



June 27, 2016

Dear Arkansas State University Retirement Plan participant:

GREAT NEWS! We are excited to announce changes to the Arkansas State University Retirement Plan provided through VALIC. Effective July 15, 2016, ASU will offer the VALIC mutual fund-based platform. Working in conjunction with VALIC and Multnomah Group, ASU has selected a lineup of investments designed to give you a range of choices and provide expense savings over the current investments held in the retirement plan. Some of the benefits you may realize by using the new mutual fund program include:

- Streamlined investment options from well-known mutual fund companies
- Lower fund expenses giving participants the potential for better returns over time
- Continued personal face-to-face services through your VALIC financial advisor, Marc Phillips
- Continued secure account access 24 hours a day, seven days a week, online at VALIC.com or using our toll free interactive telephone service at 1-800-448-2542
- Continued quarterly account statements with complete account and investment summaries

In order for you to make an informed decision, Arkansas State University along with the representative from VALIC, will provide a series of educational sessions. These presentations will consist of large group, small group and individual sessions and will give you numerous opportunities to discuss first-hand the new investment options and conversion process.

How Will This Affect You?

- Future contributions will automatically be directed to the new mutual fund platform. Your investment allocations will be mirrored into the new program. For example, if you are currently contributing 50% to a large cap fund and 50% to a small cap fund, contributions on and after July 15, 2016 will be invested in similar funds in the new mutual fund line-up.
- Your current account balances will remain unaffected until you make a written election to move account balances to the new mutual fund program. To take advantage of the new mutual fund program, you need to complete an Asset Conversion Form and move existing assets to the mutual fund program.
- There will be a short “quiet period”, beginning on July 12, 2016 at 12 a.m. CT and ending at 11:59 p.m. CT, July 14, 2016, during which you temporarily will be unable to direct or change investment options in your individual account(s).
- All participants who enroll in the plan with VALIC after July 15, 2016 will invest in the VALIC Mutual Fund Program.

We encourage you to review the enclosed informational material in order to become familiar with the changes:

- Frequently Asked Questions and Answers
- Asset Conversion Form (complete to convert existing annuity balance)
- Fund Mapping Guide

Accessing Your Account / Requesting Investment Changes

- Online at www.valic.com/astate
- By phone at 1-800-448-2542
- Customer Service Representative 1-800-448-2542 Monday - Friday from 7:00 a.m. to 8:00 p.m.
- Local VALIC financial advisor Marc Phillips, 870-919-5191 (CELL)

Please refer to the enclosed *Frequently Asked Questions (FAQ)* for additional information on the differences between the existing annuity platform and the new mutual fund platform. Take this opportunity to review the mutual fund line up and plan to attend one of these presentations. Feel free to call Marc Phillips, VALIC financial advisor, or Human Resources with any questions.

Sincerely,

Jennifer Smith
Associate Vice President for Benefits

Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional or visit www.valic.com and click on Access ePrint on right side of screen. Enter your Group ID in the Login field and click Continue. Click on Funds on right side of screen, and the funds available for your plan will be displayed. You can also request a copy by calling 1-800-428-2542. Read the prospectuses carefully before investing.

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