

Introduction/History

AIG VALIC is a pacesetter in our industry. We help our clients plan for the future by offering objective and expert retirement planning advice. We offer a choice from among an extensive array of products and services, supported by a comprehensive and objective financial education program that continues through all life stages. That's what we call The Power of Service®.

AIG VALIC manages long-term investment programs for more than 28,000 organizations at more than 41,000 locations. Our trusted and experienced financial advisors provide the highest level of personal, face-to-face service.

For half a century, AIG VALIC has specialized in providing tax-qualified retirement programs and today is the third-largest retirement plan provider to employees of major colleges and universities across the nation.

The financial strength and stability of your plan provider is of utmost importance and should be reflected by the ratings of the leading industry analysts. VALIC has received the highest rating for financial strength (excluding safety or performance of the variable options) from both Standard & Poor's (AAA = Extremely Strong) and A.M. Best Company (A++ = Superior), and has received the second-highest ratings from Moody's Investors Service (Aa1 = Excellent) and Fitch (AA+ = Very Strong).

Our parent company, American International Group, Inc. (AIG), is the world's leading U.S.-based international insurance and financial services organization, the largest underwriter of commercial and industrial insurance in the United States, and among the top-ranked U.S. life insurers. With assets of \$724 billion, AIG has one of the largest retirement savings businesses in the United States and is a leader in asset management for the individual and institutional markets, with specialized investment management capabilities in equities, fixed income, alternative investments and real estate. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

Plan Highlights

Your retirement plan with AIG VALIC offers the advantages of pre-tax contributions and tax-deferred growth and is a great way to accumulate money for your future. Keep in mind that investment values will fluctuate and there is no assurance that the objective of any fund will be achieved. Mutual fund shares are redeemable at the then-current net asset value, which may be more or less than their original cost.

This flexible advantage retirement program offers you a combination of a custodial account, offering an array of mutual fund investments, and an annuity contract offering a fixed-interest option.

Investment Options by Asset Class

Fund Expense
Ratio (%)

INTERNATIONAL/GLOBAL EQUITY FUNDS

American Funds EuroPac R4 Fund	0.96
American Funds CapWrldGl R4 Fund	0.89

SPECIALTY FUNDS

T. Rowe Price Real Estate Fund	1.00
Nasdaq 100® Index Fund	0.81

SMALL CAP GROWTH FUND

Vanguard Explorer Fund	0.72
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SMALL CAP BLEND FUND

VALIC Small Cap Index Fund	0.52
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SMALL CAP VALUE FUND

American Aadv SmCpVl Pln Fund	1.16
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MID CAP GROWTH FUNDS

JP Morgan Cap Gr Sel Fund	0.93
Calamos Growth A Fund	1.40

MID CAP BLEND FUND

VALIC Mid Cap Index Fund	0.45
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MID CAP VALUE FUNDS

VALIC Mid Cap Value Fund	1.05
JP Morgan Mid Cap Val Se Fund	1.00

LARGE CAP GROWTH FUNDS

T. Rowe Price Gr Stk Fund	0.77
American Funds Amcap R4 Fund	0.81

LARGE CAP BLEND FUNDS

VALIC Stock Index Fund	0.40
VALIC Socially Responsible Fund	0.56

LARGE CAP VALUE FUNDS

Vanguard Windsor II Fund	0.43
American Funds Amer Mut R4 Fund	0.72

BOND FUNDS

Vanguard Total Bond Index Fund	0.22
VALIC Strategic Bond Fund	0.89
American Century Inf-Adj Bond Inv Fund	0.51

MONEY MARKET FUND¹

Vanguard Prime M Mkt Fund	0.33
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FIXED ACCOUNT

VALIC Fixed Interest Option ²	N/A
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Data source: Morningstar Principia Pro, 03/31/04

An effective annual charge of 0.50% will be assessed on mutual fund assets in the plan for which administrative services are provided. This does not apply to the VALIC Fixed-Interest Option.

¹ An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. While the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money while investing in the fund.

² A VALIC (The Variable Annuity Life Insurance Company) fixed annuity, Policy Form GFA-504.

Participant Service Options

Planning

- Assistance from on-site financial advisors
- Comprehensive computer-based retirement planning and investment advisory services
 - 4SIGHT®
 - Portfolio BuilderSM
 - Portfolio Optimizer®

Advice

- Objective and expert investment advice
- Customized asset management services
- Assisted enrollment services

Choice

- E-print: a Web-based system that provides access to all the documentation you need to invest and to manage your account
- Web-based, Voice Response Unit (VRU) and Call Center services

Education

- Annual client reviews
- Educational seminars on-site or at AIG VALIC's Financial Planning & Education Center
- Quarterly account statements for active accounts
- Quarterly educational newsletters

Withdrawal Restrictions

Withdrawals may be made upon attainment of age 59½, separation from service, financial hardship, or disability or death. Generally, a maximum of 20% of your Fixed-Interest Option account balance will be available for in-service withdrawals or transfers to another investment option each year.

Tax-free Loans

Tax-free loans enable you to access your account without permanently reducing your account balance. Defaulted loan amounts will be taxed as ordinary income and a 10% tax penalty may apply if you are under age 59½.

Access to Your Funds

AIG VALIC offers 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

Withdrawals before age 59½ may be subject to federal restrictions and a 10% tax penalty. Withdrawals are not subject to the federal 10% tax penalty if you are age 55 or older at separation from service from your employer. Penalty-free distributions will also be made upon total disability or to your beneficiary upon your death.

Completing an Application

Because personal service is a hallmark of AIG VALIC, your financial advisor will work with you through each step of the enrollment process. Contact your AIG VALIC financial advisor to begin enrollment today.

Managing Your Account

AIG VALIC's automated systems make it simple and convenient to access your account and perform transactions.

AIG VALIC Online: www.aigvalic.com/vrs

AIG VALIC by Phone: 1-888-568-2542

Contact Information

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To obtain fund prospectuses, visit www.aigvalic.com or call 1-888-568-2542. The prospectus contains the investment objectives, risks, charges and expenses, and other information about the investment company, which you should consider carefully before investing. Please read the prospectus carefully before investing or sending money.

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

This is not your Summary Plan Description. The administration of this plan is governed by the actual plan documents, if any, and the custodial account agreement and annuity contract. If discrepancies arise between this document and the plan documents, custodial account agreement or annuity contracts, those documents will govern.

AIG VALIC is the marketing name for the group of companies comprising VALIC Financial Advisors, Inc.; VALIC Retirement Services Company; and The Variable Annuity Life Insurance Company (VALIC); each of which is a member company of American International Group, Inc.

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