



# UPCOMING ENHANCEMENTS to CollegeCounts Portfolios

## WE'RE PLEASED TO SHARE SOME EXCITING NEWS!

CollegeCounts' long-term focus is on offering families a cost-effective, attractive way to save for college, and part of this approach includes regular program reviews for potential enhancements. As a result of this process, we are excited to announce several changes that are detailed in the enclosed Program Disclosure Statement Supplement. These changes will become effective on September 28, 2016.

## NEWLY DESIGNED AGE BANDS AND PORTFOLIO CHANGES

CollegeCounts currently offers three Age-Based options (Conservative, Moderate, and Aggressive), six Target Portfolios, and 26 Individual Fund Portfolios. Upcoming enhancements will increase the number of age bands in the Age-Based options from five to nine. The additional age bands will further smooth the glide path the Account Beneficiary travels from the time the account is established through college.

In addition, the underlying asset allocations of both the Age-Based and Target Portfolios will be updated. These changes will not affect the high-level asset allocation of these portfolios, but will modify the allocation to specific underlying investment funds to enhance the Portfolio diversification.

**No action is required on your part.** These changes will be made automatically to the Age-Based and Target Portfolios on September 28, 2016. Account owners invested in the Age-Based Portfolios will automatically continue in the same Age-Based option currently elected—Conservative, Moderate, or Aggressive. Accounts will be automatically invested in the new age band based on, and corresponding with, the current age of the Account Beneficiary. In addition, any future contributions will be invested into the new Portfolio. Because these changes are being made by CollegeCounts, they will not count as one of the two investment changes you may annually make to your account.

Please review this brochure and the enclosed Program Disclosure Statement Supplement detailing the new age bands and underlying fund allocations for each Portfolio. If you have any questions regarding these changes, please contact us at 866.529.2228.

“Alabama’s \$5,000 (single) or \$10,000 (joint) income tax deduction on contributions gives residents little reason to look elsewhere. The plan also deserves a look from nonresidents, particularly do-it-yourselfers.”

“The plan also offers an exceptional selection of individual options for investors to create customized portfolios. The lineup includes a mix of 26 passive and active strategies managed by well-regarded investment firms.”

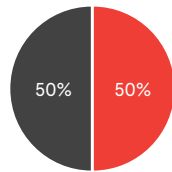
“The age-based options and six static balanced portfolios invest in straightforward, high-quality strategies.”

—MORNINGSTAR, OCTOBER 2015

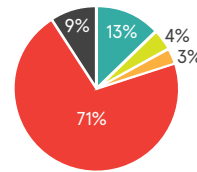
**CollegeCounts**<sup>SM</sup>  
Alabama's 529 Fund

# ENHANCED Target & Age-Based Portfolios

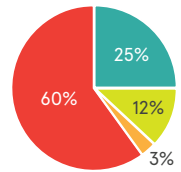
## 6 TARGET PORTFOLIOS



FIXED INCOME



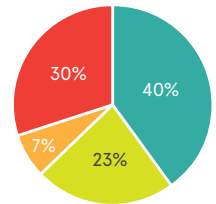
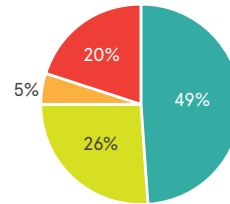
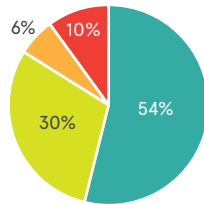
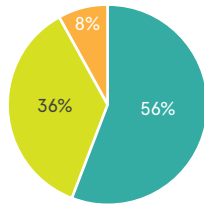
FUND 20



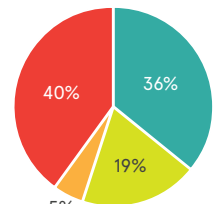
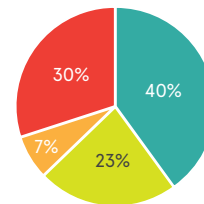
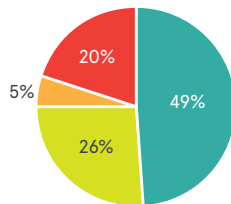
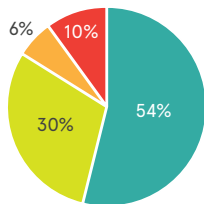
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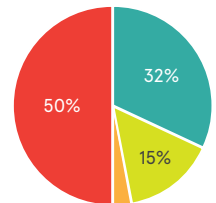
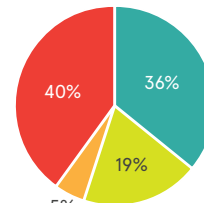
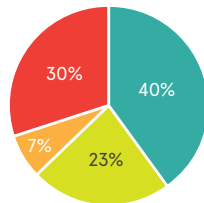
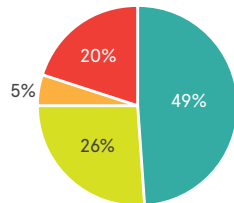
### AGGRESSIVE



### MODERATE



### CONSERVATIVE



AGE OF BENEFICIARY

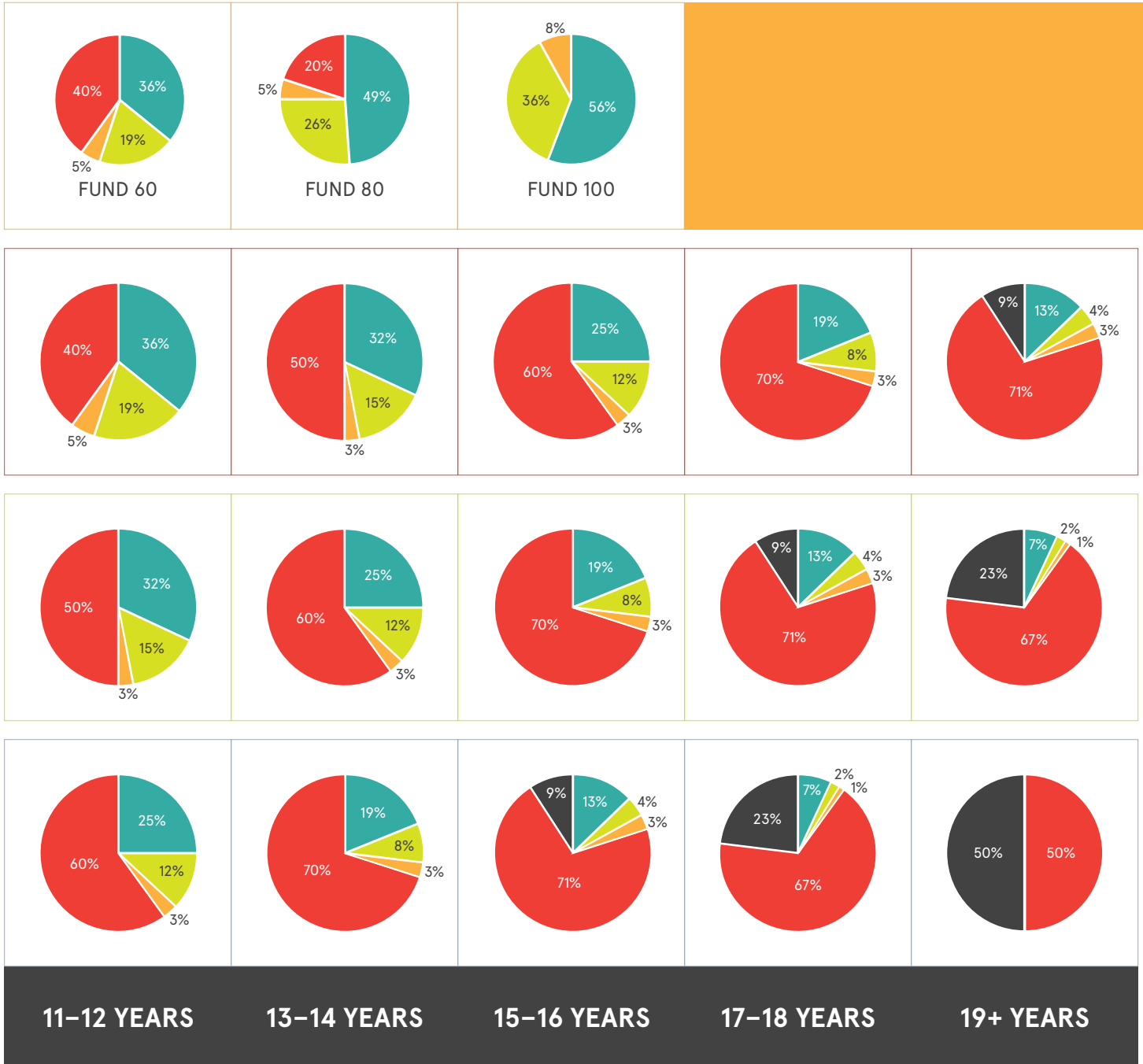
0-2 YEARS

3-5 YEARS

6-8 YEARS

9-10 YEARS

**Current Age-Based and Target Portfolio Investors:** Please review the new Portfolio options and glide paths below. Detailed information on all Portfolios, including the allocations to each underlying investment fund, can be found in the enclosed Program Disclosure Statement Supplement on page two. It's important to carefully review this information, and please contact us with any questions. Your account will be automatically transitioned September 28, 2016.



● U.S. EQUITY    
 ● INTERNATIONAL EQUITY    
 ● REAL ESTATE    
 ● FIXED INCOME    
 ● MONEY MARKET



### WHAT DO I NEED TO DO?

Carefully review the attached Program Disclosure Statement Supplement, and if you have questions, please call **866.529.2228**. You do not need to take any other actions in connection with these changes.

The changes to the underlying asset allocations of the Portfolios and the new and expanded age bands will automatically become effective September 28, 2016. Your account balance will automatically transition to the new Portfolio as described in this brochure. These Program changes are not considered an investment change to your Account.



### WHAT IF I DO NOT WANT THESE CHANGES TO BE MADE TO MY ACCOUNT?

If you want to change the Portfolio that you are invested in because of the changes to the underlying asset allocations and age bands, you may use one of your two investment changes allotted per calendar year to select a new Portfolio(s). If you are uncertain whether you have already used your 2016 investment changes, please feel free to [contact us](#).



### WHAT IF I HAVE QUESTIONS?

If you have questions regarding the Program, your account, or these upcoming changes and enhancements, please contact one of our customer care representatives at **866.529.2228** between 7:30 a.m. and 6:00 p.m. CT Monday through Friday.

*You will receive an updated Program Disclosure Statement at the end of September.*

# THANK YOU *for investing with* CollegeCounts

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.**

October 20, 2015 – Morningstar, a leading provider of independent investment research, announced new Analyst Ratings and reports for 63 of the nation's largest 529 college-savings plans. Morningstar has identified 29 plans that are likely to outperform their peers on a risk-adjusted basis over a market cycle of at least five years. **The Morningstar Analyst Rating™ is not a market call.** The five-tiered, qualitative Morningstar Analyst Rating scale has three positive levels—Gold, Silver, and Bronze—in addition to Neutral and Negative ratings. The three positive ratings indicate Morningstar Medalists. This year, Morningstar manager research analysts awarded four Gold ratings, seven Silver ratings, 18 Bronze ratings, 32 Neutral ratings, and two Negative ratings to 529 college savings plans. To arrive at an Analyst Rating for 529 plans, analysts consider Process, People, Parent, Performance, and Price.

**NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE**



OFFERED BY THE  
STATE OF ALABAMA

UBT 529 SERVICE, A DIVISION OF

**UBT**  
Union Bank & Trust  
PROGRAM MANAGER

## CollegeCounts 529 Fund Program Disclosure Statement

Supplement dated August 31, 2016  
to the Program Disclosure Statement dated December 17, 2014,  
as supplemented April 1, 2015 and January 1, 2016

The CollegeCounts 529 Fund (the "Plan") Program Disclosure Statement dated December 17, 2014, as supplemented, is hereby amended as follows:

### **Changes to Age-Based Options Age Bands**

Effective September 28, 2016, the age-bands for the Conservative, Moderate, and Aggressive Age-Based Options will change. Currently each Age-Based Option has five age-bands (age 0 - 8; 9 - 12; 13 - 16; 17 - 20; and, 21 plus). Effective September 28, 2016, the age bands will be increased from five to nine. The new age bands and asset allocations will be as follows:

<i>Age of Beneficiary</i>	<b>Age-Based Option</b>		
	<b><u>Conservative</u></b>	<b><u>Moderate</u></b>	<b><u>Aggressive</u></b>
<b>0 - 2</b>	<i>80% stocks   20% bonds</i>	<i>90% stocks   10% bonds</i>	<i>100% stocks</i>
<b>3 - 5</b>	<i>70% stocks   30% bonds</i>	<i>80% stocks   20% bonds</i>	<i>90% stocks   10% bonds</i>
<b>6 - 8</b>	<i>60% stocks   40% bonds</i>	<i>70% stocks   30% bonds</i>	<i>80% stocks   20% bonds</i>
<b>9 - 10</b>	<i>50% stocks   50% bonds</i>	<i>60% stocks   40% bonds</i>	<i>70% stocks   30% bonds</i>
<b>11 - 12</b>	<i>40% stocks   60% bonds</i>	<i>50% stocks   50% bonds</i>	<i>60% stocks   40% bonds</i>
<b>13 - 14</b>	<i>30% stocks   70% bonds</i>	<i>40% stocks   60% bonds</i>	<i>50% stocks   50% bonds</i>
<b>15 - 16</b>	<i>20% stocks   71% bonds 9% cash equivalents</i>	<i>30% stocks   70% bonds</i>	<i>40% stocks   60% bonds</i>
<b>17 - 18</b>	<i>10% stocks   67% bonds 23% cash equivalents</i>	<i>20% stocks   71% bonds 9% cash equivalents</i>	<i>30% stocks   70% bonds</i>
<b>19 +</b>	<i>50% bonds 50% cash equivalents</i>	<i>10% stocks   67% bonds 23% cash equivalents</i>	<i>20% stocks   71% bonds 9% cash equivalents</i>

### **Underlying Fund Changes to Target and Age-Based Portfolios**

Effective September 28, 2016, the allocations to the underlying funds in the Age-Based and Target Portfolios will change. Page 2 of this Program Disclosure Statement Supplement details the new underlying fund allocations for each Target and Age-Based Portfolio that will be effective September 28, 2016.

**EXHIBIT C – NEW INVESTMENT PORTFOLIOS AND UNDERLYING FUND INFORMATION - Effective September 28, 2016, replaces page 40 in its entirety.**

The following table shows the target investment allocations for the Age-Based and Target Portfolios. These target allocations were designed by the Board in consultation with Callan Associates, the Program Manager and Wilshire Associates. The Program Manager rebalances the Portfolios on an ongoing basis. The Board may amend or supplement the Statement of Investment Policy at any time which may change the Portfolios, the asset allocation within the Portfolios, and the underlying investment funds in which the Portfolios invest, including the underlying mutual funds in which the Individual Fund Portfolios invest.

**Age-Based & Target Portfolios - Asset Allocations**

Age-Based Portfolios	Age of beneficiary													Fixed Income Fund
	0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 plus					
<b>Aggressive Age-Based Option</b>	0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 plus					
<b>Moderate Age-Based Option</b>		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 plus				
<b>Conservative Age-Based Option</b>			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 plus			
<b>Target Portfolios</b>	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20									
Underlying Mutual Funds														
Vanguard Prime Money Market Fund									9.0%	23.0%	50.0%			
<b>MONEY MARKET TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>9.0%</b>	<b>23.0%</b>	<b>50.0%</b>			
Vanguard Total Bond Market Index Fund		6.0%	13.0%	20.0%	27.0%	35.0%	37.0%	35.0%	35.0%	31.0%	15.0%			
Vanguard Short-Term Inflation-Protected Securities Index Fund		2.0%	3.0%	4.0%	4.0%	4.0%	9.0%	13.0%	11.0%	14.0%	15.0%			
Vanguard Short-Term Bond Index Fund		2.0%	4.0%	6.0%	9.0%	11.0%	14.0%	22.0%	25.0%	22.0%	20.0%			
<b>FIXED INCOME TOTAL</b>	<b>0.0%</b>	<b>10.0%</b>	<b>20.0%</b>	<b>30.0%</b>	<b>40.0%</b>	<b>50.0%</b>	<b>60.0%</b>	<b>70.0%</b>	<b>71.0%</b>	<b>67.0%</b>	<b>50.0%</b>			
Vanguard REIT Index Fund	8.0%	6.0%	5.0%	7.0%	5.0%	3.0%	3.0%	3.0%	3.0%	1.0%	0.0%			
<b>REAL ESTATE TOTAL</b>	<b>8.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>7.0%</b>	<b>5.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>1.0%</b>	<b>0.0%</b>			
Vanguard Total Stock Market Index Fund	56.0%	54.0%	49.0%	40.0%	36.0%	32.0%	25.0%	19.0%	13.0%	7.0%	0.0%			
<b>DOMESTIC EQUITY TOTAL</b>	<b>56.0%</b>	<b>54.0%</b>	<b>49.0%</b>	<b>40.0%</b>	<b>36.0%</b>	<b>32.0%</b>	<b>25.0%</b>	<b>19.0%</b>	<b>13.0%</b>	<b>7.0%</b>	<b>0.0%</b>			
Vanguard Total International Stock Index Fund	36.0%	30.0%	26.0%	23.0%	19.0%	15.0%	12.0%	8.0%	4.0%	2.0%	0.0%			
<b>INTERNATIONAL EQUITY TOTAL</b>	<b>36.0%</b>	<b>30.0%</b>	<b>26.0%</b>	<b>23.0%</b>	<b>19.0%</b>	<b>15.0%</b>	<b>12.0%</b>	<b>8.0%</b>	<b>4.0%</b>	<b>2.0%</b>	<b>0.0%</b>			
<b>T O T A L</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>			

**Fee and Expense Tables**

The following table sets forth the Plan’s estimate of the fees and expenses applicable to the Target and Age-Based Portfolios. The “Total Annual Asset-Based Fees” below include the estimated underlying fund expenses and Program Management Fee. Underlying fund expenses are based on the applicable fund’s most recent prospectus dated prior to August 1, 2016.

	<b>Total Annual Asset-Based Fee</b>
<b>Target Portfolios</b>	
<i>Fund 100</i>	<i>0.31%</i>
<i>Fund 80</i>	<i>0.30%</i>
<i>Fund 60</i>	<i>0.30%</i>
<i>Fund 40</i>	<i>0.30%</i>
<i>Fund 20</i>	<i>0.31%</i>
<i>Fixed Income Fund</i>	<i>0.33%</i>
<b>Aggressive Age-Based Portfolios</b>	
<i>Ages 0 -2</i>	<i>0.31%</i>
<i>Ages 3 - 5</i>	<i>0.30%</i>
<i>Ages 6 - 8</i>	<i>0.30%</i>
<i>Ages 9 - 10</i>	<i>0.30%</i>
<i>Ages 11 - 12</i>	<i>0.30%</i>
<i>Ages 13 - 14</i>	<i>0.30%</i>
<i>Ages 15 - 16</i>	<i>0.30%</i>
<i>Ages 17 - 18</i>	<i>0.30%</i>
<i>Ages 19 plus</i>	<i>0.31%</i>
<b>Moderate Age-Based Portfolios</b>	
<i>Ages 0 -2</i>	<i>0.30%</i>
<i>Ages 3 - 5</i>	<i>0.30%</i>
<i>Ages 6 - 8</i>	<i>0.30%</i>
<i>Ages 9 - 10</i>	<i>0.30%</i>
<i>Ages 11 - 12</i>	<i>0.30%</i>
<i>Ages 13 - 14</i>	<i>0.30%</i>
<i>Ages 15 - 16</i>	<i>0.30%</i>
<i>Ages 17 - 18</i>	<i>0.31%</i>
<i>Ages 19 plus</i>	<i>0.31%</i>
<b>Conservative Age-Based Portfolios</b>	
<i>Ages 0 -2</i>	<i>0.30%</i>
<i>Ages 3 - 5</i>	<i>0.30%</i>
<i>Ages 6 - 8</i>	<i>0.30%</i>
<i>Ages 9 - 10</i>	<i>0.30%</i>
<i>Ages 11 - 12</i>	<i>0.30%</i>
<i>Ages 13 - 14</i>	<i>0.30%</i>
<i>Ages 15 - 16</i>	<i>0.31%</i>
<i>Ages 17 - 18</i>	<i>0.31%</i>
<i>Ages 19 plus</i>	<i>0.33%</i>