

## INVESTMENT OPTION SELECTION GUIDE

The Investment Option Selection Guide is intended to give you at-a-glance information about the options available in VEST. The Guide provides the investment choice, performance data and the total expense ratio for each investment option. Please read the enclosed VEST Program Description for more details. Visit [www.virginia529.com](http://www.virginia529.com) for the most up-to-date performance information.

VEST Investment Options	Inception Date	Investment Performance as of 9/30/09 <sup>1</sup>				Expense Ratio
		One Year	Three Years	Five Years	Since Inception	
<b>Aged-Based Evolving Portfolios:</b>						
Eastern Shore <sup>2</sup>	January 2008	-0.51%	-	-	-7.85%	0.53%
Alleghany	August 2005	-0.19%	-1.93%	-	1.56%	0.53%
Chesapeake	January 2002	0.50%	-1.67%	4.02%	4.41%	0.51%
Potomac	January 2000	2.49%	-0.73%	4.26%	3.14%	0.50%
Southside	January 2000	4.05%	0.13%	4.31%	3.28%	0.48%
Blue Ridge	January 2000	3.91%	0.41%	4.08%	3.51%	0.45%
Highlands	January 2000	-4.66%	-1.90%	2.06%	2.73%	0.35%
Shenandoah	January 2000	3.96%	4.48%	5.04%	4.20%	0.35%
Tidewater	January 2000	3.96%	4.48%	4.43%	3.96%	0.35%
Piedmont	January 2000	3.96%	4.48%	4.43%	4.66%	0.35%
<b>Non-Evolving Portfolios:</b>						
Aggressive	January 2002	-3.56%	-3.51%	2.53%	2.71%	0.46%
Moderate	January 2002	-0.19%	-1.20%	3.11%	3.31%	0.47%
Conservative	January 2002	5.04%	2.56%	3.63%	3.69%	0.47%
Money Market	January 2002	1.05%	3.13%	3.14%	2.20%	0.38%
Total Stock Market Index	July 2005	-6.17%	-4.87%	-	-1.31%	0.31%
Total Bond Market Index	August 2005	10.39%	6.30%	-	5.16%	0.33%
International Stock Index	August 2005	4.43%	-1.87%	-	3.96%	0.59%
Inflation-Protected Securities	August 2005	4.37%	5.04%	-	4.06%	0.34%
Real Estate Investment Trust Index	August 2005	-26.64%	-12.12%	-	-3.66%	0.35%
Socially Targeted Investment Portfolio <sup>3</sup>	October 2009	-4.74%	2.66%	5.37%	3.30%	1.05%

<sup>1</sup> All investment return information is calculated by BNY Mellon Asset Servicing (with the exception of the Socially Targeted Investment Portfolio, which is discussed in Note 3). Returns are presented net of management fees and VEST administrative fees. Returns for periods greater than one year are annualized.

<sup>2</sup> As a new VEST offering, the Eastern Shore Portfolio does not yet have an established performance history. However, had the Eastern Shore Portfolio been in existence in earlier periods, its performance would have been comparable to that of the Alleghany Portfolio.

<sup>3</sup> The Socially Targeted Investment Portfolio is a new Portfolio which does not yet have any performance history of its own. Therefore, the returns of the underlying mutual fund which will be used for the Portfolio are presented for informational purposes. These returns have been calculated by Parnassus Investments and are presented net of expenses for the underlying fund, but do not include any adjustment for the VEST administrative fee.

**The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so your account may be worth more or less than the value of your total contribution.**

## FREQUENTLY USED INVESTMENT TERMS

**Active Management** – An investment approach that seeks to exceed the average returns of the financial markets. Active managers rely on research, market forecasts, and their own judgment and experience in selecting securities to buy and sell.

**Asset Allocation** – The distribution of your funds among various investment alternatives or asset classes. Typically, asset allocation is expressed in percentages – for example, 40% equities, 40% fixed-income, 20% cash.

**Asset Classes** – Different types of investments. Equities (stocks), fixed-income (bonds) and money market (short-term investments) are examples of asset classes.

**Balanced Fund** – A fund that seeks both growth and income, with stability of principal through a portfolio that includes both stocks and bonds.

**Capitalization** – The market value of a company's outstanding securities, excluding current liabilities. Under \$3 billion is generally considered small-cap; \$3 - \$10 billion is mid-cap; and over \$10 billion is large-cap.

**Equities** – Also called stocks. A security representing ownership rights in a company. A stockholder is entitled to share in the company's profits, some of which may be paid out as dividends.

**Expense ratio** – The percentage of a mutual fund's – and VEST Portfolios' – net assets used to pay its expenses during a fiscal year. The expense ratio of the VEST Portfolios includes the expense ratio of the underlying funds' management fee and the VEST administrative fee.

**Fixed-Income Securities** – Also called bonds. Essentially, these are loans that you make to a government or corporation (called the issuer) when it needs to raise the cash. They have a maturity date, which is the date the issuer is obligated to repay you the principal or face amount, of the bonds. Bonds also generally pay you interest until their maturity date.

**Growth Fund** – A mutual fund that generally invests in stocks of companies believed to have above-average potential for growth in revenue and earnings. These stocks typically have low dividend yields and above-average prices in relation to such measures as earnings and book value.

**Index Fund** – A passively-managed mutual fund that seeks to match the performance of a particular market index.

**Inflation-indexed Securities** – Bonds issued by the U.S. government, government agencies, or corporations whose principal and interest payments – unlike those of conventional bonds – are adjusted over time to reflect inflation.

**International Stock Fund** – A mutual fund that invests in the stock of companies located outside of the United States.

**Money Market Fund** – A mutual fund designed to provide safety of principal and current income by investing in securities that mature in one year or less, such as bank certificates of deposit, commercial paper and U.S. Treasury bills. Money market funds seek to maintain a stable \$1 net asset value. Money market funds have the lowest risk of any type of mutual fund, but may offer the lowest potential for gains.

**Mutual Fund** – A diversified, professionally-managed portfolio of securities that pools the assets of individuals and organizations to invest toward a common objective such as current income or long-term growth.

**Net Asset Value (NAV)** – The value of each Unit in a Portfolio calculated each business day the New York Stock Exchange is open. Net asset value is computed by dividing the total value of each Fund that makes up a Portfolio, plus any receivables and less any liabilities of the Portfolio, by the number of outstanding Units of the Portfolio.

**Passive Management** – A low-cost investment strategy in which a mutual fund attempts to match – rather than outperform – a particular stock or bond market index; also known as indexing.

**Real Estate Investment Trust Securities** – An investment fund designed to invest in various real estate properties. It is similar to a stock or bond mutual fund, except that the money provided by the investors is invested in property and buildings rather than in stocks and bonds.

**Securities** – The general name used to describe stocks, government obligations, corporate bonds, or ownership rights, such as options or futures.

**Total Return** – A percentage change, over a specified time period, in a mutual fund's net asset value, adjusted to reflect the reinvestment of all dividend and capital gain distributions.