

Paul's ABLE Account Investment Choices

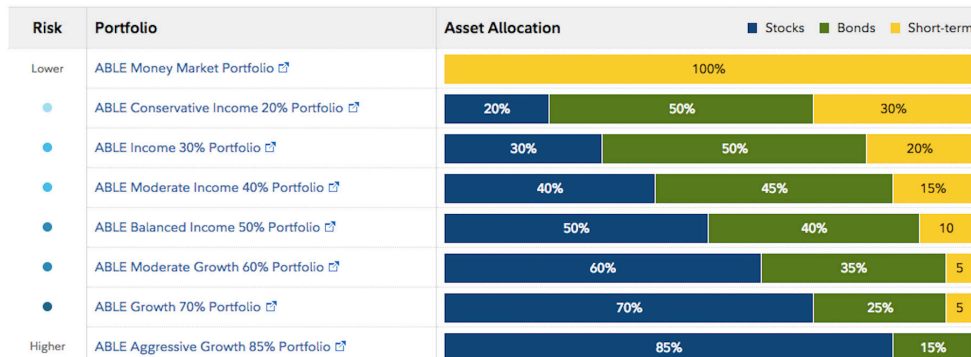
Paul and all other elements of this example are fictitious and all investment results are hypothetical.

Paul is an ABLE account owner. He works and contributed about \$5,000 of his earnings to his ABLE account over the course of 2018. Paul was saving money in his ABLE to buy furniture for his apartment, and come September, his parents decided to contribute \$10,000 to Paul's ABLE account.

Paul had chosen the a growth portfolio for his ABLE, investing 70% in stocks and 25% in bonds and 5% in money market securities. At the end of the year, the markets had taken a fall and the \$15,000 contributed to the account in 2018 was worth only \$12,000 (return is hypothetical). While Paul and his parents believe his account will recover the \$3,000 loss over time, he has to rethink and/or postpone the furniture purchase he hoped to make this spring. Since Paul had a near-term use for the funds he invested in his ABLE account, he needed to choose investments that may have offered a lower return but had little to no risk to this principal. He could have chosen the Growth portfolio for a portion of the contributions and kept the remainder in another, more conservative fund or money market.

Asset allocation for Attainable portfolios

Attainable portfolios that are more conservative (and tend to have lower risk) are at the top of the chart, and more aggressive portfolios that have greater risk but the potential for higher returns are toward the bottom of the chart.



Fidelity Investment' s Attainable Portfolios (ABLE) is shown above for illustrative purposes only.

Like Paul, many individuals who have opened ABLE accounts may not be overly experienced with investments and should review and reassess their investment choices.

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