A Message from Steve Maginn: President

After a rocky start to the year, U.S. stocks were up 8% through September. While Brexit concerns and fears of rising interest rates caused a hiccup in the financial markets this summer, these fears have subsided with improving economic data. In fact, the bull market has continued to move forward, with the S&P 500 gaining 4% in the third quarter.

As the economy gradually improves, there’s growing consensus among the Federal Reserve Board of Governors that they might raise interest rates at their next meeting in December. The potential impact of this move, along with the election of a new President, will be difficult to predict.

With this in mind, we thought it would be an appropriate time to explore how the 2016 U.S. presidential election might affect investment portfolios and the global markets. In our cover story, we take a historical look at the relationship between the presidential election cycle and the financial markets. In addition, we examine some of the key investment themes to watch for in a post-election economy. We think you’ll find these insights to be helpful as you review your clients’ portfolios.

You may also find that the theme “adaptive diversification” remains timely, as you look to enhance performance and reduce risk. Here are four cyclical themes to consider when diversifying your clients’ assets in a post-election market:

Return of the Dividend
With the Fed looking to tighten monetary policy, dividend payers may offer some protection against rising rates. According to Ned Davis Research Group, dividend payers have outperformed non-dividend payers in all periods where the Fed raised rates since 1972 (see chart on page 6). If you’re looking for a dividend portfolio with high rankings, consider our Focused Dividend Strategy Portfolio (also see page 6).

The Reflation Trade
Although inflation has been relatively tame, many analysts expect inflation to rise, as the economy improves and the years of quantitative easing abate. As yields potentially increase, fixed income investors may want to add investments that provide the potential for a high level of total return, while offering a possible hedge against rising rates. Our Flexible Credit Fund invests in bank loans and high-yield bonds that have a history of outperformance with low interest rate sensitivity. Past performance is not indicative of future results. For details, please see page 9.

Uncorrelated Alpha
The sharp dips in the financial markets this year stemming from Brexit, China and the emerging markets highlight the importance of using alternative, less correlated assets to help lower portfolio risk. For clients who want diversification and growth potential, consider adding exposure to alternative investments through our Commodity Strategy and Global Trends Funds.

Stock Picker’s Revival
Passive investing generally works well in steady markets where “a rising tide lifts all boats,” but active investing tends to perform better in choppy markets. With the uncertainty created by a new presidential administration and potentially rising rates, it may be smart to use active managers who have a track record of generating returns through differing market conditions. Our Focused Alpha Funds are managed by prominent stock pickers, including Tom Marsico and Ron Baron.

We’re looking forward to helping you grow your clients’ assets in a post-election market. As always, thanks for your business and support!

Stephen A. Maginn
President
AIG Financial Distributors

SunAmerica Mutual Funds is a part of American International Group, Inc., a leading global insurance organization with total assets of $497 billion as of December 31, 2015.
Global financial markets have been marked by fits and starts during the 2016 election year. The year began with one of the worst Januaries in history, as the markets plunged on worries about a slowdown in China and falling oil prices, before snapping back again on action from global central bankers. The markets continued to climb the “wall of worry” through much of the second quarter until Brexit and fears of a potential Fed rate hike caused another disruption. Despite these headwinds, U.S. markets posted gains in the third quarter as equity markets set new highs in August and fixed income charged ahead, buoyed by falling yields.

Adding to the volatility has been the polarizing U.S. presidential race. Combine this with the consensus that the Fed might raise rates soon, and many investors are questioning what the economy and financial markets will look like after the election and how their investment portfolios might be impacted.
Three Things to Remember about the Election and Financial Markets

Every four years, the U.S. presidential election dominates headlines and for many months, America debates over who will be better for the U.S. economy and the investment markets. While the new President may certainly have a huge impact on history and politics, the immediate impact on the financial markets may be much more psychological and reactive than indicative of a long-term trend. Indeed, it’s interesting to note that, regardless of which political party is in power, U.S. stocks have performed similarly over the long term. From January 1, 1888 to December 31, 2015, the Dow Jones Industrial Average (DJIA) generated average annual returns of 8.2% under a Democratic administration and 6.0% with a Republican president.1 Keeping the presidential election in perspective can help investors stay the course and focus on long-term goals and opportunities rather than short-term moves.

1. It’s Not All about the Oval Office

The U.S. economy and financial markets transcend politics. While debate and rhetoric peak during election season, major market trends are driven by long-term factors like economic growth, inflation, earnings and monetary policy, which are not immediately impacted by a change in party or President. In fact, one of the key issues that divide political parties is the amount of government spending as a percentage of overall economic growth. Despite all the spending over the last 70 years, neither party nor President has had much impact on overall economic results (see Total GDP chart below). That’s because nearly 80% of the United States Gross Domestic Product (GDP) is derived from business activity and consumption. Even during the Great Recession in the late 2000s, with unprecedented levels of government spending, the percentage grew to just 25% of the overall economy before settling back to its long-term trend around 20%.

2. The Markets Have the Real Power

U.S. presidential candidates all make the same campaign promises: if elected, they would enact legislation and policies that would have an immediate positive effect on the U.S. economy and financial markets. Yet, it’s often the strength of the economy during the election cycle that determines the winner. In fact, historical data shows that there is a strong positive correlation with changes in the presidency and the relative strength of the economy (see above chart). An underperforming economy suggests that an incumbent President or party will lose an election. So, while many investors may want to position their portfolios for a certain election outcome, based on short-term emotional responses, history suggests that it may be more prudent to focus on long-term market trends and investment goals.
3. It’s Time in, Not Timing

As the hypothetical chart below shows, investors who stay the course and fully participate in the market regardless of which party is in the White House may fare better over time. This chart highlights the power of compounding and the pitfalls of attempting to time the market based on political party. In the end, stock market performance differs very little under Democratic and Republican presidents. So, while the political debate drives media ratings, remind investors to take the emotions out of investing because it’s the economy and earnings that drive markets.

What to Watch for in 2017?

The Strength of the U.S. Economy

While financial markets experienced turbulence this year, U.S. economic growth remained steady, with many positive signs heading into 2017. Despite long-term growth around 2%, the U.S. has been a global leader, showing resiliency in the face of uncertainty. Investors may want to pay close attention to:

- **Interest rates:** In September and November, the Federal Reserve left interest rates unchanged, but stated the U.S. economy should grow moderately over the next two years. To help curb inflation, the Fed could be poised to raise rates in December.
- **Real estate:** The U.S. housing market showed continued strength, as overall national trends in starts and home prices have been positive.²
- **Labor market:** The U.S. has returned to full employment, with an unemployment rate of 4.9% in August 2016.³ If employment data continues to improve, the Fed may be more likely to raise rates.

Quality in Equities

The U.S. economy appears to have gained its footing. Although earnings growth slowed in 2016, forecasts call for an uptick in 2017. Consider these trends:

- Given the stabilized energy sectors, analysts forecast a return to earnings growth in the fourth quarter and a 13.1% increase for 2017, which would likely be positive for equities.⁴
- With low interest rates, high-quality dividend stocks can be an attractive source of both income and capital appreciation.

Alternative Fixed Income

The Fed has indicated the return to normalized interest rates will be more gradual and prolonged than previously thought. In this “lower-for-longer” slow-growth economic environment, new strategies and sources of income may prove attractive, including:

- Focusing on more economically sensitive, higher-yielding bonds relative to more interest rate-sensitive, investment-grade bonds.
- Reducing interest rate risk by looking at fixed income vehicles with shorter relative duration and low interest rate sensitivity.

Staying the Course Through the Political Debate

There will be no shortage of noise and chatter regarding political and market forces this November. We continue to see a number of positive factors in the economy, plus the potential for some alternative strategies and asset classes to provide growth opportunities in 2017. While the election outcome is important, it’s generally goal-oriented, unemotional investing with thoughtful diversification and risk management that can help drive long-term success.

¹ Source: Dow Jones & Co. Percent change reflects simple arithmetic averages of DJIA price returns. The Dow Jones Industrial Average (DJIA) is an unmanaged index which cannot be invested in directly. Past performance is not a guarantee of future results.


⁴ FactSet Earnings Insight, September 23, 2016.
2016 Cyclical Themes

1: Return of the Dividend

Companies are returning more cash to shareholders than at any time since the recession, as investors look for more income. Quarterly dividend net increases (increases minus decreases) totaled $6 billion during the third quarter, representing a slightly lower growth rate than last quarter, while the percentage of S&P 500 companies that paid a dividend remained high at 82%. In addition, payout ratios for the S&P 500 over the trailing twelve months hit 39.5%, the highest number reported since 2009. The energy sector has been a drag on overall dividends in recent quarters, but financial companies with newly fortified balance sheets have increased payouts.

While the pace of dividend growth has slowed from its double-digit gains, dividend stocks may continue to be an attractive source of income and capital appreciation potential. Dividends can be a less interest rate-sensitive source of income if the Fed moves short-term rates higher. Looking forward, Standard & Poor’s calls for dividend payments to increase in the fourth quarter, with forecasts for an all-time record.

Cyclical Strategy: Consider dividend income, especially if interest rates move higher

<table>
<thead>
<tr>
<th>Focused Dividend Strategy Portfolio</th>
<th>A: FDSAX</th>
<th>B: FDSBX</th>
<th>C: FDSTX</th>
<th>W: FDSWX</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Dividend Strategy Fund</td>
<td>A: SIEAX</td>
<td>C: SIEAX</td>
<td>W: SIEWX</td>
<td></td>
</tr>
<tr>
<td>Select Dividend Growth Portfolio</td>
<td>A: SDVAX</td>
<td>C: SDVAX</td>
<td>W: SDVWX</td>
<td></td>
</tr>
</tbody>
</table>

2: Stock Picker’s Revival

Tepid and uneven economic growth across much of the developed world, a deceleration in China, and the prospect of rising interest rates at home are all making stock selectivity paramount. Identifying companies with exposure to advancing markets or the ability to grow in any market environment could be rewarded with positive results.

A recent Lipper analysis concluded that while many active managers’ performance comes from beta-based market-driven factors, 30% is attributable to active stock selection. With forecasts calling for a slower growth, flat-to-rising rate environment, a focused, stock-pickers strategy could magnify the manager’s contribution factor and provide potential for alpha.

Cyclical Strategy: Let dedicated stock pickers take the lead as markets normalize

| Focused Alpha Growth Fund | A: FOCAX | C: FOCCX | W: FOCWX |
| Focused Alpha Large-Cap Fund | A: SFLAX | C: SFLCX | W: SFLWX |
Commodities closed the third quarter with positive results, offsetting the negative performance the asset class experienced early in the quarter. Overall, commodities have advanced 5.30% year-to-date. Energy continues to remain volatile, with oil prices staying below $40 for much of the year. However, in September, OPEC officials announced a production freeze coming in November, providing a temporary lift in oil prices to end the quarter. Though oil prices may not bounce back to levels seen in earlier years, the recent uptick is a good sign. A stronger energy sector could also be good for other areas across the commodities market, such as agriculture and food. In fact, the World Bank recently released a positive outlook for the sector, calling for oil to rise to $55 a barrel and for rising metal prices in 2017.

Consider a contrarian position in commodities with potentially stronger energy, metals and food prices

<table>
<thead>
<tr>
<th>Global Trends Fund</th>
<th>A: GTFAX</th>
<th>C: GTFCX</th>
<th>W: GTFWX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity Strategy Fund</td>
<td>A: SUNAX</td>
<td>C: SUNCX</td>
<td>W: SUNWX</td>
</tr>
</tbody>
</table>

In its September and November meetings, the Fed made strong overtures about a potential rate hike this December. The Fed indicated it now expects moderate economic growth in the near term and anticipates only a slight uptick in inflation. While “lower-for-longer” interest rates are projected, it may still be a good time to consider fixed income securities that are less interest rate sensitive.

Reacting to the Fed’s remarks, long-term government bond yields began to move higher in the quarter. The good news is that there are a broad range of non-traditional fixed income asset classes with lower duration and shorter maturities that are more sensitive to the economy than to changes in interest rates. Shorter-term issues, high-yield global bonds and floating rate securities can help reduce interest rate risk, and still provide attractive income. In fact, high-yield emerging market bonds and bank loans led a strong advance during the third quarter, topping the Morningstar fixed income category performance.

Help manage risk with fixed income classes that are less interest rate sensitive

<table>
<thead>
<tr>
<th>Flexible Credit Fund</th>
<th>A: SHNAX</th>
<th>C: SHNCX</th>
<th>W: SHNWX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Explorer Fund</td>
<td>A: IEAAX</td>
<td>C: IEACX</td>
<td>W: IEAWX</td>
</tr>
</tbody>
</table>

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6 Andrew Birstingl, Dividend Quarterly, FactSet, September 22, 2016.
8 S&P Dow Jones Indices, as measured by the S&P GSCI Index.
9 Reuters, OPEC Agrees to Limit Oil Output at 32.5 Million Barrels per Day, September 28, 2016.
10 World Bank, Commodity Markets Outlook, October 2016.
12 Morningstar Fund Category Returns, September 2016.
A Dividend Double Play
Combine High Income Potential with Lower Volatility

In its September and November meetings, the Fed signaled that its upcoming tightening cycle would likely be more modest and prolonged than in past economic recoveries, dimming many fixed income investors’ hopes for more yield. To help generate income and growth while potentially easing downside risk, investors may consider stocks with a history of high dividend payouts. High-quality dividend payers not only provide more income than Treasuries, but over the long term, have substantially outperformed non-dividend paying stocks, with less volatility or standard deviation of returns. In addition, research has shown that high dividend paying stocks are less sensitive to interest rate risk and may provide strong performance during periods of rising rates, as can be seen in the chart below.

The SunAmerica Focused Dividend Strategy Portfolio offers investors a diversified portfolio of high-quality dividend paying stocks, identified through a disciplined rules-based approach. The Fund’s portfolio of 30 stocks includes the 10 highest-yielding in the Dow Jones Industrial Average (DJIA) and top 20 from the Russell 1000, screened for valuation, profitability and yield. This value and income approach has generated total return that has outpaced the Morningstar Large Value category across all time periods through the 10 years ended 9/30/16 (see chart and standardized performance on next page). Past performance is not a guarantee of future results.

Key Investment Considerations

• Highly Rated Fund: Morningstar rates FDSAX four stars for its 5-year performance and 5 stars for its 10-year performance, respectively (see facing page).
• Higher Income than Treasuries. FDSAX currently provides a 2.33% dividend yield, compared with just 1.73% for 10-year Treasury bonds. Of course, Treasuries, if held to maturity, have no risk of principal loss, while equities may lose value.
• Lower Downside Capture: Value-oriented dividend paying stocks have historically been resilient during stock market downturns, and less sensitive than Treasuries during market periods of rising rates, as their income tends to provide some cushion against interest rate risk. Past performance is not a guarantee of future results.

FDSAX Fund Facts:

➤ Value and growth: A value strategy with dividends for total return potential.
➤ Disciplined rules-based process: Quantitative screens are used to identify 30 stocks based on dividend yield, profitability and valuation.
➤ Low turnover: The Fund is rebalanced once a year to help minimize turnover, maintain discipline and potentially enhance tax efficiency.

Please see pages 14-16 for important information and risks about the specific Funds discussed in this publication.
SunAmerica Focused Dividend Strategy Portfolio

Ranked Top 1% Over 10 Years

FDSAX Outperformed the Large Value Category Across All Periods
Annualized returns as of September 30, 2016

- 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: 1.06%. 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 the original cost. Performance as of the most recent month end is available at www.safunds.com.

- Performance data as of September 30, 2016:
  - YTD: 12.6%
  - 1-Year: 7.8%
  - 3-Year: 15.9%
  - 5-Year: 16.7%
  - 10-Year: 14.0%

- Average Annual Returns (Class A as of 9/30/16):
  - 1-Year: 9.6%
  - 3-Year: 9.6%
  - 5-Year: 7.7%
  - 10-Year: 5.4%
  - Since Inception: 10.5%

- At Net Asset Value:
  - 15.92% (YTD)
  - 9.63% (1-Year)
  - 16.68% (3-Year)
  - 10.49% (5-Year)
  - 7.25% (10-Year)

- With Maximum Sales Charge:
  - 9.24% (YTD)
  - 7.48% (1-Year)
  - 15.30% (3-Year)
  - 9.84% (5-Year)
  - 6.91% (10-Year)

- 4-Star Overall Morningstar Rating™
  - As of 9/30/16:
    - 1-Year: N/A*
    - 3-Year: 3-Star
    - 5-Year: 4-Star
    - 10-Year: 5-Star
  - Ranking (%):
    - 20%
    - 12%
    - 5%
    - 1%
  - Ranking (#):
    - 274 out of 1,376 funds for 1 year
    - 140 out of 1,179 funds for 5 years
    - 48 out of 1,040 funds for 10 years

*Ratings not calculated for this time period.
For the periods ended September 30, 2016, the Focused Dividend Strategy Portfolio’s Morningstar Overall and 5-Year Ratings are 4 stars, its 3-Year Rating is 3 stars and its 10-Year Rating is 5 stars. Overall Rating is based out of 1,179 funds in the Large Value category. The Fund ranked #274 out of 1,376 funds for 1 year, #140 out of 1,179 funds for 3 years, #48 out of 1,040 funds for 5 years and #2 out of 761 funds for 10 years. 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 3-, 5- and 10-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.

Combine the opportunity for capital appreciation with high dividend income.

Contact Your SunAmerica Wholesaler, call 800-232-1230 or visit www.safunds.com for more information.

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Explore More Income Opportunities
Offer Clients a Powerful Combination of Three High-Yield Strategies

With Treasury yields near record lows, and the U.S. presidential election and a potential Fed rate hike causing weakness in traditional bond markets, many investors are looking for non-conventional asset classes that have the potential to perform well and generate high income in changing interest rate environments. One possible solution is the SunAmerica Income Explorer Fund, a multi-asset portfolio that combines a global dividend equity strategy with two non-traditional sources of income—preferred securities and closed-end funds—to help clients generate potentially higher yields with capital appreciation.

Three Strategies to Help Boost Income

1. **Global Dividend Stocks:** The Fund offers the potential for attractive income and capital appreciation by investing in high dividend-yielding stocks from around the world.

2. **Closed-End Funds:** Distribution rates for closed-end funds have been strong, averaging 8.9% as of September 30, 2016.\(^{18}\)

3. **Preferred Securities:** Preferred securities have provided higher yields than many traditional fixed income markets, with yields over 6%.\(^{19}\)

### IEAAX Fund Facts:

- **Monthly income potential:** The Fund seeks to provide income distributions on a monthly basis.
- **Diversification opportunities:** By combining specialized equity and fixed income assets, the Fund can help clients grow their portfolio in differing market conditions.
- **Expert money managers:** The closed-end fund and preferred securities sleeves are managed by Cohen & Steers, while the global dividend equity sleeve is managed by SunAmerica Asset Management Corp.

Please see pages 14-16 for important information and risks about the specific Funds discussed in this publication.

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\(^{18}\)Cohen & Steers, 2016.

\(^{19}\)Yield as of September 30, 2016. Source: Cohen & Steers, 2016.
Prepare for Rising Rates
Find Potential for Yield, Diversification and Interest Rate Protection in a Dynamically Managed Fund

With the Fed signaling a tightening cycle, investors may want to consider tilting their portfolios to fixed income classes with lower interest rate risk. Two instruments that have historically performed well when interest rates rise are high-yield bonds and floating rate loans. With their generous coupons, high-yield bonds have a built-in buffer against rising rates and have historically benefited from an improving economy. Floating rate loans are insulated from interest rate changes because their coupons “float” with changes in a benchmark rate. They have also performed well in economic downturns because they are collateralized, and their senior debt structure offers them a greater degree of downside protection.

For an interest rate hedge that has historically worked in both expanding and contracting economies, consider the SunAmerica Flexible Credit Fund. The Fund invests in domestic high-yield bonds and floating rate loans, tactically shifting allocations from 0% to 100% between the two instruments. This flexibility enables the Fund to potentially benefit from changes in the outlook for interest rates, credit quality, market volatility and the economy.

SHNAX Fund Facts:

➤ Attractive income and total return potential: High-yield bonds and floating rate loans have provided strong income and capital appreciation since the 2008 recession. Past performance is not a guarantee of future results.

➤ Potential hedge against rising rates: High-yield bonds and floating rate loans have had low correlations to rate-sensitive assets like Treasuries, potentially providing strong diversification benefits to a fixed income portfolio.20 Keep in mind that Treasuries, if held to maturity, have no risk of principal loss, while high-yield bonds and floating rate notes have credit risk and may lose value.

➤ Highly experienced management team: The Fund’s subadvisor, Newfleet Asset Management, specializes in fixed income markets and active investment allocation.

High-Yield Bonds and Floating Rate Loans Are Among the Top-Performing Fixed Income Asset Classes Since the 2008 Recession

Returns of Various Asset Classes, January 2009 – September 2016

Please see pages 14-16 for important information and risks about the specific Funds discussed in this publication.

Important Note: This chart does not reflect the performance of the SunAmerica Flexible Credit Fund. Past performance is not a guarantee of future results.

Asset classes are represented by the following indices: Commodities (Bloomberg Commodity), Mortgage Backed Securities (BofA Merrill Lynch Mortgage Master), Treasuries (Barclays U.S. Treasury 7-10 Year), Investment Grade Bonds (Citigroup Broad Investment Grade), Municipal Bonds (Barclays Municipal Bond), Investment Grade Corporate Bonds (Barclays U.S. Corporate Investment Grade), Emerging Market Equities (MSCI EM), Floating Rate Loans (S&P/LSTA US Leveraged Loan), Emerging Market Bonds (JP Morgan EMBI Global Diversified), International Equity (MSCI ACWI), High-Yield Bonds (Barclays U.S. Corporate High Yield) and U.S. Equity (S&P 500). These asset classes have different objectives and are subject to different tax treatments. Please see pages 14-17 for index definitions and information on the risks of investing in these asset classes. Source: Morningstar Direct, 2016.

20 Source: FactSet, 2016.
Strike a Balance
The Fund Manages Exposures Across Four Global Fixed Income Sectors to Help Enhance Total Return

Lower unemployment, positive earnings forecasts and strong consumer spending have increased the likelihood that the Fed will raise short-term interest rates later this year. With potentially rising yields, combined with the election of a new U.S. President, it may be time to consider bonds with less interest rate sensitivity.

For investors seeking a fixed income alternative, consider the SunAmerica Strategic Bond Fund. It diversifies across four global bond sectors to help manage interest rate risk and provide potentially high income with capital appreciation. As of September 30, 2016, the Fund had a 30-day SEC yield of 2.35%, when short-term yields were near historic lows. It also has a history of providing strong returns in rising rate environments. Past performance is not a guarantee of future results.

Why Invest in the Fund?
1. **Low Interest Rate Sensitivity**: The Fund returned 26.8% from 2004-2006 when the Fed Funds Rate increased by over 4%.21
2. **Balanced Multi-Sector Approach**: The Fund has the ability to balance credit, interest rate and currency risks to help increase returns in changing interest rate environments.
3. **Long-Term Results**: The Fund has a track record of performance through multiple market cycles.

Past performance is not a guarantee of future results.

SDIAX Fund Facts:
- **Uncorrelated asset classes**: The Fund’s zero correlation to Treasuries as of 9/30/16 has helped to contribute to its strong performance in rising rate environments.
- **Diversified solution**: The Fund is actively managed across U.S. high yield, U.S. investment grade bonds, emerging market bonds and non-U.S. investment grade bonds.
- **Active management**: The Fund is managed by PineBridge Investments, a leading fixed income specialist with expertise in high-yield and emerging markets.

A Long History of Positive Returns
Hypothetical Growth of $10,000 Annually Since Inception

$10,000 initial investment in Class A from Fund inception through September 30, 2016, with all income dividends and capital gains reinvested. Includes a maximum 4.75% sales charge. This chart is hypothetical and is for illustrative purposes only.

<table>
<thead>
<tr>
<th>Fund Annualized Return as of 9/30/16 - Class A</th>
<th>1-Year</th>
<th>5-Year</th>
<th>10-Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Net Asset Value</td>
<td>8.53%</td>
<td>5.10%</td>
<td>5.14%</td>
<td>6.40%</td>
</tr>
<tr>
<td>With Max. Sales Charge</td>
<td>3.51%</td>
<td>4.05%</td>
<td>4.62%</td>
<td>6.17%</td>
</tr>
</tbody>
</table>

Performance data quoted represents past performance and is not a guarantee of future results. Class A maximum sales charge: 4.75%. Class A gross operating expenses: 1.34%. The data assumes reinvestment of all distributions at net asset value. 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. Performance as of the most recent month end is available at www.safunds.com.

Please see pages 14-16 for important information and risks about the specific Funds discussed in this publication.

21 Based on cumulative returns from 12/31/2003 to 12/31/2006. Returns are at NAV and do not reflect sales charges.
Room to Run
An Improving Economy May Be a Catalyst for More Growth

To help offset headwinds from slowing growth in Europe and Asia, the incoming President may make accelerating the U.S. economic recovery a priority. During the election, both major party candidates announced plans to spur lackluster business investment and to help continue the momentum in the labor market. Investors looking to participate in a potentially reinvigorated post-election economy may consider small- and micro-cap stocks, which are sometimes viewed by market participants as a barometer of U.S. economic health. Indeed, small- and micro-cap stocks have outperformed large- and mid-caps in many past recoveries. During the current recovery, the Russell 2000 index has gained 258%, outpacing the 216% gain in the S&P 500.22 Still, it trades at less than 18 times forward earnings estimates, potentially leaving it room to run.23

One vehicle offering investors exposure to both the small- and micro-cap segments of the equity market is the SunAmerica Small-Cap Fund. This Fund strategically allocates 40-60% of its assets to passively track the Russell 2000 index, while actively investing in the balance in a micro-cap strategy. The Fund’s skilled micro-cap managers seek to identify potential winners early before research analysts broadly cover the stocks and their valuations expand.

Key Reasons to Invest in the Fund:

• **Opportunity for Excess Returns**: Active managers can potentially create more alpha in micro-cap stocks than their large-cap brethren by exploiting the inefficiencies in the market.

• **Strong Track Record**: Inception-to-date, the Fund has outperformed its Morningstar Small Growth peer group.

• **Diversification**: Adding small-cap stocks to a large-cap portfolio may improve its risk-return ratio.

### SASAX Fund Facts:

- **Complementary blend of active and index investing**: Combining a small-cap index and actively managed micro-cap strategies can help enhance portfolio returns.

- **Experienced management teams**: The portfolio managers of the micro-cap growth strategy at Cadence Capital Management and the small-cap index strategy at SunAmerica Asset Management each have decades of relevant experience through many market cycles.

Indices are unmanaged and not available for direct investment. Diversification does not guarantee a profit, nor does it insure against market loss. Please see pages 14-16 for important information and risks about the specific Funds discussed in this publication.

### Small-Caps Have Outperformed the Market
During the Last Two Recovery Periods

Note: This chart does not reflect the performance of the SunAmerica Small-Cap Fund. Past performance is not a guarantee of future results. Small-cap stocks are represented by the Russell 2000 Index. Stocks are represented by the S&P 500 Index. See pages 16-17 for index definitions. Indices are unmanaged and are not available for direct investment.

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23 Source: Wall Street Journal, Online Market Data Center, 10/19/16.
Create a Roadmap to Success with the SunAmerica Business Plan Program

In this challenging regulatory environment, many financial professionals are facing critical decisions on how to structure their practice and how to adjust their business model to sustain the growth and development of their firm. That’s why it’s more important than ever to develop a written Business Plan that can help you assess your practice and focus your time and efforts on enhancing your business—and your bottom line. Companies that develop the strategic section of a Business Plan have historically produced 50% more profits and revenues than businesses without a plan.24

The SunAmerica Business Plan Program includes a template and quarterly worksheet that can help you create a detailed map for growing your practice. These planning tools were created based upon the success stories, tips and insights of top producers. If you already have a Business Plan, you can use these tools to fine-tune its structure and help ensure your business model is positioned for the changing regulatory landscape.

Stay ahead of the pack in today’s increasingly competitive environment.

SunAmerica’s Business Plan template makes developing and implementing an effective Business Plan easy!

24 Paul Tiffany, Business Plans for Dummies.
Get Ready for 2017!

It’s time to conduct a quarterly review of your Business Plan.

The SunAmerica Business Plan Program makes it easy to not only develop an effective customized plan for your practice, but also to review it on a quarterly basis. Use our quarterly review worksheet to track the progress of your plan and to:

- **ASSESS** your practice and competitive position
- **FOCUS** your time and marketing efforts on maximizing results
- **ALIGN** your infrastructure to support the growth of your business
- **CHART** a course for your success in the year ahead

Your Business Plan Is Your Roadmap to Success

To order the quarterly review worksheet or to obtain a copy of the 2017 Business Plan template:

Contact your SunAmerica Wholesaler or call our Sales Desk at 800-232-1230 today.
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 Sales Charge (MSC) returns take into account the maximum initial sales charges, which are listed on page 18. 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.**

Additional Information on Net Operating Fund Expenses (listed under each Fund on the following pages):

Figures stated for the International Dividend Strategy Fund, Strategic Value Portfolio, SunAmerica Japan Fund, U.S. Government Securities Fund, Focused Alpha Growth Fund, Focused Alpha Large-Cap Fund, Global Trends Fund, and Commodity Strategy Fund include contractual fee waiver and/or expense reimbursement/recoupment. This fee waiver and expense reimbursement is pursuant to an Expense Limitation Agreement and will continue in effect indefinitely, unless terminated by the Board of Trustees, including a majority of the Independent Trustees. Any waivers or reimbursements made by SunAmerica are subject to recoupment from the Fund within two years after the occurrence of the waivers and/or reimbursements, provided that the Fund is able to effect such payment to SunAmerica and remain in compliance with the expense caps in effect at the time the waivers and/or reimbursements occurred.

Further, the Global Trends Fund and Commodity Strategy Fund also invest in wholly-owned subsidiaries organized under the laws of the Cayman Islands. SunAmerica has contractually agreed to waive the management fee it receives from the Fund in an amount equal to the management fee paid to SunAmerica and/or expense reimbursement/recoupment. This fee waiver and expense reimbursement is pursuant to an Expense Limitation Agreement and will continue in effect indefinitely, unless terminated by the Board of Trustees, including a majority of the Independent Trustees.

Figures stated for the Flexible Credit, Senior Floating Rate and Strategic Bond Funds are after contractual waiver of fees and/or reimbursement of expenses pursuant to an Expense Limitation Agreement, which will continue indefinitely subject to termination by the Board, including a majority of the Independent Trustees.

Figures stated for the Active Allocation Portfolio and Multi-Asset Allocation Portfolio reflect voluntary waiver of fees and/or reimbursement of expenses which may be terminated at any time.

Additionally, figures stated for the SunAmerica Japan Fund, Commodity Strategy Fund, Senior Floating Rate Fund, Active Allocation Portfolio and Multi-Asset Allocation Portfolio reflect the net expense ratio, which includes the contractual expense cap and other management fee waivers, as more fully described in the Funds’ 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.

**Notes on Fund Information (listed on the following pages)**

Mutual funds are subject to risk including stock market and interest rate risk. Certain funds are subject to additional and heightened risk as detailed in the fund’s prospectus including risks associated with specific asset classes, concentration of portfolio holdings, investments in international companies, commodities, futures, currencies and/or the use of other investment strategies. Diversification and asset allocation do not guarantee a profit, nor do they insulate against market loss.

Dollar cost averaging does not guarantee profits or prevent losses in a declining market. This strategy requires regular investment regardless of fluctuating prices. Potential investors should consider their financial ability to continue purchases through periods of low price levels.

Neither SunAmerica, its affiliates, nor their licensed sales professionals provide tax advice. Clients should consult with their tax professional for advice concerning their particular situation.

PineBridge Investments, Wellington Management, Baron Capital, BlackRock Asset Management, Marsico Capital Management, Cadence Capital Management, Cohen & Steers and Newfleet Asset Management are independent and unaffiliated investment sub-advisers to SunAmerica.

SunAmerica Mutual Funds is a member of the American International Group, Inc. (AIG) family of financial services companies.

**Information on SunAmerica Fixed-Income Funds**

**Senior Floating Rate, U.S. Government Securities, Flexible Credit and Strategic Bond Funds:**

**General Risk Information**

Interest rates and bond prices typically move inversely to each other; therefore, as with any bond fund, the value of a client’s investment may go up or down in response to changes in interest rates.

**Notes on the U.S. Government Securities Fund**

The U.S. government guarantee applies only to the underlying securities of the U.S. Government Securities Fund’s portfolio and not to the Fund shares. Mortgage-backed securities entail the risk that the underlying principal may be “prepaid” at any time. Prepayments may increase during a period of falling interest rates. As a result of prepayments, a fund may be required to reinvest its assets in securities with lower interest rates.

**Notes on the Senior Floating Rate Fund and Flexible Credit Fund**

Senior floating rate funds are not money market funds; their NAVs will fluctuate and may lose value. Investment in these loans involves certain risks, including, among others, risks of nonpayment of principal and interest; collateral impairment; non-diversification and borrower industry concentration; and lack of full liquidity. Investments in non-investment-grade debt securities (“high-yield” or “junk” bonds) tend to have lower interest rate risk but may be subject to greater market fluctuations and risk of default or loss of income and principal than securities in higher rating categories. High-yield debt instruments carry a greater default risk, may be more volatile, less liquid, more difficult to value and more susceptible to adverse economic conditions or investor perceptions than other debt instruments.

**Notes on the Flexible Credit Fund**

Effective October 1, 2014, the name of the SunAmerica High Yield Bond Fund was changed to the SunAmerica Flexible Credit Fund and certain corresponding changes were made to the Fund’s investment strategy and techniques. Prior to this date, the Fund was managed as a high-yield bond fund.

Longer term and lower coupon bonds tend to be more sensitive to interest rate changes. Investments in loans and other floating-rate securities reduce interest rate risk. While interest rates on loans adjust periodically, these rates may not correlate to prevailing interest rates during the periods between rate adjustments. The Fund may be subject to a greater risk of rising interest rates than in past years due to the current period of historically low rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives.

**Notes on the Strategic Bond Fund**

Investing internationally involves special risks, such as currency fluctuations, and economic and political instability.
Information on SunAmerica Equity Funds

General Risk Information

Investments in stocks are subject to risk, including the possible loss of principal. Focused funds are less diversified than typical mutual funds; therefore the performance of each holding in a focused fund has a greater impact upon the overall portfolio, which increases risk. Stocks of small-cap and mid-cap companies are generally more volatile, may have limited liquidity, and may not be as readily marketable as those of larger companies. Small and mid-cap companies may have fewer resources and a greater risk of business failure than do large companies. 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 stocks are 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 Funds employ a Disciplined Strategy and will not deviate from this strategy (except to the extent necessary to comply with federal tax laws or other applicable laws). If the Funds are committed to a strategy that is unsuccessful, the Funds will not meet their investment goals. Because the Funds will not use certain techniques available to other mutual funds to reduce stock market exposure, they may be more susceptible to general market declines than other mutual funds.

Effective July 2, 2012, the name of the SunAmerica International Equity Fund was changed to 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.

Notes on the Japan Fund

Effective January 27, 2012, the name of the SunAmerica International Small-Cap Fund was changed to the SunAmerica Japan Fund and certain corresponding changes were made to the Fund’s investment strategy and techniques. Prior to this date, the Fund was managed as an international small-cap fund.

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 Small-Cap Fund

Stocks of small-cap and micropop companies are subject to additional risks. Companies with smaller market capitalizations tend to be at early stages of development with limited product lines, market access for products, financial resources, access to new capital, or depth in management. It may be difficult to obtain reliable information and financial data about these companies. Consequently, the securities of smaller companies may not be as readily marketable and may be subject to more abrupt or erratic market movements.

For financial professional use only. Not for use with the public.

Information on SunAmerica Asset Allocation Portfolios

Effective July 1, 2016, the name of the Focused Balanced Strategy Portfolio was changed to the SunAmerica Active Allocation Portfolio, and the name of the Focused Multi-Asset Strategy Portfolio was changed to the SunAmerica Multi-Asset Allocation Portfolio. Certain corresponding changes were made to both Funds’ principal investment strategies and techniques.

The pie charts on page 26 reflect each Asset Allocation Portfolio’s approximate targeted asset allocations under normal market conditions, as invested through the underlying Portfolios and may not reflect the current allocation of the strategies. These allocations will change due to market conditions between periods of rebalancings. The advisor may change these asset allocations from time to time and invest in other funds without notice.

Information on SunAmerica Alternative Funds
(Global Trends Fund and Commodity Strategy Fund):

Notes on 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. Futures 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 an 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.
Notes on the Commodity Strategy Fund

Effective September 21, 2015, the name of the SunAmerica Alternative Strategies Fund was changed to the SunAmerica Commodity Strategy Fund and certain corresponding changes were made to the Fund’s investment strategy and techniques.

The commodity-linked derivative instruments in which the Fund intends to invest include commodity futures, swaps, options and options on futures. These investments provide exposure to the returns of real assets that trade in the commodities markets without direct investment in physical commodities. Real assets include industrial and precious metals, gas, oil, livestock, agricultural or meat products and other items. The Fund will not invest directly in commodities. Concentration of investments in a relatively small number of securities, sectors or industries, or geographical regions may significantly affect performance. Investment performance depends on the portfolio management team and the team’s investment strategies. If the investment strategies do not perform as expected, if opportunities to implement those strategies do not arise, or if the team does not implement its investment strategies successfully, an investment portfolio may underperform or suffer significant losses.

Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. The commodity-linked derivative instruments in which the Fund invests have substantial risks, including risk of loss of a significant portion of their principal value. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

The risks associated with the Fund’s use of futures contracts include, but are not limited to: (i) although the Fund will generally only purchase exchange-traded futures, due to market conditions, there may not always be a liquid secondary market for a futures contract and, as a result, the Fund may be unable to close out its futures contracts at a time which is advantageous; (ii) the risk that losses caused by sudden, unanticipated market movements may be potentially unlimited; (iii) changes in the price of a futures contract may not always track the changes in market value of the underlying reference asset; (iv) trading restrictions or limitations may be imposed by an exchange, and government regulations may restrict trading in futures contracts; and (v) if the Fund has insufficient cash to meet margin requirements, the Fund may need to sell other investments, including at disadvantageous times. Commodity futures products may not be suitable for all customers.

Information on SunAmerica Specialty Funds
(Income Explorer Fund):

Notes on the Income Explorer Fund

Preferred securities are subject to bond market volatility risk, credit risk and interest rate fluctuation risk. In addition, preferred securities are subordinated to other securities in the issuer’s capital structure and are subject to the risk that the issuer will fail to make dividends or other distributions because other claims on the issuer’s assets take priority. Preferred securities may be less liquid than many other types of securities and may be subject to the risk of being redeemed prior to their scheduled date. The Fund may invest in high-yield securities and senior loan securities, which are considered speculative. High yield securities carry a high risk of default or may already be in default. The market price of such securities may fluctuate more than higher-quality securities and may decline significantly.

The Fund’s investments in closed-end funds generally reflect the risks of the underlying securities they hold. The Fund will indirectly bear its proportionate share of the management and other expenses that are charged by the closed-end funds, in addition to the expenses paid by the Fund. Shares of closed-end funds are subject to other risks related to their structure, including the possibility that shares may trade at a discount from their net asset value and the use of leverage in their capital structure. The presence of leverage in the closed-end fund structure introduces both increased volatility of net asset value, and the potential for greater variability in the dividends paid by the closed-end funds.

A portion of the distributions received by the Fund from preferred securities issued by real estate investment trusts and from closed-end funds may consist of return of capital return and/or capital gains, and the character of these distributions cannot be determined until after the end of the year.

The Global Dividend Stocks sleeve employs a disciplined strategy and will not deviate from this strategy (except to the extent necessary to comply with federal tax laws or other applicable laws). If the Global Dividend Stocks sleeve is committed to a strategy that is unsuccessful, the Fund will not meet its investment goal. Because the Global Dividend Stocks sleeve generally will not use certain hedging techniques available to the Preferred Securities and Closed-End Fund sleeves to reduce stock market exposure, this portion of the Fund may be more susceptible to general market declines than the other sleeves. International investing involves special risks, such as currency fluctuations, economic and political instability, greater market volatility and limited liquidity. These risks can be greater in the case of emerging country securities. Securities of small- and medium-sized companies are usually more volatile and entail greater risks than securities of large companies.

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 3-, 5- and 10-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

Barclays CMBS AAA Super Index is an index that tracks the performance of top-quality commercial mortgage-backed securities.

Barclays Emerging Markets USD Aggregate Bond Index is an emerging markets debt benchmark that includes USD denominated debt from sovereign, quasi-sovereign and corporate issuers.

Barclays Municipal Bond Index is a market value weighted index of investment grade municipal bonds with maturities of one year or more.

Barclays U.S. Aggregate Bond Index is comprised of government securities, mortgage-back 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.

Barclays U.S. Corporate Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate bond market.

Barclays U.S. Credit Index is a subset of the Barclays U.S. Government/Credit Bond Index. It is used as a representation of the investment grade corporate bond market.
Barclays U.S. Government/Credit Bond Index measures the performance of U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year.

Barclays U.S. High Yield Index is an unmanaged index of fixed rate non-investment grade debt.

Barclays U.S. MBS Fixed Index is an index that tracks the performance of residential mortgage-backed securities in the U.S.

Barclays U.S. Treasury Index is an index that includes public obligations of the U.S. Treasury, excluding Treasury bills.

Barclays U.S. Treasury 7-10 Year Index is a market capitalization-weighted index including all U.S. Treasury notes and bonds with maturities greater than or equal to 7 years and less than or equal to 10 years.

BofA Merrill Lynch Fixed Rate Preferred Securities Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market.

BofA Merrill Lynch Corporate Master Index tracks the performance of U.S. dollar-denominated investment-grade corporate debt publicly issued in the U.S. domestic market.


Citigroup WGBI Non US$ 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.

Credit Suisse First Boston (CSFB) Leveraged Loan Index is a market value-weighted index designed to represent the investable universe of the U.S. dollar-denominated bank loan market.

Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 actively traded “blue chip” stocks, primarily industrials, but also including financials and other service-oriented companies.

JP Morgan Emerging Markets Bond Index Plus (EMBI 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.

MSCI ACWI ex-U.S. Index is based on the MSCI ACWI, excluding the U.S.

MSCI ACWI High Dividend Yield Index is a subset of the MSCI ACWI. It is designed to reflect the performance of equities in the MSCI ACWI (excluding REITs) with higher than average dividend yields.

MSCI All Country Asia ex-Japan is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the Far East, excluding Japan.

MSCI All Country World Index (ACWI) is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of 44 global developed and emerging markets.

MSCI EAFE High Dividend Yield Index is based on the MSCI EAFE, its parent index, and includes large and mid cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. This index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher than average dividend yields.

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.

MSCI Emerging Markets Index is designed to measure the equity market performance of emerging markets, such as Brazil, Chile, China and India.

MSCI Europe Index is a free float-adjusted market capitalization weighted index that measures the equity market performance of 16 developed markets in Europe.

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.

MSCI World Index measures the equity market performance of developed markets from around the world.

Morningstar All Taxable Fixed Income Index measures the market weighted total return of 172 taxable fixed income closed-end funds. It excludes national and single-state municipal closed-end funds.

Nikkei Index is comprised of the top 225 blue-chip companies on the Tokyo Stock Exchange. It is often used to represent the performance of Japanese equities.

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.

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.

Russell 1000 Value Index measures the performance of the large-cap value segment of U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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.

Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Value Index measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

Russell 3000 Index measures the performance of the largest 3000 U.S. companies, representing approximately 98% of the investable U.S. equity market.

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.

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.

Russell Microcap Index measures the performance of the microcap segment of the U.S. equity market. Microcap stocks make up less than 3% of the U.S. equity market (by market cap) and consist of the smallest 1,000 securities in the small-cap Russell 2000 Index, plus the next smallest eligible securities by market cap.

Russell Microcap Growth Index measures the performance of the microcap growth segment of the U.S. equity market.

Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.

S&P 500 Index is an unmanaged, broad-based, market-cap weighted index of 500 U.S. stocks.

S&P/LSTA U.S. Leveraged Loan Index is a market capitalization-weighted index that tracks the performance of the floating rate loan market.

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.safulds.com. Read the prospectus carefully before investing.

Funds distributed by AIG Capital Services, Inc. / Harborides Financial Center / 3200 Plaza 5 / Jersey City, NJ 07311 / 800-858-8850, ext. 6003
### Class A Shares

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<th>Fund Name</th>
<th>Sales Charge</th>
<th>Concession to Dealers</th>
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<tr>
<td>SunAmerica Commodity Strategy Fund</td>
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<tr>
<td>SunAmerica Equity Portfolios</td>
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<td>SunAmerica Asset Allocation Portfolios</td>
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<tr>
<td>SunAmerica Global Trends Fund</td>
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<tr>
<td>High Watermark Fund</td>
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<tr>
<td><strong>Purchase Amount</strong></td>
<td><strong>% of Offering Price</strong></td>
<td><strong>% of Amount Invested</strong></td>
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### SunAmerica Income Funds

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<th><strong>Purchase Amount</strong></th>
<th><strong>% of Offering Price</strong></th>
<th><strong>% of Amount Invested</strong></th>
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### SunAmerica Senior Floating Rate Fund (SFR)

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<th><strong>Purchase Amount</strong></th>
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<th><strong>% of Amount Invested</strong></th>
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<td>3.75%</td>
<td>3.90%</td>
<td>3.00%</td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td>3.00%</td>
<td>3.09%</td>
<td>2.50%</td>
</tr>
<tr>
<td>$500,000 to $999,999</td>
<td>2.00%</td>
<td>2.04%</td>
<td>1.75%</td>
</tr>
<tr>
<td>$1,000,000 or more</td>
<td>NONE</td>
<td>NONE</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

Service Fee: An annual service trail fee of 0.25% is paid to brokers-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

---

25 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%.
26 Effective September 21, 2015, the name of the SunAmerica Alternative Strategies Fund was changed to the SunAmerica Commodity Strategy Fund and certain corresponding changes were made to the Fund’s investment strategy and techniques.

27 Effective July 2, 2012, the name of the SunAmerica International Equity Fund was changed to 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.

28 Effective January 27, 2012, the name of the SunAmerica International Small-Cap Fund was changed to the SunAmerica Japan Fund and certain corresponding changes were made to the Fund’s investment strategy and techniques. Prior to this date, the Fund was managed as an international small-cap fund.

29 Effective October 1, 2014, the name of the SunAmerica High Yield Bond Fund was changed to the SunAmerica Flexible Credit Fund and certain corresponding changes were made to the Fund’s investment strategy and techniques.

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

31 Effective July 1, 2016, the name of the Focused Balanced Strategy Portfolio was changed to the SunAmerica Active Allocation Portfolio, and the name of the Focused Multi-Asset Strategy Portfolio was changed to the SunAmerica Multi-Asset Allocation Portfolio. Certain corresponding changes were made to both Funds’ principal investment strategies and techniques.
### Commodity Strategy

**Fund Objective:** Seeks to provide long-term total return through a strategy that is designed to provide diversified exposure to the commodities markets. It gains exposure to these markets through investments in a combination of commodity-linked derivative instruments and fixed income securities.

**Portfolio Manager:** David Chang

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>SUNAX</th>
<th>SUNCX</th>
<th>SUNWX</th>
</tr>
</thead>
</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>-2.98%</td>
<td>-3.30%</td>
<td>-8.60%</td>
<td>N/A</td>
<td>-3.17%</td>
</tr>
<tr>
<td>With MSC</td>
<td>-8.55%</td>
<td>-5.18%</td>
<td>-9.68%</td>
<td>N/A</td>
<td>-3.90%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

Inception Date: 11/4/2008

**Commodities Sector Exposure**

- Energy: 36.7%
- Agriculture: 25.3%
- Precious Metals: 17.7%
- Industrial Metals: 17.6%
- Livestock: 2.2%

**Fixed Income Sector Exposure**

- Cash & Cash Equivalents: 80.3%
- U.S. Agency: 7.5%
- U.S. Treasury: 8.0%

---

### Global Trends

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

**Portfolio Manager:** Stephen Gorman

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>GTFAX</th>
<th>GTFCX</th>
<th>GTFWX</th>
</tr>
</thead>
</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>-0.56%</td>
<td>-0.25%</td>
<td>0.24%</td>
<td>N/A</td>
<td>0.30%</td>
</tr>
<tr>
<td>With MSC</td>
<td>-6.31%</td>
<td>-2.20%</td>
<td>-0.94%</td>
<td>N/A</td>
<td>-0.82%</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): 19.7%
- United Kingdom Equity Markets (FTSE 100 Index Futures): 0.0%
- German Equity Markets (DAX Index Futures): 0.0%
- Japan Equity Markets (Nikkei 225 Index Futures): 0.0%
- Emerging Market Equities: 5.1%
- U.S. Fixed Income (U.S. Treasury 10 Yr. Notes): 19.8%
- Non-U.S. Developed Country Fixed Income (Overall): 19.9%
- Emerging Markets Currency (Overall): 0.0%
- Commodities - Metals (Overall): 3.5%
- Commodities - Energy/Agriculture (Overall): 9.9%

---

Gross operating expenses: Class A: 2.44%. Net operating expenses: Class A: 1.86%. The Fund expects to invest a significant portion of its assets in repurchase agreements collateralized by the U.S. government and its agencies, and may also invest in other high quality short-term securities (“money market instruments”). The primary purpose of the repurchase agreements and other money market instruments held by the Fund is to serve as collateral for the futures instruments. As of September 30, 2016, 98.8% of the Fund’s net assets were represented by repurchase agreements and 1.2% in other assets and liabilities. These percentages represent the value of the Fund’s holdings that are used to calculate the net asset value of the Fund, and include any unrealized gains and losses from the futures and forwards contracts held by the Fund. The Fund’s portfolio is actively managed and its holdings and composition are subject to change.

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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:** Timothy Pettee and Team

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>B Class</th>
<th>C Class</th>
<th>W Class</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Annual Returns</strong></td>
<td>FDSAX</td>
<td>FDSBX</td>
<td>FDSTX</td>
<td>FDWX</td>
</tr>
<tr>
<td>At NAV</td>
<td>15.92%</td>
<td>9.63%</td>
<td>16.68%</td>
<td>10.49%</td>
</tr>
<tr>
<td>With MSC</td>
<td>9.24%</td>
<td>7.48%</td>
<td>15.30%</td>
<td>9.84%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

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

<table>
<thead>
<tr>
<th>Top Five Sector Weightings</th>
<th>Retail-Apparel/Shoe</th>
<th>9.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Diversified Manufacturing Operations</td>
<td>7.1%</td>
</tr>
<tr>
<td></td>
<td>Medical-Drugs</td>
<td>6.9%</td>
</tr>
<tr>
<td></td>
<td>Tobacco</td>
<td>6.8%</td>
</tr>
<tr>
<td></td>
<td>Oil Companies-Integrated</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Holdings</th>
<th>Western Digital Corp.</th>
<th>4.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HP, Inc.</td>
<td>3.9%</td>
</tr>
<tr>
<td></td>
<td>Eaton Corp. PLC</td>
<td>3.8%</td>
</tr>
<tr>
<td></td>
<td>Merck &amp; Co., Inc.</td>
<td>3.8%</td>
</tr>
<tr>
<td></td>
<td>Caterpillar, Inc.</td>
<td>3.8%</td>
</tr>
<tr>
<td></td>
<td>Wal-Mart Stores, Inc.</td>
<td>3.7%</td>
</tr>
<tr>
<td></td>
<td>Procter &amp; Gamble Co.</td>
<td>3.7%</td>
</tr>
<tr>
<td></td>
<td>Omnicom Group, Inc.</td>
<td>3.6%</td>
</tr>
<tr>
<td></td>
<td>Coach, Inc.</td>
<td>3.6%</td>
</tr>
<tr>
<td></td>
<td>Verizon Communications, Inc.</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

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:** Timothy Pettee and Team

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>C Class</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Annual Returns</strong></td>
<td>SFVAX</td>
<td>SFVTX</td>
</tr>
<tr>
<td>At NAV</td>
<td>12.41%</td>
<td>8.06%</td>
</tr>
<tr>
<td>With MSC</td>
<td>5.93%</td>
<td>5.94%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

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

<table>
<thead>
<tr>
<th>Top Five Sector Weightings</th>
<th>Medical-Drugs</th>
<th>7.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Electric-Integrated</td>
<td>5.9%</td>
</tr>
<tr>
<td></td>
<td>Oil Companies-Integrated</td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td>Investment Management/Advisor Services</td>
<td>4.1%</td>
</tr>
<tr>
<td></td>
<td>Telephone-Integrated</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26.2%</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Holdings</th>
<th>Johnson &amp; Johnson</th>
<th>4.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exxon Mobil Corp.</td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td>Intel Corp.</td>
<td>3.1%</td>
</tr>
<tr>
<td></td>
<td>Franklin Resources, Inc.</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Procter &amp; Gamble Co.</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Verizon Communications, Inc.</td>
<td>2.8%</td>
</tr>
<tr>
<td></td>
<td>Dow Chemical Co.</td>
<td>2.4%</td>
</tr>
<tr>
<td></td>
<td>Microsoft Corp.</td>
<td>2.3%</td>
</tr>
<tr>
<td></td>
<td>Cisco Systems, Inc.</td>
<td>2.0%</td>
</tr>
<tr>
<td></td>
<td>Chubb, Ltd.</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29.8%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Gross operating expenses: Class A: 1.06%.

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## Growth & Income

### Select Dividend Growth

**Fund Objective:** Seeks capital appreciation with a secondary objective of high current income.

**Portfolio Manager:** Timothy Pettee and Team

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>SDVAX</th>
<th>C Class</th>
<th>SDVCX</th>
<th>W Class</th>
<th>SDVWX</th>
</tr>
</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>18.20%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>6.78%</td>
<td></td>
</tr>
<tr>
<td>With MSC</td>
<td>11.41%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>4.18%</td>
<td></td>
</tr>
</tbody>
</table>

**Fund Statistics**

*Inception Date:* 5/1/2014

<table>
<thead>
<tr>
<th>Top Five Sector Weightings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail-Regional Department Stores</td>
</tr>
<tr>
<td>Insurance-Property/Casualty</td>
</tr>
<tr>
<td>Chemicals-Diversified</td>
</tr>
<tr>
<td>Commercial Services-Finance</td>
</tr>
<tr>
<td>Investment Management/Advisor Services</td>
</tr>
</tbody>
</table>

**Total** 24.9%

<table>
<thead>
<tr>
<th>Top Ten Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penske Automotive Group, Inc.</td>
</tr>
<tr>
<td>Nordstrom, Inc.</td>
</tr>
<tr>
<td>Best Buy Co., Inc.</td>
</tr>
<tr>
<td>AmTrust Financial Services, Inc.</td>
</tr>
<tr>
<td>HP, Inc.</td>
</tr>
<tr>
<td>Parker-Hannifin Corp.</td>
</tr>
<tr>
<td>QUALCOMM, Inc.</td>
</tr>
<tr>
<td>Brinker International, Inc.</td>
</tr>
<tr>
<td>Rockwell Automation, Inc.</td>
</tr>
<tr>
<td>Kohl's Corp.</td>
</tr>
</tbody>
</table>

**Total** 27.5%

---

## 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:** Peter Stournaras and Thomas Marsico

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>SFLAX</th>
<th>C Class</th>
<th>SFLCX</th>
<th>W Class</th>
<th>SFLWX</th>
</tr>
</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>6.97%</td>
<td>9.36%</td>
<td>15.27%</td>
<td>8.17%</td>
<td>8.08%</td>
<td></td>
</tr>
<tr>
<td>With MSC</td>
<td>0.81%</td>
<td>7.22%</td>
<td>13.91%</td>
<td>7.53%</td>
<td>7.48%</td>
<td></td>
</tr>
</tbody>
</table>

**Fund Statistics**

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

<table>
<thead>
<tr>
<th>Top Five Sector Weightings</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce/Products</td>
</tr>
<tr>
<td>Medical-HMO</td>
</tr>
<tr>
<td>Retail-Restaurants</td>
</tr>
<tr>
<td>Diversified Banking Institutions</td>
</tr>
<tr>
<td>Internet Content-Entertainment</td>
</tr>
</tbody>
</table>

**Total** 44.8%

<table>
<thead>
<tr>
<th>Top Ten Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna, Inc.</td>
</tr>
<tr>
<td>Alibaba Group Holding, Ltd. ADR</td>
</tr>
<tr>
<td>Facebook, Inc., Class A</td>
</tr>
<tr>
<td>US Bancorp</td>
</tr>
<tr>
<td>Visa, Inc., Class A</td>
</tr>
<tr>
<td>Comcast Corp., Class A</td>
</tr>
<tr>
<td>CDW Corp.</td>
</tr>
<tr>
<td>Suncor Energy, Inc.</td>
</tr>
<tr>
<td>Amazon.com, Inc.</td>
</tr>
<tr>
<td>Lockheed Martin Corp.</td>
</tr>
</tbody>
</table>

**Total** 57.0%

---

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: 1.66%; Net Expense Ratio: 1.66%. 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: 0.81%; 3 Year: 7.22%; 5 Year: 13.89%; 10 Year: 7.28%; and Since Inception: 7.22%.

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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 FOCAX</th>
<th>C Class FOCCX</th>
<th>W Class FOCWX</th>
</tr>
</thead>
</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>9.79%</td>
<td>8.36%</td>
<td>14.00%</td>
<td>8.93%</td>
<td>8.99%</td>
</tr>
<tr>
<td>With MSC</td>
<td>3.50%</td>
<td>6.24%</td>
<td>12.66%</td>
<td>8.28%</td>
<td>8.41%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Top Five Sector Weightings</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce/Products</td>
</tr>
<tr>
<td>Retail-Restaurants</td>
</tr>
<tr>
<td>Internet Content-Entertainment</td>
</tr>
<tr>
<td>Aerospace/Defense</td>
</tr>
<tr>
<td>Retail-Building Products</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook, Inc., Class A</td>
</tr>
<tr>
<td>Alibaba Group Holding, Ltd. ADR</td>
</tr>
<tr>
<td>Amazon.com, Inc.</td>
</tr>
<tr>
<td>Lockheed Martin Corp.</td>
</tr>
<tr>
<td>Home Depot, Inc.</td>
</tr>
<tr>
<td>Zoetis, Inc.</td>
</tr>
<tr>
<td>Vail Resorts, Inc.</td>
</tr>
<tr>
<td>Visa, Inc., Class A</td>
</tr>
<tr>
<td>Chipotle Mexican Grill, Inc.</td>
</tr>
<tr>
<td>UnitedHealth Group, Inc.</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Small-Cap

**Fund Objective:** Seeks long-term growth of capital.

**Portfolio Manager:**
Michael J. Skillman, Robert L. Fitzpatrick and Timothy Campion

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class SASAX</th>
<th>C Class SASCX</th>
<th>W Class SASWX</th>
</tr>
</thead>
</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>16.94%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>7.43%</td>
</tr>
<tr>
<td>With MSC</td>
<td>10.19%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>5.05%</td>
</tr>
</tbody>
</table>

**Fund Statistics**
Inception Date: 2/5/2014

<table>
<thead>
<tr>
<th>Top Five Sector Weightings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks-Commercial</td>
</tr>
<tr>
<td>Medical-Drugs</td>
</tr>
<tr>
<td>Real Estate Investment Trusts</td>
</tr>
<tr>
<td>Medical-Biomedical/Gene</td>
</tr>
<tr>
<td>Electronic Components-Semiconductors</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extreme Networks, Inc.</td>
</tr>
<tr>
<td>Lifeway Foods, Inc.</td>
</tr>
<tr>
<td>MeetMe, Inc.</td>
</tr>
<tr>
<td>Hackett Group, Inc.</td>
</tr>
<tr>
<td>Vonage Holdings Corp.</td>
</tr>
<tr>
<td>Supernus Pharmaceuticals, Inc.</td>
</tr>
<tr>
<td>GigPeak, Inc.</td>
</tr>
<tr>
<td>U.S. Physical Therapy, Inc.</td>
</tr>
<tr>
<td>Anika Therapeutics, Inc.</td>
</tr>
<tr>
<td>BroadSoft, Inc.</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

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: 1.67%; Net Expense Ratio: 1.67%. 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: 3.50%; 3 Year: 6.24%; 5 Year: 12.63%; 10 Year: 8.00%; and Since Inception: 8.10%.

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## Income Explorer

**Fund Objective:** Seeks high current income with a secondary objective of capital appreciation.

**Portfolio Manager:** Doug Bond, William Scapell and Timothy Pettee

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>IEAAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C Class</td>
<td>IEACX</td>
</tr>
<tr>
<td></td>
<td>W Class</td>
<td>IEAWX</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>15.13%</td>
<td>5.04%</td>
<td>N/A</td>
<td>N/A</td>
<td>5.35%</td>
</tr>
<tr>
<td>With MSC</td>
<td>8.54%</td>
<td>2.98%</td>
<td>N/A</td>
<td>N/A</td>
<td>3.44%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

- **Inception Date:** 7/2/2013

**Top Five Sector Weightings**

- Domestic Fixed Income Investment Companies: 22.0%
- International Fixed Income Investment Companies: 8.7%
- Diversified Banking Institutions: 7.9%
- Domestic Equity Investment Companies: 6.5%
- Electric-Integrated: 2.9%

**Total:** 48.0%

**Top Ten Holdings**

- PIMCO Dynamic Credit and Mortgage Income Fund: 1.7%
- Eaton Vance Tax-Advantaged Dividend Income Fund: 1.6%
- Flaherty & Crumrine Dynamic Preferred and Income Fund, Inc.: 1.6%
- PIMCO Income Strategy Fund II: 1.6%
- PIMCO Dynamic Income Fund: 1.5%
- PIMCO Income Opportunity Fund: 1.5%
- John Hancock Tax-Advantaged Dividend Income Fund: 1.5%
- Nuveen Preferred Income Opportunities Fund: 1.3%
- Nuveen Credit Strategies Income Fund: 1.3%
- Nuveen Preferred & Income Term Fund: 1.3%

**Total:** 14.9%

---

## 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.

**Portfolio Manager:** Timothy Pettee and Team

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>SIEAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C Class</td>
<td>SIETX</td>
</tr>
<tr>
<td></td>
<td>W Class</td>
<td>SIEWX</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>9.49%</td>
<td>-6.62%</td>
<td>-0.66%</td>
<td>-3.38%</td>
<td>0.00%</td>
</tr>
<tr>
<td>With MSC</td>
<td>3.21%</td>
<td>-8.46%</td>
<td>-1.84%</td>
<td>-3.95%</td>
<td>-0.30%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

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

**Top Five Sector Weightings**

- Food-Retail: 9.8%
- Cellular Telecom: 5.9%
- Medical-Drugs: 5.6%
- Building-Heavy Construction: 4.1%
- Television: 4.0%

**Total:** 29.4%

**Top Ten Holdings**

- Technip SA: 2.1%
- Marks & Spencer Group PLC: 2.1%
- Japan Tobacco, Inc.: 2.1%
- MMC Norilsk Nickel PJSC (OTC) ADR: 2.1%
- Unilever PLC: 2.1%
- Westfarmers, Ltd.: 2.1%
- ITV PLC: 2.0%
- Skanska AB, Class B: 2.0%
- Telstra Corp., Ltd.: 2.0%
- ACS Actividades de Construccion y Servicios SA: 2.0%

**Total:** 20.6%
Flexible Credit

Fund Objective: Seeks a high level of total return by investing in floating rate loans and high-yield bonds.

Portfolio Manager: David Albrycht, Frank Ossino and Jonathan Stanley

Class and Symbols
A Class SHNAX
C Class SHNCX
W Class SHNWX

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>7.02%</td>
<td>3.95%</td>
<td>6.69%</td>
<td>3.82%</td>
<td>5.09%</td>
</tr>
<tr>
<td>With MSC</td>
<td>1.82%</td>
<td>2.31%</td>
<td>5.65%</td>
<td>3.33%</td>
<td>4.80%</td>
</tr>
</tbody>
</table>

Fund Statistics

Inception Date: 11/2/1998
Duration (Years): 2.08
Average Maturity (Years): 6.44
30 Day SEC Yield (Class A)*: 3.63%
30 Day SEC Yield (Class A)**: 3.56%

Top Five Sector Weightings

Computers-Integrated Systems 7.2%
Auto/Truck Parts & Equipment-Original 7.1%
Rubber-Tires 6.6%
Television 4.8%
Telephone-Integrated 4.7%
Total 30.4%

Top Ten Holdings

Hilton Worldwide Finance LLC 3.21% due 4/15/2047 1.4%
Univision Communications, Inc. 4.00% due 3/1/2020 1.1%
First Data Corp. 4.53% due 3/24/2021 1.0%
Level 3 Financing, Inc. 3.50% due 5/4/2022 1.0%
SPDR Barclays Capital High Yield Bond ETF 3.05% due 4/15/2047 0.9%
CDW LLC 3.00% due 7/1/2021 0.8%
ServiceMaster Co. LLC 4.25% due 4/15/2047 0.7%
JPMBB Commercial Mtg. Securities Trust 3.05% due 4/15/2047 0.7%
Pinnacle Foods Finance LLC 3.25% due 4/29/2020 0.6%
Total 8.9%

Gross operating expenses: Class A: 1.48%. Net operating expenses: Class A: 1.90%.

Japan

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

Portfolio Manager: Jun Oh

Class and Symbols
A Class SAESX
C Class SAJCX

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>11.26%</td>
<td>3.50%</td>
<td>7.81%</td>
<td>0.93%</td>
<td>-0.30%</td>
</tr>
<tr>
<td>With MSC</td>
<td>4.85%</td>
<td>1.50%</td>
<td>6.54%</td>
<td>0.33%</td>
<td>-0.86%</td>
</tr>
</tbody>
</table>

Fund Statistics

Inception Date: 5/2/2006

Top Five Sector Weightings

Computers-Integrated Systems 7.2%
Auto/Truck Parts & Equipment-Original 7.1%
Rubber-Tires 6.6%
Television 4.8%
Telephone-Integrated 4.7%
Total 30.4%

Top Ten Holdings

Toyo Tire & Rubber Co., Ltd. 6.6%
Nippon Television Holdings, Inc. 4.8%
Nippon Telegraph & Telephone Corp. 4.7%
Fujitsu, Ltd. 4.5%
Mitsubishi UFJ Financial Group, Inc. 3.6%
Hino Motors, Ltd. 3.0%
Seven & i Holdings Co., Ltd. 2.8%
Tokio Marine Holdings, Inc. 2.7%
Otsuka Corp. 2.7%
FUJIFILM Holdings Corp. 2.6%
Total 38.0%

Gross operating expenses: Class A: 2.14%. Net operating expenses: Class A: 1.90%.

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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

**Class and Symbols**
- A Class: SASFX
- C Class: NFRCX

**Average Annual Returns**

<table>
<thead>
<tr>
<th>Class</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>A Class</td>
<td>5.29%</td>
<td>2.65%</td>
<td>4.44%</td>
<td>N/A</td>
<td>3.19%</td>
</tr>
<tr>
<td>C Class</td>
<td>1.30%</td>
<td>1.36%</td>
<td>3.64%</td>
<td>N/A</td>
<td>2.79%</td>
</tr>
<tr>
<td>Class C</td>
<td>4.98%</td>
<td>2.39%</td>
<td>4.16%</td>
<td>2.88%</td>
<td>3.70%</td>
</tr>
<tr>
<td>With MSC</td>
<td>3.98%</td>
<td>2.39%</td>
<td>4.16%</td>
<td>2.88%</td>
<td>3.70%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

- **Inception Date (Class A):** 10/4/2006
- **Inception Date (Class C):** 8/31/1998
- **Average Maturity (Years):** 5.3
- **30 Day SEC Yield (Class A):** 3.82%
- **30 Day SEC Yield (Class C):** 3.67%
- **30 Day SEC Yield (Class C):** 3.23%

**Top Five Sector Weightings**
- Commercial Services & Supplies: 9.3%
- Media: 7.9%
- Health Care Providers & Services: 6.7%
- Hotels, Restaurants & Leisure: 6.0%
- Oil, Gas & Consumable Fuels: 5.8%
  **Total: 35.7%**

**Top Ten Holdings**

- At Home Holding III, Inc. 5.00% due 06/03/2022: 1.5%
- Delta 2 (Lux) SARL 4.75% due 07/30/2021: 1.4%
- Alberts homepage Holdings LLC: 4.50% due 09/08/2022: 1.4%
- First Data Corp. 4.28% due 07/08/2022: 1.3%
- First Data Corp. 4.53% due 03/24/2021: 1.3%
- AlixPartners LLC 4.50% due 07/28/2022: 1.3%
- Kronos, Inc. 4.50% due 10/30/2019: 1.1%
- Inventiv Health, Inc. 4.75% due 09/28/2023**: 1.1%
- Univision Communications, Inc. 4.00% due 03/01/2020: 1.1%
- WEX, Inc. 4.25% due 07/01/2023: 1.1%
  **Total: 12.6%**

- **Gross operating expenses:** Class A: 1.34%, Class C: 1.75%.

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

**Class and Symbols**
- A Class: SDIAX
- B Class: SDIBX
- C Class: NAICX
- W Class: SDIWX

**Average Annual Returns**

<table>
<thead>
<tr>
<th>Class</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>A Class</td>
<td>8.53%</td>
<td>4.02%</td>
<td>5.10%</td>
<td>5.14%</td>
<td>6.40%</td>
</tr>
<tr>
<td>B Class</td>
<td>3.51%</td>
<td>2.37%</td>
<td>4.05%</td>
<td>4.62%</td>
<td>6.17%</td>
</tr>
<tr>
<td>C Class</td>
<td>3.98%</td>
<td>2.39%</td>
<td>4.16%</td>
<td>2.88%</td>
<td>3.70%</td>
</tr>
<tr>
<td>W Class</td>
<td>3.98%</td>
<td>2.39%</td>
<td>4.16%</td>
<td>2.88%</td>
<td>3.70%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

- **Inception Date:** 11/1/1993
- **Duration (Years):** 5.95
- **Average Maturity (Years):** 8.81
- **30 Day SEC Yield (Class A):** 2.35%

**Top Five Sector Weightings**
- U.S. Corporate Bonds & Notes: 41.2%
- U.S. Government Agencies: 27.3%
- Foreign Corporate Bonds & Notes: 15.6%
- Foreign Government Obligations: 8.1%
- Preferred Securities/Capital Securities: 2.6%
  **Total: 94.8%**

**Top Ten Geographic Weightings**
- United States: 74.5%
- France: 2.9%
- United Kingdom: 2.4%
- Canada: 2.2%
- Netherlands: 2.0%
- Luxembourg: 1.6%
- Mexico: 1.4%
- Germany: 0.8%
- Australia: 0.5%
- Turkey: 0.5%
  **Total: 88.8%**

**Gross operating expenses:** Class A: 1.34%.

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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**: Timothy Pettee and Team

<table>
<thead>
<tr>
<th>Class and Symbols</th>
<th>A Class</th>
<th>SGTAX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C Class</td>
<td>NASBX</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>2.40%</td>
<td>2.47%</td>
<td>0.98%</td>
<td>3.29%</td>
<td>4.49%</td>
</tr>
<tr>
<td>With MSC</td>
<td>-2.49%</td>
<td>0.82%</td>
<td>0.00%</td>
<td>2.79%</td>
<td>4.27%</td>
</tr>
</tbody>
</table>

**Fund Statistics**

- **Inception Date**: 10/1/1993
- **Duration (Years)**: 7.58
- **Average Maturity (Years)**: 9.69
- **30 Day SEC Yield (Class A)**: 0.89%
- **30 Day SEC Yield (Class A)**: 0.56%

**Top Five Weightings**

- Government National Mortgage Association (GNMA) 34.4%
- United States Treasury Notes 16.9%
- United States Treasury Bonds 16.5%
- Federal Farm Credit Bank 14.5%
- Federal Home Loan Mortgage Corp. 5.7%
- **Total**: 88.0%

---

Gross operating expenses: Class A: 1.36%. Net operating expenses: Class A: 0.99%.

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

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### Multi-Asset Allocation†

<table>
<thead>
<tr>
<th>Asset Allocation Portfolios</th>
<th>CLASS A-FASAX</th>
<th>CLASS B-FMABX</th>
<th>CLASS C-FMATX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A: Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-Cap Blend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused Alpha Large-Cap Fund</td>
<td>60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-Cap Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused Dividend Strategy Portfolio</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small-Cap</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SunAmerica Small-Cap Fund</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Cap</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Select Dividend Growth Port</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Value Port</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused Alpha Growth Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Dividend Fund</td>
<td>6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SunAmerica Japan Fund</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B: Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Government Securities Fund</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible Credit Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Floating Rate Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Bond Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C: Alternatives</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity Strategy Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D: Global</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Trends Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Explorer Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Active Allocation†

<table>
<thead>
<tr>
<th>Asset Allocation Portfolios</th>
<th>CLASS A-FBAAX</th>
<th>CLASS B-FBAX</th>
<th>CLASS C-FBAX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A: Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-Cap Blend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused Alpha Large-Cap Fund</td>
<td>53.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-Cap Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused Dividend Strategy Portfolio</td>
<td>35%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small-Cap</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SunAmerica Small-Cap Fund</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Cap</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Value Port</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused Alpha Growth Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Select Dividend Growth Port</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Dividend Fund</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SunAmerica Japan Fund</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B: Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Government Securities Fund</td>
<td>35%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible Credit Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Floating Rate Fund</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Strategic Bond Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C: Alternatives</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity Strategy Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D: Global</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Global Trends Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Explorer Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The pie charts above reflect each Asset Allocation Portfolio’s approximate targeted asset allocations under normal market conditions, as invested through the underlying Funds and may not reflect the current allocation of the Funds. 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 Funds, please see pages 14-16.

†Effective July 1, 2016, the name of the Focused Balanced Strategy Portfolio was changed to the SunAmerica Active Allocation Portfolio, and the name of the Focused Multi-Asset Strategy Portfolio was changed to the SunAmerica Multi-Asset Allocation Portfolio. Certain corresponding changes were made to both Funds’ principal investment strategies and techniques.

### Performance Update (Class A Shares as of 9/30/2016)

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Avg. Annual Returns (NAV)</th>
<th>Avg. Annual Returns (with Max. Sales Charge)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Asset Allocation Portfolio</td>
<td>9.94% 5.18% 6.47% 3.17% 5.64%</td>
<td>3.65% 3.11% 5.21% 2.57% 5.19%</td>
</tr>
<tr>
<td>Active Allocation Portfolio</td>
<td>9.64% 5.24% 7.80% 3.84% 5.59%</td>
<td>3.30% 3.18% 6.53% 3.23% 5.14%</td>
</tr>
</tbody>
</table>

Multi-Asset Allocation Portfolio gross operating expenses: Class A: 1.74%. Active Allocation Portfolio gross operating expenses: Class A: 1.71%.

*November 8, 2002
Meet Your Wholesaler

For sales support, please call 800-858-8850, choose Option 1 and enter the extension of your Internal Wholesaler (see below).

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IA KS MO NE

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Internal Wholesaler
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South NJ PA DE

Mike Brescia
Internal Wholesaler
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NYC Long Island

Jerry Hanley
Internal Wholesaler
Ryan Hunter, ext. 6650
South TX

Gregg Smyth
Internal Wholesaler
Kim Schleif, ext. 6428
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Internal Wholesaler
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CT Westchester & Rockland NY

Austin Marquis
Internal Wholesaler
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NC SC

Chad Spencer
Internal Wholesaler
800-858-8850, ext. 6003
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Upstate NY

Kevin McGowan
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Ted Welch
Internal Wholesaler
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OH

Robert Farnsworth
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AL AR KY LA MS West TN

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Miki Saicic
Internal Wholesaler
Jill Haring, ext. 6525
MI IN

Alec Young
Internal Wholesaler
Ryan Hunter, ext. 6650
AZ Las Vegas Southern CA

Reed Gilbert
Internal Wholesaler
Andrew Dans, ext. 6630
MN ND SD WI

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*Ratings not calculated for this time period.

Note: This material is authorized for use only in its entirety. For more important information about the Fund, please see page 8 for standardized performance, page 16 for investment risks, and page 24 for other additional details.

Additional Information on Morningstar Ratings: 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 3-, 5- and 10-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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TOP 3% out of 560 funds
in the Morningstar World Allocation Category
based on risk-adjusted performance for the 1-year period ended 9/30/16

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>1-year</th>
<th>3-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morningstar Rating</td>
<td>★★★</td>
<td>N/A*</td>
<td>★★★</td>
</tr>
<tr>
<td>Ranking Percentage</td>
<td>67.5%</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>Ranking Number</td>
<td>473 funds</td>
<td>16 out of 560 funds</td>
<td>51 out of 473 funds</td>
</tr>
</tbody>
</table>

Modules:
- Class A: IEAAAX
- Class C: IEACX
- Class W: IEAWX