

## CollegeCounts Investment Option Enhancements

CollegeCounts is committed to offering investors a cost-effective, attractive way to save for college expenses, and part of this approach includes regular program reviews for potential enhancements. As a result of this process, CollegeCounts has enhanced the investment structure by expanding the number of age bands in the Age-Based options and updating the underlying asset allocations of the Target and Age-Based Portfolios. The number of age bands in each of the Age-Based investment options has increased from five to nine. The additional age bands further smooth the glide path the beneficiary travels from the time the account is established through college.

More detailed information about the changes was mailed to all account owners in early September and can be found at [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com). The changes were made automatically to accounts on September 28, 2016 with no action required of the account owner. Because the changes were made by CollegeCounts, they do not count as one of the two investment changes allowed by the IRS annually.

If you have any questions about the recent changes, please don't hesitate to contact your financial professional or our Customer Care Center at **866.529.2228** from **7:30 a.m. – 6:00 p.m.**, CT, Monday through Friday.

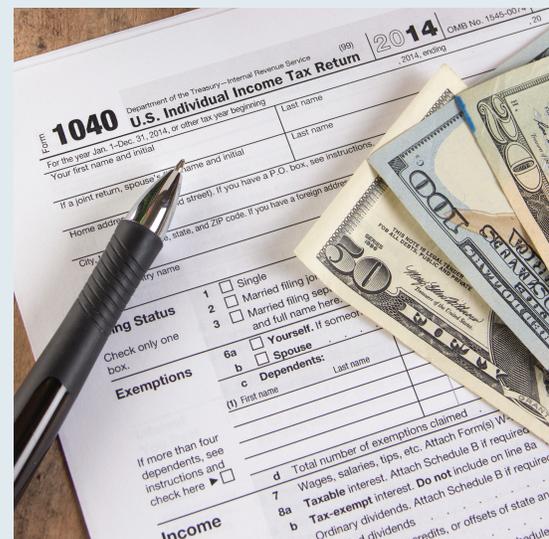
## Contribute Now for Alabama Tax Benefits

The state of Alabama offers taxpayers a generous tax deduction for contributions made to CollegeCounts each year. Taxpayers can deduct up to \$5,000 in contributions to the plan (\$10,000 for married taxpayers filing jointly, if both parties contribute).<sup>1</sup> In order to take advantage of the tax deduction for 2016, contributions must be made online or postmarked by December 31, 2016. Don't delay in making your contribution for this year—log in to your account at [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com) and make your 2016 contribution now!

If you plan to make any large gifts of up to \$14,000 (\$28,000 for joint filers) to CollegeCounts in 2016, we recommend making those contributions prior to December 23 to allow enough time for the funds to clear your bank account prior to the end of the year. Be sure to consult your financial or tax professional regarding any gifting you plan to do.

## Rollovers Eligible for Alabama Tax Deduction

If you have invested in an out-of-state 529 plan, you can request a rollover to your CollegeCounts account in order to take advantage of the Alabama State Income Tax Deduction. The amount of the rollover is eligible for the deduction up to \$5,000 per taxpayer (\$10,000 for married taxpayers filing jointly, if both parties contribute). Keep in mind that the IRS allows a rollover only once every 12 months (unless the beneficiary is changed to a member of the family). The account owner is eligible for the tax deduction after the check has been deposited to the CollegeCounts account—not when the rollover is requested, so make sure to act now. If you would like to complete a rollover to CollegeCounts in 2016 and have questions about the process, please contact your financial advisor.



## Add CollegeCounts to Your Holiday Wish List

A contribution to CollegeCounts makes a wonderful gift for your beneficiary. Don't forget to let your family members and friends know that a contribution to your CollegeCounts account is on your beneficiary's holiday wish list. The *GiftED* feature on our website is a great tool to help spread the word. Simply log in to your account at [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com) and select the "Gifting" link to get started. Keep in mind that any Alabama taxpayer is eligible for the state income tax deduction for contributions they make, up to \$5,000 per taxpayer (\$10,000 for married taxpayers filing jointly, if both parties contribute), so a gift to your account will also benefit the contributor! *GiftED* will track all contributions made so you know the name of the contributor as well as the date and amount of their contribution. Take a little stress out of shopping for gifts this year and utilize *GiftED* to add a meaningful gift to your beneficiary's wish list—the gift of a college education!

## 2016 Withdrawals

We recommend account owners match their college expenses and withdrawals from their CollegeCounts accounts in the same calendar year for tax purposes. Account owners should request withdrawals for any 2016 expenses prior to December 31, 2016. It's easy to request a withdrawal from your account through our secure online access at [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com). After logging in, simply select the "Withdraw" button to request funds. Make sure you keep good documentation of your expenses in the event you need it for IRS reporting in the future.

## Updated Program Disclosure Statement

CollegeCounts has updated our Program Disclosure Statement as of [September 28, 2016](#). The updates include the enhanced Age-Based and Target Portfolios, the new glide paths, updated underlying mutual fund information, fees, and performance, and other updates. In addition, the maximum account balance limit was increased

from \$350,000 to \$400,000. The new Program Disclosure Statement was emailed to all account owners who have signed up for e-delivery of plan documents. A paper copy was mailed to all other account owners. Please review the updated Program Disclosure Statement and keep it with your other CollegeCounts papers. You can also review the updated Program Disclosure Statement at [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com).

## Recontribute College Refunds

If your loved one's class schedule changes and you receive a refund from the college, keep in mind that you can recontribute that refund to your CollegeCounts account within **60 days** of the date of the refund. If you choose to reinvest a refund into your CollegeCounts account, simply mail the check to us and include a copy of a statement from the student account that documents the refund date and amount. We will reinvest the funds so they can be used for other qualified higher education expenses your beneficiary may have in the future.<sup>2</sup>

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](http://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.**

<sup>1</sup>Individuals who file an Alabama state income tax return are eligible to deduct, for Alabama state income tax purposes, up to \$5,000 per tax year (\$10,000 for married taxpayers filing jointly, if both parties contribute) for total combined plan contributions and other State of Alabama 529 programs. The contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the contributions are made. In the event of a non-qualified plan withdrawal, for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount of the non-qualified withdrawal plus ten percent (10%) of such amount withdrawn. Such amount will be added back to the income of the contributing taxpayer in the tax year that the non-qualified withdrawal was distributed. Please consult with your tax professional.

<sup>2</sup>Qualified higher education expenses include tuition, fees, books, supplies, and equipment required for enrollment or attendance; certain room and board expenses incurred by students who are enrolled at least half-time; the purchase of computer or peripheral equipment, computer software, or internet access and related services, if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; and certain expenses for special needs services needed by a special needs beneficiary.

NOT FDIC INSURED / NO BANK GUARANTEE / MAY LOSE VALUE



CollegeCounts  
ADVISOR-GUIDED 529 FUND