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PLAN UPDATES

Bright Directions features investment choice, diversity, and quality investment options - all at a great value to college savers. In our ongoing efforts to enhance the Program, we have the following updates to share:

1. **Age-Based and Target Portfolio Asset Allocation Changes** – effective November 15, 2023, several modifications will be made to the asset allocations in certain Age-Based and Target Portfolios. These modifications, as reflected on page 6 of the attached Program Disclosure Statement Supplement, include:
   - Introduction of a modest allocation to:
     - **Emerging Market Debt -** an allocation to emerging market debt will be implemented in certain of the Age-Based and Target Portfolios utilizing the Payden Emerging Markets Bond Fund (ticker: PYEIX).
     - **Global Listed Infrastructure -** an allocation to global listed infrastructure will be implemented in certain of the Age-Based and Target Portfolios utilizing the Virtus Duff & Phelps Global Infrastructure Fund (ticker: VGIRX).

2. **NEW Individual Fund Portfolio** – effective November 15, 2023, Bright Directions is adding the Payden Emerging Markets Bond Fund (ticker: PYEIX) as an Individual Fund Portfolio.

3. **Removal of an Individual Fund Portfolio** – effective November 15, 2023, the American Century Equity Growth 529 Portfolio will be removed, and the existing assets and future contribution elections will be directed to the Northern Funds Stock Index 529 Portfolio. The American Century Equity Growth 529 Portfolio will no longer be offered as an Individual Fund Portfolio.

What do you need to do? As a current investor, no action is required on your part. The changes will be made to the relevant investment portfolios after market close on November 15, 2023.

Important Information: To continue our practice of providing ongoing communication, updates, and transparency we have enclosed the following:

- **Program Disclosure Statement Supplement** *(dated October 6, 2023)*
- **Investment Policy Statement** *(effective November 2023)*

We will be sending you an updated Program Disclosure Statement in the mid-November time frame.

If the timing is right - consider a one-time contribution or establishing an automatic investment plan. Its easy to do – just log on to your account and select contribute. Contributions made on or before December 31, 2023, can be eligible for a 2023 Illinois state income tax deduction up to $10,000 ($20,000 if married filing jointly).[1]

If you have questions regarding your account, investments, or the upcoming changes feel free to reach out to your valued financial advisor or Bright Directions.

Thank you for investing with Bright Directions!

The Bright Directions Advisor-Guided 529 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 and Northern Trust Securities, Inc. is Distributor. Investments in the Bright Directions Advisor-Guided 529 College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, Union Bank and Trust Company, the Federal Deposit Insurance Corporation (except as provided in the Program Disclosure Statement solely with respect to the FDIC-insured Bank Account Underlying Investment), Northern Trust Securities, Inc., 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 Directions Advisor-Guided 529 College Savings Program Disclosure Statement which can be obtained from your financial advisor or at 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.

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.

[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 Direct-Sold College Savings Program, the Bright Directions Advisor-Guided 529 College Savings Program, and CollegeIllinois 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.

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

*(*Except for investments in the FDIC-insured Bank Account Underlying Investment)*

Supplement # 2 Dated October 6, 2023
to the Bright Directions Advisor-Guided 529 College Savings Program
Program Disclosure Statement Dated November 15, 2022

The Bright Directions Advisor-Guided 529 College Savings Program (the "Program") Disclosure Statement dated November 15, 2022, is hereby amended as set forth below. Except as amended herein, the Program Disclosure Statement remains in full force and effect. Unless otherwise defined herein, capitalized terms used in this October 6, 2023 Supplement (the "Supplement") shall have the respective meanings assigned to them in the Program Disclosure Statement. In the event of a conflict between the terms of the Program Disclosure Statement and the terms of this Supplement, the terms of this Supplement shall control.

1. Replacement of an Individual Fund Portfolio

Effective November 15, 2023, the American Century Equity Growth 529 Portfolio will be replaced as an Individual Fund Portfolio by the Northern Funds Stock Index 529 Portfolio. On November 15, 2023, funds invested in the American Century Equity Growth 529 Portfolio will automatically be liquidated and reinvested in the Northern Funds Stock Index 529 Portfolio and any future contributions that were directed to the American Century Equity Growth 529 Portfolio will be invested into the Northern Funds Stock Index 529 Portfolio.

The American Century Equity Growth 529 Portfolio will no longer be offered as an Individual Fund Portfolio as of November 15, 2023.

2. Changes to the Asset Allocation of the Age-Based and Target Portfolios

Effective November 15, 2023, the following modifications will be made to the asset allocations of the Age-Based and Target Portfolios. Page 6 of this Supplement sets forth the form of **"EXHIBIT B - INVESTMENT PORTFOLIOS AND UNDERLYING INVESTMENTS"** which will go into effect after close of business November 15, 2023. The changes are:

- **Emerging Market Debt -** a new modest allocation to emerging market debt will be implemented in certain Age-Based and Target Portfolios utilizing the Payden Emerging Markets Bond Fund (ticker: PYEIX).
- **Global Listed Infrastructure -** a new modest allocation to global listed infrastructure will be implemented in certain Age-Based and Target Portfolios utilizing the Virtus Duff & Phelps Global Infrastructure Fund (ticker: VGIRX).

The Table on page 69 of the Program Disclosure Statement is deleted in its entirety and replaced with the Table on page 6 of this Supplement.

3. New Individual Fund Portfolio

Effective November 15, 2023, the Program will offer the following new Individual Fund Portfolio. The new Portfolio and the investment objectives for the Underlying Investment for the new Portfolio is outlined below:

- **Payden Emerging Markets Bond 529 Portfolio** - invests solely in the Payden Emerging Markets Bond Fund (ticker: PYEIX)

  Investment Objective: The fund seeks a high level of total return.

  Principal Investment Risks: Interest rate risk, credit risk, foreign investments risk, emerging markets risk, market events risk, liquidity risk, below investment grade risk, derivatives risk, equity securities risk, investment company and exchanged-traded fund risk, affiliated fund risk, redemption risk, management risk, cybersecurity risk.

4. **Fee and Expense Table - Individual Fund Portfolio**

The following table sets forth the Plan's estimate of the fees and expenses applicable to the new Individual Fund Portfolio. The "Total Annual Asset-Based Fees" below include the estimated Underlying Investment expenses, Program Management Fee, State Fee, and any applicable annual servicing fees.

In addition, Fee Structure A has a 3.50% maximum initial sales charge. Underlying Investment expenses are based on the applicable fund's most recent prospectus dated prior to September 30, 2023.

	Fee Structure A	**Fee Structure C**	**Fee Structure E**	**Fee Structure F**	**Fee Structure G**	**Fee Structure H**
Payden Emerging Markets Bond 529 Portfolio	1.11%	1.36%	1.11%	0.86%	1.11%	0.86%

5. **Hypothetical Expense Example - Individual Fund Portfolio**

The following table compares the approximate costs of investing in the different fee structures within the Plan over different periods of time. Your actual costs may be higher or lower. The hypothetical chart assumes an initial $10,000 investment in a Plan Portfolio and a 5% annual rate of return, compounded annually on the net amount invested throughout the period. All expense ratios and asset allocations are assumed to remain the same for the duration of the periods. The chart assumes that all withdrawals are made for Qualified Higher Education Expenses and, therefore, does not reflect the impact of potential federal, state, or local taxes or penalties. This hypothetical does not reflect actual expenses or performance from the past or future. Actual expenses may be higher or lower than those shown.

Approximate Cost of a $10,000 Investment - Payden Emerging Markets Bond 529 Portfolio

1 Year				**Three Year**				**Five Year**				**Ten Year**			
A	**C**	**E & G**	**F & H**	**A**	**C**	**E & G**	**F & H**	**A**	**C**	**E & G**	**F & H**	**A**	**C**	**E & G**	**F & H**
$460	$139	$114	$88	$692	$433	$355	$275	$943	$749	$615	$479	$1,660	$1,643	$1,357	$1,064

6. **New Underlying Investment**

The following is a summary description of the new Underlying Investment. The description is taken from the most recent prospectus of the fund dated prior to September 30, 2023 and is intended to summarize the respective investment objectives and policies. The performance set forth was obtained directly from the mutual fund company and is believed to be accurate. Past performance is not a guarantee or prediction of future results. For more complete information regarding any fund, you may request a prospectus from your financial advisor or by visiting the website for the respective fund. All investments carry some degree of risk which will affect the value of the fund's investments, investment performance, and price of its shares. It is possible to lose money by investing in the funds. For complete information please see the fund's prospectus, statement of additional information, or the most recent semiannual or annual report of any Underlying Investment. You should consult each mutual fund's prospectus for more complete information.

Payden Emerging Markets Bond Fund (Ticker: PYEIX)

Investment Objective
The fund seeks a high level of total return.

Principal Investment Strategies

- The fund invests in a wide variety of debt instruments and income-producing securities. These include (1) debt securities issued or guaranteed by the U.S. Government and foreign governments and their agencies and instrumentalities, political subdivisions of foreign governments (such as provinces and municipalities), and supranational organizations (such as the World Bank); (2) debt securities, loans and commercial paper issued by U.S. and foreign companies; and (3) convertible bonds and preferred stock.
- Under normal market conditions, the fund invests at least 80% of its total assets in debt securities and similar debt instruments issued by governments, agencies and instrumentalities of emerging market countries (or economically linked with such securities), and other issuers organized, headquartered, or principally located in emerging market countries. Generally, an "emerging market country" is any country which the International Monetary Fund, the World Bank, the International Finance Corporation, the United Nations or another third party organization defines as having an emerging or developing economy.
- The fund may invest up to 20% of its total assets in other debt securities and similar debt instruments, including those of issuers located in countries with developed securities markets.
- Under normal market conditions, the fund may invest a substantial portion of its total assets in debt securities of issuers whose securities are rated below investment grade. Investment grade debt securities are rated within the four highest grades by at least one Nationally Recognized Statistical Rating Organization, or are securities that the fund's adviser, Payden & Rygel ("Payden"), determines to be of comparable quality.
- The fund invests a majority of its assets in debt securities payable in U.S. dollars, but will also invest in debt securities payable in foreign currencies.
- Permitted investments also include currencies and derivative instruments (including, but not limited to, spot and currency contracts, futures, options and swaps) used to hedge or gain exposure to the securities markets of emerging market countries or currencies.
- The fund invests in debt securities of any maturity, and there is no limit on the fund's minimum or maximum average portfolio maturity. Maturity is the date when each bond or other debt security pays back its principal.
- The fund may invest up to 10% of its total assets in equity securities of U.S. or foreign issuers, and may use derivatives to gain exposure to such equity markets.
- To gain exposure to various markets consistent with the investment strategies of the fund, the fund may invest in exchange-traded funds and other investment companies, including for example, other open-end or closed-end investment companies, and including investment companies for which the adviser provides investment management services (affiliated funds).

Principal Investment Risks
Depending on the circumstances, there is always the risk that you could lose all or a portion of your investment in the fund. The following risks could also affect the value of your investment in the fund:

- *Interest Rates.* Because the fund invests principally in debt securities, the income on and value of your shares in the fund will fluctuate along with interest rates. When interest rates rise, the market prices of the debt securities the fund owns usually decline. When interest rates fall, the prices of these securities usually increase. Generally, the market price of debt securities with longer maturities will fluctuate more in response to changes in interest rates than the market price of shorter-term securities. The fund faces a heightened risk that interest rates may rise. The negative impact on fixed income securities resulting from such rate increases could be swift and significant. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the fund.
- *Credit Risk.* Debt securities are also subject to credit risk. Credit risk is the risk that the issuer of a debt security will be unable to make interest or principal payments on time and the related risk that the value of a debt security may decline because of concerns about the issuer's ability or willingness to make such payments. A debt security's credit rating reflects the credit risk associated with the debt obligation. Generally, higher-rated debt securities involve lower credit risk than lower-rated debt securities. Credit risk is often higher for corporate, mortgage-backed, asset-backed and foreign government debt securities than for U.S. Government debt securities.
- *Foreign Investments.* Investing in foreign securities poses additional risks. The performance of foreign securities can be adversely affected by the different political, regulatory and economic environments in countries where the fund invests, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. The value of the fund's investments may decline because of factors affecting the particular issuer as well

as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support and political or financial instability. Lack of information may also affect the value, volatility and liquidity of these securities.

- *Emerging Markets.* The risks of foreign investing are heightened for securities of issuers in emerging market countries. Emerging market countries tend to have economic structures that are less diverse and mature, and political systems that are less stable, than those of developed countries. In addition to all of the risks of investing in foreign developed markets, emerging markets are more susceptible to governmental interference, local taxes being imposed on foreign investments, restrictions on gaining access to sales proceeds, and less liquid and efficient trading markets.
- *Market Events Risk.* The value of the fund's securities may increase or decrease, rapidly or unpredictably. Some factors that may affect securities markets include changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment and the global and domestic effects of a pandemic. In particular, the COVID-19 pandemic caused disruptions in the global economy and fluctuations in global financial markets. Governments and central banks responded to the pandemic and resulting economic disruptions with a variety of fiscal and monetary policy changes, including direct capital infusions into companies and other issuers, new monetary policy tools and lower interest rates. The unprecedented fiscal response has contributed to elevated inflation rates, which have increased substantially in comparison to pre-pandemic rates and may rise further. In response to high inflation, the Federal Reserve increased interest rates in an attempt to slow economic growth. The Federal Reserve's tightening of monetary policy, in conjunction with inflation and other factors, has the potential of inducing an economic slowdown, but the ultimate impact of these efforts is uncertain. Other policy and legislative changes in the United States and in other countries and other recent events have affected global markets, such as the Russian invasion of Ukraine in February 2022. In response to the invasion, the United States, along with various other countries, imposed broad economic sanctions against Russia. So far, Russia's invasion has caused significant market disruptions and has negatively impacted global supply chains. The potential for wider conflict may result in further sanctions and economic disruptions. The extent of the impacts of the war in Ukraine may not be known for some time, but could result in in further market and supply chain disruptions, increased inflation, and slow global economic growth. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters, war, and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the fund's investments may be negatively affected.
- *Liquidity Risk.* Some investments may be difficult to purchase or sell, particularly during times of market instability, or due to adverse changes in the conditions of a particular issuer. In addition, the fund may not receive proceeds from the sale of certain securities for an extended period of time, which in some cases could exceed several weeks or longer. The fund will not receive sales proceeds until settlement occurs, which may constrain the fund's ability to meet redemption requests or other obligations. Illiquid assets may also be difficult to value. If the fund must sell illiquid assets to meet redemption requests or other cash needs, the fund may be unable to sell such assets at an advantageous time or price or achieve its desired level of exposure to certain market segments. Liquidity risk may result from the lack of an active market, as well as the reduced number and capacity of traditional market participants to make a market in fixed income securities, for instance, when there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. Recent federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the fund's ability to buy or sell such securities. Liquidity risk is likely to be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds are higher than normal.
- *Below Investment Grade Credit.* Below investment grade securities are speculative and involve a greater risk of default and price change due to changes in the issuer's creditworthiness. The market prices of these debt securities may fluctuate more than the market prices of investment grade debt securities and may decline more significantly in periods of general economic difficulty.
- *Derivatives.* The use of derivatives can lead to losses due to: (1) adverse movements in the price or value of the asset, index, rate or instrument underlying a derivative; (2) failure of a counterparty; or (3) to tax or regulatory constraints. Derivatives may create economic leverage in the fund, which magnifies the fund's sensitivity to market events and to the underlying instrument. Derivatives risk may be more significant when derivatives are used to enhance return or as a substitute for a cash investment position, rather than solely to hedge the risk of a position held by the fund. When derivatives are used to gain or limit exposure to a particular market or market segment, their performance may not correlate as expected to the performance of such market thereby causing the fund to

fail to achieve its original purpose for using such derivatives. A decision as to whether, when and how to use derivatives involves the exercise of specialized skill and judgment, and a transaction may be unsuccessful in whole or in part because of market behavior or unexpected events. Derivative instruments may be difficult to value, may be illiquid, and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. If a derivative's counterparty is unable to honor its commitments, the value of fund shares may decline and the fund could experience delays in the return of collateral or other assets held by the counterparty. The loss on derivative transactions may substantially exceed the initial investment.

- *Equity Securities.* Investing in equity securities poses certain risks, including a sudden decline in a holding's share price, or an overall decline in the stock market. The value of the fund's investment in any such securities will fluctuate on a day-to-day basis with movements in the stock market, as well as in response to the activities of individual companies whose equity securities the fund owns. Moreover, purchasing stocks perceived to be undervalued brings additional risks. For example, the issuing company's condition may worsen instead of improve, or the pace and extent of any improvement may be less than expected.
- *Investment Company and Exchange-Traded Fund ("ETF") Risk.* Investing in an investment company or ETF presents the risk that the investment company or ETF in which the fund invests will not achieve its investment objective or execute its investment strategies effectively or that significant purchase or redemption activity by shareholders of such an investment company might negatively affect the value of the investment company's shares.
- *Affiliated Fund Risk.* When the adviser invests fund assets in an investment company that is also managed by the adviser, the risk presented is that, due to its own financial interest or other business considerations, the adviser may have had an incentive to make that investment in lieu of investments by the fund directly in portfolio securities, or in lieu of investment in investment companies sponsored or managed by others.
- *Redemption Risk.* The fund may experience heavy redemptions that could cause the fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemption risk is greater to the extent that the fund has investors with large shareholdings, short investment horizons, or unpredictable cash flow needs. In addition, redemption risk is heightened during periods of overall market turmoil. The redemption by one or more large shareholders of their holdings in the fund could adversely affect the fund's performance. If the fund is forced to liquidate its assets under unfavorable conditions or at inopportune times, the value of the fund's shares may decline.
- *Management Risk.* The investment techniques and analysis used by the fund's portfolio managers may not produce the desired results.
- *Cybersecurity Risk.* Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to fund assets, fund or customer data, including private shareholder information, or proprietary information, cause the fund, the fund's portfolio managers and/or their service providers, including, but not limited to, fund accountants, custodians, transfer agents and financial intermediaries, to suffer data breaches, data corruption or loss of operational functionality or prevent fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The fund and the fund's portfolio managers have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents.

Please note that there are other factors that could adversely affect your investment and that could prevent the fund from achieving its investment objective. More information about risks appears in the statement of additional information. Before investing, you should carefully consider the risks that you will assume.

Annual Fund Operating Expenses *(prospectus dated February 28, 2023):* 0.69%

Performance Data *(as of August 31, 2023):*

		Average Annual Total Returns (%)					
as of August 31, 2023	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Payden Emerging Markets Bond Fund	*5.06*	*7.68*	*-3.81*	*0.72*	*2.86*	*2.59*	*4/9/2012*

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate, so your shares, when redeemed, may be worth more or less than their original cost.

EXHIBIT B - INVESTMENT PORTFOLIOS AND UNDERLYING INVESTMENTS - effective November 15, 2023

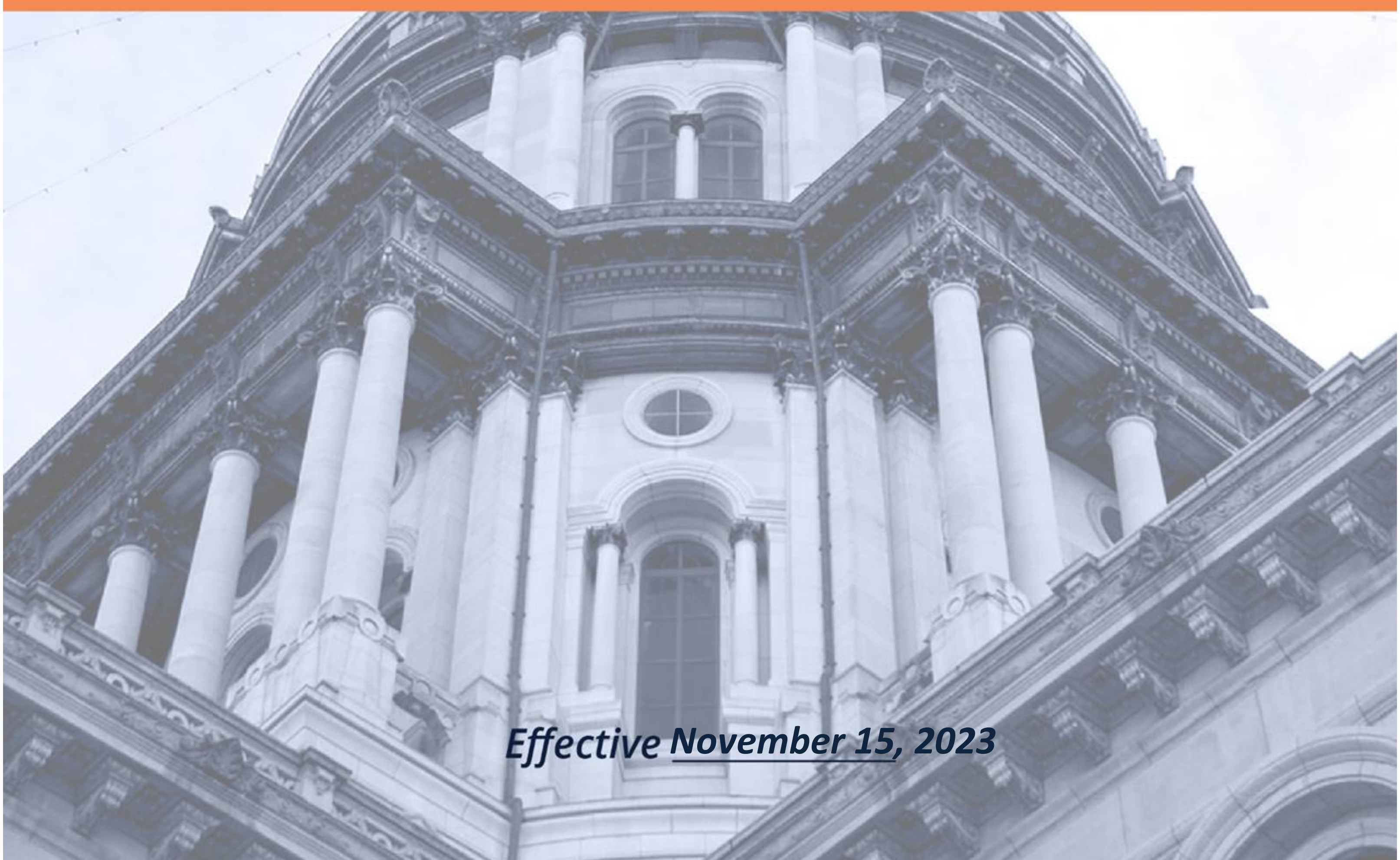
The following table shows the target investment allocations for the Age-Based and Target Portfolios. These target allocations were designed by the Treasurer in consultation with Marquette Associates, the Program Manager and Wilshire. The Program Manager rebalances the Portfolios on an ongoing basis. The Treasurer may amend or supplement the Investment Policy Statement at any time which may change the Portfolios, the asset allocation within the Portfolios, and the Underlying Investments in which the Portfolios invest, including the Underlying Investments in which the Individual Fund Portfolios invest.

Age-Based & Target Portfolios - Asset Allocations

Age-Based Portfolios	**Age of beneficiary**										
Aggressive Age-Based Option	0-2	3-5	6-8	9-10	11-12	13-14	15-16	17-18	19 plus		
Moderate Age-Based Option		0-2	3-5	6-8	9-10	11-12	13-14	15-16	17-18	19 plus	
Conservative Age-Based Option			0-2	3-5	6-8	9-10	11-12	13-14	15-16	17-18	19 plus
Target Portfolios	Fund 100		Fund 80		Fund 60		Fund 40		Fund 20	Fund 10	Fixed Income Fund
Underlying Investments											
Union Bank and Trust Company / Nelnet Bank - FDIC Insured Bank Account									8.0%	23.0%	50.0%
FDIC INSURED BANK ACCOUNT	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**8.0%**	**23.0%**	**50.0%**
iShares 0-5 Year TIPS Bond ETF		3.0%	3.0%	4.0%	4.0%	4.0%	9.0%	11.0%	12.0%	14.0%	15.0%
Baird Short-Term Bond Fund					3.0%	5.5%	7.0%	11.0%	12.5%	11.0%	10.0%
Fidelity Short-Term Bond Index Fund					3.0%	5.5%	7.0%	11.0%	12.5%	11.0%	10.0%
Fidelity U.S. Bond Index Fund		2.5%	6.0%	9.0%	10.0%	11.5%	12.0%	13.5%	12.5%	12.5%	7.5%
PGIM Core Bond Fund		1.5%	3.5%	5.5%	6.0%	7.0%	7.0%	8.0%	7.5%	7.5%	4.5%
American Beacon Garcia Hamilton Quality Bond Fund		1.0%	2.5%	3.5%	4.0%	4.5%	5.0%	5.5%	5.0%	5.0%	3.0%
BlackRock High Yield Bond Fund		1.0%	2.0%	3.0%	3.5%	4.0%	4.0%	3.0%	3.0%	2.0%	
Credit Suisse Floating Rate High Income Fund			1.0%	2.0%	2.5%	3.0%	3.0%	2.0%	2.0%	1.0%	
AB Global Bond Fund		0.5%	1.0%	2.0%	2.5%	3.0%	3.5%	3.0%	3.0%	2.0%	
Payden Emerging Markets Bond Fund		0.5%	1.0%	1.0%	1.5%	2.0%	2.5%	2.0%	2.0%	1.0%	
FIXED INCOME TOTAL	**0.0%**	**10.0%**	**20.0%**	**30.0%**	**40.0%**	**50.0%**	**60.0%**	**70.0%**	**72.0%**	**67.0%**	**50.0%**
Principal Global Real Estate Securities Fund	4.0%	3.5%	3.0%	3.0%	2.5%	2.5%	2.0%	1.0%	1.0%	1.0%	
REAL ESTATE TOTAL	**4.0%**	**3.5%**	**3.0%**	**3.0%**	**2.5%**	**2.5%**	**2.0%**	**1.0%**	**1.0%**	**1.0%**	**0.0%**
Virtus Duff & Phelps Global Infrastructure Fund	3.0%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	1.0%		
GLOBAL LISTED INFRASTRUCTURE TOTAL	**3.0%**	**2.5%**	**2.0%**	**2.0%**	**1.5%**	**1.5%**	**1.0%**	**1.0%**	**1.0%**	**0.0%**	**0.0%**
DFA U.S. Large Cap Value Portfolio	11.5%	10.5%	10.0%	8.5%	7.5%	6.0%	5.0%	4.0%	3.0%	2.5%	
Northern Stock Index Strategy	23.0%	21.0%	19.0%	17.0%	14.0%	12.0%	10.0%	8.0%	5.0%	2.0%	
T. Rowe Price Large-Cap Growth Strategy	11.5%	10.5%	10.0%	8.5%	7.5%	6.0%	5.0%	4.0%	3.0%	1.5%	
Ariel Fund	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%		
BlackRock Mid-Cap Growth Equity Fund	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	1.0%	
Northern Small Cap Value Strategy	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%			
Harbor Small Cap Growth Fund	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%			
DOMESTIC EQUITY TOTAL	**57.0%**	**52.0%**	**48.0%**	**42.0%**	**36.0%**	**30.0%**	**25.0%**	**20.0%**	**13.0%**	**7.0%**	**0.0%**
Dodge & Cox International Stock Fund	6.0%	5.0%	4.5%	4.0%	3.0%	2.5%	2.0%	1.5%	1.0%		
Northern International Equity Index Fund	12.0%	11.5%	9.0%	7.5%	7.5%	5.5%	4.0%	2.0%	2.0%	2.0%	
Invesco Oppenheimer International Growth Fund	6.0%	5.0%	4.5%	4.0%	3.0%	2.5%	2.0%	1.5%	1.0%		
DFA International Small Company Portfolio	4.0%	3.5%	3.0%	2.5%	2.0%	2.0%	1.5%	1.0%			
BlackRock Emerging Markets Fund	8.0%	7.0%	6.0%	5.0%	4.5%	3.5%	2.5%	2.0%	1.0%		
INTERNATIONAL EQUITY TOTAL	**36.0%**	**32.0%**	**27.0%**	**23.0%**	**20.0%**	**16.0%**	**12.0%**	**8.0%**	**5.0%**	**2.0%**	**0.0%**
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

Investment Policy Statement for the Bright Directions College Savings Program



Effective November 15, 2023

State of Illinois
Office of the Treasurer
BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
INVESTMENT POLICY STATEMENT
Effective: November 15, 2023

1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the "Policy") is to assist contractors retained by the Office of the Illinois State Treasurer ("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 Directions College Savings Program (the "Program") and to assist the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer's investment philosophy for the Program;
- Describing the Treasurer's investment objectives for the Program;
- Describing the Treasurer's long-term investment strategy;
- Specifying the responsibilities of any contractors that provide investment management services to the Program to thereby provide a basis to evaluate the performance of such contractors;
- Providing investment parameters for the investment of assets of the Program; and
- Describing the Treasurer's objective to include sustainability factors within the investment decision process.

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 Bright Directions College Savings 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 is sold through financial advisors and was established to complement the existing Bright Start College Savings Program by allowing families to utilize a financial advisor to assist them with investing towards future higher education expenses.

3.0 Participating Financial Institution

Accounts in the Program will be distributed through registered broker-dealers and financial institutions that have entered into a Selling Agent Agreement with the designated distributor for the Program. All new accounts in the Program will be processed through the designated participating financial institution.

4.0 Investment Philosophy

Bright Directions offers high-quality investment products that allow participants, with the guidance of an advisor, to construct a college savings strategy that aligns with their unique risk and return characteristics. The Treasurer has adopted a long-term total return strategy for the Program and its investments. 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.

As part of its investment strategy, the Treasurer relies 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 Age-Based, Target, or Individual 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 are divided into the following broad asset categories:

A. Short-Term Investments;
B. Domestic Fixed Income Investments;
C. Global Fixed Income Investments;
D. Real Estate Investments;
E. Global Infrastructure Investments;
F. Domestic Equity Investments; and
G. 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.

Section 30 of the State Treasurer Act (15 ILCS 505/30) declares that it is the policy of the Treasurer to promote and encourage the use of businesses owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability ("MWVD Persons") and sets forth the aspirational goal of directing 25% of the total dollar amount of funds under management, purchases of investment securities, and other contracts to businesses owned by or under the control of MWVD Persons. As such, 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 MWVD Persons.

Pursuant to the Illinois Sustainable Investing Act (30 ILCS 238/1 et seq.), the Treasurer shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duties.

Sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and can be used to evaluate past performance and to plan future decision-making. As a complement to traditional financial analysis, an accounting of sustainability factors provides a more complete view of risks and value prospects that may materially impact an investment fund or portfolio company's long-term value. Sustainability factors shall be integrated within a framework predicated on the following:

A. **Materiality** – The Treasurer considers whether and to what extent a sustainability risk or opportunity exists that is reasonably likely to have a material impact on the financial condition or operating performance of a company, investment fund, or other investment vehicle.

B. **Industry-Specific Information** – The Treasurer considers whether and to what extent the financially material sustainability risk or opportunity in question is relevant and applicable to individual industries.

C. **Integration of Material Sustainability Factors** – The Treasurer prudently integrates material and relevant sustainability factors, including, but not limited to (1) corporate governance, financial incentives and quality of leadership, (2) environmental factors, (3) social capital factors, (4) human capital, and (5) business model and innovation, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership in internally and externally managed investment programs.

D. **Active Ownership** – The Treasurer attentively oversees investment holdings to address sustainability risks and opportunities through the exercise of proxy voting rights and direct engagement with entities, such as investment funds, portfolio companies, government bodies, and other organizations.

E. **Regular Evaluation of Sustainability Factors** – The Treasurer performs a recurring annual evaluation, at a minimum, of sustainability factors to ensure the factors are relevant to the evolving marketplace.

F. **Additional Relevant and Financially Material Factors** – The Treasurer considers other relevant factors such as legal, regulatory, and reputational risks that contribute to an optimal risk management framework and are necessary to protect and create long-term investment value.

5.0 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 8.0 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 individual with the ability to invest in a diversified portfolio to meet their long-term investment goals.

6.0 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 on said contractor (the "Manager") for administrative services as well as the contractor's pertinent investment advisor, should they retain one, for certain 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.

7.0 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, global listed infrastructure, domestic fixed-income, global 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.

8.0 Plan Options

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		**Fund 100**		**Fund 80**		**Fund 60**		**Fund 40**		**Fund 20**	**Fund 10**	**Fixed Income**
Asset Class	**Benchmark**											
Domestic Equity	Russell 1000 Value	11.5%	10.5%	10.0%	8.5%	7.5%	6.0%	5.0%	4.0%	3.0%	2.5%	0.0%
	S & P 500 Index	23.0%	21.0%	19.0%	17.0%	14.0%	12.0%	10.0%	8.0%	5.0%	2.0%	0.0%
	Russell 1000 Growth	11.5%	10.5%	10.0%	8.5%	7.5%	6.0%	5.0%	4.0%	3.0%	1.5%	0.0%
	Russell 2000 Value	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%	0.0%	0.0%
	Russell 2500 Value	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%	0.0%
	Russell Mid Cap Growth	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	1.0%	0.0%
	Russell 2000 Growth	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%	0.0%	0.0%
Global Real Estate	FTSE EPRA/NAREIT Global	4.0%	3.5%	3.0%	3.0%	2.5%	2.5%	2.0%	1.0%	1.0%	1.0%	0.0%
Global Listed Infrastructure	FTSE Developed Core Infrastructure 50/50 Index	3.0%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	1.0%	0.0%	0.0%
International Equity	MSCI EAFE	24.0%	21.5%	18.0%	15.5%	13.5%	10.5%	8.0%	5.0%	4.0%	2.0%	0.0%
	MSCI World ex- U.S. Small Cap	4.0%	3.5%	3.0%	2.5%	2.0%	2.0%	1.5%	1.0%	0.0%	0.0%	0.0%
	MSCI Emerging Markets	8.0%	7.0%	6.0%	5.0%	4.5%	3.5%	2.5%	2.0%	1.0%	0.0%	0.0%

Domestic Fixed Income	Bloomberg Barclays U.S. Gov't/Credit 1-5yr	0.0%	0.0%	0.0%	0.0%	3.0%	5.5%	7.0%	11.0%	12.5%	11.0%	10.0%
	Bloomberg Barclays 1-3 Year U.S. Gov't/Credit Bond Index	0.0%	0.0%	0.0%	0.0%	3.0%	5.5%	7.0%	11.0%	12.5%	11.0%	10.0%
	Bloomberg Barclays U.S. Aggregate Bond	0.0%	5.0%	12.0%	18.0%	20.0%	23.0%	24.0%	27.0%	25.0%	25.0%	15.0%
	Bloomberg Barclays U.S. 0–5 Year TIPS Index	0.0%	3.0%	3.0%	4.0%	4.0%	4.0%	9.0%	11.0%	12.0%	14.0%	15.0%
	Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index	0.0%	1.0%	2.0%	3.0%	3.5%	4.0%	4.0%	3.0%	3.0%	2.0%	0.0%
	Credit Suisse Leveraged Loan Index	0.0%	0.0%	1.0%	2.0%	2.5%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%
Global Bonds	Bloomberg Barclays Global Aggregate Index (Hedged)	0.0%	0.5%	1.0%	2.0%	2.5%	3.0%	3.5%	3.0%	3.0%	2.0%	0.0%
	JPM Emerging Markets Bond Index Global Diversified	0.0%	0.5%	1.0%	1.0%	1.5%	2.0%	2.5%	2.0%	2.0%	1.0%	0.0%
High Yield Savings	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	23.0%	50.0%

Index Age-Based Portfolios

Age-Based Portfolios		*Age of Beneficiary*								
Moderate Option*		0 - 2	3 - 5	6 - 8	9 – 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +
Asset Class	**Benchmark**									
Domestic Equity	Russell 3000 Index	52.0%	48.0%	42.0%	36.0%	30.0%	25.0%	20.0%	13.0%	7.0%
Real Estate	FTSE EPRA/NAREIT Developed Index	6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	2.0%	1.0%
International Equity	MSCI ACWI ex- U.S. IMI Index	32.0%	27.0%	23.0%	20.0%	16.0%	12.0%	8.0%	5.0%	2.0%
Domestic Fixed Income	BofA/Merrill Lynch – High Yield Master II Index	1.0%	3.0%	5.0%	6.0%	7.0%	7.0%	5.0%	5.0%	3.0%
	Bloomberg U.S. Universal 1-5 Year Index	0.0%	0.0%	0.0%	6.0%	11.0%	14.0%	22.0%	25.0%	22.0%
	Bloomberg U.S. Aggregate Bond Index	5.0%	12.0%	18.0%	20.0%	23.0%	24.0%	27.0%	25.0%	25.0%
	Bloomberg U.S. 0–5 Year TIPS Index	3.0%	3.0%	4.0%	4.0%	4.0%	9.0%	11.0%	12.0%	14.0%
Global Bonds	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)	0.5%	1.0%	2.0%	2.5%	3.0%	3.5%	3.0%	3.0%	2.0%
	Bloomberg USD Emerging Markets Government RIC Capped Index	0.5%	1.0%	1.0%	1.5%	2.0%	2.5%	2.0%	2.0%	1.0%
High Yield Savings	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	23.0%

* The Children Saving's Account program invested assets will automatically be invested into the Moderate Index Age-Based portfolio.

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 fund 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 investment funds 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 underlying investment's assets may not be entirely invested in the asset class in which such underlying investment fund has been placed.

Individual Fund Portfolios

Participants in the Program open their Accounts through registered broker-dealers and other financial advisors. As a result, the Treasurer deems it appropriate to offer individual funds as separate Portfolios in the Program. 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
High Yield Savings	3 Month T-Bill
Short Term Bond	Bloomberg Barclays U.S. Gov't/Credit 1-5yr Index, Bloomberg Barclays U.S. Gov't/Credit 1-3yr Index
Bank Loans	Credit Suisse Leveraged Loan Index
Intermediate Bond	Bloomberg Barclays U.S. Aggregate Bond Index
High Yield	Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index
Global Bonds	Bloomberg Barclays Global Aggregate (USD Hedged), JPM Emerging Markets Bond Index Global Diversified
U.S. Short Term TIPS	Bloomberg Barclays U.S. 0–5 Year TIPS Index
Balanced	Bloomberg Barclays U.S. Aggregate Bond Index; S&P 500; MSCI EAFE
Large Cap Value	Russell 1000 Value Index
Large Cap Growth	Russell 1000 Growth Index
Large Cap Blend	Russell 1000 Index, S&P 500
Mid-Cap Value	Russell 2500 Value Index
Mid-Cap Growth	Russell Mid-Cap Growth Index
Small/Mid-Cap Blend	S&P Completion Index
Small-Cap Value	Russell 2000 Value Index
Small-Cap Growth	Russell 2000 Growth Index
Small-Cap Blend	Russell 2000 Index
Foreign Stock	MSCI ACWI ex U.S., MSCI EAFE, MSCI World ex U.S. Small Cap, and MSCI Emerging Markets
Sustainable Investment	Russell 1000 Growth, S&P 500
Real Estate	DJ Wilshire Real Estate Securities, FTSE EPRA/NAREIT Global
Global Listed Infrastructure	FTSE Develop Core Infrastructure 50/50 Index

In addition to the individual fund options described above, the Program offers a comprehensive line-up of passively managed Exchange Traded Funds ("ETFs") that provide low-cost exposure across asset classes such as: core and short-term fixed income, U.S. large-cap, mid-cap, and small-cap equity, developed and emerging market equity, and U.S. and global REIT investments.

9.0 Minority- and Woman-Owned Portfolios

The Program has included the Woman- and Minority-Owned Portfolios for participants who would like to have a more diverse set of investment options. The woman- and minority-owned underlying investment funds utilized in the program shall be screened on the following initial criteria: (1) firms with at least 50% woman and/or racial minority ownership or (2) funds that have a woman and/or racial minority investment manager that makes the portfolio management decisions (*i.e.*, a minority-owned subadvisor), and (3) funds that delivered above median returns over a 3-year and/or 5-year time period. The woman- and minority-owned options provided in the program shall include relatively high scoring woman- and minority-owned investment managers representing a diverse set of asset classes.

Contributions will be invested in one or more of the available Portfolios, each composed of an individual investment fund, which is appropriate for the investment objective of the Portfolio. The Treasurer may change the underlying investment funds within specially designated portfolios, such as the woman- and minority-owned portfolios, consistent with this Policy.

The Treasurer may also add additional portfolios – for example, a veteran- or disabled-owned and/or managed portfolio – as new viable options become available.