



OFFICE OF ILLINOIS STATE TREASURER

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Illinois' 529 College Savings Plans Earn Top Ratings, Remain Among Best in Nation

*Morningstar: Bright Start Earns Second Consecutive Gold,
Bright Directions Wins Silver Four Years in a Row*

CHICAGO – Illinois State Treasurer Michael Frerichs today announced that Illinois' 529 College Savings plans, Bright Start and Bright Directions, earned top rankings from Morningstar, placing both plans among the best in the nation. Bright Start was one of only four 529 plans in the country to earn a Gold rating.

“Since I took office, I’ve made it a priority to create college savings programs that Illinois can trust,” Frerichs said. “We are proud of these rankings and the progress we have made to improve our 529 plans and ensure that Bright Start and Bright Directions continue to offer high quality investment options at a low cost. We are honored that Morningstar sees the value in our programs.”

[Morningstar](#), which independently evaluates and rates college savings plans, today released the results selecting the Bright Start 529 College Savings Plan as a “Gold-Rated 529.” Since Treasurer Michael Frerichs revamped the plans in July 2017, Bright Start, a direct-sold plan, has won back-to-back Gold medals. According to Morningstar, Bright Start is considered a “Valedictorian” among its peers and continues to be one of the highest-rated plans in the country thanks to its investment diversity and choice, low costs, and overall structure.

The Bright Directions Advisor-Guided 529 College Savings Plan also earned its fourth consecutive Silver medal, the highest honor bestowed upon advisor-sold plans. Morningstar recognized Bright Directions for its low-cost, well-constructed age-based portfolios and exceptional selection of individual options.

Morningstar identified 31 plans expected to outperform peers on a risk-adjusted basis, assigning those plans Gold, Silver, and Bronze analyst ratings. The plans are evaluated based on five key pillars -- Process, Performance, People, Parent, and Price. This year, both Bright Start and Bright Directions earned an upgrade in the Parent Pillar. The Parent Pillar is an evaluation of the program manager and investment manager and measures if they are good caretakers of college savers' capital. It also is an evaluation of the state administrator; in Illinois, that is the Illinois state treasurer.

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In the past four years, Frerichs has worked with Union Bank & Trust, the program manager for both college savings plans, to reduce fees and ensure more investment dollars go directly to college savings. These changes have helped the plans grow to more than 600,000 accounts, resulting in more than \$10 billion in assets.

Money in a 529 college savings account can be used at eligible educational institutions, including public and private, two-year, four-year colleges and universities and certain technical and vocational schools. Illinois law does not allow the Illinois 529 plans to be used for K-12 educational expenses.

The Illinois Treasurer's Office does not manage the College Illinois pre-paid tuition program. For more information about the Treasurer's Office 529 College Savings programs, visit www.illinoistreasurer.gov. To read Morningstar's report, click [here](#).

About the Illinois Treasurer

The Illinois Treasurer is the state's Chief Investment Officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secured retirement. As the state's Chief Investment Officer, he actively manages approximately \$30 billion. Currently, the portfolio includes \$15 billion in state funds, \$10 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of principal and returns \$28 to the state for every \$1 spent in operations. The Treasurer's office predates Illinois' incorporation in 1818. Voters in 1848 chose to make it an elected office.

The Bright Start Direct-Sold College Savings Program ("Bright Start") and the Bright Directions Advisor-Guided 529 College Savings Program ("Bright Directions") are part of the Illinois College Savings Pool and are designed to qualify as qualified tuition programs under the provisions of Section 529 of the Internal Revenue Code. Bright Start and Bright Directions are sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank & Trust Company serves as Program Manager, and Northern Trust Securities, Inc. acts as Distributor of the advisor-sold plan. Investments in Bright Start and Bright Directions are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, Union Bank & Trust Company, Northern Trust Securities, Inc., 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 and Bright Directions Program Disclosure Statement (issuer's official statement), which can be obtained from your financial professional, on BrightStart.com, and BrightDirections.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.

An investor should consider, before investing, whether the investor's or designated 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 such state's 529 plan. Investors should consult a tax advisor.

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