

WHAT TYPE OF INVESTOR ARE YOU?



Whether you are the IL ABLE Account Owner or an Authorized Individual, you have choices about how to allocate money in an IL ABLE Account. There are seven Investment Options: six Target Risk Options and the Checking Account Option.



ASK YOURSELF THESE QUESTIONS TO HELP YOU DECIDE:

1

WHAT QUALIFIED DISABILITY EXPENSES DO YOU WANT TO SAVE FOR?

- Ongoing expenses that require easy access to funds on a regular basis?
Example: Weekly therapy or extra job coaching.
- Emergency expenses that the Account Owner may have?
Example: Unexpected dental work that is not covered by an insurance plan or benefits.
- A more expensive item that may require a longer savings timeline?
Example: A new place to live or an accessible vehicle.

All of the above? IL ABLE Accounts can be used to save for Qualified Disability Expenses related to daily living, emergencies, future expenses, or for a combination of all of these.

2

WHEN WILL THE MONEY BE NEEDED BY THE ACCOUNT OWNER?

- What expenses does the Account Owner have today, tomorrow, next week or next month?
These are called **short-term expenses**.
- What expenses does the Account Owner have coming down the road, perhaps in 1-3 years?
These are called **medium-term expenses**.
- What expenses will the Account Owner have in the next four years or longer?
These are called **long-term expenses**.

When thinking of saving and investing, think about the short-term, medium-term, and long-term Qualified Disability Expenses that the Account Owner may have. This can help you decide whether the Target Risk Options, Checking Account Option, or a combination, are right for the IL ABLE Account.

3

WHAT IS RISK?

Risk is any uncertainty in the financial markets, now or in the future, that has the potential to negatively affect the money invested. When money is invested in the Target Risk Options, the investment values might rise or fall because of changes in market conditions, which means that the Account balance could increase or decrease. In the Checking Account Option, funds are insured by the Federal Deposit Insurance Corporation (FDIC) and are not exposed to market fluctuations.

4

WHAT IS RISK TOLERANCE?

As the Account Owner or Authorized Individual, ask yourself, "How will I feel if the value of the IL ABLE Account balance changes because financial markets are going up or going down?" Your answer to this question will help you determine your "risk tolerance" related to the IL ABLE Account. This means the degree to which you, the Account Owner (the investor) or the Authorized Individual, are comfortable with the invested money increasing or decreasing in value because of fluctuations in the financial markets.

Think about the short-term, medium-term, and long-term Qualified Disability Expenses that you are saving for and decide when the money in the IL ABLE Account will be needed. This will help you decide what your risk tolerance is for the IL ABLE Account and will influence which IL ABLE Investment Option, or options, you choose.



MATCH YOUR INVESTMENT CHOICES WITH THE ACCOUNT OWNER'S NEEDS, TIMING, AND RISK TOLERANCE.

Below are **three examples** of how some hypothetical Account Owners and Authorized Individuals go through the process of matching their needs with their timing and risk tolerance in making their Target Risk Investment and/or Checking Account Option choices:

JOHN NEEDS A NEW COMPUTER.



John's short-term goal is to save enough money to buy a computer at the end of the year. He will not be comfortable with the possibility of the value of his investment going down between now and the time he buys the computer. John's risk tolerance could be described as low. Based on his needs, timing and risk tolerance, John is considering the **Conservative Investment Option**, the **Moderately Conservative Investment Option**, and the **Checking Account Option**.

ANNE WANTS A NEW ACCESSIBLE VEHICLE IN A FEW YEARS.



Anne's goal is to buy a new accessible vehicle in about three years, and she wants to begin saving for it now. She hopes to see the value of her investment grow steadily so that she can help pay for a new accessible vehicle but understands that this is not guaranteed. Anne decides that she has moderate risk tolerance for the potential ups and downs of the financial markets and that a combination of stocks and bonds will best fit her needs, timing, and risk tolerance. Anne is considering investing in the **Moderate Investment Option**, **Growth Investment Option**, **Moderately Aggressive Investment Option**, or a **combination of those options**.

LISA'S PARENTS ARE INVESTING FOR DOWN THE ROAD.



Lisa is a toddler with a disability whose parents – the Authorized Individuals - want to grow her IL ABLE Account to use after she finishes high school. Lisa's parents are comfortable with potentially big swings in the financial markets and know that prices may fluctuate over the long-term. Lisa's parents consider themselves to have high risk tolerance related to Lisa's IL ABLE Account. They are considering investing funds in the **Moderately Aggressive Investment Option** or the **Aggressive Investment Option**, where there is a higher chance of fluctuation in the Account value both up and down, but also a higher chance of returns over the long term.

FOR MORE INFORMATION ABOUT RISK AND RISK TOLERANCE, CONSULT A FINANCIAL ADVISOR.

The Illinois Achieving a Better Life Experience ("IL ABLE") plan is sponsored by the State of Illinois and administered by the Office of the Illinois State Treasurer ("Treasurer"). IL ABLE is designed to be a qualified ABLE plan offered as part of the National ABLE Alliance. Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping, and administrative services for the IL ABLE plan.

Accounts in the IL ABLE plan are not guaranteed or insured by the State of Illinois, the Treasurer, the Trust, IL ABLE, the Program Manager, or any other entity (except as provided in the Plan Disclosure Booklet solely with respect to the FDIC-insured Checking Account Option). An Account Owner could lose money by investing in the IL ABLE plan. The Checking Account Option offers FDIC insurance up to \$250,000, subject to certain restrictions. Interests in IL ABLE are municipal securities and the value of the Account will vary with market conditions and the performance of the investment options you choose.

An investor should consider investment objectives, as well as the risks, charges, and expenses associated with an investment in the IL ABLE plan before investing. This and other important information are contained in the Plan Disclosure Booklet, which can be obtained at <http://illinoisable.com> or by calling (888) 609-8683. You should carefully read the Plan Disclosure Booklet before investing.

Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences. Participation in the IL ABLE plan does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover Qualified Disability Expenses or that an Account Owner is eligible to participate in the IL ABLE plan.

Before investing in any ABLE plan, you should consider whether the state in which you reside and/or pay taxes offers an ABLE plan with favorable state tax incentives or other benefits that are only available through investment in that state's ABLE plan. You also should consult your financial, tax, or other adviser to learn more about how state-based benefits, or any limitations, would apply to your specific circumstances.

This material is provided for general and educational purposes only, and is not intended to provide legal, tax, or investment advice or for use to avoid penalties that may be imposed under federal or state tax laws. This material is not an offer to sell or a solicitation of an offer to buy any securities. Testimonials may not be representative of the experience of other customers as past performance or success is not a guarantee of future performance or success. Capitalized terms not otherwise defined in this material have the meaning attributed to them in the Plan Disclosure Booklet. Information subject to change without prior notice.

Investments are not FDIC-Insured (except for the Checking Account Option). No Bank, State, or Federal Guarantee. May Lose Value.



Printed by the authority of the State of Illinois GR-1221-02
DATE # copies KR