



**SUPPLEMENT DATED DECEMBER 2008 TO THE  
COLLEGEINVEST DIRECT PORTFOLIO COLLEGE SAVINGS PLAN  
PLAN DISCLOSURE STATEMENT, PARTICIPATION AGREEMENT,  
AND PRIVACY POLICY DATED NOVEMBER 29, 2007**

The following information describes important changes and is supplemental to the CollegeInvest Direct Portfolio College Savings Plan Disclosure Statement, Participation Agreement, and Privacy Policy dated November 29, 2007. Please file this Supplement with your records. This Supplement replaces the Supplement dated October 2008.

**Underlying Fund Changes**

Two of the Underlying Funds, and the share class within another Underlying Fund, are being changed and will affect references throughout the Plan Disclosure Statement. The Vanguard Total Stock Market Index Fund is being changed to the Vanguard Institutional Total Stock Market Index Fund. The Vanguard Total Bond Market Index Fund is being changed to the Vanguard Institutional Total Bond Market Index Fund. The Plan Disclosure Statement is being amended to reflect these changes. The new Underlying Funds have the same investment objective, strategy, and risks as described on page 11 of the Plan Disclosure Statement for the existing Underlying Funds which are being changed. The change in these Underlying Funds will allow the Plan to invest in certain institutional share classes in the new Underlying Funds which are not available in the existing Underlying Funds and allows the Underlying Fund to charge the portfolio a lower annualized expense ratio. The share class for investment of the Vanguard Inflation-Protected Securities Fund is also being changed from an investor share class to an institutional share class. The average annual returns as of October 31, 2008, and applicable inception dates for the new share classes are shown below in the amendment to the section "Underlying Fund Performance" on page 14.

*The following replaces the third bullet point in the "Tax Matters" section of The Plan Highlights table on page 3:*

- The annual gift exclusion increases to \$13,000 for 2009, up from \$12,000 in 2008. For 2009, no gift tax is payable on contributions up to \$65,000 (single) and \$130,000 (married couple)—prorated over five years.

*The following is being added after the first paragraph under the heading entitled "Other Important Information" on page 4:*

529 Plans are intended to be used only to save for qualified higher education expenses. 529 Plans are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.

*The following replaces the second paragraph under the heading entitled "Vanguard Total International Stock Index Fund" on page 12:*

**Investment Strategy**

The Vanguard Total International Stock Index Fund employs a "passive management"—or indexing— investment approach designed to track the performance of the Total International Composite Index. The Fund seeks to achieve its investment objective by investing in other Vanguard mutual funds and directly in securities held in the Total International Composite Index. The Fund allocates its assets among Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund, and Vanguard Emerging Markets Stock Index Fund, as well as directly in individual stocks, based on the market capitalizations of European, Pacific, and emerging markets stocks in the Total International Composite Index.

The following replaces the first sentence under the heading entitled "Portfolio Performance" on page 13:

The table named Direct Portfolio Average Annual Returns as of October 31, 2008, shows how the performance of the Portfolios has varied.

The following replaces the performance table on page 13:

#### Direct Portfolio Average Annual Returns as of October 31, 2008\*

Portfolio	1 Year	3 Years	Since Inception	Inception Date
Aggressive Growth Portfolio	-39.12%	-5.91%	-2.11%	10/28/2004
Growth Portfolio	-30.32	-3.93	-0.75	10/22/2004
Moderate Growth Portfolio	-21.60	-1.39	0.66	10/22/2004
Conservative Growth Portfolio	-12.03	1.04	1.98	10/22/2004
Income Portfolio	-0.81	2.69	2.33	10/22/2004
Stock Index Portfolio	-36.66	-5.77	-1.34	10/22/2004
Bond Index Portfolio	-0.45	2.93	2.28	10/22/2004
Money Market Portfolio	2.61	3.80	3.37	10/29/2004

\*The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' portfolio units, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [www.collegeinvest.org](http://www.collegeinvest.org).

Source: Vanguard.

The following replaces the section "Underlying Fund Performance" on page 14:

#### Underlying Fund Performance

The following table shows the average annual returns for the one-, five-, and ten-year periods for the Underlying Funds in the share classes held by the Portfolios as of October 31, 2008.\* The information concerning performance of the Underlying Funds has been provided by Vanguard for inclusion herein and has not been independently verified by CollegeInvest.

**Note: Please keep in mind that you, as an individual investor, are not investing directly in the Underlying Funds.**

#### Underlying Fund Average Annual Returns as of October 31, 2008\*

Underlying Fund	1 Year	5 Years	10 Years	Since Inception	Inception Date**
Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares	-36.16%	0.83%	—	-0.61%	5/31/2001
Vanguard Institutional Total Bond Market Index Fund Institutional Shares	0.17	3.46	—	4.20	4/26/2002
Vanguard Inflation-Protected Securities Fund Institutional Shares	-4.25	—	—	2.89	12/12/2003
Vanguard Prime Money Market Fund Institutional Shares	3.30	3.50	3.71	4.56	10/3/1989
Vanguard Total International Stock Index Fund Investor Shares	-48.57	4.41	2.49	2.46	4/29/1996

\*The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit [www.vanguard.com/performance](http://www.vanguard.com/performance).

\*\*Inception date of listed share class within the Underlying Fund.

The following replaces the table entitled “Annual Asset-Based Fees” on page 15:

### Annual Asset-Based Fees

Portfolio	Estimated Underlying Fund Expenses*	CollegeInvest Administrative Fee	Managers' Fee	Total Annual Asset-Based Fees
Aggressive Growth Portfolio	0.07%	0.10%	0.58%	0.75%
Growth Portfolio	0.07	0.10	0.58	0.75
Moderate Growth Portfolio	0.06	0.10	0.59	0.75
Conservative Growth Portfolio	0.06	0.10	0.59	0.75
Income Portfolio	0.07	0.10	0.58	0.75
Stock Index Portfolio	0.03	0.10	0.62	0.75
Bond Index Portfolio	0.05	0.10	0.60	0.75
Money Market Portfolio	0.08	0.10	0.57	0.75

\*Underlying Fund Expenses as of October 31, 2008.  
Source: Vanguard.

The following replaces the similar heading on page 18:

### Part 6. Information About the Plan, the Managers, the Upromise Rewards Service, and Ugift—Give College Savings

The following is added to the end of Part 6 on page 18:

#### Ugift—Give College Savings

You may invite family and friends to contribute to your Plan accounts through Ugift—Give College Savings (“Ugift”), a service offered by Upromise Investments Inc., either in connection with a special event or to just provide a gift to your account for the Beneficiary. You may either send an e-mail invitation or provide a gift contribution coupon to selected family and friends. The gift givers fill in their name and gift contribution amount on the contribution coupon provided and mail a check for that amount along with the contribution coupon to the address provided. The minimum Ugift contribution is \$15 by check made payable to *Ugift—CollegeInvest Direct Portfolio College Savings Plan*.

Gift contributions associated with a special event will be held in an account by Upromise upon receipt and transferred into your account approximately five business days after the special event. If the gift contribution is received less than two business days prior to the special event, or if the gift contribution is not associated with a special event, then the gift contribution will be held for approximately seven business days before being transferred into your account. Gift contributions through Ugift are subject to the general contribution limitations of The Plan. Gift contributions so transferred to your account by Upromise will be invested according to the allocation on file for your account at the time of transfer. There may be potential tax consequences of gift contributions made to Ugift for transfer to a Plan account. You and the gift giver should consult a tax advisor for more information. Please see “**Part 8—Tax Matters—Federal Gift and Estate Taxes.**”

The Plan Disclosure Statement provides information concerning The Plan, but is not intended to provide detailed information concerning Ugift. For more information on Ugift, please visit [www.collegeinvest.org](http://www.collegeinvest.org) or call **800-997-4295**. Ugift is an optional service, is separate from The Plan, and is not offered by or the responsibility of CollegeInvest.

The following replaces the first paragraph under the heading entitled “Contributions” on page 18:

You may contribute money to your account in The Plan by any of the following methods: check, automatic investment plan, electronic bank transfer, payroll deduction, transfer from a Upromise rewards service account, or a rollover. You may also receive a contribution through Ugift—Give College Savings. The Plan will not accept contributions made with cash, money orders, stocks, securities, or other nonbank-account assets. You may not charge contributions to your credit card.

Contributions by check, automatic investment plan, or electronic bank transfer will be held and not be available for withdrawal for ten calendar days.

*The following paragraph replaces the first paragraph under the heading entitled “Withdrawals” on page 21:*

You may withdraw money from your Plan account at any time, except as noted below. You may request a Qualified Withdrawal online, by telephone, or by mail; however, Nonqualified Withdrawals must be made by mail, using the appropriate form and providing such other information as The Plan may require. If the request meets these requirements, The Plan typically will process the withdrawal and initiate payment of a distribution within three business days after the trade date (the trade date is determined in accordance with the policies described in **Pricing of Portfolio Units** in this section). During periods of market volatility and at year-end, withdrawal requests may take up to five business days to process. Please allow ten business days for the proceeds to reach you. Contributions by check, automatic investment plan, or electronic bank transfer will be held and will not be available for withdrawal for ten calendar days. If the address or banking information that you have requested the withdrawal be sent to has changed in the last 15 calendar days, your withdrawal will be held until this waiting period has been satisfied.

*The following replaces the first paragraph under the heading entitled “Confirmations and Statements/Safeguarding Your Plan Account” on page 23:*

You will receive quarterly account statements indicating, for the applicable time period: (1) contributions made to your Plan account, including Ugift contributions, (2) withdrawals made from your Plan account, (3) changes between investment options, (4) contribution percentages among selected investment options in your Plan account, and (5) the total value of your Plan account at the end of that time period. You will also receive confirmations for any activity in your Plan account, except for AIP transactions, contributions through payroll direct deposit, assets in your Plan account that are automatically moved to a more conservative Portfolio within an Age-Based Option, transfers from a Upromise rewards account to your Plan account, and non-resident account fee deductions, which will appear on your quarterly statement. The Plan periodically matches and updates the addresses of record against a change-of-address database maintained by the U.S. Postal Service to reduce the possibility that items sent by first-class mail, such as account statements, will be undeliverable.

*The following replaces the first three paragraphs under the heading entitled “Federal Gift and Estate Taxes” on pages 26 and 27 in order to reflect the rise in the annual gift exclusion to \$13,000 for 2009, up from \$12,000 in 2008.*

Investments in 529 Plan accounts are considered completed gifts for federal estate and gift tax purposes. Generally, if the Account Owner dies while there is still money in his or her accounts, the value of the accounts would not be included in the Account Owner’s estate (except in the situation described below relating to the federal gift tax election for investments exceeding \$13,000 in any one year). However, amounts distributed to a beneficiary of the Beneficiary (or the estate of the Beneficiary) on account of the death of a Beneficiary may be included in the gross estate of that Beneficiary for federal estate tax purposes.

Account investments are potentially subject to federal gift tax payable by the contributing Account Owner, and are potentially subject to the generation-skipping transfer tax if the Beneficiary is a member of a generation that is two or more generations younger than the generation of the Account Owner. Generally, if an Account Owner’s investments in a 529 Plan account or accounts for a Beneficiary, together with all other gifts by the Account Owner to the Beneficiary, are less than \$13,000 per year or \$26,000 per married couple per year, no federal gift tax or generation-skipping transfer tax will be imposed on the Account Owner for gifts to the Beneficiary during that year.

If an Account Owner’s investment in an account for a Beneficiary in a single year is greater than \$13,000 or \$26,000 per married couple, the Account Owner may elect, for federal gift tax purposes, to treat the investments up to \$65,000, or \$130,000 per married couple, as having been made proportionately over a five-year period. However, if the Account Owner dies before the five-year period has elapsed, the portion of the investment allocable to years remaining in the five-year period (except for earnings on such investment) would be includable in the Account Owner’s estate for federal estate tax purposes.

*The following paragraph replaces the paragraph under the heading entitled “Custodial Arrangements” on page 28:*

**Custodial Arrangements.** The Bank of New York Mellon (“Bank of New York Mellon”), is the Manager’s custodian in connection with The Plan. As such, Bank of New York Mellon holds in safekeeping for the Manager cash and shares of the Underlying Funds belonging to The Plan. Upon instruction from the Manager, Bank of New York Mellon receives and delivers cash and shares of the Underlying Funds of The Plan in connection with Portfolio transactions and collects all income payable to and all distributions made with respect to The Plan’s shares of the Underlying Funds.

*The following replaces paragraph 1 under the heading “Contributions to Your Account” in the Participation Agreement on page 30:*

1. You may contribute money to your Account in The Plan by any of the following methods: check, automatic investment plan, electronic bank transfer, payroll deduction, transfer from a Upromise rewards service account, or a rollover. You may also receive a contribution through Ugift—Give College Savings. Third-party checks are accepted only at the discretion of the Managers. The Plan will not accept contributions made with cash, money orders, stocks, securities, or other nonbank-account assets. You may not charge contributions to your credit card. Checks should be made payable to **CollegelInvest Direct Portfolio College Savings Plan**.