

Market Update

In our 1st Quarter 2012 newsletter, we were able to report excellent market performance for the previous two calendar quarters. After strong performance in early 2012, the 2nd quarter has seen the market regress a bit. During the 2nd quarter 2012, the S&P 500 Index (a benchmark which measures large cap U.S. Equity markets) is down approximately 4% (as of midday June 29th). The performance difference from the 1st quarter to the 2nd quarter of this year is an example of the cyclical nature of the market. We continue to encourage investors to keep their long-term saving/investing goals in mind and not base investment decisions on the short-term performance of the markets. Now would be a good time to consider an additional contribution or automatic investment plan for your account. Investing during market volatility means that you will purchase more shares when the market is down. Staying the course with an investment strategy that is diversified to meet your long-term goals should benefit you in the future as the market continues to move through its cycles.

Fall Semester Withdrawals

Whether your student is preparing for their first year of college or their last, the fall semester will be here in no time. As you prepare for the school year, keep in mind that funds can be withdrawn from your CollegeCounts account for the following qualified expenses: tuition, fees, books, supplies, and equipment. Room and Board expenses are qualified as long as the student is enrolled on at least a half-time basis. Remember to keep all of your receipts and invoices in the event the IRS would ever have questions about your expenses or withdrawals. Be sure to match your expenses and withdrawals in the same calendar year for tax purposes.

The Account Owner has several options for requesting a withdrawal from an account:

1. Log into your account online, select "withdraw" and follow the simple, secure steps.
2. Complete the Withdrawal Request Form available under the "Forms" link on our website.
3. Contact us at 866-529-2228 for assistance.

529 Day Giveaway Winners

Congratulations to the following winners of our 529 Day Giveaway that was held throughout the month of May on the CollegeCounts website and our Facebook page:

www.facebook.com/CollegeCounts

Winners of a \$529 Contribution to CollegeCounts

Bryan from New Market, AL
Pamela from Hayden, AL
Katie from Birmingham, AL
George from Montgomery, AL

Grand Prize Winner of a \$2,529 Contribution to CollegeCounts

Trey from Birmingham, AL

Thank you to everyone who participated in the 529 Day Giveaway! Keep checking our Facebook page for news about more exciting CollegeCounts events and activities!

The perfect gift for all those special occasions

Looking for that perfect gift for a special occasion? Look no further! Whether it's a birthday, graduation, birth or holiday, contributing to a CollegeCounts account makes a great gift. To help you make that special gift CollegeCounts has a variety of gift cards. Visit our website to view and print any of the available options. Give a gift that will truly make a difference in the future – the gift of a college education!



Offered by the
State of Alabama

UNION BANK
& TRUST COMPANY.
Program Manager

Mystery Shopper Opportunity

CollegeCounts strives to consistently offer excellent customer service, and in order to do that we ask current CollegeCounts account owners to provide feedback on the level of our service, commonly known as mystery shops. If you are interested in participating in our Mystery Shopper Program, please contact Cross Financial Group TODAY! Mystery Shoppers get paid for each shop they complete. Cross Financial Group will provide you with a full information package about all of the benefits of the program. You can e-mail your interest to deb@crossfinancial.com. (Please reference CollegeCounts in your e-mail.)

The Importance of a Successor Account Owner

Naming a Successor Account Owner, while optional, is important to consider when opening or reviewing/maintaining your CollegeCounts account. The role of the Successor Account Owner is to take over control of the account in the event of your death. If you would like to find out if a Successor Account Owner has been named on your account, simply contact our Customer Care Center at 866-529-2228 and we are happy to assist. In order to name a Successor Account Owner or to add a 2nd Successor Account Owner, you can simply complete the appropriate form which can be found under the "Forms" link of our website. Planning ahead by naming a Successor Account Owner will make the administration of your account easier for those who survive you.

Graduate or Professional School Expenses

Most people know that funds from a CollegeCounts account can be used to pay for the qualified expenses required to obtain an undergraduate degree. Did you know that funds can also be used to cover the costs associated with Graduate or Professional schools? If your student plans to obtain a graduate or professional degree, you can continue to utilize your CollegeCounts account to pay for those costs. If you are an Alabama taxpayer, you can also continue to make contributions to the account to obtain the generous \$5,000 individual or \$10,000 joint state income tax deduction. As long as the school is accredited by the U.S. Department of Education and is eligible to participate in Federal Financial Aid Programs, funds from a CollegeCounts account can assist with the cost of obtaining any post secondary degree.

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 sponsored 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 of the Advisor Plan. Accounts and investments under the CollegeCounts 529 Fund are not insured or guaranteed by the FDIC, the State of Alabama, the State Treasurer of Alabama, the Board, the Trust, the Program, Union Bank & Trust Company, Northern Trust Securities, Inc., or any other entity.

Before investing, you should consider the investment objectives, risks, fees, expenses, and tax consequences associated with the Program. All of this information is contained in the Program Disclosure Statement. Please read it carefully before investing. For a copy, call 866.529.2228, visit the plan website, or contact your investment professional.

If you or your beneficiary is not an Alabama resident, consider whether your home state or the home state of your designated beneficiary offers a qualified tuition program that provides a state tax deduction or other benefits to residents who invest in that program.

Not FDIC Insured May Lose Value No Bank Guarantee

CollegeCountsSM
Alabama's 529 Fund