Bright Planner Start Second Quarter 2018



Welcome to this edition of the Bright Start Planner, featuring college investing best practices, withdrawal information, and more.

Remember Your Investing Goals During Down Markets

With choppy markets in 2018, investors may be tempted to retreat into conservative options, and then time their return with a market uptick. Not only is this an unrealistic strategy, but it could cost you in the long run. Remember, you are only allowed two investment changes per calendar year. You may also get into a situation where markets return before you switch back to your regular strategy, which may mean missing out on crucial earnings.

When it comes to saving for college, it's best to select an investment option that meets your personal goals — and stick to it. If a downturn in markets makes you uncomfortable, then it may be time to rethink your goals, and then use one of your two yearly investment changes to establish a new strategy.

Every investment strategy requires realistic expectations. No one can predict markets. It's best to remain patient, and let your goals play out over time.

POP QUIZ: When it's time for college, which of these expenses can you pay for tax-free with your Bright Start contributions?

- Tuition and fees
- Season tickets for university athletics
- Room and board (if enrolled at least ½ time)
- A computer
- Repayment of student loans
- Books

TIP: For all college expenses, keep your receipts, invoices, and any other documentation in your tax file in case you are ever audited.

See reverse side for answers.

What Makes a Good 529 Plan?

DID YOU KNOW?

Only 0.3%

of students get a

full-ride scholarship.[†]

There are plenty of ways to determine if a 529 plan is meeting your college savings needs. Morningstar, an independent investment research group, has an established way of grading college savings options. Here's what they take into consideration:

- **Process:** Did the plan hire an experienced asset allocator to design a thoughtful, well-diversified glide path for the age-based portfolios? What suite of investment options is offered?
- **People:** What is Morningstar's assessment of the underlying money managers' talent, tenure, and resources?
- Parent: Is the program manager a good caretaker of college savers' capital? Is the state managing the plan professionally?
- **Performance:** Have the plan's options earned their keep with solid risk-adjusted returns over relevant time periods? How is the plan expected to perform going forward?
- Price: Are the investment options a good value?

In 2017, Bright Start went through a number of changes to overhaul an already solid college savings option, including establishing Union Bank & Trust as program manager, lowering fees across the board, and increasing investment options by adding a number of quality fund families.

These changes, along with the plan's strong foundation, earned Bright Start a Gold medal from Morningstar in 2017. Visit **BrightStartSavings.com/Morningstar** to learn more about this prestigious ranking.

[†]Source: http://www.fox5ny.com/news/why-a-529-plan-is-a-great-way-to-save-for-college





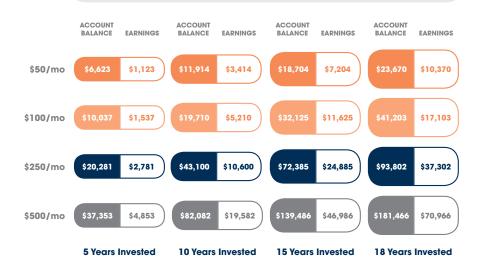
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How Much Do You Need for College?

Some experts say that a four-year university education could cost as much as \$200,000 by 2030. It's important to get started as early as you can so your child has a solid foundation by the time college comes around. Here's a look at what saving the same dollar amount every month will get you.

Assuming an initial investment of \$2,500 and an annual return of 5%, here's how different monthly contributions can grow over time.[‡]



This hypothetical example illustrates the accumulation potential with a \$2,500 initial investment and a monthly contribution plan at a 5% 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.

POP QUIZ: Answers





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. 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 associated with municipal fund securities before investing. This, and other important information, is contained in the fund prospectuses and the Bright Start Program Disclosure Statement (issuer's official statement), and may be obtained by calling 877.432.7444 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 conviction a fund's prospects for outperformance. Analyst Rating reflect the Manager Research Group's conviction a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's conviction a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's conviction 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. © 2017 Morningstar, Inc. All Rights Reserved. The information con



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