

Annual Report
June 30, 2004



NextGen College Investing Plan[®]

Client Direct Series and Client Select Series

MLIM Portfolios:

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

Principal Plus Portfolio

Client Select 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 Program should be addressed to:

Finance Authority of Maine - FAME

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Merrill Lynch

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Maine State Treasurer

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Burton M. Cross Building, 3rd Floor
Augusta, ME 04333-0039
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NextGen College Investing Plan®

Dear College Investor:

Enclosed is the Annual Report of the NextGen College Investing Plan® (“NextGen®”) fiscal year July 2003 through June 2004. The report provides information on the composition and performance of all the NextGen Portfolios through the period ended June 30, 2004.

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 investing for college.

A little planning today will go a long way toward providing the gift of a college education. As a person interested in the NextGen College Investing Plan®, you are helping to make the dream a reality.

Sincerely,

Dale McCormick
*Treasurer of State
Advisory Committee Chair*

John Witherspoon
*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, 2004 (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, 2004.

Financial Highlights

The assets held for individuals and organizations participating in the Program exceeded its liabilities at the close of the fiscal year by \$2,517,985,618.

The Program had contributions of \$976,268,814 and withdrawals of \$399,196,918, providing for \$577,071,896 of net contributions during the fiscal year ended June 30, 2004.

NextGen Portfolio Performance Information

Participants provide instructions for the investment of contributions in their Account to specific Portfolios. The performance of each Portfolio investing in underlying mutual funds in which it invests is net of Program level fees and expenses.

On September 5, 2003, the Program introduced the Principal Plus Portfolio, which seeks to provide current income while maintaining stability of principal. The assets of the Principal Plus Portfolio are invested in a guaranteed investment contract (GIC) issued by Transamerica Life Insurance Company ("Transamerica"). The performance of the Principal Plus Portfolio depends on the interest rate of the GIC in which it invests. Transamerica announces the interest rate that will be credited for a three month period under the GIC every March 1, June 1, September 1 and December 1. The Principal Plus Portfolio will provide a 1.5% minimum rate of return before the deduction of Program level fees and expenses, so long as the Principal Plus Portfolio solely invests in GICs.

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
For the period ended June 30, 2004

		Total Returns		Average Annual Total Returns		
		3 Month	Calendar Year to Date	1 Year	Since Inception	Portfolio Inception Date
MLIM Client Direct Series Portfolios						
MLIM Active Allocation 0-7 Years	(1)	0.37%	3.32%	21.38%	1.78%	08/12/1999
MLIM Active Allocation 8-10 Years	(2)	0.00%	2.83%	17.66%	2.45%	08/05/1999
MLIM Active Allocation 11-13 Years	(2)	(0.26%)	2.30%	14.24%	2.98%	08/05/1999
MLIM Active Allocation 14-16 Years	(2)	(0.43%)	1.65%	10.40%	3.22%	08/05/1999
MLIM Active Allocation 17-19 Years	(2)	(0.42%)	1.10%	6.70%	3.70%	08/05/1999
MLIM Active Allocation 20+ Years	(3)	(0.43%)	0.43%	2.82%	3.22%	08/17/1999
MLIM 100% Equity Portfolio		0.66%	3.62%	23.45%	(1.90%)	12/06/1999
MLIM 75% Equity Portfolio		0.00%	2.76%	17.96%	0.11%	12/06/1999
MLIM Fixed Income Portfolio		(1.85%)	0.24%	2.17%	5.49%	12/08/1999

The returns reflect total return for the period ending June 30, 2004 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
For the period ended June 30, 2004

	Guaranteed Rate* for June 1, 2004 to August 31, 2004	Portfolio Inception Date
Principal Plus Portfolio - Client Direct Series		
Principal Plus Portfolio	2.815%*	9/9/2003

*The returns reflect the guaranteed rate for the period less the Management, Portfolio Servicing, and Maine Administration Fees. The investments of the Principal Plus Portfolio will consist of one or more Principal Plus Portfolio Investments. Under the initial GIC issued by Transamerica purchased as an investment by the Principal Plus Portfolio, Transamerica guarantees principal, accumulated interest and a future interest rate. Every March 1, June 1, September 1 and December 1, Transamerica announces the interest rate that it will pay for the next three-month period under the GIC for all existing account balances and contributions during the period. Subject to a minimum gross interest rate that is established at the beginning of each such period, Transamerica sets the interest rate it pays in its sole discretion.

		Total Returns			Average Annual Total Returns	
		3 Month	Calendar Year to Date	1 Year	Since Inception	Portfolio Inception Date
MLIM Client Select Series Portfolios						
MLIM Active Allocation 0-7 Years	(1)	0.31%	3.15%	20.94%	(0.50%)	11/21/2000
MLIM Active Allocation 8-10 Years	(2)	(0.10%)	2.56%	17.25%	1.09%	11/22/2000
MLIM Active Allocation 11-13 Years	(2)	(0.28%)	2.12%	13.87%	1.60%	11/20/2000
MLIM Active Allocation 14-16 Years	(2)	(0.46%)	1.52%	9.96%	1.92%	11/20/2000
MLIM Active Allocation 17-19 Years	(2)	(0.45%)	1.01%	6.59%	2.70%	12/01/2000
MLIM Active Allocation 20+ Years	(3)	(0.45%)	0.37%	2.72%	2.56%	11/27/2000
MLIM 100% Equity Portfolio		0.55%	3.41%	23.00%	(2.60%)	11/16/2000
MLIM 75% Equity Portfolio		0.00%	2.68%	17.61%	(0.14%)	11/16/2000
MLIM Fixed Income Portfolio		(1.90%)	0.16%	2.40%	6.15%	11/27/2000

The returns reflect total return for the period ending June 30, 2004 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
For the period ended June 30, 2004

	<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 Select Series Portfolios					
AIM Active Allocation Age 0-3 Years	1.50%	3.76%	19.36%	(7.78%)	11/16/2000
AIM Active Allocation Age 4-6 Years	1.31%	3.47%	18.14%	(6.81%)	11/17/2000
AIM Active Allocation Age 7-9 Years	1.22%	3.35%	17.16%	(4.95%)	11/24/2000
AIM Active Allocation Age 10-12 Years	0.78%	2.85%	14.16%	(2.79%)	11/21/2000
AIM Active Allocation Age 13-15 Years	0.31%	2.23%	11.21%	(1.07%)	11/21/2000
AIM Active Allocation Age 16-18 Years	(0.19)	1.36%	6.33%	1.12	11/21/2000
AIM College Portfolio	(0.19)	0.85%	3.59%	1.82	11/27/2000
AIM Equity Aggressive Growth	0.80%	3.10%	20.38%	(11.86%)	11/10/2000
AIM Equity Growth	1.53%	3.78%	19.34%	(6.08%)	11/10/2000
AIM Growth & Income	0.81%	2.94%	14.36%	(3.59%)	11/15/2000

The returns reflect total return for the period ending June 30, 2004 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
For the period ended June 30, 2004

	<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 Select Series Portfolios					
Franklin Templeton Active Allocation Age 0-8 Years	0.99%	3.49%	20.95%	(2.32%)	11/08/2000
Franklin Templeton Active Allocation Age 9-12 Years	0.41%	2.65%	16.05%	(0.86%)	11/07/2000
Franklin Templeton Active Allocation Age 13-16 Years	(0.18%)	1.78%	11.12%	2.40%	11/27/2000
Franklin Templeton Active Allocation Age 17-20 Years	(0.85%)	0.96%	6.51%	4.24%	11/27/2000
Franklin Templeton Age 21+ Years	(1.54%)	(0.08%)	1.76%	5.57%	12/07/2000
Franklin Templeton Growth	0.88%	3.40%	20.93%	(2.47%)	11/08/2000
Franklin Templeton Growth & Income	0.39%	2.61%	15.99%	0.63%	11/13/2000
Franklin Templeton Balanced	(0.28%)	1.71%	11.11%	1.88%	11/14/2000

The returns reflect total return for the period ending June 30, 2004 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
For the period ended June 30, 2004

	Total Returns		Average Annual Total Returns		Portfolio Inception Date
	3 Month	Calendar Year to Date	1 Year	Since Inception	
MFS Client Select Series Portfolios					
MFS Active Allocation Age 0-5 Years	0.84%	3.59%	19.17%	(8.64%)	11/16/2000
MFS Active Allocation Age 6-10 Years	0.25%	2.78%	16.31%	(5.56%)	11/16/2000
MFS Active Allocation Age 11-13 Years	(0.42%)	1.94%	11.70%	(1.55%)	11/16/2000
MFS Active Allocation Age 14-15 Years	(0.78%)	1.19%	8.36%	0.66%	11/22/2000
MFS Active Allocation Age 16-17 Years	(1.17%)	0.55%	4.86%	2.70%	11/22/2000
MFS Age 18+ Years	(0.82%)	0.37%	3.71%	2.39%	11/21/2000
MFS Equity	0.84%	3.59%	19.34%	(8.60%)	11/16/2000
MFS Fixed Income	(1.98%)	(0.17%)	1.45%	4.85%	11/16/2000

The returns reflect total return for the period ending June 30, 2004 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.

	Guaranteed Rate* for June 1, 2004 to August 31, 2004	Portfolio Inception Date
Principal Plus Portfolio - Client Select Series		
Principal Plus Portfolio	2.615%*	9/17/2003

* The returns reflect the guaranteed rate for the period less the Management, Portfolio Servicing, and Maine Administration Fees. The investments of the Principal Plus Portfolio will consist of one or more Principal Plus Portfolio Investments. Under the initial GIC issued by Transamerica purchased as an investment by the Principal Plus Portfolio, Transamerica guarantees principal, accumulated interest and a future interest rate. Every March 1, June 1, September 1 and December 1, Transamerica announces the interest rate that it will pay for the next three-month period under the GIC for all existing account balances and contributions during the period. Subject to a minimum gross interest rate that is established at the beginning of each such period, Transamerica sets the interest rate it pays in its sole discretion.

Overview of the Financial Statements

This annual report consists of several parts including Management's Discussion and Analysis (this section), the basic Financial Statements, Combining Statements and Other Financial Information. 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 a contribution in the Program is completed; withdrawals and refunds are recognized when payable; and expenses and liabilities are recognized, 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 private purpose trust fund, a type of fiduciary fund, as defined by GASB Statement No. 34. The Program assets do not represent discretionary assets of the Finance Authority of Maine ("FAME") to finance its operations. The Program's assets can only be used for the withdrawals of NextGen Participants and Designated Beneficiaries, payment of administrative expenses and Program purposes.

Financial Analysis

To begin the financial analysis, a summary of the Program's assets and liabilities as of June 30, 2004 and 2003 is presented below:

As of June 30	2004	2003
Total Assets	\$ 2,518,262,092	\$ 1,652,753,458
Total Liabilities	<u>276,474</u>	<u>107,190</u>
Total Net Assets	<u>\$ 2,517,985,618</u>	<u>\$ 1,652,646,268</u>

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

Investments comprise \$2,518,018,675 of total assets. Other assets include outstanding dividends receivables. Liabilities consist of Program expenses payable in the amount of \$276,474.

As illustrated by the table above, the Program's net assets increased by \$865,339,350 in fiscal year 2004. This increase is primarily attributable to \$577,071,896 of net contributions to the Program and fiscal year 2004 net investment income (investment income, less Program expenses) of \$288,267,454. Program expenses increased in fiscal year 2004 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, 2004 and 2003.

	2004	2003
Additions		
Contributions:		
Participants*	\$ 976,268,814	\$ 623,692,331
Total contributions.....	<u>976,268,814</u>	<u>623,692,331</u>
Investment income:		
Net increase in fair value of investments	297,524,433	65,086,517
Net realized loss on sale of investments.....	(21,552,565)	(51,600,824)
Dividends	28,812,427	21,768,021
Interest.....	215,630	-
Capital gains distributions from investments	<u>29,214</u>	<u>2,821,145</u>
Total investment income	<u>305,029,139</u>	<u>38,074,859</u>
Total additions	<u>1,281,297,953</u>	<u>661,767,190</u>
Deductions		
Program withdrawals**	399,196,918	196,006,564
Management fees	9,399,943	5,671,882
Portfolio servicing fees.....	4,212,553	2,650,087
Maine administration fees.....	<u>3,149,189</u>	<u>1,987,567</u>
Total deductions	<u>415,958,603</u>	<u>206,316,100</u>
Change in net assets held for Participants	865,339,350	455,451,090
Net assets at beginning of year	<u>1,652,646,268</u>	<u>1,197,195,178</u>
Net assets at end of year	<u>\$ 2,517,985,618</u>	<u>\$ 1,652,646,268</u>

* Contributions include both (1) any contributions to the NextGen Program made by Participants and (2) any exchanges among Portfolios within the NextGen Program that result in a reinvestment of assets.

** Program withdrawals include both (1) any Participant withdrawals from the Program, and (2) any exchanges among Portfolios within the NextGen Program.

The Program's net assets increased by 52.4% in fiscal year 2004 compared to fiscal year 2003. The overall increase may be attributable to more contributions to Program Accounts by Participants as well as market appreciation of the Portfolios' investments. Additionally, investment income was \$305,029,139 in fiscal year 2004 which was substantially higher when comparing to \$38,074,859 in fiscal year 2003.

Program contributions were \$976,268,814 in fiscal year 2004 as compared to \$623,692,331 in fiscal year 2003. This represented a 56.5% increase in contributions made to the Program in fiscal year 2004. The increase of fiscal year 2004 contributions may be attributed to an increase in new Account applications as well as increased contributions made to existing Accounts.

Program withdrawals were \$399,196,918 in fiscal year 2004 as compared to \$196,006,564 in fiscal year 2003.

NextGen College Investing Plan®

Independent Auditors' Report

To the Management of the Finance Authority of Maine ("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, 2004, and the related Statement of Changes in Fiduciary Net Assets for the year ended June 30, 2004. 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. 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, 2004, 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.

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 ("GASB"). We have applied certain limited procedures, which consisted principally of inquiries of the Program's 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 16 through 27 and Other Financial Information on pages 29 through 60 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 Statements taken as a whole.

DELOITTE & TOUCHE LLP
Princeton, New Jersey

December 1, 2004

NextGen College Investing Program®Statement of Fiduciary Net Assets as of June 30, 2004

Assets:

Current Assets:.....	
Investments at fair value.....	\$ 2,518,018,675
Dividends receivable.....	<u>243,417</u>
Total assets	<u>2,518,262,092</u>

Liabilities:

Current Liabilities:	
Program expenses payable.....	<u>276,474</u>
Total liabilities	<u>276,474</u>

Total net assets:

Net assets held for Participants	<u>2,517,985,618</u>
Total net assets	<u>\$ 2,517,985,618</u>

See Notes to Financial Statements.

NextGen College Investing Program®Statement of Changes in Fiduciary Net Assets
for the year ended June 30, 2004*Increase (Decrease) in Net Assets*

Additions

Contributions:	
Participants*.....	<u>\$ 976,268,814</u>
Total contributions.....	<u>976,268,814</u>
Investment income (loss):.....	
Net increase in fair value of investments.....	297,524,433
Net realized loss on sale of investments.....	(21,552,565)
Dividends	28,812,427
Interest	215,630
Capital gains distributions from investments	<u>29,214</u>
Total investment income	<u>305,029,139</u>
Total additions	<u>1,281,297,953</u>

Deductions

Program withdrawals**	399,196,918
Management fees	9,399,943
Portfolio servicing fees	4,212,553
Maine administration fees.....	<u>3,149,189</u>
Total deductions	<u>415,958,603</u>
Change in net assets held for Participants.....	865,339,350
Net assets at beginning of year	<u>1,652,646,268</u>
Net assets at the end of the year	<u>\$ 2,517,985,618</u>

* Contributions include both (1) any contributions to the NextGen Program made by Participants and (2) any exchanges among Portfolios within the NextGen Program that result in a reinvestment of assets.

** Program withdrawals include both (1) any Participant withdrawals from the Program, and (2) any exchanges among Portfolios within the NextGen Program.

See Notes to Financial Statements.

NextGen College Investing Plan®

Notes to Financial Statements for the year ended June 30, 2004

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 September 5, 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 36 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 (except for the Principal Plus Portfolio), 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. The Principal Plus Portfolio is currently invested in one guaranteed investment contract (GIC) issued by Transamerica Life Insurance Company (“Transamerica”). 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 / CLIENT SELECT SERIES PORTFOLIOS			
Portfolio	Client Direct Commencement of Operations	Client Select Commencement of Operations	
MLIM Active Allocation Age 0-7 Years	08/12/1999	11/21/2000	
MLIM Active Allocation Age 8-10 Years	08/05/1999	11/22/2000	
MLIM Active Allocation Age 11-13 Years	08/05/1999	11/20/2000	
MLIM Active Allocation Age 14-16 Years	08/05/1999	11/20/2000	
MLIM Active Allocation Age 17-19 Years	08/05/1999	12/01/2000	
MLIM Active Allocation Age 20+ Years	08/17/1999	11/27/2000	
MLIM 100% Equity	12/06/1999	11/16/2000	
MLIM 75% Equity	12/06/1999	11/16/2000	
MLIM Fixed Income	12/08/1999	11/27/2000	

PRINCIPAL PLUS CLIENT DIRECT / CLIENT SELECT SERIES PORTFOLIOS			
Portfolio	Client Direct Commencement of Operations	Client Select Commencement of Operations	
Principal Plus	09/09/2003	09/17/2003	

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

FRANKLIN TEMPLETON CLIENT SELECT SERIES PORTFOLIOS		
Portfolio	Commencement of Operations	
Franklin Templeton Active Allocation Age 0-8 Years	11/08/2000	
Franklin Templeton Active Allocation Age 9-12 Years	11/07/2000	
Franklin Templeton Active Allocation Age 13-16 Years	11/27/2000	
Franklin Templeton Active Allocation Age 17-20 Years	11/27/2000	
Franklin Templeton Age 21+ Years	12/07/2000	
Franklin Templeton Growth	11/08/2000	
Franklin Templeton Growth and Income	11/13/2000	
Franklin Templeton Balanced	11/14/2000	

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

2. Significant Accounting Policies**Basis of Accounting**

The accompanying Financial Statements have been prepared in accordance with generally accepted principals and standards of Governmental Accounting Standards Board (“GASB”). As described in GASB Statement No. 34, the Program is a private purpose trust fund, a type of fiduciary fund pursuant to that Statement.

The Program’s Financial Statements are presented on the flow of economic resource, measurement focus and the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. 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. 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.

Pursuant to 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 U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Actual results could differ from the Program management’s estimates.

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

(a) *Security Valuation* – Investments in a mix of Underlying Funds (the “Underlying Funds”) are valued at the closing net asset value per Unit of each Underlying Fund on the day of valuation. The value of the GIC issued by Transamerica (the initial underlying investment for the Principal Plus Portfolio) is the sum of the net cash contributions to the deposit account plus interest credited minus withdrawals (the “Contract Value”).

(b) *Security Transactions and Investment Income* – Security transactions are recorded on 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.

The Program has four investment Sub-Advisors: AIM Capital Management (“AIM”), FranklinTempleton Investments (“Franklin Templeton”), Massachusetts Financial Services Company (“MFS”) and MLIM. As of June 30, 2004, Underlying Fund net expense ratios (excluding Cash Allocation Account) range from approximately .61% to 1.49% for the Underlying Funds managed by MLIM; .89% to 2.00% for the Underlying Funds managed by AIM; .68% to 1.43% for the Underlying Funds managed by Franklin Templeton; and .75% to 1.75% for the Underlying Funds managed by MFS.

(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%

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Notes to Financial Statements (continued)

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.

Each Portfolio seeks to achieve its respective investment objective by investing in a mix of Portfolio Investments (the "Portfolio Investments"), managed by Merrill Lynch Investment Managers or a Sub-Advisor (except for the Principal Plus Portfolio).

All Portfolios are currently offered in the Client Select Series. The Client Select 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 Select Series through certain Maine Distribution Agents. In addition, the MLIM Portfolios are also offered in the Client Direct Series. The Client Direct Series is designed for self-directed investors who are not seeking advice or guidance from a financial advisor. 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 Program Participants 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 (the "Maine Matching Grant Program") which is an investment vehicle designed to segregate in a separate account the Maine Matching Grant Program 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 Select Series currently offers Portfolios that are not available through the Client Direct Series. Expenses associated with the Client Select 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 Adjusted Gross Income is \$50,000 or less in the previous tax year. Matching grants remain the property of FAME and may only be used for withdrawals for Qualified Higher Education Expenses. The Matching Grant Portfolio, including earnings will 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, 2004, the net assets of the Matching Grant Portfolio were \$264,773. The Maine Matching Grant Program consists of an initial matching grant of up to \$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 in FAME's discretion.

4. Program Expenses:

FAME has entered into a Management Agreement with Merrill Lynch. The Management Agreement provided that Merrill Lynch receive 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 Select Series Portfolio with a target equity allocation of less than 40% and (iii) .55% of the average daily Net Asset Value of each Client Select 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.

The Management Agreement provides that FDS receive 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.

In addition, the Management Agreement provides that 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 (the Principal Plus Portfolio's annual rate is .125%) 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

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Notes to Financial Statements (concluded)

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 each Employee Payroll Direct Deposit Relationship Account (the "Account Fee"), a returned check 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 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 that is subject to an Account Fee.

5. Investments:

Investments are reported at fair value and are accounted for by the Program accordingly, with changes in fair value included in investment earnings. The Program's Investments are not subject to classification by the 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.

FAME has approved one investment, the Cash Allocation Account, for Portfolios investing in cash equivalent securities. The Cash Allocation is a separate account that seeks current income, preservation of capital and liquidity. The assets of the Cash Allocation Account are invested in a diversified portfolio of money market securities and Maine CDs. MLIM is responsible for the selection and management of the money market securities, other than Maine CDs.

The Treasurer will select the financial institutions from which any Maine CDs are purchased and is responsible for ensuring that any Maine CDs are insured by the Federal Deposit Insurance Corporation or are fully collateralized. The Treasurer will also determine the percentage of assets of the Cash Allocation Account that is invested in Maine CDs.

The Program's Investments for the Principal Plus Portfolio currently consist of a GIC issued by Transamerica. Transamerica guarantees principal, accumulated interest and a future interest rate to the Portfolio Investment. The commitment to the Portfolio Investment is not secured by any collateral. Under the GIC, Transamerica sets the interest rate and announces every March 1, June 1, September 1 and December 1 the interest rate that will be credited during the following three-month period.

The following represents a calculation of the net increase in the fair value of investments during the period ended June 30, 2004:

Fair value at end of period	\$ 2,518,018,675
Less cost of investments purchased during period	(849,351,054)
Plus cost of investments redeemed during period	280,957,977
Less fair value at beginning of period	<u>(1,652,101,165)</u>
Change in fair value of investments during period	<u>\$ 297,524,433</u>

6. Subsequent Event:

Effective September 20, 2004, the FAME entered into an amended and restated Program Management Agreement with Merrill Lynch, Pierce, Fenner & Smith, additionally the following changes were made to the program:

- 1) OppenheimerFunds, Inc. was named as a Sub-Advisor for the Program and Program Portfolios composed of underlying mutual funds managed by OppenheimerFunds, Inc. were added to the investment options; and
- 2) Portfolios consisting of single underlying mutual funds managed by each of the sub-advisors were added as investment options; and
- 3) A choice of sales charge structures was added to the Client Select Series Portfolios.

The Management, Portfolio Servicing and Administration Fees for the Client Direct and Client Select Series Portfolios were also modified.

* * * * *



Combining Statements

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2004

	Total	MLIM Portfolios	AIM Portfolios	Franklin Templeton Portfolios	MFS Portfolios	Principal Plus Portfolio
Assets:						
Current Assets:						
Investments at fair value	\$ 2,518,018,675	\$ 1,375,142,592	\$ 315,486,842	\$ 440,929,578	\$ 370,219,397	\$ 16,240,266
Dividends receivable	243,417	241,065	280	1,703	369	-
Total assets	<u>2,518,262,092</u>	<u>1,375,383,657</u>	<u>315,487,122</u>	<u>440,931,281</u>	<u>370,219,766</u>	<u>16,240,266</u>
Liabilities:						
Current Liabilities:						
Program expenses payable ...	276,474	140,893	37,780	53,296	42,955	1,550
Total liabilities	<u>276,474</u>	<u>140,893</u>	<u>37,780</u>	<u>53,296</u>	<u>42,955</u>	<u>1,550</u>
Total net assets						
Net assets held for Participants ..	2,517,985,618	1,375,242,764	315,449,342	440,877,985	370,176,811	16,238,716
Total net assets	<u>\$ 2,517,985,618</u>	<u>\$ 1,375,242,764</u>	<u>\$ 315,449,342</u>	<u>\$ 440,877,985</u>	<u>\$ 370,176,811</u>	<u>16,238,716</u>

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2004

	MLIM Active Allocation Age 0-7 Years Portfolio	MLIM Active Allocation Age 8-10 Years Portfolio	MLIM Active Allocation Age 11-13 Years Portfolio	MLIM Active Allocation Age 14-16 Years Portfolio
Assets:				
Current Assets:				
Investments at fair value*	\$ 292,391,305	\$ 136,928,362	\$ 142,349,607	\$ 124,873,144
Dividends receivable	20,587	25,201	36,541	34,382
Total assets	<u>292,411,892</u>	<u>136,953,563</u>	<u>142,386,148</u>	<u>124,907,526</u>
Liabilities:				
Current Liabilities:				
Program expenses payable	31,832	14,651	15,415	13,265
Total liabilities	<u>31,832</u>	<u>14,651</u>	<u>15,415</u>	<u>13,265</u>
Total net assets	<u>\$ 292,380,060</u>	<u>\$ 136,938,912</u>	<u>\$ 142,370,733</u>	<u>\$ 124,894,261</u>
Net Assets Consist of:				
Client Direct Series:				
Net assets	\$ 80,322,723	\$ 43,555,092	\$ 42,022,085	\$ 42,022,150
Units outstanding	7,369,489	3,869,508	3,638,867	3,596,388
Net asset value	<u>\$ 10.90</u>	<u>\$ 11.26</u>	<u>\$ 11.55</u>	<u>\$ 11.68</u>
Client Select Series:				
Net assets	\$ 212,057,337	\$ 93,383,820	\$ 100,348,648	\$ 82,872,111
Units outstanding	21,596,850	8,975,717	9,476,870	7,737,015
Net asset value	<u>\$ 9.82</u>	<u>\$ 10.40</u>	<u>\$ 10.59</u>	<u>\$ 10.71</u>
* Identified cost	<u>\$ 246,431,373</u>	<u>\$ 125,650,847</u>	<u>\$ 132,287,625</u>	<u>\$ 118,144,352</u>

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2004

	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*	\$ 30,226,736	\$ 27,830,474	\$ 29,195,002	\$ 29,451,848
Dividends receivable	-	-	-	-
Total assets	<u>30,226,736</u>	<u>27,830,474</u>	<u>29,195,002</u>	<u>29,451,848</u>
Liabilities:				
Current Liabilities:				
Program expenses payable	3,686	3,389	3,557	3,593
Total liabilities	<u>3,686</u>	<u>3,389</u>	<u>3,557</u>	<u>3,593</u>
Total net assets	<u>\$ 30,223,050</u>	<u>\$ 27,827,085</u>	<u>\$ 29,191,445</u>	<u>\$ 29,448,255</u>
Units outstanding	<u>4,049,748</u>	<u>3,589,730</u>	<u>3,504,140</u>	<u>3,259,801</u>
Net asset value	<u>\$ 7.46</u>	<u>\$ 7.75</u>	<u>\$ 8.33</u>	<u>\$ 9.03</u>
* Identified cost	<u>\$ 25,827,263</u>	<u>\$ 24,128,260</u>	<u>\$ 25,550,673</u>	<u>\$ 26,451,498</u>

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
\$ 57,657,414	\$ 11,841,535	\$ 294,325,036	\$ 230,719,100	\$ 84,057,089	\$ 1,375,142,592
15,431	3,002	-	40,104	65,817	241,065
<u>57,672,845</u>	<u>11,844,537</u>	<u>294,325,036</u>	<u>230,759,204</u>	<u>84,122,906</u>	<u>1,375,383,657</u>
4,562	933	29,118	24,315	6,802	140,893
4,562	933	29,118	24,315	6,802	140,893
<u>\$ 57,668,283</u>	<u>\$ 11,843,604</u>	<u>\$ 294,295,918</u>	<u>\$ 230,734,889</u>	<u>\$ 84,116,104</u>	<u>\$ 1,375,242,764</u>
\$ 23,664,129	\$ 5,249,207	\$ 144,300,834	\$ 81,799,035	\$ 11,108,110	
1,980,381	449,911	15,759,971	8,136,654	873,152	
<u>\$ 11.95</u>	<u>\$ 11.67</u>	<u>\$ 9.16</u>	<u>\$ 10.05</u>	<u>\$ 12.72</u>	
\$ 34,004,154	\$ 6,594,397	\$ 149,995,084	\$ 148,935,854	\$ 73,007,994	
3,090,620	601,988	16,502,546	14,972,060	5,893,846	
<u>\$ 11.00</u>	<u>\$ 10.95</u>	<u>\$ 9.09</u>	<u>\$ 9.95</u>	<u>\$ 12.39</u>	
<u>\$ 54,955,104</u>	<u>\$ 11,605,930</u>	<u>\$ 281,243,207</u>	<u>\$ 216,182,112</u>	<u>\$ 81,197,793</u>	

AIM Active Allocation Age 13-15 Years Portfolio	AIM Active Allocation Age 16-18 Years Portfolio	AIM College Portfolio	AIM Equity Aggressive Growth Portfolio	AIM Equity Growth Portfolio	AIM Growth & Income Portfolio	AIM Totals
\$ 29,607,361	\$ 14,722,293	\$ 2,795,352	\$ 30,044,246	\$ 61,393,016	\$ 60,220,514	\$ 315,486,842
-	185	95	-	-	-	280
<u>29,607,361</u>	<u>14,722,478</u>	<u>2,795,447</u>	<u>30,044,246</u>	<u>61,393,016</u>	<u>60,220,514</u>	<u>315,487,122</u>
3,616	1,206	229	3,672	7,479	7,353	37,780
3,616	1,206	229	3,672	7,479	7,353	37,780
<u>\$ 29,603,745</u>	<u>\$ 14,721,272</u>	<u>\$ 2,795,218</u>	<u>\$ 30,040,574</u>	<u>\$ 61,385,537</u>	<u>\$ 60,213,161</u>	<u>\$ 315,449,342</u>
3,076,255	1,414,707	262,037	4,751,745	7,709,033	6,876,819	
<u>\$ 9.62</u>	<u>\$ 10.41</u>	<u>\$ 10.67</u>	<u>\$ 6.32</u>	<u>\$ 7.96</u>	<u>\$ 8.76</u>	
<u>\$ 27,178,545</u>	<u>\$ 14,057,563</u>	<u>\$ 2,743,771</u>	<u>\$ 25,876,241</u>	<u>\$ 52,951,106</u>	<u>\$ 53,982,826</u>	

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2004

	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*	\$ 100,665,502	\$ 55,415,406
Dividends receivable	-	219
Total assets	<u>100,665,502</u>	<u>55,415,625</u>
Liabilities:		
Current Liabilities:		
Program expenses payable	12,285	6,756
Total liabilities	<u>12,285</u>	<u>6,756</u>
Total net assets	<u>\$ 100,653,217</u>	<u>\$ 55,408,869</u>
Units outstanding	<u>10,964,693</u>	<u>5,717,993</u>
Net asset value	<u>\$ 9.18</u>	<u>\$ 9.69</u>
* <i>Identified cost</i>	<u>\$ 87,576,978</u>	<u>\$ 49,933,029</u>

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2004

	MFS Active Allocation Age 0-5 Years Portfolio	MFS Active Allocation Age 6-10 Years Portfolio
Assets:		
Current Assets:		
Investments at fair value*	\$ 66,349,354	\$ 65,907,736
Dividends receivable	-	-
Total assets	<u>66,349,354</u>	<u>65,907,736</u>
Liabilities:		
Current Liabilities:		
Program expenses payable	8,110	8,064
Total liabilities	<u>8,110</u>	<u>8,064</u>
Total net assets	<u>\$ 66,341,244</u>	<u>\$ 65,899,672</u>
Units outstanding	<u>9,207,125</u>	<u>8,100,973</u>
Net asset value	<u>\$ 7.21</u>	<u>\$ 8.13</u>
* <i>Identified cost</i>	<u>\$ 58,228,810</u>	<u>\$ 59,563,706</u>

Franklin Templeton Active Allocation Age 13-16 Years Portfolio	Franklin Templeton Active Allocation Age 17-20 Years Portfolio	Franklin Templeton Age 21+ Years Portfolio	Franklin Templeton Growth Portfolio	Franklin Templeton Growth and Income Portfolio	Franklin Templeton Balanced Portfolio	Franklin Templeton Totals
\$ 49,782,046	\$ 13,919,813	\$ 1,012,161	\$ 67,835,984	\$ 84,022,637	\$ 68,276,029	\$440,929,578
404	174	17	-	333	556	1,703
<u>49,782,450</u>	<u>13,919,987</u>	<u>1,012,178</u>	<u>67,835,984</u>	<u>84,022,970</u>	<u>68,276,585</u>	<u>440,931,281</u>
6,087	1,135	81	8,300	10,288	8,364	53,296
<u>6,087</u>	<u>1,135</u>	<u>81</u>	<u>8,300</u>	<u>10,288</u>	<u>8,364</u>	<u>53,296</u>
\$ 49,776,363	\$ 13,918,852	\$ 1,012,097	\$ 67,827,684	\$ 84,012,682	\$ 68,268,221	\$440,877,985
<u>4,571,785</u>	<u>1,198,599</u>	<u>83,421</u>	<u>7,426,657</u>	<u>8,213,082</u>	<u>6,378,525</u>	
\$ 10.89	\$ 11.61	\$ 12.13	\$ 9.13	\$ 10.23	\$ 10.70	
\$ 46,264,851	\$ 13,461,366	\$ 1,024,988	\$ 60,159,454	\$ 75,861,114	\$ 63,168,355	

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 Age 18+ Years Portfolio	MFS Equity Portfolio	MFS Fixed Income Portfolio	MFS Totals
\$ 39,735,805	\$ 24,728,943	\$ 16,932,848	\$ 8,954,391	\$ 115,912,061	\$ 31,698,259	\$370,219,397
-	-	141	228	-	-	369
<u>39,735,805</u>	<u>24,728,943</u>	<u>16,932,989</u>	<u>8,954,619</u>	<u>115,912,061</u>	<u>31,698,259</u>	<u>370,219,766</u>
4,864	3,030	1,380	733	14,185	2,589	42,955
<u>4,864</u>	<u>3,030</u>	<u>1,380</u>	<u>733</u>	<u>14,185</u>	<u>2,589</u>	<u>42,955</u>
\$ 39,730,941	\$ 24,725,913	\$ 16,931,609	\$ 8,953,886	\$ 115,897,876	\$ 31,695,670	\$370,176,811
<u>4,205,332</u>	<u>2,414,922</u>	<u>1,537,399</u>	<u>821,840</u>	<u>16,063,039</u>	<u>2,669,971</u>	
\$ 9.45	\$ 10.24	\$ 11.01	\$ 10.89	\$ 7.22	\$ 11.87	
\$ 36,727,291	\$ 23,271,296	\$ 16,456,868	\$ 8,772,745	\$ 105,498,848	\$ 31,772,769	

NextGen College Investing Plan®

Combining Statements of Fiduciary Net Assets as of June 30, 2004

	Principal Plus Portfolio
Assets:	
Current Assets:	
Investments at contract value/fair value*	\$ 16,240,266
Dividends receivable	-
Total assets	<u>16,240,266</u>
Liabilities:	
Current Liabilities:	
Program expenses payable	1,550
Total liabilities	<u>1,550</u>
Total net assets	<u>\$ 16,238,716</u>
 Net Assets Consist of:	
Client Direct Series:	
Net assets	\$ 1,745,265
Units outstanding	<u>170,781</u>
Net asset value	<u>\$ 10.22</u>
Client Select Series:	
Net assets	\$ 14,493,451
Units outstanding	<u>1,421,221</u>
Net asset value	<u>\$ 10.20</u>
* <i>Identified cost</i>	<u>\$ 16,240,266</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Assets for the Period Ended June 30, 2004

	Total	MLIM Portfolios	AIM Portfolios	Franklin Templeton Portfolios	MFS Portfolios	Principal Plus Portfolio*
<i>Increase (Decrease) in Net Assets:</i>						
Additions						
Contributions:						
Participants**	\$ 976,268,814	\$ 492,159,368	\$ 127,817,900	\$ 193,812,855	\$ 145,194,686	\$ 17,284,005
Total contributions	<u>976,268,814</u>	<u>492,159,368</u>	<u>127,817,900</u>	<u>193,812,855</u>	<u>145,194,686</u>	<u>17,284,005</u>
Investment income:						
Net increase in fair value of investments.....	297,524,433	175,544,683	38,594,608	43,382,618	40,002,524	-
Net realized loss on sale of investments.....	(21,552,565)	(15,634,375)	(1,942,070)	(533,371)	(3,442,749)	-
Dividends.....	28,812,427	15,586,474	1,914,787	6,208,330	5,102,836	-
Interest	215,630	-	-	-	-	215,630
Capital gains distributions from investments.....	29,214	-	29,214	-	-	-
Total investment income	<u>305,029,139</u>	<u>175,496,782</u>	<u>38,596,539</u>	<u>49,057,577</u>	<u>41,662,611</u>	<u>215,630</u>
Total additions	<u>1,281,297,953</u>	<u>667,656,150</u>	<u>166,414,439</u>	<u>242,870,432</u>	<u>186,857,297</u>	<u>17,499,635</u>
Deductions						
Program withdrawals***	399,196,918	233,679,566	51,717,889	44,606,096	67,978,938	1,214,429
Management fees	9,399,943	4,576,621	1,387,317	1,848,650	1,573,991	13,364
Portfolio servicing fees.....	4,212,553	2,345,673	522,319	687,280	632,508	24,773
Maine administration fees.....	3,149,189	1,759,254	391,739	515,460	474,383	8,353
Total deductions	<u>415,958,603</u>	<u>242,361,114</u>	<u>54,019,264</u>	<u>47,657,486</u>	<u>70,659,820</u>	<u>1,260,919</u>
Change in net assets held for						
Participants.....	865,339,350	425,295,036	112,395,175	195,212,946	116,197,477	16,238,716
Net assets at beginning 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>	-
Net assets at end of year	<u>\$ 2,517,985,618</u>	<u>\$ 1,375,242,764</u>	<u>\$ 315,449,342</u>	<u>\$ 440,877,985</u>	<u>\$ 370,176,811</u>	<u>16,238,716</u>

* For the period September 9, 2003 (commencement of operations) to June 30, 2004.

** Contributions include both (1) any contributions to the NextGen Program made by Participants and (2) any exchanges among Portfolios within the NextGen Program that result in a reinvestment of assets.

*** Program withdrawals include both (1) any Participant withdrawals from the Program, and (2) any exchanges among Portfolios within the NextGen Program.

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Year Ended June 30, 2004

	MLIM Active Allocation Age 0-7 Years Portfolio	MLIM Active Allocation Age 8-10 Years Portfolio	MLIM Active Allocation Age 11-13 Years Portfolio
<i>Increase (Decrease) in Net Assets:</i>			
Additions			
Contributions:			
Client Direct Series Participants	\$ 13,320,205	\$ 16,882,838	\$ 16,506,225
Client Select Series Participants	88,881,264	50,799,288	53,905,602
Total contributions	<u>102,201,469</u>	<u>67,682,126</u>	<u>70,411,827</u>
Investment income (loss):			
Net increase/decrease in fair value of investments	46,844,291	17,595,324	14,840,375
Net realized gain (loss) on sale of investments	(7,680,166)	(1,573,825)	(1,192,640)
Dividends	2,043,131	1,540,356	1,936,400
Total investment income	<u>41,207,256</u>	<u>17,561,855</u>	<u>15,584,135</u>
Total additions	<u>143,408,725</u>	<u>85,243,981</u>	<u>85,995,962</u>
Deductions			
Client Direct Series withdrawals	15,842,273	13,801,704	16,245,147
Client Select Series withdrawals	23,894,965	22,932,164	24,286,367
Management fees - Client Direct Series	141,750	79,232	78,434
Management fees - Client Select Series	866,803	400,782	442,626
Portfolio servicing fees	456,951	224,972	239,389
Maine administration fees	342,713	168,729	179,541
Total deductions	<u>41,545,455</u>	<u>37,607,583</u>	<u>41,471,504</u>
Change in net assets held for Participants	101,863,270	47,636,398	44,524,458
Net assets at beginning of year	190,516,790	89,302,514	97,846,275
Net assets at end of year	<u>\$ 292,380,060</u>	<u>\$ 136,938,912</u>	<u>\$ 142,370,733</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Year Ended June 30, 2004

	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 Assets:</i>				
Additions				
Contributions:				
Participants	\$ 13,173,545	\$ 14,426,550	\$ 15,079,222	\$ 15,450,978
Total contributions	<u>13,173,545</u>	<u>14,426,550</u>	<u>15,079,222</u>	<u>15,450,978</u>
Investment income (loss):				
Net increase in fair value of investments	4,224,608	3,848,511	3,880,563	3,318,028
Net realized gain (loss) on sale of investments	(470,478)	(286,448)	(283,299)	(347,261)
Dividends	-	51,028	108,802	282,687
Capital gain distributions from investments	3,013	2,784	2,656	2,427
Total investment income	<u>3,757,143</u>	<u>3,615,875</u>	<u>3,708,722</u>	<u>3,255,881</u>
Total additions	<u>16,930,688</u>	<u>18,042,425</u>	<u>18,787,944</u>	<u>18,706,859</u>
Deductions				
Portfolio withdrawals	6,104,952	6,826,633	7,565,167	8,883,068
Management fees	122,485	121,390	129,137	132,753
Portfolio servicing fees	44,540	44,142	46,959	48,274
Maine administration fees	33,405	33,106	35,219	36,205
Total deductions	<u>6,305,382</u>	<u>7,025,271</u>	<u>7,776,482</u>	<u>9,100,300</u>
Change in net assets held for Participants	10,625,306	11,017,154	11,011,462	9,606,559
Net assets at beginning of year	19,597,744	16,809,931	18,179,983	19,841,696
Net assets at end of year	<u>\$ 30,223,050</u>	<u>\$ 27,827,085</u>	<u>\$ 29,191,445</u>	<u>\$ 29,448,255</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
\$ 17,589,954	\$ 12,406,995	\$ 4,263,009	\$ 16,594,871	\$ 9,624,795	\$ 2,496,994	\$ 109,685,886
45,964,636	22,002,521	6,446,931	48,800,973	45,624,032	20,048,235	382,473,482
<u>63,554,590</u>	<u>34,409,516</u>	<u>10,709,940</u>	<u>65,395,844</u>	<u>55,248,827</u>	<u>22,545,229</u>	<u>492,159,368</u>
9,595,100	3,426,929	118,138	52,908,323	31,140,195	(923,992)	175,544,683
(587,745)	(430,451)	162,648	(3,038,304)	(1,665,203)	371,311	(15,634,375)
1,746,744	814,848	171,799	1,651,745	2,672,198	3,009,253	15,586,474
<u>10,754,099</u>	<u>3,811,326</u>	<u>452,585</u>	<u>51,521,764</u>	<u>32,147,190</u>	<u>2,456,572</u>	<u>175,496,782</u>
<u>74,308,689</u>	<u>38,220,842</u>	<u>11,162,525</u>	<u>116,917,608</u>	<u>87,396,017</u>	<u>25,001,801</u>	<u>667,656,150</u>
12,903,706	8,798,644	3,189,192	15,207,627	8,676,705	2,962,846	97,627,844
17,412,639	8,579,583	4,126,871	10,074,394	8,917,562	15,827,177	136,051,722
79,116	48,391	12,537	268,062	153,649	22,424	883,595
378,736	77,789	17,326	659,345	672,388	177,231	3,693,026
216,839	110,623	26,398	507,824	398,154	164,523	2,345,673
162,629	82,967	19,799	380,869	298,615	123,392	1,759,254
<u>31,153,665</u>	<u>17,697,997</u>	<u>7,392,123</u>	<u>27,098,121</u>	<u>19,117,073</u>	<u>19,277,593</u>	<u>242,361,114</u>
43,155,024	20,522,845	3,770,402	89,819,487	68,278,944	5,724,208	425,295,036
81,739,237	37,145,438	8,073,202	204,476,431	162,455,945	78,391,896	949,947,728
<u>\$ 124,894,261</u>	<u>\$ 57,668,283</u>	<u>\$ 11,843,604</u>	<u>\$ 294,295,918</u>	<u>\$ 230,734,889</u>	<u>\$ 84,116,104</u>	<u>\$1,375,242,764</u>

AIM Active Allocation Age 13-15 Years Portfolio	AIM Active Allocation Age 16-18 Years Portfolio	AIM College Portfolio	AIM Equity Aggressive Growth Portfolio	AIM Equity Growth Portfolio	AIM Growth & Income Portfolio	AIM Totals
\$ 15,740,105	\$ 8,915,915	\$ 2,418,232	\$ 9,538,645	\$ 15,975,807	\$ 17,098,901	\$127,817,900
<u>15,740,105</u>	<u>8,915,915</u>	<u>2,418,232</u>	<u>9,538,645</u>	<u>15,975,807</u>	<u>17,098,901</u>	<u>127,817,900</u>
2,434,242	572,457	24,914	4,394,378	9,103,290	6,793,617	38,594,608
(141,622)	(23,278)	32,627	(10,533)	(16,786)	(394,992)	(1,942,070)
476,102	332,827	63,042	-	-	600,299	1,914,787
1,847	410	47	3,471	7,363	5,196	29,214
<u>2,770,569</u>	<u>882,416</u>	<u>120,630</u>	<u>4,387,316</u>	<u>9,093,867</u>	<u>7,004,120</u>	<u>38,596,539</u>
<u>18,510,674</u>	<u>9,798,331</u>	<u>2,538,862</u>	<u>13,925,961</u>	<u>25,069,674</u>	<u>24,103,021</u>	<u>166,414,439</u>
6,449,671	3,135,936	1,266,284	2,128,373	4,068,202	5,289,603	51,717,889
138,194	33,499	7,387	136,228	283,573	282,671	1,387,317
50,252	26,799	5,910	49,537	103,117	102,789	522,319
37,689	20,100	4,432	37,153	77,338	77,092	391,739
<u>6,675,806</u>	<u>3,216,334</u>	<u>1,284,013</u>	<u>2,351,291</u>	<u>4,532,230</u>	<u>5,752,155</u>	<u>54,019,264</u>
11,834,868	6,581,997	1,254,849	11,574,670	20,537,444	18,350,866	112,395,175
17,768,877	8,139,275	1,540,369	18,465,904	40,848,093	41,862,295	203,054,167
<u>\$ 29,603,745</u>	<u>\$ 14,721,272</u>	<u>\$ 2,795,218</u>	<u>\$ 30,040,574</u>	<u>\$ 61,385,537</u>	<u>\$ 60,213,161</u>	<u>\$315,449,342</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Year Ended June 30, 2004

<i>Increase (Decrease) in Net Assets:</i>	Franklin Templeton Active Allocation Age 0-8 Years Portfolio	Franklin Templeton Active Allocation Age 9-12 Years Portfolio
Additions		
Contributions:		
Participants	\$ 46,885,110	\$ 30,032,533
Total contributions.....	<u>46,885,110</u>	<u>30,032,533</u>
Investment income (loss):		
Net increase (decrease) in fair value of investments.....	12,772,231	5,386,797
Net realized gain (loss) on sale of investments	(682,426)	(85,119)
Dividends	680,362	761,577
Capital gain distributions from investments	-	-
Total investment income	<u>12,770,167</u>	<u>6,063,255</u>
Total additions	<u>59,655,277</u>	<u>36,095,788</u>
Deductions		
Portfolio withdrawals.....	10,654,431	11,011,004
Management fees.....	397,786	232,742
Portfolio servicing fees	144,650	84,633
Maine administration fees	<u>108,487</u>	<u>63,475</u>
Total deductions	<u>11,305,354</u>	<u>11,391,854</u>
Change in net assets held for Participants	48,349,923	24,703,934
Net assets at beginning of year.....	<u>52,303,294</u>	<u>30,704,935</u>
Net assets at end of year	<u>\$ 100,653,217</u>	<u>\$ 55,408,869</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Year Ended June 30, 2004

<i>Increase (Decrease) in Net Assets:</i>	MFS Active Allocation Age 0-5 Years Portfolio	MFS Active Allocation Age 6-10 Years Portfolio
Additions		
Contributions:		
Participants.....	\$ 25,108,896	\$ 27,860,176
Total contributions.....	<u>25,108,896</u>	<u>27,860,176</u>
Investment income:		
Net increase (decrease) in fair value of investments.....	9,848,649	7,874,680
Net realized gain (loss) on sale of investments	(1,326,893)	(593,347)
Dividends	203,335	774,940
Total investment income	<u>8,725,091</u>	<u>8,056,273</u>
Total additions	<u>33,833,987</u>	<u>35,916,449</u>
Deductions		
Portfolio withdrawals.....	10,561,765	12,358,530
Management fees.....	285,230	296,558
Portfolio servicing fees.....	103,720	107,839
Maine administration fees.....	<u>77,790</u>	<u>80,879</u>
Total deductions	<u>11,028,505</u>	<u>12,843,806</u>
Change in net assets held for Participants	22,805,482	23,072,643
Net assets beginning of year.....	<u>43,535,762</u>	<u>42,827,029</u>
Net assets at end of year	<u>\$ 66,341,244</u>	<u>\$ 65,899,672</u>

Franklin Templeton Active Allocation Age 13-16 Years Portfolio	Franklin Templeton Active Allocation Age 17-20 Years Portfolio	Franklin Templeton Age 21+ Years Portfolio	Franklin Templeton Growth Portfolio	Franklin Templeton Growth and Income Portfolio	Franklin Templeton Balanced Portfolio	Franklin Templeton Totals
\$ 25,469,152	\$ 8,873,475	\$ 905,727	\$ 26,135,320	\$ 30,757,612	\$ 24,753,926	\$193,812,855
<u>25,469,152</u>	<u>8,873,475</u>	<u>905,727</u>	<u>26,135,320</u>	<u>30,757,612</u>	<u>24,753,926</u>	<u>193,812,855</u>
3,071,403	215,614	(39,191)	9,152,216	8,669,364	4,154,184	43,382,618
162,338	199,607	17,645	(265,047)	(94,540)	214,171	(533,371)
1,086,082	458,225	42,403	484,351	1,212,047	1,483,283	6,208,330
-	-	-	-	-	-	-
<u>4,319,823</u>	<u>873,446</u>	<u>20,857</u>	<u>9,371,520</u>	<u>9,786,871</u>	<u>5,851,638</u>	<u>49,057,577</u>
<u>29,788,975</u>	<u>9,746,921</u>	<u>926,584</u>	<u>35,506,840</u>	<u>40,544,483</u>	<u>30,605,564</u>	<u>242,870,432</u>
6,648,759	2,857,299	616,687	3,117,091	5,873,076	3,827,749	44,606,096
222,840	32,154	2,322	286,316	371,392	303,098	1,848,650
81,033	25,723	1,858	104,115	135,051	110,217	687,280
60,775	19,292	1,393	78,086	101,289	82,663	515,460
<u>7,013,407</u>	<u>2,934,468</u>	<u>622,260</u>	<u>3,585,608</u>	<u>6,480,808</u>	<u>4,323,727</u>	<u>47,657,486</u>
22,775,568	6,812,453	304,324	31,921,232	34,063,675	26,281,837	195,212,946
27,000,795	7,106,399	707,773	35,906,452	49,949,007	41,986,384	245,665,039
<u>\$ 49,776,363</u>	<u>\$ 13,918,852</u>	<u>\$ 1,012,097</u>	<u>\$ 67,827,684</u>	<u>\$ 84,012,682</u>	<u>\$ 68,268,221</u>	<u>\$440,877,985</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 Age 18+ Years Portfolio	MFS Equity Portfolio	MFS Fixed Income Portfolio	MFS Totals
\$ 19,892,263	\$ 15,727,653	\$ 11,141,963	\$ 6,266,667	\$ 30,243,014	\$ 8,954,054	\$145,194,686
<u>19,892,263</u>	<u>15,727,653</u>	<u>11,141,963</u>	<u>6,266,667</u>	<u>30,243,014</u>	<u>8,954,054</u>	<u>145,194,686</u>
3,290,809	1,258,039	300,078	91,761	18,229,284	(890,776)	40,002,524
(221,262)	(16,178)	7,486	49,129	(1,337,563)	(4,121)	(3,442,749)
801,267	653,464	514,402	254,818	385,077	1,515,533	5,102,836
3,870,814	1,895,325	821,966	395,708	17,276,798	620,636	41,662,611
<u>23,763,077</u>	<u>17,622,978</u>	<u>11,963,929</u>	<u>6,662,375</u>	<u>47,519,812</u>	<u>9,574,690</u>	<u>186,857,297</u>
11,741,234	9,365,054	5,430,423	3,186,681	9,489,168	5,846,083	67,978,938
186,474	121,405	38,853	22,949	546,483	76,039	1,573,991
67,809	44,147	31,082	18,359	198,721	60,831	632,508
50,856	33,111	23,312	13,770	149,041	45,624	474,383
<u>12,046,373</u>	<u>9,563,717</u>	<u>5,523,670</u>	<u>3,241,759</u>	<u>10,383,413</u>	<u>6,028,577</u>	<u>70,659,820</u>
11,716,704	8,059,261	6,440,259	3,420,616	37,136,399	3,546,113	116,197,477
28,014,237	16,666,652	10,491,350	5,533,270	78,761,477	28,149,557	253,979,334
<u>\$ 39,730,941</u>	<u>\$ 24,725,913</u>	<u>\$ 16,931,609</u>	<u>\$ 8,953,886</u>	<u>\$ 115,897,876</u>	<u>\$ 31,695,670</u>	<u>\$370,176,811</u>

NextGen College Investing Plan®

Combining Statements of Changes in Fiduciary Net Assets for the Period Ended June 30, 2004

	Principal Plus Portfolio* Total
<i>Increase in Net Assets:</i>	
Additions	
Contributions:	
Client Direct Series Participants.....	\$ 2,255,088
Client Select Series Participants	15,028,917
Total contributions.....	<u>17,284,005</u>
Investment income:	
Interest.....	215,630
Total investment income	<u>215,630</u>
Total additions	<u>17,499,635</u>
Deductions	
Client Direct Series withdrawals	536,441
Client Select Series withdrawals.....	677,988
Management fees - Client Direct Series	1,956
Management fees - Client Select Series	11,408
Portfolio servicing fees	24,773
Maine administration fees	8,353
Total deductions	<u>1,260,919</u>
Change in net assets held for Participants	16,238,716
Net assets at beginning of period.....	-
Net assets at end of period	<u>\$ 16,238,716</u>

* For the period September 9, 2003 (commencement of operations) to June 30, 2004.

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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, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 91.0%	1,324,876	Merrill Lynch Basic Value Fund, Inc. (Class A)	\$ 42,051,553
	2,434,621	Merrill Lynch Fundamental Growth Fund, Inc. (Class A)	40,585,127
	3,072,932	Merrill Lynch International Equity Fund (Class A)	26,795,972
	2,816,025	Merrill Lynch International Index Fund (Class A)	28,075,771
	3,671,761	Merrill Lynch Large Cap Core Fund (Class A)	41,013,567
	2,861,118	Merrill Lynch S&P 500 Index Fund (Class A)	40,170,105
	893,318	Merrill Lynch Small Cap Fund, Inc. (Class A)	24,253,575
	1,989,530	Merrill Lynch Small Cap Growth Fund (Class A)	23,058,653
		Total Investments in Equity Funds (Cost - \$220,798,316)	266,004,323
Fixed Income Funds - 9.0%	1,795,107	Merrill Lynch Bond Fund, Inc., Core Bond Portfolio (Class A)	20,769,386
	1,103,653	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A)	5,617,596
		Total Investments in Fixed Income Funds (Cost - \$25,633,057)	26,386,982
		Total Investments (Cost - \$246,431,373) - 100.0%	292,391,305
		Liabilities in Excess of Other Assets - 0.0%	(11,245)
		Net Assets - 100.0%	\$ 292,380,060

MLIM Active Allocation Age 8-10 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 76.2%	542,741	Merrill Lynch Basic Value Fund, Inc. (Class A)	\$ 17,226,613
	995,719	Merrill Lynch Fundamental Growth Fund, Inc. (Class A)	16,598,643
	1,304,619	Merrill Lynch International Equity Fund (Class A)	11,376,277
	1,049,376	Merrill Lynch International Index Fund (Class A)	10,462,280
	1,501,435	Merrill Lynch Large Cap Core Fund (Class A)	16,771,025
	1,168,508	Merrill Lynch S&P 500 Index Fund (Class A)	16,405,860
	320,261	Merrill Lynch Small Cap Fund, Inc. (Class A)	8,695,097
	592,975	Merrill Lynch Small Cap Growth Fund (Class A)	6,872,581
		Total Investments in Equity Funds (Cost - \$93,990,200)	104,408,376
Fixed Income Funds - 23.8%	2,233,000	Merrill Lynch Bond Fund, Inc., Core Bond Portfolio (Class A)	25,835,814
	1,313,197	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A)	6,684,172
		Total Investments in Fixed Income Funds (Cost - \$31,660,647)	32,519,986
		Total Investments (Cost - \$125,650,847) - 100.0%	136,928,362
		Other Assets Less Liabilities - 0.0%	10,550
		Net Assets - 100.0%	\$ 136,938,912

MLIM Active Allocation Age 11-13 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 61.0%	432,155	Merrill Lynch Basic Value Fund, Inc. (Class A)	\$ 13,716,612
	792,485	Merrill Lynch Fundamental Growth Fund, Inc. (Class A)	13,210,728
	1,039,389	Merrill Lynch International Equity Fund (Class A)	9,063,472
	956,304	Merrill Lynch International Index Fund (Class A)	9,534,347
	1,195,092	Merrill Lynch Large Cap Core Fund (Class A)	13,349,181
	929,732	Merrill Lynch S&P 500 Index Fund (Class A)	13,053,441
	283,331	Merrill Lynch Small Cap Fund, Inc. (Class A)	7,692,442
	628,991	Merrill Lynch Small Cap Growth Fund (Class A)	7,289,999
		Total Investments in Equity Funds (Cost - \$78,141,625)	86,910,222
Fixed Income Funds - 31.7%	3,041,130	Merrill Lynch Bond Fund, Inc., Core Bond Portfolio (Class A)	35,185,871
	1,951,397	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A)	9,932,609
	Total Investments in Fixed Income Funds (Cost - \$43,825,095)	45,118,480	
Money Market Account - 7.3%	10,320,905	Cash Allocation Account	10,320,905
		Total Investments in Money Market Account (Cost - \$10,320,905)	10,320,905
		Total Investments (Cost - \$132,287,625) - 100%	142,349,607
		Other Assets Less Liabilities - 0.0%	21,126
		Net Assets - 100.0%	\$ 142,370,733

MLIM Active Allocation Age 14-16 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 45.4%	302,837	Merrill Lynch Basic Value Fund, Inc. (Class A)	\$ 9,612,043
	554,947	Merrill Lynch Fundamental Growth Fund, Inc. (Class A)	9,250,960
	624,143	Merrill Lynch International Equity Fund (Class A)	5,442,527
	575,279	Merrill Lynch International Index Fund (Class A)	5,735,536
	836,517	Merrill Lynch Large Cap Core Fund (Class A)	9,343,895
	650,466	Merrill Lynch S&P 500 Index Fund (Class A)	9,132,546
	153,169	Merrill Lynch Small Cap Fund, Inc. (Class A)	4,158,532
	339,699	Merrill Lynch Small Cap Growth Fund (Class A)	3,937,113
	Total Investments in Equity Funds (Cost - \$51,009,025)	56,613,152	
Fixed Income Funds - 32.4%	2,727,558	Merrill Lynch Bond Fund, Inc., Core Bond Portfolio (Class A)	31,557,852
	1,754,739	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A)	8,931,619
	Total Investments in Fixed Income Funds (Cost - \$39,364,806)	40,489,471	
Money Market Account - 22.2%	27,770,521	Cash Allocation Account	27,770,521
		Total Investments in Money Market Account (Cost - \$27,770,521)	27,770,521
		Total Investments (Cost - \$118,144,352) - 100%	124,873,144
		Other Assets Less Liabilities - 0.0%	21,117
		Net Assets - 100.0%	\$ 124,894,261

MLIM Active Allocation Age 17-19 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 29.0%	82,680	Merrill Lynch Basic Value Fund, Inc. (Class A)	\$ 2,624,252
	151,260	Merrill Lynch Fundamental Growth Fund, Inc. (Class A).....	2,521,498
	149,083	Merrill Lynch International Equity Fund (Class A)	1,300,005
	206,955	Merrill Lynch International Index Fund (Class A).....	2,063,337
	227,915	Merrill Lynch Large Cap Core Fund (Class A)	2,545,808
	176,922	Merrill Lynch S&P 500 Index Fund (Class A)	2,483,987
	48,794	Merrill Lynch Small Cap Fund, Inc. (Class A)	1,324,768
	161,906	Merrill Lynch Small Cap Growth Fund (Class A)	1,876,489
		Total Investments in Equity Funds (Cost - \$14,456,753).....	16,740,144
Fixed Income Funds - 29.3%	1,145,314	Merrill Lynch Bond Fund, Inc., Core Bond Portfolio (Class A)	13,251,282
	715,296	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A).....	3,640,859
		Total Investments in Fixed Income Funds (Cost - \$16,473,222).....	16,892,141
Money Market Account -41.7%	24,025,129	Cash Allocation Account	24,025,129
		Total Investments in Money Market Account (Cost - \$24,025,129).....	24,025,129
		Total Investments (Cost - \$54,955,104) - 100.0%	57,657,414
		Other Assets Less Liabilities - 0.0%	10,869
		Net Assets - 100.0%.....	<u>\$ 57,668,283</u>

MLIM Active Allocation Age 20+ Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 11.5%	4,363	Merrill Lynch Basic Value Fund, Inc. (Class A)	\$ 138,473
	7,989	Merrill Lynch Fundamental Growth Fund, Inc. (Class A).....	133,173
	15,733	Merrill Lynch International Equity Fund (Class A)	137,195
	14,554	Merrill Lynch International Index Fund (Class A).....	145,109
	24,080	Merrill Lynch Large Cap Core Fund (Class A)	268,974
	18,684	Merrill Lynch S&P 500 Index Fund (Class A)	262,329
	5,152	Merrill Lynch Small Cap Fund, Inc. (Class A)	139,878
	11,414	Merrill Lynch Small Cap Growth Fund (Class A)	132,284
		Total Investments in Equity Funds (Cost - \$1,117,009).....	1,357,415
Fixed Income Funds - 25.1%	201,865	Merrill Lynch Bond Fund, Inc., Core Bond Portfolio (Class A)	2,335,581
	125,926	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A).....	640,961
		Total Investments in Fixed Income Funds (Cost - \$2,981,343).....	2,976,542
Money Market Account -63.4%	7,507,578	Cash Allocation Account	7,507,578
		Total Investments in Money Market Account (Cost - \$7,507,578).....	7,507,578
		Total Investments (Cost - \$11,605,930) - 100.0%	11,841,535
		Other Assets Less Liabilities - 0.0%	2,069
		Net Assets - 100.0%.....	<u>\$ 11,843,604</u>

MLIM 100% Equity Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	1,510,629	Merrill Lynch Basic Value Fund, Inc. (Class A)	\$ 47,947,359
	2,767,746	Merrill Lynch Fundamental Growth Fund, Inc. (Class A)	46,138,317
	3,405,202	Merrill Lynch International Equity Fund (Class A)	29,693,365
	3,142,237	Merrill Lynch International Index Fund (Class A)	31,328,106
	4,170,952	Merrill Lynch Large Cap Core Fund (Class A)	46,589,534
	3,241,757	Merrill Lynch S&P 500 Index Fund (Class A)	45,514,274
	891,569	Merrill Lynch Small Cap Fund, Inc. (Class A)	24,206,105
	1,976,530	Merrill Lynch Small Cap Growth Fund (Class A)	22,907,976
		Total Investments (Cost - \$281,243,207) - 100.0%	294,325,036
		Liabilities in Excess of Other Assets - 0.0%	(29,118)
		Net Assets - 100.0%	<u>\$ 294,295,918</u>

MLIM 75% Equity Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 77.3%	914,855	Merrill Lynch Basic Value Fund, Inc. (Class A)	\$ 29,037,491
	1,676,600	Merrill Lynch Fundamental Growth Fund, Inc. (Class A)	27,948,916
	1,924,619	Merrill Lynch International Equity Fund (Class A)	16,782,679
	2,028,168	Merrill Lynch International Index Fund (Class A)	20,220,838
	2,526,858	Merrill Lynch Large Cap Core Fund (Class A)	28,225,008
	1,964,563	Merrill Lynch S&P 500 Index Fund (Class A)	27,582,466
	539,858	Merrill Lynch Small Cap Fund, Inc. (Class A)	14,657,135
	1,197,436	Merrill Lynch Small Cap Growth Fund (Class A)	13,878,278
		Total Investments in Equity Funds (Cost - \$165,284,073)	178,332,811
Fixed Income Funds - 21.8%	3,379,965	Merrill Lynch Bond Fund, Inc., Core Bond Portfolio (Class A)	39,106,194
	2,208,628	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A)	11,241,918
		Total Investments in Fixed Income Funds (Cost - \$48,859,862)	50,348,112
Money Market Account -0.9%	2,038,177	Cash Allocation Account	2,038,177
		Total Investments in Money Market Account (Cost - \$2,038,177)	2,038,177
		Total Investments (Cost - \$216,182,112) - 100.0%	230,719,100
		Other Assets Less Liabilities - 0.0%	15,789
		Net Assets - 100.0%	<u>\$ 230,734,889</u>

MLIM Fixed Income Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Fixed Income Funds - 99.0%	5,629,121	Merrill Lynch Bond Fund, Inc., Core Bond Portfolio (Class A)	\$ 65,128,931
	3,558,536	Merrill Lynch Bond Fund, Inc., High Income Portfolio (Class A)	18,112,948
		Total Investments in Fixed Income Funds (Cost - \$80,382,583)	83,241,879
Money Market Account -1.0%	815,210	Cash Allocation Account.....	815,210
		Total Investments in Money Market Account (Cost - \$815,210)	815,210
		Total Investments (Cost - \$81,197,793) - 100.0%.....	84,057,089
		Other Assets Less Liabilities - 0.0%.....	59,015
		Net Assets - 100.0%.....	<u>\$ 84,116,104</u>

AIM Active Allocation Age 0-3 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	170,212	AIM Basic Value Fund (Class A)	\$ 5,235,719
	485,667	AIM Blue Chip Fund (Class A)	5,468,611
	255,667	AIM Constellation Fund (Class A)	5,604,217
	184,374	AIM International Growth Fund (Class A)	3,180,448
	531,879	AIM Large Cap Growth Fund (Class A)	5,095,406
	193,629	AIM Mid-Cap Core Equity (Class A)	5,642,335
		Total Investments (Cost - \$25,827,263) - 100.0%	30,226,736
		Liabilities in Excess of Other Assets - 0.0%	(3,686)
		Net Assets - 100.0%	<u>\$ 30,223,050</u>

AIM Active Allocation Age 4-6 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 95.5%	157,891	AIM Basic Value Fund (Class A)	\$ 4,856,711
	448,676	AIM Blue Chip Fund (Class A)	5,052,092
	224,255	AIM Constellation Fund (Class A)	4,915,680
	154,832	AIM International Growth Fund (Class A)	2,670,848
	462,921	AIM Large Cap Growth Fund (Class A)	4,434,787
	159,728	AIM Mid-Cap Core Equity (Class A)	4,654,466
		Total Investments in Equity Funds (Cost - \$22,850,014)	26,584,584
Fixed Income Fund - 4.5%	138,586	AIM Intermediate Government Fund (Class A)	1,245,890
		Total Investment in Fixed Income Fund (Cost - \$1,278,246)	1,245,890
		Total Investments (Cost - \$24,128,260) - 100.0%	27,830,474
		Liabilities in Excess of Other Assets - 0.0%	(3,389)
		Net Assets - 100.0%	<u>\$ 27,827,085</u>

AIM Active Allocation Age 7-9 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 91.0%	176,326	AIM Basic Value Fund (Class A).....	\$ 5,423,800
	423,010	AIM Blue Chip Fund (Class A).....	4,763,089
	223,286	AIM Constellation Fund (Class A).....	4,894,440
	145,300	AIM International Growth Fund (Class A).....	2,506,421
	457,725	AIM Large Cap Growth Fund (Class A).....	4,385,004
	157,924	AIM Mid-Cap Core Equity (Class A).....	4,601,919
		Total Investments in Equity Funds (Cost - \$22,862,097).....	26,574,673
Fixed Income Fund - 9.0%	291,472	AIM Intermediate Government Fund (Class A).....	2,620,329
		Total Investment in Fixed Income Fund (Cost - \$2,688,576).....	2,620,329
		Total Investments (Cost - \$25,550,673) - 100.0%.....	29,195,002
		Liabilities in Excess of Other Assets - 0.0%.....	(3,557)
		Net Assets - 100.0%.....	\$ 29,191,445

AIM Active Allocation Age 10-12 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 77.2%	190,842	AIM Basic Value Fund (Class A).....	\$ 5,870,302
	357,144	AIM Blue Chip Fund (Class A).....	4,021,442
	161,502	AIM Constellation Fund (Class A).....	3,540,119
	130,460	AIM International Growth Fund (Class A).....	2,250,440
	342,970	AIM Large Cap Growth Fund (Class A).....	3,285,651
	129,529	AIM Mid-Cap Core Equity (Class A).....	3,774,487
		Total Investments in Equity Funds (Cost - \$19,574,008).....	22,742,441
Fixed Income Fund - 22.8%	746,319	AIM Intermediate Government Fund (Class A).....	6,709,407
		Total Investment in Fixed Income Fund (Cost - \$6,877,490).....	6,709,407
		Total Investments (Cost - \$26,451,498) - 100.0%.....	29,451,848
		Liabilities in Excess of Other Assets - 0.0%.....	(3,593)
		Net Assets - 100.0%.....	\$ 29,448,255

AIM Active Allocation Age 13-15 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 63.0%	205,857	AIM Basic Value Fund (Class A)	\$ 6,332,155
	287,001	AIM Blue Chip Fund (Class A)	3,231,628
	110,143	AIM Constellation Fund (Class A)	2,414,329
	95,670	AIM International Growth Fund (Class A)	1,650,310
	255,408	AIM Large Cap Growth Fund (Class A)	2,446,814
	88,489	AIM Mid-Cap Core Equity (Class A)	2,578,568
		Total Investments in Equity Funds (Cost - \$15,930,857)	18,653,804
Fixed Income Fund - 37.0%	1,218,416	AIM Intermediate Government Fund (Class A)	10,953,557
		Total Investment in Fixed Income Fund (Cost - \$11,247,688)	10,953,557
		Total Investments (Cost - \$27,178,545) - 100.0%	29,607,361
		Liabilities in Excess of Other Assets - 0.0%	(3,616)
		Net Assets - 100.0%	\$ 29,603,745

AIM Active Allocation Age 16-18 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 38.0%	63,739	AIM Basic Value Fund (Class A)	\$ 1,960,618
	107,440	AIM Blue Chip Fund (Class A)	1,209,771
	28,392	AIM Constellation Fund (Class A)	622,345
	19,798	AIM International Growth Fund (Class A)	341,520
	65,889	AIM Large Cap Growth Fund (Class A)	631,217
	28,531	AIM Mid-Cap Core Equity (Class A)	831,406
		Total Investments in Equity Funds (Cost - \$4,718,556)	5,596,877
Fixed Income Fund - 47.7%	781,733	AIM Intermediate Government Fund (Class A)	7,027,779
		Total Investment in Fixed Income Fund (Cost - \$7,241,370)	7,027,779
Money Market Account - 14.3%	2,097,637	Cash Allocation Account	2,097,637
		Total Investment in Money Market Account (Cost - \$2,097,637)	2,097,637
		Total Investments (Cost - \$14,057,563) - 100.0%	14,722,293
		Liabilities in Excess of Other Assets - 0.0%	(1,021)
		Net Assets - 100.0%	\$ 14,721,272

AIM College Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 22.5%	9,332	AIM Basic Value Fund (Class A).....	\$ 287,067
	10,458	AIM Blue Chip Fund (Class A).....	117,761
	1,385	AIM Constellation Fund (Class A).....	30,353
	1,936	AIM International Growth Fund (Class A).....	33,400
	6,421	AIM Large Cap Growth Fund (Class A).....	61,509
	3,347	AIM Mid-Cap Core Equity (Class A).....	97,521
		Total Investments in Equity Funds (Cost - \$526,040).....	627,611
Fixed Income Fund - 39.0%	121,423	AIM Intermediate Government Fund (Class A).....	1,091,595
		Total Investment in Fixed Income Fund (Cost - \$1,141,585).....	1,091,595
Money Market Account - 38.5%	1,076,146	Cash Allocation Account.....	1,076,146
		Total Investment in Money Market Account (Cost - \$1,076,146).....	1,076,146
		Total Investments (Cost - \$2,743,771) - 100.0%.....	2,795,352
		Liabilities in Excess of Other Assets - 0.0%.....	(134)
		Net Assets - 100.0%.....	\$ 2,795,218

AIM Equity Aggressive Growth Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	400,619	AIM Constellation Fund (Class A).....	\$ 8,781,566
	461,014	AIM Emerging Growth Fund (Class A).....	3,010,421
	185,010	AIM International Growth Fund (Class A).....	3,191,431
	931,558	AIM Large Cap Growth Fund (Class A).....	8,924,327
	107,228	AIM Mid-Cap Core Equity (Class A).....	3,124,620
	315,711	AIM Mid-Cap Growth Fund (Class A).....	3,011,881
		Total Investments (Cost - \$25,876,241) - 100.0%.....	30,044,246
		Liabilities in Excess of Other Assets - 0.0%.....	(3,672)
		Net Assets - 100.0%.....	\$ 30,040,574

AIM Equity Growth Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	346,414	AIM Basic Value Fund (Class A)	\$ 10,655,706
	979,952	AIM Blue Chip Fund (Class A)	11,034,255
	518,011	AIM Constellation Fund (Class A)	11,354,807
	379,059	AIM International Growth Fund (Class A)	6,538,770
	1,076,848	AIM Large Cap Growth Fund (Class A)	10,316,205
	394,416	AIM Mid-Cap Core Equity (Class A)	11,493,273
		Total Investments (Cost - \$52,951,106) - 100.0%	61,393,016
		Liabilities in Excess of Other Assets - 0.0%	(7,479)
		Net Assets - 100.0%	<u>\$ 61,385,537</u>

AIM Growth & Income Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 77.3%	390,926	AIM Basic Value Fund (Class A)	\$ 12,024,877
	728,881	AIM Blue Chip Fund (Class A)	8,207,206
	330,295	AIM Constellation Fund (Class A)	7,240,058
	267,918	AIM International Growth Fund (Class A)	4,621,584
	703,628	AIM Large Cap Growth Fund (Class A)	6,740,756
	265,564	AIM Mid-Cap Core Equity (Class A)	7,738,540
		Total Investments in Equity Funds (Cost - \$40,008,793)	46,573,021
Fixed Income Fund - 22.7%	1,518,075	AIM Intermediate Government Fund (Class A)	13,647,493
		Total Investment in Fixed Income Fund (Cost - \$13,974,033)	13,647,493
		Total Investments (Cost - \$53,982,826) - 100.0%	60,220,514
		Liabilities in Excess of Other Assets - 0.0%	(7,353)
		Net Assets - 100.0%	<u>\$ 60,213,161</u>

Franklin Templeton Active Allocation Age 0-8 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	2,292,740	Franklin Capital Growth Fund (Class A)	\$ 24,669,882
	898,095	Franklin Mutual European Fund (Class A)	15,617,872
	929,091	Franklin Mutual Shares Fund (Class A)	19,956,873
	800,471	Franklin Small-Mid Cap Growth Fund (Class A)	25,246,866
	1,389,561	Templeton Foreign Fund (Class A)	15,174,009
		Total Investments (Cost - \$87,576,978) - 100.0%	100,665,502
		Liabilities in Excess of Other Assets - 0.0%	(12,285)
		Net Assets - 100.0%	<u>\$ 100,653,217</u>

Franklin Templeton Active Allocation Age 9-12 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 77.0%	969,141	Franklin Capital Growth Fund (Class A)	\$ 10,427,951
	381,499	Franklin Mutual European Fund (Class A)	6,634,259
	393,551	Franklin Mutual Shares Fund (Class A)	8,453,468
	339,034	Franklin Small-Mid Cap Growth Fund (Class A)	10,693,143
	590,166	Templeton Foreign Fund (Class A)	6,444,616
		Total Investments in Equity Funds (Cost - \$37,097,689)-77.0%	42,653,437
Fixed Income Funds - 18.5%	264,204	Franklin Strategic Income Fund (Class A)	2,636,756
	256,902	Franklin Total Return Fund (Class A)	2,553,610
	765,947	Franklin U.S. Government Securities Fund (Class A)	5,062,908
		Total Investments in Fixed Income Funds (Cost - \$10,326,645)-18.5%	10,253,274
Money Market Account - 4.5%	2,508,695	Cash Allocation Account	2,508,695
		Total Investments in Money Market Account (Cost - \$2,508,695)-4.5%	2,508,695
		Total Investments (Cost - \$49,933,029) - 100.0%	55,415,406
		Liabilities in Excess of Other Assets - 0.0%	(6,537)
		Net Assets - 100.0%	<u>\$ 55,408,869</u>

Franklin Templeton Active Allocation Age 13-16 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 52.9%	596,784	Franklin Capital Growth Fund (Class A).....	\$ 6,421,397
	236,058	Franklin Mutual European Fund (Class A).....	4,105,051
	242,826	Franklin Mutual Shares Fund (Class A).....	5,215,904
	209,137	Franklin Small-Mid Cap Growth Fund (Class A).....	6,596,199
	365,085	Templeton Foreign Fund (Class A).....	3,986,732
		Total Investments in Equity Funds (Cost - \$22,635,157)-52.9%	26,325,283
Fixed Income Funds - 37.9%	487,260	Franklin Strategic Income Fund (Class A).....	4,862,850
	472,386	Franklin Total Return Fund (Class A).....	4,695,518
	1,406,294	Franklin U.S. Government Securities Fund (Class A).....	9,295,601
		Total Investments in Fixed Income Funds (Cost - \$19,026,900)-37.9% ...	18,853,969
Money Market Account - 9.2%	4,602,794	Cash Allocation Account.....	4,602,794
		Total Investments in Money Market Account (Cost - \$4,602,794)-9.2% ..	4,602,794
		Total Investments (Cost - \$46,264,851) - 100.0%.....	49,782,046
		Liabilities in Excess of Other Assets - 0.0%.....	(5,683)
		Net Assets - 100.0%.....	\$ 49,776,363

Franklin Templeton Active Allocation Age 17-20 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 27.4%	86,295	Franklin Capital Growth Fund (Class A).....	\$ 928,531
	34,376	Franklin Mutual European Fund (Class A).....	597,801
	35,204	Franklin Mutual Shares Fund (Class A).....	756,173
	30,337	Franklin Small-Mid Cap Growth Fund (Class A).....	956,822
	53,180	Templeton Foreign Fund (Class A).....	580,725
		Total Investments in Equity Funds (Cost - \$3,193,528)-27.4%.....	3,820,052
Fixed Income Funds - 58.4%	210,687	Franklin Strategic Income Fund (Class A).....	2,102,657
	203,499	Franklin Total Return Fund (Class A).....	2,022,780
	604,567	Franklin U.S. Government Securities Fund (Class A).....	3,996,191
		Total Investments in Fixed Income Funds (Cost - \$8,289,705)-58.4%	8,121,628
Money Market Account - 14.2%	1,978,133	Cash Allocation Account.....	1,978,133
		Total Investments in Money Market Account (Cost - \$1,978,133)-14.2% ...	1,978,133
		Total Investments (Cost - \$13,461,366) - 100.0%.....	13,919,813
		Liabilities in Excess of Other Assets - 0.0%.....	(961)
		Net Assets - 100.0%.....	\$13,918,852

Franklin Templeton Age 21+ Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Fixed Income Funds - 80.4%	21,072	Franklin Strategic Income Fund (Class A)	\$ 210,295
	20,245	Franklin Total Return Fund (Class A).....	201,238
	60,771	Franklin U.S. Government Securities Fund (Class A).....	401,694
		Total Investments in Fixed Income Funds (Cost - \$826,054)-80.4%	813,227
Money Market Account - 19.6%	198,934	Cash Allocation Account	198,934
		Total Investments in Money Market Account (Cost - \$198,934)-19.6% ...	198,934
		Total Investments (Cost - \$1,024,988) - 100.0%.....	1,012,161
		Liabilities in Excess of Other Assets - 0.0%.....	(64)
		Net Assets - 100.0%.....	\$1,012,097

Franklin Templeton Growth Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	1,540,828	Franklin Capital Growth Fund (Class A)	\$ 16,579,311
	607,091	Franklin Mutual European Fund (Class A).....	10,557,309
	625,840	Franklin Mutual Shares Fund (Class A).....	13,443,031
	538,981	Franklin Small-Mid Cap Growth Fund (Class A).....	16,999,457
	939,274	Templeton Foreign Fund (Class A).....	10,256,876
		Total Investments (Cost - \$60,159,454) - 100.0%	67,835,984
		Liabilities in Excess of Other Assets - 0.0%.....	(8,300)
		Net Assets - 100.0%.....	\$ 67,827,684

Franklin Templeton Growth and Income Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 77.1%	1,468,809	Franklin Capital Growth Fund (Class A).....	\$ 15,804,387
	580,463	Franklin Mutual European Fund (Class A)	10,094,252
	597,230	Franklin Mutual Shares Fund (Class A)	12,828,507
	514,531	Franklin Small-Mid Cap Growth Fund (Class A)	16,228,303
	897,730	Templeton Foreign Fund (Class A)	9,803,211
		Total Investments in Equity Funds (Cost - \$56,503,865)-77.1%	64,758,660
Fixed Income Funds - 18.4%	400,118	Franklin Strategic Income Fund (Class A)	3,993,177
	387,394	Franklin Total Return Fund (Class A)	3,850,693
	1,155,294	Franklin U.S. Government Securities Fund (Class A)	7,636,492
		Total Investments in Fixed Income Funds (Cost - \$15,573,634)-18.4% ..	15,480,362
Money Market Account - 4.5%	3,783,615	Cash Allocation Account.....	3,783,615
		Total Investments in Money Market Account (Cost - \$3,783,615)-4.5%..	3,783,615
		Total Investments (Cost - \$75,861,114) - 100.0%.....	84,022,637
		Liabilities in Excess of Other Assets - 0.0%	(9,955)
		Net Assets - 100.0%	\$ 84,012,682

Franklin Templeton Balanced Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 52.8%	818,069	Franklin Capital Growth Fund (Class A).....	\$ 8,802,418
	323,416	Franklin Mutual European Fund (Class A)	5,624,212
	332,753	Franklin Mutual Shares Fund (Class A)	7,147,542
	286,583	Franklin Small-Mid Cap Growth Fund (Class A)	9,038,833
	500,369	Templeton Foreign Fund (Class A)	5,464,026
		Total Investments in Equity Funds (Cost - \$30,765,619)-52.8%	36,077,031
Fixed Income Funds - 37.9%	669,005	Franklin Strategic Income Fund (Class A)	6,676,674
	647,608	Franklin Total Return Fund (Class A)	6,437,221
	1,930,833	Franklin U.S. Government Securities Fund (Class A)	12,762,805
		Total Investments in Fixed Income Funds (Cost - \$26,080,438)-37.9%..	25,876,700
Money Market Account - 9.3%	6,322,298	Cash Allocation Account.....	6,322,298
		Total Investments in Money Market Account (Cost - \$6,322,298)-9.3%.	6,322,298
		Total Investments (Cost - \$63,168,355) - 100.0%.....	68,276,029
		Liabilities in Excess of Other Assets - 0.0%	(7,808)
		Net Assets - 100.0%	\$ 68,268,221

MFS Active Allocation Age 0-5 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	1,070,492	MFS Massachusetts Investors Growth Stock Fund (Class A)	\$ 12,439,119
	808,836	MFS Massachusetts Investors Trust (Class A)	12,884,756
	1,197,854	MFS Mid Cap Growth Fund (Class A)	10,133,848
	206,609	MFS New Discovery Fund (Class A)	3,204,499
	987,002	MFS Research International Fund (Class A)	14,222,698
	643,615	MFS Value Fund (Class A)	13,464,434
		Total Investments (Cost - \$58,228,810) - 100.0%	66,349,354
		Liabilities in Excess of Other Assets - 0.0%	(8,110)
		Net Assets - 100.0%	<u>\$ 66,341,244</u>

MFS Active Allocation Age 6-10 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 81.5%	805,589	MFS Massachusetts Investors Growth Stock Fund (Class A)	\$ 9,360,949
	609,969	MFS Massachusetts Investors Trust (Class A)	9,716,809
	805,028	MFS Mid Cap Growth Fund (Class A)	6,810,533
	208,373	MFS New Discovery Fund (Class A)	3,231,872
	998,552	MFS Research International Fund (Class A)	14,389,140
	486,666	MFS Value Fund (Class A)	10,181,043
		Total Investments in Equity Funds (Cost - \$47,457,442)	53,690,346
Fixed Income Funds - 18.5%	307,930	MFS Government Securities Fund (Class A)	2,946,890
	1,643,552	MFS High Income Fund (Class A)	6,311,238
	293,287	MFS Intermediate Investment Bond Fund (Class A)	2,959,262
		Total Investments in Fixed Income Funds (Cost - \$12,106,264)	12,217,390
		Total Investments (Cost - \$59,563,706) - 100.0%	65,907,736
		Liabilities in Excess of Other Assets - 0.0%	(8,064)
		Net Assets - 100.0%	<u>\$ 65,899,672</u>

MFS Active Allocation Age 11-13 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 58.1%	331,457	MFS Massachusetts Investors Growth Stock Fund (Class A).....	\$ 3,851,535
	251,405	MFS Massachusetts Investors Trust (Class A).....	4,004,875
	249,198	MFS Mid Cap Growth Fund (Class A).....	2,108,218
	620,182	MFS Research International Fund (Class A).....	8,936,825
	200,955	MFS Value Fund (Class A).....	4,203,970
		Total Investments in Equity Funds (Cost - \$20,066,161).....	23,105,423
Fixed Income Funds - 41.9%	568,695	MFS Government Securities Fund (Class A).....	5,442,411
	1,015,354	MFS High Income Fund (Class A).....	3,898,960
	722,400	MFS Intermediate Investment Bond Fund (Class A).....	7,289,011
		Total Investments in Fixed Income Funds (Cost - \$16,661,130).....	16,630,382
		Total Investments (Cost - \$36,727,291) - 100.0%.....	39,735,805
		Liabilities in Excess of Other Assets - 0.0%.....	(4,864)
		Net Assets - 100.0%.....	\$ 39,730,941

MFS Active Allocation Age 14-15 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 43.4%	105,195	MFS Massachusetts Investors Growth Stock Fund (Class A).....	\$ 1,222,364
	159,805	MFS Massachusetts Investors Trust (Class A).....	2,545,691
	296,804	MFS Research International Fund (Class A).....	4,276,950
	127,981	MFS Value Fund (Class A).....	2,677,374
		Total Investments in Equity Funds (Cost - \$9,139,832).....	10,722,379
Fixed Income Funds - 56.6%	285,703	MFS Government Limited Fund (Class A).....	2,294,192
	360,743	MFS Government Securities Fund (Class A).....	3,452,315
	645,489	MFS High Income Fund (Class A).....	2,478,677
	572,981	MFS Intermediate Investment Bond Fund (Class A).....	5,781,380
		Total Investments in Fixed Income Funds (Cost - \$14,131,464).....	14,006,564
		Total Investments (Cost - \$23,271,296) - 100.0%.....	24,728,943
		Liabilities in Excess of Other Assets - 0.0%.....	(3,030)
		Net Assets - 100.0%.....	\$ 24,725,913

MFS Active Allocation Age 16-17 Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 22.8%	56,313	MFS Massachusetts Investors Trust (Class A)	\$ 897,061
	139,674	MFS Research International Fund (Class A)	2,012,702
	45,141	MFS Value Fund (Class A)	944,357
		Total Investments in Equity Funds (Cost - \$3,219,311)	3,854,120
Fixed Income Funds - 67.7%	401,884	MFS Government Limited Fund (Class A)	3,227,129
	253,786	MFS Government Securities Fund (Class A)	2,428,731
	454,242	MFS High Income Fund (Class A)	1,744,289
	403,126	MFS Intermediate Investment Bond Fund (Class A)	4,067,536
	Total Investments in Fixed Income Funds (Cost - \$11,626,514)	11,467,685	
Money Market Account - 9.5%	1,611,043	Cash Allocation Account	1,611,043
		Total Investment in Money Market Account (Cost - \$1,611,043)	1,611,043
		Total Investments (Cost - \$16,456,868) - 100.0%	16,932,848
		Liabilities in Excess of Other Assets - 0.0%	(1,239)
		Net Assets - 100.0%	<u>\$ 16,931,609</u>

MFS Age 18+ Years Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 17.3%	24,113	MFS Massachusetts Investors Trust (Class A)	\$ 384,124
	52,668	MFS Research International Fund (Class A)	758,944
	19,376	MFS Value Fund (Class A)	405,356
		Total Investments in Equity Funds (Cost - \$1,269,822)	1,548,424
Fixed Income Funds - 53.8%	214,307	MFS Government Limited Fund (Class A)	1,720,883
	90,207	MFS Government Securities Fund (Class A)	863,279
	243,417	MFS High Income Fund (Class A)	934,722
	129,017	MFS Intermediate Investment Bond Fund (Class A)	1,301,786
	Total Investments in Fixed Income Funds (Cost - \$4,917,626)	4,820,670	
Money Market Account - 28.9%	2,585,297	Cash Allocation Account	2,585,297
		Total Investment in Money Market Account (Cost - \$2,585,297)	2,585,297
		Total Investments (Cost - \$8,772,745) - 100.0%	8,954,391
		Liabilities in Excess of Other Assets - 0.0%	(505)
		Net Assets - 100.0%	<u>\$ 8,953,886</u>

MFS Equity Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Equity Funds - 100.0%	1,853,242	MFS Massachusetts Investors Growth Stock Fund (Class A)	\$ 21,534,676
	1,407,137	MFS Massachusetts Investors Trust (Class A)	22,415,698
	2,094,208	MFS Mid Cap Growth Fund (Class A)	17,717,001
	361,490	MFS New Discovery Fund (Class A)	5,606,703
	1,740,321	MFS Research International Fund (Class A)	25,078,021
	1,126,193	MFS Value Fund (Class A)	23,559,962
		Total Investments (Cost - \$105,498,848) - 100.0%	115,912,061
		Liabilities in Excess of Other Assets - 0.0%	(14,185)
		Net Assets - 100.0%	<u>\$ 115,897,876</u>

MFS Fixed Income Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Shares Held	Investments	Value
Fixed Income Funds - 100%	1,621,986	MFS Government Securities Fund (Class A)	\$ 15,522,409
	2,181,303	MFS High Income Fund (Class A)	8,376,203
	773,008	MFS Intermediate Investment Bond Fund (Class A)	7,799,647
		Total Investments (Cost - \$31,772,769) - 100.0%	31,698,259
		Liabilities in Excess of Other Assets - 0.0%	(2,589)
		Net Assets - 100.0%	<u>\$ 31,695,670</u>

Principal Plus Portfolio

Schedule of Investments as of June 30, 2004

(in U.S. Dollars)

	Principal Amount	Investments	Value*
Guaranteed Investment Contract -100.0%	16,240,266	Guaranteed Investment Contract issued by TransAmerica Life Insurance Company	\$ 16,240,266
		Total Investments (Cost - \$16,240,266) - 100.0%	16,240,266
		Liabilities in Excess of Other Assets - 0.0%	(1,550)
		Net Assets - 100.0%	<u>\$ 16,238,716</u>

* Market value/contract value.

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NextGen College Investing Plan®

Schedule of Operations for the Year Ended June 30, 2004

	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	\$ 2,043,131	\$ 1,540,356	\$ 1,936,400
Total income	<u>2,043,131</u>	<u>1,540,356</u>	<u>1,936,400</u>
Expenses:			
Management fees - Client Select Series	866,803	400,782	442,626
Management fees - Client Direct Series.....	141,750	79,232	78,434
Portfolio servicing fees.....	456,951	224,972	239,389
Maine administration fees.....	342,713	168,729	179,541
Total expenses.....	<u>1,808,217</u>	<u>873,715</u>	<u>939,990</u>
Net investment income (loss).....	<u>234,914</u>	<u>666,641</u>	<u>996,410</u>
Net Realized & Unrealized Gain (Loss) on Investments:			
Net realized gain (loss) on sale of investments.....	(7,680,166)	(1,573,825)	(1,192,640)
Net increase (decrease) in fair value of investments	<u>46,844,291</u>	<u>17,595,324</u>	<u>14,840,375</u>
Net Increase in Net Assets			
Resulting from Operations.....	<u>\$ 39,399,039</u>	<u>\$ 16,688,140</u>	<u>\$ 14,644,145</u>

NextGen College Investing Plan®

Schedule of Operations for the Year Ended June 30, 2004

	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	\$ -	\$ 51,028	\$ 108,802	\$ 282,687
Total income.....	<u>\$ -</u>	<u>\$ 51,028</u>	<u>\$ 108,802</u>	<u>\$ 282,687</u>
Expenses:				
Management fees	122,485	121,390	129,137	132,753
Portfolio servicing fees	44,540	44,142	46,959	48,274
Maine administration fees	33,405	33,106	35,219	36,205
Total expenses	<u>200,430</u>	<u>198,638</u>	<u>211,315</u>	<u>217,232</u>
Net investment income (loss)	<u>(200,430)</u>	<u>(147,610)</u>	<u>(102,513)</u>	<u>65,455</u>
Net Realized & Unrealized Gain (Loss) on Investments:				
Net realized gain (loss) on sale of investments.....	(470,478)	(286,448)	(283,299)	(347,261)
Capital gains distributions from investments	3,013	2,784	2,656	2,427
Net increase in fair value of investments.....	<u>4,224,608</u>	<u>3,848,511</u>	<u>3,880,563</u>	<u>3,318,028</u>
Net Increase in Net Assets				
Resulting from Operations.....	<u>\$ 3,556,713</u>	<u>\$ 3,417,237</u>	<u>\$ 3,497,407</u>	<u>\$ 3,038,649</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
\$ 1,746,744	\$ 814,848	\$ 171,799	\$ 1,651,745	\$ 2,672,198	\$ 3,009,253	\$ 15,586,474
<u>1,746,744</u>	<u>814,848</u>	<u>171,799</u>	<u>1,651,745</u>	<u>2,672,198</u>	<u>3,009,253</u>	<u>15,586,474</u>
378,736	77,789	17,326	659,345	672,388	177,231	3,693,026
79,116	48,391	12,537	268,062	153,649	22,424	883,595
216,839	110,623	26,398	507,824	398,154	164,523	2,345,673
162,629	82,967	19,799	380,869	298,615	123,392	1,759,254
<u>837,320</u>	<u>319,770</u>	<u>76,060</u>	<u>1,816,100</u>	<u>1,522,806</u>	<u>487,570</u>	<u>8,681,548</u>
<u>909,424</u>	<u>495,078</u>	<u>95,739</u>	<u>(164,355)</u>	<u>1,149,392</u>	<u>2,521,683</u>	<u>6,904,926</u>
(587,745)	(430,451)	162,648	(3,038,304)	(1,665,203)	371,311	(15,634,375)
<u>9,595,100</u>	<u>3,426,929</u>	<u>118,138</u>	<u>52,908,323</u>	<u>31,140,195</u>	<u>(923,992)</u>	<u>175,544,683</u>
<u>\$ 9,916,779</u>	<u>\$ 3,491,556</u>	<u>\$ 376,525</u>	<u>\$ 49,705,664</u>	<u>\$ 30,624,384</u>	<u>\$ 1,969,002</u>	<u>\$166,815,234</u>

AIM Active Allocation Age 13-15 Years Portfolio	AIM Active Allocation Age 16-18 Years Portfolio	AIM College Portfolio	AIM Equity Aggressive Growth Portfolio	AIM Equity Growth Portfolio	AIM Growth & Income Portfolio	AIM Totals
\$ 476,102	\$ 332,827	\$ 63,042	\$ -	\$ -	\$ 600,299	\$ 1,914,787
<u>476,102</u>	<u>332,827</u>	<u>63,042</u>	<u>-</u>	<u>-</u>	<u>600,299</u>	<u>1,914,787</u>
138,194	33,499	7,387	136,228	283,573	282,671	1,387,317
50,252	26,799	5,910	49,537	103,117	102,789	522,319
37,689	20,100	4,432	37,153	77,338	77,092	391,739
226,135	80,398	17,729	222,918	464,028	462,552	2,301,375
<u>249,967</u>	<u>252,429</u>	<u>45,313</u>	<u>(222,918)</u>	<u>(464,028)</u>	<u>137,747</u>	<u>(386,588)</u>
(141,622)	(23,278)	32,627	(10,533)	(16,786)	(394,992)	(1,942,070)
1,847	410	47	3,471	7,363	5,196	29,214
<u>2,434,242</u>	<u>572,457</u>	<u>24,914</u>	<u>4,394,378</u>	<u>9,103,290</u>	<u>6,793,617</u>	<u>38,594,608</u>
<u>\$ 2,544,434</u>	<u>\$ 802,018</u>	<u>\$ 102,901</u>	<u>\$ 4,164,398</u>	<u>\$ 8,629,839</u>	<u>\$ 6,541,568</u>	<u>\$ 36,295,164</u>

NextGen College Investing Plan®

Schedule of Operations for the Year Ended June 30, 2004

	Franklin Templeton Active Allocation Age 0-8 Years Portfolio	Franklin Templeton Active Allocation Age 9-12 Years Portfolio
Investment Income:		
Dividends	\$ 680,362	\$ 761,577
Total income	<u>680,362</u>	<u>761,577</u>
Expenses:		
Management fees	397,786	232,742
Portfolio servicing fees	144,650	84,633
Maine administration fees	108,487	63,475
Total expenses	<u>650,923</u>	<u>380,850</u>
Net investment income	<u>29,439</u>	<u>380,727</u>
Net Realized & Unrealized Gain (Loss) on Investments:		
Net realized gain (loss) on sale of investments	(682,426)	(85,119)
Net increase (decrease) in fair value of investments	<u>12,772,231</u>	<u>5,386,797</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 12,119,244</u>	<u>\$ 5,682,405</u>

NextGen College Investing Plan®

Schedule of Operations for the Year Ended June 30, 2004

	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	\$ 203,335	\$ 774,940	\$ 801,267
Total income	<u>203,335</u>	<u>774,940</u>	<u>801,267</u>
Expenses:			
Management fees	285,230	296,558	186,474
Portfolio servicing fees	103,720	107,839	67,809
Maine administration fees	77,790	80,879	50,856
Total expenses	<u>466,740</u>	<u>485,276</u>	<u>305,139</u>
Net investment income (loss)	<u>(263,405)</u>	<u>289,664</u>	<u>496,128</u>
Net Realized & Unrealized Gain (Loss) on Investments:			
Net realized gain (loss) on sale of investments	(1,326,893)	(593,347)	(221,262)
Net increase (decrease) in fair value of investments	<u>9,848,649</u>	<u>7,874,680</u>	<u>3,290,809</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 8,258,351</u>	<u>\$ 7,570,997</u>	<u>\$ 3,565,675</u>

Franklin Templeton Active Allocation Age 13-16 Years Portfolio	Franklin Templeton Active Allocation Age 17-20 Years Portfolio	Franklin Templeton Age 21+ Years Portfolio	Franklin Templeton Growth Portfolio	Franklin Templeton Growth and Income Portfolio	Franklin Templeton Balanced Portfolio	Franklin Templeton Totals
\$ 1,086,082	\$ 458,225	\$ 42,403	\$ 484,351	\$ 1,212,047	\$ 1,483,283	\$ 6,208,330
<u>1,086,082</u>	<u>458,225</u>	<u>42,403</u>	<u>484,351</u>	<u>1,212,047</u>	<u>1,483,283</u>	<u>6,208,330</u>
222,840	32,154	2,322	286,316	371,392	303,098	1,848,650
81,033	25,723	1,858	104,115	135,051	110,217	687,280
60,775	19,292	1,393	78,086	101,289	82,663	515,460
<u>364,648</u>	<u>77,169</u>	<u>5,573</u>	<u>468,517</u>	<u>607,732</u>	<u>495,978</u>	<u>3,051,390</u>
<u>721,434</u>	<u>381,056</u>	<u>36,830</u>	<u>15,834</u>	<u>604,315</u>	<u>987,305</u>	<u>3,156,940</u>
162,338	199,607	17,645	(265,047)	(94,540)	214,171	(533,371)
<u>3,071,403</u>	<u>215,614</u>	<u>(39,191)</u>	<u>9,152,216</u>	<u>8,669,364</u>	<u>4,154,184</u>	<u>43,382,618</u>
<u>\$ 3,955,175</u>	<u>\$ 796,277</u>	<u>\$ 15,284</u>	<u>\$ 8,903,003</u>	<u>\$ 9,179,139</u>	<u>\$ 5,355,660</u>	<u>\$ 46,006,187</u>

MFS Active Allocation Age 14-15 Years Portfolio	MFS Active Allocation Age 16-17 Years Portfolio	MFS Age 18+ Years Portfolio	MFS Equity Portfolio	MFS Fixed Income Portfolio	MFS Totals
\$ 653,464	\$ 514,402	\$ 254,818	\$ 385,077	\$ 1,515,533	\$ 5,102,836
<u>653,464</u>	<u>514,402</u>	<u>254,818</u>	<u>385,077</u>	<u>1,515,533</u>	<u>5,102,836</u>
121,405	38,853	22,949	546,483	76,039	1,573,991
44,147	31,082	18,359	198,721	60,831	632,508
33,111	23,312	13,770	149,041	45,624	474,383
<u>198,663</u>	<u>93,247</u>	<u>55,078</u>	<u>894,245</u>	<u>182,494</u>	<u>2,680,882</u>
<u>454,801</u>	<u>421,155</u>	<u>199,740</u>	<u>(509,168)</u>	<u>1,333,039</u>	<u>2,421,954</u>
(16,178)	7,486	49,129	(1,337,563)	(4,121)	(3,442,749)
<u>1,258,039</u>	<u>300,078</u>	<u>91,761</u>	<u>18,229,284</u>	<u>(890,776)</u>	<u>40,002,524</u>
<u>\$ 1,696,662</u>	<u>\$ 728,719</u>	<u>\$ 340,630</u>	<u>\$ 16,382,553</u>	<u>\$ 438,142</u>	<u>\$ 38,981,729</u>

NextGen College Investing Plan®

Schedule of Operations for the Period Ended June 30, 2004

	Principal Plus Portfolio *	Program Total
Investment Income:		
Interest and discount earned.....	\$ 215,630	\$ 215,630
Dividends	-	28,812,427
Total income.....	<u>215,630</u>	<u>29,028,057</u>
Expenses:		
Management fees - Client Select Series	11,408	8,514,496
Management fees - Client Direct Series.....	1,956	885,447
Portfolio servicing fees.....	24,773	4,212,553
Maine administration fees.....	8,353	3,149,189
Total expenses.....	<u>46,490</u>	<u>16,761,685</u>
Net investment income	<u>169,140</u>	<u>12,266,372</u>
Net Realized & Unrealized Gain (Loss) on Investments:		
Net realized loss on sale of investments	-	(21,552,565)
Capital gains distributions from investments.....	-	29,214
Net increase in fair value of investments	-	<u>297,524,433</u>
Net Increase in Net Assets		
Resulting from Operations.....	<u>\$ 169,140</u>	<u>\$ 288,267,454</u>

* For the period September 9, 2003 (commencement of operations) to June 30, 2004.

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NextGen College Investing Plan®

Financial Highlights for the Year Ended June 30, 2004

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

	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 Select Series	Client Direct Series	Client Select Series	Client Direct Series	Client Select Series
<i>Increase (Decrease) in Net Asset Value:</i>						
Per Unit Operating Performance:						
Net asset value, beginning of year	\$ 8.98	\$ 8.12	\$ 9.57	\$ 8.87	\$ 10.11	\$ 9.30
Net investment income (loss)** .....	.04	-.*	.09	.04	.12	.07
Net realized gain (loss) and increase (decrease) in fair value of investments	1.88	1.70	1.60	1.49	1.32	1.22
Total from investment operations	1.92	1.70	1.69	1.53	1.44	1.29
Net asset value, end of year	\$ 10.90	\$ 9.82	\$ 11.26	\$ 10.40	\$ 11.55	\$ 10.59
Total Investment Return:						
Based on net asset value per unit	21.38%	20.94%	17.66%	17.25%	14.24%	13.87%
Ratios to Average Net Assets:						
Expenses† .....	.55%	.90%	.55%	.90%	.55%	.90%
Net investment income (loss) .....	.38%	(.02%)	.84%	.45%	1.09%	.70%
Supplemental Data:						
Net assets, end of year (in thousands)	\$ 80,323	\$212,057	\$ 43,555	\$ 93,384	\$ 42,022	\$100,349

† Amounts do not include expenses of the Underlying Funds. As of June 30, 2004, Underlying Fund net expense ratios range from approximately .61% to 1.49%. The impact of the Underlying Funds' net expense ratios on each Portfolio varies according to changes in the Underlying Funds' net expenses and the investment weighting each Portfolio has in the Underlying Funds.

* Amount is less than \$(.01).

** Based on average units outstanding.

NextGen College Investing Plan®

Financial Highlights for the Year Ended June 30, 2004

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	\$ 6.25	\$ 6.56	\$ 7.11	\$ 7.91	\$ 7.11	\$ 7.91	\$ 7.91	\$ 7.91
Net investment income (loss)*	(.06)	(.05)	(.03)	.02	(.03)	.02	.02	.02
Net realized gain (loss) and increase in fair value of investments	1.27	1.24	1.25	1.10	1.25	1.10	1.10	1.10
Total from investment operations	1.21	1.19	1.22	1.12	1.22	1.12	1.12	1.12
Net asset value, end of year	\$ 7.46	\$ 7.75	\$ 8.33	\$ 9.03	\$ 8.33	\$ 9.03	\$ 9.03	\$ 9.03
Total Investment Return:								
Based on net asset value per unit	19.36%	18.14%	17.16%	14.16%	17.16%	14.16%	14.16%	14.16%
Ratios to Average Net Assets:								
Expenses† .....	.90%	.90%	.90%	.90%	.90%	.90%	.90%	.90%
Net investment income (loss)	(.90%)	(.67%)	(.44%)	.27%	(.44%)	.27%	.27%	.27%
Supplemental Data:								
Fiduciary net assets, end of year (in thousands)	\$ 30,223	\$ 27,827	\$ 29,191	\$ 29,448	\$ 29,191	\$ 29,448	\$ 29,448	\$ 29,448

† Amounts do not include expenses of the Underlying Funds. As of June 30, 2004, Underlying Fund net expense ratios range from approximately .70% to 2.00%. The impact of the Underlying Funds' net expense ratios on each Portfolio varies according to changes in the Underlying Funds' net expenses and the investment weighting each Portfolio has in the Underlying Funds.

* Based on average units outstanding.

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 Select Series	Client Direct Series	Client Select Series	Client Direct Series	Client Select Series	Client Direct Series	Client Select Series	Client Direct Series	Client Select Series	Client Direct Series	Client Select Series
\$ 10.58	\$ 9.74	\$ 11.20	\$ 10.32	\$ 11.35	\$ 10.66	\$ 7.42	\$ 7.39	\$ 8.52	\$ 8.46	\$ 12.45	\$ 12.10
.12	.07	.11	.10	.09	.08	.01	(.02)	.08	.04	.39	.38
.98	.90	.64	.58	.23	.21	1.73	1.72	1.45	1.45	(.12)	(.09)
1.10	.97	.75	.68	.32	.29	1.74	1.70	1.53	1.49	.27	.29
<u>\$ 11.68</u>	<u>\$ 10.71</u>	<u>\$ 11.95</u>	<u>\$ 11.00</u>	<u>\$ 11.67</u>	<u>\$ 10.95</u>	<u>\$ 9.16</u>	<u>\$ 9.09</u>	<u>\$ 10.05</u>	<u>\$ 9.95</u>	<u>\$ 12.72</u>	<u>\$ 12.39</u>
<u>10.40%</u>	<u>9.96%</u>	<u>6.70%</u>	<u>6.59%</u>	<u>2.82%</u>	<u>2.72%</u>	<u>23.45%</u>	<u>23.00%</u>	<u>17.96%</u>	<u>17.61%</u>	<u>2.17%</u>	<u>2.40%</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>1.07%</u>	<u>.70%</u>	<u>.93%</u>	<u>.87%</u>	<u>.75%</u>	<u>.70%</u>	<u>.12%</u>	<u>(.27%)</u>	<u>.81%</u>	<u>.43%</u>	<u>3.11%</u>	<u>3.05%</u>
<u>\$42,022</u>	<u>\$82,872</u>	<u>\$23,664</u>	<u>\$34,004</u>	<u>\$ 5,249</u>	<u>\$ 6,594</u>	<u>\$144,301</u>	<u>\$149,995</u>	<u>\$ 81,799</u>	<u>\$148,936</u>	<u>\$ 11,108</u>	<u>\$73,008</u>

AIM Active Allocation Age 13-15 Years Portfolio	AIM Active Allocation Age 16-18 Years Portfolio	AIM College Portfolio	AIM Equity Aggressive Growth Portfolio	AIM Equity Growth Portfolio	AIM Growth & Income Portfolio
\$ 8.65	\$ 9.79	\$ 10.30	\$ 5.25	\$ 6.67	\$ 7.66
.09	.20	.17	(.05)	(.07)	.02
.88	.42	.20	1.12	1.36	1.08
.97	.62	.37	1.07	1.29	1.10
<u>\$ 9.62</u>	<u>\$ 10.41</u>	<u>\$ 10.67</u>	<u>\$ 6.32</u>	<u>\$ 7.96</u>	<u>\$ 8.76</u>
<u>11.21%</u>	<u>6.33%</u>	<u>3.59%</u>	<u>20.38%</u>	<u>19.34%</u>	<u>14.36%</u>
<u>.90%</u>	<u>.60%</u>	<u>.60%</u>	<u>.90%</u>	<u>.90%</u>	<u>.90%</u>
<u>.99%</u>	<u>1.88%</u>	<u>1.53%</u>	<u>(.90%)</u>	<u>(.90%)</u>	<u>.27%</u>
<u>\$ 29,604</u>	<u>\$ 14,721</u>	<u>\$ 2,795</u>	<u>\$ 30,041</u>	<u>\$ 61,386</u>	<u>\$ 60,213</u>

NextGen College Investing Plan®

Financial Highlights for the Year Ended June 30, 2004

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

Increase (Decrease) in Net Asset Value:

	Franklin Templeton Active Allocation Age 0-8 Years Portfolio	Franklin Templeton Active Allocation Age 9-12 Years Portfolio
Per Unit Operating Performance:		
Net asset value, beginning of year	\$ 7.59	\$ 8.35
Net investment income**	-*	.08
Net realized gain (loss) and increase (decrease) in fair value of investments	1.59	1.26
Total from investment operations	1.59	1.34
Net asset value, end of year	\$ 9.18	\$ 9.69
Total Investment Return:		
Based on net asset value per unit	20.95%	16.05%
Ratios to Average Net Assets:		
Expenses† .....	.90%	.90%
Net investment income (loss) .....	.04%	.90%
Supplemental Data:		
Net assets, end of year (in thousands)	\$ 100,653	\$ 55,409

† Amounts do not include expenses of the Underlying Funds. As of June 30, 2004, Underlying Fund net expense ratios range from approximately .68% to 1.43%. The impact of the Underlying Funds' net expense ratios on each Portfolio varies according to changes in the Underlying Funds' net expenses and the investment weighting each Portfolio has in the Underlying Funds.

* Amount is less than \$.01 per share.

** Based on average units outstanding.

NextGen College Investing Plan®

Financial Highlights for the Year Ended June 30, 2004

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	\$ 6.05	\$ 6.99
Net investment income (loss)*	(.03)	.04
Net realized gain (loss) and increase (decrease) in fair value of investments	1.19	1.10
Total from investment operations	1.16	1.14
Net asset value, end of year	\$ 7.21	\$ 8.13
Total Investment Return:		
Based on net asset value per unit	19.17%	16.31%
Ratios to Average Net Assets:		
Expenses† .....	.90%	.90%
Net investment income (loss)	(.51%)	.54%
Supplemental Data:		
Net assets, end of year (in thousands)	\$ 66,341	\$ 65,900

† Amounts do not include expenses of the Underlying Funds. As of June 30, 2004, Underlying Fund net expense ratios range from approximately .70% to 1.75%. The impact of the Underlying Funds' net expense ratios on each Portfolio varies according to changes in the Underlying Funds' net expenses and the investment weighting each Portfolio has in the Underlying Funds.

* Based on average units outstanding.

Franklin Templeton Active Allocation Age 13-16 Years Portfolio	Franklin Templeton Active Allocation Age 17-20 Years Portfolio	Franklin Templeton Age 21+ Years Portfolio	Franklin Templeton Growth Portfolio	Franklin Templeton Growth and Income Portfolio	Franklin Templeton Balanced Portfolio
\$ 9.80	\$ 10.90	\$ 11.92	\$ 7.55	\$ 8.82	\$ 9.63
.19	.34	.48	-.*	.09	.19
.90	.37	(.27)	1.58	1.32	.88
1.09	.71	.21	1.58	1.41	1.07
<u>\$ 10.89</u>	<u>\$ 11.61</u>	<u>\$ 12.13</u>	<u>\$ 9.13</u>	<u>\$ 10.23</u>	<u>\$ 10.70</u>
<u>11.12%</u>	<u>6.51%</u>	<u>1.76%</u>	<u>20.93%</u>	<u>15.99%</u>	<u>11.11%</u>
<u>.90%</u>	<u>.60%</u>	<u>.60%</u>	<u>.90%</u>	<u>.90%</u>	<u>.90%</u>
<u>1.78%</u>	<u>2.95%</u>	<u>3.95%</u>	<u>.03%</u>	<u>.89%</u>	<u>1.79%</u>
<u>\$ 49,776</u>	<u>\$ 13,919</u>	<u>\$ 1,012</u>	<u>\$ 67,828</u>	<u>\$ 84,013</u>	<u>\$ 68,268</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 Age 18+ Years Portfolio	MFS Equity Portfolio	MFS Fixed Income Portfolio
\$ 8.46	\$ 9.45	\$ 10.50	\$ 10.50	\$ 6.05	\$ 11.70
.13	.21	.30	.24	(.03)	.52
.86	.58	.21	.15	1.20	(.35)
.99	.79	.51	.39	1.17	.17
<u>\$ 9.45</u>	<u>\$ 10.24</u>	<u>\$ 11.01</u>	<u>\$ 10.89</u>	<u>\$ 7.22</u>	<u>\$ 11.87</u>
<u>11.70%</u>	<u>8.36%</u>	<u>4.86%</u>	<u>3.71%</u>	<u>19.34%</u>	<u>1.45%</u>
<u>.90%</u>	<u>.90%</u>	<u>.60%</u>	<u>.60%</u>	<u>.90%</u>	<u>.60%</u>
<u>1.46%</u>	<u>2.05%</u>	<u>2.70%</u>	<u>2.17%</u>	<u>(.51%)</u>	<u>4.37%</u>
<u>\$ 39,731</u>	<u>\$ 24,726</u>	<u>\$ 16,932</u>	<u>\$ 8,954</u>	<u>\$ 115,898</u>	<u>\$ 31,696</u>

NextGen College Investing Plan®
 Financial Highlights for the Period Ended June 30, 2004

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

	Principal Plus Portfolio	
	Client Direct Series	Client Select Series
	For the Period September 9, 2003 to June 30, 2004 †	For the Period September 17, 2003 to June 30, 2004 ††
<i>Increase (Decrease) in Net Asset Value:</i>		
Per Unit Operating Performance:		
Net asset value, beginning of period	\$ 10.00	\$ 10.00
Net investment income* .....	.21	.19
Net realized gain and increase in fair value of investments .....	.01	.01
Total from investment operations	<u>.22</u>	<u>.20</u>
Net asset value, end of period	<u>\$ 10.22</u>	<u>\$ 10.20</u>
Total Investment Return:		
Based on net asset value per unit	<u>2.20%</u>	<u>2.00%</u>
Ratios to Average Net Assets:		
Expenses	<u>.52%</u>	<u>.72%</u>
Net investment income	<u>2.71%</u>	<u>2.49%</u>
Supplemental Data:		
Net assets, end of period (in thousands)	<u>\$ 1,745</u>	<u>\$ 14,493</u>

† Commenced operations on September 8, 2003.

†† Commenced operations on September 16, 2003.

* Based on average units outstanding.

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June 30, 2004