

Annual Report
June 30, 2003



NextGen College Investing Plan[®]

Client Direct Series and Client Advisor Series

MLIM Portfolios:

Active Allocation Portfolios, 100% Equity Portfolio, 75% Equity Portfolio and Fixed Income Portfolio

Client Advisor Series

AIM Portfolios:

Active Allocation Portfolios, Equity Aggressive Growth Portfolio, Equity Growth Portfolio and Growth & Income Portfolio

Franklin[®] Templeton[®] Portfolios:

Active Allocation Portfolios, Balanced Portfolio, Growth Portfolio and Growth & Income Portfolio

MFS Portfolios:

Active Allocation Portfolios, Equity Portfolio and Fixed Income Portfolio



Maine State Treasurer
Dale McCormick



Program Manager

NextGen College Investing Plan®

Requests for Information

Questions concerning any of the information provided in this annual report or requests for additional information concerning the NextGen College Investing Plan should be addressed to:

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Merrill Lynch

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Attn: Program Manager, NextGen College Investing Plan
(877) 4-NEXTGEN (463-9843)

Maine State Treasurer

39 State House Station
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The College
Investing Plan for
the Next Generation®

(877) 4-NEXTGEN

Dear College Investor:

Enclosed is the Annual Report of the NextGen College Investing Plan® 2002-2003 ("NextGen®") fiscal year July 2002 through June 2003. The report provides information on the composition and performance of all the NextGen Portfolios through the period ending June 30, 2003.

The goal of providing a higher education is well worth pursuing, but financing a college degree requires planning. After housing, for many families higher education may be the single largest expense they will ever incur. That's why the NextGen plan provides participants with a broad range of investment choices designed to meet the differing needs of families saving and investing for college.

A little planning today will go a long way toward providing the gift of a college education. As an investor in the NextGen College Investing Plan you are making the dream a reality.

Sincerely,

Dale McCormick
*Treasurer of State
Advisory Committee Chair*

Charles J. Spies III
*Chief Executive Officer
Finance Authority of Maine*

Charles S. Toth
*Director
Merrill Lynch*



Maine State Treasurer



Program Administrator



Program Manager

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The NextGen College Investing Plan[®]

Management's Discussion and Analysis

June 30, 2003 (unaudited)

As management of the Maine College Savings Program, known as the NextGen College Investing Plan (the "Program"), we offer readers of the financial statements of the Program this discussion and analysis of the financial performance for the fiscal year ended June 30, 2003.

Financial Highlights

The assets held for individuals and organizations participating in the Program exceeded its liabilities at the close of the fiscal year by \$1,652,646,268.

The Program had contributions of \$623,692,331 and withdrawals of \$196,006,564, providing for \$427,685,767 of net contributions during the fiscal year ended June 30, 2003.

NextGen Portfolio Performance Information

Participants direct the investment of contributions in their Account to specific Portfolios. The performance of each Portfolio depends on the weighted average performance of the underlying funds in which it invests and is net of Program level expenses.

The Program Portfolio total returns and the average annual total returns are included in this discussion for investor informational purposes.

NextGen College Investing Plan[®]

Portfolio Performance Information
As of June 30, 2003

		Total Returns		Average Annual Total Returns		Portfolio Inception Date
		3 Month	Calendar Year to Date	1 Year	Since Inception	
MLIM Client Direct Series Portfolios						
MLIM Active Allocation 0-7 Years	(1)	14.54%	10.32%	(2.29%)	(2.73%)	08/12/1999
MLIM Active Allocation 8-10 Years	(2)	12.59%	9.62%	0.10%	(1.12%)	08/05/1999
MLIM Active Allocation 11-13 Years	(2)	10.37%	8.59%	1.81%	0.28%	08/05/1999
MLIM Active Allocation 14-16 Years	(2)	7.74%	6.76%	2.42%	1.45%	08/05/1999
MLIM Active Allocation 17-19 Years	(2)	5.26%	4.87%	2.75%	2.95%	08/05/1999
MLIM Active Allocation 20+ Years	(3)	2.62%	2.90%	2.90%	3.33%	08/17/1999
MLIM 100% Equity Portfolio		15.94%	10.75%	(3.89%)	(8.03%)	12/06/1999
MLIM 75% Equity Portfolio		12.70%	9.65%	(0.12%)	(4.39%)	12/06/1999
MLIM Fixed Income Portfolio		4.27%	6.78%	11.56%	6.35%	12/08/1999

The returns posted reflect total return for the period ending 6/30/03 less the Management, Portfolio Servicing and Maine Administration Fees as well as fees and expenses of the underlying funds. The allocation of the portfolios among underlying funds is subject to revision at any time by the Finance Authority of Maine and under normal circumstances it is anticipated that the allocation of the portfolios will be adjusted at least annually. Past performance is no guarantee of future performance. Investment returns will fluctuate with market conditions.

NextGen College Investing Plan®

Portfolio Performance Information
As of June 30, 2003

		Total Returns			Average Annual Total Returns	
		3 Month	Calendar Year to Date	1 Year	Since Inception	Portfolio Inception Date
MLIM Client Advisor Series Portfolios						
MLIM Active Allocation 0-7 Years	(1)	14.53%	10.18%	(2.64%)	(7.68%)	11/21/2000
MLIM Active Allocation 8-10 Years	(2)	12.42%	9.37%	(0.34%)	(4.50%)	11/22/2000
MLIM Active Allocation 11-13 Years	(2)	10.32%	8.39%	1.42%	(2.74%)	11/20/2000
MLIM Active Allocation 14-16 Years	(2)	7.74%	6.68%	2.20%	(1.00%)	11/20/2000
MLIM Active Allocation 17-19 Years	(2)	5.20%	4.88%	2.79%	1.23%	12/01/2000
MLIM Active Allocation 20+ Years	(3)	2.60%	2.90%	2.80%	2.50%	11/27/2000
MLIM 100% Equity Portfolio		15.83%	10.46%	(4.15%)	(10.91%)	11/16/2000
MLIM 75% Equity Portfolio		12.50%	9.44%	(0.47%)	(6.19%)	11/16/2000
MLIM Fixed Income Portfolio		4.22%	6.80%	11.52%	7.64%	11/27/2000

The returns posted reflect total return for the period ending 6/30/03 less the Management, Portfolio Servicing and Maine Administration Fees as well as fees and expenses of the underlying funds. The allocation of the portfolios among underlying funds is subject to revision at any time by the Finance Authority of Maine and under normal circumstances it is anticipated that the allocation of the portfolios will be adjusted at least annually. Past performance is no guarantee of future performance. Investment returns will fluctuate with market conditions.

(1) Prior to July 29, 2002, the assets in the MLIM Active Allocation 0-7 Years Portfolio were held in three separate portfolios: MLIM Active Allocation 2020 Portfolio, MLIM Active Allocation 2017 Portfolio and MLIM Active Allocation 2014 Portfolio. On July 29, 2002, these three Portfolios were combined to consolidate Portfolios with the same target allocations, and the name of the combined Portfolio was changed to the MLIM Active Allocation 0-7 Years Portfolio. One year and since inception returns posted include the returns of the former MLIM Active Allocation 2014 Portfolio. See the Note below for additional information.

(2) On July 29, 2002, these MLIM Active Allocation Portfolios were renamed as follows:

Name of Portfolio Prior to July 29, 2002	Name of Portfolio After July 29, 2002
MLIM Active Allocation 2011 Portfolio	MLIM Active Allocation 8-10 Years Portfolio
MLIM Active Allocation 2008 Portfolio	MLIM Active Allocation 11-13 Years Portfolio
MLIM Active Allocation 2005 Portfolio	MLIM Active Allocation 14-16 Years Portfolio
MLIM Active Allocation 2002 Portfolio	MLIM Active Allocation 17-19 Years Portfolio

(3) Prior to July 29, 2002, the assets in the MLIM Active Allocation 20+ Years Portfolio were held in two separate portfolios: MLIM Active Allocation 1999 Portfolio and MLIM Short-Term Portfolio. On July 29, 2002, these two Portfolios were combined to consolidate Portfolios with the same target allocations, and the name of the combined Portfolio was changed to the MLIM Active Allocation 20+ Years Portfolio. One year and since inception returns posted include the returns of the former MLIM Active Allocation 1999 Portfolio. See the Note below for additional information.

Note: Prior to July 29, 2002, the target allocations for each MLIM Active Allocation Portfolio changed as the Designated Beneficiaries assigned to that Portfolio aged. After July 29, 2002, the target allocations for each MLIM Active Allocation Portfolio remain static, and contributions allocated to a particular MLIM Active Allocation Portfolio remain invested in that Portfolio until July 1 of the year in which the Designated Beneficiary turns the age of the youngest Designated Beneficiary in the next MLIM Active Allocation Portfolio in the MLIM Active Allocation Portfolio sequence. As a result, the return of a Portfolio for a period that includes any period prior to July 29, 2002 (for example, "Since Inception") represents that Portfolio's return as the Portfolio was operated under both the former and current strategies. Returns of a Portfolio for a period that does not include any period prior to July 29, 2002 represents that Portfolio's return as the Portfolio is currently operated.

NextGen College Investing Plan®

Portfolio Performance Information

As of June 30, 2003

	<u>Total Returns</u>		<u>Average Annual Total Returns</u>		
	<u>3 Month</u>	<u>Calendar Year to Date</u>	<u>1 Year</u>	<u>Since Inception</u>	<u>Portfolio Inception Date</u>
AIM Client Advisor Series Portfolios					
AIM Active Allocation Age 0-3 Years	15.10%	10.82%	(3.70%)	(16.43%)	11/16/2000
AIM Active Allocation Age 4-6 Years	14.49%	10.44%	(2.96%)	(14.88%)	11/17/2000
AIM Active Allocation Age 7-9 Years	13.94%	10.06%	(2.47%)	(12.31%)	11/24/2000
AIM Active Allocation Age 10-12 Years	11.88%	8.65%	(0.88%)	(8.61%)	11/21/2000
AIM Active Allocation Age 13-15 Years	9.91%	7.19%	0.70%	(5.41%)	11/21/2000
AIM Active Allocation Age 16-18 Years	6.07%	4.71%	2.62%	(0.81%)	11/21/2000
AIM Active Allocation College	3.83%	2.90%	2.49%	1.15%	11/27/2000
AIM Equity Aggressive Growth	14.38%	12.42%	(3.14%)	(21.69%)	11/10/2000
AIM Equity Growth	15.20%	10.98%	(3.89%)	(14.24%)	11/10/2000
AIM Growth & Income	11.82%	8.50%	(1.03%)	(9.67%)	11/15/2000

The returns posted reflect total return for the period ending 6/30/03 less the Management, Portfolio Servicing and Maine Administration Fees as well as fees and expenses of the underlying funds. The allocation of the portfolios among underlying funds is subject to revision at any time by the Finance Authority of Maine and under normal circumstances it is anticipated that the allocation of the portfolios will be adjusted at least annually. Past performance is no guarantee of future performance. Investment returns will fluctuate with market conditions.

NextGen College Investing Plan®

Portfolio Performance Information

As of June 30, 2003

	<u>Total Returns</u>		<u>Average Annual Total Returns</u>		
	<u>3 Month</u>	<u>Calendar Year to Date</u>	<u>1 Year</u>	<u>Since Inception</u>	<u>Portfolio Inception Date</u>
Franklin Templeton Client Advisor Series Portfolios					
Franklin Templeton Active Allocation Age 0-8 Years	16.23%	11.45%	(1.30%)	(9.91%)	11/08/2000
Franklin Templeton Active Allocation Age 9-12 Years	12.69%	10.01%	1.46%	(6.59%)	11/07/2000
Franklin Templeton Active Allocation Age 13-16 Years	9.50%	8.65%	4.48%	(0.78%)	11/27/2000
Franklin Templeton Active Allocation Age 17-20 Years	6.65%	7.50%	7.81%	3.38%	11/27/2000
Franklin Templeton Active Allocation Age 21+ Years	3.74%	6.05%	10.58%	7.10%	12/07/2000
Franklin Templeton Growth	16.15%	11.52%	(1.31%)	(10.09%)	11/08/2000
Franklin Templeton Growth & Income	12.79%	10.11%	1.50%	(4.67%)	11/13/2000
Franklin Templeton Balanced	9.56%	8.57%	4.45%	(1.43%)	11/14/2000

The returns posted reflect total return for the period ending 6/30/03 less the Management, Portfolio Servicing and Maine Administration Fees as well as fees and expenses of the underlying funds. The allocation of the portfolios among underlying funds is subject to revision at any time by the Finance Authority of Maine and under normal circumstances it is anticipated that the allocation of the portfolios will be adjusted at least annually. Past performance is no guarantee of future performance. Investment returns will fluctuate with market conditions.

NextGen College Investing Plan®

Portfolio Performance Information
As of June 30, 2003

	<u>Total Returns</u>		<u>Average Annual Total Returns</u>		
	<u>3 Month</u>	<u>Calendar Year to Date</u>	<u>1 Year</u>	<u>Since Inception</u>	<u>Portfolio Inception Date</u>
<u>MFS Client Advisor Series Portfolios</u>					
MFS Active Allocation Age 0-5 Years	15.02%	10.20%	(3.51%)	(17.46%)	11/16/2000
MFS Active Allocation Age 6-10 Years	12.74%	9.39%	(0.71%)	(12.78%)	11/16/2000
MFS Active Allocation Age 11-13 Years	9.16%	7.22%	2.30%	(6.19%)	11/16/2000
MFS Active Allocation Age 14-15 Years	6.90%	5.59%	3.17%	(2.15%)	11/22/2000
MFS Active Allocation Age 16-17 Years	4.37%	4.06%	4.69%	1.89%	11/22/2000
MFS Active Allocation Age 18+ Years	3.45%	3.35%	3.86%	1.89%	11/21/2000
MFS Equity	14.80%	10.00%	(3.66%)	(17.46%)	11/16/2000
MFS Fixed Income	3.36%	5.12%	10.07%	6.18%	11/16/2000

The returns posted reflect total return for the period ending 6/30/03 less the Management, Portfolio Servicing and Maine Administration Fees as well as fees and expenses of the underlying funds. The allocation of the portfolios among underlying funds is subject to revision at any time by the Finance Authority of Maine and under normal circumstances it is anticipated that the allocation of the portfolios will be adjusted at least annually. Past performance is no guarantee of future performance. Investment returns will fluctuate with market conditions.

Overview of the Financial Statements

In June of 1999, the Governmental Accounting Standards Board (“GASB”) released Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The statement established new financial reporting standards for governmental entities. These new standards require financial statements that are different in form as compared to prior years’ financial statements. The Program has adopted these new standards in fiscal year 2003 beginning with this management’s discussion and analysis and the financial statements included herein.

This annual report consists of several parts including management’s discussion and analysis (this section) and the basic financial statements. The basic financial statements are composed of a Statement of Fiduciary Net Assets, a Statement of Changes in Fiduciary Net Assets, and notes that explain some of the information in the financial statements and provide more detailed data.

The Statement of Fiduciary Net Assets presents information on the Program’s assets and liabilities, with the difference between the two reported as net assets. This statement is prepared using the accrual basis of accounting, whereby revenues and assets are recognized when enrollment in the Program is completed; withdrawals and refunds are recognized when payable; and expenses and liabilities are recognized when goods and services are provided, regardless of when cash is received or paid.

The Statement of Changes in Fiduciary Net Assets presents information showing how the Program’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The Program Fund is a fiduciary fund, as defined by GASB Statement No. 34. The Program assets do not represent discretionary assets of FAME to finance its operations. The Program’s assets can only be used for the withdrawals of NextGen Participants and Designated Beneficiaries.

Financial Analysis

To begin the financial analysis, a summary of the Program's assets and liabilities as of June 30, 2003 and 2002 is presented below:

As of June 30	2003	2002
Total Assets	\$ 1,652,753,458	\$ 1,197,195,178
Total Liabilities	<u>107,190</u>	<u>-</u>
Total Net Assets	<u>\$ 1,652,646,268</u>	<u>\$ 1,197,195,178</u>

The condensed financial information above is meant to provide a snapshot of the overall financial condition of the Program.

Investments comprise \$1,652,101,165 of total assets. Other assets include outstanding dividends receivables. Liabilities consist of Program expenses payable in the amount of \$107,190.

As illustrated by the table above, the Program's net assets increased by \$455,451,090 in fiscal year 2003. This increase is primarily attributable to \$427,685,767 of net contributions to the Program and fiscal year 2003 net investment income (investment income, less Program expenses) of \$27,765,323. Program expenses increased in fiscal year 2003 as a result of the increase in average daily net assets during the period.

Changes in net assets: The following represents the changes in net assets for the years ended June 30, 2003 and 2002.

	2003	2002
Additions		
Contributions:		
Participants.....	\$ 623,692,331	\$ 851,701,573
Total contributions.....	<u>623,692,331</u>	<u>851,701,573</u>
Investment income (loss):		
Net increase (decrease) in fair value of investments	65,086,517	(88,323,295)
Net realized loss on sale of investments.....	(51,600,824)	(40,851,915)
Dividends	21,768,021	13,762,756
Capital gains distributions from investments	2,821,145	6,664,370
Total investment income	<u>38,074,859</u>	<u>(108,748,084)</u>
Total additions	<u>661,767,190</u>	<u>742,953,489</u>
Deductions		
Program withdrawals.....	196,006,564	83,725,702
Management fees	5,671,882	3,180,096
Portfolio servicing fees.....	2,650,087	1,698,278
Maine administration fees.....	1,987,567	1,273,711
Total deductions	<u>206,316,100</u>	<u>89,877,787</u>
Change in net assets held for participants	455,451,090	653,075,702
Net assets at beginning of year	<u>1,197,195,178</u>	<u>544,119,476</u>
Net assets at end of year	<u>\$ 1,652,646,268</u>	<u>\$ 1,197,195,178</u>

The Program's net assets increased at a slower rate in fiscal year 2003 compared to fiscal year 2002. The overall decrease was primarily attributable to fewer contributions to Program Accounts by Participants and an increase in withdrawals from Program Accounts, both of which were partially offset by market appreciation of the Portfolios' investments.

Program contributions were \$623,692,331 in fiscal year 2003 as compared to \$851,701,573 in fiscal year 2002. This represented a 27% decrease in contributions made to the Program in fiscal year 2003.

The reduction of fiscal year 2003 contributions may be attributed to the decrease in new Account applications and decreases in contributions made to existing Accounts.

Program withdrawals were \$196,006,564 in fiscal year 2003 as compared to \$83,725,702 in fiscal year 2002.

NextGen College Investing Plan®

Independent Auditors' Report

To the Management of FAME and Maine Advisory Committee on College Savings:

We have audited the accompanying statement of fiduciary net assets of the NextGen College Investing Plan® (the "Program"), a Program of the State of Maine, as of June 30, 2003, and the related statement of changes in fiduciary net assets for the year ended June 30, 2003. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2003, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 6 to the financial statements, effective during the year ended June 30, 2003 the Program adopted the Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by the GASB Statement No. 37.

Management's Discussion and Analysis on pages 3 through 7 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Program's financial statements taken as a whole. The accompanying Combining Statements on pages 19 through 31 and Other Financial Information on pages 34 through 63 are presented for the purpose of additional analysis and are not a required part of the financial statements. These Combining Statements and Other Financial Information are the responsibility of the Program's management. Such information has been subjected to the auditing procedures applied in our audit of the financial statements, and in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statement taken as a whole.

NextGen College Investing Plan®

Independent Auditors' Report (*concluded*)

In accordance with *Government Auditing Standards*, we have also issued a report dated November 26, 2003, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

DELOITTE & TOUCHE LLP

Princeton, New Jersey

November 26, 2003

NextGen College Investing Plan®

Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based upon the Audit Performed in Accordance with Government Auditing Standards

To the Management of FAME and Maine Advisory Committee on College Savings:

We have audited the financial statements of NextGen College Investing Plan® (the "Program"), a Program of the State of Maine, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 26, 2003, which contained an explanatory paragraph related to the adoption of a new reporting model. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Program's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Program's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Maine Advisory Committee on College Savings, management and the Office of the Treasurer of the State of Maine and regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

DELOITTE & TOUCHE LLP
Princeton, New Jersey
November 26, 2003

NextGen College Investing Program®Statement of Fiduciary Net Assets as of June 30, 2003

Assets:

Current Assets:

Investments at fair value	\$ 1,652,101,165
Dividends receivable.....	652,293
Total assets	<u>1,652,753,458</u>

Liabilities:

Current Liabilities:

Program expenses payable	107,190
Total liabilities	<u>107,190</u>

Total net assets:

Net assets held for participants	1,652,646,268
Total net assets	<u>\$ 1,652,646,268</u>

See Notes to Financial Statements.

NextGen College Investing Program®

Statement of Changes in Fiduciary Net Assets

For the year ended June 30, 2003

Additions

Contributions:

Participants.....	\$ 623,692,331
Total contributions.....	<u>623,692,331</u>

Investment income (loss):

Net increase in fair value of investments.....	65,086,517
Net realized loss on sale of investments.....	(51,600,824)
Dividends	21,768,021
Capital gains distributions from investments	2,821,145
Total investment income	<u>38,074,859</u>

Total additions..... 661,767,190**Deductions**

Program withdrawals	196,006,564
Management fees	5,671,882
Portfolio servicing fees	2,650,087
Maine administration fees.....	1,987,567
Total deductions	<u>206,316,100</u>

Change in net assets held for participants 455,451,090

Net assets at beginning of year 1,197,195,178**Net assets at the end of the year** \$ 1,652,646,268

See Notes to Financial Statements.

NextGen College Investing Plan®

Notes to Financial Statements for the year ended June 30, 2003

1. Organization and Operations:

The NextGen College Investing Plan (the “Program”) was established in accordance with Chapter 417-E of Title 20-A of the Maine Revised Statutes Annotated of 1964, as amended (the “Act”), to encourage the investment of funds to be used for qualified higher education expenses at institutions of higher education. The Program is designed to comply with the requirements for treatment as a “Qualified Tuition Program” under Section 529 of the Internal Revenue Code of 1986, as amended (a “529 Savings Plan”). The Act authorizes the Finance Authority of Maine (“FAME”) to administer the Program and act as administrator of the Maine College Savings Program Fund (the “Program Fund”). The Program Fund is held by the Treasurer of the State of Maine (the “Treasurer”), who invests it with advice from FAME and a seven member Advisory Committee on College Savings, which is chaired by the Treasurer. Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), a subsidiary of Merrill Lynch & Co., Inc. (“ML & Co.”), serves as the Program Manager. FAME and the Treasurer have selected Merrill Lynch to act as the Program Manager (the “Program Manager”), pursuant to a Program Management Agreement (the “Management Agreement”), dated May 27, 1999, as amended and restated through December 1, 2001 and further amended by letter dated July 8, 2003 among FAME, the Treasurer, Merrill Lynch and Financial Data Services, Inc. (“FDS”), a wholly-owned subsidiary of ML & Co., which serves as Portfolio Servicing Agent for the Program. The Management Agreement provides that Merrill Lynch and FDS are responsible for providing certain administrative, recordkeeping and investment services and marketing for the Program.

The Program’s investments are comprised of 35 different investment portfolios (the “Portfolios”). These financial statements report on the Portfolios, each of which invests in a combination of Underlying Funds managed by Merrill Lynch Investment Managers, L.P. (“MLIM”) (or an advisory affiliate) or a Sub-Advisor, recommended by the Program Manager and approved by FAME and the Treasurer. The general partner of MLIM (or any applicable advisory affiliate) is Princeton Services, Inc., an indirect, wholly-owned subsidiary of ML & Co. For more complete information, including charges, expenses and risks of investing in the Program, please refer to the current NextGen College Investing Plan Program Description and Supplements.

The Program entered into an agreement with State Street Corporation (“State Street”), effective January 1, 2001, pursuant to which State Street provides certain accounting services to the Program.

NextGen College Investing Plan®

Notes to Financial Statements (continued)

The Program Portfolios commenced operations as follows:

MLIM CLIENT DIRECT/ADVISOR* SERIES PORTFOLIOS		
Portfolio	Direct Commencement of Operations	Advisor Commencement of Operations
Active Allocation Age 0-7 Years	8/12/1999	11/21/2000
Active Allocation Age 8-10 Years	8/5/1999	11/22/2000
Active Allocation Age 11-13 Years	8/5/1999	11/20/2000
Active Allocation Age 14-16 Years	8/5/1999	11/20/2000
Active Allocation Age 17-19 Years	8/5/1999	12/01/2000
Active Allocation Age 20 + Years	8/17/1999	11/27/2000
100% Equity	12/6/1999	11/16/2000
75% Equity	12/6/1999	11/16/2000
Fixed Income	12/8/1999	11/27/2000

AIM CLIENT ADVISOR* SERIES PORTFOLIOS	
Portfolio	Commencement of Operations
Active Allocation Age 0-3 Years	11/16/2000
Active Allocation Age 4-6 Years	11/17/2000
Active Allocation Age 7-9 Years	11/24/2000
Active Allocation Age 10-12 Years	11/21/2000
Active Allocation Age 13-15 Years	11/21/2000
Active Allocation Age 16-18 Years	11/21/2000
Active Allocation College	11/27/2000
Equity Aggressive Growth	11/10/2000
Equity Growth	11/10/2000
Growth & Income	11/15/2000

FRANKLIN TEMPLETON CLIENT ADVISOR* SERIES PORTFOLIOS	
Portfolio	Commencement of Operations
Active Allocation Age 0-8 Years	11/8/2000
Active Allocation Age 9-12 Years	11/7/2000
Active Allocation Age 13-16 Years	11/27/2000
Active Allocation Age 17-20 Years	11/27/2000
Active Allocation Age 21 + Years	12/7/2000
Growth	11/8/2000
Growth and Income	11/13/2000
Balanced	11/14/2000

MFS CLIENT ADVISOR* SERIES PORTFOLIOS	
Portfolio	Commencement of Operations
Active Allocation Age 0-5 Years	11/16/2000
Active Allocation Age 6-10 Years	11/16/2000
Active Allocation Age 11-13 Years	11/16/2000
Active Allocation Age 14-15 Years	11/22/2000
Active Allocation Age 16-17	11/22/2000
Active Allocation Age 18+	11/21/2000
Equity	11/16/2000
Fixed Income	11/16/2000

* On July 28, 2003 the Client Advisor Series was renamed the Client Select Series.

NextGen College Investing Plan®

Notes to Financial Statements (continued)

Prior to July 29, 2002, the assets in the MLIM Active Allocation 0-7 Years Portfolio were held in three separate portfolios: MLIM Active Allocation 2020 Portfolio, MLIM Active Allocation 2017 Portfolio and MLIM Active Allocation 2014 Portfolio. On July 29, 2002, these three Portfolios were combined to consolidate Portfolios with the same target allocations, and the name of the combined Portfolio was changed to the MLIM Active Allocation 0-7 Years Portfolio.

On July 29, 2002, these MLIM Active Allocation Portfolios were renamed as follows:

Name of Portfolio Prior to July 29, 2002	Name of Portfolio After July 29, 2002
MLIM Active Allocation 2011 Portfolio	MLIM Active Allocation 8-10 Years Portfolio
MLIM Active Allocation 2008 Portfolio	MLIM Active Allocation 11-13 Years Portfolio
MLIM Active Allocation 2005 Portfolio	MLIM Active Allocation 14-16 Years Portfolio
MLIM Active Allocation 2002 Portfolio	MLIM Active Allocation 17-19 Years Portfolio

Prior to July 29, 2002, the assets in the MLIM Active Allocation 20+ Years Portfolio were held in two separate portfolios: MLIM Active Allocation 1999 Portfolio and MLIM Short-Term Portfolio. On July 29, 2002, these two Portfolios were combined to consolidate Portfolios with the same target allocations, and the name of the combined Portfolio was changed to the MLIM Active Allocation 20+ Years Portfolio. Certain returns posted may include the returns of the former MLIM Active Allocation 1999 Portfolio.

The Portfolios are invested in mutual funds and a Cash Allocation Account (“Underlying Funds”), which are managed by Merrill Lynch, AIM Capital Management, Franklin Templeton, and Massachusetts Financial Services Company (“MFS”). The mix of Underlying Funds in each Portfolio is determined pursuant to asset allocations developed by Merrill Lynch, AIM Capital Management, Franklin Templeton, and MFS and approved by FAME and the Treasurer.

2. Significant Accounting Policies

Basis of Accounting

As a Governmental Accounting Standards Board (“GASB”) Statement No. 34 fiduciary fund, the Program’s financial statements are presented on the flow of economic resources, measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Pursuant to GASB Statement No. 34, the Program Fund is a fiduciary fund and the assets therein are fiduciary net assets. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support a government’s own programs. Under GASB Statement No. 34, a private-purpose trust fund is a fiduciary fund used to report all trust arrangements, other than pension (and other employee benefit) trust funds and investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. Revenues are mainly derived from investment income. Expenses consist primarily of investment expenses and administrative costs associated with the Program.

As permitted by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, FAME has elected not to adopt Financial Accounting Standards Board (“FASB”) statements and interpretations issued after November 30, 1989, unless GASB specifically adopts such FASB statements or interpretations.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from management’s estimates.

The following is a summary of significant accounting policies followed by the Program.

(a) *Security Valuation* – Investments in the Underlying Funds are valued at the closing net asset value per Unit of each Underlying Fund on the day of valuation.

(b) *Security Transactions and Investment Income* – Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income and capital gain distributions from the Underlying Funds, if any, are recorded on the ex-dividend date.

(c) *Expenses* – Expenses included in the accompanying financial statements reflect the expenses of each Portfolio and do not include any expenses associated with the Underlying Funds. Each Portfolio indirectly bears its proportional share of the expenses of the Underlying Funds in which it invests. Accordingly, each Portfolio’s investment return will be net of the expenses of the Underlying Funds and the expenses attributable to the Portfolio.

(d) *Federal Income Tax* – The Program has been designed to comply with the requirements for treatment as a Qualified Tuition Program under Section 529 of the Internal Revenue Code of 1986, as amended. Therefore, no federal income tax provision is required.

(e) *Units* – Contributions by a Participant are evidenced through the issuance of Units in the particular Portfolio. Contributions to and withdrawals from the Portfolios are subject to terms and limitations defined in the Participation Agreement between the Participant and the Program. Contributions are invested in Units of the assigned Portfolio on the next business day following the credit of the contribution to the Participant’s account. Withdrawals are based on the net asset value calculated for such Portfolio on the business day following the day on which the Program Manager accepts and processes the withdrawal request. The earnings portion of non-qualified withdrawals may be subject to a 10% additional tax, in addition to applicable federal and state income tax. It is the distributee’s responsibility to report any taxable event on their personal tax returns.

NextGen College Investing Plan®

Notes to Financial Statements (continued)

All Portfolios are currently offered in the Client Advisor Series. The Client Advisor Series is designed for Participants seeking advice and guidance from a financial advisor and is available through Merrill Lynch Financial Advisors. In addition, Maine Participants or other Participants opening accounts for Maine Designated Beneficiaries may purchase the Client Advisor Series through certain Maine Distribution Agents. In addition, the MLIM Portfolios are also currently offered in the Client Direct Series. The Client Direct Series is designed for self-directed investors. In addition, Maine Participants or other Participants opening accounts for Maine Designated Beneficiaries may purchase the Client Direct Series through certain Maine Distribution Agents. The Client Direct Series is also offered to Participants with an active account as of November 3, 2000, who may continue to purchase Units of a Client Direct Series Portfolio through a Merrill Lynch Financial Advisor. Each Portfolio has its own expense structure. Neither the Program Manager, nor any representative of the Program Manager will give any advice to any other Program Participant or offer any opinion regarding the suitability of any Client Direct Series Portfolio. Included in the net assets of the Client Direct Series of the MLIM Fixed Income Portfolio are the net assets of the Matching Grant Portfolio, which is an investment vehicle designed to segregate in a separate account the FAME Matching Grant assets being distributed to the Participants who are residents of the State of Maine or to Participants who open accounts for a Designated Beneficiary who is a resident of the State of Maine.

Each Series may be offered through additional or different distribution sources, as determined by FAME and the Program Manager. One Series may not offer some or all Portfolios available through the other Series. For example, the Client Advisor Series currently offers Portfolios that invest in Underlying Funds not affiliated with the Program Manager, which are not available through the Client Direct Series. Expenses associated with the Client Advisor Series are higher than those associated with the Client Direct Series.

3. The Maine Matching Grant Program:

FAME uses a portion of the Maine Administration Fee to provide matching grants to accounts opened by a Maine resident or for a Designated Beneficiary who is a Maine resident, provided the Participant's federal adjusted gross income is \$50,000 or less. Matching grants remain the property of FAME and may only be used for withdrawals for qualified higher education expenses. The matching grant funds, including earnings on matching grant funds, should be fully used before other contributions to the Program's Account or earnings thereon, if any, are used for qualified higher education expenses. All matching grant funds are invested at the discretion of FAME. The matching grant funds are included in the net assets of the MLIM Fixed Income Portfolio of the Client Direct Series. As of June 30, 2003, the net assets of the Matching Grant Portfolio were \$144,349. The Maine Matching Grant Program consists of an initial matching grant of \$200 and an annual matching grant of up to \$100. FAME may use the Maine Administration Fee to fund all or a portion of the eligible matching grant applications at FAME's discretion.

4. Program Expenses:

FAME has entered into a Management Agreement with Merrill Lynch. Pursuant to the Management Agreement, Merrill Lynch receives a monthly fee at the annual rate of (i) .20% of the average daily Net Asset Value of each Portfolio of the Client Direct Series, (ii) .25% of the average daily Net Asset Value of each Client Advisor Series Portfolio with a target equity allocation of less than 40% and (iii) .55% of the average daily Net Asset Value of each Client Advisor Series Portfolio with a target equity allocation of 40% or more for acting as Program Manager (the "Management Fee"). Merrill Lynch may voluntarily reduce the Management Fee at any time on a temporary or permanent basis.

FDS receives a monthly fee (the "Portfolio Servicing Fee") at the annual rate of .20% of the average daily Net Asset Value of each Portfolio for acting as Portfolio Servicing Agent to the Program.

NextGen College Investing Plan®

Notes to Financial Statements (concluded)

In addition, FAME receives a monthly fee (the “Maine Administration Fee”) at the annual rate of .15% of the average daily Net Asset Value of each Portfolio for acting as administrator of the Program. The Maine Administration Fee, which is paid from the Investment Fund (the portion of the Program Fund that is invested in the Underlying Funds), will be used by FAME to pay its costs of administration of the Program, and as otherwise permitted under the Act.

There is an annual account maintenance fee of \$50 for each Account; \$25 annual account maintenance fee for Employer Payroll Direct Deposit Relationship Accounts (the “Account Fee”), a returned deposit fee of \$20 and a wire transfer fee of \$30, all of which are paid by the Participant to Merrill Lynch. For purposes of calculating the Account Fee, a fee year is used. The fee year begins on the first day of the calendar quarter of which the Account is established and anniversaries of that date. The Account Fee is waived for certain Accounts, including: (i) all Accounts established where either the Participant or the Designated Beneficiary is a resident of Maine; (ii) if total Contributions to the Account are made during a calendar year of at least \$2,500; or (iii) the value of the Account at the end of a fee year is at least \$20,000. If an Account that is subject to an Account Fee is closed or transferred before the Account Fee is charged, the Account Fee for such year will be \$12.50 for each whole or partial calendar quarter of the final fee year.

5. Investments:

The Program has four investment Sub-Advisors: AIM Capital Management, Franklin Templeton, MFS and MLIM. Investments are reported at fair value and are accounted for by the Program accordingly, with changes in the fair value included in investment earnings. The Program’s investments are not subject to classification by credit risk under GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. The investments represent units of mutual funds rather than specific securities, and as such are not subject to risk categorization.

The following represents a calculation of the net increase in the fair value of investments during the year ended June 30, 2003:

Fair value at end of period	\$ 1,652,101,165
Less cost of investments purchased during period	(708,981,313)
Plus cost of investments redeemed during period	318,696,017
Less fair value at beginning of period	<u>(1,196,729,352)</u>
Change in fair value of investments during period	<u>\$ 65,086,517</u>

6. Adoption of GASB Statement No. 34:

During the year ended June 30, 2003, the Program adopted GASB Statement No. 34 (as amended by Statement No. 37), *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and GASB Statement No. 38, *Certain Financial Statement Disclosures*. These statements require changes to the basic financial statements for state and local governmental entities and related disclosures from those reported previously. There is no effect on the overall net assets and results of operations are unchanged from the prior year.

* * * * *



Combining Statements

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2003

	Total	MLIM Portfolios	AIM Portfolios	Franklin Templeton Portfolios	MFS Portfolios
Assets:					
Current Assets:					
Investments at fair value	\$ 1,652,101,165	\$ 949,781,316	\$ 202,952,671	\$ 245,682,307	\$ 253,684,871
Dividends receivable	652,293	223,230	116,267	675	312,121
Total assets	<u>1,652,753,458</u>	<u>950,004,546</u>	<u>203,068,938</u>	<u>245,682,982</u>	<u>253,996,992</u>
Liabilities:					
Current Liabilities:					
Program expenses payable	107,190	56,818	14,771	17,943	17,658
Total liabilities	<u>107,190</u>	<u>56,818</u>	<u>14,771</u>	<u>17,943</u>	<u>17,658</u>
Total net assets					
Net assets held for participants	1,652,646,268	949,947,728	203,054,167	245,665,039	253,979,334
Total net assets	<u>\$ 1,652,646,268</u>	<u>\$ 949,947,728</u>	<u>\$ 203,054,167</u>	<u>\$ 245,665,039</u>	<u>\$ 253,979,334</u>

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2003

	MLIM Active Allocation Age 0-7 Years Portfolio	MLIM Active Allocation Age 8-10 Years Portfolio	MLIM Active Allocation Age 11-13 Years Portfolio
Assets:			
Current Assets:			
Investments at fair value*	\$ 190,510,911	\$ 89,286,360	\$ 97,820,265
Dividends receivable.....	17,976	21,780	32,199
Total assets	<u>190,528,887</u>	<u>89,308,140</u>	<u>97,852,464</u>
Liabilities:			
Current Liabilities:			
Program expenses payable	12,097	5,626	6,189
Total liabilities.....	<u>12,097</u>	<u>5,626</u>	<u>6,189</u>
Total net assets	<u>\$ 190,516,790</u>	<u>\$ 89,302,514</u>	<u>\$ 97,846,275</u>
Net Assets Consist of:			
Client Direct Series:			
Net assets	\$ 69,820,802	\$ 34,288,985	\$ 36,694,996
Units outstanding.....	<u>7,771,125</u>	<u>3,584,522</u>	<u>3,630,674</u>
Net asset value.....	<u>\$ 8.98</u>	<u>\$ 9.57</u>	<u>\$ 10.11</u>
Client Advisor Series:			
Net assets	\$ 120,695,988	\$ 55,013,529	\$ 61,151,279
Units outstanding.....	<u>14,858,257</u>	<u>6,200,326</u>	<u>6,575,600</u>
Net asset value.....	<u>\$ 8.12</u>	<u>\$ 8.87</u>	<u>\$ 9.30</u>
*Identified cost.....	<u>\$ 191,395,269</u>	<u>\$ 95,604,168</u>	<u>\$ 102,598,658</u>

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2003

	AIM Active Allocation Age 0-3 Years Portfolio	AIM Active Allocation Age 4-6 Years Portfolio	AIM Active Allocation Age 7-9 Years Portfolio	AIM Active Allocation Age 10-12 Years Portfolio
Assets:				
Current Assets:				
Investments at fair value*	\$ 19,599,192	\$ 16,807,957	\$ 18,174,348	\$ 19,823,949
Dividends receivable	-	3,217	6,979	19,213
Total assets.....	<u>19,599,192</u>	<u>16,811,174</u>	<u>18,181,327</u>	<u>19,843,162</u>
Liabilities:				
Current Liabilities:				
Program expenses payable	1,448	1,243	1,344	1,466
Total liabilities	<u>1,448</u>	<u>1,243</u>	<u>1,344</u>	<u>1,466</u>
Total net assets	<u>\$ 19,597,744</u>	<u>\$ 16,809,931</u>	<u>\$ 18,179,983</u>	<u>\$ 19,841,696</u>
Units outstanding	<u>3,133,819</u>	<u>2,562,854</u>	<u>2,558,004</u>	<u>2,510,000</u>
Net asset value	<u>\$ 6.25</u>	<u>\$ 6.56</u>	<u>\$ 7.11</u>	<u>\$ 7.91</u>
* Identified cost.....	<u>\$ 19,424,326</u>	<u>\$ 16,954,254</u>	<u>\$ 18,410,581</u>	<u>\$ 20,141,627</u>

MLIM Active Allocation Age 14-16 Years Portfolio	MLIM Active Allocation Age 17-19 Years Portfolio	MLIM Active Allocation Age 20+ Years Portfolio	MLIM 100% Equity Portfolio	MLIM 75% Equity Portfolio	MLIM Fixed Income Portfolio	MLIM Totals
\$ 81,716,363	\$ 37,135,330	\$ 8,071,292	\$ 204,488,258	\$ 162,428,476	\$ 78,324,061	\$949,781,316
27,944	11,864	2,291	-	37,534	71,642	223,230
<u>81,744,307</u>	<u>37,147,194</u>	<u>8,073,583</u>	<u>204,488,258</u>	<u>162,466,010</u>	<u>78,395,703</u>	<u>950,004,546</u>
5,070	1,756	381	11,827	10,065	3,807	56,818
5,070	1,756	381	11,827	10,065	3,807	56,818
<u>\$ 81,739,237</u>	<u>\$ 37,145,438</u>	<u>\$ 8,073,202</u>	<u>\$ 204,476,431</u>	<u>\$ 162,455,945</u>	<u>\$ 78,391,896</u>	<u>\$949,947,728</u>
<u>\$ 33,520,437</u>	<u>\$ 18,502,444</u>	<u>\$ 3,992,358</u>	<u>\$ 115,724,329</u>	<u>\$ 68,487,189</u>	<u>\$ 11,161,709</u>	
3,167,094	1,651,901	351,858	15,593,918	8,039,841	896,437	
<u>\$ 10.58</u>	<u>\$ 11.20</u>	<u>\$ 11.35</u>	<u>\$ 7.42</u>	<u>\$ 8.52</u>	<u>\$ 12.45</u>	
<u>\$ 48,218,800</u>	<u>\$ 18,642,994</u>	<u>\$ 4,080,844</u>	<u>\$ 88,752,102</u>	<u>\$ 93,968,756</u>	<u>\$ 67,230,187</u>	
4,952,433	1,807,014	382,823	12,005,593	11,109,251	5,558,381	
<u>\$ 9.74</u>	<u>\$ 10.32</u>	<u>\$ 10.66</u>	<u>\$ 7.39</u>	<u>\$ 8.46</u>	<u>\$ 12.10</u>	
<u>\$ 84,582,672</u>	<u>\$ 37,859,947</u>	<u>\$ 7,953,824</u>	<u>\$ 244,314,752</u>	<u>\$ 179,031,683</u>	<u>\$ 74,540,773</u>	

AIM Active Allocation Age 13-15 Years Portfolio	AIM Active Allocation Age 16-18 Years Portfolio	AIM Active Allocation College Portfolio	AIM Equity Aggressive Growth Portfolio	AIM Equity Growth Portfolio	AIM Growth & Income Portfolio	AIM Totals
\$ 17,742,597	\$ 8,123,528	\$ 1,537,975	\$ 18,467,272	\$ 40,851,114	\$ 41,824,739	\$202,952,671
27,589	16,147	2,470	-	-	40,652	116,267
<u>17,770,186</u>	<u>8,139,675</u>	<u>1,540,445</u>	<u>18,467,272</u>	<u>40,851,114</u>	<u>41,865,391</u>	<u>203,068,938</u>
1,309	400	76	1,368	3,021	3,096	14,771
1,309	400	76	1,368	3,021	3,096	14,771
<u>\$ 17,768,877</u>	<u>\$ 8,139,275</u>	<u>\$ 1,540,369</u>	<u>\$ 18,465,904</u>	<u>\$ 40,848,093</u>	<u>\$ 41,862,295</u>	<u>\$203,054,167</u>
2,053,365	831,456	149,567	3,515,915	6,123,701	5,464,194	
<u>\$ 8.65</u>	<u>\$ 9.79</u>	<u>\$ 10.30</u>	<u>\$ 5.25</u>	<u>\$ 6.67</u>	<u>\$ 7.66</u>	
<u>\$ 17,748,023</u>	<u>\$ 8,031,255</u>	<u>\$ 1,511,309</u>	<u>\$ 18,693,645</u>	<u>\$ 41,512,494</u>	<u>\$ 42,380,668</u>	

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2003

	Franklin Templeton Active Allocation Age 0-8 Years Portfolio	Franklin Templeton Active Allocation Age 9-12 Years Portfolio
Assets:		
Current Assets:		
Investments at fair value*	\$ 52,307,161	\$ 30,707,113
Dividends receivable	-	85
Total assets	<u>52,307,161</u>	<u>30,707,198</u>
Liabilities:		
Current Liabilities:		
Program expenses payable	<u>3,867</u>	<u>2,263</u>
Total liabilities	<u>3,867</u>	<u>2,263</u>
Total net assets	<u>\$ 52,303,294</u>	<u>\$ 30,704,935</u>
Units outstanding	<u>6,894,331</u>	<u>3,675,688</u>
Net asset value	<u>\$ 7.59</u>	<u>\$ 8.35</u>
* <i>Identified cost</i>	<u>\$ 51,990,868</u>	<u>\$ 30,611,533</u>

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2003

	MFS Active Allocation Age 0-5 Years Portfolio	MFS Active Allocation Age 6-10 Years Portfolio
Assets:		
Current Assets:		
Investments at fair value*	\$ 43,538,976	\$ 42,784,316
Dividends receivable	-	45,874
Total assets	<u>43,538,976</u>	<u>42,830,190</u>
Liabilities:		
Current Liabilities:		
Program expenses payable	<u>3,214</u>	<u>3,161</u>
Total liabilities	<u>3,214</u>	<u>3,161</u>
Total net assets	<u>\$ 43,535,762</u>	<u>\$ 42,827,029</u>
Units outstanding	<u>7,199,459</u>	<u>6,127,678</u>
Net asset value	<u>\$ 6.05</u>	<u>\$ 6.99</u>
* <i>Identified cost</i>	<u>\$ 45,267,081</u>	<u>\$ 44,314,966</u>

Franklin Templeton Active Allocation Age 13-16 Years Portfolio	Franklin Templeton Active Allocation Age 17-20 Years Portfolio	Franklin Templeton Active Allocation Age 21+ Years Portfolio	Franklin Templeton Growth Portfolio	Franklin Templeton Growth and Income Portfolio	Franklin Templeton Balanced Portfolio	Franklin Templeton Totals
\$ 27,002,634	\$ 7,106,689	\$ 707,799	\$ 35,909,105	\$ 49,952,559	\$ 41,989,247	\$245,682,307
150	59	8	-	139	234	675
<u>27,002,784</u>	<u>7,106,748</u>	<u>707,807</u>	<u>35,909,105</u>	<u>49,952,698</u>	<u>41,989,481</u>	<u>245,682,982</u>
1,989	349	34	2,653	3,691	3,097	17,943
<u>1,989</u>	<u>349</u>	<u>34</u>	<u>2,653</u>	<u>3,691</u>	<u>3,097</u>	<u>17,943</u>
\$ 27,000,795	\$ 7,106,399	\$ 707,773	\$ 35,906,452	\$ 49,949,007	\$ 41,986,384	\$245,665,039
<u>2,754,836</u>	<u>652,218</u>	<u>59,385</u>	<u>4,757,531</u>	<u>5,664,502</u>	<u>4,358,060</u>	
\$ 9.80	\$ 10.90	\$ 11.92	\$ 7.55	\$ 8.82	\$ 9.63	
<u>\$ 26,556,842</u>	<u>\$ 6,863,857</u>	<u>\$ 681,436</u>	<u>\$ 37,384,791</u>	<u>\$ 50,460,400</u>	<u>\$ 41,035,756</u>	

MFS Active Allocation Age 11-13 Years Portfolio	MFS Active Allocation Age 14-15 Years Portfolio	MFS Active Allocation Age 16-17 Years Portfolio	MFS Active Allocation Age 18+ Years Portfolio	MFS Equity Portfolio	MFS Fixed Income Portfolio	MFS Totals
\$ 27,960,236	\$ 16,626,120	\$ 10,461,935	\$ 5,520,523	\$ 78,767,305	\$ 28,025,460	\$253,684,871
56,061	41,758	29,931	13,019	-	125,478	312,121
<u>28,016,297</u>	<u>16,667,878</u>	<u>10,491,866</u>	<u>5,533,542</u>	<u>78,767,305</u>	<u>28,150,938</u>	<u>253,996,992</u>
2,060	1,226	516	272	5,828	1,381	17,658
<u>2,060</u>	<u>1,226</u>	<u>516</u>	<u>272</u>	<u>5,828</u>	<u>1,381</u>	<u>17,658</u>
\$ 28,014,237	\$ 16,666,652	\$ 10,491,350	\$ 5,533,270	\$ 78,761,477	\$ 28,149,557	\$253,979,334
<u>3,310,527</u>	<u>1,762,787</u>	<u>998,955</u>	<u>527,127</u>	<u>13,009,436</u>	<u>2,405,513</u>	
\$ 8.46	\$ 9.45	\$ 10.50	\$ 10.50	\$ 6.05	\$ 11.70	
<u>\$ 28,242,531</u>	<u>\$ 16,426,512</u>	<u>\$ 10,286,033</u>	<u>\$ 5,430,638</u>	<u>\$ 86,583,376</u>	<u>\$ 27,209,194</u>	

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NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Assets for the Year Ended June 30, 2003

	Total	MLIM	AIM	Franklin Templeton	MFS
Additions					
Contributions:					
Participants	\$ 623,692,331	\$ 292,303,354	\$ 89,312,277	\$ 122,014,640	\$ 120,062,060
Total contributions	<u>623,692,331</u>	<u>292,303,354</u>	<u>89,312,277</u>	<u>122,014,640</u>	<u>120,062,060</u>
Investment income (loss):					
Net increase in fair value of investments	65,086,517	19,339,398	17,775,261	10,386,331	17,585,527
Net realized loss on sale of investments	(51,600,824)	(17,584,772)	(16,559,819)	(1,995,895)	(15,460,338)
Dividends	21,768,021	13,144,422	1,144,310	3,602,740	3,876,549
Capital gains distributions from investments	2,821,145	2,799,796	21,349	-	-
Total investment income	<u>38,074,859</u>	<u>17,698,844</u>	<u>2,381,101</u>	<u>11,993,176</u>	<u>6,001,738</u>
Total additions	<u>661,767,190</u>	<u>310,002,198</u>	<u>91,693,378</u>	<u>134,007,816</u>	<u>126,063,798</u>
Deductions					
Program withdrawals	196,006,564	84,857,761	38,399,469	25,867,669	46,881,665
Management fees	5,671,882	2,832,621	872,257	959,852	1,007,152
Portfolio servicing fees	2,650,087	1,562,661	326,770	356,158	404,498
Maine administration fees	1,987,567	1,171,998	245,078	267,117	303,374
Total deductions	<u>206,316,100</u>	<u>90,425,041</u>	<u>39,843,574</u>	<u>27,450,796</u>	<u>48,596,689</u>
Change in net assets held for participants	455,451,090	219,577,157	51,849,804	106,557,020	77,467,109
Net assets at beginning of year	<u>1,197,195,178</u>	<u>730,370,571</u>	<u>151,204,363</u>	<u>139,108,019</u>	<u>176,512,225</u>
Net assets at end of year	<u>\$ 1,652,646,268</u>	<u>\$ 949,947,728</u>	<u>\$ 203,054,167</u>	<u>\$ 245,665,039</u>	<u>\$ 253,979,334</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Period Ended July 29, 2002

Increase (Decrease) in Net Assets:	MLIM Active Allocation 2020 Portfolio †	MLIM Active Allocation 2017 Portfolio †	MLIM Active Allocation Short-Term Portfolio ††
Additions			
Contributions:			
Client Direct Series participants.....	\$ 99,831	\$ 424,156	\$ 9,875
Client Advisor Series participants.....	740,946	1,593,295	33,895
Total contributions.....	<u>840,777</u>	<u>2,017,451</u>	<u>43,770</u>
Investment income (loss):			
Net increase in fair value of investments.....	(1,114,931)	(4,842,308)	(20,926)
Net realized loss on sale of investments.....	(27,689)	(262,395)	(1,254)
Dividends.....	14,554	64,481	3,235
Capital gains distributions from investments.....	13,705	60,864	244
Total investment loss.....	<u>(1,114,361)</u>	<u>(4,979,358)</u>	<u>(18,701)</u>
Total additions	<u>(273,584)</u>	<u>(2,961,907)</u>	<u>25,069</u>
Deductions			
Client Direct Series withdrawals.....	36	221,005	8,987
Client Advisor Series withdrawals.....	90,224	150,942	30,384
Management fees-Client Advisor Series.....	5,289	10,955	139
Management fees-Client Direct Series.....	179	5,297	204
Portfolio servicing fees.....	2,102	9,281	315
Maine administration fees.....	1,576	6,961	236
Total deductions	<u>99,406</u>	<u>404,441</u>	<u>40,265</u>
Transfer between portfolios	<u>(12,157,646)</u>	<u>(52,614,565)</u>	<u>(1,786,706)</u>
Change in net assets held for participants.....	(12,530,636)	(55,980,913)	(1,801,902)
Net assets at beginning of year.....	12,530,636	55,980,913	1,801,902
Net assets at end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

† On July 29, 2002, MLIM 2020 Portfolio and MLIM 2017 Portfolio and MLIM 2014 Portfolio were combined, and the combined portfolio was renamed to MLIM Active Allocation Age 0-7 Years Portfolio.

†† On July 29, 2002, MLIM Active Allocation 1999 Portfolio and MLIM Short-Term Portfolio were combined, and the combined portfolio was renamed to MLIM Active Allocation 20+ Years Portfolio.

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Year Ended June 30, 2003

Increase (Decrease) in Net Assets:	MLIM Active Allocation Age 0-7 Years Portfolio †	MLIM Active Allocation Age 8-10 Years Portfolio	MLIM Active Allocation Age 11-13 Years Portfolio
Additions			
Contributions:			
Client Direct Series participants.....	\$ 7,281,353	\$ 4,561,592	\$ 4,391,488
Client Advisor Series participants.....	61,976,506	24,385,765	25,570,279
Total contributions.....	<u>69,257,859</u>	<u>28,947,357</u>	<u>29,961,767</u>
Investment income (loss):			
Net increase in fair value of investments.....	8,792,438	1,712,002	2,077,686
Net realized loss on sale of investments.....	(1,539,239)	(830,107)	(546,428)
Dividends.....	1,456,735	1,256,708	1,720,159
Capital gains distributions from investments.....	538,116	256,609	220,960
Total investment income (loss).....	<u>9,248,050</u>	<u>2,395,212</u>	<u>3,472,377</u>
Total additions	<u>78,505,909</u>	<u>31,342,569</u>	<u>33,434,144</u>
Deductions			
Client Direct Series withdrawals.....	5,340,375	2,623,404	2,450,398
Client Advisor Series withdrawals.....	5,369,706	2,144,512	3,073,486
Management fees-Client Advisor Series.....	437,793	219,900	254,777
Management fees-Client Direct Series.....	118,997	62,061	66,682
Portfolio servicing fees.....	278,194	142,025	159,329
Maine administration fees.....	208,646	106,519	119,497
Total deductions	<u>11,753,711</u>	<u>5,298,421</u>	<u>6,124,169</u>
Transfer between portfolios	<u>64,772,211</u>	-	-
Change in net assets held for participants.....	131,524,409	26,044,148	27,309,975
Net assets at beginning of year.....	58,992,381	63,258,366	70,536,300
Net assets at end of year	<u>\$ 190,516,790</u>	<u>\$ 89,302,514</u>	<u>\$ 97,846,275</u>

+ This statement represents the changes in fiduciary net assets of the MLIM 2014 Portfolio from June 30, 2002 through July 29, 2002, and the changes in fiduciary net assets of the MLIM Active Allocation Age 0-7 Years Portfolio from July 29, 2002 through June 30, 2003.

++ This statement represents the changes in fiduciary net assets of the MLIM Active Allocation 1999 Portfolio from June 30, 2002 through July 29, 2002 and the changes in fiduciary net assets of the MLIM Active Allocation 20+ Years Portfolio from July 29, 2002 through June 30, 2003.

+++ MLIM totals also include the changes in fiduciary net assets of MLIM Active Allocation 2020 Portfolio, MLIM Active Allocation 2017 Portfolio and MLIM Active Allocation Short-Term Portfolio from June 30, 2002 through July 29, 2002.

MLIM Active Allocation Age 14-16 Years Portfolio	MLIM Active Allocation Age 17-19 Years Portfolio	MLIM Active Allocation Age 20+ Years Portfolio ††	MLIM 100% Equity Portfolio	MLIM 75% Equity Portfolio	MLIM Fixed Income Portfolio	MLIM Totals †††
\$ 3,306,052	\$ 1,444,443	\$ 976,944	\$ 14,714,867	\$ 8,308,208	\$ 6,256,862	\$ 51,775,670
18,673,462	6,165,974	2,118,145	28,103,130	32,637,508	38,528,779	240,527,684
<u>21,979,514</u>	<u>7,610,417</u>	<u>3,095,089</u>	<u>42,817,997</u>	<u>40,945,716</u>	<u>44,785,641</u>	<u>292,303,354</u>
1,804,078	1,054,210	238,441	2,705,290	2,684,147	4,249,271	19,339,398
(559,759)	(629,359)	(124,421)	(9,913,208)	(3,144,196)	(6,717)	(17,584,772)
1,528,268	727,174	138,971	1,188,185	2,372,528	2,673,424	13,144,422
145,807	47,228	2,943	981,275	532,045	-	2,799,796
<u>2,918,394</u>	<u>1,199,253</u>	<u>255,934</u>	<u>(5,038,458)</u>	<u>2,444,524</u>	<u>6,915,978</u>	<u>17,698,844</u>
<u>24,897,908</u>	<u>8,809,670</u>	<u>3,351,023</u>	<u>37,779,539</u>	<u>43,390,240</u>	<u>51,701,619</u>	<u>310,002,198</u>
2,730,100	3,924,563	1,917,875	16,947,490	8,124,923	1,129,313	45,418,469
2,936,603	2,959,396	1,367,051	7,858,661	6,729,076	6,729,252	39,439,292
209,323	41,327	7,538	396,704	408,123	119,666	2,111,534
63,042	37,192	8,632	216,851	125,809	16,141	721,087
139,159	70,253	14,663	361,107	274,217	112,016	1,562,661
104,370	52,690	10,997	270,831	205,663	84,012	1,171,998
<u>6,182,597</u>	<u>7,085,421</u>	<u>3,326,756</u>	<u>26,051,644</u>	<u>15,867,811</u>	<u>8,190,400</u>	<u>90,425,041</u>
-	-	1,786,706	-	-	-	-
18,715,311	1,724,249	1,810,973	11,727,895	27,522,429	43,511,219	219,577,157
63,023,926	35,421,189	6,262,229	192,748,536	134,933,516	34,880,677	730,370,571
<u>\$ 81,739,237</u>	<u>\$ 37,145,438</u>	<u>\$ 8,073,202</u>	<u>\$ 204,476,431</u>	<u>\$ 162,455,945</u>	<u>\$ 78,391,896</u>	<u>\$ 949,947,728</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Year Ended June 30, 2003

Increase (Decrease) in Net Assets:	AIM Active Allocation Age 0-3 Years Portfolio	AIM Active Allocation Age 4-6 Years Portfolio	AIM Active Allocation Age 7-9 Years Portfolio	AIM Active Allocation Age 10-12 Years Portfolio
Additions				
Contributions:				
Participants.....	\$ 9,491,842	\$ 10,290,798	\$ 10,710,606	\$ 10,592,605
Total contributions.....	<u>9,491,842</u>	<u>10,290,798</u>	<u>10,710,606</u>	<u>10,592,605</u>
Investment income (loss):				
Net increase in fair value of investments.....	2,285,173	1,365,757	1,259,428	1,164,671
Net realized loss on sale of investments.....	(1,908,698)	(1,161,291)	(1,078,276)	(994,381)
Dividends.....	-	29,142	63,554	181,118
Capital gains distributions from investments.....	2,243	2,003	2,039	1,795
Total investment income (loss).....	<u>378,718</u>	<u>235,611</u>	<u>246,745</u>	<u>353,203</u>
Total additions	<u>9,870,560</u>	<u>10,526,409</u>	<u>10,957,351</u>	<u>10,945,808</u>
Deductions				
Portfolio withdrawals.....	4,730,780	4,981,051	5,234,159	5,744,839
Management fees.....	74,034	69,576	75,966	87,209
Portfolio servicing fees.....	26,922	25,300	27,624	31,713
Maine administration fees.....	20,191	18,975	20,718	23,784
Total deductions	<u>4,851,927</u>	<u>5,094,902</u>	<u>5,358,467</u>	<u>5,887,545</u>
Change in net assets held for participants.....	5,018,633	5,431,507	5,598,884	5,058,263
Net assets at beginning of year.....	14,579,111	11,378,424	12,581,099	14,783,433
Net assets at end of year	<u>\$ 19,597,744</u>	<u>\$ 16,809,931</u>	<u>\$ 18,179,983</u>	<u>\$ 19,841,696</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Year Ended June 30, 2003

Increase (Decrease) in Net Assets:	Franklin Templeton Active Allocation Age 0-8 Years Portfolio	Franklin Templeton Active Allocation Age 9-12 Years Portfolio
Additions		
Contributions:		
Participants.....	\$ 27,370,660	\$ 17,698,854
Total contributions.....	<u>27,370,660</u>	<u>17,698,854</u>
Investment income (loss):		
Net increase in fair value of investments.....	2,895,125	1,316,668
Net realized gain (loss) on sale of investments.....	(941,264)	(221,636)
Dividends.....	318,251	447,156
Total investment income.....	<u>2,272,112</u>	<u>1,542,188</u>
Total additions	<u>29,642,772</u>	<u>19,241,042</u>
Deductions		
Portfolio withdrawals.....	6,312,095	5,537,178
Management fees.....	193,271	120,081
Portfolio servicing fees.....	70,280	43,666
Maine administration fees.....	52,710	32,749
Total deductions	<u>6,628,356</u>	<u>5,733,674</u>
Change in net assets held for participants.....	23,014,416	13,507,368
Net assets at beginning of year.....	29,288,878	17,197,567
Net assets at end of year	<u>\$ 52,303,294</u>	<u>\$ 30,704,935</u>

AIM Active Allocation Age 13-15 Years Portfolio	AIM Active Allocation Age 16-18 Years Portfolio	AIM Active Allocation College Portfolio	AIM Equity Aggressive Growth Portfolio	AIM Equity Growth Portfolio	AIM Growth & Income Portfolio	AIM Totals
\$ 10,508,808	\$ 5,291,594	\$ 1,321,610	\$ 6,114,138	\$ 11,804,910	\$ 13,185,366	\$ 89,312,277
<u>10,508,808</u>	<u>5,291,594</u>	<u>1,321,610</u>	<u>6,114,138</u>	<u>11,804,910</u>	<u>13,185,366</u>	<u>89,312,277</u>
913,602	284,986	44,869	2,759,064	4,681,499	3,016,212	17,775,261
(662,891)	(169,955)	(29,939)	(2,673,690)	(5,074,806)	(2,805,892)	(16,559,819)
264,122	173,316	32,745	-	-	400,313	1,144,310
1,153	331	36	1,749	6,008	3,992	21,349
<u>515,986</u>	<u>288,678</u>	<u>47,711</u>	<u>87,123</u>	<u>(387,299)</u>	<u>614,625</u>	<u>2,381,101</u>
<u>11,024,794</u>	<u>5,580,272</u>	<u>1,369,321</u>	<u>6,201,261</u>	<u>11,417,611</u>	<u>13,799,991</u>	<u>91,693,378</u>
4,594,720	1,812,219	812,793	1,534,182	4,395,695	4,559,031	38,399,469
80,034	18,166	3,800	81,717	189,215	192,540	872,257
29,103	14,533	3,040	29,715	68,806	70,014	326,770
21,827	10,900	2,281	22,287	51,604	52,511	245,078
<u>4,725,684</u>	<u>1,855,818</u>	<u>821,914</u>	<u>1,667,901</u>	<u>4,705,320</u>	<u>4,874,096</u>	<u>39,843,574</u>
6,299,110	3,724,454	547,407	4,533,360	6,712,291	8,925,895	51,849,804
11,469,767	4,414,821	992,962	13,932,544	34,135,802	32,936,400	151,204,363
<u>\$ 17,768,877</u>	<u>\$ 8,139,275</u>	<u>\$ 1,540,369</u>	<u>\$ 18,465,904</u>	<u>\$ 40,848,093</u>	<u>\$ 41,862,295</u>	<u>\$203,054,167</u>

Franklin Templeton Active Allocation Age 13-16 Years Portfolio	Franklin Templeton Active Allocation Age 17-20 Years Portfolio	Franklin Templeton Active Allocation Age 21+ Years Portfolio	Franklin Templeton Growth Portfolio	Franklin Templeton Growth and Income Portfolio	Franklin Templeton Balanced Portfolio	Franklin Templeton Totals
\$ 15,940,376	\$ 4,929,305	\$ 868,620	\$ 12,854,637	\$ 19,923,636	\$ 22,428,552	\$122,014,640
<u>15,940,376</u>	<u>4,929,305</u>	<u>868,620</u>	<u>12,854,637</u>	<u>19,923,636</u>	<u>22,428,552</u>	<u>122,014,640</u>
1,132,750	344,128	32,012	922,705	1,781,249	1,961,694	10,386,331
(71,793)	(44,545)	4,888	(307,396)	(309,338)	(104,811)	(1,995,895)
638,040	247,615	31,920	244,262	783,064	892,432	3,602,740
<u>1,698,997</u>	<u>547,198</u>	<u>68,820</u>	<u>859,571</u>	<u>2,254,975</u>	<u>2,749,315</u>	<u>11,993,176</u>
<u>17,639,373</u>	<u>5,476,503</u>	<u>937,440</u>	<u>13,714,208</u>	<u>22,178,611</u>	<u>25,177,867</u>	<u>134,007,816</u>
3,835,187	1,331,552	529,621	2,383,196	3,410,387	2,528,453	25,867,669
111,680	14,787	1,530	151,425	210,044	157,034	959,852
40,611	11,830	1,224	55,064	76,380	57,103	356,158
30,458	8,872	918	41,298	57,285	42,827	267,117
<u>4,017,936</u>	<u>1,367,041</u>	<u>533,293</u>	<u>2,630,983</u>	<u>3,754,096</u>	<u>2,785,417</u>	<u>27,450,796</u>
13,621,437	4,109,462	404,147	11,083,225	18,424,515	22,392,450	106,557,020
13,379,358	2,996,937	303,626	24,823,227	31,524,492	19,593,934	139,108,019
<u>\$ 27,000,795</u>	<u>\$ 7,106,399</u>	<u>\$ 707,773</u>	<u>\$ 35,906,452</u>	<u>\$ 49,949,007</u>	<u>\$ 41,986,384</u>	<u>\$245,665,039</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Year Ended June 30, 2003

Increase (Decrease) in Net Assets:	MFS Active Allocation Age 0-5 Years Portfolio	MFS Active Allocation Age 6-10 Years Portfolio
Additions		
Contributions:		
Participants	\$ 19,413,735	\$ 20,900,051
Total contributions.....	<u>19,413,735</u>	<u>20,900,051</u>
Investment income (loss):		
Net increase in fair value of investments	4,454,299	3,067,220
Net realized loss on sale of investments.....	(4,041,291)	(2,622,119)
Dividends	127,496	589,834
Total investment income (loss)	<u>540,504</u>	<u>1,034,935</u>
Total additions	<u>19,954,239</u>	<u>21,934,986</u>
Deductions		
Portfolio withdrawals	7,718,153	9,402,174
Management fees.....	174,329	183,696
Portfolio servicing fees	63,392	66,799
Maine administration fees	47,544	50,099
Total deductions	<u>8,003,418</u>	<u>9,702,768</u>
Change in net assets held for participants	11,950,821	12,232,218
Net assets beginning of year.....	31,584,941	30,594,811
Net assets at end of year	<u>\$ 43,535,762</u>	<u>\$ 42,827,029</u>

MFS Active Allocation Age 11-13 Years Portfolio	MFS Active Allocation Age 14-15 Years Portfolio	MFS Active Allocation Age 16-17 Years Portfolio	MFS Active Allocation Age 18+ Years Portfolio	MFS Equity Portfolio	MFS Fixed Income Portfolio	MFS Totals
\$ 15,631,101	\$ 11,835,632	\$ 7,350,018	\$ 4,391,459	\$ 24,056,292	\$ 16,483,772	\$120,062,060
<u>15,631,101</u>	<u>11,835,632</u>	<u>7,350,018</u>	<u>4,391,459</u>	<u>24,056,292</u>	<u>16,483,772</u>	<u>120,062,060</u>
1,499,387	794,800	382,853	151,213	6,091,012	1,144,743	17,585,527
(1,027,786)	(524,318)	(218,595)	(90,647)	(6,766,806)	(168,776)	(15,460,338)
<u>670,277</u>	<u>489,256</u>	<u>360,676</u>	<u>180,455</u>	<u>258,674</u>	<u>1,199,881</u>	<u>3,876,549</u>
<u>1,141,878</u>	<u>759,738</u>	<u>524,934</u>	<u>241,021</u>	<u>(417,120)</u>	<u>2,175,848</u>	<u>6,001,738</u>
<u>16,772,979</u>	<u>12,595,370</u>	<u>7,874,952</u>	<u>4,632,480</u>	<u>23,639,172</u>	<u>18,659,620</u>	<u>126,063,798</u>
8,492,204	5,595,130	3,407,200	1,768,698	7,336,013	3,162,093	46,881,665
127,434	75,695	22,879	13,395	358,317	51,407	1,007,152
46,339	27,526	18,303	10,717	130,297	41,125	404,498
<u>34,755</u>	<u>20,644</u>	<u>13,727</u>	<u>8,038</u>	<u>97,723</u>	<u>30,844</u>	<u>303,374</u>
<u>8,700,732</u>	<u>5,718,995</u>	<u>3,462,109</u>	<u>1,800,848</u>	<u>7,922,350</u>	<u>3,285,469</u>	<u>48,596,689</u>
8,072,247	6,876,375	4,412,843	2,831,632	15,716,822	15,374,151	77,467,109
<u>19,941,990</u>	<u>9,790,277</u>	<u>6,078,507</u>	<u>2,701,638</u>	<u>63,044,655</u>	<u>12,775,406</u>	<u>176,512,225</u>
<u>\$ 28,014,237</u>	<u>\$ 16,666,652</u>	<u>\$ 10,491,350</u>	<u>\$ 5,533,270</u>	<u>\$ 78,761,477</u>	<u>\$ 28,149,557</u>	<u>\$253,979,334</u>

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OTHER FINANCIAL INFORMATION

The following information is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Program. It shows financial information of each investment Portfolio which is included in this Program.

MLIM Active Allocation Age 0-7 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 89.8%	1,056,246	Merrill Lynch Basic Value Fund, Inc. (Class A*).....	\$ 27,166,657
	1,845,546	Merrill Lynch Fundamental Growth Fund, Inc. (Class A*)	25,302,429
	2,299,422	Merrill Lynch International Equity Fund (Class A*)	16,670,807
	2,166,675	Merrill Lynch International Index Fund (Class A*)	16,748,396
	2,910,742	Merrill Lynch Large Cap Core Fund (Class A*).....	26,313,107
	2,253,736	Merrill Lynch S&P Index Fund (Class A*)	26,999,763
	760,154	Merrill Lynch Small Cap Fund, Inc. (Class A*).....	15,727,585
	1,736,667	Merrill Lynch Small Cap Growth Fund ¹ (Class A*).....	16,098,901
		Total Investments in Equity Funds (Cost - \$172,960,536)	171,027,645
Fixed Income Funds - 10.2%	897,781	Merrill Lynch Bond Fund, Inc., High Income Portfolio	4,336,283
	1,279,306	(Class A*) Merrill Lynch Bond Fund, Inc., Investment Grade	15,146,983
		Portfolio (Class A*)	
	Total Investments in Fixed Income Funds (Cost - \$18,434,733)	19,483,266	
	Total Investments (Cost - \$191,395,269) - 100.0%	190,510,911	
	Other Assets Less Liabilities - 0.0%	5,879	
	Net Assets - 100.0%	\$190,516,790	

¹ Name changed from Mercury U.S. Small Cap Growth Fund to Merrill Lynch Small Cap Growth Fund (May 5, 2003).

* Share Class D changed to Share Class A (April 14, 2003).

MLIM Active Allocation Age 8-10 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 73.4%	423,344	Merrill Lynch Basic Value Fund, Inc. (Class A*).....	\$ 10,888,400
	738,167	Merrill Lynch Fundamental Growth Fund, Inc. (Class A*)	10,120,265
	953,551	Merrill Lynch International Equity Fund (Class A*)	6,913,246
	785,917	Merrill Lynch International Index Fund (Class A*)	6,075,142
	1,164,263	Merrill Lynch Large Cap Core Fund (Class A*).....	10,524,940
	903,286	Merrill Lynch S&P Index Fund (Class A*)	10,821,365
	266,264	Merrill Lynch Small Cap Fund, Inc. (Class A*).....	5,509,000
	507,415	Merrill Lynch Small Cap Growth Fund ¹ (Class A*).....	4,703,739
		Total Investments in Equity Funds (Cost - \$72,995,870)	65,556,097
Fixed Income Funds - 26.6%	1,055,017	Merrill Lynch Bond Fund, Inc., High Income Portfolio	5,095,732
	1,573,863	(Class A*) Merrill Lynch Bond Fund, Inc., Investment Grade	18,634,531
		Portfolio (Class A*)	
	Total Investments in Fixed Income Funds (Cost - \$22,608,298)	23,730,263	
	Total Investments (Cost - \$95,604,168) - 100.0%	89,286,360	
	Other Assets Less Liabilities - 0.0%	16,154	
	Net Assets - 100.0%	\$ 89,302,514	

¹ Name changed from Mercury U.S. Small Cap Growth Fund to Merrill Lynch Small Cap Growth Fund (May 5, 2003).

* Share Class D changed to Share Class A (April 14, 2003).

MLIM Active Allocation Age 11-13 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 57.7%	348,181	Merrill Lynch Basic Value Fund, Inc. (Class A*).....	\$ 8,955,207
	606,537	Merrill Lynch Fundamental Growth Fund, Inc. (Class A*)	8,315,620
	783,321	Merrill Lynch International Equity Fund (Class A*)	5,679,074
	737,646	Merrill Lynch International Index Fund (Class A*)	5,702,007
	956,570	Merrill Lynch Large Cap Core Fund (Class A*).....	8,647,393
	742,971	Merrill Lynch S&P Index Fund (Class A*).....	8,900,790
	243,168	Merrill Lynch Small Cap Fund, Inc. (Class A*).....	5,031,139
	556,488	Merrill Lynch Small Cap Growth Fund ¹ (Class A*).....	5,158,640
		Total Investments in Equity Funds (Cost - \$62,746,478)	56,389,870
Fixed Income Funds - 34.9%	1,624,039	Merrill Lynch Bond Fund, Inc., High Income Portfolio	7,844,110
	2,222,788	(Class A*) Merrill Lynch Bond Fund, Inc., Investment Grade	26,317,816
		Total Investments in Fixed Income Funds (Cost - \$32,583,711)	34,161,926
Money Market Account - 7.4%	7,268,469	Cash Allocation Account	7,268,469
		Total Investments in Money Market Account (Cost - \$7,268,469)	7,268,469
		Total Investments (Cost - \$102,598,658) - 100.0%	97,820,265
		Other Assets Less Liabilities - 0.0%	26,010
		Net Assets - 100.0%	<u>\$ 97,846,275</u>

¹ Name changed from Mercury U.S. Small Cap Growth Fund to Merrill Lynch Small Cap Growth Fund (May 5, 2003).

* Share Class D changed to Share Class A (April 14, 2003).

MLIM Active Allocation Age 14-16 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 42.1%	228,699	Merrill Lynch Basic Value Fund, Inc. (Class A*).....	\$ 5,882,147
	397,725	Merrill Lynch Fundamental Growth Fund, Inc. (Class A*)	5,452,805
	440,232	Merrill Lynch International Equity Fund (Class A*)	3,191,682
	414,473	Merrill Lynch International Index Fund (Class A*)	3,203,879
	627,182	Merrill Lynch Large Cap Core Fund (Class A*).....	5,669,725
	488,015	Merrill Lynch S&P Index Fund (Class A*).....	5,846,417
	123,095	Merrill Lynch Small Cap Fund, Inc. (Class A*).....	2,546,837
	281,860	Merrill Lynch Small Cap Growth Fund ¹ (Class A*).....	2,612,842
		Total Investments in Equity Funds (Cost - \$38,629,889)	34,406,334
Fixed Income Funds - 35.4%	1,375,564	Merrill Lynch Bond Fund, Inc., High Income Portfolio	6,643,974
	1,879,841	(Class A*) Merrill Lynch Bond Fund, Inc., Investment Grade	22,257,318
		Total Investments in Fixed Income Funds (Cost - \$27,544,046)	28,901,292
Money Market Account - 22.5%	18,408,737	Cash Allocation Account	18,408,737
		Total Investments in Money Market Account (Cost - \$18,408,737)	18,408,737
		Total Investments (Cost - \$84,582,672) - 100.0%	81,716,363
		Other Assets Less Liabilities - 0.0%	22,874
		Net Assets - 100.0%	<u>\$ 81,739,237</u>

¹ Name changed from Mercury U.S. Small Cap Growth Fund to Merrill Lynch Small Cap Growth Fund (May 5, 2003).

* Share Class D changed to Share Class A (April 14, 2003).

MLIM Active Allocation Age 17-19 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 26.5%	60,210	Merrill Lynch Basic Value Fund, Inc. (Class A*).....	\$ 1,548,600
	104,330	Merrill Lynch Fundamental Growth Fund, Inc. (Class A*).....	1,430,362
	100,988	Merrill Lynch International Equity Fund (Class A*).....	732,167
	142,574	Merrill Lynch International Index Fund (Class A*).....	1,102,095
	164,577	Merrill Lynch Large Cap Core Fund (Class A*).....	1,487,775
	128,476	Merrill Lynch S&P Index Fund (Class A*).....	1,539,142
	37,724	Merrill Lynch Small Cap Fund, Inc. (Class A*).....	780,508
	129,776	Merrill Lynch Small Cap Growth Fund ¹ (Class A*).....	1,203,023
		Total Investments in Equity Funds (Cost - \$11,115,844)	9,823,672
Fixed Income Funds - 31.7%	546,585	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A*).....	2,640,007
	772,037	Merrill Lynch Bond Fund, Inc., Investment Grade Portfolio (Class A*).....	9,140,920
	Total Investments in Fixed Income Funds (Cost - \$11,213,372)	11,780,927	
Money Market Account -41.8%	15,530,731	Cash Allocation Account	15,530,731
		Total Investments in Money Market Account (Cost - \$15,530,731)	15,530,731
	Total Investments (Cost - \$37,859,947) - 100.0%	37,135,330	
	Other Assets Less Liabilities - 0.0%	10,108	
	Net Assets - 100.0%	\$ 37,145,438	

¹ Name changed from Mercury U.S. Small Cap Growth Fund to Merrill Lynch Small Cap Growth Fund (May 5, 2003).

* Share Class D changed to Share Class A (April 14, 2003).

MLIM Active Allocation Age 20+ Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 10.4%	3,315	Merrill Lynch Basic Value Fund, Inc. (Class A*).....	\$ 85,250
	5,795	Merrill Lynch Fundamental Growth Fund, Inc. (Class A*).....	79,455
	11,221	Merrill Lynch International Equity Fund (Class A*).....	81,354
	10,581	Merrill Lynch International Index Fund (Class A*).....	81,791
	18,263	Merrill Lynch Large Cap Core Fund (Class A*).....	165,094
	14,146	Merrill Lynch S&P Index Fund (Class A*).....	169,470
	4,167	Merrill Lynch Small Cap Fund, Inc. (Class A*).....	86,219
	9,519	Merrill Lynch Small Cap Growth Fund ¹ (Class A*).....	88,245
		Total Investments in Equity Funds (Cost - \$1,233,392)	836,878
Fixed Income Funds - 26.6%	98,783	Merrill Lynch Bond Fund, Inc., High Income Portfolio	477,124
	141,244	(Class A*) Merrill Lynch Bond Fund, Inc., Investment Grade	1,672,324
	Total Investments in Fixed Income Funds (Cost - \$1,635,466)	2,149,448	
Money Market Account -63.0%	5,084,966	Cash Allocation Account	5,084,966
		Total Investments in Money Market Account (Cost - \$5,084,966)	5,084,966
	Total Investments (Cost - \$7,953,824) - 100.0%	8,071,292	
	Other Assets Less Liabilities - 0.0%	1,910	
	Net Assets - 100.0%	\$ 8,073,202	

¹ Name changed from Mercury U.S. Small Cap Growth Fund to Merrill Lynch Small Cap Growth Fund (May 5, 2003).

* Share Class D changed to Share Class A (April 14, 2003).

MLIM 100% Equity Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	1,305,895	Merrill Lynch Basic Value Fund, Inc. (Class A*).....	\$ 33,587,607
	2,265,238	Merrill Lynch Fundamental Growth Fund, Inc. (Class A*).....	31,056,415
	2,740,617	Merrill Lynch International Equity Fund (Class A*).....	19,869,477
	2,578,939	Merrill Lynch International Index Fund (Class A*).....	19,935,198
	3,572,337	Merrill Lynch Large Cap Core Fund (Class A*).....	32,293,925
	2,787,723	Merrill Lynch S&P Index Fund (Class A*).....	33,396,918
	818,540	Merrill Lynch Small Cap Fund, Inc. (Class A*).....	16,935,594
	1,878,438	Merrill Lynch Small Cap Growth Fund ¹ (Class A*).....	17,413,124
		Total Investments (Cost - \$244,314,752) - 100.0%	204,488,258
		Liabilities in Excess of Other Assets - 0.0%	(11,827)
		Net Assets - 100.0%	<u>\$ 204,476,431</u>

¹ Name changed from Mercury U.S. Small Cap Growth Fund to Merrill Lynch Small Cap Growth Fund (May 5, 2003).

* Share Class D changed to Share Class A (April 14, 2003).

MLIM 75% Equity Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 74.3%	769,946	Merrill Lynch Basic Value Fund, Inc. (Class A*).....	\$ 19,803,016
	1,339,543	Merrill Lynch Fundamental Growth Fund, Inc. (Class A*).....	18,365,131
	1,511,688	Merrill Lynch International Equity Fund (Class A*).....	10,959,736
	1,626,231	Merrill Lynch International Index Fund (Class A*).....	12,570,766
	2,111,418	Merrill Lynch Large Cap Core Fund (Class A*).....	19,087,219
	1,643,845	Merrill Lynch S&P Index Fund (Class A*).....	19,693,263
	482,997	Merrill Lynch Small Cap Fund, Inc. (Class A*).....	9,993,213
	1,107,554	Merrill Lynch Small Cap Growth Fund ¹ (Class A*).....	10,267,027
		Total Investments in Equity Funds (Cost - \$139,109,312)	120,739,371
Fixed Income Funds - 24.8%	1,933,021	Merrill Lynch Bond Fund, Inc., High Income Portfolio	9,336,490
	2,604,990	(Class A*) Merrill Lynch Bond Fund, Inc., Investment Grade	30,843,082
		Total Investments in Fixed Income Funds (Cost - \$38,412,838)	40,179,572
Money Market Account -0.9%	1,509,533	Cash Allocation Account	1,509,533
		Total Investments in Money Market Account (Cost - \$1,509,533)	1,509,533
		Total Investments (Cost - \$179,031,683) - 100.0%	162,428,476
		Other Assets Less Liabilities - 0.0%	27,469
		Net Assets - 100.0%	<u>\$ 162,455,945</u>

¹ Name changed from Mercury U.S. Small Cap Growth Fund to Merrill Lynch Small Cap Growth Fund (May 5, 2003).

* Share Class D changed to Share Class A (April 14, 2003).

MLIM Fixed Income Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Fixed Income Funds - 99.0%	3,604,217	Merrill Lynch Bond Fund, Inc., High Income Portfolio	\$ 17,408,367
	5,084,296	Merrill Lynch Bond Fund, Inc., Investment Grade Portfolio (Class A*)	60,198,065
		Total Investments in Fixed Income Funds (Cost - \$73,823,144)	77,606,432
Money Market Account -0.9%	717,629	Cash Allocation Account	717,629
		Total Investments in Money Market Account (Cost - \$717,629)	717,629
		Total Investments (Cost - \$74,540,773) - 99.9%	78,324,061
		Other Assets Less Liabilities - 0.1%	67,835
		Net Assets - 100.0%	<u>\$ 78,391,896</u>

* Share Class D changed to Share Class A (April 14, 2003).

AIM Active Allocation Age 0-3 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	136,890	AIM Basic Value Fund (Class A).....	\$ 3,392,142
	468,844	AIM Blue Chip Fund (Class A)	4,650,937
	133,685	AIM Capital Development Fund (Class A)	1,985,226
	253,178	AIM Constellation Fund (Class A)	4,686,333
	138,058	AIM International Growth Fund ¹ (Class A)	1,888,633
	127,107	AIM Mid-Cap Core Equity (Class A)	2,995,921
		Total Investments (Cost - \$19,424,326) - 100.0%	19,599,192
		Liabilities in Excess of Other Assets - 0.0%	(1,448)
		Net Assets - 100.0%	<u>\$ 19,597,744</u>

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

AIM Active Allocation Age 4-6 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 95.1%	117,466	AIM Basic Value Fund (Class A).....	\$ 2,910,801
	402,996	AIM Blue Chip Fund (Class A)	3,997,717
	102,946	AIM Capital Development Fund (Class A)	1,528,752
	199,554	AIM Constellation Fund (Class A)	3,693,736
	106,271	AIM International Growth Fund ¹ (Class A).....	1,453,791
	102,131	AIM Mid-Cap Core Equity (Class A)	2,407,233
		Total Investments in Equity Funds (Cost - \$16,158,722)	15,992,030
Fixed Income Fund - 4.9%	86,068	AIM Intermediate Government Fund (Class A)	815,927
		Total Investment in Fixed Income Fund (Cost - \$795,532)	815,927
		Total Investments (Cost - \$16,954,254) - 100.0%	16,807,957
		Other Assets Less Liabilities - 0.0%	1,974
		Net Assets - 100.0%	<u>\$ 16,809,931</u>

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

AIM Active Allocation Age 7-9 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 90.2%	134,489	AIM Basic Value Fund (Class A).....	\$ 3,332,635
	418,091	AIM Blue Chip Fund (Class A)	4,147,463
	111,297	AIM Capital Development Fund (Class A)	1,652,755
	186,581	AIM Constellation Fund (Class A)	3,453,612
	102,211	AIM International Growth Fund ¹ (Class A)	1,398,251
	102,679	AIM Mid-Cap Core Equity (Class A)	2,420,136
		Total Investments in Equity Funds (Cost - \$16,685,675)		16,404,852
Fixed Income Fund - 9.8%	186,656	AIM Intermediate Government Fund (Class A)	1,769,496
		Total Investment in Fixed Income Fund (Cost - \$1,724,906)	1,769,496
		Total Investments (Cost - \$18,410,581) - 100.0%	18,174,348
		Other Assets Less Liabilities - 0.0%	5,635
		Net Assets - 100.0%	<u>\$ 18,179,983</u>

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

AIM Active Allocation Age 10-12 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 75.4%	155,396	AIM Basic Value Fund (Class A).....	\$ 3,850,705
	378,028	AIM Blue Chip Fund (Class A)	3,750,036
	94,503	AIM Capital Development Fund (Class A)	1,403,375
	139,879	AIM Constellation Fund (Class A)	2,589,161
	97,636	AIM International Growth Fund ¹ (Class A)	1,335,666
	86,612	AIM Mid-Cap Core Equity (Class A)	2,041,433
		Total Investments in Equity Funds (Cost - \$15,420,872)		14,970,376
Fixed Income Fund - 24.5%	511,980	AIM Intermediate Government Fund (Class A)	4,853,573
		Total Investment in Fixed Income Fund (Cost - \$4,720,755)	4,853,573
		Total Investments (Cost - \$20,141,627) - 99.9%	19,823,949
		Other Assets Less Liabilities - 0.1%	17,747
		Net Assets - 100.0%	<u>\$ 19,841,696</u>

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

AIM Active Allocation Age 13-15 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 60.6%	146,819	AIM Basic Value Fund (Class A).....	\$ 3,638,178
	267,878	AIM Blue Chip Fund (Class A)	2,657,353
	72,759	AIM Capital Development Fund (Class A)	1,080,477
	67,653	AIM Constellation Fund (Class A)	1,252,250
	62,579	AIM International Growth Fund ¹ (Class A).....	856,080
	54,457	AIM Mid-Cap Core Equity (Class A)	1,283,542
		Total Investments in Equity Funds (Cost - \$10,965,318)	10,767,880
Fixed Income Fund - 39.3%	735,730	AIM Intermediate Government Fund (Class A)	6,974,717
		Total Investments in Fixed Income Fund (Cost - \$6,782,705)	6,974,717
		Total Investments (Cost - \$17,748,023) - 99.9%	17,742,597
		Other Assets Less Liabilities - 0.1%	26,280
		Net Assets - 100.0%	\$ 17,768,877

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

AIM Active Allocation Age 16-18 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 35.8%	40,782	AIM Basic Value Fund (Class A).....	\$ 1,010,588
	82,774	AIM Blue Chip Fund (Class A)	821,120
	16,809	AIM Capital Development Fund (Class A)	249,618
	17,903	AIM Constellation Fund (Class A)	331,384
	11,565	AIM International Growth Fund ¹ (Class A).....	158,204
	14,420	AIM Mid-Cap Core Equity (Class A)	339,872
		Total Investments in Equity Funds (Cost - \$2,934,057)	2,910,786
Fixed Income Fund - 49.8%	427,801	AIM Intermediate Government Fund (Class A)	4,055,557
		Total Investments in Fixed Income Fund (Cost - \$3,940,013)	4,055,557
Money Market Account - 14.2%	1,157,185	Cash Allocation Account	1,157,185
		Total Investments in Money Market Account (Cost - \$1,157,185)	1,157,185
		Total Investments (Cost - \$8,031,255) - 99.8%	8,123,528
		Other Assets Less Liabilities - 0.2%	15,747
		Net Assets - 100.0%	\$ 8,139,275

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

AIM Active Allocation College Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 20.9%	5,919	AIM Basic Value Fund (Class A)	\$ 146,675
	7,996	AIM Blue Chip Fund (Class A)	79,325
	2,172	AIM Capital Development Fund (Class A)	32,260
	864	AIM Constellation Fund (Class A)	15,986
	1,123	AIM International Growth Fund ¹ (Class A)	15,359
	1,389	AIM Mid Cap-Core Equity (Class A)	32,750
		Total Investments in Equity Funds (Cost - \$309,337)	322,355
Fixed Income Fund - 40.3%	65,580	AIM Intermediate Government Fund (Class A)	621,699
		Total Investment in Fixed Income Fund (Cost - \$608,051)	621,699
Money Market Account - 38.6%	593,921	Cash Allocation Account	593,921
		Total Investment in Money Market Account (Cost - \$593,921)	593,921
		Total Investments (Cost - \$1,511,309) - 99.8%	1,537,975
		Other Assets Less Liabilities - 0.2%	2,394
		Net Assets - 100.0%	<u>\$ 1,540,369</u>

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

AIM Equity Aggressive Growth Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	296,831	AIM Constellation Fund (Class A)	\$ 5,494,341
	383,808	AIM Emerging Growth Fund (Class A)	2,014,990
	128,188	AIM International Growth Fund ¹ (Class A)	1,753,615
	684,940	AIM Large Cap Growth Fund (Class A)	5,458,968
	79,667	AIM Mid-Cap Core Equity (Class A)	1,877,749
	241,918	AIM Mid-Cap Growth Fund ² (Class A)	1,867,609
		Total Investments (Cost - \$18,693,645) - 100.0%	18,467,272
		Liabilities in Excess of Other Assets - 0.0%	(1,368)
		Net Assets - 100.0%	<u>\$ 18,465,904</u>

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

² Name changed from AIM Mid-Cap Equity Fund to AIM Mid-Cap Growth Fund (July 1, 2002).

AIM Equity Growth Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	284,747	AIM Basic Value Fund (Class A).....	\$ 7,056,020
	979,327	AIM Blue Chip Fund (Class A)	9,714,920
	276,365	AIM Capital Development Fund (Class A)	4,104,016
	529,266	AIM Constellation Fund (Class A)	9,796,706
	285,002	AIM International Growth Fund ¹ (Class A).....	3,898,829
	266,467	AIM Mid-Cap Core Equity (Class A)	6,280,623
		Total Investments (Cost - \$41,512,494) - 100.0%	40,851,114
		Liabilities in Excess of Other Assets - 0.0%	(3,021)
		Net Assets - 100.0%	<u>\$ 40,848,093</u>

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

AIM Growth & Income Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 75.4%	327,632	AIM Basic Value Fund (Class A).....	\$ 8,118,726
	797,978	AIM Blue Chip Fund (Class A)	7,915,943
	199,242	AIM Capital Development Fund (Class A)	2,958,737
	295,041	AIM Constellation Fund (Class A)	5,461,210
	205,535	AIM International Growth Fund ¹ (Class A).....	2,811,724
	182,620	AIM Mid-Cap Core Equity (Class A)	4,304,356
		Total Investments in Equity Funds (Cost - \$32,425,616)	31,570,696
Fixed Income Fund - 24.5%	1,081,650	AIM Intermediate Government Fund (Class A).....	10,254,043
		Total Investment in Fixed Income Fund (Cost - \$9,955,052)	10,254,043
		Total Investments (Cost - \$42,380,668) - 99.9%	41,824,739
		Other Assets Less Liabilities - 0.1%	37,556
		Net Assets - 100.0%	<u>\$ 41,862,295</u>

¹ Name changed from AIM International Equity Fund to AIM International Growth Fund (July 1, 2002).

Franklin Templeton Active Allocation Age 0-8 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	1,455,497	Franklin Capital Growth Fund (Class A)	\$ 13,186,800
	539,233	Franklin Mutual European Fund (Class A).....	7,635,533
	563,227	Franklin Mutual Shares Fund (Class A).....	10,346,486
	535,920	Franklin Small-Mid Cap Growth Fund (Class A).....	13,639,167
	844,501	Templeton Foreign Fund (Class A).....	7,499,175
		Total Investments (Cost - \$51,990,868) - 100.0%	52,307,161
		Liabilities in Excess of Other Assets - 0.0%	(3,867)
		Net Assets - 100.0%	<u>\$ 52,303,294</u>

Franklin Templeton Active Allocation Age 9-12 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 75.1%	641,724	Franklin Capital Growth Fund (Class A)	\$ 5,814,021
	237,001	Franklin Mutual European Fund (Class A).....	3,355,929
	248,282	Franklin Mutual Shares Fund (Class A).....	4,560,937
	236,514	Franklin Small-Mid Cap Growth Fund (Class A).....	6,019,276
	371,411	Templeton Foreign Fund (Class A).....	3,298,130
		Total Investments in Equity Funds (Cost - \$23,223,004)	23,048,293
Fixed Income Funds - 20.3%	337,809	Franklin Strategic Income Fund (Class A).....	3,361,206
	418,383	Franklin U.S. Government Securities Fund (Class A).....	2,891,027
		Total Investments in Fixed Income Funds (Cost - \$5,981,942)	6,252,233
Money Market Account - 4.6%	1,406,587	Cash Allocation Account	1,406,587
		Total Investments in Money Market Account (Cost - \$1,406,587)	1,406,587
		Total Investments (Cost - \$30,611,533) - 100.0%	30,707,113
		Liabilities in Excess of Other Assets - 0.0%	(2,178)
		Net Assets - 100.0%	<u>\$ 30,704,935</u>

Franklin Templeton Active Allocation Age 13-16 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 50.0%	376,650	Franklin Capital Growth Fund (Class A)	\$ 3,412,450
	138,557	Franklin Mutual European Fund (Class A).....	1,961,968
	145,417	Franklin Mutual Shares Fund (Class A).....	2,671,311
	138,940	Franklin Small-Mid Cap Growth Fund (Class A).....	3,536,017
	217,207	Templeton Foreign Fund (Class A).....	1,928,795
		Total Investments in Equity Funds (Cost - \$13,567,699)	13,510,541
Fixed Income Funds - 40.8%	596,947	Franklin Strategic Income Fund (Class A).....	5,939,626
	735,603	Franklin U.S. Government Securities Fund (Class A).....	5,083,015
		Total Investments in Fixed Income Funds (Cost - \$10,519,691)	11,022,641
Money Market Account - 9.2%	2,469,452	Cash Allocation Account	2,469,452
		Total Investment in Money Market Account (Cost - \$2,469,452)	2,469,452
		Total Investments (Cost - \$26,556,842) - 100.0%	27,002,634
		Liabilities in Excess of Other Assets - 0.0%	(1,839)
		Net Assets - 100.0%	<u>\$ 27,000,795</u>

Franklin Templeton Active Allocation Age 17-20 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 24.9%	49,362	Franklin Capital Growth Fund (Class A)	\$ 447,221
	18,069	Franklin Mutual European Fund (Class A).....	255,857
	19,050	Franklin Mutual Shares Fund (Class A).....	349,952
	18,228	Franklin Small-Mid Cap Growth Fund (Class A).....	463,911
	28,391	Templeton Foreign Fund (Class A).....	252,112
		Total Investments in Equity Funds (Cost - \$1,754,646)	1,769,053
Fixed Income Funds - 61.4%	236,894	Franklin Strategic Income Fund (Class A).....	2,357,093
	290,507	Franklin U.S. Government Securities Fund (Class A).....	2,007,403
		Total Investments in Fixed Income Funds (Cost - \$4,136,071)	4,364,496
Money Market Account - 13.7%	973,140	Cash Allocation Account	973,140
		Total Investment in Money Market Account (Cost - \$973,140)	973,140
		Total Investments (Cost - \$6,863,857) - 100.0%	7,106,689
		Liabilities in Excess of Other Assets - 0.0%	(290)
		Net Assets - 100.0%	<u>\$ 7,106,399</u>

Franklin Templeton Active Allocation Age 21+ Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Fixed Income Funds - 81.4%	30,828	Franklin Strategic Income Fund (Class A).....	\$ 306,736
	38,958	Franklin U.S. Government Securities Fund (Class A).....	269,203
		Total Investments in Fixed-Income Funds (Cost - \$549,576)	575,939
Money Market Account - 18.6%	131,860	Cash Allocation Account	131,860
		Total Investment in Money Market Account (Cost - \$131,860)	131,860
		Total Investments (Cost - \$681,436) - 100.0%	707,799
		Liabilities in Excess of Other Assets - 0.0%	(26)
		Net Assets - 100.0%	<u>\$ 707,773</u>

Franklin Templeton Growth Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	1,001,693	Franklin Capital Growth Fund (Class A).....	\$ 9,075,336
	367,640	Franklin Mutual European Fund (Class A).....	5,205,779
	387,027	Franklin Mutual Shares Fund (Class A).....	7,109,683
	369,224	Franklin Small-Mid Cap Growth Fund (Class A).....	9,396,769
	576,750	Templeton Foreign Fund (Class A).....	5,121,538
		Total Investments (Cost - \$37,384,791) - 100.0%	35,909,105
		Liabilities in Excess of Other Assets - 0.0%	(2,653)
		Net Assets - 100.0%	<u>\$ 35,906,452</u>

Franklin Templeton Growth and Income Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 75.0%	1,044,031	Franklin Capital Growth Fund (Class A)	\$ 9,458,919
	383,486	Franklin Mutual European Fund (Class A).....	5,430,161
	403,294	Franklin Mutual Shares Fund (Class A).....	7,408,517
	385,079	Franklin Small-Mid Cap Growth Fund (Class A).....	9,800,270
	601,648	Templeton Foreign Fund (Class A).....	5,342,631
		Total Investments in Equity Funds (Cost - \$38,385,959)	37,440,498
Fixed Income Funds - 20.4%	554,304	Franklin Strategic Income Fund (Class A).....	5,515,328
	681,670	Franklin U.S. Government Securities Fund (Class A).....	4,710,335
		Total Investments in Fixed Income Funds (Cost - \$9,788,043)	10,225,663
Money Market Account - 4.6%	2,286,398	Cash Allocation Account	2,286,398
		Total Investment in Money Market Account (Cost - \$2,286,398)	2,286,398
		Total Investments (Cost - \$50,460,400) - 100.0%	49,952,559
		Liabilities in Excess of Other Assets - 0.0%	(3,552)
		Net Assets - 100.0%	\$ 49,949,007

Franklin Templeton Balanced Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 50.3%	587,911	Franklin Capital Growth Fund (Class A)	\$ 5,326,472
	218,120	Franklin Mutual European Fund (Class A).....	3,088,583
	227,304	Franklin Mutual Shares Fund (Class A).....	4,175,566
	216,424	Franklin Small-Mid Cap Growth Fund (Class A).....	5,507,983
	341,189	Templeton Foreign Fund (Class A).....	3,029,760
		Total Investments in Equity Funds (Cost - \$20,902,664)	21,128,364
Fixed Income Funds - 40.5%	916,846	Franklin Strategic Income Fund (Class A).....	9,122,621
	1,141,907	Franklin U.S. Government Securities Fund (Class A).....	7,890,580
		Total Investments in Fixed Income Funds (Cost - \$16,285,410)	17,013,201
Money Market Account - 9.2%	3,847,682	Cash Allocation Account	3,847,682
		Total Investment in Money Market Account (Cost - \$3,847,682)	3,847,682
		Total Investments (Cost - \$41,035,756) - 100.0%	41,989,247
		Liabilities in Excess of Other Assets - 0.0%	(2,863)
		Net Assets - 100.0%	\$ 41,986,384

MFS Active Allocation Age 0-5 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	836,334	MFS Massachusetts Investors Growth Stock Fund (Class A)	\$ 8,697,876
	615,136	MFS Massachusetts Investors Trust (Class A)	8,593,443
	1,029,066	MFS Mid Cap Growth Fund (Class A)	6,915,325
	169,975	MFS New Discovery Fund (Class A)	2,199,479
	768,873	MFS Research International Fund (Class A).....	8,549,871
	487,393	MFS Value Fund (Class A)	8,582,982
		Total Investments (Cost - \$45,267,081) - 100.0%	43,538,976
		Liabilities in Excess of Other Assets - 0.0%	(3,214)
		Net Assets - 100.0%	<u>\$ 43,535,762</u>

MFS Active Allocation Age 6-10 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 79.3%	612,373	MFS Massachusetts Investors Growth Stock Fund (Class A)	\$ 6,368,676
	450,628	MFS Massachusetts Investors Trust (Class A)	6,295,278
	670,776	MFS Mid Cap Growth Fund (Class A)	4,507,617
	165,766	MFS New Discovery Fund (Class A)	2,145,016
	750,175	MFS Research International Fund (Class A).....	8,341,944
	356,812	MFS Value Fund (Class A)	6,283,463
		Total Investments in Equity Funds (Cost - \$35,754,766)	33,941,994
Fixed Income Funds - 20.6%	207,183	MFS Government Securities Fund (Class A)	2,075,967
	1,227,966	MFS High Income Fund (Class A)	4,641,710
	201,388	MFS Intermediate Investment Bond Fund (Class A).....	2,124,645
		Total Investments in Fixed Income Funds (Cost - \$8,560,200)	8,842,322
		Total Investments (Cost - \$44,314,966) - 99.9%	42,784,316
		Other Assets Less Liabilities - 0.1%	42,713
		Net Assets - 100.0%	<u>\$ 42,827,029</u>

MFS Active Allocation Age 11-13 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 54.3%	267,471	MFS Massachusetts Investors Growth Stock Fund (Class A)	\$ 2,781,693
	196,895	MFS Massachusetts Investors Trust (Class A)	2,750,623
	220,066	MFS Mid Cap Growth Fund (Class A)	1,478,843
	491,000	MFS Research International Fund (Class A).....	5,459,920
	155,783	MFS Value Fund (Class A)	2,743,342
		Total Investments in Equity Funds (Cost - \$15,927,480)	15,214,421
Fixed Income Funds - 45.5%	409,939	MFS Government Securities Fund (Class A)	4,107,585
	808,876	MFS High Income Fund (Class A)	3,057,553
	528,974	MFS Intermediate Investment Bond Fund (Class A).....	5,580,677
		Total Investments in Fixed Income Funds (Cost - \$12,315,051)	12,745,815
		Total Investments (Cost - \$28,242,531) - 99.8%	27,960,236
		Other Assets Less Liabilities - 0.2%	54,001
		Net Assets - 100.0%	<u>\$ 28,014,237</u>

MFS Active Allocation Age 14-15 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 39.5%	80,137	MFS Massachusetts Investors Growth Stock Fund (Class A)	\$ 833,426
	117,946	MFS Massachusetts Investors Trust (Class A)	1,647,699
	220,773	MFS Research International Fund (Class A).....	2,454,997
	93,401	MFS Value Fund (Class A)	1,644,799
		Total Investments in Equity Funds (Cost - \$6,693,143)	6,580,921
Fixed Income Funds - 60.3%	189,457	MFS Government Limited Fund (Class A)	1,581,962
	244,962	MFS Government Securities Fund (Class A)	2,454,524
	484,740	MFS High Income Fund (Class A)	1,832,319
	395,867	MFS Intermediate Investment Bond Fund (Class A).....	4,176,394
		Total Investments in Fixed Income Funds (Cost - \$9,733,369)	10,045,199
		Total Investments (Cost - \$16,426,512) - 99.8%	16,626,120
		Other Assets Less Liabilities - 0.2%	40,532
		Net Assets - 100.0%	<u>\$ 16,666,652</u>

MFS Active Allocation Age 16-17 Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 19.8%	37,345	MFS Massachusetts Investors Trust (Class A)	\$ 521,714
	93,115	MFS Research International Fund (Class A).....	1,035,439
	29,587	MFS Value Fund (Class A)	521,029
		Total Investments in Equity Funds (Cost - \$2,111,151)	2,078,182
Fixed Income Funds - 70.5%	240,834	MFS Government Limited Fund (Class A)	2,010,966
	155,612	MFS Government Securities Fund (Class A)	1,559,230
	308,899	MFS High Income Fund (Class A)	1,167,639
	251,949	MFS Intermediate Investment Bond Fund (Class A).....	2,658,056
	Total Investments in Fixed Income Funds (Cost - \$7,187,020)	7,395,891	
Money Market Account - 9.4%	987,862	Cash Allocation Account	987,862
		Total Investment in Money Market Account (Cost - \$987,862)	987,862
		Total Investments (Cost - \$10,286,033) - 99.7%	10,461,935
		Other Assets Less Liabilities - 0.3%	29,415
		Net Assets - 100.0%	\$ 10,491,350

MFS Active Allocation Age 18+ Years Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 15.1%	15,958	MFS Massachusetts Investors Trust (Class A)	\$ 222,938
	34,783	MFS Research International Fund (Class A).....	386,791
	12,710	MFS Value Fund (Class A)	223,822
		Total Investments in Equity Funds (Cost - \$832,557)	833,551
Fixed Income Funds - 56.1%	128,513	MFS Government Limited Fund (Class A)	1,073,086
	55,149	MFS Government Securities Fund (Class A)	552,594
	164,665	MFS High Income Fund (Class A)	622,432
	81,285	MFS Intermediate Investment Bond Fund (Class A).....	857,551
	Total Investments in Fixed Income Funds (Cost - \$3,016,772)	3,105,663	
Money Market Account - 28.6%	1,581,309	Cash Allocation Account	1,581,309
		Total Investment in Money Market Account (Cost - \$1,581,309)	1,581,309
		Total Investments (Cost - \$5,430,638) - 99.8%	5,520,523
		Other Assets Less Liabilities - 0.2%	12,747
		Net Assets - 100.0%	\$ 5,533,270

MFS Equity Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	1,512,467	MFS Massachusetts Investors Growth Stock Fund (Class A)	\$ 15,729,652
	1,113,522	MFS Massachusetts Investors Trust (Class A)	15,555,908
	1,865,399	MFS Mid Cap Growth Fund (Class A)	12,535,481
	306,810	MFS New Discovery Fund (Class A)	3,970,126
	1,388,573	MFS Research International Fund (Class A).....	15,440,927
	882,181	MFS Value Fund (Class A)	15,535,211
		Total Investments (Cost - \$86,583,376) - 100.0%	78,767,305
		Liabilities in Excess of Other Assets - 0.0%	(5,828)
		Net Assets - 100.0%	<u>\$ 78,761,477</u>

MFS Fixed Income Portfolio

Schedule of Investments as of June 30, 2003

(in U.S. Dollars)

	Shares Held	Investments	Value
Fixed Income Funds - 99.6%	1,352,519	MFS Government Securities Fund (Class A)	\$ 13,552,245
	1,989,916	MFS High Income Fund (Class A)	7,521,882
	658,894	MFS Intermediate Investment Bond Fund (Class A).....	6,951,333
		Total Investments (Cost - \$27,209,194) - 99.6%	28,025,460
		Other Assets Less Liabilities - 0.4%	124,097
		Net Assets - 100.0%	<u>\$ 28,149,557</u>

NextGen College Investing Plan®

Schedule of Operations for the Period Ended July 29, 2002

	MLIM Active Allocation 2020 Portfolio †	MLIM Active Allocation 2017 Portfolio †	MLIM Active Allocation Short-Term Portfolio ††
Investment Income:			
Dividends	\$ 14,554	\$ 64,481	\$ 3,235
Total income	<u>14,554</u>	<u>64,481</u>	<u>3,235</u>
Expenses:			
Management fees - Client Advisor Series.....	5,289	10,955	139
Management fees - Client Direct Series.....	179	5,297	204
Portfolio servicing fees.....	2,102	9,281	315
Maine administration fees.....	1,576	6,961	236
Total expenses	<u>9,146</u>	<u>32,494</u>	<u>894</u>
Net investment income (loss).....	<u>5,408</u>	<u>31,987</u>	<u>2,341</u>
Net Realized & Unrealized Gain (Loss) on Investments:			
Net realized loss on sale of investments	(27,689)	(262,395)	(1,254)
Capital gains distributions from investments.....	13,705	60,864	244
Net decrease in fair value of investments	<u>(1,114,931)</u>	<u>(4,842,308)</u>	<u>(20,926)</u>
Net Increase (Decrease) in Net Assets Resulting from Operations			
	<u>\$ (1,123,507)</u>	<u>\$ (5,011,852)</u>	<u>\$ (19,595)</u>

† On July 29, 2002, MLIM 2020 Portfolio and MLIM 2017 Portfolio and MLIM 2014 Portfolio were combined, and the combined portfolio was renamed to MLIM Active Allocation Age 0-7 Years Portfolio.

†† On July 29, 2002, MLIM Active Allocation 1999 Portfolio and MLIM Short-Term Portfolio were combined, and the combined portfolio was renamed to MLIM Active Allocation 20+ Years Portfolio.

NextGen College Investing Plan®

Schedule of Operations for the Year Ended June 30, 2003

	MLIM Active Allocation Age 0-7 Years Portfolio †	MLIM Active Allocation Age 8-10 Years Portfolio	MLIM Active Allocation Age 11-13 Years Portfolio
Investment Income:			
Dividends	\$ 1,456,735	\$ 1,256,708	\$ 1,720,159
Total income	<u>1,456,735</u>	<u>1,256,708</u>	<u>1,720,159</u>
Expenses:			
Management fees - Client Advisor Series.....	437,793	219,900	254,777
Management fees - Client Direct Series.....	118,997	62,061	66,682
Portfolio servicing fees.....	278,194	142,025	159,329
Maine administration fees.....	208,646	106,519	119,497
Total expenses	<u>1,043,630</u>	<u>530,505</u>	<u>600,285</u>
Net investment income (loss).....	<u>413,105</u>	<u>726,203</u>	<u>1,119,874</u>
Net Realized & Unrealized Gain (Loss) on Investments:			
Net realized loss on sale of investments	(1,539,239)	(830,107)	(546,428)
Capital gains distributions from investments.....	538,116	256,609	220,960
Net increase in fair value of investments	<u>8,792,438</u>	<u>1,712,002</u>	<u>2,077,686</u>
Net Increase (Decrease) in Net Assets Resulting from Operations			
	<u>\$ 8,204,420</u>	<u>\$ 1,864,707</u>	<u>\$ 2,872,092</u>

† This schedule of operations represents the operations of the MLIM 2014 Portfolio from July 1, 2002 through July 29, 2002, and the operations on the MLIM Active Allocation Age 0-7 Years Portfolio from July 30, 2002 through June 30, 2003.

†† This schedule of operations represents the operations of the MLIM Active Allocation 1999 Portfolio from July 1, 2002 through July 29, 2002, and the operations of the MLIM Active Allocation 20+ Years Portfolio from July 30, 2002 through June 30, 2003.

††† MLIM totals also includes the results of operations of MLIM Active Allocation 2020 Portfolio, MLIM Active Allocation 2017 Portfolio and MLIM Active Allocation Short-Term Portfolio for the period July 1, 2002 to July 29, 2002.

MLIM Active Allocation Age 14-16 Years Portfolio	MLIM Active Allocation Age 17-19 Years Portfolio	MLIM Active Allocation Age 20+ Years Portfolio ††	MLIM 100% Equity Portfolio	MLIM 75% Equity Portfolio	MLIM Fixed Income Portfolio	MLIM Totals †††
<u>\$ 1,528,268</u>	<u>\$ 727,174</u>	<u>\$ 138,971</u>	<u>\$ 1,188,185</u>	<u>\$ 2,372,528</u>	<u>\$ 2,673,424</u>	<u>\$ 13,144,422</u>
1,528,268	727,174	138,971	1,188,185	2,372,528	2,673,424	13,144,422
209,323	41,327	7,538	396,704	408,123	119,666	2,111,534
63,042	37,192	8,632	216,851	125,809	16,141	721,087
139,159	70,253	14,663	361,107	274,217	112,016	1,562,661
<u>104,370</u>	<u>52,690</u>	<u>10,997</u>	<u>270,831</u>	<u>205,663</u>	<u>84,012</u>	<u>1,171,998</u>
<u>515,894</u>	<u>201,462</u>	<u>41,830</u>	<u>1,245,493</u>	<u>1,013,812</u>	<u>331,835</u>	<u>5,567,280</u>
<u>1,012,374</u>	<u>525,712</u>	<u>97,141</u>	<u>(57,308)</u>	<u>1,358,716</u>	<u>2,341,589</u>	<u>7,577,142</u>
(559,759)	(629,359)	(124,421)	(9,913,208)	(3,144,196)	(6,717)	(17,584,772)
145,807	47,228	2,943	981,275	532,045	-	2,799,796
<u>1,804,078</u>	<u>1,054,210</u>	<u>238,441</u>	<u>2,705,290</u>	<u>2,684,147</u>	<u>4,249,271</u>	<u>19,339,398</u>
<u>\$ 2,402,500</u>	<u>\$ 997,791</u>	<u>\$ 214,104</u>	<u>\$ (6,283,951)</u>	<u>\$ 1,430,712</u>	<u>\$ 6,584,143</u>	<u>\$ 12,131,564</u>

NextGen College Investing Plan®

Schedule of Operations for the Year Ended June 30, 2003

	AIM Active Allocation Age 0-3 Years Portfolio	AIM Active Allocation Age 4-6 Years Portfolio	AIM Active Allocation Age 7-9 Years Portfolio	AIM Active Allocation Age 10-12 Years Portfolio
Investment Income:				
Dividends	\$ -	\$ 29,142	\$ 63,554	\$ 181,118
Total income	-	29,142	63,554	181,118
Expenses:				
Management fees	74,034	69,576	75,966	87,209
Portfolio servicing fees	26,922	25,300	27,624	31,713
Maine administration fees	20,191	18,975	20,718	23,784
Total expenses	121,147	113,851	124,308	142,706
Net investment income (loss)	(121,147)	(84,709)	(60,754)	38,412
Net Realized & Unrealized Gain (Loss) on Investments:				
Net realized loss on sale of investments	(1,908,698)	(1,161,291)	(1,078,276)	(994,381)
Capital gains distributions from investments	2,243	2,003	2,039	1,795
Net increase in fair value of investments	2,285,173	1,365,757	1,259,428	1,164,671
Net Increase (Decrease) in Net Assets				
Resulting from Operations	\$ 257,571	\$ 121,760	\$ 122,437	\$ 210,497

NextGen College Investing Plan®

Schedule of Operations for the Year Ended June 30, 2003

	Franklin Templeton Active Allocation Age 0-8 Years Portfolio	Franklin Templeton Active Allocation Age 9-12 Years Portfolio
Investment Income:		
Dividends	\$ 318,251	\$ 447,156
Total income	318,251	447,156
Expenses:		
Management fees	193,271	120,081
Portfolio servicing fees	70,280	43,666
Maine administration fees	52,710	32,749
Total expenses	316,261	196,496
Net investment income (loss)	1,990	250,660
Net Realized & Unrealized Gain (Loss) on Investments:		
Net realized gain (loss) on sale of investments	(941,264)	(221,636)
Net increase in fair value of investments	2,895,125	1,316,668
Net Increase in Net Assets Resulting from Operations	\$ 1,955,851	\$ 1,345,692

AIM Active Allocation Age 13-15 Years Portfolio	AIM Active Allocation Age 16-18 Years Portfolio	AIM Active Allocation College Portfolio	AIM Equity Aggressive Growth Portfolio	AIM Equity Growth Portfolio	AIM Growth & Income Portfolio	AIM Totals
\$ 264,122	\$ 173,316	\$ 32,745	\$ -	\$ -	\$ 400,313	\$ 1,144,310
<u>264,122</u>	<u>173,316</u>	<u>32,745</u>	<u>-</u>	<u>-</u>	<u>400,313</u>	<u>1,144,310</u>
80,034	18,166	3,800	81,717	189,215	192,540	872,257
29,103	14,533	3,040	29,715	68,806	70,014	326,770
21,827	10,900	2,281	22,287	51,604	52,511	245,078
<u>130,964</u>	<u>43,599</u>	<u>9,121</u>	<u>133,719</u>	<u>309,625</u>	<u>315,065</u>	<u>1,444,105</u>
<u>133,158</u>	<u>129,717</u>	<u>23,624</u>	<u>(133,719)</u>	<u>(309,625)</u>	<u>85,248</u>	<u>(299,795)</u>
(662,891)	(169,955)	(29,939)	(2,673,690)	(5,074,806)	(2,805,892)	(16,559,819)
1,153	331	36	1,749	6,008	3,992	21,349
<u>913,602</u>	<u>284,986</u>	<u>44,869</u>	<u>2,759,064</u>	<u>4,681,499</u>	<u>3,016,212</u>	<u>17,775,261</u>
\$ <u>385,022</u>	\$ <u>245,079</u>	\$ <u>38,590</u>	\$ <u>(46,596)</u>	\$ <u>(696,924)</u>	\$ <u>299,560</u>	\$ <u>936,996</u>

Franklin Templeton Active Allocation Age 13-16 Years Portfolio	Franklin Templeton Active Allocation Age 17-20 Years Portfolio	Franklin Templeton Active Allocation Age 21+ Years Portfolio	Franklin Templeton Growth Portfolio	Franklin Templeton Growth and Income Portfolio	Franklin Templeton Balanced Portfolio	Franklin Templeton Totals
\$ 638,040	\$ 247,615	\$ 31,920	\$ 244,262	\$ 783,064	\$ 892,432	\$ 3,602,740
<u>638,040</u>	<u>247,615</u>	<u>31,920</u>	<u>244,262</u>	<u>783,064</u>	<u>892,432</u>	<u>3,602,740</u>
111,680	14,787	1,530	151,425	210,044	157,034	959,852
40,611	11,830	1,224	55,064	76,380	57,103	356,158
30,458	8,872	918	41,298	57,285	42,827	267,117
<u>182,749</u>	<u>35,489</u>	<u>3,672</u>	<u>247,787</u>	<u>343,709</u>	<u>256,964</u>	<u>1,583,127</u>
<u>455,291</u>	<u>212,126</u>	<u>28,248</u>	<u>(3,525)</u>	<u>439,355</u>	<u>635,468</u>	<u>2,019,613</u>
(71,793)	(44,545)	4,888	(307,396)	(309,338)	(104,811)	(1,995,895)
<u>1,132,750</u>	<u>344,128</u>	<u>32,012</u>	<u>922,705</u>	<u>1,781,249</u>	<u>1,961,694</u>	<u>10,386,331</u>
\$ <u>1,516,248</u>	\$ <u>511,709</u>	\$ <u>65,148</u>	\$ <u>611,784</u>	\$ <u>1,911,266</u>	\$ <u>2,492,351</u>	\$ <u>10,410,049</u>

NextGen College Investing Plan®

Schedule of Operations for the Year Ended June 30, 2003

	MFS Active Allocation Age 0-5 Years Portfolio	MFS Active Allocation Age 6-10 Years Portfolio	MFS Active Allocation Age 11-13 Years Portfolio
Investment Income:			
Dividends	\$ 127,496	\$ 589,834	\$ 670,277
Total income	<u>127,496</u>	<u>589,834</u>	<u>670,277</u>
Expenses:			
Management fees.....	174,329	183,696	127,434
Portfolio servicing fees	63,392	66,799	46,339
Maine administration fees	47,544	50,099	34,755
Total expenses	<u>285,265</u>	<u>300,594</u>	<u>208,528</u>
Net investment income (loss).....	<u>(157,769)</u>	<u>289,240</u>	<u>461,749</u>
Net Realized & Unrealized Gain (Loss) on Investments:			
Net realized loss on sale of investments.....	(4,041,291)	(2,622,119)	(1,027,786)
Capital gain distributions from investments	-	-	-
Net increase in fair value of investments	<u>4,454,299</u>	<u>3,067,220</u>	<u>1,499,387</u>
Net Increase (Decrease) in Net Assets			
Resulting from Operations	<u>\$ 255,239</u>	<u>\$ 734,341</u>	<u>\$ 933,350</u>

MFS Active Allocation Age 14-15 Years Portfolio	MFS Active Allocation Age 16-17 Years Portfolio	MFS Active Allocation Age 18+ Years Portfolio	MFS Equity Portfolio	MFS Fixed Income Portfolio	MFS Totals	Program Total
\$ 489,256	\$ 360,676	\$ 180,455	\$ 258,674	\$ 1,199,881	\$ 3,876,549	\$ 21,768,021
<u>489,256</u>	<u>360,676</u>	<u>180,455</u>	<u>258,674</u>	<u>1,199,881</u>	<u>3,876,549</u>	<u>21,768,021</u>
75,695	22,879	13,395	358,317	51,407	1,007,152	5,671,882
27,526	18,303	10,717	130,297	41,125	404,498	2,650,087
20,644	13,727	8,038	97,723	30,844	303,374	1,987,567
<u>123,865</u>	<u>54,909</u>	<u>32,150</u>	<u>586,337</u>	<u>123,376</u>	<u>1,715,024</u>	<u>10,309,536</u>
<u>365,391</u>	<u>305,767</u>	<u>148,305</u>	<u>(327,663)</u>	<u>1,076,505</u>	<u>2,161,525</u>	<u>11,458,485</u>
(524,318)	(218,595)	(90,647)	(6,766,806)	(168,776)	(15,460,338)	(51,600,824)
-	-	-	-	-	-	2,821,145
<u>794,800</u>	<u>382,853</u>	<u>151,213</u>	<u>6,091,012</u>	<u>1,144,743</u>	<u>17,585,527</u>	<u>65,086,517</u>
<u>\$ 635,873</u>	<u>\$ 470,025</u>	<u>\$ 208,871</u>	<u>\$ (1,003,457)</u>	<u>\$ 2,052,472</u>	<u>\$ 4,286,714</u>	<u>\$ 27,765,323</u>

NextGen College Investing Plan®

Financial Highlights for the Period Ended July 29, 2002

	MLIM Active Allocation 2020 Portfolio ††		MLIM Active Allocation 2017 Portfolio ††		MLIM Age Active Allocation Short-Term Portfolio †††	
	Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series
	For the Period July 1, 2002 to July 29, 2002		For the Period July 1, 2002 to July 29, 2002		For the Period July 1, 2002 to July 29, 2002	
The following per unit data and ratios have been derived from information provided in the combining financial statements.						
Increase (Decrease) in Net Asset Value:						
Per Unit Operating Performance:						
Net asset value, beginning of year	\$ 7.99	\$ 8.03	\$ 9.08	\$ 8.13	\$ 11.16	\$ 10.27
Net investment income (loss)	- #	- #	- #	.01	.01	.01
Net realized gain (loss) and increase (decrease) in fair value of investments	(.71)	(.71)	(.80)	(.73)	(.13)	(.12)
Total from investment operations	(.71)	(.71)	(.80)	(.72)	(.12)	(.11)
Net asset value, end of year.....	\$ 7.28	\$ 7.32	\$ 8.28	\$ 7.41	\$ 11.04	\$ 10.16
Aggregate Investment Return:						
Based on net asset value per unit.....	(8.89%)	(8.84%)	(8.81%)	(8.86%)	(1.08%)	(1.07%)
Ratios to Average Net Assets:						
Expenses† .....	.55%*	.90%*	.55%*	.90%*	.55%*	.60%*
Net investment income (loss) .....	.84%*	.48%*	.83%*	.50%*	1.51%*	1.46%*
Supplemental Data:						
Net assets, end of year (in thousands)	\$ 1,051	\$ 11,107	\$ 29,690	\$ 22,925	\$ 1,158	\$ 629

* Annualized

† Amounts do not include expenses of the Underlying Funds. The expense ratios of the Underlying Funds range from approximately .61% to 1.57%. The impact of the Underlying Funds' expense ratios on each Portfolio varies according to changes in the Underlying Funds' expenses and the investment weighting each Portfolio has in the Underlying Funds.

†† On July 29, 2002, MLIM 2020 Portfolio, MLIM 2017 Portfolio and MLIM 2014 Portfolio were combined, and the combined portfolio was renamed to MLIM Active Allocation Age 0-7 Years Portfolio.

††† On July 29, 2002, MLIM Active Allocation 1999 Portfolio and MLIM Short-Term Portfolio were combined, and the combined portfolio was renamed to MLIM Active Allocation 20+ Years Portfolio.

Amount is less than \$.01 per share.

NextGen College Investing Plan®

Financial Highlights for the Year Ended June 30, 2003

	MLIM Active Allocation Age 0-7 Years Portfolio ††		MLIM Active Allocation Age 8-10 Years Portfolio		MLIM Active Allocation Age 11-13 Years Portfolio	
	Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series
	For the Year Ended June 30, 2003		For the Year Ended June 30, 2003		For the Year Ended June 30, 2003	
The following per unit data and ratios have been derived from information provided in the combining financial statements.						
Increase (Decrease) in Net Asset Value:						
Per Unit Operating Performance:						
Net asset value, beginning of year	\$ 9.19	\$ 8.34	\$ 9.56	\$ 8.90	\$ 9.93	\$ 9.17
Net investment income (loss)	(.09)	.01	.09	.04	.13	.07
Net realized gain (loss) and increase (decrease) in fair value of investments	(.12)	(.23)	(.08)	(.07)	.05	.06
Total from investment operations	(.21)	(.22)	.01	(.03)	.18	.13
Net asset value, end of year.....	\$ 8.98	\$ 8.12	\$ 9.57	\$ 8.87	\$ 10.11	\$ 9.30
Total Investment Return:						
Based on net asset value per unit.....	(2.29%)	(2.64%)	.10%	(.34%)	1.81%	1.42%
Ratios to Average Net Assets:						
Expenses† .....	.55%	.90%	.55%	.90%	.55%	.90%
Net investment income (loss) .....	.57%	.09%	1.28%	.82%	1.66%	1.23%
Supplemental Data:						
Net assets, end of year (in thousands)	\$ 69,821	\$ 120,696	\$ 34,289	\$ 55,014	\$ 36,695	\$ 61,151

† Amounts do not include expenses of the Underlying Funds. The expense ratios of the Underlying Funds range from approximately .61% to 1.57%. The impact of the Underlying Funds' expense ratios on each Portfolio varies according to changes in the Underlying Funds' expenses and the investment weighting each Portfolio has in the Underlying Funds.

†† These financial highlights represent the performance of the MLIM 2014 Portfolio from July 1, 2002 through July 29, 2002, and the performance of the MLIM Active Allocation Age 0-7 Years Portfolio from July 30, 2002 through June 30, 2003.

††† These financial highlights represent the performance of the MLIM Active Allocation 1999 Portfolio from July 1, 2002 through July 29, 2002, and the performance of the MLIM Active Allocation 20+ Years Portfolio from July 30, 2002 through June 30, 2003.

MLIM Active Allocation Age 14-16 Years Portfolio		MLIM Active Allocation Age 17-19 Years Portfolio		MLIM Active Allocation Age 20+ Years Portfolio ††		MLIM 100% Equity Portfolio		MLIM 75% Equity Portfolio		MLIM Fixed Income Portfolio	
Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series	Client Direct Series	Client Advisor Series
For the Year Ended June 30, 2003		For the Year Ended June 30, 2003		For the Year Ended June 30, 2003		For the Year Ended June 30, 2003		For the Year Ended June 30, 2003		For the Year Ended June 30, 2003	
\$ 10.33	\$ 9.53	\$ 10.90	\$ 10.04	\$ 11.03	\$ 10.37	\$ 7.72	\$ 7.71	\$ 8.53	\$ 8.50	\$ 11.16	\$ 10.85
.16	.07	.26	.11	.24	.04	.01	(.01)	.10	.05	.01	.22
.09	.14	.04	.17	.08	.25	(.31)	(.31)	(.11)	(.09)	1.28	1.03
.25	.21	.30	.28	.32	.29	(.30)	(.32)	(.01)	(.04)	1.29	1.25
<u>\$ 10.58</u>	<u>\$ 9.74</u>	<u>\$ 11.20</u>	<u>\$ 10.32</u>	<u>\$ 11.35</u>	<u>\$ 10.66</u>	<u>\$ 7.42</u>	<u>\$ 7.39</u>	<u>\$ 8.52</u>	<u>\$ 8.46</u>	<u>\$ 12.45</u>	<u>\$ 12.10</u>
<u>2.42%</u>	<u>2.20%</u>	<u>2.75%</u>	<u>2.79%</u>	<u>2.90%</u>	<u>2.80%</u>	<u>(3.89%)</u>	<u>(4.15%)</u>	<u>(.12%)</u>	<u>(.47%)</u>	<u>11.56%</u>	<u>11.52%</u>
<u>.55%</u>	<u>.90%</u>	<u>.55%</u>	<u>.60%</u>	<u>.55%</u>	<u>.60%</u>	<u>.55%</u>	<u>.90%</u>	<u>.55%</u>	<u>.90%</u>	<u>.55%</u>	<u>.60%</u>
<u>1.68%</u>	<u>1.27%</u>	<u>1.54%</u>	<u>1.45%</u>	<u>1.37%</u>	<u>1.27%</u>	<u>.13%</u>	<u>(.28%)</u>	<u>1.22%</u>	<u>.80%</u>	<u>4.23%</u>	<u>4.17%</u>
<u>\$33,520</u>	<u>\$48,219</u>	<u>\$18,502</u>	<u>\$18,643</u>	<u>\$ 3,992</u>	<u>\$ 4,081</u>	<u>\$115,724</u>	<u>\$88,752</u>	<u>\$68,487</u>	<u>\$93,969</u>	<u>\$11,162</u>	<u>\$67,230</u>

NextGen College Investing Plan®

Financial Highlights for the Year Ended June 30, 2003

The following per unit data and ratios have been derived from information provided in the combining financial statements.

	AIM Active Allocation Age 0-3 Years Portfolio	AIM Active Allocation Age 4-6 Years Portfolio	AIM Active Allocation Age 7-9 Years Portfolio	AIM Active Allocation Age 10-12 Years Portfolio
<i>Increase (Decrease) in Net Asset Value:</i>				
Per Unit Operating Performance:				
Net asset value, beginning of year.....	\$ 6.49	\$ 6.76	\$ 7.29	\$ 7.98
Net investment income (loss).....	(.03)	(.03)	(.02)	.01
Net realized gain (loss) and increase (decrease) in fair value of investments.....	(.21)	(.17)	(.16)	(.08)
Total from investment operations.....	(.24)	(.20)	(.18)	(.07)
Net asset value, end of year.....	\$ 6.25	\$ 6.56	\$ 7.11	\$ 7.91
Total Investment Return:				
Based on net asset value per unit.....	(3.7%)	(2.96%)	(2.47%)	(.88%)
Ratios to Average Fiduciary Net Assets:				
Expenses†.....	.90%	.90%	.90%	.90%
Net investment income (loss).....	(.90%)	(.67%)	(.44%)	.24%
Supplemental Data:				
Fiduciary net assets, end of year (in thousands).....	\$ 19,598	\$ 16,810	\$ 18,180	\$ 19,842

† Amounts do not include expenses of the Underlying Funds. The expense ratios of the Underlying Funds range from approximately .90% to 1.89%. The impact of the Underlying Funds' expense ratios on each Portfolio varies according to changes in the Underlying Funds' expenses and the investment weighting each Portfolio has in the Underlying Funds.

NextGen College Investing Plan®

Financial Highlights for the Year Ended June 30, 2003

The following per unit data and ratios have been derived from information provided in the combining financial statements.

	Franklin Templeton Active Allocation Age 0-8 Years Portfolio	Franklin Templeton Active Allocation Age 9-12 Years Portfolio
<i>Increase (Decrease) in Net Asset Value:</i>		
Per Unit Operating Performance:		
Net asset value, beginning of year.....	\$ 7.69	\$ 8.23
Net investment income (loss).....	(.01)	.05
Net realized gain (loss) and increase (decrease) in fair value of investments.....	(.09)	.07
Total from investment operations.....	(.10)	.12
Net asset value, end of year.....	\$ 7.59	\$ 8.35
Total Investment Return:		
Based on net asset value per unit.....	(1.30%)	1.46%
Ratios to Average Net Assets:		
Expenses†.....	.90%	.90%
Net investment income (loss).....	.01%	1.15%
Supplemental Data:		
Net assets, end of year (in thousands).....	\$ 52,303	\$ 30,705

† Amounts do not include expenses of the Underlying Funds. The expense ratios of the Underlying Funds range from approximately .68% to 1.22%. The impact of the Underlying Funds' expense ratios on each Portfolio varies according to changes in the Underlying Funds' expenses and the investment weighting each Portfolio has in the Underlying Funds.

AIM Active Allocation Age 13-15 Years Portfolio	AIM Active Allocation Age 16-18 Years Portfolio	AIM Active Allocation College Portfolio	AIM Equity Aggressive Growth Portfolio	AIM Equity Growth Portfolio	AIM Growth & Income Portfolio
\$ 8.59	\$ 9.54	\$ 10.05	\$ 5.42	\$ 6.94	\$ 7.74
.04	.10	.10	(.03)	(.04)	.01
.02	.15	.15	(.14)	(.23)	(.09)
.06	.25	.25	(.17)	(.27)	(.08)
\$ 8.65	\$ 9.79	\$ 10.30	\$ 5.25	\$ 6.67	\$ 7.66
.70%	2.62%	2.49%	(3.14%)	(3.89%)	(1.03%)
.90%	.60%	.60%	.90%	.90%	.90%
.92%	1.79%	1.55%	(.90%)	(.90%)	.24%
\$ 17,769	\$ 8,139	\$ 1,540	\$ 18,466	\$ 40,848	\$ 41,862

Franklin Templeton Active Allocation Age 13-16 Years Portfolio	Franklin Templeton Active Allocation Age 17-20 Years Portfolio	Franklin Templeton Active Allocation Age 21+ Years Portfolio	Franklin Templeton Growth Portfolio	Franklin Templeton Growth and Income Portfolio	Franklin Templeton Balanced Portfolio
\$ 9.38	\$ 10.11	\$ 10.78	\$ 7.65	\$ 8.69	\$ 9.22
.11	.22	.25	(.01)	.05	.09
.31	.57	.89	(.09)	.08	.32
.42	.79	1.14	(.10)	.13	.41
\$ 9.80	\$ 10.90	\$ 11.92	\$ 7.55	\$ 8.82	\$ 9.63
4.48%	7.81%	10.58%	(1.31%)	1.50%	4.45%
.90%	.60%	.60%	.90%	.90%	.90%
2.24%	3.59%	4.62%	(.01%)	1.15%	2.23%
\$ 27,001	\$ 7,106	\$ 708	\$ 35,906	\$ 49,949	\$ 41,986

NextGen College Investing Plan®

Financial Highlights for the Year Ended June 30, 2003

The following per unit data and ratios have been derived from information provided in the combining financial statements.

Increase (Decrease) in Net Asset Value:

	MFS Active Allocation Age 0-5 Years Portfolio	MFS Active Allocation Age 6-10 Years Portfolio
Per Unit Operating Performance:		
Net asset value, beginning of year	\$ 6.27	\$ 7.04
Net investment income (loss)	(.01)	.03
Net realized gain (loss) and increase (decrease) in fair value of investments	(.21)	(.08)
Total from investment operations	(.22)	(.05)
Net asset value, end of year	<u>\$ 6.05</u>	<u>\$ 6.99</u>
Total Investment Return:		
Based on net asset value per unit	<u>(3.51%)</u>	<u>(.71%)</u>
Ratios to Average Net Assets:		
Expenses†	<u>90%</u>	<u>.90%</u>
Net investment income (loss)	<u>(.50%)</u>	<u>.87%</u>
Supplemental Data:		
Net assets, end of year (in thousands)	<u>\$ 43,536</u>	<u>\$ 42,827</u>

† Amounts do not include expenses of the Underlying Funds. The expense ratios of the Underlying Funds range from approximately .75% to 1.77%. The impact of the Underlying Funds' expense ratios on each Portfolio varies according to changes in the Underlying Funds' expenses and the investment weighting each Portfolio has in the Underlying Funds.

MFS Active Allocation Age 11-13 Years Portfolio	MFS Active Allocation Age 14-15 Years Portfolio	MFS Active Allocation Age 16-17 Years Portfolio	MFS Active Allocation Age 18+ Years Portfolio	MFS Equity Portfolio	MFS Fixed Income Portfolio
\$ 8.27	\$ 9.16	\$ 10.03	\$ 10.11	\$ 6.28	\$ 10.63
.10	.13	.19	.15	(.02)	.25
.09	.16	.28	.24	(.21)	.82
.19	.29	.47	.39	(.23)	1.07
<u>\$ 8.46</u>	<u>\$ 9.45</u>	<u>\$ 10.50</u>	<u>\$ 10.50</u>	<u>\$ 6.05</u>	<u>\$ 11.70</u>
<u>2.30%</u>	<u>3.17%</u>	<u>4.69%</u>	<u>3.86%</u>	<u>(3.66%)</u>	<u>10.07%</u>
<u>.90%</u>	<u>.90%</u>	<u>.60%</u>	<u>.60%</u>	<u>.90%</u>	<u>.60%</u>
<u>1.99%</u>	<u>2.65%</u>	<u>3.34%</u>	<u>2.77%</u>	<u>(.50%)</u>	<u>5.24%</u>
<u>\$ 28,014</u>	<u>\$ 16,667</u>	<u>\$ 10,491</u>	<u>\$ 5,533</u>	<u>\$ 78,761</u>	<u>\$ 28,150</u>

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