



OFFICE OF ILLINOIS STATE TREASURER

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Illinois Releases RFI for Advisor-sold 529 Plans 529 College Savings Contracts Expire July 2017

Springfield – Illinois Treasurer Michael Frerichs announced today a Request for Information (RFI) for the Illinois Advisor-sold 529 College Savings Plans, in anticipation of contract expirations in all 529 plans in July of 2017. The RFI will help guide the upcoming procurement process and the goal is to improve on the already highly regarded plans.

“For ten years, the state of Illinois has offered two advisor-sold 529 plans, we are taking requests for information to gauge market conditions and determine how we can offer the best 529 plans for the residents of Illinois,” Treasurer Frerichs said. “The 529 industry has been changing and I have charged my staff to look into structuring the plans that will allow for the best-in-class investment options.”

“We are always looking for ways to provide investors with the highest quality investment options for the best value,” Treasurer Frerichs said. “Last October Morningstar upgraded the ranking on the Bright Directions plan to silver. We want to build on that momentum and find creative ways to help families save.”

“More families are recognizing the increasing cost of tuition and the fear or long-term debt is creating much anxiety and uncertainty for the future of their children. The IL 529 plans help make the college process a little more manageable,” Treasurer Frerichs said.

Treasurer Frerichs serves as the Trustee and Administrator for the three Illinois 529 College Savings Plans (Bright Start Direct, Bright Start Advisor, and Bright Directions). The plans are designed as “qualified tuition programs” under Section 529 of the Internal Revenue Code. They are different than pre-paid tuition plans. Currently, more than 425,000 residents hold a Bright Directions or Bright Start account. Specifically, there are over 200,000 accounts and close to \$4 billion in the Illinois advisor-sold 529 plans. Bright Start was created in 2000 as a way to help families save in the midst of increasing tuition costs. Bright Directions was created in 2005 to help families select from a wider investment lineup.

Money in a 529 college savings account can be used at eligible educational institutions, including public and private, two-year, four-year colleges and universities and certain technical and vocational schools.

For more information about the Treasurer's Office 529 College Savings programs, visit www.illinoistreasurer.gov.

About the Illinois Treasurer

The Illinois Treasurer is the state's Chief Investment Officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secured retirement. As the state's Chief Investment Officer, he actively manages approximately \$25 billion. Currently, the portfolio includes \$13 billion in state funds, \$7.95 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of principal and returns \$28 to the state for every \$1 spent in operations. The Treasurer's office predates Illinois' incorporation in 1818. Voters in 1848 chose to make it an elected office.

The Bright Start and Bright Directions College Savings Programs are 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 Start and Bright Directions College Savings Programs are sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. OppenheimerFunds, Inc. serves as Program Manager and Distributor for Bright Start. Union Bank & Trust Company serves as Program Manager, and Northern Trust Securities, Inc. acts as Distributor for Bright Directions. Investments in the Illinois College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, OppenheimerFunds, Inc., 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 associated with municipal fund securities before investing. This and other important information is contained in the fund prospectuses and the Bright Directions Program Disclosure Statement (issuer's official statement), which can be obtained from your financial professional and on 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.

An investor should consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's 529 plan. Investors should consult a tax advisor.

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