

Maryland529

FY 2023
**ANNUAL
REPORT**



Maryland Prepaid College Trust
Maryland College Investment Plan



MARYLAND STATE TREASURER
Dereck E. Davis

February 2024

Dear Marylanders,

On June 1, 2023, oversight of Maryland 529 was transferred to the State Treasurer's Office ("STO") due to reform legislation passed during the 2023 legislative session. In the 2022 Maryland 529 Annual Report, the now former Maryland 529 Board's accompanying letter indicated that it was a year of changes and challenges. As has been widely reported, those changes and challenges have continued, though I believe recent changes have been for the better.

Since taking over administration of the Maryland 529 programs, my office has instituted numerous policy and operating changes, and you may notice some differences in this year's annual report. For example, because the Maryland 529 programs are now under the State Treasurer's Office, certain reporting is no longer required, is included with STO disclosures, or will be reported on separately, as in the case of Maryland ABLE. Notably, due to policy changes and the implementation of those policies, the actuarial soundness report for the Maryland Prepaid College Trust, which was historically included with this report, is not complete and will be released at a later date.

Despite the changes, I believe that the Maryland 529 programs are in a better position now than in many recent years, and all plans are operationally and financially stable. In fact, the Maryland College Investment Plan was once again rated silver by Morningstar, Inc. in 2023; one of only 15 plans in the country to receive this designation. Maryland 529 will continue to strive for excellence in helping Marylanders save for higher education, only now with the added support of the State Treasurer's Office.

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

Sincerely,

A handwritten signature in black ink that reads "Dereck E. Davis".

Dereck E. Davis
State Treasurer

Table of Contents

MARYLAND 529 REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS	2
■ Maryland Prepaid College Trust	3
■ Maryland College Investment Plan	6
MARKET COMMENTARY	9
■ Maryland 529 Market Commentary	10
■ College Costs Review	12
FINANCIAL SECTION	13
■ Maryland Prepaid College Trust Management’s Discussion and Analysis	14
Maryland Prepaid College Trust Financial Statements	
■ Maryland College Investment Plan Management’s Discussion and Analysis	20
Maryland College Investment Plan Financial Statements	
NOTES TO FINANCIAL STATEMENTS	42
SUPPLEMENTARY INFORMATION	53
COLLEGE SAVINGS PLANS MARKETING RESULTS FY 2023	66

**Maryland 529
Report of
Independent
Public
Accountants**



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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

To the Treasurer of the State of Maryland

Opinion

We have audited the financial statements of the Maryland Senator Edward J. Kasemeyer Prepaid College Trust (the Trust) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of June 30, 2023, and the respective change in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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 sufficient evidence to express an opinion or provide any assurance.

Owings Mills, Maryland
October 27, 2023

SB & Company, LLC



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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

To the Treasurer of the State of Maryland

Opinion

We have audited the financial statements of the fiduciary activities of the Maryland Senator Edward J. Kasemeyer College Investment Plan (the Plan) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the fiduciary activities of the Plan as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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 sufficient evidence to express an opinion or provide any assurance.

Owings Mills, Maryland
October 27, 2023

SB & Company, LLC

Market Commentary

Market Commentary

Market performance has a direct effect on the overall performance of investments in the Maryland Senator Edward J. Kasemeyer College Investment Plan and the Maryland Senator Edward J. Kasemeyer Prepaid College Trust. The following is designed to provide a summary of market performance for the period ended June 30, 2023.*

RESILIENT ECONOMIC ACTIVITY OVERCOMES INFLATION WOES AND RECESSION FEARS

U.S. stocks recorded strong gains in the 12 months ended June 30, 2023, reversing the losses from the preceding year and powering many major indexes near all-time highs by the end of the period. Entering the fiscal year, global equity indexes had posted some of their steepest losses in decades, as central banks began aggressively raising interest rates in response to elevated inflation, exacerbated by heightened geopolitical uncertainty in the wake of Russia's invasion of Ukraine. Through most of the second half of 2022, investor sentiment was dampened by worse-than-expected inflation data and growing expectations that hawkish monetary policy would lead to an inevitable global recession. Despite this challenging backdrop, the global economy proved resilient and markets surged over the latter half of the period, overcoming periods of volatility and numerous headwinds en route to delivering robust returns for the fiscal year. Notable headwinds during the year included regional bank turmoil in the U.S. following the failures of Silicon Valley Bank and Signature Bank, a contentious debt ceiling debate that threatened the U.S. government's ability to borrow money and continued monetary tightening.

U.S. large-cap stocks generated strong double-digit gains and outpaced mid- and small-cap counterparts during the year, according to various Russell indices, driven in part by a late rally in names associated with generative artificial intelligence (AI), where many major players are large- and mega-cap names. Growth stocks outperformed value across all market capitalizations, in part because of the aforementioned interest in AI, as well as fading recession fears and growing optimism that the Federal Reserve rate hiking cycle was nearing its peak. Sector performance was mostly positive but widely mixed across the S&P 500 Index. Information technology led all sectors by a wide margin, followed by significant gains in industrials and business services and consumer discretionary. On the other hand, the utilities and real estate sectors were notable laggards with modest losses. These sectors were particularly hindered by a rising interest rate environment.

Outside the U.S., stocks in developed markets also posted healthy gains and kept pace with domestic markets. The

MSCI EAFE Index—which measures the performance of stocks in Europe, Australasia, and the Far East—advanced by 19.41%. European equities delivered solid gains despite continued high inflation and monetary tightening by central banks, as well as Russia's escalation of its war in Ukraine. The region also experienced volatility after the events in the U.S. banking sector as well as the takeover of Credit Suisse by UBS in a government-brokered deal. Among developed markets, Japanese shares were noteworthy leaders. Japan reopened its borders in October, boosting the country's economic growth prospects. In 2023, the country's economy proved resilient, and the central bank's accommodative monetary policy and weaker yen helped Japan's export-oriented businesses. Within developing markets, stocks in Latin America were particular beneficiaries of optimism surrounding the potential for renewed economic activity in China as the country eased pandemic related restrictions. Many Latin American economies depend greatly on commodity exports, which would be lifted by renewed demand from China, the world's second largest economy. However, despite relaxed restrictions and some stimulus in China, economic activity in the country disappointed through the first half of the 2023, and markets in emerging Asia were weighed down as a result.

U.S BONDS MIXED AMID TIGHT MONETARY POLICY

U.S. investment-grade bonds declined against a backdrop of rising rates, particularly early in the fiscal year as a hawkish Fed dampened hopes for a quick end to the current tightening cycle. The Bloomberg U.S. Aggregate Bond Index, which measures the performance of taxable U.S. investment-grade bonds, posted a modest loss of 0.94%. The Fed broadly maintained its hawkish stance over the remainder of the period, as the central bank raised rates eight times – bringing the federal funds target rate range to 5.00% to 5.25%. After the fiscal year ended, the Fed enacted a further rate increase on July 26, 2023, bringing the new range to 5.25% to 5.50%. However, yields fluctuated over the latter half of the period amid growing evidence of slowing inflation, banking sector stress, and worries over a potential U.S. default, which later eased given a last-minute U.S. debt deal.

Treasuries declined on an absolute basis, lagging other investment-grade issues. Higher-quality corporate debt generated modest positive returns for the year, helped by resilient corporate earnings and an improving economic outlook. Lower-rated high yield bonds, on the other hand, delivered significant gains, helped by their lower sensitivity to rising rates and improved risk appetite during the risk-on rally through much of the latter half of the fiscal year.

Overseas, bonds in developed markets generated losses and lagged domestic debt, driven primarily by losses during the first half of the fiscal year. While the European Central Bank (ECB) pivoted away from its accommodative stance more slowly than the Fed, it ultimately did shift toward tightening monetary policy in response to persistent elevated inflation. After more than 11 years without an interest rate increase, the ECB raised its key policy rate 8 times during the fiscal year, as well as a further rate increase on August 2, 2023. As a result, the ECB deposit rate increased from -0.50% to 3.75%, inclusive of the final rate increase in August. The Bank of Japan (BoJ), conversely, continued to be a notable holdout from the broader hawkish turn, keeping rates near zero and maintaining a supportive bond-purchasing program throughout the period. There was some uncertainty over the central bank's path forward on monetary policy following

the retirement of long-time BoJ Governor Haruhiko Kuroda in April 2023. His successor, Kazuo Ueda, has indicated a willingness to review monetary policy in response to challenges in achieving price stability targets, but no rate changes materialized during the fiscal year.

Emerging markets bonds fared well over the period, outpacing developed international and domestic debt. Many central banks in emerging markets enacted aggressive monetary tightening earlier than major central banks, leaving some economies better positioned with respect to inflation. Regional economies were also bolstered by elevated demand for commodities amid persistent supply chain disruption worsened by Russia's war in Ukraine, as well as optimism surrounding economic activity and stimulus in China following the relaxation of COVID restrictions.

* This discussion is provided by T. Rowe Price and is not a comprehensive discussion of all stock and bond market performance. It is also not a comprehensive discussion of risks associated with the Maryland Senator Edward J. Kasemeyer College Investment Plan and the Maryland Senator Edward J. Kasemeyer Prepaid College Trust. For more detailed discussion of these risks, see the Plans' Disclosure Statements.



College Costs Review*

Published tuition and fees declined modestly on an inflation-adjusted basis in the 2022–2023 academic year, marking the second consecutive year of declines that have bucked the long-term upward trend. Many institutions tempered tuition increases amid waning enrollment in the wake of the pandemic and this restraint, coupled with elevated inflation, has driven the recent decline. In fact, for the decade between the 2012–2013 and 2022–2023 academic year periods, published in-state tuition and fees at public four-year institutions decreased by 1% in inflation-adjusted dollars, compared with a 37% increase between 1992–1993 and 2002–2003 and a 65% increase between 2002–2003 and 2012–2013.

While the impact of annual cost increases has moderated in recent years, college costs continue to represent a significant financial commitment for most families. Below are the latest data from the College Board on average higher education costs for 2022–2023 (see also the accompanying table):

- The average total cost of a four-year public university for in-state students rose by about 2.4%, before adjusting for inflation, from the previous academic year to \$23,250.
- The average total cost of a four-year private college rose by about 3.4%, before adjusting for inflation, from the previous academic year to \$53,430.

Note that the “average total cost” includes tuition, fees, and room and board. It does not include expenses such as books, supplies, and transportation, which can add several thousand dollars to annual college costs.

Consistent and disciplined saving over time can help make college more affordable and reduce the chances of having sizable student loan debt after graduation. It also allows families to take advantage of further potential slowing in annual college cost increases

THE STATE OF FINANCIAL AID

While education borrowing has declined in recent years, paying for college remains a large financial burden for most families, and student loans remain a significant source of funding. In the 2020–2021 academic year, 54% of bachelor’s degree recipients from public and private nonprofit four-year colleges and universities graduated with some amount of debt, with borrowers having an average outstanding debt of \$29,100.

In the 2021–2022 academic year, grant aid made up 65% of the total funds used by undergraduate students and their families to supplement their own resources to cover education expenses, up significantly from 49% in 2011–2012. Over the same period, the proportion of total funds from federal loans declined from 38% to 25%. While the overall trend suggests a diminishing reliance on debt to finance education, the average debt per borrower has remained relatively stable over the past decade, reflecting the rising cost of education. Long-term financial preparation can diminish reliance on student loans for families, and 529 plans are an important option in such preparation.

Published Tuition, Fees, and Room and Board Charges – National Average

	Four-Year Private College	Four-Year Public College (In State)
2022–2023 Academic Year	\$53,430	\$23,250
Change from the previous Academic Year	3.4%	2.4%
Percentage increase between 2012–2013 and 2022–2023 after adjusting for inflation.	6%	2%

* Source: Trends in College Pricing and Student Aid 2022, published by the College Board.

Financial Section

Management's Discussion and Analysis



This discussion and analysis of the Maryland Senator Edward J. Kasemeyer Prepaid College Trust (the Trust) financial performance provides an overview of the Trust's financial activities for the year ended June 30, 2023. Please read it in conjunction with the Trust's basic financial statements, which begin on page 15.

The 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.

FINANCIAL HIGHLIGHTS

- Effective June 1, 2023, as a result of Chapter 113 of the 2023 Laws of Maryland, the Trust is no longer accepting new enrollments.
- The Trust reported a net position of \$429 million and \$368 million as of June 30, 2023 and 2022, respectively.
- The Trust's net position increased by \$61 million in fiscal year 2023 and decreased by \$170 million in fiscal year 2022. Increases or decreases for fiscal year net position are primarily the result of market conditions.
- The Trust's additions to net position in fiscal year 2023 was \$32 million versus additions to fiduciary net position in fiscal year 2022 of \$42 million.
- The Trust's deductions from net position in fiscal year 2023 and 2022 was \$52 million and \$79 million, respectively, and primarily made up of distributions to account holders.

Enrollment and other fees, as well as administrative expenses of Maryland 529, 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 the administrative expenses of Maryland 529:

1. A portion 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. Earnings calculations for Fiscal Year 2023 were 5 basis points (.05%) on all College Investment Plan assets with a guaranteed minimum annual payment of \$2 million for the remaining life of the services agreement with the program manager.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, liabilities, and net position of the Trust as of June 30, 2023. This statement, along with the Trust's Statement of Changes in 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.

STATEMENT OF CHANGE IN NET POSITION

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 42–51 of this report.

CONDENSED FINANCIAL INFORMATION

The following condensed financial information as of June 30, 2023 and 2022 was derived from the financial statements for the years then ended:

Condensed Financial Information (in millions)		
	As of June 30, 2023	As of June 30, 2022
ASSETS		
Current	\$1,208	\$1,180
Noncurrent	85	86
Total	1,293	1,266
LIABILITIES		
Current	156	118
Noncurrent	708	780
Total	864	898
Net Position	\$429	\$368

The fiscal year 2023 increase in assets of \$28 million is due mainly to favorable market conditions. The fiscal year 2023 decrease in liabilities of \$33 million was due mainly to payments made on tuition contracts in fiscal year 2023 and the decrease in new participants.

The following condensed financial information for the year ended June 30, 2023 and 2022 was derived from the changes in net position for the years then ended:

Condensed Financial Information (in millions)		
	June 30, 2023	June 30, 2022
OPERATING REVENUES		
Tuition Contracts	\$27	37
Administrative Fees	5	5
Total	32	42
OPERATING EXPENSES		
Tuition Benefits	15	74
Administrative Expenses	5	5
Total	20	79
OPERATING INCOME (LOSS)	12	(37)
NON-OPERATING REVENUES		
Change in fair value of investments	25	(155)
Investment Income	24	22
Total	49	(133)
Change in Net Position	\$61	\$(170)

The total additions decrease of \$10 million is primarily the result of the Trust no longer accepting new participants as of June 1, 2023 and thus less new enrollees from fiscal year 2022. The increase in non-operating revenues of \$213 million is primarily the result of positive market conditions in fiscal year 2023.

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 Maryland 529 by category is also presented.

The following chart presents the condensed Statements of Cash Flows for the enterprise activities for the fiscal years ended June 30, 2023 and 2022:

Condensed Statements of Cash Flows (in millions)		
	June 30, 2023	June 30, 2022
CASH PROVIDED (USED) BY:		
Operating Activities	\$(23)	\$1
Financing Activities	18	2
Net Change in Cash and Cash Equivalents	(5)	3
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22	19
CASH AND CASH EQUIVALENTS, END OF YEAR	\$17	\$22

Maryland Prepaid College Trust Statement of Net Position as of June 30, 2023 (in thousands)	
ASSETS	
Current assets:	
Cash and cash equivalents	\$17,004
Investments, at fair value	1,145,285
Tuition contracts receivable, net	26,843
Interest receivable	883
Accounts receivable	18,175
Total current assets	1,208,190
Noncurrent assets:	
Other assets	28
Tuition contracts receivable, net of current portion	85,519
Total noncurrent assets	85,547
Total assets	1,293,737
LIABILITIES	
Current liabilities:	
Accrued tuition benefits	149,787
Advance tuition contract payments	5,826
Accounts payable and accrued expenses	588
Compensated absences	193
Total current liabilities	156,394
Noncurrent liabilities:	
Accrued tuition benefits, net of current portion	708,362
Total liabilities	864,756
NET POSITION	
Unrestricted	428,981
Total net position	\$428,981

See accompanying notes to financial statements.

Maryland Prepaid College Trust Statement of Change Net Position Year Ended June 30, 2023 (in thousands)

Maryland Prepaid College Trust

OPERATING REVENUES	
Tuition contracts	\$27,283
Management fee	726
Maryland College Investment Plan fees	4,023
Enrollment and other fees	324
Total operating revenues	32,356
OPERATING EXPENSES	
Tuition benefits	14,770
Salaries, wages and benefits	1,351
Technical and special fees	40
Communication	73
Travel	13
Marketing	422
Contractual services	3,475
Fixed charges	184
Total operating expenses*	20,328
Operating profit (loss)	12,028
NON-OPERATING REVENUES	
Net increase in the fair value of investments	24,599
Investment income	24,121
Total non-operating revenues, net	48,720
Change in net position	60,748
Total net position, beginning of year	368,233
Total net position, end of year	\$428,981

* Operating expenses totaling \$3,334.04 for equipment and -\$2,434.42 for supplies and materials are considered immaterial in the calculation of total net position, but are required to be reported by the State of Maryland.

See accompanying notes to financial statements.

**Maryland Prepaid College Trust Statement of Cash Flows For the Fiscal Year Ended
June 30, 2023 (in thousands)**

Maryland Prepaid College Trust

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from:	
Account holders	\$25,950
Maryland College Investment Plan fees	4,023
Payments to:	
Employees	(1,252)
Vendors	(5,179)
Universities and account holders	(46,299)
Net cash from operating activities	(22,757)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	24,121
Proceeds from investments	364,175
Sale of investments	(370,137)
Net cash from investing activities	18,159
Net decrease in cash and cash equivalents	(4,598)
Cash and cash equivalents, beginning of year	21,602
Cash and cash equivalents, end of year	\$17,004
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES	
Operating loss	\$12,028
EFFECT FROM CHANGE IN NON-CASH OPERATING ASSETS AND LIABILITIES	
Accounts payable	(972)
Compensated absences	99
Accounts receivable	(3,467)
Tuition contracts receivable	(354)
Advance contract payments	1,438
Accrued tuition benefits payable	(31,529)
Net cash from operating activities	\$(22,757)
NON-CASH TRANSACTIONS	
Unrealized gain on investments	\$24,599

See accompanying notes to financial statements.

Maryland Prepaid College Trust Statement of Income Fiscal Year 2023

	Income (Int. / Div. / CG Dist.)
TOTAL FIXED INCOME COMPOSITE	19,678,143
Vanguard Total Bond Market (VBMPX)	3,156,785
IR&M Aggregate	2,685,070
Vanguard Short-Term Treasury Index	2,682,946
MacKay Shields High Yield	—
RiverPark Short Term High Yield Fund (RPHIX)	1,568,806
Payden & Rygel Emerging Debt (PYEIX)	3,731,445
Nuveen (Symphony) – Baycity	4,030,772
H.I.G. Whitehorse Offshore Feeder Fund	822,318
Perceptive Credit Opportunities Offshore Fund IV	—
U.S. EQUITY COMPOSITE	3,618,271
Vanguard S&P 500 Index (VINIX)	1,186,583
Martingale Low Volatility	923,452
Vanguard Mid-Cap Core (VMCIX)	304,142
Kayne Anderson Small-Cap Core	532,923
American Century Small-Cap Value (ACVIX)	671,172
NON-U.S. COMPOSITE	4,691,863
Vanguard Developed Markets (VTMNX)	1,341,156
Mondrian International Equity (MPIEX)	1,013,085
Baillie Gifford Developed EAFE All Cap (BGPTX)	308,493
T. Rowe Price International Small Cap (TIDDX)	1,058,695
Aberdeen Emerging Markets	970,435
REAL ASSETS COMPOSITE	5,851,005
US Core Real Estate	4,835,655
AEW Core Property	2,331,887
UBS Trumbull Property Fund	2,503,767
Global Infrastructure	1,015,350
IFM Global Infrastructure (Offshore) Fund	720,670
JP Morgan IIF Infrastructure Fund	294,679
PRIVATE CAPITAL COMPOSITE	925,120
Private Equity	925,120
Adams Street Global Secondary V	725,152
HarbourVest 2021 Global Feeder Fund	24,435
JPMorgan PEG Global Private Equity VII L.P.	140,346
Siguler Guff Small Buyout Opportunities Fund V, L.P.	35,187
CASH COMPOSITE	430,420
Total	35,194,822

CONTACTING THE TRUST'S FINANCIAL MANAGEMENT

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

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

Management’s Discussion and Analysis

This 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, 2023. This discussion was prepared by T. Rowe Price for Maryland 529 and should be read in conjunction with the Maryland Senator Edward J. Kasemeyer College Investment Plan’s financial statements and notes, which begin on page 42. Inquiries may be directed to the College Investment Plan at **Maryland529.com** 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, 2023, have been audited by SB & Company.

COLLEGE INVESTMENT PLAN FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

The College Investment Plan financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

Portfolio financial statements are presented as Supplementary Information beginning on page 53.

GENERAL COMMENTARY

To assist in reviewing the performance of the Portfolios, T. Rowe Price has established a weighted benchmark (or identified an index as a benchmark) for each Portfolio. A weighted benchmark, which varies by Portfolio, is an unmanaged composite of multiple indexes representing the underlying asset classes in which the Portfolio invests. The underlying index for each weighted benchmark is selected as an appropriate representation of one of the overall asset classes and investment styles associated with the underlying T. Rowe Price mutual Funds in which the Portfolio invests. The index is then weighted within the benchmark based on the allocation to the asset class and investment style within the Portfolio.

Additionally, T. Rowe Price may overweight or underweight certain Funds and asset classes relative to their Neutral Allocations for certain Portfolios. These tactical asset allocation decisions have generally been strategically incorporated to potentially add long-term performance benefits or in an effort to limit Portfolio volatility.

Neutral Allocations of enrollment-based Portfolios (except Portfolio for Education Today) shift each quarter to more conservative allocations through increased exposure to bond Funds and decreased exposure to stock Funds.

The following table sets forth the relevant dates for all Portfolios. Portfolios are not always open to new investors as of their inception date.

FINANCIAL HIGHLIGHTS BY PORTFOLIO

PORTFOLIO NAME	PORTFOLIO INCEPTION DATE
Portfolio 2042	May 26, 2021
Portfolio 2039	May 31, 2018
Portfolio 2036	November 30, 2015
Portfolio 2033	December 31, 2012
Portfolio 2030	December 31, 2009
Portfolio 2027	June 30, 2006
Portfolio 2024	October 31, 2003
Portfolio for Education Today	November 26, 2001
Equity Index 500 Portfolio	March 29, 2018
Equity Portfolio	November 26, 2001
Extended Equity Market Index Portfolio	March 29, 2018
Global Equity Market Index Portfolio	June 30, 2006

PORTFOLIO NAME	PORTFOLIO INCEPTION DATE
Social Index Equity Portfolio	March 22, 2022
Balanced Portfolio	November 26, 2001
Bond and Income Portfolio	November 26, 2001
Inflation Focused Bond Portfolio	October 31, 2003
U.S. Bond Index Portfolio	March 29, 2018
U.S. Treasury Money Market Portfolio	December 31, 2009

Further information about the performance of the underlying T. Rowe Price mutual Funds, including a thorough review of market conditions and the impact of the Portfolio manager's investment strategies on performance, can be found in their annual and semiannual shareholder reports. Copies of the Funds' shareholder reports can be obtained through troweprice.com or by calling 1.800.638.5660. For consistency, performance numbers on pages 22–39 have been rounded to the nearest 100th of a percent.

DEFINITIONS OF THE BENCHMARKS CITED IN THE REPORT

- **Bloomberg 1–3 Year Government/Credit Index**—tracks the total return of Treasury bonds, agency securities, U.S. corporate bonds, and some foreign debentures and secured notes, with maturities of one to three years.
- **Bloomberg 1–5 Year U.S. Treasury TIPS Index**—tracks the performance of inflation protected public obligations of the U.S. Treasury with maturities of 1 to 5 years.
- **Bloomberg U.S. Aggregate Bond Index**—tracks the performance of investment-grade corporate and government bonds.
- **Credit Suisse High Yield Index**—tracks the performance of U.S. dollar-denominated noninvestment-grade corporate bonds.
- **FTSE 3-Month Treasury Bill Index**—tracks the performance of 3-month U.S. Treasury Bills.
- **IBF Custom Blended Benchmark**—tracks an international basket of government, corporate, agency, and mortgage-related bonds.
- **J.P. Morgan Emerging Markets Bond Index Global**—tracks U.S. dollar-denominated government bonds in emerging markets countries.
- **MSCI EAFE (Europe, Australasia, and Far East) Index**—tracks the performance of large- and mid-cap international developed market stocks (excludes U.S.A. and Canada). **Index returns noted “net” are shown with reinvestment of dividends after the deduction of withholding taxes.**
- **MSCI Emerging Markets Index net**—measures large -and mid-cap equity market performance of emerging countries. **Index returns shown with reinvestment of dividends after the maximum deduction of withholding taxes.**
- **Real Assets Combined Index Portfolio**—tracks a blend of global natural resources, real estate, metals and mining, and precious metals stocks.
- **Russell 1000 Growth Index**—tracks the performance of large-cap U.S. stocks with higher price-to-book ratios and higher forecast growth values. **Index returns shown with gross dividends reinvested.**
- **Russell 1000 Value Index**—tracks the performance of large-cap U.S. stocks with lower price-to-book ratios and lower forecast growth values. **Index returns shown with gross dividends reinvested.**
- **Russell Midcap Growth Index**—tracks the performance of mid-cap U.S. stocks with higher price-to-book ratios and higher forecast growth values. **Index returns shown with gross dividends reinvested.**
- **Russell Midcap Value Index**—tracks the performance of mid-cap U.S. stocks with lower price-to-book ratios and lower forecast growth values. **Index returns shown with gross dividends reinvested.**
- **Russell Select Midcap Index**—tracks the performance of mid-cap U.S. stocks by including all stocks in the Russell 1000 Index except those also represented in the S&P 500 Index.
- **Russell 2000 Index**—tracks the performance of the small-cap segment of the U.S. equity universe. **Index returns shown with gross dividends reinvested.**
- **S&P 500 Index**—tracks the performance of the U.S. large cap equity market (generally 500 stocks of leading companies). **Index returns shown with gross dividends reinvested.**

PORTFOLIO FOR EDUCATION TODAY

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Portfolio for Education Today¹	3.36%	2.44%	3.22%
Weighted Benchmark²	3.51%	3.41%	3.35%

The Portfolio for Education Today underperformed its weighted benchmark for the 12 months ended June 30, 2023.

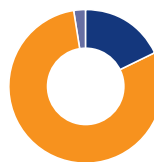
The Portfolio seeks to generate growth while minimizing the risk of principal loss through a combination of diversification and conservative fixed income investments. The Portfolio primarily invests in a diversified blend of fixed income securities, which accounted for a little more than 80% of assets at period-end. The remaining allocation is in a diversified blend of domestic and international equity stocks.

Security selection within the underlying Funds detracted from relative performance, largely due to underperformance of the U.S. Limited Duration TIPS Index Fund—I Class relative to its benchmark. However, the underlying Funds that invest in short-term bonds and U.S. mid-cap value stocks outpaced their respective benchmarks, which modestly contributed to returns for the period.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes detracted from relative performance. In a market environment where stocks were the highest-performing asset class, an overweight allocation to cash weighed on results.

The inclusion of real assets equities—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



18.0% Stocks
79.7% Bonds
2.3% Money Market

6/30/23



19.4% Stocks
77.4% Bonds
3.2% Money Market

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Value Fund—I Class	3.5%	3.3%
Blue Chip Growth Fund—I Class	3.1%	3.3%
Equity Index 500 Fund—I Class	2.0%	2.0%
Overseas Stock Fund—I Class	1.4%	1.7%
International Value Equity Fund—I Class	1.4%	1.4%
International Stock Fund—I Class	1.3%	1.4%
Small-Cap Stock Fund—I Class	1.2%	1.3%
Real Assets Fund—I Class	0.8%	1.0%
Mid-Cap Growth Fund—I Class	0.7%	0.8%
Mid-Cap Value Fund—I Class	0.6%	0.7%
U.S. Equity Research Fund—I Class	0.6%	0.7%
U.S. Large-Cap Core Fund—I Class	0.4%	0.7%
Emerging Markets Discovery Stock Fund—I Class	0.6%	0.6%
Emerging Markets Stock Fund—I Class	0.4%	0.5%
BONDS		
U.S. Limited Duration TIPS Index Fund—I Class	40.8%	39.1%
Short-Term Bond Fund—I Class	38.9%	38.3%
MONEY MARKET		
U.S. Treasury Money Fund—I Class	2.3%	3.2%

Diversification cannot assure a profit or protect against loss in a declining market.

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—3.19%; Russell 1000 Growth Index—3.72%; Russell 1000 Value Index—3.72%; Russell Midcap Growth Index—0.67%; Russell Midcap Value Index—0.67%; Russell 2000 Index—1.33%; MSCI EAFE (Europe, Australasia, and Far East) Index net—4.85%; MSCI Emerging Markets Index net—0.86%; Bloomberg 1–3 Year Government/Credit Index—40.00%; Bloomberg U.S. 1–5 Year Treasury TIPS Index—40.00%; and Real Assets Broad Weighted Benchmark—1.00%. Benchmark performance commenced on November 30, 2001.

³ Percentages may not total 100% due to rounding.

PORTFOLIO 2024

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Portfolio 2024¹	4.43%	4.25%	6.59%
Weighted Benchmark²	4.46%	4.39%	6.34%

Portfolio 2024 slightly underperformed its weighted benchmark for the 12 months ended June 30, 2023.

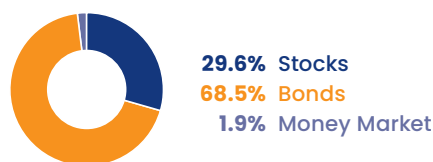
The Portfolio's focus is capital preservation and current income with some exposure to stocks. About three-quarters of the Portfolio was invested in fixed income funds at the end of the reporting period. These include the Short-Term Bond Fund—I Class, a shorter-duration U.S. investment-grade bond fund; the U.S. Limited Duration TIPS Index Fund—I Class, which invests in a diversified portfolio of short- and intermediate-term investment-grade inflation-linked securities, including Treasury Inflation Protected Securities, as well as corporate, government, mortgage-backed and asset-backed securities; and the Spectrum Income Fund—I Class, which invests in a diversified group of underlying domestic bond funds, foreign bond funds, a money market fund, and an income-oriented stock fund. The remainder of the Portfolio's assets are held in a diversified selection of U.S. and international stocks.

Security selection within the underlying Funds benefited relative performance, driven by outperformance of the Spectrum Income Fund—I Class. The Portfolio's underlying Funds that invest in short-term bonds and U.S. mid-cap value stocks also outpaced their respective benchmarks, which lifted relative returns. However, the underlying Funds that invest in U.S. large-cap value and international developed growth stocks trailed their respective benchmarks, which weighed on results.

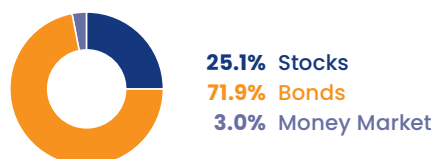
Tactical decisions to overweight and underweight asset classes and/or sub-asset classes had a relatively muted impact on performance. An overweight allocation to emerging markets equities relative to developed equities detracted but was largely offset by underweight positioning to the Portfolio's bond holdings.

The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



6/30/23



UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Value Fund—I Class	5.7%	4.3%
Blue Chip Growth Fund—I Class	5.0%	4.1%
Equity Index 500 Fund—I Class	3.4%	2.5%
Overseas Stock Fund—I Class	2.3%	2.1%
International Value Equity Fund—I Class	2.4%	1.8%
International Stock Fund—I Class	2.1%	1.8%
Small-Cap Stock Fund—I Class	1.9%	1.7%
Real Assets Fund—I Class	1.3%	1.2%
Mid-Cap Growth Fund—I Class	1.1%	1.1%
U.S. Equity Research Fund—I Class	1.0%	1.0%
U.S. Large-Cap Core Fund—I Class	0.6%	1.0%
Mid-Cap Value Fund—I Class	1.1%	0.9%
Emerging Markets Discovery Stock Fund—I Class	0.9%	0.9%
Emerging Markets Stock Fund—I Class	0.8%	0.7%
BONDS		
Short-Term Bond Fund—I Class	23.5%	30.7%
U.S. Limited Duration TIPS Index Fund—I Class	23.0%	30.3%
Spectrum Income Fund—I Class	22.0%	10.9%
MONEY MARKET		
U.S. Treasury Money Fund—I Class	1.9%	3.0%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—4.11%; Russell 1000 Growth Index—4.80%; Russell 1000 Value Index—4.80%; Russell Midcap Growth Index—0.86%; Russell Midcap Value Index—0.86%; Russell 2000 Index—1.71%; MSCI EAFE (Europe, Australasia, and Far East) Index net—6.24%; MSCI Emerging Markets Index net—1.10%; Bloomberg U.S. Aggregate Bond Index—11.00%; Bloomberg 1–3 Year Government/Credit Index—32.00%; Bloomberg U.S. 1–5 Year Treasury TIPS Index—31.25%; and Real Assets Broad Weighted Benchmark—1.29%.

³ Percentages may not total 100% due to rounding.

PORTFOLIO 2027

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Portfolio 2027¹	7.19%	8.06%	6.51%
Weighted Benchmark²	6.76%	7.04%	6.14%

Portfolio 2027 outperformed its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio seeks to balance the need for long-term capital appreciation with an emphasis on capital preservation and current income. The majority of the Portfolio was invested in fixed income funds at the end of the reporting period. These include the Spectrum Income Fund—I Class, which invests in a diversified group of underlying domestic bond funds, foreign bond funds, a money market fund, and an income-oriented stock fund; the Short-Term Bond Fund—I Class, a shorter-duration U.S. investment-grade bond fund; and the U.S. Limited Duration TIPS Index Fund—I Class, which invests in a diversified portfolio of short-and intermediate-term investment-grade inflation-linked securities, including Treasury Inflation Protected Securities, as well as corporate, government, mortgage-backed and asset-backed securities. The remainder of the Portfolio's assets are held in a diversified selection of U.S. and international stocks.

Security selection within the underlying Funds benefited relative performance, driven by outperformance of the Spectrum Income Fund—I Class. The Portfolio's underlying Fund that invests in U.S. mid-cap value stocks also outpaced its style-specific benchmark, which lifted relative returns. However, the underlying Funds that invest in U.S. large-cap value and international developed growth stocks trailed their respective benchmarks, which weighed on relative results.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes weighed on relative performance. An overweight allocation to emerging markets equities, which trailed developed markets equities, was a modest detractor. An overweight allocation to international stocks relative to U.S. equities also had a negative impact.

The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



46.4% Stocks
51.2% Bonds
2.4% Money Market

6/30/23



42.2% Stocks
54.7% Bonds
3.1% Money Market

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Value Fund—I Class	8.9%	7.2%
Blue Chip Growth Fund—I Class	7.8%	7.2%
Equity Index 500 Fund—I Class	4.8%	4.1%
Overseas Stock Fund—I Class	3.6%	3.6%
International Value Equity Fund—I Class	3.8%	3.1%
International Stock Fund—I Class	3.4%	3.0%
Small-Cap Stock Fund—I Class	3.1%	2.9%
Real Assets Fund—I Class	2.1%	2.1%
Mid-Cap Growth Fund—I Class	1.8%	1.7%
Mid-Cap Value Fund—I Class	1.8%	1.6%
U.S. Equity Research Fund—I Class	1.6%	1.6%
U.S. Large-Cap Core Fund—I Class	1.0%	1.6%
Emerging Markets Discovery Stock Fund—I Class	1.4%	1.4%
Emerging Markets Stock Fund—I Class	1.3%	1.1%
BONDS		
Spectrum Income Fund—I Class	48.8%	40.3%
Short-Term Bond Fund—I Class	0.0%	7.7%
U.S. Limited Duration TIPS Index Fund—I Class	2.4%	6.7%
MONEY MARKET		
U.S. Treasury Money Fund—I Class	2.4%	3.1%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—6.82%; Russell 1000 Growth Index—7.96%; Russell 1000 Value Index—7.96%; Russell Midcap Growth Index—1.42%; Russell Midcap Value Index—1.42%; Russell 2000 Index—2.84%; MSCI EAFE (Europe, Australasia, and Far East) Index net—10.36%; MSCI Emerging Markets Index net—1.83%; Bloomberg U.S. Aggregate Bond Index—42.00%; Bloomberg 1–3 Year Government/Credit Index—8.00%; Bloomberg U.S. 1–5 Year Treasury TIPS Index—7.25%; and Real Assets Broad Weighted Benchmark—2.14%.

³ Percentages may not total 100% due to rounding.

PORTFOLIO 2030

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Portfolio 2030¹	9.10%	10.41%	9.27%
Weighted Benchmark²	8.66%	10.03%	9.13%

Portfolio 2030 outperformed its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio's focus is long-term capital appreciation. The majority of its assets are held in a diversified selection of U.S. and international stocks. The Portfolio also has an allocation to lower-volatility investments. Currently, this includes an allocation to the Spectrum Income Fund—I Class, which invests in a diversified group of underlying domestic bond funds, foreign bond funds, a money market fund, and an income-oriented stock fund. About five years prior to the expected enrollment year referenced in the Portfolio's name, the bond component will start transitioning to the Short-Term Bond Fund—I Class, which is a shorter-duration U.S. investment-grade bond fund, and the U.S. Limited Duration TIPS Index Fund—I Class, which invests in a diversified portfolio of short- and intermediate-term investment-grade inflation-linked securities, including Treasury Inflation Protected Securities, as well as corporate, government, mortgage-backed, and asset-backed securities.

Security selection within the underlying Funds benefited relative performance, driven by outperformance of the Spectrum Income Fund—I Class. The Portfolio's underlying Fund that invests in U.S. mid-cap value stocks also outpaced its style-specific benchmark, which strengthened returns. However, the underlying Funds that invest in U.S. large-cap value and international developed growth stocks trailed their respective benchmarks which weighed on relative results.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes weighed on relative performance. An overweight allocation to emerging markets equities, which trailed developed markets equities, was a modest detractor. An overweight allocation to international stocks relative to U.S. equities also had a negative impact.

The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



62.5% Stocks
35.1% Bonds
2.4% Money Market

6/30/23



58.5% Stocks
38.7% Bonds
2.8% Money Market

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Blue Chip Growth Fund—I Class	10.1%	10.1%
Value Fund—I Class	12.0%	9.9%
Equity Index 500 Fund—I Class	6.6%	6.0%
Overseas Stock Fund—I Class	5.0%	4.9%
International Value Equity Fund—I Class	5.0%	4.2%
International Stock Fund—I Class	4.6%	4.1%
Small-Cap Stock Fund—I Class	4.2%	4.0%
Real Assets Fund—I Class	2.8%	2.8%
Mid-Cap Growth Fund—I Class	2.4%	2.4%
U.S. Large-Cap Core Fund—I Class	1.3%	2.3%
U.S. Equity Research Fund—I Class	2.1%	2.2%
Mid-Cap Value Fund—I Class	2.5%	2.1%
Emerging Markets Discovery Stock Fund—I Class	2.0%	1.9%
Emerging Markets Stock Fund—I Class	1.9%	1.6%
BONDS		
Spectrum Income Fund—I Class	34.5%	38.7%
U.S. Limited Duration TIPS Index Fund—I Class	0.6%	0.0%
MONEY MARKET		
U.S. Treasury Money Fund—I Class	2.4%	2.8%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—9.42%; Russell 1000 Growth Index—10.99%; Russell 1000 Value Index—10.99%; Russell Midcap Growth Index—1.96%; Russell Midcap Value Index—1.96%; Russell 2000 Index—3.92%; MSCI EAFE (Europe, Australasia, and Far East) Index net—14.29%; MSCI Emerging Markets Index net—2.52%; Bloomberg U.S. Aggregate Bond Index—41.00%; and Real Assets Broad Weighted Benchmark—2.95%.

³ Percentages may not equal 100% due to rounding.

PORTFOLIO 2033

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Portfolio 2033¹	10.81%	12.37%	9.71%
Weighted Benchmark²	10.45%	12.97%	9.70%

Portfolio 2033 underperformed its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio's focus is long-term capital appreciation. Most of its assets are held in a diversified selection of U.S. and international stocks. The Portfolio also holds an allocation to lower-volatility investments. Currently, this includes an allocation to the Spectrum Income Fund—I Class, which invests in a diversified group of underlying domestic bond funds, foreign bond funds, a money market fund, and an income-oriented stock fund. About five years prior to the expected enrollment year referenced in the Portfolio's name, the bond component will start transitioning to the Short-Term Bond Fund—I Class, which is a shorter-duration U.S. investment-grade bond fund, and the U.S. Limited Duration TIPS Index Fund—I Class, which invests in a diversified portfolio of short- and intermediate-term investment-grade inflation-linked securities, including Treasury Inflation Protected Securities, as well as corporate, government, mortgage-backed, and asset-backed securities.

Security selection within the underlying Funds detracted slightly from relative performance, driven by the Funds that invest in U.S. large-cap value and international developed growth stocks, which trailed their respective benchmarks. On the positive side, outperformance of the Spectrum Income Fund—I Class added significant contribution to the period. The Portfolio's underlying Fund that invests in U.S. mid-cap value stocks also outpaced its style-specific benchmark for the period.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes weighed on relative performance. An overweight allocation to emerging markets equities, which trailed developed markets equities, was a primary detractor. An overweight allocation to international stocks relative to U.S. equities also had a negative impact.

The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



77.8% Stocks
19.3% Bonds
2.9% Money Market

6/30/23



74.4% Stocks
22.8% Bonds
2.8% Money Market

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Blue Chip Growth Fund—I Class	12.0%	13.0%
Value Fund—I Class	15.3%	12.5%
Equity Index 500 Fund—I Class	8.1%	7.6%
Overseas Stock Fund—I Class	6.2%	6.2%
International Value Equity Fund—I Class	6.3%	5.4%
International Stock Fund—I Class	5.7%	5.3%
Small-Cap Stock Fund—I Class	5.3%	4.9%
Real Assets Fund—I Class	3.5%	3.6%
Mid-Cap Growth Fund—I Class	3.0%	3.1%
U.S. Large-Cap Core Fund—I Class	1.7%	2.9%
U.S. Equity Research Fund—I Class	2.7%	2.8%
Mid-Cap Value Fund—I Class	3.1%	2.7%
Emerging Markets Discovery Stock Fund—I Class	2.5%	2.4%
Emerging Markets Stock Fund—I Class	2.4%	2.0%
BONDS		
Spectrum Income Fund—I Class	18.7%	22.8%
U.S. Limited Duration TIPS Index Fund—I Class	0.6%	0.0%
MONEY MARKET		
U.S. Treasury Money Fund—I Class	2.9%	2.8%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—11.97%; Russell 1000 Growth Index—13.97%; Russell 1000 Value Index—13.97%; Russell Midcap Growth Index—2.49%; Russell Midcap Value Index—2.49%; Russell 2000 Index—4.99%; MSCI EAFE (Europe, Australasia, and Far East) Index net—18.17%; MSCI Emerging Markets Index net—3.21%; Bloomberg U.S. Aggregate Bond Index—25.00%; and Real Assets Broad Weighted Benchmark—3.75%.

³ Percentages may not equal 100% due to rounding.

PORTFOLIO 2036

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Portfolio 2036¹	12.41%	14.17%	9.33%
Weighted Benchmark²	12.15%	15.77%	9.70%

Portfolio 2036 underperformed its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio's focus is long-term capital appreciation. Nearly all of its assets are held in a diversified selection of U.S. and international stocks, including emerging markets. The Portfolio has a small allocation to lower-volatility investments. Currently, this includes an allocation to the Spectrum Income Fund—I Class, which invests in a diversified group of underlying domestic bond funds, foreign bond funds, a money market fund, and an income-oriented stock fund. About five years prior to the expected enrollment year referenced in the Portfolio's name, the bond component will start transitioning to the Short-Term Bond Fund—I Class, which is a shorter-duration U.S. investment-grade bond fund, and the U.S. Limited Duration TIPS Index Fund—I Class, which invests in a diversified portfolio of short- and intermediate-term investment-grade inflation-linked securities, including Treasury Inflation Protected Securities, as well as corporate, government, mortgage-backed, and asset-backed securities.

Security selection within the underlying Funds detracted from relative performance, driven by the Funds that invest in U.S. large-cap value and international developed growth stocks, which trailed their respective benchmarks. On the positive side, outperformance of the Spectrum Income Fund—I Class was a key contributor for the period. The Portfolio's underlying Funds that invest in U.S. mid-cap value and international developed value stocks also outpaced their respective benchmark, which lifted relative returns.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes weighed on relative performance. An overweight allocation to emerging markets equities, which trailed developed markets equities, was a primary detractor. An overweight allocation to international stocks relative to U.S. equities also had a negative impact.

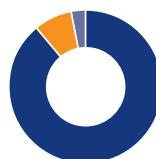
The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



93.0% Stocks
4.0% Bonds
3.0% Money Market

6/30/23



89.0% Stocks
8.1% Bonds
2.9% Money Market

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Blue Chip Growth Fund—I Class	14.3%	15.6%
Value Fund—I Class	18.3%	14.8%
Equity Index 500 Fund—I Class	9.6%	9.3%
Overseas Stock Fund—I Class	7.5%	7.4%
International Value Equity Fund—I Class	7.5%	6.4%
International Stock Fund—I Class	6.8%	6.3%
Small-Cap Stock Fund—I Class	6.3%	5.9%
Real Assets Fund—I Class	4.2%	4.3%
Mid-Cap Growth Fund—I Class	3.6%	3.6%
U.S. Large-Cap Core Fund—I Class	2.0%	3.5%
U.S. Equity Research Fund—I Class	3.3%	3.4%
Mid-Cap Value Fund—I Class	3.7%	3.3%
Emerging Markets Discovery Stock Fund—I Class	3.0%	2.8%
Emerging Markets Stock Fund—I Class	2.9%	2.4%
BONDS		
Spectrum Income Fund—I Class	3.4%	8.1%
U.S. Limited Duration TIPS Index Fund—I Class	0.6%	0.0%
MONEY MARKET		
U.S. Treasury Money Fund—I Class	3.0%	2.9%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—14.36%; Russell 1000 Growth Index—16.76%; Russell 1000 Value Index—16.76%; Russell Midcap Growth Index—2.99%; Russell Midcap Value Index—2.99%; Russell 2000 Index—5.99%; MSCI EAFE (Europe, Australasia, and Far East) Index net—21.80%; MSCI Emerging Markets Index net—3.85%; Bloomberg U.S. Aggregate Bond Index—10.00%; and Real Assets Broad Weighted Benchmark—4.50%.

³ Percentages may not equal 100% due to rounding.

PORTFOLIO 2039

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Portfolio 2039¹	13.60%	15.48%	7.76%
Weighted Benchmark²	13.23%	17.42%	8.52%

Portfolio 2039 underperformed its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio's focus is long-term capital appreciation. The Portfolio invests in a diversified selection of U.S. and international stocks. Later in the Portfolio's life cycle, it will incorporate investments offering lower volatility. Initially, this will include the Spectrum Income Fund—I Class, which invests in a diversified group of underlying domestic bond funds, foreign bond funds, a money market fund, and an income-oriented stock fund. About five years prior to the expected enrollment year referenced in the Portfolio's name, the bond component will start transitioning to the Short-Term Bond Fund—I Class, which is a shorter-duration U.S. investment-grade bond fund, and the U.S. Limited Duration TIPS Index Fund—I Class, which invests in a diversified portfolio of short- and intermediate-term investment-grade inflation-linked securities, including Treasury Inflation Protected Securities, as well as corporate, government, mortgage-backed, and asset-backed securities.

Security selection within the underlying Funds detracted from relative performance, driven by the Funds that invest in U.S. large-cap value and international developed growth stocks, which trailed their respective benchmarks. On the positive side, the Portfolio's underlying Funds that invest in U.S. mid-cap value and international developed value stocks outpaced their respective benchmarks, which lifted relative returns.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes weighed on relative performance. An overweight allocation to emerging markets equities, which trailed developed markets equities, was a primary detractor. An overweight allocation to international stocks relative to U.S. equities also had a negative impact.

The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



100% Stocks

6/30/23



100% Stocks

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Blue Chip Growth Fund—I Class	15.7%	17.7%
Value Fund—I Class	19.7%	16.9%
Equity Index 500 Fund—I Class	10.2%	10.4%
Overseas Stock Fund—I Class	7.9%	8.3%
International Value Equity Fund—I Class	8.1%	7.2%
International Stock Fund—I Class	7.3%	7.1%
Small-Cap Stock Fund—I Class	6.9%	6.6%
Real Assets Fund—I Class	4.5%	4.9%
Mid-Cap Growth Fund—I Class	3.8%	3.9%
U.S. Large-Cap Core Fund—I Class	2.1%	3.9%
U.S. Equity Research Fund—I Class	3.5%	3.8%
Mid-Cap Value Fund—I Class	4.0%	3.6%
Emerging Markets Discovery Stock Fund—I Class	3.2%	3.1%
Emerging Markets Stock Fund—I Class	3.1%	2.6%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—15.96%; Russell 1000 Growth Index—18.62%; Russell 1000 Value Index—18.62%; Russell Midcap Growth Index—3.33%; Russell Midcap Value Index—3.33%; Russell 2000 Index—6.65%; MSCI EAFE (Europe, Australasia, and Far East) Index net—24.23%; MSCI Emerging Markets Index net—4.28%; and Real Assets Broad Weighted Benchmark—5.00%.

³ Percentages may not equal 100% due to rounding.

PORTFOLIO 2042

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Portfolio 2042¹	13.52%	15.54%	-1.25%
Weighted Benchmark²	13.23%	17.43%	0.72%

Portfolio 2042 underperformed its weighted benchmark for 12 months ended June 30, 2023.

The Portfolio's focus is long-term capital appreciation. The Portfolio invests in a diversified selection of U.S. and international stocks. Later in the Portfolio's life cycle, it will incorporate investments offering lower volatility. Initially, this will include the Spectrum Income Fund—I Class, which invests in a diversified group of underlying domestic bond funds, foreign bond funds, a money market fund, and an income-oriented stock fund. About five years prior to the expected enrollment year referenced in the Portfolio's name, the bond component will start transitioning to the Short-Term Bond Fund—I Class, which is a shorter-duration U.S. investment-grade bond fund, and the U.S. Limited Duration TIPS Index Fund—I Class, which invests in a diversified portfolio of short- and intermediate-term investment-grade inflation-linked securities, including Treasury Inflation Protected Securities, as well as corporate, government, mortgage-backed, and asset-backed securities.

Security selection within the underlying Funds detracted from relative performance, driven by the Funds that invest in U.S. large-cap value and international developed growth stocks, which trailed their respective benchmarks. On the positive side, the Portfolio's underlying Funds that invest in U.S. mid-cap value and international developed value stocks outpaced their respective benchmarks, which lifted relative returns.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes weighed on relative performance. An overweight allocation to emerging markets equities, which trailed developed markets equities, was a primary detractor. An overweight allocation to international stocks relative to U.S. equities also had a negative impact.

The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



100% Stocks

6/30/23



100% Stocks

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Blue Chip Growth Fund—I Class	15.9%	17.7%
Value Fund—I Class	19.5%	16.9%
Equity Index 500 Fund—I Class	10.2%	10.4%
Overseas Stock Fund—I Class	7.9%	8.3%
International Value Equity Fund—I Class	8.2%	7.2%
International Stock Fund—I Class	7.4%	7.1%
Small-Cap Stock Fund—I Class	6.8%	6.6%
Real Assets Fund—I Class	4.5%	4.9%
Mid-Cap Growth Fund—I Class	3.8%	3.9%
U.S. Large-Cap Core Fund—I Class	2.1%	3.9%
U.S. Equity Research Fund—I Class	3.5%	3.8%
Mid-Cap Value Fund—I Class	3.9%	3.6%
Emerging Markets Discovery Stock Fund—I Class	3.5%	3.2%
Emerging Markets Stock Fund—I Class	2.8%	2.5%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—15.96%; Russell 1000 Growth Index—18.62%; Russell 1000 Value Index—18.62%; Russell Midcap Growth Index—3.33%; Russell Midcap Value Index—3.33%; Russell 2000 Index—6.65%; MSCI EAFE (Europe, Australasia, and Far East) Index net—24.23%; MSCI Emerging Markets Index net—4.28%; and Real Assets Broad Weighted Benchmark—5.00%.

³ Percentages may not equal 100% due to rounding.

EQUITY INDEX 500 PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Equity Index 500 Portfolio¹	16.79%	19.46%	12.18%
S&P 500 Index	16.89%	19.59%	12.40%

The Equity Index 500 Portfolio performed broadly in line with its benchmark, the S&P 500 Index, for the 12 months ended June 30, 2023.

The Portfolio invests in the Equity Index 500 Fund—I Class, which attempts to match the return of large-cap U.S. stocks by seeking to replicate the performance of the S&P 500. The Fund uses a full replication strategy, which involves investing nearly all its assets in all the stocks in the S&P 500 and seeking to maintain holdings of each stock in proportion to its weight in the index. As a passively managed index fund, its sector allocations mirror those of the S&P 500.

Major U.S. stock indexes advanced during the fiscal year. The Federal Reserve's aggressive short-term interest rate hikes as well as comments that it would be willing to risk causing a recession by raising rates and keeping them at a higher level in order to bring inflation down also weighed on the market at the beginning of the period. However, better-than-expected corporate earnings reports lifted sentiment, as did indications that China, the world's second-largest economy, was easing various pandemic-related restrictions. Thanks in part to generally favorable corporate earnings and a resilient economy, equities advanced during much of the second half of the period, overcoming bearish factors such as regional bank turmoil in March following the failures of Silicon Valley Bank and Signature Bank; uncertainty about Congress and President Joe Biden agreeing to raise the debt ceiling; and continued Federal Reserve interest rate increases to combat elevated inflation.

6/30/22



100% Stocks

6/30/23



100% Stocks

UNDERLYING FUND ALLOCATION

	6/30/22	6/30/23
STOCKS		
Equity Index 500 Fund—I Class	100.0%	100.0%

¹ Performance information reflected is net of Fees and expenses.

EQUITY PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Equity Portfolio¹	13.57%	15.51%	7.34%
Weighted Benchmark²	13.20%	17.39%	7.42%

The Equity Portfolio underperformed its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio's focus is long-term capital appreciation. It invests in a diversified selection of U.S. and international stocks. Its largest allocation is to the T. Rowe Price Blue Chip Growth Fund—I Class, which invests primarily in common stocks of larger companies in the U.S., particularly those that are viewed as well-established and with the potential for above-average earnings growth.

Security selection within the underlying Funds detracted from relative performance, driven by the Funds that invest in U.S. large-cap value and international developed growth stocks, which trailed their respective benchmarks. On the positive side, the Portfolio's underlying Funds that invest in U.S. mid-cap value and international developed value stocks outpaced their respective benchmarks, which lifted relative returns.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes weighed on relative performance. An overweight allocation to emerging markets equities, which trailed developed markets equities, was a primary detractor. An overweight allocation to international stocks relative to U.S. equities also had a negative impact.

The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



100% Stocks

6/30/23



100% Stocks

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Blue Chip Growth Fund—I Class	15.6%	17.7%
Value Fund—I Class	19.7%	16.9%
Equity Index 500 Fund—I Class	10.3%	10.4%
Overseas Stock Fund—I Class	7.8%	8.3%
International Value Equity Fund—I Class	8.2%	7.2%
International Stock Fund—I Class	7.3%	7.1%
Small-Cap Stock Fund—I Class	6.8%	6.6%
Real Assets Fund—I Class	4.5%	4.9%
Mid-Cap Growth Fund—I Class	3.8%	3.9%
U.S. Large-Cap Core Fund—I Class	2.2%	3.9%
U.S. Equity Research Fund—I Class	3.5%	3.8%
Mid-Cap Value Fund—I Class	4.0%	3.6%
Emerging Markets Discovery Stock Fund—I Class	3.2%	3.1%
Emerging Markets Stock Fund—I Class	3.1%	2.6%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—15.96%; Russell 1000 Growth Index—18.62%; Russell 1000 Value Index—18.62%; Russell Midcap Growth Index—3.33%; Russell Midcap Value Index—3.33%; Russell 2000 Index—6.65%; MSCI EAFE (Europe, Australasia, and Far East) Index net—24.23%; MSCI Emerging Markets Index net—4.28%; and Real Assets Broad Weighted Benchmark—5.00%. Benchmark performance commenced on November 30, 2001.

³ Percentages may not equal 100% due to rounding.

EXTENDED EQUITY MARKET INDEX PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Extended Equity Market Index Portfolio¹	11.86%	14.72%	7.10%
Weighted Benchmark²	11.86%	14.84%	7.42%

The Extended Equity Market Index Portfolio performed broadly in line with its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio holds roughly equal allocations to the Mid-Cap Index Fund—I Class and the Small-Cap Index Fund—I Class. The Mid-Cap Index Fund—I Class attempts to match the return of mid-cap U.S. stocks by seeking to replicate the performance of the Russell Select Mid Cap Index. The Small-Cap Index Fund—I Class attempts to match the return of small-cap U.S. stocks by seeking to replicate the performance of the Russell 2000 Index. The Funds use a full replication strategy, which involves investing substantially all assets in the stocks in the respective benchmark index and seeking to maintain holdings of each stock in proportion to its weight in the index. As passively managed index funds, sector allocations mirror those of the respective benchmark indexes.

Small- and mid-cap U.S. stocks posted strong gains but lagged their large-cap peers over the reporting period, according to various Russell indices, driven in part by a late rally in names associated with generative artificial intelligence (AI), where many major players are large- and mega-cap names.

6/30/22



100% Stocks

6/30/23



100% Stocks

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Mid-Cap Index Fund—I Class	49.2%	50.7%
Small-Cap Index Fund—I Class	50.8%	49.3%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: Russell Select Midcap Index—50.00%; Russell 2000 Index—50.00%.

³ Percentages may not equal 100% due to rounding.

GLOBAL EQUITY MARKET INDEX PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Global Equity Market Index Portfolio¹	14.68%	18.62%	8.05%
Weighted Benchmark²	14.68%	18.18%	8.41%

The Global Equity Market Index Portfolio underperformed its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio's largest allocation, about 57%, is to the Equity Index 500 Fund—I Class, which attempts to match the return of large-cap U.S. stocks by seeking to replicate the performance of the S&P 500. About 30% of the Portfolio's assets were held in the International Equity Index Fund—Investor Class, which seeks to match the performance of the MSCI EAFE Index Net, which measures the performance of equities in developed markets outside the U.S. and Canada. The remainder of the Portfolio is held in the Mid-Cap Index Fund—I Class and Small-Cap Index Fund—I Class. Underperformance in the underlying international equity holding, which trailed its benchmark, was the primary cause of Portfolio underperformance for the period.

Global equities delivered robust returns for the fiscal year, overcoming periods of acute volatility as investors wrestled with stubbornly high inflation, monetary tightening from central banks, Russia's escalation of the war in Ukraine, slowing growth in China, turmoil in the U.S. regional banking sector, and tumult in UK markets. The final weeks of the period saw a burst of positive sentiment as investors hoped that the possibility of a recession was fading and central banks would begin to slow the pace of rate hikes.

6/30/22



100% Stocks

6/30/23



100% Stocks

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Equity Index 500 Fund—I Class	55.8%	56.5%
International Equity Index Fund—I Class	30.9%	30.0%
Mid-Cap Index Fund—I Class	6.4%	6.8%
Small-Cap Index Fund—I Class	6.9%	6.7%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P Total Market Index—56.00%; Russell Select Midcap Index—7.00%; Russell 2000 Index—7.00%; and MSCI EAFE (Europe, Australasia, and Far East) Index net—30.00%.

³ Percentages may not equal 100% due to rounding.

SOCIAL INDEX EQUITY PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Social Index Equity Portfolio¹	20.46%	20.02%	-0.86%
FTSE4Good U.S. Select Index	20.75%	20.48%	-0.51%

The Social Index Equity Portfolio underperformed its benchmark, the FTSE4Good US Select Index, for the 12 months ended June 30, 2023.

The Portfolio invests in the Vanguard FTSE Social Index Fund, which seeks to track the performance of its benchmark, the FTSE4Good US Select Index. The Fund's benchmark is a market cap-weighted index consisting of large- and mid-cap stocks of companies that are screened for certain environmental, social, and corporate governance (ESG) criteria by the Index sponsor, FTSE Russell (FTSE), which is independent of Vanguard. The FTSE4Good US Select Index excludes the stocks of companies that FTSE determines to engage in, have a specified level of involvement in, and/or derive threshold amounts of revenue from certain activities or business segments related to the following: adult entertainment, alcohol, tobacco, cannabis, gambling, chemical and biological weapons, cluster munitions, anti-personnel landmines, nuclear weapons, conventional military weapons, civilian firearms, nuclear power, and coal, oil, or gas. The level or type of involvement in, or amount of revenue earned from, certain activities or business segments that lead to exclusion by FTSE can vary from one activity or business segment to another. This methodology also excludes the stocks of companies that, as FTSE determines based on its internal assessment, do not meet certain labor, human rights, environmental, and anti-corruption standards as defined by the United Nations Global Compact Principles, as well as companies that do not meet certain diversity criteria.

Within the Fund, the information technology (41.48%), consumer discretionary (25.03%), and industrials and business services sectors (24.91%) were the largest absolute contributors. The only detractor on an absolute basis was real estate (-6.33%).

The FTSE4Good U.S. Select Index, which is composed of large- and mid-capitalization stocks that have been screened for certain social, human rights, and environmental criteria by FTSE, returned 20.48% for the 12 months ended June 30, 2023. The Russell 3000 Index, which measures the broad U.S. stock market, returned 18.95%.

¹ Performance information reflected is net of Fees and expenses.

6/30/22



100% Stocks

6/30/23



100% Stocks

UNDERLYING FUND ALLOCATION

	6/30/22	6/30/23
STOCKS		
Vanguard FTSE Social Index Fund—Admiral Class	100.0%	100.0%

Major U.S. stock indexes advanced during the fiscal year. The Federal Reserve's aggressive short-term interest rate hikes and comments that it would keep rates at a higher level in order to bring inflation down also weighed on the market at the beginning of the period. However, better-than-expected corporate earnings reports lifted sentiment, as did indications that China, the world's second-largest economy, was easing various pandemic-related restrictions. Thanks in part to generally favorable corporate earnings and a resilient economy, equities advanced during much of the second half of the period, overcoming bearish factors such as regional bank turmoil in March following the failures of Silicon Valley Bank and Signature Bank; uncertainty about Congress and President Joe Biden agreeing to raise the debt ceiling; and continued Federal Reserve interest rate increases to combat elevated inflation.

BALANCED PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Balanced Portfolio¹	8.83%	9.38%	6.29%
Weighted Benchmark²	8.86%	10.67%	6.16%

The Balanced Portfolio underperformed its weighted benchmark for the 12 months ended June 30, 2023.

The Portfolio seeks to provide capital growth and current income by investing in an array of U.S. and international stock and bond funds. Its structure is intended to offer investors a way to balance the potential capital appreciation of stocks with the relative stability and income of bonds over the long term.

Security selection within the underlying Funds detracted from relative performance, driven by the underlying Funds that invest in U.S. large-cap value and international developed growth stocks, which trailed their respective benchmarks. The allocation to U.S. investment-grade debt also underperformed its style-specific benchmark. On the positive side, the Portfolio's underlying Funds that invest in U.S. mid-cap value and international developed value stocks outpaced their respective benchmarks, which benefited returns.

Tactical decisions to overweight and underweight asset classes and/or sub-asset classes weighed on relative performance. An overweight allocation to emerging markets equities, which trailed developed markets equities, detracted for the period. An overweight allocation to international stocks relative to U.S. equities also had a negative impact.

The inclusion of real assets stocks—which provide exposure to diversifying sectors outside the benchmark—detracted from relative results.

6/30/22



58.3% Stocks
39.2% Bonds
2.5% Money Market

6/30/23



58.8% Stocks
37.2% Bonds
3.0% Money Market

UNDERLYING FUND ALLOCATION³

	6/30/22	6/30/23
STOCKS		
Blue Chip Growth Fund—I Class	9.4%	10.5%
Value Fund—I Class	11.4%	10.1%
Equity Index 500 Fund—I Class	6.0%	6.2%
Overseas Stock Fund—I Class	4.5%	5.0%
International Value Equity Fund—I Class	4.8%	4.3%
International Stock Fund—I Class	4.2%	4.2%
Small-Cap Stock Fund—I Class	3.9%	3.9%
Real Assets Fund—I Class	2.7%	2.9%
Mid-Cap Growth Fund—I Class	2.2%	2.4%
U.S. Equity Research Fund—I Class	2.0%	2.3%
U.S. Large-Cap Core Fund—I Class	1.2%	2.3%
Mid-Cap Value Fund—I Class	2.3%	2.2%
Emerging Markets Discovery Stock Fund—I Class	1.9%	1.9%
Emerging Markets Stock Fund—I Class	1.8%	1.6%
BONDS		
New Income Fund—I Class	25.2%	24.3%
High Yield Fund—I Class	5.6%	5.0%
International Bond Fund—I Class	4.1%	4.1%
Emerging Markets Bond Fund—I Class	3.7%	3.8%
U.S. Limited Duration TIPS Index Fund—I Class	0.6%	0.0%
MONEY MARKET		
U.S. Treasury Money Fund—I Class	2.5%	3.0%

¹ Performance information reflected is net of Fees and expenses.

² As of June 30, 2023, the weighted benchmark was composed of: S&P 500 Index—9.58%; Russell 1000 Growth Index—11.17%; Russell 1000 Value Index—11.17%; Russell Midcap Growth Index—2.00%; Russell Midcap Value Index—2.00%; Russell 2000 Index—3.99%; MSCI EAFE (Europe, Australasia, and Far East) Index net—14.53%; MSCI Emerging Markets Index net—2.57%; Bloomberg U.S. Aggregate Bond Index—28.00%; Real Assets Broad Weighted Benchmark—3.00%; Credit Suisse High Yield Index—4.00%; IBF Custom Blended Benchmark—4.00%; and JPM Emerging Markets Bond Global Index—4.00%. Benchmark performance commenced on November 30, 2001.

³ Percentages may not equal 100% due to rounding.

BOND AND INCOME PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Bond and Income Portfolio¹	3.15%	3.25%	4.73%
Bloomberg Barclays U.S. Aggregate Bond Index	2.09%	-0.94%	3.45%

The Bond and Income Portfolio significantly outperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, for the 12 months ended June 30, 2023.

The Portfolio invests in the Spectrum Income Fund—I Class, which invests in a diversified group of underlying domestic bond funds, foreign bond funds, a money market fund, and an income-oriented stock fund. This allocation blends core investment-grade bonds that are included in the benchmark with out-of-benchmark securities from diversifying sectors, including high yield bonds, non-U.S. dollar-denominated bonds, emerging markets bonds, bank loans, and dividend-paying stocks.

Security selection within the underlying funds detracted from relative performance. The Portfolio's underlying fund that invests in dividend-paying equities trailed its style-specific benchmark and held back relative returns. The dynamic global bond and U.S. investment-grade bond strategies also lagged their respective benchmarks. However, favorable security selection within dollar-denominated and local currency emerging market bonds added value.

Tactical decisions to overweight and underweight asset class and/or sub-asset classes contributed to relative performance. Overweight allocations to diversifying sectors within fixed income, specifically floating rate loans and emerging markets debt added value as these market sectors outperformed domestic investment-grade issues.

The structural inclusion of diversifying sectors that are not part of the benchmark was the primary contributor for the period. The Portfolio's holdings in U.S. large-cap dividend-paying stocks and high yield bonds added value amid improved risk sentiment and investor preference for higher-yielding securities.

6/30/22



100% Bonds

6/30/23



100% Bonds

UNDERLYING FUND ALLOCATION

	6/30/22	6/30/23
BONDS		
Spectrum Income Fund—I Class	100.0%	100.0%

¹ Performance information reflected is net of Fees and expenses.

INFLATION FOCUSED BOND PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
Inflation Focused Bond Portfolio¹	0.48%	-2.08%	1.94%
Bloomberg Barclays U.S. 1-5 Year Treasury TIPS Index	1.28%	-0.60%	2.20%

The Inflation Focused Bond Portfolio underperformed its benchmark, the Bloomberg U.S. 1-5 Year Treasury TIPS Index, for the 12 months ended June 30, 2023.

The Portfolio invests in the U.S. Limited Duration TIPS Index Fund—I Class, which invests in a diversified portfolio of short- and intermediate-term investment-grade inflation-linked securities, including Treasury Inflation Protected Securities, as well as corporate, government, mortgage-backed and asset-backed securities. The Fund seeks to track the performance of the Barclays U.S. 1-5 Year TIPS Index, which measures the investment returns of U.S. Treasury Inflation Protected Securities with remaining maturities ranging between one and five years. Treasury inflation protected securities, commonly known as TIPS, are income-generating instruments whose interest and principal payments are adjusted for inflation—a sustained increase in prices of goods and services that erodes the purchasing power of money.

U.S. TIPS produced negative absolute results for the period due to an increase in real (inflation-adjusted) Treasury yields. The sector underperformed nominal Treasuries as inflation expectations moderated and nominal Treasury yields increased less than real Treasury yields. Shorter-maturity TIPS outperformed TIPS with longer maturities as their lower duration left them less exposed to rising real yields. Duration measures a bond's sensitivity to changes in interest rates. Interest rate management detracted from the fund's relative results, while most non-TIPS allocations added value.

6/30/22



100% Bonds

6/30/23



100% Bonds

UNDERLYING FUND ALLOCATION

	6/30/22	6/30/23
BONDS		
U.S. Limited Duration TIPS Index Fund—I Class	100.0%	100.0%

¹ Performance information reflected is net of Fees and expenses.

U.S. BOND INDEX PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
U.S. Bond Index Portfolio¹	2.17%	-1.43%	0.66%
Bloomberg Barclays U.S. Aggregate Bond Index	2.09%	-0.94%	0.70%

The U.S. Bond Index Portfolio underperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, for the 12 months ended June 30, 2023.

The Portfolio invests in the QM U.S. Bond Index Fund—I Class, which seeks to match or incrementally exceed the performance of the U.S. investment-grade bond market. The Fund attempts to achieve this goal by investing in a range of bonds representative of key traits of the benchmark, the Bloomberg U.S. Aggregate Bond Index, while attempting to generate a modest amount of outperformance through active security selection.

Security selection within the investment-grade corporate bond sector weighed on relative performance. A focus on intermediate-maturity corporate bonds detracted as investors looked to gain long-term exposure to higher yielding debt and, therefore, focused interest on longer maturities. Curve positioning was also negative, as a bias for a steepening yield curve dampened performance. Sector allocations, however, added value. An underweight allocation to U.S. Treasuries and maintaining exposures to investment-grade corporate bonds helped against the backdrop of rising Treasury yields and tighter credit spreads.

6/30/22



100% Bonds

6/30/23



100% Bonds

UNDERLYING FUND ALLOCATION

	6/30/22	6/30/23
BONDS		
QM U.S. Bond Index Fund—I Class	100.0%	100.0%

¹ Performance information reflected is net of Fees and expenses.

U.S. TREASURY MONEY MARKET PORTFOLIO

Performance Comparison as of June 30, 2023

	6 Months	12 Months	Annualized Since Portfolio Inception
U.S. Treasury Money Market Portfolio¹	2.23%	3.62%	0.56%
FTSE 3-Month Treasury Bill Index	2.39%	3.75%	0.75%

The U.S. Treasury Money Market Portfolio performed broadly in line with its benchmark, the FTSE 3-Month Treasury Bill Index, for the 12 months ended June 30, 2023.

The Portfolio invests in the U.S. Treasury Money Fund—I Class, which invests in short-term Treasury securities and other U.S. government obligations. The Fund is a high-quality, diversified portfolio whose primary aim is providing liquidity and stability of principal for investors.

The Federal Reserve broadly maintained its hawkish stance over the remainder of the period, as the central bank raised rates eight times – bringing the federal funds target rate range to 5.00% to 5.25%. After the fiscal year ended, the Fed enacted a further rate increase on July 26, 2023, bringing the new range to 5.25% to 5.50%. However, yields fluctuated over the latter half of the period amid growing evidence of slowing inflation, banking sector stress, and worries over a potential U.S. default, which later eased given a last-minute U.S. debt deal. U.S. Treasury yields surged in the first half of our fiscal year and continued to climb more modestly in the second half. In the money market universe, three-month U.S. Treasury bill (T-bill) yields climbed from 1.72% to 5.43%, while six-month T-bill yields advanced from 2.51% to 5.47%. One-year T-bill yields increased from 2.80% to 5.40%.

6/30/22



100% Money Market

6/30/23



100% Money Market

UNDERLYING FUND ALLOCATION

	6/30/22	6/30/23
MONEY MARKET		
U.S. Treasury Money Fund—I Class	100.0%	100.0%

Diversification cannot assure a profit or protect against loss in a declining market.

¹ Performance information reflected is net of Fees and expenses.

You could lose money by investing in this Portfolio. Although the U.S. Treasury Money Market Portfolio seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in this Portfolio. Neither the Program Manager nor the underlying Fund's sponsor has any legal obligation to provide financial support to the underlying Fund, and you should not expect that either the Program Manager or the Fund sponsor will provide financial support to the Portfolio or the underlying Fund at any time.

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, 2023. 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. Assets consist primarily of investments, which comprise in excess of 99% of 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 27,787 new Accounts, \$766 million in Account Holder contributions to Portfolios, and \$707 million in net investment income. Deductions from net position include \$712 million in distributions to Account Holders and \$336 million in rollovers to other 529 plans. This resulted in an increase in net position of \$754 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 assesses Fees, including Fees of the underlying mutual Funds, a Program Fee, and a State Fee. Each Investment Portfolio indirectly bears its pro-rata share of the fees and expenses of the underlying mutual Funds in which it invests. These underlying fees and expenses are not charged directly to a Portfolio but are included in the net asset value (NAV) 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 servicing costs of the Maryland College Investment Plan; T. Rowe Price Associates, Inc., receives

the Program Fee, which, prior to April 15, 2022, equaled 0.05% based on the assets of the College Investment Plan. Effective April 15, 2022, the Program Fee for each Portfolio, except for the Social Index Equity Portfolio, equals 0.03% of each Portfolio's average daily net assets. The Program Fee for the Social Index Equity Portfolio equals 0.15% of its average daily net assets. In addition, each Portfolio is charged a State Fee for administration and marketing costs of the Maryland 529 programs. The Trustee receives the State Fee, which equals 0.05% based on the assets of the College Investment Plan. Payment of the Program Fee and State Fee by each Portfolio will be reflected in the Portfolio's NAV. The Program Fee is contractually limited in certain situations, and both the Program Fee and State Fee may be voluntarily waived for certain Portfolios, as described in the Plan Disclosure Statement.

Portfolio Financial Statements

The Statement of Net Position, the Statement of 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, 2023. 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 Statement of Changes in Net Position reports 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 NAV information, total return, and various ratios for each individual Portfolio.

Budgetary Control and Financial Oversight

The College Investment Plan is administered by Maryland 529. 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 Maryland 529.

**Maryland College Investment Plan Statement of Fiduciary Net Position
as of June 30, 2023 (in thousands)**

ASSETS	
Current assets:	
Investments, at fair value	\$8,622,837
Total assets	8,622,837
LIABILITIES	
Current liabilities:	
Other liabilities	1,115
Total liabilities	1,115
Fiduciary net position held for benefits	\$8,621,722

See accompanying notes to financial statements.

**Maryland College Investment Plan Statement of Changes in Fiduciary Net Position
for the Fiscal Year Ended June 30, 2023 (in thousands)**

ADDITIONS	
Contributions:	
Account holder contributions	\$1,102,610
Investment income:	
Net increase in fair value of investments	497,695
Investment income	209,078
Net investment income	706,773
Total additions	1,809,383
DEDUCTIONS	
Distributions:	
Account holder distributions	1,047,717
Dividend distributions	8,013
Total deductions	1,055,730
Change in net position	753,653
Fiduciary net position, beginning of year	7,868,069
Fiduciary net position, end of year	\$8,621,722

See accompanying notes to financial statements.

Notes to Financial Statements

Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

1. Organization and Purpose

MARYLAND PREPAID COLLEGE TRUST

The purpose of the Maryland Senator Edward J. Kasemeyer Prepaid College Trust (formerly Maryland Prepaid College Trust (the 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 10 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 (State) 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, Maryland public, private, or out-of-state college or university that is considered a qualified higher education institution. The Maryland General Assembly created the Trust during the 1997 legislative session.

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 Maryland 529 including fees received from 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/her budget the amount of any shortfall of Trust assets needed to pay current contract liabilities.

Contributions made by an account holder to the Trust may be subtracted 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 subtracted from an account holder's State adjusted gross income in consecutive future years until the full amount contributed to the account has been subtracted.

Beginning January 1, 2002, earnings on contributions are tax free for Federal and State purposes when used toward eligible qualified higher education expenses, except distributions to pay student loans of a sibling of a Beneficiary, which may be subject to State tax consequences.

Effective June 1, 2023, as a result of Chapter 113 of the 2023 Laws of Maryland, the Trust is no longer accepting new enrollments. The Treasurer of the State of Maryland oversees the Trust.

MARYLAND COLLEGE INVESTMENT PLAN

The Maryland Senator Edward J. Kasemeyer 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. Prior to June 1, 2023, the Maryland 529 Board (Board) served as Trustee for the Trust (Trustee). Effective June 1, 2023, the Maryland 529 Board was abolished and the Maryland State Treasurer (State Treasurer) assumed responsibility as Trustee for administering the Plan. T. Rowe Price Associates, Inc. (Price Associates or the Program Manager) serves as the Program Manager. The Plan is marketed directly to investors without sales charges and offers eight enrollment-based and ten fixed 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). 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 from the Maryland Prepaid College Trust and was authorized by the Maryland Code Annotated Education Article, Section 18, Subtitle 19A (Enabling Legislation). The Enabling Legislation allows that contributions made to the Plan may be subtracted from Maryland State income in an amount up to \$2,500 per contributor for each Beneficiary annually.

Effective January 1, 2002, earnings on contributions became 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. Effective January 1, 2018, the definition of qualified higher education expenses was expanded to include tuition expenses (up to \$10,000 per year, per Beneficiary) in connection with attendance at an elementary or secondary public, private, or religious school. Effective January 1, 2020, the definition of qualified higher education expenses was expanded again to include apprenticeship expenses and payments of qualified education loans.

All administrative costs for Maryland 529, including the Plan, are accounted for in the financial statements of the Maryland Senator Edward J. Kasemeyer Prepaid College Trust.

2. Summary of Significant Accounting Policies

MARYLAND 529

Recent Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, Compensated Absences effective for fiscal years beginning after December 15, 2023. The Plan will be analyzing the effects of these pronouncements and plans to adopt them, as applicable, by their respective effective dates.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The Plan will be analyzing the effects of these pronouncements and plans to adopt them, as applicable, by their respective effective dates.

In April 2022, the GASB issued Statement No. 99, Omnibus 2022, effective for fiscal years beginning after June 15, 2022. The Plan has implemented this statement, and it had no material effect on the financial position of the Plan.

MARYLAND PREPAID COLLEGE TRUST

Measurement Focus and Basis of Accounting

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 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. The Trust's tuition and investment net position is classified as unrestricted assets. 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. The principal non-operating revenues are investment gains and income.

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 used a 6.0% discount rate, which was 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. Payments received in advance of due dates from Account Holders are recorded as a liability.

Tuition Contracts Receivable

Tuition contracts receivable as of June 30, 2023, represents management's estimate of the present value of future contract payments. This is calculated by using a 6.0% discount rate.

Accrued Tuition Benefits

Accrued tuition benefits as of June 30, 2023, as reported on the statement of net position, represents management's estimate of the present value of future tuition benefit payments. This is calculated by using a 6.0% discount rate and the projected estimated cost to attend a Maryland public college or university in the years in which the beneficiary is expected to attend college.

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 and certain employee health benefits. In addition, the Trust is covered under the Maryland Tort Claims Act, Md. State Gov't Code Ann. §§ 12-101 et seq. 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. The Trust is also exposed to various risks of loss related to securities fraud. There have been no significant reductions in coverage from the prior year. There have never been any Maryland Tort Claims Act claims against Maryland 529; therefore, the amount of settlements have not exceeded coverage in the past three fiscal years.

Use of Estimates

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

Basis of Preparation

The accompanying Plan financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), 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 realized 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. The Program Manager believes no events have occurred between June 30, 2023, the date of this report, and October 28, 2023, the date the financial statements were available to be issued, that require adjustment of, or disclosure in, the accompanying financial statements.



Units

Each investor's (Account Holder) 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 Account Holder instructions in good order, based on the next determined net asset value per unit. Account Holder contributions and redemptions, as disclosed in the Statement of 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, 2023, new contributions to the Plan were approximately \$766 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 Account Holders. The U.S. Treasury Money Market Portfolio declares a daily dividend of net investment income, which is automatically reinvested in the Account Holder'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 basis. Realized gains and losses are reported on the identified cost basis.

3. Cash and Cash Equivalents

MARYLAND PREPAID COLLEGE TRUST

Custodial Risk

Cash and cash equivalents consist of amounts maintained in bank accounts controlled by the Trust and overnight investments with original maturities of 90 days or less. Cash deposits of the Trust are made in accordance with the State statutes, which requires approved depositories to pledge collateral in the name of the State for these deposits. As of June 30, 2023, the carrying amount of the Trust's demand and time deposits was \$17,004,357. This includes funds invested in short term investments at the custodian offset by outstanding checks issued to Account Holders and institutions.

4. Investments

MARYLAND 529

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

- LEVEL 1** quoted prices (unadjusted) in active markets for identical financial instruments that the Plan can access at the reporting date
- LEVEL 2** inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)
- LEVEL 3** unobservable inputs (including the portfolio's own assumptions in determining fair value)

MARYLAND PREPAID COLLEGE TRUST

The Maryland Prepaid College Trust Statement of Investment Policy (Investment Policy), adopted by the State Treasurer as required by the Enabling Legislation, allows the Trust to purchase investments including domestic, international and private equities; domestic, foreign and high yield bonds; global real estate equities; private real estate; global infrastructure; commodities and other governmental agency instruments, as well as money market deposits based on the Investment Policy's specified portfolio allocation. Investments are stated at fair value. Unrealized appreciation and depreciation on investments due to changes in fair value is recognized in the Trust's Financial Statements each year. Investments are valued on a daily basis except for private funds, which are valued on a monthly or quarterly basis. Private equity, private credit, global infrastructure, and private real estate investments totaled \$300,328,000 or 26.2% of net investments as of June 30, 2023.

As of June 30, 2023 the Trust had the following investment maturities:

Maturity on Fixed Income Investments (in thousands)

	Fair Value	< 1 Year	1–5 Years	6–10 Years	10–15+ Years
Total Bond Market	\$112,915	\$610	\$53,183	\$40,604	\$18,518
Core Fixed Income	114,970	5,634	44,608	40,814	23,914
Short-Term Income	20,313	—	\$20,313	—	—
High Yield Fixed Income	99,161	995	77,643	20,291	232
Emerging Market Debt	46,616	1,584	16,229	17,668	11,135
Senior Secured Loans	57,400	57,365	—	—	35
Total	\$451,375	\$66,188	\$211,976	\$119,377	\$53,834



The Trust has the following fair value measurements as of June 30, 2023:

Investments by Fair Value Level (in thousands)					
Security Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observations (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Reported at NAV
Intermediate Duration Fixed Income	\$227,883	\$114,969	\$112,914	\$ —	\$ —
Short term fixed income	71,863	71,863	—	—	—
Senior Secured Loans	59,046	—	—	—	59,046
High Yield Fixed Income	59,574	—	—	—	59,574
Emerging Market Debt	50,137	50,137	—	—	—
Private Credit	36,655	—	—	—	36,655
Domestic Large Cap Core	73,908	73,908	—	—	—
Domestic Mid Cap Core	48,317	48,317	—	—	—
Domestic Small Cap Value	19,016	19,016	—	—	—
Low Volatility US Equity	32,138	—	—	—	32,138
Developed Markets Equity — Large Cap Core	51,622	51,622	—	—	—
Developed Markets Equity — Large Cap Growth	35,579	—	—	—	35,579
Developed Markets Equity — Large Cap Value	39,355	39,355	—	—	—
Developed Markets Equity — Small Cap	36,852	36,852	—	—	—
Emerging Markets Equity	39,667	—	—	—	39,667
Private Real Estate	127,443	—	—	—	127,443
Global Private Infrastructure	64,404	—	—	—	64,404
Private Equity	71,826	—	—	—	71,826
Total Investments by Fair Value Level	\$1,145,285	\$506,039	\$112,914	\$-	\$526,332

Private fund investments that are not invested in liquid securities may have different structures that require capital to be called and redeemed at various times according to the legal documents governing each entity.

The table below displays the outstanding capital calls and redemptions as of June 30, 2023:

Investments at NAV (in thousands)					
	Fair Value	Unfunded Commitments	Redemptions Pending	Redemption Frequency	Redemption Notice Period
Private Credit	\$36,655	\$24,496	\$0	30 months	6 months
Private Real Estate	127,443	—	—	Quarterly	Varies
Global Infrastructure	64,404	—	—	Varies	90 days
Private Equity	71,826	—	—	Not Eligible	N/A
Private Funds	226,004	38,404	—	Not Eligible	N/A
Total	\$526,332	\$62,900	\$-		

Credit Risk

The investment management agreement with specific bond managers details the minimum quality standards for the Trust's bond portfolios. The Trust continually monitors the portfolios to ensure the minimum quality standards are met. If a particular portfolio falls below these standards, the Trust monitors the assets and makes prudent changes

where required. The Trust's co-mingled investments such as mutual funds, are only subject to credit quality limits per the governing documents of that entity. Unless there is information to the contrary, obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk.

The table below displays holdings by credit rating as of June 30, 2023:

Equivalent Ratings by Organization (in thousands)					
Fair Value	Average Rating	Moody's	Standard & Poors	Fitch	
\$106,303	AAA	Aaa	AAA	AAA	
276	AA+	Aa2	AA+	AAA	
80,118	AA	Aa3	AA	AAA	
2,644	AA-	A1	AA-	A+	
5,702	A+	A2	A+	A+	
20,397	A	A3	A-	A-	
7,900	A-	Baa1	BBB+	A-	
12,971	BBB+	Baa1	BBB+	BBB+	
34,425	BBB	Baa2	BBB	BBB	
24,889	BBB-	Baa3	BBB-	BBB-	
137,079	Other				

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 10% of the equity portfolio's market value. Additionally, the manager specific guidelines define the maximum allocation allowed in a single sector.

Custodial Credit Risk

The Trust's securities are issued in the Trust's name and are primarily maintained in Accounts held by U.S. Bank, the Trust's Custodian since June 30, 2015.

The Trust's investments assets are subject to market risk that may arise from, among other things, changes in equity prices, credit ratings, foreign currency exchange rates, and interest rates.

MARYLAND COLLEGE INVESTMENT PLAN

The Maryland Senator Edward J. Kasemeyer College Investment Plan's Investment Policy, adopted by the State Treasurer, 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. The Plan is not restricted in its investments by legal or contractual provisions.

Investments are stated at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan invests solely in mutual Funds, which are valued at the mutual Fund's closing NAV per share on the date of valuation.

Because the Plan invests in mutual Funds that are actively traded at publicly available NAVs, all investments were classified as Level 1 as of June 30, 2023.

Changes in unrealized gain/loss resulting from changes in the fair values of investments are recognized daily in each

Portfolio's NAV per unit and, for the fiscal year, are reflected in the Plan's accompanying Statement of Changes in 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, among other things, 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 certain risks, including interest rate risk, which is the risk associated with a decline in bond prices that usually accompanies a rise in interest rates. The weighted average maturity and weighted average effective duration of the underlying mutual Funds were as follows on June 30, 2023 (in years):

	Weighted Average Maturity	Weighted Average Effective Duration
Domestic Bond Funds		
T. Rowe Price High Yield Fund	5.44	3.84
T. Rowe Price New Income Fund	8.55	6.79
T. Rowe Price Short-Term Bond Fund	2.31	1.93
T. Rowe Price QM U.S. Bond Index Fund	8.90	6.38
T. Rowe Price U.S. Limited Duration TIPS Index Fund	2.89	2.78
International Bond Funds		
T. Rowe Price Emerging Markets Bond Fund	11.49	6.40
T. Rowe Price International Bond Fund	8.77	6.71
Blended Asset Fund		
T. Rowe Price Spectrum Income Fund	9.25	5.98

As of June 30, 2023, 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	\$488,956	\$170,490	\$659,446
T. Rowe Price Equity Index 500 Fund	729,234	352,237	1,081,471
T. Rowe Price Mid-Cap Growth Fund	116,373	37,619	153,992
T. Rowe Price Mid-Cap Index Fund	53,835	(7,429)	46,406
T. Rowe Price Mid-Cap Value Fund	114,449	24,438	138,887
T. Rowe Price Small-Cap Index Fund	51,701	(6,438)	45,263
T. Rowe Price Small-Cap Stock Fund	195,692	58,295	253,987
T. Rowe Price U.S. Equity Research Fund	127,231	17,288	144,519
T. Rowe Price U.S. Large-Cap Core Fund	141,564	4,625	146,189
T. Rowe Price Value Fund	571,458	70,147	641,605
Vanguard FTSE Social Index Fund	1,950	182	2,132
Total Domestic Stock Funds	2,592,443	721,454	3,313,897
International Stock Funds			
T. Rowe Price Emerging Markets Discovery Stock Fund	139,709	(18,401)	121,308
T. Rowe Price Emerging Markets Stock Fund	91,682	8,741	100,423
T. Rowe Price International Equity Index Fund	106,220	18,754	124,974
T. Rowe Price International Stock Fund	225,594	43,645	269,239
T. Rowe Price International Value Equity Fund	221,507	52,910	274,417
T. Rowe Price Overseas Stock Fund	250,608	68,583	319,191
Total International Stock Funds	1,035,320	174,232	1,209,552
Domestic Bond Funds			
T. Rowe Price High Yield Fund	23,832	(2,626)	21,206
T. Rowe Price New Income Fund	116,960	(14,546)	102,414
T. Rowe Price Short-Term Bond Fund	1,037,774	(44,688)	993,086
T. Rowe Price QM U.S. Bond Index Fund	25,642	(2,920)	22,722
T. Rowe Price U.S. Limited Duration TIPS Index Fund	1,112,669	(92,802)	1,019,867
Total Domestic Bond Funds	2,316,877	(157,582)	2,159,295
Global Stock Fund			
T. Rowe Price Real Assets Fund	168,348	16,085	184,433
International Bond Funds			
T. Rowe Price Emerging Markets Bond Fund	20,454	(4,350)	16,104
T. Rowe Price International Bond Fund	21,255	(3,771)	17,484
Total International Bond Funds	41,709	(8,121)	33,588
Blended Asset Fund			
T. Rowe Price Spectrum Income Fund	1,402,381	(124,681)	1,277,700
Money Market Fund			
T. Rowe Price U.S. Treasury Money Fund	444,372	—	444,372
Total Investments in Mutual Funds	\$8,001,450	\$621,387	\$8,622,837

* All assets as of June 30, 2023 are invested in the I Class of each T. Rowe Price mutual Fund, with the exception of T. Rowe Price International Equity Index Fund—Investor Class.

5. Tax Exempt Status

The Maryland Senator Edward J. Kasemeyer Prepaid College Trust Plan and Maryland Senator Edward J. Kasemeyer College Investment Plan are 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 Plans make no provision for income taxes.

6. Accrued Tuition Benefits

MARYLAND PREPAID COLLEGE TRUST

The Trust's 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 State Treasurer and the actuary.

Tuition and Mandatory Fee Increases: The Weighted Average Tuition (WAT) is calculated as follows: 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 actuarial valuation for the fiscal year ended June 30, 2022, the Tuition component of the 2022–2023 WAT

was projected to increase 3.0% per annum for three years and 5.0% per annum thereafter, and the mandatory fee component of the WAT was projected to increase 6.0% per annum.

Investment Return: The actuarial valuation for the Trust was determined using an assumed 6.0% rate of return on investments. It is further assumed that the Trust is exempt from Federal income tax.

Enrollment of Trust Beneficiaries: It is assumed that beneficiaries will attend college full-time, based on assumed benefit usage rates commencing on or after 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 2022–2023 WAT with a 4.5% bias load used on average for the university plan contract WAT and a 2.5% bias load used for the community college contract WAT to recognize the bias toward enrollment at more expensive schools.

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 or community college with Tuition and Mandatory Fees that are higher than the WAT. The 4.5% bias load on average used for the university plan contract WAT (based on a 9.0% bias load applicable to 50% of contract beneficiaries assumed to attend Maryland public universities) and the 2.5% bias load used for the community college contract WAT, relates to the estimated percentage increase in expenditures by the Trust 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, 2023, are as follows (amounts in thousands):

July 1, 2022	Tuition Payments	New Contracts and Accretion of Liability	June 30, 2023	Amount Due within One Year
\$889,678	\$(46,299)	\$14,770	\$858,149	\$149,787

7. Related Parties

MARYLAND COLLEGE INVESTMENT PLAN

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 adviser for certain 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 for which Price Associates and its subsidiaries acts as investment adviser. The Vanguard Group, Inc., serves as investment adviser for the FTSE Social Index Fund.

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 where T. Rowe Price or its subsidiaries serve as investment adviser. The costs associated with recordkeeping and related Account servicing for the Portfolios are borne by either Price Associates or each underlying mutual Fund in proportion to the average daily value of its shares owned by the Portfolios. During the year ended June 30, 2023, the underlying mutual Funds paid \$4,014,000 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.

The staff of Maryland 529 oversees Price Associates' management of the Plan in accordance with applicable laws and regulations, and the contract with Price Associates. Members of the State Treasurer's Office review and approve all Plan disclosure documents, as well as all marketing initiatives in accordance with the approved marketing plan, and monitor the implementation of operational procedures. The Trust coordinates several contracts between the State Treasurer's Office and its service providers for services to both the Trust and the Plan.

Each Portfolio pays a State Fee to the Trustee to help cover certain administrative and marketing costs of administering the Maryland 529 programs. The Trustee receives the State Fee, which is accrued daily and paid monthly. The State Fee equals 0.05% of each Portfolio's average daily net assets.

Each Portfolio pays an annual Program Fee to the Program Manager to help cover certain administrative and marketing expenses associated with administering the Plan. The Program Fee for each Portfolio, except for the Social Index Equity Portfolio, is equal to 0.03% of each Portfolio's average daily net assets. The Social Index Equity Portfolio pays a Program Fee equal to 0.15% of its average net assets. The Program Fee accrues daily and is paid monthly. At June 30, 2023, Program Fees of \$210,000 were payable by the Portfolios. For Portfolio 2042, Portfolio 2039, Portfolio 2036, and Equity Portfolio, the Program Manager has contractually agreed to limit the annual aggregate Program Fee plus State Fee and indirect expenses to 0.69% of each Portfolio's respective average net assets. Additionally, for Portfolio 2033, the Program Manager has contractually agreed to limit the annual aggregate Program Fee plus State Fee and indirect expenses to 0.68% of the Portfolio's average net assets. Fees waived under these expense limit arrangements are not subject to future repayment by the Portfolios. Pursuant to these arrangements, no Program Fees were waived for Portfolio 2042, Portfolio 2039, Portfolio 2036, Portfolio 2033 and Equity Portfolio, respectively, for the year ended June 30, 2023.

When market conditions warrant, the Program Fee (and, if necessary, the State Fee) will be voluntarily waived in whole or in part in the event that the combination of the indirect expenses, the State Fee, and the Program Fee would result in a negative return for U.S. Treasury Money Market Portfolio. Any amounts waived under this arrangement are not subject to repayment by the Money Market Portfolio. This voluntary waiver may be amended or terminated at any time without prior notice. Pursuant to this arrangement, there were no program or state fees waived for the year ended June 30, 2023.

8. Other Matters

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

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

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

Supplementary Information

Supplementary Information

For the fiscal year ended June 30, 2023

Statement of Net Position (in thousands, except net asset values per unit and shares)								
	Portfolio 2042		Portfolio 2039		Portfolio 2036		Portfolio 2033	
	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value
Investments at Fair Value								
T. Rowe Price Blue Chip Growth Fund	36,200	\$5,082	251,355	\$35,288	489,989	\$68,789	660,949	\$92,791
T. Rowe Price Emerging Markets Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price Emerging Markets Discovery Stock Fund	70,298	911	474,608	6,151	954,728	12,373	1,302,118	16,876
T. Rowe Price Emerging Markets Stock Fund	20,281	726	145,131	5,191	287,958	10,300	395,618	14,151
T. Rowe Price Equity Index 500 Fund	25,570	2,993	177,598	20,784	350,804	41,055	464,126	54,317
T. Rowe Price High Yield Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Equity Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Stock Fund	110,003	2,020	764,145	14,030	1,502,155	27,580	2,042,761	37,505
T. Rowe Price International Value Equity Fund	133,419	2,061	924,904	14,290	1,824,709	28,192	2,471,346	38,182
T. Rowe Price Mid-Cap Growth Fund	11,210	1,126	76,744	7,707	159,170	15,984	219,662	22,058
T. Rowe Price Mid-Cap Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Mid-Cap Value Fund	33,323	1,027	229,640	7,080	462,241	14,251	626,673	19,320
T. Rowe Price New Income Fund	—	—	—	—	—	—	—	—
T. Rowe Price Overseas Stock Fund	195,881	2,386	1,356,995	16,528	2,681,976	32,666	3,644,312	44,388
T. Rowe Price QM U.S. Bond Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Real Assets Fund	103,639	1,405	718,055	9,737	1,391,955	18,875	1,874,549	25,419
T. Rowe Price Short-Term Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price Small-Cap Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Small-Cap Stock Fund	33,954	1,897	235,405	13,152	462,632	25,847	631,409	35,277
T. Rowe Price Spectrum Income Fund	—	—	—	—	3,238,497	35,785	14,705,621	162,497
T. Rowe Price U.S. Equity Research Fund	25,196	1,088	175,202	7,565	345,384	14,914	463,291	20,005
T. Rowe Price U.S. Limited Duration TIPS Index Fund	—	—	—	—	1,857	17	2,733	25
T. Rowe Price U.S. Large-Cap Core Fund	34,195	1,114	236,193	7,697	468,387	15,265	629,510	20,516
T. Rowe Price U.S. Treasury Money Fund	—	—	—	—	12,788,627	12,789	20,009,390	20,009
T. Rowe Price Value Fund	120,878	4,842	839,620	33,635	1,626,645	65,163	2,216,993	88,813
Vanguard FTSE Social Index Fund	—	—	—	—	—	—	—	—
Total investments at fair value		28,678		198,835		439,845		712,149
Other liabilities		(2)		(13)		(44)		(90)
Net Position		\$28,676		\$198,822		\$439,801		\$712,059
<i>Composition of Net Position:</i>								
Paid-in capital		\$27,586		\$180,345		\$359,772		\$527,018
Retained earnings		1,090		18,477		80,029		185,041
Number of Units Outstanding		2,944		13,599		22,371		26,933
Net Asset Value Per Unit¹		\$9.74		\$14.62		\$19.66		\$26.44
Investments at cost		\$27,518		\$192,712		\$412,272		\$655,487

¹ The net asset value (NAV) per unit 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.

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

MARYLAND COLLEGE INVESTMENT PLAN

For the fiscal year ended June 30, 2023

Statement of Net Position (Continued) (in thousands, except net asset values per unit and shares)

	Portfolio 2030		Portfolio 2027		Portfolio 2024		Portfolio for Education Today	
	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value
Investments at Fair Value								
T. Rowe Price Blue Chip Growth Fund	676,254	\$94,939	630,121	\$88,463	385,642	\$54,140	307,369	\$43,151
T. Rowe Price Emerging Markets Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price Emerging Markets Discovery Stock Fund	1,370,216	17,758	1,307,951	16,951	859,955	11,145	616,899	7,995
T. Rowe Price Emerging Markets Stock Fund	409,070	14,632	386,642	13,830	243,928	8,725	181,263	6,484
T. Rowe Price Equity Index 500 Fund	477,816	55,919	431,873	50,542	279,244	32,680	220,311	25,783
T. Rowe Price High Yield Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Equity Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Stock Fund	2,114,436	38,821	2,006,637	36,842	1,282,475	23,546	992,422	18,221
T. Rowe Price International Value Equity Fund	2,568,187	39,678	2,433,103	37,591	1,556,478	24,048	1,193,502	18,440
T. Rowe Price Mid-Cap Growth Fund	223,726	22,467	214,100	21,500	138,890	13,947	101,221	10,165
T. Rowe Price Mid-Cap Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Mid-Cap Value Fund	649,980	20,039	625,987	19,299	396,678	12,230	307,788	9,489
T. Rowe Price New Income Fund	—	—	—	—	—	—	—	—
T. Rowe Price Overseas Stock Fund	3,799,001	46,272	3,591,687	43,747	2,301,033	28,027	1,787,315	21,769
T. Rowe Price QM U.S. Bond Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Real Assets Fund	1,923,493	26,083	1,878,707	25,475	1,177,469	15,966	916,677	12,430
T. Rowe Price Short-Term Bond Fund	—	—	21,002,531	94,091	89,506,618	400,990	111,161,728	498,005
T. Rowe Price Small-Cap Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Small-Cap Stock Fund	668,191	37,332	633,091	35,371	404,167	22,581	298,339	16,668
T. Rowe Price Spectrum Income Fund	32,831,570	362,789	44,710,673	494,053	12,881,965	142,346	—	—
T. Rowe Price U.S. Equity Research Fund	479,993	20,726	454,160	19,611	293,537	12,675	224,406	9,690
T. Rowe Price U.S. Limited Duration TIPS Index Fund	2,546	23	8,895,333	81,926	42,926,949	395,357	55,192,814	508,326
T. Rowe Price U.S. Large-Cap Core Fund	649,648	21,172	609,468	19,863	385,408	12,560	293,473	9,564
T. Rowe Price U.S. Treasury Money Fund	26,362,360	26,362	37,871,142	37,871	38,584,382	38,584	41,953,444	41,953
T. Rowe Price Value Fund	2,322,908	93,056	2,191,962	87,810	1,405,713	56,313	1,078,259	43,195
Vanguard FTSE Social Index Fund	—	—	—	—	—	—	—	—
Total investments at fair value		938,068		1,224,836		1,305,860		1,301,328
Other liabilities		(130)		(224)		(201)		(187)
Net Position		\$937,938		\$1,224,612		\$1,305,659		\$1,301,141
<i>Composition of Net Position:</i>								
Paid-in capital		\$652,113		\$778,288		\$769,422		\$1,037,269
Retained earnings		285,825		446,324		536,237		263,872
Number of Units Outstanding		28,345		41,893		37,197		59,644
Net Asset Value Per Unit¹		\$33.09		\$29.23		\$35.10		\$21.82
Investments at cost		\$863,840		\$1,130,715		\$1,266,805		\$1,366,192

¹ The net asset value (NAV) per unit 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. The accompanying notes are an integral part of these financial statements.

MARYLAND COLLEGE INVESTMENT PLAN

For the fiscal year ended June 30, 2023

Statement of Net Position (Continued) (in thousands, except net asset values per unit and shares)

	Equity Portfolio		Global Equity Market Index Portfolio		Social Index Equity Portfolio		Balanced Portfolio	
	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value
Investments at Fair Value								
T. Rowe Price Blue Chip Growth Fund	944,489	\$132,597	—	\$—	—	\$—	314,882	\$44,206
T. Rowe Price Emerging Markets Bond Fund	—	—	—	—	—	—	1,872,528	16,104
T. Rowe Price Emerging Markets Discovery Stock Fund	1,780,236	23,072	—	—	—	—	623,154	8,076
T. Rowe Price Emerging Markets Stock Fund	554,920	19,849	—	—	—	—	182,695	6,535
T. Rowe Price Equity Index 500 Fund	663,567	77,657	2,010,758	235,319	—	—	222,266	26,012
T. Rowe Price High Yield Fund	—	—	—	—	—	—	3,733,461	21,206
T. Rowe Price International Bond Fund	—	—	—	—	—	—	2,472,962	17,484
T. Rowe Price International Equity Index Fund	—	—	8,189,679	124,974	—	—	—	—
T. Rowe Price International Stock Fund	2,871,850	52,727	—	—	—	—	977,524	17,947
T. Rowe Price International Value Equity Fund	3,475,091	53,690	—	—	—	—	1,180,929	18,245
T. Rowe Price Mid-Cap Growth Fund	288,951	29,016	—	—	—	—	99,797	10,022
T. Rowe Price Mid-Cap Index Fund	—	—	1,790,143	28,481	—	—	—	—
T. Rowe Price Mid-Cap Value Fund	867,896	26,757	—	—	—	—	304,735	9,395
T. Rowe Price New Income Fund	—	—	—	—	—	—	12,753,932	102,414
T. Rowe Price Overseas Stock Fund	5,098,373	62,098	—	—	—	—	1,749,575	21,310
T. Rowe Price QM U.S. Bond Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Real Assets Fund	2,702,547	36,647	—	—	—	—	914,200	12,396
T. Rowe Price Short-Term Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price Small-Cap Index Fund	—	—	2,054,513	27,839	—	—	—	—
T. Rowe Price Small-Cap Stock Fund	882,772	49,321	—	—	—	—	296,059	16,541
T. Rowe Price Spectrum Income Fund	—	—	—	—	—	—	—	—
T. Rowe Price U.S. Equity Research Fund	660,711	28,530	—	—	—	—	224,992	9,715
T. Rowe Price U.S. Limited Duration TIPS Index Fund	—	—	—	—	—	—	1,068	10
T. Rowe Price U.S. Large-Cap Core Fund	884,233	28,817	—	—	—	—	295,204	9,621
T. Rowe Price U.S. Treasury Money Fund	—	—	—	—	—	—	12,684,896	12,685
T. Rowe Price Value Fund	3,153,061	126,312	—	—	—	—	1,060,069	42,466
Vanguard FTSE Social Index Fund	—	—	—	—	51,120	2,132	—	—
Total investments at fair value		747,090		416,613		2,132		422,390
Other liabilities		(49)		(26)		—		(69)
Net Position		\$747,041		\$416,587		\$2,132		\$422,321
<i>Composition of Net Position:</i>								
Paid-in capital		\$91,096		\$169,710		\$1,952		\$141,088
Retained earnings		655,945		246,877		180		281,233
Number of Units Outstanding		14,705		11,177		215		10,291
Net Asset Value Per Unit¹		\$50.80		\$37.27		\$9.89		\$41.04
Investments at cost		\$514,820		\$387,689		\$1,950		\$359,545

¹ The net asset value (NAV) per unit 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. The accompanying notes are an integral part of these financial statements.

MARYLAND COLLEGE INVESTMENT PLAN

For the fiscal year ended June 30, 2023

Statement of Net Position (Continued) (in thousands, except net asset values per unit and shares)

	Bond and Income Portfolio		Inflation Focused Bond Portfolio		U.S. Treasury Money Market Portfolio		Equity Index 500 Portfolio	
	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value
Investments at Fair Value								
T. Rowe Price Blue Chip Growth Fund	—	\$—	—	\$—	—	\$—	—	\$—
T. Rowe Price Emerging Markets Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price Emerging Markets Discovery Stock Fund	—	—	—	—	—	—	—	—
T. Rowe Price Emerging Markets Stock Fund	—	—	—	—	—	—	—	—
T. Rowe Price Equity Index 500 Fund	—	—	—	—	—	—	3,917,031	458,410
T. Rowe Price High Yield Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Equity Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Stock Fund	—	—	—	—	—	—	—	—
T. Rowe Price International Value Equity Fund	—	—	—	—	—	—	—	—
T. Rowe Price Mid-Cap Growth Fund	—	—	—	—	—	—	—	—
T. Rowe Price Mid-Cap Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Mid-Cap Value Fund	—	—	—	—	—	—	—	—
T. Rowe Price New Income Fund	—	—	—	—	—	—	—	—
T. Rowe Price Overseas Stock Fund	—	—	—	—	—	—	—	—
T. Rowe Price QM U.S. Bond Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Real Assets Fund	—	—	—	—	—	—	—	—
T. Rowe Price Short-Term Bond Fund	—	—	—	—	—	—	—	—
T. Rowe Price Small-Cap Index Fund	—	—	—	—	—	—	—	—
T. Rowe Price Small-Cap Stock Fund	—	—	—	—	—	—	—	—
T. Rowe Price Spectrum Income Fund	7,260,655	80,230	—	—	—	—	—	—
T. Rowe Price U.S. Equity Research Fund	—	—	—	—	—	—	—	—
T. Rowe Price U.S. Limited Duration TIPS Index Fund	—	—	3,711,556	34,183	—	—	—	—
T. Rowe Price U.S. Large-Cap Core Fund	—	—	—	—	—	—	—	—
T. Rowe Price U.S. Treasury Money Fund	—	—	—	—	254,119,104	254,119	—	—
T. Rowe Price Value Fund	—	—	—	—	—	—	—	—
Vanguard FTSE Social Index Fund	—	—	—	—	—	—	—	—
Total investments at fair value		80,230		34,183		254,119		458,410
Other liabilities		(24)		(2)		(16)		(29)
Net Position		\$80,206		\$34,181		\$254,103		\$458,381
<i>Composition of Net Position:</i>								
Paid-in capital		\$31,608		\$24,672		\$254,103		\$365,221
Retained earnings		48,598		9,509		—		93,160
Number of Units Outstanding		2,690		2,341		254,100		25,062
Net Asset Value Per Unit¹		\$29.82		\$14.60		\$1.00		\$18.29
Investments at cost		\$83,242		\$37,469		\$254,119		\$381,507

¹ The net asset value (NAV) per unit 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.

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

MARYLAND COLLEGE INVESTMENT PLAN

For the fiscal year ended June 30, 2023

Statement of Net Position (Continued) (in thousands, except net asset values per unit and shares)

	Extended Equity Market Index Portfolio		U.S. Bond Index Portfolio		Total	
	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value
Investments at Fair Value						
T. Rowe Price Blue Chip Growth Fund	—	\$—	—	\$—	4,697,250	\$659,446
T. Rowe Price Emerging Markets Bond Fund	—	—	—	—	1,872,528	16,104
T. Rowe Price Emerging Markets Discovery Stock Fund	—	—	—	—	9,360,163	121,308
T. Rowe Price Emerging Markets Stock Fund	—	—	—	—	2,807,506	100,423
T. Rowe Price Equity Index 500 Fund	—	—	—	—	9,240,964	1,081,471
T. Rowe Price High Yield Fund	—	—	—	—	3,733,461	21,206
T. Rowe Price International Bond Fund	—	—	—	—	2,472,962	17,484
T. Rowe Price International Equity Index Fund	—	—	—	—	8,189,679	124,974
T. Rowe Price International Stock Fund	—	—	—	—	14,664,408	269,239
T. Rowe Price International Value Equity Fund	—	—	—	—	17,761,668	274,417
T. Rowe Price Mid-Cap Growth Fund	—	—	—	—	1,533,471	153,992
T. Rowe Price Mid-Cap Index Fund	1,126,634	17,925	—	—	2,916,777	46,406
T. Rowe Price Mid-Cap Value Fund	—	—	—	—	4,504,941	138,887
T. Rowe Price New Income Fund	—	—	—	—	12,753,932	102,414
T. Rowe Price Overseas Stock Fund	—	—	—	—	26,206,148	319,191
T. Rowe Price QM U.S. Bond Index Fund	—	—	2,366,878	22,722	2,366,878	22,722
T. Rowe Price Real Assets Fund	—	—	—	—	13,601,291	184,433
T. Rowe Price Short-Term Bond Fund	—	—	—	—	221,670,877	993,086
T. Rowe Price Small-Cap Index Fund	1,285,894	17,424	—	—	3,340,407	45,263
T. Rowe Price Small-Cap Stock Fund	—	—	—	—	4,546,019	253,987
T. Rowe Price Spectrum Income Fund	—	—	—	—	115,628,981	1,277,700
T. Rowe Price U.S. Equity Research Fund	—	—	—	—	3,346,872	144,519
T. Rowe Price U.S. Limited Duration TIPS Index Fund	—	—	—	—	110,734,856	1,019,867
T. Rowe Price U.S. Large-Cap Core Fund	—	—	—	—	4,485,719	146,189
T. Rowe Price U.S. Treasury Money Fund	—	—	—	—	444,373,345	444,372
T. Rowe Price Value Fund	—	—	—	—	16,016,108	641,605
Vanguard FTSE Social Index Fund	—	—	—	—	51,120	2,132
Total investments at fair value		35,349		22,722		8,622,837
Other liabilities		(3)		(6)		(1,115)
Net Position		\$35,346		\$22,716		\$8,621,722
<i>Composition of Net Position:</i>						
Paid-in capital		\$34,564		\$24,236		\$5,470,063
Retained earnings		782		(1,520)		3,151,659
Number of Units Outstanding		2,466		2,196		558,169
Net Asset Value Per Unit¹		\$14.34		\$10.35		
Investments at cost		\$39,926		\$25,642		\$8,001,450

¹ The net asset value (NAV) per unit 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.

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

MARYLAND COLLEGE INVESTMENT PLAN

For the fiscal year ended June 30, 2023

Statement of Operations and Changes in Net Position (in thousands)						
	Portfolio 2042	Portfolio 2039	Portfolio 2036	Portfolio 2033	Portfolio 2030	Portfolio 2027
Operations						
Net investment income						
Income distributions from Underlying Mutual Funds	\$218	\$1,844	\$5,578	\$12,143	\$20,378	\$32,309
State Fee expense	9	76	185	311	421	566
Program Fee expense	6	46	111	187	253	339
Total expense	15	122	296	498	674	905
Net investment income	203	1,722	5,282	11,645	19,704	31,404
Net realized and unrealized gain/loss						
Net realized gain (loss)						
Sales of Underlying Mutual Fund shares	(947)	(1,783)	(6,029)	(6,736)	(7,725)	(19,297)
Capital gain distributions from Underlying Mutual Funds	537	4,660	10,815	16,599	20,139	22,626
Net realized gain (loss)	(410)	2,877	4,786	9,863	12,414	3,329
Change in unrealized gain (loss)	3,462	19,585	41,939	54,195	54,091	55,231
Net realized and change in unrealized gain (loss)	3,052	22,462	46,725	64,058	66,505	58,560
Increase (decrease) in net position from investments	3,255	24,184	52,007	75,703	86,209	89,964
Distributions to Unit Holders						
Decrease in net position from distributions	—	—	—	—	—	—
Unit Transactions – see Unit Information below						
Units issued						
Account Holder contributions	11,952	59,468	71,832	82,070	86,265	88,960
Account Holder transfers from other portfolios	3,328	5,163	6,013	10,646	15,501	25,592
Units redeemed						
Account Holder distributions	(2,767)	(2,112)	(5,247)	(8,416)	(12,842)	(20,605)
Account Holder transfers to other portfolios	(862)	(4,440)	(5,948)	(9,884)	(14,420)	(25,482)
Increase (decrease) in net assets from unit transactions	11,651	58,079	66,650	74,416	74,504	68,465
Net Position						
Increase (decrease) during year	14,906	82,263	118,657	150,119	160,713	158,429
Beginning of year	13,770	116,559	321,144	561,940	777,225	1,066,183
End of year	\$28,676	\$198,822	\$439,801	\$712,059	\$937,938	\$1,224,612
Unit Information						
Units outstanding, beginning of year	1,633	9,208	18,654	23,886	25,935	39,420
Units issued						
Account Holder contributions and transfers from other portfolios	1,725	4,879	4,336	3,792	3,286	4,125
Units redeemed						
Account Holder distributions and transfers to other portfolios	(414)	(488)	(619)	(745)	(876)	(1,652)
Units outstanding, end of year	2,944	13,599	22,371	26,933	28,345	41,893

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

MARYLAND COLLEGE INVESTMENT PLAN

For the fiscal year ended June 30, 2023

Statement of Operations and Changes in Net Position (in thousands)

	Portfolio 2024	Portfolio for Education Today	Equity Portfolio	Global Equity Market Index Portfolio	Social Index Equity Portfolio	Balanced Portfolio
Operations						
Net investment income						
Income distributions from Underlying Mutual Funds	\$43,115	\$53,529	\$8,646	\$7,025	\$18	\$9,416
State Fee expense	637	697	345	186	1	201
Program Fee expense	382	418	207	112	2	121
Total expense	1,019	1,115	552	298	3	322
Net investment income	42,096	52,414	8,094	6,727	15	9,094
Net realized and unrealized gain/loss						
Net realized gain (loss)						
Sales of Underlying Mutual Fund shares	(22,420)	(37,281)	(8,009)	(2,238)	(19)	(6,076)
Capital gain distributions from Underlying Mutual Funds	13,907	8,495	22,121	218	—	7,567
Net realized gain (loss)	(8,513)	(28,786)	14,112	(2,020)	(19)	1,491
Change in unrealized gain (loss)	20,098	9,014	79,697	60,611	299	26,091
Net realized and change in unrealized gain (loss)	11,585	(19,772)	93,809	58,591	280	27,582
Increase (decrease) in net position from investments	53,681	32,642	101,903	65,318	295	36,676
Distributions to Unit Holders						
Decrease in net position from distributions	—	—	—	—	—	—
Unit Transactions – see Unit Information below						
Units issued						
Account Holder contributions	77,287	81,822	38,161	26,179	367	25,176
Account Holder transfers from other portfolios	27,405	52,257	18,953	11,475	797	14,375
Units redeemed						
Account Holder distributions	(70,725)	(390,646)	(43,035)	(17,028)	(22)	(37,310)
Account Holder transfers to other portfolios	(48,184)	(80,311)	(38,528)	(20,348)	(97)	(19,814)
Increase (decrease) in net assets from unit transactions	(14,217)	(336,878)	(24,449)	278	1,045	(17,573)
Net Position						
Increase (decrease) during year	39,464	(304,236)	77,454	65,596	1,340	19,103
Beginning of year	1,266,195	1,605,377	669,587	350,991	792	403,218
End of year	\$1,305,659	\$1,301,141	\$747,041	\$416,587	\$2,132	\$422,321
Unit Information						
Units outstanding, beginning of year	37,605	75,384	15,225	11,172	96	10,747
Units issued						
Account Holder contributions and transfers from other portfolios	3,071	6,271	1,242	1,123	133	1,024
Units redeemed						
Account Holder distributions and transfers to other portfolios	(3,479)	(22,011)	(1,762)	(1,118)	(14)	(1,480)
Units outstanding, end of year	37,197	59,644	14,705	11,177	215	10,291

MARYLAND COLLEGE INVESTMENT PLAN

For the fiscal year ended June 30, 2023

Statement of Operations and Changes in Net Position (in thousands)

	Bond and Income Portfolio	Inflation Focused Bond Portfolio	U.S. Treasury Money Market Portfolio	Equity Index 500 Portfolio	Extended Equity Market Index Portfolio	U.S. Bond Index Portfolio	Total
Operations							
Net investment income							
Income distributions from Underlying Mutual Funds	\$3,394	\$2,268	\$8,191	\$6,358	\$361	\$724	\$215,515
State Fee expense	41	19	111	189	16	11	4,022
Program Fee expense	24	11	67	113	9	7	2,415
Total expense	65	30	178	302	25	18	6,437
Net investment income	3,329	2,238	8,013	6,056	336	706	209,078
Net realized and unrealized gain/loss							
Net realized gain (loss)							
Sales of Underlying Mutual Fund shares	(1,347)	(697)	—	(620)	(548)	(768)	(122,540)
Capital gain distributions from Underlying Mutual Funds	1,078	—	—	—	134	—	128,896
Net realized gain (loss)	(269)	(697)	—	(620)	(414)	(768)	6,356
Change in unrealized gain (loss)	(449)	(2,379)	—	65,773	4,326	(245)	491,339
Net realized and change in unrealized gain (loss)	(718)	(3,076)	—	65,153	3,912	(1,013)	497,695
Increase (decrease) in net position from investments	2,611	(838)	8,013	71,209	4,248	(307)	706,773
Distributions to Unit Holders							
Decrease in net position from distributions	—	—	(8,013)	—	—	—	(8,013)
Unit Transactions – see Unit Information below							
Units issued							
Account Holder contributions	4,768	2,694	39,700	62,860	4,649	2,265	766,475
Account Holder transfers from other portfolios	5,797	4,254	87,838	39,867	2,876	3,998	336,135
Units redeemed							
Account Holder distributions	(11,420)	(5,759)	(64,287)	(14,790)	(1,084)	(3,487)	(711,582)
Account Holder transfers to other portfolios	(7,787)	(7,076)	(23,854)	(23,488)	(2,135)	(3,477)	(336,135)
Increase (decrease) in net assets from unit transactions	(8,642)	(5,887)	39,397	64,449	4,306	(701)	54,893
Net Position							
Increase (decrease) during year	(6,031)	(6,725)	39,397	135,658	8,554	(1,008)	753,653
Beginning of year	86,237	40,906	214,706	322,723	26,792	23,724	7,868,069
End of year	\$80,206	\$34,181	\$254,103	\$458,381	\$35,346	\$22,716	\$8,621,722
Unit Information							
Units outstanding, beginning of year	2,986	2,743	214,702	21,077	2,143	2,260	
Units issued							
Account Holder contributions and transfers from other portfolios	362	473	127,539	6,315	562	609	
Units redeemed							
Account Holder distributions and transfers to other portfolios	(658)	(875)	(88,141)	(2,330)	(239)	(673)	
Units outstanding, end of year	2,690	2,341	254,100	25,062	2,466	2,196	

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

MARYLAND COLLEGE INVESTMENT PLAN

For the year ended June 30, 2023

Financial Highlights (For a unit outstanding throughout the period)

	Portfolio 2042	Portfolio 2039	Portfolio 2036	Portfolio 2033	Portfolio 2030	Portfolio 2027
Net Asset Value¹						
Beginning of period	\$8.43	\$12.66	\$17.22	\$23.53	\$29.97	\$27.05
Investment activities ²						
Net investment income ³	0.10	0.15	0.26	0.46	0.73	0.77
Net realized and unrealized gain/loss	1.21	1.81	2.18	2.45	2.39	1.41
Total from investment activities	1.31	1.96	2.44	2.91	3.12	2.18
Distributions of net investment income	—	—	—	—	—	—
Net Asset Value¹						
End of period	\$9.74	\$14.62	\$19.66	\$26.44	\$33.09	\$29.23
Ratios⁴						
Total return	15.54%	15.48%	14.17%	12.37%	10.41%	8.06%
Ratio of expenses to average net assets	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Ratio of net investment income (loss) to average net assets	1.07%	1.13%	1.42%	1.87%	2.34%	2.77%
Portfolio turnover rate	18.4%	5.0%	11.1%	10.4%	10.4%	20.5%
Supplemental Information						
Weighted average net expenses of underlying Price Funds ⁵	0.59%	0.59%	0.57%	0.55%	0.53%	0.49%
Effective net expenses	0.67%	0.67%	0.65%	0.63%	0.61%	0.57%
Net assets, end of period (in millions)	\$28.7	\$198.8	\$439.8	\$712.1	\$937.9	\$1,224.6

¹ The net asset value (NAV) per unit 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 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.

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

MARYLAND COLLEGE INVESTMENT PLAN

For the year ended June 30, 2023

Financial Highlights (For a unit outstanding throughout the period)

	Portfolio 2024	Portfolio for Education Today	Equity Portfolio	Global Equity Market Index Portfolio	Social Index Equity Portfolio	Balanced Portfolio
Net Asset Value¹						
Beginning of period	\$33.67	\$21.30	\$43.98	\$31.42	\$8.24	\$37.52
Investment activities²						
Net investment income ³	1.13	0.80	0.54	0.61	0.10	0.87
Net realized and unrealized gain/loss	0.30	(0.28)	6.28	5.24	1.55	2.65
Total from investment activities	1.43	0.52	6.82	5.85	1.65	3.52
Distributions of net investment income	—	—	—	—	—	—
Net Asset Value¹						
End of period	\$35.10	\$21.82	\$50.80	\$37.27	\$9.89	\$41.04
Ratios⁴						
Total return	4.25%	2.44%	15.51%	18.62%	20.02%	9.38%
Ratio of expenses to average net assets	0.08%	0.08%	0.08%	0.08%	0.20%	0.08%
Ratio of net investment income (loss) to average net assets	3.31%	3.76%	1.17%	1.80%	1.13%	2.26%
Portfolio turnover rate	27.4%	10.9%	10.9%	5.7%	8.3%	14.7%
Supplemental Information						
Weighted average net expenses of underlying Price Funds ⁵	0.36%	0.29%	0.59%	0.13%	0.14%	0.52%
Effective net expenses	0.44%	0.37%	0.67%	0.21%	0.34%	0.60%
Net assets, end of period (in millions)	\$1,305.7	\$1,301.1	\$747.1	\$416.6	\$2.1	\$422.3

¹ The net asset value (NAV) per unit 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. Total return is not annualized for periods less than one year.

⁵ Reflects the indirect expense impact to the Portfolio from its investment 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.

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

MARYLAND COLLEGE INVESTMENT PLAN

For the year ended June 30, 2023

Financial Highlights (For a unit outstanding throughout the period)

	Bond and Income Portfolio	Inflation Focused Bond Portfolio	U.S. Treasury Money Market Portfolio	Equity Index 500 Fund	Extended Equity Market Index Fund	U.S. Bond Index Fund
Net Asset Value¹						
Beginning of period	\$28.88	\$14.91	\$1.00	\$15.31	\$12.50	\$10.50
Investment activities ²						
Net investment income ³	1.20	0.89	0.04	0.26	0.15	0.33
Net realized and unrealized gain/loss	(0.26)	(1.20)	— ⁽⁴⁾	2.72	1.69	(0.48)
Total from investment activities	0.94	(0.31)	0.04	2.98	1.84	(0.15)
Distributions of net investment income	—	—	(0.04)	—	—	—
Net Asset Value¹						
End of period	\$29.82	\$14.60	\$1.00	\$18.29	\$14.34	\$10.35
Ratios⁵						
Total return	3.25%	(2.08)%	3.62%	19.46%	14.72%	(1.43)%
Ratio of expenses to average net assets	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Ratio of net investment income (loss) to average net assets	4.09%	6.05%	3.59%	1.60%	1.09%	3.23%
Portfolio turnover rate	9.3%	13.7%	9.6%	0.8%	5.4%	19.5%
Supplemental Information						
Weighted average net expenses of underlying Price Funds ⁶	0.47%	0.11%	0.23%	0.05%	0.14%	0.12%
Effective net expenses	0.55%	0.19%	0.31%	0.13%	0.22%	0.20%
Net assets, end of period (in millions)	\$80.2	\$34.2	\$254.1	\$458.4	\$35.3	\$22.7

¹ The net asset value (NAV) per unit 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 Amounts round to less than \$0.01 per share.

⁵ Ratios reflect the activity of each Portfolio and do not include the activity of the Underlying Mutual Funds in which the Portfolios invest.

⁶ Reflects the indirect expense impact to the Portfolio from its investment 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.

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



T. ROWE PRICE is a trademark of T. Rowe Price Group, Inc. All other trademarks are the property of their respective owners.

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group") © LSE Group 2023. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The S&P 500 Index is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliate ("SPDJ"), and have been licensed for use by T. Rowe Price. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by T. Rowe Price. This product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500.

MSCI and its affiliates and third party sources and providers (collectively, "MSCI") makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. Historical MSCI data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Bloomberg Index Services Limited. Bloomberg®, the Bloomberg U.S. Aggregate Bond Index, and the Bloomberg U.S. 1-5 Year Treasury TIPS Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by T. Rowe Price. Bloomberg is not affiliated with T. Rowe Price, and Bloomberg does not approve, endorse, review, or recommend Maryland 529. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to Maryland 529.

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright © 2023, J.P. Morgan Chase & Co. All rights reserved.

**College
Savings Plans
Marketing
Results
FY 2023**

College Savings Plan Results FY 2023

MARKETING ACTIVITIES AND IMPACT

Prepaid College Trust

From December 1, 2022–June 1, 2023, new enrollments in the Maryland Prepaid College Trust decreased 30% compared to the same time period the year before.

All paid advertising to promote enrollment in the Prepaid College Trust ceased due to the earnings calculation issue and the closure of the program to new enrollments after June 1, 2023.

Strategic Overhaul

New campaign tactics were activated to restore trust in the Maryland 529 brand. The goal was to educate families about the differences between the plans, promote the benefits of the College Investment Plan and the Save4College State Contribution Program (SCP) to encourage the growth of new College Investment Plan Accounts and reinforce that Maryland 529 has helped families save for future education for over 20 years.

New Tactics

A new College Investment Plan prospect campaign was launched in the second half of the fiscal year and included the creation of a sub-branded MCIP logo, MCIP only radio ad, new parents' ad and digital out of home advertising in Montgomery, Howard, Prince George's, Anne Arundel and Baltimore counties.

Refreshed Engagement Program

The objectives of the marketing program are to inspire confidence, provide education, and drive engagement throughout an Account Holder's savings and distribution journey with a thoughtful and timely presentation of resources that help them understand why and how to increase their contributions.

- The culmination of a multi-year redesign project was successfully completed with the launch of the new MD529 website on October 24, 2022. Initial analytics are showing very positive results in an improved user experience.
- Advertising generated 1,514,071 website visits at an average cost per visit of \$0.62.

- Digital Advertising generated 36,646 Investment Account starts and 7,908 completions, as well as 2,748 measurable Prepaid Account starts and 1,989 completions.
- Google Ads were the top driver of Account actions by volume, accounting for 43% of Investment Account starts and 51% of Investment Account completions.
- Outreach to Maryland's underserved communities included new SCP marketing tactics.
 - Launched December Facebook paid ad campaign to generate interest before the application opened.
 - Expanded geotargeted digital campaign to reach and engage target zip codes within the state of Maryland (Allegany County, Dorchester County, Frederick County, Garrett County Somerset County, Prince George's County and Baltimore City) with the lowest median household income.
 - Digital out of home advertising campaign featured the new College Investment Plan sub-brand logo and emphasized the "up to \$500" message. The QR code test was implemented with bus shelter ads to help increase traffic to the SCP website landing page.
- The LeagueSide youth sports partnership brought Maryland 529 awareness to over 15,000 families and provided approximately 75 more children the opportunity to play sports.
- The "Freedom to Dream" General MD529 Brand Positive 20+ Years video on YouTube reached over 86,000 views in less than 3 months.
- Current subscribed College Investment Plan Account Holders (over 146,425 as of 6/30/23) received monthly educational E-Newsletter. Consistent click thru rates show a very engaged Account Holder base.
- The College Investment Plan's **GoTuition®**¹ gifting portal is a free, online tool that Account Holders can use to create a gifting profile for their Beneficiaries, allowing friends and family to easily contribute to their Accounts. The **GoTuition®** gifting portal has brought in over \$72M in contributions since its inception in October 2017.

¹ GoTuition is a trademark of T. Rowe Price Group, Inc.

SAVE4COLLEGE STATE CONTRIBUTION PROGRAM (SCP)

Top Metrics

Through the 7th year of the Save4College State Contribution Program, Maryland 529 continues to be able to reach underserved families across the State. Go-to-market advertising tactics included an expanded geo-targeting digital campaign to reach and engage target zip codes within the state of Maryland (Allegany County, Dorchester County, Frederick County, Garrett County, Somerset County, Prince George’s County and Baltimore City) with the lowest median household income.

This year’s program saw a 10.5% increase in applications compared to last year and a 17% increase in applications from Prince George’s County, which is meaningful progress for one of our highest priority regions of focus.

APPLICATIONS RECEIVED



32% Targeted Counties
68% All Other Counties

Targeted Counties	Pre-Income Verification July 28, 2023	% Change YOY
Total Applications Received for Prince George’s County	1,834	17.3%
Total Applications Received for Allegany County	88	23.9%
Total Applications Received for Dorchester County	73	65.9%
Total Applications Received for Frederick County	1,552	18.7%
Total Applications Received for Garrett County	40	110.5%
Total Applications Received for Somerset County	36	26.9%
Total Applications Received for Baltimore City*	5,490	-9.4%

* The decrease in applications received for Baltimore City is likely a result of legislative changes enacted in 2022 to limit the number of State contributions per Account Holder.

Maryland529

Maryland529.com | 888.4MD.GRAD (463.4723)

Maryland Senator Edward J. Kasemeyer Prepaid College Trust
Maryland Senator Edward J. Kasemeyer College Investment Plan