

Investment Options	1 Month	3 Months	Year-to-Date	1 Year	3 Years*	5 Years*	10 Years*	Inception Date	Expense Ratio
<b>Tier I: Asset Allocation Funds<sup>1</sup></b>	%	%	%	%	%	%	%		%
<b>Income &amp; Growth Fund</b>	<b>0.94</b>	<b>3.66</b>	<b>5.96</b>	<b>5.96</b>	<b>9.03</b>	<b>5.26</b>	<b>5.62</b>	<b>11/99</b>	<b>0.06<sup>24</sup></b>
Benchmark (75% Barclays Capital Aggregate Bond, 22% Russell 3000, 3% MSCI EAFE indices)	0.98	3.63	5.96	5.96	8.94	5.08	5.54		
<b>Balanced Growth Fund</b>	<b>0.76</b>	<b>6.09</b>	<b>3.81</b>	<b>3.81</b>	<b>10.84</b>	<b>3.55</b>	<b>5.18</b>	<b>11/99</b>	<b>0.06<sup>24</sup></b>
Benchmark (50% Barclays Capital Aggregate Bond, 43% Russell 3000, 7% MSCI EAFE indices)	0.84	6.03	3.77	3.77	10.82	3.38	5.13		
<b>Long-Term Growth Fund</b>	<b>0.58</b>	<b>8.51</b>	<b>1.54</b>	<b>1.54</b>	<b>12.56</b>	<b>1.67</b>	<b>4.57</b>	<b>11/99</b>	<b>0.06<sup>24</sup></b>
<b>Interim Account—Virginia Retirement System Investment Portfolio (IAVRSIP)</b>	<b>0.58</b>	<b>8.51</b>	<b>1.54</b>	<b>1.54</b>	<b>12.56</b>	<b>1.67</b>	<b>4.57</b>	<b>11/99</b>	<b>0.06<sup>24</sup></b>
Benchmark (25% Barclays Capital Aggregate Bond, 64% Russell 3000, 11% MSCI EAFE indices)	0.70	8.41	1.44	1.44	12.45	1.46	4.53		
<b>Tier II: Passively Managed Funds<sup>1,2</sup></b>	%	%	%	%	%	%	%		%
<b>Bond Index Fund</b>	<b>1.10</b>	<b>1.11</b>	<b>7.79</b>	<b>7.79</b>	<b>6.82</b>	<b>6.60</b>	<b>5.84</b>	<b>11/99</b>	<b>0.06<sup>24</sup></b>
Barclays Capital Aggregate Bond Index	1.10	1.12	7.84	7.84	6.77	6.50	5.78		
<b>S&amp;P 500 Index Fund</b>	<b>1.03</b>	<b>11.81</b>	<b>2.10</b>	<b>2.10</b>	<b>14.19</b>	<b>-0.19</b>	<b>2.95</b>	<b>11/99</b>	<b>0.02</b>
S&P 500 Index	1.02	11.82	2.11	2.11	14.11	-0.25	2.92		
<b>Russell 1000 Value Index Fund</b>	<b>1.98</b>	<b>13.11</b>	<b>0.32</b>	<b>0.32</b>	<b>11.54</b>	<b>-2.59</b>	<b>3.88</b>	<b>5/00</b>	<b>0.09<sup>24</sup></b>
Russell 1000 Value Index	2.02	13.11	0.39	0.39	11.55	-2.64	3.89		
<b>Russell 1000 Growth Index Fund</b>	<b>-0.31</b>	<b>10.58</b>	<b>2.52</b>	<b>2.52</b>	<b>17.88</b>	<b>2.44</b>	<b>2.53</b>	<b>5/00</b>	<b>0.08<sup>24</sup></b>
Russell 1000 Growth Index	-0.32	10.61	2.64	2.64	18.02	2.50	2.60		
<b>Russell 3000 Index Fund</b>	<b>0.84</b>	<b>12.09</b>	<b>1.11</b>	<b>1.11</b>	<b>15.02</b>	<b>0.13</b>	<b>4.51<sup>3</sup></b>	<b>8/04</b>	<b>0.07<sup>24</sup></b>
Russell 3000 Index	0.82	12.12	1.03	1.03	14.88	-0.01	4.42		
<b>Small/Mid Cap Equity Index Fund<sup>4</sup></b>	<b>-0.14</b>	<b>13.18</b>	<b>-3.82</b>	<b>-3.82</b>	<b>18.85</b>	<b>1.56</b>	<b>6.19</b>	<b>11/99</b>	<b>0.07<sup>24</sup></b>
Russell Small Cap Completeness Index	-0.12	13.24	-3.92	-3.92	18.77	1.40	6.14		
<b>International Equity Index Fund<sup>5,23</sup></b>	<b>-2.11</b>	<b>4.31</b>	<b>-12.07</b>	<b>-12.07</b>	<b>7.76</b>	<b>-4.60</b>	<b>4.36</b>	<b>11/99</b>	<b>0.14<sup>24</sup></b>
MSCI EAFE Index	-0.95	3.33	-12.14	-12.14	7.65	-4.72	4.67		
<b>Real Estate Investment Trust Index Fund</b>	<b>4.66</b>	<b>15.19</b>	<b>9.17</b>	<b>9.17</b>	<b>21.10</b>	<b>-2.25</b>	<b>10.25<sup>3</sup></b>	<b>10/02</b>	<b>0.16<sup>24</sup></b>
Dow Jones U.S. Select REIT Index	4.70	15.36	9.37	9.37	21.63	-2.04	10.62		
<b>Tier III: Actively Managed Funds</b>	%	%	%	%	%	%	%		%
<b>Money Market Fund<sup>2,6,18</sup></b>	<b>0.01</b>	<b>0.04</b>	<b>0.16</b>	<b>0.16</b>	<b>0.29</b>	<b>1.73</b>	<b>2.11</b>	<b>11/99</b>	<b>0.10</b>
Barclays Capital 3-Month Treasury Bill Index	0.00	0.00	0.11	0.11	0.16	1.55	1.99		
<b>Active Inflation-Protected Bond Fund<sup>7,8,18,23</sup></b>	<b>0.21</b>	<b>2.63</b>	<b>13.39</b>	<b>13.39</b>	<b>10.21</b>	<b>7.79</b>	<b>7.33<sup>9</sup></b>	<b>6/00</b>	<b>0.07</b>
Barclays Capital U.S. Treasury Inflation Notes Index	0.04	2.69	13.56	13.56	10.38	7.95	7.57		
<b>Active Bond Fund<sup>23</sup></b>	<b>1.73</b>	<b>2.22</b>	<b>4.16</b>	<b>4.16</b>	<b>8.87</b>	<b>8.09</b>	<b>6.80</b>	<b>5/87</b>	<b>0.46</b>
Barclays Capital Aggregate Bond Index	1.10	1.12	7.84	7.84	6.77	6.50	5.78		
<b>Active High-Yield Bond Fund<sup>10,11,23</sup></b>	<b>2.76</b>	<b>6.08</b>	<b>7.24</b>	<b>7.24</b>	<b>18.89</b>	<b>6.24</b>	<b>6.94</b>	<b>12/78</b>	<b>0.13</b>
Custom Composite Index <sup>12</sup>	2.39	5.73	5.87	5.87	19.80	6.83	7.83		
<b>Active Global Equity Fund<sup>5,13,14,23</sup></b>	<b>-0.58</b>	<b>6.94</b>	<b>-7.28</b>	<b>-7.28</b>	<b>9.94</b>	<b>-0.67</b>	<b>7.79<sup>15</sup></b>	<b>3/93</b>	<b>0.50<sup>16</sup></b>
MSCI World Index	-0.06	7.59	-5.54	-5.54	11.13	-2.37	3.62		
<b>Stable Value Fund<sup>17,18</sup></b>	<b>0.23</b>	<b>0.64</b>	<b>2.62</b>	<b>2.62</b>	<b>2.92</b>	<b>3.83</b>	<b>4.56</b>	<b>2/95</b>	<b>0.25</b>
Current yield as of 12/31/2011 was 2.56% <sup>19</sup>									
<b>Virginia Retirement System Investment Portfolio (VRSIP)<sup>20</sup></b>	<b>-1.22</b>	<b>0.02</b>	<b>0.37</b>	<b>4.26</b>	<b>10.79</b>	<b>1.56<sup>21</sup></b>	<b>5.58<sup>21</sup></b>	<b>7/08</b>	<b>0.66</b>
Intermediate-Term Benchmark <sup>22</sup>	-2.00	-1.58	-0.55	3.75	10.33	1.27	5.24		
Long-Term Benchmark <sup>22</sup>	-0.20	2.07	3.11	6.82	12.76	2.06	4.39		

VRSIP and benchmark performance returns are reported with a one month lag. Information is as of November 30, 2011.

\*Annualized

The Self-Directed Brokerage Account (SDBA) from TD Ameritrade allows you to select from thousands of publicly-traded mutual funds, exchange-traded funds (ETFs) and individual stocks and bonds, in addition to your Plans' core investment options. The SDBA is for knowledgeable investors who acknowledge and understand the risks and costs associated with the investments contained in the SDBA. There is an additional Plan fee of \$12.50 per quarter, as well as transaction fees charged by TD Ameritrade, and investment management related fees and expenses for the funds or investments you select.

#### Footnotes

- 1 The VRS Defined Contribution Plans purchase units in various State Street Global Advisors (SSgA) Series Class non-lending collective trust funds in order to provide plan participants with the ability to purchase and redeem units on a daily basis. SSgA Series Class Funds may invest in other SSgA collective trust funds including Base Funds and/or own securities directly.
- 2 The inception dates shown reflect the VRS Defined Contribution Plans investment strategy inception dates. Prior to February 28, 2010 the inception dates shown reflected those of the SSgA Series Class or Base Funds. The change was made due to the length of the strategy performance track records for the Plans and because an investment strategy may be comprised of more than one underlying fund.
- 3 Fund and corresponding benchmark returns since VRS Plans investment strategy inception date.
- 4 Medium-sized companies may suffer more significant losses as well as realize more substantial growth than larger more established companies. Equity securities of companies with relatively small market capitalization may be more volatile than securities of larger more established companies.
- 5 Foreign investments involve special risks, including currency fluctuations and political developments.
- 6 An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. 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.
- 7 The Plans invest in Vanguard's Inflation-Protected Bond Fund Institutional share class.
- 8 The inception date shown reflects the inception date of the Fund. The inception date for the Institutional share class was 12/12/03.
- 9 Performance reflects returns for the Investor share class to provide participants with the Fund's longer performance history that currently is not available with the Institutional share class. The Institutional and the Investor share classes invest in the same base fund; the only difference between the two share classes is the expense ratios. The currently reported expense ratio for the Institutional share class is 0.07% and 0.22% for the Investor share class.
- 10 The Plans invest in Vanguard's High-Yield Corporate Fund Admiral share class.
- 11 The inception date shown reflects the inception date of the Fund. The inception date for the Admiral share class was 11/12/01.
- 12 Custom Composite Index: 95% Barclays Capital High-Yield ex-CCC and 5% Barclays Capital 1-3 Year Treasury Index. The Custom Composite Index approximates the credit quality of the underlying portfolio managed by Vanguard's investment advisor Wellington Management Company.
- 13 The Plans invest in the American Funds Capital World Growth and Income Fund R-5 share class.
- 14 The inception date shown reflects the inception date of the Fund. The inception date for the class R-5 share class was 5/15/2002.
- 15 Performance reflects hypothetical returns based on Class A share results calculated without a sales charge to provide participants with an indication of how the Fund may have performed over longer periods that currently is not available with the R-5 share class. The R-5 share class and the Class A shares invest in the same base fund, the only difference between the two share classes is the expenses.
- 16 The expense ratio of the Active Global Equity Fund is 0.50%, however, for those participants who invest in this Fund, 0.05% (the annual shareholder service fee paid to ING by American Funds) will be prorated back to their accounts quarterly (0.0125%) based on their balance in the Active Global Equity Fund as of the date plan expenses are run in the preceding quarter. Participants who have taken a full withdrawal from the Plan prior to payment of the credit will forfeit their share of the credited amount. The forfeited amount will be allocated among the remaining participants.
- 17 Performance returns have been linked to the previous investment manager. Returns prior to May 5, 2003 represent performance by MetLife.
- 18 Direct transfers from the Stable Value Fund to the Money Market Fund, the Active Inflation-Protected Bond Fund or the Self-Directed Brokerage Account (considered "competing funds") is not permitted. Before transferring to these funds, participants must first transfer to a "noncompeting" fund for 90 days.
- 19 There is no guarantee that the Fund will earn the current yield in the future.
- 20 The inception date shown reflects the date the VRS investment portfolio was unitized.
- 21 Historical data is based on the returns of the VRS investment portfolio prior to the portfolio being unitized.
- 22 In analyzing the performance of the Fund, the Board uses an Intermediate-Term Benchmark and a Long-Term Benchmark. Both benchmarks are rebalanced monthly.  
**Intermediate-Term Benchmark:** The Intermediate-Term Benchmark represents the strategic asset allocation mix and program level benchmarks established by the Board during its annual asset allocation review.  
**Long-Term Benchmark:** Effective July 2010, the Long-Term benchmark is 60% Russell 3000 Index and 40% Citigroup Broad Investment Grade Index. Prior to July 2010 the benchmark was 70% Russell 3000 Index and 30% Citigroup Broad Investment Grade Index. The two benchmarks are linked for historical performance purposes.
- 23 These funds may impose redemption fees and/or transfer restrictions on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. For more information, please refer to the fund's prospectus and/or disclosure documents.
- 24 SSgA is voluntarily reimbursing the fund for certain expenses. The expense ratio reflects the reimbursement, without which the expense ratio would have been higher. Fund returns reflect the reimbursement, without which they would have been lower.

Tier I Asset Allocation Funds are comprised of several underlying Series Class collective trust funds managed by State Street Global Advisors (SSgA). Tier II Passively Managed Funds invest in various Series Class collective trust funds managed by SSgA. Tier III Actively Managed Funds are comprised of the following: the Money Market Fund invests in a collective trust fund managed by SSgA; the Active Inflation-Protected Bond Fund invests in units/shares of the Vanguard Inflation-Protected Securities Fund Institutional shares (mutual fund); the Active Bond Fund invests in Institutional units/shares of the PIMCO Total Return Fund (mutual fund); the Active High-Yield Bond Fund invests in units/shares of the Vanguard High-Yield Corporate Fund Admiral shares (mutual fund); the Active Global Equity Fund invests in the R-5 units/shares of the American Funds Capital World Growth & Income Fund (mutual fund); and the Stable Value Fund invests in a separate account managed by Galliard Capital Management.

Benchmarks	Descriptions
Barclays Capital 3-Month Treasury Bill Index	Considered indicative of the average yield of three-month Treasury Bills.
Barclays Capital Aggregate Bond Index	Considered indicative of the domestic fixed income market.
Barclays Capital U.S. Treasury Inflation Notes Index	Measures the performance of inflation protected securities issued by the U.S. Treasury.
Russell 3000® Index	Considered indicative of the domestic broad equity market.
S&P 500® Index	Considered indicative of the domestic large-cap equity market.
Russell 1000® Value Index	Considered indicative of the domestic large-cap equity value market.
Russell 1000® Growth Index	Considered indicative of the domestic large-cap equity growth market.
Russell Small Cap Completeness® Index	Considered indicative of the extended broad equity market beyond the S&P 500 exposure.
Dow Jones U.S. Select REIT Index	Provides a measure of publicly traded real estate investment trusts.
MSCI EAFE® Index	Considered indicative of the developed international equity market.
MSCI World Index <sup>SM</sup>	Considered indicative of the global developed equity market.

All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars. Performance returns are provided by ING, The Vanguard Group, Galliard Capital Management, American Funds and Pacific Investment Management Company (PIMCO). Benchmark returns provided by ING, Russell/Mellon Analytical Services, and Vanguard. Although data is gathered from sources believed to be reliable, we cannot guarantee completeness or accuracy.

Performance data represents past performance and is not a guarantee of future results. Current performance may be lower or higher than performance data shown. The investment return and principal value of an investment will fluctuate and shares/units may be worth more or less than their original cost when redeemed.

**Fund performance returns shown reflect fund management fees and expenses, but do not reflect the Plan administrative fee charged by ING which would further reduce the returns shown.** Plan Administrative Fee: An annual recordkeeping and communication services fee of 18 basis points (0.18%) capped at combined account balances of \$130,000 will be deducted from your account on a quarterly basis (0.0450% per quarter).

*Please consider the investment objectives, risk, fees and expenses carefully before investing. For more detailed fund information, go to [www.varetire.org](http://www.varetire.org) and select a Plan under the Defined Contribution Plans tab or call the Plan Information Line at 1-VRS-DC-PLAN1 (1-877-327-5261).*