



IL ABLE

Savings for People with Disabilities

WHAT TYPE OF INVESTOR ARE YOU?

With an IL ABLE account you have choices: You can place your money in the IL ABLE checking account option, one of the investment options, or both! You should ask yourself these four questions to help decide what's best for your disability expense needs.

1. What qualified disability expenses do I want to save for?

- Am I planning to use these funds to pay for ongoing expenses that require easy access to funds on a regular basis? Example: Weekly therapy or extra job coaching.
- Am I looking to save funds for a rainy day? Example: I get laid off from my job.
- Am I saving for a larger, more expensive item that may require a longer savings timeline? Example: A new place to live or an accessible vehicle.
- Do I want to use the funds for all of the above?
IL ABLE accounts can be used to save for qualified disability expenses you have regularly, for emergencies, for future expenses, or for a combination of all of these.

2. When will I need the money?

- What expenses do I need to pay for today, tomorrow, next week or next month? These are called short-term expenses.
- What expenses do I want to save for down the road, perhaps in 1-3 years? These are called medium-term expenses.
- What expenses do I want to save for in the longer term? Example: over the next four years or more. These are called long-term expenses.

When thinking of savings and investing, think about your short-term, medium-term and long-term qualified disability expenses. This can help you decide whether and which of the checking or investment options are right for your 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 you invested. When you invest your money in the investment options, the investment values might rise or fall because of changes in market conditions, which means that your account balance could increase or decrease. This is not the case in the IL ABLE checking account option. In the IL ABLE checking account option, your funds are insured by the Federal Deposit Insurance Corporation (FDIC) and are not exposed to market fluctuations.



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4. What is my risk tolerance?

Ask yourself, "How will I feel if the value of my 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." This means the degree to which you, the investor, are comfortable with your invested money increasing or decreasing 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 you will want to use the money in your IL ABLE account. This will help you decide what your risk tolerance is and will influence which IL ABLE investment option, or options, you choose.

MATCH YOUR INVESTMENT CHOICES WITH YOUR NEEDS, YOUR TIMING, AND YOUR RISK TOLERANCE

Below are some examples of how some hypothetical Account Owners go through the process of matching their needs with their timing and risk tolerance in making their investment and/or checking 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 wheelchair in a few years.

Anne's goal is to buy a new wheelchair 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 pay for a new wheelchair but understands 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 the Moderate investment option, the Growth investment option, the 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 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 a lot over the long term. They consider themselves to have high risk tolerance, and they are considering contributing their funds to the Moderately Aggressive investment option and the Aggressive investment option, where there is a higher chance for fluctuation in the account value both up and down, but also a higher chance of returns over the long term.

REMEMBER, ONLY YOU CAN DECIDE YOUR OWN INVESTMENT RISK TOLERANCE.

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. IL ABLE is designed to be a qualified ABLE plan offered through 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 IL ABLE.

Accounts in IL ABLE are not guaranteed or insured by the State of Illinois, the state administrator, the Trust, IL ABLE or the Program Manager. IL ABLE offers investment options across the risk spectrum from Conservative to Aggressive. Except for the checking account option, investments in the IL ABLE plan are not insured by the FDIC. The Checking Option offers FDIC insurance up to \$250,000, subject to certain restrictions. Interests in IL ABLE are municipal securities and the value of your account will vary with market conditions and the performance of the investment options you choose. 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 future 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 or pay taxes offers an ABLE plan that provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home 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.

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