

WRAP FEE PROGRAM BROCHURE
for the
VFA Managed Investment Program
(Part 2A Appendix 1 of Form ADV)

VALIC Financial Advisors, Inc.
2929 Allen Parkway, L3-20, Houston, TX 77019
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December 1, 2012

This wrap fee program brochure provides information about the qualifications and business practices of VALIC Financial Advisors, Inc. (“VFA”). If you have any questions about the contents of this brochure, please contact us at telephone number 877-737-2650. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

VFA is a registered investment advisor. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about VFA also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

On December 9, 2011, FundQuest Incorporated was acquired by Envestnet, Inc. and immediately renamed Envestnet Portfolio Solutions, Inc. No material changes other than the name change and new parent company.

The FundQuest investment philosophy, process and policy will remain unchanged. They will also continue to manage the portfolios according to the design and implementation of VFA's Managed Investment Program.

Our Brochure may be requested by contacting VFA at 866-544-4968 or it is also available free of charge on website at www.valic.com.

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Item 4 - Services, Fees and Compensation

The Firm

VALIC Financial Advisors, Inc. ("Firm" or "VFA"), a wholly-owned subsidiary of The Variable Annuity Life Insurance Company ("VALIC"), an indirect wholly-owned subsidiary of Sun America Financial Group, Inc. ("SAFG"), a wholly owned subsidiary of American International Group, Inc. ("AIG"), is registered with the Securities and Exchange Commission ("SEC") as an investment adviser and a broker/dealer. The broker/dealer is a Financial Industry Regulatory Authority, Inc. ("FINRA") member firm. The Firm was incorporated in 1996 and is headquartered in Houston, Texas with additional branches throughout the United States. The Firm is a broker/dealer offering general securities, mutual funds, variable life insurance, variable life annuities and municipal securities as well as an investment adviser offering investment advisory services. The Firm is compensated through a mixture of fixed fees, commissions, or a percentage of assets under management.

The Firm carries out most of its investment advisory services through its investment adviser representatives located throughout the United States. All investment adviser representatives are also engaged in the Firm's brokerage business and are registered with the Firm as registered representatives.

As of December 31, 2011 VFA managed \$9,536,318,905 on a discretionary basis and \$6,969,876 on a non-discretionary basis.

This brochure describes the VFA Managed Investment Program ("MIP"). We offer two other wrap fee programs: the Guided Portfolio Services Program; and Guided Portfolio Advantage. You can obtain a brochure for these other programs by contacting us at 866-544-4968.

The Firm offers MIP, a professional and flexible asset management program, in conjunction with Envestnet Portfolio Solutions, Inc., a Registered Investment Adviser. Envestnet Portfolio Solutions, Inc. is a wholly owned subsidiary of Envestnet Inc. ("Envestnet"), a leading provider of wealth management software and services to financial advisors and institutions. Envestnet has developed asset allocation models for individual portfolios, as well as a process for designing a mutual fund and/or Exchange Traded Funds ("ETFs"), and utilizes separate account managers to manage specific asset classes of investments, or other applicable investments portfolios consistent with these models. Envestnet screens sales charge waived mutual funds and ETFs in order to design portfolios and updates its research on a monthly basis.

The VFA Managed Investment Program is available in eight accounts:

- **Managed Investor Account (MIA)** – Minimum account balance is \$50,000. This program option allows the financial advisor to establish a mutual fund investment advisory account for the client. A team of professional money managers is then utilized to choose the mutual fund investment options, monitor the account's fund selection and asset allocation, make fund selection changes and rebalance as necessary.
- **Index Plus Managed Investor Account (IPMIA)** – Minimum account balance is \$50,000. This program option follows the same process as the MIA, however utilizes a combination of active and passive managed mutual funds. Based on an Envestnet's study, index funds are substituted for actively managed funds in certain asset classes of the portfolio. A team of professional money managers is then utilized to choose the mutual fund investment options, monitor the account's fund selection and asset allocation, make fund selection changes and rebalance as necessary.
- **Managed Investor Account (MIA): ActivePassive® Portfolio** – Minimum account balance is \$25,000. This program shall include the selection of third party index mutual funds as well as one or more actively managed funds from the PMC Fund family. The PMC Funds are a proprietary fund family of Sub-Advisor's affiliate, Envestnet Asset Management, Inc. (EAM). Mutual funds shall be purchased on a "no load" or a "load waived" basis through the Custodian. A team of professional money managers is then utilized to choose the mutual fund investment options, monitor the account's fund selection and asset allocation, make fund selection changes and rebalance as necessary.
- **Managed Investor Account (MIA): SunAmerica Portfolios** – Minimum account balance is \$25,000. This program's mutual fund selections are made from the SunAmerica mutual funds. SunAmerica Asset Management Corp. ("SAAMCo"), a registered investment adviser for the SunAmerica mutual funds and an affiliate of VALIC, serves as an administrator to registered investment companies advised by VALIC and serves as investment sub-adviser to certain investment company portfolios advised by VALIC. A team of professional money managers is then utilized to choose the mutual fund investment options, monitor the account's fund selection and asset allocation, make fund selection changes and rebalance as necessary.

- ***Managed Investor Account Retirement Income (MIA RI)*** – Minimum account balance is \$50,000. This program option allows the financial advisor to establish a mutual fund investment advisory account that helps address the income needs of investors with a portfolio that is structured for yield rather than total return and focused on the distribution phase. A team of professional money managers performs a comprehensive investment analysis of the major investment categories to identify those, which will provide a balanced combination of income, expense return and risk. They also monitor the account’s fund selection and asset allocation, make fund selection changes and rebalance as necessary.
- ***Integrated Managed Investor Account (IMIA)*** – Minimum account balance is \$250,000. This program option allows the financial advisor to establish an investment advisory account that combines the benefits and attributes of mutual funds, ETFs and separately managed accounts - all into one single account. The investment manager also acts as an overlay manager to efficiently monitor and implement custom investment solutions for a portfolio. Overlay manager activities include: managing cash flow activities, rebalancing the portfolio, accommodating portfolio restrictions, tax loss harvesting, managing wash sales, and monitoring short and long-term gains. A team of professional money managers selects the investment options, monitors the account’s fund selection and asset allocation, makes fund selection changes and rebalances as necessary.
- ***Selected Manager Investor Account (SMIA)*** – Minimum account balance is \$250,000. This program option allows the financial advisor to offer an investment advisory account managed specifically for that client by an institutional-caliber investment manager. These investment managers, called separate account managers, usually manage large institutional accounts. This account will allow the clients a higher level of specialization and service through ownership of individual securities. Each separate account can be managed for the individual client’s needs, goals, time horizon, risk tolerance and other factors. A team of professional money managers from Envestnet will choose the separate account investment managers and provide ongoing manager oversight.
- ***Managed Investor Account - California Residents*** – Minimum account balance is \$50,000. This program option allows the financial advisor to offer a mutual fund investment advisory portfolio to tax sensitive California residents. These portfolios utilize California specific fixed income mutual funds. A team of professional money managers is then utilized to choose the mutual fund investment options, monitor the account’s fund selection and asset allocation, make fund selection changes and rebalance as necessary.
- ***Personal Managed Investor Account (PMIA)*** – Minimum account balance is \$100,000. Effective July 1, 2005, this program closed to new advisors. This account allows the financial advisor to establish and manage a personalized investment portfolio for the client. The financial advisor chooses the investment options, monitors the account’s investment selections and asset allocation, makes investment selection changes and rebalances when necessary.

Regardless of which strategy you select, you retain flexibility to modify your investment model when your needs change or market conditions warrant. VFA and our investment adviser representatives shall use due diligence to obtain the essential facts regarding your account, including identity, financial situation, objectives, time horizons, appropriateness of account and similar information in accordance with regulatory requirements.

How We Design Your Program

If you are interested in establishing a program account, an Investment Adviser Representative will meet with you to review your current financial situation, risk tolerances, and investment goals. Utilizing an investor profile questionnaire (the “Client Profile Questionnaire”), your Investment Adviser Representative will collect information about you in order to create a profile of your financial and investment situation, taking into account your current investments, assets, net worth, income, investment objectives, tax sensitivity, time horizon, risk tolerance, and various other variables. Should any of your information change, you should contact your Investment Adviser Representative. An Investment Adviser Representative is continually available to answer any questions and to implement any changes you want to make based on changes in personal or financial circumstances, or the financial markets.

You will also need to complete and sign the following forms: Statement of Investment Selection, New Account Application, Client Account Form, Letter of Acknowledgement and the Account Transfer Application (if you have assets to be transferred from another company).

Managed Investor Account, Managed Investor Account: ActivePassive Portfolio, Managed Investor Account: SunAmerica Portfolios, Index Plus Managed Investor Account, Managed Investor Account-California Residents and Managed Investor

Account Retirement Income: Based on your responses to the Client Profile Questionnaire, Envestnet will develop a customized plan of mutual funds for you. Your Investment Adviser Representative will present the plan to you for your review and approval. Once the plan is implemented, Envestnet will monitor your account for conformance to the plan and will rebalance your account periodically to maintain the asset allocation.

Personal Managed Investor Account: Based on your responses to the Client Profile Questionnaire, your Investment Adviser Representative will identify an asset allocation mix tailored for your situation, utilizing Envestnet asset allocation analysis. Based in part on that mix and other subjective factors and considerations important to you in selecting your investments, such as whether you want to transfer any existing investments into your account, your Investment Adviser Representative will then recommend a portfolio to implement the asset allocation mix recommendation. Your Investment Adviser Representative will recommend mutual funds and you can also transfer previously purchased mutual funds into your account. In deciding what mutual funds to recommend, the Investment Adviser Representative may consider a number of sources, including third party research materials, corporate press releases, and prospectus information. The Investment Adviser Representative will also take into account his or her own views and perspectives on mutual funds, as well as the client's preferences, risk tolerances, goals and, if applicable, previously purchased investments transferred to your account

Selected Manager Investor Account: Based on your responses to the Client Profile Questionnaire, Envestnet will recommend separate account manager(s) for you. Your Investment Adviser Representative will present the plan to you for your review and approval. Once the plan is implemented, the separate account manager will manage your account for conformance to the plan and will rebalance your account periodically. Envestnet will monitor the separate account manager.

Integrated Managed Investor Account: Based on your responses to the Client Profile Questionnaire Envestnet will develop a customized plan of investments for you. Investment products include mutual funds, ETFs, and separate account managers. Once the account plan is implemented, Envestnet will monitor your account for conformance to the plan and will rebalance your account periodically to maintain the asset allocation.

Account Management

Managed Investor Account, Index Plus Managed Investor Account, Managed Investor Account: ActivePassive Portfolio, Managed Investor Account: SunAmerica Portfolios, Managed Investor Account Retirement Income, and Managed Investor Account - California Residents: Envestnet will monitor your account on an ongoing basis and will rebalance your account periodically. The Firm relies on Envestnet to ensure the tools and analyses are operating properly and that the analyses continue to meet the criteria specified by the Firm and your responses in the Client Profile Questionnaire.

Personal Managed Investor Account: Your Investment Adviser Representative will be responsible for ongoing management and review of your account. Your Investment Adviser Representative will monitor your account periodically to determine if your assets should be reallocated to reflect changes in your account, your personal or financial circumstances, or the financial markets.

Utilizing software available to the Firm, your Investment Adviser Representative will be able to access your program account at any time to:

- Analyze your current asset allocation and rebalance your investments, as appropriate;
- Review the performance of your current investments; and
- Evaluate the expenses that you are paying on your investments.

Your Investment Adviser Representative will review your portfolio periodically to ensure that your investments continue to be consistent with the asset allocation mix you selected.

Selected Manager Investor Account: The separate account manager will manage your account on an ongoing basis and will rebalance your account periodically. The Firm relies on Envestnet to ensure the tools and analyses are operating properly and that the analyses continue to meet the criteria specified by the Firm and your responses in the Client Profile Questionnaire.

Integrated Managed Investor Account

- **Ongoing Management** - The research team will monitor each model portfolio on an ongoing basis and make any changes or rebalance to the portfolio asset allocations and or investment selection. Envestnet will monitor your account on an ongoing basis and will rebalance your account periodically. The firm relies on Envestnet to ensure the tools and analyses are operating properly and that the analyses continue to meet the criteria specified by the Firm and your responses in the Client Profile Questionnaire.

- **Overlay Management** - With the multiple investment vehicles and Separate Account Managers an overlay manager is utilized to monitor and coordinate the recommendations and trading activities. They actively manage the portfolio for proper asset allocation and maximize client tax benefits. Use of an overlay manager adds value by delivering operating efficiencies and coordinating all trading activity and investment decisions. Other overlay manager activities include: Tax loss harvesting, managing wash sales, monitoring short and long-term gains, managing cash flow activities, rebalancing the portfolio, and accommodating portfolio restrictions. The overlay manager's focus is on implementing custom investment solutions for each individual client based on unique requirements.

Advisory Fee and Other Charges

Advisory Fee: The Firm charges an advisory fee, which is negotiable, for your account that covers the provision of initial and ongoing investment services and the execution of securities transactions. The advisory fee does not cover custodial fees for the account that will be established with a custodian to hold the assets in your account, nor does the fee cover mark-ups or markdowns charge on transactions in over-the-counter securities effected for your account. The advisory fee also does not cover costs for any securities transactions you request involving assets or securities not in a program account. For information about custodial fees and charges for over-the-counter transactions, please talk to your Investment Adviser Representative.

The advisory fee is calculated as a percentage of assets in your account according to the following schedule:

Managed Investor Account / Index Plus Managed Investor Account / Managed Investor Account: Active/Passive Portfolio / Managed Investor Account Retirement Income / Managed Investor Account-California Residents Personal Managed Investor Account

Assets Under Management	Maximum Advisory Fee
From \$0 to \$249,999	2.00%
From \$250,000 to \$499,999	1.75%
From \$500,000 to \$999,999	1.50%
Over \$1,000,000	1.25%

Managed Investor Account: SunAmerica Portfolios

Assets Under Management	Maximum Advisory Fee
First \$250,000	1.50%
Next \$250,000	1.25 %
Next \$500,000	1.00 %
Over \$1,000,000	0.75 %

Selected Manager Investor Account

Assets Under Management	Maximum Advisory Fee
From \$0 to \$999,999	3.00%
From \$1,000,000 to \$1,999,999	2.00%
From \$2,000,000 to \$4,999,999	1.70%
Over \$5,000,000	1.50%

Integrated Managed Investor Account

Assets Under Management	Maximum Advisory Fee
From \$0 to \$999,999	2.50%
From \$1,000,000 to \$1,999,999	2.00%
From \$2,000,000 to \$4,999,999	1.70%
Over \$5,000,000	1.50%

With respect to the Selected Manager Investor Account and the Integrated Manager Investor Account, you will pay fees to the separate account managers to compensate them for managing the assets in your account. These fees range from 0.25% to 0.50% of assets.

The advisory fee is negotiated on a case-by-case basis. The advisory fee may be more or less costly to you than paying for the services separately, depending upon the investment advisory fees charged, the type of account, the amount of assets in the account, time and services provided, the number of transactions for the account, the level of brokerage and other fees that would be payable if you obtained the services available under the program individually.

The advisory fee is calculated quarterly, in arrears, based on the average daily value of the account during the quarter. The fee is tiered based on the account balance. If there are cash amounts in an account, the advisory fee is charged on the entire account, including such cash amounts. The fee is debited from the account at the beginning of the following quarter. If cash or cash equivalent funds in your account are not sufficient to pay the wrap fee or any of the other fees charged in connection with your account or transactions for your account, investments in your account may be liquidated in order to pay the outstanding fees. If your account is managed for only a portion of a quarter, the advisory fee will be prorated accordingly.

Part of the advisory fee collected by the Firm is paid to Envestnet as compensation for the software tools and other services provided by Envestnet under the program. These fees range up to 0.30% on all mutual fund models and up to 1.00% on models containing individual securities. Envestnet in turn re-allows a portion of the fee received to the program's custodian, National Financial Services LLC, pursuant to the Firm's custodian agreement with National Financial Services LLC. The fee payable to Envestnet is reduced when assets under management reach incrementally higher levels.

Under the Firm's policies, a portion of the advisory fee collected by the Firm is shared with your Investment Adviser Representatives for introducing and servicing advisory accounts. Compensation received by Investment Adviser Representatives may or may not be more than what the Investment Adviser Representatives would receive from the Firm if you had paid the Firm separately for investment advice, brokerage and other services. If the amount would be more than what an Investment Adviser Representative would receive if you participated in other programs of the Firm or paid separately for investment advice, brokerage and other services, the Investment Adviser Representative may have a financial incentive to recommend this wrap fee program over other programs or services.

Other Charges: Your investments in a program account may also be subject to other fees and charges imposed by other third parties, such as: in the case of mutual fund investments, mutual fund investment management fees, 12b-1 fees, administrative servicing fees, short term redemption fees, and contingent deferred sales charges upon redemption of previously purchased mutual funds; in the case of purchases made in connection with an individual retirement account or other qualified plan, various IRA and qualified retirement plan fees including annual custodial fees; and, in the case of all investments, clearing, custody and other transaction charges and service fees. Other parties may receive a portion of these third party fees.

Within the Managed Investor Program, Envestnet generally will limit their mutual fund recommendations to classes of shares that are not subject to a front-end sales load or that qualify for a waiver of the load. Mutual fund shares subject to a sales load that were purchased and transferred into the Managed Investment Program are subject to all fees and charges that are normally charged on mutual fund shares held within the program, including the Advisory Fee, and 12b-1 fees (which may be shared with your Investment Adviser Representative).

Is a Program for You?

The program bundles together several service providers - an investment adviser, a broker/ dealer, a clearing firm and a custodian - and offers most of these services for a single advisory fee. Some clients like having the various services "packaged" together; others prefer to select their own providers for the various services needed to manage their investment portfolios. Similarly, some clients like a fee structure that converts trading costs into an asset-based fee calculated on the same basis as advisory fees; others prefer trading costs to be assessed on a per trade basis. Depending on a number of factors, such as the number, size and nature of the securities transaction in an advisory account, the overall fees and charges borne by the client over time could be more or less than what these fees and charges would be if the same services were provided on a separate basis.

Item 5 - Account Requirements and Types of Clients

The Firm offers its services to individuals, pension and profit sharing plans and trusts.

Establishing a Program Account:

If you are interested in establishing an account, you will need to sign a Statement of Investment Selection and provide the requested information. You will approve the initial asset allocation mix for your account as well as the initial investments for the account.

For information pertaining to minimum account balances and other forms to be completed to establish an account, please refer to **Item 4 (3) Managed Investment Programs** beginning on page 3.

The Firm reserves the right to lower the minimum required amount on a case-by-case basis, as well the right to terminate an account if the assets in an account fall below the minimums.

Item 6 - Portfolio Manager Selection and Evaluation

General: The Investment Group of VFA meets quarterly to review investment performance and funds offered. From time to time, the Investment Group may make recommendations with respect to the addition or deletion of certain funds with respect to our advisory products and services. The officers and directors of VFA supervise and monitor the activities of the Investment Group. *Managed Investor Account, Index Plus Managed Investor Account, Managed Investor Account: ActivePassive Portfolio, Managed Investor Account: SunAmerica Portfolios, Managed Investor Account Retirement Income, Managed Investor Account - California Residents, Personal Managed Investor Account, and Integrated Managed Investor Account:* These accounts consist of (i) advisory services involving portfolio allocations across investment options and (ii) the execution of client transactions, which means the implementation of the advised allocations. There is no portfolio manager for these accounts.

Selected Manager Investor Account: Envestnet will select a separate account manager who will be your portfolio manager. A team of professional money managers from Envestnet will choose the separate account manager and provide ongoing manager oversight.

Item 7 - Client Information Provided to Portfolio Managers

Selected Manager Investor Account: Based on your responses to the Client Profile Questionnaire, Envestnet will recommend separate account manager(s) for you. Your Investment Adviser Representative will present the plan to you for your review and approval. Once the plan is implemented, the separate account manager will manage your account for conformance to the plan and will rebalance your account periodically. Your account will be reviewed periodically by Envestnet. A more frequent review may also be instigated by your inquiry due to policy or other changes or in the event of a change in prevailing market conditions. Clients are offered an annual investment review with their financial advisor including a current investment recommendation.

Item 8 - Client Contact with Portfolio Managers

If you have questions regarding your account(s), you should contact your Investment Adviser Representative. You should not contact Envestnet directly because Envestnet relies on the Investment Adviser Representative to address direct client inquiries. Your Investment Adviser Representative may have access to additional information about you outside of the fee-based account.

Item 9 - Additional Information

- **Disciplinary Information:**

Regarding NASD Rules 2110, 2830(K), 3010 and 3070, FINRA alleged that VFA violated the directed brokerage provisions by accepting directed brokerage commissions in exchange for providing a mutual fund company with preferred access to its sales force. The findings stated that VFA failed to report, or to timely report, disclosure events pursuant to NASD Rule 3070. The findings also stated that the firm failed to establish, maintain and enforce a system and procedures reasonably designed to achieve compliance with Federal securities laws and NASD Rule 3070 reporting requirements. Without admitting or denying the findings, VFA consented to the described sanctions and to the entry of findings and was censured and fined \$250,000. This matter was resolved October 2007.

- **Other Financial Industry Activities and Affiliations:**

VFA engages in other businesses besides providing investment advisory services. The Firm is also a registered broker/dealer, and through its registered representatives, engages in a retail securities business. In the ordinary course, VFA, as well as our Investment Adviser Representatives, receives compensation for securities transactions affected through the Firm.

VFA is affiliated with VALIC, a registered investment adviser and indirect, wholly-owned subsidiary of SAFG, a wholly-owned subsidiary of AIG. VALIC is primarily engaged in the offering and issuance of fixed and variable retirement annuity contracts and combinations thereof and is licensed to issue annuities in 50 states and the District of Columbia.

American General Distributors, Inc. ("AGDI") is an indirect subsidiary of SAFG, a wholly-owned subsidiary of AIG and an affiliate of the Firm. In its capacity as a registered broker/dealer, AGDI acts as principal underwriter for the offer, sales and distribution of the variable annuity contracts issued by VALIC and its affiliates.

SunAmerica Asset Management Corp., (“SAAMCo”), a registered investment adviser for the SunAmerica mutual funds and an affiliate of VALIC, also serves as an administrator to registered investment companies advised by VALIC and serves as investment sub-adviser to certain investment company portfolios advised by VALIC.

The following VFA management persons are registered with FINRA as registered representatives of VFA: Kurt W. Bernlohr; Craig Cheyne; Shawn Duffy; David H. den Boer; David L. Harrison; Stephen M. Hughes; Thomas G. Norwood; and Krien VerBerkmoes, III. Messrs. den Boer, Norwood and VerBerkmoes are also registered representatives of AGDI. Messrs. Bernlohr and VerBerkmoes are also investment adviser representatives of VFA.

Messrs. Bernlohr, Harrison, Norwood, VerBerkmoes and John Packs are members of the Firm’s Investment Group. The Investment Group meets quarterly to review investment performance and funds offered. From time to time, the Investment Group may make recommendations with respect to the addition or deletion of certain funds with respect to our advisory products and services. Messrs. Bernlohr, Norwood, Packs and VerBerkmoes are officers and/or directors of certain affiliates of VFA, as noted in the following chart:

Company:*	General Nature of Company’s Business:	Positions held in the Company by members of VFA’s Investment Group:
American General Distributors, Inc. (“AGDI”)	Broker/dealer; exclusive distributor and principal underwriter of VALIC and Western National Life Insurance Company* annuity products, and VCI and VCII mutual funds.	Officer: Messrs. Bernlohr, Norwood and VerBerkmoes Director: Mr. Bernlohr
American General Insurance Agency, Inc. (“AGIA”)	Insurance agency	Officer: Messrs. Bernlohr, Norwood and VerBerkmoes Director: Messrs. Bernlohr and Norwood
SunAmerica Asset Management Corp. (“SAAMCo”)	Mutual fund and asset management business	Officer: Mr. Packs
The Variable Annuity Life Insurance Company (“VALIC”)	Group variable annuities business; SEC-registered investment adviser to VCI and VCII mutual funds.	Officer: Messrs. Bernlohr, Norwood, Packs and VerBerkmoes
VALIC Company I and VALIC Company II (“VCI and VCII”)	Each company is an SEC-registered open-end, management investment company.	Officer: Messrs. Bernlohr and Packs
VALIC Retirement Services Company (“VRSCO”)	SEC-registered transfer agent for group mutual fund business	Officer: Messrs. Bernlohr and Packs Director: Mr. Bernlohr
* These companies are affiliates, which mean that they are related by common ownership or control.		

• **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading:**

Code of Ethics: The Firm has adopted a Code of Ethics (“Code”), the full text of which is available to clients and prospective clients upon request by contacting us at 877-737-2650.

VFA has a fiduciary duty to act solely for the benefit of investment clients. The Code requires honest and ethical conduct by all Supervised Persons, compliance with applicable laws and governmental rules and regulations, the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code, and accountability for adherence to the Code. VFA’s aim is to be as reasonable as possible with respect to internal procedures, while simultaneously protecting the organization and its clients from damage that could arise from a situation involving a real or apparent conflict of interest. While it is not possible to identify all possible situations in which conflicts might arise, this Code is designed to set forth VFA’s policy regarding the conduct of Supervised Persons in those situations in which conflicts are most likely to develop.

All associated persons are expected to adhere strictly to these guidelines. They are also expected to follow procedures for reporting of any violations as established in the Code.

Privacy Policy: Protecting its customers' private information is important to the Firm. Therefore, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure. The Firm does not disclose any non-public personal information about its customers or former customers to any non-affiliated third parties except as required by or permitted by law. In the course of servicing a client account, the Firm may share some information with its service providers, such as transfer agents, custodians, broker/dealers, accountants, and attorneys. The Firm will deliver a copy of the current privacy policy notice to its clients annually.

- **Review of Accounts** (information regarding Item 13 of the Firm Brochure, as applicable to VFA's wrap fee clients):

The Firm engages in ongoing monitoring of the program and the Investment Adviser Representatives, including review and approval of all program account transactions, audits of the Investment Adviser Representatives' records, and monitoring based upon reports on accounts.

The Investment Group of VFA meets quarterly to review investment performance and funds offered. From time to time, the Investment Group may make recommendations with respect to the addition or deletion of certain funds with respect to our advisory products and services. The officers and directors of VFA supervise and monitor the activities of the Investment Group.

Managed Investor Account, Index Plus Managed Investor Account, Managed Investor Account: Active/Passive Portfolio, Managed Investor Account: SunAmerica Portfolios, Managed Investor Account Retirement Income, and Managed Investor Account - California Residents: Envestnet will monitor your account on an ongoing basis and will rebalance your account periodically. The Firm relies on Envestnet to ensure the tools and analyses are operating properly and that the analyses continue to meet the criteria specified by the Firm and your responses in the Client Profile Questionnaire.

Personal Managed Investor Account: Your Investment Adviser Representative will be responsible for ongoing management and review of your account. Your Investment Adviser Representative will monitor your account periodically to determine if your assets should be reallocated to reflect changes in your account, your personal or financial circumstances, or the financial markets.

Utilizing software available to the Firm, your Investment Adviser Representative will be able to access your program account at any time to:

- Analyze your current asset allocation and rebalance your investments, as appropriate;
- Review the performance of your current investments; and
- Evaluate the expenses that you are paying on your investments.

Your Investment Adviser Representative will review your portfolio periodically to ensure that your investments continue to be consistent with the asset allocation mix you selected.

Selected Manager Investor Account: The separate account manager will manage your account on an ongoing basis and may include reasonable portfolio restrictions. The Firm relies on Envestnet to ensure the tools and analyses are operating properly and that the analyses continue to meet the criteria specified by the Firm and your responses in the Client Profile Questionnaire.

Integrated Managed Investor Account

- **Ongoing Management** - The research team will monitor each model portfolio on an ongoing basis and make any changes or rebalance to the portfolio asset allocations and or investment selection. Envestnet will monitor your account on an ongoing basis and will rebalance your account periodically. The firm relies on Envestnet to ensure the tools and analyses are operating properly and that the analyses continue to meet the criteria specified by the Firm and your responses in the Client Profile Questionnaire.
- **Overlay Management** - With the multiple investment vehicles and Separate Account Managers an overlay manager is utilized to monitor and coordinate the recommendations and trading activities. The overlay manager actively manages the portfolio for proper asset allocation and maximizes client tax benefits. Use of an overlay manager adds value by delivering operating efficiencies and coordinating all trading activity and investment decisions. Other overlay manager activities include: Tax loss harvesting, managing wash sales, monitoring short and long-term gains, managing cash flow activities, rebalancing the portfolio, and accommodating portfolio restrictions. The overlay manager's focus is on implementing custom investment solutions for each individual client based on unique requirements.

Execution of Client Transactions, Custodial Services, Reports, and Account Reviews: As a registered broker/dealer, we will execute trades for your program account through your brokerage account with us. Transactions for your brokerage accounts are cleared through National Financial Services LLC. National Financial Services LLC also provides custodial services for assets in advisory accounts. VFA itself will not take custody of your advisory account assets. All dividends and other distributions from your account assets will be managed in accordance with the instructions you provide on the New Account Form.

We will furnish you a quarterly written report that itemizes the activity in your program account during the preceding quarter, the current asset allocation, and the market value of the account. The report will also provide market commentary; a breakdown of investments within each asset class; and an account summary that includes the beginning balance, end-of-quarter balance, and year-to-date values.

Investment account assets will be valued based on the net asset values of the mutual funds and the market value or net asset value, as appropriate, of other investments in which a client's account assets are invested.

National Financial Services LLC will mail you trade confirmations and quarterly account statements for your program account investments. You will also receive all statements and forms required to be provided to you for tax reporting purposes.

Managed Investment Program accounts will be reviewed periodically by Envestnet. A more frequent review may also be instigated by a client inquiry due to policy or other changes or in the event of a change in prevailing market conditions. Clients are offered an annual investment review with their financial advisor including a current investment recommendation.

- **Client Referrals and Other Compensation:**

From time to time, VFA may implement programs under which the VFA's representatives may be eligible to win nominal awards for certain sales efforts such as, but not limited to, the establishment of new accounts or additional assets under management. These programs will not change the fees the client pays for advisory services or the amounts that may be invested in any products the client may purchase.

- **Financial Information:**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about VFA's financial condition. VFA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.