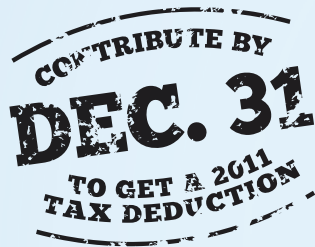


## 2011 Alabama Tax Deduction

Be sure to take advantage of the generous Alabama State Income Tax Deduction for contributions made to your CollegeCounts account. Individuals can deduct up to \$5,000, and those who are married filing jointly can deduct up to \$10,000 for contributions made on or before Dec. 31, 2011. Account owners can quickly and easily make secure contributions online any time. Please call us at 866-529-2228 if you need assistance with online access.



## 2011 Gifts

If you would like to make a 2011 Gift to your beneficiary, we recommend you make your contributions by Dec. 24 to allow sufficient time for the check to clear before the end of the year. The 2011 gift limit is \$13,000 for individuals or \$26,000 for married couples. If you choose to do an accelerated gift over the next five years, the limit goes up to \$65,000 for individuals or \$130,000 for married couples. Keep in mind that you can only take advantage of the Alabama State Income Tax Deduction in the year the contribution is actually made—it does not carry forward. Consult your tax professional for more information.



Offered by the State of Alabama



Program Manager

## Give a Gift, Get a Gift

A contribution to a CollegeCounts account makes a great gift. As a benefit to the gift-giver, family members or friends who contribute to your account can also take advantage of the Alabama Tax Deduction if they file an Alabama income tax return. With the holidays coming up, you may want to suggest a contribution as a gift idea for your beneficiary by adding it to their "wish list." It's a gift that will benefit the recipient for the rest of their life. Family and friends who would like to contribute can mail a check to us at any time along with a deposit coupon downloaded from CollegeCounts529.com or CollegeCounts529Advisor.com under the "Forms" link. We also have gift cards available upon request.



## Withdrawals for 2011

For tax purposes, we recommend that you match your qualified expenses and the withdrawals from your CollegeCounts account in the same calendar year. If you have any expenses for 2011 that you would like to withdraw funds for, we would recommend you complete the withdrawal before Dec. 31, 2011. Similarly, if you have expenses that are due in early 2012, we would recommend that you wait to withdraw the funds to cover those expenses until after Jan. 1, 2012.

### INVESTMENT PRODUCTS:

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

## 3rd Quarter 2011 Basic Investing Concepts Refresher

It has been a tough summer for investors. The markets have been volatile. With volatile markets it is always good to re-examine basic investing principles. Standard & Poor's recent article "Heightened Volatility: The 'New Normal' for Stocks?" (September 2011) had some interesting observations that we will share below:

- **Don't Panic.** Don't buy into a rapidly rising market, and don't sell into a rapidly declining market. Standard & Poor's research showed that if an investor missed the top 20 days in the last 20 years, their average annual returns would have been reduced from 9% to 3%.
- **Asset Allocation.** By allocating your investments among different asset classes (i.e., stocks, bonds, cash) you can help smooth out the short-term ups and downs.
- **Long-term perspective.** It is all too easy to get caught up in the stock market's daily roller coaster ride. Instead, focus on whether your long-term performance objectives (i.e., your average returns) are meeting your goals.

The suggestions above have paid off for investors over the last couple of years as the market has been climbing back up after falling in 2008. Taking a long-term approach and saving as much as you can will pay off over time. Now is a great time to consider starting or increasing an automatic investment plan for your CollegeCounts account. This will ensure that you stick to your long-term plans to help you reach your savings goals. It's easy to set up or increase your automatic investment plan electronically after logging in to your account. You can also contact us at 866-529-2228 for assistance or with any questions you might have.