

Important Investment Change January 2005

Dear College Saver:

We have an important investment change to communicate to Account Owners regarding the addition of a new fund to the Plan. On November 30, 2004, the Nebraska Investment Council (“Investment Council”) voted to add the Goldman Sachs Real Estate Securities Fund to certain of the College Savings Plan of Nebraska investment Portfolios. The Investment Council made this change to provide an additional asset class in the Individual Fund options and for improved expected risk/return characteristics in certain Age-Based and Target Portfolios. The Investment Council regularly reviews the Plan’s investment options and makes changes it determines to be in the best interests of Account Owners and their Beneficiaries.

Age-Based & Target Portfolios

For Account Owners who have chosen to invest their contributions in certain of the Plan’s Age-Based and Target Portfolios, the Investment Council’s decision means that effective the week of February 7, 2005, the Plan will add the Goldman Sachs Real Estate Securities Fund as an investment holding of the affected Age-Based and Target Portfolios. These Portfolios will now allocate between 0% and 5% to the Goldman Sachs Real Estate Securities Fund. During the week of February 7th, a portion of the shares of the Vanguard Prime Market Fund, Vanguard Total Bond Market Index Fund and PIMCO Total Return Fund will be liquidated and the proceeds invested in the Goldman Sachs Real Estate Securities Fund. Details of the allocations for each affected Age-Based and Target Portfolio are included in the attached Supplement to your Enrollment Handbook. **If you are an investor in an Age-Based or Target Portfolio, and agree with this change, no action is required on your part. This change will be done automatically. If instead, you prefer a different investment approach you may want to re-evaluate your current investment election.** Please keep in mind that contributions and investment earnings in an account may only be transferred to another Portfolio once per calendar year or upon a change of beneficiary.

Individual Fund Portfolios

For Account Owners who have chosen to invest in the Plan’s Individual Fund Portfolios, effective February 8th, the Goldman Sachs Real Estate Securities 529 Portfolio will be added to the Plan as an additional Individual Fund Portfolio.

The attached Enrollment Handbook Supplement describes the changes to the Plan’s Enrollment Handbook as a result of the Investment Council’s decision and provides specifics and the details. It should be reviewed and placed with your records. If you have questions on this change, your account, or the Plan in general please feel free to call us (1 – 888 – 993 – 3746).

Thank you for investing with the College Savings Plan of Nebraska. We wish you and your family the Best for 2005!

Sincerely,

Ron Ross

Ron Ross, Trustee
Nebraska State Treasurer

Carol L. Kontor

Carol L. Kontor, CFA
State Investment Officer

Jay J. Steinacher

Jay J. Steinacher, CTFA
Union Bank – Program Manager

**COLLEGE SAVINGS PLAN OF NEBRASKA
ENROLLMENT HANDBOOK**

Supplement dated January 7, 2005
to the Enrollment Handbook dated April 15, 2004

On November 30, 2004, the Nebraska Investment Council voted to add the Goldman Sachs Real Estate Securities Fund to certain of the investment vehicles in which the College Savings Plan of Nebraska Portfolios invest Contributions and assets. The Investment Council made this change to the Plan to provide an additional asset class in the Individual Fund Portfolios and for improved expected risk/return characteristics in certain Age-Based and Target Portfolios. Accordingly, effective February 8, 2005, the Goldman Sachs Real Estate Securities Fund will be added to the target investment allocations for certain Age-Based Portfolios and Target Portfolios and the Goldman Sachs Real Estate Securities 529 Portfolio will be added to the Individual Fund Portfolios the Plan offers. References to 21 Individual Fund Portfolios the College Savings Plan of Nebraska offers throughout the Enrollment Handbook are hereby amended to reflect that as of February 8, 2005, there will be 22 Individual Fund Portfolios.

The Enrollment Handbook is further amended as follows:

- Under the heading “*Age-Based Portfolios*”, the table describing the targeted asset allocation of each Age-Based Portfolio is replaced with the following:

Age of Beneficiary	AGE-BASED AGGRESSIVE (Equity/Real Estate/Fixed Income)	AGE-BASED GROWTH (Equity/Real Estate/Fixed Income)	AGE-BASED BALANCED (Equity/Real Estate/Fixed Income)	AGE-BASED CONSERVATIVE (Equity/Real Estate/Fixed Income)
0 - 5	100/0/0	80/5/15	60/5/35	40/5/55
6 - 10	80/5/15	60/5/35	40/5/55	20/5/75
11 - 15	60/5/35	40/5/55	20/5/75	0/0/100
16 - 20	40/5/55	20/5/75	0/0/100	0/0/100
21+	20/5/75	0/0/100	0/0/100	0/0/100

- Under the heading “*Target Portfolios*”, the table describing the targeted asset allocation of each Target Portfolio is replaced with the following:

	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20	Conservative
Equity	100%	80%	60%	40%	20%	0%
Real Estate	0%	5%	5%	5%	5%	0%
Fixed Income	0%	15%	35%	55%	75%	100%

- Under the heading “*Individual Fund Portfolios*”, the following subheading and description is added:

Real Estate 529 Portfolio

- Goldman Sachs Real Estate Securities 529 Portfolio** – seeks total return comprised of long-term growth of capital and dividend income by investing in a diversified portfolio of equity investments in issuers that are primarily engaged in or related to the real estate industry. The fund expects that a substantial portion of its assets will be invested in REITs and real estate industry companies.

- Under the heading “*What Does the Plan Cost?*”, the tables describing the estimate of the weighted average expense ratio of the 6 Target and 4 Age-Based Portfolios are replaced by the following:

TARGET PORTFOLIOS

	Program Management Fee	Estimated Underlying Fund Expenses	TOTAL
Fund 100	0.60%	0.40%	1.00%
Fund 80	0.60%	0.41%	1.01%
Fund 60	0.60%	0.36%	0.96%
Fund 40	0.60%	0.33%	0.93%
Fund 20	0.60%	0.28%	0.88%
Conservative	0.60%	0.18%	0.78%

AGE-BASED PORTFOLIOS

	Program Management Fee	Estimated Underlying Fund Expenses	TOTAL
Aggressive Portfolio			
Ages 0 – 5	0.60%	0.40%	1.00%
Ages 6 – 10	0.60%	0.41%	1.01%
Ages 11 – 15	0.60%	0.36%	0.96%
Ages 16 – 20	0.60%	0.33%	0.93%
Ages 21+	0.60%	0.28%	0.88%
Growth Portfolio			
Ages 0 – 5	0.60%	0.41%	1.01%
Ages 6 – 10	0.60%	0.36%	0.96%
Ages 11 – 15	0.60%	0.33%	0.93%
Ages 16 – 20	0.60%	0.28%	0.88%
Ages 21+	0.60%	0.18%	0.78%
Balanced Portfolio			
Ages 0 – 5	0.60%	0.36%	0.96%
Ages 6 – 10	0.60%	0.33%	0.93%
Ages 11 – 15	0.60%	0.28%	0.88%
Ages 16 – 20	0.60%	0.18%	0.78%
Ages 21+	0.60%	0.18%	0.78%
Conservative Portfolio			
Ages 0 – 5	0.60%	0.33%	0.93%
Ages 6 – 10	0.60%	0.28%	0.88%
Ages 11 – 15	0.60%	0.18%	0.78%
Ages 16 – 20	0.60%	0.18%	0.78%
Ages 21+	0.60%	0.18%	0.78%

- Under the heading “*What Does the Plan Cost? – Individual Fund Portfolios*”, the following is added to the table describing the Plan’s estimate of the underlying fund expenses and estimated total annual Portfolio expenses for the Individual Fund Portfolios:

529 Portfolio	Program Management Fee	Estimated Underlying Fund Expenses	TOTAL
Goldman Sachs Real Estate Securities	0.60%	1.04%	1.64%

- In “*Exhibit C - Investment Portfolios*”, the tables describing the target investment allocations for the Age-Based and Target Portfolios are replaced in their entirety with the following:

AGE-BASED AGGRESSIVE PORTFOLIO						AGE-BASED GROWTH PORTFOLIO					
Age of Beneficiary	0-5	6-10	11-15	16-20	21+	Age of Beneficiary	0-5	6-10	11-15	16-20	21+
State Street S&P 500 Index S. L. – CTF	28%	23%	17%	11%	6%	State Street S&P 500 Index S. L. – CTF	23%	17%	11%	6%	0%
Vanguard Extended Market Index Fund	9%	7%	6%	4%	2%	Vanguard Extended Market Index Fund	7%	6%	4%	2%	0%
American Century Income & Growth Fund	15%	12%	9%	6%	3%	American Century Income & Growth Fund	12%	9%	6%	3%	0%
Fidelity Advisor Equity Growth Fund	15%	12%	9%	6%	2%	Fidelity Advisor Equity Growth Fund	12%	9%	6%	2%	0%
American Century Equity Income Fund	4%	3%	2%	2%	1%	American Century Equity Income Fund	3%	2%	2%	1%	0%
Vanguard Mid-Cap Index Fund	4%	3%	2%	1%	1%	Vanguard Mid-Cap Index Fund	3%	2%	1%	1%	0%
Domestic Equity Total	75%	60%	45%	30%	15%	Domestic Equity Total	60%	45%	30%	15%	0%
Vanguard Total International Stock Index	13%	10%	8%	5%	2%	Vanguard Total International Stock Index	10%	8%	5%	2%	0%
Fidelity Advisor Diversified Intl Fund	6%	5%	3%	2%	1%	Fidelity Advisor Diversified Intl Fund	5%	3%	2%	1%	0%
T. Rowe Price Instl Foreign Equity Fund	6%	5%	4%	3%	2%	T. Rowe Price Instl Foreign Equity Fund	5%	4%	3%	2%	0%
International Equity Total	25%	20%	15%	10%	5%	International Equity Total	20%	15%	10%	5%	0%
Goldman Sachs Real Estate Sec. Fund	0%	5%	5%	5%	5%	Goldman Sachs Real Estate Sec. Fund	5%	5%	5%	5%	0%
Real Estate Fund Total	0%	5%	5%	5%	5%	Real Estate Fund Total	5%	5%	5%	5%	0%
PIMCO Total Return Fund	0%	7.5%	13%	18%	23%	PIMCO Total Return Fund	7.5%	13%	18%	23%	25%
Vanguard Total Bond Market Index Fund	0%	7.5%	13%	18%	23%	Vanguard Total Bond Market Index Fund	7.5%	13%	18%	23%	25%
Bond Total	0%	15%	26%	36%	46%	Bond Total	15%	26%	36%	46%	50%
Vanguard Prime Money Market Fund	0%	0%	9%	19%	29%	Vanguard Prime Money Market Fund	0%	9%	19%	29%	50%
Money Market Total	0%	0%	9%	19%	29%	Money Market Total	0%	9%	19%	29%	50%
T O T A L	100%	100%	100%	100%	100%	T O T A L	100%	100%	100%	100%	100%

AGE-BASED BALANCED PORTFOLIO						AGE-BASED CONSERVATIVE PORTFOLIO					
Age of Beneficiary	0-5	6-10	11-15	16-20	21+	Age of Beneficiary	0-5	6-10	11-15	16-20	21+
State Street S&P 500 Index S. L. – CTF	17%	11%	6%	0%	0%	State Street S&P 500 Index S.L. – CTF	11%	6%	0%	0%	0%
Vanguard Extended Market Index Fund	6%	4%	2%	0%	0%	Vanguard Extended Market Index Fund	4%	2%	0%	0%	0%
American Century Income & Growth Fund	9%	6%	3%	0%	0%	American Century Income & Growth Fund	6%	3%	0%	0%	0%
Fidelity Advisor Equity Growth Fund	9%	6%	2%	0%	0%	Fidelity Advisor Equity Growth Fund	6%	2%	0%	0%	0%
American Century Equity Income Fund	2%	2%	1%	0%	0%	American Century Equity Income Fund	2%	1%	0%	0%	0%
Vanguard Mid-Cap Index Fund	2%	1%	1%	0%	0%	Vanguard Mid-Cap Index Fund	1%	1%	0%	0%	0%
Domestic Equity Total	45%	30%	15%	0%	0%	Domestic Equity Total	30%	15%	0%	0%	0%
Vanguard Total International Stock Index	8%	5%	2%	0%	0%	Vanguard Total International Stock Index	5%	2%	0%	0%	0%
Fidelity Advisor Diversified Intl Fund	3%	2%	1%	0%	0%	Fidelity Advisor Diversified Intl Fund	2%	1%	0%	0%	0%
T. Rowe Price Instl Foreign Equity Fund	4%	3%	2%	0%	0%	T. Rowe Price Instl Foreign Equity Fund	3%	2%	0%	0%	0%
International Equity Total	15%	10%	5%	0%	0%	International Equity Total	10%	5%	0%	0%	0%
Goldman Sachs Real Estate Sec. Fund	5%	5%	5%	0%	0%	Goldman Sachs Real Estate Sec. Fund	5%	5%	0%	0%	0%
Real Estate Fund Total	5%	5%	5%	0%	0%	Real Estate Fund Total	5%	5%	0%	0%	0%
PIMCO Total Return Fund	13%	18%	23%	25%	25%	PIMCO Total Return Fund	18%	23%	25%	25%	25%
Vanguard Total Bond Market Index Fund	13%	18%	23%	25%	25%	Vanguard Total Bond Market Index Fund	18%	23%	25%	25%	25%
Bond Total	26%	36%	46%	50%	50%	Bond Total	36%	46%	50%	50%	50%
Vanguard Prime Money Market Fund	9%	19%	29%	50%	50%	Vanguard Prime Money Market Fund	19%	29%	50%	50%	50%
Money Market Total	9%	19%	29%	50%	50%	Money Market Total	19%	29%	50%	50%	50%
T O T A L	100%	100%	100%	100%	100%	T O T A L	100%	100%	100%	100%	100%

TARGET PORTFOLIOS						
<u>Fund Name</u>	<u>Fund 100</u>	<u>Fund 80</u>	<u>Fund 60</u>	<u>Fund 40</u>	<u>Fund 20</u>	<u>Conservative</u>
State Street S&P 500 Index S. L. – CTF	28%	23%	17%	11%	6%	0%
Vanguard Extended Market Index Fund	9%	7%	6%	4%	2%	0%
American Century Income & Growth Fund	15%	12%	9%	6%	3%	0%
Fidelity Advisor Equity Growth Fund	15%	12%	9%	6%	2%	0%
American Century Equity Income Fund	4%	3%	2%	2%	1%	0%
Vanguard Mid-Cap Index Fund	4%	3%	2%	1%	1%	0%
Domestic Equity Total	75%	60%	45%	30%	15%	0%
Vanguard Total International Stock Index	13%	10%	8%	5%	2%	0%
Fidelity Advisor Diversified Intl Fund	6%	5%	3%	2%	1%	0%
T. Rowe Price Instl Foreign Equity Fund	6%	5%	4%	3%	2%	0%
International Equity Total	25%	20%	15%	10%	5%	0%
Goldman Sachs Real Estate Sec. Fund	0%	5%	5%	5%	5%	0%
Real Estate Fund Total	0%	5%	5%	5%	5%	0%
PIMCO Total Return Fund	0%	7.5%	13%	18%	23%	25%
Vanguard Total Bond Market Index Fund	0%	7.5%	13%	18%	23%	25%
Bond Total	0%	15%	26%	36%	46%	50%
Vanguard Prime Money Market Fund	0%	0%	9%	19%	29%	50%
Money Market Total	0%	0%	9%	19%	29%	50%
T O T A L	100%	100%	100%	100%	100%	100%

- In “*Exhibit C - Investment Portfolios*”, the table describing the ticker symbols and total operating expenses of each underlying fund is amended to include the following:

<u>FUND</u>	<u>Ticker Symbol</u>	<u>Annual Expense Ratio</u>
Goldman Sachs Real Estate Securities Fund (Instl.)	GREIX	1.04%

- In “*Exhibit C – Investment Portfolios*”, the descriptions of the funds selected by the Investment Council are amended to include the following description of the Goldman Sachs Real Estate Securities Fund taken from its most recent prospectus:

Goldman Sachs Real Estate Securities Fund
(Institutional Shares)

Investment objective. The Fund seeks total return comprised of long-term growth of capital and dividend income.

Principal Investment Strategies. The fund invests, under normal circumstances, substantially all and at least 80% of its net assets plus any borrowings for investment purposes (measured at time of purchase) in a diversified portfolio of equity investments in issuers that are primarily engaged in or related to the real estate industry. The fund expects that a substantial portion of its assets will be invested in real estate investment trusts (“REIT”) and real estate industry companies.

A “real estate industry company” is a company that derives at least 50% of its gross revenues or net profits from the ownership, development, construction, financing, management or sale of commercial, industrial or residential real estate or interests therein.

The fund’s investment strategy is based on the premise that property market fundamentals are the primary determinate of growth, underlying the success of companies in the real estate industry. The investment advisor focuses on companies that can achieve sustainable growth in cash flow and dividend paying capability. The investment advisor attempts to purchase securities so that its underlying portfolio will be diversified geographically

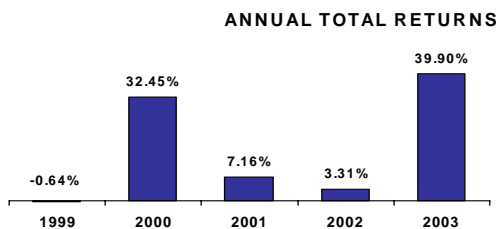
and by property type. Although the fund will invest primarily in publicly traded U.S. securities, it may invest up to 15% of its total assets in foreign securities, including securities of issuers in emerging countries and securities quoted in foreign currencies.

Primary Risks. Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs. Mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skill, may not be diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs are also subject to the possibilities of failing to qualify for tax free pass-through of income and failing to maintain their exemptions from investment company registration. REITs whose underlying properties are concentrated in a particular industry or geographic region are also subject to risks affecting such industries and regions.

REITs (especially mortgage REITs) are also subject to interest rate risks. When interest rates decline, the value of a REIT investment and fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT investment and fixed rate obligations can be expected to decline. In contrast, as interest rates on adjustable rate mortgage loans are reset periodically, yields on a REIT investment in such loans will gradually align themselves to reflect changes in market interest rates, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments and fixed rate obligations.

Performance Information.

The following bar chart and table are intended to help you understand the risks of investing in the fund. The bar chart shows how the performance of the fund's institutional shares has varied from one calendar year to another over the periods shown. The table shows the average annual returns. Keep in mind that the fund's past returns do not indicate how it will perform in the future.



Average Annual Total Returns for the period ended December 31, 2003

	1 Year	5 Years	Since Inception
Institutional Shares (Inception 7/27/98)	39.90%	15.30%	12.63%
Wilshire Real Estate Securities Index*	37.09%	14.48%	10.99%

*The Wilshire Real Estate Securities Index is an unmanaged index of publicly traded REITs and real estate operating companies. The Index figures do not reflect any deduction for fees, expenses or taxes.

Fees and Expenses. The following table describes the fees and expenses you may pay if you buy and hold Institutional Shares of the fund. The expenses shown under Annual Fund Operating Expenses are based on those reported in the prospectus dated April 29, 2004.

Shareholder Fees (fees paid directly from your investment.)

Maximum Sales Charge (Load) Imposed on Purchase:	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends:	None
Redemption Fees:	None
Exchange Fees:	None

Annual Fund Operating Expenses

Total Annual Fund Operating Expenses:	1.04%
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