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2013 ANNUAL REPORT

Maryland Prepaid College Trust | Maryland College Investment Plan

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October 31, 2013

Dear Friends,

We are very pleased to report continued growth in the College Savings Plans of Maryland during Fiscal Year 2013. New enrollments and account holder contributions, combined with favorable stock market performance, significantly contributed to investments in both plans reaching record high levels as of June 30, 2013. Total investments in both plans reached nearly $4 billion to help pay the future college expenses of nearly 165,000 beneficiaries.

The Maryland Prepaid College Trust was the first 529 plan offered by the State of Maryland and we are very proud that it has now completed 15 years of operations and has already helped thousands of students to pay for college. During the past fiscal year, the Trust received more than 2,300 new enrollments, with 14% of these being for infants under 1 year old. Total investments in this plan reached $756 million for more than 30,000 beneficiaries as of June 30, 2013. Also at the end of the fiscal year, the Trust was 125% funded to meet anticipated future tuition payments for our participants. This actuarial surplus can help to offset potential negative future impacts that may result from either investment earnings that fall below our projections; future tuition increases that exceed our projection; or both.

In December 2013, the Maryland College Investment Plan will have been open to investors for 12 years. This plan also had a very positive year. More than 10,700 new beneficiaries were added to the plan, increasing the total number of beneficiaries with active accounts to more than 134,000 as of June 30, 2013. In addition, total investments reached $3.2 billion at fiscal year-end, reflecting contributions from account holders of almost $395 million and aided by strong stock market performance. This is nearly a 20% increase in investments over the past fiscal year and equates to an average account balance of $17,500 as of June 30, 2013.

Thank you for planning for the future of your children and grandchildren by making college savings a priority in your family and for your participation in the College Savings Plans of Maryland. We hope you'll join us in helping to spread the word about the continued importance of saving for college to help the next generation to realize the dream of higher education without incurring burdensome levels of student loan debt.

Sincerely,

The Board

College Savings Plans of Maryland

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COLLEGE SAVINGS PLANS OF MARYLAND – FEATURES AND BENEFITS

The **College Savings Plans of Maryland** offers affordable and flexible options to help families save for higher education expenses that can help lessen or even eliminate the need to borrow in the future to finance a college education. By choosing one or both plans, families are likely to find an option that suits their individual investing style, comfort level and budget.* Both plans can be used at nearly any public or private college nationwide – hence our marketing slogan – "Save Here. Go Anywhere.®"

The **Maryland Prepaid College Trust** (sometimes referred to as Prepaid College Trust or Trust) allows participants to lock in future college tuition at today's prices and is backed by the security of a Maryland Legislative Guarantee. In the event that the Trust ever experiences a financial shortfall, Maryland law requires the Governor to include funds in the State budget to allow the Trust to pay full benefits. As with the entire State budget, the Maryland General Assembly has final approval.

Families can purchase as little as a 1-semester University Plan or a 1-year Community College Plan and can then purchase additional semesters or years at nearly any time at prices in effect at the time of purchase. Account holders can purchase as many as seven years of University tuition benefits, although no more than five years can be purchased on a single account. The Trust is open to 12th graders or younger, including newborns, although beneficiaries must be enrolled in the Trust for at least three years before they can begin to use their tuition benefits.

The **Maryland College Investment Plan** (sometimes referred to as College Investment Plan or Plan) is administered by the College Savings Plans of Maryland Board and managed and distributed by T. Rowe Price. It allows participants to choose from a variety of mutual fund-based portfolios. These options include Enrollment-Based Portfolios where investment allocations adjust over time to become more conservatively invested as a child ages, and Fixed Portfolios with investment allocations that remain relatively static throughout the life of the investment. Flexible contribution amounts start at $25 per month with automatic monthly contributions. In addition, the Plan has no sales loads, commissions, or enrollment fee.

The **College Investment Plan** is open for enrollment anytime during the year and is available to children and adults of any age. While most accounts are established for beneficiaries who are 18 years old or younger, the Plan can also be a good choice for adults who wish to save for their own future higher education at the undergraduate or graduate level. This Plan can also be used towards eligible trade and technical schools. Accounts can even be opened for a child who is not yet born. A future parent or grandparent can open an Account with him/herself as both the Account Holder and Beneficiary. When the child or grandchild is born, the Beneficiary can be changed to be the newborn child. This allows an early head start on saving for college.

In October 2013, we were pleased to learn that the **College Investment Plan** was one of four plans in the country to receive a "Gold" rating from Morningstar, Inc. Morningstar stated that plans with a Gold rating represent their "highest conviction recommendations and stand out as best of breed for their ability to help college savers meet their goals." In addition to also receiving a "Gold" rating in 2012, the College Investment Plan received Morningstar's "Top" rating in 2011 and 2010.

The **Prepaid College Trust** and the **College Investment Plan** are Section 529 plans – named after the section of the Internal Revenue Code that permits states to establish and administer tax-advantaged college savings plans. Both plans offer generous Federal and Maryland State tax benefits including:

- Tax-deferred growth at the Federal and Maryland State level;
- Tax-free earnings at the Federal and Maryland State level provided the funds are used for eligible college expenses; and
- Maryland State income deduction of contributions to either or both plans, up to $2,500 annually per account or beneficiary, depending on the plan. Contributions in excess of $2,500 annually in either plan may be carried forward and deducted in future years.

Tax-deferred growth and federally tax-free earnings are features of all 529 plans, but the ability to deduct contributions from Maryland State income applies exclusively to the **College Savings Plans of Maryland.**

**Please read our entire Enrollment Kit before deciding to enroll. If you or your beneficiary live outside of Maryland, check with your state to learn if it offers tax or other benefits for investing in its 529 plan. In addition, you should periodically assess and, if appropriate, adjust your Section 529 plan investment choices with your time horizon, risk tolerance and investment objectives in mind.*

MARKET COMMENTARY

Market performance has a direct effect on the overall performance of investments in the College Savings Plans of Maryland. The following is designed to provide a summary of market performance for the period ended June 30, 2013.*

A STRONG YEAR FOR STOCKS

U.S. equities produced excellent returns over the last year, lifted by economic recovery and favorable corporate earnings. In addition, the Federal Reserve maintained its program of low interest rates and asset repurchases; these stimulus measures enhanced investor confidence in U.S. economic improvements. Only at the end of the period, when Federal Reserve Chairman Ben Bernanke indicated that stimulus programs may end sometime in 2014, did the equity markets experience any significant volatility.

During the past 12 months, all domestic capitalization groups posted returns in excess of 20%, but mid- and small-cap stocks outperformed large-caps, reflecting enhanced investor confidence in longer-term, higher-risk investments. However, investors continued to favor value stocks, partly due to the ongoing recovery of financial stocks. Sectors that are sensitive to the improving economy, such as consumer discretionary or industrials and business services, also fared well. Health care stocks also soared, but materials stocks generally lagged because of sliding commodity prices. The information technology and utilities sectors underperformed.

Non-U.S. developed stock markets also posted strong gains for the year but lagged U.S. equity markets. Most of the large markets in Europe recorded double-digit advances. Developed Asian markets also fared well, led by Japan, which rallied more than 20% in U.S. dollar terms. Emerging markets significantly lagged developed markets. Although the emerging markets in Asia generated single-digit gains, many markets in Latin America and the emerging Europe, Middle East, and Africa region posted losses for the year.

Overseas stocks also benefited from fiscal policies. In Europe, the European Central Bank acted very aggressively to address the continued fallout of the European debt crisis, while the Bank of Japan took several new measures to add life to a sluggish Japanese economy.

BONDS REACT TO RISING RATES

U.S. investment-grade bonds generated mixed results over the past year, as rising long-term interest rates—particularly in the last two months of the period—reduced or eliminated earlier gains. To support the economic recovery, the Federal Reserve kept its "fed funds target rate" in the 0.00% to 0.25% range and plans to keep short-term rates very low, at least as long as the national unemployment rate remains above 6.5%. In addition, the Federal Reserve has asserted that it will continue aggressive economic stimulus efforts until the labor market outlook improves substantially. But with the economy sustaining moderate growth and employment picking up, the Federal Reserve has indicated it may change its approach as early as mid-2014.

High yield bonds, supported by the economic recovery, good corporate fundamentals, and strong demand in a low interest rate environment significantly outperformed high quality bonds. In the investment-grade universe, Treasury security performance declined over the 12-month period, with long-term issues falling sharply since the end of April. Asset-backed and agency mortgage-backed securities were little changed. Investment-grade corporate bonds produced modest gains over the last year.

A WORD ON MARKET FLUCTUATION

Due to market uncertainties, the overall market value of the investments in the Prepaid College Trust and investments in the College Investment Plan are likely to be highly volatile and could be subject to wide fluctuations in response to factors such as regulatory or legislative changes; worldwide political uncertainties; and general economic conditions, including inflation and unemployment rates. All of these factors are beyond our control and may cause the overall value of the investments in the Prepaid College Trust and the College Investment Plan to decrease, regardless of performance or your selection of investment options. Any decrease in value could result in an actual or actuarial (unrealized) loss.

**This discussion is not a comprehensive discussion of all investment market performance. It is also not intended to be a comprehensive discussion of risks associated with the College Savings Plans of Maryland. For a more detailed discussion of these risks, see the current College Savings Plans of Maryland Enrollment Kit.*

COLLEGE COSTS REVIEW*

According to the College Board, nationwide college cost increases are beginning to moderate slightly. For example, the average tuition and fees for in-state students at public four-year institutions rose 2.9% after adjusting for inflation in 2013-2014, which is well below the 4.2% average annual real increase over the decade from 2003-2004 to 2013-2014. By comparison, tuition and fees at private colleges had a real rate of increase of 2.3% for the past decade.

However, college costs are substantial and continue to rise. Here are the most recent figures from the College Board on average higher education costs for the 2013-2014 academic year (see also the accompanying table):

- The average total cost for in-state students at a four-year public university rose by 1.2% from the previous academic year, to $18,391.
- The average total cost at a four-year private college rose by 1.7% from the previous academic year, to $40,917.

Note that the "average total cost" consists of tuition, fees, room, and board for full-time, undergraduate students. It does not include other expenses such as books, supplies, and transportation, which together can add several thousand dollars to annual college costs.

Over the past year, college affordability continued to be impacted by a less-than-robust economy. Real incomes, which are adjusted for the impact of inflation, have declined at all levels of income distribution. Also, many states are continuing to constrain budgets on public institutions. For these reasons, we believe that consistent, disciplined saving is one of the best ways to pay for higher education.

THE STATE OF FINANCIAL AID

Undergraduate and graduate students received approximately $238.5 billion in financial aid during the 2012–2013 academic year (the most recent data available), and financial aid remains an important source of funding for many families. On average, each undergraduate full-time-equivalent student received $13,730, and each full-time equivalent graduate student received $25,730.

Consistent with past years, only a portion of average financial aid came in the form of grants, $7,190 and $7,800 for undergraduate and graduate students, respectively. The rest was comprised of loans (resulting in a heavy student debt burden), tax breaks, and Federal Work Study.

There is some good news here, however. While total education borrowing grew by 9% between 2007-2008 and 2012-2013, this is significantly less than the 55% increase in education borrowing that students experienced between 2002-2003 and 2007-2008. This information suggests that good preparation may be paying off and that college savings may be a component of that preparation.

**Statistical information provided is from the College Board's "Trends in College Pricing 2013" and "Trends in Student Aid 2013" for the 2013-2014 academic year.*

PUBLISHED TUITION, FEES, AND ROOM AND BOARD CHARGES – NATIONAL AVERAGE

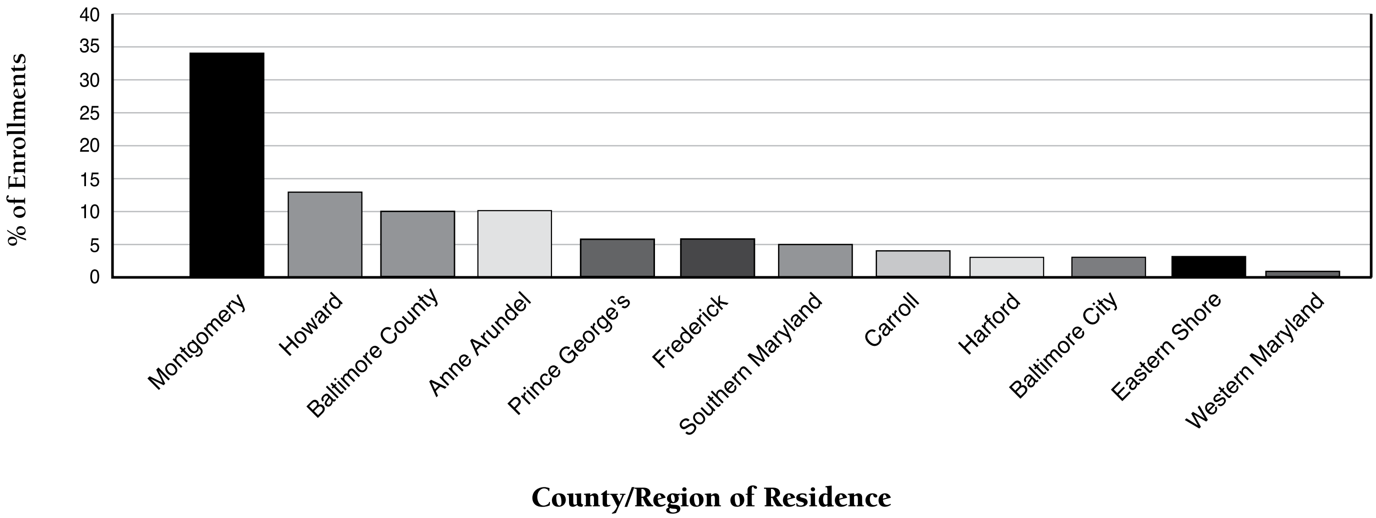
	Four-Year Private College	Four-Year Public College – In-State Rates
2013–2014 Academic Year	$40,917	$18,391
Change from the previous academic year above the rate of inflation	1.7%	1.2%
Average annual percentage increase over the past decade above the rate of inflation	2.1%	3.2%

SOURCES: COLLEGE BOARD, T. ROWE PRICE

PROFILE OF NEW PREPAID COLLEGE TRUST ENROLLMENTS

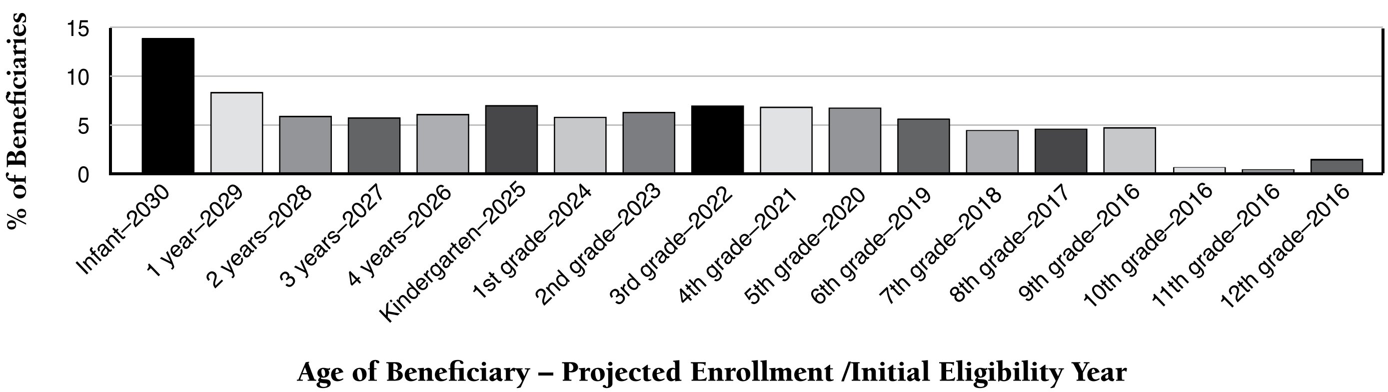
New Enrollment by County/Region

Of the approximately 2,373 new enrollments that were received in the past year, Montgomery County residents produced the largest number of account holders, accounting for 34% of all new enrollments. Howard County was the second largest source of new enrollments (13%), followed by Baltimore (10%), and Anne Arundel (10%) counties, as illustrated in the following chart:



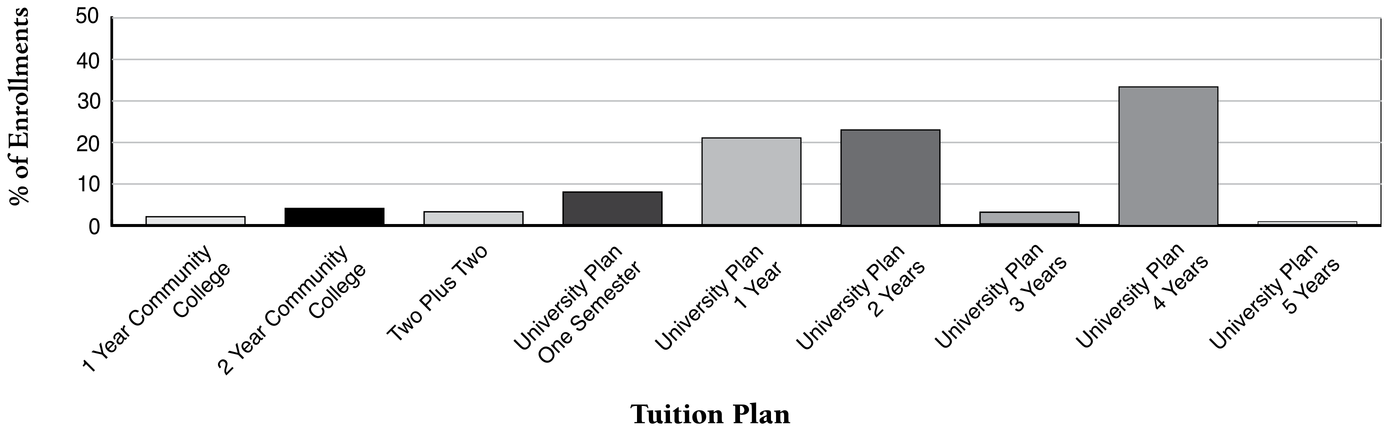
Age of New Beneficiaries at Time of Enrollment

The infant age group provided the largest percentage of new enrollments of any age group in 2012-2013, with 14% of new enrollments. This age group can be enrolled anytime during the year and is not limited to an enrollment period. From age 1 through 9th grade, enrollments are fairly evenly distributed, with each age group accounting for 4-8% of new enrollments. Combined enrollments for older students in the 10th-12th grades provided the remaining 2%.



Tuition Plan Selected

The four-year University Plan was our most popular enrollment option in 2012-2013, with 34% of new enrollments. The next most popular options were the two-year University Plan (23%) and the one-year University Plan (21%). Together, these three tuition plans comprised 78% of total tuition plans purchased.



MORE STUDENTS USE PREPAID COLLEGE TRUST TUITION BENEFITS AT COLLEGES NATIONWIDE

There are a total of 9,764 students eligible to use benefits for the fall 2013 semester, as compared to approximately 9,381 students who were eligible for the prior academic year. Approximately 56% of eligible beneficiaries, as of October 22, 2013, have claimed their tuition benefits this fall. Approximately 42% of these students are attending Maryland public colleges, while 58% are attending a wide variety of private and out-of-state colleges across the country. The remaining 44% of eligible beneficiaries have yet to claim their fall 2013 tuition benefits or have decided to defer using their tuition benefits until a future semester.

ACTUARIAL SOUNDNESS REPORT

The summary of the actuarial valuation issued by Gabriel Roeder & Smith Company dated October 25, 2013 appears on page 6. The purpose of the actuarial valuation is to assess the future value of the Trust's assets and its liabilities, and is discounted to reflect their present value.

As of June 30, 2013, the Trust was 125% funded with an actuarial surplus of $187.5 million, as compared with the previous fiscal year, where the Trust was 117% funded with an actuarial surplus of $124.9 million.

There are two primary reasons for the increase in the amount of the actuarial surplus. First, the Trust's investments produced an overall return of 10.7% during fiscal year 2013, as compared with the stated goal of 7.65%. This had a significant positive effect on the actuarial valuation. Second, the weighted average tuition at Maryland's public 4-year colleges increased by 2.8% for the 2013-2014 academic year. This actual increase is less than our projected tuition increase of 6% and a mandatory fee increase of 10% for 2013-2014. Since the actual increase was lower than our projection, this also had a positive effect on actuarial valuation.

The key measures of soundness as of June 30 for each of the most recent five fiscal years are included in the chart below:

	2013	2012	2011	2010	2009
Actuarial Surplus/(Deficit) (mil)	$187.5	$124.9	$122.3	$2.5	$(52.4)
Funded Ratio	125%	117%	117%	100%	92%

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October 25, 2013

Treasurer Nancy K. Kopp
Board Chair
College Savings Plans of Maryland
217 E. Redwood Street, Suite 1350
Baltimore, MD 21202

Re: Maryland Prepaid College Trust Actuarial Valuation as of June 30, 2013

Dear Treasurer Kopp:

At the request of the College Savings Plans of Maryland ("CSPM"), Gabriel, Roeder, Smith & Company ("GRS") has performed an actuarial soundness valuation of the Maryland Prepaid College Trust ("MPCT") as of June 30, 2013. Although the term "actuarial soundness" is not specifically defined, the purpose of this actuarial valuation is to evaluate the financial status of the MPCT as of June 30, 2013. This report should not be relied on for any other purpose.

The attached full actuarial report presents the principal results of the actuarial valuation of the MPCT, including the following:

- A comparison of the actuarial present value of the obligations for prepaid tuition contracts purchased through June 30, 2013, with the value of the assets associated with the program as of that same date;
- An analysis of the factors which caused the deficit/surplus to change since the prior actuarial valuation; and
- A summary of the actuarial assumptions and methods utilized in the actuarial calculations.

As of June 30, 2013, the present value of all future tuition obligations under contracts outstanding (and including future administrative expenses) at that date is $748.0 million. Fund assets as of June 30, 2013, including the market value of program assets and the present value of installment contract receivables, is $935.5 million.

The difference between the market value of assets of $935.5 million and program obligations of $748.0 million represents a program surplus of $187.5 million as of June 30, 2013. The comparable program surplus as of the last actuarial valuation as of June 30, 2012, was $124.9 million.

The funded ratio of the program as of June 30, 2013 is 125.1%. This compares with a funded ratio as of June 30, 2012 of 117.3%.

To the best of our knowledge, the information contained in the full actuarial report is accurate and fairly presents the actuarial position of the Maryland Prepaid College Trust as of June 30, 2013.

The valuation results set forth in the full actuarial report are based upon data and information, furnished by CSPM, concerning program benefits, financial transactions, and beneficiaries of the MPCT. We reviewed this information for internal year-to-year consistency, but did not otherwise audit the data. Further, the data and information provided is through June 30, 2013 and does not reflect subsequent market volatility. The major actuarial assumptions used in the actuarial valuation were provided by and are the responsibility of CSPM.

All calculations have been made in conformity with generally accepted actuarial principles and practices commonly applicable to similar types of arrangements.

This is one of multiple documents comprising the actuarial report for the MPCT actuarial valuation. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the full actuarial valuation report as of June 30, 2013.

The signing actuaries are independent of CSPM. The undersigned are members of the American Academy of Actuaries and meet the Qualification standards of the American Academy of Actuaries to render the actuarial opinion herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Lance J. Weiss | Amy Williams | Paul T Wood

Lance J. Weiss, EA, MAAA, FCA
Senior Consultant

Amy Williams, ASA, MAAA, FCA
Consultant

Paul T. Wood, ASA, MAAA, FCA
Consultant

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of
College Savings Plan of Maryland

Report on the Financial Statements

We have audited the accompanying statement of net position of the Maryland Prepaid College Trust (the Trust), as of June 30, 2013, and the related statement of revenues, expenses and changes in net position and cash flow for the year then ended, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Trust's management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements 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 entity'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 basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust, as of June 30, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements 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 evidence sufficient to express an opinion or provide any assurance.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Trust's basic financial statements. The other data and information in the Annual Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Hunt Valley, Maryland
October 18, 2013

SB & Company, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the **Prepaid College Trust's** financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2013. This discussion is designed to provide a general overview of the Trust's operations and the College Savings Plans of Maryland management's analysis of its financial statements. The discussion should be read in conjunction with the Trust's financial statements and notes, which begin on page 15. Inquiries may be directed to the Trust at **CollegeSavingsMD.org** or by mailing your request to 217 E. Redwood Street, Suite 1350, Baltimore, MD 21202. The financial statements of the Trust for the fiscal year ended June 30, 2013 have been audited by SB & Company, LLC who are also the independent auditors for the State of Maryland.

Prepaid College Trust Financial Statements

We have prepared the Prepaid College Trust financial statements in accordance with the standards issued by the Governmental Accounting Standard Board (GASB). Financial statements provide information about the operation of the Trust as a whole and present a long-term view of the Trust's finances.

Financial Highlights

- The Prepaid College Trust began receiving payments in fiscal year 2013 from approximately 2,500 new enrollments received during fiscal year 2012. This is because the initial payments for these accounts were due on August 1, 2012. Contract receipts are approximately the same for the past two fiscal years, reflecting an increase of approximately 100 new enrollments over 2011 and a slight change in the type of tuition plan purchased. This also reflects the average 3% increase in the cost of a new tuition plan from the prior year.

Contract Receipts from Participants *(in thousands)*

Fiscal Year Ended June 30, 2013	Fiscal Year Ended June 30, 2012
$65,343	$65,367

- Enrollment and other fees, as well as administrative expenses of the College Savings Plans of Maryland, are accounted for in the financial statements of the Prepaid College Trust. Each account holder enters into a contract with the Prepaid College Trust for the prepayment of tuition. Each contract is for one or two years of community college and/or a semester or year(s) of university tuition benefits, which become available based on the enrollment year(s) purchased and after the contract has matured for at least three years. The Trust uses fees from three sources to pay administrative expenses of the College Savings Plans of Maryland:

  (1) A percent of all contract payments made to the Prepaid College Trust – this fee has been 2.5% since the 2001 enrollment period;

  (2) Enrollment and other fees paid to the Prepaid College Trust; and

  (3) Payments from the Program Manager of the College Investment Plan as follows: 4 basis points (.04%) on College Investment Plan assets up to $1 billion and an additional 6 basis points (.06%) on assets over $1 billion.

Revenues from enrollment fees have increased due to an increase in the number of completed new enrollments by the end of the fiscal year. Fees received from the College Investment Plan increased approximately 25% from 2012 due to the increase in Plan assets.

Enrollment and Administrative Fees *(in thousands)*

	Fiscal Year Ended June 30, 2013	Fiscal Year Ended June 30, 2012
Prepaid College Trust	$ 116	$ 108
College Investment Plan	2,324	1,853
Total	$ 2,440	$ 1,961

• During fiscal year 2013, the Trust continued to invest the contract payments received into its diversified investment portfolio. The increase from 2012 to 2013 is generally due to market performance and payments on contracts.

Investments *(in thousands)*

	As of June 30, 2013	As of June 30, 2012
Large Cap Value	$ 88,926	$ 68,084
S&P 500 Core	91,681	76,039
Large Cap Growth	80,635	75,983
Small Cap Value	61,063	48,634
Small/Mid Cap Core	32,305	26,408
Private Markets	2,025	0
International	58,683	51,018
Developed Markets Equity	22,458	0
Emerging Markets Equity	24,733	45,813
Real Estate	31,497	28,164
Intermediate Duration Fixed Income	144,532	201,836
Short Duration Fixed Income	32,629	32,312
Emerging Market Debt	57,930	0
High Yield Fixed Income	26,814	0
Total investments	$755,911	$654,291

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the Trust as of June 30, 2013. Net position is defined as total assets less total liabilities. The Statement of Net Position, along with all of the Trust's financial statements, is prepared using the accrual basis of accounting. Under this method of accounting, revenues and assets are recognized when the enrollment materials are received in good order, benefit distributions and refunds are recognized when paid, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The following chart presents the condensed Statement of Net Position as of June 30, 2013 and June 30, 2012:

(in millions)	As of June 30, 2013	As of June 30, 2012
Assets		
Current	$ 839.1	$ 750.9
Noncurrent	117.7	114.2
Total	956.8	865.1
Liabilities		
Current	92.2	84.2
Noncurrent	672.7	652.7
Total	764.9	736.9
Net Position	$ 191.9	$ 128.2

The Trust classifies assets and liabilities as current and noncurrent. Current assets consist primarily of investments, tuition contracts receivable, as well as cash and cash equivalents. Of these amounts, investments comprise approximately 90% of current assets. Tuition contracts receivable represent virtually all of the noncurrent assets.

Current liabilities consist of the current portion of the Trust's accrued tuition benefits. Also, included in this category are payments received in advance of their due date, accounts payable and accrued expenses. Noncurrent liabilities consist of accrued tuition benefits.

For the fiscal year ended June 30, 2013, the net position of the Trust increased by $63.7 million. This was due to two factors. The most significant factor which caused net position to increase was the Trust's 10.7% return on investments, which was higher than the projected rate of return of 7.5%. In addition, the continuation of the positive effect of lower than projected increases in tuition and mandatory fees for the current academic year at the University System of Maryland. The actual increase in tuition and mandatory fees was 2.8% as compared to the projected tuition increase of 7% and a mandatory fee increase of 10% for the 2013-2014 academic year. Since these lower increases in tuition and mandatory fees were included in the calculations for contract pricing for the 2012-2013 enrollment period and the previous soundness evaluation, net position was positively impacted.

Statement of Revenues, Expenses and Changes in Net Position

Changes in net position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of this statement is to present both operating and non-operating revenues received by the Trust and the expenses, gains and losses incurred by the Trust.

Operating revenues consist of tuition contract revenue and administrative fees, both of which are primarily generated by new enrollments in the Trust. Operating expenses are those expenses paid to acquire goods or services and tuition benefits. Non-operating revenues are primarily revenues received from investments.

The chart below presents the condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2013 and June 30, 2012:

(in millions)	Fiscal Year Ended June 30, 2013	Fiscal Year Ended June 30, 2012
Operating revenues		
Tuition contracts	$ 69.6	$ 64.8
Administrative fees	4.1	3.6
Total	73.7	68.4
Operating expenses		
Tuition benefits	79.6	73.5
Administrative expenses	2.4	2.2
Total	82.0	75.7
Operating loss	(8.3)	(7.3)
Non-operating revenues		
Change in fair value of investments gain (loss)	53.7	(7.1)
Investment income	18.3	16.7
Total	72.0	9.6
Change in net position	$ 63.7	$ 2.3

For the fiscal year ended June 30, 2013, the Trust reported an operating loss of $8.3 million. The increase in operating loss of $1.0 million from the fiscal year ended June 30, 2012 was the result of tuition benefit expense exceeding tuition contract revenue by $10.0 million and net administrative and operating income of $1.7 million for the fiscal year. Non-operating revenue includes $53.7 million unrealized and realized investment gain, and $18.3 million of other investment income. Combined, operating loss and non-operating revenue resulted in an increase in net position of $63.7 million.

Statement of Cash Flows

The Statement of Cash Flows presents cash flows by the following categories: operating, investing, and capital and related financing activities. The net cash provided by or used by the Trust by category is also presented.

The condensed Statement of Cash Flows for the fiscal years ended June 30, 2013 and June 30, 2012 is presented below:

(in millions)	Fiscal Year Ended June 30, 2013	Fiscal Year Ended June 30, 2012
Cash provided (used) by:		
Operating activities	$ 12.9	$ 15.5
Investing activities	(29.4)	(0.5)
Net change in cash and cash equivalents	(16.5)	15.0
Cash and cash equivalents, beginning of year	30.9	15.9
Cash and cash equivalents, end of year	$ 14.4	$ 30.9

Decreases in cash were primarily due to using available cash to fund increased investment activity and to a lesser extent, an increase in tuition benefit payments.

Budgetary Control and Financial Oversight

The Prepaid College Trust is administered by the College Savings Plans of Maryland, an independent State agency that does not receive an appropriation from the State of Maryland. The Board, however, in accordance with the enabling legislation for the Prepaid College Trust, prepares and submits an annual budget to the Maryland General Assembly for informational purposes. Also, in accordance with its fiduciary obligations, each quarter, the Board reviews a comparison of actual and budgeted expenditures in connection with its administration of the Trust.

Economic Factors

Long-term variances in projections, particularly for tuition and investment returns, can affect the Trust's financial position. The Board and its actuarial consultant and investment advisor review the assumptions used for tuition increases and projected rate of return on investments at least annually.

This review includes an analysis of prior year trends in tuition increases and investment performance. Specifically, the Board reviewed the weighted average tuition for Maryland resident students at four-year Maryland public universities, which increased 2.8% from the 2012-2013 academic year and 3.0% from the 2011-2012 academic year. The Board also reviewed the rate of return on the Prepaid College Trust investments, which was a gain of 10.7% and 1.6% for fiscal years 2013 and 2012, respectively.

As part of the Board's review of these trends, it consults with its investment advisor and actuary and thoroughly reviews various potential scenarios when developing future projections that it believes to be reasonable. This year's projections were used in developing the Actuarial Soundness Report as of June 30, 2013.

While both the Actuarial Soundness Report and the contract prices are based on many projections, two key projections are those for future tuition increases and investment returns. Key projections selected by the Board for the Actuarial Soundness Report included average annual tuition increases of 6%, with mandatory fees increasing at an annual rate of 10%. The Board selected a projected 7.65% annual rate of return for the Actuarial Soundness Report and used a slightly more conservative 7.5% rate of return to calculate prices. The Board believes that these key projections, while subject to sudden and unexpected changes in the future, are reasonable.

CAPITAL ASSETS

The Trust had no significant capital asset additions during the fiscal year ended June 30, 2013.

Statement of Net Position
As of June 30, 2013

(amounts in thousands)

	Tuition and Investments	Administration/ Operating	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 8,993	$ 5,385	$ 14,378
Investments, at fair value	755,911	0	755,911
Tuition contracts receivable	67,274	0	67,274
Interest receivable	944	0	944
Accounts receivable	0	629	629
Total current assets	833,122	6,014	839,136
Noncurrent assets:			
Capital assets, net	0	46	46
Tuition contracts receivable, net of current portion	117,618	0	117,618
Total noncurrent assets	117,618	46	117,664
Total assets	950,740	6,060	956,800
LIABILITIES			
Current liabilities:			
Accrued tuition benefits	75,289	0	75,289
Advance tuition contract payments	16,347	0	16,347
Accounts payable and accrued expenses	0	424	424
Compensated absences	0	111	111
Total current liabilities	91,636	535	92,171
Noncurrent liabilities:			
Accrued tuition benefits, net of current portion	672,736	0	672,736
Total noncurrent liabilities	672,736	0	672,736
Total liabilities	764,372	535	764,907
NET POSITION			
Net investment in capital assets	0	46	46
Unrestricted:			
Tuition and investments	184,512	5,479	189,991
Restricted:			
Administration	1,856	0	1,856
Total net position	$186,368	$ 5,525	$191,893

See accompanying Notes to Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2013

(amounts in thousands)

	Tuition and Investments	Administration/ Operating	Total
OPERATING REVENUES			
Tuition contracts	$ 69,584	$ 0	$ 69,584
Management fee	0	1,639	1,639
Maryland College Investment Plan fees	0	2,324	2,324
Enrollment and other fees	0	116	116
Total operating revenues	69,584	4,079	73,663
OPERATING EXPENSES			
Tuition benefits	79,584	0	79,584
Salaries, wages and benefits	0	1,103	1,103
Technical and special fees	0	119	119
Communication	0	102	102
Travel	0	11	11
Marketing	0	180	180
Contractual services	0	588	588
Supplies	0	37	37
Fixed charges	0	212	212
Depreciation	0	27	27
Other expenses	0	6	6
Total operating expenses	79,584	2,385	81,969
Operating income (loss)	(10,000)	1,694	(8,306)
NON-OPERATING REVENUES			
Net increase in the fair value of investments	53,729	0	53,729
Investment income	18,231	1	18,232
Total non-operating revenues	71,960	1	71,961
TRANSFER TO RESTRICTED RESERVE	1,083	(1,083)	0
Change in net position	63,043	612	63,655
Total net position, beginning of year	123,325	4,913	128,238
Total net position, end of year	$186,368	$5,525	$191,893

See accompanying Notes to Financial Statements.

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

(amounts in thousands)

Cash Flows from Operating Activities:	
Receipts from:	
Account holders	$ 65,459
Maryland College Investment Plan fees	2,275
Payments to:	
Employees	(1,243)
Marketing	(191)
Contract vendors	(610)
Communication	(93)
Universities and account holders	(52,319)
Other operating expenses	(378)
Net cash from operating activities	12,900
Cash Flows from Investing Activities:	
Interest income	7
Purchase of investments	(29,396)
Net cash from investing activities	(29,389)
Cash Flows Used for Capital and Related Financing Activities:	
Purchase of capital assets	(32)
Net decrease in cash and cash equivalents	(16,521)
Cash and cash equivalents, beginning of year	30,899
Cash and cash equivalents, end of year	$ 14,378
Reconciliation of operating loss to net cash from operating activities:	
Operating loss	$ (8,306)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	27
Effect from change in non-cash operating assets and liabilities:	
Accounts payable	26
Other liabilities	7
Accounts receivable	(238)
Tuition contracts receivable	(6,603)
Advance contract payments	2,640
Accrued tuition benefits payable	25,347
Net cash from operating activities	$ 12,900
Non-cash transactions:	
Unrealized gain on investments	$ 27,051

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

1. ORGANIZATION AND PURPOSE

The purpose of the Maryland Prepaid College Trust (Trust) is to provide a means for payment of the cost of tuition and mandatory fees in advance of enrollment at eligible institutions of higher education. It provides for the payment of tuition and mandatory fees based in part on current costs of Maryland public colleges and universities. An account holder enters into a contract for the future payment of tuition and mandatory fees for a beneficiary. When the beneficiary enrolls in college, the Trust will pay the contract benefits. The beneficiary has ten years after the projected enrollment year, plus the number of years purchased, to use the contract benefits. This time period may be extended by any time served in active U.S. military duty. The contract benefits are based on State of Maryland resident rates for Maryland four-year public colleges and universities and in-county rates for Maryland community colleges. Contract benefits can be used towards these costs at any accredited, degree granting, private or out-of-state college or university.

The Maryland General Assembly created the Trust during the 1997 legislative session. The Trust is a program of the College Savings Plans of Maryland, a component unit and independent agency of the State of Maryland (State), authorized by the Maryland Annotated Code (Code), Education Article, Section 18, Subtitle 19 (Enabling Legislation). The College Savings Plans of Maryland Board (Board) directs the Trust. The Board consists of ten members; five of which are ex-officio members. The ex-officio members are the Comptroller of the State of Maryland, the Treasurer of the State of Maryland, the Secretary of Higher Education, the State Superintendent of Schools and the Chancellor of the University System of Maryland. The five remaining members are public members appointed by the Governor.

By law, the Trust's funds are not considered moneys of the State and may not be deposited into the General Fund of the State of Maryland. Funds remaining in the Trust at the end of any fiscal year remain in the Trust rather than reverting to the State General Fund. In addition, all administrative costs for the College Savings Plans of Maryland (including the Maryland College Investment Plan) are accounted for in the financial statements of the Trust.

Legislation passed in 2000 established an additional financial guarantee that requires the Governor to include in his budget the amount of any shortfall of Trust assets to pay current contract liabilities. As with all aspects of the Governor's budget, the Maryland General Assembly has final approval of any amount included therein. Based on information contained within the Actuarial Soundness Report dated October 31, 2013 and issued by Gabriel Roeder Smith & Company, as of June 30, 2013, the Governor would not be required to include an amount in any future budget. If a future appropriation would be required and the Maryland General Assembly does not fully fund the budget request, the Board may adjust the terms of subsequent or current contracts to ensure continued actuarial soundness of the Trust. As of June 30, 2013, the Trust assets exceeded its discounted estimated liability for future tuition and mandatory fee payments.

Legislation passed in 1998 and 1999 established tax incentives for Maryland residents participating in the Trust. All contributions made by an account holder to the Trust may be deducted from Maryland State adjusted gross income in an amount up to $2,500 for each contract annually. Contributions made in excess of $2,500 per account in a single year may be carried forward and deducted from an account holder's State adjusted gross income in consecutive future years until the full amount contributed to the account has been deducted. Beginning January 1, 2002, earnings on contributions are tax free for Federal and State purposes when used toward eligible qualified higher education expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Preparation

The activities operated by the Trust are accounted for as an enterprise fund. An enterprise fund focuses on the flow of economic resources, which, together with the maintenance of equity, is an important financial indicator. The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure as of the date of the financial statements. Actual results could differ from those estimates. Therefore, the accompanying financial statements have been prepared on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Preparation (continued)

The Trust's tuition and investment net position is classified as unrestricted. It distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Trust's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the Trust are tuition contract payments and enrollment fees.

Revenue Recognition

The Trust records revenue for tuition contracts in the year the Trust enters into contracts with the account holder. Tuition contracts receivable is recorded at the present value of future expected contract payments. The Trust uses a 7.5% discount rate, which is based on the anticipated rate of return on investments over the life of the prepaid contract. The Trust recognizes revenue for enrollment fees when an enrollment fee is received and the contract is accepted by the Board.

Investments

Investments are stated at fair value. Unrealized appreciation and depreciation on investments due to changes in fair value is recognized in the Trust's operations each year. Investments are valued on a daily basis except for emerging markets equity, private equity, global REIT, high yield and emerging markets debt. With the exception of private real estate and the high yield bond fund, these funds are valued no less frequently than monthly ($131,824,837 or 17.4% of net investments as of June 30, 2013).

Tuition Contracts Receivable

Tuition contracts receivable as of June 30, 2013, as reported on the Statement of Net Position represents management's best estimate of the present value of future contract payments. This is calculated by using a 7.5% discount rate.

Capital Assets

Capital assets are stated at cost less accumulated depreciation. Capital assets are depreciated on a straight-line basis over the following useful lives:

Computers	3 years
Furniture	10 years
Equipment	5 years
Software	3 years
Perpetual software license	7 years

The capitalization threshold for all capital assets is $500.

Compensated Absences

The Trust accrues for obligations that may arise in connection with compensated absences for annual leave at the current rate. Employees fully vested in all earned but unused annual leave, up to a maximum of 600 hours, are eligible to receive compensation, at the current rate, on termination of State employment.

Risk Management

The Trust is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illness of employees; and natural disasters. The Trust participates in the State's various self-insurance programs. The State is self-insured for general liability, property and casualty, workers compensation, environmental and anti-trust liabilities and certain employee health benefits.

The State allocates the cost of providing claims servicing and claims payment by charging a “premium” to the Trust based on a percentage of the Trust's estimated current year payroll or based on the average loss experienced by the Trust. This charge considers recent trends in actual claims experience of the State as a whole and makes provisions for catastrophic losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management (continued)

The Trust is also exposed to various risks of loss related to securities fraud. The College Savings Plans of Maryland and its Board, individually and collectively, are insured under a Directors and Officers liability insurance policy. The amount of the coverage is $5,000,000 per annum.

There have been no significant reductions in insurance coverage from the prior year. There have never been any insurance claims against the Trust; therefore, the amount of settlements has not exceeded insurance coverage in the past three fiscal years.

New Accounting Pronouncements

The GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989 FASB and AICPA Pronouncements*, in December 2010, effective for financial statement periods beginning after December 15, 2011. In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, and Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, effective for periods beginning after December 15, 2011 and June 15, 2012, respectively. In addition, in June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for periods beginning after December 15, 2011. The Trust has implemented the above GASB statements, and they have no material effect on the financial position of the Trust.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities, and Statement* No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, effective for periods beginning after December 15, 2012. In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2013, and 2014, respectively. In January 2013, GASB issued Statement No. 69, *Government Combination and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Guarantees*, effective for periods beginning after June 15, 2013. The Trust will implement these statements as of their effective dates. The Trust is still in the process of determining the effect of implementing these GASB statements.

3. DEPOSITS AND INVESTMENTS

Custodial Risk

Cash and cash equivalents consist of amounts maintained in a bank account controlled by the Trust, pooled cash maintained by the Maryland State Treasurer and overnight investments with original maturities of 90 days or less. Cash deposits of the Trust are made in accordance with the Code, which requires depositories to give security in the form of collateral as provided in the Code, for the safekeeping, when required, of these deposits.

As of June 30, 2013, the carrying amount of the Trust's cash and cash equivalents was $14,377,579. The bank balance totaled $41,115,566 and pooled cash maintained by the State Treasurer totaled $375,034. The Prepaid College Trust periodically deposits funds into pooled cash accounts maintained by the State Treasurer for the purpose of paying Prepaid College Trust administrative expenses. Of the bank balances, $250,000 represents deposits covered by federal depository insurance and $31,611,781 represents funds invested in repurchase agreements. The repurchase agreements are not registered, not insured, and collateral securities are held by the State Treasurer's custodian, but not in the Trust's name.

4. INVESTMENTS

The Maryland Prepaid College Trust Statement of Investment Policy (Investment Policy), adopted by the Board as required by the Enabling Legislation, allows the Trust to purchase investments including domestic and international equities, domestic, foreign and high yield bonds, and other governmental agency instruments, as well as money market deposits based on the Investment Policy's specified portfolio allocation.

The Investment Policy specifies the portfolio allocation, which considers the investment safety and liquidity characteristics while aiming for the specified yield target of the Trust. It is management's practice to have no investments with longer maturities than what is expected to fund tuition obligations based on actuarial projections.

4. INVESTMENTS (CONTINUED)

As of June 30, 2013, the Trust had the following investment maturities (amounts in thousands):

		Investment Maturities *(in Years)*				
Investment Type	Fair Value	Less than 1	1-5	6-10	11-15	More than 15
U.S. Govt. money market mutual fund	$ 6,572	$ 6,572	$ 0	$ 0	$ 0	$ 0
U.S. Treasury notes	21,715	2,909	16,665	65	0	2,076
U.S. Govt. agencies	51,863	315	494	1,115	9,373	40,566
Corporate bonds	93,121	2,040	39,358	23,567	1,353	26,803
Municipal bonds	6,367	391	0	0	0	5,976
High-yield fixed income fund	26,814	26,814	0	0	0	0
Emerging market debt fund	57,930	57,930	0	0	0	0
International fixed income fund	1,266	1,266	0	0	0	0
Global REIT fund	19,057	19,057	0	0	0	0
Private equity fund	2,025	2,025	0	0	0	0
Common stock	169,394	169,394	0	0	0	0
REITS	866	866	0	0	0	0
Emerging market equity fund	24,733	24,733	0	0	0	0
Large cap mutual fund	88,926	88,926	0	0	0	0
S&P 500 Index mutual fund	91,681	91,681	0	0	0	0
International mutual fund	58,683	58,683	0	0	0	0
Emerging markets mutual fund	22,458	22,458	0	0	0	0
Real estate mutual fund	12,440	12,440	0	0	0	0
Total	$755,911	$588,500	$56,517	$24,747	$10,726	$75,421

Credit Risk

The Investment Policy details the minimum quality standards for the Trust's bond portfolios. The Trust's mutual fund investments, excluding repurchase agreements that are treated as cash equivalents, are not subject to classification by credit risk because the Trust owns units rather than specific securities. The U.S. Government money market fund is not considered to have credit risk and is not rated. All such investments are in mutual fund shares stated at fair value based upon quoted market prices.

As of June 30, 2013, the Trust's had the following investments and quality ratings:

Investment Type	Fair Value	Rating	Rating Organization
U.S. Government agencies	$ 73,578	*	*
Bonds	8,961	AAA	Moody's
Bonds	13,114	AA	Moody's
Bonds	24,557	A	Moody's
Bonds	35,560	Less than A	Moody's
Bonds	17,296	Not rated	

** Effective August 5, 2011, Standard and Poor's modified its long-term sovereign credit rating on the United States of America to AA+ and affirmed the A-1+ short-term rating.*

4. INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Trust's policy for reducing the risk of loss is detailed in the Investment Policy and in the investment guidelines for separately managed accounts. These guidelines limit a single investment to 5% of each bond portfolio's market value, except U.S. Treasury notes and bonds. It also limits a single investment to 7.5% of the equity portfolio's market value. Furthermore, the Investment Policy defines the maximum allocation allowed to a single sector.

Custodial Risk

The Trust's securities are issued in the Trust's name and are maintained in separate accounts held by M&T Bank, the Trust's custodian.

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013, was as follows (amounts in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets being depreciated:				
Computers	$169	$17	$(10)	$176
Furniture	19	15	0	34
Equipment	5	0	0	5
Software	57	0	0	57
Perpetual software license	561	0	0	561
Total capital assets at historical cost	811	32	(10)	833
Less accumulated depreciation for:				
Computers	150	16	(10)	156
Furniture	16	1	0	17
Equipment	5	0	0	5
Software	57	0	0	57
Perpetual software license	542	10	0	552
Total accumulated depreciation	770	27	(10)	787
Capital assets, net	$ 41	$ 5	$ 0	$ 46

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2013, accounts payable and accrued expenses consisted of the following (amounts in thousands)

Due to vendors	$356
Salaries and employee benefits	68
Total	$424

7. PENSION AND POST-RETIREMENT BENEFITS

Eligible employees of the Trust, as employees of the State, are covered under the retirement plans of the State Retirement and Pension System of Maryland (System). The System is a cost sharing multiple-employer defined benefit pension plan administered by its Board of Trustees in accordance with Article 73B of the Code. Eligible employees are required to contribute to the System a fixed percentage of their regular salaries and wages that exceed the Social Security wage base. The Trust is required to make contributions to the System based on actuarial valuations. The contribution requirements of eligible employees and the Trust are established and may be amended by the System Board of Trustees. The Trust's only liability for retirement benefits is its required annual contribution, which it has funded 100 percent during the fiscal years ended June 30, 2013, 2012, and 2011. The required annual contributions for the fiscal years ended June 30, 2013, 2012 and 2011, respectively were: $106,476, $89,437, and $83,311. As of June 30, 2013, there were no retirees from the Trust. The System prepares a separate audited Comprehensive Annual Financial Report, which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202. In addition, the plan is included in the State's Comprehensive Annual Financial Report (CAFR), which can be obtained from the Comptroller of Maryland, Goldstein Treasury Building, Annapolis, Maryland 21404.

7. PENSION AND POST-RETIREMENT BENEFITS (CONTINUED)

Eligible employees of the Trust, as employees of the State, are also entitled to certain healthcare benefits upon retirement. These other post employment benefits are administered by the State Office of Personnel through a trust established by the State to accumulate funds to pay benefits as a cost sharing multiple employer plan. Under the plan, retired employees are able to purchase health insurance benefits with the State paying a portion of the cost. The Trust is not required to make contributions to the plan. As of June 30, 2013, there were no retirees from the Trust. The Postemployment Health Benefits Trust Fund of the State of Maryland prepares separate audited financial statements and the plan is included in the State's CAFR, both of which can be obtained from the Comptroller of Maryland.

8. TAX EXEMPT STATUS

The Trust is exempt from Federal taxation in accordance with Section 529 of the Internal Revenue Code. Additionally, the Trust is exempt from State and local taxation in accordance with the Enabling Legislation.

9. ACCRUED TUITION BENEFITS

The Trust's consulting actuary independently determines the Trust's actuarial present value of future contract tuition benefit payments. The actuarial calculation is based on the present value of estimated future tuition benefit payments to be made from the Trust, which includes assumptions for future tuition and mandatory fee increases and contract terminations that are determined by the Board and its actuary. A 7.5% discount rate is used in determining the value of the future contract tuition benefits.

The significant assumptions used for this calculation are discussed below:

Tuition and Mandatory Fee Increases: The Weighted Average Tuition (WAT) is the in-state or in-county tuition and mandatory fees at each Maryland public college times the number of full- time equivalent in-state or in-county students enrolled at that college, added together. This total is then divided by the number of full-time equivalent in-state or in-county students enrolled at all Maryland public colleges. For the fiscal year ended June 30, 2013, the tuition component of the WAT for Maryland public universities and community colleges is projected to increase 6% per annum, and the mandatory fee component of the WAT is projected to increase 10% per annum.

Investment Return: The actuarial valuation of the Trust fund was determined using an assumed 7.65% rate of return on investments. It is further assumed that the Trust fund is exempt from Federal income tax.

Enrollment of Trust Beneficiaries: It is assumed that beneficiaries will attend college full-time, commencing with their expected matriculation date. Contract beneficiaries are assumed to attend the various colleges and universities in the same proportion as the headcount information that was used to determine the 2013-2014 WAT with an 8% bias load added to university plan contracts.

Bias Load: The term bias load is a reference to the expectation that more beneficiaries of the Trust will attend a Maryland public 4-year university with tuition and mandatory fees that are higher than the WAT. The 8% bias load used relates to the Trust's estimated percentage increase in expenditures over the WAT as a result of the attendance by beneficiaries at these colleges.

Changes in accrued tuition benefits payable for the year ended June 30, 2013, were as follows (amounts in thousands):

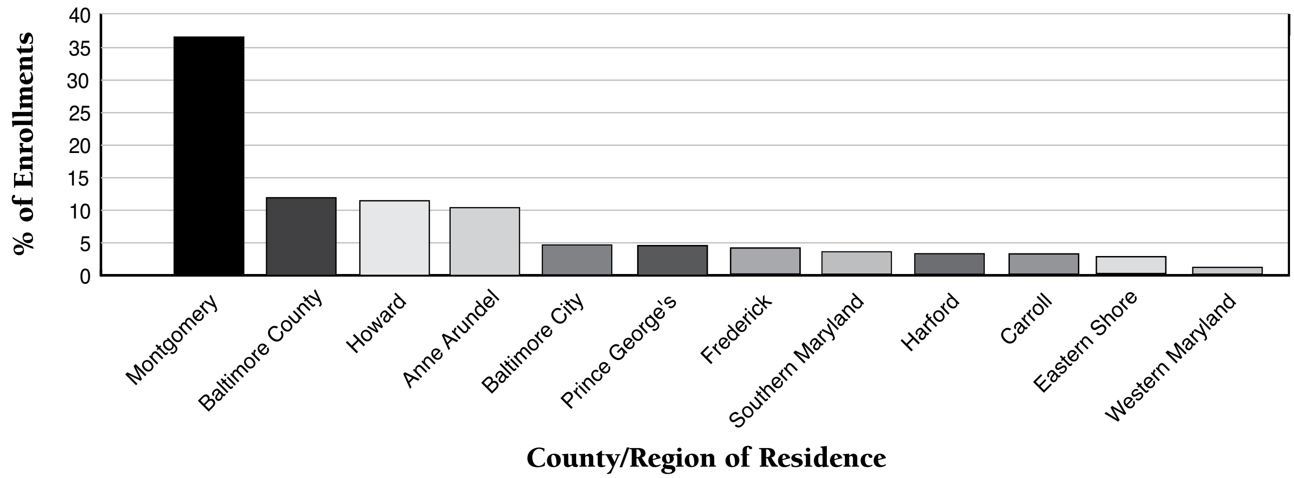
July 1, 2012	Increase	Decrease	June 30, 2013	Amount due within one year
$ 722,679	$ 77,665	$ 52,319	$ 748,025	$ 75,289

PROFILE OF NEW COLLEGE INVESTMENT PLAN ENROLLMENTS

New Enrollment by County/Region

Of the 24,875 new accounts in the College Investment Plan for the year ended June 30, 2013, Montgomery had the highest number of any Maryland county or region at 37% of the total. Approximately 34% of new accounts were concentrated in Baltimore County (12%), Howard County (11%), and Anne Arundel County (10%). The following chart shows a breakdown of the counties and regions of residence for the College Investment Plan Account Holders.

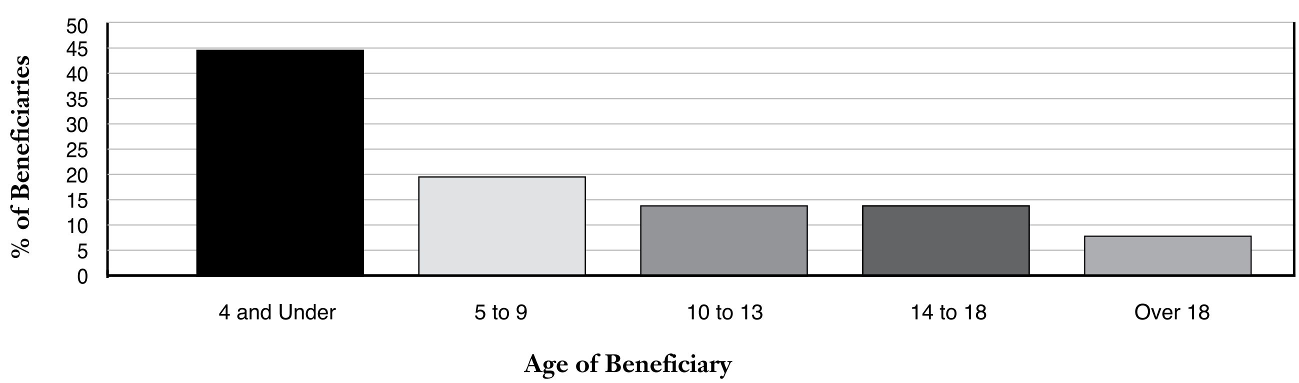
ENROLLMENTS BY COUNTY



Age of New Beneficiaries at Time of Enrollment

Approximately 45% of all new beneficiaries were 4 years old or younger and approximately 64% of beneficiaries were 9 years old or younger. The College Investment Plan permits beneficiaries of any age, with 8% of new beneficiaries over 18 years of age, as shown in the chart below.

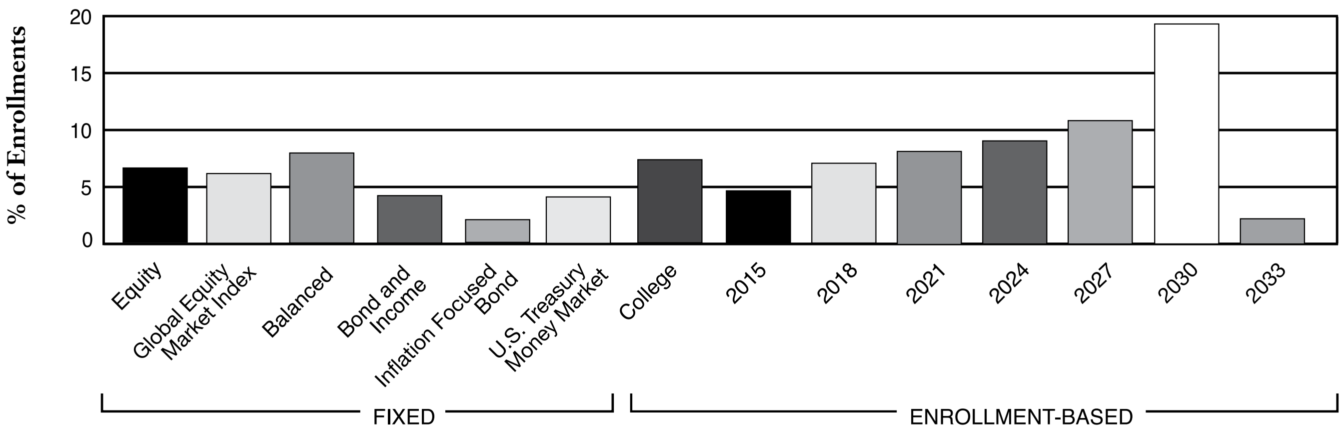
AGE OF BENEFICIARIES



Investment Portfolio Selections

Trends in investment selection by new account holders during the fiscal year show that the Enrollment-Based Portfolios, with investment mixes that generally adjust automatically to be more conservative over time, continue to be a popular choice. Portfolio 2030 was selected for 19% of new accounts, the most of any investment portfolio. Among the Fixed Portfolios, each portfolio was selected for 4% – 8% of new accounts, except for the Inflation Focused Bond Portfolio, which was selected for 2% of new accounts.

PORTFOLIO SELECTION



Portfolio Selection

SYSTEMATIC INVESTING

Over 45% of accounts in the College Investment Plan are funded by the automatic monthly contribution feature. Automatic monthly contributions are made by automatically debiting a bank account or making a payroll deduction.

STUDENTS USING ACCOUNTS TOWARD COLLEGE EXPENSES

Many beneficiaries who were enrolled in the College Investment Plan in the initial years after the Plan's launch in December 2001 are now reaching college age. From July 1, 2012 through June 30, 2013, excluding rollovers to other 529 plans, distributions were taken for 13,675 unique beneficiaries totaling approximately $175 million.

SB & COMPANY, LLC
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of
College Savings Plan of Maryland

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the Maryland College Investment Plan (the Plan), as of June 30, 2013, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Plan's management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements 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 entity'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 basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

200 International Circle • Suite 5500 • Hunt Valley • Maryland 21030 • P 410.584.0060 • F 410.584.0061

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan, as of June 30, 2013, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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 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 evidence sufficient to express an opinion or provide any assurance.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Plan's basic financial statements. The other data and information, including the individual portfolio statements of net position as of June 30, 2013, and the individual portfolio statements of operations and changes in net position for the year then ended, in the Annual Report, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Hunt Valley, Maryland
October 18, 2013

SB + Company, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the College Investment Plan's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2013. This discussion is designed to provide a general overview of the College Investment Plan operations and the Board's insight into its financial statements. This discussion was prepared by the College Savings Plans of Maryland and should be read in conjunction with the Maryland College Investment Plan's financial statements and notes, which begin on page 47. Inquiries may be directed to the College Investment Plan at **CollegeSavingsMD.org** or by mailing your request to 217 E. Redwood Street, Suite 1350, Baltimore, MD 21202. The financial statements of the Plan for the fiscal year ended June 30, 2013 have been audited by SB & Company, LLC who are also the independent auditors for the State of Maryland.

College Investment Plan Financial Statements and Other Financial Information

The College Investment Plan financial statements were prepared in accordance with generally accepted accounting principles. The financial statements contained in this Annual Report provide information about the activities of the College Investment Plan as a whole and present a long-term view of the Plan's finances. Portfolio financial statements are presented as Supplementary Information beginning on page 53.

FINANCIAL HIGHLIGHTS BY PORTFOLIO – AS OF JUNE 30, 2013

General Commentary

To assist in reviewing the performance of the portfolios, we have established a weighted benchmark for each. The weighted benchmark, which varies by portfolio, is an unmanaged composite of the benchmark associated with each asset class and investment style contained within the portfolio. In addition, each asset class benchmark is selected as an appropriate representation of the assets in underlying T. Rowe Price mutual funds and is weighted at the strategic neutral allocation of the asset class within each fund. Additionally, the portfolios invest in securities that are outside of the designated benchmark. These securities have been strategically incorporated to potentially add long-term performance benefits while also helping to limit portfolio volatility.

Target allocations of enrollment based portfolios (except the Portfolio for College) shift each quarter to more conservative allocations through increased exposure to fixed income securities.

The following table sets forth the relevant dates for certain portfolios.The inception date for all other portfolios is November 26, 2001. Benchmark performance for those portfolios commenced on November 30, 2001. Portfolios are not always open to new investors as of their inception date.

PORTFOLIO	INCEPTION DATE AND BENCHMARK PERFORMANCE START DATE
PORTFOLIO 2033	December 31, 2012
PORTFOLIO 2030	December 31, 2009
U.S. TREASURY MONEY MARKET PORFOLIO	December 31, 2009
PORTFOLIO 2027	June 30, 2006
GLOBAL EQUITY MARKET INDEX PORTFOLIO	June 30, 2006
PORTFOLIO 2024	October 31, 2003
INFLATION FOCUSED BOND PORTFOLIO	October 31, 2003

For consistency, numbers have been rounded to the nearest 10th of a percent.

PORTFOLIO 2033

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	CUMULATIVE SINCE INCEPTION
PORTFOLIO 2033	N/A	N/A	9.9%
Weighted Benchmark	N/A	N/A	10.7%

The Portfolio 2033 opened to investors on January 2, 2013 and had a positive return for the period ended June 30, 2013. The Portfolio underperformed its weighted benchmark over the period primarily due to underperformance by international equity Funds.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which generated a solid absolute return for the period, but slightly lagged its benchmark due to the Fund's expenses. The Blue Chip Growth Fund and Value Fund outperformed their respective benchmarks and produced positive returns due to stock selection.

Over this period, the International Stock Fund detracted the most from relative performance due to stock selection and an overweight allocation to emerging markets. The Overseas Stock Fund generated positive absolute returns but underperformed its benchmark due to stock selection in the consumer discretionary and energy sectors. The International Growth & Income Fund produced a positive return and outperformed its benchmark due to an overweight allocation to the consumer discretionary sector and stock selection and an underweight allocation to the materials sector.

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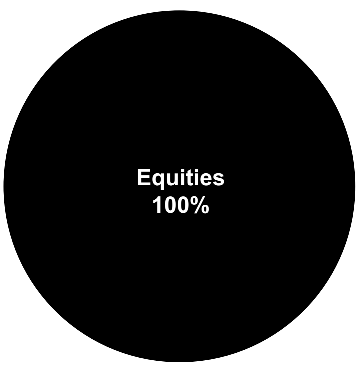

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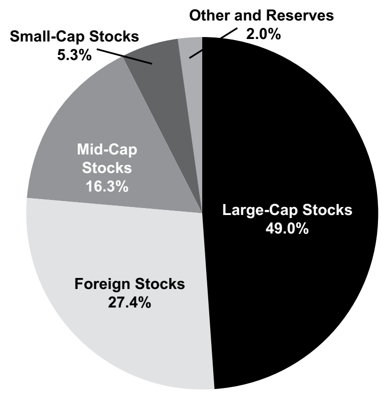

MUTUAL FUND ALLOCATION

Equity Index 500 Fund	32.4%
Blue Chip Growth Fund	14.3
Value Fund	11.4
International Growth & Income Fund	7.4
International Stock Fund	7.1
Overseas Stock Fund	6.9
Small-Cap Stock Fund	5.2
Emerging Markets Stock Fund	4.9
Mid-Cap Growth Fund	4.1
Mid-Cap Value Fund	3.9
Real Assets Fund	2.4

PORTFOLIO 2030

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2030	9.9%	19.2%	11.6%
Weighted Benchmark	10.7%	19.9%	11.8%

The Portfolio 2030 had a positive return for the six and 12 months ended June 30, 2013. The Portfolio underperformed its weighted benchmark over the six and 12-month periods primarily due to underperformance by international equity Funds.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which generated solid absolute returns for the six and 12 months ended June 30, 2013, but slightly lagged its benchmark due to the Fund's expenses. For the 12-month period, the Blue Chip Growth Fund and Value Fund outperformed their benchmarks and had positive returns. The Value Fund outperformed its benchmark due to stock selection in the financials and energy sectors. For the six-month period, the Blue Chip Growth Fund and Value Fund also outperformed their respective benchmarks and produced positive returns due to stock selection.

The International Stock Fund, Overseas Stock Fund, and International Growth & Income Fund generated positive absolute returns for the year but underperformed their respective benchmarks. The International Stock Fund was the primary driver of underperformance as stock selection and an overweight allocation to emerging markets detracted from relative performance. The underperformance of the Overseas Stock Fund resulted from stock selection in the energy sector and stock selection and an overweight allocation to the telecommunication services sector. The International Growth & Income Fund underperformed its benchmark due to an underweight allocation to the financials sector and stock selection within the consumer staples, energy, and information technology sectors.

Over the six-month period, the International Stock Fund detracted the most from relative performance due to stock selection and an overweight allocation to emerging markets. The Overseas Stock Fund generated positive absolute returns but underperformed its benchmark due to stock selection in the consumer discretionary and energy sectors. The International Growth & Income Fund produced a positive return and outperformed its benchmark due to an overweight allocation to the consumer discretionary sector and stock selection and an underweight allocation to the materials sector.

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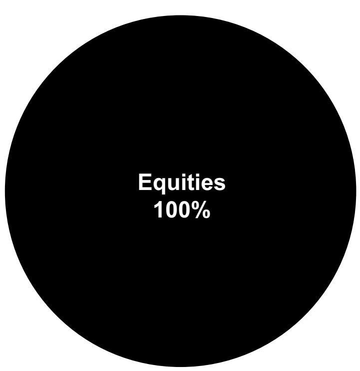

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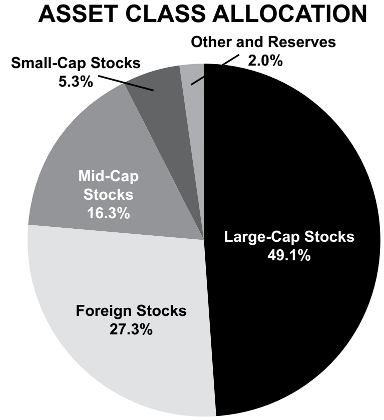

MUTUAL FUND ALLOCATION

Equity Index 500 Fund	32.4%
Blue Chip Growth Fund	14.3
Value Fund	11.4
International Growth & Income Fund	7.4
International Stock Fund	7.0
Overseas Stock Fund	6.9
Small-Cap Stock Fund	5.3
Emerging Markets Stock Fund	4.9
Mid-Cap Growth Fund	4.1
Mid-Cap Value Fund	3.9
Real Assets Fund	2.4

PORTFOLIO 2027

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2027	9.7%	19.0%	5.1%
Weighted Benchmark	10.1%	19.2%	4.8%

The Portfolio 2027 had a positive return for the six and 12 months ended June 30, 2013. The Portfolio underperformed its weighted benchmark over the six and 12-month periods primarily due to underperformance by international equity Funds.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which generated solid absolute returns for the six and 12 months ended June 30, 2013 but slightly lagged its benchmark due to the Fund's expenses. For the 12-month period, the Blue Chip Growth Fund outperformed it benchmark due to stock selection in the information technology and financials sectors, while the Value Fund outperformed its benchmark due to stock selection in the financials and energy sectors. For the six-month period, the Blue Chip Growth Fund and Value Fund also outperformed their respective benchmarks and produced positive returns due to stock selection.

The International Stock Fund, Overseas Stock Fund, and International Growth & Income Fund generated positive absolute returns for the year but underperformed their respective benchmarks. The International Stock Fund was the primary driver of underperformance as stock selection and an overweight allocation to emerging markets detracted from relative performance. The underperformance of the Overseas Stock Fund resulted from stock selection in the energy sector and stock selection and an overweight allocation to the telecommunication services sector. The International Growth & Income Fund underperformed its benchmark due to an underweight allocation to the financials sector and stock selection within the consumer staples, energy, and information technology sectors.

Over the six-month period, the International Stock Fund detracted the most from relative performance due to stock selection and an overweight allocation to emerging markets. The Overseas Stock Fund generated positive absolute returns but underperformed its benchmark due to stock selection in the consumer discretionary and energy sectors. The International Growth & Income Fund produced a positive return and outperformed its benchmark due to an overweight allocation to the consumer discretionary sector and stock selection and an underweight allocation to the materials sector.

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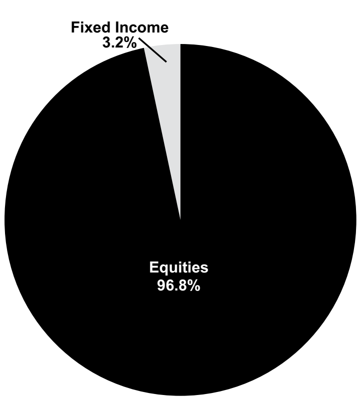

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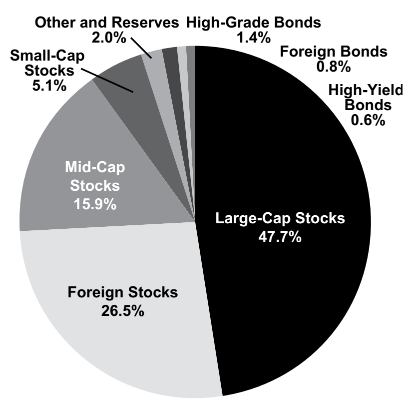

MUTUAL FUND ALLOCATION

Equity Index 500 Fund	31.4%
Blue Chip Growth Fund	13.9
Value Fund	11.0
International Growth & Income Fund	7.2
International Stock Fund	6.8
Overseas Stock Fund	6.7
Small-Cap Stock Fund	5.1
Emerging Markets Stock Fund	4.7
Mid-Cap Growth Fund	3.9
Mid-Cap Value Fund	3.8
Spectrum Income Fund	3.2
Real Assets Fund	2.3

PORTFOLIO 2024

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2024	8.1%	16.7%	6.6%
Weighted Benchmark	8.1%	15.9%	6.4%

The Portfolio 2024 had a positive return for the six and 12 months ended June 30, 2013. The Portfolio performed in line with its weighted benchmark over the six-month period and outperformed its weighted benchmark over the 12-month period, primarily due to outperformance by the Spectrum Income Fund, Blue Chip Growth Fund, and Value Fund.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which generated solid absolute returns for the six and 12 months ended June 30, 2013 but slightly lagged its benchmark due to the Fund's expenses. For the 12-month period, the Blue Chip Growth Fund and Value Fund outperformed their benchmarks and had positive returns. The Value Fund outperformed its benchmark due to stock selection in the financials and energy sectors. For the six-month period, the Blue Chip Growth Fund and Value Fund also outperformed their respective benchmarks and produced positive returns due to stock selection.

The International Stock Fund, Overseas Stock Fund, and International Growth & Income Fund generated positive absolute returns for the year but underperformed their respective benchmarks. The International Stock Fund was the primary driver of underperformance as stock selection and an overweight allocation to emerging markets detracted from relative performance. The underperformance of the Overseas Stock Fund resulted from stock selection in the energy sector and stock selection and an overweight allocation to the telecommunication services sector. The International Growth & Income Fund underperformed its benchmark due to an underweight allocation to the financials sector and stock selection within the consumer staples, energy, and information technology sectors.

Over the six-month period, the International Stock Fund detracted the most from relative performance due to stock selection and an overweight allocation to emerging markets. The Overseas Stock Fund generated positive absolute returns but underperformed its benchmark due to stock selection in the consumer discretionary and energy sectors. The International Growth & Income Fund produced a positive return and outperformed its benchmark due to an overweight allocation to the consumer discretionary sector and stock selection and an underweight allocation to the materials sector.

The Spectrum Income Fund posted a solid gain for the fiscal year ended June 30, 2013 and outperformed its benchmark due to its out-of-benchmark exposure to dividend-paying stocks and high yield bonds. Over the six-month period ended June 30, 2013, the Spectrum Income Fund had negative absolute returns but outperformed its benchmark. The outperformance resulted from out-of-benchmark allocations in dividend-paying equities and high yield bonds.

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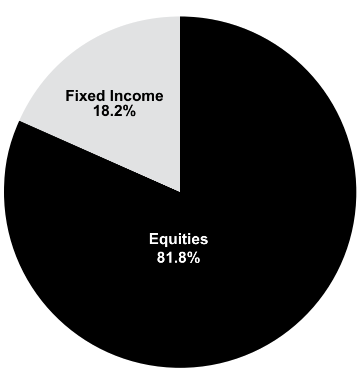

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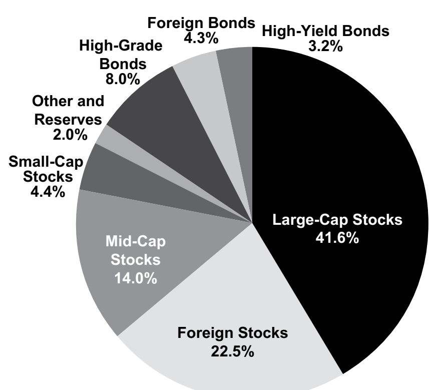

MUTUAL FUND ALLOCATION

Equity Index 500 Fund	26.5%
Spectrum Income Fund	18.2
Blue Chip Growth Fund	11.7
Value Fund	9.3
International Growth & Income Fund	6.0
International Stock Fund	5.7
Overseas Stock Fund	5.7
Small-Cap Stock Fund	4.3
Emerging Markets Stock Fund	4.1
Mid-Cap Growth Fund	3.3
Mid-Cap Value Fund	3.2
Real Assets Fund	2.0

PORTFOLIO 2021

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2021	6.4%	14.3%	5.3%
Weighted Benchmark	6.0%	12.6%	5.4%

The Portfolio 2021 had a positive return for the six and 12 months ended June 30, 2013 and outperformed its weighted benchmark over the six and 12-month periods. Outperformance for the six-month period was primarily due to the Spectrum Income Fund and Value Fund. Outperformance for the 12-month period was primarily due to the Spectrum Income Fund, Blue Chip Growth Fund, and Value Fund.

The Spectrum Income Fund posted a solid gain for the full year ended June 30, 2013 and outperformed its benchmark due to its out-of-benchmark exposure to dividend-paying stocks and high yield bonds. Over the six-month period ended June 30, 2013, the Spectrum Income Fund had negative returns but outperformed its benchmark. The outperformance resulted from out-of-benchmark allocations in dividend-paying equities and high yield bonds.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which generated solid absolute returns for the six and 12 months ended June 30, 2013. For the 12-month period, the Blue Chip Growth Fund and Value Fund outperformed their benchmarks. The Blue Chip Growth Fund outperformed its benchmark due to stock selection in the information technology and financials sectors. The Value Fund outperformed its benchmark due to stock selection in the financials and energy sectors. For the six-month period, the Blue Chip Growth Fund and Value Fund outperformed their respective benchmarks and produced positive returns.

The International Stock Fund was the primary driver of underperformance within the Portfolio's international equity holdings for both the six and 12 months ended June 30, 2013. Stock selection and an overweight allocation to emerging markets detracted in both periods.

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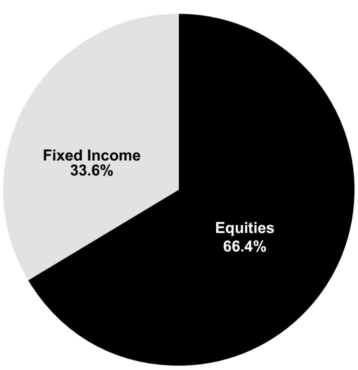

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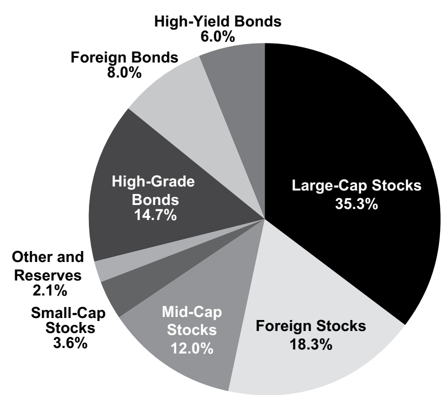

MUTUAL FUND ALLOCATION

Spectrum Income Fund	33.6%
Equity Index 500 Fund	21.5
Blue Chip Growth Fund	9.5
Value Fund	7.6
International Growth & Income Fund	4.9
International Stock Fund	4.6
Overseas Stock Fund	4.6
Small-Cap Stock Fund	3.5
Emerging Markets Stock Fund	3.3
Mid-Cap Growth Fund	2.7
Mid-Cap Value Fund	2.6
Real Assets Fund	1.6

PORTFOLIO 2018

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2018	5.2%	12.2%	5.3%
Weighted Benchmark	4.3%	9.5%	5.3%

The Portfolio 2018 had a positive return for the six and 12 months ended June 30, 2013. The Portfolio outperformed its weighted benchmark over the six and 12-month periods, primarily due to outperformance by the Spectrum Income Fund.

The Spectrum Income Fund posted a solid absolute gain for the full year ended June 30, 2013 and outperformed its benchmark due to its out-of-benchmark exposure to dividend-paying stocks and high yield bonds. Over the six-month period ended June 30, 2013, the Spectrum Income Fund had negative absolute returns but outperformed its benchmark. The outperformance resulted from out-of-benchmark allocations in dividend-paying equities and high yield bonds.

Among U.S. equity holdings, the Portfolio is primarily invested in the Equity Index 500 Fund, which generated solid absolute returns for the six and 12 months ended June 30, 2013. For the 12-month period, the Blue Chip Growth Fund and Value Fund outperformed their benchmarks and had positive returns. The Value Fund outperformed its benchmark due to stock selection in the financials and energy sectors. For the six-month period, the Blue Chip Growth Fund and Value Fund outperformed their respective benchmarks and produced positive returns.

The International Stock Fund was the primary driver of underperformance within the Portfolio's international equity holdings for both the six and 12 months ended June 30, 2013. Stock selection and an overweight allocation to emerging markets detracted in both periods.

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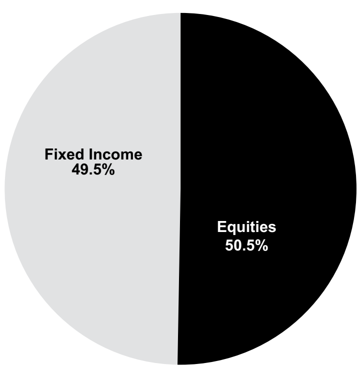

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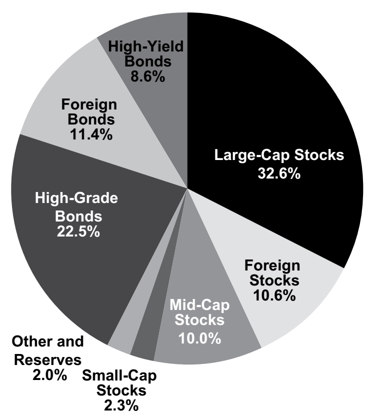

MUTUAL FUND ALLOCATION

Spectrum Income Fund	48.1%
Equity Index 500 Fund	22.3
Blue Chip Growth Fund	6.7
Value Fund	5.0
International Growth & Income Fund	2.9
International Stock Fund	2.8
Overseas Stock Fund	2.8
Small-Cap Stock Fund	2.2
Mid-Cap Growth Fund	1.8
Mid-Cap Value Fund	1.7
Emerging Markets Stock Fund	1.6
Inflation Focused Bond Fund	1.2
Real Assets Fund	0.7
Short-Term Bond Fund	0.2

PORTFOLIO 2015

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2015	3.8%	8.2%	5.3%
Weighted Benchmark	3.2%	7.0%	5.3%

The Portfolio 2015 had a positive return for the six and 12 months ended June 30, 2013. The Portfolio outperformed its weighted benchmark over the six and 12-month periods, primarily due to outperformance by the Spectrum Income Fund and Inflation Focused Bond Fund.

The Spectrum Income Fund posted a solid absolute gain for the full year ended June 30, 2013 and outperformed its benchmark due to its out-of-benchmark exposure to dividend-paying stocks and high yield bonds. Over the six-month period ended June 30, 2013, the Spectrum Income Fund had negative absolute returns but outperformed its benchmark. The outperformance resulted from out-of-benchmark allocations in dividend-paying equities and high yield bonds.

The Short-Term Bond Fund underperformed its benchmark in both the six and 12-month periods ended June 30, 2013. During the 12-month period, the Short-Term Bond Fund benefited from its overweight allocations to short-term, investment-grade corporate debt and its underweight to U.S. Treasury securities relative to its benchmark. Intermediate-term rates rose in the final six months of the period, and holdings in that range, particularly in mortgage-backed securities and investment-grade corporate bonds, hurt relative performance.

The Inflation Focused Bond Fund outperformed its benchmark for the past six and 12 months. The Fund's out-of-benchmark allocations to investment-grade corporate bonds, asset-backed securities, commercial mortgage-backed securities, and mortgage-backed securities were the primary drivers of the Fund's strong relative performance. In addition, the Fund generally maintained a shorter duration (interest rate sensitivity) than the benchmark, which benefited relative results. Holdings in financial institutions, industrial companies, and telecommunication services produced reasonable income over the last year and held up better than Treasury inflation protected securities in the six and 12-month periods ended June 30, 2013.

Among U.S. equity holdings, the Portfolio is primarily invested in the Equity Index 500 Fund, which generated solid absolute returns for the six and 12 months ended June 30, 2013.

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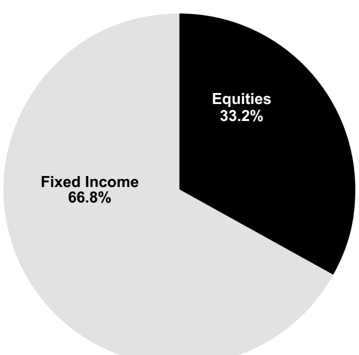

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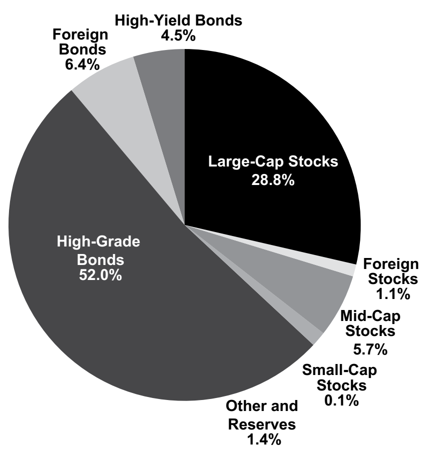

MUTUAL FUND ALLOCATION

Equity Index 500 Fund	31.7%
Spectrum Income Fund	23.4
Short-Term Bond Fund	21.8
Inflation Focused Bond Fund	21.6
Real Assets Fund	0.4
International Growth & Income Fund	0.3
Overseas Stock Fund	0.3
International Stock Fund	0.2
Mid-Cap Growth Fund	0.2
Mid-Cap Value Fund	0.1

PORTFOLIO FOR COLLEGE

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO FOR COLLEGE	1.8%	4.0%	3.3%
Weighted Benchmark	1.6%	3.7%	3.3%

The Portfolio for College posted positive returns for the six and 12 months ended June 30, 2013. The Portfolio outperformed its weighted benchmark for the six and 12-month periods, primarily due to outperformance by the Inflation Focused Bond Fund.

Over the 12-month period, the Portfolio's U.S. equity component, represented by the Equity Index 500 Fund, was the primary contributor to absolute performance as the stock market continued to rally. Over the last six months of the reporting period, equities also contributed positively to the Portfolio's absolute performance.

The Inflation Focused Bond Fund outperformed its benchmark for the past six and 12 months. The Fund's out-of-benchmark allocation to investment-grade corporate bonds, asset-backed securities, commercial mortgage-backed securities, and mortgage-backed securities were the primary drivers of the Fund's strong relative performance. In addition, the Fund generally maintained a shorter duration (interest rate sensitivity) than its benchmark, which benefited relative results. Holdings in financial institutions, industrial companies, and telecommunication services produced reasonable income over the last year and held up better than Treasury inflation protected securities in the six and 12-month periods ended June 30, 2013.

The Short-Term Bond Fund underperformed its benchmark in both the six and 12-month periods ended June 30, 2013. During the 12-month period, the Short-Term Bond Fund benefited from its overweight allocation to short-term, investment-grade corporate debt and its underweight to U.S. Treasury securities relative to its benchmark. Intermediate-term rates rose in the final six months of the period, and holdings in that range, particularly in mortgage-backed securities and investment-grade corporate bonds, hurt relative performance.

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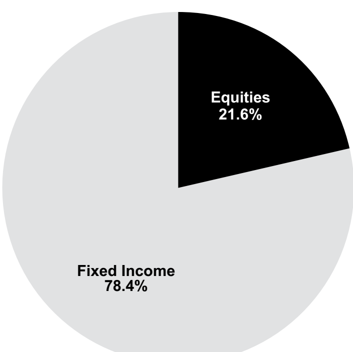

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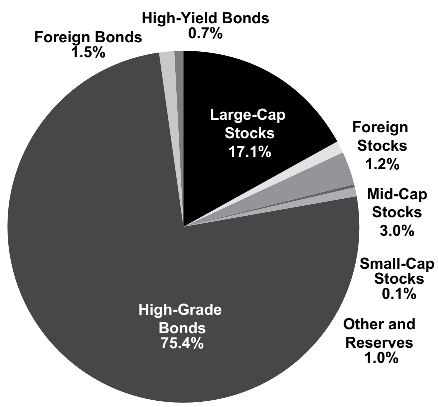


MUTUAL FUND ALLOCATION

Inflation Focused Bond Fund	40.0%
Short-Term Bond Fund	38.4
Equity Index 500 Fund	20.2
Real Assets Fund	0.5
International Growth & Income Fund	0.3
Overseas Stock Fund	0.3
International Stock Fund	0.3

EQUITY PORTFOLIO

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
EQUITY PORTFOLIO	9.9%	19.1%	5.5%
Weighted Benchmark	10.7%	19.9%	5.6%

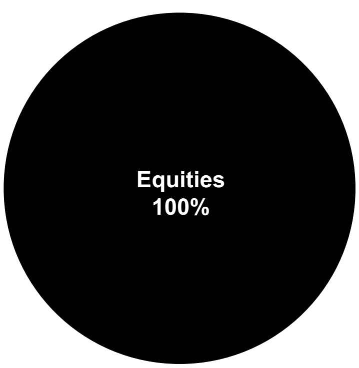
The Equity Portfolio had a positive return for the six and 12 months ended June 30, 2013. The Portfolio underperformed its weighted benchmark over the six and 12-month periods, primarily due to underperformance by international equity Funds.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which generated solid absolute returns for the six and 12 month periods, but slightly lagged its benchmark due to the Fund's expenses. For the 12-month period, the Blue Chip Growth Fund outperformed its benchmark due to stock selection in the information technology and financials sectors, while the Value Fund outperformed its benchmark due to stock selection in the financials and energy sectors. For the six-month period, the Blue Chip Growth Fund and Value Fund also outperformed their respective benchmarks and produced positive returns due to stock selection.

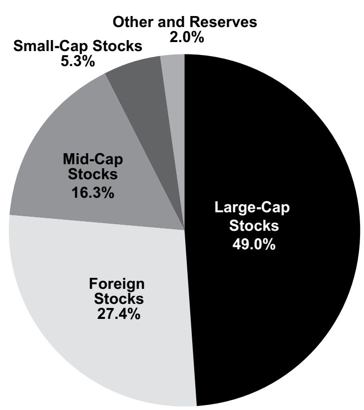
The International Stock Fund, Overseas Stock Fund, and International Growth & Income Fund generated positive absolute returns for the year but underperformed their respective benchmarks. The International Stock Fund was the primary driver of underperformance as stock selection and an overweight allocation to emerging markets detracted from relative performance. The underperformance of the Overseas Stock Fund resulted from stock selection in the energy sector and stock selection and an overweight allocation to the telecommunication services sector. The International Growth & Income Fund underperformed its benchmark due to an underweight allocation to the financials sector and stock selection within the consumer staples, energy, and information technology sectors.

Over the six-month period, the International Stock Fund detracted the most from relative performance due to stock selection and an overweight allocation to emerging markets. The Overseas Stock Fund generated positive absolute returns but underperformed its benchmark due to stock selection in the consumer discretionary and energy sectors. The International Growth & Income Fund produced a positive return and outperformed its benchmark due to an overweight allocation to the consumer discretionary sector and stock selection and an underweight allocation to the materials sector.

STYLE ALLOCATION



ASSET CLASS ALLOCATION



MUTUAL FUND ALLOCATION

Equity Index 500 Fund	32.4%
Blue Chip Growth Fund	14.3
Value Fund	11.4
International Growth & Income Fund	7.4
International Stock Fund	7.1
Overseas Stock Fund	6.9
Small-Cap Stock Fund	5.3
Emerging Markets Stock Fund	4.9
Mid-Cap Growth Fund	4.0
Mid-Cap Value Fund	3.9
Real Assets Fund	2.4

GLOBAL EQUITY MARKET INDEX PORTFOLIO

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
GLOBAL EQUITY MARKET INDEX PORTFOLIO	13.5%	20.8%	5.5%
Weighted Benchmark	13.6%	21.0%	5.8%

The Global Equity Market Index Portfolio had solid absolute returns for the six and 12 months ended June 30, 2013. The Portfolio underperformed its benchmark for the six and 12-month periods, reflecting the Portfolio's expenses. Effective January 2, 2013 the name of the Portfolio was changed from the Total Equity Market Index Portfolio to the Global Equity Market Index Portfolio to reflect the change in the underlying holdings. Beginning January 2013, the Portfolio began to gradually increase its international allocation, which will ultimately reach 30% of the Portfolio in approximately 24-months.

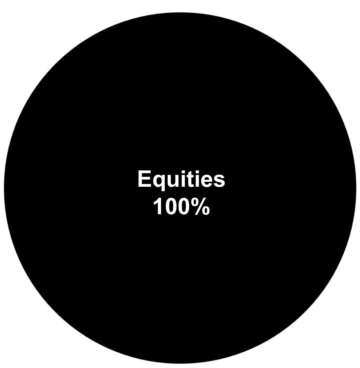
U.S. equities produced excellent returns over the last year, benefiting from the economic recovery, favorable corporate earnings, and extraordinary actions by major central banks to suppress interest rates. Mid- and small-cap stocks surpassed large-caps during the last 12 months. As measured by various Russell indexes, value stocks outperformed growth across all market capitalizations, especially among large-caps.

Stocks in developed non-U.S. markets slightly underperformed U.S. shares over the last 12 months. Despite the ongoing recession exacerbated by fiscal austerity, eurozone markets fared best. Core eurozone markets of France, Germany, and the Netherlands were among the best performers. Developed Asian markets were slightly less robust but still did very well. Japanese stocks led the region.

U.S. equities soared in the first half of 2013, lifting several major indexes to multiyear highs by the end of May. Small-cap stocks outperformed their larger counterparts in the last six months. As measured by various Russell indexes, value stocks outperformed growth among mid- and large-caps, while the opposite was true for small-caps.

Stocks in developed non-U.S. markets produced good results but significantly lagged U.S. equities during the last six months. Japanese stocks outperformed other developed markets due to the Bank of Japan's aggressive new stimulus efforts.

STYLE ALLOCATION



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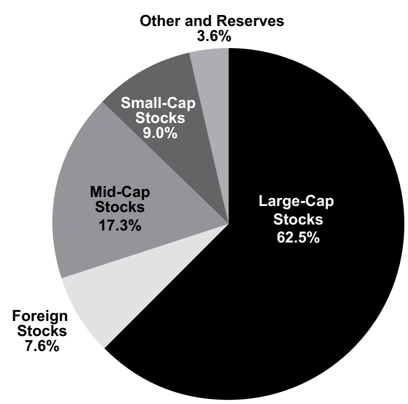


MUTUAL FUND ALLOCATION

Total Equity Market Index	92.6%
International Equity Index	7.4

BALANCED PORTFOLIO

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
BALANCED PORTFOLIO	5.5%	13.1%	6.1%
Weighted Benchmark	5.2%	11.2%	5.8%

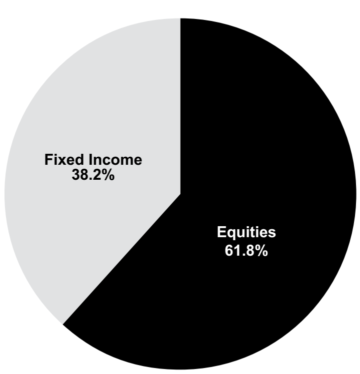
The Balanced Portfolio had a positive return for the six and 12 months ended June 30, 2013 and outperformed its weighted benchmark over the six and 12-month periods. Outperformance for the six-month period was primarily due to the Spectrum Income Fund and Value Fund, while outperformance for the 12-month period was primarily due to the Spectrum Income Fund, Blue Chip Growth Fund, and Value Fund.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which generated solid absolute returns for the six and 12 months ended June 30, 2013, but slightly lagged its benchmark due to the Fund's expenses. For the 12-month period, the Blue Chip Growth Fund outperformed its benchmark due to stock selection in the information technology and financials sectors, while the Value Fund outperformed due to stock selection in the financials and energy sectors. For the six-month period, the Blue Chip Growth Fund and Value Fund also outperformed their respective benchmarks and produced positive returns due to stock selection.

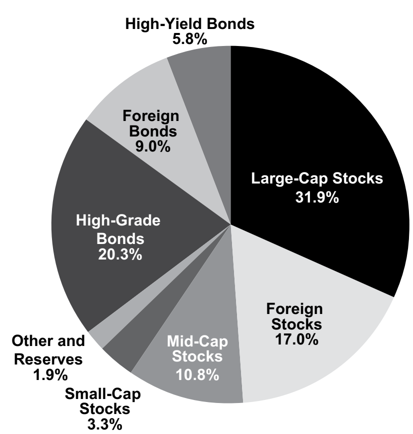
The Portfolio's fixed income holdings in the Spectrum Income Fund and New Income Fund posted mixed absolute results for the year ended June 30, 2013. The Spectrum Income Fund generated a positive return for the year, while the New Income Fund posted a negative return. The Spectrum Income Fund outperformed its benchmark over the 12-month period due to its out-of-benchmark exposure to dividend-paying stocks and high yield bonds. Over the six-month period ended June 30, 2013, the Spectrum Income Fund had negative returns but outperformed its benchmark. The outperformance resulted from out-of-benchmark allocations in dividend-paying equities and high yield bonds. While the New Income Fund posted a negative return for the 12-month period, it outperformed its benchmark, driven by the Fund's long-term underweight to Treasuries in favor of out-of-benchmark allocations to high yield/leveraged loans and emerging market corporates. Over the six-month period ended June 30, 2013, the New Income Fund had a negative return and underperformed its benchmark. An overweight in intermediate-term bonds detracted from relative performance over the period.

The International Stock Fund was the primary driver of underperformance within the Portfolio's international equity holdings for both the six and 12 months ended June 30, 2013. Stock selection and an overweight allocation to emerging markets detracted in both periods.

STYLE ALLOCATION



ASSET CLASS ALLOCATION



MUTUAL FUND ALLOCATION

Equity Index 500 Fund	20.0%
Spectrum Income Fund	19.0
New Income Fund	13.5
Blue Chip Growth Fund	8.9
Value Fund	7.0
International Growth & Income Fund	4.5
International Stock Fund	4.4
Overseas Stock Fund	4.3
Small-Cap Stock Fund	3.3
Emerging Markets Stock Fund	3.0
Mid-Cap Growth Fund	2.5
Mid-Cap Value Fund	2.4
High Yield Fund	1.9
International Bond Fund	1.9
Emerging Markets Bond Fund	1.9
Real Assets Fund	1.5

BOND AND INCOME PORTFOLIO

Performance Comparison as of June 30, 2013

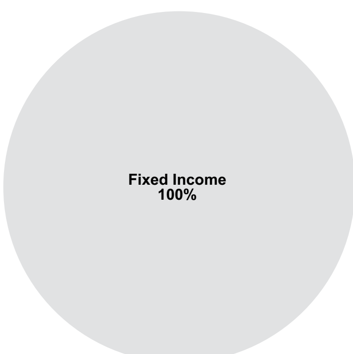
	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
BOND AND INCOME PORTFOLIO	-0.7%	4.4%	6.4%
Barclays US Aggregate Bond Index	-2.4%	-0.7%	5.1%

The Bond and Income Portfolio posted a negative return for the six months ended June 30, 2013, and a positive return for 12 months ended June 30, 2013. The Portfolio significantly outperformed its benchmark over the six and 12-month periods, primarily due to the out-of-benchmark exposure by the Spectrum Income Fund to dividend paying stocks and high yield bonds.

The Spectrum Income Fund invests in a diverse array of fixed income mutual funds, blending core investment-grade securities that are included in the benchmark with securities from diversifying sectors, such as high yield bonds, non-U.S dollar-denominated bonds, emerging markets bonds, and dividend-paying stocks.

The Spectrum Income Fund posted a solid gain for the full year ended June 30, 2013 and outperformed its benchmark due to its out-of-benchmark exposure to dividend-paying stocks and high yield bonds. Over the six-month period ended June 30, 2013, the Spectrum Income Fund had negative returns but outperformed its benchmark. The outperformance resulted from out-of-benchmark allocations in dividend-paying equities and high yield bonds.

STYLE ALLOCATION



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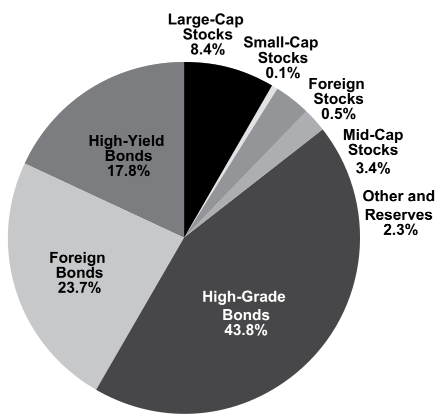


MUTUAL FUND ALLOCATION

Spectrum Income Fund	100%

INFLATION FOCUSED BOND PORTFOLIO

Performance Comparison as of June 30, 2013

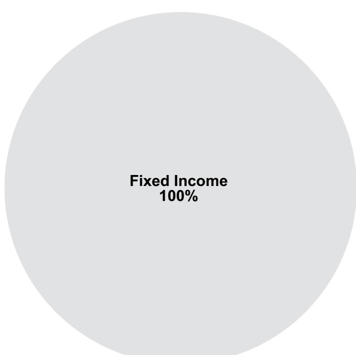
	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
INFLATION FOCUSED BOND PORTFOLIO	-1.9%	-0.8%	2.7%
Weighted Benchmark	-2.4%	-1.7%	2.8%

The Inflation Focused Bond Portfolio posted a loss for the six and 12 months ended June 30, 2013. However, the Portfolio outperformed its benchmark for the six and 12-month periods. Effective January 2, 2013 the name of the portfolio was changed from the Short-Term Bond Portfolio to the Inflation Focused Bond Portfolio to reflect the change in the underlying holding.

The Portfolio primarily invests in Treasury inflation protected securities (TIPS), and seeks to provide investors with greater inflation protection and current income than a money fund. To the extent that inflation is believed not to be an imminent threat or the cost of inflation protection is deemed to be too expensive, the strategy will diversify its holdings into income-producing securities, including short-term and high-quality U.S. investment-grade corporate bonds.

The Portfolio's outperformance for the past six and 12 months primarily resulted from its out-of-benchmark allocations to investment-grade corporate bonds, asset-backed securities, commercial mortgage-backed securities, and mortgage-backed securities. In addition, the Portfolio generally maintained a shorter duration (interest rate sensitivity) than the benchmark, which benefited relative results. Holdings in financial institutions, industrial companies, and telecommunication services produced reasonable income over the last year and held up better than TIPS in the six and 12-month periods ended June 30, 2013.

STYLE ALLOCATION



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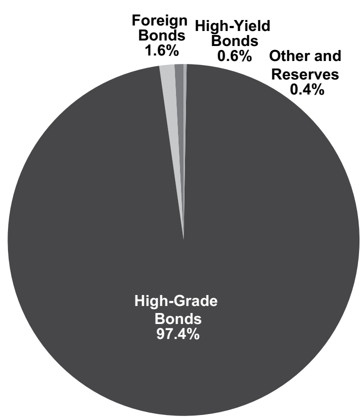


MUTUAL FUND ALLOCATION

Inflation Focused Bond Fund	100%

U.S. TREASURY MONEY MARKET PORTFOLIO

Performance Comparison as of June 30, 2013

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
U.S. TREASURY MONEY MARKET PORTFOLIO	0.0%	0.0%	0.0%
Citigroup 3 Month Treasury Bill	0.0%	0.1%	0.1%

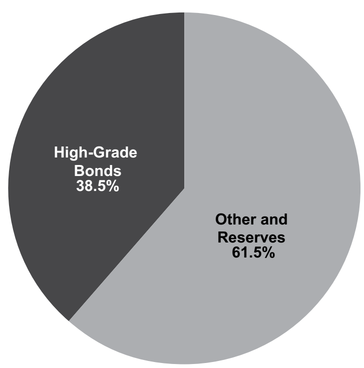
In an extremely low interest rate environment, the U.S. Treasury Money Market Portfolio posted flat results for the six and 12 months ended June 30, 2013. The Portfolio's results were in line with its benchmark, reflecting the Portfolio's expenses.

To support the U.S. Economic recovery, the Federal Reserve kept its "fed funds target rate" in the 0.00% to 0.25% range and has stated that it intends to keep short-term rates very low at least as long as the U.S. unemployment rate remains above 6.5% and inflation is projected to be no more than 2.5% in the next 12 to 24 months. As for its asset purchase plans, the Federal Reserve continued to buy $40 billion of agency mortgage-backed securities every month, which continues a plan that began in September 2012. In addition, at the beginning of 2013, the Federal Reserve started purchasing $45 billion worth of Treasury securities every month and has asserted that it will continue such purchases (although not necessarily at these current rates) until the labor market outlook improves substantially.

In and effort to maintain a zero or positive net yield for the Portfolio, T. Rowe Price voluntarily waived a portion of the Program Fee, which it is entitled to receive from the Portfolio. For the twelve-month period ended June 30, 2013, the total amount of the Program Fee waived was $48,363. A fee waiver has the effect of increasing the Portfolio's net yield. This voluntary waiver is in addition to any contractual expense ratio limitation in effect for the Portfolio and may be amended or terminated at any time without prior notice. Please see the Plan Disclosure Statement for more details.

STYLE ALLOCATION

ASSET CLASS ALLOCATION



MUTUAL FUND ALLOCATION

U.S. Treasury Money Fund	100%

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

STATEMENT OF FIDUCIARY NET POSITION

The Statement of Fiduciary Net Position presents the assets, liabilities, and net position of the College Investment Plan as of June 30, 2013. This statement, along with the College Investment Plan's Statement of Changes in Fiduciary Net Position, is prepared using the accrual basis of accounting. Under this method of accounting, revenues 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 services are provided, regardless of when cash is exchanged.

We classify assets as current and noncurrent. Current assets consist primarily of investments, which comprise in excess of 99% of current assets. Net position consists primarily of contributions to accounts and investment earnings or losses, net of distributions from accounts.

Additions to net position resulted from 24,875 new accounts, $395 million in account holder contributions to portfolios, $112 million in exchanges and transfers, and $327 million in net investment income. Deductions from net position include $175 million in distributions to account holders, $112 million in exchanges and transfers from portfolios for the fiscal year, and $14 million in rollovers to other 529 plans. This resulted in an increase in net position of $532 million for the Plan.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

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

COLLEGE INVESTMENT PLAN FEES

The College Investment Plan charges fees to Account Holders, including fees of the underlying mutual funds and a program fee. For additional information, see footnote 5 of the Notes to Financial Statements on page 52 and the Supplementary Information beginning on page 53.

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 College Investment Plan. 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.

Each portfolio is charged a program fee for administration and management of the College Investment Plan. T. Rowe Price Associates, Inc. (Program Manager) receives the program fee, which equals 0.20% per year of the assets of each investment portfolio. Payment of the program fee by a portfolio is already reflected in the portfolio's net asset value.

The College Investment Plan's aggregate program fees plus its pro-rata share of expenses from the underlying mutual funds may not exceed 0.87% of the College Investment Plan's average net assets in any year. If necessary to remain at the 0.87% limit, the Program Manager will reduce the rate of the program fee charged to each portfolio. Program fees reduced in any year will be repaid by the College Investment Plan to the Program Manager in the following years if repayment would not cause the College Investment Plan's effective expense ratio to exceed the 0.87% limit.

PORTFOLIO FINANCIAL STATEMENTS

The Statement of Net Position, the Statement of Operations and Changes in Net Position and the Financial Highlights for each portfolio are included in this Annual Report as supplementary statements. These statements contain certain information for each of the portfolios within the College Investment Plan as of June 30, 2013.

The Statement of Net Position details the investments and net position of each portfolio. This statement also contains information regarding the investments in the underlying mutual funds for each of the portfolios. Net position consists of account contributions and investment earnings and losses, net of distributions from accounts.

The Statements of Operations and Changes in Net Position report the net investment income and the realized and unrealized gains and losses for each portfolio. This statement also includes information regarding account contributions and distributions from accounts for each portfolio. An Account Holder's interest in a portfolio is represented as a number of units.

The Financial Highlights statement includes net asset value information, total return, and various ratios for each individual portfolio.

BUDGETARY CONTROL AND FINANCIAL OVERSIGHT

The College Investment Plan is administered by the College Savings Plans of Maryland. The Board, in accordance with the Enabling Legislation for the College Investment Plan, prepares and submits an annual budget to the Maryland Governor and the General Assembly for informational purposes only. In accordance with its fiduciary obligations, each quarter, the Board reviews a comparison of actual and budgeted expenses in connection with its administration of the College Savings Plans of Maryland.

Statement of Fiduciary Net Position
As of June 30, 2013
(amounts in thousands)

ASSETS	
Current assets:	
Investments, at fair value	$3,207,837
LIABILITIES	
Current liabilities:	
Other liabilities	548
NET POSITION	
Held in trust for individuals and organizations	$3,207,289

See accompanying Notes to Financial Statements.

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2013

(amounts in thousands)

ADDITIONS

Contributions:	
Account holder contributions to portfolios	$ 394,727
Exchanges and transfers	112,223
Account holder contributions	506,950
Investment Income:	
Net increase in fair value of investments	279,116
Investment income	47,718
Net investment income	326,834
Total Additions	833,784

DEDUCTIONS

Distributions:	
Payments in accordance with trust agreements	189,067
Exchanges and transfers	112,223
Account holder distributions	301,290
Net change in net position	532,494
Net position, beginning of year	2,674,795
Net position, end of year	$ 3,207,289

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

1. ORGANIZATION AND PURPOSE

The Maryland College Investment Plan (Plan) was established under the Maryland College Investment Trust (Trust) to allow investors to save for qualified higher education expenses on a tax-advantaged basis in accordance with the provisions of Section 529 of the Internal Revenue Code. The Plan is a private purpose trust fund, used to account for resources legally held in trust for individual investors. The College Savings Plans of Maryland Board (Board) serves as trustee for the Trust, and T. Rowe Price Associates, Inc. (Price Associates or Program Manager), serves as the program manager. The Plan is marketed directly to investors without sales charges and offers eight enrollment-based and six fixed-investment portfolios (individually, a Portfolio and collectively, the Portfolios). Each Portfolio invests in predetermined underlying equity, fixed income, fund-of-funds, and/or money market mutual funds (Underlying Mutual Funds) managed by Price Associates, and/or its affiliated investment advisors. Each Underlying Mutual Fund is registered with the Securities and Exchange Commission under the Investment Company Act of 1940.

The Maryland General Assembly passed House Bill 11, which created the Plan, during the 2000 legislative session. The Plan is a separate program, authorized by the Maryland Annotated Code Education Article, Section 18, Subtitle 19A (Enabling Legislation). The Board directs the Trust and it consists of 10 members, five of whom are ex-officio members. The ex-officio members are the State Comptroller, the State Treasurer, the State Secretary of Higher Education, the State Superintendent of Schools, and the Chancellor of the University System of Maryland. The five remaining members are public members appointed by the Governor.

The Enabling Legislation allows that all contributions made by an account holder to the Plan may be deducted from Maryland state income in an amount up to $2,500 for each beneficiary annually. Effective January 1, 2002, earnings on contributions are tax-free for federal and state purposes when used toward eligible qualified higher education expenses. The federal exemption was made permanent by the Pension Protection Act of 2006.

All administrative costs for the College Savings Plans of Maryland, including the Plan, are accounted for in the financial statements of the Maryland Prepaid College Trust.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying Plan financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates. The Program Manager believes that estimates and valuations of the Underlying Mutual Funds are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately received upon sale of the Underlying Mutual Funds. The financial statements of the Plan use an economic resources measurement focus and the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of cash flows.

Units

Each investor's beneficial interest in the net assets of a Portfolio is represented by units, an unlimited number of which are authorized. Contributions to, distributions from, and exchanges between Portfolios of the Plan are recorded upon receipt of participant instructions in good order, based on the next determined net asset value per unit. Participant contributions and redemptions, as disclosed in the Statement of Operations and Changes in Net Position, include new contributions made to the Plan as well as exchanges and transfers between Portfolios. For the year ended June 30, 2013, new contributions to the Plan were approximately $395 million. For all Portfolios other than the U.S. Treasury Money Market Portfolio, net investment income and net realized gains accumulate in the net asset value of the Portfolio and are not separately distributed to participants. The U.S. Treasury Money Market Portfolio declares a daily dividend of net investment income, which is automatically reinvested in the participant's account monthly.

Investment Income and Transactions

Income and capital gain distributions from the Underlying Mutual Funds are recorded on the ex-dividend date, which is the date that an investor is required to be a shareholder of record in order to receive the dividend. Investment transactions in shares of the Underlying Mutual Funds are accounted for on the trade date. Realized gains and losses are reported on the identified cost basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

The GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements*, in December 2010, effective for financial statement periods beginning after December 15, 2011. In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, and Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, effective for periods beginning after December 15, 2011 and June 15, 2012, respectively. In addition, in June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for periods beginning after December 15, 2011. The Plan has implemented the above GASB statements, and they have no material effect on the financial position of the Plan.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities, and Statement* No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, effective for periods beginning after December 15, 2012. In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2013, and 2014, respectively. In January 2013, GASB issued Statement No. 69, *Government Combination and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Guarantees*, effective for periods beginning after June 15, 2013. The Plan will implement these statements as of their effective dates. The Plan is still in the process of determining the effect of implementing these GASB statements.

3. INVESTMENTS

The Maryland College Investment Plan's Investment Policy, adopted by the Board, specifies the number of Portfolios and the general character and composition of each Portfolio. Based on these guidelines, detailed asset allocations have been developed and Underlying Mutual Funds have been selected for each Portfolio. Each Underlying Mutual Fund is valued at its closing net asset value per share on the date of valuation. Changes in unrealized gain/loss resulting from changes in the fair values of investments are recognized daily in each Portfolio's net asset value per unit and, for the fiscal year, are reflected in the Plan's accompanying State of Changes in Fiduciary Net Position.

The Plan is not restricted in its investments by legal or contractual provisions. Investments are stated at fair value. The Plan invests solely in mutual funds, which are valued at each Underlying Mutual Fund's closing net asset value per share on the date of valuation. Changes in unrealized gain/loss resulting from changes in the fair values of investments are recognized daily in each Portfolio's net asset value per unit and, for the fiscal year, are reflected in the Plan's accompanying Statement of Changes in Fiduciary Net Position.

The Plan's investments in mutual funds expose it 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 changes in equity prices, credit ratings, foreign currency exchange rates, and interest rates. The Plan's investments in mutual fund shares are not subject to classification by credit risk.

Each Underlying Mutual Fund that invests in bonds is subject to interest rate risk, which is the decline in bond prices that usually accompanies a rise in interest rates. The weighted average maturity and weighted average effective duration of the underlying net assets of applicable Underlying Mutual Funds were as follows as of June 30, 2013 (in years):

	Weighted Average Maturity	Weighted Average Duration
Domestic bond funds		
T. Rowe Price Short-Term Bond Fund	2.61	2.05
Blended asset funds		
T. Rowe Price Spectrum Income Fund	7.61	5.52

3. INVESTMENTS (CONTINUED)

On June 30, 2013, the Plan held the following aggregate investments in mutual funds (amounts in thousands):

	Aggregate Cost	Unrealized Gain/(Loss)	Aggregate Fair Value
Domestic stock funds			
T. Rowe Price Blue Chip Growth Fund	$ 139,073	$ 82,785	$ 221,858
T. Rowe Price Equity Index 500 Fund	528,226	231,576	759,802
T. Rowe Price Mid-Cap Growth Fund	42,164	20,819	62,983
T. Rowe Price Mid-Cap Value Fund	43,258	17,417	60,675
T. Rowe Price Small-Cap Stock Fund	53,756	26,653	80,409
T. Rowe Price Total Equity Market Index Fund	57,552	20,591	78,143
T. Rowe Price Value Fund	108,972	65,816	174,788
Total domestic stock funds	973,001	465,657	1,438,658
Global stock fund			
T. Rowe Price Real Assets Fund	42,473	(3,805)	38,668
International stock funds			
T. Rowe Price Emerging Markets Stock Fund	66,019	6,768	72,787
T. Rowe Price Int'l. Equity Index Fund	6,354	(130)	6,224
T. Rowe Price Int'l. Growth & Income Fund	101,143	12,952	114,095
T. Rowe Price International Stock Fund	91,390	17,516	108,906
T. Rowe Price Overseas Stock Fund	98,860	8,572	107,432
Total international stock funds	363,766	45,678	409,444
Domestic bond funds			
T. Rowe Price High Yield Fund	4,229	(103)	4,126
T. Rowe Price Inflation Focused Bond Fund	318,812	(4,889)	313,923
T. Rowe Price New Income Fund	30,218	(1,073)	29,145
T. Rowe Price Short-Term Bond Fund	252,538	63	252,601
Total domestic bond funds	605,797	(6,002)	599,795
International bond funds			
T. Rowe Price Emerging Markets Bond Fun	4,379	(354)	4,025
T. Rowe Price Int'l. Bond Fund	4,248	(212)	4,036
Total international bond funds	8,627	(566)	8,061
Blended asset fund			
T. Rowe Price Spectrum Income Fund	646,989	35,077	682,066
Money market fund			
T. Rowe Price U.S. Treasury Money Fund	31,145	0	31,145
Total investments in Mutual Funds	$ 2,671,798	$ 536,039	$3,207,837

4. TAX-EXEMPT STATUS

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

5. RELATED PARTIES

Price Associates is a wholly owned subsidiary of T. Rowe Price Group, Inc. Price Associates and its wholly owned subsidiaries provide investment management, recordkeeping and account servicing, administrative, distribution and marketing, custodial, and certain other services to the Plan. Price Associates and its wholly owned subsidiaries also serve as investment manager for each of the Underlying Mutual Funds, and certain officers and directors of Price Associates and its subsidiaries are also officers and directors of the Underlying Mutual Funds.

Each Portfolio pays an all-inclusive program fee to Price Associates, which is accrued daily and paid monthly. The program fee is 0.20% of each Portfolio's average daily net assets. At June 30, 2013, program fees payable by the Portfolios totaled $526,000.

Each Portfolio indirectly bears its pro-rata share of the fees and expenses of the Underlying Mutual Funds in which it invests (indirect expenses). The Portfolios pay no investment management fees; however, Price Associates receives asset-based management fees from the Underlying Mutual Funds in which the Portfolios invest. The costs associated with recordkeeping and related account servicing for the Portfolios are borne by each Underlying Mutual Fund in proportion to the average daily value of its shares owned by the Portfolios. During the year ended June 30, 2013, the Underlying Mutual Funds incurred $5,216,000 related to services provided to Plan accounts. The impact of Portfolio-related costs borne by the Underlying Mutual Funds is reflected in the valuations of the Underlying Mutual Funds, which, in turn, affect the net asset values of the Portfolios.

Price Associates has agreed to limit the ratio of the Plan's direct and indirect expenses to average net assets (Plan's effective expense ratio) to 0.87% per year (expense limit). For purposes of the limitation, direct expenses are the program fees charged to the Portfolios and indirect expenses reflect the weighted average expense ratios of the Underlying Mutual Funds in which the Portfolios invest. Expenses in excess of the limit are borne by Price Associates (expense waivers) in the form of reduced program fees paid by each Portfolio to Price Associates. Expense waivers are allocated to the Portfolios on the basis of relative average net assets and are subject to later repayment by the Portfolios to the extent that repayment would not cause the Plan's effective expense ratio to exceed the expense limit.The expense limit has no effect on the computation of the Program Manager Contribution. During the fiscal year ended June 30, 2013, there were no waivers or repayments of program fees pursuant to this limit and there were no amounts subject to future repayment by the Portfolios at year end.

Price Associates has further agreed to limit the direct and indirect expenses of the U.S. Treasury Money Market Portfolio (the Money Market Portfolio). Price Associates will waive all or a portion of the program fees charged to the Money Market Portfolio to the extent payment of the program fee would result in a negative return for the Money Market Portfolio. Program fees waived under this arrangement are subject to later repayment by the Money Market Portfolio to the extent that repayment would not cause a negative return. Further, when any part of the program fee is waived, the Program Manager will not include the Money Market Portfolio assets in the calculation for the Program Manager Contribution until the Program Manager has recovered the full amount of the program fee previously waived. Pursuant to this arrangement, $48,000 of the Money Market Portfolio's program fee was waived during the year ended June 30, 2013, and remains subject to future repayment. Including this amount, fees waived in the amount of $102,000 remain subject to repayment as of June 30, 2013.

Price Associates has agreed to remit a portion of the program fees earned to the Board, as trustee, to support certain administrative and marketing efforts provided by the Board to the Plan (Program Manager Contribution). Under this agreement, the Board receives an annual amount equal to the greater of: (1) $636,000 or (2) 0.04% of the average monthly net assets of the Plan (average Plan assets) when such assets are between $750 million and $1 billion and an additional 0.06% (for a total of .10%) of average Plan assets greater than $1 billion. When any part of the program fee is waived for the Money Market Portfolio, the assets of this portfolio will not be included in the calculation of the Program Manager Contribution. During the year ended June 30, 2013, the Program Manager paid the Board $2,324,000 in accordance with this agreement.

The staff of the Board supports Price Associates' management of the Plan in accordance with applicable laws and regulations, Board policy, and the Board's contract with Price Associates. Employees of the Board review and obtain Board approval of all Plan disclosure documents, review and approve all marketing initiatives in accordance with the approved marketing plan, and monitor the implementation and employee training of operational procedures.The Trust coordinates several contracts between the Board and its service providers for services to both the Trust and the Plan.

MARYLAND COLLEGE INVESTMENT PLAN As of June 30, 2013

Dollars in thousands, except net asset values per unit

Statement of Net Position	PORTFOLIO 2033 [2] Shares	PORTFOLIO 2033 [2] Value	PORTFOLIO 2030 Shares	PORTFOLIO 2030 Value	PORTFOLIO 2027 Shares	PORTFOLIO 2027 Value
Investments at Value						
T. Rowe Price Blue Chip Growth Fund	7,584	$ 388	150,874	$ 7,720	535,058	$ 27,379
T. Rowe Price Emerging Markets Bond Fund	0	0	0	0	0	0
T. Rowe Price Emerging Markets Stock Fund	4,308	133	84,778	2,623	303,295	9,384
T. Rowe Price Equity Index 500 Fund	20,260	877	402,384	17,411	1,432,571	61,987
T. Rowe Price High Yield Fund	0	0	0	0	0	0
T. Rowe Price Inflation Focused Bond Fund	0	0	0	0	0	0
T. Rowe Price International Bond Fund	0	0	0	0	0	0
T. Rowe Price International Equity Index Fund	0	0	0	0	0	0
T. Rowe Price International Growth & Income Fund	14,828	200	294,973	3,973	1,050,936	14,156
T. Rowe Price International Stock Fund	13,286	190	263,852	3,789	940,822	13,510
T. Rowe Price Mid-Cap Growth Fund	1,693	110	33,700	2,188	119,544	7,760
T. Rowe Price Mid-Cap Value Fund	3,842	105	76,417	2,083	274,577	7,485
T. Rowe Price New Income Fund	0	0	0	0	0	0
T. Rowe Price Overseas Stock Fund	21,445	188	425,720	3,730	1,522,082	13,333
T. Rowe Price Real Assets Fund	6,479	65	128,273	1,289	457,711	4,600
T. Rowe Price Short-Term Bond Fund	0	0	0	0	0	0
T. Rowe Price Small-Cap Stock Fund	3,606	142	72,278	2,846	256,472	10,100
T. Rowe Price Spectrum Income Fund	0	0	0	0	501,129	6,369
T. Rowe Price Total Equity Market Index Fund	0	0	0	0	0	0
T. Rowe Price U.S. Treasury Money Fund	0	0	0	0	0	0
T. Rowe Price Value Fund	9,917	308	197,114	6,119	700,506	21,744
Total Investments at Value		2,706		53,771		197,807
Other assets less liabilities		0		(9)		(32)
NET POSITION		**$2,706**		**$53,762**		**$197,775**
Composition of Net Position:						
Paid-in capital		$2,649		$46,678		$150,865
Retained earnings		57		7,084		46,910
Units Outstanding		246		3,665		14,009
NET ASSET VALUE PER UNIT[1]		**$10.99**		**$ 14.67**		**$ 14.12**
Investments at cost		$2,652		$47,580		$156,324

[1] The net asset value per unit (NAV) is calculated at the close of the New York Stock Exchange on each day the exchange is open for business. Each Portfolio's NAV is computed by dividing the value of its net position by the number of Portfolio units outstanding. A Portfolio's investments in the Underlying Mutual Funds are valued at each Underlying Mutual Fund's closing net asset value per share on the date of valuation.

[2] The Portfolio commenced operations on December 31, 2012 and was available for investment by the public on January 2, 2013.

PORTFOLIO 2024		PORTFOLIO 2021		PORTFOLIO 2018		PORTFOLIO 2015	
Shares	**Value**	**Shares**	**Value**	**Shares**	**Value**	**Shares**	**Value**
742,687	$ 38,003	826,986	$ 42,317	663,823	$ 33,968	0	$ 0
0	0	0	0	0	0	0	0
427,045	13,213	476,645	14,747	258,232	7,990	0	0
1,987,750	86,010	2,210,149	95,633	2,600,078	112,505	3,261,793	141,138
0	0	0	0	0	0	0	0
0	0	0	0	1,240,341	6,264	19,010,101	96,001
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1,455,112	19,600	1,619,328	21,812	1,084,050	14,602	89,172	1,201
1,300,457	18,675	1,445,357	20,755	979,438	14,065	77,075	1,107
165,967	10,773	183,595	11,917	140,472	9,118	11,114	721
381,471	10,399	426,977	11,640	321,506	8,764	23,124	630
0	0	0	0	0	0	0	0
2,101,571	18,410	2,340,120	20,499	1,587,635	13,908	134,353	1,177
630,768	6,339	698,630	7,021	343,131	3,449	181,059	1,820
0	0	0	0	217,213	1,040	20,222,183	96,864
356,481	14,038	396,372	15,610	280,079	11,030	0	0
4,640,179	58,977	11,795,899	149,926	19,148,429	243,376	8,207,547	104,318
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
972,552	30,188	1,086,238	33,717	822,207	25,521	0	0
	324,625		445,594		505,600		444,977
	(54)		(74)		(84)		(73)
	$324,571		**$445,520**		**$505,516**		**$444,904**
	$245,482		$320,827		$357,440		$314,140
	79,089		124,693		148,076		130,764
	17,581		22,299		25,171		22,252
	$ 18.46		**$ 19.98**		**$ 20.08**		**$ 19.99**
	$275,848		$355,147		$411,723		$392,240

The accompanying notes are an integral part of these financial statements.

MARYLAND COLLEGE INVESTMENT PLAN As of June 30, 2013

Dollars in thousands, except net asset values per unit

Statement of Net Position	PORTFOLIO FOR COLLEGE		EQUITY PORTFOLIO		GLOBAL EQUITY MARKET INDEX PORTFOLIO [3]	
	Shares	Value	Shares	Value	Shares	Value
Investments at Value						
T. Rowe Price Blue Chip Growth Fund	0	$ 0	1,033,528	$ 52,886	0	$ 0
T. Rowe Price Emerging Markets Bond Fund	0	0	0	0	0	0
T. Rowe Price Emerging Markets Stock Fund	0	0	586,019	18,132	0	0
T. Rowe Price Equity Index 500 Fund	1,877,294	81,231	2,766,696	119,715	0	0
T. Rowe Price High Yield Fund	0	0	0	0	0	0
T. Rowe Price Inflation Focused Bond Fund	31,934,949	161,271	0	0	0	0
T. Rowe Price International Bond Fund	0	0	0	0	0	0
T. Rowe Price International Equity Index Fund	0	0	0	0	527,409	6,224
T. Rowe Price International Growth & Income Fund	103,479	1,394	2,026,256	27,294	0	0
T. Rowe Price International Stock Fund	89,294	1,282	1,815,034	26,064	0	0
T. Rowe Price Mid-Cap Growth Fund	0	0	230,174	14,940	0	0
T. Rowe Price Mid-Cap Value Fund	0	0	523,494	14,270	0	0
T. Rowe Price New Income Fund	0	0	0	0	0	0
T. Rowe Price Overseas Stock Fund	147,899	1,295	2,927,628	25,646	0	0
T. Rowe Price Real Assets Fund	202,052	2,031	883,885	8,883	0	0
T. Rowe Price Short-Term Bond Fund	32,295,734	154,697	0	0	0	0
T. Rowe Price Small-Cap Stock Fund	0	0	496,071	19,535	0	0
T. Rowe Price Spectrum Income Fund	0	0	0	0	0	0
T. Rowe Price Total Equity Market Index Fund	0	0	0	0	4,260,803	78,143
T. Rowe Price U.S. Treasury Money Fund	0	0	0	0	0	0
T. Rowe Price Value Fund	0	0	1,354,131	42,032	0	0
Total Investments at Value		403,201		369,397		84,367
Other assets less liabilities		(67)		(61)		(14)
NET POSITION		**$403,134**		**$369,336**		**$84,353**
Composition of Net Position:						
Paid-in capital		$341,099		$233,548		$61,777
Retained earnings		62,035		135,788		22,576
Units Outstanding		25,138		18,086		5,804
NET ASSET VALUE PER UNIT [1]		**$ 16.04**		**$ 20.42**		**$ 14.53**
Investments at cost		$379,165		$261,633		$63,906

[1] The net asset value per unit (NAV) is calculated at the close of the New York Stock Exchange on each day the exchange is open for business. Each Portfolio's NAV is computed by dividing the value of its net position by the number of Portfolio units outstanding. A Portfolio's investments in the Underlying Mutual Funds are valued at each Underlying Mutual Fund's closing net asset value per share on the date of valuation.

[2] The portfolio commenced operations on December 31, 2012 and was available for investment by the public on January 2, 2013.

BALANCED PORTFOLIO		BOND AND INCOME PORTFOLIO		INFLATION FOCUSED BOND PORTFOLIO[4]		U.S. TREASURY MONEY MARKET PORTFOLIO		TOTAL	
Shares	**Value**	**Shares**	**Value**	**Shares**	**Value**	**Shares**	**Value**	**Shares**	**Value**
375,160	$ 19,197	0	$ 0	0	$ 0	0	$ 0	4,335,700	$ 221,858
314,719	4,025	0	0	0	0	0	0	314,719	4,025
212,194	6,565	0	0	0	0	0	0	2,352,516	72,787
1,000,578	43,295	0	0	0	0	0	0	17,559,553	759,802
594,524	4,126	0	0	0	0	0	0	594,524	4,126
0	0	0	0	9,977,618	50,387	0	0	62,163,009	313,923
433,042	4,036	0	0	0	0	0	0	433,042	4,036
0	0	0	0	0	0	0	0	527,409	6,224
732,208	9,863	0	0	0	0	0	0	8,470,342	114,095
659,389	9,469	0	0	0	0	0	0	7,584,004	108,906
84,055	5,456	0	0	0	0	0	0	970,314	62,983
194,380	5,299	0	0	0	0	0	0	2,225,788	60,675
3,087,356	29,145	0	0	0	0	0	0	3,087,356	29,145
1,055,467	9,246	0	0	0	0	0	0	12,263,920	107,432
315,566	3,171	0	0	0	0	0	0	3,847,554	38,668
0	0	0	0	0	0	0	0	52,735,130	252,601
180,500	7,108	0	0	0	0	0	0	2,041,859	80,409
3,243,330	41,223	6,127,226	77,877	0	0	0	0	53,663,739	682,066
0	0	0	0	0	0	0	0	4,260,803	78,143
0	0	0	0	0	0	31,145,274	31,145	31,145,274	31,145
488,380	15,159	0	0	0	0	0	0	5,631,045	174,788
	216,383		77,877		50,387		31,145		3,207,837
	(51)		(21)		(8)		0		(548)
	$216,332		**$77,856**		**$50,379**		**$31,145**		**$3,207,289**
	$139,733		$52,809		$43,867		$31,145		$2,342,059
	76,599		25,047		6,512		0		865,230
	9,894		3,446		3,886		31,145		202,622
	$ 21.86		**$ 22.59**		**$ 12.96**		**$ 1.00**		
	$171,893		$71,257		$51,285		$31,145		$2,671,798

[3] Effective January 2, 2013, the Total Equity Market Index Portfolio was renamed the Global Equity Market Index Portfolio.

[4] Effective January 2, 2013, Short-Term Bond Portfolio was renamed the Inflation Focused Bond Portfolio.

The accompanying notes are an integral part of these financial statements.

MARYLAND COLLEGE INVESTMENT PLAN For the Fiscal Year Ended June 30, 2013

Amount in thousands

Statement of Operations and Changes in Net Position	PORTFOLIO 2033 [1]	PORTFOLIO 2030	PORTFOLIO 2027	PORTFOLIO 2024	PORTFOLIO 2021	PORTFOLIO 2018
Operations						
Net investment income						
Income distributions from Underlying Mutual Funds	$ 6	$ 488	$ 2,329	$ 4,888	$ 8,328	$ 11,325
Program management fee expense	2	73	333	569	807	930
Expenses waived by program manager	0	0	0	0	0	0
Net investment income	4	415	1,996	4,319	7,521	10,395
Net realized and unrealized gain (loss)						
Net realized gain (loss)						
Sales of Underlying Mutual Fund shares	(1)	(40)	264	7,556	4,091	4,103
Capital gain distributions from Underlying Mutual Funds	0	289	1,421	2,229	2,820	2,683
Net realized gain (loss)	(1)	249	1,685	9,785	6,911	6,786
Change in unrealized gain (loss)	54	5,358	24,298	28,402	37,851	34,687
Net realized and unrealized gain (loss)	53	5,607	25,983	38,187	44,762	41,473
Increase (decrease) in net position from investments	57	6,022	27,979	42,506	52,283	51,868
Unit Transactions*						
Units issued						
Account Holder contributions	1,435	25,726	39,038	44,517	46,970	49,940
Account Holder transfers from other portfolios	1,215	2,061	3,225	4,846	7,130	10,767
Units redeemed						
Account Holder distributions	(1)	(262)	(1,564)	(3,147)	(5,050)	(6,121)
Account Holder transfers to other portfolios	0	(700)	(3,222)	(4,192)	(6,466)	(11,476)
Increase (decrease) in net position from unit transactions	2,649	26,825	37,477	42,024	42,584	43,110
NET POSITION						
Increase (decrease) during period	2,706	32,847	65,456	84,530	94,867	94,978
Beginning of period	0	20,915	132,319	240,041	350,653	410,538
End of period	**$2,706**	**$53,762**	**$197,775**	**$324,571**	**$445,520**	**$505,516**
***Unit information**						
Units outstanding, beginning of period	0	1,699	11,145	15,168	20,062	22,942
Units issued						
Account Holder contributions and transfers from other portfolios	246	2,036	3,225	2,833	2,842	3,142
Units redeemed						
Account Holder distributions and transfers to other portfolios	0	(70)	(361)	(420)	(605)	(913)
Units outstanding, end of period	246	3,665	14,009	17,581	22,299	25,171

[1] The Portfolio commenced operations on December 31, 2012 and was available for investment by the public on January 2, 2013.

[2] Effective January 2, 2013, the Total Equity Market Index Portfolio was renamed the Global Equity Market Index Portfolio.

[3] Effective January 2, 2013, Short-Term Bond Portfolio was renamed the Inflation Focused Bond Portfolio.

PORTFOLIO 2015	PORTFOLIO FOR COLLEGE	EQUITY PORTFOLIO	GLOBAL EQUITY MARKET INDEX PORTFOLIO [2]	BALANCED PORTFOLIO	BOND AND INCOME PORTFOLIO	INFLATION FOCUSED BOND PORTFOLIO [3]	U.S. TREASURY MONEY MARKET PORTFOLIO	TOTAL
$ 8,454	$ 4,505	$ 4,603	$ 1,120	$ 4,327	$ 2,697	$ 501	$ 3	$ 53,574
839	830	676	141	398	151	104	51	5,904
0	0	0	0	0	0	0	(48)	(48)
7,615	3,675	3,927	979	3,929	2,546	397	0	47,718
11,248	3,757	3,526	93	3,883	(32)	1,234	0	39,682
1,216	1,721	2,949	0	1,302	230	0	0	16,860
12,464	5,478	6,475	93	5,185	198	1,234	0	56,542
12,109	6,766	47,869	12,352	14,631	233	(2,036)	0	222,574
24,573	12,244	54,344	12,445	19,816	431	(802)	0	279,116
32,188	15,919	58,271	13,424	23,745	2,977	(405)	0	326,834
41,601	44,424	33,218	13,970	27,223	11,281	7,318	8,066	394,727
13,693	17,910	8,313	4,323	11,988	7,185	7,410	12,157	112,223
(13,380)	(98,380)	(17,011)	(3,142)	(15,058)	(7,688)	(10,529)	(7,734)	(189,067)
(14,065)	(24,421)	(18,041)	(3,092)	(11,556)	(4,374)	(6,921)	(3,697)	(112,223)
27,849	(60,467)	6,479	12,059	12,597	6,404	(2,722)	8,792	205,660
60,037	(44,548)	64,750	25,483	36,342	9,381	(3,127)	8,792	532,494
384,867	447,682	304,586	58,870	179,990	68,475	53,506	22,353	2,674,795
$444,904	**$403,134**	**$369,336**	**$84,353**	**$216,332**	**$77,856**	**$50,379**	**$31,145**	**$3,207,289**
20,822	29,004	17,769	4,895	9,311	3,164	4,094	22,353	
2,846	3,934	2,197	1,382	1,867	815	1,117	20,223	
(1,416)	(7,800)	(1,880)	(473)	(1,284)	(533)	(1,325)	(11,431)	
22,252	25,138	18,086	5,804	9,894	3,446	3,886	31,145	

The accompanying notes are an integral part of these financial statements.

MARYLAND COLLEGE INVESTMENT PLAN For the Fiscal Year Ended June 30, 2013

For a unit outstanding throughout the period

Financial Highlights	PORTFOLIO 2033 [6]	PORTFOLIO 2030	PORTFOLIO 2027	PORTFOLIO 2024	PORTFOLIO 2021	PORTFOLIO 2018
Net Asset Value [1]						
Beginning of period	$10.00	$12.31	$11.87	$15.82	$17.48	$ 17.89
Investment activities [2]						
Net investment income [3]	0.03	0.16	0.16	0.26	0.36	0.43
Net realized and unrealized gain (loss)	0.96	2.20	2.09	2.38	2.14	1.76
Total from investment activities	0.99	2.36	2.25	2.64	2.50	2.19
Net Asset Value [1]						
End of period	**$10.99**	**$14.67**	**$14.12**	**$18.46**	**$19.98**	**$20.08**
RATIOS [4]						
Total Return	**9.90%**	**19.17%**	**18.96 %**	**16.69 %**	**14.30 %**	**12.24 %**
Ratio of expenses to average net assets	0.20 % [9]	0.20 %	0.20 %	0.20 %	0.20 %	0.20 %
Ratio of net investment income to average net assets	0.58 % [9]	1.13 %	1.20 %	1.52 %	1.86 %	2.24 %
Portfolio turnover rate	5.8 %	10.3 %	12.8 %	14.3 %	14.9 %	15.7 %
SUPPLEMENTAL INFORMATION						
Weighted-average expense ratio of the Underlying Mutual Funds [5]	0.66 % [9]	0.66 %	0.66 %	0.66 %	0.67 %	0.64 %
Effective expense ratio	0.86 % [9]	0.86 %	0.86 %	0.86 %	0.87 %	0.84 %
Net assets, end of period (in millions)	$ 2.7	$ 53.8	$ 197.8	$ 324.6	$ 445.5	$505.5

[1] The net asset value per unit (NAV) is calculated at the close of the New York Stock Exchange on each day the exchange is open for business. Each Portfolio's NAV is computed by dividing the value of its net position by the number of Portfolio units outstanding. A Portfolio's investments in the Underlying Mutual Funds are valued at each Underlying Mutual Fund's closing net asset value per share on the date of valuation.

[2] Per unit amounts were calculated based on average units outstanding during the fiscal year.

[3] Recognition of the Portfolios' net investment income is affected by the timing of the dividend declarations by the Underlying Mutual Funds in which the Portfolios invest.

[4] Ratios reflect the activity of each Portfolio, and do not include the activity of the Underlying Mutual Funds in which the Portfolios invest.

[5] Reflects the indirect expense impact to the Portfolio from its investment(s) in the Underlying Mutual Funds, based on the actual expense ratio of each Underlying Mutual Fund weighted for the Portfolio's relative average investment therein.

[6] The portfolio commenced operations on December 31, 2012 and was available for investment by the public on January 2, 2013.

[7] Effective January 2, 2013, the Total Equity Market Index Portfolio was renamed the Global Equity Market Index Portfolio.

[8] Effective January 2, 2013, Short-Term Bond Portfolio was renamed the Inflation Focused Bond Portfolio.

[9] Annualized

[10] Includes the effect of voluntary management fee waivers of 0.19% of average net assets. See Note 5 to the Financial Statements for details.

PORTFOLIO 2015	PORTFOLIO FOR COLLEGE	EQUITY PORTFOLIO	GLOBAL EQUITY MARKET INDEX PORTFOLIO [7]	BALANCED PORTFOLIO	BOND AND INCOME PORTFOLIO	INFLATION FOCUSED BOND PORTFOLIO [8]	U.S. TREASURY MONEY MARKET PORTFOLIO
$18.48	$15.43	$17.14	$12.03	$19.33	$21.64	$13.07	$1.00
0.35	0.14	0.22	0.18	0.41	0.77	0.10	0 [10]
1.16	0.47	3.06	2.32	2.12	0.18	(0.21)	0
1.51	0.61	3.28	2.50	2.53	0.95	(0.11)	0
$19.99	**$16.04**	**$20.42**	**$14.53**	**$21.86**	**$22.59**	**$12.96**	**$1.00**
8.17 %	**3.95 %**	**19.14 %**	**20.78 %**	**13.09 %**	**4.39 %**	**(0.84)%**	**0.00 %** [10]
0.20 %	0.20 %	0.20 %	0.20 %	0.20 %	0.20 %	0.20 %	0.01 % [10]
1.82 %	0.89 %	1.16 %	1.38 %	1.97 %	3.37 %	0.76 %	0.00 % [10]
24.6 %	9.7 %	14.5 %	11.4 %	30.6 %	4.9 %	112.7%	14.8 %
0.48 %	0.46 %	0.66 %	0.39 %	0.67 %	0.68 %	0.52 %	0.07 % [10]
0.68 %	0.66 %	0.86 %	0.59 %	0.87 %	0.88 %	0.72 %	0.08 % [10]
$444.9	$ 403.1	$369.3	$ 84.4	$216.3	$ 77.9	$ 50.4	$ 31.1

The accompanying notes are an integral part of these financial statements.

NOTES

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