Start Small.

Invest in What's Next with a CollegeCounts 529 Savings Plan

CollegeCounts529.com

CollegeCounts℠ Alabama's 529 Fund

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What is the CollegeCounts 529 Fund?

A 529 plan is an education savings fund sponsored by a state or state agency, which can be used to fund future education expenses. CollegeCounts is Alabama's 529 fund.

Contributions to a CollegeCounts account can grow tax-deferred while in the plan. Funds can be used for many different types of qualified expenses, including tuition, books, and much more.[2] The funds can be used at most accredited two-year and four-year colleges and universities, vocational or technical schools, graduate and professional schools, certain eligible institutions abroad and for certain apprenticeship expenses.

Just the Facts

What are the tax benefits?*

- Alabama state income tax deduction for contributions:[1]
  - » Up to $10,000 if married filing jointly (where both taxpayers contribute)
  - » Up to $5,000 for individuals
- Tax-deferred growth
- Tax-free withdrawals for qualified college expenses[2]

What are qualified expenses?[2]

- Tuition and Fees
- Books, supplies, and equipment required for enrollment
- A computer and certain software and equipment
- Room and board (must be enrolled at least half-time)
- Special needs services for a special needs beneficiary
- Apprenticeship program expenses
- Repayment of qualified education loans
- Up $10,000 per year in tuition expenses for K-12 public, private or religious school

What schools qualify?

- Any accredited post-secondary education institution
- Public and private colleges and universities
- Two-year vocational, trade, technical, and professional schools
- Alabama schools, national schools, and some foreign schools

Who can contribute?

- Parents, grandparents, relatives, and friends—anyone can contribute on behalf of the beneficiary

***Please note: If your 529 account money is used for other purposes, the earnings portion of the withdrawal is subject to federal and state income taxes and may be subject to a federal penalty tax.**

CollegeCounts529.com

Ways to Contribute

Set up an automatic investment plan.

Saving for education can be a heavy thought, but CollegeCounts can help. An automatic investment plan draws monthly contributions from your bank account. Build funds. Think less.

Set up payroll contributions from work.

Saving for education should be top of mind. CollegeCounts helps take it off your mind. Many employers allow automatic payroll deductions for CollegeCounts accounts. Money goes directly from your paycheck to your savings plan. Check with your employer for availability.

Use a CollegeCounts 529 Rewards Visa® Card.

Earn 1.529% on everyday purchases with the CollegeCounts 529 Rewards Visa® Card. The rewards will be automatically invested into your savings plan each quarter once you've accumulated $50.[3]

Invite family and friends to contribute.

Anyone can contribute to your CollegeCounts account. Our online gift-giving feature, CollegeCounts GiftED, makes it quick and easy for friends and family to contribute directly to an account. A CollegeCounts contribution makes a great gift on a birthday, holiday, graduation, or special occasion.

Contribute tax refunds.

You can invest tax refunds into your CollegeCounts account. Federal and Alabama tax forms provide a section to allow you to deposit some or all of your refund directly.

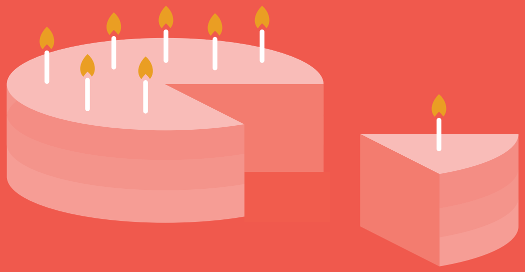
Roll over funds from another 529 plan.

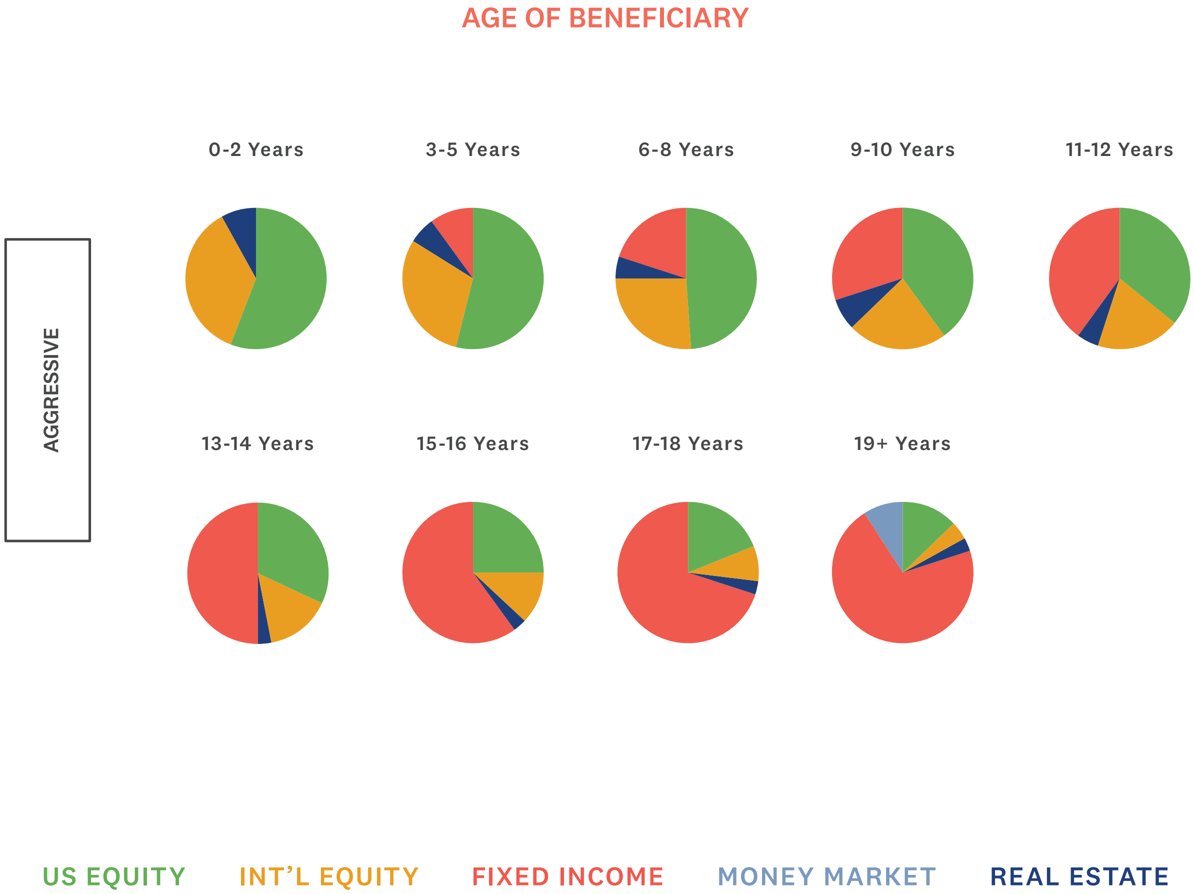
You can transfer money from an out-of-state 529 plan to CollegeCounts. You will receive the same Alabama income tax deduction as those who open a new account[1]. The IRS allows a same-beneficiary rollover once per 12-month period.

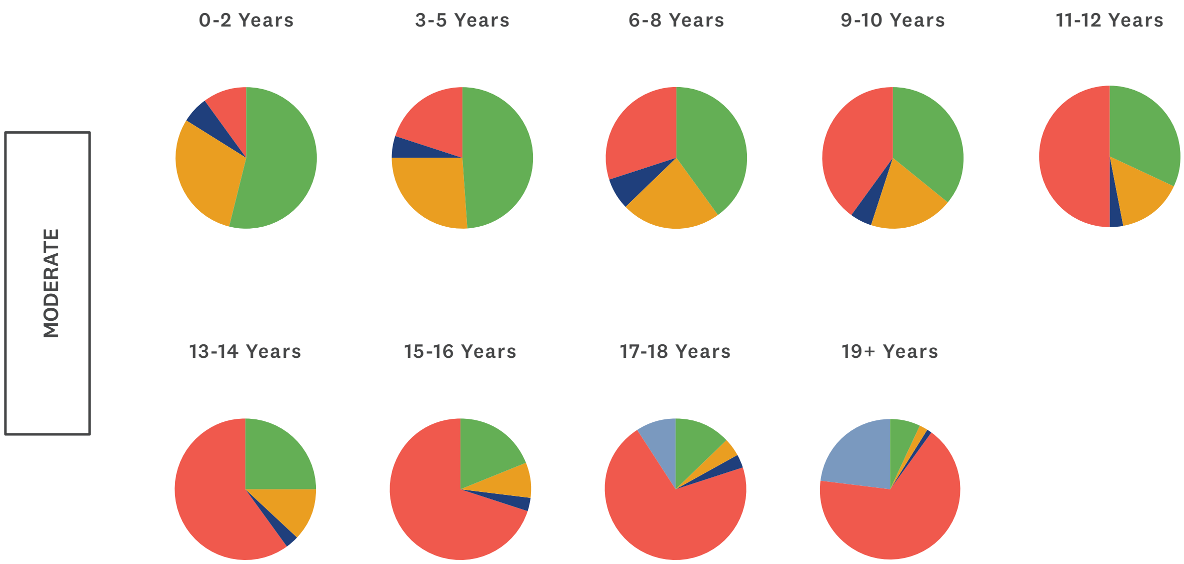
Age-Based Portfolios

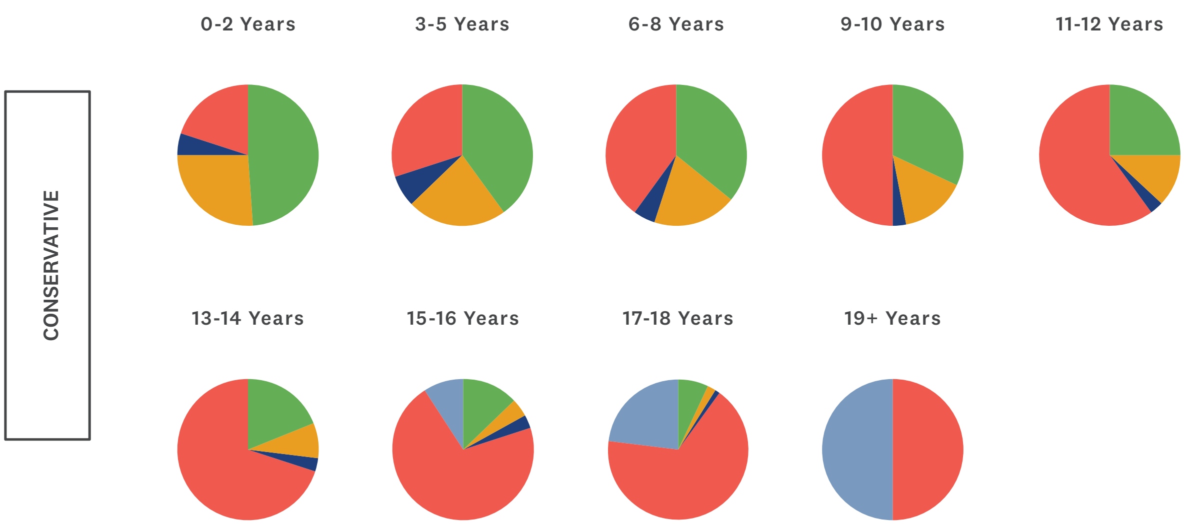
These intuitive portfolios simplify the investment process by doing some of the work for you. They consider the age of the beneficiary and diversify accordingly. As the child grows, age-based portfolios automatically move from more aggressive options to more conservative investments.

These diversified investment portfolios distribute funds between equity (stock), real estate, fixed income (bond), and money market (cash and cash equivalent) investments. The objective is to create growth potential in the early years and reduce fluctuations in the account as college approaches. The graphs below show how assets are diversified from aggressive to moderate and conservative portfolios.





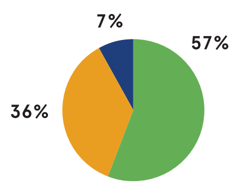




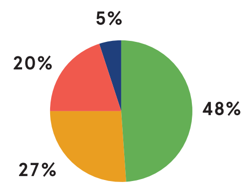
US EQUITY   INT'L EQUITY   FIXED INCOME   MONEY MARKET   REAL ESTATE

TARGET PORTFOLIOS

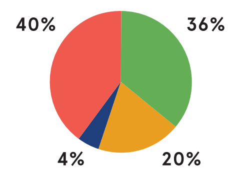
Target Portfolios let you invest in the asset allocation of your choice from six portfolio options. You can select an investment strategy that fits your risk tolerance, from aggressive to conservative. Your portfolio will be rebalanced on an ongoing basis to maintain the targeted asset allocation. And unlike the Age-Based Portfolios, these do not adjust their asset allocation based on the age of the beneficiary.



FUND 100



FUND 80

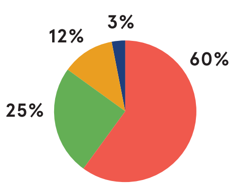


FUND 60

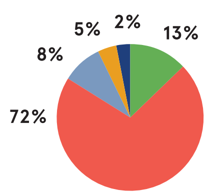
FUND 100 is the most aggressive of the target portfolios and seeks maximum capital appreciation by investing approximately 93% of its net assets in a broad range of domestic and international equity investment funds. The remaining 7% of its net assets are invested in real estate investment funds.

FUND 80 is an aggressive target portfolio which seeks a high level of capital appreciation and some income by investing approximately 80% of its net assets in a broad range of domestic equity, international equity, and real estate investment funds, with the remaining 20% invested in fixed income investment funds.

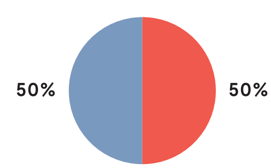
FUND 60 is a moderately aggressive target portfolio which seeks capital appreciation and income by investing approximately 60% of its net assets in a broad range of domestic equity, international equity, and real estate funds, with the remaining 40% invested in fixed income investment funds.



FUND 40



FUND 20



FIXED INCOME FUND

FUND 40 is a more conservative target portfolio which seeks moderate income and capital appreciation by investing approximately 40% of its net assets in a broad range of domestic equity, international equity, and real estate investment funds, with the remaining 60% invested in fixed income investment funds.

FUND 20 is an income-oriented target portfolio which seeks income and some capital appreciation by investing approximately 20% of its net assets in a broad range of domestic equity, international equity, and real estate investment funds, 8% of its net assets in money market mutual funds, and 72% of its net assets in fixed income investment funds.

THE FIXED INCOME FUND is the most conservative of the target portfolios and seeks to preserve principal with less volatility than an all-bond portfolio while providing modest current income by investing approximately 50% of its net assets in money market investment funds and 50% in fixed income investment funds.

US EQUITY INT'L EQUITY FIXED INCOME MONEY MARKET REAL ESTATE

Age-Based & Target Portfolio Investment Allocations

For account holders invested in Age-Based and Target Portfolios, the chart below details the asset allocations and underlying mutual funds of those investments.

Age-Based Portfolio	Age of Beneficiary										
AGGRESSIVE	0-2	3-5	6-8	9-10	11-12	13-14	15-16	17-18	19+		
MODERATE		0-2	3-5	6-8	9-10	11-12	13-14	15-16	17-18	19+	
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%	
US 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%

*You could lose money by investing in this investment option. Although the money market fund in which your investment option invests (the "underlying fund") seeks to preserve its value at $1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund's sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

Customize Your Portfolios

BANK SAVINGS	Bank Savings 529 Portfolio
MONEY MARKET	Vanguard Cash Reserves Federal Money Market 529 Portfolio*
FIXED INCOME	PIMCO Short-Term 529 Portfolio Vanguard Short-Term Bond Index 529 Portfolio Vanguard Total Bond Market Index 529 Portfolio Fidelity Advisor Investment Grade Bond 529 Portfolio PGIM Total Return Bond 529 Portfolio Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio Vanguard Inflation-Protected Securities 529 Portfolio
BALANCED	T. Rowe Price Balanced 529 Portfolio
REAL ESTATE	Vanguard Real Estate Index 529 Portfolio
US EQUITY LARGE-CAP	Vanguard Value Index 529 Portfolio DFA U.S. Large-Cap Value 529 Portfolio Vanguard 500 Index 529 Portfolio Vanguard Total Stock Market Index 529 Portfolio Vanguard Growth Index 529 Portfolio T. Rowe Price Large-Cap Growth 529 Portfolio
US EQUITY MID-CAP	Vanguard Mid-Cap Index 529 Portfolio Vanguard Extended Market Index 529 Portfolio
US EQUITY SMALL-CAP	Vanguard Small-Cap Value Index 529 Portfolio DFA U.S. Small-Cap Value 529 Portfolio Vanguard Small-Cap Index 529 Portfolio Vanguard Small-Cap Growth Index 529 Portfolio Vanguard Explorer 529 Portfolio
INTERNATIONAL EQUITY	Vanguard Total International Stock Index 529 Portfolio Dodge & Cox International Stock 529 Portfolio

*You could lose money by investing in this investment option. Although the money market fund in which your investment option invests (the "underlying fund") seeks to preserve its value at $1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund's sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

INDIVIDUAL FUND PORTFOLIOS

Individual Fund Portfolios let you truly customize an asset allocation strategy. You have the freedom to tailor your choices to meet specific education investment goals, select from as many portfolios as you wish, and determine and set your asset allocations. These portfolios can be more volatile than the broadly diversified Age-Based Portfolios or the Target Portfolios. Major asset classes are represented, including bank savings, money market, fixed income, balanced, real estate, domestic equity, and international equity, offering low- to high-risk options.

Quality Fund Families

Vanguard® T.RowePrice® INVEST WITH CONFIDENCE Fidelity® INVESTMENTS PGIM INVESTMENTS

Dimensional PIMCO Your Global Investment Authority.℠ Dodge & Cox Funds®

The CollegeCounts 529 Fund features mutual funds from respected mutual fund families for enhanced choices and diversity.

Risk Considerations

You can lose money by investing in a portfolio. Each of the age-based, target, and individual fund portfolios involves investment risks, which are described in the Program Disclosure Statement and which should be considered before investing. For example, international investing, especially in emerging markets, has additional risks such as currency fluctuation, economic and political risks, and market volatility. Investing in small, medium, and international companies may increase the risk of fluctuations in the value of your investment and involves greater risks than investing in more established companies. The portfolios that invest in specific industries or sectors, such as real estate, have industry concentration risk. As an example, the portfolios that invest in real estate may perform poorly during a downturn in the real estate industry.

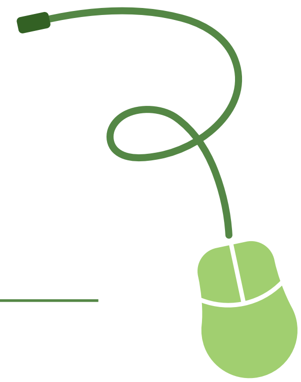
Portfolios that invest in bonds are subject to risks such as interest rate risk, credit risk, and inflation risk. In particular, as interest rates rise, the prices of bonds will generally fall, which can impact performance. It is important to note that the value of your account will fluctuate with market conditions. When you withdraw funds, you may have more or less than your actual investment. For more information about the portfolios and the underlying funds in which they invest, see the Program Disclosure Statement and each underlying fund's prospectus.

Concerned About Risks?

Your education savings investment plan and strategy will involve risk. Assessing your personal risk tolerance is an important factor when engaging in any financial investment option. Your comfort level should define allocations between stocks, bonds, and short-term investments—as well as whether you go with investments that experience wide market swings or, instead, those that are more conservative (yet may yield a lower return potential).

Our Asset Allocation/Risk Tolerance Questionnaire can help you clarify your investment nature: aggressive, conservative, or more balanced. Check it out by visiting CollegeCounts529.com, then click on "Investment Options" and the "Risk Tolerance Questionnaire" tab. While this helpful tool can help to clarify your approach, keep in mind that there is no guarantee that any particular investment or asset allocation will meet your investment objectives.

How to Get Started



1. Utilize the helpful online tools at **CollegeCounts529.com** to help you plan and get started:
   - College savings calculator
   - Risk Tolerance Questionnaire
   - College savings resources
   - Program details
2. Determine how much you plan to save for your loved one's future education expenses
3. Select an investment portfolio that can help you build savings for education expenses
4. Enroll online at **CollegeCounts529.com** or call **866.529.2228** for an enrollment kit

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.

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 and 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 and 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.

[1] Individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to $5,000 per tax year ($10,000 for married taxpayers filing jointly if both actually contribute) for total combined contributions to the Plan and other State of Alabama 529 programs. The contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the contributions are made. In the event of a Nonqualified Withdrawal from the Plan, for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount of the Nonqualified Withdrawal plus ten (10%) percent of such amount withdrawn. Such amount will be added back to the income of the contributing taxpayer in the tax year that the Nonqualified Withdrawal was distributed. Please consult with your tax professional.

[2] Withdrawals used to pay for qualified higher education expenses are free from federal and Alabama state income tax. Qualified higher education expenses include tuition, fees, books, supplies, and equipment required for enrollment or attendance; certain room and board expenses incurred by students who are enrolled at least half-time; the purchase of computer or peripheral equipment, computer software, or internet access and related services, if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; certain expenses for special needs services needed by a special needs beneficiary; apprenticeship program expenses; payment of principal or interest on any qualified education loan of the Beneficiary or a sibling of the Beneficiary (up to an aggregate lifetime limit of $10,000 per individual); and up to $10,000 per year in K-12 Tuition Expenses. The earnings portion of a non-qualified withdrawal is subject to federal income tax and 10% federal penalty tax. In addition, Alabama provides in the event of a non-qualified withdrawal an amount that must be added back to the income of the contributing taxpayer. The amount to be added back will be the amount of the nonqualified withdrawal plus 10% of the amount withdrawn.

[3] Subject to credit approval. Full details appear in the CollegeCounts 529 College Savings Visa® Card Brochure, Application, Credit Disclosures, Agreement, and Rewards Program Terms and Conditions. The card is administered and issued by Union Bank and Trust Company pursuant to a license from Visa® U.S.A. All terms, including reward points, fees, and APRs for transactions, may be subject to change. Net purchases are defined as the dollar value of goods and services purchased with a card beginning with the first day of the billing cycle that includes the cardholder's enrollment date minus any credits, returns, or other adjustments as reflected on the monthly billing statement. Rewards of at least $50 must accumulate for an automatic transfer to the designated CollegeCounts 529 account(s) each quarter.

NOT FDIC INSURED* | MAY LOSE VALUE | NO BANK GUARANTEE
(*Except the Bank Savings 529 Portfolio underlying investment)

Offered by the State of Alabama

UBT 529 Services, a division of UBT Union Bank & Trust Program Manager

CollegeCounts 529 Fund
Program Disclosure Statement

Supplement #2 dated July 22, 2025 to the
Program Disclosure Statement dated December 31, 2023

This Supplement amends the Program Disclosure Statement dated December 31, 2023 (the "Program Disclosure Statement"). You should read this Supplement in conjunction with the Program Disclosure Statement and retain it for future reference.

<u>Federal Legislation Expands Use of 529 Plans</u>
On July 4, 2025, the President signed into law the One Big Beautiful Bill Act ("Act"). The Act expands the types of eligible expenses for which assets in 529 plan accounts can be used and extends the ability to roll over funds from qualified tuition program accounts to ABLE Accounts.

Effective July 4, 2025, the following expenses are incorporated into the definition of Qualified Higher Education Expenses:

1. **K-12 Expenses.** The following additional expenses in connection with enrollment or attendance at, or for students enrolled at or attending an elementary or secondary public, private or religious school:

    a. Curriculum and curricular materials.
    b. Books or other instructional materials.
    c. Online educational materials.
    d. Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and –
        i. is licensed as a teacher in any State,
        ii. has taught at an eligible educational institution, or
        iii. is a subject matter expert in the relevant subject.
    e. Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission.
    f. Fees for dual enrollment in an institution of higher education.
    g. Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.

    The above additional expenses apply to distributions made on or after July 4, 2025.

    The aggregate amount of distributions for K-12 Expenses from all qualified tuition programs for a Designated Beneficiary in any taxable year shall not exceed $10,000, with such limit increasing to $20,000 effective January 1, 2026.

2. **Qualified Postsecondary Credentialing Expenses.** The following expenses are incorporated into the definition of "Qualified Postsecondary Credentialing Expenses":

    a. tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized postsecondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under Internal Revenue Code subsection (e)(3)(A),
    b. fees for testing if such testing is required to obtain or maintain a recognized postsecondary credential, and
    c. fees for continuing education if such education is required to maintain a recognized postsecondary credential.

3. **Extension of Rollovers from Qualified Tuition Programs to ABLE Accounts**
    The December 31, 2025 sunset on rollovers from qualified tuition programs to an ABLE Account has been repealed, thereby permanently extending this rollover provision.

Accordingly, the following sections of the Program Disclosure Statement are updated as follows:

CollegeCounts 529 Fund Overview

The "Qualified Withdrawals" section on page 5 is hereby replaced with the following:

Withdrawals from a Plan Account used to pay for a Designated Beneficiary's Qualified Higher Education Expenses (as defined herein) are Qualified Withdrawals and include:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
- expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;
- expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if it is to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature;
- Certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time;
- Expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an Apprenticeship Program;
- Amounts paid as principal or interest on any Qualified Education Loan of the Designated Beneficiary or a sibling of the Designated Beneficiary (up to a lifetime maximum of $10,000 per individual);
- Tuition (and certain expanded expenses for distributions after July 4, 2025) in connection with enrollment or attendance at an elementary or secondary public, private, or religious school up to a maximum of $10,000 in 2025 (increasing to $20,000 beginning January 1, 2026) in the aggregate from all qualified tuition programs for that Designated Beneficiary; and
- Qualified Postsecondary Credentialing Expenses.

Plan Highlights

1. The "Qualified Withdrawals" section on page 6 is hereby replaced by the following:

   Qualified Withdrawals. Under Section 529 of the Code, money in your Account withdrawn to pay the Designated Beneficiary's Qualified Higher Education Expenses are considered Qualified Withdrawals. Currently, the term Qualified Higher Education Expenses includes: (i) tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution; (ii) subject to certain limits, the Designated Beneficiary's room and board expenses if enrolled at least half-time; (iii) the purchase of computer or peripheral equipment, computer software, or Internet access and related services if they are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution; (iv) expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance; (v) K-12 Expenses up to $10,000 (increasing to $20,000 effective January 1, 2026); (vi) fees, books, supplies, and equipment required for participation of the Designated Beneficiary in an Apprenticeship Program; (vii) payments on Qualified Education Loans of the Designated Beneficiary or a sibling of the Designated Beneficiary provided that the total amount of distributions from all 529 qualified tuition programs to such individual for loan repayment do not exceed $10,000; and (viii) Qualified Postsecondary Credentialing Expenses.

   Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary.

   Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

2. The "Income Tax Consequences" section on page 6 is hereby replaced by the following:

   Income Tax Consequences. Under current law, federal and Alabama state income taxes on investment earnings are tax-deferred while held in an Account, and such earnings are generally free from federal and Alabama state income tax if they are used to pay the Designated Beneficiary's Qualified Higher Education Expenses. For federal tax purposes if money is withdrawn from your Account, but not used to pay the Designated Beneficiary's Qualified Higher Education Expenses (a "Nonqualified Withdrawal"), the earnings portion (if any) of the withdrawal will be treated as ordinary income to the recipient and generally will also be subject to a 10% federal penalty tax.

   Individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to $5,000 per tax year ($10,000 for married taxpayers filing jointly if both actually contribute) for total combined Contributions to the Plan and other State of Alabama 529 programs during that tax year. The Contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the Contributions are made.

In the event of a Nonqualified Withdrawal from the Plan, for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount of the Nonqualified Withdrawal plus ten (10%) percent of such amount withdrawn. Such amount will be added back to the income of the contributing taxpayer in the tax year that the Nonqualified Withdrawal was distributed.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

You should consult a legal or tax advisor regarding the application of tax laws to your particular circumstances.

Definitions Of Key Terms

1. The definition of "K-12 Tuition Expenses" on page 8 is hereby replaced and retitled as "K-12 Expenses", as set forth below:

   K-12 Expenses means the following expenses in connection with enrollment or attendance at, or for students enrolled at or attending, an elementary or secondary public, private or religious school:

   a. Tuition.

   For distributions on or after July 4, 2025:

   b. Curriculum and curricular materials.
   c. Books or other instructional materials.
   d. Online educational materials.
   e. Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and –
      i. is licensed as a teacher in any State,
      ii. has taught at an eligible educational institution, or
      iii. is a subject matter expert in the relevant subject.
   f. Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission.
   g. Fees for dual enrollment in an institution of higher education.
   h. Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.

   The aggregate amount of distributions for K-12 Expenses from all qualified tuition programs for a Designated Beneficiary in any taxable year shall not exceed $10,000, with such limit increasing to $20,000 effective January 1, 2026.

   In addition, all references to "K-12 Tuition Expenses" in the Program Disclosure Statement are hereby replaced by "K-12 Expenses".

2. The definition of "Qualified Higher Education Expenses" on page 9 is hereby replaced, as set forth below:

   Qualified Higher Education Expenses as defined in Section 529 of the Code, includes:

   - tuition, fees, books, supplies, and equipment required for enrollment of, or attendance by, a Designated Beneficiary at an Eligible Educational Institution;
   - expenses for special needs services in the case of a special needs Designated Beneficiary which are incurred in connection with such enrollment or attendance;
   - expenses for the purchase of computer or certain peripheral equipment, computer software, or Internet access and related services, if it is to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software for sports, games, or hobbies unless the software is predominately educational in nature;
   - certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time at an Eligible Educational Institution. The expense for room and board qualifies only to the extent that it isn't more than the greater of the following two amounts:
     - The allowance for room and board, as determined by the Eligible Educational Institution, that was included in the cost of attendance (for federal financial aid purposes) for a particular academic period and living arrangement of the student;

- The actual amount charged if the student is residing in housing owned or operated by the Eligible Educational Institution. You may need to contact the Eligible Educational Institution for qualified room and board costs;

- expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an Apprenticeship Program;
- Qualified Postsecondary Credentialing Expenses;
- amounts paid as principal or interest on any Qualified Education Loan of the Designated Beneficiary or a sibling of the Designated Beneficiary, provided that the total amounts of distributions from all 529 qualified tuition programs to such individual for loan repayment do not exceed $10,000; and
- Tuition (and certain expanded expenses for distributions after July 4, 2025) in connection with enrollment or attendance at an elementary or secondary public, private, or religious school up to a maximum of $10,000 in 2025 (increasing to $20,000 beginning January 1, 2026) in the aggregate from all qualified tuition programs for that Designated Beneficiary.

3. The following definition of "Qualified Postsecondary Credentialing Expenses" is inserted on page 9:

Qualified Postsecondary Credentialing Expenses means the following postsecondary credentialing expenses:

a. tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized postsecondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under Internal Revenue Code subsection 529(e)(3)(A),
b. fees for testing if such testing is required to obtain or maintain a recognized postsecondary credential, and
c. fees for continuing education if such education is required to maintain a recognized postsecondary credential.

Recognized postsecondary credential program - the term `recognized postsecondary credential program' means any program to obtain a recognized postsecondary credential if—

(A) such program is included on a State list prepared under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)),
(B) such program is listed in the public directory of the Web Enabled Approval Management System (WEAMS) of the Veterans Benefits Administration, or successor directory such program,
(C) an examination (developed or administered by an organization widely recognized as providing reputable credentials in the occupation) is required to obtain or maintain such credential and such organization recognizes such program as providing training or education which prepares individuals to take such examination, or
(D) such program is identified by the Secretary, after consultation with the Secretary of Labor, as being a reputable program for obtaining a recognized postsecondary credential for purposes of this subparagraph.

Recognized postsecondary credential. The term recognized postsecondary credential means:

A. any postsecondary employment credential that is industry recognized and is—
   i. any postsecondary employment credential issued by a program that is accredited by the Institute for Credentialing Excellence, the National Commission on Certifying Agencies, or the American National Standards Institute,
   ii. any postsecondary employment credential that is included in the Credentialing Opportunities On-Line (COOL) directory of credentialing programs (or successor directory) maintained by the Department of Defense or by any branch of the Armed Forces, or
   iii. any postsecondary employment credential identified for purposes of this clause by the Secretary, after consultation with the Secretary of Labor, as being industry recognized,

B. any certificate of completion of an apprenticeship that is registered and certified with the Secretary of Labor under the Act of August 16, 1937 (commonly known as the `National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.),

C. any occupational or professional license issued or recognized by a State or the Federal Government (and any certification that satisfies a condition for obtaining such a license), and

D. any recognized postsecondary credential as defined in section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(52)), provided through a program included on a state list prepared under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)).

4. The following replaces the definition of "Qualified Rollover Distribution" on page 9:

Qualified Rollover Distribution means a Roth IRA Rollover (that is a direct trustee-to-trustee transfer) or a distribution or transfer from an Account that is deposited within sixty (60) days of the distribution or transfer to:

- Another qualified tuition program for the benefit of the Designated Beneficiary, provided that any such transfer does not occur within twelve months from the date of a previous transfer to a qualified tuition program for the benefit of the Designated Beneficiary; or
- Another account in any other qualified tuition program, for the benefit of an individual who is a Member of the Family of the Designated Beneficiary.
- To an ABLE Account of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary, subject to the contribution limits for ABLE Accounts.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

<u>**Description Of The Program**</u>

1. The "**What Types of Qualified Higher Education Expenses May Be Paid With Account Funds?**" section on page 11 is hereby replaced with the following:

   Account funds may be used to pay the Qualified Higher Education Expenses of the Account's Designated Beneficiary. These generally include (i) tuition, fees, books, supplies, and equipment required for the Designated Beneficiary's enrollment or attendance at an Eligible Educational Institution; (ii) the purchase of computer or peripheral equipment, computer software, or internet access and related services if they are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution; (iii) subject to certain limitations, these also generally include the room and board expenses of a student enrolled on at least a half-time basis; (iv) expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance; (v) K-12 Expenses up to $10,000 (increasing to $20,000 effective January 1, 2026); (vi) fees, books, supplies, and equipment required for participation of the Designated Beneficiary in an Apprenticeship Program; (vii) payments on Qualified Education Loans of the Designated Beneficiary or a sibling of the Designated Beneficiary provided that the total amount of distributions from all 529 qualified tuition programs to such individual for loan repayment does not exceed $10,000; and (viii) Qualified Postsecondary Credentialing Expenses.

   Eligible Educational Institutions generally include accredited, postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential, including certain proprietary, postsecondary vocational, and foreign institutions. The institution must be eligible to participate in U.S. Department of Education student aid programs.

   The tax benefits afforded to 529 Plans must be coordinated with other programs designed to provide tax benefits for meeting higher education expenses in order to avoid the duplication of such benefits. **You should consult with a qualified tax advisor with respect to the various education benefits.**

<u>Distributions From An Account</u>

2. The "**What Constitutes a Qualified Withdrawal?**" section on page 33 is hereby replaced with the following:

   Under Section 529 of the Code, as amended, Qualified Withdrawals from your Account are generally free from federal income tax. A Qualified Withdrawal is a distribution that is used to pay the Qualified Higher Education Expenses of the Designated Beneficiary. Qualified Higher Education Expenses include:

   - tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
   - expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;
   - expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if it is to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature;
   - Certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time.
     - The amount treated as Qualified Higher Education Expenses shall not exceed—
       - the allowance (applicable to the student) for room and board included in the cost of attendance as determined by the Eligible Educational Institution for such period, or
       - if greater, the actual invoice amount the student residing in housing owned or operated by the Eligible Educational Institution is charged by such institution for room and board costs for such period;

- Expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an Apprenticeship Program;
- Amounts paid as principal or interest on any Qualified Education Loan of the Designated Beneficiary or a sibling of the Designated Beneficiary (up to a lifetime maximum of $10,000 per individual);
- Tuition (and certain expanded expenses for distributions after July 4, 2025) in connection with enrollment or attendance at an elementary or secondary public, private, or religious school up to a maximum of $10,000 in 2025 (increasing to $20,000 beginning January 1, 2026) in the aggregate from all qualified tuition programs for that Designated Beneficiary; and
- Qualified Postsecondary Credentialing Expenses.

A Qualified Withdrawal may be distributed as follows:

- To the Account Owner;
- To the Account Owner's bank account;
- To the Designated Beneficiary; or
- Directly to the Eligible Educational Institution

3. The answer to "**May I Roll Over My Account?**" (page 34) is replaced by the following:

You may direct a transfer of money from your Account to an account in another 529 qualified tuition program for the same or another Designated Beneficiary. Alternatively, you may make a withdrawal from your Account and re-deposit the withdrawn balance within 60 days into an account in another 529 qualified tuition program for the same or another Designated Beneficiary without penalty.

If the Designated Beneficiary stays the same, the transfer will be treated as an income tax-free Qualified Rollover Distribution as long as the transfer does not occur within 12 months from the date of a previous rollover to another 529 qualified tuition program for the Designated Beneficiary. If you change beneficiaries, the transfer will be treated as a Qualified Rollover Distribution only if the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary.

The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes. A Roth IRA Rollover is a direct transfer from an Account to a Roth IRA on or after January 1, 2024, that meets the following requirements:

- The Account must have been maintained for the 15-year period ending on the date of the Roth IRA Rollover.
- The Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the Beneficiary of the Account.
- Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits, minus all other IRA contributions made during the year for the same designated beneficiary. In addition, such rollovers may not exceed the amount of compensation the designated beneficiary earned during the year.
- The amount of the Roth IRA Rollover may not exceed the aggregate amount contributed to the Account (and earnings attributable thereto) before the 5-year period ending on the date of the IRA Rollover.
- The aggregate amount for all years of Roth IRA Rollovers for the same beneficiary from all 529 qualified tuition programs may not exceed $35,000.

Roth IRA Rollovers are subject to the annual contribution limit for Roth IRAs. For 2025, the limit is $7,000. All contributions made during the year to individual retirement accounts for the Beneficiary count towards this limit.

A Roth IRA Rollover can be made only to the extent the Beneficiary has eligible compensation (e.g. wages and self-employment income) for the year. The Roth IRA modified adjusted gross income limits appear not to apply to Roth IRA Rollovers.

You should consult with your tax advisor before requesting a Roth IRA Rollover.

* * *

CollegeCounts 529 Fund
Program Disclosure Statement

Supplement dated January 1, 2025 to the
Program Disclosure Statement dated December 31, 2023

This Supplement amends the Program Disclosure Statement dated December 31, 2023 (the "Program Disclosure Statement"). You should read this Supplement in conjunction with the Program Disclosure Statement and retain it for future reference.

Effective January 1, 2025 - Gift Tax Annual Exclusion Increase

For federal gift tax purposes, Contributions to an Account are considered a gift from the contributor to the Designated Beneficiary that is eligible for the annual gift tax annual exclusion. Effective January 1, 2025, the annual exclusion is increasing from $18,000 to $19,000 per donee per calendar year. A married donor whose spouse elects on a Federal Gift Tax Return Form 709 to "split" gifts with his or her spouse could contribute up to $38,000 in 2025.

In addition, you may elect to have the amount you contributed in any calendar year treated as though you made one-fifth of the Contribution that year, and one-fifth of the Contribution in each of the next four calendar years. (Such an election, however, must be made on the Federal Gift Tax Return Form 709). This means that you could contribute up to $95,000 beginning in 2025, without the Contributions being considered a taxable gift, provided that you make no other gifts to the Designated Beneficiary in the same year or in any of the succeeding four calendar years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return Form 709 to "split" gifts with his or her spouse may contribute up to $190,000 beginning in 2025 without the Contributions being considered a taxable gift, provided that neither spouse makes any other gifts to the Designated Beneficiary in the same year or in any of the succeeding four calendar years.

Accordingly, all references to the gift tax annual exclusion found throughout this Program Disclosure Statement should be updated to reflect these increased amounts.

* * *

PROGRAM DISCLOSURE STATEMENT *and* ACCOUNT AGREEMENT

OFFERED BY THE
STATE OF ALABAMA

UBT 529 SERVICES, A DIVISION OF
UBT
Union Bank & Trust
PROGRAM MANAGER

The Program is intended to be used only to save for educational costs as permitted for a “qualified tuition program” as defined by Section 529 of the Internal Revenue Code of 1986, as amended. The Program is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.

This Program Disclosure Statement is intended to comply with the College Savings Plans Network Disclosure Principles, Statement No. 7, adopted October 6, 2020.

December 31, 2023

CollegeCounts℠
Alabama’s 529 Fund

IMPORTANT LEGAL INFORMATION

This Program Disclosure Statement, together with the Account Agreement, the investment portfolios, the fund performance information, Statement of Investment Policy, and the Investment Portfolios and Allocation Guidelines, all of which can be found on the CollegeCounts 529 Fund's (the "Plan") website, have been identified by the Program (as defined below) as the Offering Material (as defined in the College Savings Plans Network Disclosure Principles, Statement No. 7, adopted October 6, 2020) and are intended to provide substantive disclosure of the terms and conditions of an investment in the Plan. This Program Disclosure Statement contains important information you should review before opening an Account in the Plan, including information about the benefits and risks of investing. Please read it carefully and save it for future reference. Interests in the Plan have not been registered with the U.S. Securities and Exchange Commission (the "SEC"), nor with any state securities commission. Neither the SEC nor any state securities commission has approved or disapproved interests in the Plan or passed upon the adequacy or accuracy of this Program Disclosure Statement. Any representation to the contrary is a criminal offense.

Participation in the Plan does not guarantee that Contributions and the investment return on Contributions, if any, will be adequate to cover future tuition and other higher education expenses or that a Designated Beneficiary will be admitted to or permitted to continue to attend an Eligible Educational Institution.

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 United States, the State of Alabama, the State Treasurer of Alabama (the "Treasurer"), any other state, any agency or instrumentality thereof, Union Bank and Trust Company, the FDIC, or any other entity. Account Owners in the Plan assume all investment risk, including the potential loss of principal and liability for additional taxes levied for federal and state Nonqualified Withdrawals.

None of the State of Alabama, the Treasurer, or Union Bank and Trust Company shall have any debt or obligation to any Account Owner, Designated Beneficiary or any other person as a result of the establishment of the Plan, and none of the State of Alabama, the Treasurer, or Union Bank and Trust Company assumes any risk or liability for funds invested in the Plan.

Statements in this Program Disclosure Statement concerning U.S. and Alabama tax issues are provided for general informational purposes and are not offered as tax advice to any person. Each taxpayer should seek advice based on the taxpayer's particular circumstances from a tax or legal advisor.

The Plan and its associated persons make no representations regarding the suitability of the Plan's investment portfolios for any particular investor. Other types of investments and other types of education savings vehicles may be more appropriate depending on your personal circumstances. You should consult your tax or investment advisor for more information.

No broker, dealer, registered representative, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Program Disclosure Statement, and, if any such other information is given or made, such other information or representations must not be relied upon as having been authorized by the Plan, the Treasurer, the Board, or Union Bank and Trust Company.

The information in this Program Disclosure Statement is subject to change from time-to-time to reflect changes in the Plan's practices and procedures, and changes in the law, and neither delivery of this Program Disclosure Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the Plan or in the law since the date of this document. If changes are made to the Plan, notification will be placed on the Plan website and the changes will become effective immediately upon posting to the Plan website. You are encouraged to visit the Plan website periodically to remain up to date on the Program information.

This Program Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

You could lose money (including the principal invested), or not make money, if you invest through the Plan.

IMPORTANT INVESTOR INFORMATION—PLEASE READ

Before investing in the Plan, you should consider carefully the following:

1. **This Plan is open to the residents of any state of the United States.**
2. **Depending on the laws of your home state or that of your Designated Beneficiary, favorable state tax treatment or other benefits such as financial aid, scholarship funds, and protection from creditors, offered by such home state for investing in 529 college savings plans may be available only if you invest in such home state's 529 college savings plan;**
3. **Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision; and**
4. **You should consult with your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan.**

FOR ALABAMA INVESTORS

The State of Alabama provides the following income tax advantages when investing in the Plan:

- **individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to:**
  - **$5,000 -or-**
  - **$10,000 for married taxpayers filing jointly who each make Contributions for Contributions per tax year to the Plan and to other Alabama Section 529 plans during that year;**
- **investment earnings on money invested in the Plan are not subject to Alabama state income tax until they are distributed; and**
- **when distributed as a Qualified Withdrawal (as defined herein), the earnings are free from Alabama state income tax.**

See "Federal and State Tax Considerations" as defined herein.

Accounts in the Alabama Comprehensive Education Savings Program are offered and sold as the CollegeCounts 529 Fund and the CollegeCounts 529 Fund Advisor Plan. Alabama also administers a prepaid tuition program called The Alabama Prepaid Affordable College Tuition Program (the "PACT Program"). The PACT Program is closed to enrollment.

This Program Disclosure Statement describes only the Accounts available through the CollegeCounts 529 Fund. The CollegeCounts 529 Fund Advisor Plan may offer different investment options with different investment advisors or different benefits and may be marketed differently from the CollegeCounts 529 Fund described in this Program Disclosure Statement. In addition, the CollegeCounts 529 Fund Advisor Plan may charge different fees, withdrawal penalties, and sales commissions than the CollegeCounts 529 Fund described in this Program Disclosure Statement. You can obtain information regarding the CollegeCounts 529 Advisor Plan by contacting your financial advisor, calling 866.529.2228 or by visiting CollegeCounts529advisor.com.

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TABLE OF CONTENTS

COLLEGECOUNTS 529 FUND OVERVIEW

This "Plan Overview Section" provides summary information about certain key features of the Plan. It is important that you read the entire Program Disclosure Statement and Account Agreement for more detailed information about the Plan. Capitalized terms used herein are defined in Definitions of Key Terms on page 7.

Plan Structure and Providers (See page 6, 10)	**Trustee:** Board of Trustees of CollegeCounts 529 Fund **Program Manager:** UBT 529 Services, a Division of Union Bank and Trust Company (term through June 30, 2030)
Investment Funds	Vanguard,T. Rowe Price, DFA, PGIM Investments, PIMCO, Fidelity and Dodge & Cox
Plan Contact Information	**CollegeCounts 529 Fund** 1248 O Street Suite 200 Lincoln, NE 68508 CollegeCounts529.com 866.529.2228
State of Alabama Income Tax Considerations (See "Federal and State Tax Considerations," page 32)	• Contributions may be tax deductible up to $5,000 per tax return ($10,000 if married filing jointly and both spouses make the Contribution). **Alabama tax benefits are available only to Alabama taxpayers.** • Earnings in a Plan Account grow free from Alabama state income tax. • Earnings portion of a Qualified Withdrawal (as defined herein) is not subject to Alabama state income tax. • Nonqualified Withdrawals (as defined herein): for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount equal to the Nonqualified Withdrawal plus ten (10%) percent of such amount withdrawn.
Federal Tax Considerations (See "Federal and State Tax Considerations," page 32)	• Contributions are not deductible for federal income tax purposes. • Earnings in a Plan Account grow free from federal income tax. • Earnings portion of a Qualified Withdrawal is not subject to federal income tax. • Earnings on a Nonqualified Withdrawal are subject to income tax and a 10% federal penalty tax.
Account Owner Eligibility (See "Opening and Maintaining an Account," page 14)	• The Plan is open to all U.S. citizens and resident aliens who are at least 19 years old, have a valid Social Security number or taxpayer identification number and have a valid permanent U.S. address (not a P.O. Box). • There are no restrictions on state of residence. • The Account Owner may be an individual, certain entities, a custodian under a state UGMA or UTMA account, a trust, state or local government, or a 501(c)(3) organization with a valid Social Security or taxpayer identification number.
Designated Beneficiary (See "Choosing a Designated Beneficiary," page 15)	• Must be a U.S. citizen or resident alien with a valid Social Security number. • May be of any age.
Contributions (See "Contributing to an Account," page 16)	**Minimum:** No minimum contribution required. **Maximum:** $475,000 per Designated Beneficiary (Maximum Account Balance). **Ways to Contribute:** Check, Automatic Investment Plan, Electronic Funds Transfer, Transfer, Payroll Deduction, *CollegeCounts GiftED*, Wire Transfer, CollegeCounts 529 Rewards Visa Card "Rewards," or Rollover from another qualified tuition program.
Investment Portfolios (See "Investment Portfolios," page 18)	• 3 Age-Based Portfolios (Aggressive, Moderate, Conservative). • 6 Target Portfolios. • 26 Individual Fund Portfolios. • Investment Changes allowed twice per calendar year or upon a change of Designated Beneficiary

<table>
<tr><td>Plan Costs
(See “Plan Fees and Expenses,” page 27)</td><td>

Underlying Fund Costs	Range	Average
Age-Based Portfolios	0.04% - 0.07%	0.05%
Target Portfolios	0.04% - 0.07%	0.05%
Individual Fund Portfolios	0.00% - 0.62%	0.18%

Other Annual Costs	
Program Management Fee	0.17%

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<tr><td>Risk Factors
(See “Risk Factors,” page 11)</td><td>

- **Except for any investments made by a Participant in the Bank Savings 529 Portfolio up to the limit provided by FDIC insurance, investments in the CollegeCounts 529 Fund are not guaranteed or insured by the State of Alabama, the Board, the State Treasurer of Alabama, Union Bank and Trust Company, the Federal Deposit Insurance Corporation, or any other entity.**
- Opening an Account involves certain risks, including:
  - the risk that the value of your Account may decrease, meaning you could lose money, including the principal you invest;
  - the risk of state or federal tax law changes;
  - the risk of Plan changes, including changes in fees;
  - the risk that an investment in the Plan may adversely affect the Account Owner’s or Designated Beneficiary’s eligibility for financial aid or other benefits.

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<tr><td>Qualified Withdrawals
(See “Distributions From an Account,” page 33)</td><td>

Withdrawals from a Plan Account used to pay for a Designated Beneficiary’s Qualified Higher Education Expenses (as defined herein) are Qualified Withdrawals and include:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
- expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;
- expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature;
- Certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time.
  - The amount treated as Qualified Higher Education Expenses shall not exceed—
    - the allowance (applicable to the student) for room and board included in the cost of attendance as determined by the Eligible Educational Institution for such period, or
    - if greater, the actual invoice amount the student residing in housing owned or operated by the Eligible Educational Institution is charged by such institution for room and board costs for such period;
- Expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an Apprenticeship Program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act;
- Amounts paid as principal or interest on any Qualified Education Loan (as defined in section 221(d) of the Code) of the Designated Beneficiary or a sibling of the Designated Beneficiary (up to a lifetime maximum of $10,000 per Designated Beneficiary or sibling);
- Tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private, or religious school (kindergarten through grade 12) up to a maximum of $10,000 during any taxable year in the aggregate from all qualified tuition programs for that Designated Beneficiary.

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</table>

COLLEGECOUNTS 529 FUND

INTRODUCTION

The CollegeCounts 529 Fund (the "Plan") is part of the Alabama Comprehensive Education Savings Program (the "Program"). The Program is an education savings program authorized by the State of Alabama and is designed to qualify as a tax-advantaged savings program under Section 529 of the Code, as amended. Section 529 permits states and state agencies to sponsor qualified tuition programs under which you can open and contribute to an Account for the benefit of any individual, including adults. The Plan is a convenient and tax-advantaged way to save for the cost of college, graduate and postgraduate programs, vocational schools and other qualifying educational costs.

You may open and contribute to an Account regardless of your income. The Plan has no minimum initial or subsequent required Contributions to an Account. The Maximum Account Balance for Accounts for a Designated Beneficiary in the Plan, together with any additional accounts in other State of Alabama 529 programs for such Designated Beneficiary, is $475,000.

Investment earnings on your Contributions accumulate on a tax-deferred basis, and withdrawals are exempt from federal and Alabama state income tax if they constitute Qualified Withdrawals (as defined herein).

Individuals who contribute to the Plan and file a State of Alabama income tax return generally are allowed to deduct from their gross income for Alabama state income tax purposes up to $5,000 of Contributions per year ($10,000 for married taxpayers filing jointly if both actually contribute) for total combined Contributions to State of Alabama 529 programs.

Under federal law, the Plan must prohibit the Account Owner and the Designated Beneficiary from directing the investment of any Contributions (or earnings thereon) more than two times in a calendar year. You may choose to allocate the Contributions (and earnings) among the available Portfolios described in this Program Disclosure Statement.

This Program Disclosure Statement describes only the Plan. The Board also offers the CollegeCounts 529 Fund Advisor Plan ("the Advisor Plan"), which is sold through brokers or other financial advisors. The investment options the Plan offers and the costs of investing in the Plan are different than the investment options and costs of the Advisor Plan. For more information on the Advisor Plan contact your financial advisor.

Certain capitalized terms have the meanings given to them in the "Definitions of Key Terms" Section beginning on page 7. Other capitalized terms are defined elsewhere in this Program Disclosure Statement.

PLAN HIGHLIGHTS

Eligibility. The Plan is open to residents of any state who are at least 19 years of age, not just residents of Alabama. There are no income restrictions.

Contribution Amounts. The Plan has no required minimum Contribution and you may make additional Contributions at any time. However, the current Maximum Account Balance for Accounts for a Designated Beneficiary under the Plan, together with any additional accounts in other State of Alabama 529 programs for such Designated Beneficiary, is $475,000.

Qualified Withdrawals. Under Section 529 of the Code, money in your Account withdrawn to pay the Designated Beneficiary's Qualified Higher Education Expenses are considered Qualified Withdrawals. Currently, the term Qualified Higher Education Expenses includes: (i) tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution; (ii) subject to certain limits, the Designated Beneficiary's room and board expenses if enrolled at least half-time; (iii) the purchase of computer or peripheral equipment, computer software, or Internet access and related services if they are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution; (iv) expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance; (v) expenses for tuition in connection with the Designated Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school provided that the amount of cash distributions for such expenses from all qualified tuition programs with respect to a Designated Beneficiary do not, in the aggregate, exceed $10,000 during the taxable year; (vi) tuition, fees, books, supplies, and equipment required for participation of the Designated Beneficiary in an Apprenticeship Program; and (vii) payments on Qualified Education Loans of the Designated Beneficiary or a sibling of the Designated Beneficiary provided that the total amount of distributions from all 529 qualified tuition programs to such individual after December 31, 2018 for loan repayment do not exceed $10,000.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary and if made after December 22, 2017 and prior to 2026.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

Income Tax Consequences. Under current law, federal and Alabama state income taxes on investment earnings are tax-deferred while held in an Account, and such earnings are generally free from federal and Alabama state income tax if they are used to pay the Designated Beneficiary's Qualified Higher Education Expenses. For federal tax purposes if money is withdrawn from your Account, but not used to pay the Designated Beneficiary's Qualified Higher Education Expenses (a "Nonqualified Withdrawal"), the earnings portion (if any) of the withdrawal will be treated as ordinary income to the recipient and generally will also be subject to a 10% federal penalty tax.

Individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to $5,000 per tax year ($10,000 for married taxpayers filing jointly if both actually contribute) for total combined Contributions to the Plan and other State of Alabama 529 programs during that tax year. The Contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the Contributions are made.

In the event of a Nonqualified Withdrawal from the Plan, for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount of the Nonqualified Withdrawal plus ten (10%) percent of such amount withdrawn. Such amount will be added back to the income of the contributing taxpayer in the tax year that the Nonqualified Withdrawal was distributed.

You should consult a legal or tax advisor regarding the application of tax laws to your particular circumstances.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary and if made after December 22, 2017 and prior to 2026.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

Gift Tax Treatment. See "Exhibit B – Tax Information". For federal gift tax purposes, Contributions to an Account are considered a gift from the contributor to the Designated Beneficiary that is eligible for the annual gift tax exclusion. For 2023, the annual exclusion is $17,000 per donee and will increase to $18,000 per donee in 2024 ($34,000 for 2023 for a married couple that elects to split their gifts on United States Gift Tax Return Form 709 increasing to $36,000 for 2024 for a married couple that elects to split their gifts). This means that in 2023 you may contribute up to $17,000 ($18,000 effective January 1, 2024) to an Account without the Contribution being considered a taxable gift (assuming you make no other gifts to the Designated Beneficiary in the same calendar year). In addition, if your total Contributions to an Account during a year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the Contribution that year, and one-fifth of the Contribution in each of the next four calendar years.

An election to have the Contribution taken into account ratably over a five-year period must be made by the donor on a Federal Gift Tax Return, IRS Form 709, for the year of Contribution.

This means that you may contribute up to $85,000 ($90,000 once the annual exclusion is increased to $18,000 effective January 1, 2024), on behalf of a Designated Beneficiary without the Contribution being considered a taxable gift, provided that you neither make nor are deemed to make any other gifts to such Designated Beneficiary in the same year or in any of the succeeding four calendar years and that you made no excess Contributions treated as gifts subject to the one-fifth rule during any of the previous four years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return to have gifts treated as "split" with the contributor may contribute up to twice that amount ($170,000 in 2023 and increasing to $180,000 effective January 1, 2024) without the Contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Designated Beneficiary in the same year or in any of the succeeding four calendar years. The annual exclusion is indexed for inflation and therefore is expected to increase over time.

School Eligibility. The Designated Beneficiary can use funds in the Plan to attend any United States post-secondary school (and some foreign schools), public or private, qualifying as an Eligible Educational Institution, including two-year, four-year, professional and vocational schools, and to pay certain expenses of K-12 education for a Designated Beneficiary. Apprenticeship Programs are also included. Please see the discussion above under "Qualified Withdrawals."

Investment Flexibility. The Board and Program Manager have designed 3 Age-Based Portfolios, 6 Target Portfolios, and 26 Individual Fund Portfolios. The Age-Based and Target Portfolios invest in specified allocations of equity, real estate, fixed income, and/or money market funds, and the Individual Fund Portfolios invest in a single underlying investment. Account Owners do not own shares of the underlying investments, but rather own shares in a Portfolio of the Plan. You can choose a Portfolio that is tailored to meet your investment objectives and risk profile. **The underlying investments in a Portfolio may be modified from time to time by the Board in its sole discretion.**

DEFINITIONS OF KEY TERMS

When the following capitalized terms are used in this Program Disclosure Statement, such terms shall have the meanings ascribed to such terms below:

ABLE Account means an account under a qualified ABLE program under Section 529A of the Code as further defined in Section 529A(e)(6) of the Code.

Account means a separate account within the Plan established by an Account Owner for a named Designated Beneficiary pursuant to an Account Agreement.

Account Agreement means the written agreement between an Account Owner and the Board that governs the operation of each Account established under the Plan by an Account Owner, as amended and supplemented from time to time. The current Account Agreement is attached as Exhibit A to this Program Disclosure Statement.

Account Owner means the person or entity that has entered into an Account Agreement and established an Account on behalf of a Designated Beneficiary, or the person or entity who is the successor in interest to such person or entity in accordance with the Program Rules. The Account Owner must be at least 19 years of age. An Account Owner need not be a resident of Alabama. The Account Owner must also have a valid, permanent address in the U.S. (not a P.O. Box). The Account Owner may be an individual, certain legal entities, a custodian under a UGMA or UTMA account or a trustee of a trust. An Account Owner may be a State or local government or a tax-exempt organization described in Section 501(c)(3) of the Code with a valid taxpayer identification number as part of a scholarship program operated by such government or organization. The Account Owner may make Contributions to the Account, direct investment changes, designate or change the Designated Beneficiary, request withdrawals, or request exchanges among Portfolios within the Plan.

Act means 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, which established and applies to the Program and the Plan.

Age-Based Portfolio means a diversified investment portfolio that invests in equity, real estate, fixed income, and/or money market funds that adjusts based on the age of the Designated Beneficiary.

Apprenticeship Program means a program registered and certified with the Secretary of Labor under Section 1 of the National Apprenticeship Act (29 U.S.C. §50).

Bank Savings 529 Portfolio means an investment option composed exclusively of a deposit in an FDIC-insured interest-bearing omnibus deposit account maintained at Union Bank and Trust Company and accommodates Designated Beneficiaries without regard to age.

Board means the Board of Trustees of the Program.

Code means the Internal Revenue Code of 1986, as amended from time to time.

Contribution means cash deposited into an Account for the benefit of a Designated Beneficiary.

Designated Beneficiary means

- The individual designated as the beneficiary of the Account at the time the Account is established;
- The individual who is designated as the new Designated Beneficiary when the Designated Beneficiary of an Account is changed; or
- The individual receiving the benefits of an Account established by any state or local government or organization described in Section 501(c)(3) of the Code, as part of a scholarship program operated by such government or organization.

A Designated Beneficiary may be of any age. To protect certain federal tax advantages of the Plan, there are restrictions on who may be named a replacement Designated Beneficiary. The Designated Beneficiary can only be changed to a "Member of the Family" of the former Designated Beneficiary.

Eligible Educational Institution means an institution which is described in Section 481 of the Higher Education Act of 1965 and which is eligible to participate in a program under Title IV of such Act. This generally includes any accredited postsecondary educational institution in the United States offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential. Certain proprietary institutions, postsecondary vocational institutions, and foreign schools also are Eligible Educational Institutions. These institutions must be eligible to participate in the student aid programs provided by Title IV of the Higher Education Act of 1965. The U.S. Department of Education maintains a database of the institutions that qualify as Eligible Educational Institutions.

Enrollment Form means the CollegeCounts 529 Fund Enrollment Form completed and signed by an Account Owner establishing an Account and agreeing to be bound by the terms of the Account Agreement.

Individual Fund Portfolio means an investment Portfolio within the Plan to which an Account may be assigned and that invests in the shares of a single mutual fund or underlying investment.

Investment Portfolios and Allocation Guidelines means the Investment Portfolios and Allocation Guidelines adopted by the Board which set forth the Plan's investment Portfolios, underlying investment funds, fee structures, and asset allocations. The Board may amend the Investment Portfolios and Allocation Guidelines from time to time.

K-12 Tuition Expenses means expenses incurred after 2017 for tuition in connection with enrollment or attendance at an elementary or secondary school, whether public, private or religious, up to the annual limit established by Code Section 529(e).

Maximum Account Balance means the dollar threshold after which additional Contributions to an Account cannot be made. The Maximum Account Balance is currently $475,000 and is applied against the aggregate value of all Plan Accounts for the Designated Beneficiary and all accounts for the same Designated Beneficiary under other Alabama Section 529 programs. The Board periodically reviews and adjusts the Maximum Account Balance to comply with the requirement under Code Section 529 that a program prevent contributions in excess of those necessary to provide for the Qualified Higher Education Expenses of the Designated Beneficiary.

Member of the Family means an individual who is related to the Designated Beneficiary, as defined in Section 529(e)(2) of the Code, in any of the following ways:

- A son or daughter, or a descendant of either;
- A stepson or stepdaughter;
- A brother, sister, stepbrother, or stepsister;
- The father or mother, or an ancestor of either;
- A stepfather or stepmother;
- A son or daughter of a brother or sister;
- A brother or sister of the father or mother;
- A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law;
- The spouse of the Designated Beneficiary or the spouse of any of the foregoing individuals; or
- A first cousin of the Designated Beneficiary.

For purposes of determining who is a Member of the Family, a legally adopted child of an individual is treated as the child of such individual by blood. The terms brother and sister include a half-brother or half-sister.

Nonqualified Withdrawal means any distribution from an Account that is not a Qualified Withdrawal and is not a Qualified Rollover Distribution.

PACT Program means the Alabama Prepaid Affordable College Tuition Program, a prepaid tuition program intended to qualify under Section 529 of the Code, which was established under the Act. The PACT Program is closed to future enrollment.

Plan means the CollegeCounts 529 Fund.

Portfolio means any of the investment portfolios available, and to which Contributions may be made, under the Plan. An Account Owner must designate a Portfolio or Portfolios in the Enrollment Form for each Account.

Program means the Alabama Comprehensive Education Savings Program established by the Act.

Program Management Agreement means the Program Management Agreement by and between the Program Manager and the Board.

Program Manager means Union Bank and Trust Company of Lincoln, Nebraska. Union Bank and Trust Company does business in Alabama under the name UBT 529 Services, a Division of Union Bank and Trust Company.

Program Rules means the rules governing the Program adopted by the Board, as such Rules may be amended or supplemented from time to time.

Qualified Education Loan means a qualified education loan as defined in Section 221(d) of the Code, which generally includes indebtedness incurred solely to pay Qualified Higher Education Expenses at an Eligible Educational Institution and does not include indebtedness to certain related persons or by reason of a loan under any qualified employer plan.

Qualified Higher Education Expenses as defined in Section 529 of the Code, includes:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
- expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;
- expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature;
- Certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time.
  - The amount treated as Qualified Higher Education Expenses shall not exceed—
    - the allowance (applicable to the student) for room and board included in the cost of attendance as determined by the Eligible Educational Institution for such period, or
    - if greater, the actual invoice amount the student residing in housing owned or operated by the Eligible Educational Institution is charged by such institution for room and board costs for such period;
- Expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an Apprenticeship Program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act;
- Amounts paid as principal or interest on any Qualified Education Loan (as defined in section 221(d) of the Code) of the Designated Beneficiary or a sibling of the Designated Beneficiary (up to a lifetime maximum of $10,000 per Designated Beneficiary or sibling);
- Tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private, or religious school (kindergarten through grade 12) up to a maximum of $10,000 during any taxable year in the aggregate from all qualified tuition programs for that Designated Beneficiary.

Qualified Rollover Distribution means a Roth IRA Rollover or a distribution or transfer from an Account that is deposited within sixty (60) days of the distribution or transfer to:

- Another qualified tuition program for the benefit of the Designated Beneficiary, provided that any such transfer does not occur within twelve months from the date of a previous transfer to a qualified tuition program for the benefit of the Designated Beneficiary; or
- Another Account in any other qualified tuition program, for the benefit of an individual who is a Member of the Family of the Designated Beneficiary.

Effective December 22, 2017 and before 2026, under Section 529(c)(3), a rollover distribution from a 529 plan to a Section

529A ABLE Account for the same Designated Beneficiary or a Member of the Family of the Designated Beneficiary's is to be treated as a qualified rollover under Section 529 for federal income tax purposes.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

Qualified Withdrawal means a withdrawal from an Account that is used to pay the Qualified Higher Education Expenses of the Designated Beneficiary.

Roth IRA means an individual retirement account established under Section 408A of the Code.

Roth IRA Rollover means a direct transfer from an Account to a Roth IRA on or after January 1, 2024, that meets the following requirements:

- The Account must have been maintained for the 15-year period ending on the date of the Roth IRA Rollover.
- The Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the Designated Beneficiary of the Account.
- Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits, minus all other IRA contributions made during the year for the same designated beneficiary. In addition, such rollovers may not exceed the amount of compensation the designated beneficiary earned during the year.
- The amount of the Roth IRA Rollover may not exceed the aggregate amount contributed to an Account (and earnings attributable thereto) before the 5-year period ending on the date of the IRA Rollover.
- The aggregate amount for all years of Roth IRA Rollovers for the same Designated Beneficiary from all 529 qualified tuition programs may not exceed $35,000.

Roth IRA Rollovers are subject to the annual contribution limit for Roth IRAs. For 2023, the limit is $6,500 and will increase to $7,000 in 2024. All contributions made during the year to individual retirement accounts for the Designated Beneficiary count towards this limit.

A Roth IRA Rollover can be made only to the extent the Designated Beneficiary has eligible compensation (e.g. wages and self-employment income) for the year. The Roth IRA modified adjusted gross income limits appear not to apply to Roth IRA Rollovers.

Statement of Investment Policy means the Investment Policy and Guidelines Statement adopted by the Board. The Investment Policy Statement sets forth the policies, objectives and guidelines that govern the investment of Contributions in the Program. The Board may amend the Statement of Investment Policy from time to time.

Target Portfolio means a diversified investment portfolio within the Plan to which an Account can be assigned that can invest in equity, real estate, fixed income, and/or money market funds.

Treasurer means the State of Alabama Treasurer.

Trust Fund means the fiduciary trust fund created under the Act to hold the assets of the Plan.

DESCRIPTION OF THE PROGRAM

What Is the Program?

The Program is an education savings program established by the State of Alabama and is designed to qualify as a qualified tuition program under Section 529 of the Code, as amended. The purpose of the Program is to assist individuals in paying Qualified Higher Education Expenses at Eligible Educational Institutions and to thereby encourage students to attend colleges and universities. Federal and Alabama state income taxes on investment earnings in an Account are deferred until there is a distribution from the Account. In addition, distributions from an Account are generally free from federal and Alabama state income tax if they are made in a Qualified Withdrawal.

The Program consists of the CollegeCounts 529 Fund and the CollegeCounts 529 Fund Advisor Plan. This Program Disclosure Statement only pertains to Accounts in the CollegeCounts 529 Fund, which is referred to in this Program Disclosure Statement as the "Plan." Accounts in the Plan are offered directly to Account Owners. Before investing in the Plan, you should consider whether an investment in the Plan is appropriate in light of your overall financial goals and whether an investment in the Plan is an appropriate vehicle for you to use to save for Qualified Higher Education Expenses. You can obtain additional information about the CollegeCounts 529 Fund Advisor Plan by visiting CollegeCounts529advisor.com or calling 866.529.2228.

What Is the Legal Structure of the Program?

The Program was established by the Act. Funds contributed to Plan Accounts established pursuant to the Program are held in the Trust Fund for the sole benefit of the Account Owner and the Designated Beneficiary. The Board acts as trustee of the Trust Fund and is responsible for the overall administration of the Program. The Board has delegated day-to-day administration of the Program to the Treasurer.

The Board has selected Union Bank and Trust Company, doing business in Alabama as UBT 529 Services, a Division of Union Bank and Trust Company, to serve as Program Manager and advise the Board on the investment of Contributions to the Plan and to provide day-to-day administrative and marketing services to the Plan. The Program Manager has engaged Wilshire to advise it with respect to the structure and asset allocations of the Portfolios and the underlying investment funds the Portfolios utilize.

How Does the Plan Work?
To begin saving for education expenses you must open an Account for a named Designated Beneficiary. Money contributed to your Account, will be invested in the Portfolio(s) you choose. When the Designated Beneficiary of your Account incurs Qualified Higher Education Expenses, you may withdraw money from your Account to pay those Qualified Higher Education Expenses.

What Types of Qualified Higher Education Expenses May Be Paid With Account Funds?
Account funds may be used to pay the Qualified Higher Education Expenses of the Account's Designated Beneficiary. These generally include (i) tuition, fees, books, supplies, and equipment required for the Designated Beneficiary's enrollment or attendance at an Eligible Educational Institution; (ii) the purchase of computer or peripheral equipment, computer software, or internet access and related services if they are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution; (iii) subject to certain limitations, these also generally include the room and board expenses of a student enrolled on at least a half-time basis; (iv) expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance; (v) expenses for tuition in connection with the Designated Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school. The amount of cash distributions for such expenses from all 529 qualified tuition programs with respect to a Designated Beneficiary shall, in the aggregate, not exceed $10,000 during the taxable year; (vi) tuition fees, books, supplies, and equipment required for participation of the Designated Beneficiary in an Apprenticeship Program; and (vii) payments on Qualified Education Loans of the Designated Beneficiary or a sibling of the Designated Beneficiary provided that the total amount of distributions from all 529 qualified tuition programs to such individual after December 31, 2018 for loan repayment does not exceed $10,000.

Eligible Educational Institutions generally include accredited, postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential, including certain proprietary, postsecondary vocational, and foreign institutions. The institution must be eligible to participate in U.S. Department of Education student aid programs.

The tax benefits afforded to 529 Plans must be coordinated with other programs designed to provide tax benefits for meeting higher education expenses in order to avoid the duplication of such benefits. **You should consult with a qualified tax advisor with respect to the various education benefits.**

RISK FACTORS

Opening an Account involves certain risks. Among other things discussed in this Program Disclosure Statement, you should carefully consider the following risks before completing an Enrollment Form. You also should read this Program Disclosure Statement, including the Exhibits, carefully before making a decision to open an Account.

Plan Risks

The Value of Your Account May Decline
As with many investment programs, there can be no assurance that the value of your Account will grow at any particular rate or that it will not decline. The value of the securities in which the Portfolios invest will change due to a number of factors, most of which will not be in the control of the Board or the Program Manager. If the value of these securities declines, you may lose some or all of the principal balance in your Account.

Your Account Is Not Insured or Guaranteed
Balances in your Account are not guaranteed or insured by the State of Alabama, the Board, or any instrumentality of the State of Alabama, the Treasurer, the Program Manager or any of its affiliates, the FDIC (except as provided elsewhere in this Program Disclosure Statement solely with respect to investments in the Bank Savings 529 Portfolio), or any other party. You could lose money (including amounts contributed to your Account), or not make money, if you participate in the Plan.

Not a Direct Investment in Mutual Funds and Underlying Fund Risks Although money contributed to the Accounts will be invested in Portfolios that hold mutual funds (among other types of investments), none of the Trust, the Plan, or any of the Plan's Portfolios is a mutual fund, and an investment in the Plan is not an investment in shares of any mutual fund. When you invest money in a Portfolio, you will receive Portfolio units. Your money will be used to purchase shares of underlying funds. However, the settlement date for the Portfolio's purchase of shares of an underlying fund typically will be one to three business days after the trade date for your purchase of Portfolio units. Depending on the amount of cash flow into or out of the Portfolio and whether the underlying fund is going up or down in value, this timing difference will likely cause the Portfolio's performance either to trail or exceed the underlying fund's performance. An investment in the Plan is an investment in municipal fund securities that are issued and offered by the Trust. These securities are not registered with the SEC or any state, nor are the Trust, the Plan, or the Portfolios registered as investment companies with the SEC or any state. The Portfolios invest in underlying funds so the Portfolio's investment performance and risks are directly related to the performance and risks of the underlying funds. The Accounts will indirectly bear the expenses charged by the underlying funds.

Laws Governing 529 Qualified Tuition Programs May Change
There is a risk that federal and state laws and regulations governing 529 programs could change in the future.

The proposed Federal Treasury regulations that have been issued under Section 529 of the Code provide guidance and requirements for the establishment and operation of the Program but do not provide guidance on all aspects of the Program. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences or requirements with respect to the Plan or Contributions to or withdrawals from your Account. In addition, Section 529 or other federal law could be amended in a manner that materially changes the federal tax treatment of Contributions to and withdrawals from your Account.

You should understand that changes in the law governing the federal and/or state tax consequences described in this Program Disclosure Statement might necessitate material changes to the Program and the Plan for the anticipated tax consequences to apply. No representation is made nor assurance given that any such changes may or will be made or that such changes can be made in a manner to allow Account Owners or the Designated Beneficiary to utilize those changes.

Furthermore, the Program has been established pursuant to Alabama law, the Program Rules, the Code, and applicable securities laws. Changes to any of those laws or regulations may also affect the operation and tax treatment of the Program, as described in this Program Disclosure Statement.

Limitation on Investment Selection

The Account Owner may only change the investment election for an Account twice per calendar year, or upon a change in Designated Beneficiary. If an Account Owner has Accounts in the Plan and the CollegeCounts 529 Fund Advisor Plan for the same Designated Beneficiary, the Account Owner may change the Portfolios in all such Accounts without tax consequences, so long as the changes to all of the Accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary.

Limited Use of Withdrawals Without Penalties

Other than payment of the Qualified Higher Education Expenses of the Designated Beneficiary, the circumstances under which a withdrawal may be made from an Account without a penalty or adverse tax consequences are limited. See "Exhibit B – Tax Information."

Limited Operating History of Portfolios

The Plan's investment Portfolios have a limited operating history. Although the underlying investments funds have longer operating histories, past performance of a Portfolio's underlying investment fund(s) should not be viewed as a future prediction of that Portfolio's or its underlying investments fund's future performance.

Fee Changes

The Plan's fees and expenses and the amount of the specified fees described in this Program Disclosure Statement, including the fees the Plan imposes and the underlying investment fees and expenses, may change from time to time during your participation in the Plan. There can be no assurance that the Plan's fees and expenses will not increase in the future.

Changes in Program Manager

A new program manager may be appointed either upon expiration of the Program Management Agreement or earlier in the event the Program Manager or Board terminates the agreement prior to the end of the term.

In such case, the fee or compensation structure for the successor program manager may differ from and/or be higher than the fee and compensation structure of the current Program Manager. Additionally, upon a change in program manager, the Board may change the asset allocation of Portfolios and/or mutual funds included in any Portfolio and/or eliminate or change Portfolios. The Plan with such changes may achieve performance results that are different than those achieved by the current Plan.

Illiquidity of Account

Funds in your Account will be subject to the terms and conditions of the Plan and the Account Agreement. These provisions may limit your ability to withdraw funds or to transfer these funds. Under no circumstances may any interest in an Account or the Plan be used as security for a loan.

Acceptance to an Eligible Educational Institution Is Not Guaranteed

An Account in the Plan or Program will not have any effect on whether a Designated Beneficiary will be admitted to, or permitted to continue to attend, any college or other Eligible Educational Institution or any other institution.

Educational Expenses May Exceed the Balance in Your Account

Even if you make the maximum amount of Contributions to your Account, the balance may not be sufficient to cover the Designated Beneficiary's Qualified Higher Education Expenses.

The Age-Based Portfolios Not Designed for K-12 Tuition Expenses

We have not designed the Age-Based Portfolios we offer through the Plan to assist you in reaching your K-12 Tuition Expenses savings goals. Specifically, the Age-Based Portfolios are designed for Account Owners seeking to automatically invest in progressively more conservative investments as their Designated Beneficiary approaches college age. The Age-Based Portfolios' time horizons and withdrawal periods may not match those needed to meet your K-12 Tuition Expenses savings goals, which may be significantly shorter. You should consult a tax advisor about investing in the Plan in light of your personal circumstances.

Securities Laws

Shares held by the Accounts in the Plan are generally considered municipal fund securities. The shares will not be registered as securities with the SEC or any state securities regulator. In addition, the Portfolios will not be registered as investment companies under the Investment Company Act of 1940. Neither the SEC nor any state securities commission has approved or disapproved the shares or passed upon the adequacy of the Program Disclosure Statement.

Tax Considerations

The federal and certain state tax consequences associated with participating in the Plan can be complex. Please see Federal and State Tax Considerations beginning on page 32. You should consult a tax advisor regarding the application of tax laws to your particular circumstances.

Plan Contributions Do Not Create Alabama Residency

Contributions to the Plan do not create Alabama residency status for you or a Designated Beneficiary for purposes of determining the rate of tuition charged by an Alabama educational institution or any other purpose.

Impact on the Designated Beneficiary's Ability to Receive Financial Aid

The eligibility of the Designated Beneficiary for financial aid may depend upon the circumstances of the Designated Beneficiary's family at the time the Designated Beneficiary enrolls in an Eligible Educational Institution, as well as on the policies of the governmental agencies, school, or private organizations to which the Designated Beneficiary and/or the Designated Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the Designated Beneficiary and the Designated Beneficiary's family, it most likely will have some effect on the Designated Beneficiary's eligibility. These policies vary at different institutions and can change over time. Therefore, no person or entity can say with certainty how the federal aid programs, or the school to which the Designated Beneficiary applies, will treat your Account for these purposes.

Medicaid and Other Federal and State Benefits

The effect of an Account on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that an Account will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an Account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how an Account may affect eligibility for Medicaid or other state and federal benefits.

Other Investment Alternatives

Neither the Board nor the Program Manager make any representations regarding the appropriateness of the Plan or any Portfolio of the Plan as an investment alternative. Other qualified tuition programs and other education savings and investment programs, including Coverdell Education Savings Accounts, are currently available to prospective Account Owners. These programs may offer benefits, including state tax benefits, other investment options and investment control, to some Account Owners or Designated Beneficiaries that are not available under the Plan. These programs may also have lower fees and expenses than the Plan. Prospective Account Owners should also consider whether investing directly in the underlying investments would be a better option than investing in the Plan, especially if they are considering investing in the Individual Fund Portfolios. A direct investment in the underlying investments may involve lower fees and expenses than are available under the Plan. A direct investment in the underlying investments would not, however, be eligible for certain tax benefits available under the Plan.

Investment Risks

Each Portfolio Has Risks

Each of the Portfolios are subject to certain risks that may affect Portfolio performance. Set forth below is a list of the major risks applicable to the Portfolios. Such list is not an exhaustive list and there are other risks which are not defined below. See "Exhibit C — Investment Portfolios and Underlying Fund Information" and the respective prospectuses of the underlying mutual funds for a description of the risks associated with the underlying mutual funds in which the Portfolios invest.

Market risk. Market risk is the risk that the prices of securities will decline overall. Securities markets tend to move in cycles, with periods of rising and falling prices. Securities prices change every business day, based on investor reactions to economic, political, market, industry, corporate and other developments. At times, these price changes may be rapid and dramatic. Some factors may affect the market as a whole, while others affect particular industries, firms, or sizes or types of securities.

Interest rate risk. Interest rate risk is the risk that securities prices will decline due to rising interest rates. A rise in interest rates typically causes bond prices to fall. Bonds with longer maturities and lower credit quality tend to be more sensitive to changes in interest rates, as are mortgage-backed bonds. Short- and long- term interest rates do not necessarily move the same amount or in the same direction.

Money market investments are also affected by interest rates, particularly short-term rates, but in the opposite way: when short-term interest rates fall, money market yields usually fall as well. Bonds that can be paid off before maturity, such as mortgage-backed and other asset-backed securities, tend to be more volatile than other types of debt securities with respect to interest rate changes.

Income risk. Income risk is the chance that a fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the fund's monthly income to fluctuate.

Income fluctuations. Income distributions on the inflation-protected funds are likely to fluctuate considerably more than the income distributions of a typical bond fund. Income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation are expected to be high. Overall, investors can expect income fluctuations to be high for an inflation-protected fund.

Foreign investment risk. Investment in foreign stocks and bonds may be more risky than investments in domestic stocks and bonds. Foreign stocks and bonds tend to be more volatile, and may be less liquid, than their U.S. counterparts. The reasons for such volatility can include greater political and social instability, lower market liquidity, higher costs, less stringent investor protections, and inferior information on issuer finances. In addition, the dollar value of most foreign currencies changes daily. All of these risks tend to be higher in emerging markets than in developed markets.

Asset-Backed Securities risk. A Portfolio's performance could suffer to the extent the underlying funds in which it invests are exposed to asset-backed securities, including mortgage-backed securities. Asset-backed securities are subject to early amortization due to amortization or payout events that cause the security to payoff prematurely. Under those circumstances, an underlying fund may not be able to reinvest the proceeds of the payoff at a yield that is as high as that which the asset-backed security paid. In addition, asset-backed securities are subject to fluctuations in interest rates that may affect their yield or the prepayment rates on the underlying assets.

Derivatives risk. Certain of the underlying investment funds may utilize derivatives. There are certain investment risks in using derivatives, including futures contracts, options on futures, interest rate swaps and structured notes. If an underlying investment fund incorrectly forecasts interest rates in using derivatives, the underlying investment fund and any Portfolio invested in it could lose money. Price movements of a futures contract, option or structured notes may not be identical to price movements of portfolio securities or a securities index, resulting in the risk that, when an underlying investment fund buys a futures contract or option as a hedge, the hedge may not be completely effective. The use of these management techniques also involves the risk of loss if the advisor to an underlying investment fund is incorrect in its expectation of fluctuations in securities prices, interest rates or currency prices. Investments in derivatives may be illiquid, difficult to price, and result in leverage so that small changes may produce disproportionate losses for the underlying fund. Investments in derivatives may be subject to counterparty risk to a greater degree than more traditional investments. Please see the underlying mutual fund prospectus for complete details.

Concentration risk. To the extent that an underlying investment fund or a Portfolio is exposed to securities of a single country, region, industry, structure, or size, its performance may be unduly affected by factors common to the type of securities involved.

Index sampling risk. Index sampling risk is the chance that the securities selected for an underlying fund, in the aggregate, will not provide investment performance matching that of the underlying fund's target index.

Issuer risk. Changes in an issuer's business prospects or financial condition, including those resulting from concerns over accounting or corporate governance practices, could significantly affect a Portfolio's performance if the Portfolio has sufficient exposure to those securities.

Credit risk. The value or yield of a bond or money market security could fall if its credit backing deteriorates. In more extreme cases, default or the threat of default could cause a security to lose most or all of its value. Credit risks are higher in high-yield bonds.

Management risk. A Portfolio's performance could suffer if the investment fund or funds in which it invests underperform.

Individual Fund Portfolios Not as Diversified as Age-Based and Target Portfolios

The Individual Fund Portfolios are designed to invest in a single underlying investment. Individual Fund Portfolios, by design, are not as diverse as the Age-Based and Target Portfolios which are invested in a number of different mutual funds. Since each Individual Fund Portfolio is invested in one underlying investment, the performance of the Individual Fund Portfolio is dependent on the performance of the underlying investment. Consequently, the performance of each of the Individual Fund Portfolios may be more volatile than the Age-Based and Target Portfolios.

The Program has designed the Age-Based Portfolios on the understanding that assets in a Plan Account will be used to pay for Qualified Higher Education Expenses by a Designated Beneficiary beginning at or after college age. Consequently, Age-Based Portfolios are probably not an appropriate investment choice for Designated Beneficiaries using the amounts in an Account before reaching college age. Therefore, if a Plan Participant intends to use the Account for K-12 Tuition Expenses, then such Plan Participant should carefully weigh whether an Age-Based Portfolio would be an appropriate investment choice for the Account.

Suitability of Plan for Account Owner

An investment in the Plan will not be an appropriate investment for all investors. Some Portfolios entail more risk than other Portfolios and may not be suitable for all Account Owners, or for the entire balance of the Account. This is particularly true for Individual Fund Portfolios which are invested in a single underlying investment. No Individual Fund Portfolio should be considered a complete investment program, but should be a part of an Account Owner's overall investment strategy designed in light of an Account Owner's particular needs and circumstances, as well as an Account Owner's determination (after consulting with his or her advisors and consultants) of the Account Owner's own risk tolerance, including the ability to withstand losses.

You should evaluate the Plan, the investment option you select, and the Portfolios in the context of your overall financial situation, investment goals, tax status, other resources and needs (such as liquidity) and other investments, including other education savings strategies.

While there is no guarantee that the Plan is or will be an appropriate investment for anyone, in particular, if you consider yourself an especially aggressive or conservative investor, you may want to save for higher education by making investments in addition to, or other than, through the Plan to seek to achieve the investment result that is appropriate for you. Because neither the Plan, the Trust, the Board, the Treasurer, the State of Alabama, nor the Program Manager are providing you any recommendations on any investments in the Plan, you are urged to consult a financial advisor if you are unsure whether or how much to invest in the Plan or which Portfolios are suitable for you.

OPENING AND MAINTAINING AN ACCOUNT

Who Can Open an Account?

An Account may be established by an individual, certain legal entities, a custodian under a State's UGMA or UTMA statute, or the trustee of a trust. The Account Owner must be at least 19 years of age and be a U.S. citizen, resident alien or legal entity with a valid Social Security number or taxpayer identification number. The Account Owner must also have a valid, permanent address in the U.S. (not a P.O. Box). There are no income limitations for the Account Owner to participate in, or benefit from, the Plan. In addition, an Account may be established by a State or local government or a tax-exempt organization described in Section 501(c)(3) of the Code with a valid taxpayer identification number as part of a scholarship program operated by such government or organization.

You do not have to be a resident of Alabama to open an Account. There may be only one Account Owner per Account (joint ownership is not allowed). An Account Owner or multiple Account Owners can open more than one Account for the same Designated Beneficiary as long as the total of the balances in all such Accounts and accounts for the Designated Beneficiary in other Alabama Section 529 programs do not exceed the Maximum Account Balance.

If the prospective Account Owner is a trust, the trustee should consult with his or her legal and tax advisors before establishing an Account. This Program Disclosure Statement does not address the income or transfer tax consequences of investments in the Plan made by a trust or the propriety of such an investment under state trust law.

How Do I Open an Account?
To open an Account, you must complete and sign an Enrollment Form, agreeing to be bound by the terms and conditions of the Account Agreement, which governs your rights, benefits, and obligations as an Account Owner. The current form of the Account Agreement is included as Exhibit A to this Program Disclosure Statement. You should note, however, that any amendments to the Code or Alabama laws or regulations relating to the Program may automatically amend the terms of the Account Agreement, and the Board may amend the Account Agreement at any time and for any reason by giving notice of such amendments.

To open an Account:

- **Online**: complete the online application at CollegeCounts529.com.
- **By Mail**: complete, sign and mail the Enrollment Form to the CollegeCounts 529 Fund.

If you wish to make Contributions for more than one Designated Beneficiary, you must complete an Enrollment Form and open a separate Account for each Designated Beneficiary.

How Many Accounts Can I Open?
There is no limit on the number of Accounts you can establish. An Account Owner or multiple Account Owners can open more than one Account for the same Designated Beneficiary as long as the total of the balances in all such Accounts and accounts for the Designated Beneficiary in the other State of Alabama 529 programs, do not exceed the Maximum Account Balance.

When Can I Open an Account for an Infant?
There are no age limitations for a Designated Beneficiary. However, at the time you open an Account, you must designate a Designated Beneficiary. If you open an Account for a newborn for whom a Social Security number has not yet been obtained, you may still designate that individual as the Designated Beneficiary, however, you must provide the Designated Beneficiary's Social Security number within ninety (90) days after opening the Account.

Who Controls an Account?
As Account Owner, you control the Account, including any Contributions made to the Account by third parties. The Account Owner may change the Designated Beneficiary of the Account, transfer money in the Account to another account in the Program or another qualified tuition program, or withdraw money from the Account, in each case subject to any applicable taxes or other rules as described in this Program Disclosure Statement and under applicable law.

May I Change Ownership of a Plan Account?
You may change ownership of your Account to another individual or entity that is eligible to be an Account Owner. When you transfer ownership of your Account, you may, but are not required to, change the Designated Beneficiary. A change of ownership of an Account will only be effective if the assignment is irrevocable and transfers all ownership rights.

To be effective, a transfer of ownership of your Account requires the current Account Owner and the new Account Owner to complete the Change of Account Owner Form. By signing the Change of Account Owner Form, the new Account Owner will be entering into an Account Agreement with the Plan and will be subject to the terms and conditions of the Plan's then-current Account Agreement. The current Account Owner's signature on the Change of Account Owner Form must be medallion signature guaranteed, or it will not be processed. You should consult your tax advisor regarding the potential gift and/or generation-skipping transfer tax consequences of changing ownership of your Account.

Can I Name a Successor to Take Over Ownership of My Account Upon My Death?
On your Enrollment Form, you may designate a successor Account Owner to take ownership of your Account in the event of your death. If you have already established an Account, you may designate a successor Account Owner or change your designation by completing the appropriate form available at CollegeCounts529.com.

If you do not designate a successor Account Owner, then your estate, acting through your personal representative, will become the successor Account Owner. Before the successor Account Owner will be permitted to transact business with respect to your Account, he or she will be required to provide a certified copy of the death certificate and documentation reflecting his or her appointment to act on behalf of the estate, and to execute a Change of Account Owner Form, thereby entering into a new Account Agreement.

Where Can I Obtain Additional Forms and Enrollment Kits?
You can obtain forms, additional enrollment kits, account maintenance forms and the Program Disclosure Statement by visiting the Plan's website at CollegeCounts529.com, or by contacting the Plan at 866.529.2228.

CHOOSING A DESIGNATED BENEFICIARY

Who May Be a Designated Beneficiary?
Any individual who is a U.S. citizen or resident alien with a valid federal taxpayer identification number, such as a Social Security number, can be a Designated Beneficiary. A Designated Beneficiary can be of any age and need not be a resident of the State of Alabama. Each Account may have only one Designated Beneficiary, but different Account Owners may establish different Accounts for the same Designated Beneficiary, provided that the total balances in such Accounts and all other accounts in other State of Alabama 529 programs do not exceed the Maximum Account Balance. An Account Owner may also name himself or herself as the Designated Beneficiary.

If an Account is established by a State or local government (or agency or instrumentality thereof) or an organization described in Section 501(c)(3) of the Code as part of a scholarship program operated by such government or organization, the Designated Beneficiary is not required to be identified on the Enrollment Form at the time the Account is established. Such government or organization must designate the Designated Beneficiary prior to any distributions for Qualified Higher Education Expenses from the Account.

Do I Have to Be Related to the Designated Beneficiary?
You do not have to be related to the Designated Beneficiary to establish an Account. However, if you change the named Designated Beneficiary in the future, the new Designated Beneficiary must be a Member of the Family of the current Designated Beneficiary in order to avoid potentially adverse tax consequences.

May I Change Designated Beneficiaries?
As the Account Owner, you may change the Designated Beneficiary at any time without adverse federal income tax consequences if the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary. You may also change the Portfolios in which your Account is invested when you change the Designated Beneficiary. If the new Designated Beneficiary is not a Member of the Family of the current Designated Beneficiary, then the change is treated as a Nonqualified Withdrawal that is subject to taxes and a penalty. A Member of the Family is anyone who is related to the current Designated Beneficiary in one of the following ways:

- A son or daughter, or a descendant of either;
- A stepson or stepdaughter;
- A brother, sister, stepbrother, or stepsister;
- The father or mother, or an ancestor of either;
- A stepfather or stepmother;
- A son or daughter of a brother or sister;
- A brother or sister of the father or mother;
- A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law;
- The spouse of the Designated Beneficiary or the spouse of any of the foregoing individuals; or
- A first cousin of the Designated Beneficiary.

For purposes of determining who is a Member of the Family, a legally adopted child of an individual is treated as the child of such individual by blood. The terms brother and sister include a half-brother or half-sister.

If the source of Contributions to an Account was a State UGMA or UTMA account, the Designated Beneficiary of the Account may not be changed until the minor attains the legal age necessary to control the UGMA or UTMA assets.

When you change the Designated Beneficiary, unless you direct otherwise, any money invested in a Target Portfolio or Individual Fund Portfolio will remain in such Portfolio, and any money invested in an Age-Based Portfolio will be transferred to the applicable Age-Based Portfolio based on the new Designated Beneficiary's age.

The Program has designed the Age-Based Portfolios on the understanding that assets in a Plan Account will be used to pay for Qualified Higher Education Expenses by a Designated Beneficiary beginning at or after college age. Consequently, Age-Based Portfolios are probably not an appropriate investment choice for Designated Beneficiaries using the amounts in an Account before reaching college age. Therefore, if a Plan Participant intends to use the Account for K-12 Tuition Expenses, then such Plan Participant should carefully weigh whether an Age-Based Portfolio would be an appropriate investment choice for the Account.

A change of the Designated Beneficiary of an Account or a transfer to an Account for another Designated Beneficiary may have federal gift tax or generation-skipping transfer tax consequences. You should consult your tax advisor under such circumstances.

If you change the Designated Beneficiary of your Account, the Program Manager will ask you to certify the relationship between the new Designated Beneficiary and the current Designated Beneficiary. To change the Designated Beneficiary of your Account, you must complete and submit the appropriate form.

CONTRIBUTING TO AN ACCOUNT

How do I Make Contributions to the Plan?
All Contributions to your Account must be in cash. You can make Contributions to your Account by:

- **check payable to "CollegeCounts 529";**
- **automatic investment plan ("AIP")** - You may establish an AIP by logging on to your account at CollegeCounts529.com or downloading and completing and submitting the appropriate form. If your AIP contribution cannot be processed because of insufficient funds or because of incomplete or inaccurate information, the Plan reserves the right to suspend future AIP contributions;
- **electronic funds transfer ("EFT")** - You may complete EFT contributions by logging on to your account at CollegeCounts529.com. If your EFT contribution cannot be processed because of insufficient funds or because of incomplete or inaccurate information, the Plan reserves the right to suspend future EFT contributions;
- **payroll contribution** - Payroll contributions allow you to set up automatic contributions in the form of paycheck deductions. Check with your employer to see if it offers this service;
- ***CollegeCounts GiftED*** - You can send an email invitation to family and friends to allow them to contribute to your Account. Log in to your Account and follow the on-screen instructions;
- **wire transfer** - please be aware that your bank may charge a fee for wire transfers;
- **"Rewards"** from your CollegeCounts 529 Rewards Visa® Card - Once you've accumulated $50 in rewards with the CollegeCounts 529 Rewards Visa® Card, those amounts will be automatically transferred at the end of each calendar quarter to the Account(s) you designate; or
- **transfer or rollover** from another 529 qualified tuition program, Coverdell Education Savings Account ("CESA"), or a qualified U.S. Savings Bond. Amounts distributed from a CESA and contributed to an Account may be treated as a tax-free distribution from the CESA. In addition, subject to certain limitations, redemption of certain qualified U.S. Savings Bonds may be tax-free if the proceeds are contributed to an Account. Certain rules and requirements must be met. For more information consult IRS Publication 970 and your financial, tax, or legal advisor.

Checks should be made payable to "CollegeCounts 529" and sent to the following address:

Mailing Address:
CollegeCounts 529 Fund
P.O. Box 85290
Lincoln, NE 68501-5290

Overnight or Courier Address:
CollegeCounts 529 Fund
1248 O Street Suite 200
Lincoln, NE 68508

CollegeCounts cannot accept Contributions made with credit card convenience checks, stocks, securities, other nonbank account assets, nor may you charge Contributions to your credit card.

CollegeCounts is unable to accept wire and Automated Clearing House (ACH) purchases on days when the Federal Reserve Wire System is closed.

How do I Rollover or Transfer Funds to My Account?
You may open an Account or contribute to an existing Account in the Plan by rolling over or transferring funds from another 529 qualified tuition program, a CESA or certain qualified U.S. Savings Bonds. A rollover transaction from another 529 qualified tuition program is free from federal income tax if it constitutes a Qualified Rollover Distribution. A Qualified Rollover Distribution:

- is a rollover for the same Designated Beneficiary as long as there were no prior rollovers for that Designated Beneficiary in the last 12 months; or
- is a rollover if the Designated Beneficiary of the Account is changed to a Member of the Family of the current Designated Beneficiary.

The program from which you are transferring funds may impose fees or other restrictions on such a transfer, so you should investigate this option thoroughly before requesting a transfer.

The Program Manager will assume that the entire rollover contribution from another 529 qualified tuition program, a CESA or a qualified U.S. Savings Bond is earnings in the Account receiving the Contribution until the Program Manager receives appropriate documentation showing the actual earnings portion of the Contribution. This assumption is required by the Internal Revenue Service. See "Exhibit B – Tax Information" herein.

How do I Make Contributions From a UGMA or UTMA Custodial Account?
A custodian for a minor under a State UGMA or UTMA statute may use the assets held in the UGMA or UTMA account to open an Account in the Plan, subject to the laws of the state under which the UGMA or UTMA account was established.

If the custodian of a UGMA or UTMA account establishes an Account, the minor for whose benefit the assets are held must be the Designated Beneficiary of the Account, and the custodian will not be permitted to change the Designated Beneficiary of the Account. When the Designated Beneficiary reaches the age of majority under the applicable UGMA or UTMA statute and the custodianship terminates, the Designated Beneficiary will become the sole Account Owner with complete control over the Account. **The custodian is required to notify the Program Manager when the minor attains the age of majority under the applicable UGMA or UTMA statute.**

The conversion of non-cash UGMA or UTMA assets to cash for contribution to an Account may be a taxable transaction. Before liquidating assets in a UGMA or UTMA account in order to contribute them to an Account, you should review the potential tax and legal consequences with your tax and legal advisors. Moreover, neither the Board, the Treasurer, the Program Manager, the Plan nor the Program assumes responsibility to insure, or will incur any liability for failing to insure, that a custodian applies assets held under a UGMA or UTMA custodianship for proper purposes.

How do I Contribute CollegeCounts Visa Rewards to a CollegeCounts Account?
The CollegeCounts 529 Rewards Visa® Card allows cardholders to earn rewards that are contributed to a designated Account. Currently, CollegeCounts 529 Rewards Visa® Card cardholders earn a 1.529% reward on qualifying purchases that accumulates and is automatically contributed to the Account the cardholder designates. A cardholder may designate up to three (3) Accounts into which rewards can be contributed. If you designate more than one Account, rewards Contributions will be split equally among the Accounts you designate. In order to obtain a CollegeCounts 529 Rewards Visa® Card, you must submit an application and be approved to receive the card. The CollegeCounts 529 Rewards Visa® Card is offered by Union Bank and Trust Company.

If you are a cardholder and your CollegeCounts 529 Rewards Visa® Card account is in good standing, after you have accumulated at least $50 in rewards those amounts will be automatically transferred at the end of each calendar quarter to the Account(s) you designate. Rewards can only be redeemed as a Contribution to the designated Account(s) and have no cash value except as a Contribution or as described in the "Rewards Program" Terms and Conditions. This Program Disclosure Statement is not intended to provide detailed information about the card and the "Rewards Program". The card and the Rewards Program are administered in accordance with the terms of the credit card agreement and "Rewards Program" Terms and Conditions, as they may be amended from time to time. For additional information, please visit CollegeCounts529.com.

Can Non-Owners Make Contributions to an Account?
Currently, anyone can make Contributions to an Account, including the Designated Beneficiary. The Alabama state income tax deduction is available to any individual who contributes to an Account and files an Alabama state income tax return. However, the Account Owner maintains control over all Contributions to an Account, including the right to change Portfolios, change the Designated Beneficiary, and make withdrawals. In addition, under current law, the federal gift and generation-skipping transfer tax consequences of a Contribution by anyone other than the Account Owner are unclear. Accordingly, if a person other than

the Account Owner wishes to make a Contribution to an Account, such person should consult his or her own tax or legal advisors as to the consequences of such a Contribution.

What is *CollegeCounts GiftED*?

You may invite family and friends to contribute to your CollegeCounts Account through *CollegeCounts GiftED*. After your CollegeCounts Account is established, log in to your Account online at CollegeCounts529.com and Select "GiftED". Follow the online instructions to send email invitations to family and friends. Any gift Contributions will be invested according to the investment allocation currently on file for your Account. The individual making the gift Contribution does not maintain any control over the Contribution after the funds have been invested.

What Are the Limits on the Amount I Can Contribute?

A minimum Contribution is not required, nor do you have to contribute to your Account every year. The Plan has no minimum initial and subsequent required Contributions to an Account.

The Maximum Account Balance is $475,000.

Accounts that have reached the Maximum Account Balance may continue to accrue earnings, but additional Contributions will not be accepted and will be returned. Additional Contributions may be made in the future if the Account value falls below the Maximum Account Balance or the Maximum Account Balance is increased.

The Maximum Account Balance is based on the aggregate market value of the Account(s) for a Designated Beneficiary and not on the aggregate Contributions made to the Account(s). Contributions cannot be made to any Account for a Designated Beneficiary if the aggregate Account balance, including any proposed Contribution, for that Designated Beneficiary (including accounts for the same Designated Beneficiary in other State of Alabama 529 programs) would exceed the Maximum Account Balance. The Board may periodically review and adjust the Maximum Account Balance as needed.

What Happens to Contributions Over the Maximum?

The Program Manager will notify you if you have made a Contribution to an Account that exceeds the Maximum Account Balance. The Program Manager will not knowingly accept and may reject Contributions in excess of the Maximum Account Balance. If the Program Manager determines that you have made Contributions in excess of the Maximum Account Balance, the excess Contributions and any earnings thereon will be promptly refunded and may be treated as a Nonqualified Withdrawal that is subject to income tax and a federal penalty tax.

INVESTMENT PORTFOLIOS

How Are My Plan Contributions Invested?

Contributions to an Account will be invested in the Portfolio or Portfolios you select on the Enrollment Form. The Portfolios may invest in one or more mutual funds or other investment vehicles in accordance with the Statement of Investment Policy. These may include investment funds investing in domestic equity, international equity, real estate, fixed income, money market, or other asset classes.

Account Owners should periodically assess, and if appropriate, adjust their investment choices with their time horizon, risk tolerance and investment objectives in mind. The Portfolios described in this Program Disclosure Statement allow Account Owners to direct funds to specific investment categories and strategies established by the Board and as set forth in the Alabama Comprehensive Education Savings Program (ACES) Trust Fund Statement of Investment Policy.

Requesting Additional Information: Information on the various Portfolios and a summary description of the underlying investment funds is included in "Exhibit C - Investment Portfolios and Mutual Fund Information." Additional information regarding the underlying mutual funds' investment strategies and their related risks can be found in the prospectus and statement of additional information ("SAI") of each underlying mutual fund. More information about the underlying mutual funds, including copies of their prospectuses, SAIs, and annual reports, are available by contacting the underlying mutual fund company.

The Plan has the following Portfolios available:

- 3 Age-Based Portfolios;
- 6 Target Portfolios; and
- 26 Individual Fund Portfolios.

The three Age-Based Portfolios are designed to reduce the Account's exposure to principal loss the closer the Designated Beneficiary gets to college age. The six Target Portfolios keep the asset allocation between equity, real estate, fixed income, and money market investments as determined by the Statement of Investment Policy over the life of your Account. The Individual Fund Portfolios each invest in a single underlying investment. The Age-Based, Target and Individual Fund Portfolios have been created by the Board upon recommendation by the Program Manager and Wilshire.

Contributions will be invested in the Portfolio or Portfolios the Account Owner selects on the Enrollment Form in accordance with the Statement of Investment Policy.

Under federal law, neither you nor the Designated Beneficiary of your Account may exercise investment discretion, directly or indirectly, over Contributions to an Account or any earnings on such Contributions. As a result, you will not be able to select the securities in which your Account is invested. Instead, Contributions will be invested in the Portfolio or Portfolios you select in your Enrollment Form in accordance with the Investment Portfolios and Allocation Guidelines. Generally, an Account Owner may only change the Portfolio or Portfolios in which their Account is invested twice per calendar year or upon a change of Designated Beneficiary. If an Account Owner has multiple accounts in the Plan for the same Designated Beneficiary or multiple accounts in other State of Alabama 529 programs for the same Designated Beneficiary, the Account Owner may change the Portfolios in all of these accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary.

In allocating Contributions to the Portfolios, the Program Manager will follow the Alabama Comprehensive Education Savings Program (ACES) Trust Fund Statement of Investment Policy. The Statement of Investment Policy can be viewed and downloaded at CollegeCounts529.com.

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 investments in which the Portfolios invest, including the underlying investments in which the Individual Fund Portfolios invest.

Age-Based Portfolios

You may choose from 3 Age-Based Options:

- Aggressive Age-Based Option
- Moderate Age-Based Option
- Conservative Age-Based Option

The Age-Based Portfolios generally invest in a mix of equity, real estate, fixed income, and money market funds allocated based on the current age of the Designated Beneficiary. The Age-Based Portfolios adjust over time so that as the Designated Beneficiary nears college age each Age-Based Portfolio's allocation between equity, real estate, fixed income, and money market funds becomes more conservative relative to the allocation in earlier years. For each Age-Based Portfolio, the Plan will automatically exchange assets from one Portfolio to another during the month the Designated Beneficiary attains the next age-band based as set forth in the following table.

Within the Age-Based Portfolios you may choose from among an aggressive, moderate or conservative asset allocation based on, among other factors, your investment goals and objectives, and your tolerance for market volatility and investment risk. The Aggressive Age-Based Portfolio is intended for Account Owners with a higher tolerance for investment risk and market volatility, relative to the moderate and conservative asset allocations but with the potential for higher returns. The Moderate Age-Based Portfolio is intended for Account Owners with a moderate tolerance for investment risk and market volatility, but with the potential for higher returns relative to the conservative allocation. The Conservative Age-Based Portfolio, in comparison to the Age-Based Aggressive and Moderate Portfolios, is intended for Account Owners with the lowest tolerance for investment risk and market volatility. For example, the Aggressive Age-Based Portfolio is invested primarily in equity investment funds when the Designated Beneficiary is young.

Each Age-Based Option has nine age-based portfolios for Designated Beneficiaries of varying ages (ages 0-2; ages 3-5; ages 6-8; ages 9-10; ages 11-12; ages 13-14; ages 15-16; ages 17-18; and, ages 19 and over). For the detailed asset allocation, mix of underlying funds, and the age ranges for each of the Portfolios, see "Exhibit C - Investment Portfolios and Mutual Fund Information." The current targeted asset allocation of each Age-Based Portfolio is set forth in the following table.

The Program has designed the Age-Based Portfolios on the understanding that assets in a Plan Account will be used to pay for Qualified Higher Education Expenses by a Designated Beneficiary beginning at or after college age. Consequently, Age-Based Portfolios are probably not an appropriate investment choice for Designated Beneficiaries using the amounts in an Account before reaching college age. Therefore, if a Plan Participant intends to use the Account for K-12 Tuition Expenses, then such Plan Participant should carefully weigh whether an Age-Based Portfolio would be an appropriate investment choice for the Account.

COLLEGECOUNTS 529 FUND AGE-BASED OPTIONS			
Designated 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

Target Portfolios

The Target Portfolios are asset allocation portfolios that invest in a set or "static" mix of equity, real estate, fixed income, or money market funds. Although the target asset allocations for these Portfolios are not expected to vary, the underlying mutual funds in which the Portfolios invest will be reviewed on an ongoing basis and may change. If you select the Target Portfolio approach, your money will remain in the Portfolio(s) of choice until you instruct the Plan to move it to another investment approach or Portfolio or until a withdrawal. None of the Target Portfolios is designed to provide any particular total return over any particular time period or investment time horizon. The allocation between equity, real estate, fixed income, and money market investments within the Target Portfolios does not change as the Designated Beneficiary gets older.

The six Target Portfolios, including their target asset allocations and ranging from the most aggressive to conservative, are briefly described below. For a detailed asset allocation and the composition of the underlying mutual funds, see "Exhibit C - Investment Portfolios and Mutual Fund Information."

	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%

Fund 100 seeks maximum capital appreciation by investing 100% of its net assets in domestic equity, international equity and real estate funds. This strategy may be appropriate for investors with longer time horizons and who are comfortable with an increased level of risk in an effort to obtain potentially higher long-term returns.

Fund 80 seeks a high level of capital appreciation and some income by investing 80% of its net assets in domestic equity, international equity and real estate funds, with the remaining 20% in fixed income investments.

Fund 60 seeks moderate capital appreciation and income by investing 60% of its net assets in domestic equity, international equity, and real estate funds with the remaining 40% invested in fixed income investments.

Fund 40 seeks moderate income and capital appreciation by investing 40% of its net assets in domestic equity, international equity and real estate funds with the remaining 60% of its net assets in fixed income funds.

Fund 20 seeks income and some capital appreciation by investing 20% of its net assets in domestic equity, international equity, and real estate funds, with the remaining 80% of its net assets in fixed income and money market investments.

Fixed Income Fund seeks to preserve your principal investment with less volatility than an all bond portfolio, while providing modest current income by investing 50% of its net assets in money market mutual funds and 50% in fixed income funds.

Attached to this Program Disclosure Statement as "Exhibit C - Investment Portfolios and Mutual Fund Information" is a listing of the various mutual funds the Board has approved for use and the relative weighting of each underlying fund within the Age-Based and Target Portfolios. The actual weightings of any of these Portfolios may vary as well as the funds selected for such Portfolio may change. The Program Manager will rebalance the weightings in each Portfolio in the underlying funds on an ongoing basis.

Individual Fund Portfolios

The Plan also offers 26 Individual Fund Portfolios, including the Bank Savings 529 Portfolio. Each Individual Fund Portfolio, except the Bank Savings 529 Portfolio, invests solely in shares of a single underlying mutual fund. You may allocate the amounts in your Account among one or more Individual Fund Portfolios according to your investment objective and risk tolerance. As a result, the performance of each Individual Fund Portfolio is based solely on the performance of the individual underlying investment in which such Individual Fund Portfolio invests. Such performance, therefore, may be more volatile than that of the Target or Age-Based Portfolios or of the Bank Savings 529 Portfolio.

Account Owners do not own shares of the underlying investments directly, but rather own shares in an Individual Fund Portfolio of the Plan. The underlying investments in which each Individual Fund Portfolio is invested are set forth in "Exhibit C – Investment Portfolios and Mutual Fund Information."

The Bank Savings 529 Portfolio is composed exclusively of a deposit in an interest-bearing omnibus deposit account held in trust by the Alabama Comprehensive Savings Program Trust at Union Bank and Trust Company. The Bank Savings 529 Portfolio is designed for Designated Beneficiaries of any age. Contributions to and earnings on the investments in the Bank Savings 529 Portfolio are insured by the FDIC on a per participant, pass-through basis to each account owner up to the maximum limit established by federal law, which currently is $250,000. The amount of FDIC insurance provided to an Account Owner is based on the total of: (1) the value of an Account Owner's investment in the Bank Savings 529 Portfolio, and (2) the value of all other accounts held by the Account Owner at Union Bank and Trust Company (including bank deposits), as determined in accordance with bank and FDIC rules and regulations. You are responsible for monitoring the total amount of your assets on deposit at Union Bank and Trust Company, including amounts held directly by you at Union Bank and Trust Company. All such deposits held in the same ownership capacity at Union Bank and Trust Company are subject to aggregation and to the current FDIC insurance coverage limitation of $250,000. For more information, please visit www.fdic.gov.

Additional information about the investment strategies and risks of each underlying 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 fund by contacting the underlying mutual fund company or by visiting CollegeCounts529.com. Please read it carefully before investing.

The Individual Fund Portfolios are briefly described as follows:

Bank Savings 529 Portfolio

Bank Savings 529 Portfolio – invests solely in a Union Bank and Trust Company omnibus deposit account.

Investment Objective: The fund seeks income consistent with the preservation of principal and invests all of its assets in a deposit account held at Union Bank and Trust Company.

Principal Risks: Interest rate risk that the interest earned on the Bank Savings 529 Portfolio will not be as remunerative as other available investments; Credit risk to the extent that an investment exceeds the limit provided by FDIC insurance; Investment risk; Ownership Risk; and Regulatory Risk.

Money Market 529 Portfolio

Vanguard Cash Reserves Federal Money Market 529 Portfolio – invests solely in the Vanguard Cash Reserves Federal Money Market Fund.

Investment Objective: The fund seeks to provide current income while maintaining liquidity and a stable share price of $1.

Principal Risks: Income risk, Manager risk, Credit risk, Industry concentration risk.

Fixed Income 529 Portfolios

PIMCO Short-Term 529 Portfolio – invests solely in the PIMCO Short-Term Fund.

Investment Objective: The fund seeks maximum current income, consistent with preservation of capital and daily liquidity.

Principal Risks: Interest Rate Risk, Call Risk, Credit Risk, High Yield Risk, Market Risk, Issuer Risk, Liquidity Risk, Derivatives Risk, Equity Risk, Mortgage-Related and Other Asset-Backed Securities Risk, Collateralized Loan Obligations Risk, Foreign (Non-U.S.) Investment Risk, Currency Risk, Leveraging Risk, Management Risk, Short Exposure Risk, LIBOR Transition Risk.

Vanguard Short-Term Bond Index 529 Portfolio – invests solely in the Vanguard Short-Term Bond Index Fund.

Investment Objective: The fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.

Principal Risks: Income risk, Interest rate risk, Call Risk, Credit risk, Index sampling risk, Liquidity risk.

Vanguard Total Bond Market Index 529 Portfolio – invests solely in the Vanguard Total Bond Market Index Fund.

Investment Objective: The fund seeks to track the performance of a broad, market-weighted bond index.

Principal Risks: Interest rate risk, Income risk, Prepayment risk, Extension risk, Call risk, Credit risk, Index sampling risk, Liquidity risk.

Fidelity Advisor Investment Grade Bond 529 Portfolio – invests solely in the Fidelity Advisor Investment Grade Bond Fund.

Investment Objective: The fund seeks a high level of current income.

Principal Investment Risks: Interest Rate Changes, Foreign Exposure, Prepayment, Issuer-Specific Changes, Leverage Risk, High Portfolio Turnover.

PGIM Total Return Bond 529 Portfolio – invests solely in the PGIM Total Return Bond Fund.

Investment Objective: The investment objective of the fund is total return.

Principal Risks: Collateralized Loan Obligations ("CLOs") Risk, "Covenant-Lite" Risk, Credit Risk, Currency Risk, Debt Obligations Risk, Derivatives Risk, Economic and Market

Events Risk, Emerging Markets Risk, Floating Rate and Other Loans Risk, Foreign Securities Risk, Increase in Expenses Risk, Interest Rate Risk, Junk Bonds Risk, Large Shareholder and Large Scale Redemption Risk, Liquidity Risk, Management Risk, Market Disruption and Geopolitical Risks, Market Risk, Mortgage-Backed and Asset-Backed Securities Risk, Portfolio Turnover Risk, Reference Rate Risk, Structured Products Risk, U.S. Government and Agency Securities Risk.

Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio – invests solely in the Vanguard Short-Term Inflation-Protected Securities Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than 5 years.

Principal Risks: Income fluctuations, Real interest rate risk.

Vanguard Inflation-Protected Securities 529 Portfolio – invests solely in the Vanguard Inflation-Protected Securities Fund.

Investment Objective: The fund seeks to provide inflation protection and income consistent with investment in inflation-indexed securities.

Principal Risks: Interest rate risk, Income fluctuations, Manager risk, Liquidity risk, Derivatives risk.

Balanced 529 Portfolio

T. Rowe Price Balanced 529 Portfolio – invests solely in the T. Rowe Price Balanced Fund.

Investment Objective: The fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed income securities.

Principal Risks: Stock investing, Fixed income markets, Interest rates, Prepayments and extensions, Credit quality, Market conditions, International investing, Emerging markets, Liquidity, Active management, Cybersecurity breaches.

Real Estate 529 Portfolio

Vanguard Real Estate Index 529 Portfolio – invests solely in the Vanguard Real Estate Index Fund.

Investment Objective: The fund seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs and other real estate-related investments.

Principal Risks: Industry concentration risk, Interest rate risk, Stock market risk, Asset concentration risk, Investment style risk, Nondiversification risk, Index replicating risk.

Domestic (U.S.) Equity 529 Portfolios

Vanguard Value Index 529 Portfolio – invests solely in the Vanguard Value Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks.

Principal Risks: Stock market risk, Investment style risk, Index replicating risk.

DFA U.S. Large Cap Value 529 Portfolio – invests solely in the DFA U.S. Large Cap Value Portfolio.

Investment Objective: The investment objective of the portfolio is to achieve long-term capital appreciation.

Principal Risks: Equity Market Risk, Value Investment Risk, Profitability Investment Risk, Derivatives Risk, Securities Lending Risk, Operational Risk, Cyber Security Risk.

Vanguard 500 Index 529 Portfolio – invests solely in the Vanguard Institutional Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks.

Principal Risks: Stock market risk, Investment style risk, Index replicating risk.

Vanguard Total Stock Market Index 529 Portfolio – invests solely in the Vanguard Total Stock Market Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

Principal Risks: Stock market risk, Index sampling risk.

Vanguard Growth Index 529 Portfolio – invests solely in the Vanguard Growth Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks.

Principal Risks: Stock market risk, Index replicating risk, Nondiversification risk, Sector risk, Investment style risk.

T. Rowe Price Large-Cap Growth 529 Portfolio – invests solely in the T. Rowe Price Large-Cap Growth Fund.

Investment Objective: The fund seeks to provide long-term capital appreciation through investments in common stocks of growth companies.

Principal Risks: Growth investing, Market conditions, Stock investing, Nondiversification, Large-cap stocks, Sector exposure, Information technology sector, Convertible securities, Private placements and IPOs, Liquidity, Active management, Cybersecurity breaches.

Vanguard Mid-Cap Index 529 Portfolio – invests solely in the Vanguard Mid-Cap Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks.

Principal Risks: Stock market risk, Investment style risk, Index replicating risk.

Vanguard Extended Market Index 529 Portfolio – invests solely in the Vanguard Extended Market Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks.

Principal Risks: Stock market risk, Investment style risk, Index sampling risk.

Vanguard Small-Cap Value Index 529 Portfolio – invests solely in the Vanguard Small-Cap Value Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization value stocks.

Principal Risks: Stock market risk, Investment style risk, Index replicating risk.

DFA U.S. Small Cap Value 529 Portfolio – invests solely in the DFA U.S. Small Cap Value Portfolio.

Investment Objective: The investment objective of the portfolio is to achieve long-term capital appreciation.

Principal Risks: Equity Market Risk, Small Company Risk, Value Investment Risk, Profitability Investment Risk, Derivatives Risk, Securities Lending Risk, Operational Risk, Cyber Security Risk.

Vanguard Small-Cap Index 529 Portfolio – invests solely in the Vanguard Small-Cap Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks.

Principal Risks: Stock market risk, Investment style risk, Index replicating risk.

Vanguard Small-Cap Growth Index 529 Portfolio – invests solely in the Vanguard Small-Cap Growth Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization growth stocks.

Principal Risks: Stock market risk, Investment style risk, Index replicating risk.

Vanguard Explorer 529 Portfolio – invests solely in the Vanguard Explorer Fund.

Investment Objective: The fund seeks to provide long-term capital appreciation.

Principal Risks: Stock market risk, Investment style risk, Manager risk.

International Equity 529 Portfolio

Vanguard Total International Stock Index 529 Portfolio – invests solely in the Vanguard Total International Stock Index Fund.

Investment Objective: The fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

Principal Risks: Stock market risk, Investment style risk, Country/regional risk, Currency risk, Emerging markets risk, Index replicating risk.

Dodge & Cox International Stock 529 Portfolio – invests solely in the Dodge & Cox International Stock Fund.

Investment Objective: The fund seeks long-term growth of principal and income.

Principal Risks: Equity risk, Market risk, Manager risk, Non-U.S. investment risk, Emerging markets risk, Non-U.S. currency risk, Liquidity risk, Derivatives risk, Geographic risk.

For additional information on the individual mutual funds underlying the Individual Fund Portfolios 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 fund by contacting the underlying mutual fund company. "Exhibit C - Investment Portfolios and Mutual Fund Information" includes limited information from the prospectus of each underlying mutual fund.

The descriptions above are taken from the most recent prospectuses (dated on or prior to December 1, 2023) of the relevant funds and are intended to provide general information regarding the mutual funds' respective investment objectives and strategies. You should consult each mutual fund's prospectus for more complete information. You can obtain the prospectus for any of the funds from the underlying mutual fund company and at CollegeCounts529.com.

It is important to remember that none of the Plan, the State of Alabama or its officials/employees, the Board, the Treasurer, nor the Program Manager or any of its affiliates can guarantee a minimum rate of return nor can any of them guarantee that an investment will not lose value. Furthermore, funds deposited in an Account are not guaranteed or insured by the State of Alabama, the Board, the Treasurer, the Program Manager or its affiliates, the FDIC, except for the investments in the Bank Savings 529 Portfolio, or any other party. See "Risk Factors."

Can I Change My Investment Election?

The Account Owner may change the Portfolio or Portfolios in which his or her Account is invested twice per calendar year, or upon a change of the Designated Beneficiary. If an Account Owner has multiple Accounts in the Plan for the same Designated Beneficiary, or multiple Accounts in the Plan and other State of Alabama 529 programs, the Account Owner may change the Portfolios in all such accounts without tax consequences, so long as the changes to all of the Accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary.

A transfer from another State of Alabama 529 program to the CollegeCounts 529 Fund Direct Plan (or vice versa) for the same Designated Beneficiary, is treated as an investment change. Investment changes are permissible only twice per calendar year or upon a change of Designated Beneficiary.

A transfer from another State of Alabama 529 program to the CollegeCounts 529 Fund Direct Plan (or vice versa), with a change of the Designated Beneficiary to a Member of the Family of the Designated Beneficiary, is not treated as an investment change for the twice per calendar year limitation.

Account Owners should periodically assess, and if appropriate, adjust their investment choices with their time horizon, risk tolerance and investment objectives in mind. To change the Portfolio or Portfolios in which your Account is invested, you may log in to your account at CollegeCounts529.com to complete an investment change online. You may also download the Change of Investment Option Form and complete and submit the form as directed, or call the Plan at 866.529.2228 for instructions.

The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by telephone or Internet are genuine, including requiring certain personal identifying information prior to acting upon telephone or internet instructions. None of the Program Manager, the Plan, the Program or the Board will be liable for following telephone or internet instructions that are reasonably believed to be genuine.

How Can I Change the Investment of my Current Balance and Future Contributions?
You can make an investment change twice per calendar year or upon a change of Designated Beneficiary. You may change the investment of current or future Contributions by logging into your Account at CollegeCounts529.com. If you complete a paper Change of Investment Option Form your current balance and all future Contributions will be invested as directed on the form.

How Is the Value of My Account Calculated?
The assets in your Account represent a portion of each Portfolio you have selected, expressed as a number of units. The net asset value ("NAV") of each unit of a Portfolio is based on the underlying funds in which a Portfolio invests, and is calculated by multiplying the net asset value per share of the underlying fund shares held in that Portfolio by the number of underlying fund shares held in that Portfolio, adding any receivables attributable to that Portfolio, subtracting any liabilities (including accrued fees and expenses) attributable to that Portfolio, dividing by the number of outstanding units for that Portfolio, and rounding to the nearest cent.

The NAV for each Portfolio offered by the Program is calculated each business day the New York Stock Exchange ("NYSE") is open after the value of each underlying fund is determined. If the NAV of an underlying fund is not determined for a given day, the NAV for a Portfolio holding that underlying fund may not be able to be determined. Updated NAVs are available each day on the Plan's website. The value of your Account will increase or decrease depending on the aggregate value of the underlying funds. The value of each underlying mutual fund is determined in accordance with procedures described in its current prospectus.

How are Units Priced?
The unit value for each Portfolio is calculated after the NAV for each underlying mutual fund is determined. On each day the NYSE is open for business, each underlying mutual fund calculates a NAV as of the close of regular trading (normally 3:00 p.m. Central Time).

Once each underlying mutual fund has calculated its respective NAV, the unit value of the Portfolios is then calculated. The Portfolio NAV is determined by dividing the dollar value of the Portfolio's net assets (i.e. total Portfolio assets minus total Portfolio liabilities) by the number of Portfolio units outstanding. On holidays or other days when the NYSE is closed, the Portfolio's unit price is not calculated, and purchase or redemption requests are not processed until the next business day.

Contribution and redemption orders for your Account that are received in good order before the close of regular trading on the NYSE on a business day and accepted by the Program Manager or its designee will be processed as follows:

- If your transaction request is received in good order on a business day before the close of regular trading on the NYSE, your request will be processed at that day's next calculated unit value.
- If your transaction request is received in good order on a business day after the close of the NYSE or at any time on a non-business day, your request will be processed at the unit value calculated on the next business day. Contribution requests accompanied by payment made via electronic transfer will be processed on the day that the bank debit occurs.

The Portfolios, except for the Vanguard Cash Reserves Federal Money Market 529 Portfolio, and the Bank Savings 529 Portfolio, do not make distributions of their income, including dividends, interest and capital gains. The dividends and capital gains distributions of the underlying investments received by the Portfolios are not distributed by the Portfolios as earnings; such dividends and distributions are reinvested in the applicable underlying mutual fund(s) and are reflected in the NAV.

PERFORMANCE

How Have the Portfolios Performed?
The following table shows the past performance for each of the Portfolios. Performance figures are shown reflecting the Plan's expenses and the expenses of the underlying investments. The information in the tables reflects the performance of the Portfolios, some of which have changed over time. If the Portfolios had been invested in the underlying investments in which they are currently invested throughout the periods for which performance is shown, the Portfolio's total returns would have been different.

All of the performance data shown represents past performance, which is not a guarantee or indication of future results. Investment returns and principal value will fluctuate so that your Account may be worth less than the sum of your Contributions. For actual performance data of the Portfolios current to the most recent month-end, visit the Plan's website at CollegeCounts529.com, or call 866.529.2228.

Account Owners do not own shares of the underlying investments directly, but rather own shares in a Portfolio of the Plan. As a result, the performance of the Portfolios will differ from the performance of the underlying investments, even in circumstances where a Portfolio invests in an individual mutual fund. This is due in part to the differences in the expense ratios of the underlying funds and the Portfolios.

Performance differences between a Portfolio and its underlying mutual funds may also result from differences in the timing of purchases. On days when Contributions are made to an Account, shares will be purchased in the underlying mutual fund(s) the next business day. This timing difference, depending on how the markets are moving, will cause the Portfolio's performance to either trail or exceed the underlying mutual fund's performance.

Portfolio Performance		Average Annual Total Returns as of September 30, 2023					
Portfolio	**Inception Date**	**Year to Date**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Since Inception**
Age-Based Portfolios							
Aggressive Age-Based Option							
Ages 0 - 2	9/28/2016	8.31%	18.75%	6.81%	6.24%	n/a	8.22%
Ages 3 - 5	9/28/2016	7.65%	17.14%	5.98%	5.98%	n/a	7.76%
Ages 6 - 8	9/28/2016	6.98%	15.68%	4.95%	5.55%	n/a	7.05%
Ages 9 - 10	9/28/2016	6.16%	13.97%	3.89%	5.00%	n/a	6.13%
Ages 11 - 12	9/28/2016	5.39%	12.45%	2.92%	4.58%	n/a	5.49%
Ages 13 - 14	9/28/2016	4.54%	10.73%	1.80%	4.01%	n/a	4.74%
Ages 15 - 16	9/28/2016	3.90%	9.23%	1.07%	3.55%	n/a	3.98%
Ages 17 - 18	9/28/2016	3.23%	7.50%	0.38%	3.01%	n/a	3.20%
Ages 19 +	9/28/2016	2.54%	5.94%	-0.22%	2.43%	n/a	2.41%
Moderate Age-Based Option							
Ages 0 - 2	9/28/2016	7.65%	17.14%	5.98%	5.98%	n/a	7.76%
Ages 3 - 5	9/28/2016	6.98%	15.68%	4.95%	5.55%	n/a	7.05%
Ages 6 - 8	9/28/2016	6.16%	13.97%	3.89%	5.00%	n/a	6.13%
Ages 9 - 10	9/28/2016	5.39%	12.45%	2.92%	4.58%	n/a	5.49%
Ages 11 - 12	9/28/2016	4.54%	10.73%	1.80%	4.01%	n/a	4.74%
Ages 13 - 14	9/28/2016	3.90%	9.23%	1.07%	3.55%	n/a	3.98%
Ages 15 - 16	9/28/2016	3.23%	7.50%	0.38%	3.01%	n/a	3.20%
Ages 17 - 18	9/28/2016	2.54%	5.94%	-0.22%	2.43%	n/a	2.41%
Ages 19 +	9/28/2016	2.27%	4.55%	-0.53%	1.86%	n/a	1.71%
Conservative Age-Based Option							
Ages 0 - 2	9/28/2016	6.98%	15.68%	4.95%	5.55%	n/a	7.05%
Ages 3 - 5	9/28/2016	6.16%	13.97%	3.89%	5.00%	n/a	6.13%
Ages 6 - 8	9/28/2016	5.39%	12.45%	2.92%	4.58%	n/a	5.49%
Ages 9 - 10	9/28/2016	4.54%	10.73%	1.80%	4.01%	n/a	4.74%
Ages 11 - 12	9/28/2016	3.90%	9.23%	1.07%	3.55%	n/a	3.98%
Ages 13 - 14	9/28/2016	3.23%	7.50%	0.38%	3.01%	n/a	3.20%
Ages 15 - 16	9/28/2016	2.54%	5.94%	-0.22%	2.43%	n/a	2.41%
Ages 17 - 18	9/28/2016	2.27%	4.55%	-0.53%	1.86%	n/a	1.71%
Ages 19 +	9/28/2016	2.12%	3.21%	-0.14%	1.35%	n/a	1.08%
Target Portfolios							
Fund 100	8/2/2010	8.31%	18.75%	6.81%	6.24%	7.93%	9.18%
Fund 80	8/2/2010	6.98%	15.68%	4.95%	5.55%	6.87%	7.97%
Fund 60	8/2/2010	5.39%	12.45%	2.92%	4.58%	5.52%	6.48%
Fund 40	8/2/2010	3.90%	9.23%	1.07%	3.55%	4.28%	5.07%
Fund 20	8/2/2010	2.54%	5.94%	-0.22%	2.43%	2.73%	3.31%
Fixed Income Fund	8/2/2010	2.12%	3.21%	-0.14%	1.35%	0.98%	1.11%
Individual Fund Portfolios							
Bank Savings 529 Portfolio	7/1/2020	3.72%	4.54%	1.85%	n/a	n/a	1.72%
Vanguard Cash Reserves Federal Money Market 529 Portfolio	8/2/2010	3.59%	4.41%	1.63%	1.55%	1.00%	0.77%
PIMCO Short-Term 529 Portfolio	8/2/2010	4.50%	5.30%	1.42%	1.71%	1.68%	1.59%
Vanguard Short-Term Bond Index 529 Portfolio	9/26/2013	1.21%	2.26%	-1.86%	0.87%	0.82%	0.82%
Vanguard Total Bond Market Index 529 Portfolio	8/2/2010	-0.99%	0.59%	-5.35%	-0.05%	0.89%	1.38%
Fidelity Advisor Investment Grade Bond 529 Portfolio	10/10/2012	-0.26%	1.25%	-4.77%	0.68%	1.39%	1.14%
PGIM Total Return Bond 529 Portfolio	4/28/2020	0.44%	2.71%	-4.87%	n/a	n/a	-2.72%
Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio	9/26/2013	1.94%	3.13%	1.73%	2.58%	1.44%	1.44%
Vanguard Inflation-Protected Securities 529 Portfolio	8/2/2010	-0.90%	0.77%	-2.23%	1.79%	1.43%	2.11%
T. Rowe Price Balanced 529 Portfolio	8/2/2010	7.58%	14.65%	3.45%	5.00%	6.37%	7.47%
Vanguard Real Estate Index 529 Portfolio	8/2/2010	-5.50%	-1.39%	2.19%	2.27%	5.29%	6.67%
Vanguard Value Index 529 Portfolio	8/2/2010	0.05%	14.67%	12.22%	7.07%	9.58%	10.81%
DFA U.S. Large Cap Value 529 Portfolio	8/1/2014	1.98%	16.23%	13.22%	5.39%	n/a	6.97%
Vanguard 500 Index 529 Portfolio	8/2/2010	12.91%	21.38%	9.96%	9.69%	11.64%	12.57%
Vanguard Total Stock Market Index 529 Portfolio	8/2/2010	12.23%	20.21%	9.08%	8.87%	10.99%	12.25%
Vanguard Growth Index 529 Portfolio	8/2/2010	28.07%	27.81%	6.56%	11.69%	13.28%	14.14%
T. Rowe Price Large Cap Growth 529 Portfolio	8/1/2014	27.79%	27.47%	4.73%	9.59%	n/a	13.06%
Vanguard Mid-Cap Index 529 Portfolio	8/2/2010	3.16%	12.39%	7.08%	6.28%	8.80%	10.65%
Vanguard Extended Market Index 529 Portfolio	8/2/2010	8.80%	14.33%	4.47%	4.28%	7.67%	10.15%
Vanguard Small-Cap Value Index 529 Portfolio	8/2/2010	1.93%	13.73%	15.12%	4.63%	7.85%	9.81%
DFA U.S. Small Cap Value 529 Portfolio	8/1/2014	3.46%	17.28%	22.51%	5.80%	n/a	6.79%
Vanguard Small-Cap Index 529 Portfolio	8/2/2010	4.12%	12.35%	8.54%	4.38%	7.73%	10.18%
Vanguard Small-Cap Growth Index 529 Portfolio	8/2/2010	7.17%	10.40%	0.25%	3.13%	7.09%	10.11%
Vanguard Explorer 529 Portfolio	8/1/2014	5.68%	12.98%	6.06%	5.43%	n/a	8.85%
Vanguard Total International Stock Index 529 Portfolio	8/2/2010	4.99%	20.34%	3.68%	2.51%	3.35%	4.13%
Dodge & Cox International Stock 529 Portfolio	8/1/2014	9.07%	26.49%	11.89%	4.18%	n/a	2.47%

PLAN FEES AND EXPENSES

What Does the Plan Cost?
A program management fee is accrued by each Portfolio on a daily basis. The program management fee is at an annual rate of 0.17% based on the average daily net assets of each Portfolio. The program management fee is not reflected as a direct charge against your Account on your account statements, but rather is reflected as an expense in the daily NAV calculation for each Portfolio, as discussed in "How is the Value of my Account Calculated" above. Under certain circumstances, the Program Manager, in its sole discretion, may waive a portion of its program management fee with respect to a Portfolio. Any such waiver would be voluntary and may be discontinued at any time.

Each Portfolio will also indirectly bear its pro rata share of the fees and expenses of the underlying mutual funds. Although these expenses and fees are not charged to Program Accounts, they will reduce the investment returns realized by each Portfolio.

Asset-Based Fees*	
Program Management Fee	0.17%
State Administrative Fee	none
Additional Fees	
Annual Account Fee	none
Cancellation Fee	none
Change in Designated Beneficiary	none
Investment Option Change	none

*Deducted from Portfolio assets.

The Program Manager may receive and retain from the underlying mutual funds payments for certain administration or other shareholder services associated with maintaining an investment in such underlying mutual funds through omnibus accounts. These amounts are paid directly to the Program Manager by the mutual funds and do not affect the value of your Account or the NAV.

Fee and Expense Table
The following tables set forth the Plan's estimate of the fees and expenses applicable to the Age-Based, Target and Individual Fund Portfolios. The actual expenses of each Portfolio may be different. The "Total Annual Asset-Based Fees" estimated below include the program management fee and the underlying mutual fund expense ratios.

Fees & Expense Table

	Annual Asset-Based Fees				
	Estimated Underlying Fund Expenses[1]	Program Management Fees	State Fee	Total Annual Asset-Based Fees	Account Fee
Target Portfolios					
Fund 100	0.04%	0.17%	None	0.21%	None
Fund 80	0.05%	0.17%	None	0.22%	None
Fund 60	0.05%	0.17%	None	0.22%	None
Fund 40	0.05%	0.17%	None	0.22%	None
Fund 20	0.06%	0.17%	None	0.23%	None
Fixed Income Fund	0.07%	0.17%	None	0.24%	None
Age Based Portfolios					
Aggressive Age-Based					
Ages 0-2	0.04%	0.17%	None	0.21%	None
Ages 3-5	0.04%	0.17%	None	0.21%	None
Ages 6-8	0.05%	0.17%	None	0.22%	None
Ages 9-10	0.05%	0.17%	None	0.22%	None
Ages 11-12	0.05%	0.17%	None	0.22%	None
Ages 13-14	0.05%	0.17%	None	0.22%	None
Ages 15-16	0.05%	0.17%	None	0.22%	None
Ages 17-18	0.05%	0.17%	None	0.22%	None
Ages 19+	0.06%	0.17%	None	0.23%	None
Moderate Age-Based					
Ages 0-2	0.04%	0.17%	None	0.21%	None
Ages 3-5	0.05%	0.17%	None	0.22%	None
Ages 6-8	0.05%	0.17%	None	0.22%	None
Ages 9-10	0.05%	0.17%	None	0.22%	None
Ages 11-12	0.05%	0.17%	None	0.22%	None
Ages 13-14	0.05%	0.17%	None	0.22%	None
Ages 15-16	0.05%	0.17%	None	0.22%	None
Ages 17-18	0.06%	0.17%	None	0.23%	None
Ages 19+	0.06%	0.17%	None	0.23%	None
Conservative Age-Based					
Ages 0-2	0.05%	0.17%	None	0.22%	None
Ages 3-5	0.05%	0.17%	None	0.22%	None
Ages 6-8	0.05%	0.17%	None	0.22%	None
Ages 9-10	0.05%	0.17%	None	0.22%	None
Ages 11-12	0.05%	0.17%	None	0.22%	None
Ages 13-14	0.05%	0.17%	None	0.22%	None
Ages 15-16	0.06%	0.17%	None	0.23%	None
Ages 17-18	0.06%	0.17%	None	0.23%	None
Ages 19+	0.07%	0.17%	None	0.24%	None

Fees & Expense Table

	Annual Asset-Based Fees				
	Estimated Underlying Fund Expenses[1]	Program Management Fees	State Fee	Total Annual Asset-Based Fees	Account Fee
Individual Fund Portfolios					
Bank Savings 529 Portfolio	0.00%	0.17%	None	0.17%	None
Vanguard Cash Reserves Federal Money Market 529 Portfolio	0.10%	0.17%	None	0.27%	None
PIMCO Short-Term 529 Portfolio	0.47%	0.17%	None	0.64%	None
Vanguard Short-Term Bond Index 529 Portfolio	0.05%	0.17%	None	0.22%	None
Vanguard Total Bond Market Index 529 Portfolio	0.03%	0.17%	None	0.20%	None
Fidelity Advisor Investment Grade Bond 529 Portfolio	0.36%	0.17%	None	0.53%	None
PGIM Total Return Bond 529 Portfolio	0.39%	0.17%	None	0.56%	None
Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio	0.04%	0.17%	None	0.21%	None
Vanguard Inflation-Protected Securities 529 Portfolio	0.10%	0.17%	None	0.27%	None
T. Rowe Price Balanced 529 Portfolio	0.47%	0.17%	None	0.64%	None
Vanguard Real Estate Index 529 Portfolio	0.10%	0.17%	None	0.27%	None
Vanguard Value Index 529 Portfolio	0.04%	0.17%	None	0.21%	None
DFA U.S. Large Cap Value 529 Portfolio	0.21%	0.17%	None	0.38%	None
Vanguard 500 Index 529 Portfolio	0.035%	0.17%	None	0.205%	None
Vanguard Total Stock Market Index 529 Portfolio	0.02%	0.17%	None	0.19%	None
Vanguard Growth Index 529 Portfolio	0.04%	0.17%	None	0.21%	None
T. Rowe Price Large-Cap Growth 529 Portfolio	0.55%	0.17%	None	0.72%	None
Vanguard Mid-Cap Index 529 Portfolio	0.04%	0.17%	None	0.21%	None
Vanguard Extended Market Index 529 Portfolio	0.06%	0.17%	None	0.23%	None
Vanguard Small-Cap Value Index 529 Portfolio	0.07%	0.17%	None	0.24%	None
DFA U.S. Small Cap Value 529 Portfolio	0.30%	0.17%	None	0.47%	None
Vanguard Small-Cap Index 529 Portfolio	0.04%	0.17%	None	0.21%	None
Vanguard Small-Cap Growth Index 529 Portfolio	0.06%	0.17%	None	0.23%	None
Vanguard Explorer 529 Portfolio	0.34%	0.17%	None	0.51%	None
Vanguard Total International Stock Index 529 Portfolio	0.07%	0.17%	None	0.24%	None
Dodge & Cox International Stock 529 Portfolio	0.62%	0.17%	None	0.79%	None

[1]For registered mutual funds, in the absence of a change that would materially affect the information, based on the most recent fiscal year reported upon in the applicable fund's most recent prospectus dated on or prior to December 1, 2023, and for Portfolios invested in multiple registered mutual funds, based on a weighted average of each fund's total annual operating expenses, in accordance with the Portfolio's asset allocation as of the date of this Program Disclosure Statement.

HYPOTHETICAL EXPENSE EXAMPLE

The following table compares the approximate cost of investing in the Plan over different periods of time. Your actual costs may be higher or lower. The hypothetical chart assumes an initial $10,000 investment in a Plan Portfolio and a 5% annual rate of return, compounded annually. All expense ratios and asset allocations are assumed to remain the same for the duration of the periods.

The chart assumes that all withdrawals are made for Qualified Higher Education Expenses and, therefore, does not reflect the impact of potential federal, state, or local taxes or penalties. This hypothetical does not reflect actual expenses or performance from the past or future. Actual expenses may be higher or lower than those shown.

Approximate Cost of a $10,000 Investment				
HYPOTHETICAL EXPENSE EXAMPLE	**One Year**	**Three Years**	**Five Years**	**Ten Years**
Target Portfolios				
Fund 100	$22	$68	$118	$268
Fund 80	$23	$71	$124	$281
Fund 60	$23	$71	$124	$281
Fund 40	$23	$71	$124	$281
Fund 20	$24	$74	$130	$293
Fixed Income Fund	$25	$77	$135	$306
Age-Based Portfolios				
Aggressive Age-Based				
Ages 0-2	$22	$68	$118	$268
Ages 3-5	$22	$68	$118	$268
Ages 6-8	$23	$71	$124	$281
Ages 9-10	$23	$71	$124	$281
Ages 11-12	$23	$71	$124	$281
Ages 13-14	$23	$71	$124	$281
Ages 15-16	$23	$71	$124	$281
Ages 17-18	$23	$71	$124	$281
Ages 19+	$24	$74	$130	$293
Moderate Age-Based				
Ages 0-2	$22	$68	$118	$268
Ages 3-5	$23	$71	$124	$281
Ages 6-8	$23	$71	$124	$281
Ages 9-10	$23	$71	$124	$281
Ages 11-12	$23	$71	$124	$281
Ages 13-14	$23	$71	$124	$281
Ages 15-16	$23	$71	$124	$281
Ages 17-18	$24	$74	$130	$293
Ages 19+	$24	$74	$130	$293
Conservative Age-Based				
Ages 0-2	$23	$71	$124	$281
Ages 3-5	$23	$71	$124	$281
Ages 6-8	$23	$71	$124	$281
Ages 9-10	$23	$71	$124	$281
Ages 11-12	$23	$71	$124	$281
Ages 13-14	$23	$71	$124	$281
Ages 15-16	$24	$74	$130	$293
Ages 17-18	$24	$74	$130	$293
Ages 19+	$25	$77	$135	$306

Approximate Cost of a $10,000 Investment				
HYPOTHETICAL EXPENSE EXAMPLE	**One Year**	**Three Years**	**Five Years**	**Ten Years**
Individual Fund Portfolios				
Bank Savings 529 Portfolio	$17	$55	$96	$217
Vanguard Cash Reserves Federal Money Market 529 Portfolio	$28	$87	$152	$344
PIMCO Short-Term 529 Portfolio	$66	$205	$358	$800
Vanguard Short-Term Bond Index 529 Portfolio	$23	$71	$124	$281
Vanguard Total Bond Market Index 529 Portfolio	$21	$64	$113	$255
Fidelity Advisor Investment Grade Bond 529 Portfolio	$54	$170	$297	$666
PGIM Total Return Bond 529 Portfolio	$57	$180	$314	$703
Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio	$22	$68	$118	$268
Vanguard Inflation-Protected Securities 529 Portfolio	$28	$87	$152	$344
T. Rowe Price Balanced 529 Portfolio	$66	$205	$358	$800
Vanguard Real Estate Index 529 Portfolio	$28	$87	$152	$344
Vanguard Value Index 529 Portfolio	$22	$68	$118	$268
DFA U.S. Large Cap Value 529 Portfolio	$39	$122	$214	$481
Vanguard 500 Index 529 Portfolio	$21	$66	$116	$262
Vanguard Total Stock Market Index 529 Portfolio	$19	$61	$107	$243
Vanguard Growth Index 529 Portfolio	$22	$68	$118	$268
T. Rowe Price Large-Cap Growth 529 Portfolio	$74	$231	$402	$897
Vanguard Mid-Cap Index 529 Portfolio	$22	$68	$118	$268
Vanguard Extended Market Index 529 Portfolio	$24	$74	$130	$293
Vanguard Small-Cap Value Index 529 Portfolio	$25	$77	$135	$306
DFA U.S. Small Cap Value 529 Portfolio	$48	$151	$264	$592
Vanguard Small-Cap Index 529 Portfolio	$22	$68	$118	$268
Vanguard Small-Cap Growth Index 529 Portfolio	$24	$74	$130	$293
Vanguard Explorer 529 Portfolio	$52	$164	$286	$642
Vanguard Total International Stock Index 529 Portfolio	$25	$77	$135	$306
Dodge & Cox International Stock 529 Portfolio	$81	$253	$440	$981

FEDERAL AND STATE TAX CONSIDERATIONS

What Are the Federal Income Tax Consequences of the Plan?

There are two main federal income tax advantages to investing in the Plan:

- Investment earnings on the money you invest in the Plan will not be subject to federal income tax until they are distributed; and
- If the investment earnings are distributed as part of a Qualified Withdrawal, they are generally free from federal income tax.

There are potential federal income tax disadvantages to an investment in the Plan when withdrawals are not used for Qualified Higher Education Expenses. To the extent that a distribution from an Account is a Nonqualified Withdrawal, the portion of the Nonqualified Withdrawal attributable to investment earnings will be ordinary income to the recipient; no part of such earnings portion will be treated as capital gain. Under current law, the tax rates on ordinary income are generally greater than the tax rates on capital gain. Additionally, to the extent that a distribution is a Nonqualified Withdrawal, the federal income tax liability of the recipient will be increased by an amount equal to 10% of any earnings portion of the distribution with certain exceptions as described herein.

Are Contributions to the Program Tax Deductible?

Federal law does not allow a tax deduction for Contributions to the Program. However, Contributions may be deductible up to certain limits for Alabama state income tax purposes, see Exhibit B and below.

What Are the State of Alabama Income Tax Consequences of the Plan?

The Alabama state income tax advantages of investing in the Plan are similar to the federal income tax advantages. Any investment earnings on money invested in the Plan will not be subject to Alabama income tax until distributed, and if investment earnings are distributed as part of a Qualified Withdrawal, such earnings are generally free from Alabama state income tax.

In addition, for Alabama state income tax purposes, a deduction is allowed up to $5,000 per taxpayer per year for Contributions. This deduction is increased up to $10,000 for married taxpayers filing a joint return where both taxpayers make such Contributions.

There are also Alabama state income tax disadvantages to an investment in the Plan. If withdrawals are not used to pay for Qualified Higher Education Expenses, then a Nonqualified Withdrawal occurs. In the event of a Nonqualified Withdrawal, the total amount of the withdrawal (including any earnings), plus 10% of the amount withdrawn, is added back to the income of the taxpayer who made the Contribution that was subject to the Nonqualified Withdrawal in the year the Nonqualified Withdrawal is distributed.

Before investing in the CollegeCounts 529 Fund you should consider carefully the following:

1. **Depending on the laws of your home state or that of your Designated Beneficiary, favorable state tax treatment or other benefits such as financial aid, scholarship funds, and protection from creditors offered by such home state for investing in 529 college savings plans may be available only if you invest in such home state's 529 college savings plan;**
2. **Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision; and**
3. **You should consult with your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan.**

How Is the Earnings Portion of My Account Calculated for Tax Purposes?

For any year there is a withdrawal from your Account, the Program Manager will provide you a Form 1099-Q. This form sets forth the total amount of the withdrawal and identifies the earnings portion and the contribution portion of any such withdrawal. See "Exhibit B – Tax Information" herein.

What Are the Federal Gift and Estate Tax Considerations of the Plan?

If an Account Owner dies while there is a balance in the Account, the value of the Account is generally not includible in the Account Owner's estate for federal estate tax purposes. However, amounts in an Account at the death of the Designated Beneficiary are includible in the Designated Beneficiary's gross estate. For federal gift tax purposes, Contributions to an Account are considered a gift from the contributor to the Designated Beneficiary. An Account Owner's Contributions to an Account are eligible for the annual gift tax exclusion. For 2023, the annual exclusion is $17,000 per donee and will increase to $18,000 per donee in 2024 ($34,000 for 2023 for a married couple that elect to split their gifts on United States Gift Tax Return Form 709, increasing to $36,000 for 2024 for a married couple that elects to split their gifts). This means that in 2023, you may contribute up to $17,000 to an Account ($18,000 effective January 1, 2024), without the Contribution being considered a taxable gift if you make no other gifts to the Designated Beneficiary in the same calendar year. In addition, if your total Contributions to an Account during a year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the Contribution that year, and one-fifth of the Contribution in each of the next four calendar years.

An election to have the Contribution taken into account ratably over a five-year period must be made by the donor on a Federal Gift Tax Return, IRS Form 709, for the year of Contribution.

This means that you may contribute up to $85,000 ($90,000 once the annual exclusion is increased to $18,000 effective January 1, 2024) on behalf of a Designated Beneficiary without the Contribution being considered a taxable gift, provided that you neither make nor are deemed to make any other gifts to such Designated Beneficiary in the same year or in any of the succeeding four calendar years, and that you made no excess Contributions treated as gifts subject to the one-fifth rule during any of the previous four years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return to have gifts treated as "split" with the contributor may contribute up to twice that amount ($170,000 in 2023 and increasing to $180,000 effective January 1, 2024) without the Contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Designated Beneficiary in the same year or in any of the succeeding four calendar years. If the Account Owner dies before the end of the five year period, the portion of the Contributions allocable to years after the year of death will be includible in the Account Owner's gross estate for federal estate tax purposes. The annual exclusion is indexed for inflation and therefore is expected to increase over time. See "Exhibit B – Tax Information."

Can I Contribute to, or Withdraw from, the Plan and a Coverdell Education Savings Account?

An individual may contribute to (subject to the annual gift tax exclusion), or withdraw money from, both a 529 qualified tuition program account and a Coverdell Education Savings Account in the same year. However, if the total withdrawals from both accounts exceed the amount of education expenses that qualify for tax-free treatment under Section 529 of the Code, as amended, the recipient must allocate his or her qualifying education expenses between both such withdrawals in order to determine how much may be treated as tax-free under each program.

DISTRIBUTIONS FROM AN ACCOUNT

How Do I Request a Distribution From an Account?

Distribution requests may be made online, in writing or by telephone. An Account Owner may establish telephone and internet transaction privileges for an Account through the Plan's web site (CollegeCounts529.com) or by calling 866.529.2228.

The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by telephone or internet are genuine, including requiring certain personal identifying information prior to acting upon telephone or internet instructions. None of the Program Manager, the Board, or the Treasurer will be liable for following telephone or internet instructions that the Program Manager reasonably believed to be genuine.

The Program Manager will review each withdrawal request to determine that all information needed to process such request has been received. Withdrawal requests will be satisfied as soon as practicable following the Program Manager's receipt and review of a properly completed withdrawal request. The Plan typically will process the withdrawal and initiate payment of a distribution within three business days. During periods of market volatility and at year-end, however, withdrawal requests may take up to five business days to process. Contributions made by check, EFT or AIP will not be available for withdrawal for 5 business days.

Although the Program Manager will report the earnings portion of a withdrawal to the Internal Revenue Service, it is solely the responsibility of the person receiving the withdrawal to calculate and report any resulting tax liability.

What Constitutes a Qualified Withdrawal?

Under Section 529 of the Code, as amended, Qualified Withdrawals from your Account are generally free from federal income tax. A Qualified Withdrawal is a distribution that is used to pay the Qualified Higher Education Expenses of the Designated Beneficiary. Qualified Higher Education Expenses include:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
- expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;
- expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature;
- Certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time.
  - The amount treated as Qualified Higher Education Expenses shall not exceed—
    - the allowance (applicable to the student) for room and board included in the cost of attendance as determined by the Eligible Educational Institution for such period, or
    - if greater, the actual invoice amount the student residing in housing owned or operated by the Eligible Educational Institution is charged by such institution for room and board costs for such period;
- Expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an Apprenticeship Program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act;
- Amounts paid as principal or interest on any Qualified Education Loan (as defined in section 221(d) of the Code) of the Designated Beneficiary or a sibling of the Designated Beneficiary (up to a lifetime maximum of $10,000 per Designated Beneficiary or sibling);
- Tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private, or religious school (kindergarten through grade 12) up to a maximum of $10,000 during any taxable year in the aggregate from all qualified tuition programs for that Designated Beneficiary.

A Qualified Withdrawal may be distributed as follows:

- To the Account Owner;
- To the Account Owner's bank account;
- To the Designated Beneficiary; or
- Directly to the Eligible Educational Institution

Should I Document Qualified Higher Education Expenses?

You should retain documentation of all of the Designated Beneficiary's Qualified Higher Education Expenses for your records since money in your Account may be withdrawn free from federal and Alabama state income tax only if it is used to pay the Designated Beneficiary's Qualified Higher Education Expenses. The Account Owner or Designated Beneficiary is responsible for determining whether a distribution from an Account is a Qualified or Nonqualified Withdrawal and for paying any applicable taxes or penalties. Please be aware that the Internal Revenue Service or state tax officials may subject you to audit and require proof of the use of a withdrawal to pay the Designated Beneficiary's Qualified Higher Education Expenses.

Can I Recontribute Refunded Amounts?

In the case of a Designated Beneficiary who receives a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution, the amount refunded will not be subject to federal income tax to the extent it is recontributed to a 529 plan account for the same Designated Beneficiary, but only to the extent such recontribution is made no later than 60 days after the date of such refund and does not exceed the refunded amount. It is the responsibility of the Account Owner to keep all records of the refunds and subsequent recontributions. A qualified tax advisor should be consulted to determine your eligibility for this treatment.

When Must Withdrawals Begin?

There is no Designated Beneficiary age or other deadline by which distributions from your Account must begin. It is important to match payment of expenses and the corresponding withdrawal in the same calendar year for tax purposes. If after a period of sixty years from the effective date of the Account Agreement, the Account has not been closed, the Account Agreement has not been terminated, and the Account has been dormant for three years, the Board, after making a reasonable effort to contact the Account Owner and the Designated Beneficiary, will close the Account and presume the Account monies, if any, constitute unclaimed and abandoned property. The monies are available to be claimed by visiting alabama.findyourunclaimedproperty.com. The Account Owner may request that the Account remain in effect beyond the sixty (60) year period by filing a written request with the Board.

Can I Make Withdrawals for Other Purposes?

You may withdraw money from your Account at any time subject to Plan procedures. However, to the extent that the withdrawal is a Nonqualified Withdrawal, any earnings portion of such Nonqualified Withdrawal will be includible in your income for federal income tax purposes, and will generally also be subject to a 10% federal penalty tax. Certain exceptions to the imposition of the penalty tax apply.

For Alabama state income tax purposes, the amount of the Nonqualified Withdrawal, plus 10% of the amount of the Nonqualified Withdrawal, will be included in the contributor's income for the year in which such Nonqualified Withdrawal is made. For more information, see "Exhibit B – Tax Information."

The Account Owner or Designated Beneficiary is responsible for determining whether a distribution from an Account is a Qualified or Nonqualified Withdrawal and for paying any applicable taxes or penalties.

What Are the Exceptions to the Federal Penalty Tax?

The additional 10% federal penalty tax does not apply to all Nonqualified Withdrawals. Generally, Nonqualified Withdrawals are not subject to the 10% federal penalty tax if they are:

1. Paid to a Designated Beneficiary (or to the estate of the Designated Beneficiary) on or after the death of the Designated Beneficiary.
2. Made because the Designated Beneficiary is disabled. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must determine that his or her condition can be expected to result in death or to be of long-continued and indefinite duration.
3. Included in income because the Designated Beneficiary received a tax-free scholarship or fellowship grant; Veteran's educational assistance; employer-provided educational assistance; or any other nontaxable payments (other than gifts or inheritances) received as educational assistance. This exception applies only to the extent the distribution is not more than the scholarship, allowance, or payment.
4. Made on account of the attendance of the Designated Beneficiary at a U.S. military academy (such as the Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance.
5. Included in income only because the qualified education expenses were taken into account in determining the American opportunity or lifetime learning credit.

You should consult your tax advisor regarding the application of any of the above exceptions. See also "Exhibit B – Tax Information."

May I Roll Over My Account?

You may direct a transfer of money from your Account to an account in another 529 qualified tuition program for the same or another Designated Beneficiary. Alternatively, you may make a withdrawal from your Account and re-deposit the withdrawn balance within 60 days into an account in another 529 qualified tuition program for the same or another Designated Beneficiary without penalty.

If the Designated Beneficiary stays the same, the transfer will be treated as an income tax-free Qualified Rollover Distribution as long as the transfer does not occur within 12 months from the date of a previous rollover to another 529 qualified tuition program for the Designated Beneficiary. If you change beneficiaries, the transfer will be treated as a Qualified Rollover Distribution only if the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary and if made after December 22, 2017 and prior to 2026. The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes. A Roth IRA Rollover is a direct transfer from an Account to a Roth IRA on or after January 1, 2024, that meets the following requirements:

- The Account must have been maintained for the 15-year period ending on the date of the Roth IRA Rollover.
- The Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the Beneficiary of the Account.
- Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits, minus all other IRA contributions made during the year for the same designated beneficiary. In addition, such rollovers may not exceed the amount of compensation the designated beneficiary earned during the year.
- The amount of the Roth IRA Rollover may not exceed the aggregate amount contributed to Account (and earnings attributable thereto) before the 5-year period ending on the date of the IRA Rollover.
- The aggregate amount for all years of Roth IRA Rollovers for the same Beneficiary from all 529 qualified tuition programs may not exceed $35,000.

Roth IRA Rollovers are subject to the annual contribution limit for Roth IRAs. For 2023, the limit is $6,500 and will increase to $7,000 in 2024. All contributions made during the year to individual retirement accounts for the Beneficiary count towards this limit.

A Roth IRA Rollover can be made only to the extent the Beneficiary has eligible compensation (e.g. wages and self-employment income) for the year. The Roth IRA modified adjusted gross income limits appear not to apply to Roth IRA Rollovers.

You should consult with your tax advisor before requesting a Roth IRA Rollover.

What Happens to an Account If the Designated Beneficiary Does Not Attend College?

If the Designated Beneficiary does not pursue an education, at an Eligible Educational Institution you may withdraw the Account balance or change the Designated Beneficiary of the Account. A change of the Designated Beneficiary of the Account will not result in any income tax consequences so long as the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary.

To the extent that you make a Nonqualified Withdrawal from the Account, any earnings portion of such Nonqualified Withdrawal will be includible in your income for federal income tax purposes and will be subject to a 10% federal penalty tax.

For Alabama state income tax purposes, the amount of the Nonqualified Withdrawal, plus 10% of the amount of the Nonqualified Withdrawal, will be included in the contributor's income for the year in which such Nonqualified Withdrawal is made. For more information, see "Exhibit B – Tax Information."

How do I Close an Account?

To withdraw all of the funds and close your Account, download the Withdrawal Form and complete and submit the form as directed, or call the Plan at 866.529.2228 for instructions.

The Plan does not charge any surrender or other withdrawal fees. Contributions made by check, EFT, or AIP will not be available for withdrawal for 5 business days.

If the withdrawal to close the Account is a Nonqualified Withdrawal, any earnings portion of such Nonqualified Withdrawal will be includible in your income for federal income tax purposes and will be subject to a 10% federal penalty tax. For Alabama state income tax purposes, the amount of the Nonqualified Withdrawal, plus 10% of the amount of the Nonqualified Withdrawal, will be included in the contributor's income for the year in which such Nonqualified Withdrawal is made. For more information, see "Exhibit B – Tax Information."

OTHER IMPORTANT WITHDRAWAL CONSIDERATIONS

The tax benefits afforded to 529 Plans must be coordinated with other programs designed to provide tax benefits for meeting higher education expenses in order to avoid the duplication of such benefits. You should consult with a qualified tax advisor with respect to the various education benefits.

Taxable Portion of a Distribution

The part of a distribution representing the amount paid or contributed to a qualified tuition program doesn't have to be included in income. This is a return of the investment in the plan. The Designated Beneficiary generally doesn't have to include in income any earnings distributed from a qualified tuition program if the total distribution is less than or equal to adjusted qualified education expenses. To determine if total distributions for the year are more or less than the amount of adjusted qualified education expenses, you must compare the total of all qualified tuition program distributions for the tax year to the adjusted qualified education expenses. Adjusted qualified education expenses is the total Qualified Higher Education Expenses reduced by any tax-free educational assistance. Tax-free educational assistance includes: the tax-free part of scholarships and fellowship grants; Veterans' educational assistance; the tax-free part of Pell grants; Employer-provided educational assistance; and any other nontaxable (tax-free) payments (other than gifts or inheritances) received as educational assistance.

Coordination With American Opportunity and Lifetime Learning Credits

An American Opportunity or Lifetime Learning Credit can be claimed in the same year the Designated Beneficiary takes a tax-free distribution from a qualified tuition program, as long as the same expenses aren't used for both benefits. This means that after the Designated Beneficiary reduces qualified education expenses by tax-free educational assistance, he or she must further reduce them by the expenses taken into account in determining the credit.

Coordination With Coverdell Education Savings Account Distributions

If a Designated Beneficiary receives distributions from both a qualified tuition program and a Coverdell Education Savings

Account in the same year, and the total of these distributions is more than the Designated Beneficiary's adjusted Qualified Higher Education Expenses, the expenses must be allocated between the distributions. For purposes of this allocation, disregard any qualified elementary and secondary education expenses.

Coordination With Tuition and Fees Deduction

A tuition and fees deduction can be claimed in the same year the Designated Beneficiary takes a tax-free distribution from a qualified tuition program, as long as the same expenses aren't used for both benefits.

LIMITATIONS AND PENALTIES

Are There Limits on Investment Changes?

Under federal law, neither you nor the Designated Beneficiary may exercise investment discretion, directly or indirectly, over Contributions to an Account or any earnings on such Contributions. As a result, federal law only allows you to change the Portfolio or Portfolios in which Contributions or any earnings on such Contributions are invested twice per calendar year, or upon a change of Designated Beneficiary.

If an Account Owner has multiple Accounts in the Plan for the same Designated Beneficiary, or multiple accounts in the Plan and other State of Alabama 529 programs, the Account Owner may change the Portfolios in all such accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary.

Are There Limits on Transfers to Other State of Alabama 529 Programs?

Accounts in the Plan are also offered through the CollegeCounts 529 Fund Advisor Plan. You may transfer money from your Plan Account to the CollegeCounts 529 Fund Advisor Plan or from the CollegeCounts 529 Fund Advisor Plan to your Plan Account without the imposition of any penalties, other than any applicable contingent deferred sales charges for Fee Structure B Accounts in the CollegeCounts 529 Fund Advisor Plan. However, any such transfer constitutes an investment change and therefore may only occur twice per calendar year, or upon a change of Designated Beneficiary.

Are There Limitations on Transfers Out of the Program?

You may roll over your Account to another 529 qualified tuition program without potentially adverse federal income tax consequences if, within 60 days of the withdrawal from the distributing account, such funds are transferred to or deposited into an account at another 529 qualified tuition program and only if:

1. the rollover does not occur within 12 months from the date of a previous rollover to another 529 qualified tuition program for the Designated Beneficiary; or

2. such funds are transferred to or deposited into an account at another 529 qualified tuition program for the benefit of an individual who is a "Member of the Family" of the former Designated Beneficiary.

Are There State of Alabama Income Tax Considerations on Transfers Out of the Program?

Qualified Withdrawals on transfers out of the Program are treated the same for Alabama state income tax purposes as for federal income tax purposes. If a rollover out of the Plan is treated as a Nonqualified Withdrawal, then the amount of such Nonqualified Withdrawal, plus an amount equal to 10% of the amount of the Nonqualified Withdrawal, shall be added to the income of the contributing taxpayer in the year of the withdrawal. If a rollover out of the Plan is treated as a Qualified Withdrawal, the Qualified Withdrawal would not be subject to Alabama state income tax.

Are There Penalties on Withdrawals From the Plan?

The Plan does not charge a withdrawal fee. If an Account Owner withdraws funds as a Nonqualified Withdrawal, the earnings portion of the withdrawal will be includible in your federal gross income and subject to a 10% federal penalty tax.

The 10% additional federal penalty tax doesn't apply to distributions:

1. Paid to a Designated Beneficiary (or to the estate of the Designated Beneficiary) on or after the death of the Designated Beneficiary.
2. Made because the Designated Beneficiary is disabled. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must determine that his or her condition can be expected to result in death or to be of long-continued and indefinite duration.
3. Included in income because the Designated Beneficiary received a tax-free scholarship or fellowship grant; Veteran's educational assistance; employer-provided educational assistance; or any other nontaxable payments (other than gifts or inheritances) received as educational assistance. This exception applies only to the extent the distribution is not more than the scholarship, allowance, or payment.
4. Made on account of the attendance of the Designated Beneficiary at a U.S. military academy (such as the Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance.
5. Included in income only because the qualified education expenses were taken into account in determining the American opportunity or lifetime learning credit.

For Alabama state income tax purposes, if an Account Owner withdraws funds as a Nonqualified Withdrawal, then the amount of the Nonqualified Withdrawal, plus an amount equal to 10% of the amount of the Nonqualified Withdrawal, shall be included in income for the Account Owner for the year in which the withdrawal was made.

OTHER INFORMATION

How Will Investment in the Plan Affect My Designated Beneficiary's Chances of Receiving Financial Aid?

The eligibility of the Designated Beneficiary for financial aid may depend upon the circumstances of the Designated Beneficiary's family at the time the Designated Beneficiary enrolls in an Eligible Educational Institution, as well as on the policies of the governmental agencies, school, or private organizations to which the Designated Beneficiary and/or the Designated Beneficiary's family applies for financial assistance. These policies vary at different institutions and can change over time. Therefore, no person or entity can say with certainty how the federal aid programs, or the school to which the Designated Beneficiary applies, will treat your Account for purposes of receiving financial aid. Discuss this with school officials at the institutions to which your Designated Beneficiary applies.

Are Contributions Part of an Account Owner's Bankruptcy Estate?

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 protects many Section 529 accounts in federal bankruptcy proceedings subject to certain limits. Your Account will be protected if the Designated Beneficiary is your child, stepchild, grandchild, or step grandchild (including a child, stepchild, grandchild, or step grandchild through adoption or foster care) subject to the following limits:

- Contributions made to all Section 529 accounts for the same Designated Beneficiary at least 720 days before a federal bankruptcy filing are completely protected;
- Contributions made to all Section 529 accounts for the same Designated Beneficiary more than 365 days, but less than 720 days before a federal bankruptcy filing are protected up to $7,575; and
- Contributions made to all Section 529 accounts for the same Designated Beneficiary less than 365 days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

Your own state law may offer additional creditor protections. You should consult your legal advisor regarding the effect of any bankruptcy filing on your Account.

Does Alabama Law Protect Accounts From Creditors?

The Act provides, notwithstanding any provision of any law to the contrary, money in the ACES Program shall be exempt from creditor process and shall not be liable to attachment, garnishment, or other process, nor shall it be seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt or liability of any contributor or Designated Beneficiary.

What Kind of Statements Will I Receive?

You will receive quarterly statements showing:

- Contributions made to the Account for that period;
- Change in Account value for the period;
- Withdrawals made from the Account for that period; and
- The total value of the Account at the end of that time period.

Carefully review all confirmations and account statements to verify the accuracy of the transactions. Any discrepancies must be reported to the Program Manager within 30 days of the date of the confirmation or statement, whichever is earliest to occur. If you fail to notify us of any error, you will be considered to have approved the transaction.

To reduce the amount of duplicate mail that is sent to a household, the Program Manager will combine Account statements that have the same Account Owner and mailing address in the same mailing. The Program Manager will send one copy of the Program Disclosure Statement and other Plan communications to Account Owners at each respective household address. The Plan periodically matches and updates addresses of record against the U.S. Postal Service's change of address database to minimize undeliverable items.

You can view quarterly statements online at CollegeCounts529.com. To do so, you will need to create an online user name and password and provide additional identifying information to establish your online account.

Information including prospectuses and other disclosures of all fees and expenses associated with mutual funds and other investments made by the Program is available at CollegeCounts529.com and the respective underlying mutual fund web sites.

How Can I Have Online Access to My Account?

You can access information about your Account 24 hours a day by logging in to your Account at CollegeCounts529.com. You will need to select a user name and password and follow the online steps. The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by internet are genuine, including certain identifying information prior to acting upon internet instructions. None of the Program Manager, the Board, or the Treasurer will be liable for following internet instructions that the Program Manager reasonably believed to be genuine. To safeguard your Account, please keep your information confidential.

Is the Program Audited?

Each year an independent public accountant selected by the Program Manager will audit the Plan. The auditors will examine financial statements for the Plan and provide other audit, tax, and related services. The Board may also conduct audits of the Program and the Trust. The Plan's audited financial statements are available online at CollegeCounts529.com.

Where Can I Obtain Additional Information?

To obtain answers to your questions or request an Enrollment Form, please visit CollegeCounts529.com, call 866.529.2228 or write to CollegeCounts 529 Fund, P.O. Box 85290, Lincoln, NE 68501-5290.

In order to comply with Rule 15c 2-12(b)(5) promulgated in the Securities Exchange Act of 1934, as amended, (herein referred to as the "Rule"), the Board, on behalf of the Plan, has entered into a continuing disclosure agreement for the benefit of the Account Owners. Under the continuing disclosure agreement, the Board, on the Plan's behalf as permitted by law, will in compliance with the Rule provide the Plan's annual audited financial statement when available in conformity with the Rule and will provide notices of the occurrence of certain material events under the Rule and the continuing disclosure agreement, when applicable to the Plan. The Plan's audited financial statements for the fiscal year ended September 30, 2022 have been posted with the Municipal Securities Rulemaking Board.

EXHIBIT A — ACCOUNT AGREEMENT

For The CollegeCounts 529 Fund

Pursuant to the terms and conditions of this Account Agreement, the Account Owner, by completing and signing an Enrollment Form, hereby requests the Alabama Comprehensive Education Savings Program, marketed as the CollegeCounts 529 Fund, (hereinafter, the "Program") to open (or in the case of a successor Account Owner, to maintain) an Account in the CollegeCounts 529 Fund (hereinafter, the "Plan") for the individual designated on the Enrollment Form as the Designated Beneficiary (hereinafter, "Designated Beneficiary").

SECTION 12 OF THIS AGREEMENT IS AN ARBITRATION PROVISION. YOU SHOULD READ THE ARBITRATION PROVISION CAREFULLY. IT MAY HAVE A SUBSTANTIAL IMPACT ON YOUR RIGHTS.

GENERAL TERMS AND CONDITIONS

This Account Agreement among you, the Board and the Program Manager, as amended and supplemented from time to time, governs the terms of each Account you establish pursuant to your submission to the Program Manager of a properly completed Enrollment Form. By signing an Enrollment Form, you agree to be bound by the terms of this Account Agreement, as amended or supplemented from time to time, the Program Rules and the Act, as each may be amended from time to time.

The Program was established by the State under the Act to allow Account Owners to save for the Qualified Higher Education Expenses of a Designated Beneficiary at an Eligible Educational Institution. Under the Act, the Board of the Program oversees administration of the Program and its members act as trustees of the Program Trust Fund. Pursuant to the Act, the Board has delegated day-to-day administration of the Program to the Treasurer. Under the Act, the Board is authorized to employ private sector firms to provide investment management services, marketing services and administrative services for the Program. Pursuant to the Program Management Agreement, the Board has retained Union Bank and Trust Company to act as Program Manager for the Program.

The Program Disclosure Statement for the Plan describes the terms and conditions of the Plan in greater detail and is incorporated in its entirety into this Account Agreement. Before making any investment in the Plan, you should read carefully the Program Disclosure Statement in its entirety.

Capitalized terms not defined in this Account Agreement shall have the meanings assigned to them in the Program Disclosure Statement.

The Account Owner, the Board and the Program Manager agree as follows:

Section 1. Accounts and Beneficiaries.

(a) ***Opening an Account.*** To establish an Account on behalf of a Designated Beneficiary under the Program, a prospective Account Owner must execute and submit a completed Enrollment Form to the Program Manager.

(b) ***Separate Accounts.*** The Program will maintain a separate Account for each Designated Beneficiary. Each Account will be governed by an Account Agreement, the Act, the Program Disclosure Statement and the Program Rules. An Account Owner may establish multiple separate Accounts for the same Designated Beneficiary. All assets held in your Account will be held for the exclusive benefit of you and the Designated Beneficiary as provided by applicable law.

(c) ***Ownership.*** The Account Owner is the sole owner of all Contributions to an Account and any earnings thereon. Different rules may apply if the source of any Contribution to an Account is a custodial account established under a state's Uniform Gifts to Minors Act or Uniform Transfers to Minors Act.

(d) ***Naming and Changing Beneficiaries.*** You will name the Designated Beneficiary for an Account on the Enrollment Form. You can change the Designated Beneficiary at any time, subject to federal and state law and the Program Rules. In order to avoid certain adverse tax consequences, a new Designated Beneficiary must be a "Member of the Family" of the replaced Designated Beneficiary, as that term is defined under Section 529(e)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), or any other corresponding provision of future law. The designation of the new Designated Beneficiary will be effective upon the Program Manager's receipt of the appropriate form, properly completed.

(e) ***Selection of Investment Portfolios.*** Money invested in an Account will be invested in the investment Portfolio or Portfolios the Account Owner selects in the Enrollment Form. The Account Owner may change the investment Portfolio or Portfolios in which money is invested twice every calendar year, or with such other frequency as the Internal Revenue Service may provide, or upon a change of the Designated Beneficiary. The Board may change the asset allocation of any Age-Based Portfolio or Target Portfolio, add, eliminate or change the underlying investment funds for an investment Portfolio, create additional Portfolios, or eliminate Portfolios without regard to prior selections made by Account Owners. **The Board is not obligated to provide prior notice of such changes or to update the Program Disclosure Statement prior to any such change, but may do so in the Board's sole discretion.**

If an Account Owner has multiple accounts in the Program for the same Designated Beneficiary, the Account Owner may change the Portfolio in all such accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary. You are responsible for ensuring that your Account has been assigned or reassigned to the correct investment Portfolio and that each Contribution has been credited to the correct Account. You must notify the Program Manager within thirty (30) days of any errors.

Section 2. Contributions.

(a) ***Contributions To Be in Cash.*** All Contributions must be in cash. Cash means Contributions in U.S. Dollars made by (i) checks, (ii) payroll contributions made by your employer, (iii) electronic funds transfers from your bank, (iv) an automatic investment plan, (v) wire transfers, (vi) *CollegeCounts GiftED* contributions, (vii) Rewards from the CollegeCounts 529 Rewards Visa® Card, or (viii) a rollover from another 529 qualified tuition plan.

(b) ***Minimum Contributions.*** There is no minimum contribution amount. A Contribution need not be made every year.

(c) ***Additional Contributions.*** You may make additional Contributions at any time, subject to the overall limit described in the next paragraph.

(d) ***Maximum Account Balance Contribution Limitation.*** The Board will set a Maximum Account Balance for the Program. No Contribution to an Account for a Designated Beneficiary will be permitted if the aggregate balance of all Accounts for the Designated Beneficiary, including for this purpose all accounts in State of Alabama 529 programs for the Designated Beneficiary, equals or exceeds the Maximum Account Balance. Any Contribution in excess of the Maximum Account Balance will be returned to the Account Owner. The Board will determine the Maximum Account Balance for each year and such determination shall be deemed a part of this Agreement.

Section 3. Distribution From Accounts.

You may direct the Program Manager to distribute part or all of the money in your Account at any time.

(a) You must complete a withdrawal request form, an online withdrawal form or follow such other procedures for the withdrawal of money in an Account as the Board may designate. The Board may change the withdrawal request form or modify the procedures for withdrawing money from an Account from time to time.

(b) You acknowledge that the earnings portion of a Nonqualified Withdrawal, as defined in the Program Disclosure Statement, will be included in your income for federal tax purposes and may be subject to an additional 10% federal penalty tax. There may be additional state tax consequences associated with a Nonqualified Withdrawal and you should consult with your tax advisor.

(c) Not withstanding any other provision of this Agreement, the Board may terminate an Account upon a determination that you or the Account's Designated Beneficiary has provided false or misleading information to the Program or the Program Manager. The Board will pay you the balance remaining in the Account, less any state or federal taxes to be withheld, if applicable.

(d) If you terminate your Account Agreement and close your Account, you will receive the fair market value of the Account on the date the Account is redeemed.

(e) If an Account Agreement has not been terminated and the Account closed after a period of sixty (60) years from its effective date, and the Account has been dormant for three years, the Board or the Program Manager, after making reasonable efforts to contact the Account Owner, will close the Account and presume that the Account balance, if any, is abandoned property. The Account Owner may request that an Account remain in effect beyond the sixty (60) year period by filing a written request with the Board.

Section 4. Your Representations and Acknowledgments.

You hereby represent and warrant to, and agree with the Program, the Board, and the Program Manager as follows:

(a) You acknowledge that the creation of an Account under the Program subjects your Contributions to ongoing fees.

(b) You have received and read the Program Disclosure Statement for the CollegeCounts 529 Fund and have carefully reviewed all the information contained therein, including information provided by or with respect to the Board and the Program Manager. You have been given an opportunity, within a reasonable time prior to the date of this Agreement, to ask questions and receive answers concerning (i) an investment in the Program, (ii) the terms and conditions of the Program, (iii) this Agreement, the Program Disclosure Statement, the Program Rules and the Enrollment Form, and (iv) the investment Portfolios that are available for your Account and to obtain such additional information necessary to verify the accuracy of any information furnished. You also agree that you have had the opportunity to review and hereby approve and consent to all compensation paid or received by any party connected with the Program or any of its investments.

(c) You acknowledge and agree that if the Program Disclosure Statement is in any way amended, modified or supplemented after you enter into this Account Agreement, that the terms of the Program Disclosure Statement, as amended, modified or supplemented, will be automatically incorporated into this Account Agreement as if fully set forth herein.

(d) You acknowledge and agree that the value of any Account will increase or decrease based on the investment performance and expenses of the investment Portfolio or Portfolios in which the Account is then invested. **YOU UNDERSTAND THAT THE VALUE OF ANY ACCOUNT MAY BE MORE OR LESS THAN THE AMOUNT INVESTED IN THE ACCOUNT.** You agree (i) that the Board, as required by the Code, determines from time to time the underlying funds and the types of investment portfolios made up of those funds offered by the Program, relying upon advice from investment consultants in doing so, and that (ii) you will only be permitted to select an investment portfolio offered by the Program and may only change that selection at the limited times permitted by the Program, and (iii) except for the selection of an investment Portfolio offered by the Program, you are not permitted to direct, nor will you direct, the investment of any funds contributed to the Program, either directly or indirectly. You also acknowledge and agree that neither the State of Alabama, the Board, the Treasurer, the Program Manager, nor any other advisor or consultant retained by or on behalf of the Program makes any guarantee that you will not suffer a loss of the amount invested in any Account nor do any of them provide you with investment advice.

(e) You understand that so long as Union Bank and Trust Company serves as Program Manager for the Program and is performing services for the Program it may be required to follow certain specific directives of the Board. When acting in such a specific directed capacity, Union Bank and Trust Company will not have any liability to you or any Designated Beneficiary of this Agreement.

(f) You acknowledge and agree that participation in the Program does not guarantee that any Designated Beneficiary: (i) will be accepted as a student by an Eligible Educational Institution; (ii) if accepted, will be permitted to continue as a student; (iii) will be treated as a state resident of any state for tuition or any other purposes; (iv) will graduate from any Eligible Educational Institution; or (v) will achieve any particular treatment under applicable state or federal financial aid program. You also acknowledge and agree that neither the State of Alabama, the Board, the Treasurer, the Program Manager, nor any other advisor or consultant retained by or on behalf of the Program makes any such representation or guarantee.

(g) You acknowledge and agree that no Account will be used as collateral for any loan. Any attempted use of an Account as collateral for a loan will be void.

(h) You acknowledge and agree that the Program will not loan any assets to you or the Designated Beneficiary.

(i) You understand and acknowledge that the Program is established and maintained under Alabama law with the intent that it will meet with certain requirements in order to qualify as a qualified tuition program under Section 529 of the Internal Revenue Code. You further acknowledge that such federal and state laws are subject to change, sometimes with retroactive effect, and that neither the State of Alabama, the Board, the Treasurer, the Program Manager, nor any advisor or consultant retained by the Program makes any representation that such state or federal laws will not be changed or repealed, or, if changed, that such changes may not have adverse tax consequences. If the Program fails to qualify as a qualified tuition program under Section 529 of the Code, such failure may have adverse tax and other consequences to you.

(j) You acknowledge that the Program is the record owner of the shares of the underlying investments in which each Portfolio is invested and that you will have no right to vote, or direct the voting of, any proxy with respect to such shares.

(k) If you are not, or your Designated Beneficiary is not, an Alabama resident, you understand that if your or your Designated Beneficiary's state of residence offers a qualified tuition program, it may offer tax advantages or other benefits that may not be available to you or your Designated Beneficiary under the Program and that you are responsible for determining which qualified tuition program is best suited to your investment needs based on your investment objectives, time horizon, tax status and other investment holdings.

(l) You understand that with respect to residents of Alabama, Contributions to your Account may be entitled to an Alabama state income tax deduction and that the earnings portion of a distribution from an Account for Qualified Higher Education Expenses will not be subject to Alabama state income tax and your participation in the Program generally will have the Alabama income tax consequences described in the Program Disclosure Statement. Such Alabama tax laws are subject to change, sometimes with retroactive effect.

(m) If the Account Owner is a trust or other entity, then the Account Owner represents and warrants that (i) the trust or other entity is duly organized, validly existing, and in good standing under the laws of its state of organization and has the power and authority to enter into this Agreement, (ii) the execution, delivery, and performance of this Agreement by the Account Owner have been duly authorized by all necessary action on the part of the Account Owner, and (iii) this Agreement constitutes the legal, valid, and binding obligation of the Account Owner, enforceable against the Account Owner in accordance with its terms.

Section 5. Fees and Expenses.

The Program will make certain charges against each Account in order to provide for the costs of administration of the Accounts and such other purposes as the Board shall determine appropriate.

(a) ***Program Management Fee.*** Each Portfolio is subject to a maximum program management fee at an annual rate of 0.17%.

(b) ***Investment Management Fees.*** You agree and acknowledge that each of the mutual funds or other investments also will have investment management fees and other expenses, which will be disclosed or made available on an annual basis.

(c) ***Change in Fees.*** You acknowledge and agree that the charges described above may be increased or decreased as the Board shall determine to be appropriate.

Section 6. Necessity of Qualification. The Program intends to qualify for favorable federal tax treatment under Section 529 of the Code. You agree and acknowledge that qualification under Section 529 of the Code is vital and agree that the Board may amend this Account Agreement upon a determination that such an amendment is required to maintain such qualification.

Section 7. Audit. The Program Manager shall cause the Program and its assets to be audited at least annually by a certified public accountant. A copy of the annual report can be obtained by calling the Program at 866.529.2228, or by going to CollegeCounts529.com.

Section 8. Reporting. The Program, through the Program Manager, will make quarterly reports of Account activity and the value of each Account. Account information can also be obtained via the Program's website at CollegeCounts529.com.

Section 9. Account Owner's Indemnity. You recognize that each Account will be established based upon your statements, agreements, representations, and warranties set forth in this Account Agreement and the Enrollment Form. You agree to indemnify and to hold harmless the Board, the Program, the Treasurer, the Program Manager and its affiliates, and any representatives of the Program from and against any and all loss, damage, liability, or expense, including costs of reasonable attorneys' fees to which they may be put or which they may incur by reason of, or in connection with, any breach by you of your acknowledgments, representations, or warranties or any failure of you to fulfill any covenants or agreements set forth herein. You agree that all statements, representations, and warranties will survive the termination of your Account.

Section 10. Amendment and Termination. Nothing contained in the Program or this Account Agreement shall constitute an agreement or representation by the Board, the Treasurer or anyone else that the Program will continue in existence. At any time, the Board may amend the Program Rules, the Program Disclosure Statement, this Account Agreement and other Program documents, and may change the Program Manager and the investment Portfolios under the Program. In addition, the legislature of the State of Alabama may dissolve the Program at any time and dissolution of the Program may result in a distribution from your Account that may be subject to income taxes and additional tax penalties.

Section 11. Governing Law, Jurisdiction and Venue, Waiver of Jury Trial. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Alabama. Subject to Section 12 below, you agree (on behalf of yourself and your Designated Beneficiary) that the courts located in Montgomery, Alabama, shall have exclusive jurisdiction over any legal proceedings between you (and/or your Designated Beneficiary) and the Board that arise out of or relate to this Account Agreement. In any such proceeding, you (on behalf of yourself and your Designated Beneficiary) agree to waive any right you may have to a trial by jury.

Section 12. Arbitration.

YOU SHOULD READ THIS ARBITRATION PROVISION CAREFULLY. IT MAY HAVE A SUBSTANTIAL IMPACT ON YOUR RIGHTS.

(a) ***Agreement to Arbitrate.*** Unless prohibited by applicable law, any legal dispute between you and us (as defined below) will be resolved by binding arbitration. In arbitration, a dispute is resolved by an arbitrator instead of a judge or jury. Arbitration procedures are simpler and more limited than court procedures.

(b) ***Coverage and Definitions.*** As used in this Section 12 Arbitration Provision, the following terms have the following meanings:

(i) "You," "your" and "yours" refer to the Account Owner and any successor Account Owner, acting on the Account Owner's own behalf or on behalf of the Designated Beneficiary and any successor Designated Beneficiary.

(ii) "We," "us," "our" and "ours" refer to: (A) the Program Manager; (B) any company that owns or controls the Program Manager (a "Parent Company"); and (C) any company that is controlled by a Parent Company or the Program Manager. Also, if either you or we elect to arbitrate any Claim you bring against us, the persons who may benefit by this Arbitration Provision include any other persons or companies you make a Claim against in the same proceeding. It does not include the Board, the Program or the Treasurer.

(iii) "Claim" means any legal dispute between you and us that relates to, arises out of or has anything at all to do with: (A) this Account Agreement, this Arbitration Provision or the Program; or (B) any related advertising, promotion, disclosure or notice. This includes a dispute about whether this Arbitration Provision or this Account Agreement is valid or enforceable, about when this Arbitration Provision applies and/or about whether a dispute is arbitrable. It includes disputes about constitutional provisions, statutes, ordinances, and regulations, compliance with contracts and wrongful acts of every type (whether intentional, fraudulent, reckless or negligent). This Arbitration Provision applies to actions, omissions and events prior to, on or after the date of this Account Agreement. It applies to disputes involving requests for injunctions, other equitable relief and/ or declaratory relief. However, notwithstanding any language in this Arbitration Provision to the contrary, the term "Claim" does not include any dispute that is asserted by a party on a class basis; unless and until any such dispute is finally resolved to be inappropriate for class treatment in court, such dispute shall not constitute a "Claim" hereunder, and any such dispute shall be resolved by a court and not by an arbitrator or arbitration administrator.

(iv) "Administrator" means JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, www.jamsadr.com; the American Arbitration Association (the "AAA"), 1633 Broadway, 10th Floor, New York, NY 10019, www.adr.org; or any other company selected by mutual agreement of the parties. If both JAMS and AAA cannot or will not serve and the parties are unable to select an Administrator by mutual consent, the Administrator will be selected by a court. You may select the Administrator if you give us written notice of your selection with your notice that you are electing to arbitrate any Claim or within 20 days after we give you notice that we are electing to arbitrate any Claim (or, if you oppose in court our right to arbitrate a matter, within 20 days after the court determination). If you do not select the Administrator on time, we will select the Administrator.

(c) ***Important Notice.*** **IF YOU OR WE ELECT TO ARBITRATE A CLAIM, YOU AND WE WILL NOT HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM. ALSO, YOUR AND OUR ABILITY TO OBTAIN INFORMATION AND TO APPEAL IS MORE LIMITED IN AN ARBITRATION THAN IN A LAWSUIT. OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN A LAWSUIT IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.**

(d) ***Prohibition Against Certain Proceedings.*** **(i) NO PARTY MAY PARTICIPATE IN A CLASS-WIDE ARBITRATION, EITHER AS A PLAINTIFF, DEFENDANT OR CLASS MEMBER; (ii) NO PARTY MAY ACT AS A PRIVATE ATTORNEY GENERAL IN ANY ARBITRATION; (iii) CLAIMS BROUGHT BY OR AGAINST YOU MAY NOT BE JOINED OR CONSOLIDATED WITH CLAIMS BROUGHT BY OR AGAINST ANY OTHER PERSON IN ANY ARBITRATION; AND (iv) THE ARBITRATOR SHALL HAVE NO AUTHORITY TO CONDUCT A CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ARBITRATION OR MULTIPLE-PARTY ARBITRATION.**

(e) ***Initiating Arbitration Proceedings.*** A party asserting a Claim must first comply with Section I2(k), regarding "Notice and Cure." Additionally, a party electing arbitration must give written notice of an intention to initiate or require arbitration. This notice can be given after the beginning of a lawsuit and can be given in the papers filed in the lawsuit. If such notice is given, unless prohibited by applicable law any Claim shall be resolved by arbitration under this Arbitration Provision and, to the extent consistent with this Arbitration Provision, the applicable rules of the Administrator that are in effect at the time the Claim is filed with the Administrator. A party who has asserted a Claim in a lawsuit may still elect arbitration with respect to any Claim that is later asserted in the same lawsuit by any other party (and in such case either party may also elect to arbitrate the original Claim). The arbitrator will be selected in accordance with the Administrator's rules. However, unless both you and we agree otherwise, the arbitrator must be a lawyer with more than 10 years of experience or a retired judge. We promise that we will not elect to arbitrate an individual Claim that you bring in small claims court or an equivalent court. However, we may elect to arbitrate a Claim that is transferred, removed or appealed to any different court.

(f) ***Arbitration Location and Costs.*** Any arbitration hearing that you attend will take place in a reasonably convenient location for you. If the amount in controversy is less than $10,000 and you object to the fees charged by the Administrator and/or arbitrator, we will consider in good faith any reasonable written request for us to bear the fees charged by the Administrator and/or arbitrator. Also, we will pay any fees or expenses we are required to pay by law or are required to pay so that a court will enforce this Arbitration Provision. Each party must pay for that party's own attorneys, experts and witnesses, provided that we will pay all such reasonable fees and costs you incur if required by applicable law and/or the Administrator's rules or if you are the prevailing party and we are required to bear such fees and costs so that a court will enforce this Arbitration Provision.

(g) ***Applicable Law.*** You and we agree that this Account Agreement and this Arbitration Provision involve interstate commerce, and this Arbitration Provision is governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, et seq. The arbitrator must follow, to the extent applicable: (i) the substantive law related to any Claim; (ii) statutes of limitations; and (iii) claims of privilege recognized at law, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. Upon the timely request of any party to an arbitration proceeding, the arbitrator must provide a brief written explanation of the basis for the award. The arbitrator will determine the rules of procedure and evidence to apply, consistent with the arbitration rules of the Administrator and this Arbitration Provision. In the event a conflict between this Arbitration Provision, on the one hand, and any other Arbitration Provision between you and us or the rules or policies of the Administrator, on the other hand, this Arbitration Provision shall govern. The arbitrator will not be bound by federal, state or local rules of procedure and evidence or by state or local laws concerning arbitration proceedings.

(h) ***Getting Information.*** In addition to the parties' rights to obtain information under the Administrator's rules, any party may submit a written request to the arbitrator seeking more information. A copy of such request must be provided to the other parties. Those parties will then have the right to object in writing within 30 days. The objection must be sent to the arbitrator and the other parties. The arbitrator will decide the issue in his or her sole discretion within 20 days thereafter.

(i) ***Effect of Arbitration Award.*** Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding, except for any appeal right under the FAA and except for Claims involving more than $100,000. For these

Claims, any party may appeal the award within 30 days to a three-arbitrator panel appointed pursuant to the Administrator's rules. That panel will reconsider from the start any aspect of the initial award that any party asserts was incorrectly decided. The decision of the panel shall be by majority vote and will be final and binding, except for any appeal right under the FAA. Unless applicable law (or Section 120), regarding "Corrective Action; Survivability and Severability of Terms") requires otherwise, the costs of an appeal to an arbitration panel will be borne by the appealing party, regardless of the outcome of the appeal. However, we will pay any fees or expenses we are required to pay so that a court will enforce this Arbitration Provision.

(j) ***Corrective Action; Survivability and Severability of Terms.*** A party must be given written notice and a reasonable opportunity of at least 30 days to remedy any circumstance that might preclude arbitration of a Claim. This Arbitration Provision shall survive: (i) termination of the Program; and (ii) the bankruptcy of any party. If any portion of this Arbitration Provision is deemed invalid or unenforceable, the remaining portions shall nevertheless remain in force. This Arbitration Provision can only be amended or supplemented by written Arbitration Provision.

(k) ***Notice and Cure.*** Prior to initiating litigation or arbitration regarding a Claim, the party asserting the Claim (the "Claimant") shall give the other party or parties written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to cure the Claim. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. The Claimant must reasonably cooperate in providing any information about the Claim that the other party or parties reasonably request.

(l) ***Arbitration Notices.*** Any notice to us under this Arbitration Provision must be sent to us by registered or certified mail or by a messenger service such as Federal Express, CollegeCounts 529 Fund, 1248 O Street Suite 200, Lincoln, Nebraska 68508. Any such notice must be signed by you and must provide your name, address and telephone number. Any notice to you under this Arbitration Provision must be sent to you by registered or certified mail or by a messenger service such as Federal Express, at the most recent address for you we have in our records.

EXHIBIT B — TAX INFORMATION

The following discussion summarizes certain aspects of federal and State of Alabama income, gift, estate, and generation-skipping transfer tax consequences relating to the CollegeCounts 529 Fund and Contributions to, earnings of, and withdrawals from the Accounts. The summary is not exhaustive and is not intended as individual tax advice. In addition, there can be no assurance that the Internal Revenue Service ("IRS") or Alabama Department of Revenue will accept the statements made herein or, if challenged, that such statements would be sustained in court. The applicable tax rules are complex, and certain of the rules are at present uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. The Internal Revenue Code and regulations thereunder, and judicial and administrative interpretations thereof, are subject to change, retroactively or prospectively, and no one under the Program will be entitled to receive or be obligated to give notice of any such changes or modifications. A qualified tax advisor should be consulted regarding the application of law in individual circumstances.

This summary is based on the current relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Alabama state tax law, and proposed Treasury regulations. It is possible that Congress, the Treasury Department, the IRS, the State of Alabama, and other taxing authorities or the courts may take actions that will adversely affect the tax law consequences described and that such adverse effects may be retroactive. No final tax regulations or rulings concerning the Program have been issued by the IRS and, when issued, such regulations or rulings may alter the tax consequences summarized herein or necessitate changes in the Program to achieve the tax benefits described. The summary does not address the potential effects on Account Owners or Designated Beneficiaries of the tax laws of any state other than Alabama.

Alabama Income Tax Consequences

The undistributed investment earnings in the Plan are exempt from Alabama income tax, and the earnings attributed to an Account will not be includable in the Alabama income of the Account Owner or a Designated Beneficiary until the funds are withdrawn, in whole or in part, from the Account. The Alabama income tax consequences of a withdrawal from the Account will vary depending upon whether the withdrawal constitutes a Qualified Withdrawal or a Nonqualified Withdrawal.

If the distribution constitutes a Qualified Withdrawal from an Account, generally no portion of the distribution is includable in the Alabama income of the Designated Beneficiary or the Account Owner. Similarly, no portion of a Qualified Rollover Distribution is includable in the Alabama income of either the Designated Beneficiary or the Account Owner.

However, to the extent that a withdrawal from an Account is a Nonqualified Withdrawal, then the entire amount of the Nonqualified Withdrawal (including earnings), plus an amount equal to ten (10%) percent of the amount of the Nonqualified Withdrawal is includable in income for Alabama income tax purposes of the taxpayer who made the Contribution that was subject to the Nonqualified Withdrawal in the year of the withdrawal. This is different from the treatment for federal income tax purposes. No exceptions to the recapture of the amount of the Nonqualified Withdrawal exists for Alabama income tax purposes.

Another difference between the Alabama income tax consequences and federal income tax consequences is that a Contribution to the Plan is deductible up to certain limits. Individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to $5,000 per tax year ($10,000 for married taxpayers filing jointly who each make Contributions) for total combined Contributions to the Plan and other State of Alabama 529 programs, during that year. The Contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the Contributions are made.

Alabama Gift, Estate, Other Alabama Taxes

The State of Alabama does not have a gift tax, but does have an estate tax and generation skipping tax. Under the provisions of Alabama, the Alabama estate tax and generation skipping tax are based on the federal estate tax provisions.

Federal Income Tax Treatment of the Trust, Contributions, and Withdrawals

The Program is designed to be a "qualified tuition program" under Section 529 of the Code. As such, undistributed investment earnings in the Program are exempt from federal income tax. Earnings of the Program credited to an Account will not be includible in the federal gross income of the Account Owner or Designated Beneficiary until funds are withdrawn, in whole or in part, from the Account. The treatment of a withdrawal from an Account will vary depending on the nature of the withdrawal. Contributions are not deductible for federal income tax purposes.

If there are earnings in an Account, each distribution from the Account consists of two parts. One part is a return of the Contributions to the Account (the "Contributions Portion"). The other part is a distribution of earnings in the Account (the "Earnings Portion"). A pro rata calculation is made as of the date of the distribution of the Earnings Portion and the Contributions Portion of the distribution.

Qualified Withdrawals

If a Qualified Withdrawal is made from an Account, generally no portion of the distribution is includible in the gross income of either the Designated Beneficiary or the Account Owner.

Qualified Rollover Distributions

No portion of a Qualified Rollover Distribution is includible in the gross income of either the Designated Beneficiary or the Account Owner.

Nonqualified Withdrawals

To the extent that a withdrawal from an Account is a Nonqualified Withdrawal, the Earnings Portion of such Nonqualified Withdrawal is includible in the federal gross income of the recipient of the withdrawal for the year in which the withdrawal is made. The Contributions Portion is not includible in gross income.

Generally, the recipient of a Nonqualified Withdrawal will also be subject to a "federal penalty tax" equal to 10% of the Earnings Portion of the withdrawal.

There are, however, exceptions to the 10% federal penalty tax if they are:

1) Paid to a Designated Beneficiary (or to the estate of the Designated Beneficiary) on or after the death of the Designated Beneficiary.
2) Made because the Designated Beneficiary is disabled. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must determine that the condition can be expected to result in death or to be of long-continued and indefinite duration.
3) Included in income because the Designated Beneficiary received a tax-free scholarship or fellowship grant; Veteran's educational assistance; employer-provided educational assistance; or any other nontaxable payments (other than gifts or inheritances) received as educational assistance. This exception applies only to the extent the distribution is not more than the scholarship, allowance, or payment.
4) Made on account of the attendance of the Designated Beneficiary at a U.S. military academy (such as the Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance.
5) Included in income only because the qualified education expenses were taken into account in determining the American opportunity or lifetime learning credit.

Change of Designated Beneficiary

A change in the Designated Beneficiary of an Account is not treated as a distribution if the new Designated Beneficiary is a Member of the Family of the former Designated Beneficiary. However, if the new Designated Beneficiary is not a Member of the Family of the former Designated Beneficiary, the change is treated as a Nonqualified Withdrawal by the Account Owner. A change of the Designated Beneficiary of an Account or a transfer to an Account for another Designated Beneficiary may have federal gift tax or generation-skipping transfer tax consequences.

Annual Tax Reporting

For any year there are withdrawals from your Account, the Program Manager will send out a Form 1099-Q. This form sets forth the total amount of the distribution and identifies the Earnings Portion and the Contribution Portion of each withdrawal. If the distribution is made to the Account Owner, the Form 1099-Q will be sent to them. If the distribution is to the Designated Beneficiary or made directly to the Eligible Educational Institution, the Form 1099-Q will be sent to the Designated Beneficiary. You should consult with your tax professional for the proper tax reporting and treatment of distributions.

Coordination of Federal Tax Benefits

The tax benefits afforded to qualified tuition programs such as the Program must be coordinated with other programs designed to provide tax benefits for meeting Qualified Higher Education Expenses in order to avoid the duplication of such benefits. The coordinated programs include Coverdell Education Savings Accounts under Section 530 of the Code, the Tuition and Fees Deduction, Qualified U.S. Savings Bonds used to pay higher education tuition and fees, and the American Opportunity and Lifetime Learning Credits under Section 25A of the Code. Consult your tax or legal advisor for advice on these special rules.

Coverdell Education Savings Accounts

An individual may contribute to, or withdraw money from, both a qualified tuition program account and a Coverdell Education Savings Account in the same year. However, to the extent the total withdrawals from both accounts exceed the amount of adjusted Qualified Higher Education Expenses that qualify for tax-free treatment under Section 529 of the Code, the recipient must allocate his or her Qualified Higher Education Expenses between both such withdrawals in order to determine how much may be treated as tax-free under each program.

American Opportunity and Lifetime Learning Tax Credits

The use of an American Opportunity or Lifetime Learning Credit by a qualifying Account Owner and Designated Beneficiary will not affect participation in or receipt of benefits from a qualified tuition program account, so long as any withdrawal from the account is not used for the same expenses for which the credit was claimed.

Federal Gift, Estate, and Generation Skipping Transfer Taxes

Contributions to an Account are considered completed gifts to the Designated Beneficiary of the Account for federal estate, gift, and generation skipping transfer tax purposes. If an Account Owner dies while there is a balance in the Account, the value of the Account is not includible in the Account Owner's gross estate for federal estate tax purposes except as set forth below. However, amounts in an Account at the death of the Designated Beneficiary are includible in the Designated Beneficiary's gross estate.

A donor's gifts to a donee in any given year will not be taxable if the gifts are eligible for, and do not in total exceed, the gift tax "annual exclusion" for such calendar year. For 2023, the annual exclusion is $17,000 per donee per calendar year (increasing to $18,000 in 2024), or twice that amount (i.e., $34,000; increasing to $36,000 in 2024) for a married donor whose spouse elects on a Federal Gift Tax Return to "split" gifts with the donor. The annual exclusion is indexed for inflation and is expected to increase in the future.

Under Section 529, a donor's Contributions to an Account for a Designated Beneficiary are eligible for the gift tax annual exclusion. Contributions that qualify for the gift tax annual exclusion are also excludible for purposes of the Federal generation-skipping transfer ("GST") tax. Accordingly, so long as the donor's total Contributions to Accounts for the Designated Beneficiary in any year (together with any other gifts made by the donor to the Designated Beneficiary in such year) do not exceed the annual exclusion amount for such year, the donor's

Contributions will not be considered taxable gifts and will be excludible for purposes of the GST tax.

In addition, if a donor's total Contributions to Accounts for a Designated Beneficiary in a single year exceed the annual exclusion for such year, the donor may elect to treat Contributions that total up to five times the annual exclusion (or up to ten times if the donor and his or her spouse split gifts) as having been made ratably over a five year period. Consequently, a single donor may contribute up to $85,000 in a single year (increasing to $90,000 in 2024) without incurring federal gift tax, so long as the donor makes no other gifts to the same Designated Beneficiary during the calendar year in which the Contribution is made or any of the next four calendar years.

An election to have the Contribution taken into account ratably over a five-year period must be made by the donor on a Federal Gift Tax Return, IRS Form 709, for the year of Contribution.

For example, an Account Owner who makes an $85,000 Contribution to an Account for a Designated Beneficiary in 2023 may elect to have that Contribution treated as a $17,000 gift in the current year and a $17,000 gift in each of the following four years. If the Account Owner makes no other Contributions or gifts to the Designated Beneficiary in the current year and each of the following four years, and has made no excess Contributions treated as gifts subject to the one-fifth rule during any of the previous four years, the Account Owner will not be treated as making any taxable gifts to the Designated Beneficiary during that five-year period. As a result, the $85,000 Contribution will not be treated as a taxable gift and will be excludible for purposes of the GST tax. However, if the Account Owner dies before the end of the five year period, the portion of the Contributions allocable to years after the year of death will be includible in the Account Owner's gross estate for federal estate tax purposes.

A change of the Designated Beneficiary of an Account or a transfer to an Account for another Designated Beneficiary may have federal gift tax consequences. Specifically, if the new Designated Beneficiary is in a younger generation than the replaced Designated Beneficiary, the change or transfer will be treated for federal gift tax purposes as a gift from the replaced Designated Beneficiary to the new Designated Beneficiary. If the new Designated Beneficiary is not a descendant of the replaced Designated Beneficiary, the new Designated Beneficiary will be considered to be in a younger generation than the replaced Designated Beneficiary if the new Designated Beneficiary is more than 12 1/2 years younger than the replaced Designated Beneficiary. Moreover, even if the new Designated Beneficiary is in the same generation as (or in an older generation than) the replaced Designated Beneficiary, the change or transfer may be treated as a gift from the replaced Designated Beneficiary to the new Designated Beneficiary if the new Designated Beneficiary is not a Member of the Family of the replaced Designated Beneficiary. Any change or transfer treated as a gift from the replaced Designated Beneficiary to the new Designated Beneficiary may cause the replaced Designated Beneficiary to be liable for federal gift tax or cause other undesirable tax consequences.

A change of the Designated Beneficiary of an Account or a transfer to an Account for another Designated Beneficiary may also have GST tax consequences. A change or transfer will be considered a generation-skipping transfer if the new Designated Beneficiary is two or more generations younger than the replaced Designated Beneficiary. Any change or transfer treated as a generation-skipping transfer from the replaced Designated Beneficiary to the new Designated Beneficiary may cause the replaced Designated Beneficiary to be liable for GST tax or cause other undesirable tax consequences.

A change of Account ownership may also have gift and/or GST tax consequences. Accordingly, Account Owners should consult their own tax advisors for guidance when considering a change of Designated Beneficiary or Account ownership.

Lack of Certainty of Tax Consequences

At the date of this Program Disclosure Statement, proposed regulations and other guidance have been issued under Code Section 529 upon which taxpayers may rely at least until final regulations are issued. The proposed regulations do not, however, provide guidance on various aspects of the Program. It is uncertain when final regulations will be issued. Moreover, amendments made to Section 529 in 2017 and thereafter, made significant changes for which more guidance is needed and were not part of the proposed regulations. There can be no assurance that the Federal tax consequences described herein for Account Owners and Designated Beneficiaries will continue to be applicable. Section 529 of the Code or other Federal law could be amended in a manner that would materially change or eliminate the federal tax treatment described above. The Program Manager and Board intend to modify the Program within the constraints of applicable law for the Program to meet the requirements of Section 529 of the Code. In the event that the Program, as currently structured or as subsequently modified, does not meet the requirements of Section 529 of the Code for any reason, the tax consequences to the Account Owner and Designated Beneficiaries are uncertain, and it is possible that Account Owners could be subject to taxes currently on undistributed earnings in their respective Accounts as well as to other adverse tax consequences. A potential Account Owner may wish to consider consulting a tax advisor.

For other changes to the tax consequences of participation in the Plan, see "Risk Factors" above.

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 investments in which the Portfolios invest, including the underlying investments 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%**

MUTUAL FUND TICKER SYMBOLS AND EXPENSE RATIOS

The following table sets forth the ticker symbols and the total operating expenses, as disclosed in each fund's most recent prospectus dated on or prior to December 1, 2023, of the underlying investment funds in which the Portfolios invest.

Fund Name (Class)	Ticker Symbol	Expense Ratio
Vanguard Cash Reserves Federal Money Market Fund (Admiral)	VMRXX	0.10%
PIMCO Short-Term Fund (Instl)	PTSHX	0.47%
Vanguard Short-Term Bond Index Fund (Instl.)	VBITX	0.05%
Vanguard Total Bond Market Index Fund (Instl. Plus)	VBMPX	0.03%
Fidelity Advisor Investment Grade Bond Fund (Instl)	FIKQX	0.36%
PGIM Total Return Bond Fund (Class R6)	PTRQX	0.39%
Vanguard Short-Term Inflation-Protected Securities Index Fund (Instl)	VTSPX	0.04%
Vanguard Inflation-Protected Securities Fund (Admiral)	VAIPX	0.10%
Vanguard High Yield Corporate Fund (Admiral)	VWEAX	0.13%
Vanguard Emerging Markets Government Bond Index Fund (Instl)	VGIVX	0.18%
T. Rowe Price Balanced Fund (I Class)	RBAIX	0.47%
Vanguard Real Estate Index Fund (Instl)	VGSNX	0.10%
Vanguard Value Index Fund (Instl)	VIVIX	0.04%
DFA U.S. Large Cap Value Portfolio (Instl)	DFLVX	0.21%
Vanguard Institutional Index Fund (Instl)	VINIX	0.035%
Vanguard Total Stock Market Index Fund (Instl Plus Shares)	VSMPX	0.02%
Vanguard Growth Index Fund (Instl)	VIGIX	0.04%
T. Rowe Price Large-Cap Growth Fund (I Class)	TRLGX	0.55%
Vanguard Mid-Cap Index Fund (Instl)	VMCIX	0.04%
Vanguard Extended Market Index Fund (Admiral)	VEXAX	0.06%
Vanguard Small-Cap Value Index Fund (Admiral)	VSIAX	0.07%
DFA U.S. Small Cap Value Portfolio (Instl)	DFSVX	0.30%
Vanguard Small-Cap Index Fund (Instl)	VSCIX	0.04%
Vanguard Small-Cap Growth Index Fund (Instl)	VSGIX	0.06%
Vanguard Explorer Fund (Admiral)	VEXRX	0.34%
Vanguard Total International Stock Index Fund (Instl Plus Shares)	VTPSX	0.07%
Dodge & Cox International Stock Fund (Class I)	DODFX	0.62%

Set forth on the following pages are summary descriptions of the funds, selected by the Board in consultation with Callan Associates, the Program Manager and Wilshire, which make up the Target, Age-Based and Individual Fund Portfolios. The descriptions are taken from the most recent prospectuses of the funds dated on or prior to December 1, 2023 and are intended to summarize their respective investment objectives and policies.

Additional information, including the investment strategies and risks of each underlying 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 fund by visiting the mutual funds' 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.

BANK SAVINGS 529 PORTFOLIO

Investment Objective

The Bank Savings 529 Portfolio invests solely in a Union Bank and Trust Company omnibus deposit account. It seeks income consistent with preservation of principal. The Bank Savings 529 Portfolio is an omnibus deposit account pursuant to a fiduciary, custodial and/or agency relationship on behalf of the 529 Plan participants and is insured by the FDIC in the manner and up to the limits described below.

Investments in the Bank Savings 529 Portfolio will earn varying rates of interest. The interest rate generally will be equivalent to short-term deposit rates. Interest on the deposit account will be compounded daily based on the actual number of days in a year (typically 365 days, except for 366 days in leap years) and will be credited to the deposit account on a monthly basis. The interest on the deposit account is expressed as an annual percentage yield ("APY"). The APY on the deposit account will be reviewed on a periodic basis and may be recalculated as needed at any time. The minimum interest rate is 0.50% as of the date of this Program Disclosure Statement. To see the current Bank Savings 529 Portfolio APY please go to CollegeCounts529.com or call 866.529.2228.

FDIC Insurance Coverage

Subject to the application of bank and FDIC rules and regulations to each Account Owner, Contributions and earnings in the Bank Savings 529 Portfolio will be subject to FDIC insurance. By contrast, no other underlying investment is insured by the FDIC (or by any other government agency or branch). Contributions to and earnings on the investments in the Bank Savings 529 Portfolio have been structured in order to be insured by the FDIC on a per participant, pass-through basis with respect to each Account Owner up to the maximum limit established by federal law, which currently is $250,000. The amount of FDIC insurance provided to an Account Owner is based on the total of: (1) the value of an Account Owner's investment in the bank deposit account underlying investment, and (2) the value of all other accounts held by the Account Owner at Union Bank and Trust (including bank deposits), as determined in accordance with applicable FDIC rules and regulations. You are responsible for monitoring the total amount of your assets on deposit at Union Bank and Trust Company, including amounts held directly at Union Bank and Trust Company. All such deposits held in the same ownership capacity at Union Bank and Trust Company are subject to aggregation and to the current FDIC insurance coverage limitation of $250,000. Each Account Owner should determine whether the amount of FDIC insurance available to the Account Owner is sufficient to cover the total of the Account Owner's investment in the bank deposit account underlying investment plus the Account Owner's other deposits at Union Bank and Trust Company. Deposits held in different ownership capacities, as provided in FDIC rules, are insured separately. None of the CollegeCounts 529 Fund, the Program Manager, the State of Alabama, the Treasurer, or any of their respective affiliates are responsible for determining the amount of FDIC insurance provided to an Account Owner. For more information, please visit www.fdic.gov.

The Bank Savings 529 Portfolio does not provide a guarantee of any level of performance or return or offer any additional guarantees. Like all of the Portfolios, neither the Contributions into the Bank Savings 529 Portfolio nor any investment return earned on the Contributions are guaranteed by the Plan, the State of Alabama, the CollegeCounts Board, the State Treasurer of Alabama, the Program Manager, the Bank or its authorized agents or their affiliates or any other federal or state entity or person.

Investment Risks

The following is a summary of investment risks associated with the Bank Savings 529 Portfolio.

FDIC Insurance Risk: Although your interest in the assets of the Bank Savings 529 Portfolio on deposit at Union Bank and Trust Company, together with any other deposits you may have at Union Bank and Trust Company, are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the units of the Portfolios (including the Bank Savings 529 Portfolio), themselves are not insured or guaranteed by the FDIC or any other government agency or branch. You are responsible for monitoring the total amount of your assets on deposit (including amounts in other accounts held in the same right and legal capacity) in order to determine the extent of FDIC deposit insurance coverage available to you on those deposits, including your bank deposit account underlying investment and, Bank Savings 529 Portfolio deposits.

Interest Rate Risk: The interest rate paid by Union Bank and Trust Company is based on a number of factors, including general economic and business conditions. The rate of interest will vary over time and can change daily without notice to you. The interest rate paid on the bank deposit account underlying investment and Bank Savings 529 Portfolio may not be sufficient to meet your investment objectives and may be more or less than the investment returns available in other Individual Fund Portfolios.

Ownership Risk: You own units of the Portfolio. You do not have an ownership interest or any other rights as an owner or shareholder of the bank deposit account underlying investment in which the Bank Savings 529 Portfolio invests. You cannot access or withdraw your money from the Bank Savings 529 Portfolio by contacting Union Bank and Trust Company directly. You must contact the Program Manager to perform any such transactions in your Account. The assets in the bank deposit account underlying investment on deposit at Union Bank and Trust Company are subject to legal process such as a levy or garnishment delivered to the Program Manager to the same extent as if those assets were invested in any other investment option.

Regulatory Risk: The status of the FDIC regulations applicable to 529 college savings plans are subject to change at any time. It is not possible to predict the impact any such change in the regulations would have on the bank deposit account underlying investment or Bank Savings 529 Portfolio.

Fees & Expenses

Total Annual Fund Operating Expenses...................... 0.00%

VANGUARD CASH RESERVES FEDERAL MONEY MARKET FUND

Investment Objective

The fund seeks to provide current income while maintaining liquidity and a stable share price of $1.

Principal Investment Strategies

The fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities, including repurchase agreements that are collateralized solely by U.S. government securities or cash. Although these securities are high-quality, some of the securities held by the fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The fund invests more than 25% of its assets in securities issued by companies in the financial services industry, which includes, without limitation, securities issued by certain government-sponsored enterprises. The fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Government money market funds are required to invest at least 99.5% of their total assets in cash, U.S. government securities, and/or repurchase agreements that are collateralized solely by U.S. government securities or cash (collectively, government securities). The fund generally invests 100% of its assets in U.S. government securities and therefore satisfies the 99.5% requirement for designation as a government money market fund.

Principal Investment Risks

The fund is designed for investors with a low tolerance for risk; however, the fund is subject to the following risks, which could affect the fund's performance:

• **Income risk,** which is the chance that the fund's income will decline because of falling interest rates. Because the fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high. A low or negative interest rate environment will adversely affect the fund's return. Low or negative interest rates, depending on their duration and severity, could prevent the fund from, among other things, providing a positive yield and/or maintaining a stable share price of $1.

• **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.

• **Credit risk,** which is the chance that the issuer of a security 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 security to decline. Credit risk should be very low for the fund because it invests primarily in securities that are considered to be of high quality.

• **Industry concentration risk,** which is the chance that there will be overall problems affecting a particular industry. Because the fund invests more than 25% of its assets in securities issued by companies in the financial services industry, the fund's performance depends to a greater extent on the overall condition of that industry and is more susceptible to events affecting that industry.

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Fees & Expenses
(Based on the prospectus dated December 21, 2022)

Total Annual Fund Operating Expenses...................... 0.10%
Expenses deducted from Fund's assets

PIMCO SHORT-TERM FUND

Investment Objective

The fund seeks maximum current income, consistent with preservation of capital and daily liquidity.

Principal Investment Strategies

The fund seeks to achieve its investment objective by investing under normal circumstances at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The average portfolio duration of this fund will vary based on PIMCO's market forecasts and will normally not exceed one year. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. In addition, the dollar-weighted average portfolio maturity of the fund, under normal circumstances, is expected not to exceed three years.

The fund invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's Investors Service, Inc. ("Moody's"), or equivalently rated by Standard & Poor's Ratings Services ("S&P") or Fitch, Inc. ("Fitch"), or, if unrated, determined by PIMCO to be of comparable quality. In the event that ratings services assign different ratings to the same security, PIMCO will use the highest rating as the credit rating for that security. The fund may invest up to 10% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets.

The fund may invest, without limitation, in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities, subject to applicable law and any other restrictions described in the fund's prospectus or Statement of Additional Information. The fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales. The fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The fund may also invest up to 10% of its total assets in preferred securities.

Principal Investment Risks

It is possible to lose money on an investment in the fund. The principal risks of investing in the fund, which could adversely affect its net asset value, yield and total return, are listed below.

Interest Rate Risk: the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.

Call Risk: the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the fund has invested in, the fund may not recoup the full amount of its initial investment or may not realize the full anticipated earnings from the investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

Credit Risk: the risk that the fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, or the issuer or guarantor of collateral, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to meet its financial obligations.

High Yield Risk: the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity.

Market Risk: the risk that the value of securities owned by the fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

Issuer Risk: the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, changes in financial condition or credit rating, financial leverage, reputation or reduced demand for the issuer's goods or services.

Liquidity Risk: the risk that a particular investment may be difficult to purchase or sell and that the fund may be unable to sell illiquid investments at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income funds may be higher than normal, causing increased supply in the market due to selling activity.

Derivatives Risk: the risk of investing in derivative instruments (such as forwards, futures, swaps and structured securities) and other similar investments, including leverage, liquidity, interest rate, market, counterparty (including credit), operational, legal and management risks, and valuation complexity. Changes in the value of a derivative or other similar investments may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the fund could lose more than the initial amount invested. Changes in the value of a derivative or other similar instrument may also create margin delivery or settlement payment obligations for the fund. The fund's use of derivatives or other similar investments may result in losses to the fund, a reduction in the fund's returns and/or increased volatility. Over-the-counter ("OTC") derivatives or other similar investments are also subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally-cleared derivative transactions might not be available for OTC derivatives or other similar investments. The primary credit risk on derivatives that are exchange-traded or traded through a central clearing counterparty resides with the fund's clearing broker or the clearinghouse. Changes in regulation relating to a registered fund's use of derivatives and related instruments could potentially limit or impact the fund's ability to invest in derivatives, limit the fund's ability to employ certain strategies that use derivatives or other similar investments and/or adversely affect the value of derivatives or other similar investments and the fund's performance.

Equity Risk: the risk that the value of equity securities, such as common stocks and preferred securities, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

Mortgage-Related and Other Asset-Backed Securities Risk: the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk and credit risk. The fund may invest in any tranche of mortgage-related or other asset-backed securities, including junior and/or equity tranches (to the extent consistent with other of the fund's guidelines), which generally carry higher levels of the foregoing risks.

Collateralized Loan Obligations Risk: the risk that investing in collateralized loan obligations ("CLOs") and other similarly structured investments exposes the fund to heightened credit risk, interest rate risk, liquidity risk, market risk and prepayment and extension risk, as well as the risk of default on the underlying asset. In addition, investments in CLOs carry additional risks including, but not limited to, the risk that: (i) distributions from the collateral may not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the fund may invest in tranches of CLOs that are subordinate to other tranches; (iv) the structure and complexity of the transaction and the legal documents could lead to disputes among investors regarding the characterization of proceeds; and (v) the CLO's manager may perform poorly.

Foreign (Non-U.S.) Investment Risk: the risk that investing in foreign (non-U.S.) securities may result in the fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes, diplomatic developments or the imposition of sanctions and other similar measures. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.

Currency Risk: the risk that foreign (non-U.S.) currencies will change in value relative to the U.S. dollar and affect the fund's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies.

Leveraging Risk: the risk that certain transactions of the fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.

Management Risk: the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that actual or potential conflicts of interest, legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to PIMCO and the individual portfolio managers in connection with managing the fund and may cause PIMCO to restrict or prohibit participation in certain investments. There is no guarantee that the investment objective of the fund will be achieved.

Short Exposure Risk: the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale will not fulfill its contractual obligations, causing a loss to the fund.

LIBOR Transition Risk: the risk related to the anticipated discontinuation and replacement of the London Interbank Offered Rate ("LIBOR"). Certain instruments held by the fund rely or relied in some fashion upon LIBOR. Although the transition process away from LIBOR for most instruments has been completed, some LIBOR use is continuing and there are potential effects related to the transition away from LIBOR or the continued use of LIBOR on the fund, or on certain instruments in which the fund invests, which can be difficult to ascertain and could result in losses to the fund.

Please see "Description of Principal Risks" in the fund's prospectus for a more detailed description of the risks of investing in the fund. 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.

Fees & Expenses
(Based on the prospectus dated July 31, 2023)

Total Annual Fund Operating Expenses...................... 0.47%
Expenses deducted from Fund's assets

VANGUARD SHORT-TERM BOND INDEX FUND

Investment Objective

The fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. 1–5 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued.

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 at least 80% of the fund's assets will be invested in bonds held in the index. The fund seeks to maintain a dollar-weighted average maturity consistent with that of the index. As of December 31, 2022, the dollar weighted average maturity of the index was 3 years. The fund also seeks to maintain an average duration consistent with that of the index. As of December 31, 2022, the average duration of the index was 3 years.

Principal Investment Risks

The fund is designed for investors with a low tolerance for risk, but you could still lose money by investing in it. 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:

• **Income risk,** which is the chance that the fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the fund's monthly income to fluctuate accordingly.

• **Interest rate risk,** which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for the fund because it invests primarily in short-term bonds, whose prices are less sensitive to interest rate changes than are the prices of longer-term bonds.

• **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.

• **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 low for the fund because it purchases only bonds that are of investment-grade quality.

• **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.

• **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.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)

Total Annual Fund Operating Expenses...................... 0.05%
Expenses deducted from Fund's assets

VANGUARD TOTAL BOND MARKET INDEX FUND

Investment Objective

The fund seeks to track the performance of a broad, market-weighted bond index.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index. This index measures the performance of a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year.

The fund invests by sampling the index, meaning that it holds a broadly diversified collection 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 at least 80% of the fund's assets will be invested in bonds held in the index. The fund seeks to maintain a dollar-weighted average maturity consistent with that of the index. As of December 31, 2022, the dollar-weighted average maturity of the index was 9 years. The fund also seeks to maintain an average duration consistent with that of the index. As of December 31, 2022, the average duration of the index was 6 years.

Principal Investment 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:

• **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 is generally high for short-term bond funds and moderate for intermediate-term bond funds, so investors should expect the fund's monthly income to fluctuate accordingly.

• **Prepayment risk,** which is the chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the fund. The fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. Such prepayments and subsequent reinvestments would also increase the fund's portfolio turnover rate. Prepayment risk should be moderate for the fund.

• **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. This will lengthen the duration or average life of those securities and delay a fund's ability to reinvest proceeds at higher interest rates, making a fund more sensitive to changes in interest rates. For funds that invest in mortgage-backed securities, there is a chance that during periods of rising interest rates, homeowners will repay their mortgages at slower rates. Extension risk should be moderate for the fund.

• **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 low for the fund because it invests only a small portion of its assets in callable bonds.

• **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 low for the fund because it purchases only bonds that are of investment-grade quality.

• **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.

• **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.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)
Total Annual Fund Operating Expenses...................... 0.03%
Expenses deducted from Fund's assets

FIDELITY ADVISOR INVESTMENT GRADE BOND FUND

Investment Objective

The fund seeks a high level of current income.

Principal Investment Strategies

- Normally investing at least 80% of assets in investment-grade debt securities (those of medium and high quality) of all types and repurchase agreements for those securities.
- Managing the fund to have similar overall interest rate risk to the Bloomberg U.S. Aggregate Bond Index.
- Allocating assets across different market sectors and maturities.
- Investing in domestic and foreign issuers.
- Analyzing the credit quality of the issuer, security-specific features, current and potential future valuation, and trading opportunities to select investments.
- Investing in lower-quality debt securities (those of less than investment-grade quality, also referred to as high yield debt securities or junk bonds).
- Engaging in transactions that have a leveraging effect on the fund, including investments in derivatives - such as swaps (interest rate, total return, and credit default), options, and futures contracts - and forward-settling securities, to adjust the fund's risk exposure.
- Investing in Fidelity's Central funds (specialized investment vehicles used by Fidelity® funds to invest in particular security types or investment disciplines) consistent with the asset classes discussed above.

Principal Investment Risks

• **Interest Rate Changes.** Interest rate increases can cause the price of a debt security to decrease.

• **Foreign Exposure.** Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market.

• **Prepayment.** The ability of an issuer of a debt security to repay principal prior to a security's maturity can cause greater price volatility if interest rates change.

• **Issuer-Specific Changes.** The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole.

A decline in the credit quality of an issuer or a provider of credit support or a maturity-shortening structure for a security can cause the price of a security to decrease.

Lower-quality debt securities (those of less than investment-grade quality, also referred to as high yield debt securities or junk bonds) involve greater risk of default or price changes due to changes in the credit quality of the issuer. The value of lower-quality debt securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments.

• **Leverage Risk.** Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly.

• **High Portfolio Turnover.** High portfolio turnover (more than 100%) may result in increased transaction costs and potentially higher capital gains or losses. The effects of higher than normal portfolio turnover may adversely affect the fund's performance.

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. You could lose money by investing in the fund.

Unlike individual debt securities, which typically pay principal at maturity, the value of an investment in the fund will fluctuate.

Fees & Expenses
(Based on the prospectus dated October 30, 2023)
Total Annual Fund Operating Expenses...................... 0.36%
Expenses deducted from Fund's assets

PGIM TOTAL RETURN BOND FUND

Investment Objective

The investment objective of the fund is total return.

Principal Investment Strategies

The fund seeks to achieve its objective through a mix of current income and capital appreciation as determined by the fund's subadviser. The fund invests, under normal circumstances, at least 80% of its investable assets in bonds. For purposes of this policy, bonds include all fixed income securities, other than preferred stock, with a maturity at date of issue of greater than one year (including bonds acquired by the fund with a maturity at date of issue of greater than one year, but a remaining maturity of one year or less). The term "investable assets" refers to the fund's net assets plus any borrowings for investment purposes. The fund's investable assets will be less than its total assets to the extent that it has borrowed money for non-investment purposes, such as to meet anticipated redemptions.

The fund's subadviser allocates assets among different debt securities, including (but not limited to) U.S. Government securities, mortgage-related and asset-backed securities (including collateralized debt obligations and collateralized loan obligations), corporate debt securities and foreign debt securities. The fund may invest up to 30%of its investable assets in speculative, high risk, below investment-grade securities. These securities are also known as high-yield debt securities or junk bonds. The fund may invest up to 30% of its investable assets in foreign debt securities, including emerging market debt securities.

In managing the fund's assets, the subadviser uses a combination of top-down economic analysis and bottom-up research in conjunction with proprietary quantitative models and risk management systems. In the top-down economic analysis, the subadviser develops views on economic, policy and market trends. In its bottom-up research, the subadviser develops an internal rating and outlook on issuers. The rating and outlook are determined based on a thorough review of the financial health and trends of the issuer. The subadviser may also consider investment factors such as expected total return, yield, spread and potential for price appreciation as well as credit quality, maturity and risk. The fund may invest in a security based upon the expected total return rather than the yield of such security.

The fund may use derivatives to manage its duration, as well as to manage its foreign currency exposure, to hedge against losses, and to try to improve returns.

Principal Investment Risks

All investments have risks to some degree. The value of your investment in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day-to-day and over time.

You may lose part or all of your investment in the fund or your investment may not perform as well as other similar investments.

An investment in the fund is not guaranteed to achieve its investment objective; is not a deposit with a bank; and is not insured, endorsed or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The following is a summary description of principal risks of investing in the fund.

The order of the below risk factors does not indicate the significance of any particular risk factor.

Collateralized Loan Obligations ("CLOs") Risk. CLOs are subject to credit, interest rate, valuation, and prepayment and extension risks. These securities also are subject to risk of default on the underlying asset, particularly during periods of economic downturn. The market value of CLOs may be affected by, among other things, changes in the market value of the underlying assets held by the CLO, changes in the distributions on the underlying assets, defaults and recoveries on the underlying assets, capital gains and losses on the underlying assets, prepayments on underlying assets and the availability, prices and interest rate of underlying assets.

"Covenant-Lite" Risk. Some of the loans or debt obligations in which the fund may invest or get exposure to maybe "covenant-lite", which means the loans or obligations contain fewer financial maintenance covenants than other loans or obligations (in some cases, none) and do not include terms which allow the lender to monitor the borrower's performance and declare a default if certain criteria are breached. An investment by the fund in a covenant-lite loan may potentially hinder the ability to reprice credit risk associated with the issuer and reduce the ability to restructure a problematic loan and mitigate potential loss. The fund may also experience difficulty, expenses or delays in enforcing its rights on its holdings of covenant-lite loans or obligations. As a result of these risks, the fund's exposure to losses may be increased, which could result in an adverse impact on the fund's net income and NAV.

Credit Risk. This is the risk that the issuer, the guarantor or the insurer of a fixed income security, or the counterparty to a contract, may be unable or unwilling to make timely principal and interest payments, or to otherwise honor its obligations. Additionally, fixed income securities could lose value due to a loss of confidence in the ability of the issuer, guarantor, insurer or counterparty to pay back debt. The lower the credit quality of a bond, the more sensitive it is to credit risk.

Currency Risk. The fund's net asset value could decline as a result of changes in exchange rates, which could adversely affect the fund's investments in currencies, or in securities that trade in, and receive revenues related to, currencies, or in derivatives that provide exposure to currencies. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal and interest or dividends to investors located outside the country, due to blockage of foreign currency exchanges or otherwise.

Debt Obligations Risk. Debt obligations are subject to credit risk, market risk and interest rate risk. The fund's holdings, share price, yield and total return may also fluctuate in response to bond market movements. The value of bonds may decline for issuer-related reasons, including management performance, financial leverage and reduced demand for the issuer's goods and services. Certain types of fixed income obligations also may be subject to "call and redemption risk," which is the risk that the issuer may call a bond held by the fund for redemption before it matures and the fund may not be able to reinvest at the same rate of interest and therefore would earn less income.

Derivatives Risk. Derivatives involve special risks and costs and may result in losses to the fund. The successful use of derivatives requires sophisticated management, and, to the extent that derivatives are used, the fund will depend on the subadviser's ability to analyze and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. Some derivatives are "leveraged" or may create economic leverage for the fund and therefore may magnify or otherwise increase investment losses to the fund. The fund's use of derivatives may also increase the amount of taxes payable by shareholders.

Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for the fund's derivatives positions. In fact, many over-the-counter derivative instruments will not have liquidity beyond the counterparty to the instrument. Over-the-counter derivative instruments also involve the risk that the other party will not meet its obligations to the fund. The use of derivatives also exposes the fund to operational issues, such as documentation and settlement issues, systems failures, inadequate control and human error.

Derivatives may also involve legal risks, such as insufficient documentation, the lack of capacity or authority of a counterparty to execute or settle a transaction, and the legality and enforceability of derivatives contracts. The U.S. Government and foreign governments have adopted (and may adopt further) regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements and risk exposure limitations. Regulation of derivatives may make derivatives more costly, limit their availability or utility to the fund, or otherwise adversely affect their performance or disrupt markets.

Economic and Market Events Risk. Events in the U.S. and global financial markets, including actions taken by the U.S. Federal Reserve or foreign central banks to stimulate or stabilize economic growth or the functioning of the securities markets, or otherwise reduce inflation may at times result in unusually high market volatility, which could negatively impact performance. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Relatively reduced liquidity in credit and fixed income markets could adversely affect issuers worldwide.

Emerging Markets Risk. The risks of foreign investments are greater for investments in or exposed to emerging markets. Emerging market countries typically have economic and political systems that are less fully developed, and can be expected to be less stable, than those of more developed countries. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation. Low trading volumes may result in a lack of liquidity and price volatility. Emerging market countries may have policies that restrict investment by non-U.S. investors, or that prevent non-U.S. investors from withdrawing their money at will.

The fund may invest in some emerging markets that subject it to risks such as those associated with illiquidity, custody of assets, different settlement and clearance procedures and asserting legal title under a developing legal and regulatory regime to a greater degree than in developed markets or even in other emerging markets.

Floating Rate and Other Loans Risk. The fund's ability to receive payments of principal and interest and other amounts in connection with loans (whether through participations, assignments or otherwise) will depend primarily on the financial condition of the borrower. The failure by the fund to receive scheduled interest or principal payments on a loan because of a default, bankruptcy or any other reason would adversely affect the income of the fund and would likely reduce the value of its assets. Even with loans secured by collateral, there is the risk that the value of the collateral may decline, may be insufficient to meet the obligations of the borrower, or be difficult to liquidate. In the event of a default, the fund may have difficulty collecting on any collateral and would not have the ability to collect on any collateral for an uncollateralized loan. Further, the fund's access to collateral, if any, may be limited by bankruptcy laws. Due to the nature of the private syndication of senior loans, including, for example, lack of publicly-available information, some senior loans are not as easily purchased or sold as publicly-traded securities. In addition, loan participations generally are subject to restrictions on transfer, and only limited opportunities may exist to sell loan participations in secondary markets. As a result, it may be difficult for the fund to value loans or sell loans at an acceptable price when it wants to sell them. Loans trade in an over-the-counter market, and confirmation and settlement, which are effected through standardized procedures and documentation, may take significantly longer than seven days to complete. Extended trade settlement periods may, in unusual market conditions with a high volume of shareholder redemptions, present a risk to shareholders regarding the fund's ability to pay redemption proceeds in a timely manner. In some instances, loans and loan participations are not rated by independent credit rating agencies; in such instances, a decision by the fund to invest in a particular loan or loan participation could depend exclusively on the subadviser's credit analysis of the borrower, or in the case of a loan participation, of the intermediary holding the portion of the loan that the fund has purchased. To the extent the fund invests in loans of non-U.S. issuers, the risks of investing in non-U.S. issuers are applicable. Loans may not be considered to be "securities" and as a result may not benefit from the protections of the federal securities laws, including anti-fraud protections and those with respect to the use of material non-public information, so that purchasers, such as the fund, may not have the benefit of these protections. If the fund is in possession of material non-public information about a borrower as a result of its investment in such borrower's loan, the fund may not be able to enter into a transaction with respect to a publicly-traded security of the borrower when it would otherwise be advantageous to do so.

Foreign Securities Risk. Investments in securities of non-U.S. issuers (including those denominated in U.S. dollars) may involve more risk than investing in securities of U.S. issuers. Foreign political, economic and legal systems, especially those in developing and emerging market countries, may be less stable and more volatile than in the United States. Foreign legal systems generally have fewer regulatory requirements than the U.S. legal system, particularly those of emerging markets. In general, less information is publicly available with respect to non-U.S. companies than U.S. companies. Non-U.S. companies generally are not subject to the same accounting, auditing, and financial reporting standards as are U.S. companies. Additionally, the changing value of foreign currencies and changes in exchange rates could also affect the value of the assets the fund holds and the fund's performance. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal and interest or dividends to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. Investments in emerging markets are subject to greater volatility and price declines.

In addition, the fund's investments in non-U.S. securities may be subject to the risks of nationalization or expropriation of assets, imposition of currency exchange controls or restrictions on the repatriation of non-U.S. currency, confiscatory taxation and adverse diplomatic developments. Special U.S. tax considerations may apply.

Increase in Expenses Risk. Your actual cost of investing in the fund may be higher than the expenses shown in the expense table for a variety of reasons. For example, expense ratios may be higher than those shown if average net assets decrease. Net assets are more likely to decrease and fund expense ratios are more likely to increase when markets are volatile. Active and frequent trading of fund securities can increase expenses.

Interest Rate Risk. The value of your investment may go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration debt securities. Similarly, a rise in interest rates may also have a greater negative impact on the value of equity securities whose issuers expect earnings further out in the future. For example, a fixed income security with a duration of three years is expected to decrease in value by approximately 3% if interest rates increase by 1%. This is referred to as "duration risk." When interest rates fall, the issuers of debt obligations may prepay principal more quickly than expected, and the fund may be required to reinvest the proceeds at a lower interest rate. This is referred to as "prepayment risk." When interest rates rise, debt obligations may be repaid more slowly than expected, and the value of the fund's holdings may fall sharply. This is referred to as "extension risk." The fund may lose money if short-term or long-term interest rates rise sharply or in a manner not anticipated by the subadviser.

Junk Bonds Risk. High-yield, high-risk bonds have predominantly speculative characteristics, including particularly high credit risk. Junk bonds tend to have lower market liquidity than higher-rated securities. The liquidity of particular issuers or industries within a particular investment category may shrink or disappear suddenly and without warning. The non-investment grade bond market can experience sudden and sharp price swings and become illiquid due to a variety of factors, including changes in economic forecasts, stock market activity, large sustained sales by major investors, a high profile default or a change in the market's psychology.

Large Shareholder and Large Scale Redemption Risk. Certain individuals, accounts, funds (including funds affiliated with the Manager) or institutions, including the Manager and its affiliates, may from time to time own or control a substantial amount of the fund's shares. There is no requirement that these entities maintain their investment in the fund. There is a risk that such large shareholders or that the fund's shareholders generally may redeem all or a substantial portion of their investments in the fund in a short period of time, which could have a significant negative impact on the fund's NAV, liquidity, and brokerage costs. Large redemptions could also result in tax consequences to shareholders and impact the fund's ability to implement its investment strategy. The fund's ability to pursue its investment objective after one or more large scale redemptions may be impaired and, as a result, the fund may invest a larger portion of its assets in cash or cash equivalents.

Liquidity Risk. Liquidity risk is the risk that the fund could not meet requests to redeem shares issued by the fund without significant dilution of remaining investors' interests in the fund. The fund may invest in instruments that trade in lower volumes and are more illiquid than other investments. If the fund is forced to sell these investments to pay redemption proceeds or for other reasons, the fund may lose money. In addition, when there is no willing buyer and investments cannot be readily sold at the desired time or price, the fund may have to accept a lower price or may not be able to sell the instrument at all. An inability to sell a portfolio position can adversely affect the fund's value or prevent the fund from being able to take advantage of other investment opportunities.

Management Risk. Actively managed funds are subject to management risk. The subadviser will apply investment techniques and risk analyses in making investment decisions for the fund, but the subadviser's judgments about the attractiveness, value or market trends affecting a particular security, industry or sector or about market movements may be incorrect. Additionally, the investments selected for the fund may underperform the markets in general, the fund's benchmark and other funds with similar investment objectives.

Market Disruption and Geopolitical Risks. Market disruption can be caused by economic, financial or political events and factors, including but not limited to, international wars or conflicts (including Russia's military invasion of Ukraine), geopolitical developments (including trading and tariff arrangements, sanctions and cybersecurity attacks), instability in regions such as Asia, Eastern Europe and the Middle East, terrorism, natural disasters and public health epidemics (including the outbreak of COVID-19 globally).

The extent and duration of such events and resulting market disruptions cannot be predicted, but could be substantial and could magnify the impact of other risks to the fund. These and other similar events could adversely affect the U.S. and foreign financial markets and lead to increased market volatility, reduced liquidity in the securities markets, significant negative impacts on issuers and the markets for certain securities and commodities and/or government intervention. They may also cause short- or long-term economic uncertainties in the United States and worldwide. Asa result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the fund's investments may be negatively impacted. Further, due to closures of certain markets and restrictions on trading certain securities, the value of certain securities held by the fund could be significantly impacted, which could lead to such securities being valued at zero.

COVID-19 and the related governmental and public responses have had and may continue to have an impact on the fund's investments and net asset value and have led and may continue to lead to increased market volatility and the potential for illiquidity in certain classes of securities and sectors of the market. They have also had and may continue to result in periods of business disruption, business closures, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for the issuers in which the fund invests. The occurrence, reoccurrence and pendency of public health epidemics could adversely affect the economies and financial markets either in specific countries or worldwide.

Market Risk. Securities markets may be volatile and the market prices of the fund's securities may decline. Securities fluctuate in price based on changes in an issuer's financial condition and overall market and economic conditions. If the market prices of the securities owned by the fund fall, the value of your investment in the fund will decline.

Mortgage-Backed and Asset-Backed Securities Risk. Mortgage-backed and asset-backed securities tend to increase in value less than other debt securities when interest rates decline, but are subject to similar risk of decline in market value during periods of rising interest rates. The values of mortgage-backed and asset-backed securities become more volatile as interest rates rise. In a period of declining interest rates, the fund may be required to reinvest more frequent prepayments on mortgage-backed and asset-backed securities in lower-yielding investments.

Portfolio Turnover Risk. The length of time the fund has held a particular security is not generally a consideration in investment decisions. Under certain market conditions, the fund's turnover rate may be higher than that of other mutual funds. Portfolio turnover generally involves some expense to the fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities. These transactions may result in realization of taxable capital gains. The trading costs and tax effects associated with portfolio turnover may adversely affect the fund's investment performance.

Reference Rate Risk. The fund may be exposed to financial instruments that are tied to the London Interbank Offered Rate ("LIBOR") to determine payment obligations, financing terms, hedging strategies or investment value.

The United Kingdom's Financial Conduct Authority announced a phase out of LIBOR such that after June 30, 2023, the overnight, 1-month, 3-month, 6-month and 12-month U.S. dollar LIBOR settings will cease to be published or will no longer be representative. All other LIBOR settings and certain other interbank offered rates, such as the EuroOvernight Index Average ("EONIA"), ceased to be published or representative after December 31, 2021. The fund may have investments linked to other interbank offered rates that may also cease to be published in the future. Various financial industry groups have been planning for the transition away from LIBOR, but there remain challenges to converting certain securities and transactions to a new reference rate (e.g., the Secured Overnight Financing Rate("SOFR"), which is intended to replace the U.S. dollar LIBOR).

Neither the effect of the LIBOR transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR as well as loan facilities used by the fund. While some existing LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, there may be significant uncertainty regarding the effectiveness of any such alternative methodologies to replicate LIBOR. Not all existing LIBOR-based instruments may have alternative rate-setting provisions and there remains uncertainty regarding the willingness and ability of issuers to add alternative rate-setting provisions in certain existing instruments. Global regulators have advised market participants to cease entering into new contracts using LIBOR as a reference rate, and it is possible that investments in LIBOR-based instruments could invite regulatory scrutiny. There may also be challenges for the fund to enter into hedging transactions against such newly-issued instruments until a market for such hedging transactions develops. All of the aforementioned may adversely affect the fund's performance or net asset value.

Structured Products Risk. Holders of structured product securities bear risks of the underlying investments, index or reference obligation. Certain structured products may be thinly traded or have a limited trading market, and as a result may be characterized as illiquid. The possible lack of a liquid secondary market for structured securities and the resulting inability of the fund to sell a structured security could expose the fund to losses and could make structured securities more difficult for the fund to value accurately, which may also result in additional costs. Structured products are also subject to credit risk; the assets backing the structured product may be insufficient to pay interest or principal. In addition to the general risks associated with investments in fixed income, structured products carry additional risks, including, but not limited to: the possibility that distributions from collateral securities will not be adequate to make interest or other payments; the quality of the collateral may decline in value or default; and the possibility that the structured products are subordinate to other classes. Structured securities are generally privately negotiated debt obligations where the principal and/or interest or value of the structured security is determined by reference to the performance of a specific asset, benchmark asset, market or interest rate ("reference instrument"), and changes in the reference instrument or security may cause significant price fluctuations, or could cause the interest rate on the structured security to be reduced to zero. Holders of structured products indirectly bear risks associated with the reference instrument, are subject to counterparty risk and typically do not have direct rights against the reference instrument. Structured products may also entail structural complexity and documentation risk and there is no guarantee that the courts or administrators will interpret the priority of principal and interest payments as expected.

U.S. Government and Agency Securities Risk. U.S. Government and agency securities are subject to market risk, interest rate risk and credit risk. Not all U.S. Government securities are insured or guaranteed by the full faith and credit of the U.S. Government; some are only insured or guaranteed by the issuing agency, which must rely on its own resources to repay the debt. Some agency securities carry no guarantee whatsoever and the risk of default associated with these securities would be borne by the fund. The maximum potential liability of the issuers of some U.S. Government securities held by the fund may greatly exceed their current resources, including their legal right to support from the U.S. Treasury. No assurance can be given that the U.S. Government would provide financial support to any such issuers if it is not obligated to do so by law. It is possible that these issuers will not have the funds to meet their payment obligations in the future. In addition, the value of U.S. Government securities may be affected by changes in the credit rating of the U.S. Government.

Fees & Expenses
(Based on the prospectus dated December 30, 2022)

Total Annual Fund Operating Expenses...................... 0.39%
Expenses deducted from Fund's assets

VANGUARD SHORT-TERM INFLATION-PROTECTED SECURITIES INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than 5 years.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. 0-5 Year Treasury Inflation-Protected Securities (TIPS) (the "index"). The index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years.

The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the index, holding each security in approximately the same proportion as its weighting in the index. The fund maintains a dollar-weighted average maturity consistent with that of the index. As of September 30, 2022, the dollar-weighted average maturity of the index was 2.5 years.

Principal Investment Risks

The fund is designed for investors with a low tolerance for risk, but you could still lose money by investing in it. 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:

• **Income fluctuations.** The fund's quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. In fact, under certain conditions, the fund may not have any income to distribute. Income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation are expected to be high. Overall, investors can expect income fluctuations to be high for the fund.

• **Real interest rate risk,** which is the chance that the value of a bond will fluctuate because of a change in the level of real, or after inflation, interest rates. Although inflation-indexed bonds seek to provide inflation protection, their prices may decline when real interest rates rise and vice versa. Because the index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years, real interest rate risk is expected to be low for the fund.

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.

Fees & Expenses
(Based on the prospectus dated January 31, 2023)

Total Annual Fund Operating Expenses...................... 0.04%
Expenses deducted from Fund's assets

VANGUARD INFLATION-PROTECTED SECURITIES FUND

Investment Objective

The fund seeks to provide inflation protection and income consistent with investment in inflation-indexed securities.

Principal Investment Strategies

The fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the fund will be rated investment-grade or, if unrated, will be considered by the advisor to be investment-grade.

Principal Investment 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:

• **Interest rate risk,** which is the chance that the value of a bond will fluctuate because of a change in the level of interest rates. Although inflation-indexed bonds seek to provide inflation protection, their prices may decline when interest rates rise and vice versa. Because the fund's dollar-weighted average maturity is expected to be in the range of 7 to 20 years, interest rate risk is expected to be moderate to high for the fund.

• **Income fluctuations.** The fund's quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. In fact, under certain conditions, the fund may not have any income to distribute. Income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation are expected to be high. Overall, investors can expect income fluctuations to be high 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.

• **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.

• **Derivatives risk.** The fund may invest in derivatives, which may involve risks different from, and possibly greater than, those of investments directly in the underlying securities or assets.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)

Total Annual Fund Operating Expenses...................... 0.10%
Expenses deducted from Fund's assets

VANGUARD HIGH-YIELD CORPORATE FUND

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 advisors.

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 advisors. The fund's high-yield bonds and loans mostly have short- and intermediate-term maturities.

Principal Investment 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.

• **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.

• **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.

• **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.

Fees & Expenses
(Based on the prospectus dated May 25, 2023)

Total Annual Fund Operating Expenses Expenses deducted from Fund's assets	0.13%

VANGUARD EMERGING MARKETS GOVERNMENT BOND INDEX FUND

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.

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, 2022, the dollar-weighted average maturity of the index was 12.6 years.

Principal Investment 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.

Fees & Expenses
(Based on the prospectus dated February 27, 2023)

Total Annual Fund Operating Expenses...................... 0.18%
Expenses deducted from Fund's assets

T. ROWE PRICE BALANCED FUND

Investment Objective

The fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed income securities.

Principal Investment Strategies

The fund normally invests approximately 65% of its net assets in stocks and 35% of its net assets in fixed income securities, although the amount may vary based on market conditions. The fund invests at least 25% of its net assets in fixed income senior securities and may invest up to 35% of its net assets in foreign securities.

When deciding upon overall allocations between stocks and fixed income securities, the adviser may favor stocks when strong economic growth is expected and may favor fixed income securities if the economy is expected to slow sufficiently to hurt corporate profit growth. The fund invests in bonds, including foreign issues, which are primarily rated investment grade (i.e., assigned one of the four highest credit ratings by credit rating agencies or by T. Rowe Price) and are chosen from across the entire government, corporate, and asset- and mortgage-backed securities markets. Maturities generally reflect the adviser's outlook for interest rates.

When selecting particular stocks, the adviser examines relative values and prospects among growth- and value-oriented stocks, domestic and international stocks, small- to large-cap stocks, and stocks of companies involved in activities related to commodities and other real assets. Domestic stocks are drawn from the overall U.S. market and international stocks are selected primarily from large companies in developed countries, although stocks in emerging markets may also be purchased. This process draws heavily upon the adviser's proprietary stock research expertise. While the fund maintains a well-diversified portfolio, its portfolio manager may at a particular time shift stock selection toward markets or market sectors that appear to offer attractive value and appreciation potential.

A similar security selection process applies to bonds. When deciding whether to adjust duration, credit risk exposure, or allocations among the various sectors (for example, high yield or "junk" bonds, mortgage- and asset-backed securities, foreign bonds, and emerging markets bonds), the adviser weighs such factors as the outlook for inflation and the economy, corporate earnings, expected interest rate movements and currency valuations, and the yield advantage that lower-rated bonds may offer over investment-grade bonds.

Principal Investment Risks

As with any fund, there is no guarantee that the fund will achieve its objective(s). The fund's share price fluctuates, which means you could lose money by investing in the fund. The principal risks of investing in this fund, which may be even greater in bad or uncertain market conditions, are summarized as follows:

Stock investing Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising and falling prices. The value of stocks held by the fund may decline due to general weakness or volatility in the stock markets in which the fund invests or because of factors that affect a particular company or industry.

Fixed income markets Economic and other market developments can adversely affect the fixed income securities markets. At times, participants in these markets may develop concerns about the ability of certain issuers of debt instruments to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt instruments to facilitate an orderly market. Those concerns could cause increased volatility and reduced liquidity in particular securities or in the overall fixed income markets and the related derivatives markets. A lack of liquidity or other adverse credit market conditions may hamper the fund's ability to sell the debt instruments in which it invests or to find and purchase suitable debt instruments.

Interest rates The prices of, and the income generated by, debt instruments held by the fund may be affected by changes in interest rates. A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. The prices and yields of inflation-linked bonds are directly impacted by the rate of inflation as well as changes in interest rates. Generally, funds with longer weighted average maturities and durations carry greater interest rate risk. Changes in monetary policy made by central banks and/or governments, such as the discontinuation and replacement of benchmark rates, are likely to affect the interest rates or yields of the securities in which the fund invests.

Prepayments and extensions The fund is subject to prepayment risks because the principal on mortgage-backed securities, asset-backed securities, or any debt instrument with an embedded call option may be prepaid at any time, which could reduce the security's yield and market value. The rate of prepayments tends to increase as interest rates fall, which could cause the average maturity of the portfolio to shorten. Extension risk may result from a rise in interest rates, which tends to make mortgage-backed securities, asset-backed securities, and other callable debt instruments more volatile.

Credit quality An issuer of a debt instrument could suffer an adverse change in financial condition that results in a payment default (failure to make scheduled interest or principal payments), rating downgrade, or inability to meet a financial obligation. Securities that are rated below investment grade carry greater risk of default and should be considered speculative.

Market conditions The value of the fund's investments may decrease, sometimes rapidly or unexpectedly, due to factors affecting an issuer held by the fund, particular industries, or the overall securities markets. A variety of factors can increase the volatility of the fund's holdings and markets generally, including political or regulatory developments, recessions, inflation, rapid interest rate changes, war, military conflict, or acts of terrorism, natural disasters, and outbreaks of infectious illnesses or other widespread public health issues such as the coronavirus pandemic and related governmental and public responses (including sanctions). Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others. Government intervention in markets may impact interest rates, market volatility, and security pricing. These adverse developments may cause broad declines in market value due to short-term market movements or for significantly longer periods during more prolonged market downturns.

International investing Investing in the securities of non-U.S. issuers involves special risks not typically associated with investing in U.S. issuers. Non-U.S. securities tend to be more volatile and have lower overall liquidity than investments in U.S. securities and may lose value because of adverse local, political, social, or economic developments overseas, or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, investments outside the U.S. are subject to settlement practices and regulatory and financial reporting standards that differ from those of the U.S. The risks of investing outside the U.S. are heightened for any investments in emerging markets, which are susceptible to greater volatility than investments in developed markets.

Emerging markets Investments in emerging market countries are subject to greater risk and overall volatility than investments in the U.S. and other developed markets. Emerging market countries tend to have economic structures that are less diverse and mature, less developed legal and regulatory regimes, and political systems that are less stable, than those of developed countries. In addition to the risks associated with investing outside the U.S., emerging markets are more susceptible to governmental interference, political and economic uncertainty, local taxes and restrictions on the fund's investments, less efficient trading markets with lower overall liquidity, and more volatile currency exchange rates.

Liquidity The fund may not be able to meet requests to redeem shares issued by the fund without significant dilution of the remaining shareholders' interests in the fund. In addition, the fund may not be able to sell a holding in a timely manner at a desired price. Reduced liquidity in the bond markets can result from a number of events, such as limited trading activity, reductions in bond inventory, and rapid or unexpected changes in interest rates. Markets with lower overall liquidity could lead to greater price volatility and limit the fund's ability to sell a holding at a suitable price.

Active management The fund's overall investment program and holdings selected by the fund's investment adviser may underperform the broad markets, relevant indices, or other funds with similar objectives and investment strategies.

Cybersecurity breaches The fund could be harmed by intentional cyberattacks and other cybersecurity breaches, including unauthorized access to the fund's assets, customer data and confidential shareholder information, or other proprietary information. In addition, a cybersecurity breach could cause one of the fund's service providers or financial intermediaries to suffer unauthorized data access, data corruption, or loss of operational functionality.

Fees & Expenses
(Based on the prospectus dated May 1, 2023)

Total Annual Fund Operating Expenses...................... 0.47%
Expenses deducted from Fund's assets

VANGUARD REAL ESTATE INDEX FUND

Investment Objective

The fund seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs and other real estate-related investments.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the MSCI US Investable Market Real Estate 25/50 Index, an index that is made up of stocks of large, mid-size, and small U.S. companies within the real estate sector, as classified under the Global Industry Classification Standard (GICS). The GICS real estate sector is composed of equity real estate investment trusts (known as REITs), which include specialized REITs, and real estate management and development companies.

The fund attempts to track the index by investing all, or substantially all, of its assets—either directly or indirectly through a wholly owned subsidiary (the underlying fund), which is itself a registered investment company—in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fund may invest a portion of its assets in the underlying fund.

Principal Investment 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:

• **Industry concentration risk,** which is the chance that the stocks of REITs and other real estate-related investments will decline because of adverse developments affecting the real estate industry and real property values. Because the fund concentrates its assets in these stocks, industry concentration risk is high.

• **Interest rate risk,** which is the chance that REIT stock prices overall will decline and that the cost of borrowing for REITs will increase because of rising interest rates. Interest rate risk is high for the fund.

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a limited number of companies, which could cause the fund to underperform the overall stock market.

• **Asset concentration risk,** which is the chance that, because the fund's target index (and therefore the fund) tends to be heavily weighted in its ten largest holdings, the fund's performance may be hurt disproportionately by the poor performance of relatively few stocks.

• **Investment style risk,** which is the chance that returns from the stocks of REITs and other real estate-related investments—which typically are small- or mid-capitalization stocks—will trail returns from the overall stock market. Historically, these stocks have performed quite differently from the overall market.

• **Nondiversification risk**, which is the chance that the fund may invest a greater percentage of its assets in a particular issuer or group of issuers or may own larger positions of an issuer's voting stock than a diversified fund.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Fees & Expenses
(Based on the prospectus dated May 25, 2023)

Total Annual Fund Operating Expenses...................... 0.10%
Expenses deducted from Fund's assets

VANGUARD VALUE INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Value Index, a broadly diversified index predominantly made up of value stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index tracks a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Investment style risk,** which is the chance that returns from large-capitalization value stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)
Total Annual Fund Operating Expenses 0.04%
Expenses deducted from Fund's assets

DFA U.S. LARGE CAP VALUE FUND

Investment Objective

The investment objective of the U.S. Large Cap Value Portfolio (the "portfolio") is to achieve long-term capital appreciation. The portfolio is a Feeder Portfolio and pursues its objective by investing substantially all of its assets in its corresponding Master Fund, The U.S. Large Cap Value Series (the "U.S. Large Cap Value Series" or the "Series") of The DFA Investment Trust Company (the "Trust"), which has the same investment objective and policies as the portfolio.

Principal Investment Strategies

The U.S. Large Cap Value Portfolio pursues its investment objective by investing substantially all of its assets in the U.S. Large Cap Value Series. To achieve the portfolio's and the Series' investment objectives, the Advisor implements an integrated investment approach that combines research, portfolio design, portfolio management, and trading functions. As further described below, the Series' design emphasizes long-term drivers of expected returns identified by the Advisor's research, while balancing risk through broad diversification across companies and sectors. The Advisor's portfolio management and trading processes further balance those long-term drivers of expected returns with shorter-term drivers of expected returns and trading costs.

The U.S. Large Cap Value Series is designed to purchase a broad and diverse group of readily marketable securities of large U.S. companies that the Advisor determines to be value stocks. A company's market capitalization is the number of its shares outstanding times its price per share. Under a market capitalization weighted approach, companies with higher market capitalizations generally represent a larger proportion of the Series than companies with relatively lower market capitalizations. The Advisor may overweight certain stocks, including smaller companies, lower relative price stocks, and/or higher profitability stocks within the large-cap value segment of the U.S. market. An equity issuer is considered to have a low relative price (i.e., a value stock) primarily because it has a low price in relation to its book value. In assessing relative price, the Advisor may consider additional factors such as price to cash flow or price to earnings ratios. An equity issuer is considered to have high profitability because it has high earnings or profits from operations in relation to its book value or assets. The criteria the Advisor uses for assessing relative price and profitability are subject to change from time to time.

As a non-fundamental policy, under normal circumstances, the U.S. Large Cap Value Series will invest at least 80% of its net assets in securities of large cap U.S. companies. As of the date of this Prospectus, for purposes of the Series, the Advisor considers large cap companies to be companies whose market capitalizations are generally in the highest 90% of total market capitalization or companies whose market capitalizations are larger than or equal to the 1,000th largest U.S. company, whichever results in the higher market capitalization break. Total market capitalization is based on the market capitalization of eligible U.S. operating companies listed on a securities exchange in the United States that is deemed appropriate by the Advisor. Under the Advisor's market capitalization guidelines described above, based on market capitalization data as of December 31, 2022, the market capitalization of a large cap company would be $7,650 million or above. This threshold will change due to market conditions.

The Advisor may also increase or reduce the U.S. Large Cap Value Series' exposure to an eligible company, or exclude a company, based on shorter-term considerations, such as a company's price momentum. In addition, the Advisor seeks to reduce trading costs using a flexible trading approach that looks for opportunities to participate in the available market liquidity, while managing turnover and explicit transaction costs.

The U.S. Large Cap Value Series and the U.S. Large Cap Value Portfolio each may purchase or sell futures contracts and options on futures contracts for U.S. equity securities and indices to increase or decrease equity market exposure based on actual or expected cash inflows to or outflows from the series or portfolio.

The U.S. Large Cap Value Series may lend its portfolio securities to generate additional income.

Principal Investment Risks

Because the value of your investment in the U.S. Large Cap Value Portfolio will fluctuate, there is the risk that you will lose money. An investment in the portfolio is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The following is a description of principal risks of investing in the portfolio.

Equity Market Risk: Even a long-term investment approach cannot guarantee a profit. Economic, market, political, and issuer specific conditions and events will cause the value of equity securities, and the portfolio that owns them, to rise or fall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Value Investment Risk: Value stocks may perform differently from the market as a whole and an investment strategy purchasing these securities may cause the Series to at times underperform equity funds that use other investment strategies. Value stocks can react differently to political, economic, and industry developments than the market as a whole and other types of stocks. Value stocks also may underperform the market for long periods of time.

Profitability Investment Risk: High relative profitability stocks may perform differently from the market as a whole and an investment strategy purchasing these securities may cause the Series to at times underperform equity funds that use other investment strategies.

Derivatives Risk: Derivatives are instruments, such as futures contracts, and options thereon, whose value is derived from that of other assets, rates or indices. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. When the series and the portfolio use derivatives, the portfolio will be directly exposed to the risks of those derivatives. Derivative instruments are subject to a number of risks including counterparty, liquidity, interest rate, market, credit and management risks, as well as the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and the portfolio could lose more than the principal amount invested.

Securities Lending Risk: Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Series may lose money and there may be a delay in recovering the loaned securities. The Series could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. Securities lending also may have certain adverse tax consequences.

Operational Risk: Operational risks include human error, changes in personnel, system changes, faults in communication, and failures in systems, technology, or processes. Various operational events or circumstances are outside the Advisor's control, including instances at third parties. The portfolio and the Advisor seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address these risks.

Cyber Security Risk: The portfolio's and its service providers' use of internet, technology and information systems may expose the portfolio to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or fund assets, or cause the portfolio and/or its service providers to suffer data corruption or lose operational functionality.

Fees & Expenses
(Based on the prospectus dated February 28, 2023)

Total Annual Fund Operating Expenses...................... 0.21%
Expenses deducted from Fund's assets

VANGUARD INSTITUTIONAL INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the S&P 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index tracks a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Investment style risk,** which is the chance that returns from large-capitalization stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Fees & Expenses (Based on the prospectus dated April 28, 2023)	
Total Annual Fund Operating Expenses Expenses deducted from Fund's assets	0.035%

VANGUARD TOTAL STOCK MARKET INDEX

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The fund invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **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.

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.

Fees & Expenses (Based on the prospectus dated April 28, 2023)	
Total Annual Fund Operating Expenses Expenses deducted from Fund's assets	0.02%

VANGUARD GROWTH INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fund may become nondiversified, as defined under the Investment Company Act of 1940, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index tracks a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

• **Nondiversification risk.** To closely track the composition of the fund's target index, more than 25% of the fund's total assets may be invested in issuers representing more than 5% of the fund's total assets. In that case, the fund would be nondiversified under the Investment Company Act of 1940, although it would continue to hold approximately 300 stocks across a number of sectors. When the fund is operating as nondiversified, the fund's performance may be hurt disproportionately by the poor performance of relatively few stocks, or even a single stock, and the fund's shares may experience more significant fluctuations in value than if the fund was diversified.

• **Sector risk,** which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme or volatile than fluctuations in the overall market. Because a significant portion of the fund's assets are invested in the information technology sector, the fund's performance is impacted by the general condition of that sector. Companies in the information technology sector could be affected by, among other things, overall economic conditions, short product cycles, rapid obsolescence of products, competition, and government regulation.

• **Investment style risk,** which is the chance that returns from large-capitalization growth stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)

Total Annual Fund Operating Expenses...................... 0.04%
Expenses deducted from Fund's assets

T. ROWE PRICE LARGE CAP GROWTH FUND

Investment Objective

The fund seeks to provide long-term capital appreciation through investments in common stocks of growth companies.

Principal Investment Strategies

The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in the securities of large-cap companies. The fund defines a large-cap company as one whose market capitalization is larger than the median market capitalization of companies in the Russell 1000® Growth Index, a widely used benchmark of the largest U.S. growth stocks. As of December 31, 2022, the unweighted median market capitalization of companies in the Russell 1000® Growth Index was approximately $14.07 billion. The market capitalizations of the companies in the fund's portfolio and the Russell index change over time; the fund will not automatically sell or cease to purchase stock of a company it already owns just because the company's market capitalization falls below the median market capitalization of companies in the Russell index.

The fund uses a growth style of investing. Accordingly, the adviser looks for companies with an above-average rate of earnings and cash flow growth and a lucrative niche in the economy that gives them the ability to sustain earnings momentum even during times of slow economic growth.

At times, the fund may have a significant portion of its assets invested in the same economic sector, such as the information technology sector.

The fund may, to a limited extent, invest in privately held companies and companies that only recently began to trade publicly.

The fund is "nondiversified," meaning it may invest a greater portion of its assets in a single issuer and own more of the issuer's voting securities than is permissible for a "diversified" fund.

Principal Investment Risks

As with any fund, there is no guarantee that the fund will achieve its objective(s). The fund's share price fluctuates, which means you could lose money by investing in the fund. The principal risks of investing in this fund, which may be even greater in bad or uncertain market conditions, are summarized as follows:

Growth investing The fund's growth approach to investing could cause it to underperform other stock funds that employ a different investment style. Growth stocks tend to be more volatile than certain other types of stocks and their prices may fluctuate more dramatically than the overall stock market. A stock with growth characteristics can have sharp price declines due to decreases in current or expected earnings and may lack dividends that can help cushion its share price in a declining market.

Market conditions The value of the fund's investments may decrease, sometimes rapidly or unexpectedly, due to factors affecting an issuer held by the fund, particular industries, or the overall securities markets. A variety of factors can increase the volatility of the fund's holdings and markets generally, including political or regulatory developments, recessions, inflation, rapid interest rate changes, war, military conflict, or acts of terrorism, natural disasters, and outbreaks of infectious illnesses or other widespread public health issues such as the coronavirus pandemic and related governmental and public responses (including sanctions). Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others. Government intervention in markets may impact interest rates, market volatility, and security pricing. These adverse developments may cause broad declines in market value due to short-term market movements or for significantly longer periods during more prolonged market downturns.

Stock investing Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising and falling prices. The value of stocks held by the fund may decline due to general weakness or volatility in the stock markets in which the fund invests or because of factors that affect a particular company or industry.

Nondiversification As a nondiversified fund, the fund has the ability to invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. As a result, poor performance by a single issuer could adversely affect fund performance more than if the fund were invested in a larger number of issuers. The fund's share price can be expected to fluctuate more than that of a similar fund that is more broadly diversified.

Large-cap stocks Securities issued by large-cap companies tend to be less volatile than securities issued by small- and mid-cap companies. However, large-cap companies may not be able to attain the high growth rates of successful small- and mid-cap companies, especially during strong economic periods, and may be unable to respond as quickly to competitive challenges.

Sector exposure At times, the fund may have a significant portion of its assets invested in securities of issuers conducting business in a broadly related group of industries within the same economic sector. Issuers in the same economic sector may be similarly affected by economic or market events, making the fund more vulnerable to unfavorable developments in that economic sector than funds that invest more broadly.

Information technology sector Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on their profit margins. Like other technology companies, information technology companies may have limited product lines, markets, financial resources, or personnel. The products of information technology companies may face obsolescence due to rapid technological developments, frequent new product introduction, unpredictable changes in growth rates, and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

Convertible securities Convertible securities are subject to risks associated with both equity and fixed income securities, including market risk, credit risk, and interest rate risk. In addition, convertible securities may be called back by the issuer prior to maturity at a price that is disadvantageous to the fund.

Private placements and IPOs Investments in the stocks of privately held companies and in companies that only recently began to publicly trade, such as initial public offerings or IPOs, involve greater risks than investments in stocks of companies that have traded publicly on an exchange for extended time periods. There is significantly less information available about these companies' business models, quality of management, earnings growth potential, and other criteria that are normally considered when evaluating the investment prospects of a company. Private placements and other restricted securities held by the fund are typically considered to be illiquid and tend to be difficult to value since there are no market prices and less overall financial information available. The adviser evaluates a variety of factors when assigning a value to these holdings, but the determination involves some degree of subjectivity and the value assigned for the fund may differ from the value assigned by other mutual funds holding the same security.

Liquidity A particular investment or an entire market segment may become less liquid or even illiquid, sometimes abruptly, which could limit the fund's ability to purchase or sell holdings in a timely manner at a desired price. An inability to sell a portfolio holding can adversely affect the fund's overall value or prevent the fund from being able to take advantage of other investment opportunities. Liquidity risk may be magnified during periods of substantial market volatility and unexpected episodes of illiquidity may limit the fund's ability to pay redemption proceeds without selling holdings at an unfavorable time or at a suitable price. Large redemptions may also have a negative impact on the fund's overall liquidity.

Active management The fund's overall investment program and holdings selected by the fund's investment adviser may underperform the broad markets, relevant indices, or other funds with similar objectives and investment strategies.

Cybersecurity breaches The fund could be harmed by intentional cyberattacks and other cybersecurity breaches, including unauthorized access to the fund's assets, customer data and confidential shareholder information, or other proprietary information. In addition, a cybersecurity breach could cause one of the fund's service providers or financial intermediaries to suffer unauthorized data access, data corruption, or loss of operational functionality.

Fees & Expenses
(Based on the prospectus dated May 1, 2023)

Total Annual Fund Operating Expenses...................... 0.55%
Expenses deducted from Fund's assets

VANGUARD MID-CAP INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of mid-size U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index tracks a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Investment style risk,** which is the chance that returns from mid-capitalization stocks will trail returns from the overall stock market. Historically, mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. The stock prices of mid-size companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)

Total Annual Fund Operating Expenses...................... 0.04%
Expenses deducted from Fund's assets

VANGUARD EXTENDED MARKET INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and mid-size U.S. companies. The S&P Completion Index contains all of the U.S. common stocks regularly traded on the NewYork Stock Exchange, Cboe, and the Nasdaq over-the-counter market, except those stocks included in the S&P 500 Index. The fund invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index tracks a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Investment style risk,** which is the chance that returns from small- and mid-capitalization stocks will trail returns from the overall stock market. Historically, small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. The stock prices of small and mid-size companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

• **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.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)

Total Annual Fund Operating Expenses...................... 0.06%
Expenses deducted from Fund's assets

VANGUARD SMALL-CAP VALUE INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization value stocks.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Value Index, a broadly diversified index of value stocks of small U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index tracks a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Investment style risk,** which is the chance that returns from small-capitalization value stocks will trail returns from the overall stock market. Historically, small-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. The stock prices of small companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)

Total Annual Fund Operating Expenses...................... 0.07%
Expenses deducted from Fund's assets

DFA U.S. SMALL CAP VALUE PORTFOLIO

Investment Objective

The investment objective of the U.S. Small Cap Value Portfolio (the "portfolio") is to achieve long-term capital appreciation.

Principal Investment Strategies

To achieve the U.S. Small Cap Value Portfolio's investment objective, Dimensional Fund Advisors LP (the "advisor") implements an integrated investment approach that combines research, portfolio design, portfolio management, and trading functions. As further described below, the portfolio's design emphasizes long-term drivers of expected returns identified by the advisor's research, while balancing risk through broad diversification across companies and sectors. The advisor's portfolio management and trading processes further balance those long-term drivers of expected returns with shorter-term drivers of expected returns and trading costs.

The U.S. Small Cap Value Portfolio, using a market capitalization weighted approach, is designed to purchase a broad and diverse group of the readily marketable securities of U.S. small cap companies that the advisor determines to be value stocks. A company's market capitalization is the number of its shares outstanding times its price per share. Under a market capitalization weighted approach, companies with higher market capitalizations generally represent a larger proportion of the portfolio than companies with relatively lower market capitalizations.

The U.S. Small Cap Value Portfolio may emphasize certain stocks, including smaller capitalization companies, lower relative price stocks, and/or higher profitability stocks as compared to their representation in the small-cap value segment of the U.S. market. An equity issuer is considered to have a low relative price (i.e., a value stock) primarily because it has a low price in relation to its book value. In assessing relative price, the advisor may consider additional factors such as price to cash flow or price to earnings ratios. An equity issuer is considered to have high profitability because it has high earnings or profits from operations in relation to its book value or assets. The criteria the advisor uses for assessing relative price and profitability are subject to change from time to time.

As a non-fundamental policy, under normal circumstances, the U.S. Small Cap Value Portfolio will invest at least 80% of its net assets in securities of small cap U.S. companies. As of the date of this Prospectus, for purposes of the portfolio, the advisor considers small cap companies to be companies whose market capitalizations are generally in the lowest 10% of total market capitalization or companies whose market capitalizations are smaller than the 1,000th largest U.S. company, whichever results in the higher market capitalization break. Total market capitalization is based on the market capitalization of eligible U.S. operating companies listed on a securities exchange in the United States that is deemed appropriate by the advisor. Under the advisor's market capitalization guidelines described above, based on market capitalization data as of December 31, 2022, the market capitalization of a small cap company would be below $7,650 million. This threshold will change due to market conditions.

The advisor may also increase or reduce the U.S. Small Cap Value Portfolio's exposure to an eligible company, or exclude a company, based on shorter-term considerations, such as a company's price momentum and investment characteristics. In assessing a company's investment characteristics, the advisor considers ratios such as recent changes in assets divided by total assets. The criteria the advisor uses for assessing a company's investment characteristics are subject to change from time to time. In addition, the advisor seeks to reduce trading costs using a flexible trading approach that looks for opportunities to participate in the available market liquidity, while managing turnover and explicit transaction costs.

The U.S. Small Cap Value Portfolio may purchase or sell futures contracts and options on futures contracts for U.S. equity securities and indices to increase or decrease equity market exposure based on actual or expected cash inflows to or outflows from the portfolio.

The U.S. Small Cap Value Portfolio may lend its portfolio securities to generate additional income.

Principal Risks

Because the value of your investment in the U.S. Small Cap Value Portfolio will fluctuate, there is the risk that you will lose money. An investment in the portfolio is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The following is a description of principal risks of investing in the portfolio.

Equity Market Risk: Even a long-term investment approach cannot guarantee a profit. Economic, market, political, and issuer-specific conditions and events will cause the value of equity securities, and the portfolio that owns them, to rise or fall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Small Company Risk: Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Value Investment Risk: Value stocks may perform differently from the market as a whole and an investment strategy purchasing these securities may cause the portfolio to at times underperform equity funds that use other investment strategies. Value stocks can react differently to political, economic, and industry developments than the market as a whole and other types of stocks. Value stocks also may underperform the market for long periods of time.

Profitability Investment Risk: High relative profitability stocks may perform differently from the market as a whole and an investment strategy purchasing these securities may cause the portfolio to at times underperform equity funds that use other investment strategies.

Derivatives Risk: Derivatives are instruments, such as futures contracts, and options thereon, whose value is derived from that of other assets, rates or indices. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. When the portfolio uses derivatives, the portfolio will be directly exposed to the risks of those derivatives. Derivative instruments are subject to a number of risks including counterparty, liquidity, interest rate, market, credit and management risks, as well as the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and the portfolio could lose more than the principal amount invested.

Securities Lending Risk: Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the portfolio may lose money and there may be a delay in recovering the loaned securities. The portfolio could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. Securities lending also may have certain adverse tax consequences.

Operational Risk: Operational risks include human error, changes in personnel, system changes, faults in communication, and failures in systems, technology, or processes. Various operational events or circumstances are outside the advisor's control, including instances at third parties. The portfolio and the advisor seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address these risks.

Cyber Security Risk: The portfolio's and its service providers' use of internet, technology and information systems may expose the portfolio to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or fund assets, or cause the portfolio and/or its service providers to suffer data corruption or lose operational functionality.

Fees & Expenses
(Based on the prospectus dated February 28, 2023)
Total Annual Fund Operating Expenses...................... 0.30%
Expenses deducted from Fund's assets

VANGUARD SMALL CAP INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of small capitalization stocks.

Principal Investment Strategies

Fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index tracks a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Investment style risk,** which is the chance that returns from small-capitalization stocks will trail returns from the overall stock market. Historically, small-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. The stock prices of small companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)
Total Annual Fund Operating Expenses...................... 0.04%
Expenses deducted from Fund's assets

VANGUARD SMALL-CAP GROWTH INDEX FUND

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization growth stocks.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Growth Index, a broadly diversified index of growth stocks of small U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index tracks a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Investment style risk,** which is the chance that returns from small-capitalization growth stocks will trail returns from the overall stock market. Historically, small-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. The stock prices of small companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Fees & Expenses
(Based on the prospectus dated April 28, 2023)
Total Annual Fund Operating Expenses...................... 0.06%
Expenses deducted from Fund's assets

VANGUARD EXPLORER FUND

Investment Objective

The fund seeks to provide long-term capital appreciation.

Principal Investment Strategies

The fund invests mainly in the stocks of small and mid-size companies. These companies tend to be unseasoned but are considered by the fund's advisors to have superior growth potential. Also, these companies often provide little or no dividend income. The fund uses multiple investment advisors. Each advisor independently selects and maintains a portfolio of common stocks for the fund.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

• **Investment style risk,** which is the chance that returns from small- and mid-capitalization growth stocks will trail returns from the overall stock market. Historically, small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. The stock prices of small and mid-size companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

• **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. In addition, significant investments in the industrials, health care, and information technology sectors subject the fund to proportionately higher exposure to the risks of these sectors.

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.

Fees & Expenses
(Based on the prospectus dated February 27, 2023)
Total Annual Fund Operating Expenses...................... 0.34%
Expenses deducted from Fund's assets

VANGUARD TOTAL INTERNATIONAL STOCK INDEX

Investment Objective

The fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

Principal Investment Strategies

The fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The index includes approximately 7,718 stocks of companies located in 48 markets. As of October 31, 2022, the largest markets covered in the index were Japan, the United Kingdom, Canada, China France, and Switzerland (which made up approximately 15.4%, 10.1%, 8.1%, 7.1%, 6.5%, and 6%, respectively, of the index's market capitalization). The fund invests all, or substantially all, of its assets in the common stocks included in its target index.

Principal Investment 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:

• **Stock market risk,** which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks may be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. In addition, the fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to proportionately higher exposure to the risks of that sector.

• **Investment style risk,** which is the chance that returns from non-U.S. small and mid-capitalization stocks will trail returns from global stock markets. Historically, non-U.S. small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the global markets, and they often perform quite differently.

• **Country/regional risk,** which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the fund may invest a large portion of its assets in securities of companies 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.

• **Currency risk,** which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.

• **Emerging markets risk,** which is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, and accounting systems; and greater political, social, and economic instability than developed markets.

• **Index replicating risk,** which is the chance that the fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Fees & Expenses
(Based on the prospectus dated February 27, 2023)

Total Annual Fund Operating Expenses...................... 0.07%

Expenses deducted from Fund's assets

DODGE & COX INTERNATIONAL STOCK FUND

Investment Objective

The fund seeks long-term growth of principal and income.

Principal Investment Strategies

The fund invests primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different countries, which may include emerging market countries. The fund is not required to allocate its investments in set percentages in particular countries and may invest in emerging markets without limit. Under normal circumstances, the fund will invest at least 80% of its total assets in equity securities of non-U.S. companies, including common stocks, depositary receipts evidencing ownership of common stocks, certain preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks (e.g., rights and warrants). The fund may enter into currency forward contracts, currency swaps, or currency futures contracts to hedge direct and/or indirect currency exposure or currency risk. The fund may use equity options or total return swaps referencing single stocks or stock indices to create or hedge equity exposure. The fund may also use futures referencing stock indices to equitize, or create equity market exposure, approximately equal to some or all of its cash and cash equivalents, receivables, and similar non-equity assets, or to hedge against a general downturn in the equity markets.

The fund typically invests in medium-to-large well-established companies based on standards of the applicable market. In selecting investments, the fund typically invests in companies that, in Dodge & Cox's opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term profit growth. The fund also focuses on the underlying financial condition and prospects of individual companies, including future earnings, cash flow, and dividends. Various other factors, including financial strength, economic condition, competitive advantage, quality of the business franchise, financially material environmental, social, and governance (ESG) issues, and the reputation, experience, and competence of a company's management are weighed against valuation in selecting individual securities. The fund also considers the economic and political stability of the country where the issuer is located and the protections provided to shareholders.

Principal Risks of Investing

You could lose money by investing in the fund, and the fund could underperform other investments. You should expect the fund's share price and total return to fluctuate within a wide range. The fund's performance could be hurt by:

• **Equity risk.** Equity securities can be volatile and may decline in value because of changes in the actual or perceived financial condition of their issuers or other events affecting their issuers.

• **Market risk.** Investment prices may increase or decrease, sometimes suddenly and unpredictably, due to general market conditions. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, inflation, or other events could also have a significant impact on the fund and its investments and potentially increase the risks described herein.

• **Manager risk.** Dodge & Cox's opinion about the intrinsic worth or creditworthiness of a company or security may be incorrect or the market may continue to undervalue the company or security. Depending on market conditions, Dodge & Cox's investing style may perform better or worse than portfolios with a different investment style. Dodge & Cox may not make timely purchases or sales of securities for the fund. The fund may underperform the broad market, relevant indices, or other funds with similar objectives and investment strategies.

• **Non-U.S. investment risk.** Securities of non-U.S. issuers (including ADRs, ADSs, GDRs and other securities that represent interests in a non-U.S. issuer's securities) may be more volatile, harder to value, and have lower overall liquidity than U.S. securities. Non-U.S. issuers may be subject to political, economic, or market instability, or unfavorable government action in their local jurisdictions or economic sanctions or other restrictions imposed by U.S. or foreign regulators. There may be less information publicly available about non-U.S. issuers and their securities, and those issuers may be subject to lower levels of government regulation and oversight. Non-U.S. stock markets may decline due to conditions specific to an individual country, including unfavorable economic conditions relative to the United States. The fund generally holds non-U.S. securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight. There may be increased risk of delayed transaction settlement. These risks may be higher when investing in emerging and frontier markets. Certain of these elevated risks may also apply to securities of U.S. issuers with significant non-U.S. operations.

• **Emerging markets risk.** Emerging market securities may present issuer, market, currency, liquidity, volatility, valuation, legal, political, and other risks different from, and potentially greater than, the risks of investing in securities of issuers in more developed markets. Emerging markets may have less established legal, accounting, and financial reporting systems than those in more developed markets, which may reduce the scope or quality of financial information available to investors. In addition, companies in emerging markets may be subject to less stringent standards on disclosure, accounting and financial reporting, and recordkeeping, which may affect the fund's ability to evaluate potential and current investments. Governments in emerging market countries may be less stable and more likely to take extralegal action with respect to companies, industries, assets, or foreign ownership than those in more developed markets. Moreover, investor protection regimes may be more limited in emerging markets. For example, it may be more difficult for shareholders to bring derivative litigation or for U.S. regulators to bring enforcement actions against issuers in emerging markets. Emerging market securities may also be more volatile, more difficult to value, and have lower overall liquidity than securities economically tied to U.S. or developed non-U.S. markets.

• **Non-U.S. currency risk.** Non-U.S. currencies may decline relative to the U.S. dollar, which reduces the unhedged value of securities denominated in or otherwise exposed to those currencies. Dodge & Cox may not hedge or may not be successful in hedging the fund's currency exposure and may not be able to determine accurately the extent to which a security or its issuer is exposed to currency risk.

• **Liquidity risk.** The fund may not be able to purchase or sell a security in a timely manner or at desired prices or achieve its desired weighting in a security.

• **Derivatives risk.** Investing with derivatives, such as currency forward contracts, currency swaps, and equity options, equity index futures and total return swaps, involves risks additional to and possibly greater than those associated with investing directly in securities. The value of a derivative may not correlate to the value of the underlying instrument to the extent expected. A derivative can create leverage because it can result in exposure to an amount of a security, index, or other underlying investment (a "notional amount") that is substantially larger than the derivative position's market value. Often, the upfront payment required to enter into a derivative is much smaller than the potential for loss, which for certain types of derivatives may be unlimited. The fund may not be able to close a derivatives position at an advantageous time or price. As a result, the fund may be required to continue making required margin and settlement payments and, if the fund has insufficient cash on hand to meet such requirements, it may have to sell securities from its portfolio at a time when it may be disadvantageous to do so. For over-the-counter derivatives transactions, the counterparty may be unable or unwilling to make required payments and deliveries, especially during times of financial market distress. Derivatives also can create operational and legal risk. Changes in regulation relating to a mutual fund's use of derivatives and related instruments may make derivatives more costly, limit the availability of derivatives, or otherwise adversely affect the value or performance of derivatives and the fund.

• **Geographic risk.** From time to time the fund may invest a substantial amount of its assets in issuers located in a single country or a limited number of countries. If the fund focuses its investments in this manner, risks relating to economic, political and social conditions in those countries will have a significant impact on its investment performance. The fund's investment performance may be more volatile if it focuses its investments in certain countries, especially emerging market or frontier market countries.

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.

Fees & Expenses
(Based on the prospectus dated May 1, 2023)

Total Annual Fund Operating Expenses...................... 0.62%

Expenses deducted from Fund's assets

COLLEGECOUNTS 529 FUND - ADDITIONAL INFORMATION REGARDING FINANCIAL PRIVACY

Offering excellent service along with protecting your privacy is important to the CollegeCounts 529 Fund ("Plan").

When you do business with the Plan you are asked to provide us with personal information. This information is important because it helps us to effectively process your transactions and helps efforts to prevent access to personal financial information by unauthorized persons. We also gather certain information to comply with laws and regulations that govern the financial services industry.

Union Bank and Trust Company, as the Program Manager of the Plan, provides the day-to-day administrative services of the Plan, including the gathering of personal information to effectively serve our customers. We may disclose information we have collected to companies who help us maintain and service your Account. For example, we may share information with other companies and professionals who need information to process your Account and provide other record keeping services. Each company with whom we share information has agreed to abide by the following and is strictly prohibited from disclosing or using the information for any purpose other than the purposes for which it is provided to them.

As an Account Owner of the Plan, this details how we use and safeguard the information you provide to us.

If you have any questions about Union Bank and Trust Company's Financial Privacy Policy, please contact the Plan at 866.529.2228.

THE INFORMATION WE COLLECT

We collect information about you from the following sources:

- Information you give us on applications or other forms
- Information about your transactions with us

DISCLOSURE OF INFORMATION

The Plan does not disclose the personal information of current or former Account Owners and/or Designated Beneficiaries to any other person outside the Plan, unless you consent or it is permitted under applicable federal and state laws. The Plan may also disclose your personal information if it is allowed or required by its contract with the state of Alabama, or as requested by the Treasurer. With your consent or if allowed by law, we will provide your personal information to the financial advisor you designate.

CONFIDENTIALITY AND SECURITY

We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to protect this information.

OUTSIDE SERVICE PROVIDERS/MARKETERS

We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

CollegeCounts℠
Alabama's 529 Fund

P.O. Box 85290 • Lincoln, NE 68501-5290

Offered by the
State of Alabama

UBT 529 Services, a Division of
UBT
Union Bank & Trust
Program Manager

CollegeCounts
Alabama's 529 Fund

Enrollment Form

Return this Form to:
CollegeCounts 529 Fund
P.O. Box 85290
Lincoln, NE 68501

Overnight Mail:
CollegeCounts 529 Fund
1248 O Street, Suite 200
Lincoln, NE 68508

Enroll online at CollegeCounts529.com or complete this Enrollment Form to open a CollegeCounts 529 Fund Direct Plan Account.

If you have questions, please call us at **866.529.2228,** Monday–Friday, 7 a.m. to 6 p.m. (Central).

Important Information About Procedures for Opening a New Account: To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, you must provide your name, address, date of birth, Social Security number or Taxpayer Identification Number, and other information that will allow us to identify you.

1. Account Type and Owner Information

(Please check only one and complete the appropriate information.)

☐ **Individual Account**

Account Owner Legal Name (First, M.I., Last): ______

Account Owner Social Security Number or Taxpayer Identification Number: ______

Account Owner Date of Birth (MM/DD/YYYY): ______ Gender: ☐ Male ☐ Female

Residency Status: ☐ U.S. Citizen ☐ U.S. Resident Alien

Relationship to Beneficiary (i.e. Parent, Grandparent, etc.): ______

☐ **UGMA/UTMA Account**

UGMA/UTMA Custodian Name: ______

UGMA/UTMA Custodian Social Security Number or Taxpayer Identification Number: ______

UGMA/UTMA Custodian Date of Birth (MM/DD/YYYY): ______ Gender: ☐ Male ☐ Female

Residency Status: ☐ U.S. Citizen ☐ U.S. Resident Alien

☐ **Trust-Owned Account**

- **Attach copy of Trust Agreement**

Name of Trust: ______

Trust Tax ID Number: ______ Date of Trust: ______

Name of Trustee: ______

Social Security or Taxpayer Identification Number of Trustee: ______

Date of Birth of Trustee (MM/DD/YYYY): ______

☐ **Corporate, 501(c)(3), or other Entity-Owned Account**

- **Attach a copy of the corporate resolution, bylaws, or charter that lists the person authorized to act on behalf of the organization.**

☐ Corporation ☐ 501(c)(3) ☐ Other (Please Specify):

Name of Corporation, 501(c)(3), or Other Entity: ______

Entity Taxpayer Identification Number: ______

Name of Authorized Representative: ______

Social Security or Taxpayer Identification Number of Authorized Representative: ______

Date of Birth of Authorized Representative (MM/DD/YYYY): ______

2. Account Holder from Section 1 Address and Contact Information

Street Address (no P.O. Boxes): ____________________

City, State, Zip: ____________________

Mailing Address (if different from above): ____________________

City, State, Zip: ____________________

Daytime Phone Number: ____________________ Evening Phone Number: ____________________

Email Address: ____________________

3. Beneficiary Information (The future student or the name of the beneficiary of the UGMA/UTMA)

Legal Name (First, M.I., Last): ____________________

Social Security or Taxpayer Identification Number: ____________________

Date of Birth (MM/DD/YYYY): ____________________ Gender: ☐ Male ☐ Female

☐ Please check this box if the Beneficiary's address is the same as the Account Holder's. If so, you do not need to complete the address line below.

Street Address (no P.O. Boxes): ____________________

City, State, Zip: ____________________

4. Successor Account Owner (Not permitted for UGMA/UTMA Accounts)

- **You may name a Successor Account Owner to take control of the Account in the event that the Account Owner dies or becomes legally incompetent.**

Legal Name (First, M.I., Last): ____________________

Date of Birth (MM/DD/YYYY): ____________________ Phone Number: ____________________

Relationship of Account Owner to Successor Account Owner:

☐ Spouse ☐ Other ____________________

5. Investment Portfolio Selection

Must total 100%, only whole percentages allowed.

(Your initial and future contribution(s) will be invested based on your following selection, unless directed otherwise.)

Age-Based Portfolios

_______% Aggressive Portfolio _______% Moderate Portfolio _______% Conservative Portfolio

Target Portfolios

_______% Fund 100 _______% Fund 80 _______% Fund 60

_______% Fund 40 _______% Fund 20 _______% Fixed Income Fund

Individual Fund Portfolios

Bank Savings

_______% Bank Savings 529 Portfolio

Money Market

_______% Vanguard Cash Reserves Federal Money Market 529 Portfolio

Fixed Income

_______% PIMCO Short-Term 529 Portfolio

_______% Vanguard Short-Term Bond Index 529 Portfolio

_______% Vanguard Total Bond Market Index 529 Portfolio

_______% Fidelity Advisor Investment Grade Bond 529 Portfolio

_______% PGIM Total Return Bond 529 Portfolio

_______ % Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio

_______% Vanguard Inflation-Protected Securities 529 Portfolio

Balanced

_______% T. Rowe Price Balanced 529 Portfolio

Real Estate

_______% Vanguard Real Estate Index 529 Portfolio

Domestic (U.S.) Equity

Large-Cap

_______% Vanguard Value Index 529 Portfolio

_______% DFA U.S. Large Cap Value 529 Portfolio

_______% Vanguard 500 Index 529 Portfolio

_______% Vanguard Total Stock Market Index 529 Portfolio

_______% Vanguard Growth Index 529 Portfolio

_______% T. Rowe Price Large-Cap Growth 529 Portfolio

Mid-Cap

_______% Vanguard Mid-Cap Index 529 Portfolio

_______% Vanguard Extended Market Index 529 Portfolio

Small-Cap

_______% Vanguard Small-Cap Value Index 529 Portfolio

_______% DFA U.S. Small Cap Value 529 Portfolio

_______% Vanguard Small-Cap Index 529 Portfolio

_______% Vanguard Small-Cap Growth Index 529 Portfolio

_______% Vanguard Explorer 529 Portfolio

International Equity

_______% Vanguard Total International Stock Index 529 Portfolio

_______% Dodge & Cox International Stock 529 Portfolio

6. Funding Method(s) (Check all that apply.)

☐ **Check** (payable to CollegeCounts 529 Fund) $______________________________

☐ **One-Time Electronic Funds Transfer** from your bank account $______________________________
This amount will be your initial contribution to open your account. Please provide your bank information in Section 7.

☐ **Automatic Investment Plan** $______________________________

- **This authorizes automatic investments from your bank account. Please provide your bank information in Section 7 below.**

Frequency:

☐ Monthly (Date) ______
(If you do not provide a date, the transfer will occur on the 17th of each month.)

☐ Twice a Month (Dates) ______ & ______
(If you do not provide dates, the transfers will occur on the 7th and the 21st of each month.)

☐ Quarterly (Date Each Month): ________
☐ Jan., Apr., Jul., Oct. ☐ Feb., May, Aug., Nov. ☐ Mar., Jun., Sep., Dec.
(If you do not provide a date, the transfer will occur on the 20th of each respective month.)

☐ Annually (MM/DD) ______________

☐ **Payroll Deduction.** Complete the Payroll Deduction Form and return with this Enrollment Form.

☐ **Deposit of UGMA/UTMA Custodial Assets.** I am funding this custodial 529 Account with the proceeds from the sale of assets held in a custodial account that was established under a Uniform Gift/Transfer to Minors Act (UGMA/UTMA) for the benefit of the Beneficiary indicated in Section 3 of this Enrollment Form. I have read the Program Disclosure Statement and Account Agreement and understand that I will be considered the custodian of this Account as UGMA/UTMA custodian for such Beneficiary. I understand that this means I will not be able to change the Beneficiary on this Account, nor make Non-Qualified Withdrawals other than for the benefit of such Beneficiary. I understand that these same restrictions will apply to other contributions made to this Account, regardless of the source of the funds.

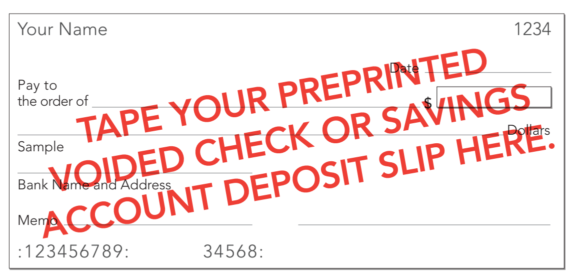
☐ **Rollover/Transfer Into the CollegeCounts 529 Fund:** You may transfer funds from another 529 qualified tuition program, directly transfer funds from a Coverdell Education Savings Account, and contribute proceeds from United States Savings Bonds. Certain rules and requirements must be met. For more information, consult the CollegeCounts 529 Fund Program Disclosure Statement and your financial, tax, or legal advisor.

☐ Direct Rollover from another Qualified 529 Plan* ☐ Coverdell Education Savings Account*
☐ Qualified U.S. Savings Bond

*If you select this option, you must complete the Rollover Form and submit it with this Enrollment Form.

> It is important that you provide a statement from the prior financial institution breaking down the earnings and cost basis. If you do not provide a statement, the entire amount will be treated as earnings in computing future withdrawals.

7. Banking Information



Account Type:

☐ Checking ☐ Savings

- **Tape voided check here. Do not staple.**
  This bank account will automatically be linked to your CollegeCounts 529 Fund Account for telephone and website purchases and redemption/withdrawal transactions.

☐ Instead of submitting a separate check, use the bank account information on the initial investment check enclosed.

☐ Use the bank account information from my other 529 accounts in the Trust.

Bank account number(s) ______________________ Bank routing number(s) ______________________

If you are not the bank account owner - the named bank account owner(s) must authorize AIP and/or EFT service by signing here.

X ______________________________ X ______________________________
Signature Signature

8. eDelivery of Documents (Select the below box to sign up for eDelivery.)

☐ **I consent to the delivery of the following documents electronically ("eDelivery").**

- Account Statements / Plan Disclosure Documents and Updates / Plan News

I understand that when a new document is available, I will receive an email notification to the email address I have provided CollegeCounts.

Please send email notification to the email address listed in Section 2.

The email notification from CollegeCounts will include a link to the CollegeCounts529.com site that will take me directly to the login page where I can enter my credentials and view and download the document. This consent will remain in effect until I revoke it. I may revoke my consent at any time by submitting a request in writing to CollegeCounts or by logging into my account at CollegeCounts529.com and clicking on e-Delivery Settings.

At the time my Account is established, I will receive a confirmation email that will enable me to complete my eDelivery registration and select my preferences. I acknowledge that I have Internet access, an email address, and all software necessary to receive and view documents electronically.

9. Demographic Information

(For statistical purposes only)

The following information is being requested for tracking purposes. Your response will be kept confidential. See the Program's Privacy Notice.

1. How did you hear about CollegeCounts?
(you may select more than one)

- ☐ Facebook
- ☐ TV commercial
- ☐ Online research
- ☐ Friend/family member
- ☐ Tax Professional
- ☐ Event (Baby Palooza, Children/Family Event, Service Group, Meeting, etc.)
- ☐ News story
- ☐ Employer
- ☐ Financial Professional
- ☐ Other: ____________________

2. What aspect(s) of CollegeCounts are most appealing to you?

- ☐ Tax advantages
- ☐ Flexibility
- ☐ Estate planning
- ☐ Affordability
- ☐ Multi-managed investments

10. Authorization

By signing below, I understand and hereby certify that:

I have received and consent and agree to all the terms and conditions of the Program Disclosure Statement, including all fees and expenses; the Account Agreement; and, this Enrollment Form, and agree to be bound by their terms and all amendments.

I understand each Account established herein is governed by an arbitration clause, which is set forth in Section 12 of the Account Agreement. I acknowledge receiving a copy of the arbitration clause.

I am at least 19 years of age and of full legal age in the state in which I reside. I am a U.S. citizen or a U.S. resident alien.

I acknowledge that Accounts established under the CollegeCounts 529 Fund and their earnings are not guaranteed or insured by the Federal Deposit Insurance Corporation (except for the Bank Savings 529 Portfolio underlying investment) or any other governmental agency; are not guaranteed by the State of Alabama, the State Treasurer of Alabama, the Board or Union Bank and Trust Company; and are subject to investment risk, including loss of principal.

I understand that it is the Program's policy to send one copy of the Program Disclosure Statement for all Accounts for which I am Account Owner. I understand this applies to all existing Accounts and any Accounts that I may open in the future. I consent to this policy.

I authorize Union Bank and Trust Company, its agents and affiliates, and the Trust to act on any instructions believed to be genuine and from me for any telephone, electronic, and website services. Union Bank and Trust Company and the Trust use procedures designed to verify the authenticity of the Account Owner or Custodian. If these procedures are followed, Union Bank and Trust Company and the Trust will not be liable for any loss that may result from acting on unauthorized instructions. I understand that anyone who can properly identify my Account(s) can obtain information about my Account and can make telephone, electronic, or computer exchange and/or redemption, contribution, or withdrawal transactions on my behalf.

By selecting the electronic transfer service in Section 6 and 7, I hereby authorize Union Bank and Trust Company to initiate debit and/or credit entries to the bank account indicated above, and the bank indicated above to debit the same amount. I acknowledge that the referenced bank account will be linked to my CollegeCounts 529 Fund Direct Plan Account so that I may purchase or sell shares by telephone or online at CollegeCounts529.com. This authority is to remain in full force and effect until Union Bank and Trust Company has received notification from me of its modification or termination in such time as to afford Union Bank and Trust Company reasonable time to act on it. I understand that if a transaction cannot be made because of insufficient funds or because either account has been closed, this service will be cancelled by Union Bank and Trust Company. I acknowledge that the origination of Automated Clearing House (ACH) transactions to my account must comply with the provisions of applicable law. I further agree that if my draft is dishonored for any reason, with or without cause, Union Bank and Trust Company will not bear any liability. Union Bank and Trust Company may correct any transaction errors with a debit or credit to my financial institution account and/or my CollegeCounts 529 Fund Direct Plan Account. Please retain a copy of this authorization for your records.

If established with a Trust as Account Owner, by signing this Enrollment Form, the undersigned Trustee or Trustees certify that the provided trust agreement (or excerpts thereof) is a true copy of the current and valid legal document(s) and that there are no other Trustees of the Trust other than those listed in Section 1.

CERTIFICATION. Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number, and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Signature and Date Required

X ____

Signature of Account Owner, Custodian (UGMA/UTMA Accounts), or Trustee — Date

____

Print Name Here

____

Title (if an entity other than an individual is establishing the Account)

If the Account Owner is a trust and there is more than one trustee, the additional trustee must sign here.

X ____

Signature of Co-Trustee

____

Print Name Here — Date

Offered by the State of Alabama

UBT 529 Services a Division of UBT Union Bank & Trust Program Manager

April 2025

CollegeCounts
Alabama's 529 Fund

Incoming Rollover Form

Return this Form to:
CollegeCounts 529 Fund
P.O. Box 85290
Lincoln, NE 68501

Overnight Mail:
CollegeCounts 529 Fund
1248 O Street, Suite 200
Lincoln, NE 68508

Complete this form to Rollover another 529 Plan or Coverdell to CollegeCounts 529 Fund Direct Plan Account.

If you have questions, please call us at **866.529.2228,** Monday–Friday, 7 a.m. to 6 p.m. (Central).

1. Type of Rollover/Transfer (Please check only one)

☐ **Another 529 College Savings Plan**
☐ **Coverdell Education Savings Account (CESA)**

2. CollegeCounts 529 Fund Direct Plan Account Information

CollegeCounts Account Number*: ____________________

Account Owner Legal Name (First, M.I., Last): ____________________

Beneficiary Name (First, M.I., Last): ____________________

Last 4 digits of Beneficiary's Social Security Number or Taxpayer Identification Number: ____________________

*If you do not have an existing CollegeCounts Account, you must complete a CollegeCounts Enrollment form.

3. Account to be Rolled Over

Account Number: ____________________

529 Plan Name (if CESA, leave blank): ____________________

Address to Send Rollover Request: ____________________

City, State, Zip: ____________________

Name of Current 529 Program Manager or CESA Custodian: ____________________

Phone Number of Current 529 Plan: ____________________

Current 529 or CESA Account Owner* *(must be the same as your College Counts Account):* ____________________

Current 529 or CESA Account Beneficiary (Check A or B)

☐ **A. Same Beneficiary** as Section 2. Beneficiary Name ____________________
☐ **B. Different Beneficiary** as Section 2. Beneficiary Name ____________________
Relationship to Beneficiary* in Section 2 ____________________

* Must be a Member of the Family of the Beneficiary identified in Section 2 above. See page 5 of the Program Disclosure Statement for the definition of a Member of the Family.

4. Rollover Instructions to Current 529 Program Manager or CESA Custodian

☐ **Full Liquidation** Roll over ALL assets in my current account to my CollegeCounts 529 Fund Direct Plan Account.

Estimated Value: $ ____________________

☐ **Partial Liquidation** ____________________ % of Account or as follows:

Full Name	Account Number	Dollar Amount
		$ or ☐ ALL
		$ or ☐ ALL
		$ or ☐ ALL

5. Signature and Authorization

I hereby authorize and direct the Rollover indicated above and certify that I have read the Program Disclosure Statement and understand the rules and requirements governing rollovers from other 529 plans or Coverdell Education Savings Accounts.

IMPORTANT: I certify that this Rollover is for the same Beneficiary and that there have been no other rollovers between529 plans for this Beneficiary in the previous 12 months OR that this Rollover is for a different Beneficiary and the Beneficiary on the CollegeCounts 529 Fund Direct Plan Account is a Member of the Family (as defined in the Program Disclosure Statement) of the Beneficiary on the current 529 plan account I am rolling over.

I certify that all the information contained herein is true and correct.

I acknowledge that the Rollover of funds to the CollegeCounts 529 Fund Direct Plan may have special tax consequences and that neither the Board, the State Treasurer of Alabama, nor the Program Manager will be responsible for the tax consequences of any such Rollover.

I acknowledge that the Rollover proceeds will be invested according to my current investment election on file with the CollegeCounts 529 Fund Direct Plan for my Account at the time the assets are received.

By signing below, I authorize the CollegeCounts 529 Fund Direct Plan to inquire into issues relating to the transfer of my account and for the current 529 program manager or Coverdell Education Savings Account custodian to provide information to the CollegeCounts 529 Fund Direct Plan as they may request.

Signature and Date Required

X ____

Signature of Account Owner, Custodian (UGMA/UTMA Accounts), or Trustee   Date

____

Print Name Here

____

Title (if other than an individual)

Medallion Signature Guarantee

Contact your current 529 program manager or CESA custodian to determine if a Medallion Signature Guarantee is required. Many do require a Medallion Signature Guarantee. Without this, the rollover may be delayed. If a Medallion Signature Guarantee is required, please wait to sign until you are in the presence of the bank officer or official who will provide the Medallion Signature Guarantee. A notary public CANNOT provide a signature guarantee.

MEDALLION SIGNATURE GUARANTEE

Note to Guarantor:
Medallion imprints must be fully legible and must not be dated or annotated.

Signature must be stamped with a Medallion Signature Guarantee by a qualified financial institution, such as a commercial bank, savings and loan, U.S. stock broker and security dealer, or credit union, that is participating in an approved Medallion Signature Guarantee program.

(A NOTARY SEAL IS NOT ACCEPTABLE)

Offered by the State of Alabama

UBT 529 Services a Division of UBT Union Bank & Trust Program Manager