



NC ABLE Program Report to the Board of Trustees
November 8th, 2023
With data as of September 30, 2023



NC ABLE
National ABLE Alliance Member



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA



Project Initiatives

Account Type Enrollment Updates

- Authorized Individual for Minor Account Owner - *Completed*
- Authorized Individual for Adult Account Owner who does not have Legal Capacity - *Completed*
- Self Account Type - *Completed*
- Authorized Individual for Adult Account Owner who has Legal Capacity - *In progress*

Entity Online Enrollment

- In discussion with the Alliance working group

Other Program Enhancements

- Debit Card Optional with Checking Account - Targeting Q4 2023



Fifth Third Fraud

Discord Fraud Event

Timeline of Events

- Discord transaction fraud was noted on the ABLE debit portfolio 7/28/2023 – 8/1/2023
- On 8/1/2023 a rule was deployed to decline all Discord transactions; activity has fully ceased
- 2,564 total ABLE cards were impacted (2,969 transactions); 128 were in the NC plan
- Refunds to impacted customers who have not already reported fraud are in process
- This specific attack was not isolated to the ABLE portfolio at 5/3, nor is it only to the 5/3 debit portfolio

Background

- Certain online merchants (in particular) use “card on file” (or “card not present”) transactions for payments that do not require CVV and address verification
 - These are typically for small dollar transactions (\$9.99 in this case)
 - This has become a fraud vector for bot attacks, known as “brute force enumeration attacks” – fraudsters mimic these transactions and run card number and expiration combinations until they get an acceptance

Card Fraud Industry Trends and Next Steps

Card Not Present (CNP) fraud is an industry-wide problem. A 2022 report from Insider Intelligence highlights the growth in this type of fraud and the impact on issuers, merchants and consumers.

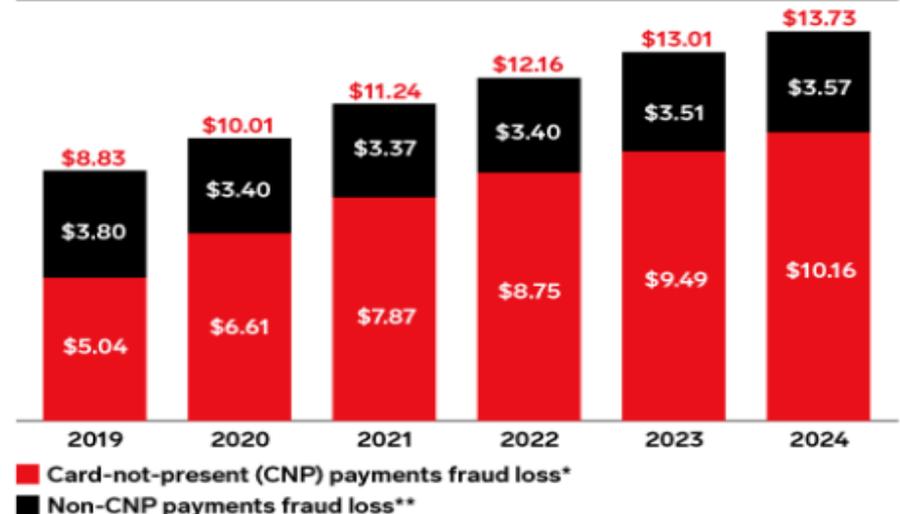
Fifth Third Bank stands behind our **zero liability** promise on unauthorized transactions

Prevention and Next Steps

- Existing strategies declined 70% of these transactions
- A rule was introduced 8/7 into the ABL portfolio to decline all card on file transactions without additional verification (address and CVV)
- 5/3 is working with MasterCard and processing partners to introduce more aggressive strategies to minimize this type of fraud attack

US Total Card Fraud Losses, by Channel, 2019-2024

billions



Note: *includes losses incurred by the merchant, consumer, and issuer for fraudulent remote payment transactions occurring via credit, debit, and prepaid cards; CNP transactions include internet, telephone and mail-order transactions; **includes losses incurred by the merchant, consumer, and issuer for fraudulent non-CNP payment transactions occurring via credit, debit, and prepaid cards

Source: Insider Intelligence, Aug 2022

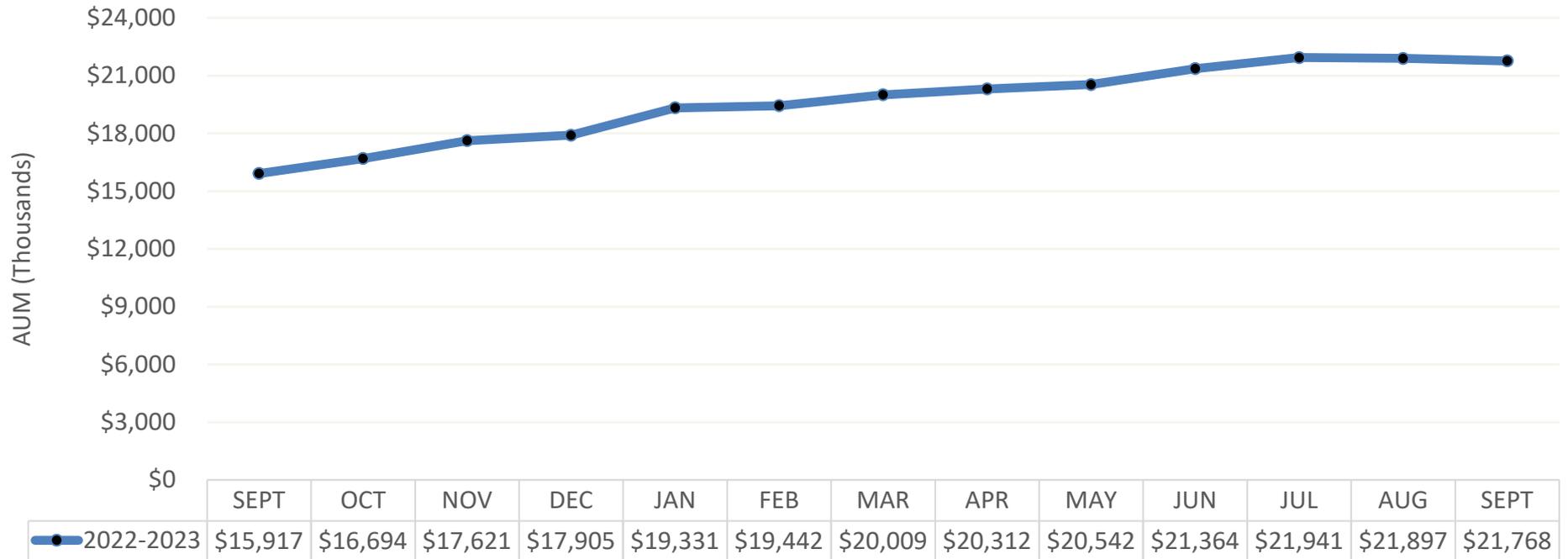
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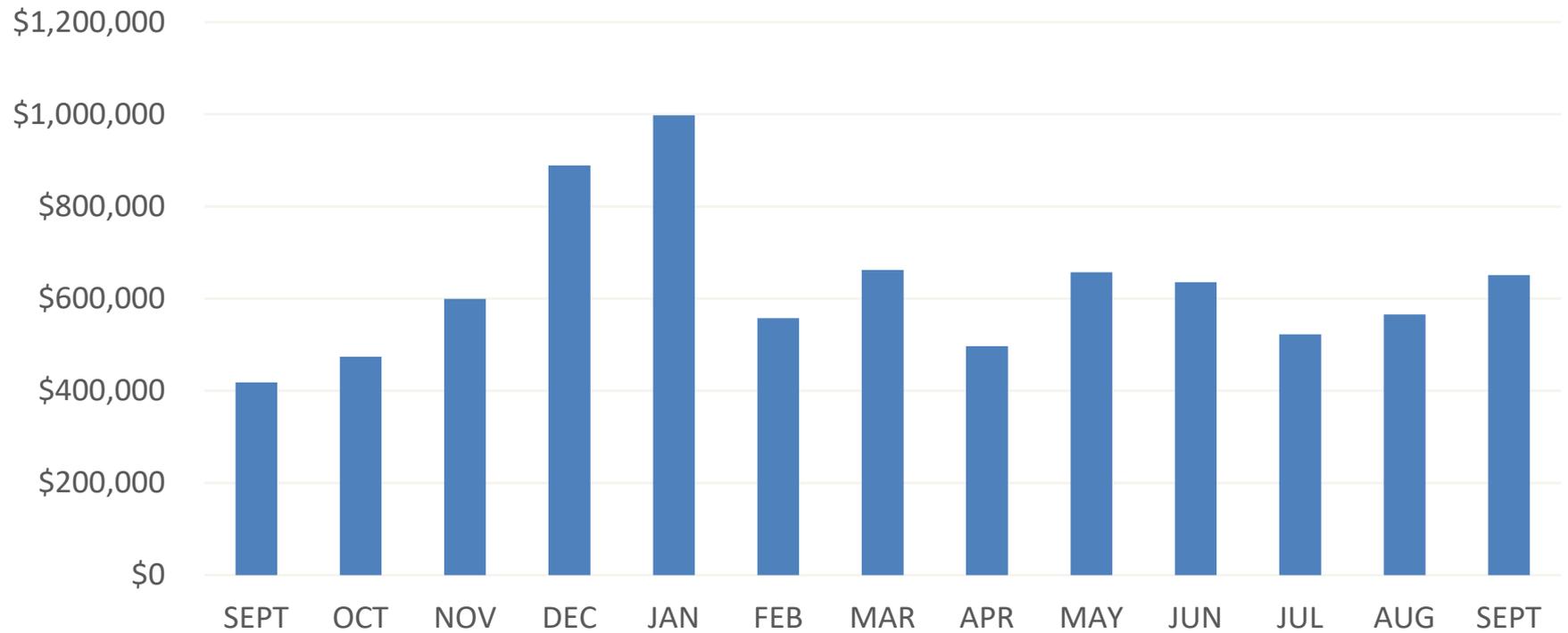


NC ABLE Account Information

Total Assets by Month



Contributions by Month

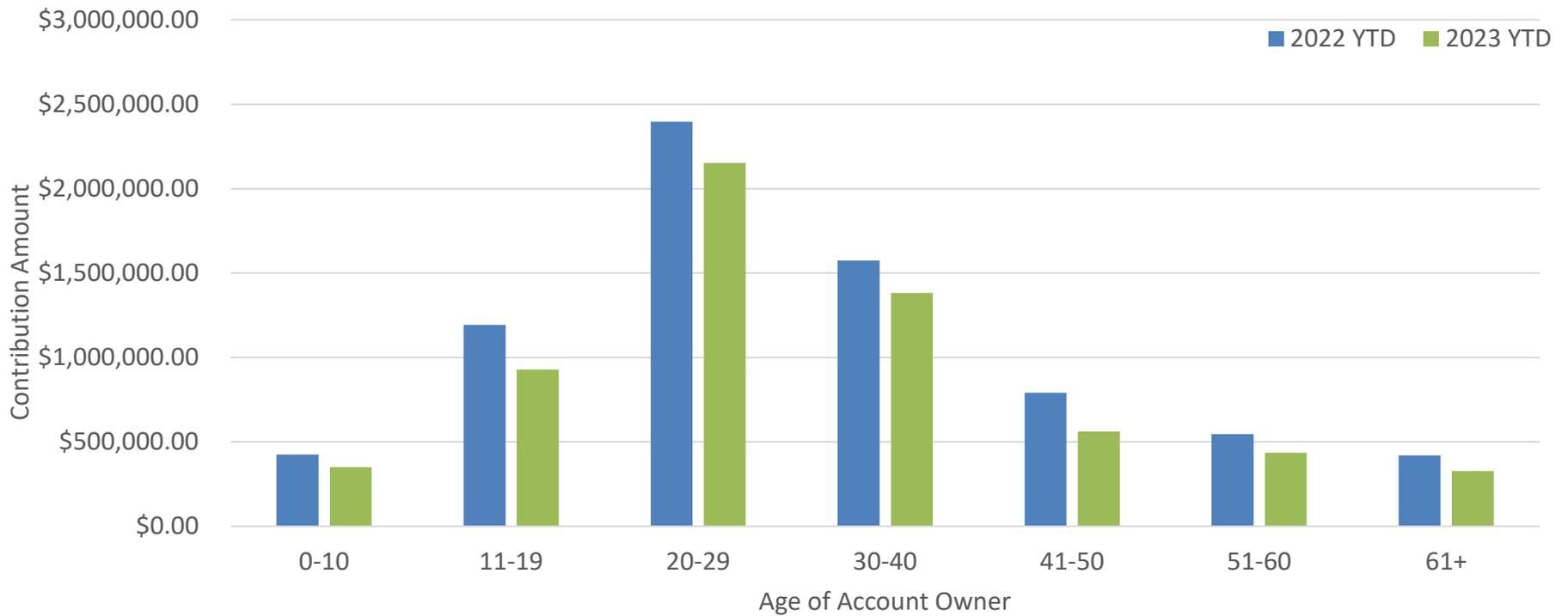


Contributions by Type

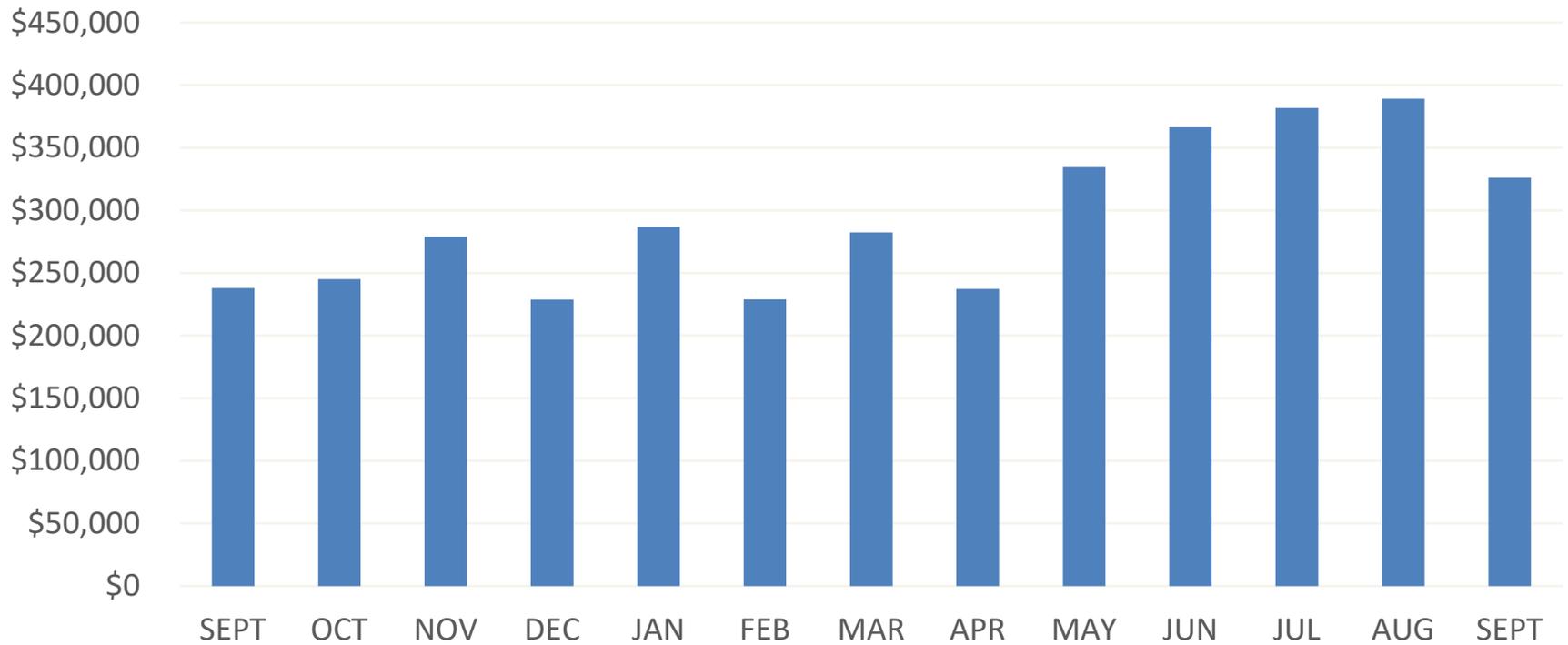
Contribution Type	2023 YTD	% of Contribution Dollars
Recurring Contribution	\$773,163.47	12.58%
Check Contribution	\$1,463,385.54	23.81%
EBT Contribution	\$2,911,630.85	47.38%
Ugift Contribution	\$251,175.82	4.09%
Miscellaneous Credit*	\$398,134.79	6.48%
Payroll Contribution	\$298,246.27	4.85%
Rollover Contribution	\$49,085.04	0.80%

* ACH Credit, Contribution Adjustment, and Checking Option Interest

Contributions by Age Group



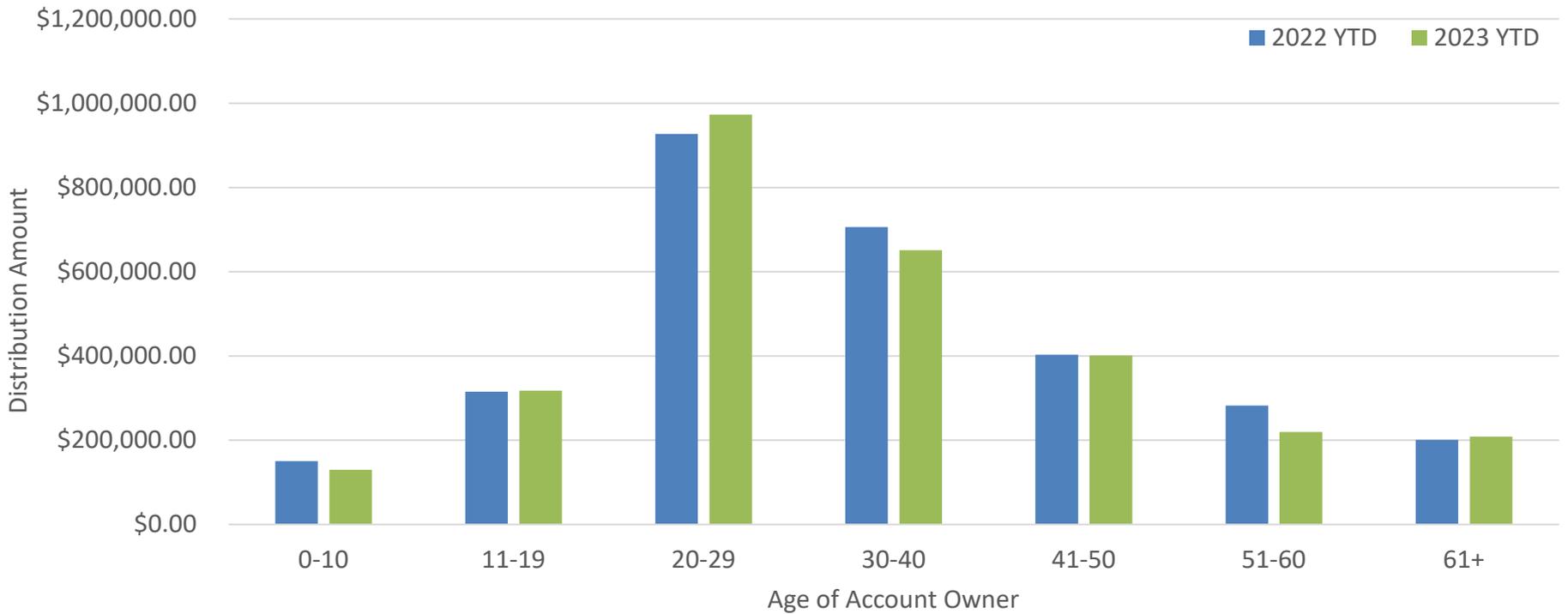
Distributions by Month



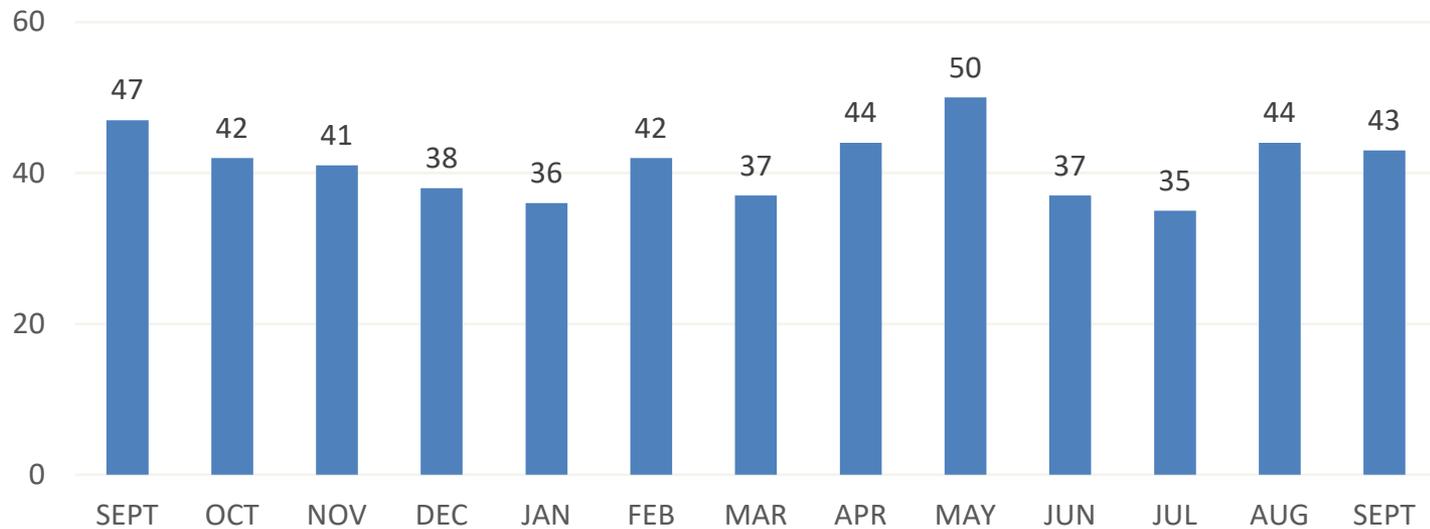
Distributions by Type

Distribution Type	2023 YTD	% of Distribution Dollars
Qualified w/d to Third Party (SWP)	\$24,225.00	0.85%
Qualified w/d to Account Owner	\$744,406.99	26.17%
Qualified w/d to Account Owner (SWP)	\$50,200.00	1.76%
Withdrawal at Bank	\$1,707,036.01	60.00%
Withdrawal to Approved Third Party	\$307,400.24	10.81%
Rollover Out	\$11,595.57	0.41%

Distributions by Age Group



New Accounts by Month



New Accounts 2023 YTD	Total Plan Accounts
368	2,169

Accounts by Disability Type

Q3 2023

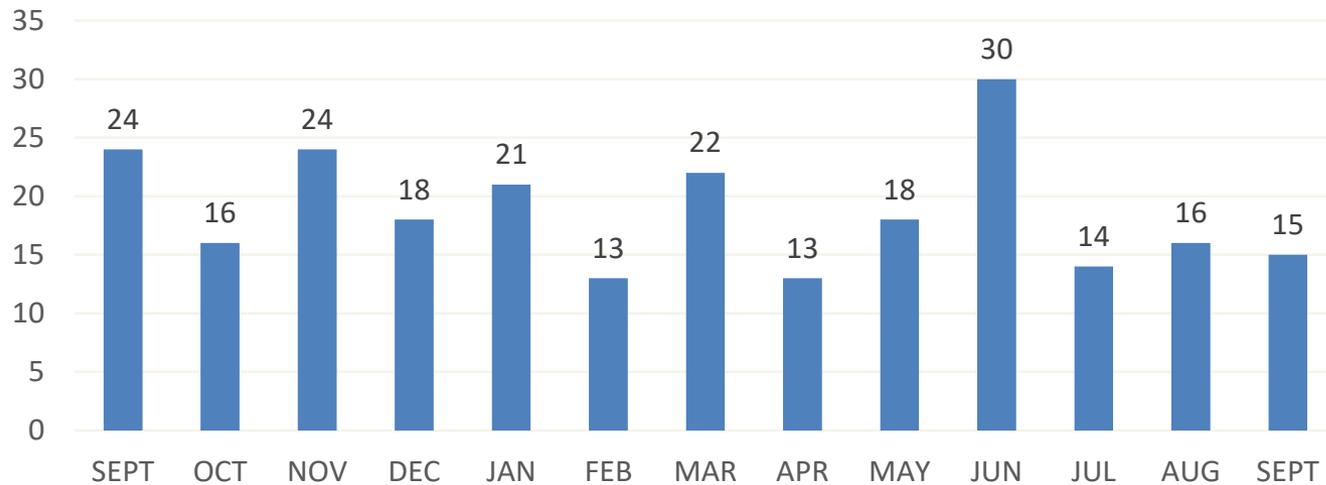
Disability Description	Open Accounts	Funded Accounts	Open Unfunded Accounts	Total Assets	Average Account Size
Developmental disorders (including autism)	228	219	9	\$2,325,507.47	\$10,618.76
Intellectual disability	365	347	18	\$3,544,057.95	\$10,213.42
Psychiatric disorders	308	277	31	\$2,018,050.88	\$7,285.38
Congenital anomalies (including Down syndrome)	228	219	9	\$2,325,507.47	\$10,618.76
Nervous disorders (including blindness and deafness)	202	197	5	\$2,476,766.83	\$12,572.42
Other	144	134	10	\$1,307,828.92	\$9,759.92
Respiratory disorders	4	4	0	\$69,415.61	\$17,353.90

Accounts by Eligibility

Q3 2023

Eligibility Description	Open Accounts	Funded Accounts	Open Unfunded Accounts	Total Assets	Average Account Size
The Account Owner is eligible for Supplemental Security Income benefits	862	802	60	\$7,280,487.74	\$9,077.91
The Account Owner has eligibility established by a disability certification	593	584	9	\$7,610,418.70	\$13,031.54
The Account Owner is eligible for Social Security Disability benefits	629	589	40	\$6,466,039.91	\$10,978.00
The Account Owner has a physical or mental disability that causes severe functional limitations	85	68	17	\$411,482.75	\$6,051.22

Account Closures by Month



Contribution Type	Q3 2023	Year to Date
Closed, Customer Request	5	13
Closed, Full Disbursement	8	34
Closed, Inactive Account	32	113
Closed, Incomplete	0	0
Closed, Invalid	2	2
Closed, Non-Funded	0	0

* No funding or legal documents received

Alliance Asset rankings as of September 30, 2023

Plan	Assets	%	Launch Date
PA ABLE	\$96,742,587.82	25.60%	3/15/2017
Illinois ABLE	\$48,596,626.48	12.90%	12/13/2021
MI ABLE	\$45,427,841.95	12.00%	1/26/2017
Minnesota ABLE Plan	\$37,459,078.46	9.90%	1/26/2017
NJ ABLE	\$22,295,201.22	5.90%	7/27/2017
NC ABLE	\$21,768,429.10	5.80%	1/26/2017
IABLE	\$20,267,812.35	5.40%	1/26/2017
Kansas ABLE Savings Plan	\$16,785,736.17	4.40%	4/26/2018
ABLE Nevada	\$14,715,556.19	3.90%	1/26/2017
INvestABLE Indiana	\$14,406,859.66	3.80%	1/26/2017
Alaska ABLE Plan	\$10,495,413.79	2.80%	7/27/2017
Montana ABLE	\$7,172,787.39	1.90%	12/15/2016
AR ABLE	\$5,029,690.29	1.30%	7/27/2017
RI's ABLE	\$4,386,768.66	1.20%	12/15/2016
ABLE CT	\$3,628,262.61	1.00%	10/25/2018
DEPENDABLE	\$3,518,220.40	0.90%	7/27/2017
DC ABLE	\$2,717,803.12	0.70%	6/28/2018
Mississippi ABLE	\$2,201,604.82	0.60%	5/31/2019
	\$377,616,280.48	100.00%	10/1/2020



Fund Performance

Portfolio Performance as of September 30, 2023

Fund Name	Market Value	% of Plan	1 Month	3 Months	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Aggressive Option	\$3,394,928	15.60%	(4.19)	(3.72)	6.62	14.60	5.13	4.96		6.95	12/15/16
ABLE Aggressive Custom Benchmark			(4.12)	(3.46)	6.89	15.06	5.46	5.24		7.35	
Variance			(0.07)	(0.26)	(0.27)	(0.46)	(0.33)	(0.28)		(0.40)	
Moderately Aggressive Option	\$2,846,886	13.08%	(3.67)	(3.30)	5.58	12.41	4.03	4.49		6.10	12/15/16
ABLE Moderately Aggressive Custom Benchmark			(3.65)	(3.09)	5.86	12.87	4.34	4.77		6.48	
Variance			(0.02)	(0.21)	(0.28)	(0.46)	(0.31)	(0.28)		(0.38)	
Growth Option	\$3,392,689	15.59%	(3.09)	(2.75)	4.75	10.40	2.95	3.97		5.21	12/15/16
ABLE Growth Custom Benchmark			(3.05)	(2.52)	5.00	10.86	3.24	4.25		5.57	
Variance			(0.04)	(0.23)	(0.25)	(0.46)	(0.29)	(0.28)		(0.36)	
Moderate Option	\$2,324,417	10.68%	(2.57)	(2.28)	3.75	8.22	1.79	3.37		4.28	12/15/16
ABLE Moderate Custom Benchmark			(2.53)	(2.08)	4.01	8.72	2.05	3.64		4.60	
Variance			(0.04)	(0.20)	(0.26)	(0.50)	(0.26)	(0.27)		(0.32)	
Moderately Conservative Option	\$1,602,120	7.36%	(1.81)	(1.34)	3.30	6.65	1.51	2.81		3.35	12/15/16
ABLE Moderately Conservative Custom Benchmark			(1.69)	(1.14)	3.73	7.23	1.75	3.07		3.65	
Variance			(0.12)	(0.20)	(0.43)	(0.58)	(0.24)	(0.26)		(0.30)	
Conservative Option	\$2,413,225	11.09%	(0.61)	0.00	2.78	4.37	1.01	1.92		2.03	12/15/16
ABLE Conservative Custom Benchmark			(0.49)	0.20	3.36	5.22	1.29	2.18		2.28	
Variance			(0.12)	(0.20)	(0.58)	(0.85)	(0.28)	(0.26)		(0.25)	
Checking Option	\$5,794,163	26.62%									03/30/17

Underlying Fund Performance with Benchmarks as of September 30, 2023

Underlying Fund and Prospectus Benchmark	Ticker	Prospectus Net Expense Ratio	Three Month	YTD	One Year	Three Year	5 Year	10 Year
Vanguard Institutional Index Fund - Institutional Plus	VIIIX	0.02%	-3.27%	13.05%	21.60%	10.13%	9.90%	11.90%
S&P 500 TR USD			-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%
Performance Variance			0.00%	-0.02%	-0.02%	-0.02%	-0.02%	-0.01%
Vanguard Extended Market Index Fund - Instl Plus Shares	VEMPX	0.04%	-3.34%	8.93%	14.50%	4.72%	4.54%	7.94%
S&P Completion TR USD			-3.38%	8.76%	14.28%	4.58%	4.40%	7.80%
Performance Variance			0.04%	0.17%	0.22%	0.14%	0.14%	0.14%
Vanguard Developed Markets Index Instl	VTMNX	0.05%	-4.67%	5.99%	24.11%	5.37%	3.19%	4.02%
Vanguard Spliced Developed ex US Index			-3.97%	6.44%	23.77%	5.49%	3.21%	4.08%
Performance Variance			-0.70%	-0.45%	0.34%	-0.12%	-0.02%	-0.06%
Vanguard Emerging Mkts Stock Idx Instl	VEMIX	0.10%	-2.14%	2.49%	10.91%	-0.19%	2.04%	2.53%
Vanguard Spliced Emerging Markets Index			-1.48%	2.60%	11.00%	0.28%	2.24%	2.65%
Performance Variance			-0.66%	-0.11%	-0.09%	-0.47%	-0.20%	-0.12%
Schwab U.S. REIT ETF	SCHH	0.07%	-8.43%	-5.67%	-1.70%	2.71%	-0.49%	4.16%
Schwab Spliced REIT Index			-8.40%	-5.62%	-1.66%	2.78%	-0.45%	4.23%
Performance Variance			-0.03%	-0.05%	-0.04%	-0.07%	-0.04%	-0.07%

The above performance information is net Investment Manager and Asset Based fees

Underlying Fund Performance with Benchmarks as of September 30, 2023 (Continued)

Underlying Fund and Prospectus Benchmark	Ticker	Prospectus Net Expense Ratio	Three Month	YTD	One Year	Three Year	5 Year	10 Year
Vanguard Total Bond Market Index Fund - Instl Plus Shares	VBMPX	0.03%	-3.08%	-0.91%	0.75%	-5.19%	0.15%	1.13%
Vanguard Spliced Bloomberg US Aggregate Index			-3.11%	-1.06%	0.78%	-5.18%	0.18%	1.16%
Performance Variance			0.03%	0.15%	-0.03%	-0.01%	-0.03%	-0.03%
Vanguard Short-Term Bond Index Fund - Institutional Plus Shares	VBIPX	0.04%	0.16%	1.45%	2.53%	-1.65%	1.11%	1.06%
Vanguard Spliced Bloomberg US 1-5 Yr Index			0.21%	1.40%	2.62%	-1.62%	1.14%	1.10%
Performance Variance			-0.05%	0.05%	-0.09%	-0.03%	-0.03%	-0.04%
Vanguard Short-Term Inflation-Protected Securities Index Fund - Instl Shares	VTSPX	0.04%	0.43%	2.01%	3.31%	1.89%	2.77%	1.67%
Bloomberg US TIPS 0-5 Year TR USD			0.43%	1.92%	3.24%	1.90%	2.80%	1.71%
Performance Variance			0.00%	0.09%	0.07%	-0.01%	-0.03%	-0.04%
American Funds High Income F3	HIGFX	0.30%	0.59%	4.99%	9.18%	3.72%	3.60%	3.94%
Bloomberg US HY 2% Issuer Cap TR USD			0.46%	5.87%	10.28%	1.75%	2.95%	4.24%
Performance Variance			0.13%	-0.88%	-1.10%	1.97%	0.65%	-0.30%
iShares Core International Aggregate Bond ETF	IAGG	0.07%	-1.03%	2.30%	2.54%	-3.20%	0.64%	
Bloomberg Gbl Agg xUSD 10% IC TR Hdg USD			-0.66%	2.67%	3.02%	-3.03%	0.82%	
Performance Variance			-0.37%	-0.37%	-0.48%	-0.17%	-0.18%	

The above performance information is net Investment Manager and Asset Based fees



Appendix

Accounts – Breakdown by County September 30, 2023

County	Accounts	County	Accounts	County	Accounts	County	Accounts
Wake	404	Henderson	20	Macon	8	Bertie	3
Mecklenburg	260	Lee	20	Nash	8	Bladen	3
Non-Resident	129	Brunswick	17	Harnett	7	Caldwell	3
Guilford	108	Watauga	16	Rowan	7	Lenoir	3
Orange	101	Wayne	16	Rutherford	7	Madison	3
Durham	100	Franklin	15	Stanly	7	McDowell	3
Buncombe	96	Moore	14	Surry	7	Sampson	3
Union	72	Cleveland	13	Wilkes	7	Caswell	2
Forsyth	70	Pender	13	Ashe	6	Edgecombe	2
Cabarrus	61	Carteret	12	Davie	6	Hertford	2
New Hanover	59	Granville	12	Person	6	Mitchell	2
Alamance	36	Lincoln	12	Polk	6	Pasquotank	2
Iredell	31	Onslow	12	Beaufort	5	Robeson	2
Pitt	31	Randolph	12	Cherokee	5	Scotland	2
Gaston	29	Chatham	10	Columbus	5	Stokes	2
Burke	27	Davidson	10	Montgomery	4	Alexander	1
Catawba	27	Wilson	10	Richmond	4	Clay	1
Johnston	27	Rockingham	9	Swain	4	Duplin	1
Craven	25	Transylvania	9	Yancey	4	Northampton	1
Cumberland	22	Dare	8	Alleghany	3	Pamlico	1
Haywood	22	Jackson	8	Anson	3	Vance	1

Enrollments: How did you hear about the Plan?

How Did You Hear About the Plan?	2017	2018	2019	2020	2021	2022	2023 YTD
Advertisement	12	4	2	0	3	6	2
Advisor	32	50	60	62	56	49	29
E-Mail	3	2	4	3	0	4	0
Employer	0	2	0	0	2	0	3
Family/Friend	47	76	78	73	75	84	50
From a Presentation	0	0	0	0	11	6	2
Magazine	4	6	3	4	0	0	0
Mailing	0	3	1	1	2	4	1
Organization	91	82	113	85	105	80	53
Other	44	47	52	54	78	55	37
Plan/Treasurer's Website	24	45	32	38	44	29	21
School Event	2	4	6	2	2	1	2
Search Engine/Social Media	0	0	0	0	0	0	8
Special Olympics	0	0	0	0	0	1	2

National ABLE Alliance Target Risk Investment Lineup

Asset Class	Underlying Investment	Ticker	Underlying Expense	National ABLE Alliance Target Asset Allocation					
				Aggressive	Moderately Aggressive	Growth	Moderate	Moderately Conservative	Conservative
U.S. Large Cap	Vanguard Institutional Index Fund - Institutional Plus	VIIIX	0.02%	28.00%	22.00%	18.00%	13.00%	9.00%	3.00%
U.S. Small & Mid Cap	Vanguard Extended Market Index Fund - Instl Plus Shares	VEMPX	0.04%	23.00%	20.00%	16.00%	12.00%	8.00%	3.00%
Non - U.S. Multi Cap	Vanguard Developed Market Index Instl	VTMNX	0.05%	22.00%	18.00%	15.00%	11.00%	7.00%	2.00%
Emerging Markets	Vanguard Emerging Markets Stock Index Instl	VEMIX	0.10%	9.00%	8.00%	6.00%	5.00%	3.00%	1.00%
REITs	Schwab U.S. REIT ETF	SCHH	0.07%	8.00%	7.00%	5.00%	4.00%	3.00%	1.00%
U.S. Core Bond	Vanguard Total Bond Market Index Fund - Institutional Plus Shares	VBMPX	0.03%	4.00%	10.50%	12.00%	16.50%	13.50%	9.00%
Short - Term Inv Grade	Vanguard Short-Term Bond Index Fund - Institutional Plus Shares	VBIPX	0.04%	0.00%	3.25%	10.00%	13.75%	11.25%	7.50%
Short - Term TIPS	Vanguard Short-Term Inflation-Protected Securities Index Fund - Institutional Shares	VTSPX	0.04%	2.00%	5.75%	14.00%	19.25%	15.75%	10.50%
High Yield	American Funds High Income F3	HIGFX	0.30%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%
International Bond	iShares® Core International Aggregate Bond ETF	IAGG	0.07%	1.00%	2.50%	4.00%	5.50%	4.50%	3.00%
Cash	Sallie Mae High Yield FDIC		0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	60.00%
Equity Allocation				90.00%	75.00%	60.00%	45.00%	30.00%	10.00%
Fixed Income Allocation				10.00%	25.00%	40.00%	55.00%	45.00%	30.00%
Cash Equivalent Allocation				0.00%	0.00%	0.00%	0.00%	25.00%	60.00%
Total Allocation				100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Underlying Expense				0.05%	0.05%	0.04%	0.04%	0.03%	0.02%

National ABLÉ Alliance – Custom Benchmarks

National ABLÉ Custom Benchmarks since 5/12/23

	Aggressive Custom Benchmark	Moderately Aggressive Custom Benchmark	Growth Custom Benchmark	Moderate Custom Benchmark	Moderately Conservative Custom Benchmark	Conservative Custom Benchmark
S&P 500 TR USD	28.00%	22.00%	18.00%	13.00%	9.00%	3.00%
S&P Completion TR USD	23.00%	20.00%	16.00%	12.00%	8.00%	3.00%
FTSE Dvlp ex US All Cap(US RIC)NR USD	22.00%	18.00%	15.00%	11.00%	7.00%	2.00%
FTSE EMs AC China A Inclusion NR USD	9.00%	8.00%	6.00%	5.00%	3.00%	1.00%
Dow Jones Equity All REIT Capped TR USD	8.00%	7.00%	5.00%	4.00%	3.00%	1.00%
Bloomberg US Agg Float Adj TR USD	4.00%	10.50%	12.00%	16.50%	13.50%	9.00%
Bloomberg US 1-5Y GovCredit FIAdj TR USD	0.00%	3.25%	10.00%	13.75%	11.25%	7.50%
Bloomberg US TIPS 0-5 Year TR USD	2.00%	5.75%	14.00%	19.25%	15.75%	10.50%
Bloomberg US HY 2% Issuer Cap TR USD	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%
Bloomberg Gbl Agg xUSD 10% IC TR Hdg USD	1.00%	2.50%	4.00%	5.50%	4.50%	3.00%
Bloomberg US Treasury Bill 1-3 M TR USD	0.00%	0.00%	0.00%	0.00%	25.00%	60.00%

Questions

