

Informer

2nd Quarter 2016

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 child 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 CollegeCounts529advisor.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 p.m. 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 good documentation of all expenses—you will want to have records 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, visit CollegeCounts529advisor.com and on the "FAQ page" review "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.



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 a.m. to 6:00 p.m., Monday through Friday.

Money Market Fund Change

BlackRock is closing their Cash Funds Money Market Fund effective August 1, 2016. Because of this, effective July 27, 2016, the BlackRock Cash Funds will be replaced by the State Street Instl. U.S. Government Money Market Fund (Ticker: GVMXX) in each of the CollegeCounts Age-Based, Target, and Individual Fund Portfolios in which it is held. The attached Program Disclosure Statement Supplement details the change and provides information on the new fund. No action is required by Plan account owners—this change will be made automatically by the Plan and will not count as an investment change.

Prepare for Lower Returns

We've had excellent market gains over the past 35-plus years—gains that many investors are factoring into their future financial plans as a general return expectation. It would be nice to count on more of the same, but it's important to be prepared for lower returns.

Market certainty is out of our personal control. How much we save each month isn't, making now a great time to increase your monthly college savings and retirement contributions. Doing so can help reduce loved ones' potential future college debt and help set aside more retirement funds.

College savings increases are simple with CollegeCounts through your account login or by giving us a call. Let's use this gift of time to our advantage by setting aside as much as we can today.



Offered by the
State of Alabama

UBT 529 Services a Division of
UBT
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Flexibility in Saving for Multiple Children

It's true that a 529 account can have just one named beneficiary. What's the best way to save for college expenses if you have more than one child or grandchild?

One of the biggest benefits of a CollegeCounts account is the flexibility it provides to investors. Many account owners prefer to have a separate account for each child so that they know exactly how much they have saved for each beneficiary or so they can invest in different investment options depending on each child's age.

The IRS allows the account owner to change the beneficiary of an account to another family member of the current beneficiary at any time. They also allow the account owner to transfer funds between accounts for related beneficiaries whenever needed. Because of this, some investors choose to open just one account and invest for multiple children while they are young. As the children grow older and enter college, the beneficiary can be changed to the child who is currently enrolled. If more than one beneficiary will be enrolled at the same time, another option is to open an additional account and transfer a portion of the initial account to the second child's account so withdrawals can be completed for both children at the same time.

Some of our investors choose to open separate accounts for each child, while others prefer to save for multiple beneficiaries using one account—with the intent to change the beneficiary or split one account into multiple accounts when the children reach college age. We encourage investors to save in whatever manner best fits their overall unique financial situation. Regardless of the strategy, we encourage all investors to plan ahead and save as much as possible for future college expenses. We recommend that you visit with your financial professional to determine which option best fits your needs.

Simplify Your CollegeCounts Contributions

CollegeCounts makes it easy for you to contribute to your account(s) on a regular basis with an automatic investment plan. You can choose the frequency (weekly, monthly, twice a month, quarterly, semi-annually, or annually) and the amount that best fits your budget and savings goals and we will do the rest! You can rest easy, knowing that your ongoing contributions are being invested for your beneficiary's future college expenses without having to remember to mail a check. Alabama taxpayers receive the added benefit of a state income tax deduction up to \$5,000 for individuals or up to \$10,000 if married and filing jointly for contributions made to CollegeCounts. Your automatic investment plan will help you maximize that tax benefit without putting off the contribution until December 31st each year.

It's easy to establish and maintain an automatic investment plan through our secure online account access at CollegeCounts529advisor.com. Simply log in to get started or contact us at 866.529.2228 with any questions.

Establishing A Successor Account Owner

Have you named a successor account owner for your CollegeCounts 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 CollegeCounts529advisor.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 CollegeCounts529advisor.com and submitting it to us.

Thank You for Investing with CollegeCounts!

The CollegeCounts 529 Fund Advisor Plan is a qualified tuition program under Section 529 of the Internal Revenue Code that is offered by the State of Alabama and administered by the Board of Trustees of the ACES Trust Fund (the "Trust" and plan issuer). Union Bank & Trust Company serves as Program Manager and Northern Trust Securities, Inc., acts as Distributor. Accounts and investments under the CollegeCounts 529 Fund Advisor Plan 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, Northern Trust Securities, Inc., 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 Advisor Plan Program Disclosure Statement (issuer's official statement), which can be obtained from a financial professional and on CollegeCounts529advisor.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.

Not FDIC Insured // May Lose Value // No Bank Guarantee

CollegeCountsSM
Alabama's 529 Fund
ADVISOR PLAN