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## PLAN UPDATES

Bright Directions continues to offer college savers competitive costs, solid plan design, and quality investment options. In our ongoing efforts to offer a quality program at a great value, we have the following enhancements to share:

1. **Age-Based and Target Portfolio Asset Allocation Changes** – effective November 15, 2022, several modifications will be made to the asset allocations in certain Age-Based and Target Portfolios. These modifications, as reflected on page 8 of the attached Program Disclosure Statement Supplement, include:
  - Liquidation and reallocation of the money market holdings to the FDIC-insured bank account.
2. **NEW Age-Based Option** – effective November 15, 2022, Bright Directions is adding an additional Age-Based Track – **Index Age-Based Moderate Option**. The asset allocation and portfolios are detailed on page 1 of the attached Program Disclosure Statement Supplement.
3. **NEW Individual Fund Portfolio** – effective November 15, 2022, Bright Directions is adding the Virtus Duff & Phelps Global Infrastructure Fund (ticker: VGIRX) as an Individual Fund Portfolio.
4. **Updated Fee & Expense Tables** – effective November 15, 2022, the State Fee will be reduced from 0.03% to 0.025% of average daily net assets. In addition, with the update and asset allocation enhancements, the average expense ratios for the Age-Based, Target, and Individual Fund Portfolios will see a 0.01% - 0.02% reduction, helping keep Bright Directions one of the lowest cost advisor-sold plans available across the country.

**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, 2022.

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

- [Program Disclosure Statement Supplement](#) (dated October 4, 2022)
- [Investment Policy Statement](#) (effective November 2022)

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. It's easy to do – just log on to your account and select contribute. Contributions made on or before December 31, 2022, can be eligible for a 2022 Illinois state income tax deduction up to \$10,000 (\$20,000 if married filing jointly).<sup>1</sup>

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](http://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.**

<sup>1</sup>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)*