



Virginia College Savings PlanSM

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Virginia's 529 Plan Offers Socially Targeted Investment Option

The Virginia College Savings Plan is now offering the Parnassus Equity Income Fund, a socially targeted fund, as an investment option under its VEST college savings program to help people save tax-free for qualified higher education expenses. Socially targeted funds seek companies with a strong commitment to ethical business practices, strong corporate governance policies and protecting the environment.

Parnassus Investments, based in San Francisco, California, conducts fundamental research to determine a company's financial health and its business prospects, and also takes social factors into account in making investment decisions. It does not invest in companies that derive significant revenues from the manufacture of alcohol or tobacco products or from direct involvement with gambling. Parnassus Investments does not invest in companies that derive significant revenues from the manufacture of weapons or the generation of electricity from nuclear power.

"A growing number of our Virginia Education Savings Trust (VEST) account owners have indicated an interest in a socially targeted investment option," said Mary G. Morris, Chief Executive Officer of the Virginia College Savings Plan. "After reviewing socially targeted funds, the Board selected the Parnassus Equity Income Fund because of its history of solid returns, active management and low expense ratio in conjunction with its social criteria screens."

Jerome L. Dodson, Parnassus Investments Chairman and Chief Executive Officer, added, "We are pleased to work with the Virginia College Savings Plan, which shares our philosophy that socially responsible investing does not mean sacrificing financial discipline. At the same time, just because a company has a positive benefit to society does not make it a good financial investment. This is why, after applying our social criteria, we select companies strictly based on our investment process."

According to Parnassus Investments, the return on the Parnassus Equity Income Fund over the ten-year period ended June 30, 2009 was 5.55% versus -2.22% for the S&P 500 Index. Generally, at least 75% of the Fund's total assets will be invested in equity securities that pay interest or dividends, while the remaining 25% may be invested in non-income producing equity securities, fixed-income securities and money-market instruments.

VEST, an Internal Revenue Code Section 529 program, offers account owners a choice of 16 different investment options, including age-based and static investment portfolios with a varying mix of equity and fixed income investments to appeal to individuals with different investment objectives, investment styles and college savings time horizons. VEST allows participants to save for a designated beneficiary's cost of qualified higher education expenses including tuition, mandatory fees, room and board, textbooks, supplies and computers. VEST has no state residency requirements, no age limits and accounts may be opened at any time.

VEST is one of four 529 programs offered by the Virginia College Savings Plan – the country's largest 529 plan. In 2008 and again in 2009, Morningstar Inc., a leading provider of independent investment research, ranked Virginia's VEST and CollegeAmerica programs among the "Best Five" 529 options in the country.