Rules-Based Investing
Disciplined Approaches to Providing Income and Capital Appreciation Potential

3 Key Benefits of Investing in SunAmerica’s Rules-Based Funds

The SunAmerica Rules-Based Funds use a disciplined and quantitative stock selection process to:

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

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

3. **Minimize portfolio turnover for improved tax efficiency.**
   The Funds are reconstituted annually to ensure portfolios remain consistent with their investment objectives and to help minimize the tax consequences of buying and selling stocks.
A Rules-Based Approach to Investing in Large-Cap Dividend-Paying Stocks

The Focused Dividend Strategy Portfolio has delivered strong long-term results across rising and falling markets. It uses a systematic, rules-based process to select a concentrated portfolio of 30 attractively valued dividend-paying stocks.

The Fund offers:

1 **Total return potential:** Investors benefit from a combination of income and capital appreciation potential that may not be available in many other investments.

2 **Attractive dividend yield:** The Fund provides higher current income than many short-term fixed-income investments in today’s low interest rate environment.¹

3 **Focused approach:** The Fund’s concentrated 30-stock portfolio offers the opportunity for outperformance relative to its benchmark index.

¹Note: 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.
A Rules-Based Approach to Investing in International Dividend-Paying Stocks

The International Dividend Strategy Fund uses quantitative, rules-based screens to select 50-100 high dividend-paying, non-U.S. stocks that are believed to be undervalued and have the potential for capital appreciation. The Fund offers the growth potential of international stocks with their historically higher dividend payout rates.

The Fund offers:

1. **Opportunity to enhance income:** International dividend-paying stocks may provide higher yields than their domestic counterparts. In fact, at the midpoint of 2014, the dividend yield of domestic stocks was lower than the yield available in prominent European and Asian developed and emerging markets.\(^2\)

2. **A blend of value and international investing:** Investors can participate in the appreciation potential of high dividend-paying, non-U.S. value stocks, spanning geographic regions, industries and market capitalizations.

3. **Potential for outperformance:** Historically, the dividend paying component of many international indices has outperformed that region’s overall market.

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Note: This chart does not reflect the performance of the SunAmerica International Dividend Strategy Fund or any other specific investment. Source: MSCI. Data above reflects annualized performance since index inception, which is as follows: MSCI ACWI ex U.S. (inception date 12/29/00), MSCI EAFE (inception date 6/30/95), MSCI Emerging Markets (inception date 12/29/00). Past performance is not a guarantee of future results. Individuals cannot invest directly in an index. Please see the back cover for index definitions and the risks associated with investing in the Fund.

\(^2\)Source: Standard & Poor’s, MSCI. As of 6/30/14, the dividend yield of the S&P 500 was 2.01% which trailed the dividend yields of the MSCI ACWI ex U.S. Index (2.94%), MSCI EAFE Index (3.04%), MSCI Emerging Markets Index (2.72%), MSCI Asia ex. Japan Index (2.21%), and MSCI Europe Index (3.21%).
A Rules-Based Approach to Finding Value

The Strategic Value Portfolio uses a disciplined, quantitative process to select the top-ranking 100 stocks in the value universe based on metrics combining profitability and valuation. With its all-cap approach, the Fund can be used as a core value solution or as a satellite holding to help complement a growth-oriented equity portfolio.

The Fund offers:

1. **Capital appreciation potential**: The Fund’s rules-based approach identifies highly profitable value stocks that have the potential to grow. Over the last 20 years, value stocks have generated annualized returns of 10.3% versus 9.0% for growth stocks.\(^3\)

2. **Broad value exposure**: The Fund does not have any sector or size limitations and can include positions regardless of capitalization or industry.

3. **Consistent style**: The Fund seeks long-term growth while maintaining its focus on value and avoiding style drift.

Note: This illustration does not reflect the performance of the SunAmerica Strategic Value Portfolio or any other specific investment. It shows the hypothetical growth of $10,000 from June 2004 to June 2014. Value stocks are represented by the Russell 3000 Value Index. Growth stocks are represented by the Russell 3000 Growth Index. Indices are unmanaged and not available for direct investment. Past performance is not a guarantee of future results. Please see the back cover for index definitions and the risks associated with investing in the Fund.

\(^3\)Source: Russell Investments, 2014.
Contact your financial advisor or visit www.safunds.com for more information about the SunAmerica Rules-Based Funds.

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

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

SunAmerica Strategic Value Portfolio
Class A: SFVAX  Class B: SFDBX  Class C: SFVTX

About the Funds
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.

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.

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

International Dividend Strategy Fund: Effective July 2, 2012, the name of the SunAmerica International Equity Fund was changed to the SunAmerica International Dividend Strategy Fund and certain changes were made to the Fund’s investment strategy and techniques. Prior to this date, the Fund was managed as an international equity fund employing a different strategy. Stocks of international companies are subject to additional risks including currency fluctuations, economic and political instability, greater market volatility, and limited liquidity. These risks can be greater in the case of emerging country securities. The Fund may invest in medium-capitalization and small-capitalization companies, which involve additional risks such as limited liquidity and greater volatility. 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 market may fail to recognize the intrinsic value of particular dividend-paying stocks the Fund may hold.

About the Indices
The 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. The MSCI All Country World (ACWI) ex-U.S. Index is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of 45 global developed and emerging markets, excluding the U.S. The MSCI EAFE Index is an equity index which captures large and mid cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. The MSCI Emerging Markets Index is designed to measure the equity market performance of emerging markets, such as Brazil, Chile, China and India. The MSCI ACWI ex-U.S. High Dividend Yield Index, MSCI EAFE High Dividend Yield Index, and MSCI Emerging Markets High Dividend Yield Index are based on their parent indices. These indices are designed to reflect the performance of equities in the parent index (excluding REITs) with higher than average dividend yields that are both sustainable and persistent. These indices also apply quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends. The MSCI Europe Index is a free float-adjusted market capitalization weighted index that measures the equity market performance of 16 developed markets in Europe. The MSCI AC Asia ex Japan Index captures large and mid cap representation across 2 of 3 Developed Markets countries (excluding Japan) and 8 Emerging Markets countries in Asia. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1000 of the largest securities in that index. The Russell 3000 Index measures the performance of the largest 3000 U.S. companies, representing approximately 98% of the investable U.S. equity market. The Russell 3000 Growth Index captures the performance of the growth segment of the U.S. equity universe. It includes those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000 Value Index measures the performance of the value segment of the U.S. equity universe. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The S&P 500 Index is a broad-based, market-capitalized weighted index of 500 U.S. stocks.

Neither SunAmerica, its affiliates, nor their 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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