

# Investment Professional Profile

## Help Clients Save for the Rising Costs of College

The Bright Directions Advisor-Guided 529 College Savings Plan helps families in Illinois and across the country build funds for future educational expenses.



### \$50 to Boost Their Savings

Children born or adopted on or after January 1, 2023, with parents who were residents of Illinois at the time of birth or adoption, may be eligible for a \$50 seed deposit from Illinois First Steps. If your client meets those criteria, they can claim the funds through a Bright Directions account. Learn more at [BrightDirections.com/FirstSteps](https://BrightDirections.com/FirstSteps).



## We're Making Saving Easier

### Flexible Investment Options

- Multi-managed with a variety of quality fund families
- 4 Age-Based Options (aggressive, moderate, conservative, and index moderate)
- 7 Target Portfolios
- Over 30 Individual Fund Portfolios
- 15 Individual Fund Portfolios using Vanguard ETFs

### Contribution Considerations

- Illinois state income tax deduction (up to \$10,000 for individuals/ up to \$20,000 for joint filers)<sup>1</sup>
- No required minimum; \$500,000 maximum
- Roll over an out-of-state 529 plan (note: the contribution portion of a rollover — not the earnings — is eligible for the Illinois tax deduction)<sup>2</sup>
- UTMA/UGMA liquidations and reinvestments allowed

### Innovative Ways to Contribute

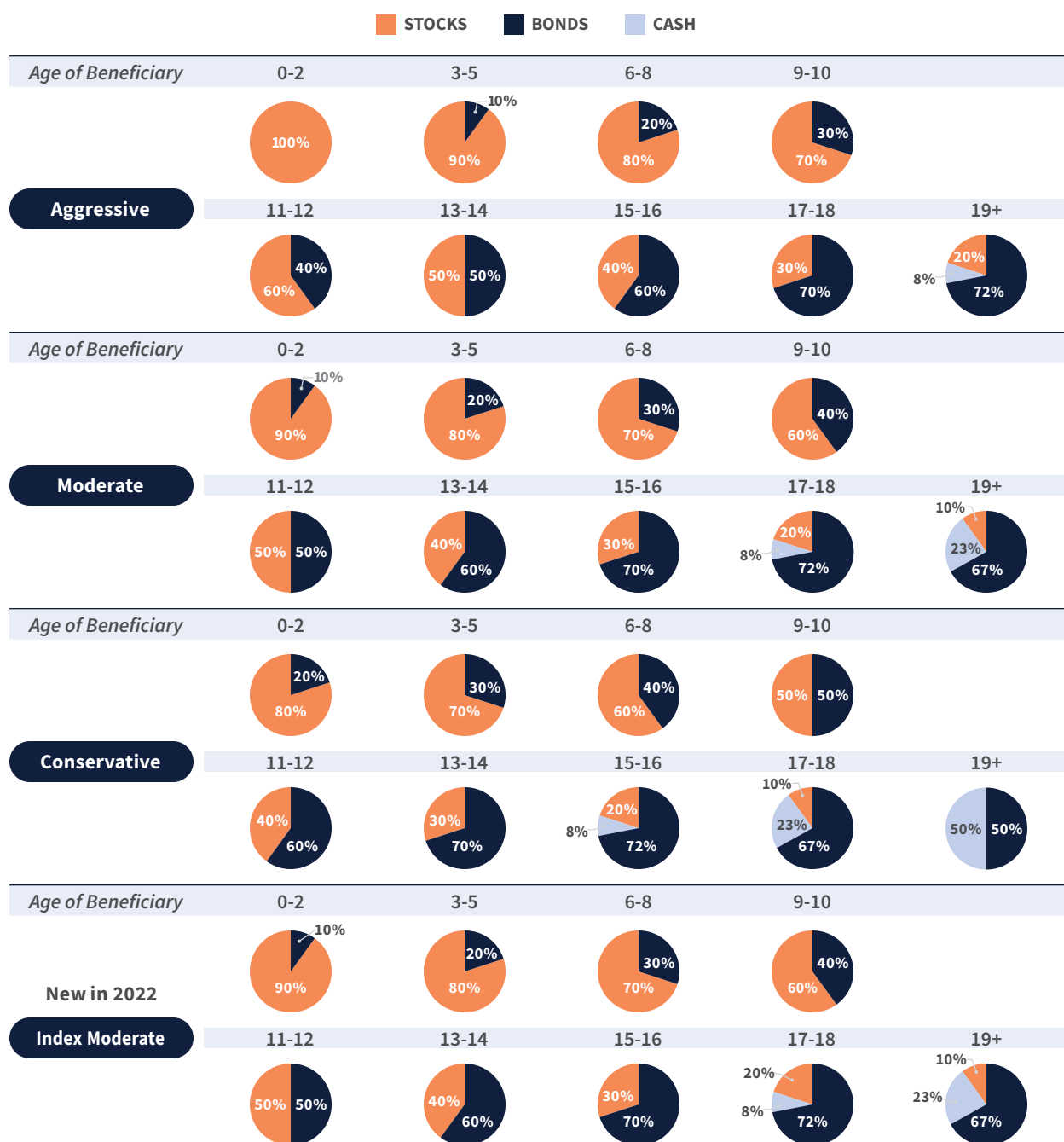
- Our Bright Directions GiftED program allows family and friends to contribute to a beneficiary's account for birthdays, graduations, and more
- The Bright Directions 529 Rewards Visa® card earns 1.529% rewards on everyday purchases, which are automatically deposited into a Bright Directions account<sup>3</sup>

## Bright Directions Fund Family



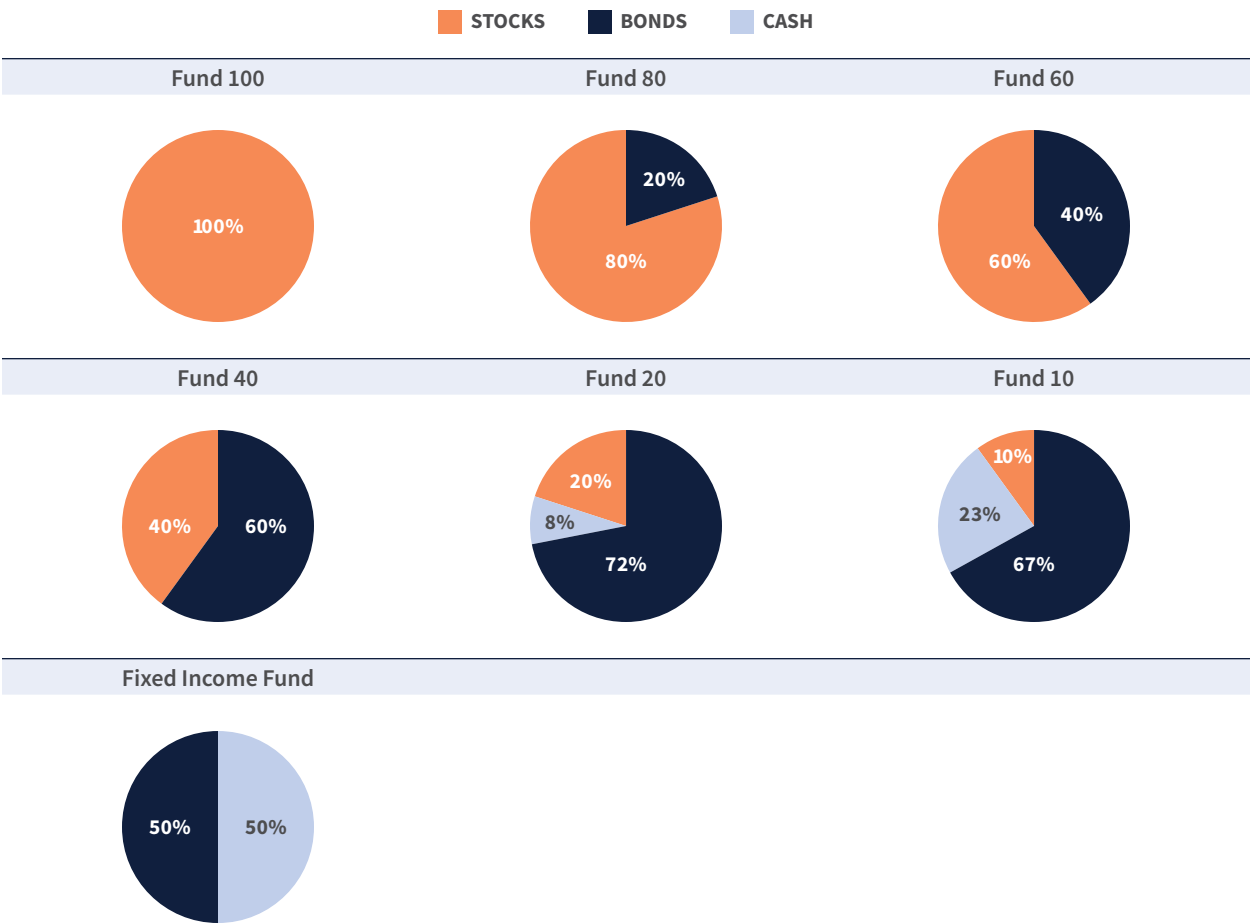
## 4 Age-Based Portfolios

Bright Directions' four Age-Based Portfolio tracks — aggressive, moderate, conservative, and index moderate — shift from more aggressive investments when beneficiaries are younger, to more conservative investments when they near college age.



# 7 Target Portfolios

Target Portfolios provide a consistent investment strategy for the life of your account. Bright Directions has seven options that range from conservative to aggressive.



# Individual Fund Portfolios

Bright Directions offers a number of individual fund portfolios representing multiple asset classes for clients that are looking for a customized investment approach.

## Bank Savings

- Bank Savings 529 Portfolio

## Money Market

- Invesco Government & Agency 529 Portfolio\*

## Fixed Income

- Fidelity Short-Term Bond Index 529 Portfolio
- Baird Short-Term Bond 529 Portfolio
- Fidelity U.S. Bond Index 529 Portfolio
- PGIM Core Bond 529 Portfolio
- American Beacon Garcia Hamilton Quality Bond 529 Portfolio
- iShares 0-5 Year TIPS Bond ETF 529 Portfolio
- BlackRock Inflation Protected Bond 529 Portfolio
- BlackRock High Yield Bond 529 Portfolio
- Credit Suisse Floating Rate High Income 529 Portfolio
- AB Global Bond 529 Portfolio

## Balanced

- T. Rowe Price Balanced 529 Portfolio

## Real Estate

- DFA Real Estate Securities 529 Portfolio
- Principal Global Real Estate Securities 529 Portfolio

## ESG/Sustainable Investing

- Calvert Equity 529 Portfolio

## Global Infrastructure

- Virtus Duff & Phelps Global Infrastructure 529 Portfolio

## U.S. Equity

### Large-Cap

- MFS Value 529 Portfolio
- T. Rowe Price Equity Income 529 Portfolio
- American Century Value 529 Portfolio
- American Century Equity Growth 529 Portfolio
- Northern Stock Index 529 Portfolio
- Sit Dividend Growth 529 Portfolio
- American Century Growth 529 Portfolio
- T. Rowe Price Large-Cap Growth 529 Portfolio

### Mid-Cap

- T. Rowe Price Extended Equity Market Index 529 Portfolio
- BlackRock Mid-Cap Growth Equity 529 Portfolio
- Ariel Fund 529 Portfolio

### Small-Cap

- Northern Small Cap Value 529 Portfolio
- Northern Small Cap Index 529 Portfolio
- Delaware Small Cap Core 529 Portfolio
- Harbor Small Cap Growth 529 Portfolio

## International Equity

- Dodge & Cox International Stock 529 Portfolio
- Northern International Equity Index 529 Portfolio
- Invesco Oppenheimer International Growth 529 Portfolio
- DFA International Small Company 529 Portfolio
- BlackRock Emerging Markets 529 Portfolio

\*You could lose money by investing in this investment option. Although the money market fund in which your investment option invests (the “underlying fund”) seeks to preserve its value at \$1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund’s sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

# More Options for RIAs and Fee-Only Planners

These additional low-cost options are available through Fee Structure F:

## Vanguard®

### Fixed Income

- Vanguard Short-Term Bond Index ETF 529 Portfolio
- Vanguard Total Bond Market Index ETF 529 Portfolio

### Real Estate

- Vanguard Real Estate Index ETF 529 Portfolio
- Vanguard Global ex-U.S. Real Estate Index ETF 529 Portfolio

### U.S. Equity Large-Cap

- Vanguard Mega Cap Value Index ETF 529 Portfolio
- Vanguard Mega Cap Index ETF 529 Portfolio
- Vanguard Mega Cap Growth Index ETF 529 Portfolio

### U.S. Equity Mid-Cap

- Vanguard Mid-Cap Value Index ETF 529 Portfolio
- Vanguard Mid-Cap Index ETF 529 Portfolio
- Vanguard Mid-Cap Growth Index ETF 529 Portfolio

### U.S. Equity Small-Cap

- Vanguard Small-Cap Value Index ETF 529 Portfolio
- Vanguard Small-Cap Index ETF 529 Portfolio
- Vanguard Small-Cap Growth Index ETF 529 Portfolio

### International Equity

- Vanguard FTSE Developed Markets Index ETF 529 Portfolio
- Vanguard FTSE Emerging Markets Stock Index ETF 529 Portfolio



# Age-Based and Target Portfolio 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+		
Moderate Age-Based Option			0-2	3-5	6-8	9-10	11-12	13-14	15-16	17-18	19+	
Conservative Age-Based 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 Fund	
Underlying Mutual Funds												
FDIC Insured Bank Account - Union Bank and Trust Company / Nelnet Bank									8.0%	23.0%	50.0%	
Cash Total	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		1.0%	2.0%	3.0%	4.0%	5.0%	6.0%	5.0%	5.0%	3.0%		
Fixed Income Total	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	7.0%	6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	2.0%	1.0%		
Real Estate Total	7.0%	6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	2.0%	1.0%	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%	
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%	
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

Index Age-Based Moderate Portfolio		Age of Beneficiary									
		0-2	3-5	6-8	9-10	11-12	13-14	15-16	17-18	19+	
FDIC Insured Bank Account - Union Bank and Trust Company / Nelnet Bank									8.0%	23.0%	
iShares Core 1 - 5 Year USD Bond ETF					6.0%	11.0%	14.0%	22.0%	25.0%	22.0%	
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%	
iShares Core U.S. Aggregate Bond ETF		5.0%	12.0%	18.0%	20.0%	23.0%	24.0%	27.0%	25.0%	25.0%	
Vanguard Total International Bond Index Fund		0.5%	1.0%	2.0%	2.5%	3.0%	3.5%	3.0%	3.0%	2.0%	
Vanguard Emerging Markets Government Bond Index ETF		0.5%	1.0%	1.0%	1.5%	2.0%	2.5%	2.0%	2.0%	1.0%	
Vanguard High-Yield Corporate Fund		1.0%	3.0%	5.0%	6.0%	7.0%	7.0%	5.0%	5.0%	3.0%	
iShares Developed Real Estate Index Fund		6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	2.0%	1.0%	
iShares Total U.S. Stock Market Index Fund		52.0%	48.0%	42.0%	36.0%	30.0%	25.0%	20.0%	13.0%	7.0%	
iShares Core MSCI Total International Stock ETF		32.0%	27.0%	23.0%	20.0%	16.0%	12.0%	8.0%	5.0%	2.0%	
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	



# Bright Directions Pricing

## 4 Fee Structures (A, C, E, and F)

The Bright Directions fee structures are designed to keep more money working for future educational expenses.

	Sales Charge	Commission	Trail	Trail Starts
Fee Structure A	3.50%	3.00%	0.25%	Immediate
Fee Structure C	No CDSC	0.50%	0.50%	Month 13
Fee Structure E	–	–	0.25%	Immediate
Fee Structure F	N/A	N/A	N/A	N/A

529 Portfolio	Underlying Fund Expense Ratio Range (Underlying Investment Expenses, Program Management, and State Administrative Fees)	Estimated Average Expense Ratio
Age-Based Tracks	0.24% - 0.55%	0.46%
Index Age-Based Moderate (Available in fee structure A, C & F)	0.18% - 0.20%	0.19%
Target Portfolios	0.24% - 0.55%	0.43%
Individual Fund Portfolios (Individual ETF Portfolios Range 0.20%-0.29%)	0.14% - 1.04%	0.63%

Portfolios costs/expense ratio information is the total annual underlying fund expenses for the investment funds that make up each Portfolio. Expense ratios are as of the most recent Program Disclosure Statement dated November 15, 2022 and also include the 0.14% program management fee and the 0.025% state fee.

## Reducing Sales Charges on Fee Structure A

**Initial Sales Charge Waivers:** The initial sales charge will not apply to Contributions made under Fee Structure A under the following situations:

- Purchases for employees or associated persons, and members of their immediate families (spouse, minor child, mother, or father) of selling institutions that have entered into a selling agent agreement to sell interests in the Program.
- Purchases for customers of selling institutions that have entered into a selling agent agreement to sell interests in the Program and have requested and received a waiver of the initial sales charge. Certain selling institutions have decided not to participate in all waivers. Check with your representative to see if your financial advisory firm makes a particular waiver available to its customers before initiating the purchase or rollover.
- If you previously paid a front-end sales charge, Contributions that constitute a Qualified Rollover Distribution from another 529 qualified tuition program or a Coverdell Education Savings Account may be made to Accounts under Fee Structure A without the imposition of an initial sales charge. This initial sales charge waiver is only available through certain broker-dealers. Check with your financial advisor to see if you are eligible for a waiver before initiating a rollover.
- **Bright Directions 529 College Savings Visa® Card Rewards;** Contributions generated from the Bright Directions College Savings Visa® Card.
- **Bright Directions GiftED;** Contributions made by a non-Account Owner.
- If you previously paid a front-end sales charge, Contributions that constitute a refund of any Qualified Higher Education Expenses from an Institution of Higher Education that are recontributed.

To receive an initial sales charge waiver under Fee Structure A, you or your financial advisor must notify the Program Manager that you qualify for such a waiver at the time you make a Contribution.

## Sales Charges & Break Points

Amount of Total Contributions <sup>†</sup>	Sales Charge	Up-Front Commission
Less than \$250,000	3.50%	3.00%
\$250,000 - \$499,999	2.50%	2.00%
\$500,000 - \$999,999	2.00%	1.60%
\$1 million and above <sup>‡</sup>	0.00%	0.25%

<sup>†</sup> The maximum account balance is \$500,000 per beneficiary.

<sup>‡</sup> There is no initial sales charge imposed once Contributions aggregate \$1,000,000 or more per Account Owner.

## Reducing Sales Charges on Fee Structure A / Aggregating Accounts

To receive a reduced Class A sales charge, Contributions made by you and your immediate family (your spouse — or equivalent if recognized under local law — and your children under the age of 21) may be aggregated if made for your own Account(s), and/or a UGMA or UTMA account for one of the above individuals, and/or a trust account established by the above individuals. Purchases of the Invesco Government & Agency 529 Portfolio, Bank Savings 529 Portfolio, Fidelity Short-Term Bond Index 529 Portfolio, and Baird Short-Term Bond 529 Portfolio, may not be combined to reduce your Class A sales charge.

### Automatic Conversion of Class C Units

Class C Units automatically convert to Class A Units in the month following the 10-year anniversary of the purchase date, and will thereafter be subject to the lower ongoing servicing fee applicable to Class A Units.

The Bright Directions 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., acts as Distributor. Balances in your Bright Directions account are not guaranteed or insured by Bright Directions, the State of Illinois, the Illinois State Treasurer, any other state or federal agency, Union Bank and Trust Company or any of its affiliates, Northern Trust Securities, Inc. or any of its affiliates, the Federal Deposit Insurance Corporation (except as provided in the Program Disclosure Statement solely with respect to the FDIC-insured Bank Savings Underlying Investment), 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 professional 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.**

<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 College Illinois 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.

<sup>2</sup>The Illinois Administrative Code provides that in the case of a rollover from a non-Illinois qualified tuition program, the amount of the rollover that is treated as a return of the original contribution to the prior qualified tuition program (but not the earnings portion of the rollover) is eligible for the deduction for Illinois individual income tax purposes.

<sup>3</sup>Subject to credit approval. Full details appear in the Rewards Program Terms and Conditions new card customers receive with their card. All terms, including reward points, fees, and APRs for new transactions, may be subject to change. The Bright Directions 529 Rewards Visa® Card is issued by Union Bank & Trust Company pursuant to a license from Visa® U.S.A. Net purchases are defined as the dollar value of goods and services purchased with a card beginning with the first day of the billing cycle that includes the cardholder's enrollment date minus any credits, returns, or other adjustments as reflected on the monthly billing statement. Rewards of at least \$50 must accumulate for an automatic transfer to the designated Bright Directions account(s) each quarter.

\*The Bright Directions Advisor Guided 529 College Savings Program was rated Bronze by Morningstar (November 2022). 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 of Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates each plan's investment options within the context of their objectives and peer groups, with emphasis placed on the options with the most assets. Plans are evaluated based on four key pillars, including process, people, parent, and price. The Manager Research Group uses this four pillar evaluation to determine which plans they believe are likely to adhere to industry best practices and feature investment options that are likely to collectively outperform relevant peers on a risk-adjusted basis over the long term. They consider quantitative and qualitative factors in their research, and the weight of each pillar is as follows: 30% for Process, People, and Parent, and 10% for Price. The Morningstar Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. Plans that receive Morningstar Analyst Ratings of Gold, Silver, or Bronze for the most part follow industry best practices, offering some combination of the following attractive features: a strong set of underlying investments, a solid manager selection process, a well-researched asset-allocation approach, an appropriate set of investment options to meet investor needs, low fees, and strong oversight from the state and program manager. State income tax benefits vary widely from state to state, and some states have no state tax benefit for investing in a 529 plan. Given the variability of state tax benefits for investors based on personal considerations such as residency, income level, size and frequency of contributions, and other factors, Morningstar does not treat tax benefits as a predictor of performance, and therefore it is not included in the ratings assessment. Morningstar Analyst Ratings are continuously monitored and reevaluated annually. For more detailed information about Morningstar's Analyst Rating for 529 College-Savings Plans, including the methodology, please go to [https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/Morningstar\\_Analyst\\_Rating\\_Methodology\\_071020.pdf](https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/Morningstar_Analyst_Rating_Methodology_071020.pdf).

**The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a plan, (ii) involve 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 a 529 college-savings plan or its underlying investment options.**

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**Not FDIC Insured\* / No Bank Guarantee / May Lose Value**

(\*Except for the Bank Savings Underlying Investment)