



Effective May 12, 2023

**NATIONAL ABLE
ALLIANCE**
Investment Policy Statement

National ABLÉ Alliance

INVESTMENT POLICY STATEMENT

1.0 Statement of Purpose

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained to provide services to members of the National ABLÉ Alliance (the “Alliance”) related to the management of ABLÉ account assets for ABLÉ account owners (“Account Owners”), and to assist the Alliance, which oversees the management and operations of the National ABLÉ Alliance Program (“Program”), in evaluating the performance of such contractors by:

- Describing the Alliance’s investment philosophy and objectives;
- Providing general guidelines for the investment of assets;
- Describing the roles and responsibilities of employees or contractors and the process of evaluating the performance of employees or contractors that provide investment management services to the members of the Alliance; and
- Specifying the roles and responsibilities of the members of the Alliance.

This is the official Investment Policy of the Alliance, and deviation from this Investment Policy is not permitted without prior approval from the Alliance.

Each member of the Alliance is responsible for determining whether it is restricted or prohibited from participating or abiding by any portion of this Investment Policy due to applicable individual state law. If an Alliance member is restricted from participating or abiding by any portion of the Investment Policy, the Alliance member is responsible for adding and updating its addendum to the Investment Policy. The addendum shall include a reference to the applicable state law in conjunction with the section of the Investment Policy that is restricted.

2.0 Establishment and Authority of Alliance

The federal 2014 Stephen Beck, Jr. Achieving a Better Life Experience Act (“ABLE Act”) authorized states to pass enabling legislation to offer tax-favored ABLÉ plans to people with disabilities. The Alliance was established by an Interstate Agreement dated January 15, 2016 and amended thereafter. Each member of the Alliance maintains an ABLÉ plan (individually a “Plan” or collectively the “Plans”). The Alliance allows its members to work together to achieve efficiencies and economies of scale by adopting common Plan elements through a single program manager, while maintaining member independence, in order to provide high quality Plans, at a reasonable cost, that meet the savings and investment needs of individuals with disabilities.

Through Achieving a Better Life Experience accounts (“ABLE accounts”), eligible individuals with disabilities can save private funds for the purpose of supporting health, independence, and quality of life. Funds in ABLÉ accounts can be used for disability-related expenses for Account Owners, which will supplement, but not supplant, benefits provided through private insurance, federal and state medical and disability insurance, the Account Owner's employment, and other sources.

3.0 Investment Philosophy

The Alliance has adopted the goal of providing a broad array of investment choices (“Investment Options”) throughout the Plans to meet the needs of a diverse set of Account Owners. The Alliance has determined that as Account Owner time horizons and risk tolerances vary, a diverse set of allocation driven portfolios relative to risk tolerance (“Target Risk Options”) is appropriate, in addition to an FDIC-insured Checking Account Option. Contributions to ABLE accounts will be directed into one or more of the available Investment Options based on the investment selections made by the Account Owners. The Alliance will review the investment performance of each Investment Option at least quarterly and shall review this Investment Policy at least annually.

Participation in the Plans and Investment Options does not guarantee investment returns to Account Owners or preservation of capital. Each Account Owner should seek appropriate advice as deemed necessary.

4.0 Investment Objectives

The Investment Options provided to Account Owners, shall seek to achieve the following long-term investment objectives:

- A long-term competitive rate of return on investments that is equal to or exceeds the return of the applicable benchmarks shown in Exhibit A hereof, or tracks the performance of the benchmark within a tolerance of the fund’s expense ratio; and
- An investment program flexible enough to meet the needs of Account Owners based upon their investment objectives and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.
- The investment program seeks to be competitive in the marketplace by providing high-quality investment options with an emphasis on low fees to its Account Owners.

5.0 Investment Guidelines

The Plan’s Investment Options will be governed by a set of investment guidelines consistent with the investment objectives for the Plan. The current guidelines are attached as Exhibit B. These guidelines may be modified by the Alliance to best meet the needs of Account Owners.

6.0 Target Risk Options

In its investment strategy, the Alliance has relied on prevailing financial theory, which currently utilizes a long-term diversified strategic asset allocation strategy. In order to achieve the Alliance’s investment objectives, the Target Risk Options shall be diversified to minimize the risk of loss through the utilization of various asset classes. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results, as well as prudent diversification across public security markets, will be the primary risk control mechanisms. In terms

of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; and (4) maturity.

Each Target Risk Option is composed of a designated strategic asset allocation utilizing multiple underlying investments funds. The investment parameters of each Target Risk Option shall be made by the Alliance and shall consider the financial characteristics of the underlying investments in the Plans. The investment parameters will also give due consideration to the fact that the investment horizon for Account Owners will vary from a few months to over 25 years. The current parameters are attached as Exhibit C.

The Target Risk Options of the Plans are divided into the following broad asset categories:

- Short-Term Investments
- Domestic Investment Grade Fixed Income Investments
- Domestic High Yield Fixed Income Investments
- International Fixed Income Investments
- Domestic Equity Investments
- International Equity Investments
- Public Real Estate Investments

The Alliance will establish reasonable portfolio objectives for each Target Risk Option, specifying, where applicable, limits on asset class exposures, risk constraints, and investment return objectives outlined in Exhibit D. While the investment parameters considered under the Plan are developed by the Alliance, Account Owners bear the risk of investment results.

7.0 Checking Account Option

The Plans have included the option of a short-term, liquid Investment Option in the form of a Demand Deposit Account (the “Checking Account Option”). The Checking Account Option is an FDIC-Insured bank account, which has the primary objective of preservation and safety of principal and the provision of a stable and low-risk rate of return. This option allows Account Owners the ability to execute recurring transactions with greater ease.

The Checking Account Option provider will distribute monthly account statements to Account Owners following any month in which an account utilizing the Checking Account Option had financial activity. All account statements shall be sent to the address of record on the Account or will be available online if electronic delivery is selected on the Account.

8.0 Roles and Responsibilities

The Alliance

The Alliance is responsible for the investments offered within the Plan and available for selection by Account Owners. This includes investment plan design, model portfolio construction, investment manager selection, ongoing monitoring and, as needed, investment manager replacement.

The Alliance shall have an Investment Policy Sub-Committee (“IPSC”) to facilitate the oversight duties of the Alliance as described in this Investment Policy and the NAA Guiding Principles for Investment Analysis and Due Diligence (the “Guiding Principles,” attached hereto as Exhibit E). The IPSC shall not act independently, but rather bring recommendations to the Alliance for final approval and decision making. Each member state may choose to participate in the IPSC. The lead member of the IPSC shall be a representative of the facilitating state (currently Illinois). The IPSC will meet on an as-needed basis and will ensure that the Alliance completes its oversight duties as outlined in the Guiding Principles.

The Contractor and Investment Advisor

The Alliance may engage and rely upon contractor(s) (“Contractor(s)”) for administrative and recordkeeping services and investment management services for the Plans. The Contractor(s)’ responsibilities include the implementation of the investment strategy through the offering of Investment Options as outlined in this Policy and the Guiding Principles. The Alliance and the Contractor(s) shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Portfolios, the Contractor(s) will:

- Provide advice that is in the best interest of the Plans;
- Provide ongoing advice and monitoring for the duration of the advisory relationship;
- Put the Plans’ interests ahead of its own;
- Provide full and fair disclosure of all material facts about the advisory relationship;
- Seek to avoid conflicts of interest and fully and fairly disclose any conflicts of interest that may influence the advice it provides to the Plans;
- Act with the care, skill, prudence, loyalty, honesty, candor, impartiality, full disclosure, good faith, fair dealing, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives; and
- For the sole benefit of the Plans’ beneficiaries.

With the Alliance’s approval, the Contractor(s) may also retain an investment advisor to provide portfolio design, due diligence, and ongoing monitoring services with respect to the Investment Options and the implementation of the investment strategy outlined in this Investment Policy.

Investment Consultant

The Alliance may also utilize an external investment consultant (the “External Investment Consultant”) for investment advisory services in the fulfillment of its oversight responsibilities. In doing so, the External Investment Consultant will independently:

- Measure investment performance results, evaluate the investment program, and advise the Alliance as to the performance and continuing appropriateness of each investment manager;
- Monitor investments for fee competitiveness and inform the Alliance on optimal fund structures to minimize fees;
- Conduct an annual review of the investment policies, objectives, guidelines, or management structure;

- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Alliance regarding significant matters pertaining to the investment program.

9.0 Guiding Principles for Investment Analysis and Due Diligence

The performance of external investment managers and contractors will be governed and monitored by the Guiding Principles. The Guiding Principles may be modified as needed by the Alliance to best adhere to industry best practices.

Exhibit A
Underlying Investment Products and Benchmarks of the Target Risk Options

| Underlying Investment Product | Asset Class | Benchmark |
|---|-------------------------------------|---|
| Vanguard Institutional Index Fund | U.S. Large Cap | S & P 500 Index |
| Vanguard Extended Market Index Fund | U.S. Small & Mid Cap | S & P Completion Index |
| Vanguard Developed Markets Index | Non-U.S. Multi Cap | FTSE Developed All Cap ex US USD Index |
| Vanguard Emerging Markets Stock Index | Emerging Markets | FTSE Emerging Markets All Cap China A Inclusion USD Index |
| Schwab U.S. REIT ETF | Real Estate | Dow Jones Equity All REIT Capped Index |
| American Funds High Income Trust | U.S. High Yield Bond | Bloomberg US HY 2% Issuer Cap TR USD |
| Vanguard Total Bond Market Index Fund | U.S. Core Bond | Bloomberg U.S. Aggregate Float Adjusted Bond Index |
| Vanguard Short-Term Bond Index Fund | Short-Term Investment Grade | Bloomberg U.S. 1-5yr Gov't/Credit |
| Vanguard Short-Term Inflation Protected Securities Index | Short-Term Inflation Protected Bond | Bloomberg US TIPS 0-5 Yrs. |
| iShares Core International Aggregate Bond ETF | International Bond | Bloomberg Global Aggregate ex USD 10% IC Hedged Index |
| Sallie Mae High-Yield FDIC | Cash & Cash Equivalents | 3-month T-Bills |

EXHIBIT B

Investment Guidelines

The Investment Options shall be constructed and administered to comply with the following guidelines as applicable:

A. Simplicity – The Plans’ Investment Options and underlying asset allocations shall be constructed and administered in a manner that provides a range of clear, easily understood options, defined in terms of expected risk/return, in order to encourage participation and provide opportunities for investment returns for Account Owners. Furthermore, the Plans shall be designed and administered in a manner that promotes full transparency of fees and investments.

B. Low Cost – The Plans’ Investment Options shall be constructed and administered in a manner that is designed to minimize investment fees to Account Owners, while still providing value to Account Owners and meeting the investment option’s risk and return objectives. The lowest cost index-based investment funds should be viewed as the default standard in evaluating investment management fees.

C. Investment Horizons and Risk Tolerances – The Plans’ Investment Options shall account for a diversity of time horizons (e.g., short-term, long-term) and risk tolerances (e.g., ranging from aggressive through conservative) among Account Owners. Portfolios shall also be constructed in a manner that accounts for investment time horizons and risk tolerances through the use of Investment Options, including but not limited to, dynamic portfolios, static portfolios with varying target allocations, and the Checking Account Option.

D. Open Architecture – The Plans’ investment framework shall utilize an open architecture plan design which allows the use of Investment Options and managers that are not proprietary to the Contractor. The open architecture design shall offer Account Owners benefits such as access to best in class managers, increased flexibility when choosing underlying strategies, and the ability to obtain the lowest fees for underlying investment funds.

E. Non-Proprietary Products – The Plans’ Investment Options shall consist of non-proprietary funds. The non-proprietary funds shall be issued and managed by firms that are not affiliated with the Contractor, the Contractor’s investment advisor (if any), or the Alliance’s investment consultant (if any).

F. Passive versus Active Funds – The Plans’ Investment Options shall consist of passively managed strategies that replicate the risk and return characteristics of their respective benchmarks. In assets classes where passively managed strategies are not prevalent or in asset classes that are deemed to be inefficient, actively managed strategies may be used.

G. Investment Policy Statement – The Alliance shall create an Investment Policy Statement that governs the Plans’ Investment Options, which may include asset allocations, glide paths, underlying investment funds, and each investment option’s corresponding benchmark. The Alliance shall conduct a review of the Investment Policy Statement at least annually. The Contractor, investment advisor, and the Alliance shall provide each other suggested changes to the Plans’ asset allocation strategy, associated glide paths, Investment Options, and the underlying investment funds in accordance with industry standards and best practices.

H. Investment Performance Report – The Contractor shall analyze the performance of the Plans’ Investment Options by comparing their performance to the benchmarks set forth in the Investment Policy Statement.

I. Revenue Sharing Funds – The Plans shall not utilize any underlying funds in an investment option that are considered “revenue sharing funds” (i.e., 12-b) as an investment vehicle.

J. Separate Accounts/Institutional Share Class Options – When available and cost-effective, the Plans shall utilize separately managed accounts and/or a lowest available share class option (*i.e.*, institutional share class).

K. Manager Flexibility – The Plans' investment framework shall provide the Alliance with the ability to replace existing managers for reasons including, but not limited to, underperformance or investment team personnel turnover.

L. Annual Benchmark Review – Annually the Alliance shall determine the impact a potential benchmark’s performance has on an investment and assess whether the assigned benchmark is an accurate representation of market performance.

M. Annual Asset Allocation Review – Annually the Alliance shall ensure that the asset allocation of the investment framework aligns with the goals and objectives of the Plans set forth in the Investment Policy Statement.

N. Annual Fee Study – Annually the Alliance shall assess the fees of underlying investment fund managers of the Plans in comparison to that of their peers in order to ensure that the investment framework of the Plans consists of high-quality funds at the lowest available cost.

EXHIBIT C
Investment Parameters of the Target Risk Options

The Target Risk Options are each composed of a designated mix of investments which is appropriate per the respective investment objective of the Target Risk Option. Each Target Risk Option may allocate assets among domestic equity, international equity, real estate, domestic and international fixed-income, and/or cash and cash equivalents. The asset allocation of each Target Risk Option will be established by the Alliance and managed by the Contractor. The Alliance may adjust the weighting in stocks, bonds, real estate, and cash in each Target Risk Option and may change the underlying investment funds within the Investment Options consistent with the Investment Policy.

The target asset allocations and benchmarks for the underlying investments within the Target Risk Options are shown in the following table. There is a permissible range of plus or minus 5% of the target allocation for each underlying investment fund. Please refer to Exhibit B for Target Risk Option Objectives and refer to Exhibit C for a list of underlying investment products and their corresponding benchmarks.

Each underlying investment fund's return objective seeks to equal or exceed, over a five-year rolling period, the return of the applicable benchmark net of fees, or produce returns that track the benchmark within a tolerance of the fund's expense ratio. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment fund is also expected to perform favorably relative to its peer group.

| Target Risk Options | | | | | | | |
|----------------------------|---|------------|-----------------------|--------|----------|-------------------------|--------------|
| Asset Class | Benchmark | Aggressive | Moderately Aggressive | Growth | Moderate | Moderately Conservative | Conservative |
| Domestic Equity | S & P 500 Index | 28.00% | 22.00% | 18.00% | 13.00% | 9.00% | 3.00% |
| | S & P Completion Index | 23.00% | 20.00% | 16.00% | 12.00% | 8.00% | 3.00% |
| Real Estate | Dow Jones Equity U.S. All REIT Index | 8.00% | 7.00% | 5.00% | 4.00% | 3.00% | 1.00% |
| International Equity | FTSE Developed All Cap ex US USD Index | 22.00% | 18.00% | 15.00% | 11.00% | 7.00% | 2.00% |
| | FTSE Emerging Markets All Cap China A Inclusion USD Index | 9.00% | 8.00% | 6.00% | 5.00% | 3.00% | 1.00% |
| Domestic Fixed Income | Bloomberg US TIPS 0-5 Years Index | 2.00% | 5.75% | 14.00% | 19.25% | 15.75% | 10.50% |
| | Bloomberg U.S. Aggregate Bond Float Adjusted Index | 4.00% | 10.50% | 12.00% | 16.50% | 13.50% | 9.00% |
| | Bloomberg Barclays U.S. 1-5yr Gov't/Credit | 0.00% | 3.25% | 10.00% | 13.75% | 11.25% | 7.50% |
| | Bloomberg US HY 2% Issuer Cap TR USD | 3.00% | 3.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| International Fixed Income | Bloomberg Global Aggregate ex USD 10% IC Index | 1.00% | 2.50% | 4.00% | 5.50% | 4.50% | 3.00% |
| Short Term Investments | 3-month T-Bills | 0.00% | 0.00% | 0.0% | 0.00% | 25.00% | 60.00% |

Exhibit D

Target Risk Option Objectives

The **Aggressive Target Risk Option** seeks to provide very aggressive capital appreciation and some current income. The fund holds 90% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 10% in bonds, allocated among domestic investment grade fixed income, high yield, and international bonds. Investors with a long-term time horizon who are looking for the most aggressive growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderately Aggressive Target Risk Option** seeks to provide aggressive capital appreciation and some current income. The fund holds 75% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 25% in bonds, allocated among domestic investment grade fixed income, high yield, and international bonds. Investors with a long-term time horizon who are looking for aggressive growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Growth Target Risk Option** seeks to provide capital appreciation and some current income. The fund holds 60% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 40% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderate Target Risk Option** seeks to provide moderate capital appreciation and current income. The fund holds 45% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 55% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderately Conservative Target Risk Option** seeks to provide conservative capital appreciation and current income. The fund holds 30% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 70% in bonds, allocated among domestic bonds, international bonds, and short-term investments. Investors with a medium-term time horizon who are looking for conservative growth of principal over time and who can accept some stock market volatility may wish to consider this Portfolio.

The **Conservative Target Risk Option** seeks to provide very conservative capital appreciation and significant current income. The fund holds 10% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 90% in bonds, allocated among domestic bonds, international bonds, and short-term investments. Investors with a short-term time horizon who are looking for very conservative growth of principal over time and who can accept limited stock market volatility may wish to consider this Portfolio.

EXHIBIT E

Guiding Principles for Investment Analysis and Due Diligence



NATIONAL ABLE ALLIANCE

**GUIDING PRINCIPLES FOR
INVESTMENT ANALYSIS AND DUE
DILIGENCE**

May 12, 2023

Summary of Guiding Principles

This document outlines the due diligence and analytical procedures to be followed for the evaluation of current and prospective external investment fund managers utilized by the National ABLE Alliance (the “Alliance”) in servicing the individual member Plans (“Plans”) under its stewardship.

The Alliance is responsible for serving as a prudent, vigilant, and accountable investment steward. The Alliance holds itself to the highest investment standards, and as such, it actively seeks to utilize best practices for the effective analysis and evaluation of investment fund managers.

This document delineates the processes, practices, and factors by which prospective and current investment managers are evaluated by the Alliance and the Contractor(s) it hires to assist in executing investment management and advisory functions. The Contractor(s) is responsible for administrative services and investment management services.

Roles and Responsibilities

Alliance

The Alliance is responsible for the direction of investments and administration of the assets of the Plans. As such, key roles and responsibilities include, but are not limited to:

- **Fund Manager Approval** – While the Contractor(s) shall have the responsibility and discretion to seek, recruit, screen, evaluate, and recommend funds for investment, the Alliance maintains the authority and responsibility to approve all prospective investments before an agreement with an investment fund manager has been negotiated or executed.
- **Fund Manager Termination** – While the Contractor(s) shall have the responsibility to monitor and recommend for termination funds that are failing to meet the investment objectives of the Alliance, the Alliance maintains the decision-making authority and responsibility to terminate any and all existing investment fund managers.
- **Performance Monitoring** – The Alliance will review the investment performance of each investment fund at least quarterly.
- **Due Diligence** – The Alliance will participate in investment fund manager due diligence meetings with each investment fund manager in coordination with the Contractor(s) retained to assist in program management.

CONTRACTOR(S)

The Alliance may contract external vendors (“Contractor(s)”) to perform administrative & recordkeeping services and investment management services, as authorized by applicable state law and the Investment Policy of the Alliance. Accordingly, Contractors, in conjunction with their Investment Advisor(s), will be responsible for a number of important investment management duties, including, but not limited to:

- **Identification, Evaluation, and Approval of Investment Funds** – The Contractor(s) will advise and provide fund recommendations to the Alliance in order to obtain approval of Investment Options and underlying funds prior to implementation.
- **Due Diligence** – The Contractor(s) are responsible for investment fund manager due diligence, including, but not limited to, research, financial analysis, and legal, accounting, and background investigations of fund managers. The Contractor will undergo due diligence activities in coordination with the Alliance. Additionally, the Contractor(s) are responsible for conducting an annual due diligence meeting with the program manager of the Plans.
- **Custody and Management** – The Contractor(s) are responsible for custody, cash management, and recordkeeping services related to the Investment Options, including the calculation of investment option unit Net Asset Value on each business day when the New York Stock Exchange is open for trading.
- **Fund Monitoring** – The Contractor(s) are responsible for monitoring the performance of investment funds, enforcing Watch List Procedures, tracking the diversification of invested assets and the amounts invested by recipient funds, and facilitating and reconciling all reporting and accounting requirements of recipient funds and the Alliance.
- **Fee Monitoring** – The Contractor(s) are responsible for conducting a fee study at least annually to assess the fees charged by external managers.
- **Asset Allocation** – The Contractor(s) are responsible for conducting an asset allocation study at least annually to assess diversification amongst the Investment Options.
- **Benchmarking** – The Contractor(s) are responsible for establishing applicable investment benchmarks, measuring the performance of recipient funds against said benchmarks, and reviewing benchmarks at a minimum on an annual basis to ensure accuracy and relevance.
- **Quarterly Meetings** – The Alliance and the Contractor(s) shall meet at least quarterly to review fund performance as compared to applicable benchmarks and peer-group performance.
- **Reporting** – The Contractor(s) are chiefly responsible for administering all pertinent reporting requirements and recordkeeping duties as set out in its contract.

Evaluating Prospective Investment Managers

Prospective investment managers are evaluated using quantitative and qualitative criteria that align with the analysis, due diligence, and risk management responsibilities derived from the Investment Policy of the Alliance. The due diligence process of the Alliance addresses the quantitative data, which is why this document often refers to a “minimum due diligence process.”

Selected asset classes must be consistent with the portfolio’s time horizon and risk and return objectives, as well as with implementation and monitoring constraints. Decisions regarding investment strategies and types of investments are documented and made in accordance with fiduciary obligations of care.

As the market for index investing has grown rapidly (as evidenced by total assets under management and the vast number and variety of index funds/strategies), it is important to note that index funds are not exempt from the due diligence process. Each index vehicle goes through the same screenings as actively managed funds in regard to qualitative and quantitative analysis before being selected as an investment manager.

MANAGER SELECTION CRITERIA

To be eligible for consideration, investment fund managers must first satisfy basic manager selection criteria. Eligible investment options must be managed by one of the following entities:

- **National Banking Institution** – Defined as a commercial bank with a charter approved by the U.S. Office of the Comptroller of the Currency (OCC). A national banking institution functions as a member bank of the U.S. Federal Reserve in the capacity of being an investing member of its district Federal Reserve Bank. These banks may facilitate the auction process of U.S. Treasury bonds and must be members of the Federal Deposit Insurance Corporation (FDIC).
- **Registered Investment Advisor** – Defined as any person or firm that for compensation; is engaged in the business of; providing advice, making recommendations, issuing reports, or furnishing analyses on securities, either directly or through publications. A person or firm must satisfy all these elements in order to be registered under the U.S. Investment Advisers Act of 1940.
- **Registered Investment Company** – Defined as an issuer which (a) is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities; (b) is engaged or proposes to engage in the business of issuing face-amount certificates of the installment type, or has been engaged in such business and has any such certificate outstanding; or (c) is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities, and owns or proposes to acquire investment securities. The Alliance will only retain registered investment companies that offer pooled investment vehicles that comply with the Investment Act of 1940 for externally managed programs, including the following pooled investment vehicles:

- **Mutual Funds** – An open-ended investment company that is registered with the U.S. Securities and Exchange Commission. These funds pool money from its shareholders, invest in a portfolio of securities, and continuously offer to sell or redeem shares to the public. The company’s portfolio is managed by professional investment advisors to meet specific investment objectives.
- **Index Funds** – Investment funds that are passively managed strategies that replicate the risk and return characteristics of a respective benchmark.
- **Exchange-Traded Funds** – Exchange-Traded Funds (ETF) trade on a reputable exchange in the secondary market. Most ETF’s track a particular broad market or style-based index and are considered passively managed products.

QUALITATIVE FACTORS

The Alliance evaluates each prospective investment fund manager by a number of key qualitative factors. These factors are considered during a risk assessment of each prospective investment fund manager performed by the Alliance in coordination with its Contractor(s). The purpose is to identify and estimate the types and levels of risks posed to the Alliance and its account holders by the potential selection of the investment fund manager. Key qualitative factors include:

- **Stability of the Organization** – The investment fund manager or management team associated with the perspective strategy should be in place for a minimum of three years. The Alliance and its Contractor(s) will also consider whether there is previous and/or pending litigation against the firm, applicable regulatory enforcement actions, internal management struggles, recent changes in ownership, a rapid growth or loss of assets under management, other reputational risks, or a combination thereof. Also reviewed is the adequacy of internal controls, trading practices and efficiency, processes, and systems, including segregation of duties throughout the investment management team.
- **Track Record** – The track record of the investment management team shall be assessed based upon inception date of the product(s). To qualify, investment products must have been in existence for at least three years. Modern portfolio theory measures (i.e. Alpha, Sharpe Ratio and Standard Deviation) require a minimum of three years of data before a meaningful calculation can be made. An exception to this requirement would be suitable for an investment vehicle that is realizing a new share class, such as an institutional share class. In such a case, the use of the inception date of the original share class will be reviewed if it possesses a track record of at least three years.
- **Investment Philosophy** – The Alliance and its Contractor(s) will consider the overall set of principles or strategies that guide the investment fund manager’s security selection. A prospective manager should show no deviation from their written investment philosophy at any point during multiple market cycles. The investment fund manager’s philosophy should maintain an element of risk aversion, as well as take into consideration global as well as domestic perspectives.
- **Investment Process** – An investment fund manager’s investment process should be well-defined and methodical in its approach to analyzing and selecting securities for its portfolio as well as

evaluating market sentiments and benchmark performance. A well-defined investment process contributes to a consistent methodology for constructing an optimal portfolio.

- **Portfolio Construction** – An investment fund manager’s portfolio should consist of securities from the broad asset class associated with the product’s peer group. This allows the Alliance and its Contractor(s) to obtain information about the overall investment strategy. The portfolio composition should align with what the investment fund manager has outlined in its prospectus and investment policy statement.
- **Style Consistency** – The style drift of the investment fund manager will be assessed. Style drift is defined as the divergence of a fund from its stated investment style or objective. An investment fund manager’s investment style is defined as a natural grouping of investment disciplines that have a degree of predictive power in explaining the future dispersion in returns across portfolios. The investment fund manager should be able to demonstrate minimum style drift over the given period. The Alliance and its Contractor(s) will evaluate a prospective investment fund manager’s style drift over a three- and five-year period based on but not limited to Holdings Based Style Analysis and Returns Based Style Analysis.
 - *Holdings Based Style Analysis* – Determines the investment style of a portfolio by utilizing a bottom-up approach in examining the characteristics of the individual securities in the portfolio. The individual securities are ranked based on their characteristics which are then used to identify the investment style of the portfolio.
 - *Returns Based Style Analysis* – Is a top-down approach that involves estimating a portfolio’s sensitivities to security market indexes representing a range of distinct factors. This analysis should identify the important drivers of return and risk factors for the period analyzed and can be estimated even for complicated strategies. In addition, the process is comparable across managers and through time, and the use of returns data provides an objective style check that is not subject to window dressing. Window dressing is the act of selling securities near the end of the reporting period that have amassed significant losses and purchasing securities that have significant gains within the period in order to appear that the recently purchased securities have been amongst the fund’s holdings throughout the reporting period.
- **Risk Management** – The Alliance evaluates an investment fund manager’s ability to identify, assess, and prioritize risks. Furthermore, the Alliance evaluates how a manager deploys its resources to minimize, monitor, and contain the potential impact of adverse events or maximize the realization of opportunities. Evaluating an investment fund manager’s risk management process helps ensure that uncertainty is properly accounted for within the investment fund manager’s investment strategy.
- **Operating Procedures** – The investment fund manager or the organization associated with the perspective strategy should have in place a clearly defined and documented standard operating procedure. The operating procedure should consist of sound policies with regards to risk governance, identification, measurement, and adjustment.
- **Integration of Sustainability Factors** – The Alliance and its Contractor(s) may consider

whether and to what extent a prospective manager integrates sustainability risk factors into its portfolio construction and management processes. Prudent integration of material sustainability factors, including, but not limited to (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors will allow the Alliance to fulfill its fiduciary duties of financial prudence in keeping with industry best practices. These factors may be considered as components of portfolio construction, investment decision-making, investment analysis, due diligence, prospective value proposition, risk management, and investment ownership, given that these tangible and intangible factors may have material and relevant financial impacts.

Additionally, Sustainability factors may be implemented within investment manager due diligence through:

- Attentive oversight of investment holdings to address sustainability risks and opportunities through direct engagement with entities, such as investment funds, portfolio companies, government bodies, and other organizations.
- Consideration of other relevant factors such as legal, regulatory, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

QUANTITATIVE FACTORS

In addition to qualitative factors, the Alliance and its Contractor(s) evaluate each prospective investment fund manager by a number of quantitative factors to determine suitability. The purpose is to identify and estimate the types and levels of risks posed to the Alliance and its account holders by the potential selection of the investment fund manager. Quantitative factors include:

- **Assets Under Management** – A minimum of at least \$75 million under its management across all asset and sub-asset classes. This criterion may require additional analysis for mutual funds when there is more than one share class (i.e. Class A, Class F, etc.). In such a situation, it is reasonable to add up assets across each share class within the fund to determine whether the \$75 million threshold has been obtained. The Alliance prefers prospective funds that have been able to gain assets at a steady pace, considering market environments over a full market cycle.
- **Expense Ratio** – The annual fee that all investment fund managers charge participants shall be within the 75th percentile in terms of cost. The net expense ratio is expressed as a percentage of assets deducted each fiscal year for fund expenses, 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs. In all cases, the Alliance desires the lowest cost share class, which at times, may be the institutional share class offered by a mutual fund.
- **Risk-Adjusted Performance** – One-, three-, and five-year performance in addition to calendar year performance of investment managers is evaluated. The Alliance and its Contractor(s) shall seek performance numbers that exhibit outperformance or alignment with the appropriate benchmark or category peer funds for the applicable asset class, or within the tolerance of the fund's expense ratio for performance of index funds relative to its benchmark. The Alliance will also evaluate the investment fund manager's transparency in terms of risk management.

Risk-adjusted ratios are taken into consideration as well:

- **Alpha** – The return on an asset should exceed the asset’s required rate of return or the risk-adjusted return should outperform or equal the product’s peer group on a trailing three-year basis.
- **Sharpe Ratio** – An investment fund manager’s Sharpe Ratio should be evaluated against category peers. The investment fund manager should possess a Sharpe Ratio that exceeds or equals that of category peers.
- **Information Ratio** – The Information Ratio of an investment fund manager will be used to measure and evaluate the skill of the manager in exceeding the benchmark’s return. The investment fund manager’s Information Ratio will be compared to that of its peers.
- **Sortino Ratio** – The investment fund manager’s Sortino Ratio will be used to measure the efficiency in which an investment fund manager generates returns by measuring the investment fund manager’s return compared to the downside standard deviation of the investment fund’s returns.
- **Performance Relative to Peers** – The Alliance and its Contractor(s) shall consider the rolling performance of the investment product on a one-, three-, and five-year basis. The performance comparison should be made against the median return of the investment fund manager’s peer group (i.e., a Large Cap Value manager will be measured against peer Large Cap Value managers).
- **Percentile/Quartile Rankings** – In addition to one-, three-, and five-year risk-adjusted performance, the Alliance evaluates percentile/quartile rankings, which compare investment fund managers against their category peers. Quartile rankings are evaluated from third-party service providers including, but not limited to, Morningstar rankings, Preqin rankings, InvestorForce, and eVestment.
- **Third-Party Evaluations** – Other third-party evaluations are also considered in the due diligence process. Third-party evaluations and ratings include independent research on investment fund managers performed by a third-party. The evaluations and ratings compare investment fund managers against category peers as well as relative performance benchmarks. Third-party evaluations and ratings that are considered include, but are not limited to, the Morningstar Medalist and Star Ratings for funds, Morningstar firm stewardship grades, Lipper ratings, or other well-recognized third-party rankings.
- **Beta** – The Alliance and its Contractor(s) will consider the product’s sensitivity to market movements by analyzing the Beta. The product’s Beta figure should be consistent with the applicable peer group based on the investment style of the investment fund manager.
- **Standard Deviation** – Managers should exhibit similar standard deviation measures as compared to category peer groups. As it is the goal of the Alliance to limit volatility in investment returns throughout a market cycle, the investment fund manager shall exhibit the ability to maintain a consistent standard deviation over a three to five-year period.

HIERARCHY OF DECISIONS

The Alliance utilizes a specific hierarchy of decision factors to assess the suitability of investment fund managers and investment products. The sequence follows as such:

- 1. Time Horizon** – First, the Alliance and its Contractor(s) consider the investment time period that is sought to achieve the expected return. This factor is fundamental in determining what investment fund managers and products are appropriate for a given program.
- 2. Appropriate Level of Risk/Return** – With a longer investment period, a higher investment return is expected (as the risk level is generally higher for long-term investments). Alternatively, with a shorter investment time horizon, a smaller return is expected (as there is generally less risk posed).
- 3. Asset Class** – The Alliance and its Contractor(s) shall consider the need to diversify investments across asset classes.
- 4. Correlation Among Asset Classes** – Asset allocation drives the majority of returns in a given portfolio. When taking this into consideration, the Alliance and its Contractor(s) strive to diversify investments across all traditional asset classes.
- 5. Additional Relevant and Financially Material Factors** – Consideration of other relevant factors such as legal, regulatory, and reputational risks that contribute to an optimal risk management framework and are necessary to create long-term investment value.
- 6. Sub-Asset Classes** – Once an investment strategy is determined and an asset allocation is selected by the Alliance, sub-asset classes are then considered for their suitability within a portfolio.
- 7. Managers/Funds** – Once an investment strategy, risk tolerance, and asset allocation are determined, the screening and selection of investment fund managers and products is executed in an effort to build an optimal portfolio.
- 8. Sustainability Rating** – If a sustainability rating or track record is available, the Alliance may consider this information in its decision-making process in order to optimize the portfolio for long-term returns.

Monitoring Current Investment Fund Managers

Once an investment fund manager has been selected and incorporated into the Plans under the stewardship of the Alliance, the Alliance and its Contractor(s) will regularly review the investment fund managers to ensure conformance with the investment and risk management objectives of the Alliance.

PERFORMANCE

- **Review Frequency** – The Alliance, in coordination with the External Investment Consultant, will review each fund’s performance on a monthly, quarterly, and annual basis.
- **Benchmark** – The performance of each investment product shall be compared to an appropriate index, peer group, and other performance-related measure as defined in the appropriate Investment Policy Statement. The performance of each investment fund manager is to be compared against the following:
 1. An appropriate “best fit” index or a blended benchmark option;
 2. The average performance of all investment fund managers in the peer group of similar type managers; and/or
 3. The performance objectives that have been established in the appropriate Investment Policy Statement of the Alliance.

REPORTING

The Contractor(s) are responsible for administering all pertinent reporting duties on a monthly, quarterly, and annual basis and supplying the Alliance with monthly reports detailing underlying investment fund performance for the prior month period.

Monthly Reporting – Contractor(s)

The Contractor(s) are responsible for supplying the Alliance with monthly reports detailing the investment performance of the products in the pertinent externally managed program. The monthly reports contain fund information as well as monthly and year-to-date performance.

Quarterly Reporting – Contractor(s)

The Contractor(s) are responsible for supplying the Alliance with quarterly reports that represent a compilation of information obtained from individual managers as well as information from the Contractor(s)’ internal investment team including but not limited to, a breakdown of fund assets, fund performance with updated monthly, quarterly, trailing 12-month, one-year, three-year, five-year, and since inception numbers, program developments, underlying fee schedules, industry landscape updates, and portfolio characteristics. Also, the tracking error of a manager’s strategy is taken into consideration when monitoring funds on an ongoing basis. The following characteristics are requested for each asset class:

- **Fixed Income Funds** – The following portfolio characteristics are reported as compared to the product’s given benchmark include the following, but are not limited to:
 - Yield to maturity
 - Average effective maturity
 - Average duration
 - Average quality
 - Sector exposure
 - Portfolio maturity breakdown
 - Regional breakdown
 - Risk-adjusted returns
 - Performance attribution
 - Maximum Drawdown

- **Equity Funds** – The following portfolio characteristics are reported as compared to the product’s given benchmark include the following, but are not limited to:
 - Number of holdings
 - Weighted average market capitalization
 - Median market capitalization
 - Price to earnings
 - Price to book
 - Price to sales
 - Return on equity
 - Beta
 - Alpha
 - Turnover
 - Standard Deviation
 - R-squared
 - Performance attribution
 - Upside and downside market capture
 - Five-year style drift

DUE DILIGENCE MEETINGS

Due diligence meetings are necessary to enhance program integrity and further mitigate investment, operational, and reputational risks. The meetings provide a forum by which the Alliance can examine the operations, processes, and management systems of Contractor(s) and individual investment fund managers to ensure alignment with contractual terms and investment objectives.

- **Meeting Frequency** – The Alliance conducts investment due diligence meetings with Contractor(s), as well as the individual investment fund managers, on a quarterly basis.

- **Meeting Venue** – Due diligence meetings may occur in-person or via conference call though for Contractor(s), the Alliance is required to hold at least one due diligence meeting per year onsite at the Contractor(s)’ headquarters. Investment fund managers may be invited to

attend as part of the due diligence.

- **Annual Fee Review** – On an annual basis, the Alliance, with the assistance of the Contractor(s), will conduct a review of all current investment fund managers to assess management fees. Investment manager fees should be competitive as compared to their category peer group. When available, the Alliance shall seek to utilize separately managed accounts and or an institutional share class options when available. The utilization of separately managed accounts and institutional (including R6) share class options for underlying funds often contributes to reduced costs.

MONTHLY REVIEWS

The Alliance will conduct a performance review of all Managers on a monthly basis. This monitoring process enables the Alliance to evaluate the Manager performance and alignment with investment objectives.

On a monthly basis, the Alliance will review the investment performance of Managers to ensure there is no substantial underperformance or material changes to strategy. In the case of the discovery of substantial underperformance or notable style drift, the Alliance retains the right to contact Managers to discuss drivers for underperformance and the outlook for the investment product. After reviewing the monthly report from the Contractor(s), the Alliance shall create a monthly report detailing investment performance as well as changes in market values of the program. This monthly report is created regardless of any underperformance or material changes. The report is utilized for ongoing due diligence.

QUARTERLY REVIEWS

Investment managers are reviewed on a scheduled quarterly basis by the Alliance as well. The quarterly report features a review and recommendation as prepared by members of the Alliance. The recommendation consists of an analysis of the fund's performance, portfolio characteristics, fund updates, sustainability risk considerations, and any fund developments that occurred within the quarter including, but not limited to, personnel turnover, noticeable redemptions or flows, and parent company announcements. The fund's status can either remain unchanged, or if applicable, the fund may be put on the Watch List of the Alliance for ongoing monitoring.

ANNUAL REVIEWS

This report features a review and recommendation as prepared by members of the Alliance. The recommendation consists of an analysis of the fund's performance, portfolio characteristics, fund updates, sustainability risk considerations, and any fund developments that occurred within the year including, but not limited to, personnel turnover, noticeable redemptions or flows, and parent company announcements. The fund's status can either remain unchanged, or if applicable, the fund may be put on the Watch List of the Alliance for ongoing monitoring.

Watch List Procedures

On a quarterly basis, the Alliance shall review investment fund managers across all externally managed investment programs. The Alliance may designate each investment fund manager as either “In Compliance” or “On Alert.” In the event that an investment manager is put “On Alert,” the manager will be placed on the Watch List.

“IN COMPLIANCE”

Managers will be designated “In Compliance” if the investment fund manager acts in accordance with the Alliance investment guidelines and policies as identified by the Plans’ Investment Policy.

“ON ALERT”

If the Alliance and/or the Contractor(s) remain concerned with a manager within the Plans, the Alliance may change the manager’s status from “In Compliance” to a status of “On Alert.” The investment fund manager’s failure to improve the Watch List factor(s) at issue within a given time frame (contingent on the factor(s)) justifies a possible termination from the Plans. If an investment fund manager’s status is changed to “On Alert,” the Alliance will promptly notify the investment fund manager in writing.

WATCH LIST FACTORS

The Alliance may place an investment fund manager on the Watch List under any one or combination of the following conditions:

- Tracking error falls below or above the median for the peer group over a one-, three-, or five-year cumulative period.
- Performance falls below median for the peer group over a one-, three-, or five-year cumulative period.
- The manager’s assets under management in the given product under the program fall under \$75 million.
- Excessive out-flows/drawdowns from the given product as determined by the Alliance.
- The percentage of securities within the broad asset class falls below 80%.
- Indications of significant style drift as compared to the assigned benchmark.
- Change in the investment management style or philosophy for which the Manager is retained.
- Any regulatory or liability issue affecting the organization, (i.e. SEC regulation rulings against a Manager). This includes any issues that may arise on the parent or product level.
- Any significant change in the organizational structure of the product’s management team including, but not limited to, change in portfolio management team and staff turnover within the investment team.
- The manager’s three-year risk adjusted return falls below the peer group’s median rate.
- Sub-optimal investment risk characteristics, including but not limited to Alpha, Beta, Sharpe ratio, Information ratio, and tracking error as compared to the assigned benchmark over a given

period.

- Increased or unexpected volatility in terms of standard deviation when compared to peers and the benchmark.
- Violation of any statutory or contractual requirements defined by the Investment Policy Statement.
- A decrease in the level of service provided by the manager including, but not limited to, quality of responses to requests for information, quality of reports, and overall communication between the Alliance and/or the Contractor(s) and the manager.
- A flagrant instance of non-compliance with respect to sustainability risk factors or best practices that may pose a risk to the performance or suitability of the fund.
- Any extraordinary event occurs that may interfere with the manager's ability to fulfill its duties and responsibilities.

NOTIFICATION

No longer than five business days after an investment fund manager has been placed on the Watch List, the Alliance shall send a written notification to the Contractor(s) that informs them of the manager's change in status and requests additional information, including, but not limited to:

- Detailed performance attribution for the trailing five-year period;
- Explanation of the challenges and shortcomings the strategy has faced over the given time period;
- Summary of current portfolio position and market catalysts expected to improve the fund performance; and
- A brief explanation discussing short-term and long-term performance expectations in the current market environment.

MONITORING MANAGERS ON WATCH LIST

Regardless of the reason for the placement on the Watch List, the investment fund manager shall remain on the Watch List for a minimum of four quarters. Four quarters gives the investment fund manager a full market cycle to improve performance. It also provides sufficient time for management/structural changes to be incorporated into the strategy. After four quarters has elapsed, with the assistance of the Contractor(s), the Alliance may conduct a search within the asset class in which the assigned investment fund manager invests to assess peer managers if the Alliance has not seen significant improvement from the investment fund manager. The assessment will include analyzing both qualitative as well as quantitative data to consider to possibly replace or to retain the manager in the current investment lineup. If the investment fund manager is retained, the manager shall be monitored on a quarterly basis and reevaluated for the possibility of removal from the Watch List.

TERMINATION

If the investment fund manager fails to remedy or alleviate the issue(s) that led to its placement on the Watch List within a timeframe determined by the Alliance, the Alliance has the discretion to terminate the manager. If the Alliance decides to terminate the investment fund manager, the Alliance will promptly notify the investment fund manager in writing and will immediately begin coordinating transition management planning.

Outline for Addition/Replacement of an Investment Fund Manager

Once it is determined by the Alliance, in collaboration with the Contractor(s), to replace a current Manager or to add an additional Manager to the current investment lineup, the Alliance may use the steps outlined below as a guide.

CONDUCTING A MANAGER SEARCH

The Alliance, alongside the External Investment Consultant, and the Contractor(s) must conduct a search to identify, at minimum, five (5) potential investment fund managers as viable replacements or additions to the investment lineup. The Alliance and the Contractor(s) must utilize characteristics detailed in this document to identify potential managers, specifically the Evaluating Prospective Investment Fund Manager section.

After initial screening is complete the Alliance will collaborate with the Contractor(s) to discuss top candidates. The team will then request 3-4 investment manager firms to participate in the next steps of the investment fund manager search.

FINALIST PRESENTATIONS

Once the finalists have been chosen, the Alliance, alongside its External Investment Consultant and Contractor(s), will conduct finalist interviews with the selected investment fund managers. These interviews may be held in person or via conference call. During the interviews the Alliance's goal is to obtain insights pertaining to, but not limited to, the investment fund managers:

- Senior Investment Team;
- Investment Strategy/Philosophy;
- Risk-Adjusted Performance;
- Portfolio Positioning, and;
- Sustainability factor integration in security selection.

MANAGER RECOMMENDATION AND SELECTION

Once the Alliance and the Contractor(s) have evaluated the finalists, the Investment Policy Subcommittee will draft a memo that outlines the genesis of the search and include the thesis for recommending an investment manager for selection. The Alliance will review the memo and vote to implement the recommendation. If there is a simple majority consensus, the Alliance and the Contractor(s) will then begin the implementation of the recommendation.

EXHIBIT F
Illinois – Addenda

In addition to the considerations and objectives as set forth in the Investment Policy Statement, the State of Illinois complies with all Illinois state laws and regulations including the Illinois Sustainable Investing Act (30 ILCS 238/1 et seq.) and the State Treasurer Act (15 ILCS 505/1 et seq.). Pursuant to the Illinois Sustainable Investment Act, IL ABLE and the Illinois State Treasurer’s Office use sustainability factors in its investment policy. These factors include material, relevant, and decision-useful sustainability factors to be considered as a component of the overall evaluation of investment decisions, including the selection of fund managers. Such factors include but are not limited to 1) corporate governance and leadership factors; 2) environmental factors; 3) social capital factors; 4) human capital factors; and 5) business model and innovation factors. 30 ILCS 238/15(b). IL ABLE and the Illinois State Treasurer’s Office integrate sustainability factors into all investment decisions in accordance with state law.

Additionally, the State Treasurer Act requires the Illinois State Treasurer to utilize minority-owned businesses, women-owned businesses, and veteran-owned businesses to the greatest extent feasible within the bounds of financial and fiduciary prudence. 15 ILCS 505/30. When procuring services, the State Treasurer is authorized to incorporate preferences for minority-owned, women-owned, veteran-owned, owned by a person with a disability, small businesses and businesses having a record of support for increasing diversity and inclusion in board membership, management, employment, philanthropy, and supplier diversity. 15 ILCS 505/30(d).

Per the investment policy statement of Illinois, Illinois shall endeavor to identify and evaluate investment managers that are more than 50% owned and/or managed by minorities, women, military veterans, or disabled persons.