

Bright Start Planner

Second Quarter 2022



4 Things to Know About Making an Account Withdrawal

It's the moment you've been saving for: Your Bright Start 529 account is ready to help pay for your loved one's college expenses. Every time you withdraw from the account, keep a few things in mind before using your funds.

1 Manage withdrawals online or on paper. Withdrawing funds is fast, easy, and secure. Just head to BrightStart.com, log in to your account, and request a withdrawal. Or, print and mail the Withdrawal Request Form.

2 Plan ahead to make withdrawals. Make withdrawal requests at least 10 days before payment is due. In most cases, if a request is received in good order on a business day before markets close (typically 3 p.m. Central Time), the investments will be sold at that day's closing price. Bright Start receives the proceeds from the mutual fund investments the next morning and funds will be sent to your bank account or a check will be sent.

3 Bright Start can send the money directly to your child or their school. You can designate where your money is going in your withdrawal request: to you, your bank account, the beneficiary (your student), or their college or university. Again, leave ample time for the transfer and for the institution to process and post payment to the appropriate account.

4 Use your savings for more than tuition and fees. Withdrawals from your 529 account can be applied to qualified educational expenses, which extend beyond tuition and fees. Pay for your beneficiary's books, supplies, equipment, room and board*, a computer/printer, special needs services for a special needs beneficiary, apprenticeship program expenses, and repayment of up to \$10,000 of qualified education loans.

*If they are enrolled at least half time.

Learn more about account withdrawals at
BrightStart.com/use-of-funds.

"Bright Start seemed to check all the boxes for us. I was just impressed that it was an easy website to navigate, and I thought it was very comprehensive. They have webinars and videos. I particularly like the college savings calculator."

Jerry Rzepka

Grandfather and Bright Start account contributor
(Naperville, IL)



Read more stories from Bright Start families at
BrightStart.com/customers.



The Market, Economy, and Your Account

The 2009–21 markets were very good for investors, but volatility (the markets' ups and downs) has increased dramatically in 2022. Diversification and focusing on the long term are important in rocky markets.* In good times and in bad, investors should focus on their long-term goals, risk/return comfort level, and controlling what is within their power. We cannot control the markets and economy; however, we can control how much we are saving and the diversification of our investments. Investment professionals suggest focusing on your risk tolerance or comfort level and staying the course.

The S&P 500 Index is a standard measuring stick for the performance of 500 leading publicly traded companies. Through May 31, 2022, the returns help frame the picture of the strong markets we have seen the last 10 – 20 years.

As of May 31, 2022	Average Annual Total Returns			
	1 year	5 year	10 year	20 years (Jan. 1, 2002 – Dec. 31, 2021)
S&P 500 Index	-0.3%	13.4%	14.4%	9.5%

While the S&P 500 Index is down 19.96% year-to-date (through June 30, 2022), that same measuring stick has provided solid returns over the long term.

Investors who focus long term, stay the course, do not jump in and out of the markets, and consistently contribute are those that have the potential to be rewarded over the long haul. Remember and focus on the big picture — especially during periods when the markets are unpredictable.

*Diversification does not assure a profit nor guarantee protection against a loss in a declining market.

Understand asset allocation and your risk tolerance at
BrightStart.com/risk-tolerance-questionnaire

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.

*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 of Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates each plan's investment options within the context of their objectives and peer groups, with emphasis placed on the options with the most assets. Plans are evaluated based on four key pillars, including process, people, parent, and price. The Manager Research Group uses this four pillar evaluation to determine which plans they believe are likely to adhere to industry best practices and feature investment options that are likely to collectively outperform relevant peers on a risk-adjusted basis over the long term. They consider quantitative and qualitative factors in their research, and the weight of each pillar is as follows: 30% for Process, People, and Parent, and 10% for Price. The Morningstar Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. Plans that receive Morningstar Analyst Ratings of Gold, Silver, or Bronze for the most part follow industry best practices, offering some combination of the following attractive features: a strong set of underlying investments, a solid manager selection process, a well-researched asset-allocation approach, an appropriate set of investment options to meet investor needs, low fees, and strong oversight from the state and program manager. State income tax benefits vary widely from state to state, and some states have no state tax benefit for investing in a 529 plan. Given the variability of state tax benefits for investors based on personal considerations such as residency, income level, size and frequency of contributions, and other factors, Morningstar does not treat tax benefits as a predictor of performance, and therefore it is not included in the ratings assessment. Morningstar Analyst Ratings are continuously monitored and reevaluated annually. For more detailed information about Morningstar's Analyst Rating for 529 College-Savings Plans, including the methodology, please go to https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/Morningstar_Analyst_Rating_Methodology_071020.pdf.

The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a plan, (ii) involve 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 a 529 college-savings plan or its underlying investment options.

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► Your Questions: Answered.

We get great questions about Bright Start and 529 college savings plans all the time, like this one.

Q:

"Will a 529 plan hurt my child's eligibility for financial aid?"

A:

A parental owned 529 account has minimal impact in the financial aid calculation. Funds invested in a Bright Start 529 account are considered an asset of the account owner. If that's a parent, only a maximum of 5.64% of the value of the account is considered to determine the student's Expected Family Contribution.