

ABLE United

Financial Literacy - Investing

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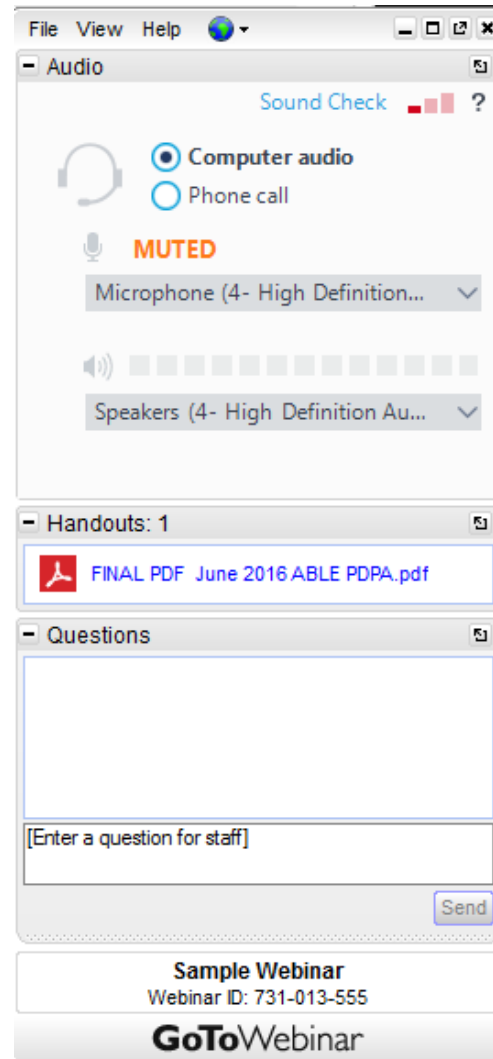


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How to: Ask Questions



The screenshot displays the GoToWebinar control panel. At the top, there is a menu with 'File', 'View', and 'Help'. Below this is the 'Audio' section, which includes a 'Sound Check' indicator with three red bars and a question mark. There are two radio buttons: 'Computer audio' (selected) and 'Phone call'. A microphone icon is shown with the word 'MUTED' in orange. Below this is a dropdown menu for 'Microphone (4- High Definition...)' and a volume slider. At the bottom of the audio section is a dropdown menu for 'Speakers (4- High Definition Au...'. The 'Handouts: 1' section shows a PDF document titled 'FINAL PDF June 2016 ABLE PDPA.pdf'. The 'Questions' section features a large text input area with the placeholder text '[Enter a question for staff]' and a 'Send' button. At the bottom of the interface, it displays 'Sample Webinar' and 'Webinar ID: 731-013-555', followed by the 'GoToWebinar' logo.

Objectives

Understand ABLE United program, basics to investing, and the ABLE United investment options

- What is ABLE United?
- How does it work
- Investing 101
- ABLE United investment options
- Questions & Answers

What is ABLE United?

What is ABLE?

Achieving a Better Life Experience.

- The Stephen Beck, Jr. Achieving a Better Life Experience Act encourages individuals with disabilities to **save private funds** to support health, independence, and **quality of life**.
- Added a new section to the Internal Revenue Code, Section 529A.
- In July 2015, Florida created a not-for-profit and direct support organization of the Florida Prepaid College Board to administer Florida's ABLE Program.
- **ABLE United** launched July 1, 2016.



How it Works

ABLE United Overview

Tax-free savings to support disability expenses while maintaining benefits

Must be a **Florida resident** at the time of application and have a **qualifying disability** with **onset prior to age 26**

- Enroll:** Open an account online in 15 minutes
No documents or approval process
- Contribute:** Save up to \$15,000 per year
Anyone may contribute to the account
- Grow:** Choose from 7 investment options
Predesigned and custom portfolios
- Withdraw:** Withdraw at any time, for any reason
No tax if used for qualified expenses



Why an ABLE account?

Save for future qualified disability expenses.

Qualified disability expenses, which include “living expenses,” are not required to be medically necessary or to be limited for the sole benefit of the individual with a disability.



Health



Education



Housing



Transportation



Legal Fees



Financial Management



Employment Training and Support



Assistive Technology and Personal Support Services



Oversight and Monitoring



Funeral and Burial



Other Expenses Approved by the Treasury Regulations

What if I am receiving SSI?

Save for the future without losing Supplemental Security Income.

Generally, funds in (or withdrawn from) an ABLE account are disregarded when determining eligibility for Supplemental Security Income (SSI)

- *First \$100,000 in ABLE account does not count as a resource*
- *Housing and non-qualified expenses withdrawn but not spent in the same month count as a resource*
- *Social Security POMS:*
<https://secure.ssa.gov/poms.nsf/lnx/0501130740>



Investing 101

Disclaimer

This presentation is for informational purposes only and should not be construed as legal, investment or tax advice on any matter. Any decision you make on the basis of this content is your sole responsibility. You should consult with legal, financial and tax advisers before applying any of this information to your particular situation.

This presentation may consist of statements of opinion or hypotheticals, which are made as of the date they are expressed and are not statements of fact and merely illustrative.

Reference to or inclusion in this presentation of any product, service or entity should not be construed as a recommendation, approval, affiliation or endorsement of such product, service or entity by Callan.

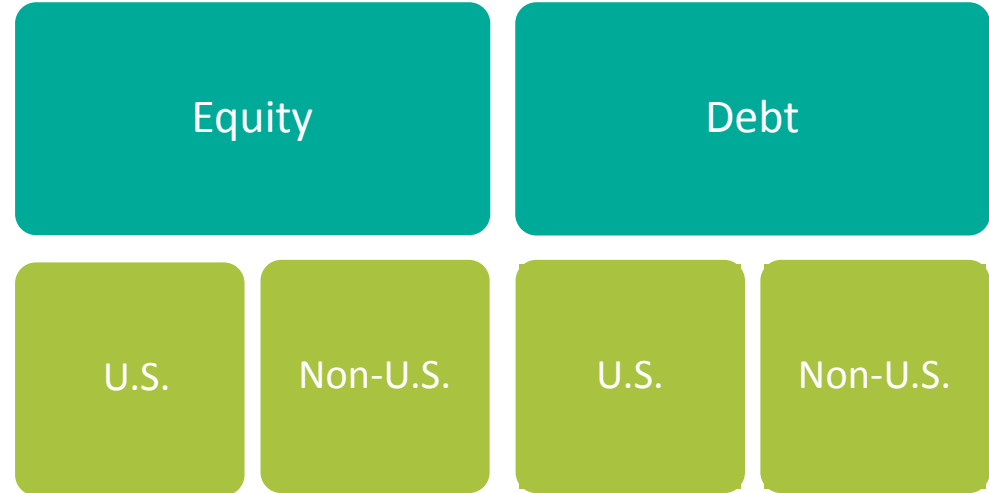
Past performance is no guarantee of future results.

The statements made herein may include forward-looking statements regarding future results. The forward-looking statements herein: (i) are best estimations consistent with the information available as of the date hereof and (ii) involve known and unknown risks and uncertainties such that actual results may differ materially from these statements. There is no obligation to update or alter any forward-looking statement, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements.

What is Investing?

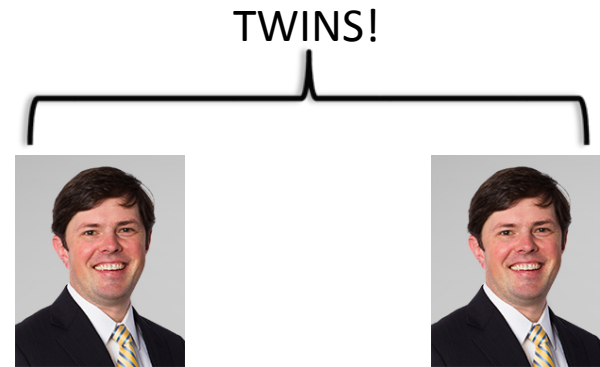
Common types of investments

- Stocks (Equity)
- Bonds (Debt)
- Cash; Money Market; FDIC Insured Savings Account



The Power of Compounding

Importance of Time



Assumptions	Weston #1	Weston #2
Starting Contribution	\$10,000	\$10,000
Current Age	40	40
Investment Rate of Return	7%	7%
Starting Contribution Age	20	30
Current Balance at Age 40	\$38,697	\$19,672

The Power of Compounding

Importance of Returns

TWINS!

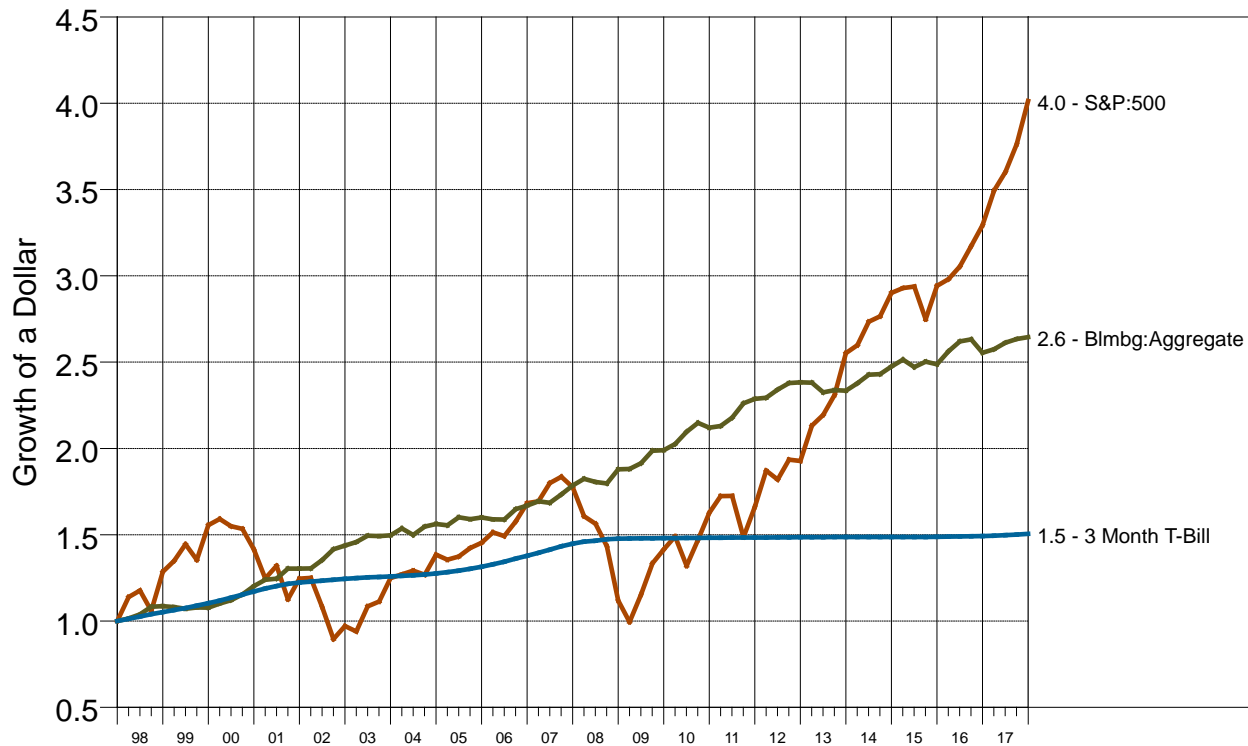


Assumptions	Brian #1	Brian #2
Starting Contribution	\$10,000	\$10,000
Current Age	45	45
Starting Contribution Age	20	20
Investment Rate of Return	3.5%	7%
Current Balance at Age 45	\$23,632	\$54,274

What is Risk?

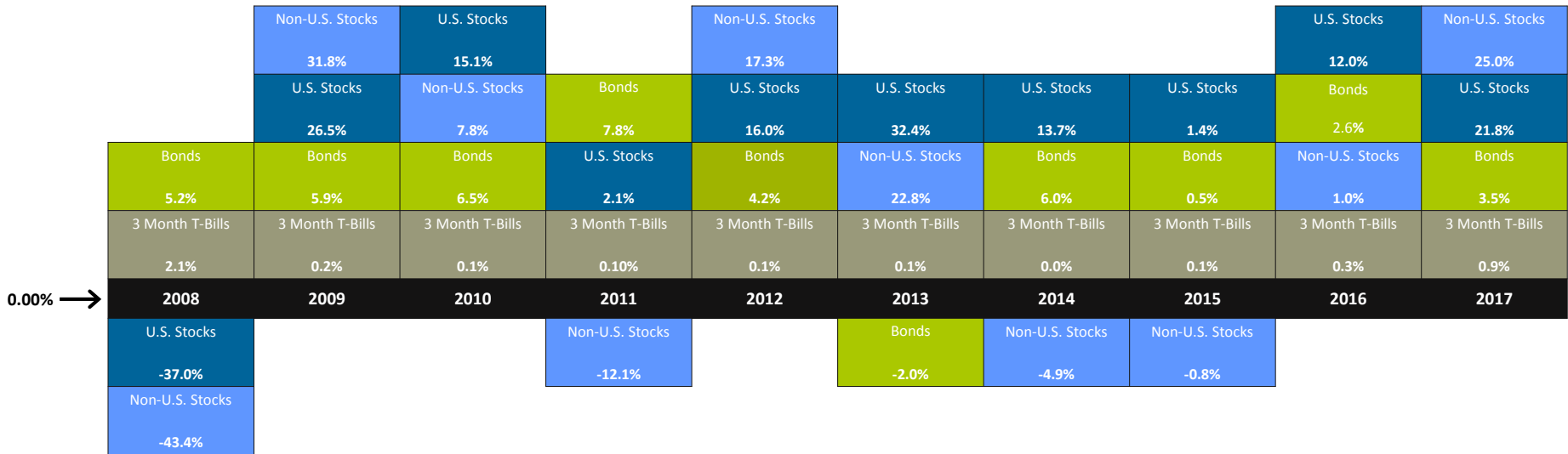
Degree of uncertainty and/or potential for financial loss or gain

Growth of a Dollar
for a \$1 Mandate
for 20 Years Ended December 31, 2017



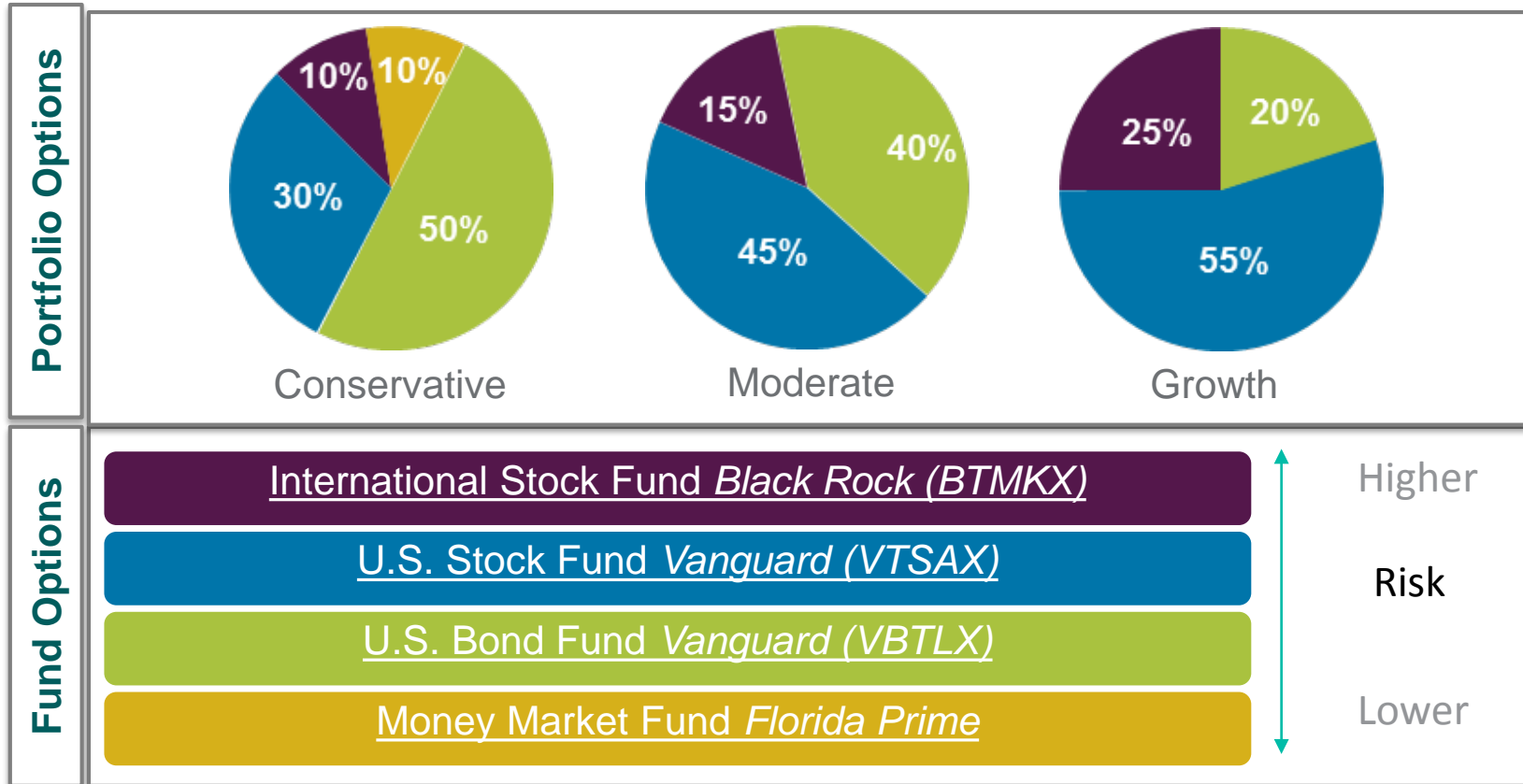
What is Risk?

Annual Returns Ranked in Order of Performance (2008-2017)



ABLE United Investment Options

Seven investment options designed to meet the needs of most investors - three predesigned portfolios and four individual funds to build a custom portfolio.



Why does ABLE United offer
predesigned portfolios?

Diversification

Diversification Can Help Smooth the Ride

Annual Returns Ranked in Order of Performance (2008-2017)

	Non-U.S. Stocks	U.S. Stocks		Non-U.S. Stocks				U.S. Stocks	Non-U.S. Stocks	
	31.8%	15.1%		17.3%				12.0%	25.0%	
	U.S. Stocks	Growth Portfolio Allocation		U.S. Stocks	U.S. Stocks	U.S. Stocks	U.S. Stocks	Growth Portfolio Allocation	U.S. Stocks	
	26.5%	13.0%		16.0%	32.4%	13.7%	1.4%	7.8%	21.8%	
	Growth Portfolio Allocation	Moderate Portfolio Allocation	Bonds	Growth Portfolio Allocation	Growth Portfolio Allocation	Moderate Portfolio Allocation	Bonds	Moderate Portfolio Allocation	Growth Portfolio Allocation	
	25.0%	12.0%	7.8%	14.3%	23.2%	7.2%	0.5%	6.9%	18.4%	
	Moderate Portfolio Allocation	Conservative Portfolio Allocation	Conservative Portfolio Allocation	Moderate Portfolio Allocation	Non-U.S. Stocks	Growth Portfolio Allocation	Conservative Portfolio Allocation	Conservative Portfolio Allocation	Moderate Portfolio Allocation	
	20.2%	9.7%	3.5%	11.8%	22.8%	6.7%	0.5%	5.3%	14.4%	
	Conservative Portfolio Allocation	Non-U.S. Stocks	Moderate Portfolio Allocation	Conservative Portfolio Allocation	Moderate Portfolio Allocation	Conservative Portfolio Allocation	Moderate Portfolio Allocation	Bonds	Conservative Portfolio Allocation	
	14.9%	7.8%	2.3%	8.9%	16.9%	6.2%	0.5%	2.6%	10.4%	
	Bonds	Bonds	Bonds	U.S. Stocks	Bonds	Conservative Portfolio Allocation	Bonds	Growth Portfolio Allocation	Bonds	
	5.2%	5.9%	6.5%	2.1%	4.2%	10.5%	6.0%	0.3%	3.5%	
	3 Month T-Bills	3 Month T-Bills	3 Month T-Bills	3 Month T-Bills	3 Month T-Bills	3 Month T-Bills	3 Month T-Bills	3 Month T-Bills	3 Month T-Bills	
	2.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.9%	
0.00% →	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Conservative Portfolio Allocation			Growth Portfolio Allocation		Bonds	Non-U.S. Stocks	Non-U.S. Stocks		
	-14.4%			-0.6%		-2.0%	-4.9%	-0.8%		
	Moderate Portfolio Allocation			Non-U.S. Stocks						
	-22.9%			-12.1%						
	Growth Portfolio Allocation									
	-31.4%									
	U.S. Stocks									
	-37.0%									
	Non-U.S. Stocks									
	-43.4%									

What if I want to change my investment?

Rebalance vs. Reallocation

How do I decide on what investment option(s) are best for me or my child?

How much do I invest?

There is no “one size” fits all

- Consult with a financial advisor
- Define the purpose of the account
- Determine your risk tolerance
- Choose your predetermined portfolio or build your own
- Review the performance with an advisor annually

Hypothetical Decision Chart

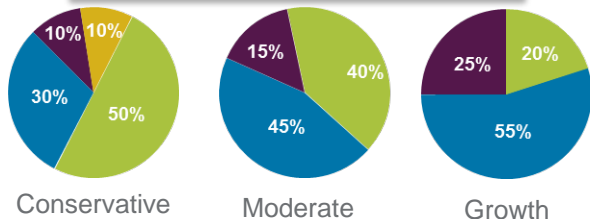
A: My main goal is to grow the account over a long time horizon. I will be making withdrawals that are small as a percentage of the account or I may wait a while before tapping these funds at all. I understand that my investments can lose money.

B: I plan to use this ABLE account like a savings account. I will likely draw down the balance to pay for regular living expenses and add back to the account when balances are low.

C: I am comfortable relying on ABLE United's pre-designed portfolio allocation options based on goals for investment growth. I have thought through the risk posture of each portfolio. I want someone to rebalance for me.

D: I am comfortable making my own investment decisions. I prefer to set my own asset allocation and choose the underlying funds to implement my portfolio. I will rebalance on my own.

Portfolio Options



Fund Options

- Money Market Fund
- U.S. Bond Fund
- U.S. Stock Fund
- International Stock Fund

- Money Market Fund
- FDIC Insured Savings (TBA)

What are investment returns?

The following table summarizes the investment return for each of the Investment Options, net of the Investment Administration Fee, offered under the ABLE United Program. For information about your account visit www.ableunited.com, "Sign In" or call 1-888-524-ABLE (2253).

Investment Returns				
	Mar 2018 (3/1-3/31/18)	Feb 2018 (2/1-2/28/18)	Jan 2018 (1/1-1/31/18)	1st Quarter (1/01-3/31/18)
Predesigned Portfolio Options				
Conservative	-0.43%	-2.25%	1.73%	-0.99%
Moderate	-0.84%	-2.96%	2.87%	-1.01%
Growth	-1.20%	-3.59%	4.07%	-0.87%
Fund Options				
Money Market Fund	0.18%	0.12%	0.14%	0.44%
U.S. Bond Fund	0.57%	-1.03%	-1.09%	-1.55%
U.S. Stock Fund	-2.00%	-3.71%	5.25%	-0.68%
International Stock Fund	-0.72%	-5.07%	5.19%	-0.86%
Average Annual Returns for Periods Ending 3/31/2018				
	1 Year	3 Years	5 Years	Since Inception
Predesigned Portfolio Options				
Conservative	6.21%	N/A	N/A	5.28%
Moderate	8.78%	N/A	N/A	8.13%
Growth	11.41%	N/A	N/A	11.18%
Fund Options				
Money Market Fund	1.40%	N/A	N/A	1.20%
U.S. Bond Fund	0.84%	N/A	N/A	-1.12%
U.S. Stock Fund	13.51%	N/A	N/A	14.46%
International Stock Fund	14.88%	N/A	N/A	13.72%

The investment returns provided were calculated by Callan LLC, the Program's investment consultant, by computing the percentage change in the trust unit value of each Investment Option. The unit values were provided to Callan for computing the investment returns.

Under no circumstances is the information contained herein to be used or considered as an offer to sell or a solicitation of an offer to buy a particular investment. The net investment returns are provided for general information only and are not intended to provide investment or other advice. Past performance is no guarantee of future performance. Actual results for future periods could differ significantly from past performance.

For more information about the investment options and current Investment Administrative Fees, please review the Program Description and Participation Agreement at www.ableunited.com/pdpa.



How much does it cost?

No cost to open and maintain an account

Save on fees – ABLE United offers the best value for Florida residents.

- *No application fee*
- *No minimum contribution*
- *Monthly account maintenance fee: \$0.00*
- *Annual fee of \$10 for paper (OPTIONAL)*
- *Investment administration fee ranges from 0.035% to 0.290% (annualized) of the account balance*

Q & A

Questions

Visit ableunited.com for more information about ABLE United.

Learn more about ABLE United accounts and review our Program Description and Participation Agreement.

Customer Service:

Email customerservice@ableunited.com

Toll Free 1-888-524-ABLE (2253)





ABLE United

Save for a better life experience