

**State of Illinois
Office of the Treasurer**

COLLEGE SAVINGS PROGRAM

FINANCIAL AUDIT

For the years ended June 30, 2010 and 2009

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

State of Illinois
Office of the Treasurer

COLLEGE SAVINGS PROGRAM

FINANCIAL AUDIT
For the years ended June 30, 2010 and 2009

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State of Illinois
Office of the Treasurer

COLLEGE SAVINGS PROGRAM

TREASURER'S OFFICE OFFICIALS

Treasurer	Honorable Alexi Giannoulas
Chief of Staff	Ms. Robin Kelly
Deputy Treasurer/CFO	Mr. Edward Buckles
Deputy Chief of Staff/General Counsel	Mr. Paul Miller
Chief Legal Counsel	Ms. Gina DeCiani
Director of College Savings Program	Ms. Shirley Yang
Inspector General	Mr. David Wells
Chief Internal Auditor	Ms. Barbara Ringler

The Office of the Treasurer maintains ten office locations:

- Executive Office
State Capitol
219 State House
Springfield, Illinois 62706
- Operational divisions
Illinois Business Center
400 West Monroe, Suite 401
Springfield, Illinois 62704
- Unclaimed Property &
other divisions
Myers Building
1 W. Old State Capitol Plaza
Springfield, Illinois 62701
- Chicago Office &
Personnel/Legal/Programmatic
James R. Thompson Center
100 West Randolph Street
Suite 15-600
Chicago, Illinois 60601
- Programmatic
Riverdale Office
13725 South Wabash Ave
Riverdale, Illinois 60827
- Programmatic
Effingham Office
401 Industrial Drive, Suite E
Effingham, Illinois 62401
- Programmatic
Mt. Vernon Office
200 West Potomac Boulevard
Mt. Vernon, Illinois 62864
- Programmatic
Rock Island Office
Rock Island County Office Bldg.
1504 Third Avenue
Rock Island, Illinois 61201
- Programmatic
Rockford Office
E.J. Zeke Giorgi Building
200 South Wyman Street
Rockford, Illinois 61101
- Programmatic
Collinsville Office
420 East Main St.
Collinsville, IL 62234

FINANCIAL STATEMENT REPORT

State of Illinois
Office of the Treasurer

COLLEGE SAVINGS PROGRAM
FINANCIAL STATEMENT REPORT

SUMMARY

The audits of the accompanying financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer were performed by Crowe Horwath LLP as of and for the years ended June 30, 2010 and 2009.

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

INDEPENDENT AUDITORS' REPORT

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 years ended June 30, 2010 and 2009, 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 audits.

We conducted our audits 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note A, 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, 2010 and 2009, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College Savings Program of the State of Illinois, Office of the Treasurer as of June 30, 2010 and 2009, and the changes in its financial position thereof for the years 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 a report dated January 4, 2011 on our consideration of the College Savings Program of the State of Illinois, Office of the Treasurer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 audits.

Our audits were 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 statements of fiduciary net assets by portfolio, statements of changes in fiduciary net assets by portfolio, key performance measures, and investment policies, listed in the Table of Contents on pages 20 to 101, are presented for purposes of additional analysis and are not a required part of the financial statements. The statements of fiduciary net assets by portfolio and the statements of changes in fiduciary net assets by portfolio have been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The key performance measures and the investment policies have not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we express no opinion on them.



Crowe Horwath LLP

Springfield, Illinois
January 4, 2011

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
STATEMENTS OF FIDUCIARY NET ASSETS
June 30, 2010 and 2009

ASSETS		
	<u>2010</u>	<u>2009</u>
Deposits and investments, at market		
Cash and cash equivalents	\$ 174,843,388	\$ 116,526,703
Capital shares receivable	5,004,269	3,971,226
Securities sold receivable	787,674	1,257,439
Dividends receivable	923,763	1,678,323
Mutual funds	<u>2,941,972,926</u>	<u>2,375,374,839</u>
 Total assets	 <u>\$ 3,123,532,020</u>	 <u>\$ 2,498,808,530</u>
 LIABILITIES AND NET ASSETS		
Cash overdraft	\$ -	\$ 9,804
Accrued liabilities		
Payable for capital shares	3,276,520	2,365,606
Payable for securities purchased	1,361,640	2,028,810
Other liabilities	<u>1,057,144</u>	<u>526,176</u>
 Total liabilities	 <u>5,695,304</u>	 <u>4,930,396</u>
 Net assets available to participants	 <u>3,117,836,716</u>	 <u>2,493,878,134</u>
 Total liabilities and net assets	 <u>\$ 3,123,532,020</u>	 <u>\$ 2,498,808,530</u>

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, 2010 and 2009

Operations	<u>2010</u>	<u>2009</u>
Revenues (expenditures)		
Investment earnings	\$ 18,026,910	\$ 34,183,432
Gain (loss) on sale of securities	(33,315,318)	(729,427,309)
Net change in fair value of investments	264,101,015	74,502,795
Interest expense	-	(11)
Distribution fees	(2,439,470)	(2,154,164)
State administrative fees	(608,097)	(531,308)
Insurance fees	(183,358)	(153,531)
12b-1 fees	(1,602,610)	(1,107,943)
Management and bank custodial fees	<u>(6,524,196)</u>	<u>(4,986,539)</u>
Net investment earnings (loss)	237,454,876	(629,674,578)
Distributions to shareholders		
Net investment income	<u>(14,088)</u>	<u>(134,920)</u>
Total decrease in net assets from distributions	(14,088)	(134,920)
Participant transactions		
Program contributions	1,334,724,498	2,279,663,667
Program distributions	(948,223,446)	(1,946,934,761)
Distributions reinvested	<u>16,742</u>	<u>140,660</u>
Total increase from participant transactions	<u>386,517,794</u>	<u>332,869,566</u>
Net increase (decrease) in net assets	623,958,582	(296,939,932)
Net assets, beginning of fiscal year	<u>2,493,878,134</u>	<u>2,790,818,066</u>
Net assets, end of fiscal year	<u>\$ 3,117,836,716</u>	<u>\$ 2,493,878,134</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, 2010 and 2009

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. The American Recovery and Reinvestment Act of 2009 expanded the list of qualified higher education expenses to include expenses paid or incurred in calendar years 2009 and 2010 for the purchase of any computer technology, equipment, or internet access and related services to be used primarily by the Beneficiary while enrolled at an Eligible Educational Institution.

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, 2010, OFI Private Investments, Inc. provided investment advisory, administrative, recordkeeping and marketing services for the Bright Start Program. As of June 30, 2010, Union Bank and Trust Company advised the Treasurer on the investment of

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

Background (Continued)

contributions and provided administrative, recordkeeping and marketing services for the Bright Directions Program. As such, as of June 30, 2010, 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 Program.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

1. 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.

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.

2. 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.

3. Basis of Accounting and Measurement Focus

The accounts of the College Savings Program are maintained and reported using 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.

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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.

5. 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.

6. 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 day of valuation.

7. 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.

8. Net Assets Available to Participants

The net assets available to participants represent investments at market value less accrued liabilities. Investments 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 - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS

Governmental Accounting Standards Board Statement No. 31, *Accounting and Reporting for Certain Investments and 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 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

1. 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's Office has adopted its own investment practices, which supplements the statutory requirements.

2. 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

The portfolios for the Advisor-sold plan have been referred to as the Active Age Based, Active Equity, Active Balanced and Active Fixed Income Portfolios. This terminology is interchangeable with the terminology used in the plan prospectus, the Advisor Age Based, Advisor Equity, Advisor Balanced, and Advisor Fixed Income Portfolios. The former naming convention is descriptive of the portfolios (i.e., actively managed portfolios) whereas the latter naming convention is consistent with the plan prospectus.

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS (Continued)

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

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
-

State of Illinois
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COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS (Continued)

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.

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.

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS (Continued)

Additional Program Information

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

Investment Risk

As of June 30, 2010 Bright Start had holdings in money market funds valued at \$126.8 million. The money market fund had a weighted average maturity ("WAM") of 45 days.

As of June 30, 2010, Bright Start had holdings in bond mutual funds valued at \$930.5 million. Of this, \$435.0 million had WAM's of one through five years and \$495.5 million had WAM's of six to ten years. Ratings for the \$930.5 million of bond mutual funds are as follows:

<u>Ratings</u>	<u>Bond Mutual Funds (in millions)</u>
Unrated:	\$146.2
Moody's:	
Aaa	\$325.3
Aa	12.1
A	28.2
Baa	25.7
S&P:	
AAA	\$281.4
AA+	2.8
AA	21.8
AA-	2.5
A+	1.9
A	26.5
A-	3.9
BBB+	7.1
BBB	30.0
BBB-	1.0
BB	8.9
B	2.9
CCC	2.3

State of Illinois
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS (Continued)

In its investment policy, the Treasurer's Office 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 State of Illinois, Office of the Treasurer, the Program Manager, affiliates of the Program Manager, the FDIC, or any other party.

During fiscal year 2010, OppenheimerFunds, Inc. voluntarily and pursuant to an agreement with the synthetic guaranteed investment contract insurance wrapper provider made contributions to the Principal Protection portfolio to reduce the differential between the market value and book value that had occurred because of realized and unrealized losses in the portfolio. A voluntary contribution was made on July 23, 2009, in the amount of \$20,268,540.

BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM

1. 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's Office has adopted its own investment practices, which supplements the statutory requirements.

2. 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-seven Individual Fund Portfolios
- Eight Female & Minority Owned Portfolios

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS (Continued)

The Barclays Money Market 529 Portfolio changed its name to the BlackRock Cash Fund 529 Portfolio due to a merger on 12/01/09 between BlackRock and Barclays. The FMA Small Company 529 Portfolio changed its name to John Hancock Small Company 529 Portfolio due to John Hancock acquiring the FMA Small Company fund on 12/11/09.

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.

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 above.

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.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS (Continued)

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-seven 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:

- AllianceBernstein International Value 529 Portfolio
 - American Century Equity Growth 529 Portfolio
 - American Century Growth 529 Portfolio
 - American Century Value 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
 - 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
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COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS (Continued)

- 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
- William Blair Mid Cap Growth 529 Portfolio
- William Blair Small Cap Growth 529 Portfolio

Female & Minority Owned Portfolios

The Bright Directions Program offers eight 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
- Female and Minority Owned Growth Portfolio
- Forward Small Cap Equity 529 Portfolio
- John Hancock Small Company 529 Portfolio
- NCM Capital Mid-Cap Growth 529 Portfolio
- Payden U.S. Growth Leaders 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
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COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE B - INVESTMENTS (Continued)

Investment Risk

As of June 30, 2010 Bright Directions had holdings in money market funds valued at \$36.3 million. The money market fund had a weighted average maturity ("WAM") of 39 days.

As of June 30, 2010 Bright Directions had holdings in bond mutual funds valued at \$190.0 million. Of this, \$35.1 million had a WAM of less than one year, \$48.9 million had WAM's of one through five years, \$101.5 million had WAM's of six to ten years and \$4.5 million had WAM's of over ten years. Ratings for the \$190.0 million of bond mutual funds are as follows:

<u>Ratings</u>	<u>Bond Mutual Funds</u> <u>(in millions)</u>
Unrated:	\$15.6
S&P:	
AAA	\$27.1
AA	142.8
A	4.5

In its investment policy the Treasurer's Office 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 College Savings Program are not guaranteed or insured by the State of Illinois, Office of the Treasurer, the Program Manager, affiliates of the Program Managers, the FDIC, or any other party.

NOTE C - ADMINISTRATIVE FEES

To administer the College Savings Program, the Treasurer has a division entitled, "The College Savings Program Division." This division had six employees at June 30, 2010. 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

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2010 and 2009

NOTE C - ADMINISTRATIVE FEES (Continued)

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 expenditures are as follows:

	<u>2010</u>	<u>2009</u>
Custodial/advisory fees	\$ 6,524,196	\$ 4,986,539
Expenditures	1,047,634	980,084

NOTE D - SETTLEMENT

In late January 2009, the Illinois State Treasurer's Office 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 October 19th, 2010, 95% of settlement proceeds have been distributed to eligible participants and distributed by way of deposits into a Bright Start account or check disbursement.

SUPPLEMENTARY INFORMATION

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO
As of 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
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 388,254	\$ 142,810	\$ 523,466	\$ 305,520	\$ 18,019,130
Capital shares receivable	250,742	137,331	349,920	234,583	369,334
Securities sold receivable	41,398	151,256		16,932	
Dividends receivable	4,832	16,954	15,308	27,300	40,002
Mutual funds	<u>117,370,393</u>	<u>142,165,316</u>	<u>99,345,462</u>	<u>141,417,061</u>	<u>125,609,013</u>
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>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	97,862	344,710	98,567	350,328	360,326
Payable for securities purchased	4,832	16,952	234,071	27,295	139,582
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>102,694</u>	<u>361,662</u>	<u>332,638</u>	<u>377,623</u>	<u>499,908</u>
Net assets available to 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>
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>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	Bright Start Advisor Age Based 18 years	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Principal Protection Income
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 27,232,869	\$ 169,422	\$ 4,819,764	\$ 4,407,764	\$ 6,313,724
Capital shares receivable	434,570	409,971	27,155	15,501	295,930
Securities sold receivable	36,164	271,695		11,859	
Dividends receivable	18,980		949	7,854	81,964
Mutual funds	<u>83,898,992</u>	<u>281,051,062</u>	<u>30,212,628</u>	<u>15,176,530</u>	<u>142,835,924</u>
 Total assets	 <u>\$ 111,621,575</u>	 <u>\$ 281,902,150</u>	 <u>\$ 35,060,496</u>	 <u>\$ 19,619,508</u>	 <u>\$ 149,527,542</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	265,700	84,408	11,112	28,099	323,215
Payable for securities purchased	19,016		11,985	7,866	
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,146</u>
 Total liabilities	 <u>284,716</u>	 <u>84,408</u>	 <u>23,097</u>	 <u>35,965</u>	 <u>411,361</u>
 Net assets available to participants	 <u>111,336,859</u>	 <u>281,817,742</u>	 <u>35,037,399</u>	 <u>19,583,543</u>	 <u>149,116,181</u>
 Total liabilities and net assets	 <u>\$ 111,621,575</u>	 <u>\$ 281,902,150</u>	 <u>\$ 35,060,496</u>	 <u>\$ 19,619,508</u>	 <u>\$ 149,527,542</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 147,922	\$ 4,847,556	\$ 3,242,652	\$ 4,857,747	\$ 7,556,486
Capital shares receivable	198,411	112,304	108,280	108,159	67,483
Securities sold receivable					
Dividends receivable	28,455	28,790	28,416	57,318	57,667
Mutual funds	<u>84,097,887</u>	<u>38,193,938</u>	<u>25,932,566</u>	<u>40,181,795</u>	<u>29,348,751</u>
 Total assets	 <u>\$ 84,472,675</u>	 <u>\$ 43,182,588</u>	 <u>\$ 29,311,914</u>	 <u>\$ 45,205,019</u>	 <u>\$ 37,030,387</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	24,169	20,915	96,371	43,442	4,924
Payable for securities purchased	87,969	118,440	50,484	80,924	76,117
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>112,138</u>	 <u>139,355</u>	 <u>146,855</u>	 <u>124,366</u>	 <u>81,041</u>
 Net assets available to participants	 <u>84,360,537</u>	 <u>43,043,233</u>	 <u>29,165,059</u>	 <u>45,080,653</u>	 <u>36,949,346</u>
 Total liabilities and net assets	 <u>\$ 84,472,675</u>	 <u>\$ 43,182,588</u>	 <u>\$ 29,311,914</u>	 <u>\$ 45,205,019</u>	 <u>\$ 37,030,387</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 4,159,741	\$ 165,421	\$ 3,856,103	\$ 9,478,993	\$ 326,263
Capital shares receivable	11,601	224,630	33,361	111,677	126,197
Securities sold receivable			9,048	27,820	54,928
Dividends receivable	43,195		45,362	116,290	
Mutual funds	<u>16,669,981</u>	<u>116,622,904</u>	<u>31,567,310</u>	<u>39,373,657</u>	<u>121,552,511</u>
 Total assets	 <u>\$ 20,884,518</u>	 <u>\$ 117,012,955</u>	 <u>\$ 35,511,184</u>	 <u>\$ 49,108,437</u>	 <u>\$ 122,059,899</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	23,335	12,479	3,910	60,907	289,991
Payable for securities purchased	87,036	43,775	45,358	116,280	
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227</u>
 Total liabilities	 <u>110,371</u>	 <u>56,254</u>	 <u>49,268</u>	 <u>177,187</u>	 <u>290,218</u>
 Net assets available to participants	 <u>20,774,147</u>	 <u>116,956,701</u>	 <u>35,461,916</u>	 <u>48,931,250</u>	 <u>121,769,681</u>
 Total liabilities and net assets	 <u>\$ 20,884,518</u>	 <u>\$ 117,012,955</u>	 <u>\$ 35,511,184</u>	 <u>\$ 49,108,437</u>	 <u>\$ 122,059,899</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	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	Bright Start Blended Age Based 18 years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 161,813	\$ 182,472	\$ 98,498	\$ 12,362,294	\$ 16,610,307
Capital shares receivable	375,142	186,202	290,292	166,333	165,108
Securities sold receivable	124,565		12,904		
Dividends receivable				2,560	4,575
Mutual funds	<u>139,019,840</u>	<u>82,461,939</u>	<u>109,059,514</u>	<u>85,407,200</u>	<u>51,072,195</u>
Total assets	<u>\$ 139,681,360</u>	<u>\$ 82,830,613</u>	<u>\$ 109,461,208</u>	<u>\$ 97,938,387</u>	<u>\$ 67,852,185</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	134,621	232,739	180,539	145,347	20,360
Payable for securities purchased		97,637		44,406	20,869
Other liabilities	<u>208</u>	<u>77</u>	<u>46</u>	<u>47</u>	<u>20</u>
Total liabilities	<u>134,829</u>	<u>330,453</u>	<u>180,585</u>	<u>189,800</u>	<u>41,249</u>
Net assets available to participants	<u>139,546,531</u>	<u>82,500,160</u>	<u>109,280,623</u>	<u>97,748,587</u>	<u>67,810,936</u>
Total liabilities and net assets	<u>\$ 139,681,360</u>	<u>\$ 82,830,613</u>	<u>\$ 109,461,208</u>	<u>\$ 97,938,387</u>	<u>\$ 67,852,185</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Total
ASSETS				
Deposits and investments, at market				
Cash and cash equivalents	\$ 174,924	\$ 4,170,423	\$ 3,444,556	\$ 138,166,894
Capital shares receivable	162,723	16,243	15,086	5,004,269
Securities sold receivable	17,542	11,563		787,674
Dividends receivable		617	437	627,825
Mutual funds	<u>184,606,604</u>	<u>14,357,938</u>	<u>21,132,255</u>	<u>2,409,741,166</u>
 Total assets	 <u>\$ 184,961,793</u>	 <u>\$ 18,556,784</u>	 <u>\$ 24,592,334</u>	 <u>\$ 2,554,327,828</u>
LIABILITIES AND NET ASSETS				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accrued liabilities				
Payable for capital shares	6,799	11,345		3,276,520
Payable for securities purchased		625	30,121	1,361,640
Other liabilities	<u>46</u>	<u>-</u>	<u>9</u>	<u>88,826</u>
 Total liabilities	 <u>6,845</u>	 <u>11,970</u>	 <u>30,130</u>	 <u>4,726,986</u>
 Net assets available to participants	 <u>184,954,948</u>	 <u>18,544,814</u>	 <u>24,562,204</u>	 <u>2,549,600,842</u>
 Total liabilities and net assets	 <u>\$ 184,961,793</u>	 <u>\$ 18,556,784</u>	 <u>\$ 24,592,334</u>	 <u>\$ 2,554,327,828</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO
As of June 30, 2009

	Bright Start Active Age-Based 0-6 years	Bright Start Active Age-Based 7-9 years	Bright Start Active Age-Based 10-11 years	Bright Start Active Age-Based 12-14 years	Bright Start Active Age-Based 15-17 years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 303,564	\$ 571,937	\$ 263,084	\$ 470,811	\$ 11,882,143
Capital shares receivable	188,498	150,313	185,332	551,496	388,581
Securities sold receivable	298,649	90,605	123,838	117,744	29,259
Dividends receivable	2,738	66,383	43,201	111,405	136,509
Mutual funds	<u>118,944,802</u>	<u>124,961,920</u>	<u>76,564,385</u>	<u>116,427,185</u>	<u>104,034,267</u>
Total assets	<u><u>\$ 119,738,251</u></u>	<u><u>\$ 125,841,158</u></u>	<u><u>\$ 77,179,840</u></u>	<u><u>\$ 117,678,641</u></u>	<u><u>\$ 116,470,759</u></u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	201,353	115,189	350,041	164,060	186,120
Payable for securities purchased	2,736	66,382	43,200	111,408	136,450
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>204,089</u>	<u>181,571</u>	<u>393,241</u>	<u>275,468</u>	<u>322,570</u>
Net assets available to participants	<u>119,534,162</u>	<u>125,659,587</u>	<u>76,786,599</u>	<u>117,403,173</u>	<u>116,148,189</u>
Total liabilities and net assets	<u><u>\$ 119,738,251</u></u>	<u><u>\$ 125,841,158</u></u>	<u><u>\$ 77,179,840</u></u>	<u><u>\$ 117,678,641</u></u>	<u><u>\$ 116,470,759</u></u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	Bright Start Active Age-Based 18 years	Bright Start Active Static Equity	Bright Start Active Static Balanced	Bright Start Active Static Fixed Income	Bright Start Principal Protection Income
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 14,107,557	\$ 1,230,519	\$ 2,000,325	\$ 2,183,264	\$ 4,199,035
Capital shares receivable	201,716	71,906	205,389	5,660	292,811
Securities sold receivable	-	119,666	-	6,714	-
Dividends receivable	172,725	-	875	4,796	74,088
Mutual funds	<u>72,388,387</u>	<u>267,285,541</u>	<u>21,473,876</u>	<u>11,614,846</u>	<u>137,247,622</u>
Total assets	<u>\$ 86,870,385</u>	<u>\$ 268,707,632</u>	<u>\$ 23,680,465</u>	<u>\$ 13,815,280</u>	<u>\$ 141,813,556</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	156,838	227,083	15,782	-	232,649
Payable for securities purchased	260,615	-	20,667	4,784	-
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,421</u>
Total liabilities	<u>417,453</u>	<u>227,083</u>	<u>36,449</u>	<u>4,784</u>	<u>311,070</u>
Net assets available to participants	<u>86,452,932</u>	<u>268,480,549</u>	<u>23,644,016</u>	<u>13,810,496</u>	<u>141,502,486</u>
Total liabilities and net assets	<u>\$ 86,870,385</u>	<u>\$ 268,707,632</u>	<u>\$ 23,680,465</u>	<u>\$ 13,815,280</u>	<u>\$ 141,813,556</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	Bright Start Index Age-Based 0-6 years	Bright Start Index Age-Based 7-9 years	Bright Start Index Age-Based 10-11 years	Bright Start Index Age-Based 12-14 years	Bright Start Index Age-Based 15-17 years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 424,701	\$ 2,691,945	\$ 1,645,726	\$ 2,644,527	\$ 4,018,081
Capital shares receivable	403,757	149,689	101,324	97,780	18,293
Securities sold receivable	-	-	126,783	-	-
Dividends receivable	17,312	18,893	18,460	35,702	35,786
Mutual funds	<u>56,277,861</u>	<u>25,714,881</u>	<u>16,812,577</u>	<u>24,332,073</u>	<u>16,624,175</u>
Total assets	<u>\$ 57,123,631</u>	<u>\$ 28,575,408</u>	<u>\$ 18,704,870</u>	<u>\$ 27,110,082</u>	<u>\$ 20,696,335</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	107,393	2,133	-	14,507	5,876
Payable for securities purchased	158,841	67,619	18,452	99,019	87,308
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>266,234</u>	<u>69,752</u>	<u>18,452</u>	<u>113,526</u>	<u>93,184</u>
Net assets available to participants	<u>56,857,397</u>	<u>28,505,656</u>	<u>18,686,418</u>	<u>26,996,556</u>	<u>20,603,151</u>
Total liabilities and net assets	<u>\$ 57,123,631</u>	<u>\$ 28,575,408</u>	<u>\$ 18,704,870</u>	<u>\$ 27,110,082</u>	<u>\$ 20,696,335</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	Bright Start Index Age-Based 18 years	Bright Start Index Static Equity	Bright Start Index Static Balanced	Bright Start Index Static Fixed Income	Bright Start Direct Sold Active Blended Age-Based 0-6 years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 2,146,513	\$ 442,306	\$ 1,997,344	\$ 6,342,742	\$ 286,940
Capital shares receivable	12,739	88,017	23,301	20,092	185,469
Securities sold receivable	-	-	-	7,022	292,469
Dividends receivable	25,373	-	27,630	90,236	-
Mutual funds	<u>8,357,803</u>	<u>79,961,475</u>	<u>18,772,428</u>	<u>25,242,580</u>	<u>121,369,723</u>
 Total assets	 <u>\$ 10,542,428</u>	 <u>\$ 80,491,798</u>	 <u>\$ 20,820,703</u>	 <u>\$ 31,702,672</u>	 <u>\$ 122,134,601</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	10,100	8,648	-	35,223	157,710
Payable for securities purchased	110,129	40,404	30,863	89,326	-
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,722</u>
 Total liabilities	 <u>120,229</u>	 <u>49,052</u>	 <u>30,863</u>	 <u>124,549</u>	 <u>164,432</u>
 Net assets available to participants	 <u>10,422,199</u>	 <u>80,442,746</u>	 <u>20,789,840</u>	 <u>31,578,123</u>	 <u>121,970,169</u>
 Total liabilities and net assets	 <u>\$ 10,542,428</u>	 <u>\$ 80,491,798</u>	 <u>\$ 20,820,703</u>	 <u>\$ 31,702,672</u>	 <u>\$ 122,134,601</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	Bright Start Direct Sold Active Blended Age-Based 7-9 years	Bright Start Direct Sold Active Blended Age-Based 10-11 years	Bright Start Direct Sold Active Blended Age-Based 12-14 years	Bright Start Direct Sold Active Blended Age-Based 15-17 years	Bright Start Direct Sold Active Blended Age-Based 18 years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 601,508	\$ 391,378	\$ 432,903	\$ 8,067,030	\$ 8,290,281
Capital shares receivable	94,835	173,722	124,268	66,327	34,831
Securities sold receivable	-	-	9,618	35,072	-
Dividends receivable	54,455	30,314	82,185	91,736	97,474
Mutual funds	<u>112,372,950</u>	<u>60,072,558</u>	<u>87,838,049</u>	<u>70,800,705</u>	<u>42,119,392</u>
Total assets	<u>\$ 113,123,748</u>	<u>\$ 60,667,972</u>	<u>\$ 88,487,023</u>	<u>\$ 79,060,870</u>	<u>\$ 50,541,978</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	149,703	109,040	26,992	25,308	49,249
Payable for securities purchased	90,386	119,117	82,184	91,699	211,906
Other liabilities	<u>5,267</u>	<u>1,802</u>	<u>1,225</u>	<u>1,341</u>	<u>542</u>
Total liabilities	<u>245,356</u>	<u>229,959</u>	<u>110,401</u>	<u>118,348</u>	<u>261,697</u>
Net assets available to participants	<u>112,878,392</u>	<u>60,438,013</u>	<u>88,376,622</u>	<u>78,942,522</u>	<u>50,280,281</u>
Total liabilities and net assets	<u>\$ 113,123,748</u>	<u>\$ 60,667,972</u>	<u>\$ 88,487,023</u>	<u>\$ 79,060,870</u>	<u>\$ 50,541,978</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	Bright Start Direct Sold Active Static Equity	Bright Start Direct Sold Active Static Fixed Income	Bright Start Direct Sold Active Static Balanced	Total
ASSETS				
Deposits and investments, at market				
Cash and cash equivalents	\$ 858,985	\$ 2,310,486	\$ 1,558,274	\$ 82,363,909
Capital shares receivable	79,949	46,224	8,907	3,971,226
Securities sold receivable	-	-	-	1,257,439
Dividends receivable	-	753	417	1,239,446
Mutual funds	158,352,592	12,181,003	16,734,311	2,004,879,967
	<u>158,352,592</u>	<u>12,181,003</u>	<u>16,734,311</u>	<u>2,004,879,967</u>
Total assets	<u>\$ 159,291,526</u>	<u>\$ 14,538,466</u>	<u>\$ 18,301,909</u>	<u>\$ 2,093,711,987</u>
LIABILITIES AND NET ASSETS				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accrued liabilities				
Payable for capital shares	7,035	655	6,919	2,365,606
Payable for securities purchased	60,683	11,485	13,147	2,028,810
Other liabilities	1,100	-	231	96,651
	<u>1,100</u>	<u>-</u>	<u>231</u>	<u>96,651</u>
Total liabilities	<u>68,818</u>	<u>12,140</u>	<u>20,297</u>	<u>4,491,067</u>
Net assets available to participants	<u>159,222,708</u>	<u>14,526,326</u>	<u>18,281,612</u>	<u>2,089,220,920</u>
Total liabilities and net assets	<u>\$ 159,291,526</u>	<u>\$ 14,538,466</u>	<u>\$ 18,301,909</u>	<u>\$ 2,093,711,987</u>

State of Illinois
Office of the Treasurer
BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO
As of 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
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 1,266	\$ -	\$ -	\$ 1,097
Dividends receivable					
Mutual funds	<u>-</u>	<u>7,015,104</u>	<u>4,383,396</u>	<u>710,016</u>	<u>2,897,929</u>
Total assets	<u>\$ -</u>	<u>\$ 7,016,370</u>	<u>\$ 4,383,396</u>	<u>\$ 710,016</u>	<u>\$ 2,899,026</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>-</u>	<u>7,998</u>	<u>4,557</u>	<u>812</u>	<u>3,109</u>
Total liabilities	<u>-</u>	<u>7,998</u>	<u>4,557</u>	<u>812</u>	<u>3,109</u>
Net assets available to participants	<u>-</u>	<u>7,008,372</u>	<u>4,378,839</u>	<u>709,204</u>	<u>2,895,917</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 7,016,370</u>	<u>\$ 4,383,396</u>	<u>\$ 710,016</u>	<u>\$ 2,899,026</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	American Century Vista 529 Portfolio	Ariel 529 Portfolio	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Income 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 10	\$ 18,470,172	\$ 80	\$ 23,105
Dividends receivable			3,625	5,399	
Mutual funds	-	2,888,368	-	2,298,673	4,511,258
Total assets	<u>\$ -</u>	<u>\$ 2,888,378</u>	<u>\$ 18,473,797</u>	<u>\$ 2,304,152</u>	<u>\$ 4,534,363</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	-	3,445	2,706	2,315	4,485
Total liabilities	-	3,445	2,706	2,315	4,485
Net assets available to participants	-	2,884,933	18,471,091	2,301,837	4,529,878
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 2,888,378</u>	<u>\$ 18,473,797</u>	<u>\$ 2,304,152</u>	<u>\$ 4,534,363</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	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	Female & Minority Owned Growth 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 23,463	\$ -	\$ -	\$ -
Dividends receivable			137		
Mutual funds	<u>1,738,784</u>	<u>2,414,760</u>	<u>34,925</u>	<u>10,372,894</u>	<u>5,211</u>
Total assets	<u>\$ 1,738,784</u>	<u>\$ 2,438,223</u>	<u>\$ 35,062</u>	<u>\$ 10,372,894</u>	<u>\$ 5,211</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>2,242</u>	<u>3,343</u>	<u>27</u>	<u>17,352</u>	<u>6</u>
Total liabilities	<u>2,242</u>	<u>3,343</u>	<u>27</u>	<u>17,352</u>	<u>6</u>
Net assets available to participants	<u>1,736,542</u>	<u>2,434,880</u>	<u>35,035</u>	<u>10,355,542</u>	<u>5,205</u>
Total liabilities and net assets	<u>\$ 1,738,784</u>	<u>\$ 2,438,223</u>	<u>\$ 35,062</u>	<u>\$ 10,372,894</u>	<u>\$ 5,211</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	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, at market					
Cash and cash equivalents	\$ -	\$ 15	\$ 34	\$ -	\$ -
Dividends receivable					33
Mutual funds	<u>108,989</u>	<u>493,600</u>	<u>607,485</u>	<u>92,290</u>	<u>61,539</u>
Total assets	<u>\$ 108,989</u>	<u>\$ 493,615</u>	<u>\$ 607,519</u>	<u>\$ 92,290</u>	<u>\$ 61,572</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>139</u>	<u>519</u>	<u>468</u>	<u>108</u>	<u>23</u>
Total liabilities	<u>139</u>	<u>519</u>	<u>468</u>	<u>108</u>	<u>23</u>
Net assets available to participants	<u>108,850</u>	<u>493,096</u>	<u>607,051</u>	<u>92,182</u>	<u>61,549</u>
Total liabilities and net assets	<u>\$ 108,989</u>	<u>\$ 493,615</u>	<u>\$ 607,519</u>	<u>\$ 92,290</u>	<u>\$ 61,572</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	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
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends receivable					
Mutual funds	<u>5,449,252</u>	<u>4,432,477</u>	<u>1,666,823</u>	<u>3,364,788</u>	<u>8,691,698</u>
Total assets	<u>\$ 5,449,252</u>	<u>\$ 4,432,477</u>	<u>\$ 1,666,823</u>	<u>\$ 3,364,788</u>	<u>\$ 8,691,698</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>12,347</u>	<u>4,026</u>	<u>2,975</u>	<u>4,506</u>	<u>171,046</u>
Total liabilities	<u>12,347</u>	<u>4,026</u>	<u>2,975</u>	<u>4,506</u>	<u>171,046</u>
Net assets available to participants	<u>5,436,905</u>	<u>4,428,451</u>	<u>1,663,848</u>	<u>3,360,282</u>	<u>8,520,652</u>
Total liabilities and net assets	<u>\$ 5,449,252</u>	<u>\$ 4,432,477</u>	<u>\$ 1,666,823</u>	<u>\$ 3,364,788</u>	<u>\$ 8,691,698</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	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
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 26,618	\$ -	\$ 166,625	\$ -
Dividends receivable		9,014	4,536	64,234	
Mutual funds	<u>140,680</u>	<u>6,475,527</u>	<u>5,851,844</u>	<u>25,547,934</u>	<u>320,659</u>
Total assets	<u>\$ 140,680</u>	<u>\$ 6,511,159</u>	<u>\$ 5,856,380</u>	<u>\$ 25,778,793</u>	<u>\$ 320,659</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>195</u>	<u>6,112</u>	<u>6,825</u>	<u>26,906</u>	<u>350</u>
Total liabilities	<u>195</u>	<u>6,112</u>	<u>6,825</u>	<u>26,906</u>	<u>350</u>
Net assets available to participants	<u>140,485</u>	<u>6,505,047</u>	<u>5,849,555</u>	<u>25,751,887</u>	<u>320,309</u>
Total liabilities and net assets	<u>\$ 140,680</u>	<u>\$ 6,511,159</u>	<u>\$ 5,856,380</u>	<u>\$ 25,778,793</u>	<u>\$ 320,659</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of 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
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 14,354	\$ -	\$ 22,203	\$ 69	\$ 23,512
Dividends receivable					
Mutual funds	<u>3,673,984</u>	<u>6,239,913</u>	<u>6,876,929</u>	<u>6,380,828</u>	<u>2,792,898</u>
Total assets	<u>\$ 3,688,338</u>	<u>\$ 6,239,913</u>	<u>\$ 6,899,132</u>	<u>\$ 6,380,897</u>	<u>\$ 2,816,410</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>3,736</u>	<u>10,717</u>	<u>8,532</u>	<u>8,167</u>	<u>3,116</u>
Total liabilities	<u>3,736</u>	<u>10,717</u>	<u>8,532</u>	<u>8,167</u>	<u>3,116</u>
Net assets available to participants	<u>3,684,602</u>	<u>6,229,196</u>	<u>6,890,600</u>	<u>6,372,730</u>	<u>2,813,294</u>
Total liabilities and net assets	<u>\$ 3,688,338</u>	<u>\$ 6,239,913</u>	<u>\$ 6,899,132</u>	<u>\$ 6,380,897</u>	<u>\$ 2,816,410</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	William Blair Mid Cap Growth 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10	Fund 20
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 290	\$ -	\$ 2,542,162	\$ 7,198,200	\$ 8,160,957
Dividends receivable			3,683	13,019	34,319
Mutual funds	<u>2,248,241</u>	<u>5,197,311</u>	<u>2,523,929</u>	<u>10,789,214</u>	<u>32,642,311</u>
Total assets	<u>\$ 2,248,531</u>	<u>\$ 5,197,311</u>	<u>\$ 5,069,774</u>	<u>\$ 18,000,433</u>	<u>\$ 40,837,587</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>2,281</u>	<u>5,786</u>	<u>6,843</u>	<u>23,646</u>	<u>51,758</u>
Total liabilities	<u>2,281</u>	<u>5,786</u>	<u>6,843</u>	<u>23,646</u>	<u>51,758</u>
Net assets available to participants	<u>2,246,250</u>	<u>5,191,525</u>	<u>5,062,931</u>	<u>17,976,787</u>	<u>40,785,829</u>
Total liabilities and net assets	<u>\$ 2,248,531</u>	<u>\$ 5,197,311</u>	<u>\$ 5,069,774</u>	<u>\$ 18,000,433</u>	<u>\$ 40,837,587</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2010

	Fund 40	Fund 60	Fund 80	Fund 100	TOTAL
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 2,262	\$ -	\$ -	\$ 36,676,494
Dividends receivable	57,789	60,812	39,338		295,938
Mutual funds	<u>69,869,794</u>	<u>94,246,552</u>	<u>116,574,429</u>	<u>69,598,524</u>	<u>532,231,760</u>
Total assets	<u>\$ 69,927,583</u>	<u>\$ 94,309,626</u>	<u>\$ 116,613,767</u>	<u>\$ 69,598,524</u>	<u>\$ 569,204,192</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>121,237</u>	<u>117,033</u>	<u>196,520</u>	<u>120,004</u>	<u>968,318</u>
Total liabilities	<u>121,237</u>	<u>117,033</u>	<u>196,520</u>	<u>120,004</u>	<u>968,318</u>
Net assets available to participants	<u>69,806,346</u>	<u>94,192,593</u>	<u>116,417,247</u>	<u>69,478,520</u>	<u>568,235,874</u>
Total liabilities and net assets	<u>\$ 69,927,583</u>	<u>\$ 94,309,626</u>	<u>\$ 116,613,767</u>	<u>\$ 69,598,524</u>	<u>\$ 569,204,192</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO
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	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
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 13,966	\$ 7,262	\$ 7	\$ 3,088
Dividends receivable	-	-	-	-	-
Mutual funds	<u>12,577</u>	<u>6,225,907</u>	<u>3,629,041</u>	<u>186,017</u>	<u>2,190,021</u>
Total assets	<u>\$ 12,577</u>	<u>\$ 6,239,873</u>	<u>\$ 3,636,303</u>	<u>\$ 186,024</u>	<u>\$ 2,193,109</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>7</u>	<u>6,212</u>	<u>3,399</u>	<u>106</u>	<u>2,114</u>
Total liabilities	<u>7</u>	<u>6,212</u>	<u>3,399</u>	<u>106</u>	<u>2,114</u>
Net assets available to participants	<u>12,570</u>	<u>6,233,661</u>	<u>3,632,904</u>	<u>185,918</u>	<u>2,190,995</u>
Total liabilities and net assets	<u>\$ 12,577</u>	<u>\$ 6,239,873</u>	<u>\$ 3,636,303</u>	<u>\$ 186,024</u>	<u>\$ 2,193,109</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	American Century Vista 529 Portfolio	Ariel 529 Portfolio	Barclays Institutional Money Market 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Income 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 8,957	\$ 11,770	\$ 21,062,976	\$ 2	\$ 2,447
Dividends receivable	-	-	6,944	-	-
Mutual funds	<u>1,781,022</u>	<u>2,083,551</u>	<u>-</u>	<u>611,501</u>	<u>4,429,979</u>
Total assets	<u>\$ 1,789,979</u>	<u>\$ 2,095,321</u>	<u>\$ 21,069,920</u>	<u>\$ 611,503</u>	<u>\$ 4,432,426</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>1,788</u>	<u>2,113</u>	<u>3,829</u>	<u>390</u>	<u>4,338</u>
Total liabilities	<u>1,788</u>	<u>2,113</u>	<u>3,829</u>	<u>390</u>	<u>4,338</u>
Net assets available to participants	<u>1,788,191</u>	<u>2,093,208</u>	<u>21,066,091</u>	<u>611,113</u>	<u>4,428,088</u>
Total liabilities and net assets	<u>\$ 1,789,979</u>	<u>\$ 2,095,321</u>	<u>\$ 21,069,920</u>	<u>\$ 611,503</u>	<u>\$ 4,432,426</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	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	Female & Minority Owned Growth 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 156	\$ 2,821	\$ -	\$ 7,907	\$ -
Dividends receivable	-	-	164	-	-
Mutual funds	<u>1,369,065</u>	<u>1,872,133</u>	<u>22,933</u>	<u>8,416,453</u>	<u>2,236</u>
Total assets	<u>\$ 1,369,221</u>	<u>\$ 1,874,954</u>	<u>\$ 23,097</u>	<u>\$ 8,424,360</u>	<u>\$ 2,236</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>1,421</u>	<u>2,482</u>	<u>31</u>	<u>10,086</u>	<u>2</u>
Total liabilities	<u>1,421</u>	<u>2,482</u>	<u>31</u>	<u>10,086</u>	<u>2</u>
Net assets available to participants	<u>1,367,800</u>	<u>1,872,472</u>	<u>23,066</u>	<u>8,414,274</u>	<u>2,234</u>
Total liabilities and net assets	<u>\$ 1,369,221</u>	<u>\$ 1,874,954</u>	<u>\$ 23,097</u>	<u>\$ 8,424,360</u>	<u>\$ 2,236</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	FMA Small Company 529 Portfolio	Forward Small Cap Equity 529 Portfolio	ING Global Real Estate 529 Portfolio	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Institutional Diversified Growth 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 17	\$ -
Dividends receivable	-	-	-	-	-
Mutual funds	<u>329,119</u>	<u>73,088</u>	<u>177,705</u>	<u>45,908</u>	<u>-</u>
Total assets	<u>\$ 329,119</u>	<u>\$ 73,088</u>	<u>\$ 177,705</u>	<u>\$ 45,925</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>191</u>	<u>78</u>	<u>101</u>	<u>54</u>	<u>-</u>
Total liabilities	<u>191</u>	<u>78</u>	<u>101</u>	<u>54</u>	<u>-</u>
Net assets available to participants	<u>328,928</u>	<u>73,010</u>	<u>177,604</u>	<u>45,871</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 329,119</u>	<u>\$ 73,088</u>	<u>\$ 177,705</u>	<u>\$ 45,925</u>	<u>\$ -</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	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
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 308	\$ 8,728	\$ 2,308	\$ 5,617	\$ 15,011
Dividends receivable	-	-	-	-	-
Mutual funds	<u>4,062,817</u>	<u>3,308,679</u>	<u>1,158,856</u>	<u>2,513,965</u>	<u>6,035,219</u>
Total assets	<u>\$ 4,063,125</u>	<u>\$ 3,317,407</u>	<u>\$ 1,161,164</u>	<u>\$ 2,519,582</u>	<u>\$ 6,050,230</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>3,085</u>	<u>2,493</u>	<u>904</u>	<u>2,860</u>	<u>7,089</u>
Total liabilities	<u>3,085</u>	<u>2,493</u>	<u>904</u>	<u>2,860</u>	<u>7,089</u>
Net assets available to participants	<u>4,060,040</u>	<u>3,314,914</u>	<u>1,160,260</u>	<u>2,516,722</u>	<u>6,043,141</u>
Total liabilities and net assets	<u>\$ 4,063,125</u>	<u>\$ 3,317,407</u>	<u>\$ 1,161,164</u>	<u>\$ 2,519,582</u>	<u>\$ 6,050,230</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
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	Payden Market Return 529 Portfolio	Payden US Growth Leaders 529 Portfolio	Pimco Low Duration 529 Portfolio	Pimco Short-Term 529 Portfolio	Pimco Total Return 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 29	\$ 15	\$ 61	\$ 121,243
Dividends receivable	-	-	14,477	9,119	76,945
Mutual funds	-	111,717	4,258,216	3,661,766	15,643,590
Total assets	<u>\$ -</u>	<u>\$ 111,746</u>	<u>\$ 4,272,708</u>	<u>\$ 3,670,946</u>	<u>\$ 15,841,778</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	-	143	3,415	3,479	14,880
Total liabilities	-	143	3,415	3,479	14,880
Net assets available to participants	-	111,603	4,269,293	3,667,467	15,826,898
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 111,746</u>	<u>\$ 4,272,708</u>	<u>\$ 3,670,946</u>	<u>\$ 15,841,778</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
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	SIT Dividend Growth 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
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 9,683	\$ 12,290	\$ 401	\$ 19,665
Dividends receivable	-	-	-	-	-
Mutual funds	<u>27,963</u>	<u>5,128,867</u>	<u>4,925,726</u>	<u>2,513,696</u>	<u>4,244,766</u>
Total assets	<u>\$ 27,963</u>	<u>\$ 5,138,550</u>	<u>\$ 4,938,016</u>	<u>\$ 2,514,097</u>	<u>\$ 4,264,431</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>25</u>	<u>6,239</u>	<u>5,510</u>	<u>2,283</u>	<u>5,317</u>
Total liabilities	<u>25</u>	<u>6,239</u>	<u>5,510</u>	<u>2,283</u>	<u>5,317</u>
Net assets available to participants	<u>27,938</u>	<u>5,132,311</u>	<u>4,932,506</u>	<u>2,511,814</u>	<u>4,259,114</u>
Total liabilities and net assets	<u>\$ 27,963</u>	<u>\$ 5,138,550</u>	<u>\$ 4,938,016</u>	<u>\$ 2,514,097</u>	<u>\$ 4,264,431</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2009

	T.Rowe Price Real Estate 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10	Fund 20
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 2,746	\$ 9,087	\$ 2,127,169	\$ 5,017,540	\$ 5,436,142
Dividends receivable	-	-	5,321	15,721	48,789
Mutual funds	<u>1,654,647</u>	<u>3,580,083</u>	<u>2,124,255</u>	<u>7,526,450</u>	<u>21,744,570</u>
Total assets	<u>\$ 1,657,393</u>	<u>\$ 3,589,170</u>	<u>\$ 4,256,745</u>	<u>\$ 12,559,711</u>	<u>\$ 27,229,501</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>1,713</u>	<u>3,170</u>	<u>5,425</u>	<u>16,119</u>	<u>33,341</u>
Total liabilities	<u>1,713</u>	<u>3,170</u>	<u>5,425</u>	<u>16,119</u>	<u>33,341</u>
Net assets available to participants	<u>1,655,680</u>	<u>3,586,000</u>	<u>4,251,320</u>	<u>12,543,592</u>	<u>27,196,160</u>
Total liabilities and net assets	<u>\$ 1,657,393</u>	<u>\$ 3,589,170</u>	<u>\$ 4,256,745</u>	<u>\$ 12,559,711</u>	<u>\$ 27,229,501</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
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	Fund 40	Fund 60	Fund 80	Fund 100	TOTAL
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 124,456	\$ -	\$ 55,396	\$ 73,523	\$ 34,162,794
Dividends receivable	82,222	97,937	81,238	-	438,877
Mutual funds	<u>44,744,984</u>	<u>64,003,258</u>	<u>80,454,258</u>	<u>53,608,268</u>	<u>370,494,872</u>
Total assets	<u>\$ 44,951,662</u>	<u>\$ 64,101,195</u>	<u>\$ 80,590,892</u>	<u>\$ 53,681,791</u>	<u>\$ 405,096,543</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ 9,804	\$ -	\$ -	\$ 9,804
Accrued liabilities					
Other liabilities	<u>52,869</u>	<u>74,077</u>	<u>87,977</u>	<u>58,370</u>	<u>429,525</u>
Total liabilities	<u>52,869</u>	<u>83,881</u>	<u>87,977</u>	<u>58,370</u>	<u>439,329</u>
Net assets available to participants	<u>44,898,793</u>	<u>64,017,314</u>	<u>80,502,915</u>	<u>53,623,421</u>	<u>404,657,214</u>
Total liabilities and net assets	<u>\$ 44,951,662</u>	<u>\$ 64,101,195</u>	<u>\$ 80,590,892</u>	<u>\$ 53,681,791</u>	<u>\$ 405,096,543</u>

State of Illinois
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BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO
For the 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
Operations					
Revenues (expenditures)					
Investment earnings	\$ 97,596	\$ (130,331)	\$ (44,270)	\$ (276,497)	\$ (239,522)
Gain (loss) on sale of securities	(1,321,888)	(1,181,706)	(54,923)	(820,279)	222,974
Net change in fair value of investments	15,451,661	14,528,832	7,415,381	11,958,560	8,812,347
Interest expense					
Management fees	(194,652)	(216,930)	(136,488)	(203,446)	(198,554)
Distribution fees	(301,350)	(303,198)	(192,949)	(280,728)	(270,862)
State administrative fees	(38,929)	(43,385)	(27,297)	(40,688)	(39,710)
Insurance Fees	-	-	-	-	-
Net investment earnings (loss)	13,692,438	12,653,282	6,959,454	10,336,922	8,286,673
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	37,499,630	68,755,726	69,422,334	73,017,996	72,391,066
Program distributions	(52,773,305)	(64,816,590)	(53,266,869)	(59,134,318)	(53,288,357)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	(15,273,675)	3,939,136	16,155,465	13,883,678	19,102,709
Net increase (decrease) in net assets	(1,581,237)	16,592,418	23,114,919	24,220,600	27,389,382
Net assets, June 30, 2009	<u>119,534,162</u>	<u>125,659,587</u>	<u>76,786,599</u>	<u>117,403,173</u>	<u>116,148,189</u>
Net assets, June 30, 2010	<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>

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2010

	Bright Start Advisor Age Based 18 years	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Principal Protection Income
Operations					
Revenues (expenditures)					
Investment earnings	\$ (680,153)	\$ 118,304	\$ 14,418	\$ 76,516	\$ 2,799,385
Gain (loss) on sale of securities	(904,092)	(3,817,367)	(360,639)	(1,193,230)	
Net change in fair value of investments	5,710,751	35,231,339	2,392,181	1,992,127	
Interest expense					
Management fees	(140,759)	(450,494)	(45,976)	(24,026)	(613,779)
Distribution fees	(185,871)	(630,279)	(77,501)	(36,891)	(159,841)
State administrative fees	(28,151)	(90,097)	(9,195)	(4,805)	(42,328)
Insurance Fees	-	-	-	-	(183,358)
Net investment earnings (loss)	3,771,725	30,361,406	1,913,288	809,691	1,800,079
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	60,937,123	45,349,695	16,500,245	9,914,746	65,589,867
Program distributions	(39,824,921)	(62,373,908)	(7,020,150)	(4,951,390)	(59,776,251)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	21,112,202	(17,024,213)	9,480,095	4,963,356	5,813,616
Net increase (decrease) in net assets	24,883,927	13,337,193	11,393,383	5,773,047	7,613,695
Net assets, June 30, 2009	<u>86,452,932</u>	<u>268,480,549</u>	<u>23,644,016</u>	<u>13,810,496</u>	<u>141,502,486</u>
Net assets, June 30, 2010	<u>\$ 111,336,859</u>	<u>\$ 281,817,742</u>	<u>\$ 35,037,399</u>	<u>\$ 19,583,543</u>	<u>\$ 149,116,181</u>

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BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2010

	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years
Operations					
Revenues (expenditures)					
Investment earnings	\$ 1,624,497	\$ 810,708	\$ 601,140	\$ 946,237	\$ 752,773
Gain (loss) on sale of securities	(2,428,364)	(1,832,608)	(1,179,305)	(1,453,430)	(717,890)
Net change in fair value of investments	7,102,595	4,065,967	2,621,329	3,313,681	1,986,090
Interest expense					
Management fees	(108,239)	(53,156)	(35,967)	(52,526)	(41,447)
Distribution fees					
State administrative fees					
Insurance Fees	-	-	-	-	-
Net investment earnings (loss)	6,190,489	2,990,911	2,007,197	2,753,962	1,979,526
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	36,852,737	25,799,575	21,890,756	28,001,135	23,202,505
Program distributions	(15,540,086)	(14,252,909)	(13,419,312)	(12,671,000)	(8,835,836)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	21,312,651	11,546,666	8,471,444	15,330,135	14,366,669
Net increase (decrease) in net assets	27,503,140	14,537,577	10,478,641	18,084,097	16,346,195
Net assets, June 30, 2009	<u>56,857,397</u>	<u>28,505,656</u>	<u>18,686,418</u>	<u>26,996,556</u>	<u>20,603,151</u>
Net assets, June 30, 2010	<u>\$ 84,360,537</u>	<u>\$ 43,043,233</u>	<u>\$ 29,165,059</u>	<u>\$ 45,080,653</u>	<u>\$ 36,949,346</u>

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For the year ended June 30, 2010

	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years
Operations					
Revenues (expenditures)					
Investment earnings	\$ 432,397	\$ 2,069,313	\$ 739,208	\$ 1,274,744	\$ 45
Gain (loss) on sale of securities	(100,183)	(3,129,913)	(1,094,484)	(13,232)	(2,009,980)
Net change in fair value of investments	713,825	10,047,580	2,502,692	1,680,359	17,280,060
Interest expense					
Management fees	(20,709)	(151,322)	(41,167)	(57,288)	(290,846)
Distribution fees					
State administrative fees					(39,822)
Insurance Fees	-	-	-	-	-
Net investment earnings (loss)	1,025,330	8,835,658	2,106,249	2,884,583	14,939,457
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	14,265,309	42,119,407	17,352,054	25,451,679	34,187,921
Program distributions	(4,938,691)	(14,441,110)	(4,786,227)	(10,983,135)	(49,327,866)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	9,326,618	27,678,297	12,565,827	14,468,544	(15,139,945)
Net increase (decrease) in net assets	10,351,948	36,513,955	14,672,076	17,353,127	(200,488)
Net assets, June 30, 2009	10,422,199	80,442,746	20,789,840	31,578,123	121,970,169
Net assets, June 30, 2010	\$ 20,774,147	\$ 116,956,701	\$ 35,461,916	\$ 48,931,250	\$ 121,769,681

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2010

	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	Bright Start Blended Age Based 18 years
Operations					
Revenues (expenditures)					
Investment earnings	\$ (341,313)	\$ (200,953)	\$ (512,539)	\$ (525,732)	\$ (528,828)
Gain (loss) on sale of securities	(1,714,605)	(1,057,712)	(1,590,420)	(556,444)	(273,250)
Net change in fair value of investments	15,014,890	7,543,663	10,666,693	6,957,857	3,222,593
Interest expense					
Management fees	(278,482)	(138,763)	(168,960)	(149,772)	(90,245)
Distribution fees					
State administrative fees	(40,330)	(22,364)	(30,425)	(26,481)	(16,694)
Insurance Fees	-	-	-	-	-
Net investment earnings (loss)	12,640,160	6,123,871	8,364,349	5,699,428	2,313,576
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	62,502,362	53,729,895	51,178,475	47,600,397	39,792,755
Program distributions	(48,474,383)	(37,791,619)	(38,638,823)	(34,493,760)	(24,575,676)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	14,027,979	15,938,276	12,539,652	13,106,637	15,217,079
Net increase (decrease) in net assets	26,668,139	22,062,147	20,904,001	18,806,065	17,530,655
Net assets, June 30, 2009	112,878,392	60,438,013	88,376,622	78,942,522	50,280,281
Net assets, June 30, 2010	<u>\$ 139,546,531</u>	<u>\$ 82,500,160</u>	<u>\$ 109,280,623</u>	<u>\$ 97,748,587</u>	<u>\$ 67,810,936</u>

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2010

	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Total
Operations				
Revenues (expenditures)				
Investment earnings	\$ 61	\$ 6,011	\$ 4,068	\$ 8,887,283
Gain (loss) on sale of securities	(1,607,605)	(1,931,448)	(685,787)	(32,807,810)
Net change in fair value of investments	19,938,710	3,254,338	2,585,540	223,991,641
Interest expense				-
Management fees	(297,419)	(23,772)	(35,936)	(4,261,120)
Distribution fees				(2,439,470)
State administrative fees	(56,109)	(4,754)	(6,533)	(608,097)
Insurance Fees	-	-	-	(183,358)
Net investment earnings (loss)	17,977,638	1,300,375	1,861,352	192,579,069
Distributions to shareholders				
Net investment income	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-
Participant transactions				
Program contributions	30,196,915	8,035,942	8,501,317	1,090,039,564
Program distributions	(22,442,313)	(5,317,829)	(4,082,077)	(822,238,711)
Distributions reinvested	-	-	-	-
Total increase (decrease) from participant transactions	7,754,602	2,718,113	4,419,240	267,800,853
Net increase (decrease) in net assets	25,732,240	4,018,488	6,280,592	460,379,922
Net assets, June 30, 2009	159,222,708	14,526,326	18,281,612	2,089,220,920
Net assets, June 30, 2010	<u>\$ 184,954,948</u>	<u>\$ 18,544,814</u>	<u>\$ 24,562,204</u>	<u>\$ 2,549,600,842</u>

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	Bright Start Active Age-Based 0-6 years	Bright Start Active Age-Based 7-9 years	Bright Start Active Age-Based 10-11 years	Bright Start Active Age-Based 12-14 years	Bright Start Active Age-Based 15-17 years
Operations					
Revenues (expenditures)					
Investment earnings	\$ 205,936	\$ 750,863	\$ 532,714	\$ 1,313,864	\$ 1,735,353
Gain (loss) on sale of securities	(102,573,140)	(74,351,017)	(45,440,696)	(58,100,651)	(43,050,898)
Net change in fair value of investments	49,532,818	30,166,942	17,611,392	18,896,139	10,331,373
Interest expense	-	-	-	-	-
Management fees	(229,976)	(217,856)	(130,528)	(203,514)	(195,556)
Distribution fees	(273,240)	(264,760)	(158,811)	(243,406)	(238,590)
State administrative fees	(45,971)	(43,539)	(26,070)	(40,661)	(39,061)
Insurance fees	-	-	-	-	-
Net investment earnings (loss)	(53,383,573)	(43,959,367)	(27,611,999)	(38,378,229)	(31,457,379)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	49,234,550	72,863,175	60,316,415	72,072,373	70,095,570
Program distributions	(237,745,312)	(193,584,826)	(129,675,379)	(172,199,311)	(154,759,992)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	(188,510,762)	(120,721,651)	(69,358,964)	(100,126,938)	(84,664,422)
Net increase (decrease) in net assets	(241,894,335)	(164,681,018)	(96,970,963)	(138,505,167)	(116,121,801)
Net assets, June 30, 2008	<u>361,428,497</u>	<u>290,340,605</u>	<u>173,757,562</u>	<u>255,908,340</u>	<u>232,269,990</u>
Net assets, June 30, 2009	<u>\$ 119,534,162</u>	<u>\$ 125,659,587</u>	<u>\$ 76,786,599</u>	<u>\$ 117,403,173</u>	<u>\$ 116,148,189</u>

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BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	Bright Start Active Age-Based 18 years	Bright Start Active Static Equity	Bright Start Active Static Balanced	Bright Start Active Static Fixed Income	Bright Start Principal Protection Income
Operations					
Revenues (expenditures)					
Investment earnings	\$ 2,257,105	\$ 483,473	\$ 23,796	\$ 16,333	\$ 2,299,841
Gain (loss) on sale of securities	(15,452,053)	(184,001,470)	(14,072,550)	(7,929,704)	-
Net change in fair value of investments	324,594	85,708,623	3,505,920	(2,005,680)	-
Interest expense	-	-	-	-	-
Management fees	(138,714)	(443,429)	(39,328)	(29,343)	(507,899)
Distribution fees	(170,895)	(580,293)	(54,198)	(31,016)	(138,955)
State administrative fees	(27,726)	(88,686)	(7,850)	(5,855)	(35,332)
Insurance fees	-	-	-	-	(153,531)
Net investment earnings (loss)	(13,207,689)	(98,921,782)	(10,644,210)	(9,985,265)	1,464,124
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	54,453,050	57,403,326	13,967,900	9,036,807	136,016,334
Program distributions	(107,298,150)	(250,942,870)	(32,867,001)	(35,384,683)	(87,513,405)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	(52,845,100)	(193,539,544)	(18,899,101)	(26,347,876)	48,502,929
Net increase (decrease) in net assets	(66,052,789)	(292,461,326)	(29,543,311)	(36,333,141)	49,967,053
Net assets, June 30, 2008	<u>152,505,721</u>	<u>560,941,875</u>	<u>53,187,327</u>	<u>50,143,637</u>	<u>91,535,433</u>
Net assets, June 30, 2009	<u>\$ 86,452,932</u>	<u>\$ 268,480,549</u>	<u>\$ 23,644,016</u>	<u>\$ 13,810,496</u>	<u>\$ 141,502,486</u>

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	Bright Start Index Age-Based 0-6 years	Bright Start Index Age-Based 7-9 years	Bright Start Index Age-Based 10-11 years	Bright Start Index Age-Based 12-14 years	Bright Start Index Age-Based 15-17 years
Operations					
Revenues (expenditures)					
Investment earnings	\$ 1,444,554	\$ 747,708	\$ 499,174	\$ 749,111	\$ 583,658
Gain (loss) on sale of securities	(2,866,119)	(1,862,317)	(1,402,954)	(1,335,899)	(739,958)
Net change in fair value of investments	(7,081,044)	(2,147,962)	(650,596)	(1,138,221)	(251,622)
Interest expense	-	-	-	-	-
Management fees	(59,968)	(31,324)	(19,920)	(28,994)	(22,401)
Distribution fees	-	-	-	-	-
State administrative fees	-	-	-	-	-
Insurance fees	-	-	-	-	-
Net investment earnings (loss)	(8,562,577)	(3,293,895)	(1,574,296)	(1,754,003)	(430,323)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	36,045,761	20,166,279	15,193,713	18,319,125	13,869,552
Program distributions	(9,158,216)	(8,400,262)	(7,272,102)	(7,459,987)	(5,989,168)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	26,887,545	11,766,017	7,921,611	10,859,138	7,880,384
Net increase (decrease) in net assets	18,324,968	8,472,122	6,347,315	9,105,135	7,450,061
Net assets, June 30, 2008	<u>38,532,429</u>	<u>20,033,534</u>	<u>12,339,103</u>	<u>17,891,421</u>	<u>13,153,090</u>
Net assets, June 30, 2009	<u>\$ 56,857,397</u>	<u>\$ 28,505,656</u>	<u>\$ 18,686,418</u>	<u>\$ 26,996,556</u>	<u>\$ 20,603,151</u>

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BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	Bright Start Index Age-Based 18 years	Bright Start Index Static Equity	Bright Start Index Static Balanced	Bright Start Index Static Fixed Income	Bright Start Direct Sold Active Blended Age-Based 0-6 years
Operations					
Revenues (expenditures)					
Investment earnings	\$ 291,607	\$ 1,985,194	\$ 562,255	\$ 808,613	\$ 1,195
Gain (loss) on sale of securities	(183,416)	(4,855,681)	(628,423)	(30,326)	(30,204,863)
Net change in fair value of investments	126,438	(12,390,797)	(1,057,494)	364,140	(15,792,411)
Interest expense	-	-	(11)	-	-
Management fees	(10,463)	(87,067)	(21,807)	(28,448)	(207,637)
Distribution fees	-	-	-	-	-
State administrative fees	-	-	-	-	(31,043)
Insurance fees	-	-	-	-	-
Net investment earnings (loss)	224,166	(15,348,351)	(1,145,480)	1,113,979	(46,234,759)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	8,242,135	40,792,167	11,339,783	26,402,025	206,740,137
Program distributions	(4,095,499)	(4,990,067)	(2,318,861)	(6,554,706)	(38,535,209)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	4,146,636	35,802,100	9,020,922	19,847,319	168,204,928
Net increase (decrease) in net assets	4,370,802	20,453,749	7,875,442	20,961,298	121,970,169
Net assets, June 30, 2008	6,051,397	59,988,997	12,914,398	10,616,825	-
Net assets, June 30, 2009	<u>\$ 10,422,199</u>	<u>\$ 80,442,746</u>	<u>\$ 20,789,840</u>	<u>\$ 31,578,123</u>	<u>\$ 121,970,169</u>

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	Bright Start Direct Sold Active Blended Age-Based 7-9 years	Bright Start Direct Sold Active Blended Age-Based 10-11 years	Bright Start Direct Sold Active Blended Age-Based 12-14 years	Bright Start Direct Sold Active Blended Age-Based 15-17 years	Bright Start Direct Sold Active Blended Age-Based 18 years
Operations					
Revenues (expenditures)					
Investment earnings	\$ 534,122	\$ 350,990	\$ 893,673	\$ 1,089,080	\$ 1,186,361
Gain (loss) on sale of securities	(23,876,014)	(14,729,316)	(18,227,468)	(17,395,798)	(6,574,498)
Net change in fair value of investments	(7,951,375)	(3,613,316)	(5,842,521)	(1,524,457)	(709,743)
Interest expense	-	-	-	-	-
Management fees	(170,508)	(86,426)	(117,331)	(108,634)	(64,179)
Distribution fees	-	-	-	-	-
State administrative fees	(26,415)	(14,602)	(21,602)	(19,682)	(12,021)
Insurance fees	-	-	-	-	-
Net investment earnings (loss)	(31,490,190)	(18,092,670)	(23,315,249)	(17,959,491)	(6,174,080)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	177,345,793	108,610,624	143,720,746	125,176,632	77,050,331
Program distributions	(32,977,211)	(30,079,941)	(32,028,875)	(28,274,619)	(20,595,970)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	144,368,582	78,530,683	111,691,871	96,902,013	56,454,361
Net increase (decrease) in net assets	112,878,392	60,438,013	88,376,622	78,942,522	50,280,281
Net assets, June 30, 2008	-	-	-	-	-
Net assets, June 30, 2009	<u>\$ 112,878,392</u>	<u>\$ 60,438,013</u>	<u>\$ 88,376,622</u>	<u>\$ 78,942,522</u>	<u>\$ 50,280,281</u>

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	Bright Start Direct Sold Active Static Equity	Bright Start Direct Sold Active Static Fixed Income	Bright Start Direct Sold Active Static Balanced	Total
Operations				
Revenues (expenditures)				
Investment earnings	\$ 1,379	\$ 3,322	\$ 1,894	\$ 21,353,168
Gain (loss) on sale of securities	(10,622,254)	(7,263,113)	(5,503,273)	(693,273,869)
Net change in fair value of investments	(34,824,770)	(2,036,293)	(1,452,968)	116,097,109
Interest expense	-	-	-	(11)
Management fees	(190,723)	(21,289)	(23,895)	(3,437,157)
Distribution fees	-	-	-	(2,154,164)
State administrative fees	(36,534)	(4,227)	(4,431)	(531,308)
Insurance fees	-	-	-	(153,531)
Net investment earnings (loss)	(45,672,902)	(9,321,600)	(6,982,673)	(562,099,763)
Distributions to shareholders				
Net investment income	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-
Participant transactions				
Program contributions	220,416,747	30,780,991	28,610,065	1,904,282,106
Program distributions	(15,521,137)	(6,933,065)	(3,345,780)	(1,666,501,604)
Distributions reinvested	-	-	-	-
Total increase (decrease) from participant transactions	204,895,610	23,847,926	25,264,285	237,780,502
Net increase (decrease) in net assets	159,222,708	14,526,326	18,281,612	(324,319,261)
Net assets, June 30, 2008	-	-	-	2,413,540,181
Net assets, June 30, 2009	<u>\$ 159,222,708</u>	<u>\$ 14,526,326</u>	<u>\$ 18,281,612</u>	<u>\$ 2,089,220,920</u>

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	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
Operations					
Revenues (expenditures)					
Investment earnings	\$ 297	\$ 120,874	\$ 56,876	\$ 2,390	\$ 56,762
Gain (loss) on sale of securities	3,112	(278,231)	(98,071)	7,068	(42,029)
Net change in fair value of investments	1,026	241,265	523,921	2,905	302,245
12b-1 fees	(11)	(20,987)	(10,622)	(1,565)	(7,111)
Management fees	(52)	(34,428)	(19,708)	(2,306)	(12,620)
Net investment earnings (loss)	4,372	28,493	452,396	8,492	297,247
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	1,495	1,940,932	870,982	565,760	792,387
Program distributions	(18,437)	(1,194,714)	(577,443)	(50,966)	(384,712)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	(16,942)	746,218	293,539	514,794	407,675
Net increase in net assets	(12,570)	774,711	745,935	523,286	704,922
Net assets, June 30, 2009	12,570	6,233,661	3,632,904	185,918	2,190,995
Net assets, June 30, 2010	\$ -	\$ 7,008,372	\$ 4,378,839	\$ 709,204	\$ 2,895,917

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For the year ended June 30, 2010

	American Century Vista 529 Portfolio	Ariel 529 Portfolio	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Income 529 Portfolio
Operations					
Revenues (expenditures)					
Investment earnings	\$ -	\$ 499	\$ 37,814	\$ 40,252	\$ 178,343
Gain (loss) on sale of securities	(676,513)	(80,883)		1,226	(46,994)
Net change in fair value of investments	1,047,987	829,697		84,851	459,437
12b-1 fees	(5,158)	(8,238)		(3,806)	(11,686)
Management fees	(9,075)	(13,300)	(24,951)	(6,424)	(20,842)
Net investment earnings (loss)	357,241	727,775	12,863	116,099	558,258
Distributions to shareholders					
Net investment income	-	-	(14,088)	-	-
Total decrease in net assets from distributions	-	-	(14,088)	-	-
Participant transactions					
Program contributions	586,141	616,780	11,989,788	1,645,970	957,999
Program distributions	(2,731,573)	(552,830)	(14,600,305)	(71,345)	(1,414,467)
Distributions reinvested	-	-	16,742	-	-
Total increase (decrease) from participant transactions	(2,145,432)	63,950	(2,593,775)	1,574,625	(456,468)
Net increase in net assets	(1,788,191)	791,725	(2,595,000)	1,690,724	101,790
Net assets, June 30, 2009	1,788,191	2,093,208	21,066,091	611,113	4,428,088
Net assets, June 30, 2010	<u>\$ -</u>	<u>\$ 2,884,933</u>	<u>\$ 18,471,091</u>	<u>\$ 2,301,837</u>	<u>\$ 4,529,878</u>

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For the year ended June 30, 2010

	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	Female & Minority Owned Growth 529 Portfolio
Operations					
Revenues (expenditures)					
Investment earnings	\$ 5,589	\$ 1,198	\$ 909	\$ 136,422	\$ 38
Gain (loss) on sale of securities	(25,210)	(22,322)	1,170	(150,465)	9
Net change in fair value of investments	199,029	364,262	709	942,384	60
12b-1 fees	(5,430)	(6,705)	(75)	(25,740)	(11)
Management fees	(7,735)	(10,362)	(78)	(46,888)	(18)
Net investment earnings (loss)	166,243	326,071	2,635	855,713	78
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	502,254	576,502	21,251	2,423,899	3,648
Program distributions	(299,755)	(340,165)	(11,917)	(1,338,344)	(755)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	202,499	236,337	9,334	1,085,555	2,893
Net increase in net assets	368,742	562,408	11,969	1,941,268	2,971
Net assets, June 30, 2009	1,367,800	1,872,472	23,066	8,414,274	2,234
Net assets, June 30, 2010	<u>\$ 1,736,542</u>	<u>\$ 2,434,880</u>	<u>\$ 35,035</u>	<u>\$ 10,355,542</u>	<u>\$ 5,205</u>

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For the year ended June 30, 2010

	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
Operations					
Revenues (expenditures)					
Investment earnings	\$ -	\$ 21,352	\$ 529	\$ -	\$ 135
Gain (loss) on sale of securities	1,353	7,502	10,073	2,186	
Net change in fair value of investments	6,153	(6,002)	71,496	8,002	613
12b-1 fees	(348)	(910)	(708)	(277)	(4)
Management fees	(504)	(1,672)	(2,492)	(357)	(19)
Net investment earnings (loss)	6,654	20,270	78,898	9,554	725
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	59,835	376,018	242,084	53,619	60,824
Program distributions	(30,649)	(80,796)	(42,859)	(16,862)	
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	29,186	295,222	199,225	36,757	60,824
Net increase in net assets	35,840	315,492	278,123	46,311	61,549
Net assets, June 30, 2009	73,010	177,604	328,928	45,871	-
Net assets, June 30, 2010	<u>\$ 108,850</u>	<u>\$ 493,096</u>	<u>\$ 607,051</u>	<u>\$ 92,182</u>	<u>\$ 61,549</u>

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	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
Operations					
Revenues (expenditures)					
Investment earnings	\$ 92,688	\$ 76,510	\$ 16,837	\$ 25,779	\$ 85,483
Gain (loss) on sale of securities	(107,345)	(53,157)	(19,400)	(9,453)	(41,724)
Net change in fair value of investments	548,068	12,041	240,311	554,699	681,606
12b-1 fees	(9,964)	(8,401)	(2,950)	(8,002)	(21,113)
Management fees	(23,480)	(19,644)	(6,800)	(14,661)	(36,970)
Net investment earnings (loss)	499,967	7,349	227,998	548,362	667,282
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	1,466,607	1,511,347	512,141	704,346	2,960,787
Program distributions	(589,709)	(405,159)	(236,551)	(409,148)	(1,150,558)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	876,898	1,106,188	275,590	295,198	1,810,229
Net increase in net assets	1,376,865	1,113,537	503,588	843,560	2,477,511
Net assets, June 30, 2009	4,060,040	3,314,914	1,160,260	2,516,722	6,043,141
Net assets, June 30, 2010	<u>\$ 5,436,905</u>	<u>\$ 4,428,451</u>	<u>\$ 1,663,848</u>	<u>\$ 3,360,282</u>	<u>\$ 8,520,652</u>

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	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
Operations					
Revenues (expenditures)					
Investment earnings	\$ 668	\$ 130,301	\$ 65,633	\$ 995,034	\$ 2,563
Gain (loss) on sale of securities	2,253	16,050	10,000	21,380	529
Net change in fair value of investments	5,360	283,068	73,842	1,449,174	(7,080)
12b-1 fees	(529)	(12,390)	(13,718)	(58,750)	(658)
Management fees	(638)	(24,202)	(20,556)	(92,036)	(934)
Net investment earnings (loss)	7,114	392,827	115,201	2,314,802	(5,580)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	37,639	2,946,654	3,121,133	10,568,599	303,819
Program distributions	(15,871)	(1,103,727)	(1,054,246)	(2,958,412)	(5,868)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	21,768	1,842,927	2,066,887	7,610,187	297,951
Net increase in net assets	28,882	2,235,754	2,182,088	9,924,989	292,371
Net assets, June 30, 2009	111,603	4,269,293	3,667,467	15,826,898	27,938
Net assets, June 30, 2010	<u>\$ 140,485</u>	<u>\$ 6,505,047</u>	<u>\$ 5,849,555</u>	<u>\$ 25,751,887</u>	<u>\$ 320,309</u>

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	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
Operations					
Revenues (expenditures)					
Investment earnings	\$ 28,970	\$ 135,901	\$ 121,928	\$ 9,878	\$ 76,172
Gain (loss) on sale of securities	(20,459)	(110,749)	(97,043)	53,254	(104,984)
Net change in fair value of investments	585,342	609,808	758,551	501,701	921,853
12b-1 fees	(7,956)	(21,769)	(20,653)	(15,030)	(6,651)
Management fees	(15,378)	(27,197)	(29,301)	(26,708)	(10,946)
Net investment earnings (loss)	570,519	585,994	733,482	523,095	875,444
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	999,409	1,753,928	2,012,376	2,261,944	671,379
Program distributions	(397,140)	(1,243,037)	(787,764)	(671,423)	(389,209)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	602,269	510,891	1,224,612	1,590,521	282,170
Net increase in net assets	1,172,788	1,096,885	1,958,094	2,113,616	1,157,614
Net assets, June 30, 2009	2,511,814	5,132,311	4,932,506	4,259,114	1,655,680
Net assets, June 30, 2010	<u>\$ 3,684,602</u>	<u>\$ 6,229,196</u>	<u>\$ 6,890,600</u>	<u>\$ 6,372,730</u>	<u>\$ 2,813,294</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2010

	William Blair Mid Cap Growth 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10	Fund 20
Operations					
Revenues (expenditures)					
Investment earnings	\$ -	\$ -	\$ 48,598	\$ 175,152	\$ 627,596
Gain (loss) on sale of securities	351	(9,997)	26,201	79,284	271,622
Net change in fair value of investments	(125,294)	641,974	60,331	363,789	1,316,135
12b-1 fees	(465)	(11,886)	(18,332)	(59,525)	(126,444)
Management fees	(831)	(22,098)	(20,015)	(66,636)	(151,936)
Net investment earnings (loss)	(126,239)	597,993	96,783	492,064	1,936,973
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	2,383,147	1,493,000	3,586,113	10,396,635	22,472,510
Program distributions	(10,658)	(485,468)	(2,871,285)	(5,455,504)	(10,819,814)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	2,372,489	1,007,532	714,828	4,941,131	11,652,696
Net increase in net assets	2,246,250	1,605,525	811,611	5,433,195	13,589,669
Net assets, June 30, 2009	-	3,586,000	4,251,320	12,543,592	27,196,160
Net assets, June 30, 2010	<u>\$ 2,246,250</u>	<u>\$ 5,191,525</u>	<u>\$ 5,062,931</u>	<u>\$ 17,976,787</u>	<u>\$ 40,785,829</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2010

	Fund 40	Fund 60	Fund 80	Fund 100	TOTAL
Operations					
Revenues (expenditures)					
Investment earnings	\$ 1,247,404	\$ 1,742,356	\$ 2,007,498	\$ 766,399	\$ 9,139,627
Gain (loss) on sale of securities	332,995	363,597	544,787	(268,481)	(507,508)
Net change in fair value of investments	3,509,677	6,235,199	8,816,739	6,992,440	40,109,374
12b-1 fees	(215,374)	(287,758)	(346,701)	(218,199)	(1,602,610)
Management fees	(266,734)	(376,282)	(485,309)	(309,953)	(2,263,076)
Net investment earnings (loss)	4,607,968	7,677,112	10,537,014	6,962,206	44,875,807
Distributions to shareholders					
Net investment income	-	-	-	-	(14,088)
Total decrease in net assets from distributions	-	-	-	-	(14,088)
Participant transactions					
Program contributions	37,462,981	44,659,031	45,159,501	20,951,740	244,684,934
Program distributions	(17,163,396)	(22,160,864)	(19,782,183)	(12,058,847)	(125,984,735)
Distributions reinvested	-	-	-	-	16,742
Total increase (decrease) from participant transactions	20,299,585	22,498,167	25,377,318	8,892,893	118,716,941
Net increase in net assets	24,907,553	30,175,279	35,914,332	15,855,099	163,578,660
Net assets, June 30, 2009	44,898,793	64,017,314	80,502,915	53,623,421	404,657,214
Net assets, June 30, 2010	<u>\$ 69,806,346</u>	<u>\$ 94,192,593</u>	<u>\$ 116,417,247</u>	<u>\$ 69,478,520</u>	<u>\$ 568,235,874</u>

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO
For the year ended June 30, 2009

	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
Operations					
Revenues (expenditures)					
Investment earnings	\$ 359	\$ -	\$ 83,004	\$ -	\$ 61,745
Gain (loss) on sale of securities	(1,868)	(1,128,063)	(190,628)	-	(148,397)
Net change in fair value of investments	(613)	(3,534,680)	(1,143,687)	5,982	(241,973)
12b-1 fees	(11)	(17,930)	(8,902)	(55)	(5,229)
Management fees	(32)	(30,447)	(16,060)	(85)	(8,665)
Net investment earnings (loss)	(2,165)	(4,711,120)	(1,276,273)	5,842	(342,519)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	15,289	2,214,626	1,406,957	180,116	1,120,716
Program distributions	(6,469)	(2,083,361)	(717,425)	(40)	(429,725)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	8,820	131,265	689,532	180,076	690,991
Net increase in net assets	6,655	(4,579,855)	(586,741)	185,918	348,472
Net assets, June 30, 2008	5,915	10,813,516	4,219,645	-	1,842,523
Net assets, June 30, 2009	<u>\$ 12,570</u>	<u>\$ 6,233,661</u>	<u>\$ 3,632,904</u>	<u>\$ 185,918</u>	<u>\$ 2,190,995</u>

State of Illinois
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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	American Century Vista 529 Portfolio	Ariel 529 Portfolio	Barclays Institutional Money Market 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Income 529 Portfolio
Operations					
Revenues (expenditures)					
Investment earnings	\$ -	\$ 29,657	\$ 216,179	\$ -	\$ 277,166
Gain (loss) on sale of securities	(170,664)	(635,554)	-	3	(307,273)
Net change in fair value of investments	(1,012,255)	(331,324)	-	12,558	(307,958)
12b-1 fees	(4,792)	(5,797)	(42,143)	(184)	(12,335)
Management fees	(8,396)	(10,207)	(44,032)	(413)	(22,099)
Net investment earnings (loss)	(1,196,107)	(953,225)	130,004	11,964	(372,499)
Distributions to shareholders					
Net investment income	-	-	(134,920)	-	-
Total decrease in net assets from distributions	-	-	(134,920)	-	-
Participant transactions					
Program contributions	850,691	630,791	20,005,716	600,255	1,124,132
Program distributions	(427,981)	(944,554)	(10,346,369)	(1,106)	(2,497,956)
Distributions reinvested	-	-	140,660	-	-
Total increase (decrease) from participant transactions	422,710	(313,763)	9,800,007	599,149	(1,373,824)
Net increase in net assets	(773,397)	(1,266,988)	9,795,091	611,113	(1,746,323)
Net assets, June 30, 2008	2,561,588	3,360,196	11,271,000	-	6,174,411
Net assets, June 30, 2009	<u>\$ 1,788,191</u>	<u>\$ 2,093,208</u>	<u>\$ 21,066,091</u>	<u>\$ 611,113</u>	<u>\$ 4,428,088</u>

State of Illinois
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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	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	Female & Minority Owned Growth 529 Portfolio
Operations					
Revenues (expenditures)					
Investment earnings	\$ 92,243	\$ 7,283	\$ 866	\$ 176,518	\$ 62
Gain (loss) on sale of securities	(157,540)	(60,960)	(38)	(443,490)	(1,177)
Net change in fair value of investments	(385,481)	(431,352)	842	(3,282,116)	(11)
12b-1 fees	(3,715)	(5,467)	(56)	(21,389)	(7)
Management fees	(6,337)	(8,237)	(65)	(38,445)	(11)
Net investment earnings (loss)	(460,830)	(498,733)	1,549	(3,608,922)	(1,144)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	500,627	516,749	19,364	3,099,954	-
Program distributions	(524,413)	(307,887)	(1,291)	(2,086,089)	-
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	(23,786)	208,862	18,073	1,013,865	-
Net increase in net assets	(484,616)	(289,871)	19,622	(2,595,057)	(1,144)
Net assets, June 30, 2008	<u>1,852,416</u>	<u>2,162,343</u>	<u>3,444</u>	<u>11,009,331</u>	<u>3,378</u>
Net assets, June 30, 2009	<u>\$ 1,367,800</u>	<u>\$ 1,872,472</u>	<u>\$ 23,066</u>	<u>\$ 8,414,274</u>	<u>\$ 2,234</u>

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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	FMA Small Company 529 Portfolio	Forward Small Cap Equity 529 Portfolio	ING Global Real Estate 529 Portfolio	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Institutional Diversified Growth 529 Portfolio
Operations					
Revenues (expenditures)					
Investment earnings	\$ 383	\$ 146	\$ -	\$ -	\$ 31,148
Gain (loss) on sale of securities	(1,188)	(2,860)	4	(682)	(1,307,398)
Net change in fair value of investments	(1,157)	(13,568)	10,452	(6,974)	418,256
12b-1 fees	(142)	(138)	(45)	(111)	(3,594)
Management fees	(772)	(230)	(94)	(136)	(6,656)
Net investment earnings (loss)	(2,876)	(16,650)	10,317	(7,903)	(868,244)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	344,242	69,365	167,319	44,851	499,809
Program distributions	(24,586)	(9,542)	(32)	(2,485)	(2,104,213)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	319,656	59,823	167,287	42,366	(1,604,404)
Net increase in net assets	316,780	43,173	177,604	34,463	(2,472,648)
Net assets, June 30, 2008	<u>12,148</u>	<u>29,837</u>	<u>-</u>	<u>11,408</u>	<u>2,472,648</u>
Net assets, June 30, 2009	<u>\$ 328,928</u>	<u>\$ 73,010</u>	<u>\$ 177,604</u>	<u>\$ 45,871</u>	<u>\$ -</u>

State of Illinois
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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	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
Operations					
Revenues (expenditures)					
Investment earnings	\$ 332,476	\$ 230,906	\$ 20,392	\$ 24,967	\$ 92,985
Gain (loss) on sale of securities	(158,732)	(242,688)	(83,621)	(86,008)	(412,966)
Net change in fair value of investments	(1,431,702)	(1,125,502)	(305,002)	(609,257)	(1,616,994)
12b-1 fees	(6,135)	(4,951)	(2,024)	(5,878)	(13,479)
Management fees	(17,435)	(12,919)	(5,101)	(10,954)	(24,819)
Net investment earnings (loss)	(1,281,528)	(1,155,154)	(375,356)	(687,130)	(1,975,273)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	1,138,805	1,289,895	503,832	1,086,119	1,980,561
Program distributions	(483,517)	(507,270)	(257,670)	(550,142)	(1,366,878)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	655,288	782,625	246,162	535,977	613,683
Net increase in net assets	(626,240)	(372,529)	(129,194)	(151,153)	(1,361,590)
Net assets, June 30, 2008	<u>4,686,280</u>	<u>3,687,443</u>	<u>1,289,454</u>	<u>2,667,875</u>	<u>7,404,731</u>
Net assets, June 30, 2009	<u>\$ 4,060,040</u>	<u>\$ 3,314,914</u>	<u>\$ 1,160,260</u>	<u>\$ 2,516,722</u>	<u>\$ 6,043,141</u>

State of Illinois
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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	Payden Market Return 529 Portfolio	Payden US Growth Leaders 529 Portfolio	Pimco Low Duration 529 Portfolio	Pimco Short-Term 529 Portfolio	Pimco Total Return 529 Portfolio
Operations					
Revenues (expenditures)					
Investment earnings	\$ 101	\$ 535	\$ 199,256	\$ 105,516	\$ 1,181,826
Gain (loss) on sale of securities	(5,008)	(1,295)	(24,632)	(18,465)	(31,034)
Net change in fair value of investments	612	999	14,382	30,038	4,066
12b-1 fees	(20)	(201)	(5,735)	(6,095)	(29,883)
Management fees	(21)	(250)	(16,014)	(10,060)	(53,061)
Net investment earnings (loss)	(4,336)	(212)	167,257	100,934	1,071,914
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	-	90,620	1,847,502	2,493,511	8,011,521
Program distributions	(5,800)	(4,802)	(938,161)	(761,690)	(3,018,049)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	(5,800)	85,818	909,341	1,731,821	4,993,472
Net increase in net assets	(10,136)	85,606	1,076,598	1,832,755	6,065,386
Net assets, June 30, 2008	10,136	25,997	3,192,695	1,834,712	9,761,512
Net assets, June 30, 2009	<u>\$ -</u>	<u>\$ 111,603</u>	<u>\$ 4,269,293</u>	<u>\$ 3,667,467</u>	<u>\$ 15,826,898</u>

State of Illinois
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BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	SIT Dividend Growth 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
Operations					
Revenues (expenditures)					
Investment earnings	\$ 24	\$ 212,564	\$ 139,771	\$ 58,243	\$ 4,200
Gain (loss) on sale of securities	156	(269,000)	(368,328)	(103,828)	(187,904)
Net change in fair value of investments	1,535	(887,012)	(1,267,847)	(627,875)	138,567
12b-1 fees	(12)	(17,949)	(15,303)	(5,488)	(5,591)
Management fees	(19)	(21,816)	(22,050)	(9,939)	(9,781)
Net investment earnings (loss)	1,684	(983,213)	(1,533,757)	(688,887)	(60,509)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	30,145	1,339,444	1,543,244	952,036	2,996,310
Program distributions	(3,891)	(1,082,522)	(992,074)	(439,346)	(712,912)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	26,254	256,922	551,170	512,690	2,283,398
Net increase in net assets	27,938	(726,291)	(982,587)	(176,197)	2,222,889
Net assets, June 30, 2008	-	5,858,602	5,915,093	2,688,011	2,036,225
Net assets, June 30, 2009	<u>\$ 27,938</u>	<u>\$ 5,132,311</u>	<u>\$ 4,932,506</u>	<u>\$ 2,511,814</u>	<u>\$ 4,259,114</u>

State of Illinois
Office of the Treasurer
BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	T.Rowe Price Real Estate 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10	Fund 20
Operations					
Revenues (expenditures)					
Investment earnings	\$ 112,918	\$ 108,757	\$ 96,981	\$ 345,765	\$ 972,469
Gain (loss) on sale of securities	(358,690)	(268,915)	(33,375)	(331,279)	(1,040,777)
Net change in fair value of investments	(949,217)	(137,246)	26,439	42,694	9,980
12b-1 fees	(5,153)	(6,658)	(12,622)	(42,120)	(83,596)
Management fees	(8,775)	(12,884)	(13,759)	(46,804)	(97,691)
Net investment earnings (loss)	(1,208,917)	(316,946)	63,664	(31,744)	(239,615)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	673,627	970,063	4,129,229	17,326,433	34,294,906
Program distributions	(623,114)	(708,270)	(2,222,417)	(13,237,344)	(26,028,471)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	50,513	261,793	1,906,812	4,089,089	8,266,435
Net increase in net assets	(1,158,404)	(55,153)	1,970,476	4,057,345	8,026,820
Net assets, June 30, 2008	<u>2,814,084</u>	<u>3,641,153</u>	<u>2,280,844</u>	<u>8,486,247</u>	<u>19,169,340</u>
Net assets, June 30, 2009	<u>\$ 1,655,680</u>	<u>\$ 3,586,000</u>	<u>\$ 4,251,320</u>	<u>\$ 12,543,592</u>	<u>\$ 27,196,160</u>

State of Illinois
Office of the Treasurer
BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2009

	Fund 40	Fund 60	Fund 80	Fund 100	TOTAL
Operations					
Revenues (expenditures)					
Investment earnings	\$ 1,816,465	\$ 2,368,419	\$ 2,525,297	\$ 902,672	\$ 12,830,264
Gain (loss) on sale of securities	(2,890,209)	(6,123,889)	(10,003,764)	(8,551,416)	(36,153,440)
Net change in fair value of investments	(1,233,818)	(4,415,016)	(9,030,029)	(7,982,050)	(41,594,314)
12b-1 fees	(134,105)	(192,467)	(228,036)	(152,400)	(1,107,943)
Management fees	(167,974)	(251,104)	(320,454)	(214,279)	(1,549,382)
Net investment earnings (loss)	(2,609,641)	(8,614,057)	(17,056,986)	(15,997,473)	(67,574,815)
Distributions to shareholders					
Net investment income	-	-	-	-	(134,920)
Total decrease in net assets from distributions	-	-	-	-	(134,920)
Participant transactions					
Program contributions	55,020,661	72,083,121	80,159,015	52,009,392	375,381,561
Program distributions	(42,724,609)	(58,147,913)	(63,265,758)	(39,835,013)	(280,433,157)
Distributions reinvested	-	-	-	-	140,660
Total increase (decrease) from participant transactions	12,296,052	13,935,208	16,893,257	12,174,379	95,089,064
Net increase in net assets	9,686,411	5,321,151	(163,729)	(3,823,094)	27,379,329
Net assets, June 30, 2008	35,212,382	58,696,163	80,666,644	57,446,515	377,277,885
Net assets, June 30, 2009	<u>\$ 44,898,793</u>	<u>\$ 64,017,314</u>	<u>\$ 80,502,915</u>	<u>\$ 53,623,421</u>	<u>\$ 404,657,214</u>

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
BRIGHT START KEY PERFORMANCE MEASURES
As of June 30, 2010 and 2009
Unaudited

	<u>Illinois</u>	<u>Non - Illinois</u>	<u>Total</u>
2010			
Number of Participant Accounts	159,023	46,243	205,266
Assets	\$ 1,972,125,378	\$ 577,298,055	\$ 2,549,423,433
2009			
Number of Participant Accounts	145,926	44,154	190,080
Assets	\$ 1,602,848,174	\$ 486,351,613	\$ 2,089,199,787

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
BRIGHT DIRECTIONS KEY PERFORMANCE MEASURES
As of June 30, 2010 and 2009
Unaudited

	<u>Illinois</u>	<u>Out of State</u>	<u>Total</u>
2010			
Number of Participant Accounts	47,599	2,946	50,545
Market Value	\$ 528,911,671	\$ 39,445,247	\$ 568,356,918
2009			
Number of Participant Accounts	40,102	2,076	42,178
Market Value	\$ 380,381,231	\$ 24,404,518	\$ 404,785,749

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.

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
BRIGHT START INVESTMENT POLICY
For the year ended June 30, 2010
Unaudited

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.

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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:

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- 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 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, OppenheimerFunds, 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 College Savings 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,

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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	Benchmark	#1 Portfolio (0-6 yrs)	#2 Portfolio (7-9 yrs)	#3 Portfolio (10-11 yrs)	#4 Portfolio (12-14 yrs)	#5 Portfolio (15-17 yrs)	#6 Portfolio (18+ yrs)
Large/Multi Cap Equity	Russell 3000 Index	40%	30%	30%	29.5%	14.5%	3%
	S&P 500 Index	23%	19%	12%	5.5%	6.5%	4%
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 1-5 Yr. Government Bond Index*	0%	5%	15%	25%	35%	35%
Money Market	3-Month T-Bill	0%	0%	0%	0%	15%	40%

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Direct Plan: Index Age Based Portfolios							
Underlying Investment Category	Benchmark	#1 Portfolio (0-6 yrs)	#2 Portfolio (7-9 yrs)	#3 Portfolio (10-11 yrs)	#4 Portfolio (12-14 yrs)	#5 Portfolio (15-17 yrs)	#6 Portfolio (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 1-5 Yr. Government Bond Index*	0%	0%	0%	0%	0%	0%
Money Market	3 Month T-Bill	0%	10%	10%	10%	20%	20%

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Direct Plan: Blended Fixed Income, Equity or Balanced Options

Underlying Investment Category	Benchmark	Fixed Inc Portfolio	Equity Portfolio	Balanced Portfolio
Large/Multi Cap Equity	Russell 3000 Index S&P 500 Index	0% 0%	67% 3%	30% 5%
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 1-5 Yr. Government Bond Index*	0%	0%	0%
Money Market	3 Month T-Bill	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 1-5 Yr. Government Bond Index*	0%	0%	0%
Money Market	3 Month T-Bill	20%	0%	10%

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Advisor Plan: Active Age Based Portfolios

Underlying Investment Category	Benchmark	#1 Portfolio (0-6 yrs)	#2 Portfolio (7-9 yrs)	#3 Portfolio (10-11 yrs)	#4 Portfolio (12-14 yrs)	#5 Portfolio (15-17 yrs)	#6 Portfolio (18+ 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 EMG Mkts. 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 WGBI (ex-U.S.)	1%	3%	4%	5%	7%	4%
Short Term Bond	Barclays Capital 1-3 Yr. Government Bond Index*	0%	12%	16%	22.5%	28%	55%
Money Market	3-Month T-Bill	0%	0%	0%	0%	10%	15%

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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	0%	25%	15%
	Russell 1000 Value Index	0%	19.5%	9%
	Russell 1000 Growth Index	0%	19.5%	9%
Small Cap Equity	Russell 2000 Index	0%	16%	7%
International Equity	MSCI EAFE Index	0%	14%	7%
	MSCI EMG Mkts. Index	0%	6%	3%
Aggregate Bond	Barclays Capital	30%	0%	25%
International Bond	Aggregate Bond Index Citi WGBI (ex-U.S.)	10%	0%	0%
Short Term Bond	Barclays Capital 1-3 Yr. Government Bond Index*	35%	0%	10%
Money Market	3 Month T-Bill	25%	0%	15%

* Short Term Bond benchmark will depend on the underlying fund for the relevant Plan (Direct or Advisor) and may also include a 1-3 Year Government Bond Index, 1-5 Year Government Bond Index, 1-3 Year Treasury Index and 1-5 Year Treasury Index.

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.

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As of January 26, 2009, the target asset allocation has changed for certain Portfolios, and new underlying investments have been added to certain Portfolios. With respect to all of the Portfolios, withdrawal requests made by Account Owners on or after January 26, 2009 may be satisfied, as the Manager deems appropriate in order to meet liquidity requirements: (i) by redeeming interests in underlying investment(s) which were purchased prior to January 26, 2009, (ii) by redeeming interests in underlying investments which were purchased on or after January 26, 2009, or (iii) any combination of (i) and (ii).

Principal Protection Income Portfolio

The Principal Protection Income Portfolio is a separate Portfolio managed primarily as a diversified portfolio of investment grade readily marketable U.S. government securities, foreign government securities, corporate fixed-income securities, mortgage related securities and asset-backed securities of domestic and foreign issuers. The Portfolio attempts to reduce significantly, under normal circumstances, fluctuations in the value of its assets by entering into one or more contracts (known as "Wrapper Agreements"), each with a financial institution such as an insurance company or a bank whose long-term credit rating is in the highest two categories as determined by Standard and Poor's and Moody's. A Wrapper Agreement enables the Principal Protection Income Portfolio, regardless of market fluctuations, to value the assets of the Portfolio covered by the Wrapper Agreement at their book value. The Principal Protection Income Portfolio may invest in interest only or principal only securities, long and short positions in exchange-traded futures, exchange-traded options (i.e. puts and calls) on futures, and the writing of covered calls on exchange-traded futures, for the express purpose of managing Portfolio interest rate risk. The Principal Protection Income Portfolio will be in material compliance with the investment guidelines contained in the Wrapper Agreements.

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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.

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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.

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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 7.0 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

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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 Benchmark	Age of Beneficiary				
		0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Large Cap Value	Russell 1000 Value	20.00%	16.50%	12.00%	7.50%	3.50%
Large Cap Blend	S&P 500	21.00%	17.00%	12.50%	8.00%	3.50%
Large Cap Growth	Russell 1000 Growth	20.00%	16.50%	12.00%	7.50%	3.50%
Small Cap Value	Russell 2000 Value	3.50%	2.50%	2.00%	1.50%	1.00%
Small Cap Blend	Russell 2000	4.00%	3.00%	2.50%	2.00%	1.00%
Small Cap Growth	Russell 2000 Growth	3.50%	2.50%	2.00%	1.50%	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%	20.00%	15.00%	10.00%	5.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	0.00%	20.00%

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	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
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%	20.00%	17.00%	14.00%	12.00%
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	16.50%	12.00%	7.50%	3.50%	2.00%
Large Cap Blend	S&P 500	17.00%	12.50%	8.00%	3.50%	2.00%
Large Cap Growth	Russell 1000 Growth	16.50%	12.00%	7.50%	3.50%	2.00%
Small Cap Value	Russell 2000 Value	2.50%	2.00%	1.50%	1.00%	0.50%
Small Cap Blend	Russell 2000	3.00%	2.50%	2.00%	1.00%	0.50%
Small Cap Growth	Russell 2000 Growth	2.50%	2.00%	1.50%	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	20.00%	15.00%	10.00%	5.00%	2.50%

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	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
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	20.00%	17.00%	14.00%	12.00%	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	12.00%	7.50%	3.50%	2.00%	0.00%
Large Cap Blend	S&P 500	12.50%	8.00%	3.50%	2.00%	0.00%
Large Cap Growth	Russell 1000 Growth	12.00%	7.50%	3.50%	2.00%	0.00%
Small Cap Value	Russell 2000 Value	2.00%	1.50%	1.00%	0.50%	0.00%
Small Cap Blend	Russell 2000	2.50%	2.00%	1.00%	0.50%	0.00%
Small Cap Growth	Russell 2000 Growth	2.00%	1.50%	1.00%	0.50%	0.00%
Global Real Estate	FTSE EPRA/NAREIT Global	2.00%	2.00%	1.50%	0.00%	0.00%

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	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Foreign Stock	MSCI EAFE	15.00%	10.00%	5.00%	2.50%	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	17.00%	14.00%	12.00%	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	20.00%	16.50%	12.00%	7.50%	3.50%	2.00%	0.00%
Large Cap Blend	S&P 500	21.00%	17.00%	12.50%	8.00%	3.50%	2.00%	0.00%
Large Cap Growth	Russell 1000 Growth	20.00%	16.50%	12.00%	7.50%	3.50%	2.00%	0.00%
Small Cap Value	Russell 2000 Value	3.50%	2.50%	2.00%	1.50%	1.00%	0.50%	0.00%
Small Cap Blend	Russell 2000	4.00%	3.00%	2.50%	2.00%	1.00%	0.50%	0.00%
Small Cap Growth	Russell 2000 Growth	3.50%	2.50%	2.00%	1.50%	1.00%	0.50%	0.00%

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	Benchmark	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20	Fund 10	Fixed Income
Global Real Estate	FTSE EPRA/NA REIT Global	3.00%	2.00%	2.00%	2.00%	1.50%	0.00%	0.00%
Foreign Stock	MSCI EAFE	25.00%	20.00%	15.00%	10.00%	5.00%	2.50%	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%	20.00%	17.00%	14.00%	12.00%	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%

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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 Corporate Bond	ML 1-3 Treasury Index
Intermediate Bond	Barclays U.S. Credit Index
U.S. TIPS	Barclays U.S. Aggregate Bond Index
Balanced	Barclays U.S. TIPS Index
Large Cap Value	Barclays U.S. Aggregate Bond Index; S&P 500; MSCI EAFE
Large Cap Growth	Russell 3000 Value, Russell 1000 Value
Large Cap Blend	Russell 1000 Growth
Mid-Cap Value	Russell 1000, S&P 500
Mid-Cap Growth	Russell 2500 Value
Mid-Cap Blend	Russell Mid-Cap Growth
Small-Cap Value	Wilshire 4500 Index
Small-Cap Growth	Russell 2000 Value
Small-Cap Blend	Russell 2000 Growth
Foreign Stock	Russell 2000
Socially Responsible	MSCI EAFE
Real Estate	S&P 500
Global Real Estate	DJ Wilshire Real Estate Securities FTSE EPRA/NAREIT Global Index

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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: Parameters: The Program has included an asset allocation portfolio, the Female- and Minority-Owned Growth Portfolio, and 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.

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 investment objective of the Portfolio. Each Underlying Portfolio allocates assets among domestic equity, fixed-income, and/or real estate 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, and real estate in each Underlying Portfolio and may change the mutual funds within the Female- and Minority-Owned Portfolios consistent with this Investment Policy Statement.

The policy target asset allocation and benchmark for the mutual funds within the Female- and Minority-Owned Portfolio is shown below. There is a permissible range of plus or minus 10% of the target allocation for each mutual fund.

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Female and Minority Owned Growth Portfolio

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u>
Large Blend	S&P 500	68.0%
SMID Value	Russell 2500 Value	13.0%
Mid Cap Growth	Russell Mid-Cap Growth	9.0%
Small Cap Blend	Russell 2000	7.0%
Real Estate	DJ Wilshire REIT Index	3.0%

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 as listed in the table of contents of the College Savings Program of the State of Illinois, Office of the Treasurer as of and for the year ended June 30, 2010, and have issued our report thereon dated January 4, 2011. 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

In planning and performing our audit, we considered the State of Illinois, Office of the Treasurer's internal control over financial reporting of the College Savings Program 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 State of Illinois, Office of the Treasurer's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the Treasurer'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 State of Illinois, Office of the Treasurer'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*.

We noted certain matters that we reported to management of the State of Illinois, Office of the Treasurer in a separate letter dated January 4, 2011.

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, College Savings Program's management and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Horwath LLP

Springfield, Illinois
January 4, 2011