

# Annual Highlights

Through December 31, 2007



Direct Portfolio

## Director's Message

2007 was an exciting year for CollegeInvest and the Direct Portfolio College Savings Plan. It marked the 3<sup>rd</sup> full year of the plan's existence, and the number of investors in the plan continues to grow.

During the six months ending December 31, 2007, approximately 7,600 new accounts were opened, bringing the total number of accounts to over 69,000. CollegeInvest also received more than \$122.1 million in contributions to the Direct Portfolio plan, resulting in \$806.9 million in assets under management.

With the cost of higher education continuing to increase every year, we're focused on helping you and your family achieve your higher education financing goals. Our Direct Portfolio College Savings Plan offers you the option of payroll deduction and automatic funds transfer. By taking advantage of either of these options, saving for college will become a regular habit, helping you get that much closer to your savings goal.

By encouraging your family and friends to contribute to your child's account for birthdays, holidays and other special occasions, together you're helping to give your child an important gift. Rather than clothing or toys, which are easily outgrown or broken, the gift of higher education is one that lasts a lifetime.

We're confident that you will continue to find Direct Portfolio competitive to other plans to save for college and look forward to continuing to help you meet your college savings goals. If you have any questions, please call one of our college savings specialists at 1-800-997-4295 or email [savings@collegeinvest.org](mailto:savings@collegeinvest.org).

Sincerely,

Debra L. DeMuth, Director  
CollegeInvest  
Administrator of the Direct Portfolio College Savings Plan

## 2007 Highlights and Updates

- ◆ At the close of 2007, investments in Colorado's CollegeInvest 529 College Savings Program reached over \$3.4 billion in total assets. The Program is made up of three college savings plans, including Direct Portfolio.
- ◆ More than \$47,000 was awarded to middle- to lower-income Colorado families through our matching grant program. This program provides eligible account owners with matching funds in a CollegeInvest 529 Program account, dollar for dollar, up to \$500 per year (subject to fund availability). Families can apply for the Matching Grant program by May 31 to be preapproved to receive matching grants on contributions they make to CollegeInvest 529 college savings plans in 2008.
- ◆ Do you have a child in 7th, 8th, or 9th grade? If so, they have the opportunity to apply for the CollegeInvest Early Achievers Scholarship. If they complete pre-collegiate coursework and graduate from high school with at least a 2.5 cumulative GPA, they may qualify for this scholarship for up to five years at an eligible Colorado college.

Are your children getting ready to graduate High School?

How much will college really cost you?

Are you looking for a step-by-step workbook to guide you through the off-to-college and financial aid process?

Did you know CollegeInvest offers Student and Parent Loans and more than \$400,000 in scholarships each year?

Find the answer to all of these questions, plus a variety of other resources to help you navigate the higher education financing process on our Web site at [www.collegeinvest.org](http://www.collegeinvest.org).

**Direct Portfolio Fund**  
**Audited Statement of Fiduciary Net Assets\***  
**As of June 30, 2007**  
(dollar amounts expressed in thousands)

<b>Assets:</b>	
Investments, at fair value	\$ 709,693
Receivables and other assets	<u>1,253</u>
<b>Total fiduciary assets</b>	<b>710,946</b>
<b>Total liabilities</b>	<u>493</u>
<b>Total fiduciary net assets, held in trust</b>	<b>\$ <u>710,453</u></b>

**Direct Portfolio Fund**  
**Audited Statement of Changes in Fiduciary Net Assets\***  
**For the Year Ended June 30, 2007**  
(dollar amounts expressed in thousands)

<b>Additions:</b>	
Net investment income	\$ 79,808
Participant contributions	197,991
Fee income	<u>341</u>
<b>Total additions</b>	<u>278,140</u>
<b>Deductions:</b>	
Benefits paid to participants and withdrawals	40,582
Administrative fees and operating expenses	<u>4,456</u>
<b>Total deductions</b>	<u>45,038</u>
<b>Net change in fiduciary net assets</b>	
before transfers	233,102
Intraprogram administrative fee transfers	146
<b>Fiduciary net assets, beginning of year</b>	<u>477,205</u>
<b>Fiduciary net assets, end of year</b>	<b>\$ <u>710,453</u></b>

\* These financial statements are condensed and do not include any disclosures or certain additional statements required by Generally Accepted Accounting Principles. Complete audited financial statements of the Fund for the year ending June 30, 2007 are available upon request or can be found at [www.collegeinvest.org](http://www.collegeinvest.org).

**Financial Results as of December 31, 2007**

During the six months ended December 31, 2007, the Plan received approximately \$122.1 million in contributions and reflected an overall unaudited net increase in fiduciary net assets of approximately \$92.3 million.

**Average Tuition vs. Actual Tuition**

The chart below demonstrates Colorado Average Tuition for the 2007/2008 school year compared to a sample of colleges and universities<sup>1</sup> in Colorado. The chart below is for information only and not intended to reflect the value of any account.

Colorado Average Tuition	University of Colorado Boulder	Metropolitan State College of Denver	Front Range Community College
\$4,313	\$5,418	\$2,432	\$2,315

<sup>1</sup> Colleges listed have the largest student population of Colorado schools in the categories of: Public 4-Year University, Public 4-Year College, and Public Community College. Please note this is the cost of tuition only and not the total cost of attendance at each college.

**CollegInvest Direct Portfolio Investment Options**

The investment options available in the Direct Portfolio Plan have been designed to meet the needs of all types of investors, from the novice to the most knowledgeable. The **Age-Based Options** are constructed based upon the beneficiary's age and the owner's risk tolerance. These portfolios automatically adjust over time and become more conservative as the time approaches to pay college expenses for the beneficiary. The **Blended Portfolios** and the **Individual Portfolios** do not change; the asset allocation of these portfolios remain the same. The account owner can change the investment of an existing balance only once per calendar year, but can change the direction of future contributions at any time.

*For performance data current to the most recent month-end, call 1-800-997-4295 or visit [www.collegeinvest.org](http://www.collegeinvest.org). Standardized performance as of the most recent quarter-end can be found in the Annual Report.*

**Coloradans... Tell us Your Story!**

How has CollegInvest helped your family? We're looking for real life stories from our customers showing how your 529 College Savings plan has helped members of your family make higher education a reality. Share your story at [www.collegeinvest.org](http://www.collegeinvest.org) and you'll be automatically entered into a random drawing to win a \$500 contribution to your college savings account!

**The CollegInvest Office Are Moving!**

As of April 1, 2008, our new address will be 1560 Broadway, Suite 1700, Denver, CO 80202. We can still be reached at 1-800-448-2424 or [www.collegeinvest.org](http://www.collegeinvest.org).

## **Important Considerations**

### ***Official Statement***

*To learn about CollegenInvest's 529 program, its objectives, risks, charges, limitations, restrictions and qualifications regarding the Plans' benefits and potential tax advantages, please read the Program Disclosure Statements (PDS) available at [www.collegeninvest.org](http://www.collegeninvest.org). Also, check with your home state to learn if it offers tax or other benefits for investing in its own plan. CollegenInvest and the CollegenInvest logo are registered trademarks. Administered and Issued by CollegenInvest.*

### **Capacity of Dealer and Other Parties**

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

### **Vanguard and Upromise**

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

Vanguard Marketing Corporation, Distributor and Underwriter for the CollegenInvest Direct Portfolio College Savings 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.

*CollegenInvest and the CollegenInvest logo are registered trademarks. Vanguard is a trademark of The Vanguard Group, Inc. Upromise is a registered service mark of Upromise, Inc.*