CollegeCounts
Alabama's 529 Fund

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PLAN UPDATES

Upcoming Changes. In our efforts to continue to enhance the Program, we have the following changes to share.

- **Age-Based and Target Portfolio Asset Allocation Changes** – effective August 10, 2022, modifications will be made to the asset allocations in certain Age-Based and Target Portfolios. These changes are designed to increase diversification and enhance the risk/return profiles of the Portfolios. As detailed in the enclosed Program Disclosure Statement Supplement these modifications include (new funds to the plan indicated in bold):

  - Addition of high yield bond (**Vanguard High-Yield Corporate Fund**) and emerging markets debt (**Vanguard Emerging Markets Government Bond Index Fund**) allocations;
  - Reallocation of a portion of the Vanguard Total Bond Market Index allocations to the Vanguard High-Yield Corporate Fund and Vanguard Emerging Markets Government Bond Index Fund;
  - Reduction of the short-term bond allocation in the more equity-heavy Portfolios;
  - Modest asset allocation modifications to the Portfolios as reflected in the enclosed ***Program Disclosure Statement Supplement Exhibit C – Investment Portfolios and Mutual Fund Information***.

What do you need to do? As a current investor, no action will be required on your part. The changes will be made to the relevant investment portfolios after the close of the markets on August 10, 2022. Changes made by CollegeCounts should not be considered an investment change to your account.

If you would like to invest differently, you are allowed two investment changes per calendar year or upon a change of beneficiary.

<u>**Important Information**</u>**:** We have also enclosed the following important information:

- Program Disclosure Statement Supplement *(dated July 15, 2022)*

Thank you for investing with CollegeCounts!

CollegeCounts 529 Fund
866.529.2228

Offered by the State of Alabama

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. Except for any investments made by a Participant in the Bank Savings 529 Portfolio up to the limit provided by Federal Deposit Insurance Corporation ("FDIC") insurance, neither the principal contributed to an Account, nor earnings thereon, are guaranteed or insured by the State of Alabama, the State Treasurer of Alabama, the Board, the Trust, the Program, any other state, any agency or instrumentality thereof, Union Bank & Trust Company, the FDIC, or any other entity. Investment returns are not guaranteed. Account Owners in the Plan assume all investment risk, including the potential loss of principal.

An investor should consider the investment objectives, risks, and charges and expenses associated with municipal fund securities before investing. This and other important information is contained in the fund prospectuses and the CollegeCounts 529 Fund Program Disclosure Statement (issuer's official statement), which can be obtained by calling 866.529.2228 and at CollegeCounts529.com and should be read carefully before investing. You can lose money by investing in a portfolio. Each of the portfolios involves investment risks, which are described in the Program Disclosure Statement.

An investor should consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan. Investors should consult a tax advisor.

Not FDIC Insured | No Bank Guarantee | May Lose Value

(except the Bank Savings 529 Portfolio underlying investment)

CollegeCounts 529 Fund Direct Plan
Program Disclosure Statement

Supplement dated July 15, 2022 to the
Program Disclosure Statement dated July 1, 2020

The CollegeCounts 529 Fund Direct Plan (the "Plan") Program Disclosure Statement dated July 1, 2020, is hereby amended as set forth below. Except as amended herein, the Program Disclosure Statement remains in full force and effect. Unless otherwise defined herein, capitalized terms used in this Supplement (the "Supplement") shall have the respective meanings assigned to them in the Program Disclosure Statement. In the event of a conflict between the terms of the Program Disclosure Statement and the terms of this Supplement, the terms of this Supplement shall control.

Changes to the Asset Allocations of the Age-Based and Target Portfolios

Effective August 10, 2022, several modifications will be made to the asset allocations of the Age-Based and Target Portfolios. Page 6 of this Supplement sets forth the form of Exhibit C which will go into effect after close of business August 10, 2022. The changes include:

- Addition of the Vanguard High Yield Corporate Fund and Vanguard Emerging Markets Government Bond Index Fund to certain of the Age-Based and Target Portfolios with a reallocation of a portion of the Vanguard Short-Term Bond Index Fund and Vanguard Total Bond Market Index Fund allocations to the Vanguard High Yield Corporate Fund and the Vanguard Emerging Markets Government Bond Index Fund.
- Reduction of the short-term bond allocation in the more equity-heavy Portfolios;
- Modest asset class allocation updates as detailed on page 6 - Exhibit C.

Target Portfolios

The Target Portfolios Table on page 22 of the Program Disclosure Statement is hereby deleted in its entirety and replaced with the following.

	Domestic Equity	Real Estate	International Equity	Fixed Income	Money Market
Fund 100	57%	7%	36%		
Fund 80	48%	5%	27%	20%	
Fund 60	36%	4%	20%	40%	
Fund 40	25%	3%	12%	60%	
Fund 20	13%	2%	5%	72%	8%
Fixed Income Fund				50%	50%

New Asset Allocation Table

Page 21 of the Program Disclosure Statement is hereby deleted in its entirety and replaced with the following Table.

COLLEGECOUNTS 529 FUND AGE-BASED OPTIONS			
Beneficiary Age	**Aggressive Age-Based Option**	**Moderate Age-Based Option**	**Conservative Age-Based Option**
0-2 Years	57% Domestic Equity 7% Real Estate 36% International Equity	52% Domestic Equity 6% Real Estate 32% International Equity 10% Fixed Income	48% Domestic Equity 5% Real Estate 27% International Equity 20% Fixed Income
3-5 Years	52% Domestic Equity 6% Real Estate 32% International Equity 10% Fixed Income	48% Domestic Equity 5% Real Estate 27% International Equity 20% Fixed Income	42% Domestic Equity 5% Real Estate 23% International Equity 30% Fixed Income
6-8 Years	48% Domestic Equity 5% Real Estate 27% International Equity 20% Fixed Income	42% Domestic Equity 5% Real Estate 23% International Equity 30% Fixed Income	36% Domestic Equity 4% Real Estate 20% International Equity 40% Fixed Income
9-10 Years	42% Domestic Equity 5% Real Estate 23% International Equity 30% Fixed Income	36% Domestic Equity 4% Real Estate 20% International Equity 40% Fixed Income	30% Domestic Equity 4% Real Estate 16% International Equity 50% Fixed Income
11-12 Years	36% Domestic Equity 4% Real Estate 20% International Equity 40% Fixed Income	30% Domestic Equity 4% Real Estate 16% International Equity 50% Fixed Income	25% Domestic Equity 3% Real Estate 12% International Equity 60% Fixed Income
13-14 Years	30% Domestic Equity 4% Real Estate 16% International Equity 50% Fixed Income	25% Domestic Equity 3% Real Estate 12% International Equity 60% Fixed Income	20% Domestic Equity 2% Real Estate 8% International Equity 70% Fixed Income
15-16 Years	25% Domestic Equity 3% Real Estate 12% International Equity 60% Fixed Income	20% Domestic Equity 2% Real Estate 8% International Equity 70% Fixed Income	13% Domestic Equity 2% Real Estate 5% International Equity 72% Fixed Income 8% Money Market
17-18 Years	20% Domestic Equity 2% Real Estate 8% International Equity 70% Fixed Income	13% Domestic Equity 2% Real Estate 5% International Equity 72% Fixed Income 8% Money Market	7% Domestic Equity 1% Real Estate 2% International Equity 67% Fixed Income 23% Money Market
19 and over	13% Domestic Equity 2% Real Estate 5% International Equity 72% Fixed Income 8% Money Market	7% Domestic Equity 1% Real Estate 2% International Equity 67% Fixed Income 23% Money Market	50% Fixed Income 50% Money Market

Exhibit C – Investment Portfolios and Mutual Fund Information

Page 48 of the Program Disclosure Statement, as supplemented, is hereby deleted in its entirety and replaced with the Table on page 6.

New Underlying Investment Descriptions

"*Exhibit C – Investment Portfolios and Mutual Fund Information*" is hereby updated to include the summary and descriptions of the investment objectives and strategies, primary risks, and fees and expenses of the new underlying mutual funds as set forth below.

The descriptions are taken from the most recent prospectus of the funds dated prior to June 1, 2022, and is intended to summarize their respective investment objectives and policies.

All information below regarding the underlying mutual funds is obtained from the prospectus, fund company, and other public information of the fund, and neither Union Bank and Trust Company nor the Board guarantee the accuracy of such information.

Additional information, including the investment strategies and risks of each underlying mutual fund, is available in its current prospectus and Statement of Additional Information. You can request a copy of the current prospectus, the Statement of Additional Information, or the most recent semiannual or annual report of any underlying mutual fund by visiting the mutual fund's website, the CollegeCounts website at CollegeCounts529.com, or by calling 866.529.2228. Please read it carefully before investing. All investments carry some degree of risk which will affect the value of the fund's investments, investment performance, and price of its shares. It is possible to lose money by investing in the Plan.

Vanguard High-Yield Corporate Fund (Ticker: VWEAX)

Investment Objective

The fund seeks to provide a high level of current income.

Principal Investment Strategies

The fund invests primarily in a diversified group of high-yielding, higher-risk corporate bonds—commonly known as "junk bonds"—with medium- and lower-range credit quality ratings. The fund invests at least 80% of its assets in corporate bonds that are rated below Baa by Moody's Investors Service, Inc. (Moody's); have an equivalent rating by any other independent bond rating agency; or, if unrated, are determined to be of comparable quality by the fund's advisor.

The fund may not invest more than 20% of its assets in any of the following, in the aggregate: bonds with credit ratings lower than B or the equivalent, convertible securities, preferred stocks, and fixed and floating rate loans of medium- to lower-range credit quality. The loans in which the fund may invest will be rated Baa or below by Moody's; have an equivalent rating by any other independent bond rating agency; or, if unrated, are determined to be of comparable quality by the fund's advisor. The fund's high-yield bonds and loans mostly have short- and intermediate-term maturities.

Principal Risks

An investment in the fund could lose money over short or long periods of time. You should expect the fund's share price and total return to fluctuate within a wide range. The fund is subject to the following risks, which could affect the fund's performance, and the level of risk may vary based on market conditions:

- *Credit risk*, which is the chance that a bond or loan issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond or loan to decline. Credit risk should be high for the fund because it invests primarily in junk bonds.
- *Income risk*, which is the chance that the fund's income will decline because of falling interest rates. Income risk should be moderate to high for the fund, so investors should expect the fund's monthly income to fluctuate accordingly.
- *Call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. Such redemptions and subsequent reinvestments would also increase the fund's portfolio turnover rate. Call risk should be high for the fund because of the high percentage of callable bonds.

- *Interest rate risk*, which is the chance that bond or loan prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the fund because it invests primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.
- *Liquidity risk*, which is the chance that the fund may not be able to sell a security in a timely manner at a desired price.
- *Extension risk*, which is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. Extension risk should be low to moderate for the fund.
- *Manager risk*, which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

Because of the speculative nature of junk bonds, you should carefully consider the risks associated with this fund before you purchase shares. An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Average Annual Total Returns *For periods ended May 31, 2022*	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Expense Ratio**
Vanguard High-Yield Corporate Fund	-4.22%	3.13%	3.35%	4.99%	0.13%

Vanguard Emerging Markets Government Bond Index Fund (Ticker: VGIVX)

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of U.S. dollar-denominated bonds issued by governments and government-related issuers in emerging market countries.to provide a high level of current income.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Bloomberg USD Emerging Markets Government RIC Capped Index. This Index includes U.S. dollar-denominated bonds that have maturities longer than one year and that were issued by emerging market governments and government-related issuers. The Index is capped, which means that its exposure to any particular bond issuer is limited to a maximum of 20% and its aggregate exposure to issuers that individually constitute 5% or more of the Index is limited to 48%. If the Index, as constituted based on market weights, exceeds the 20% or 48% limits, the excess is reallocated to bonds of other issuers represented in the Index.

The fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the fund's investments will be selected through the sampling process, and under normal circumstances at least 80% of the fund's assets will be invested in bonds included in the Index. The fund maintains a dollar-weighted average maturity consistent with that of the Index. As of October 31, 2021, the dollar-weighted average maturity of the Index was 13.8 years.

Principal Risks

An investment in the fund could lose money over short or long periods of time. You should expect the fund's share price and total return to fluctuate within a wide range. The fund is subject to the following risks, which could affect the fund's performance, and the level of risk may vary based on market conditions:

- *Country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value and/or liquidity of securities issued by foreign governments, government agencies, and government-owned corporations. Because the fund may invest a large portion of its assets in bonds of issuers located in any one country or region, the fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets.
- *Emerging markets risk*, which is the chance that the bonds of governments, government agencies, and government-owned corporations located in emerging markets will be substantially more volatile, and substantially less liquid, than the bonds of governments, government agencies, and government-owned corporations located in more developed foreign markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, financial reporting, accounting, and recordkeeping systems; and greater political, social, and economic instability than developed markets. Emerging markets risk is high for the fund.
- *Nondiversification risk*, which is the chance that the fund's performance may be hurt disproportionately by the poor performance of bonds issued by just a few issuers or even a single issuer. The fund is considered nondiversified, which means

that it may invest a greater percentage of its assets in bonds issued by a small number of issuers as compared with diversified mutual funds.

- *Credit risk*, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be high for the fund because it invests a large portion of its assets in bonds rated below investment-grade (also known as high-yield or junk bonds).
- *Liquidity risk*, which is the chance that the fund may not be able to sell a security in a timely manner at a desired price.
- *Interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the fund because it invests primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.
- *Income risk*, which is the chance that the fund's income will decline because of falling interest rates. Income risk should be moderate for the fund, so investors should expect the fund's monthly income to fluctuate accordingly.
- *Index sampling risk*, which is the chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the fund's target index. Index sampling risk for the fund is expected to be low.
- *Call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. Such redemptions and subsequent reinvestments would also increase the fund's portfolio turnover rate.
- *Extension risk*, which is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. A Note on Risk: Many investors invest in bonds and bond funds in an attempt to lower the overall risk of their portfolios. This strategy makes sense when the bonds owned are U.S. bonds because U.S. bond returns typically are not highly correlated with, and are far less volatile than, stock returns. The strategy is less likely to be effective, however, when the bonds owned are emerging market bonds. Returns of emerging market bonds, even dollar-denominated bonds like those owned by the fund, can be quite volatile. The correlation between emerging market bond and stock returns (both U.S. and foreign) is often higher than the correlation between U.S. bond and stock returns. Consequently, if your goal is to lower risk and volatility, this fund may not be an appropriate investment.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Average Annual Total Returns *For periods ended May 31, 2022*	**1 Year**	**3 Year**	**5 Year**	**Since Inception (May 2013)**	**Expense Ratio**
Vanguard Emerging Markets Government Bond Index Fund	-13.91%	-1.41%	0.33%	2.48%	0.18% Purchase Fee: 0.75%

EXHIBIT C – INVESTMENT PORTFOLIOS AND MUTUAL FUND INFORMATION

The following table shows the target investment allocations for the Age-Based and Target Portfolios. These target allocations were designed by the Board in consultation with Callan Associates, the Program Manager and Wilshire. The Program Manager rebalances the Portfolios on an ongoing basis. **The Board may amend or supplement the Statement of Investment Policy at any time which may change the Portfolios, the asset allocation within the Portfolios, and the underlying investment funds in which the Portfolios invest, including the underlying mutual funds in which the Individual Fund Portfolios invest.**

Age-Based & Target Portfolios - Asset Allocations

Age-Based Portfolios	Age of beneficiary										
Age-Based Aggressive	0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19+		
Age-Based Moderate		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19+	
Age-Based Conservative			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19+
Target Portfolios	**Fund 100**		**Fund 80**		**Fund 60**		**Fund 40**		**Fund 20**		**Fixed Income Fund**
Underlying Mutual Funds											
Vanguard Cash Reserves Federal Money Market Fund									8.0%	23.0%	50.0%
MONEY MARKET TOTAL	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**8.0%**	**23.0%**	**50.0%**
Vanguard Short-Term Bond Index Fund					6.0%	11.0%	14.0%	22.0%	25.0%	22.0%	20.0%
Vanguard Short-Term Inflation-Protected Securities Index Fund		3.0%	3.0%	4.0%	4.0%	4.0%	9.0%	11.0%	12.0%	14.0%	15.0%
Vanguard Total Bond Market Index Fund		5.0%	12.0%	18.0%	20.0%	23.0%	24.0%	27.0%	25.0%	25.0%	15.0%
Vanguard High-Yield Corporate Fund		1.0%	3.0%	5.0%	6.0%	7.0%	7.0%	5.0%	5.0%	3.0%	
Vanguard Emerging Markets Government Bond Index Fund		1.0%	2.0%	3.0%	4.0%	5.0%	6.0%	5.0%	5.0%	3.0%	
FIXED INCOME TOTAL	**0.0%**	**10.0%**	**20.0%**	**30.0%**	**40.0%**	**50.0%**	**60.0%**	**70.0%**	**72.0%**	**67.0%**	**50.0%**
Vanguard Total Stock Market Index Fund	57.0%	52.0%	48.0%	42.0%	36.0%	30.0%	25.0%	20.0%	13.0%	7.0%	
DOMESTIC EQUITY TOTAL	**57.0%**	**52.0%**	**48.0%**	**42.0%**	**36.0%**	**30.0%**	**25.0%**	**20.0%**	**13.0%**	**7.0%**	**0.0%**
Vanguard Total International Stock Index Fund	36.0%	32.0%	27.0%	23.0%	20.0%	16.0%	12.0%	8.0%	5.0%	2.0%	
INTERNATIONAL EQUITY TOTAL	**36.0%**	**32.0%**	**27.0%**	**23.0%**	**20.0%**	**16.0%**	**12.0%**	**8.0%**	**5.0%**	**2.0%**	**0.0%**
Vanguard Real Estate Index Fund	7.0%	6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	2.0%	1.0%	
REAL ESTATE TOTAL	**7.0%**	**6.0%**	**5.0%**	**5.0%**	**4.0%**	**4.0%**	**3.0%**	**2.0%**	**2.0%**	**1.0%**	**0.0%**
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**