



NC ALE

National ALE Alliance Member





Key Stepping Stones on the NC ABLE Timeline

December 2014 – Federal Achieving a Better Life Experience Act (ABLE Act), sponsored by NC Senator Richard Burr, signed into law by the President

August 2015 – NC Achieving a Better Life Experience Act (ABLE Act) signed into law by Governor Pat McCrory

February 2016 – NC ABLE Program Board of Trustees (Board) appointed

Spring 2016 – The Board engages outside expertise of AKF Consulting to research and provide detailed analysis to the NC ABLE Board of Trustees and the Department of State Treasurer (DST) with regard to the optimal structural options for implementation, administration and management of North Carolina's ABLE Program.

Summer 2016 – AKF Consulting and DST staff conducts comparative analysis of program structure options and detailed exploration of the national ABLE landscape.

Summer 2016 – NC General Assembly confirms NC ABLE Program Trust budget for recurring and non-recurring appropriations through Fiscal Year 2016 / 2017. The Illinois Office of State Treasurer selects Ascensus College Savings as the vendor for the multi-state Consortium after a competitive procurement process. Illinois becomes the lead state for the Consortium.

October 2016 – Comparative analysis report and recommendation presented to the NC ABLE Program Board of Trustees. Board makes determination to join the national multi-state ABLE Consortium.

November 2016 – Illinois and Ascensus become the parties to a Master Agreement, which details the services that Ascensus will provide to the multi-state ABLE Consortium as a whole.

December 2016 – DST staff provide update to the NC General Assembly – Joint Legislative Oversight Committee on General Government

January 2017 – Launch of NC ABLE



What is the National ABLE Alliance?

The National ABLE Alliance (formerly the "Consortium") was developed to allow each state to implement its own ABLE program, regardless of its individual state appropriation; by combining the resources of all the states to take advantage of the economies of scale that bring down costs for participants.

The Alliance Member States:

North Carolina, Alaska, Missouri, Pennsylvania, Kansas, Rhode Island, Illinois, Iowa, Nevada, New Jersey, Minnesota, Montana and Arizona.

New states can be admitted to the Alliance upon a unanimous vote of current Member States.

Governance: Each state has one vote in matters affecting the Alliance.



Three Implementation Stages of ABLE

Master Agreement:

Parties: Illinois (as lead state for the Consortium) and Ascensus. The remaining Consortium states, and any future states who join, are third party beneficiaries of the Agreement.

Purpose: This Agreement details the program services Ascensus will provide to all Member States of the Consortium, including investment management, administrative and customer service.

Execution: This contract was executed on December 6, 2016.

Trust Agreement:

Parties: The Consortium states, Ascensus College Savings, and Ascensus Investment Advisors.

Purpose: This structure will allow each state to operate as a "series" of the trust, whose account is completely separate from the other states at the recordkeeping level. However, the assets will be aggregated at the trading level to achieve the needed economies of scale sought by the Consortium states.

Execution: This agreement was executed on December 9, 2016.

Implementing Agreement:

Parties: NC Department of State Treasurer, on behalf of the NC ABLE Program Board of Trustees, and Ascensus College Savings Recordkeeping Services

Purpose: The purpose of the Implementing Agreement is to address North Carolina-specific terms and legal requirements that are not addressed by the Master Agreement.

Execution: Subject to NC ABLE Program Board of Trustees approval

NOTE: All contracts are incorporated by reference into each other.



NC ABLE Fiduciary Duties

As an NC ABLE Program Trustee, you must exercise:

- A duty of care
- A duty of loyalty, and
- Act at all times in the best interest of the NC ABLE Program beneficiaries (account owners)

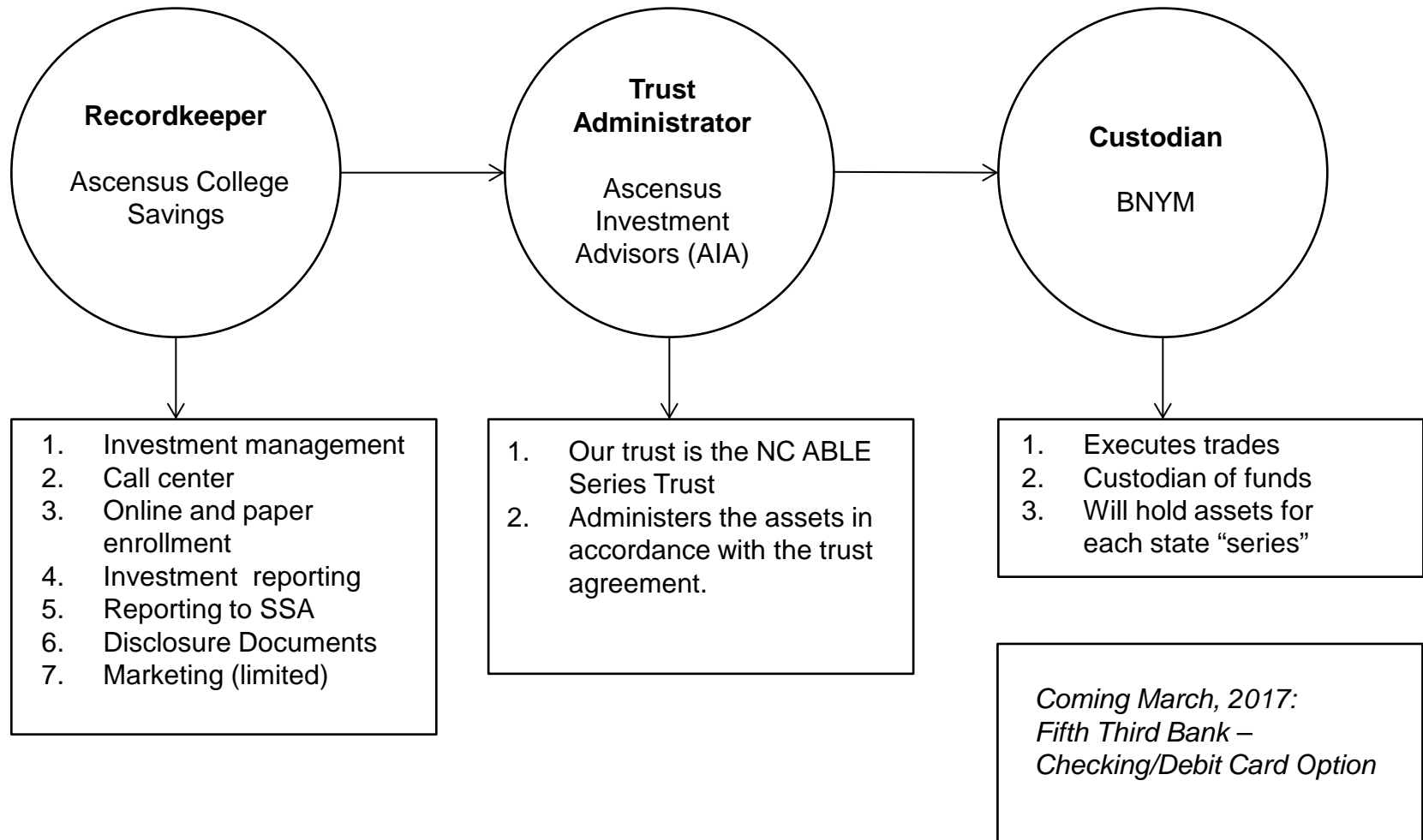
You will be responsible for:

- Evaluating the investment funds' performance
- Monitoring the fees and costs of the investments

Operational tools to assist you:

- DST Staff, who will be responsible for the day-to-day oversight of the program
- Reports from Ascensus on a monthly, quarterly, calendar-year-end, and fiscal year end basis
- Ascensus will attend quarterly NC ABLE Program Board of Trustees meetings to give status reports on the program and address concern and issues.

NC ABLE Vendors



NC ABLE Program Investment Lineup

National ABLE Alliance - Target Risk Investment Lineup

Asset Class	Underlying Investment Product	Ticker of Underlying Product	Morningstar Rating	Net Expense Ratio	Investment Portfolio Options					
					Aggressive	Moderately Aggressive	Growth	Moderate	Moderately Conservative	Conservative
U.S. Large Cap	Vanguard Institutional Index Fund - Institutional Plus Shares	VIIIX	5 Star /Gold	0.02%	31.50%	26.25%	21.00%	15.75%	10.50%	3.50%
U.S. Small & Mid Cap	Vanguard Extended Market Index Fund - Institutional Plus Shares	VEMPX	4 Star /Gold	0.05%	27.00%	22.50%	18.00%	13.50%	9.00%	3.00%
Non - U.S. Multi Cap	iShares Core MSCI EAFE ETF	IEFA	5 Star	0.08%	16.20%	13.50%	10.80%	8.10%	5.40%	1.80%
Emerging Markets	Schwab Emerging Markets Equity ETF	SCHE	3 Star	0.13%	6.30%	5.25%	4.20%	3.15%	2.10%	0.70%
REITs	Schwab U.S. REIT ETF	SCHH	4 Star /Gold	0.07%	9.00%	7.50%	6.00%	4.50%	3.00%	1.00%
Total Equity					90.00%	75.00%	60.00%	45.00%	30.00%	10.00%
U.S. Core Bond	Vanguard Total Bond Market Index Fund - Institutional Plus Shares	VBMPX	3 Star / Silver	0.04%	3.00%	7.50%	12.00%	16.50%	13.50%	9.0%
Short - Term Investment Grade	Vanguard Short-Term Bond Index Fund - Institutional Plus Shares	VBIPX	3 Star / Silver	0.04%	2.50%	6.25%	10.00%	13.75%	11.25%	7.5%
Short - Term Inflation Protected Bond	Vanguard Short-Term Inflation-Protected Securities Index Fund - Admiral Shares	VTAPX	2 Star	0.08%	3.50%	8.75%	14.00%	19.25%	15.75%	10.5%
International Bond	iShares® Core International Aggregate Bond ETF	IAGG	5 Star	0.09%	1.00%	2.50%	4.00%	5.50%	4.50%	3.0%
Total Fixed Income					10.00%	25.00%	40.00%	55.00%	45.00%	30.00%
Cash	Sallie Mae High Yield FDIC			0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	60.00%
Total Allocation					100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Portfolio Underlying Expenses					0.05%	0.05%	0.06%	0.06%	0.04%	0.02%

The ABLE Program Board of Trustees

The Board of Trustees is to “provide oversight of the general administration and proper operation of the ABLE Program and to determine the appropriate investment strategy for the ABLE Program Trust.”



Treasurer Dale R. Folwell, CPA



Ben Wright
*Appointed by the
President Pro
Tempore*



Dale Armstrong



Melinda Plue
*Appointed by the
Speaker of the House*



John Lyon
*Appointed by the
Governor*



Ray Grace