



**Helping People with Disabilities
Achieve Financial Security
and Independence.**



CalABLE in Perspective: Landscape Analysis

January 22, 2019

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Section 1.

ABLE Development Overview

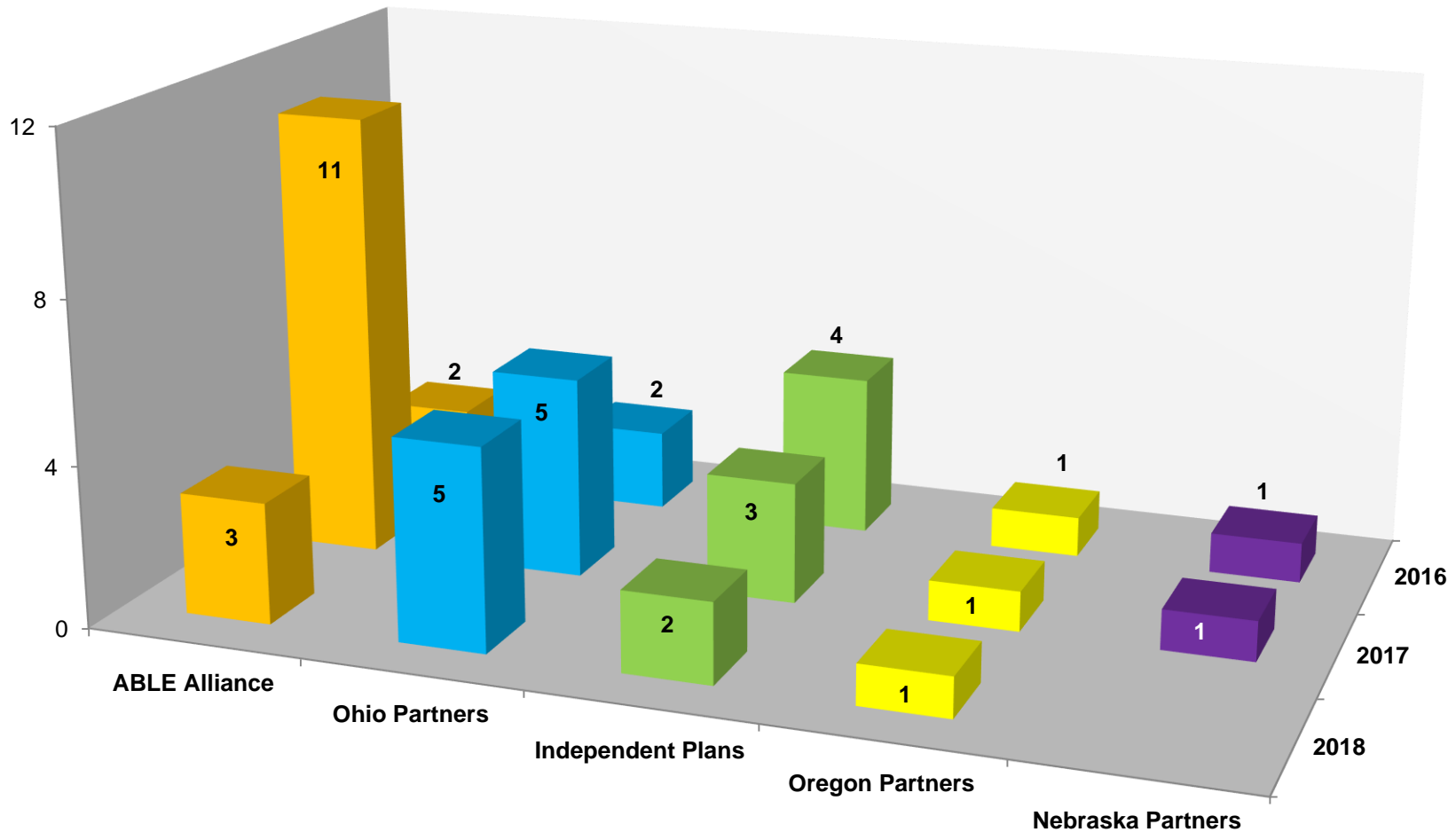
The ABLE Foundation

- **As early as 2008, Stephen Beck, Jr., a national and regional Down Syndrome Society leader, sought to create a federally advantaged way for his daughter to save without jeopardizing certain Social Security benefits**
- **Achieving a Better Life Experience (“ABLE”) Act bills introduced in February 2013 enjoyed strong bi-partisan support:**
 - **HR 647 – 380 Co-sponsors (194 Republicans / 186 Democrats)**
 - **S 313 – 78 Co-sponsors (29 Republicans / 47 Democrats / 2 Independents)**
- **ABLE Act overwhelmingly passed and President Obama signed it into law in December 2014**
- **Support for and passage of the legislation reflected:**
 - **Strong advocacy by national organizations, e.g., Autism Speaks, National Disability Institute, and National Down Syndrome Society**
 - **A compelling participant pool**
- **Additional legislation in 2017 improved Section 529A slightly:**
 - **Rollovers allowed from Section 529 to ABLE accounts**
 - **Employed participants lacking retirement savings at work may make limited additional annual contributions**

The ABLE Foundation, continued

- **Still, Section 529A has stringent limitations:**
 - **Onset of disability has to occur by age 26**
 - **One account per participant**
 - **Low annual contribution limits (currently \$15,000)**
- **Financial viability and sustainability concerns arose across States and the private sector:**
 - **Uncertainty about the size of the eligible pool of participants negatively impacts small States**
 - **Use of accounts for transactional purposes worries asset managers**
 - **Other investment vehicles offer greater asset accumulation possibilities for wealth managers**
- **States had to think strategically about ways to reach economies of scale amid market uncertainty**

Overview of ABLE Plan Launches

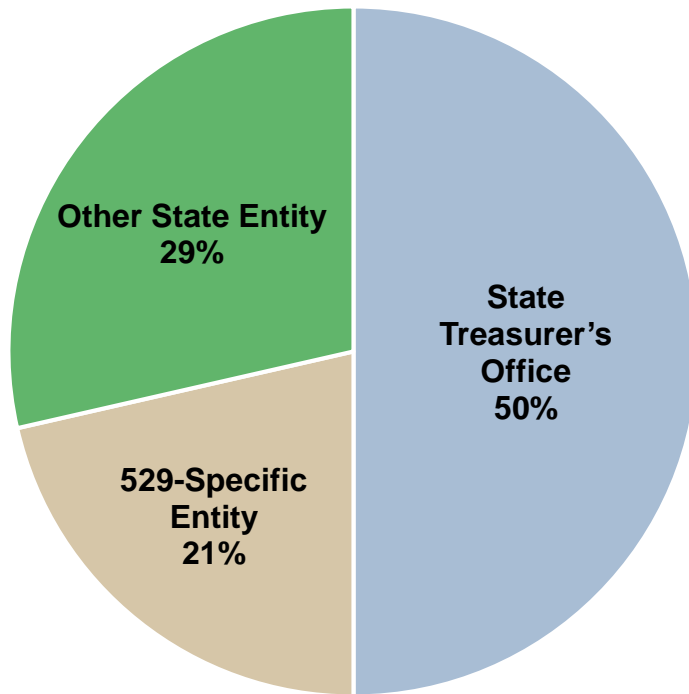


Source: Program Disclosure Statements as of January 7, 2019

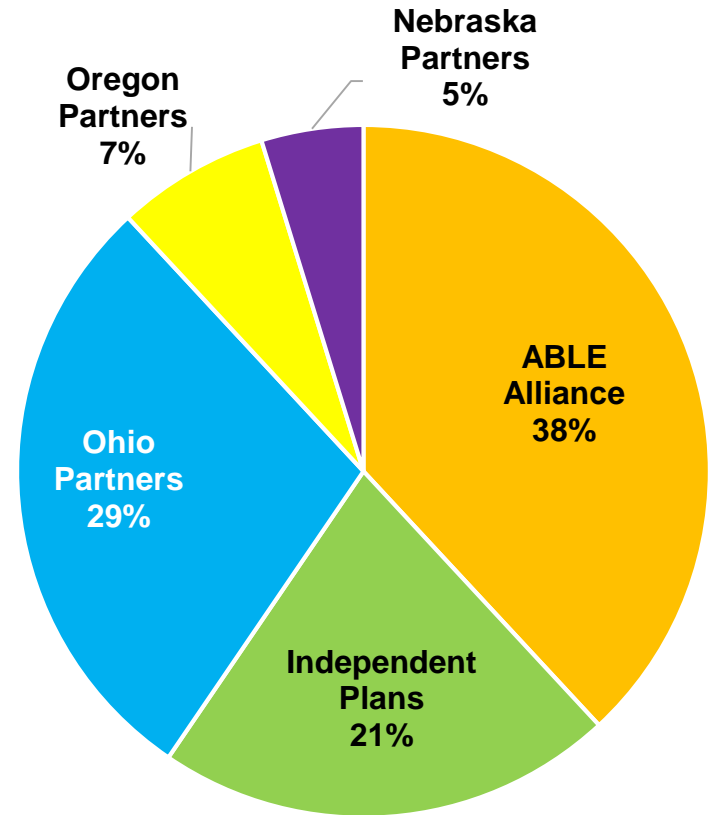
Data represents number of States; Independent Plans represent nine States but ten Plans as Virginia includes ABLENow and ABLEAmerica

Oversight and Management of ABLE Plans

State Oversight



Business Model



Represents States; data current as of January 7, 2019

Section 2.

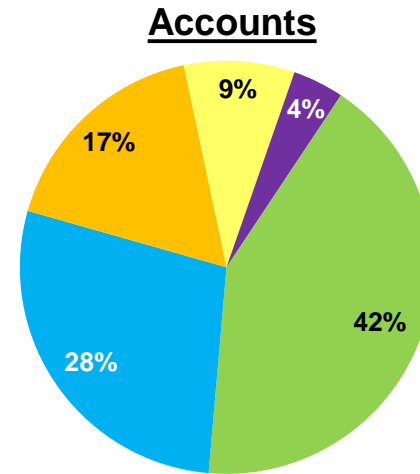
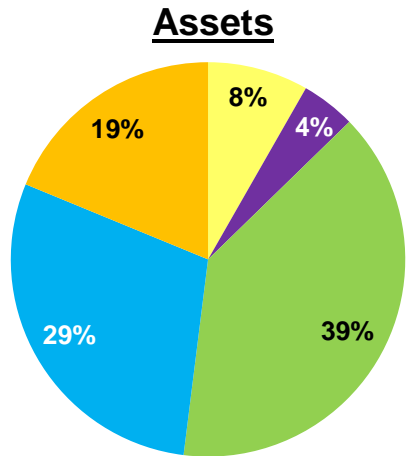
ABLE Market Today

Available ABLÉ Plans

	ABLE Alliance	Ohio Partners	Independent Plans	Oregon Partners	Nebraska Partners
States	Alaska Arkansas Colorado Delaware District of Columbia Illinois Indiana Iowa Kansas Minnesota Montana Nevada New Jersey North Carolina Pennsylvania Rhode Island	Arizona Georgia Kentucky Missouri New Hampshire New Mexico Ohio Oklahoma South Carolina Vermont West Virginia Wyoming	California Florida Louisiana Massachusetts Michigan New York Tennessee Texas Virginia (2)	Maryland Oregon Washington	Alabama Nebraska
42 States	16 States	12 States	9 States	3 States	2 States
14 Plans	1 Plan	1 Plan	10 Plans	1 Plan	1 Plan

Information as of January 7, 2019

ABLE Market Overview

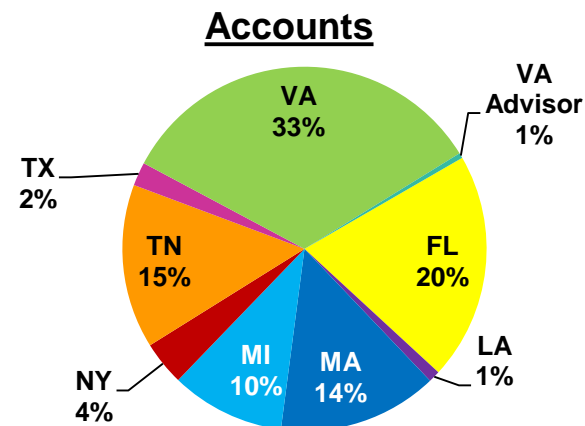
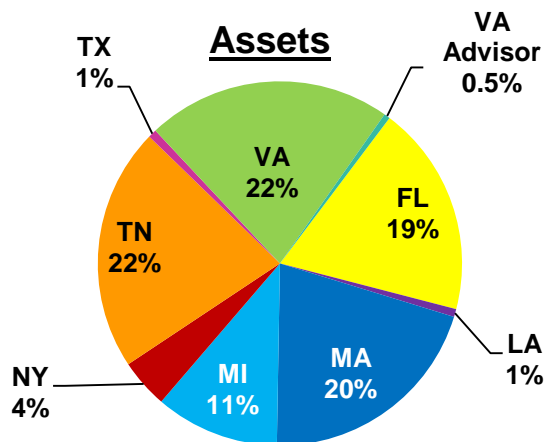


	Assets	Accounts	Average Account Size
Independent Plans	\$56,560,629	12,487	\$4,526
Ohio Partners	\$42,107,507	8,324	\$5,059
ABLE Alliance	\$27,051,131	5,129	\$5,274
Oregon Partners	\$11,905,163	2,577	\$4,735
Nebraska Partners	\$6,403,610	1,190	\$5,381
Industry Total	\$144,028,040	29,707	\$4,848 ¹

Source: Strategic Insight as of September 30, 2018

¹Average account size represents the ratio of Industry Total Assets to Industry Total Accounts

Independent Plan Specifics

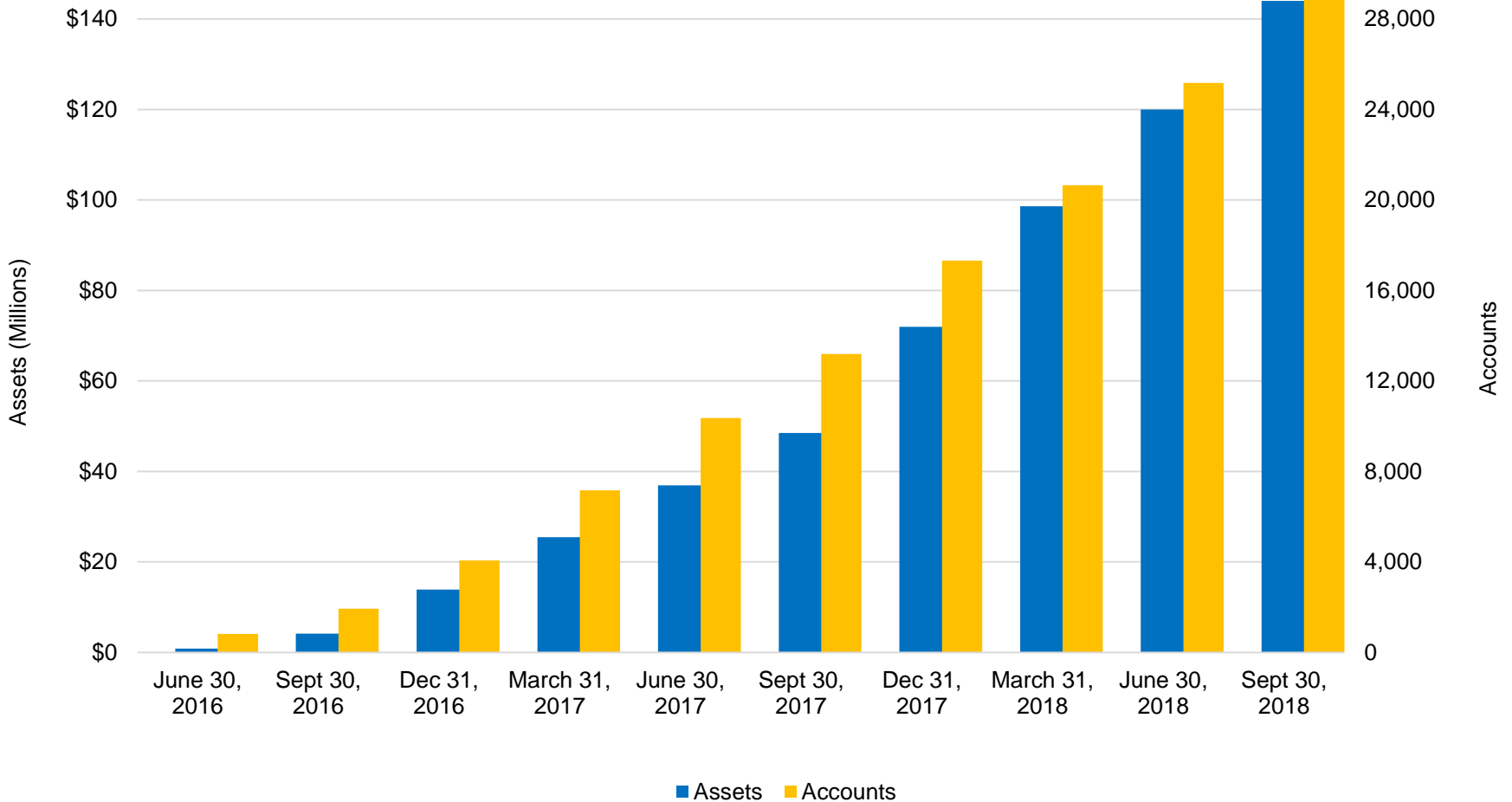


	Assets	Accounts	Average Account Size
Virginia	\$12,290,454	4,173	\$2,945
Tennessee	\$12,217,135	1,821	\$6,709
Massachusetts	\$11,611,534	1,771	\$6,556
Florida	\$10,611,710	2,521	\$4,209
Michigan	\$6,234,904	1,265	\$4,929
New York	\$2,471,003	489	\$5,053
Texas	\$424,547	261	\$1,627
Louisiana	\$396,679	129	\$3,075
Virginia Advisor	\$302,663	57	\$5,310
Total	\$56,560,629	\$12,487	\$4,530¹

Source: Strategic Insight as of September 30, 2018

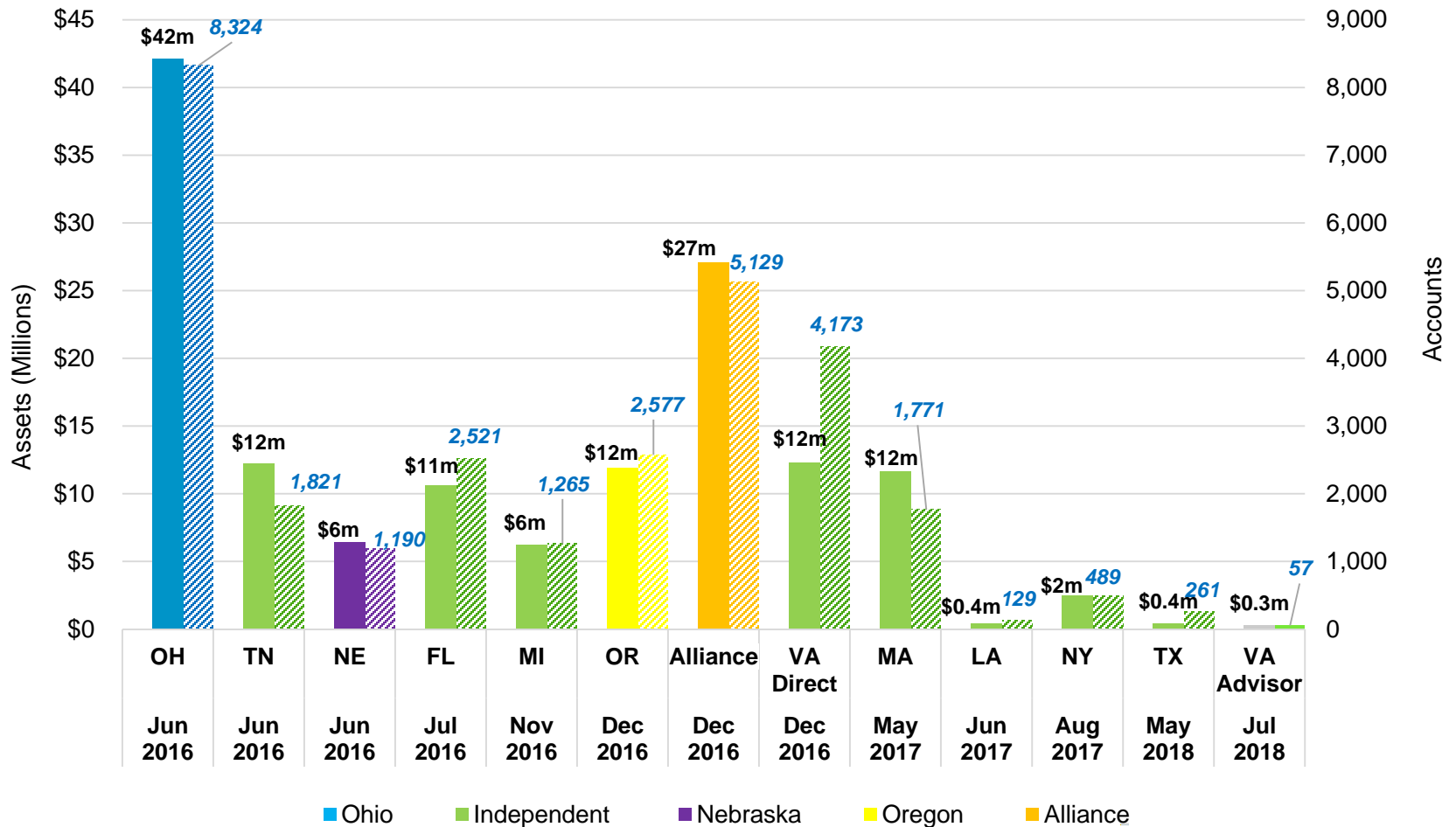
¹Average account size figure represents the ratio of Independent Plan total assets to total accounts

Growth of ABLE Market



Source: Strategic Insight as of September 30, 2018

Timing View of the Market



Source: Strategic Insight as of September 30, 2018

Note: Virginia represents the launch date of ABLEnow but includes assets and accounts from ABLEnow and ABLEAmerica

Program Managers / Service Providers

Service Provider	States	# of States	# of Plans	% of Assets
Ascensus	National ABLE Alliance (16 States) New York, Tennessee	18	3	29%
Intuition	OH Partnership (12 States)	12	1	29%
BNY / Sunday	OR Partnership (3 States), Florida ¹	4	2	16%
First National Bank of Omaha	NE Partnership (2 States)	2	1	4%
American Funds	Virginia	1	1	0.2%
Fidelity	Massachusetts	1	1	8%
NorthStar	Texas	1	1	0.3%
PNC Bank	Virginia	1	1	9%
State	Louisiana	1	1	0.3%
<i>TIAA</i>	<i>California²</i>	<i>1</i>	<i>1</i>	<i>–</i>
TSA Consulting	Michigan	1	1	4%

Source: Program Disclosure Statements available as of January 7, 2019. Asset data as of September 30, 2018 from Strategic Insight

¹ Conversion from Intuition to BNY / Sunday effective October 22, 2018

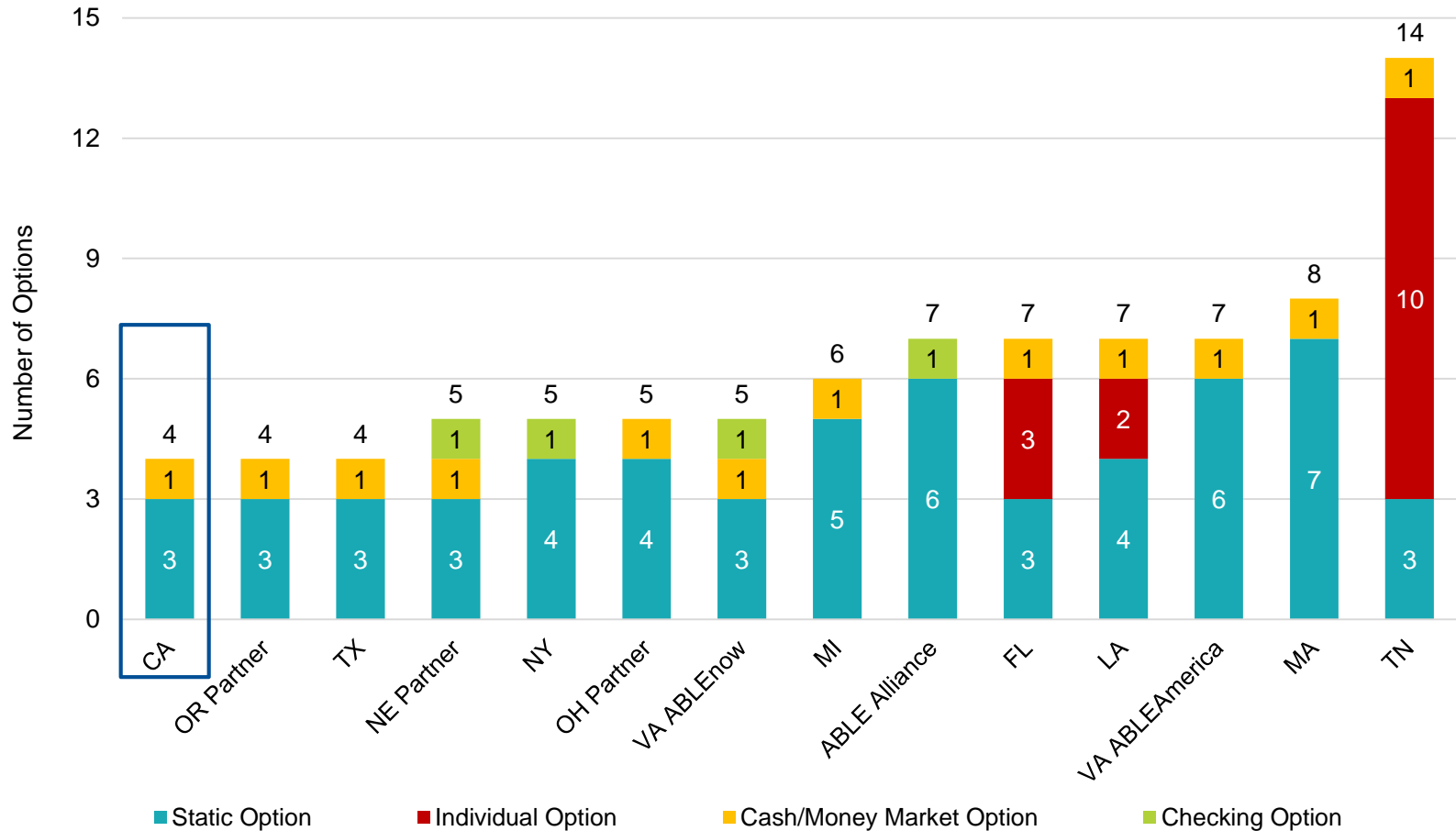
² Recordkeeping services provided by Intuition

Presence of Investment Managers

Investment Manager	States
Vanguard	National ABLA Alliance (16 States) NE Partnership (2 States) OH Partnership (12 States) OR Partnership (3 States) FL LA MI NY TN TX VA
BlackRock	National ABLA Alliance (16 States) FL
Schwab	National ABLA Alliance (16 States)
DFA	OR Partnership (3 States) MI TN
Fidelity	MA VA
American Funds	VA
<i>TIAA</i>	<i>CA</i>

Source: Program Disclosure Statements available as January 7, 2019

Overview of Investment Options



Source: Program Disclosure Statements available as of January 7, 2019

Section 3.

CalABLE Comparisons

Relevant Industry Fees

Plan	Asset-based Fees	Dollar-based Fees
Massachusetts	0.57 - 0.93%	\$0
Virginia – ABLEAmerica	0.40 - 0.85% ¹	\$10 ²
Michigan	0.67 – 0.78%	\$45
OH Non-Partner (“NP”) States	0.56 - 0.59%	\$42
Nebraska Partnership	0.54 – 0.55%	\$45
California	0.52 – 0.54%	\$37
Virginia – ABLEnow	0.36 – 0.39%	\$39
Oregon – ABLE for All	0.3446 – 0.359%	\$35
National ABLE Alliance	0.34 - 0.37%	\$60 ³

Source: Program Disclosure Statements available as of January 7, 2019

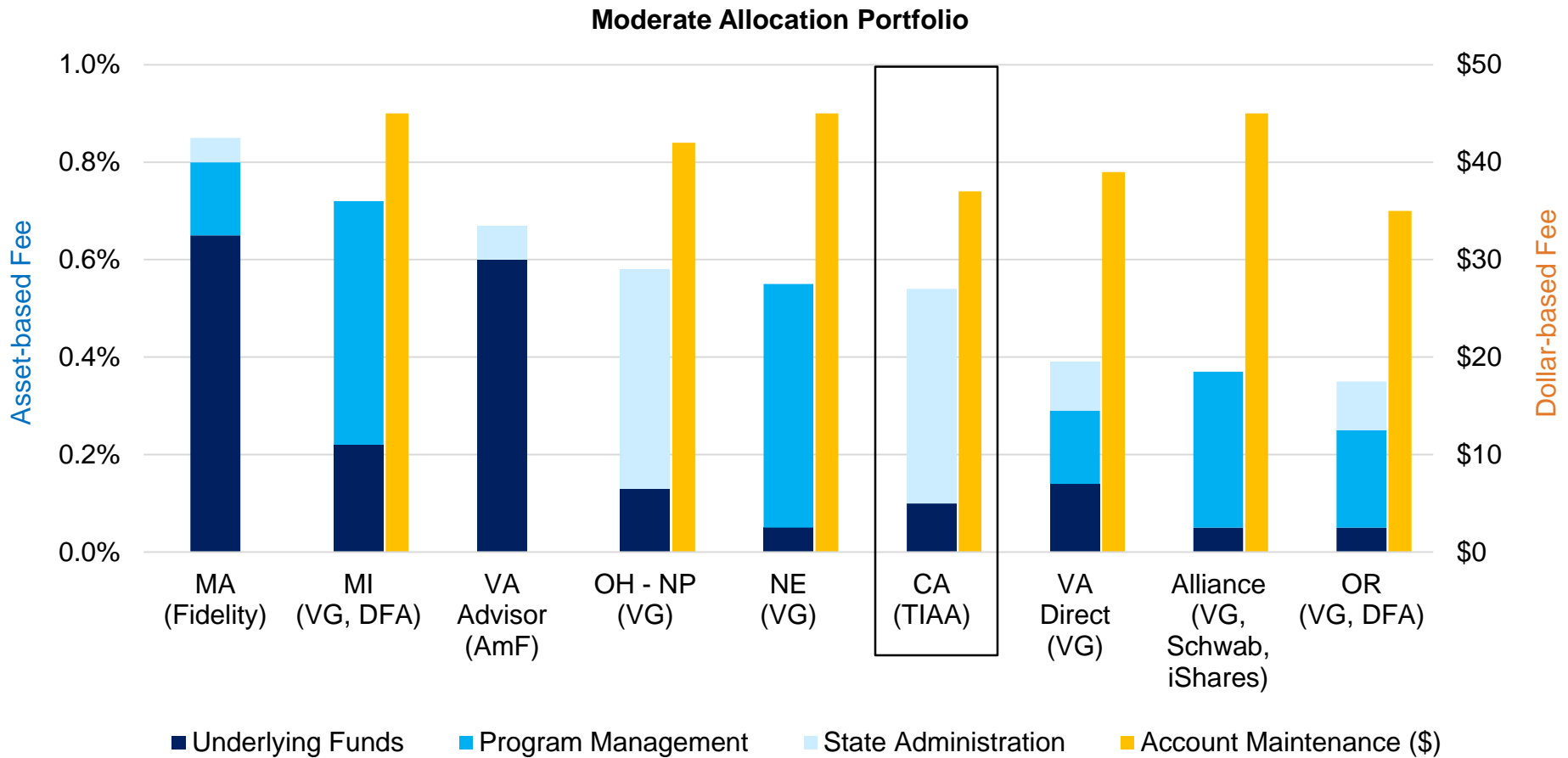
Excluded FDIC Options

¹ Includes 0.30% in servicing or 12b-1 fees; does not include possible sales charges on A Shares

² Waived indefinitely (this mirrors CollegeAmerica, the Virginia 529 Advisor Plan managed by American Funds)

³ Account maintenance fee reduced by \$15 for e-delivery

Comparison of Fees



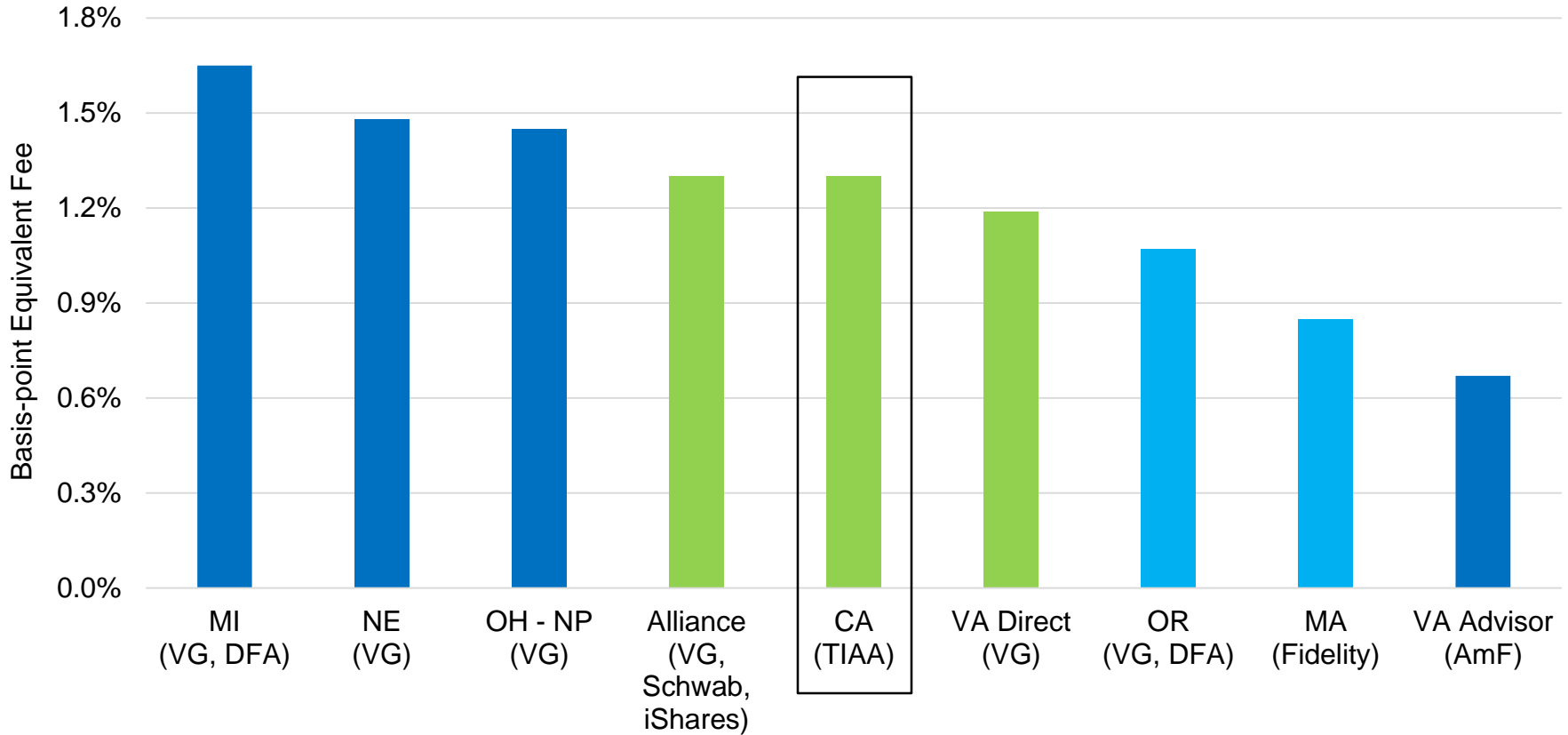
Source: Program Disclosure Statements available as of January 7, 2019

Notes:

- (i) For all Plans, Moderate Allocation approximates a 50/50 Portfolio
- (ii) Dollar-based fee of \$45 reflects e-delivery option for the Alliance
- (iii) VA Advisor Underlying Funds include Program Management

Basis-point Equivalent Fees

Moderate Allocation Portfolio



Source: Program Disclosure Statements available as of January 7, 2019

Notes:

(i) Basis-point conversion assumes \$4,767 average account balance based upon June 30, 2018 industry data

(ii) **Green** and **blue** shadings demonstrate combined impact of asset- and dollar-based fees

(iii) **Aqua** shading shows impact of no dollar-based fees

Hypothetical Cost Comparison

State Plan	VA Advisor	MA	OR	VA Direct	CA	Alliance
Assumed Account Size ¹	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848
Asset-based Fee (In basis points)	0.67%	0.85%	0.3502%	0.39%	0.54%	0.37%
Asset-based Fee (Converted to \$)	\$32.48	\$41.21	\$16.98	\$18.91	\$26.18	\$17.94
Account Maintenance Fee (\$) ²	--	--	\$35.00	\$39.00	\$37.00	\$45.00 ³
Total Cost Paid	\$32.48	\$41.21	\$51.98	\$57.91	\$63.18	\$62.94
Basis-point Equivalent	0.67%	0.85%	1.07%	1.19%	1.30%	1.30%

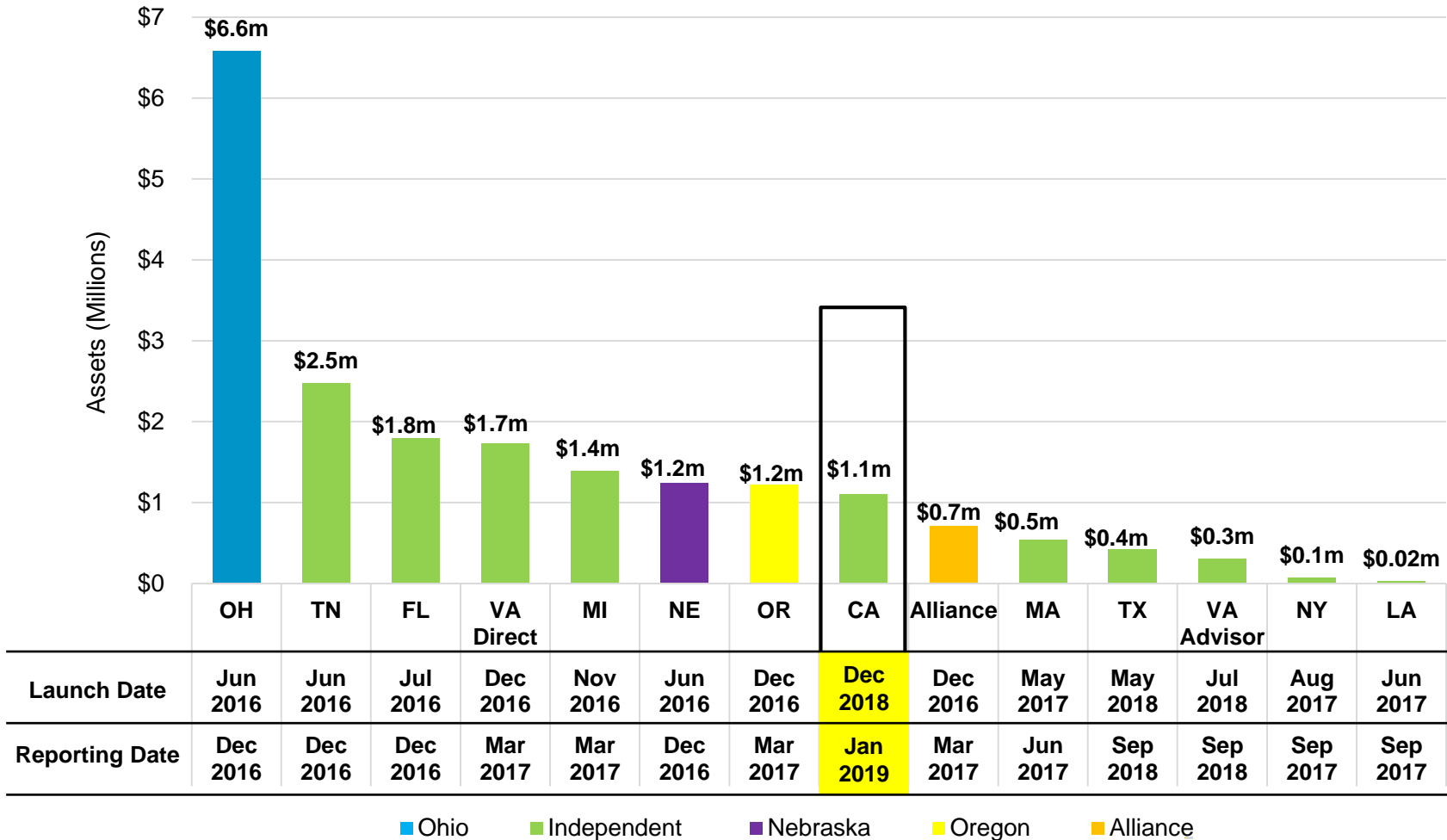
Source: Program Disclosure Statements available as January 7, 2019

¹ Based upon September 30, 2018 industry average account balance

² Nonresident account maintenance fees for all Plans shown

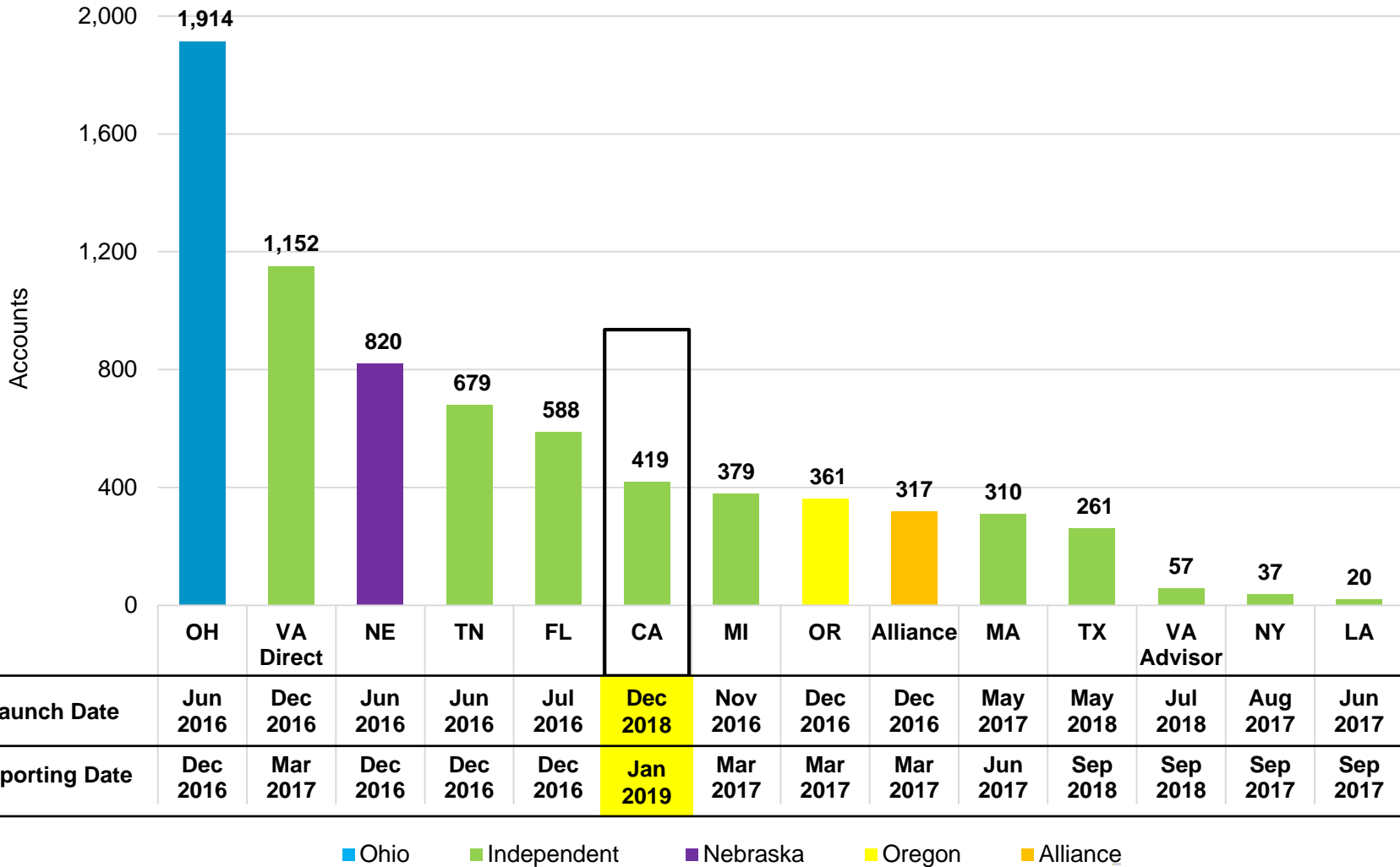
³ Assumes e-delivery election

Comparison of Initial Asset Growth



Source: Strategic Insight as of September 30, 2018 but for California and Nebraska, where source is each State.
California asset data as of January 14, 2019

Comparison of Initial Account Growth



Source: Strategic Insight as of September 30, 2018 but for California and Nebraska, where source is each State.
California account data as of January 14, 2019

Appendix

Detailed Asset-based Fees

Plan	Program Management	State Administration	Underlying Investments	Total
Massachusetts	0.15%	0.05%	0.37% - 0.73%	0.57 - 0.93%
Virginia – ABLEAmerica	--	0.07%	--	0.40 - 0.85% ¹
Michigan	0.50%	--	0.17 – 0.28%	0.67 – 0.78%
Texas	0.15%	0.10%	0.14 – 0.40%	0.39 – 0.65%
Tennessee	--	0 - 0.315%	0.04 – 0.64%	0.35 - 0.64% ²
OH Non-Partner States	--	0.45%	0.11 – 0.14%	0.56 - 0.59%
Nebraska Partnership	0.50%	--	0.04 – 0.05%	0.54 – 0.55%
California	--	0.44%	0.08 – 0.10%	0.52 – 0.54%
New York	0.36 - 0.38%	Included, if any	0.02 – 0.04%	0.40%
Virginia – ABLEnow	0.15%	0.10%	0.11 – 0.14%	0.36 – 0.39%
Oregon Partnership	0.10% to Sunday 0.10% to Oregon – MD / WA	0.10% MD / WA 0.20% OR	0.0628 – 0.0781% MD 0.0446 – 0.059% OR 0.0538 – 0.070% WA	0.3628 – 0.3781% MD 0.3446 – 0.359% OR 0.3538 – 0.3702% WA
National ABLE Alliance	0.32%	--	0.02 – 0.05%	0.34 - 0.37%
OH Partner States	--	0.19%	0.11 – 0.14%	0.30 - 0.33%

Source: Program Disclosure Statements available as of January 7, 2019

Does not include Florida or Louisiana. Excluded FDIC Options

¹ Includes 0.30% in servicing or 12b-1 fees; does not include possible sales charges

² Includes State subsidy

Dollar-based Annual Account Maintenance Fees

Plan	Residents	Non-Residents	Fee Recipient
Texas	\$60	--	NorthStar
National ABL Alliance ¹	\$55-60	\$60	Ascensus and State
New York	\$55	Same	Unclear
Michigan	\$45	Same	Unclear
Nebraska Partnership	\$45	Same	Unclear
Virginia – ABLEnow	\$39	Same	PNC
<i>California</i>	<i>\$37</i>	<i>Same</i>	<i>TIAA</i>
Oregon Partnership	\$35	Same	Sunday - \$27, OR - \$3, MD - \$5, WA - \$5
Ohio Partnership	\$30	\$42	Intuition
Virginia – ABLEAmerica ²	\$10	Same	American Funds
Florida / Louisiana / Massachusetts / Tennessee	--	--	--

Source: Program Disclosure Statements available as of January 7, 2019

¹ Assuming \$60, split is \$5 to State and \$55 to Ascensus. Account maintenance fees reduced by \$15 for e-delivery

² This fee is waived indefinitely (this mirrors CollegeAmerica, the Virginia 529 Advisor Plan managed by American Funds)