

# CollegeCounts<sup>SM</sup>

Alabama's 529 Fund

Auditor's Report and Financial Statements

**September 30, 2020**



Offered by the  
State of Alabama

UBT 529 Fund Services a Division of

**UBT**  
Union Bank & Trust

*Program Manager*

**CollegeCounts 529 Fund**  
**September 30, 2020**

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## Independent Auditor's Report

Members of the Board of Trustees of CollegeCounts 529 Fund  
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)  
Montgomery, Alabama

### Report on the Financial Statements

We have audited the accompanying financial statements of the CollegeCounts 529 Fund, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CollegeCounts 529 Fund's basic financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CollegeCounts 529 Fund as of September 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CollegeCounts 529 Fund's basic financial statements. The supplemental schedules as listed in the table of contents, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December \_\_, 2020, on our consideration of the CollegeCounts 529 Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CollegeCounts 529 Fund's internal control over financial reporting and compliance.

**BKD, LLP**

Lincoln, Nebraska  
February 22, 2021

## **CollegeCounts 529 Fund Direct Plan Management's Discussion and Analysis**

The following is a discussion and analysis of the financial performance of the State of Alabama's CollegeCounts 529 Fund Direct Plan (the "Plan") as of September 30, 2020 and for the year then ended. CollegeCounts 529 Fund assets are held in the Alabama College Education Savings ("ACES") Trust Fund. Union Bank & Trust Company ("Union Bank") manages the CollegeCounts 529 Fund under a Program Management Agreement with the Board of Trustees of the ACES Trust Fund. The CollegeCounts 529 Fund is intended to be a qualified state tuition program under Section 529 of the Internal Revenue Code. The CollegeCounts 529 Fund was created pursuant to an Alabama statute to encourage the investment of funds to be used for qualified education expenses. You should consider the information presented in this section in conjunction with the Plan's financial statements and the Notes to the Financial Statements.

### **CollegeCounts 529 Fund Direct Plan**

The Plan is one of two 529 college savings plans offered by the CollegeCounts 529 Board to help families save for college. The CollegeCounts 529 Direct Plan contains accounts that are opened directly with the Plan. The Direct Plan had \$677 million in net position as of September 30, 2020. The CollegeCounts 529 Board oversees the Direct Plan. Union Bank & Trust Company serves as Program Manager.

The Direct Plan offers investors 3 Age-Based Options, 6 Target Portfolios, 1 Deposit Fund and 25 Individual Fund Portfolios that are invested in underlying mutual funds from DFA, Dodge & Cox, Vanguard, T. Rowe Price, Fidelity, PGIM and PIMCO.

### **Financial Highlights**

The following financial highlights occurred during the year ended September 30, 2020 and 2019:

- The Plan had contributions of \$104.5 million and withdrawals of \$46.3 million during 2020 and contributions of \$94.7 million and withdrawals of \$43.6 million during 2019, an increase of 10.4% in contributions and 6.2% in withdrawals during 2020;
- At September 30, 2020, the Plan's net position totaled \$677 million, an increase of \$113 million, or 20% since September 30, 2019;
- The Plan earned \$13.4 million and \$13.3 million from investment income and recognized \$43.2 million and \$12.6 million from net realized gain and net appreciation in fair value of investments during 2020 and 2019, respectively. The Plan incurred \$1.4 million and \$1.3 million, respectively, for operating expenses during 2020 and 2019.

### **Overview of the Financial Statements**

The Plan's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

This report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements consist of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position and Notes to the Financial Statements that explain some of the information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Position presents information on the Plan’s assets and liabilities, with the difference between the two reported as net position as of September 30, 2020. This statement is prepared using the accrual basis of accounting. Contributions and withdrawals are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is received or paid.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan’s net position changed during the year ended September 30, 2020, another important factor that needs to be considered in order to determine the financial health of the CollegeCounts 529 Fund. This statement presents information showing how the plan’s net position changed during the year ended September 30, 2020, based on activities from securities transactions and market activity. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

The Notes to the Financial Statements provide additional information that is integral to a full understanding of the data provided in the basic financial statements. As a fiduciary fund, the CollegeCounts 529 Fund Trust assets do not represent discretionary assets of the State of Alabama to finance its operations. CollegeCounts 529 Fund Trust assets can only be used for the benefit of account owners and beneficiaries of the Plan.

## Financial Analysis

### Net Position

The following is a condensed Statement of Fiduciary Net Position for the Program as of September 30:

	<u>2020</u>	<u>2019</u>
Total Assets	\$ 678,262,162	\$ 566,145,788
Less Total Liabilities	<u>848,235</u>	<u>2,063,986</u>
Net Position Held in Trust	<u>\$ 677,413,927</u>	<u>\$ 564,081,802</u>

Investments make up more than 99% of total net position and consist of 37 and 36 Investment Portfolios in 2020 and 2019, respectively, each of which is invested in one or more underlying mutual funds or deposit accounts. Net position represents cumulative contributions from participants plus net increases/decreases from operations less redemptions and expenses. Liabilities consist of payables for securities purchased, payables for withdrawals, payables for reinvestment of net investment income and payables for accrued expenses.

Total assets increased by \$112.1 million, or 19.8%, from September 30, 2019 to September 30, 2020 due primarily to net contributions (participant contributions less redemptions and withdrawals) of \$58 million. The Plan had an increase from operations (investment income and net realized gain and appreciation in fair value of investments) of \$56.6 million and expenses of \$1.4 million. Total liabilities decreased \$1.2 million due primarily to the timing of withdrawals requested by participants and amounts payables for securities purchased, which is a reflection of investment decisions made by participants and the corresponding action taken by the program manager to process required transactions.

## Changes in Fiduciary Net Position

The following is a condensed Statement of Changes in Fiduciary Net Position for the year ended September 30:

	<u>2020</u>	<u>2019</u>
Total Additions	\$ 161,026,446	\$ 120,532,528
Total Deductions	<u>47,694,321</u>	<u>44,909,124</u>
Net Increase	113,332,125	75,623,404
Net Position Held in Trust, Beginning of Year	<u>564,081,802</u>	<u>488,458,398</u>
Net Position Held in Trust, End of Year	<u>\$ 677,413,927</u>	<u>\$ 564,081,802</u>

Total additions increased \$40.5 million or 33.6%, due to an increase in contributions from participants of \$9.8 million and an increase in investment income of \$30.7 million. Total deductions increased \$2.8 million or 6.2%, due to an increase in withdrawals and redemptions of \$2.7 million and an increase in fees of \$0.1 million. Net realized gains and appreciation in fair value of investments was \$43.2 million and \$12.6 million for the years ended September 30, 2020 and 2019, respectively. Increases and decreases in net realized and unrealized gains and losses on investment transactions, as well as changes in investment income, reflect market conditions during each corresponding year. Fees are charged to participants as a percentage of daily net position and therefore, fluctuate based on changes in fiduciary net position.

**CollegeCounts 529 Fund**  
**Statement of Fiduciary Net Position**  
**September 30, 2020**

**Fiduciary Assets**

Investments, at fair value	\$ 675,079,571
Cash in Bank Savings Portfolio	1,618,441
Cash	247,418
Receivables for contributions	813,001
Accrued investment income	<u>503,731</u>
Total fiduciary assets	<u>678,262,162</u>

**Liabilities**

Distributions payable to shareholders	88
Withdrawals payable	613,550
Accrued expenses	<u>234,597</u>
Total liabilities	<u>848,235</u>

<b>Fiduciary Net Position Held In Trust</b>	<u><u>\$ 677,413,927</u></u>
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**CollegeCounts 529 Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2020**

**Additions**

Contributions	\$ 104,477,009
Investment income	
Net realized gain and net appreciation in fair value of investments	43,185,648
Dividends and interest	13,363,789
Total investment earnings	56,549,437
Total additions	161,026,446

**Deductions**

Withdrawals	46,294,653
Management fees	1,399,668
Total deductions	47,694,321

**Net Increase** 113,332,125

**Fiduciary Net Position Held in Trust, Beginning of Year** 564,081,802

**Fiduciary Net Position Held in Trust, End of Year** \$ 677,413,927

# **CollegeCounts 529 Fund**

## **Notes to the Financial Statements**

### **September 30, 2020**

#### **Note 1: Description of the Plan**

The following provides a brief description of the CollegeCounts 529 Fund (the “Plan”). For more information about the Plan, call 866.529.2228 or visit [CollegeCounts529.com](http://CollegeCounts529.com) to obtain a Disclosure Statement.

#### ***General***

The Plan is one of two college savings plans offered by the Alabama College Education Savings (ACES) Program (the Program) to help individuals and families save for education costs. This Plan and the CollegeCounts 529 Fund Advisor Plan, which were established as authorized under the Wallace Folsom Savings Investment Plan Act, 16-33C-1 to 16-33C-25 of the Code of Alabama 1975, as amended from time to time, are designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder (Section 529). The Board of Trustees of the ACES Trust Fund (the Board) administers the Program and has oversight responsibility for establishing rules and regulations governing operation of the plans, overseeing the administration of the plans and ensuring that the plans comply with state and federal laws and regulations. The Board acts as trustee of the Plan and is responsible for the overall administration of the Program. The Board has delegated day-to-day administration of the Program to the Alabama State Treasurer.

Plan assets are held for the benefit of account owners and their designated beneficiaries in the CollegeCounts 529 Fund, thereby ensuring the assets of the Plan can only be used for the benefit of account owners and their beneficiaries and cannot be used by the State of Alabama to finance its operations.

These financial statements present only the activities and balances attributable to the CollegeCounts 529 Fund and do not include any balances or activities attributable to the CollegeCounts 529 Fund Advisor Plan. See the attached supplementary information which includes Combining Schedules for the two college savings plans and the transfers of contributions and withdrawals between plans. The audited financial statements of the CollegeCounts 529 Fund Advisor Plan are available separately.

#### ***Plan Administration***

UBT 529 Fund Services (Union Bank), a division of Union Bank & Trust Company (the Program Manager), serves as the agent responsible for the custody of the Plan’s assets. The Program Manager has engaged Wilshire Associates, Inc. (Wilshire) to advise with respect to the structures, underlying investments, and asset allocations of the Plan.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 2: Significant Accounting Policies**

***Basis of Accounting***

The Plan prepares its financial statements in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). The Plan's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America applicable to special-purpose governments engaged in fiduciary activities. Under this method of accounting, additions to the net position are recorded when earned and deductions from net position are recorded when a liability is incurred, regardless of the timing of related cash flows.

***Investments***

The Plan's investment alternatives are made available through investment portfolios (the Portfolios), each of which represents a separate, segregated portfolio of investments in mutual funds (the Underlying Funds). The Program Manager and Wilshire develop and recommend the asset allocations for each Portfolio to the Board of Trustees for approval.

Investments in the Underlying Funds are valued at the closing net position value per share of each Underlying Fund determined as of the close of the New York Stock Exchange on the day of valuation, which approximates fair value. Net realized and unrealized gains and losses are reported as net appreciation or depreciation in fair value of investments in the Statement of Changes in Fiduciary Net Position. Purchases and sales of Underlying Fund shares are recorded on a trade date basis. Dividend income and any capital gain distributions are recorded on the ex-dividend date as an accrual and are automatically reinvested in additional shares of the respective Underlying Fund.

***Cash***

Cash generally includes account owner contributions that have not been invested in Underlying Funds or redemption proceeds from Underlying Funds that have not yet been distributed in accordance with account owner instruction. These transactions are processed through the Program Manager.

Cash in Bank Savings Portfolio includes amounts directed by participants to be deposited in an interest-bearing bank account.

***Distributions Payable to Shareholders***

Distributions payable to shareholders represent income distributions from money market investment funds that have not yet been distributed in accordance with each account owner's instruction.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 2: Significant Accounting Policies - Continued**

***Contributions***

Individuals or entities that have properly executed an enrollment form with the Plan may establish an account to which cash contributions may be made, subject to certain account balance limitations. Contributions received prior to the close of the New York Stock Exchange are recorded as increases in net position on the date they are received, provided that all related documentation is found to be in good order.

Account owners may elect to invest their contributions in one or more of several different investment options, which are Individual Fund Portfolios, Age-Based Portfolios or Target Portfolios based upon the account owner's investing preference and risk tolerance. The investment options are composed of one money-market fund and mutual funds offered by PIMCO, Vanguard, T. Rowe Price, DFA, Dodge & Cox, PGIM and Fidelity ("Investment Managers").

The Individual Fund Portfolios consist of one deposit fund, one money-market fund and 24 single mutual funds. The six Target Portfolios are allocated among equity, real estate, fixed income, and money market securities. These allocations are maintained over the life of the account.

The account owner may also choose from three Age-Based options (Conservative, Moderate, and Aggressive). These have been designed by the Program, the Program Manager, and Wilshire to allow account owners to select a Portfolio based upon their risk tolerance and the beneficiary's age. Money invested in these investment options is allocated to the appropriate Portfolio based on the age of the beneficiary and is automatically adjusted at pre-set intervals over time to become more conservative as the beneficiary's year of enrollment in college draws nearer.

Contributions by a participant are evidenced through the issuance of units in a particular Portfolio. Although money contributed to the Plan is invested in portfolio options that hold mutual funds, the Plan units themselves are not direct investments in the mutual funds. The units issued by the Plan are not insured by the FDIC (except the underlying investment of the Bank Savings 529 Portfolio), the Program Manager, or the State of Alabama nor have they been registered with the Securities and Exchange Commission or any state commission. Although the account owners can direct the portfolio options in which their contributions are invested, they cannot direct the selection or allocation of the Underlying Funds comprising each portfolio option.

***Withdrawals***

Account owners may request withdrawals for qualified or nonqualified expenses. It is the responsibility of the account owner to determine whether the withdrawal is for qualified or nonqualified purposes and to calculate the applicable amount of federal or state tax or penalties for withdrawals, if any. Withdrawals are recorded as deductions from net position on the date the withdrawal request is in good order and approved for payment. Withdrawals, as presented on the Statement of Changes in Fiduciary Net Position, include annual account fees as more fully discussed in Note 4.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 2: Significant Accounting Policies - Continued**

***Unit Valuation***

Each account owner's full and/or fractional interest in a portfolio option is evidenced by a unit. The net position value of a unit in a portfolio option is calculated daily based on the fair market value of the Underlying Funds, adjusted for the effects of such transactions as accrued administrative fees, contributions and withdrawal requests that have been approved but have not yet been processed, and investment income that has not been reinvested in the Underlying Funds. The value of any individual account is determined by multiplying the number of units in a portfolio attributable to that account holder by the net position value per unit of that portfolio.

***Exchanges***

As explained above, for each of the Age-Based Options, account balances will automatically be exchanged from one portfolio to another more conservative portfolio as the beneficiary gets older. In addition, subject to certain limitations and restrictions, account owners may generally direct that their account balance be reinvested in a different portfolio option two times each calendar year. The transfers of funds between portfolios are referred to as "exchanges". The amounts of contributions and withdrawals reported in the Statement of Changes in Fiduciary Net Position do not include these exchanges, as they have no impact on the overall financial position of the Plan.

***Income Taxes***

The Plan has been designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code and is exempt from federal and state income tax. Therefore, no provision for income tax is required.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

# CollegeCounts 529 Fund

## Notes to the Financial Statements

### September 30, 2020

#### Note 3: Investments

The Underlying Fund allocations at September 30, 2020, are as follows:

Portfolio	Investment	Balance
DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Large Cap Value Portfolio	\$ 1,622,308
DFA U.S. Small Cap Value 529 Portfolio	DFA U.S. Small Cap Value Portfolio	820,141
Dodge & Cox International Stock 529 Portfolio	Dodge & Cox International Stock Fund	1,909,550
Fidelity Advisor Investment Grade Bond 529 Portfolio	Fidelity Advisor Investment Grade Bond Fund	893,352
PGIM Total Return Bond 529 Portfolio	PGIM Total Return Bond Fund	282,111
PIMCO Short-Term 529 Portfolio	PIMCO Short-Term Fund	1,810,427
T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Balanced Fund	6,678,722
T. Rowe Price Large-Cap Growth 529 Portfolio	T. Rowe Price Institutional Large-Cap Growth Fund	10,929,251
Vanguard Explorer 529 Portfolio	Vanguard Explorer Fund	2,070,752
Vanguard 500 Index 529 Portfolio	Vanguard Institutional Index Fund	34,377,741
Vanguard Extended Market Index 529 Portfolio	Vanguard Extended Market Index Fund	2,191,539
Vanguard Growth Index 529 Portfolio	Vanguard Growth Index Fund	21,519,891
Vanguard Inflation-Protected Securities 529 Portfolio	Vanguard Inflation-Protected Securities Fund	2,504,614
Vanguard Mid-Cap Index 529 Portfolio	Vanguard Mid-Cap Index Fund	9,806,961
Vanguard Prime Money Market 529 Portfolio	Vanguard Prime Money Market Fund	17,440,737
Vanguard Real Estate Index 529 Portfolio	Vanguard Real Estate Index Fund	4,000,245
Vanguard Small-Cap Growth Index 529 Portfolio	Vanguard Small-Cap Growth Index Fund	8,424,483
Vanguard Small-Cap Index 529 Portfolio	Vanguard Small-Cap Index Fund	4,144,340
Vanguard Small-Cap Value Index 529 Portfolio	Vanguard Small-Cap Value Index Fund	2,926,852
Vanguard Total Bond Market Index 529 Portfolio	Vanguard Total Bond Market Index Fund	14,163,770
Vanguard Total International Stock Index 529 Portfolio	Vanguard Total International Stock Index Fund	11,444,092
Vanguard Total Stock Market Index 529 Portfolio	Vanguard Total Stock Market Index Fund	21,292,842
Vanguard Value Index 529 Portfolio	Vanguard Value Index Fund	5,402,367
Vanguard Short-Term Inflation-Protected 529 Portfolio	Vanguard Short-Term Inflation-Protected Securities Index Fund	800,755
Vanguard Short-Term Bond Index 529 Portfolio	Vanguard Short-Term Bond Index Fund	3,465,944
		<u>190,923,787</u>
CollegeCounts Fixed Income Fund	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,416,141
CollegeCounts Fixed Income Fund	Vanguard Short-Term Bond Index Fund	1,898,583
CollegeCounts Fixed Income Fund	Vanguard Total Bond Market Index Fund	1,422,699
CollegeCounts Fixed Income Fund	Vanguard Prime Money Market Fund	4,746,457
Total CollegeCounts Fixed Income Fund		<u>9,483,880</u>
CollegeCounts Fund 10	Vanguard Total Stock Market Index Fund	2,031,728
CollegeCounts Fund 10	Vanguard Short-Term Inflation-Protected Securities Index Fund	3,992,655
CollegeCounts Fund 10	Vanguard Short-Term Bond Index Fund	6,311,099
CollegeCounts Fund 10	Vanguard Total Bond Market Index Fund	8,886,904
CollegeCounts Fund 10	Vanguard Total International Stock Index Fund	570,848
CollegeCounts Fund 10	Vanguard Prime Money Market Fund	6,602,580
CollegeCounts Fund 10	Vanguard Real Estate Index Fund	290,184
Total CollegeCounts Fund 10		<u>28,685,998</u>

# CollegeCounts 529 Fund

## Notes to the Financial Statements

### September 30, 2020

#### Note 3: Investments - Continued

Portfolio	Investment	Balance
CollegeCounts Fund 20	Vanguard Total Stock Market Index Fund	\$ 6,220,680
CollegeCounts Fund 20	Vanguard Short-Term Inflation- Protected Securities Index Fund	5,133,514
CollegeCounts Fund 20	Vanguard Short-Term Bond Index Fund	11,760,767
CollegeCounts Fund 20	Vanguard Total Bond Market Index Fund	16,460,077
CollegeCounts Fund 20	Vanguard Total International Stock Index Fund	1,891,815
CollegeCounts Fund 20	Vanguard Prime Money Market Fund	4,231,821
CollegeCounts Fund 20	Vanguard Real Estate Index Fund	1,421,849
Total CollegeCounts Fund 20		<u>47,120,523</u>
CollegeCounts Fund 30	Vanguard Total Stock Market Index Fund	9,259,583
CollegeCounts Fund 30	Vanguard Short-Term Inflation- Protected Securities Index Fund	6,188,785
CollegeCounts Fund 30	Vanguard Short-Term Bond Index Fund	10,538,406
CollegeCounts Fund 30	Vanguard Total Bond Market Index Fund	16,776,529
CollegeCounts Fund 30	Vanguard Total International Stock Index Fund	3,848,041
CollegeCounts Fund 30	Vanguard Real Estate Index Fund	1,461,551
Total CollegeCounts Fund 30		<u>48,072,895</u>
CollegeCounts Fund 40	Vanguard Total Stock Market Index Fund	13,186,145
CollegeCounts Fund 40	Vanguard Short-Term Inflation- Protected Securities Index Fund	4,715,705
CollegeCounts Fund 40	Vanguard Short-Term Bond Index Fund	7,360,025
CollegeCounts Fund 40	Vanguard Total Bond Market Index Fund	19,340,813
CollegeCounts Fund 40	Vanguard Total International Stock Index Fund	6,257,784
CollegeCounts Fund 40	Vanguard Real Estate Index Fund	1,534,947
Total CollegeCounts Fund 40		<u>52,395,419</u>
CollegeCounts Fund 50	Vanguard Total Stock Market Index Fund	15,977,418
CollegeCounts Fund 50	Vanguard Short-Term Inflation- Protected Securities Index Fund	2,001,082
CollegeCounts Fund 50	Vanguard Short-Term Bond Index Fund	5,490,653
CollegeCounts Fund 50	Vanguard Total Bond Market Index Fund	17,314,169
CollegeCounts Fund 50	Vanguard Total International Stock Index Fund	7,401,184
CollegeCounts Fund 50	Vanguard Real Estate Index Fund	1,461,533
Total CollegeCounts Fund 50		<u>49,646,039</u>
CollegeCounts Fund 60	Vanguard Total Stock Market Index Fund	20,669,286
CollegeCounts Fund 60	Vanguard Short-Term Inflation- Protected Securities Index Fund	2,306,506
CollegeCounts Fund 60	Vanguard Short-Term Bond Index Fund	5,212,696
CollegeCounts Fund 60	Vanguard Total Bond Market Index Fund	15,354,369
CollegeCounts Fund 60	Vanguard Total International Stock Index Fund	10,714,356
CollegeCounts Fund 60	Vanguard Real Estate Index Fund	2,788,478
Total CollegeCounts Fund 60		<u>57,045,691</u>

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 3: Investments - Continued**

Portfolio	Investment	Balance
CollegeCounts Fund 70	Vanguard Total Stock Market Index Fund	\$ 21,910,672
CollegeCounts Fund 70	Vanguard Short-Term Inflation-Protected Securities Index Fund	2,179,845
CollegeCounts Fund 70	Vanguard Short-Term Bond Index Fund	3,290,104
CollegeCounts Fund 70	Vanguard Total Bond Market Index Fund	10,865,639
CollegeCounts Fund 70	Vanguard Total International Stock Index Fund	12,420,599
CollegeCounts Fund 70	Vanguard Real Estate Index Fund	3,730,575
Total CollegeCounts Fund 70		<u>54,397,434</u>
CollegeCounts Fund 80	Vanguard Total Stock Market Index Fund	33,122,711
CollegeCounts Fund 80	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,996,668
CollegeCounts Fund 80	Vanguard Short-Term Bond Index Fund	2,677,107
CollegeCounts Fund 80	Vanguard Total Bond Market Index Fund	8,802,107
CollegeCounts Fund 80	Vanguard Total International Stock Index Fund	17,317,582
CollegeCounts Fund 80	Vanguard Real Estate Index Fund	3,309,388
Total CollegeCounts Fund 80		<u>67,225,563</u>
CollegeCounts Fund 90	Vanguard Total Stock Market Index Fund	16,287,604
CollegeCounts Fund 90	Vanguard Short-Term Inflation-Protected Securities Index Fund	600,780
CollegeCounts Fund 90	Vanguard Short-Term Bond Index Fund	602,903
CollegeCounts Fund 90	Vanguard Total Bond Market Index Fund	1,762,743
CollegeCounts Fund 90	Vanguard Total International Stock Index Fund	8,872,057
CollegeCounts Fund 90	Vanguard Real Estate Index Fund	1,783,051
Total CollegeCounts Fund 90		<u>29,909,138</u>
CollegeCounts Fund 100	Vanguard Total Stock Market Index Fund	22,557,280
CollegeCounts Fund 100	Vanguard Total International Stock Index Fund	14,412,992
CollegeCounts Fund 100	Vanguard Real Estate Index Fund	3,202,932
Total CollegeCounts Fund 100		<u>40,173,204</u>
		<u>\$ 675,079,571</u>

The following table reconciles the fair value of investments to the net position held in trust at September 30, 2020:

Fair value of investments, end of year	\$ 675,079,571
Plus cash, receivables and accrued investment income	3,182,591
Less payables and accrued expenses	<u>(848,235)</u>
Net position held in trust, end of year	<u>\$ 677,413,927</u>



**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 3: Investments - Continued**

The following table calculates the net realized gain and net appreciation in the value of investments for the year ended September 30, 2020:

Fair value of investments, end of year	\$ 675,079,571
Less cost of investments purchased and investment income reinvested during the year	(114,658,207)
Plus proceeds from investments sold during the year and management fees	46,846,086
Less net position held in trust, beginning of year	<u>(564,081,802)</u>
 Net realized gain and net appreciation in fair value of investments	 <u>\$ 43,185,648</u>

The mutual and money market funds in which the Plan invests are comprised of various investment securities, which include corporate debt and equity securities, obligations of the United States government and government agencies, and international equity securities. These securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with these investment securities, it is at least reasonably possible that changes in their fair values may occur in the near term and that such changes could materially affect account owner balances and the amounts reported in the Plan’s financial statements.

GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*, as amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that certain disclosures be made related to the Plan’s exposure to credit risk, interest rate risk and foreign currency risk, which are included in the paragraphs that follow.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Plan’s investment policy does not specifically address credit risk, as permitted investments are generally mutual funds. At September 30, 2020, approximately 11% of the investments in the plan have an AAA risk rating, 80% have a Baa>AA risk rating, and 4% have a B>Ba risk rating. Approximately 5% of the investments in the plan are not rated.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 3: Investments - Continued**

Interest Rate Risk – Although the investment funds listed below are invested primarily in short and intermediate-term bonds, these Underlying Funds are exposed to interest rate risk, which is the risk that changes in interest rates will adversely affect their fair values. As of September 30, 2020, the average duration and effective maturity of holdings in each of these mutual funds was as follows:

	<u>Average Duration</u>	<u>Average Maturity</u>
PIMCO Short-Term	.13 years	(0.10) years
Vanguard Total Bond Market Index	6.6 years	8.5 years
Vanguard Prime MoneyMarket	102 days	56 days
Vanguard Inflation-Protected Securities	7.3 years	8.1 years
Vanguard Short-Term Bond Index	2.8 years	2.9 years
Vanguard Short-Term Inflation-Protected	2.7 years	2.7 years
Fidelity Advisor Investment Grade Bond	6.05 years	7.9 years
T.Rowe Price Balanced	5.7 years	7.4 years
PGIM Total Return Bond Fund	6.94 years	-

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Since the Underlying Funds represent shares of mutual funds rather than individual securities, they are not subject to classification by custodial credit risk.

Concentration of Credit Risk – The Plan places no limit on the amount that may be invested in any one issuer; however, approximately 95% of the investments are with mutual funds and approximately 5% are invested in money market funds.

Foreign Currency Risk – This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Plan’s exposure to foreign currency risk derives from its investment in Underlying Funds with international holdings. The Plan had no investments denominated in foreign currency at September 30, 2020.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 4: Fees and Expenses**

***Asset-Based Fees***

The Portfolios are assessed a program management fee of 0.17%, which is accrued daily and paid to the Program Manager for providing administrative and management services. In its sole discretion, the Program Manager may waive a portion of the program management fees. Asset-based fees related to the year ended September 30, 2020, or the program management fee, totaled \$1,399,668.

***Underlying Fund Expenses***

Fees related to the management of each of the Underlying Funds are paid directly to the related fund manager or advisor and reduce the amount of income available for distribution to Portfolios. These expenses are not reflected in the Plan's financial statements. The expense ratio of the Underlying Funds, which are the ratios of the total operating expenses of the Underlying Funds as a percentage of their average daily net position, vary over time and ranged from 0.04% to 0.07% for the Age-Based, 0.04% to 0.07% for the Target Portfolios and 0.00% to 0.63% for the Individual Fund Portfolios for the year ended September 30, 2020.

**Note 5: Related Party Investments**

A related entity of the State of Alabama has investment accounts in the Plan totaling approximately 2% of fiduciary net position held in trust at September 30, 2020.

**Note 6: Disclosures About Fair Value of Assets**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 6: Disclosures About Fair Value of Assets - Continued**

- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2020:

	Fair Value	Fair Value Measurements Using		
		Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Equity securities				
Money market mutual funds	\$ 33,021,595	\$ 33,021,595	\$ -	\$ -
Mutual funds	<u>642,057,976</u>	642,057,976	-	-
Total investments measured at fair value	<u>\$ 675,079,571</u>			

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There were no Level 2 or Level 3 securities at September 30, 2020.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2020**

**Note 7: Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the account owners' account balances and the amounts reported in the statements of net position available for benefits.

The financial statements have been prepared using values and information currently available to the Plan. Given the potential volatility of economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

As a result of the spread of the SARS – CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position of the Plan. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

**Note 8: Subsequent Events**

Subsequent events have been evaluated through February 22, 2021, which is the date the financial statements were available to be issued.

## **Supplemental Schedules**

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2020**

	Portfolio						
	Direct Bank Savings 529 Portfolio	DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Small Cap Value 529 Portfolio	Dodge & Cox International Stock 529 Portfolio	Fidelity Advisor Investment Grade Bond 529 Portfolio	PGIM Total Return Bond 529 Portfolio	PIMCO Short- Term 529 Portfolio
<b>Fiduciary Assets</b>							
Investments, at fair value	\$ -	\$ 1,622,308	\$ 820,141	\$ 1,909,550	\$ 893,352	\$ 282,111	\$ 1,810,427
Cash in Bank Savings Portfolio	1,618,441	-	-	-	-	-	-
Cash	-	897	270	1,031	-	-	-
Receivables for contributions	93	75	85	1,545	-	-	145
Accrued investment income	563	9,630	3,149	-	1,135	723	1,445
	<u>1,619,097</u>	<u>1,632,910</u>	<u>823,645</u>	<u>1,912,126</u>	<u>894,487</u>	<u>282,834</u>	<u>1,812,017</u>
<b>Liabilities</b>							
Distributions payable to shareholders	88	-	-	-	-	-	-
Withdrawals payable	-	-	-	-	-	-	-
Accrued expenses	191	230	118	279	124	39	254
	<u>279</u>	<u>230</u>	<u>118</u>	<u>279</u>	<u>124</u>	<u>39</u>	<u>254</u>
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 1,618,818</u>	<u>\$ 1,632,680</u>	<u>\$ 823,527</u>	<u>\$ 1,911,847</u>	<u>\$ 894,363</u>	<u>\$ 282,795</u>	<u>\$ 1,811,763</u>
<b>Unit Information</b>							
Units outstanding	1,618,818	127,801	82,919	214,092	68,175	26,760	153,517
Net position value per unit, ending	\$ 1.00	\$ 12.78	\$ 9.93	\$ 8.93	\$ 13.12	\$ 10.57	\$ 11.86
Net position value per unit, beginning	\$ -	\$ 13.95	\$ 11.83	\$ 9.88	\$ 12.06	\$ -	\$ 11.51

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2020**

	Portfolio						
	T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Large-Cap Growth 529 Portfolio	Vanguard Explorer 529 Portfolio	Vanguard 500 Index 529 Portfolio	Vanguard Extended Market Index 529 Portfolio	Vanguard Growth Index 529 Portfolio	Vanguard Inflation- Protected Securities 529 Portfolio
<b>Fiduciary Assets</b>							
Investments, at fair value	\$ 6,678,722	\$ 10,929,251	\$ 2,070,752	\$ 34,377,741	\$ 2,191,539	\$ 21,519,891	\$ 2,504,614
Cash in Bank Savings Portfolio	-	-	-	-	-	-	-
Cash	-	-	165	623	47	100	4
Receivables for contributions	472	3,521	94	9,559	37	7,795	158
Accrued investment income	-	-	-	-	-	-	6,873
<b>Total fiduciary assets</b>	<b>6,679,194</b>	<b>10,932,772</b>	<b>2,071,011</b>	<b>34,387,923</b>	<b>2,191,623</b>	<b>21,527,786</b>	<b>2,511,649</b>
<b>Liabilities</b>							
Distributions payable to shareholders	-	-	-	-	-	-	-
Withdrawals payable	-	-	-	-	-	210	-
Accrued expenses	2,566	2,162	286	4,778	307	2,984	351
<b>Total liabilities</b>	<b>2,566</b>	<b>2,162</b>	<b>286</b>	<b>4,778</b>	<b>307</b>	<b>3,194</b>	<b>351</b>
<b>Fiduciary Net Position Held in Trust</b>	<b>\$ 6,676,628</b>	<b>\$ 10,930,610</b>	<b>\$ 2,070,725</b>	<b>\$ 34,383,145</b>	<b>\$ 2,191,316</b>	<b>\$ 21,524,592</b>	<b>\$ 2,511,298</b>
<b>Unit Information</b>							
Units outstanding	286,140	407,597	113,526	960,926	69,907	456,255	178,325
Net position value per unit, ending	\$ 23.33	\$ 26.82	\$ 18.24	\$ 35.78	\$ 31.35	\$ 47.18	\$ 14.08
Net position value per unit, beginning	\$ 21.27	\$ 19.78	\$ 16.10	\$ 31.13	\$ 27.79	\$ 34.23	\$ 12.85



**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2020**

	<b>Portfolio</b>						
	<b>Vanguard Mid-Cap Index 529 Portfolio</b>	<b>Vanguard Prime Money Market 529 Portfolio</b>	<b>Vanguard Real Estate Index 529 Portfolio</b>	<b>Vanguard Small-Cap Growth Index 529 Portfolio</b>	<b>Vanguard Small-Cap Index 529 Portfolio</b>	<b>Vanguard Small-Cap Value Index 529 Portfolio</b>	<b>Vanguard Total Bond Market Index 529 Portfolio</b>
<b>Fiduciary Assets</b>							
Investments, at fair value	\$ 9,806,961	\$ 17,440,737	\$ 4,000,245	\$ 8,424,483	\$ 4,144,340	\$ 2,926,852	\$ 14,163,770
Cash in Bank Savings Portfolio	-	-	-	-	-	-	-
Cash	-	-	102	-	121	253	-
Receivables for contributions	552	1,085	544	917	150	108	2,659
Accrued investment income	-	867	-	-	-	-	24,201
	<u>9,807,513</u>	<u>17,442,689</u>	<u>4,000,891</u>	<u>8,425,400</u>	<u>4,144,611</u>	<u>2,927,213</u>	<u>14,190,630</u>
<b>Liabilities</b>							
Distributions payable to shareholders	-	-	-	-	-	-	-
Withdrawals payable	105	-	-	105	-	-	-
Accrued expenses	2,038	720	566	1,958	576	415	12,948
	<u>2,143</u>	<u>720</u>	<u>566</u>	<u>2,063</u>	<u>576</u>	<u>415</u>	<u>12,948</u>
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 9,805,370</u>	<u>\$ 17,441,969</u>	<u>\$ 4,000,325</u>	<u>\$ 8,423,337</u>	<u>\$ 4,144,035</u>	<u>\$ 2,926,798</u>	<u>\$ 14,177,682</u>
<b>Unit Information</b>							
Units outstanding	317,526	17,443,678	182,501	238,622	147,783	130,188	1,003,479
Net position value per unit, ending	\$ 30.88	\$ 1.00	\$ 21.92	\$ 35.30	\$ 28.04	\$ 22.48	\$ 14.13
Net position value per unit, beginning	\$ 28.90	\$ 1.00	\$ 24.99	\$ 29.78	\$ 27.78	\$ 25.77	\$ 13.23

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2020**

	<b>Portfolio</b>					
	<b>Vanguard Total International Stock Index 529 Portfolio</b>	<b>Vanguard Total Stock Market Index 529 Portfolio</b>	<b>Vanguard Value Index 529 Portfolio</b>	<b>Vanguard Short-Term Inflation- Protected 529 Portfolio</b>	<b>Vanguard Short-Term Bond Index 529 Portfolio</b>	<b>CollegeCounts Fixed Income Fund</b>
<b>Fiduciary Assets</b>						
Investments, at fair value	\$ 11,444,092	\$ 21,292,842	\$ 5,402,367	\$ 800,755	\$ 3,465,944	\$ 9,483,880
Cash in Bank Savings Portfolio	-	-	-	-	-	-
Cash	626	-	217	-	-	-
Receivables for contributions	8,384	9,117	394	1,779	1,408	1,795
Accrued investment income	-	-	-	4,454	4,527	12,978
	<u>11,453,102</u>	<u>21,301,959</u>	<u>5,402,978</u>	<u>806,988</u>	<u>3,471,879</u>	<u>9,498,653</u>
<b>Total fiduciary assets</b>						
	<u>11,453,102</u>	<u>21,301,959</u>	<u>5,402,978</u>	<u>806,988</u>	<u>3,471,879</u>	<u>9,498,653</u>
<b>Liabilities</b>						
Distributions payable to shareholders	-	-	-	-	-	-
Withdrawals payable	105	-	105	-	1,400	1,585
Accrued expenses	1,587	3,216	774	1,235	475	2,838
	<u>1,692</u>	<u>3,216</u>	<u>879</u>	<u>1,235</u>	<u>1,875</u>	<u>4,423</u>
<b>Total liabilities</b>						
	<u>1,692</u>	<u>3,216</u>	<u>879</u>	<u>1,235</u>	<u>1,875</u>	<u>4,423</u>
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 11,451,410</u>	<u>\$ 21,298,743</u>	<u>\$ 5,402,099</u>	<u>\$ 805,753</u>	<u>\$ 3,470,004</u>	<u>\$ 9,494,230</u>
<b>Unit Information</b>						
Units outstanding	748,745	603,463	197,655	73,547	302,305	817,026
Net position value per unit, ending	\$ 15.29	\$ 35.29	\$ 27.33	\$ 10.96	\$ 11.48	\$ 11.62
Net position value per unit, beginning	\$ 14.76	\$ 30.73	\$ 28.34	\$ 10.49	\$ 10.98	\$ 11.28

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2020**

	<b>Portfolio</b>					
	<b>CollegeCounts Fund 10</b>	<b>CollegeCounts Fund 20</b>	<b>CollegeCounts Fund 30</b>	<b>CollegeCounts Fund 40</b>	<b>CollegeCounts Fund 50</b>	<b>CollegeCounts Fund 60</b>
<b>Fiduciary Assets</b>						
Investments, at fair value	\$ 28,685,998	\$ 47,120,523	\$ 48,072,895	\$ 52,395,419	\$ 49,646,039	\$ 57,045,691
Cash in Bank Savings Portfolio	-	-	-	-	-	-
Cash	7,265	26,976	14,732	-	20,582	97,342
Receivables for contributions	27,924	34,181	7,426	90,550	48,913	167,530
Accrued investment income	45,837	72,515	77,395	69,430	48,890	46,543
Total fiduciary assets	<u>28,767,024</u>	<u>47,254,195</u>	<u>48,172,448</u>	<u>52,555,399</u>	<u>49,764,424</u>	<u>57,357,106</u>
<b>Liabilities</b>						
Distributions payable to shareholders	-	-	-	-	-	-
Withdrawals payable	4,583	27,845	25,345	-	78,350	36,571
Accrued expenses	3,929	6,512	6,683	33,521	6,994	7,955
Total liabilities	<u>8,512</u>	<u>34,357</u>	<u>32,028</u>	<u>33,521</u>	<u>85,344</u>	<u>44,526</u>
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 28,758,512</u>	<u>\$ 47,219,838</u>	<u>\$ 48,140,420</u>	<u>\$ 52,521,878</u>	<u>\$ 49,679,080</u>	<u>\$ 57,312,580</u>
<b>Unit Information</b>						
Units outstanding	2,513,805	3,055,347	3,904,508	2,827,605	3,790,722	2,732,589
Net position value per unit, ending	\$ 11.44	\$ 15.45	\$ 12.33	\$ 18.57	\$ 13.11	\$ 20.97
Net position value per unit, beginning	\$ 10.86	\$ 14.51	\$ 11.45	\$ 17.10	\$ 12.00	\$ 19.22

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2020**

	<b>Portfolio</b>				
	<b>CollegeCounts Fund 70</b>	<b>CollegeCounts Fund 80</b>	<b>CollegeCounts Fund 90</b>	<b>CollegeCounts Fund 100</b>	<b>Plan Total</b>
<b>Fiduciary Assets</b>					
Investments, at fair value	\$ 54,397,434	\$ 67,225,563	\$ 29,909,138	\$ 40,173,204	\$ 675,079,571
Cash in Bank Savings Portfolio	-	-	-	-	1,618,441
Cash	-	14,929	61,136	-	247,418
Receivables for contributions	147,924	211,338	12,226	12,518	813,001
Accrued investment income	35,428	29,877	7,271	-	503,731
<b>Total fiduciary assets</b>	<b>54,580,786</b>	<b>67,481,707</b>	<b>29,989,771</b>	<b>40,185,722</b>	<b>678,262,162</b>
<b>Liabilities</b>					
Distributions payable to shareholders	-	-	-	-	88
Withdrawals payable	166,381	130,965	139,895	-	613,550
Accrued expenses	94,931	9,357	4,192	16,508	234,597
<b>Total liabilities</b>	<b>261,312</b>	<b>140,322</b>	<b>144,087</b>	<b>16,508</b>	<b>848,235</b>
<b>Fiduciary Net Position Held in Trust</b>	<b>\$ 54,319,474</b>	<b>\$ 67,341,385</b>	<b>\$ 29,845,684</b>	<b>\$ 40,169,214</b>	<b>\$ 677,413,927</b>
<b>Unit Information</b>					
Units outstanding	4,015,655	2,836,310	2,104,910	1,538,772	
Net position value per unit, ending	\$ 13.53	\$ 23.74	\$ 14.18	\$ 26.10	
Net position value per unit, beginning	\$ 12.43	\$ 21.70	\$ 12.99	\$ 24.05	

## CollegeCounts 529 Fund

### Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

For the Year Ended September 30, 2020

	Portfolio						
	Direct Bank Savings 529 Portfolio	DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Small Cap Value 529 Portfolio	Dodge & Cox International Stock 529 Portfolio	Fidelity Advisor Investment Grade Bond 529 Portfolio	MainStay Total Return Bond 529 Portfolio	PGIM Total Return Bond 529 Portfolio
<b>Additions</b>							
Contributions	\$ 67,972	\$ 255,173	\$ 206,438	\$ 440,971	\$ 133,612	\$ 46,428	\$ 13,284
Exchanges in	1,610,634	345,494	153,978	162,212	399,219	43,448	274,644
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	-	(159,762)	(149,409)	(285,489)	38,403	5,244	10,728
Dividends and interest	768	64,169	23,634	80,143	15,425	4,390	3,457
Net investment earnings	768	(95,593)	(125,775)	(205,346)	53,828	9,634	14,185
Total additions	1,679,374	505,074	234,641	397,837	586,659	99,510	302,113
<b>Deductions</b>							
Withdrawals	59,299	38,512	13,156	144,743	58,449	20,645	3,497
Exchanges out	1,000	125,076	150,124	204,525	269,228	393,383	15,598
Management fees	257	3,353	1,754	4,527	1,618	450	223
Total deductions	60,556	166,941	165,034	353,795	329,295	414,478	19,318
<b>Net Increase (Decrease)</b>	1,618,818	338,133	69,607	44,042	257,364	(314,968)	282,795
<b>Fiduciary Net Position, Beginning of Year</b>	-	1,294,547	753,920	1,867,805	636,999	314,968	-
<b>Fiduciary Net Position, End of Year</b>	\$ 1,618,818	\$ 1,632,680	\$ 823,527	\$ 1,911,847	\$ 894,363	\$ -	\$ 282,795
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	0.49%	-6.49%	-16.35%	-10.39%	7.52%	3.09%	5.53%
Ratio of expense to average net position **	0.16%	0.23%	0.23%	0.23%	0.23%	0.14%	0.09%
Total return ***	0.00%	-8.39%	-16.06%	-9.62%	8.79%	0.00%	0.00%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

## CollegeCounts 529 Fund

### Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

For the Year Ended September 30, 2020

	Portfolio						
	PIMCO Short- Term 529 Portfolio	T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Large-Cap Growth 529 Portfolio	Vanguard Explorer 529 Portfolio	Vanguard 500 Index 529 Portfolio	Vanguard Extended Market Index 529 Portfolio	Vanguard Growth Index 529 Portfolio
<b>Additions</b>							
Contributions	\$ 150,472	\$ 801,948	\$ 1,507,248	\$ 410,888	\$ 4,742,265	\$ 237,939	\$ 2,589,349
Exchanges in	230,078	375,637	1,062,994	145,036	2,541,293	153,402	2,802,526
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	9,235	386,828	2,533,640	163,742	3,599,709	238,500	5,522,892
Dividends and interest	42,755	203,024	323,348	94,284	963,489	27,077	154,882
Net investment earnings	51,990	589,852	2,856,988	258,026	4,563,198	265,577	5,677,774
Total additions	432,540	1,767,437	5,427,230	813,950	11,846,756	656,918	11,069,649
<b>Deductions</b>							
Withdrawals	384,106	723,697	660,002	174,034	1,142,116	92,673	931,185
Exchanges out	487,905	550,525	1,239,457	471,517	3,389,796	310,243	1,877,669
Management fees	4,709	14,270	20,127	4,336	69,542	4,555	38,033
Total deductions	876,720	1,288,492	1,919,586	649,887	4,601,454	407,471	2,846,887
<b>Net Increase (Decrease)</b>	(444,180)	478,945	3,507,644	164,063	7,245,302	249,447	8,222,762
<b>Fiduciary Net Position, Beginning of Year</b>	2,255,943	6,197,683	7,422,966	1,906,662	27,137,843	1,941,869	13,301,830
<b>Fiduciary Net Position, End of Year</b>	\$ 1,811,763	\$ 6,676,628	\$ 10,930,610	\$ 2,070,725	\$ 34,383,145	\$ 2,191,316	\$ 21,524,592
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	2.56%	9.46%	32.01%	13.57%	14.94%	13.29%	33.57%
Ratio of expense to average net position **	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.22%
Total return ***	3.04%	9.69%	35.59%	13.29%	14.94%	12.81%	37.83%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

## CollegeCounts 529 Fund

### Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

#### For the Year Ended September 30, 2020

	Portfolio						
	Vanguard Inflation- Protected Securities 529 Portfolio	Vanguard Mid- Cap Index 529 Portfolio	Vanguard Prime Money Market 529 Portfolio	Vanguard Real Estate Index 529 Portfolio	Vanguard Small-Cap Growth Index 529 Portfolio	Vanguard Small-Cap Index 529 Portfolio	Vanguard Small-Cap Value Index 529 Portfolio
<b>Additions</b>							
Contributions	\$ 490,572	\$ 1,075,180	\$ 5,963,538	\$ 635,078	\$ 1,042,956	\$ 575,349	\$ 489,282
Exchanges in	1,384,009	518,266	8,019,599	662,458	342,124	333,276	104,993
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	141,948	478,639	-	(729,019)	1,266,615	30,912	(503,933)
Dividends and interest	26,121	165,581	154,368	149,336	44,504	57,334	67,597
Net investment earnings	<u>168,069</u>	<u>644,220</u>	<u>154,368</u>	<u>(579,683)</u>	<u>1,311,119</u>	<u>88,246</u>	<u>(436,336)</u>
Total additions	<u>2,042,650</u>	<u>2,237,666</u>	<u>14,137,505</u>	<u>717,853</u>	<u>2,696,199</u>	<u>996,871</u>	<u>157,939</u>
<b>Deductions</b>							
Withdrawals	333,041	397,915	6,356,346	181,024	399,372	136,185	154,058
Exchanges out	735,808	718,593	4,845,894	867,412	802,240	481,391	521,242
Management fees	4,450	20,663	32,324	9,847	17,043	8,860	7,221
Total deductions	<u>1,073,299</u>	<u>1,137,171</u>	<u>11,234,564</u>	<u>1,058,283</u>	<u>1,218,655</u>	<u>626,436</u>	<u>682,521</u>
<b>Net Increase (Decrease)</b>	969,351	1,100,495	2,902,941	(340,430)	1,477,544	370,435	(524,582)
<b>Fiduciary Net Position, Beginning of Year</b>	<u>1,541,947</u>	<u>8,704,875</u>	<u>14,539,028</u>	<u>4,340,755</u>	<u>6,945,793</u>	<u>3,773,600</u>	<u>3,451,380</u>
<b>Fiduciary Net Position, End of Year</b>	<u>\$ 2,511,298</u>	<u>\$ 9,805,370</u>	<u>\$ 17,441,969</u>	<u>\$ 4,000,325</u>	<u>\$ 8,423,337</u>	<u>\$ 4,144,035</u>	<u>\$ 2,926,798</u>
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	8.51%	7.12%	0.98%	-13.59%	17.51%	2.28%	-13.97%
Ratio of expense to average net position **	0.23%	0.23%	0.21%	0.23%	0.23%	0.23%	0.23%
Total return ***	9.57%	6.85%	0.00%	-12.28%	18.54%	0.94%	-12.77%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

**CollegeCounts 529 Fund**  
**Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio**  
**For the Year Ended September 30, 2020**

	Portfolio						
	Vanguard Total Bond Market Index 529 Portfolio	Vanguard Total International Stock Index 529 Portfolio	Vanguard Total Stock Market Index 529 Portfolio	Vanguard Value Index 529 Portfolio	Vanguard Short-Term Inflation- Protected 529 Portfolio	Vanguard Short-Term Bond Index 529 Portfolio	CollegeCounts Fixed Income Fund
<b>Additions</b>							
Contributions	\$ 1,157,613	\$ 1,481,814	\$ 4,003,012	\$ 648,325	\$ 70,994	\$ 499,522	\$ 1,783,560
Exchanges in	2,681,548	2,041,660	1,815,398	472,297	280,163	1,930,296	4,970,500
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	573,387	42,345	2,666,671	(333,801)	22,710	85,260	127,726
Dividends and interest	310,198	274,471	348,265	159,044	9,588	59,489	105,378
Net investment earnings	883,585	316,816	3,014,936	(174,757)	32,298	144,749	233,104
Total additions	4,722,746	3,840,290	8,833,346	945,865	383,455	2,574,567	6,987,164
<b>Deductions</b>							
Withdrawals	553,351	391,192	1,906,555	273,826	35,887	308,838	3,001,387
Exchanges out	1,709,279	1,009,571	2,295,715	576,902	163,711	1,072,637	471,259
Management fees	29,312	24,005	42,588	12,340	1,610	6,891	16,858
Total deductions	2,291,942	1,424,768	4,244,858	863,068	201,208	1,388,366	3,489,504
<b>Net Increase (Decrease)</b>	2,430,804	2,415,522	4,588,488	82,797	182,247	1,186,201	3,497,660
<b>Fiduciary Net Position, Beginning of Year</b>	11,746,878	9,035,888	16,710,255	5,319,302	623,506	2,283,803	5,996,570
<b>Fiduciary Net Position, End of Year</b>	\$ 14,177,682	\$ 11,451,410	\$ 21,298,743	\$ 5,402,099	\$ 805,753	\$ 3,470,004	\$ 9,494,230
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	6.88%	3.01%	16.08%	-3.25%	4.58%	4.78%	3.12%
Ratio of expense to average net position **	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
Total return ***	6.80%	3.59%	14.84%	-3.56%	4.48%	4.55%	3.01%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.



**CollegeCounts 529 Fund**  
**Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio**  
**For the Year Ended September 30, 2020**

	Portfolio						
	CollegeCounts Fund 10	CollegeCounts Fund 20	CollegeCounts Fund 30	CollegeCounts Fund 40	CollegeCounts Fund 50	CollegeCounts Fund 60	CollegeCounts Fund 70
<b>Additions</b>							
Contributions	\$ 4,173,006	\$ 6,455,702	\$ 5,517,077	\$ 5,995,096	\$ 5,949,186	\$ 6,924,080	\$ 8,321,296
Exchanges in	13,501,063	22,580,964	25,960,994	25,123,962	23,365,042	24,220,624	18,980,703
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	878,749	1,964,326	2,420,920	3,120,741	3,111,559	3,695,862	3,396,117
Dividends and interest	440,072	883,108	916,809	1,073,773	1,007,742	1,152,814	1,117,446
Net investment earnings	1,318,821	2,847,434	3,337,729	4,194,514	4,119,301	4,848,676	4,513,563
Total additions	<u>18,992,890</u>	<u>31,884,100</u>	<u>34,815,800</u>	<u>35,313,572</u>	<u>33,433,529</u>	<u>35,993,380</u>	<u>31,815,562</u>
<b>Deductions</b>							
Withdrawals	6,967,587	9,115,943	3,102,816	1,578,886	529,962	1,875,975	994,610
Exchanges out	4,282,176	15,512,246	22,539,003	28,066,168	24,502,643	25,429,457	22,441,465
Management fees	55,247	99,804	98,356	113,114	103,766	118,594	114,040
Total deductions	<u>11,305,010</u>	<u>24,727,993</u>	<u>25,740,175</u>	<u>29,758,168</u>	<u>25,136,371</u>	<u>27,424,026</u>	<u>23,550,115</u>
<b>Net Increase (Decrease)</b>	7,687,880	7,156,107	9,075,625	5,555,404	8,297,158	8,569,354	8,265,447
<b>Fiduciary Net Position, Beginning of Year</b>	<u>21,070,632</u>	<u>40,063,731</u>	<u>39,064,795</u>	<u>46,966,474</u>	<u>41,381,922</u>	<u>48,743,226</u>	<u>46,054,027</u>
<b>Fiduciary Net Position, End of Year</b>	<u>\$ 28,758,512</u>	<u>\$ 47,219,838</u>	<u>\$ 48,140,420</u>	<u>\$ 52,521,878</u>	<u>\$ 49,679,080</u>	<u>\$ 57,312,580</u>	<u>\$ 54,319,474</u>
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	5.42%	6.51%	7.73%	8.48%	9.05%	9.33%	9.03%
Ratio of expense to average net position **	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
Total return ***	5.34%	6.48%	7.69%	8.60%	9.25%	9.11%	8.85%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

**CollegeCounts 529 Fund**  
**Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio**  
**For the Year Ended September 30, 2020**

	Portfolio				
	CollegeCounts Fund 80	CollegeCounts Fund 90	CollegeCounts Fund 100	Eliminations	Plan Total
<b>Additions</b>					
Contributions	\$ 11,534,560	\$ 8,990,066	\$ 9,096,158	\$ -	\$ 104,477,009
Exchanges in	18,304,935	5,557,285	1,429,429	(214,882,183)	-
Investment Income					
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	4,375,031	2,022,880	2,415,742	-	43,185,648
Dividends and interest	1,350,487	625,679	863,740	-	13,363,789
Net investment earnings	5,725,518	2,648,559	3,279,482	-	56,549,437
Total additions	<u>35,565,013</u>	<u>17,195,910</u>	<u>13,805,069</u>	<u>(214,882,183)</u>	<u>161,026,446</u>
<b>Deductions</b>					
Withdrawals	1,631,401	273,744	1,348,638	-	46,294,653
Exchanges out	22,809,429	14,657,727	8,884,169	(214,882,183)	-
Management fees	140,974	65,388	88,619	-	1,399,668
Total deductions	<u>24,581,804</u>	<u>14,996,859</u>	<u>10,321,426</u>	<u>(214,882,183)</u>	<u>47,694,321</u>
<b>Net Increase (Decrease)</b>	10,983,209	2,199,051	3,483,643	-	113,332,125
<b>Fiduciary Net Position, Beginning of Year</b>	<u>56,358,176</u>	<u>27,646,633</u>	<u>36,685,571</u>	<u>-</u>	<u>564,081,802</u>
<b>Fiduciary Net Position, End of Year</b>	<u>\$ 67,341,385</u>	<u>\$ 29,845,684</u>	<u>\$ 40,169,214</u>	<u>\$ -</u>	<u>\$ 677,413,927</u>
<b>Financial Highlights For the Year</b>					
Ratio of net investment income to average net position*	9.27%	9.27%	8.47%		
Ratio of expense to average net position **	0.23%	0.23%	0.23%		
Total return ***	9.40%	9.16%	8.52%		

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

**CollegeCounts 529 Fund**  
**Schedule of Investments (Age-Based Target Portfolios)**  
**September 30, 2020**

		Portfolios					
Target Portfolios		CollegeCounts Fixed Income Fund	CollegeCounts Fund 10	CollegeCounts Fund 20	CollegeCounts Fund 30	CollegeCounts Fund 40	CollegeCounts Fund 50
<b>Age-Based Aggressive Portfolios</b>	Age of Beneficiary			<i>19 and over</i>	<i>17 - 18</i>	<i>15 - 16</i>	<i>13 - 14</i>
<b>Age-Based Moderate Portfolios</b>			<i>19 and over</i>	<i>17 - 18</i>	<i>15 - 16</i>	<i>13 - 14</i>	<i>11 - 12</i>
<b>Age-Based Conservative Portfolios</b>		<i>19 and over</i>	<i>17 - 18</i>	<i>15 - 16</i>	<i>13 - 14</i>	<i>11 - 12</i>	<i>9 - 10</i>
Vanguard Prime Money Market Fund		\$ 4,746,457	\$ 6,602,580	\$ 4,231,821	\$ -	\$ -	\$ -
<b>Money Market Total</b>		<u>4,746,457</u>	<u>6,602,580</u>	<u>4,231,821</u>	<u>-</u>	<u>-</u>	<u>-</u>
Vanguard Short-Term Bond Index		1,898,583	6,311,099	11,760,767	10,538,406	7,360,025	5,490,653
Vanguard Total Bond Market Index Fund		1,422,699	8,886,904	16,460,077	16,776,529	19,340,813	17,314,169
Vanguard Short-Term Inflation-Protected Securities Fund		1,416,141	3,992,655	5,133,514	6,188,785	4,715,705	2,001,082
<b>Fixed Income Total</b>		<u>4,737,423</u>	<u>19,190,658</u>	<u>33,354,358</u>	<u>33,503,720</u>	<u>31,416,543</u>	<u>24,805,904</u>
Vanguard Real Estate Index Fund		-	290,184	1,421,849	1,461,551	1,534,947	1,461,533
<b>Real Estate Total</b>		<u>-</u>	<u>290,184</u>	<u>1,421,849</u>	<u>1,461,551</u>	<u>1,534,947</u>	<u>1,461,533</u>
Vanguard Total Stock Market Index Fund		-	2,031,728	6,220,680	9,259,583	13,186,145	15,977,418
<b>Domestic Equity Total</b>		<u>-</u>	<u>2,031,728</u>	<u>6,220,680</u>	<u>9,259,583</u>	<u>13,186,145</u>	<u>15,977,418</u>
Vanguard Total International Stock Index Fund		-	570,848	1,891,815	3,848,041	6,257,784	7,401,184
<b>International Equity Total</b>		<u>-</u>	<u>570,848</u>	<u>1,891,815</u>	<u>3,848,041</u>	<u>6,257,784</u>	<u>7,401,184</u>
<b>Fair Value of Investments, End of Year</b>		<u>\$ 9,483,880</u>	<u>\$ 28,685,998</u>	<u>\$ 47,120,523</u>	<u>\$ 48,072,895</u>	<u>\$ 52,395,419</u>	<u>\$ 49,646,039</u>
<b>Fair Value of Investments, End of Year</b>		\$ 9,483,880	\$ 28,685,998	\$ 47,120,523	\$ 48,072,895	\$ 52,395,419	\$ 49,646,039
<b>Plus Cash and Accrued Investment Income</b>		14,773	81,026	133,672	99,553	159,980	118,385
<b>Less Payables and Accrued Expenses</b>		<u>(4,423)</u>	<u>(8,512)</u>	<u>(34,357)</u>	<u>(32,028)</u>	<u>(33,521)</u>	<u>(85,344)</u>
<b>Fiduciary Net Position Held in Trust, End of Year</b>		<u>\$ 9,494,230</u>	<u>\$ 28,758,512</u>	<u>\$ 47,219,838</u>	<u>\$ 48,140,420</u>	<u>\$ 52,521,878</u>	<u>\$ 49,679,080</u>

**CollegeCounts 529 Fund**  
**Schedule of Investments (Age-Based Target Portfolios)**  
**September 30, 2020**

Target Portfolios	Portfolios				
	CollegeCounts Fund 60	CollegeCounts Fund 70	CollegeCounts Fund 80	CollegeCounts Fund 90	CollegeCounts Fund 100
<b>Age-Based Aggressive Portfolios</b>	<i>11 - 12</i>	<i>9 - 10</i>	<i>6 - 8</i>	<i>3 - 5</i>	<i>newborn to 2</i>
<b>Age-Based Moderate Portfolios</b>	<i>9 - 10</i>	<i>6 - 8</i>	<i>3 - 5</i>	<i>newborn to 2</i>	
<b>Age-Based Conservative Portfolios</b>	<i>6 - 8</i>	<i>3 - 5</i>	<i>newborn to 2</i>		
Vanguard Prime Money Market Fund	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Money Market Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Vanguard Short-Term Bond Index	5,212,696	3,290,104	2,677,107	602,903	-
Vanguard Total Bond Market Index Fund	15,354,369	10,865,639	8,802,107	1,762,743	-
Vanguard Short-Term Inflation-Protected Securities Fund	2,306,506	2,179,845	1,996,668	600,780	-
<b>Fixed Income Total</b>	<u>22,873,571</u>	<u>16,335,588</u>	<u>13,475,882</u>	<u>2,966,426</u>	<u>-</u>
Vanguard Real Estate Index Fund	2,788,478	3,730,575	3,309,388	1,783,051	3,202,932
<b>Real Estate Total</b>	<u>2,788,478</u>	<u>3,730,575</u>	<u>3,309,388</u>	<u>1,783,051</u>	<u>3,202,932</u>
Vanguard Total Stock Market Index Fund	20,669,286	21,910,672	33,122,711	16,287,604	22,557,280
<b>Domestic Equity Total</b>	<u>20,669,286</u>	<u>21,910,672</u>	<u>33,122,711</u>	<u>16,287,604</u>	<u>22,557,280</u>
Vanguard Total International Stock Index Fund	10,714,356	12,420,599	17,317,582	8,872,057	14,412,992
<b>International Equity Total</b>	<u>10,714,356</u>	<u>12,420,599</u>	<u>17,317,582</u>	<u>8,872,057</u>	<u>14,412,992</u>
<b>Fair Value of Investments, End of Year</b>	<u>\$ 57,045,691</u>	<u>\$ 54,397,434</u>	<u>\$ 67,225,563</u>	<u>\$ 29,909,138</u>	<u>\$ 40,173,204</u>
<b>Fair Value of Investments, End of Year</b>	\$ 57,045,691	\$ 54,397,434	\$ 67,225,563	\$ 29,909,138	\$ 40,173,204
<b>Plus Cash and Accrued Investment Income</b>	311,415	183,352	256,144	80,633	12,518
<b>Less Payables and Accrued Expenses</b>	<u>(44,526)</u>	<u>(261,312)</u>	<u>(140,322)</u>	<u>(144,087)</u>	<u>(16,508)</u>
<b>Fiduciary Net Position Held in Trust, End of Year</b>	<u>\$ 57,312,580</u>	<u>\$ 54,319,474</u>	<u>\$ 67,341,385</u>	<u>\$ 29,845,684</u>	<u>\$ 40,169,214</u>

**CollegeCounts 529 Fund**  
**Combining Schedule of Fiduciary Net Position**  
**September 30, 2020**

	<b>CollegeCounts 529 Fund</b>	<b>CollegeCounts 529 Fund Advisor Plan</b>	<b>Eliminations</b>	<b>Combined Totals</b>
<b>Fiduciary Assets</b>				
Investments, at fair value	\$ 675,079,571	\$ 1,316,201,453	\$ -	\$ 1,991,281,024
Cash in Bank Savings Portfolio	1,618,441	627,400	-	2,245,841
Cash	247,418	384,428	-	631,846
Receivables for contributions	813,001	2,180,124	-	2,993,125
Accrued investment income	503,731	1,019,511	-	1,523,242
	<u>678,262,162</u>	<u>1,320,412,916</u>	<u>-</u>	<u>1,998,675,078</u>
<b>Liabilities</b>				
Distributions payable to shareholders	88	62	-	150
Withdrawals payable	613,550	2,199,966	-	2,813,516
Accrued expenses	234,597	1,841,939	-	2,076,536
	<u>848,235</u>	<u>4,041,967</u>	<u>-</u>	<u>4,890,202</u>
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 677,413,927</u>	<u>\$ 1,316,370,949</u>	<u>\$ -</u>	<u>\$ 1,993,784,876</u>

The combining schedule above does not purport to and does not represent the complete net position of the ACES Trust Fund, of which the plans are a part.

**CollegeCounts 529 Fund**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2020**

	<b>CollegeCounts 529 Fund</b>	<b>CollegeCounts 529 Fund Advisor Plan</b>	<b>Eliminations</b>	<b>Combined Totals</b>
<b>Additions</b>				
Contributions	\$ 104,477,009	\$ 139,581,712	\$ (45,992,885)	\$ 198,065,836
Investment income				
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	43,185,648	41,992,623	-	85,178,271
Dividends and interest	13,363,789	40,382,233	-	53,746,022
Total investment earnings	<u>56,549,437</u>	<u>82,374,856</u>	<u>-</u>	<u>138,924,293</u>
Total additions	<u>161,026,446</u>	<u>221,956,568</u>	<u>(45,992,885)</u>	<u>336,990,129</u>
<b>Deductions</b>				
Withdrawals	46,294,653	151,434,607	(45,992,885)	151,736,375
Management fees	1,399,668	8,722,143	-	10,121,811
Total deductions	<u>47,694,321</u>	<u>160,156,750</u>	<u>(45,992,885)</u>	<u>161,858,186</u>
<b>Net Increase</b>	113,332,125	61,799,818	-	175,131,943
<b>Fiduciary Net Position Held in Trust, Beginning of Year</b>	<u>564,081,802</u>	<u>1,254,571,131</u>	<u>-</u>	<u>1,818,652,933</u>
<b>Fiduciary Net Position Held in Trust, End of Year</b>	<u>\$ 677,413,927</u>	<u>\$ 1,316,370,949</u>	<u>\$ -</u>	<u>\$ 1,993,784,876</u>

The combining schedule above does not purport to and does not represent the complete changes in net position of the ACES Trust Fund, of which the plans are a part.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards**

Members of the Board of Trustees of CollegeCounts 529 Fund  
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)  
Montgomery, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the CollegeCounts 529 Fund (the Plan), which comprise the statement of fiduciary net position as of September 30, 2020, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 22, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Lincoln, Nebraska  
February 22, 2021



## Independent Accountant's Report

Members of the Board of Trustees of CollegeCounts 529 Fund  
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)  
Montgomery, Alabama

We have examined CollegeCounts 529 Fund's (the Plan) compliance with the Program Management Fee during the year ended September 30, 2020, to determine whether it has been calculated in accordance with section 8(a) of the Program Management Agreement dated July 1, 2010 between Alabama College Education Savings Trust Fund and Program Manager. Management is responsible for calculating the Program Management Fee in accordance with the provisions of the agreement. Our responsibility is to express an opinion on the Plan's compliance with the Program Management Fee during the year ended September 30, 2020, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Plan's compliance with the Program Management Fee is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Plan's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Plan's compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Plan's Program Management Fee during the year ended September 30, 2020, has been calculated in accordance with section 8(a) of the Program Management Agreement dated July 1, 2020 between Alabama College Education Savings Trust Fund and the Program Manager, in all material respects.

This report is intended solely for the information and use of the Board of Trustees of the Alabama College Education Savings Trust Fund and the Program Manager of the Plan, and is not intended to be and should not be used by anyone other than the specified parties.

*BKD, LLP*

Lincoln, Nebraska  
February 22, 2021