



OFFICE OF ILLINOIS STATE TREASURER

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Treasurer Frerichs Announces Third Gold Rating for Bright Start College Savings Plan

Morningstar: Illinois' Bright Start College Savings has excellent state oversight and program management, best-in-class investment options, and thoughtful investment philosophy

CHICAGO – Illinois State Treasurer Michael Frerichs today announced that Illinois' 529 College Savings Plans, Bright Start and Bright Directions, again have earned top rankings from Morningstar, placing both plans among the best in the nation.

“Since I took office, I’ve made it a priority to create college savings programs that earn the trust of Illinois investors,” Frerichs said. “Saving for college is the best investment parents can make for their children’s future because it reduces the burden of long-term debt.”

A child is three times more likely to attend college if they have a dedicated college savings account, according to research from the Center of Social Development at Washington University.

Ensuring top quality 529 programs is one of several initiatives by Frerichs’ office to make college more accessible.

[Morningstar](#), which independently evaluates and rates college savings plans, released the results selecting the Bright Start 529 College Savings Plan as a “Gold-Rated 529.” Since Frerichs revamped the plans in July 2017, Bright Start, a direct-sold plan, has won the Gold medal three years in a row. 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 because of its investment diversity and choice, low costs, and overall structure.

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

Morningstar identified 30 plans expected to outperform peers on a risk-adjusted basis, assigning those plans Gold, Silver and Bronze Morningstar Analyst Ratings. The plans are evaluated based on five key

pillars - Process, People, Parent, Price and Performance. This year, Bright Start and Bright Directions received positive ratings in the Process, People, Price and Parent Pillars. The Parent Pillar is an evaluation of the program manager and investment manager and whether 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, who also serves as the Trustee of the Programs.

Since 2015, Frerichs has worked with Union Bank & Trust, the program manager, to reduce fees and ensure more investment dollars go directly to college savings. These changes have helped the plans grow to more than 650,000 accounts with more than \$12 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. The investment grows tax-free when spent on qualified expenses.

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

As Illinois State Treasurer, Frerichs is the state's Chief Investment and Banking Officer and actively manages approximately \$30 billion. The portfolio includes \$13 billion in state funds, \$11 billion in college savings plans and \$6 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$42 to the state for every \$1 spent in operations. Frerichs' office protects consumers by safeguarding more than \$3 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities save without losing government benefits, and removing barriers to a secure retirement. 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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