CollegeCounts 529 Fund Advisor Plan
Program Disclosure Statement

Supplement dated July 1, 2021 to the
Program Disclosure Statement dated July 1, 2020

This supplement (the "Supplement") describes important changes affecting the CollegeCounts 529 Fund Advisor Plan (the "Plan"). The Program Disclosure Statement dated July 1, 2020 ("Program Disclosure Statement"), is hereby amended by this July 1, 2021 Supplement as set forth below. Except as amended herein, the Program Disclosure Statement remains in full force and effect. Unless otherwise defined herein, capitalized terms used in this Supplement shall have the meanings assigned in the Program Disclosure Statement. In the event of a conflict between the terms of the Program Disclosure Statement and the terms of this Supplement, the terms of this Supplement shall control.

The following provisions are added to the Program Disclosure Statement:

❖ **Name change and expanded scope of expenses payable under the Plan**

Effective July 1, 2021 the state of Alabama amended Section 16-33C-3 and 16-33C-10 of the Code of Alabama 1975, to revise the name of the ACES Program from the Alabama College Education Savings Program to the Alabama *Comprehensive* Education Savings Program and to clarify the meanings of certain terms under federal law. Pursuant to the legislation, the ACES Program is revised to clarify that qualified higher education expenses of designated beneficiaries shall have the meanings ascribed to such terms under Section 529 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), or other applicable federal law.

Accordingly, the Program Disclosure Statement is hereby supplemented as follows:

❖ **Name Change**

All references in the Program Disclosure Statement to the Alabama College Education Savings Program shall now be referred to as the Alabama Comprehensive Education Savings Program.

❖ **Update to Qualified Withdrawals Language**

The description of "Qualified Withdrawals" on page 5, 6 and 10 and the language in the section "What Constitutes a Qualified Withdrawal" on page 45 is hereby updated as follows:

Withdrawals from a Plan account used to pay for a Designated Beneficiary's Qualified Higher Education Expenses (as defined in Section 529 of the Internal Revenue Code) are Qualified Withdrawals and include:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an eligible educational institution;
- expenses for room and board (with certain limitations) incurred by the Designated Beneficiary who are enrolled at least half-time;
- expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an eligible educational institution;
- expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;
- expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act;

- up to a lifetime maximum of $10,000 paid as principal or interest on any qualified education loan of the Designated Beneficiary or a sibling of the Designated Beneficiary. A sibling includes a brother, sister, stepbrother, or stepsister. For purposes of the $10,000 limitation, amounts treated as a qualified higher education expense with respect to the loans of a sibling of the Designated Beneficiary are taken into account for the sibling and not for the Designated Beneficiary.
- up to a maximum of $10,000 per year in tuition expenses, incurred by a Designated Beneficiary, in connection with enrollment or attendance at an eligible elementary or secondary public, private or religious school.

❖ **<u>Update to Income Tax Consequences Language</u>**

The “Income Tax Consequences” section on page 7 is hereby replaced with the following:

Income Tax Consequences. Under current law, federal and Alabama state income taxes on investment earnings are tax-deferred while held in an Account, and such earnings are generally free from federal and Alabama state income tax if they are used to pay the Designated Beneficiary’s Qualified Higher Education Expenses. For federal tax purposes if money is withdrawn from your Account, but not used to pay the Designated Beneficiary’s Qualified Higher Education Expenses, the earnings portion (if any) of the withdrawal will be treated as ordinary income to the recipient and generally will also be subject to a 10% federal penalty tax.

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 actually contribute) for total combined contributions to the Plan and other State of Alabama 529 programs during that tax year. 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 Nonqualified Withdrawal from the Plan, for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount of the Nonqualified Withdrawal plus ten (10%) percent of such amount withdrawn. Such amount will be added back to the income of the contributing taxpayer in the tax year that the Nonqualified Withdrawal was distributed.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary and if made after December 22, 2017 and prior to 2026. The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://revenue.alabama.gov/individual-corporate/alabama-529-savings-plan-faq/). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

❖ **<u>Update to Risk Factors</u>**

In the “Risk Factors” section on page 12 under the heading “Laws Governing 529 Qualified Tuition Programs May Change” the following replaces the risk factor in its entirety:

Laws Governing 529 Qualified Tuition Programs May Change

There is a risk that federal and state laws and regulations governing 529 programs could change in the future.

The proposed Federal Treasury regulations that have been issued under Section 529 of the Code provide guidance and requirements for the establishment and operation of the Program but do not provide guidance on all aspects of the Program. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences or requirements with respect to the Plan or Contributions to or withdrawals from your Account. In addition, Section 529 or other federal law could be amended in a manner that materially changes the federal tax treatment of Contributions to and withdrawals from your Account.

You should understand that changes in the law governing the federal and/or state tax consequences described in this Program Disclosure Statement might necessitate material changes to the Program and the Plan for the anticipated tax consequences to apply. No representation is made nor assurance given that any such changes may or will be made or that such changes can be made in a manner to allow Account Owners or the Designated Beneficiary to utilize those changes.

Furthermore, the Program has been established pursuant to Alabama law, the Program Rules, the Code, and applicable securities laws. Changes to any of those laws or regulations may also affect the operation and tax treatment of the Program, as described in this Program Disclosure Statement.

- **<u>Update to Federal and State Tax Considerations</u>**

The section "What are the State of Alabama Income Tax Consequences of the Plan?" on page 43 is hereby replaced by the following:

What Are the State of Alabama Income Tax Consequences of the Plan?

The Alabama state income tax advantages of investing in the Plan are similar to the federal income tax advantages. Any investment earnings on money invested in the Plan will not be subject to Alabama income tax until distributed, and if investment earnings are distributed as part of a Qualified Withdrawal, such earnings are generally free from Alabama state income tax.

In addition, for Alabama state income tax purposes, a deduction is allowed up to $5,000 per taxpayer per year for contributions. This deduction is increased up to $10,000 for married taxpayers filing a joint return where both taxpayers make such contributions.

There are also Alabama state income tax disadvantages to an investment in the Plan. If withdrawals are not used to pay for Qualified Education Expenses, then a Nonqualified Withdrawal occurs. In the event of a Nonqualified Withdrawal, the total amount of the withdrawal (including any earnings), plus 10% of the amount withdrawn, is added back to the income of the taxpayer who made the contribution that was subject to the Nonqualified Withdrawal in the year the Nonqualified Withdrawal is distributed.

- **<u>Update to Exhibit B - Tax Information</u>**

"Exhibit B - Tax Information" on page 56, the following language replaces the section entitled "Alabama Income Tax Consequences" in its entirety:

Alabama Income Tax Consequences

The undistributed investment earnings in the Plan are exempt from Alabama income tax, and the earnings attributed to an Account will not be includable in the Alabama income of the Account Owner or a Designated Beneficiary until the funds are withdrawn, in whole or in part, from the Account. The Alabama income tax consequences of a withdrawal from the Account will vary depending upon whether the withdrawal constitutes a Qualified Withdrawal or a Nonqualified Withdrawal.

If the distribution constitutes a Qualified Withdrawal from an Account, generally no portion of the distribution is includable in the Alabama income of the Designated Beneficiary or the Account Owner. Similarly, no portion of a Qualified Rollover Distribution is includable in the Alabama income of either the Designated Beneficiary or the Account Owner.

However, to the extent that a withdrawal from an Account is a Nonqualified Withdrawal, then the entire amount of the Nonqualified Withdrawal (including earnings), plus an amount equal to ten (10%) percent of the amount of the Nonqualified Withdrawal is includable in income for Alabama income tax purposes of the taxpayer who made the contribution that was subject to the Nonqualified Withdrawal in the year of the withdrawal. This is different from the treatment for federal income tax purposes. No exceptions to the recapture of the amount of the Nonqualified Withdrawal exists for Alabama income tax purposes.

Another difference between the Alabama income tax consequences and federal income tax consequences is that a contribution to the Plan is deductible up to certain limits. 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 who each make contributions) for total combined contributions to the Plan and other State of Alabama 529 programs, during that year. 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.

- **Update to Exhibit B - Tax Information**

Under the subsection "Nonqualified Withdrawals" on page 56 - 57, the following replaces the subsection in its entirety:

Nonqualified Withdrawals

To the extent that a withdrawal from an Account is a Nonqualified Withdrawal, the Earnings Portion of such Nonqualified Withdrawal is includible in the federal gross income of the recipient of the withdrawal for the year in which the withdrawal is made. The Contributions Portion is not includible in gross income.

Generally, the recipient of a Nonqualified Withdrawal will also be subject to a federal "penalty tax" equal to 10% of the Earnings Portion of the withdrawal.

There are, however, exceptions to the 10% federal penalty tax if they are:

1) Paid to a Designated Beneficiary (or to the estate of the Designated Beneficiary) on or after the death of the Designated Beneficiary.
2) Made because the Designated Beneficiary is disabled. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must determine that the condition can be expected to result in death or to be of long-continued and indefinite duration.
3) Included in income because the Designated Beneficiary received a tax-free scholarship or fellowship grant; Veteran's educational assistance; employer-provided educational assistance; or any other nontaxable payments (other than gifts or inheritances) received as educational assistance.
4) Made on account of the attendance of the Designated Beneficiary at a U.S. military academy (such as the Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance.
5) Included in income only because the qualified education expenses were taken into account in determining the American opportunity or lifetime learning credit.

Exception (3) applies only to the extent the distribution is not more than the scholarship, allowance, or payment.

❖ Underlying Fund to be Replaced in the Individual Fund Portfolios

Effective August 11, 2021, the William Blair Small Cap Value Fund will be replaced as an Individual Fund Portfolio by the T. Rowe Price Small-Cap Value Fund (Ticker: PRVIX). The William Blair Small Cap Value 529 Portfolio will no longer be offered as an Individual Fund Portfolio in the Plan as of August 11, 2021. If your Account is invested in the William Blair Small Cap Value 529 Portfolio on that date, those amounts will automatically be transferred to a new Individual Fund Portfolio, the T. Rowe Price Small-Cap Value 529 Portfolio, which will invest solely in the T. Rowe Price Small-Cap Value Fund. In addition, any future Contributions that were directed to the William Blair Small Cap Value 529 Portfolio will automatically be invested into the T. Rowe Price Small-Cap Value 529 Portfolio. Effective August 11, 2021, any elections or orders previously directed to the William Blair Small Cap Value 529 Portfolio will be re-directed to the T. Rowe Price Small-Cap Value 529 Portfolio.

Accordingly, the Program Disclosure Statement is hereby supplemented as follows:

Fee and Expense Table

The following table sets forth the Plan's estimate of the fees and expenses applicable to the new Individual Fund Portfolio. The "Total Annual Asset-Based Fees" below include the estimated underlying fund expenses, Program Management Fee, State Fee, and any applicable annual servicing fees under Fee Structure A, B, C, or F. In addition, Fee Structure A has a 3.50% maximum initial sales charge. The Plan charges a $12 account fee that is waived for accounts that have either an Alabama account owner or beneficiary. Underlying fund expenses and the fund description information are based on the applicable fund's most recent prospectus dated prior to June 1, 2021.

Total Annual Asset-Based Fees

	Fee Structure A	**Fee Structure C**	**Fee Structure F**	**Closed to New Investors** **Fee Structure B**
T. Rowe Price Small-Cap Value 529 Portfolio	1.23%	1.48%	0.98%	1.98%

Hypothetical Expense Example

The following table compares the approximate costs of investing in the different fee structures within the Plan over different periods of time. Your actual costs may be higher or lower. The hypothetical chart assumes an initial $10,000 investment in a Plan Portfolio and a 5% annual rate of return, compounded annually on the net amount invested throughout the period. All expense ratios and asset allocations are assumed to remain the same for the duration of the periods. The chart assumes that all withdrawals are made for Qualified Higher Education Expenses and, therefore, does not reflect the impact of potential federal, state, or local taxes or penalties. This hypothetical does not reflect actual expenses or performance from the past or future. Actual expenses may be higher or lower than those shown. The $12 annual account fee is waived if either the Account Owner or Designated Beneficiary is an Alabama resident. Non-Alabama residents need to add an additional $12 to the One Year number; $36 to the Three Year number; $60 to the Five Year number; and, $120 to the Ten Year number in the table.

One Year				Three Year				Five Year				Ten Year			
A	B	C	F	A	B	C	F	A	B	C	F	A	B	C	F
$472	$203	$152	$100	$729	$627	$471	$314	$1006	$1077	$813	$544	$1793	$2323	$1778	$1206

Fund Performance

The following table shows the past performance for the T. Rowe Price Small-Cap Value Fund. The performance figures shown below do not reflect the Plan's expenses. Due to the expenses of the Plan, the performance of the Portfolio would have been lower than the performance of the Underlying Investment shown below. All of the performance data shown represents past performance, which is not a guarantee or prediction of future results. Investment returns and principal value will fluctuate so that your Account may be worth less than the sum of your Contributions. For performance data of the Individual Fund Portfolios current to the most recent month-end, visit the Plan's website at CollegeCounts529advisor.com.

Data as of 5/31/2021		**Average Annual Total Returns**				
	YTD	**1 year**	**3 year**	**5 year**	**10 year**	***Inc. Date***
T. Rowe Price Small-Cap Value Fund	17.85%	64.54%	12.68%	15.31%	11.64%	*8/28/2015*

*The T. Rowe Price Funds-I Class share the portfolio of an existing fund (the original share class of the fund is referred to as the "investor class"). The total return figures for I Class shares have been calculated using the performance data of the investor class up to the inception date of the I Class (shown above) and the actual performance results of the I Class since that date. Because the I Classes are expected to have lower expenses than the Investor Classes, The I Class performance, had it existed over the periods shown, would have been higher.

NEW INVESTMENT FUND DESCRIPTION

"Exhibit C – Investment Portfolios and Mutual Fund Information" is hereby updated to include the summary and description of the investment objectives and strategies, primary risks, and fees and expenses of the new Underlying Investment as set forth below.

The descriptions are taken from the most recent prospectus of the fund dated prior to June 1, 2021 and is intended to summarize its respective investment objectives and policies.

All information below regarding the Underlying Investment is obtained from the prospectus, fund company, and other public information of the fund, and neither Union Bank & Trust Company nor the Board guarantee the accuracy of such information.

Additional information, including the investment strategies and risks of each Underlying Fund, is available in its current prospectus and Statement of Additional Information. You can request a copy of the current prospectus, the Statement of Additional Information, or the most recent annual report of any Underlying Fund by visiting the mutual fund's website, the CollegeCounts website at CollegeCounts529advisor.com, or by calling 866.529.2228. Please read it carefully before investing. All investments carry some degree of risk which will affect the value of the fund's investments, investment performance, and price of its shares. It is possible to lose money by investing in the Plan.

T. Rowe Price Small-Cap Value Fund (Ticker: PRVIX)

Investment Objective(s)
The fund seeks long-term capital growth by investing primarily in small companies whose common stocks are believed to be undervalued.

Principal Investment Strategies
The fund will seek the stocks of companies whose current stock prices do not appear to adequately reflect their underlying value as measured by assets, earnings, cash flow, or business franchises. Normally, the fund will invest at least 80% of its net assets (including any borrowings for investment purposes) in companies with a market capitalization that is within or below the range of companies in the Russell 2000® Index. As of December 31, 2020, the market capitalization range for the Russell 2000® Index was approximately $43.0 million to $15.5 billion. The market capitalization of the companies in the fund's portfolio and the Russell 2000® Index changes over time, and the fund will not sell a stock just because the company has grown to a market capitalization outside the range. The fund may, on occasion, purchase companies with a market capitalization above the range.

Reflecting a value approach to investing, our in-house research team seeks to identify companies that appear to be undervalued by various measures, and may be temporarily out of favor, but have good prospects for capital appreciation. In selecting investments, we generally look for some of the following:

- low price/earnings, price/book value, or price/cash flow ratios relative to the Russell 2000® Index, a company's peers, or a company's historical norm;
- low stock price relative to a company's underlying asset values;
- above-average dividend yield relative to a company's peers or its own historical norm;
- a plan to improve the business through restructuring; and/or
- a sound balance sheet and other positive financial characteristics.

While most assets will typically be invested in U.S. common stocks, including real estate investment trusts (REITs) that pool money to invest in properties and mortgages, the fund may also invest in foreign stocks in keeping with its objective(s). The fund's investments may include holdings in privately held companies and companies that only recently began to trade publicly.

Principal Risks
As with any fund, there is no guarantee that the fund will achieve its objective(s). The fund's share price fluctuates, which means you could lose money by investing in the fund. The principal risks of investing in this fund, which may be even greater during periods of market disruption or volatility, are summarized as follows:

Small-cap stocks Investments in securities issued by small-cap companies are likely to be more volatile than investments in securities issued by larger companies. Small-cap companies often have less experienced management, narrower product lines, more limited financial resources, and less publicly available information than larger companies. In addition, smaller companies are typically more sensitive to changes in overall economic conditions and their securities may be difficult to trade.

Value investing The fund's value approach to investing could cause it to underperform other stock funds that employ a different investment style. The intrinsic value of a stock with value characteristics may not be fully recognized by the market for a long time or a stock judged to be undervalued may be appropriately priced at a low level. Value stocks may fail to appreciate for long periods and may never reach what the adviser believes are their full market values.

Market conditions The value of the fund's investments may decrease, sometimes rapidly or unexpectedly, due to factors affecting an issuer held by the fund, particular industries, or the overall securities markets. A variety of factors can increase the volatility of the fund's holdings and markets generally, including political or regulatory developments, recessions, inflation, rapid interest rate changes, war or acts of terrorism, natural disasters, and outbreaks of infectious illnesses or other widespread public health issues such as the coronavirus pandemic and related governmental and public responses. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others. Government intervention in markets may impact interest rates, market volatility, and security pricing. These adverse developments may cause broad declines in market value due to short-term market movements or for significantly longer periods during more prolonged market downturns.

Sector exposure At times, the fund may have a significant portion of its assets invested in securities of issuers conducting business in a broadly related group of industries within the same economic sector. Issuers in the same economic sector may be similarly affected by economic or market events, making the fund more vulnerable to unfavorable developments in that economic sector than funds that invest more broadly. Investments in the financials sector are susceptible to adverse developments relating to regulatory changes, interest rate movements, the availability of capital and cost to borrow, and the rate of debt defaults.

Stock investing Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising and falling prices. The value of stocks held by the fund may decline due to general weakness or volatility in the stock markets in which the fund invests or because of factors that affect a particular company or industry.

REIT investing REITs must satisfy specific requirements for favorable tax treatment and can involve unique risks in addition to the risks generally affecting the real estate industry. REITs are dependent upon the quality of their management, may have limited financial resources and heavy cash flow dependency, and may not be diversified geographically or by property type.

Foreign investing Investments in the securities of non-U.S. issuers may be adversely affected by local, political, social, and economic conditions overseas, greater volatility, reduced liquidity, or decreases in foreign currency values relative to the U.S. dollar. The risks of investing outside the U.S. are heightened for any investments in emerging markets, which are susceptible to greater volatility than investments in developed markets.

Private placements and IPOs Investments in the stocks of privately held companies and in companies that only recently began to publicly trade, such as initial public offerings or IPOs, involve greater risks than investments in stocks of companies that have traded publicly on an exchange for extended time periods. There is significantly less information available about these companies' business models, quality of management, earnings growth potential, and other criteria that are normally considered when evaluating the investment prospects of a company. Private placements and other restricted securities held by the fund are typically considered to be illiquid and tend to be difficult to value since there are no market prices and less overall financial information available. The adviser evaluates a variety of factors when assigning a value to these holdings, but the determination involves some degree of subjectivity and the value assigned for the fund may differ from the value assigned by other mutual funds holding the same security.

Liquidity A particular investment or an entire market segment may become less liquid or even illiquid, sometimes abruptly, which could limit the fund's ability to purchase or sell holdings in a timely manner at a desired price. An inability to sell a portfolio holding can adversely affect the fund's overall value or prevent the fund from being able to take advantage of other investment opportunities. Liquidity risk may be magnified during periods of substantial market volatility and unexpected episodes of illiquidity may limit the fund's ability to pay redemption proceeds without selling holdings at an unfavorable time or at a suitable price. Large redemptions may also have a negative impact on the fund's overall liquidity.

Active management The fund's overall investment program and holdings selected by the fund's investment adviser may underperform the broad markets, relevant indices, or other funds with similar objectives and investment strategies.

Cybersecurity breaches The fund could be harmed by intentional cyberattacks and other cybersecurity breaches, including unauthorized access to the fund's assets, customer data and confidential shareholder information, or other proprietary information. In addition, a cybersecurity breach could cause one of the fund's service providers or financial intermediaries to suffer unauthorized data access, data corruption, or loss of operational functionality.

Fees & Expenses *(Based on the prospectus dated May 1, 2021)*	
Total Annual Fund Operating Expenses *expenses deducted from fund's assets*	0.70%