

Learn how big changes to Bright Start are making it an even better way to save for college



TRANSITION GUIDE

Learn about the great new enhancements — and same great benefits — coming to your Bright Start account in July 2017.

844.473.8558 | BrightStartTransition.com

Dear Bright Start College Savings Investor,

Thank you for making the important decision to invest in a student's future through the Bright Start Direct College Savings Plan. Saving for college is the most important investment we make as a family. My office is committed to ensuring that Bright Start is an excellent value for college savers. That's why I'm excited to announce new enhancements to the program, effective in mid-July:

- **Lower Costs.** We have worked hard to negotiate lower fees, keeping more money in the accounts of future students. In addition, we have reduced the Bright Start Direct plan management fee by 47%, and eliminated the \$10 annual fee on Index Portfolios.
- **Additional Investment Choice.** Bright Start will expand the number of quality fund families you can choose from. We will add additional funds from Vanguard, T. Rowe Price, Dodge & Cox, DFA, and others. Additional Age-Based Portfolios and investment options will also be added.
- **A New Program Manager.** Through an open and competitive bid process, my office selected Union Bank & Trust as the program's new manager. They have served in that role for the past 11 years for our Morningstar Silver Rated Advisor-Sold program, Bright Directions.
- **Transition Details.** It's important to note your Bright Start investments will automatically and seamlessly transition to the new portfolios. **There is no action required by you.** If you have any questions, contact our special transition assistance line at 844.473.8558 or visit our transition site at BrightStartTransition.com.
- **Same Great Tax Benefits.** The newly enhanced Bright Start plan will still offer all the same great tax benefits you're used to, including an Illinois tax deduction for contributions (up to \$10,000 for individuals and \$20,000 for joint filers¹).

These changes will automatically become part of your account in mid-July. In the next several weeks you will receive an updated Program Disclosure Statement dated July 17, 2017 for your review and records.

Thank you for your investment in the future of Illinois.

Sincerely,



Michael W. Frerichs | Illinois State Treasurer



Michael W. Frerichs
ILLINOIS STATE TREASURER

Trustee and Administrator



Transition Overview

In addition to lower costs and the elimination of account fees, your Bright Start account will also now feature high-quality investments with more diversity and choice:

- Premier Mutual Funds
- Additional Age-Based Portfolios with a more diverse and smoother glide path
- Additional Target Portfolios
- 14 Individual Fund Portfolios

Again — **no action is required by you for these improvements to take effect.**

The transition to your lower-cost, more diverse Bright Start account will be automatic and seamless.

The New Bright Start Fund Family



DODGE & COX FUNDS®

BLACKROCK



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 BrightStartTransition.com.**

This Transition Guide does not contain all information about the Bright Start Direct College Savings Plan or the investments available through the Plan or all the risks presented by those investments. Accordingly, you are urged to read the Program Disclosure Statement carefully before making any investment decisions.

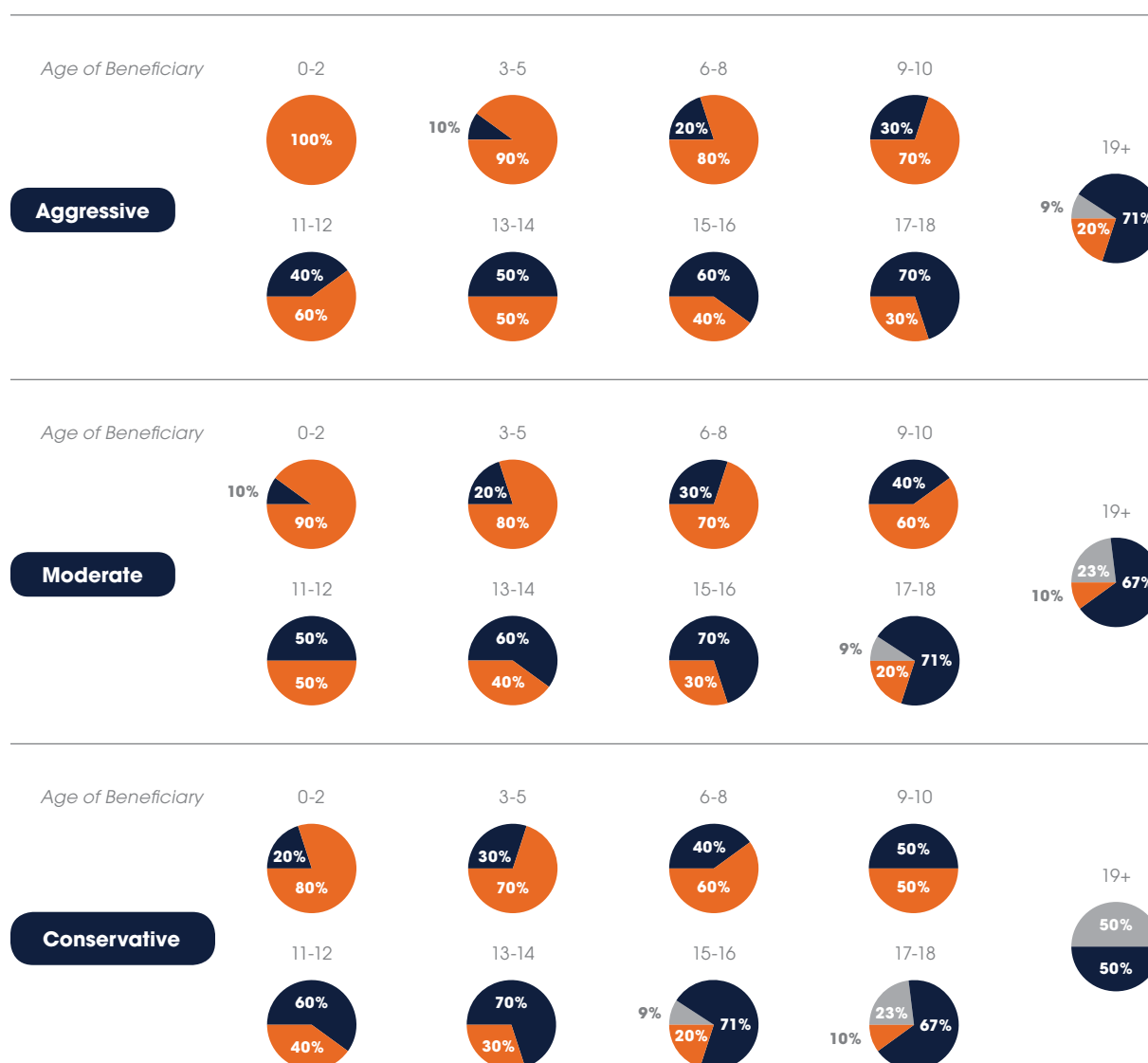
New Age-Based Portfolios

Age-Based Portfolios automatically adjust from more aggressive, equity-focused investment allocations, when the designated beneficiary is younger, to more conservative, fixed-income and money market-based investment allocations as the designated beneficiary gets older. These adjustments are made automatically as they approach college age.

The new Bright Start Age-Based Portfolios allow you to select between aggressive, moderate, and conservative investment styles. 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.

New Bright Start Age-Based Portfolios

■ STOCKS
 ■ BONDS
 ■ CASH



How Will My Current Age-Based Portfolio Be Invested in the New Options?

The table below illustrates how any age-based investments will be mapped to the new investment portfolios. Your account will automatically transfer into the Bright Start portfolios that are tailored to the age of your child. We encourage you to review the new options available to you.

While the new portfolios have similar objectives, asset allocation, and risk profile, they are not exactly the same and utilize different underlying investment funds. Keep in mind, you may change your investments twice per calendar year.

Your Current Portfolio

Your New Bright Start 529 Portfolio

If you are currently invested in the Age-Based Portfolios, the age of your designated beneficiary at the time of the conversion will determine the age band in the new Age-Based Portfolios to which your account will be transferred.

Blended Age-Based Portfolio

0-6 years 12-14 years
7-9 years 15-17 years
10-11 years 18 years or older

Moderate Age-Based

Ages 0-2 Ages 13-14
Ages 3-5 Ages 15-16
Ages 6-8 Ages 17-18
Ages 9-10 Ages 19 and older
Ages 11-12

Index Age-Based Portfolio

0-6 years 12-14 years
7-9 years 15-17 years
10-11 years 18 years or older

Index Moderate Age-Based

Ages 0-2 Ages 13-14
Ages 3-5 Ages 15-16
Ages 6-8 Ages 17-18
Ages 9-10 Ages 19 and older
Ages 11-12

*Visit BrightStartTransition.com for information and carefully read the Program Disclosure Statement dated July 2017 for detailed asset allocation, underlying investment fund, and risk information on all of the Portfolios and underlying funds.

New Target Portfolios

Bright Start now features six different Target Portfolios. In contrast to our Age-Based Portfolios, Target Portfolios remain constant over time, allowing account owners to select a fixed-asset allocation for the life of their account.

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 money market investment funds.

New Bright Start Target Portfolios



STOCKS



BONDS



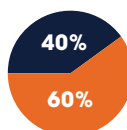
CASH

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

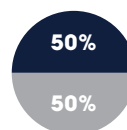
EQUITY PORTFOLIO



BALANCED PORTFOLIO



FIXED INCOME PORTFOLIO

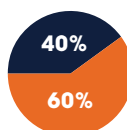


INDEX STRATEGY (invests in Vanguard mutual funds)

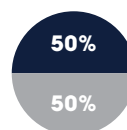
INDEX EQUITY PORTFOLIO



INDEX BALANCED PORTFOLIO



INDEX FIXED INCOME PORTFOLIO



*Visit BrightStartTransition.com for information and carefully read the Program Disclosure Statement dated July 2017 for detailed asset allocation, underlying investment fund, and risk information on all of the Portfolios and underlying funds.

How Will My Current Choice-Based Portfolio Be Invested in the New Options?

If you are currently invested in a choice-based portfolio, your account will be transferred to a new Bright Start Target Portfolio.

While the new portfolios have similar objectives, asset allocation, and risk profile, they are not exactly the same and utilize different underlying investment funds. Keep in mind, you may change your investments twice per calendar year.





New Individual Fund Portfolios

To provide additional flexibility and choice, Bright Start will offer 14 Individual Fund Portfolios. An investor will be able to select any combination of the Individual Fund Portfolios to design a portfolio to meet his or her needs, risk tolerance, and investing style. The new portfolios will be available beginning on July 17, 2017.

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

U.S. Equity

- Vanguard 500 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

Real Estate

- Vanguard REIT Index 529 Portfolio

*An investment in the portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the portfolio seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the portfolio.



Lower Account Fees and Expenses

Bright Start is committed to offering an extremely competitive 529 program for college savers and to providing complete details and transparency regarding your investment costs. In addition to eliminating the \$10 annual account fee on Index Portfolios, the plan has reduced fees across the board to help investors retain more of their investment dollars and have them build toward their future college savings costs. The following table includes current annual plan expenses and the estimated annual fees with the new portfolios effective in July.

	OLD PLAN	NEW PLAN
AGE-BASED OPTIONS		
Index Aggressive Age-Based	not offered	0.12%
Index Moderate Age-Based	\$10 annual fee + 0.19%	0.13%
Index Conservative Age-Based	not offered	0.13%
Aggressive Age-Based	not offered	0.43%
Moderate Age-Based	0.61%	0.41%
Conservative Age-Based	not offered	0.39%
TARGET PORTFOLIOS		
Index Equity Portfolio	\$10 annual fee + 0.17%	0.12%
Index Balanced Portfolio	\$10 annual fee + 0.19%	0.13%
Index Fixed Income Portfolio	\$10 annual fee + 0.20%	0.15%
Equity Portfolio	0.65%	0.46%
Balanced Portfolio	0.65%	0.44%
Fixed Income Portfolio	0.41%	0.26%
Money Market	0.31%	0.19%
NEW - INDIVIDUAL FUND PORTFOLIOS		
MONEY MARKET		
Vanguard Federal Money Market 529 Portfolio		0.19%
FIXED INCOME		
Baird Short-Term Bond 529 Portfolio		0.41%
Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio		0.12%
Vanguard Total Bond Market Index 529 Portfolio		0.11%
Dodge & Cox Income 529 Portfolio		0.54%
Vanguard Total International Bond Index 529 Portfolio		0.15%
U.S. EQUITY		
Vanguard 500 Index 529 Portfolio		0.10%
T. Rowe Price Large-Cap Growth 529 Portfolio		0.48%
Ariel 529 Portfolio		0.83%
DFA U.S. Targeted Value 529 Portfolio		0.48%
Vanguard Explorer 529 Portfolio		0.45%
INTERNATIONAL EQUITY		
Vanguard Total International Stock Index 529 Portfolio		0.15%
DFA International Small Company 529 Portfolio		0.64%
REAL ESTATE		
Vanguard REIT Index 529 Portfolio		0.18%

EXPENSE INFORMATION: Old Plan expense information obtained from the Bright Start Program Disclosure Statement dated September 30, 2016. New Plan expense information includes program management and state fee plus expense information from the underlying mutual fund prospectuses as of May 27, 2017.

FAQs

Why is Bright Start changing?

The Illinois State Treasurer serves as Trustee and Administrator for the program. In the interest of offering the best investment options for Illinois families, an open and competitive bid process was undertaken this past year. Through this process, the Treasurer selected a new program manager (Union Bank & Trust) and worked to structure a program that will be attractive for Illinois families and college savers.

What changes are being made to Bright Start?

Effective July 17, 2017, Bright Start will have a new program manager, which will result in the following positive changes to your account:

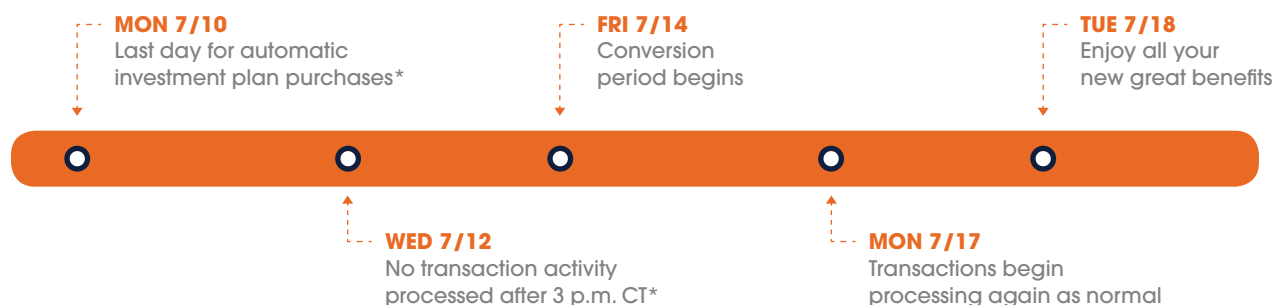
- Elimination of annual account fee
- Expanded and new fund families: Vanguard, T. Rowe Price, DFA, Dodge & Cox, and others
- Lower portfolio costs
- Enhanced Age-Based Portfolio options
- New Bright Start 1.529% Rewards Visa

What is staying the same?

- Your account number
- Illinois tax benefits: contributions are deductible up to \$10,000 (\$20,000 if married and filing a joint return)
- Our website and phone number
BrightStartSavings.com | 877.432.7444

What do I need to do?

No action is required on your part, and all account records, balances, and automatic contributions from bank accounts will transfer over automatically on the following timeline:



*Transactions submitted between 3 p.m. CT on July 12, 2017 (3 p.m. CT on July 10, 2017 for automatic investment plans) and 3 p.m. CT on July 17, 2017 are scheduled to be processed on Monday, July 17, 2017, using the closing prices of Monday, July 17, 2017.



Will I be able to change how I am invested?

Yes. The IRS allows two investment changes per calendar year. If you will be making any investment changes, we recommend that you make any changes prior to 3 p.m. CT on July 12 or request as normal beginning July 17, 2017.

Will there be an annual account fee?

No. The \$10 annual account fee will be eliminated effective July 17, 2017.

What are the new investment options?

The plan will have Age-Based Portfolios, Target Portfolios, and 14 Individual Fund Portfolios.

Will I receive additional information?

Yes. Our site (**BrightStartTransition.com**) will be updated and kept current throughout the process, so check back. You will also receive a welcome letter and account confirmation following the conversion.

Will I have any tax implications with the change?

The transition to the new portfolios and investments is program-initiated and should not count against your allowable two investment changes per calendar year.

What if I have questions?

Contact the new program manager from 7:30 a.m. CT — 6:00 p.m. CT (M-F) at our special transition assistance line, **844.473.8558**, and visit **BrightStartTransition.com**.

Will my account have a blackout period?

Yes, there will be a blackout period while the records and accounts transfer.

IMPORTANT: Requests via paper form, online, or via phone for account changes and transactions received after 3 p.m. CT Wednesday, July 12, 2017, through 3 p.m. CT, on Monday, July 17, 2017, will be processed on Monday, July 17, 2017, using closing prices as of July 17, 2017.

You will not be able to access or transact on your account via phone, paper form, or online beginning 3 p.m. CT Wednesday, July 12, 2017. After the conversion is complete, we will make the website available to access your account the afternoon of Monday, July 17, 2017.

Please plan accordingly and make any needed changes to your account prior to 3 p.m. CT on July 12, 2017 or request as normal beginning July 17, 2017.

An investor should consider the investment objectives, risks, and charges, and expenses before making any investment decisions. This Transition Guide does not contain all information about the Bright Start Direct College Savings Plan or the investments available through the Plan. Other important information is contained in the Bright Start College Savings Program – Direct-sold Plan Program Disclosure Statement, which can be obtained by calling Bright Start or at BrightStartTransition.com and should be read carefully before making any investment decision. 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 that are only available for investments in that state's 529 plan.

The Bright Start College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank & Trust Company will serve as Program Manager, effective July 17, 2017. Investments in the Bright Start College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, Union Bank & Trust Company, the Federal Deposit Insurance Corporation, or any other entity.

¹ An 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 College Savings Program, the Bright Directions 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 takes a 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.

² Withdrawals used to pay for qualified higher education expenses are free from federal and Illinois state income tax. Qualified higher education 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; and certain expenses for special needs services needed by a special needs beneficiary.

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

June 2017



Michael W. Frerichs
ILLINOIS STATE TREASURER

Trustee and Administrator

UBT
Union Bank & Trust
Program Manager



State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
INVESTMENT POLICY STATEMENT
Effective July 2017

1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained by the Illinois State Treasurer (the “Treasurer”) to provide services related to the management of the assets of the Illinois College Savings Pool (the “Pool”) that are contributed to the Bright Start College Savings Program (the “Program”) and to assist the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer’s investment objectives;
- Providing general guidelines for the investment of assets of the Program;
- Describing the Treasurer’s long-term investment strategy;
- Describing the process of evaluating the performance of employees or contractors that provide investment management services to the Program; and
- Specifying the responsibilities of any contractors that provide investment management services to the Program.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

2.0 Establishment and Authority of Entity

The Program has been established as part of the Illinois College Savings Pool, and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program was established to provide families with an opportunity to invest toward future college education expenses.

3.0 Investment Philosophy

The Treasurer has adopted a long-term total return strategy for the Program and its investments. In order to achieve the Program’s objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across financial markets will be the primary risk control mechanisms.

In its investment strategy, the Treasurer has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program

possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; (4) maturity; and (5) duration.

Contributions to the Program will be directed to one or more of the available Portfolios (the “Portfolios”), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters of each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios may be divided into the following broad asset categories:

- A. Short-Term Investments;
- B. Fixed Income Investments;
- C. Real Estate Investments;
- D. Domestic Equity Investments
- E. International Equity Investments

The Treasurer will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear the risk of investment results. Individual participants who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

The administration and offering of the Program should not be relied upon as a guarantee to participants. Each participant should seek appropriate advice as he or she deems necessary.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will endeavor to identify and evaluate investment managers that are more than 50% owned and/or managed by minorities, women, military veterans, or disabled persons.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will prudently exercise ethical and social stewardship in its investment decision-making as the Treasurer aspires to contribute to a more just, accountable and sustainable State of Illinois. As such, the Treasurer shall endeavor to:

- A. Integrate environmental, social and governance (ESG) factors as components of investment decision-making, due diligence and risk management; and
- B. Take into account corporate governance practices, environmental or social impact, and regulatory and reputational risks associated with investment options.

4.0 Investment Objectives

The overall investment program for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A. A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof; and
- B. An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each participant with the ability to invest in a diversified portfolio to meet his or her investment goals.

5.0 Investment Responsibilities

The Treasurer is responsible for the investment policy statement, the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer will engage and plan to rely heavily on said contractor (the “Manager”) for administrative services as well as the contractor’s pertinent investment advisor, should they retain one, for investment management services. The Treasurer also plans to rely heavily on an external investment consultant for investment advisory services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Age-Based and Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Treasurer’s approval, the Manager may retain an investment advisor to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this Policy. The Treasurer and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

In addition, the Treasurer may engage an independent investment consultant that will:

- Measure investment performance results, evaluate the investment program, and advise the Treasurer as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Treasurer regarding significant matters pertaining to the investment program.

6.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or short-term investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The Policy target asset allocations and benchmarks for the underlying investments within the Age-Based and Target Portfolios are shown in the following table. There is a permissible range of plus or minus 10% of the target allocation for each underlying investment fund.

7.0 Plan Options

Direct Plan: Index Age-Based and Target Portfolios

Age-Based Portfolios		Age of Beneficiary										
Aggressive Option		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +		
Moderate Option			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +	
Conservative Option				0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +
Target Portfolios		Equity Portfolio				Balanced Portfolio						Fixed Income
Asset Class		Benchmark										
Domestic Equity	CRSP U.S. Total Market Index	56.0%	54.0%	49.0%	40.0%	36.0%	32.0%	25.0%	19.0%	13.0%	7.0%	0.0%
Real Estate	MSCI US REIT Index	8.0%	6.0%	5.0%	7.0%	5.0%	3.0%	3.0%	3.0%	3.0%	1.0%	0.0%
International Equity	FTSE Global All Cap ex US Index	36.0%	30.0%	26.0%	23.0%	19.0%	15.0%	12.0%	8.0%	4.0%	2.0%	0.0%
Domestic Fixed Income	BofA/Merrill Lynch – High Yield Master II Index	0.0%	1.0%	3.0%	5.0%	5.0%	6.0%	7.0%	5.0%	5.0%	3.0%	0.0%
	Bloomberg Barclays U.S. 1-5 Year Government / Credit Float Adjusted Index	0.0%	2.0%	4.0%	6.0%	9.0%	11.0%	14.0%	22.0%	25.0%	22.0%	20.0%
	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	0.0%	4.0%	7.0%	11.0%	17.0%	23.0%	24.0%	25.0%	25.0%	25.0%	15.0%
	Bloomberg Barclays U.S. 0–5 Year TIPS Index	0.0%	2.0%	3.0%	4.0%	4.0%	4.0%	9.0%	13.0%	11.0%	14.0%	15.0%
Foreign Bonds	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)	0.0%	1.0%	3.0%	4.0%	5.0%	6.0%	6.0%	5.0%	5.0%	3.0%	0.0%
Money Market	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.0%	23.0%	50.0%

Direct Plan: Multi-Firm Age-Based and Target Portfolios

Age-Based Portfolios		Age of Beneficiary										
Aggressive Option		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +		
Moderate Option			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +	
Conservative Option				0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +
Target Portfolios		Equity Portfolio				Balanced Portfolio						Fixed Income
Asset Class		Benchmark										
Domestic Equity	Russell 1000 Value	12.0%	12.0%	11.0%	9.0%	8.0%	7.0%	6.0%	4.0%	3.0%	2.0%	0.0%
	S & P 500 Index	22.0%	20.0%	19.0%	16.0%	14.0%	12.0%	9.0%	7.0%	5.0%	3.0%	0.0%
	Russell 1000 Growth	12.0%	12.0%	11.0%	9.0%	8.0%	7.0%	6.0%	4.0%	3.0%	2.0%	0.0%
	Russell 2500 Value	5.0%	5.0%	4.0%	3.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%	0.0%
	Russell 2500 Growth	5.0%	5.0%	4.0%	3.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%	0.0%
Global Real Estate	FTSE EPRA/NAREIT Developed Real Estate Index	8.0%	6.0%	5.0%	7.0%	5.0%	3.0%	3.0%	3.0%	3.0%	1.0%	0.0%
International Equity	MSCI ACWI ex-U.S. Index	26.0%	22.0%	19.0%	17.0%	14.0%	12.0%	10.0%	6.0%	4.0%	2.0%	0.0%
	MSCI World ex-U.S. Small Cap Index	5.0%	4.0%	3.0%	3.0%	2.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%
	MSCI Emerging Markets Index	5.0%	4.0%	4.0%	3.0%	3.0%	2.0%	1.0%	1.0%	0.0%	0.0%	0.0%
Domestic Fixed Income	BofA/Merrill Lynch – High Yield Master II Index	0.0%	1.0%	2.0%	3.0%	3.0%	3.0%	4.0%	3.0%	3.0%	2.0%	0.0%
	Bloomberg Barclays 1-3 Year U.S. Government / Credit Bond Index	0.0%	2.0%	4.0%	6.0%	9.0%	11.0%	14.0%	22.0%	25.0%	22.0%	20.0%
	Bloomberg Barclays U.S. Aggregate Bond Index	0.0%	4.0%	7.0%	11.0%	17.0%	23.0%	24.0%	25.0%	25.0%	25.0%	15.0%
	Bloomberg Barclays U.S. 0-5 Year TIPS Index	0.0%	2.0%	3.0%	4.0%	4.0%	4.0%	9.0%	13.0%	11.0%	14.0%	15.0%
	Credit Suisse Leveraged Loan Index	0.0%	0.0%	1.0%	2.0%	2.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%
Global Bonds	Bloomberg Barclays Global Aggregate Index (Hedged)	0.0%	1.0%	3.0%	4.0%	5.0%	6.0%	6.0%	5.0%	5.0%	3.0%	0.0%
Money Market	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.0%	23.0%	50.0%

Advisor Plan: Active Age-Based Portfolios

		#1	#2	#3	#4	#5	#6
		Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
Asset Class	Benchmark*	(0-6 yrs.)	(7-9 yrs.)	(10-11 yrs.)	(12-14 yrs.)	(15-17 yrs.)	(18+ yrs.)
Domestic Equity	S & P 500 Index	25%	21%	18%	15%	9%	3%
	Russell 1000 Value Index	16%	12%	10%	8.5%	5%	2%
	Russell 1000 Growth Index	16%	12%	10%	8.5%	5%	2%
	Russell 2000 Index	15.0%	11.0%	10%	8.0%	5.0%	1%
International Equity	MSCI AC World (ex-US) Index	13%	10%	8.5%	7%	4.5%	1.5%
	MSCI Emerging Markets Index	5%	4%	3.5%	3%	1.5%	0.5%
Domestic Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	6%	10%	15%	15%	20%	15%
	Bloomberg Barclays 1-3 Yr. U.S. Government/Credit Bond Index	0%	10%	15%	20%	22%	45%
	Bloomberg Barclays U.S. 1-5 Year TIPS Index	2%	5%	5%	10%	10%	10%
International Fixed Income	Citigroup Non-U.S. World Government Bond Index	2%	5%	5%	5%	8%	5%
Money Market Instruments	iMoney Net First Tier Institutional Money Market Index	0%	0%	0%	0%	10%	15%

Advisor Plan: Active Fixed Income, Conservative Fixed Income, Equity, Balanced or Money Market Options

Asset Class	Benchmark*	Fixed Income Portfolio	Conservative Fixed Income Portfolio	Equity Portfolio	Balanced Portfolio	Money Market Portfolio
Domestic Equity	S & P 500 Index	0%	0%	25%	15%	0%
	Russell 1000 Value Index	0%	0%	19.5%	9%	0%
	Russell 1000 Growth Index	0%	0%	19.5%	9%	0%
	Russell 2000 Index	0%	0%	16.0%	7%	0%
International Equity	MSCI AC World (ex-US) Index	0%	0%	14%	7%	0%
	MSCI EMG Mkts. Index	0%	0%	6%	3%	0%
Domestic Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	30%	0%	0%	15%	0%
	Bloomberg Barclays 1-3 Yr. U.S. Government/Credit Bond Index	35%	95%	0%	10%	0%
	Bloomberg Barclays U.S. 1-5 Year TIPS Index	10%	5%	0%	10%	0%
International Fixed Income	Citigroup Non-U.S. World Government Bond Index	10%	0%	0%	5%	0%
Money Market Instruments	iMoney Net First Tier Institutional Money Market Index	15%	0%	0%	10%	100%

*Benchmarks are subject to change as mutually agreed by the Treasurer and Manager in order to ensure that they remain appropriate for each underlying investment and consistent with industry standards.

Each underlying investment fund's return objective is to equal or exceed, over a five-year rolling period, the return of the applicable benchmark. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investments approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such an underlying investment's assets may not be entirely invested in the asset class in which such underlying investment has been placed.

Individual Fund Portfolios (Direct Plan):

To provide additional diversity and flexibility to participants the Individual Fund Portfolios and underlying investment funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the following asset classes:

Asset Class	Benchmark
Money Market	3 Month T-Bills
Short Term Fixed Income	Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index
Core Bond	Bloomberg Barclays U.S. Aggregate Float Adjusted Index Bloomberg Barclays U.S. Aggregate Bond Index
High Yield Bonds	BofA/Merrill Lynch – High Yield Master II Index
Short Term U.S. TIPS	Bloomberg Barclays U.S. 0–5 Year TIPS Index
Foreign Bonds	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)
Global Bonds	Bloomberg Barclays Global Aggregate Index (Hedged)
Bank Loans	Credit Suisse Leveraged Loan Index
Balanced	60% S&P 500 Index / 40% Bloomberg Barclays U.S. Aggregate Bond Index
Large Cap Value	Russell 1000 Value
Large Cap Blend	S&P 500 Index
Large Cap Growth	Russell 1000 Growth
Small-Cap Value	Russell 2500 Value
Small-Cap Growth	Russell 2500 Growth
All-Country Non-US	FTSE Global All Cap ex US Index
Emerging Market	MSCI Emerging Markets Index
Non-U.S. Small Cap	MSCI World ex-U.S. Small Cap Index
Real Estate	MSCI U.S. REIT Index FTSE EPRA/NAREIT Developed Real Estate Index

7.1 Minority- and Woman-Owned Portfolios

The Treasurer may also add additional Individual Fund Portfolios – for example, Minority, Woman, Veteran, and Disabled-Managed Portfolios – for participants who would like to have a more diverse set of investment options as new viable options become available.