



529 QUARTERLY

First Quarter 2015

Long-Term Investing

The markets just celebrated their six year bull market anniversary in early March. Over the last six years investors that have stayed the course and kept a long term focus have seen growth in their accounts. The markets have demonstrated that one of the certainties when investing in stocks is that investments will have volatility. "Volatility" simply means the price of an investment will fluctuate and go up and down in value. Investors in 2008 and 2009 remember the negative returns the stock markets posted. If those investors stayed the course with a diversified growth-oriented portfolio they were rewarded as the markets recovered and saw solid growth the past 6 years.

An important thing to remember with the markets is that they will go up and down in value. Make sure to consider your investment time horizon, risk tolerance, diversification, and review your investments periodically with your investment professional to make sure your goals, strategies, and investments are still appropriate. And, when possible consider investing more each month. Very seldom do we hear account owners saying they have saved too much for college.

Updated Bright Directions Program Disclosure Statement

We have updated the Bright Directions Program Disclosure Statement as of March 20, 2015. Account Owners should have received a copy either via postal mail or via an email containing the electronic copy (if registered for E-statements). Please review the Program Disclosure Statement and keep it with your other Bright Directions account paperwork. If you have any questions regarding the Program Disclosure Statement Update please contact us at (866) 722-7283.

Mystery Shopper Opportunity

Bright Directions is committed to offering outstanding customer service. In order to ensure that our high standards are being met, we ask current Bright Directions account owners to offer us feedback on the level of our customer service, commonly known as mystery shops. If you are interested in participating in our Mystery Shopper program, please contact Cross Financial Group TODAY! Mystery Shoppers get paid for each shop they complete. Cross Financial Group will provide you with a full information package about all of the benefits of the program. You can email your interest to shopping@crossfinancial.com. (Please reference Bright Directions in your email.)

Automatic Investment Plans Provide Flexibility

Do you like to contribute to your account regularly and currently utilize your bank's Bill Pay option to do so? Are you looking for an easy way to make consistent contributions to your Bright Directions account without having to remember to write a check? If so, an Automatic Investment Plan is a great tool to utilize. With an Automatic Investment Plan, you have the ability to set up a regular, electronic contribution directly from your bank account. The plan has no required minimums so you can select the amount that works best for you and your budget. You control the date, frequency, amount, and can make changes as often as necessary by logging into your account at BrightDirections.com. Contributions are invested on the same date each month, so there is no need to wonder when the deduction from your bank account will occur. Establishing an AIP provides you control over your regular contributions and is easy and convenient. Log in to get started or contact us at (866) 722-7283 with any questions.



A contribution makes a great graduation gift. Invite your friends and family to gift online. Learn more at: BrightDirections.com

Thank you for investing with Bright Directions!



Final 2014 Tax Reminders

April 15th is right around the corner. Be sure to report your 2014 contributions to Bright Directions in order to take advantage of the Illinois state income tax deduction.¹ Contributions up to the \$10,000 individual limit (up to \$20,000 if married and filing jointly) can be deducted if they were postmarked on or before December 31st. Any contribution postmarked in 2014 but invested in January will appear on your enclosed 1st Quarter 2015 statement as a “Prior Year Contribution”. Don’t forget to include those “Prior Year Contributions” for 2014 tax deduction purposes. Keep in mind that contributions to Bright Directions don’t generate any tax forms for the Illinois state income tax deduction – simply report your total contributions on Illinois Schedule M, Line 12c.

If you made a large gift in 2014 or took advantage of the special 5-year front-loading gift election allowed for 529 plans, make sure to mention these to your tax professional. They can help you determine if any special IRS filings are required. Typically, a Form 709 is required in order to have a large gift to a 529 account split over a 5 year period. The deadline for filing is April 15, 2015.

Did you know you can direct deposit a portion or the full amount of your Federal or State tax refund into your Bright Directions account? Instructions were included with your 4th quarter account statement. Please visit the Bright Directions online tax center or feel free to call us for help.

Additional tax information can be found in the 4th Quarter 2014 Newsletter and the Tax Center at BrightDirections.com. Be sure to check with your tax professional for more information or advice regarding the tax benefits of investing with Bright Directions.

2014 Withdrawal Reporting

If you requested a withdrawal from your Bright Directions account in 2014, the payee of the withdrawal check should have received IRS Form 1099-Q in the mail in late January or early February. If the withdrawal was payable to the Account Owner, the Owner would have received the 1099-Q. For any withdrawals payable to the Beneficiary or a school, the Beneficiary would have received the 1099-Q. We recommend that you discuss any withdrawal reporting requirements with your tax professional.

IRS Allows Two Investment Changes

If you wish to change the investment option for your account, there was an important change you should be aware of. In late December, the Achieving a Better Life Experience Act of 2014 (“ABLE Act”), changed the law to allow 529 Account Owners the ability to change their investment option twice per calendar year beginning in 2015. Previously, Account Owners were allowed just one investment change every calendar year. Please review your account and contact your financial professional with any questions about your investment portfolio.

The Bright Directions College Savings Program is part of the Illinois College Savings Pool and is designed to qualify as a qualified tuition program under the provisions of Section 529 of the Internal Revenue Code. The Bright Directions College Savings Program is 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. Investments in the Bright Directions College Savings Program 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.

¹Individuals who file individual Illinois state income tax returns can deduct up to \$10,000 per tax year (\$20,000 if filing jointly) for their total, combined contributions to the Bright Directions College Savings Program, the Bright Start College Savings Program, and Collegellinois! 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 subject to recapture 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.

Investors should read carefully and consider the investment objectives, risks, fees, and expenses contained in the Program Disclosure Statement (issuer’s official statement) 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. The Program Disclosure Statement, which contains additional information about the plan and municipal fund securities, is available online at BrightDirections.com or from your financial advisor.

You should consider, before investing, whether your home state or the designated beneficiary’s home state offers any state tax deduction or other benefits that are only available for investments in such state’s qualified tuition program. You should consult with a tax advisor about state and local taxes.

Not FDIC Insured

May Lose Value

No Bank Guarantee

