**VALIC COMPANY I**
Supplement to the Prospectus dated October 1, 2009

***Nasdaq-100 Index Fund, Mid Cap Index Fund, Small Cap Index Fund and Stock Index Fund (the "Funds")***

Effective December 1, 2009, SunAmerica Asset Management Corp. ("SAAMCo") replaced AIG Global Investment Corp. ("AIGGIC") as the sub-adviser of each Fund. All references to AIGGIC as the sub-adviser of the Funds are deleted in their entirety. In addition, VALIC and SAAMCo entered into an interim sub-advisory agreement with respect to the Funds ("Interim SAAMCo Sub-Advisory Agreement"). In the section of the VALIC Company I ("VC I") Prospectus titled "**About VC I's Management – Investment Sub-Advisers –** SunAmerica Asset Management Corp." the disclosure is amended to add the following:

> James O. Kurtz serves as the portfolio manager of the Nasdaq-100 Index Fund, Mid Cap Index Fund, Small Cap Index Fund and Stock Index Fund. Mr. Kurtz, Senior Vice President and Portfolio Manager, joined SAAMCo on December 1, 2009. He is responsible for the management and trading of a wide variety of domestic equity index funds managed by SAAMCo. Prior to joining SAAMCo, Mr. Kurtz was a senior portfolio manager of AIG Global Investment Corp. ("AIGGIC") following the acquisition of American General Investment Management, L.P. in 2001. Prior to AIGGIC, Mr. Kurtz worked at Sears Investment Management Co., the retirement fund management subsidiary of Sears, Roebuck and Co. from 1978 to 2000.

As reflected in the supplement dated November 3, 2009 to the VC I Prospectus, the Interim SAAMCo Sub-advisory Agreement will remain in effect for 150 days from its effective date or until a new sub-advisory agreement between VALIC and SAAMCo is approved by shareholders of the Funds, whichever is earlier (the "SAAMCo Sub-Advisory Agreement"). On March 16, 2010, the Funds expect to convene a special meeting of shareholders with respect to the proposal to approve the SAAMCo Sub-advisory Agreement. Shareholders of record as of December 27, 2009 will receive proxy materials describing the SAAMCo Sub-advisory Agreement in greater detail.

**Date**: December 3, 2009

**VALIC COMPANY I**
Supplement to the Prospectus dated October 1, 2009

**VALIC COMPANY II**
Supplement to the Prospectus dated January 1, 2009

***Asset Allocation Fund, Capital Conservation Fund, Global Social Awareness Fund, Inflation Protected Fund, International Equities Fund, International Government Bond Fund and Mid Cap Strategic Growth Fund of VC I***

***Aggressive Growth Lifestyle Fund, Conservative Growth Lifestyle Fund, Core Bond Fund, International Small Cap Equity Fund, Moderate Growth Lifestyle Fund and Strategic Bond Fund of VC II***

On September 5, 2009, American International Group, Inc. ("AIG") entered into an agreement to sell a portion of its investment advisory and asset management business (the "Transaction") to Bridge Partners, L.P. ("Bridge Partners"), a partnership formed by Pacific Century Group, a Hong Kong-based private investment firm. The entities being sold include AIG's existing licensed investment adviser companies that manage investments of institutional and retail clients across a variety of strategies, including private equity, hedge fund of funds, listed equity and certain fixed income investment management businesses, including AIG Global Investment Corp. ("AIGGIC") and Brazos Capital Management, L.P. ("Brazos"). Prior to the closing of the Transaction, AIGGIC will be merged with and into a Delaware limited liability company (the surviving entity, PineBridge Investments LLC, being referred to herein as "PineBridge"). As part of the Transaction, AIG will cause the indirect transfer of PineBridge to Bridge Partners. PineBridge, as successor to AIGGIC, will remain a registered investment adviser pursuant to the Investment Advisers Act of 1940. The Transaction is expected to close in December 2009, and is subject to the receipt of the requisite regulatory approvals and the satisfaction of other conditions to closing. Upon the closing of the Transaction, the existing investment sub-advisory agreements between The Variable Annuity Life Insurance Company ("VALIC") and each of AIGGIC and Brazos will terminate.

In advance of the termination of the existing sub-advisory agreements with AIGGIC and Brazos, the Boards of Directors/Trustees (collectively, the "Board") of VALIC Company I ("VC I") and VALIC Company II ("VC II") held a meeting on October 27, 2009, wherein they appointed PineBridge, as the successor to both AIGGIC and Brazos, to serve as sub-adviser to the Asset Allocation Fund, Capital Conservation Fund, Global Social Awareness Fund, Inflation Protected Fund, International Equities Fund, International Government Bond Fund and Mid Cap Strategic Growth Fund of VC I, and to the Aggressive Growth Lifestyle Fund, Conservative Growth Lifestyle Fund, Core Bond Fund, International Small Cap Equity Fund, Moderate Growth Lifestyle Fund and Strategic Bond Fund of VC II (each, a "Fund" and collectively, the "Funds"), each pursuant to a new sub-advisory agreement between VALIC, each Fund's investment adviser, and PineBridge (the "PineBridge Sub-advisory Agreement"), subject to approval by each Fund's shareholders.

The Board also approved an interim sub-advisory agreement between VALIC and PineBridge (the "Interim PineBridge Sub-advisory Agreement") that will go into effect upon the closing of the Transaction, and will remain in effect for 150 days from its effective date or until the PineBridge Sub-advisory Agreement is approved by shareholders, whichever is earlier. On March 16, 2010, the Funds expect to convene a special meeting of shareholders with respect to the proposal to approve the PineBridge Sub-advisory Agreement. Shareholders of record as of December 27, 2009 will receive proxy materials describing the PineBridge Sub-advisory Agreement in greater detail.

In connection with the approval of PineBridge as the sub-adviser of the Funds, the Board approved a new advisory fee schedule to the investment advisory agreements between VALIC and each of VC I and VC II that will reduce the fees payable to VALIC by the Asset Allocation Fund, Global Social Awareness Fund and the International Equities Fund of VC I and the International Small Cap Equity Fund of VC II, as the assets in the respective Funds increase. The amended investment advisory agreements will become effective upon the effective date of the Interim PineBridge Sub-advisory Agreement.

***Nasdaq-100 Index Fund, Mid Cap Index Fund, Small Cap Index Fund, Stock Index Fund of VC I (the "Index Funds") and the Socially Responsible Fund of VC II.***

At the meeting on October 27, 2009, the Board of VC I and VC II approved the termination of AIGGIC as the sub-adviser of the Index Funds and the Socially Responsible Fund and appointed SunAmerica Asset Management Corp.

("SAAMCo") as the sub-adviser of each of these Funds, each pursuant to a new sub-advisory agreement between VALIC and SAAMCo, subject to approval by each Fund's shareholders (the "SAAMCo Sub-advisory Agreement").

The Board also approved interim sub-advisory agreements between VALIC and SAAMCo ("Interim SAAMCo Sub-advisory Agreements") that will go into effect upon or prior to the change of control of AIGGIC, and will remain in effect for 150 days from its effective date or until the SAAMCo Sub-advisory Agreement is approved by shareholders, whichever is earlier. On March 16, 2010, the Index Funds and Socially Responsible Fund expect to convene a special meeting of shareholders with respect to the proposal to approve the SAAMCo Sub-advisory Agreement. Shareholders of record as of December 27, 2009 will receive proxy materials describing the SAAMCo Sub-advisory Agreement in greater detail.

In connection with the approval of SAAMCo as the sub-adviser of these Funds, the Board approved a new advisory fee schedule to the investment advisory agreements that will reduce the fees payable to VALIC with respect to the VC I Nasdaq-100 Index Fund and the VC II Socially Responsible Fund, as the assets in the respective Funds increase. The amended investment advisory agreements would become effective upon the effective date of the Interim SAAMCo Sub-advisory Agreement.

***International Small Cap Equity Fund***. At the meeting on October 27, 2009, the Board of VC II approved the addition of Invesco Aim Capital Management, LLC ("Invesco Aim") as a sub-adviser to the International Small Cap Equity Fund to manage a portion of the Fund's assets and approved the sub-advisory agreement between VALIC and Invesco Aim (the "Invesco Aim Sub-advisory Agreement"). In addition, the Board approved Invesco Asset Management, Ltd. ("IAML") as a sub-sub-adviser to the Fund and approved a new sub-sub-advisory agreement between Invesco Aim and IAML (the "IAML Sub-Sub-advisory Agreement"). The Invesco Aim Sub-advisory Agreement and IAML Sub-Sub-Advisory Agreement will become effective on or about December 11, 2009. AIGGIC, the current sub-adviser of the Fund (or its successor, PineBridge), will continue to serve as a sub-adviser to the Fund.

The Board has authority, pursuant to an exemptive order granted by the Securities and Exchange Commission, to enter into the Invesco Aim Sub-Advisory Agreement and the IAML Sub-Sub-advisory Agreement without a shareholder vote; however, an information statement explaining the sub-adviser and sub-sub-adviser additions will be mailed to the Fund's shareholders. As a result of the sub-adviser and sub-sub-adviser addition, the VC II prospectus will be amended, effective December 11, 2009, to include the changes noted below.

With respect to the Fund's **Fact Sheet** on page 16, under the heading "**Investment Sub-Adviser**," Invesco Aim Capital Management is added as a sub-adviser to the Fund. Furthermore, the "**Investment Strategy**" section is amended to add the following: "AIGGIC and Invesco Aim, through a sub-sub-advisory relationship with its affiliate, Invesco Asset Management, Ltd., are each responsible for managing approximately 50% of the Fund's assets."

In the section titled **"About VC II's Management – Investment Sub-Advisers –** Invesco Aim Capital Management, Inc.," the following disclosure is added to reflect Invesco Aim's management of the Fund:

> Invesco Aim has engaged Invesco Asset Management, Ltd. ("IAML") as a sub-sub-adviser to the International Small Cap Equity Fund. IAML is an indirect wholly-owned subsidiaries of Invesco Ltd., an international investment management company based in Atlanta, Georgia, with money managers located in Europe, North and South America, and the Far East. IAML is registered investment adviser in both the United States and in the United Kingdom. A team of IAML portfolio managers led by Bob Yerbury are responsible for the day-to-day management of a portion of the Fund's assets, including Stephanie Butcher, Paul Chesson, Ian Hargreaves, Dean Newman and Richard Smith.
>
> Mr. Yerbury, Chief Investment Officer and Lead Portfolio Manager, joined IAML in 1983. In September 2004, he became Chief Executive Officer (CEO) of IAML and in 2006 became a Senior Managing Director of Invesco Ltd., the parent company of Invesco Aim and IAML. Mr. Yerbury handed over his CEO responsibilities in September 2008 but continues to serve as the CIO of IAML. Ms. Butcher, Fund Manager–European Equities, joined the company in 2003 as a fund manager in the European Equities team. She began her investment career in 1993. Mr. Chesson, Head of Japanese Equities, joined the company in 1993 and is responsible for managing several Japanese equity funds. Mr. Chesson began his investment

career in 1990. Mr. Hargreaves, Fund Manager - Asian Equities, joined Invesco in 1994 and has been on the IAML team since 2005. He manages pan-Asian portfolios, and is specifically responsible for covering the Hong Kong/China markets as well as markets in South East Asia, namely, Singapore, Malaysia, Thailand and Indonesia. Mr. Newman, Head of Emerging Markets, joined the company in 1993 as a member of its Emerging Markets team and became the head of the team in April 2007. He began his investment career in 1985. Mr. Smith, Fund Manager - UK Equities, joined the company in June 2002 and manages UK smaller companies funds. He began his fund management career in 1973.

***Small Cap Value Fund.*** At the meeting on October 27, 2009, the Board of VC II approved the addition of Metropolitan West Capital Management, LLC ("MetWest Capital") and SAAMCo as sub-advisers to the Small Cap Value Fund. The Board approved a new sub-advisory agreement between VALIC and MetWest Capital ("MetWest Capital Sub-advisory Agreement") and an amendment to the current sub-advisory agreement between VALIC and SAAMCo ("SAAMCo Sub-advisory Agreement"). J.P. Morgan Investment Advisers, Inc., the current sub-adviser of the Small Cap Value Fund, will continue to co-sub-advise a portion of the Fund's assets.

Shareholders of record of the Fund as of November 13, 2009 are scheduled to vote on the proposed SAAMCo Sub-advisory Agreement at a special meeting of shareholders to be held on or about February 5, 2010. Before the meeting, shareholders of the Fund will receive a proxy statement containing information about the proposed SAAMCo Sub-advisory Agreement and information regarding the Fund. If approved by shareholders, the SAAMCo Sub-advisory Agreement with respect to the Small Cap Value Fund would become effective upon the open of business on February 8, 2010.

With respect to the MetWest Capital Sub-advisory Agreement, the Board has authority, pursuant to an exemptive order granted by the Securities and Exchange Commission, to enter into sub-advisory agreements without a shareholder vote; however, an information statement explaining the sub-adviser change will be mailed to the Small Cap Value Fund's shareholders. The effective date of the MetWest Capital Sub-advisory Agreement will coincide with the effective date of the SAAMCo Sub-advisory Agreement, if such agreement is approved by shareholders of the Fund.

**Date**: November 3, 2009

**VALIC COMPANY I**
**Supplement to Prospectus dated October 1, 2008**

***International Equities Fund***. In the section titled "**About ARC I's Management — Investment Sub-Advisers — AIG Global Investment Corp.**," effective July 1, 2009, Shinichi Haneda was replaced by Akihiro Sekiya, CFA, CMA, as the lead portfolio manager of the actively-managed Japan sleeve of the Fund. Mr. Sekiya began his professional experience in 1989 and joined AIG Investments in August 2004. He is a portfolio manager for various Japanese Equity strategies and has research responsibilities covering financials, retail, and toiletry sectors. Jim Kurtz, Lan Cai, Timothy Campion, and Michael Kelly continue to serve as portfolio managers of the Fund. Mr. Haneda will no longer serve as portfolio manager for the Fund but will continue to be a member of the investment team for the Fund.

Date: July 13, 2009

# VALIC Company I

2929 Allen Parkway
Houston, Texas 77019

October 1, 2009

Prospectus

VALIC Company I ("VC I") is a mutual fund made up of 33 separate funds (collectively, the "Funds" and each a "Fund"), seven of which are described in this prospectus. Each of the Funds has a different investment objective. Each Fund is explained in more detail on its Fact Sheet contained in this prospectus.

International Equities Fund
Mid Cap Index Fund
Money Market I Fund
Nasdaq-100® Index Fund
Science & Technology Fund
Small Cap Index Fund
Stock Index Fund

**The Securities and Exchange Commission (the "SEC") has not approved or disapproved these securities, nor has it determined that this Prospectus is accurate or complete. It is a criminal offense to state otherwise.**

## TABLE OF CONTENTS

# Welcome

This prospectus provides you with information you need to know before investing in the Funds. Please read and retain this prospectus for future reference. Unless otherwise specified in this prospectus, the words "you" and "your" mean the participant. "VALIC" means The Variable Annuity Life Insurance Company, the investment adviser to VC I.

Individuals participate in these Funds through an annuity contract or variable life insurance policy (collectively, the "Contracts" and each a "Contract") with VALIC or one of its affiliates, through a qualifying employer-sponsored retirement plan (collectively, the "Plans" and each a "Plan"), or Individual Retirement Accounts ("IRAs") under which the Funds may be offered without adversely affecting their availability under the Contracts.

All inquiries regarding this prospectus, or a Contract or Plan issued by VALIC or an IRA in which VALIC serves as the custodian/ trustee should be directed, in writing, to VALIC Client Services, P.O. Box 15648, Amarillo, Texas 79105-5648, or by calling 1-800-448-2542.

# About the Funds

The investment objective and strategies for each of the Funds in this prospectus are non-fundamental and may be changed by VC I's Board of Directors without investor approval. Investors will be given written notice in advance of any change to a Fund's investment strategy that requires 80% of its net assets to be invested in certain securities. VC I may change these strategies without investor approval; however, investors will receive 60 days notice prior to any such change.

From time to time, the Funds may take temporary defensive positions that are inconsistent with their principal investment strategies, in attempting to respond to adverse market, economic, political, or other conditions. There is no limit on a Fund's investments in money market securities for temporary defensive purposes. If a Fund takes such a temporary defensive position, it may not achieve its investment objectives.

All investment restrictions and policies apply at the time of investment. A later change in circumstances will not require the sale of an investment if it was proper at the time it was made.

# International Equities Fund
Fact Sheet

**Investment Adviser**
VALIC

**Investment Sub-Adviser**
AIG Global Investment Corp. ("AIGGIC")

**Investment Objective**
The Fund seeks to provide long-term growth of capital through investments primarily in a diversified portfolio of equity and equity-related securities of foreign issuers.

**Investment Strategy**
The Fund invests, under normal circumstances, at least 80% of net assets in large-cap stocks domiciled in developed markets located outside North America, utilizing both active and passive investment strategies. "Net assets" will take into account borrowings for investment purposes.

The Fund's active investment strategy utilizes both quantitative and fundamental research and techniques to select securities, and combined with the Fund's passive investment strategy, has the objective of modest outperformance relative to the Morgan Stanley Capital International, Europe, Australasia and the Far East Index. Although the Fund invests primarily in securities of issuers located in developed countries, the Fund may invest up to 15% of its net assets in securities of issuers located in emerging markets, which will primarily be conducted through investments in exchange traded funds.

In addition to common stocks, the Fund may invest up to 20% of net assets in other securities, including convertible stocks, preferred stocks and warrants. The Fund may invest up to 33⅓% of total assets in futures and options, including covered put and call options on foreign currencies, listed and unlisted put and call options on currency futures, and listed and unlisted foreign currency contracts. All percentages are calculated as of the time of purchase.

In order to generate additional income, the Fund may lend portfolio securities to broker-dealers and other financial institutions provided that the value of the loaned securities does not exceed 30% of the Fund's total assets. These loans earn income for the Fund and are collateralized by cash, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, and such other securities as the Fund and the securities lending agent may agree upon.

**Investment Risk**
As with all funds, if you sell your shares when their value is less than the price you paid, you will lose money. Because of the following principal risks the value of your investment may fluctuate:

*Currency Risk:* Because the Fund's foreign investments are generally held in foreign currencies, the Fund could experience gains or losses based solely on changes in the exchange rate between foreign currencies and the U.S. dollar.

*Derivatives Risk:* Investments in derivatives involve special risks and may result in losses. The prices of derivatives may move in unexpected ways due to the use of leverage and other factors, especially in unusual market conditions, and may result in increased volatility. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions. In fact, many over-the-counter instruments (investments not traded on an exchange) will not be liquid, or the other party to the derivative transaction may not meet its obligations.

*Emerging Markets Risk:* The risks associated with investment in foreign securities are heightened in connection with investments in the securities of issuers in emerging markets, as these markets are generally more volatile than the markets of developed countries.

*Foreign Investment Risk:* Investments in foreign securities involve additional risks, due to changes in currency exchange rates, unfavorable political and legal developments and economic and financial instability, for example. Foreign companies are not subject to the U.S. accounting and financial reporting standards and public information may not be as available. In addition, the liquidity of these investments may be more limited than for U.S. investments, which means the sub-adviser may at times be unable to sell at desirable prices. Foreign settlement procedures may also involve additional risks. Certain of these risks may also apply to U.S. investments that are denominated in foreign currencies or that are traded in foreign markets, or to securities of U.S. companies that have significant foreign operations.

*Geographic Concentration Risk:* When investing a substantial amount of assets in issuers located in a single country or a limited number of countries, there is a risk that economic, political and social conditions in those countries will have a significant impact on the performance of the Fund's investments and investment performance may also be more volatile when the Fund concentrates its investments in certain countries, especially emerging market countries.

*Investment Company Risk:* If the Fund invests in shares of another investment company, the Fund bears a proportionate share of the other investment company's expenses. The price movement of an investment company that is an ETF may not track the underlying index and may result in a loss.

*Market Risk:* The Fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, the sub-adviser's assessment of companies held in the Fund may prove incorrect, resulting in losses or poor performance even in a rising market. Finally, the Fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other comparable funds.

*Securities Lending Risk.* As with other extensions of credit, securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. The Fund may lose money if the Fund does not recover the securities and/or the value of the collateral or the value of investments made with cash collateral falls. To the extent that the value of either the cash collateral or the Fund's investments of the cash collateral declines below the amount owed to a borrower, the Fund also may incur losses that exceed the amount it earned on lending the security. Securities lending also involves the risks of delay in receiving additional collateral or possible loss of rights in the collateral should the borrower fail financially. Another risk of securities lending is the risk that the loaned portfolio securities may not be available to the Fund on a timely basis and the Fund may therefore lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could also increase the market risk, credit risk and other risks associated with investments in the Fund.

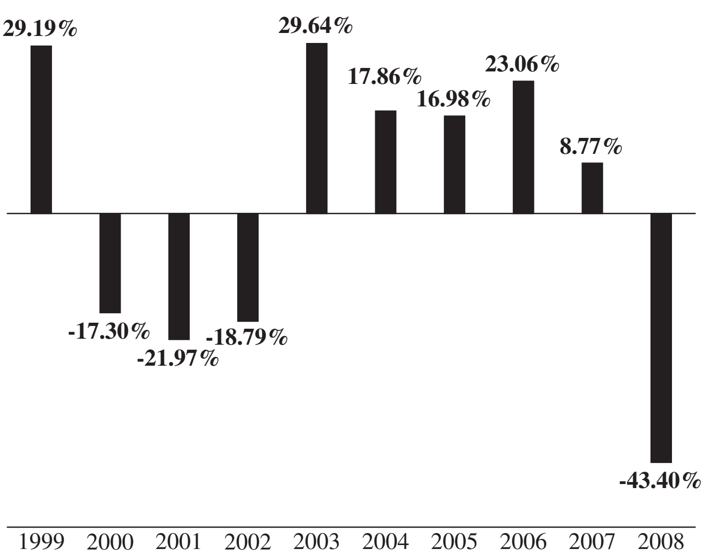
*Securities Selection Risk:* A strategy used by the Fund, or securities selected by the sub-adviser, may fail to produce the intended return.

# Performance Information

The performance information presented below is intended to help you evaluate the potential risks and rewards of an investment in the Fund by showing changes in the Fund's performance and comparing the Fund's performance with the performance of the MSCI EAFE Index. How the Fund performed in the past is not necessarily an indication of how the Fund will perform in the future.

This chart illustrates the Fund's annual returns for the last ten calendar years. Charges imposed by the Contracts or Plans that invest in the Fund are not included in the calculations of return in this bar chart, and if those charges were included, the returns would have been less than those shown below. The Fund returns reflect investment management fees and other Fund expenses.

Prior to January 1, 2002, VALIC was the manager of the Fund. AIGGIC assumed sub-advisory duties effective January 1, 2002.




*For the year-to-date through June 30, 2009, the Fund's return was 6.04%.*

*Best quarter:* 18.33%, quarter ending December 31, 1999

*Worst quarter:* –20.95%, quarter ending December 31, 2008

This table compares the Fund's average annual returns to the returns of the MSCI EAFE Index for the periods shown.

| As of December 31, 2008 | 1 Year | 5 Years | 10 Years |
|---|---|---|---|
| The Fund | −43.40% | 0.88% | −0.87% |
| MSCI EAFE Index | −43.38% | 1.66% | 0.80% |

The MSCI EAFE Index is comprised of the 21 Morgan Stanley Capital International country indices and measures the performance of approximately 1,000 large-cap stocks.

# Mid Cap Index Fund
## Fact Sheet

**Investment Adviser**
VALIC

**Investment Sub-Adviser**
AIG Global Investment Corp. ("AIGGIC")

**Investment Objective**
The Fund seeks to provide growth of capital through investments primarily in a diversified portfolio of common stocks that, as a group, are expected to provide investment results closely corresponding to the performance of the S&P MidCap 400® Index (the "Index").

**Investment Strategy**
The Fund is managed to seek to track the performance of the Index. The sub-adviser may endeavor to track the Index by purchasing every stock included in the Index, in the same proportions; or, in the alternative, the sub-adviser may invest in a sampling of Index stocks by utilizing a statistical technique known as "optimization." The goal of optimization is to select stocks which ensure that various industry weightings, market capitalizations, and fundamental characteristics, (*e.g.,* price-to-book, price-to-earnings, debt-to-asset ratios and dividend yields) closely approximate those of the Index.

Because the companies whose stocks are owned by the Fund are medium sized, they have more potential to grow than large-cap stocks, which means the value of their stock may increase. An index fund holding nearly all of the 400 stocks in the Index avoids the risk of individual stock selection and seeks to provide the return of the medium-sized company sector of the market. On average that return has been positive over many years but can be negative at certain times. There is no assurance that a positive return will occur in the future.

Under normal circumstances, at least 80% of the Fund's net assets are invested in stocks that are in the Index. "Net assets" will take into account borrowings for investment purposes. The Fund may invest up to 33⅓% of total assets in futures and options, and up to 20% of net assets in investments that are not in the Index, including common stock and related securities, high quality money market securities, and illiquid securities. All percentages are calculated as of the time of purchase.

Generally, an index fund tries to track the target index and its performance. One reason why the performance of the Fund will not match the index exactly is that an index fund incurs operating expenses and other investment overhead as part of its normal operations. The index is an unmanaged group of securities, so it does not have these expenses. An investor cannot invest directly in an index. These differences between an index fund and its index are called tracking differences. An index fund seeks a tracking difference of 0.05% or less. The tracking difference may also be shown as a correlation factor. A correlation factor of 0.95, after expenses, is considered to be good.

The tracking differences are reviewed periodically by the sub-adviser. If an index fund does not accurately track an index, the sub-adviser will rebalance the Fund's portfolio by selecting securities which will provide a more representative sampling of the securities in the Index as a whole or the sector diversification within the Index, as appropriate.

In order to generate additional income, the Fund may lend portfolio securities to broker-dealers and other financial institutions provided that the value of the loaned securities does not exceed 30% of the Fund's total assets. These loans earn income for the Fund and are collateralized by cash, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, and such other securities as the Fund and the securities lending agent may agree upon.

**Investment Risk**
As with all funds, if you sell your shares when their value is less than the price you paid, you will lose money. Because of the following principal risks the value of your investment may fluctuate:

*Derivatives Risk:* Investments in derivatives involve special risks and may result in losses. The prices of derivatives may move in unexpected ways due to the use of leverage and other factors, especially in unusual market conditions, and may result in increased volatility. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions. In fact, many over-the-counter instruments (investments not traded on an exchange) will not be liquid, or the other party to the derivative transaction may not meet its obligations.

*Index Risk:* The Fund is managed to an Index, the Index. Therefore, the Fund's performance will be closely tied to the Index. If the Index goes down, it is likely that the Fund's performance will also go down. The Fund will not sell securities in its portfolio or buy different securities over the course of a year other than in conjunction with changes in its Index, even if there are adverse developments concerning a particular security, company or industry.

*Market Risk:* The Fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. Finally, the Fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other comparable funds.

*Mid-Cap Company Risk:* The risk that medium sized companies, which usually do not have as much financial strength as very large companies, may not be able to do as well in difficult times.

*Securities Lending Risk.* As with other extensions of credit, securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. The Fund may lose money if the Fund does not recover the securities and/or the value of the collateral or the value of investments made with cash collateral falls. To the extent that the value of either the cash collateral or the Fund's investments of the cash collateral declines below the amount owed to a borrower, the Fund also may incur losses that exceed the amount it earned on lending the security.

# Mid Cap Index Fund

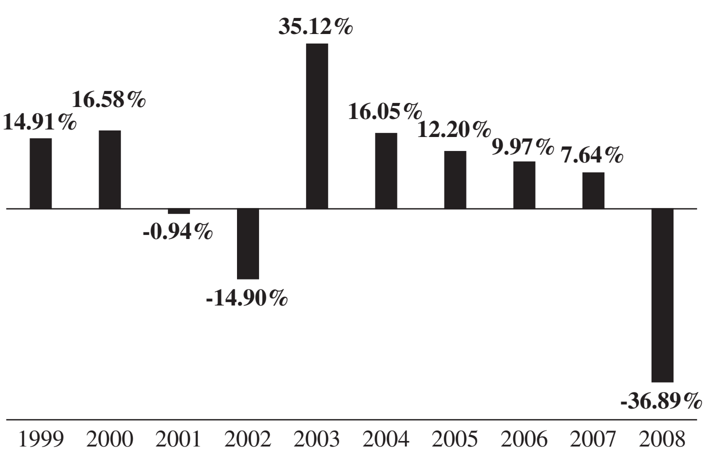
Securities lending also involves the risks of delay in receiving additional collateral or possible loss of rights in the collateral should the borrower fail financially. Another risk of securities lending is the risk that the loaned portfolio securities may not be available to the Fund on a timely basis and the Fund may therefore lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could also increase the market risk, credit risk and other risks associated with investments in the Fund.

# Performance Information

The performance information presented below is intended to help you evaluate the potential risks and rewards of an investment in the Fund by showing changes in the Fund's performance and comparing the Fund's performance with the performance of the S&P MidCap 400® Index. How the Fund performed in the past is not necessarily an indication of how the Fund will perform in the future.

This chart illustrates the Fund's annual returns for the last ten calendar years. Charges imposed by the Contracts or Plans that invest in the Fund are not included in the calculations of return in this bar chart, and if those charges were included, the returns would have been less than those shown below. The Fund returns reflect investment management fees and other Fund expenses.

Prior to October 1, 1999, the Fund was sub-advised by Bankers Trust Company. From October 1, 1999, to January 1, 2002, VALIC was the manager of the Fund. AIGGIC assumed sub-advisory duties of the Fund effective January 1, 2002.




*For the year-to-date through June 30, 2009, the Fund's return was 9.02%.*

*Best quarter:* 17.85%, quarter ending December 31, 2001

*Worst quarter:* −26.30%, quarter ending December 31, 2008

This table compares the Fund's average annual returns to the returns of the S&P MidCap 400® Index for the periods shown.

| As of December 31, 2008 | 1 Year | 5 Years | 10 Years |
|---|---|---|---|
| The Fund | −36.89% | −0.55% | 4.03% |
| S&P MidCap 400® Index | −36.23% | −0.08% | 4.46% |

The S&P MidCap 400® Index is an index of the stocks of 400 domestic stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index, with each stock's percentage in the Index in proportion to its market value.

"Standard & Poor's®," "S&P®," and "S&P MidCap 400®" are trademarks of S&P. The Fund is not sponsored, endorsed, sold or promoted by S&P, and S&P makes no representation regarding the advisability of investment in the Fund.

# Money Market I Fund
Fact Sheet

### Investment Adviser
VALIC

### Investment Sub-Adviser
SunAmerica Asset Management Corp. ("SAAMCo")

### Investment Objective
The Fund seeks liquidity, protection of capital and current income through investments in short-term money market instruments.

### Investment Strategy
The Fund invests in short-term money market securities to provide you with liquidity, protection of your investment and current income. Such securities must mature, after giving effect to any demand features, in 13 months or less and the Fund must have a dollar-weighted average portfolio maturity of 90 days or less. This is in accordance with Rule 2a-7 of the Investment Company Act of 1940. These practices are designed to minimize any fluctuation in the value of the Fund's portfolio.

The investments this Fund may buy include:

- Securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities;
- Certificates of deposit and other obligations of domestic banks that have total assets in excess of $1 billion;
- Commercial paper sold by corporations and finance companies;
- Corporate debt obligations with remaining maturities of 13 months or less;
- Repurchase agreements;
- Money market instruments of foreign issuers payable in U.S. dollars (limited to no more than 20% of the Fund's net assets);
- Asset-backed securities;
- Adjustable rate securities;
- Variable rate demand notes; and
- Illiquid securities (limited to 10% of the Fund's net assets)

### Investment Risk
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. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Because of the following principal risks the value of your investment may fluctuate and you could lose money:

*Risks of Investing in Money Market Securities:* An investment in the Fund is subject to the risk that the value of its investments in high-quality short-term obligations ("money market securities") may be subject to changes in interest rates, changes in the rating of any money market security and in the ability of an issuer to make payments of interest and principal.

*Interest Rate Fluctuations Risk:* The volatility of fixed income securities is due principally to changes in interest rates. The market value of money market securities and other fixed income securities usually tends to vary inversely with the level of interest rates. As interest rates rise the value of such securities typically falls, and as interest rates fall, the value of such securities typically rises. Longer-term and lower coupon bonds tend to be more sensitive to changes in interest rates.

*U.S. Government Obligations Risk:* U.S. Treasury obligations are backed by the "full faith and credit" of the U.S. Government and generally have negligible credit risk. Securities issued or guaranteed by federal agencies or authorities and U.S. Government-sponsored instrumentalities or enterprises may or may not be backed by the full faith and credit of the U.S. Government. For example, securities issued by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the Federal Home Loan Banks are neither insured nor guaranteed by the U.S. Government. These securities may be supported by the ability to borrow from the U.S. Treasury or by the credit of the issuing agency, authority, instrumentality or enterprise and, as a result, are subject to greater credit risk than securities issued or guaranteed by the U.S. Treasury.

*Credit Risk:* The risk that the issuer in which a Fund invests will fail financially or otherwise fail to honor its obligations. An issuer with a lower credit rating will be more likely than a higher rated issuer to default or otherwise become unable to honor its financial obligations.

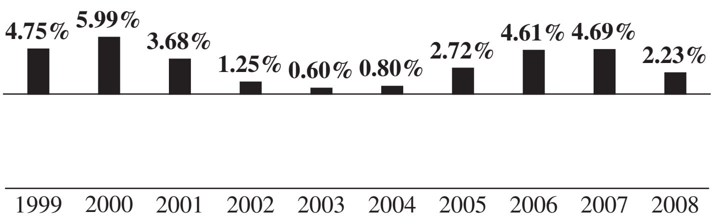
*Securities Selection Risk:* A strategy used by the Fund, or securities selected by its sub-adviser, may fail to produce the intended return.

## Performance Information

The performance information presented below is intended to help you evaluate the potential risks and rewards of an investment in the Fund by showing changes in the Fund's performance and comparing the Fund's performance with the performance of the T-Bill 3 Month Index. How the Fund performed in the past is not necessarily an indication of how the Fund will perform in the future.

This chart illustrates the Fund's annual returns for the last ten calendar years. Charges imposed by the Contracts or Plans that invest in the Fund are not included in the calculations of return in this bar chart, and if those charges were included, the returns would have been less than those shown below. The Fund returns reflect investment management fees and other Fund expenses.

Prior to January 1, 2002, VALIC was the manager of the Fund. SAAMCo assumed sub-advisory duties effective January 1, 2002.




*For the year-to-date through June 30, 2009, the Fund's return was 0.29%.*

*Best quarter:* 1.54%, quarter ending December 31, 2000

*Worst quarter:* 0.12%, quarter ending March 31, 2004

This table compares the Fund's average annual returns to the returns of the T-Bill 3 Month Index for the periods shown.

| As of December 31, 2008 | 1 Year | 5 Years | 10 Years |
|---|---|---|---|
| The Fund | 2.23% | 3.00% | 3.12% |
| T-Bill 3 Month Index | 1.41% | 2.98% | 3.16% |

The T-Bill 3 Month Index measures monthly performance of 90-day U.S. Treasury Bills.

# Nasdaq-100® Index Fund
Fact Sheet

### Investment Adviser
VALIC

### Investment Sub-Adviser
AIG Global Investment Corp. ("AIGGIC")

### Investment Objective
The Fund seeks long-term capital growth through investments in the stocks that are included in the Nasdaq-100® Index (the "Index").

### Investment Strategy
The Fund invests in stocks that are included in the Index. The Index was established in January 1985. It represents the largest and most active non-financial domestic and international securities listed on The Nasdaq Stock Market, based on market value (capitalization). This includes major industry groups, such as computer hardware and software, telecommunications, retail and wholesale trade and biotechnology.

The sub-adviser invests, under normal circumstances, at least 80% of the Fund's net assets in companies that are listed in the Index. "Net assets" will take into account borrowings for investment purposes. The Fund is managed to seek to track the performance of the Index. The sub-adviser may endeavor to track the Index by purchasing every stock included in the Index, in the same proportions; or, in the alternative, the sub-adviser may invest in a sampling of Index stocks by utilizing a statistical technique known as "optimization." The goal of optimization is to select stocks which ensure that various industry weightings, market capitalizations, and fundamental characteristics, (e.g., price-to-book, price-to-earnings, debt-to-asset ratios and dividend yields) closely approximate those of the Index.

The Fund may also invest in some futures contracts in order to help the Fund's liquidity. If the market value of the futures contracts is close to the Fund's cash balance, then that helps to minimize the tracking errors, while helping to maintain liquidity.

The Fund is a non-diversified fund. This means that it may invest more than 5% of its assets in the stock of a single company. However, this increases the risk of the Fund, since the economic and/or stock performance of that one company impacts a greater percentage of the Fund's investments. The Fund will, however, comply with diversification requirements imposed by the Internal Revenue Code of 1986 in order to pass on the maximum tax benefits associated with the income earned to each investor.

The Fund may concentrate its investments (invest more than 25% of its total assets) in the technology sector, in the proportion consistent with the industry weightings in the Index. All percentages are calculated as of the time of purchase.

Generally, an index fund tries to track the target index and its performance. The performance of the Fund will not match the index exactly, though, because an index fund incurs operating expenses and other investment overhead as part of its normal operations. The index is an unmanaged group of securities, so it does not have these expenses. An investor cannot invest directly in an index. These differences between an index fund and its index are called tracking differences. An index fund seeks a tracking difference of 0.05% or less. The tracking difference may also be shown as a correlation factor. A correlation factor of 0.95, after expenses, is considered to be good.

The tracking differences are reviewed periodically by the sub-adviser. If an index fund does not accurately track an index, the sub-adviser will rebalance the Fund's portfolio by selecting securities which will provide a more representative sampling of the securities in the index as a whole or the sector diversification within the index, as appropriate.

In order to generate additional income, the Fund may lend portfolio securities to broker-dealers and other financial institutions provided that the value of the loaned securities does not exceed 30% of the Fund's total assets. These loans earn income for the Fund and are collateralized by cash, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, and such other securities as the Fund and the securities lending agent may agree upon.

### Investment Risk
As with all funds, if you sell your shares when their value is less than the price you paid, you will lose money. Because of the following principal risks the value of your investment may fluctuate:

*Concentration Risk:* The Fund's investments are concentrated in the technology sector, as is the Index. The technology sector changes rapidly and can be very volatile from day-to-day or month-to-month. This means that the value of the Fund is subject to greater volatility than a fund that does not concentrate in a particular sector. This may be due to changes in such things as the regulatory or competitive environment and to changes in investor perceptions regarding a sector. Because the Index may invest relatively more assets in certain industry sectors than others (such as technology), the Fund's performance may be more susceptible to any developments which affect those sectors emphasized by the Index.

*Derivatives Risk:* Investments in derivatives involve special risks and may result in losses. The prices of derivatives may move in unexpected ways due to the use of leverage and other factors, especially in unusual market conditions, and may result in increased volatility. Other risks arise from the Fund's potential inability to terminate or sell derivative positions.

*Index Risk:* The Index is a modified capitalization weighted index, which means that it purchases stocks in proportion to their total market capitalizations (overall market value), with some modifications. The modifications are to provide enhanced diversification, but could also mean that securities offered by larger companies may be purchased in larger proportions. Thus, poor performance of the largest companies could result in negative performance for both the Index and the Fund. The Fund will not sell securities in its portfolio or buy different securities over the course of a year other than in conjunction with changes in its Index, even if there are adverse developments concerning a particular security, company or industry.

*Market Risk:* The Fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling.

*Non-Diversification Risk:* The Fund is considered a non-diversified investment company because it may invest a larger portion of its assets in the stock of a single company than a diversified company, and thus can concentrate in a smaller number of securities. A non-diversified company's risk may increase because the effect of each such security on the Fund's performance is greater.

# Nasdaq-100® Index Fund

*Securities Lending Risk.* As with other extensions of credit, securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. The Fund may lose money if the Fund does not recover the securities and/or the value of the collateral or the value of investments made with cash collateral falls. To the extent that the value of either the cash collateral or the Fund's investments of the cash collateral declines below the amount owed to a borrower, the Fund also may incur losses that exceed the amount it earned on lending the security. Securities lending also involves the risks of delay in receiving additional collateral or possible loss of rights in the collateral should the borrower fail financially. Another risk of securities lending is the risk that the loaned portfolio securities may not be available to the Fund on a timely basis and the Fund may therefore lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could also increase the market risk, credit risk and other risks associated with investments in the Fund.

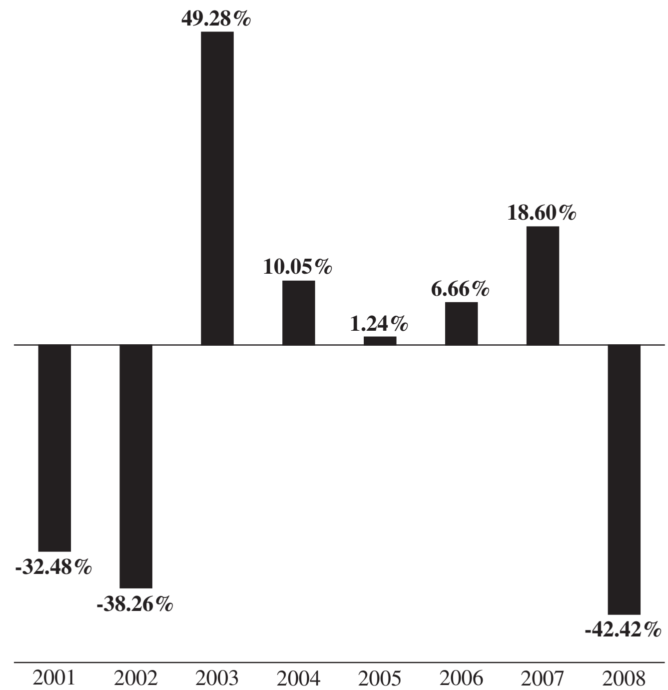
*Technology Sector Risk:* Technology stocks historically have experienced unusually wide price swings, both up and down. The potential for wide variation in performance reflects the special risks common to companies in the rapidly changing field of technology. For example, products or services that at first appear promising may not prove to be commercially successful or may become obsolete quickly. Earnings disappointments and intense competition for market share can result in sharp price declines.

## Performance Information

The performance information presented below is intended to help you evaluate the potential risks and rewards of an investment in the Fund by showing changes in the Fund's performance and comparing the Fund's performance with the performance of the Nasdaq-100® Index. How the Fund performed in the past is not necessarily an indication of how the Fund will perform in the future.

This chart illustrates the Fund's annual returns for the calendar years since inception. Charges imposed by the Contracts or Plans that invest in the Fund are not included in the calculations of return in this bar chart, and if those charges were included, the returns would have been less than those shown below. The Fund returns reflect investment management fees and other Fund expenses.

Prior to January 1, 2002, American General Investment Management, L.P. was the sub-adviser of the Fund. AIGGIC assumed sub-advisory duties effective January 1, 2002.




*For the year-to-date through June 30, 2009, the Fund's return was 23.08%.*

*Best quarter:* 35.45%, quarter ending December 31, 2001

*Worst quarter:* −36.17%, quarter ending September 30, 2001

This table compares the Fund's average annual returns to the returns of the Nasdaq-100® Index for the periods shown.

| As of December 31, 2008 | 1 Year | 5 Years | Since Inception (10/01/2000) |
|---|---|---|---|
| The Fund | −42.42% | −4.09% | −12.42% |
| Nasdaq-100® Index | −41.57% | −3.35% | −12.00% |

The Nasdaq-100® Index includes 10 of the largest domestic and international non-financial securities listed on The NASDAQ Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

The Fund is not sponsored, endorsed, sold or promoted by the Nasdaq Stock Market Inc. (including its affiliates) (Nasdaq®, with its affiliates, are referred to as the Corporations). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Fund. The Corporations make no representation or warranty, express or implied to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly, or the ability of the Nasdaq-100® Index to track general stock market performance. The Corporations' only relationship to the VC I (Licensee) is the licensing of the Nasdaq-100®, Nasdaq-100® Index, and Nasdaq® trademarks or service marks, and certain trade names of the Corporations and the use of the Nasdaq-100® Index which is determined, composed and calculated by Nasdaq® without regard to Licensee or the Fund. Nasdaq has no obligation to take the needs of the Licensee or the owners of the Fund into consideration in determining, composing or calculating the Nasdaq-100® Index. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Fund to be issued or in the determination or calculation of the equation by which the Fund is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Fund.

**The Corporations do not guarantee the accuracy and/or uninterrupted calculation of the Nasdaq-100® Index or any data included herein. The Corporations make no warranty, express or implied, as to results to be obtained by Licensee, owners of the Fund, or any other person or entity from the use of the Nasdaq-100® Index or any data included therein. The Corporations make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Nasdaq-100® Index or any data included therein. Without limiting any of the foregoing, in no event shall the Corporations have any liability for any lost profits or special, incidental, punitive, indirect, or consequential damages, even if notified of the possibility of such damages.**

# **Science & Technology Fund**
# Fact Sheet

### Investment Adviser
VALIC

### Investment Sub-Advisers
RCM Capital Management LLC (“RCM”)
T. Rowe Price Associates, Inc. (“T. Rowe Price”)
Wellington Management Company, LLP (“Wellington Management”)

### Investment Objective
The Fund seeks long-term capital appreciation.

### Investment Strategy
The Fund invests, under normal circumstances, at least 80% of net assets in the common stocks of companies that are expected to benefit from the development, advancement, and use of science and/or technology. “Net assets” will take into account borrowing for investment purposes. Some of the industries likely to be included in the portfolio are:

- electronics, including hardware, software, and components;
- communications;
- e-commerce (companies doing business through the Internet);
- information services;
- media;
- life sciences and health care;
- environmental services;
- chemicals and synthetic materials;
- defense and aerospace;
- nanotechnology;
- energy equipment and services; and
- electronic manufacturing services.

Holdings can range from small, unseasoned companies developing new technologies to blue chip firms with established track records of developing and marketing technology. Investments may also include companies that should benefit from technological advances even if they are not directly involved in research and development. The Fund may invest in suitable technology companies through initial public offerings (“IPOs”), and a portion of the Fund’s returns may be attributable to the Fund’s investments in IPOs. There is no guarantee that as the Fund’s assets grow it will be able to experience significant improvement in performance by investing in IPOs.

The Fund may invest up to 50% of its total assets in foreign securities, which include non-dollar denominated securities traded outside the U.S. In addition, the Fund has the ability to invest up to 20% of its total assets in companies organized or headquartered in emerging market countries, but no more than 15% of its total assets may be invested in any one emerging market country. All percentages are calculated as of the time of purchase.

While most assets will be invested in common stocks, the Fund may also invest in exchange-traded funds (“ETFs”) and derivatives, such as futures and options. The Fund has the ability to invest in short positions of ETFs and in short positions of individual securities, in the aggregate, up to 10% of total assets.

Generally, the Fund’s sub-advisers seek to identify companies with earnings and sales growth. In addition, the sub-advisers have the discretion to purchase some securities that do not meet their normal investment criteria, as described above, when they perceive an unusual opportunity for gain. These special situations might arise when the Fund’s sub-advisers believe a security could increase in value for a variety of reasons, including a change in management, an extraordinary corporate event, or a temporary imbalance in the supply of or demand for the security.

The Fund may sell securities for a variety of reasons, such as to secure gains, limit losses, or re-deploy assets into more promising opportunities.

In order to generate additional income, the Fund may lend portfolio securities to broker-dealers and other financial institutions provided that the value of the loaned securities does not exceed 30% of the Fund’s total assets. These loans earn income for the Fund and are collateralized by cash, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, and such other securities as the Fund and the securities lending agent may agree upon.

RCM, T. Rowe Price and Wellington Management each manage approximately one-third of the Fund’s assets.

### Investment Risk
As with all funds, if you sell your shares when their value is less than the price you paid, you will lose money. Because of the following principal risks the value of your investment may fluctuate:

*Concentration Risk:* The Fund’s investments are concentrated in the science and technology industries. These sectors change rapidly and can be very volatile from day-to-day or month-to-month. This means that the value of the Fund is subject to greater volatility than a fund that does not concentrate in a particular sector. This may be due to changes in such things as the regulatory or competitive environment and changes in investor perceptions regarding a sector.

*Currency Risk:* Because the Fund’s foreign investments are generally held in foreign currencies, the Fund could experience gains or losses based solely on changes in the exchange rate between foreign currencies and the U.S. dollar.

*Derivatives Risk:* Investments in derivatives involve special risks and may result in losses. The prices of derivatives may move in unexpected ways due to the use of leverage and other factors, especially in unusual market conditions, and may result in increased volatility. Other risks arise from the Fund’s potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund’s derivative positions. In fact, many over-the-counter instruments (investments not traded on an exchange) will not be liquid, or the other party to the derivative transaction may not meet its obligations.

*Foreign Investment Risk:* Investments in foreign securities involve additional risks, due to changes in currency exchange rates, unfavorable political and legal developments, and economic and financial instability, for example. Foreign companies are not subject to the U.S. accounting and financial reporting standards and public information may not be as available. Foreign settlement procedures may also involve additional risks. In addition, the liquidity of these investments may be more limited than that of U.S. investments, which means the sub-adviser may at times be unable to sell at desirable prices. Certain of these risks may also apply to U.S. investments that are denominated in foreign currencies or that are traded in foreign markets, or to securities of U.S. companies that have significant foreign operations. These risks are heightened when an issuer is in an *emerging market*.

Historically, the markets of *emerging market* countries have been more volatile than markets for developed countries.

*Geographic Concentration Risk:* The Fund may invest a substantial amount of its assets in issuers located in a single country or a limited number of countries. If the Fund concentrates its investments in this manner, it assumes the risk that economic, political and social conditions in those countries will have a significant impact on its investment performance.

*Growth Stock Risk:* Even well-established growth stocks can be volatile. Since growth companies usually invest a high portion of earnings in their own businesses, their stocks may lack the dividends that can cushion share prices in a down market. Since many investors buy these stocks because of anticipated superior earnings growth, earnings disappointments often result in sharp price declines. Also, medium-sized companies may have greater volatility than larger ones.

*IPO Risk:* A Fund's purchase of shares issued as part of, or a short period after, companies' IPOs exposes it to risks associated with companies that have little operating history as public companies, as well as to the risks inherent in those sectors of the market where these new issuers operate. The market for IPO issuers has been volatile, and share prices of newly-public companies have fluctuated in significant amounts over short periods of time.

*Market Risk:* The Fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, the sub-advisers' assessment of companies held in the Fund may prove incorrect, resulting in losses or poor performance even in a rising market. Finally, the Fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other types of stock funds.

*Securities Lending Risk.* As with other extensions of credit, securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. The Fund may lose money if the Fund does not recover the securities and/or the value of the collateral or the value of investments made with cash collateral falls. To the extent that the value of either the cash collateral or the Fund's investments of the cash collateral declines below the amount owed to a borrower, the Fund also may incur losses that exceed the amount it earned on lending the security. Securities lending also involves the risks of delay in receiving additional collateral or possible loss of rights in the collateral should the borrower fail financially. Another risk of securities lending is the risk that the loaned portfolio securities may not be available to the Fund on a timely basis and the Fund may therefore lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could also increase the market risk, credit risk and other risks associated with investments in the Fund.

*Securities Selection Risk:* A strategy used by the Fund, or securities selected by its sub-adviser, may fail to produce the intended return.

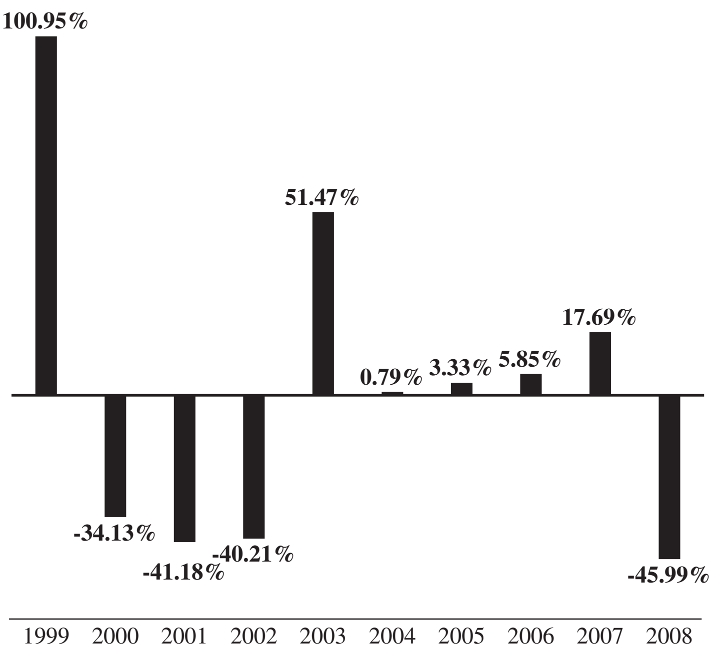
*Technology Sector Risk:* Technology stocks historically have experienced unusually wide price swings, both up and down. The potential for wide variation in performance reflects the special risks common to companies in the rapidly changing field of technology. For example, products or services that at first appear promising may not prove to be commercially successful or may become obsolete quickly. Earnings disappointments and intense competition for market share can result in sharp price declines.

## Performance Information

The performance information presented below is intended to help you evaluate the potential risks and rewards of an investment in the Fund by showing changes in the Fund's performance and comparing the Fund's performance with the performance of the S&P North American Technology Sector Index and the S&P 500 Information Technology Index. In addition, the performance information presented below reflects the Fund's investment strategy prior to changes made effective October 1, 2008. How the Fund performed in the past is not necessarily an indication of how the Fund will perform in the future.

This chart illustrates the Fund's annual returns for the last ten calendar years. Charges imposed by the Contracts or Plans that invest in the Fund are not included in the calculations of return in this bar chart, and if those charges were included, the returns would have been less than those shown below. The Fund returns reflect investment management fees and other Fund expenses.

T. Rowe Price has served as sub-adviser of the Fund since its inception. RCM and Wellington Management assumed co-sub-advisory duties on September 19, 2005 and on January 29, 2007, respectively.




*For the year-to-date through June 30, 2009, the Fund's return was 29.72%.*

*Best quarter:* 42.47%, quarter ending December 31, 1999

*Worst quarter:* −40.15%, quarter ending September 30, 2001

This table compares the Fund's average annual returns to the returns of the S&P 500 Information Technology Index for the periods shown.

| As of December 31, 2008 | 1 Year | 5 Years | 10 Years |
|---|---|---|---|
| The Fund | −45.99% | −6.86% | −6.81% |
| S&P North American Technology Sector Index | −43.33% | −5.38% | −5.21% |
| S&P 500 Information Technology Index | −43.14% | −5.78% | −6.05% |

Effective October 1, 2009, the Fund changed its benchmark from the S&P 500 Information Technology Index to the S&P North American Technology Sector Index because Fund management believes it is a more appropriate measure of the sub-advisers' investment styles and is better aligned with the Funds's investment strategies. The S&P North American Technology Sector Index measures the performance of U.S.-traded stocks of technology-related companies in the U.S. and Canada. The Index includes companies in the following categories: producers of sophisticated computer-related devices; communications equipment and internet services; producers of computer and internet software; consultants for information technology; providers of computer services; and semiconductor equipment manufacturers. The S&P Information Technology Index is an unmanaged, market-capitalization weighted index designed to measure performance of the technology sector of the S&P 500® Index.

# **Small Cap Index Fund**
# Fact Sheet

**Investment Adviser**
VALIC

**Investment Sub-Adviser**
AIG Global Investment Corp. ("AIGGIC")

### Investment Objective

The Fund seeks to provide growth of capital through investment primarily in a diversified portfolio of common stocks that, as a group, the sub-adviser believes may provide investment results closely corresponding to the performance of the Russell 2000® Index (the "Index").

### Investment Strategy

The Fund is managed to seek to track the performance of the Index. The sub-adviser may endeavor to track the Index by purchasing every stock included in the Index, in the same proportions. Or, in the alternative, the sub-adviser may invest in a sampling of Index stocks by utilizing a statistical technique known as "optimization." The goal of optimization is to select stocks which ensure that various industry weightings, market capitalizations, and fundamental characteristics (*e.g.,* price-to-book, price-to-earnings, debt-to-asset ratios and dividend yields) closely approximate those of the Index.

An index fund holding a large sampling of the 2,000 stocks in the Index avoids the risks of individual stock selection and seeks to provide the return of the smaller-sized company sector of the market. On average that return has been positive over the years but has been negative at certain times. There is no assurance that a positive return will occur in the future. Because the companies whose stocks the Fund owns are small, their stock prices may fluctuate more over the short-term, but they have more potential to grow than large- or mid-cap stocks. This means their stock value may offer greater potential for appreciation.

The Fund invests, under normal circumstances, at least 80% of net assets in stocks that are in the Index, and up to 20% in investments that are not part of the Index, including common stock, related securities, illiquid securities, and high quality money market securities. "Net assets" will take into account borrowings for investment purposes. The Fund may invest up to 33⅓% in futures and options. All percentages are calculated as of the time of purchase.

Generally, an index fund tries to track the target index and its performance. The performance of the Fund will not match the index exactly, though, because an index fund incurs operating expenses and other investment overhead as part of its normal operations. The index is an unmanaged group of securities, so it does not have these expenses. An investor cannot invest directly in an index. These differences between an index fund and its index are called tracking differences. An index fund seeks a tracking difference of 0.05% or less. The tracking difference may also be shown as a correlation factor. A correlation factor of 0.95, after expenses, is considered to be good.

The tracking differences are reviewed periodically by the sub-adviser. If an index fund does not accurately track an index, the sub-adviser will rebalance the Fund's portfolio by selecting securities which will provide a more representative sampling of the securities in the index as a whole or the sector diversification within the index, as appropriate.

In order to generate additional income, the Fund may lend portfolio securities to broker-dealers and other financial institutions provided that the value of the loaned securities does not exceed 30% of the Fund's total assets. These loans earn income for the Fund and are collateralized by cash, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, and such other securities as the Fund and the securities lending agent may agree upon.

### Investment Risk

As with all funds, if you sell your shares when their value is less than the price you paid, you will lose money. Because of the following principal risks the value of your investment may fluctuate:

*Derivatives Risk:* Investments in derivatives involve special risks and may result in losses. The prices of derivatives may move in unexpected ways due to the use of leverage and other factors, especially in unusual market conditions, and may result in increased volatility. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions. In fact, many over-the-counter instruments (investments not traded on an exchange) will not be liquid, or the other party to the derivative transaction may not meet its obligations.

*Index Risk:* The Fund is managed to an Index, the Index. Therefore, the Fund's performance will be closely tied to the Index. If the Index goes down, it is likely that the Fund's performance will also go down. The Fund will not sell securities in its portfolio or buy different securities over the course of a year other than in conjunction with changes in its Index, even if there are adverse developments concerning a particular security, company or industry.

*Market Risk:* The Fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. Finally, the Fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other comparable funds.

*Securities Lending Risk.* As with other extensions of credit, securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. The Fund may lose money if the Fund does not recover the securities and/or the value of the collateral or the value of investments made with cash collateral falls. To the extent that the value of either the cash collateral or the Fund's investments of the cash collateral declines below the amount owed to a borrower, the Fund also may incur losses that exceed the amount it earned on lending the security. Securities lending also involves the risks of delay in receiving additional collateral or possible loss of rights in the collateral should the borrower fail financially. Another risk of securities lending is the risk that the loaned portfolio securities may not be available to the Fund on a timely basis and the Fund may therefore lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could also increase the market risk, credit risk and other risks associated with investments in the Fund.

# Small Cap Index Fund

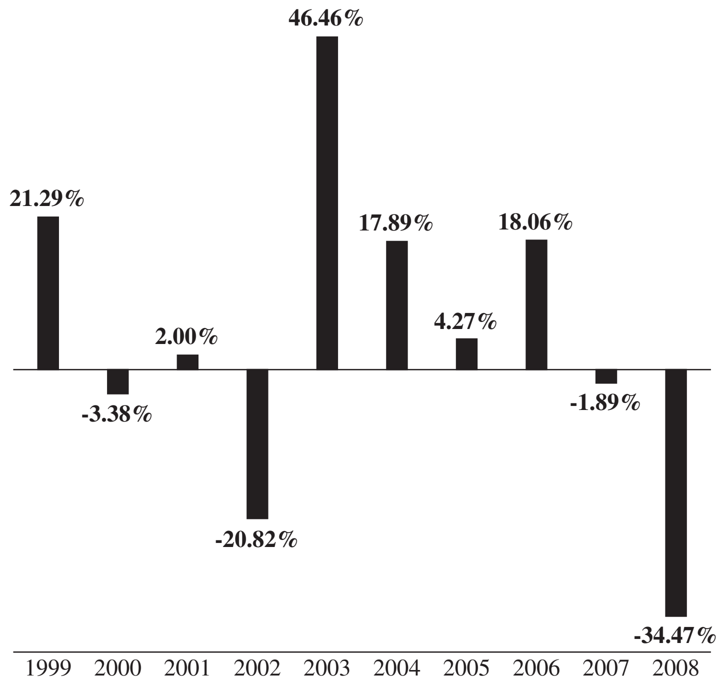
*Small Company Risk:* Investing in small companies involves greater risk than is customarily associated with larger companies. Stocks of small companies are subject to more abrupt or erratic price movements than larger company stocks. Small companies often are in the early stages of development and have limited product lines, markets, or financial resources. Their management may lack depth and experience. Such companies seldom pay significant dividends that could cushion returns in a falling market. In addition, these companies may be more affected by intense competition from larger companies, and the trading markets for their securities may be less liquid and more volatile than the market for securities of larger companies. This means that the Fund could have greater difficulty selling a security of a small-cap issuer at an acceptable price, especially in periods of market volatility. Also, it may take a substantial period of time before the Fund realizes a gain on an investment in a small-cap company, if it realizes any gain at all.

# Performance Information

The performance information presented below is intended to help you evaluate the potential risks and rewards of an investment in the Fund by showing changes in the Fund's performance and comparing the Fund's performance with the performance of the Russell 2000® Index. How the Fund performed in the past is not necessarily an indication of how the Fund will perform in the future.

This chart illustrates the Fund's annual returns for the last ten calendar years. Charges imposed by the Contracts or Plans that invest in the Fund are not included in the calculations of return in this bar chart, and if those charges were included, the returns would have been less than those shown below. The Fund returns reflect investment management fees and other Fund expenses.

Prior to October 1, 1999, the Fund was sub-advised by Bankers Trust Company. VALIC assumed management of the Fund October 1, 1999. AIGGIC assumed sub-advisory duties effective January 1, 2002.




*For the year-to-date through June 30, 2009, the Fund's return was 3.23%.*

*Best quarter:* 23.21%, quarter ending June 30, 2003

*Worst quarter:* −26.83%, quarter ending December 31, 2008

This table compares the Fund's average annual returns to the returns of the Russell 2000® Index for the periods shown.

| As of December 31, 2008 | 1 Year | 5 Years | 10 Years |
|---|---|---|---|
| The Fund | −34.47% | −1.38% | 2.61% |
| Russell 2000® Index | −33.79% | −0.93% | 3.02% |

The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000® Index.

The Russell 2000® Index is a trademark/service mark of the Frank Russell Trust Company. The Fund is not promoted, sponsored or endorsed by, nor in any way affiliated with Frank Russell Company. Frank Russell Company is not responsible for and has not reviewed the Fund or any associated literature or publications and makes no representation or warranty, express or implied, as to their accuracy, or completeness, or otherwise.

# **Stock Index Fund**
Fact Sheet

### Investment Adviser
VALIC

### Investment Sub-Adviser
AIG Global Investment Corp. ("AIGGIC")

### Investment Objective
The Fund seeks long-term capital growth through investment in common stocks that, as a group, are expected to provide investment results closely corresponding to the performance of the S&P 500® Index (the "Index").

### Investment Strategy
The Fund is managed to seek to track the performance of the Index. The sub-adviser may endeavor to track the Index by purchasing every stock included in the Index, in the same proportions. Or, in the alternative, the sub-adviser may invest in a sampling of Index stocks by utilizing a statistical technique known as "optimization." The goal of optimization is to select stocks which ensure that various industry weightings, market capitalizations, and fundamental characteristics, (e.g., price-to-book, price-to-earnings, debt-to-asset ratios and dividend yields) closely approximate those of the Index.

This Index Fund may help to avoid the risk of individual stock selection and seeks to provide the return of the large company sector of the market. In the past that return has been positive over many years but can be negative at certain times. There is no assurance that a positive return will occur in the future. The Index includes the stocks of many large, well-established companies. These companies usually have the financial strength to weather difficult financial times. However, the value of any stock can rise and fall over short and long periods of time.

The Fund invests, under normal circumstances, at least 80% of net assets in stocks that are in the Index, and up to 20% in investments that are not in the Index, including common stock and related securities, and high quality money market securities. "Net assets" will take into account borrowings for investment purposes. The Fund may invest up to 33⅓% in futures and options. All percentages are calculated at the time of purchase.

Generally, an index fund tries to track the target index and its performance. The performance of the Fund will not match the index exactly, though, because an index fund incurs operating expenses and other investment overhead as part of its normal operations. The index is an unmanaged group of securities, so it does not have these expenses. An investor cannot invest directly in an index. These differences between an index fund and its index are called tracking differences. An index fund seeks a tracking difference of 0.05% or less. The tracking difference may also be shown as a correlation factor. A correlation factor of 0.95, after expenses, is considered to be good.

The tracking differences are reviewed periodically by the sub-adviser. If an index fund does not accurately track an index, the sub-adviser will rebalance the Fund's portfolio by selecting securities which will provide a more representative sampling of the securities in the index as a whole or the sector diversification within the index, as appropriate.

In order to generate additional income, the Fund may lend portfolio securities to broker-dealers and other financial institutions provided that the value of the loaned securities does not exceed 30% of the Fund's total assets. These loans earn income for the Fund and are collateralized by cash, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, and such other securities as the Fund and the securities lending agent may agree upon.

### Investment Risk
As with all funds, if you sell your shares when their value is less than the price you paid, you will lose money. Because of the following principal risks the value of your investment may fluctuate:

*Derivatives Risk:* Investments in derivatives involve special risks and may result in losses. The prices of derivatives may move in unexpected ways due to the use of leverage and other factors, especially in unusual market conditions, and may result in increased volatility. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions. In fact, many over-the-counter instruments (investments not traded on an exchange) will not be liquid, or the other party to the derivative transaction may not meet its obligations.

*Index Risk:* The Fund is managed to an Index, the Index. Therefore, the Fund's performance will be closely tied to the Index. If the Index goes down, it is likely that the Fund's performance will also go down. The Fund will not sell securities in its portfolio or buy different securities over the course of a year other than in conjunction with changes in its Index, even if there are adverse developments concerning a particular security, company or industry.

*Market Risk:* The Fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. Finally, the Fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other comparable funds.

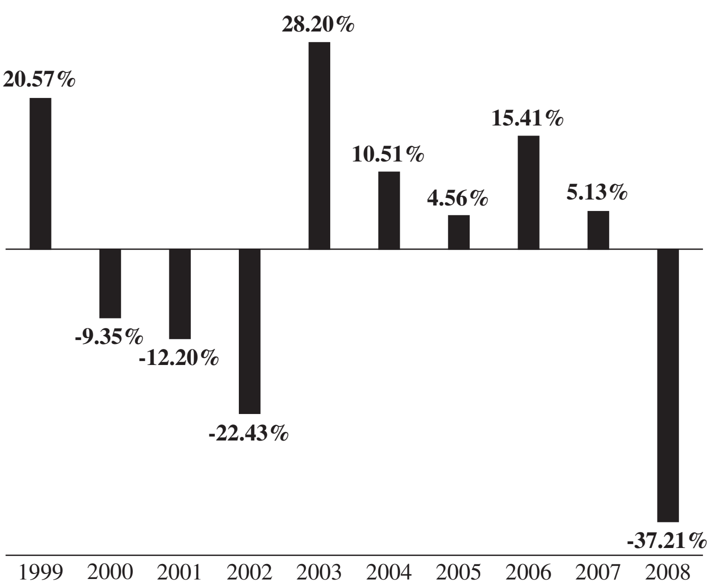
*Securities Lending Risk.* As with other extensions of credit, securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. The Fund may lose money if the Fund does not recover the securities and/or the value of the collateral or the value of investments made with cash collateral falls. To the extent that the value of either the cash collateral or the Fund's investments of the cash collateral declines below the amount owed to a borrower, the Fund also may incur losses that exceed the amount it earned on lending the security. Securities lending also involves the risks of delay in receiving additional collateral or possible loss of rights in the collateral should the borrower fail financially. Another risk of securities lending is the risk that the loaned portfolio securities may not be available to the Fund on a timely basis and the Fund may therefore lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could also increase the market risk, credit risk and other risks associated with investments in the Fund.

## Performance Information

The performance information presented below is intended to help you evaluate the potential risks and rewards of an investment in the Fund by showing changes in the Fund's performance and comparing the Fund's performance with the performance of the S&P 500® Index. How the Fund performed in the past is not necessarily an indication of how the Fund will perform in the future.

This chart illustrates the Fund's annual returns for the last ten calendar years. Charges imposed by the Contracts or Plans that invest in the Fund are not included in the calculations of return in this bar chart, and if those charges were included, the returns would have been less than those shown below. The Fund returns reflect investment management fees and other Fund expenses.

Prior to October 1, 1999, the Fund was sub-advised by Bankers Trust Company. VALIC assumed management of the Fund October 1, 1999. AIGGIC assumed sub-advisory duties effective January 1, 2002.




*For the year-to-date through June 30, 2009, the Fund's return was 2.80%.*

*Best quarter:* 15.33%, quarter ending June 30, 2003

*Worst quarter:* −22.03%, quarter ending December 31, 2008

This table compares the Fund's average annual returns to the returns of the S&P 500® Index for the periods shown.

| As of December 31, 2008 | 1 Year | 5 Years | 10 Years |
|---|---|---|---|
| The Fund | −37.21% | −2.52% | −1.73% |
| S&P 500® Index | −37.00% | −2.19% | −1.38% |

The S&P 500® Index is an index of the stocks of 500 major large-cap U.S. corporations, chosen for market size, liquidity, and industry group representation. It is a market-value weighted index, with each stock's percentage in the Index in proportion to its market value.

"Standard & Poor's®," "S&P®," and "S&P 500®," are trademarks of S&P. The Stock Index Fund is not sponsored, endorsed, sold or promoted by S&P, and S&P makes no representation regarding the advisability of investment in the Fund.

# Expense Summary

The table below describes the fees and expenses you may pay if you remain invested in a Fund. A Fund's annual operating expenses do not reflect the separate account fees charged in the Contracts or administrative fees for the Plans in which the Fund is offered. Please see your Contract prospectus or Plan document for more details on such fees.

**Shareholder Fees (fees paid directly from your account):** Not applicable

Each Fund has no sales charges, redemption or surrender fees, exchange fees or account fees. Those kinds of fees may be imposed on you by the Contract. Such sales charges and other expenses are described in the Contract prospectus or Plan document.

**Annual Fund Operating Expenses**
(expenses that are deducted from Fund assets)

| | International Equities | Mid Cap Index | Money Market I[(1)(4)] | Nasdaq-100® Index[(1)] | Science & Technology | Small Cap Index | Stock Index |
|---|---|---|---|---|---|---|---|
| Management Fees | 0.32% | 0.28% | 0.40% | 0.40% | 0.89% | 0.32% | 0.26% |
| Other Expenses | 0.23% | 0.12% | 0.19% | 0.26% | 0.17% | 0.15% | 0.13% |
| Acquired Fund Fees and Expenses[(5)] | 0.01% | —% | —% | —% | —% | —% | —% |
| Total Fund Operating Expenses | 0.56% | 0.40% | 0.59% | 0.66% | 1.06% | 0.47% | 0.39% |
| Expense Reimbursement | —% | —% | 0.04% | 0.13% | —% | —% | —% |
| Net Expenses | 0.56% | 0.40% | 0.55% | 0.53%[(3)] | 1.06%[(2)] | 0.47% | 0.39% |

(1) VALIC will waive fees and reimburse expenses should the Total Annual Fund Operating Expenses before expense reimbursement be higher than the net expense ratio. VALIC may not increase such ratios, which are contractually required by agreement with the Board of Directors, without the approval of the Directors, including a majority of the Independent Directors. The expense waivers and fee reimbursements will continue through September 30, 2010, subject to termination by the Board of Directors, including a majority of the Independent Directors.

(2) Through a commission recapture program a portion of the Fund's expenses have been reduced. "Other Expenses" does not take into account this expense reduction and are therefore higher than the actual expenses of the Fund. Had the expense reductions been taken into account, "Net Expenses" would be as follows: Science & Technology Fund, 1.05%.

(3) The Net Expenses for the Nasdaq-100® Index Fund reflects new expense limitations, which were reduced/instituted effective October 1, 2009. As of May 31, 2009, the Fund's Net Expenses was 0.55%.

(4) In order to avoid a negative yield, VALIC may reimburse expenses or waive fees of the Money Market I Fund. Any such waiver or expense reimbursement would be voluntary and could be discontinued at any time. There is no guarantee that the Fund will be able to avoid a negative yield.

(5) "Acquired Fund Fees and Expenses" include fees and expenses incurred indirectly by the Fund as a result of investments in shares of one or more mutual funds, hedge funds, private equity funds or other pooled investment vehicles. The fees and expenses will vary based on the Fund's allocation of assets to, and the annualized new expenses of, the particular Acquired Fund. The impact of these fees and expenses is reflected in Net Expenses.

**Example**

This Example is intended to help you compare the cost of investing in a Fund with the cost of investing in other mutual funds.

The Example assumes that you invest $10,000 in a Fund for the time periods indicated and then redeem all of your shares at the end of those periods. This Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses include waivers and reimbursements for year one where applicable. The Example does not reflect charges imposed by the Contract or Plan, and if those charges were included, the expenses would have been higher than those shown below. See the Contract prospectus or Plan document for information on such charges. Although your actual costs may be higher or lower, based on the assumptions, your costs would be:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| International Equities | $ 57 | $179 | $313 | $ 701 |
| Mid Cap Index | $ 41 | $128 | $224 | $ 505 |
| Money Market I | $ 56 | $185 | $325 | $ 734 |
| Nasdaq-100® Index | $ 54 | $198 | $355 | $ 810 |
| Science & Technology* | $108 | $337 | $585 | $1,294 |
| Small Cap Index | $ 48 | $151 | $263 | $ 591 |
| Stock Index | $ 40 | $125 | $219 | $ 493 |

* The expense example does not take into account reductions resulting from a commission recapture program. If these expense reductions were included, your costs would be lower.

# Investment Glossary

Each Fund's principal (key) investment strategy and risks are shown above. More detail on investments and investment techniques is shown below. Funds may utilize these investments and techniques as noted, though the investment or technique may not be a principal strategy. All Money Market I Fund investments must comply with Rule 2a-7 of the Investment Company Act of 1940, as amended (the "1940 Act"), which allows the purchase of only high quality money market instruments.

**American Depositary Receipts ("ADRs")**

ADRs are certificates issued by a United States bank or trust company and represent the right to receive securities of a foreign issuer deposited in a domestic bank or foreign branch of a United States bank. ADRs in which a Fund may invest may be sponsored or unsponsored. There may be less information available about foreign issuers of unsponsored ADRs.

**Asset-Backed Securities**

Asset-backed securities are bonds or notes that are normally supported by a specific property. If the issuer fails to pay the interest or return the principal when the bond matures, then the issuer must give the property to the bondholders or noteholders.

Examples of assets supporting asset-backed securities include credit card receivables, retail installment loans, home equity loans, auto loans, and manufactured housing loans.

**Derivatives**

Unlike stocks and bonds that represent actual ownership of that stock or bond, derivatives are investments which "derive" their value from securities issued by a company, government, or government agency, such as futures and options. In certain cases, derivatives may be purchased for non-speculative investment purposes or to protect ("hedge") against a change in the price of the underlying security. There are some investors who take higher risk ("speculate") and buy derivatives to profit from a change in price of the underlying security. We may purchase derivatives to hedge the investment portfolios and to earn additional income in order to help achieve the Funds' objectives. Generally, the Funds do not buy derivatives to speculate.

Futures contracts and options may not always be successful hedges; their prices can be highly volatile; using them could lower fund total return; and the potential loss from the use of futures can exceed a Fund's initial investment in such contracts.

**Diversification**

Each Fund's diversification policy limits the amount that the Fund may invest in certain securities. Each Fund's diversification policy is also designed to comply with the diversification requirements of the Internal Revenue Code (the "Code") as well as the 1940 Act.

All of the Funds except the Nasdaq-100® Index Fund are diversified under the 1940 Act.

**Equity Securities**

Equity securities represent an ownership position in a company. The prices of equity securities fluctuate based on changes in the financial condition of the issuing company and on market and economic conditions. If you own an equity security, you own a part of the company that issued it. Companies sell equity securities to get the money they need to grow.

Stocks are one type of equity security. Generally, there are three types of stocks:

Common stock — Each share of common stock represents a part of the ownership of the company. The holder of common stock participates in the growth of the company through increasing stock price and receipt of dividends. If the company runs into difficulty, the stock price can decline and dividends may not be paid.

Preferred stock — Each share of preferred stock allows the holder to get a set dividend before the common stock shareholders receive any dividends on their shares.

Convertible preferred stock — A stock with a set dividend which the holder may exchange for a certain amount of common stock.

Stocks are not the only type of equity security. Other equity securities include but are not limited to convertible securities, depositary receipts, warrants, rights and partially paid shares, investment company securities, real estate securities, convertible bonds and ADRs, European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs"). More information about these equity securities is included elsewhere in this Prospectus or contained in the Statement of Additional Information.

**Exchange-Traded Funds ("ETFs")**

These are a type of index fund bought and sold on a securities exchange. An ETF trades like common stock and represents a fixed portfolio of securities designed to track a particular market index. Funds may purchase an ETF to temporarily gain exposure to a portion of the U.S. or a foreign market while awaiting purchase of underlying securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although the lack of liquidity of an ETF could result in it being more volatile. Additionally, ETFs have management fees which increase their cost.

**Fixed Income Securities**

Fixed income securities include a broad array of short, medium and long-term obligations, including notes and bonds. Fixed income securities may have fixed, variable, or floating rates of interest, including rates of interest that vary inversely at a multiple of a designated or floating rate, or that vary according to changes in relative values of currencies. Fixed income securities generally involve an obligation of the issuer to pay interest on either a current basis or at the maturity of the security and to repay the principal amount of the security at maturity.

Bonds are one type of fixed income security and are sold by governments on the local, state, and federal levels, and by companies. There are many different kinds of bonds. For example, each bond issue has specific terms. U.S. Government bonds are guaranteed by the federal government to pay interest and principal. Revenue bonds are usually only paid from the revenue of the issuer. An example of that would be an airport revenue bond. Debentures are a very common type of corporate bond (a bond sold by a company). Payment of interest and return of principal is subject to the company's ability to pay. Convertible bonds are corporate bonds that can be exchanged for stock.

Investing in a bond is like making a loan for a fixed period of time at a fixed interest rate. During the fixed period, the bond pays interest on a regular basis. At the end of the fixed period, the bond matures and the investor usually gets back the principal amount of the bond. Fixed periods to maturity are categorized as short term (generally less than 12 months), intermediate (one to 10 years), and long term (10 years or more).

Bonds that are rated Baa by Moody's Investors Service, Inc. ("Moody's") or BBB by Standard & Poors Ratings Services ("S&P") have speculative characteristics. Bonds that are unrated or rated below Baa3 by Moody's or BBB– by S&P (commonly referred to as high yield, high risk or junk bonds) are regarded, on balance, as predominantly speculative. Changes in economic conditions or other circumstances are more likely to weaken the issuer's capacity to pay interest and principal in accordance with the terms of the obligation than is the case with higher rated bonds. While such bonds may have some quality and protective characteristics, these are outweighed by uncertainties or risk exposures to adverse conditions. Lower rated bonds may be more susceptible to real or perceived adverse economic and individual corporate developments than would investment grade bonds.

For example, a projected economic downturn or the possibility of an increase in interest rates could cause a decline in high-yield, high-risk bond prices because such an event might lessen the ability of highly leveraged high yield issuers to meet their principal and interest payment obligations, meet projected business goals, or obtain additional financing. In addition, the secondary trading market for lower-medium and lower-quality bonds may be less liquid than the market for investment grade bonds. This potential lack of liquidity may make it more difficult to accurately value certain of these lower-grade portfolio securities.

Bonds are not the only type of fixed income security. Other fixed income securities include but are not limited to U.S. and foreign corporate fixed income securities, including convertible securities (bonds, debentures, notes and other similar instruments) and corporate commercial paper, mortgage-related and other asset-backed securities; inflation-indexed bonds issued by both governments and corporations; structured notes, including hybrid or "indexed" securities, preferred or preference stock, catastrophe bonds, and loan participations; bank certificates of deposit, fixed time deposits and bankers' acceptances; repurchase agreements and reverse repurchase agreements; fixed income securities issued by states or local governments and their agencies, authorities and other instrumentalities; obligations of foreign governments or their subdivisions, agencies and instrumentalities; and obligations of international agencies or supranational entities. Commercial paper is a specific type of corporate or short term note. In fact, it's very short term, being paid in less than 270 days. Most commercial paper matures in 50 days or less. Fixed income securities may be acquired with warrants attached. For more information about specific income securities see the Statement of Additional Information.

Investments in fixed income securities include U.S. Government securities. U.S. Government securities are issued or guaranteed by the U.S. Government, its agencies and instrumentalities. Some U.S. Government securities are issued or unconditionally guaranteed by the U.S. Treasury. They are of the highest possible credit quality. While these securities are subject to variations in market value due to fluctuations in interest rates, they will be paid in full if held to maturity. Other U.S. Government securities are neither direct obligations of, nor guaranteed by the U.S. Treasury. However, they involve federal sponsorship in one way or another. For example, some are backed by specific types of collateral; some are supported by the issuer's right to borrow from the Treasury; some are supported by the discretionary authority of the Treasury to purchase certain obligations of the issuer; and others are supported only by the credit of the issuing government agency or instrumentality. For more information about mortgage-related fixed income securities see "Mortgage-Related Securities."

The Funds may also invest in debt securities that are guaranteed under the Federal Deposit Insurance Corporation's ("FDIC") Temporary Liquidity Guarantee Program ("TLGP"). Under the TLGP, the FDIC guarantees, with the full faith and credit of the U.S. government, the payment of principal and interest on senior unsecured debt issued by entities eligible to participate in the TLGP, which generally include FDIC-insured depository institutions, U.S. bank holding companies or financial holding companies and certain U.S. savings and loan holding companies. This guarantee presently extends through the earlier of the maturity date of the debt or June 30, 2012. This guarantee does not extend to shares of the Fund itself. FDIC-guaranteed debt is still subject to interest rate and securities selection risk.

*Recent Market Conditions.* Recent events have resulted in fixed income instruments experiencing unusual liquidity issues, increased price volatility and, in some cases, credit downgrades and increased likelihood of default. These events have reduced the willingness of some lenders to extend credit, and have made it more difficult for borrowers to obtain financing on attractive terms, if at all. As a result, the value of many types of debt securities has been reduced, including, but not limited to, asset-backed securities. Because the situation in the markets is widespread and largely unprecedented, it may be unusually difficult to identify both risks and opportunities, or to predict the duration of these market events. Mortgage-backed securities have been especially affected by these events. Some financial institutions may have large (but still undisclosed) exposures to such securities, which could have a negative effect on the broader economy. Securities in which a Fund invests may become less liquid in response to market developments or adverse investor perceptions. In some cases, traditional market participants have been less willing to make a market in some types of debt instruments, which has affected the liquidity of those instruments. Illiquid investments may be harder to value, especially in changing markets, and if a Fund is forced to sell such investments to meet redemptions or for other cash needs, such Fund may suffer a loss.

**Foreign Currency**

Funds buy foreign currencies when they believe the value of the currency will increase. If it does increase, they sell the currency for a profit. If it decreases they will experience a loss. Funds may also buy foreign currencies to pay for foreign securities bought for the Fund or for hedging purposes.

**Foreign Securities**

Securities of foreign issuers include obligations of foreign branches of U.S. banks and of foreign banks, common and preferred stocks, fixed income securities issued by foreign governments, corporations and supranational organizations, and GDRs and EDRs.

There is generally less publicly available information about foreign companies, and they are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies.

### Illiquid Securities

An illiquid security is one that may not be frequently traded or cannot be disposed of promptly within seven days and in the usual course of business without taking a materially reduced price. Illiquid securities include, but are not limited to, time deposits and repurchase agreements not maturing within seven days and restricted securities.

A restricted security is one that has not been registered with the SEC and, therefore, cannot be sold in the public market. Securities eligible for sale under Rule 144A and commercial paper offered pursuant to Section 4(2) of the Securities Act of 1933, as amended, are not deemed by VALIC or any Fund's sub-adviser to be illiquid solely by reason of being restricted. Instead, the sub-adviser will determine whether such securities are liquid based on trading markets and pursuant to guidelines adopted by the Board of Directors. If the sub-adviser concludes that a security is not liquid, that investment will be included within the Fund's limitation on illiquid securities.

### Lending Portfolio Securities

Each Fund, other than the Money Market I Fund, may make secured loans of its portfolio securities for purposes of realizing additional income. No lending may be made with any companies affiliated with VALIC. The Funds will only make loans to broker-dealers and other financial institutions deemed by State Street Bank and Trust Company (the "securities lending agent") to be creditworthy. The securities lending agent also holds the cash and portfolio securities of VC I. Each loan of portfolio securities will be continuously secured by collateral in an amount at least equal to the market value of the securities loaned. Such collateral will be cash, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, and such other securities as the Fund and the securities lending agent may agree upon. As with other extensions of credit, securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. The Fund may lose money if the Fund does not recover the securities and/or the value of the collateral or the value of investments made with cash collateral falls. Such events may also trigger adverse tax consequences for the Fund. To the extent that either the value of the cash collateral or the Fund's investments of the cash collateral declines below the amount owed to a borrower, the Fund also may incur losses that exceed the amount it earned on lending the security. Securities lending also involves the risks of delay in receiving additional collateral or possible loss of rights in the collateral should the borrower fail financially. Engaging in securities lending could also have a leveraging effect, which may intensify the market risk, credit risk and other risks associated with investments in the Fund.

### Loan Participations and Assignments

Loan participations and assignments are investments in which a Fund acquires some or all of the interest in a loan to a corporate borrower made by a bank or other lending institution. The highly leveraged nature of many such loans may make such loans especially vulnerable to adverse changes in economic or market conditions. As a result, a Fund may be unable to sell such investments at an opportune time or may have to resell them at less than fair market value.

### Money Market Securities

All of the Funds may invest part of their assets in high quality money market securities payable in U.S. dollars. A money market security is high quality when it is rated in one of the two highest credit categories by Moody's or S&P or another nationally recognized rating service or if unrated, deemed high quality by VALIC.

These high quality money market securities include:

- Securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities.
- Certificates of deposit and other obligations of domestic banks having total assets in excess of $1 billion.
- Commercial paper sold by corporations and finance companies.
- Corporate debt obligations with remaining maturities of 13 months or less.
- Repurchase agreements, money market securities of foreign issuers if payable in U.S. dollars, asset-backed securities, loan participations, and adjustable rate securities, variable rate demand notes.

### Mortgage-Related Securities

Mortgage-related securities include, but are not limited to, mortgage pass-through securities, collateralized mortgage obligations and commercial mortgage-backed securities.

Mortgage pass-through securities are securities representing interests in "pools" of mortgage loans secured by residential or commercial real property. Payments of interest and principal on these securities are generally made monthly, in effect "passing through" monthly payments made by the individual borrowers on the mortgage loans which underlie the securities (net of fees paid to the issuer or guarantor of the securities). Mortgage-related securities are subject to interest rate risk and prepayment risk.

Payment of principal and interest on some mortgage pass-through securities may be guaranteed by the full faith and credit of the U.S. Government (*i.e.*, securities guaranteed by Government National Mortgage Association ("GNMA")) or guaranteed by agencies or instrumentalities of the U.S. Government (*i.e.*, securities guaranteed by Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC"), which are supported only by the discretionary authority of the U.S. Government to purchase the agency's obligations). Mortgage-related securities created by non-governmental issuers (such as commercial banks, private mortgage insurance companies and other secondary market issuers) may be supported by various forms of insurance or guarantees, including individual loan, title, pool and hazard insurance and letters of credit, which may be issued by governmental entities, private insurers or the mortgage poolers.

Collateralized Mortgage Obligations ("CMOs") are hybrid mortgage-related instruments. CMOs may be collateralized by whole mortgage loans or by portfolios of mortgage pass-through securities guaranteed by GNMA, FHLMC, or FNMA. CMOs are structured into multiple classes, with each class bearing a different stated maturity. CMOs that are issued or guaranteed by the U.S. Government or by any of its agencies or instrumentalities will be considered U.S. Government securities by the Funds, while other CMOs, even if collateralized by U.S. Government securities, will have the same status as other privately issued securities for purposes of applying a Fund's diversification tests.

Commercial Mortgage-Backed Securities include securities that reflect an interest in, and are secured by, mortgage loans on commercial real property. Many of the risks of investing in commercial mortgage-backed securities reflect the risks of investing in the real estate securing the underlying mortgage loans. These risks reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make loan payments, and the ability of a property to attract and retain tenants. Commercial mortgage-backed securities may be less liquid and exhibit greater price volatility than other types of mortgage-related or asset-backed securities. Mortgage-Related Securities include mortgage pass-through securities described above and securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property, such as mortgage dollar rolls, CMO residuals or stripped mortgage-backed securities. These securities may be structured in classes with rights to receive varying proportions of principal and interest.

**Repurchase Agreements**
A repurchase agreement requires the seller of the security to buy it back at a set price at a certain time. If a Fund enters into a repurchase agreement, it is really making a short term loan (usually for one day to one week). The Funds may enter into repurchase agreements only with well-established securities dealers or banks that are members of the Federal Reserve System. All the Funds in this prospectus may invest in repurchase agreements.

The risk in a repurchase agreement is the failure of the seller to be able to buy the security back. If the value of the security declines, the Fund may have to sell at a loss.

**Temporary Defensive Investment Strategy**

From time to time, the Funds may take temporary defensive positions that are inconsistent with their principal investment strategies, in attempting to respond to adverse market, economic, political, or other conditions. There is no limit on Fund investments in money market securities for temporary defensive purposes. If the Funds take such a temporary defensive position, they may not achieve their investment objectives.

# About Portfolio Turnover

Portfolio turnover occurs when a Fund sells its investments and buys new ones. In some Funds, high portfolio turnover occurs when these Funds sell and buy investments as part of their investment strategy. In other Funds, like the Index Funds, portfolio turnover is lower because the make up of the index stays fairly constant.

High portfolio turnover may cause a Fund's expenses to increase. For example, a Fund may have to pay brokerage fees and other related expenses. A portfolio turnover rate over 100% a year is higher than the rates of many other mutual fund companies. A high rate may increase a Fund's transaction costs and expenses.

The Financial Highlights tables show the portfolio turnover rate for each of the Funds, other than Money Market I Fund, during prior fiscal years.

# About VC I's Management

**Investment Adviser**
VALIC is a stock life insurance company which has been in the investment advisory business since 1960 and is the investment adviser for all the Funds. VALIC is an indirect wholly-owned subsidiary of American International Group, Inc. ("AIG"). AIG is a holding company which through its subsidiaries is engaged in a broad range of insurance and insurance-related activities and financial services in the United States and abroad.

VALIC is located at 2929 Allen Parkway, Houston, Texas 77019.

VALIC serves as investment adviser through an Investment Advisory Agreement with VC I. As investment adviser, VALIC oversees the day to day operations of each Fund and supervises the purchase and sale of Fund investments. VALIC employs investment sub-advisers who make investment decisions for the Funds.

The investment advisory agreement between VALIC and VC I provides for VC I to pay all expenses not specifically assumed by VALIC. Examples of the expenses paid by VC I include transfer agency fees, custodial fees, the fees of outside legal and auditing firms, the costs of reports to shareholders and expenses of servicing shareholder accounts. These expenses are allocated to each Fund in a manner approved by the Board of Directors. For more information on these agreements, see the "Investment Adviser" section in the Statement of Additional Information.

**Investment Sub-Advisers**
VALIC works with investment sub-advisers for each Fund. Sub-advisers are financial service companies that specialize in certain types of investing. The sub-adviser's role is to make investment decisions for the Funds according to each Fund's investment objectives and restrictions. VALIC compensates the sub-advisers out of the fees it receives from each Fund.

According to the agreements VALIC has with the sub-advisers, VALIC will receive investment advice for each Fund. Under these agreements VALIC gives the sub-advisers the authority to buy and sell securities for the sub-advised Funds. However, VALIC retains the responsibility for the overall management of these Funds. The sub-advisers may buy and sell securities for each Fund with broker-dealers and other financial intermediaries that they select. The sub-advisers may place orders to buy and sell securities of these Funds with a broker-dealer affiliated with the sub-adviser, as allowed by law. This could include any affiliated futures commission merchants.

The 1940 Act permits sub-advisers, under certain conditions, to place an order to buy or sell securities with an affiliated broker. One of these conditions is that the commission received by the affiliated broker cannot be greater than the usual and customary brokers commission if the sale was completed on a securities exchange. VC I has adopted procedures, as required by the 1940 Act, which provide that any commissions received by a sub-adviser's affiliated broker may be considered reasonable and fair if compared to the commission received by other brokers for the same type of securities transaction.

The Securities Exchange Act of 1934 prohibits members of national securities exchanges from effecting exchange transactions for accounts that they or their affiliates manage, except as allowed under rules adopted by the SEC. VC I and the sub-advisers have entered into written contracts, as required by the 1940 Act, to allow a sub-adviser's affiliate to effect these type of transactions for commissions. The 1940 Act generally prohibits a sub-adviser or a sub-adviser's affiliate, acting as principal, from engaging in securities transactions with a Fund, without an exemptive order from the SEC.

VALIC and the sub-advisers may enter into simultaneous purchase and sale transactions for the Funds or affiliates of the Funds.

In selecting sub-advisers, the Board of Directors carefully evaluated: (i) the nature and quality of the services expected to be rendered to the Fund(s) by the sub-adviser; (ii) the distinct investment objective and policies of the Fund(s); (iii) the history, reputation, qualification and background of the sub-advisers' personnel and its financial condition; (iv) its performance track record; and (v) other factors deemed relevant. The Directors also reviewed the fees to be paid by VALIC to each sub-adviser. The sub-advisory fees are not paid by the Funds. A discussion of the basis for the Board of Directors' approval of the investment advisory and sub-advisory agreements is available in VC I's most recent annual report for the period ended May 31 and/or its most recent semi-annual report for the period ended November 30. For information on obtaining an annual or semi-annual report to shareholders, see the section Interested in Learning More.

VC I relies upon an exemptive order from the SEC which permits VALIC, subject to certain conditions, to select new sub-advisers or replace existing sub-advisers without first obtaining shareholder approval for the change. The Board of Directors, including a majority of the independent Directors, must approve each new sub-advisory agreement. This allows VALIC to act more quickly to change sub-advisers when it determines that a change is beneficial by avoiding the delay of calling and holding shareholder meetings to approve each change. In accordance with the exemptive order, VC I will provide investors with information about each new sub-adviser and its sub-advisory agreement within 90 days of hiring the new sub-adviser. VALIC is responsible for selecting, monitoring, evaluating and allocating assets to the sub-advisers and oversees the sub-advisers' compliance with the relevant Fund's investment objective, policies and restrictions.

The Statement of Additional Information provides information regarding the portfolio managers listed below, including other accounts they manage, their ownership interest in the Fund(s) that they serve as portfolio manager, and the structure and method used by the sub-adviser to determine their compensation.

**The Sub-Advisers are:**

***AIG Global Investment Corp.***
***RCM Capital Management LLC***
***SunAmerica Asset Management Corp.***
***T. Rowe Price Associates, Inc.***
***Wellington Management Company, LLP***

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*International Equities Fund*
*Mid Cap Index Fund*
*Nasdaq-100® Index Fund*
*Small Cap Index Fund*
*Stock Index Fund*

**AIG Global Investment Corp. ("AIGGIC")**
*70 Pine Street, New York, New York 10270*

AIGGIC is an indirect wholly-owned subsidiary of AIG and is a part of AIG Investments. AIG Investments comprises a group of international companies (including AIGGIC), which provide investment advice and market asset management products and services to clients around the world. As of June 30, 2009, AIG Investments managed approximately $579 billion, of which approximately $492 billion relates to AIG affiliates and approximately $87 billion relates to client assets. These figures do not include assets sub-advised to third party managers.

Teams make decisions for the Funds, as noted below. Each team meets regularly to review portfolio holdings and discuss purchase and sale activity.

Investment decisions for the International Equities Fund are made by a team including James O. Kurtz (Team Coordinator), Lan Cai, Timothy Campion, Michael Kelly and Akihiro Sekiya. Mr. Kurtz joined AIG Investments with the acquisition of American General Investment Management ("AGIM") in 2001. As a Senior Portfolio Manager, he is responsible for the management and trading of the wide variety of domestic and international equity index funds managed by AIG Investments. In addition, Mr. Kurtz and his team provide equity derivative and passive trading support for AIG Investments' traditional and enhanced equity products. Prior to AIG Investments, Mr. Kurtz worked at Sears Investment Management Co., the retirement fund management subsidiary of Sears, Roebuck and Co. from 1978 to 2000. Ms. Cai joined AIG Investments in 2000 and serves as Portfolio Manager for U.S. Equities, with responsibility for managing merger arbitrage portfolios, research-enhanced index portfolios and insured index funds. She also sits on the AIG Derivatives Committee, which oversees firm wide derivatives transactions and structured financial products. Mr. Campion joined AIG Investments in 1999. He is a Portfolio Manager responsible for enhanced index products. Michael Kelly joined AIG Investments in 1999 as Head of U.S. Equities. He is a Managing Director and new Global Head of Client Asset Allocation and Structured Equities. Prior to joining AIG Investments, Mr. Kelly spent 15 years with JP Morgan Investment Management. Mr. Sekiya began his professional experience in 1989 and joined AIG Investments in August 2004. He is a portfolio manager for various Japanese Equity strategies and has research responsibilities covering financials, retail, and toiletry sectors.

Investment decisions for the Mid Cap Index, Nasdaq-100® Index, Small Cap Index and Stock Index Funds are made by a team including James O. Kurtz (Team Coordinator), Lan Cai, Timothy Campion and Michael Kelly. Please see above for biographies of each of the team members.

*Science & Technology Fund*

**RCM Capital Management LLC ("RCM")**
*4 Embarcadero Center, San Francisco, California 94111*

RCM is an indirect wholly owned subsidiary of Allianz Global Investors ("AGI"). In turn, AGI is owned by Allianz SE. As of June 30, 2008, RCM had approximately $18.9 billion in total assets under management and advice.

A portion of the assets of the Science & Technology Fund is managed by Walter C. Price, Jr. and Huachen Chen. Mr. Price, Managing Director and Portfolio Manager, joined RCM in 1974 as a Senior Portfolio Securities Analyst and became a principal in 1978. Mr. Price has analytical responsibility for much of RCM's technology area and has extensive experience in managing technology portfolios. Huachen Chen, Senior Portfolio Manager, joined RCM in 1985 as a Securities Analyst. He became a principal in 1994 and currently has research and money management responsibilities for the technology area. Since 1990, he has had extensive portfolio responsibilities related to technology and capital goods stocks.

*Money Market I Fund*

**SunAmerica Asset Management Corp. ("SAAMCo")**
*Harborside Financial Center, 3200 Plaza 5*
*Jersey City, New Jersey 07311*

SAAMCo is organized as a Delaware corporation and is a wholly-owned subsidiary of AIG Retirement Services, Inc., located at 1 SunAmerica Center, Century City, Los Angeles, California 90067. AIG Retirement Services, Inc. is a wholly-owned subsidiary of AIG. As of June 30, 2008, SAAMCo managed, advised and/or administered more than $49 billion in assets.

SAAMCo's Fixed-Income Investment Team is responsible for management of the Money Market I Fund.

*Science & Technology Fund*

**T. Rowe Price Associates, Inc. ("T. Rowe Price")**
*100 East Pratt Street, Baltimore, Maryland 21202*

T. Rowe Price, which was founded by Thomas Rowe Price, Jr. in 1937, is one of the pioneers of the growth stock theory of investing. Its approach to managing money is based on proprietary research and a strict investment discipline developed over six decades. The firm, which is a wholly-owned subsidiary of T. Rowe Price Group, Inc., a publicly owned financial services company, is one of the nation's leading no-load fund managers. As of June 30, 2009, T. Rowe Price and its affiliates had approximately $316 billion in assets under management.

T. Rowe Price is responsible for sub-advising a portion of the Science & Technology Fund. This portion is managed by an investment advisory committee chaired by Kennard W. Allen. As committee chairman, Mr. Allen has day-to-day responsibility for managing the Fund and works with the committee in developing and executing the Fund's investment program. Mr. Allen previously served as a member of the investment advisory committee. He joined T. Rowe Price in 2000 and his investment experience dates from 1999.

*Science & Technology Fund*

**Wellington Management Company, LLP**
**("Wellington Management")**
*75 State Street, Boston, Massachusetts 02109*

Wellington Management is a Massachusetts limited liability partnership with principal offices at 75 State Street, Boston, Massachusetts 02109. Wellington Management is a professional investment counseling firm which provides investment services to investment companies, employee benefit plans, endowments, foundations, and other institutions. Wellington Management and its predecessor organizations have provided investment advisory services for over 70 years. As of June 30, 2009, Wellington Management had investment management authority with respect to approximately $448 billion in assets. The firm-wide asset totals do not include mortgage-backed security pass-through accounts managed for the Federal Reserve.

A portion of the assets of the Science & Technology Fund is managed by Wellington Management's Global Technology Investment Team. The team is comprised of John F. Averill, CFA, Nicholas B. Boullet, Bruce L. Glazer and Anita M. Killian, CFA. Each team member provides portfolio management and securities analysis services for Wellington's portion of the Fund's assets.

Mr. Averill, Senior Vice President and Global Industry Analyst of Wellington Management, joined the firm as an investment professional in 1994. Mr. Boullet, Vice President and Global Industry Analyst of Wellington Management, joined the firm as an investment professional in 2005. Prior to joining Wellington Management in 2005, Mr. Boullet held various positions at Ingenio, a technology start-up firm in San Francisco (2000 – 2003). Mr. Glazer, Senior Vice President and Global Industry Analyst of Wellington Management, joined the firm as an investment professional in 1997. Ms. Killian, Senior Vice President and Global Industry Analyst associated with Wellington Management, joined the firm as an investment professional in 2000.

**How VALIC is Paid for its Services**

Each Fund pays VALIC a fee based on its average daily net asset value. A Fund's net asset value is the total value of the Fund's assets minus any money it owes for operating expenses, such as the fee paid to its Custodian to safeguard the Fund's investments.

Here is a list of the percentages each Fund paid VALIC for the fiscal year ended May 31, 2009.

| Fund Name | Advisory Fee Paid (as a percentage of average daily net assets) |
|---|---|
| International Equities Fund | 0.32% |
| Mid Cap Index Fund | 0.28% |
| Money Market I Fund | 0.40% |
| Nasdaq-100® Index Fund | 0.40% |
| Science & Technology Fund | 0.89% |
| Small Cap Index Fund | 0.32% |
| Stock Index Fund | 0.26% |

The Investment Advisory Agreement entered into with each Fund does not limit how much the Funds pay in monthly expenses each year. However, VALIC has agreed to cap certain Fund expenses by waiving a portion of its advisory fee or reimbursing certain expenses, as shown in the Expense Summary.

**Payments in Connection with Distribution**

VALIC receives financial support from certain investment sub-advisers for distribution-related activities, including support to help offset costs for training to support sales of the Funds. Payments may be derived from investment management fees received by the sub-advisers.

### VC I Shares

VC I is an open-end mutual fund and may offer shares of the Funds for sale at any time. However, VC I offers shares of the Funds only to registered and unregistered separate accounts of VALIC and its affiliates and to qualifying retirement plans (previously defined as the "Plans") and IRAs.

### Buying and Selling Shares

As a participant in a Contract, Plan, or IRA, you do not directly buy shares of the Funds that make up VC I. Instead, you buy units in either a registered or unregistered separate account of VALIC or of its affiliates or through a trust or custodial account under a Plan or an IRA. When you buy these units, you specify the Funds in which you want the separate account, trustee or custodian to invest your money. The separate account, trustee or custodian in turn, buys the shares of the Funds according to your instructions.

After you invest in a Fund, you participate in Fund earnings or losses in proportion to the amount of money you invest. When you provide instructions to buy, sell, or transfer shares of the Funds, the separate account, trustee or custodian does not pay any sales or redemption charges related to these transactions. The value of such transactions is based on the next calculation of net asset value after the orders are placed with the Fund.

For certain investors, there may be rules or procedures regarding the following:

- any minimum initial investment amount and/or limitations on periodic investments;
- how to purchase, redeem or exchange your interest in the Funds;
- how to obtain information about your account, including account statements; and
- any fees applicable to your account.

For more information on such rules or procedures, you should review your Contract prospectus, Plan document or custodial agreement.

None of the Funds currently foresee any disadvantages to participants arising out of the fact that it may offer its shares to separate accounts of various insurance companies to serve as the investment medium for their variable annuity and variable life insurance contracts. Nevertheless, the Board of Directors intends to monitor events in order to identify any material irreconcilable conflicts which may possibly arise and to determine what action, if any, should be taken in response to such conflicts. If such a conflict were to occur, one or more insurance companies' separate accounts might be required to withdraw their investments in one or more Funds and shares of another Fund may be substituted. This might force a Fund to sell portfolio securities at disadvantageous prices. In addition, VC I reserves the right to refuse to sell shares of any Fund to any separate account, plan sponsor, trustee or custodian, or financial intermediary, or may suspend or terminate the offering of shares of any Fund if such action is required by law or regulatory authority or is in the best interests of the shareholders of the Fund.

Although VC I normally redeems Fund shares for cash, VC I has the right to pay separate account assets other than cash for redemption amounts exceeding, in any 90-day period, $250,000 or 1% of the net asset value of the affected Fund, whichever is less. A Fund may postpone the right of redemption only under unusual circumstances, as allowed by the SEC, such as when the New York Stock Exchange restricts or suspends trading.

### Frequent or Short-term Trading

The Funds, which are offered only through Contracts, Plans or IRAs, are intended for long-term investment and not as frequent short-term trading ("market timing") vehicles. Accordingly, organizations or individuals that use market timing investment strategies and make frequent transfers or redemptions should not purchase shares of the Funds. The Board of Directors has adopted policies and procedures with respect to market timing activity as discussed below.

VC I believes that market timing activity is not in the best interest of the participants of the Funds. Due to the disruptive nature of this activity, it can adversely impact the ability of the sub-advisers to invest assets in an orderly, long-term manner. In addition, market timing can disrupt the management of a Fund and raise its expenses through: increased trading and transaction costs; forced and unplanned portfolio turnover; and large asset swings that decrease the Fund's ability to provide maximum investment return to all participants. This in turn can have an adverse effect on Fund performance.

Market timing in Funds investing significantly in foreign securities may occur because of time zone differences between the foreign markets on which a Fund's international portfolio securities trade and the time as of which the Fund's net asset value is calculated. Market timers might try to purchase shares of a Fund based on events occurring after foreign market closing prices are established but before calculation of the Fund's net asset value. One of the objectives of VC I's fair value pricing procedures is to minimize the possibilities of this type of market timing (see "How Shares are Valued").

Shares of the Funds are generally held through insurance company separate accounts, Plans or through a trust or custodial account ("Financial Intermediaries"). The ability of VC I to monitor transfers made by the participants in separate accounts or Plans maintained by financial intermediaries is limited by the institutional nature of Financial Intermediaries' omnibus accounts. VC I's policy is that the Funds will rely on the Financial Intermediaries to monitor market timing within a Fund to the extent that VC I believes that each Financial Intermediary's practices are reasonably designed to detect and deter transactions that are not in the best interest of a Fund.

There is no guarantee that VC I will be able to detect market timing activity or the participants engaged in such activity, or, if it is detected, to prevent its recurrence. Whether or not VC I detects it, if market timing occurs, then you should anticipate that you will be subject to the disruptions and increased expenses discussed above. In situations in which VC I becomes aware of possible market timing activity, it will notify the Financial Intermediary in order to help facilitate the enforcement of such entity's market timing policies and procedures. VC I has entered into agreements with various Financial Intermediaries that require such intermediaries to provide certain information to help identify frequent trading activity and to prohibit further purchases or exchanges by a participant identified as having engaged in frequent trades. VC I reserves the right, in its sole discretion and without prior notice, to reject, restrict or refuse purchase orders received from a Financial Intermediary, whether directly or by transfer, including orders that have been accepted by a Financial Intermediary, that VC I determines not to be in the best interest of the Funds. Such rejections, restrictions or refusals will be applied uniformly without exception.

You should review your Contract prospectus, Plan document or custodial agreement for more information regarding market timing, including any restrictions, limitations or fees that may be charged on trades made through a Contract, Plan or IRA. Any restrictions or limitations imposed by the Contract, Plan or IRA may differ from those imposed by VC I.

**Selective Disclosure of Portfolio Holdings**

VC I's policies and procedures with respect to the disclosure of the Funds' portfolio securities are described in the Statement of Additional Information.

**How Shares are Valued**

The net asset value per share ("NAV") for a Fund is determined each business day at the close of regular trading on the New York Stock Exchange (generally 4:00 p.m., Eastern Time) by dividing the net assets of the Fund by the number of outstanding shares. Investments for which market quotations are readily available are valued at their market price as of the close of regular trading on the New York Stock Exchange for the day, unless, in accordance with pricing procedures approved by the Board of Directors, the market quotations are determined to be unreliable. Securities and other assets for which market quotations are unavailable or unreliable are valued at fair value in accordance with pricing procedures approved by the Board. There is no single standard for making fair value determinations, which may result in prices that vary from those of other funds.

As of the close of regular trading on the New York Stock Exchange, securities traded primarily on security exchanges outside the United States are valued at the market price at the close of such exchanges on the day of valuation. If a security's price is available from more than one exchange, a Fund uses the exchange that is the primary market for the security. However, depending on the foreign market, closing prices may be up to 15 hours old when they are used to price the Fund's shares, and the Fund may determine that certain closing prices are unreliable. This determination will be based on review of a number of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. If a Fund determines that closing prices do not reflect the fair value of the securities, the Fund will adjust the previous closing prices in accordance with pricing procedures approved by the Board to reflect what it believes to be the fair value of the securities as of the close of regular trading on the New York Stock Exchange. A Fund may also fair value securities in other situations, for example, when a particular foreign market is closed but the Fund is open. For foreign equity securities a Fund uses an outside pricing service to provide it with closing market prices and information used for adjusting those prices.

Certain Funds may invest in securities that are primarily listed on foreign exchanges that trade on weekends or other days when the Fund does not price its shares. As a result, the value of such foreign securities may change on days when the Fund's shares do not trade.

The securities held by the Money Market I Fund and short-term securities maturing within 60 days held by other Funds are valued at amortized cost, which approximates market value. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. In accordance with Rule 2a-7 under the 1940 Act, the Board has adopted procedures intended to stabilize the Money Market I Fund's net asset value per share at $1.00. These procedures include the determination, at such intervals as the Board deems appropriate and reasonable in light of current market conditions, of the extent, if any, to which a Fund's market-based net asset value per share deviates from the Fund's amortized cost per share. For purposes of these market-based valuations, securities for which market quotations are not readily available are fair valued, as determined pursuant to procedures adopted in good faith by the Board.

During periods of extreme volatility or market crisis, a Fund may temporarily suspend the processing of sell requests or may postpone payment of proceeds for up to seven business days or longer, or as allowed by federal securities laws.

**Dividends and Capital Gains**

*Dividends from Net Investment Income*

For each Fund, dividends from net investment income are declared and paid annually, except for the Money Market I Fund, which declares daily and pays dividends monthly. Dividends from net investment income are automatically reinvested for you into additional shares of the Fund. Each of the Funds reserves the right to declare and pay dividends less frequently than as disclosed above, provided that the net realized capital gains and net investment income, if any, are paid at least annually.

*Distributions from Capital Gains*

When a Fund sells a security for more than it paid for that security, a capital gain results. For each Fund, distributions from capital gains, if any, are normally declared and paid annually. Distributions from capital gains are automatically reinvested for you into additional shares of the Fund.

**Tax Consequences**

As the owner of a Contract, a participant under your employer's Contract or Plan or as an IRA account owner, you will not be directly affected by the federal income tax consequences of distributions, sales or redemptions of Fund shares. You should consult your Contract prospectus, Plan document or custodial agreement for further information concerning the federal income tax consequences to you of investing in the Funds.

The Funds will annually designate certain amounts of their dividends paid as eligible for the dividend received deduction. If the Funds incur foreign taxes, they will elect to pass-through allowable foreign tax credits. These designations and elections will benefit VALIC, in potentially material amounts, and will not beneficially or adversely affect you or the Funds. The benefits to VALIC will not be passed to you or the Funds.

# Financial Highlights

The financial highlights table is intended to help you understand each Fund's financial performance for the past 5 years, or, if shorter, the period of the Fund's operations. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). The information for the fiscal years ended 2008 and 2009 have been audited by PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm of VC I, whose report, along with the Funds' financial statements, is included in the VC I annual report to shareholders which is available upon request.

Information prior to fiscal year 2008 was audited by Ernst & Young, LLP.

Per share data assumes that you held each share from the beginning to the end of each fiscal year. Total return assumes that you bought additional shares with dividends paid by the Fund. Total returns for periods of less than one year are not annualized.

| | International Equities Fund | | | | |
|---|---|---|---|---|---|
| | Year Ended May 31, | | | | |
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| **PER SHARE DATA** | | | | | |
| Net asset value at beginning of period | $ 10.37 | $ 11.29 | $ 9.79 | $ 7.56 | $ 6.80 |
| Income (loss) from investment operations: | | | | | |
| Net investment income (loss)[d] | 0.19 | 0.31 | 0.25 | 0.19 | 0.16 |
| Net realized and unrealized gain (loss) on investments and foreign currencies | (4.18) | (0.75) | 2.02 | 2.09 | 0.73 |
| Total income (loss) from investment operations | (3.99) | (0.44) | 2.27 | 2.28 | 0.89 |
| Distributions from: | | | | | |
| Net investment income | (0.28) | (0.26) | (0.16) | (0.05) | (0.13) |
| Net realized gain on securities | (0.95) | (0.22) | (0.61) | — | — |
| Return of capital | — | — | — | — | — |
| Total distributions | (1.23) | (0.48) | (0.77) | (0.05) | (0.13) |
| Net asset value at end of period | $ 5.15 | $ 10.37 | $ 11.29 | $ 9.79 | $ 7.56 |
| **TOTAL RETURN**[a] | (37.10)% | (3.91)% | 24.05% | 30.32% | 13.10%[e] |
| **RATIOS/SUPPLEMENTAL DATA** | | | | | |
| Ratio of expenses to average net assets[b] | 0.55% | 0.51% | 0.50% | 0.56% | 0.67% |
| Ratio of expenses to average net assets[c] | 0.55% | 0.51% | 0.50% | 0.56% | 0.67% |
| Ratio of expense reductions to average net assets | — | — | — | — | — |
| Ratio of net investment income (loss) to average net assets[b] | 3.18% | 2.87% | 2.45% | 2.19% | 2.17% |
| Ratio of net investment income (loss) to average net assets[c] | 3.18% | 2.87% | 2.45% | 2.19% | 2.17% |
| Portfolio turnover rate | 81% | 104% | 47% | 98% | 68% |
| Number of shares outstanding at end of period (000's) | 141,492 | 106,313 | 97,164 | 83,906 | 65,340 |
| Net assets at end of period (000's) | $728,784 | $1,102,850 | $1,097,046 | $821,577 | $493,945 |

(a) *Total return is not annualized. It does include, if any, expense reimbursements and expense reductions. The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If such expenses had been included, the total return would have been lower for each period presented.*

(b) *Includes, if any, expense reimbursement, but excludes, if any, expense reductions.*

(c) *Excludes, if any, expense reimbursements and expense reductions.*

(d) *The per share amounts are calculated using the average share method.*

(e) *The Fund's performance figure was increased by less than 0.01% from gains on the disposal of investments in violation of investment restrictions.*

| | Mid Cap Index Fund | | | | |
|---|---|---|---|---|---|
| | Year Ended May 31, | | | | |
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| **PER SHARE DATA** | | | | | |
| Net asset value at beginning of period | $ 23.88 | $ 26.62 | $ 23.72 | $ 21.46 | $ 19.41 |
| Income (loss) from investment operations: | | | | | |
| Net investment income (loss)[d] | 0.25 | 0.26 | 0.30 | 0.25 | 0.19 |
| Net realized and unrealized gain (loss) on investments and foreign currencies | (8.65) | (1.05) | 4.38 | 3.00 | 2.42 |
| Total income (loss) from investment operations | (8.40) | (0.79) | 4.68 | 3.25 | 2.61 |
| Distributions from: | | | | | |
| Net investment income | (0.27) | (0.30) | (0.12) | (0.11) | (0.19) |
| Net realized gain on securities | (1.89) | (1.65) | (1.66) | (0.88) | (0.37) |
| Total distributions | (2.16) | (1.95) | (1.78) | (0.99) | (0.56) |
| Net asset value at end of period | $ 13.32 | $ 23.88 | $ 26.62 | $ 23.72 | $ 21.46 |
| **TOTAL RETURN**[a] | (33.91)% | (2.73)% | 20.77% | 15.35%[e] | 13.50% |
| **RATIOS/SUPPLEMENTAL DATA** | | | | | |
| Ratio of expenses to average net assets[b] | 0.40% | 0.38% | 0.38% | 0.39% | 0.40% |
| Ratio of expenses to average net assets[c] | 0.40% | 0.38% | 0.38% | 0.39% | 0.40% |
| Ratio of expense reductions to average net assets | — | — | — | — | — |
| Ratio of net investment income (loss) to average net assets[b] | 1.64% | 1.08% | 1.27% | 1.09% | 0.95% |
| Ratio of net investment income (loss) to average net assets[c] | 1.64% | 1.08% | 1.27% | 1.09% | 0.95% |
| Portfolio turnover rate | 22% | 21% | 14% | 19% | 14% |
| Number of shares outstanding at end of period (000's) | 123,279 | 112,050 | 115,417 | 101,116 | 89,704 |
| Net assets at end of period (000's) | $1,642,120 | $2,676,198 | $3,071,995 | $2,398,610 | $1,925,334 |

[a] *Total return is not annualized. It does include, if any, expense reimbursements and expense reductions. The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If such expenses had been included, the total return would have been lower for each period presented.*

[b] *Includes, if any, expense reimbursement, but excludes, if any, expense reductions.*

[c] *Excludes, if any, expense reimbursements and expense reductions.*

[d] *The per share amounts are calculated using the average share method.*

[e] *The Fund's performance figure was increased by less than 0.01% from reimbursements for losses realized on the disposal of investments in violation of investment restrictions.*

| | Money Market I Fund | | | | |
|---|---|---|---|---|---|
| | Year Ended May 31, | | | | |
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| **PER SHARE DATA** | | | | | |
| Net asset value at beginning of period | $ 1.00 | $ 1.00 | $ 1.00 | $ 1.00 | $ 1.00 |
| Income (loss) from investment operations: | | | | | |
| Net investment income (loss)[d] | 0.01 | 0.04 | 0.05 | 0.04 | 0.01 |
| Net realized and unrealized gain (loss) on investments and foreign currencies | — | — | — | — | — |
| Total income (loss) from investment operations | 0.01 | 0.04 | 0.05 | 0.04 | 0.01 |
| Distributions from: | | | | | |
| Net investment income | (0.01) | (0.04) | (0.05) | (0.04) | (0.01) |
| Net realized gain on securities | — | — | — | — | — |
| Total distributions | (0.01) | (0.04) | (0.05) | (0.04) | (0.01) |
| Net asset value at end of period | $ 1.00 | $ 1.00 | $ 1.00 | $ 1.00 | $ 1.00 |
| **TOTAL RETURN**[a] | 1.33% | 3.82% | 4.90% | 3.61% | 1.46% |
| **RATIOS/SUPPLEMENTAL DATA** | | | | | |
| Ratio of expenses to average net assets[b] | 0.54% | 0.51% | 0.52% | 0.53% | 0.57% |
| Ratio of expenses to average net assets[c] | 0.59% | 0.51% | 0.52% | 0.56% | 0.61% |
| Ratio of expense reductions to average net assets | — | — | — | — | — |
| Ratio of net investment income (loss) to average net assets[b] | 1.31% | 3.72% | 4.80% | 3.56% | 1.43% |
| Ratio of net investment income (loss) to average net assets[c] | 1.26% | 3.72% | 4.80% | 3.54% | 1.40% |
| Portfolio turnover rate | N/A | N/A | N/A | N/A | N/A |
| Number of shares outstanding at end of period (000's) | 612,933 | 572,369 | 516,352 | 442,628 | 407,934 |
| Net assets at end of period (000's) | $611,356 | $572,434 | $516,352 | $442,628 | $407,933 |

(a) *Total return is not annualized. It does include, if any, expense reimbursements and expense reductions. The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If such expenses had been included, the total return would have been lower for each period presented.*

(b) *Includes, if any, expense reimbursement, but excludes, if any, expense reductions.*

(c) *Excludes, if any, expense reimbursements and expense reductions.*

(d) *The per share amounts are calculated using the average share method.*

| | Nasdaq-100® Index Fund | | | | |
|---|---|---|---|---|---|
| | Year Ended May 31, | | | | |
| | **2009** | **2008** | **2007** | **2006** | **2005** |
| **PER SHARE DATA** | | | | | |
| Net asset value at beginning of period | $ 5.62 | $ 5.34 | $ 4.38 | $ 4.28 | $ 4.11 |
| Income (loss) from investment operations: | | | | | |
| Net investment income (loss)[d] | 0.01 | 0.01 | 0.00 | 0.00 | 0.03 |
| Net realized and unrealized gain (loss) on investments and foreign currencies | (1.68) | 0.27 | 0.96 | 0.10 | 0.17 |
| Total income (loss) from investment operations | (1.67) | 0.28 | 0.96 | 0.10 | 0.20 |
| Distributions from: | | | | | |
| Net investment income | (0.01) | — | (0.00) | (0.00) | (0.03) |
| Net realized gain on securities | (0.05) | — | — | — | — |
| Total distributions | (0.06) | — | (0.00) | — | (0.03) |
| Net asset value at end of period | $ 3.89 | $ 5.62 | $ 5.34 | $ 4.38 | $ 4.28 |
| **TOTAL RETURN**[a] | (29.36)% | 5.32% | 22.01% | 2.36% | 4.81% |
| **RATIOS/SUPPLEMENTAL DATA** | | | | | |
| Ratio of expenses to average net assets[b] | 0.55% | 0.56% | 0.63% | 0.61% | 0.65% |
| Ratio of expenses to average net assets[c] | 0.66% | 0.60% | 0.63% | 0.61% | 0.65% |
| Ratio of expense reductions to average net assets | — | — | — | — | — |
| Ratio of net investment income (loss) to average net assets[b] | 0.35% | 0.27% | 0.08% | 0.07% | 0.73% |
| Ratio of net investment income (loss) to average net assets[c] | 0.24% | 0.23% | 0.08% | 0.07% | 0.73% |
| Portfolio turnover rate | 9% | 8% | 5% | 14% | 8% |
| Number of shares outstanding at end of period (000's) | 18,892 | 17,471 | 15,678 | 18,856 | 21,147 |
| Net assets at end of period (000's) | $73,521 | $98,269 | $83,647 | $82,519 | $90,520 |

[a] *Total return is not annualized. It does include, if any, expense reimbursements and expense reductions. The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If such expenses had been included, the total return would have been lower for each period presented.*

[b] *Includes, if any, expense reimbursement, but excludes, if any, expense reductions.*

[c] *Excludes, if any, expense reimbursements and expense reductions.*

[d] *The per share amounts are calculated using the average share method.*

| | Science & Technology Fund | | | | |
|---|---|---|---|---|---|
| | Year Ended May 31, | | | | |
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| **PER SHARE DATA** | | | | | |
| Net asset value at beginning of period | $ 14.41 | $ 13.67 | $ 11.50 | $ 11.27 | $ 11.08 |
| Income (loss) from investment operations: | | | | | |
| Net investment income (loss)[d] | 0.01 | (0.01) | (0.05) | (0.05) | (0.00) |
| Net realized and unrealized gain (loss) on investments and foreign currencies | (4.44) | 0.75 | 2.22 | 0.28 | 0.19 |
| Total income (loss) from investment operations | (4.43) | 0.74 | 2.17 | 0.23 | 0.19 |
| Distributions from: | | | | | |
| Net investment income | — | — | — | — | — |
| Net realized gain on securities | — | — | — | — | — |
| Total distributions | — | — | — | — | — |
| Net asset value at end of period | $ 9.98 | $ 14.41 | $ 13.67 | $ 11.50 | $ 11.27 |
| **TOTAL RETURN**[a] | (30.74)%[e] | 5.41% | 18.87% | 2.04% | 1.71% |
| **RATIOS/SUPPLEMENTAL DATA** | | | | | |
| Ratio of expenses to average net assets[b] | 1.06% | 1.00% | 1.03% | 1.01% | 1.03% |
| Ratio of expenses to average net assets[c] | 1.06% | 1.00% | 1.03% | 1.01% | 1.03% |
| Ratio of expense reductions to average net assets | 0.01% | 0.01% | 0.02% | 0.02% | 0.01% |
| Ratio of net investment income (loss) to average net assets[b] | 0.09% | (0.11)% | (0.39)% | (0.42)% | (0.02)% |
| Ratio of net investment income (loss) to average net assets[c] | 0.09% | (0.11)% | (0.39)% | (0.42)% | (0.02)% |
| Portfolio turnover rate | 150% | 145% | 163% | 117% | 56% |
| Number of shares outstanding at end of period (000's) | 56,476 | 63,061 | 70,630 | 89,433 | 107,429 |
| Net assets at end of period (000's) | $563,610 | $908,590 | $965,650 | $1,028,643 | $1,210,236 |

(a) *Total return is not annualized. It does include, if any, expense reimbursements and expense reductions. The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If such expenses had been included, the total return would have been lower for each period presented.*

(b) *Includes, if any, expense reimbursement, but excludes, if any, expense reductions.*

(c) *Excludes, if any, expense reimbursements and expense reductions.*

(d) *The per share amounts are calculated using the average share method.*

(e) *The Fund's performance figure was increased by 0.07% from reimbursements for losses realized on the disposal of investments in violation of investment restrictions (see Note 3).*

| | Small Cap Index Fund | | | | |
|---|---|---|---|---|---|
| | Year Ended May 31, | | | | |
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| **PER SHARE DATA** | | | | | |
| Net asset value at beginning of period | $ 15.80 | $ 19.41 | $ 17.24 | $ 15.16 | $ 13.97 |
| Income (loss) from investment operations: | | | | | |
| Net investment income (loss)[d] | 0.18 | 0.23 | 0.21 | 0.15 | 0.11 |
| Net realized and unrealized gain (loss) on investments and foreign currencies | (5.35) | (2.27) | 2.93 | 2.51 | 1.21 |
| Total income (loss) from investment operations | (5.17) | (2.04) | 3.14 | 2.66 | 1.32 |
| Distributions from: | | | | | |
| Net investment income | (0.23) | (0.20) | (0.07) | (0.07) | (0.13) |
| Net realized gain on securities | (0.97) | (1.37) | (0.90) | (0.51) | — |
| Total distributions | (1.20) | (1.57) | (0.97) | (0.58) | (0.13) |
| Net asset value at end of period | $ 9.43 | $ 15.80 | $ 19.41 | $ 17.24 | $ 15.16 |
| **TOTAL RETURN**[a] | (32.19)% | (10.71)% | 18.66% | 17.84% | 9.46% |
| **RATIOS/SUPPLEMENTAL DATA** | | | | | |
| Ratio of expenses to average net assets[b] | 0.47% | 0.42% | 0.43% | 0.45% | 0.46% |
| Ratio of expenses to average net assets[c] | 0.47% | 0.42% | 0.43% | 0.45% | 0.46% |
| Ratio of expense reductions to average net assets | — | — | — | — | — |
| Ratio of net investment income (loss) to average net assets[b] | 1.65% | 1.34% | 1.20% | 0.90% | 0.78% |
| Ratio of net investment income (loss) to average net assets[c] | 1.65% | 1.34% | 1.20% | 0.90% | 0.78% |
| Portfolio turnover rate | 24% | 20% | 18% | 22% | 18% |
| Number of shares outstanding at end of period (000's) | 67,300 | 62,690 | 62,786 | 57,051 | 45,300 |
| Net assets at end of period (000's) | $634,336 | $990,398 | $1,218,827 | $983,742 | $686,567 |

[a] *Total return is not annualized. It does include, if any, expense reimbursements and expense reductions. The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If such expenses had been included, the total return would have been lower for each period presented.*

[b] *Includes, if any, expense reimbursements, but excludes, if any, expense reductions.*

[c] *Excludes, if any, expense reimbursements and expense reductions.*

[d] *The per share amounts are calculated using the average share method.*

| | Stock Index Fund | | | | |
|---|---|---|---|---|---|
| | Year Ended May 31, | | | | |
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| **PER SHARE DATA** | | | | | |
| Net asset value at beginning of period | $ 34.60 | $ 39.80 | $ 33.87 | $ 32.17 | $ 30.74 |
| Income (loss) from investment operations: | | | | | |
| Net investment income (loss)[d] | 0.53 | 0.60 | 0.58 | 0.53 | 0.54 |
| Net realized and unrealized gain (loss) on investments and foreign currencies | (12.20) | (3.30) | 6.86 | 2.11 | 1.88 |
| Total income (loss) from investment operations | (11.67) | (2.70) | 7.44 | 2.64 | 2.42 |
| Distributions from: | | | | | |
| Net investment income | (0.70) | (0.61) | (0.31) | (0.25) | (0.54) |
| Net realized gain on securities | (3.17) | (1.89) | (1.20) | (0.69) | (0.45) |
| Total distributions | (3.87) | (2.50) | (1.51) | (0.94) | (0.99) |
| Net asset value at end of period | $ 19.06 | $ 34.60 | $ 39.80 | $ 33.87 | $ 32.17 |
| **TOTAL RETURN**[a] | (32.99)% | (6.98)% | 22.37% | 8.27% | 7.89% |
| **RATIOS/SUPPLEMENTAL DATA** | | | | | |
| Ratio of expenses to average net assets[b] | 0.39% | 0.35% | 0.35% | 0.36% | 0.38% |
| Ratio of expenses to average net assets[c] | 0.39% | 0.35% | 0.35% | 0.36% | 0.38% |
| Ratio of expense reductions to average net assets | — | — | — | — | — |
| Ratio of net investment income (loss) to average net assets[b] | 2.31% | 1.64% | 1.58% | 1.57% | 1.72% |
| Ratio of net investment income (loss) to average net assets[c] | 2.31% | 1.64% | 1.58% | 1.57% | 1.72% |
| Portfolio turnover rate | 7% | 5% | 4% | 7% | 5% |
| Number of shares outstanding at end of period (000's) | 130,783 | 124,600 | 133,576 | 140,078 | 138,996 |
| Net assets at end of period (000's) | $2,493,280 | $4,311,083 | $5,316,922 | $4,744,289 | $4,471,146 |

[a] *Total return is not annualized. It does include, if any, expense reimbursements and expense reductions. The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If such expenses had been included, the total return would have been lower for each period presented.*

[b] *Includes, if any, expense reimbursement, but excludes, if any, expense reductions.*

[c] *Excludes, if any, expense reimbursements and expense reductions.*

[d] *The per share amounts are calculated using the average share method.*

# Interested in Learning More?

The Statement of Additional Information (SAI) incorporated by reference into this prospectus contains additional information about VC I's operations.

Further information about the Funds' investments is available in VC I's annual and semi-annual reports to shareholders. VC I's annual report discusses market conditions and investment strategies that significantly affected the Funds' performance results during its last fiscal year.

VALIC can provide you with a free copy of these materials or other information about VC I. You may reach VALIC by calling 1-800-448-2542 or by writing to P.O. Box 15648, Amarillo, Texas 79105-5648.

VC I's prospectus, SAI, and semi-annual and annual reports are available online through the internet websites of the insurance companies offering the Funds as investment options.

The Securities and Exchange Commission also maintains copies of these documents:

- To view information online: Access the SEC's web site at http://www.sec.gov.
- To review a paper filing or to request that documents be mailed to you, contact the SEC by writing to: SEC Public Reference Room, Washington, DC 20549-6009; or call the SEC at 1-800-SEC-0330. You may also request a paper copy from the SEC electronically at publicinfo@sec.gov.

A duplicating fee will be assessed for all copies provided.

Investment Company Act filing number 811-03738.