Proposed Resolution for Consideration by the
CollegeCounts 529 Board of Trustees at its meeting on August 19, 2026

Topic: Replacement of Current Money Market Funds

WHEREAS, the Legislature created the Wallace-Folsom College Savings Investment Plan (the "Plan") pursuant to Title 16, Chapter 33C of the *Code of Alabama*, 1975, in recognition that the advancement of higher education in the State of Alabama is a proper governmental function and purpose of the State of Alabama; and

WHEREAS, pursuant to §16-33C10(b), *Code of Alabama,* the ACES Trust Fund has been established within the Program for the purpose of establishing savings agreements for the sole benefit of the contributor and designated beneficiary to be used for qualified higher education costs of the designated beneficiary; and,

WHEREAS, the Board has engaged and relies on Union Bank its investment advisor, Wilshire Associates Incorporated ("Wilshire"), and the Board's investment advisor, Callan, for investment management services; and,

WHEREAS, Wilshire recommends replacing the current money market funds (Vanguard Cash Reserves Federal Money Market) with the Union Bank/Nelnet Bank Savings option in the conservative age-based and target portfolios as it offers an effective fed funds rate+0.20%, a floor rate of 0.50%, no internal fee, a monthly reset and it is FDIC-insured $250,000 pass-through coverage; and,

WHEREAS, Callan, the Board's investment advisor, reviewed the recommendation and is not in favor of replacing the current money market fund. While the Union Bank/Nelnet Bank Savings option has a more favorable yield, the investment vehicle does not have the same level of transparency and security as the current money market mutual fund. Additionally, the Bank Savings option is a liability on the sponsoring bank's balance sheet which exposes investors to the individual bank's solvency risk. Even with FDIC insurance, default would result in illiquidity as claims are resolved .

NOW, THEREFORE, BE IT RESOLVED, following a thorough discussion, the Board ________________the recommendation to replace the Vanguard Cash Reserves Federal Money Market with the Union Bank/Nelnet Bank Savings option.