

Fund Facts

Tier II:
**Passively
Managed Fund¹**

Fund Type:
**Large Cap Stock
(Growth)**

Inception Date:²
5/1/2000

Total Net Assets:³
\$557.2 million

Expense Ratio:
0.11%

Ave. Weighted Market
Cap:
\$68.4 billion

Number of Holdings:
610

Dividend Yield:
1.7%

P/E Ratio (12-month
forward):
13.8x

P/B Ratio:
3.2x

Investment Objective

The Fund seeks to track the performance of the Russell 1000 Growth Index. This Index is an unmanaged index considered indicative of the growth-oriented domestic stock market in general and is comprised of stocks in the Russell 1000 that have higher price-to-book ratios and higher forecasted growth values. There is no assurance that the Fund will achieve its objective. Refer to “Risks” section.

Manager

The Fund is a collective investment trust managed by a team of State Street Global Advisors (SSgA) professionals.

Investor Profile

As growth stock fund, the Fund may be appropriate for someone with a medium to longer term investment time frame or for the investor seeking high long-term returns of companies with higher price-to-book ratios and higher forecasted growth values compared to the S&P 500 Index. The Fund may be suitable for an investor willing to ride out stock market fluctuations in the short term in exchange for the potential of high, long-term returns.

Strategy

The Russell 1000 Growth Index Fund (“Fund”) invests in SSgA’s Russell Large Cap Growth Index (formerly known as SSgA Russell 1000 Growth Index) Series Class Securities Lending and Non-Lending Funds. As of June 30, 2010 the Fund is comprised of 44.6% SSgA Series Class Securities Lending Fund and 55.4% SSgA Series Class Non-Lending Fund. The Fund is managed using a “passive” or “indexing” investing approach, by which SSgA attempts to replicate, before expenses, the performance of the Index. The Fund typically seeks to achieve its objective by investing in the securities comprising the Index in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as represented in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio. The Fund uses futures and may use other derivatives, lends its securities and may invest in other investment options.

Risks

There are risks involved with investing, including loss of money over short or long periods of time. Fund risks include, but are not limited to:

Market risk: The risk that the price of securities in a fund will rise or fall sometimes rapidly or unpredictably due to factors such as real or perceived adverse economic conditions, political developments, and/or investor sentiment generally. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Stocks generally have greater price volatility than bonds.

Business risk: The risk that an investment will lose value because of a decline in a specific company or industry.

Style risk: The risk that growth stock returns will trail returns from other asset classes.

Manager risk: The risk that manager decisions can adversely affect the ability of a fund to meet its investment objectives and/or cause a fund to underperform relevant benchmarks.

Securities lending risk: The risk that a fund’s participation in a securities lending program may result in losses to the fund. Securities lending programs and subsequent reinvestment of the posted collateral are subject to a number of risks, including the risk that the value of the investment held in collateral pools may decline in value, be sold at a loss or incur credit losses. In the event of a material default in the collateral pool the fund would incur its pro rata share of the loss.

Russell 1000 Growth Index Fund

as of June 30, 2010

Performance

Current performance may be lower or higher than performance data shown. Performance data shown represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit the Web site at www.varetire.org and select a Plan under the Defined Contribution Plans tab. Choose "Plan Investments" and then "Investment Performance." The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost. Investors should consider the investment objectives, risk, fees and expenses carefully before investing.

	1 Year	3 Years*	5 Years*	10 Years*
Russell 1000 Growth Index Fund ⁴	13.53%	-6.92%	0.35%	-5.18%
Russell 1000 Growth Index ⁵	13.62	-6.91	0.38	-5.14

Top Holdings

Exxon Mobil Corp.	5.1%
Apple Inc.	4.4
IBM Corp.	3.0
Cisco Systems Inc.	2.3
Microsoft Corp.	2.2
Google Inc.	2.1
Hewlett-Packard Co.	1.9
Oracle	1.6
Coca-Cola .	1.5
Intel Corp.	1.4

Sector Weightings**

Information Technology	31.5%
Consumer Discretionary	14.1
Industrials	13.0
Health Care	10.9
Energy	10.1
Consumer Staples	10.1
Materials	4.7
Financials	4.6
Telecommunication Services	0.9
Utilities	0.2

Allocation

Equities	99.2%
Cash & Other	0.8

Glossary

P/E Ratio: A P/E ratio represents the share price of a company's stock divided by its earnings per share, typically over a 12-month period. A "forward" P/E uses earnings estimates over the next 12 months. For a fund, the P/E ratio represents the weighted average of the P/E ratios of the stocks in the fund's portfolio.

P/B Ratio: A P/B ratio represents the relationship between the market price of a stock and its book value per share. Book value is a company's total assets minus total liabilities. For a fund, the P/B ratio represents the weighted average of the P/B ratios of the stocks in the fund's portfolio.

Dividend Yield: The portion a company or fund pays out to its shareholders in the form of dividends. The percentage is calculated by dividing the annual dividend per share by the stock's market price. For a stock fund it is the asset weighted average dividend yield of the underlying stock positions of the fund.

* Annualized

**May not equal 100% due to rounding.

1 A passively-managed fund tries to track the total return of a particular index. They are often called "passively-managed" because the way your money is invested is determined by the securities that are included in a particular index, not the research and discretion of a portfolio manager.

2 The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date. Prior to February 28, 2010 the inception date shown reflected the SSgA Series Class Fund. The change was made due to the length of the strategy performance track record for the Plans and because the investment strategy may be comprised of more than one underlying fund.

3 Total Net Assets shown reflect a composite total of SSgA's Russell Large Cap Growth Index Series Class Lending and Non-Lending Fund assets. Net assets as of June 30, 2010 for the Series Class Lending Fund were \$412.3 million and \$144.9 million for the Series Class Non-Lending Fund.

4 The performance returns shown reflect all fund management fees and expenses, but does not reflect the Plan administrative fee, which would further reduce the returns shown. All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars.

5 You cannot invest directly in an Index.

Plan Administrative Fee - ING Institutional Plan Services ("ING"), the Plans' record keeper, will deduct an annual record keeping and communication services fee of 19 basis points (0.19%) capped at \$130,000 from your combined account balance on a quarterly basis (0.0475% per quarter).

NOT FDIC INSURED - MAY LOSE VALUE - NO BANK GUARANTEE