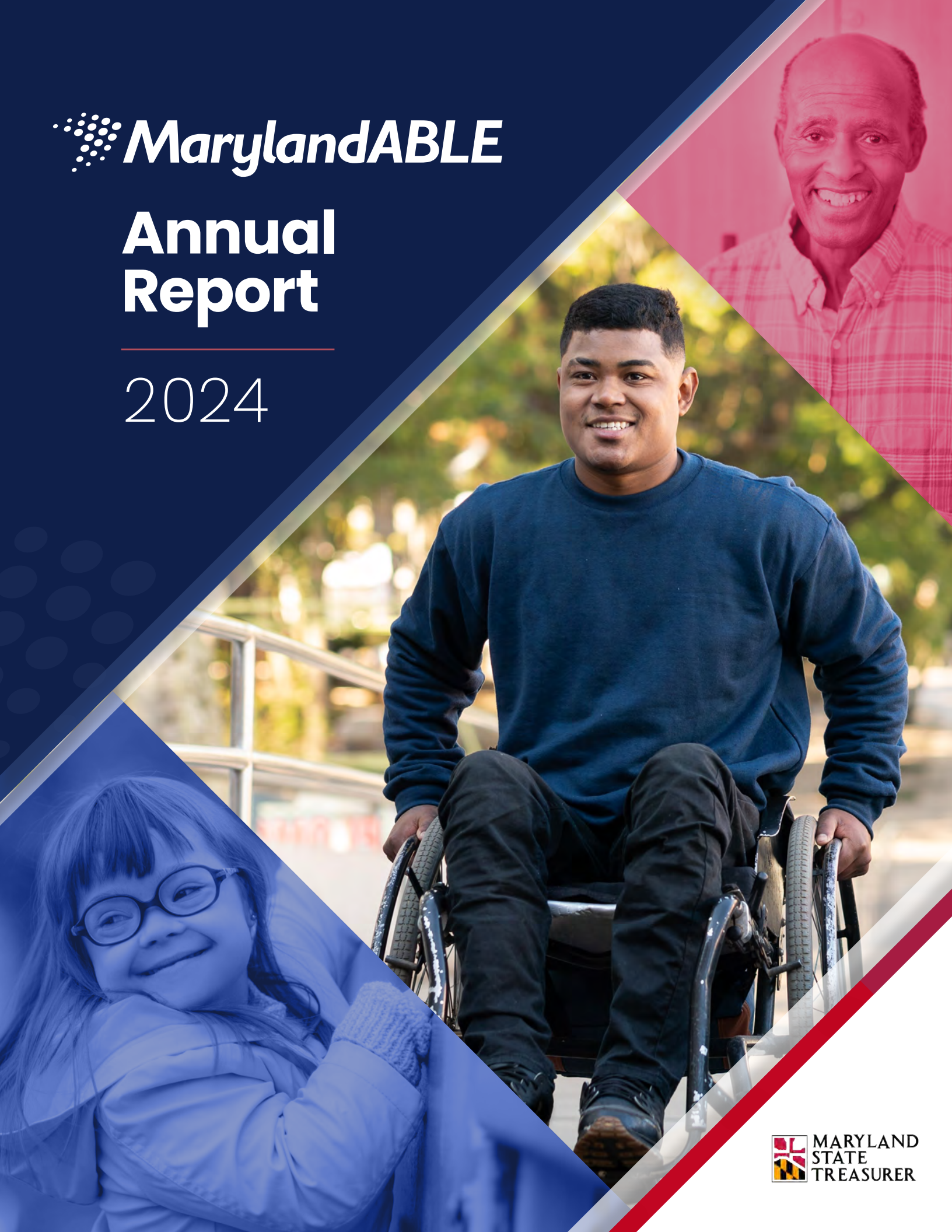




Annual Report

2024



MARYLAND
STATE
TREASURER



Dear Marylanders,

Since the administration of the Maryland 529 programs transferred to the State Treasurer's Office in 2023, I am proud to share the accomplishments that have been achieved over the past year with the Maryland ABLE program. Maryland ABLE demonstrated record growth during fiscal year 2024 with 6,555 account holders and \$92.3M in assets under management. Contributions by Maryland ABLE account holders increased by 73% from the previous fiscal year, and total contributions increased 52% to \$30 million.

The program also experienced a 90% increase in the number of account holders contributing through the ABLE to Work provision, which provides account holders who work, the opportunity to contribute above the annual standard contribution limit. This overall growth has placed the Maryland ABLE program seventh out of forty-seven state ABLE programs regarding the number of accounts and assets under management.

In collaboration with its program manager, Vestwell, Maryland ABLE has added new features to enhance the overall account holder experience. Account holders and Authorized Legal Representatives (ALRs) who serve as the Social Security Administration (SSA) representative payee for an account holder, can now direct deposit their SSA benefits into their account. For Organizational ALRs, there is now bulk enrollment and new reporting features. Security enhancements have also been added for all account holders with the addition of multifactor authentication.

To account holders, I would like to thank you for your participation in the Maryland ABLE program and invite you to reach out to my office at md529@treasurer.state.md.us with any questions or concerns as we continuously strive to improve the programs.

Sincerely,

State Treasurer



Maryland ABLE Snapshot

Assets	\$92,289,364
Beneficiaries	6,555
Average Account Balance	\$14,037.76

Maryland Leaders

Wes Moore
Governor

Aruna Miller
Lt. Governor



Contents

Program Summary

Maryland ABLE Features and Benefits	02
A Profile of Maryland ABLE Account Holders	04
ABLE Program Information	08

Financial Section

Independent Auditor's Report	10
Management's Discussion and Analysis	13
Financial Statements	17
Notes to Financial Statements Year Ended June 30, 2024	18

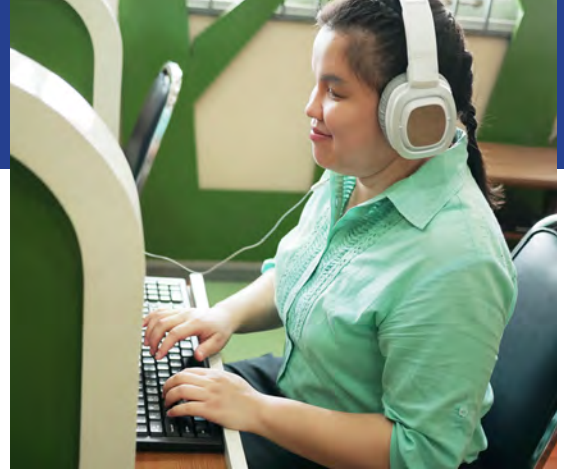
Market Commentary

ABLE Investment Options for Year Ended June 30, 2024	23
Supplemental Information Fiduciary Fund	24
Summary of Performance Comparison and Asset Distribution as of June 30, 2024	25

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Program Summary

Maryland ABLE Features and Benefits



The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (the “ABLE Act”) amended the Internal Revenue Code of 1986 (“the Code”) by adding Section 529A, which allows states to open tax-advantaged qualified ABLE Programs throughout the United States. ABLE Programs were intended to mirror the benefits of Qualified Tuition Programs (or college savings programs) established pursuant to Section 529 of the Code. ABLE Programs provide people with disabilities a means to save for disability-related expenses without jeopardizing federal means-tested benefits.

Pursuant to Section 529A, a person is eligible to open an ABLE account if they have a qualifying disability or blindness that began before age 26. Beginning January 1, 2026, the age of onset will change to 46. While some people may require an authorized representative to help them manage their account, the account holder and beneficiary of an ABLE account are the same person and always the owner of the account. A beneficiary can only have one ABLE account at a time. In general, assets held in an ABLE account are not counted in determining eligibility for State or Federal means-tested programs. With respect to Social Security Supplemental Security Income (SSI) benefits, only assets above \$100,000 held in an ABLE account count as a resource.

The Maryland ABLE Act (H.B. 431) was signed into law by Governor Larry Hogan on April 12, 2016, and Maryland 529 opened the State’s ABLE Program on November 28, 2017. Oversight of Maryland 529, including Maryland ABLE, was transferred to the Maryland State Treasurer in June 2023.

Maryland residents are eligible for State tax advantages related to Maryland ABLE account contributions. Specifically, an individual may subtract up to \$2,500 per beneficiary from their income for contributions made to a Maryland ABLE account. Contributions in excess of \$2,500 annually may be carried forward and deducted over the next 10 taxable years. Additional Federal and Maryland State tax benefits include tax-free earnings provided the funds are used for Qualified Disability Expenses (QDEs). QDEs are broadly defined and specific to the individual account holder. Some examples of QDEs are transportation, employment training, assistive technology, health services, legal fees and services, education, funeral and burial expenses, and housing.

Annual contributions to an ABLE account are limited to the same amount as the federal gift tax exclusion for the current calendar year, which was \$18,000 in 2024 and increased to \$19,000 in 2025. An account holder who works, but does not contribute to or receive contributions to a retirement plan from their employer, is able to contribute more than the annual contribution cap in “ABLE to Work” contributions. ABLE to Work contributions are limited to the beneficiary’s earnings for the calendar year, or the ABLE to Work contribution limit for the calendar year, whichever is the lower amount. ABLE to Work contributions in calendar year 2024 were capped for account holders in the contiguous United States at \$14,580 and increased to \$15,060 for 2025.

Contributions to an ABLE account can also be made through a rollover from a 529 college savings plan. Account holders can rollover funds into an ABLE account for the same beneficiary on both accounts or for a different beneficiary, as long as the ABLE account beneficiary is a “Member of the Family” as defined by Section 529 of the Internal Revenue Code (“the Code”). Rollovers from a 529 college savings plan account to an ABLE account are subject to the ABLE annual contribution limit.

Once a Maryland ABLE account balance reaches \$500,000, contributions cannot be accepted until the balance goes below the \$500,000 limit. The money in the account is still able to earn interest or dividends, based on the account holders selected savings and investment returns.

Program Partnership

When the Maryland ABLE Program opened, it joined with the State of Oregon through an intergovernmental cooperative purchasing agreement to provide program management services and minimize program fees. Through its agreement with the State of Oregon, the Maryland ABLE Program also works with the states of Alabama, Hawaii, Oregon, and Washington.

Program Manager

Vestwell, LLC provides administrative and record-keeping services and website management for the Maryland ABLE Program. Vestwell and its subcontractors, including its affiliated companies, BNY Mellon and BNY Investment Management Services, LLC, serves as the custodian of assets and trades.



A Profile of Maryland ABLE Account Holders

MARYLAND ABLE ACCOUNT HOLDERS

80%

Developmental and intellectual disability diagnosis

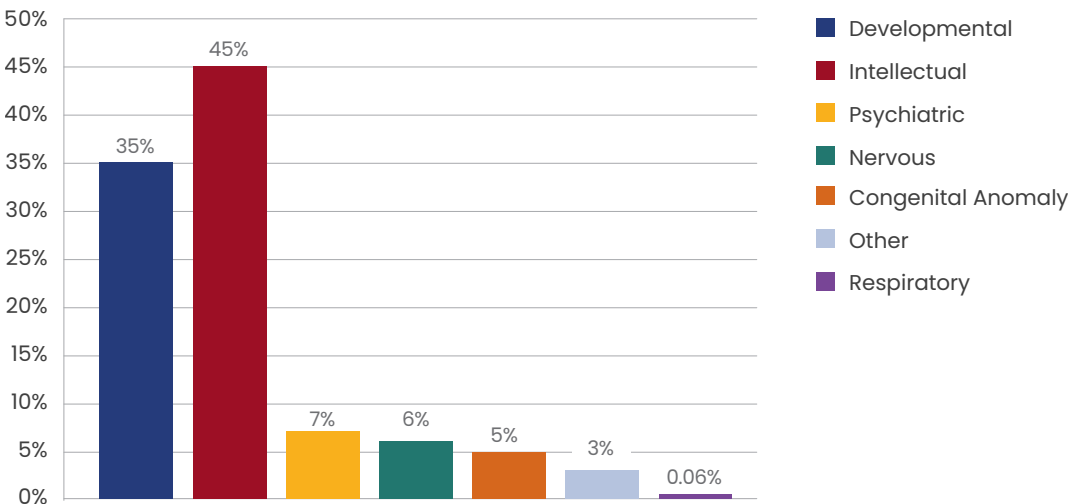
Enrollment by Disability Type

Eighty percent of Maryland ABLE account holders selected the developmental or intellectual disability diagnosis codes matching the nationwide average in ABLE programs. These two disability codes continue to be the predominate types of disabilities for account holders nationwide.

Developmental and intellectual disability diagnoses have been selected by most account holders in every year since the inception of the Maryland ABLE Program. The chart below shows that over time, people with a primary diagnosis of an intellectual disability have surpassed those account holders with a developmental disability (as defined by federal ABLE regulations). This continued increase may be due to the continued growth in Maryland ABLE’s Organizational Authorized Legal Representative (ALR) Program which now accounts for one third of all Maryland ABLE accounts. Currently, all organizations with the Maryland ABLE Program are licensed by the Developmental Disabilities Administration of Maryland and support a large number of people for whom their primary diagnosis is an intellectual disability.

All disability categories are represented in the Maryland ABLE account holder population. The percentage of people included in the disability categories listed in the IRS tax code governing ABLE Programs, that select respiratory disorders as their primary diagnosis remains low and mirrors the lowest disability type category nationwide. However, in Maryland, it has doubled from 0.3% to 0.6% since last year. A new digital marketing campaign that started in May 2024 targeted this population to assist with reaching this group of potential account holders.

Diagnosis Codes for Maryland Account Holders FY24

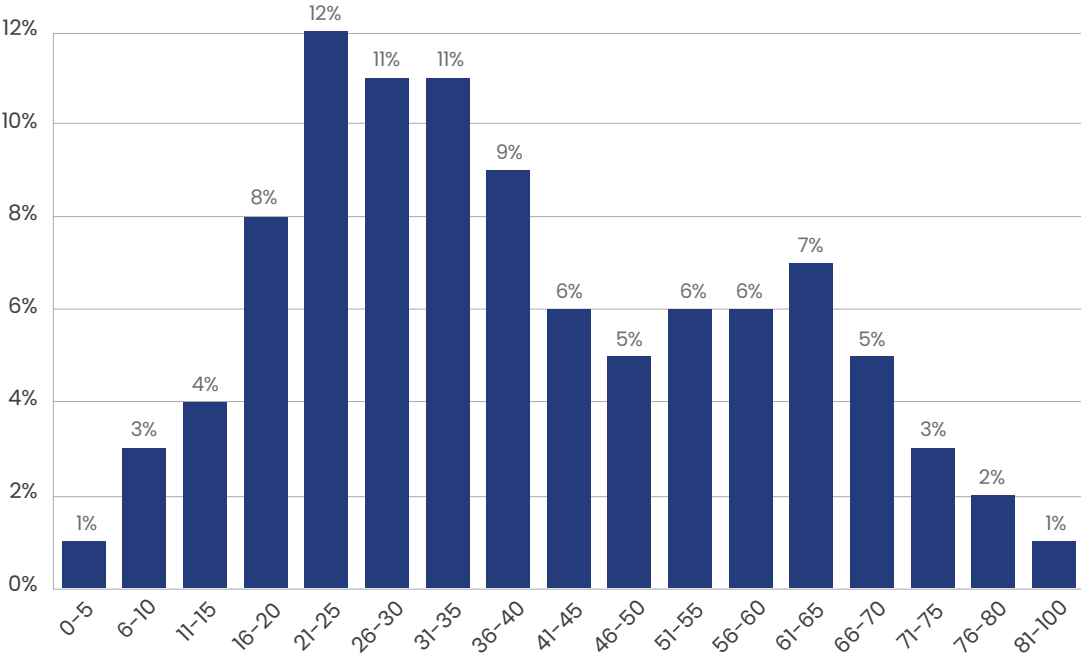


Account Holder by Age

This year, the average age for a Maryland ABLE beneficiary remained at 39 years old. The ages for all account holders ranged from less than one year old to over 90 years old. The most represented age group in the Maryland ABLE Program remained at 21–35 years old.

The age range of 0–20 years resembles the 56–100 age range. Since the Program’s inception, there has been a noted drop in the percentage of account holders ages 41–55. The pending increase of the age of disability onset to age 46 in 2026 may impact this age range drop.

Percent of Beneficiaries by Age Range—FY24



Account Demographics by County

Maryland ABLE account holders reside in every county in Maryland. Similar to last fiscal year, the highest percentage of account holders reside in either Montgomery County or Baltimore County.

The counties with 5% or more of total Maryland ABLE accounts represent 78% of all accounts across the state. These counties are: Baltimore (22%), Montgomery (22%), Howard (9%), Anne Arundel (8%), Prince Georges (7%), Frederick (5%), and Harford (5%) counties. Only Montgomery County saw an increase (1%) in the percentage of account holders by county.

Average account balances across many of the counties throughout the state continued to increase in FY24. As of June 30, 2024, the national average account balance was \$11,243, while Maryland's average account balance was \$14,790; 32% higher than the national average. Fifteen of the twenty-four (63%) counties in Maryland also had a higher average account balance than the national average.

The average account balance increases per county ranged from 0.8% (Allegheny County) to 28% (Caroline County), while decreases in account balance by county ranged from -.02% (Cecil County) to -44% (Dorchester County). Counties with lower numbers of accounts tend to have greater variability due to the effect that significant deposits or withdrawals from even just one account can make a dramatic change in the average account balance.

Maryland ABLE allows for people with qualifying disabilities from other states to enroll in the Maryland ABLE Program. At the end of FY24, 96% of account holders were Maryland residents. The remaining 4% of account holders represent 33 different states outside of Maryland and the District of Columbia.

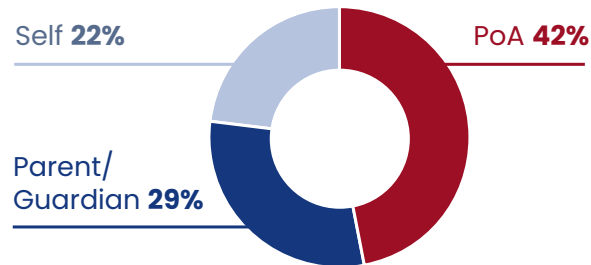


Enrollment by Beneficiary or Authorized Legal Representative (ALR)

All ABLÉ accounts are owned by the beneficiary. The beneficiary may, however, use an authorized legal representative (ALR) to manage the account. In October 2023, the regulations governing ABLÉ programs expanded who could serve as an ALR for an account holder. An account holder can name anyone they choose to help manage their account. If the account holder is not able to choose, then a person who has the following relationship to the account holder can manage the account: an agent under a power of attorney, guardian, conservator, spouse, parent, sibling or step-sibling, grandparent, or Social Security Administration appointed representative payee, in that order.

In FY24, there was no change in the number of account holders year over year who served as their own account manager (22%). Account holders who manage their own accounts have over \$19.5 million in their accounts. Forty-two percent of Maryland ABLÉ accounts consisting of approximately \$40 million are managed by people acting as an agent under a power of attorney. Currently, 5% of Maryland ABLÉ accounts are managed by people whose only relationship to the account holder is serving as their SSA representative payee. Guardianship is the second most utilized alternative form of management (29%) with parents/guardians managing more than \$29.6 million in assets.

Number of Accounts Managed by Type and Dollars Managed by Type—FY24



ABLE Program Information

Contributions

Contributions in FY24 by Maryland ABLE account holders increased by 73% from FY23 and total contributions increased 52% to \$30 million.

ABLE to Work

There was a 90% increase year over year in the number of people who made ABLE to Work contributions which are contributions allowed over and above the annual contribution limit for qualified working account holders. In FY24, 390 Maryland ABLE beneficiaries made ABLE to Work contributions totaling over \$674,250, a 93% increase in money contributed over the previous fiscal year.

Since the inception of ABLE to Work, approximately 400 participants have been able to contribute over \$4 million to their Maryland ABLE accounts.

Rollovers

In FY24, 124 Maryland ABLE beneficiaries transferred approximately \$1.21 million from 529 college savings plans throughout the country into their Maryland ABLE accounts. This was an increase of 46% over FY23 for contributions to Maryland ABLE accounts rolled over from 529 college savings plans.

Distributions

Distributions slowly increased each quarter this fiscal year. Twenty-nine percent (29%) of account holders took at least one distribution in FY24. This percentage was slightly higher than the national average of all accounts taking distributions (25%).

A review across all distributions for FY24 shows that the percentage of account holders taking distributions has risen slightly year over year; from 27% in FY23 to 29% in FY24. Of the Maryland ABLE account holders who took a distribution in FY23, 86% took between 1–6 distributions per month. The frequency of distributions per month varied from the national percentages reported during the ABLE national data survey as only 33% of account holders nationally took between 1–6 distributions and 31% took between 7–12 distributions. Despite the slightly higher percentage of account holders who took distributions, the amount of those distributions, balanced with contributions and earnings, continues to represent a low percentage (2.6%) of overall assets under management.

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Financial Section



REPORT OF THE INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Treasurer of the State of Maryland

Opinion

We have audited the financial statements of the fiduciary activities of the Mayland ABLE Program (the Program) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the fiduciary activities of the Program as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Program's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit 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 Program's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements



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Business Advisors

in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information include in the annual report. The other information comprises the program summary and market commentary sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Owings Mills, Maryland
April 15, 2025

SBC + Company, LLC

Management's Discussion and Analysis

Our discussion and analysis of the Maryland ABLE Program (the Program or the Trust) financial performance provides an overview of the Program's financial activities for the year ended June 30, 2024. Please read it in conjunction with the Program's basic financial statements, which begin on page 17.

The ABLE Program was designed to provide people with qualified disabilities a new way to save and invest for their future without jeopardizing access to Federal and state means tested benefits. The Program permits the beneficiary of an ABLE account 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. Amounts in an ABLE account up to \$100,000 are 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 are to be disregarded in determining the beneficiary's eligibility to receive benefits under any other Federal or state means-tested program.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Program's basic financial statements. The Program's basic financial statements consist of the statements of fiduciary net position and changes in fiduciary net position.

- The Program reported net position of \$92.6 and \$67.7 million as of June 30, 2024 and 2023, respectively.
- The Program's net position increased by \$24.9 million in fiscal year 2024 and increased by \$18.8 in fiscal year 2023. Contributions to the Program increased by \$6.9 million in fiscal year 2024 and investment income increased \$2.7 million as a result of market conditions.
- The Program's additions to fiduciary net position in fiscal year 2024 was \$36.5 million versus additions to fiduciary net position in fiscal year 2023 of \$26.8 million.
- The Program's deductions from net position in fiscal year 2024 and 2023, were \$11.6 million and \$8.0 million, respectively, and were primarily made up of distributions to account holders.

Statement of Fiduciary Net Position

The Statement of Fiduciary Net Position presents the assets, liabilities, and net position of the administrative operations of the Program as of June 30, 2024. Net position is defined as total assets less total liabilities. The Statement of Fiduciary Net Position, along with all of the Program's financial statements, is prepared using the accrual basis of accounting.

Under this method of accounting, revenue and assets are recognized when enrollment materials and contributions are received in good order, distributions from an account are recognized when

paid, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Program reported net position of \$92.6 and \$67.7 million as of June 30, 2024 and 2023, respectively.

The following chart presents the condensed Statements of Fiduciary Net Position as of June 30, 2024 and 2023.

Statements of Fiduciary Net Position as of June 30, 2024 and 2023 (amounts in thousands)		
ASSETS	2024	2023
Current Assets		
Cash and Cash Equivalents	\$52,430	\$38,751
Investments, at Fair Value	40,098	28,895
Accounts Receivable	75	31
Due from Primary Government	113	90
Total Current Assets	92,716	67,767
LIABILITIES		
Current Liabilities		
Accounts Payable	86	67
Compensated Absences	31	31
Total Current Liabilities	117	98
NET POSITION		
Total Net Position	\$92,599	\$67,669

The fiscal year 2024 increase in assets of \$24.9 million is due mainly to increased enrollments and contributions.

Statement of Changes in Fiduciary Net Position for the year ended June 30, 2024

Changes in net position as presented on the Statement of Changes in Fiduciary Net Position are based on the activity of the Program. The purpose of this statement is to present account contributions, increases or decreases in the fair value of investments, and distributions from the Program. Additions represent contributions to accounts in the Program and investment income. Deductions represent distributions from accounts.

The Program's additions to net position in fiscal year 2024 was \$36.5 million versus additions to fiduciary net position in fiscal year 2023 of \$26.8 million.

Statements of Changes in Fiduciary Net Position for the Years Ended June 30, 2024 and 2023 (amounts in thousands)		
	2024	2023
ADDITIONS		
Contributions		
Account Holder Contributions	\$29,817	\$22,951
Account Fees	200	178
Management Fee	101	83
Grants	496	300
Interest	38	115
Total Contributions	30,652	23,627
INVESTMENT INCOME		
Investment Income	5,857	3,166
Total Additions	36,509	26,793
DEDUCTIONS		
Distributions		
Distributions to Account Holders	10,786	7,411
Salaries	380	291
Contractual Services	57	32
Administrative Expense	156	127
Account Fees	200	179
Total Deductions	11,579	8,040
Change In Net Position	24,930	18,753
Total Net Position, Beginning of Period	67,669	48,916
Total Net Position, End of Period	\$92,599	\$67,669

The total additions increase of \$9.7 million is primarily the result of increased contributions in fiscal year 2024.

Program Fees

All fees received by the Program are used to offset expenses associated with administering the Program:

1. Account Fees—ABLE accounts are charged an annual account maintenance fee of \$35 billed quarterly in arrears. The amount billed is prorated for the calendar quarter during which the ABLE account is opened.
2. Investment Fees—Annual asset-based administrative fees of 0.30% charged by the Program and additional fees are charged by the Mutual Funds underlying each investment option. Each investment portfolio indirectly bears its pro-rata share of the fees and expenses of the underlying mutual funds in which it invests. These fees are not charged directly to a portfolio, but are included in the net asset value of the mutual funds held by the Program. The pro-rata share of the fees and expenses is calculated based on the amount that each portfolio invests in a mutual fund and the expense ratio (the ratio of expenses to average net assets) of that mutual fund. The Program Manager, Vestwell, receives 0.10%; the Partner State, Oregon, receives 0.10%; and the Maryland ABLE Program receives 0.10% of the annualized administrative fee.

Contacting Maryland ABLE's Financial Management

This financial report is designed to provide the users of these financial statements with a general overview of the Program's finances.

Inquiries may be directed to the Maryland State Treasurer's Office/Maryland529 via email at md529@treasurer.state.md.us or by mailing your request to 217 E. Redwood Street, Suite 1350, Baltimore, MD 21202.



Financial Statements

Statement of Fiduciary Net Position as of June 30, 2024 (amounts in thousands)	
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$52,430
Investments, at Fair Value	40,098
Accounts Receivable	75
Due from Primary Government	113
Total Assets	92,716
LIABILITIES	
Current Liabilities	
Accounts Payable	86
Compensated Absences	31
Total Current Liabilities	117
NET POSITION	\$92,599

Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2024 (amounts in thousands)	
ADDITIONS	
Contributions	
Account Holder Contributions	\$29,817
Account Fees	200
Management Fee	101
Grants	496
Interest	38
Total Contributions	30,652
Investment Income	
Investment Income	5,857
Total Additions	36,509
DEDUCTIONS	
Distributions	
Distribution to Account Holders	10,786
Salaries	380
Contractual Services	57
Administrative Expenses	156
Account Fees	200
Total Deductions	11,579
Change in Net Position	24,930
Total Net Position, beginning of period	67,669
Total Net Position, end of period	\$92,599

See accompanying notes to financial statements.

Notes to Financial Statements

Year Ended June 30, 2024

1. Organization and Purpose

The Maryland ABLE Program (the Program or the Trust) was designed to provide people with qualified disabilities a new way to save and invest for their future without jeopardizing access to federal and state means-tested benefits. The Program permits the beneficiary or Authorized Legal Representative of an ABLE account 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. Amounts in an ABLE account up to \$100,000 are 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 are to be disregarded in determining the beneficiary's eligibility to receive benefits under any other federal or state means-tested program.

During fiscal year 2024, individuals could contribute up to \$18,000 per beneficiary in annual contributions to an ABLE account with an opportunity for the beneficiary to contribute up to approximately \$14,580 more in ABLE to Work contributions. This is the upper limit as established by the Federal Poverty Level table for a single person household in 2024. Additional features of the Maryland ABLE Program include the opportunity to contribute up to a maximum account value of \$500,000 over the life of the account, and access to an annual income subtraction of up to \$2,500 each year, per contributor, per ABLE account on an individual's Maryland State taxes.

There are certain costs incurred by Maryland 529 that are not allocated to the Program. Thus, the results of the administrative activities of the Program do not represent the operations as a standalone entity. Federal law, Maryland State law, applicable Federal and state regulations, the Program Disclosure Booklet and the Participation Agreement govern the terms of Maryland ABLE accounts. Any amendments to applicable Federal or state law or regulations, the Program Disclosure Booklet, or the Participation Agreement, change the features of Maryland ABLE account when such amendments become effective.

2. Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The activities operated by the Program are accounted for as a fiduciary fund. Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenue is recorded when earned and expenses are recorded when incurred, regardless of the timing of cash flows.

The contributions received from account holders are held and invested, according to the account holder's investment selections, by the contracted Program Manager, Vestwell. The account values then change as gains or losses occur as a result of the investment experience of the Portfolio Option chosen as well as due to distribution requests and contributions by the account holder. The fiduciary activities are presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures effective for fiscal years beginning after June 15, 2024. The Program will be analyzing the effects of this pronouncement and plans to adopt it, as applicable, by its effective date.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62 effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The Program has implemented this statement, and it had no material effect on the financial position of the Plan.

Cash and Investments

The Maryland ABLE Investment Policy, approved by the Treasurer, specifies the number of investment options and the general character and composition of each investment option. Based on these guidelines, detailed asset allocations have been developed and underlying mutual funds have been selected for each Portfolio. The Program is not restricted in its investments by legal or contractual provisions.

Investments are stated at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Program investment options are comprised of only mutual funds, which are valued at the mutual fund's current share price based on the closing net asset value (NAV) per share on the date of valuation.

Because the investment options of the program are mutual funds that are actively traded at publicly available current share price, all investments are classified as Level 1 as of June 30, 2024.

Changes in unrealized gain/loss resulting from changes in the fair values of investments are recognized daily in each account holder's net asset value per unit and, for the fiscal year, are reflected in aggregate in the Program's accompanying Statement of Changes in Fiduciary Net Position. An account holder's investments in mutual funds expose them to certain risks, including market risk in the form of equity price risk—that is, the potential future loss of value that would result from a decline in the fair values of the underlying mutual funds. Each underlying mutual fund and its underlying net assets are also subject to market risk that may arise from, among other things, changes in equity prices, credit ratings, foreign currency exchange rates, and interest rates. Each underlying mutual fund that invests in bonds is subject to certain risks, including interest rate risk, which is the risk associated with a decline in bond prices that usually accompanies a rise in interest rates.

Custodial Risks

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"). 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 recordkeeping 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.

The Vanguard Total Bond Index Fund, the Vanguard Short-Term Bond Index Fund, and the Vanguard Short-Term TIPS Fund have interest-rate risk as measured by duration of 6.3 years, 2.6 years, and 2.5 years, respectively. The funds also have credit risks, but none of the Funds have formal credit ratings. For a complete description of these and other risks for each of the Mutual Funds, please review the prospectus that 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.

Tax Exempt Status

The Program is exempt from Federal taxation in accordance with Section 529A of the Internal Revenue Code and is exempt from Maryland State and local taxation in accordance with the Enabling Legislation. Accordingly, the Program makes no provision for income taxes.

Other Matters

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and Underlying Mutual Funds in which the Portfolios invest. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

These are recent examples of global events which may have a negative impact on a portfolio's performance if the value of an underlying mutual fund were harmed by these and such other events. The Program Manager is actively monitoring the risks and financial impacts arising from these events.

The background is a dark navy blue. In the top-left corner, there is a red triangle pointing towards the center, separated from the main blue area by a white diagonal line. In the bottom-right corner, there is a blue triangle pointing towards the center, also separated by a white diagonal line. The entire blue area is filled with a pattern of light blue, semi-transparent circles of varying sizes, creating a textured effect.

Market Commentary

ABLE Investment Options for Year Ended June 30, 2024

As of June 30, 2024 Maryland ABLE account holders held the following aggregate investments in mutual funds and cash.

	Cost	Gain / Loss	Fair Value	% of Option
CONSERVATIVE				
Vanguard Total Stk Mkt Idx Adm	\$515,778.61	\$181,263.75	\$697,042.36	10
Vanguard Total Intl Stock Idx Adm	607,772.74	90,115.11	697,887.85	10
Vanguard ST Bond Index Adm	1,708,119.61	40,272.02	1,748,391.63	25
Vanguard Total Bond Index Inst	3,182,113.27	(49,210.01)	3,132,903.26	45
Vanguard Short-Term TIPS Fund Adm	657,899.75	41,341.85	699,241.60	10
Fees Payable	(5,015.46)	-	(5,015.46)	
Total	\$6,666,668.52	\$303,782.72	\$6,970,451.24	
MODERATE				
Vanguard Total Stk Mkt Idx Adm	\$2,555,450.61	\$1,109,704.16	\$3,665,154.77	24
Vanguard Total Intl Stock Idx Adm	3,113,856.35	518,799.67	3,632,656.02	24
Vanguard Total Bond Index Inst	7,709,073.53	(185,875.21)	7,523,198.32	50
DFA Global Real Estate	290,302.68	10,353.87	300,656.55	2
Fees Payable	(10,931.85)	-	(10,931.85)	
Total	\$13,657,751.32	\$1,452,982.49	\$15,110,733.81	
AGGRESSIVE				
Vanguard Total Stk Mkt Idx Adm	\$4,833,741.32	\$2,100,308.71	\$6,934,050.03	40
Vanguard Total Intl Stock Idx Adm	5,917,694.97	900,252.59	6,817,947.56	40
Vanguard Total Bond Index Inst	2,780,752.50	(46,813.90)	2,733,938.60	16
DFA Global Real Estate	660,011.27	22,640.23	682,651.50	4
Fees Payable	(12,413.79)	-	(12,413.79)	
Total	\$14,179,786.27	\$2,976,387.63	\$17,156,173.90	
INCOME				
Vanguard ST Bond Index Adm	\$260,463.92	\$6,966.39	\$267,430.31	31
Vanguard Total Bond Index Inst	472,429.02	8,667.75	481,096.77	56
Vanguard Short-Term TIPS Fund Adm	108,559.56	3,620.91	112,180.47	13
Fees Payable	(539.55)	-	(539.55)	
Total	\$840,912.95	\$19,255.05	\$860,168.00	
INVESTMENTS OPTIONS	\$35,345,119.06	\$4,752,407.89	\$40,097,526.95	
CASH				
Cash	\$52,172,274.88	-	\$52,172,274.88	
Total Assets	\$87,517,393.94	\$4,752,407.89	\$92,269,801.83	

Supplemental Information Fiduciary Fund

Market Commentary

Unpredictable events such as environmental or natural disasters, war, terrorism, and public health threats may significantly affect the economy and the markets and underlying mutual funds in which the Portfolios invest. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

In March 2024, the mismanagement of the balance sheet by some U.S. Regional Banks and challenging issues for a larger international bank pushed regulators to take charge and orchestrated the merger and re-capitalization of several institutions. While the activity created a short period of volatility in the financial markets, the financial system was stable. While the global financial system with the augment of significant capital and liquidity changes since the Great Financial Crisis in 2007 and 2008 is significantly stronger, it does not remove risk entirely. Economics, fiscal and monetary policy, and geographical and domestic politics will continue to make evaluating risk paramount in any investments.

These are recent examples of global events that could create volatility and potentially have a negative impact on a portfolio's performance if the value of an underlying mutual fund were harmed by these and such other events. The Program Manager and the Fund Managers responsible for the activity in the funds are actively monitoring these and other risks and financial impacts arising from these events.



Summary of Performance Comparison and Asset Distribution as of June 30, 2024

The Cash Option and the Investment Options were launched in December 2017. Fixed Income option was launched in December 2021. Each Investment Option is invested in low-cost index mutual funds that replicate the risk and return characteristics of the index they track.

The investment earnings for each portfolio are listed below.

Portfolio

Program Fair Value as of 6/30/24 (in thousands)		YTD	Fiscal Year ending 6/30/24	Inception to Date	Inception Date
Cash	\$52,172	8.07%	4.96%	11.46%	12/1/2017
Conservative	\$6,972	5.98%	5.91%	2.64%	12/1/2017
Moderate	\$15,112	9.21%	9.62%	4.57%	12/1/2017
Aggressive	\$17,172	13.86%	14.97%	6.86%	12/1/2017
Fixed Income	\$861	3.37%		-2.12%	12/1/2021
Total Investments	\$92,289				

Cash Option

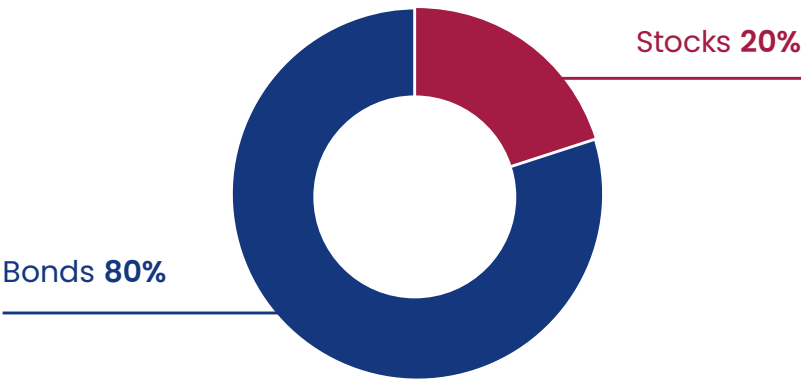
The Cash Option is designed to protect principal. The Cash Option deposits 100% of its funds into an FDIC-insured account with The Bank of New York Mellon. The cash option closely tracks short term interest rates.

Conservative Portfolio Option

The ABLE Conservative Portfolio 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, the Conservative Portfolio Option offers a small amount of risk and limited appreciation potential, designed for a shorter investment period.

Asset Allocation	
Underlying Funds	Allocation
Vanguard Total Bond Market	45%
Vanguard Short-Term Bond	25%
Vanguard Short Term Inflation Protected	10%
Vanguard Total Stock Market	10%
Vanguard Total International Stock Market	10%

Target Asset Allocations

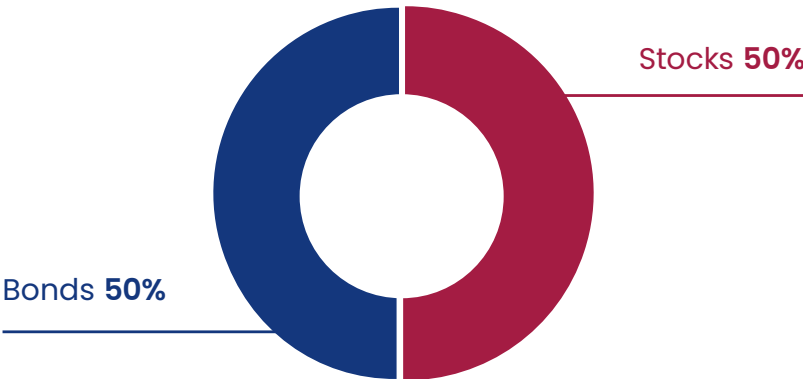


Moderate Portfolio Option

The ABLE Moderate Portfolio 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, the Moderate Portfolio Option offers a medium level of risk for a pursuit of investment return, designed for a medium or uncertain time horizon.

Target Asset Allocation	
Underlying Funds	Allocation
Vanguard Total Bond Market	50%
Vanguard Total Stock Market	24%
Vanguard Total International Stock Market	24%
DFA Global Real Estate	2%

Target Asset Allocations

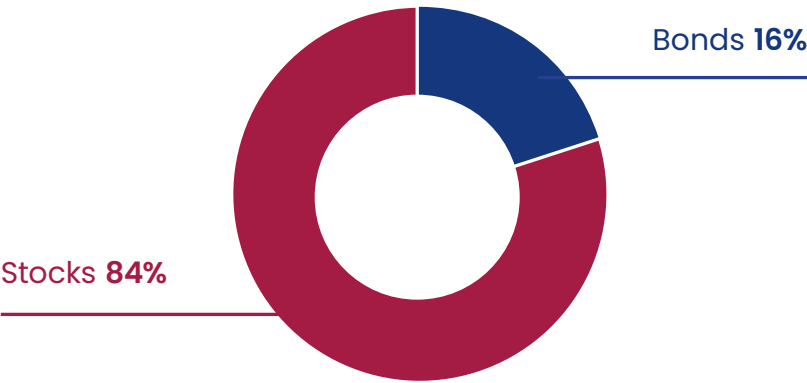


Aggressive Portfolio Option

The ABLE Aggressive Portfolio 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, the Aggressive Portfolio Option offers a higher level of risk and potential for return (or loss), designed for a longer investment period (10 years or more).

Asset Allocation	
Underlying Funds	Allocation
Vanguard Total Stock Market	40%
Vanguard Total International Stock Market	40%
Vanguard Total Bond Market	16%
DFA Global Real Estate	4%

Target Asset Allocations

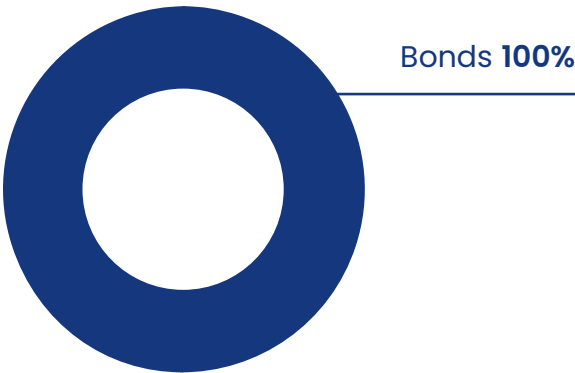


Fixed Income Portfolio Option

The ABLE Fixed Income Investment Option seeks to provide current income and reduced volatility in a portfolio of mutual funds intended to produce an overall investment exposure of 100% bonds. Overall, the Fixed Income portfolio is designed to reduce risk and provide limited appreciation potential, as well as provide for a shorter investment period.

Asset Allocation	
Underlying Funds	Allocation
Vanguard Short-Term Bond Market	31%
Vanguard Total Bond Market	56%
Vanguard Short-Term Inflation Protected Market	13%

Target Asset Allocations





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