



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
10th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

Important Optional Retirement Plan (ORP) Information

March 11, 2010

Dear Optional Retirement Plan Participant:

You will see significant changes effective July 1, 2010, in the Tennessee Optional Retirement Plan (ORP) administered by the Treasury Department. ORP services are delivered through State of Tennessee contracts with investment and plan service providers. A recent competitive procurement awarded the ORP retirement plan investment and service contracts to ING, TIAA-CREF, and VALIC for the next five years. Representatives of the Tennessee Department of Treasury, Department of Finance and Administration, University of Tennessee, and the Board of Regents evaluated the proposals. Investment options have been changed to reduce fees and to increase fee transparency.

What's New? - Changes Include:

- No more deposits to your current annuity contracts after July 1, 2010;
- New investment options offered including mutual funds;
- Fee reductions;
- Greater flexibility to change investment options within the plan;
- Greater transparency of fees for service;
- Investment advice through an internet link; and
- Increased internet transaction access and statement availability.

ORP Change Meetings

Your current investment option choices will no longer be effective after June 30, 2010. **Take action now to select investment options.** Representatives from ING, TIAA-CREF, and VALIC will be present at each campus group meeting to provide more information and answer your questions. Attend your campus meeting – the changes will be discussed in depth as you hear from each vendor and pick up detailed information about the new investment options. Watch for a meeting announcement.

Your Action Needed – You should act promptly.

1. Attend a meeting held at your campus.
2. Specify the percentage of the employer contribution to be deposited to your ORP account for each plan provider on the attached Contribution Specification Form.
3. Complete enrollment form(s) for any newly selected providers;
4. Select investment options for each new and existing provider receiving deposits to your account.
5. Name your beneficiary.
6. **Submit all forms by May 14, 2010 to your campus HR Officer.**

Make a new investment option selection following a review of the investment data available from the plan providers, on the web, and at the ORP campus meetings. Complete an enrollment form for new provider(s) selected. Return all forms to your campus Human Resource Office on or before May 14, 2010. In the Tennessee Optional Retirement Plan (ORP) you direct the investment of deposits in your account(s). Work with the providers to select your new investment options.

Over →

What happens to your old Annuity Contract?

Your previous annuity contract will continue to exist but no future contributions will be made to it. Your new investments will not have a life insurance component. Any money that you transfer out of your existing annuity contract cannot later be redeposited because the contracts are closed to new deposits.

What Didn't Change?

The ORP is still intended to be the source of life payments to you upon retirement. No more than one half of your ORP balance may be taken in a lump sum. If you take a lump sum distribution you must annuitize an equal amount at the same time. Your existing providers will continue to provide ORP service.

What happens if I take No Action?

Each ORP participant who takes no positive action will see the contribution percentage deposited to each provider unchanged. If you do not select new investment options, the service providers have been instructed to place new contributions made by the State after June 30, 2010 in an age appropriate target date or lifestyle fund. The goal of target date / lifestyle funds is to match a participant with an assumed retirement at age 65. Based on birth year the fund(s) nearest to the participant's age 65 will be assigned to receive that contribution. Each provider offers a series of target/ lifestyle funds. Consider if this investment option is appropriate for you.

Each participant should thoughtfully select the vendor(s) and the investment options to receive contribution deposits. Your selection of investment options instructs the investment provider to deposit the state contribution as you direct.

Where Can I go for Answers?

- **Attend a meeting held at your campus.**
- Contact your ORP Investment Management Provider ING 866-776-6704, TIAA-CREF 800-732-8353 or VALIC 800-448-2542 for investing, enrollment, contact, or beneficiary questions.
- Contact your campus Human Resources Office for process questions.
 - University of Tennessee faculty and staff may call the UT Benefits Call Center at UT Call Center 865-946-8847 or toll free 1-888-444-8847.
 - TBR faculty and staff contact your campus Human Resources office.
- Internet links will be available at <http://treasury.tn.gov/orp/index.html>.

We look forward to your response to these exciting new investment options.

Sincerely:



Beth R. Chapman
Optional Retirement Plan Administrator

Attachments:

Contribution Specification Form
ING, TIAA-CREF, and VALIC Investment Options

Administrative charge

An effective annual charge of 0.55% will be assessed on mutual fund assets in the plan for which administrative services are provided. This does not apply to the Fixed-Interest Option.

Additionally, annual operating expenses charged by the mutual funds apply for each mutual fund chosen and are described in each fund's prospectus.

* Policy Form GFA-504, a fixed annuity issued by The Variable Annuity Life Insurance Company, Houston, Texas.

Participant service options

- > Assistance from on-site financial advisors
- > Comprehensive computer-based retirement planning and investment advisory services
 - 4SIGHT®
 - Portfolio BuilderSM
 - Portfolio Optimizer®
- > Objective and expert investment advice
- > Customized asset management services
- > Assisted enrollment services
- > ePrint:SM a Web-based system that provides access to all the documentation you need to invest and to manage your account
- > Account access through the Internet, voice-response telephone system and Client Care Center
- > Annual client reviews
- > Educational seminars on-site or at the VALIC Financial Planning and Education Center
- > Quarterly account statements for active accounts
- > Quarterly educational newsletters

Withdrawal restrictions

Withdrawals may be made upon separation from service. Generally, a maximum of 20% of your Fixed-Interest Option account balance will be available for in-service transfers to another investment option each year.

Access to your funds

You have a choice of payout options. For example, you can:

- > Purchase an annuity to receive regular income payments
- > Leave funds on deposit
- > Take systematic withdrawals
- > Take partial withdrawals
- > Take a lump-sum distribution
- > At least 50% of cash accumulation in any Tennessee Optional Retirement Program account must be annuitized.

Withdrawals before age 59½ may be subject to federal restrictions and a 10% federal tax penalty. Withdrawals are not subject to the federal 10% tax penalty if you are age 55 or older when you separate from service from your employer. Early withdrawals for total disability or demise of policyholder do not incur a tax penalty.

Enrolling is easy! Here is how ...

It's easy to join, you can enroll simply by filling out a form that is available through your financial advisor.

Managing your account

Our automated systems make it simple and convenient to access your account and perform transactions:

- > VALIC Online: VALIC.com
- > VALIC by Phone: 1-800-448-2542

Contact information

VALIC
278 Franklin Road
Suite 151
Brentwood, TN 37027
Phone number: 615-221-2541

CLICK
VALIC.com

CALL
1-800-448-2542

VISIT
your local
financial advisor

To view or print a prospectus, visit www.valic.com and click on ePrintSM under Links to Login. Enter your Group ID in the Login field and click go. Click on "Funds" in Quick Links, and funds available for your plan are displayed. The prospectus contains the investment objectives, risks, charges, expenses and other information about the respective investment company that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money. You can also request a copy by calling 1-800-448-2542.

Securities and investment advisory services are offered by VALIC Financial Advisors, Inc., member FINRA and an SEC-registered investment advisor.

VALIC represents The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company.

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VC 23194 (03/2010) J77517 EE

VALIC

Tennessee Optional Retirement Program

Mapping Schedule

CURRENT INVESTMENT FOR VALIC'S PORTFOLIO DIRECTOR® FIXED & VARIABLE ANNUITY	VALIC MUTUAL FUNDS AVAILABLE	Ticker
International / Global Equity *	International / Global Equity *	
Foreign Value Fund (Franklin Templeton)	American Funds EuroPacific Gr R6	RERGX
Global Equity Fund (BlackRock)	American Funds Capital World G/I R6	RWIGX
International Equities Fund	American Funds EuroPacific Gr R6	RERGX
International Growth I (AIM/MFS/AmCent)	American Funds EuroPacific Gr R6	RERGX
International Small Cap Equity	American Funds EuroPacific Gr R6	RERGX
Specialty	Specialty	
Global Real Estate (Invesco Aim/Goldman Sachs)	Vanguard REIT Index	VGSIX
Specialty	Large Blend (S&P 500 Index)	
Health Sciences Fund (T. Rowe)	Vanguard 500 Index Signal	VIFSX
Science & Technology Fund (T. Rowe/Wellington/RCM)	Vanguard 500 Index Signal	VIFSX
Small Cap	Small Cap	
Small Mid Growth Fund (Evergreen)	Vanguard Small Cap Growth Index	VISGX
Small Cap Aggressive Growth Fund (Wells Capital Mgmt.)	Vanguard Small Cap Growth Index	VISGX
Small Cap Growth Fund (JPMorgan)	Vanguard Small Cap Growth Index	VISGX
Small Cap Fund (T. Rowe/Franklin/AmCent/Bridgeway)	Vanguard Small Cap Index Signal	VSISX
Small Cap Value Fund (JPMorgan)	Vanguard Small Cap Value Index	VISVX
Small Cap Special Values Fund (Evergreen/Dreman)	Vanguard Small Cap Value Index	VISVX
Ariel Fund	Vanguard Small Cap Value Index	VISVX
Mid Cap	Mid Cap	
Mid Cap Strategic Growth Fund (Morgan Stanely/Brazos)	Morgan Stanley Inst Mid Cap Growth I	MPEGX
Mid Cap Growth Fund (AIM)	Morgan Stanley Inst Mid Cap Growth I	MPEGX
Ariel Appreciation	Vanguard Selected Value	VASVX
Mid Cap Value Fund (Wellington/First American)	Vanguard Selected Value	VASVX
Domestic Large Cap	Domestic Large Cap	
Large Capital Growth Fund (SAAMCo/AIM)	American Funds Growth Fund of Amer R6	RGAGX
Growth (American Century)	American Funds Growth Fund of Amer R6	RGAGX
Capital Appreciation Fund (Bridgeway)	American Funds Growth Fund of Amer R6	RGAGX
Large Cap Core Fund (Evergreen)	American Funds Fundamental Invs R6	RFNGX
Core Equity Fund (BlackRock)	American Funds Fundamental Invs R6	RFNGX
Blue Chip Growth Fund (T. Rowe)	American Funds Growth Fund of Amer R6	RGAGX
Lou Holland Growth	American Funds Growth Fund of Amer R6	RGAGX
Large Cap Value Fund (SSGA)	American Funds American Mutual R6	RMFGX
Growth & Income Fund (SAAMCO)	American Funds Fundamental Invs R6	RFNGX
Core Value Fund (American Century)	American Funds American Mutual R6	RMFGX
Vanguard Windsor II	American Funds American Mutual R6	RMFGX
Broad Cap Value Income Fund (Barrow Hanley)	American Funds American Mutual R6	RMFGX
Value Fund (Oppenheimer)	American Funds American Mutual R6	RMFGX
Socially Responsible	Large Blend (S&P 500 Index)	
Socially Responsible Fund	Vanguard 500 Index Signal	VIFSX
Socially Responsible	International / Global Equity *	
Global Social Awareness Fund	American Funds Capital World G/I R6	RWIGX
Index	Index	
Small Cap Index Fund	Vanguard Small Cap Index Signal	VSISX
Mid Cap Index Fund	Vanguard Mid Cap Index Signal	VMISX
Stock Index Fund	Vanguard 500 Index Signal	VIFSX
Nasdaq-100 Index Fund	Vanguard 500 Index Signal	VIFSX

Tennessee Optional Retirement Program

Mapping Schedule

CURRENT INVESTMENT FOR VALIC'S PORTFOLIO DIRECTOR [®] FIXED & VARIABLE ANNUITY	VALIC MUTUAL FUNDS AVAILABLE	Ticker
Lifestyle	Target Maturity	
Aggressive Growth Lifestyle Fund	Wells Fargo Advantage DJ Target 2040 I	WFOSX
Moderate Growth Lifestyle Fund	Wells Fargo Advantage DJ Target 2030 I	WFOOX
Conservative Growth Lifestyle Fund	Wells Fargo Advantage DJ Target 2020 I	WFOBX
Vanguard LifeStrategy Growth	Wells Fargo Advantage DJ Target 2040 I	WFOSX
Vanguard LifeStrategy Moderate Growth	Wells Fargo Advantage DJ Target 2030 I	WFOOX
Vanguard LifeStrategy Conservative Growth	Wells Fargo Advantage DJ Target 2020 I	WFOBX
Target Maturity	Target Maturity	
AIG SunAmerica 2015 High Watermark Fund	Wells Fargo Advantage DJ Target Today I	WOTDX
AIG SunAmerica 2020 High Watermark Fund	Wells Fargo Advantage DJ Target Today I	WOTDX
Balanced	Target Maturity	
Asset Allocation Fund	Wells Fargo Advantage DJ Target 2020 I	WFOBX
Global Strategy Fund (Franklin Templeton)	Wells Fargo Advantage DJ Target 2020 I	WFOOX
Vanguard Wellington	Wells Fargo Advantage DJ Target 2030 I	WFOOX
Non-US Govt Bonds	Intermediate-Term Bond	
International Government Bond Fund	Vanguard Total Bond Market Index	VBMFX
Corporate Bonds	Intermediate-Term Bond	
Capital Conservation Fund	Vanguard Total Bond Market Index	VBMFX
Vanguard L/T Investment Grade	PIMCO Total Return Instl	PTTRX
High Yield Bond (Wellington)	PIMCO Total Return Instl	PTTRX
Core Bond	PIMCO Total Return Instl	PTTRX
Strategic Bond	PIMCO Total Return Instl	PTTRX
Government Bonds	Government Bonds	
Inflation Protected Fund	Western Asset Inflation Indexed Plus Bd	WAIIX
Government Securities	Western Asset Inflation Indexed Plus Bd	WAIIX
Vanguard Long-Term Treasury	Western Asset Inflation Indexed Plus Bd	WAIIX
Money Market ***	Money Market ***	
Money Market I	Vanguard Prime Money Market	VMMXX
Money Market II	Vanguard Prime Money Market	VMMXX
Fixed Account	Fixed Account	
Fixed Account Plus	VALIC Fixed-Interest**	n/a
Short Term Fixed Account	VALIC Fixed-Interest**	n/a
Multi-Year Enhanced Fixed Option	VALIC Fixed-Interest**	n/a

* International fund unit value and returns will fluctuate with market conditions, currencies, and the economic and political climate where investments are made.

** Policy Form GFA-504, a group fixed annuity by The Variable Annuity Life Insurance Company, Houston, Texas.

*** An investment in a money market fund is not insured by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment as \$1.00 per share, it is possible to lose money by investing in the Fund.

The service provider is VALIC Retirement Services Company (VALIC).

For more complete information about Portfolio Director, including fees, charges, expenses and contract limitations, visit www.valic.com or call 1-800-428-2542 (option 3) to obtain a prospectus kit.

For more complete information about mutual funds, please call 1-888-568-2542 for a prospectus kit.

Please read the prospectus(es) carefully before investing or sending money.

Securities and investment advisory services are offered through **VALIC Financial Advisors, Inc., member NASD/SIPC.**

RS#

Mutual Fund Beneficiary Designation Form

Group ID# 25500001

VALIC Retirement Services Company

1. CLIENT INFORMATION

Name: _____ SSN or Tax ID: _____

Account Number(s): Changes made on this form will apply to all of your **Mutual Fund Accounts Only** unless you note specific accounts below.

2. PRIMARY BENEFICIARY DESIGNATION - Primary beneficiaries receive death benefits upon the client's death.

This beneficiary designation supersedes all previous beneficiary designations for such account(s).

- A beneficiary may be an individual, institution, estate, or trust.
- To ensure that all beneficiaries are identified, list each by name.
- If you wish to designate as beneficiaries your current children, and any children who may be born to you or legally adopted in the future, add the words "all my living children" in the name box following the last child listed.
- If no percentage is indicated, your benefits will be paid equally to the listed beneficiaries.
- When there are multiple beneficiaries and one predeceases you, the proceeds will be divided between the remaining beneficiaries. A designation of "Per Stirpes" after the beneficiary name allows the descendants of the deceased beneficiary to receive the deceased beneficiary's portion.
- **See Section 4 if you are designating a minor as a beneficiary.**

			Percentage (Whole)%
_____ Name	_____ Relationship/Trustee Name	_____ SSN or Tax ID (Optional)	_____ %
_____ Address		_____ Date of Birth/Trust Date	
_____ Name	_____ Relationship/Trustee Name	_____ SSN or Tax ID (Optional)	_____ %
_____ Address		_____ Date of Birth/Trust Date	
_____ Name	_____ Relationship/Trustee Name	_____ SSN or Tax ID (Optional)	_____ %
_____ Address		_____ Date of Birth/Trust Date	Total 100%

Check here if you have named additional primary beneficiaries on a separate sheet, signed, dated and attached to this form.
 Print your name and social security number at the top of each separate sheet attached.

3. CONTINGENT BENEFICIARIES - Contingent beneficiaries receive death benefits if all the primary beneficiaries are deceased at the time of the client's death.

			Percentage (Whole)%
_____ Name	_____ Relationship/Trustee Name	_____ SSN or Tax ID (Optional)	_____ %
_____ Address		_____ Date of Birth/Trust Date	
_____ Name	_____ Relationship/Trustee Name	_____ SSN or Tax ID (Optional)	_____ %
_____ Address		_____ Date of Birth/Trust Date	
_____ Name	_____ Relationship/Trustee Name	_____ SSN or Tax ID (Optional)	_____ %
_____ Address		_____ Date of Birth/Trust Date	Total 100%

Check here if you have named additional contingent beneficiaries on a separate sheet, signed, dated and attached to this form. Print your name and social security number at the top of each separate sheet attached.

Mutual Fund Beneficiary Designation Form

Group ID# 25500001

VALIC Retirement Services Company

4. MINOR AS BENEFICIARY

VALIC Retirement Services Company will only pay claims to a beneficiary who is a minor through a custodian or an alternative guardianship arrangement. If you have named a minor as your beneficiary, please designate a custodian under your states' Uniform Transfers (Gifts) & Minors Act or contact a local attorney regarding other alternatives to guardianship requirements.

_____ as Custodian for _____ under the _____ Uniform Transfers (Gifts) to Minors Act.
(name of custodian) (name of beneficiary who is a minor) (state)

Check here if you have named custodians for additional minors who are beneficiaries on a separate sheet, signed, dated and attached to this form.

5. CLIENT SIGNATURE

I authorize the Beneficiary designations indicated on this form and attest to the accuracy of the information contained therein.

Client Signature: _____ Date: _____

BENEFICIARY DESIGNATION:

In the event that no Beneficiary is designated, the Plan distribution will be paid to your estate unless the plan document provides otherwise. Upon the Client's death, payment shall be made to the Primary Beneficiary(ies) if living, otherwise to the Contingent Beneficiary(ies) if living unless otherwise indicated. If there is no Beneficiary living when the Client dies, payment shall be made to the Client's estate unless the plan document provides otherwise. Only lawful children, born to or legally adopted by the Client, shall be included as a class if the class designation of "children" or "all my children" is named as Beneficiary. The plan sponsor may rely on an affidavit by any Beneficiary relating to the date of birth, death, marriage or remarriage, names, addresses and other facts concerning all Beneficiaries. The plan sponsor shall incur no liability in relying and acting on such affidavit.

CHANGE OF BENEFICIARY DESIGNATION:

The Client has the right to change the Beneficiary Designation by written request in form satisfactory to the plan sponsor signed while the Client is alive. When the written request has been recorded, the change shall be effective as of the date the request was signed, even though the Client may have since died. A change of Beneficiary Designation will have no effect on any action taken by the company before the change is recorded. A change of Beneficiary Designation shall revoke any prior Beneficiary Designation.

WHEN TO COMPLETE FORM:

Complete this form to designate a Beneficiary(ies) for your Retirement Plan account. Please fax this form to 1-877-202-0187 or mail to the address below for processing:

VALIC Document Control If overnight delivery: VALIC Retirement Services Company
P.O. Box 15648 2271 S.E. 27th Avenue
Amarillo, TX 79105-5648 Amarillo, Texas 79103

Questions about this form may be directed to 1-800-448-2542, Monday through Friday, 7 a.m. - 8 p.m. Central Time.



State of Tennessee Optional Retirement Program (ORP) Contribution Specification Form For 2010 Changes

This form instructs your employer how to distribute the employer contribution to your ORP account(s).

EMPLOYEE INFORMATION:			
Last	First	MI	Social Security Number
Cost Center / Campus			Hire date

ORP is changing effective July 1, 2010. New investment options are available from each provider and many features vary by provider.

If you wish to change your selected ORP company or begin contributions to an additional company, please complete this form AND an enrollment form for any new company. You must select new investment options, even if you do not change the way your contributions are distributed. Contact a company representative to select your investment options and to name your beneficiary.

You must choose a percentage of your ORP employer deposits to go to any one or combination of the three ORP companies. You must specify a percentage to each company in such a way that the sum of the percentages equals 100%. Each percentage must be a whole number.

CONTRIBUTION INFORMATION:	
Company Name	Distribution
Total Distribution to ING	_____ %
Total Distribution to TIAA-CREF	_____ %
Total Distribution to VALIC	_____ %
Effective date for change _____ 01, 20 _____. <i>(Effective date must be the first of the month).</i>	
Month	Day
Year	

By this election to allocate ORP contributions to the companies noted above, I acknowledge that I should complete enrollment form(s), select investment options, and designate a beneficiary for each company selected. If I fail to elect an investment option I will be defaulted to a target date fund with a presumed retirement at 65 years of age. This form is my notification that I should determine if target date funds fit my circumstances.

REQUIRED SIGNATURE:	
_____	_____
Participant Signature	Date

To Be Completed By UT Campus Officer	or Tennessee Board of Regents Campus HR/Payroll																				
PN # _____	Retirement Plan Codes _____																				
Membership Date _____	Effective Date of Election _____																				
Forms to Be Attached (if Applicable)																					
_____ TCRS Waiver Election (New Employees)																					
_____ ING Enrollment Application																					
_____ TIAA-CREF Enrollment Application																					
_____ VALIC Enrollment Application																					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%; padding: 5px;">Code</th> <th style="width: 70%; padding: 5px;">Description</th> </tr> </thead> <tbody> <tr><td style="padding: 5px;">R20</td><td style="padding: 5px;">100% ING</td></tr> <tr><td style="padding: 5px;">R21</td><td style="padding: 5px;">ING+1</td></tr> <tr><td style="padding: 5px;">R22</td><td style="padding: 5px;">ING+2</td></tr> <tr><td style="padding: 5px;">R30</td><td style="padding: 5px;">100% TIAA</td></tr> <tr><td style="padding: 5px;">R31</td><td style="padding: 5px;">TIAA+1</td></tr> <tr><td style="padding: 5px;">R32</td><td style="padding: 5px;">TIAA+2</td></tr> <tr><td style="padding: 5px;">R40</td><td style="padding: 5px;">100% VALIC</td></tr> <tr><td style="padding: 5px;">R41</td><td style="padding: 5px;">VALIC +1</td></tr> <tr><td style="padding: 5px;">R42</td><td style="padding: 5px;">VALIC +2</td></tr> </tbody> </table>	Code	Description	R20	100% ING	R21	ING+1	R22	ING+2	R30	100% TIAA	R31	TIAA+1	R32	TIAA+2	R40	100% VALIC	R41	VALIC +1	R42	VALIC +2
Code	Description																				
R20	100% ING																				
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R22	ING+2																				
R30	100% TIAA																				
R31	TIAA+1																				
R32	TIAA+2																				
R40	100% VALIC																				
R41	VALIC +1																				
R42	VALIC +2																				

IMPORTANT CHANGES!

Optional Retirement Plan (ORP) Notice To Participants



STATE OF TENNESSEE OPTIONAL RETIREMENT PLAN

Historical Performance Results for Period Ending 03/31/2010

Average Annual Total Returns

Fund Name	Ticker	3 MO %	YTD %	1 YR %	3 YR %	5 YR %	10 YR %	Since Incept.	Incept. Date	Exp. Ratio %
Foreign Large Blend										
Vanguard Total International Stock Index Inv	VGTSX	1.53	1.53	59.51	(4.79)	5.60	2.46	4.75	04/29/96	0.27
American Funds Euro Pacific Growth R6 Other	RERGX	0.81	0.81	52.63	(1.16)	7.97	3.36	37.43	05/01/09	0.51
World Stock										
American Funds Capital World Growth & Income R6	RWIGX	0.26	0.26	48.37	(2.06)	6.18	6.76	34.69	05/01/09	0.49
Real Estate										
Vanguard REIT Index Inv	VGSIX	10.02	10.02	107.94	(10.58)	3.81	11.03	9.73	05/13/96	0.21
Small Growth										
Vanguard Small Cap Growth Index	VISGX	9.09	9.09	69.84	(1.02)	5.27	4.84	6.00	05/21/98	0.28
Small Blend										
Vanguard Small Cap Index Signal	VSISX	9.66	9.66	72.82	(2.19)	4.57	4.66	(1.20)	12/15/06	0.14
Mid-Cap Growth										
Morgan Stanley Institutional Mid Cap Growth Inst	MPEGX	6.57	6.57	72.87	2.43	8.12	(0.01)	12.91	03/30/90	0.69
Mid-Cap Blend										
Vanguard Mid Capitalization Index Signal	VMISX	8.64	8.64	66.63	(3.40)	4.17	5.82	(3.39)	03/30/07	0.14
Mid-Cap Value										
Vanguard Selected Value Inv	VASVX	7.71	7.71	61.15	(3.17)	3.77	9.33	7.45	02/15/96	0.47
Large Growth										
American Funds Growth Fund of Amer R6 Other	RGAGX	4.28	4.28	46.39	(2.15)	4.16	1.14	32.81	05/01/09	0.14
Large Blend										
American Funds Fundamental Invs R6 Other	RFNGX	4.37	4.37	49.60	(2.32)	5.06	3.36	35.26	05/01/09	0.35
Vanguard 500 Index Signal	VIFSX	5.38	5.38	49.89	(4.12)	1.90	(0.70)	(1.56)	09/29/06	0.07
Large Value										
American Funds American Mutual R6 Other	RMFGX	3.27	3.27	41.80	(2.67)	2.91	5.00	30.98	05/01/09	0.36
Target Date 2050+										
Wells Fargo Advantage DJ Target 2050 I	WFQFX	5.25	5.25	55.34	N/A	N/A	N/A	(4.13)	06/29/07	0.52
Target Date 2036-2040										
Wells Fargo Advantage DJ Target 2040 I	WFOSX	5.17	5.17	54.75	(2.09)	3.89	0.16	4.52	06/29/04	0.52
Target Date 2026-2030										
Wells Fargo Advantage DJ Target 2030 I	WFOOX	4.34	4.34	45.67	(1.27)	3.81	0.96	4.29	06/30/04	0.51
Target Date 2016-2020										
Wells Fargo Advantage DJ Target 2020 I	WFOBX	2.99	2.99	31.19	0.41	4.22	1.71	4.50	06/30/04	0.50
Retirement Income										
Wells Fargo Advantage DJ Target Today I	WOTDX	1.32	1.32	14.51	4.04	4.76	4.03	4.64	06/30/04	0.45

For Participant Use

Average Annual Total Returns

Fund Name	Ticker	3 MO %	YTD %	1 YR %	3 YR %	5 YR %	10 YR %	Since Incept.	Incept. Date	Exp. Ratio %
Intermediate-Term Bond										
Vanguard Total Bond Market Index Inv	VBMFX	1.69	1.69	7.35	6.05	5.35	5.98	6.83	12/11/86	0.22
PIMCO Total Return Inst	PTTRX	2.97	2.97	15.49	9.63	7.54	7.73	8.47	05/11/87	0.45
Inflation-Protected Bond										
Western Asset Inflation Indexed Plus Bd No Load	WAIX	0.89	0.89	10.25	5.59	4.80	N/A	6.53	03/01/01	0.30
Money Market										
Vanguard Prime Money Market Inv	VMMXX	0.01	0.01	0.21	2.37	3.14	2.88	6.12	06/04/75	0.28
Other Options										
VC FIXED INTEREST OPTION	FB124	0.90	0.90	3.72	3.74	3.74	4.35	4.64	N/A	N/A

Investment Option Notes:

An investment in a money market fund is not insured by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

The performance data quoted represents past performance. The Fixed-Interest Option performance is based on current interest rates. Current performance may be higher or lower than the performance stated due to recent market volatility. Past performance does not guarantee future result. Investment return and principal value will fluctuate so an investor's shares, when redeemed, may be worth more or less than their original cost. Please visit www.valic.com for recent month-end performance.

Note: Performance data does not include plan administrative charges of .55

% . Plan administrative charges do not apply to the Fixed Interest Option.

Performance data prior to the inception date of the new class of funds is hypothetical and reflects historical returns of an existing share class at net asset value adjusted to reflect the additional 12B-1 fees relating to the new class of funds. Mutual funds are classified according to Morningstar. There can be no assurance that the funds will continue to achieve substantially similar performance as they previously experienced. The investment return and principal value will fluctuate so an investor's shares, when redeemed, may be worth more or less than their original cost. Data Source: Morningstar

Generally, higher potential returns involve greater risk and short-term volatility. For example, small-cap, mid-cap, sector and emerging funds can experience significant price fluctuation due to business risks and adverse political developments. International (global) and foreign funds can experience price fluctuation due to changing market conditions, currency values, and economic and political climates. High-yield bond funds, which invest in bonds that have lower ratings, typically experience price fluctuation and a greater risk of loss of principal and income than when investing directly in U.S. government securities such as U.S. Treasury bonds and bills, which are guaranteed by the government for repayment of principal and interest if held to maturity. Mortgage-related funds' underlying mortgages are more likely to be prepaid during periods of declining interest rates, which could hurt the fund's share price or yield and may be prepaid more slowly during periods of rapidly rising interest rates, which might lengthen the fund's expected maturity. Investors should carefully assess the risks associated with an investment in the fund. Fund shares are not insured and are not backed by the U.S. government, and their value and yield will vary with market conditions.

To view or print a prospectus, visit www.valic.com and click on ePrintSM under "Links to Login". Enter your Group ID in the Login field and click go. Click on "Funds" in Quick Links, and funds available for your plan are displayed. The prospectus contains the investment objectives, risks, charges, expenses and other information about the respective investment company that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money. You may also request a copy by calling 1-800-448-2542 .

Securities and investment advisor services are offered through VALIC Financial Advisors, Inc., Member FINRA and an SEC-registered investment advisor.

VALIC represents The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company.

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For Participant Use



VALIC Retirement Services Company
P.O. Box 15648
Amarillo, TX 79105

[DATE]

Dear State of Tennessee Optional Retirement Plan Participant:

The quality of your retirement depends on the decisions that you make today. It also hinges on implementing those decisions and monitoring them throughout the years. The enhancements that have been made to the State of Tennessee Optional Retirement Plan allows you the opportunity of taking advantage of investing your retirement savings with VALIC, offering best-in-class investment options, and receiving face-to-face service where and when it is convenient for you.

The State of Tennessee has enhanced and designed the Optional Retirement Plan so that you, the participant, can properly prepare for a secure retirement. As a VALIC participant, we want to help you with this preparation.

The enclosed packet contains several items for your review.

Plan Highlights Summary

The Plan Highlight Summary is meant to provide you with a high level overview of the features of the Tennessee Optional Retirement program through VALIC. A brief description of the history of VALIC is provided along with VALIC ratings as reflected by leading industry analysts. Investment options by asset class, any administrative charges, participant service options, withdrawal restriction, and information on how to access your funds along with information on how to contact VALIC for assistance.

Frequently Asked Questions

The frequently asked questions will provide you with important information with regard to your account with VALIC. Some of the more popular questions can be found here with easy to understand answers.

Investment Options

The investment options will provide you with a listing of all the investments available as well as the historical performance and expense ratio for each fund offered.

Beneficiary Election Form

This form will allow you to choose the beneficiary for your account.

Asset Conversion Form

This form allows you to convert your annuity account assets to the new mutual fund investment options that have been made available.

Mapping Schedule

The mapping schedule is designed to assist you with knowing which investment options your annuity assets will be mapped to if you convert your annuity account to the VALIC mutual fund platform.

Contribution Specification Form

This form instructs your employer on how to distribute the employer contribution to your account provider.

If you have any questions or need assistance please contact your local VALIC financial advisor, VALIC toll free at 1-800-448-2542, or visit us online at www.valic.com.

The letter from the state will remind you of the general process.

Sincerely,

Jimmy Gauld
Vice President, Relationship Management
VALIC

Tennessee Optional Retirement Plan FAQ's

VALIC Participants

What paperwork must I complete to transfer my existing VALIC annuity account assets to my new mutual-fund-based account?

To transfer your existing annuity assets simply complete the enclosed VALIC Asset Conversion Form or contact your local VALIC financial advisors.

When can I transfer my existing VALIC annuity account assets?

The first opportunity for you to convert your VALIC annuity account will be September 30, 2010. If you choose not to convert at this time, you will have the option of converting on any future calendar quarter ending period. Please refer to the enclosed "Asset Conversion Form" for applicable cut-off dates for each quarter. Your VALIC financial advisor is also available to discuss this option with you at your convenience.

Must I move my existing VALIC annuity account assets to the new mutual-fund-based program?

No. You may leave your existing annuity assets where they are and they will continue to be invested. In addition, you will still have the ability to change how your assets in the annuity account are invested.

What will happen to my existing annuity account assets?

Balances in your existing annuity account will continue to be invested in the investment options that you have selected until you make a change. Existing assets in your annuity account cannot be moved unless you make that decision. Annuity account assets will remain unaffected until you make the election to transfer your annuity account to the new mutual-fund-based program.

How can I access my account with VALIC?

You can access your account 24 hours a day, 7 days a week by logging on to VALIC Online at www.Valic.com . If you choose the online option enter your user ID, your new mutual fund based account will have a \$0.00 balance until contributions directed to this account begin after July 1, 2010. Select this account and enter your allocation percentage to the available investment options of your choice. Or call VALIC by Phone, an automated toll-free telephone service, at 1-888-568-2542 for assistance. This number can also connect you with a Client Service Professional Monday through Friday between the hours of 8:00 a.m. and 9:00 p.m. (ET) by calling 1-800-448-2542 and pressing "0" or contact your local financial advisors.

How often will I receive an account statement?

VALIC will mail account statements to your address on record no later than 15 business days after each calendar quarter. These account statements will include helpful information about your account balance, beneficiary information, your investment elections, and transaction history for all of your accounts with VALIC.

How will my contributions be invested beginning July 1, 2010?

You choose how your contributions will be invested in the new mutual fund based program. If you do not choose how your contributions will be invested, your contributions will be invested in a Target Date fund based on your date of birth. You have the option to change your contribution allocation at any time. Please refer to the-question “How can I access my account with VALIC” for selecting your investment options online or contact your local financial advisor. We also encourage you to contact VALIC at 1-800-448-2542 to verify your correct date-of-birth on record.

Is there a guaranteed death benefit in the new mutual-fund-based program?

No. The guaranteed death benefit is only associated with your existing annuity account. To retain this feature associated with your annuity account, do not transfer the assets to the mutual-fund-based program. However, you will have the opportunity of transferring your annuity account assets to the mutual-fund-based program on any future quarter end date beginning September 30, 2010. Please refer to question “When can I transfer my existing annuity account assets”.

Do I need to select a beneficiary for my new account?

Although VALIC will establish your new mutual-fund-based account with the same beneficiary that you previously selected for your existing annuity account, we encourage you to complete the enclosed beneficiary form and send or fax it to VALIC to insure that your beneficiary information is current to your wishes.

How can I receive investment advice and asset management that is suitable for me?

You can receive free investment advice online by going to www.valic.com, access your account, and click on “Guided Portfolio Services”. Guided Portfolio Services “Portfolio Advisor” provides objective advice from independent financial expert Ibbotson Associates, Inc. You can use that advice while managing your retirement investments on your own. Or, if you would like your account managed for you, you can contact your local VALIC financial advisor for assistance with enrolling in Guided Portfolio Services “Portfolio Manager” for a fee. Participation in Guided Portfolio Services is an optional service for plan participants.

Guided Portfolio Services “Portfolio Advisor” is the option for those who want to monitor and manage their investment portfolios themselves, but still value some expert advice along the way. There is no fee associated with “Portfolio Advisor”.

Guided Portfolio Services “Portfolio Manager” is the managed account option that automatically implements the investment advice, provides ongoing portfolio monitoring and asset rebalancing, and updates your advice and retirement income forecast annually for a fee.

Who are the local VALIC Financial Advisors?

<i>Institution</i>	<i>Financial Advisor</i>	<i>Contact #</i>	<i>Email Address</i>
University of Tennessee - Knoxville	Andrew Craft	(865) 531-9156	andrew.craft@valic.com
UT Memphis	Scot Brothers	(901) 268-6345	barry.scot.brothers@valic.com
	Karen Shrader	(901) 237-8977	Karen.shrader@valic.com
UT Chattanooga	Ken Spann	(423)238-7618	ken.spann@valic.com
UT Martin	Stephen Glasgow	(270) 227-5699	stephen.glasgow@valic.com
UT Space Institute	Ken Spann	(423)238-7618	ken.spann@valic.com
Tennessee Board of Regents	Stuart Lang	(615) 804-0294	stuart.lang@valic.com
Austin Peay State University	Stuart Lang	(615) 804-0294	stuart.lang@valic.com
East TN State University	Tim Crawford	(423) 341-3088	tim.crawford@valic.com
Middle TN State University	Tom McClendon	(615) 631-8207	tommy.mcclendon@valic.com
Tennessee State University	Johnny Gregory	(615)300-7432	Johnny.gregory@valic.com
Tennessee Tech University	Stephen Glover	(931) 979-0022	stephen.glover@valic.com
The University of Memphis	Scot Brothers	(901) 268-6345	barry.scot.brothers@valic.com
	Karen Shrader	(901) 237-8977	Karen.shrader@valic.com
Chattanooga State Tech Community College	Ken Spann	(423)238-7618	ken.spann@valic.com
Cleveland State Community College	Ken Spann	(423)238-7618	ken.spann@valic.com
Columbia State Community College	Cherie Farinacci	(615) 419-7734	Cherie.farinacci@valic.com
Dyersburg State Community College	Stephen Glasgow	(270) 227-5699	stephen.glasgow@valic.com
Jackson State Community College	Stephen Glasgow	(270) 227-5699	stephen.glasgow@valic.com
Motlow State Community College	Paul Schuler	(423)508-2366	Paul.schuler@valic.com
Nashville State Technical Community College	Johnny Gregory	(615)300-7432	Johnny.gregory@valic.com
Northeast State Tech Community College	Tim Crawford	(423)341-3088	tim.crawford@valic.com
Pellissippi Sate Tech Community College	Jay Birkbeck	(865)357-8275	Jay.birkbeck@valic.com
Roane State Community College	Jay Birkbeck	(865)357-8275	Jay.birkbeck@valic.com
Southwest TN Community College	Scot Brothers	(901) 268-6345	barry.scot.brothers@valic.com
Volunteer State Community College	Debbie Murphy	(615) 429-8372	deborah.murphy@valic.com
Walters State Community College	Nicholas Hodge	(423)736-0505	nicholas.hodge@valic.c