Annual Report Summary and Highlights

for Account Holders

For the Fiscal Year
Ended June 30, 2021

Maryland529.com

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ANNUAL REPORT SUMMARY AND HIGHLIGHTS

Continued participation in the Maryland 529 plans in fiscal year 2021

Dear Friends,

The COVID-19 pandemic created unprecedented public health challenges. These challenges continued to impact Maryland 529 throughout fiscal year 2021 with the implementation of telework and adherence to workplace safety and health practices. At all times, Maryland 529's priority remained ensuring our availability and responsiveness to all current and prospective Account Holders in a timely manner.

Conversely, from a financial perspective, the growth in our plans was unprecedented during fiscal year 2021. The Maryland Senator Edward J. Kasemeyer Prepaid College Trust (Maryland Prepaid College Trust) closed the fiscal year with its highest one-year investment return, 21.3%, since the inception of the Trust and assets under management totaled over $1.2 billion dollars. As of June 30, 2021 the Prepaid College Trust had 30,955 active Accounts and continued to be in strong fiscal health.

Similarly, the Maryland Senator Edward J. Kasemeyer College Investment Plan (Maryland College Investment Plan) saw unprecedented growth with over $182 million dollars in contributions received from account holders during the quarter ending June 30, 2021 and total plan assets topping out at $8.6 billion dollars. With a strong investment market over the fiscal year, the average MCIP Account balance grew to $23,541. At the close of the fiscal year, Accounts were held on behalf of 254,049 unique beneficiaries in the MCIP plan.

In total, assets were more than $9.8 billion for 279,626 unique beneficiaries combined for both programs.

Account Holders continue to benefit from the State's commitment to its 529 programs and we are honored that despite these uncertain times, Marylanders continue to save for higher education expenses. Thank you for making college savings a priority for you and your family and participating with Maryland 529.

Sincerely,

The Maryland 529 Board

If you or your Beneficiary live outside of Maryland, check with your state to learn if it offers tax or other state benefits, such as financial aid, scholarship funds, and protection from creditors, that are only available for investments in such state's plan. The Maryland Senator Edward J. Kasemeyer Prepaid College Trust and Maryland Senator Edward J. Kasemeyer College Investment Plan Disclosure Statements provide investment objectives, risks, fees and expenses, and other information that you should read and consider carefully before investing. T. Rowe Price Investment Services, Inc., Distributor/Underwriter, Maryland Senator Edward J. Kasemeyer College Investment Plan

2021 Snapshot

Prepaid College Trust

Contributions from Account Holders	$37.8 million
Investments	$1.3 billion
Accounts	30,955
Funded Status	161.4%

College Investment Plan

Contributions from Account Holders	$816 million
Investments	$8.6 billion
Beneficiaries	254,049
Average Account Size	$23,541

Maryland 529 Board

Nancy K. Kopp
Board Chair, State Treasurer

Peter Franchot
State Comptroller

Carol Beatty
Secretary, Maryland Department of Disabilities

James D. Fielder, Jr., Ph.D.
Secretary of Higher Education

Jay A. Perman, MD
Chancellor, University System of Maryland

Karen B. Salmon, Ph.D*
State Superintendent of Schools

Mohammed Choudhury*
State Superintendent of Schools

Samuel N. Gallo
Public Member

Jessica McClain
Public Member

Joanna Pratt
Public Member

Peter Tsirigotis
Public Member

Rev. Dr. Lisa M. Weah
Public Member

**Dr. Salmon left the Maryland 529 Board in July 2021. Mr. Choudhury joined the Board in July 2021.*

TOTAL ASSETS IN BOTH PLANS

Exceeded $9.8 billion for 279,626 Beneficiaries

Participants in the Prepaid College Trust (Trust) and the College Investment Plan (Plan) contributed over $217 million over the past fiscal year.

HIGHLIGHTS BY PLAN INCLUDE

Maryland Prepaid College Trust

The funded status in the Prepaid College Trust reached 161.4% as of June 30, 2020, and the actuarial surplus was $525.4 million. The primary factor behind the decrease in the Trust's actuarial surplus was a change in the calculation methodology for future minimum benefits, refunds and rollovers.

As part of the yearly evaluation of assumptions affecting the valuation of the Trust, the Board did not revise future Tuition and Fee increases. The Tuition increase assumption was maintained at 3% for the next 4 years and 5% thereafter for the actuarial valuation as of June 30, 2021. Similarly, the assumption concerning increases in fees was maintained at 6%. Also reviewed was the asset allocation mix of the portfolio, the Board did not lower its anticipated annual investment return on Trust assets and maintained the 6% expected return.

Total Accounts: There were 1,201 new enrollments received for the 2021 enrollment year as of June 30, 2021, bringing the total number of Accounts to 30,955.

Read the 2021 Annual Report by visiting Maryland529.com

Maryland College Investment Plan

Investment Return vs. Benchmark: For the 12-month period ended June 30, 2021, the Maryland College Investment Plan generated positive returns. However, performance among the various portfolios relative to their respective benchmarks was mixed. Most of the portfolios outperformed their benchmark, while some portfolios, such as the longer-dated enrollment-based portfolios, underperformed. Security selection was a notable driver of outperformance for the year, particularly for those portfolios which invest in the Spectrum Income Fund. Selection in domestic large-cap value and international value equity portfolios also added value. Conversely, stock selection within certain market segments detracted from relative performance, most notably among U.S. large- and mid-cap growth stocks and emerging markets growth equities. Longer-term performance in all the portfolios remained solid. Since inception, 11 of the 13 non-index portfolios either outperformed or performed in line with their respective benchmarks, while only two trailed. Performance among the five index portfolios, which consist only of passively managed index funds, was also mixed. The Extended Equity Market Index Portfolio, Global Equity Market Index Portfolio, Equity Index 500 Portfolio, and the Inflation Focused Bond Portfolio trailed their respective benchmarks since inception, whereas the U.S. Bond Enhanced Index Portfolio outperformed. We encourage Account Holders to periodically review the performance of their investments on our website. Returns are updated each day after the close of trading on the New York Stock Exchange.

The Maryland College Investment Plan was one of only 11 plans to receive a "Silver" rating by Morningstar, Inc. in 2021, as the College Investment Plan continues to receive a high rating from Morningstar. Plans with a Silver rating are among the best-in-class options and follow many of the industry's best practices, according to Morningstar analysts.[1]

*[1]Morningstar analysts reviewed 62 plans for its 2021 ratings (10/26/21) of which 11 plans received a "Silver" rating. To determine a plan's rating, Morningstar's analysts organized their research around four key pillars: Process, People, Parent, and Price. Plans were then assigned forward-looking ratings of "Gold," "Silver," "Bronze," "Neutral," and "Negative." Each year, certain of the industry's smallest plans are not rated. **Visit this site** for additional information about Morningstar's methodology.*

Analyst Ratings are subjective in nature and should not be used as the sole basis for investment decisions. Analyst Ratings are based on Morningstar analysts' current expectations about future events and therefore involve unknown risks and uncertainties that may cause Morningstar's expectations not to occur or to differ significantly from what was expected. Morningstar does not represent its Analyst Ratings to be guarantees.

FUTURE DIRECTION*

Increases in Tuition and fees were relatively modest in the 2020–2021 Academic Year, consistent with the trend in recent years. In the decade between the 2010–2011 and 2020–2021 Academic Year periods, published in-state Tuition and fees at public four-year institutions increased by 16% in inflation-adjusted dollars, compared with 38% between 1990–1991 and 2000–2001 and 72% between 2000–2001 and 2010–2011.

While annual cost increases have slowed in recent years, college costs continue to represent a significant financial commitment for most families. The latest information from the College Board on average higher education costs for 2020–2021 follows:

- The average total cost of a four-year public university for in-state students rose by 1.0% from the previous Academic Year to $22,180.
- The average total cost of a four-year private college rose by 1.8% from the previous Academic Year to $50,770.

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.

*Source: *Trends in College Pricing 2020 and Trends in Student Aid 2020, published by the College Board.*

FINANCIAL HIGHLIGHTS

Maryland Prepaid College Trust

Changes in Net Position

The Prepaid College Trust allows families to lock in payments that are based in part on current Tuition and Mandatory Fees at Maryland's public colleges. The Board pools and 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 college in the country.

Contributions from new and existing Account Holders exceeded $37.8 million including fees for the fiscal year. Nearly $70 million was paid in Tuition benefits for 3,581 Beneficiaries.

For the fiscal year ended June 30, 2021, the net position of the Trust decreased by $0.5 million. Additionally, a change in calculation methodology for future minimum benefits, refunds and rollovers resulted in a decrease in funded status. In FY21, the Trust's assets saw a 21.3% return on investments, considerably higher than the previous fiscal year return of 1.6%, and higher than the 6% projected rate of return used for actuarial assumptions.

The Trust's total Net Position as of June 30, 2021 was $538.2 million. This includes the Trust Investment's Net Position of $525.4 million and the Administration/Operation's Net Position of $12.8 million.

Condensed Statements of Net Position as of June 30 (in millions)

	2021	2020
Assets		
Current	$122.6	$1,126.5
Noncurrent	1,279.8	88.5
Deferred outflows related to pension	0.9	0.9
Total	**$1,403.3**	**$1,215.9**
Liabilities		
Current	$111.5	$71.3
Noncurrent	753.6	605.7
Deferred inflows related to pension	0.0	0.2
Total	**$865.1**	**$677.2**
Net Position	$538.2	$538.7

MARYLAND PREPAID COLLEGE TRUST

Investment Earnings and Tuition Increases

Net Investment Gains

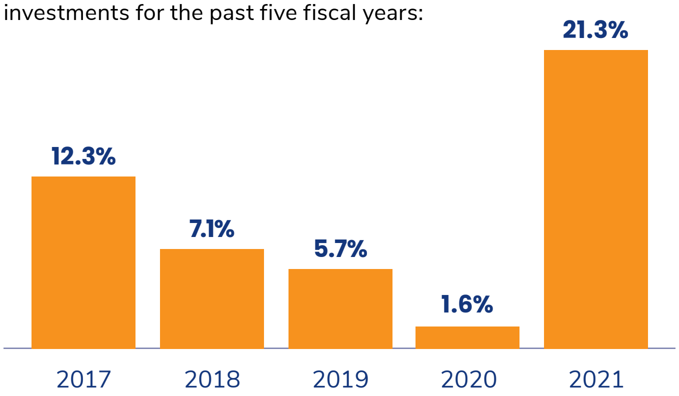
During the fiscal year ended June 30, 2021, the Trust continued to invest contract payments received into its increasingly diversified investment portfolio. The investment balances as of June 30, 2021, and June 30, 2020, are shown below:

Investments (in thousands)

	2021	2020
Intermediate Duration Fixed Income	$246,922	$223,865
Senior Secured Loans	56,792	48,927
High Yield Fixed Income	62,877	53,838
Emerging Market Debt	59,087	52,352
Domestic Large Cap Core	126,157	98,006
Domestic Mid Cap Core	61,449	43,243
Domestic Small Cap Core	55,402	47,490
Low Volatility US Equity	69,309	54,578
International Equity	—	40,332
Developed Markets Equity — Large Cap Core	72,760	104,045
Developed Markets Equity — Large Cap Growth	57,474	—
Developed Markets Equity — Large Cap Value	53,507	—
Developed Markets Equity — Small Cap	72,307	61,411
Emerging Markets Equity	65,295	55,047
Private Real Estate	163,877	165,880
Private Equity	49,215	33,366
Total Investments	**$1,272,429**	**$1,082,380**

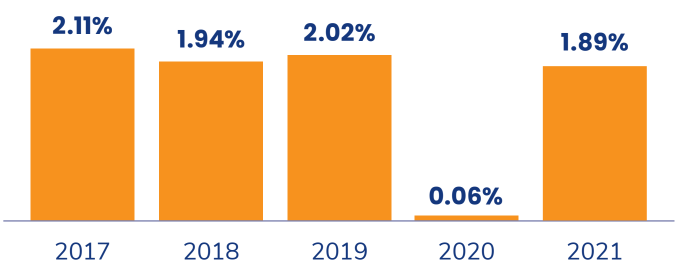
Investment Returns

The Trust's investments were robust, up 21.3% for the fiscal year. The chart below shows the rate of return on the Trust's investments for the past five fiscal years:



Tuition Increases

The Weighted Average Tuition (WAT) at Maryland's public 4-year colleges increased by 0.06% for the 2020–2021 Academic Year and 1.89% for the 2021-2022 Academic Year. Tuition assumptions were unchanged with the Board assuming 3% increases for the next four years and then 5% thereafter. The fee increase assumption was also maintained at 6%. Weighted Average Tuition increases for the past five fiscal years are shown in the chart below:



Year Over Year Increase in WAT

Help your family and friends learn about our Plans and saving for college by telling them about our website Maryland529.com

MARYLAND PREPAID COLLEGE TRUST

Actuarial Status and Tuition Benefit Payment

The Prepaid College Trust is in Good Standing

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 with its future liabilities, which are discounted to reflect their present value.

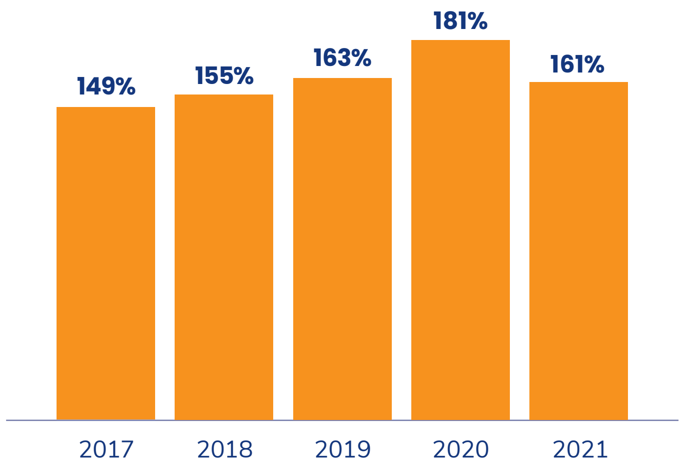
As of June 30, 2021, the Trust was 161.4% funded, with an actuarial surplus of $525.4 million. This is a decrease from last year as a result of a change to the calculation methodology for future minimum benefits, refunds and rollovers.

As part of the yearly evaluation of the investment strategy of the Trust, the Board elected to not revise future assumptions used in the calculations. Assumptions related to increases in Tuition were maintained at 3% for the next four Academic Years beginning 2021–2022, and then will be 5% for the following five years. Assumptions concerning increases in fees were maintained at 6%.

The key measures of soundness for the past five fiscal years are included in the following chart:

Actuarial Surplus (in millions)

Funded Ratio

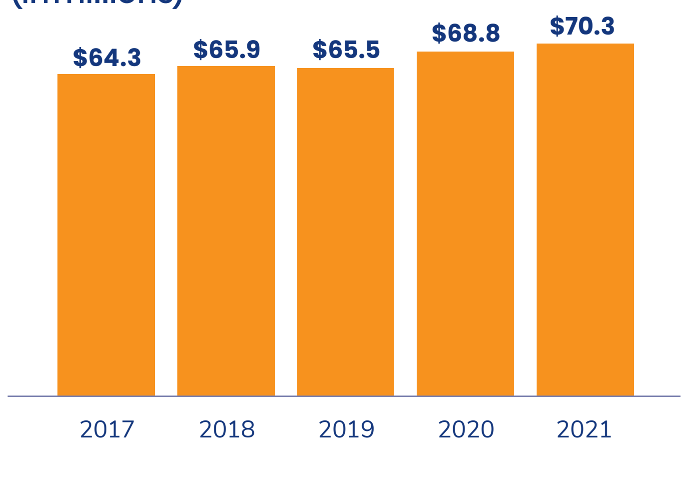


Students Use Tuition Benefits at College Nationwide

As of September 13, 2021, 3,581 students had claimed their benefits for the Fall 2021 semester. Approximately 71% of these students were attending Maryland public colleges, an 11% increase compared to September 2020. Another 29% of Beneficiaries are attending a wide variety of private and out-of-state colleges across the country. This is the fifth year in a row the number of students attending Maryland public colleges exceeded the number of students attending private or out-of-state colleges.

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

(in millions)



FINANCIAL HIGHLIGHTS
Maryland College Investment Plan

The Maryland College Investment Plan is managed and distributed by T. Rowe Price and offers families the opportunity to choose from a variety of investment options ranging from conservative to aggressive with no commissions, loads, sales charges, enrollment fees or annual account fee. Account holders choose how much they wish to invest, starting with as little as $25.

Changes in Net Position

There was an increase in net position of $1.9 billion for the Plan for fiscal year 2021. Net additions to net position resulted from 43,314 new accounts, $816 million in Account Holder contributions to portfolios, and $1.6 billion in net investment income. Net deductions from the Plan's net position include $481 million in distributions to account holders and $34 million in rollovers to other 529 plans.

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, 2021.*

Economic Recovery Propels U.S. Stocks to New Highs

U.S. stocks surged in the 12 months ended June 30, 2021, with many major indexes recording fresh all-time highs in the last few months of the period. Equity markets had already largely recovered from the global stock market crash of 2020 by the beginning of the recent fiscal year. In the latter half of 2020, the domestic economic recovery proceeded faster than expected, and progress in the development of vaccines and therapeutics to combat the spread of the coronavirus were a continual source of optimism. As 2020 drew to a close, stock markets reacted favorably to the election, the initial distribution of coronavirus vaccines, and an agreement to include $900 billion in new coronavirus relief as part of a broader government spending bill. Fiscal and monetary support remained a key factor in providing a positive backdrop for markets in 2021. The $1.9 trillion American Rescue Plan Act was signed into law in March, and the Federal Reserve kept its short-term lending rates near zero. The broadening distribution of coronavirus vaccines also enabled many state and local governments to roll back and eventually remove many of their pandemic restrictions on business operations, travel, and gatherings.

U.S. small-cap stocks performed the best for the year, according to various Russell indices. Large-cap stocks delivered very strong absolute returns but trailed both small- and mid-cap stocks, which delivered historic returns. Value stocks outpaced growth stocks across all market capitalizations, although this outperformance was more pronounced among mid- and small-caps. Sector performance was positive across the S&P 500 Index, although returns varied widely. Financials led all sectors, as banks benefited from rising longer-term interest rates, and the materials and industrials and business services sectors outperformed amid higher commodity prices and a rebound in economic growth. The energy sector, which had negative results in the first half of the fiscal year, rebounded sharply as oil prices rallied to their highest level in more than two years. The utilities, consumer staples, and health care sectors were notable laggards.

Outside the U.S., stocks in developed markets also posted robust returns but lagged domestic markets. The MSCI EAFE Index—which measures the performance of stocks in Europe, Australasia, and the Far East—rose by 32.92%. European equities produced strong results, as hopes of an economic recovery outweighed worries about an early tightening in monetary policy and uncertainty triggered by rising coronavirus infections caused by a new variant of the virus. Among developed markets, Japanese shares were a notable laggard, as the country's economic recovery was marred by a challenged vaccine rollout. Within developing markets, stocks in Latin America advanced, buoyed by optimism over the pace of the economic recovery and hopes that demand from global consumers would support regional commodities and the energy sector. Developing markets stocks in Asia also fared well, as many Asian countries implemented relatively effective containment and mitigation measures early in the pandemic, which spared local economies from some of the deterioration experienced globally. Chinese shares rose but were extremely volatile amid concerns about increasing regulatory pressures for Chinese tech companies and continued U.S.-China trade tensions.

U.S. Bonds Traded Sideways Amid Higher Growth And Inflation Expectations

U.S. investment-grade bonds generated slight negative returns, largely weighed down by rising intermediate- and long-term Treasury yields. (Bond prices and yields move in opposite directions.) The Bloomberg U.S. Aggregate Bond Index, which measures the performance of taxable U.S. investment-grade bonds, posted a modest decline of -0.33%. U.S. Treasuries was the worst-performing sector in fixed income. Mortgage-backed securities also posted negative results due to uncertainty regarding when the Fed would begin to taper its asset purchases. High yield bonds, which are less sensitive to moves in interest rates due to their shorter duration profile, produced strong returns. High yield bonds have significant exposure to the energy sector, and the recovery in oil and energy prices spurred by growing demand and easing economic restrictions bolstered the high yield market. Longer-term interest rates rose steadily throughout most of the fiscal year as demand for safe-haven assets such as U.S. Treasuries waned. Unprecedented fiscal stimulus, a largely successful domestic vaccination program, and the Fed's commitment to ultra-accommodative monetary policy contributed to rising expectations for economic growth and inflation, which in turn spurred demand for higher-yielding segments of the fixed income market. Inflation data drew increasing attention later in the period as investors tried to assess the impact of higher prices on the broader economy as well as the chance that an overheating economy might lead the Fed to start rolling back its accommodative monetary policies earlier than expected. The central bank's preferred inflation measure, the core personal consumption expenditures price index, increased 3.4% in the year ended in May, the biggest increase in nearly three decades and above the Fed's 2% inflation target. However, Fed policymakers stressed that the increase in inflation was a temporary result of the economic recovery and that they remain committed to accommodative policy. The Federal Open Market Committee (FOMC) kept its benchmark interest rate close to zero throughout the fiscal year, and following its mid-June meeting, the FOMC made no changes to the minimum pace or composition of the central bank's asset purchases. However, projections from FOMC members indicated an increasing likelihood of at least one rate increase before the end of 2023. This shift in projections was widely viewed as a response to the faster-than-expected economic recovery and sparked concerns that the Fed may moderate its policy stance in the coming months.

Overseas, bonds in developed markets delivered strong gains in U.S. dollar terms and outperformed U.S. bonds. The European Central Bank (ECB) kept its policy rate steady throughout the period. The central bank's Pandemic Emergency Purchase Programme—a €1.35 trillion bond-purchasing program—provided significant support to the region's fixed income markets. Despite an improving economic outlook and a slightly more hawkish tone from the Fed as the period drew to a close, the ECB did not signal any shift in policy on the horizon. The Bank of Japan provided a similarly supportive backdrop for Japanese government bonds by keeping rates near zero and enacting a broad bond-purchasing program. While prices for 10-year government bonds in Japan, Germany, and several other European countries declined modestly over the period, higher-yielding debt in developed markets outside the U.S. notched impressive returns as risk sentiment improved. Emerging markets bonds outperformed several key fixed income sectors against a backdrop of improved risk appetite and historically low yields among higher-quality issues. Local currency- and dollar-denominated bonds turned sharply lower early in 2021, as central banks in some countries raised shortterm interest rates and various currencies declined against the U.S. dollar. However, emerging markets debt rebounded as global central bank policy remained broadly supportive and strength in the U.S. dollar softened over the remainder of the fiscal year.

**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 or the Maryland Senator Edward J. Kasemeyer Prepaid College Trust. For more detailed discussion of these risks, see the current Enrollment Kit.*

INVESTMENT EARNINGS BY PORTFOLIO

The investment earnings for each portfolio are listed below. Please read the 2021 Annual Report for explanations of performance versus the benchmark for each individual portfolio, as well as for the composition of each benchmark.

Performance Comparison as of June 30, 2021

Portfolio	1-Year Return %	Weighted Benchmark %*	Annualized Since Portfolio Inception Return %	Weighted Benchmark %*	Inception Date
Portfolio 2042	N/A	NA	1.30%[1]	1.73%	5/26/2021
Portfolio 2039	41.07%	41.58%	14.67%	14.52%	5/31/2018
Portfolio 2036	41.10%	41.58%	13.75%	13.65%	11/30/2015
Portfolio 2033	36.75%	35.49%	12.75%	12.48%	12/31/2012
Portfolio 2030	31.78%	28.60%	11.48%	11.23%	12/31/2009
Portfolio 2027	26.78%	21.69%	7.85%	7.43%	6/30/2006
Portfolio 2024	20.16%	15.43%	7.65%	7.32%	10/31/2003
Portfolio 2021	11.75%	10.38%	6.13%	5.94%	11/26/2001
Portfolio for Education Today	10.74%	9.97%	3.69%	3.74%	11/26/2001
Equity Index 500 Portfolio	40.54%	40.79%	18.05%	18.32%	3/29/2018
Equity Portfolio	41.11%	41.60%	8.36%	8.23%	11/26/2001
Extended Equity Market Index Portfolio	60.09%	61.60%	18.49%	19.03%	3/29/2018
Global Equity Market Index Portfolio	39.83%	41.06%	9.13%	9.54%	6/30/2006
Balanced Portfolio	25.61%	24.73%	7.35%	7.06%	11/26/2001
Bond and Income Portfolio	10.54%	-0.33%	5.63%	4.43%	11/26/2001
Inflation Focused Bond Portfolio	6.93%	6.40%	2.31%	2.47%	10/31/2003
U.S. Bond Index Portfolio	0.34%	-0.33%	5.03%	4.87%	3/29/2018
U.S. Treasury Money Market Portfolio	0.01%	0.08%	0.34%	0.54%	12/31/2009

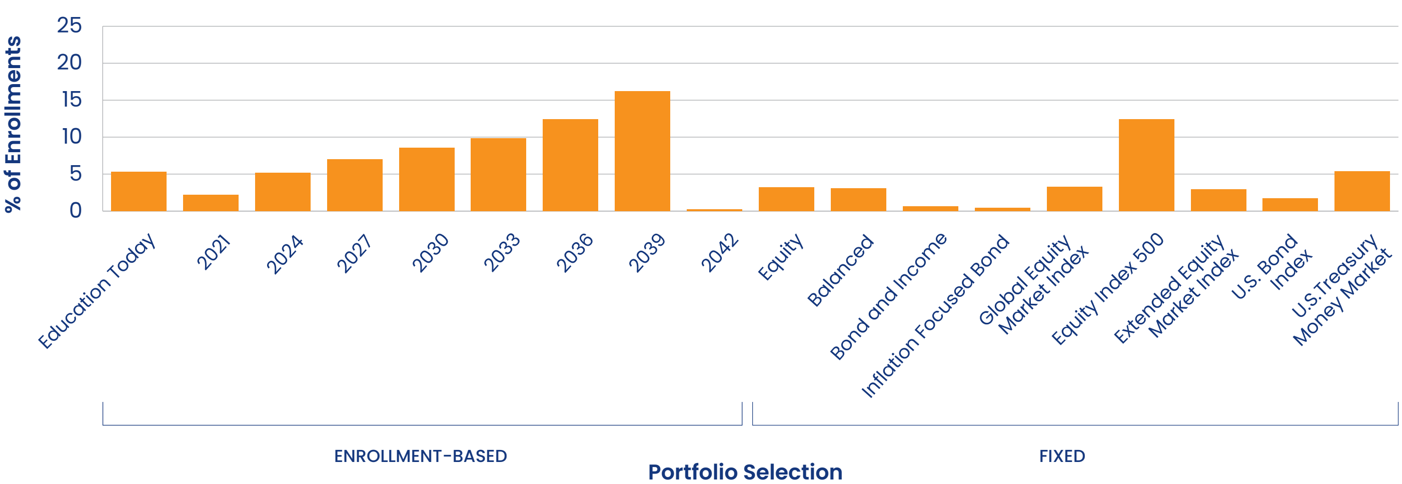
**Benchmark performance commenced on November 30, 2001, for the portfolios with an inception date of November 26, 2001. Benchmark performance for all other portfolios commenced on the same date as the portfolio's inception date.*

[1] *Return is cumulative.*

Investment Portfolio Selections

Trends in investment selection by new Account Holders during the fiscal year show that the enrollment-based Portfolios, with investment mixes that adjust automatically to be more conservative over time, continue to be a popular choice and were selected for approximately two-thirds of new Accounts. Portfolio 2039 was selected for approximately 16% of new Accounts. Among the fixed Portfolios, the U.S. Treasury Money Market Portfolio was selected for 5% of new Accounts, which is a 4% decrease from the prior year. The most popular fixed Portfolio, Equity Index 500 Portfolio, was selected for approximately 12% of new Accounts.

PORTFOLIO SELECTION



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