

**State of Illinois
Office of the Treasurer**

COLLEGE SAVINGS PROGRAM

FINANCIAL AUDIT

For the years ended June 30, 2009 and 2008

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

State of Illinois
Office of the Treasurer

COLLEGE SAVINGS PROGRAM

FINANCIAL AUDIT
For the years ended June 30, 2009 and 2008

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State of Illinois
Office of the Treasurer

COLLEGE SAVINGS PROGRAM

TREASURER'S OFFICE OFFICIALS

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

The Office of the Treasurer maintains nine office locations:

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

FINANCIAL STATEMENT REPORT

State of Illinois
Office of the Treasurer

COLLEGE SAVINGS PROGRAM
FINANCIAL STATEMENT REPORT

SUMMARY

The audits of the accompanying financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer were performed by Crowe Horwath LLP as of and for the years ended June 30, 2009 and 2008.

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

EXIT CONFERENCE

An exit conference was held on November 9, 2009. Attending from the Office of the Treasurer were Mary Baksys, Ed Buckles, Gina DeCiani, Lisa Murphy, Jessica Olive, Deon Perryman, Barb Ringler, and Shirley Yang. Attending from the Office of the Auditor General was Ms. Jane Clark (Audit Manager). Attending from Crowe Horwath LLP (Special Assistant Auditor) were John Weber (via phone), and Brandon Reed



Crowe Horwath LLP
Member Horwath International

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the College Savings Program (a fiduciary fund) of the State of Illinois, Office of the Treasurer, as of and for the years ended June 30, 2009 and 2008, as listed in the Table of Contents. These financial statements are the responsibility of the management of the State of Illinois, Office of the Treasurer. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note A, the financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer present only this fiduciary fund and do not purport to, and do not, present fairly the financial position of the State of Illinois, Office of the Treasurer as of June 30, 2009 and 2008, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United State of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College Savings Program of the State of Illinois, Office of the Treasurer as of June 30, 2009 and 2008, and the changes in its financial position thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2009 on our consideration of the College Savings Program of the State of Illinois, Office of the Treasurer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer. The statements of fiduciary net assets by portfolio, statements of changes in fiduciary net assets by portfolio, key performance measures, and investment policies, listed in the Table of Contents on pages 19 to 98, are presented for purposes of additional analysis and are not a required part of the financial statements. The statements of fiduciary net assets by portfolio and the statements of changes in fiduciary net assets by portfolio have been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The key performance measures and the investment policies have not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we express no opinion on them.


Crowe Horwath LLP

Springfield, Illinois
December 9, 2009

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
STATEMENTS OF FIDUCIARY NET ASSETS
June 30, 2009 and 2008

ASSETS			
	<u>2009</u>	<u>2008</u>	
Deposits and investments, at market			
Cash and cash equivalents	\$ 116,526,703	\$ 81,605,550	
Capital shares receivable	3,971,226	5,005,653	
Securities sold receivable	1,257,439	292,214	
Dividends receivable	1,678,323	1,920,181	
Mutual funds	<u>2,375,374,839</u>	<u>2,709,544,880</u>	
 Total assets	 <u>\$ 2,498,808,530</u>	 <u>\$ 2,798,368,478</u>	
 LIABILITIES AND NET ASSETS			
Cash overdraft	\$ 9,804	\$ 218,215	
Accrued liabilities			
Payable for capital shares	2,365,606	3,804,496	
Payable for securities purchased	2,028,810	3,068,481	
Other Liabilities	<u>526,176</u>	<u>459,220</u>	
 Total liabilities	 4,930,396	 7,550,412	
 Net assets available to participants	 <u>2,493,878,134</u>	 <u>2,790,818,066</u>	
 Total liabilities and net assets	 <u>\$ 2,498,808,530</u>	 <u>\$ 2,798,368,478</u>	

The accompanying notes are an integral part of these statements.

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
For the years ended June 30, 2009 and 2008

Operations	<u>2009</u>	<u>2008</u>
Revenues (expenditures)		
Investment earnings	\$ 34,183,432	\$ 73,053,355
Gain (loss) on sale of securities	(729,427,309)	(16,775,795)
Net change in fair value of investments	74,502,795	(270,349,702)
Interest expense	(11)	(5,471)
Distribution fees	(2,154,164)	(2,510,242)
State administrative fees	(531,308)	(660,879)
Insurance fees	(153,531)	(107,407)
12b-1 fees	(1,107,943)	(981,487)
Management and bank custodial fees	<u>(4,986,539)</u>	<u>(5,358,655)</u>
Net investment earnings (loss)	(629,674,578)	(223,696,283)
Distributions to shareholders		
Net investment income	<u>(134,920)</u>	<u>(274,998)</u>
Total decrease in net assets from distributions	(134,920)	(274,998)
Participant transactions		
Program contributions	2,279,663,667	1,399,546,594
Program distributions	(1,946,934,761)	(910,603,851)
Distributions reinvested	<u>140,660</u>	<u>274,489</u>
Total increase from participant transactions	332,869,566	489,217,232
Net increase (decrease) in net assets	(296,939,932)	265,245,951
Net assets, beginning of fiscal year	<u>2,790,818,066</u>	<u>2,525,572,115</u>
Net assets, end of fiscal year	<u>\$ 2,493,878,134</u>	<u>\$ 2,790,818,066</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, 2009 and 2008

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.

The Program provides an opportunity for investors residing in Illinois to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary (the "*Beneficiary*") associated with attending an Institution of Higher Education. If the investor is not an Illinois taxpayer, depending upon the laws of the investor's home state or the home state of the investor's beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in Section 529 college savings plans may be available only if invested in the home state's Section 529 plan. Institutions of Higher Education generally include accredited postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential including certain proprietary, postsecondary vocational and foreign institutions. The institution must be eligible to participate in the U.S. Department of Education student aid programs. Qualified higher education expenses generally include tuition, fees, books, supplies, and equipment required for the Beneficiary's enrollment plus, subject to certain limitations, room and board expenses provided the Beneficiary is enrolled on at least a half-time basis. The American Recovery and Reinvestment Act of 2009 expanded the list of qualified higher education expenses to include expenses paid or incurred in calendar years 2009 and 2010 for the purchase of any computer technology, equipment, or Internet access and related services to be used primarily by the Beneficiary while enrolled at an Eligible Educational Institution.

Under the Program, Program participants (the "*Account Owners*") make investments in accounts established for the purpose of meeting 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, 2009, OFI Private Investments, Inc. performed investment advisory, administrative and recordkeeping functions for the Bright Start Program. As of June 30, 2009, Union Bank and Trust Company advised the Treasurer on the investment of contributions and provided day-to-day administrative and marketing services for the Bright Directions Program. As such, as of June 30, 2009, OFI Private Investments, Inc. and Union Bank and Trust Company acted as managers (the "*Managers*") of the two investment programs. The Treasurer acts as trustee and is responsible for the overall administration of the Program.

The Program Manager of the Bright Start College Savings Program was transitioned from Clear Bridge Advisors, LLC and Legg Mason Investor Services, LLC to OFI Private Investments, Inc. effective July 23, 2007. The beginning net assets at OFI Private Investments, Inc. were \$136,041

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

greater than the ending net assets at Clear Bridge Advisors, LLC and Legg Mason Investor Services, LLC due to a rounding difference between a two digit and four digit net asset value used by the Program Managers. The difference was considered immaterial.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

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

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

2. Fiduciary Fund

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

3. Basis of Accounting and Measurement Focus

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

4. Cash and Cash Equivalents

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

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Investment Earnings

Investment earnings are a combination of dividend income, interest income and short and long-term capital gains both realized and unrealized, generated from mutual fund investments. Mutual fund yields are subject to market rate fluctuations.

6. Fair Value of Investments

Investments in the underlying funds are carried at fair value based on the closing net asset or unit value per share of each Underlying Fund on the day of valuation.

7. Management Estimates

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

8. Net Assets Available to Participants

The net assets available to participants represent investments at market value less accrued liabilities. Investments include cash and cash equivalents, dividend and interest receivable and the effect of market fluctuations on participant deposits.

NOTE B - INVESTMENTS

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

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE B - INVESTMENTS (Continued)

BRIGHT START COLLEGE SAVINGS PROGRAM

1. Permitted Investments

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

2. Investment Options

General Overview

The Bright Start Program offers the following investment options:

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

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:

- Blended Age-Based 0-6 Years Portfolio
 - Blended Age-Based 7-9 Years Portfolio
 - Blended Age-Based 10-11 Years Portfolio
-

State of Illinois
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COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE B - INVESTMENTS (Continued)

- 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

Account assets generally do not remain in the Age-Based Portfolio in which they are initially invested. Account assets are redeemed 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
- 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 offers.

Equity Portfolios

- Blended 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.

State of Illinois
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COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE B - INVESTMENTS (Continued)

Balanced Portfolios

- Blended Balanced Portfolio
- Index Balanced Portfolio

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

Principal Protection Income Portfolio

- Principle Protection Income Portfolio

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

Additional Program Information

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

Investment Risk

As of June 30, 2009 Bright Start had holdings in mutual bond funds valued at \$687.8 million. Of this, \$244.4 million had weighted average maturities (the "WAM") of one through five years (\$67.3 million S&P rated AA+, \$126.9 million S&P rated AAA, \$13.2 million S&P rated A and \$37.0 million Moody's rated Aaa), \$127.7 million had WAM's of six to ten years (\$127.7 million Moody's rated Aa1) and \$315.7 million had WAM's of over ten years (\$178.5 million S&P rated AAA and \$137.2 million S&P rated AA). In addition, Bright Start had holdings in Money Market Funds valued at \$68.8 million at June 30, 2009. The Money Market Fund had a WAM of 0 days.

State of Illinois
Office of the Treasurer
COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE B - INVESTMENTS (Continued)

In its investment policy, the Treasurer's Office has adopted a long-term total return strategy. A long-term diversified asset allocation strategy based on (1) asset classes (stock, bonds, cash, etc.), (2) geography/country, (3) industry, and (4) maturity will be the primary method of risk control.

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

During fiscal year 2009, OppenheimerFunds, Inc. voluntarily and pursuant to an agreement with the synthetic guaranteed investment contract insurance wrapper provider made contributions to the Principal Protection portfolio to reduce the differential between the market value and book value that had occurred because of realized and unrealized losses in the portfolio. Voluntary contributions were made on December 31, 2008, in the amount of \$1,500,000, on January 6, 2009, in the amount of \$283,603 and on April 3, 2009, in the amount of \$325,053.

BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM

1. Permitted Investments

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

2. Investment Options

General Overview

The Bright Directions Program offers the following Portfolios:

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

State of Illinois
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COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE B - INVESTMENTS (Continued)

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

Brief Description of Investment Options

Age-Based Portfolios

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

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

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

Target Portfolios

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

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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NOTE B - INVESTMENTS (Continued)

The seven Target Portfolios, ranging from the most aggressive to conservative, are as follows:

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

Individual Fund Portfolios

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

The Individual Fund Portfolios offered are as follows:

- AllianceBernstein International Value 529 Portfolio
 - American Century Equity Growth 529 Portfolio
 - American Century Growth 529 Portfolio
 - American Century Value 529 Portfolio
 - American Century Vista 529 Portfolio
 - BGI Institutional Money Market 529 Portfolio
 - BlackRock Inflation Protected Bond 529 Portfolio
 - Calvert Income 529 Portfolio
 - Calvert Social Investment Equity 529 Portfolio
 - Delaware Small Cap Core 529 Portfolio
 - Eaton Vance Large Cap Value 529 Portfolio
 - ING Global Real Estate 529 Portfolio
 - Northern Institutional Equity Index 529 Portfolio
 - Northern Institutional International Equity Index 529 Portfolio
 - Northern Institutional Small Company Index 529 Portfolio
 - Northern Small Cap Value 529 Portfolio
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State of Illinois
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE B - INVESTMENTS (Continued)

- Oppenheimer International Growth 529 Portfolio
- PIMCO Low Duration 529 Portfolio
- PIMCO Short-Term 529 Portfolio
- PIMCO Total Return 529 Portfolio
- T. Rowe Price Balanced 529 Portfolio
- T. Rowe Price Equity Income 529 Portfolio
- T. Rowe Price Extended Equity Market Index 529 Portfolio
- T. Rowe Price Institutional Large Cap Growth 529 Portfolio
- T. Rowe Price Real Estate 529 Portfolio
- William Blair Small Cap Growth 529 Portfolio

Female & Minority Owned Portfolios

The Bright Directions Program offers nine 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:

- Adelante U.S. Real Estate Securities 529 Portfolio
- Ariel 529 Portfolio
- Earnest Partners Fixed Income 529 Portfolio
- Female and Minority Owned Growth Portfolio
- FMA Small Company 529 Portfolio
- Forward Small Cap Equity 529 Portfolio
- NCM Capital Mid-Cap Growth 529 Portfolio
- Payden U.S. Growth Leaders 529 Portfolio
- SIT Dividend Growth 529 Portfolio

Additional Program Information

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

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COLLEGE SAVINGS PROGRAM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE B - INVESTMENTS (Continued)

Investment Risk

As of June 30, 2009, Bright Directions had holdings in mutual bond funds valued at \$121.9 million. Of this, \$107.9 million had WAM's of one through five years (\$107.9 million S&P rated AA+), \$9.5 million had WAM's of six through ten years (non-rated) and \$4.5 million had WAM's greater than ten years (\$4.5 million S&P rated A+). In addition, Bright Directions had holdings in Money Market Funds valued at \$33.6 million at June 30, 2009. The Money Market Fund had a WAM of 39 days.

In its investment policy the Treasurer's Office has adopted a long-term total return strategy. A long-term diversified asset allocation strategy based on (1) asset classes (stock, bonds, cash, etc.), (2) geography/country, (3) industry, and (4) maturity will be the primary method of risk control.

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

NOTE C - ADMINISTRATIVE FEES

To administer the College Savings Program, the Treasurer has a division entitled, "The College Savings Program Division." This division had eight employees at June 30, 2009. 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 portfolios and 0.14% on the index portfolios of the average daily balance of the net assets of the Trust. The fee is calculated daily but payable monthly. The Bright Directions Program Management fee is at an annual rate of 0.45% of the average daily net assets of each Portfolio.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE C - ADMINISTRATIVE FEES (Continued)

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

	<u>2009</u>	<u>2008</u>
Custodial/advisory fees	\$ 4,986,539	\$ 5,358,655
Expenditures	980,084	1,210,380

NOTE D - PENDING INVESTIGATION

In January 2009, at the request of the State Treasurer, the Illinois Attorney General's office initiated an investigation into the management of the OFII Core Plus Fixed Income Strategy (Core Plus), one of the underlying funds in the Bright Start College Savings Program. The nature of the investigation focused on whether the investments within Core Plus were appropriate and in compliance with the fund's investment guidelines. The investigation also involved other states whose 529 plans were similarly affected by the Core Bond Fund (similar to Core Plus), and the Illinois Attorney General's office led the coordination of efforts among the other states' attorney generals offices. As of June 30, 2009, the investigation was ongoing.

SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO
As of June 30, 2008

	Active Age-Based 0-6 years	Active Age-Based 7-9 years	Active Age-Based 10-11 years	Active Age-Based 12-14 years	Active Age-Based 15-17 years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 205,462	\$ -	\$ 200,703	\$ 23,025,467
Capital shares receivable	377,932	382,425	659,224	558,288	509,031
Securities sold receivable	33,672	-	140,712	-	94,247
Dividends receivable	-	153,068	109,676	267,560	341,492
Mutual funds	<u>361,402,874</u>	<u>290,657,042</u>	<u>173,716,520</u>	<u>255,870,695</u>	<u>209,161,156</u>
Total assets	<u>\$ 361,814,478</u>	<u>\$ 291,397,997</u>	<u>\$ 174,626,132</u>	<u>\$ 256,897,246</u>	<u>\$ 233,131,393</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ 33,708	\$ -	\$ 140,709	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	352,273	698,844	618,179	520,527	519,851
Payable for securities purchased	-	358,548	109,682	468,379	341,552
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	385,981	1,057,392	868,570	988,906	861,403
Net assets available to participants	<u>361,428,497</u>	<u>290,340,605</u>	<u>173,757,562</u>	<u>255,908,340</u>	<u>232,269,990</u>
Total liabilities and net assets	<u>\$ 361,814,478</u>	<u>\$ 291,397,997</u>	<u>\$ 174,626,132</u>	<u>\$ 256,897,246</u>	<u>\$ 233,131,393</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	Active Age-Based 18 years	Active Static Equity	Active Static Balanced	Active Static Fixed Income	Principal Protection Income
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 22,975,095	\$ 448,642	\$ 87,812	\$ 41,545	\$ 1,750,020
Capital shares receivable	570,663	475,508	62,811	15,777	649,816
Securities sold receivable	-	-	-	-	-
Dividends receivable	386,274	-	-	-	48,916
Mutual funds	<u>129,418,518</u>	<u>560,871,142</u>	<u>53,149,232</u>	<u>50,157,455</u>	<u>89,346,026</u>
Total assets	<u>\$ 153,350,550</u>	<u>\$ 561,795,292</u>	<u>\$ 53,299,855</u>	<u>\$ 50,214,777</u>	<u>\$ 91,794,778</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	213,270	404,817	24,718	29,623	224,260
Payable for securities purchased	631,559	448,600	87,810	41,517	5,698
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,387</u>
Total liabilities	844,829	853,417	112,528	71,140	259,345
Net assets available to participants	<u>152,505,721</u>	<u>560,941,875</u>	<u>53,187,327</u>	<u>50,143,637</u>	<u>91,535,433</u>
Total liabilities and net assets	<u>\$ 153,350,550</u>	<u>\$ 561,795,292</u>	<u>\$ 53,299,855</u>	<u>\$ 50,214,777</u>	<u>\$ 91,794,778</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	Index Age-Based 0-6 years	Index Age-Based 7-9 Years	Index Age-Based 10-11 Years	Index Age-Based 12-14 Years	Index Age-Based 15-17 Years
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 89,717	\$ 2,129,466	\$ 1,253,842	\$ 1,829,443	\$ 2,728,866
Capital shares receivable	76,210	129,639	30,580	70,897	35,029
Securities sold receivable	4,623	2,181	12,889	1,745	-
Dividends receivable	15,735	20,378	17,682	33,222	32,337
Mutual funds	<u>38,483,025</u>	<u>17,871,557</u>	<u>11,070,953</u>	<u>16,021,084</u>	<u>10,489,091</u>
Total assets	<u>\$ 38,669,310</u>	<u>\$ 20,153,221</u>	<u>\$ 12,385,946</u>	<u>\$ 17,956,391</u>	<u>\$ 13,285,323</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Payable for capital shares	27,299	25,069	29,643	31,909	72,746
Payable for securities purchased	109,582	94,618	17,200	33,061	59,487
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	136,881	119,687	46,843	64,970	132,233
Net assets available to participants	<u>38,532,429</u>	<u>20,033,534</u>	<u>12,339,103</u>	<u>17,891,421</u>	<u>13,153,090</u>
Total liabilities and net assets	<u>\$ 38,669,310</u>	<u>\$ 20,153,221</u>	<u>\$ 12,385,946</u>	<u>\$ 17,956,391</u>	<u>\$ 13,285,323</u>

State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	Index Age-Based 18 Years	Index Static Equity	Index Static Balanced	Index Static Fixed Income	Total
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 1,203,612	\$ 83,427	\$ 1,403,483	\$ 2,141,674	\$ 61,598,276
Capital shares receivable	65,899	209,518	82,795	43,611	5,005,653
Securities sold receivable	-	-	1,219	926	292,214
Dividends receivable	19,195	7,059	23,463	38,399	1,514,456
Mutual funds	<u>4,781,493</u>	<u>59,790,730</u>	<u>11,514,593</u>	<u>8,433,177</u>	<u>2,352,206,363</u>
Total assets	<u>\$ 6,070,199</u>	<u>\$ 60,090,734</u>	<u>\$ 13,025,553</u>	<u>\$ 10,657,787</u>	<u>\$ 2,420,616,962</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ 174,417
Accrued liabilities					
Payable for capital shares	-	11,251	217	-	3,804,496
Payable for securities purchased	18,802	90,486	110,938	40,962	3,068,481
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,387</u>
Total liabilities	18,802	101,737	111,155	40,962	7,076,781
Net assets available to participants	<u>6,051,397</u>	<u>59,988,997</u>	<u>12,914,398</u>	<u>10,616,825</u>	<u>2,413,540,181</u>
Total liabilities and net assets	<u>\$ 6,070,199</u>	<u>\$ 60,090,734</u>	<u>\$ 13,025,553</u>	<u>\$ 10,657,787</u>	<u>\$ 2,420,616,962</u>

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

	Adelante US Real Estate Securities 529 Portfolio	AllianceBernstein International Value 529 Portfolio	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Value 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 13,966	\$ 7,262	\$ 7	\$ 3,088
Dividends receivable	-	-	-	-	-
Mutual funds	<u>12,577</u>	<u>6,225,907</u>	<u>3,629,041</u>	<u>186,017</u>	<u>2,190,021</u>
Total assets	<u>\$ 12,577</u>	<u>\$ 6,239,873</u>	<u>\$ 3,636,303</u>	<u>\$ 186,024</u>	<u>\$ 2,193,109</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>7</u>	<u>6,212</u>	<u>3,399</u>	<u>106</u>	<u>2,114</u>
Total liabilities	7	6,212	3,399	106	2,114
Net assets available to participants	<u>12,570</u>	<u>6,233,661</u>	<u>3,632,904</u>	<u>185,918</u>	<u>2,190,995</u>
Total liabilities and net assets	<u>\$ 12,577</u>	<u>\$ 6,239,873</u>	<u>\$ 3,636,303</u>	<u>\$ 186,024</u>	<u>\$ 2,193,109</u>

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

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

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

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

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
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	FMA Small Company 529 Portfolio	Forward Small Cap Equity 529 Portfolio	ING Global Real Estate 529 Portfolio	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Institutional Equity Index 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 17	\$ 308
Dividends receivable	-	-	-	-	-
Mutual funds	<u>329,119</u>	<u>73,088</u>	<u>177,705</u>	<u>45,908</u>	<u>4,062,817</u>
Total assets	<u>\$ 329,119</u>	<u>\$ 73,088</u>	<u>\$ 177,705</u>	<u>\$ 45,925</u>	<u>\$ 4,063,125</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>191</u>	<u>78</u>	<u>101</u>	<u>54</u>	<u>3,085</u>
Total liabilities	191	78	101	54	3,085
Net assets available to participants	<u>328,928</u>	<u>73,010</u>	<u>177,604</u>	<u>45,871</u>	<u>4,060,040</u>
Total liabilities and net assets	<u>\$ 329,119</u>	<u>\$ 73,088</u>	<u>\$ 177,705</u>	<u>\$ 45,925</u>	<u>\$ 4,063,125</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
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	Northern Institutional International Equity Index 529 Portfolio	Northern Institutional Small Company Index 529 Portfolio	Northern Small Cap Value 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Payden US Growth Leaders 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 8,728	\$ 2,308	\$ 5,617	\$ 15,011	\$ 29
Dividends receivable	-	-	-	-	-
Mutual funds	<u>3,308,679</u>	<u>1,158,856</u>	<u>2,513,965</u>	<u>6,035,219</u>	<u>111,717</u>
Total assets	<u>\$ 3,317,407</u>	<u>\$ 1,161,164</u>	<u>\$ 2,519,582</u>	<u>\$ 6,050,230</u>	<u>\$ 111,746</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>2,493</u>	<u>904</u>	<u>2,860</u>	<u>7,089</u>	<u>143</u>
Total liabilities	2,493	904	2,860	7,089	143
Net assets available to participants	<u>3,314,914</u>	<u>1,160,260</u>	<u>2,516,722</u>	<u>6,043,141</u>	<u>111,603</u>
Total liabilities and net assets	<u>\$ 3,317,407</u>	<u>\$ 1,161,164</u>	<u>\$ 2,519,582</u>	<u>\$ 6,050,230</u>	<u>\$ 111,746</u>

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

	Pimco Low Duration 529 Portfolio	Pimco Short-Term 529 Portfolio	Pimco Total Return 529 Portfolio	SIT Dividend Growth 529 Portfolio	T.Rowe Price Balanced 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 15	\$ 61	\$ 121,243	\$ -	\$ 9,683
Dividends receivable	14,477	9,119	76,945	-	-
Mutual funds	<u>4,258,216</u>	<u>3,661,766</u>	<u>15,643,590</u>	<u>27,963</u>	<u>5,128,867</u>
Total assets	<u>\$ 4,272,708</u>	<u>\$ 3,670,946</u>	<u>\$ 15,841,778</u>	<u>\$ 27,963</u>	<u>\$ 5,138,550</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>3,415</u>	<u>3,479</u>	<u>14,880</u>	<u>25</u>	<u>6,239</u>
Total liabilities	3,415	3,479	14,880	25	6,239
Net assets available to participants	<u>4,269,293</u>	<u>3,667,467</u>	<u>15,826,898</u>	<u>27,938</u>	<u>5,132,311</u>
Total liabilities and net assets	<u>\$ 4,272,708</u>	<u>\$ 3,670,946</u>	<u>\$ 15,841,778</u>	<u>\$ 27,963</u>	<u>\$ 5,138,550</u>

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

	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio	William Blair Small Cap Growth 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 12,290	\$ 401	\$ 19,665	\$ 2,746	\$ 9,087
Dividends receivable	-	-	-	-	-
Mutual funds	<u>4,925,726</u>	<u>2,513,696</u>	<u>4,244,766</u>	<u>1,654,647</u>	<u>3,580,083</u>
Total assets	<u>\$ 4,938,016</u>	<u>\$ 2,514,097</u>	<u>\$ 4,264,431</u>	<u>\$ 1,657,393</u>	<u>\$ 3,589,170</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>5,510</u>	<u>2,283</u>	<u>5,317</u>	<u>1,713</u>	<u>3,170</u>
Total liabilities	5,510	2,283	5,317	1,713	3,170
Net assets available to participants	<u>4,932,506</u>	<u>2,511,814</u>	<u>4,259,114</u>	<u>1,655,680</u>	<u>3,586,000</u>
Total liabilities and net assets	<u>\$ 4,938,016</u>	<u>\$ 2,514,097</u>	<u>\$ 4,264,431</u>	<u>\$ 1,657,393</u>	<u>\$ 3,589,170</u>

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

	Fixed Income Fund	Fund 10	Fund 20	Fund 40
ASSETS				
Deposits and investments, at market				
Cash and cash equivalents	\$ 2,127,169	\$ 5,017,540	\$ 5,436,142	\$ 124,456
Dividends receivable	5,321	15,721	48,789	82,222
Mutual funds	<u>2,124,255</u>	<u>7,526,450</u>	<u>21,744,570</u>	<u>44,744,984</u>
Total assets	<u>\$ 4,256,745</u>	<u>\$ 12,559,711</u>	<u>\$ 27,229,501</u>	<u>\$ 44,951,662</u>
LIABILITIES AND NET ASSETS				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accrued liabilities				
Other liabilities	<u>5,425</u>	<u>16,119</u>	<u>33,341</u>	<u>52,869</u>
Total liabilities	5,425	16,119	33,341	52,869
Net assets available to participants	<u>4,251,320</u>	<u>12,543,592</u>	<u>27,196,160</u>	<u>44,898,793</u>
Total liabilities and net assets	<u>\$ 4,256,745</u>	<u>\$ 12,559,711</u>	<u>\$ 27,229,501</u>	<u>\$ 44,951,662</u>

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

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

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO
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	Adelante US Real Estate Securities 529 Portfolio	AllianceBernstein International Value 529 Portfolio	American Century Equity Growth 529 Portfolio	American Century Value 529 Portfolio	American Century Vista 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 5,290	\$ -	\$ -	\$ 981
Dividends receivable	-	-	-	-	-
Mutual funds	<u>5,921</u>	<u>10,819,448</u>	<u>4,227,104</u>	<u>1,844,753</u>	<u>2,563,058</u>
Total assets	<u>\$ 5,921</u>	<u>\$ 10,824,738</u>	<u>\$ 4,227,104</u>	<u>\$ 1,844,753</u>	<u>\$ 2,564,039</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ 3,015	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>6</u>	<u>11,222</u>	<u>4,444</u>	<u>2,230</u>	<u>2,451</u>
Total liabilities	6	11,222	7,459	2,230	2,451
Net assets available to participants	<u>5,915</u>	<u>10,813,516</u>	<u>4,219,645</u>	<u>1,842,523</u>	<u>2,561,588</u>
Total liabilities and net assets	<u>\$ 5,921</u>	<u>\$ 10,824,738</u>	<u>\$ 4,227,104</u>	<u>\$ 1,844,753</u>	<u>\$ 2,564,039</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	Ariel 529 Portfolio	Barclays Institutional Money Market 529 Portfolio	Calvert Income 529 Portfolio	Calvert Social Investment Equity 529 Portfolio	Delaware Small Cap Core 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 11,269,517	\$ -	\$ -	\$ 4,369
Dividends receivable	-	22,950	-	-	-
Mutual funds	<u>3,367,139</u>	<u>-</u>	<u>6,205,694</u>	<u>1,854,532</u>	<u>2,159,671</u>
Total assets	<u>\$ 3,367,139</u>	<u>\$ 11,292,467</u>	<u>\$ 6,205,694</u>	<u>\$ 1,854,532</u>	<u>\$ 2,164,040</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ 3,446	\$ -	\$ 25,195	\$ 282	\$ -
Accrued liabilities					
Other liabilities	<u>3,497</u>	<u>21,467</u>	<u>6,088</u>	<u>1,834</u>	<u>1,697</u>
Total liabilities	6,943	21,467	31,283	2,116	1,697
Net assets available to participants	<u>3,360,196</u>	<u>11,271,000</u>	<u>6,174,411</u>	<u>1,852,416</u>	<u>2,162,343</u>
Total liabilities and net assets	<u>\$ 3,367,139</u>	<u>\$ 11,292,467</u>	<u>\$ 6,205,694</u>	<u>\$ 1,854,532</u>	<u>\$ 2,164,040</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	Earnest Partners Fixed Income 529 Portfolio	Eaton Vance Large-Cap Value 529 Portfolio	Female & Minority Owned Growth Portfolio 529 Portfolio	FMA Small Company 529 Portfolio	Forward Hoover Small Cap Equity 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 213	\$ -
Dividends receivable	20	-	-	-	-
Mutual funds	<u>3,427</u>	<u>11,018,650</u>	<u>3,381</u>	<u>11,943</u>	<u>29,890</u>
Total assets	<u>\$ 3,447</u>	<u>\$ 11,018,650</u>	<u>\$ 3,381</u>	<u>\$ 12,156</u>	<u>\$ 29,890</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ 2,560	\$ -	\$ -	\$ 30
Accrued liabilities					
Other liabilities	<u>3</u>	<u>6,759</u>	<u>3</u>	<u>8</u>	<u>23</u>
Total liabilities	3	9,319	3	8	53
Net assets available to participants	<u>3,444</u>	<u>11,009,331</u>	<u>3,378</u>	<u>12,148</u>	<u>29,837</u>
Total liabilities and net assets	<u>\$ 3,447</u>	<u>\$ 11,018,650</u>	<u>\$ 3,381</u>	<u>\$ 12,156</u>	<u>\$ 29,890</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Institutional Diversified Growth 529 Portfolio	Northern Institutional Equity Index 529 Portfolio	Northern Institutional Equity Index 529 Portfolio	Northern Institutional Small Company Index 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 2,837	\$ 7,517	\$ -	\$ 2,519
Dividends receivable	-	-	-	-	-
Mutual funds	<u>11,416</u>	<u>2,472,157</u>	<u>4,682,358</u>	<u>3,697,658</u>	<u>1,288,036</u>
Total assets	<u>\$ 11,416</u>	<u>\$ 2,474,994</u>	<u>\$ 4,689,875</u>	<u>\$ 3,697,658</u>	<u>\$ 1,290,555</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ 7,087	\$ -
Accrued liabilities					
Other liabilities	<u>8</u>	<u>2,346</u>	<u>3,595</u>	<u>3,128</u>	<u>1,101</u>
Total liabilities	8	2,346	3,595	10,215	1,101
Net assets available to participants	<u>11,408</u>	<u>2,472,648</u>	<u>4,686,280</u>	<u>3,687,443</u>	<u>1,289,454</u>
Total liabilities and net assets	<u>\$ 11,416</u>	<u>\$ 2,474,994</u>	<u>\$ 4,689,875</u>	<u>\$ 3,697,658</u>	<u>\$ 1,290,555</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	Northern Small Cap Value 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Payden Market Return 529 Portfolio	Payden US Growth Leaders 529 Portfolio	Pimco Low Duration 529 Portfolio
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ -	\$ 3,064	\$ -	\$ -	\$ 25
Dividends receivable	-	-	-	-	12,158
Mutual funds	<u>2,670,517</u>	<u>7,406,143</u>	<u>10,144</u>	<u>26,016</u>	<u>3,182,781</u>
Total assets	<u>\$ 2,670,517</u>	<u>\$ 7,409,207</u>	<u>\$ 10,144</u>	<u>\$ 26,016</u>	<u>\$ 3,194,964</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ 951	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>1,691</u>	<u>4,476</u>	<u>8</u>	<u>19</u>	<u>2,269</u>
Total liabilities	2,642	4,476	8	19	2,269
Net assets available to participants	<u>2,667,875</u>	<u>7,404,731</u>	<u>10,136</u>	<u>25,997</u>	<u>3,192,695</u>
Total liabilities and net assets	<u>\$ 2,670,517</u>	<u>\$ 7,409,207</u>	<u>\$ 10,144</u>	<u>\$ 26,016</u>	<u>\$ 3,194,964</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	Pimco Short-Term 529 Portfolio	Pimco Total Return 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					
Deposits and investments, at market					
Cash and cash equivalents	\$ 3,180	\$ 2,154	\$ 5,086	\$ 43,670	\$ 9,971
Dividends receivable	5,674	41,226	-	-	-
Mutual funds	<u>1,827,592</u>	<u>9,727,102</u>	<u>2,685,777</u>	<u>5,822,407</u>	<u>5,912,138</u>
Total assets	<u>\$ 1,836,446</u>	<u>\$ 9,770,482</u>	<u>\$ 2,690,863</u>	<u>\$ 5,866,077</u>	<u>\$ 5,922,109</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>1,734</u>	<u>8,970</u>	<u>2,852</u>	<u>7,475</u>	<u>7,016</u>
Total liabilities	1,734	8,970	2,852	7,475	7,016
Net assets available to participants	<u>1,834,712</u>	<u>9,761,512</u>	<u>2,688,011</u>	<u>5,858,602</u>	<u>5,915,093</u>
Total liabilities and net assets	<u>\$ 1,836,446</u>	<u>\$ 9,770,482</u>	<u>\$ 2,690,863</u>	<u>\$ 5,866,077</u>	<u>\$ 5,922,109</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10
ASSETS					
Deposits and investments, at market					
Cash and cash equivalents	\$ 1,685	\$ -	\$ -	\$ 1,138,853	\$ 3,398,470
Dividends receivable	-	-	-	5,906	20,072
Mutual funds	<u>2,035,781</u>	<u>2,817,102</u>	<u>3,645,746</u>	<u>1,138,913</u>	<u>5,078,098</u>
Total assets	<u>\$ 2,037,466</u>	<u>\$ 2,817,102</u>	<u>\$ 3,645,746</u>	<u>\$ 2,283,672</u>	<u>\$ 8,496,640</u>
LIABILITIES AND NET ASSETS					
Cash overdraft	\$ -	\$ 75	\$ 1,157	\$ -	\$ -
Accrued liabilities					
Other liabilities	<u>1,241</u>	<u>2,943</u>	<u>3,436</u>	<u>2,828</u>	<u>10,393</u>
Total liabilities	1,241	3,018	4,593	2,828	10,393
Net assets available to participants	<u>2,036,225</u>	<u>2,814,084</u>	<u>3,641,153</u>	<u>2,280,844</u>	<u>8,486,247</u>
Total liabilities and net assets	<u>\$ 2,037,466</u>	<u>\$ 2,817,102</u>	<u>\$ 3,645,746</u>	<u>\$ 2,283,672</u>	<u>\$ 8,496,640</u>

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STATEMENT OF FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
As of June 30, 2008

	Fund 20	Fund 40	Fund 60	Fund 80	Fund 100	Total
ASSETS						
Deposits and investments, at market						
Cash and cash equivalents	\$ 3,861,504	\$ 22,154	\$ 21,408	\$ 176,844	\$ 25,963	\$ 20,007,274
Dividends receivable	49,438	80,193	96,852	71,236	-	405,725
Mutual funds	15,282,207	35,153,968	58,648,781	80,512,470	57,488,598	357,338,517
Total assets	<u>\$ 19,193,149</u>	<u>\$ 35,256,315</u>	<u>\$ 58,767,041</u>	<u>\$ 80,760,550</u>	<u>\$ 57,514,561</u>	<u>\$ 377,751,516</u>
LIABILITIES AND NET ASSETS						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,798
Accrued liabilities						
Other liabilities	23,809	43,933	70,878	93,906	68,046	429,833
Total liabilities	23,809	43,933	70,878	93,906	68,046	473,631
Net assets available to participants	<u>19,169,340</u>	<u>35,212,382</u>	<u>58,696,163</u>	<u>80,666,644</u>	<u>57,446,515</u>	<u>377,277,885</u>
Total liabilities and net assets	<u>\$ 19,193,149</u>	<u>\$ 35,256,315</u>	<u>\$ 58,767,041</u>	<u>\$ 80,760,550</u>	<u>\$ 57,514,561</u>	<u>\$ 377,751,516</u>

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

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

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

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

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For the year ended June 30, 2009

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

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

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

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

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

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

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

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For the year ended June 30, 2008

	Activity for the period July 1, 2007 - <u>July 22, 2007</u>	Adjustment on NAV between Fund Managers <u>See Footnote</u>	Activity for the period July 23, 2007 - <u>June 30, 2008</u>	For the year ended <u>June 30, 2008</u>
Operations				
Revenues (expenditures)				
Investment earnings	\$ 30,143,329	\$ -	\$ 20,846,620	\$ 50,989,949
Gain (loss) on sale of securities	182,491	-	(9,938,257)	(9,755,766)
Net change in fair value of investments	(5,155,465)	136,041	(218,731,693)	(223,751,117)
Interest expense	-	-	(5,471)	(5,471)
Distribution fees	-	-	(2,510,242)	(2,510,242)
State administrative fees	-	-	(660,879)	(660,879)
Insurance fees	(6,049)	-	(101,358)	(107,407)
Management and bank custodial fees	(510,174)	-	(3,442,205)	(3,952,379)
Net investment earnings (loss)	24,654,132	136,041	(214,543,485)	(189,753,312)
Participant transactions				
Program contributions	59,420,084	-	1,073,795,300	1,133,215,384
Program distributions	(52,671,685)	-	(765,124,248)	(817,795,933)
Total increase from participant transactions	6,748,399	-	308,671,052	315,419,451
Net increase in net assets	<u>\$ 31,402,531</u>	<u>\$ 136,041</u>	<u>\$ 94,127,567</u>	125,666,139
Net assets, beginning of fiscal year				<u>2,287,874,042</u>
Net assets, end of fiscal year				<u>\$ 2,413,540,181</u>

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	<u>Portfolio One</u>	<u>Portfolio Two</u>	<u>Portfolio Three</u>	<u>Portfolio Four</u>	<u>Portfolio Five</u>
Operations					
Revenues (expenditures)					
Investment earnings	\$ 11,730,931	\$ 3,893,583	\$ 2,496,342	\$ 2,000,852	\$ 448,542
Gain (loss) on sale of securities	412,566	(23,891)	(25,388)	(27,343)	(21,108)
Net change in fair value of investments	(5,825,281)	(836,639)	(778,390)	92,963	837,142
Insurance fees	-	-	-	-	-
Bank custodial fees	<u>(80,291)</u>	<u>(57,910)</u>	<u>(36,741)</u>	<u>(57,474)</u>	<u>(56,669)</u>
Net investment earnings	6,237,925	2,975,143	1,655,823	2,008,998	1,207,907
Participant transactions					
Program contributions	5,733,666	12,220,798	8,889,543	9,923,584	7,781,057
Program distributions	<u>(11,287,908)</u>	<u>(8,885,076)</u>	<u>(8,224,285)</u>	<u>(7,090,887)</u>	<u>(5,790,338)</u>
Total increase (decrease) from participant transactions	(5,554,242)	3,335,722	665,258	2,832,697	1,990,719
Net increase in net assets	683,683	6,310,865	2,321,081	4,841,695	3,198,626
Net assets, June 30, 2007	<u>450,662,506</u>	<u>275,670,319</u>	<u>172,884,989</u>	<u>243,253,501</u>	<u>206,941,892</u>
Net assets, July 22, 2007	<u>\$ 451,346,189</u>	<u>\$ 281,981,184</u>	<u>\$ 175,206,070</u>	<u>\$ 248,095,196</u>	<u>\$ 210,140,518</u>

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For the year ended June 30, 2008

	<u>Portfolio Six</u>	<u>All Equity</u>	<u>Fixed Income</u>	<u>Principal Prot Inc</u>	<u>Balanced Option</u>
Operations					
Revenues (expenditures)					
Investment earnings	\$ 329,776	\$ 8,467,064	\$ 184,147	\$ 234,230	\$ 357,862
Gain (loss) on sale of securities	(37,954)	(18,064)	(59,563)	-	(16,764)
Net change in fair value of investments	203,853	1,193,451	(51,585)	-	9,021
Insurance fees	-	-	-	(6,049)	-
Bank custodial fees	<u>(36,538)</u>	<u>(125,839)</u>	<u>(9,393)</u>	<u>(41,068)</u>	<u>(8,251)</u>
Net investment earnings	459,137	9,516,612	63,606	187,113	341,868
Participant transactions					
Program contributions	5,974,909	5,817,799	489,200	1,852,281	737,247
Program distributions	<u>(3,452,145)</u>	<u>(4,522,905)</u>	<u>(1,128,470)</u>	<u>(1,709,621)</u>	<u>(580,050)</u>
Total increase (decrease) from participant transactions	2,522,764	1,294,894	(639,270)	142,660	157,197
Net increase in net assets	2,981,901	10,811,506	(575,664)	329,773	499,065
Net assets, June 30, 2007	<u>116,119,517</u>	<u>644,222,758</u>	<u>54,096,393</u>	<u>80,563,354</u>	<u>43,458,813</u>
Net assets, July 22, 2007	<u>\$ 119,101,418</u>	<u>\$ 655,034,264</u>	<u>\$ 53,520,729</u>	<u>\$ 80,893,127</u>	<u>\$ 43,957,878</u>

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For the year ended June 30, 2008

	<u>Total</u>
Operations	
Revenues (expenditures)	
Investment earnings	\$ 30,143,329
Gain (loss) on sale of securities	182,491
Net change in fair value of investments	(5,155,465)
Insurance fees	(6,049)
Bank custodial fees	<u>(510,174)</u>
Net investment earnings	24,654,132
Participant transactions	
Program contributions	59,420,084
Program distributions	<u>(52,671,685)</u>
Total increase from participant transactions	6,748,399
Net increase in net assets	31,402,531
Net assets, June 30, 2007	<u>2,287,874,042</u>
Net assets, July 22, 2007	<u>\$ 2,319,276,573</u>

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For the year ended June 30, 2008

	Active Age-Based 0-6 years	Active Age-Based 7-9 years	Active Age-Based 10-11 years	Active Age-Based 12-14 years	Active Age-Based 15-17 years
Operations					
Revenues (expenditures)					
Investment earnings	\$ 22,104	\$ 1,744,435	\$ 1,265,030	\$ 3,008,892	\$ 4,121,319
Gain (loss) on sale of securities	(4,706,471)	(575,970)	(757,957)	(563,894)	(389,192)
Net change in fair value of investments	(47,596,190)	(27,220,721)	(13,613,648)	(16,378,682)	(8,061,571)
Interest expense	(940)	(259)	(297)	(369)	(342)
Management fees	(552,847)	(391,972)	(239,512)	(343,900)	(308,701)
Distribution fees	(377,843)	(299,237)	(186,252)	(272,105)	(254,345)
State administrative fees	(112,036)	(79,458)	(48,576)	(69,834)	(62,780)
Insurance fees	-	-	-	-	-
Net investment earnings (loss)	(53,324,223)	(26,823,182)	(13,581,212)	(14,619,892)	(4,955,612)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	103,248,135	140,659,879	106,444,813	119,121,317	109,705,120
Program distributions	(139,945,647)	(105,539,786)	(94,284,418)	(96,641,615)	(82,665,837)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	(36,697,512)	35,120,093	12,160,395	22,479,702	27,039,283
Net increase (decrease) in net assets	(90,021,735)	8,296,911	(1,420,817)	7,859,810	22,083,671
Net assets, July 23, 2007	451,450,232	282,043,694	175,178,379	248,048,530	210,186,319
Net assets, June 30, 2008	<u>\$ 361,428,497</u>	<u>\$ 290,340,605</u>	<u>\$ 173,757,562</u>	<u>\$ 255,908,340</u>	<u>\$ 232,269,990</u>

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For the year ended June 30, 2008

	Active Age-Based 18 years	Active Static Equity	Active Static Balanced	Active Static Fixed Income	Principal Protection Income
Operations					
Revenues (expenditures)					
Investment earnings	\$ 4,120,047	\$ 20,082	\$ 2,968	\$ 1,957	\$ 3,307,149
Gain (loss) on sale of securities	(212,516)	(2,516,637)	(254,977)	(48,318)	-
Net change in fair value of investments	(1,706,306)	(86,255,726)	(2,946,420)	746,835	-
Interest expense	(1,380)	(1,321)	(112)	(345)	-
Management fees	(177,050)	(823,914)	(67,046)	(70,558)	(316,380)
Distribution fees	(153,962)	(806,857)	(19,379)	(39,850)	(100,412)
State administrative fees	(36,075)	(167,093)	(47,339)	(14,282)	(23,406)
Insurance fees	-	-	-	-	(101,358)
Net investment earnings (loss)	1,832,758	(90,551,466)	(3,332,305)	575,439	2,765,593
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	86,000,296	103,589,625	23,154,760	11,906,075	41,895,913
Program distributions	(54,452,707)	(107,110,718)	(10,598,472)	(15,864,256)	(34,002,002)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	31,547,589	(3,521,093)	12,556,288	(3,958,181)	7,893,911
Net increase (decrease) in net assets	33,380,347	(94,072,559)	9,223,983	(3,382,742)	10,659,504
Net assets, July 23, 2007	119,125,374	655,014,434	43,963,344	53,526,379	80,875,929
Net assets, June 30, 2008	<u>\$ 152,505,721</u>	<u>\$ 560,941,875</u>	<u>\$ 53,187,327</u>	<u>\$ 50,143,637</u>	<u>\$ 91,535,433</u>

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BRIGHT START COLLEGE SAVINGS PROGRAM
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2008

	Index Age-Based 0-6 years	Index Age-Based 7-9 Years	Index Age-Based 10-11 Years	Index Age-Based 12-14 Years	Index Age-Based 15-17 Years
Operations					
Revenues (expenditures)					
Investment earnings	\$ 583,006	\$ 338,592	\$ 230,589	\$ 337,545	\$ 269,074
Gain (loss) on sale of securities	95,524	(53,169)	(61,793)	(62,244)	(43,321)
Net change in fair value of investments	(3,986,669)	(1,547,729)	(762,943)	(920,324)	(405,957)
Interest expense	-	(20)	(24)	(2)	-
Management fees	(30,922)	(15,462)	(9,784)	(13,321)	(9,521)
Distribution fees	-	-	-	-	-
State administrative fees	-	-	-	-	-
Insurance fees	-	-	-	-	-
Net investment earnings (loss)	(3,339,061)	(1,277,788)	(603,955)	(658,346)	(189,725)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	46,490,145	25,575,224	17,249,934	22,066,494	15,889,616
Program distributions	(4,618,655)	(4,263,902)	(4,306,876)	(3,516,727)	(2,546,801)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	41,871,490	21,311,322	12,943,058	18,549,767	13,342,815
Net increase (decrease) in net assets	38,532,429	20,033,534	12,339,103	17,891,421	13,153,090
Net assets, July 23, 2007	-	-	-	-	-
Net assets, June 30, 2008	<u>\$ 38,532,429</u>	<u>\$ 20,033,534</u>	<u>\$ 12,339,103</u>	<u>\$ 17,891,421</u>	<u>\$ 13,153,090</u>

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For the year ended June 30, 2008

	Index Age-Based 18 Years	Index Static Equity	Index Static Balanced	Index Static Fixed Income	Total
Operations					
Revenues (expenditures)					
Investment earnings	\$ 129,202	\$ 859,071	\$ 236,861	\$ 248,697	\$ 20,846,620
Gain (loss) on sale of securities	(8,428)	219,517	(1,938)	3,527	(9,938,257)
Net change in fair value of investments	(80,341)	(7,216,595)	(714,871)	(63,835)	(218,731,693)
Interest expense	(5)	-	(10)	(45)	(5,471)
Management fees	(4,046)	(50,495)	(9,389)	(7,385)	(3,442,205)
Distribution fees	-	-	-	-	(2,510,242)
State administrative fees	-	-	-	-	(660,879)
Insurance fees	-	-	-	-	(101,358)
Net investment earnings (loss)	36,382	(6,188,502)	(489,347)	180,959	(214,543,485)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	7,140,456	67,776,923	14,115,892	11,764,683	1,073,795,300
Program distributions	(1,125,441)	(1,599,424)	(712,147)	(1,328,817)	(765,124,248)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	6,015,015	66,177,499	13,403,745	10,435,866	308,671,052
Net increase (decrease) in net assets	6,051,397	59,988,997	12,914,398	10,616,825	94,127,567
Net assets, July 23, 2007	-	-	-	-	2,319,412,614
Net assets, June 30, 2008	<u>\$ 6,051,397</u>	<u>\$ 59,988,997</u>	<u>\$ 12,914,398</u>	<u>\$ 10,616,825</u>	<u>\$ 2,413,540,181</u>

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	Adelante US Real Estate Securities 529 Portfolio	AllianceBernstein International Value 529 Portfolio	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Value 529 Portfolio
Operations					
Revenues (expenditures)					
Investment earnings	\$ 359	\$ -	\$ 83,004	\$ -	\$ 61,745
Gain (loss) on sale of securities	(1,868)	(1,128,063)	(190,628)	-	(148,397)
Net change in fair value of investments	(613)	(3,534,680)	(1,143,687)	5,982	(241,973)
12b-1 fees	(11)	(17,930)	(8,902)	(55)	(5,229)
Management fees	(32)	(30,447)	(16,060)	(85)	(8,665)
Net investment earnings (loss)	(2,165)	(4,711,120)	(1,276,273)	5,842	(342,519)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	15,289	2,214,626	1,406,957	180,116	1,120,716
Program distributions	(6,469)	(2,083,361)	(717,425)	(40)	(429,725)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	8,820	131,265	689,532	180,076	690,991
Net increase in net assets	6,655	(4,579,855)	(586,741)	185,918	348,472
Net assets, June 30, 2008	5,915	10,813,516	4,219,645	-	1,842,523
Net assets, June 30, 2009	<u>\$ 12,570</u>	<u>\$ 6,233,661</u>	<u>\$ 3,632,904</u>	<u>\$ 185,918</u>	<u>\$ 2,190,995</u>

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For the year ended June 30, 2009

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

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

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

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

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

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	SIT Dividend Growth 529 Portfolio	T.Rowe Price Balanced 529 Portfolio	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio
Operations					
Revenues (expenditures)					
Investment earnings	\$ 24	\$ 212,564	\$ 139,771	\$ 58,243	\$ 4,200
Gain (loss) on sale of securities	156	(269,000)	(368,328)	(103,828)	(187,904)
Net change in fair value of investments	1,535	(887,012)	(1,267,847)	(627,875)	138,567
12b-1 fees	(12)	(17,949)	(15,303)	(5,488)	(5,591)
Management fees	(19)	(21,816)	(22,050)	(9,939)	(9,781)
Net investment earnings (loss)	1,684	(983,213)	(1,533,757)	(688,887)	(60,509)
Distributions to shareholders					
Net investment income	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-
Participant transactions					
Program contributions	30,145	1,339,444	1,543,244	952,036	2,996,310
Program distributions	(3,891)	(1,082,522)	(992,074)	(439,346)	(712,912)
Distributions reinvested	-	-	-	-	-
Total increase (decrease) from participant transactions	26,254	256,922	551,170	512,690	2,283,398
Net increase in net assets	27,938	(726,291)	(982,587)	(176,197)	2,222,889
Net assets, June 30, 2008	-	5,858,602	5,915,093	2,688,011	2,036,225
Net assets, June 30, 2009	<u>\$ 27,938</u>	<u>\$ 5,132,311</u>	<u>\$ 4,932,506</u>	<u>\$ 2,511,814</u>	<u>\$ 4,259,114</u>

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

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

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	Adelante US Real Estate Securities 529 Portfolio	AllianceBernstein International Value 529 Portfolio	American Century Equity Growth 529 Portfolio	American Century Ultra 529 Portfolio	American Century Value 529 Portfolio	American Century Vista 529 Portfolio
Operations						
Revenues (expenditures)						
Investment earnings	\$ 68	\$ 608,035	\$ 312,701	\$ 281,363	\$ 289,807	\$ 127,862
Gain (loss) on sale of securities	7	(10,594)	(25,105)	(243,413)	(34,987)	(569)
Net change in fair value of investments	(413)	(2,559,233)	(790,691)	(22,928)	(744,729)	(121,650)
12b-1 fees	(4)	(24,779)	(10,324)	(2,455)	(6,237)	(4,051)
Management fees	(7)	(44,495)	(17,807)	(4,500)	(8,834)	(6,605)
Net investment earnings (loss)	(349)	(2,031,066)	(531,226)	8,067	(504,980)	(5,013)
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-	-
Participant transactions						
Program contributions	6,382	5,975,749	1,999,999	1,218,560	752,568	2,120,692
Program distributions	(118)	(1,268,263)	(596,319)	(2,061,980)	(419,214)	(117,235)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	6,264	4,707,486	1,403,680	(843,420)	333,354	2,003,457
Net increase in net assets	5,915	2,676,420	872,454	(835,353)	(171,626)	1,998,444
Net assets, June 30, 2007	-	8,137,096	3,347,191	835,353	2,014,149	563,144
Net assets, June 30, 2008	\$ 5,915	\$ 10,813,516	\$ 4,219,645	\$ -	\$ 1,842,523	\$ 2,561,588

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2008

	Ariel 529 Portfolio	Barclays Institutional Money Market 529 Portfolio	Calvert Income 529 Portfolio	Calvert Social Investment Equity 529 Portfolio	Delaware Small Cap Core 529 Portfolio	DFA U.S. Large Cap Value 529 Portfolio
Operations						
Revenues (expenditures)						
Investment earnings	\$ 306,911	\$ 333,302	\$ 363,213	\$ 71,728	\$ -	\$ 540,142
Gain (loss) on sale of securities	(37,227)	-	(7,407)	2,433	119	(956,698)
Net change in fair value of investments	(1,476,026)	-	(205,291)	(106,596)	(59,704)	(855,128)
12b-1 fees	(8,492)	(25,322)	(13,439)	(3,712)	(1,131)	(19,707)
Management fees	(15,557)	(37,193)	(22,876)	(6,023)	(1,660)	(38,379)
Net investment earnings (loss)	(1,230,391)	270,787	114,200	(42,170)	(62,376)	(1,329,770)
Distributions to shareholders						
Net investment income	-	(274,998)	-	-	-	-
Total decrease in net assets from distributions	-	(274,998)	-	-	-	-
Participant transactions						
Program contributions	1,938,997	10,302,778	2,814,416	992,015	2,260,073	4,519,781
Program distributions	(714,179)	(4,559,176)	(709,824)	(160,668)	(35,354)	(12,843,942)
Distributions reinvested	-	274,489	-	-	-	-
Total increase (decrease) from participant transactions	1,224,818	6,018,091	2,104,592	831,347	2,224,719	(8,324,161)
Net increase in net assets	(5,573)	6,013,880	2,218,792	789,177	2,162,343	(9,653,931)
Net assets, June 30, 2007	3,365,769	5,257,120	3,955,619	1,063,239	-	9,653,931
Net assets, June 30, 2008	<u>\$ 3,360,196</u>	<u>\$ 11,271,000</u>	<u>\$ 6,174,411</u>	<u>\$ 1,852,416</u>	<u>\$ 2,162,343</u>	<u>\$ -</u>

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For the year ended June 30, 2008

	Earnest Partners Fixed Income 529 Portfolio	Eaton Vance Large-Cap Value 529 Portfolio	Female & Minority Owned Growth 529 Portfolio	Fidelity Advisor Diversified International 529 Portfolio	Fidelity Advisor Small Cap 529 Portfolio	FMA Small Company 529 Portfolio
Operations						
Revenues (expenditures)						
Investment earnings	\$ 65	\$ 45,467	\$ 28	\$ 870,878	\$ 63,396	\$ -
Gain (loss) on sale of securities	-	(2,403)	3	(698,679)	(26,691)	-
Net change in fair value of investments	(80)	(687,249)	(112)	(469,188)	(103,687)	(652)
12b-1 fees	(2)	(4,606)	(2)	(13,050)	(4,364)	(5)
Management fees	(5)	(8,433)	(5)	(24,468)	(6,526)	(8)
Net investment earnings (loss)	(22)	(657,224)	(88)	(334,507)	(77,872)	(665)
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-	-
Participant transactions						
Program contributions	3,466	12,161,338	3,466	3,271,899	989,871	12,813
Program distributions	-	(494,783)	-	(8,538,723)	(2,327,208)	-
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	3,466	11,666,555	3,466	(5,266,824)	(1,337,337)	12,813
Net increase in net assets	3,444	11,009,331	3,378	(5,601,331)	(1,415,209)	12,148
Net assets, June 30, 2007	-	-	-	5,601,331	1,415,209	-
Net assets, June 30, 2008	\$ 3,444	\$ 11,009,331	\$ 3,378	\$ -	\$ -	\$ 12,148

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	Forward Hoover Small Cap Equity 529 Portfolio	Legg Mason U. S. Small Cap Value 529 Portfolio	NCM Capital Mid-Cap Growth 529 Portfolio	Northern Institutional Diversified Growth 529 Portfolio	Northern Institutional Equity Index 529 Portfolio	Northern Institutional International Equity Index 529 Portfolio
Operations						
Revenues (expenditures)						
Investment earnings	\$ -	\$ 264,093	\$ -	\$ 156,877	\$ 402,269	\$ 539,428
Gain (loss) on sale of securities	1	(764,935)	-	(4,486)	(3,844)	(17,208)
Net change in fair value of investments	457	(126)	(483)	(488,645)	(1,002,302)	(942,338)
12b-1 fees	(13)	(5,010)	(4)	(5,117)	(6,051)	(5,525)
Management fees	(28)	(9,141)	(10)	(9,533)	(17,366)	(12,983)
Net investment earnings (loss)	417	(515,119)	(497)	(350,904)	(627,294)	(438,626)
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-	-
Participant transactions						
Program contributions	29,450	1,036,511	11,905	1,286,882	2,619,503	2,318,851
Program distributions	(30)	(2,946,428)	-	(162,763)	(236,024)	(302,890)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	29,420	(1,909,917)	11,905	1,124,119	2,383,479	2,015,961
Net increase in net assets	29,837	(2,425,036)	11,408	773,215	1,756,185	1,577,335
Net assets, June 30, 2007	-	2,425,036	-	1,699,433	2,930,095	2,110,108
Net assets, June 30, 2008	\$ 29,837	\$ -	\$ 11,408	\$ 2,472,648	\$ 4,686,280	\$ 3,687,443

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	Northern Institutional Small Company Index 529 Portfolio	Northern Small Cap Value 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Payden Market Return 529 Portfolio	Payden US Growth Leaders 529 Portfolio	Pimco Low Duration 529 Portfolio
Operations						
Revenues (expenditures)						
Investment earnings	\$ 9,321	\$ -	\$ -	\$ 64	\$ -	\$ 128,632
Gain (loss) on sale of securities	(1,428)	895	(1,254)	-	-	3,284
Net change in fair value of investments	(152,467)	(139,445)	(541,278)	(612)	(1,952)	11,299
12b-1 fees	(2,160)	(1,107)	(2,994)	(5)	(10)	(3,674)
Management fees	(3,641)	(2,060)	(5,707)	(7)	(19)	(11,037)
Net investment earnings (loss)	(150,375)	(141,717)	(551,233)	(560)	(1,981)	128,504
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-	-
Participant transactions						
Program contributions	919,601	2,868,719	8,081,008	10,696	27,978	1,836,366
Program distributions	(104,833)	(59,127)	(125,044)	-	-	(373,581)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	814,768	2,809,592	7,955,964	10,696	27,978	1,462,785
Net increase in net assets	664,393	2,667,875	7,404,731	10,136	25,997	1,591,289
Net assets, June 30, 2007	<u>625,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,601,406</u>
Net assets, June 30, 2008	<u>\$ 1,289,454</u>	<u>\$ 2,667,875</u>	<u>\$ 7,404,731</u>	<u>\$ 10,136</u>	<u>\$ 25,997</u>	<u>\$ 3,192,695</u>

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2008

	Pimco Short-Term 529 Portfolio	Pimco Total Return 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
Operations						
Revenues (expenditures)						
Investment earnings	\$ 73,004	\$ 414,182	\$ 168,337	\$ 498,312	\$ 522,450	\$ -
Gain (loss) on sale of securities	(1,257)	2,942	(7,928)	(21,152)	(11,355)	721
Net change in fair value of investments	(19,847)	182,451	(445,521)	(763,491)	(1,539,567)	(90,827)
12b-1 fees	(3,611)	(16,447)	(6,324)	(19,129)	(16,653)	(783)
Management fees	(6,727)	(32,657)	(11,042)	(22,568)	(23,214)	(1,496)
Net investment earnings (loss)	41,562	550,471	(302,478)	(328,028)	(1,068,339)	(92,385)
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-	-
Participant transactions						
Program contributions	1,048,387	5,068,886	1,272,841	2,952,013	3,496,264	2,166,604
Program distributions	(241,680)	(964,742)	(295,865)	(695,263)	(590,610)	(37,994)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	806,707	4,104,144	976,976	2,256,750	2,905,654	2,128,610
Net increase in net assets	848,269	4,654,615	674,498	1,928,722	1,837,315	2,036,225
Net assets, June 30, 2007	986,443	5,106,897	2,013,513	3,929,880	4,077,778	-
Net assets, June 30, 2008	\$ 1,834,712	\$ 9,761,512	\$ 2,688,011	\$ 5,858,602	\$ 5,915,093	\$ 2,036,225

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STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS BY PORTFOLIO - CONTINUED
For the year ended June 30, 2008

	T.Rowe Price Real Estate 529 Portfolio	William Blair Small Cap Growth 529 Portfolio	Fixed Income Fund	Fund 10	Fund 20	Fund 40
Operations						
Revenues (expenditures)						
Investment earnings	\$ 161,048	\$ 253,684	\$ 61,463	\$ 293,173	\$ 748,594	\$ 1,680,822
Gain (loss) on sale of securities	(21,564)	(117,602)	230	(20,032)	(80,773)	(338,810)
Net change in fair value of investments	(618,105)	(1,270,926)	(8,272)	(131,823)	(554,308)	(2,169,236)
12b-1 fees	(6,554)	(7,900)	(5,816)	(24,941)	(54,349)	(102,919)
Management fees	(11,778)	(18,134)	(6,259)	(27,294)	(62,982)	(124,886)
Net investment earnings (loss)	(496,953)	(1,160,878)	41,346	89,083	(3,818)	(1,055,029)
Distributions to shareholders						
Net investment income	-	-	-	-	-	-
Total decrease in net assets from distributions	-	-	-	-	-	-
Participant transactions						
Program contributions	1,387,423	2,183,231	2,026,710	6,295,145	14,465,818	24,546,824
Program distributions	(429,253)	(1,145,154)	(655,078)	(2,005,049)	(4,663,881)	(8,314,039)
Distributions reinvested	-	-	-	-	-	-
Total increase (decrease) from participant transactions	958,170	1,038,077	1,371,632	4,290,096	9,801,937	16,232,785
Net increase in net assets	461,217	(122,801)	1,412,978	4,379,179	9,798,119	15,177,756
Net assets, June 30, 2007	2,352,867	3,763,954	867,866	4,107,068	9,371,221	20,034,626
Net assets, June 30, 2008	\$ 2,814,084	\$ 3,641,153	\$ 2,280,844	\$ 8,486,247	\$ 19,169,340	\$ 35,212,382

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	Fund 60	Fund 80	Fund 100	Total
Operations				
Revenues (expenditures)				
Investment earnings	\$ 3,123,706	\$ 4,740,017	\$ 3,608,964	\$ 22,063,406
Gain (loss) on sale of securities	(750,531)	(1,406,082)	(1,416,650)	(7,020,029)
Net change in fair value of investments	(5,651,662)	(11,336,446)	(10,719,756)	(46,598,585)
12b-1 fees	(166,014)	(218,723)	(157,972)	(981,487)
Management fees	(213,914)	(307,533)	(220,879)	(1,406,276)
Net investment earnings (loss)	(3,658,415)	(8,528,767)	(8,906,293)	(33,942,971)
Distributions to shareholders				
Net investment income	-	-	-	(274,998)
Total decrease in net assets from distributions	-	-	-	(274,998)
Participant transactions				
Program contributions	40,196,240	50,071,019	36,760,472	266,331,210
Program distributions	(11,399,147)	(13,517,998)	(8,693,459)	(92,807,918)
Distributions reinvested	-	-	-	274,489
Total increase (decrease) from participant transactions	28,797,093	36,553,021	28,067,013	173,797,781
Net increase in net assets	25,138,678	28,024,254	19,160,720	139,579,812
Net assets, June 30, 2007	<u>33,557,485</u>	<u>52,642,390</u>	<u>38,285,795</u>	<u>237,698,073</u>
Net assets, June 30, 2008	<u>\$ 58,696,163</u>	<u>\$ 80,666,644</u>	<u>\$ 57,446,515</u>	<u>\$ 377,277,885</u>

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BRIGHT START KEY PERFORMANCE MEASURES
As of June 30, 2009 and 2008
Unaudited

	<u>Illinois</u>	<u>Non - Illinois</u>	<u>Total</u>
2009			
Number of Participant Accounts	145,926	44,154	190,080
Assets	\$ 1,602,848,174	\$ 486,351,613	\$ 2,089,199,787
2008			
Number of Participant Accounts	128,018	41,036	169,054
Assets	\$ 1,833,635,882	\$ 579,877,664	\$ 2,413,513,546

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.

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BRIGHT DIRECTIONS KEY PERFORMANCE MEASURES
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	<u>Illinois</u>	<u>Out of State</u>	<u>Total</u>
2009			
Number of Participant Accounts	40,102	2,076	42,178
Market Value	\$ 380,381,231	\$ 24,404,518	\$ 404,785,749
2008			
Number of Participant Accounts	33,449	1,410	34,859
Market Value	\$ 355,903,638	\$ 22,232,202	\$ 378,135,840

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.

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BRIGHT START INVESTMENT POLICY
For the year ended June 30, 2009
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I. Statement of Purpose of Investment Policy

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

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

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

II. Establishment and Authority of Entity

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

III. Investment Philosophy

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

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

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

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

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

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

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

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

IV. Investment Objectives

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

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

V. Investment Responsibilities

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

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

VI. Investment Parameters

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

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BRIGHT START INVESTMENT POLICY - CONTINUED
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bonds and cash in each Portfolio and may change the underlying investments within the Portfolios consistent with this Investment Policy Statement and its agreement with the Manager.

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

VII.

Direct Plan: Blended Age Based Portfolios

Underlying Investment Category	Benchmark	#1 Portfolio (0-6 yrs)	#2 Portfolio (7-9 yrs)	#3 Portfolio (10-11 yrs)	#4 Portfolio (12-14 yrs)	#5 Portfolio (15-17 yrs)	#6 Portfolio (18+ yrs)
Large/Multi Cap Equity	Russell 3000 Index	40%	30%	30%	29.5%	14.5%	3%
	S&P 500 Index	23%	19%	12%	5.5%	6.5%	4%
Small Cap Equity	Russell 2000 Index	9%	7%	6%	5%	3%	1%
International Equity	MSCI EAFE Index	18%	14%	12%	10%	6%	2%
Aggregate Bond	Barclays Capital Aggregate Bond Index	10%	25%	25%	25%	20%	15%
Short Term Bond	Barclays Capital 1-5 Yr. Government Bond Index*	0%	5%	15%	25%	35%	35%
Money Market	3-Month T-Bill	0%	0%	0%	0%	15%	40%

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Direct Plan: Index Age Based Portfolios

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

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Direct Plan: Blended Fixed Income, Equity or Balanced Options

Underlying Investment Category	Benchmark	Fixed Inc Portfolio	Equity Portfolio	Balanced Portfolio
Large/Multi Cap Equity	Russell 3000 Index	0%	67%	30%
	S&P 500 Index	0%	3%	5%
Small Cap Equity	Russell 2000 Index	0%	10%	5%
International Equity	MSCI EAFE Index	0%	20%	10%
Aggregate Bond	Barclays Capital Aggregate Bond Index	80%	0%	40%
Short Term Bond	Barclays Capital 1-5 Yr. Government Bond Index*	0%	0%	0%
Money Market	3 Month T-Bill	20%	0%	10%

Direct Plan: Index Fixed Income, Equity or Balanced Options

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

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Advisor Plan: Active Age Based Portfolios

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

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Advisor Plan: Active Fixed Income, Equity or Balanced Options

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

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

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

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

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

Principal Protection Income Portfolio

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof.
- An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

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

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

7.0 Investment Parameters: Contributions will be invested in one or more of the available Underlying Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Underlying Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or money market investments. The asset allocation of each Underlying Portfolio will be established by the Treasurer and managed by

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Union Bank. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Underlying Portfolio and may change the mutual funds within the Underlying Portfolios consistent with this Investment Policy Statement.

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

	Age-Based Aggressive Benchmark	Age of Beneficiary				
		0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Large Cap Value	Russell 1000 Value	20.00%	16.50%	12.00%	7.50%	3.50%
Large Cap Blend	S&P 500	21.00%	17.00%	12.50%	8.00%	3.50%
Large Cap Growth	Russell 1000 Growth	20.00%	16.50%	12.00%	7.50%	3.50%
Small Cap Value	Russell 2000 Value	3.50%	2.50%	2.00%	1.50%	1.00%
Small Cap Blend	Russell 2000	4.00%	3.00%	2.50%	2.00%	1.00%
Small Cap Growth	Russell 2000 Growth	3.50%	2.50%	2.00%	1.50%	1.00%
Global Real Estate	FTSE EPRA/NAREIT Global	3.00%	2.00%	2.00%	2.00%	1.50%
Foreign Stock	MSCI EAFE	25.00%	20.00%	15.00%	10.00%	5.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	0.00%	20.00%

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	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	23.00%
Short Bond	ML 1-3 yr Treasury	0.00%	0.00%	20.00%	19.00%	17.00%
Intermediate Bond	Barclays U.S. Aggregate Bond	0.00%	20.00%	17.00%	14.00%	12.00%
U.S. TIPS	Barclays U.S. TIPS	0.00%	0.00%	3.00%	7.00%	8.00%
	Age-Based Growth		Age of Beneficiary			
	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Large Cap Value	Russell 1000 Value	16.50%	12.00%	7.50%	3.50%	2.00%
Large Cap Blend	S&P 500	17.00%	12.50%	8.00%	3.50%	2.00%
Large Cap Growth	Russell 1000 Growth	16.50%	12.00%	7.50%	3.50%	2.00%
Small Cap Value	Russell 2000 Value	2.50%	2.00%	1.50%	1.00%	0.50%
Small Cap Blend	Russell 2000	3.00%	2.50%	2.00%	1.00%	0.50%
Small Cap Growth	Russell 2000 Growth	2.50%	2.00%	1.50%	1.00%	0.50%
Global Real Estate	FTSE EPRA/NAREIT Global	2.00%	2.00%	2.00%	1.50%	0.00%
Foreign Stock	MSCI EAFE	20.00%	15.00%	10.00%	5.00%	2.50%

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	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	40.00%
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	20.00%	23.00%	25.00%
Short Bond	ML 1-3 yr Treasury	0.00%	20.00%	19.00%	17.00%	15.00%
Intermediate Bond	Barclays U.S. Aggregate Bond	20.00%	17.00%	14.00%	12.00%	0.00%
U.S. TIPS	Barclays U.S. TIPS	0.00%	3.00%	7.00%	8.00%	10.00%
Age-Based Balanced		Age of Beneficiary				
	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Large Cap Value	Russell 1000 Value	12.00%	7.50%	3.50%	2.00%	0.00%
Large Cap Blend	S&P 500	12.50%	8.00%	3.50%	2.00%	0.00%
Large Cap Growth	Russell 1000 Growth	12.00%	7.50%	3.50%	2.00%	0.00%
Small Cap Value	Russell 2000 Value	2.00%	1.50%	1.00%	0.50%	0.00%
Small Cap Blend	Russell 2000	2.50%	2.00%	1.00%	0.50%	0.00%
Small Cap Growth	Russell 2000 Growth	2.00%	1.50%	1.00%	0.50%	0.00%
Global Real Estate	FTSE EPRA/NAREIT Global	2.00%	2.00%	1.50%	0.00%	0.00%

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	Benchmark	0 - 8 yrs	9 - 12 yrs	13 - 16 yrs	17 - 20 yrs	21+ yrs
Foreign Stock	MSCI EAFE	15.00%	10.00%	5.00%	2.50%	0.00%
Money Market	3-month T-Bills	0.00%	0.00%	20.00%	40.00%	50.00%
Ultra-Short Bond	3-month T-Bills	0.00%	20.00%	23.00%	25.00%	28.00%
Short Bond	ML 1-3 yr Treasury	20.00%	19.00%	17.00%	15.00%	12.00%
Intermediate Bond	Barclays U.S. Aggregate Bond	17.00%	14.00%	12.00%	0.00%	0.00%
U.S. TIPS	Barclays U.S. TIPS	3.00%	7.00%	8.00%	10.00%	10.00%

Target Portfolios

	Benchmark	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20	Fund 10	Fixed Income
Large Cap Value	Russell 1000 Value	20.00%	16.50%	12.00%	7.50%	3.50%	2.00%	0.00%
Large Cap Blend	S&P 500	21.00%	17.00%	12.50%	8.00%	3.50%	2.00%	0.00%
Large Cap Growth	Russell 1000 Growth	20.00%	16.50%	12.00%	7.50%	3.50%	2.00%	0.00%
Small Cap Value	Russell 2000 Value	3.50%	2.50%	2.00%	1.50%	1.00%	0.50%	0.00%
Small Cap Blend	Russell 2000	4.00%	3.00%	2.50%	2.00%	1.00%	0.50%	0.00%
Small Cap Growth	Russell 2000 Growth	3.50%	2.50%	2.00%	1.50%	1.00%	0.50%	0.00%

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	Benchmark	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20	Fund 10	Fixed Income
Global Real Estate	FTSE EPRA/NA REIT Global	3.00%	2.00%	2.00%	2.00%	1.50%	0.00%	0.00%
Foreign Stock	MSCI EAFE	25.00%	20.00%	15.00%	10.00%	5.00%	2.50%	0.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	0.00%	20.00%	40.00%	50.00%
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	23.00%	25.00%	28.00%
Short Bond	ML 1-3 yr Treasury	0.00%	0.00%	20.00%	19.00%	17.00%	15.00%	12.00%
Intermediate Bond	Barclays U.S. Aggregate Bond	0.00%	20.00%	17.00%	14.00%	12.00%	0.00%	0.00%
U.S. TIPS	Barclays U.S. TIPS	0.00%	0.00%	3.00%	7.00%	8.00%	10.00%	10.00%

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Individual Fund Portfolios

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

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

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7.0 Investment Parameters - Continued

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

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

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

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

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

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Female and Minority Owned Growth Portfolio

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



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the College Savings Program of the State of Illinois, Office of the Treasurer as of and for the year ended June 30, 2009, and have issued our report thereon dated December 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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


Crowe Horwath LLP

Springfield, Illinois
December 9, 2009