CollegeInvest 529 College Savings Plan Online

Click the links below to move quickly through this document.

Opening a CollegeInvest 529 College Savings Plan account

- **Enrollment Kit**
- **CollegeInvest Stable Value Plus Plan Disclosure Statement**
- **Stable Value Plus Account Application**
- **CollegeInvest Direct Portfolio Plan Disclosure Statement**
- **Direct Portfolio Enrollment Application**

To print this kit:

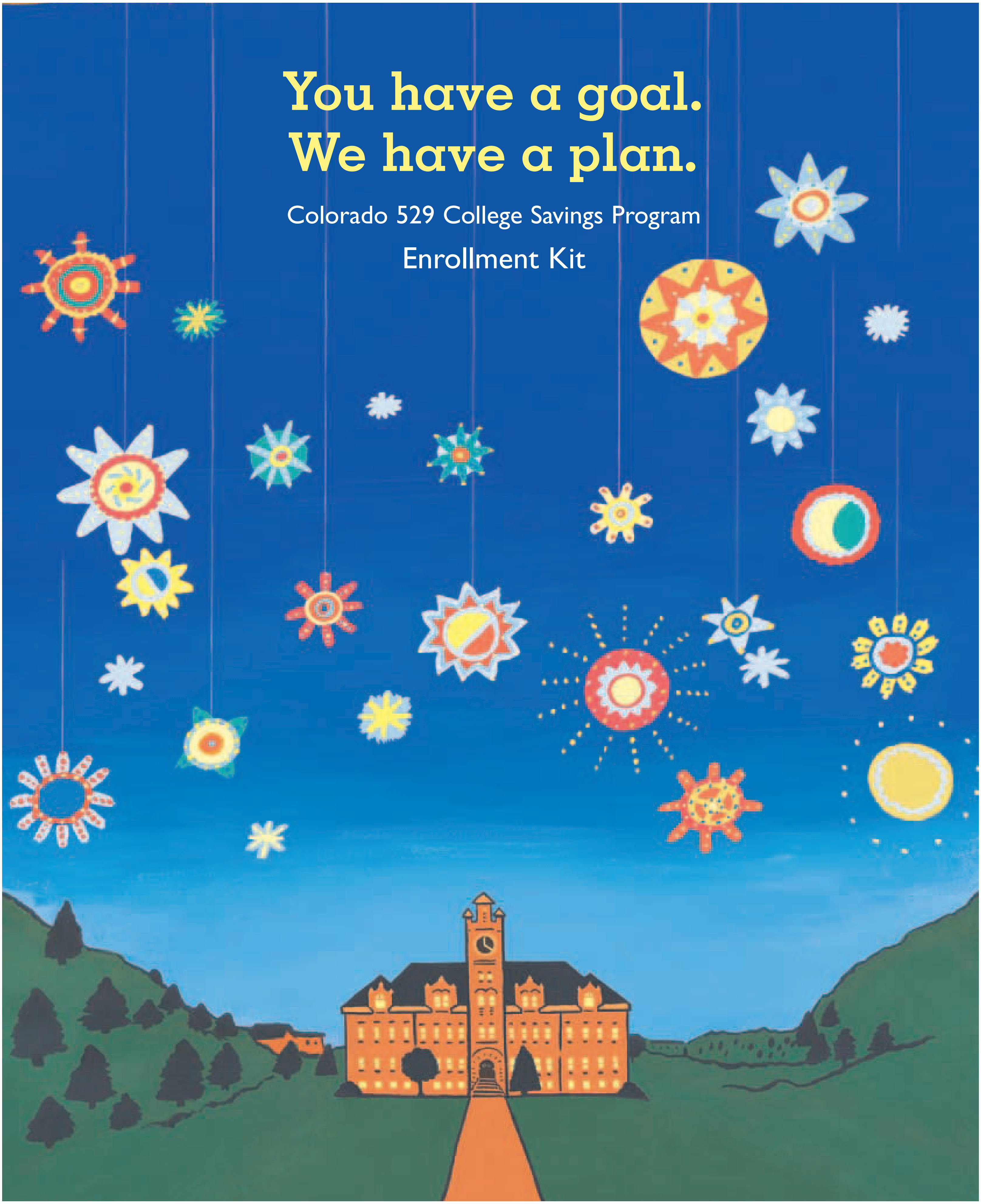
You can print selected pages by clicking your browser's printer icon and entering the appropriate PDF page numbers. You can also print this kit in its entirety by clicking the printer icon and selecting "All."

CollegeInvest®

You have a goal. We have a plan.

Colorado 529 College Savings Program

Enrollment Kit



CollegeInvest®

WE HELP YOU GET THERE

A good education is a precious gift.

A college education is a gift that lasts a lifetime. And, making that education possible is a great goal. But, as college costs continue to rise, most families are finding it more and more challenging to reach that goal. That's why we're here—to help you get there.

We're dedicated to helping make college more affordable

CollegeInvest was established in 1979 and is a not-for-profit division of the Colorado Department of Higher Education. We're committed exclusively to helping families plan and pay for college. So, we provide expert information, simple planning tools, scholarships, low-cost student and parent loans, and of course, great college savings plans that help take your education dollars as far as they can go.

Flexible 529 college savings plans

There are lots of ways to save for college, but experts agree 529 plans are one of the best. CollegeInvest 529 College Savings Plans are some of the most flexible, easiest ways to save for your student's education. And because we know no two families are alike, we offer lots of options.

With expert money managers

We've partnered with some of the nation's leading investment firms to manage our plans. Our managers carefully pick and diligently oversee a wide selection of investments among a broad range of asset classes; options are designed to appeal to various investment styles and risk tolerances.

Let's get started

The moment you choose the right savings plan for your family, you begin to help make a precious gift possible. So, let's get started.

What makes CollegeInvest savings plans a good decision?

When you choose CollegeInvest to help save for college, you can be confident you're making a wise choice. Here's why:

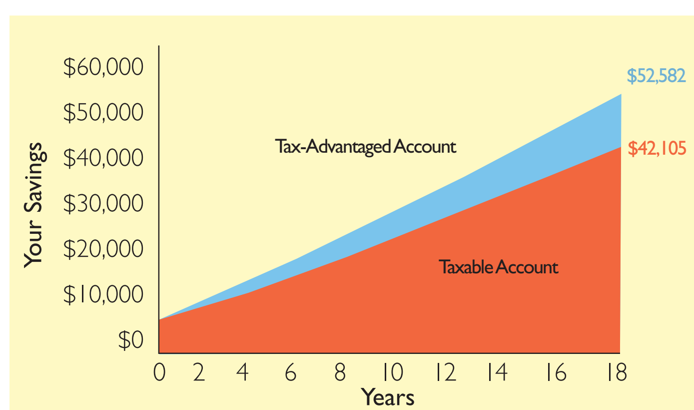
We offer the only savings plans that qualify for a Colorado tax deduction

As a Colorado resident, every year, every dollar you contribute can be deducted from your Colorado State taxable income. You can't get that from any other plan.

Tax-free savings

In addition to a great Colorado State tax deduction, your savings grow tax deferred. And, withdrawals used to pay for qualified higher education expenses are free from both federal and Colorado State income tax. With CollegeInvest, every dollar you save works harder.

Less "taxing" on your savings



Source: The Vanguard Group. This hypothetical illustration assumes an initial investment of $5,000 with an additional $100 invested at the beginning of each month thereafter; a 7% annual rate of return; an annual expense ratio of 0.75%; and taxed at a rate of 28% per year for taxable assets. The ending balance does not reflect withdrawals, nor a 10% federal penalty tax for unqualified withdrawals from the tax-advantaged account. This does not represent the return on any particular investment. Recently lowered tax rates on dividends and capital gains may make the taxable investment more favorable than is depicted here and the difference between the taxable and the tax-advantaged ending balance less. Any future changes in the tax treatment of investment earnings may further impact the comparison. Investors should consider their time horizon and current and expected future tax rates before making an investment decision.

Gift tax and estate planning benefits

529 college savings plans offer you unique gift tax and estate planning benefits. These plans may help you remove assets from your direct estate, but not from your control. This is one of the features that differentiates a 529 college savings plan from the many other college savings vehicles. Read more about these potential benefits and limitations in the applicable Plan Disclosure Statements (PDS) in the back of this kit.

Save in Colorado for a college anywhere in the country

You'll be able to use your college savings at any eligible public or private college, university or vocational school nationwide to pay for qualified expenses such as tuition, fees, certain room and board or required supplies. So, whether your child goes to school in Alaska or Nebraska, Boston or Boise, or far, far beyond, you can take these savings with you.

Start with as little as $25

The big thing is to start saving sooner rather than later. To make it easier to contribute regularly, we offer automatic transfers from your checking or savings account. Creating a savings routine may help you stick with your long-term plan and ultimately can help you meet your savings goals.*

You're in charge

Your account is always under your control. So, you can be sure the money you've saved is spent wisely. If your student decides not to attend college, you can leave the money in the account for future schooling or transfer it to another qualified family member.

* A periodic investment plan does not ensure a profit or protect against a loss in declining markets.

Other important considerations

State tax benefits

Contributions to the Plan(s) in a tax year are deductible from Colorado State income tax up to the extent they are included in your federal taxable income for that year, subject to recapture in subsequent years in which non-qualified withdrawals are made.

Non-qualified withdrawals

The earnings portion of a non-qualified withdrawal is subject to federal income taxes and any applicable state income tax, as well as an additional 10% federal penalty tax. The availability of tax or other benefits may be contingent on meeting other requirements.

Disclosure statement

Please consider the investment objectives, risks, charges, expenses, limitations, restrictions and qualifications regarding the Plans' benefits and potential tax advantages before investing. The Plan Disclosure Statements (PDS) contain more complete information about these and other features associated with the Plans. These should be read carefully before investing. Plan Disclosure Statements can be found in the back of this kit.

Investments in CollegeInvest Plans are not guaranteed by the state of Colorado or any other governmental entity, and may lose value, including principal amount invested. Administered and issued by CollegeInvest.

If you or your designated beneficiary is a resident of a state other than Colorado, you should check with your or your designated beneficiary's home state to see if it offers a 529 program. That program may offer state tax or other benefits to residents of that state that may not be available to investors in programs of other states.

Choosing the right option for your family.

When choosing any investment for your family, particularly college savings, it's important to consider three factors: your savings goal, your time horizon and your risk tolerance.

1. Set a savings goal

If you need help with setting your savings goal, use the online College Planning Tools at www.collegeinvest.org to get a rough estimate of how much you'll need to save. Select and compare costs for hundreds of private and public universities, colleges and vocational schools nationwide.

2. Know your time horizon

You have a fixed, limited amount of time to save for college—usually no more than 15 to 18 years. If you start early, investment options that take advantage of the equity markets might be a strategy to consider. However, if you'll need your college funds relatively soon, you may want to consider investment options that seek to reduce the risk of loss.

3. Determine your risk tolerance

Do you find it easy to ignore large market fluctuations? Or, are you more willing to forgo some earning potential in exchange for less relative risk? Are you somewhere in between? If you don't know, don't worry. You can determine your investment temperament using the College Planning Tools at www.collegeinvest.org/tools, or call us at 1-800-448-2424 to speak with a college savings specialist.

Great online planning tools

Visit our website for a host of great college planning tools, provided by Vanguard.

How much will college cost?

The college cost projector helps determine how inflation could increase the cost of college.

How much do I need to save?

This college savings planner will determine your savings goals and map out ways to try to meet them.

How much will my savings be worth?

Use this college savings projector to find out what your savings may be worth when it's time for college.

How should I diversify?

Complete this asset allocation questionnaire to help find the mix of assets that's right for your college savings plan.

Calculate your 529 state tax deduction

The state tax deduction is an important benefit—find out how much you may be able to deduct.

Converting a UTMA/UGMA

Find out if moving money into a 529 makes financial sense for you.

www.collegeinvest.org/tools

Cost of four years of college

Today:	Public	$56,394	Private	$133,872
In 5 years:	Public	$72,549	Private	$172,222
In 10 years:	Public	$99,398	Private	$235,959

This is based on a hypothetical 6.5% inflation rate. These figures are based on an estimated average of current student expenses including tuition, fees, room and board only.

Source: College Board's "2006 Trends in College Pricing"

Our College Savings Plans

Your family is unique, so our plans are uniquely flexible

No two families have the same needs, so CollegeInvest offers a variety of options, from growth-oriented equity options to more stable fixed income options. We help deliver a diversified plan that works for you.

This brochure explains two plans:

Direct Portfolio

- Age-Based Options
- Blended and Individual Options

Stable Value Plus

- Guaranteed Savings Option

CollegeInvest Direct Portfolio

Investments managed by The Vanguard Group

We've partnered with Vanguard, one of the nation's largest mutual fund companies, to manage all Direct Portfolio investments. When investing in Direct Portfolio, you may combine up to five different investment options within your account. Direct Portfolio offers eleven investment options:

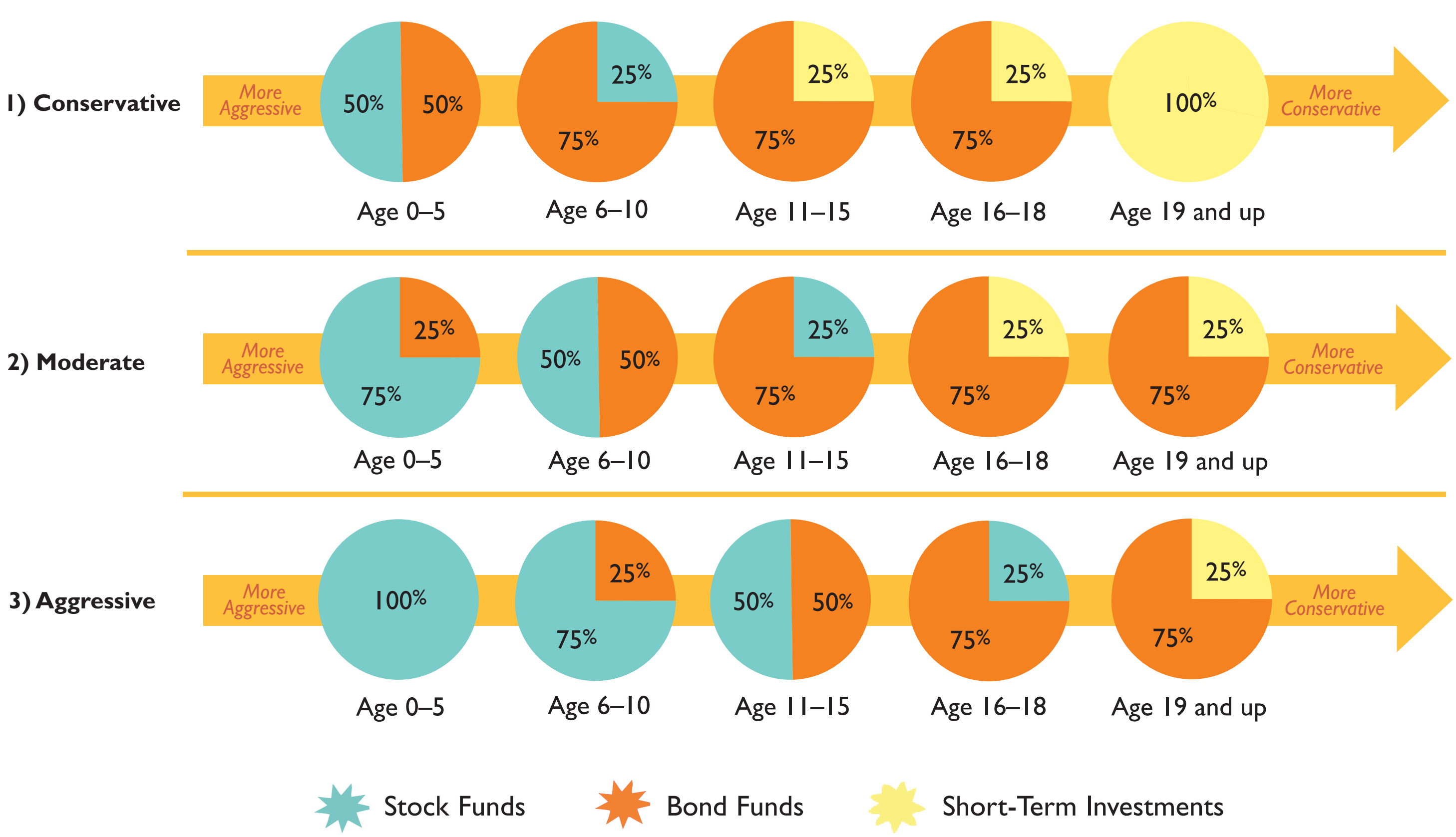
Three Age-Based Options • Three Individual Portfolio Options • Five Blended Portfolio Options

Three Age-Based Options

If you'd like to free yourself from the task of adjusting your allocations over time, you may want to consider our Age-Based Options. There are three choices within our Age-Based Options: 1) Conservative, 2) Moderate, 3) Aggressive.

Select an Age-Based Option based on your risk tolerance category. The Conservative Option offers a higher concentration of assets in bonds or short-term investments. The Aggressive Option offers a higher concentration in stock funds. The Moderate Option falls between the two. Generally, the Conservative Option tends to be less volatile; these investments may not decline as far when markets go down, but also may not appreciate in value as much when markets go up.

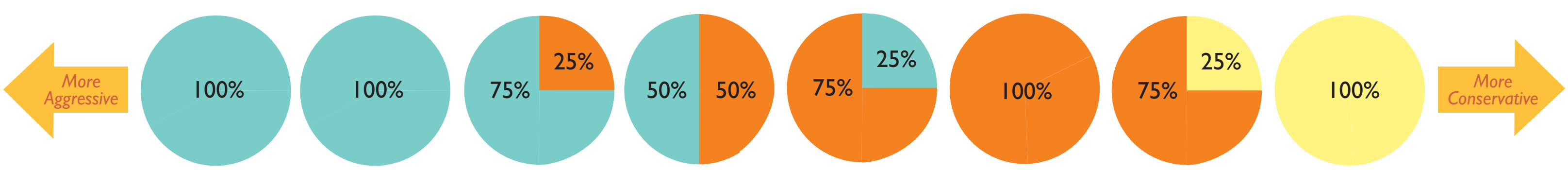
Within these three options, your assets will be managed according to the age of your beneficiary. As your student ages, your assets are automatically shifted from a higher concentration of stock funds to bond funds and short-term investments. This helps protect your capital and adjust your market exposure to risk before you begin making withdrawals.



Eight Blended and Individual Portfolio Options

If you are interested in a set investment allocation—and choosing if, when and how it adjusts over time—you may want to consider a Blended or Individual Portfolio. You may choose among the five blended and three individual portfolios listed below, which invest in stock funds, bond funds and short-term investments.

Unlike our Age-Based Options, when you choose a Blended or Individual Portfolio, your investment remains fixed in that portfolio until you instruct the plan to change it. As your beneficiary nears college, you may want to progressively move your assets to more conservative investment options, which may help preserve capital and minimize the effects of market risk and fluctuations.[1]



1) Aggressive Growth Portfolio
2) Stock Index Portfolio
3) Growth Portfolio
4) Moderate Growth Portfolio
5) Conservative Growth Portfolio
6) Bond Index Portfolio
7) Income Portfolio†
8) Money Market Portfolio†

Stock Funds   Bond Funds   Short-Term Investments

For more detailed information on these portfolios, please refer to the Direct Portfolio Plan Disclosure Statement. To obtain the most current performance and pricing information on these Portfolios, visit www.collegeinvest.org or call a college savings specialist at 1-800-448-2424.

Important considerations

The Portfolios, although they invest in Vanguard® mutual funds, are not mutual funds. Investment returns are not guaranteed, and you could lose money by investing in the plan. Mutual funds are subject to market risk. Investments in bond funds are subject to interest rate, credit, and inflation risk.

†The Income Portfolio's and the Money Market Portfolio's investment in the Vanguard Prime Money Market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at $1 per share, it is possible that the Portfolio may lose money by investing in the Fund.

CollegeInvest is the issuer of Plan securities and is the trustee of the Plan in accordance with Colorado law, oversees the Managers' activities and provides certain administrative services, such as marketing, audit and financial statements, in connection with the Plan.

Upromise Investments, Inc. serves as Plan Manager for the CollegeInvest Direct Portfolio College Savings Plan and has overall responsibility for the day-to-day operations, including effecting transactions. The Vanguard Group, Inc. also serves as Plan Manager and Investment Manager for the CollegeInvest Direct Portfolio College Savings Plan, and Vanguard Marketing Corporation, an affiliate of the Vanguard Group, Inc., assists CollegeInvest with marketing and distributing the Direct Portfolio Plan. Vanguard Marketing Corporation serves as a Distributor and Underwriter for the CollegeInvest Direct Portfolio College Savings Plan.

To learn more about the Vanguard mutual funds that make up these portfolios, visit https://flagship.vanguard.com/VGApp/hnw/FundsStocksOverview. Please keep in mind that as a plan account owner, you will not own individual shares of the Vanguard funds that comprise the plan's underlying investments.

1. You may change your investment option once in a calendar year or upon changing the beneficiary on the account.

CollegeInvest Stable Value Plus

Investments Managed by MetLife Insurance Company of Connecticut ("MetLife")

We've partnered with MetLife to offer you a guaranteed fixed income college savings option designed to:

1) Protect your principal investment, 2) provide a minimum rate of return[2] and 3) provide earnings that could be greater than the minimum.

Guaranteed Savings Option

Stable Value Plus is backed by a guarantee provided to the plan by MetLife. As your contributions and any accumulated earnings are not exposed to general market risk and fluctuations, this option may be appropriate if you are seeking a low-risk investment or if you plan to use the funds for college soon.

MetLife resets the annual rate of return for this plan each January 1. CollegeInvest makes this rate of return available to investors and potential investors the December before the rate is reset.

Stable Value Plus

100%

Fixed Income

Guaranteed Investment Contract

Financial Strength Rating of MetLife[3] *(as of April 2007)*

A.M. Best Company	A+ (second highest of 16 ratings)
Moody's Investor's Service	Aa2 (third highest of 21 ratings)
Standard & Poor's	AA (second highest of 21 ratings)
Fitch, Inc.	AA (third highest of 24 ratings)

Important considerations:

CollegeInvest is the issuer of Plan securities and is the trustee of the Plan in accordance with Colorado law, oversees the Managers' activities and has overall responsibility for the day-to-day operations, including effecting transactions. CollegeInvest provides certain administrative services, such as marketing, audit and financial statements, in connection with the Plan.

MetLife serves as the Investment Manager and Funding Agency for the CollegeInvest Stable Value Plus College Savings plan.

The Vanguard Marketing Corporation, an affiliate of the Vanguard Group, Inc., assists CollegeInvest with marketing and distributing the Stable Value plan. The Vanguard Group receives no compensation with respect to the Stable Value Plus plan and assumes no responsibility with respect thereto and does not provide investment management for the Stable Value Plus plan.

2. The Minimum Net Rate of return provided by MetLife for Stable Value Plus is currently 2% prior to any fees or charges payable to CollegeInvest, including an annual administrative fee of 0.75%. In no case will the Minimum Net Rate provided by MetLife go below 2%.

3. The financial strength ratings represent the opinions of rating agencies regarding the financial ability of MetLife to meet its obligations under its insurance policies.

Working with a financial professional

Many families may work with a financial professional and include their college savings as part of an overall financial planning strategy. If you are opening a Direct Portfolio or Stable Value plan and would like to add your advisor to your account, please contact us at www.collegeinvest.org or 1-800-448-2424. While an advisor may recommend the plans offered in this kit, CollegeInvest also offers a Colorado 529 college savings plan available exclusively through financial professionals. This plan has investments, objectives, charges and expenses different from the plans featured in this kit. To find out more about this plan, visit www.collegeinvest.org or contact your financial professional.

We'll help you get there.

Signing up is a cinch!

Congratulations on taking the first step. Now, keep at it! At this point, you may be ready to enroll in one of our plans. We've included everything you need to sign up.

- For the **Direct Portfolio** plan, simply skip to the blue application divider and follow the directions on that sheet.
- To enroll in **Stable Value Plus**, skip to the yellow section and follow the directions on the yellow divider page.

Remember, we're here to help you reach your higher education financing goals. We'd be happy to help you in any way we can. For more information or if you have questions, please call us at 1-800-448-2424 or visit www.collegeinvest.org.

Accelerate your savings with Upromise® Rewards Service

Upromise is a great free service that allows you to save a percentage of your qualified spending in a Upromise rewards account earmarked for your child's education. Many of America's leading companies—such as Citi, McDonald's, Bed Bath & Beyond, The Sharper Image, and many of your favorite local grocery and drug stores, including King Soopers, Safeway and Albertsons—participate. Here's how it works. You join for free, register your credit cards and grocery cards, make qualified purchases and hundreds of companies will contribute a portion of what you spend with them to a Upromise rewards account for your child. For more information or for fast, easy and secure enrollment, visit www.collegeinvest.org/upromise now!

Take advantage of our Matching Grant Program

The CollegeInvest Matching Grant Program is one more reason to feel good about living in Colorado. Designed to help middle- to lower-income Colorado families save more for higher education, this program provides eligible account owners with matching funds.

For more information, eligibility requirements or an application, please call 1-800-478-5651 or visit www.collegeinvest.org/MatchingGrant.

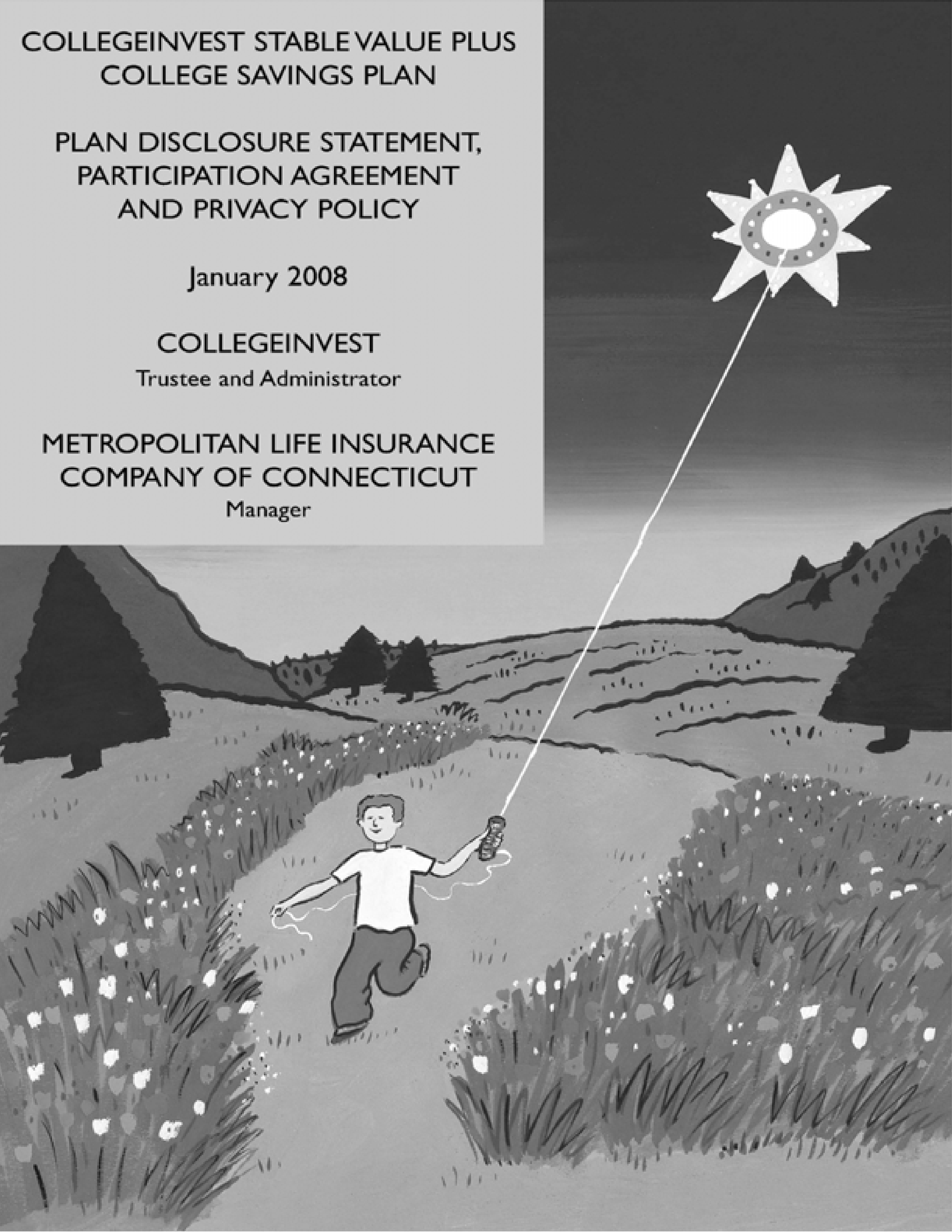
COLLEGEINVEST STABLE VALUE PLUS COLLEGE SAVINGS PLAN

PLAN DISCLOSURE STATEMENT, PARTICIPATION AGREEMENT AND PRIVACY POLICY

January 2008

COLLEGEINVEST
Trustee and Administrator

METROPOLITAN LIFE INSURANCE COMPANY OF CONNECTICUT
Manager



COLLEGEINVEST STABLE VALUE PLUS COLLEGE SAVINGS PLAN
PLAN DISCLOSURE STATEMENT
January 2008

Before you make any contribution to the CollegeInvest Stable Value Plus College Savings Plan (the "**Plan**"), read and understand this Plan Disclosure Statement. It gives you important information about the Plan and discusses the risks of investing through the Plan in the CollegeInvest Stable Value Plus College Savings Trust (the "**Trust**"). See "Certain Investment Considerations."

The information contained in this Plan Disclosure Statement is believed to be accurate as of the date hereof and is subject to change without notice. This Plan Disclosure Statement speaks as of the date hereof, and delivery of this Plan Disclosure Statement does not create any implication that there has been no change in the affairs of Metropolitan Life Insurance Company of Connecticut ("**MetLife**") or CollegeInvest since the date hereof. No one is authorized to provide information that is different from the information contained in this Plan Disclosure Statement.

If you are not a Colorado taxpayer, consider before investing whether your or the beneficiary's home state offers a 529 Plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's 529 Plan, and which are not available through investment in the Plan. Since different states have different tax provisions, this Plan Disclosure Statement contains limited information about the state tax consequences of investing in the Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's 529 Plan(s), or any other 529 Plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

INTERESTS IN THE TRUST HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION OR WITH ANY STATE SECURITIES COMMISSION.

Your investment in the Trust will not be insured by the Federal Deposit Insurance Corporation, or any other state or federal governmental agency. Interests in the Trust are not deposits or other obligations of any depository institution. None of the United States, the State of Colorado, CollegeInvest, or any other agency or instrumentality of the federal government or the State of Colorado makes any guarantee of, or has any legal obligation to insure, the ultimate payout of all or any portion of the amount contributed to an Account or any interest earnings thereon.

All contributions received by the Trust will be invested in a Funding Agreement entered between MetLife and CollegeInvest, as administrator and trustee for the Plan (the "**Funding Agreement**"). The ability of CollegeInvest to repay the amount you contributed and interest earnings on your contribution under the Plan is contingent upon the payment of distributions by MetLife to the Trust under the Funding Agreement. The obligation of MetLife to repay the amounts deposited under the Funding Agreement and pay interest thereon to the Trust as described herein is an unsecured obligation of MetLife. **IN SHORT, YOU COULD LOSE MONEY (INCLUDING THE AMOUNT YOU CONTRIBUTED), OR NOT EARN ANY RETURN ON YOUR CONTRIBUTION, IF METLIFE FAILS FOR ANY REASON TO PAY INTEREST OR REPAY AMOUNTS DEPOSITED UNDER THE FUNDING AGREEMENT.**

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The Plan Highlights	
The highlights direct you to more complete information about the Plan contained in this Plan Disclosure Statement, which you should review carefully. The offering of the CollegeInvest Stable Value Plus College Savings Plan to potential investors is made only by means of this entire Plan Disclosure Statement and Participation Agreement.	
Purpose of the CollegeInvest Stable Value Plus College Savings Plan	To help individuals and families save for qualified higher education expenses through a "qualified tuition program" under Section 529 of the Internal Revenue Code administered by CollegeInvest, a division of the Colorado Department of Higher Education. See "General Information" on page 1.
Manager of the Plan	The Plan is managed by MetLife. The Plan assets will be invested by MetLife by means of the Funding Agreement. The term of the Manager's contract has been extended to January 1, 2009. CollegeInvest will provide certain administrative and marketing services for the Plan. See "General Information" on page 1 and "Investment of Plan Assets – MetLife" on page 2.
Contact Information	CollegeInvest Stable Value Plus College Savings Plan 1801 Broadway Suite 1300 Denver, CO 80202 Phone: 1-800-478-5651 www.collegeinvest.org **Change of address effective April 1, 2008** CollegeInvest Stable Value Plus College Savings Plan 1560 Broadway, Suite 1700 Denver, CO 80202
No Third Party Guarantees	The repayment of contributions and payment of interest thereon are obligations only of MetLife and only to the extent provided by the Funding Agreement. Neither the amount contributed to the Trust, nor the interest earned on amounts so contributed, is or at any time will be guaranteed by the State of Colorado, CollegeInvest, any parent, affiliate or subsidiary of MetLife, or any federal or state governmental agency. An investment in the Trust is not a bank deposit or other obligation of any depository institution and is not guaranteed or insured by the FDIC or any depository institution. See "Certain Investment Considerations" on page 7.
Eligibility (Account Owner)	The Plan is open to all United States citizens and resident aliens who have a Social Security number or taxpayer identification number and have a permanent address in the United States that is not a P.O. box. There are no restrictions on income.
Beneficiary	The beneficiary of your account may be a United States citizen or resident alien with a Social Security number or taxpayer identification number of any age. You may change a beneficiary or transfer a portion of the account to a different beneficiary without adverse tax consequences, provided the two beneficiaries are members of the same family. See "Changing the Beneficiary of your Account" on page 5.

Investment of Plan Assets	Contributions to the Trust will be invested by deposit under a Funding Agreement between CollegeInvest and MetLife. The annual interest rate under the Funding Agreement for any year is determined no later than each December 1 of the prior year for the next following calendar year. Withdrawals from the Trust will be paid only if MetLife pays distributions as it has agreed to do under the Funding Agreement. See "Investment of Plan Assets" on page 2.
Contributions	Contributions may be made by anyone, regardless of the relationship to the account owner or beneficiary. Initial Contribution: $25 minimum. Additional Contributions: $25 minimum. See "Contributions and Balance Limit" on page 4.
Maximum Contribution Limit	$280,000—Plan accounts that have reached this combined maximum balance permitted across all Section 529 plans administered by CollegeInvest for the same beneficiary may continue to accrue earnings, but additional contributions are prohibited. See "Contributions and Balance Limit" on page 4.
Risk Factors of the Plan	Investing in the Plan involves certain risks, including: (i) the possibility that you may lose money (including your original contribution) over short or even long periods, (ii) the risk of federal or state tax law changes, (iii) the risk of Plan changes including changes in fees, funding agreements, and investment guidelines, and (iv) the risk that contributions to the Plan may adversely affect the eligibility of the beneficiary or the account owner for financial aid or other benefits. See "Certain Investment Considerations" on page 7.
Fees and Charges	The current annual CollegeInvest administrative fee is 0.75%. The other fees, expenses and charges currently imposed in connection with the Plan are described in "Fees, Expenses and Charges" on page 6.
Tax Advantages	• Earnings grow free from federal income tax while in a Plan account. • There is no federal income tax on Qualified Withdrawals. • No gift tax is payable on contributions up to $60,000 (single) and $120,000 (married couple)— prorated over five years. • Contributions are deductible from Colorado state income tax (subject to recapture if Nonqualified Withdrawal). • No Colorado income tax on Qualified Withdrawals. **Contributions to a Section 529 plan are not deductible for federal income tax purposes.** See "Tax Matters" on page 8.
Qualified Withdrawals	Assets in your Plan account can be used with limitations to pay for tuition, fees, room and board, books, supplies, and equipment required for enrollment or attendance at any eligible educational institution in the United States or abroad. See "Withdrawals" on page 4.

Account Control	As account owner, you can: • Retain control of how and when money is used. • Change beneficiaries without paying federal income tax or a penalty tax, if the new beneficiary is a "member of the family" of the former beneficiary. • Withdraw amounts in your Account for any purpose, subject to applicable federal and state income taxes on earnings (including possible recapture of state tax deductions) and an additional 10% federal penalty tax on earnings. See "Withdrawals" on page 4.
Account Control Limitations	A few limitations apply: • You may change the investment option for your Plan account for any reason only one time during any calendar year, or with the permissible change of the beneficiary. • Account owners may transfer all or part of a Plan account to another Section 529 plan for the same beneficiary. Such transfers may be made only if it has been at least 12 months since the last such transfer for the beneficiary. • You will not be permitted to transfer amounts from your Plan account directly to a "Colorado Competing Fixed Interest Fund" as defined by the Funding Agreement and further described herein. See "Withdrawals" on page 4.
Applications and Account Information	• Account owners may obtain an application online at **www.collegeinvest.org** or by mail. • Account information may be reviewed online; however, annual statements will be provided to account owners only by mail. See "Opening and Maintaining an Account" on page 3.
Other Education Expense Savings Programs	There are options, administered by CollegeInvest, other than the Plan for saving for the expenses of attending an eligible educational institution, including the Scholars Choice College Savings Program and the CollegeInvest Direct Portfolio College Savings Plan. See CollegeInvest's website at **www.collegeinvest.org** for more information. If you are a resident of a state other than Colorado, you may have the opportunity to invest in a Section 529 plan sponsored by your home state that may provide state tax benefits not available to you by investing in the Plan.

COLLEGEINVEST STABLE VALUE PLUS COLLEGE SAVINGS PLAN

PLAN DISCLOSURE STATEMENT
January 2008

General Information

In May 1999, the Colorado General Assembly adopted State of Colorado House Bill 99-1288 (the "**Act**"), authorizing the establishment of a college savings program (the "**Program**"). Since January 15, 2003, CollegeInvest ("**CollegeInvest**"), a division of the Colorado Department of Higher Education, has offered the Stable Value Plus College Savings Plan (the "**Plan**") as part of the Program under the Act and as a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended (the "**Code**"). The Plan provides an opportunity to invest on a tax-favored basis toward the "qualified higher education expenses" of a designated beneficiary (the "**Beneficiary**") associated with attending an Eligible Educational Institution.[1] *It is possible that federal and state laws may change in a manner that will adversely affect the Plan as described in this Plan Disclosure Statement, and that such adverse effects may be retroactive. CollegeInvest also may amend the Plan at any time if CollegeInvest determines that such an amendment is necessary to maintain qualification under Code Section 529.*

Amounts contributed to the Plan will be used to purchase units in a separate account (an "**Account**") that is part of the Trust. MetLife has been selected as the Manager of the Plan and will deposit Trust assets in the Funding Agreement as directed by CollegeInvest. The Plan has been designed by CollegeInvest to provide a return of the principal contributed and a minimum rate of interest with the potential for additional interest. Assets of the Trust (which represent funds contributed to Accounts together with earnings thereon) will be invested under a funding agreement (the "**Funding Agreement**") dated as of January 13, 2003, between MetLife, as investment provider, and CollegeInvest, as trustee for the Plan. CollegeInvest will provide services for the Plan including establishing your Account; accepting and processing contributions to and withdrawals from your Account; marketing the Plan; and providing certain recordkeeping services with respect to the Plan (the "**CollegeInvest Services**"). **CollegeInvest is solely responsible for the performance of the CollegeInvest Services and in no event shall MetLife have any liability with respect to the performance or nonperformance of any such CollegeInvest Services.**

CollegeInvest may, from time to time, establish an annual limit on the total contributions from all investors that may be made to the Plan. Upon reaching the annual limit, CollegeInvest will notify all investors that it is no longer accepting additional contributions to the Plan for the remainder of the year, and any further contributions will be returned. There also is a combined Account balance limit for the Plan and all other Colorado Section 529 plans for a particular Beneficiary of $280,000, as further described herein.

<u>State Tax and Other Benefits</u>. **If you are not a Colorado taxpayer, consider before investing whether your or the beneficiary's home state offers a Section 529 plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's Section 529 plan, and which are not available through investment in the Plan. Since different states have different tax provisions, this Plan Disclosure Statement contains limited information about the state tax consequences of investing in the Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's Section 529 plan(s), or any other Section 529 plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.**

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[1] As used in this Plan Disclosure Statement, "**Eligible Educational Institutions**" refer to schools eligible to participate in certain Department of Education student aid programs under the Higher Education Act (as in effect on August 5, 1997). They include most community colleges, public and private 4-year colleges, universities, graduate and post-graduate programs, and certain proprietary and vocational schools. "**Qualified higher education expenses**" include tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution, plus, subject to certain limitations, room and board expenses for a Beneficiary attending such an institution on at least a half time basis.

Investment of Plan Assets

The Funding Agreement - Overview. Contributions to the Trust are being invested by deposit under the Funding Agreement. Deposits made under the Funding Agreement become commingled with the general account of MetLife. MetLife is obligated to repay the amounts deposited under the Funding Agreement and an investment return based on an interest rate as described below. Distributions will be made to CollegeInvest at any time to cover requests by Account Owners for qualified or non-qualified withdrawals or transfers to any other Section 529 plan except another plan offered or administered by CollegeInvest or any other agency or instrumentality of the State of Colorado which offers, in the opinion of MetLife, an interest return for education savings similar to the Plan (a "**Colorado Competing Fixed Interest Fund**").

The general account of MetLife supports its obligations under the Funding Agreement. No substitution, collateralization or other safeguards relating to the credit of MetLife will be provided under the Funding Agreement, even in the event of a downgrade of the financial strength credit ratings of MetLife or any other indication that the ability of MetLife to pay the amounts guaranteed under the Funding Agreement may have been impaired.

If the Funding Agreement is discontinued, CollegeInvest is required to direct the investment of Trust assets to alternate investments as permitted by the Funding Agreement and the CollegeInvest Investment Policy Statement for the Plan. MetLife may assign the Funding Agreement without the consent of CollegeInvest but only to an entity with the same or higher financial strength credit ratings as such ratings of MetLife either at the time of assignment or on the effective date of the Funding Agreement.

Investment Return. No later than December 1 of each year, MetLife will calculate and notify CollegeInvest of the annual interest rate which will be in effect under the Funding Agreement during the following calendar year. MetLife has agreed that the annual rate calculated each year under the Funding Agreement will not be less than the greater of (i) the Colorado minimum nonforfeiture interest rate for annuity contracts (currently, 3.00%) or (ii) 2.00%. The actual investment return on your Account will be the annual net rate under the Funding Agreement reduced by an administrative fee deducted from your Account by CollegeInvest.[2] CollegeInvest will notify you each year of the annual rate calculated under the Funding Agreement and the CollegeInvest administrative fee. There is no assurance that the annual rate calculated for any calendar year will be at any level above the minimum annual rate described above.

Discontinuance of the Funding Agreement. CollegeInvest may elect to discontinue the Funding Agreement at any time, including upon a default by or the insolvency of MetLife. In addition, CollegeInvest is required to discontinue the Funding Agreement in the event that the financial strength credit ratings of MetLife shall be lowered to ratings of less than the lowest "A" category of at least two nationally recognized rating agencies. MetLife has the right to discontinue the Funding Agreement only under limited circumstances, including a default by CollegeInvest or material changes to the Plan. In the event that the Funding Agreement is discontinued by CollegeInvest for a default by or the insolvency of MetLife, all amounts under the Funding Agreement will be immediately payable by MetLife. In the case of discontinuance for any other reason, MetLife may choose to pay out all amounts held under the Funding Agreement to CollegeInvest in a lump sum payment or in annual installments (up to four) over a period not to exceed three years and 60 days. CollegeInvest may only reinvest amounts as paid out; all other amounts will remain invested under the Funding Agreement. Amounts which remain invested in the Funding Agreement after a discontinuance are to be made available by MetLife to cover withdrawals or transfers requested by Account Owners.

MetLife. You will receive withdrawals from the Trust in the amount you contributed and earnings thereon only if MetLife pays distributions as it has agreed to do under the Funding Agreement. See "Certain Investment Considerations – Risks of Default by MetLife." The obligation to make distributions under the Funding Agreement to the Trust is an unsecured obligation of MetLife and is not an obligation of nor is it guaranteed by any of its parent company, subsidiaries or affiliates. **Before making contributions to the Plan and while your contributions remain invested under the Funding Agreement, you should carefully evaluate the ability of MetLife to make distributions when requested under the Funding Agreement.**

[2] The minimum investment return currently under the Program would be 2.25%, which is the current minimum annual rate of 3.00% under the Funding Agreement less the CollegeInvest administrative fee currently in effect of 0.75%.

Financial information as to MetLife is included in this Plan Disclosure Statement only by reference to filings made by the Company with the U.S. Securities and Exchange Commission ("**Commission**"), as required by law. You may read and copy this information at the following locations: the Commission's EDGAR database at http://www.sec.gov/; public reference facilities of the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C.; the Commission's Regional Offices located at 233 Broadway, New York, New York 10279; and the Commission's Regional Offices located at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661.

MetLife now holds the following credit ratings as to its financial strength from four nationally recognized rating agencies: A.M. Best Company ("A+"), Fitch, Inc. ("AA"), Moody's Investors Service ("Aa2") and Standard & Poor's ("AA"). According to A.M. Best Company publications, the "A+" rating is the second highest rating of 16 ratings, and is assigned to companies that have a superior ability to meet their obligations to policyholders. Fitch publications report that insurance companies rated "AA" are viewed as possessing very strong capacity to meet policyholder and contract obligations; this rating is the third highest of 24 ratings. According to Moody's publications, the "Aa2" is the third highest of 21 ratings and is assigned to insurance companies that offer excellent financial security. Standard & Poor's publications report that the "AA" rating, the third highest of 21 ratings, is assigned to insurance companies that have very strong financial security. A.M. Best, Fitch, Moody's and Standard & Poor's make no representation regarding an investment in the Plan.

MetLife has agreed to provide written notice to CollegeInvest of any change in a rating. CollegeInvest is required to notify all Account Owners of any rating downgrades about which CollegeInvest is notified by MetLife, and to discontinue the Funding Agreement in the event of certain rating downgrades as discussed under "Discontinuance of the Funding Agreement."

MetLife, as a Connecticut insurance company, will be subject to the insurance laws of the State of Connecticut in the event of its liquidation, rehabilitation or other delinquency proceeding. In the event of an insolvency of MetLife, a claim by CollegeInvest as holder of the Funding Agreement would have a priority over the claims of general creditors of MetLife under the insurance laws of the State of Connecticut.

Alternate Investments. In the event that the Funding Agreement is discontinued for reasons other than the default by or insolvency of MetLife, CollegeInvest will receive a transfer of amounts invested thereunder from MetLife, either in a lump sum payment or in annual installments. CollegeInvest will seek to invest amounts as received upon discontinuance in an alternative funding agreement or other investments intended to meet the investment objectives of the Plan – that is, to provide a return of principal contributed and a minimum rate of interest with the potential for additional interest. There is no assurance, however, that CollegeInvest would be able to obtain such an alternate investment or what the minimum investment return would be for any such alternate investment. **This Plan Disclosure Statement does not contain a detailed description of any such alternate investment(s), and it is anticipated that any such information would be provided by a supplement to this Plan Disclosure Statement.**

Opening and Maintaining an Account

To be an Account Owner, you must be a United States citizen or resident alien and must have a Social Security number or taxpayer identification number. Trusts, not-for-profit organizations, and local governments can also be Account Owners. Account Owners must provide a permanent address in the United States that is not a post office box. **The Colorado income tax deduction for contributions to the Plan, as described herein, is available only to Colorado taxpayers. Section 529 plans offered by states other than the State of Colorado may offer tax or other benefits to taxpayers or residents of those states that are not available with regard to the Plan. Taxpayers and residents of states other than the State of Colorado should consider such state tax treatment and other benefits, if any, before making an investment decision.** To open an Account, you must complete, sign and submit to CollegeInvest an application which incorporates by reference the Participation Agreement. You may choose to authorize contributions by automatic deduction from a bank account when you open an Account or make your initial contribution by check made payable to "Stable Value Plus." Each Account will be established as a separate account under the Plan for a single Beneficiary. Each Account Owner will receive an annual statement detailing contributions, withdrawals, interest earnings and year-end Account value under the Plan.

Changing the Account Owner

You may transfer your Account to another Account Owner without changing the Beneficiary of your Account. Such a transfer will be effective only if it is irrevocable and transfers all rights, title, interest and power over the Account to the new

Account Owner. The tax consequences associated with a transfer of ownership are uncertain. You should consult with a qualified tax advisor concerning the potential income, gift and estate tax consequences of a transfer of ownership before effecting such a transfer. To effect a transfer of ownership, please contact CollegeInvest.

If on the death of the Account Owner, the Account Owner has not designated a successor Account Owner on the Account Application, the Beneficiary designated for the Account will automatically become the Account Owner. The Beneficiary of the Account also will become the Account Owner if a designated successor Account Owner is deceased at the time of the Account Owner's death or validly disclaims his/her interest in the Account.

Contributions and Balance Limit

Minimum Contributions. The minimum contribution at any time to an Account is $25.

Contributing Via Rollovers and Transfers; Other Contributions. You may contribute to your Account through a rollover or transfer of money from another state's Section 529 plan, from another Section 529 plan administered by CollegeInvest, or from another account in The Plan. Rollovers do not qualify as a contribution for purposes of the Colorado state tax deduction. You may contribute to the Plan with assets from a Uniform Gift to Minors Act or a Uniform Transfers to Minors Act ("**UGMA/UTMA**") custodial account, an education savings account, or certain U.S. savings bonds issued after 1989 ("**Qualified U.S. Savings Bonds**"). There are limitations on, and there may be other tax consequences of, such rollovers or other contributions. You should consult a qualified tax advisor regarding your particular circumstances. Please see "Tax Matters – Transfers between Accounts of Different Designated Beneficiaries or Different Section 529 Plans."

Maximum Balance Limit. The combined maximum balance permitted (the "**Balance Limit**") for the Plan and all other Colorado Section 529 plans (including the Colorado Prepaid Tuition Fund, the Scholars Choice College Savings Program and the CollegeInvest Direct Portfolio College Savings Plan, which are also administered by CollegeInvest) for a particular Beneficiary from all Account Owners is $280,000. In other words, you will be unable to make additional contributions to an Account (including rollover contributions) if the Balance Limit has been reached. If CollegeInvest determines that a contribution (including rollover contributions) you wish to make would result in the aggregate balance for all Accounts and all accounts in all other Colorado Section 529 plans for a particular Beneficiary exceeding the Balance Limit ("**excess contribution**"), the excess contribution either will not be accepted or will be returned to you and may be considered a Non-Qualified Withdrawal. However, if the aggregate balance in the Accounts and all accounts in all other Colorado Section 529 plans for the benefit of the Beneficiary later falls below $280,000, you may resume making contributions. The Balance Limit is inclusive of contributions from all sources – so, for example, a married couple may not contribute double the usual amount. It is possible that CollegeInvest will periodically increase the Balance Limit to reflect future increases in higher education costs, and you will be notified of any changes in the Balance Limit. See "Tax Matters."

How to Contribute. All contributions must be in cash. For these purposes, checks drawn on a U.S. bank and bank transfers are considered cash. Contributions may be made in person to CollegeInvest, by mail, or by wire transfer. Checks should be made payable to "Stable Value Plus." Third party checks will only be accepted at CollegeInvest's discretion.

Unit Value

Amounts contributed to your Account will purchase units in the Trust (a "**unit**") at the applicable unit value described below. Contributions will be invested in the Trust within 30 days of receipt by CollegeInvest. The net asset value (the "**NAV**") used to determine the number of units purchased will be the NAV calculated on the business day immediately preceding the date the contributions are invested in the Trust. Any interest earned on contributions prior to investment in the Trust will accrue to CollegeInvest and will be used to defray administrative expenses.

The NAV of the Trust per unit is calculated by dividing the value of the Trust's net assets by the total number of units then outstanding. So long as contributions to the Trust are invested under the Funding Agreement, the Trust's net assets will be equal to the amount reported by MetLife as remaining invested (including accrued interest) under the Funding Agreement less applicable CollegeInvest administrative fees.

Changing the Beneficiary of Your Account

With the exception of Accounts owned by Account Owners who are minors and Accounts funded by proceeds from an UGMA/UTMA account, Account Owners may change the Beneficiary of an Account. If the new Beneficiary is a "member of the family" of the current Beneficiary, there is no penalty or adverse income tax consequences resulting from such change. A "member of the family" under the Code would be a person with one of the following relationships to the current Beneficiary: (i) son or daughter, or a descendant of either; (ii) stepson or stepdaughter; (iii) brother or sister; (iv) stepbrother or stepsister; (v) father or mother, or an ancestor of either; (vi) stepfather or stepmother; (vii) son or daughter of a brother or sister; (viii) brother or sister of the father or mother; (ix) son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or (x) first cousin. A spouse of a family member described in (i) through (ix) above or the spouse of the Beneficiary also is considered a family member. For purposes of these rules, a legally adopted child is treated as a child by blood and the terms brother and sister include a brother or sister by halfblood. If you wish to change the Beneficiary to someone who is not a member of the current Beneficiary's family, you would make a Non-Qualified Withdrawal, which would be subject to federal and state income taxation (including possible recapture of state deductions) and an additional federal penalty tax as described in "Tax Matters."

If an Account Owner is a minor or an investment in an Account consists of the proceeds from an UGMA/UTMA account, the Beneficiary designated on the Account cannot be changed, the Account cannot be transferred to another Account Owner (other than to another legal guardian or UGMA/UTMA custodian for the benefit of the same Beneficiary) and there can be no Non-Qualified Withdrawals other than for the benefit of the Beneficiary.

You may request a change of Beneficiary only by completing and submitting a Beneficiary Change Form to CollegeInvest. You will be asked to certify the relationship between the new Beneficiary and the current Beneficiary. (Note that under certain circumstances you may also transfer Account assets to another Account for a new Beneficiary or to another Section 529 Plan for a new Beneficiary or the same Beneficiary, as described under "Tax Matters – Transfers between Accounts of Different Designated Beneficiaries or Different Section 529 Plans.")

Withdrawals

Withdrawal Procedures. To make a withdrawal from an Account, you must submit a Withdrawal Request Form to CollegeInvest. Contact CollegeInvest to obtain the form and/or for more information when you are ready to request a withdrawal. We will promptly process directions for withdrawals and will generally direct payment of withdrawals within fifteen (15) days after receiving a properly completed Withdrawal Form or on such later date as you may specify in the Withdrawal Request Form. The amounts withdrawn may be (i) sent directly to the Eligible Educational Institution, or (ii) sent to you or the Beneficiary.

Pricing of Withdrawal Requests. Withdrawals result in the redemption of units of the Trust. The number of units to be redeemed by CollegeInvest will be based on the NAV determined on the date immediately preceding the date that a payment is made by CollegeInvest in satisfaction of a withdrawal request. See "Unit Value."

Non-Qualified Withdrawals. All withdrawals other than withdrawals used to pay for "qualified higher education expenses" are considered non-qualified withdrawals ("**Non-Qualified Withdrawals**"). Federal and state income taxes (including possible recapture of state deductions) plus an additional 10% federal penalty tax payable by you to the Internal Revenue Service (the "**Service**") will be imposed on investment earnings withdrawn as a Non-Qualified Withdrawal unless the withdrawal qualifies for an exception, as discussed under "Tax Matters." For this purpose, each withdrawal is treated as including a ratable share of investment earnings on all Accounts for the Beneficiary having the same Account Owner (and all such accounts in other Colorado Section 529 plans, other than the Prepaid Tuition Fund).

No Transfer To or From Colorado Competing Fixed Interest Fund. In accordance with terms of the Funding Agreement, you will not be permitted to transfer amounts from your Account in the Trust directly to a Colorado Competing Fixed Interest Fund even if you are not satisfied with the investment in the Trust for a particular calendar year or if the Funding Agreement is discontinued. In addition, you will not be permitted to transfer amounts from an account which is invested in a Colorado Competing Fixed Interest Fund directly to your existing Account in the Trust or to establish a new Account in the Trust. In the CollegeInvest Direct Portfolio College Savings Plan, the Income Portfolio and the Money Market Portfolio (whether a stand-alone option or part of an age-based option) have each been determined by MetLife to be a Colorado Competing Fixed Interest Fund. In the Scholars Choice College Savings Program, the Cash Reserve Option has been determined by MetLife to be a Colorado Competing Fixed Interest Fund. While neither CollegeInvest nor any other agency or instrumentality of the State currently offers other Colorado Competing Fixed Interest Funds at this time, either may in the future establish other such plans or investment options which might offer a rate of return or other terms more favorable than the Plan. None of the other investment options currently available under the Scholars Choice College Savings Program or CollegeInvest Direct Portfolio College Savings Plan have been determined to be a Colorado Competing Fixed Interest Fund.

Other Matters Relating to Withdrawals. CollegeInvest reserves the right to delay remittance of redemption proceeds for units purchased by check or via direct deposit or automatic funds transfers for up to 10 days. CollegeInvest also reserves the right to require that an Account Owner's withdrawal request be signature guaranteed by an eligible guarantor institution such as a domestic bank, savings and loan institution, domestic credit union, member bank of the Federal Reserve System or member firm of a national securities exchange if the Account Owner has effected a change of address or has received the Account from another Account Owner within 30 days of such withdrawal request. If your withdrawal is processed through wire transfer, CollegeInvest will charge a fee for this service. Your financial institution may also charge you a fee for such a wire transfer.

Fees, Expenses and Charges

MetLife's Fees and Charges. The annual interest rate calculated each year under the Funding Agreement is net of all administrative and other charges of MetLife.

CollegeInvest Administrative Fee. CollegeInvest will receive an administrative fee, currently in effect at an annual rate of 0.75% of the average daily net assets in each Account. However, CollegeInvest is permitted to receive an administrative fee not to exceed 0.99% of the average daily net assets in each Account. You will be notified by CollegeInvest if this fee changes from the current rate. This fee will be deducted monthly from each Account and will be used by CollegeInvest for the payment of expenses incurred in connection with the operations of the Program, which may or may not relate to the Plan. Other Section 529 plans in the Program include the Scholars Choice College Savings Program and the CollegeInvest Direct Portfolio College Savings Plan. CollegeInvest will not earn a profit from the Program. **This CollegeInvest administrative fee will reduce the annual interest rate provided under the Funding Agreement. For example, the minimum investment return currently under the Plan would be 2.25%, which is the current minimum annual rate under the Funding Agreement of 3.00% less the CollegeInvest administrative fee of 0.75%.**

Account Fees and Charges. Returned checks or rejected automated fund transfers will incur charges of $4.25 and $3.00, respectively, which will be deducted from your Account. A fee will also be charged for amounts transferred or withdrawals processed through a wire transfer. CollegeInvest may also impose other fees and penalties in connection with certain other Account activities, including a cancellation fee. CollegeInvest may redeem units in an Account to satisfy these Account fees.

Fees, Expenses and Charges May Change. Note that the fees, expenses and charges under the Plan are subject to change, and new fees, expenses and charges may be imposed in the future. You will be notified from time to time of all new or amended fees, expenses and charges.

Investment Cost Example. The following example is intended to help demonstrate the cost of investing in the Plan over different periods of time. It illustrates the hypothetical expenses that you would incur over various periods if you invest $10,000 in an Account. This example assumes that the Plan provides a return of 3.0% a year (the current Plan minimum), and that the Plan's expense ratio of 0.75% remains the same. The results apply whether or not the investment is redeemed at the end of the period, but they do not take into account any redemptions that are Non-Qualified Withdrawals or otherwise subject to state or federal income taxes, or any penalties.

Hypothetical Cumulative Investment Costs

	1 year	3 years	5 years	10 years
Stable Value Plus College Savings Plan	$75.00	$236.97	$415.96	$947.13

This example does not represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown based upon the actual amount invested, and actual returns over time.

Certain Investment Considerations

No Third Party Guarantees. The repayment of contributions and payment of interest thereon are obligations only of MetLife and only to the extent provided by the Funding Agreement. Neither the amount contributed to the Trust, nor the interest earned on amounts so contributed, is or at any time will be guaranteed by the State of Colorado, CollegeInvest, any parent, affiliate or subsidiary of MetLife, or any federal or state governmental agency. An investment in the Trust is not a bank deposit or other obligation of any depository institution and is not guaranteed or insured by the FDIC or any depository institution.

Risks of Default by MetLife. Your contributions will be invested under the Funding Agreement. Any withdrawal of your contributions and/or earnings thereon from your Account will be payable only from amounts distributed by MetLife under the Funding Agreement to the Trust. There is a risk that MetLife could fail to perform its obligations under the Funding Agreement for financial or other reasons. Such a failure could result in a loss by affected Account Owners of all or part of their Account balance. **Before making contributions to the Plan and while your contributions remain invested under the Funding Agreement, you should carefully evaluate the ability of MetLife to make distributions when requested under the Funding Agreement.** See "Investment of Plan Assets – MetLife."

Changes to Colorado Minimum Nonforfeiture Rate. MetLife has agreed to pay an annual interest rate on contributions to the Plan at a rate equal to or greater than a minimum annual rate which is the greater of (i) the minimum nonforfeiture rate for annuity contracts established by Colorado law (currently 3.00%), or (ii) 2.00%. See "Investment of Plan Assets – The Funding Agreement." The Colorado General Assembly is the governing body that determines the Colorado nonforfeiture rates and there is no assurance that a proposal to lower this statutory rate even further will not be considered and adopted. Regardless of the statutory nonforfeiture rate, however, at no point will the annual rate of return be less than 2% before fees. It is also important to understand that the minimum investment return on Accounts in the Trust will be the minimum annual rate under the Funding Agreement less the CollegeInvest administrative fee (which would currently be 2.25%, or the current minimum annual rate of 3.00% less the CollegeInvest administrative fee currently in effect of 0.75%).

Effects of Funding Agreement Discontinuance. In the event that the Funding Agreement is discontinued by CollegeInvest, even due to concerns about the creditworthiness or a rating downgrade of MetLife, a portion of your Account balance may be required to remain invested with MetLife for up to three years and 60 days under the terms of the Funding Agreement.

Implications for Withdrawals; Limitations on Transfer. An Account Owner may not be satisfied with the annual interest rate established in a particular year, or an Account Owner may have concerns about the financial viability of MetLife, or there may be other reasons why an Account Owner may wish to withdraw or transfer amounts in an Account from the Plan. You should carefully consider the tax implications of a Non-Qualified Withdrawal (which may be made at any time) and the limitations on transfers from the Plan to another Section 529 plan, including a Colorado Competing Fixed Interest Fund, when considering the risks described in this Plan Disclosure Statement and the options for an Account Owner in responding to future Plan variables. See "Withdrawals" and "Tax Matters."

Impact of Inflation on Qualified Higher Education Expenses. Because returns for the Plan may be lower than other investment options, Account Owners relying primarily on this investment option are more likely to need to supplement their savings as it is unlikely that their Account's earnings will keep pace with the rate of increase in the cost of higher education. Even if your Account balance (including contributions and earnings) reaches the Balance Limit – currently a combined $280,000 for all Colorado Section 529 plans for a particular Beneficiary from all sources – the balance in your Account may be insufficient to meet all of the Beneficiary's qualified higher education expenses.

Changing Legal Regulations. It is possible that Congress, the Treasury Department, the Internal Revenue Service (the "**Service**"), the State of Colorado and other taxing authorities or the courts may take actions that will adversely affect the Plan as described in this Plan Disclosure Statement and/or that such adverse effects may be retroactive. In addition, the Service has issued proposed regulations under Section 529 of the Code (the "**Proposed Regulations**") but has not issued final tax regulations concerning qualified tuition programs. When issued, such regulations may alter the tax consequences summarized in this Plan Disclosure Statement, necessitate changes in the Plan to achieve the tax benefits described or have a significant impact on the Plan and your investment in your Account. CollegeInvest is not under any obligation to continue the Plan in the event that continued operation is not in the best interests of Account Owners or Beneficiaries due to a change in applicable federal or state law. There can be no assurance that a change will not adversely affect the Plan or the value, either to you or to the Beneficiary, of your investment in an Account.

Financial Aid Eligibility. Being the Account Owner or Beneficiary of an Account in the Plan may adversely affect one's eligibility to receive financial aid. In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of such aid required, the U.S. Department of Education takes into consideration a variety of factors, including, among other things, the assets owned by the student (i.e., the beneficiary) and the assets owned by the student's parents. The Department generally expects the student to spend a substantially larger portion of his or her own assets on educational expenses than the parents. For purposes of these federal programs, Section 529 plan accounts owned by the student generally are not considered student assets; Section 529 plan accounts owned by the student's parents are treated as parental assets; and Section 529 plan accounts owned by neither the student nor the student's parents are currently treated as neither student nor parental assets. With respect to financial aid programs offered by educational institutions and other nonfederal sources, the effect of being the owner or beneficiary of a Section 529 plan account varies from institution to institution. Accordingly, no generalizations can be made about the effect of being the owner or beneficiary of a Section 529 plan account on the student's eligibility for financial aid, or the amount of aid the student may qualify for, from such sources. The federal and nonfederal financial aid program treatments of Section 529 plan accounts are subject to change at any time. You should therefore check and periodically monitor the applicable laws and other official guidance, as well as particular program and institutional rules and requirements, to determine the impact of Section 529 plan accounts on eligibility under particular financial aid programs.

Medicaid Eligibility. The effect of an Account on an Account Owner's Medicaid eligibility is unclear, and there can be no assurance that an Account will not be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an Account during certain periods may also have the effect of delaying the disbursement of Medicaid payments. Account Owners should consult a qualified advisor to determine how an Account may affect Medicaid eligibility.

Status of Claims Against Accounts. Colorado law is intended to exempt Accounts and Account assets from all claims by creditors of the Account Owner or Beneficiary. Neither an Account Owner nor a Beneficiary may use an interest in an Account as a security for a loan, and any pledge of an interest in an account is of no force and effect. As of the date of this Plan Disclosure Statement, courts have yet to interpret, apply or rule on matters involving this Colorado law. It is unclear whether a court located in Colorado or in another state would apply this Colorado law in the case of an Account Owner who is a resident of a state other than Colorado. Further, this Colorado exemption may not be enforceable or available to exempt an Account Owner's interest in an Account in such Account Owner's bankruptcy proceedings commenced under Title 11 of the United States Bankruptcy Code.

No Guarantee With Respect to Eligible Educational Institutions. There is no guarantee that, as a result of being the beneficiary of an Account in the Plan, a Beneficiary will be accepted at any Eligible Educational Institution. Even after he or she begins to attend an Eligible Educational Institution, there is no guarantee that the Beneficiary will be able to continue to attend, that he or she will graduate, or that he or she will be considered a resident of any particular state for tuition purposes.

Amendment or Termination of Participation Agreement. CollegeInvest may, at any time and from time to time, amend the Participation Agreement, or suspend or terminate the Plan and the Trust, by giving written notice of such action to Account Owners.

Other Considerations. An investment in the Plan will not be the appropriate investment program for all investors. It provides an alternative for Account Owners who are unwilling to tolerate volatility and are willing to accept returns that may be lower than those offered by other investment options. You should evaluate the Plan, the minimum interest rate levels under the Funding Agreement and the financial strength of MetLife in the context of your overall financial situation, investment goals, other resources and needs (such as liquidity) and other investments. You may want to save for higher education by making investments in addition to or other than through the Plan. **You should consult a qualified financial advisor to evaluate the appropriateness of the Plan to your financial circumstances.**

Tax Matters

The following discussion summarizes certain aspects of the federal income, gift, estate and generation-skipping transfer tax and Colorado income tax consequences relating to the Trust and your investment in, and withdrawals from, your Account. This discussion does not address other state or local taxes, including taxes imposed by a state other than Colorado.

If you are not a Colorado taxpayer, consider before investing whether your or the Beneficiary's home state offers a Section 529 plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's Section 529 plan, and which are not available through investment in the Plan. Since different states have different tax provisions, this Plan Disclosure Statement contains limited information about the state tax consequences of investing in the Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's Section 529 plan(s), or any other Section 529 plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

Caveats with Respect to Tax Discussion. This summary is not exhaustive, and you should not construe it as providing advice on your particular situation. In addition, there can be no assurance that the Service will accept the conclusions in this Plan Disclosure Statement, or, if challenged by the Service, that these conclusions would be sustained in court. The applicable tax rules are complex, some of the rules are uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. **Neither this section entitled "Tax Matters" nor any other information provided throughout this Plan Disclosure Statement is intended to constitute, nor does it constitute, legal or tax advice. This Plan Disclosure Statement was developed to support the marketing of the Plan and cannot be relied upon for purposes of avoiding the payment of federal tax penalties. You should consult a qualified legal or tax advisor regarding the application of the law to your individual situations.**

Changing Tax Laws and Regulations. This summary is based on the relevant provisions of the Code and Colorado tax law, the Proposed Regulations, relevant legislative history and official interpretations of applicable federal and Colorado law as of the date of this Plan Disclosure Statement. Additional changes to federal or state tax laws could occur in the future that could have a significant impact on the Plan and your investment in the Trust or result in termination of the Plan.

Recent Legislative Developments. The Pension Protection Act of 2006, signed into law on August 17, 2006, made permanent certain tax advantages and other related rules for Section 529 plans that had been scheduled to expire (or "sunset") after 2010. Among the most notable tax advantages that are now permanent is that the earnings portion of a Qualified Withdrawal is exempt from federal taxes.

Balance Limit. The federal income tax laws require that a limit be placed on the amount that can be invested in an Account. Currently, the aggregate Balance Limit under the Plan for the benefit of a particular Beneficiary is $280,000. Accounts for the same Beneficiary funded from all Account Owners are aggregated for purposes of applying this limitation, together with any investments for the same Beneficiary in other Colorado Section 529 Plans, including the Prepaid Tuition Fund, the CollegeInvest Direct Portfolio College Savings Plan and the Scholars Choice College Savings Program. Additional contributions to an Account (including rollover contributions) will not be accepted, or will be returned, any time that the aggregate balance for the Beneficiary has reached the Balance Limit. It is possible that CollegeInvest will periodically increase the Balance Limit in the future to reflect increases in higher education costs. You will be notified of any changes in the Balance Limit.

Federal Income Tax Treatment of Investments and Distributions. The Plan is designed to constitute a "qualified tuition program" under Section 529 of the Code. Generally, earnings in the Trust will not be includible in computing the federal taxable income of the Account Owner or the Beneficiary while held in the Account. As described in greater detail below, whether the earnings are taxed upon withdrawal depends upon how the withdrawal is used.

Qualified Higher Education Expenses. Section 529 of the Code defines "qualified higher education expenses" as tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution. The term also includes amounts for room and board for Beneficiaries attending school at least half time in a degree or certificate program. The amount of a Beneficiary's room and board expenses that can be counted as a qualified higher education expense generally may not exceed the amount applicable to the Beneficiary included in the "cost of attendance" (as defined under the federal law as of June 7, 2001) at the Eligible Educational Institution. In the case of a Beneficiary living in housing owned or operated by an Eligible Educational Institution, however, the amount of room and board expenses that can be counted as qualified higher education expenses is the greater of (a) the amount described in the preceding sentence, or (b) the actual amount charged the Beneficiary by the Eligible Educational Institution for room and board for such period. "Qualified higher education expenses" also includes certain additional enrollment and attendance costs of special needs Beneficiaries.

Qualified Withdrawals. Withdrawals used to pay for qualified higher education expenses ("**Qualified Withdrawals**") will be excludable from the Beneficiary's and the Account Owner's federal taxable income. Account Owners should retain documentation such as invoices and receipts adequate to substantiate to the Service the qualifying use of such withdrawals. There are two components to such a Qualified Withdrawal: one component is return of principal; the other is a distribution of earnings. Although neither component is taxable for a Qualified Withdrawal, separately accounting for such components is necessary in order to determine how much of the remaining investment in the Account consists of earnings and how much consists of principal invested. The earnings portion of a particular withdrawal will generally be determined as of the date of the withdrawal, rather than in the aggregate for all distributions as of the end of the year.

Pending guidance from the Service, it is unclear whether a withdrawal used to pay for qualified higher education expenses incurred or paid prior to the establishment of the Account will be treated as a Qualified Withdrawal. Pending guidance from the Service, it is also unclear whether a withdrawal taken after December 31st of the year in which the qualified higher education expenses were incurred and paid will be treated as a Qualified Withdrawal. Please consult with a qualified tax advisor.

Although the Service has not yet provided guidance on this issue, if amounts from a Qualified Withdrawal that were used to pay qualified higher education expenses are subsequently refunded in whole or in part to the Account Owner or the Beneficiary by the educational institution or other payee, the Account Owner may be required to include the earnings portion of such refund in taxable income for federal income tax purposes and pay the additional 10% federal penalty tax on such earnings. Such inclusion may not be required if the refunded amount is either reinvested in the Account or used to pay other qualified higher education expenses of the Beneficiary. Please consult with a qualified tax advisor.

Non-Qualified Withdrawals. Under Section 529, the earnings portion of withdrawals from an Account other than Qualified Withdrawals (*i.e.,* Non-Qualified Withdrawals) is includible in computing the income of the Account Owner (or possibly of the Beneficiary if the Non-Qualified Withdrawal is paid to the Beneficiary) for federal income tax purposes in the year in which the withdrawals are made, except for certain non-taxable transfers to an Account or another Section 529 Plan as outlined below in "Transfers between Accounts of Different Designated Beneficiaries or Different Section 529 Plans." The computation of the portion of a Non-Qualified Withdrawal that is includible in taxable income is again made under a pro-rata allocation between a nontaxable return of principal and a taxable distribution of earnings.

The earnings portion of any Non-Qualified Withdrawal generally will be subject to an additional 10% penalty tax, in addition to applicable income tax. The additional 10% penalty tax will not apply, however, to (a) withdrawals made to make payments to a beneficiary of a Beneficiary (or to the Beneficiary's estate) upon the death of the Beneficiary; (b) withdrawals made on account of the disability of the Beneficiary; (c) withdrawals made on account of a scholarship received by the Beneficiary, to the extent that the withdrawals do not exceed the amount of the scholarship; (d) withdrawals made in an amount equal to the cost of attendance at a United States military academy; and (e) non-taxable transfers to another Account or another Section 529 plan as outlined below in "Transfers Between Accounts of Different Designated Beneficiaries or Different Section 529 Plans." Non-Qualified Withdrawals that qualify for an exception to the additional 10% federal penalty tax, other than non-taxable transfers to an Account or other Section 529 plan, are still subject to applicable federal and state income tax (including possible recapture of state deductions).

A "financial" emergency would not entitle you to any special treatment under federal or Colorado tax laws, or with respect to the additional 10% penalty tax. As noted above, you would be entitled to an exception to the additional 10% penalty tax (but not to the imposition of applicable income tax) if you make a permissible Non-Qualified Withdrawal in the case of a Beneficiary who dies or becomes disabled.

Tax Reporting. CollegeInvest will issue an IRS Form 1099-Q in the event of a withdrawal or trustee-to-trustee rollover from an Account. It is the responsibility of the recipient of the 1099-Q to determine whether a withdrawal is a Qualified Withdrawal or a Non-Qualified Withdrawal and whether any income tax or the additional 10% penalty tax may apply.

Losses Upon Withdrawal. If an Account Owner has an investment loss in an Account, the Account Owner can take the loss as a deduction on the Account Owner’s tax return but only when all amounts from that Account have been withdrawn and the total withdrawals are less than the total contributions to the Account.

Aggregation of Accounts. All Accounts with the same Account Owner for the benefit of a single Beneficiary must be treated as a single account for purposes of calculating the earnings portion of each distribution (including any accounts in the

Scholars Choice College Savings Program and the CollegeInvest Direct Portfolio College Savings Plan but not the Prepaid Tuition Fund). Thus, if more than one Account is created by an Account Owner for a Beneficiary, and a Non-Qualified Withdrawal is made from one or more of such Accounts, the amount includible in income must be calculated based upon the ratio of total earnings in all such Accounts to the total amount in such Accounts. Thus, the amount withdrawn from an Account may carry with it a greater or lesser amount of income than the earnings in that Account alone would justify, depending on the earnings in the other relevant Account or Accounts.

Transfers between Accounts of Different Designated Beneficiaries or Different Section 529 Plans. An Account Owner may change the person designated as a Beneficiary of an Account, or may transfer (*i.e.*, "rollover") an amount from an Account to an Account for a different Beneficiary, or to or from an account for a different Beneficiary under another Section 529 "qualified tuition program" (provided such rollover occurs within 60 days of the withdrawal) without the amount distributed having to be included at that time in the federal taxable income of the Account Owner or any Beneficiary and without the tax on Non-Qualified Withdrawals. But see "Withdrawals – No Transfer to or From Colorado Competing Fixed Interest Fund" for a discussion of certain limitations on these transfers.

In order to qualify for this tax treatment, a new designated Beneficiary must be a "member of the family" of the current Beneficiary as set forth in Code sections 152(d)(2) and 529(e)(2). Thus, the new Beneficiary must have one of the following relationships to the current Beneficiary: (i) son or daughter or descendant of either; (ii) stepson or stepdaughter; (iii) brother or sister; (iv) stepbrother or stepsister; (v) father or mother, or an ancestor of either; (vi) stepfather or stepmother; (vii) son or daughter of a brother or sister; (viii) brother or sister of the father or mother; (ix) son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or (x) first cousin. A spouse of a family member described in (i) through (ix) above or the spouse of the Beneficiary also is considered a family member. For purposes of these rules, a legally adopted child is treated as a child by blood and the terms brother and sister include a brother or sister by halfblood.

If there are other Accounts open for the benefit of the new Beneficiary, you may be limited in how much of your Account can be used for the new Beneficiary under the aggregate Balance Limit. If the new Beneficiary is a member of a younger generation than that of the current Beneficiary, a federal gift tax may apply and if the new Beneficiary is two or more generations younger than the current Beneficiary, a federal generation-skipping transfer tax may apply. If applicable, this tax applies in the year in which the money is withdrawn from an Account or in which the Beneficiary is changed. Please consult with a qualified tax advisor regarding the possible application of these taxes.

Tax-free treatment is also available for a rollover to an account in another Section 529 plan for the benefit of the same Beneficiary, provided that it has been at least 12 months since the most recent such rollover for that Beneficiary. A rollover to another Colorado Section 529 plan for the same Beneficiary is not subject to this rule, but instead is subject to the investment change limitation described in "Changing Investment Options." For a discussion of certain further programmatic limitations, see "Certain Investment Considerations – Implications for Withdrawals; Limitations on Transfer."

Rollover amounts from another qualified tuition program generally retain their character as earnings and invested principal. Until the program receiving the rollover receives documentation from the distributing program showing the earnings portion, however, the receiving program will treat the entire amount of the rollover as earnings.

Changing Investment Options. Under guidance from the Service, pending the issuance of final regulations, you may change the investment option for all of a portion of the assets in your Account for any reason one time during any calendar year, and also upon any permissible change in the person designated as Beneficiary of your Account. Consequently, while you may not choose the particular investments in which a Section 529 plan invests, you may select among the available investment options and, under the circumstances described above, subsequently change from one investment option to another. The once per calendar year limitation on changing investment options applies on an aggregate basis to all Accounts under the Plan and all accounts under other Colorado Section 529 plans, including the Prepaid Tuition Fund, the Scholars Choice College Savings Program and the CollegeInvest Direct Portfolio College Savings Plan, having the same Account Owner and the same Beneficiary. Thus, you will not be permitted to change the investment option for your Account (assuming you do not change the Beneficiary on the Account) if, within the same calendar year, you have already changed the investment option for another Account you maintain under the Plan for the same Beneficiary or for an account you maintain for the same Beneficiary under another Colorado Section 529 plan. In addition, any transfer between an Account in the Plan and an account you maintain for the same Beneficiary under another Colorado Section 529 plan is considered a change of investment option for purposes of the investment change limitation. You may, however, change the investment option on more than one Account (and/or accounts under other Colorado Section 529 plans) for the same Beneficiary without violating the investment change limitation if all such changes are made at the same time. All such simultaneous changes are treated as a single change of investment option for purposes of the limitation. To change the investment option for your Account, you must complete the appropriate form and submit it to CollegeInvest.

<u>Federal Gift and Estate Taxes</u>. Investments in 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 Account, the value of the Account would not be included in the Account Owner's estate (except in the situation described below relating to the gift tax election for investments exceeding $12,000 in any one year). However, amounts distributed on account of the death of a Beneficiary are 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. Generally, if an Account Owner's investments in an Account or Accounts for a Beneficiary, together with all other gifts by the Account Owner to the Beneficiary, are less than $12,000 per year ($24,000 per married couple), no federal gift 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 $12,000 ($24,000 per married couple), the Account Owner may elect for federal gift tax purposes to treat the investments up to $60,000 ($120,000 per married couple) as having been made ratably 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 includible in the Account Owner's estate for federal estate tax purposes.

A withdrawal from an Account, a permissible change of the Beneficiary or a permissible transfer to an Account for another Beneficiary will not be subject to federal gift or transfer tax, except that such a change or transfer will potentially be subject to gift tax if the new Beneficiary is of a younger generation than the Beneficiary being replaced and will potentially be subject to the generation-skipping transfer tax if the new Beneficiary is two or more generations younger than the Beneficiary being replaced. Please consult with a qualified tax advisor.

Because investments in an Account are treated as completed gifts for federal transfer tax purposes, you may also need to be concerned about the generation-skipping transfer tax for yourself or the Beneficiary. This tax may apply to investments in excess of the amount that may be elected to be ratably spread over the five-year period discussed above if the Beneficiary is deemed to be a member of a generation that is two or more generations younger than the generation of the Account Owner. In addition, as noted above, if a change is made in the Beneficiary designated as beneficiary such that the new Beneficiary is two or more generations younger than the original Beneficiary, the generation-skipping transfer tax may also be triggered. Please consult with a qualified tax advisor.

Generally, taxpayers are eligible for a limited generation-skipping transfer-tax exemption that will be allocated to transfers that are subject to generation-skipping transfer tax. Accordingly, this tax may not apply to many Account Owners and Beneficiaries. However, where it applies, it is imposed at a flat rate.

For taxable years beginning after December 31, 2001, substantial changes have been made to the estate, generation-skipping, and gift tax rules under the Economic Growth and Tax Relief Act of 2001 (the "**2001 Tax Act**"). In general, the 2001 Tax Act reduced tax rates, increased the exemption amounts, and repealed the estate and generation-skipping taxes as of 2010. **Account Owners and Beneficiaries should consult a qualified tax advisor regarding the specific application of these rules to their particular circumstances.**

<u>Coverdell Education Savings Accounts (ESAs)</u>. ESAs permit deferral of federal income tax liability and possible exclusion from gross income for earnings in such ESAs. If withdrawals are made from an Account and an ESA in the same year for the same Beneficiary in excess of qualified higher education expenses, however, you will need to allocate qualified higher education expenses between the two programs.

You may make contributions to your Account in the Plan and to an ESA in the same year. You may also take a distribution of part or all of your ESA and invest it as a contribution to your Account. Such a distribution is considered a qualifying ESA distribution that is not subject to federal income tax.

The 2001 Tax Act repealed a provision of the Code that provided that if Account Owners contribute to an ESA on behalf of a Beneficiary and also contribute to a “qualified tuition program” account for the same Beneficiary in the same year, the contribution to the ESA would be subject to an annual 6 percent excise tax until withdrawal of the funds. The repeal of that provision is set to expire on December 31, 2010. Unless Congress extends the repeal of that provision or otherwise changes the law, the federal tax law governing excise taxes on contributions to an ESA will revert on January 1, 2011 to the rules that existed until December 31, 2001, and, consequently, the above-stated provision that was repealed by the 2001 Tax Act will again be effective.

Series EE and I Savings Bonds. Interest on Series EE Savings Bonds issued January 1990 and later, as well as interest on all Series I Savings Bonds, may be completely or partially excluded from federal income tax if bond proceeds are used to pay certain higher education expenses at an Eligible Educational Institution or are contributed to an Account in the same calendar year the bonds are redeemed. For this purpose, qualifying expenses do not include the cost of books, room and board. The amount of higher education expenses taken into account in calculating the interest excludable from income is reduced by scholarships, fellowships, and certain other forms of tuition assistance. Certain income limitations apply and the Beneficiary must have a specified relationship with the Account Owner. Provided appropriate documentation is furnished to the Plan, the original purchase price of the bonds redeemed and contributed to an Account will be added to the contribution portion of the Account, with the interest added to earnings.

Hope Scholarship and Lifetime Learning Credits. A taxpayer may not claim a Hope Scholarship Credit or Lifetime Learning Credit for amounts withdrawn tax free from an Account and used for qualified higher educational expenses, but may be eligible for these credits for educational expenses paid from other sources during the year.

Tax Deduction for Education Expenses. The 2001 Tax Act provides for a deduction for the payment of tuition and related expenses by taxpayers who fall within certain income limits. The deduction may not be claimed, however, for expenses that were paid from the earnings portion of a tax-free withdrawal from an Account.

Effect on Other Federal Tax Benefits. Under certain circumstances, the interest paid with respect to a loan used to fund eligible higher education expenses is deductible for federal income tax purposes. The 2001 Tax Act provides that, to the extent that withdrawals are made from a Section 529 plan to pay eligible higher education expenses, the amount of such expenses is not eligible for a loan, the interest on which is otherwise deductible for federal income tax purposes. Under certain circumstances, the interest on United States savings bonds use to pay higher education expenses may be excluded from taxable income for federal tax purposes, The 2001 Tax Act also provides that, to the extent withdrawals are made from a Section 529 plan for higher education expenses, such expenses cannot also be treated as paid with the United States savings bonds for purposes of this exclusion.

State of Colorado Income Tax. Individuals, estates and trusts subject to Colorado income tax will generally be entitled to a deduction at the State level to the extent of their Colorado taxable income for the year for contributions made to an Account in such year, subject to recapture in subsequent years in which Non-Qualified Withdrawals are made. Rollover amounts from another qualified tuition program do not qualify as contributions for purposes of this deduction. In addition, if an Account Owner or Beneficiary is subject to Colorado income tax, Qualified Withdrawals are exempt from Colorado income tax. **Account Owners and Beneficiaries should consult their tax advisors about the applicability, if any, of state or local taxes imposed by jurisdictions other than the State of Colorado.**

More about the Plan

CollegeInvest. CollegeInvest is a separate division of the Department of Higher Education of the State of Colorado (the "**Department**"). The members of CollegeInvest's nine-person Board of Directors (the "**Board**") are appointed by the Governor of the State and confirmed by the Colorado Senate. CollegeInvest provides the administrative and marketing services in connection with the Plan and generally oversees the Manager's activities in providing investment services for the Plan. In particular, the Board, with the approval of the Executive Director of the Department, has the responsibility to select a financial institution to manage the Plan assets. CollegeInvest acts in a fiduciary capacity with respect to the Plan. In addition to the Plan, CollegeInvest offers three other Section 529 plans as part of its Program.

Exemptions from Registration. Interests in the Trust, which take the form of units, have not been registered as securities under the Securities Act of 1933, as amended, pursuant to an exemption from registration available for obligations issued by a state. Similarly, units have not been registered with the securities commissions of any state where applicable exemptions from registration are available. The Trust has also not been registered as an investment company under the Investment Company Act of 1940, as amended, since the provisions of that Act exclude from registration any instrumentality of a state.

Other Investment Plans. There are options other than the Plan for saving for the expenses of attending an Eligible Educational Institution, including the Scholars Choice College Savings Program and the CollegeInvest Direct Portfolio College Savings Plan, both of which are administered by CollegeInvest. If you are a resident of a state other than Colorado you may have the opportunity to invest in a Section 529 plan sponsored by your home state that may provide state tax benefits not available to you by investing in the Plan. Each Section 529 plan has its own eligibility requirements and tax benefits. You should determine the interaction between these plans if you intend to use more than one, since there may be limitations. Generally, you are not permitted to use the same educational expense for computing benefits from more than one such plan.

Notices; Forms; Contact Information. CollegeInvest has agreed to give notice to investors and Account Owners about certain information and various events relating to the Plan. All such notices may be made pursuant to an updated Plan Disclosure Statement or by a posting on the CollegeInvest website at **www.collegeinvest.org**. You may also visit the CollegeInvest website to obtain forms relating to the Plan, this Plan Disclosure Statement and Plan account applications. Notices, Plan forms and other information can also be obtained by calling a CollegeInvest representative Monday through Friday toll-free at 1-800-478-5651 from 8:00 a.m. to 5:00 p.m. MST.

COLLEGEINVEST STABLE VALUE PLUS COLLEGE SAVINGS PLAN

PARTICIPATION AGREEMENT

January 2008

General Information

This Participation Agreement contains the terms governing the Account that you will establish pursuant to the CollegeInvest Stable Value Plus College Savings Plan (the "**Plan**"). CollegeInvest, a division of the Colorado Department of Higher Education, administers a college savings program (the "**Program**") and offers the Plan as part of the Program. The Plan is designed to qualify for treatment as a qualified tuition program within the meaning of Code Section 529 (a "**Section 529 plan**"). ***By signing the Stable Value Plus College Savings Plan Account Application, you agree to be bound by the terms of this Participation Agreement, which Agreement is deemed effective as of the date you execute the Account Application.***

The Plan is designed to help you save for the Qualified Higher Education Expenses of the Beneficiary you designate in the Account Application. Amounts contributed to the Plan will be used to purchase units in a separate Account that is part of the Stable Value Plus College Savings Trust (the "**Trust**"). Assets of the Trust will be invested under a Funding Agreement entered by Metropolitan Life Insurance Company of Connecticut ("**MetLife**") and CollegeInvest, as trustee for the Trust. MetLife will be responsible for certain investment related services in connection with the investment of Trust assets under the Funding Agreement. CollegeInvest will provide all marketing, administrative, recordkeeping and other services for the Plan (the "**CollegeInvest Services**"), including the collection and processing of contributions by participants in the Plan, the processing of withdrawal requests and the payment to you of the amounts requested. **CollegeInvest is solely responsible for the performance of the CollegeInvest Services and in no event shall MetLife have any liability with respect to the performance or nonperformance of any such CollegeInvest Services.**

The Plan Disclosure Statement sets forth in greater detail the terms of the Plan. The Plan Disclosure Statement is incorporated in its entirety by reference thereto in this Participation Agreement. ***Before making any investment under the Plan, you must read the Plan Disclosure Statement in its entirety. Call a CollegeInvest representative at 1-800-478-5651 Monday through Friday (8:00 a.m. to 5:00 p.m. MST) with any questions.***

The Trust assets are being invested under the Funding Agreement and repayment of amounts deposited and payment of certain interest earnings on such deposits by the Trust under the Funding Agreement are guaranteed by MetLife. Neither repayment of your contribution nor payment of any investment return on your contribution is guaranteed or insured by the State of Colorado or CollegeInvest, any affiliate of the foregoing, or the federal government or any of its agencies or instrumentalities, or any parent, subsidiary or affiliate of MetLife. You will be notified in writing in the event that the Funding Agreement is discontinued, and you will be provided information at that time regarding any alternate investment of Trust assets.

Definitions

Terms used in this Participation Agreement shall have the meanings set forth below. Any terms not defined in this Participation Agreement shall have the meanings given them in the Plan Disclosure Statement.

"**Account**" means your individual account established and maintained as part of the Trust. The money you contribute under the Plan will be allocated to your Account. You may open more than one Account for the same Beneficiary.

"**Account Application**" refers to the Stable Value Plus College Savings Plan Account Application which may be either paper copy or electronic.

"**Account Owner**," "**you**" or "**your**" refers to the individual or entity signing the Account Application and opening an Account.

"**Act**" refers to Title 23, Article 3.1, Part 3, Colorado Revised Statutes, as amended, which requires and authorizes the establishment of a college savings program to be developed and implemented by CollegeInvest as a Section 529 program and which may include various plans, including the Plan.

"**Alternate Investments**" means any investments other than the Funding Agreement in which the Trust assets may be invested from time to time in accordance with the Policy Statement.

"**Beneficiary**" means the person you identify on the Account Application as the beneficiary of the Account whose Qualified Higher Education Expenses will be paid from the Account.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**CollegeInvest**" refers to CollegeInvest, a division of the Colorado Department of Higher Education of the State of Colorado. CollegeInvest is the administrator of the Plan and trustee for the Trust.

"**Colorado Competing Fixed Interest Fund**" means a Section 529 plan offered or administered by CollegeInvest or any other agency or instrumentality of the State of Colorado which offers, in the opinion of MetLife, an interest return for education savings similar to the Plan.

"**Eligible Educational Institutions**" are institutions of higher education that are described in Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1988), as in effect on August 5, 1997, and are eligible to participate in a program under Title IV of such Act.

"**Family Member**" means a member of the family, as defined in Code Section 529(e)(2).

"**Funding Agreement**" means the Funding Agreement entered by MetLife and CollegeInvest, as trustee, in connection with the Plan.

"**Manager**" refers to MetLife or such other financial institution selected by CollegeInvest to provide services in connection with the Plan.

"**Non-Qualified Withdrawal**" means a withdrawal from an Account other than a Qualified Withdrawal.

"**Plan Disclosure Statement**" means the CollegeInvest Stable Value Plus College Savings Plan Disclosure Statement, as amended and supplemented from time to time.

"**Policy Statement**" refers to the Investment Policy Statement established by CollegeInvest for the Plan. The Policy Statement sets forth the policies, objectives and guidelines that govern the investment of Trust assets.

"**Qualified Higher Education Expenses**" means tuition, room and board (subject to certain limits), fees, books, supplies and equipment required for enrollment or attendance of the Beneficiary at an Eligible Educational Institution, all within the meaning of Code Section 529(e)(3).

"**Qualified Withdrawal**" means a withdrawal from an Account to pay the Qualified Higher Education Expenses of the Beneficiary.

"**Rating Agency**" means A.M. Best Company, Fitch, Inc., Moody's Investors Service or Standard & Poor's.

"**State**" refers to the State of Colorado.

"**Trust**" means the Stable Value Plus College Savings Trust. The Accounts are part of the Trust, which is administered by CollegeInvest and held in the name of CollegeInvest on behalf and for the benefit of Beneficiaries.

"**Units**" are units of interest in the Trust to which the assets in your Account are allocated.

Contributions to Your Account

1. Amounts contributed to your Account will purchase Units in the Trust at the applicable unit value as described in the Plan Disclosure Statement. Contributions received by CollegeInvest will be invested in the Plan <u>within 30 days of receipt</u>. Any interest earned on contributions prior to investment in the Trust will accrue to CollegeInvest and will be used by CollegeInvest to defray administrative expenses of the Program.

2. You may purchase Units in the Trust through your Account or Accounts in cash only. For these purposes, making purchases in cash means putting money in your Account by check or electronic funds transfer acceptable to CollegeInvest. Checks must be drawn on a U.S. bank, and should be made payable to "Stable Value Plus." Third party checks will only be accepted at the discretion of CollegeInvest.

3. The minimum contribution to an Account is $25.

4. For each Beneficiary, there is a maximum aggregate Balance Limit of $280,000 from all sources for all Accounts established under the Plan and accounts in all other Colorado Section 529 plans (including the Prepaid Tuition Fund, the CollegeInvest Direct Portfolio College Savings Plan and the Scholars Choice College Savings Program) which have that Beneficiary as the beneficiary of such Account. This maximum aggregate Balance Limit, which includes aggregate contributions and investment earnings is subject to change, and CollegeInvest will notify you of any such changes. Such notification may be made pursuant to an updated Plan Disclosure Statement or by a posting on the CollegeInvest website at **www.collegeinvest.org**.

5. Your investment will be directed to an Account established for the purpose of funding the Qualified Higher Education Expenses of the Beneficiary (each Account can be for only one Beneficiary) that you designate when you make your initial contribution.

Investment of Account Assets

1. CollegeInvest will separately maintain your Account in the Trust, and will be the trustee of your Account. The assets of your Account will be commingled with amounts credited to the Accounts of other Account Owners for investment purposes. Contributions to all Accounts will be invested by deposit under the Funding Agreement. Deposits made under the Funding Agreement will become commingled with the general account of MetLife.

2. You may not direct the investment of contributions to your Account; however, you may change the investment option for an Account for any reason one time during any calendar year and also upon a change in the person designated as Beneficiary of your Account. You may request such a change in investment option only by completing the designated form, which can be obtained from CollegeInvest. Subject to applicable limitations, you may change the investment option for all or a portion of the assets in your Account. The once per calendar year limitation on changing investment options applies on an aggregate basis to all Accounts under the Plan and all accounts under other Colorado Section 529 plans, including the Prepaid Tuition Fund, the Stable Value Plus College Savings Plan and the CollegeInvest Direct Portfolio College Savings Plan, having the same Account Owner and the same Beneficiary. Thus, you will not be permitted to change the investment options for your Account (assuming you do not change the Beneficiary on the Account) if, within the same calendar year, you have already changed the investment option for another Account you maintain under the Plan for the same Beneficiary or for an account you maintain for the same Beneficiary under another Colorado Section 529 plan. In addition, any transfer between an Account in the Plan and an account you maintain for the same Beneficiary under another Colorado Section 529 plan is considered a change of investment option for purposes of the investment change limitation. You may, however, change the investment option on more than one Account (and/or accounts under other Colorado Section 529 plans) for the same Beneficiary without violating the investment change limitation if all such changes are made at the same time. All such simultaneous changes are treated as a single change of investment option for purposes of the limitation.

3. The obligation to repay amounts deposited under the Funding Agreement and interest thereon is an unsecured obligation of MetLife. The ability of CollegeInvest to repay the amount you contribute and interest earnings on your contribution under the Plan is contingent upon the payment of distributions by MetLife to the Trust under the Funding Agreement. **Before making any contribution to the Plan and while your contributions remain invested under the Funding Agreement, you should carefully evaluate the ability of MetLife to make distributions when requested under the Funding Agreement.**

4. The Funding Agreement may be discontinued by CollegeInvest at any time. In the event of such a discontinuance of the Funding Agreement, CollegeInvest will seek to invest the Trust assets in Alternate Investments as such Trust assets become available to CollegeInvest for reinvestment and in accordance with the Policy Statement. There is no assurance that CollegeInvest will be able to obtain such Alternate Investments or what the minimum investment return will be for any such Alternate Investment. It is anticipated that you will be provided with a supplement to this Participation Agreement in the event the Trust assets are so invested in Alternate Investments.

5. You (not the Beneficiary) are the sole owner of all contributions, and all earnings on such contributions, although there are special federal and state tax rules applicable to such contributions and earnings.

6. CollegeInvest shall notify you of any changes (about which CollegeInvest is notified by MetLife) to the financial strength credit ratings of MetLife. Such notification may be made pursuant to an updated Plan Disclosure Statement or

by a posting on the CollegeInvest website at **www.collegeinvest.org**. CollegeInvest shall also discontinue the Funding Agreement in the event that the financial strength credit ratings of MetLife are lowered to ratings of less than the lowest "A" category by at least two Rating Agencies.

Designation of Beneficiary

1. You shall designate one Beneficiary for each Account on the Account Application.

2. You may from time to time designate a new Beneficiary in place of the Beneficiary then designated as the beneficiary of your Account, except as discussed in paragraph 4 of this section.

3. If the new Beneficiary is a Family Member of the currently designated Beneficiary, there is no penalty or adverse income tax consequences resulting from such designation (you will receive a new account number). If, however, you designate a Beneficiary who is not a Family Member of the current Beneficiary, that designation will be treated as a Non-Qualified Withdrawal of Account assets. This transfer will be subject to federal and state income taxation and may be subject to an additional 10% penalty tax on the earnings portion of such withdrawal.

4. In the case of a minor Account Owner, the parent or guardian for such minor Account Owner may not change the original Beneficiary designation. If an Account is funded with assets from an UGMA/UTMA account, the Account Owner (who is the UGMA/UTMA Custodian) will not be able to change the person designated as Beneficiary on the Account.

5. You may request a substitution of the person named as Beneficiary of your Account only by completing the Beneficiary Change Form, which can be obtained from CollegeInvest. The substitution shall become effective when CollegeInvest has approved the Form. The Form will ask you to certify the family relationship between the new Beneficiary and the current Beneficiary.

Withdrawals

1. Withdrawals of all or a portion of your Account will be processed only if you submit a properly completed and executed Withdrawal Request Form, which can be obtained from CollegeInvest, and any additional required documentation. **CollegeInvest will generally direct withdrawals within fifteen (15) days of receiving a properly completed Withdrawal Request Form (or such later date as you may specify in that Form).**

2. In the case of a minor Account Owner, the parent or guardian for such minor Account Owner is not permitted to make withdrawals other than for the benefit of the Beneficiary. If an Account is funded with UGMA/UTMA account assets, the Account Owner is not permitted to make withdrawals other than for the benefit of the Beneficiary.

3. If you request a Non-Qualified Withdrawal, the withdrawal will be subject to an additional 10% penalty tax payable to the Internal Revenue Service on the portion of such withdrawal that is attributable to investment earnings in the Account, unless the withdrawal qualifies for an exception to the additional 10% tax. A Non-Qualified Withdrawal is not subject to the additional 10% penalty tax only if the withdrawal is: (i) made on account of the death or disability of the Beneficiary; (ii) made on account of a scholarship received by the Beneficiary, to the extent that the withdrawal does not exceed the amount of the scholarship; (iii) a non-taxable transfer to an Account or other Section 529 plan for the same Beneficiary or a family member of the current Beneficiary; or (iv) made in an amount equal to the cost of attendance at a United States military academy.

4. Non-Qualified Withdrawals likely will also result in income taxation except for (i) a non-taxable transfer to another Account or to another Section 529 plan for a different Beneficiary who is a Family Member of the designated Beneficiary; or (ii) a qualifying non-taxable transfer to another Section 529 plan for the designated Beneficiary.

5. The earnings portion of any withdrawal will be computed in accordance with Code Section 529 and any regulations thereunder.

6. Distributions will be made to CollegeInvest under the Funding Agreement at any time to cover requests by Account Owners for Qualified or Non-Qualified Withdrawals, or transfers to any other Section 529 plan except a Colorado Competing Fixed Interest Fund.

Account Owner's Representations and Acknowledgements

You hereby represent, warrant, acknowledge and agree with CollegeInvest as follows:

1. You are resident of or domiciled in the United States of America.

2. You have received and read the Plan Disclosure Statement, have carefully reviewed the information contained therein, including information provided by or with respect to CollegeInvest and MetLife, and agree that its terms are incorporated into this Participation Agreement as if they were set forth herein.

3. The investment of assets held in your Account will be governed by the provisions of the Plan Disclosure Statement and this Participation Agreement, each as amended from time to time, and all such assets will be held exclusively for your benefit and the benefit of the person named as Beneficiary of that Account.

4. CollegeInvest currently provides services and serves as administrator of the Plan and several other Section 529 plans. State tax features vary by plan; CollegeInvest does not render tax advice and you should consult your own tax advisor to determine the effect of state and federal tax benefits related to each plan. The nature and composition of available investment options and costs (including sales charges, fees and expenses) vary from plan to plan. You should consider the wide variety of plans and related costs available to you.

5. The Colorado income tax deduction for contributions to the Plan, as described in the Plan Disclosure Statement, is available only to Colorado taxpayers. Section 529 plans offered by states other than Colorado may offer tax or other benefits to taxpayers or residents of those states that are not available with regard to the Plan. If you are a taxpayer or resident of a state other than Colorado, you have considered such state tax treatment and other benefits, if any, before making a decision to invest in the Plan.

6. You have been given an opportunity, within a reasonable time prior to the effective date of this Participation Agreement, to ask questions of representatives of CollegeInvest and receive satisfactory answers concerning (i) an investment in the Plan; (ii) the terms and conditions of the Plan, the Trust and the Funding Agreement; (iii) the applicable fees, expenses and charges associated with the Plan; (iv) the Plan Disclosure Statement, this Participation Agreement and the Account Application; (v) other Section 529 plans offered by CollegeInvest and costs associated with such plans; and (vi) your ability to obtain such additional information necessary to verify the accuracy of any information furnished.

7. Your Account is subject to the fees, expenses and charges as set forth in the Plan Disclosure Statement. Such fees, expenses and charges may be changed in the future. New fees, expenses and charges may also be charged in the future. You hereby authorize CollegeInvest to redeem units in your Account to satisfy the Account fees described in the Plan Disclosure Statement, as applicable.

8. The Plan is established and maintained with the intent that it meet the requirements for favorable federal tax treatment under Code Section 529. Qualification under Code Section 529 is vital, and CollegeInvest may amend this Participation Agreement at any time if CollegeInvest determines that such an amendment is necessary to maintain qualification of the Plan under Code Section 529.

9. Federal and state laws are subject to change, sometimes with retroactive effect, and none of the State, CollegeInvest or MetLife, or any affiliate of the foregoing, or any other person makes any representation that such federal or state laws will not be changed or repealed.

10. With respect to each Account you open under the Stable Value Plus Plan, you are opening the Account in order to provide funds for the Qualified Higher Education Expenses of the person designated as Beneficiary of that Account. To the best of your knowledge, the account balance for the Beneficiary in all Colorado Section 529 plans does not exceed the Balance Limit.

11. You have not relied on any representations or other information, whether oral or written, and whether made by any agent or representative of CollegeInvest, MetLife, or otherwise, other than as set forth in the Plan Disclosure Statement (including any applicable supplement to the Plan Disclosure Statement) and in this Participation Agreement (including any applicable supplement to this Participation Agreement).

12. The value of your Account(s) will increase each day based on the annual interest rate established for the related calendar year under the Funding Agreement less the CollegeInvest administrative fee. **YOU UNDERSTAND THAT YOU MAY NOT RECEIVE THE VALUE OF ANY ACCOUNT(S) TO WHICH YOU MAKE CONTRIBUTIONS IF METLIFE FAILS FOR ANY REASON TO PAY INTEREST OR REPAY AMOUNTS DEPOSITED UNDER THE FUNDING AGREEMENT.**

13. All investment decisions will be made by CollegeInvest in accordance with the Policy Statement and you cannot direct the investment of any contributions invested in the Trust, either directly or indirectly.

14. **The guarantee to the Trust of repayment of amounts deposited under the Funding Agreement and the payment of interest on such deposited amounts is made by MetLife. None of the State or CollegeInvest, or any affiliate of the foregoing, the federal government, nor any parent, subsidiary or affiliate of MetLife, insures or makes any guarantee that you will be repaid the amount you contribute or paid any interest earnings thereon other than from distributions made to the Trust by MetLife under the Funding Agreement.**

15. You have accurately and truthfully completed the Account Application and any other documentation that you have furnished or subsequently furnish in connection with the opening or maintenance of, or any withdrawals from, your Account is or will be accurate, truthful and complete.

16. If you make false statements in connection with opening an Account or otherwise, CollegeInvest may take such action as permitted by the Act, including, without limitation, terminating your Account or requiring that you indemnify the State, MetLife and/or CollegeInvest as discussed under the "Limitation of Liability; Indemnification" section of this Participation Agreement.

17. Your participation in the Plan does not guarantee that the Beneficiary: (i) will be accepted as a student by any Eligible Educational Institution; (ii) if accepted, will be permitted to continue as a student; (iii) will be treated as a state resident of any state for tuition purposes; (iv) will graduate from any Eligible Educational Institution; or (v) will achieve any particular treatment under applicable state or federal financial aid programs. You further acknowledge and agree that none of the State, CollegeInvest, MetLife, or any affiliate of the foregoing, or any other person, makes any such representation or guarantee.

18. No Account in which you invest will be used as collateral for any loan. Any attempt to use an Account as collateral for a loan shall be void. The Plan itself will not loan any assets to you or the Beneficiary.

19. You will not assign or transfer any interest in any Account, except as otherwise contemplated in the Plan Disclosure Statement or this Participation Agreement. Any attempted assignment or transfer of such an interest shall be void.

20. Although you own Units in the Trust through your Account, you do not have a direct beneficial interest in the Funding Agreement, and therefore you do not have the rights of a party to the Funding Agreement.

21. You may transfer your Account to another Account Owner without changing the Beneficiary identified as beneficiary of your Account. If the Account Owner is a minor or the Account was funded with the proceeds from an UGMA/UTMA account, the Account cannot be transferred to another Account Owner (other than to another UGMA/UTMA Custodian for the benefit of the same Beneficiary). Such a transfer will be effective only if it is irrevocable and transfers all rights, title, interest and power over the Account to the new Account Owner. The tax consequences associated with a transfer of ownership are uncertain. You should consult with a qualified tax advisor concerning the potential income, gift and estate tax consequences of a transfer of ownership before effecting a transfer. To effect a transfer of ownership, you should contact CollegeInvest.

22. If you do not designate a successor Account Owner on your Account Application, or if a designated successor is deceased or validly disclaims his/her interest in the Account, the Beneficiary will become the Account Owner in the event of your death.

23. CollegeInvest may ask you to provide additional documentation that may be required by applicable law or in connection with your investment in the Plan, and you agree to promptly comply with any such requests for additional documentation.

24. None of the Plan Disclosure Statement, this Participation Agreement, or the Account Application addresses taxes imposed by a state other than Colorado or the applicability of local taxes to the Plan, the Trust or your investment in the

Trust, or your Account. You should consult with a qualified tax advisor regarding the application of all taxes (including those summarized in the Plan Disclosure Statement) to your particular situation.

25. The state or locality in which you reside may impose a tax on the earnings accumulated on your Account assets, without deferring such tax until the time that a withdrawal is made from the Account. You are generally responsible for paying any taxes imposed upon you with respect to your Account. However, to the extent that such taxes relating to your Account are imposed upon the Trust, the Trust may pay them directly from your Account. Such payments may be considered Non-Qualified Withdrawals.

Limitation of Liability; Indemnification

1. **Indemnification.** You recognize that the establishment of any Account in the Trust will be based upon your acknowledgments, statements, agreements, representations, warranties and covenants set forth in this Participation Agreement and the Account Application. You agree to indemnify and hold harmless the Plan, the Trust, CollegeInvest, the State, MetLife, and any affiliates, directors, officers, employees, agents and other representatives of the foregoing, for any liabilities or expenses (including costs of reasonable attorney's fees) they each may incur as the result of any misstatement or misrepresentation made by you or the Beneficiary, or any breach by you or the Beneficiary of the acknowledgements, statements, agreements, representations or warranties or covenants contained in this Participation Agreement, other than those arising out of CollegeInvest's failure to perform its duties specified in this Participation Agreement, or CollegeInvest's or MetLife's failure to perform their respective duties specified in the Plan Disclosure Statement. All of your statements, representations, warranties, covenants and agreements shall survive the termination of this Participation Agreement.

2. **Extraordinary Events**. CollegeInvest and MetLife each will not be liable for any loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes, changes in federal or state law (including tax law) or other conditions beyond their control.

Lawsuits; Disputes

1. **Lawsuits Involving your Account**. Except as to controversies arising between you or the Beneficiary and CollegeInvest or MetLife, CollegeInvest or MetLife may apply to a court at any time for judicial settlement of any matter involving your Account. CollegeInvest represents that if CollegeInvest or MetLife so applies for a judicial settlement, CollegeInvest will give you or the Beneficiary the opportunity to participate in the court proceeding, but each of them also can involve other persons. Any expense that CollegeInvest or MetLife incurs in legal proceedings involving your Account, including attorney's fees and expenses, are chargeable to your Account and payable by you or the Beneficiary if not paid from your Account.

2. **Disputes**. Any controversies that may arise between you or the Beneficiary and CollegeInvest involving any transaction in your Account, or the construction, performance or breach of this Participation Agreement, may be determined by arbitration or court proceedings, as determined by CollegeInvest in its sole discretion. If there is a dispute between you or the Beneficiary and CollegeInvest that is adjudicated in the courts, you hereby submit (on behalf of yourself and the Beneficiary) to exclusive jurisdiction in the courts of Colorado for all legal proceedings arising out of or relating to this Participation Agreement. In any such proceeding, you (on behalf of yourself and the Beneficiary) and CollegeInvest each agree to waive your rights to trial by jury. If there is a dispute between you or the Beneficiary and CollegeInvest that CollegeInvest determines, in its sole discretion, has to be arbitrated, you agree (on behalf of yourself and the Beneficiary) that the arbitration will be conducted in Colorado pursuant to the then current rules for such proceedings as provided by the American Arbitration Association.

Miscellaneous Provisions

1. **Reporting**. CollegeInvest will keep records of all transactions concerning your Account and will provide annual statements of your Account to you. CollegeInvest will cause reports of your Account to be sent to you, the Internal Revenue Service and such other regulatory authorities as required by law. If you do not write to CollegeInvest to object to a statement or report within 60 days after it has been sent to you, you will be considered to have approved it and to have released CollegeInvest and MetLife from all responsibility for matters covered by the report. You agree to provide all information CollegeInvest or MetLife may need to comply with any legal reporting requirements. You will continue to be responsible for filing your federal and state tax returns and any other reports required of you by law.

2. **Duties of CollegeInvest.** Neither CollegeInvest nor its representatives has a duty to perform any action other than the CollegeInvest Services as specified in this Participation Agreement and the Plan Disclosure Statement. CollegeInvest may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by you or another authorized person and may assume that the authority of any other authorized person continues in effect until CollegeInvest receives written notices to the contrary. CollegeInvest has no duty to determine or advise you of the investment, tax or other consequences of your actions, or of its actions in following your directions, or of its failing to act in the absence of your directions.

3. **Duties of the Manager**. Neither MetLife nor its representatives has a duty to perform any actions other than those specified in this Participation Agreement, the Plan Disclosure Statement and the Funding Agreement, and it is specifically noted that MetLife is not responsible for the performance (or nonperformance) of any marketing, administrative, recordkeeping, collection of contributions, processing of withdrawals or other CollegeInvest Services. MetLife may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by you or another authorized person and may assume that the authority of any other authorized person continues in effect until MetLife receives written notices to the contrary. MetLife may accept and rely conclusively on any instructions or communications reasonably believed to have been given by CollegeInvest. MetLife has no duty to determine or advise you of the investment, tax or other consequences of your actions, or of its actions in following your directions, or of its failing to act in the absence of your directions.

4. **Discontinuance of Funding Agreement**. CollegeInvest may discontinue the Funding Agreement in the future. In such event, your Account assets may (i) continue to be invested in part under the Funding Agreement for up to three years and 60 days following such discontinuance, and in part in Alternate Investments selected by CollegeInvest, or (ii) be invested entirely in Alternate Investments selected by CollegeInvest. In each such event, you will not able to direct investment of your Account assets, except as described in the "Investment of Account Assets" section of this Participation Agreement.

5. **Effectiveness of this Participation Agreement**. This Participation Agreement shall become effective upon the execution of your Account Application, subject to CollegeInvest's right to reject your Account Application if, in processing the Account Application, it is determined that the Account Application has not been completed in accordance with guidelines under the Plan.

6. **Amendment and Termination**. CollegeInvest may, at any time, and from time to time, amend this Participation Agreement or the Plan Disclosure Statement, or suspend or terminate the Plan and the Trust, by giving written notice of such action to you, but your Account assets may not thereby be diverted from the exclusive benefit of you and/or the Beneficiary. Nothing contained in this Participation Agreement or the Plan Disclosure Statement shall constitute an agreement or representation by CollegeInvest, on its own behalf or on behalf of MetLife, that it will continue to maintain the Plan or the Trust indefinitely.

7. **Successors and Assigns**. This Participation Agreement shall be binding upon the parties and their respective heirs, successors (including substitute and transferee Account Owners) and permitted assigns. You agree that all of your representations and obligations under this Participation Agreement shall inure to the benefit of MetLife as well as to CollegeInvest.

8. **Communications; Notices**. For purposes of this Participation Agreement, communications will be sent to you at the address that you specify in your Account Application or at such other address that you provide to CollegeInvest in writing. All communications so sent will be deemed to be given to you personally upon such sending, whether or not you actually receive them. Various notices to be provided by CollegeInvest in connection with the Plan may be made pursuant to an updated Plan Disclosure Statement or by a posting on the CollegeInvest website.

9. **Severability**. If any provision of this Participation Agreement is held to be invalid, illegal, void or unenforceable, by reason of any law, rule, or administrative order, or by judicial decision, such determination will not affect the validity of the remaining provisions of this Participation Agreement.

10. **Headings**. The heading of each section, paragraph and provision in this Participation Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph and provision.

11. **Governing Law.** This Participation Agreement shall be construed in accordance with and shall be governed by the laws of the State of Colorado, without regard to community property laws or choice of law rules of any state. Your execution of the Plan account application shall constitute execution of this Participation Agreement.

COLLEGEINVEST
PRIVACY POLICY STATEMENT

State Administrator for
The Stable Value Plus College Savings Plan

The Stable Value Plus Plan is Managed by
Metropolitan Life Insurance Company of Connecticut ("MetLife")

At CollegeInvest privacy and confidentiality of your personal information is important and we want to ensure your trust in us. The following statement describes our practices and policies for protecting your nonpublic personal information. CollegeInvest reserves the right to revise this policy at any time with notice.

General

CollegeInvest does not disclose, sell, rent, trade, or otherwise provide nonpublic personal information that we have about you or your account(s) to third parties, whether affiliated or unaffiliated with CollegeInvest, except as permitted by law.

CollegeInvest only collects nonpublic personal information provided by you either through the secure online information requests or application, through general and toll-free telephone numbers, through the application process or through your transactions with our plan manager or us. Examples of nonpublic personal information collected include:

• Name, address, phone number and Social Security Number of account owner, account successor and beneficiary.

• Account information, such as dollars contributed, units purchased and value of account.

• Optional demographic information such as gender, household income, ethnicity, age and level of education.

• Voluntary information collected by our service providers to conduct market research on our behalf.

CollegeInvest restricts access to your nonpublic personal and account information to those employees who need to know that information to service your account(s). We also maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

CollegeInvest will disclose nonpublic personal information to third parties as is necessary to process and service your account(s). In addition CollegeInvest will disclose nonpublic personal information to third parties providing services on CollegeInvest's behalf, such as delivery of information about CollegeInvest products and services through means including, but not limited to, mail, email, and telephone. We also provide names, addresses and telephone numbers to a firm that conducts market research on our behalf.

All third party servicers are governed by confidentiality agreements requiring the third party to keep all personal information provided to them by CollegeInvest confidential except as permitted by law.

Stable Value Plus

Enrollment Application and Postage-Paid Envelope

1. Carefully read the Stable Value Plus Plan Disclosure Statement in this kit before completing the account application.

2. Complete one Stable Value Plus plan application for each student (beneficiary) for whom you are opening an account. You may use the application that follows, or you may download an application at www.collegeinvest.org. Applications may be photocopied.

3. Enclose a check for your initial deposit of at least $25. Please make your check payable to Stable Value Plus.

4. Sign the application and congratulate yourself. Mail your application in the enclosed postage-paid envelope addressed to CollegeInvest Stable Value Plus.

Please note: If you plan to take advantage of our convenient automatic transfer service, be sure to complete the automatic contribution section of your application and include a voided check from the account from which you would like your funds transferred.

CollegeInvest®

STABLE VALUE PLUS

529 COLLEGE SAVINGS PLAN

ACCOUNT APPLICATION

1. ACCOUNT OWNER INFORMATION

This is the person who will make contributions and request distributions.

First Name | Middle Initial | Last Name

Street Address or P.O. Box | City | State | Zip Code | Country

☐ Please check this box if the account is being funded with UTMA/UGMA Custodial Assets. Enter the minor's Social Security No.

Account Owner's Social Security Number ☐☐☐ - ☐☐ - ☐☐☐☐

Work Telephone No. | Home Telephone No. | Account Owner's Date of Birth Month ☐☐ Day ☐☐ Year ☐☐☐☐

2. STUDENT INFORMATION

This is the Student for whom you are establishing this account.

First Name | Middle Initial | Last Name | ☐ Male ☐ Female

Street Address or P.O. Box | City | State | Zip Code | Country

Student's Social Security No. ☐☐☐ - ☐☐ - ☐☐☐☐

Student's Date of Birth Month ☐☐ Day ☐☐ Year ☐☐☐☐

Anticipated year of college enrollment: ☐☐☐☐

3. DESIGNATION OF SUCCESSOR ACCOUNT OWNER IN THE EVENT OF YOUR DEATH

By designating a Successor Account Owner, ***ownership of all assets in this account will be transferred to the named Successor Account Owner in the event of your death.*** If you choose not to designate a Successor Account Owner, the Student will become the account owner in the event of your death. See the Plan Disclosure Statement for details.

Name of Successor Account Owner

Successor Account Owner's Social Security No. ☐☐☐ - ☐☐ - ☐☐☐☐

Street Address or P.O. Box | City | State | Zip Code | Country

4. PARENT OR GUARDIAN INFORMATION

Complete only if the Account Owner is under the age of 21 at the time the account is opened (e.g. UGMA account).

The Parent or Guardian must also sign this Application (Section 8).

First Name | Middle Initial | Last Name | Social Security No. ☐☐☐ - ☐☐ - ☐☐☐☐

Street Address or P.O. Box | City | State | Zip Code | Country

(OVER)

5. DESIGNATION OF FINANCIAL PROFESSIONAL

If you have a financial professional that you would like to receive a copy of your Annual Statement, provide his/her name and address here.

Name	Address	City	State	Zip Code

6. AUTOMATIC CONTRIBUTION OPTION

Complete this section if you wish to establish recurring electronic transfers to your Stable Value Plus account.

Automatic Funds Transfer: If you elect to use our Automatic Funds Transfer (AFT) service, you hereby authorize CollegeInvest to initiate transfers from your bank account to your Stable Value Plus account in accordance with the following instructions. Attach a voided check or a letter from your bank confirming the account number, title, and type (checking or savings) to this Application.

Financial Institution

Type of account ☐ Checking ☐ Savings

Bank Account No.

Amount of each transfer ($25 minimum)

$________________________

Begin Automatic Funds Transfer

Month_____________________

To be transferred on:

☐ the 14th of each month, or ☐ the 28th of each month

Note: It takes approximately 30 business days to initiate an Automatic Funds Transfer service.

STAPLE A VOIDED CHECK HERE

7. TOTAL INITIAL PAYMENT

Please enclose a check for your Initial Payment. This check must include:

Initial Deposit. $25 or more for your initial deposit (does NOT apply if you have selected Automatic Funds Transfer in Section 6 above).

Initial Payment ________

Checks should be made payable to ***Stable Value Plus*** and mailed to:

CollegeInvest
1801 Broadway, Suite 1300
Denver, CO 80202

8. ACCOUNT AGREEMENT AND SIGNATURE

By signing below, I hereby apply for a Stable Value Plus account. I have received, read, and agree to the terms and conditions of the Participation Agreement and the Plan Disclosure Statement, both of which govern all aspects of this account and are incorporated in their entirety herein by reference.

Investments in the CollegeInvest Stable Value Plus Savings Plan are not insured by the FDIC or any other government agency; and account owners could lose money investing in the plan. Investments are not guaranteed by the State of Colorado, CollegeInvest, any affiliates of The Travelers Insurance Company, or any other person or entity. Account Owners assume all investment risks, including the potential for loss of principal, as well as responsibility for federal and state tax consequences.

Signature of Account Owner____ Date____________________

Signature of Parent or Guardian____ Date____________________
(if account owner is minor)

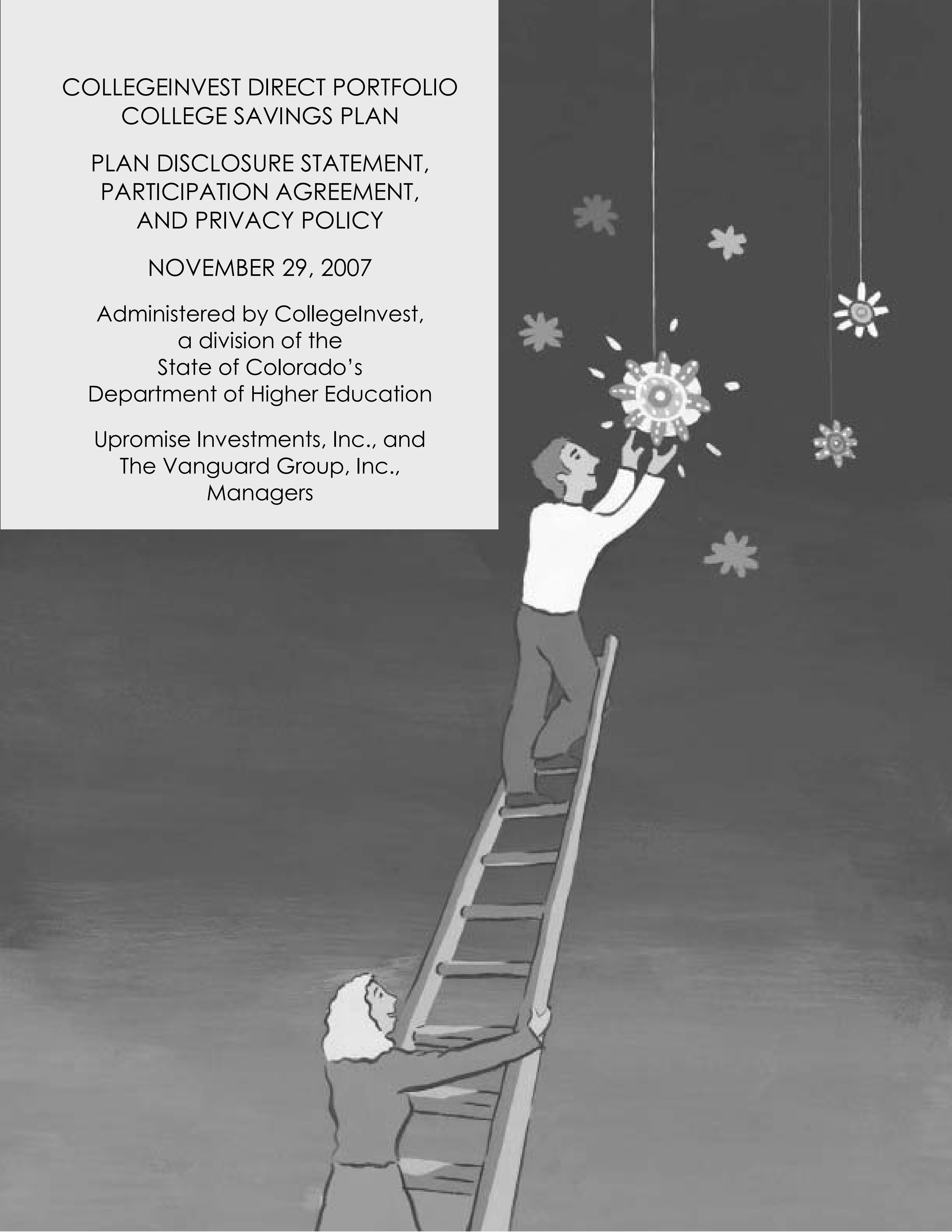
COLLEGEINVEST DIRECT PORTFOLIO COLLEGE SAVINGS PLAN

PLAN DISCLOSURE STATEMENT, PARTICIPATION AGREEMENT, AND PRIVACY POLICY

NOVEMBER 29, 2007

Administered by CollegeInvest,
a division of the
State of Colorado's
Department of Higher Education

Upromise Investments, Inc., and
The Vanguard Group, Inc.,
Managers



Plan Disclosure Statement, Participation Agreement, and Privacy Policy

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The Plan Highlights

The highlights direct you to more complete information about The Plan contained in this Plan Disclosure Statement, which you should review carefully. The offering of the CollegeInvest® Direct Portfolio College Savings Plan to potential investors is made only by means of the entire Plan Disclosure Statement and Participation Agreement.

Purpose of the CollegeInvest Direct Portfolio	To help individuals and families save for college expenses through a tax-advantaged investment plan administered by CollegeInvest, a division of the Colorado Department of Higher Education.
Managers of The Plan	The Plan is managed by Upromise Investments, Inc. (Upromise), and The Vanguard Group, Inc. (Vanguard). The term "Manager" or "Managers" as used in this Plan Disclosure Statement means Upromise and/or Vanguard as the context so requires. All investment management for The Plan will be provided by Vanguard. The initial term of the Managers' contract expires December 31, 2009. The term may be extended by CollegeInvest for up to two additional two-year periods. See ***Part 1. Introduction, page 4***.
Contact Information	CollegeInvest Direct Portfolio College Savings Plan P.O. Box 55355 Boston, MA 02205-5355 www.collegeinvest.org Phone: 800-997-4295
No Guarantee Against Loss	None of your Plan account, the principal you invest in the CollegeInvest Direct Portfolio College Savings Trust, or any investment return is insured or guaranteed by The Plan, the State of Colorado, CollegeInvest, any other state or federal governmental agency, Upromise, Vanguard, or any other entity. You could lose money, including the principal you invest.
Eligibility (Account Owner)	The Plan is open to all U.S. citizens and resident aliens who have a Social Security number or taxpayer identification number and have a U.S. permanent address that is not a P.O. box. There are no restrictions on income. See ***Part 2. Getting Started, page 5***.
Beneficiary	The Beneficiary may be a U.S. citizen or resident alien with a Social Security number or taxpayer identification number, of any age, from newborn to adult. The Account Owner may change Beneficiaries or transfer a portion of the account to a different Beneficiary without adverse tax consequences, provided the two Beneficiaries are members of the same family. See ***Part 7. Other Information About Your Plan Account—Changing Your Beneficiary, page 23***.
Contributions	Contributions may be made by anyone, regardless of the relationship to the Account Owner or Beneficiary, but the Account Owner retains ownership and control of all Account assets. Initial contribution: $25 minimum. Additional contributions: $15 minimum. See ***Part 7. Other Information About Your Plan Account—Maximum Contribution Limit, page 22***.
Maximum Contribution Limit	$280,000—Plan accounts that have reached the combined Maximum Contribution Limit across all 529 Plans sponsored by the State of Colorado (Colorado 529 Plans) for the same Beneficiary may continue to accrue earnings, but additional contributions are prohibited. See ***Part 7. Other Information About Your Plan Account—Maximum Contribution Limit, page 22***.
Investment Options and Performance	11 different investment options, all managed by Vanguard: • 3 Age-Based Options (conservative, moderate, or aggressive). • 8 Blended and Individual Portfolios. This Plan Disclosure Statement contains historical performance information for the Portfolios and the mutual funds in which the Portfolios invest. See ***Part 3. The Plan Investment Options, page 6***.
Risk Factors of The Plan	Investing in The Plan involves certain risks, including: (1) the possibility that you may lose money (including your original contribution) over short or even long periods, (2) the risk of federal or state tax law changes, (3) the risk of Plan changes including changes in fees, asset allocation, and investment guidelines, and (4) the risk that contributions to The Plan may adversely affect the eligibility of the Beneficiary or the Account Owner for financial aid or other benefits. See ***Part 5. Certain Risks of Investing in The Plan, page 16***.
Fees and Charges	Asset-based fee: 0.75%. The Plan will impose an account fee of $20 on any Plan account if neither the Account Owner nor the Beneficiary is a resident of the State of Colorado or the State of Wyoming. See ***Part 4. The Plan Fees and Charges, page 14***.

Tax Matters	• Earnings grow free from federal income tax while in a Plan account. • There is no federal income tax on Qualified Withdrawals. • No gift tax is payable on contributions up to $60,000 (single) and $120,000 (married couple)—prorated over five years. • Contributions are deductible from Colorado state income tax (subject to recapture if Nonqualified Withdrawal). • The earnings portion of a Nonqualified Withdrawal generally is includable in the taxable income of the Account Owner. • Subject to certain exceptions, the earnings portion of a Nonqualified Withdrawal will also be subject to an additional 10% federal penalty tax. • No Colorado income tax on Qualified Withdrawals. **Contributions to a 529 Plan are not deductible for federal income tax purposes.** Consult a qualified tax advisor regarding the application of these rules to your circumstances. See ***Part 8. Tax Matters, page 24***.
Qualified Withdrawals	Assets in your Plan account used to pay for tuition, fees, certain room and board, books, supplies, and equipment required for enrollment or attendance at any Eligible Educational Institution in the U.S. or abroad will be considered a Qualified Withdrawal. See ***Part 7. Other Information About Your Plan Account—Withdrawals, page 21***.
Account Control	As an Account Owner, you can: • Retain control of how and when money is used. • Change Beneficiaries without paying federal income tax or a penalty tax, if the new Beneficiary is a “member of the family” of the currently designated Beneficiary. • Withdraw amounts from your account for any purpose, subject to applicable federal and state income taxes on earnings (including possible recapture of state tax deductions) and a 10% federal penalty tax on earnings. See ***Part 7. Other Information About Your Plan Account, page 18***.
Account Control Limitations	A few limitations apply: • You may change the investment option for your Plan account for any reason only one time during any calendar year, or with the permissible change of Beneficiary. This limitation applies on an aggregate basis to all accounts under The Plan and other Colorado 529 Plans having the same Account Owner and Beneficiary. • Account Owners may transfer all or part of a Plan account to a non-Colorado 529 Plan for the same Beneficiary only if it has been at least 12 months since the last such transfer for the Beneficiary. See ***Part 7. Other Information About Your Plan Account, page 18***.
Online Applications and Account Information	• Account Owners may obtain an application online at **www.collegeinvest.org** or by mail. • Account Owners may choose to receive periodic account statements, transaction confirmations, and other personal correspondence online, rather than by mail. See ***Part 2. Getting Started, page 5***.
Upromise Rewards Service	You may choose to sign up for the optional Upromise rewards service that lets members get back a percentage of their qualified spending when dining out, shopping for groceries, buying gas, and making other purchases with participating companies. These dollars can be transferred to your Plan account on a periodic basis. See ***Part 6. Information About The Plan, the Managers, and Upromise Rewards Service, page 18***.
Privacy Policy	All information you provide to The Plan is treated confidentially. CollegeInvest has a privacy policy for the benefit of Plan participants. See ***Privacy Policy, page 36***.
Other Education Savings and Investment Alternatives	There are education savings and investment options other than The Plan for saving for the expenses of attending an eligible postsecondary school, including other 529 Plans administered by CollegeInvest, such as the Scholars Choice College Savings Program and the Stable Value Plus College Savings Plan. See CollegeInvest’s website at **www.collegeinvest.org** for more information. If you are a resident of a state other than Colorado, you may have the opportunity to invest in a 529 Plan sponsored by your home state that may provide state tax benefits not available to you by investing in The Plan. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

Part 1. Introduction

General Information About 529 Plans and The Plan

Section 529 of the Internal Revenue Code permits states and state agencies to sponsor qualified tuition programs ("529 Plans"), which are tax-advantaged programs intended to help individuals and families save for the costs of higher education. CollegeInvest administers a college savings program (the "Program") and offers several 529 Plans as part of the Program. This Plan Disclosure Statement describes the CollegeInvest Direct Portfolio College Savings Plan ("The Plan"), which is one of such 529 Plans. Even if you do not live in Colorado, you may invest in The Plan, although non-Colorado residents should consider whether their state offers a 529 Plan that would provide them state income tax or other benefits not available to them through The Plan. See ***Other Important Information—State Tax and Other Benefits*** below. CollegeInvest also offers several 529 Plans other than The Plan. See CollegeInvest's website at **www.collegeinvest.org** for more information.

Amounts contributed to The Plan are invested in the CollegeInvest Direct Portfolio College Savings Trust (the "Trust"). When you invest in The Plan, you are purchasing portfolio units issued by the Trust. CollegeInvest acts as trustee for the Trust, and has contracted with the Managers to hold the assets of the Trust in a segregated custody account. Assets of the Trust are held "in trust" for the exclusive benefit of Account Owners and Beneficiaries of The Plan. The Trust will not make any loans to either Account Owners or Beneficiaries. Amounts invested in a Plan account may not be pledged, assigned, or otherwise used as collateral or security for a loan. The assets in the Trust will be allocated to investment portfolios ("Portfolios") and invested by Vanguard. *See* ***Part 3. The Plan Investment Options***.

An investment in The Plan will not be the appropriate investment program for all investors. You should evaluate The Plan, the investment option(s) you select, and the Portfolios in the context of your overall financial situation, investment goals, other resources and needs (such as liquidity), and other investments.

Who's Who in The Plan

CollegeInvest—CollegeInvest, a division of the Colorado Department of Higher Education ("CollegeInvest"), provides certain administrative services in connection with The Plan and generally oversees the Managers' activities in providing services to The Plan.

Upromise—Upromise Investments, Inc., has been chosen by CollegeInvest to be a Manager of The Plan, responsible for the day-to-day operations of The Plan, including but not limited to, marketing, administration, recordkeeping, and other services for The Plan. "Upromise" is used to refer collectively or individually, as the case requires, to Upromise Investments, Inc., Upromise Investment Advisors, LLC, and their affiliates.

Vanguard—The Vanguard Group, Inc., has been chosen by CollegeInvest to be a Manager of The Plan, responsible for all investments of The Plan Portfolios and the Underlying Funds in which each of the Portfolios is invested. Vanguard also assists CollegeInvest in marketing The Plan, providing administrative services, and distributing the securities issued by the Trust. "Vanguard" is used to refer collectively or individually, as the case requires, to The Vanguard Group, Inc., Vanguard Marketing Corporation, and their affiliates.

Throughout this document, the State of Colorado, the Trust, CollegeInvest, Upromise, and Vanguard are referred to collectively as "Associated Persons" of The Plan.

Other Important Information

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT. Upromise is required by federal law to obtain from each person who opens an account certain personal information—including name, street address, Social Security number or individual taxpayer identification number, and date of birth, among other information—that will be used to verify identity. If you do not provide this information, The Plan will not be able to open your account. If we are unable to verify your identity, Upromise reserves the right to close your account or take other reasonable steps.

State Tax and Other Benefits. If you are not a Colorado taxpayer, consider before investing whether your or the beneficiary's home state offers a 529 Plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's 529 Plan, and which are not available through investment in The Plan. Since different states have different tax provisions, this Plan Disclosure Statement contains limited information about the state tax consequences of investing in The Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's 529 Plan(s), or any other 529 Plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

Other 529 Plans Administered by CollegeInvest. CollegeInvest currently offers three other 529 Plans that are not described in this Plan Disclosure Statement. These 529 Plans have different investment options, investment advisors, fees, and sales commissions, and may be marketed differently from The Plan. CollegeInvest may develop and offer other 529 Plans in the future. Please call 800-448-2424 or go to **www.collegeinvest.org** for information and materials that describe other 529 Plans administered and offered by CollegeInvest.

Investments Are Not Guaranteed or Insured. Investments in The Plan are not guaranteed or insured by The Plan, the State of Colorado, CollegeInvest, any other federal or state governmental agency, the Federal Deposit Insurance Corporation, Vanguard, Upromise, or any other entity. The value of your Plan account will depend on market conditions and the performance of the Portfolios for the investment option(s) you select.

Investments in The Plan can go up or down in value, and you could lose money (including the principal invested), or not make money, by investing in The Plan. **The Plan is Not a Mutual Fund.** Although money contributed to The Plan will be allocated to Portfolios that invest in mutual funds, neither the Trust, The Plan, nor any of The Plan's Portfolios is a mutual fund. An investment in The Plan is an investment in municipal fund securities that are offered and issued by the Trust. These securities are not registered with the U.S. Securities and Exchange Commission ("SEC") or any state, nor are the Trust, The Plan, or The Plan's Portfolios registered as investment companies with the SEC or any state.

Changes in The Plan. It is possible that federal and state laws may change in a manner that will adversely affect The Plan as described in this Plan Disclosure Statement, and that such adverse effects may be retroactive. CollegeInvest also may amend The Plan at any time if CollegeInvest determines that such an amendment is necessary to maintain qualification under Section 529 or is otherwise desirable.

Important Reference Material. Please keep this Plan Disclosure Statement for future reference. This document gives you important information about The Plan, including information about the investment risks associated with, and the terms under which you agree to participate in, The Plan.

How to Contact Us

Please call **800-997-4295** if you have any questions about The Plan or would like additional information. You can also visit CollegeInvest's website at **www.collegeinvest.org** for more information about The Plan or to download forms described in this Plan Disclosure Statement.

Part 2. Getting Started

This section offers a brief overview of the process needed to: (1) open your account with The Plan, (2) designate your Beneficiary, (3) choose your investment option(s), and (4) contribute money to your Plan account. Before you begin, it is important that you understand two terms used throughout this Plan Disclosure Statement.

- The *Account Owner* is the person who opens an account with The Plan and controls the assets held in the account. References in this document to "you" mean you in your capacity as the Account Owner.
- The *Beneficiary* (future student) is the person designated by the Account Owner whose higher education expenses are expected to be paid (in whole or in part) using money from the account.

1. Opening Your Plan Account

Who May Open a Plan Account?

To be an Account Owner, you must be a U.S. citizen or resident alien and must have a Social Security number or taxpayer identification number. Trusts, not-for-profit organizations, and local governments may also be Account Owners. Account Owners must provide The Plan with a permanent U.S. address that is not a P.O. box.

Although anyone can contribute to an account, only the Account Owner controls how account assets are invested and used. There can be only one Account Owner designated per account. You may grant another person the ability to take certain actions with respect to your account by completing the appropriate form(s). You may name a successor Account Owner to control the account if you die. If, on the death of the Account Owner, a successor Account Owner has not been designated or is deceased at the time of the Account Owner's death, the Beneficiary of the account automatically becomes the Account Owner. You may transfer a Plan account to another Account Owner subject to the conditions described in ***Part 7. Other Information About Your Plan Account***.

There is no limit on the age of the Account Owner to participate in, or benefit from, The Plan. If the Account Owner is a minor, his or her parent or legal guardian will need to consent to the minor's participation in The Plan by signing the Enrollment Application.

How Do You Open a Plan Account?

- Online: Complete the Enrollment Application online at **www.collegeinvest.org**.
- By mail: Complete, sign, and mail the Enrollment Application to **CollegeInvest Direct Portfolio College Savings Plan, P.O. Box 55355, Boston, MA 02205-5355**.

By signing the Enrollment Application, you will agree to the terms of your account, the Participation Agreement, and The Plan set forth in this Plan Disclosure Statement.

Please see ***Part 7. Other Information About Your Plan Account*** for a description of the Enrollment Application process and for more details on setting up an account with The Plan.

2. Choosing Your Beneficiary

Name a Beneficiary for the account on your Enrollment Application. A Beneficiary must be a U.S. citizen or resident alien and have a Social Security number or taxpayer identification number. Only the Account Owner can change the Beneficiary of an account.

- You may designate only one Beneficiary per account, but different Account Owners may establish different accounts for the same Beneficiary subject to the Maximum Contribution Limit.
- There is no limit on the age of the Beneficiary to participate in, or benefit from, The Plan.
- You do not have to be related to the Beneficiary.
- You may name yourself as the Beneficiary.

Please see ***Part 7. Other Information About Your Plan Account*** for a description of the Enrollment Application process and for more details on setting up an account with The Plan.

3. Choosing Your Investment Options

You may select from a number of investment options. The options fall into two categories:

Age-Based Options (three options). The asset allocation of money invested in the Age-Based Options is automatically adjusted over time to become more conservative as the Beneficiary approaches college age.

Blended Portfolios and Individual Portfolios (eight options).
Money invested in one of these options is allocated to the Portfolio you choose for the life of your investment (unless you direct a change in investment option). The Blended Portfolios and the Individual Portfolios are each invested according to a static asset allocation; it does not change over time (unless the Board of CollegeInvest determines that a change is appropriate).

Each time you contribute, you may choose up to five investment options. Regardless of how many investment options you select, you must allocate a minimum of 5% of the contribution to each option you choose. You may not direct the investment of your account assets other than selecting investment options when the account is opened and once per calendar year thereafter.

Please see ***Part 3. The Plan Investment Options*** for details about The Plan's investment options, including investment objectives, strategies, risks, and fees.

4. Contributing to Your Plan Account

Initial Contribution

- You must open an account with an initial investment of $25 or more.

Additional Contributions

- You or others may make additional contributions to your account at any time, subject to the Maximum Contribution Limit. The minimum additional contribution is $15.

There are limitations on, and there may be other tax consequences of, rollovers or other contributions. You should consult a qualified tax advisor regarding your particular circumstances. Please see ***Part 7. Other Information About Your Plan Account—Contributions*** for additional details on contributing to your account through rollovers, transfers, setting up an automatic investment plan, and the guidelines relating to transfers and contributions from UGMA/UTMA custodial accounts or other savings accounts.

Part 3. The Plan Investment Options

Investment Option Summary

The Plan offers many different investment options for your account contributions.

- You may choose from among three Age-Based Options in which your money automatically is moved to progressively more conservative Portfolios as your Beneficiary approaches college age. You may select the Age-Based Option—conservative, moderate, or aggressive—that best reflects your own risk tolerance.
- You may choose from among five Blended Portfolios and three Individual Portfolios, which invest the respective Portfolio assets in varying allocations of stock funds, bond funds, and a money market fund. If you choose a Blended or an Individual Portfolio, your money will remain in that Portfolio until you instruct The Plan to move it.

The limits on your ability to change the investment option(s) for your account are described in ***Part 7. Other Information About Your Plan Account—Changing Investment Options for Current Balances and Future Contributions***.

Each Portfolio invests its assets in investments approved by CollegeInvest, which currently consist of one or more mutual funds managed by Vanguard (the "Underlying Funds"). Please keep in mind that you will not own shares of the Underlying Funds.

Vanguard has agreed to invest Portfolio assets in investments in accordance with the CollegeInvest Investment Policy Statement, which sets forth policies, objectives, and guidelines that govern the investment of such assets. CollegeInvest reserves the right to change, at any time, the Investment Policy Statement, which may affect the Portfolios that make up the Age-Based Options, the asset allocations of the Blended Portfolios, the Individual Portfolios, or the Underlying Funds in which the Portfolios invest.

PLEASE NOTE: **The holding period for college investing is very short relative to that for retirement (i.e., 5 to 20 years versus 30 to 60 years). Also, the need for liquidity during the withdrawal phase (to pay for certain educational expenses) generally is very important. You should seriously consider the level of risk you wish to assume and your investment time horizon before you select investment options. The Plan and its Associated Persons make no representations regarding the suitability of The Plan's investment options to any particular investor. Other types of investments and other types of college savings vehicles may be more appropriate, depending upon your personal circumstances. Please consult your tax or investment advisor for more information**.

The Age-Based Options

You may choose from the following three Age-Based Options:

- Conservative Age-Based Option.
- Moderate Age-Based Option.
- Aggressive Age-Based Option.

The Age-Based Options are designed to take into account a Beneficiary's age and your investing time horizon—i.e., the number of years before the

Beneficiary is expected to attend college or an accredited postsecondary educational institution ("Eligible Educational Institution"). Within the Age-Based Options, you may invest according to your risk tolerance in either a conservative, moderate, or aggressive asset allocation. In general, for younger Beneficiaries, the Age-Based Options will be invested in Portfolios more heavily weighted in stocks to capitalize on the longer investment time frame and to try to maximize returns. As time passes, account assets are automatically moved to more conservative Portfolios in an attempt to preserve capital as the withdrawal phase approaches.

As the table below shows, for any particular age group, the Conservative Age-Based Option usually has a higher concentration of assets in bond and/or money market funds than does the Moderate Age-Based Option. The same is true for the Moderate Age-Based Option compared with the Aggressive Age-Based Option. Portfolios with higher allocations in bond and money market funds tend to be less volatile than those with higher stock allocations. Less volatile Portfolios generally will not decline as far when stock markets go down, but also generally will not appreciate in value as much when stock markets go up.

A description of the Underlying Funds in which each of these Portfolios, as of November 29, 2007, invests is provided in ***The Blended Portfolios and Individual Portfolios*** in this section.

For each of the Age-Based Options, The Plan will automatically exchange assets between one Portfolio and another as the Beneficiary ages. The exchange occurs during the month following the month of the Beneficiary's birth date, according to the schedule in the following table:

Age-Based Options

Age of Beneficiary	Conservative	Moderate	Aggressive
Newborn through 5	**Moderate Growth Portfolio** 50% Stock 50% Bond	**Growth Portfolio** 75% Stock 25% Bond	**Aggressive Growth Portfolio** 100% Stock
6 through 10	**Conservative Growth Portfolio** 25% Stock 75% Bond	**Moderate Growth Portfolio** 50% Stock 50% Bond	**Growth Portfolio** 75% Stock 25% Bond
11 through 15	**Income Portfolio** 75% Bond 25% Money Market	**Conservative Growth Portfolio** 25% Stock 75% Bond	**Moderate Growth Portfolio** 50% Stock 50% Bond
16 through 18	**Income Portfolio** 75% Bond 25% Money Market	**Income Portfolio** 75% Bond 25% Money Market	**Conservative Growth Portfolio** 25% Stock 75% Bond
19 or older	**Money Market Portfolio** 100% Money Market	**Income Portfolio** 75% Bond 25% Money Market	**Income Portfolio** 75% Bond 25% Money Market

The Blended Portfolios and Individual Portfolios

Unlike the Age-Based Options, the Blended Portfolios and Individual Portfolios do not change asset allocations as the Beneficiary ages. Instead, your assets will be allocated to such Portfolio for the life of your investment (unless you direct a change in investment option). These Portfolios are invested according to an asset allocation that remains fixed over time (unless the Board of CollegeInvest decides to implement changes to any of the asset allocations under the Investment Policy Statement).

If you choose to invest in Portfolios that have a significant weighting in stocks, you may wish to consider moving your assets to more conservative Portfolios as your Beneficiary approaches college age. Please note that there are limitations on your ability to move assets from one Portfolio to another. See ***Part 7. Other Information About Your Plan Account—Changing Investment Options for Current Balances and Future Contributions***.

Blended Portfolios

The five Blended Portfolios invest in multiple Underlying Funds (the percentages of those investments are detailed in the table below).

- Aggressive Growth Portfolio.
- Growth Portfolio.
- Moderate Growth Portfolio.
- Conservative Growth Portfolio.
- Income Portfolio.

Individual Portfolios

The three individual Portfolios invest entirely in a single Underlying Fund.

- Stock Index Portfolio invests in Vanguard® Total Stock Market Index Fund.
- Bond Index Portfolio invests in Vanguard Total Bond Market Index Fund.
- Money Market Portfolio invests in Vanguard Prime Money Market Fund.

Vanguard invests Blended Portfolio assets in one or more Underlying Funds that have investment objectives consistent with each particular asset category. The following table provides, as of November 29, 2007, the expected allocation of each Blended Portfolio's assets for investment in the particular Underlying Fund (unless a decision is made to change the investments in which the Portfolio assets are invested). You will be notified of any significant changes to the investments to which Portfolio assets are allocated.

The Plan Portfolio Profiles

Requesting Additional Information About the Underlying Funds

Your contributions to a Portfolio will be invested in one or more of the Underlying Funds. ***Please keep in mind that you will not own shares of the Underlying Funds. Instead, you will own interests in the Trust established by CollegeInvest.*** Information in this Plan Disclosure Statement about the Underlying Funds has been provided by Vanguard and has not been independently verified by CollegeInvest. Additional information about the investment strategies and risks of each Underlying Fund is available in its current prospectus and statement of additional information. You can request a copy of the current prospectus, the statement of additional information, or the most recent semiannual or annual report of any Underlying Fund by visiting Vanguard's

Underlying Fund	Aggressive Growth Portfolio	Growth Portfolio	Moderate Growth Portfolio	Conservative Growth Portfolio	Income Portfolio
Vanguard Total Stock Market Index Fund	80%	60%	40%	20%	0%
Vanguard Total International Stock Index Fund	20%	15%	10%	5%	0%
Total Stock Funds	**100%**	**75%**	**50%**	**25%**	**0%**
Vanguard Total Bond Market Index Fund	0%	25%	50%	75%	50%
Vanguard Inflation-Protected Securities Fund	0%	0%	0%	0%	25%
Total Bond Funds	**0%**	**25%**	**50%**	**75%**	**75%**
Vanguard Prime Money Market Fund	0%	0%	0%	0%	25%
Total Money Market Funds	**0%**	**0%**	**0%**	**0%**	**25%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**

website at **www.vanguard.com/mutualfunds** or by calling **800-997-4295**.

Expense Ratio. The expense ratio for any of the Age-Based Options, Blended Portfolios, or Individual Portfolios is 0.75%.

The Target Indexes of the Underlying Funds May Change. Three of the Underlying Funds—Vanguard Total Stock Market Index Fund, Vanguard Total International Stock Index Fund, and Vanguard Total Bond Market Index Fund—are index funds. The index for each Underlying Fund is described below. Each index fund reserves the right to substitute a different index for the index it currently tracks. This could happen if the target index is discontinued, if the Underlying Fund's agreement with the sponsor of its current index is terminated, or for any other reason determined in good faith by the Underlying Fund's board of trustees. In any such instance, the substitute index would measure the same market segment as the current index.

Investment Objectives May Not Be Met. The ability of a Portfolio to meet its investment objective is directly related to the ability of each Underlying Fund to meet its objective as well as to the allocation of Portfolio assets among the Underlying Funds. The performance of the Underlying Funds, in turn, depends on the performance of the stock, bond, and money markets in the United States and abroad. There can be no assurance that the investment objective of any Portfolio or Underlying Fund will be achieved.

Risk Information. The investment portfolio profiles that follow identify certain risks of each Portfolio and Underlying Fund. An explanation of these risks appears after the profiles. This risk information has been provided by Vanguard and has not been independently verified by CollegeInvest.

The Blended Portfolios

Aggressive Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds according to a formula that results in an allocation of 100% of assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	80%
Vanguard Total International Stock Index Fund	20%

Through its ownership of these Underlying Funds, the Portfolio indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks and international stocks.

Investment Risks

Because it invests entirely in stock funds, the Portfolio primarily is subject to **stock market risk**. The Portfolio also has low levels of **foreign securities risk**, **index sampling risk**, and **derivatives risk**.

Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and low to moderate current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and one Vanguard bond index fund, resulting in an allocation of 75% of assets to stocks and 25% to investment-grade U.S. bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	60%
Vanguard Total International Stock Index Fund	15%
Vanguard Total Bond Market Index Fund	25%

Through its ownership of the two stock funds, the Portfolio indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks and international stocks. Through its ownership of the bond fund, the Portfolio also indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The bond fund maintains a dollar-weighted average maturity consistent with that of the Lehman Brothers U.S. Aggregate Bond Index, which currently ranges between 5 and 10 years.

Investment Risks

Because it invests mainly in stock funds, the Portfolio primarily is subject to **stock market risk**. Through its bond fund holding, the Portfolio has low to moderate levels of **interest rate risk**, **credit risk**, **income risk**, and **call/prepayment risk**. The Portfolio also has low levels of **foreign securities risk**, **index sampling risk**, and **derivatives risk**.

Moderate Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and one Vanguard bond index fund, resulting in an allocation of 50% of assets to stocks and 50% to investment-grade U.S. bonds.

The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	40%
Vanguard Total International Stock Index Fund	10%
Vanguard Total Bond Market Index Fund	50%

Through its ownership of the two stock funds, the Portfolio indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks and international stocks. Through its ownership of the bond fund, the Portfolio also indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The bond fund maintains a dollar-weighted average maturity consistent with that of the Lehman Brothers U.S. Aggregate Bond Index, which currently ranges between 5 and 10 years.

Investment Risks

Through its stock fund holdings, the Portfolio is subject to **stock market risk**. Through its bond fund holding, the Portfolio is subject to low to moderate levels of **interest rate risk**, **credit risk**, **income risk**, and **call/prepayment risk**. The Portfolio also has low levels of **foreign securities risk**, **index sampling risk**, and **derivatives risk**.

Conservative Growth Portfolio

Investment Objective

The Portfolio seeks to provide current income and low to moderate capital appreciation.

Investment Strategy

The Portfolio invests in one Vanguard bond index fund and two Vanguard stock index funds, resulting in an allocation of 75% of assets to investment-grade U.S. bonds and 25% of assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market Index Fund	75%
Vanguard Total Stock Market Index Fund	20%
Vanguard Total International Stock Index Fund	5%

Through its ownership of the bond fund, the Portfolio indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The bond fund maintains a dollar-weighted average maturity consistent with that of the Lehman Brothers U.S. Aggregate Bond Index, which currently ranges between 5 and 10 years. Through its ownership of the stock funds, the Portfolio also indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks and international stocks.

Investment Risks

Because it invests mainly in a bond fund, the Portfolio primarily is subject to low to moderate levels of **interest rate risk**, **credit risk**, **income risk**, and **call/prepayment risk**. Through its stock fund holding, the Portfolio is subject to **stock market risk**. The Portfolio has low levels of **foreign securities risk**, **index sampling risk**, and **derivatives risk**.

Income Portfolio

Investment Objective

The Portfolio seeks to provide current income.

Investment Strategy

The Portfolio invests in two Vanguard bond funds and one Vanguard money market fund, resulting in an allocation of 75% of assets to investment-grade U.S. bonds and 25% of assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market Index Fund	50%
Vanguard Inflation-Protected Securities Fund	25%
Vanguard Prime Money Market Fund	25%

Through its ownership of Vanguard Total Bond Market Index Fund, the Portfolio indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Lehman Brothers U.S. Aggregate Bond Index, which currently ranges between 5 and 10 years.

Through its ownership of Vanguard Inflation-Protected Securities Fund, the Portfolio indirectly owns investment-grade, inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years.

Through its ownership of Vanguard Prime Money Market Fund, the Portfolio indirectly owns high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities.

***Note:* The Portfolio's investment in the Vanguard Prime Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at $1 per share, it is possible that the Portfolio may lose money by investing in the Fund.**

Investment Risks

Because it invests mainly in bond funds, the Portfolio primarily is subject to low to moderate levels of **interest rate risk**, **credit risk**, **income risk**, and **call/prepayment risk**. The Portfolio also has low levels of **income fluctuation risk**, **manager risk**, **index sampling risk**, **industry concentration risk**, and **derivatives risk**.

The Individual Portfolios

Stock Index Portfolio

Investment Objective

The Portfolio seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

Investment Strategy

The Portfolio invests in Vanguard Total Stock Market Index Fund, which employs a "passive management"—or indexing—investment approach designed to track the performance of the Morgan Stanley Capital International (MSCI) US Broad Market Index. The Index represents 99.5% or more of the total market capitalization of all the U.S. common stocks regularly traded on the New York and American Stock Exchanges and the Nasdaq over-the-counter market. The Fund typically holds 1,200 to 1,300 stocks in its target index (covering nearly 95% of the Index's total market capitalization) and a representative sample of the remaining stocks. The Fund holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Investment Risks

The Portfolio primarily is subject to **stock market risk**. The Portfolio also has low levels of **index sampling risk** and **derivatives risk**.

Bond Index Portfolio

Investment Objective

The Portfolio seeks to track the performance of a broad, market-weighted bond index.

Investment Strategy

The Portfolio invests in Vanguard Total Bond Market Index Fund, which employs a "passive management"—or indexing—investment approach designed to track the performance of the Lehman Brothers U.S. Aggregate Bond Index. The Index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year.

The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Lehman Brothers U.S. Aggregate Bond Index, which currently ranges between 5 and 10 years.

Investment Risks

The Portfolio primarily is subject to moderate levels of **interest rate risk**, **income risk**, and **call/prepayment risk**, and low levels of **credit risk**, **index sampling risk**, and **derivatives risk**.

Money Market Portfolio

Investment Objective

The Portfolio seeks to provide preservation of principal and current income.

Investment Strategy

The Portfolio invests in Vanguard Prime Money Market Fund, which invests primarily in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). If unrated, the security must be determined by Vanguard to be of quality equivalent to securities in the two highest credit-quality categories. The Fund invests more than 25% of its assets in securities issued by companies in the financial services industry. The Fund maintains a dollar-weighted average maturity of 90 days or less.

***Note:* The Portfolio's investment in the Vanguard Prime Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at $1 per share, it is possible that the Portfolio may lose money by investing in the Fund.**

Investment Risks

The Portfolio primarily is subject to **income risk**. The Portfolio has low levels of **credit risk**, **manager risk**, **industry concentration risk**, and **derivatives risk**.

Certain Underlying Fund Profiles

Each Age-Based Option or Blended Portfolio invests in one or more Underlying Funds, which generally are available for investment as Individual Portfolios, and information has therefore been provided above about them. However, because two of the Underlying Funds are not available as Individual Portfolios, more information about their investment strategies and risks is presented below. This information has been provided by Vanguard, and CollegeInvest has not independently verified this information.

Vanguard Total International Stock Index Fund

Investment Objective

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in Europe, the Pacific region, and emerging markets countries.

Investment Strategy

Vanguard Total International Stock Index Fund employs a "passive management"—or indexing—investment approach that seeks to track the performance of the Total International Composite Index by investing in three other Vanguard funds—Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund, and Vanguard Emerging Markets Stock Index Fund. These other funds seek to track the MSCI Europe Index, the MSCI Pacific Index, and the MSCI Emerging Markets Index, which together make up the Total International Composite Index. The Fund allocates all, or substantially all, of its assets among the European Stock Index Fund, the Pacific Stock Index Fund, and the Emerging Markets Stock Index Fund, based on the market capitalizations of European, Pacific, and emerging markets stocks in the Total International Composite Index. As of September 30, 2007, the Fund's assets were invested approximately as follows: 56.13% in the European Stock Index Fund, 24.77% in the Pacific Stock Index Fund, and 19.10% in the Emerging Markets Stock Index Fund.

Investment Risks

The Fund primarily is subject to **stock market risk** and **foreign securities risk**. The Fund has a low level of **derivatives risk**.

Vanguard Inflation-Protected Securities Fund

Investment Objective

The Fund seeks to provide inflation protection and income consistent with investment in inflation-indexed securities.

Investment Strategy

Vanguard Inflation-Protected Securities Fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the Fund will be rated investment-grade. However, unlike a conventional bond, whose issuer makes regular fixed interest payments and repays the face value of the bond at maturity, an inflation-indexed security (IIS) provides principal and interest payments that are adjusted over time to reflect a rise (inflation) or a drop (deflation) in the general price level. In the event of deflation, the U.S. Treasury has guaranteed that it will repay at least the face value of an IIS issued by the U.S. government.

***Note:* The Vanguard Inflation-Protected Securities Fund seeks to provide protection from inflation (i.e., a rise in the general price level for goods and services) as measured by the Consumer Price Index. It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the Consumer Price Index. There is no guarantee that the Fund will protect investors from the rising costs of higher education.**

Investment Risks

The Fund is subject to a high level of **income fluctuation risk**. The Fund has a moderate level of **interest rate risk**, low to moderate levels of **manager risk**, and a low level of **derivatives risk**.

Explanation of the Risk Factors of the Portfolios and Underlying Funds

Call/Prepayment Risk. This is the risk that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The Underlying Fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Underlying Fund's income. For mortgage-backed securities, this risk is known as prepayment risk.

Credit Risk. This is the risk that an issuer of a bond owned by an Underlying Fund will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.

Derivatives Risk. Each of the Underlying Funds may invest, to a limited extent, in derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency), a physical asset (such as gold), or a market index (such as the Standard & Poor's 500 Index). Investments in derivatives may subject the Underlying Funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. The Underlying Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

Foreign Securities Risk. Underlying Funds that invest in foreign securities are subject to country risk, which is the chance that domestic events—such as political upheaval, financial troubles, or natural disasters—will weaken a country's securities markets. They are also subject to currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Finally, investments in foreign stock markets can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions.

Income Fluctuation Risk. This is the risk that an Underlying Fund's quarterly income distributions will fluctuate considerably more than the income distributions of a typical bond fund. For the Vanguard Inflation-Protected Securities Fund, income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation rates are expected to be high.

Income Risk. This is the risk that falling interest rates will cause an Underlying Fund's income to decline. Income risk is generally higher for short-term bond funds and lower for long-term bond funds.

Index Sampling Risk. This is the risk that the securities selected for an Underlying Fund that uses the sampling method of indexing will not provide investment performance matching that of the target index.

Industry Concentration Risk. This is the risk that there will be overall problems affecting a particular industry in which an Underlying Fund invests more than 25% of its assets. Because the Income and Money Market Portfolios invest indirectly in Vanguard Prime Money Market Fund, which invests more than 25% of its assets in securities of companies in the financial services industry, each Portfolio's performance will depend to a greater extent on the overall condition of that industry.

Interest Rate Risk. This is the risk that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for short-term bond funds, moderate for intermediate-term bond funds, and high for long-term bond funds.

Manager Risk. This is the risk that poor security selection will cause an Underlying Fund to underperform relevant benchmarks or other funds with a similar investment objective.

Stock Market Risk. This is the risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Portfolio Performance

The table named Average Annual Returns as of September 30, 2007, shows how the performance of the Portfolios has varied. The performance data include each Portfolio's asset-based fee but do not include other charges associated with an investment in The Plan, such as the annual account fee for non-Colorado residents and non-Wyoming residents.

The information concerning Portfolio performance has been provided by Vanguard for inclusion herein and has not been independently verified by CollegeInvest.

Keep in mind that the net performance of the Portfolios will differ from the performance of the Underlying Funds, even when a Portfolio invests in only one Underlying Fund. This is due primarily to the differences in the expense ratios of the Underlying Funds and the Portfolios in The Plan. While the Underlying Funds' expense ratios are a part of the expense ratio of the Portfolios (see ***Part 4. The Plan Fees and Charges***), there are additional costs associated with a 529 Plan that do not exist in an individual mutual fund. (Of course, the Underlying Funds do not offer the same tax advantages as the Portfolios.) The result is, in the case of a Portfolio that invests in a single Underlying Fund, that the performance of the Portfolio typically would be lower than the performance of the Underlying Fund.

Performance differences between a Portfolio and its Underlying Fund(s) also result from differences in the timing of purchases, which is determined as described in ***Part 7. Other Information About Your Plan Account—Pricing of Portfolio Units***. On days when money is invested in a Portfolio, the Portfolio will not use that money to purchase shares of an Underlying Fund until the next business day. This timing difference, depending on how the markets are moving, will cause the Portfolio's performance to either trail or exceed the Underlying Fund's performance.

Average Annual Returns as of September 30, 2007*

Portfolio	**Since Inception**	**Inception Date**
Aggressive Growth Portfolio	14.17%	10/28/2004
Growth Portfolio	11.19	10/22/2004
Moderate Growth Portfolio	9.02	10/22/2004
Conservative Growth Portfolio	6.85	10/22/2004
Income Portfolio	3.17	10/22/2004
Stock Index Portfolio	13.95	10/22/2004
Bond Index Portfolio	2.98	10/22/2004
Money Market Portfolio	3.57	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 compiled by Vanguard that is current to the most recent month-end, visit our website at www. collegeinvest.org.*

Source: Vanguard.

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 September 30, 2007.* 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.**

Average Annual Returns as of September 30, 2007*

Underlying Fund	1 year	5 years	10 years	Since Inception	Inception Date
Vanguard Total Stock Market Index Fund Institutional Shares	16.94%	16.45%	6.89%	7.43%	7/7/1997
Vanguard Total Bond Market Index Fund Institutional Shares	5.26	4.15	5.81	6.07	9/18/1995
Vanguard Inflation-Protected Securities Fund Investor Shares	4.83	5.19	—	7.62	6/29/2000
Vanguard Prime Money Market Fund Institutional Shares	5.38	3.02	3.95	4.63	10/3/1989
Vanguard Total International Index Fund Investor Shares	30.09	25.43	8.50	8.31	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.*

Part 4. The Plan Fees and Charges

CollegeInvest, in its sole discretion, will establish, and may change at any time, the fees and charges it deems appropriate for The Plan. In the future, The Plan's fees and charges could be higher or lower than those discussed in this Plan Disclosure Statement.

Asset-Based Fee

The Plan charges an annual asset-based fee of 0.75% daily against the assets in each Portfolio at an annualized rate. This fee includes both administrative and investment management fees. Included in the asset-based fee is an administrative fee paid to CollegeInvest. This fee will be determined and used by CollegeInvest for the payment of expenses incurred in connection with its operation of the Program, which may or may not relate to The Plan. Other Plans currently in the Program include the Scholars Choice College Savings Program and the Stable Value Plus College Savings Plan. CollegeInvest will not earn a profit from the Program.

Also included in the asset-based fee is the Managers' fee, which includes the administrative and investment management fees paid to Vanguard and Upromise for their services to The Plan.

The table of asset-based fees on the following page shows the fees and expenses involved with each Portfolio. If you invest in a Portfolio (i.e., own units issued by the Portfolio), you bear a pro rata share of the Portfolio's costs. Although you are not charged directly for these costs, you bear the costs indirectly because the costs are deducted from the Portfolio's assets and therefore reduce the value of the Portfolio units that you own. Please note that these costs can change over time.

Other Charges

The Plan reserves the right to charge a Plan account in any circumstance in which The Plan incurs expenses on behalf of the account (e.g., when a check, automatic investment plan payment, or electronic bank transfer is returned unpaid by the financial institution upon which it is drawn). Your financial institution may also charge you a fee for such items. The Plan may assess an annual account fee if neither the Account Owner nor the Beneficiary is a resident of the State of Colorado or a resident of the State of Wyoming. This account fee is currently $20 per year, but this amount may be changed in the future. This $20 fee is assessed in May. New fees and charges may also be charged in the future. The Plan may deduct the fees and charges identified in this paragraph directly from an Account Owner's Plan account. For fees and costs that may be associated with an investment change, please see ***Part 5. Certain Risks of Investing in The Plan—Fees and Costs Associated With Investment Changes***.

If you request delivery of withdrawal proceeds or any other item by express delivery service, The Plan may also deduct the cost directly from your Plan account.

Annual Asset-Based Fees **Portfolio**	**Estimated Underlying Fund Expenses***	**CollegeInvest Administrative Fee**	**Managers' Fee**	**Total Annual Asset-Based Fees**
Aggressive Growth Portfolio	0.12%	0.10%	0.53%	0.75%
Growth Portfolio	0.12	0.10	0.53	0.75
Moderate Growth Portfolio	0.10	0.10	0.55	0.75
Conservative Growth Portfolio	0.09	0.10	0.56	0.75
Income Portfolio	0.12	0.10	0.53	0.75
Stock Index Portfolio	0.08	0.10	0.57	0.75
Bond Index Portfolio	0.10	0.10	0.55	0.75
Money Market Portfolio	0.10	0.10	0.55	0.75

*Underlying Fund Expenses as of September 30, 2007.
Source: Vanguard.

Investment Cost Example

The example in the table named Approximate Cost of a $10,000 Investment is intended to help you compare the cost of investing in The Plan over different periods of time. It illustrates the hypothetical expenses that you would incur over various periods if you invest $10,000 in a Portfolio of The Plan. This example assumes that the Portfolio provides a return of 5% per year, and that the Portfolio's annual asset-based fee of 0.75% remains the same. The results apply whether or not the investment is withdrawn at the end of the period, but they do not take into account any redemptions that are Nonqualified Withdrawals (defined in ***Part 7. Other Information About Your Plan Account—Withdrawals***) or withdrawals otherwise subject to state or federal income taxes, or any penalties.

Approximate Cost of a $10,000 Investment
For Colorado Residents*
(Without $20 Annual Account Fee)

1 year	3 years	5 years	10 years
$76.59	$239.69	$416.93	$930.32

For Non-Colorado Residents*
(With $20 Annual Account Fee)

1 year	3 years	5 years	10 years
$96.52	$298.99	$514.96	$1,121.84

* Note: Wyoming residents are currently not subject to the Annual account Fee.
Source: Vanguard.

These examples do not represent actual expenses or performance from the past or for the future. Actual future expenses and performance may be higher or lower than what is shown or assumed. The table does not consider the impact of any potential state or federal taxes on the redemption.

Part 5. Certain Risks of Investing in The Plan

Investing in The Plan involves certain risks, including the possibility that you may lose money (including your original contribution) over short or even long periods. In addition to the investment risks of the Portfolios and Underlying Funds described above, there are certain risks relating to The Plan generally. These risks are described below.

No Guarantee of Principal or Earnings; No Insurance

The value of your Plan account may increase or decrease over time, based on the performance of the Portfolio(s) you select. It is possible that, at any given time, your account's value may be less than the total amount contributed. An investment in The Plan is not a bank deposit, and neither the principal contributed to, nor any investment return on, the account is guaranteed by the Federal Deposit Insurance Corporation, the State of Colorado, the federal government, CollegeInvest, the Trust, Vanguard, Upromise, or any federal or state governmental agency.

Limited Investment Direction

An Account Owner or contributor may not direct the underlying investments of a Portfolio. The ongoing money management is the responsibility of CollegeInvest and Vanguard.

Liquidity

Investments in a 529 Plan are considered less liquid than other types of investments (for example, investments in mutual fund shares), because the circumstances in which you may withdraw money from a 529 Plan account without a penalty tax or adverse tax consequences are significantly more limited. Amounts invested in an account may not be pledged, assigned, or otherwise used as collateral or security for a loan.

Potential Changes to The Plan or Investments

CollegeInvest reserves the right, in its sole discretion, to discontinue The Plan or to change any aspect of The Plan. For example, CollegeInvest may change The Plan's fees and charges; add, subtract, or merge Portfolios; close a Portfolio to new investors; change the asset allocation and investment guidelines for The Plan; or direct Vanguard to change the Underlying Fund(s) of a Portfolio. Depending on the nature of the change, Account Owners may be required to participate in, or prohibited from participating in, the change with respect to accounts established before the change. For instance, if CollegeInvest makes changes to Underlying Funds or allocations of a Portfolio, an Account Owner who has already made a permitted once-per-calendar-year investment direction cannot change investment options until the following calendar year without incurring tax consequences and penalties.

Fees and Costs Associated With Investment Changes

During the transition from investment in one Fund to investment in another Fund with respect to a particular asset class, a Portfolio may temporarily hold a basket of securities if the Fund from which it redeems chooses to satisfy the Portfolio's redemption out of such Fund on an in-kind basis. In such event, Vanguard will seek to liquidate the securities received from the Fund as promptly as practicable so that the proceeds can be promptly invested in the replacement Fund. The transaction costs associated with such liquidation, as well as any market impact on the value of the securities being liquidated, will be borne by the Portfolio and accounts invested in such Portfolio. A Fund from which a Portfolio redeems may impose redemption fees with respect to shares in such Fund that were held by the Portfolio for a specific period of time as specified in the Fund's prospectus. In such event, the Portfolio, and accounts invested in such Portfolio, will bear such redemption fees.

Changes in Manager

The initial term of the College Savings Manager Services Contract among Vanguard, Upromise, and CollegeInvest (the "Services Contract") ends on December 31, 2009. The Services Contract may be extended at the option of CollegeInvest for up to two additional two-year periods after the initial term ends ("extension terms"), subject to applicable law. CollegeInvest has the right to terminate the Services Contract in its entirety or with respect to one of the Managers earlier under certain circumstances, such as a material breach of or failure to meet specific performance standards under the Services Contract.

If the initial or an extension term expires and is not extended, or if the Services Contract is terminated for certain reasons specified in the Contract, the Managers will, in many instances, continue to provide services under the Contract with respect to accounts in existence as of the last day of the term or upon termination. In other instances discussed in the Services Contract, upon expiration or termination of the Contract, CollegeInvest may appoint a successor program manager with respect to existing as well as new accounts. In either case, the Managers may continue to hold existing accounts and accept additional contributions to those accounts; the fee and compensation structure may be higher than the fees that existing Account Owners currently pay; and, in the case of a successor program manager, that manager may invest Portfolio assets in mutual funds and investments other than the initial Underlying Funds, or achieve performance results that are different from those that may have been achieved by Vanguard. If you do not wish to continue to invest in the Trust after a change in program manager, your options are to make a tax-free rollover to another 529 Plan or to make a Nonqualified Withdrawal of your account assets, subject to applicable taxes. If you choose to roll over to another 529 Plan that is not administered by CollegeInvest, or you make a Nonqualified Withdrawal, any Colorado tax deduction taken for contributions to the account will be subject to recapture.

Status of Federal and State Law and Regulations Governing The Plan

Federal and state law and regulations governing the administration of Section 529 Plans could change in the future. In addition, federal and state laws on related matters—such as the funding of higher education expenses, treatment of financial aid, and tax rules—are subject to frequent change. It is unknown what effect these kinds of changes could have on an account. You should also consider the potential impact of any other state laws on your Plan account. Neither CollegeInvest nor the Managers are under any obligation to continue The Plan in the event that a change in the tax or other federal or state law makes continued operation not in the best interests of Account Owners or Beneficiaries. There can be no assurance that a change will not adversely affect The Plan or the value, either to you or the Beneficiary, of your investment in a Plan account.

No Indemnification

Neither The Plan nor any of its Associated Persons will indemnify any Account Owner or Beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of Board members, CollegeInvest employees, or other state employees.

Eligibility for Financial Aid

Being the Account Owner or Beneficiary of an account in a 529 Plan may adversely affect one's eligibility to receive financial aid.

- In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of such aid required, the U.S. Department of Education takes into consideration a variety of factors, including, among other things, the assets owned by the student (i.e., the Beneficiary) and the assets owned by the student's parents. The Department generally expects the student to spend a substantially larger portion of his or her own assets on educational expenses than the parents. For purposes of these federal programs, 529 Plan accounts owned by the student generally are not considered student assets (unless the student is considered independent for financial aid purposes), 529 Plan accounts owned by the student's parents are treated as parental assets, and 529 Plan accounts owned by neither the student nor the student's parents are currently treated as neither student nor parental assets. Under legislation signed into law on September 27, 2007, however, effective with the 2009/2010 school year, 529 plan accounts owned by a dependent student will generally be considered parental assets.
- With respect to financial aid programs offered by educational institutions and other nonfederal sources, the effect of being the Owner or Beneficiary of a 529 Plan account varies from institution to institution. Accordingly, no generalizations can be made about the effect of being the Owner or Beneficiary of a 529 Plan account on the student's eligibility for financial aid, or the amount of aid the student may qualify for, from such sources.

The federal and nonfederal financial aid program treatments of 529 Plan accounts are subject to change at any time. You should therefore check and periodically monitor the applicable laws and other official guidance, as well as particular program and institutional rules and requirements, to determine the impact of 529 Plan accounts on eligibility under particular financial aid programs.

No Guarantee That Investments Will Cover Education-Related Expenses

There is no guarantee that the money in your account will be sufficient to cover all of a Beneficiary's higher education expenses, even if contributions are made in the maximum allowable amount for the Beneficiary. The future rate of increase in higher education expenses is uncertain and could exceed the rate of return on your investment in an account over any relevant period.

No Guarantees With Respect to Eligible Educational Institutions

There is no guarantee that, as a result of being the Beneficiary of an account in The Plan, a Beneficiary will be accepted at any eligible educational institution. Even after he or she begins to attend an eligible educational institution, there is no guarantee that the Beneficiary will be able to continue to attend, that he or she will graduate, or that he or she will be considered a resident of any particular state for tuition purposes.

Education Savings and Investment Alternatives

In addition to The Plan, there are many other 529 Plans, including programs designed to provide prepaid tuition and certain other educational expenses, as well as other education savings and investment alternatives. These alternative programs may offer different investment vehicles, and may result in different tax and other consequences. State tax features vary by program; the Managers and CollegeInvest do not render tax advice and you should consult your own tax advisor to determine the effect of state and federal tax benefits related to each program. In addition, these alternatives may have different eligibility requirements and other features, as well as fees and expenses that may be more or less than those charged by The Plan. You should consider other investment alternatives before establishing an account in The Plan.

Medicaid and Other Federal and State Benefits

The effect of a 529 Plan account on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that an account in The Plan will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from a Plan account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how a 529 Plan account may affect eligibility for Medicaid or other state and federal benefits.

Part 6. Information About The Plan, the Managers, and Upromise Rewards Service

The Plan

In 1999, the Colorado General Assembly directed CollegeInvest to develop and administer a college savings program (the "Program") as a tax-advantaged way to save for higher education expenses. In October 2004, CollegeInvest began offering The Plan as part of the Program. The Plan is designed to qualify for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder ("Section 529"). CollegeInvest provides certain administrative services in connection with The Plan and generally oversees the activities of the Managers in providing services to The Plan.

Upromise serves as a Manager of The Plan and provides marketing, administration, recordkeeping, and other services for The Plan. Upromise's affiliate, Upromise, Inc., operates the Upromise rewards service (described below). Vanguard also serves as a Manager of The Plan and provides investment management services for the Portfolios and the Underlying Funds in which each of the Portfolios is invested. Vanguard also provides distribution, marketing, and administrative services for The Plan.

Since September 2006, The Plan has been marketed in the State of Wyoming under the brand name CollegeInvest Wyoming.

Upromise Rewards Service

You may establish a Upromise rewards service account without charge. The Upromise rewards service is offered by Upromise, Inc., and deposits a percentage of your qualified spending with particular companies to your Upromise rewards service account. Your Upromise rewards account and your Plan account can be linked so that your rebate dollars are automatically transferred to your Plan account on a periodic basis. The minimum amount for an automatic transfer from a Upromise rewards service account to an existing account in The Plan is $15.

This Plan Disclosure Statement provides information concerning The Plan, but is not intended to provide detailed information concerning the Upromise rewards service. The Upromise rewards service is administered in accordance with the terms and procedures set forth in the Upromise Member Agreement (as amended from time to time), which is available on the Upromise website at **www.upromise.com**. If you want more information about the Upromise rewards service, please visit **www.upromise.com**.

CollegeInvest does not offer and has no responsibility for the Upromise rewards service.

Part 7. Other Information About Your Plan Account

Contributions

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. The Plan will not accept contributions made with cash, money orders, stocks, securities, or other nonblank-account assets. You may not charge contributions to your credit card.

***Note:* The Plan may deduct money directly from your Plan account to pay for any expenses or charges incurred by The Plan as a result of any check, automatic investment plan payment, or electronic bank transfer being returned unpaid by the financial institution upon which it is drawn.**

Minimum Contributions

You must contribute at least $25 to open a Plan account. Additional contributions must be at least $15.

Contributions by Check

Please make all checks payable to ***CollegeInvest Direct Portfolio College Savings Plan*** and send to the following address: CollegeInvest Direct Portfolio College Savings Plan, P.O. Box 55355, Boston, MA 02205-5355. For established Plan accounts, please include your account number on the check. The Plan will not accept contributions made by starter check, bank courtesy check, instant loan check, credit card check, traveler's check, foreign check not in U.S. dollars, check dated more than 180 days before The Plan receives it, postdated check, check with unclear instructions, or any other check the Managers deem unacceptable. Third-party checks are accepted only at the discretion of the Managers. Third-party checks must be payable to you or the Beneficiary and properly endorsed by you or the Beneficiary.

Contributions Through Payroll Direct Deposit*

You may be eligible to make automatic contributions to your Plan account through a payroll direct deposit plan if your employer has agreed to make such a plan available to employees and can meet the operational and administrative requirements of the Managers of The Plan. The minimum payroll direct deposit contribution to an existing Plan account is $15. Please check with your employer to see whether you are eligible to contribute to The Plan through a payroll direct deposit plan. Forms for payroll direct deposit are available online at **www.collegeinvest.org**.

Automatic Investment Plan (AIP)*

You may contribute to The Plan through periodic automated debits of $15 ($25 for the initial contribution) or more from a checking or savings account at your bank, if your bank is a member of the Automated Clearing House. There is no charge for establishing or maintaining an AIP. To initiate an AIP during enrollment, you must complete the appropriate section of the online or paper Enrollment Application. Even if you initiate an AIP during enrollment, the $25 initial minimum contribution applies. You also may set up an AIP after a Plan account has been established, either online at **www.collegeinvest.org** or by submitting the appropriate form.

Your bank account will be debited on the day you designate, provided the day is a regular business day. If the day you designate falls on a weekend or a holiday, the AIP debit will occur on the next business day. You will receive a trade date of one business day prior to the day the bank debit occurs. For example, if the 15th of every month was selected as the debit date and the 15th falls on a business day, then the trade date for the transaction will be the 14th. The first debit of an AIP must be at least three days from the date of receipt of the AIP request. Quarterly AIP investments will be made on the day indicated every three months, not on a calendar-quarter basis. If no date is designated, your bank account will be debited on the 20th of the month. (If the 20th is not a business day, the debit will be made on the next business day.) If you choose a start date that is within the first four days of the month, there is a chance that your investment will be credited on the last business day of the previous month. Please note that AIPs with a debit date of January 1st, 2nd, 3rd, or 4th will be credited in the same year as the debit date.

Authorization to perform automated periodic deposits will remain in effect until The Plan has received notification of its termination. Either you or The Plan may terminate your enrollment in the AIP at any time. Changes to, or termination of, an AIP must occur at least five business days before an AIP debit is scheduled to be deducted from your bank account and are not effective until received and processed by The Plan. If your AIP contribution cannot be processed because the bank account on which it is drawn contains insufficient funds or because of incomplete information or inaccurate information, The Plan reserves the right to suspend processing of future AIP contributions.

Electronic Bank Transfer (EBT)

You may contribute to your Plan account by giving authorization to make a one-time EBT from your bank checking or savings account. To authorize an EBT, you must provide certain information about the bank account from which money will be withdrawn (the same information required to establish an AIP). Once you have provided that information, you may make an EBT from the designated bank account to The Plan online at **www.collegeinvest.org** or by phone at **800-997-4295**. There is no charge for making an EBT.

EBT contribution requests that are received in good order by The Plan before 10 p.m., Eastern time, will be given a trade date of the next business day after the date of receipt and will be effected at that day's closing price for units of the applicable Portfolio. In such cases, the EBT debit from your bank account will occur on the second business day after the request is received. EBT contribution requests that are received in good order by The Plan after 10 p.m., Eastern time, will be given a trade date of the second business day after the date the request is received, and will be effected at that day's closing price for units of the applicable Portfolio. In such cases, the EBT debit will occur on the third business day after the request is received. If your EBT contribution cannot be processed because the bank account on which it is drawn contains insufficient funds, or because of incomplete information or inaccurate information, The Plan reserves the right to suspend processing of future EBT contribution requests.

Incoming Rollover Contributions

You can contribute to The Plan with money transferred from another state's 529 Plan. This transaction is known as a "rollover." You may roll over assets from an account in another state's 529 Plan to an account in The Plan for the same Beneficiary without penalty or federal income tax consequences provided it has been more than 12 months since any previous rollover for that Beneficiary. You also may roll over money from an account in another state's 529 Plan to an account in The Plan at any time without penalty or federal income tax consequences when you change Beneficiaries, provided that the new Beneficiary is a "member of the family" of the currently designated Beneficiary (see ***Changing Your Beneficiary*** in this section for a list of the eligible people). A 529 Plan rollover that does not meet these criteria will be considered by the IRS to be a Nonqualified Withdrawal (defined in ***Withdrawals*** in this section) that is subject to federal income tax and an additional 10% federal penalty tax on earnings. There may also be state income tax consequences (including possible recapture of state tax deductions) resulting from a Nonqualified Withdrawal.

*An investment plan of regular investment cannot assure a profit or protect against a loss in a declining market.

Incoming rollovers can be direct or indirect. Direct rollovers involve the transfer of money from one 529 Plan directly to another. Indirect rollovers involve the transfer of money from an account in another state's 529 Plan to the Account Owner, who then contributes the money to an account in The Plan. To avoid penalties and federal income tax consequences, money received by an Account Owner in an indirect rollover must be contributed to The Plan within 60 days of the withdrawal. You should be aware that not all states permit direct rollovers from 529 Plans. Additionally, there may be state income tax consequences (and, in some cases, state-imposed penalties) resulting from a rollover out of a state's 529 Plan. See ***Part 8. Tax Matters—Transfers Between Accounts of Different Designated Beneficiaries or Different 529 Plans***.

You can roll over assets to The Plan either as an initial contribution when you open a Plan account or as an additional contribution to an existing Plan account.

When making a rollover, you will need to provide The Plan with an account statement or other documentation from the distributing 529 Plan account indicating how much of the rollover money is attributable to earnings. Until The Plan receives this documentation, the entire amount of your contribution will be treated as earnings, which would be subject to taxation in the case of a Nonqualified Withdrawal.

Contributions From an Education Savings Account or Qualified U.S. Savings Bond

You can contribute to The Plan with proceeds from the sale of assets held in an education savings account (formerly known as an Education IRA) or a Qualified U.S. Savings Bond. See ***Part 8. Tax Matters—Education Savings Accounts***. You will need to provide The Plan with the following documentation:

- For assets from an education savings account, an account statement or other documentation from the custodian financial institution showing the total amount contributed and the proportion of the assets that represent earnings.
- For assets obtained by redeeming a Qualified U.S. Savings Bond, an account statement, Form 1099-INT, or other documentation from the financial institution that redeemed the bond showing how much of the proceeds represented interest and how much represented principal.

Until The Plan receives this documentation, the entire amount of your contribution will be treated as earnings, which would be subject to taxation in the case of a Nonqualified Withdrawal.

Contributions From UGMA/UTMA Accounts; Establishing an Account as an UGMA/UTMA Account

The custodian for a minor under the Uniform Gift to Minors Act or Uniform Transfers to Minors Act ("UGMA/UTMA") may use the assets previously held in an UGMA/UTMA account to open an account in The Plan and act as the Account Owner, subject to the laws of the state under which the UGMA/UTMA account was established. The minor and/or the minor's parent may incur capital gains (or losses) from the sale of noncash assets held by an UGMA/UTMA account. You may also establish a Plan account as an UGMA/UTMA account with funds that have not previously been established as an UGMA/UTMA account. Please contact a tax professional to determine how to transfer UGMA/UTMA custodial assets, and what the implications of such a transfer may be for you.

UGMA/UTMA custodians should consider the following:

- The custodian may make withdrawals only as permitted under UGMA/UTMA and The Plan.
- The custodian may not change the Beneficiary of The Plan account (directly or by means of a rollover distribution), except as permitted under UGMA/UTMA.
- The custodian should not change the Account Owner to anyone other than a successor custodian during the term of the custodial account under UGMA/UTMA.
- When the custodianship terminates, the Beneficiary is legally entitled to take control of the Plan account and may become the Account Owner subject to the provisions of The Plan that are applicable to Plan accounts established or funded with non-UGMA/UTMA assets.
- You should consider whether additional contributions of money not previously gifted to the Beneficiary under UGMA/UTMA should be made to a separate and noncustodial 529 Plan account. (A noncustodial 529 Plan account will allow the Account Owner to retain control of the assets and make Beneficiary changes.)

Neither The Plan nor any of its Associated Persons will be liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds.

Changing Investment Options for Current Balances and Future Contributions

You may move money already in your account to a different mix of investment options within The Plan or to any other 529 Plan offered by CollegeInvest only once per calendar year without incurring tax consequences and penalties. The once-per-calendar-year limitation on changing investment options applies on an aggregate basis to all accounts in The Plan and all accounts under other Colorado 529 Plans having the same Account Owner and Beneficiary. Exchanges that occur because the assets are in an Age-Based Option do not count as a once-per-calendar-year exchange. If you move money to any other 529 Plan offered by CollegeInvest, you cannot take the Colorado income tax deduction for those monies deposited into the new account, if such a tax deduction was previously taken.

You may also make exchanges or reallocations anytime you change the Beneficiary (see ***Changing Your Beneficiary*** in this section). In addition, you may change the allocation of future contributions at any time. Please note that a decision to change the allocation of future contributions will not affect the allocation of assets already in your account, and vice versa.

For example, assume that since you opened your Plan account, your contributions have been allocated 60% to Option A and 40% to Option B. You decide to reallocate existing assets: 60% to Option A and 40% to Option C. At the same time, you decide to allocate 100% of future contributions to Option D. You may not make any other changes to the allocation of existing assets in your Plan account during the current calendar year. However, you may continue to change the allocation of future contributions.

The Plan will accept a deposit of money withdrawn from an account in CollegeInvest's Stable Value Plus College Savings Plan. However, such money may not be withdrawn or transferred from an account in the CollegeInvest Stable Value Plus College Savings Plan within a period of 61 days into the following Portfolios or Options: (1) the Money Market Portfolio, (2) the Income Portfolio, (3) the Conservative Age-Based Option (if the Beneficiary is less than 61 days from turning 11), (4) the Moderate Age-Based Option (if the Beneficiary is less than 61 days from turning 16), or (5) the Aggressive Age-Based Option (if the Beneficiary is less than 61 days from turning 19).

You may change the allocation of existing assets in your Plan account or change the allocation of future contributions by phone at 800-997-4295, or by submitting the appropriate form to The Plan. Changing future allocations also may be done online at **www.collegeinvest.org**.

Withdrawals

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. The Plan will not allow you to withdraw money contributed to your Plan account until it has been collected. For example, if you contribute to an account by check or via an AIP, you may not receive that money until your check has cleared or your AIP has been deducted from your bank account and the money is in your Plan account.

There are two types of withdrawals: "Qualified" and "Nonqualified." In a Qualified Withdrawal, the proceeds are used for the Qualified Higher Education Expenses (as defined below) of your Beneficiary. A Nonqualified Withdrawal is any withdrawal that is not a Qualified Withdrawal.

The earnings portion of a Qualified Withdrawal is not subject to federal income tax. The earnings portion of a Nonqualified Withdrawal: (1) is treated as income to the person who receives it and is thus subject to applicable federal and state income taxes (including possible recapture of state deductions), and (2) is subject to an additional 10% federal penalty tax. Certain exceptions to treatment as a Nonqualified Withdrawal exist and are explained in more detail under Nonqualified Withdrawals Exempt From the 10% Federal Penalty Tax in this section. For purposes of calculating these taxes, each withdrawal is treated as including a ratable share of investment earnings on all Plan accounts for the Beneficiary having the same Account Owner (and all such accounts in other Colorado 529 Plans, other than the Prepaid Tuition Fund).

Although The Plan will report the earnings portion of all withdrawals, it is solely the responsibility of the person receiving the withdrawal to calculate, report, and pay any resulting tax liability.

You may not be permitted to deposit money withdrawn from a Plan account to an account in CollegeInvest's Stable Value Plus College Savings Plan within 61 days of your withdrawal if such money has been invested in: (1) the Money Market Portfolio, (2) the Income Portfolio, (3) the Conservative Age-Based Option (if the Beneficiary is less than 61 days from turning 11), (4) the Moderate Age-Based Option (if the Beneficiary is less than 61 days from turning 16), or (5) the Aggressive Age-Based Option (if the Beneficiary is less than 61 days from turning 19).

Qualified Higher Education Expenses

Qualified Higher Education Expenses currently include:

- Tuition, fees, and the costs of books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
- Certain room and board costs incurred while attending an Eligible Educational Institution at least half-time; and
- In the case of a special-needs Beneficiary, expenses for special-needs services incurred in connection with enrollment or attendance at an Eligible Educational Institution.

For more detailed information, see ***Part 8. Tax Matters—Qualified Higher Education Expenses***.

Eligible Educational Institutions

Eligible Educational Institutions include accredited postsecondary educational institutions in the United States or abroad offering credit toward an associate's degree, a bachelor's degree, a graduate-level or professional degree, or another recognized postsecondary credential, and certain postsecondary vocational and proprietary institutions. To be an Eligible Educational Institution for purposes of Section 529, an institution must be eligible to participate in certain U.S. Department of Education student financial aid programs.

Nonqualified Withdrawals Exempt From the 10% Federal Penalty Tax

Death of the Beneficiary*

If the Beneficiary dies, you may select a new Beneficiary or authorize a payment to the estate of the Beneficiary or a beneficiary of the Beneficiary. A payment to the estate of the Beneficiary or to a beneficiary of the Beneficiary will not be subject to the additional 10% federal penalty tax, but earnings will be subject to any applicable federal and state income taxes (including possible recapture of state deductions) at the recipient's (the party receiving the withdrawal) tax rate.

Disability of the Beneficiary*

If the Beneficiary becomes disabled, you may change the Beneficiary or withdraw all or a portion of the account balance.

A withdrawal because of the disability of the Beneficiary will not be subject to the additional 10% federal penalty tax, but earnings will be subject to any applicable federal and state income taxes (including possible recapture of state deductions) at the recipient's (the party receiving the withdrawal) tax rate.

Receipt of Scholarship/Attendance at a Military Academy*

If the Beneficiary receives a qualified scholarship or attends a military academy, you may withdraw money from your Plan account up to the amount of the scholarship or the estimated cost of attendance at a military academy without imposition of the additional 10% federal penalty tax.

A qualified scholarship includes certain educational assistance allowances under federal law as well as certain payments for educational expenses (or attributable to attendance at certain educational institutions) that are exempt from federal income tax. The earnings portion of a withdrawal because of a qualified scholarship is subject to any applicable federal and state income taxes at the recipient's (the party receiving the withdrawal) tax rate.

Rollovers to Other 529 Plans

See ***Incoming Rollover Contributions*** in this section. The same considerations are applicable to rollovers to other 529 Plans.

Transfer of Assets to Another Beneficiary Within the CollegeInvest Program

If you transfer assets to the account of another Beneficiary within The Plan or any other 529 Plan offered by CollegeInvest, and if the new Beneficiary is a "member of the family" (defined below) of the currently designated Beneficiary, then the transfer will be treated as a nontaxable rollover of assets for federal income tax purposes. See ***Part 8. Tax Matters—Transfers Between Accounts of Different Designated Beneficiaries or Different 529 Plans***.

Transfer of Assets to the Same Beneficiary Within the CollegeInvest Program

A transfer into a Plan account from an account in another plan within the CollegeInvest Program (i.e., another 529 Plan offered by CollegeInvest) for the benefit of the same designated Beneficiary will be treated as a change of investment options allowable tax-free only once per calendar year, rather than as a rollover for the same designated Beneficiary allowable tax-free if it has been at least 12 months since the most recent such rollover. See ***Changing Investment Options for Current Balances and Future Contributions*** in this section for more information on changes to investment options.

Maximum Contribution Limit

You may contribute to a Plan account for a Beneficiary provided the aggregate balance of all accounts for the same Beneficiary under all Colorado 529 Plans does not exceed the maximum contribution limit (the "Maximum Contribution Limit"), which currently is $280,000. For more details, see ***Part 8. Tax Matters—Maximum Contribution Limit***.

CollegeInvest reserves the right to make adjustments to the Maximum Contribution Limit. Any adjustments to the Maximum Contribution Limit will be posted on the CollegeInvest website at **www.collegeinvest.org**.

Unused Account Assets

If the Beneficiary graduates from an Eligible Educational Institution or chooses not to pursue higher education, and assets remain in the Plan account, you have three options:

1. You can change the Beneficiary to a "member of the family" of the currently designated Beneficiary.
2. You can keep the assets in the account to pay future Qualified Higher Education Expenses, such as graduate or professional school expenses, of the Beneficiary.
3. You can withdraw the remaining assets (including earnings).

Options 1 and 2 are not subject to federal and state income taxes or penalties. Option 3 is a Nonqualified Withdrawal subject to applicable federal and state income taxes, including the additional 10% federal penalty tax on earnings and recapture of any state income tax deduction for contributions to The Plan.

Pricing of Portfolio Units

When you contribute to The Plan, your money will be invested in units of one or more Portfolios, depending on the investment option(s) you select. The price of a Portfolio unit is calculated each business day after the close of trading on the New York Stock Exchange (NYSE). The price is determined by dividing the dollar value of the Portfolio's net assets (i.e., total Portfolio assets minus total Portfolio liabilities) by the number of Portfolio units outstanding. On holidays or other days when the NYSE is closed, the Portfolio's unit price is not calculated, and The Plan does not transact purchase or redemption requests.

When you purchase or redeem units of a Portfolio, you will do so at the price of the Portfolio's units on the trade date. Your trade date will be determined as follows:

1. If The Plan receives your transaction request (whether to contribute money, withdraw money, or exchange money between investment options) in good order on

* If you select a new Beneficiary who is a "member of the family" of the currently designated Beneficiary (see ***Changing Your Beneficiary*** in this section), you will not owe federal or state income tax or the additional 10% federal penalty tax.

a business day prior to the close of the NYSE, your transaction will receive that day's trade date.

2. If The Plan receives your transaction request in good order on a business day after the close of the NYSE or at any time on a nonbusiness day, your transaction will receive the next business day's trade date.
3. Notwithstanding paragraphs 1 and 2, AIP and EBT contributions will receive a trade date of the business day before the day the bank debit occurs.

Confirmations and Statements/ Safeguarding Your Plan Account

You will receive quarterly account statements indicating, for the applicable time period: (1) contributions made to your Plan account, (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 and nonresident 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.

You can securely access your account information—including quarterly statements and transaction confirmations 24 hours a day at **www.collegeinvest.org**, once you have created an online user name and password. The Plan requires you to select a user name and password immediately upon opening an account online. If you enroll by submitting a paper application, you may establish a user name and password at **www.collegeinvest.org**.

The Plan uses reasonable procedures to confirm that transaction requests are genuine. However, you may be responsible for losses resulting from fraudulent or unauthorized instructions received by The Plan, provided The Plan reasonably believed the instructions were genuine. To safeguard your Plan account, please keep your information confidential. Contact The Plan immediately if you believe there is a discrepancy between a transaction you requested and your confirmation statement, or if you believe someone has obtained unauthorized access to your Plan account.

If you receive a confirmation that you believe does not accurately reflect your instructions—e.g., the amount invested differs from the amount contributed or the contribution was not invested in the particular investment options you selected—you have 60 days from the date of the confirmation to notify The Plan of the error. If you do not notify The Plan within 60 days, you will be considered to have approved the information in the confirmation and to have released The Plan and its Associated Persons from all responsibility for matters covered by the confirmation.

Control Over Your Plan Account

Pursuant to Section 529, the Account Owner controls the account and the disposition of all assets held in the account, including earnings, whether contributed by the Account Owner or by another person. ***A Beneficiary who is not the Account Owner has no control over any of the account assets.***

Account Owners may transfer a Plan account to another Account Owner without changing the Beneficiary. This type of transfer will be effective only if it is irrevocable and transfers all rights, title, interest, and power over the account to the new Account Owner. To transfer a Plan account, you may contact The Plan; however, such a transfer may have adverse tax consequences, and you should consult your tax advisor before initiating any transfer.

Designation of Successor Account Owner

You may designate a successor Account Owner (to the extent permitted under applicable law) to succeed to all of your rights, title, and interest in your Plan account (including the right to change the Beneficiary) upon your death or inability to continue as Account Owner. This designation can be made on the initial Enrollment Application, which is available online at **www.collegeinvest.org**. If you do not initially designate a successor Account Owner but later decide to do so, or if you wish to revoke or change a designation, you may either make the change online at **www.collegeinvest.org** or submit the appropriate form to The Plan. The account will become effective for the successor Account Owner once this paperwork has been received and processed. If you do not designate a successor Account Owner, the Beneficiary automatically becomes the Account Owner in the event of your death. The Beneficiary also will become the Account Owner if a designated successor Account Owner is deceased or validly disclaims his or her interest in the account. Once this paperwork has been received and processed, the successor Account Owner will have all of the rights and responsibilities over the account as outlined in this Plan Disclosure Statement. The successor Account Owner cannot be a minor.

All requests to transfer ownership to a successor Account Owner after your death or inability to continue as Account Owner must be submitted by authorized persons in writing. Contact The Plan at **800-997-4295** for information needed to complete the change of account ownership. Please note that a change in Account Owner may have adverse tax consequences, and you should consult your tax advisor before making this designation.

Changing Your Beneficiary

Section 529 permits an Account Owner to change Beneficiaries without adverse federal income tax consequences if the new Beneficiary is a "member of the family" (as defined below) of the currently designated Beneficiary. If the new Beneficiary is not a "member of the family" of the currently designated Beneficiary, then the change is treated as a Nonqualified Withdrawal subject to federal and state income taxes (including possible recapture of state deductions) and the additional 10% federal penalty tax described above. There may also be federal gift tax, estate tax, or generation-skipping tax consequences in connection with changing the Beneficiary of a 529 Plan account. Please see ***Part 8. Tax Matters—Federal Gift and Estate Taxes***.

If an Account Owner is a minor, or an investment in a Plan account consists of the proceeds from an UGMA/UTMA account, the person designated as Beneficiary of The Plan account cannot be changed, the account cannot be transferred to another Account Owner (other than to another UGMA/UTMA custodian for the benefit of the same Beneficiary), and there can be no Nonqualified Withdrawals other than for the benefit of the Beneficiary.

To change a Beneficiary, you must submit the appropriate form. At the time you change Beneficiaries, you may reallocate assets in the account to a different mix of investment options.

***Note:* Assets invested in an Age-Based Option, if not reallocated to a different investment option, will automatically be invested in the Portfolio that corresponds to the age of the new Beneficiary.**

Member of the Family

A "member of the family" of the Beneficiary is defined as a:

- Father, mother, or an ancestor of either.
- Son, daughter, or a descendant of either.
- Stepfather or stepmother.
- Stepson or stepdaughter.
- Brother, sister, stepbrother or stepsister, or half-brother or half-sister.
- Brother or sister of the father or mother, or father-in-law or mother-in-law.
- Son or daughter of a brother or sister.
- Spouse of the Beneficiary or any of the individuals mentioned above.
- First cousin.

A legally adopted child of an individual shall be treated as the child of such individual by blood.

Part 8. Tax Matters

The following discussion summarizes certain aspects of the federal income, gift, estate, and generation-skipping transfer tax, and Colorado income tax consequences relating to the Trust and your investment in and withdrawals from your Plan account. This discussion does not address other state or local taxes, including taxes imposed by a state other than Colorado. If you reside in a jurisdiction outside the United States, you should consult a qualified tax advisor regarding the application of all taxes (including those summarized herein) to your particular situation.

If you are not a Colorado taxpayer, consider before investing whether your or the Beneficiary's home state offers a 529 Plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's 529 Plan, and which are not available through investment in The Plan. Since different states have different tax provisions, this Plan Disclosure Statement contains limited information about the state tax consequences of investing in The Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You also may wish to contact your home state's 529 Plan(s), or any other 529 Plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

Caveats With Respect to Tax Discussion

This summary is not exhaustive, and you should not construe it as providing advice on your particular situation. In addition, there can be no assurance that the Internal Revenue Service (IRS) will accept the conclusions in this Plan Disclosure Statement, or, if challenged by the IRS, that these conclusions would be sustained in court. The applicable tax rules are complex, some of the rules are uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. **Neither this Part 8 nor any other information provided throughout this Plan Disclosure Statement is intended to constitute, nor does it constitute, legal or tax advice. This Plan Disclosure Statement was developed to support the marketing of The Plan and cannot be relied upon for purposes of avoiding the payment of federal tax penalties. You should consult your legal or tax advisor about the impact of the law and these rules on your individual situation.**

Changing Tax Laws and Regulations

The summary is based on the relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and Colorado tax law, the Proposed Regulations, relevant legislative history, and official interpretations of applicable federal and Colorado law as of the date of this Plan Disclosure Statement. Additional changes to federal or state tax laws could occur in the future due to legislative or judicial actions that could have a significant impact on The Plan and your investment in the Portfolios or the availability of state tax deductions, or result in termination of The Plan.

Maximum Contribution Limit

The federal income tax laws require that a limit be placed on the amount that can be invested in an account. Currently, the aggregate Maximum Contribution Limit under The Plan for the benefit of a particular Beneficiary is $280,000. Accounts in The Plan for the same designated Beneficiary funded from all Account Owners are aggregated for purposes of applying this limitation, together with any investments for the same Beneficiary in other Colorado Section 529 Plans, including the Prepaid Tuition Fund, the Stable Value Plus College Savings Plan, and the Scholars Choice College Savings Program, as well as any future plans developed and offered as Colorado 529 Plans. The Maximum Contribution Limit is based on the aggregate market value of the account(s) for a Beneficiary and not on the aggregate contributions made to the accounts. Accounts that have reached the Maximum Contribution Limit may continue to accrue earnings, but additional contributions (including rollover contributions) to an account will not be accepted, or the full or a partial amount will be returned, anytime that the aggregate balance for the Beneficiary has reached the Maximum Contribution Limit. It is possible that the Maximum Contribution Limit will be periodically increased in the future to reflect increases in higher education costs.

Federal Income Tax Treatment of Investments and Distributions

The Plan is designed to constitute a "qualified tuition program" under Section 529 of the Code. Generally, earnings in the Trust will not be includable in computing the federal taxable income of the Account Owner or the Beneficiary while held in the account. As described in greater detail below, whether the earnings are taxed upon withdrawal depends upon how the withdrawal is used. The Pension Protection Act of 2006 made permanent certain tax advantages and other related rules for 529 Plans that had been scheduled to expire after 2010. Among the most notable tax advantages that were made permanent is that the earnings portion of a Qualified Withdrawal is exempt from federal taxes.

Qualified Higher Education Expenses

Section 529 of the Code defines "Qualified Higher Education Expenses" as tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution (see ***Part 7. Other Information About Your Plan Account—Eligible Educational Institutions***). The term also includes certain amounts for room and board for a Beneficiary attending school at least half-time in a degree or certificate program. The amount of a Beneficiary's room and board expenses that can be counted as a Qualified Higher Education Expense generally may not exceed the amount applicable to the Beneficiary included in the "cost of attendance" (as defined under the federal law as of June 7, 2001) at the Eligible Educational Institution. In the case of a Beneficiary living in housing owned or operated by an Eligible Educational Institution, however, the amount of room and board expenses that can be counted as Qualified Higher Education Expenses is the greater of: (1) the amount described in the preceding sentence, or (2) the actual amount charged the Beneficiary by the Eligible Educational Institution for room and board for such period. Qualified Higher Education Expenses also include certain additional enrollment and attendance costs of special-needs beneficiaries.

Qualified Withdrawals

Withdrawals used to pay for Qualified Higher Education Expenses ("Qualified Withdrawals") will be excludable from the Beneficiary's and the Account Owner's federal taxable income. Account Owners should retain documentation such as invoices and receipts adequate to substantiate to the IRS the qualifying use of such withdrawals. There are two components to such a Qualified Withdrawal: (1) return of principal, and (2) distribution of earnings. Although neither component is taxable for a Qualified Withdrawal, separately accounting for such components is necessary in order to determine how much of the remaining investment in the accounts consists of earnings and how much consists of principal invested. The earnings portion of a particular withdrawal will generally be determined as of the withdrawal date, rather than in the aggregate for all distributions as of the end of the year.

Pending guidance from the IRS, it is unclear whether a withdrawal used to pay for Qualified Higher Education Expenses incurred or paid prior to the establishment of the accounts will be treated as a Qualified Withdrawal. Pending guidance from the IRS, it is also unclear whether a withdrawal taken after December 31 of the year in which the Qualified Higher Education Expenses were incurred and paid will be treated as a Qualified Withdrawal. Please consult with a qualified tax advisor.

Although the IRS has not yet provided guidance on this issue, if amounts from a Qualified Withdrawal that were used to pay Qualified Higher Education Expenses are subsequently refunded in whole or in part to the Account Owner or the Beneficiary by the educational institution or other payee, the Account Owner may be required to include the earnings portion of such refund in taxable income for federal income tax purposes and pay the additional 10% federal penalty tax on such earnings, even if such amount is reinvested in the Plan account. Such inclusion will not be required if the refunded amount is used to pay other Qualified Higher Education Expenses of the Beneficiary. Please consult with a qualified tax advisor.

Nonqualified Withdrawals

Under Section 529, the earnings portion of Nonqualified Withdrawals is includable in computing the income of the Account Owner (or possibly of the Beneficiary if the Nonqualified Withdrawal is paid to the Beneficiary) for federal income tax purposes in the year in which the withdrawals are made, except for certain nontaxable transfers to a Plan account or another 529 Plan as explained in more detail under ***Transfers Between Accounts of Different Designated Beneficiaries or Different 529 Plans*** in this section. The computation of the portion of a Nonqualified Withdrawal that is includable in taxable income is again made under a pro rata allocation between a nontaxable return of principal and a taxable distribution of earnings.

The earnings portion of any Nonqualified Withdrawal generally will be subject to an additional 10% federal penalty tax, in addition to applicable income tax. The additional 10% federal penalty tax will not apply, however, to: (1) certain withdrawals made on account of the death or disability of the Beneficiary, on account of a scholarship received by the Beneficiary, and on account of attendance of the Beneficiary at a United States military academy subject to certain limitations (see ***Part 7. Other Information About Your Plan Account—Nonqualified Withdrawals Exempt From the 10% Federal Penalty Tax***), and (2) nontaxable transfers to another Plan account or another 529 Plan as explained in more detail under ***Transfers Between Accounts of Different Designated Beneficiaries or Different 529 Plans*** in this section. Nonqualified Withdrawals that qualify for an exception to the additional 10% federal penalty tax, other than nontaxable transfers to an account or other 529 Plan, are still subject to applicable federal and state income tax (including possible recapture of state deductions). A financial emergency would not entitle you to any special treatment under federal or Colorado tax laws or to any exemption from the additional 10% federal penalty tax. As noted above, you would be entitled to an exception to the additional 10% federal penalty tax (but not to the imposition of applicable income tax) if you made a Nonqualified Withdrawal in the case of a Beneficiary who died or became disabled.

Tax Reporting

Upromise will issue an IRS Form 1099-Q in the event of a withdrawal from or trustee-to-trustee rollover from an Account. It is the responsibility of the recipient of the 1099-Q (which will be the Account Owner unless the withdrawal is paid directly to the Beneficiary or to an Eligible Educational Institution for the benefit of the Beneficiary) to determine whether a withdrawal is a Qualified Withdrawal or a Nonqualified Withdrawal and whether any income tax or the 10% federal penalty tax may apply.

Losses Upon Withdrawal

If an Account Owner has an investment loss in an Account, the Account Owner can take the loss as a deduction on the Account Owner's tax return, but only when all amounts from that Account have been withdrawn and the total withdrawals are less than the total contributions to the Account.

Aggregation of Accounts

All accounts in 529 Plans sponsored by the State of Colorado (other than the Prepaid Tuition Fund) having the same Account Owner and Beneficiary must be treated as a single account for purposes of calculating the earnings portion of each distribution from any such account (including any such accounts in other 529 Plans administered by CollegeInvest). Consequently, if more than one account is created by an Account Owner for a Beneficiary, and a Nonqualified Withdrawal is made from one or more such accounts, the amount includable in income must be calculated based upon the ratio of total earnings in all such accounts to the total amount in such accounts. Thus, the amount withdrawn from an account may carry with it a greater or lesser amount of income than the earnings in that account alone would justify, depending on the earnings in the other relevant account or accounts.

Transfers Between Accounts of Different Designated Beneficiaries or Different 529 Plans

An Account Owner may change the designated Beneficiary of an account or may transfer (i.e., "roll over") an amount from an account to an account for a different Beneficiary, or to or from an account for a different Beneficiary under another 529 Plan (provided such rollover occurs within 60 days of the withdrawal), without the amount distributed having to be included at that time in the federal taxable income of the Account Owner or any Beneficiary (and without being treated as a Nonqualified Withdrawal).

In order to qualify for this tax-free treatment, a new designated Beneficiary must be a "member of the family" of the currently designated Beneficiary. See ***Part 7. Other Information About Your Plan Account—Changing Your Beneficiary—Member of the Family***.

If there are other accounts open for the benefit of the new Beneficiary, you may be limited in how much of your account can be used for the new Beneficiary under the Maximum Contribution Limit. If the new Beneficiary is a member of a younger generation than that of the currently designated Beneficiary, a federal gift tax may apply, and if the new Beneficiary is two or more generations younger than the currently designated Beneficiary, a federal generation-skipping transfer tax may apply. This tax applies in the year in which the money is withdrawn from an account or in which the designated Beneficiary is changed.

Tax-free treatment is also available for a rollover to an account in another 529 Plan for the benefit of the same Beneficiary, provided that it has been at least 12 months since the most recent such rollover for that Beneficiary. (For transfers between 529 Plans sponsored by the State of Colorado, see ***Part 7. Other Information About Your Plan Account—Changing Investment Options for Current Balances and Future Contributions***.)

Rollover amounts from another 529 Plan generally retain their character as earnings and invested principal. Until the 529 Plan receiving the rollover receives documentation from the distributing 529 Plan showing the earnings portion, however, the receiving 529 Plan must treat the entire amount of the rollover as earnings.

Federal Gift and Estate Taxes

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 $12,000 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 $12,000 per year or $24,000 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 $12,000 or $24,000 per married couple, the Account Owner may elect, for federal gift tax purposes, to treat the investments up to $60,000, or $120,000 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.

A withdrawal from a 529 Plan account, a permissible change of the designated Beneficiary, or a permissible transfer to an account for another Beneficiary will not be subject to federal gift or transfer tax, except that such a change or transfer will potentially be subject to federal gift tax if the new Beneficiary is of a younger generation than the currently designated Beneficiary and will potentially be subject to the generation-skipping transfer tax if the new Beneficiary is two or more generations younger than the currently designated Beneficiary.

Generally, taxpayers are eligible for a limited generation-skipping transfer tax exemption that will be allocated to transfers that are subject to generation-skipping transfer tax. Accordingly, this tax may not apply to many Account Owners and Beneficiaries. However, where it applies, it is imposed at a flat rate.

For taxable years beginning after December 31, 2001, substantial changes have been made to the estate, generation-skipping, and gift tax rules under the Economic Growth and Tax Relief Act of 2001 (the "2001 Tax Act"). In general, the 2001 Tax Act reduced tax rates, increased the exemption amounts, and repealed the estate and generation-skipping taxes as of 2010.

Estate, gift, and generation-skipping tax issues arising in connection with 529 Plans can be quite complicated. You and the Beneficiary should consult with a qualified tax advisor regarding these issues and the specific application of these rules to their particular circumstances.

Education Savings Accounts

Education savings accounts (ESAs) permit deferral of federal income tax liability, and possible exclusion from gross income for earnings in such ESAs. If withdrawals are made from a Plan account and an ESA in the same year for the same Beneficiary in excess of qualified higher education expenses, however, you will need to allocate qualified higher education expenses between the two programs.

You may make contributions to your accounts in The Plan and to an ESA in the same year. You may also take a distribution of part or all of your ESA and invest it as a contribution to your Plan accounts. Such a distribution is considered a qualifying ESA distribution that is not subject to federal income tax.

The 2001 Tax Act repealed a provision of the Code that provided that if Account Owners contribute to an ESA on behalf of a Beneficiary and also contribute to a qualified tuition program account for the same Beneficiary in the same year, the contribution to the ESA would be subject to an annual 6% excise tax until withdrawal of the funds. The repeal of that provision is set to expire on December 31, 2010. Unless Congress extends the repeal of the provision or otherwise changes the law, the federal tax law governing excise taxes on contributions to an ESA will revert on January 1, 2011, to the rules that existed until December 31, 2001, and, consequently, the above-stated provision that was repealed by the 2001 Tax Act will again be effective.

Series EE and I Savings Bonds

Interest on Series EE Savings Bonds issued in January 1990 and later, as well as interest on all Series I Savings Bonds, may be completely or partially excluded from federal income tax if bond proceeds are used to pay certain higher education expenses at an Eligible Educational Institution or are contributed to a Plan account in the same calendar year the bonds are redeemed. For this purpose, qualifying expenses do not include the cost of books, supplies, or room and board. The amount of higher education expenses taken into account in calculating the interest excludable from income is reduced by scholarships, fellowships, and certain other forms of tuition assistance. Certain income limitations apply and the Beneficiary must have a specified relationship with the Account Owner. Provided appropriate documentation is furnished to The Plan, the original purchase price of the bonds redeemed and contributed to a Plan account will be added to the contribution portion of the account, with the interest added to earnings.

Hope Scholarship and Lifetime Learning Credits

A taxpayer may not claim a Hope Scholarship Credit or Lifetime Learning Credit for amounts withdrawn tax-free from an account and used for qualified higher education expenses, but may be eligible for these credits for education expenses paid from other sources during the year.

Tax Deduction for Education Expenses

The 2001 Tax Act provides for a deduction for the payment of tuition and related expenses by taxpayers who fall within certain income limits. The deduction may not be claimed, however, for expenses that were paid from the earnings portion of a tax-free withdrawal from a Plan account.

Effect on Other Federal Tax Benefits

Under certain circumstances, the interest paid with respect to a loan used to fund qualified higher education expenses is deductible for federal income tax purposes. The 2001 Tax Act provides that, to the extent that withdrawals are made from a 529 Plan to pay qualified higher education expenses, the amount of such expenses is not eligible for a loan, and the interest on which is otherwise deductible for federal income tax purposes. Under certain circumstances, the interest on U.S. savings bonds used to pay higher education expenses may be excluded from taxable income for federal income tax purposes. The 2001 Tax Act also provides that, to the extent withdrawals are made from a 529 Plan for qualified higher education expenses, such expenses cannot also be treated as paid with U.S. savings bonds for purposes of this exclusion.

State of Colorado Income Tax

Individuals, estates, and trusts subject to Colorado income tax will generally be entitled to a deduction at the state level to the extent of their Colorado taxable income for the year for contributions made to an account in such year, subject to recapture in subsequent years in which any Nonqualified Withdrawals are made. Rollover amounts from another qualified tuition program do not qualify as contributions for purposes of this deduction. In addition, if an Account Owner or Beneficiary is subject to Colorado income tax, Qualified Withdrawals are exempt from Colorado income tax. Account Owners and Beneficiaries should consult their tax advisors about the applicability, if any, of state or local taxes imposed by jurisdictions other than the State of Colorado.

Part 9. Legal and Administrative Information About The Plan

Suitability. The Plan and its Associated Persons make no representations regarding the suitability of The Plan's investment options to any particular investor. Other types of investments and other types of college savings vehicles may be more appropriate, depending upon your personal circumstances. Please consult your tax or investment advisor for more information.

Creditor Protection Under Current Colorado Law. Colorado law is intended to exempt 529 Plan accounts and account assets from all creditors of the Account Owner or Beneficiary. Neither an Account Owner nor a Beneficiary may use an interest in a Plan account as a security for a loan, and any pledge of an interest in an account is of no force and effect. As of the date of this Plan Disclosure Statement, courts have yet to interpret, apply, or rule on matters involving this Colorado law. It is unclear whether a court located in Colorado or in another state would apply this Colorado law in the case of an Account Owner who is a resident of a state other than Colorado. Neither CollegeInvest, the Trust, nor the Manager make any representations or warranties regarding protection from creditors. You may wish to consult a legal advisor regarding this Colorado law and your circumstances.

Creditor Protection Under U.S. Law. Federal bankruptcy legislation excludes from property of the debtor's bankruptcy estate certain assets that have been contributed to a 529 Plan account. However, bankruptcy protection in this respect is limited and has certain conditions. For the 529 Plan account to be excluded from the debtor's estate, the account beneficiary must be a child, stepchild, grandchild, or step-grandchild (including a legally adopted child or a foster child) of the individual who files for bankruptcy protection. In addition, contributions made to all 529 Plan accounts for the same Beneficiary are protected from becoming property of the debtor's estate as follows: (1) there is no exclusion for assets if they have been contributed less than 365 days before the bankruptcy filing, (2) 529 Plan account assets are excluded in an amount up to $5,000 if they have been contributed between 365 and 720 days before the bankruptcy filing, and (3) 529 Plan accounts are fully excluded if they have been contributed more than 720 days before the bankruptcy filing. This information is not meant to constitute individual tax or bankruptcy advice, and you should consult with a legal advisor concerning your individual circumstances.

Not an Offer to Sell. This Plan Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security issued by the Trust by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

Information Subject to Change. The information in this Plan Disclosure Statement is believed to be accurate as of the cover date but is subject to change without notice. No one is authorized to provide information that is different from the information in the most current form of this Plan Disclosure Statement, including any amendments.

Continuing Disclosure. To comply with Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934 (the "Rule"), CollegeInvest will make appropriate arrangements for the benefit of Account Owners to produce and disseminate certain financial information and operating data (the "Annual Information") relating to The Plan and notices of the occurrence of certain enumerated events as required by the Rule. CollegeInvest will make provision for the filing of the Annual Information and event notices with the national repositories.

Independent Registered Public Accounting Firm. Each year, an independent public accountant will audit the Trust. The auditor will examine financial statements for the Trust and provide other audit and related services. The fiscal year of CollegeInvest ends on June 30th of each year. A copy of the Trust's audited financial statements is available from CollegeInvest upon request. The Trust's current auditor is Clifton Gunderson, LLC.

Custodial Arrangements. Mellon Trust of New England, National Association ("Mellon Trust"), is the Manager's custodian in connection with The Plan. As such, Mellon Trust holds in safekeeping for the Manager cash and shares of the Underlying Funds belonging to The Plan. Upon instruction from the Manager, Mellon Trust 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.

Special Considerations. CollegeInvest and the Managers reserve the right to:

- Refuse, change, discontinue, or temporarily suspend account services, including accepting contributions and processing withdrawal requests, for any reason.
- Delay sending out the proceeds of a withdrawal request for up to seven days (this generally applies only to very large withdrawal requests made without advance notice or during unusual market conditions).
- Refuse, following receipt of any contributions, withdrawal requests for up to 13 days.
- Suspend the processing of withdrawal requests or postpone sending out the proceeds of a withdrawal request when the NYSE is closed for any reason other than its usual weekend or holiday closings, when trading is restricted by the SEC, or under any emergency circumstances.

Participation Agreement

General Information

This Participation Agreement contains the terms governing the Account that you will establish pursuant to the CollegeInvest Direct Portfolio College Savings Plan ("The Plan"). CollegeInvest administers The Plan, which is designed to qualify for treatment as a qualified tuition program within the meaning of Code Section 529 (a "529 Plan"). ***By signing the CollegeInvest Direct Portfolio College Savings Plan Enrollment Application, you agree to be bound by the terms of this Participation Agreement, which Agreement is deemed effective as of the date you sign the Enrollment Application.***

The Plan is designed to help you save for the Qualified Higher Education Expenses of the person you designate as Beneficiary in the Enrollment Application. Your investment in The Plan will be used to purchase units of beneficial interest in the CollegeInvest Direct Portfolio College Savings Trust (the "Trust"). The amounts you invest will be allocated to an individual account established and maintained as part of the Trust. The Vanguard Group, Inc. ("Vanguard") is a "Manager" of The Plan and is responsible for all investments of The Plan Portfolios and the Underlying Funds and for assisting CollegeInvest in marketing The Plan, providing administrative services, and distributing the securities issued by the Trust. Upromise Investments, Inc. ("Upromise") is a "Manager" of The Plan and is responsible for the day-to-day operations of The Plan, including but not limited to marketing, administrative, recordkeeping, and other services under The Plan. The services of the Managers include establishing your Account with the Trust; investing your Account assets according to the guidelines established by CollegeInvest; accepting and processing contributions to and withdrawals from your Account; and providing certain recordkeeping services with respect to your investment in The Plan.

The Plan Disclosure Statement sets forth in greater detail the terms of The Plan. The Plan Disclosure Statement is incorporated in its entirety by reference into this Participation Agreement. **Before making any investment under The Plan, you must read The Plan Disclosure Statement in its entirety. Call The Plan at 800-997-4295 with any questions.**

Any Account that you open pursuant to this Participation Agreement is not insured by the State of Colorado or CollegeInvest, and neither the principal invested in nor the investment return on the Account is guaranteed by the State, CollegeInvest, the Trust, or the Managers, or any affiliate of any of the foregoing, or the federal government or any of its agencies or instrumentalities.

Definitions

Terms used in this Participation Agreement shall have the meanings set forth below. Any terms not defined in this Participation Agreement shall have the meanings given them in the Plan Disclosure Statement.

"Account" means your individual account established and maintained as part of the Trust. The money you contribute under The Plan will be allocated to your Account. You may open more than one Account for the same Beneficiary.

"Account Owner," "you," or "your" refers to the individual or entity signing the Enrollment Application and opening an Account.

"Act" refers to Title 23, Article 31, Part 3, Colorado Revised Statutes, as amended, which requires and authorizes the establishment of a college savings program to be developed and implemented by CollegeInvest under Section 529 of the Code.

"Beneficiary" means the person you identify on the Enrollment Application as the beneficiary of the Account whose Qualified Higher Education Expenses are expected to be paid from the Account.

"Code" means the Internal Revenue Code of 1986, as amended.

"CollegeInvest" refers to CollegeInvest, a division of the Colorado Department of Higher Education of the State of Colorado. CollegeInvest is the administrator of The Plan.

"Eligible Educational Institutions" are institutions of higher education that are described in Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1988), as in effect on August 5, 1997, and are eligible to participate in a program under Title IV of such Act.

"Enrollment Application" refers to The Plan Enrollment Application.

"Family Member" means a member of the family, as defined in Code Section 529(e)(2).

"Manager" refers to Vanguard and/or Upromise, as the case may be, or such other financial institution selected by CollegeInvest to provide investment management and other services in connection with The Plan. Collectively, Vanguard and Upromise are the "Managers."

"Nonqualified Withdrawal" means a withdrawal from an Account other than a Qualified Withdrawal.

"Plan Disclosure Statement" means the CollegeInvest Direct Portfolio College Savings Plan Disclosure Statement, as amended and supplemented from time to time.

"Policy Statement" refers to the Investment Policy Statement established by CollegeInvest. The Policy Statement sets forth the policies, objectives, and guidelines that govern the investment of Trust assets.

"Portfolio" means any of the investment portfolios in the Age-Based Options, the Blended Portfolios, or Individual Portfolios of the Trust, all as described more fully in the Plan Disclosure Statement.

"Qualified Higher Education Expenses" are tuition, room and board (subject to certain limits), fees, books, supplies, and equipment required for enrollment or attendance of the Beneficiary at an Eligible Educational Institution, all within the meaning of Code Section 529(e)(3).

"Qualified Withdrawal" means a withdrawal from an Account to pay the Qualified Higher Education Expenses of the Beneficiary.

"State" refers to the State of Colorado.

"Trust" means the CollegeInvest Direct Portfolio College Savings Trust. Your Account in The Plan is part of the Trust, which is administered by CollegeInvest. Assets of the Trust are held "in trust" on behalf of and for the benefit of Account Owners and Beneficiaries.

"Underlying Funds" are the mutual funds in which the assets of the Portfolios are invested from time to time and which currently are managed by Vanguard. Vanguard chooses the particular Underlying Funds, if any, in which assets of each Portfolio are invested in accordance with the Policy Statement and subject to the approval of CollegeInvest.

"Units" are units of interest in one or more of the Portfolios to which the assets in your Account are allocated.

Contributions to Your Account

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. 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 must be drawn on a U.S. bank, and should be made payable to ***CollegeInvest Direct Portfolio College Savings Plan***.
2. The minimum initial contribution to an Account is $25, and the minimum additional contribution is $15.
3. For each Beneficiary, there is a maximum aggregate balance limit of $280,000 for all accounts established under The Plan and accounts established under any other Colorado 529 Plans (including the Prepaid Tuition Fund, the Stable Value Plus College Savings Plan, the Scholars Choice College Savings Program, and any other 529 Plans that CollegeInvest may develop and offer in the future). This maximum aggregate Account balance limit, which includes aggregate contributions and investment earnings, is subject to change. Any adjustments to this limit will be posted on the CollegeInvest website at **www.collegeinvest.org**.
4. Your contribution will be directed to one or more Accounts established for the purpose of funding the Qualified Higher Education Expenses of the Beneficiary (each Account can be for only one Beneficiary) that you designated when you made your initial contribution.
5. You (not the Beneficiary) are the sole owner of all contributions, and all earnings on such contributions, although there are special federal and state tax rules applicable to such contributions and earnings. Contributions may be made to your Account by anyone, regardless of the relationship to you or the Beneficiary, but you will retain ownership and control of all Account assets. See ***Part 7. Other Information About Your Plan Account—Contributions From UGMA/UTMA Accounts; Establishing an Account as an UGMA/UTMA Account***.

Investment of Account Assets

1. At the time you establish your Account, you may choose up to five investment options that will form the basis for the allocation of that Account's assets among Portfolios with various asset allocations. Regardless of how many investment options you choose, you must allocate a minimum of 5% of the contribution to each option you select. After this initial election, you may move money already in your Account to a different mix of investment options within The Plan or to any other 529 Plan for any reason only one time during any calendar year. The once-per-calendar-year limitation on changing investment options applies on an aggregate basis to all Accounts in The Plan and all accounts under other Colorado 529 Plans having the same Account Owner and Beneficiary. You may also move money in your Account upon a change in the designated Beneficiary of your Account. However, you may change the allocation of future contributions at any time. You may request a change to your investment option(s) by phone at **800-997-4295** or by completing the designated form, which can be obtained from the Managers.
2. After establishing your Account or changing the investment option(s) for your Account, it is your responsibility to verify that the Portfolio(s) in which your Account assets are allocated correctly correspond(s) to the investment option(s) you have elected, and, if applicable, the age and/or expected year of enrollment of the Beneficiary. You have 60 days after the Managers send your investment confirmation to notify the Managers if you believe that: (i) the Managers have not invested your Account assets in accordance with the investment option(s) you selected, or (ii) your Account assets were invested in the wrong Portfolio(s). After 60 days, your Account assets will remain invested pursuant to the investment option(s) identified on your confirmation statement until you withdraw all such Account assets or subsequently change your investment option(s). It also is your responsibility to review the investment goals and time horizons for the investment options and Portfolios described in the Plan Disclosure Statement and to determine whether participation in The Plan is appropriate for you, and if the investment option(s) you have selected meet(s) your needs and risk tolerance.
3. The Managers will separately maintain your Account as part of the Trust, and CollegeInvest will be the trustee of the Trust. The assets of your Account will be commingled with amounts credited to the accounts of other Account Owners for investment purposes.

Designation of Beneficiary

1. You shall designate one person as Beneficiary for each Account on the Enrollment Application.
2. You may, from time to time, designate a new Beneficiary in place of the person currently designated as the Beneficiary of your Account, except as discussed in paragraph 4 of this section.
3. If the new Beneficiary is a Family Member of the currently designated Beneficiary, there is no penalty or adverse income tax consequences resulting from such designation (you will receive a new Account number). If, however, you designate a person who is not a Family Member of the currently designated Beneficiary, that designation will be treated as a Nonqualified Withdrawal of Account assets and a transfer of such assets to a new Account for the new Beneficiary. This transfer is subject to federal income taxation and may be subject to an additional 10% federal penalty tax on the earnings portion of such withdrawal, as well as state income tax (including possible recapture of state deductions). There may also be federal gift tax, estate tax, or generation-skipping tax consequences in connection with changing the Beneficiary of your Account.
4. In the case of a minor Account Owner, the parent or guardian of such minor Account Owner may not change the original Beneficiary designation. If an Account is funded with assets from an UGMA/UTMA account or is established as an UGMA/UTMA account, the Account Owner (who is the UGMA/UTMA custodian) will not be able to change the person designated as Beneficiary on the Account.
5. You may request a change of designated Beneficiary of your Account only by completing the designated form, which can be obtained from the Managers. The substitution shall become effective when the Managers have approved the form. The form will ask you to certify the family relationship between the new Beneficiary and the currently designated Beneficiary.

Withdrawals

1. You may request a withdrawal of all or a portion of your Account at any time. Your request for a Qualified Withdrawal may be made online, by telephone, or by mail. Nonqualified Withdrawals must be made by mail with a properly completed and executed withdrawal form, which can be obtained from the Managers, and any additional information as The Plan may require. The Plan uses reasonable procedures to confirm that transaction requests are genuine.
2. If an Account is funded with UGMA/UTMA account assets or is established as an UGMA/UTMA account, the Account Owner is not permitted to make withdrawals other than for the benefit of the Beneficiary.
3. If you request a Nonqualified Withdrawal, the withdrawal will be subject to an additional 10% federal penalty tax payable to the IRS on that portion of such withdrawal that is attributable to investment earnings in the Account, unless the withdrawal qualifies for an exception to the additional tax. Nonqualified Withdrawals likely will also result in income taxation (including possible recapture of state deductions) except for: (i) a nontaxable transfer to another Account or to another 529 Plan for a new Beneficiary who is a Family Member of the currently designated Beneficiary, or (ii) a qualifying nontaxable transfer to another 529 Plan for the currently designated Beneficiary.
4. A Nonqualified Withdrawal is not subject to the additional 10% federal penalty tax only if the withdrawal is: (i) made on account of the death or disability of the Beneficiary, (ii) made on account of a scholarship received by the Beneficiary, to the extent that the withdrawal does not exceed the amount of the scholarship, (iii) a nontaxable transfer to another Account or another 529 Plan for the same Beneficiary, or for the benefit of a Family Member of the currently designated Beneficiary, or (iv) up to the amount of the estimated cost of attendance of the Beneficiary at a military academy.
5. The earnings portion of any withdrawal is to be computed in accordance with Code Section 529 and any regulations thereunder. Although The Plan will report the earnings portion of all withdrawals, it is solely the responsibility of the person receiving the withdrawal to calculate, report, and pay any resulting tax liability.

Account Owner's Representations and Acknowledgments

You hereby represent, warrant, acknowledge, and agree with CollegeInvest as follows:

1. You have received and read the Plan Disclosure Statement, have carefully reviewed the information contained therein, including information provided by or with respect to CollegeInvest and the Managers, and agree that its terms are incorporated into this Participation Agreement as if they were set forth herein.
2. The investment of assets held in your Account will be governed by the provisions of the Plan Disclosure Statement and this Participation Agreement, each as amended from time to time, and all such assets will be held exclusively for your benefit and the benefit of the person named as Beneficiary of that Account.
3. State tax features vary by program; neither the Managers nor CollegeInvest renders tax advice, and you should consult your own tax advisor to determine the effect of state and federal tax benefits related to The Plan. The nature and composition of available options and costs (including costs, fees, and expenses) varies from plan to plan. You should consider the wide variety of plans and related costs available to you.
4. You have been given an opportunity, within a reasonable time prior to the effective date of this Participation Agreement, to ask questions of representatives of CollegeInvest and the Managers and receive satisfactory answers concerning: (i) an investment in The Plan, (ii) the terms and the conditions of The Plan and the Trust, (iii) the particular investment option(s) that may be selected, (iv) the Plan Disclosure Statement, this Participation

Agreement, and the Enrollment Application, (v) other Colorado 529 Plans offered by CollegeInvest, and the investment options and costs associated with such plans, and (vi) your ability to obtain such additional information that may be necessary to verify the accuracy of any information furnished.

5. Your Account is subject to the fees and charges as set forth in the Plan Disclosure Statement. Such fees and charges may be changed in the future. New fees and charges may also be charged in the future. You hereby authorize the Managers to redeem Units in your Account to satisfy fees and charges, including the $20 annual Account fee, as applicable.
6. The Plan is established and maintained with the intent that it meet the requirements for favorable federal tax treatment under Code Section 529. Qualification under Code Section 529 is vital, and CollegeInvest may amend this Participation Agreement at any time if CollegeInvest determines that such an amendment is necessary to maintain qualification under Code Section 529.
7. Federal and state laws are subject to change, sometimes with retroactive effect, and none of the State, CollegeInvest, or the Managers, or any affiliate of the foregoing, or any other person makes any representation that such federal or state laws will not be changed or repealed.
8. With respect to each Account you open under The Plan, you are opening the Account in order to provide funds for the Qualified Higher Education Expenses of the person designated as Beneficiary of that Account.
9. You have not relied on any representations or other information, whether oral or written, and whether made by any agent or representative of CollegeInvest, the Manager, or otherwise, other than as set forth in the Plan Disclosure Statement (including any applicable supplement to the Plan Disclosure Statement) and in this Participation Agreement.
10. The value of your Account will increase or decrease each day that the New York Stock Exchange is open for trading, based on the investment performance of the Portfolios in which your Account is then invested, and each Portfolio will invest in Underlying Funds or other investments selected by Vanguard and approved by CollegeInvest. YOU UNDERSTAND THAT THE VALUE OF ANY ACCOUNT TO WHICH YOU MAKE CONTRIBUTIONS MAY BE MORE OR LESS THAN THE AMOUNTS YOU CONTRIBUTED TO THE ACCOUNT.
11. All investment decisions will be made by Vanguard, one of the Managers of The Plan, in accordance with the Policy Statement and the Services Agreement and you cannot direct the investment decisions of the Trust, either directly or indirectly. You will, however, have the ability to change the investment option(s) selected for your Account for any reason one time during any calendar year and also upon a change in the person designated as Beneficiary of your Account, as described in the "Contributions to Your Account" and "Investment of Account Assets" sections of this Participation Agreement.
12. **None of the State, CollegeInvest, the Managers, or any affiliate of the foregoing, or any other person makes any guarantee that you will not suffer a loss of the amount invested in any Account or that you will receive a particular return on any amount contributed to an Account.**
13. You have accurately and truthfully completed the Enrollment Application. Any other documentation that you have furnished or subsequently furnish in connection with the opening or maintenance of, or any withdrawals from, your Account is or will be accurate, truthful, and complete, including the age and/or anticipated years to enrollment indicated for the Beneficiary.
14. If you make false statements in connection with opening an Account or otherwise, CollegeInvest and/or the Managers may take such action as permitted by the Act, including, without limitation, terminating your Account or requiring that you indemnify the State, the Managers, and/or CollegeInvest as discussed under ***Limitation of Liability; Indemnification***.
15. Your participation in The Plan does not guarantee that the Beneficiary: (i) will be accepted as a student by any Eligible Educational Institution, (ii) if accepted, will be permitted to continue as a student, (iii) will be treated as a resident of any state for tuition purposes, (iv) will graduate from any Eligible Educational Institution, or (v) will receive any particular treatment under applicable state or federal financial aid programs. You further acknowledge and agree that none of the State, CollegeInvest, the Managers, or any affiliate of the foregoing, or any other person, makes any such representation or guarantee.
16. No Account in which you invest will be used as collateral for any loan. Any attempt to use an Account as collateral for a loan shall be void. The Plan itself will not loan any assets to you or the Beneficiary.
17. You will not assign or transfer any interest in any Account, except as otherwise contemplated in the Plan Disclosure Statement or this Participation Agreement. Any attempted assignment or transfer of such an interest shall be void.
18. Although you own Units through your Account, you do not have a direct beneficial interest in the Underlying Funds, or any other investments or mutual funds in which Trust assets are invested, and therefore you do not have the rights of an owner or shareholder of such mutual funds or other investments.
19. You may transfer your Account to another Account Owner without changing the person identified as Beneficiary of your Account. If the Account Owner is a minor or the Account was funded with the proceeds from or otherwise established as an UGMA/UTMA account, the Account cannot be transferred to another Account Owner (other than to another UGMA/UTMA custodian for the benefit of the same Beneficiary). Such a transfer will be effective only if it is irrevocable and transfers all rights, title, interest, and power over the Account to the new Account Owner. The tax consequences associated with a transfer of

ownership are uncertain. You should consult with a qualified tax advisor concerning the potential income, gift, and estate tax consequences of a transfer of ownership before effecting a transfer. To effect a transfer of ownership, you should contact the Managers or visit the website for the proper form.

20. If you do not validly designate a successor Account Owner on your Enrollment Application or on the appropriate form subsequent to opening an account, or if a designated successor is deceased or validly disclaims his/her interest in the Account, the Beneficiary will become the Account Owner in the event of your death. The successor Account Owner cannot be a minor.
21. CollegeInvest or the Managers may ask you to provide additional documentation that may be required by applicable law or in connection with your investment in The Plan, and you agree to promptly comply with any such requests for additional documentation.
22. None of the Plan Disclosure Statement, this Participation Agreement, or the Enrollment Application addresses taxes imposed by a state other than Colorado or the applicability of local taxes to The Plan, the Trust or your investment in the Trust, or your Account. You should consult with a qualified tax advisor regarding the application of all taxes (including those summarized in the Plan Disclosure Statement) to your particular situation.
23. The state or locality in which you reside may impose a tax on the earnings accumulated on your Account assets, without deferring such tax until the time that a withdrawal is made from the Account. You are generally responsible for paying any taxes imposed upon you with respect to your Account. However, to the extent that such taxes relating to your Account are imposed upon the Trust, the Trust may pay them directly from your Account. Such payments may be considered Nonqualified Withdrawals.

Limitation of Liability; Indemnification

1. **Indemnification.** You recognize that the establishment of any Account in the Trust will be based upon your acknowledgments, statements, agreements, representations, warranties, and covenants set forth in this Participation Agreement and the Enrollment Application. You agree to indemnify and hold harmless The Plan, the Trust, CollegeInvest, the State, the Managers, and any affiliates, directors, officers, employees, agents, and other representatives of the foregoing, for any liabilities or expenses (including costs of reasonable attorney's fees) they each may incur as the result of any misstatement or misrepresentation made by you or the Beneficiary, or any breach by you or the Beneficiary of the acknowledgments, statements, agreements, representations, or warranties or covenants contained in this Participation Agreement, other than those arising out of CollegeInvest's failure to perform its duties specified in this Participation Agreement, or CollegeInvest's or the Managers' failure to perform their respective duties specified in the Plan Disclosure Statement. All of your statements, representations, warranties, covenants, and agreements shall survive the termination of this Participation Agreement.
2. **Extraordinary Events.** CollegeInvest and the Managers each will not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes, changes in federal or state law (including tax law), or other conditions beyond their control.

Lawsuits; Disputes

1. **Lawsuits Involving your Account.** Except as to controversies arising between you or the Beneficiary and CollegeInvest or a Manager, CollegeInvest or the Managers may apply to a court at any time for judicial settlement of any matter involving your Account. CollegeInvest represents that if CollegeInvest or the Managers so apply for a judicial settlement, CollegeInvest will give you or the Beneficiary the opportunity to participate in the court proceeding, but each of them also can involve other persons. Any expense that CollegeInvest or the Managers incur in legal proceedings involving your Account, including attorney's fees and expenses, are chargeable to your Account and payable by you or the Beneficiary if not paid from your Account.
2. **Disputes.** Any controversies that may arise between you or the Beneficiary and CollegeInvest involving any transaction in your Account, or the construction, performance, or breach of this Participation Agreement, may be determined by arbitration or court proceedings, as determined by CollegeInvest in its sole discretion. If there is a dispute between you or the Beneficiary and CollegeInvest that is adjudicated in the courts, you hereby submit (on behalf of yourself and the Beneficiary) to exclusive jurisdiction in the courts of Colorado for all legal proceedings arising out of or relating to this Participation Agreement. In any such proceeding, you (on behalf of yourself and the Beneficiary) and CollegeInvest each agree to waive your rights to trial by jury. If there is a dispute between you or the Beneficiary and CollegeInvest that CollegeInvest determines, in its sole discretion, has to be arbitrated, you agree (on behalf of yourself and the Beneficiary) that the arbitration will be conducted in Colorado pursuant to the then-current rules for such proceedings as provided by the American Arbitration Association.

Arbitration

This is a predispute arbitration clause. Any controversy or claim arising out of or relating to this Plan or the Enrollment Application, or the breach, termination, or validity of this Plan or the Enrollment Application, shall be settled by arbitration administered by the American Arbitration Association (the "AAA") in accordance with its Commercial Arbitration Rules *(except that if Vanguard or Upromise is a party to the arbitration, it may elect that arbitration will instead be subject to the Code of Arbitration Procedure of the Financial Industry Regulatory Authority)*, which are made part of this Agreement, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

By the Account Owner signing an Enrollment Application and upon acceptance of the Account Owner's initial contribution by The Plan, the Account Owner and the other parties to this Plan agree as follows:

- **All parties to this Plan are giving up *important rights under state law, including* the right to sue each other in court and the right to a trial by jury, except as provided by the rules of the *arbitration forum*;**
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited;**
- **The ability of the parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings;**
- ***The potential costs of arbitration may be more or less than the cost of litigation;***
- **The arbitrators do not have to explain the reason(s) for their award;**
- **The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry;**
- **The rules of the arbitration forum may impose time limits for bringing a claim in arbitration;**
- **In some cases, a claim that is eligible for arbitration may be brought in court; and**
- **No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; who is a member of a putative class who has opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied, (ii) the class is decertified, or (iii) the person is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent set forth in this section.**

Miscellaneous Provisions

1. **Reporting.** Upromise will keep records of all transactions concerning your Account and will provide quarterly statements of your Account to you. Upromise will cause reports of your Account to be sent to you, the IRS, and such other regulatory authorities as required by law. If you do not write to the Managers to object to a statement or report within 60 days after it has been sent to you, you will be considered to have approved it and to have released CollegeInvest and the Managers from all responsibility for matters covered by the report. You agree to provide all information CollegeInvest or the Managers may need to comply with any legal reporting requirements. You will continue to be responsible for filing your federal and state tax returns and any other reports required of you by law.
2. **Duties of CollegeInvest.** Neither CollegeInvest nor its representatives has a duty to perform any action other than those specified in this Participation Agreement or the Plan Disclosure Statement. CollegeInvest may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by you or another authorized person and may assume that the authority of any authorized person continues in effect until CollegeInvest receives written notices to the contrary. CollegeInvest has no duty to determine or advise you of the investment, tax, or other consequences of your actions, or of its actions in following your directions, or of its failing to act in the absence of your directions.
3. **Duties of the Managers.** Neither the Managers nor their representatives have a duty to perform any actions other than those specified in the Plan Disclosure Statement and the Services Agreement. The Managers may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by you or another authorized person and may assume that the authority of any other authorized person continues in effect until the Managers receive written notices to the contrary. The Managers have no duty to determine or advise you of the investment, tax, or other consequences of your actions, or of their actions in following your directions, or of failing to act in the absence of your directions.
4. **Change in Manager.** CollegeInvest may appoint a new Manager in the future. In such event, your Account assets may: (i) continue to be managed by the prior Managers, (ii) be managed in part by a prior Manager and in part by the new Manager, such that assets in your Account before the change in Managers, and earnings on such assets, are managed by a prior Manager, and assets contributed to your Account after the change or earnings on such assets are managed by the new Manager, or (iii) be managed entirely by the new Manager. In each such event, you will not be able to direct investment of your Account assets, except as described above in ***Investment of Account Assets***.
5. **Effectiveness of this Participation Agreement.** This Participation Agreement shall become effective upon the execution of your Enrollment Application, subject to CollegeInvest's or the Managers' right to reject your Enrollment Application if, in processing the Enrollment Application, it is determined that the Enrollment Application has not been completed in accordance with guidelines under The Plan.

6. **Amendment and Termination.** CollegeInvest may, at any time, and from time to time, amend this Participation Agreement or the Plan Disclosure Statement, or suspend or terminate The Plan and the Trust, by giving written notice of such action to you, but your Account assets may not thereby be diverted from the exclusive benefit of you and/or the Beneficiary. Nothing contained in this Participation Agreement or the Plan Disclosure Statement shall constitute an agreement or representation by CollegeInvest, on its own behalf or on behalf of the Manager, or any contracting party, that it will continue to maintain The Plan or the Trust indefinitely.
7. **Successors and Assigns.** This Participation Agreement shall be binding upon the parties and their respective heirs, successors (including substitute and transferee Account Owners), and permitted assigns. You agree that all of your representations and obligations under this Participation Agreement shall inure to the benefit of the Managers as well as to CollegeInvest.
8. **Communications.** For purposes of this Participation Agreement, communications will be sent to you at the permanent address that you specify in your Enrollment Application or at such other permanent address that you give to the Managers in writing. All communications so sent will be deemed to be given to you personally upon such sending, whether or not you actually receive them.
9. **Severability.** If any provision of this Participation Agreement is held to be invalid, illegal, void, or unenforceable, by reason of any law, rule, or administrative order, or by judicial decision, such determination will not affect the validity of the remaining provisions of this Participation Agreement.
10. **Headings.** The heading of each section, paragraph, and provision in this Participation Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph, and provision.
11. **Governing Law.** This Participation Agreement shall be construed in accordance with and shall be governed by the laws of the State, without regard to community property laws or choice of law rules of any state. Your execution of the Enrollment Application shall constitute execution of this Participation Agreement.

Privacy Policy

CollegeInvest, State Administrator for Direct Portfolio College Savings Plan

CollegeInvest 529 Plan Privacy Policy

At CollegeInvest, privacy and confidentiality of your personal information is important and we want to ensure your trust in us. The following statement describes our practices and policies for protecting your nonpublic personal information. CollegeInvest reserves the right to revise this policy at any time with notice.

General

CollegeInvest does not disclose, sell, rent, trade, or otherwise provide nonpublic personal information that we have about you or your account(s) to third parties, whether affiliated or unaffiliated with CollegeInvest, except as permitted by law.

CollegeInvest only collects nonpublic personal information provided by you either through the secure online information requests or application, through general and toll-free telephone numbers, through the application process, or through your transactions with our program manager or us. Examples of nonpublic personal information collected include:

- Name, address, phone number, and Social Security number of Account Owner, Account successor, and Beneficiary.
- Account information, such as dollars contributed, units purchased, and value of account.
- Optional demographic information such as gender, household income, ethnicity, age, and level of education.
- Voluntary information collected by our service providers to conduct market research on our behalf.

CollegeInvest restricts access to your nonpublic personal and account information to those employees who need to know that information to service your account(s). We also maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.

CollegeInvest will disclose nonpublic personal information to third parties as is necessary to process and service your account(s). In addition, CollegeInvest will disclose nonpublic personal information to third parties providing services on CollegeInvest's behalf, such as delivery of information about CollegeInvest products and services through means including, but not limited to, mail, e-mail, and telephone. We also provide names, addresses, and telephone numbers to a firm that conducts market research on our behalf.

All third-party servicers are governed by confidentiality agreements requiring the third party to keep all personal information provided to them by CollegeInvest confidential except as permitted by law.

CollegeInvest®

Direct Portfolio College Savings Plan

CollegeInvest is the issuer of Plan securities, is the trustee of The Plan in accordance with Colorado law, oversees the Manager's activities and provides certain administrative services, such as marketing, audit, and financial statements, in connection with The Plan. Upromise Investments, Inc., serves as Plan Manager for the CollegeInvest Direct Portfolio College Savings Plan and has overall responsibility for the day-to-day operations, including effecting transactions. The Vanguard Group, Inc., also serves as Plan Manager and Investment Manager for the CollegeInvest Direct Portfolio College Savings Plan, and Vanguard Marketing Corporation, an affiliate of The Vanguard Group, Inc., assists CollegeInvest with marketing, distributing, and administration of The Plan.

The Plan's portfolios, although they invest in Vanguard mutual funds, are not mutual funds. Investment returns are not guaranteed and you could lose money by investing in The Plan.

CollegeInvest Direct Portfolio College Savings Plan
P.O. Box 55355
Boston, MA 02205-5355

Toll-Free Information
800-997-4295

World Wide Web
www.collegeinvest.org

Investments in The Plan are not insured or guaranteed by the Federal Deposit Insurance Corporation, the State of Colorado, CollegeInvest, Vanguard, or Upromise. Account Owners assume all investment risks, including the potential for loss of principal, as well as responsibility for federal and state tax consequences.

Vanguard Marketing Corporation, Distributor and Underwriter.

DPPDS 112007

Direct Portfolio

Enrollment Application and Postage-Paid Envelope

Enroll online

You can enroll online at www.collegeinvest.org. In just a few minutes, you'll receive your new account information and be able to manage your account right away. If you fund your account electronically, through electronic bank transfer (EBT), your initial contribution will be posted to your account the following business day!

Enroll by mail

1. Carefully read the Direct Portfolio Plan Disclosure Statement and Participation Agreement included in this kit before completing the account application.
2. Complete one Direct Portfolio Plan application for each student (beneficiary) for whom you are opening an account. You may use the application that follows, or you may download an application at www.collegeinvest.org. Applications may be photocopied.
3. Enclose a check for your initial deposit of at least $25. Please make your check payable to CollegeInvest Direct Portfolio College Savings Plan.
4. Sign the application and congratulate yourself. Mail your application in the enclosed postage-paid envelope addressed to CollegeInvest Direct Portfolio.

Please note: If you plan to take advantage of our convenient automatic investment plan, be sure to complete the automatic investment plan section of your application and include a voided check from the account from which you would like your funds transferred.

CollegeInvest Direct Portfolio College Savings Plan

Enrollment Application

CollegeInvest®

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT. We are required by federal law to obtain from each person who opens an account certain personal information—including name, street address, and date of birth, among other information—that will be used to verify identity. If you do not provide us with this information, we will not be able to open the account. If we are unable to verify your identity, we reserve the right to close your account or take other steps we deem reasonable.

- Complete this form to establish an account, or open an account online at **www.collegeinvest.org**.
- Your initial investment, including contributions by check, transfer, or rollover, must total at least $25.
- Please print clearly, preferably in capital letters and black ink.

Forms can be downloaded from our website at **www.collegeinvest.org**. Or you can call us to order any form at **800-997-4295** on business days from 6 a.m. to 7 p.m., Mountain time. Return this form and any other required documents in the enclosed postage-paid envelope, or mail to: **CollegeInvest Direct Portfolio College Savings Plan, P.O. Box 55355, Boston, MA 02205-5355.** For overnight delivery or registered mail, send to: **CollegeInvest Direct Portfolio College Savings Plan, 95 Wells Avenue, Suite 160, Newton, MA 02459-3204.**

1. Account Type

Select one of the account types below. If you do not select an account type, we will open an individual account for you.

☐ **Individual account.**

☐ **UGMA/UTMA account.** I am opening this account with assets liquidated from an UGMA/UTMA custodial account. *I understand that this may be a taxable event.*

☐☐ *(Indicate the state (please abbreviate) under the laws of which the UGMA/UTMA custodial account was opened.)*

☐ **Trust account.** I am opening this account under an existing trust. *(You must include copies of the first and last pages of the trust agreement—sometimes called the "execution pages"—containing the name of the trust, the date of the trust, and the names and signatures of the trustees.)*

2. Account Owner Information *(This individual or trust owns and controls the account.)*

Name of Individual or Custodian *(first, middle initial, last)*, **or Trust**

Social Security Number or Other Taxpayer ID Number

Birth Date/Trust Date *(month, day, year)*

Citizenship *(If not a U.S. citizen, please indicate country of citizenship.)*:

Daytime Telephone Number

Evening Telephone Number

E-Mail Address

CO ENROLL WEB FORM

Permanent Street Address or APO/FPO *(A P.O. box or rural route number is **not** acceptable.)*

City State Zip

Account Mailing Address if Different From Above *(used both as the account's address of record and for all account mailings)*

City State Zip

3. Designated Beneficiary Information *(This individual is the future student.)*

You may select only one beneficiary per account.

Name *(first, middle initial, last)*

Social Security Number or Individual Taxpayer ID Number

Birth Date *(month, day, year)*

Citizenship *(If not a U.S. citizen, please indicate country of citizenship.)*:

4. Successor Account Owner Information *(This individual will take control of your account in the event of your death.)*

- You may revoke or change the successor account owner at any time. Refer to the CollegeInvest Direct Portfolio Plan Disclosure Statement for more information.
- You can have only one successor account owner per account, and he or she must be a U.S. citizen or resident alien and must be at least 18 years of age.

Name *(first, middle initial, last)*

Birth Date *(month, day, year)*

5. Designated Parent/Guardian Information

- Complete this section only if the person listed in **Section 2** is a minor.

Name of Parent or Guardian *(first, middle initial, last)*

Social Security Number or Individual Taxpayer ID Number

Birth Date *(month, day, year)*

6. Investment Selection

- You can invest your contributions in the plan's age-based options, blended and individual portfolios, or a combination of these. Refer to the CollegeInvest Direct Portfolio Plan Disclosure Statement for more information.
- You may **choose up to five** of the investments listed below.
- You must **allocate at least 5%** of your contributions to each investment you choose, using whole percentages only.
- Your investment percentages must total 100%.

Age-Based Options *(Your investment mix automatically becomes more conservative as the beneficiary nears college age.)***:**

Conservative Age-Based Option	%
Moderate Age-Based Option	%
Aggressive Age-Based Option	%

Blended Portfolios *(Your investment mix changes only on your instructions.)***:**

Aggressive Growth Portfolio	%
Growth Portfolio	%
Moderate Growth Portfolio	%
Conservative Growth Portfolio	%
Income Portfolio	%

Individual Portfolios *(Your investment mix changes only on your instructions.)***:**

Stock Index Portfolio	%
Bond Index Portfolio	%
Money Market Portfolio	%
TOTAL	1 0 0 %

Please remember:

- Choose no more than five investments for your account.
- Use whole numbers.
- Allocate at least 5% to each investment you choose.

7. Initial Contribution

- The minimum initial contribution is $25 ($15 if contributing by payroll direct deposit).
- If you send one check that combines contributions from more than one source (for example, a $5,000 check that includes $2,500 from your bank account and $2,500 from an education savings account), mark each contribution source in the appropriate box below and indicate the amount to be attributed to each.
- Contributions and rollovers by check will not be available for withdrawal for ten business days. Contributions by electronic bank transfer (EBT) will be held for five business days.

Source of Funds *(Check all that apply.)*

A. ☐ **Personal check.** Make your check payable to *CollegeInvest Direct Portfolio College Savings Plan*.

$ ☐☐☐,☐☐☐.☐☐
Amount

B. ☐ **Electronic bank transfer (EBT).** To set this up, you must provide bank information in **Section 9**.

$ ☐☐☐,☐☐☐.☐☐ This amount will be your one-time EBT contribution to open your account.
Amount

C. ☐ **Direct rollover from another qualified 529 plan.** Complete and attach an Incoming Rollover Form, which is available online at **www.collegeinvest.org** or by calling **800-997-4295**. Rollovers between 529 plans for the benefit of the same beneficiary are limited to one every 12 months.

$ ☐☐☐,☐☐☐.☐☐
Amount *(estimated)*

D. ☐ **Indirect rollover from another qualified 529 plan, an education savings account (ESA), or a qualified U.S. savings bond.**

- **Indirect rollover from another qualified 529 plan or an ESA.** Enclose documentation from the distributing financial institution detailing a breakdown of contributions and earnings.
- **Indirect rollover from a qualified U.S. savings bond.** Attach a statement or IRS Form 1099-INT issued by the distributing financial institution that shows the interest paid upon redemption.

If you do not provide this documentation, the entire amount will be considered earnings, which could result in adverse tax consequences, particularly if you make a nonqualified withdrawal from your Direct Portfolio account.

$ ☐☐☐,☐☐☐.☐☐ $ ☐☐☐,☐☐☐.☐☐
Contributions Earnings

E. ☐ **Payroll direct deposit.** If you want to make contributions to your Direct Portfolio account through payroll direct deposit, you must contact your employer's payroll office to verify that you can participate. Direct deposit contributions will not be made to your account until you have received a payroll direct deposit confirmation from the CollegeInvest Direct Portfolio College Savings Plan, provided your signature and Social Security number or other taxpayer ID number on the form, and submitted the form to your payroll office. The amount you indicate below will be in addition to payroll direct deposits that you may have previously established on other Direct Portfolio accounts.

$ ☐☐☐,☐☐☐.☐☐
Amount of Deduction Each Pay Period *($15 minimum)*

8. Subsequent Contributions *(optional)*

Important: These options can be established only on accounts held by a U.S. bank, savings and loan association, or credit union that is a member of the Automated Clearing House (ACH) network. Money market mutual funds and cash management accounts offered through nonbank financial companies cannot be used.

Contributions by automatic investment plan (AIP) or electronic bank transfer (EBT) will not be available for withdrawal for five business days.

☐ **Automatic investment plan (AIP).** Have a set amount electronically transferred from your bank account to your Direct Portfolio account on a schedule.

- You may establish this service or change the debit amount and frequency at any time by visiting our website or calling us.
- Your Direct Portfolio account will be credited one business day before the withdrawal from your bank account.
- To set this up, you must provide your bank information in **Section 9**.

Amount of Debit *($25 minimum)*: $ ___ , ___ ___ ___ . 0 0

Frequency *(Check one.)*: ☐ Monthly ☐ Quarterly

Start Date: ___ ___ – ___ ___ – ___ ___ ___ ___
Date *(month, day, year)*

Your bank account will be debited on the 20th of any month, unless you pick a different date. Your bank account will be debited (money will be withdrawn) on the date you select and your investment will be credited (money will be added) to your Direct Portfolio account on the *previous business day*. **Note:** AIPs with a debit date of January 1st, 2nd, 3rd, or 4th will be credited in the same year as the debit date.

☐ **Electronic bank transfer (EBT).** Allows you to make one-time or periodic transfers of $25 or more from your bank account to your Direct Portfolio account by phone or online.

- The number of days the transfer takes depends on the timing of your request. If you request an EBT by 10 p.m., Eastern time, on a business day, you will receive a trade date of the next business day.
- To set this up, you must provide your bank information in **Section 9**.

9. Bank Information *(required to establish the AIP or EBT option)*

Bank Name

Bank Routing Number

Bank Account Number

Account Type: *(Check one.)* ☐ Checking ☐ Savings

Note: The routing number is usually located in the bottom left corner of your checks. You can also ask your bank for the routing number.

10. Authorization—YOU MUST SIGN BELOW

By signing below, I hereby apply for an account in the CollegeInvest Direct Portfolio College Savings Plan. I certify that:

- I have full authority and legal capacity to purchase portfolio units and to open an account in the CollegeInvest Direct Portfolio College Savings Plan.
- I have received and agree to the terms set forth in the CollegeInvest Direct Portfolio College Savings Plan Disclosure Statement and Participation Agreement and will retain a copy of this document for my records. I understand that the Plan from time to time may amend the CollegeInvest Direct Portfolio College Savings Plan Disclosure Statement and Participation Agreement, and I understand and agree that I will be subject to the terms of those amendments.
- I understand that investments in the CollegeInvest Direct Portfolio College Savings Plan are not insured by the FDIC or any other government agency, and account owners could lose money by investing in the Plan. Investments are not guaranteed by the State of Colorado, CollegeInvest, or The Vanguard Group, Inc. Account owners assume all investment risks, including the potential for loss of principal, as well as responsibility for federal and state tax consequences.
- If I have chosen an electronic money-transfer option, I authorize the Plan and Upromise Investments, Inc., upon telephone or online request, to pay amounts representing redemptions made by me, or to secure payment of amounts invested by me, by initiating credit or debit entries to my account at the bank named in **Section 9.** I authorize the bank to accept any such credits or debits to my account without responsibility for their correctness. I acknowledge that the origination of ACH transactions to my account must comply with provisions of U.S. law. I further agree that the Plan, Upromise Investments, Inc., The Vanguard Group, Inc., and their respective affiliates will not incur any loss, liability, cost, or expense for acting upon my telephone or online request. I understand that this authorization may be terminated by me at any time by written notification to the Plan, Upromise Investments, Inc., and The Vanguard Group, Inc. The termination request will be effective as soon as the Plan, Upromise Investments, Inc., and The Vanguard Group, Inc., have had a reasonable amount of time to act upon it. I certify that I have authority to transact on the bank account identified by me.
- The information I have provided on this form—and all future information I will provide with respect to my account—is true, complete, and correct.
- If I have selected an allocation to the Money Market Portfolio, the Income Portfolio, the Conservative Age-Based Option (if the beneficiary is less than 61 days from turning 11 years of age), the Moderate Age-Based Option (if the beneficiary is less than 61 days from turning 16 years of age), or the Aggressive Age-Based Option (if the beneficiary is less than 61 days from turning 19 years of age), the amount to be deposited to such portfolios or options has not been withdrawn or transferred from an account in the CollegeInvest Stable Value Plus College Savings Plan within a period of 61 days before this account opening.

➤ S I G N A T U R E ☐☐–☐☐–☐☐☐☐

Signature of Account Owner Date *(month, day, year)*

11. Additional Information *(optional)*

How did you hear about the CollegeInvest Direct Portfolio College Savings Plan? *(Check one.)*

☐ Direct mail	☐ Upromise® website
☐ TV	☐ Vanguard® website
☐ Online ad/E-mail	☐ Family/friend
☐ Radio	☐ Newspaper article
☐ Printed ad	☐ School event
☐ Employer	☐ Community event
☐ Financial advisor	☐ Seminar/workshop
☐ Billboard	☐ Other

To avoid processing delays, please be sure to:

1. Sign and fill out your enrollment application completely.
2. Enclose and sign your check.

More great programs from CollegeInvest.

CollegeInColorado.org

College in Colorado is a five-year, statewide initiative to increase the number of Colorado students who are prepared for, enroll in and graduate from college. To expand college access and success for all students—regardless of age, race or socioeconomic background—CollegeInColorado.org is a free resource for Colorado students, parents, high school counselors and college admission and financial aid officers.

Apply for the CollegeInvest Scholarship Programs

Every year, CollegeInvest offers 125 scholarships totaling more than $400,000 to students who attend college or vocational schools in Colorado. We offer two types: 1) the Opportunity Scholarship, worth $1,000 for one year; and 2) the Service Scholarship, worth $6,000 over two years. Scholarships are awarded at random from all qualified applications, and there are no GPA requirement or essays to write, making them two of the easiest scholarship applications out there.

Formerly known as the College In Colorado Scholarship, the CollegeInvest Early Achievers Scholarship is being offered to Colorado's 7th, 8th and 9th grade students who commit to completing pre-collegiate coursework and graduate from high school with at least a 2.5 GPA. The scholarship encourages students to begin planning for college early and provides financial support for high-need students who are academically prepared for higher education. Students who meet all of the CollegeInvest Early Achievers Scholarship requirements will qualify for up to $1,500 per year to help fill the gap in college financing at a Colorado college.

For information about all of our scholarships, please visit www.collegeinvest.org

CollegeInvest Student and Parent Loans

As a not-for-profit division of the Colorado Department of Higher Education, CollegeInvest is able to offer some of the best deals on a wide variety of student and parent loans. To find out more about the CollegeInvest Stafford or PLUS loans, the Free Application for Federal Student Aid (FAFSA) or for tips on choosing and applying to colleges, visit www.collegeinvest.org. There, you can download our free college financial-planning workbook, a step-by-step guide for working out college finances. Or, call us at 1-800-448-2424 and we'll be happy to mail you one.

College Opportunity Fund

The College Opportunity Fund (COF) is a tuition stipend for new and continuing in-state undergraduate students enrolled at least half time at a public or participating private college or university in Colorado. The stipend is funded by the state of Colorado and paid directly to colleges and universities on behalf of individual students. The stipend is deducted from your total in-state tuition expenses, but you must apply to receive it. For more information or to apply, visit CollegeInColorado.org or call 720-264-8550 or 1-800-777-2757.

Save in Colorado for colleges across the country.

CollegeInvest 529 College Savings Program

CollegeInvest is a not-for-profit division of the Colorado Department of Higher Education. As such, our only goal is to help students get an education beyond high school. So, we work hard to provide expert information, simple planning tools, scholarships, 529 college savings plans, and low-cost student and parent loans, all to help take your education dollars as far as they can go.

WE HELP YOU GET THERE

1-800-448-2424

www.collegeinvest.org

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