

529

Second Quarter 2021 Quarterly



You Have Investment Options

Your Bright Directions 529 College Savings contributions are invested in a way that works for you based on your financial goals and comfort with risk. As a reminder, you have three investment options to choose from — which you can change over the years, if need be.

1

Age-Based Portfolios

Your investments automatically adjust as your child gets older

2

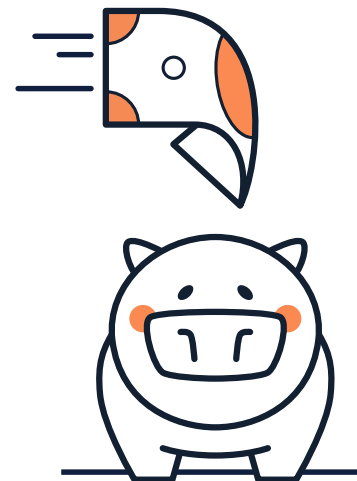
Target Portfolios

Your investments target a specific asset allocation

3

Individual Fund Portfolios

Customize your investment portfolio from our 30+ individual options



With any of the three options, investment returns grow tax-free to help maximize your savings. Talk with your Bright Directions advisor about which option is right for you.



MORNINGSTAR

Highly Rated Since 2015*

How College Debt Gets in the Way of Big Dreams

It's hard to save up for a new car or a down payment on a house when you're working to pay off student loans. In fact, students with loans to pay off are 36% less likely to purchase a house[†]. Thinking even longer term than that, carrying around college debt can even push back your child's retirement age. Minimizing the loans your child will pay sets them up to start saving for their own lives sooner. Just one more reason why it pays to save — early and often.



► The Weight of Debt

Did you know? The average student leaves college with approximately \$36,000 in student loan debt — that's 80 lbs of \$1 bills!

Child Tax Credit: A Creative Way to Save

From this July through December, qualifying families may receive up to \$300 a month under the American Rescue Plan Act of 2021. It's a great way to start building your 529 account. Get more information at [IRS.gov](https://www.irs.gov) and search "Advance Child Tax Credit Payments in 2021".



Spending Your Bright Directions Savings

With one semester coming to an end and a new one beginning, it might be time to bring out your checkbook for college expenses. Here are some helpful reminders on how to spend what you save in your 529:



Keep Your Receipts

This will help you track your expenses so that you can match your withdrawals to the exact amount.



Start Your Withdrawal at BrightDirections.com

Make the withdrawal online

OR

Download a withdrawal request form and mail it in



Pay It Out

You have the following options for whom to make the reimbursement check payable to:

1. Yourself as the Account Owner
2. Your Beneficiary
3. The University or Institution
4. The Account Owners Bank Account
(If on file with Bright Directions)

▶ You Asked. We Answered.

Let's take a look at one of the questions we get asked frequently:

Q:

What happens if my child doesn't go to college? Or what if there are funds leftover after they graduate?

A:

The plan is flexible. You can change the beneficiary to another member of the family or leave the funds in the plan and change the beneficiary to a new qualifying beneficiary at a later date (i.e. a grandchild or great grandchild). You can always take the funds out as a non-qualified withdrawal but keep in mind that the earnings portion (not the amount you contributed) is subject to federal and state income taxes and a 10% federal penalty tax. Check with your tax professional before requesting a non-qualified withdrawal.

¹Scholarship America "The Far-Reaching Impact of the Student Debt Crisis" (January, 2021).

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 & Trust Company serves as Program Manager and Northern Trust Securities, Inc., acts as 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 & 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 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.

There may be potential adverse tax consequences if the transfer or rollover is not a qualified rollover. Please review all factors with your tax and financial advisor.

*Morningstar analyzed and rated 61 plans nationwide. Bright Directions was one of only four advisor-sold plans to get Bronze, the highest rating currently achieved by any advisor-sold plan. Analyst ratings for 529 college savings plans consider: Process, People, Parent, and Price. Based on their conclusions, analysts will assign pillar scores. Morningstar analysts retain discretion to override scores if they believe a unique characteristic justifies a different rating than the score suggests. The Morningstar Analyst Rating™ is a subjective evaluation and is not a credit or risk rating. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. ©2020 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.