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Tom Marsico Takes a Bite Out of Apple
and Googles Up Winners in Tech and Pharma
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Four Years and Still Climbing?
Market Hits All-Time High in 2013
PAGE 1

Start of the Current DJIA Bull Market Cycle
March 2009

14,549
March 2013

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Damn the Sequester, Full Speed Ahead!!

Q 1 2013 was one of the best on record for the U.S. equity markets. Strong corporate balance sheets, solid (if not remarkable) earnings growth, signs of a sustainable economic recovery and a belief that the Fed will again intervene if the economy begins to falter, seemed to trump the fiscal cliff, sequester and general Washington gridlock. Many analysts suggest that the political stalemate is actually good for markets because “doing nothing” is better than doing something that can hurt business. While equity markets had a “good year last quarter,” many bond fund owners experienced mostly flat to slightly negative returns. A number of commodities, including gold, also struggled in Q1. As of this writing, the S&P 500 has hit all-time highs and short-term interest rates are returning to recent lows. Although a number of strategists suggest a modest overweight to U.S. stocks, given the conflicted nature of the current environment, most see little reason to move clients away from a broadly diversified portfolio. An update on our cyclical investment themes, along with one new theme, follows:

Return of the Dividend
Dividend-paying stocks performed well in Q1. Our 5-Star Overall Morningstar Rated Focused Dividend Strategy Portfolio outperformed the S&P 500 (including dividends) once again during the period. When we first introduced this theme, dividends were out of favor and the “return of…” semantics were appropriate. As long as the economy forges ahead, corporate balance sheets remain strong, investors seek income and companies continue to increase dividends, these stocks may continue to look attractive.

The Reflation Trade
For the past five years, a loose Federal Reserve monetary policy has gradually been pumping liquidity into the markets and reflating the economic balloon. Bank loan funds generally outperformed traditional bonds in the quarter as investors were attracted by high current income and the potential for upward floating rate adjustments when rates move higher. While rates softened just after the end of the quarter, most strategists believe that these historically low rates are unsustainable unless the Fed is willing to watch the economy slide back into recession. As an alternative or complement to traditional bonds, senior floating rate loan funds have been a low correlation option that offers current income potential.

Uncorrelated Alpha
While investors celebrate recent stock market gains, the concerns that keep strategists awake at night have not gone away. Europe is calm (albeit in recession) but their sovereign debt problems have not been resolved. U.S. Congressional inaction and arm wrestling eventually need to abate. And, for every good economic indicator in the U.S., there is another pointing in the opposite direction. For these reasons and others, most portfolio managers continue to support the ownership of alternative assets as an important hedge in a well-constructed portfolio.

Stock Picker’s Revival
Although most equity indexes moved inexorably higher in the first quarter, not all stocks (Apple being a good example) participated in the gains. The best stock pickers were able to outperform the general markets last quarter as stock selection is gradually becoming important once again. Five of our equity funds outperformed the S&P 500 last quarter (see all equity fund performance on pages 20-24).

The Rising Sun
Our new cyclical investment theme for your consideration involves the most underweight and unloved market of the past 20+ years, Japan. Rarely has such a major world economy (3rd largest) and stock market (2nd largest) ever been such a contrarian bet for so long. Finally, the Bank of Japan’s monetary policy is being seen as doing the “right thing” to revive this once vibrant and dominant market. Our Japan Fund has quietly been one of our best performing funds YTD (See page 11 for further details). After literally decades, some strategists are beginning to recommend allocations to Japan.

As always, we sincerely appreciate your confidence and support. Thank you for allowing SunAmerica the opportunity to earn your business and help your clients attain their financial goals!

Stephen A. Maginn
President
AIG Financial Distributors

SunAmerica Mutual Funds is part of AIG Life and Retirement, one of the largest life insurance organizations in the United States, based on assets under management of over $290 billion as of December 31, 2012.

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Bull Market Continues to Run in 2013

Backed by strong fundamentals, U.S. equity markets reached new highs in the first quarter of 2013, with both the S&P 500 and the DJIA experiencing their best first quarter since 1998. Markets were supported by strong earnings, improving consumer sentiment, better employment data and an uptick in the housing sector. Despite concerns regarding the debt crisis in Europe and the ongoing political debate in the U.S. on taxes and the deficit, the bull market continued its upward trend, surpassing the previous high in 2007. Investor confidence also improved, and net fund flows into the U.S. equity market finally turned positive in the last quarter after years of negative outflows.

As the bulls continue to run, it is increasingly important to periodically review the asset allocation in your clients’ portfolios to make sure that they remain consistent with their long-term needs and goals. Investors seeking to grow their retirement savings may want to take another look at their equity exposure and consider diversifying across asset classes, countries, and investment styles to provide the potential for more stability within their portfolios.

With the possibility that interest rates may increase from today’s lows, investors overweighted in bonds may also want to consider rebalancing their portfolios into equities and other fixed income asset classes like senior floating rate loans that are less sensitive to interest rate risk.

CONTINUED ON PAGE 2
**Equity Fund Flows Finally Return**

During the first quarter, investors reacted to improving fundamentals and market psychology by pouring record amounts of cash into equity funds.\(^1\) This represented a significant change in sentiment, as throughout the now four-year-old market recovery, retail investors pulled money out of equity funds in favor of the perceived safe haven of fixed-income investments. In fact, equity funds had negative flows nearly every month since May 2011. Although there has been much discussion recently about a great rotation from bonds into stocks, the strong first quarter fund flows were more reflective of investors moving cash off the sidelines into all types of equity-based funds, as bond funds also reported strong inflows.\(^2\)

**Is the 30-Year Bond Bull Market Over?**

While investors continue to flock to Treasuries at any sign of economic weakness, market pundits have certainly begun to question if rates can stay this low for much longer. It is difficult to predict precisely when the shift will occur given significant stimulus by the Federal Reserve, but it does seem inevitable that rates will eventually move higher. This could soften what has now become a 30-year bull market in bonds.

When looking at historical yields, we can see that multi-decade trends are not unprecedented. For example, in 1953, the 10-Year Treasury Yield stood at 2.83% before gradually rising to 15% in the early 1980s. The 10-Year Treasury Yield then steadily fell, dropping under 1.5% in 2012 before closing the first quarter of 2013 at 1.87% (see chart on next page).
While we do not know exactly when the impact of QE3 on long-term rates will begin to give way, there is just not much room to move lower. Of course, even if rates rise, not all bond classes will give back their significant gains. Higher-yielding corporate bonds and floating rate issues that can reset rates have the potential to provide attractive income in a rising interest rate environment.

**What’s Next?**

When looking at the long-term interest rate trends, it may make sense to put more of your clients’ traditional fixed-income assets to work in other income-yielding products like floating rate bonds or dividend-producing stocks. Given today’s low yields, coupled with the potential for bond prices to fall if rates start to rise, the risk/return potential for many traditional fixed-income investments may no longer be attractive, and investors’ asset allocation strategies may need to be revisited.

While the four-year bull market has risen 120% from its 2009 low, it is important to reiterate that the market is only now reaching levels previously seen in 2007. Despite these new highs, the market is still attractively valued, as the 12-month P/E ratio stands at 13.9x, under the 10-year historical average of 14.2x. Earnings continue to set records, as analysts predict that the companies in the S&P 500 will earn historic profits in each quarter of 2013. So while the double-digit stock market gains of the first quarter may slow over the course of the year, equity investments may remain a prudent strategy for moving cash off the sidelines and rebalancing overweight positions in fixed income. Within equities, proven strategies such as focused and rules-based investing offer two different ways to help generate alpha or excess returns relative to the market.

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**Two Consecutive 30-Year Trends in the Bond Market**

Bond prices rose as yields continued to decrease.

Source: U.S. Board of Governors of the Federal Reserve Bank. Monthly 10-Year Treasury Constant Maturity

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Please see pages 12-13 for more information on rules-based funds such as the **SunAmerica Focused Dividend Strategy Portfolio, Strategic Value Portfolio and International Dividend Strategy Fund.**

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3 Measured by the Dow Jones Industrial Average from Dow Jones
4 FactSet, Are estimates for record S&P 500 profits for rest of 2013 driving record S&P 500 values?, April 12, 2013
2013 Cyclical Trends

1 : Return of the Dividend

Dividends continued to advance in 2013, as the yield on the S&P 500 closed above the 10-Year Treasury Yield for the fourth consecutive quarter. The percentage of companies in the S&P 500 that paid dividends reached 81.2%, a level not seen since 1999, with over half of the companies yielding more than the 10-Year Treasury. Dividend cash payments increased 12% during the quarter and Standard & Poor’s estimates 2013 will surpass the record levels reached in 2012. With low historical payout ratios, earnings coverage and high cash balances, dividends could continue growing.

International markets can be another source for dividend income. The MSCI EAFE Index, a prominent international equity benchmark, was yielding 3.25% at the end of March, which was over 50% higher than domestic markets. Emerging markets also offered a yield advantage, with the MSCI Emerging Market Index generating a yield of 2.75% at the end of the quarter. In addition, emerging markets have relatively attractive valuations, with a price-to-earnings ratio that was more than 20% below the world average.

Cyclical Strategy: Generate yield and growth opportunities with dividend-paying stocks

Focused Dividend Strategy Portfolio
A: FDSAX
B: FDSBX
C: FDSTX
W: FDSWX

International Dividend Strategy Fund
A: SIEAX
B: SSIBX
C: SIETX

2 : Stock Picker’s Revival

Domestic markets posted double-digit gains across styles and capitalization ranges in the first quarter, as strong earnings and a resurgence in M&A activity helped fuel the advance. In addition, 74% of firms in the S&P 500 beat their fourth quarter earnings expectations. The current market environment also favors stock pickers as volatility and internal market correlations continue to fall from the high levels reached through much of the early recovery period.

To put the drop in volatility in perspective, the VIX Index, which measures the daily volatility of the S&P 500, averaged 13.6 during the first quarter, compared to a peak of 80 in 2008. In addition, correlations among large-cap stocks have dropped considerably, falling from levels over 60% when most stocks were moving in lock-step with one another to just 34% in March of 2013. In this environment, it is more important than ever to uncover stocks that are poised to outperform. Using proven stock pickers can be an effective way to increase the potential for alpha in a client’s portfolio.

Cyclical Strategy: Deliver the potential for alpha by using money managers with proven stock picking success

Focused Alpha Growth Fund
A: FOCAX
C: FOCNX
W: FOCWX

Focused Alpha Large-Cap Fund
A: SFLAX
C: SFLCX
W: SFLWX

3 : Uncorrelated Alpha

While the U.S. economy gained ground in the first quarter of 2013, Europe lagged, and there were signs of a slowdown in China’s hyper-growth rates. This environment pushed select commodity prices lower for the quarter, as headlines focused on a drop in gold and precious metals. Yet overall, commodities were slightly up for the quarter. Hedge funds advanced across the board, with every category in the HFRI hedge fund indices reporting positive performance year-to-date except for the Short Bias segment.

Alternative investments represent a compelling tool for adaptive diversification as both retail and institutional investors have increased their alternative positions in recent years.

Note: Indices are unmanaged and cannot be invested in directly.

S Dow Jones Indices, First Quarter 2013 Dividend Rate Increases $14.5 Billion: S&P Dow Jones Indices, April 10, 2013
MSCI Index Fact Sheets March 29, 2013
CBOE S&P 500® VIX and Implied Correlation Indexes Data
Business Insider, 97 Years of Crisis and Stock Market Volatility, Sam Ro, April 2, 2013

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Taking direction from some of the world’s largest institutional investors, including pensions and endowments, it may be worthwhile for clients to consider alternative assets in both the U.S. and overseas to help provide the opportunity for increased diversification and uncorrelated alpha.

**Cyclical Strategy: Provide additional levels of diversification through uncorrelated alternative assets**

### Global Trends Fund
- A: GTFAX
- C: GTFCX
- W: GTFWX

### Alternative Strategies Fund
- A: SUNAX
- C: SUNCX
- W: SUNWX

**4 : Reflation Trade**

While fiscal tightening in the form of sequestration and deficit reduction dominated headlines, the Fed continued its loose monetary policy and bond buyback plan in an effort to keep interest rates low. Despite this stance, longer-term rates moved higher during the quarter and clients may want to consider strategies that can protect their portfolios from duration risk when rates eventually cycle higher.

One such option, senior floating rate loans, delivered positive results in the first quarter. The Leveraged Loan category trailed only high yield bonds in Morningstar’s fixed-income fund category. Leveraged loan supply and demand were both very strong in the quarter as issuance hit a six-year high of $10.7 billion in March and retail investors poured an estimated $6 billion into loan funds. As a result, the S&P/LSTA Leveraged Loan Index hit a post-crisis high of 98% of par in March, benefiting from strong corporate balance sheets.

**Cyclical Strategy: Capitalize on the early stages of a market rebound**

### Japan Fund
- A: SAESX
- C: SAJCX

**5 : The Rising Sun**

After a prolonged market downtrend, Japanese equities have rallied strongly over the last year. Stocks as represented by the MSCI Japan Index posted double-digit gains of 11.7% for the first quarter, following an increase of 8% in 2012. The rally has been fueled by a weaker yen, along with heightened expectations of bold monetary easing by the Bank of Japan. For many analysts, this aggressive monetary stance is a sign that Japan is finally experiencing fundamental structural changes that can stimulate the economy and thus provide the potential to enhance equity returns over the long term.

In addition to favorable government policies, corporate earnings are also improving with net income increasing significantly in the fourth quarter of 2012. With the long recession, many Japanese companies have cut costs, become more efficient, and are well-positioned to benefit from the market recovery. Despite the recent rally, stock valuations remain attractive, cash flows are at historic highs, and companies have taken on a more shareholder-friendly focus, increasing dividends and stock buyback programs to make them more attractive to global investors. With these strong market fundamentals, now may be a good time to consider adding exposure to the Japanese market in your clients’ portfolios.

**Cyclical Strategy: Offer attractive income potential with duration protection from floating rate loans**

### Senior Floating Rate Fund
- A: SASFX
- C: NFRCX

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11 S&P Dow Jones Indices, Market Attributes: Commodities, March 2013  
12 Hedge Fund Research Indices (HFRI), April 2013  
13 Morningstar, Quarter End Review, Q1 2013  
14 Forbes, 1Q 2013 US Leveraged Loan Market Analysis, Steve Miller, April 8, 2013  
We sat down with Tom Marsico to discuss his focused investing strategy and to find out more about the stock-picking approach that he used to generate positive results this quarter.

Q: Can you discuss the advantages of focused investing and how it fits in your overall management style?
A: We are known for managing concentrated equity portfolios. This is an approach I have been utilizing since the start of my investment management career over 30 years ago and I believe it produces value-added results over the long run. There are rarely, if ever, 100 great investment ideas out there at a given point in time. The two SunAmerica Focused Alpha portfolios are an extension of that concentrated style, with each Fund owning our 10 highest conviction investment ideas.

Q: What holdings or actions have helped drive recent performance?
A: We've taken positions in several biotech companies that have been big contributors this year. The largest individual contributor in the first quarter of 2013 was Gilead Sciences, a research-based biopharmaceutical company that is the worldwide leader in virology drugs. Gilead’s primary market is the treatment of HIV/AIDS with its once-a-day drug therapy. The newest opportunity for Gilead is its Hepatitis C treatment which we believe will be a game-changer.

Both the Focused Alpha Growth and Focused Alpha Large-Cap Funds have also benefited from our sale of Apple. We began reducing the Apple position early in 2012 and had completely exited the stock by the end of the year, prior to the company’s disappointing quarterly earnings report in January 2013. The major rationale for the sale was that we did not see Apple as having the same level of innovation that had driven its new products over the past several years. The lack of a recurring revenue stream was also a factor in our decision.

We re-initiated a position in Google in 2012 after the leadership transitions improved the focus, execution, and vision of the company. We like the combination of co-founder Larry Page’s more focused leadership and vision with CFO Patrick Pichette’s financial discipline. This combination allows Google to pursue “10x innovation” to continue staying in front of changing trends, and has led to important revenue contributors such as Android, Google Maps and YouTube. Google has been the fourth largest contributor year-to-date.

Q: What's your outlook on the U.S. market and economy, and large-cap growth stocks in particular?
A: We see the U.S. recovery grinding forward and producing annualized real GDP growth of perhaps 2% to 3%. That isn't spectacular by any means but it stands up quite well compared with the rest of the world and particularly compared to other developed markets.

We see stabilization or improvement in the U.S. in areas such as jobs, housing, manufacturing, energy production and credit expansion. Those bright spots are somewhat offset by a recession in Western Europe and a slowdown in other parts of the world. Risks surrounding policy uncertainty at home and abroad are something that we continue to monitor closely. With that as a backdrop, we are looking for companies that offer something special and unique. We want to own companies that are capable of growing their revenues in a slow growth environment.

In terms of valuations, the U.S. equity market remains compelling. Stocks are still inexpensive based on most valuation metrics. Although the equity market has come a long way since March 2009, we continue to identify high-quality, franchise growth stocks that are attractively priced. We feel that stocks are even more attractive compared to other asset classes, particularly bonds.

Note: The information provided on this page does not represent a solicitation or recommendation to purchase or sell any security. The opinions expressed are those of the portfolio manager, are subject to change and do not necessarily represent the views of SunAmerica Asset Management Corporation.
With equity markets reaching new highs, experienced stock pickers will play an increasingly important role in helping generate more alpha in your clients’ portfolios. The SunAmerica Focused Alpha Growth Fund (FOCAX) combines the expertise of two of the nation’s leading money managers—Ron Baron of BAMCO, Inc. and Tom Marsico of Marsico Capital Management, LLC—with a focused blend of small-, mid- and large-cap growth investing to help deliver capital appreciation.

FOCAX Fund Facts:

➤ Focused portfolio: Invests in approximately 30 growth stocks regardless of capitalization

➤ Multi-cap approach: Large-cap stocks represent approximately 65% of the Fund’s assets, while small- and mid-cap stocks make up approximately 35% of the portfolio

➤ Complementary styles: Marsico employs a true bottom-up approach to find well-established growth companies, positive life-cycle changes, and rapidly accelerating earnings growth rates while Baron is a long-term investor, looking for businesses that solve problems and that have a unique competitive advantage.

For the periods ending March 31, 2013, the Focused Alpha Growth Fund’s overall, 3-year, and 5-year ratings are 4 stars in the Large Growth category. Overall rating is based on 1,482 funds. The Fund ranked #625 out of 1,669 funds for 1 year, #41 out of 1,482 funds for 3 years and #57 out of 1,278 funds for 5 years. See page 15 for more information on how the Morningstar ratings are calculated.

The Fund is newly organized. The Fund acquired the assets and assumed the liabilities of the SunAmerica Focused Alpha Growth Fund, Inc. (the “Predecessor Fund”), a closed-end investment company, in a reorganization that occurred on January 23, 2012 (the “Reorganization”). The performance of Class A shares of the Fund reflects the performance of the Predecessor Fund. As a closed-end investment company, the Predecessor Fund was not subject to the cash flow fluctuations of an open-end fund. The Fund’s past performance may have been different if it had been an open-end fund during the period covered in the chart and table.

The performance figures above for the period prior to the Reorganization were calculated using the actual operating expenses of the Predecessor Fund, which were lower than those of the Fund. If the Fund’s higher operating expenses were applied to the performance for the period prior to the Reorganization, the performance figures (with Maximum Sales Charge) would have been as follows: 1 Year: 2.26%; 3 Year: 13.44%; 5 Year: 7.85%; Since Inception: 7.01%.

Gross operating expenses, Class A: 1.73%. Net operating expenses, Class A: 1.72%. The net expense ratio includes the contractual expense cap and other management fee waivers, and/or expense reimbursement/recoupment as more fully described in the Fund’s prospectus. Pursuant to an Expense Limitation Agreement, the Fund’s contractual fee waiver and expense reimbursement will continue in effect indefinitely, unless terminated by the Board of Trustees, including a majority of the Independent Trustees.

Performance data represents past performance. Past performance is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be higher or lower than the original cost. Current performance may be higher or lower than that shown. Performance as of the most recent month end is available at www.safunds.com. Assumes reinvestment of all distributions at net asset value. The Funds’ daily net asset value is not guaranteed and shares are not insured by the FDIC, the Federal Reserve Board or any other agency.

Typically, the large-cap growth manager will invest in approximately 10 securities, with the flexibility to invest in approximately 20 securities for a total of up to 40 securities in the Fund’s overall portfolio (including the small/mid-cap portion).

Percentages reflect the projected asset allocations under normal market conditions and may be rebalanced from time to time.

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SunAmerica Focused Dividend Strategy Portfolio

Class A: FDSAX     Class B: FDSBX     Class C: FDSTX     Class W: FDSWX

5-Star Overall Morningstar Rating™
(out of 1,045 funds in the Large Value category as of 3/31/13)

The Only Fund Ranked in the Top 4% of the Large Value Category Across the 1-, 3-, 5-, and 10-Year Periods

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Contact your SunAmerica wholesaler or call 800-232-1230 for more information.

Note: Performance data quoted represents past performance and is not a guarantee of future results. The data assumes reinvestment of all distributions at net asset value (NAV). Class A gross operating expenses: 0.98%. Class A maximum sales charge: 5.75%. The Fund’s daily NAV is not guaranteed and shares are not insured by the FDIC, the Federal Reserve Board or any other agency. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be higher or lower than the original cost. Current performance may be higher or lower than that shown. Performance as of the most recent month end is available at www.safunds.com.

* Ratings not calculated by Morningstar for this time period.

For the periods ending March 31, 2013, the Focused Dividend Strategy Portfolio’s Morningstar Overall, 3-, 5-, and 10-year ratings are 5 stars. Overall rating is based out of 1,045 funds in the Large Value category. The Fund ranked #41 out of 1,203 funds for 1 year, #10 out of 1,045 funds, #1 out of 927 funds for 5 years and #8 out of 589 funds for 10 years. Morningstar is an independent investment research firm that rates the performance of mutual funds based on return and risk. For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variations in a fund’s monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Morningstar Rating is for the A share class only; other classes may have different performance characteristics. Past performance is not a guarantee of future results.

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Finding Value in Today’s Market
Help Enhance Returns With a Rules-Based Approach to Value Investing

In the first quarter of 2013, value stocks outperformed growth stocks as the Russell 3000 Value Index advanced 12.3% versus a 9.8% return for the Russell 3000 Growth Index. While stock valuations have increased—P/E ratios for the S&P 500 are now 13.9 times earnings—they remain below the 10-year historical average of 14.2 times earnings.18 With slow economic growth in the U.S. and uneasiness about markets in Europe and China, value stocks may continue to outperform growth stocks over the near term.

To help capitalize on these trends, the SunAmerica Strategic Value Portfolio (SFVAX) uses quantitative, rules-based screens to create a portfolio of 50-100 value stocks that have the opportunity to provide long-term capital appreciation. The Fund looks for highly profitable, attractively valued companies with strong fundamentals. Clients can use the Fund as a core value solution or to diversify a growth-oriented portfolio to help manage volatility and produce potentially higher returns.

Why Invest in the Fund Today

1. Capital Appreciation Potential
   The Fund’s rules-based approach identifies a portfolio of highly profitable value stocks that have the potential to grow. Over an 18-year period (12/31/1994-12/31/2012), value stocks have generated annualized returns of 9.3% versus 7.4% for growth stocks.19

2. Volatility Control
   Since the rules-based screens focus on valuation and profitability, not size and industry, the Fund is generally well diversified among market caps, sectors and geographic regions. This broad exposure may help investors control volatility and generate more stable returns.

3. Portfolio Efficiency
   The Fund’s annual investment selection process and reconstitution may help reduce turnover and enhance tax efficiency.

19 Russell Investments, 2013. Please see the accompanying disclosure for the above chart for more information.

SFVAX Fund Facts:

- Quantitative process: The Fund invests in approximately 50-100 top-ranking companies in the Russell 3000 Value Index screened by valuation and profitability
- Portfolio optimization: Clients gain access to positions that are weighted by an optimization model to determine the most efficient risk to return profile
- Value play: Using rules-based screens, the Fund seeks out the most attractive value stocks, regardless of size or sector
- Disciplined approach: The Fund uses a systematic, rules-based process to select high-quality, well-managed value stocks with strong upside potential

Note: This illustration does not reflect the performance of the SunAmerica Strategic Value Portfolio or any other specific investment. It shows the hypothetical growth of $10,000 from 12/31/1994 to 12/31/2012. Value stocks are represented by the Russell 3000 Value Index. Growth stocks are represented by the Russell 3000 Growth Index. Indices are unmanaged and not available for direct investment. Past performance is not a guarantee of future results. Please see pages 14-16 for index definitions and the risks associated with investing in the Fund. Source: Russell Investments, 2013.
Combine Attractive Yield Potential with Broad Diversification
Invest in Four Global Bond Sectors to Help Enhance Returns

With the Fed continuing to purchase Treasury and mortgage issues, U.S. government bond yields remain at extremely low levels. In this environment, clients seeking higher income may want to consider looking outside of the U.S. and across the fixed income spectrum for yield opportunities. The SunAmerica Strategic Bond Fund (SDIAX) is a global multi-sector bond fund that can provide attractive current income, while offering a level of downside protection through broad diversification across regions, asset classes, and credit quality.

3 Key Reasons to Invest in the Fund

1. Current Income Potential:
   As of March 31, 2013, the Fund generated a 30-day SEC yield of 3.22%.

2. Low Correlation to U.S. Treasuries
   The Fund has historically demonstrated a low correlation to U.S. Treasuries. When added to a diversified portfolio, the Fund can help clients manage volatility and enhance performance across varying interest rate environments.

3. Fixed Income Diversification
   The Fund allocates assets across four bond sectors—U.S. investment grade bonds, U.S. high yield bonds, non-U.S. investment grade bonds, and emerging market bonds. By making tactical shifts between these bond sectors, the Fund can capitalize on changing market conditions and generate potentially strong risk-adjusted returns.

SDIAX Has Offered Strong Risk-Adjusted Returns
Risk/Reward Characteristics for the 10-Year Period Ended 3/31/13

SDIAX Fund Facts:

➤ Capital appreciation potential: The Fund invests across the full credit spectrum and in both the U.S. and foreign markets to help bolster total return.

➤ Potential hedge against rising rates: With its flexible, diversified approach, the Fund offers positive return potential in an increasing interest rate environment. For example, when Fed rates increased by more than 4% from 2004-2006, the Fund generated an average annual return of 8.2%.

➤ Disciplined investment process: Combines strategic asset allocation and bottom-up security selection to seek a high level of total return across varying market conditions.

Performance data quoted represents past performance and is not a guarantee of future results. Gross operating expenses: Class A: 1.31%. The data assumes reinvestment of all distributions at net asset value. Class A maximum sales charge: 4.75%. The Fund’s daily net asset value is not guaranteed and shares are not insured by the FDIC, the Federal Reserve Board or any other agency. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be higher or lower than the original cost. Current performance may be higher or lower than that shown. Please see additional performance data on page 26 of this brochure, or visit www.safunds.com.
Is Japan on the Rise?
Trends May Signal the Start of a Long-Awaited Bull Market

After a period of underperformance, the equity market in Japan has rallied, increasing by more than 18% over the last six months and posting an annualized return of nearly 9% over the 2-year period ending 3/31/13. While some analysts remain concerned that the rally may be temporary, others argue that the current uptrend marks the beginning of fundamental changes in Japan that can lead to long-term market and economic growth. Some of these changes include a weaker yen, large increases in government stimulus and spending, and improvements in corporate governance and management.

To help clients take advantage of these growth opportunities, the SunAmerica Japan Fund (SAESX) looks for fundamentally strong companies that are believed to be mispriced in the marketplace. The Fund’s unique stock selection process combines quantitative analysis with insights gained from the field of behavioral finance. By identifying gaps between investors’ perceptions of a company and its current fundamentals, the portfolio management team can find out-of-favor stocks with strong potential for capital appreciation.

Why Invest in Japan Now

- **Political stability:** The Japanese government is stabilizing for the first time in many years, leading to a stronger economic recovery and better growth prospects for the future.
- **Favorable currency:** A weakening yen over recent months has benefited Japanese exporters as their products are now cheaper abroad.
- **Shareholder focus:** With increasing dividends, stock buyback programs, and mergers and acquisitions, companies are showing more interest in returning capital to shareholders, making Japan more appealing to global investors.
- **Regional influence:** China’s emergence as the second largest economy in the world has forced the Japanese government to pursue a more aggressive growth policy.
- **Corporate strength:** After cutting costs to deal with a prolonged economic downturn, Japanese companies are now well-positioned for a sharp pick-up in earnings growth.

SAESX Fund Facts:

- **A contrarian style:** The Fund seeks to buy misunderstood stocks when markets overreact and sentiment turns negative, and sell stocks when company news and sentiment become overly positive.
- **Diversification opportunities:** The Fund looks to generate returns that have a low correlation to global equity market indices.
- **Asset management expertise:** Investors may benefit from the local market knowledge, experience and resources of Wellington Management Company’s Japanese equity team which works on the ground in Asia.

Japanese Equity Market Posted Double-Digit Gains Over the Last 6 Months

MSCI Japan Index, 3/31/2011 – 3/31/2013

Source: MSCI, 2013. This chart does not reflect the performance of the SunAmerica Japan Fund or any other specific investment. Past performance is not a guarantee of future results.
SunAmerica Mutual Funds takes pride in developing and introducing new investment ideas across various disciplines. One of these innovative ideas is the use of rules-based investing in the Focused Dividend Strategy Portfolio, International Dividend Strategy Fund and Strategic Value Portfolio.

These SunAmerica Rules-Based Funds rely on impartial, quantitative screens to select the stocks in their portfolios.

### The SunAmerica Rules-Based Funds can help:

- **Deliver attractive income and total return potential.**
  The rules-based screening and rebalancing process allows these Funds to add value-based positions that have the potential to generate more growth and income in today’s low interest rate environment.

- **Take the guesswork out of portfolio construction.**
  The Funds’ impartial, rules-based screens help eliminate emotion, bias and subjectivity from the investment decision-making process.

- **Minimize portfolio turnover for improved tax efficiency.** The Funds are reconstituted annually to help ensure portfolios remain consistent with their investment objectives and to help minimize the tax consequences of buying and selling stocks.

Each Fund uses a similar process that involves careful screening of an index or universe, ranking stocks in that index based on criteria such as valuation, yield and profitability, and then investing in the top-ranking stocks. Stocks are generally held for one year and then reconstituted using the same rules-based approach.

### Four Steps of Rules-Based Investing

1. **SCREEN** universe or index
2. **RANK** stocks based on criteria such as valuation, yield and profitability
3. **INVEST** in the top-ranking stocks
4. **RECONSTITUTE** annually

### Combine Discipline, Process and Performance Potential

SunAmerica’s Rules-Based Funds include the Focused Dividend Strategy Portfolio (FDSAX), International Dividend Strategy Fund (SIEAX) and Strategic Value Portfolio (SFVAX). To find out more about the potential benefits of adding rules-based investing to your clients’ portfolios:

**Contact your SunAmerica wholesaler or call our Sales Desk at 800-232-1230.**

Note: There is no guarantee that a Fund’s investment process will result in the Fund meeting its investment objectives.
Growth. Value. Income.

Find out how the SunAmerica Rules-Based Funds can help you add the potential for income and capital appreciation to your clients’ portfolios.

3 SunAmerica Rules-Based Funds

1  **Focused Dividend Strategy Portfolio**
   Class A: FDSAX  Class B: FDSBX  Class C: FDSTX
   Invests in a concentrated portfolio of 30 stocks including the 10 highest-yielding stocks in the Dow Jones Industrial Average, plus 20 stocks from the Russell 1000 Index

2  **Strategic Value Portfolio**
   Class A: SFVAX  Class B: SFDBX  Class C: SFVTX
   Seeks to provide long-term growth of capital by investing in the top-ranking 100 stocks in the Russell 3000 Value Index ranked by metrics combining valuation and profitability

3  **International Dividend Strategy Fund**
   Class A: SIEAX  Class B: SSIBX  Class C: SIETX
   Consists of 50-100 high dividend-yielding securities selected from the Morgan Stanley All Country World Index ex-U.S. (MSCI ACWI ex-U.S.)

**Order a complimentary copy of our Rules-Based Investing consumer brochure**

**Contact your SunAmerica wholesaler or call 800-232-1230 today**

Use a Rules-Based Approach to Provide Clients with Attractive Yield and Performance Potential

For financial professional use only. Not for use with the public.
Important information about fund performance: Performance data quoted represents past performance and is not a guarantee of future results. Assumes reinvestment of all distributions at net asset value. The Maximum Sale Charge (MSC) returns take into account the maximum initial sales charges, which are listed on page 17. Daily net asset value is not guaranteed and shares are not insured by the FDIC, the Federal Reserve Board or any other agency. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be higher or lower than the original cost. Current performance may be higher or lower than that shown. Performance as of the most recent month end is available at www.safunds.com.

Figures stated for the SunAmerica Equity Funds, the SunAmerica Focused Portfolios, the GNMA and U.S. Gov't Securities Funds include contractual fee waiver and/or expense reimbursement/(recoupment), which will continue indefinitely subject to termination by the Board. Waivers and/or reimbursements may be subject to recoupment within two years. Figures stated for the Focused Asset Allocation Strategies reflect voluntary waiver of fees and/or reimbursement of expenses which may be terminated at any time. Figures stated for High Yield Bond, Senior Floating Rate and Strategic Bond are after contractual waiver of fees and/or reimbursement of expenses which will continue indefinitely subject to termination by the Board. Figures stated for the SunAmerica Japan, Focused Large-Cap Growth, Focused Small-Cap Growth, Senior Floating Rate and Focused Asset Allocation Strategies reflect the net expense ratio, which includes the contractual expense cap and other management fee waivers, as more fully described in the Funds'/Portfolios’ prospectuses, and it also reflects any acquired fund fees and expenses (“AFFEs”). AFFEs are not subject to the contractual expense cap, which is why the net expense ratio may exceed the contractual expense cap.

On the following Funds-at-a-Glance pages, the inception date shown is for the oldest class of shares. For all listed Funds, except the Senior Floating Rate Fund, these are the Class A shares. For Senior Floating Rate Fund, Class C is the oldest class of shares, and this is specially noted in the Fund information on page 26. Lists denoting the Funds' holdings and sector weightings as of March 31, 2013 are subject to change after that date. The Funds are actively managed and holdings and composition will differ over time. These lists do not constitute investment advice or an offer to purchase or sell any particular security. Please see our website www.safunds.com for complete portfolio listings.

Notes on Risk:

Equity investing: Stocks of small-cap and mid-cap companies are generally more volatile than and not as readily marketable as those of larger companies, and may have less resources and a greater risk of business failure than do large companies.

Fixed income investing: Interest rates and bond prices typically move inversely to each other; therefore, as with any bond fund, the value of your investment in the SFA, GNMA, U.S. Government Securities, High Yield Bond and Strategic Bond Funds may go up or down in response to changes in interest rates. The U.S. government guarantee applies only to the underlying securities of the GNMA and U.S. Government Securities Funds’ portfolios and not to the Fund shares. Senior floating rate funds are not money market funds; their NAVs will fluctuate and may lose value. Investment in these loans involves certain risks, such as currency fluctuations, and economic and political instability. These risks are highlighted

Notes on the Risks of Investing in the Global Trends Fund:

Futures and forward contracts are contractual agreements that involve the right to receive, or obligation to deliver, assets or money depending on the performance of one or more underlying assets, currencies or a market or economic index. The risks associated with the Fund’s use of futures contracts include the risk that: (i) changes in the price of a futures contract may not always track the changes in market value of the underlying reference asset; (ii) trading restrictions or limitations may be imposed by an exchange, and government regulations may restrict trading in futures contracts; and (iii) if the Fund has insufficient cash to meet margin requirements, the Fund may need to sell other investments, including at disadvantageous times. Forwards are not exchange-traded and therefore no clearinghouse or exchange stands ready to meet the obligations of the contracts. Thus, the Fund faces the risk that its counterparties may not perform their obligations. Forward contracts are also not regulated by the Commodity Futures Trading Commission (“CFTC”) and therefore the Fund will not receive any benefit of CFTC regulation when trading forwards. The Fund’s investment in futures may provide leveraged exposure which may cause the Fund to lose more than the amount it invested in those instruments.

The Fund also has exposure to the commodities markets, which may subject the Fund to greater volatility than investments in traditional securities. The value of commodity futures instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or events affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Investments that provide exposure to foreign markets involve special risks, such as currency fluctuations, differing financial reporting and regulatory standards, and economic and political instability. These risks are highlighted when the issuer is in a emerging market. Fixed income securities and currency and fixed income futures are subject to changes in their value when prevailing interest rates change. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from futures instruments that are tied to foreign instruments or currencies. Emerging market exposure generally has a higher level of currency risk. Credit risk (i.e., the risk that an issuer might not pay interest when due or repay principal at maturity of the obligation) could affect the value of the investments in the Fund’s portfolio exposed to fixed income securities. The Fund’s investments in repurchase agreements involve certain risks involving the default or insolvency of the seller and counterparty risk (i.e., the risk that the counterparty will not perform its obligations).
Active trading of the Fund’s portfolio may result in high portfolio turnover and correspondingly greater brokerage commissions and other transaction costs, which will be borne directly by the Fund and which will affect the Fund’s performance. Active trading may also result in increased tax liability for Fund shareholders. Investors should note that the ability of the sub-adviser to successfully implement the Fund’s strategies, including the proprietary investment process used by the sub-adviser, will influence the performance of the Fund significantly.

Wellington Management is an independent and unaffiliated investment sub-adviser to SunAmerica.

Notes on the Risks of Investing in the Alternative Strategies Fund:

The commodity and hedge fund-linked derivative instruments in which the Fund invests have substantial risks, including the risk of loss of a significant portion of their principal value. Commodity and hedge fund-linked derivative instruments may be more volatile and liquid than the underlying instruments and their value will be affected by the performance of the commodity markets or underlying hedge funds, as well as overall market movements and other factors. Commodity and hedge fund exposure may also subject the Fund to greater volatility than investing in traditional securities. The value of commodity-linked derivative instruments may be affected by commodity index volatility, changes in interest rates, or events affecting a particular industry or commodity, drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The hedge funds comprising a hedge fund index invest in and may actively trade securities and other financial instruments using a variety of strategies and investment techniques that may involve significant risks.

Managed futures involve going long or short in futures contracts and futures-related instruments. If the Fund’s investment advisor uses a future or other derivative instrument at the wrong time or judges market conditions incorrectly, use of such instruments may result in a significant loss to the Fund. The Fund could also experience losses if the prices of its futures or other derivative instruments were not properly correlated with other investments. Managed futures instruments and some other derivatives the Fund buys involve a degree of leverage. The Fund’s use of certain economically leveraged futures and other derivatives can result in a loss substantially greater than the amount invested in the futures or other derivatives. Certain futures and other derivatives have the potential for unlimited loss, regardless of the size of the initial investment. When the Fund uses futures and other derivatives for leverage, a shareholder’s investment in the Fund will tend to be more volatile, resulting in larger gains or losses in response to the fluctuating prices of the Fund’s investments.

The Alternative Strategies Fund is not a complete investment program and should not be an investor’s sole investment because of the associated risk.

Notes on the Risks of Investing in the Focused Dividend Strategy Portfolio and the International Dividend Strategy Fund:

The Focused Dividend Strategy Portfolio and the International Dividend Strategy Fund each employ a disciplined strategy and will not deviate from their respective strategies (except to the extent necessary to comply with federal tax laws or other applicable laws). If either Fund is committed to a strategy that is unsuccessful, that Fund will not meet its investment goals. Because the Funds will not use certain techniques available to other mutual funds to reduce stock market exposure, the Funds may be more susceptible to general market declines than other mutual funds.

International Dividend Strategy Fund: Effective July 2, 2012, the name of the Fund was changed to the SunAmerica International Dividend Strategy Fund and certain changes were made to the Fund’s investment strategy and techniques. Prior to this date, the Fund was managed as an international equity fund employing a different strategy. Stocks of international companies are subject to additional risks including currency fluctuations, economic and political instability, greater market volatility, and limited liquidity. These risks can be greater in the case of emerging country securities. Preferred stock is subject to interest rate fluctuations as well as credit risk, which is the possibility that an issuer of preferred stock will fail to make its dividend payments. The market may fail to recognize the intrinsic value of particular dividend-paying stocks the Fund may hold.

Notes on the Risks of Investing in the Japan Fund:

Investments in stocks are subject to risk, including the possible loss of principal. Stocks of international companies are subject to additional risks, including currency risks and geographic concentration. Stocks of small-cap companies, and to a lesser extent, mid-cap companies, may be more volatile than and not as readily marketable as those of larger companies. Under normal circumstances, at least 80% of the Fund’s net assets, plus any borrowings for investment purposes, will be invested in Japanese companies. Because the Fund concentrates its investments in Japan, the Fund’s performance is expected to be closely tied to social, political and economic conditions of that country. As a result, the Fund is likely to be more volatile than more geographically diverse international funds. The Japanese economy faces a number of long-term problems, including massive government debt, the aging and shrinking of the population, an unstable financial sector and low domestic consumption. Japan has experienced natural disasters of varying degrees of severity, and the risks of such phenomena, and damage resulting therefrom, continue to exist. Japan has a growing economic relationship with China and other Southeast Asian countries, and thus Japan’s economy may also be affected by economic, political or social instability in those countries (whether resulting from local or global events).

Notes on the Morningstar Ratings:

Morningstar is an independent investment research firm that rates the performance of mutual funds based on return and risk. For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variations in a fund’s monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Morningstar Rating is for the A share class only; other classes may have different performance characteristics. Past performance is not a guarantee of future results.

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About the Indices:

The Barclays U.S. Aggregate Bond Index is comprised of government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. The maturity of the bonds in the index is over one year. The Barclays U.S. High Yield Index is an unmanaged index of fixed rate non-investment grade debt. The Citigroup WGBI Non USS Index (unhedged) is a market capitalization-weighted index that tracks total returns of government bonds in 22 developed countries globally. Local bond market returns are from country sub-indices of the Citigroup WGBI. The Dow Jones Industrial Average (DJI) is a price-weighted average of 30 actively traded “blue chip” stocks, primarily industrials, but also including financials and other service-oriented companies.
The **JP Morgan Emerging Markets Bond Index Plus** is an index that tracks total returns for external-currency-denominated debt instruments of the emerging markets. It is concentrated in 19 emerging market countries. The **MSCI All Country World (ACWI) ex-U.S. Index** is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of 44 global developed and emerging markets, excluding the U.S. The **MSCI EAFE Index** (Europe, Australasia and Far East) is a free float-adjusted market capitalization index that measures the performance of developed equity markets, excluding the U.S. & Canada. The **MSCI Emerging Markets Index** is designed to measure the equity market performance of emerging markets, such as Brazil, Chile, China and India. The **MSCI Europe Index** is a free float-adjusted market capitalization weighted index that measures the equity market performance of 16 developed markets in Europe. The **MSCI Japan Index (Net)** is a free-float adjusted market capitalization weighted index that is designed to track the equity market performance of Japanese securities listed on Tokyo Stock Exchange, Osaka Stock Exchange, JASDAQ and Nagoya Stock Exchange. The **MSCI World Index** measures the equity market performance of developed markets from around the world. The index consists of the following 24 countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The **Russell 1000 Index** measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1000 of the largest securities in that index. The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 1000 Value Index** measures the performance of the large-cap value segment of U.S. equity value universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values. The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 3000 Index** measures the performance of the largest 3000 U.S. companies, representing approximately 98% of the investable U.S. equity market. The **Russell 3000 Growth Index** measures the performance of the growth segment of the U.S. equity universe. It includes those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 3000 Value Index** measures the performance of the value segment of the U.S. equity universe. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The **S&P 500 Index** is an unmanaged, broad-based, market-cap weighted index of 500 U.S. stocks. The **VIX** is the ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market’s expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

**AIG Life and Retirement** is the enterprise name of a group of companies, offering insurance, retirement and investment services through a diverse family of financial services companies.

**Investors should carefully consider a Fund’s investment objectives, risks, charges and expenses before investing. The prospectus, containing this and other important information, can be obtained from the SunAmerica Sales Desk at 800-858-8850, ext. 6003, or at www.safunds.com. Read the prospectus carefully before investing.**

Funds distributed by SunAmerica Capital Services, Inc. / Harborside Financial Center / 3200 Plaza 5 / Jersey City, NJ 07311 / 800-858-8850, ext. 6003.
### Pricing Information

#### Class A Shares

**SunAmerica Alternative Strategies Fund**  
**SunAmerica Equity Portfolios**  
**SunAmerica Focused Asset Allocation Strategies**  
**SunAmerica Global Trends Fund**  
**High Watermark Fund**

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>Sales Charge</th>
<th>Concession to Dealers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Offering Price</td>
<td>% of Amount Invested</td>
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<tr>
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<td>$50,000 to $99,999</td>
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<td>3.75%</td>
<td>3.90%</td>
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<td>3.00%</td>
<td>3.09%</td>
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<tr>
<td>$500,000 to $999,999</td>
<td>2.00%</td>
<td>2.04%</td>
</tr>
<tr>
<td>$1,000,000 or more</td>
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<td>NONE</td>
</tr>
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#### SunAmerica Income Funds

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>Sales Charge</th>
<th>Concession to Dealers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Offering Price</td>
<td>% of Amount Invested</td>
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<tr>
<td>Less than $100,000</td>
<td>4.75%</td>
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<tr>
<td>$500,000 to $999,999</td>
<td>2.00%</td>
<td>2.04%</td>
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<tr>
<td>$1,000,000 or more</td>
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<td>NONE</td>
</tr>
</tbody>
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#### SunAmerica Senior Floating Rate Fund (SFR)

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>Sales Charge</th>
<th>Concession to Dealers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Offering Price</td>
<td>% of Amount Invested</td>
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<tr>
<td>Less than $250,000</td>
<td>3.75%</td>
<td>3.90%</td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td>3.00%</td>
<td>3.09%</td>
</tr>
<tr>
<td>$500,000 to $999,999</td>
<td>2.00%</td>
<td>2.04%</td>
</tr>
<tr>
<td>$1,000,000 or more</td>
<td>NONE</td>
<td>NONE</td>
</tr>
</tbody>
</table>

*An annual service trail fee of 0.25% is paid to broker-dealers on a monthly basis. Accrual begins immediately.*

#### Class B Shares

**Front-end Sales Charge:** None  
**Contingent Deferred Sales Charge (CDSC):**  
- Year 1: 4.00%  
- Year 2: 4.00%  
- Year 3: 3.00%  
- Year 4: 3.00%  
- Year 5: 2.00%  
- Year 6: 1.00%  
- Year 7: 0.00%  
- Year 8: 0.00%

**Broker-Dealer Concession:** 4.00%, with no breakpoints  
**Service Fee:** Up to 0.25%; begins in 13th month after purchase (Dividend reinvestments accrue immediately).  
**Conversion to Class A:** B shares automatically convert to A shares following the 8th anniversary of the purchase date.  
**Purchase Limitation:** $99,999

#### Class C Shares

**Front-end Sales Charge:** None  
**CDSC:** 1.00% in first 12 months.  
**Broker-Dealer Concession:** 1.00% (at time of purchase).  
**Service Fee:** Up to 1.00%; SFR Fund Only: up to 0.75%; begins in 13th month after purchase (Dividend reinvestments accrue immediately).  
**High Watermark 2020 Only:** C shares automatically convert to A shares following the 8th anniversary of the purchase date.

#### Class W Shares

Offered exclusively through advisory fee-based programs  
$50,000 minimum requirement  
No sales charges  
No 12b-1 fee

---

**Opening an Account**

<table>
<thead>
<tr>
<th>Account Minimums</th>
<th>Non-retirement account: $500</th>
<th>Retirement account: $250</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsequent Investments</td>
<td>Non-retirement account: $100</td>
<td>Retirement account: $25</td>
</tr>
<tr>
<td>Dollar Cost Averaging</td>
<td>Meet account minimum to open; clients must invest at least $25 a month.</td>
<td></td>
</tr>
</tbody>
</table>

Service Fee: An annual service trail fee of 0.25% is paid to broker-dealers on a monthly basis. Accrual begins immediately.

Note: Redemptions occurring in the first 12 months after purchasing $1,000,000 or more of Class A Shares are subject to a CDSC at the rate of 1.00%. Redemptions occurring in the next 12 months are subject to a CDSC at the rate of 0.50%.

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The SunAmerica Mutual Funds

- Alternatives
- Equity Portfolios
- Fixed Income
- Asset Allocation

**Alternatives**

- Alternative Strategies
- Global Trends
- SunAmerica Value

**Equity Portfolios**

- VALUE
  - Focused Small-Cap Value
  - Strategic Value
  - SunAmerica Value

- GROWTH & INCOME
  - Focused Dividend Strategy
  - High Watermark 2020

- BLEND
  - Focused Alpha Large-Cap
  - International Dividend Strategy

- GROWTH
  - Focused Alpha Growth
  - International Dividend Strategy**

- SPECIALTY
  - High Yield Bond

**Fixed Income**

- FIXED INCOME
  - GNMA
  - High Yield Bond

- ASSET ALLOCATION
  - Focused Balanced Strategy
  - Focused Multi-Asset Strategy
  - Senior Floating Rate
  - Strategic Bond

- U.S. Government Securities

- Exposure to Commodities, Hedge Fund Strategies and Managed Futures.

- The Fund may also act as an asset allocation strategy with exposure to 10 global asset classes including equities, fixed income, commodities, and currencies.

*As of June 18, 2012, the Fund closed to new investments.

**Effective July 2, 2012, the name of the Fund was changed to the SunAmerica International Dividend Strategy Fund and certain changes were made to the Fund’s investment strategy and techniques. Prior to this date, the Fund was managed as an international equity fund employing a different strategy.
Alternatives

**Alternative Strategies**

**Fund Objective:** The Fund seeks to achieve long-term total return and has the potential to provide diversification benefits to a traditional portfolio.

**Portfolio Manager:**
Stephen Burke

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>SUNAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C Class</td>
<td>SUNCX</td>
</tr>
<tr>
<td></td>
<td>W Class</td>
<td>SUNWX</td>
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**Average Annual Returns:**

<table>
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<tr>
<th>At NAV</th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
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<tbody>
<tr>
<td>-6.87%</td>
<td>-4.47%</td>
<td>N/A</td>
<td>N/A</td>
<td>-2.14%</td>
<td>N/A</td>
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<tr>
<td>-12.21%</td>
<td>-6.33%</td>
<td>N/A</td>
<td>N/A</td>
<td>-3.45%</td>
<td>N/A</td>
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**Fund Statistics**

**Inception Date:** 11/4/2008

**Futures Exposure**

- Commodities Contracts: 22.3%
- Currency Contracts: 7.2%
- Equity Index Contracts: 11.1%
- Fixed Income Contracts: 12.9%

**Structured Notes Exposure**

- Commodity Index Linked Notes: 38.3%

**Exchange Traded Funds**

- Exchange Traded Funds: 5.4%

**Global Trends**

**Fund Objective:** Seeks to achieve capital appreciation.

**Portfolio Manager:**
Rick Wurster

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>GTFAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C Class</td>
<td>GTFCX</td>
</tr>
<tr>
<td></td>
<td>W Class</td>
<td>GTFWX</td>
</tr>
</tbody>
</table>

**Average Annual Returns:**

<table>
<thead>
<tr>
<th>At NAV</th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2.73%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>0.82%</td>
<td>N/A</td>
</tr>
<tr>
<td>-8.34%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>-2.47%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Fund Statistics**

**Inception Date:** 6/15/2011

**Asset Class Exposure**

- U.S. Equity Markets (S&P 500 Index E-Mini Futures): 18.9%
- United Kingdom Equity Markets (FTSE 100 Index Futures): 7.5%
- German Equity Markets (DAX Index Futures): 10.2%
- Japan Equity Markets (Nikkei 225 Index Futures): 3.7%
- Emerging Market Equities: 5.3%
- U.S. Fixed Income (U.S. Treasury 10 Yr. Notes): 7.2%
- Non-U.S. Developed Country Fixed Income (Overall): 10.2%
- Emerging Markets Currency (Overall): 8.8%
- Commodities - Metals (Overall): 5.1%
- Commodities - Energy/Agriculture (Overall): 4.8%

**Gross operating expenses:** Class A: 2.02%. Net operating expenses: Class A: 1.84%

21 The percentages shown are intended to illustrate the Fund’s exposure to certain asset classes through its investment in futures. The exposure percentage represents the notional contract value in U.S. dollars of the Fund’s futures divided by the Fund’s total net assets. Notional contract values represent the aggregate exposure that a futures contract provides to the underlying reference asset or currency. Notional contract values are not reflected in the Fund’s computation of net asset value. Only unrealized gains and losses from the futures (and certain other derivative instruments) are reflected in the Fund’s computation of net asset value.

22 The percentages shown for the structured notes represent the Fund’s notional exposure to the referenced index. So, for example, a note representing 5% of the Fund’s net assets (based on the market value of the note) may be designed to obtain up to 15% exposure to a selected index since the notes are leveraged.

23 The percentages shown for the Fund’s ETF holdings reflect the market value of the ETFs that are included in the Fund’s portfolio of investments.
Funds-at-a-Glance
as of 3/31/2013

Value

### Focused Small-Cap Value

**Fund Objective:** Seeks long-term growth of capital by investing in the stocks of small-cap value companies.

**Portfolio Managers:** Timothy Pettee
Jay Merchant

<table>
<thead>
<tr>
<th>Class and Symbols:</th>
<th>A Class</th>
<th>SSSAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Class</td>
<td>SSBBX</td>
</tr>
<tr>
<td></td>
<td>C Class</td>
<td>SSSTX</td>
</tr>
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</table>

**Average Annual Returns:**

<table>
<thead>
<tr>
<th></th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>At NAV</td>
<td>1.84%</td>
<td>6.08%</td>
<td>1.66%</td>
<td>7.80%</td>
<td>5.91%</td>
</tr>
<tr>
<td>With MSC</td>
<td>-4.01%</td>
<td>4.01%</td>
<td>0.46%</td>
<td>6.97%</td>
<td>5.50%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

**Inception Date:** 10/15/1997

**Top Five Sector Weightings:**

- Food-Misc./Diversified: 7.6%
- Real Estate Investment Trusts: 5.3%
- Airlines: 5.3%
- Oil Field Machinery & Equipment: 4.5%
- Banks-Super Regional: 4.2%

**Total:** 26.9%

**Top Ten Holdings:**

- Banco Latinoamericano de Comercio Exterior SA, Class E: 4.2%
- J&J Snack Foods Corp.: 3.8%
- US Airways Group, Inc.: 3.3%
- Extra Space Storage, Inc.: 3.2%
- First Republic Bank: 3.2%
- Cadence Design Systems, Inc.: 3.0%
- Oshkosh Corp.: 2.9%
- Chicago Bridge & Iron Co. NV: 2.8%
- Protective Life Corp.: 2.3%
- Triumph Group, Inc.: 2.2%

**Total:** 30.9%

### Strategic Value

**Fund Objective:** Seeks long-term growth of capital by investing in securities that the advisor believes are undervalued in the market, and by employing a “buy and hold” strategy with securities selected annually from the Russell 3000 Value Index.

**Portfolio Manager:** Brendan Voege

<table>
<thead>
<tr>
<th>Class and Symbols:</th>
<th>A Class</th>
<th>SFVAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Class</td>
<td>SFDBX</td>
</tr>
<tr>
<td></td>
<td>C Class</td>
<td>SFVTX</td>
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</table>

**Average Annual Returns:**

<table>
<thead>
<tr>
<th></th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>At NAV</td>
<td>15.62%</td>
<td>10.33%</td>
<td>2.73%</td>
<td>8.40%</td>
<td>7.34%</td>
</tr>
<tr>
<td>With MSC</td>
<td>8.98%</td>
<td>8.18%</td>
<td>1.52%</td>
<td>7.76%</td>
<td>6.87%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

**Inception Date:** 11/1/1999

**Top Five Sector Weightings:**

- Oil Companies-Integrated: 9.0%
- Medical-Drugs: 5.1%
- Diversified Banking Institutions: 5.0%
- Multimedia: 4.3%
- Investment Management/Advisor Services: 4.2%

**Total:** 27.6%

**Top Ten Holdings:**

- Chevron Corp.: 4.4%
- ConocoPhillips: 4.0%
- Procter & Gamble Co.: 3.0%
- CME Group, Inc.: 2.7%
- Mondelez International, Inc., Class A: 2.3%
- Wells Fargo & Co.: 2.2%
- Cisco Systems, Inc.: 2.1%
- CVS Caremark Corp.: 2.0%
- Franklin Resources, Inc.: 2.0%
- JPMorgan Chase & Co.: 1.9%

**Total:** 26.6%

---

Gross operating expenses: Class A: 1.51%. Net operating expenses: Class A: 1.51%

Gross operating expenses: Class A: 1.49%. Net operating expenses: Class A: 1.49%

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### SunAmerica Value

**Fund Objective:** Seeks capital appreciation by investing primarily in stocks that the advisor believes are undervalued in the market.

**Portfolio Manager:** Steve Neimeth

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A Class</td>
<td>SSVAX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B Class</td>
<td>SSVBX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Class</td>
<td>SVPCX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Average Annual Returns:**

- At NAV: 11.76% 8.94% 1.82% 6.63% 6.46%
- With MSC: 5.35% 6.83% 0.62% 6.00% 6.08%

**Fund Statistics**

**Inception Date:** 11/19/1996

**Top Five Sector Weightings:**

- Banks-Super Regional: 7.9%
- Oil Companies-Exploration & Production: 7.2%
- Oil Companies-Integrated: 7.0%
- Medical-Drugs: 6.6%
- Diversified Banking Institutions: 5.9%

**Total:** 34.6%

**Top Ten Holdings:**

- Apple Inc.: 3.9%
- Wells Fargo & Co.: 3.2%
- Chevron Corp.: 3.1%
- JPMorgan Chase & Co.: 2.9%
- Freeport-McMoRan Copper & Gold, Inc.: 2.9%
- Pfizer, Inc.: 2.5%
- Microsoft Corp.: 2.5%
- Exxon Mobil Corp.: 2.4%
- Anadarko Petroleum Corp.: 2.3%
- Johnson & Johnson: 2.2%

**Total:** 27.9%

---

### Focused Dividend Strategy

**Fund Objective:** Seeks total return (including capital appreciation and current income) by employing a “buy and hold” strategy involving the annual selection of up to 30 high dividend-yielding common stocks from the Dow Jones Industrial Average (DJIA) and broader market.

**Portfolio Manager:** Brendan Voege

<table>
<thead>
<tr>
<th>Class and Symbols</th>
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<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A Class</td>
<td>FDSAX</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>FDSBX</td>
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<td>C Class</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>W Class</td>
<td>FDSWX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Average Annual Returns:**

- At NAV: 20.13% 15.89% 11.79% 11.07% 6.20%
- With MSC: 13.20% 13.64% 10.47% 10.42% 5.78%

**Fund Statistics**

**Inception Date:** 6/8/1998

**Top Five Sector Weightings:**

- Medical-Drugs: 12.8%
- Computers: 9.0%
- Tobacco: 8.9%
- Aerospace/Defense: 8.8%
- Commercial Services-Finance: 7.9%

**Total:** 47.4%

**Top Ten Holdings:**

- Hewlett-Packard Co.: 4.8%
- H&R Block, Inc.: 4.6%
- Dell, Inc.: 4.2%
- R.R. Donnelley & Sons Co.: 3.5%
- Gannett Co., Inc.: 3.5%
- Bristol-Myers Squibb Co.: 3.5%
- GameStop Corp., Class A: 3.5%
- Western Union Co.: 3.4%
- Staples, Inc.: 3.3%
- Pfizer, Inc.: 3.3%

**Total:** 37.6%
# Funds-at-a-Glance

**as of 3/31/2013**

## Blend

### Focused Alpha Large-Cap

**Fund Objective:** Seeks growth of capital through a focused portfolio consisting of the portfolio managers' highest confidence stock-picking ideas across growth and value stocks of large-cap companies.

**Portfolio Manager:**
- Chris Leavy
- Thomas Marsico

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>SFLAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>C Class</td>
<td>SFLCX</td>
<td></td>
</tr>
<tr>
<td>W Class</td>
<td>SFLWX</td>
<td></td>
</tr>
</tbody>
</table>

**Average Annual Returns:**

- At NAV: 9.52% 1-yr, 14.42% 3-yr, 6.80% 5-yr, N/A 10-yr, 6.76% Since Incept.
- With MSC: 3.23% 1-yr, 12.18% 3-yr, 5.54% 5-yr, N/A 10-yr, 5.88% Since Incept.

**Fund Statistics**

- Inception Date: 1/23/2012 (open-end); 12/22/2005 (closed-end)

**Top Five Sector Weightings:**
- Web Portals/ISP: 13.9%
- Cable/Satellite TV: 10.2%
- Medical-Biomedical/Gene: 9.9%
- Finance-Credit Card: 8.4%
- Diversified Manufacturing Operations: 8.2%

**Top Ten Holdings:**
- Google Inc., Class A: 13.9%
- Comcast Corp., Class A: 10.2%
- 3M Co.: 8.2%
- Gilead Sciences, Inc.: 6.5%
- Discover Financial Services: 5.3%
- Home Depot, Inc.: 5.3%
- Packaging Corp. of America: 5.3%
- United Continental Holdings, Inc.: 5.2%
- CVS Caremark Corp.: 5.1%
- TJX Cos., Inc.: 4.9%

**Total:** 69.9%

---

## Growth

### Focused Alpha Growth

**Fund Objective:** Seeks growth of capital through a focused portfolio consisting of the portfolio managers' highest confidence stock-picking ideas across growth companies of all market capitalizations.

**Portfolio Manager:**
- Ron Baron
- Thomas Marsico

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>FOCAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>C Class</td>
<td>FOCCX</td>
<td></td>
</tr>
<tr>
<td>W Class</td>
<td>FOCWX</td>
<td></td>
</tr>
</tbody>
</table>

**Average Annual Returns:**

- At NAV: 8.48% 1-yr, 16.00% 3-yr, 9.53% 5-yr, N/A 10-yr, 8.28% Since Incept.
- With MSC: 2.26% 1-yr, 13.74% 3-yr, 8.24% 5-yr, N/A 10-yr, 7.45% Since Incept.

**Fund Statistics**

- Inception Date: 1/23/2012 (open-end); 7/26/2005 (closed-end)

**Top Five Sector Weightings:**
- Medical-Biomedical/Gene: 13.2%
- Multimedia: 7.6%
- Web Portals/ISP: 7.2%
- Retail-Building Products: 7.2%
- Cable/Satellite TV: 6.8%

**Total:** 42.0%

**Top Ten Holdings:**
- Gilead Sciences, Inc.: 8.7%
- Google Inc., Class A: 7.2%
- Home Depot, Inc.: 7.2%
- TJX Cos., Inc.: 6.8%
- Comcast Corp., Class A: 6.8%
- Anheuser-Busch InBev NV ADR: 6.0%
- Walt Disney Co.: 6.0%
- Celgene Corp.: 4.5%
- Visa, Inc., Class A: 3.9%
- AutoZone, Inc.: 3.8%

**Total:** 60.9%

---

The Focused Alpha Large-Cap Fund is newly organized. The Fund acquired the assets and assumed the liabilities of the closed-end investment company predecessor - the SunAmerica Focused Alpha Large-Cap Fund. The Reorganization occurred on January 23, 2012. The performance figures above for the period prior to the Reorganization were calculated using the actual operating expenses of the Predecessor Fund, which were lower than those of the Fund. Gross Expense Ratio: 1.76%; Net Expense Ratio: 1.72%. If the Fund’s higher operating expenses were applied to the performance for the period prior to the Reorganization, the performance figures (with Maximum Sales Charge) would have been as follows: 1 Year: 3.23%; 3 Year: 11.96%; 5 Year: 6.80%; and Since Inception: 5.50%.

The Focused Alpha Growth Fund is newly organized. The Fund acquired the assets and assumed the liabilities of the closed-end investment company predecessor - the SunAmerica Focused Alpha Growth Fund. The Reorganization occurred on January 23, 2012. The performance figures above for the period prior to the Reorganization were calculated using the actual operating expenses of the Predecessor Fund, which were lower than those of the Fund. Gross Expense Ratio: 1.73%; Net Expense Ratio: 1.72%. If the Fund’s higher operating expenses were applied to the performance for the period prior to the Reorganization, the performance figures (with Maximum Sales Charge) would have been as follows: 1 Year: 2.26%; 3 Year: 13.44%; 5 Year: 7.65%; and Since Inception: 7.01%.
Focused Large-Cap Growth

**Fund Objective:** Seeks long-term growth of capital through a focused portfolio of stocks.

**Portfolio Manager:** Janet Walsh

**Class and Symbols:**
- A Class SSFAX
- B Class SSFBX
- C Class SSFTX

**Average Annual Returns:**

<table>
<thead>
<tr>
<th></th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>At NAV</td>
<td>2.40%</td>
<td>5.46%</td>
<td>1.41%</td>
<td>4.98%</td>
<td>3.49%</td>
</tr>
<tr>
<td>With MSC</td>
<td>-3.51%</td>
<td>3.39%</td>
<td>0.22%</td>
<td>4.36%</td>
<td>3.06%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

**Inception Date:** 6/8/1998

**Top Five Sector Weightings:**
- Medical-Biomedical/Gene: 5.5%
- Retail-Discount: 4.7%
- Computers: 3.9%
- Web Portals/ISP: 3.9%
- Cosmetics & Toiletries: 3.8%

**Total:** 21.8%

**Top Ten Holdings:**
- Google Inc., Class A: 3.9%
- Apple Inc.: 3.9%
- Visa, Inc., Class A: 3.7%
- Biogen Idec, Inc.: 3.0%
- United Technologies Corp.: 2.7%
- Gilead Sciences, Inc.: 2.6%
- Wal-Mart Stores, Inc.: 2.5%
- NIKE, Inc., Class B: 2.4%
- Starbucks Corp.: 2.3%
- Honeywell International, Inc.: 2.2%

**Total:** 29.2%

Gross operating expenses: Class A: 1.47%

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Focused Small-Cap Growth

**Fund Objective:** Seeks long-term growth of capital by investing in the stocks of small-cap growth companies.

**Portfolio Manager:** Andrew Sheridan

**Class and Symbols:**
- A Class NSKAX
- B Class NBSCX
- C Class NCSCX

**Average Annual Returns:**

<table>
<thead>
<tr>
<th></th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>At NAV</td>
<td>-0.29%</td>
<td>7.26%</td>
<td>2.70%</td>
<td>8.68%</td>
<td>6.10%</td>
</tr>
<tr>
<td>With MSC</td>
<td>-6.02%</td>
<td>5.16%</td>
<td>1.49%</td>
<td>8.04%</td>
<td>5.69%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

**Inception Date:** 1/6/1998

**Top Five Sector Weightings:**
- Medical-Biomedical/Gene: 4.8%
- Food-Misc./Diversified: 4.0%
- Diversified Manufacturing Operations: 3.9%
- Oil Field Machinery & Equipment: 3.9%
- Retail-Restaurants: 3.7%

**Total:** 20.3%

**Top Ten Holdings:**
- Endologix, Inc.: 2.9%
- BioMarin Pharmaceutical, Inc.: 2.6%
- Team Health Holdings, Inc.: 2.4%
- Triumph Group, Inc.: 2.3%
- Signature Bank: 2.3%
- Affiliated Managers Group, Inc.: 2.2%
- Chicago Bridge & Iron Co. NV: 2.2%
- Move, Inc.: 2.2%
- Emeritus Corp.: 2.1%
- Hain Celestial Group, Inc.: 2.1%

**Total:** 23.3%

Gross operating expenses: Class A: 1.52%. Net operating expenses: Class A: 1.52%
## Funds-at-a-Glance

### International Dividend Strategy*

**Fund Objective:** Uses a rules-based approach to identify high dividend-yielding, non-U.S. stocks with attractive valuations and capital appreciation potential in today’s global market.

<table>
<thead>
<tr>
<th>Portfolio Managers:</th>
<th>Brendan Voege</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Timothy Campion</td>
</tr>
</tbody>
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<table>
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<tr>
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<th>SIEAX</th>
<th>B Class</th>
<th>SSIBX</th>
<th>C Class</th>
<th>SIETX</th>
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</thead>
<tbody>
<tr>
<td>Average Annual Returns:</td>
<td>1-yr</td>
<td>3-yr</td>
<td>5-yr</td>
<td>10-yr</td>
<td>Since Incept.</td>
<td></td>
</tr>
<tr>
<td>At NAV</td>
<td>-2.74%</td>
<td>-2.02%</td>
<td>-6.12%</td>
<td>6.40%</td>
<td>0.89%</td>
<td></td>
</tr>
<tr>
<td>With MSC</td>
<td>-5.33%</td>
<td>-3.94%</td>
<td>-7.23%</td>
<td>5.77%</td>
<td>0.53%</td>
<td></td>
</tr>
</tbody>
</table>

**Fund Statistics**

| Inception Date: | 11/19/1996 |

<table>
<thead>
<tr>
<th>Top Five Sector Weightings:</th>
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</thead>
<tbody>
<tr>
<td>Telephone-Integrated</td>
</tr>
<tr>
<td>Television</td>
</tr>
<tr>
<td>Cellular Telecom</td>
</tr>
<tr>
<td>Electric-Integrated</td>
</tr>
<tr>
<td>Medical-Drugs</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Holdings:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Porto Seguro SA</td>
</tr>
<tr>
<td>ProSiebenSat.1 Media AG</td>
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<tr>
<td>Partner Communications Co., Ltd.</td>
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<tr>
<td>SK Telecom Co., Ltd.</td>
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<td>Societe Television Francaise 1</td>
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<td>Orion Oyj, Class B</td>
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<td>Grupo Mexico SAB de CV, Class B</td>
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<td>OPAP SA</td>
</tr>
<tr>
<td>Indra Sistemas SA</td>
</tr>
<tr>
<td>Lite-On Technology Corp.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

### SunAmerica Japan

**Fund Objective:** Seeks long-term capital appreciation by country-specific investing.

| Portfolio Manager: | Jun Oh |

<table>
<thead>
<tr>
<th>Class and Symbols:</th>
<th>A Class</th>
<th>SAESX</th>
<th>B Class</th>
<th>N/A</th>
<th>C Class</th>
<th>SAJCX</th>
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</thead>
<tbody>
<tr>
<td>Average Annual Returns:</td>
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<td>5-yr</td>
<td>10-yr</td>
<td>Since Incept.</td>
<td></td>
</tr>
<tr>
<td>At NAV</td>
<td>-4.86%</td>
<td>2.94%</td>
<td>-4.18%</td>
<td>N/A</td>
<td>-3.72%</td>
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</tr>
<tr>
<td>With MSC</td>
<td>-1.23%</td>
<td>0.95%</td>
<td>-5.31%</td>
<td>N/A</td>
<td>-4.54%</td>
<td></td>
</tr>
</tbody>
</table>

**Fund Statistics**

| Inception Date: | 5/2/2006 |

<table>
<thead>
<tr>
<th>Top Five Sector Weightings:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto/Truck Parts &amp; Equipment-Original</td>
</tr>
<tr>
<td>Auto-Cars/Light Trucks</td>
</tr>
<tr>
<td>Electric Products-Misc.</td>
</tr>
<tr>
<td>Diversified Banking Institutions</td>
</tr>
<tr>
<td>Telephone-Integrated</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Holdings:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi UFJ Financial Group, Inc.</td>
</tr>
<tr>
<td>Softbank Corp.</td>
</tr>
<tr>
<td>Nissan Motor Co., Ltd.</td>
</tr>
<tr>
<td>TACHI-S Co., Ltd.</td>
</tr>
<tr>
<td>Tokio Marine Holdings, Inc.</td>
</tr>
<tr>
<td>JX Holdings, Inc.</td>
</tr>
<tr>
<td>Sumitomo Mitsui Financial Group, Inc.</td>
</tr>
<tr>
<td>K’s Holdings Corp.</td>
</tr>
<tr>
<td>Sega Sammy Holdings, Inc.</td>
</tr>
<tr>
<td>Fuji Media Holdings, Inc.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Gross operating expenses: Class A: 2.15%. Net operating expenses: Class A: 1.90%

*Effective July 2, 2012, the name of the Fund was changed to the SunAmerica International Dividend Strategy Fund and certain changes were made to the Fund’s investment strategy and techniques. Prior to this date, the Fund was managed as an international equity fund employing a different strategy.

Gross operating expenses: Class A: 2.50%. Net operating expenses: Class A: 1.91%
### GNMA

**Fund Objective:** Seeks current income, with capital appreciation as a secondary objective, with a significant portion of the Fund’s assets invested in securities issued or guaranteed by the U.S. government. The Fund primarily invests in GNMA mortgage-backed securities.

**Portfolio Manager:** Michael Cheah

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>GNMAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Class</td>
<td>GNMBX</td>
</tr>
<tr>
<td></td>
<td>C Class</td>
<td>GNMTX</td>
</tr>
</tbody>
</table>

#### Average Annual Returns:

<table>
<thead>
<tr>
<th></th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>At NAV</td>
<td>-0.34%</td>
<td>3.67%</td>
<td>4.30%</td>
<td>4.19%</td>
<td>5.71%</td>
</tr>
<tr>
<td>With MSC</td>
<td>-5.07%</td>
<td>2.01%</td>
<td>3.30%</td>
<td>3.68%</td>
<td>5.44%</td>
</tr>
</tbody>
</table>

#### Fund Statistics

- **Inception Date:** 10/11/1993
- **Duration (Years):** 4.64
- **Average Maturity (Years):** 6.92
- **30-Day SEC Yield (Class A):** 0.24%
- **30-Day SEC Yield (Class A)†:** 0.02%

#### Top Ten Holdings

- Government National Mtg. Assoc. 3.50% due 12/1/2099: 19.0%
- Government National Mtg. Assoc. 3.00% due 12/1/2099: 10.9%
- Government National Mtg. Assoc. 3.50% due 6/15/2042: 3.1%
- Government National Mtg. Assoc. 4.00% due 11/15/2041: 3.1%
- Government National Mtg. Assoc. 4.50% due 6/15/2039: 2.6%
- Government National Mtg. Assoc. 4.00% due 9/15/2041: 2.5%
- Government National Mtg. Assoc. 4.00% due 1/15/2042: 2.3%
- Government National Mtg. Assoc. 5.00% due 5/15/2040: 2.2%
- Government National Mtg. Assoc. 4.50% due 4/15/2041: 2.0%
- Government National Mtg. Assoc. 4.50% due 2/15/2040: 1.7%
- **Total:** 49.4%

**Gross operating expenses:** Class A: 1.14%. **Net operating expenses:** Class A: 0.99%

† Includes fees waived and expenses reimbursed.

### High Yield Bond

**Fund Objective:** Seeks a high level of total return by investing primarily in below-investment-grade U.S. and foreign junk bonds without regard to the maturities of such securities.

**Portfolio Manager:** Christopher Jones

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>SHNAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Class</td>
<td>SHNBX</td>
</tr>
<tr>
<td></td>
<td>C Class</td>
<td>SHNCX</td>
</tr>
</tbody>
</table>

#### Average Annual Returns:

<table>
<thead>
<tr>
<th></th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>At NAV</td>
<td>11.42%</td>
<td>9.50%</td>
<td>5.59%</td>
<td>8.13%</td>
<td>5.52%</td>
</tr>
<tr>
<td>With MSC</td>
<td>6.11%</td>
<td>7.72%</td>
<td>4.55%</td>
<td>7.61%</td>
<td>5.16%</td>
</tr>
</tbody>
</table>

#### Fund Statistics

- **Inception Date:** 11/2/1998
- **Duration (Years):** 5.39
- **Average Maturity (Years):** 7.34
- **30 Day SEC Yield (Class A):** 3.87%
- **30 Day SEC Yield (Class A)†:** 3.74%

#### Top Five Weightings

- U.S. Corporate Bonds & Notes: 78.0%
- Foreign Corporate Bonds & Notes: 11.0%
- Convertible Bonds & Notes: 2.1%
- Loans: 2.1%
- Preferred Stock: 2.1%
- **Total:** 95.3%

#### Top Ten Holdings

- HCA, Inc. 6.50% due 2/15/2020: 1.9%
- DISH DBS Corp. 6.75% due 6/1/2021: 1.7%
- AES Corp. 8.00% due 10/15/2017: 1.4%
- Caraustar Industries, Inc.: 1.3%
- Level 3 Financing, Inc. 8.63% due 7/15/2020: 1.0%
- Texas Competitive Electric Holdings Co. LLC 4.71% due 10/10/2014: 1.0%
- First Data Corp. 7.38% due 6/15/2019: 1.0%
- AMC Entertainment, Inc. 8.75% due 6/1/2019: 1.0%
- Ineos Group Holdings SA 8.50% due 2/15/2016: 0.9%
- Sprint Nextel Corp. 9.00% due 11/15/2018: 0.9%
- **Total:** 12.1%

**Gross operating expenses:** Class A: 1.54%. **Net operating expenses:** Class A: 1.36%

† Includes fees waived and expenses reimbursed.

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### Senior Floating Rate

**Fund Objective:** Seeks to provide as high a level of current income as is consistent with the preservation of capital by investing primarily in senior secured floating rate loans.

**Portfolio Manager:** Jeffrey Heuer

<table>
<thead>
<tr>
<th>Class and Symbols:</th>
<th>A Class SASFX</th>
<th>C Class NFRCX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Annual Returns:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At NAV</td>
<td>7.20%</td>
<td>6.89%</td>
</tr>
<tr>
<td>With MSC</td>
<td>3.14%</td>
<td>5.89%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

- Inception Date (Class A): 10/4/2006
- Inception Date (Class C): 8/31/1998
- Average Maturity (Years): 5.5
- 30 Day SEC Yield (Class A): 3.25%
- 30 Day SEC Yield (Class A)'*: 2.88%
- 30 Day SEC Yield (Class C): 3.08%
- 30 Day SEC Yield (Class C)': 2.59%

**Top Five Sector Weightings:**

- Media: 9.7%
- Hotels, Restaurants & Leisure: 6.3%
- Health Care Providers & Services: 5.2%
- Commercial Services & Supplies: 4.8%
- IT Services: 4.5%
- **Total**: 30.5%

**Top Ten Holdings:**

- Freescale Semiconductor, Inc. 5.00% due 03/01/2020: 1.9%
- Univision Communications, Inc. 4.45% due 02/25/2020: 1.7%
- First Data Corp. 4.20% due 03/24/2018: 1.7%
- Walter Investment Management Co. 5.75% due 11/15/2017: 1.2%
- Texas Competitive Electric Holdings Co. LLC 4.70-4.79% due 10/10/2017: 1.2%
- Sorenson Communications, Inc. 9.50% due 10/31/2014: 1.2%
- Fortescue Metals Group, Ltd. 5.25% due 10/18/2017: 1.0%
- Caesars Entertainment Operating Co., Inc. 4.45% due 01/29/2018: 1.0%
- Asurion Corp. 4.50% due 05/24/2019: 1.0%
- ARRIS Group, Inc. 3.50% due 02/07/2020: 0.9%
- **Total**: 12.8%

---

### Strategic Bond

**Fund Objective:** Seeks a high level of total return by investing primarily in a broad range of bonds, including investment- and non-investment-grade bonds, U.S. government and agency obligations, mortgage-backed securities, and U.S. and foreign high-risk, high-yield bonds without regard to maturity.

**Portfolio Manager:** Robert Vanden Assem

<table>
<thead>
<tr>
<th>Class and Symbols:</th>
<th>A Class SDIAX</th>
<th>B Class SDIBX</th>
<th>C Class NAICX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Annual Returns:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At NAV</td>
<td>8.64%</td>
<td>3.54%</td>
<td>6.33%</td>
</tr>
<tr>
<td>With MSC</td>
<td>6.11%</td>
<td>6.33%</td>
<td>6.02%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

- Inception Date: 11/1/1993
- Duration (Years): 5.93
- Average Maturity (Years): 8.96
- 30 Day SEC Yield (Class A): 3.22%
- 30 Day SEC Yield (Class C): 2.59%

**Top Five Sector Weightings:**

- U.S. Corporate Bonds & Notes: 47.3%
- Foreign Government Agencies: 22.5%
- Foreign Corporate Bonds & Notes: 14.1%
- U.S. Government Agencies: 10.2%
- Asset Backed Securities: 2.2%
- **Total**: 96.3%

**Top Ten Holdings:**

-United States: 61.7%
-Mexico: 2.2%
-Canada: 1.9%
-Turkey: 1.9%
-Poland: 1.8%
-Brazil: 1.6%
-Australia: 1.3%
-Luxembourg: 1.3%
-Ireland: 1.2%
-Indonesia: 1.1%
-**Total**: 76.0%

**Top Ten Geographic Weightings:**

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U.S. Government Securities

**Fund Objective:** Seeks high current income consistent with relative safety of capital by investing primarily in securities issued or guaranteed by the U.S. government. The Fund is neither insured nor guaranteed by the U.S. government.

**Portfolio Manager:**
Michael Cheah

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>SGTAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Class</td>
<td>SGTBX</td>
</tr>
<tr>
<td></td>
<td>C Class</td>
<td>NASBX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Annual Returns:</th>
<th>1-yr</th>
<th>3-yr</th>
<th>5-yr</th>
<th>10-yr</th>
<th>Since Incept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>At NAV</td>
<td>1.84%</td>
<td>4.39%</td>
<td>3.80%</td>
<td>3.85%</td>
<td>5.14%</td>
</tr>
<tr>
<td>With MSC</td>
<td>-2.98%</td>
<td>2.70%</td>
<td>2.80%</td>
<td>3.34%</td>
<td>4.88%</td>
</tr>
</tbody>
</table>

**Fund Statistics**
- **Inception Date:** 10/1/1993
- **Duration (Years):** 6.26
- **Average Maturity (Years):** 8.68
- **30 Day SEC Yield (Class A):** 1.13%
- **30 Day SEC Yield (Class A):** 0.73%

<table>
<thead>
<tr>
<th>Top Five Weightings</th>
<th>United States Treasury Notes</th>
<th>37.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government National Mortgage Association (GNMA)</td>
<td>31.1%</td>
</tr>
<tr>
<td></td>
<td>United States Treasury Bonds</td>
<td>15.6%</td>
</tr>
<tr>
<td></td>
<td>Federal Farm Credit Bank</td>
<td>0.4%</td>
</tr>
<tr>
<td></td>
<td>Small Business Administration</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>84.5%</td>
</tr>
</tbody>
</table>

*Gross operating expenses: Class A: 1.38%. Net operating expenses: Class A: 0.99%*

*Includes fees waived and expenses reimbursed.
†Excludes fees waived and expenses reimbursed.

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Focused Asset Allocation Strategies

Focused Multi-Asset Strategy

CLASS A-FASAX  CLASS B-FMABX  CLASS C-FMATX

- Equity 70%
- Fixed Income 10%
- Alternatives 10%
- Global 10%

A: Equity

- Large-Cap Growth
  Focused Large-Cap Growth Portfolio 10%
- Large-Cap Blend
  Focused Alpha Large-Cap Fund 10%
- Large-Cap Value
  Focused Dividend Strategy Portfolio 5%
  SunAmerica Value Fund 5%
- Small-Cap Growth
  Focused Small-Cap Growth Portfolio 10%
- Small-Cap Value
  Focused Small-Cap Value Portfolio 10%
- Multi-Cap
  Focused Alpha Growth Fund 5%
  Strategic Value Fund 5%
- International
  International Dividend Strategy Fund 5%
  SunAmerica Japan Fund 5%

B: Fixed Income 10%

- U.S. Government Securities Fund 5%
- Strategic Bond Fund 5%

C: Alternatives 10%

- Alternative Strategies Fund 10%

D: Global 10%

- Global Trends Fund 10%

Focused Balanced Strategy

CLASS A-FBAAX  CLASS B-FBABX  CLASS C-FBACX

- Equity 68%
- Fixed Income 27%
- Alternatives 1.5%
- Global 3.5%

A: Equity

- Large-Cap Growth
  Focused Large-Cap Growth Portfolio 9%
- Large-Cap Blend
  Focused Alpha Large-Cap Fund 9%
- Large-Cap Value
  Focused Dividend Strategy Portfolio 10%
  SunAmerica Value Fund 8%
- Small-Cap Growth
  Focused Small-Cap Growth Portfolio 5%
- Small-Cap Value
  Focused Small-Cap Value Portfolio 5%
- Multi-Cap
  Focused Alpha Growth Fund 7%
  Strategic Value Fund 7%
- International
  International Dividend Strategy Fund 6%
  SunAmerica Japan Fund 2%

B: Fixed Income 10%

- GNMA Fund 5%
- U.S. Government Securities Fund 12%
- Strategic Bond Fund 10%

C: Alternatives 10%

- Alternative Strategies Fund 1.5%

D: Global 10%

- Global Trends Fund 3.5%

The pie charts above reflect each Focused Asset Allocation Strategy’s approximate targeted asset allocations under normal market conditions, as invested through the underlying Funds and may not reflect the current allocation of the Strategies. These allocations will change due to market conditions between periods of rebalancing. The advisor may change these asset allocations from time to time and invest in other funds without notice. For additional information on the risks of investing in these Strategies, please see pages 14-15.

Performance Update (Class A Shares as of 3/31/2013)

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Cumulative Return Since Inception*</th>
<th>Avg. Annual Returns (NAV) 1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>Avg. Annual Returns (with Max. Sales Charge) 1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>Since Inception*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused Multi-Asset Strategy</td>
<td>73.77%</td>
<td>4.80%</td>
<td>4.97%</td>
<td>1.29%</td>
<td>-1.26%</td>
<td>2.91%</td>
<td>0.10%</td>
<td>4.86%</td>
</tr>
<tr>
<td>Focused Balanced Strategy</td>
<td>73.19%</td>
<td>5.49%</td>
<td>6.35%</td>
<td>2.41%</td>
<td>5.43%</td>
<td>-0.54%</td>
<td>4.26%</td>
<td>1.19%</td>
</tr>
</tbody>
</table>

*November 8, 2002

Focused Multi-Asset gross operating expenses: Class A: 1.75%. Focused Balanced gross operating expenses: Class A: 1.64%.
SunAmerica Focused Alpha Growth Fund

A Highly Ranked Fund Offering the Top Growth Picks of Two Renowned Money Managers

4-Star Overall Morningstar Rating™
(out of 1,482 funds in the Large Growth category as of 3/31/13)

Tom Marsico + Ron Baron
Co-Managers of the SunAmerica Focused Alpha Growth Fund

Contact your SunAmerica wholesaler, call our Sales Desk at 800-232-1230 or visit www.safunds.com for details.

Note: Past performance is not a guarantee of future results. For more information on Fund performance, please see page 22 of this brochure.

For the periods ending March 31, 2013, the Focused Alpha Growth Fund’s overall, 3-year, and 5-year ratings are all 4 stars. The Fund ranked #825 out of 1,669 funds for 1 year, #41 out of 1,482 funds for 3 years and #57 out of 1,278 funds for 5 years. Morningstar is an independent investment research firm that rates the performance of mutual funds based on return and risk.

Morningstar is an independent investment research firm that rates the performance of mutual funds based on return and risk. For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variations in a fund’s monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Morningstar Rating is for the A share class only; other classes may have different performance characteristics. Past performance is not a guarantee of future results.

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