

When It Gets Real, You'll Be Ready
Start Saving for College with a Bright Start 529 Account



*Morningstar Medalist Rating as of November 2023

877.432.7444 | BrightStart.com



College Happens Sooner Than You Think

You can't slow your student's childhood or the rising costs of college, but you can plan ahead with Bright Start. As a nationally recognized 529*, we make saving for college easier — and offer help along the way.

In this booklet, you'll learn more about the benefits of saving early with Bright Start, choosing your investment portfolio, and determining the contribution structure that works best for you.



Saving for College Adds Up



Investing early and often can make a noticeable difference in your child’s or grandchild’s future. Not only will it give them the opportunity to further their education, it can decrease the debt they carry after graduation. Setting up an Automatic Investment Plan to consistently contribute from your bank account can help as you look to save for college.[†]

The Value of Starting Early

Monthly Contribution with \$2,500 initial investment	5 Years Invested		10 Years Invested		15 Years Invested		18 Years Invested	
	Account Balance	Earnings	Account Balance	Earnings	Account Balance	Earnings	Account Balance	Earnings
\$50	\$6,878	\$1,378	\$12,783	\$4,283	\$20,749	\$9,249	\$26,806	\$13,506
\$100	\$10,384	\$1,884	\$21,018	\$6,518	\$35,363	\$14,863	\$46,271	\$22,171
\$250	\$20,902	\$3,402	\$45,723	\$13,223	\$79,203	\$31,703	\$104,664	\$48,164
\$500	\$38,432	\$5,932	\$86,898	\$24,398	\$152,272	\$59,772	\$201,987	\$91,487

This hypothetical example illustrates the accumulation potential with a \$2,500 initial investment and a monthly contribution plan at a 6% projected average annual return. The above example is based on projections and does not reflect your actual investment in the Bright Start College Savings Program. If fees were included, the returns would be lower. Your actual results may be more or less.

[†]Regular investing does not ensure a profit and does not protect against loss in declining markets.



\$50 for Your New Child

If your child was born or adopted on or after January 1, 2023, and you were a resident of Illinois at the time of birth or adoption, they may be eligible for a \$50 seed deposit from Illinois First Steps. Learn how to claim the funds and start saving today at BrightStart.com/FirstSteps.



Investing Made Simple

A 529 plan is a college savings account you and your loved ones can contribute to. Any account growth is not taxed while in the account, and Illinois taxpayers can benefit with an Illinois state income tax deduction. When it's time for college, the account owner can withdraw funds for the beneficiary's qualified higher education expenses tax-free.¹

Different portfolios have different investment strategies to fit your investment style. In all cases, saving sooner can help offset future student loan debt. Bright Start is a 529 plan offered by the State of Illinois designed to make saving for college easier.



Low Costs

Bright Start's program includes low portfolio expenses and no annual account fees.



Versatile Spending

529 funds can be used for tuition, fees, room and board (if enrolled at least 1/2 time), books, supplies, and equipment required for enrollment (such as a computer or required software); certain expenses for special needs services needed by a special needs beneficiary; certain apprenticeship program expenses; and, repayment of up to \$10,000 of qualified education loans.¹

Funds can also be used at one-year, two-year, four-year, public, private, graduate, technical, trade, and vocational schools nationwide, along with certain foreign schools.



Investment Diversity and Choice

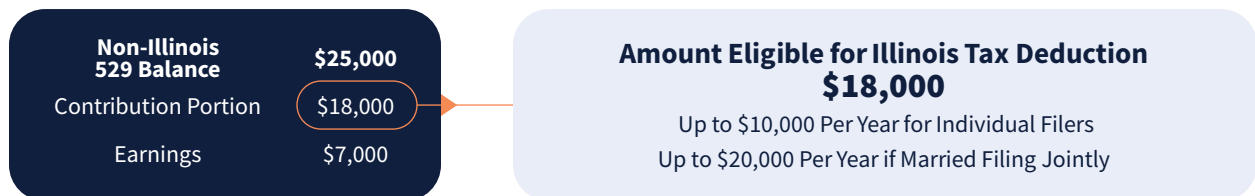
Bright Start offers Age-Based, Target, and Individual Fund Portfolios utilizing a variety of fund families, including Vanguard, T. Rowe Price, Dodge & Cox, DFA, and others.



Great Tax Benefits

Bright Start offers an Illinois income tax deduction for contributions (up to \$10,000 for individuals and \$20,000 for joint filers).² If you already have a 529 plan in another state, you can roll over funds to Bright Start and receive Illinois income tax benefits.³ The amount of the rollover that is treated as the original contribution to the prior 529 plan (but not the earnings portion of the rollover) is eligible for the deduction for Illinois income tax purposes.

ROLLOVER EXAMPLE



Note: Only the contribution or "basis" portion is income tax deductible — earnings do not qualify. There may be potential adverse tax consequences if the transfer or rollover is not a qualified rollover. (Please review all factors with your tax and financial advisor.)

Bright Start Investments

We're dedicated to providing a low-cost savings plan that features high-quality investments. Bright Start features a huge selection of fund types and investment options so you get the diversity and choice you need, featuring:

- **Age-Based Portfolios** that automatically adjust as your loved one approaches college age
- **Target Portfolios** with a fixed-asset allocation that remains constant over time
- **Individual Fund Portfolios** that allow you to customize your strategy

Bright Start Fund Family

Vanguard

T.RowePrice
INVEST WITH CONFIDENCE

Dimensional

DODGE & COX FUNDS*

BLACKROCK

ARIEL
INVESTMENTS

Invesco

BAIRD
Baird Funds

BNY MELLON | INVESTMENT MANAGEMENT

NUVEEN
ASSET
MANAGEMENT

DWS

RBC

A Word About Risk: Keep in mind that you can lose money by investing in a portfolio. Each of the Age-Based, Target, and Individual Fund Portfolios involves investment risks, which are described in the Program Disclosure Statement. You should consider these risks before making any investment decisions. For example, international investing, especially in emerging markets, has additional risks such as currency fluctuation, economic and political risks, and market volatility. Investing in small, medium, and international companies may increase the risk of fluctuations in the value of your investment and involves greater risks than investing in more established companies. Portfolios that invest in specific industries or sectors, such as real estate, have industry concentration risk. As an example, the portfolios that invest in real estate may perform poorly during a downturn in the real estate industry.

Portfolios that invest in bonds are subject to risks such as interest rate risk, credit risk, and inflation risk. In particular, as interest rates rise, the prices of bonds will generally fall, which can adversely impact performance. **It is important to note that the value of your account will fluctuate with market conditions. When you withdraw funds, you may have more or less than your actual investment. For more information on the portfolios and the underlying funds in which they invest, see the underlying funds prospectus and the Program Disclosure Statement available at BrightStart.com.**

Please read the Program Disclosure Statement carefully before making any investment decisions.

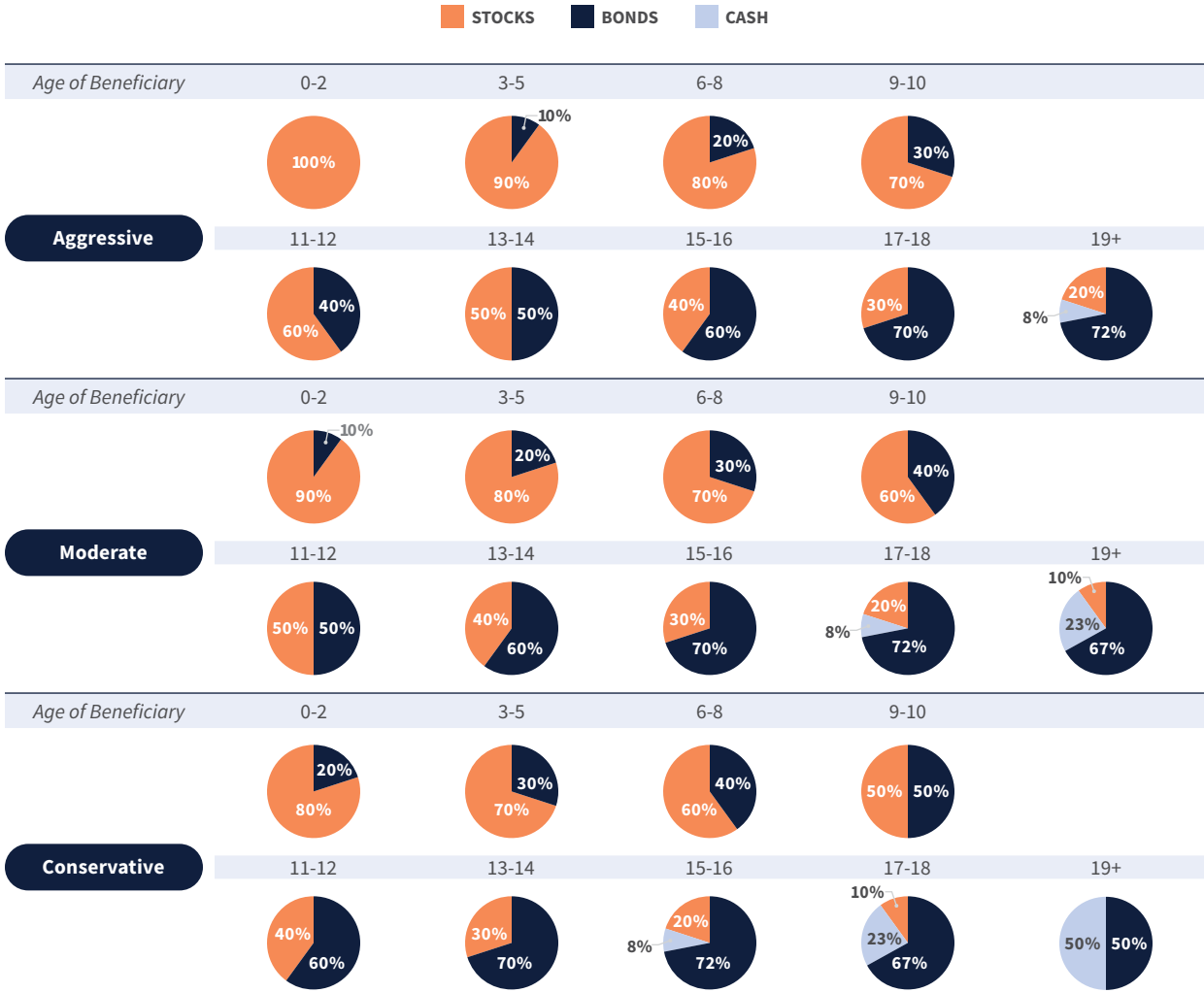
Bright Start Investments

Age-Based Portfolios

Investing for Each Stage of Life

Age-Based Portfolios automatically adjust from more aggressive, equity-focused investment allocations when the designated beneficiary is younger, to more conservative, fixed-income, and cash allocations as the designated beneficiary gets older and approaches college age.

You will also have the diversity and choice to select between an Index Strategy that utilizes Vanguard funds, or a Multi-Firm Strategy that utilizes multiple fund families including T. Rowe Price, DFA, Vanguard, Dodge & Cox, and others.



Bright Start Investments

Target Portfolios

Choose from a Variety of Investment Paths

Bright Start features six different Target Portfolios. In contrast to our Age-Based Portfolios, Target Portfolios remain constant over time, allowing you to select a fixed-asset allocation for the life of your account or until you make an investment change.

Each Target Portfolio has a different investment strategy and objective. More aggressive asset allocations feature greater exposure to equity-focused investment funds, while more conservative asset allocations focus primarily on fixed income and cash type investments.

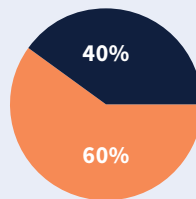
STOCKS BONDS CASH

MULTI-FIRM STRATEGY (Invests in multiple mutual fund families)

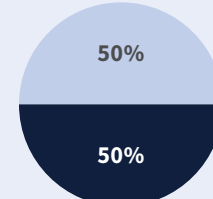
Equity Portfolio



Balanced Portfolio

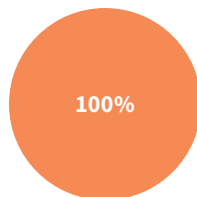


Fixed Income Portfolio

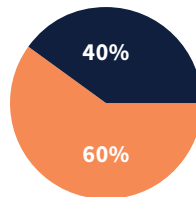


INDEX STRATEGY (Invests in Vanguard mutual funds)

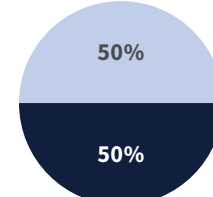
Index Equity Portfolio



Index Balanced Portfolio



Index Fixed Income Portfolio



Bright Start Investments

Individual Fund Portfolios

Customize Your Plan with Diverse Investment Options

Choose from 17 Individual Fund Portfolios to design a portfolio that meets your needs, risk tolerance, and investing style.

Bank Savings

- Bank Savings 529 Portfolio

Money Market

- Vanguard Federal Money Market 529 Portfolio*

Fixed Income

- Baird Short-Term Bond 529 Portfolio
- Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio
- Vanguard Total Bond Market Index 529 Portfolio
- Dodge & Cox Income 529 Portfolio
- Vanguard Total International Bond Index 529 Portfolio

Real Estate

- Vanguard Real Estate Index 529 Portfolio

U.S. Equity

- DFA U.S. Large Cap Value 529 Portfolio
- Vanguard 500 Index 529 Portfolio
- Vanguard Total Stock Market Index 529 Portfolio
- T. Rowe Price Large-Cap Growth 529 Portfolio
- Ariel 529 Portfolio
- DFA U.S. Targeted Value 529 Portfolio
- Vanguard Explorer 529 Portfolio

International Equity

- Vanguard Total International Stock Index 529 Portfolio
- DFA International Small Company 529 Portfolio



*You could lose money by investing in this investment option. Although the money market fund in which your investment option invests (the “underlying fund”) seeks to preserve its value at \$1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund’s sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.



More Ways to Save

Once you open your Bright Start account, there are plenty of ways to keep contributing and reach your goal.

Roll Over an Out-of-State 529 Plan

If you have an out-of-state 529 plan, visit with your financial and tax advisors regarding the advantages and disadvantages when rolling over to Bright Start.

Automatic Account Contributions

With Bright Start, you can set up an Automatic Investment Plan to consistently contribute from your bank account. Doing so can help build the amount you have contributed for college. Grandparents and other loved ones can set up automatic investments as well.[†]

Bright Start 529 Rewards Visa® Card

Earn 1.529% rewards on purchases and have those rewards automatically deposited into your Bright Start account.⁴

Bright Start GiftED

Use GiftED for birthdays, school graduations, holidays, and other special occasions. It's easy to invite family and friends to contribute to your account. Log in to your account, select GiftED, and send e-vites to individuals that have shown interest in helping your future student with their college savings.



[†]Regular investing does not ensure a profit and does not protect against loss in declining markets.

FAQs

How do I open an account?

An account can be opened by enrolling online or by requesting an enrollment kit and completing and returning the account enrollment form.

Open an account at BrightStart.com

Who can open an account?

Almost anyone over the age of 18 with a Social Security Number or Individual Taxpayer Identification Number and a valid U.S. address can be an account owner — including a parent, grandparent, aunt, uncle, friend, or another individual interested in saving for a loved one's future college expenses. In addition, a UGMA/UTMA custodian, certain legal entities, or the trustee of a trust can establish a Bright Start account.

What information do I need to open an account?

Here is the key information you will need to open your account:

Account Owner

- Social Security Number or Taxpayer Identification Number
- Account funding details including a bank account or a one-time electronic funds transfer

Beneficiary

- Name
- Social Security Number or Taxpayer Identification Number
- Date of birth

Who can be a beneficiary?

Almost anyone, including the person opening the account, can be named as a beneficiary. There are no age or income limitations or residency requirements. Each account has one designated beneficiary.

How can I contribute?

Bright Start makes it easy. You can contribute multiple ways:

- Send a check
- Establish on-going contributions with an automatic investment plan
- Roll over funds from an out-of-state 529 plan
- Establish a payroll deduction at work
- Send online invitations for family and friends to contribute through **Bright Start GiftED**
- Transfer reward dollars earned with a Bright Start 529 Rewards Visa® Card

Who can contribute?

Anyone can contribute on behalf of the beneficiary.

Can you transfer assets from another 529 plan?

Yes. Investors can roll over assets from an out-of-state plan, and in doing so, may gain the benefits of the Illinois state income tax deduction (subject to the Illinois state income tax deduction limitations).³ A same-beneficiary rollover/transfer is allowed once in a 12-month period. Additional transfers are allowed but require a change of beneficiary to a member of the family. Check with your tax professional for assistance, the advantages and disadvantages, and the steps needed to complete this process.



What are qualified expenses?

Qualified higher education expenses include:¹

- Tuition and fees
- Room and board (for those enrolled at least ½ time)
- Books, supplies, and equipment required for enrollment
- Computers and required software
- Expenses for services for a special needs beneficiary
- Certain apprenticeship program expenses
- Repayment of qualified education loans

Does the beneficiary have to attend a school in Illinois?

No. Funds may be used at eligible schools around the country as well as some schools abroad. Funds can also be used for apprenticeship programs.

Which schools are eligible?

Any school that meets accreditation criteria and participates in Federal Financial Aid Programs is eligible. This includes:

- Universities (public or private)
- Community colleges
- Trade and vocational schools
- Graduate schools
- Eligible foreign universities

Visit BrightStart.com/faqs for a list of eligible schools.

Ready to Start Saving?



Visit BrightStart.com or complete the enclosed enrollment form along with a check for an initial contribution of any amount. Checks can be made out to Bright Start College Savings. We will then send you a confirmation packet, giving an overview of your account and how to access your profile. If you have any questions, don't hesitate to contact us:

877.432.7444
BrightStart.com

The Bright Start Direct-Sold College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank and Trust Company serves as Program Manager. Balances in your Bright Start account are not guaranteed or insured by Bright Start, the State of Illinois, the Illinois State Treasurer, any other state or federal agency, Union Bank and Trust Company or any of its affiliates, the Federal Deposit Insurance Corporation (except as provided in the Program Disclosure Statement solely with respect to the FDIC-insured Bank Savings Underlying Investment), or any other entity.

An investor should consider the investment objectives, risks, and charges and expenses before investing. This and other important information is contained in the Bright Start Direct-Sold College Savings Program Disclosure Statement, which can be obtained at BrightStart.com and should be read carefully before investing. You can lose money by investing in a portfolio. Each of the portfolios involves investment risks, which are described in the Program Disclosure Statement.

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's 529 plan.

¹Withdrawals used to pay for Illinois Qualified Expenses are free from federal and Illinois state income tax. Illinois Qualified Expenses include tuition, fees, books, supplies, and equipment required for enrollment or attendance; certain room and board expenses incurred by students who are enrolled at least half-time; the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; certain expenses for special needs services needed by a special needs beneficiary; certain apprenticeship program expenses; and, repayment of up to \$10,000 of qualified education loans for the beneficiary or a sibling of the beneficiary.

Illinois Qualified Expenses do not include expenses for tuition in connection with the Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school; rollovers to a non-Illinois 529 plan; and rollovers from an Illinois 529 plan to a Roth IRA. The amount of any deduction previously taken for Illinois income tax purposes is subject to recapture in the event an Account Owner takes a Nonqualified Withdrawal or an Illinois Nonqualified Withdrawal from an Account.

²An individual who files an individual Illinois state income tax return will be able to deduct up to \$10,000 per tax year (up to \$20,000 for married taxpayers filing a joint Illinois state income tax return) for their total, combined contributions to the Bright Start Direct-Sold College Savings Program, the Bright Directions Advisor-Guided 529 College Savings Program, and College Illinois during that tax year. The \$10,000 (individual) and \$20,000 (joint) limit on deductions will apply to total contributions made without regard to whether the contributions are made to a single account or more than one account. The amount of any deduction previously taken for Illinois income tax purposes is added back to Illinois taxable income in the event an Account Owner makes an Illinois Nonqualified Withdrawal from an Account or if such assets are rolled over to a non-Illinois 529 plan. If Illinois tax rates have increased since the original contribution, the additional tax liability may exceed the tax savings from the deduction.

³The Illinois Administrative Code provides that in the case of a rollover from a non-Illinois qualified tuition program, the amount of the rollover that is treated as a return of the original contribution to the prior qualified tuition program (but not the earnings portion of the rollover) is eligible for the deduction for Illinois individual income tax purposes.

⁴Subject to credit approval. Full details appear in the Rewards Program Terms and Conditions new card customers receive with their card. All terms, including reward points, fees, and APRs for new transactions, may be subject to change. The Bright Start 529 Rewards Visa. Card is issued by Union Bank and Trust Company pursuant to a license from Visa. U.S.A. Net purchases are defined as the dollar value of goods and services purchased with a card beginning with the first day of the billing cycle that includes the cardholder's enrollment date minus any credits, returns, or other adjustments as reflected on the monthly billing statement. Rewards of at least \$50 must accumulate for an automatic transfer to the designated Bright Start account(s) each quarter.

*The Morningstar Medalist Rating™ is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please go to global.morningstar.com/managerdisclosures/.

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Not FDIC Insured* / No Bank Guarantee / May Lose Value

(*Except for the Bank Savings Underlying Investment)

March 2024



Michael W. Frerichs
ILLINOIS STATE TREASURER
Trustee and Administrator

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Union Bank & Trust
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