

3RD QUARTER 2015

MAKE YOUR 2015 CONTRIBUTIONS NOW!

If you haven't maximized your contributions for the 2015 Alabama state income tax deduction, don't delay—make your contributions now! Contributions are deductible for Alabama state income tax purposes up to \$5,000 for individuals or up to \$10,000 for those who are married and filing jointly. It's easy to make a contribution by logging in at CollegeCounts529.com or by mailing a check. Keep in mind that the deadline for 2015 contributions is December 31st. Contribute now so you don't forget during the busy month of December.

Encourage family members and friends to contribute to your account as well – any Alabama taxpayer can obtain the benefit of the deduction for contributions they make to CollegeCounts. You can send a contribution invitation through GiftED after logging in at CollegeCounts529.com. GiftED is a great way for your loved ones to contribute to your account to obtain the Alabama tax deduction or to make birthday or holiday gifts.

If you plan to make any large gifts of up to \$14,000 (\$28,000 for joint filers) to CollegeCounts for your beneficiaries in 2015, we recommend making those contributions prior to December 24th to allow enough time for the funds to clear your bank account prior to the end of the year. Be sure to consult your tax professional regarding any gifting you plan to do.

ROLLOVER CONTRIBUTIONS

If you have made investments in out-of-state 529 programs, you may wish to consider completing a rollover to your CollegeCounts account in order to gain the benefit of the Alabama state income tax deduction. Alabama taxpayers can deduct the full amount of rollover contributions that are completed prior to December 31st for Alabama state income tax purposes. Keep in mind that a same beneficiary rollover can only be completed once every 12 months. If you completed a rollover last year, you will want to coordinate the timing of any 2015 rollovers with the 2014 rollover date. Please contact our customer care team at 866.529.2228 with any questions you have about completing a rollover before the end of the year.

WITHDRAWALS FOR 2015

We recommend that you match all of your withdrawals to the year in which your qualified higher education expenses are incurred. If you need to request any withdrawals for expenses you have incurred in 2015, please complete the withdrawal prior to December 31st. Likewise, when you receive your 2nd semester tuition bill, if the payment is due and made in January 2016 we recommend waiting until 2016 to request the withdrawal from your CollegeCounts account. It's easy to request a withdrawal by logging in at CollegeCounts529.com, completing the withdrawal request form, or contacting our customer care team at 866.529.2228.

INVEST *in*
WHAT'S NEXT

COLLEGECOUNTS529.COM | 866.529.2228



Offered by the
State of Alabama

UBT 529 SERVICES, a division of

UBT
Union Bank & Trust
Program Manager

INVESTING FOR THE LONG-TERM

In periods when the markets are fairly stable as well as when there is market volatility, we encourage college savings investors to utilize an investment strategy they are comfortable with over the long-term. Here are several interesting tips from the Investopedia web site:

- Don't sweat the small stuff:
As a long-term investor, you shouldn't panic when your investments experience short-term movements. When tracking the activities of your investments, you should look at the big picture. Remember to be confident in the quality of your investments rather than nervous about the inevitable volatility of the short term. ... the gains of a long-term investor come from a completely different market movement—the one that occurs over many years— so keep your focus on developing your overall investment philosophy by educating yourself.
- Pick a strategy and stick with it:
Different people use different methods to pick stocks and fulfill investing goals. There are many

ways to be successful and no one strategy is inherently better than any other. However, once you find your style, stick with it. An investor who flounders between different stock-picking strategies will probably experience the worst, rather than the best, of each. Constantly switching strategies effectively makes you a market timer, and this is definitely territory most investors should avoid. Take Warren Buffet's actions during the dotcom boom of the late '90s as an example. Buffet's value-oriented strategy had worked for him for decades, and – despite criticism from the media – it prevented him from getting sucked into tech startups that had no earnings and eventually crashed.

- Focus on the future: The tough part about investing is that we are trying to make informed decisions based on things that have yet to happen. It's important to keep in mind that even though we use past data as an indication of things to come, it's what happens in the future that matters most.
- Adopt a long-term perspective:
Large short-term profits can often entice those who are new

to the market. But adopting a long-term horizon and dismissing the "get in, get out and make a killing" mentality is a must for any investor. This doesn't mean that it's impossible to make money by actively trading in the short term. But, as we already mentioned, investing and trading are very different ways of making gains from the market. Trading involves very different risks that buy-and-hold investors don't experience. As such, active trading requires certain specialized skills.

Neither investing style is necessarily better than the other—both have their pros and cons. But active trading can be wrong for someone without the appropriate time, financial resources, education and desire.

CollegeCounts offers a diverse line-up of investment options from high-quality mutual fund families. Our goal is to meet the needs of any type of investor who wants to save for future college expenses. With the tips above in mind, investors can create a CollegeCounts investment portfolio that meets their objectives.

The CollegeCounts 529 Fund is a qualified tuition program under Section 529 of the Internal Revenue Code that is offered by the State of Alabama, administered by the Board of Trustees of the ACES Trust Fund (the "Trust" and plan issuer), marketed as the CollegeCounts 529 Fund and 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 of Alabama Treasurer's Office, the Board, the Trust, the Program, Union Bank & Trust Company or any other entity. Investment returns are not guaranteed and you could lose money by investing in the Plan.

An investor should consider the investment objectives, risks and charges and expenses associated with the Program before investing. This information is contained in the Program Disclosure Statement. Please read it carefully before investing. For a copy, visit CollegeCounts529.com or call 866.529.2228.

If you are not an Alabama taxpayer, consider before investing whether your or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.