A systematic rules-based investment that combines dividend income with long-term growth potential.
The Power of Dividends in Building Long-Term Wealth

1. **Dividend-paying stocks can offer investors current income plus capital appreciation potential.** Over the last 30 years, dividends have delivered approximately half of overall returns in the S&P 500 Index.¹

2. **Dividend-paying large-cap stocks have outperformed** S&P 500 stocks that don’t pay dividends since 1972, with less volatility.²

3. **Dividend-paying stocks remain attractive with relatively low dividend tax rates**, especially in today’s low interest rate environment. Through nearly every tax cycle, these stocks have generated stronger returns than non-dividend payers in the S&P 500 Index.

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Investments in stocks involve risk, including the possible loss of principal. Dividend-paying stocks offer current income, along with the potential for capital appreciation. Dividend income is not guaranteed and may vary depending on market performance, and may be taxed as either ordinary income or capital gains. Dividend yield is one component of performance and should not be the only consideration for investment. Investment results will vary. Non-dividend-paying stocks offer only the potential for capital appreciation. When stocks are sold, investors may pay tax at either the ordinary income tax rate or the long-term capital gains tax rate. Please discuss with your financial advisor the benefits and risks of investing in these securities.

¹ Standard & Poor’s measurement of S&P 500 total return vs. price return from 3/31/1986 to 3/31/2016. Please see the chart on the following page for additional details on the results.

² Ned Davis Research of dividend payers vs. non-payers in the S&P 500 from 1/31/1972 to 3/31/2016. Volatility is measured by standard deviation. Please see the chart at the bottom of the following page for additional information.

Note: The data from Standard & Poor’s and Ned Davis Research does not reflect the performance of any specific investment. Indices are unmanaged and not available for direct investment. Past performance is not a guarantee of future results.
Dividends: A Rich History of Growth and Income

Dividends have always been an important part of equity investing. In fact, as shown in the chart, dividends have accounted for approximately half of the total return of the S&P 500 Index over the past 30 years, making them a key component of long-term wealth creation.

Cumulative Return of the S&P 500 More Than Doubled Due to Dividend Reinvesting
S&P 500 Total Return vs. Price Return

Note: This illustration shows the hypothetical growth of $10,000 from 3/31/1986 to 3/31/2016. It does not reflect the performance of any specific investment. Indices are unmanaged and not available for direct investment. Past performance is not a guarantee of future results.

Dividend Payers Have Historically Outperformed Non-Dividend-Paying Stocks

With their strong balance sheets, consistent cash flows and excess available cash, companies that pay dividends may generate smoother returns with less volatility. Since the end of January 1972, the returns of S&P 500 dividend-paying companies have outpaced the returns of non-dividend payers in the same index. In fact, “Dividend Growers”—defined as companies that are able to increase their dividend payouts consistently—outperformed non-dividend-paying stocks by 7.4%.

Dividend-Paying Stocks Remain Attractive in Today’s Environment

Despite increases in recent years for high-income earners, the maximum dividend tax rate is still low compared to rates over the last 40-plus years. As you can see from the chart below, large-cap dividend-paying stocks have outperformed non-payers in the S&P 500 Index through almost every market and tax cycle. With dividend yields historically higher than many other investment categories, now may be a good time to consider dividend-paying stocks for income.

Consider Investing in Dividend-Paying Stocks through a Rules-Based Approach to Investing

One way to access dividend stocks is through rules-based investing. This approach takes the subjectivity out of uncovering attractively valued dividend-paying stocks and can result in a built-in “buy low, sell high” investment philosophy. One rules-based approach that surfaced in 1991 is known as the *Dogs of the Dow* strategy. This strategy invests in the ten highest-yielding stocks of the Dow Jones Industrial Average (DJIA) each year. The *SunAmerica Focused Dividend Strategy Portfolio* enhances this strategy by creating a concentrated portfolio of 30 stocks, composed of the 10 highest-yielding stocks in the DJIA plus 20 stocks selected from the Russell 1000 Index using metrics based on valuation, profitability and yield. The annual rebalancing process provides a structured sell discipline that replaces holdings which no longer meet the yield, profitability and valuation requirements with higher-yielding, attractively valued stocks that have the potential to grow.
The Fund Offers:

- **Total return potential** as investors may benefit from a combination of income and capital appreciation potential

- **Attractive dividend yield** with higher current income than many fixed-income investments in today's low interest rate environment

- **A focused approach** with the Fund's concentrated 30-stock portfolio providing the opportunity for outperformance relative to the S&P 500

A Rules-Based Approach to Stock Selection

SCREEN the Dow Jones Industrial Average (DJIA) + the Russell 1000 indices

RANK stocks by yield (DJIA) and select stocks by profitability, valuation and dividends (Russell 1000)

INVEST in the top 30 stocks that meet these requirements

RECONSTITUTE annually

**Add the Potential for Performance, Yield and Capital Appreciation with the SunAmerica Focused Dividend Strategy Portfolio**

Contact your financial advisor or visit www.safunds.com for more information.

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3 When comparing the Fund to short-term fixed income investments, you should realize that the Fund provides income through dividend-yielding stocks. Investments in these stocks involve risk, including the possible loss of principal. Dividend income may vary depending on market performance, and may be taxed as either ordinary income or capital gains. In contrast, short-term fixed income investments such as CDs and U.S. Treasuries provide interest income. CDs offer a return of principal and a fixed rate of return if held to maturity. Further, CDs are Federal Deposit Insurance Corporation (FDIC) insured. CD income is taxed as ordinary income. U.S. Treasuries are backed by the U.S. government, and if held to maturity, offer a fixed rate of return and guaranteed principal value. Income from U.S. Treasuries is exempt from state and local income tax, but subject to federal income tax. Please discuss the benefits and risks of investing in these products with your financial advisor.

For the periods ended March 31, 2016, the Focused Dividend Strategy Portfolio's Morningstar Overall, 5-, and 10-year ratings are 5 stars and its 3-year rating is 4 stars. Overall Rating is based out of 1,207 funds in the Large Value category. The Fund ranked #55 out of 1,390 funds for 1 year, #14 out of 1,207 funds for 3 years, #2 out of 1,051 funds for 5 years and #6 out of 764 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.

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SunAmerica Focused Dividend Strategy Portfolio

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

Rankeed in the Top 4% of the Large Value Category Across the 1-, 3-, 5- and 10-Year Periods

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<th></th>
<th>As of 3/31/2016</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
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<td>Morningstar Rating</td>
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<td>Ranking (%)</td>
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<td>1</td>
<td>1</td>
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<tr>
<td>Ranking(#)</td>
<td>55 out of 1,390</td>
<td>14 out of 1,207</td>
<td>2 out of 1,051</td>
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<td>FDSAX Average</td>
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<td>Annual Return At Net Asset Value</td>
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*Ratings not calculated by Morningstar for this time period

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 that shown. Performance as of the most recent month end is available at www.safunds.com.

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 than and not as readily marketable as those of larger companies, and may have fewer resources and a greater risk of business failure than do large companies.

The Fund employs a Disciplined Strategy and will not deviate from its strategy (except to the extent necessary to comply with federal tax laws or other applicable laws). If the Fund is committed to a strategy that is unsuccessful, the Fund will not meet its investment goal. Because the Fund will not use certain techniques available to other mutual funds to reduce stock market exposure, the Fund may be more susceptible to general market declines than other mutual funds.

About the Indices:

Indices are unmanaged and are not available for direct investment. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1000 of the largest securities in that index. The Dow Jones Industrial Average (DOW) is a price-weighted average of 30 actively traded “blue chip” stocks, primarily industrials, but also including financials and other service-oriented companies. The S&P 500 Index is an unmanaged, broad-based, market-cap weighted index of 500 U.S. stocks.

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

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 your financial advisor, the SunAmerica Sales Desk at 800-858-8850, ext. 6003, or at www.safunds.com. Read the prospectus carefully before investing.

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