



# NC ABLE Program Report to the Board of Trustees as of December 31, 2017



**NC ABLE**  
National ABLE Alliance Member

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



**February 14, 2018**



# NC ABLE Account Information

## NC ABLE Account Information

Month	New Accounts	Closed Accounts	Total Contributions	Withdrawal
October	24	12	\$118,547.03	(\$22,980.16)
November	17	2	\$55,821.24	(\$22,440.53)
December	33	6	\$191,340.58	(\$34,392.76)
<b>Year-to-Date (as of December 31, 2017)</b>				
	313	53	\$982,652.21	(\$152,094.39)
<b>Accounts &amp; Assets as of December 31, 2017</b>				
	238– Funded Accounts		\$855,240.89	

## NC ABLE Contribution Information

Transaction Type	Amount
Contribution EBT	\$490,792.41
Contribution Check	\$416,526.24
Recurring Contribution	\$49,540.00
ACH Gift Contribution	\$18,460.00
Gift Contribution	\$6,008.56
Payroll Contribution	\$1,225.00
Grand Total	\$982,552.21

## NC ABLE Accounts by Disability & Eligibility

NC Able Disability Type Description	Funded Accounts	Open Unfunded Accounts	Total Open Accounts	Total Assets	Average Account Size
Developmental disorders (including autism)	114	8	122	\$353,775.78	\$2,899.80
Intellectual disability	29	6	35	\$100,672.42	\$2,876.35
Congenital anomalies (including Down syndrome)	32	0	32	\$87,992.63	\$2,749.77
Psychiatric disorders	25	2	27	\$101,480.35	\$3,758.53
Other	21	3	24	\$106,150.56	\$4,422.94
Nervous disorders (including blindness and deafness)	16	3	19	\$104,380.33	\$5,493.70
Respiratory disorders	1	0	1	\$788.83	\$788.83

NC Able Eligibility Type Description	Funded Accounts	Open Unfunded Accounts	Total Open Accounts	Total Assets	Average Account Size
The Account Owner is eligible for Supplemental Security Income benefits	102	13	115	\$319,225.44	\$2,775.87
The Account Owner has eligibility established by a disability certification	76	3	79	\$286,083.57	\$3,621.31
The Account Owner is eligible for Social Security Disability benefits	60	6	66	\$249,931.88	\$3,786.85

## NC ABLE Accounts by Fund

Fund Name	Funded Positions	% of Funded Positions	Total Assets	% of Total Assets
Checking Option	85	20%	\$183,512.99	21%
Conservative Option	47	11%	\$73,750.50	9%
Moderately Conservative Option	40	9%	\$89,397.51	10%
Moderate Option	51	12%	\$141,908.51	17%
Growth Option	78	18%	\$118,975.12	14%
Moderately Aggressive Option	62	14%	\$121,767.23	14%
Aggressive Option	65	15%	\$125,929.04	15%

## Portfolio Performance as of December 31, 2017

Fund Name	Market Value	% of Plan	1 Month	3 Months	YTD	Inception	Inception Date
Aggressive Option	\$ 125,929	14.72%	0.95	4.54	17.62	17.62	
ABLE Aggressive Custom Benchmark			1.06	4.77	18.35	18.35	
<b>Variance</b>			<b>(0.11)</b>	<b>(0.23)</b>	<b>(0.73)</b>	<b>(0.73)</b>	
Moderately Aggressive Option	\$ 121,767	14.24%	0.88	3.89	14.90	14.90	
ABLE Moderately Aggressive Custom Benchmark			0.91	4.00	15.47	15.47	
<b>Variance</b>			<b>(0.03)</b>	<b>(0.11)</b>	<b>(0.57)</b>	<b>(0.57)</b>	
Growth Option	\$ 118,975	13.91%	0.72	3.13	11.98	11.98	
ABLE Growth Custom Benchmark			0.77	3.24	12.65	12.65	
<b>Variance</b>			<b>(0.05)</b>	<b>(0.11)</b>	<b>(0.67)</b>	<b>(0.67)</b>	
Moderate Option	\$ 141,909	16.59%	0.64	2.43	9.47	9.47	
ABLE Moderate Custom Benchmark			0.63	2.49	9.89	9.89	
<b>Variance</b>			<b>0.01</b>	<b>(0.06)</b>	<b>(0.42)</b>	<b>(0.42)</b>	
Moderately Conservative Option	\$ 89,398	10.45%	0.38	1.62	6.48	6.48	
ABLE Moderately Conservative Custom Benchmark			0.47	1.74	6.90	6.90	
<b>Variance</b>			<b>(0.09)</b>	<b>(0.12)</b>	<b>(0.42)</b>	<b>(0.42)</b>	
Conservative Option	\$ 73,750	8.62%	0.19	0.68	2.79	2.79	
ABLE Conservative Custom Benchmark			0.24	0.76	3.00	3.00	
<b>Variance</b>			<b>(0.05)</b>	<b>(0.08)</b>	<b>(0.21)</b>	<b>(0.21)</b>	
Checking Option	\$ 183,513	21.46%					

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

\*Please refer to the Appendix for detailed information on the Custom Benchmarks.

A decorative graphic at the bottom of the page consists of several overlapping shapes. From top to bottom, there is a light blue horizontal bar, a dark green curved shape, a light green curved shape, and a dark blue rectangular block. The word "Appendix" is written in white on the dark blue block.

# Appendix





# Underlying Fund Performance

# Underlying Fund Performance with Benchmarks

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%	6.64%	21.82%	21.82%	11.41%	15.78%	8.52%
S&P 500 TR USD			6.64%	21.83%	21.83%	11.41%	15.79%	8.50%
Over (Under) Performance			(0.00%)	(0.02%)	(0.02%)	(0.00%)	(0.01%)	0.02%
Vanguard Extended Market Index Fund - Instl Plus Shares	VEMPX	0.05%	4.82%	18.13%	18.13%	9.92%	14.62%	9.26%
S&P Completion TR USD			4.84%	18.11%	18.11%	9.80%	14.49%	9.17%
Over (Under) Performance			(0.02%)	0.02%	0.02%	0.12%	0.13%	0.10%
iShares Core MSCI EAFE ETF	IEFA	0.08%	4.51%	26.42%	26.42%	8.81%		
MSCI EAFE IMI NR USD			4.50%	26.16%	26.16%	8.64%		
Over (Under) Performance			0.02%	0.27%	0.27%	0.16%		
Schwab Emerging Markets Equity ETF	SCHE	0.13%	6.79%	32.03%	32.03%	7.87%	4.06%	
FTSE Emerging NR USD			6.96%	32.08%	32.08%	8.08%	4.22%	
Over (Under) Performance			(0.17%)	(0.05%)	(0.05%)	(0.21%)	(0.16%)	
Schwab U.S. REIT ETF	SCHH	0.07%	1.96%	3.70%	3.70%	4.82%	8.96%	
DJ US Select REIT TR USD			1.98%	3.76%	3.76%	4.97%	9.09%	
Over (Under) Performance			(0.02%)	(0.06%)	(0.06%)	(0.15%)	(0.13%)	
Vanguard Total Bond Market Index Fund - Institutional Plus Shares	VBMPX	0.03%	0.42%	3.59%	3.59%	2.20%	2.05%	3.95%
BBgBarc US Agg Float Adj TR USD			0.41%	3.63%	3.63%	2.27%	2.10%	N/A
Over (Under) Performance			0.01%	(0.04%)	(0.04%)	(0.07%)	(0.06%)	
Vanguard Short-Term Bond Index Fund - Institutional Plus Shares	VBIPX	0.04%	(0.32%)	1.21%	1.21%	1.24%	1.04%	2.38%
BBgBarc US 1-5Y GovCredit FIAAdj TR USD			(0.30%)	1.27%	1.27%	1.27%	1.10%	N/A
Over (Under) Performance			(0.02%)	(0.05%)	(0.05%)	(0.03%)	(0.06%)	
Vanguard Short-Term Inflation-Protected Securities Index Fund - Admiral Shares	VTAPX	0.07%	0.21%	0.82%	0.82%	1.12%		
BBgBarc U.S. Treasury TIPS 0-5Y TR USD			0.21%	0.88%	0.88%	1.22%		
Over (Under) Performance			0.01%	(0.05%)	(0.05%)	(0.10%)		
iShares® Core International Aggregate Bond ETF	IAGG	0.09%	1.16%	2.51%	2.51%			
BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD			1.20%	2.64%	2.64%			
Over (Under) Performance			(0.03%)	(0.13%)	(0.13%)			
N/A - Benchmark Data Not available for this time period								

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

## Underlying Fund Performance as of 12/31/2017

Name	Ticker	Morningstar Category	Total Ret 3 Mo (Qtr-End) USD	Total Ret YTD (Qtr-End) USD	Total Ret 1 Yr (Qtr-End) USD	Total Ret Annlzd 3 Yr (Qtr-End) USD	Total Ret Annlzd 5 Yr (Qtr-End) USD	Total Ret Annlzd 10 Yr (Qtr-End) USD
Vanguard Institutional Index Instl Pl	VIIIX	US Fund Large Blend	6.64%	21.82%	21.82%	11.41%	15.78%	8.52%
Vanguard Extended Market Index InstlPlus	VEMPX	US Fund Mid-Cap Blend	4.82%	18.13%	18.13%	9.92%	14.62%	9.26%
iShares Core MSCI EAFE ETF	IEFA	US Fund Foreign Large Blend	4.51%	26.42%	26.42%	8.81%	8.69%	
Schwab Emerging Markets Equity ETF™	SCHE	US Fund Diversified Emerging Mkts	6.79%	32.03%	32.03%	7.87%	4.06%	
Schwab US REIT ETF™	SCHH	US Fund Real Estate	1.96%	3.70%	3.70%	4.82%	8.96%	
Vanguard Total Bond Market Idx InstlPls	VBMPX	US Fund Intermediate-Term Bond	0.42%	3.59%	3.59%	2.20%	2.05%	3.95%
Vanguard Short-Term Bond Idx InstlPls	VBIPX	US Fund Short-Term Bond	-0.32%	1.21%	1.21%	1.24%	1.04%	2.38%
Vanguard Shrt-Term Infl-Prot Sec Idx Adm	VTAPX	US Fund Inflation-Protected Bond	0.21%	0.82%	0.82%	1.12%	0.12%	
iShares Core International Aggt Bd ETF	IAGG	US Fund World Bond	1.16%	2.51%	2.51%			

## Benchmark Performance as of 12/31/2017

Name	Total Ret 3 Mo (Qtr-End) USD	Total Ret YTD (Qtr-End) USD	Total Ret 1 Yr (Qtr-End) USD	Total Ret Annlzd 3 Yr (Qtr-End) USD	Total Ret Annlzd 5 Yr (Qtr-End) USD	Total Ret Annlzd 10 Yr (Qtr-End) USD
S&P 500 TR USD	6.64%	21.83%	21.83%	11.41%	15.79%	8.50%
S&P Completion TR USD	4.84%	18.11%	18.11%	9.80%	14.49%	9.17%
MSCI EAFE IMI NR USD	4.50%	26.16%	26.16%	8.64%	8.54%	2.42%
FTSE Emerging NR USD	6.96%	32.08%	32.08%	8.08%	4.22%	1.81%
DJ US Select REIT TR USD	1.98%	3.76%	3.76%	4.97%	9.09%	7.07%
BBgBarc US Agg Float Adj TR USD	0.41%	3.63%	3.63%	2.27%	2.10%	
BBgBarc US 1-5Y GovCredit FIAdj TR USD	-0.30%	1.27%	1.27%	1.27%	1.10%	
BBgBarc U.S. Treasury TIPS 0-5Y TR USD	0.21%	0.88%	0.88%	1.22%	0.18%	1.92%
BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD	1.20%	2.64%	2.64%	2.93%	3.83%	4.51%



# National ABLE Alliance – Target Risk Investment Lineup

# National ABLA Alliance – Target Risk Investment Lineup

Asset Class	Underlying Investment Product	Ticker of Underlying Product	Benchmark	Net Expense Ratio	Aggressive	Moderately Aggressive	Growth	Moderate	Moderately Conservative	Conservative
U.S. Large Cap	Vanguard Institutional Index Fund - Institutional Plus	VIIIX	S&P 500 TR USD	0.02%	31.50%	26.25%	21.00%	15.75%	10.50%	3.50%
U.S. Small & Mid Cap	Vanguard Extended Market Index Fund - Instl Plus Shares	VEMPX	S&P Completion TR USD	0.05%	27.00%	22.50%	18.00%	13.50%	9.00%	3.00%
Non - U.S. Multi Cap	iShares Core MSCI EAFE ETF	IEFA	MSCI EAFE IMI NR USD	0.08%	16.20%	13.50%	10.80%	8.10%	5.40%	1.80%
Emerging Markets	Schwab Emerging Markets Equity ETF	SCHE	FTSE Emerging NR USD	0.13%	6.30%	5.25%	4.20%	3.15%	2.10%	0.70%
REITs	Schwab U.S. REIT ETF	SCHH	DJ US Select REIT TR USD	0.07%	9.00%	7.50%	6.00%	4.50%	3.00%	1.00%
<b>Total Equity</b>					<b>90.00%</b>	<b>75.00%</b>	<b>60.00%</b>	<b>45.00%</b>	<b>30.00%</b>	<b>10.00%</b>
U.S. Core Bond	Vanguard Total Bond Market Index Fund - Institutional Plus Shares	VBMPX	BBgBarc US Agg Float Adj TR USD	0.03%	3.00%	7.50%	12.00%	16.50%	13.50%	9.00%
Short - Term Investment Grade	Vanguard Short-Term Bond Index Fund - Institutional Plus Shares	VBIPX	BBgBarc US 1-5Y GovCredit FIAAdj TR USD	0.04%	2.50%	6.25%	10.00%	13.75%	11.25%	7.50%
Short - Term Inflation Protected	Vanguard Short-Term Inflation-Protected Securities Index Fund - Admiral Shares	VTAPX	BBgBarc U.S. Treasury TIPS 0-5Y TR USD	0.07%	3.50%	8.75%	14.00%	19.25%	15.75%	10.50%
International Bond	iShares® Core International Aggregate Bond ETF	IAGG	BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD	0.09%	1.00%	2.50%	4.00%	5.50%	4.50%	3.00%
<b>Total Fixed Income</b>					<b>10.00%</b>	<b>25.00%</b>	<b>40.00%</b>	<b>55.00%</b>	<b>45.00%</b>	<b>30.00%</b>
Cash	Sallie Mae High Yield FDIC		Citi Treasury Bill 3 Mon USD	0.00%	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>25.00%</b>	<b>60.00%</b>
<b>Total Allocation</b>					<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Net Portfolio Underlying Expenses</b>					<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.04%</b>	<b>0.02%</b>



# **ABLE Consortium Custom Benchmarks**

## ABLE Consortium Custom Benchmarks

ABLE Consortium Custom Benchmarks	Funds
Aggressive Custom Benchmark	31.5% S&P 500 TR USD, 27% S&P Completion TR USD, 16.2% MSCI EAFE IMI NR USD, 6.3% FTSE Emerging NR USD, 9% DJ US Select REIT TR USD, 3% BBgBarc US Agg Float Adj TR USD, 2.5% BBgBarc US 1-5Y GovCredit FIAdj TR USD, 3.5% BBgBarc U.S. Treasury TIPS 0-5Y TR USD, and 1% BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD.
Moderately Aggressive Custom Benchmark	26.25% S&P 500 TR USD, 22.5% S&P Completion TR USD, 13.5% MSCI EAFE IMI NR USD, 5.25% FTSE Emerging NR USD, 7.5% DJ US Select REIT TR USD, 7.5% BBgBarc US Agg Float Adj TR USD, 6.25% BBgBarc US 1-5Y GovCredit FIAdj TR USD, 8.75% BBgBarc U.S. Treasury TIPS 0-5Y TR USD, and 2.5% BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD.
Growth Custom Benchmark	21% S&P 500 TR USD, 18% S&P Completion TR USD, 10.8% MSCI EAFE IMI NR USD, 4.2% FTSE Emerging NR USD, 6% DJ US Select REIT TR USD, 12% BBgBarc US Agg Float Adj TR USD, 10% BBgBarc US 1-5Y GovCredit FIAdj TR USD, 14% BBgBarc U.S. Treasury TIPS 0-5Y TR USD, and 4% BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD.
Moderate Custom Benchmark	15.75% S&P 500 TR USD, 13.5% S&P Completion TR USD, 8.1% MSCI EAFE IMI NR USD, 3.15% FTSE Emerging NR USD, 4.5% DJ US Select REIT TR USD, 16.5% BBgBarc US Agg Float Adj TR USD, 13.75% BBgBarc US 1-5Y GovCredit FIAdj TR USD, 19.25% BBgBarc U.S. Treasury TIPS 0-5Y TR USD, and 5.5% BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD.
Moderately Conservative Custom Benchmark	10.5% S&P 500 TR USD, 9% S&P Completion TR USD, 5.4% MSCI EAFE IMI NR USD, 2.1% FTSE Emerging NR USD, 3% DJ US Select REIT TR USD, 13.5% BBgBarc US Agg Float Adj TR USD, 11.25% BBgBarc US 1-5Y GovCredit FIAdj TR USD, 15.75% BBgBarc U.S. Treasury TIPS 0-5Y TR USD, 4.5% BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD, and 25% Citi Treasury Bill 3 Mon USD.
Conservative Custom Benchmark	3.5% S&P 500 TR USD, 3% S&P Completion TR USD, 1.8% MSCI EAFE IMI NR USD, 0.7% FTSE Emerging NR USD, 1% DJ US Select REIT TR USD, 9% BBgBarc US Agg Float Adj TR USD, 7.5% BBgBarc US 1-5Y GovCredit FIAdj TR USD, 10.5% BBgBarc U.S. Treasury TIPS 0-5Y TR USD, 3% BBgBarc Gbl Agg xUSD 10% IC TR Hdg USD, and 60% Citi Treasury Bill 3 Mon USD.





# Accounts by County

# NC ABLE Accounts - Breakdown by County

County	MTD	QTD	YTD	Inception To Date	County	MTD	QTD	YTD	Inception To Date
Wake	5	17	61	61	Davie	0	1	2	2
Out-of-State	3	7	41	41	Rockingham	1	1	2	2
Mecklenburg	4	12	40	40	Dare	1	1	2	2
Orange	3	4	17	17	Alamance	0	0	2	2
Durham	0	2	14	14	Catawba	0	0	1	1
Buncombe	1	1	12	12	Sampson	0	0	1	1
New Hanover	0	0	10	10	Nash	0	0	1	1
Guilford	1	3	9	9	Wilson	1	1	1	1
Union	0	0	9	9	Clay	0	0	1	1
Watauga	2	3	8	8	Wayne	0	0	1	1
Iredell	0	1	6	6	Caldwell	1	1	1	1
Cabarrus	1	1	6	6	Polk	0	0	1	1
Forsyth	0	1	5	5	Cumberland	0	0	1	1
Henderson	1	1	5	5	Alleghany	0	0	1	1
Lincoln	1	2	4	4	Northampton	0	0	1	1
Gaston	2	2	4	4	Johnston	1	1	1	1
Craven	0	1	4	4	Person	0	0	1	1
Pitt	0	1	4	4	Transylvania	0	0	1	1
Madison	0	1	3	3	Mitchell	1	1	1	1
Harnett	0	0	3	3	Beaufort	0	0	1	1
Haywood	0	0	3	3	McDowell	0	0	1	1
Rowan	0	1	3	3	Jackson	0	0	1	1
Burke	0	1	3	3	Brunswick	0	0	1	1
Onslow	1	2	3	3	Cleveland	1	1	1	1
Cherokee	0	0	2	2	Moore	1	1	1	1
Carteret	0	0	2	2	Wilkes	0	1	1	1
Lee	0	0	2	2					



**NC ABL**

National ABL Alliance Member

**Thank you**