

Bright Start Planner

First Quarter 2020



Save Smarter: Think Long-Term, Like an Institutional Investor

Institutional investors — like large pension funds and other large institutional asset pools — think about the market a little bit differently than individual investors and day traders. Their long-term investment philosophy is built around the idea that over time, investments digest poor earnings, market corrections, and economic shocks as a part of regular market activity. And because they're managing investments at large scale, they make decisions by sticking to long-term set, targets instead of chasing short-term trends.

Given that no one has certainty as to what the market will deliver, timing the market correctly is virtually impossible. However, staying focused on long-term goals and diligently monitoring risks and exposures have been shown to produce better long-term outcomes.



2019 Tax Filing

Tax filing season is upon us. Here are a few reminders:

Illinois State Income Tax Deduction: The filing deadline for Illinois income tax returns has been extended from April 15, 2020, to July 15, 2020.

Illinois Department of Revenue 2019 Schedule M (IL- 1040)

Instructions: You may subtract Contributions you made to "Bright Start" College Savings Pool, "Bright Directions" College Savings Pool, and "College Illinois" Prepaid Tuition Program. You may also subtract contributions made on your behalf to one of these plans by your employer. You may not subtract contributions made to any other college savings program. If your contributions were made by rolling over funds from another college savings program into a "Bright Start," "Bright Directions," or "College Illinois" account, you may not subtract any income that was earned in the other savings program and rolled over into your Illinois account.

Table 13: For each row, enter the account number in Column A (do not enter a name or other information in this column) and amount of contribution made during the tax year to the "Bright Start" and "Bright Directions" College Savings Pools and "College Illinois" Prepaid Tuition Program in Column B. Enter one account per row. Attach a separate page with any additional accounts, if needed. Add the amounts in Column B and enter the total on Line 13a.

Enter the lesser amount of Line 13a or \$10,000 (\$20,000 if married filing a joint return) on Line 13. Line 13 may not exceed \$10,000 (\$20,000 if married filing a joint return).

Form 1099-Q: If you received a distribution from your Bright Start account in 2019 you would have received a 2019 Form 1099-Q from us in January 2020. If the distribution was payable to the account owner they would have received the 1099-Q, if the distribution was paid to the beneficiary or college the beneficiary would have received the 1099-Q.

Gift Tax Return: If you made gifts of \$15,000 or more to a beneficiary, you'll want to discuss any IRS Form 709 filing requirements with your tax professional.

Visit BrightStart.com/Tax-Center for more information.

Webinars

Get more information on how to save for the rising costs of college with our free webinars. Head to BrightStart.com/Webinars to view the schedule and sign up.



You Have Options When it Comes to Investing

As your lifestyle changes, your investment style might, too. Bright Start offers three different options:



Age-Based Portfolios

This approach automatically adjusts from more aggressive when your child is younger, to more conservative as they get closer to graduation.



Target Portfolios

This option stays constant over time, allowing you to set a fixed-asset allocation for the life of the account (or until you change it).



Individual Portfolios

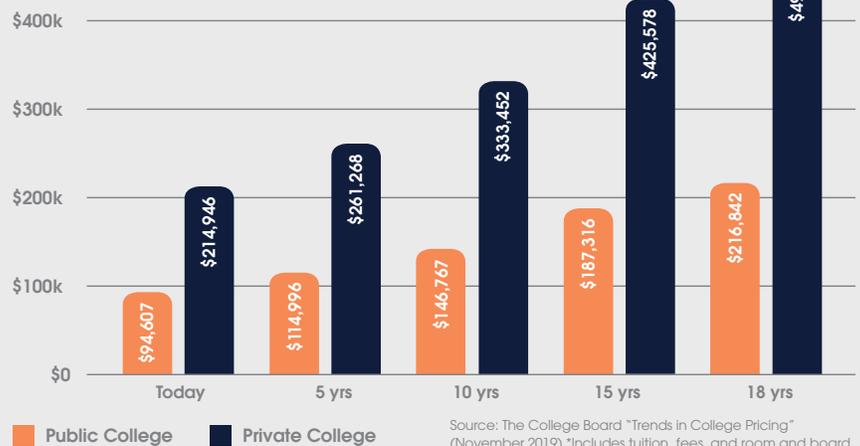
Bright Start features 16 different Individual Funds for you to mix and match to create a custom portfolio that meets your needs.

To learn more about the different investment styles, or to adjust yours, visit BrightStart.com.

Staying Ahead of College Costs

The cost of college is not just rising, it's skyrocketing. In 18 years, private schools are estimated to cost just under \$500,000 and public schools over \$200,000. Continuing to contribute to your Bright Start account and taking advantage of all the benefits it has to offer is the best way to prepare for these rising costs.

Projected Cost of College (4 yrs)



Source: The College Board "Trends in College Pricing" (November 2019) *Includes tuition, fees, and room and board. Assumes an average college cost inflation rate of 5 percent.

The Bright Start Direct-Sold College Savings Program is part of the Illinois College Savings Pool and is designed to qualify as a qualified tuition program under the provisions of Section 529 of the Internal Revenue Code. 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 & Trust Company serves as Program Manager. Investments in the Bright Start Direct-Sold College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, the Program Manager, the Federal Deposit Insurance Corporation, 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 benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's 529 plan.

*The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to global.morningstar.com/managerdisclosures/. **The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause Analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.** © 2019 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.