

2ND QUARTER 2016

AN INVESTMENT
IN EDUCATION

"An investment in knowledge pays the best interest." - Benjamin Franklin

You can look at the quote above in a couple different ways. The first is that education has always been and will continue to be an important key to success. Saving for your loved one's future college expenses will help them achieve their education dreams and live a successful and fulfilling life. You have taken the first step in helping them by saving for their future college expenses with CollegeCounts.

Another way to look at Benjamin Franklin's quote is that it pays to be knowledgeable about what you're investing in and why. The performance of the financial markets has been difficult to predict during the first half of 2016. After a number of years of excellent market returns, this year has started with some ups and downs. While the markets may continue to be unpredictable, history has shown that those who invest for a long period of time are rewarded. We recommend that you consider your long-term investment objectives when selecting the investment option for your account. CollegeCounts offers a diverse group of investment options – including three Age-Based portfolios that will automatically shift to more conservative investments as your beneficiary gets closer to college age. Don't try to time the markets' movements and don't panic when the markets pull back. Choose

the investment option that you will be comfortable with in all market cycles.

The tax benefits offered by CollegeCounts are a great incentive to investing for the long term. The earnings in your account grow on a tax-deferred basis and can be withdrawn tax-free for qualified higher education expenses. In addition, Alabama taxpayers are eligible for a state income tax deduction for the contributions they make to a CollegeCounts account up to \$5,000 for individuals or \$10,000 for those married and filing jointly. With the variety of investment options available in the plan, you can invest with the confidence that the amount you are saving, coupled with the tax benefits offered by CollegeCounts will help your beneficiary on the path towards their higher education goals.

FIRST SEMESTER
WITHDRAWAL
REMINDERS

Even though summer is in full swing – full of vacations, outdoor activities, and fun – the first semester of the 2016-17 school year will soon be here. Whether your beneficiary will be a freshman in college or entering their final semester, we are ready to assist with your upcoming college expenses. Here are several reminders to help you with the process:

- It's easy to request withdrawals from your account through our secure online access at CollegeCounts529.com. Once logged in, simply select the "Withdraw" button to walk through the simple steps.
- CollegeCounts can issue a check to

either the Account Owner, the Beneficiary or the college.

- Withdrawals requested prior to 3 PM on any business day are typically processed the same day with a check issued the following business day. While we process withdrawal requests very quickly, we recommend allowing at least 5-7 additional days for the school to receive and process the payment.
- Qualified expenses include tuition, fees, books, supplies and equipment required for enrollment. The purchase of a computer, computer software, and internet access that will be primarily used by the beneficiary is also qualified. Certain room and board expenses are eligible as long as the beneficiary is enrolled on at least a half-time basis.
- Be sure to keep documentation of all expenses – you will want to have record of your higher education expenses in the event the IRS ever has questions about what the funds were used for.
- We recommend matching your expenses and withdrawals in the same calendar year for tax purposes.
- Eligible schools include those that are accredited by the U.S. Department of Education and are eligible to participate in federal financial aid programs. To determine if your student's school is eligible, you can visit the FAQ page at CollegeCounts529.com and select the question: "Which schools are eligible institutions?"
- Refunds from a school can now be redeposited to a 529 account for the same beneficiary within 60 days of the date of the refund.

INVEST *in*
WHAT'S NEXT

COLLEGECOUNTS529.COM | 866.529.2228



Offered by the
State of Alabama

UBT 529 SERVICES, a division of

UBT
Union Bank & Trust
Program Manager

If you have questions or if we can be of any assistance, please don't hesitate to reach out to our Customer Care Center at (866) 529-2228 from 7:30 AM to 6:00 PM, Monday through Friday.

CONGRATULATIONS TO 529 DAY GIVEAWAY WINNERS!

We extend our congratulations to all thirty-one of our 529 Day Giveaway winners! We celebrated 529 Day (May 29th) by giving away CollegeCounts contributions to families who had a baby during the month of May 2016. Families could register their newborn until June 15th for a chance to win a \$529 contribution to a new or existing CollegeCounts account. With over \$16,000 in prizes awarded to 31 CollegeCounts accounts, we are excited to help parents start saving for their newest family member's future college expenses! Congratulations!

COLLEGECOUNTS FEEDBACK

CollegeCounts is dedicated to providing outstanding customer service to all of our investors. We want to ensure that each time you contact us, you receive prompt, knowledgeable and friendly service from our 529 Customer Care Specialists. To ensure a continuous high level of service,

we ask current CollegeCounts account owners to offer us feedback on the level of our customer service, commonly known as mystery shops. Mystery shoppers are asked to complete a brief survey each quarter regarding the service they receive when contacting us by phone and are paid for each shop they complete. If you are interested in participating as a shopper or if you have any questions about the program, Cross Financial Group will provide you with a full information package about the benefits of the program. You can contact Cross Financial Group at shopping@crossfinancial.com (please reference CollegeCounts in your email).

SUCCESSOR ACCOUNT OWNERS

Have you named a successor account owner for your CollegeCounts 529 account? A successor account owner is the individual named to take over ownership of an account in the event something happens to the account owner. While naming a successor account owner is optional, we recommend having a successor for the account to streamline the process of changing the ownership after the account owner passes away. Many account owners choose a spouse, an adult child, or another trusted family member or friend as a successor account owner. However, you can also name your Trust as the successor in the event you intend to have your assets transferred to your

Trust to be managed by your Trustees. If an account owner does not name a successor account owner, we require the Personal Representative of the individual's estate to name a new account owner.

We recommend checking your account to find out if you have named a successor account owner. If you have named a successor account owner, you may also want to ensure that the individual you have named is who you still wish to serve in that role. You can check your account by logging into your online access at CollegeCounts529.com or by contacting us at (866) 529-2228. If you need to add or change a successor account owner, you can easily do so by completing the appropriate form at CollegeCounts529.com and submitting it to us.

COLLEGECOUNTS E-STATEMENTS

Do you prefer to receive account statements and communications electronically? Sign up for E-Delivery of your Quarterly Statements and program disclosure documents after logging into your account online at CollegeCounts529.com. We offer a fast, easy and secure way to obtain your statements and reduce paper in your mailbox.

The CollegeCounts 529 Fund is a qualified tuition program under Section 529 of the Internal Revenue Code that is offered by the State of Alabama, administered by the Board of Trustees of the ACES Trust Fund (the "Trust" and plan issuer), marketed as the CollegeCounts 529 Fund, and Union Bank & Trust Company serves as Program Manager. Accounts and investments under the CollegeCounts 529 Fund are not insured or guaranteed by the FDIC, the State of Alabama, the State of Alabama Treasurer, the Board, the Trust, the Program, Union Bank & Trust Company, or any other entity. Investment returns are not guaranteed, and you could lose money by investing in the Plan.

An investor should consider the investment objectives, risks, and charges and expenses associated with municipal fund securities before investing. This and other important information is contained in the fund prospectuses and the CollegeCounts 529 Fund Program Disclosure Statement (issuer's official statement), which can be obtained by calling 866.529.2228 and at CollegeCounts529.com and should be read carefully before investing. You can lose money by investing in a portfolio. Each of the portfolios involves investment risks, which are described in the Program Disclosure Statement.

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