

2nd Quarter 2014

Withdrawals For College - Plan Ahead!

The new college year is quickly approaching. Please make sure you are prepared. At CollegeCounts we make it easy to pay college expenses. Here is an overview:

1. Plan ahead. Don't wait until the last minute. We suggest that you request the withdrawal 7-10 days in advance of the due date. Why? We will process withdrawals received by 3pm CST on any business day the same day we receive it. The funds will be sold that night and a check will be sent first thing the following business day. Please allow U.S. Postal mail time and time for the college to process the payment. While we disperse the funds right away – the mail and college processing time can add 5-7 days to the process.

2. Request the withdrawal online. Our online system is fast and easy to use. If you have questions regarding logging into your account and requesting a withdrawal – feel free to call us and we will be happy to assist you.

3. Keep receipts, invoices, and any college expense items in your tax file. They will come in handy if you are audited down the road.

4. Make sure you request withdrawals from CollegeCounts in the same year the expense is paid.

Common Withdrawal Questions:

What college expenses are covered?

The IRS includes tuition, fees, books, supplies, and equipment required for enrollment. If the student is enrolled at least half-time room and board is also an eligible expense. Personal expenses, transportation and repayment of student loans are not covered expenses.

Are computers covered?

Here is what the 2013 IRS Publication 970 states: For tax years after 2010, the purchase of computer technology or equipment is only a qualified education expense if the computer technology or equipment is required for enrollment or attendance at an eligible institution.

Remember, if you have questions or need assistance with withdrawals for college expenses, give us a call and we will be happy to assist.

Kiwanis, Rotary and Sertoma Club Members

Looking for a presentation at an upcoming meeting? Contact CollegeCounts and we will be happy to come visit with your group. We are booking for Fall presentations and would welcome the opportunity to meet with you and your group. Call us at (866) 529 – 2228 to schedule a time.



Offered by the
State of Alabama

UBT 529 Services a Division of
UB UNION BANK
& TRUST COMPANY[®]
Program Manager

(866) 529-2228 • PO Box 85290 • Lincoln, NE 68501-5290

CollegeCounts Is Adding New Fund Families

CollegeCounts is adding 5 new, quality funds to the individual fund line-up. We are providing additional choices and diversity for investors that use the individual fund portfolios. The following, new portfolios will be added to the plan effective August 1st:

- DFA U.S. Large Cap Value 529
- T. Rowe Price Large-Cap Growth 529
- DFA U.S. Small Cap Value 529
- Vanguard Explorer 529
- Dodge & Cox International Stock 529

A letter and Program Disclosure Statement Supplement will be available in the Plan News section of the web site and mailed to account owners. Our goal is to continue to keep CollegeCounts an excellent 529 choice for college savers.



PIMCO
Your Global Investment Authority[™]

T. Rowe Price
INVEST WITH CONFIDENCE

DODGE & COX FUNDS[®]

Fidelity
INVESTMENT

Dimensional

5-29 Day Giveaway

Congratulations to our 5-29 Day Giveaway winners in:

Guntersville, AL
Muscle Shoals, AL
Niles, IN

In celebration of 5-29, CollegeCounts gave away three \$529 college-savings contributions. All 3 of our winners entered online and shared why they are saving for college and how CollegeCounts is helping them. Congratulations to our winners!

Market Update

The markets have continued to trend upward through the 2nd quarter of 2014. While investment performance has been encouraging for many investors over the last several years, we continue to encourage investors to invest in a portfolio of funds that is suitable for their risk tolerance in both "bullish" and "bearish" markets. A primary key to a successful investment portfolio is investing for the long term and staying the course through all market cycles. There is always a level of uncertainty to investing and with uncertainty, comes risk. Investors should be familiar with their investments and the accompanying risk levels associated with them. Be sure to periodically review the investment option you have selected for your CollegeCounts account to make sure it still meets your risk tolerance objectives. The IRS allows 1 investment change every calendar year or upon the change of the account beneficiary if you decide that you would like to make a change to your portfolio. If your investments match your risk tolerance and time horizon you will be better prepared to withstand any market fluctuations that may lie ahead.

Do You Have an Automatic Investment Plan ?

Many investors take advantage of an Automatic Investment Plan ("AIP") to make consistent contributions to their CollegeCounts accounts. Establishing an AIP saves you time and ensures that your contributions are received on a regular basis. It also ensures that you won't miss out on the Alabama state income tax deduction that is offered each year for contributions (\$5,000 limit for individuals, \$10,000 limit if filing jointly). If you haven't set up an AIP, visit our website (CollegeCounts529.com) to log into your account online or download the Automatic Investment Plan Form to get started today.

Get Social with CollegeCounts!

Check out the CollegeCounts Facebook page for updates on CollegeCounts as well as helpful tips about planning and saving for college. We feature great articles and tools to help you and your family with this important topic!

Employee Benefit

Does your employer know about CollegeCounts and what a great employee benefit it can be? Most employers are looking for ways to educate and encourage the financial well-being of their employees by offering retirement plans or profit-sharing plans. Saving for college ranks high on the list of the savings goals for families – typically just after saving for retirement and the purchase of a primary residence. Encourage your employer to think about offering CollegeCounts as a benefit to provide employees the opportunity to save for the rapidly rising cost of college expenses.

There is no cost to employers to offer CollegeCounts to all employees as a benefit and CollegeCounts professionals are available to assist with informational meetings. Investors can take advantage of the flexibility, low-cost, and diverse investment options offered by the plan. After-tax contributions can be accepted via Payroll Deduction, Automatic Investment Plan, or by check. If your employer wants to offer a well-rounded benefits package, make sure they know about CollegeCounts! Encourage your benefits coordinator to give us a call at (866) 529-2228 with any questions.

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. 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, or any other entity.

Visit CollegeCounts529.com or call (866) 529 – 2228 to obtain the Program Disclosure Statement. Read it carefully before investing. An investor should consider the investment objectives, risks, and charges and expenses of the program before investing. If you or your beneficiary is not an Alabama resident check with your home state to learn if it offers tax or other benefits for investing in its own 529 plan.

The amount contributed by an Alabama taxpayer during a tax year is deductible from Alabama income in an amount not to exceed \$5,000 for a single return or \$10,000 for a joint return for that tax year. If you also contribute to another Alabama 529 account, your maximum total deduction on all contributions is still \$5,000 per year (\$10,000 for married couples filing jointly). Rollovers to another state's 529 plan or nonqualified withdrawals may be subject to recapture.

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

CollegeCountsSM
Alabama's 529 Fund