

State of Illinois
Office of the Treasurer
College Savings Program

Financial Audit
Years Ended June 30, 2011 and 2010

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

Table of Contents

	Page
Treasurer's Office Officials	1
Financial Statement Report	
Summary	2
Independent Auditors' Report	3 - 4
Statements of Fiduciary Net Assets	5
Statements of Changes in Fiduciary Net Assets	6
Notes to the Financial Statements	7 - 21
Supplementary Information	
Combining Statements of Fiduciary Net Assets	22
Combining Statements of Changes in Fiduciary Net Assets	23
Bright Start Statements of Fiduciary Net Assets by Portfolio	24 - 33
Bright Directions Statements of Fiduciary Net Assets by Portfolio	34 - 47
Bright Start Statements of Changes in Fiduciary Net Assets by Portfolio	48 - 57
Bright Directions Statements of Changes in Fiduciary Net Assets by Portfolio	58 - 73
Key Performance Measures (Unaudited)	74 - 75
Bright Start Investment Policy (Unaudited)	76 - 82
Bright Directions Investment Policy (Unaudited)	83 - 90
Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	91 - 92

**State of Illinois
Office of the Treasurer
College Savings Program**

Treasurer's Office Officials

Treasurer	Honorable Dan Rutherford (January 10, 2011- present) Honorable Alexi Giannoulias (through January 10, 2011)
Chief of Staff	Mr. Kyle Ham (January 10, 2011 – present) Ms. Robin Kelly (through December 27, 2010)
Deputy Treasurer/CFO	Mr. Edward Buckles (through December 31 2011)
General Counsel	Mr. Paul Miller (through January 10, 2011) Ms. Maureen Lydon (January 10, 2011 – present)
Director of College Savings Program	Ms. Bridget Byron (May 2, 2011 – present) Ms. Shirley Yang (through February 25, 2011)
Inspector General	Mr. David Wells
Chief Internal Auditor	Ms. Barbara Ringler

The Office of the Treasurer started fiscal year 2011 with ten office locations; during the year six office locations were closed as noted below:

Executive Office
State Capitol
219 State House
Springfield, Illinois 62706

Programmatic (Closed 2/9/2011)
Effingham Office
401 Industrial Drive, Suite E
Effingham, Illinois 62401

Operational Divisions
Illinois Business Center
400 West Monroe
Springfield, Illinois 62704

Programmatic (Closed 2/9/2011)
Mt. Vernon Office
200 West Potomoc Boulevard
Mt. Vernon, Illinois 62864

Unclaimed Property & Other Divisions
Myers Building
1 W. Old State Capitol Plaza
Springfield, Illinois 62701

Programmatic (Closed 2/16/2011)
Rock Island Office
Rock Island County Office Building
1504 Third Avenue
Rock Island, Illinois 61201

Chicago Office & Personnel/Legal
Programmatic
James R. Thompson Center
100 West Randolph Street
Suite 15-600
Chicago, Illinois 60601

Programmatic (Closed 2/15/2011)
Rockford Office
E.J. Zeke Giorgi Building
200 South Wyman Street
Rockford, Illinois 61101

Programmatic (Closed 2/7/2011)
Riverdale Office
13725 South Wabash Avenue
Riverdale, Illinois 60827

Programmatic (Closed 2/8/2011)
Collinsville Office
420 East Main Street
Collinsville, Illinois 62234

FINANCIAL STATEMENT REPORT

Financial Statement Report

Summary

The audit of the accompanying financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer, was performed by McGladrey & Pullen, LLP as of and for the year ended June 30, 2011.

Based on their audit, the auditors expressed an unqualified opinion on the College Savings Program's financial statements.

Independent Auditors' Report



Independent Auditors' Report

The Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the College Savings Program (a fiduciary fund) of the State of Illinois, Office of the Treasurer, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the management of the State of Illinois, Office of the Treasurer. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the College Savings Program as of June 30, 2010, were audited by other auditors whose report dated January 4, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College Savings Program's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer present only this fiduciary fund and do not purport to, and do not, present fairly the financial position of the State of Illinois, Office of the Treasurer as of June 30, 2011, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the June 30, 2011 financial statements referred to above present fairly, in all material respects, the financial position of the College Savings Program as of June 30, 2011, and the changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2012, on our consideration of the College Savings Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The State of Illinois, Office of the Treasurer has not presented a management's discussion and analysis for the College Savings Program that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer. The accompanying supplementary information, as presented in the table of contents on pages 22 through 73 consisting of combining and individual program statements, is presented for purposes of additional analysis and is not a required part of the financial statements. The June 30, 2011 supplementary information referred to above has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the financial statements as of and for the year ended June 30, 2011, taken as a whole. The supplementary information, as presented in the table of contents on pages 74 through 90 consisting of key performance measures and investment policies, has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it. The supplementary information for the year ended June 30, 2010 was audited by other auditors. Their report on the June 30, 2010 supplementary information, dated January 4, 2011, stated that, in their opinion, except for the portion marked "unaudited," on which they expressed no opinion, such information was fairly stated in all material respects in relation to the financial statements for the year ended June 30, 2010, taken as a whole.

McGladrey & Pullen, LLP

Schaumburg, Illinois
February 22, 2012

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Fiduciary Net Assets
June 30, 2011 and 2010**

	2011	2010
Assets		
Deposits and investments		
Cash and cash equivalents	\$ 218,903,260	\$ 174,843,388
Capital shares receivable	4,129,592	5,004,269
Securities sold receivable	684,306	787,674
Dividends receivable	1,273,344	923,763
Mutual funds	3,907,719,754	2,941,972,926
	<hr/>	<hr/>
Total assets	\$ 4,132,710,256	\$ 3,123,532,020
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Liabilities		
Payable for capital shares	\$ 5,656,591	\$ 3,276,520
Payable for securities purchased	1,738,153	1,361,640
Other liabilities	1,384,020	1,057,144
	<hr/>	<hr/>
Total liabilities	8,778,764	5,695,304
Net assets held in trust for participants	4,123,931,492	3,117,836,716
	<hr/>	<hr/>
Total liabilities and net assets	\$ 4,132,710,256	\$ 3,123,532,020
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these statements.

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Assets
For the Years Ended June 30, 2011 and 2010**

	2011	2010
Investment income (expense)		
Investment earnings	\$ 34,501,712	\$ 18,026,910
Net change in fair value of investments	594,881,143	230,785,697
Distribution fees	(2,880,424)	(2,439,470)
State administrative fees	(796,993)	(608,097)
Insurance fees	(196,970)	(183,358)
12b-1 fees	(2,211,451)	(1,602,610)
Management and bank custodial fees	(7,994,225)	(6,524,196)
	<u>615,302,792</u>	<u>237,454,876</u>
Net investment earnings		
	<u>615,302,792</u>	<u>237,454,876</u>
Distributions to shareholders		
Net investment income	(16,111)	(14,088)
	<u>(16,111)</u>	<u>(14,088)</u>
Participant transactions		
Program contributions	1,539,502,826	1,334,724,498
Program distributions	(1,148,711,670)	(948,223,446)
Distributions reinvested	16,939	16,742
	<u>390,808,095</u>	<u>386,517,794</u>
Total increase from participant transactions		
	<u>390,808,095</u>	<u>386,517,794</u>
Change in net assets	1,006,094,776	623,958,582
Net assets, beginning of fiscal year	<u>3,117,836,716</u>	<u>2,493,878,134</u>
Net assets, end of fiscal year	<u>\$ 4,123,931,492</u>	<u>\$ 3,117,836,716</u>

The accompanying notes are an integral part of these statements.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Background

In May 1999, the General Assembly of the State of Illinois adopted Public Act 91-0607 authorizing the State Treasurer of the State of Illinois (the "Treasurer") to establish and administer a program designed to be a "qualified state tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended. The program is known as the College Savings Program (the "Program"). Participants of the Program have a choice of two Section 529 investment programs, the Bright Start College Savings Program ("Bright Start") and the Bright Directions College Savings Program ("Bright Directions"). Bright Start commenced operations on March 27, 2000. Bright Directions commenced operations on November 18, 2005. Investors may participate in Bright Start directly (Direct-sold Plan) or through participating financial advisors (Advisor-sold Plan). Bright Directions is available through participating financial advisors only.

The Program provides an opportunity for investors residing in Illinois to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary (the "Beneficiary") associated with attending an Institution of Higher Education. If the investor is not an Illinois taxpayer, depending upon the laws of the investor's home state or the home state of the investor's beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in Section 529 college savings plans may be available only if invested in the home state's Section 529 plan. Institutions of Higher Education generally include accredited postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential including certain proprietary, postsecondary vocational and foreign institutions. The institution must be eligible to participate in the U.S. Department of Education student aid programs. Qualified higher education expenses generally include tuition, fees, books, supplies, and equipment required for the Beneficiary's enrollment plus, subject to certain limitations, room and board expenses provided the Beneficiary is enrolled on at least a half-time basis.

Under the Program, Program participants (the "Account Owners") select investment portfolios for their accounts established for the purpose of helping Account Owners meet the qualified higher education expenses of the Beneficiaries designated on the Program accounts (the "Accounts"). Amounts contributed to the Program will be invested in the College Savings Trust (the "Trust"). As of June 30, 2011, OFI Private Investments, Inc. provided investment advisory, administrative, recordkeeping and marketing services for the Bright Start Program. As of June 30, 2011, Union Bank and Trust Company advised the Treasurer on the investment of contributions and provided administrative, recordkeeping and marketing services for the Bright Directions Program. As such, as of June 30, 2011, OFI Private Investments, Inc. and Union Bank and Trust Company acted as program managers (the "Managers") of the two investment programs. The Treasurer acts as trustee and is responsible for the overall administration of the programs.

Note 1. Summary of Significant Accounting Policies

Financial Reporting Entity

As described in the Illinois Comprehensive Annual Financial Report, the State of Illinois is the primary government which includes all funds, elected offices, departments and agencies of the State, as well as boards, commissions, authorities, universities and colleges over which the State's executive or legislative branches exercise legal control.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 1. Summary of Significant Accounting Policies (Continued)

The College Savings Program is a separate legal entity from the State of Illinois, with the assets segregated into a Trust, and the Treasurer appointed as Trustee of the Trust, as established in the Declaration of Trust dated March 27, 2000. However, for financial reporting purposes, the College Savings Program is a part of the primary government. The Program is included in the Illinois Comprehensive Annual Financial Report as a private-purpose trust fund. The scope of the College Savings Program financial statements presented herein is limited to the financial position of the College Savings Program private-purpose trust fund.

Fiduciary Fund

The College Savings Fund is classified as a private-purpose trust fund. This trust fund is used to account for assets held by the Treasurer in a trustee capacity. This fund is not held in the State Treasury and is a non-appropriated fund.

Basis of Accounting and Measurement Focus

The accounts of the College Savings Program are maintained and reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Cash and Cash Equivalents

Cash and cash equivalents consist of money market mutual funds and timing differences associated with the purchase of mutual fund shares and short-term, highly liquid investments readily convertible to cash, with a maturity of 90 days or less at the time of purchase.

Investment Earnings

Investment earnings are a combination of dividend income and interest income generated from mutual fund investments. Mutual fund yields are subject to market rate fluctuations.

Fair Value of Investments

Investments in the underlying funds are carried at fair value based on the closing net asset or unit value per share of each Underlying Fund on the last business day on or prior to June 30.

Net Assets Held in Trust for Participants

The net assets held in trust for participants represent assets, with investments reported at fair value based upon quoted market values, less accrued liabilities. Besides investments, assets include cash and cash equivalents, dividend and interest receivable and the effect of market fluctuations on participant deposits.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 1. Summary of Significant Accounting Policies (Continued)

Management Estimates

To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make certain estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates may differ from actual results.

Presentation Changes

Certain presentations for the year ended June 30, 2010 have been changed to be consistent with the current (FY2011) presentation.

Note 2. Investments

Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, established standards for accounting for investments held by governmental entities. The College Savings Program has been designed as a qualified state tuition program under Section 529 of the Internal Revenue Code and reports all investments at fair value based upon quoted market value with the exception of investments in the Bright Start Principal Protection Income Portfolio which are reported at contract value.

Bright Start College Savings Program

Permitted Investments:

The Treasurer's Bright Start investment activities are governed by the Treasurer's published Bright Start investment policy (included in the supplementary section of this report), which was developed in accordance with the State statute. In addition, the Treasurer has adopted its own investment practices, which supplements the statutory requirements.

The Bright Start Investment Policy allows funds (contributions) to be invested in one of several Portfolios, each with a designated mix of investments that is appropriate for the investment objective of the Portfolio. Each Portfolio allocates assets in a combination of underlying investments, investing among large capitalization U.S. stocks, small capitalization U.S. stocks, international stocks, fixed-income and/or short-term investments. The asset allocation of each Portfolio is established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds and cash in each Portfolio and may change the underlying investments within the Portfolios consistent with its Investment Policy Statement and its agreement with the Manager.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

Investment Options:

General Overview

The Bright Start Program offers the following investment portfolios:

Direct-sold Plan:

- Blended Age-Based Portfolios
- Blended Fixed Income Portfolio
- Blended Equity Portfolio
- Blended Balanced Portfolio
- Principal Protection Income Portfolio
- Index Age-Based Portfolios
- Index Fixed Income Portfolio
- Index Equity Portfolio
- Index Balanced Portfolio

Advisor-sold Plan:

- Advisor Age-Based Portfolios
- Advisor Fixed Income Portfolio
- Advisor Equity Portfolio
- Advisor Balanced Portfolio
- Principal Protection Income Portfolio

Brief Description of Investment Portfolios:

Age-Based Portfolios:

The goal of a portfolio under the Age-Based Option is to seek an asset allocation strategy consistent with the ages of the Beneficiaries of those Account Owners who have invested in that Portfolio.

Based on the age of the Beneficiary, the following Age-Based Portfolios are available:

Direct-sold Plan:

- Blended Age-Based 0-6 Years Portfolio
- Blended Age-Based 7-9 Years Portfolio
- Blended Age-Based 10-11 Years Portfolio
- Blended Age-Based 12-14 Years Portfolio
- Blended Age-Based 15-17 Years Portfolio
- Blended Age-Based 18 Years Portfolio
- Index Age-Based 0-6 Years Portfolio
- Index Age-Based 7-9 Years Portfolio
- Index Age-Based 10-11 Years Portfolio
- Index Age-Based 12-14 Years Portfolio
- Index Age-Based 15-17 Years Portfolio
- Index Age-Based 18 Years Portfolio

Advisor-sold Plan:

- Advisor Age-Based 0-6 Years Portfolio
- Advisor Age-Based 7-9 Years Portfolio
- Advisor Age-Based 10-11 Years Portfolio
- Advisor Age-Based 12-14 Years Portfolio
- Advisor Age-Based 15-17 Years Portfolio
- Advisor Age-Based 18 Years Portfolio

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

Account assets generally do not remain in the Age-Based Portfolio in which they are initially invested. Account assets are redeemed by the Manager when the Beneficiary attains an age that is greater than the upper limit of the age range that corresponds to a particular Portfolio, including the Portfolio in which assets were invested initially. The Manager then reinvests these assets in the Portfolio that corresponds to the age of the Beneficiary. This continues until the Beneficiary is 18 years old, or the assets are withdrawn from the Account, whichever occurs first. The asset allocation strategy for the Age-Based Portfolio becomes increasingly conservative with each successive Portfolio.

Fixed Income Portfolios:

- Blended Fixed Income Portfolio
- Advisor Fixed Income Portfolio
- Index Fixed Income Portfolio

The goal of the Fixed Income Portfolios is to seek the relatively more stable returns of a fixed income investment in exchange for giving up the long-term return potential that the stock market may offer.

Equity Portfolios:

- Blended Equity Portfolio
- Advisor Equity Portfolio
- Index Equity Portfolio

The goal of the Equity Portfolios is to seek long-term capital appreciation through investments in equity mutual funds. The Equity Portfolio is only appropriate for investors with longer time horizons, who are comfortable with an increased level of risk while seeking higher longer-term returns, or who use this investment Portfolio as part of an overall college savings strategy that includes less aggressive investments.

Balanced Portfolios:

- Blended Balanced Portfolio
- Advisor Balanced Portfolio
- Index Balanced Portfolio

The goal of the Balanced Portfolios is to seek attractive total return with reasonable safety of principal through investment in equity and fixed income securities.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

Principal Protection Income Portfolio:

- Principal Protection Income Portfolio

The goal of the Principal Protection Income Portfolio is to seek higher current returns than most money market portfolios, while protecting an investor's principal investment from fluctuations in value typically associated with fixed income portfolios. The Principal Protection Income Portfolio may be appropriate for investors who are seeking current returns with stability of principal and who are willing to forego the return potential that the stock market may offer. The Principal Protection Income Portfolio may also be appropriate as a part of an overall college savings strategy that includes more aggressive investments.

On February 24, 2010, the Treasurer approved Galliard Capital Management Inc. (Advisor) to manage the Principal Protection Income Portfolios' (Portfolios) underlying pool of assets (underlying assets) for the benefit of the Trust. The Advisor manages these underlying assets primarily in a diversified portfolio consisting of high quality fixed income securities. These securities may include, but are not limited to, U.S. government securities, money market instruments, collateralized obligations such as mortgage backed or asset backed securities, corporate debt obligations and sovereign/supranational securities. The Advisor seeks to maintain an average market value weighted duration of the underlying assets at 4 years or less. The Advisor typically invests a portion of these assets in investment grade money market securities or in shares of money market mutual funds, including the Oppenheimer Institutional Money Market Fund, to assist the Portfolio in satisfying withdrawals, transfers, and other disbursements from the Portfolio. On a quarterly basis, the Portfolios pay the Advisor a fee for portfolio management (the advisory fee) calculated based on the prior quarter-end market value of the underlying assets.

Under normal circumstances, the Portfolios attempt to reduce fluctuations in the market value of the underlying assets by entering into one or more contracts, known as "Wrapper Agreements," each with a financial institution, such as an insurance company or bank (a Wrapper Provider) whose long-term credit rating at the time the Wrapper Agreement is entered into is in the highest two categories as determined by Standard & Poor's (S&P) and Moody's Investors Service (Moody's). A Wrapper Agreement, sometimes referred to as a synthetic guaranteed investment contract or "GIC", enables the Portfolio, regardless of market fluctuations, to value the assets covered by the Wrapper Agreement (the Covered Assets) at their contract value in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Investments* (GASB 53). Should the amount received from liquidating all of the Covered Assets ever be insufficient to satisfy requested withdrawals from the Portfolio, the provider of the Wrapper Agreement would be obligated to pay the amount of the shortfall to the Portfolio, under normal circumstances. Transamerica Life Insurance Company is the current Wrapper Provider. At June 30, 2011, Transamerica Life Insurance Company was rated A1 by Moody's, its 5th highest rating, and AA- with a "negative outlook" by Standard and Poor's, its 4th highest rating. Effective July 11, 2011, the Portfolios changed their minimum long-term credit ratings for Wrapper Providers, as measured at Wrapper Agreement execution date, to A by S&P, A1 by Moody's or A by Fitch Ratings and ING Life Insurance and Annuity Company replaced Transamerica Life Insurance Company as the Wrapper Provider for the Portfolios.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

The “Crediting Rate” is designed to result in the accrual of income over time equal to the cumulative market return on the Covered Assets, but without the fluctuations in value typically associated with fixed-income securities. The formula for setting the Crediting Rate is provided for in the Wrapper Agreement, and is designed to generate a rate of income on the contract value of the Covered Assets that equates the contract value of the Covered Assets to their market value over a period of time approximating the duration of the Covered Assets. The Crediting Rate is generally reset quarterly. The Crediting Rate is intended to reflect movements in market interest rates, but generally lags market interest rate changes. At any time, the Crediting Rate may be more than or less than both current market interest rates and the actual return on the Covered Assets. In no event will the Crediting Rate be less than zero.

In accordance with GASB Statement No. 53, at June 30, 2011 and 2010, the Advisor and Direct-sold GICs were valued at contract value of approximately \$153.5 and \$142.8 million, respectively. At June 30, 2011 and 2010, the Advisor and Direct-sold GICs fair value was approximately \$153.6 and \$139.3 million, respectively.

GIC Components	2011 Fair Value	2010 Fair Value
Underlying Investments	\$ 153,587,236	\$ 139,324,575
Wrap Contract	-	-
Total	\$ 153,587,236	\$ 139,324,575

Additional Program Information:

Additional information concerning the Bright Start College Savings Program may be obtained online at www.brightstartsavings.com, www.brightstartadvisor.com or by calling toll free 1-877-432-7444.

Investment Risk:

Interest Rate and Credit Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In its investment policy, the Treasurer has adopted a long-term total return strategy. A long-term diversified asset allocation strategy based on (1) asset classes (stocks, bonds, cash, etc.), (2) geography/country, (3) industry, and (4) maturity will be the primary method of risk control.

The investments in the Bright Start College Savings Program are not guaranteed or insured by the Treasurer, the Program Manager, affiliates of the Program Manager, the FDIC, or any other party.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

The fair values and weighted average maturities (WAM) of the money market and fixed income funds for the Bright Start Program as of June 30, 2011 are detailed in the table below. The Bright Start Program's money market and fixed income funds are not rated. Credit rating information provided below for the money market and fixed income funds represents the ratings, or median ratings, of the individual securities held by each fund.

Type	Fair Value	Weighted Average Maturity	Rating (by Percentage)								Rating Service
Money Market:	\$ 159,087,664	54 days	A-1+ 52.3	A-1 39.6	NR 8.1						S&P
Fixed Income Funds:	216,414,545	1.44 yrs	AAA 97.2	A-1+ 2.1	A-1 0.7						S&P
	153,495,228	2.09 yrs	TSY^ 18.93	AAA 14.17	AA 7.45	A 11.56	BBB 6.15	<BBB 0.34	NR 41.4		S&P
	133,240,141	2.40 yrs	TSY^ 21	Aaa 0.6	NR 78.4						*
	207,775,781	6.43 yrs	AAA 65.23	AA 5.91	A 10.51	BBB 13.25	BB 2.79	B 1.36	CCC 0.87	NR 0.08	S&P
	354,680,384	7.40 yrs	TSY^ 35.60	GNMA/ SBA 6.80	Aaa 5.30	Aa 5.10	A 10.40	Baa 9.50	NR 27.3		*
	<u>41,754,924</u>	8.38 yrs	TSY^ 0.2	AAA 20.9	AA 30.9	A 11.7	BBB 18.4	BB 10.6	B 3.6	NR 3.7	S&P
	<u>\$ 1,266,448,667</u>										

*Credit-quality ratings for each issue are obtained from Barclays Capital using ratings derived from Moody's Investor Service (Moody's), Fitch Ratings (Fitch), and Standard & Poor's (S&P). When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

^TSY denotes US Treasury Securities. Ratings for these securities are not required to be reported.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

The fair values and weighted average maturities (WAM) of the money market and fixed income funds for the Bright Start Program as of June 30, 2010 are detailed in the table below. The Bright Start Program's money market and fixed income funds are not rated. Credit rating information provided below for the money market and fixed income funds represents the ratings, or median ratings, of the individual securities held by each fund.

	Fair Value	Weighted Average		Rating (By Percentage)							Rating	
		Maturity									Service	
Money Market:	\$ 126,825,382	45 days	AAA	AA+	AA	AA-	A+	NR				S&P
			10.75	0.21	0.69	1.77	0.29	86.29				
Fixed Income Funds:	183,144,827	2.18 yrs	AAA	NR								S&P
			70.99	29.01								
	109,038,053	2.40 yrs	Aaa									*
			100.00									
	142,835,924	4.09 yrs	AAA	AA+	AA	AA-	A+	A	A-	BBB+		S&P
			19.91	1.97	3.68	1.73	1.36	4.12	2.72	4.96		
			BBB	BBB-	CCC	NR						S&P
			2.14	0.69	0.02	56.70						
	179,600,239	6.20 yrs	AAA	AA	A	BBB	BB	B	CCC	NR		S&P
			65.99	6.04	9.23	13.44	2.68	1.15	1.24	0.23		
	282,349,021	6.40 yrs	Aaa	Aa	A	Baa						*
			76.60	4.30	10.00	9.10						
	<u>33,578,518</u>	7.56 yrs	AAA	AA	A	BBB	BB	B	CCC	NR		S&P
			13.08	16.87	12.01	8.33	12.30	2.51	0.16	34.74		
	<u>\$ 1,057,371,964</u>											

*Credit-quality ratings for each issue are obtained from Barclays Capital using ratings derived from Moody's Investor Service (Moody's), Fitch Ratings (Fitch), and Standard & Poor's (S&P). When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

Bright Directions College Savings Program

Permitted Investments:

The Treasurer's Bright Directions investment activities are governed by the Treasurer's published Bright Directions investment policy (included in the supplementary section of this report), which was developed in accordance with the State statute. In addition, the Treasurer has adopted its own investment practices, which supplements the statutory requirements.

Contributions will be invested in one or more of the available Underlying Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Underlying Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or money market investments. The asset allocation of each Underlying Portfolio will be established by the Treasurer and managed by Union Bank. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Underlying Portfolio and may change the mutual funds within the Underlying Portfolios consistent with its Investment Policy Statement.

Investment Options:

General Overview

The Bright Directions Program offers the following investment portfolios:

- Three Age-Based Tracks, each with five portfolio options
- Seven Target Portfolios
- Twenty-Eight Individual Fund Portfolios
- Five Female & Minority Owned Portfolios

The three Age-Based portfolios are designed to reduce the account's exposure to principal loss the closer the Beneficiary reaches college age; the seven Target Portfolios maintain a constant asset allocation between equity, fixed income, and money market securities; the Individual Fund Portfolios each invest in a single mutual fund; and the Female & Minority Owned Portfolios invest in underlying investment funds which are managed by female or minority-owned investment advisors. The Age-Based, Target, Individual, and Female & Minority Owned Fund Portfolios have been designed by the Treasurer, Manager, and Wilshire Funds Management.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

Brief Description of Investment Options:

Age-Based Portfolios:

The Age-Based Portfolios generally invest in a mix of equity, fixed income, and money market funds allocated based on the current age of the Beneficiary. The Age-Based Portfolios adjust over time so that as the Beneficiary nears college age each Age-Based Portfolio's allocation between equity, fixed income, and money market funds becomes more conservative relative to the allocation in earlier years.

Program participants may choose from the following three Age-Based Tracks:

- Age-Based Aggressive Portfolio
- Age-Based Growth Portfolio
- Age-Based Balanced Portfolio

The beneficiary age bands within each of the above portfolios include: 0-8 years, 9-12 years, 13-16 years, 17-20 years and 21 years and over.

Target Portfolios:

The Target Portfolios are asset allocation portfolios that invest in a set or "static" mix of equity, fixed income, or money market funds. The allocation between equity, fixed income, and money market investments within the Target Portfolios does not change as the Beneficiary gets older. The seven Target Portfolios, ranging from the most aggressive to conservative, are as follows:

- Fund 100
- Fund 80
- Fund 60
- Fund 40
- Fund 20
- Fund 10
- Fixed Income Fund

Individual Fund Portfolios:

The Bright Directions Program offers twenty-eight Individual Fund Portfolios. Each Individual Fund Portfolio is invested solely in shares of a single underlying mutual fund. Account balances may be allocated among one or more Individual Fund Portfolios according to the Account Owners investment objectives, investment time horizon, and risk tolerance.

The Individual Fund Portfolios offered are as follows:

- American Century Equity Growth 529 Portfolio
- American Century Growth 529 Portfolio
- American Century Value 529 Portfolio
- Artisan Emerging Markets 529 Portfolio
- BlackRock Cash Funds 529 Portfolio
- BlackRock Inflation Protected Bond 529 Portfolio

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

Individual Fund Portfolios (Continued)

- Calvert Equity 529 Portfolio (formerly known as Calvert Social Investment Equity 529 Portfolio)
- Delaware Small Cap Core 529 Portfolio
- Dodge & Cox International Stock 529 Portfolio
- Eaton Vance Large Cap Value 529 Portfolio
- ING Global Real Estate 529 Portfolio
- Northern Bond Index 529 Portfolio
- Northern Institutional Equity Index 529 Portfolio
- Northern Institutional International Equity Index 529 Portfolio
- Northern Institutional Small Company Index 529 Portfolio
- Northern Small Cap Value 529 Portfolio
- Oppenheimer International Growth 529 Portfolio
- PIMCO Low Duration 529 Portfolio
- PIMCO Short-Term 529 Portfolio
- PIMCO Total Return 529 Portfolio
- T. Rowe Price Balanced 529 Portfolio
- T. Rowe Price Equity Income 529 Portfolio
- T. Rowe Price Extended Equity Market Index 529 Portfolio
- T. Rowe Price Institutional Large Cap Growth 529 Portfolio
- T. Rowe Price Real Estate 529 Portfolio
- Templeton International Bond 529 Portfolio
- William Blair Mid Cap Growth 529 Portfolio
- William Blair Small Cap Growth 529 Portfolio

Female & Minority Owned Portfolios:

The Bright Directions Program offers five Female & Minority Owned Portfolios. Each portfolio is invested in funds which are managed by female and/or minority-owned investment advisors.

The Female & Minority Owned Portfolios are as follows:

- Ariel Fund 529 Portfolio
- Earnest Partners Fixed Income 529 Portfolio
- John Hancock Small Company 529 Portfolio
- NCM Capital Mid-Cap Growth 529 Portfolio
- SIT Dividend Growth 529 Portfolio

Additional Program Information

Additional information concerning the Bright Directions College Savings Program, including a complete description of investment options, may be obtained online at www.brightdirections.com or by calling 1-866-722-7283.

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

Investment Risk:

Interest Rate and Credit Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In its investment policy the Treasurer has adopted a long-term total return strategy. A long-term diversified asset allocation strategy based on (1) asset classes (stocks, bonds, cash, etc.), (2) geography/country, (3) industry, and (4) maturity will be the primary method of risk control.

The investments in the Bright Directions Program are not guaranteed or insured by the Treasurer, the Program Manager, affiliates of the Program Manager, the FDIC, or any other party.

The fair values and weighted average maturities (WAM) of the money market and fixed income funds for the Bright Directions Program as of June 30, 2011 are detailed in the table below. The Bright Direction Program's money market individual fund 529 portfolio and the Target Fixed Income Fund are not rated. Credit rating information provided below for the money market and fixed income funds represents the ratings of the underlying mutual funds in which each portfolio invests.

Type	Fair Value	Weighted Average Maturity	Rating	Rating Service
Money Market:	\$ 44,425,692	50 days	AA	S&P
Fixed Income Funds:	48,637,202	0.89 yrs	AA-	S&P
	14,866,982	2.20 yrs	A	S&P
	71,651,718	2.73 yrs	A+	S&P
	64,851,182	6.07 yrs	A+	S&P
	37,707,155	7.30 yrs	AAA	S&P
	9,294,789	7.66 yrs	AA	S&P
	208,356	8.20 yrs	AA	S&P
	<u>24,508,196</u>	11.11 yrs	AAA	S&P
	<u>\$ 316,151,272</u>			

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 2. Investments (Continued)

The fair values and weighted average maturities (WAM) of the money market and fixed income funds for the Bright Directions Program as of June 30, 2010 are detailed in the table below. The Bright Directions Program's money market individual fund 529 portfolio and the Target Fixed Income Fund are not rated. Credit rating information provided below for the money market and fixed income funds represents the ratings of the underlying mutual funds in which each portfolio invests.

	Fair Value	Weighted Average Maturity	Standard & Poor's Rating
Money Market:	\$ 36,347,488	39 days	Unrated
Fixed Income Funds:	35,119,373	.65 yrs	AA
	48,839,636	2.93 yrs	AA
	34,925	5.37 yrs	AA
	6,239,913	6.34 yrs	AA
	27,068,998	6.80 yrs	AAA
	52,555,393	7.91 yrs	AA
	15,584,174	8.18 yrs	Unrated
	4,511,258	14 yrs	A
	<u>\$ 226,301,158</u>		

Note 3. Administrative Fees

To administer the College Savings Program, the Treasurer has a division entitled, "The College Savings Program Division." This division had three employees as of June 30, 2011. The revenues and expenses of the division are recorded in an enterprise proprietary fund maintained by the Treasurer entitled College Savings Program Administrative Trust Fund No. 668.

The Managers of the College Savings Program receive fees for their services. The Bright Start Program Manager received an amount equal to a charge against the assets of the Trust at an annual rate of 0.15% on the blended and advisor portfolios and 0.14% on the index portfolios of the average daily balance of the net assets of the Trust. The fee is calculated daily but payable monthly. The Bright Directions Program Management fee is at an annual rate of 0.45% of the average daily net assets of each Portfolio.

The College Savings Program custodial/advisory fees paid from the Trust and the College Savings Program Administrative Trust Fund expenses are as follows:

	2011	2010
Custodial/advisory fees	\$ 7,994,225	\$ 6,524,196
Administrative Trust Fund expenses	1,204,368	1,047,634

**State of Illinois
Office of the Treasurer
College Savings Program**

**Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010**

Note 4. Settlement

In late January 2009, the Treasurer launched an investigation of OppenheimerFunds, Inc. through the Illinois Attorney General's Office. The nature of the investigation related to the investment performance of the OFII Core Plus Fixed Income Strategy and whether mismanagement of the underlying investment led to its underperformance in 2008. A formal settlement agreement was reached on December 18, 2009 and OppenheimerFunds, Inc. agreed to pay \$77.23 million into a settlement account from which 100% of the proceeds would be distributed to eligible participants (i.e., there is no deduction from the settlement proceeds for administrative or other expenses). As of June 30, 2011, 95% of settlement proceeds had been distributed to eligible participants by way of deposits into a Bright Start account or check disbursement. The settlement distribution process is scheduled for one more disbursement before the remaining unclaimed funds are to be turned over to State of Illinois Unclaimed Property.

SUPPLEMENTARY INFORMATION

**State of Illinois
Office of the Treasurer**

**College Savings Program
Combining Statements of Fiduciary Net Assets
June 30, 2011 and 2010**

	Bright Start		Bright Directions		Totals	
	2011	2010	2011	2010	2011	2010
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 174,205,201	\$ 138,166,894	\$ 44,698,059	\$ 36,676,494	\$ 218,903,260	\$ 174,843,388
Capital shares receivable	4,129,592	5,004,269	-	-	4,129,592	5,004,269
Securities sold receivable	684,306	787,674	-	-	684,306	787,674
Dividends receivable	747,267	627,825	526,077	295,938	1,273,344	923,763
Mutual funds	3,120,712,946	2,409,741,166	787,006,808	532,231,760	3,907,719,754	2,941,972,926
Total assets	\$ 3,300,479,312	\$ 2,554,327,828	\$ 832,230,944	\$ 569,204,192	\$ 4,132,710,256	\$ 3,123,532,020
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 5,656,591	\$ 3,276,520	\$ -	\$ -	\$ 5,656,591	\$ 3,276,520
Payable for securities purchased	1,738,153	1,361,640	-	-	1,738,153	1,361,640
Other liabilities	103,535	88,826	1,280,485	968,318	1,384,020	1,057,144
Total liabilities	7,498,279	4,726,986	1,280,485	968,318	8,778,764	5,695,304
Net assets held in trust for participants	3,292,981,033	2,549,600,842	830,950,459	568,235,874	4,123,931,492	3,117,836,716
Total liabilities and net assets	\$ 3,300,479,312	\$ 2,554,327,828	\$ 832,230,944	\$ 569,204,192	\$ 4,132,710,256	\$ 3,123,532,020

State of Illinois
Office of the Treasurer
College Savings Program
Combining Statements of Changes in Fiduciary Net Assets
For the Years Ended June 30, 2011 and 2010

	Bright Start		Bright Directions		Totals	
	2011	2010	2011	2010	2011	2010
Investment income (expense)						
Investment earnings	\$ 18,440,028	\$ 8,887,283	\$ 16,061,684	\$ 9,139,627	\$ 34,501,712	\$ 18,026,910
Net change in fair value of investments	484,097,620	191,183,831	110,783,523	39,601,866	594,881,143	230,785,697
Distribution fees	(2,880,424)	(2,439,470)	-	-	(2,880,424)	(2,439,470)
State administrative fees	(796,993)	(608,097)	-	-	(796,993)	(608,097)
Insurance fees	(196,970)	(183,358)	-	-	(196,970)	(183,358)
12b-1 fees	-	-	(2,211,451)	(1,602,610)	(2,211,451)	(1,602,610)
Management and bank custodial fees	(4,868,789)	(4,261,120)	(3,125,436)	(2,263,076)	(7,994,225)	(6,524,196)
Net investment earnings	493,794,472	192,579,069	121,508,320	44,875,807	615,302,792	237,454,876
Distributions to shareholders						
Net investment income	-	-	(16,111)	(14,088)	(16,111)	(14,088)
Participant transactions						
Program contributions	1,206,246,912	1,090,039,564	333,255,914	244,684,934	1,539,502,826	1,334,724,498
Program distributions	(956,661,193)	(822,238,711)	(192,050,477)	(125,984,735)	(1,148,711,670)	(948,223,446)
Distributions reinvested	-	-	16,939	16,742	16,939	16,742
Total increase from participant transactions	249,585,719	267,800,853	141,222,376	118,716,941	390,808,095	386,517,794
Change in net assets	743,380,191	460,379,922	262,714,585	163,578,660	1,006,094,776	623,958,582
Net assets, beginning of fiscal year	2,549,600,842	2,089,220,920	568,235,874	404,657,214	3,117,836,716	2,493,878,134
Net assets, end of fiscal year	\$ 3,292,981,033	\$ 2,549,600,842	\$ 830,950,459	\$ 568,235,874	\$ 4,123,931,492	\$ 3,117,836,716

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio
June 30, 2011

	Bright Start Advisor Age Based 0-6 years	Bright Start Advisor Age Based 7-9 years	Bright Start Advisor Age Based 10-11 years	Bright Start Advisor Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years	Bright Start Advisor Age Based 18 years
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 501,614	\$ 487,727	\$ 502,365	\$ 472,046	\$ 21,245,429	\$ 32,527,403
Capital shares receivable	137,681	234,141	142,113	207,312	64,746	444,028
Securities sold receivable	163,490	9,821	-	-	32	145,665
Dividends receivable	4,626	17,092	18,450	30,643	42,799	19,416
Mutual funds	134,466,463	167,595,099	136,342,112	180,994,981	154,280,686	100,522,261
Total assets	<u>\$ 135,273,874</u>	<u>\$ 168,343,880</u>	<u>\$ 137,005,040</u>	<u>\$ 181,704,982</u>	<u>\$ 175,633,692</u>	<u>\$ 133,658,773</u>
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 167,458	\$ 166,940	\$ 261,025	\$ 155,599	\$ 624,233	\$ 306,638
Payable for securities purchased	4,626	17,093	183,406	143,697	42,777	19,389
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>172,084</u>	<u>184,033</u>	<u>444,431</u>	<u>299,296</u>	<u>667,010</u>	<u>326,027</u>
Net assets held in trust for participants	<u>135,101,790</u>	<u>168,159,847</u>	<u>136,560,609</u>	<u>181,405,686</u>	<u>174,966,682</u>	<u>133,332,746</u>
Total liabilities and net assets	<u>\$ 135,273,874</u>	<u>\$ 168,343,880</u>	<u>\$ 137,005,040</u>	<u>\$ 181,704,982</u>	<u>\$ 175,633,692</u>	<u>\$ 133,658,773</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Principal Protection Income	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 359,643	\$ 6,499,001	\$ 4,925,833	\$ 6,529,979	\$ 272,511	\$ 7,048,251
Capital shares receivable	79,793	97,777	5,708	401,387	346,117	155,411
Securities sold receivable	-	3,423	22,021	-	-	-
Dividends receivable	-	568	7,660	88,092	38,200	37,504
Mutual funds	356,612,811	43,368,507	16,755,256	153,495,227	135,758,533	59,791,591
Total assets	<u>\$ 357,052,247</u>	<u>\$ 49,969,276</u>	<u>\$ 21,716,478</u>	<u>\$ 160,514,685</u>	<u>\$ 136,415,361</u>	<u>\$ 67,032,757</u>
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 1,907,496	\$ 17,886	\$ 64,753	\$ 331,835	\$ 152,192	\$ 61,313
Payable for securities purchased	9,646	560	7,646	-	111,254	103,686
Other liabilities	-	-	-	101,635	1,900	-
Total liabilities	<u>1,917,142</u>	<u>18,446</u>	<u>72,399</u>	<u>433,470</u>	<u>265,346</u>	<u>164,999</u>
Net assets held in trust for participants	<u>355,135,105</u>	<u>49,950,830</u>	<u>21,644,079</u>	<u>160,081,215</u>	<u>136,150,015</u>	<u>66,867,758</u>
Total liabilities and net assets	<u>\$ 357,052,247</u>	<u>\$ 49,969,276</u>	<u>\$ 21,716,478</u>	<u>\$ 160,514,685</u>	<u>\$ 136,415,361</u>	<u>\$ 67,032,757</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 4,791,598	\$ 6,663,717	\$ 11,874,380	\$ 6,528,131	\$ 417,522	\$ 5,839,325
Capital shares receivable	82,072	138,486	188,606	21,365	217,581	140,575
Securities sold receivable	-	41,925	-	10,668	-	-
Dividends receivable	37,125	72,947	81,938	61,688	-	62,167
Mutual funds	39,753,533	58,081,928	47,301,708	25,883,063	199,217,358	50,107,815
Total assets	<u>\$ 44,664,328</u>	<u>\$ 64,999,003</u>	<u>\$ 59,446,632</u>	<u>\$ 32,504,915</u>	<u>\$ 199,852,461</u>	<u>\$ 56,149,882</u>
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 124,113	\$ 177,846	\$ -	\$ 12,879	\$ 3,843	\$ 6,706
Payable for securities purchased	37,909	72,945	214,191	61,617	128,468	129,772
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>162,022</u>	<u>250,791</u>	<u>214,191</u>	<u>74,496</u>	<u>132,311</u>	<u>136,478</u>
Net assets held in trust for participants	<u>44,502,306</u>	<u>64,748,212</u>	<u>59,232,441</u>	<u>32,430,419</u>	<u>199,720,150</u>	<u>56,013,404</u>
Total liabilities and net assets	<u>\$ 44,664,328</u>	<u>\$ 64,999,003</u>	<u>\$ 59,446,632</u>	<u>\$ 32,504,915</u>	<u>\$ 199,852,461</u>	<u>\$ 56,149,882</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years	Bright Start Blended Age Based 7-9 years	Bright Start Blended Age Based 10-11 years	Bright Start Blended Age Based 12-14 years	Bright Start Blended Age Based 15-17 years
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 11,266,058	\$ 280,906	\$ 317,407	\$ 187,106	\$ 405,629	\$ 15,033,365
Capital shares receivable	26,667	84,829	180,522	82,947	165,874	123,171
Securities sold receivable	-	113,609	95,961	-	-	-
Dividends receivable	121,920	-	-	-	-	1,392
Mutual funds	43,838,058	133,443,036	167,240,419	118,823,806	139,637,388	107,785,748
Total assets	<u>\$ 55,252,703</u>	<u>\$ 133,922,380</u>	<u>\$ 167,834,309</u>	<u>\$ 119,093,859</u>	<u>\$ 140,208,891</u>	<u>\$ 122,943,676</u>
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 81,961	\$ 142,646	\$ 64,228	\$ 146,436	\$ 111,740	\$ 257,185
Payable for securities purchased	164,700	-	-	10,738	128,628	130,927
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>246,661</u>	<u>142,646</u>	<u>64,228</u>	<u>157,174</u>	<u>240,368</u>	<u>388,112</u>
Net assets held in trust for participants	<u>55,006,042</u>	<u>133,779,734</u>	<u>167,770,081</u>	<u>118,936,685</u>	<u>139,968,523</u>	<u>122,555,564</u>
Total liabilities and net assets	<u>\$ 55,252,703</u>	<u>\$ 133,922,380</u>	<u>\$ 167,834,309</u>	<u>\$ 119,093,859</u>	<u>\$ 140,208,891</u>	<u>\$ 122,943,676</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	Bright Start Blended Age Based 18 years	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Total
Assets					
Deposits and investments					
Cash and cash equivalents	\$ 20,296,036	\$ 205,160	\$ 4,423,211	\$ 4,303,848	\$ 174,205,201
Capital shares receivable	279,137	55,144	7,761	18,641	4,129,592
Securities sold receivable	42,937	34,754	-	-	684,306
Dividends receivable	2,517	-	287	236	747,267
Mutual funds	62,705,645	245,393,982	14,700,491	26,815,441	3,120,712,946
Total assets	<u>\$ 83,326,272</u>	<u>\$ 245,689,040</u>	<u>\$ 19,131,750</u>	<u>\$ 31,138,166</u>	<u>\$ 3,300,479,312</u>
Liabilities and Net Assets					
Liabilities					
Payable for capital shares	\$ 250,981	\$ 45,048	\$ 8,921	\$ 4,690	\$ 5,656,591
Payable for securities purchased	2,483	-	5,253	6,742	1,738,153
Other liabilities	-	-	-	-	103,535
Total liabilities	<u>253,464</u>	<u>45,048</u>	<u>14,174</u>	<u>11,432</u>	<u>7,498,279</u>
Net assets held in trust for participants	<u>83,072,808</u>	<u>245,643,992</u>	<u>19,117,576</u>	<u>31,126,734</u>	<u>3,292,981,033</u>
Total liabilities and net assets	<u>\$ 83,326,272</u>	<u>\$ 245,689,040</u>	<u>\$ 19,131,750</u>	<u>\$ 31,138,166</u>	<u>\$ 3,300,479,312</u>

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio
June 30, 2010

	Bright Start Advisor Age Based 0-6 years	Bright Start Advisor Age Based 7-9 years	Bright Start Advisor Age Based 10-11 years	Bright Start Advisor Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years	Bright Start Advisor Age Based 18 years
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 388,254	\$ 142,810	\$ 523,466	\$ 305,520	\$ 18,019,130	\$ 27,232,869
Capital shares receivable	250,742	137,331	349,920	234,583	369,334	434,570
Securities sold receivable	41,398	151,256	-	16,932	-	36,164
Dividends receivable	4,832	16,954	15,308	27,300	40,002	18,980
Mutual funds	117,370,393	142,165,316	99,345,462	141,417,061	125,609,013	83,898,992
Total assets	<u>\$ 118,055,619</u>	<u>\$ 142,613,667</u>	<u>\$ 100,234,156</u>	<u>\$ 142,001,396</u>	<u>\$ 144,037,479</u>	<u>\$ 111,621,575</u>
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 97,862	\$ 344,710	\$ 98,567	\$ 350,328	\$ 360,326	\$ 265,700
Payable for securities purchased	4,832	16,952	234,071	27,295	139,582	19,016
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>102,694</u>	<u>361,662</u>	<u>332,638</u>	<u>377,623</u>	<u>499,908</u>	<u>284,716</u>
Net assets held in trust for participants	<u>117,952,925</u>	<u>142,252,005</u>	<u>99,901,518</u>	<u>141,623,773</u>	<u>143,537,571</u>	<u>111,336,859</u>
Total liabilities and net assets	<u>\$ 118,055,619</u>	<u>\$ 142,613,667</u>	<u>\$ 100,234,156</u>	<u>\$ 142,001,396</u>	<u>\$ 144,037,479</u>	<u>\$ 111,621,575</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Principal Protection Income	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 169,422	\$ 4,819,764	\$ 4,407,764	\$ 6,313,724	\$ 147,922	\$ 4,847,556
Capital shares receivable	409,971	27,155	15,501	295,930	198,411	112,304
Securities sold receivable	271,695	-	11,859	-	-	-
Dividends receivable	-	949	7,854	81,964	28,455	28,790
Mutual funds	281,051,062	30,212,628	15,176,530	142,835,924	84,097,887	38,193,938
Total assets	<u>\$ 281,902,150</u>	<u>\$ 35,060,496</u>	<u>\$ 19,619,508</u>	<u>\$ 149,527,542</u>	<u>\$ 84,472,675</u>	<u>\$ 43,182,588</u>
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 84,408	\$ 11,112	\$ 28,099	\$ 323,215	\$ 24,169	\$ 20,915
Payable for securities purchased	-	11,985	7,866	-	87,969	118,440
Other liabilities	-	-	-	88,146	-	-
Total liabilities	<u>84,408</u>	<u>23,097</u>	<u>35,965</u>	<u>411,361</u>	<u>112,138</u>	<u>139,355</u>
Net assets held in trust for participants	<u>281,817,742</u>	<u>35,037,399</u>	<u>19,583,543</u>	<u>149,116,181</u>	<u>84,360,537</u>	<u>43,043,233</u>
Total liabilities and net assets	<u>\$ 281,902,150</u>	<u>\$ 35,060,496</u>	<u>\$ 19,619,508</u>	<u>\$ 149,527,542</u>	<u>\$ 84,472,675</u>	<u>\$ 43,182,588</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 3,242,652	\$ 4,857,747	\$ 7,556,486	\$ 4,159,741	\$ 165,421	\$ 3,856,103
Capital shares receivable	108,280	108,159	67,483	11,601	224,630	33,361
Securities sold receivable	-	-	-	-	-	9,048
Dividends receivable	28,416	57,318	57,667	43,195	-	45,362
Mutual funds	25,932,566	40,181,795	29,348,751	16,669,981	116,622,904	31,567,310
Total assets	<u>\$ 29,311,914</u>	<u>\$ 45,205,019</u>	<u>\$ 37,030,387</u>	<u>\$ 20,884,518</u>	<u>\$ 117,012,955</u>	<u>\$ 35,511,184</u>
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 96,371	\$ 43,442	\$ 4,924	\$ 23,335	\$ 12,479	\$ 3,910
Payable for securities purchased	50,484	80,924	76,117	87,036	43,775	45,358
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>146,855</u>	<u>124,366</u>	<u>81,041</u>	<u>110,371</u>	<u>56,254</u>	<u>49,268</u>
Net assets held in trust for participants	<u>29,165,059</u>	<u>45,080,653</u>	<u>36,949,346</u>	<u>20,774,147</u>	<u>116,956,701</u>	<u>35,461,916</u>
Total liabilities and net assets	<u>\$ 29,311,914</u>	<u>\$ 45,205,019</u>	<u>\$ 37,030,387</u>	<u>\$ 20,884,518</u>	<u>\$ 117,012,955</u>	<u>\$ 35,511,184</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years	Bright Start Blended Age Based 7-9 years	Bright Start Blended Age Based 10-11 years	Bright Start Blended Age Based 12-14 years	Bright Start Blended Age Based 15-17 years
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 9,478,993	\$ 326,263	\$ 161,813	\$ 182,472	\$ 98,498	\$ 12,362,294
Capital shares receivable	111,677	126,197	375,142	186,202	290,292	166,333
Securities sold receivable	27,820	54,928	124,565	-	12,904	-
Dividends receivable	116,290	-	-	-	-	2,560
Mutual funds	39,373,657	121,552,511	139,019,840	82,461,939	109,059,514	85,407,200
Total assets	\$ 49,108,437	\$ 122,059,899	\$ 139,681,360	\$ 82,830,613	\$ 109,461,208	\$ 97,938,387
Liabilities and Net Assets						
Liabilities						
Payable for capital shares	\$ 60,907	\$ 289,991	\$ 134,621	\$ 232,739	\$ 180,539	\$ 145,347
Payable for securities purchased	116,280	-	-	97,637	-	44,406
Other liabilities	-	227	208	77	46	47
Total liabilities	177,187	290,218	134,829	330,453	180,585	189,800
Net assets held in trust for participants	48,931,250	121,769,681	139,546,531	82,500,160	109,280,623	97,748,587
Total liabilities and net assets	\$ 49,108,437	\$ 122,059,899	\$ 139,681,360	\$ 82,830,613	\$ 109,461,208	\$ 97,938,387

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Bright Start Blended Age Based 18 years	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Total
Assets					
Deposits and investments					
Cash and cash equivalents	\$ 16,610,307	\$ 174,924	\$ 4,170,423	\$ 3,444,556	\$ 138,166,894
Capital shares receivable	165,108	162,723	16,243	15,086	5,004,269
Securities sold receivable	-	17,542	11,563	-	787,674
Dividends receivable	4,575	-	617	437	627,825
Mutual funds	51,072,195	184,606,604	14,357,938	21,132,255	2,409,741,166
Total assets	\$ 67,852,185	\$ 184,961,793	\$ 18,556,784	\$ 24,592,334	\$ 2,554,327,828
Liabilities and Net Assets					
Liabilities					
Payable for capital shares	\$ 20,360	\$ 6,799	\$ 11,345	\$ -	\$ 3,276,520
Payable for securities purchased	20,869	-	625	30,121	1,361,640
Other liabilities	20	46	-	9	88,826
Total liabilities	41,249	6,845	11,970	30,130	4,726,986
Net assets held in trust for participants	67,810,936	184,954,948	18,544,814	24,562,204	2,549,600,842
Total liabilities and net assets	\$ 67,852,185	\$ 184,961,793	\$ 18,556,784	\$ 24,592,334	\$ 2,554,327,828

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio
June 30, 2011

	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Value 529 Portfolio	Ariel 529 Portfolio	Artisan Emerging Markets 529 Portfolio	BlackRock Cash Funds 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 20	\$ 3,832	\$ -	\$ -	\$ -	\$ 19,969,080
Dividends receivable	-	-	-	-	-	2,339
Mutual funds	5,518,155	2,091,246	4,110,358	4,226,828	1,831,546	-
Total assets	<u>\$ 5,518,175</u>	<u>\$ 2,095,078</u>	<u>\$ 4,110,358</u>	<u>\$ 4,226,828</u>	<u>\$ 1,831,546</u>	<u>\$ 19,971,419</u>
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 5,533	\$ 2,189	\$ 4,639	\$ 4,820	\$ 1,394	\$ 1,972
Total liabilities	<u>5,533</u>	<u>2,189</u>	<u>4,639</u>	<u>4,820</u>	<u>1,394</u>	<u>1,972</u>
Net assets held in trust for participants	<u>5,512,642</u>	<u>2,092,889</u>	<u>4,105,719</u>	<u>4,222,008</u>	<u>1,830,152</u>	<u>19,969,447</u>
Total liabilities and net assets	<u>\$ 5,518,175</u>	<u>\$ 2,095,078</u>	<u>\$ 4,110,358</u>	<u>\$ 4,226,828</u>	<u>\$ 1,831,546</u>	<u>\$ 19,971,419</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Equity 529 Portfolio	Delaware Small Cap Core 529 Portfolio	Dodge & Cox International Stock 529 Portfolio	Earnest Partners Fixed Income 529 Portfolio
Assets					
Deposits and investments					
Cash and cash equivalents	\$ -	\$ -	\$ 2,487	\$ 5,044	\$ -
Dividends receivable	32,152	-	-	-	549
Mutual funds	5,354,886	2,938,988	4,217,438	10,872,537	208,356
Total assets	<u>\$ 5,387,038</u>	<u>\$ 2,938,988</u>	<u>\$ 4,219,925</u>	<u>\$ 10,877,581</u>	<u>\$ 208,905</u>
Liabilities and Net Assets					
Liabilities					
Other liabilities	\$ 8,699	\$ 3,906	\$ 4,434	\$ 12,936	\$ 198
Total liabilities	<u>8,699</u>	<u>3,906</u>	<u>4,434</u>	<u>12,936</u>	<u>198</u>
Net assets held in trust for participants	<u>5,378,339</u>	<u>2,935,082</u>	<u>4,215,491</u>	<u>10,864,645</u>	<u>208,707</u>
Total liabilities and net assets	<u>\$ 5,387,038</u>	<u>\$ 2,938,988</u>	<u>\$ 4,219,925</u>	<u>\$ 10,877,581</u>	<u>\$ 208,905</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	Eaton Vance Large-Cap Value 529 Portfolio	ING Global Real Estate 529 Portfolio	John Hancock Small Company 529 Portfolio	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Bond Index 529 Portfolio	Northern Institutional Equity Index 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ -	\$ 4,108	\$ 2	\$ 3	\$ -	\$ -
Dividends receivable	-	-	-	-	2,386	-
Mutual funds	12,635,717	1,235,797	838,077	287,591	3,941,747	7,451,269
Total assets	<u>\$ 12,635,717</u>	<u>\$ 1,239,905</u>	<u>\$ 838,079</u>	<u>\$ 287,594</u>	<u>\$ 3,944,133</u>	<u>\$ 7,451,269</u>
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 22,857	\$ 1,188	\$ 636	\$ 273	\$ 6,720	\$ 160,540
Total liabilities	<u>22,857</u>	<u>1,188</u>	<u>636</u>	<u>273</u>	<u>6,720</u>	<u>160,540</u>
Net assets held in trust for participants	<u>12,612,860</u>	<u>1,238,717</u>	<u>837,443</u>	<u>287,321</u>	<u>3,937,413</u>	<u>7,290,729</u>
Total liabilities and net assets	<u>\$ 12,635,717</u>	<u>\$ 1,239,905</u>	<u>\$ 838,079</u>	<u>\$ 287,594</u>	<u>\$ 3,944,133</u>	<u>\$ 7,451,269</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	Northern Institutional International Equity Index 529 Portfolio	Northern Institutional Small Company Index 529 Portfolio	Northern Small Cap Value 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Pimco Low Duration 529 Portfolio	Pimco Short-Term 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ -	\$ -	\$ 3,820	\$ 1,826	\$ -	\$ 618
Dividends receivable	-	-	-	-	16,456	7,055
Mutual funds	5,684,862	2,601,294	4,767,043	12,709,888	9,588,735	6,805,466
Total assets	<u>\$ 5,684,862</u>	<u>\$ 2,601,294</u>	<u>\$ 4,770,863</u>	<u>\$ 12,711,714</u>	<u>\$ 9,605,191</u>	<u>\$ 6,813,139</u>
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 75,176	\$ 32,710	\$ 4,499	\$ 13,123	\$ 34,021	\$ 7,877
Total liabilities	<u>75,176</u>	<u>32,710</u>	<u>4,499</u>	<u>13,123</u>	<u>34,021</u>	<u>7,877</u>
Net assets held in trust for participants	<u>5,609,686</u>	<u>2,568,584</u>	<u>4,766,364</u>	<u>12,698,591</u>	<u>9,571,170</u>	<u>6,805,262</u>
Total liabilities and net assets	<u>\$ 5,684,862</u>	<u>\$ 2,601,294</u>	<u>\$ 4,770,863</u>	<u>\$ 12,711,714</u>	<u>\$ 9,605,191</u>	<u>\$ 6,813,139</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	Pimco Total Return 529 Portfolio	SIT Dividend Growth 529 Portfolio	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Balanced 529 Portfolio	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ -	\$ -	\$ 2,627	\$ 14,730	\$ 4,540	\$ 3,424
Dividends receivable	85,038	-	-	-	-	-
Mutual funds	31,085,774	1,724,656	5,673,379	9,294,789	10,836,148	10,549,718
Total assets	<u>\$ 31,170,812</u>	<u>\$ 1,724,656</u>	<u>\$ 5,676,006</u>	<u>\$ 9,309,519</u>	<u>\$ 10,840,688</u>	<u>\$ 10,553,142</u>
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 68,544	\$ 1,359	\$ 5,470	\$ 11,287	\$ 12,080	\$ 10,592
Total liabilities	<u>68,544</u>	<u>1,359</u>	<u>5,470</u>	<u>11,287</u>	<u>12,080</u>	<u>10,592</u>
Net assets held in trust for participants	<u>31,102,268</u>	<u>1,723,297</u>	<u>5,670,536</u>	<u>9,298,232</u>	<u>10,828,608</u>	<u>10,542,550</u>
Total liabilities and net assets	<u>\$ 31,170,812</u>	<u>\$ 1,724,656</u>	<u>\$ 5,676,006</u>	<u>\$ 9,309,519</u>	<u>\$ 10,840,688</u>	<u>\$ 10,553,142</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	T.Rowe Price Real Estate 529 Portfolio	Templeton International Bond 529 Portfolio	William Blair Mid Cap Growth 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 845	\$ -	\$ 343	\$ 2,463	\$ 3,072,870	\$ 9,690,086
Dividends receivable	-	-	-	-	7,038	28,474
Mutual funds	4,255,021	1,473,061	4,098,928	6,924,891	3,072,870	14,535,130
Total assets	<u>\$ 4,255,866</u>	<u>\$ 1,473,061</u>	<u>\$ 4,099,271</u>	<u>\$ 6,927,354</u>	<u>\$ 6,152,778</u>	<u>\$ 24,253,690</u>
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 4,453	\$ 1,291	\$ 4,369	\$ 6,539	\$ 11,785	\$ 30,993
Total liabilities	<u>4,453</u>	<u>1,291</u>	<u>4,369</u>	<u>6,539</u>	<u>11,785</u>	<u>30,993</u>
Net assets held in trust for participants	<u>4,251,413</u>	<u>1,471,770</u>	<u>4,094,902</u>	<u>6,920,815</u>	<u>6,140,993</u>	<u>24,222,697</u>
Total liabilities and net assets	<u>\$ 4,255,866</u>	<u>\$ 1,473,061</u>	<u>\$ 4,099,271</u>	<u>\$ 6,927,354</u>	<u>\$ 6,152,778</u>	<u>\$ 24,253,690</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2011

	Fund 20	Fund 40	Fund 60	Fund 80	Fund 100	Total
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 11,693,656	\$ 110,404	\$ 38,186	\$ 73,045	\$ -	\$ 44,698,059
Dividends receivable	71,528	119,356	106,296	47,410	-	526,077
Mutual funds	46,774,624	103,034,601	140,877,649	177,672,495	105,205,250	787,006,808
Total assets	<u>\$ 58,539,808</u>	<u>\$ 103,264,361</u>	<u>\$ 141,022,131</u>	<u>\$ 177,792,950</u>	<u>\$ 105,205,250</u>	<u>\$ 832,230,944</u>
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 91,407	\$ 126,090	\$ 165,419	\$ 198,829	\$ 119,638	\$ 1,280,485
Total liabilities	<u>91,407</u>	<u>126,090</u>	<u>165,419</u>	<u>198,829</u>	<u>119,638</u>	<u>1,280,485</u>
Net assets held in trust for participants	<u>58,448,401</u>	<u>103,138,271</u>	<u>140,856,712</u>	<u>177,594,121</u>	<u>105,085,612</u>	<u>830,950,459</u>
Total liabilities and net assets	<u>\$ 58,539,808</u>	<u>\$ 103,264,361</u>	<u>\$ 141,022,131</u>	<u>\$ 177,792,950</u>	<u>\$ 105,205,250</u>	<u>\$ 832,230,944</u>

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio
June 30, 2010

	AllianceBernstein International Value 529 Portfolio	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Value 529 Portfolio	Ariel 529 Portfolio	Blackrock Cash Funds 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 1,266	\$ -	\$ -	\$ 1,097	\$ 10	\$ 18,470,172
Dividends receivable	-	-	-	-	-	3,625
Mutual funds	7,015,104	4,383,396	710,016	2,897,929	2,888,368	-
Total assets	\$ 7,016,370	\$ 4,383,396	\$ 710,016	\$ 2,899,026	\$ 2,888,378	\$ 18,473,797
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 7,998	\$ 4,557	\$ 812	\$ 3,109	\$ 3,445	\$ 2,706
Total liabilities	7,998	4,557	812	3,109	3,445	2,706
Net assets held in trust for participants	7,008,372	4,378,839	709,204	2,895,917	2,884,933	18,471,091
Total liabilities and net assets	\$ 7,016,370	\$ 4,383,396	\$ 710,016	\$ 2,899,026	\$ 2,888,378	\$ 18,473,797

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Blackrock Inflation Protected Bond 529 Portfolio	Calvert Income 529 Portfolio	Calvert Social Investment Equity 529 Portfolio	Delaware Small Cap Core 529 Portfolio	Earnest Partners Fixed Income 529 Portfolio	Eaton Vance Large-Cap Value 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 80	\$ 23,105	\$ -	\$ 23,463	\$ -	\$ -
Dividends receivable	5,399	-	-	-	137	-
Mutual funds	2,298,673	4,511,258	1,738,784	2,414,760	34,925	10,372,894
Total assets	\$ 2,304,152	\$ 4,534,363	\$ 1,738,784	\$ 2,438,223	\$ 35,062	\$ 10,372,894
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 2,315	\$ 4,485	\$ 2,242	\$ 3,343	\$ 27	\$ 17,352
Total liabilities	2,315	4,485	2,242	3,343	27	17,352
Net assets held in trust for participants	2,301,837	4,529,878	1,736,542	2,434,880	35,035	10,355,542
Total liabilities and net assets	\$ 2,304,152	\$ 4,534,363	\$ 1,738,784	\$ 2,438,223	\$ 35,062	\$ 10,372,894

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Female & Minority Owned Growth 529 Portfolio	Forward Small Cap Equity 529 Portfolio	ING Global Real Estate 529 Portfolio	John Hancock Small Company 529 Portfolio	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Bond Index 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ -	\$ -	\$ 15	\$ 34	\$ -	\$ -
Dividends receivable	-	-	-	-	-	33
Mutual funds	5,211	108,989	493,600	607,485	92,290	61,539
Total assets	\$ 5,211	\$ 108,989	\$ 493,615	\$ 607,519	\$ 92,290	\$ 61,572
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 6	\$ 139	\$ 519	\$ 468	\$ 108	\$ 23
Total liabilities	6	139	519	468	108	23
Net assets held in trust for participants	5,205	108,850	493,096	607,051	92,182	61,549
Total liabilities and net assets	\$ 5,211	\$ 108,989	\$ 493,615	\$ 607,519	\$ 92,290	\$ 61,572

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Northern Institutional Equity Index 529 Portfolio	Northern Institutional Equity Index 529 Portfolio	Northern Institutional Small Company Index 529 Portfolio	Northern Small Cap Value 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Payden US Growth Leaders 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends receivable	-	-	-	-	-	-
Mutual funds	5,449,252	4,432,477	1,666,823	3,364,788	8,691,698	140,680
Total assets	\$ 5,449,252	\$ 4,432,477	\$ 1,666,823	\$ 3,364,788	\$ 8,691,698	\$ 140,680
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 12,347	\$ 4,026	\$ 2,975	\$ 4,506	\$ 171,046	\$ 195
Total liabilities	12,347	4,026	2,975	4,506	171,046	195
Net assets held in trust for participants	5,436,905	4,428,451	1,663,848	3,360,282	8,520,652	140,485
Total liabilities and net assets	\$ 5,449,252	\$ 4,432,477	\$ 1,666,823	\$ 3,364,788	\$ 8,691,698	\$ 140,680

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Pimco Low Duration 529 Portfolio	Pimco Short-Term 529 Portfolio	Pimco Total Return 529 Portfolio	SIT Dividend Growth 529 Portfolio	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Balanced 529 Portfolio
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 26,618	\$ -	\$ 166,625	\$ -	\$ 14,354	\$ -
Dividends receivable	9,014	4,536	64,234	-	-	-
Mutual funds	6,475,527	5,851,844	25,547,934	320,659	3,673,984	6,239,913
Total assets	\$ 6,511,159	\$ 5,856,380	\$ 25,778,793	\$ 320,659	\$ 3,688,338	\$ 6,239,913
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 6,112	\$ 6,825	\$ 26,906	\$ 350	\$ 3,736	\$ 10,717
Total liabilities	6,112	6,825	26,906	350	3,736	10,717
Net assets held in trust for participants	6,505,047	5,849,555	25,751,887	320,309	3,684,602	6,229,196
Total liabilities and net assets	\$ 6,511,159	\$ 5,856,380	\$ 25,778,793	\$ 320,659	\$ 3,688,338	\$ 6,239,913

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio	William Blair Mid Cap Growth 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund
Assets						
Deposits and investments						
Cash and cash equivalents	\$ 22,203	\$ 69	\$ 23,512	\$ 290	\$ -	\$ 2,542,162
Dividends receivable	-	-	-	-	-	3,683
Mutual funds	6,876,929	6,380,828	2,792,898	2,248,241	5,197,311	2,523,929
Total assets	\$ 6,899,132	\$ 6,380,897	\$ 2,816,410	\$ 2,248,531	\$ 5,197,311	\$ 5,069,774
Liabilities and Net Assets						
Liabilities						
Other liabilities	\$ 8,532	\$ 8,167	\$ 3,116	\$ 2,281	\$ 5,786	\$ 6,843
Total liabilities	8,532	8,167	3,116	2,281	5,786	6,843
Net assets held in trust for participants	6,890,600	6,372,730	2,813,294	2,246,250	5,191,525	5,062,931
Total liabilities and net assets	\$ 6,899,132	\$ 6,380,897	\$ 2,816,410	\$ 2,248,531	\$ 5,197,311	\$ 5,069,774

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Assets by Portfolio (Continued)
June 30, 2010

	Fund 10	Fund 20	Fund 40	Fund 60	Fund 80	Fund 100	Total
Assets							
Deposits and investments							
Cash and cash equivalents	\$ 7,198,200	\$ 8,160,957	\$ -	\$ 2,262	\$ -	\$ -	\$ 36,676,494
Dividends receivable	13,019	34,319	57,789	60,812	39,338	-	295,938
Mutual funds	10,789,214	32,642,311	69,869,794	94,246,552	116,574,429	69,598,524	532,231,760
Total assets	\$ 18,000,433	\$ 40,837,587	\$ 69,927,583	\$ 94,309,626	\$ 116,613,767	\$ 69,598,524	\$ 569,204,192
Liabilities and Net Assets							
Liabilities							
Other liabilities	\$ 23,646	\$ 51,758	\$ 121,237	\$ 117,033	\$ 196,520	\$ 120,004	\$ 968,318
Total liabilities	23,646	51,758	121,237	117,033	196,520	120,004	968,318
Net assets held in trust for participants	17,976,787	40,785,829	69,806,346	94,192,593	116,417,247	69,478,520	568,235,874
Total liabilities and net assets	\$ 18,000,433	\$ 40,837,587	\$ 69,927,583	\$ 94,309,626	\$ 116,613,767	\$ 69,598,524	\$ 569,204,192

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio
Year Ended June 30, 2011

	Bright Start Advisor Age Based 0-6 years	Bright Start Advisor Age Based 7-9 years	Bright Start Advisor Age Based 10-11 years	Bright Start Advisor Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years	Bright Start Advisor Age Based 18 years
Investment income (expense)						
Investment earnings	\$ 81,211	\$ 227,365	\$ 222,335	\$ 364,585	\$ 515,123	\$ 231,310
Net change in fair value of investments	32,769,534	32,305,676	21,184,137	24,819,025	16,512,151	5,222,418
Distribution fees	(338,449)	(336,260)	(262,305)	(349,955)	(337,743)	(236,154)
State administrative fees	(39,638)	(48,098)	(36,650)	(49,124)	(48,456)	(35,166)
Insurance fees	-	-	-	-	-	-
Management fees	(198,197)	(240,497)	(183,252)	(245,628)	(242,288)	(175,834)
Net investment earnings	32,274,461	31,908,186	20,924,265	24,538,903	16,398,787	5,006,574
Participant transactions						
Program contributions	36,351,481	68,396,374	79,626,899	80,868,570	78,586,356	67,960,597
Program distributions	(51,477,077)	(74,396,718)	(63,892,073)	(65,625,560)	(63,556,032)	(50,971,284)
Total increase (decrease) from participant transactions	(15,125,596)	(6,000,344)	15,734,826	15,243,010	15,030,324	16,989,313
Change in net assets	17,148,865	25,907,842	36,659,091	39,781,913	31,429,111	21,995,887
Net assets, beginning of fiscal year	117,952,925	142,252,005	99,901,518	141,623,773	143,537,571	111,336,859
Net assets, end of fiscal year	\$ 135,101,790	\$ 168,159,847	\$ 136,560,609	\$ 181,405,686	\$ 174,966,682	\$ 133,332,746

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Principal Protection Income	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years
Investment income (expense)						
Investment earnings	\$ 79,409	\$ 15,003	\$ 99,156	\$ 2,994,716	\$ 2,492,423	\$ 1,205,029
Net change in fair value of investments	88,295,720	6,050,361	494,493	-	23,462,814	9,331,570
Distribution fees	(694,836)	(110,090)	(50,268)	(164,364)	-	-
State administrative fees	(99,229)	(12,722)	(6,350)	(127,220)	-	-
Insurance fees	-	-	-	(196,970)	-	-
Management fees	(496,156)	(63,611)	(31,750)	(594,556)	(158,297)	(78,562)
Net investment earnings	87,084,908	5,878,941	505,281	1,911,606	25,796,940	10,458,037
Participant transactions						
Program contributions	39,093,876	17,681,841	7,561,743	61,539,955	48,157,701	33,971,831
Program distributions	(52,861,421)	(8,647,351)	(6,006,488)	(52,486,527)	(22,165,163)	(20,605,343)
Total increase (decrease) from participant transactions	(13,767,545)	9,034,490	1,555,255	9,053,428	25,992,538	13,366,488
Change in net assets	73,317,363	14,913,431	2,060,536	10,965,034	51,789,478	23,824,525
Net assets, beginning of fiscal year	281,817,742	35,037,399	19,583,543	149,116,181	84,360,537	43,043,233
Net assets, end of fiscal year	\$ 355,135,105	\$ 49,950,830	\$ 21,644,079	\$ 160,081,215	\$ 136,150,015	\$ 66,867,758

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced
Investment income (expense)						
Investment earnings	\$ 831,561	\$ 1,355,682	\$ 1,131,697	\$ 635,084	\$ 3,360,034	\$ 1,092,558
Net change in fair value of investments	5,197,153	6,839,948	3,524,031	655,813	36,550,096	5,407,696
Distribution fees	-	-	-	-	-	-
State administrative fees	-	-	-	-	-	-
Insurance fees	-	-	-	-	-	-
Management fees	(51,106)	(78,768)	(67,020)	(34,153)	(226,841)	(63,469)
Net investment earnings	5,977,608	8,116,862	4,588,708	1,256,744	39,683,289	6,436,785
Participant transactions						
Program contributions	29,218,699	33,289,896	33,095,801	20,434,281	55,789,128	20,128,378
Program distributions	(19,859,060)	(21,739,199)	(15,401,414)	(10,034,753)	(12,708,968)	(6,013,675)
Total increase (decrease) from participant transactions	9,359,639	11,550,697	17,694,387	10,399,528	43,080,160	14,114,703
Change in net assets	15,337,247	19,667,559	22,283,095	11,656,272	82,763,449	20,551,488
Net assets, beginning of fiscal year	29,165,059	45,080,653	36,949,346	20,774,147	116,956,701	35,461,916
Net assets, end of fiscal year	\$ 44,502,306	\$ 64,748,212	\$ 59,232,441	\$ 32,430,419	\$ 199,720,150	\$ 56,013,404

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years	Bright Start Blended Age Based 7-9 years	Bright Start Blended Age Based 10-11 years	Bright Start Blended Age Based 12-14 years	Bright Start Blended Age Based 15-17 years
Investment income (expense)						
Investment earnings	\$ 1,422,895	\$ 129	\$ 150	\$ 97	\$ 120	\$ 26,130
Net change in fair value of investments	51,364	31,305,427	29,696,437	16,127,913	17,500,347	9,869,185
Distribution fees	-	-	-	-	-	-
State administrative fees	-	(40,611)	(47,706)	(30,988)	(38,224)	(33,224)
Insurance fees	-	-	-	-	-	-
Management fees	(73,080)	(233,013)	(267,452)	(166,090)	(197,814)	(173,085)
Net investment earnings	1,401,179	31,031,932	29,381,429	15,930,932	17,264,429	9,689,006
Participant transactions						
Program contributions	20,581,714	32,885,283	64,477,483	70,052,635	60,828,298	55,346,564
Program distributions	(15,908,101)	(51,907,162)	(65,635,362)	(49,547,042)	(47,404,827)	(40,228,593)
Total increase (decrease) from participant transactions	4,673,613	(19,021,879)	(1,157,879)	20,505,593	13,423,471	15,117,971
Change in net assets	6,074,792	12,010,053	28,223,550	36,436,525	30,687,900	24,806,977
Net assets, beginning of fiscal year	48,931,250	121,769,681	139,546,531	82,500,160	109,280,623	97,748,587
Net assets, end of fiscal year	\$ 55,006,042	\$ 133,779,734	\$ 167,770,081	\$ 118,936,685	\$ 139,968,523	\$ 122,555,564

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	Bright Start Blended Age Based 18 years	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Total
Investment income (expense)					
Investment earnings	\$ 45,570	\$ 214	\$ 6,033	\$ 4,409	\$ 18,440,028
Net change in fair value of investments	2,682,918	53,835,138	512,493	3,893,762	484,097,620
Distribution fees	-	-	-	-	(2,880,424)
State administrative fees	(21,609)	(67,823)	(5,645)	(8,510)	(796,993)
Insurance fees	-	-	-	-	(196,970)
Management fees	(110,904)	(345,243)	(28,224)	(43,899)	(4,868,789)
Net investment earnings	2,595,975	53,422,286	484,657	3,845,762	493,794,472
Participant transactions					
Program contributions	44,727,917	32,602,021	4,879,461	8,112,129	1,206,246,912
Program distributions	(32,062,020)	(25,335,263)	(4,791,356)	(5,393,361)	(956,661,193)
Total increase (decrease) from participant transactions	12,665,897	7,266,758	88,105	2,718,768	249,585,719
Change in net assets	15,261,872	60,689,044	572,762	6,564,530	743,380,191
Net assets, beginning of fiscal year	67,810,936	184,954,948	18,544,814	24,562,204	2,549,600,842
Net assets, end of fiscal year	\$ 83,072,808	\$ 245,643,992	\$ 19,117,576	\$ 31,126,734	\$ 3,292,981,033

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio
Year Ended June 30, 2010

	Bright Start Advisor Age Based 0-6 years	Bright Start Advisor Age Based 7-9 years	Bright Start Advisor Age Based 10-11 years	Bright Start Advisor Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years	Bright Start Advisor Age Based 18 years
Investment income (expense)						
Investment earnings	\$ 97,596	\$ (130,331)	\$ (44,270)	\$ (276,497)	\$ (239,522)	\$ (680,153)
Net change in fair value of investments	14,129,773	13,347,126	7,360,458	11,138,281	9,035,321	4,806,659
Management fees	(194,652)	(216,930)	(136,488)	(203,446)	(198,554)	(140,759)
Distribution fees	(301,350)	(303,198)	(192,949)	(280,728)	(270,862)	(185,871)
State administrative fees	(38,929)	(43,385)	(27,297)	(40,688)	(39,710)	(28,151)
Insurance fees	-	-	-	-	-	-
Net investment earnings	13,692,438	12,653,282	6,959,454	10,336,922	8,286,673	3,771,725
Participant transactions						
Program contributions	37,499,630	68,755,726	69,422,334	73,017,996	72,391,066	60,937,123
Program distributions	(52,773,305)	(64,816,590)	(53,266,869)	(59,134,318)	(53,288,357)	(39,824,921)
Total increase (decrease) from participant transactions	(15,273,675)	3,939,136	16,155,465	13,883,678	19,102,709	21,112,202
Change in net assets	(1,581,237)	16,592,418	23,114,919	24,220,600	27,389,382	24,883,927
Net assets, beginning of fiscal year	119,534,162	125,659,587	76,786,599	117,403,173	116,148,189	86,452,932
Net assets, end of fiscal year	\$ 117,952,925	\$ 142,252,005	\$ 99,901,518	\$ 141,623,773	\$ 143,537,571	\$ 111,336,859

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Principal Protection Income	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years
Investment income (expense)						
Investment earnings	\$ 118,304	\$ 14,418	\$ 76,516	\$ 2,799,385	\$ 1,624,497	\$ 810,708
Net change in fair value of investments	31,413,972	2,031,542	798,897	-	4,674,231	2,233,359
Management fees	(450,494)	(45,976)	(24,026)	(613,779)	(108,239)	(53,156)
Distribution fees	(630,279)	(77,501)	(36,891)	(159,841)	-	-
State administrative fees	(90,097)	(9,195)	(4,805)	(42,328)	-	-
Insurance fees	-	-	-	(183,358)	-	-
Net investment earnings	30,361,406	1,913,288	809,691	1,800,079	6,190,489	2,990,911
Participant transactions						
Program contributions	45,349,695	16,500,245	9,914,746	65,589,867	36,852,737	25,799,575
Program distributions	(62,373,908)	(7,020,150)	(4,951,390)	(59,776,251)	(15,540,086)	(14,252,909)
Total increase (decrease) from participant transactions	(17,024,213)	9,480,095	4,963,356	5,813,616	21,312,651	11,546,666
Change in net assets	13,337,193	11,393,383	5,773,047	7,613,695	27,503,140	14,537,577
Net assets, beginning of fiscal year	268,480,549	23,644,016	13,810,496	141,502,486	56,857,397	28,505,656
Net assets, end of fiscal year	\$ 281,817,742	\$ 35,037,399	\$ 19,583,543	\$ 149,116,181	\$ 84,360,537	\$ 43,043,233

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced
Investment income (expense)						
Investment earnings	\$ 601,140	\$ 946,237	\$ 752,773	\$ 432,397	\$ 2,069,313	\$ 739,208
Net change in fair value of investments	1,442,024	1,860,251	1,268,200	613,642	6,917,667	1,408,208
Management fees	(35,967)	(52,526)	(41,447)	(20,709)	(151,322)	(41,167)
Distribution fees	-	-	-	-	-	-
State administrative fees	-	-	-	-	-	-
Insurance fees	-	-	-	-	-	-
Net investment earnings	2,007,197	2,753,962	1,979,526	1,025,330	8,835,658	2,106,249
Participant transactions						
Program contributions	21,890,756	28,001,135	23,202,505	14,265,309	42,119,407	17,352,054
Program distributions	(13,419,312)	(12,671,000)	(8,835,836)	(4,938,691)	(14,441,110)	(4,786,227)
Total increase (decrease) from participant transactions	8,471,444	15,330,135	14,366,669	9,326,618	27,678,297	12,565,827
Change in net assets	10,478,641	18,084,097	16,346,195	10,351,948	36,513,955	14,672,076
Net assets, beginning of fiscal year	18,686,418	26,996,556	20,603,151	10,422,199	80,442,746	20,789,840
Net assets, end of fiscal year	\$ 29,165,059	\$ 45,080,653	\$ 36,949,346	\$ 20,774,147	\$ 116,956,701	\$ 35,461,916

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years	Bright Start Blended Age Based 7-9 years	Bright Start Blended Age Based 10-11 years	Bright Start Blended Age Based 12-14 years	Bright Start Blended Age Based 15-17 years
Investment income (expense)						
Investment earnings	\$ 1,274,744	\$ 45	\$ (341,313)	\$ (200,953)	\$ (512,539)	\$ (525,732)
Net change in fair value of investments	1,667,127	15,270,080	13,300,285	6,485,951	9,076,273	6,401,413
Management fees	(57,288)	(290,846)	(278,482)	(138,763)	(168,960)	(149,772)
Distribution fees	-	-	-	-	-	-
State administrative fees	-	(39,822)	(40,330)	(22,364)	(30,425)	(26,481)
Insurance fees	-	-	-	-	-	-
Net investment earnings	2,884,583	14,939,457	12,640,160	6,123,871	8,364,349	5,699,428
Participant transactions						
Program contributions	25,451,679	34,187,921	62,502,362	53,729,895	51,178,475	47,600,397
Program distributions	(10,983,135)	(49,327,866)	(48,474,383)	(37,791,619)	(38,638,823)	(34,493,760)
Total increase (decrease) from participant transactions	14,468,544	(15,139,945)	14,027,979	15,938,276	12,539,652	13,106,637
Change in net assets	17,353,127	(200,488)	26,668,139	22,062,147	20,904,001	18,806,065
Net assets, beginning of fiscal year	31,578,123	121,970,169	112,878,392	60,438,013	88,376,622	78,942,522
Net assets, end of fiscal year	\$ 48,931,250	\$ 121,769,681	\$ 139,546,531	\$ 82,500,160	\$ 109,280,623	\$ 97,748,587

(Continued)

**State of Illinois
Office of the Treasurer**

**Bright Start College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010**

	Bright Start Blended Age Based 18 years	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Total
Investment income (expense)					
Investment earnings	\$ (528,828)	\$ 61	\$ 6,011	\$ 4,068	\$ 8,887,283
Net change in fair value of investments	2,949,343	18,331,105	1,322,890	1,899,753	191,183,831
Management fees	(90,245)	(297,419)	(23,772)	(35,936)	(4,261,120)
Distribution fees	-	-	-	-	(2,439,470)
State administrative fees	(16,694)	(56,109)	(4,754)	(6,533)	(608,097)
Insurance fees	-	-	-	-	(183,358)
Net investment earnings	<u>2,313,576</u>	<u>17,977,638</u>	<u>1,300,375</u>	<u>1,861,352</u>	<u>192,579,069</u>
Participant transactions					
Program contributions	39,792,755	30,196,915	8,035,942	8,501,317	1,090,039,564
Program distributions	(24,575,676)	(22,442,313)	(5,317,829)	(4,082,077)	(822,238,711)
Total increase (decrease) from participant transactions	<u>15,217,079</u>	<u>7,754,602</u>	<u>2,718,113</u>	<u>4,419,240</u>	<u>267,800,853</u>
Change in net assets	17,530,655	25,732,240	4,018,488	6,280,592	460,379,922
Net assets, beginning of fiscal year	<u>50,280,281</u>	<u>159,222,708</u>	<u>14,526,326</u>	<u>18,281,612</u>	<u>2,089,220,920</u>
Net assets, end of fiscal year	<u>\$ 67,810,936</u>	<u>\$ 184,954,948</u>	<u>\$ 18,544,814</u>	<u>\$ 24,562,204</u>	<u>\$ 2,549,600,842</u>

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio
Year Ended June 30, 2011

	AllianceBernstein International Value 529 Portfolio	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Value 529 Portfolio	Ariel 529 Portfolio	Artisan Emerging Markets 529 Portfolio
Investment income (expense)						
Investment earnings	\$ -	\$ 74,607	\$ 6,304	\$ 85,101	\$ 335	\$ 2,430
Net change in fair value of investments	1,604,192	1,313,382	303,864	679,390	1,255,593	(56,085)
12b-1 fees	(7,395)	(12,924)	(4,244)	(9,831)	(10,706)	(1,221)
Management fees	(12,036)	(23,390)	(5,942)	(16,623)	(17,271)	(3,604)
Net investment earnings (loss)	1,584,761	1,351,675	299,982	738,037	1,227,951	(58,480)
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	513,324	1,178,651	1,504,093	1,169,917	825,009	1,957,207
Program distributions	(9,106,457)	(1,396,523)	(420,390)	(698,152)	(715,885)	(68,575)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	(8,593,133)	(217,872)	1,083,703	471,765	109,124	1,888,632
Change in net assets	(7,008,372)	1,133,803	1,383,685	1,209,802	1,337,075	1,830,152
Net assets, beginning of fiscal year	7,008,372	4,378,839	709,204	2,895,917	2,884,933	-
Net assets, end of fiscal year	\$ -	\$ 5,512,642	\$ 2,092,889	\$ 4,105,719	\$ 4,222,008	\$ 1,830,152

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Income 529 Portfolio	Calvert Equity 529 Portfolio	Delaware Small Cap Core 529 Portfolio	Dodge & Cox International Stock 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 40,977	\$ 254,205	\$ 62,369	\$ -	\$ 19,585	\$ 126,105
Net change in fair value of investments	-	2,259	92,533	692,978	1,078,431	443,526
12b-1 fees	-	(10,809)	(4,050)	(7,640)	(9,241)	(17,947)
Management fees	(25,409)	(16,311)	(7,006)	(10,935)	(14,887)	(29,465)
Net investment earnings (loss)	15,568	229,344	143,846	674,403	1,073,888	522,219
Distributions to shareholders						
Net investment income	(16,111)	-	-	-	-	-
Participant transactions						
Program contributions	13,161,148	3,469,052	376,602	847,877	1,052,586	11,426,952
Program distributions	(11,679,188)	(621,894)	(5,050,326)	(323,740)	(345,863)	(1,084,526)
Distributions reinvested	16,939	-	-	-	-	-
Total increase (decrease) from participant transactions	1,498,899	2,847,158	(4,673,724)	524,137	706,723	10,342,426
Change in net assets	1,498,356	3,076,502	(4,529,878)	1,198,540	1,780,611	10,864,645
Net assets, beginning of fiscal year	18,471,091	2,301,837	4,529,878	1,736,542	2,434,880	-
Net assets, end of fiscal year	\$ 19,969,447	\$ 5,378,339	\$ -	\$ 2,935,082	\$ 4,215,491	\$ 10,864,645

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	Earnest Partners Fixed Income 529 Portfolio	Eaton Vance Large-Cap Value 529 Portfolio	Female & Minority Owned Growth 529 Portfolio	Forward Small Cap Equity 529 Portfolio	ING Global Real Estate 529 Portfolio	John Hancock Small Company 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 3,131	\$ 156,680	\$ 30	\$ -	\$ 28,463	\$ -
Net change in fair value of investments	493	2,272,605	872	35,175	162,658	199,965
12b-1 fees	(253)	(27,817)	(4)	(327)	(2,154)	(1,189)
Management fees	(333)	(54,231)	(8)	(453)	(3,657)	(3,392)
Net investment earnings (loss)	3,038	2,347,237	890	34,395	185,310	195,384
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	187,992	2,855,050	8	24,064	661,775	350,922
Program distributions	(17,358)	(2,944,969)	(6,103)	(167,309)	(101,464)	(315,914)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	170,634	(89,919)	(6,095)	(143,245)	560,311	35,008
Change in net assets	173,672	2,257,318	(5,205)	(108,850)	745,621	230,392
Net assets, beginning of fiscal year	35,035	10,355,542	5,205	108,850	493,096	607,051
Net assets, end of fiscal year	\$ 208,707	\$ 12,612,860	\$ -	\$ -	\$ 1,238,717	\$ 837,443

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Bond Index 529 Portfolio	Northern Institutional Equity Index 529 Portfolio	Northern Institutional International Equity Index 529 Portfolio	Northern Institutional Small Company Index 529 Portfolio	Northern Small Cap Value 529 Portfolio
Investment income (expense)						
Investment earnings	\$ -	\$ 121,609	\$ 124,742	\$ 113,240	\$ 23,479	\$ 28,713
Net change in fair value of investments	47,406	(98,377)	1,541,713	1,271,396	607,163	1,103,718
12b-1 fees	(499)	(7,577)	(13,875)	(11,284)	(4,748)	(9,671)
Management fees	(855)	(12,769)	(30,126)	(24,244)	(9,674)	(18,517)
Net investment earnings (loss)	46,052	2,886	1,622,454	1,349,108	616,220	1,104,243
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	166,649	5,393,408	1,462,053	1,044,125	715,430	1,006,779
Program distributions	(17,562)	(1,520,430)	(1,230,683)	(1,211,998)	(426,914)	(704,940)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	149,087	3,872,978	231,370	(167,873)	288,516	301,839
Change in net assets	195,139	3,875,864	1,853,824	1,181,235	904,736	1,406,082
Net assets, beginning of fiscal year	92,182	61,549	5,436,905	4,428,451	1,663,848	3,360,282
Net assets, end of fiscal year	\$ 287,321	\$ 3,937,413	\$ 7,290,729	\$ 5,609,686	\$ 2,568,584	\$ 4,766,364

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	Oppenheimer International Growth 529 Portfolio	Payden US Growth Leaders 529 Portfolio	Pimco Low Duration 529 Portfolio	Pimco Short-Term 529 Portfolio	Pimco Total Return 529 Portfolio	SIT Dividend Growth 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 107,680	\$ 309	\$ 315,912	\$ 100,745	\$ 2,310,829	\$ 8,379
Net change in fair value of investments	2,914,547	44,586	16,277	25,025	(702,485)	150,971
12b-1 fees	(28,300)	(482)	(20,092)	(19,938)	(87,736)	(2,002)
Management fees	(49,236)	(625)	(35,369)	(27,802)	(129,224)	(3,562)
Net investment earnings (loss)	2,944,691	43,788	276,728	78,030	1,391,384	153,786
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	2,958,866	32,089	4,465,508	2,955,568	10,502,532	1,304,288
Program distributions	(1,725,618)	(216,362)	(1,676,113)	(2,077,891)	(6,543,535)	(55,086)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	1,233,248	(184,273)	2,789,395	877,677	3,958,997	1,249,202
Change in net assets	4,177,939	(140,485)	3,066,123	955,707	5,350,381	1,402,988
Net assets, beginning of fiscal year	8,520,652	140,485	6,505,047	5,849,555	25,751,887	320,309
Net assets, end of fiscal year	\$ 12,698,591	\$ -	\$ 9,571,170	\$ 6,805,262	\$ 31,102,268	\$ 1,723,297

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Balanced 529 Portfolio	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio	Templeton International Bond 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 35,698	\$ 180,442	\$ 179,208	\$ 21,032	\$ 84,706	\$ 19,922
Net change in fair value of investments	1,450,926	1,284,934	1,828,262	2,283,145	997,609	25,894
12b-1 fees	(11,768)	(27,350)	(28,463)	(21,751)	(10,125)	(1,246)
Management fees	(21,691)	(34,804)	(41,198)	(38,933)	(16,547)	(2,286)
Net investment earnings (loss)	1,453,165	1,403,222	1,937,809	2,243,493	1,055,643	42,284
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	1,528,780	2,856,949	3,516,140	3,475,853	960,146	1,467,298
Program distributions	(996,011)	(1,191,135)	(1,515,941)	(1,549,526)	(577,670)	(37,812)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	532,769	1,665,814	2,000,199	1,926,327	382,476	1,429,486
Change in net assets	1,985,934	3,069,036	3,938,008	4,169,820	1,438,119	1,471,770
Net assets, beginning of fiscal year	3,684,602	6,229,196	6,890,600	6,372,730	2,813,294	-
Net assets, end of fiscal year	\$ 5,670,536	\$ 9,298,232	\$ 10,828,608	\$ 10,542,550	\$ 4,251,413	\$ 1,471,770

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	William Blair Mid Cap Growth 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10	Fund 20	Fund 40
Investment income (expense)						
Investment earnings	\$ -	\$ -	\$ 94,201	\$ 395,256	\$ 1,252,896	\$ 2,432,887
Net change in fair value of investments	1,040,724	1,200,853	1,915	602,974	2,543,359	9,045,045
12b-1 fees	(7,733)	(15,136)	(21,159)	(80,482)	(179,349)	(312,193)
Management fees	(14,011)	(27,934)	(24,016)	(94,260)	(215,932)	(387,758)
Net investment earnings (loss)	1,018,980	1,157,783	50,941	823,488	3,400,974	10,777,981
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	1,466,284	1,573,513	4,404,893	15,051,196	31,434,571	48,092,515
Program distributions	(636,612)	(1,002,006)	(3,377,772)	(9,628,774)	(17,172,973)	(25,538,571)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	829,672	571,507	1,027,121	5,422,422	14,261,598	22,553,944
Change in net assets	1,848,652	1,729,290	1,078,062	6,245,910	17,662,572	33,331,925
Net assets, beginning of fiscal year	2,246,250	5,191,525	5,062,931	17,976,787	40,785,829	69,806,346
Net assets, end of fiscal year	\$ 4,094,902	\$ 6,920,815	\$ 6,140,993	\$ 24,222,697	\$ 58,448,401	\$ 103,138,271

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2011

	Fund 60	Fund 80	Fund 100	Total
Investment income (expense)				
Investment earnings	\$ 3,162,447	\$ 3,036,973	\$ 1,050,057	\$ 16,061,684
Net change in fair value of investments	18,239,977	30,497,358	22,736,777	110,783,523
12b-1 fees	(402,201)	(476,564)	(281,975)	(2,211,451)
Management fees	(535,525)	(677,661)	(405,924)	(3,125,436)
Net investment earnings (loss)	20,464,698	32,380,106	23,098,935	121,508,320
Distributions to shareholders				
Net investment income	-	-	-	(16,111)
Participant transactions				
Program contributions	59,484,790	58,313,053	26,060,409	333,255,914
Program distributions	(33,285,369)	(29,516,285)	(13,552,252)	(192,050,477)
Distributions reinvested	-	-	-	16,939
Total increase (decrease) from participant transactions	26,199,421	28,796,768	12,508,157	141,222,376
Change in net assets	46,664,119	61,176,874	35,607,092	262,714,585
Net assets, beginning of fiscal year	94,192,593	116,417,247	69,478,520	568,235,874
Net assets, end of fiscal year	\$ 140,856,712	\$ 177,594,121	\$ 105,085,612	\$ 830,950,459

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio
Year Ended June 30, 2010

	Adelante US Real Estate Securities 529 Portfolio	AllianceBernstein International Value 529 Portfolio	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Value 529 Portfolio	American Century Vista 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 297	\$ 120,874	\$ 56,876	\$ 2,390	\$ 56,762	\$ -
Net change in fair value of investments	4,138	(36,966)	425,850	9,973	260,216	371,474
12b-1 fees	(11)	(20,987)	(10,622)	(1,565)	(7,111)	(5,158)
Management fees	(52)	(34,428)	(19,708)	(2,306)	(12,620)	(9,075)
Net investment earnings (loss)	4,372	28,493	452,396	8,492	297,247	357,241
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	1,495	1,940,932	870,982	565,760	792,387	586,141
Program distributions	(18,437)	(1,194,714)	(577,443)	(50,966)	(384,712)	(2,731,573)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	(16,942)	746,218	293,539	514,794	407,675	(2,145,432)
Change in net assets	(12,570)	774,711	745,935	523,286	704,922	(1,788,191)
Net assets, beginning of fiscal year	12,570	6,233,661	3,632,904	185,918	2,190,995	1,788,191
Net assets, end of fiscal year	\$ -	\$ 7,008,372	\$ 4,378,839	\$ 709,204	\$ 2,895,917	\$ -

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	Ariel 529 Portfolio	Blackrock Cash Funds 529 Portfolio	Blackrock Inflation Protected Bond 529 Portfolio	Calvert Income 529 Portfolio	Calvert Social Investment Equity 529 Portfolio	Delaware Small Cap Core 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 499	\$ 37,814	\$ 40,252	\$ 178,343	\$ 5,589	\$ 1,198
Net change in fair value of investments	748,814	-	86,077	412,443	173,819	341,940
12b-1 fees	(8,238)	-	(3,806)	(11,686)	(5,430)	(6,705)
Management fees	(13,300)	(24,951)	(6,424)	(20,842)	(7,735)	(10,362)
Net investment earnings (loss)	<u>727,775</u>	<u>12,863</u>	<u>116,099</u>	<u>558,258</u>	<u>166,243</u>	<u>326,071</u>
Distributions to shareholders						
Net investment income	-	(14,088)	-	-	-	-
Participant transactions						
Program contributions	616,780	11,989,788	1,645,970	957,999	502,254	576,502
Program distributions	(552,830)	(14,600,305)	(71,345)	(1,414,467)	(299,755)	(340,165)
Distributions reinvested	-	16,742	-	-	-	-
Total increase (decrease) from participant transactions	<u>63,950</u>	<u>(2,593,775)</u>	<u>1,574,625</u>	<u>(456,468)</u>	<u>202,499</u>	<u>236,337</u>
Change in net assets	791,725	(2,595,000)	1,690,724	101,790	368,742	562,408
Net assets, beginning of fiscal year	<u>2,093,208</u>	<u>21,066,091</u>	<u>611,113</u>	<u>4,428,088</u>	<u>1,367,800</u>	<u>1,872,472</u>
Net assets, end of fiscal year	<u>\$ 2,884,933</u>	<u>\$ 18,471,091</u>	<u>\$ 2,301,837</u>	<u>\$ 4,529,878</u>	<u>\$ 1,736,542</u>	<u>\$ 2,434,880</u>

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	Earnest Partners Fixed Income 529 Portfolio	Eaton Vance Large-Cap Value 529 Portfolio	Female & Minority Owned Growth 529 Portfolio	Forward Small Cap Equity 529 Portfolio	ING Global Real Estate 529 Portfolio	John Hancock Small Company 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 909	\$ 136,422	\$ 38	\$ -	\$ 21,352	\$ 529
Net change in fair value of investments	1,879	791,919	69	7,506	1,500	81,569
12b-1 fees	(75)	(25,740)	(11)	(348)	(910)	(708)
Management fees	(78)	(46,888)	(18)	(504)	(1,672)	(2,492)
Net investment earnings (loss)	2,635	855,713	78	6,654	20,270	78,898
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	21,251	2,423,899	3,648	59,835	376,018	242,084
Program distributions	(11,917)	(1,338,344)	(755)	(30,649)	(80,796)	(42,859)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	9,334	1,085,555	2,893	29,186	295,222	199,225
Change in net assets	11,969	1,941,268	2,971	35,840	315,492	278,123
Net assets, beginning of fiscal year	23,066	8,414,274	2,234	73,010	177,604	328,928
Net assets, end of fiscal year	\$ 35,035	\$ 10,355,542	\$ 5,205	\$ 108,850	\$ 493,096	\$ 607,051

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Bond Index 529 Portfolio	Northern Institutional Equity Index 529 Portfolio	Northern Institutional Equity Index 529 Portfolio	Northern Institutional Small Company Index 529 Portfolio	Northern Small Cap Value 529 Portfolio
Investment income (expense)						
Investment earnings	\$ -	\$ 135	\$ 92,688	\$ 76,510	\$ 16,837	\$ 25,779
Net change in fair value of investments	10,188	613	440,723	(41,116)	220,911	545,246
12b-1 fees	(277)	(4)	(9,964)	(8,401)	(2,950)	(8,002)
Management fees	(357)	(19)	(23,480)	(19,644)	(6,800)	(14,661)
Net investment earnings (loss)	9,554	725	499,967	7,349	227,998	548,362
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	53,619	60,824	1,466,607	1,511,347	512,141	704,346
Program distributions	(16,862)	-	(589,709)	(405,159)	(236,551)	(409,148)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	36,757	60,824	876,898	1,106,188	275,590	295,198
Change in net assets	46,311	61,549	1,376,865	1,113,537	503,588	843,560
Net assets, beginning of fiscal year	45,871	-	4,060,040	3,314,914	1,160,260	2,516,722
Net assets, end of fiscal year	\$ 92,182	\$ 61,549	\$ 5,436,905	\$ 4,428,451	\$ 1,663,848	\$ 3,360,282

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	Oppenheimer International Growth 529 Portfolio	Payden US Growth Leaders 529 Portfolio	Pimco Low Duration 529 Portfolio	Pimco Short-Term 529 Portfolio	Pimco Total Return 529 Portfolio	SIT Dividend Growth 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 85,483	\$ 668	\$ 130,301	\$ 65,633	\$ 995,034	\$ 2,563
Net change in fair value of investments	639,882	7,613	299,118	83,842	1,470,554	(6,551)
12b-1 fees	(21,113)	(529)	(12,390)	(13,718)	(58,750)	(658)
Management fees	(36,970)	(638)	(24,202)	(20,556)	(92,036)	(934)
Net investment earnings (loss)	667,282	7,114	392,827	115,201	2,314,802	(5,580)
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	2,960,787	37,639	2,946,654	3,121,133	10,568,599	303,819
Program distributions	(1,150,558)	(15,871)	(1,103,727)	(1,054,246)	(2,958,412)	(5,868)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	1,810,229	21,768	1,842,927	2,066,887	7,610,187	297,951
Change in net assets	2,477,511	28,882	2,235,754	2,182,088	9,924,989	292,371
Net assets, beginning of fiscal year	6,043,141	111,603	4,269,293	3,667,467	15,826,898	27,938
Net assets, end of fiscal year	\$ 8,520,652	\$ 140,485	\$ 6,505,047	\$ 5,849,555	\$ 25,751,887	\$ 320,309

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Balanced 529 Portfolio	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio	William Blair Mid Cap Growth 529 Portfolio
Investment income (expense)						
Investment earnings	\$ 28,970	\$ 135,901	\$ 121,928	\$ 9,878	\$ 76,172	\$ -
Net change in fair value of investments	564,883	499,059	661,508	554,955	816,869	(124,943)
12b-1 fees	(7,956)	(21,769)	(20,653)	(15,030)	(6,651)	(465)
Management fees	(15,378)	(27,197)	(29,301)	(26,708)	(10,946)	(831)
Net investment earnings (loss)	570,519	585,994	733,482	523,095	875,444	(126,239)
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	999,409	1,753,928	2,012,376	2,261,944	671,379	2,383,147
Program distributions	(397,140)	(1,243,037)	(787,764)	(671,423)	(389,209)	(10,658)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	602,269	510,891	1,224,612	1,590,521	282,170	2,372,489
Change in net assets	1,172,788	1,096,885	1,958,094	2,113,616	1,157,614	2,246,250
Net assets, beginning of fiscal year	2,511,814	5,132,311	4,932,506	4,259,114	1,655,680	-
Net assets, end of fiscal year	\$ 3,684,602	\$ 6,229,196	\$ 6,890,600	\$ 6,372,730	\$ 2,813,294	\$ 2,246,250

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010

	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10	Fund 20	Fund 40	Fund 60
Investment income (expense)						
Investment earnings	\$ -	\$ 48,598	\$ 175,152	\$ 627,596	\$ 1,247,404	\$ 1,742,356
Net change in fair value of investments	631,977	86,532	443,073	1,587,757	3,842,672	6,598,796
12b-1 fees	(11,886)	(18,332)	(59,525)	(126,444)	(215,374)	(287,758)
Management fees	(22,098)	(20,015)	(66,636)	(151,936)	(266,734)	(376,282)
Net investment earnings (loss)	597,993	96,783	492,064	1,936,973	4,607,968	7,677,112
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Participant transactions						
Program contributions	1,493,000	3,586,113	10,396,635	22,472,510	37,462,981	44,659,031
Program distributions	(485,468)	(2,871,285)	(5,455,504)	(10,819,814)	(17,163,396)	(22,160,864)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	1,007,532	714,828	4,941,131	11,652,696	20,299,585	22,498,167
Change in net assets	1,605,525	811,611	5,433,195	13,589,669	24,907,553	30,175,279
Net assets, beginning of fiscal year	3,586,000	4,251,320	12,543,592	27,196,160	44,898,793	64,017,314
Net assets, end of fiscal year	\$ 5,191,525	\$ 5,062,931	\$ 17,976,787	\$ 40,785,829	\$ 69,806,346	\$ 94,192,593

(Continued)

**State of Illinois
Office of the Treasurer**

**Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Assets by Portfolio (Continued)
Year Ended June 30, 2010**

	Fund 80	Fund 100	Total
Investment income (expense)			
Investment earnings	\$ 2,007,498	\$ 766,399	\$ 9,139,627
Net change in fair value of investments	9,361,526	6,723,959	39,601,866
12b-1 fees	(346,701)	(218,199)	(1,602,610)
Management fees	(485,309)	(309,953)	(2,263,076)
	<u>10,537,014</u>	<u>6,962,206</u>	<u>44,875,807</u>
Net investment earnings (loss)			
Distributions to shareholders			
Net investment income	-	-	(14,088)
Participant transactions			
Program contributions	45,159,501	20,951,740	244,684,934
Program distributions	(19,782,183)	(12,058,847)	(125,984,735)
Distributions reinvested	-	-	16,742
Total increase (decrease) from participant transactions	<u>25,377,318</u>	<u>8,892,893</u>	<u>118,716,941</u>
Change in net assets	35,914,332	15,855,099	163,578,660
Net assets, beginning of fiscal year	<u>80,502,915</u>	<u>53,623,421</u>	<u>404,657,214</u>
Net assets, end of fiscal year	<u>\$ 116,417,247</u>	<u>\$ 69,478,520</u>	<u>\$ 568,235,874</u>

**State of Illinois
Office of the Treasurer**

**College Savings Program
Key Performance Measures
As of June 30, 2011 and 2010
(Unaudited)**

	<u>Illinois</u>		<u>Out of State</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Bright Start						
Number of Participant Accounts	172,332	159,023	48,986	46,243	221,318	205,266
Assets	\$2,550,670,139	\$ 1,972,125,378	\$ 742,260,699	\$ 577,298,055	\$ 3,292,930,838	\$ 2,549,423,433

Notes:

There may be a difference between the assets presented above and the information presented in the statements. Two systems are used to calculate the information and the reports from each system are run at different times.

"Participant Accounts" is defined as the total number of investment portfolios.

**State of Illinois
Office of the Treasurer**

**College Savings Program
Key Performance Measures
As of June 30, 2011 and 2010
(Unaudited)**

	<u>Illinois</u>		<u>Out of State</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Bright Directions						
Number of Participant Accounts	55,504	47,599	4,050	2,946	59,554	50,545
Market Value	\$ 765,733,522	\$ 528,911,671	\$ 65,660,105	\$ 39,445,247	\$ 831,393,627	\$ 568,356,918

Notes:

There may be a difference between the Market Value presented above and the information presented in the statements. Two systems are used to calculate the information and each uses a different level of decimal rounding.

"Participant Accounts" is defined as the number of unique relationships between an account owner and a beneficiary.

Investment Policies (Unaudited)

Included in this section are the investment policies of the Bright Start Program and the Bright Directions Program.

Bright Start College Savings Program

Investment Policy Statement

Effective November 2010

I. Statement of Purpose of Investment Policy

The purpose of this Statement is to assist contractors retained by the Treasurer to provide services related to the management of the assets of the Bright Start College Savings Program (the "Program") and to assist the Treasurer's Office in evaluating the performance of such contractors by:

- Describing the Treasurer's investment objectives;
- Providing general guidelines for the investment of assets of the Program;
- Describing the Treasurer's long-term investment strategy;
- Describing the process of evaluating the performance of contractors that provide investment management services to the Program; and
- Specifying the responsibilities of any contractors that provide investment management services to the Program.

This is the official Investment Policy Statement of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

II. Establishment and Authority of Entity

The Program has been established as a "qualified tuition program" in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. It was established to provide families with a new opportunity to invest toward future college education expenses.

III. Investment Philosophy

The Treasurer has adopted a long-term total return strategy regarding the Program and its investments. In order to achieve the Program's objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across financial markets will be the primary risk control mechanisms.

In its investment strategy, the Treasurer has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.), (2) geography/country, (3) sector, (4) maturity, and (5) duration.

Contributions to the Program will be directed to one of several portfolios (the "Portfolios"), each with a designated mix of investments. The determination of the investment parameters of each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for Account Owners will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Investment Policy Statement at least annually.

The holdings of the Program and the Portfolios are divided into the following broad asset categories:

- A. Short-term Investments
- B. Money Market Instruments
- C. Domestic Fixed-Income Securities
- D. International Fixed-Income Securities
- E. Large Capitalization U.S. Stocks
- F. Small Capitalization U.S. Stocks
- G. International Stocks

The Treasurer will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures. While the investment parameters offered under the Program are developed by the Treasurer, Account Owners bear the risk of investment results. Individual Account Owners who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

The administration and offering of the Program should not be relied upon as a guarantee to Account Owners. Each Account Owner should seek appropriate advice, as he or she deems necessary.

IV. Investment Objectives

The overall investment program for the Program and, as applicable, the individual Portfolios provided to the Account Owners shall seek to achieve the following long-term investment objectives:

- A. A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section VII hereof, and a long term rate of return on investments that is competitive with each investment's peer group.
- B. A long-term competitive rate of return on investments through indexed fund portfolios that approximately equal the applicable benchmarks shown in Section VII hereof.
- C. An investment program flexible enough to meet the needs of Account Owners based upon their age or investment objective or the age of the beneficiary and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

V. Investment Responsibilities

The Treasurer is responsible for the investment policy, the direction of investments and administration of the assets of the Program. In order to properly carry out his or her responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer has engaged, and plans to rely heavily on, OFI Private Investments Inc. (the "Manager") for various investment management and related administrative services. The Treasurer also plans to rely heavily on an external investment consultant for investment advisory services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing (as described in Section VI) of the Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. The Treasurer's Office and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

VI. Investment Parameters

Contributions will be invested in one of several Portfolios, each with a designated mix of investments that is appropriate for the investment objective of the Portfolio. Each Portfolio allocates assets in a combination of underlying investments investing among large capitalization U.S. stocks, small capitalization U.S. stocks, international stocks, fixed-income and/or short-term investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds and cash in each Portfolio and may change the underlying investments within the Portfolios consistent with this Investment Policy Statement and its agreement with the Manager.

The policy target asset allocations and benchmarks for the underlying investments within the Portfolios are shown below. Under normal market conditions, there is a permissible range of plus or minus a 10% deviation from the target allocation for each underlying investment category. However, during periods of extreme volatility or market crisis, the actual asset allocations for each underlying investment may exceed plus or minus 10% of the target allocations, and any rebalancing will occur quarterly.

VII.

Direct Plan: Blended Age Based Portfolios

Underlying Investment Category		#1	#2	#3	#4	#5	#6
		Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
		Benchmark*	(0-6 yrs)	(7-9 yrs)	(10-11 yrs)	(12-14 yrs)	(15-17 yrs)
Large Cap Equity	S&P 500 Index	63%	49%	42%	35%	21%	7%
Small Cap Equity	Russell 2000 Index	9%	7%	6%	5%	3%	1%
International Equity	MSCI EAFE Index	18%	14%	12%	10%	6%	2%
Aggregate Bond	Barclays Capital Aggregate Bond Index	10%	25%	25%	25%	20%	15%
Short Term Bond	Barclays Capital 1-3 Yr. Government Index	0%	5%	15%	25%	35%	35%
Money Market	iMoney Net First Tier Institutional Money Market Index	0%	0%	0%	0%	15%	40%

Direct Plan: Index Age Based Portfolios

Underlying Investment Category		#1	#2	#3	#4	#5	#6
		Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
	Benchmark*	(0-6 yrs)	(7-9 yrs)	(10-11 yrs)	(12-14 yrs)	(15-17 yrs)	(18+ yrs)
Large Cap Equity	S&P 500 Index	63%	49%	42%	35%	21%	7%
Small Cap Equity	S&P Completion Index	9%	7%	6%	5%	3%	1%
International Equity	MSCI EAFE Index	18%	14%	12%	10%	6%	2%
Aggregate Bond	Barclays Capital Aggregate Bond Index	10%	20%	30%	40%	50%	70%
Short Term Bond	Barclays Capital 1-3 Yr. Government Index	0%	0%	0%	0%	0%	0%
Money Market	iMoney Net First Tier Institutional Money Market Index	0%	10%	10%	10%	20%	20%

Direct Plan: Blended Fixed Income, Equity or Balanced Options

Underlying Investment Category	Benchmark*	Fixed Inc Portfolio	Equity Portfolio	Balanced Portfolio
Large Cap Equity	S&P 500 Index	0%	70%	35%
Small Cap Equity	Russell 2000 Index	0%	10%	5%
International Equity	MSCI EAFE Index	0%	20%	10%
Aggregate Bond	Barclays Capital Aggregate Bond Index	80%	0%	40%
Short Term Bond	Barclays Capital 1-3 Yr. Government Index	0%	0%	0%
Money Market	iMoney Net First Tier Institutional Money Market Index	20%	0%	10%

Direct Plan: Index Fixed Income, Equity or Balanced Options

Underlying Investment Category	Benchmark*	Fixed Inc Portfolio	Equity Portfolio	Balanced Portfolio
Large Cap Equity	S&P 500 Index	0%	70%	35%
Small Cap Equity	S&P Completion Index	0%	10%	5%
International Equity	MSCI EAFE Index	0%	20%	10%
Aggregate Bond	Barclays Capital Aggregate Bond Index	80%	0%	40%
Short Term Bond	Barclays Capital 1-3 Yr. Government Index	0%	0%	0%
Money Market	iMoney Net First Tier Institutional Money Market Index	20%	0%	10%

Advisor Plan: Active Age Based Portfolios

Underlying Investment Category		#1	#2	#3	#4	#5	#6
		Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
		Benchmark*	(0-6 yrs)	(7-9 yrs)	(10-11 yrs)	(12-14 yrs)	(15-17 yrs)
Large Cap Equity	Russell 1000 Index	25%	21%	18%	15%	9%	3%
	Russell 1000 Value Index	16%	12%	10%	8.5%	5%	2%
	Russell 1000 Growth Index	16%	12%	10%	8.5%	5%	2%
Small Cap Equity	Russell 2000 Index	15%	11%	10%	8%	5%	1%
International Equity	MSCI EAFE Index	13%	10%	8.5%	7%	4.5%	1.5%
	MSCI Emerging Markets Index	5%	4%	3.5%	3%	1.5%	0.5%
Aggregate Bond	Barclays Capital Aggregate Bond Index	9%	15%	20%	22.5%	25%	16%
International Bond	Citi World Government Bond Index (ex-U.S.)	1%	3%	4%	5%	7%	4%
Short Term Bond	Barclays Capital 1-3 Yr. Government Index	0%	12%	16%	22.5%	28%	55%
Money Market	iMoney Net First Tier Institutional Money Market Index	0%	0%	0%	0%	10%	15%

A. Advisor Plan: Active Fixed Income, Equity or Balanced Options

Underlying Investment Category	Benchmark*	Fixed Inc Portfolio	Equity Portfolio	Balanced Portfolio
Large Cap Equity	Russell 1000 Index Russell 1000 Value Index Russell 1000 Growth Index	0% 0% 0%	25% 19.5% 19.5%	15% 9% 9%
Small Cap Equity	Russell 2000 Index	0%	16%	7%
International Equity	MSCI EAFE Index MSCI EMG Mkts. Index	0% 0%	14% 6%	7% 3%
Aggregate Bond	Barclays Capital Aggregate Bond Index	30%	0%	25%
International Bond	Citi World Government Bond Index (ex-U.S.)	10%	0%	0%
Short Term Bond	Barclays Capital 1-3 Yr Government	35%	0%	10%
Money Market	iMoney Net First Tier Institutional Money Market Index	25%	0%	15%

*Benchmarks are subject to change as mutually agreed by the Treasurer and Manager in order to ensure that they remain appropriate for each underlying investment and consistent with industry standards.

Each active underlying investment's return objective is to equal or exceed, over a three-year rolling period, the annualized return of the applicable benchmark. Volatility, measured by the standard deviation of returns, is expected to be similar to the benchmark. Each underlying investment is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investments approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such an underlying investment's assets may not be entirely invested in the asset class in which such underlying investment has been placed.

Principal Protection Income Portfolio

The Principal Protection Income Portfolio attempts to reduce significantly under normal circumstances fluctuations in the value of its assets, other than money market securities and money market fund securities, by investing in Security Backed Investment Contracts (also called "Synthetic Guaranteed Investment Contracts or Synthetic GICs"). Security Backed Investment Contracts are comprised of two components: investment contracts (also called "Wrapper Agreements") and an underlying portfolio of marketable fixed income securities which are held and owned by the Portfolio on behalf of investors.

Wrapper Agreements are issued by high quality financial institutions such as an insurance company or a bank (a "Wrapper Provider") whose long-term credit rating at the time the Wrapper Agreement is entered into is in the highest two categories as determined by S&P and Moody's. A Wrapper Agreement enables the Portfolio, regardless of market fluctuations, to value the assets of the Portfolio covered by the Wrapper Agreement (the "Covered Assets") at their book value. Book value generally means all Contributions allocated to the Portfolio that are invested in Covered Assets, plus all income accrued at the "Crediting Rate", as in effect from time to time, less the sum of withdrawals from the Covered Assets. Should the

amount received from liquidating all of the Covered Assets ever be insufficient to satisfy requested withdrawals from the Portfolio that are covered by the Wrapper Agreements, under normal circumstances the Wrapper Provider would be obligated to pay the amount of the shortfall to the Portfolio. It is expected that the Portfolio will value the Wrapper Agreements at the difference between the book value and the market value of the Covered Assets. If the market value of the Covered Assets exceeded their book value, the difference would not be reflected in the Portfolio's valuation of the Covered Assets. Transamerica Life Insurance Company serves as the initial Wrapper Provider. The Treasurer has approved Galliard Capital Management, Inc. to manage the assets of the Portfolio and acknowledges that neither OFI nor any of its affiliates are liable to the Portfolio for impairments to Book Value as described in the Wrapper Agreement.

Bright Directions College Savings Program

Investment Policy Statement

Effective November 2010

1.0 Statement of Purpose of Investment Policy: The purpose of this Statement is to assist contractors retained by the Treasurer to provide services related to the management of the assets of the Illinois College Savings Pool that are contributed to the Bright Directions College Savings Program (the "Program") and to assist the Treasurer's Office in evaluating the performance of such contractors by:

- Describing the Treasurer's investment objectives;
- Providing general guidelines for the investment of assets of the Program;
- Describing the Treasurer's long-term investment strategy;
- Describing the process of evaluating the performance of employees or contractors that provide investment management services to the Program; and
- Specifying the responsibilities of any contractors that provide investment management services to the Program.

This is the official Investment Policy Statement of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

2.0 Establishment and Authority of Entity: The Bright Directions College Savings Program has been established as part of the Illinois College Savings Pool, and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program is sold through financial advisors and was established to compliment the existing Bright Start College Savings Program by allowing families to utilize a financial advisor to assist them with investing toward future college education expenses.

3.0 Participating Financial Institution: Accounts in the Program will be distributed through registered broker-dealers and financial institutions that have entered into a Selling Agent Agreement with Northern Trust Securities, Inc., acting as distributor for the Program. All new accounts in the Program will be processed through Union Bank & Trust Company ("Union Bank") as a participating financial institution. Union Bank has elected not to accept deposits in the Program as provided in Illinois Public Act 91-0607.

4.0 Investment Philosophy: The Treasurer has adopted a long-term total return strategy regarding the Program and its investments. In order to achieve the Program's objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across public security markets will be the primary risk control mechanisms.

In its investment strategy, the Treasurer has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.), (2) geography/country, (3) industry, and (4) maturity.

Contributions to the Program will be directed to one or more of the available underlying portfolios (the "Underlying Portfolios"), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters of each Underlying Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Underlying Portfolio at least quarterly and shall review this Investment Policy Statement at least annually.

The holdings of the Program and the Underlying Portfolios are divided into the following broad asset categories:

- A. Short Term Investments
- B. Fixed Income Investments
- C. Real Estate Investments
- D. Domestic Equity Investments
- E. International Equity Investments

The Treasurer will establish reasonable guidelines for each Underlying Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear the risk of investment results. Individual participants who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

The administration and offering of the Program should not be relied upon as a guarantee to participants. Each participant should seek appropriate advice as he or she deems necessary.

5.0 Investment Objectives: The overall investment program for the Program and, as applicable, the individual Underlying Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section VII hereof.
- An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

6.0 Investment Responsibilities: The Treasurer is responsible for the investment policy, the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer has engaged, and plans to rely heavily on Union Bank for administrative services and on Union Bank and its investment advisor, Wilshire Funds Management, the investment management business unit of Wilshire Associates Incorporated, for investment management services. The Treasurer also plans to rely heavily on an external investment consultant for investment advisory services. Among the current responsibilities of Union Bank is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Underlying Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Treasurer's approval, Union Bank has retained Wilshire Funds Management to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Underlying Portfolios and the implementation of the investment strategy outlined in this policy. The Treasurer's Office and Union Bank shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Underlying Portfolios, Union Bank agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

7.0 Investment Parameters: Contributions will be invested in one or more of the available Underlying Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Underlying Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or money market investments. The asset allocation of each Underlying Portfolio will be established by the Treasurer and managed by Union Bank. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Underlying Portfolio and may change the mutual funds within the Underlying Portfolios consistent with this Investment Policy Statement.

The policy target asset allocations and benchmarks for the mutual funds within the Age-Based and Target Portfolios are shown below. There is a permissible range of plus or minus 10% of the target allocation for each mutual fund.

Age-Based Aggressive

Age of Beneficiary

	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Large Cap Value	Russell 1000 Value	19.00%	15.00%	11.00%	7.00%	3.50%
Large Cap Blend	S&P 500	19.00%	15.00%	11.50%	7.00%	3.50%
Large Cap Growth	Russell 1000 Growth	19.00%	15.00%	11.00%	7.00%	3.50%
Small Cap Value	Russell 2000 Value	3.50%	3.00%	2.00%	2.00%	1.00%
Small Cap Blend	Russell 2000	4.00%	3.00%	2.00%	2.00%	1.00%
Small Cap Growth	Russell 2000 Growth	3.50%	3.00%	2.00%	2.00%	1.00%
Global Real Estate	FTSE EPRA/NAREIT Global	3.00%	2.00%	2.00%	2.00%	1.50%
Foreign Stock	MSCI EAFE	25.00%	21.00%	16.50%	10.00%	5.00%
	MSCI Emerging Markets	4.00%	3.00%	2.00%	1.00%	0.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	0.00%	20.00%
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	23.00%
Short Bond	ML 1-3 yr Treasury	0.00%	0.00%	20.00%	19.00%	17.00%
Intermediate Bond	Barclays U.S. Aggregate Bond	0.00%	16.00%	14.00%	12.00%	12.00%
Foreign Bonds	Citigroup World Gov't Bond	0.00%	4.00%	3.00%	2.00%	0.00%
U.S. TIPS	Barclays U.S. TIPS	0.00%	0.00%	3.00%	7.00%	8.00%

Age-Based Growth

Age of Beneficiary

	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Large Cap Value	Russell 1000 Value	15.00%	11.00%	7.00%	3.50%	2.00%
Large Cap Blend	S&P 500	15.00%	11.50%	7.00%	3.50%	2.00%
Large Cap Growth	Russell 1000 Growth	15.00%	11.00%	7.00%	3.50%	2.00%
Small Cap Value	Russell 2000 Value	3.00%	2.00%	2.00%	1.00%	0.50%
Small Cap Blend	Russell 2000	3.00%	2.00%	2.00%	1.00%	0.50%
Small Cap Growth	Russell 2000 Growth	3.00%	2.00%	2.00%	1.00%	0.50%
Global Real Estate	FTSE EPRA/NAREIT Global	2.00%	2.00%	2.00%	1.50%	0.00%
Foreign Stock	MSCI EAFE	21.00%	16.50%	10.00%	5.00%	2.50%
	MSCI Emerging Markets	3.00%	2.00%	1.00%	0.00%	0.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	40.00%
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	20.00%	23.00%	25.00%
Short Bond	ML 1-3 yr Treasury	0.00%	20.00%	19.00%	17.00%	15.00%
Intermediate Bond	Barclays U.S. Aggregate Bond	16.00%	14.00%	12.00%	12.00%	0.00%
Foreign Bonds	Citigroup World Gov't Bond	4.00%	3.00%	2.00%	0.00%	0.00%
U.S. TIPS	Barclays U.S. TIPS	0.00%	3.00%	7.00%	8.00%	10.00%

Age-Based Balanced

Age of Beneficiary

	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Large Cap Value	Russell 1000 Value	11.00%	7.00%	3.50%	2.00%	0.00%
Large Cap Blend	S&P 500	11.50%	7.00%	3.50%	2.00%	0.00%
Large Cap Growth	Russell 1000 Growth	11.00%	7.00%	3.50%	2.00%	0.00%
Small Cap Value	Russell 2000 Value	2.00%	2.00%	1.00%	0.50%	0.00%
Small Cap Blend	Russell 2000	2.00%	2.00%	1.00%	0.50%	0.00%
Small Cap Growth	Russell 2000 Growth	2.00%	2.00%	1.00%	0.50%	0.00%
Global Real Estate	FTSE EPRA/NAREIT Global	2.00%	2.00%	1.50%	0.00%	0.00%
Foreign Stock	MSCI EAFE	16.50%	10.00%	5.00%	2.50%	0.00%
	MSCI Emerging Markets	2.00%	1.00%	0.00%	0.00%	0.00%
Money Market	3-month T-Bills	0.00%	0.00%	20.00%	40.00%	50.00%
Ultra-Short Bond	3-month T-Bills	0.00%	20.00%	23.00%	25.00%	28.00%
Short Bond	ML 1-3 yr Treasury	20.00%	19.00%	17.00%	15.00%	12.00%
Intermediate Bond	Barclays U.S. Aggregate Bond	14.00%	12.00%	12.00%	0.00%	0.00%
Foreign Bonds	Citigroup World Gov't Bond	3.00%	2.00%	0.00%	0.00%	0.00%
U.S. TIPS	Barclays U.S. TIPS	3.00%	7.00%	8.00%	10.00%	10.00%

Target Portfolios

	Benchmark	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20	Fund 10	Fixed Income
Large Cap Value	Russell 1000 Value	19.00%	15.00%	11.00%	7.00%	3.50%	2.00%	0.00%
Large Cap Blend	S&P 500	19.00%	15.00%	11.50%	7.00%	3.50%	2.00%	0.00%
Large Cap Growth	Russell 1000 Growth	19.00%	15.00%	11.00%	7.00%	3.50%	2.00%	0.00%
Small Cap Value	Russell 2000 Value	3.50%	3.00%	2.00%	2.00%	1.00%	0.50%	0.00%
Small Cap Blend	Russell 2000	4.00%	3.00%	2.00%	2.00%	1.00%	0.50%	0.00%
Small Cap Growth	Russell 2000 Growth	3.50%	3.00%	2.00%	2.00%	1.00%	0.50%	0.00%
Global Real Estate	FTSE EPRA/NAREIT Global	3.00%	2.00%	2.00%	2.00%	1.50%	0.00%	0.00%
Foreign Stock	MSCI EAFE	25.00%	21.00%	16.50%	10.00%	5.00%	2.50%	0.00%
	MSCI Emerging Markets	4.00%	3.00%	2.00%	1.00%	0.00%	0.00%	0.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	0.00%	20.00%	40.00%	50.00%
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	23.00%	25.00%	28.00%
Short Bond	ML 1-3 yr Treasury	0.00%	0.00%	20.00%	19.00%	17.00%	15.00%	12.00%
Intermediate Bond	Barclays U.S. Aggregate Bond	0.00%	16.00%	14.00%	12.00%	12.00%	0.00%	0.00%
Foreign Bonds	Citigroup World Gov't Bond	0.00%	4.00%	3.00%	2.00%	0.00%	0.00%	0.00%
U.S. TIPS	Barclays U.S. TIPS	0.00%	0.00%	3.00%	7.00%	8.00%	10.00%	10.00%

Individual Fund Portfolios

Participants in the Program open their Accounts through registered broker-dealers and other financial advisors. As a result, the Treasurer deems it appropriate to offer individual mutual funds as separate Underlying Portfolios in the Program. The individual mutual funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the following asset classes:

<u>Asset Class</u>	<u>Benchmark</u>
Money Market/Ultra Short Bond	3 Month T-Bill
Low Duration	ML 1-3 Treasury Index
Corporate Bond	Barclays U.S. Credit Index
Intermediate Bond	Barclays U.S. Aggregate Bond Index
Foreign Bonds	Citigroup World Government Bond Index
U.S. TIPS	Barclays U.S. TIPS Index
Balanced	Barclays U.S. Aggregate Bond Index; S&P 500; MSCI EAFE
Large Cap Value	Russell 3000 Value, Russell 1000 Value
Large Cap Growth	Russell 1000 Growth
Large Cap Blend	Russell 1000, S&P 500
Mid-Cap Value	Russell 2500 Value
Mid-Cap Growth	Russell Mid-Cap Growth
Mid-Cap Blend	Wilshire 4500 Index
Small-Cap Value	Russell 2000 Value
Small-Cap Growth	Russell 2000 Growth
Small-Cap Blend	Russell 2000
Foreign Stock	MSCI EAFE and MSCI Emerging Markets
Socially Responsible	S&P 500
Real Estate	DJ Wilshire Real Estate Securities
Global Real Estate	FTSE EPRA/NAREIT Global Index

7.0 Investment Parameters – Continued

Each mutual fund's return objective is to equal or exceed, over a three-year rolling period, the return of the applicable benchmark. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each mutual fund is also expected to perform favorably relative to its peer group.

To the extent that the assets of an Underlying Portfolio are invested in one or more mutual funds approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such a mutual fund's underlying assets may not be entirely invested in the asset class in which such fund has been placed.

8.0 Female- and Minority-Owned Portfolios

The Program has included the Female- and Minority-Owned Individual Fund Portfolios for participants who would like to have a more diverse set of fund options. The female and minority owned funds utilized in the program were screened on three initial criteria: 1) firms with at least 50% female and/or racial minority ownership or 2) funds that have a female and/or racial minority investment manager that makes the portfolio management decisions (i.e. a minority owned subadvisor), and 3) funds that delivered above median returns over a 3-year and/or 5-year time period. The mutual fund options provided in the program include relatively high scoring female and minority owned investment managers representing a diverse set of asset classes.

Contributions will be invested in one or more of the available Underlying Portfolios, each composed of an individual investment fund, which is appropriate for the investment objective of the Portfolio. The Treasurer may change the mutual funds within the Female- and Minority-Owned Portfolios consistent with this Investment Policy Statement.

Independent Auditors' Report



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the College Savings Program (a fiduciary fund) of the State of Illinois, Office of the Treasurer, as of and for the year ended June 30, 2011 and have issued our report thereon dated February 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the State of Illinois, Office of the Treasurer is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the College Savings Program's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College Savings Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College Savings Program's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College Savings Program's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the State of Illinois, Office of the Treasurer, and the College Savings Program's management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Schaumburg, Illinois
February 22, 2012