



Program Disclosure Booklet

**Administration and Trustee:
The Maryland 529 Board**

Investing in the Maryland ABLE program is an important decision. Please read the Program Disclosure Booklet and the Participation Agreement in their entirety before making an investment decision.

Only monies placed in the Maryland ABLE Cash Option are insured under the guidelines of the Federal Deposit Insurance Company ("FDIC"). The Cash Option offers FDIC insurance up to \$250,000, subject to certain restrictions. Monies held in the Cash Option are not insured or guaranteed by Maryland 529, its Board or individual members, the State of Maryland or its officials or employees, or any other administrators, agents or advisers to the Maryland ABLE program.

Contributions invested in the Investment Portfolios are neither insured nor guaranteed by Maryland 529, its Board or individual members, the State of Maryland or its officials or employees, or any other administrators, agents or advisers to the Maryland ABLE program. None of Maryland 529, its Board or individual members, the State of Maryland or its officials or employees, or any other administrators, agents or advisers to the Maryland ABLE program guarantees investment returns.

Depending on the laws of your home state, favorable state tax treatment or other non-tax benefits offered by your home state may only be available if you invest in your home state's ABLE Program. If you live outside of Maryland, you should consider such state tax treatment and other benefits, if any, before making an investment decision.

ABLE Accounts are intended to be used only to save for Qualified Disability Expenses. These accounts are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax adviser based on their own particular circumstances.

Account Holders should periodically assess, and if appropriate, adjust their investment choices with their time horizon, risk tolerance and investment objectives in mind.

The securities described in this Program Disclosure Booklet are considered municipal fund securities for federal securities law purposes. Accounts in the Program have not been registered with or in any way approved by the Securities and Exchange Commission or by any state securities commission pursuant to exemptions from registration available for securities issued by a public instrumentality of a state.



Program Disclosure Booklet

Before you open an account in the Maryland ABLE program (the “Program”) and before you make any investments in the Program, you should carefully read and understand this Program Disclosure Booklet. It includes important details about the Program, including, among other information, eligibility for opening an ABLE Account, the risks of investing in the Program, certain limitations and restrictions that will apply to your use of the money in the Program, the tax treatment of contributions, earnings, and distributions from an ABLE Account, and the fees you will pay for having an ABLE Account in the Program.

The information in this Program Disclosure Booklet is believed to be accurate as of the date printed on the cover page but is subject to change without notice, and neither delivery of this Program Disclosure Booklet nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Program since the date of this document.

No broker, dealer, salesperson, or any other person has been authorized to give any information or to make any representations other than those contained in this Program Disclosure Booklet and, if given or made, such other information or representations must not be relied upon as having been authorized.



Maryland ABLE Overview

The Program has been developed and is intended to operate as a qualified ABLE Program pursuant to Section 529A of the Internal Revenue Code of 1986, as amended (“Section 529A”). Section 529A permits states and state instrumentalities to establish and maintain programs that allow Eligible Individuals to save for Qualified Disability Expenses on a tax-advantaged basis without jeopardizing eligibility for federal means tested benefits such as Supplement Security Income and Medicaid.

ABLE Accounts established under the Program are intended to be used for the Qualified Disability Expenses of a particular Eligible Individual. ABLE Accounts are not intended to be used for, nor should they be used by, any taxpayer for the purpose of evading federal or state income taxes or any tax penalties. This Program Disclosure Booklet does not address the potential effects on Beneficiaries of the tax laws or laws relating to state benefits of any state other than Maryland. You should consult a qualified tax adviser about how federal tax laws, Maryland state tax laws, or the tax laws of your state of residence apply to your circumstances. You should consult a qualified special needs planner about how federal laws relating to means-tested benefits, Maryland state laws relating to means-tested benefits, or the laws of your state of residence apply to your circumstances. Federal and state laws or regulations are subject to change and could affect the tax treatment of your ABLE Account and how the balances and withdrawals from your ABLE Account are treated for purposes of your eligibility for federal or state means-tested benefits.

IMPORTANT LEGAL INFORMATION

NONE OF THE MARYLAND 529 BOARD, MARYLAND 529, OR ANY OF THEIR AGENTS OR CONTRACTORS, MAKE ANY REPRESENTATION ABOUT THE SUITABILITY OF THE INVESTMENT OPTIONS DESCRIBED IN THIS PROGRAM DISCLOSURE BOOKLET FOR ANY PARTICULAR BENEFICIARY. OTHER TYPES OF INVESTMENTS OR OTHER SAVINGS OPTIONS MAY BE MORE APPROPRIATE FOR A BENEFICIARY DEPENDING UPON HIS OR HER PERSONAL CIRCUMSTANCES. THE INFORMATION PROVIDED IN THIS PROGRAM DISCLOSURE BOOKLET IS NOT INVESTMENT, LEGAL, OR TAX ADVICE AND IS NOT INTENDED TO BE EXHAUSTIVE. EVERY BENEFICIARY OR HIS OR HER AUTHORIZED LEGAL REPRESENTATIVE SHOULD CONSULT HIS OR HER OWN TAX OR FINANCIAL ADVISER OR SPECIAL NEEDS PLANNER FOR MORE INFORMATION.



Table of Contents

Introduction to the Program	9
The ABLE Act	9
The Program	9
Beneficiary Under the Program	9
Authorized Legal Representative	9
Maryland 529, the Board and the Trust	9
Program Governance	10
Program Partnership	10
Program Manager	10
Investment Adviser	10
Cash Option	11
The Investment Options	11
ABLE Conservative Investment Option	11
ABLE Moderate Investment Option	11
ABLE Aggressive Investment Option	11
Important Definitions	12
Key Features of the Program	17
Getting Started	25
Eligibility to Open an ABLE Account	25
One Account Rule	25
Social Security Act Eligibility Certification Requirements	25
Diagnosis-Based Eligibility Certification Requirements	25
Eligibility Requirements are Subject to Federal Law and May Change	26
Opening Your ABLE Account	26
Choosing Portfolio Options	26
Federal Income Tax Benefits	26
Changes in Eligibility	27
Contributing to your ABLE Account	28
Who Can Contribute	28
How You Can Contribute to Your ABLE Account	28
Rollovers	28
Minimum Contributions	29
Annual Contribution Limit	29
ABLE to Work Contributions	29
Attempted Contributions Over the Annual Contribution Limit	29
Maximum Account Balance	30
Attempted Contributions Over the Lifetime Account Limit	30
Unit Value and Processing Transactions	30
Valuing Units	30
Allocation of Contributions Between Cash Option and Investment Option	31

Table of Contents (continued)

Using your ABLE Account	32
Transfers Among Portfolio Options	32
Withdrawals	32
Withdrawals Using A Prepaid Card	32
Allocation of Withdrawals Between Cash Option and Investment Option	33
Types of Withdrawals	33
Qualified Withdrawals	33
Rollover Distribution	33
Non-Qualified Withdrawals	33
Zero-Balance Accounts	34
Social Security and Medicaid Considerations	35
Exclusions from Income	35
Exclusions from Countable Resources	35
Expenses Included as Countable Resources	35
ABLE Account Balances Over \$100,000 Not Excluded	36
Suspension of SSI Where Balance of ABLE Account Exceeds \$100,000 by a Certain Amount	36
Medicaid	36
Portfolio Options	38
Overview	38
Cash Option	38
FDIC Insurance	38
Interest Rates	38
Notice Regarding Withdrawals	39
Investment Risks	39
The Investment Options	39
The ABLE Conservative Investment Option	39
The ABLE Moderate Investment Option	39
The ABLE Aggressive Investment Option	39
Other Considerations	40
Performance	41
Past Performance No Guarantee of Future Results	41
Investment Results of Your Portfolio Option Will Vary	41
Cost of your ABLE Account	42
Fees and Expenses	42
Account Maintenance Fee	42
Annual Asset-Based Fees	42
Rollover	43
E-Delivery Fee Waiver	43
Fees for Additional Services	43

Table of Contents (continued)

Investment Cost Example	44
Risks of Investing in the Program	45
No Insurance or Guarantee	45
You Could Lose Money	45
Potential Impact on Supplemental Security Income	45
Potential Impact on Medicaid Eligibility	45
Potential Impact on State Benefits	45
Changes in Your Eligibility Status	45
Investment Risks	45
Changes in Law	45
Modification or Termination of Portfolio Options	46
No Recontribution of Withdrawals	46
Risks Related to Illiquidity	46
Limitations on Reallocating Monies Among Investment Options	46
Change of the Program Manager or Investment Adviser, Terms and Conditions of the Program, Portfolio Options, and Mutual Funds	46
Medicaid Recapture	46
Suitability; Investment Alternatives	47
Investment in the Program is not a Direct Investment in the Bank Account or Mutual Funds	47
Tax Considerations	48
Qualified ABLÉ Program	48
Eligible Individual	48
One Account Rule	48
Federal Tax Information	48
Withdrawals	49
Qualified Withdrawals	49
Non-Qualified Withdrawals	49
Exceptions to Penalty Tax	49
Rollovers	49
Change of Beneficiary	50
Earnings	50
Gift Tax and GST Tax	50
Estate Tax	50
Medicaid Recapture	50
Coordination with Qualified Tuition Plans	50
Maryland State Tax Treatment	50
Oversight of the Program	52
Service Providers to the Program	52
Maryland 529	52
Program Partner	52

Table of Contents (continued)

Program Manager	52
Investment Adviser	52
Custodian	53
The Bank	53
Reporting	54
ABLE Account Statements	54
Tax Reports	54
Reports to Social Security	54
Financial Statements	54
Other Important Legal Information	55
No Pledging of Account Assets	55
Beneficiary as Account Owner	55
No Sale or Exchange	55
Bankruptcy and Related Matters	55
Unclaimed Funds	55
Program Privacy Policy	55
Information the Program Collects	55
How Your Information Is Used	55
Security of Your Information	56
Changes to this Privacy Policy	56
Notice About Online Privacy	56
Online Enrollment, Account Information Access, and Online Transactions	56
Other Personal Information Provided by You on the Program’s Website	56
Appendix I	57
Summaries of the Underlying Mutual Funds	57

Introduction to the Program

The ABLE Act

The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (the "ABLE Act") provides certain individuals with disabilities a means to save for disability-related expenses. Section 529A of the Internal Revenue Code of 1986 as amended ("Code"), added to the Code as part of the ABLE Act, allows the creation of a "qualified ABLE Program" by a state (or agency or instrumentality thereof) under which an Achieving a Better Life Experience ("ABLE") account may be established for an individual with a disability who is the Beneficiary and owner of that account.

The Program

The Program is established pursuant to the ABLE Act and the Maryland Achieving a Better Life Experience ("ABLE") Act, 2016 Maryland Laws Ch. 39 (H.B. 431), signed into law April 12, 2016 (the "Maryland ABLE Act"). The Program is designed to be a "qualified ABLE Program", which status permits a Beneficiary of an ABLE Account established under the Program to contribute and invest funds, enjoy tax-free growth on the earnings of the account, and make tax-free withdrawals to pay for Qualified Disability Expenses under certain circumstances (see "Tax Considerations" below). Such status also permits amounts in an ABLE Account up to \$100,000 to be disregarded for purposes of determining the Beneficiary's eligibility to receive benefits under the federal Supplemental Security Income program ("SSI"), and all amounts in an ABLE Account to be disregarded in determining the Beneficiary's eligibility to receive benefits under any other federal or state means-tested program. An ABLE Account may be used for the long-term benefit and/or short-term needs of the Beneficiary. Savings in the Program are designed to be in addition to benefits otherwise available to the Beneficiary of an ABLE Account, whether through private sources, employment, public programs or otherwise.

Beneficiary Under the Program

Subject to the terms and conditions in this Program Disclosure Booklet, the Participation Agreement, and the enrollment process, a person is entitled to open an ABLE Account in the Program if the person is an Eligible Individual under Section 529A of the Code. An individual is eligible for a taxable year if, during that year, either the individual

is entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act, or a disability certification meeting specified requirements is deemed filed with the Secretary of the United States Treasury. In all cases, the blindness or disability must have occurred before the date on which the individual attained age 26. A person who meets all these requirements is known as an "Eligible Individual."

Authorized Legal Representative

If the Beneficiary is not able to exercise signature authority over his or her ABLE Account or chooses to establish an ABLE Account but not exercise signature authority, an Authorized Legal Representative may act on the Beneficiary's behalf with respect to the account. Subject to any further guidance by the Internal Revenue Service ("IRS"), the Authorized Legal Representative may be a person granted a Power of Attorney to act as the Beneficiary's agent in establishing the ABLE Account and making investment decisions for the Beneficiary ("Power of Attorney"). If there is no person with a Power of Attorney, the Authorized Legal Representative may be a legal guardian or a parent of a Beneficiary who is considered a minor under State law at the time of opening the account. The Authorized Legal Representative may neither have, nor acquire, any beneficial interest in the ABLE Account during the Beneficiary's lifetime and must administer the ABLE Account for the benefit of the Beneficiary.

Maryland 529, the Board and the Trust

The Maryland General Assembly created an independent State agency, now called Maryland 529, in 1997 to establish a Qualified Tuition Program under Section 529 of the Code. See Section 18-19C-01 et seq. of the Education Article of the Maryland Code Annotated.

During the 2016 legislative session, Maryland 529 was granted legislative authority to establish a Maryland ABLE Program pursuant to the provisions of § 529A of the Code. See Section 18-19C-01 et seq. of the Education Article of the Maryland Code Annotated.

Maryland ABLE is directed and administered by the Maryland 529 Board. The Board consists of 11 members. Six

Introduction to the Program (continued)

members of the Board (the Maryland State Comptroller, the Maryland State Treasurer, the Secretary of the Maryland Higher Education Commission, the Maryland State Superintendent of Schools, the Chancellor of the University System of Maryland and the Secretary of Disabilities) serve ex officio. The five remaining members are appointed by the Governor from the private sector; must have significant experience in finance, accounting, investment management, or other areas that can be of assistance to the Board; have taken an oath of office; and are required to file annual financial disclosure statements with the Maryland State Ethics Commission. Board members receive no compensation for their services to Maryland 529; however, they are entitled to reimbursement for expenses incurred in the performance of their duties. The Board has general and fiduciary responsibility for Maryland ABLE as a whole. There are vacancies on the Board from time to time.

Program Governance

Federal law, the Maryland State law, applicable federal and State regulations, this Program Disclosure Booklet and the Participation Agreement govern the terms of your ABLE Account. Any amendments to applicable federal or State law or regulations, the Program Disclosure Booklet, or the Participation Agreement will amend the terms of your ABLE Account when such amendments become effective.

Program Partnership

After careful deliberation, the Maryland 529 Board determined that implementing the Maryland ABLE program in collaboration with other state programs would provide the scale to attract quality investment managers and service providers while minimizing program fees.

The Maryland ABLE program is a partner with the State of Oregon through an intergovernmental cooperative purchasing agreement.

Program Manager

Sumday Administration, LLC ("Sumday" or "Program Manager") provides administrative and record-keeping services to the Program under the direction of the Board.

Sumday and the Board have entered into a contract (the "Management Agreement") under which Sumday and its subcontractors, including its affiliated companies, The Bank of New York Mellon and BNY Investment Management Services, LLC, provide services to the Program. For additional information, see "The Program Manager" under "Service Providers," below.

Investment Adviser

The Maryland 529 Board engaged Marquette Associates as the investment adviser (the "Investment Adviser") for the Program. Marquette Associates is a registered investment adviser under the Investment Advisers Act of 1940. The Investment Adviser will advise the Board with respect to the investments of the Maryland ABLE program, including recommending the underlying investments for each of the Program's Portfolio Options and monitoring of the Portfolio Options in accordance with an Investment Policy Statement approved by the Board.

Portfolio Options

The Program includes several Portfolio Options, including one designed for savings (the "Cash Option") and three designed for investment (the "Investment Options"). When you open an ABLE Account, you select the Portfolio Option(s) to which contributions to your ABLE Account are allocated. You may direct that 100% of the contributions to your ABLE Account be placed in the Cash Option or in one of the Investment Options, or you may direct that contributions to your ABLE Account be split between the Cash Option and one of the Investment Options in the percentages you select (the "Target Allocation"), as long as the amount allocated to the selected Investment Option is at least 10% of each contribution. You can change the Target Allocations of your ABLE Account between the Cash Option and the selected Investment Option at any time, provided that the aggregate number of times you change such Target Allocations and/or change the Investment Option for your ABLE Account is no more than twice per calendar year. Your ABLE Account may not be invested in more than one Investment Option at any time.

Introduction to the Program (continued)

Cash Option

The Cash Option is designed to protect the principal contributed to your ABLE Account. The Cash Option deposits 100% of its funds into an FDIC-insured account with The Bank of New York Mellon (the “Bank”). See “FDIC Insurance” below.

The Investment Options

There are three different Investment Options:

ABLE Conservative Investment Option

The ABLE Conservative Investment Option seeks to provide current income and some growth by investing in a portfolio of mutual funds intended to produce an overall investment exposure of approximately 20% stocks and 80% bonds. Overall, there’s a small amount of risk and limited appreciation potential, designed for a shorter investment period.

ABLE Moderate Investment Option

The ABLE Moderate Investment Option seeks to provide a combination of growth and current income by investing in a portfolio of mutual funds intended to produce an overall investment exposure of approximately 50% stocks and 50% bonds. Overall, there’s a medium level of risk for a pursuit of investment return, designed for a medium or uncertain time horizon.

ABLE Aggressive Investment Option

The ABLE Aggressive Investment Option seeks to provide the potential to grow by investing in a portfolio of mutual funds intended to produce an overall investment exposure of approximately 84% public stocks and 16% bonds. Overall, there’s a higher level of risk and potential for return (or loss), designed for a longer investment period (10 years or more).

This introduction is intended only to be a brief overview of the Maryland ABLE program. Before investing, you must be sure to read the more detailed explanation of all the Maryland ABLE program's features in the Program Disclosure Booklet.

Important Definitions

This Program Disclosure Booklet is intended to be as clear and understandable as possible. However, certain words and terms used throughout this Program Disclosure Booklet do carry special meanings. This glossary of certain terms is included here for your easy reference. Refer to the text throughout the Program Disclosure Booklet for a more complete discussion of these terms.

Term	Definition
ABLE Account	An account in the Program opened to receive contributions and to provide funds for Qualified Disability Expenses.
Additional 10% Tax	A 10% additional federal tax imposed on the earnings portion of certain Non-Qualified Withdrawals.
Authorized Legal Representative	If the Beneficiary is not able to exercise signature authority over his or her ABLE Account, or chooses to establish an ABLE Account but not exercise signature authority, an Authorized Legal Representative may act on the Beneficiary's behalf with respect to the ABLE Account. The Authorized Legal Representative may be a person granted a Power of Attorney by the Beneficiary or, if the Beneficiary has not granted a Power of Attorney, may be a legal guardian, or parent of a Beneficiary who is a minor under State law. The Authorized Legal Representative may neither have, nor acquire, any beneficial interest in the ABLE Account during the Beneficiary's lifetime and must administer the account for the benefit of the Beneficiary. Whenever an action is required to be taken by a Beneficiary in connection with an ABLE Account, and an Authorized Legal Representative has been named, the action must be taken by the Beneficiary's Authorized Legal Representative acting in that capacity.
Bank	The Bank of New York Mellon.
Beneficiary or You	You, the Beneficiary of the ABLE Account, are the owner of the account. In order to be a Beneficiary you must be an Eligible Individual.
Board	The Maryland 529 Board.
Cash Option	The Portfolio Option designed for the savings portion of amounts contributed to an ABLE Account. Amounts contributed to the Cash Option are deposited by the Trust in a bank account with the Bank.
Code	The Internal Revenue Code of 1986, as amended.
Custodian	The Bank of New York Mellon. The Custodian is responsible for physical custody and safekeeping of investment assets.

Important Definitions (continued)

Term	Definition
Eligible Individual	An individual is an Eligible Individual for a taxable year if, during that year, either (1) the individual is entitled to benefits based on blindness or disability under Title II (SSDI) or XVI (SSI) of the Social Security Act, or (2) a disability certification meeting specified requirements is deemed filed with the Secretary. In all cases, the blindness or disability must have occurred before the date on which the individual attained age 26.
Good Order	Good Order means the Program Manager has received your contribution and you have filled out all the correct information necessary to enroll in the Program or to instruct the Program to take an action on your behalf, such as to make a contribution or a withdrawal.
Investment Options	The three Portfolio Options designed for investment purposes. The Investment Options include the ABLE Conservative Investment Option, the ABLE Moderate Investment Option and the ABLE Aggressive Investment Option.
Management Agreement	The Management Agreement between the Board and the Program Manager.
Maryland ABLE Act	The Maryland Achieving a Better Life Experience (ABLE) Act 2016 Maryland Laws Ch. 39 (H.B. 431) signed into law April 12, 2016.

Important Definitions (continued)

Term	Definition
Member of the Family	<p>For purposes of a rollover from a Qualified Tuition Program to an ABLE account, a “Member of the Family” is an individual as defined in Section 529(e)(2) of the Internal Revenue Code. Generally, this definition includes a Beneficiary’s immediate family members. A Member of the Family means an individual who is related to the Beneficiary as follows:</p> <ul style="list-style-type: none">• A son or daughter, or a descendant of either;• A stepson or stepdaughter, or a descendant of either;• A brother, sister, stepbrother, or stepsister;• The father or mother, or an ancestor of either;• A stepfather or stepmother;• A son or daughter of a brother or sister;• Brother or sister of the father or mother;• A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law;• The spouse of the Beneficiary or the spouse of any individual described above; or• A first cousin of the Beneficiary.
Mutual Funds/Funds	<p>For purposes of determining who is a Member of the Family, a legally adopted or foster child of an individual is treated as the child of that individual by blood. The terms “brother” and “sister” include half-brothers and half-sisters.</p> <p>The mutual funds serving as underlying investments for the Investment Options.</p>
Non-Qualified Withdrawal	<p>Any withdrawal from your ABLE Account not used to pay your Qualified Disability Expenses. Note that expenses will not be Qualified Disability Expenses if they are incurred at a time when a Beneficiary is not an Eligible Individual.</p>
Participation Agreement	<p>The agreement between you and the Board, marylandable.org/participation-agreement, that governs your use of the Program and is enforceable by the Board.</p>
Program	<p>The Maryland ABLE program.</p>
Program Manager	<p>Sumday Administration, LLC ("Sumday"), or any successor thereto.</p>
Portfolio Options	<p>The choices you have within the Program for the saving or investment of contributions to your ABLE Account. The Portfolio Options include the Cash Option and the three Investment Options.</p>

Important Definitions (continued)

Term	Definition
Proposed Tax Regulations	Proposed U.S. Treasury Department IRS Rulemaking on Section 529A Qualified ABLE Programs, 80 Fed. Reg. 35602 (June 22, 2015).
Qualified Disability Expenses	Any expenses that (1) are incurred at a time when the Beneficiary is an Eligible Individual, (2) relate to the blindness or disability of the Beneficiary, and (3) are for the benefit of the Beneficiary in maintaining or improving his or her health, independence, or quality of life. Such expenses include, but are not limited to, expenses related to the Beneficiary's education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses that may be identified from time to time by the IRS. Current regulatory guidance states that Qualified Disability Expenses should be broadly construed to permit the inclusion of basic living expenses provided they improve the health, independence or quality of life for the Beneficiary. For example, expenses for everyday items such as smart phones could be considered Qualified Disability Expenses if they are an effective and safe communication or navigation aid for the Beneficiary.
Qualified Withdrawal	Any withdrawal used to pay for Qualified Disability Expenses.
Rollover	A transfer of assets between ABLE Programs provided another rollover or transfer for the same Beneficiary has not occurred in the previous 12 months, or for a different Beneficiary, provided that the receiving Beneficiary is an Eligible Individual and a Sibling of the original Beneficiary (as defined in this Plan Disclosure Booklet). Rollovers also include a transfer of assets from a Qualified Tuition Program (also known as college savings or 529 accounts) to an ABLE account for the same Beneficiary or for a different beneficiary, provided that the receiving beneficiary is a "Member of the Family" of the original Beneficiary (as defined in this Plan Disclosure Booklet). Rollovers into an ABLE account from a Qualified Tuition Program are limited to up to \$15,000 per year and subject to the ABLE account's annual contribution limit.
Secretary	The United States Secretary of the Treasury.
Sibling of the Beneficiary	A sibling of the Beneficiary, whether by blood or by adoption. A Sibling of the Beneficiary includes a brother, sister, stepbrother, stepsister, half-brother, and half-sister.

Important Definitions (continued)

Term	Definition
SSDI	The Social Security Disability Insurance program under Title II of the Social Security Act.
SSI	The Supplemental Security Income program under Title XVI of the Social Security Act
Sunday	Sunday Administration, LLC, the Program Manager.
Target Allocation	When the Portfolio Options selected for an ABLÉ Account include both the Cash Option and an Investment Option, the Beneficiary (or Authorized Legal Representative) will specify a percentage of the aggregate dollar value of the Units held in the ABLÉ Account to be attributed to the Cash Option and the Investment Option. The percentages set by the Beneficiary are referred to as the Target Allocation. For example, a Target Allocation could be 30% to the Cash Option and 70% to an Investment Option. The actual percentage of the aggregate dollar value of the Units held in the ABLÉ Account represented by Units of the Cash Option and Units of the Investment Option may differ at any given time from the Target Allocation due to, for example, investment gains or losses in the Investment Option occurring after the Target Allocation was established. The Target Allocation is taken into account by the Program in allocating contributions to an ABLÉ Account and withdrawals from an ABLÉ Account between the Cash Option and the applicable Investment Option. A change to the Target Allocation will impact BOTH any current investment balances as well as all future contributions. Remember, IRS rules prevent the Beneficiary from changing Target Allocation or Investment Options more than two times in any calendar year.
Units	The share of assets held by the Program for a Beneficiary with respect to a particular Portfolio Option. Units are credited to your ABLÉ Account upon a contribution or deducted from your ABLÉ Account upon a withdrawal.

Key Features of the Program

This section provides summary information about certain key features of the Program, but it is important that you read the entire Program Disclosure Booklet for more detailed information about the Program. Any other materials or online information you may have received about the Program are not intended to serve as a substitute for the more complete description of the Program provided in this Program Disclosure Booklet. Capitalized terms used in this section are defined in “Important Definitions” or elsewhere in this Program Disclosure Booklet.

Feature	Description	Additional Info
State Sponsor, Administrator and Trustee	Maryland 529	Oversight of the Program, page 52
Maryland ABLE Trust	The trust created by the Board to hold the Program’s assets, which is the issuer of the interests offered under this Program Disclosure Booklet.	Oversight of the Program, page 52
Program Manager	Sunday Administration, LLC	Service Providers to the Program, page 52
Investment Adviser	Marquette Associates	Service Providers to the Program, page 52
Custodian	The Bank of New York Mellon	Service Providers to the Program, page 52
Beneficiary or Eligible Individual	An “Eligible Individual” under Section 529A. An individual is an Eligible Individual for a taxable year if, during that year, either the individual is entitled to benefits based on blindness or disability under Title II (Social Security Disability Insurance) or Title XVI (Supplemental Security Income) of the Social Security Act, or a disability certification meeting specified requirements is deemed filed with the Secretary. In all cases, the blindness or disability must have occurred before the date on which the individual attained age 26.	Getting Started, page 25
Residency of Beneficiary	The Maryland ABLE program is open to Maryland residents and residents of other states.	
Minimum Initial Contribution	\$25	Contributing to Your ABLE Account, page 28
Minimum Subsequent Contributions	\$10	Contributing to Your ABLE Account, page 28

Key Features of the Program (continued)

Feature	Description	Additional Info
Annual Contribution Limit	<p>The Annual Contribution Limit is currently \$15,000 per year per ABLE account for Beneficiaries who do not qualify for additional contributions pursuant to ABLE to Work (see below). Contributions over the Annual Contribution Limit (with the exception of ABLE to Work Contributions explained below) will not be accepted and will be returned to the contributor, if possible. If the Program is unable to return the excess contributions, the funds will be considered abandoned property and be transferred to the Comptroller of Maryland. The limit may increase from time to time. You will be notified of any increase.</p>	Contributing to Your ABLE Account, page 28
ABLE To Work	<p>Once the Annual Contribution Limit is reached (i.e. \$15,000 for 2018), a working Beneficiary is permitted to contribute an additional amount up to the lesser of: (i) the Beneficiary's compensation for the current tax year in which the contribution is made; or (ii) an amount equal to the Federal Poverty Level for a one-person household as determined for the calendar year preceding the tax year in which contributions are made (\$12,060 for contributions made in 2018).</p> <p>The additional contribution is not permitted if the Beneficiary or his/her employer contributes to the Beneficiary's retirement plan (such as a defined contribution plan (e.g. 401(k)), 403(b), or 457(b) retirement plan) within the taxable year.</p>	Contributing to Your ABLE Account, page 28
Maximum Account Balance	<p>Contributions are accepted to your Maryland ABLE Account until all Portfolio balances for the Beneficiary reach \$350,000. This limit may increase from time to time. You will be notified of any increase in the Maximum Account Balance.</p>	Contributing to Your ABLE Account, page 28

Key Features of the Program (continued)

Feature	Description	Additional Info
SSI Account Balance Exclusion Limit	Balances in the ABLE Account of \$100,000 or less are disregarded for purposes of determinations of the Beneficiary's eligibility for benefits under the SSI program. The portion of any ABLE Account balance that exceeds \$100,000 is taken into account for purposes of determinations of the Beneficiary's eligibility for SSI benefits.	ABLE Account Balances Over \$100,000 Not Excluded, page 36
Qualified Withdrawals	Qualified Withdrawals are withdrawals you take to pay for Qualified Disability Expenses.	Using Your ABLE Account, page 32; Tax Considerations, page 48
Non-Qualified Withdrawals	Non-Qualified Withdrawals are withdrawals used for any expense that is not a Qualified Disability Expense. The earnings portion of Non-Qualified Withdrawals will be subject to income tax, and the Additional 10% Tax on earnings, unless an exception applies.	Using Your ABLE Account, page 32; Tax Considerations, page 48
ABLE to ABLE Rollover	A tax-free Rollover of funds in a Maryland ABLE account to or from another qualified ABLE program may be made as described herein if the Beneficiary of the recipient account is the same Beneficiary or a Sibling of the Beneficiary as defined by this Program Disclosure Booklet who is an Eligible Individual.	Contributing to Your ABLE Account, page 28; Using Your ABLE Account, page 32; Tax Considerations, page 48

Key Features of the Program (continued)

Feature	Description	Additional Info
<p>Qualified Tuition Program (College Savings/529 Account) to ABLE Rollover</p>	<p>A tax-free Rollover of funds from a Qualified Tuition Program to an ABLE account may be made as described herein if the Beneficiary of the recipient account is the same Beneficiary or a Member of the Family of the Beneficiary as defined by this Program Disclosure Booklet who is an Eligible Individual.</p> <p>It is important to note that Qualified Tuition Program to ABLE rollovers are treated by the plan as contributions for the purpose of calculating the Annual Contribution Limit. Therefore, the maximum Qualified Tuition Program to ABLE rollover amount is currently \$15,000 LESS the contributions made to the ABLE account for the current tax year.</p>	<p>Contributing to Your ABLE Account, page 28</p>
<p>Portfolio Options</p>	<p>The Program allows contributions to your ABLE Account to be invested in a Cash Option and/or in one of three different Investment Options. The Cash Option together with the Investment Options are collectively referred to as the "Portfolio Options."</p>	<p>Portfolio Options, page 38</p>
<p>Cash Option</p>	<p>The Cash Option is designed as a savings vehicle that is intended to protect your principal investment. The Cash Option deposits 100% of its funds into an FDIC-insured account with The Bank of New York Mellon.</p>	<p>Cash Option, page 38; FDIC Insurance, page 38</p>

Key Features of the Program (continued)

Feature	Description	Additional Info
Investment Options	<p>The Program offers three different Investment Options with different investment strategies and different degrees of investment risk and potential reward.</p> <p>The ABLE Conservative Investment Option has an investment strategy that emphasizes preservation of invested assets, rather than appreciation of those assets. The Trust portfolio established for the ABLE Conservative Investment Option invests in various mutual funds intended to produce an overall investment exposure of approximately 20% stock and 80% bonds.</p> <p>The ABLE Moderate Investment Option has an investment strategy that emphasizes balance of both risk and return potential. The Trust portfolio established for the ABLE Moderate Investment Option invests in various mutual funds intended to produce an overall investment exposure of approximately 50% stocks and 50% bonds.</p> <p>The ABLE Aggressive Investment Option has an investment strategy that emphasizes appreciation of invested assets, and accordingly has higher risk and return potential than the other Investment Options. The Trust portfolio established for the ABLE Aggressive Investment Option invests in various mutual funds intended to produce an overall investment exposure of approximately 84% stocks and 16% bonds.</p>	Investment Options, page 39; Risks of Investing in the Program, page 45
Transfers Among Portfolio Options	<p>You may change the Portfolio Option(s) used in your ABLE Account and your Target Allocation between Portfolio Options twice per calendar year. However, at any time your ABLE Account can only be invested in the Cash Option and/or one Investment Option. Your ABLE Account may not be invested in more than one Investment Option at any time.</p>	Using Your ABLE Account, page 32

Key Features of the Program (continued)

Feature	Description	Additional Info
Federal Tax Treatment	<p>There is no federal income tax on Qualified Withdrawals.</p> <p>For federal gift and estate tax purposes, contributions from third parties are generally considered completed gifts to the Beneficiary.</p> <p>Contributions are subject to the annual federal gift tax exclusion. Please consult your tax adviser.</p>	Tax Considerations, page 48
Maryland State Tax Benefits	<p>Contributions to Maryland ABLE Accounts of up to \$2,500 per beneficiary per year, are deductible in computing Maryland taxable income, with a 10-year carry forward of excess contributions. Beneficiaries and contributors are eligible for the income deduction on their Maryland State taxes. Rollover contributions are deductible if not previously deducted. Contributions must be postmarked by December 31 to be eligible for the income deduction. You are responsible for maintaining documentation to support the timing of your contribution.</p> <p>Earnings on contributions are exempt from State income taxation when used for Qualified Disability Expenses.</p> <p>There is no Maryland State income tax on Qualified Withdrawals or Rollovers.</p>	Tax Considerations, page 48

Key Features of the Program (continued)

Feature	Description	Additional Info
Current Fees and Expenses	<p>Your ABLE Account will be charged an annual Account Maintenance Fee of \$35. This amount will be billed proportionately at the end of each quarter. The amount billed will be prorated for the calendar quarter in which you open your account.</p> <p>There are annual asset-based fees charged by the Program and, in the case of the Investment Options, by the the underlying Mutual Funds. There are also fees for certain activity-based transactions. For example, if you choose to make a Rollover out of the Program or if you choose to receive paper statements, an additional fee will be assessed to your ABLE Account.</p>	Cost of Your ABLE Account, page 42
Performance	<p>As it becomes available, current investment performance information will be posted on the Program's website at http://marylandable.org/. Past performance is not necessarily indicative of future results. Your investment results may be better or worse than the performance shown.</p>	Performance, page 41
Risks of Investing in the Program	<p>ABLE Accounts are not guaranteed or insured by the State of Maryland, the Board or Maryland 529, or any of their authorized agents or contractors. The Cash Option offers FDIC insurance up to \$250,000, subject to certain restrictions and individual limits. Regardless of the Portfolio Option you choose, you could lose money by investing in an ABLE Account.</p> <p>With respect to the Investment Options, the value of your ABLE Account may decrease. You could lose money, including the principal you invest.</p> <p>Non-Qualified Withdrawals from the Program may adversely affect a Beneficiary's eligibility for federal means-tested benefits such as SSI and Medicaid.</p>	Introduction to the Program, page 9; Portfolio Options, page 38; Risks of Investing in the Program, page 45; FDIC Insurance, page 38

Key Features of the Program (continued)

Feature	Description	Additional Info
	<p>ABLE Account balances in excess of \$100,000 may adversely affect a Beneficiary's eligibility for SSI benefits.</p> <p>If you are no longer considered to be an Eligible Individual, expenses incurred at a time when you are not an Eligible Individual will not be considered Qualified Disability Expenses.</p> <p>Federal or State tax law changes or changes in federal or state law regarding treatment of ABLE Account balances and distributions for purposes of eligibility for benefits could negatively affect participation in the Program.</p>	
Certain Additional Risks of Investing in the Program	<p>Certain changes may be made to the Program that could make it less favorable to investors, including an increase in existing fees and expenses and/or the addition of new fees and expenses.</p> <p>The Board may change the Program Manager, the Investment Adviser and the Investment Options.</p>	Risks of Investing in the Program, page 45
Electronic Delivery	<p>You have the option of receiving all of your Program documents electronically. Electronic delivery will eliminate a \$10 additional annual fee for printing and mailing paper documents.</p>	Cost of Your Account, page 42
Prepaid Card	<p>The Prepaid Card is offered by Central National Bank of Enid. You can reload the card with money from your ABLE Account and use it for expenses online or in stores all over the U.S. There is a \$1.25 a month fee associated with having the Prepaid Card.</p>	Withdrawals Using a Prepaid Card, page 32

Getting Started

This section discusses who is eligible to open an ABLE Account in the Program and how to do it. The Program is designed to be established and maintained online in order to maximize efficiency and customer service.

Eligibility to Open an ABLE Account

In order to open an ABLE Account, the Beneficiary must be an Eligible Individual under Section 529A of the Code. An individual is an Eligible Individual for a taxable year if, during that year, either the individual is entitled to Social Security Disability Insurance ("SSDI") or Supplemental Security Income ("SSI") benefits based on blindness or disability under Title II or XVI of the Social Security Act ("Social Security Act Eligibility"), or a disability certification meeting specified requirements is made under penalties of perjury ("Diagnosis-Based Eligibility"). In all cases, the blindness or disability must have occurred before the date on which the individual attained age 26.

One Account Rule

No Beneficiary may have more than one ABLE Account in existence at the same time (the "One Account Rule"). A prior ABLE Account that has been closed does not prohibit the subsequent creation of another ABLE Account for the same Beneficiary. As part of the enrollment process, the Beneficiary will be required to certify under penalties of perjury that he or she has no other ABLE Account. If a Beneficiary has more than one ABLE Account open at the same time (other than in the case of a 60-day transition period for Rollovers), the later-opened account(s) will not be treated as an ABLE Account under Section 529A and will not be eligible for the benefits of ABLE Accounts. For example, monies contributed to a second or subsequent ABLE Account will not be disregarded for determining eligibility under federal means-tested programs, such as SSI, and could result in the imposition of federal taxes and penalties. See "Tax Considerations" below for more information.

Social Security Act Eligibility Certification Requirements

If an individual seeks to open an ABLE Account based on Social Security Act Eligibility, the Proposed Tax Regulations provide that the qualified ABLE Program may determine the evidence required to establish the individual's eligi-

bility. The Program currently requires that an individual who claims Social Security Act Eligibility must certify under penalties of perjury that he or she is entitled in the then current year to receive SSI or SSDI benefits, as applicable. For more information about benefits based on blindness or disability under Title II or XVI of the Social Security Act, please see <https://www.ssa.gov/disability/professionals/bluebook/general-info.htm> or contact your local Social Security Field Office.

Diagnosis-Based Eligibility Certification Requirements

If an individual asserts Diagnosis-Based Eligibility to open an ABLE Account, the Program, based on the Proposed Tax Regulations and guidance from the U.S. Treasury Department, currently requires that the individual certify under penalties of perjury that: (1) he or she has a medically determinable physical or mental impairment which results in marked or severe functional limitations (within the meaning of the Social Security Act) and which (i) can be expected to result in death or (ii) has lasted or can be expected to last for a continuous period of not less than 12 months; or (2) he or she is blind (within the meaning of the Social Security Act).

The individual must also certify that the disability or blindness occurred before the individual attained age 26.

The Program further requires that the individual certify under penalties of perjury that he or she has received a written diagnosis relating to the disability from a "licensed physician" (as defined in Section 1861(r) of the Social Security Act, 42 U.S.C. 1395x(r)). The individual must also agree to retain and provide a copy of the physician's written diagnosis and related information to the Program upon request. If the Beneficiary fails to provide the requested information within 30 days of any request, the Program reserves the right to reject further contributions to the Beneficiary's ABLE Account until the requested information is provided.

Getting Started (continued)

Eligibility Requirements are Subject to Federal Law and May Change

Eligibility requirements are based on a good-faith interpretation of federal law and regulations and are subject to change at any time. None of Maryland, Maryland 529, the Program, the Program Manager, the Investment Adviser, the Custodian, or their authorized agents or representatives will have any responsibility or liability for an individual's failure (or their Authorized Legal Representative's failure) to establish eligibility to open an ABLE Account or maintain eligibility to continue to make contributions to or withdrawals for Qualified Disability Expenses from an ABLE Account.

Opening Your ABLE Account

To open an ABLE Account, you must first complete and submit an application (the "Application"). The Application and this Program Disclosure Booklet govern the terms of your ABLE Account. The Application requires you to provide the Program with certain information, including your eligibility to open an ABLE Account, the Portfolio Option(s) you would like to invest contributions in, your name, address, date of birth, Social Security Number, and other information that will allow the Program to identify you. Until you provide the information needed, the Program will not be able to open your ABLE Account or allow contributions to the Program for your benefit.

You may complete and submit the Application online on the Program's website. The Program reserves the right to charge a fee for paper applications. See "Cost of Your Account" for a summary of fees and expenses charged in connection with your ABLE Account.

Choosing Portfolio Options

The Board has established multiple Portfolio Options for the Program. To complete your Application, you must select the Portfolio Option(s) to which your contributions will be allocated. You may select the Cash Option and/or one of the Investment Options. See "Portfolio Options" for summaries of the Cash Option and Investment Options offered under the Program. If you select the Cash Option and an Investment Option, you must also select the Target Allocation of your ABLE Account between the Cash Option

and the Investment Option. The minimum percentage of each contribution that must be allocated to an Investment Option is 10%.

After you have completed an Application, you may change your Portfolio Option election(s) in the following ways, subject to a combined maximum of two changes per calendar year:

- Changing the Target Allocation between the Cash Option and an Investment Option from the Target Allocation you previously selected; this will change the percentage allocations of the amounts in your ABLE Account at the time of such change as well as the percentage allocation between the Cash Option and an Investment Option of future contributions to and withdrawals from your ABLE Account; and/or
- Transferring funds in your ABLE Account to another Investment Option, provided that after such transfer all amounts in your ABLE Account will be invested under a single Investment Option and, if you have so selected, the Cash Option.

See "Transfers Among Portfolio Options" under "Using Your Account" for more information.

If you choose to change your Portfolio Option selections or change your allocations, you may do so online.

Federal Income Tax Benefits

Investment earnings on your contributions accumulate on a tax-deferred basis while in an ABLE Account. Qualified Withdrawals are exempt from federal income tax if they are used to pay for the Beneficiary's Qualified Disability Expenses. Qualified Disability Expenses are any expenses that are incurred at a time when the Beneficiary is an Eligible Individual, (2) relate to the blindness or disability of the Beneficiary, and (3) are for the benefit of the Beneficiary in maintaining or improving his or her health, independence, or quality of life. Such expenses include, but are not limited to, expenses related to the Beneficiary's education, housing, transportation, employment training and support, assistive technology and personal support services, health,

Getting Started (continued)

prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses that may be identified from time to time by the IRS.

Current regulatory guidance states that Qualified Disability Expenses should be broadly construed to permit the inclusion of basic living expenses provided they improve the health, independence or quality of life for the Beneficiary. For example, expenses for everyday items such as smart phones could be considered Qualified Disability Expenses if they are an effective and safe communication or navigation aid for the Beneficiary.

The Program Disclosure Booklet does not address the potential effects on Beneficiaries of the tax laws of any state other than Maryland. You should consult a qualified tax adviser about how federal tax laws, Maryland State tax laws, or the laws of your state of residence apply to your circumstances.

Changes in Eligibility

A Beneficiary has an obligation to promptly notify the Program of any change in his or her status as an Eligible Individual. There may be circumstances in which a Beneficiary ceases to be an Eligible Individual but then later regains his or her status as an Eligible Individual. An example would be if a disease that causes a disability goes into remission but later reemerges. Therefore, if at any time a Beneficiary no longer meets the definition of an Eligible Individual, his or her account will remain an ABLE Account to which all of the provisions of Section 529A continue to apply. However, under the Proposed Tax Regulations, beginning on the first day of the taxable year following the taxable year in which the Beneficiary ceased to be an Eligible Individual, no additional contribution to the ABLE Account may be accepted by the Program. If the Beneficiary subsequently again becomes an Eligible Individual, then additional contributions may be accepted subject to the Annual Contribution Limit and the Maximum Account Balance. For example, if the Beneficiary is no longer an Eligible Individual as of September 10 of a year, beginning on January 1 of the following year no additional contributions to the ABLE Account will be accepted. However, if on June 3 of that same year the

Beneficiary regains his or her eligibility and provides the required certifications to the Program, additional contributions will be accepted. Please note that expenses will not be Qualified Disability Expenses if they are incurred at a time when the Beneficiary is not an Eligible Individual.

Contributing to your ABLE Account

Who Can Contribute

Any individual (including your friends and family), corporation, trust, or other legal entity may make a contribution to your ABLE Account. However, any contribution to an ABLE Account may have gift or other tax consequences to the contributor. The Beneficiary is the owner of the ABLE Account. Contributions by third parties (i.e., anyone other than the Beneficiary) will become the property of the Beneficiary.

How You Can Contribute to Your ABLE Account

Your ability to contribute to your ABLE Account is limited to the following methods: (1) by check (excluding starter and cashier's checks); (2) through an automatic contribution program; (3) by electronic funds transfer ("EFT"); or (4) through a Rollover from another qualified ABLE program or a Qualified Tuition Program.

- Checks should be made payable to "Maryland ABLE." Contributions by check must be drawn on a banking institution located in the United States in U.S. dollars. For further clarification on acceptable methods of payment, please call the Program customer service number: 1-855-563-2253.
- You can contribute through an automatic contribution election. Changes can be made to your automatic contribution election online on the Program website or with a paper form you may obtain by downloading from the Program website or calling the customer service number: 1-855-563-2253.
- EFTs allow you to make contributions from your linked bank account over the internet on the Program website.
- You may contribute to a Maryland ABLE Account through a Rollover by completing the appropriate section of the Application and the applicable rollover account form.

Rollovers

A Rollover ("Rollover") is a transfer of funds by any of the following methods:

- Direct Rollover – Rollover assets directly from a Qualified Tuition Program (college savings/529 account) or another ABLE plan into a Maryland ABLE account. In a direct rollover the movement of funds is coordinated by the Qualified Tuition Program or old ABLE plan and the Maryland ABLE program managers.
- Indirect Rollover – Deposit assets that have been withdrawn from a Qualified Tuition Program or another ABLE plan into a Maryland ABLE account. In an indirect rollover the movement of funds is coordinated by the account owner(s) who will take possession of the funds, and such funds must be deposited within 60 days of being withdrawn from the originating program. If funds are not deposited within 60 days, it will be treated as a withdrawal for tax purposes.

The sources of funds for Rollovers are described below:

- ABLE To ABLE Rollover – A tax-free Rollover of funds into an ABLE account from another qualified ABLE program may be made as described herein if the Beneficiary of the recipient account is the same Beneficiary or a Sibling of the Beneficiary, as defined by this Program Disclosure Booklet, who is an Eligible Individual. Both a Direct and an Indirect Rollover can be initiated by completing the ABLE to ABLE Rollover Form and delivering the completed Form to the Maryland ABLE Program Manager.
- Qualified Tuition Program (College Savings/529 Account) to ABLE Rollover – Subject to a \$15,000 maximum limit, a tax-free Rollover of funds from a Qualified Tuition Program (also known as college savings or 529 accounts) to an ABLE account for the same Beneficiary or for a different Beneficiary, provided that the receiving Beneficiary is a "member of the family" of the original 529 Beneficiary (as defined by section 529 of the Internal Revenue Code). Rollovers into an ABLE account from a Qualified Tuition Program are limited to up to \$15,000 per year and subject to the ABLE account's annual contribution limit.

Contributing to your ABLE Account (continued)

Rollovers may only be made during the lifetime of the Beneficiary.

Pursuant to current IRS guidance, in the case of a Rollover, the ABLE Account from which amounts were rolled, or taken from, must be closed as of the 60th day after the amount was distributed from the ABLE Account in order for the account that received the Rollover to be treated as an ABLE Account. If the account that receives the transfer is not treated as an ABLE Account, the account will not be eligible for the benefits of ABLE Accounts. For example, the account will not be disregarded for determining eligibility under federal means-tested programs, such as SSI, and could result in the imposition of federal taxes and penalties. To avoid any potential disqualification of an ABLE Account in the Program, the Program requires you to certify that the ABLE Account from which a Rollover is being made into the Program has been closed before the ABLE Account in the Program is opened.

A transfer of funds that does not meet the conditions stated above for Rollovers will constitute a Non-Qualified Withdrawal subject to federal tax on earnings and the Additional 10% Tax. In addition, a transfer to a person who is not a Sibling of the Beneficiary may subject the Beneficiary to federal gift and generation-skipping transfer ("GST") tax, and other tax consequences.

The Program Manager will assume that the entire amount of any contribution that is a Rollover contribution from another qualified ABLE Program is earnings in the ABLE Account receiving the contribution unless the Program Manager receives appropriate documentation showing the actual earnings portion of the Rollover contribution.

If you are attempting to contribute to the Program via a Rollover, the qualified ABLE Program from which you are transferring funds may restrict or prohibit such transfer or impose charges, so you should investigate this change thoroughly before requesting such a transfer.

Minimum Contributions

The minimum initial contribution amount to open an account is \$25. The minimum subsequent contribution

amount is \$10.

Annual Contribution Limit

The Annual Contribution Limit is currently \$15,000 per year per ABLE account. For example, if the Beneficiary contributes \$13,000 to the ABLE Account in a calendar year and the Beneficiary's parent contributes \$2,000, the Annual Contribution Limit will have been reached and no additional contributions will be accepted into the ABLE Account until the following year. This limit may increase from time to time. If contributions in excess of this limit are inadvertently accepted by the Program, such amounts will be refunded in accordance with the paragraph below.

Contributions over the Annual Contribution Limit (with the exception of ABLE to Work Contributions explained below) will not be accepted and any attempted contributions will be returned to the contributor, if possible. If the Program is unable to return the excess contributions, the funds will be considered abandoned property and be transferred to the Comptroller of Maryland.

ABLE to Work Contributions

Over and above the Annual Contribution Limit (i.e. \$15,000 for 2018), a working Beneficiary is allowed to contribute an additional amount up to the lesser of: (i) the Beneficiary's compensation for the current tax year; or (ii) an amount equal to the Federal Poverty Level for a one person household as determined for the calendar year preceding the tax year in which contributions are made (\$12,060 for contributions made in 2018).

The additional contribution is not allowed if the Beneficiary or his/her employer contributes to the Beneficiary's retirement plan (such as a defined contribution plan (e.g. 401(k)), 403(b), or 457(b) retirement plan) within the taxable year.

Attempted Contributions Over the Annual Contribution Limit

The Program Manager will not knowingly accept attempted contributions that would cause your ABLE Account to exceed the Annual Contribution Limit ("Excess Contributions"). In the event that an Excess Contribution is inadver-

Contributing to your ABLE Account (continued)

tently accepted by the Program, the Program Manager will make a good-faith effort to return the Excess Contribution, plus or minus any investment gains or losses incurred as a result of market fluctuations between the date of the Excess Contribution and the date of refund, to the contributor.

If you identify any excess contributions you must request a return of the contributions from the Plan Manager on or before the day prescribed by law (including extensions of time) for filing tax returns for the taxable year in which the contribution was made.

Excess Contributions inadvertently applied to an ABLE Account and not returned to the contributor on or before the due date (including extensions) of the Beneficiary's income tax return for the year in which the Excess Contributions were made will result in the imposition on the Beneficiary of a six-percent excise tax on the amount of Excess Contributions. Please consult your tax adviser.

Maximum Account Balance

Additional contributions to an ABLE Account are not permitted if, taking into account the proposed contribution, the ABLE Account's balance is or would be greater than the Maximum Account Balance, currently \$350,000. ABLE Accounts that have reached the Maximum Account Balance may continue to accrue earnings. This limit may increase from time to time. Once the ABLE Account balance falls below the Maximum Account Balance, contributions may resume, subject to the same limitations. Remember, while the Maximum Account Balance is \$350,000, amounts over \$100,000 may adversely affect a Beneficiary's eligibility for SSI benefits.

Attempted Contributions Over the Lifetime Account Limit

The Program Manager will not knowingly accept attempted contributions that would violate the Maximum Account Balance ("Excess Aggregate Contributions"). In the event that Excess Aggregate Contributions are inadvertently accepted by the Program, the Program will make a good-faith effort to return the Excess Aggregate Contributions,

plus any earnings on the Excess Aggregate Contributions, or less any amounts attributable to market losses suffered between the date of the Excess Aggregate Contribution and the date of refund, to the contributor. If the Program is unable to return the excess contributions, the funds will be considered abandoned property and be transferred to the Comptroller of Maryland.

Unit Value and Processing Transactions

Contributions to your ABLE Account are applied to the purchase of Units of the Portfolio Option(s) you select. When you make contributions, you are acquiring additional Units. When you take a distribution, you are divesting Units.

Valuing Units

When you acquire or divest of Units, the Program will process ABLE Account transaction requests (e.g., contributions, withdrawals, and transfers) at the Unit value of the applicable Portfolio Option determined after the close of trading on the Business Day your ABLE Account transaction request is received in Good Order by the Program Manager. "Business Day" means a day that the New York Stock Exchange ("NYSE") is open for regular trading. "Good Order" means we have received your contribution (the money you want to invest) and you have correctly filled out all the necessary information to enroll in the Program or to instruct the Program to take an action on your behalf (such as to make a contribution or a withdrawal).

When Unit Value is Determined

- **Received before the close of a Business Day.** When an ABLE Account transaction request is received in Good Order on a Business Day before the close of regular trading on the NYSE, which is normally 4 p.m. Eastern Time, the Units will be processed according to the value of the applicable Portfolio Option determined after the close of regular trading on the NYSE.
- **Received after the close of a Business Day.** When an ABLE Account transaction request is received in Good Order on a Business Day after the close of regular trading on the NYSE or on a day when the NYSE is not open for trading, the Units will be processed at the

Contributing to your ABLÉ Account (continued)

Unit value of the applicable Portfolio Option determined after the close of regular trading on the NYSE on the next Business Day.

The Program will not process ABLÉ Account transaction requests on holidays or other days when the NYSE is closed for any reason. The Program also reserves the right to refrain from processing ABLÉ Account transactions during any time when trading is restricted by the Securities and Exchange Commission ("SEC") or under any emergency circumstances.

The value of a Unit in each Portfolio Option is computed by dividing (i) a Portfolio Option's assets less any liabilities allocated to that Portfolio Option by (ii) the number of outstanding Units of such Portfolio Option.

Allocation of Contributions Between Cash Option and Investment Option

If an ABLÉ Account includes funds in the Cash Option and funds in an Investment Option, a contribution will be allocated by the Program by purchasing and crediting to the ABLÉ Account Units of the Cash Option and Units of the applicable Investment Option in a proportion designed to bring the allocation of the ABLÉ Account immediately following such contribution as close as possible to the Target Allocation then in effect for such ABLÉ Account. This process is known as a "split-to-rebalance" transaction. In the example below, if the ABLÉ Account's holdings of the Investment Option are underweighted relative to the Target Allocation, more Units of the Investment Option will be purchased than would be the case if the allocation of the contribution adhered strictly to the Target Allocation. Similarly, if the ABLÉ Account's holdings of the Investment Option are overweighted, fewer Units the Investment Option will be purchased than would be the case if the allocation of the contribution adhered strictly to the Target Allocation.

For example, assume that the Target Allocation of an ABLÉ Account is 30% Cash Option and 70% Investment Option, and that at the time of a \$1,000 contribution, the ABLÉ Account balance is \$6,500 and the actual allocations in the ABLÉ Account, due to investment gains in the Invest-

ment Option, are \$1,500 in the Cash Option (23%) and \$5,000 (77%) in the Investment Option. The balance after the \$1,000 contribution would be \$7,500, which under the Target Allocation would consist of \$2,250 in the Cash Option and \$5,250 in the Investment Option. Accordingly, the \$1,000 contribution would be processed by purchasing and crediting to the ABLÉ Account \$750 in Units of the Cash Option and \$250 in Units of the Investment Option, to achieve that Target Allocation following the processing of the contribution.

The transaction amounts for the Investment Option and Cash Option in the example above are only sample amounts. For any contribution transaction, the actual transaction amounts will depend on the balance and Target Allocation of the ABLÉ Account at the time the contribution is processed, the amount of the contribution, and the extent the balances in the Cash Option and Investment Option are overweighted or underweighted relative to the Target Allocation. Contribution dollars are allocated to underweighted balances first. If there is still a portion of the contribution available after the Target Allocation is reached, the crediting of the contribution is completed according to the Target Allocation.

Using your ABLE Account

Transfers Among Portfolio Options

You may move funds from your current Portfolio Option(s) to a newly selected Portfolio Option twice per calendar year (included in this twice per calendar year limit are changes to your ABLE Account's Target Allocation between the Cash Option and an Investment Option). You may also move funds from one Portfolio Option to another upon a change in Beneficiary to an Eligible Individual who is a Sibling of the Beneficiary. In either case, at any time funds in an ABLE Account may only be allocated to one Investment Option and, if so selected, the Cash Option.

Withdrawals

Only you, as the Beneficiary, or, if one has been named, your Authorized Legal Representative, may direct withdrawals from your ABLE Account. Withdrawals may only be made to you or for your benefit, except for Rollovers out of the Program and returns of Excess Contributions or Excess Aggregate Contributions. To request a withdrawal, go to the Program website or call the customer service number to request a withdrawal form. For a withdrawal request received in Good Order on a Business Day before the close of regular trading on the NYSE (usually 4 p.m. Eastern Time), the Unit value used to calculate the value of the withdrawal from your ABLE Account will be the Unit value of the applicable Portfolio Option determined after the close of regular trading on the NYSE. For a withdrawal request received in Good Order on a Business Day after the close of regular trading on the NYSE or on a day when the NYSE is not open for trading, the Unit value used to calculate the value of the withdrawal will be the Unit value of the applicable Portfolio Option determined after the close of regular trading on the NYSE on the next Business Day. See "Unit Value" under "Contributing to Your Account," above, for more information.

Beneficiaries will have to wait up to seven business days after a contribution has been received and accepted by the Program for the funds to be available for withdrawal.

Withdrawals Using A Prepaid Card

The Maryland ABLE Prepaid card launched in July, 2018 and is issued by Central National Bank of Enid ("Issuing Bank") in accordance with the terms of the [Cardhold-](#)

[er Agreement](#) established by the Issuing Bank. You can withdraw funds from your ABLE Account and deposit them or "load" them on the Prepaid Card. Loading your Prepaid Card is treated like any other withdrawal. Funds will come from the Cash and/or Investment Option, in accordance with your Target Allocation, using the "split to rebalance" methodology described below under "Allocation of Withdrawals Between Cash Option and Investment Option." Loading your Prepaid Card is considered a withdrawal, and does not count toward the annual limit of only two changes to investment direction.

A maximum of 90% of your available ABLE Account balance can be withdrawn from your available ABLE Account balance to be loaded onto your Prepaid Card subject to the daily and monthly load card maximums set by the Issuing Bank. You may not add funds to your Prepaid Card account from any other source, including credit cards, debit cards, bank accounts, cash or by sending personal checks, cashier's checks, retailer load networks (e.g. Green-Dot, MoneyGram, Western Union, etc.), or money orders to the Issuing Bank. You may not use your Prepaid Card for online gambling or illegal transactions. You can use the Prepaid Card for Qualified Disability Expenses online or in stores all over the U.S. that accept MasterCard.

To sign up for a Prepaid Card you must have a valid Maryland ABLE Account first. When you sign up for your Prepaid Card account, you'll be required to agree to the Issuing Bank's Privacy Policy and a separate Cardholder Agreement with the Issuing Bank (and any additional card account related fees as documented in the schedule of fees). If there are insufficient funds in the Prepaid Card account to cover any Prepaid Card account fees (including situations where funds have not been loaded into the Prepaid Card account), funds will be automatically withdrawn from the available balance in your ABLE Account and deposited into the Prepaid Card account to cover such Prepaid Card account fees. You can load your Prepaid Card and track your transaction activity for your Prepaid Card account directly from your online Prepaid Card account. Please refer to the Cardholder Agreement for additional details.

Using your ABLE Account (continued)

Allocation of Withdrawals Between Cash Option and Investment Option

If an ABLE Account includes funds in the Cash Option and funds in an Investment Option, a withdrawal request will be funded by the Program by redeeming Units of the Cash Option and Units of the applicable Investment Option in a proportion designed to bring the allocation of the ABLE Account immediately following such withdrawal as close as possible to the Target Allocation then in effect for such ABLE Account. This process is known as a “split-to-rebalance” transaction.

As shown in the example below, if the ABLE Account’s holdings of the Investment Option are underweighted relative to the Target Allocation, fewer Units of the Investment Option will be liquidated than would be the case if the withdrawal adhered strictly to the Target Allocation. Similarly, if the ABLE Account’s holdings of the Investment Option are overweighted relative to the Target Allocation, more Units of the Investment Option will be liquidated than would be the case if the withdrawal adhered strictly to the Target Allocation.

For example, assume that the Target Allocation of an ABLE Account is 30% Cash Option and 70% Investment Option, and that at the time of a \$1,000 withdrawal request, the ABLE Account balance is \$7,500 and the actual allocations in the ABLE Account, due to investment gains in the Investment Option, are \$2,000 in the Cash Option (26.67%) and \$5,500 (73.33%) in the Investment Option. The balance after the \$1,000 withdrawal would be \$6,500, which under the Target Allocation would consist of \$1,950 in the Cash Option and \$4,550 in the Investment Option. Accordingly, the \$1,000 withdrawal would be processed by liquidating \$50 in Units from the Cash Option and \$950 in Units of the Investment Option, to achieve that Target Allocation following the withdrawal.

The transaction amounts for the Investment Option and Cash Option in the example above are only sample amounts. For any withdrawal transaction, the actual transaction amounts will depend on the balance and Target Allocation of the ABLE Account at the time the withdrawal is processed, the amount of the withdrawal, and the extent

the positions in the Cash Option and Investment Option are overweighted or underweighted relative to the Target Allocation. Withdrawal dollars are allocated to overweighted positions first. If there is still an amount to withdraw after the Target Allocation is reached, the withdrawal is completed according to the Target Allocation.

Types of Withdrawals

Each withdrawal you make from your ABLE Account will fall into one of the following categories:

1. Qualified Withdrawal
2. Non-Qualified Withdrawal

Qualified Withdrawals

A Qualified Withdrawal is a withdrawal from your ABLE Account that is used to pay for any Qualified Disability Expenses of the Beneficiary. Qualified Disability Expenses are any expenses that (1) are incurred at a time when the Beneficiary is an Eligible Individual, (2) relate to the blindness or disability of the Beneficiary, and (3) are for the benefit of the Beneficiary in maintaining or improving his or her health, independence, or quality of life. Such expenses include, but are not limited to, expenses related to the Beneficiary’s education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses that may be identified from time to time by the IRS.

Rollover Distribution

If you are withdrawing funds to complete a Rollover to another ABLE Program, to be a Qualified Withdrawal the amount distributed from your Account must be reinvested into another Qualified ABLE Program within 60 days of the distribution date.

Non-Qualified Withdrawals

A Non-Qualified Withdrawal is any withdrawal that does not meet the requirements of being: a Qualified Withdrawal or a Rollover. The earnings portion of a Non-Qualified

Using your ABLE Account (continued)

Withdrawal is subject to federal income taxation and the Additional 10% Tax except in certain limited circumstances. See “Tax Considerations” below. This Program Disclosure Booklet does not address the potential effects on Beneficiaries of the tax laws of any state other than Maryland. You should consult a qualified tax adviser regarding how both state and federal tax laws may apply to your particular circumstances.

Zero-Balance Accounts

If an ABLE Account has a zero balance for 12 months or more it may be closed. To reinstate a zero-balance account the Beneficiary or an Authorized Legal Representative must complete a new enrollment Application.

Social Security and Medicaid Considerations

The Social Security Administration (“SSA”) has issued guidance on how it will treat ABLE Accounts for purposes of determining eligibility under SSI. See “Achieving a Better Life Experience (ABLE) Accounts, Program Operations Manual Systems, SI 01130.740 available at <https://secure.ssa.gov/apps10/poms.nsf/lnx/0501130740>.

The description below is derived from publicly available sources and is only provided for informational purposes. It is not intended to be exhaustive, and is subject to change at any time.

Exclusions from Income

SSA will exclude from the income of the Beneficiary any of the following:

- any investment earnings on contributions to an ABLE Account.
- qualified withdrawals from an ABLE Account.
- some contributions to an ABLE Account (e.g. contributions attributable to Rollovers from an ABLE account from a Sibling of the Beneficiary to an SSI recipient’s ABLE Account).

Contributions from the person who makes the contribution are income for that contributor. The fact that a person uses his or her income to contribute to an ABLE Account does not mean that income is not countable for SSI purposes. For example, a Beneficiary can have contributions automatically deducted from his or her paycheck and deposited into his or her own ABLE Account. In this case, the income used to make the ABLE Account contribution would still be included in the Beneficiary’s gross wages.

Exclusions from Countable Resources

SSA will exclude from the Beneficiary’s countable resources a distribution from an ABLE Account for Qualified Disability Expenses other than housing-related Qualified Disability Expenses. This exclusion applies for as long as:

- the Beneficiary maintains, makes contributions to, or receives distributions from the ABLE Account;
- the distribution is unspent; and
- the distribution is identifiable.

The exclusion applies even if the Beneficiary retains the distribution beyond the month in which he or she received the distribution. Example: Eric takes a distribution of \$500 from his ABLE Account in June 2017 to pay for a health-related Qualified Disability Expense. His health-related expense is not payable until September, so Eric deposits the distribution into his checking account in June. Eric maintains his ABLE Account at all relevant times, and the distribution is both unspent and identifiable until Eric pays his health-related expense in September. The distribution is not income in June and SSA will exclude the \$500 from Eric’s countable resources in July, August, and September.

Note: SSA will apply normal SSI resource counting rules and exclusions to assets or other items purchased with funds from an ABLE Account.

Example: Fred takes a distribution of \$1,500 from his ABLE Account in September 2017 to buy a wheelchair, which is a Qualified Disability Expense. The wheelchair is an excluded resource in October and beyond, because it is an individual’s personal property required for a medical condition.

Expenses Included as Countable Resources

SSA will count the following types of distributions from an ABLE Account as countable resources, but only if the Beneficiary retains the distribution beyond the calendar month in which he or she received the distribution:

- distributions for expenses that are not Qualified Disability Expenses; and
- distributions for housing-related Qualified Disability Expenses.

Note: Remember, however, that if the amounts withdrawn from an ABLE Account are spent within the same calendar

Social Security and Medicaid Considerations (continued)

month as they are received, then they will have no effect on SSI eligibility, even if they fall into the above categories.

Example A: Amy takes a distribution of \$500 from her ABLE Account in May to pay her June rent. She deposits the \$500 into her checking account in May, and withdraws \$500 in cash on June 3rd and pays her landlord. This distribution is a housing-related Qualified Disability Expense and part of her checking account balance as of the first of June, which makes it a countable resource by SSA for the month of June.

Example B: Jim takes a distribution of \$800 from his ABLE Account in August to pay his August rent. He deposits the \$800 into his checking account on August 3rd, and then withdraws \$800 in cash on August 5th and pays his landlord. Although this distribution is a housing-related Qualified Disability Expense, it is not included as a countable resource for Jim because he received the distribution in August and also spent it in August.

ABLE Account Balances Over \$100,000 Not Excluded

SSA will count the amount by which an ABLE Account balance exceeds \$100,000 as a countable resource of the Beneficiary. Example: Jennifer has \$101,000 in her ABLE Account. SSA includes \$1,000 as a countable resource of Jennifer's.

Suspension of SSI Where Balance of ABLE Account Exceeds \$100,000 by a Certain Amount

A special rule applies when the balance of an SSI recipient's ABLE Account exceeds \$100,000 by an amount that causes the recipient to exceed the SSI resource limit whether alone or in combination with other resources. When this happens, the recipient is put into a special SSI suspension period during which:

- SSA suspends the recipient's SSI benefits without time limit (as long as he or she remains otherwise eligible); i.e. the individual's eligibility for SSI does not terminate after 12 continuous months of suspension; and

- the recipient retains continued eligibility for Medical Assistance (Medicaid).

SSA will reinstate the recipient's regular SSI eligibility for any month in which the individual's ABLE Account balance no longer causes the recipient to exceed the resource limit and he or she is otherwise eligible. As of the date of this Program Disclosure Booklet, SSA is working on additional procedures related to this special suspension status.

Example: Paul is the designated Beneficiary of an ABLE Account with a balance as of the first of the month of \$101,000. Paul's only other countable resource is a checking account with a balance of \$1,500. Paul's countable resources are \$2,500 and therefore exceed the SSI resource limit. However, since Paul's ABLE Account balance is causing him to exceed the resource limit (i.e., his countable resources other than the ABLE Account are less than \$2,000), Paul's SSI eligibility is suspended and his cash benefits stop, but he retains eligibility for Medicaid.

Medicaid

The ABLE Act provides that, for the purpose of determining an individual's eligibility to receive, or the amount of, any assistance provided by a needs-based federal program (such as Medicaid), amounts in, contributions to, and certain distributions from, ABLE Accounts shall be disregarded. The Centers for Medicare & Medicaid Services ("CMS") has provided guidance to states on the treatment of funds in, contributions to, and distributions from an ABLE Account, under the ABLE Act, for purposes of Medicaid eligibility. See Dep't of Health and Human Services, Centers for Medicaid and Medicare Services, Letter to State Medicaid Directors, September 7, 2017. Please consult with your state's Medicaid office for questions.

In accordance with Section 529A, following the death of the Beneficiary, any state may file a claim against the ABLE Account itself for the amount of the total medical assistance paid for the Beneficiary under the state's Medicaid Program after the establishment of the account (or any ABLE Account from which amounts were rolled to the ABLE Account). The amount paid in satisfaction of such a

Social Security and Medicaid Considerations (continued)

claim is not a taxable distribution from the ABLE Account. Further, the amount is to be paid to the claiming state only after the payment of all outstanding payments due for the Qualified Disability Expenses, which include burial and funeral expenses, of the Beneficiary and is to be reduced by the amount of all premiums paid by or on behalf of the Beneficiary to a Medicaid Buy-In program under that state's Medicaid Program. Procedures for filing claims may vary from state to state. Authorized Legal Representatives and executors and administrators should consider seeking legal counsel on the applicability of, and any available exceptions to, Medicaid recapture under applicable state law and regulation.

Portfolio Options

Overview

The Program offers a Cash Option and three different Investment Options for you to invest in. Each Portfolio Option caters to a distinct set of investment objectives.

The Cash Option is invested in an FDIC-insured account at the Bank. Each of the Investment Options is invested in several Mutual Funds. Summaries of the underlying Mutual Funds and the risks associated with investments in the Mutual Funds appear in Appendix I to this Program Disclosure Booklet. Please note that an investment in an Investment Option in the Program is not an investment in these underlying Mutual Funds, and that an investment in the Cash Option does not create a depositor relationship between the Beneficiary and the Bank.

You may allocate your contributions to one of the Portfolio Options, or you may choose to allocate your contributions among the Cash Option and one of the Investment Options. IRS rules allow only two investment direction changes per calendar year. There are two ways to adjust your investment direction: i) transferring your ABLE Account balances from your current Portfolio Option(s) to other Portfolio Option(s), and ii) revising the Target Allocation of your ABLE Account balances between the Cash Option and the Investment Option. Remember, at any time an ABLE Account can only invest in the Cash Option and/or one Investment Option. Amounts may also be transferred between Portfolio Options upon a change of Beneficiary to a Sibling of the Beneficiary who is an Eligible Individual. See “Getting Started” and “Using Your Account,” above, for information about changing Portfolio Option elections.

Choosing a Portfolio Option for your ABLE Account takes planning. You need to consider your savings goals and your spending needs, understand your investment objectives, and select Portfolio Options suitable to your investment needs. This section helps you to understand the types of Portfolio Options offered under the Program, and the risks involved in investing in such Portfolio Options. Beneficiaries should periodically assess, and if appropriate, adjust their investment choices with their time horizon, risk tolerance, and investment objectives in mind.

Cash Option

The Cash Option offers FDIC insurance protection for amounts contributed to the Cash Option, up to FDIC-permitted limits. The Cash Option allocates 100% of its assets to a demand deposit account established by the Trust at the Bank (the “Bank Account”).

FDIC Insurance

Representatives of the Federal Deposit Insurance Corporation have indicated that contributions to and earnings on an FDIC-insured bank account held by a trust such as the Trust will be insured by the FDIC on a pass-through basis to each Beneficiary under existing or amended FDIC regulations, subject to applicable insurance limits and compliance with applicable record-keeping requirements. Accordingly, contributions to and earnings on the Cash Option are insured by the FDIC on a pass-through basis to each Beneficiary in the same manner as other deposits held by the Beneficiary at the Bank in the same ownership right and capacity. (For this purpose, accounts established by a custodian for a minor under UTMA or UGMA are aggregated for insurance purposes with all other accounts with the Bank held by the minor.) FDIC insurance generally protects up to \$250,000 of your deposits at the same bank in the same ownership right and capacity, so the portion of your ABLE Account invested in the Cash Option, taken together with other deposits you hold in a single ownership basis at the Bank, will be insured up to \$250,000.

For more information on FDIC insurance, visit www.fdic.gov. (See also “Investment Risks” below.)

Interest Rates

Interest on the Bank Account will be credited by the Bank on the last business day of each month based on the average daily balance on deposit in the Bank Account during such month. The interest rate on the Bank Account will be a rate equal to the upper end of the Federal Funds target rate range, set from time to time by the Federal Reserve’s Federal Open Market Committee (“FOMC”), less 15 basis points. An additional 30 basis point Administration Fee will also be charged. This results in a net interest rate equal to the upper end of the FOMC target rate range less 45 basis

Portfolio Options (continued)

points. The FOMC normally meets eight times a year, and may also hold additional meetings and implement target rate range changes outside of its normal schedule. The State Administration Fee is subject to reduction if its application would cause a negative return on the Cash Option.

Units in the Cash Option will have a daily net asset value that includes interest accruals on the Bank Account and is net of the applicable Administrative Fee. If the interest rate on the Bank Account for any period is less than or equal to the Administrative Fee for such period, the net interest accrual on Units in the Cash Option for such period will be zero. During any such period when the interest rate is less than the Administrative Fee, the Trustee, Program Manager, and the Partner state, Oregon, will each waive their portion of the Administrative Fee, pro rata, that exceeds such interest rate so that the Administrative Fee shall not cause a negative return on amounts contributed to the Cash Option.

Notice Regarding Withdrawals

All withdrawals will be processed by the Program Manager on behalf of the Trust; Beneficiaries will not be able to withdraw Cash Option funds directly from the Bank.

Investment Risks

With respect to any amount allocated to the Cash Option that is not insured by the FDIC, the Bank will be the sole party responsible for the repayment of the principal amount of such contributions and earnings thereon, even if the Bank goes into Receivership or otherwise experiences insolvency. In the event the Bank exercises its right to close the Bank Account, the Program may be required to Transfer amounts invested in the Cash Option to another investment that may not be eligible for FDIC deposit insurance. Accordingly, there is no assurance that any FDIC deposit insurance applicable to your investments in the Cash Option will remain in effect for the duration of your participation in the Program.

The money you contribute to the Cash Option, taken together with other deposits you have at the Bank, is insured up to FDIC limits and will not be subject to investment risk or loss to principal except as set forth herein. If the Bank

is unable to pay all or part of any such amounts, then the FDIC may be obligated to pay the balance of that amount up to the limit previously described.

There is a risk that the Bank Account's interest rate, in the future, could decrease. There is no minimum guaranteed interest rate (floor) for the Bank Account. The fees charged by the Program, taking into account the Account Maintenance Fee, may exceed the interest paid by the Bank.

The Investment Options

The Program offers three different Investment Options designed for different investment objectives and risk tolerances.

The ABLE Conservative Investment Option

The ABLE Conservative Investment Option seeks to provide current income and some growth by investing in a portfolio of mutual funds intended to produce an overall investment exposure of approximately 20% stocks and 80% bonds. Overall, there's a small amount of risk and limited appreciation potential, designed for a shorter investment period.

See Appendix I for a more detailed summary of the Mutual Funds in which assets are invested under this Investment Option.

The ABLE Moderate Investment Option

The ABLE Moderate Investment Option seeks to provide a combination of growth and current income by investing in a portfolio of mutual funds intended to produce an overall investment exposure of approximately 50% stocks and 50% bonds. Overall, there's a medium level of risk for a pursuit of investment return, designed for a medium or uncertain time horizon.

See Appendix I for a more detailed summary of the Mutual Funds in which assets are invested under this Investment Option.

The ABLE Aggressive Investment Option

The ABLE Aggressive Investment Option seeks to provide

Portfolio Options (continued)

the potential to grow by investing in a portfolio of mutual funds intended to produce an overall investment exposure of approximately 84% stocks and 16% bonds. Overall, there's a higher level of risk and potential for return (or loss), designed for a longer investment period (10 years or more).

See Appendix I for a more detailed summary of the Mutual Funds in which assets are invested under this Investment Option.

Other Considerations

The Board may add or remove Portfolio Options or change the investment allocations of, or the investments held by, any Investment Option at any time as well as change how and with which financial institution the allocations to the Cash Option are deposited. You will receive written notification of any such changes.

These investment approaches are not recommendations and do not take into consideration your personal goals or preferences. After evaluating information you consider important in making an investment choice, the ultimate investment decision is up to you. You should consult with your tax or financial adviser for advice regarding your individual situation.



Performance

Performance information for the Portfolio Options is not shown at this time because the Portfolio Options are new as of the date of this Program Disclosure Booklet. Current performance information will be available on the Program's website after the Portfolio Options have twelve months of performance information. When posted, performance information will be net of Annual Asset-Based Fees but will not reflect the impact of any potential federal or state taxes. The interest rate on the underlying Bank Account in the Cash Option and the performance of the underlying Mutual Funds in an Investment Option may be obtained by visiting the applicable Mutual Fund's website.

Past Performance No Guarantee of Future Results

Past performance information for Portfolio Options (when available) and the underlying Bank Account or Mutual Funds are not indicative of the future performance of any particular Portfolio Option. Portfolio Option performance information represents past performance and is no guarantee of future results.

Investment Results of Your Portfolio Option Will Vary

The investment results of any Portfolio Option for any period cannot be expected to be similar to its investment performance for any prior period. In addition, in view of the anticipated periodic determinations of investment allocations and selection of the underlying Mutual Funds for each Investment Option, the future investment results of any Investment Option cannot be expected, for any period, to be similar to the past performance of any other Investment Options or underlying Mutual Funds. Total returns and the principal value of investments in your ABLE Account will fluctuate based on the interest rate on the underlying Bank Account in which the Cash Option is invested and/or the investment performance of the underlying Mutual Funds in which the Investment Options have been invested, so your investment may be worth more or less than its original value when you withdraw your money. Performance may be substantially affected over time by changes in the allocations among Mutual Funds and in the underlying Mutual Funds.

Cost of your ABLÉ Account

Fees and Expenses

Except for the fees listed in this Disclosure, there are currently no other fees, charges, or penalties imposed by or payable to the Program in connection with opening or maintaining your ABLÉ Account. The Board reserves the right to change the current fees, or to impose new or additional fees, expenses, charges, or penalties at any time in the future.

Account Maintenance Fee

Your ABLÉ Account will be charged an annual Account Maintenance Fee of \$35 billed quarterly in arrears. The amount billed will be prorated for the calendar quarter during which you open your ABLÉ Account. The Program Manager, Sumday, receives \$27, the Partner State, Ore-

gon, receives \$3 and the Trustee receives \$5. The Account Maintenance Fee, together with the Administrative Fees below, is designed to help offset the costs of administration of the Program.

Annual Asset-Based Fees

There are annual asset-based fees charged by the Program and by the Mutual Funds underlying each Investment Option. While these fees are not charged directly to your ABLÉ Account, you do bear the cost indirectly as they are subtracted from the applicable Portfolio Option's assets, which reduces the daily Unit value of the Portfolio Option. The annual asset-based fees are set forth in the tables below.

Annual Asset-Based Fees

Portfolio Option	Estimated Underlying Mutual Fund Expenses ¹	Administrative Fees ²	Total Annual Asset-Based Fees ⁴
Cash	N/A	0.30% ³	0.30% ³
ABLE Conservative	0.0628%	0.30%	0.3628%
ABLE Moderate	0.0678%	0.30%	0.3678%
ABLE Aggressive	0.0781%	0.30%	0.3781%

Annual Account Maintenance Fee is \$35 Charged Per Beneficiary

¹ The figures in this column are derived from publicly available information for the underlying Mutual Funds as of June 27, 2018. Each Investment Option indirectly bears the underlying Mutual Funds' expenses because when fees are deducted from an underlying Mutual Fund's assets, the value of the underlying Mutual Fund's shares is reduced. Actual underlying investment expenses may vary. You should refer to the Investment Cost Example for an example of what the total investment cost could be over 1-, 3-, 5-, and 10-year periods.

² The Program Manager, Sumday, receives 0.10%; the Partner State, Oregon, receives 0.10%; and the Trustee receives 0.10% of the annualized Administrative Fee. All Fees received by the Trustee are used to offset expenses associated with administering the Maryland ABLÉ program.

³ To the extent the interest rate on the Bank Account in which assets of the Cash Option are deposited is less during a particular period than the Administrative Fee, the Trustee, Program Manager and Partner State will waive the portion of the Administrative Fee that exceeds such interest rate for the applicable period, and the Total Annual Asset-Based Fees for the Cash Option will be reduced accordingly for the applicable period.

⁴ This total is assessed against assets over the course of the year. Please refer to the Investment Cost Example for a table that shows an example of what the total investment costs could be over 1-, 3-, 5-, and 10-year periods.

Cost of your ABLE Account (continued)

Rollover

The Program will charge a \$50 fee for Rollovers out of the Program.

E-Delivery Fee Waiver

The Program Manager will charge \$10 as an annual print/mail fee. This fee will be waived for Beneficiaries who sign up for electronic delivery of all Program documents. The print/mail fee will be withdrawn from ABLE Accounts on a quarterly basis beginning with the quarter the ABLE Account is established. You can opt out of this print/mail fee by signing up for electronic delivery of all Program documents. If a Beneficiary switches from paper to electronic delivery after the ABLE Account is established and maintains that election, no annual print/mail fee will be charged in the following year. Signing up for electronic delivery is

as easy as going to the Program website at <http://marylandable.org/> logging into your ABLE Account, and selecting electronic delivery. In addition to being a green alternative, e-delivery documents are in PDF format and may generally be word searched for convenient reference.

Fees for Additional Services

The Program Manager may debit your ABLE Account for costs incurred in connection with failed contributions (e.g., returned checks, rejected automatic contribution Program payments, and rejected electronic funds transfers), or for additional services you request (e.g., overnight delivery, outgoing wires, reissue of disbursement checks, requests for historical statements, and Rollovers). The current fees for additional services are listed below.

Transactional Fees:

Transaction	Fee
Paper Statement Delivery Fee	\$10 per year
Paper check disbursement	\$2.50 per disbursement
Overnight delivery	\$15
Outgoing wires	\$15
Re-issue of disbursement checks	\$15
ACH Fail / Returned Checks	\$25
Rollovers (Transfers out of the Program)	\$50

Prepaid Card Fees:

Transaction	Fee
Monthly Fee	\$1.25 Occurs thirty (30) calendar days after activation. Is deducted from the Prepaid Card
Mailed Paper Statement Fee	\$25 Per each mailed paper statement that is requested. You may view your statement online at no cost.
Replacement Card (Standard Delivery)	\$10 Per replacement card ordered.
Balance Refund Paper Check Fee	\$25 Per paper check requested.

Investment Cost Example

The example in the following table is intended to help you compare the cost of investing in the different Portfolio Options over various periods of time. This example assumes that:

- You invest \$10,000 in your ABLE Account for the time periods shown below on January 1st.
- You elected to have 100% of your account balance invested in a single portfolio option.
- Your investment has a 5% quarterly compounded return each year. Your actual return may be higher or lower.
- No withdrawals are reflected.
- Total annual asset-based fees remain the same as shown in the Fee Table above.
- A \$35 annual Account Maintenance Fee will be withdrawn from your ABLE Account pro-rata at the end of each calendar quarter.
- The example does not consider the impact of any Application fee, Rollover fee, print/mail fee, or fees for additional services.
- The example does not consider the impact of any potential state or federal taxes on the withdrawal.

Your actual costs may be higher or lower. Based on the above assumptions your costs can be found in the following chart.

Approximate Cost of \$10,000 Investment

Portfolio Option	1 Year	3 Years	5 Years	10 Years
Cash Option	\$65.87	\$201.79	\$343.71	\$728.81
ABLE Conservative Investment Option	\$72.33	\$221.95	\$378.71	\$806.59
ABLE Moderate Investment Option	\$72.84	\$223.55	\$381.50	\$812.76
ABLE Aggressive Investment Option	\$ 73.90	\$226.85	\$387.22	\$825.46

Risks of Investing in the Program

Prospective Beneficiaries should carefully consider, along with other matters referred to in this Program Disclosure Booklet, the following risks of investing in the Program.

No Insurance or Guarantee

Neither investments in the Program nor earnings, if any, from investments in the Program are insured or guaranteed by the State of Maryland, the Board, the Network, any other state agency or instrumentality, the Program, the FDIC (except to the extent described in this Program Disclosure Booklet in the case of the Cash Option), any federal government agency, the Program Manager, the Investment Adviser, the Custodian, or their respective contractors or affiliates.

You Could Lose Money

The value of your ABLE Account may decrease. You could lose money, including the principal you invest. The Cash Option offers FDIC insurance up to \$250,000 subject to certain restrictions. See "Investment Risks" below.

Potential Impact on Supplemental Security Income

Balances over \$100,000 and certain distributions could affect the Beneficiary's eligibility for SSI. See "Social Security and Medicaid Considerations" above for more information.

Potential Impact on Medicaid Eligibility

The Centers for Medicare & Medicaid Services ("CMS") has issued guidance on how ABLE Account funds will be treated for purposes of determining Medicaid eligibility. The CMS guidance can be found at <https://www.medicaid.gov/federal-policy-guidance/downloads/smd17002.pdf>. Please consult with your state's Medicaid office with any additional questions.

Potential Impact on State Benefits

Section 18-19C-03 of the Education Article of the Maryland Code Annotated provides that money and assets in the accounts established under the Maryland ABLE program or an ABLE Program in any other state may not be considered for the purpose of determining eligibility to receive, or the amount of, any assistance or benefits from local or Maryland state means-tested programs. You should consult with your own state's law and a qualified special needs

planner, however, as balances in an ABLE Account, along with distributions from an ABLE Account, could affect the Beneficiary's eligibility for state benefits programs. Please consult your state benefits agency or adviser for more information.

Changes in Your Eligibility Status

Expenses incurred at a time when you are not an Eligible Individual will not be considered Qualified Disability Expenses. The earnings portion of Non-Qualified Withdrawals will be includable as ordinary income and subject to the Additional 10% Tax penalty when you file your tax returns. An example of a Non-Qualified Withdrawal would be a withdrawal used for anything that is not a Qualified Disability Expense.

Investment Risks

With each of the Investment Options, there is the risk that the Investment Adviser's recommendation of Mutual Funds or of asset allocations among the selected Mutual Funds will not produce the desired results. It is possible to lose money on ABLE Account funds invested under an Investment Option. However, the Cash Option is principal-protected (up to FDIC limits). Summaries of risks of the underlying Mutual Funds for the Investment Options are set forth in Appendix I.

Changes in Law

The Program is established pursuant to the Maryland ABLE Act and Section 529A of the Code. Changes to the Maryland ABLE Act or state and federal laws may affect the continued operation of the Program as contemplated in this Program Disclosure Booklet. Congress could also amend the Code or other federal laws in a manner that would materially change or eliminate the federal tax treatment described in this Program Disclosure Booklet. Your state of residence could also make changes that could materially affect the state tax treatment of the Program. The State of Maryland could make changes to the Maryland ABLE Act that could terminate or otherwise adversely affect the Program. Changes in the law governing the tax consequenc-

Risk of Investing in the Program (continued)

es described in this Program Disclosure Booklet might necessitate material changes to the Program or termination of the Program. The Proposed Tax Regulations that have been issued under Section 529A of the Code provide guidance, but only for the establishment and operation of certain aspects of the Program. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences of contributions to, investments in, or withdrawals from, ABLE Accounts.

Modification or Termination of Portfolio Options

The Board may at any time modify the Program to provide for additional or different Portfolio Options, or make other changes to the Program, including the termination, consolidation or change in the investment policy applicable to one or more Portfolio Options or the termination of the Program.

No Recontribution of Withdrawals

Withdrawals, once made, cannot be undone by recontributing the withdrawn amount into your ABLE Account, even if you directed the withdrawal by mistake. If you attempt to recontribute money that you previously withdrew, the recontributing will be treated as a new and separate contribution. The withdrawal will also be treated as a Non-Qualified Withdrawal, which would subject you to tax consequences and which may have adverse effects on your eligibility for means-tested benefits. Example: On January 1, you contribute \$100 to your ABLE Account. On January 5, you withdraw the \$100. On January 10, you realize that you withdrew the \$100 by mistake. You cannot undo the withdrawal by recontributing the withdrawn amount. If you attempt to put the \$100 back into your ABLE Account, it will be treated as a second contribution of \$100, and your contribution total for the year will be \$200. The \$100 withdrawal will also be treated as a Non-Qualified Withdrawal.

Risks Related to Illiquidity

Investment in the Program involves the risk of limited liquidity because the circumstances under which funds may be withdrawn from your ABLE Account without incurring

adverse tax consequences are limited to withdrawals for Qualified Disability Expenses. Additionally, in certain circumstances, your ability to withdraw funds may be restricted for up to ten business days. See “Withdrawals” under “Tax Considerations,” below, for further information about these restrictions.

Limitations on Reallocating Monies Among Investment Options

You may only transfer funds from your current Portfolio Option(s) to other Portfolio Options twice per calendar year. You may also transfer funds among Portfolio Option(s) upon a change in the Beneficiary to an Eligible Individual who is a Sibling of the Beneficiary.

Change of the Program Manager or Investment Adviser, Terms and Conditions of the Program, Portfolio Options, and Mutual Funds

The Board may change the Program Manager and/or Investment Adviser in the future or add program managers and/or investment advisers. If this happens (or even if it does not), there is no assurance that you would not experience a material change to certain terms and conditions of your Participation Agreement, including the fees charged under the Program. If Sumday ceases to be the Program Manager, you may have to open a new ABLE Account in the Program with the successor Program Manager in order to make future contributions. The Program may change the Portfolio Options available. In the event of a change in the Portfolio options, notification of such changes and the impact on various sections of this Program Disclosure Booklet will be sent to Beneficiaries.

Medicaid Recapture

Under Section 529A of the Code, following the death of the Beneficiary, any state may file a claim against the ABLE Account for the amount of the total medical assistance paid for the Beneficiary under the state’s Medicaid Program after the establishment of the ABLE Account (or any ABLE Account from which amounts were rolled or transferred to the current ABLE Account). The amount paid in satisfaction of such a claim is not a taxable distribution from the ABLE Account. Further, the amount is to be paid only after the

Risk of Investing in the Program (continued)

payment of all outstanding payments due for the Qualified Disability Expenses of the Beneficiary, which includes funeral and burial expenses, and is to be reduced by the amount of all premiums paid by or on behalf of the Beneficiary to a Medicaid Buy-In program under that state's Medicaid Program.

Procedures for filing claims may vary from state to state. Authorized Legal Representatives and executors and administrators should consider seeking legal counsel on the applicability of, and any available exceptions to, Medicaid recapture under applicable state law and regulation.

Suitability; Investment Alternatives

The Board, the Program Manager, the Investment Adviser and the Custodian make no representations regarding the appropriateness of any of the Portfolio Options as an investment for any particular individual investor. Other types of investments may be more appropriate depending upon an individual's residence, financial status, tax situation, risk tolerance, or age. The investments, fees, expenses, eligibility requirements, tax and other consequences and features of these alternatives may differ from those of the Program. Other types of investments, standing alone or used in combination with the Program, may be a better alternative for certain Beneficiaries. Before investing in the Program, you may wish to consult a tax adviser, investment adviser, or special needs Planner.

Investment in the Program is not a Direct Investment in the Bank Account or Mutual Funds

Although contributions to your ABLE Account will be invested in the Cash Option, which is invested in the Bank Account, and/or in Investment Options that invest in Mutual Funds, none of the Program's Portfolio Options is a bank account or a mutual fund. Units in the Portfolio Options are not registered with the SEC or any state, nor are the Program or any of the Program's Portfolio Options registered as investment companies with the SEC or any state.



Tax Considerations

The following discussion summarizes certain aspects of federal and state income, gift, estate, and generation skipping tax (“GST”) tax consequences relating to the Program and contributions to, earnings of, and withdrawals from ABLE Accounts. The summary is not exhaustive and is not intended as individual tax advice. In addition, there can be no assurance that the IRS will agree with the tax treatment described herein or that, if challenged, such tax treatment would be sustained in court. The applicable tax rules are complex, and certain of the rules are at present uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. The Code and regulations thereunder, and judicial and administrative interpretations thereof, are subject to change, retroactively and/or prospectively.

This summary is based on the relevant provisions of the Code, the Proposed Tax Regulations, and Maryland tax law and regulations. It is possible that Congress, the U.S. Treasury Department, the IRS, the State of Maryland, and other taxing authorities or the courts may take actions that will adversely affect the tax law consequences described and that such adverse effects may be retroactive. No final tax regulations or rulings concerning the Program have been issued by the IRS and, when issued, such regulations or rulings may alter the tax consequences summarized herein or necessitate changes in the Program to achieve the tax benefits described. **The summary does not address the potential effects on Beneficiaries of the tax laws of any state other than Maryland.** You should consult a qualified tax adviser about how the laws apply to your circumstances. Federal and state laws or regulations are subject to change and could affect the tax treatment of your ABLE Account.

Qualified ABLE Program

The Program is designed to be a qualified ABLE Program under Section 529A.

Eligible Individual

In order to open an ABLE Account and to receive the tax benefits afforded a Beneficiary of an ABLE Account, you must be an Eligible Individual. See “Eligibility to Open an ABLE Account” under “Getting Started” above for more information.

One Account Rule

The Proposed Tax Regulations provide that, except for a limited period with respect to Rollovers and Program-to-Program Transfers, no Beneficiary may have more than one ABLE Account in existence at the same time. If more than one ABLE Account is opened by a Beneficiary, the later-opened account(s) will not be treated as an ABLE Account under Section 529A of the Code and will not be eligible for the benefits applicable to ABLE Accounts. For example, monies contributed to a second or subsequent ABLE Account will not be disregarded in determining eligibility under federal means-tested programs, such as

SSI, and could result in the imposition of federal taxes and penalties. The Proposed Tax Regulations also provide, however, that if the entire balance of a second or other subsequent ABLE Account is returned, in accordance with the rules that apply to returns of Excess Contributions and Excess Aggregate Contributions, to the contributor(s) on or before the due date (including extensions) for filing the Beneficiary’s income tax return for the year in which the account was opened and contributions to the second or subsequent account were made, such contributions will not be treated as a gift or distribution to the Beneficiary for purposes of Section 529A of the Code. If the Excess Contributions or Aggregate Excess Contributions are returned within the time periods specified above, any net income distributed is includible in the gross income of the contributor(s) in the taxable year in which the Excess Contribution or Excess Aggregate Contribution was made.

Federal Tax Information

Contributions to the Program are not deductible for federal income tax purposes. There are two primary federal income tax advantages to investing in the Program:

Tax Considerations (continued)

1. Investment earnings on the money invested in an ABLE Account grow tax-deferred. This means that your earnings are not subject to federal income tax while they remain in your ABLE Account.
 2. Any investment earnings distributed from an ABLE Account as part of a Qualified Withdrawal are free from federal income tax.
- Paid to an heir or legatee of the Beneficiary;
 - Paid on behalf of the Beneficiary on or after the Beneficiary's death;
 - Paid as any part of a claim filed against the Beneficiary or the ABLE Account by a state under a state Medicaid Program;

Withdrawals

The tax treatment of a withdrawal from an ABLE Account will vary depending on whether the withdrawal is a Qualified Withdrawal or a Non-Qualified Withdrawal.

Qualified Withdrawals

If a Qualified Withdrawal is made from an ABLE Account, no portion of the distribution is includable in the gross income of the Beneficiary for purposes of federal and Maryland state income taxes. A Qualified Withdrawal is a withdrawal that is solely used to pay the Qualified Disability Expenses of the Beneficiary. For such purpose, amounts distributed from an ABLE Account to pay any part of a claim filed against the Beneficiary or the ABLE Account by a state under a state Medicaid Program are considered Qualified Disability Expenses.

Non-Qualified Withdrawals

The portion of a Non-Qualified Withdrawal attributable to investment earnings on the ABLE Account will be ordinary income to the Beneficiary for purposes of federal and Maryland state income taxes for the year in which the withdrawal is made.

Additionally, to the extent that a distribution is a Non-Qualified Withdrawal, the federal income tax liability of the recipient will be subject to an Additional 10% Tax on the earnings portion of the withdrawal, subject to certain exceptions set forth below.

Exceptions to Penalty Tax

The Additional 10% Tax does not apply to Non-Qualified Withdrawals that are:

- Paid to the estate of a Beneficiary on or after the Beneficiary's death;
- Returns of Excess Contributions;
- Returns of Excess Aggregate Contributions; or
- Returns of contributions to additional purported ABLE Accounts made by the due date (including extensions) of the Beneficiary's tax return for the year in which the relevant contributions were made.

You should consult your own tax adviser regarding the application of any of the above exceptions.

Rollovers

You may roll over all or part of the money in your ABLE Account to another Qualified ABLE Program without adverse federal income tax consequences if the transfer occurs within 60 days of the withdrawal from your ABLE Account. A rollover for the same Beneficiary is limited to one per 12 months. If the assets in your ABLE Account are being rolled over to an account for a different Beneficiary, the Beneficiary of the receiving ABLE account must be a Sibling of the Beneficiary as defined by this Program Disclosure Booklet. Changes in your Beneficiary could potentially cause gift and/or generation-skipping transfer tax consequences to the Beneficiary. Please consult with your tax advisor.

Similarly, you may fund your ABLE Account with a rollover from another Qualified ABLE Program or from a Qualified Tuition Program (also known as a 529 plan or college savings plan). There are no adverse federal income tax consequences if the transfer occurs within 60 days of the withdrawal from the other ABLE Program or Qualified Tuition Program and meets all other requirements for the specific type of rollover (e.g. the Annual Contribution Limit in the case of a rollover from a Qualified Tuition Program).

Tax Considerations (continued)

ABLE to ABLE Rollovers for the same Beneficiary are limited to one per 12 months. If the Beneficiary of the Qualified Tuition Program is different, the Beneficiary of the Qualified Tuition Program account must be a Member of the Family of the Beneficiary as defined by this Program Disclosure Booklet and Section 529 of the Internal Revenue Code.

Change of Beneficiary

A change in the Beneficiary of an ABLE Account is not treated as a distribution and is not subject to federal gift or GST taxes if the new Beneficiary is an Eligible Individual and a Sibling of the current Beneficiary. However, if the new Beneficiary is not a Sibling of the current Beneficiary, the change is treated as a Non-Qualified Withdrawal by the current Beneficiary and may have federal gift tax or GST tax consequences.

Earnings

Distributions may have two components: (1) Principal (i.e. the contribution previously made to the account), which is not taxable when distributed, and (2) earnings, if any, which may be subject to federal income taxation.

For any year in which there is a withdrawal from an ABLE Account, the Program Manager will provide an IRS Form 1099-QA. This form will set forth the total amount of the withdrawal and identify the earnings portion and the contribution portion of any withdrawal.

Keep in mind that Form 1099-QA does not report whether the distribution is a Qualified Distribution or a Non-Qualified Distribution. You are responsible for preparing and filing the appropriate forms when completing your federal income tax return and for paying any applicable tax directly to the IRS.

Gift Tax and GST Tax

For federal gift tax and GST purposes, contributions to an ABLE Account by the Beneficiary are not considered to be completed gifts because an individual cannot make a transfer of property to himself or herself, and a transfer of

property is a fundamental requirement for a completed gift. However, contributions to an ABLE Account by persons other than the Beneficiary are considered a completed gift from the contributor to the Beneficiary and are eligible for the annual gift tax exclusion.

For calendar year 2018, the annual gift tax exclusion is \$15,000 per contributor. This means that in each calendar year a contributor may contribute up to \$15,000 to a Beneficiary's ABLE Account without the contribution being considered a taxable gift, if the donor makes no other gifts to the Beneficiary in the same year. This amount may increase from time to time. You will be notified of any change.

As a reminder, the Annual Contribution Limit for an ABLE Account, excluding contributions permitted pursuant to ABLE to Work, is tied to the federal gift tax exclusion.

Estate Tax

The Proposed Tax Regulations provide that, upon the death of the Beneficiary, all amounts remaining in the ABLE Account are includible in the Beneficiary's gross estate for purposes of the federal estate tax.

Medicaid Recapture

Under Section 529A of the Code, following the death of the Beneficiary, any state may file a claim against the ABLE Account for the amount of the total medical assistance paid for the Beneficiary under the state's Medicaid Program after the establishment of the ABLE Account (or any ABLE Account from which amounts were rolled or transferred to the current ABLE Account). The amount paid in satisfaction of such a claim is not a taxable distribution from the ABLE Account.

Coordination with Qualified Tuition Plans

Under existing IRS guidance, amounts in an account in a qualified tuition program under Section 529 of the Code may not be transferred to an ABLE Account for the same Beneficiary free of tax.

Tax Considerations (continued)

Maryland State Tax Treatment

There are three primary Maryland state income tax advantages to investing in the Program:

1. Each Beneficiary or individual who contributes to the Beneficiary's ABLE Account can deduct up to \$2,500 of contributions each year from their Maryland income per Beneficiary—\$5,000 for two, \$7,500 for three, etc. Contributions in excess of \$2,500 can be deducted for up to the next 10 years. Contributions in following years could be eligible for deduction; however, you cannot deduct more than \$2,500 per Beneficiary in any year or extend the 10-year limit on each year's contribution. Please contact the Maryland Comptroller's Office for additional information.
2. Investment earnings on the money invested in an ABLE Account grow tax-deferred. This means that your earnings are not subject to Maryland state income tax while they remain in your ABLE Account.
3. Any investment earnings distributed from an ABLE Account as part of a Qualified Withdrawal are free from Maryland state income tax.

Qualified Withdrawals, Rollovers, and Program-to-Program Transfers are not includible in the Beneficiary's income for purposes of Maryland state income tax. The earnings portions of Non-Qualified Withdrawals are includible in the Beneficiary's income for purposes of Maryland state income tax for the year in which the withdrawal is made.

Additional Tax Considerations

As of the date of this Program Disclosure Booklet, Proposed Tax Regulations have been issued under Section 529A. Taxpayers may rely on these Proposed Tax Regulations at least until final regulations are issued. The Proposed Tax Regulations do not, however, provide guidance on various aspects of the Program. It is uncertain when final regulations will be issued. Therefore, there can be no assurance that the federal tax consequences described herein for Beneficiaries are applicable. Section 529A of the Code or other federal law could be amended in a manner that would materially change or eliminate the federal tax treatment described above. However, the U.S. Treasury Department and the IRS have stated in guidance issued in connection with the Proposed Tax Regulations that states that enact legislation creating an ABLE Program in accordance with Section 529A, and those individuals establishing ABLE Accounts in accordance with such legislation, will not fail to receive the benefits of Section 529A merely because the legislation or the account documents do not fully comport with the final regulations when they are issued. In addition, the U.S. Treasury Department and the IRS have stated their intention to provide transition relief to enable those state programs and accounts to be brought into compliance with the requirements in the final regulations, including providing sufficient time after issuance of the final regulations in order for changes to be implemented. The Board intends to modify the Program within the constraints of applicable law as necessary for the Program to meet the requirements of Section 529A as the same may be revised.

Oversight of the Program

The Maryland 529 Board administers qualified tuition savings programs created by the U.S. Congress in 1996, and the Maryland ABLE program, authorized by the U.S. Congress in 2014, which offers savings accounts used to fund specific expenses for eligible people with disabilities. The programs are sometimes referred to as Section 529 or 529A plans, respectively, after the Sections of the Internal Revenue Code which provides for them. This Disclosure Booklet is about the Maryland ABLE program only.

Pursuant to the powers established by the Maryland ABLE Act, the Board has engaged Sumday Administration, LLC to serve as the Program Manager under the Management Agreement. See “Service Providers to the Program” below, for additional information about the Program Manager and the Management Agreement.

Service Providers to the Program

Maryland 529

The Maryland ABLE program was established under the Maryland Code Annotated. The Maryland Code Annotated requires the Board to adopt procedures that it considers necessary to carry out the provisions of the Enabling Legislation, including procedures relating to the enrollment process for participation in the Maryland ABLE program.

In addition, the Board has discretion with regard to the formation of the Maryland ABLE program, including the declaration of a trust, selection of the Program Manager, assessment of fees, creation of multiple Portfolios, and receipt of contributions into Accounts.

The Maryland ABLE program is administered by the Board through Maryland 529, an independent State agency. Monies held by Maryland 529 are not considered monies of the State and may not be deposited into the General Fund of the State.

Program Partner

The Maryland ABLE program is a partner of the State of Oregon through an intergovernmental cooperative purchasing agreement. Through this partnership, Oregon offers consulting services and both states utilize the same Program Manager, through separate contracts.

Program Manager

The Program Manager is Sumday Administration, LLC, an indirect, wholly owned subsidiary of The Bank of New York Mellon Corporation. Sumday provides administrative and record-keeping services to the Program under the direction of the Board. Sumday and the Board have entered into a contract (the “Management Agreement”) under which Sumday and its subcontractors, including its affiliated companies, The Bank of New York Mellon and BNY Mellon Investment Servicing (US) Inc., provide services to the Program.

Investment Adviser

The Program’s Investment Adviser is Marquette Associates. Marquette Associates is a registered investment adviser under the Investment Advisers Act of 1940. The Investment Adviser will provide investment management advisory and related services to the Board for the Program, which shall include recommending the underlying investments for each of the Program’s Portfolio Options and monitoring of the Portfolio Options in accordance with an Investment Policy Statement approved by the Board.

Service Providers of the Program (continued)

Custodian

The Program Manager has subcontracted with The Bank of New York Mellon to provide custodial services for the Program. The Custodian is responsible for physical custody and safekeeping of investment assets. Custodian responsibilities include, but are not limited to, physical custody and safekeeping of investment assets, securities settlement, income and principal collection and corporate action reporting and filing, and providing information related to these services. Additionally, the Custodian will calculate the net asset value for each Portfolio Option daily.

The Bank

The Bank of New York Mellon holds the amounts contributed to the Cash Option in an omnibus cash account at the Bank.



Reporting

ABLE Account Statements

You will receive quarterly and annual statements indicating:

- Annual beginning account balance.
- Contributions to each Portfolio Option, if any, made to your ABLE Account during the period and aggregate contributions, if any, year-to-date.
- Withdrawals from each Portfolio Option in your ABLE Account made during the period.
- The total value of your ABLE Account at the end of the period.

Tax Reports

The Program will report contributions, withdrawals, the basis of the Beneficiary's eligibility, earnings in the ABLE Account, and other matters to the IRS, a state, and other persons, if any, to the extent required by federal or state law or regulation. By January 31 of the following year, the Beneficiary will be sent a copy of the report or a corresponding statement filed with the IRS with respect to the prior tax year.

Reports to Social Security

Under Section 529A of the Code, the Program is required to provide the SSA with reporting on ABLE Accounts. Based on guidance from SSA, it is anticipated that the Program will be required to provide monthly electronic reports to SSA, including, without limitation, the following information for each ABLE Account: the name of the Beneficiary; Social Security number of the Beneficiary; date of birth of the Beneficiary; name of the person who has signature authority (if different from the Beneficiary); unique account number assigned to the ABLE Account; ABLE Account opening date; ABLE Account closing date; balance as of the first moment of the month (that is, the balance as of 12:00 a.m. local time on the first of the month); date of each distribution in the reporting period; and amount of each distribution in the reporting period.

Financial Statements

An annual audit report for the Program will be prepared by independent certified public accountants in accordance with generally accepted accounting principles. A copy of the audit report may be requested from the Program.

Other Important Legal Information

No Pledging of Account Assets

The Beneficiary may not use any part of the ABLE Account or other interest in the Program as security for a loan.

Beneficiary as Account Owner

The Beneficiary is the owner of the ABLE Account. An Authorized Legal Representative may neither have nor acquire any beneficial interest in the Beneficiary's ABLE Account and must administer the ABLE Account for the benefit of the Beneficiary. Whenever an action is required to be taken by a Beneficiary in connection with an ABLE Account, it must be taken by the Beneficiary's Authorized Legal Representative acting in that capacity.

No Sale or Exchange

No interest in an ABLE Account may be sold or exchanged.

Bankruptcy and Related Matters

Federal law expressly excludes certain funds from an individual debtor's bankruptcy estate (which funds, therefore, will not be available for distribution to such individual's creditors), if the funds are contributed by such individual to an ABLE Account. The bankruptcy protection for ABLE Accounts is limited, however. The funds contributed will be protected if the Beneficiary is the individual debtor's child, stepchild, grandchild, or step grandchild for the taxable year in which the funds were placed in the ABLE Account, and only to the extent that such funds (i) are not pledged or promised to any entity in connection with any extension of credit; and (ii) are not Excess Contributions, subject to the following limits: contributions made by the debtor to an ABLE Account more than 720 days before a federal bankruptcy filing are completely protected; contributions made by the debtor to an ABLE Account during the period beginning 365 days through 720 days before a federal bankruptcy filing are protected up to \$6,225; and contributions made by the debt or to an ABLE Account less than 365 days before a federal bankruptcy filing are not protected against

Creditor claims in federal bankruptcy proceedings. State laws may offer different creditor protections. You should consult your legal adviser regarding the effect of any bankruptcy filing on your ABLE Account. This information is

not meant to be individual advice, and Beneficiaries should consult with their own advisers concerning their individual circumstances.

Unclaimed Funds

Many states (including Maryland) have unclaimed property laws or similar laws under which if certain statutory requirements are met, funds in an account may be considered abandoned or unclaimed. Your state may request that the Program transfer the funds in your ABLE Account pursuant to such laws. The Program will only transfer funds to your state as required by applicable law. To help ensure that your funds will not be considered abandoned, please always keep your current email address on file with the Program and respond to inquiries received by the Program Manager. Your home state may have different rules regarding unclaimed property. Please review your state's laws for additional information.

Program Privacy Policy

Please read this notice carefully. It gives you important information about how the Program handles nonpublic personal information it may receive about you in connection with the Program.

Information the Program Collects

Nonpublic personal information about you (which may include your Social Security number or taxpayer identification number) may be obtained in any of the following ways:

- you provide it on the Program application;
- you provide it on other Program forms;
- you provide it on the secure portion of the Program's website; or
- you provide it to complete your requested transactions.

How Your Information Is Used

The Program does not disclose your personal information to anyone for marketing purposes. The Program discloses your personal information only to those Service Providers

Other Important Legal Information (continued)

who need the information to respond to your inquiries or to service and maintain your ABLE Account. In addition, the Program or its Service Providers may be required to disclose your personal information to government agencies and other regulatory bodies (for example, for tax reporting purposes or to report suspicious transactions).

The Service Providers who receive your personal information may use it to:

- process your Program transactions;
- provide you with Program materials; and
- mail your ABLE Account statements.

These Service Providers provide services at the Program's direction and include fulfillment companies, printing and mailing facilities. These Service Providers are required to keep your personal information confidential and to use it only for providing contractually required services to the Program.

Security of Your Information

The Program protects the personal information you provide against unauthorized access, disclosure, alteration, destruction, loss or misuse. Your personal information is protected by physical, electronic and procedural safeguards in accordance with federal and state standards. These safeguards include appropriate procedures for access to and use of electronic data, provisions for the secure transmission of sensitive personal information on the Program's website, and telephone system authentication procedures.

Changes to this Privacy Policy

The Program will periodically review this Privacy Policy and its related practices and procedures. You will be notified of any material amendments to this Privacy Policy.

Notice About Online Privacy

The personal information that you provide through the Program's website is handled in the same way as the per-

sonal information that you provide by any other means, as described above. The sections below give you additional information about the way in which personal information that is obtained online is handled.

Online Enrollment, Account Information Access, and Online Transactions

When you visit the Program's website, you can go to pages that are open to the general public or log on to protected pages to enroll in the Program, access information about your ABLE Account, or conduct Certain transactions related to your ABLE Account. Once you have opened an ABLE Account, access to the secure pages of the Program's website is permitted only after you have created a user ID and password by supplying your Social Security number or taxpayer identification number and ABLE Account number. The user ID and password must be supplied each time you want to access your ABLE Account information online. This information serves to verify your identity.

When you enter personal data into the Program's website (including your Social Security Number or taxpayer identification number and your password) to enroll or access your ABLE Account information online, you will log into secure pages where Secure Sockets Layer (SSL) protocol is used to protect information. To use this section of the Program's website, you need a browser that supports encryption and dynamic web page construction. If you provide personal information to effect transactions on the Program's website, a record of the transactions that you have performed while on the site is retained by the Program.

Other Personal Information Provided by You on the Program's Website

If you decide not to enroll online and you want to request that Program materials be mailed to you, you can click on another section of the Program's website to provide your name, mailing address and email address. The personal information that you provide on that page of the site will be stored and used to market the Program more effectively. The information provided is protected by the Secure Sockets Layer (SSL) protocol.

Appendix I

Summaries of the Underlying Mutual Funds

The table below reflects the target allocations of under the Program's investment policy of underlying mutual funds for each of the Investment Options of the Investment Options

Fund Name	Ticker	% Allocation of Investment Option		
		ABLE Conservative	ABLE Moderate	ABLE Aggressive
Vanguard Total Stock Market Index Fund	VTSAX	10%	24%	40%
Vanguard Total International Stock Index Fund	VTIAX	10%	24%	40%
Vanguard Short-Term Bond Index Fund	VBIRX	25%	0%	0%
Vanguard Total Bond Market Index Fund	VBTIX	36%	40%	13%
Vanguard Total International Bond Index Fund	VTABX	9%	10%	3%
Vanguard Short-Term Inflation Protected Index Fund	VTAPX	10%	0%	0%
DFA Global Real Estate Securities Fund	DFGEX	0%	2%	4%
		100%	100%	100%

The following provides a summary of the underlying Mutual Funds (each, a "Fund") in which the Investment Options invest. The full prospectus for each of the Mutual Funds can be found by visiting the applicable Fund's website. For Vanguard Funds, go to investor.vanguard.com. For the Dimensional Fund, go to www.dimensional.com.

The **Vanguard Total Stock Market Index Fund** employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents 100% of the U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

The **Vanguard Total International Stock Market Index Fund** employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,902 stocks of companies located in 46 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in the Index. As of October 31, 2017, the largest

Appendix I (continued)

markets covered in the Index were Japan, the United Kingdom, Canada, France, Germany, and China (which made up approximately 17%, 13%, 7%, 7%, 7%, and 6%, respectively, of the Index's market capitalization). The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

The **Vanguard Short-Term Bond Index Fund** employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. The Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. The Fund invests by *sampling* the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally does not exceed 3 years, and as of December 31, 2017, was 2.8 years.

The **Vanguard Total Bond Market Index Fund** employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by *sampling* the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years, and as of December 31, 2017, was 8.4 years.

The **Vanguard Total International Bond Index Fund** employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This Index provides a broad-based measure of the global investment-grade, fixed rate debt markets. The Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund attempts to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. Such hedging is intended to minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar. The Index is capped to comply with investment company diversification standards of the Internal Revenue Code, which state that, at the close of each fiscal quarter, a fund's (1) exposure to any particular bond issuer may not exceed 25% of the fund's assets, and (2) aggregate exposure to issuers that individually constitute 5% or more of the fund may not exceed 50% of the fund's assets. To help enforce these limits, if the Index, on the last business day of any month, were to have greater than 20% exposure to any particular bond issuer, or greater than 48% aggregate exposure to issuers that individually constitute 5% or more of the Index, then the excess would be reallocated to bonds of other issuers represented in the Index. The Index methodology is not designed to satisfy the diversification requirements of the Investment Company Act of 1940. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. Such hedging is intended to minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process and, under normal circumstances,

Appendix I (continued)

at least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years, and as of October 31, 2017, was 9.2 years.

The **Vanguard Short-Term Inflation-Protected Securities Index Fund** employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than five years. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

The **DFA Global Real Estate Securities Fund** seeks to achieve exposure to a broad portfolio of securities of U.S. and non-U.S. companies in the real estate industry, with a focus on real estate investment trusts ("REITs") or companies that Dimensional Fund Advisors LP considers to be REIT-like entities. More information can be obtained by calling 1-512-306-7400 or visiting www.dimensionalfund.com.