

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

Financial Audit
Years Ended June 30, 2014 and 2013

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

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

Treasurer's Office Officials

| | |
|-------------------------------------|--|
| Treasurer | Honorable Dan Rutherford |
| Chief of Staff | Mr. Kyle Ham |
| Chief Investment Officer | Ms. Bridget Byron |
| General Counsel | Mr. Neil P. Olson (September 16, 2013 - Present) Ms. Maureen Lydon (through September 15, 2013) |
| Director of College Savings Program | Mr. Randall Welsh |
| Manager of College Savings Program | Mr. Deon Perryman (through June 15, 2014) |
| Inspector General | Mr. David Wells |
| Chief Internal Auditor | Ms. Barbara Ringler |

The Office of the Treasurer maintains the following four office locations:

Executive Office
State Capitol
219 State House
Springfield, Illinois 62706

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

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

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

FINANCIAL STATEMENT REPORT

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 McGladrey LLP as of and for the years ended June 30, 2014 and 2013.

Based on their audits, the auditors expressed unmodified opinions on the College Savings Program's financial statements.

Independent Auditor's Report



Independent Auditor's Report

The Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the College Savings Program, a fiduciary (private-purpose trust) fund of the State of Illinois, Office of the Treasurer, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College Savings Program's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College Savings Program of the State of Illinois, Office of the Treasurer, as of June 30, 2014 and 2013, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the College Savings Program and do not purport to, and do not, present fairly the financial position of the State of Illinois, or the State of Illinois, Office of the Treasurer as of June 30, 2014 and 2013, or the changes in its financial position, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer. The Supplementary Information (combining statements and statements by portfolio), and the Other Information (key performance measures and investment policies) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information consisting of the combining statements and statements by portfolio (pages 20 - 78) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information, consisting of Key Performance Measures and the Bright Start and Bright Directions Investment Policies have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 19, 2014 and December 10, 2013, on our consideration of the State of Illinois, Office of the Treasurer's internal control over financial reporting of the College Savings Program, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports 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 internal control over financial reporting or on compliance. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Office of the Treasurer's internal control over financial reporting of the College Savings Program and its compliance.

McGladrey LLP

Schaumburg, Illinois
December 19, 2014

State of Illinois
Office of the Treasurer

College Savings Program
Statements of Fiduciary Net Position
June 30, 2014 and 2013

| | 2014 | 2013 |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 504,427,284 | \$ 488,703,327 |
| Capital shares receivable | 17,622,352 | 5,777,905 |
| Securities sold receivable | 732,042 | 1,704,963 |
| Dividends receivable | 2,101,750 | 1,165,047 |
| Mutual funds | 6,371,091,688 | 5,042,858,790 |
| | <hr/> | <hr/> |
| Total assets | \$ 6,895,975,116 | \$ 5,540,210,032 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Liabilities and Net Position | | |
| Liabilities | | |
| Payable for capital shares | \$ 14,408,174 | \$ 4,637,923 |
| Payable for securities purchased | 2,675,487 | 2,564,018 |
| Other liabilities | 2,229,156 | 2,307,329 |
| | <hr/> | <hr/> |
| Total liabilities | 19,312,817 | 9,509,270 |
| Net position held in trust for participants | 6,876,662,299 | 5,530,700,762 |
| | <hr/> | <hr/> |
| Total liabilities and net position | \$ 6,895,975,116 | \$ 5,540,210,032 |
| | <hr/> <hr/> | <hr/> <hr/> |

The accompanying notes are an integral part of these statements.

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2014 and 2013**

| | 2014 | 2013 |
|--|-------------------------|-------------------------|
| Investment income (expense) | | |
| Investment earnings | \$ 71,661,061 | \$ 57,135,162 |
| Net change in fair value of investments | 811,626,146 | 496,742,916 |
| Distribution fees | (3,953,042) | (3,365,834) |
| State administrative fees | (1,661,182) | (879,579) |
| Insurance fees | - | (94,530) |
| Other operating expenses | (1,544) | (750) |
| 12b-1 fees | (4,596,232) | (3,524,367) |
| Management and bank custodial fees | (11,778,224) | (10,153,385) |
| | <u>861,296,983</u> | <u>535,859,633</u> |
| Distributions to participants | | |
| Net investment income | <u>(15,356)</u> | <u>(23,183)</u> |
| Other participant transactions | | |
| Program contributions | 2,403,440,826 | 2,140,685,699 |
| Program distributions | (1,918,776,076) | (1,684,927,953) |
| Distributions reinvested | <u>15,160</u> | <u>24,312</u> |
| | <u>484,679,910</u> | <u>455,782,058</u> |
| Change in net position | 1,345,961,537 | 991,618,508 |
| Net position, beginning of fiscal year | <u>5,530,700,762</u> | <u>4,539,082,254</u> |
| Net position, end of fiscal year | <u>\$ 6,876,662,299</u> | <u>\$ 5,530,700,762</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, 2014 and 2013**

Background

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

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

Under the Program, Program participants (the "Account Owners") select investment portfolios for their accounts established for the purpose of helping Account Owners meet the qualified higher education expenses of the Beneficiaries designated on the Program accounts (the "Accounts"). Amounts contributed to the Program will be invested in the College Savings Trust (the "Trust"). As of June 30, 2014, OFI Private Investments, Inc. provided investment advisory, administrative, recordkeeping and marketing services for the Bright Start Program. As of June 30, 2014, Union Bank and Trust Company advised the Treasurer on the investment of contributions and provided administrative, recordkeeping and marketing services for the Bright Directions Program. As such, as of June 30, 2014, OFI Private Investments, Inc. and Union Bank and Trust Company acted as program managers (the "Managers") of the two investment programs. The Treasurer acts as trustee and is responsible for the overall administration of the programs.

Note 1. Summary of Significant Accounting Policies

Financial Reporting Entity

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

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fiduciary Fund

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

Basis of Accounting and Measurement Focus

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

Cash and Cash Equivalents

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

Investment Earnings

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

Fair Value of Investments

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

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.

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments

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

Bright Start College Savings Program

Permitted Investments:

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

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

Investment Options:

General Overview

The Bright Start Program offered the following investment portfolios as of June 30, 2014:

Direct-sold Plan:

- Blended Age-Based Portfolios
- Blended Fixed Income Portfolio
- Blended Equity Portfolio
- Blended Balanced Portfolio
- Money Market Portfolio
- Blended Conservative Fixed 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
- Advisor Money Market Portfolio
- Advisor Conservative Fixed Income Portfolio

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. 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

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.

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments (Continued)

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.

Money Market Portfolios:

- Money Market Portfolio
- Advisor Money Market Portfolio

The goal of the Money Market Portfolios is to seek current income and preservation of principal.

Conservative Fixed Income Portfolios:

- Conservative Fixed Income Portfolio
- Advisor Conservative Fixed Income Portfolio

The goal of the Conservative Fixed Income Portfolios is to seek total return by investing primarily in short-term government securities.

Principal Protection Income Portfolio (terminated 6/7/13):

- Principal Protection Income Portfolio

On February 6, 2012, the Principal Protection Income Portfolio was closed and no new contributions into the Portfolio were accepted. Account owners were permitted to remain invested in the Principal Protection Income Portfolio until the Portfolio was either terminated or merged into a new or existing portfolio in the Program. The Principal Protection Income Portfolio was liquidated and the portfolio was terminated on June 7, 2013. All remaining assets within the Portfolio were transferred to the applicable Money Market Portfolio.

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments (Continued)

Additional Program Information:

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

Investment Risk:

Interest Rate and Credit Risk:

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

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

The fair values and disclosure method of the money market and fixed income funds for the Bright Start Program as of June 30, 2014 are detailed in the table below.

| Type | Fair Value | Interest Rate Risk | Method | Credit Risk | Rating Service |
|---------------------|-------------------------|---------------------------|---------------------------|--------------------|-----------------------|
| Money Market: | \$ 409,239,340 | 49 days | Weighted Average Maturity | AAAm | S&P |
| Fixed Income Funds: | | | | | |
| | 823,238,326 | 4.90 yrs | Effective Maturity | NR* | NA** |
| | 536,736,972 | 1.41 yrs | Duration | NR* | NA** |
| | <u>207,200,962</u> | 4.94 yrs | Effective Duration | NR* | NA** |
| | <u>\$ 1,976,415,600</u> | | | | |

*Credit Risk of NR indicates that while the underlying securities within the funds may be rated, the mutual fund itself is not rated.

**Not applicable

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments (Continued)

The fair values and disclosure method of the money market and fixed income funds for the Bright Start Program as of June 30, 2013 are detailed in the table below.

| Type | Fair Value | Interest Rate Risk | Method | Credit Risk | Rating Service |
|---------------------|-------------------------|---------------------------|---------------------------|--------------------|-----------------------|
| Money Market: | \$ 409,778,247 | 46 days | Weighted Average Maturity | AAAm | S&P |
| Fixed Income Funds: | | | | | |
| | 699,496,491 | 6.21 yrs | Average Maturity | NR* | NA** |
| | <u>575,438,729</u> | 3.30 yrs | Duration | NR* | NA** |
| | <u>\$ 1,684,713,467</u> | | | | |

*Credit Risk of NR indicates that while the underlying securities within the funds may be rated, the mutual fund itself is not rated.

**Not applicable

Bright Directions College Savings Program

Permitted Investments:

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

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

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments (Continued)

Investment Options:

General Overview

The Bright Directions Program offered the following investment portfolios as of June 30, 2014:

- Three Age-Based Tracks, each with five portfolio options
- Seven Target Portfolios
- Thirty Individual Fund Portfolios
- Fifteen Exchange-Traded Fund Portfolios
- Two Female & Minority Owned Portfolios

The three Age-Based portfolios are designed to reduce the account's exposure to principal loss the closer the Beneficiary reaches college age; the seven Target Portfolios maintain a constant asset allocation between equity, fixed income, and money market securities; the Individual Fund Portfolios each invest in a single mutual fund; the Exchange-Traded Fund Portfolios invest in Vanguard ETF's; 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, Exchange-Traded 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 over.

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments (Continued)

Target Portfolios:

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

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

Individual Fund Portfolios:

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

The Individual Fund Portfolios offered are as follows:

- American Century Equity Growth 529 Portfolio
- American Century Growth 529 Portfolio
- American Century Value 529 Portfolio
- American Century Short Duration Inflation Protection Bond 529 Portfolio
- BlackRock Cash Funds 529 Portfolio
- BlackRock Inflation Protected Bond 529 Portfolio
- Calvert Equity 529 Portfolio
- Causeway Emerging Markets 529 Portfolio
- Delaware Small Cap Core 529 Portfolio
- DFA International Small Company 529 Portfolio
- Dodge & Cox International Stock 529 Portfolio
- Eagle Small Cap Growth 529 Portfolio
- MFS Value 529 Portfolio
- Northern Funds Bond Index 529 Portfolio
- Northern Funds International Equity Index 529 Portfolio
- Northern Funds Small Cap Index 529 Portfolio
- Northern Funds Small Cap Value 529 Portfolio
- Northern Funds Stock Index 529 Portfolio
- Oppenheimer International Growth 529 Portfolio
- PIMCO Low Duration 529 Portfolio
- PIMCO Short-Term 529 Portfolio
- PIMCO Total Return 529 Portfolio

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments (Continued)

Individual Fund Portfolios (Continued)

- T. Rowe Price Balanced 529 Portfolio
- T. Rowe Price Equity Income 529 Portfolio
- T. Rowe Price Extended Equity Market Index 529 Portfolio
- T. Rowe Price Institutional Large Cap Growth 529 Portfolio
- T. Rowe Price Real Estate 529 Portfolio
- Templeton International Bond 529 Portfolio
- Voya Global Real Estate 529 Portfolio
- William Blair Mid Cap Growth 529 Portfolio

Exchange-Traded Fund Portfolios:

The Bright Directions Program offers fifteen Exchange-Traded Fund Portfolios. These portfolios are additional Individual Fund Portfolios that invest in certain exchange-traded funds added under Fee Structure F. Fee Structure F is available only to Account Owners that establish an Account through registered investment advisors or other financial advisors that are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management. The Exchange-Traded Fund Portfolios offered are as follows:

- Vanguard FTSE Developed Markets ETF 529 Portfolio
- Vanguard FTSE Emerging Markets ETF 529 Portfolio
- Vanguard Global Ex-U.S. Real Estate ETF 529 Portfolio
- Vanguard Mega Cap 300 Value ETF 529 Portfolio
- Vanguard Mega Cap 300 ETF 529 Portfolio
- Vanguard Mega Cap 300 Growth ETF 529 Portfolio
- Vanguard Mid-Cap Value ETF 529 Portfolio
- Vanguard Mid-Cap ETF 529 Portfolio
- Vanguard Mid-Cap Growth ETF 529 Portfolio
- Vanguard REIT ETF 529 Portfolio
- Vanguard Short-Term Bond ETF 529 Portfolio
- Vanguard Small-Cap Value ETF 529 Portfolio
- Vanguard Small-Cap ETF 529 Portfolio
- Vanguard Small-Cap Growth ETF 529 Portfolio
- Vanguard Total Bond Market ETF 529 Portfolio

Female & Minority Owned Portfolios:

The Bright Directions Program offers two 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
- SIT Dividend Growth 529 Portfolio

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments (Continued)

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.

Investment Risk:

Interest Rate and Credit Risk:

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

The investments in the Bright Directions 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.

The fair values and disclosure method of the money market and fixed income funds for the Bright Directions Program as of June 30, 2014 are detailed in the table below.

| <u>Type</u> | <u>Fair Value</u> | <u>Interest Rate Risk</u> | <u>Method</u> | <u>Credit Risk</u> | <u>Rating Service</u> |
|---------------------|-----------------------|---------------------------|---------------------------|--------------------|-----------------------|
| Money Market: | \$ 83,072,799 | 41 days | Weighted Average Maturity | NR* | NA** |
| Fixed Income Funds: | | | | | |
| | 74,537,312 | 7.00 yrs | Average Maturity | NR* | NA** |
| | 359,607,760 | 4.12 yrs | Effective Maturity | NR* | NA** |
| | 34,713,868 | 2.19 yrs | Weighted Average Maturity | NR* | NA** |
| | 48,572,835 | 3.06 yrs | Effective Duration | NR* | NA** |
| | <u>\$ 600,504,574</u> | | | | |

*Credit Risk of NR indicates that while the underlying securities within the funds may be rated, the mutual fund itself is not rated.

**Not applicable

The fair values and disclosure method of the money market and fixed income funds for the Bright Directions Program as of June 30, 2013 are detailed in the table below.

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 2. Investments (Continued)

| Type | Fair Value | Interest Rate Risk | Method | Credit Risk | Rating Service |
|---------------------|-----------------------|---------------------------|---------------------------|--------------------|-----------------------|
| Money Market: | \$ 68,509,257 | 59 days | Weighted Average Maturity | NR* | NA** |
| Fixed Income Funds: | | | | | |
| | 56,956,786 | 6.89 yrs | Average Maturity | NR* | NA** |
| | 290,281,409 | 3.85 yrs | Effective Maturity | NR* | NA** |
| | 41,510,548 | 3.80 yrs | Weighted Average Maturity | NR* | NA** |
| | 41,353,802 | 8.03 yrs | Effective Duration | NR* | NA** |
| | <u>\$ 498,611,802</u> | | | | |

*Credit Risk of NR indicates that while the underlying securities within the funds may be rated, the mutual fund itself is not rated.

**Not applicable

Note 3. Administrative Fees

To administer the College Savings Program, the Treasurer has a division entitled, "The College Savings Program Division." This division had one employee as of June 30, 2014. The revenues and expenses of the division are recorded in an enterprise proprietary fund maintained by the Treasurer entitled College Savings Program Administrative Trust Fund No. 668.

The Managers of the College Savings Program receive fees for their services. The Bright Start Program Manager received an amount equal to a charge against the assets of the Trust at an annual rate of 0.15% on the blended and advisor portfolios and 0.14% on the index portfolios of the average daily balance of the net assets of the Trust. The fee is calculated daily but payable monthly. The Bright Directions Program Management fee is at an annual rate of 0.35% of the average daily net assets of each Portfolio with exception to the exchange-traded funds under Fee Structure F which have a program management fee at an annual rate of 0.32% of the average daily net assets of those particular portfolios.

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

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|---------------|---------------|
| Custodial/advisory fees | \$ 11,778,224 | \$ 10,153,385 |
| Administrative Trust Fund expenses | 1,250,552 | 876,463 |

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

**Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 4. Settlement

In late January 2009, the Treasurer launched an investigation of OppenheimerFunds, Inc. through the Illinois Attorney General's Office. The nature of the investigation related to the investment performance of the OFII Core Plus Fixed Income Strategy and whether mismanagement of the underlying investment led to its underperformance in 2008. A formal settlement agreement was reached on December 18, 2009 and OppenheimerFunds, Inc. agreed to pay \$77.23 million into a settlement account from which 100% of the proceeds would be distributed to eligible participants (i.e., there is no deduction from the settlement proceeds for administrative or other expenses). As of June 30, 2014, in excess of 99% of settlement proceeds had been distributed to eligible participants by way of deposits into a Bright Start account or check disbursement. The remaining unclaimed funds have been turned over to State of Illinois Unclaimed Property.

SUPPLEMENTARY INFORMATION

**State of Illinois
Office of the Treasurer**

**College Savings Program
Combining Statements of Fiduciary Net Position
June 30, 2014 and 2013**

| | Bright Start | | Bright Directions | | Totals | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 420,974,667 | \$ 418,759,298 | \$ 83,452,617 | \$ 69,944,029 | \$ 504,427,284 | \$ 488,703,327 |
| Capital shares receivable | 13,917,814 | 5,777,905 | 3,704,538 | - | 17,622,352 | 5,777,905 |
| Securities sold receivable | 732,042 | 1,704,963 | - | - | 732,042 | 1,704,963 |
| Dividends receivable | 1,509,084 | 738,597 | 592,666 | 426,450 | 2,101,750 | 1,165,047 |
| Mutual funds | 4,786,055,210 | 3,847,909,818 | 1,585,036,478 | 1,194,948,972 | 6,371,091,688 | 5,042,858,790 |
| Total assets | <u>\$ 5,223,188,817</u> | <u>\$ 4,274,890,581</u> | <u>\$ 1,672,786,299</u> | <u>\$ 1,265,319,451</u> | <u>\$ 6,895,975,116</u> | <u>\$ 5,540,210,032</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Payable for capital shares | \$ 12,029,994 | \$ 4,637,923 | \$ 2,378,180 | \$ - | \$ 14,408,174 | \$ 4,637,923 |
| Payable for securities purchased | 2,675,487 | 2,564,018 | - | - | 2,675,487 | 2,564,018 |
| Other liabilities | - | 5,279 | 2,229,156 | 2,302,050 | 2,229,156 | 2,307,329 |
| Total liabilities | 14,705,481 | 7,207,220 | 4,607,336 | 2,302,050 | 19,312,817 | 9,509,270 |
| Net position held in trust for participants | 5,208,483,336 | 4,267,683,361 | 1,668,178,963 | 1,263,017,401 | 6,876,662,299 | 5,530,700,762 |
| Total liabilities and net position | <u>\$ 5,223,188,817</u> | <u>\$ 4,274,890,581</u> | <u>\$ 1,672,786,299</u> | <u>\$ 1,265,319,451</u> | <u>\$ 6,895,975,116</u> | <u>\$ 5,540,210,032</u> |

State of Illinois
Office of the Treasurer
College Savings Program
Combining Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2014 and 2013

| | Bright Start | | Bright Directions | | Totals | |
|--|------------------|------------------|----------------------|------------------|------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 42,495,616 | \$ 30,859,215 | \$ 29,165,445 | \$ 26,275,947 | \$ 71,661,061 | \$ 57,135,162 |
| Net change in fair value of investments | 619,663,426 | 390,672,375 | 191,962,720 | 106,070,541 | 811,626,146 | 496,742,916 |
| Distribution fees | (3,953,042) | (3,365,834) | - | - | (3,953,042) | (3,365,834) |
| State administrative fees | (945,527) | (879,579) | (715,655) | - | (1,661,182) | (879,579) |
| Insurance fees | - | (94,530) | - | - | - | (94,530) |
| Other operating expenses | - | - | (1,544) | (750) | (1,544) | (750) |
| 12b-1 fees | - | - | (4,596,232) | (3,524,367) | (4,596,232) | (3,524,367) |
| Management and bank custodial fees | (6,739,616) | (5,760,625) | (5,038,608) | (4,392,760) | (11,778,224) | (10,153,385) |
| Net investment earnings (loss) | 650,520,857 | 411,431,022 | 210,776,126 | 124,428,611 | 861,296,983 | 535,859,633 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | (15,356) | (23,183) | (15,356) | (23,183) |
| Other participant transactions | | | | | | |
| Program contributions | 1,807,854,706 | 1,675,211,131 | 595,586,120 | 465,474,568 | 2,403,440,826 | 2,140,685,699 |
| Program distributions | (1,517,575,588) | (1,392,946,340) | (401,200,488) | (291,981,613) | (1,918,776,076) | (1,684,927,953) |
| Distributions reinvested | - | - | 15,160 | 24,312 | 15,160 | 24,312 |
| Total increase from participant transactions | 290,279,118 | 282,264,791 | 194,400,792 | 173,517,267 | 484,679,910 | 455,782,058 |
| Change in net position | 940,799,975 | 693,695,813 | 405,161,562 | 297,922,695 | 1,345,961,537 | 991,618,508 |
| Net position, beginning of fiscal year | 4,267,683,361 | 3,573,987,548 | 1,263,017,401 | 965,094,706 | 5,530,700,762 | 4,539,082,254 |
| Net position, end of fiscal year | \$ 5,208,483,336 | \$ 4,267,683,361 | \$ 1,668,178,963 | \$ 1,263,017,401 | \$ 6,876,662,299 | \$ 5,530,700,762 |

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio
June 30, 2014

| | Bright Start Advisor Age Based 0-6 years | Bright Start Advisor Age Based 7-9 years | Bright Start Advisor Age Based 10-11 years | Bright Start Advisor Age Based 12-14 years | Bright Start Advisor Age Based 15-17 years | Bright Start Advisor Age Based 18 years |
|---|---|---|---|---|---|--|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 303,606 | \$ 838,966 | \$ 1,231,004 | \$ 1,743,170 | \$ 30,880,713 | \$ 42,069,699 |
| Capital shares receivable | 180,502 | 226,766 | 721,022 | 675,050 | 926,534 | 624,384 |
| Securities sold receivable | 276,465 | - | 185,919 | - | - | - |
| Dividends receivable | 18,836 | 52,836 | 51,392 | 142,357 | 145,584 | 96,384 |
| Mutual funds | 153,419,926 | 170,970,159 | 168,103,557 | 296,037,348 | 225,799,157 | 156,443,208 |
| Total assets | <u>\$ 154,199,335</u> | <u>\$ 172,088,727</u> | <u>\$ 170,292,894</u> | <u>\$ 298,597,925</u> | <u>\$ 257,751,988</u> | <u>\$ 199,233,675</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Payable for capital shares | \$ 207,300 | \$ 692,874 | \$ 600,561 | \$ 830,810 | \$ 642,120 | \$ 220,554 |
| Payable for securities purchased | 18,835 | 225,584 | 51,391 | 367,353 | 181,052 | 207,350 |
| Total liabilities | <u>226,135</u> | <u>918,458</u> | <u>651,952</u> | <u>1,198,163</u> | <u>823,172</u> | <u>427,904</u> |
| Net position held in trust for participants | <u>153,973,200</u> | <u>171,170,269</u> | <u>169,640,942</u> | <u>297,399,762</u> | <u>256,928,816</u> | <u>198,805,771</u> |
| Total liabilities and net position | <u>\$ 154,199,335</u> | <u>\$ 172,088,727</u> | <u>\$ 170,292,894</u> | <u>\$ 298,597,925</u> | <u>\$ 257,751,988</u> | <u>\$ 199,233,675</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | Bright Start Advisor Choice Based Equity | Bright Start Advisor Choice Based Balanced | Bright Start Advisor Choice Based Fixed Income | Bright Start Advisor Choice Based Conservative Fixed Income | Bright Start Index Age Based 0-6 years | Bright Start Index Age Based 7-9 years |
|---|---|---|---|---|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 1,943,331 | \$ 8,638,504 | \$ 3,714,430 | \$ 23,687 | \$ 486,290 | \$ 7,703,130 |
| Capital shares receivable | 48,057 | 100,654 | 33,253 | 1 | 526,124 | 564,011 |
| Securities sold receivable | 25,842 | - | 352 | 3,700 | 7,866 | - |
| Dividends receivable | 26 | 39,506 | 14,928 | 455 | 51,096 | 63,208 |
| Mutual funds | 458,732,795 | 74,647,516 | 20,134,794 | 2,731,835 | 281,356,246 | 150,866,143 |
| Total assets | \$ 460,750,051 | \$ 83,426,180 | \$ 23,897,757 | \$ 2,759,678 | \$ 282,427,622 | \$ 159,196,492 |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Payable for capital shares | \$ 355,308 | \$ 40,340 | \$ 28,989 | \$ 5,126 | \$ 466,722 | \$ 607,587 |
| Payable for securities purchased | 25 | 62,268 | 14,927 | 455 | 52,855 | 220,680 |
| Total liabilities | 355,333 | 102,608 | 43,916 | 5,581 | 519,577 | 828,267 |
| Net position held in trust for participants | 460,394,718 | 83,323,572 | 23,853,841 | 2,754,097 | 281,908,045 | 158,368,225 |
| Total liabilities and net position | \$ 460,750,051 | \$ 83,426,180 | \$ 23,897,757 | \$ 2,759,678 | \$ 282,427,622 | \$ 159,196,492 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | Bright Start Index Age Based 10-11 years | Bright Start Index Age Based 12-14 years | Bright Start Index Age Based 15-17 years | Bright Start Index Age Based 18 years | Bright Start Index Choice Based Equity | Bright Start Index Choice Based Balanced |
|---|---|---|---|--|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 5,580,238 | \$ 14,292,467 | \$ 19,838,893 | \$ 13,940,488 | \$ 409,361 | \$ 13,330,931 |
| Capital shares receivable | 660,873 | 522,884 | 582,410 | 1,444,007 | 695,411 | 290,262 |
| Securities sold receivable | 24,132 | 37,117 | - | - | - | - |
| Dividends receivable | 57,617 | 87,473 | 105,475 | 91,176 | 6 | 81,259 |
| Mutual funds | 100,329,497 | 130,896,484 | 111,363,308 | 78,181,767 | 495,913,052 | 122,188,820 |
| Total assets | <u>\$ 106,652,357</u> | <u>\$ 145,836,425</u> | <u>\$ 131,890,086</u> | <u>\$ 93,657,438</u> | <u>\$ 497,017,830</u> | <u>\$ 135,891,272</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Payable for capital shares | \$ 452,752 | \$ 582,476 | \$ 1,313,209 | \$ 136,733 | \$ 434,528 | \$ 19,597 |
| Payable for securities purchased | 59,562 | 90,414 | 136,396 | 146,764 | 38,854 | 90,961 |
| Total liabilities | <u>512,314</u> | <u>672,890</u> | <u>1,449,605</u> | <u>283,497</u> | <u>473,382</u> | <u>110,558</u> |
| Net position held in trust for participants | <u>106,140,043</u> | <u>145,163,535</u> | <u>130,440,481</u> | <u>93,373,941</u> | <u>496,544,448</u> | <u>135,780,714</u> |
| Total liabilities and net position | <u>\$ 106,652,357</u> | <u>\$ 145,836,425</u> | <u>\$ 131,890,086</u> | <u>\$ 93,657,438</u> | <u>\$ 497,017,830</u> | <u>\$ 135,891,272</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | Bright Start Index Choice Based Fixed Income | Bright Start Blended Age Based 0-6 years | Bright Start Blended Age Based 7-9 years | Bright Start Blended Age Based 10-11 years | Bright Start Blended Age Based 12-14 years | Bright Start Blended Age Based 15-17 years |
|---|---|---|---|---|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 10,130,062 | \$ 637,792 | \$ 1,226,123 | \$ 1,408,951 | \$ 1,032,903 | \$ 24,882,857 |
| Capital shares receivable | 119,243 | 162,695 | 443,788 | 644,447 | 1,040,056 | 901,714 |
| Securities sold receivable | - | 145,540 | 14,285 | - | - | 3,475 |
| Dividends receivable | 86,450 | 9,421 | 31,416 | 30,460 | 94,956 | 71,497 |
| Mutual funds | 57,821,594 | 137,151,632 | 182,815,018 | 179,498,203 | 277,500,716 | 180,413,679 |
| Total assets | \$ 68,157,349 | \$ 138,107,080 | \$ 184,530,630 | \$ 181,582,061 | \$ 279,668,631 | \$ 206,273,222 |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Payable for capital shares | \$ 63,851 | \$ 357,819 | \$ 579,839 | \$ 868,214 | \$ 771,524 | \$ 653,542 |
| Payable for securities purchased | 90,427 | 9,419 | 31,418 | 170,897 | 201,230 | 71,483 |
| Total liabilities | 154,278 | 367,238 | 611,257 | 1,039,111 | 972,754 | 725,025 |
| Net position held in trust for participants | 68,003,071 | 137,739,842 | 183,919,373 | 180,542,950 | 278,695,877 | 205,548,197 |
| Total liabilities and net position | \$ 68,157,349 | \$ 138,107,080 | \$ 184,530,630 | \$ 181,582,061 | \$ 279,668,631 | \$ 206,273,222 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | Bright Start Blended Age Based 18 years | Bright Start Blended Choice Based Equity | Bright Start Blended Choice Based Fixed Income | Bright Start Blended Choice Based Balanced | Bright Start Blended Choice Based Conservative Fixed Income | Bright Start Money Market | Total |
|---|--|---|---|---|--|---------------------------------|-------------------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 30,248,600 | \$ 1,150,531 | \$ 3,722,046 | \$ 5,806,021 | \$ 71,821 | \$ 173,688,052 | \$ 420,974,667 |
| Capital shares receivable | 769,409 | 139,986 | 31,763 | 51,303 | 42,301 | 748,904 | 13,917,814 |
| Securities sold receivable | - | - | 7,349 | - | - | - | 732,042 |
| Dividends receivable | 50,113 | 13 | 8,467 | 20,054 | 1,410 | 5,213 | 1,509,084 |
| Mutual funds | 113,031,530 | 378,640,861 | 20,469,543 | 52,426,795 | 8,170,027 | - | 4,786,055,210 |
| Total assets | <u>\$ 144,099,652</u> | <u>\$ 379,931,391</u> | <u>\$ 24,239,168</u> | <u>\$ 58,304,173</u> | <u>\$ 8,285,559</u> | <u>\$ 174,442,169</u> | <u>\$ 5,223,188,817</u> |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Payable for capital shares | \$ 204,575 | \$ 613,344 | \$ 18,642 | \$ 7,455 | \$ - | \$ 253,603 | \$ 12,029,994 |
| Payable for securities purchased | 85,942 | 12,856 | 8,466 | 20,735 | 2,179 | 4,709 | 2,675,487 |
| Total liabilities | 290,517 | 626,200 | 27,108 | 28,190 | 2,179 | 258,312 | 14,705,481 |
| Net position held in trust for participants | 143,809,135 | 379,305,191 | 24,212,060 | 58,275,983 | 8,283,380 | 174,183,857 | 5,208,483,336 |
| Total liabilities and net position | <u>\$ 144,099,652</u> | <u>\$ 379,931,391</u> | <u>\$ 24,239,168</u> | <u>\$ 58,304,173</u> | <u>\$ 8,285,559</u> | <u>\$ 174,442,169</u> | <u>\$ 5,223,188,817</u> |

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio
June 30, 2013

| | Bright Start Advisor Age Based 0-6 years | Bright Start Advisor Age Based 7-9 years | Bright Start Advisor Age Based 10-11 years | Bright Start Advisor Age Based 12-14 years | Bright Start Advisor Age Based 15-17 years | Bright Start Advisor Age Based 18 years |
|---|---|---|---|---|---|--|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 573,823 | \$ 457,891 | \$ 1,351,988 | \$ 1,117,212 | \$ 27,322,040 | \$ 45,383,954 |
| Capital shares receivable | 227,196 | 210,526 | 172,166 | 296,058 | 466,984 | 149,085 |
| Securities sold receivable | - | - | 2,128 | 24,990 | 188,422 | - |
| Dividends receivable | 3,911 | 14,291 | 18,166 | 36,842 | 47,078 | 21,918 |
| Mutual funds | 131,489,685 | 160,566,749 | 152,577,213 | 248,119,921 | 193,161,064 | 131,863,202 |
| Total assets | <u>\$ 132,294,615</u> | <u>\$ 161,249,457</u> | <u>\$ 154,121,661</u> | <u>\$ 249,595,023</u> | <u>\$ 221,185,588</u> | <u>\$ 177,418,159</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Payable for capital shares | \$ 123,209 | \$ 131,504 | \$ 395,533 | \$ 203,740 | \$ 183,974 | \$ 417,235 |
| Payable for securities purchased | 44,524 | 52,366 | 18,165 | 36,844 | 47,102 | 109,559 |
| Other liabilities | - | - | - | - | - | - |
| Total liabilities | <u>167,733</u> | <u>183,870</u> | <u>413,698</u> | <u>240,584</u> | <u>231,076</u> | <u>526,794</u> |
| Net position held in trust for participants | <u>132,126,882</u> | <u>161,065,587</u> | <u>153,707,963</u> | <u>249,354,439</u> | <u>220,954,512</u> | <u>176,891,365</u> |
| Total liabilities and net position | <u>\$ 132,294,615</u> | <u>\$ 161,249,457</u> | <u>\$ 154,121,661</u> | <u>\$ 249,595,023</u> | <u>\$ 221,185,588</u> | <u>\$ 177,418,159</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Bright Start Advisor Choice Based Equity | Bright Start Advisor Choice Based Balanced | Bright Start Advisor Choice Based Fixed Income | Bright Start Advisor Choice Based Conservative Fixed Income | Bright Start Principal Protection Income | Bright Start Index Age Based 0-6 years | Bright Start Index Age Based 7-9 years |
|---|---|---|---|---|---|---|---|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 371,293 | \$ 8,763,480 | \$ 6,380,015 | \$ 12,710 | \$ 3,541 | \$ 764,947 | \$ 10,959,339 |
| Capital shares receivable | 389,305 | 122,896 | 66,802 | - | - | 296,268 | 93,483 |
| Securities sold receivable | 711,695 | 102,572 | 13,719 | - | - | - | 15,089 |
| Dividends receivable | 18 | 427 | 8,560 | 2 | - | 39,530 | 39,723 |
| Mutual funds | 371,339,973 | 56,403,915 | 21,024,339 | 1,114,768 | - | 217,896,594 | 97,630,416 |
| Total assets | \$ 372,812,284 | \$ 65,393,290 | \$ 27,493,435 | \$ 1,127,480 | \$ 3,541 | \$ 218,997,339 | \$ 108,738,050 |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Payable for capital shares | \$ 346,723 | \$ 257,368 | \$ 260,588 | \$ - | \$ - | \$ 51,926 | \$ 40,989 |
| Payable for securities purchased | 17 | 437 | 8,568 | 2,000 | - | 53,306 | 42,505 |
| Other liabilities | - | - | 1,738 | - | 3,541 | - | - |
| Total liabilities | 346,740 | 257,805 | 270,894 | 2,000 | 3,541 | 105,232 | 83,494 |
| Net position held in trust for participants | 372,465,544 | 65,135,485 | 27,222,541 | 1,125,480 | - | 218,892,107 | 108,654,556 |
| Total liabilities and net position | \$ 372,812,284 | \$ 65,393,290 | \$ 27,493,435 | \$ 1,127,480 | \$ 3,541 | \$ 218,997,339 | \$ 108,738,050 |

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Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Bright Start Index Age Based 10-11 years | Bright Start Index Age Based 12-14 years | Bright Start Index Age Based 15-17 years | Bright Start Index Age Based 18 years | Bright Start Index Choice Based Equity | Bright Start Index Choice Based Balanced |
|---|---|---|---|--|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 7,688,677 | \$ 11,721,615 | \$ 21,972,968 | \$ 14,584,680 | \$ 1,231,381 | \$ 10,193,369 |
| Capital shares receivable | 57,981 | 136,546 | 156,209 | 379,345 | 240,050 | 26,615 |
| Securities sold receivable | - | - | 258,941 | - | - | - |
| Dividends receivable | 41,292 | 81,614 | 98,119 | 88,649 | 17 | 72,331 |
| Mutual funds | 67,194,666 | 99,417,408 | 84,457,085 | 54,578,037 | 331,721,534 | 88,924,429 |
| Total assets | <u>\$ 74,982,616</u> | <u>\$ 111,357,183</u> | <u>\$ 106,943,322</u> | <u>\$ 69,630,711</u> | <u>\$ 333,192,982</u> | <u>\$ 99,216,744</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Payable for capital shares | \$ 60,194 | \$ 43,013 | \$ 316,605 | \$ 41,506 | \$ 9,969 | \$ 3,250 |
| Payable for securities purchased | 58,751 | 141,017 | 104,962 | 340,631 | 843,548 | 113,769 |
| Other liabilities | - | - | - | - | - | - |
| Total liabilities | <u>118,945</u> | <u>184,030</u> | <u>421,567</u> | <u>382,137</u> | <u>853,517</u> | <u>117,019</u> |
| Net position held in trust for participants | <u>74,863,671</u> | <u>111,173,153</u> | <u>106,521,755</u> | <u>69,248,574</u> | <u>332,339,465</u> | <u>99,099,725</u> |
| Total liabilities and net position | <u>\$ 74,982,616</u> | <u>\$ 111,357,183</u> | <u>\$ 106,943,322</u> | <u>\$ 69,630,711</u> | <u>\$ 333,192,982</u> | <u>\$ 99,216,744</u> |

(Continued)

State of Illinois
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Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Bright Start Index Choice Based Fixed Income | Bright Start Blended Age Based 0-6 years | Bright Start Blended Age Based 7-9 years | Bright Start Blended Age Based 10-11 years | Bright Start Blended Age Based 12-14 years | Bright Start Blended Age Based 15-17 years |
|---|---|---|---|---|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 16,168,396 | \$ 910,277 | \$ 749,688 | \$ 1,261,145 | \$ 803,580 | \$ 20,932,724 |
| Capital shares receivable | 17,614 | 99,078 | 380,875 | 204,129 | 298,717 | 296,000 |
| Securities sold receivable | - | 72,164 | 127,119 | - | - | 188,124 |
| Dividends receivable | 115,616 | 16 | 20 | 26 | 21 | 1,078 |
| Mutual funds | 60,347,033 | 126,531,437 | 175,554,438 | 159,058,680 | 216,524,493 | 145,200,678 |
| Total assets | <u>\$ 76,648,659</u> | <u>\$ 127,612,972</u> | <u>\$ 176,812,140</u> | <u>\$ 160,523,980</u> | <u>\$ 217,626,811</u> | <u>\$ 166,618,604</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Payable for capital shares | \$ 5,405 | \$ 337,572 | \$ 173,388 | \$ 262,983 | \$ 298,824 | \$ 229,272 |
| Payable for securities purchased | 217,258 | 16 | 20 | 23,999 | 120,096 | 1,102 |
| Other liabilities | - | - | - | - | - | - |
| Total liabilities | <u>222,663</u> | <u>337,588</u> | <u>173,408</u> | <u>286,982</u> | <u>418,920</u> | <u>230,374</u> |
| Net position held in trust for participants | <u>76,425,996</u> | <u>127,275,384</u> | <u>176,638,732</u> | <u>160,236,998</u> | <u>217,207,891</u> | <u>166,388,230</u> |
| Total liabilities and net position | <u>\$ 76,648,659</u> | <u>\$ 127,612,972</u> | <u>\$ 176,812,140</u> | <u>\$ 160,523,980</u> | <u>\$ 217,626,811</u> | <u>\$ 166,618,604</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Bright Start Blended Age Based 18 years | Bright Start Blended Choice Based Equity | Bright Start Blended Choice Based Fixed Income | Bright Start Blended Choice Based Balanced | Bright Start Blended Choice Based Conservative Fixed Income | Bright Start Money Market | Total |
|---|--|---|---|---|--|---------------------------------|-------------------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 30,852,141 | \$ 291,892 | \$ 5,827,550 | \$ 6,081,154 | \$ 79,869 | \$ 163,945,959 | \$ 418,759,298 |
| Capital shares receivable | 245,155 | 136,801 | 8,475 | 15,514 | 807 | 587,225 | 5,777,905 |
| Securities sold receivable | - | - | - | - | - | - | 1,704,963 |
| Dividends receivable | 2,019 | 10 | 219 | 197 | 2 | 6,885 | 738,597 |
| Mutual funds | 89,015,014 | 303,785,713 | 18,927,076 | 39,527,603 | 3,956,655 | - | 3,847,909,818 |
| Total assets | <u>\$ 120,114,329</u> | <u>\$ 304,214,416</u> | <u>\$ 24,763,320</u> | <u>\$ 45,624,468</u> | <u>\$ 4,037,333</u> | <u>\$ 164,540,069</u> | <u>\$ 4,274,890,581</u> |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Payable for capital shares | \$ 50,471 | \$ 17,663 | \$ 11,763 | \$ 13,135 | \$ - | \$ 350,121 | \$ 4,637,923 |
| Payable for securities purchased | 164,299 | 9,591 | 2,354 | 1,139 | 24 | 6,049 | 2,564,018 |
| Other liabilities | - | - | - | - | - | - | 5,279 |
| Total liabilities | <u>214,770</u> | <u>27,254</u> | <u>14,117</u> | <u>14,274</u> | <u>24</u> | <u>356,170</u> | <u>7,207,220</u> |
| Net position held in trust for participants | <u>119,899,559</u> | <u>304,187,162</u> | <u>24,749,203</u> | <u>45,610,194</u> | <u>4,037,309</u> | <u>164,183,899</u> | <u>4,267,683,361</u> |
| Total liabilities and net position | <u>\$ 120,114,329</u> | <u>\$ 304,214,416</u> | <u>\$ 24,763,320</u> | <u>\$ 45,624,468</u> | <u>\$ 4,037,333</u> | <u>\$ 164,540,069</u> | <u>\$ 4,274,890,581</u> |

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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio
June 30, 2014

| | American Century Equity Growth 529 Portfolio | American Century Growth 529 Portfolio | American Century Short Duration Inflation Protection Bond 529 Portfolio | American Century Value 529 Portfolio | Ariel 529 Portfolio | BlackRock Cash Funds 529 Portfolio |
|---|---|--|--|---|------------------------|--|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 832 | \$ 143 | \$ - | \$ 261 | \$ 591 | \$ 33,330,577 |
| Receivables for contributions | 7,610 | 1,692 | 1,191 | 2,548 | 457 | 253,171 |
| Dividends receivable | - | - | - | - | - | 2,676 |
| Mutual funds | 10,536,566 | 5,914,691 | 560,286 | 10,163,134 | 7,183,109 | - |
| Total assets | <u>\$ 10,545,008</u> | <u>\$ 5,916,526</u> | <u>\$ 561,477</u> | <u>\$ 10,165,943</u> | <u>\$ 7,184,157</u> | <u>\$ 33,586,424</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Withdrawals payable | \$ 586 | \$ 1 | \$ - | \$ 3,079 | \$ 503 | \$ 77,470 |
| Other liabilities | 10,681 | 5,880 | 406 | 10,169 | 7,238 | 2,452 |
| Total liabilities | <u>11,267</u> | <u>5,881</u> | <u>406</u> | <u>13,248</u> | <u>7,741</u> | <u>79,922</u> |
| Net position held in trust for participants | <u>10,533,741</u> | <u>5,910,645</u> | <u>561,071</u> | <u>10,152,695</u> | <u>7,176,416</u> | <u>33,506,502</u> |
| Total liabilities and net position | <u>\$ 10,545,008</u> | <u>\$ 5,916,526</u> | <u>\$ 561,477</u> | <u>\$ 10,165,943</u> | <u>\$ 7,184,157</u> | <u>\$ 33,586,424</u> |

(Continued)

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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | BlackRock Inflation Protected Bond 529 Portfolio | Calvert Equity 529 Portfolio | Causeway Emerging Markets 529 Portfolio | Delaware Small Cap Core 529 Portfolio | DFA International Small Company 529 Portfolio | Dodge & Cox International Stock 529 Portfolio | Eagle Small Cap Growth 529 Portfolio |
|---|---|------------------------------------|--|--|--|--|---|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 20 | \$ 2,017 | \$ 914 | \$ 1,297 | \$ 4,399 | \$ 853 |
| Receivables for contributions | 7,318 | 747 | 1,525 | 6,908 | 3,059 | 30,574 | 939 |
| Dividends receivable | 31,821 | - | - | - | - | - | - |
| Mutual funds | 7,884,079 | 5,022,470 | 5,407,097 | 9,227,077 | 2,403,846 | 23,176,350 | 10,706,368 |
| Total assets | <u>\$ 7,923,218</u> | <u>\$ 5,023,237</u> | <u>\$ 5,410,639</u> | <u>\$ 9,234,899</u> | <u>\$ 2,408,202</u> | <u>\$ 23,211,323</u> | <u>\$ 10,708,160</u> |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Withdrawals payable | \$ 1,071 | \$ 4,063 | \$ - | \$ 8,275 | \$ 12 | \$ 15,841 | \$ 13,611 |
| Other liabilities | 20,423 | 5,646 | 4,806 | 9,807 | 1,810 | 24,733 | 9,820 |
| Total liabilities | <u>21,494</u> | <u>9,709</u> | <u>4,806</u> | <u>18,082</u> | <u>1,822</u> | <u>40,574</u> | <u>23,431</u> |
| Net position held in trust for participants | <u>7,901,724</u> | <u>5,013,528</u> | <u>5,405,833</u> | <u>9,216,817</u> | <u>2,406,380</u> | <u>23,170,749</u> | <u>10,684,729</u> |
| Total liabilities and net position | <u>\$ 7,923,218</u> | <u>\$ 5,023,237</u> | <u>\$ 5,410,639</u> | <u>\$ 9,234,899</u> | <u>\$ 2,408,202</u> | <u>\$ 23,211,323</u> | <u>\$ 10,708,160</u> |

(Continued)

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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | MFS Value 529 Portfolio | Northern Bond Index 529 Portfolio | Northern International Equity Index 529 Portfolio | Northern Small Cap Index 529 Portfolio | Northern Small Cap Value 529 Portfolio | Northern Stock Index 529 Portfolio | Oppenheimer International Growth 529 Portfolio |
|---|-------------------------------|---|--|---|---|---|---|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 1,488 | \$ - | \$ 3,541 | \$ 1,386 | \$ 282 | \$ 2,598 | \$ 232 |
| Receivables for contributions | 14,411 | 809 | 3,007 | 2,116 | 9,075 | 3,633 | 7,045 |
| Dividends receivable | - | 2,046 | - | - | - | - | - |
| Mutual funds | 19,282,159 | 4,581,161 | 7,300,055 | 5,562,185 | 7,842,753 | 15,087,306 | 21,049,580 |
| Total assets | <u>\$ 19,298,058</u> | <u>\$ 4,584,016</u> | <u>\$ 7,306,603</u> | <u>\$ 5,565,687</u> | <u>\$ 7,852,110</u> | <u>\$ 15,093,537</u> | <u>\$ 21,056,857</u> |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Withdrawals payable | \$ 25,069 | \$ 10,833 | \$ 4,389 | \$ 10,002 | \$ 12,209 | \$ 9,214 | \$ 33,496 |
| Other liabilities | 19,310 | 25,065 | 7,320 | 5,992 | 7,743 | 15,494 | 22,314 |
| Total liabilities | <u>44,379</u> | <u>35,898</u> | <u>11,709</u> | <u>15,994</u> | <u>19,952</u> | <u>24,708</u> | <u>55,810</u> |
| Net position held in trust for participants | <u>19,253,679</u> | <u>4,548,118</u> | <u>7,294,894</u> | <u>5,549,693</u> | <u>7,832,158</u> | <u>15,068,829</u> | <u>21,001,047</u> |
| Total liabilities and net position | <u>\$ 19,298,058</u> | <u>\$ 4,584,016</u> | <u>\$ 7,306,603</u> | <u>\$ 5,565,687</u> | <u>\$ 7,852,110</u> | <u>\$ 15,093,537</u> | <u>\$ 21,056,857</u> |

(Continued)

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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | Pimco Low Duration 529 Portfolio | Pimco Short-Term 529 Portfolio | Pimco Total Return 529 Portfolio | SIT Dividend Growth 529 Portfolio | T.Rowe Price Extended Equity Market Index 529 Portfolio | T.Rowe Price Balanced 529 Portfolio | T.Rowe Price Equity Income 529 Portfolio |
|---|---|--------------------------------------|---|--|--|---|---|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 13,252 | \$ - | \$ - | \$ 3,457 | \$ 6,305 | \$ 10,432 |
| Receivables for contributions | 21,487 | 41,856 | 40,638 | 13,047 | 10,422 | 288,593 | 18,501 |
| Dividends receivable | 22,112 | 12,720 | 71,389 | - | - | - | - |
| Mutual funds | 17,306,065 | 14,820,177 | 38,035,561 | 7,831,769 | 13,285,107 | 24,814,540 | 27,156,000 |
| Total assets | \$ 17,349,664 | \$ 14,888,005 | \$ 38,147,588 | \$ 7,844,816 | \$ 13,298,986 | \$ 25,109,438 | \$ 27,184,933 |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Withdrawals payable | \$ 1,372 | \$ 948 | \$ 8,573 | \$ 1 | \$ 8,211 | \$ 7,225 | \$ 26,678 |
| Other liabilities | 72,207 | 14,855 | 80,494 | 63,139 | 13,374 | 28,110 | 28,195 |
| Total liabilities | 73,579 | 15,803 | 89,067 | 63,140 | 21,585 | 35,335 | 54,873 |
| Net position held in trust for participants | 17,276,085 | 14,872,202 | 38,058,521 | 7,781,676 | 13,277,401 | 25,074,103 | 27,130,060 |
| Total liabilities and net position | \$ 17,349,664 | \$ 14,888,005 | \$ 38,147,588 | \$ 7,844,816 | \$ 13,298,986 | \$ 25,109,438 | \$ 27,184,933 |

(Continued)

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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | T.Rowe Price | | Templeton | Vanguard | Vanguard | Vanguard | Vanguard |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|
| | Institutional | T.Rowe Price | International | FTSE Developed | FTSE Emerging | Global Ex-US | Vanguard |
| | Large Cap | Real | Bond | Markets ETF | Markets Stock ETF | Real Estate ETF | Mega Cap |
| | Growth | Estate | | | | | 300 ETF |
| | 529 Portfolio | 529 Portfolio | 529 Portfolio | 529 Portfolio | 529 Portfolio | 529 Portfolio | 529 Portfolio |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 3,262 | \$ 258 | \$ 5,212 | \$ - | \$ - | \$ - | \$ - |
| Receivables for contributions | 12,926 | 5,762 | 26,346 | 286 | 503 | 49 | 2,468 |
| Dividends receivable | - | - | - | 13,043 | 13,368 | 1,293 | 5,575 |
| Mutual funds | 26,888,501 | 7,677,496 | 7,255,954 | 1,084,217 | 1,381,131 | 213,700 | 1,246,722 |
| Total assets | <u>\$ 26,904,689</u> | <u>\$ 7,683,516</u> | <u>\$ 7,287,512</u> | <u>\$ 1,097,546</u> | <u>\$ 1,395,002</u> | <u>\$ 215,042</u> | <u>\$ 1,254,765</u> |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Withdrawals payable | \$ 9,787 | \$ 11,424 | \$ 6 | \$ 3 | \$ 18 | \$ 2 | \$ - |
| Other liabilities | 27,270 | 8,054 | 7,239 | 317 | 413 | 63 | 353 |
| Total liabilities | <u>37,057</u> | <u>19,478</u> | <u>7,245</u> | <u>320</u> | <u>431</u> | <u>65</u> | <u>353</u> |
| Net position held in trust for participants | <u>26,867,632</u> | <u>7,664,038</u> | <u>7,280,267</u> | <u>1,097,226</u> | <u>1,394,571</u> | <u>214,977</u> | <u>1,254,412</u> |
| Total liabilities and net position | <u>\$ 26,904,689</u> | <u>\$ 7,683,516</u> | <u>\$ 7,287,512</u> | <u>\$ 1,097,546</u> | <u>\$ 1,395,002</u> | <u>\$ 215,042</u> | <u>\$ 1,254,765</u> |

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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | Vanguard Mega Cap 300 Growth ETF 529 Portfolio | Vanguard Mega Cap 300 Value ETF 529 Portfolio | Vanguard Mid-Cap ETF 529 Portfolio | Vanguard Mid-Cap Growth ETF 529 Portfolio | Vanguard Mid-Cap Value ETF 529 Portfolio | Vanguard REIT ETF 529 Portfolio | Vanguard Short-Term Bond ETF 529 Portfolio | Vanguard Small-Cap ETF 529 Portfolio |
|--|---|--|--|--|---|---------------------------------------|---|--|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables for contributions | 92 | 7,187 | 1,189 | 52 | 40 | 2,473 | 1,266 | 1,742 |
| Dividends receivable | 1,105 | 5,892 | - | - | - | 5,474 | - | - |
| Mutual funds | 331,264 | 1,041,070 | 796,579 | 73,591 | 498,054 | 589,582 | 698,611 | 1,075,646 |
| Total assets | \$ 332,461 | \$ 1,054,149 | \$ 797,768 | \$ 73,643 | \$ 498,094 | \$ 597,529 | \$ 699,877 | \$ 1,077,388 |
| Liabilities and Net Position | | | | | | | | |
| Liabilities | | | | | | | | |
| Withdrawals payable | \$ - | \$ - | \$ 9 | \$ - | \$ - | \$ 2 | \$ - | \$ 6 |
| Other liabilities | 93 | 325 | 223 | 22 | 143 | 172 | 202 | 302 |
| Total liabilities | 93 | 325 | 232 | 22 | 143 | 174 | 202 | 308 |
| Net position held in trust for participants | 332,368 | 1,053,824 | 797,536 | 73,621 | 497,951 | 597,355 | 699,675 | 1,077,080 |
| Total liabilities and net position | \$ 332,461 | \$ 1,054,149 | \$ 797,768 | \$ 73,643 | \$ 498,094 | \$ 597,529 | \$ 699,877 | \$ 1,077,388 |

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State of Illinois
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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | Vanguard Small-Cap Growth ETF 529 Portfolio | Vanguard Small-Cap Value ETF 529 Portfolio | Vanguard Total Bond Market ETF 529 Portfolio | Voya Global Real Estate 529 Portfolio | William Blair Mid Cap Growth 529 Portfolio | Fixed Income Fund | Fund 10 |
|---|--|---|---|--|---|-------------------------|---------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 195 | \$ 2,236 | \$ 5,426,644 | \$ 18,559,684 |
| Receivables for contributions | 50 | 2,781 | 1,760 | 1,135 | 6,882 | 92,803 | 287,611 |
| Dividends receivable | - | - | - | - | - | 4,615 | 20,086 |
| Mutual funds | 159,834 | 449,523 | 297,114 | 3,765,078 | 11,031,244 | 5,421,262 | 27,839,525 |
| Total assets | \$ 159,884 | \$ 452,304 | \$ 298,874 | \$ 3,766,408 | \$ 11,040,362 | \$ 10,945,324 | \$ 46,706,906 |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Withdrawals payable | \$ - | \$ - | \$ - | \$ - | \$ 4,500 | \$ 130,886 | \$ 139,809 |
| Other liabilities | 45 | 127 | 84 | 4,022 | 10,573 | 13,492 | 66,152 |
| Total liabilities | 45 | 127 | 84 | 4,022 | 15,073 | 144,378 | 205,961 |
| Net position held in trust for participants | 159,839 | 452,177 | 298,790 | 3,762,386 | 11,025,289 | 10,800,946 | 46,500,945 |
| Total liabilities and net position | \$ 159,884 | \$ 452,304 | \$ 298,874 | \$ 3,766,408 | \$ 11,040,362 | \$ 10,945,324 | \$ 46,706,906 |

(Continued)

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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2014

| | Fund 20 | Fund 40 | Fund 60 | Fund 80 | Fund 100 | Total |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 25,777,742 | \$ - | \$ 292,507 | \$ - | \$ - | \$ 83,452,617 |
| Receivables for contributions | 616,491 | 334,249 | 585,834 | 599,943 | 320,239 | 3,704,538 |
| Dividends receivable | 72,120 | 118,304 | 123,840 | 65,187 | - | 592,666 |
| Mutual funds | 103,045,106 | 216,396,575 | 298,400,853 | 354,448,921 | 190,789,834 | 1,585,036,478 |
| Total assets | <u>\$ 129,511,459</u> | <u>\$ 216,849,128</u> | <u>\$ 299,403,034</u> | <u>\$ 355,114,051</u> | <u>\$ 191,110,073</u> | <u>\$ 1,672,786,299</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Withdrawals payable | \$ 212,692 | \$ 524,874 | \$ 418,195 | \$ 290,647 | \$ 352,588 | \$ 2,378,180 |
| Other liabilities | 151,140 | 347,749 | 332,421 | 439,734 | 300,943 | 2,229,156 |
| Total liabilities | <u>363,832</u> | <u>872,623</u> | <u>750,616</u> | <u>730,381</u> | <u>653,531</u> | <u>4,607,336</u> |
| Net position held in trust for participants | <u>129,147,627</u> | <u>215,976,505</u> | <u>298,652,418</u> | <u>354,383,670</u> | <u>190,456,542</u> | <u>1,668,178,963</u> |
| Total liabilities and net position | <u>\$ 129,511,459</u> | <u>\$ 216,849,128</u> | <u>\$ 299,403,034</u> | <u>\$ 355,114,051</u> | <u>\$ 191,110,073</u> | <u>\$ 1,672,786,299</u> |

State of Illinois
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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio
June 30, 2013

| | American Century Equity Growth 529 Portfolio | American Century Growth 529 Portfolio | American Century Value 529 Portfolio | Ariel 529 Portfolio | Artisan Emerging Markets 529 Portfolio | BlackRock Cash Funds 529 Portfolio |
|---|---|--|---|------------------------|---|--|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 6,819 | \$ 6,536 | \$ 12,548 | \$ 2,668 | \$ 8,836 | \$ 27,794,458 |
| Dividends receivable | - | - | - | - | - | 2,771 |
| Mutual funds | 8,220,425 | 4,066,601 | 7,093,056 | 4,935,271 | 3,354,783 | - |
| Total assets | <u>\$ 8,227,244</u> | <u>\$ 4,073,137</u> | <u>\$ 7,105,604</u> | <u>\$ 4,937,939</u> | <u>\$ 3,363,619</u> | <u>\$ 27,797,229</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Other liabilities | \$ 8,438 | \$ 4,186 | \$ 7,208 | \$ 5,197 | \$ 3,172 | \$ 2,579 |
| Total liabilities | <u>8,438</u> | <u>4,186</u> | <u>7,208</u> | <u>5,197</u> | <u>3,172</u> | <u>2,579</u> |
| Net position held in trust for participants | <u>8,218,806</u> | <u>4,068,951</u> | <u>7,098,396</u> | <u>4,932,742</u> | <u>3,360,447</u> | <u>27,794,650</u> |
| Total liabilities and net position | <u>\$ 8,227,244</u> | <u>\$ 4,073,137</u> | <u>\$ 7,105,604</u> | <u>\$ 4,937,939</u> | <u>\$ 3,363,619</u> | <u>\$ 27,797,229</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | BlackRock Inflation Protected Bond 529 Portfolio | Calvert Equity 529 Portfolio | Delaware Small Cap Core 529 Portfolio | DFA International Small Company 529 Portfolio | Dodge & Cox International Stock 529 Portfolio | Eagle Small Cap Growth 529 Portfolio |
|---|---|------------------------------------|--|--|--|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 31,911 | \$ 167 | \$ 1,526 | \$ 38,866 | \$ 41,775 | \$ 4,169 |
| Dividends receivable | 3,035 | - | - | - | - | - |
| Mutual funds | 10,059,370 | 3,553,183 | 6,418,601 | 668,675 | 14,912,602 | 8,367,205 |
| Total assets | <u>\$ 10,094,316</u> | <u>\$ 3,553,350</u> | <u>\$ 6,420,127</u> | <u>\$ 707,541</u> | <u>\$ 14,954,377</u> | <u>\$ 8,371,374</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Other liabilities | \$ 11,595 | \$ 4,254 | \$ 6,845 | \$ 432 | \$ 17,096 | \$ 7,962 |
| Total liabilities | <u>11,595</u> | <u>4,254</u> | <u>6,845</u> | <u>432</u> | <u>17,096</u> | <u>7,962</u> |
| Net position held in trust for participants | <u>10,082,721</u> | <u>3,549,096</u> | <u>6,413,282</u> | <u>707,109</u> | <u>14,937,281</u> | <u>8,363,412</u> |
| Total liabilities and net position | <u>\$ 10,094,316</u> | <u>\$ 3,553,350</u> | <u>\$ 6,420,127</u> | <u>\$ 707,541</u> | <u>\$ 14,954,377</u> | <u>\$ 8,371,374</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | ING Global Real Estate 529 Portfolio | John Hancock Small Company 529 Portfolio | MFS Value 529 Portfolio | Northern Bond Index 529 Portfolio | Northern International Equity Index 529 Portfolio |
|---|---|--|-------------------------------|---|--|
| Assets | | | | | |
| Cash and cash equivalents | \$ 1,543 | \$ 196 | \$ 3,758 | \$ 2,311 | \$ 40,099 |
| Dividends receivable | - | - | - | 1,205 | - |
| Mutual funds | 2,949,105 | 822,645 | 14,565,418 | 4,197,657 | 5,468,426 |
| Total assets | <u>\$ 2,950,648</u> | <u>\$ 822,841</u> | <u>\$ 14,569,176</u> | <u>\$ 4,201,173</u> | <u>\$ 5,508,525</u> |
| Liabilities and Net Position | | | | | |
| Liabilities | | | | | |
| Other liabilities | \$ 3,297 | \$ 809 | \$ 14,448 | \$ 5,804 | \$ 5,601 |
| Total liabilities | <u>3,297</u> | <u>809</u> | <u>14,448</u> | <u>5,804</u> | <u>5,601</u> |
| Net position held in trust for participants | <u>2,947,351</u> | <u>822,032</u> | <u>14,554,728</u> | <u>4,195,369</u> | <u>5,502,924</u> |
| Total liabilities and net position | <u>\$ 2,950,648</u> | <u>\$ 822,841</u> | <u>\$ 14,569,176</u> | <u>\$ 4,201,173</u> | <u>\$ 5,508,525</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Northern Small Cap Index 529 Portfolio | Northern Small Cap Value 529 Portfolio | Northern Stock Index 529 Portfolio | Oppenheimer International Growth 529 Portfolio | Pimco Low Duration 529 Portfolio | Pimco Short-Term 529 Portfolio | Pimco Total Return 529 Portfolio |
|---|---|---|---|---|---|--------------------------------------|---|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 12,397 | \$ 4,884 | \$ 251,917 | \$ 17,978 | \$ 25,948 | \$ 119,614 | \$ 170,391 |
| Dividends receivable | - | - | - | - | 22,902 | 8,155 | 72,593 |
| Mutual funds | 3,388,924 | 6,030,190 | 10,571,704 | 16,308,407 | 15,917,086 | 10,247,966 | 42,419,402 |
| Total assets | \$ 3,401,321 | \$ 6,035,074 | \$ 10,823,621 | \$ 16,326,385 | \$ 15,965,936 | \$ 10,375,735 | \$ 42,662,386 |
| Liabilities and Net Position | | | | | | | |
| Liabilities | | | | | | | |
| Other liabilities | \$ 3,491 | \$ 5,918 | \$ 10,702 | \$ 17,251 | \$ 15,803 | \$ 9,841 | \$ 47,354 |
| Total liabilities | 3,491 | 5,918 | 10,702 | 17,251 | 15,803 | 9,841 | 47,354 |
| Net position held in trust for participants | 3,397,830 | 6,029,156 | 10,812,919 | 16,309,134 | 15,950,133 | 10,365,894 | 42,615,032 |
| Total liabilities and net position | \$ 3,401,321 | \$ 6,035,074 | \$ 10,823,621 | \$ 16,326,385 | \$ 15,965,936 | \$ 10,375,735 | \$ 42,662,386 |

(Continued)

State of Illinois
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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | SIT Dividend Growth 529 Portfolio | T.Rowe Price Extended Equity Market Index 529 Portfolio | T.Rowe Price Balanced 529 Portfolio | T.Rowe Price Equity Income 529 Portfolio | T.Rowe Price Institutional Large Cap Growth 529 Portfolio | T.Rowe Price Real Estate 529 Portfolio |
|---|--|--|---|---|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 4,554 | \$ 7,772 | \$ 27,414 | \$ 33,508 | \$ 10,014 | \$ - |
| Dividends receivable | - | - | - | - | - | - |
| Mutual funds | 6,354,634 | 9,293,103 | 14,818,817 | 19,542,338 | 17,185,800 | 6,471,827 |
| Total assets | <u>\$ 6,359,188</u> | <u>\$ 9,300,875</u> | <u>\$ 14,846,231</u> | <u>\$ 19,575,846</u> | <u>\$ 17,195,814</u> | <u>\$ 6,471,827</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Other liabilities | \$ 6,066 | \$ 8,970 | \$ 17,725 | \$ 20,831 | \$ 17,564 | \$ 12,825 |
| Total liabilities | <u>6,066</u> | <u>8,970</u> | <u>17,725</u> | <u>20,831</u> | <u>17,564</u> | <u>12,825</u> |
| Net position held in trust for participants | <u>6,353,122</u> | <u>9,291,905</u> | <u>14,828,506</u> | <u>19,555,015</u> | <u>17,178,250</u> | <u>6,459,002</u> |
| Total liabilities and net position | <u>\$ 6,359,188</u> | <u>\$ 9,300,875</u> | <u>\$ 14,846,231</u> | <u>\$ 19,575,846</u> | <u>\$ 17,195,814</u> | <u>\$ 6,471,827</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Templeton International Bond 529 Portfolio | Touchstone Total Return Bond 529 Portfolio | Vanguard FTSE Developed Markets ETF 529 Portfolio | Vanguard FTSE Emerging Markets Stock ETF 529 Portfolio | Vanguard Global Ex-US Real Estate ETF 529 Portfolio | Vanguard Mega Cap 300 ETF 529 Portfolio |
|---|---|---|--|---|--|--|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 52,150 | \$ 17 | \$ 16,170 | \$ 6,050 | \$ 2,360 | \$ 7,134 |
| Dividends receivable | - | - | - | - | - | - |
| Mutual funds | 5,600,792 | 724,283 | 396,238 | 790,017 | 104,026 | 418,781 |
| Total assets | <u>\$ 5,652,942</u> | <u>\$ 724,300</u> | <u>\$ 412,408</u> | <u>\$ 796,067</u> | <u>\$ 106,386</u> | <u>\$ 425,915</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Other liabilities | \$ 5,899 | \$ 652 | \$ 123 | \$ 233 | \$ 29 | \$ 126 |
| Total liabilities | <u>5,899</u> | <u>652</u> | <u>123</u> | <u>233</u> | <u>29</u> | <u>126</u> |
| Net position held in trust for participants | <u>5,647,043</u> | <u>723,648</u> | <u>412,285</u> | <u>795,834</u> | <u>106,357</u> | <u>425,789</u> |
| Total liabilities and net position | <u>\$ 5,652,942</u> | <u>\$ 724,300</u> | <u>\$ 412,408</u> | <u>\$ 796,067</u> | <u>\$ 106,386</u> | <u>\$ 425,915</u> |

(Continued)

State of Illinois
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Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Vanguard Mega Cap 300 Growth ETF 529 Portfolio | Vanguard Mega Cap 300 Value ETF 529 Portfolio | Vanguard Mid-Cap ETF 529 Portfolio | Vanguard Mid-Cap Growth ETF 529 Portfolio | Vanguard Mid-Cap Value ETF 529 Portfolio | Vanguard REIT ETF 529 Portfolio | Vanguard Short-Term Bond ETF 529 Portfolio | Vanguard Small-Cap ETF 529 Portfolio |
|---|---|--|--|--|---|---------------------------------------|---|--|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 52 | \$ 6,311 | \$ 6,849 | \$ 52 | \$ 6,511 | \$ 5,245 | \$ 2,658 | \$ 8,653 |
| Dividends receivable | - | - | - | - | - | - | - | - |
| Mutual funds | 122,300 | 268,617 | 452,594 | 22,756 | 216,542 | 201,184 | 212,522 | 470,099 |
| Total assets | \$ 122,352 | \$ 274,928 | \$ 459,443 | \$ 22,808 | \$ 223,053 | \$ 206,429 | \$ 215,180 | \$ 478,752 |
| Liabilities and Net Position | | | | | | | | |
| Liabilities | | | | | | | | |
| Other liabilities | \$ 35 | \$ 76 | \$ 120 | \$ 7 | \$ 56 | \$ 52 | \$ 53 | \$ 122 |
| Total liabilities | 35 | 76 | 120 | 7 | 56 | 52 | 53 | 122 |
| Net position held in trust for participants | 122,317 | 274,852 | 459,323 | 22,801 | 222,997 | 206,377 | 215,127 | 478,630 |
| Total liabilities and net position | \$ 122,352 | \$ 274,928 | \$ 459,443 | \$ 22,808 | \$ 223,053 | \$ 206,429 | \$ 215,180 | \$ 478,752 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Vanguard Small-Cap Growth ETF 529 Portfolio | Vanguard Small-Cap Value ETF 529 Portfolio | Vanguard Total Bond Market ETF 529 Portfolio | William Blair Mid Cap Growth 529 Portfolio | Fixed Income Fund | Fund 10 |
|---|--|---|---|---|-------------------------|----------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 40 | \$ 8,653 | \$ 90 | \$ 5,929 | \$ 5,131,356 | \$ 15,317,962 |
| Dividends receivable | - | - | - | - | 4,981 | 18,589 |
| Mutual funds | 64,180 | 187,169 | 162,202 | 7,929,907 | 5,131,356 | 22,929,359 |
| Total assets | <u>\$ 64,220</u> | <u>\$ 195,822</u> | <u>\$ 162,292</u> | <u>\$ 7,935,836</u> | <u>\$ 10,267,693</u> | <u>\$ 38,265,910</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Other liabilities | \$ 18 | \$ 43 | \$ 49 | \$ 7,902 | \$ 37,191 | \$ 47,783 |
| Total liabilities | <u>18</u> | <u>43</u> | <u>49</u> | <u>7,902</u> | <u>37,191</u> | <u>47,783</u> |
| Net position held in trust for participants | <u>64,202</u> | <u>195,779</u> | <u>162,243</u> | <u>7,927,934</u> | <u>10,230,502</u> | <u>38,218,127</u> |
| Total liabilities and net position | <u>\$ 64,220</u> | <u>\$ 195,822</u> | <u>\$ 162,292</u> | <u>\$ 7,935,836</u> | <u>\$ 10,267,693</u> | <u>\$ 38,265,910</u> |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Fiduciary Net Position by Portfolio (Continued)
June 30, 2013

| | Fund 20 | Fund 40 | Fund 60 | Fund 80 | Fund 100 | Total |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 20,675,210 | \$ - | \$ - | \$ - | \$ - | \$ 69,944,029 |
| Dividends receivable | 60,072 | 96,256 | 94,892 | 40,999 | - | 426,450 |
| Mutual funds | 81,428,711 | 167,191,259 | 220,011,395 | 260,562,230 | 141,147,232 | 1,194,948,972 |
| Total assets | <u>\$ 102,163,993</u> | <u>\$ 167,287,515</u> | <u>\$ 220,106,287</u> | <u>\$ 260,603,229</u> | <u>\$ 141,147,232</u> | <u>\$ 1,265,319,451</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Other liabilities | \$ 122,422 | \$ 572,268 | \$ 312,121 | \$ 579,451 | \$ 311,955 | \$ 2,302,050 |
| Total liabilities | <u>122,422</u> | <u>572,268</u> | <u>312,121</u> | <u>579,451</u> | <u>311,955</u> | <u>2,302,050</u> |
| Net position held in trust for participants | <u>102,041,571</u> | <u>166,715,247</u> | <u>219,794,166</u> | <u>260,023,778</u> | <u>140,835,277</u> | <u>1,263,017,401</u> |
| Total liabilities and net position | <u>\$ 102,163,993</u> | <u>\$ 167,287,515</u> | <u>\$ 220,106,287</u> | <u>\$ 260,603,229</u> | <u>\$ 141,147,232</u> | <u>\$ 1,265,319,451</u> |

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio
Year Ended June 30, 2014

| | Bright Start Advisor Age Based 0-6 years | Bright Start Advisor Age Based 7-9 years | Bright Start Advisor Age Based 10-11 years | Bright Start Advisor Age Based 12-14 years | Bright Start Advisor Age Based 15-17 years | Bright Start Advisor Age Based 18 years |
|--|---|---|---|---|---|--|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 350,626 | \$ 579,177 | \$ 559,974 | \$ 1,203,214 | \$ 1,163,802 | \$ 613,680 |
| Net change in fair value of investments | 27,560,111 | 25,789,803 | 21,807,121 | 31,637,258 | 18,203,031 | 5,648,445 |
| Distribution fees | (473,165) | (410,505) | (355,661) | (617,960) | (538,736) | (376,829) |
| State administrative fees | (43,241) | (50,450) | (48,443) | (82,491) | (71,011) | (52,704) |
| Management fees | (216,207) | (252,237) | (242,221) | (412,456) | (355,035) | (263,522) |
| Net investment earnings (loss) | 27,178,124 | 25,655,788 | 21,720,770 | 31,727,565 | 18,402,051 | 5,569,070 |
| Participant transactions | | | | | | |
| Program contributions | 41,431,045 | 66,284,159 | 90,572,489 | 120,410,850 | 110,482,413 | 97,102,604 |
| Program distributions | (46,762,851) | (81,835,265) | (96,360,280) | (104,093,092) | (92,910,160) | (80,757,268) |
| Total increase (decrease) from participant transactions | (5,331,806) | (15,551,106) | (5,787,791) | 16,317,758 | 17,572,253 | 16,345,336 |
| Change in net position | 21,846,318 | 10,104,682 | 15,932,979 | 48,045,323 | 35,974,304 | 21,914,406 |
| Net position, beginning of fiscal year | 132,126,882 | 161,065,587 | 153,707,963 | 249,354,439 | 220,954,512 | 176,891,365 |
| Net position, end of fiscal year | \$ 153,973,200 | \$ 171,170,269 | \$ 169,640,942 | \$ 297,399,762 | \$ 256,928,816 | \$ 198,805,771 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Bright Start Advisor Choice Based Equity | Bright Start Advisor Choice Based Balanced | Bright Start Advisor Choice Based Fixed Income | Bright Start Advisor Choice Based Conservative Fixed Income | Bright Start Index Age Based 0-6 years | Bright Start Index Age Based 7-9 years |
|--|---|---|---|---|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 760,746 | \$ 244,294 | \$ 127,207 | \$ 1,853 | \$ 6,605,419 | \$ 3,184,139 |
| Net change in fair value of investments | 87,344,889 | 8,458,635 | 407,452 | 6,965 | 43,928,985 | 18,018,886 |
| Distribution fees | (897,947) | (209,772) | (67,938) | (4,529) | - | - |
| State administrative fees | (125,477) | (22,180) | (7,276) | (543) | - | - |
| Management fees | (627,386) | (110,909) | (36,383) | (2,716) | (356,926) | (185,583) |
| Net investment earnings (loss) | 86,454,825 | 8,360,068 | 423,062 | 1,030 | 50,177,478 | 21,017,442 |
| Participant transactions | | | | | | |
| Program contributions | 57,158,250 | 24,406,231 | 4,573,052 | 1,943,701 | 73,083,266 | 78,978,061 |
| Program distributions | (55,683,901) | (14,578,212) | (8,364,814) | (316,114) | (60,244,806) | (50,281,834) |
| Total increase (decrease) from participant transactions | 1,474,349 | 9,828,019 | (3,791,762) | 1,627,587 | 12,838,460 | 28,696,227 |
| Change in net position | 87,929,174 | 18,188,087 | (3,368,700) | 1,628,617 | 63,015,938 | 49,713,669 |
| Net position, beginning of fiscal year | 372,465,544 | 65,135,485 | 27,222,541 | 1,125,480 | 218,892,107 | 108,654,556 |
| Net position, end of fiscal year | \$ 460,394,718 | \$ 83,323,572 | \$ 23,853,841 | \$ 2,754,097 | \$ 281,908,045 | \$ 158,368,225 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Bright Start Index Age Based 10-11 years | Bright Start Index Age Based 12-14 years | Bright Start Index Age Based 15-17 years | Bright Start Index Age Based 18 years | Bright Start Index Choice Based Equity | Bright Start Index Choice Based Balanced |
|--|---|---|---|--|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 2,146,039 | \$ 2,941,252 | \$ 2,423,397 | \$ 1,467,533 | \$ 10,902,653 | \$ 2,671,206 |
| Net change in fair value of investments | 10,662,217 | 12,769,465 | 7,459,247 | 1,868,506 | 77,909,039 | 11,586,700 |
| Distribution fees | - | - | - | - | - | - |
| State administrative fees | - | - | - | - | - | - |
| Management fees | (126,322) | (178,877) | (165,073) | (104,851) | (583,797) | (162,190) |
| Net investment earnings (loss) | 12,681,934 | 15,531,840 | 9,717,571 | 3,231,188 | 88,227,895 | 14,095,716 |
| Participant transactions | | | | | | |
| Program contributions | 62,415,921 | 66,117,010 | 63,227,932 | 55,221,258 | 109,601,817 | 41,442,844 |
| Program distributions | (43,821,483) | (47,658,468) | (49,026,777) | (34,327,079) | (33,624,729) | (18,857,571) |
| Total increase (decrease) from participant transactions | 18,594,438 | 18,458,542 | 14,201,155 | 20,894,179 | 75,977,088 | 22,585,273 |
| Change in net position | 31,276,372 | 33,990,382 | 23,918,726 | 24,125,367 | 164,204,983 | 36,680,989 |
| Net position, beginning of fiscal year | 74,863,671 | 111,173,153 | 106,521,755 | 69,248,574 | 332,339,465 | 99,099,725 |
| Net position, end of fiscal year | \$ 106,140,043 | \$ 145,163,535 | \$ 130,440,481 | \$ 93,373,941 | \$ 496,544,448 | \$ 135,780,714 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Bright Start Index Choice Based Fixed Income | Bright Start Blended Age Based 0-6 years | Bright Start Blended Age Based 7-9 years | Bright Start Blended Age Based 10-11 years | Bright Start Blended Age Based 12-14 years | Bright Start Blended Age Based 15-17 years |
|--|---|---|---|---|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 1,374,794 | \$ 263,698 | \$ 382,907 | \$ 328,753 | \$ 647,210 | \$ 426,880 |
| Net change in fair value of investments | 399,229 | 26,390,017 | 29,349,671 | 24,038,570 | 29,398,677 | 14,168,227 |
| Distribution fees | - | - | - | - | - | - |
| State administrative fees | - | (40,380) | (55,010) | (51,452) | (74,186) | (55,950) |
| Management fees | (95,675) | (201,902) | (275,048) | (257,260) | (370,933) | (279,726) |
| Net investment earnings (loss) | 1,678,348 | 26,411,433 | 29,402,520 | 24,058,611 | 29,600,768 | 14,259,431 |
| Participant transactions | | | | | | |
| Program contributions | 18,472,198 | 33,117,023 | 64,459,968 | 93,665,164 | 112,604,059 | 90,017,913 |
| Program distributions | (28,573,471) | (49,063,998) | (86,581,847) | (97,417,823) | (80,716,841) | (65,117,377) |
| Total increase (decrease) from participant transactions | (10,101,273) | (15,946,975) | (22,121,879) | (3,752,659) | 31,887,218 | 24,900,536 |
| Change in net position | (8,422,925) | 10,464,458 | 7,280,641 | 20,305,952 | 61,487,986 | 39,159,967 |
| Net position, beginning of fiscal year | 76,425,996 | 127,275,384 | 176,638,732 | 160,236,998 | 217,207,891 | 166,388,230 |
| Net position, end of fiscal year | \$ 68,003,071 | \$ 137,739,842 | \$ 183,919,373 | \$ 180,542,950 | \$ 278,695,877 | \$ 205,548,197 |

(Continued)

State of Illinois
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Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Bright Start Blended Age Based 18 years | Bright Start Blended Choice Based Equity | Bright Start Blended Choice Based Fixed Income | Bright Start Blended Choice Based Balanced | Bright Start Blended Choice Based Conservative Fixed Income | Bright Start Money Market | Total |
|--|--|---|---|---|--|---------------------------------|------------------|
| Investment income (expense) | | | | | | | |
| Investment earnings | \$ 247,685 | \$ 629,819 | \$ 38,293 | \$ 136,773 | \$ 5,893 | \$ 66,700 | \$ 42,495,616 |
| Net change in fair value of investments | 3,923,502 | 74,035,433 | 601,127 | 6,253,981 | 25,472 | 12,765 | 619,663,426 |
| Distribution fees | - | - | - | - | - | - | (3,953,042) |
| State administrative fees | (36,827) | (103,568) | (7,054) | (15,474) | (1,810) | - | (945,527) |
| Management fees | (184,119) | (517,846) | (35,272) | (77,384) | (9,053) | (52,707) | (6,739,616) |
| Net investment earnings (loss) | 3,950,241 | 74,043,838 | 597,094 | 6,297,896 | 20,502 | 26,758 | 650,520,857 |
| Participant transactions | | | | | | | |
| Program contributions | 75,921,903 | 44,259,965 | 5,436,809 | 14,254,442 | 7,073,963 | 84,118,396 | 1,807,854,706 |
| Program distributions | (55,962,568) | (43,185,774) | (6,571,046) | (7,886,549) | (2,848,394) | (74,145,196) | (1,517,575,588) |
| Total increase (decrease) from participant transactions | 19,959,335 | 1,074,191 | (1,134,237) | 6,367,893 | 4,225,569 | 9,973,200 | 290,279,118 |
| Change in net position | 23,909,576 | 75,118,029 | (537,143) | 12,665,789 | 4,246,071 | 9,999,958 | 940,799,975 |
| Net position, beginning of fiscal year | 119,899,559 | 304,187,162 | 24,749,203 | 45,610,194 | 4,037,309 | 164,183,899 | 4,267,683,361 |
| Net position, end of fiscal year | \$ 143,809,135 | \$ 379,305,191 | \$ 24,212,060 | \$ 58,275,983 | \$ 8,283,380 | \$ 174,183,857 | \$ 5,208,483,336 |

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio
Year Ended June 30, 2013

| | Bright Start Advisor Age Based 0-6 years | Bright Start Advisor Age Based 7-9 years | Bright Start Advisor Age Based 10-11 years | Bright Start Advisor Age Based 12-14 years | Bright Start Advisor Age Based 15-17 years | Bright Start Advisor Age Based 18 years |
|--|---|---|---|---|---|--|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 326,709 | \$ 440,387 | \$ 415,811 | \$ 654,085 | \$ 660,580 | \$ 263,476 |
| Net change in fair value of investments | 19,651,387 | 19,405,313 | 15,015,539 | 18,637,130 | 10,208,490 | 2,270,342 |
| Distribution fees | (393,541) | (359,998) | (321,885) | (513,118) | (469,379) | (330,008) |
| State administrative fees | (38,196) | (48,405) | (44,460) | (68,422) | (63,146) | (46,627) |
| Insurance fees | - | - | - | - | - | - |
| Management fees | (190,980) | (242,017) | (222,293) | (342,112) | (315,780) | (233,169) |
| Net investment earnings (loss) | 19,355,379 | 19,195,280 | 14,842,712 | 18,367,563 | 10,020,765 | 1,924,014 |
| Participant transactions | | | | | | |
| Program contributions | 37,475,012 | 64,153,143 | 90,494,100 | 113,397,484 | 100,373,242 | 90,868,044 |
| Program distributions | (45,032,663) | (79,377,461) | (91,170,145) | (86,428,831) | (83,965,523) | (67,250,340) |
| Total increase (decrease) from participant transactions | (7,557,651) | (15,224,318) | (676,045) | 26,968,653 | 16,407,719 | 23,617,704 |
| Change in net position | 11,797,728 | 3,970,962 | 14,166,667 | 45,336,216 | 26,428,484 | 25,541,718 |
| Net position, beginning of fiscal year | 120,329,154 | 157,094,625 | 139,541,296 | 204,018,223 | 194,526,028 | 151,349,647 |
| Net position, end of fiscal year | \$ 132,126,882 | \$ 161,065,587 | \$ 153,707,963 | \$ 249,354,439 | \$ 220,954,512 | \$ 176,891,365 |

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State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | Bright Start Advisor Choice Based Equity | Bright Start Advisor Choice Based Balanced | Bright Start Advisor Choice Based Fixed Income | Bright Start Advisor Choice Based Conservative Fixed Income | Bright Start Principal Protection Income | Bright Start Index Age Based 0-6 years |
|--|---|---|---|---|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 867,189 | \$ 82,970 | \$ 94,612 | \$ 2 | \$ 823,381 | \$ 4,719,448 |
| Net change in fair value of investments | 59,842,701 | 4,931,635 | (134,988) | (1,455) | - | 27,445,580 |
| Distribution fees | (740,772) | (165,611) | (70,533) | (989) | - | - |
| State administrative fees | (104,955) | (17,880) | (8,183) | (81) | (65,690) | - |
| Insurance fees | - | - | - | - | (94,530) | - |
| Management fees | (524,771) | (89,421) | (40,931) | (391) | (196,588) | (268,561) |
| Net investment earnings (loss) | 59,339,392 | 4,741,693 | (160,023) | (2,914) | 466,573 | 31,896,467 |
| Participant transactions | | | | | | |
| Program contributions | 43,095,276 | 18,976,199 | 8,600,210 | 1,301,639 | 497,203 | 60,315,993 |
| Program distributions | (57,772,341) | (12,924,990) | (7,000,487) | (173,245) | (144,436,057) | (36,925,881) |
| Total increase (decrease) from participant transactions | (14,677,065) | 6,051,209 | 1,599,723 | 1,128,394 | (143,938,854) | 23,390,112 |
| Change in net position | 44,662,327 | 10,792,902 | 1,439,700 | 1,125,480 | (143,472,281) | 55,286,579 |
| Net position, beginning of fiscal year | 327,803,217 | 54,342,583 | 25,782,841 | - | 143,472,281 | 163,605,528 |
| Net position, end of fiscal year | \$ 372,465,544 | \$ 65,135,485 | \$ 27,222,541 | \$ 1,125,480 | \$ - | \$ 218,892,107 |

(Continued)

**State of Illinois
Office of the Treasurer**

**Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013**

| | 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 | Bright Start Index Age Based 18 years | Bright Start Index Choice Based Equity | Bright Start Index Choice Based Balanced |
|--|---|---|---|---|--|---|---|
| Investment income (expense) | | | | | | | |
| Investment earnings | \$ 2,131,124 | \$ 1,474,850 | \$ 2,218,516 | \$ 1,865,651 | \$ 1,122,124 | \$ 6,894,987 | \$ 1,863,460 |
| Net change in fair value of investments | 10,262,174 | 5,723,626 | 6,677,308 | 2,879,785 | (645,021) | 44,862,909 | 5,569,580 |
| Distribution fees | - | - | - | - | - | - | - |
| State administrative fees | - | - | - | - | - | - | - |
| Insurance fees | - | - | - | - | - | - | - |
| Management fees | (133,922) | (92,414) | (138,518) | (131,301) | (79,500) | (390,546) | (117,434) |
| Net investment earnings (loss) | 12,259,376 | 7,106,062 | 8,757,306 | 4,614,135 | 397,603 | 51,367,350 | 7,315,606 |
| Participant transactions | | | | | | | |
| Program contributions | 51,515,931 | 47,960,171 | 53,844,872 | 54,202,804 | 43,232,613 | 75,877,716 | 33,422,859 |
| Program distributions | (38,370,630) | (34,711,257) | (38,092,006) | (32,717,934) | (23,263,784) | (28,574,666) | (12,888,239) |
| Total increase (decrease) from participant transactions | 13,145,301 | 13,248,914 | 15,752,866 | 21,484,870 | 19,968,829 | 47,303,050 | 20,534,620 |
| Change in net position | 25,404,677 | 20,354,976 | 24,510,172 | 26,099,005 | 20,366,432 | 98,670,400 | 27,850,226 |
| Net position, beginning of fiscal year | 83,249,879 | 54,508,695 | 86,662,981 | 80,422,750 | 48,882,142 | 233,669,065 | 71,249,499 |
| Net position, end of fiscal year | \$ 108,654,556 | \$ 74,863,671 | \$ 111,173,153 | \$ 106,521,755 | \$ 69,248,574 | \$ 332,339,465 | \$ 99,099,725 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | Bright Start Index Choice Based Fixed Income | Bright Start Blended Age Based 0-6 years | Bright Start Blended Age Based 7-9 years | Bright Start Blended Age Based 10-11 years | Bright Start Blended Age Based 12-14 years | Bright Start Blended Age Based 15-17 years |
|--|---|---|---|---|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 1,539,390 | \$ 330,880 | \$ 366,234 | \$ 269,628 | \$ 288,030 | \$ 160,810 |
| Net change in fair value of investments | (2,071,827) | 20,845,826 | 22,383,510 | 16,267,437 | 16,863,879 | 7,985,661 |
| Distribution fees | - | - | - | - | - | - |
| State administrative fees | - | (37,468) | (52,547) | (45,151) | (57,940) | (46,260) |
| Insurance fees | - | - | - | - | - | - |
| Management fees | (108,969) | (187,333) | (262,731) | (225,750) | (289,701) | (231,342) |
| Net investment earnings (loss) | (641,406) | 20,951,905 | 22,434,466 | 16,266,164 | 16,804,268 | 7,868,869 |
| Participant transactions | | | | | | |
| Program contributions | 27,594,940 | 33,916,275 | 62,314,441 | 88,734,009 | 96,278,188 | 72,211,901 |
| Program distributions | (24,638,023) | (46,572,633) | (78,357,186) | (81,603,361) | (61,934,763) | (56,159,581) |
| Total increase (decrease) from participant transactions | 2,956,917 | (12,656,358) | (16,042,745) | 7,130,648 | 34,343,425 | 16,052,320 |
| Change in net position | 2,315,511 | 8,295,547 | 6,391,721 | 23,396,812 | 51,147,693 | 23,921,189 |
| Net position, beginning of fiscal year | 74,110,485 | 118,979,837 | 170,247,011 | 136,840,186 | 166,060,198 | 142,467,041 |
| Net position, end of fiscal year | \$ 76,425,996 | \$ 127,275,384 | \$ 176,638,732 | \$ 160,236,998 | \$ 217,207,891 | \$ 166,388,230 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Start College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | Bright Start Blended Age Based 18 years | Bright Start Blended Choice Based Equity | Bright Start Blended Choice Based Fixed Income | Bright Start Blended Choice Based Balanced | Bright Start Blended Choice Based Conservative Fixed Income | Bright Start Money Market | Total |
|--|--|---|---|---|--|---------------------------------|------------------|
| Investment income (expense) | | | | | | | |
| Investment earnings | \$ 68,768 | \$ 815,136 | \$ 4,598 | \$ 63,034 | \$ 2 | \$ 33,343 | \$ 30,859,215 |
| Net change in fair value of investments | 1,481,155 | 51,033,761 | (233,080) | 3,518,884 | (4,866) | - | 390,672,375 |
| Distribution fees | - | - | - | - | - | - | (3,365,834) |
| State administrative fees | (30,796) | (83,419) | (7,369) | (12,190) | (394) | - | (879,579) |
| Insurance fees | - | - | - | - | - | - | (94,530) |
| Management fees | (153,993) | (417,097) | (36,849) | (60,923) | (1,968) | (33,320) | (5,760,625) |
| Net investment earnings (loss) | 1,365,134 | 51,348,381 | (272,700) | 3,508,805 | (7,226) | 23 | 411,431,022 |
| Participant transactions | | | | | | | |
| Program contributions | 65,038,809 | 35,979,683 | 8,434,074 | 12,450,816 | 4,639,973 | 178,013,511 | 1,675,211,131 |
| Program distributions | (45,819,671) | (34,507,386) | (6,430,960) | (6,576,031) | (595,438) | (28,674,827) | (1,392,946,340) |
| Total increase (decrease) from participant transactions | 19,219,138 | 1,472,297 | 2,003,114 | 5,874,785 | 4,044,535 | 149,338,684 | 282,264,791 |
| Change in net position | 20,584,272 | 52,820,678 | 1,730,414 | 9,383,590 | 4,037,309 | 149,338,707 | 693,695,813 |
| Net position, beginning of fiscal year | 99,315,287 | 251,366,484 | 23,018,789 | 36,226,604 | - | 14,845,192 | 3,573,987,548 |
| Net position, end of fiscal year | \$ 119,899,559 | \$ 304,187,162 | \$ 24,749,203 | \$ 45,610,194 | \$ 4,037,309 | \$ 164,183,899 | \$ 4,267,683,361 |

State of Illinois
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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio
Year Ended June 30, 2014

| | American Century Equity Growth 529 Portfolio | American Century Growth 529 Portfolio | American Century Short Duration Inflation Protection Bond 529 Portfolio | American Century Value 529 Portfolio | Ariel 529 Portfolio | Artisan Emerging Markets 529 Portfolio |
|--|---|--|--|---|------------------------|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 548,761 | \$ 312,810 | \$ 2,471 | \$ 151,341 | \$ 54,517 | \$ 20,886 |
| Net change in fair value of investments | 1,544,579 | 809,097 | 4,624 | 1,592,215 | 1,492,344 | 281,356 |
| Admin fee | (4,717) | (2,541) | (133) | (4,281) | (3,046) | (840) |
| 12b-1 fees | (27,119) | (14,565) | (481) | (24,868) | (18,089) | (4,063) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (33,019) | (17,793) | (926) | (29,968) | (21,324) | (5,879) |
| Net investment earnings (loss) | 2,028,485 | 1,087,008 | 5,555 | 1,684,439 | 1,504,402 | 291,460 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 1,869,171 | 1,257,448 | 595,826 | 2,205,991 | 1,572,758 | 734,317 |
| Program distributions | (1,582,721) | (502,762) | (40,310) | (836,131) | (833,486) | (4,386,224) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 286,450 | 754,686 | 555,516 | 1,369,860 | 739,272 | (3,651,907) |
| Change in net position | 2,314,935 | 1,841,694 | 561,071 | 3,054,299 | 2,243,674 | (3,360,447) |
| Net position, beginning of fiscal year | 8,218,806 | 4,068,951 | - | 7,098,396 | 4,932,742 | 3,360,447 |
| Net position, end of fiscal year | \$ 10,533,741 | \$ 5,910,645 | \$ 561,071 | \$ 10,152,695 | \$ 7,176,416 | \$ - |

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | BlackRock Cash Funds 529 Portfolio | BlackRock Inflation Protected Bond 529 Portfolio | Calvert Equity 529 Portfolio | Causeway Emerging Markets 529 Portfolio | Delaware Small Cap Core 529 Portfolio | DFA International Small Company 529 Portfolio |
|--|--|---|------------------------------------|--|--|--|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 36,148 | \$ 284,832 | \$ 180,010 | \$ 40,048 | \$ 207,834 | \$ 59,608 |
| Net change in fair value of investments | - | 53,932 | 693,897 | 405,203 | 1,772,559 | 261,257 |
| Admin fee | - | (4,117) | (2,196) | (1,323) | (4,017) | (726) |
| 12b-1 fees | - | (25,931) | (14,847) | (6,537) | (25,428) | (2,600) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (21,188) | (28,823) | (15,369) | (9,262) | (28,122) | (5,089) |
| Net investment earnings (loss) | 14,960 | 279,893 | 841,495 | 428,129 | 1,922,826 | 312,450 |
| Distributions to participants | | | | | | |
| Net investment income | (15,356) | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 32,178,941 | 1,650,919 | 1,389,294 | 5,436,993 | 2,026,562 | 1,446,858 |
| Program distributions | (26,481,853) | (4,111,809) | (766,357) | (459,289) | (1,145,853) | (60,037) |
| Distributions reinvested | 15,160 | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 5,712,248 | (2,460,890) | 622,937 | 4,977,704 | 880,709 | 1,386,821 |
| Change in net position | 5,711,852 | (2,180,997) | 1,464,432 | 5,405,833 | 2,803,535 | 1,699,271 |
| Net position, beginning of fiscal year | 27,794,650 | 10,082,721 | 3,549,096 | - | 6,413,282 | 707,109 |
| Net position, end of fiscal year | \$ 33,506,502 | \$ 7,901,724 | \$ 5,013,528 | \$ 5,405,833 | \$ 9,216,817 | \$ 2,406,380 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Dodge & Cox International Stock 529 Portfolio | Eagle Small Cap Growth 529 Portfolio | John Hancock Small Company 529 Portfolio | MFS Value 529 Portfolio | Northern Bond Index 529 Portfolio | Northern International Equity Index 529 Portfolio |
|--|--|---|--|-------------------------------|---|--|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 311,377 | \$ 120,402 | \$ - | \$ 672,251 | \$ 118,991 | \$ 119,299 |
| Net change in fair value of investments | 4,449,351 | 1,698,188 | 116,194 | 2,660,161 | 59,674 | 1,176,277 |
| Admin fee | (9,675) | (4,923) | (201) | (8,508) | (2,110) | (3,168) |
| 12b-1 fees | (54,199) | (25,503) | (1,089) | (47,829) | (13,918) | (17,824) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (67,725) | (34,459) | (1,410) | (59,557) | (14,768) | (22,178) |
| Net investment earnings (loss) | 4,629,129 | 1,753,705 | 113,494 | 3,216,518 | 147,869 | 1,252,406 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 5,952,534 | 1,860,763 | 140,612 | 3,965,668 | 1,297,987 | 1,648,921 |
| Program distributions | (2,348,195) | (1,293,151) | (1,076,138) | (2,483,235) | (1,093,107) | (1,109,357) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 3,604,339 | 567,612 | (935,526) | 1,482,433 | 204,880 | 539,564 |
| Change in net position | 8,233,468 | 2,321,317 | (822,032) | 4,698,951 | 352,749 | 1,791,970 |
| Net position, beginning of fiscal year | 14,937,281 | 8,363,412 | 822,032 | 14,554,728 | 4,195,369 | 5,502,924 |
| Net position, end of fiscal year | \$ 23,170,749 | \$ 10,684,729 | \$ - | \$ 19,253,679 | \$ 4,548,118 | \$ 7,294,894 |

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Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Northern Small Cap Index 529 Portfolio | Northern Small Cap Value 529 Portfolio | Northern Stock Index 529 Portfolio | Oppenheimer International Growth 529 Portfolio | Pimco Low Duration 529 Portfolio | Pimco Short-Term 529 Portfolio |
|--|---|---|--|---|---|--------------------------------------|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 235,017 | \$ 486,238 | \$ 294,345 | \$ 211,326 | \$ 243,954 | \$ 137,533 |
| Net change in fair value of investments | 647,462 | 958,898 | 2,515,656 | 3,283,669 | 200,801 | 88,079 |
| Admin fee | (2,326) | (3,445) | (6,524) | (9,547) | (8,016) | (6,408) |
| 12b-1 fees | (14,547) | (19,322) | (38,178) | (57,011) | (42,657) | (35,485) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (16,283) | (24,114) | (45,664) | (66,828) | (56,115) | (44,856) |
| Net investment earnings (loss) | 849,323 | 1,398,255 | 2,719,635 | 3,361,609 | 337,967 | 138,863 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 2,423,897 | 1,448,476 | 3,779,615 | 3,799,294 | 6,642,394 | 8,377,510 |
| Program distributions | (1,121,357) | (1,043,729) | (2,243,340) | (2,468,990) | (5,654,409) | (4,010,065) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 1,302,540 | 404,747 | 1,536,275 | 1,330,304 | 987,985 | 4,367,445 |
| Change in net position | 2,151,863 | 1,803,002 | 4,255,910 | 4,691,913 | 1,325,952 | 4,506,308 |
| Net position, beginning of fiscal year | 3,397,830 | 6,029,156 | 10,812,919 | 16,309,134 | 15,950,133 | 10,365,894 |
| Net position, end of fiscal year | \$ 5,549,693 | \$ 7,832,158 | \$ 15,068,829 | \$ 21,001,047 | \$ 17,276,085 | \$ 14,872,202 |

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Pimco Total Return 529 Portfolio | SIT Dividend Growth 529 Portfolio | T.Rowe Price Extended Equity Market Index 529 Portfolio | T.Rowe Price Balanced 529 Portfolio | T.Rowe Price Equity Income 529 Portfolio | T.Rowe Price Institutional Large Cap Growth 529 Portfolio |
|--|---|--|--|---|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 1,087,553 | \$ 339,187 | \$ 354,771 | \$ 1,137,508 | \$ 1,062,080 | \$ 8,465 |
| Net change in fair value of investments | 731,468 | 971,992 | 2,281,700 | 2,010,232 | 3,275,961 | 5,679,135 |
| Admin fee | (19,195) | (3,532) | (5,726) | (9,490) | (11,710) | (11,286) |
| 12b-1 fees | (118,343) | (17,677) | (33,184) | (69,115) | (71,260) | (66,118) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (134,361) | (24,725) | (40,080) | (66,431) | (81,966) | (79,004) |
| Net investment earnings (loss) | 1,547,122 | 1,265,245 | 2,557,481 | 3,002,704 | 4,173,105 | 5,531,192 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 7,625,531 | 2,098,908 | 3,169,513 | 10,256,309 | 6,274,206 | 6,823,111 |
| Program distributions | (13,729,164) | (1,935,599) | (1,741,498) | (3,013,416) | (2,872,266) | (2,664,921) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | (6,103,633) | 163,309 | 1,428,015 | 7,242,893 | 3,401,940 | 4,158,190 |
| Change in net position | (4,556,511) | 1,428,554 | 3,985,496 | 10,245,597 | 7,575,045 | 9,689,382 |
| Net position, beginning of fiscal year | 42,615,032 | 6,353,122 | 9,291,905 | 14,828,506 | 19,555,015 | 17,178,250 |
| Net position, end of fiscal year | \$ 38,058,521 | \$ 7,781,676 | \$ 13,277,401 | \$ 25,074,103 | \$ 27,130,060 | \$ 26,867,632 |

(Continued)

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | T. Rowe Price Real Estate 529 Portfolio | Templeton International Bond 529 Portfolio | Touchstone Total Return Bond 529 Portfolio | Vanguard FTSE Developed Markets ETF 529 Portfolio | Vanguard FTSE Emerging Markets Stock ETF 529 Portfolio | Vanguard Global Ex-US Real Estate ETF 529 Portfolio |
|--|--|---|---|--|---|--|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 156,966 | \$ 173,006 | \$ 8,821 | \$ 33,602 | \$ 39,655 | \$ 5,712 |
| Net change in fair value of investments | 808,658 | 251,393 | (8,803) | 116,413 | 117,623 | 14,687 |
| Admin fee | (3,315) | (3,146) | (144) | (238) | (324) | (46) |
| 12b-1 fees | (19,982) | (18,254) | (742) | - | - | - |
| Other operating expenses | - | - | - | (255) | (230) | (25) |
| Management fees | (23,203) | (22,020) | (1,001) | (2,538) | (3,459) | (489) |
| Net investment earnings (loss) | 919,124 | 380,979 | (1,869) | 146,984 | 153,265 | 19,839 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 1,528,652 | 2,273,702 | 54,171 | 631,876 | 556,200 | 92,571 |
| Program distributions | (1,242,740) | (1,021,457) | (775,950) | (93,919) | (110,728) | (3,790) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 285,912 | 1,252,245 | (721,779) | 537,957 | 445,472 | 88,781 |
| Change in net position | 1,205,036 | 1,633,224 | (723,648) | 684,941 | 598,737 | 108,620 |
| Net position, beginning of fiscal year | 6,459,002 | 5,647,043 | 723,648 | 412,285 | 795,834 | 106,357 |
| Net position, end of fiscal year | \$ 7,664,038 | \$ 7,280,267 | \$ - | \$ 1,097,226 | \$ 1,394,571 | \$ 214,977 |

(Continued)

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Vanguard Mega Cap 300 ETF 529 Portfolio | Vanguard Mega Cap 300 Growth ETF 529 Portfolio | Vanguard Mega Cap 300 Value ETF 529 Portfolio | Vanguard Mid-Cap ETF 529 Portfolio | Vanguard Mid-Cap Growth ETF 529 Portfolio | Vanguard Mid-Cap Value ETF 529 Portfolio |
|--|--|---|--|--|--|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 18,911 | \$ 4,066 | \$ 20,159 | \$ 7,883 | \$ 230 | \$ 6,191 |
| Net change in fair value of investments | 153,183 | 53,239 | 110,871 | 136,009 | 8,055 | 81,225 |
| Admin fee | (241) | (74) | (207) | (191) | (12) | (109) |
| 12b-1 fees | - | - | - | - | - | - |
| Other operating expenses | (184) | (68) | (239) | (51) | (7) | (44) |
| Management fees | (2,567) | (790) | (2,208) | (2,039) | (133) | (1,170) |
| Net investment earnings (loss) | 169,102 | 56,373 | 128,376 | 141,611 | 8,133 | 86,093 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 787,962 | 261,837 | 771,180 | 311,280 | 43,027 | 204,554 |
| Program distributions | (128,441) | (108,159) | (120,584) | (114,678) | (340) | (15,693) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 659,521 | 153,678 | 650,596 | 196,602 | 42,687 | 188,861 |
| Change in net position | 828,623 | 210,051 | 778,972 | 338,213 | 50,820 | 274,954 |
| Net position, beginning of fiscal year | 425,789 | 122,317 | 274,852 | 459,323 | 22,801 | 222,997 |
| Net position, end of fiscal year | \$ 1,254,412 | \$ 332,368 | \$ 1,053,824 | \$ 797,536 | \$ 73,621 | \$ 497,951 |

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | Vanguard Reit ETF 529 Portfolio | Vanguard Short-Term Bond ETF 529 Portfolio | Vanguard Small-Cap ETF 529 Portfolio | Vanguard Small-Cap Growth ETF 529 Portfolio | Vanguard Small-Cap Value ETF 529 Portfolio | Vanguard Total Bond Market ETF 529 Portfolio | Voya Global Real Estate 529 Portfolio |
|--|---------------------------------------|---|---|--|---|---|--|
| Investment income (expense) | | | | | | | |
| Investment earnings | \$ 17,913 | \$ 6,751 | \$ 10,780 | \$ 779 | \$ 5,436 | \$ 5,231 | \$ 71,454 |
| Net change in fair value of investments | 50,468 | 1,639 | 164,675 | 21,381 | 69,107 | 3,905 | 405,794 |
| Admin fee | (118) | (150) | (240) | (33) | (93) | (60) | (1,627) |
| 12b-1 fees | - | - | - | - | - | - | (10,302) |
| Other operating expenses | (75) | (204) | (80) | (10) | (32) | (40) | - |
| Management fees | (1,254) | (1,601) | (2,565) | (357) | (993) | (632) | (11,387) |
| Net investment earnings (loss) | 66,934 | 6,435 | 172,570 | 21,760 | 73,425 | 8,404 | 453,932 |
| Distributions to participants | | | | | | | |
| Net investment income | - | - | - | - | - | - | - |
| Other participant transactions | | | | | | | |
| Program contributions | 352,973 | 823,745 | 529,254 | 76,963 | 200,839 | 180,757 | 812,215 |
| Program distributions | (28,929) | (345,632) | (103,374) | (3,086) | (17,866) | (52,614) | (451,112) |
| Distributions reinvested | - | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 324,044 | 478,113 | 425,880 | 73,877 | 182,973 | 128,143 | 361,103 |
| Change in net position | 390,978 | 484,548 | 598,450 | 95,637 | 256,398 | 136,547 | 815,035 |
| Net position, beginning of fiscal year | 206,377 | 215,127 | 478,630 | 64,202 | 195,779 | 162,243 | 2,947,351 |
| Net position, end of fiscal year | \$ 597,355 | \$ 699,675 | \$ 1,077,080 | \$ 159,839 | \$ 452,177 | \$ 298,790 | \$ 3,762,386 |

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014

| | William Blair Mid Cap Growth 529 Portfolio | Fixed Income Fund | Fund 10 | Fund 20 | Fund 40 | Fund 60 |
|--|---|-------------------------|---------------|----------------|----------------|----------------|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 642,746 | \$ 66,985 | \$ 348,071 | \$ 1,505,856 | \$ 3,233,987 | \$ 4,884,250 |
| Net change in fair value of investments | 840,838 | 27,202 | 1,014,448 | 5,374,436 | 17,057,841 | 34,682,961 |
| Admin fee | (4,921) | (4,955) | (20,339) | (56,287) | (94,761) | (131,138) |
| 12b-1 fees | (25,752) | (38,507) | (153,773) | (408,310) | (662,763) | (873,207) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (34,447) | (34,681) | (142,376) | (394,007) | (663,325) | (917,965) |
| Net investment earnings (loss) | 1,418,464 | 16,044 | 1,046,031 | 6,021,688 | 18,870,979 | 37,644,901 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 2,916,693 | 7,132,970 | 28,069,613 | 64,793,719 | 90,893,728 | 112,680,991 |
| Program distributions | (1,237,802) | (6,578,570) | (20,832,826) | (43,709,351) | (60,503,449) | (71,467,640) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 1,678,891 | 554,400 | 7,236,787 | 21,084,368 | 30,390,279 | 41,213,351 |
| Change in net position | 3,097,355 | 570,444 | 8,282,818 | 27,106,056 | 49,261,258 | 78,858,252 |
| Net position, beginning of fiscal year | 7,927,934 | 10,230,502 | 38,218,127 | 102,041,571 | 166,715,247 | 219,794,166 |
| Net position, end of fiscal year | \$ 11,025,289 | \$ 10,800,946 | \$ 46,500,945 | \$ 129,147,627 | \$ 215,976,505 | \$ 298,652,418 |

(Continued)

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**Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2014**

| | Fund 80 | Fund 100 | Total |
|--|-----------------------|-----------------------|-------------------------|
| Investment income (expense) | | | |
| Investment earnings | \$ 6,105,981 | \$ 2,944,460 | \$ 29,165,445 |
| Net change in fair value of investments | 53,557,196 | 35,132,315 | 191,962,720 |
| Admin fee | (155,284) | (83,875) | (715,655) |
| 12b-1 fees | (966,066) | (510,787) | (4,596,232) |
| Other operating expenses | - | - | (1,544) |
| Management fees | (1,086,990) | (587,125) | (5,038,608) |
| Net investment earnings (loss) | <u>57,454,837</u> | <u>36,894,988</u> | <u>210,776,126</u> |
| Distributions to participants | | | |
| Net investment income | - | - | (15,356) |
| Other participant transactions | | | |
| Program contributions | 104,485,360 | 44,168,961 | 595,586,120 |
| Program distributions | (67,580,305) | (31,442,684) | (401,200,488) |
| Distributions reinvested | - | - | 15,160 |
| Total increase (decrease) from participant transactions | <u>36,905,055</u> | <u>12,726,277</u> | <u>194,400,792</u> |
| Change in net position | 94,359,892 | 49,621,265 | 405,161,562 |
| Net position, beginning of fiscal year | <u>260,023,778</u> | <u>140,835,277</u> | <u>1,263,017,401</u> |
| Net position, end of fiscal year | <u>\$ 354,383,670</u> | <u>\$ 190,456,542</u> | <u>\$ 1,668,178,963</u> |

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**Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio
Year Ended June 30, 2013**

| | American Century Equity Growth 529 Portfolio | American Century Growth 529 Portfolio | American Century Value 529 Portfolio | Ariel 529 Portfolio | Artisan Emerging Markets 529 Portfolio | BlackRock Cash Funds 529 Portfolio |
|--|---|--|---|--------------------------------|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 142,476 | \$ 150,165 | \$ 114,477 | \$ 55,289 | \$ 44,229 | \$ 46,994 |
| Net change in fair value of investments | 1,245,594 | 324,527 | 1,201,143 | 1,114,881 | (126,922) | (145) |
| 12b-1 fees | (20,350) | (10,383) | (17,352) | (12,746) | (7,143) | - |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (28,688) | (14,963) | (23,877) | (17,394) | (12,919) | (24,009) |
| Net investment earnings (loss) | 1,339,032 | 449,346 | 1,274,391 | 1,140,030 | (102,755) | 22,840 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | (23,183) |
| Other participant transactions | | | | | | |
| Program contributions | 1,744,732 | 1,148,613 | 1,589,703 | 613,224 | 2,053,635 | 22,012,049 |
| Program distributions | (1,039,626) | (737,967) | (943,197) | (708,209) | (1,329,772) | (17,980,844) |
| Distributions reinvested | - | - | - | - | - | 24,312 |
| Total increase (decrease) from participant transactions | 705,106 | 410,646 | 646,506 | (94,985) | 723,863 | 4,055,517 |
| Change in net position | 2,044,138 | 859,992 | 1,920,897 | 1,045,045 | 621,108 | 4,055,174 |
| Net position, beginning of fiscal year | 6,174,668 | 3,208,959 | 5,177,499 | 3,887,697 | 2,739,339 | 23,739,476 |
| Net position, end of fiscal year | \$ 8,218,806 | \$ 4,068,951 | \$ 7,098,396 | \$ 4,932,742 | \$ 3,360,447 | \$ 27,794,650 |

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | BlackRock Inflation Protected Bond 529 Portfolio | Calvert Equity 529 Portfolio | Delaware Small Cap Core 529 Portfolio | DFA International Small Company 529 Portfolio | Dodge & Cox International Stock 529 Portfolio | Eagle Small Cap Growth 529 Portfolio | Eaton Vance Large-Cap Value 529 Portfolio |
|--|---|------------------------------------|--|--|--|---|--|
| Investment income (expense) | | | | | | | |
| Investment earnings | \$ 293,845 | \$ 7,703 | \$ 16,852 | \$ 9,063 | \$ 272,332 | \$ 2,584 | \$ - |
| Net change in fair value of investments | (785,563) | 514,971 | 1,161,696 | (9,589) | 2,273,988 | 1,497,274 | 430 |
| 12b-1 fees | (31,352) | (11,259) | (16,842) | (288) | (36,887) | (19,011) | - |
| Other operating expenses | - | - | - | - | - | - | - |
| Management fees | (42,310) | (13,475) | (22,381) | (965) | (51,628) | (29,631) | - |
| Net investment earnings (loss) | (565,380) | 497,940 | 1,139,325 | (1,779) | 2,457,805 | 1,451,216 | 430 |
| Distributions to participants | | | | | | | |
| Net investment income | - | - | - | - | - | - | - |
| Other participant transactions | | | | | | | |
| Program contributions | 4,114,583 | 633,277 | 1,464,307 | 728,673 | 3,919,500 | 1,559,782 | - |
| Program distributions | (2,894,414) | (758,286) | (1,130,919) | (19,785) | (1,922,089) | (1,113,491) | - |
| Distributions reinvested | - | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 1,220,169 | (125,009) | 333,388 | 708,888 | 1,997,411 | 446,291 | - |
| Change in net position | 654,789 | 372,931 | 1,472,713 | 707,109 | 4,455,216 | 1,897,507 | 430 |
| Net position, beginning of fiscal year | 9,427,932 | 3,176,165 | 4,940,569 | - | 10,482,065 | 6,465,905 | (430) |
| Net position, end of fiscal year | \$ 10,082,721 | \$ 3,549,096 | \$ 6,413,282 | \$ 707,109 | \$ 14,937,281 | \$ 8,363,412 | \$ - |

(Continued)

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**Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013**

| | ING Global Real Estate 529 Portfolio | John Hancock Small Company 529 Portfolio | MFS Value 529 Portfolio | Northern Bond Index 529 Portfolio | Northern International Equity Index 529 Portfolio |
|--|---|---|--|--|--|
| Investment income (expense) | | | | | |
| Investment earnings | \$ 106,411 | \$ - | \$ 357,916 | \$ 143,632 | \$ 284,671 |
| Net change in fair value of investments | 148,302 | 168,415 | 2,640,796 | (184,646) | 520,013 |
| 12b-1 fees | (7,996) | (1,893) | (34,285) | (13,700) | (13,561) |
| Other operating expenses | - | - | - | - | - |
| Management fees | (10,296) | (3,241) | (52,629) | (16,840) | (20,461) |
| Net investment earnings (loss) | 236,421 | 163,281 | 2,911,798 | (71,554) | 770,662 |
| Distributions to participants | | | | | |
| Net investment income | - | - | - | - | - |
| Other participant transactions | | | | | |
| Program contributions | 1,366,108 | 194,818 | 2,474,052 | 1,019,744 | 1,031,803 |
| Program distributions | (616,920) | (326,969) | (2,511,507) | (913,375) | (785,421) |
| Distributions reinvested | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 749,188 | (132,151) | (37,455) | 106,369 | 246,382 |
| Change in net position | 985,609 | 31,130 | 2,874,343 | 34,815 | 1,017,044 |
| Net position, beginning of fiscal year | 1,961,742 | 790,902 | 11,680,385 | 4,160,554 | 4,485,880 |
| Net position, end of fiscal year | \$ 2,947,351 | \$ 822,032 | \$ 14,554,728 | \$ 4,195,369 | \$ 5,502,924 |

(Continued)

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | Northern Small Cap Index 529 Portfolio | Northern Small Cap Value 529 Portfolio | Northern Stock Index 529 Portfolio | Oppenheimer International Growth 529 Portfolio | Pimco Low Duration 529 Portfolio | Pimco Short-Term 529 Portfolio |
|--|---|---|--|---|---|--------------------------------------|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 94,614 | \$ 201,221 | \$ 220,291 | \$ 227,232 | \$ 479,390 | \$ 108,132 |
| Net change in fair value of investments | 516,077 | 1,000,739 | 1,457,500 | 2,646,195 | (373,613) | (9,741) |
| 12b-1 fees | (8,233) | (14,155) | (24,888) | (42,283) | (38,683) | (25,177) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (11,113) | (22,136) | (35,825) | (58,891) | (55,148) | (32,426) |
| Net investment earnings (loss) | 591,345 | 1,165,669 | 1,617,078 | 2,772,253 | 11,946 | 40,788 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 712,832 | 987,096 | 3,007,667 | 3,025,074 | 7,589,372 | 5,639,146 |
| Program distributions | (424,329) | (1,114,726) | (1,343,815) | (1,947,544) | (3,801,496) | (2,603,995) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 288,503 | (127,630) | 1,663,852 | 1,077,530 | 3,787,876 | 3,035,151 |
| Change in net position | 879,848 | 1,038,039 | 3,280,930 | 3,849,783 | 3,799,822 | 3,075,939 |
| Net position, beginning of fiscal year | 2,517,982 | 4,991,117 | 7,531,989 | 12,459,351 | 12,150,311 | 7,289,955 |
| Net position, end of fiscal year | \$ 3,397,830 | \$ 6,029,156 | \$ 10,812,919 | \$ 16,309,134 | \$ 15,950,133 | \$ 10,365,894 |

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | Pimco Total Return 529 Portfolio | SIT Dividend Growth 529 Portfolio | T.Rowe Price Extended Equity Market Index 529 Portfolio | T.Rowe Price Balanced 529 Portfolio | T.Rowe Price Equity Income 529 Portfolio | T.Rowe Price Institutional Large Cap Growth 529 Portfolio |
|--|---|--|--|---|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 2,589,898 | \$ 156,252 | \$ 100,501 | \$ 541,120 | \$ 331,471 | \$ 52,598 |
| Net change in fair value of investments | (2,208,268) | 761,137 | 1,686,652 | 968,874 | 3,126,669 | 2,607,982 |
| 12b-1 fees | (127,525) | (13,115) | (19,612) | (45,299) | (49,790) | (42,319) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (169,605) | (20,671) | (30,150) | (51,252) | (65,673) | (59,339) |
| Net investment earnings (loss) | 84,500 | 883,603 | 1,737,391 | 1,413,443 | 3,342,677 | 2,558,922 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 13,827,818 | 2,182,024 | 2,663,640 | 4,898,537 | 4,910,354 | 3,557,993 |
| Program distributions | (8,939,678) | (796,706) | (1,313,936) | (2,304,004) | (1,992,990) | (1,970,848) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 4,888,140 | 1,385,318 | 1,349,704 | 2,594,533 | 2,917,364 | 1,587,145 |
| Change in net position | 4,972,640 | 2,268,921 | 3,087,095 | 4,007,976 | 6,260,041 | 4,146,067 |
| Net position, beginning of fiscal year | 37,642,392 | 4,084,201 | 6,204,810 | 10,820,530 | 13,294,974 | 13,032,183 |
| Net position, end of fiscal year | \$ 42,615,032 | \$ 6,353,122 | \$ 9,291,905 | \$ 14,828,506 | \$ 19,555,015 | \$ 17,178,250 |

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Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | T. Rowe Price Real Estate 529 Portfolio | Templeton International Bond 529 Portfolio | Touchstone Total Return Bond 529 Portfolio | Vanguard FTSE Developed Markets ETF 529 Portfolio | Vanguard FTSE Emerging Markets Stock ETF 529 Portfolio | Vanguard Global Ex-US Real Estate ETF 529 Portfolio |
|--|--|---|---|--|---|--|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 129,465 | \$ 226,899 | \$ 22,225 | \$ 1,600 | \$ 5,138 | \$ 753 |
| Net change in fair value of investments | 237,426 | (85,276) | (16,451) | (5,620) | (107,945) | (3,930) |
| 12b-1 fees | (16,669) | (13,959) | (1,669) | (27) | (107) | (11) |
| Other operating expenses | - | - | - | (114) | (207) | (20) |
| Management fees | (23,438) | (18,480) | (2,980) | (288) | (1,136) | (116) |
| Net investment earnings (loss) | 326,784 | 109,184 | 1,125 | (4,449) | (104,257) | (3,324) |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 1,891,792 | 3,174,258 | 234,908 | 422,372 | 912,358 | 114,966 |
| Program distributions | (896,503) | (967,398) | (227,529) | (5,638) | (12,267) | (5,285) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 995,289 | 2,206,860 | 7,379 | 416,734 | 900,091 | 109,681 |
| Change in net position | 1,322,073 | 2,316,044 | 8,504 | 412,285 | 795,834 | 106,357 |
| Net position, beginning of fiscal year | 5,136,929 | 3,330,999 | 715,144 | - | - | - |
| Net position, end of fiscal year | \$ 6,459,002 | \$ 5,647,043 | \$ 723,648 | \$ 412,285 | \$ 795,834 | \$ 106,357 |

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State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | Vanguard Mega Cap 300 ETF 529 Portfolio | Vanguard Mega Cap 300 Growth ETF 529 Portfolio | Vanguard Mega Cap 300 Value ETF 529 Portfolio | Vanguard Mid-Cap ETF 529 Portfolio | Vanguard Mid-Cap Growth ETF 529 Portfolio | Vanguard Mid-Cap Value ETF 529 Portfolio |
|--|--|---|--|--|--|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 799 | \$ 262 | \$ 833 | \$ 1,686 | \$ 36 | \$ 173 |
| Net change in fair value of investments | 5,075 | 4,708 | 12,516 | 41,015 | 1,354 | 7,116 |
| 12b-1 fees | (24) | (13) | (19) | (50) | (2) | (11) |
| Other operating expenses | (80) | (23) | (56) | (49) | (4) | (34) |
| Management fees | (262) | (141) | (206) | (532) | (25) | (119) |
| Net investment earnings (loss) | 5,508 | 4,793 | 13,068 | 42,070 | 1,359 | 7,125 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 430,551 | 129,805 | 267,057 | 422,324 | 27,504 | 226,062 |
| Program distributions | (10,270) | (12,281) | (5,273) | (5,071) | (6,062) | (10,190) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 420,281 | 117,524 | 261,784 | 417,253 | 21,442 | 215,872 |
| Change in net position | 425,789 | 122,317 | 274,852 | 459,323 | 22,801 | 222,997 |
| Net position, beginning of fiscal year | - | - | - | - | - | - |
| Net position, end of fiscal year | \$ 425,789 | \$ 122,317 | \$ 274,852 | \$ 459,323 | \$ 22,801 | \$ 222,997 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | Vanguard Reit ETF 529 Portfolio | Vanguard Short-Term Bond ETF 529 Portfolio | Vanguard Small-Cap ETF 529 Portfolio | Vanguard Small-Cap Growth ETF 529 Portfolio | Vanguard Small-Cap Value ETF 529 Portfolio | Vanguard Total Bond Market ETF 529 Portfolio |
|--|---------------------------------------|---|---|--|---|---|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 1,507 | \$ 825 | \$ 1,820 | \$ 171 | \$ 384 | \$ 1,304 |
| Net change in fair value of investments | 1,504 | (1,781) | 37,470 | 5,408 | 3,257 | (5,895) |
| 12b-1 fees | (19) | (16) | (46) | (7) | (7) | (13) |
| Other operating expenses | (30) | (27) | (51) | (7) | (23) | (25) |
| Management fees | (203) | (182) | (493) | (73) | (76) | (145) |
| Net investment earnings (loss) | 2,759 | (1,181) | 38,700 | 5,492 | 3,535 | (4,774) |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 212,018 | 222,577 | 445,025 | 64,691 | 198,172 | 208,020 |
| Program distributions | (8,400) | (6,269) | (5,095) | (5,981) | (5,928) | (41,003) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 203,618 | 216,308 | 439,930 | 58,710 | 192,244 | 167,017 |
| Change in net position | 206,377 | 215,127 | 478,630 | 64,202 | 195,779 | 162,243 |
| Net position, beginning of fiscal year | - | - | - | - | - | - |
| Net position, end of fiscal year | \$ 206,377 | \$ 215,127 | \$ 478,630 | \$ 64,202 | \$ 195,779 | \$ 162,243 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | William Blair Mid Cap Growth 529 Portfolio | William Blair Small Cap Growth 529 Portfolio | Fixed Income Fund | Fund 10 | Fund 20 | Fund 40 |
|--|---|---|-------------------------|---------------|----------------|----------------|
| Investment income (expense) | | | | | | |
| Investment earnings | \$ 140,501 | \$ - | \$ 114,764 | \$ 453,305 | \$ 1,813,808 | \$ 3,677,748 |
| Net change in fair value of investments | 875,677 | (119) | (104,991) | 255,150 | 1,682,595 | 8,357,470 |
| 12b-1 fees | (17,899) | - | (37,813) | (128,764) | (319,493) | (519,156) |
| Other operating expenses | - | - | - | - | - | - |
| Management fees | (25,900) | - | (38,645) | (132,867) | (348,059) | (595,066) |
| Net investment earnings (loss) | 972,379 | (119) | (66,685) | 446,824 | 2,828,851 | 10,920,996 |
| Distributions to participants | | | | | | |
| Net investment income | - | - | - | - | - | - |
| Other participant transactions | | | | | | |
| Program contributions | 2,335,411 | - | 6,585,487 | 22,817,300 | 55,044,331 | 74,052,365 |
| Program distributions | (878,809) | - | (5,249,853) | (15,988,381) | (31,177,324) | (46,458,715) |
| Distributions reinvested | - | - | - | - | - | - |
| Total increase (decrease) from participant transactions | 1,456,602 | - | 1,335,634 | 6,828,919 | 23,867,007 | 27,593,650 |
| Change in net position | 2,428,981 | (119) | 1,268,949 | 7,275,743 | 26,695,858 | 38,514,646 |
| Net position, beginning of fiscal year | 5,498,953 | 119 | 8,961,553 | 30,942,384 | 75,345,713 | 128,200,601 |
| Net position, end of fiscal year | \$ 7,927,934 | \$ - | \$ 10,230,502 | \$ 38,218,127 | \$ 102,041,571 | \$ 166,715,247 |

(Continued)

State of Illinois
Office of the Treasurer

Bright Directions College Savings Program
Statement of Changes in Fiduciary Net Position by Portfolio (Continued)
Year Ended June 30, 2013

| | Fund 60 | Fund 80 | Fund 100 | Total |
|--|----------------|----------------|----------------|------------------|
| Investment income (expense) | | | | |
| Investment earnings | \$ 5,068,520 | \$ 5,312,940 | \$ 2,147,122 | \$ 26,275,947 |
| Net change in fair value of investments | 17,706,303 | 31,027,555 | 22,255,582 | 106,070,541 |
| 12b-1 fees | (654,494) | (721,940) | (386,012) | (3,524,367) |
| Other operating expenses | - | - | - | (750) |
| Management fees | (773,420) | (926,366) | (505,606) | (4,392,760) |
| Net investment earnings (loss) | 21,346,909 | 34,692,189 | 23,511,086 | 124,428,611 |
| Distributions to participants | | | | |
| Net investment income | - | - | - | (23,183) |
| Other participant transactions | | | | |
| Program contributions | 86,007,745 | 77,378,724 | 30,978,589 | 465,474,568 |
| Program distributions | (51,839,123) | (50,240,370) | (23,625,737) | (291,981,613) |
| Distributions reinvested | - | - | - | 24,312 |
| Total increase (decrease) from participant transactions | 34,168,622 | 27,138,354 | 7,352,852 | 173,517,267 |
| Change in net position | 55,515,531 | 61,830,543 | 30,863,938 | 297,922,695 |
| Net position, beginning of fiscal year | 164,278,635 | 198,193,235 | 109,971,339 | 965,094,706 |
| Net position, end of fiscal year | \$ 219,794,166 | \$ 260,023,778 | \$ 140,835,277 | \$ 1,263,017,401 |

OTHER INFORMATION

**State of Illinois
Office of the Treasurer**

**College Savings Program
Key Performance Measures
As of June 30, 2014 and 2013
(Unaudited)**

| | <u>Illinois</u> | | <u>Out of State</u> | | <u>Total</u> | |
|--------------------------------|-----------------|------------------|---------------------|------------------|------------------|------------------|
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Bright Start | | | | | | |
| Number of Participant Accounts | 216,484 | 198,108 | 57,703 | 54,807 | 274,187 | 252,915 |
| Assets | \$4,071,589,835 | \$ 3,214,811,524 | \$1,135,051,318 | \$ 1,051,753,872 | \$ 5,206,641,153 | \$ 4,266,565,396 |

Notes:

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

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

**State of Illinois
Office of the Treasurer**

**College Savings Program
Key Performance Measures
As of June 30, 2014 and 2013
(Unaudited)**

| | <u>Illinois</u> | | <u>Out of State</u> | | <u>Total</u> | |
|--------------------------------|-----------------|------------------|---------------------|----------------|------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Bright Directions | | | | | | |
| Number of Participant Accounts | 79,852 | 70,711 | 8,444 | 6,946 | 88,296 | 77,657 |
| Market Value | \$1,484,937,436 | \$ 1,132,433,983 | \$ 183,230,975 | \$ 130,580,694 | \$ 1,668,168,411 | \$ 1,263,014,677 |

Notes:

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

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

Investment Policies (Unaudited)

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

Bright Start College Savings Program Investment Policy Statement

Effective February 2014

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 (Money Market Instruments, Domestic Fixed Income, International Fixed Income, Domestic Equity, and International Equity,), (2) geography/country, (3) sector, (4) maturity, and (5) duration.

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

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

The holdings of the Program and the Portfolios may be divided into the following broad asset classes:

- A. Money Market Instruments
- B. Domestic Fixed Income
- C. International Fixed Income
- D. Domestic Equity
- E. International Equity

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

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

IV. Investment Objectives

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

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

V. Investment Responsibilities

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

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity

and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

VI. Investment Parameters

Contributions will be invested in one of several Portfolios, each with a designated mix of investments that is appropriate for the investment objective of the Portfolio. Each Portfolio allocates assets in a combination of underlying investments investing among Money Market Instruments, Domestic Fixed Income, International Fixed Income, Domestic Equity, and International Equity. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in these asset classes 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 asset class. 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

| Asset Class | Benchmark* | #1 | #2 | #3 | #4 | #5 | #6 |
|--------------------------|--|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | Portfolio (0-6 yrs.) | Portfolio (7-9 yrs.) | Portfolio (10-11 yrs.) | Portfolio (12-14 yrs.) | Portfolio (15-17 yrs.) | Portfolio (18+ yrs.) |
| Domestic Equity | S&P 500 Index | 63% | 49% | 42% | 35% | 21% | 7% |
| | Russell 2500 Index | 9% | 7% | 6% | 5% | 3% | 1% |
| International Equity | MSCI AC World (ex-US) Index | 18% | 14% | 12% | 10% | 6% | 2% |
| Domestic Fixed Income | Barclays Aggregate Bond Index | 8% | 15% | 20% | 15% | 15% | 15% |
| | Barclays 1-5 Yr. Government Index | 0% | 10% | 15% | 25% | 30% | 35% |
| | Credit Suisse Leveraged Loan Index | 2% | 5% | 5% | 10% | 10% | 10% |
| Money Market Instruments | iMoney Net First Tier Institutional Money Market Index | 0% | 0% | 0% | 0% | 15% | 30% |

Direct Plan: Index Age Based Portfolios

| | | #1 | #2 | #3 | #4 | #5 | #6 |
|--------------------------|--|------------|------------|--------------|--------------|--------------|------------|
| | | Portfolio | Portfolio | Portfolio | Portfolio | Portfolio | Portfolio |
| Asset Class | Benchmark* | (0-6 yrs.) | (7-9 yrs.) | (10-11 yrs.) | (12-14 yrs.) | (15-17 yrs.) | (18+ yrs.) |
| Domestic Equity | S&P 500 Index | 63% | 49% | 42% | 35% | 21% | 7% |
| | S&P Completion Index | 9% | 7% | 6% | 5% | 3% | 1% |
| International Equity | FTSE Developed (ex- North America) Index | 18% | 14% | 12% | 10% | 6% | 2% |
| Domestic Fixed Income | Barclays Aggregate Bond Index | 8% | 15% | 20% | 20% | 25% | 25% |
| | Barclays 1-5 Yr. Government/ Credit Index | 2% | 10% | 15% | 20% | 30% | 50% |
| Money Market Instruments | iMoney Net First Tier Institutional Money Market Index | 0% | 5% | 5% | 10% | 15% | 15% |

Blended Direct Plan: Fixed Income, Conservative Fixed Income, Equity, Balanced or Money Market Options

| Asset Class | Benchmark* | Fixed Income Portfolio | Conservative Fixed Income Portfolio | Equity Portfolio | Balanced Portfolio | Money Market Portfolio |
|--------------------------|--|------------------------|-------------------------------------|------------------|--------------------|------------------------|
| Domestic Equity | S&P 500 Index | 0% | 0% | 70% | 35% | 0% |
| | Russell 2500 Index | 0% | 0% | 10% | 5% | 0% |
| International Equity | MSCI AC World (ex-US) Index | 0% | 0% | 20% | 10% | 0% |
| Domestic Fixed Income | Barclays Aggregate Bond Index | 40% | 0% | 0% | 20% | 0% |
| | Barclays 1-3 Yr. Government Index | 0% | 95% | 0% | 0% | 0% |
| | Barclays 1-5 Yr. Government Index | 35% | 0% | 0% | 10% | 0% |
| | Credit Suisse Leveraged Loan Index | 10% | 5% | 0% | 10% | 0% |
| Money Market Instruments | iMoney Net First Tier Institutional Money Market Index | 15% | 0% | 0% | 10% | 100% |

Index Direct Plan: Fixed Income, Equity or Balanced Options

| Asset Class | Benchmark* | Fixed Income Portfolio | Equity Portfolio | Balanced Portfolio |
|--------------------------|--|------------------------|------------------|--------------------|
| Domestic Equity | S&P 500 Index | 0% | 70% | 35% |
| | S&P Completion Index | 0% | 10% | 5% |
| International Equity | FTSE Developed (ex-North America) Index | 0% | 20% | 10% |
| Domestic Fixed Income | Barclays Aggregate Bond Index | 40% | 0% | 20% |
| | Barclays 1-5 Yr. Government/Credit Index | 45% | 0% | 20% |
| Money Market Instruments | iMoney Net First Tier Institutional Money Market Index | 15% | 0% | 10% |

Advisor Plan: Active Age Based Portfolios

| | | #1 | #2 | #3 | #4 | #5 | #6 |
|----------------------------|--|------------|------------|--------------|--------------|--------------|------------|
| | | Portfolio | Portfolio | Portfolio | Portfolio | Portfolio | Portfolio |
| Asset Class | Benchmark* | (0-6 yrs.) | (7-9 yrs.) | (10-11 yrs.) | (12-14 yrs.) | (15-17 yrs.) | (18+ yrs.) |
| Domestic 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% |
| | Russell 2500 Index | 15% | 11% | 10% | 8% | 5% | 1% |
| International Equity | MSCI AC World (ex-US) Index | 13% | 10% | 8.5% | 7% | 4.5% | 1.5% |
| | MSCI Emerging Markets Index | 5% | 4% | 3.5% | 3% | 1.5% | 0.5% |
| Domestic Fixed Income | Barclays Aggregate Bond Index | 6% | 10% | 15% | 15% | 20% | 15% |
| | Barclays 1-3 Yr. Government Index | 0% | 10% | 15% | 20% | 22% | 45% |
| | Credit Suisse Leveraged Loan Index | 2% | 5% | 5% | 10% | 10% | 10% |
| International Fixed Income | Citi World Government Bond (ex-U.S.) Index | 2% | 5% | 5% | 5% | 8% | 5% |
| Money Market Instruments | iMoney Net First Tier Institutional Money Market Index | 0% | 0% | 0% | 0% | 10% | 15% |

Advisor Plan: Active Fixed Income, Conservative Fixed Income, Equity, Balanced or Money Market Options

| Asset Class | Benchmark* | Fixed Income Portfolio | Conservative Fixed Income Portfolio | Equity Portfolio | Balanced Portfolio | Money Market Portfolio |
|----------------------------|--|-------------------------------|--|-------------------------|---------------------------|-------------------------------|
| Domestic Equity | Russell 1000 Index | 0% | 0% | 25% | 15% | 0% |
| | Russell 1000 Value Index | 0% | 0% | 19.5% | 9% | 0% |
| | Russell 1000 Growth Index | 0% | 0% | 19.5% | 9% | 0% |
| | Russell 2500 Index | 0% | 0% | 16% | 7% | 0% |
| International Equity | MSCI AC World (ex-US) Index | 0% | 0% | 14% | 7% | 0% |
| | MSCI EMG Mkts. Index | 0% | 0% | 6% | 3% | 0% |
| Domestic Fixed Income | Barclays Aggregate Bond Index | 30% | 0% | 0% | 15% | 0% |
| | Barclays 1-3 Yr. Government Index | 35% | 95% | 0% | 10% | 0% |
| | Credit Suisse Leveraged Loan Index | 10% | 5% | 0% | 10% | 0% |
| International Fixed Income | Citi World Government Bond (ex-U.S.) Index | 10% | 0% | 0% | 5% | 0% |
| Money Market Instruments | iMoney Net First Tier Institutional Money Market Index | 15% | 0% | 0% | 10% | 100% |

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

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

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

State of Illinois
Office of the Treasurer
BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
INVESTMENT POLICY STATEMENT
Effective November 2012

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

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

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

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

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

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

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

Contributions to the Program will be directed to one or more of the available Age-Based, Target, Individual, or Female- and Minority-Owned Portfolios ("Portfolios"), each composed of a designated mix of investments or an individual investment fund. 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 participants 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. Fixed Income Investments
- C. Real Estate Investments
- D. Domestic Equity Investments
- E. International Equity Investments

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

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

5.0 Investment Objectives: The overall investment program for the Program and, as applicable, the 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 Age-Based and Target 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 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 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 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 Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or short-term investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by Union Bank. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Investment Policy Statement.

The policy target asset allocations and benchmarks for the underlying investments within the Age-Based and Target Portfolios are shown in the following table. There is a permissible range of plus or minus 10% of the target allocation for each underlying investment fund.

| Age-Based Portfolios | | age of beneficiary | | | | | | |
|----------------------|-------------------------------------|--------------------|------------|-------------|-------------|-------------|-------------|--------------|
| Aggressive Option | | 0 - 8 yrs | 9 - 12 yrs | 13 - 16 yrs | 17 - 20 yrs | 21+ yrs | | |
| Growth Option | | | 0 - 8 yrs | 9 - 12 yrs | 13 - 16 yrs | 17 - 20 yrs | 21+ yrs | |
| Balanced Option | | | | 0 - 8 yrs | 9 - 12 yrs | 13 - 16 yrs | 17 - 20 yrs | 21+ yrs |
| Target Portfolios | Benchmark | Fund 100 | Fund 80 | Fund 60 | Fund 40 | Fund 20 | Fund 10 | Fixed Income |
| Large Cap Value | Russell 1000 Value | 19.00% | 15.00% | 11.00% | 7.00% | 3.50% | 2.00% | 0.00% |
| Large Cap Blend | S&P 500 | 16.00% | 13.00% | 10.50% | 7.00% | 3.50% | 2.00% | 0.00% |
| Large Cap Growth | Russell 1000 Growth | 19.00% | 15.00% | 11.00% | 7.00% | 3.50% | 2.00% | 0.00% |
| Small Cap Value | Russell 2000 Value | 3.00% | 2.50% | 1.50% | 2.00% | 1.00% | 0.50% | 0.00% |
| Small Cap Blend | Russell 2000 | 4.00% | 3.00% | 2.00% | 2.00% | 1.00% | 0.50% | 0.00% |
| Small Cap Growth | Russell 2000 Growth | 3.00% | 2.50% | 1.50% | 2.00% | 1.00% | 0.50% | 0.00% |
| Global Real Estate | FTSE EPRA/NAREIT Global | 3.00% | 2.00% | 2.00% | 2.00% | 1.50% | 0.00% | 0.00% |
| Foreign Stock | MSCI EAFE | 25.00% | 21.00% | 16.50% | 10.00% | 5.00% | 2.50% | 0.00% |
| | MSCI World ex U.S. Small Cap | 4.00% | 3.00% | 2.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | MSCI Emerging Markets | 4.00% | 3.00% | 2.00% | 1.00% | 0.00% | 0.00% | 0.00% |
| Money Market | 3-Month T-Bills | 0.00% | 0.00% | 0.00% | 0.00% | 20.00% | 40.00% | 50.00% |
| Ultra-Short Bond | 3-Month T-Bills | 0.00% | 0.00% | 0.00% | 20.00% | 23.00% | 25.00% | 28.00% |
| Short Bond | ML 1-3 yr Treasury | 0.00% | 0.00% | 20.00% | 19.00% | 17.00% | 15.00% | 12.00% |
| Intermediate Bond | Barclays U.S. Agg. Bond | 0.00% | 16.00% | 14.00% | 12.00% | 12.00% | 0.00% | 0.00% |
| Foreign Bonds | Citigroup Non-U.S. World Gov't Bond | 0.00% | 4.00% | 3.00% | 2.00% | 0.00% | 0.00% | 0.00% |
| U.S. TIPS | Barclays U.S. TIPS | 0.00% | 0.00% | 3.00% | 7.00% | 8.00% | 10.00% | 10.00% |

Individual Fund Portfolios

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

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

7.0 Investment Parameters – Continued

Each underlying investment fund's return objective is to equal or exceed, over a five-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 underlying investment fund 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 investment 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 underlying investment fund's underlying assets may not be entirely invested in the asset class in which such underlying investment fund has been placed.

8.0 Female- and Minority-Owned Portfolios

The Program has included the Female- and Minority-Owned Portfolios for participants who would like to have a more diverse set of investment options. The female and minority owned underlying investment 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 female- and minority-owned options provided in the program include relatively high scoring female and minority owned investment managers representing a diverse set of asset classes.

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

Independent Auditor's Report



Independent Auditor's 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, in accordance with the 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, the financial statements of the College Savings Program, a fiduciary (private-purpose trust) fund of the State of Illinois, Office of the Treasurer, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the College Savings Program's basic financial statements, and have issued our report thereon dated December 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Illinois, Office of the Treasurer's internal control over financial reporting (internal control) of the College Savings Program to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the Treasurer's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control of the College Savings Program that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Office of the Treasurer, College Savings Program's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Office of the Treasurer's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Office of the Treasurer's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "McGladrey LLP". The signature is written in a cursive, professional style.

Schaumburg, Illinois
December 19, 2014