ANNUAL REPORT SUMMARY

Save Here. Go Anywhere.

Fiscal Year 2009 was probably the most challenging year for investors in the **College Savings Plans of Maryland**. Together, we experienced one of the most severe market declines in modern history, as well as a market rebound of dramatic proportions. The recession placed strains on many families' budgets as well.

Despite these significant challenges, it remains clear that many families continued to place a priority on saving for higher education for their children and grandchildren during the fiscal year. As of June 30, 2009, the Plans had combined invested assets of over $1.9 billion for nearly 140,000 beneficiaries.

New accounts in the Prepaid College Trust continued to be opened by families who value the peace of mind of locking into a price for a future tuition benefit that can be used at colleges in Maryland or across the country. The assurance of a Legislative Guarantee in this plan was an important factor to many new account holders, particularly given the continued volatility of investment markets.

Over 18,000 new accounts were opened in the College Investment Plan for the fiscal year. Contributions by both new and existing account holders of $320 million were $47 million less than the prior fiscal year. Contributions from account holders using automatic monthly contributions declined significantly less than contributions that were received by check.

We are pleased to present this Annual Report Summary, which includes an overview of the past year, provides financial highlights of each Plan, discusses significant events, and affirms our commitment to helping Maryland families save for college with easy, affordable, tax advantaged options. We also recommend that you read our Comprehensive Annual Report. This Report contains the audited financial statements of both Plans and more detailed information about the Plans.

Thank you for your continued belief in the importance of saving for higher education and for your participation in the **College Savings Plans of Maryland**.

Sincerely,

College Savings Plans of Maryland Board

2009 Snapshot

6/30/09

Prepaid College Trust

Contributions
$55 million

Investments
$445 million

Beneficiaries
27,203

Funded Status
92%

College Investment Plan

Contributions
$320 million

Investments
$1.5 billion

Beneficiaries
112,267

Average Account Size
$10,807

Read the 2009 Comprehensive Annual Report by visiting collegesavingsmd.org or by calling 1-888-4MD-GRAD (463-4723).

FAMILIES CONTINUE TO VALUE THE IMPORTANCE OF SAVING FOR COLLEGE

The past fiscal year, which ended on June 30, 2009, encompassed one of the most severe investment market declines in modern history. Fortunately, in the later part of the year we saw a significant rebound which began to restore some hope for a future recovery.

Despite these challenges, combined with a deep national recession, many Maryland families remained committed to their goal of saving for their children's and grandchildren's future higher education. This is important since college costs continue to rise and any savings can help to reduce or possibly eliminate the need for burdensome loans when students reach college age.

Key indications of changes in both Plans combined over the last fiscal year include:

- The number of beneficiaries increased by more than 11,000.
- Invested assets in both Plans totaled more than $1.9 billion, which reflects contributions/payments, distributions, and investment performance during the fiscal year. This was a decline of 8% or $174 million from last year.

Highlights by Plan include:

Maryland Prepaid College Trust is 92% funded

As of June 30, 2009, the Trust had an actuarial deficit of $52.4 million and had sufficient funds to pay projected future tuition benefits for 16 years, without relying on any new enrollments. This funded status is better than many other state prepaid tuition plans and was achieved with the aid of four years of tuition freezes at University System of Maryland institutions.

Contributions to Maryland College Investment Plan accounts total $320 million

During the fiscal year, total contributions to College Investment Plan accounts were $320 million. While this is about $47 million less than contributions during the previous fiscal year, it is a credit to Maryland families who remain committed to saving for their children's and grandchildren's future. This is a significant achievement given the recession and the volatility of investment markets.

T. Rowe Price Investment Services, Inc., Distributor/Underwriter
College Savings Plans of Maryland, Administrator and Issuer

FUTURE DIRECTION

Despite the current economy, college costs are continuing to rise. Looking to the future, current account holders are advised to review their investments on a regular basis to ensure they are consistent with their college savings expectations. This can be accomplished by reviewing account statements and/or reviewing your account online at collegesavingsmd.org.

Beginning January 4, 2010, the College Investment Plan will open two new investment portfolios - Portfolio 2030 and the U. S. Treasury Money Market portfolio. Information regarding both portfolios will be sent to all current College Investment Plan account holders and is included in our 2009-2010 Enrollment Kit.

This may also be a good time to review your contributions to the College Investment Plan or payments to the Prepaid College Trust. If you have added bank information to your account, you may want to consider making a one-time contribution or payment online. The use of this feature has increased steadily since it was launched last fall.

Finally, we continue to strive to help more Maryland families save for college so that they are better prepared to meet future college costs and reduce the need for college loans. We believe this mission is even more important in the current economy and hope that you will continue to spread the word about the importance of saving for college to your family and friends.

FINANCIAL HIGHLIGHTS – MARYLAND PREPAID COLLEGE TRUST

Changes to Net Assets

The Prepaid College Trust allows families to lock in payments that are based in part on current tuition at Maryland's public colleges. The Board invests those payments and commits to pay future tuition benefits when eligible students attend college, whether they attend a Maryland public college or nearly any other public or private, 2- or 4-year college in the country.

Contributions from new and existing account holders were approximately $55 million for the fiscal year. An additional $25 million was invested according to the Trust's Investment Policy and nearly $30 million was paid in tuition benefits for 4,322 beneficiaries.

For the fiscal year ended June 30, 2009, net assets of the Trust decreased by $111 million. This decrease was primarily due to the 20.4% loss on the Trust's investments for the period, which was significantly below our projected return of 7.65%. This negative impact on net assets was mitigated by the fact that there was no tuition increase at most Maryland public 4-year colleges, although mandatory fees increased slightly. The overall increase in tuition and mandatory fees was substantially less than projected, which positively impacted net assets.

The Prepaid College Trust invests your scheduled payments in order to pay future tuition benefits.

Condensed Statements of Net Assets
As of June 30, (in millions)

		2009	2008
Assets			
Current		$507.0	$598.6
Noncurrent		113.7	113.3
	Total	620.7	711.9
Liabilities			
Current		56.2	46.6
Noncurrent		614.0	604.0
	Total	670.2	650.6
Net Assets		$ (49.5)	$ 61.3

Maryland Prepaid College Trust – Investment Earnings and Actuarial Status

Net Investment Declines

During the fiscal year that ended June 30, 2009, the Trust continued to invest contract payments received into its diversified investment portfolio. The investment balances as of June 30, 2009 and June 30, 2008 are shown at right.

The Trust's investments produced an overall loss of 20.4% for the fiscal year, which is significantly less than the stated rate of return goal in our Investment Policy of 7.65%. The amount of investment return that fell short of our goal was the most important factor that contributed to the Trust's actuarial deficit.

It is important to remember that investment returns in the Prepaid College Trust do not determine the amount of your tuition benefits. Your tuition benefits are specified in your Contract.

Investments as of June 30, (in thousands)

	2009	2008
Large Cap Value	$ 45,473	$ 64,387
S&P 500 Index	34,271	46,361
Large Cap Growth	44,585	70,064
Small Cap Value	32,396	46,789
Small/Mid Cap Core	16,109	25,432
Small Cap Core	12,761	18,716
Real Estate	17,953	3,000
Intermediate Fixed Income	153,166	159,302
Short Fixed Income	28,787	27,538
International	42,522	53,966
Intl. Emerging Markets	16,972	17,107
Total Investments	$444,995	$532,662

The Trust's Funded Status—the difference between the tuition benefits promised and the assets needed to pay those tuition benefits—is one way to measure the Trust's financial health.

Prepaid College Trust is 92% Funded

Each year, an actuarial valuation of the Prepaid College Trust is conducted. The purpose of this valuation and resulting Soundness Report is to compare the future value of the Trust's assets to its future liabilities, which are discounted to reflect their present value.

The most significant change from the past year is that the Trust's actuarial surplus in fiscal year 2008 became an actuarial deficit in fiscal year 2009. As of June 30, 2009, the Trust was 92% funded, with an actuarial deficit of $52.4 million, which is a decline from the previous year, where the Trust was 109% funded, with an actuarial surplus of $58.9 million.

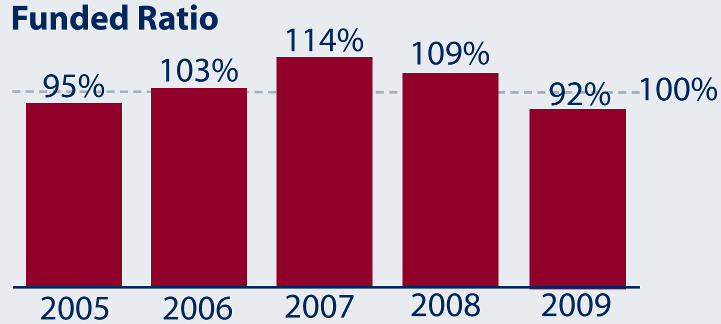
There are two primary reasons for this decline:

- First, the Prepaid College Trust's investments produced an overall loss of 20.4% during the fiscal year, as compared with our stated rate of return goal of 7.65%.
- Second, this negative rate of return was mitigated by a small increase in the Weighted Average Tuition (which includes tuition and mandatory fees) at Maryland's public 4-year colleges of 1.2% for the 2009-2010 academic year, which is significantly less than our estimate used for the prior year's actuarial valuation of 7.65%.

The key measures of soundness for the past five fiscal years are included in the charts below:

Actuarial Surplus/(Deficit)
(in millions)

Funded Ratio

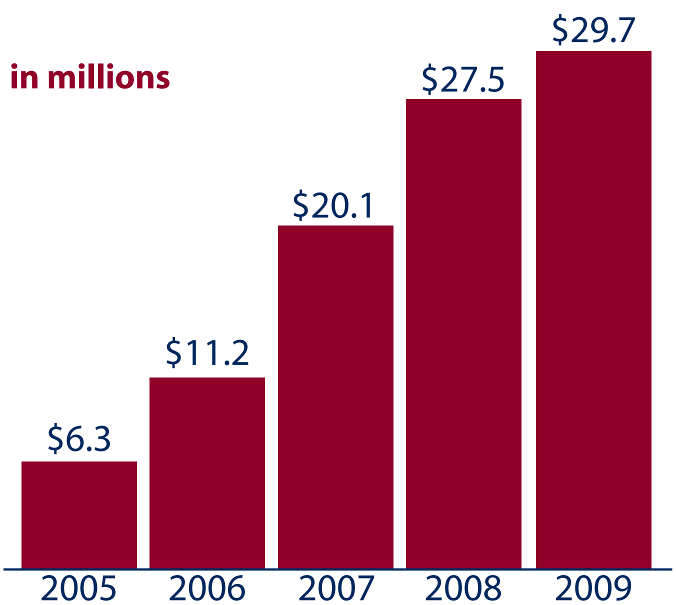


More Students Continue to Use Tuition Benefits at Colleges Nationwide

There are a total of 7,086 students eligible to use benefits for the fall 2009 semester. 4,322 students – 61% of total eligible students - had claimed their fall benefits as of October 20, 2009. Approximately 42% of the students who have claimed their fall 2009 benefits are attending Maryland public colleges, while 58% are attending a wide variety of private or out-of-state colleges across the country.

Total tuition benefits paid during the past five fiscal years are as follows:

in millions



Help your family and friends learn about our Plans and saving for college by telling them about our Web site— collegesavingsmd.org

FINANCIAL HIGHLIGHTS – MARYLAND COLLEGE INVESTMENT PLAN

Changes to Net Assets

The College Investment Plan, managed and distributed by T. Rowe Price, offers families the opportunity to choose from a variety of investment options ranging from conservative to aggressive with no sales commissions or loads. Account holders also choose how much they wish to invest, starting with as little as $25 per month with automatic monthly contributions.

Additions to net assets resulted from over 18,000 new accounts and $320 million in contributions. Deductions to net assets included $152 million in distributions and $255 million in net investment losses. This resulted in a decrease in net assets of $86 million for the Plan.

Market Commentary

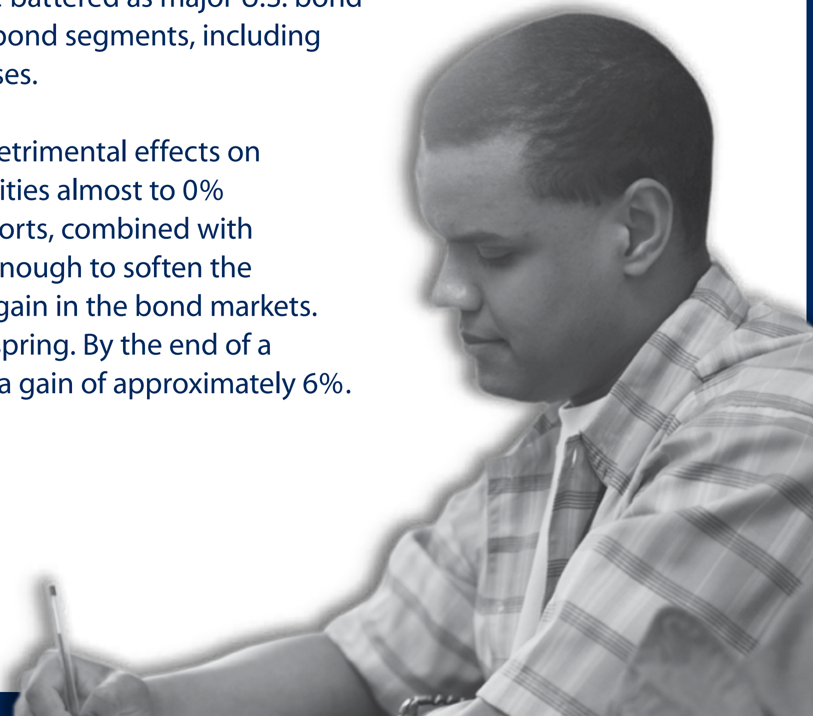
Market performance has a direct effect on the overall performance of the investments in the College Investment Plan. The following is designed to provide a summary of market performance for the 12 months ended June 30, 2009.

A Dramatic Year for Stocks – The past year encompassed one of the most severe market declines in modern history, as well as a market rebound of dramatic proportions. Returns as of year-end remained deeply in the red for virtually every equity sector and style, but a substantial rebound in the final months of the period helped to begin to restore hope for a market recovery.

The crisis that precipitated the market breakdown in the fall of 2008 started in the financial sector. By the middle of 2008, there were concerns whether many major financial companies would continue to operate. A severe contraction in lending quickly spread into the wider economy, prompting job losses, bankruptcies, and a sharp retrenchment in consumer and corporate spending. Substantial interventions by the Federal Reserve, as well as the U.S. and foreign governments, slowed the economic decline as of June 30, 2009 but had yet to trigger a significant economic recovery.

Bonds Struggled But Recovered – Bonds can usually be counted on to rise when stock indexes are falling but, as financial companies faltered, a freeze-up in the lending markets limited the fixed income market performance. While short-term U.S. Treasury securities rallied early in the period, other types of bonds did not. Corporate bonds were battered as major U.S. bond issuers were driven close to or into bankruptcy. Higher-risk bond segments, including high-yield and international bonds, posted more severe losses.

The Federal Reserve combated the liquidity freeze and its detrimental effects on the economy by reducing interest rates on short-term securities almost to 0% (ranging between 0% and 0.25%). The Federal Reserve's efforts, combined with stimulus spending by the U.S. government, were effective enough to soften the liquidity crisis and encourage investors to begin investing again in the bond markets. After stabilizing in late winter, bonds rallied strongly in the spring. By the end of a tumultuous year, the high-quality U.S. bond market posted a gain of approximately 6%.



Investment Earnings by Portfolio

The investment returns for each Portfolio are listed below. Please read the Comprehensive Annual Report for explanations of performance vs. benchmark for each individual Portfolio.

Performance Comparison as of June 30, 2009

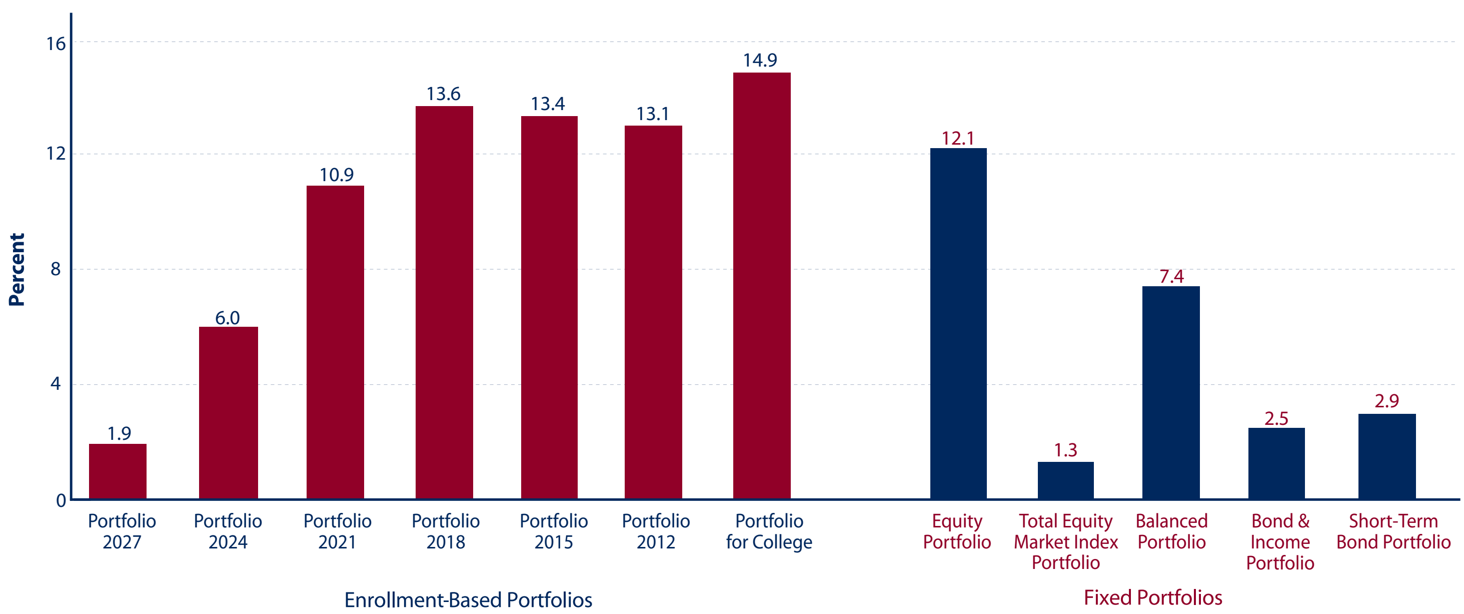
Portfolio	1 year Return	Weighted Benchmark*	Annualized Since Inception Return	Weighted Benchmark*	Inception Date
Portfolio 2027	(26.0)%	(27.3)%	(8.0)%	(8.5)%	6/30/06
Portfolio 2024	(26.0)	(27.3)	0.7	0.6	10/31/03
Portfolio 2021	(23.7)	(23.7)	0.8	1.3	11/26/01
Portfolio 2018	(20.0)	(18.9)	1.4	2.0	11/26/01
Portfolio 2015	(16.0)	(13.5)	2.1	2.7	11/26/01
Portfolio 2012	(11.8)	(8.3)	2.9	3.4	11/26/01
Portfolio 2009	(6.2)**	(4.2)**	3.9	3.8	11/26/01
Portfolio for College	(2.5)	(3.1)	2.4	2.8	11/26/01
Equity Portfolio	(25.9)	(27.3)	0.3	0.4	11/26/01
Total Equity Market Index Portfolio	(26.4)	(26.6)	(8.5)	(8.4)	6/30/06
Balanced Portfolio	(16.8)	(14.5)	2.6	2.7	11/26/01
Bond and Income Portfolio	(1.0)	(6.1)	5.4	5.1	11/26/01
Short-Term Bond Portfolio	4.5	4.9	3.2	3.8	10/31/03

*The Weighted Benchmark varies by portfolio. Benchmark performance inception date for Portfolio 2027 and the Total Equity Market Index Portfolio is June 30, 2006. Benchmark performance inception date for Portfolio 2024 and the Short-Term Bond Portfolio is October 31, 2003. Benchmark performance inception date for all other portfolios is November 30, 2001.

**11 month returns as of May 31, 2009, since Portfolio 2009 was transferred into the Portfolio for College on June 5, 2009.

Asset Distribution by Portfolio

Assets in enrollment-based portfolios as of June 30, 2009 comprise approximately 74% of total Plan assets, the same as for fiscal year 2008. The distribution of assets between enrollment-based and fixed portfolios remained very similar to fiscal year 2008 with two exceptions. Portfolio 2009 was transferred into the Portfolio for College on June 5, 2009, significantly increasing assets in the Portfolio for College. In addition, the Short-Term Bond Portfolio grew substantially on a relative basis, growing from 0.7% to 2.9% of assets during the fiscal year. The relative distribution of assets invested by portfolio as of June 30, 2009 is shown below:



ANNUAL REPORT SUMMARY
for Account Holders

For the Fiscal Year Ended June 30, 2009

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