

A photograph of a woman with blonde hair tied up, wearing a white shirt and a dark vest, leaning over a young girl with brown hair in a ponytail and glasses. They are both looking at a laptop screen. The background is a bright, out-of-focus office or classroom setting.

National ABLE Alliance

Q1 2021 Quarterly Investment Review
May 3, 2021

Presented by:

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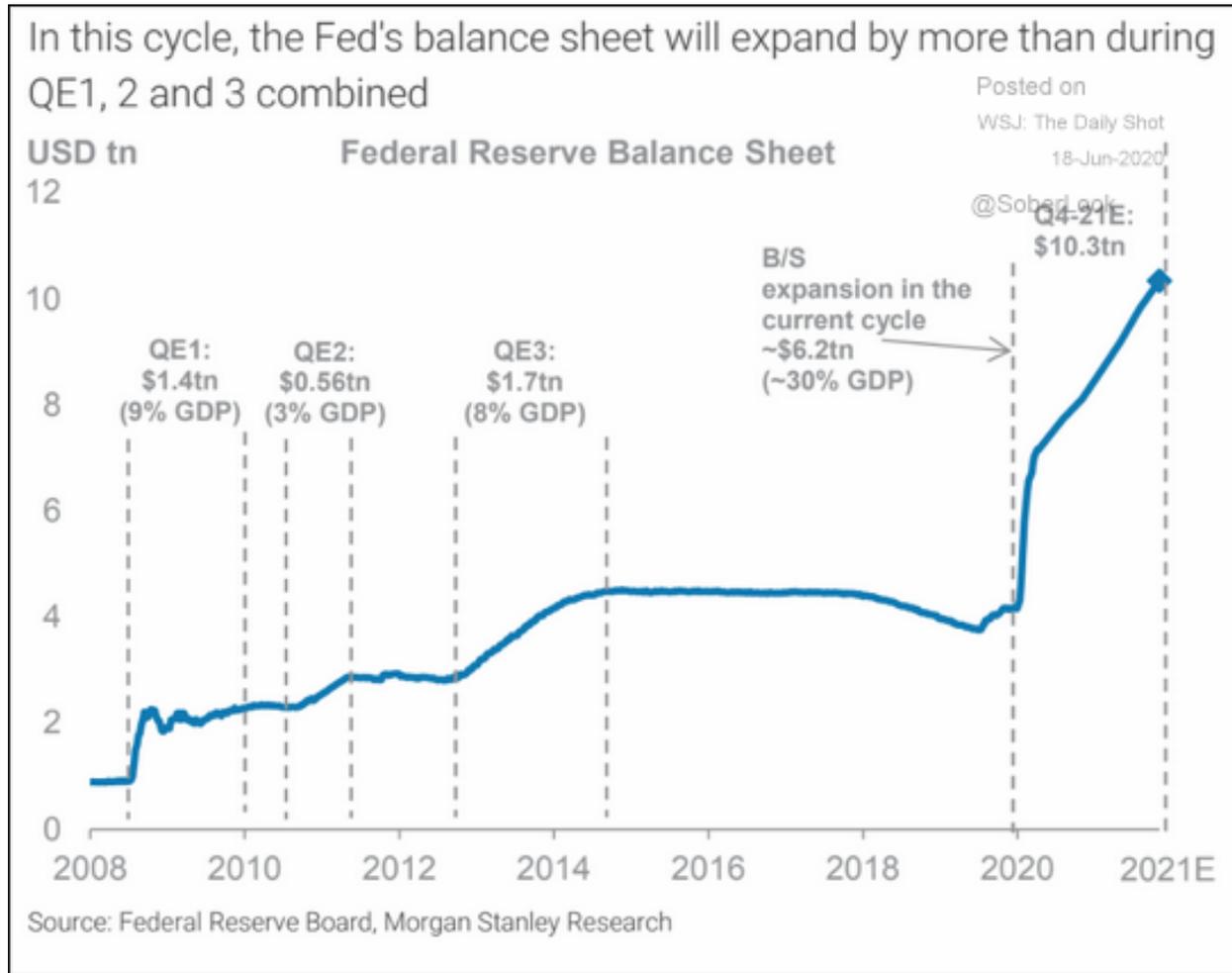
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ABLE Alliance

A person is shown from the chest down, wearing a dark, short-sleeved shirt. They are seated at a desk, holding a pen in their right hand and writing on a document. Their left hand is resting on the desk. The entire scene is overlaid with a semi-transparent blue filter. The text "Market Review" is centered in white, bold font.

Market Review

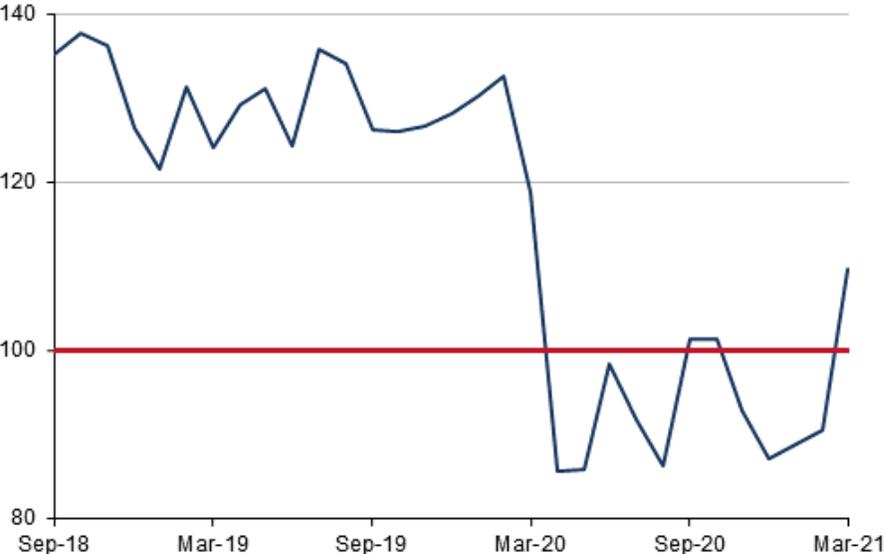
Federal Reserve Bank stimulus

Economy and market being bolstered by liquidity in market



U.S. Consumer Confidence

United States Consumer Confidence Chart

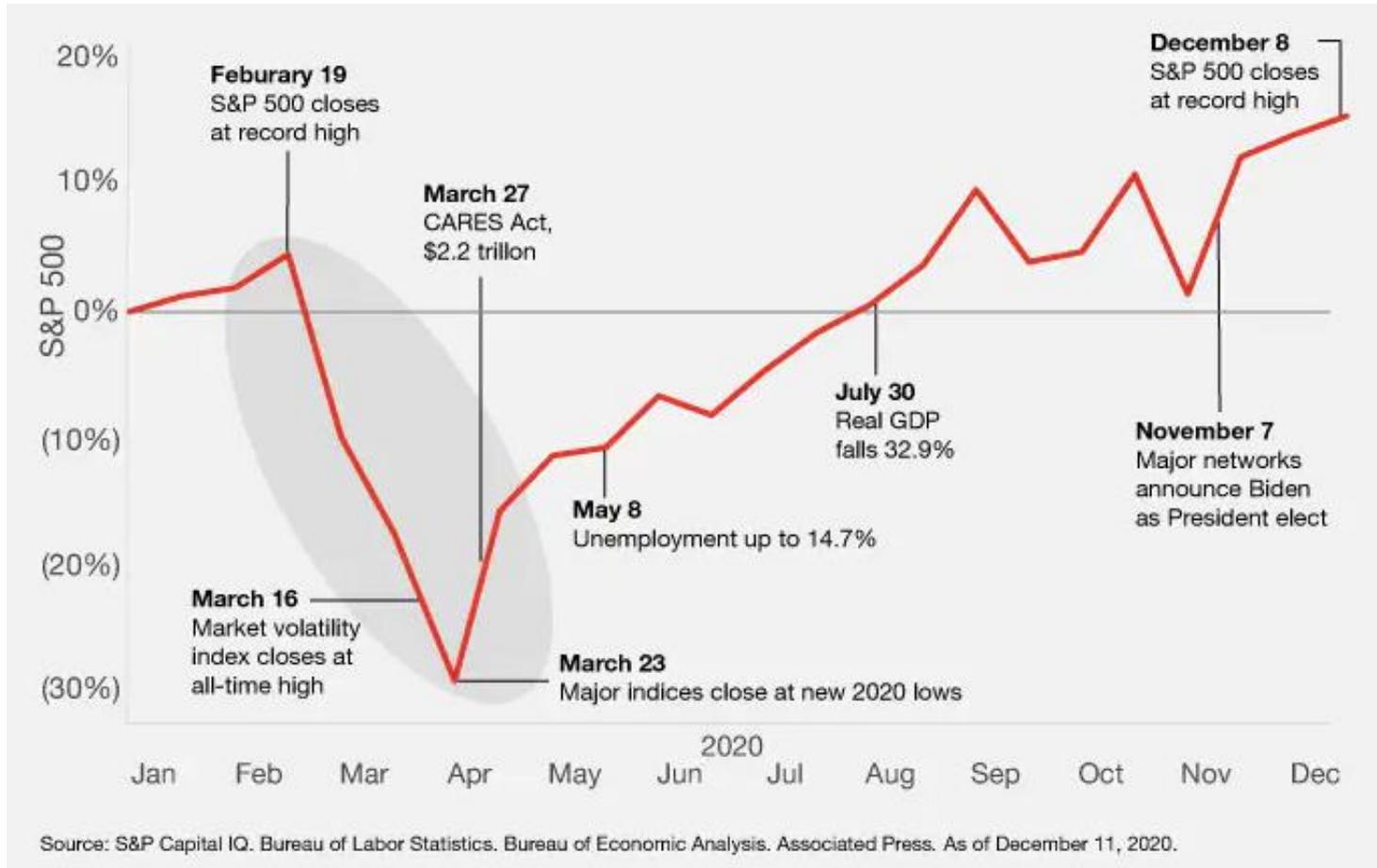


Note: Consumer Confidence Index.

Source: The Conference Board.

2020 Market Returns

S&P 500 up 18.4% in 2020 during a volatile year



U.S. Equity Returns

Name	2019	2020	March 31, 2021				
			Q1	1 Year	3 Year	5 Year	10 Year
S&P 500	31.49	18.40	6.17	56.35	16.78	16.29	13.91
NASDAQ Index	36.69	44.92	2.95	73.40	24.54	23.44	18.22
Large Growth	36.39	38.49	0.94	62.74	22.80	21.05	16.63
Large (All)	31.43	20.96	5.91	60.59	17.31	16.66	13.97
Large Value	26.54	2.80	11.26	56.09	10.96	11.74	10.99
Small Growth	28.48	34.63	4.88	90.20	17.16	18.61	13.02
Small (All)	25.52	19.96	12.70	94.85	14.76	16.35	11.68
Small Value	22.39	4.63	21.17	97.05	11.57	13.56	10.06

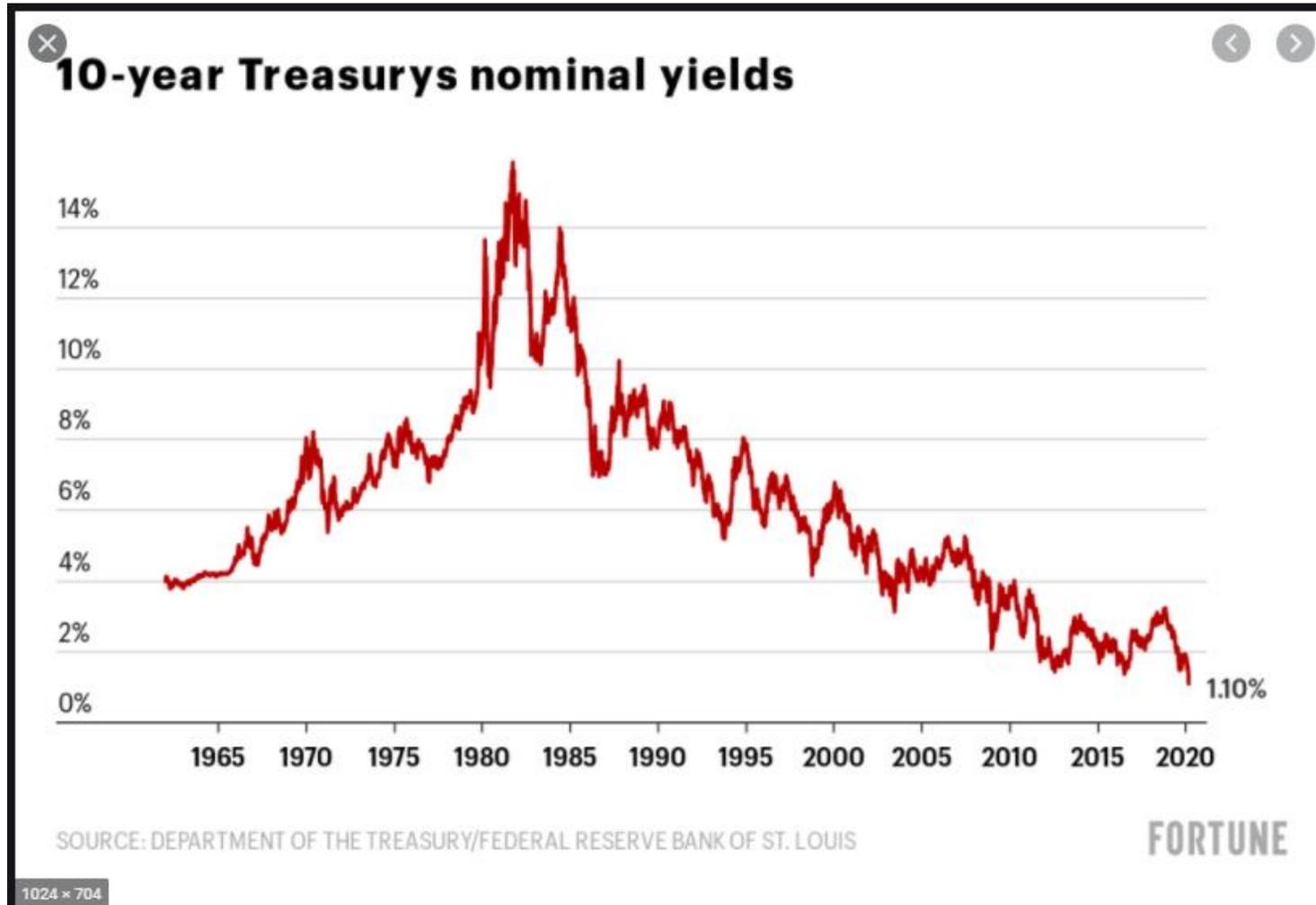
- Primary drivers of 2020 performance were software, internet retail, semiconductors and commodities driven by stay at home orders and the associated uptick in technology use.
 - 2020 losers were energy, financial institutions, real estate, aerospace.
- Significant turnaround in Q1,2021 when financials, industrials, real estate led as tech took a breather and market started to sense opening up
- These tend to even out over time and this impacts our fund construction

Non – U.S. Equity Returns

	2019	2020	March 31, 2021				
			Q1	1 Year	3 Year	5 Year	10 Year
Developed Markets	22.66	8.28	3.60	45.15	6.54	9.37	6.02
Emerging Markets	18.90	18.69	2.34	58.92	6.87	12.48	4.02
United Kingdom	23.10	-8.49	6.52	39.43	1.82	4.97	4.05
China	23.66	29.67	-0.43	43.81	8.41	16.29	7.49

- International returns were led by emerging markets
 - Emerging markets led by China and other Eastern Asia countries – new economy, resilience to crisis
 - Emerging markets exhibit more volatility, but appropriate in the aggressive models for investors with longer time horizons
- Developed markets hurt by UK returns during 2020
 - Reversal during Q1

U.S. Interest Rate History



Fixed Income Returns

	2019	2020	March 31, 2021				
			Q1	1 Year	3 Year	5 Year	10 Year
Total U.S. Bond Market	8.87	7.75	-3.56	0.72	4.69	3.14	3.47
Short - Term U.S. Bond Market	5.01	4.71	-0.57	1.90	3.66	2.33	2.10
U.S. Inflation-Protected Bonds	4.85	5.07	1.07	6.92	3.78	2.67	1.69
Global Bonds	8.31	4.70	-2.14	1.85	4.25	3.60	4.56

- Strong fixed income returns have been driven by declines in interest rates
 - Bond value increase when rates go down
- During Q1, rates rose and turned most bond returns negative
- At historically low interest rates, we are positioned with shorter duration which isn't hurt as much by higher rates



Investment Philosophy

AIA Investment Philosophy

- Provide broadly diversified, low cost, static investment portfolios that balance potential capital growth with appropriate risk levels
- Provide enough portfolios that account owners have options but are not overwhelmed by choices
 - Static versus roll down; account owners have less definite time horizons
 - More aggressive options include more equity
 - Generally provide more return over time with more volatility for account owners with longer horizons and tolerance for risk
- Use passively managed products for lower price points and to ensure complete diversification
 - Passive products have full market exposure at all times
 - Account owners generally don't have the benefit of an advisor to monitor active products

AIA Portfolio Construction

- Portfolios generally reflect the overall market for diversification(with exceptions)
 - Use underlying indexes that do not make style bets – Value or Growth
 - Do not incorporate short/medium term market opinions in portfolios
 - Portfolios incorporate some broad based biases

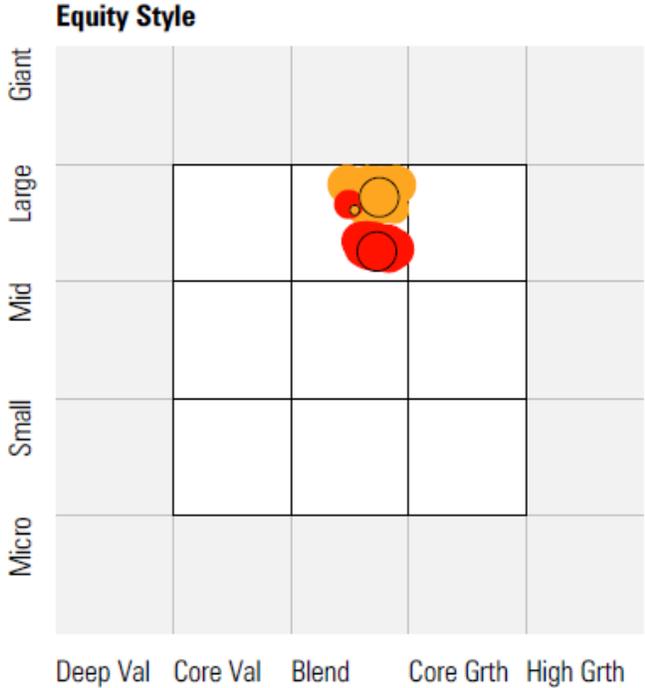
- Examples of longer term view points expressed in portfolios
 - Slight bias towards U.S. equities
 - Longer term views do include a bias towards shorter-duration to protect against interest rate increases
 - Above market weight in real estate adds stability to portfolio

AIA Examples of Portfolio Construction Decisions

- Equity Style Analysis

Market Capitalization

Style and Sector Trails

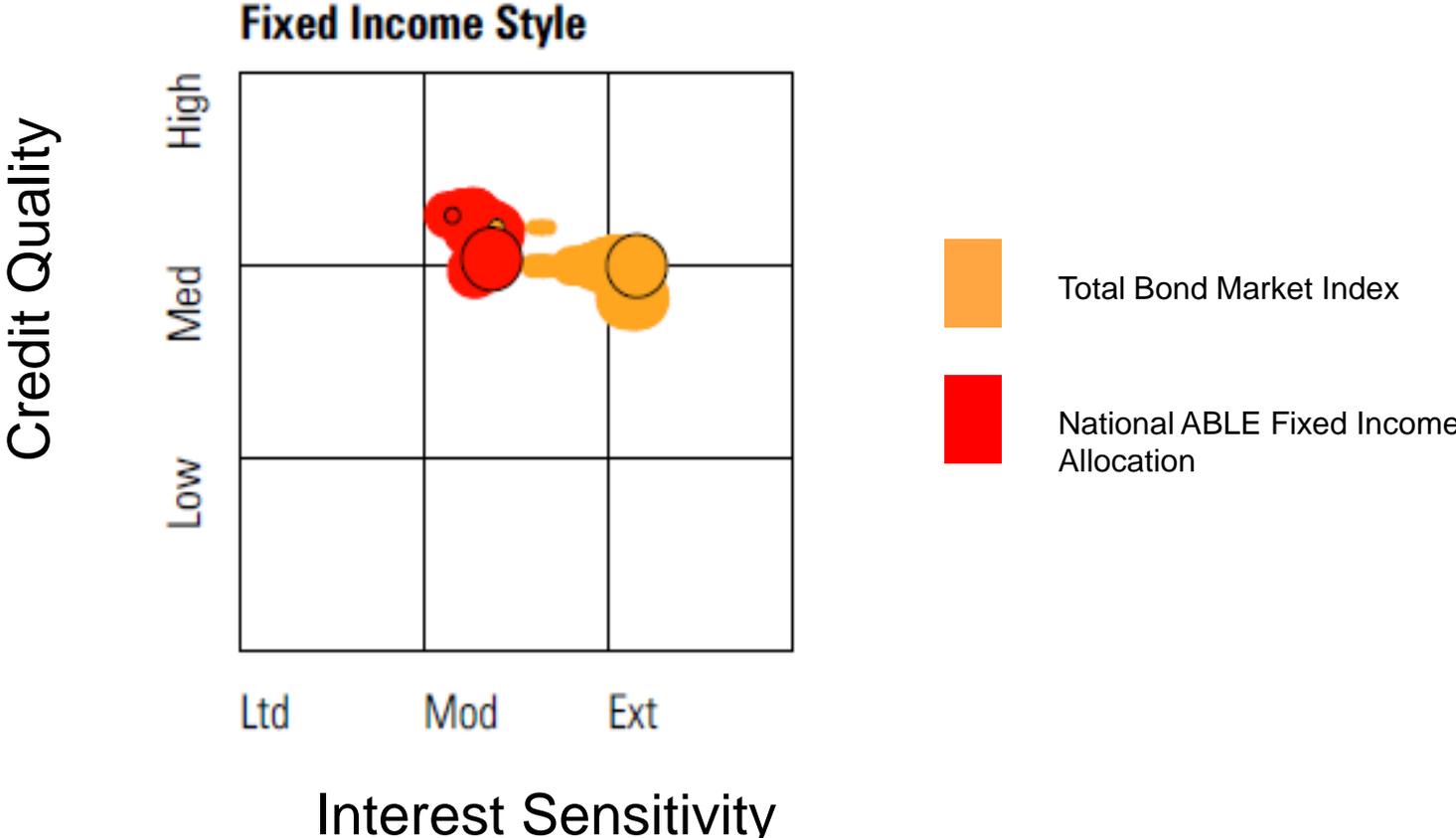


Russell 3000 Index
National ABL Equity Allocation

Investment Style

AIA Examples of Portfolio Construction Decisions

- Fixed Income Style Analysis



AIA Investment Monitoring and Reporting

- Annual fee analysis to ensure lowest price products being offered to investor
 - ABLE plan has access to lower priced Vanguard products due to overall AIA usage of Vanguard products
- Benchmark study to assess appropriateness of products
 - Optimization work to validate allocations
 - In 2020, real estate product changed benchmark
- Monitoring & Due Diligence
 - Monthly monitoring utilizing a Stop Light methodology
 - Quarterly Ascensus Investment Committee meetings
 - Due Diligence meetings with investment managers
 - On-Going Due Diligence Questionnaire completed by Ascensus Compliance team
 - Comprehensive Investment Reviews



Quarterly Investment Review Plan Review

National ABLA Alliance – Plan Review

As of March 31, 2021

Past Performance is not indicative of future results

Total Market Value: \$ 169,678,101

<u>Fund Name</u>	<u>Market Value</u>	<u>% of Plan</u>	<u>1 Month</u>	<u>3 Months</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Inception</u>	<u>Inception Date</u>
Aggressive Option	\$ 23,182,668	13.66%	2.04	5.56	5.56	55.21	12.37			12.42	12/15/16
ABLE Aggressive Custom Benchmark			1.97	5.45	5.45	56.59	12.96			13.04	
Variance			0.07	0.11	0.11	(1.38)	(0.59)			(0.62)	
Moderately Aggressive Option	\$ 20,014,489	11.80%	1.62	4.40	4.40	45.04	11.14			11.00	12/15/16
ABLE Moderately Aggressive Custom Benchmark			1.61	4.37	4.37	46.68	11.85			11.67	
Variance			0.01	0.03	0.03	(1.64)	(0.71)			(0.67)	
Growth Option	\$ 24,658,347	14.53%	1.23	3.29	3.29	35.54	9.83			9.49	12/15/16
ABLE Growth Custom Benchmark			1.25	3.29	3.29	37.21	10.58			10.20	
Variance			(0.02)	(0.00)	(0.00)	(1.67)	(0.75)			(0.71)	
Moderate Option	\$ 18,609,278	10.97%	0.87	2.20	2.20	26.80	8.43			7.99	12/15/16
ABLE Moderate Custom Benchmark			0.88	2.22	2.22	28.17	9.17			8.64	
Variance			(0.01)	(0.02)	(0.02)	(1.37)	(0.74)			(0.65)	
Moderately Conservative Option	\$ 14,059,928	8.29%	0.55	1.43	1.43	17.88	6.33			5.90	12/15/16
ABLE Moderately Conservative Custom Benchmark			0.57	1.40	1.40	18.61	6.93			6.43	
Variance			(0.02)	0.03	0.03	(0.73)	(0.60)			(0.53)	
Conservative Option	\$ 23,654,109	13.94%	0.18	0.35	0.35	6.45	3.38			3.06	12/15/16
ABLE Conservative Custom Benchmark			0.15	0.32	0.32	6.57	3.71			3.34	
Variance			0.03	0.03	0.03	(0.12)	(0.33)			(0.28)	
Checking Option	\$ 45,499,282	26.82%									03/30/17

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Committee

A family consisting of a man, a woman, and a young child are walking through a grassy field. In the background, there is a calm lake and some trees. The entire scene is overlaid with a semi-transparent blue filter. The text 'Underlying Investment Product Review' is centered over the image in a white, bold, sans-serif font.

Underlying Investment Product Review

Underlying Product Investment Review

As of March 31, 2021

Underlying Fund Name	Underlying Fund Expense	Total Ret 3 Mo	Total Ret YTD	Total Ret 1 Yr	Total Ret Annlzd 3 Yr	Total Ret Annlzd 5 Yr	Total Ret Annlzd 10 Yr
Vanguard Institutional Index Fund - Institutional Plus	0.02%	6.18%	6.18%	56.37%	16.78%	16.29%	13.91%
S&P 500 TR USD		6.17%	6.17%	56.35%	16.78%	16.29%	13.91%
Performance Variance		0.01%	0.01%	0.02%	0.00%	0.00%	0.00%
Vanguard Extended Market Index Fund - Instl Plus Shares	0.04%	7.79%	7.79%	97.96%	18.22%	18.03%	13.18%
S&P Completion TR USD		7.75%	7.75%	97.84%	18.06%	17.89%	13.04%
Performance Variance		0.04%	0.04%	0.12%	0.16%	0.14%	0.14%
iShares Core MSCI EAFE ETF	0.07%	3.72%	3.72%	47.19%	6.31%	9.30%	
MSCI EAFE IMI NR USD		3.63%	3.63%	46.95%	6.06%	9.09%	
Performance Variance		0.09%	0.09%	0.24%	0.25%	0.21%	
Schwab Emerging Markets Equity ETF	0.11%	2.64%	2.64%	55.44%	6.49%	11.49%	3.41%
FTSE Emerging NR USD		2.79%	2.79%	56.16%	6.68%	11.65%	3.59%
Performance Variance		-0.15%	-0.15%	-0.72%	-0.19%	-0.16%	-0.18%
Schwab U.S. REIT ETF	0.07%	8.34%	8.34%	28.88%	5.47%	2.67%	7.17%
Schwab Spliced REIT Index		8.35%	8.35%	28.94%	5.49%	2.73%	7.26%
Performance Variance		-0.01%	-0.01%	-0.06%	-0.02%	-0.06%	-0.09%

Past Performance is not indicative of future results

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Underlying Product Investment Review

As of March 31, 2021

Underlying Fund Name	Underlying Fund Expense	Total Ret 3 Mo	Total Ret YTD	Total Ret 1 Yr	Total Ret Annlzd 3 Yr	Total Ret Annlzd 5 Yr	Total Ret Annlzd 10 Yr
Vanguard Total Bond Market Index Fund - Institutional Plus Shares	0.03%	-3.61%	-3.61%	0.56%	4.65%	3.09%	3.41%
Vanguard Spliced BBgBarc US Aggregate Index		-3.56%	-3.56%	0.72%	4.69%	3.14%	3.47%
Performance Variance		-0.05%	-0.05%	-0.16%	-0.04%	-0.05%	-0.06%
Vanguard Short-Term Bond Index Fund - Institutional Plus Shares	0.04%	-0.59%	-0.59%	1.82%	3.62%	2.28%	2.05%
Vanguard Spliced BBgBarc US 1-5 Yr Index		-0.57%	-0.57%	1.90%	3.66%	2.33%	2.10%
Performance Variance		-0.02%	-0.02%	-0.08%	-0.04%	-0.05%	-0.05%
Vanguard Short-Term Inflation-Protected Securities Index Fund - Instl Shares	0.04%	1.08%	1.08%	6.86%	3.75%	2.63%	
BBgBarc US TIPS 0-5 Year TR USD		1.07%	1.07%	6.92%	3.78%	2.67%	
Performance Variance		0.01%	0.01%	-0.06%	-0.03%	-0.04%	
iShares® Core International Aggregate Bond ETF	0.08%	-2.21%	-2.21%	1.73%	4.08%	3.45%	
BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD		-2.14%	-2.14%	1.85%	4.25%	3.60%	
Performance Variance		-0.07%	-0.07%	-0.12%	-0.17%	-0.15%	

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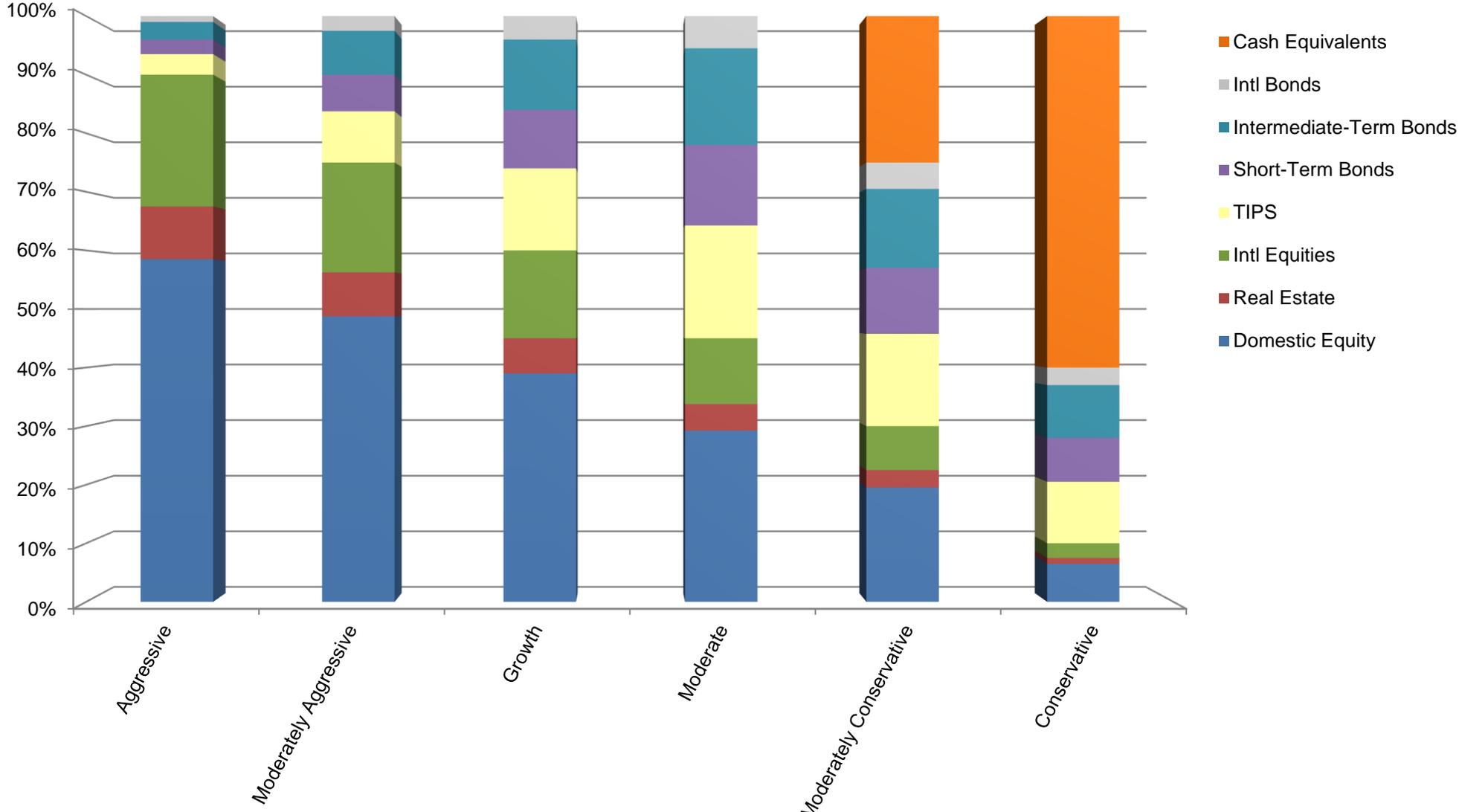
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Asset Allocation Review - Current Target Allocations

Asset Class	Underlying Investment	Ticker	Underlying Expense	National ABLE Alliance Target Asset Allocation					
				Aggressive	Moderately Aggressive	Growth	Moderate	Moderately Conservative	Conservative
U.S. Large Cap	Vanguard Institutional Index Fund - Institutional Plus	VIIIX	0.02%	31.50%	26.25%	21.00%	15.75%	10.50%	3.50%
U.S. Small & Mid Cap	Vanguard Extended Market Index Fund - Instl Plus Shares	VEMPX	0.04%	27.00%	22.50%	18.00%	13.50%	9.00%	3.00%
Non - U.S. Multi Cap	iShares Core MSCI EAFE ETF	IEFA	0.07%	16.20%	13.50%	10.80%	8.10%	5.40%	1.80%
Emerging Markets	Schwab Emerging Markets Equity ETF	SCHE	0.11%	6.30%	5.25%	4.20%	3.15%	2.10%	0.70%
REITs	Schwab U.S. REIT ETF	SCHH	0.07%	9.00%	7.50%	6.00%	4.50%	3.00%	1.00%
U.S. Core Bond	Vanguard Total Bond Market Index Fund - Institutional Plus Shares	VBMPX	0.03%	3.00%	7.50%	12.00%	16.50%	13.50%	9.00%
Short - Term Inv Grade	Vanguard Short-Term Bond Index Fund - Institutional Plus Shares	VBIPX	0.04%	2.50%	6.25%	10.00%	13.75%	11.25%	7.50%
Short - Term TIPS	Vanguard Short-Term Inflation-Protected Securities Index Fund - Instl	VTSPX	0.04%	3.50%	8.75%	14.00%	19.25%	15.75%	10.50%
International Bond	iShares® Core International Aggregate Bond ETF	IAGG	0.08%	1.00%	2.50%	4.00%	5.50%	4.50%	3.00%
Cash	Sallie Mae High Yield FDIC		0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	60.00%
Equity Allocation				90.00%	75.00%	60.00%	45.00%	30.00%	10.00%
Fixed Income Allocation				10.00%	25.00%	40.00%	55.00%	45.00%	30.00%
Cash Equivalent Allocation				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%
Underlying Expense				0.05%	0.05%	0.04%	0.04%	0.03%	0.02%

National ABLA Alliance – Asset Allocation of Risk Based Portfolios



Portfolio Benchmark Allocation Review

ABLE Consortium Custom Benchmarks

	Aggressive Custom Benchmark	Moderately Aggressive Custom Benchmark	Growth Custom Benchmark	Moderate Custom Benchmark	Moderately Conservative Custom Benchmark	Conservative Custom Benchmark
S&P 500 TR USD	31.50%	26.25%	21.00%	15.75%	10.50%	3.50%
S&P Completion TR USD	27.00%	22.50%	18.00%	13.50%	9.00%	3.00%
MSCI EAFE IMI NR USD	16.20%	13.50%	10.80%	8.10%	5.40%	1.80%
FTSE Emerging NR USD	6.30%	5.25%	4.20%	3.15%	2.10%	0.70%
Schwab Spliced REIT Index	9.00%	7.50%	6.00%	4.50%	3.00%	1.00%
Vanguard Spliced BBgBarc US Aggregate Index	3.00%	7.50%	12.00%	16.50%	13.50%	9.00%
Vanguard Spliced BBgBarc US 1-5 Yr Index	2.50%	6.25%	10.00%	13.75%	11.25%	7.50%
BBgBarc U.S. Treasury TIPS 0-5Y TR USD	3.50%	8.75%	14.00%	19.25%	15.75%	10.50%
BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD	1.00%	2.50%	4.00%	5.50%	4.50%	3.00%
BBgBarc US Treasury Bill 1-3 Mon TR USD	0.00%	0.00%	0.00%	0.00%	25.00%	60.00%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



Questions?

National ABLE Alliance

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