

Informer

CollegeCountsSM
Alabama's 529 Fund

Market Update

The S&P 500 Index (a benchmark which measures large cap U.S. Equity markets) has experienced excellent performance for two straight quarters. It was up 11.8% in the 4th quarter of 2011 and the strong end to 2011 has continued into 2012, with the benchmark registering a gain of over 12.8% through the date of this newsletter (March 27, 2012). While these short-term results are great to see, it's important to remember to focus on your long-term investing and savings goals. Sage advice reminds us that it is time in the market versus timing the market that can pay long-term benefits. We recommend that you determine the investment strategy that is best for you in both bullish and bearish market cycles. Keep in mind that you want your investment approach to be disciplined & diversified with a risk tolerance that is comfortable for you. With those principles in mind, you can develop the appropriate strategy to focus on and meet your long-term goals.

529 Day

CollegeCounts will be celebrating 529 Day in a big way! We are proud that you have chosen CollegeCounts to be your 529 Plan provider. In order to say "thank you" for investing with us, throughout May we will be giving away a number of prizes. You could be the lucky winner of a \$529 or \$2,529 contribution to a new or existing CollegeCounts 529 account. For more information about the 529 Day celebration, please visit our Facebook page at www.facebook.com/CollegeCounts or visit CollegeCounts.com. Plus, be sure to "Like" us on Facebook to stay current on all CollegeCounts events, promotions & news.



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State of Alabama

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Program Manager

Two Easy ways to help build your College Savings

Automatic investment plan

Starting an automatic investment plan is a great way to build your college savings account. You can set up contributions to be made at almost any time and there are no required minimums. Starting an AIP is easy, flexible and convenient. Login at www.collegecounts529.com or www.collegecounts529advisor.com and start saving more today.

CollegeCounts 529 Rewards Visa Card

Put your everyday spending to work for you. With the CollegeCounts 529 Rewards Visa Card you earn 1.529% back on all your eligible purchases. Once you've accumulated \$50 or more in rewards, the funds will be automatically added to the CollegeCounts 529 account(s) you designate each quarter. Have more than one account? No problem! You can designate up to three accounts to receive the rewards benefit. Go to www.collegecounts529.com or www.collegecounts529advisor.com and apply online today.



INVESTMENT PRODUCTS:

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

Tax Reminders

Don't forget that if you made contributions to your CollegeCounts account in 2011 you may be eligible to take advantage of the Alabama state income tax deduction. Contributions made by Alabama taxpayers are eligible up to \$5,000 for individuals or up to \$10,000 for those who are filing jointly. Keep in mind that any contributor to a CollegeCounts account is eligible to take the deduction so remind any family members who made contributions to your account to take advantage of the tax savings for their gift to your account. Contributions should be reported on Form 40, Part II, Line 8.

If you made a large gift in 2011 or took advantage of the special 5-year front-loading gift election allowed for 529 plans, make sure to mention these to your tax professional. They can help you determine if any special IRS filings are required. Typically, a Form 709 is required in order to have a large gift to a 529 account split over a 5 year period. The deadline for filing is April 17, 2012.

Be sure to check with your tax professional for more information or advice regarding the tax benefits for investing with CollegeCounts.

Gift Ideas

A contribution to a CollegeCounts account can be a great gift for a family member or friend. Know a student graduating from kindergarten, middle school or high school this spring? Have a birthday or special occasion coming up? Use that opportunity to provide someone with a gift they will really use – the gift of education.

Enjoy these tax benefits:

- Contributions are Alabama state income tax deductible
- Funds grow tax-deferred
- And, they can be withdrawn tax-free for qualified college expenses.

Gift contribution slips and receipts can be downloaded from our website. Or, contact us to receive notification gift cards by mail.

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