

attainableSM

The ABLE Savings Plan offered by MEFA
and managed by Fidelity Investments[®]

Annual Report

June 30, 2017



*A Program of the
Massachusetts Educational Financing Authority.
Managed by Fidelity Investments[®]*

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This report and the financial statements combined herein are submitted for the general information of holders of units of the Portfolios. This report is not authorized for distribution to prospective designated beneficiaries in the Portfolios unless preceded or accompanied by a current Disclosure Document.

Portfolio units are not deposits or obligations of, or guaranteed by, any depository institution. Units are not insured by the FDIC, Federal Reserve Board or any other agency, and are subject to investment risks, including possible loss of principal amount invested.

Neither the Portfolios, the mutual funds in which they invest, nor Fidelity Distributors Corporation is a bank.

For more information on any Fidelity fund, including objectives, risks, charges and expenses, call 1-800-544-8888 for a free prospectus. For more information on the Attainable Savings Plan’s investment objectives, risks, charges and expenses, call 1-844-458-2253 for a free Disclosure Document. Read it carefully before you invest or send money.

Executive Director's Message to Designated Beneficiaries

Dear Designated Beneficiary:

The Achieving a Better Life Experience (ABLE) Act, passed by Congress in December 2014, permits the establishment of ABLE savings accounts under Section 529A of the Internal Revenue Code, similar to 529 plans for college savings. On behalf of the Massachusetts Educational Financing Authority (MEFA), it is my pleasure to present you with an introductory report for the *Attainable* Savings Plan, an ABLE savings plan offered by MEFA and managed by Fidelity Investments®. Launched in Spring 2017, *Attainable* is intended to foster and support the health, independence, and quality of life of individuals with disabilities, and to provide a new way of saving for the current and long-term expenses of eligible designated beneficiaries.

Importantly, *Attainable* allows families to save for expenses in tax-advantaged accounts without affecting their eligibility for certain disability-related federal means-tested benefits. Funds saved in an *Attainable* Savings Plan do not affect Medicaid benefits and account balances below \$100,000 do not impact Supplemental Security Income (SSI) benefits. Investments to the program are made on an after-tax basis; *Attainable* earnings are tax-deferred and withdrawals are free from state and federal income tax when used for qualified disability expenses.

We are pleased to offer *Attainable* designated beneficiaries a diverse selection of investments to help you achieve your savings goals. *Attainable* Portfolios offer varying degrees of risk, from money market to conservative income to aggressive growth, corresponding to an increasing degree of equity exposure intended to better meet designated beneficiaries needs and "risk tolerance," or level of comfort with equity investing. Each *Attainable* Portfolio invests in a single underlying Fidelity mutual fund, and each Portfolio has the same investment objective as that underlying mutual fund.

The *Attainable* Savings Plan offers eight investment options. The ABLE Money Market Portfolio employs Fidelity Government Cash Reserves; other *Attainable* Portfolios employ Retail Class Shares of Fidelity Asset Manager® Funds (Fidelity Asset Manager 20%, 30%, 40%, 50%, 60%, 70% or 85%). Each Fidelity Asset Manager Fund is named for its exposure to stocks. For instance, the Fidelity Asset Manager 20% maintains an equity allocation of around 20%, while the Fidelity Asset Manager 85% maintains an equity allocation of around 85%.

Future Annual Reports will review *Attainable* performance on a fiscal-year basis ending June 30. Also included will be a *Management Discussion and Analysis* (MD&A) from Portfolio Manager Geoff Stein, offering insight into the performance of the Portfolios and the markets over the preceding year.

The *Attainable* Savings Plan is professionally managed by Fidelity Investments. We encourage you to call Fidelity's dedicated *Attainable* Planning Specialists at 1-844-458-2253 for a personalized review of your specific savings goals or with any questions about *Attainable*.

On behalf of MEFA, thank you for choosing the *Attainable* Savings Plan.

Sincerely,



Thomas M. Graf
Executive Director
MEFA

Report of Independent Auditors

To the Executive Director of the Attainable Savings Plan

We have audited the accompanying statement of fiduciary net position of the Attainable Savings Plan as of June 30, 2017, and the related notes.

Management's Responsibility for the Statement of Fiduciary Net Position

Management is responsible for the preparation and fair presentation of the statement of fiduciary net position in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a statement of fiduciary net position that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the statement of fiduciary net position based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of fiduciary net position is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of fiduciary net position. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the statement of fiduciary net position, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Plan's preparation and fair presentation of the statement of fiduciary net position in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of fiduciary net position. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying statement of fiduciary net position presents fairly, in all material respects, the net position of the Attainable Savings Plan as of June 30, 2017 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the statement of fiduciary net position presents only the Attainable Savings Plan and does not purport to, and does not, present fairly the financial position of the Massachusetts Educational Financing Authority as of June 30, 2017, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the statement of fiduciary net positions. Such missing information, although not part of the statement of fiduciary net positions, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the statement of fiduciary net positions in the appropriate operational, economic, or historical context. Our opinion on the statement of fiduciary net positions is not affected by this missing information.

PricewaterhouseCoopers LLP

Boston, Massachusetts

September 29, 2017

Financial Statements

Statement of Fiduciary Net Position

The following is a Statement of Fiduciary Net Position for the Attainable Savings Plan for the period ended June 30, 2017

	<u>June 30, 2017</u>
Assets	
Investments, at value	\$ 663,367
Receivable from manager	27
Receivable for fund shares sold	2,411
Dividend receivable	<u>22</u>
Total assets	<u>665,827</u>
Liabilities	
Payable for investments purchased	\$ 2,397
Due to designated beneficiaries	663,351
Accrued management fee	<u>79</u>
Total Liabilities	<u>665,827</u>

See accompanying notes which are an integral part of the financial statements.

Notes to Financial Statements

1. Organization:

The Attainable Savings Plan (Attainable Plan) was established by the Massachusetts Educational Financing Authority (MEFA) under section 529A of the Internal Revenue Code (IRC), as amended, which allows a state to establish a Qualified ABLE Program that offers tax advantages to disabled individuals who meet certain eligibility requirements and use the funds for qualified disability expenses. Pursuant to Massachusetts General Laws, Chapter 15C, funds received by MEFA from contributors to the Attainable Plan are agency funds and constitute agency funds held by MEFA for purposes of the Attainable Plan. An agency fund is a type of fiduciary fund. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support a government's own programs. Since the Attainable Plan is a fiduciary fund, the financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. The Executive Director of MEFA has decision-making and fiduciary authority over the Attainable Plan.

This report consists of a Statement of Fiduciary Net Position, which presents information on the Attainable Plan's assets and liabilities. The Statement of Fiduciary Net Position presents only the Attainable Savings Plan and does not purport to, and does not, present fairly the financial position of MEFA as of June 30, 2017, and the changes to its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

These financials report on the following Portfolios (Portfolios):

- ABLE Conservative Income 20%
- ABLE Income 30% Portfolio
- ABLE Moderate Income 40% Portfolio
- ABLE Balanced 50% Portfolio
- ABLE Moderate Growth 60% Portfolio
- ABLE Growth 70% Portfolio
- ABLE Aggressive Growth 85% Portfolio
- ABLE Money Market Portfolio

Each Portfolio invests in a single underlying Fidelity® mutual fund, managed by Fidelity Management & Research Company (FMR). Except for ABLE Money Market Portfolio, which invests in Fidelity® Government Cash Reserves Fund, the Portfolios invest in the actively managed Fidelity Asset Manager® funds. The single underlying Fidelity® mutual funds are collectively referred to as Underlying Funds.

The following Portfolios commenced operations on April 18, 2017:

- ABLE Conservative Income 20%
- ABLE Income 30% Portfolio
- ABLE Moderate Income 40% Portfolio
- ABLE Balanced 50% Portfolio
- ABLE Moderate Growth 60% Portfolio
- ABLE Growth 70% Portfolio
- ABLE Aggressive Growth 85% Portfolio
- ABLE Money Market Portfolio

2. Significant Accounting Policies:

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by Governmental Accounting Standards Board (GASB), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Subsequent events, if any, through the date that the financial statements were issued, September 29, 2017, have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the Portfolios:

Investment Valuation: Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. Each Portfolio categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs
- Level 3 – unobservable inputs (including each Portfolio’s own assumptions based on the best information available)

Valuation techniques used to value each Portfolio’s investments by major category are as follows: Investments in the Underlying Funds are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy. As of June 30, 2017, all investments held by the Portfolios are categorized as Level 1 under the Fair Value Hierarchy.

Investment Transactions and Income: For financial reporting purposes, the Portfolios’ investment holdings and NAV include trades executed through the end of the last business day of the period. The NAV per unit for processing designated beneficiary transactions is calculated as of the close of business of the New York Stock Exchange (NYSE), normally 4:00 p.m. Eastern time, and includes trades executed through the end of the prior business day. Gains and losses on securities sold are determined on the basis of average cost. Income and capital gain distributions from the Underlying Funds, if any, are recorded on the ex-dividend date. Interest income is accrued as earned. There are no distributions of net investment gains or net investment income to the Portfolios’ designated beneficiaries or persons with signature authority.

Expenses: Expenses are recorded on the accrual basis. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known. Expenses included in the accompanying financial statements reflect the expenses of each Portfolio and do not include any expenses associated with the Underlying Funds.

Other: There are no unrecognized tax benefits in the accompanying financial statements in connection with the tax positions taken by each Portfolio. The Portfolios do not file any tax returns since the Plan is exempt from federal and state income tax under Section 529A of the IRC.

3. Plan Fees:

MEFA has entered into a Management and Administrative Services agreement with Fidelity Brokerage Services, LLC (FBS) to provide administrative, record keeping, distribution and marketing services to the Plan. According to this agreement and a related investment advisory agreement with FMR Co., Inc., an investment adviser registered under the Investment Advisers Act of 1940 that provides investment management services to the Plan, a Management and Administration Fee is charged to the Portfolios at an annual rate based on the net assets of each Portfolio. The Management and Administration Fee has two components, a Program Manager Fee that is paid to FMR Co., Inc. and a State Sponsor Fee that is paid to the Trustee.

For Attainable Savings Plan Portfolios that invest in underlying actively managed funds, the Program Manager Fee is charged at an annual rate of .15%, except for ABLE Money Market Portfolio. The ABLE Money Market Portfolio fee is currently at an annual rate of .00% to .15%, depending on the annualized return, after expenses, of the underlying mutual fund in which the ABLE Money Market Portfolio invests.

For Attainable Savings Plan Portfolios that invest in underlying actively managed funds, the State Sponsor Fee is charged at an annual rate of .05%, except for ABLE Money Market Portfolio. The ABLE Money Market Portfolio fee is currently at an annual rate of .00% to .05%, depending on the annualized return, after expenses, of the underlying mutual fund in which the ABLE Money Market Portfolio invests.

4. Investments:

Portfolios	Underlying Funds	Value
ABLE Conservative Income 20%	Fidelity Asset Manager® 20%	\$ 24,330
ABLE Income 30% Portfolio	Fidelity Asset Manager® 30%	67,817
ABLE Moderate Income 40% Portfolio	Fidelity Asset Manager® 40%	15,671
ABLE Balanced 50% Portfolio	Fidelity Asset Manager® 50%	121,469
ABLE Moderate Growth 60% Portfolio	Fidelity Asset Manager® 60%	78,255
ABLE Growth 70% Portfolio	Fidelity Asset Manager® 70%	118,897
ABLE Aggressive Growth 85% Portfolio	Fidelity Asset Manager® 85%	150,573
ABLE Money Market Portfolio	Fidelity® Government Cash Reserves	86,355
		<hr style="border-top: 1px solid black;"/> \$ 663,367

At June 30, 2017, the costs of investments were \$662,324. The Portfolios do not invest in the Underlying Funds for the purpose of exercising management or control; however, investments by the Portfolios within their principal investment strategies may represent a significant portion of an Underlying Fund's net assets. At the end of the period, no Portfolio held a significant portion of the outstanding shares of any Underlying Fund.

5. Other Information:

In the normal course of business, the Portfolios may enter into contracts that provide general indemnifications. The Portfolios' maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Portfolios. The risk of material loss from such claims is considered remote.



The Attainable Savings Plan is a program of the Massachusetts Educational Financing Authority and administered by Fidelity Investments. Fidelity, Fidelity Investments and the pyramid design are registered trademarks of FMR LLC. Strategic Advisers is a service mark of FMR LLC. The third-party marks appearing in this document are the marks of their respective owners.

Brokerage services provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC.