

**Top Ten Holdings (as of 09/30/2008):**

DUISBURG-DVG LEASING TRUST	0.60%
BANK OF AMERICA CORP	0.50%
HARTFORD FINANCIAL SERVICES GROUP INC	0.40%
AMERICAN INTERNATIONAL GROUP	0.39%
WACHOVIA CORP	0.37%
MORGAN STANLEY	0.35%
HSBC HOLDINGS PLC	0.34%
EXXON MOBIL CORP	0.33%
DOMINION RESOURCES INC	0.28%
SPECTRA ENERGY	0.26%

**Based upon a \$34.03 billion highly diversified and high-quality fixed investment portfolio:**

<b>Quarter Ending:</b>	<b>09/30/2008</b>
Total Fund Assets (billion)	\$34.03
Average Maturity	15
Average Duration (option-adjusted)	4.9
Average Life (bonds and mortgages)	7.9
<b>Sector/Quality Breakdown</b>	
Government	0.0%
Agency	17.4
AAA	17.5
AA	13.3
A	17.7
BBB	26.5
<BBB	7.6
Average Credit Rating	A+

**Underwritten by VALIC's high financial strength ratings (as of 09/30/08):**

A.M.Best	A
Standard & Poor's	A+
Moody's	Aa3
Fitch	AA-

**The following is a breakdown of VALIC's total invested fixed account assets as of September 30, 2008:**

70%	Bonds
13%	Mortgages
3%	Policy Loans (secured by contract values)
3%	Cash and Short-term Investments
11%	Common and Preferred Stock, Real Estate, and other Investments
<b>of VALIC's total bond portfolio as of September 30, 2008</b>	
0%	U.S. Government Bonds
17%	U.S. Government Agency Bonds
27%	ABS/CMBS/CMOs
56%	Corporate Bonds

VALIC's bond portfolio has maintained an average rating of A+, reflecting the high quality of the portfolio.

**Investment Guidelines – VALIC General Account**

Investment Objective: Optimize yield adjusting for credit risk, liquidity and liability characteristics

Investment Style: Broadly diversified portfolio of primarily U.S. dollar denominated fixed income securities with a small allocation to alternative investments.

Eligible Investments: U.S. government securities, corporate bonds, mortgage-backed securities, asset-backed securities, private placements, mortgage loans, foreign bonds, private equity, hedge funds and interest rate derivatives

**Asset/Liquidity Allocation**

**Liquid**

Target Range	
Public Investment Grade	20 – 60%
Public Below Investment Grade	3 – 8%
Mortgage Backed Securities	15 – 30%
Commercial MBS	0 – 10%
Asset Backed Securities	0 – 10%
60 – 90%	

**Illiquid**

Target Range	
Public Investment Grade	10 – 25%
Public Below Investment Grade	0 – 5%
Mortgage Loans	10 – 20%
Other	0 – 10%
10 – 50%	

**Credit Allocation**

Target Range	
Government	0 – 5%
Agency	10 – 25%
AAA	0 – 20%
AA	5 – 20%
A	15 – 50%
BBB	20 – 45%
<BBB	0 – 10%

**Maturity Allocation**

Maturities will range from 1 to 30 years with emphasis placed upon intermediate maturities from 5 to 15 years

Effective Duration	Target Range
0 – 2	0 – 20%
2 – 4	10 – 20%
4 – 6	20 – 50%
6 – 8	15 – 40%
8 – 10	0 – 10%
10 – 12	0 – 5%
12+	0 – 5%