



National ABLE Alliance

Q4 2017 Quarterly Investment Review
March 2, 2018

Presented by:

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For Institutional Investor Use Only –
Prepared at the request of the National
ABLE Alliance



Agenda – Quarterly Investment Review

1. Quarterly Market Commentary

- Markets
- Economy

2. Performance Review and Evaluations

- Portfolio Performance
- Underlying Fund Performance

3. Appendix

- A. Asset Allocation of Risk-Based Portfolios
- B. Fact Sheets of Underlying Funds
- C. Biographies

A hand holding a smartphone, with a laptop keyboard visible in the background. The entire image is overlaid with a semi-transparent blue filter. Centered on the image is white text.

Quarterly Investment Review Economic Review

National ABLE Alliance – Economic Review

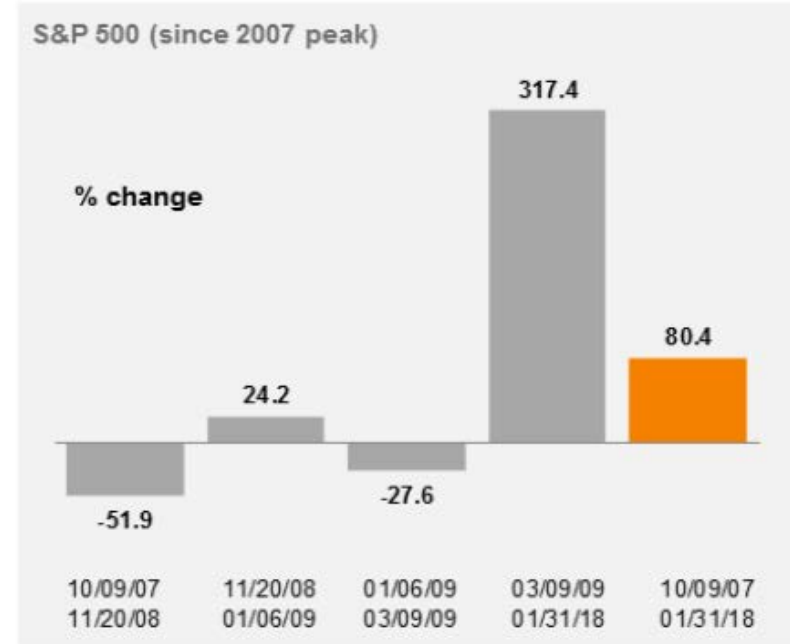
1. Domestic Equity
2. International Equity
3. Fixed Income
4. Economic Review
 - Unemployment
 - Consumer Confidence
 - Leading Indicators

National ABLE Alliance – Domestic Equity

Past Performance is not indicative of future results

Index	Dec-17	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	1 Year	3Year	5Year	10 Year
Broad Market															
DJ Industrial Average TR USD	10.96	28.11	28.11	16.50	0.21	10.04	29.65	10.24	8.38	14.06	22.68	28.11	14.36	16.37	9.28
S&P 500 TR USD	6.64	21.83	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	21.83	11.41	15.79	8.50
NASDAQ Composite TR USD	6.55	29.64	29.64	8.87	6.96	14.75	40.12	17.45	-0.83	18.02	45.32	29.64	14.72	19.40	11.26
Large Cap															
Russell 1000 TR USD	6.59	21.69	21.69	12.05	0.92	13.24	33.11	16.42	1.50	16.10	28.43	21.69	11.23	15.71	8.59
Russell 1000 Value TR USD	5.33	13.66	13.66	17.34	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	13.66	8.65	14.04	7.10
Russell 1000 Growth TR USD	7.86	30.21	30.21	7.08	5.67	13.05	33.48	15.26	2.64	16.71	37.21	30.21	13.79	17.33	10.00
Mid Cap															
Russell Mid Cap TR USD	6.07	18.52	18.52	13.80	-2.44	13.22	34.76	17.28	-1.55	25.48	40.48	18.52	9.58	14.96	9.11
Russell Mid Cap Value TR USD	5.50	13.34	13.34	20.00	-4.78	14.75	33.46	18.51	-1.38	24.75	34.21	13.34	9.00	14.68	9.10
Russell Mid Cap Growth TR USD	6.81	25.27	25.27	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38	46.29	25.27	10.30	15.30	9.10
Small Cap															
Russell 2000 TR USD	3.34	14.65	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	14.65	9.96	14.12	8.71
Russell 2000 Value TR USD	2.05	7.84	7.84	31.74	-7.47	4.22	34.52	18.05	-5.50	24.50	20.58	7.84	9.55	13.01	8.17
Russell 2000 Growth TR USD	4.59	22.17	22.17	11.32	-1.38	5.60	43.30	14.59	-2.91	29.09	34.47	22.17	10.28	15.21	9.19

National ABLE Alliance – S&P 500



Source: FactSet. Past performance is no guarantee of future results. Indices are unmanaged and not available for direct investment. Please review important disclosures in the back of this book.

National ABLF Alliance – International Equity

Past Performance is not indicative of future results

Index	Dec-17	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	1 Year	3Year	5Year
Global Markets														
MSCI EAFE Free GR USD	4.27	25.62	25.62	1.51	-0.39	-4.48	23.29	17.90	-11.73	8.21	32.46	25.62	8.30	8.39
MSCI EM GR USD	7.50	37.75	37.75	11.60	-14.60	-1.82	-2.27	18.63	-18.17	19.20	79.02	37.75	9.50	4.73
Regions														
MSCI Europe Ex UK GR USD	0.96	27.81	27.81	0.31	0.07	-5.84	28.74	22.54	-14.49	2.44	33.94	27.81	8.66	9.24
MSCI UK All Cap NR USD	5.82	23.81	23.81	-1.67	-5.35	-5.45	22.90	17.39	-3.85	10.96	46.01	23.81	4.84	6.01
MSCI Pacific Ex Japan GR USD	7.05	26.04	26.04	8.00	-8.35	-0.34	5.62	24.74	-12.67	17.07	73.04	26.04	7.65	5.60
MSCI Japan GR USD	8.52	24.39	24.39	2.73	9.90	-3.72	27.35	8.36	-14.19	15.59	6.39	24.39	11.98	11.48
MSCI China GR USD	7.62	54.33	54.33	1.11	-7.62	8.26	3.96	23.10	-18.24	4.83	62.63	54.33	12.96	10.16
S&P 500 TR USD	6.64	21.83	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	21.83	11.41	15.79

National ABL Alliance – International Economics

Countries	GDP			Trade (% of GDP)	Demographics		
	USD (Billions)	Per Capita	1-Yr Change	Exports	Population (Millions)	Unemployment %	Median Age
Developed Markets							
U.S.	19,500.6	15.1	2.3%	7.4%	327	4.1	37
Germany	3,872.5	12.0	2.8%	34.4%	82	3.7	45
Canada	1,711.4	11.6	3.0%	22.8%	36	5.9	41
U.K.	2,671.3	10.3	1.7%	15.3%	63	4.9	40
Eurozone	11,589.2	10.0	2.6%	19.5%	340	8.8	
Japan	4,949.7	9.6	2.1%	13.0%	127	2.7	45
Ireland	323.5	18.6	10.4%	40.6%	5	6.1	35
France	2,699.0	10.3	2.3%	18.6%	65	9.8	40
Emerging Markets							
Brazil	2,076.7	2.5	1.4%	13.0%	206	13	29
Russia	1,630.1	3.1	1.8%	17.5%	147	5.1	39
India	2,502.8	0.5	6.3%	10.6%	1,324	5	26
China	11,201.1	2.5	6.8%	19.1%	1,383	4.0	36
Mexico	1,221.3	2.3	1.6%	30.6%	128	3.5	27

Younger demographics in emerging countries

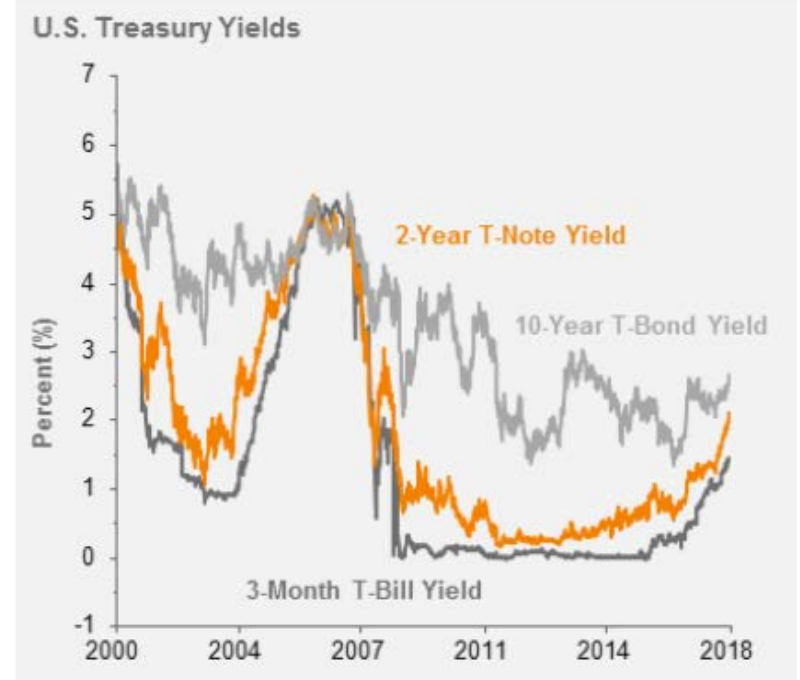
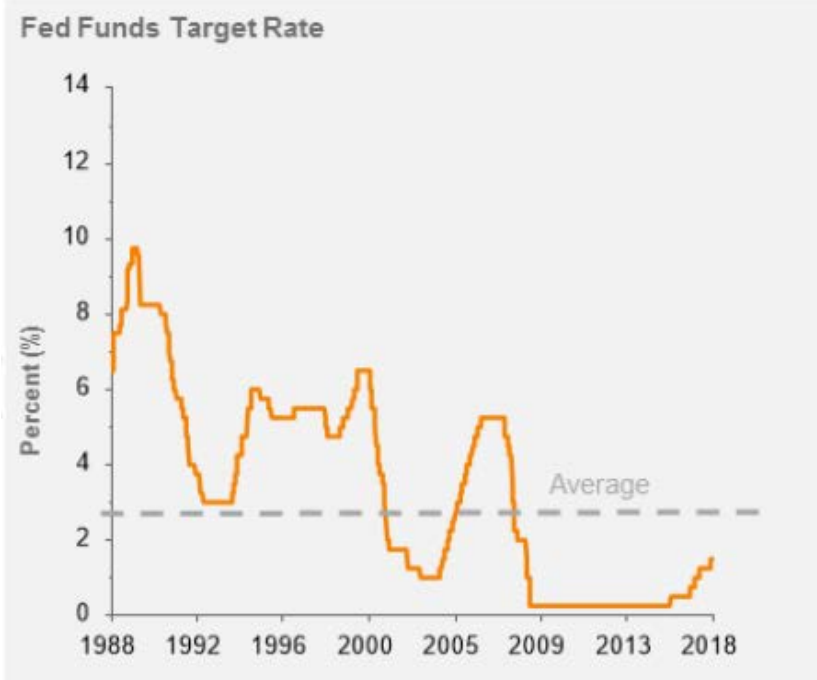
Source: FactSet. Data are most recent available.

National ABLE Alliance – Fixed Income

Past Performance is not indicative of future results

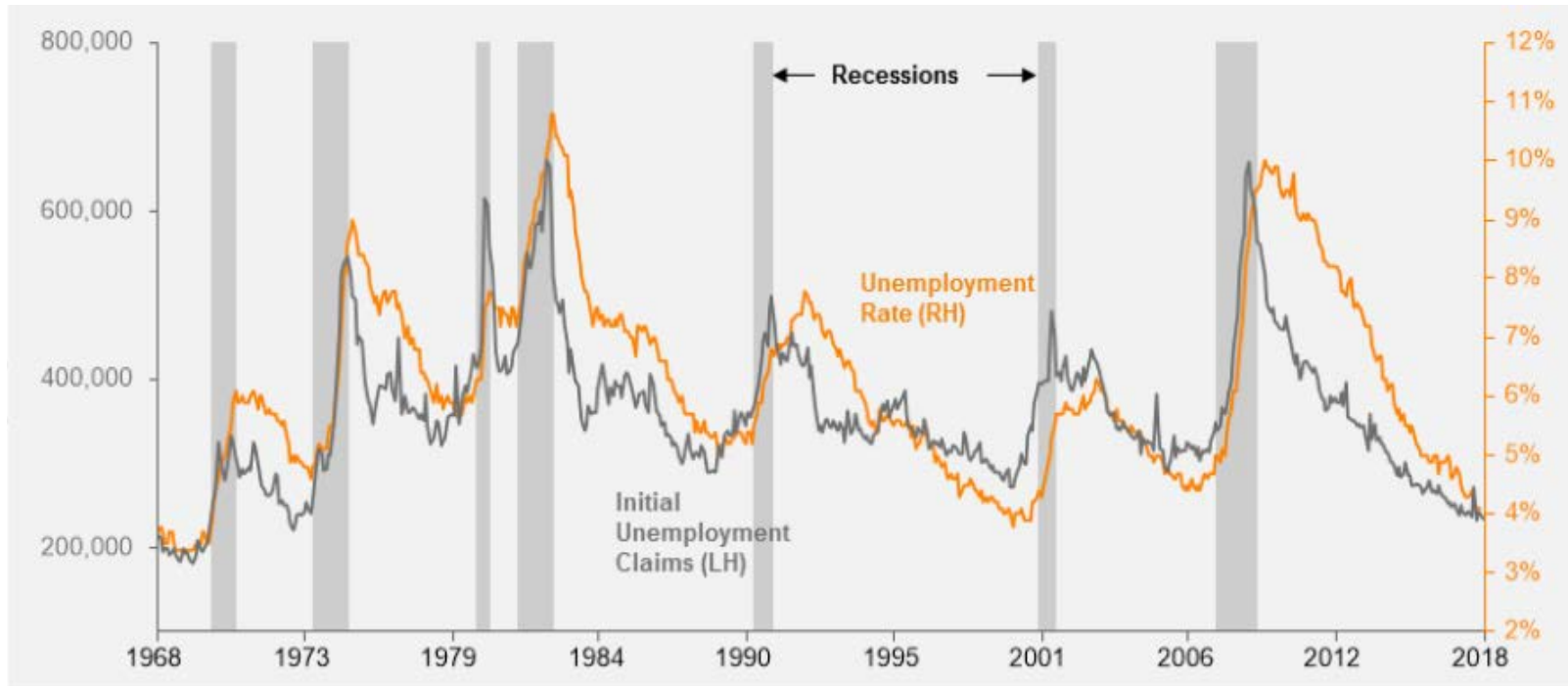
Index	Dec-17	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	1 Year	3Year	5Year	10 Year
U.S. Investment Grade															
BBgBarc Aggregate Bond Treasury TR	0.05	2.31	2.31	1.04	0.84	5.05	-2.75	1.99	9.81	5.87	-3.57	2.31	1.40	1.27	3.31
BBgBarc 1-3 Yr US Treasury TR USD	-0.28	0.42	0.42	0.86	0.56	0.63	0.36	0.43	1.55	2.40	0.80	0.42	0.62	0.57	1.45
BBgBarc US Treasury 20+ Yr TR USD	2.55	8.98	8.98	1.43	-1.59	27.48	-13.88	3.36	33.84	9.38	-21.40	8.98	2.84	3.61	6.63
BBgBarc US Agg Govt Reltd TR USD	0.30	4.18	4.18	2.73	-0.39	6.14	-2.71	4.90	6.67	5.02	2.48	4.18	2.15	1.94	3.70
BBgBarc US Corp IG TR USD	1.17	6.42	6.42	6.11	-0.68	7.46	-1.53	9.82	8.15	9.00	18.68	6.42	3.90	3.48	5.65
BBgBarc US Agency Fixed Rate MBS TR	0.15	2.48	2.48	1.67	1.51	6.15	-1.45	2.60	6.32	5.50	5.75	2.48	1.89	2.04	3.87
BBgBarc US Agg Bond TR USD	0.39	3.54	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	3.54	2.24	2.10	4.01
High Yield and Global															
BBgBarc High Yield Corporate TR USD	0.47	7.50	7.50	17.13	-4.47	2.45	7.44	15.81	4.98	15.12	58.21	7.50	6.35	5.78	8.03
BBgBarc Global Aggregate TR USD	1.08	7.39	7.39	2.09	-3.15	0.59	-2.60	4.32	5.64	5.54	6.93	7.39	2.02	0.79	3.09
BBgBarc EM USD Aggregate TR USD	0.62	8.17	8.17	9.88	1.29	4.76	-4.12	17.95	6.97	12.84	34.23	8.17	6.38	3.87	7.01

National ABLE Alliance – Treasury Yields



Source: FactSet. Note: Three-month T-bill yield is annualized based on purchase at a discount and holding to maturity. Two- and ten-year Treasury rates are annualized. **Past performance is no guarantee of future results. An investment cannot be made in an index.**

National ABE Alliance – Unemployment Rate



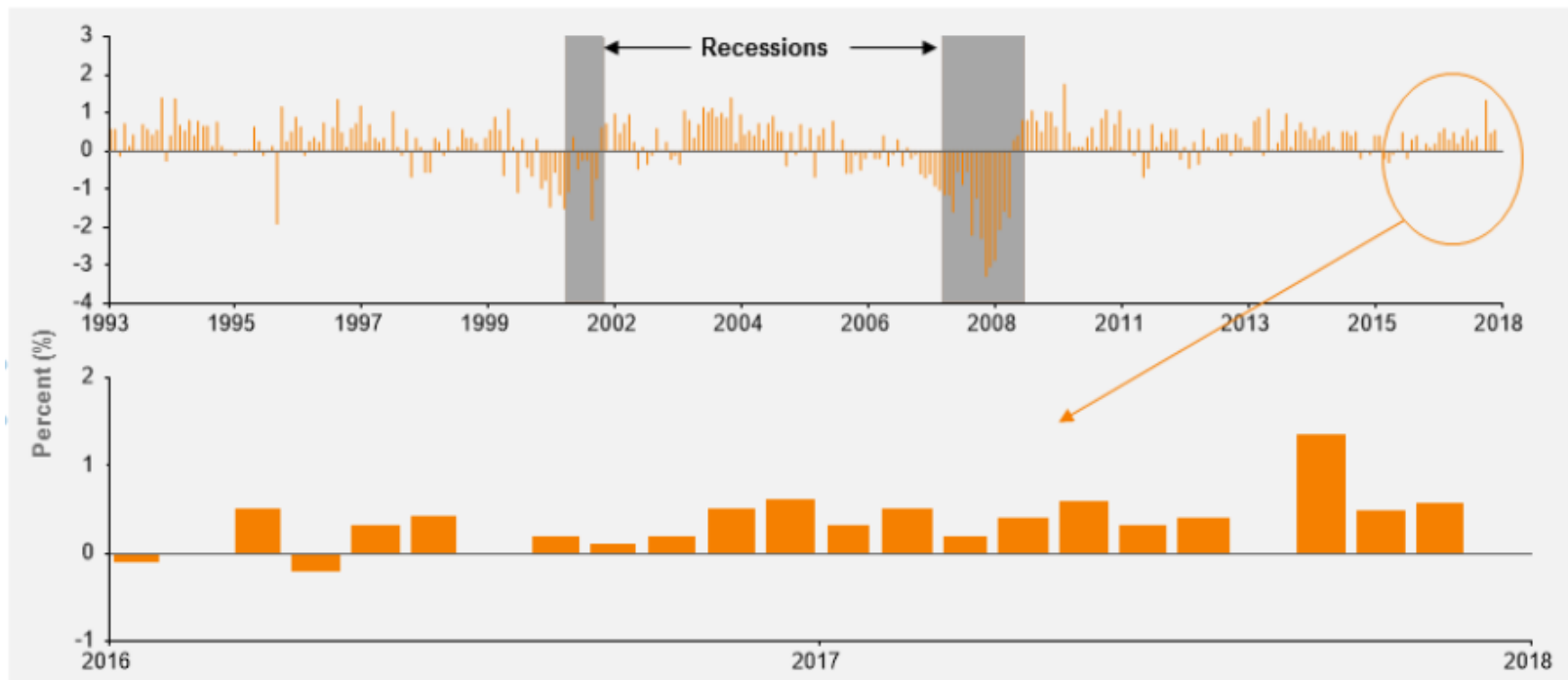
Source: Bureau of Labor Statistics, FactSet. Initial unemployment claims as of 01/31/18 and unemployment rate as of 01/31/18.

National ABLÉ Alliance – Consumer Confidence



Source: The Conference Board, FactSet. Note: Subsequent 12-month market returns are based on the S&P 500 Index total return. Past performance is no guarantee of future results. Indices are unmanaged and not available for direct investment.

National ABLE Alliance – Leading Indicators



Source: FactSet. Data as of 12/29/17. The Conference Board U.S. Leading Index consists of the weighted average of the following indexes:

- | | | |
|--|--|--|
| 1. Average weekly hours, manufacturing | 2. Average weekly initial jobless claims | 3. Manufacturers' new orders, consumer |
| 4. Vendor performance, slower deliveries | 5. Manufacturers' new orders, capital | 6. Building permits, new private housing units |
| 7. Stock prices, 500 common stocks | 8. Money supply, M2 | 9. Interest rate spreads |
| 10. Index of consumer expectations | | |

A woman with glasses and a man are in an office. The woman is pointing at a laptop screen. The background shows bookshelves filled with books.

Annual Investment Review Plan Review

National ABLE Alliance – Plan Review

As of December 31, 2017

Past Performance is not indicative of future results

<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	\$1,616,397	14.59%	0.95	4.54	17.62	17.62				16.72	12/15/16
ABLE Aggressive Custom Benchmark			1.06	4.77	18.35	18.35					
Variance			(0.11)	(0.23)	(0.73)	(0.73)					
Moderately Aggressive Option	\$1,481,775	13.37%	0.88	3.89	14.90	14.90				14.24	12/15/16
ABLE Moderately Aggressive Custom Benchmark			0.91	4.00	15.47	15.47					
Variance			(0.03)	(0.11)	(0.57)	(0.57)					
Growth Option	\$1,799,623	16.24%	0.72	3.13	11.98	11.98				11.67	12/15/16
ABLE Growth Custom Benchmark			0.77	3.24	12.65	12.65					
Variance			(0.05)	(0.11)	(0.67)	(0.67)					
Moderate Option	\$1,316,344	11.88%	0.64	2.43	9.47	9.47				9.38	12/15/16
ABLE Moderate Custom Benchmark			0.63	2.49	9.89	9.89					
Variance			0.01	(0.06)	(0.42)	(0.42)					
Moderately Conservative Option	\$861,751	7.78%	0.38	1.62	6.48	6.48				6.51	12/15/16
ABLE Moderately Conservative Custom Benchmark			0.47	1.74	6.90	6.90					
Variance			(0.09)	(0.12)	(0.42)	(0.42)					
Conservative Option	\$1,309,159	11.82%	0.19	0.68	2.79	2.79				2.87	12/15/16
ABLE Conservative Custom Benchmark			0.24	0.76	3.00	3.00					
Variance			(0.05)	(0.08)	(0.21)	(0.21)					
Checking Option	\$2,694,496	24.32%									03/30/17
Plan Total	\$11,079,544	100.00%									

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%
DJ US Select REIT TR USD	9.00%	7.50%	6.00%	4.50%	3.00%	1.00%
BBgBarc US Agg Float Adj TR USD	3.00%	7.50%	12.00%	16.50%	13.50%	9.00%
BBgBarc US 1-5Y GovCredit FIAdj TR USD	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%
Citi Treasury Bill 3 Mon 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%

A blue-tinted photograph of a family walking through a grassy field. A man is on the left, a woman on the right, and a small child in the center. In the background, there is a calm lake and a line of trees under a clear sky.

Underlying Investment Product Review

Underlying Product Investment Review

As of December 31, 2017

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 Instl Pl	0.02%	6.64	21.82	21.82	11.41	15.78	8.52
S&P 500 TR USD		6.64	21.83	21.83	11.41	15.79	8.50
Variance		0.00	-0.02	-0.02	0.00	-0.01	0.02
Vanguard Extended Market Index InstlPlus	0.05%	4.82	18.13	18.13	9.92	14.62	9.26
S&P Completion TR USD		4.84	18.11	18.11	9.80	14.49	9.17
Variance		-0.02	0.02	0.02	0.12	0.13	0.10
iShares Core MSCI EAFE ETF	0.08%	4.51	26.42	26.42	8.81	8.69	
MSCI EAFE IMI NR USD		4.50	26.16	26.16	8.64	8.54	
Variance		0.02	0.27	0.27	0.16	0.15	
Schwab Emerging Markets Equity ETF™	0.13%	6.79	32.03	32.03	7.87	4.06	
FTSE Emerging NR USD		6.96	32.08	32.08	8.08	4.22	
Variance		-0.17	-0.05	-0.05	-0.21	-0.16	
Schwab US REIT ETF™	0.07%	1.96	3.70	3.70	4.82	8.96	
DJ US Select REIT TR USD		1.98	3.76	3.76	4.97	9.09	
Variance		-0.02	-0.06	-0.06	-0.15	-0.13	

Past Performance is not indicative of future results

Underlying Product Investment Review

As of December 31, 2017

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 Idx InstIPs	0.03%	0.42	3.59	3.59	2.20	2.05	3.95
BBgBarc US Agg Float Adj TR USD		0.41	3.63	3.63	2.27	2.10	N/A
Variance		0.01	-0.04	-0.04	-0.07	-0.06	N/A
Vanguard Short-Term Bond Idx InstIPs	0.04%	-0.32	1.21	1.21	1.24	1.04	2.38
BBgBarc US 1-5Y GovCredit FIAdj TR USD		-0.30	1.27	1.27	1.27	1.10	N/A
Variance		-0.02	-0.05	-0.05	-0.03	-0.06	N/A
Vanguard Shrt-Term Infl-Prot Sec Idx Adm	0.06%	0.21	0.82	0.82	1.12	0.12	
BBgBarc U.S. Treasury TIPS 0-5Y TR USD		0.21	0.88	0.88	1.22	0.18	
Variance		0.01	-0.05	-0.05	-0.10	-0.06	
iShares Core International Aggt Bd ETF	0.09%	1.16	2.51	2.51			
BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD		1.20	2.64	2.64			
Variance		-0.03	-0.13	-0.13			

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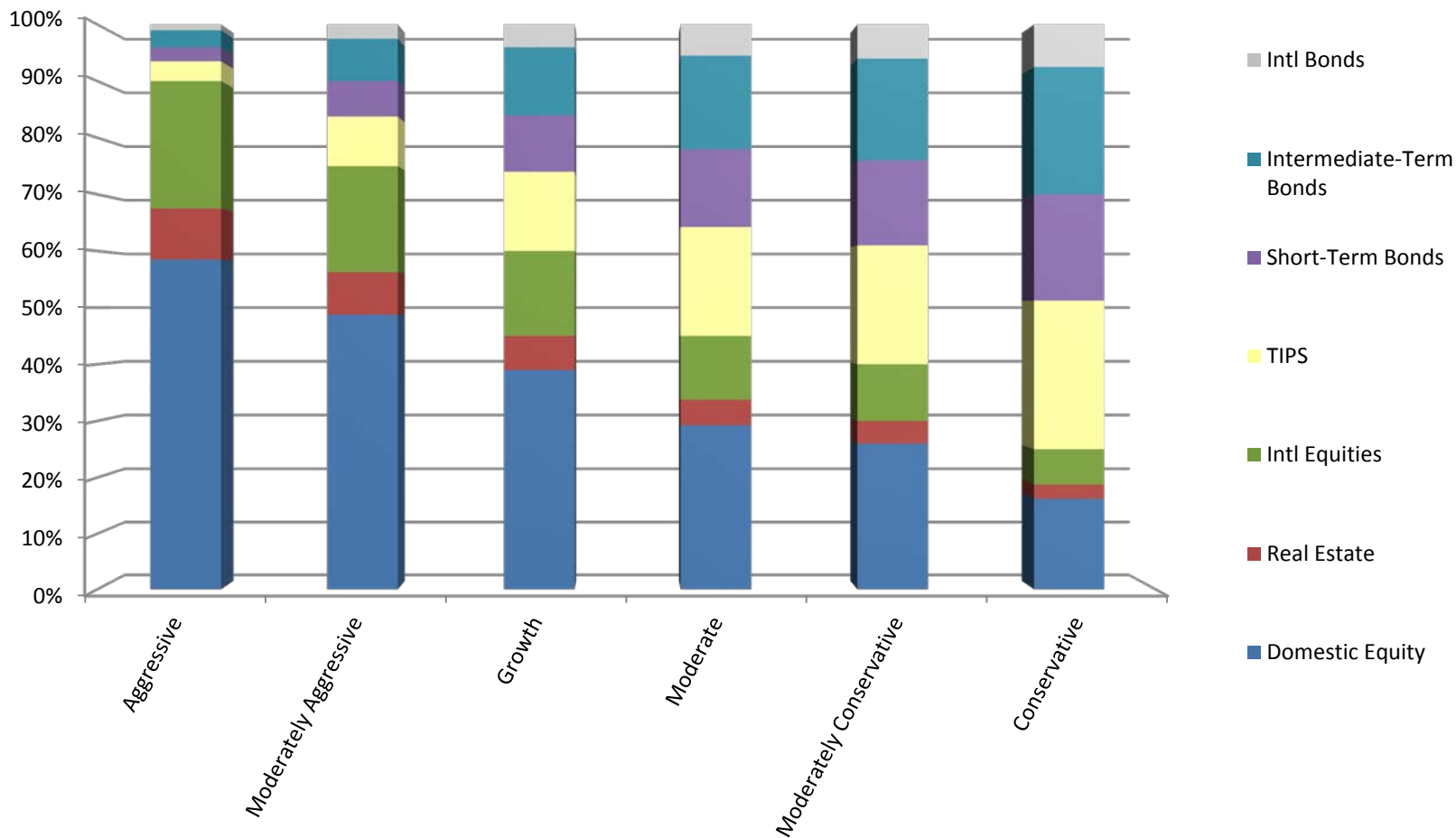


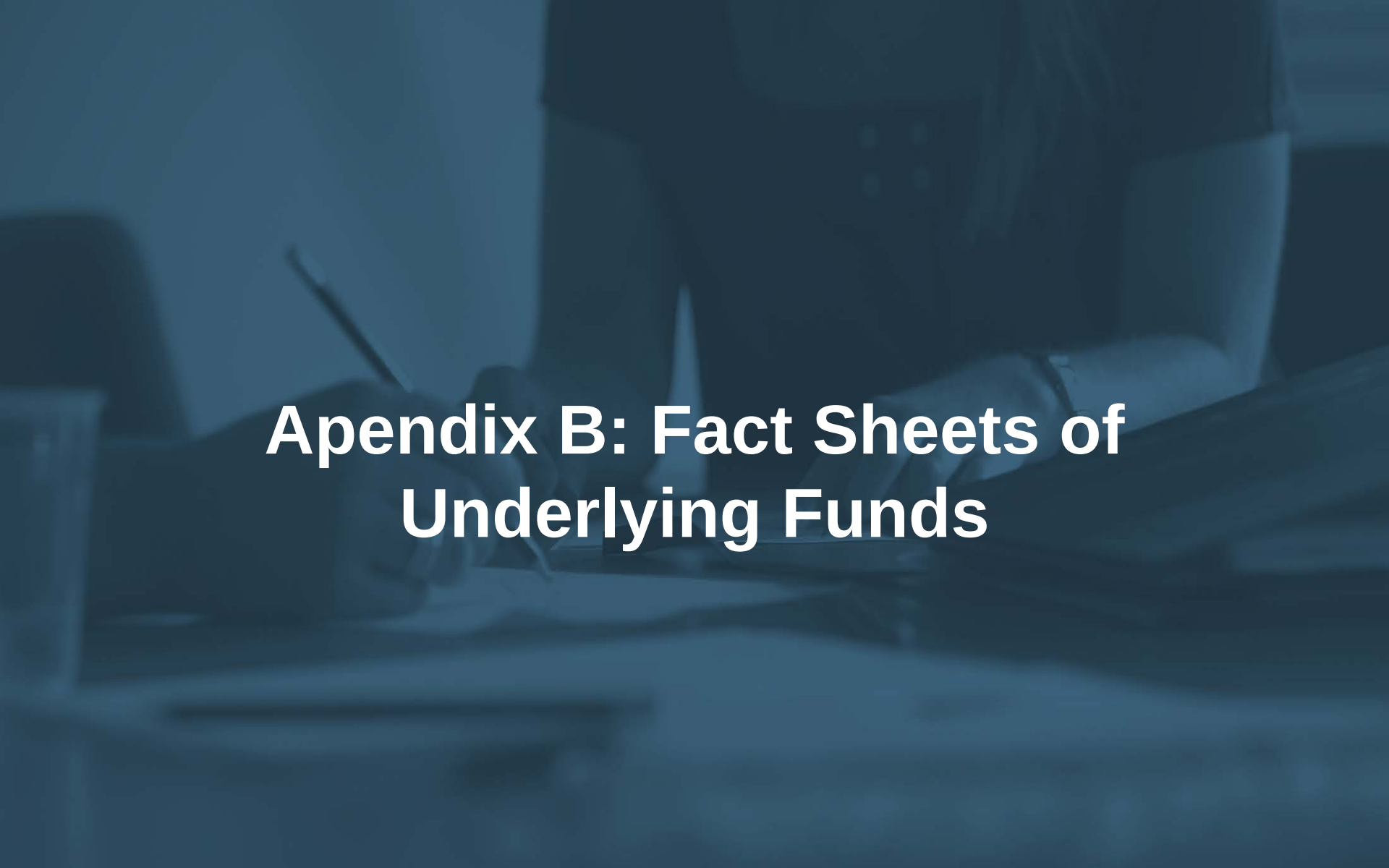
Apendix A: Asset Allocation of Risk Based Portfolios

Asset Allocation Review - Current Target Allocations

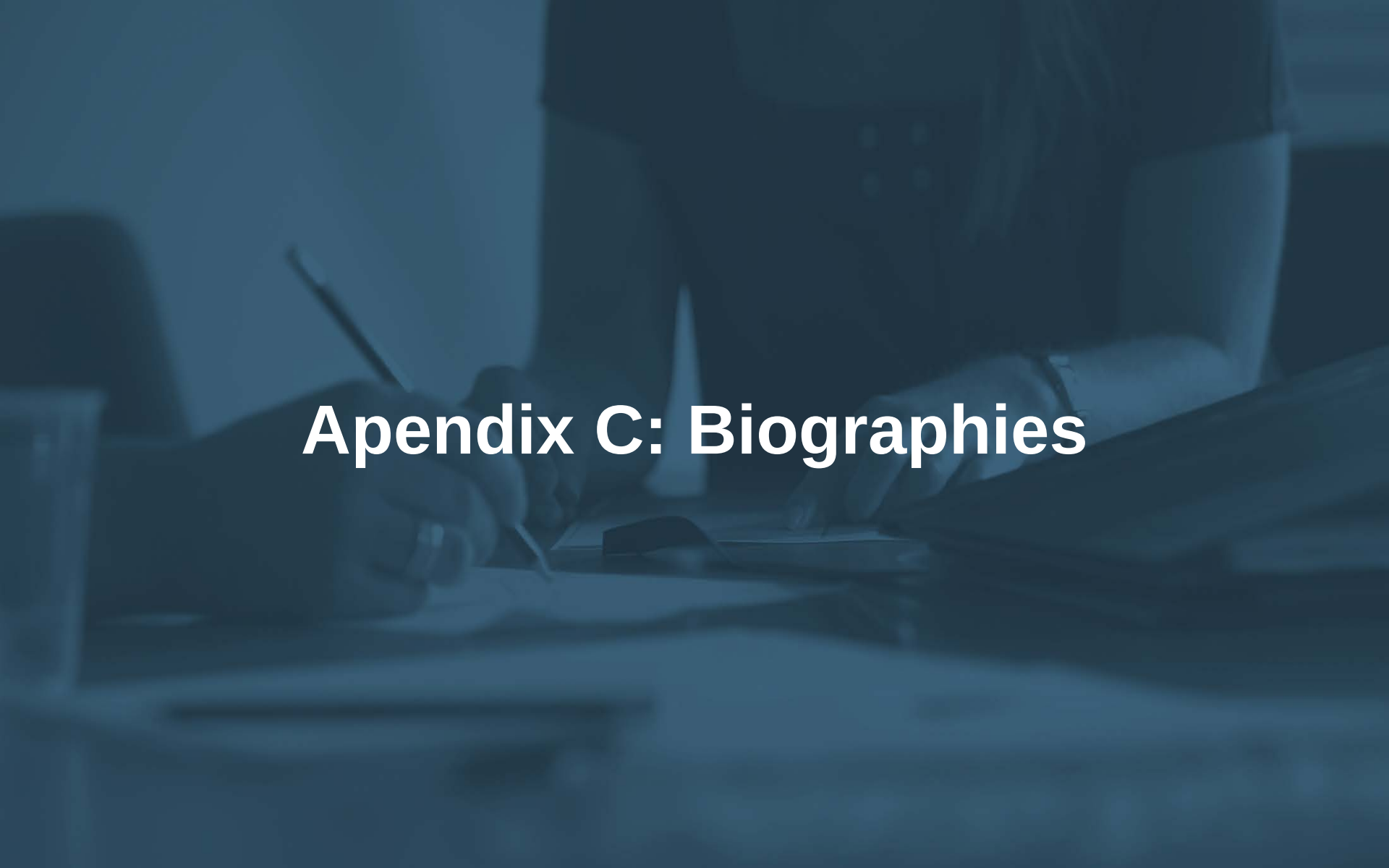
Asset Class	Underlying Investment	Ticker	Underlying Expense	National ABLE Alliance Target Asset Allocation					
				Aggressive	Moderately Aggressive	Growth	Moderate	Moderately Conservative	Conservative
U.S. Large Cap	Vanguard Institutional Index Fund - Institutional Plus	VIIIX	0.02%	31.50%	26.25%	21.00%	15.75%	10.50%	3.50%
U.S. Small & Mid Cap	Vanguard Extended Market Index Fund - Instl Plus Shares	VEMPX	0.05%	27.00%	22.50%	18.00%	13.50%	9.00%	3.00%
Non - U.S. Multi Cap	iShares Core MSCI EAFE ETF	IEFA	0.08%	16.20%	13.50%	10.80%	8.10%	5.40%	1.80%
Emerging Markets	Schwab Emerging Markets Equity ETF	SCHE	0.13%	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 - Admiral	VTAPX	0.07%	3.50%	8.75%	14.00%	19.25%	15.75%	10.50%
International Bond	iShares® Core International Aggregate Bond ETF	IAGG	0.09%	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%	0.05%	0.05%	0.04%	0.02%

National ABLA Alliance – Asset Allocation of Risk Based Portfolios





Apendix B: Fact Sheets of Underlying Funds

A person is shown from the chest down, wearing a dark shirt, sitting at a desk and writing on a notepad with a pen. The image is heavily tinted with a dark blue color. Overlaid on the center of the image is the text 'Apendix C: Biographies' in a white, bold, sans-serif font. The person's left hand is resting on the notepad, and their right hand is holding the pen and writing. The background is out of focus, showing a desk and some papers.

Apendix C: Biographies

Biographies

Ascensus Investment Advisors, LLC



Steve Dombrower, CFA, SVP Investment Management and Advisor Strategy

Previously Steve served as VP & Director of College Savings for Oppenheimer Funds. Steve has over 20 years of experience in Financial Services and Investment Management. Steve earned an M.B.A. in Corporate Finance & Investments from Adelphi University and a B.S. in Finance from the State University of New York at Albany. He is a Chartered Financial Analyst charter holder and a member of the CFA Institute, the New York Society of Securities Analysts, and the Financial Planning Association. Steve also holds the FINRA Series 7, 24, 50, and 63 licenses.



Paul Souppa, ChFC, Analyst, Investment Management

Previously Paul served as Investment Specialist at Voya Financial. Paul has over 18 years of experience in Investment Management Services. He earned his M.B.A. from Bentley University and a B.A. in Finance from University of Massachusetts – Amherst. Paul is a Chartered Financial Consultant and holds the FINRA Series 6 license.

Questions?

National ABLE Alliance