

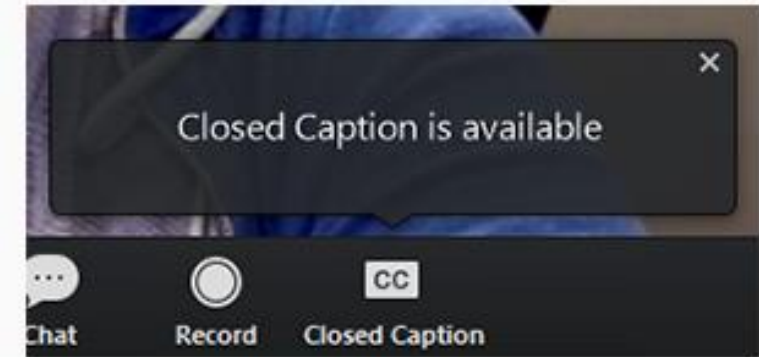


Selecting Investment Options for Your CalABLE Account

Webinar Setup

■ Captioning

- Turn on Closed Captioning in the webinar controls.
- Adjust the Captioning Settings if needed.
- A Transcript view is also available.



Audio Options for the Webinar

- Via your computer speakers: please make sure your speakers are turned on or your headphones are plugged in – *OR* –
- Via telephone:
 1. Call +1 669-900-6833
 2. Enter Webinar ID: 963 3128 4113

Submitting Questions

- For Q&A: Please use the Q&A box to submit any questions you have during the webinar, and we will direct the questions accordingly during the Q&A portion.
- If you are listening by phone and not logged in via a computer, you may also submit questions by emailing us at calable@treasurer.ca.gov.

Please note: this webinar is being recorded and the materials will be made available on the CalABLE website at <https://www.treasurer.ca.gov/able/index.asp>.

Welcome

Fiona Ma, California State Treasurer



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CalABLE Account Information



Saving and Investing

- Investments managed by TIAA-CREF
- Money can be deposited into the FDIC-Insured Portfolio or invested in any of three Target Risk Investment Options
- Fees vary based on the savings/investment options selected
- Funds may be transferred between portfolios two times annually

Year-End Contributions

- Maximize your \$15,000 annual contribution by December 31, 2020
- Contributions may be made by any person, which includes an individual, trust, estate, partnership, association, company, or corporation
- Expand your Annual Contribution Limit with your ABLE to Work income
- Roll over from a 529 Account



ABLE to Work

- Permits working account owners to contribute above the \$15,000 annual contribution limit if they or their employer are not contributing to a retirement plan
 - Can contribute whichever is less:
 - Amount equal to annual gross salary – **OR** –
 - Federal Poverty Level (\$12,490 in 2020*)
 - For a potential \$27,490 per year

*\$15,600 for Alaska residents and \$14,380 for Hawaii residents.



Roll Over a Section 529 College Savings Plan into a CalABLE Account

- You may roll over a portion of, or the entire amount in, a Section 529 college savings plan account to a CalABLE account up to the Annual Contribution Limit.
- These rollovers can be for the same beneficiary or from a 529 college savings account belonging to any **member of the CalABLE account beneficiary's family.**



Presenter

Glenn Friedman, CFA

Manager of Asset Allocation
TIAA-CREF Tuition Financing, Inc.

Glenn joined TIAA-CREF Tuition Financing, Inc. in 2013 as a Manager of Asset Allocation and Investments. He creates investment designs for state clients, conducts manager due diligence, evaluates portfolio risk and return characteristics, and delivers presentations to clients covering market updates and plan performance.

In a previous role, Glenn managed over \$10 billion in active equity products and implemented daily trading decisions for stocks, futures and currency overlays.



Selecting Your Investment Options

Core Beliefs That Guide the Investment Menu

- **Diversification.** Investment options that contain multiple components should be highly diversified and capture all relevant asset classes.
- **Simplicity.** Investment options should not be overwhelming to plan investors and should be easily identifiable and distinct from one another.
- **Choice.** Investment options should span the risk spectrum and offer plan participants the ability to achieve different investing goals.
- **Cost.** Investment options should be inexpensive.

CalABLE's Four Investment Choices

FDIC-Insured Portfolio: Seeks a stable, conservative return by investing in a low risk, interest-bearing deposit account.

Conservative Portfolio: Seeks a conservative to moderate long-term total return by investing primarily in bond funds, with smaller allocations to stock funds and a funding agreement.

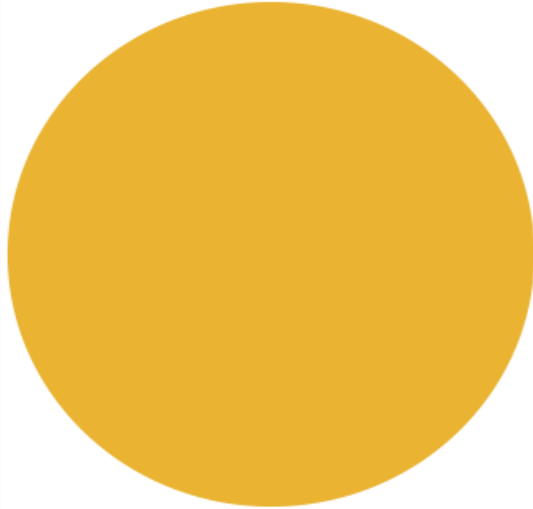
Moderate Portfolio: Seeks a moderate long-term total return by investing in stock funds, bond funds and a funding agreement.

Aggressive Growth Portfolio: Seeks aggressive growth and long-term total returns by investing primarily in stock funds.



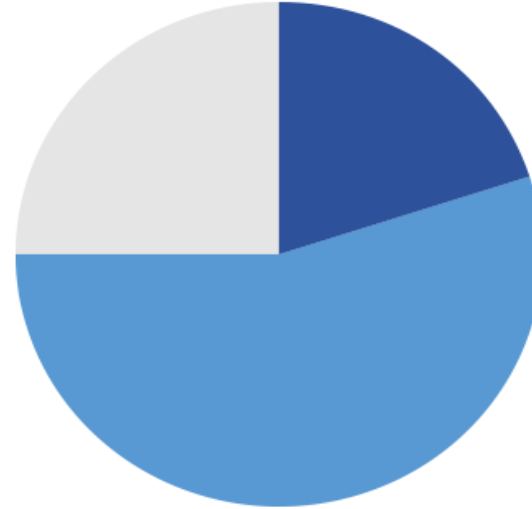
FDIC-Insured Portfolio

100% Interest-Bearing



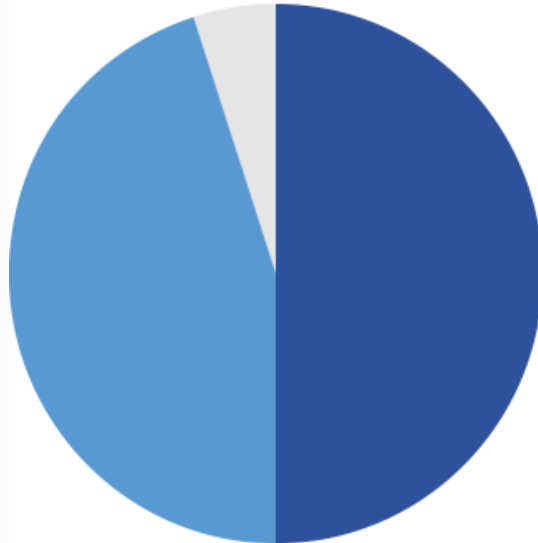
Conservative Portfolio

20% Stocks
55% Bonds
25% Funding Agreement



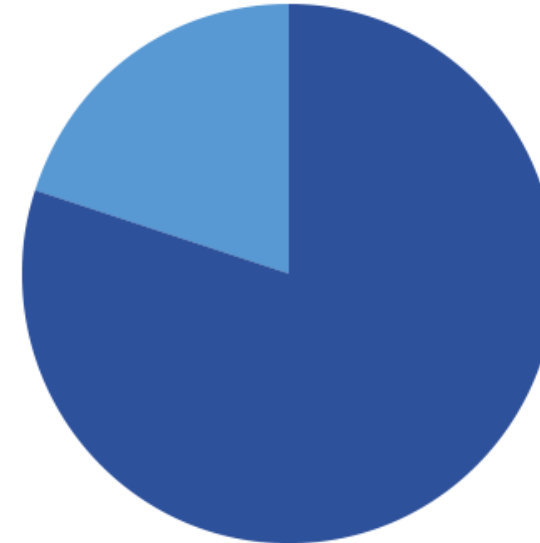
Moderate Portfolio

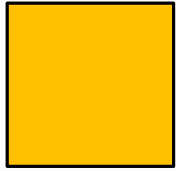
50% Stocks
45% Bonds
5% Funding Agreement



Aggressive Portfolio

80% Stocks
20% Bonds





Interest-bearing

- Bank account from TIAA Bank:
- Savings account that includes interest payments.
 - FDIC Insured up to FDIC-permitted limits (generally up to \$250,000).
-



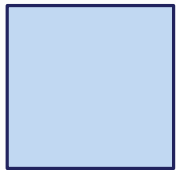
Stocks

- Diversified mutual funds from TIAA that target the U.S., international developed, and emerging market regions:
- Index funds track, as closely as possible, their respective market segment.
 - Costs are kept low.
-



Bonds

- Diversified fixed income funds from TIAA that target investment-grade bonds and inflation:
- Primarily covers government-issued bonds, highly rated corporates, securitized assets, and Treasury Inflation Protected Securities.
 - Costs are kept low.
-



Funding Agreement

- Insurance agreement with TIAA-CREF Life Insurance that guarantees a minimum rate between 1-3%:
- Reset annually.
 - Provides stability, protected from market risk.

INVESTMENT OPTIONS

How would you like the money in your CalABLE account to be invested?

- Before making a selection, please ensure you have read the [Program Disclosure Statement](#).
- Contributions will be invested according to the choices you designate below. You may select one or more.
- Your choices must total to 100%.
- You can change your future investment choices at any time by logging into your account.

CONSERVATIVE ⓘ

25 %

MODERATE ⓘ

25 %

AGGRESSIVE GROWTH ⓘ

50 %

FDIC-INSURED ⓘ

%

Total Allocations

100 ✓ %



Investing Comes with Risk

- Your account value may go down for a variety of reasons
- **Resources are available:**
 - The Program Disclosure Statement contains a list of risks that should be reviewed before investing.
 - Also contains historical performance for all investment options, information on fees, and cost examples.
- The investment option(s) you select should be aligned with your personal preference, risk tolerance or style.
- May also consider other investment accounts outside of CalABLE or consult a financial advisor/tax expert before choosing.
- Past performance is no guarantee of future results.



CalABLE Account Details



CalABLE fees

Fee type	
Account Maintenance Fee (annual—assessed monthly)	\$37
Underlying Investment Fee (varies per investment choice & asset-based)	0.00% - 0.09%
State Administrative Fee	0.44%
Paper Statement Mail Delivery Fee (annually)	\$10
Insufficient Funds (per occurrence)	\$20
Check Issuance Fee (per check)	\$5

- Online enrollment free
- \$25 minimum deposit to open account



CalABLE Fees (cont'd)

\$3,000 Assumed Assets		
Investment Option	FDIC-Insured Portfolio	Investment Portfolios
Account Maintenance Fee	\$37	\$37
Underlying Investment Fee 0.00% FDIC 0.09% Conservative 0.09% Moderate 0.08% Aggressive	\$0	\$2.40 to \$2.70
State Administrative Fee	\$0	\$13.20
Total Annual Fees*	\$37	\$52.60 to \$52.90

**Paper statements will include an additional annual \$10 fee*



Resources and Contacts

Additional Resources



A collaboration between
NDI and CalABLE

nationaldisabilityinstitute.org/achievable-corner

CalABLE Resources - treasurer.ca.gov/able/resources.asp

ABLE National Resource Center - ABLENRC.org

Disability Benefits 101 - DB101.org



Need Help? Have Questions?

CalABLE Customer Call Center

Open 9:00 AM to 5:00 PM Pacific Time
Monday – Friday

[833-Cal-ABLE \(833-225-2253\)](tel:833-225-2253)

CalABLESupport@CalABLE.ca.gov



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*All social media platforms are managed by the state of California.

Questions

Disclaimer Statement

Consider the investment objectives, risks, charges and expenses before investing in the California 529A Qualified ABLE Program (CalABLE Program). Please call toll-free 833-CAL-ABLE for a Disclosure Statement containing this and other information. Read it carefully.

Before investing in any ABLE program, you should consider whether your home state provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home state's ABLE program. 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. You also may wish to directly contact your home state's ABLE program, or any other ABLE program, to learn more about those plans' features, benefits and limitations. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The CalABLE Program is offered by the State of California. TIAA-CREF Tuition Financing, Inc. (TFI), program manager. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter.

None of the State of California, its agencies, TFI or TCS nor any of their applicable affiliates insures accounts or guarantees the principal deposited therein or any investment returns on any account or investment option, and you may lose the principal amount invested. The FDIC Insured Portfolio is FDIC-insured up to \$250,000, subject to certain restrictions. Interests in the CalABLE Program are not registered with or in any way approved by the Securities and Exchange Commission or by any state securities commission.

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