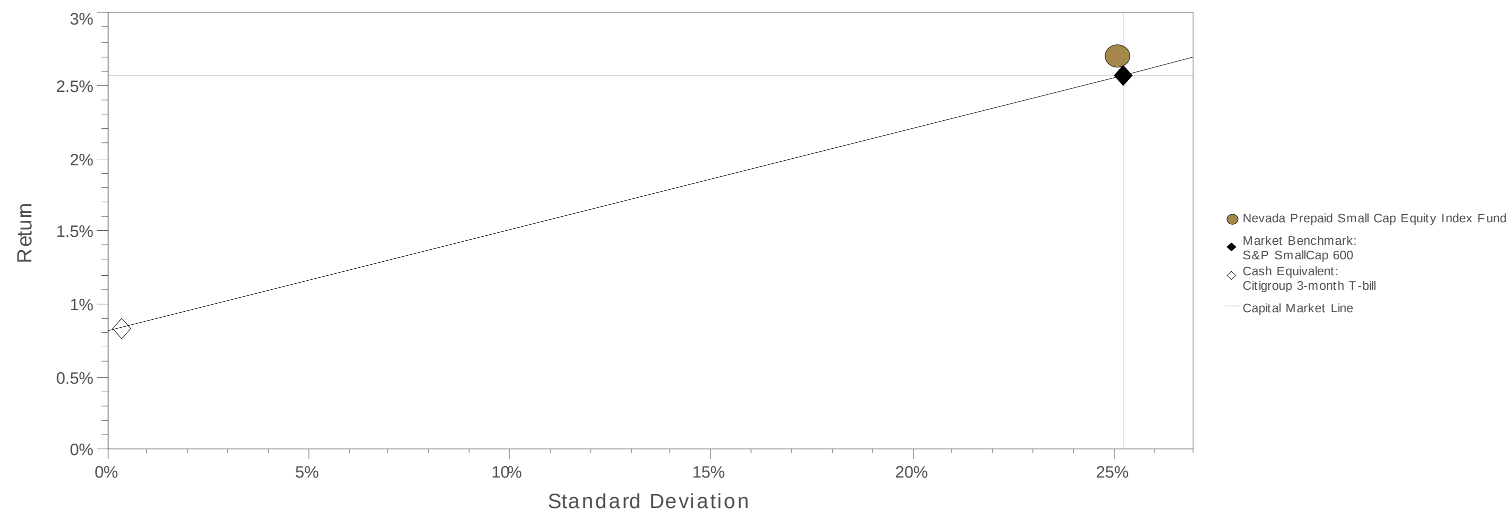
	Portfolio Performance			vs. S&P SmallCap 600					
	Annualized Return (%)	Cumulative Return (%)	Std Dev (%)	Annualized Excess Return (%)	Cumulative Excess Return (%)	Info Ratio	Significance Level (%)	Explained Variance (%)	Tracking Error (%)
Nevada Prepaid Small Cap Equity Index Fund	2.70	10.52	25.04	0.13	0.54	0.49	80.17	99.99	0.27

Performance / Excess Return Graph: The top portion of the graph shows the cumulative performance of the manager, and the market benchmark over the period. The bottom portion of the graph represents the excess return of the manager over the market benchmark.

Performance Table: The performance table displays statistics against the market benchmarks. Definitions of the statistics displayed may be found in the glossary at the end of this document.

Nevada Prepaid Tuition Program Small Cap Equity Index Fund – Risk/Return Analysis

Risk/ Return
October 2007 - June 2011 (Single Computation)



Risk / Return Table
Annualized Summary Statistics: October 2007 - June 2011

	Return (%)	Std Dev (%)	Downside Risk (%)	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)	Sharpe Ratio	Tracking Error vs. Market (%)	Observs.
Nevada Prepaid Small Cap Equity Index Fund	2.70	25.04	18.91	0.9919	0.12	99.99	0.0746	0.2721	45
S&P SmallCap 600	2.57	25.25	19.07	1.0000	0.00	100.00	0.0687	0.0000	45

Risk-Return Analysis Graph: The risk-return graph plots the manager's return and standard deviation relative to the selected market benchmark (emphasized by the cross hairs) over the given time period. The risk-free rate is also plotted.

Risk-Return Table: The risk-return table displays statistics for both the manager and the market benchmark. Definitions of the statistics displayed may be found in the glossary at the end of this document

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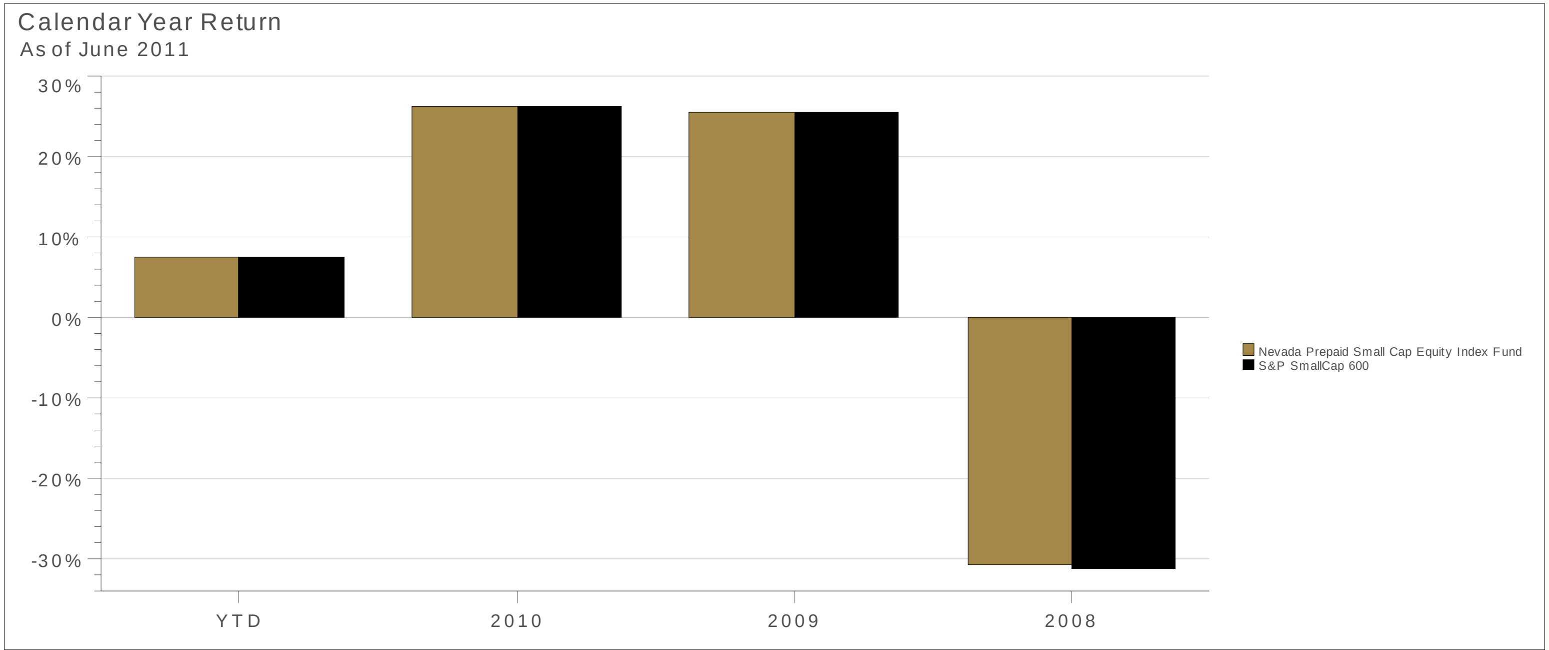
Nevada Prepaid Tuition Program Small Cap Equity Index Fund – Calendar Year Performance

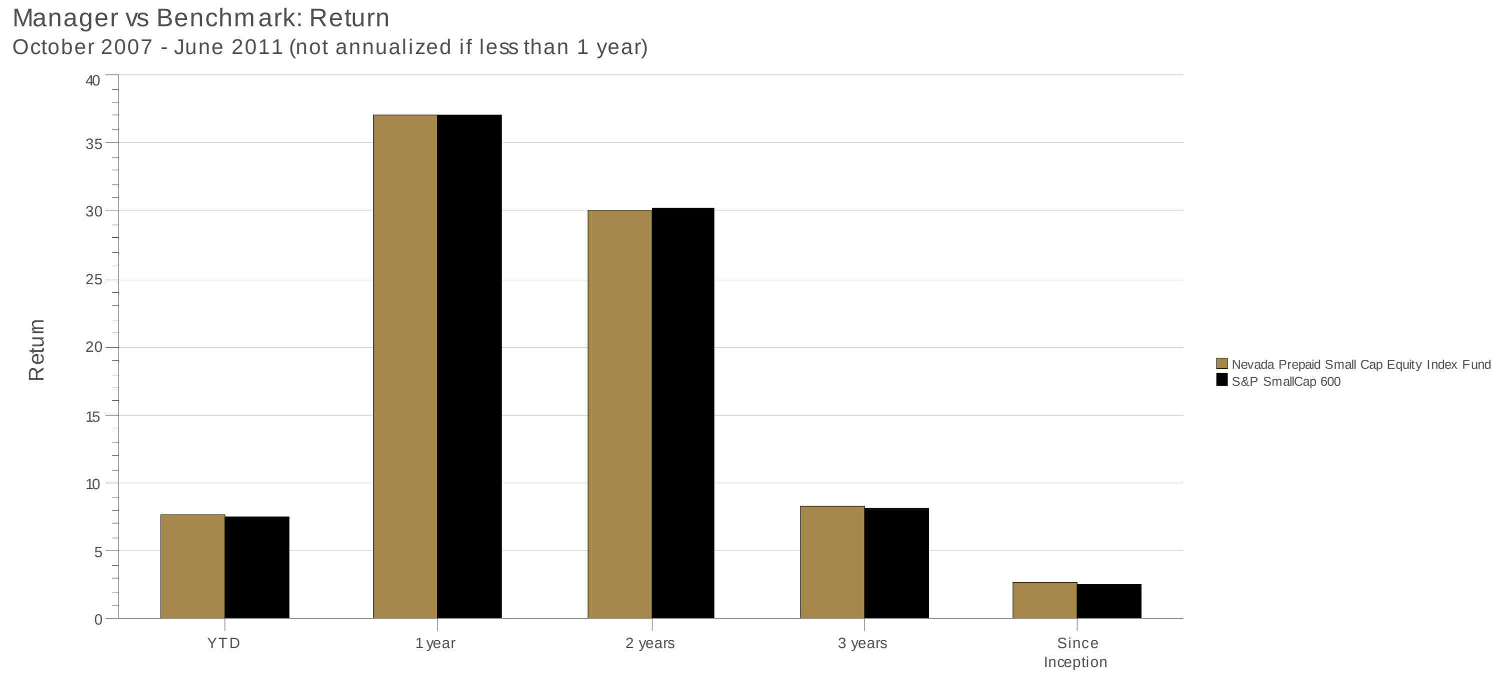


Calendar Year Return
As of June 2011

	YTD	2010	2009	2008
Nevada Prepaid Small Cap Equity Index Fund	7.60%	26.19%	25.38%	-30.59%
S&P SmallCap 600	7.54%	26.31%	25.57%	-31.07%

Manager vs. Calendar Year Returns Graph: The managers annual returns graph plots the annual return (vertical axis) for each of the periods listed (horizontal axis) for the manager.
Manager vs. Calendar Year Returns Table: The managers annual returns table lists the annual return for each of the periods listed for the managers.

Nevada Prepaid Tuition Program Small Cap Equity Index Fund – Annualized Manager vs. Benchmark Performance



Manager vs Benchmark: Return
October 2007 - June 2011 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Since Inception
Nevada Prepaid Small Cap Equity Index Fund	-0.09%	7.60%	37.01%	30.11%	8.31%	2.70%
S&P SmallCap 600	-0.16%	7.54%	37.03%	30.16%	8.16%	2.57%

Manager vs. Benchmark Graph: The manager vs. benchmark graph plots the annualized return (vertical axis) for each of the cumulative periods listed (horizontal axis) for the manager and the benchmark.

Manager vs. Benchmark Table: The manager vs. benchmark table displays annualized returns for the manager and the benchmark over the time periods listed in the table. Returns for periods of less than one year are not annualized.

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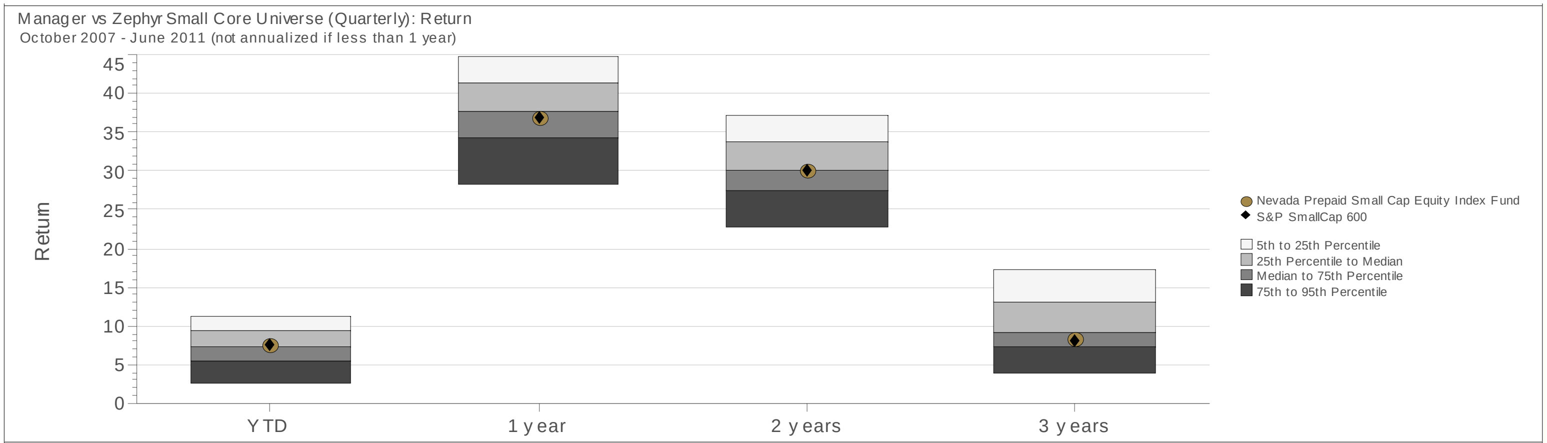
Nevada Prepaid Tuition Program Small Cap Equity Index Fund – Manager vs. Universe Analysis



Manager vs Zephyr Small Core Universe (Quarterly): Return Rank
October 2007 - June 2011 (not annualized if less than 1 year)

	YTD 104 mng	1 year 104 mng	2 years 100 mng	3 years 98 mng
Nevada Prepaid Small Cap Equity Index Fund	46.70%	55.07%	49.96%	54.61%
S&P SmallCap 600	48.64%	55.04%	49.68%	58.08%

Manager vs. Universe Annual Return Ranks Graph: The manager vs. universe annual return ranks graph plots the return rank of the manager and the benchmark (vertical axis) within the selected universe for each cumulative period listed (horizontal axis).

Manager vs. Universe Annual Return Ranks Table: The manager vs. universe annual return ranks table displays the average rank of the manager and benchmark over the entire period, as listed under the Median Rank column. The rank for each cumulative period is also listed. The lower the rank the better (e.g. a manager with a rank of 20% would have beaten 80% of all managers in the universe).

Section III.

Appendix

Disclosures

1. The capital market assumptions are The Bank of New York Mellon's estimates based on historical performance and the current market environment. We do not present the capital market assumptions as actual future performance.
2. This presentation is not intended as an offer to sell or a solicitation of an offer to buy any security.
3. The hypothetical performance information provided is gross of fees and reflects both income and capital appreciation. Management fees will reduce a client's actual return.
4. This information has been prepared by The Bank of New York Mellon based on data and information provided by internal and external sources. While we believe the information provided by external sources to be reliable, we do not warrant its accuracy or completeness.

Disclosures

As of July 1, 2007, Mellon Financial Corporation and The Bank of New York Company, Inc. merged into a newly created entity, The Bank of New York Mellon Corporation. Accordingly, results of the respective asset management subsidiaries for periods prior to that time reflected their separate operations.

Unless otherwise noted, all references to assets under management (which are approximate) are as of 03/31/08 and reflect the pro forma combined AUM of both entities, based on the merger of Mellon Financial Corporation and The Bank of New York Company, Inc., which occurred on 7/1/07.

References to rankings and standings prior to July 1, 2007 do not necessarily reflect a combination of pro-forma operations. The rankings include assets managed by BNY Mellon Asset Management, Mellon Global Securities Lending and Mellon's Private Wealth Management Group. Each ranking may not include the same mix of firms.

BNY Mellon Asset Management is the umbrella organization for The Bank of New York Mellon Corporation's affiliated investment management firms and global distribution companies.

Effective 12/31/07, Mellon Equity Associates LLP, has merged into Mellon Capital Management Corporation. Effective 2/19/08, the Quantitative Equity Management Group of The Bank of New York has integrated into Mellon Capital Management Corporation

Except where The Dreyfus Corporation assets under management are listed separately, assets under management include assets managed by the individual firm's officers as dual officers or employees of The Bank of New York Mellon, The Dreyfus Corporation, and Founders Asset Management LLC.

Mellon Capital Management Corporation AUM includes $26 billion in overlay strategies.

Pareto Investment Management Limited AUM includes $49.4 billion in currency risk management and $1.8 billion in currency absolute return.

The Newton Group refers to the following group of affiliated companies: Newton Investment Management Limited, Newton Capital Management Limited, Newton International Investment Management Limited, Newton Capital Management LLC, and Newton Fund Managers (CI) Limited. Assets under management include assets managed by all of these companies except Newton Capital Management LLC, which provides marketing services in the U.S. for Newton Capital Management Limited. Except for Newton Capital Management LLC and Newton Capital Management Limited, none of the other Newton companies offer services in the U.S.

Disclosures

The Bank of New York Mellon Corporation holds a 19.9% interest in Hamon Investment Group which is the parent of Hamon U.S. Investment Advisors Limited. Hamon's services are offered in the U.S. by Hamon U.S. Investment Advisors Limited.

AUM is for WestLB Mellon Asset Management Holdings Ltd., a 50:50 joint venture between The Bank of New York Mellon Corporation and WestLB AG. WestLB Mellon Asset Management (USA) LLC, a wholly owned subsidiary of this joint venture, offers services in the U.S.

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As of July 1, 2008, The Bank of New York Mellon Corporation reorganized various of its banking subsidiaries. As a result of this restructuring, the institutional banking and investment management businesses of Mellon Bank, N.A. and Mellon Trust of New England, N.A., including the collective and common trust funds businesses, have been combined with the institutional banking businesses of The Bank of New York, which has changed its name to The Bank of New York Mellon. The Bank of New York Mellon has become the successor trustee of all of the common trust funds and collective investment funds formerly maintained by Mellon Bank, N.A. or Mellon Trust of New England, National Association.

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Mutual fund investors should consider the investment objectives, risks, charges, and expenses of a fund carefully before investing. Contact your financial advisor to obtain a prospectus that contains this and other information about a fund, and read it carefully before investing.

An investment in any money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although a money market fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in a money market fund. Yield fluctuates. Past performance is no guarantee of future results.

Glossary of Terms (in Alphabetical Order) – Source: Zephyr Associates, Inc.

Alpha - Alpha is a risk (beta adjusted) measurement. Officially, alpha measures the difference between a portfolio's actual returns and what it might be expected to deliver based on its level of risk. Higher risk generally means higher reward. A positive alpha means the fund has beaten expectations. A negative alpha means that the manager failed to match performance with risk. If two managers had the same return but one had a lower beta, that manager would have a higher alpha. StyleADVISOR uses the standard intercept calculation.

Beta - Beta represents the systematic risk of a portfolio and measures its sensitivity to a benchmark. A portfolio with a beta of one is considered as risky as the benchmark and would therefore provide expected returns equal to those of the market during both up and down periods. A portfolio with a beta of two would move approximately twice as much as the benchmark.

Excess Return - The difference between the returns of two portfolios. Usually excess return is the difference between a manager's return and the return of a benchmark for that manager.

Geometric Mean Return - A compounded and annualized rate of return.

Disclosures

Glossary of Terms (in Alphabetical Order) – Source: Zephyr Associates, Inc.

Information Ratio - The information ratio is a measure of the consistency of excess returns. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing it by the standard deviation of excess return.

R-squared (Correlation Squared) - A measure of how well two portfolios track each other. R-squared values range between zero and 100%. An R-squared of 100% indicates perfect tracking, while an R-squared of zero indicates no tracking at all. R-squared is used in style analysis to determine how much information about a return series the style benchmark has been able to capture. The higher the R-squared, the better the benchmark.

Sharpe Ratio - The Sharpe Ratio, developed by Professor William F. Sharpe, is a risk adjusted measure of reward per unit of risk. The higher the Sharpe Ratio the better. The numerator is the difference between the portfolio's geometric mean return and the geometric mean return of the risk-free instrument (t-bills). The denominator is the portfolio's standard deviation.

Significance Level % - The significance level is a confidence measurement based on the consistency of the information ratio and the time over which it was achieved (a modified P-value). This measurement ranges from 50% (chance) to 100%. A manager with consistent under or over performance compared to the benchmark over a long period of time would have a high significance level.

Standard Deviation - A statistical measure of volatility that indicates the 'risk' associated with a return series.

Tracking Error – Tracking Error is the standard deviation of excess return vs. the benchmark selected.

Turnover % - Turnover, as displayed in the performance table and accompanying graph, represents the turnover required to maintain the style benchmark (i.e. adjustments to the passive portfolio). Turnover is due to a combination of rebalancing the "effective mix" and, when using a rolling window, to changes in the manager's style. Managers with a consistent style will have a low benchmark turnover; style rotators will have high turnover. A spike in the turnover graph indicates a sudden change in manager style.

Volatility of Rank - Found in the manager vs. universe table, this statistic shows the volatility of a manager's rank and is computed as a median of absolute deviations from the median rank (MAD).

Disclosures

This information is the property of The Bank of New York Mellon. It may only be used by the recipient and may not be sent to any third party. This presentation is not intended as an offer to sell or a solicitation of an offer to buy any security. This information is not provided as a sales or advertising communication and does not constitute a proposal. The material is for one-on-one presentation only.

Information on separate account or collective trust funds are presented in this report.

Collective Trust Funds

The Bank of New York Mellon is the investment manager for all the collective funds. The Bank of New York Mellon is a subsidiary of BNY Mellon Corporation. The Bank of New York Mellon is the investment manager for the EB Mellon Total Return Fund and Pacific Investment Management Company acts as the nondiscretionary advisor to the fund.

Any fund returns reflected in the report are that of Bank Sponsored Collective Trust Funds maintained by The Bank of New York Mellon as discretionary trustee. The performance information provided, if any, is gross of fees and reflects both income and capital appreciation. Management fees will reduce a client's actual return.

A client's actual portfolio return will be reduced by management fees and any other expenses that may be incurred in the management of the client's account. Assuming a 5% total return for a 5-year period, the value of $1,000 invested July 1, 2002 would total $1,283 as of June 30, 2007, or $1,239 adjusting for the standard investment management fee schedule for active portfolio management (70 basis points annually).

Employees of Mellon Capital Management Corporation,, Newton Capital Management Limited, The Boston Company Asset Management LLC, and Standish Asset Management LLC manage the funds as dual officers of The Bank of New York Mellon and the respective firm.

Representation On Performance

Past performance is not indicative of future returns. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Market volatility can significantly impact short-term performance.

In some instances, Composite performance of the portfolio managers' strategies are provided for illustrative purposes. There are many differences between the collective funds and portfolio strategies that are not being illustrated in this presentation that would have affected the performance.

** Small cap stocks typically involve a higher risk of price fluctuation than large company stocks.

** International investing involves special risks, such as currency-exchange and share-price fluctuation.

** An investment in Fixed Income is neither insured nor guaranteed by the FDIC or the U.S. government.

Disclosures

Indexes (Benchmarking)

An index is a hypothetical portfolio of specific securities (common examples are the Dow Jones Industrials and the S&P 500), the performance of which is often used a benchmark in judging the relative performance of securities such as mutual funds, stocks and variable annuities. Indexes are unmanaged portfolios and should only be used as comparisons with securities with similar investment characteristics and criteria. The characteristics of the index(es) included in this report are described below for your reference. It is impossible to invest in an index.

Indexes represent different asset classes, and there are often material differences between types of indexes. Some represent asset classes that involve risk of principal loss, while others represent assets, which are guaranteed by the U.S. Government or insured by the FDIC. For details about material differences as they pertain to indexes used in these illustrations, please refer to the descriptions below.

<u>US Equity</u>

Standard & Poor's – US Equity Indexes: Standard & Poor's Indexes are trademarks of McGraw-Hill Inc., and have been licensed to use by The Bank of New York Mellon Corporation (together with its affiliates and subsidiaries). The foregoing index licensor does not sponsor, endorse, sell or promote the investment strategies or products mentioned in this article and they make no representation regarding the advisability of investing in the products or strategies described herein.

S&P 500 ® Index – a market capitalization-weighted index composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange, and Over-the-Counter market.

S&P 400 ® Index – consists of 400 domestic stocks chosen for market size, liquidity, and industry group representation. It is a market value-weighted index, with each stock affecting the index in proportion to its market value.

S&P 600 ® Index - A market capitalization weighted index that tracks the daily stock total return performance of an investable universe of domestic, small capitalization stocks listed on the New York Stock Exchange, the American Stock Exchange, and the NASDAQ National Market System. Consists of 600 stocks chosen for market size, liquidity, and industry.

The Dow Jones Wilshire – US Equity Indexes: Dow Jones & Company, Inc. and Wilshire Associates Incorporated are the owners of the trademarks and copyrights relating to the "The Dow Jones Wilshire 5000℠ Composite Index" and "The Dow Jones Wilshire 4500℠ Composite Index." The foregoing index licensor does not sponsor, endorse, sell or promote the investment strategies or products mentioned in this article and they make no representation regarding the advisability of investing in the products or strategies described herein.

The Dow Jones Wilshire 5000 - is quite simply the most comprehensive measure of the U.S. stock market. The benchmark is designed to represent the performance of all U.S.-headquartered equity securities with readily available prices

Disclosures

The Dow Jones Wilshire 4500 Completion Index - is a subset of the Dow Jones Wilshire 5000 and contains all stocks in the Dow Jones Wilshire 5000 except components of the S&P 500.

Frank Russell Company – US Equity Indexes: Frank Russell Company is the owner of the trademarks and copyrights relating to the Russell 3000® Index, the Russell 1000® Index, and the Russell 2000® Index. The foregoing index licensor does not sponsor, endorse, sell or promote the investment strategies or products mentioned in this article and they make no representation regarding the advisability of investing in the products or strategies described herein.

Russell 3000 ® Index – a market capitalization-weighted, index comprising 3,000 of the largest capitalized U.S. domiciled companies whose common stock is traded in the United States on the New York Stock Exchange, American Stock Exchange, and NASDAQ. This portfolio of securities represents approximately 98% of the investable U.S. equity market.

Russell 1000 ® **Index** – a capitalization-weighted index that comprises 1,000 of the largest capitalized U.S. domiciled companies. These companies have common stock that is traded in the United States on the New York Stock Exchange, American Stock Exchange, and NASDAQ, and are included in the Russell 3000 Index. The Russell 1000 represents approximately 92% of the Russell 3000 Index **Russell 1000** ® **Growth Index** – contains those securities in the Russell 1000 Index with a greater-than-average growth orientation. Companies in this index tend to exhibit higher price-to-book and price-to-earnings ratios, lower dividend yields, and higher forecasted growth rates.

Russell 1000 ® **Value Index** – contains those securities in the Russell 1000 Index with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values.

Russell 2500 Growth Index - Measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2500 Value Index - Measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 ® **Index** – a market capitalization-weighted index comprising 2,000 of the smallest stocks in the Russell 3000 Index. Representing approximately 8% of the Russell 3000 index, this is small cap index.

Non-US Equity

Morgan Stanley Capital International Inc. – Non-US Equity Indexes

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Disclosures

Indexes (Benchmarking)

MSCI EAFE ® Index - This index is listed for foreign stock funds (EAFE refers to Europe, Australasia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world.

MSCI ACWI ex-US ® Index – The All Country World Index ex-US represents both the developed and the emerging markets for the World except the US. The MSCI All Country World Index^{sm} includes 48 markets.

MSCI World ® Index – The World Index represents all developed markets in the World. This index includes securities from 23 countries, and has been calculated since December 31, 1969

MSCI World ® Index (half-hedged) – Morgan Stanley Capital International's market capitalization weighted index composed of companies representative of the market structure of 22 developed market countries in North America, Europe, and the Asia/Pacific Region. The index is calculated without dividends, with net or with gross dividends reinvested, in both US dollars and local currencies. The index returns are 50% hedged to the US Dollar.

MSCI World ex-US ® Growth Index – it is a subset of the MSCI World ex USA Index and is composed only of the MSCI World ex USA Index stocks which are categorized as growth stocks.

Fixed Income

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Barclays Capital Aggregate Bond Index - is a broad representation of the investment-grade fixed income market in the U.S. It includes U.S. government and corporate debt securities, mortgage and asset backed securities, and international U.S. dollar-denominated bonds. All securities contained in the Index are investment grade debt issues with at least $250 million par amount outstanding and with a minimum term to maturity of one year.

Barclays Capital Aggregate Bond Index A or Better - is a broad-based benchmark that measures the investment-grade fixed, U.S. Dollar denominated, fixed-rate taxable bond market, including Treasuries, government –related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-through's), ABS and CMBS with and A or higher rating.

Barclays Capital Government / Credit Bond Index - includes both corporate (publicly-issued, fixed-rate, nonconvertible, investment grade, dollar-denominated, SEC-registered, corporate dept.) and government (Treasury Bond index, Agency Bond index, 1-3 Year Government index, and the 20+-Year treasury) indexes. The returns we publish for the index are total returns, which include reinvestment of dividends..

Barclays Capital Intermediate Government / Credit Bond Index - includes both corporate (publicly-issued, fixed-rate, nonconvertible, investment grade, dollar-denominated, SEC-registered, corporate dept.) and government (Treasury Bond index, Agency Bond index, 1-3 Year Government index, and the 20+-Year treasury) indexes, including bonds with maturities up to ten years. The returns we publish for the index are total returns, which include reinvestment of dividends.

Disclosures

Indexes (Benchmarking)

Barclays Capital Long-term Treasury Bond Index – the index consists of dollar-denominated debt issues of the U.S. Treasury with maturities greater than ten years. The returns we publish for the index are total returns, which include reinvestment of dividends.
Barclays Capital Long-term Government Bond Index – the index consists of dollar-denominated debt issues of the U.S. Treasury and Agencies with maturities greater than ten years. The returns we publish for the index are total returns, which include reinvestment of dividends.
Barclays Capital Long-term Treasury Bond Index – the index consists of publicly issued investment grade U.S. domestic corporate debt. The Long-Term index measures the return of securities with maturities greater than ten years. The returns we publish for the index are total returns, which include reinvestment of dividends.
Barclays Capital US TIPS Index - is an unmanaged market index comprised of all U.S. Treasury Inflation Protected Securities rated investment grade, have at least one year to final maturity, and at least $250 million par amount outstanding.

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The J.P. Morgan Non-U.S. Index (Hedged) - is an unmanaged index representative of the total return performance in U.S. dollars of major non-U.S. bond markets.

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Citigroup 30 Day T-Bill The Index is generally considered representative of the performance of short-term money market instruments
Citigroup World Government Bond Index - Consists of about 640 fixed interest securities (bonds) issued by 20 governments in various countries. This index provides diversified exposure to the interest rate segments of most of the developed economies of the world.
Citigroup World Government Bond Index (half-hedged) - Consists of about 640 fixed interest securities (bonds) issued by 20 governments in various countries. This index provides diversified exposure to the interest rate segments of most of the developed economies of the world. The index returns are 50% hedged to the US Dollar.

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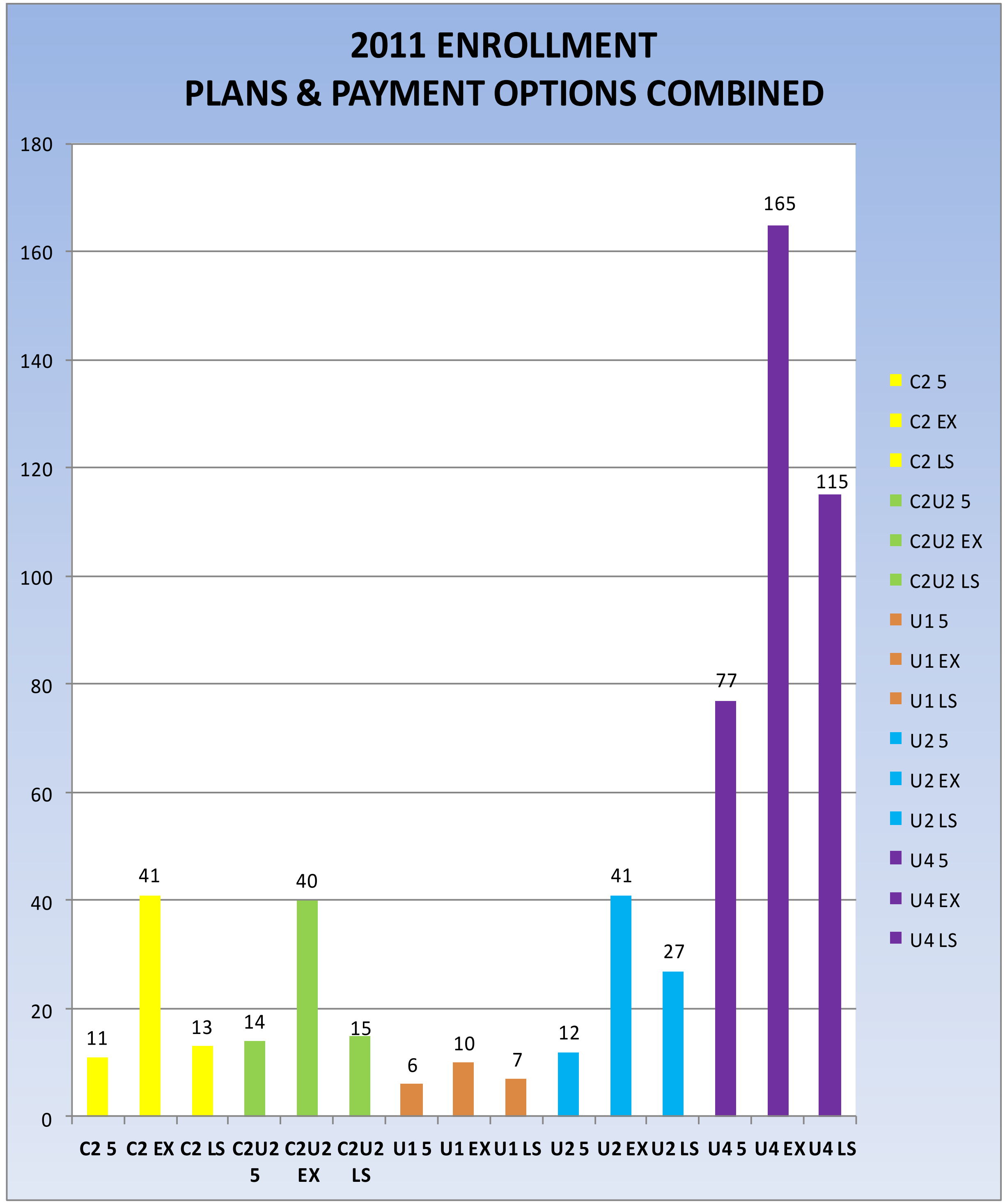
Merrill Lynch 91-Day T-Bill Index: The Index is generally considered representative of the performance of short-term money market instruments. Three-month T-bills are government-backed short-term investments considered to be risk-free and as good as cash because the maturity is only three months.
Merrill Lynch 6-Month T-Bill Index - is an unmanaged index that measures returns of six-month Treasury Bills.

APPENDIX D

PROGRAM STATISTICAL CHARTS

PLAN		TOTAL	% OF TOTAL
2 YEAR COMMUNITY			
LUMP SUM	13		
5 YEAR	11		
EXTENDED	41		
		65	10.94%
2 YR COMM / 2 YR UNIV			
LUMP SUM	15		
5 YEAR	14		
EXTENDED	40		
		69	11.62%
4 YR UNIV			
LUMP SUM	115		
5 YEAR	77		
EXTENDED	165		
		357	60.10%
2 YEAR UNIV			
LUMP SUM	27		
5 YEAR	12		
EXTENDED	41		
		80	13.47%
1 YEAR UNIV			
LUMP SUM	7		
5 YEAR	6		
EXTENDED	10		
		23	3.87%
TOTAL ENROLLMENT FORMS	594		100.00%

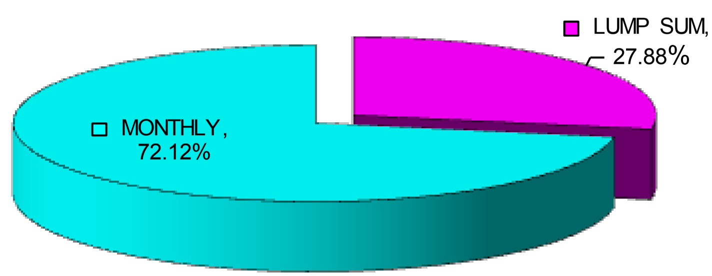


CHOICE OF PLANS AND PAYMENT OPTIONS

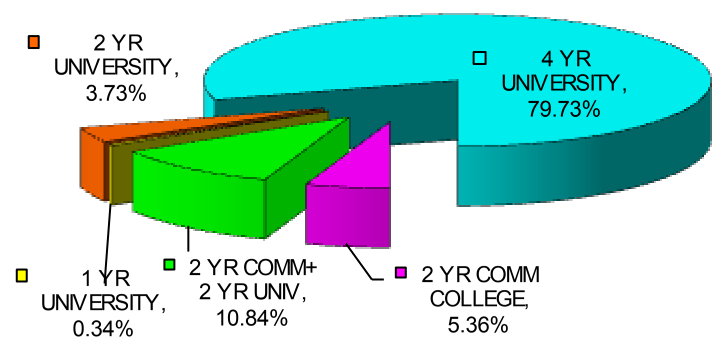
PAYMENT OPTION	SUMMARY OF PAYMENT OPTIONS													
	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	COMBINED
LUMP SUM	24.50%	26.20%	21.70%	33.50%	35.80%	41.00%	33.00%	35.00%	34.00%	35.00%	27.00%	28.00%	30.00%	27.88%
MONTHLY	75.50%	73.80%	65.30%	50.50%	19.40%	41.00%	44.00%	41.00%	42.00%	40.00%	50.00%	51.00%	50.00%	72.12%
DOWN PAYMENT	0.00%	0.00%	13.00%	16.00%	44.80%	18.00%	23.00%	24.00%	24.00%	25.00%	23.00%	22.00%	20.00%	

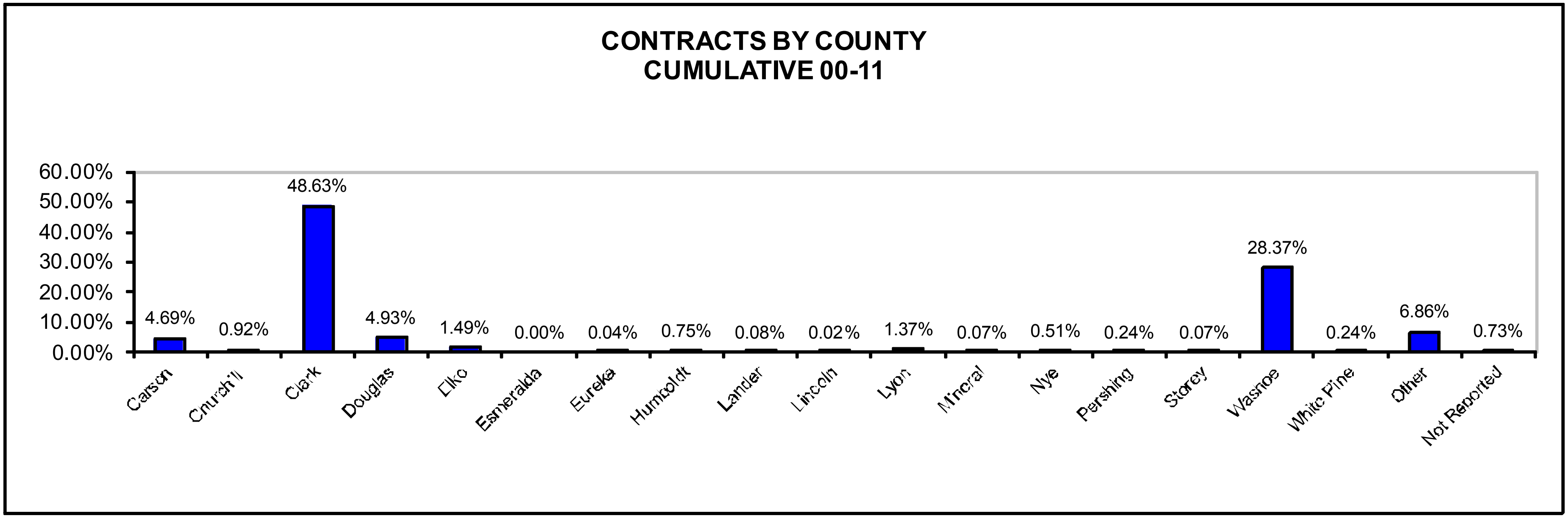
PLAN OPTION	SUMMARY OF PLAN OPTIONS													
	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	COMBINED
2 YR COMM COLLEGE	5.40%	5.40%	4.70%	2.70%	2.70%	5.98%	5.99%	5.11%	7.55%	5.21%	7.37%	5.20%	10.94%	5.36%
2 YR COMM+ 2 YR UNIV	11.80%	11.90%	10.30%	7.50%	8.10%	6.62%	10.72%	10.53%	11.13%	10.90%	13.27%	12.83%	11.62%	10.84%
1 YR UNIVERSITY	-	-	-	-	-	-	-	-	-	-	-	4.28%	3.87%	0.34%
2 YR UNIVERSITY	0.00%	0.00%	6.70%	85.20%	5.30%	6.20%	8.36%	4.64%	8.35%	4.27%	8.85%	11.34%	13.47%	3.73%
4 YR UNIVERSITY	82.80%	82.70%	78.30%	4.60%	83.90%	81.20%	74.93%	79.72%	72.96%	79.62%	70.52%	66.36%	60.10%	79.73%

CUMULATIVE PAYMENT OPTION



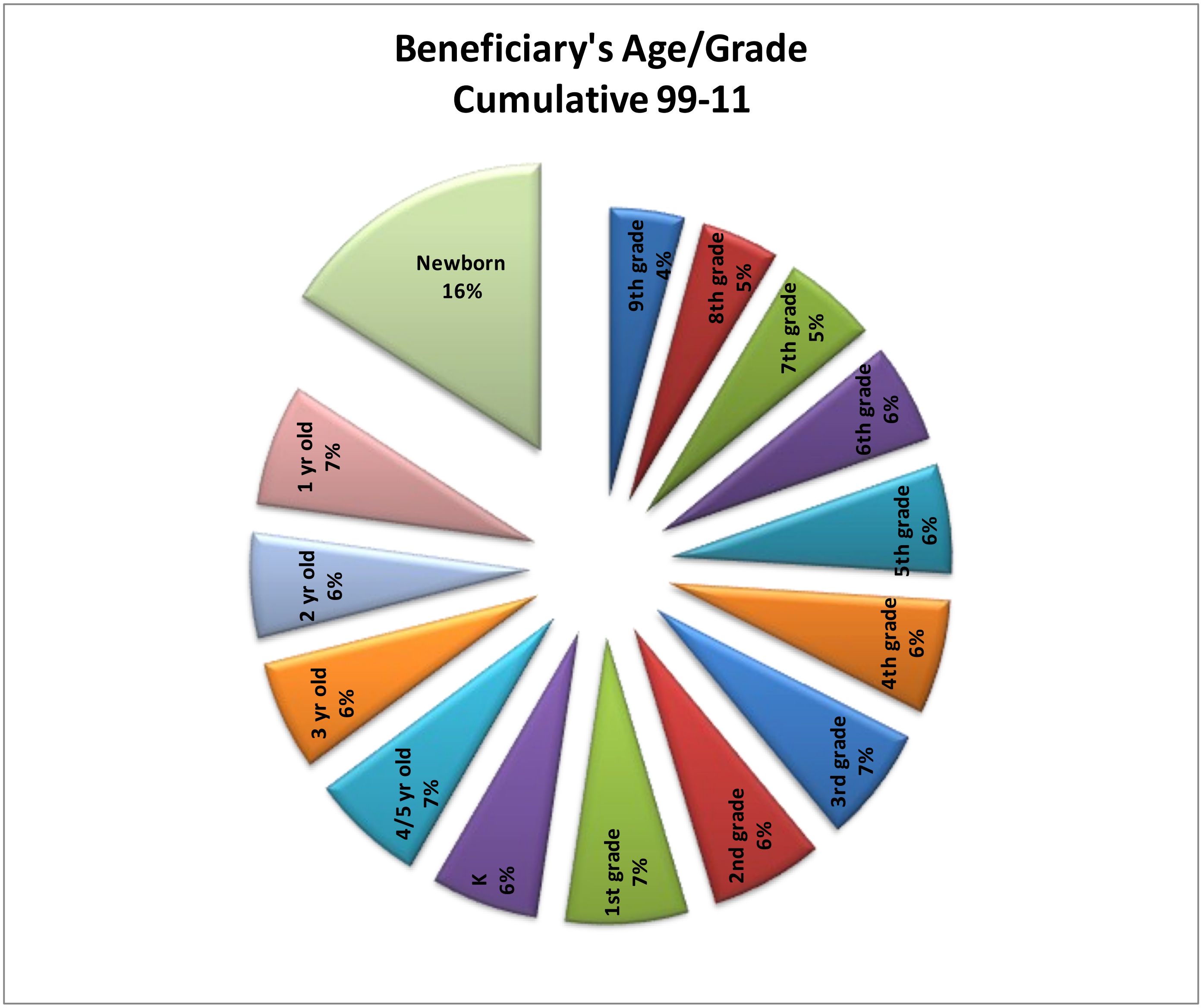
CUMULATIVE PLAN OPTION





	FISCAL YEARS 00 - 10			FISCAL YEAR 11			CUMULATIVE	
	COUNT	%		COUNT	%		COUNT	%
Carson	446	4.64%		33	5.56%		479	4.69%
Churchill	94	0.98%		0	0.00%		94	0.92%
Clark	4,670	48.56%		295	49.66%		4,966	48.63%
Douglas	475	4.94%		28	4.71%		503	4.93%
Elko	140	1.46%		12	2.02%		152	1.49%
Esmeralda	0	0.00%		0	0.00%		0	0.00%
Eureka	4	0.04%		0	0.00%		4	0.04%
Humboldt	66	0.69%		11	1.85%		77	0.75%
Lander	8	0.08%		0	0.00%		8	0.08%
Lincoln	2	0.02%		0	0.00%		2	0.02%
Lyon	132	1.37%		8	1.35%		140	1.37%
Mineral	6	0.06%		1	0.17%		7	0.07%
Nye	51	0.53%		1	0.17%		52	0.51%
Pershing	24	0.25%		0	0.00%		24	0.24%
Storey	6	0.06%		1	0.17%		7	0.07%
Washoe	2,707	28.15%		189	31.82%		2,897	28.37%
White Pine	23	0.24%		2	0.34%		25	0.24%
Other	687	7.14%		13	2.19%		700	6.86%
Not Reported	75	0.78%		0	0.00%		75	0.73%
Total	9,617	100.00%		594	100.00%		10,211	100.01%

COUNTY DATA NOT TRACKED PRIOR TO 2000

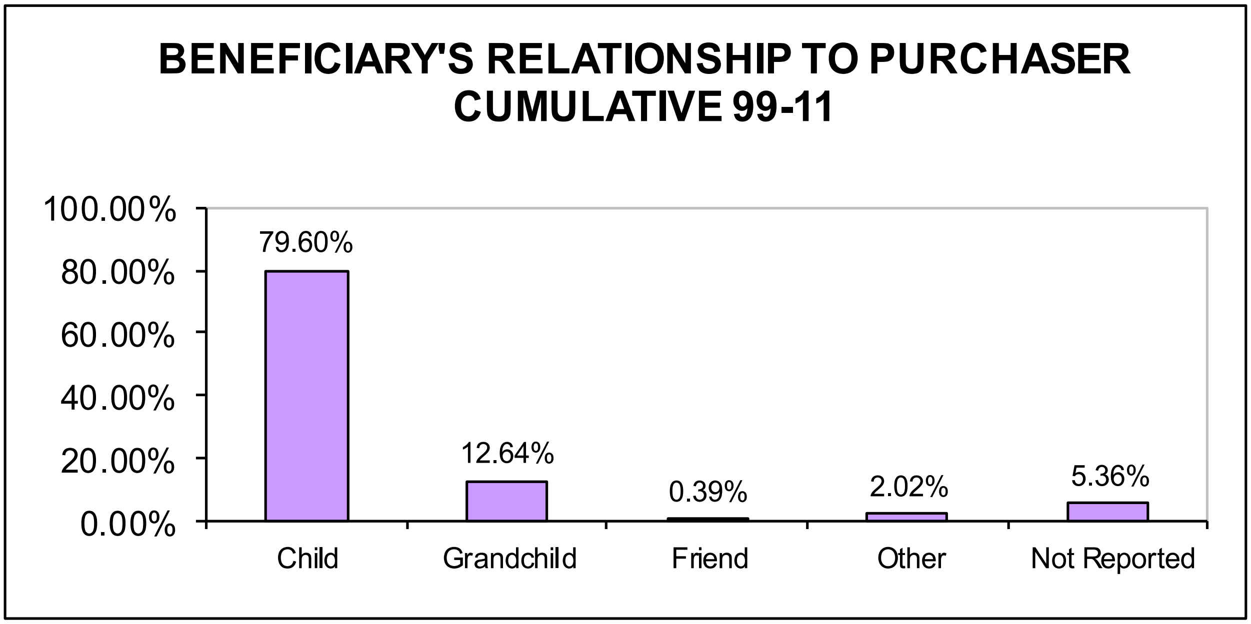


	FISCAL YEARS 99 - 10			FISCAL YEAR 2011			CUMULATIVE	
	COUNT	%		COUNT	%		COUNT	%
Newborn	2069	16.07%		85	14.31%		2,154	16.00%
Age 1	901	7.00%		28	4.71%		929	6.90%
Age 2	760	5.90%		39	6.57%		799	5.93%
Age 3	802	6.23%		34	5.72%		836	6.21%
4/5 yr old	831	6.45%		41	6.90%		872	6.47%
K	798	6.20%		28	4.71%		826	6.13%
Grade 1	903	7.01%		44	7.41%		947	7.03%
Grade 2	829	6.44%		40	6.73%		869	6.45%
Grade 3	844	6.56%		40	6.73%		884	6.56%
Grade 4	814	6.32%		45	7.58%		859	6.38%
Grade 5	794	6.17%		41	6.90%		835	6.20%
Grade 6	737	5.72%		25	4.21%		762	5.66%
Grade 7	688	5.34%		38	6.40%		726	5.39%
Grade 8	573	4.45%		29	4.88%		602	4.47%
Grade 9	532	4.13%		37	6.23%		569	4.22%
Total	12,876	100.00%		594	100.00%		13,470	100.00%

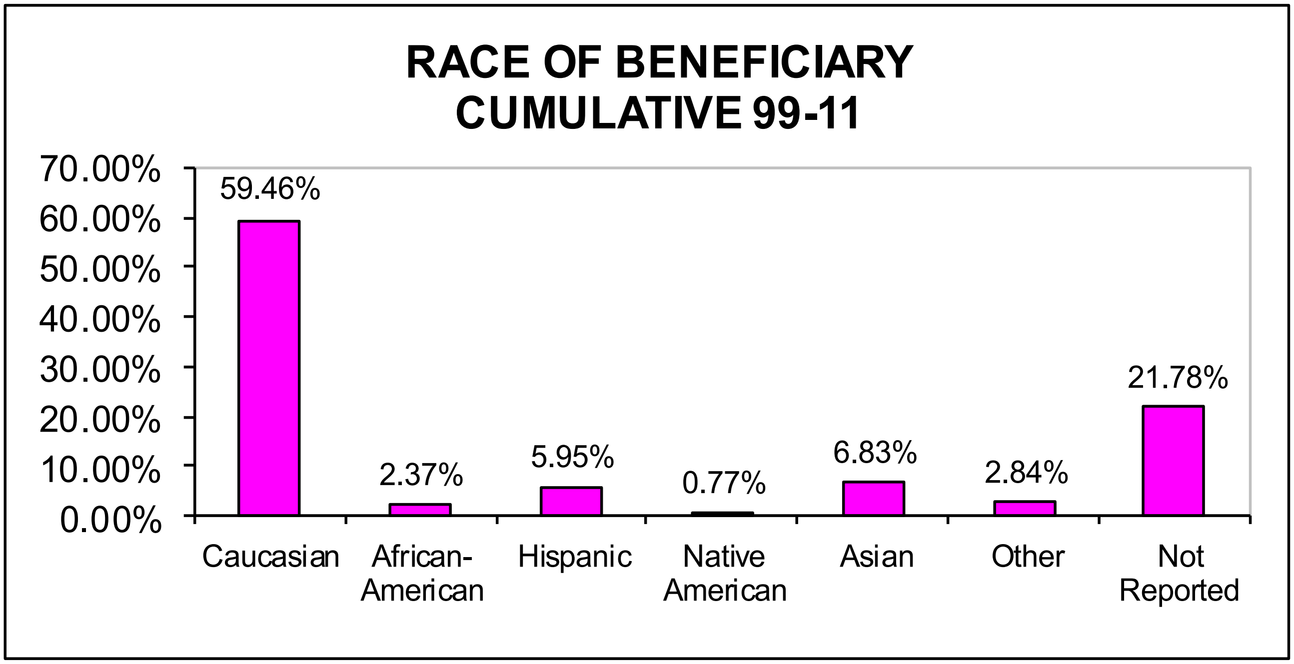
NEVADA PREPAID TUITION PROGRAM
LIABILITY BY PROJECTED ENROLLMENT YEAR
AS OF JUNE 30, 2011

2002	16	0.16%
2003	38	0.38%
2004	90	0.90%
2005	114	1.14%
2006	184	1.85%
2007	296	2.97%
2008	417	4.19%
2009	520	5.22%
2010	578	5.80%
2011	586	5.88%
2012	641	6.43%
2013	689	6.92%
2014	680	6.83%
2015	676	6.79%
2016	716	7.19%
2017	641	6.43%
2018	637	6.39%
2019	528	5.30%
2020	338	3.39%
2021	361	3.62%
2022	329	3.30%
2023	227	2.28%
2024	201	2.02%
2025	147	1.48%
2026	147	1.48%
2027	99	0.99%
2028	66	0.66%
TOTAL	9,962	100.00%

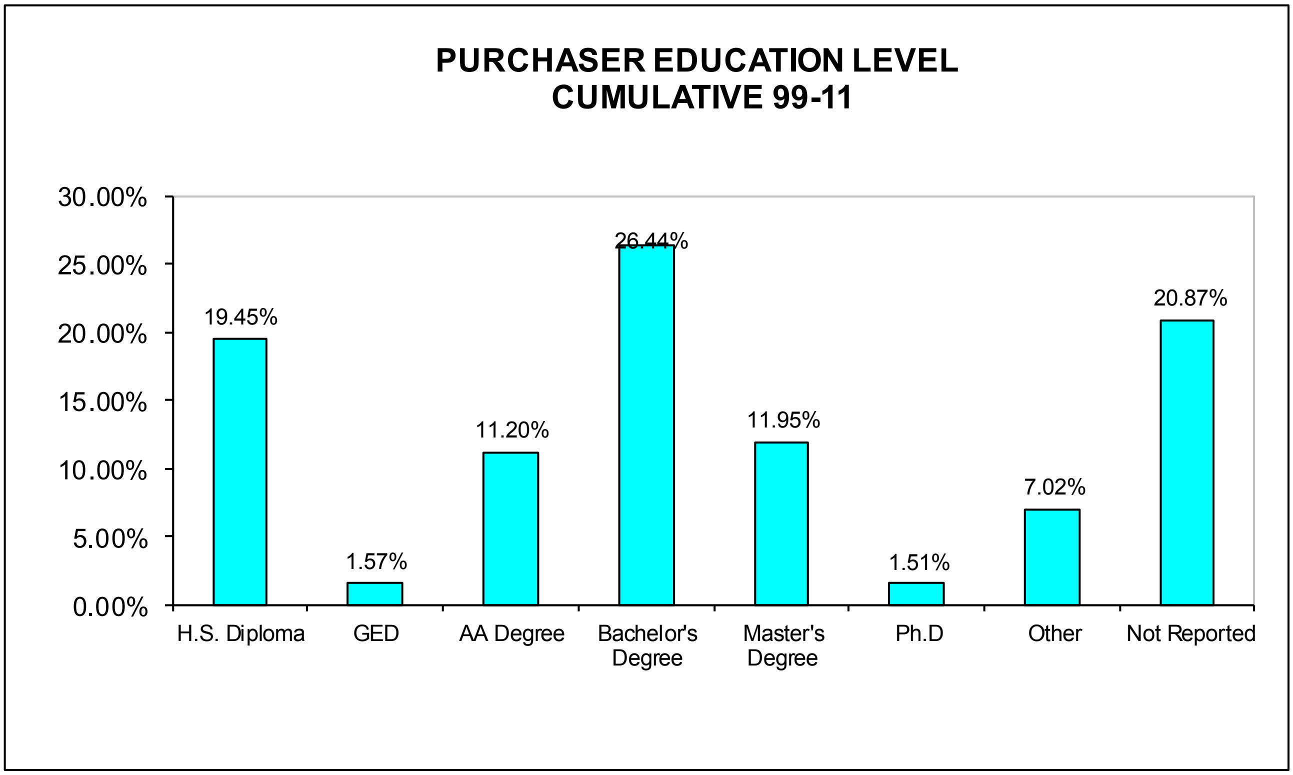
Note: This Table includes only active contracts as of June 30, 2011



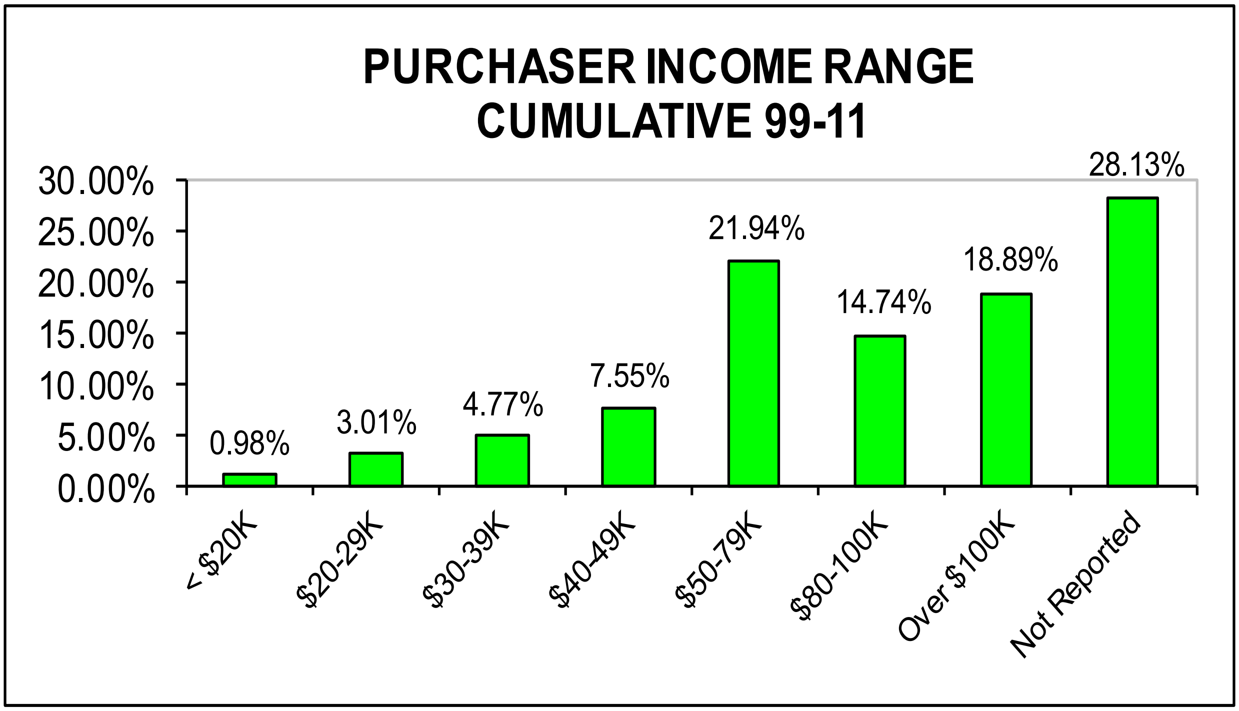
	FISCAL YEARS 99 - 10			FISCAL YEAR 11			CUMULATIVE	
	COUNT	%		COUNT	%		COUNT	%
Child	10207	79.26%		515	86.70%		10,722	79.60%
Grandchild	1637	12.71%		65	10.94%		1,702	12.64%
Friend	51	0.40%		1	0.17%		52	0.39%
Other	266	2.07%		7	1.18%		273	2.02%
Not Reported	716	5.56%		6	1.01%		722	5.36%
Total	12,876	100.00%		594	100.00%		13,470	100.00%



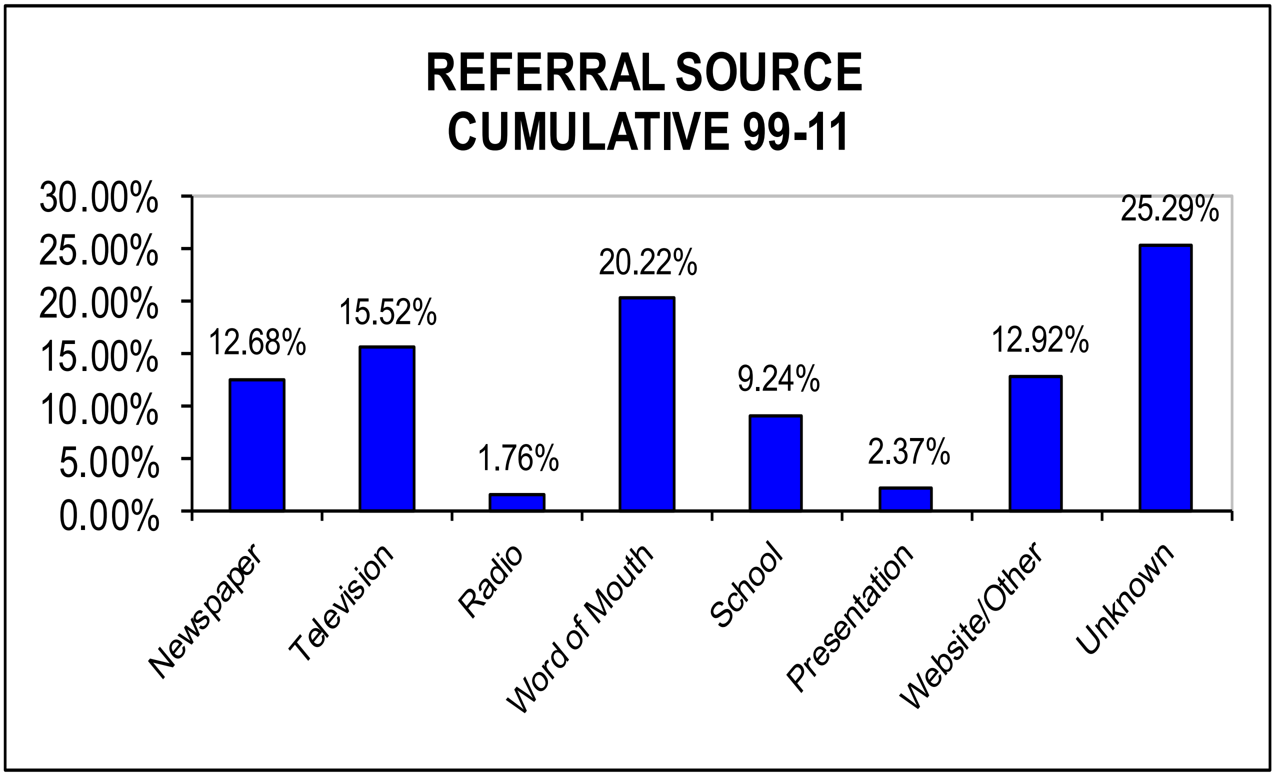
	FISCAL YEARS 99 - 10			FISCAL YEAR 11			CUMULATIVE	
	COUNT	**%**		**COUNT**	**%**		**COUNT**	**%**
Caucasian	7645	59.37%		364	61.28%		8,009	59.46%
African-American	300	2.33%		19	3.20%		319	2.37%
Hispanic	765	5.94%		37	6.23%		802	5.95%
Native American	96	0.75%		8	1.35%		104	0.77%
Asian	867	6.73%		53	8.92%		920	6.83%
Other	360	2.80%		23	3.87%		383	2.84%
Not Reported	2844	22.09%		90	15.15%		2,934	21.78%
Total	12,876	100.00%		594	100.00%		13,470	100.00%



	FISCAL YEARS 99 - 10			FISCAL YEAR 11			CUMULATIVE	
	COUNT	%		COUNT	%		COUNT	%
H.S. Diploma	2,547	19.78%		73	12.29%		2,620	19.45%
GED	206	1.60%		5	0.84%		211	1.57%
AA Degree	1,447	11.24%		61	10.27%		1,508	11.20%
Bachelor's Degree	3,368	26.16%		193	32.49%		3,561	26.44%
Master's Degree	1,487	11.55%		122	20.54%		1,609	11.95%
Ph.D	191	1.48%		12	2.02%		203	1.51%
Other	897	6.97%		49	8.25%		946	7.02%
Not Reported	2,732	21.22%		79	13.30%		2,811	20.87%
Total	12,876	100.00%		594	100.00%		13,470	100.00%



	FISCAL YEARS 99 - 10			FISCAL YEAR 11			CUMULATIVE	
	COUNT	%		COUNT	%		COUNT	%
< $20K	127	0.99%		5	0.84%		132	0.98%
$20-29K	398	3.09%		7	1.18%		405	3.01%
$30-39K	623	4.84%		19	3.20%		642	4.77%
$40-49K	996	7.74%		21	3.54%		1,017	7.55%
$50-79K	2,869	22.28%		86	14.48%		2,955	21.94%
$80-100K	1,881	14.61%		104	17.51%		1,985	14.74%
Over $100K	2,307	17.92%		237	39.90%		2,544	18.89%
Not Reported	3,674	28.53%		115	19.36%		3,789	28.13%
Total	12,876	100.00%		594	100.00%		13,470	100.00%



	FISCAL YEARS 99 - 10			FISCAL YEAR 11			CUMULATIVE	
	COUNT	**%**		**COUNT**	**%**		**COUNT**	**%**
Newspaper	1,684	13.08%		24	4.04%		1,708	12.68%
Television	2,047	15.90%		43	7.24%		2,090	15.52%
Radio	227	1.76%		10	1.68%		237	1.76%
Word of Mouth	2,491	19.35%		232	39.06%		2,723	20.22%
School	1,161	9.02%		84	14.14%		1,245	9.24%
Presentation	314	2.44%		5	0.84%		319	2.37%
Website/Other	1,605	12.47%		135	22.73%		1,740	12.92%
Unknown	3,345	25.98%		61	10.27%		3,406	25.29%
Total	12,876	100.00%		594	100.00%		13,470	100.00%