2011 SEMI-ANNUAL REPORT

SunAmerica Specialty Series

High Watermark Funds
- 2015 High Watermark Fund
- 2020 High Watermark Fund

SunAmerica
- Alternative Strategies Fund

SunAmerica Mutual Funds

www.sunamericafunds.com

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A Message from the President — *(unaudited)*

Dear Shareholders,

We are pleased to present you with the semi-annual report for the SunAmerica Alternative Strategies Fund and the SunAmerica High Watermark Funds for the six-month period ended April 30, 2011. These unique Funds offer investors important tools with which to potentially enhance overall portfolio diversification and manage risk.

Investors exited 2010 with improving confidence that the U.S. was in the midst of an economic recovery, fueled by factors including the Federal Reserve's announcement that it would launch a second round of Quantitative Easing (QE2), the retention of the Bush-era tax rates for two years, and positive data on manufacturing and consumer spending. However, the global picture was not as solid, with China and other emerging market nations facing inflationary pressures and the debt crisis that began in Greece spreading to Ireland and Spain. So far, 2011 has brought an earthquake and tsunami in Japan, unrest throughout the Middle East, rising oil prices plus a serious debate about the budget and debt ceiling in the U.S.

The six-month period showed a range of returns among the Funds' relevant asset classes. Despite the turbulent global climate, the period was a strong one for the equity markets as continued low interest rates and solid corporate earnings helped to fuel the S&P 500 Index* to a 16.36% return. In contrast, the Citigroup 10-Year U.S. Treasury Benchmark Index* returned -3.86% as yields rose from 2.61% at the beginning of the semi-annual period to 3.29% on April 30, 2011. Meanwhile, the Barclays Capital U.S. 1-3 Year Government Bond Index* was essentially flat, returning 0.13% for the same time period. Commodities, as represented by the S&P GSCI Light Energy Total Return Index*, surged – returning 20.95% for the six-month period. Though hedge funds and managed futures did not fare as well, they were positive for the period, with the Hedge Fund Research Equal Weighted Strategies Index* returning 3.55% and the S&P Diversified Trends Indicator Index* returning 9.06% over the six months.

The SunAmerica Alternative Strategies Fund is a unique open-end mutual fund that seeks to provide long-term total return by utilizing an actively-managed, quantitative investment process to provide commodity, hedge fund and managed futures exposure, and by investing in U.S. government securities and other fixed income securities. This portfolio of alternative, or non-traditional, investment strategies and asset classes may provide investors with a way to achieve diversification in their overall portfolio since the returns generated by this exposure are generally expected to provide a low correlation to the returns of equity and fixed income investments.

The High Watermark Funds, pursuant to a proprietary methodology developed by the Funds' sub-adviser, Trajectory Asset Management LLC, seek to provide investors with risk-controlled exposure to the S&P 500 Index in addition to downside protection and a target maturity. Furthermore, the Funds, subject to certain conditions, offer a feature that is designed to preserve principal and investment gains over the life of each Fund. The High Watermark Funds do not purchase individual equity securities but rather invest in S&P 500 Index futures and related options, and also invest in high-quality, fixed income instruments. Therefore, it is important to understand the broad movements of the S&P 500, the U.S. government bond market, and each Fund's asset allocation in order to evaluate the performance. It is also worth noting that the proprietary methodology used by Trajectory continued to result in a very low level of equity exposure for the High Watermark Funds during the semi-annual period.

On the following pages are unaudited financial statements and portfolio information for the SunAmerica Alternative Strategies Fund and the High Watermark Funds, including the Funds' performance for the semi-annual period ended April 30, 2011. We believe that these funds provide investors with important tools for enhancing overall portfolio diversification and managing risk. Be sure to consult with your financial adviser to make certain that your portfolio is tailored to fit your individual investment goals. Given the volatility the markets have experienced in recent years, this is more important than ever.

Thank you for including SunAmerica Mutual Funds in your investment plan. We value your ongoing confidence in us and look forward to serving your investment needs in the future.

Sincerely,

Peter A. Harbeck
President & CEO
SunAmerica Asset Management Corp.

Past performance is no guarantee of future results. Diversification does not guarantee a profit nor protect against a loss.

* The **S&P 500 Index** is Standard & Poor's 500 Composite Stock Price Index, a widely recognized, unmanaged index of common stock prices. The **Citigroup 10-Year U.S. Treasury Benchmark Index** is one of the Citigroup U.S. Treasury Benchmark (On-the-Run) Indexes. These indexes measure total returns for the current 2-, 3-, 5-, 7-, 10-, and 30-year On-the-Run Treasuries that have been in existence for the entire month. The **Barclays Capital U.S. 1-3 Year Government Bond Index** consists of securities in the U.S. Government Index with a maturity from 1 up to (but not including) 3 years. Securities issued by the U.S. Government (i.e., securities in the Treasury and Agency Indices). Inclusions: Public obligations of the U.S. Treasury with a remaining maturity of one year or more. Publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. The **S&P Goldman Sachs Commodity Index (GSCI) Light Energy Total Return (TR) Index** is a sub-index of the **S&P Goldman Sachs Commodity Index (GSCI)** and tracks the performance of commodity futures using the same conventions as the S&P GSCI. The S&P GSCI Light Energy TR Index uses 1/4 of the S&P GSCI contract production weights for the energy components. The **S&P GSCI** is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The returns are calculated on a fully collateralized basis with full reinvestment. The combination of these attributes provides investors with a representative and realistic picture of realizable returns attainable in the commodities markets. Individual components qualify for inclusion in the S&P GSCI on the basis of liquidity and are weighted by their respective world production quantities. The principles behind the construction of the index are public and designed to allow easy and cost-efficient investment implementation. The **Hedge Fund Research Equal Weighted Strategies Index** is calculated by equally weighting these eight hedge strategies with fixed weights for each strategy; convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The **S&P Diversified Trends Indicator (DTI) Index** is a diversified composite of commodity and financial futures designed to provide exposure to major global market trends. The S&P DTI is a composite of 24 highly liquid futures grouped into 14 sectors, evenly weighted between financials and physical commodities. Indices are not managed and an investor cannot invest directly in an index.

The High Watermark Funds' subadviser employs a disciplined quantitative approach through a proprietary, computer-assisted methodology to construct and rebalance the Funds' portfolios. This construction and rebalancing process is similar to asset allocation except that it controls not only portfolio assets such as U.S. government securities but also the portfolios' exposures to equity markets via futures contracts and from time to time options contracts. Under certain circumstances, the Funds may be required to invest 100% of their assets in U.S. government securities. In these circumstances, the Funds may not participate meaningfully in any subsequent recovery in the equity markets. Use of fixed income securities reduces the Funds' ability to participate as fully in upward equity market movements, and therefore, represents some loss of opportunity compared to portfolios that are fully invested in equities. Asset allocation does not guarantee a profit nor does it protect against loss.

On each High Watermark Fund's Protected Maturity Date, the Fund is designed to return to shareholders the highest net asset value (NAV) attained during the life of the Fund, adjusted as a result of dividends, distribution and extraordinary expenses. This NAV is the Fund's Protected High Watermark Value. Each High Watermark Fund's undertaking (the "Payment Undertaking") that shareholders in the Fund will be entitled to redeem their shares on the Protected Maturity Date for the Protected High Watermark Value is backed by a master agreement ("Master Agreement") between SunAmerica Specialty Series, on behalf of the High Watermark Funds, and Prudential Global Funding ("PGF"), under which PGF will pay to a Fund any shortfall between the Protected High Watermark Value and the actual NAV per share of the Fund's Protected Maturity Date, provided certain conditions are met. PGF's obligations are guaranteed by its parent company, Prudential Financial Inc., ("Prudential Financial"). The Master Agreement is solely the obligation of PGF and Prudential Financial. The Master Agreement is an obligation that runs solely to the High Watermark Funds, not to the High Watermark Funds' shareholders. PGF's obligations under the Master Agreement are dependent on the financial condition of PGF and Prudential Financial. A shareholder's payout will be reduced by any redemption of High Watermark Fund shares or dividends and distributions taken in cash, sales charges and extraordinary fund expenses. Dividends and distributions from the High Watermark Funds are taxable whether or not you reinvest them in additional shares of the High Watermark Funds. The Payment Undertaking does not apply to shares redeemed prior to the Protected Maturity Date and shareholders can lose money on shares redeemed early. If certain obligations are not performed under the Master Agreement (Master Agreement risk), shareholders will receive upon redemption the then-current net asset value, which may be lower than the current high watermark value. Neither the High Watermark Funds nor SunAmerica Asset Management Corp., the Funds' investment adviser, is obligated to replace the Master Agreement provider or Prudential Financial should they be unable to make payments under the Master Agreement. The Master Agreement increases the High Watermark Funds' expenses and could lower fund performance. If the Master Agreement is terminated, the fee payable under a new agreement may be higher.

The commodity and hedge fund-linked derivative instruments in which the SunAmerica Alternative Strategies Fund invests have substantial risks, including risk of loss of a significant portion of their principal value. Commodity and hedge fund-linked derivative instruments may be more volatile and less liquid than the underlying instruments and their value will be affected by the performance of the commodity markets or underlying hedge funds, as well as overall market movements and other factors. Managed futures involve going long or short in futures contracts and futures-related instruments. If the Fund's investment adviser uses a future or other derivative instrument at the wrong time or judges market conditions incorrectly, use of such instruments may result in a significant loss to the Fund. Certain futures and other derivatives have the potential for unlimited loss, regardless of the size of the initial investment. When the Fund uses futures and other derivatives for leverage, a shareholder's investment in the Fund will tend to be more volatile, resulting in larger gains or losses in response to the fluctuating prices of the Fund's investments.

The SunAmerica Alternative Strategies Fund is not a complete investment program and should not be an investor's sole investment. Investors should consider buying shares of the SunAmerica Alternative Strategies Fund only as part of an overall portfolio strategy that includes other asset classes, such as fixed income and equity investments.

Disclosure of Fund Expenses in Shareholder Reports

As a shareholder of a Fund (each a "Fund" and collectively, the "Funds") in the SunAmerica Specialty Series (the "Trust"), you may incur two types of costs: (1) transaction costs, including applicable sales charges (loads) on purchase payments and contingent deferred sales charges and (2) ongoing costs, including management fees; distribution and service fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) on investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of $1,000 invested at November 1, 2010 and held until April 30, 2011.

Actual Expenses

The "Actual" section of the table provides information about your actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the column under the heading entitled "Expenses Paid During the Six Months Ended April 30, 2011" to estimate the expenses you paid on your account during this period. For shareholder accounts in classes other than Class I and Class W, the "Expenses Paid During the Six Months Ended April 30, 2011" column does not include small account fees that may be charged if your balance is below $500 ($250 for retirement plan accounts). In addition, the "Expenses Paid During the Six Months Ended April 30, 2011" column does not include administrative or other fees that may apply to qualified retirement plan accounts and accounts held through financial institutions. See the Funds' prospectuses, your retirement plan document and/or materials from your financial advisers for a full description of these fees. Had these fees, if applicable, been included, the "Expenses Paid During the Six Months Ended April 30, 2011" column would have been higher and the "Ending Account Value" would have been lower.

Hypothetical Example for Comparison Purposes

The "Hypothetical" section of the table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in other Funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other Funds. For shareholder accounts in classes other than Class I and Class W, the "Expenses Paid During the Six Months Ended April 30, 2011" column does not include small account fees that may be charged if your balance is below $500 ($250 for retirement plan accounts). In addition, the "Expenses Paid During the Six Months Ended April 30, 2011" column does not include administrative or other fees that may apply to qualified retirement plan accounts and accounts held through financial institutions. See the Funds' prospectuses, your retirement plan document and/or materials from your financial advisers for a full description of these fees. Had these fees, if applicable, been included, the "Expenses Paid During the Six Months Ended April 30, 2011" column would have been higher and the "Ending Account Value" would have been lower.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, including sales charges on purchase payments, contingent deferred sales charges; small account fees and administrative fees, if applicable, to your account. Please refer to your prospectus, your retirement plan document and/or materials from your financial adviser, for more information. Therefore, the "Hypothetical" example is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs and other fees were included, your costs would have been higher.

	Actual			Hypothetical			
	Beginning Account Value at November 1, 2010	**Ending Account Value Using Actual Return at April 30, 2011**	**Expenses Paid During the Six Months Ended April 30, 2011***	**Beginning Account Value at November 1, 2010**	**Ending Account Value Using a Hypothetical 5% Assumed Return at April 30, 2011**	**Expenses Paid During the Six Months Ended April 30, 2011***	**Expense ratio as of April 30, 2011***
2015 High Watermark Fund							
Class A#	$1,000.00	$ 980.67	$ 5.16	$1,000.00	$1,019.59	$ 5.26	1.05%
Class C#	$1,000.00	$ 977.43	$ 8.34	$1,000.00	$1,016.36	$ 8.50	1.70%
Class I#	$1,000.00	$ 983.13	$ 2.85	$1,000.00	$1,021.92	$ 2.91	0.58%
2020 High Watermark Fund							
Class A#	$1,000.00	$ 961.38	$ 7.20	$1,000.00	$1,017.46	$ 7.40	1.48%
Class C#	$1,000.00	$ 958.38	$10.34	$1,000.00	$1,014.23	$10.64	2.13%
Class I#	$1,000.00	$ 964.43	$ 4.92	$1,000.00	$1,019.79	$ 5.06	1.01%
SunAmerica Alternative Strategies Fund@							
Class A#	$1,000.00	$1,089.13	$ 8.91	$1,000.00	$1,016.27	$ 8.60	1.72%
Class C#	$1,000.00	$1,087.11	$12.26	$1,000.00	$1,013.04	$11.83	2.37%
Class W#	$1,000.00	$1,091.71	$ 7.88	$1,000.00	$1,017.26	$ 7.60	1.52%

* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by 181 days divided by 365 days. These ratios do not reflect transaction costs, including sales charges on purchase payments, contingent deferred sales charges, small account fees and administrative fees, if applicable to your account. Please refer to your prospectus, your retirement plan document and/or materials from your financial adviser, for more information.

\# During the stated period, the investment adviser either waived a portion or all of the fees and assumed a portion of or all expenses for the Funds or through recoupment provisions, recovered a portion of or all fees and expenses waived or reimbursed in the previous two fiscal years. As a result, if these fees and expenses had not been waived, the "Actual/Hypothetical Ending Account Value" would have been lower and the "Actual/Hypothetical Expenses Paid During the Six Months Ended April 30, 2011" and the "Expense Ratios" would have been higher. If these fees and expenses had not been recouped, the "Actual/Hypothetical Ending Account Value" would have been higher and the "Actual/Hypothetical Expenses Paid During the Six Months Ended April 30, 2011" and the "Expense Ratios" would have been lower.

@ Consolidated; See Note 2.

STATEMENT OF ASSETS AND LIABILITIES — *April 30, 2011 — (unaudited)*

	2015 High Watermark Fund	2020 High Watermark Fund	SunAmerica Alternative Strategies Fund#
ASSETS:			
Investments at value (unaffiliated)*	$164,636,398	$ 61,828,314	$ 359,609,826
Repurchase agreements (cost approximates market value)	136,000	449,000	30,121,772
Total investments	164,772,398	62,277,314	389,731,598
Cash	455	887	284
Receivable for:			
Shares of beneficial interest sold	—	22,155	2,473,342
Dividends and interest	152	118	867,923
Investments sold	1,304,422	—	—
Prepaid expenses and other assets	4,685	4,190	5,173
Due from investment adviser for expense reimbursements/fee waivers	94,075	24,378	72,206
Variation margin on futures contracts	240	240	—
Total assets	166,176,427	62,329,282	393,150,526
LIABILITIES:			
Payable for:			
Shares of beneficial interest redeemed	335,689	179,840	773,110
Investment advisory and management fees	88,888	33,061	392,264
Distribution and service maintenance fees	79,488	24,590	123,977
Transfer agent fees and expenses	41,231	17,146	83,169
Trustees' fees and expenses	2,978	1,048	5,444
Prudential Global Funding, Inc. (Note 1)	47,863	17,802	—
Other accrued expenses	70,205	32,116	99,951
Variation margin on futures contracts	—	—	161,582
Total liabilities	666,342	305,603	1,639,497
NET ASSETS	$165,510,085	$ 62,023,679	$ 391,511,029
NET ASSETS REPRESENTED BY:			
Paid-in capital	177,896,156	79,717,258	353,962,435
Accumulated undistributed net investment income (loss)	1,013,233	459,159	(6,437,868)
Accumulated undistributed net realized gain (loss) on investments, futures contracts, options contracts and foreign exchange transactions	(24,077,396)	(23,348,603)	29,060,506
Unrealized appreciation (depreciation) on investments	10,674,639	5,192,412	12,065,072
Unrealized appreciation (depreciation) on futures contracts and written options contracts	3,453	3,453	2,856,536
Unrealized foreign exchange gain (loss) on other assets and liabilities	—	—	4,348
NET ASSETS	$165,510,085	$ 62,023,679	$ 391,511,029
* Cost			
Investments (unaffiliated)	$153,961,759	$ 56,635,902	$ 347,544,754

\# Consolidated; See Note 2.

See Notes to Financial Statements

	2015 High Watermark Fund	2020 High Watermark Fund	SunAmerica Alternative Strategies Fund#
Class A (unlimited shares authorized):			
Net assets	$81,611,113	$32,278,038	$319,343,093
Shares of beneficial interest issued and outstanding	8,127,082	3,824,613	28,759,542
Net asset value and redemption price per share (excluding any applicable contingent deferred sales charge)	$ 10.04	$ 8.44	$ 11.10
Maximum sales charge (5.75% of offering price)	$ 0.61	$ 0.51	$ 0.68
Maximum offering price to public	$ 10.65	$ 8.95	$ 11.78
Class C (unlimited shares authorized):			
Net assets	$61,854,567	$14,968,188	$ 36,489,254
Shares of beneficial interest issued and outstanding	6,185,051	1,782,020	3,306,291
Net asset value, offering and redemption price per share (excluding any applicable contingent deferred sales charge)	$ 10.00	$ 8.40	$ 11.04
Class I (unlimited shares authorized):			
Net assets	$22,044,405	$14,777,453	$ —
Shares of beneficial interest issued and outstanding	2,185,239	1,746,835	—
Net asset value, offering and redemption price per share	$ 10.09	$ 8.46	$ —
Class W (unlimited shares authorized):			
Net assets	$ —	$ —	$ 35,678,682
Shares of beneficial interest issued and outstanding	—	—	3,209,717
Net asset value, offering and redemption price per share	$ —	$ —	$ 11.12

\# Consolidated; See Note 2.

See Notes to Financial Statements

STATEMENT OF OPERATIONS — *For the period ended April 30, 2011 (unaudited)*

	2015 High Watermark Fund	2020 High Watermark Fund	SunAmerica Alternative Strategies Fund#
INVESTMENT INCOME:			
Dividends (unaffiliated)	$ —	$ —	$ 843,114
Interest (unaffiliated)	2,622,801	1,159,261	2,850,582
Total investment income	2,622,801	1,159,261	3,693,696
Expenses:			
Investment advisory and management fees	577,979	205,542	2,323,931
Distribution and service maintenance fees:			
Class A	149,113	57,758	549,271
Class C	344,916	76,302	161,172
Service Fees:			
Class I	29,561	18,723	—
Class W	—	—	20,922
Transfer agent fees and expenses:			
Class A	99,598	40,404	356,344
Class C	80,749	18,851	37,983
Class I	26,688	17,164	—
Class W	—	—	31,668
Registration fees:			
Class A	1,291	11,339	26,483
Class C	1,211	7,117	8,036
Class I	1,021	7,412	—
Class W	—	—	7,887
Custodian and accounting fees	24,471	14,021	55,143
Reports to shareholders	25,649	12,354	50,478
Audit and tax fees	17,877	17,877	27,570
Legal fees	9,322	5,865	34,549
Fees paid to Prudential Global Funding, Inc. (Note 1)	311,219	110,676	—
Trustees' fees and expenses	11,183	4,038	22,593
Interest expense	5	—	—
Other expenses	10,770	8,761	12,369
Total expenses before fee waivers, expense reimbursements, expense recoupments, custody credits	1,722,623	634,204	3,726,399
Net (fees waived and expenses reimbursed)/recouped by investment advisor (Note 4)	(623,091)	(152,305)	(432,927)
Custody credits earned on cash balances	(1)	(1)	(210)
Net expenses	1,099,531	481,898	3,293,262
Net investment income (loss)	1,523,270	677,363	400,434
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:			
Net realized gain (loss) on investments (unaffiliated)	978,993	82,987	12,632,114
Net realized gain (loss) on futures contracts and written options contracts	9,764	9,764	18,633,797
Net realized foreign exchange gain (loss) on other assets and liabilities	—	—	16,642
Net realized gain (loss) on investments and foreign currencies	988,757	92,751	31,282,553
Change in unrealized appreciation (depreciation) on investments (unaffiliated)	(6,727,180)	(3,401,081)	4,523,039
Change in unrealized appreciation (depreciation) on futures contracts and written options contracts	(285)	(285)	(3,821,643)
Change in unrealized foreign exchange gain (loss) on other assets and liabilities	—	—	4,348
Net unrealized gain (loss) on investments	(6,727,465)	(3,401,366)	705,744
Net realized and unrealized gain (loss) on investments	(5,738,708)	(3,308,615)	31,988,297
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$(4,215,438)	$(2,631,252)	$32,388,731

Consolidated; See Note 2.

See Notes to Financial Statements

	2015 High Watermark Fund		2020 High Watermark Fund		SunAmerica Alternative Strategies Fund#	
	For the six months ended April 30, 2011 (unaudited)	For the year ended October 31, 2010	For the six months ended April 30, 2011 (unaudited)	For the year ended October 31, 2010	For the six months ended April 30, 2011 (unaudited)	For the year ended October 31, 2010
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income (loss)	$ 1,523,270	$ 2,755,421	$ 677,363	$ 1,225,963	$ 400,434	$ 839,235
Net realized gain (loss) on investments	988,757	1,972,852	92,751	6,336	31,282,553	10,295,107
Net unrealized gain (loss) on investments	(6,727,465)	11,420,071	(3,401,366)	5,530,792	705,744	(726,287)
Net increase (decrease) in net assets resulting from operations	(4,215,438)	16,148,344	(2,631,252)	6,763,091	32,388,731	10,408,055
Distributions to shareholders from:						
Net investment income (Class A)	(1,522,132)	(1,665,114)	(665,080)	(646,560)	(5,947,709)	(889,037)
Net investment income (Class C)	(758,623)	(754,683)	(213,677)	(176,460)	(399,956)	—
Net investment income (Class I)	(550,900)	(529,049)	(376,527)	(263,803)	—	—
Net investment income (Class W)	—	—	—	—	(552,798)	(72,685)
Net realized gain on securities (Class A)	—	—	—	—	(3,773,467)	—
Net realized gain on securities (Class C)	—	—	—	—	(376,658)	—
Net realized gain on securities (Class I)	—	—	—	—	—	—
Net realized gain on securities (Class W)	—	—	—	—	(308,945)	—
Total distributions to shareholders	(2,831,655)	(2,948,846)	(1,255,284)	(1,086,823)	(11,359,533)	(961,722)
Net increase (decrease) in net assets resulting from capital share transactions (Note 7)	(23,956,312)	(42,027,155)	(2,165,597)	(5,407,676)	(6,427,359)	99,989,745
Total increase (decrease) in net assets	(31,003,405)	(28,827,657)	(6,052,133)	268,592	14,601,839	109,436,078
NET ASSETS:						
Beginning of period	196,513,490	225,341,147	68,075,812	67,807,220	376,909,190	267,473,112
End of period†	$165,510,085	$196,513,490	$62,023,679	$68,075,812	$391,511,029	$376,909,190
† Includes accumulated undistributed net investment income (loss)	$ 1,013,233	$ 2,321,618	$ 459,159	$ 1,037,080	$ (6,437,868)	$ 62,161

\# Consolidated; See Note 2.

See Notes to Financial Statements

Period Ended	Net Asset Value beginning of period	Net investment income(1)	Net gain (loss) on investment (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Distributions from net realized gains	Total Distri-butions	Net Asset Value end of period	Total Return(2)	Net Assets end of period (000's)	Ratio of expense to average net assets(4)	Ratio of net investment income to average net assets(4)	Portfolio Turnover
2015 HIGH WATERMARK FUND													
Class A													
10/31/06	$10.69	$0.32	$ 0.90	$ 1.22	$(0.16)	$(0.08)	$(0.24)	$11.67	11.62%	$ 88,219	1.65%	2.94%	1%
10/31/07	11.67	0.34	0.78	1.12	(0.32)	(0.76)	(1.08)	11.71	10.28	100,199	1.65	3.09	14
10/31/08	11.71	0.18	(1.67)	(1.49)	(0.33)	(0.65)	(0.98)	9.24	(13.76)	110,924	1.65	1.85	26
10/31/09	9.24	0.14	0.53	0.67	(0.15)	—	(0.15)	9.76	7.22	108,280	1.44	1.48	46
10/31/10	9.76	0.15	0.66	0.81	(0.15)	—	(0.15)	10.42	8.46	93,888	1.29	1.51	0
04/30/11(5)	10.42	0.10	(0.30)	(0.20)	(0.18)	—	(0.18)	10.04	(1.93)	81,611	1.05%(3)	1.90%(3)	0
Class C													
10/31/06	$10.62	$0.25	$ 0.90	$ 1.15	$(0.10)	$(0.08)	$(0.18)	$11.59	10.94%	$ 45,450	2.30%	2.28%	1%
10/31/07	11.59	0.27	0.77	1.04	(0.25)	(0.76)	(1.01)	11.62	9.54	53,232	2.30	2.44	14
10/31/08	11.62	0.11	(1.64)	(1.53)	(0.26)	(0.65)	(0.91)	9.18	(14.18)	86,196	2.30	1.16	26
10/31/09	9.18	0.08	0.52	0.60	(0.10)	—	(0.10)	9.68	6.51	88,676	2.09	0.83	46
10/31/10	9.68	0.09	0.65	0.74	(0.08)	—	(0.08)	10.34	7.75	76,837	1.94	0.86	0
04/30/11(5)	10.34	0.06	(0.30)	(0.24)	(0.10)	—	(0.10)	10.00	(2.26)	61,855	1.70%(3)	1.25%(3)	0
Class I													
10/31/06	$10.72	$0.37	$ 0.92	$ 1.29	$(0.21)	$(0.08)	$(0.29)	$11.72	12.22%	$ 25,097	1.18%	3.42%	1%
10/31/07	11.72	0.40	0.77	1.17	(0.37)	(0.76)	(1.13)	11.76	10.71	27,845	1.18	3.56	14
10/31/08	11.76	0.23	(1.67)	(1.44)	(0.38)	(0.65)	(1.03)	9.29	(13.28)	27,304	1.18	2.34	26
10/31/09	9.29	0.19	0.53	0.72	(0.19)	—	(0.19)	9.82	7.76	28,385	0.97	1.95	46
10/31/10	9.82	0.20	0.66	0.86	(0.18)	—	(0.18)	10.50	8.95	25,789	0.82	1.98	0
04/30/11(5)	10.50	0.12	(0.30)	(0.18)	(0.23)	—	(0.23)	10.09	(1.69)	22,044	0.58%(3)	2.37%(3)	0

(1) Calculated based upon average shares outstanding.
(2) Total return is not annualized and does not reflect sales load, but does include expense reimbursements and expense reductions.
(3) Annualized
(4) Net of following expense reimbursements, waivers, (recoupments) and custody credits, if applicable (based on average net assets):

	10/31/06	10/31/07	10/31/08	10/31/09	10/31/10	04/30/11(3)(5)
2015 High Watermark Fund Class A	0.07%	0.08%	0.04%	0.26%	0.41%	0.65%
2015 High Watermark Fund Class C	0.08	0.09	0.05	0.26	0.41	0.65
2015 High Watermark Fund Class I	0.48	0.42	0.41	0.67	0.79	1.02

(5) Unaudited

See Notes to Financial Statements

2020 HIGH WATERMARK FUND

Period Ended	Net Asset Value beginning of period	Net investment income(1)	Net gain (loss) on investment (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Distributions from net realized gains	Total Distri-butions	Net Asset Value end of period	Total Return(2)	Net Assets end of period (000's)	Ratio of expense to average net assets(4)	Ratio of net investment income to average net assets(4)	Portfolio Turnover
Class A													
10/31/06	$10.85	$0.34	$ 1.03	$ 1.37	$(0.16)	$(0.09)	$(0.25)	$11.97	12.75%	$34,897	1.65%	3.06%	0%
10/31/07	11.97	0.37	0.84	1.21	(0.33)	(0.86)	(1.19)	11.99	10.88	41,679	1.65	3.27	4
10/31/08	11.99	0.20	(3.30)	(3.10)	(0.36)	(0.79)	(1.15)	7.74	(28.39)	37,762	1.65	2.05	50
10/31/09	7.74	0.14	0.50	0.64	(0.16)	—	(0.16)	8.22	8.32	38,471	1.59	1.68	14
10/31/10	8.22	0.16	0.72	0.88	(0.14)	—	(0.14)	8.96	10.90	35,827	1.53	1.89	0
04/30/11(5)	8.96	0.09	(0.44)	(0.35)	(0.17)	—	(0.17)	8.44	(3.86)	32,278	1.48(3)	2.19(3)	0
Class C													
10/31/06	$10.79	$0.26	$ 1.03	$ 1.29	$(0.09)	$(0.09)	$(0.18)	$11.90	12.07%	$14,751	2.30%	2.42%	0%
10/31/07	11.90	0.30	0.83	1.13	(0.27)	(0.86)	(1.13)	11.90	10.10	15,411	2.30	2.62	4
10/31/08	11.90	0.13	(3.27)	(3.14)	(0.28)	(0.79)	(1.07)	7.69	(28.82)	14,330	2.30	1.41	50
10/31/09	7.69	0.08	0.50	0.58	(0.11)	—	(0.11)	8.16	7.59	16,839	2.24	1.03	14
10/31/10	8.16	0.10	0.72	0.82	(0.09)	—	(0.09)	8.89	10.14	16,229	2.18	1.25	0
04/30/11(5)	8.89	0.06	(0.43)	(0.37)	(0.12)	—	(0.12)	8.40	(4.16)	14,968	2.13(3)	1.54(3)	0
Class I													
10/31/06	$10.89	$0.39	$ 1.04	$ 1.43	$(0.20)	$(0.09)	$(0.29)	$12.03	13.34%	$10,621	1.18%	3.55%	0%
10/31/07	12.03	0.43	0.83	1.26	(0.38)	(0.86)	(1.24)	12.05	11.32	13,135	1.18	3.74	4
10/31/08	12.05	0.25	(3.31)	(3.06)	(0.41)	(0.79)	(1.20)	7.79	(27.97)	10,457	1.18	2.53	50
10/31/09	7.79	0.17	0.50	0.67	(0.20)	—	(0.20)	8.26	8.66	12,497	1.12	2.15	14
10/31/10	8.26	0.20	0.71	0.91	(0.17)	—	(0.17)	9.00	11.34	16,020	1.06	2.37	0
04/30/11(5)	9.00	0.11	(0.44)	(0.33)	(0.21)	—	(0.21)	8.46	(3.56)	14,777	1.01(3)	2.66(3)	0

(1) Calculated based upon average shares outstanding.
(2) Total return is not annualized and does not reflect sales load, but does include expense reimbursements and expense reductions.
(3) Annualized
(4) Net of following expense reimbursements, waivers, (recoupments) and custody credits, if applicable (based on average net assets):

	10/31/06	10/31/07	10/31/08	10/31/09	10/31/10	4/30/11(3)(5)
2020 High Watermark Fund Class A	0.19%	0.17%	0.15%	0.23%	0.30%	0.38%
2020 High Watermark Fund Class C	0.22	0.21	0.20	0.26	0.34	0.41
2020 High Watermark Fund Class I	0.65	0.53	0.59	0.64	0.70	0.77

(5) Unaudited

See Notes to Financial Statements

Period Ended	Net Asset Value beginning of period	Net investment income(1)	Net gain (loss) on investment (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Distributions from net realized gains	Total Distri-butions	Net Asset Value end of period	Total Return(2)	Net Assets end of period (000's)	Ratio of expense to average net assets(4)	Ratio of net investment income to average net assets(4)	Portfolio Turnover
SUNAMERICA ALTERNATIVE STRATEGIES FUND#													
Class A													
11/04/08@-10/31/09	$10.00	$ 0.00	$0.22	$0.22	$ —	$ —	$ —	$10.22	2.20%	$235,868	1.72%(3)	0.02%(3)	51%
10/31/10	10.22	0.03	0.30	0.33	(0.04)	—	(0.04)	10.51	3.21	320,125	1.72	0.31	141
04/30/11(5)	10.51	0.01	0.90	0.91	(0.20)	(0.12)	(0.32)	11.10	8.91	319,343	1.72%(3)	0.26%(3)	29
Class C													
11/04/08@-10/31/09	$10.00	$(0.03)	$0.19	$0.16	$ —	$ —	$ —	$10.16	1.60%	$ 19,728	2.37%(3)	(0.34)%(3)	51%
10/31/10	10.16	(0.03)	0.28	0.25	—	—	—	10.41	2.46	31,081	2.37	(0.34)	141
04/30/11(5)	10.41	(0.02)	0.90	0.88	(0.13)	(0.12)	(0.25)	11.04	8.71	36,489	2.37%(3)	(0.40)%(3)	29
Class W													
11/04/08@-10/31/09	$10.00	$ 0.04	$0.21	$0.25	$ —	$ —	$ —	$10.25	2.50%	$ 11,877	1.52%(3)	0.50%(3)	51%
10/31/10	10.25	0.05	0.29	0.34	(0.06)	—	(0.06)	10.53	3.29	25,704	1.52	0.51	141
04/30/11(5)	10.53	0.02	0.91	0.93	(0.22)	(0.12)	(0.34)	11.12	9.17	35,679	1.52%(3)	0.43%(3)	29

\# Consolidated; See Note 2.
@ Commencement of operations.
(1) Calculated based upon average shares outstanding.
(2) Total return is not annualized and does not reflect sales load, but does include expense reimbursements and expense reductions.
(3) Annualized
(4) Net of following expense reimbursements, waivers, (recoupments) and custody credits, if applicable (based on average net assets):

	10/31/09(3)	10/31/10	4/30/11(3)(5)
SunAmerica Alternative Strategies Fund Class A	0.24%	0.18%	0.23%
SunAmerica Alternative Strategies Fund Class C	0.40	0.22	0.27
SunAmerica Alternative Strategies Fund Class W	0.68	0.24	0.26

(5) Unaudited

See Notes to Financial Statements

SunAmerica Specialty Series — 2015 High Watermark Fund
PORTFOLIO PROFILE — *April 30, 2011 — (unaudited)*

Industry Allocation*

United States Treasury Bonds	80.0%
Resolution Funding Corp.	10.6
United States Treasury Bills	4.9
Federal Home Loan Mtg. Corp.	4.0
Repurchase Agreements	0.1
	99.6%

Credit Quality†#

Government — Treasury	84.6%
Government — Agency	15.4
	100.0%

* Calculated as a percentage of net assets.
† Source: Standard and Poor's
# Calculated as a percentage of total debt issues, excluding short-term securities.

Security Description	Principal Amount	Value (Note 3)
U.S. GOVERNMENT AGENCIES — 14.6%		
Federal Home Loan Mtg. Corp. — 4.0%		
zero coupon due 11/24/14	$ 2,260,000	$ 2,104,541
zero coupon due 06/01/15	5,000,000	4,550,610
		6,655,151
Resolution Funding — 10.6%		
Resolution Funding Corp. STRIPS		
zero coupon due 07/15/15	19,054,000	17,548,067
Total U.S. Government Agencies (cost $22,964,203)		24,203,218
U.S. GOVERNMENT TREASURIES — 80.0%		
United States Treasury Bonds — 80.0%		
U.S. Treasury Bonds STRIPS		
zero coupon due 08/15/15	60,663,000	56,513,408
zero coupon due 08/15/15	81,642,000	75,921,753
Total U.S. Government Treasuries (cost $123,001,347)		132,435,161
Total Long-Term Investment Securities (cost $145,965,550)		156,638,379
SHORT-TERM INVESTMENT SECURITIES — 4.9%		
U.S. Government Treasuries — 4.9%		
United States Treasury Bills		
0.12% due 09/29/11	3,500,000	3,498,761
0.15% due 08/18/11(1)	4,500,000	4,499,258
Total Short-Term Investment Securities (cost $7,996,209)		7,998,019
REPURCHASE AGREEMENT — 0.1%		
Agreement with State Street Bank & Trust Co., bearing interest at 0.01%, dated 04/29/11, to be repurchased 05/02/11 in the amount of $136,000 and collateralized by $140,000 of United States Treasury Notes, bearing interest at 1.38%, due 05/15/13 and having an approximate value of $142,945 (cost $136,000)	$136,000	$ 136,000
TOTAL INVESTMENTS (cost $154,097,759)(2)	99.6%	164,772,398
Other assets less liabilities	0.4	737,687
NET ASSETS	**100.0%**	**$165,510,085**

(1) The security or a portion thereof was pledged as collateral to cover margin requirements for open futures contracts.
(2) See Note 6 for cost of investments on a tax basis.
STRIPS — Separate Trading of Registered Interest and Principal of Securities

Open Futures Contracts

Number of Contracts	Type	Description	Expiration Month	Value at Trade Date	Value at April 30,2011	Unrealized Appreciation (Depreciation)
1	Long	S&P 500 E-Mini Index	June 2011	$64,532	$67,985	$3,453

The following is a summary of the inputs used to value the Fund's net assets as of April 30, 2011 (see Note 3):

	Level 1 — Unadjusted Quoted Prices	Level 2 — Other Observable Inputs	Level 3 — Significant Unobservable Inputs	Total
ASSETS:				
Long-Term Investment Securities:				
U.S. Government Agencies	$ —	$ 24,203,218	$—	$ 24,203,218
U.S. Government Treasuries	—	132,435,161	—	132,435,161
Short-Term Investment Securities:				
U.S. Government Treasuries	—	7,998,019	—	7,998,019
Repurchase Agreement	—	136,000	—	136,000
Other Financial Instruments@				
Open Futures Contracts — Appreciation	3,453	—	—	3,453
Total	$3,453	$164,772,398	$—	$164,775,851

@ Other financial instruments are derivative instruments not reflected in the Portfolio of Investments, such as futures, forward and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements

Industry Allocation*

United States Treasury Bonds	83.9%
Resolution Funding Corp.	8.1
United States Treasury Bills	7.7
Repurchase Agreements	0.7
	100.4%

Credit Quality†#

Government — Treasury	91.2%
Government — Agency	8.8
	100.0%

* Calculated as a percentage of net assets.
† Source: Standard and Poor's
\# Calculated as a percentage of total debt issues, excluding short-term securities.

Security Description	Principal Amount	Value (Note 3)
U.S. GOVERNMENT AGENCIES — 8.1%		
Resolution Funding Corp. — 8.1%		
Resolution Funding Corp. STRIPS zero coupon due 07/15/20 (cost $4,822,110)	$ 7,000,000	$ 4,988,900
U.S. GOVERNMENT TREASURIES — 83.9%		
United States Treasury Bonds — 83.9%		
U.S. Treasury Bond STRIPS zero coupon due 08/15/20 (cost $47,016,028)	71,890,000	52,040,452
Total Long-Term Investment Securities (cost $51,838,138)		57,029,352
SHORT-TERM INVESTMENT SECURITIES — 7.7%		
U.S. Government Treasuries — 7.7%		
United States Treasury Bills		
0.12% due 09/29/11	1,300,000	1,299,540
0.15% due 08/18/11(1)	3,500,000	3,499,422
Total Short-Term Investment Securities (cost $4,797,764)		4,798,962
REPURCHASE AGREEMENT — 0.7%		
Agreement with State Street Bank & Trust Co., bearing interest at 0.01%, dated 04/29/11, to be repurchased 05/02/11 in the amount of $449,000 and collateralized by $450,000 of United States Treasury Notes, bearing interest at 1.38%, due 05/15/13 and having an approximate value of $459,465 (cost $449,000)	$449,000	$ 449,000
TOTAL INVESTMENTS (cost $57,084,902)(2)	100.4%	62,277,314
Liabilities in excess of other assets	(0.4)	(253,635)
NET ASSETS	**100.0%**	**$62,023,679**

(1) The security or portion thereof was pledged as collateral to cover margin requirements for open futures contracts.
(2) See Note 6 for cost of investments on a tax basis.
STRIPS — Separate Trading of Registered Interest and Principal of Securities

Open Futures Contracts

Number of Contracts	Type	Description	Expiration Month	Value at Trade Date	Value at April 30, 2011	Unrealized Appreciation (Depreciation)
1	Long	S&P 500 E-Mini Index	June 2011	$64,532	$67,985	$3,453

The following is a summary of the inputs used to value the Fund's net assets as of April 30, 2011 (see Note 3):

	Level 1 — Unadjusted Quoted Prices	Level 2 — Other Observable Inputs	Level 3 — Significant Unobservable Inputs	Total
ASSETS:				
Long-Term Investment Securities:				
U.S. Government Agencies	$ —	$ 4,988,900	$—	$ 4,988,900
U.S. Government Treasuries	—	52,040,452	—	52,040,452
Short-Term Investment Securities:				
U.S. Government Treasuries	—	4,798,962	—	4,798,962
Repurchase Agreement	—	449,000	—	449,000
Other Financial Instruments@				
Open Futures Contracts — Appreciation	3,453	—	—	3,453
Total	$3,453	$62,277,314	$—	$62,280,767

@ Other financial instruments are derivative instruments not reflected in the Portfolio of Investments, such as futures, forward and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements

SunAmerica Specialty Series — SunAmerica Alternative Strategies Fund
CONSOLIDATED PORTFOLIO PROFILE — *April 30, 2011*** — *(unaudited)*

Industry Allocation*

Federal National Mtg. Assoc.	19.7%
Federal Home Loan Mtg. Corp.	19.3
United States Treasury Bills	12.5
Federal Home Loan Bank	12.2
Commodity Index-Linked Notes	10.9
Repurchase Agreements	7.7
Federal Farm Credit Bank	7.5
United States Treasury Notes	3.4
Exchange-Traded Funds	3.0
Hedge Fund Index-Linked Notes	2.9
Diversified Financial Services	0.4
	99.5%

Credit Quality†#

Government — Treasury	5.8%
Government — Agency	89.9
AAA	0.6
Not Rated @	3.7
	100.0%

* Calculated as a percentage of net assets
** Consolidated; See Note 2 and Note 11.
† Source: Standard and Poor's
\# Calculated as a percentage of total debt issues, excluding short-term securities.
@ Represents debt issues that either have no rating, or the rating is unavailable from the data source.

Security Description	Principal Amount	Value (Note 3)
U.S. CORPORATE BONDS & NOTES — 0.4%		
Diversified Financial Services — 0.4%		
General Electric Capital Corp. FRS FDIC Guar. Notes 0.61% due 06/08/12	$ 1,000,000	$ 1,004,173
General Electric Capital Corp. FDIC Guar. Notes 2.20% due 06/08/12	500,000	510,300
Total U.S. Corporate Bonds & Notes (cost $1,499,892)		1,514,473
COMMODITY INDEX-LINKED NOTES — 10.9%		
Credit Suisse New York FRS (Indexed to the S&P GSCI Total Return Index) Senior Notes 0.07% due 01/24/12*(3)	18,000,000	26,224,790
UBS AG FRS (Indexed to the S&P GSCI Total Return Index) Senior Notes 0.21% due 05/18/12*(3)	15,000,000	16,538,100
Total Commodity Index-Linked Notes (cost $33,000,000)		42,762,890
HEDGE FUND INDEX-LINKED NOTES — 2.9%		
Deutsche Bank AG London (Indexed to the HFRX Global Hedge Fund Index) Bank Guar. Notes zero coupon due 09/14/12(3)(4)(5) (cost $10,000,000)	10,000,000	11,496,000
U.S. GOVERNMENT AGENCIES — 58.7%		
Federal Farm Credit Bank — 7.5%		
2.20% due 03/28/16	23,250,000	23,030,172
2.40% due 09/27/16	6,575,000	6,547,523
		29,577,695
Federal Home Loan Bank — 12.2%		
0.54% due 10/29/12	20,000,000	19,975,960
1.85% due 05/26/15	15,000,000	15,001,830
2.00% due 12/09/15(4)	7,945,000	7,926,385
2.75% due 08/12/13	5,000,000	5,032,405
		47,936,580
Federal Home Loan Mtg. Corp. — 19.3%		
1.35% due 03/28/14	15,000,000	15,002,580
2.00% due 08/25/15	10,000,000	9,958,370
2.00% due 04/21/16	15,000,000	14,596,890
2.25% due 08/12/15	30,629,000	30,787,750
2.50% due 12/30/15(4)	5,000,000	5,012,640
2.60% due 06/30/15	100,000	100,428
		75,458,658

Security Description	Principal Amount/ Shares	Value (Note 3)
Federal National Mtg. Assoc. — 19.7%		
0.92% due 04/30/15 FRS	$ 7,000,000	$ 7,035,250
1.20% due 09/27/13(4)	15,000,000	15,019,995
1.50% due 12/30/13(4)	5,000,000	5,006,510
1.75% due 08/18/14	15,000,000	15,054,120
1.85% due 09/09/15	10,000,000	9,882,830
2.00% due 01/09/12	5,000,000	5,059,115
2.00% due 08/24/15	10,000,000	9,976,760
2.25% due 07/22/15(4)	10,000,000	9,995,070
		77,029,650
Total U.S. Government Agencies (cost $230,797,034)		230,002,583
U.S. GOVERNMENT TREASURIES — 3.4%		
United States Treasury Notes — 3.4%		
0.63% due 04/15/13 TIPS(6)	1,570,305	1,651,151
1.13% due 06/30/11	1,000,000	1,001,680
1.50% due 07/15/12	1,000,000	1,014,492
1.63% due 01/15/15 TIPS(6)	1,506,479	1,657,479
1.88% due 07/15/13 TIPS(6)	1,686,678	1,834,262
1.88% due 07/15/15 TIPS(6)	1,478,867	1,653,904
2.00% due 01/15/14 TIPS(6)	1,556,789	1,712,347
2.00% due 07/15/14 TIPS(6)	1,526,044	1,695,101
2.63% due 06/30/14	1,000,000	1,047,188
Total U.S. Government Treasuries (cost $11,936,098)		13,267,604
EXCHANGE-TRADED FUNDS — 3.0%		
iShares Barclays MBS Bond Fund	65,400	6,951,366
iShares iBoxx Investment Grade Corporate Bond Fund	41,900	4,628,693
Total Exchange-Traded Funds (cost $11,336,240)		11,580,059
Total Long-Term Investment Securities (cost $298,569,264)		310,623,609
SHORT-TERM INVESTMENT SECURITIES — 12.5%		
U.S. Government Treasuries — 12.5%		
United States Treasury Bills		
0.06% due 08/04/11(4)	15,000,000	14,998,245
0.10% due 10/20/11(2)	10,000,000	9,995,490
0.13% due 06/02/11(2)	3,000,000	2,999,667
0.21% due 09/22/11(2)(4)	3,000,000	2,999,022
0.22% due 10/20/11(2)	3,000,000	2,998,209
0.25% due 09/22/11(2)(4)	10,000,000	9,996,740
0.26% due 06/02/11(2)	5,000,000	4,998,844
Total Short-Term Investment Securities (cost $48,975,490)		48,986,217

Security Description	Principal Amount	Value (Note 3)
REPURCHASE AGREEMENTS — 7.7%		
Agreement with State Street Bank & Trust Co., bearing interest at 0.01%, dated 04/29/11, to be repurchased 05/02/11 in the amount of $19,809,017 and collateralized by $19,290,000 of United States Treasury Bills, bearing interest at 0.01% due 07/21/11 and by $900,00 of United States Treasury Notes, bearing interest at 1.38% due 05/15/13 and having an approximate combined value of $20,207,818	$19,809,000	$ 19,809,000
Agreement with State Street Bank & Trust Co., bearing interest at 0.01%, dated 04/29/11, to be repurchased 05/02/11 in the amount of $10,312,780 and collateralized by $10,300,000 of United States Treasury Notes, bearing interest at 1.38% due 05/15/13 having an approximate value of $10,519,877(4)	10,312,772	10,312,772
Total Repurchase Agreements (cost $30,121,772)	30,121,772	30,121,772
TOTAL INVESTMENTS (cost $377,666,526)(1)	99.5%	389,731,598
Other assets less liabilities	0.5	1,779,431
NET ASSETS	**100.0%**	**$391,511,029**

** Consolidated; see Note 2 and Note 11.

* Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. The Portfolio has no right to demand registration of these securities. At April 30, 2011, the aggregate value of these securities was $42,762,890 representing 10.9% of net assets. Unless otherwise indicated these securities are not considered to be illiquid.

(1) See Note 6 for cost of investments on a tax basis.

(2) The security or a portion thereof was pledged as collateral to cover margin requirements for open futures contracts.

(3) Fair valued security. Securities are classified as Level 2 based on the securities valuation inputs; see Note 3.

(4) All or a portion of this security is owned by the SunAmerica Alternative Strategies Cayman Fund, Ltd., which is a whollyowned subsidiary of the SunAmerica Alternative Strategies Fund.

(5) Illiquid security. At April 30, 2011, the aggregate value of these securities was $11,496,000 representing 2.9% of net assets.

(6) Principal amount of security is adjusted for inflation.

FDIC — Federal Deposit Insurance Corporation
GSCI — Goldman Sachs Commodity Index
HFRX — Hedge Fund Research Index
TIPS — Treasury Inflation Protected Securities
FRS — Floating Rate Security

The rates shown on FRS are the current interest rates at April 30, 2011 and unless noted otherwise, the dates shown are the original maturity dates.

Open Futures Contracts

Number of Contracts	Type	Description	Expiration Month	Value at Trade Date	Value at April 30, 2011	Unrealized Appreciation (Depreciation)
194	Long	Australian $ Currency	June 2011	$20,040,120	$21,171,220	$ 1,131,100
100	Long	British Pound Currency	June 2011	10,034,456	10,438,125	403,669
475	Long	CBOE Volatility Index	May 2011	7,962,500	7,932,500	(30,000)
88	Long	Cotton No. 2(4)	December 2011	6,004,360	5,760,920	(243,440)
55	Short	EURO FX Currency	June 2011	9,669,250	10,188,750	(519,500)
673	Short	EURO STOXX Bank Index	June 2011	8,062,967	8,502,824	(439,857)
34	Long	Gas Oil(4)	September 2011	3,469,375	3,547,050	77,675
27	Long	Gasoline RBOB(4)	December 2011	2,450,188	3,457,907	1,007,719
25	Long	Heating Oil(4)	December 2011	2,533,801	3,534,510	1,000,709
243	Short	Mexican Peso Currency	June 2011	10,058,887	10,524,938	(466,051)
91	Short	Nasdaq 100 E-Mini Index	June 2011	4,150,350	4,369,365	(219,015)
40	Long	Natural Gas(4)	January 2012	2,061,240	2,110,400	49,160
75	Short	Nickel(4)	June 2011	11,915,100	12,083,400	(168,300)
75	Long	Nickel(4)	June 2011	12,033,000	12,083,400	50,400
66	Long	Platinum(4)	July 2011	5,976,020	6,156,150	180,130
65	Short	Russell 2000 Mini Index	June 2011	5,154,150	5,615,350	(461,200)
610	Long	S&P 500 E-Mini Index	June 2011	39,343,750	41,470,850	2,127,100
115	Long	S&P MidCap 400 E-Mini Index	June 2011	10,859,980	11,655,250	795,270
9	Short	Silver(4)	July 2011	2,202,075	2,186,955	15,120
115	Long	Soybean(4)	July 2011	7,948,462	8,015,500	67,038
560	Short	STOXX 600 Bank Index	June 2011	8,075,489	8,306,882	(231,393)
94	Short	U.S. Treasury 10 Year Notes	June 2011	11,309,375	11,387,219	(77,844)
54	Short	U.S. Treasury Long Bonds	June 2011	6,578,719	6,608,250	(29,531)
118	Short	U.S. Ultra Bond	June 2011	14,558,437	14,853,250	(294,813)
265	Long	Wheat (CBT)(4)	July 2011	10,677,363	10,616,563	(60,800)
64	Long	WTI Crude(4)	August 2011	7,088,950	7,341,440	252,490
150	Short	Zinc(4)	May 2011	8,520,938	8,394,375	126,563
150	Long	Zinc(4)	May 2011	9,580,238	8,394,375	(1,185,863)
						$ 2,856,536

The following is a summary of the inputs used to value the Fund's net assets as of April 30, 2011 (see Note 3):

	Level 1 — Unadjusted Quoted Prices	Level 2 — Other Observable Inputs	Level 3 — Significant Unobservable Inputs	Total
ASSETS:				
Long-Term Investment Securities:				
U.S. Corporate Bonds & Notes	$ —	$ 1,514,473	$—	$ 1,514,473
Commodity Index-Linked Notes	—	42,762,890	—	42,762,890
Hedge Fund Index-Linked Notes	—	11,496,000	—	11,496,000
U.S Government Agencies	—	230,002,583	—	230,002,583
U.S. Government Treasuries	—	13,267,604	—	13,267,604
Exchange Traded Funds	11,580,059	—	—	11,580,059
Short-Term Investment Securities:				
U.S. Government Treasuries	—	48,986,217	—	48,986,217
Repurchase Agreements	—	30,121,772	—	30,121,772
Other Financial Instruments@				
Open Futures Contracts — Appreciation	7,284,143	—	—	7,284,143
Total	$18,864,202	$378,151,539	$—	$397,015,741
LIABILITIES:				
Other Financial Instruments@				
Open Futures Contracts — Depreciation	$ 4,427,607	$ —	$—	$ 4,427,607

@ Other financial instruments are derivative instruments not reflected in the Portfolio of Investments, such as futures, forward and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

Note 1. Organization

SunAmerica Specialty Series (the "Trust") is registered under the Investment Company Act of 1940, as amended, (the "1940 Act") as an open-end management investment company and is organized as a Delaware Statutory Trust. The Trust consists of three different investment funds (each, a "Fund" and collectively, the "Funds") as of April 30, 2011. Each Fund is managed by SunAmerica Asset Management Corp. (the "Adviser" or "SunAmerica"). An investor may invest in one or more of the following Funds: 2020 High Watermark Fund and SunAmerica Alternative Strategies Fund (the "Alternative Strategies Fund"). The 2015 High Watermark Fund (together with the 2020 High Watermark Fund, the "High Watermark Funds") was voluntarily closed to new investments effective as of the close of business on February 12, 2010. The High Watermark Funds have the same investment goals and investment strategy, but have a different protected maturity date ("Protected Maturity Date"). The Protected Maturity Date for each of these Funds is: 2015 High Watermark Fund — August 31, 2015; 2020 High Watermark Fund — August 31, 2020.

The Funds are considered to be separate entities for financial and tax reporting purposes. The investment objective and principal investment techniques for each Fund are as follows:

Each High Watermark Fund seeks capital appreciation to the extent consistent with the preservation of capital investment gains in order to have a net asset value ("NAV") on its Protected Maturity Date at least equal to the protected high watermark value ("Protected High Watermark Value"). Each Fund seeks high total return as a secondary objective. The Protected High Watermark Value for a High Watermark Fund is the highest NAV per share attained, (i) reduced by an amount that is proportionate to the sum of all dividends and distributions paid by the High Watermark Fund subsequent to the time that the highest NAV was achieved, (ii) reduced by extraordinary expenses, if any, and (iii) increased by appreciation in share value to the extent such appreciation exceeds this adjusted share value subsequent to the last paid dividend or distribution. Each High Watermark Fund's undertaking (the "Payment Undertaking") that shareholders in the High Watermark Fund will be entitled to redeem their shares on the Protected Maturity Date for the Protected High Watermark Value is backed by a master agreement between the Trust, on behalf of the High Watermark Funds, and Prudential Global Funding, LLC ("PGF"), under which PGF will pay to each High Watermark Fund any shortfall between its Protected High Watermark Value and the actual NAV per share on the High Watermark Fund's Protected Maturity Date, provided certain conditions are met.

If the NAV of a High Watermark Fund at its Protected Maturity Date is insufficient to satisfy the Payment Undertaking, a shareholder's ability to receive the Protected High Watermark Value will depend on the High Watermark Fund's ability to collect the difference under the Master Agreement with PGF. A shareholder's ability to rely on the Master Agreement is subject to certain conditions and restrictions that may reduce, or eliminate, the High Watermark Funds' ability to meet the Payment Undertaking.

The High Watermark Funds are subject to conditions of the Master Agreement that require Trajectory Asset Management LLC ("Trajectory"), the High Watermark Funds' subadviser, to provide certain information to PGF on a daily basis and to follow certain parameters and proprietary mathematical formulae in making investment allocation decisions. These limitations are designed to reduce, but do not eliminate, the risk that the High Watermark Funds' assets will be insufficient to allow a High Watermark Fund to redeem shares at not less than the Protected High Watermark Value on its Protected Maturity Date.

While Trajectory intends to meet all obligations under the Master Agreement, a failure to meet the commercially negotiated terms could permit PGF to cancel the Master Agreement and thus terminate its obligations to make any payment to the High Watermark Fund if a shortfall exists to the Payment Undertaking on the Protected Maturity Date. In this event, shareholders will not receive the Protected High Watermark Value but instead will receive the High Watermark Fund's then-current net asset value when they redeem their shares, which may be lower than the Protected High Watermark Value and lower than the shareholder's initial investment.

If a High Watermark Fund has irrevocably allocated its assets to the fixed income portfolio, it will close to new share issuances. As described under Note 4, SunAmerica has contractually agreed to reduce its fees in the event that a High Watermark Fund becomes completely invested in fixed income securities. However, if this reduction in fees is not sufficient to reduce total annual operating expenses to an extent that they are covered by the current yield on the High Watermark Fund's fixed income securities, and the High Watermark Fund is within three years of its Protected Maturity Date, that date will be accelerated and the Trust's Board of Trustees will consider appropriate action under all of the circumstances as described below. PGF may, however, permit the High Watermark Fund to hold a higher proportion of its assets in obligations of U.S. government agencies and instrumentalities (which generally pay higher rates of interest than direct obligations of the U.S. Treasury) in order to avoid this circumstance.

Under the Master Agreement, if certain low interest rate conditions occur and a High Watermark Fund is within three years of its initial Protected Maturity Date, the High Watermark Fund can terminate early. If a High Watermark Fund terminates early under these circumstances, the High Watermark Fund's Protected High Watermark Value will be accelerated and shareholders will receive the benefit of the Protected High Watermark Value. Thereafter, the Trust's Board of Trustees will consider appropriate action under all of the circumstances. These actions could include liquidating the High Watermark Fund or continuing to operate the High Watermark Fund and pursuing a strategy other than the High Watermark Strategy. Shareholders will receive 30 days' written notice of any shareholder distribution of liquidation proceeds or other action following a Protected Maturity Date or Early High Watermark Fund Termination.

Please refer to the High Watermark Funds' prospectus for additional details concerning the calculation of the Protected High Watermark Value, the Payment Undertaking, Master Agreement and the early closure and termination conditions.

The Alternative Strategies Fund seeks to provide long-term total return by utilizing an actively managed quantitative investment process to provide exposure to a diversified portfolio of alternative, or non-traditional, investment strategies and asset classes, and by investing in U.S. Government Securities and other fixed income securities.

Each Fund is a "diversified" Fund within the meaning of the 1940 Act.

Each Fund offers multiple classes of shares of beneficial interest. The classes within each Fund are presented in the Statement of Assets and Liabilities. The cost structure for each class is as follows:

Class A shares are offered at net asset value per share plus an initial sales charge. Additionally, any purchases of Class A shares in excess of $1,000,000 will be purchased at net asset value but will be subject to a contingent deferred sales charge on redemptions made within two years of purchase.

Class C shares are offered at net asset value and may be subject to a contingent deferred sales charge on redemptions made within 12 months of purchase. Class C shares of the High Watermark Funds will convert automatically to Class A shares approximately eight years after purchase and at such time will be subject to the lower distribution fee applicable to Class A shares.

Class I shares are offered at net asset value per share. The class is offered exclusively to participants in certain employee retirement plans and other programs.

Class W shares are offered at net asset value per share. The class is offered exclusively through advisory fee-based programs sponsored by certain financial intermediaries and other programs.

Each class of shares bears the same voting, dividend, liquidation and other rights and conditions, except as may otherwise be provided in the Funds' registration statement. Class A and Class C shares make distribution and account maintenance fee payments under a distribution plan pursuant to Rule 12b-1 under the 1940 Act except that Class C shares are subject to higher distribution fee rates. Class I shares and Class W shares have not adopted 12b-1 Plans and make no payments there under, however, Class I shares and Class W shares pay a service fee to the Funds' distributor for administrative and shareholder services (see Note 4).

Indemnifications: The Trust's organizational documents provide current and former officers and trustees with a limited indemnification against liabilities arising out of the performance of their duties to the Trust. In addition, pursuant to

Indemnification Agreements between the Trust and each of the current trustees who is not an "interested person," as defined in Section 2(a)(19) of the 1940 Act, of the Trust (collectively, the "Disinterested Trustees"), the Trust provides the Disinterested Trustees with a limited indemnification against liabilities arising out of the performance of their duties to the Trust, whether such liabilities are asserted during or after their service as trustees. In addition, in the normal course of business the Trust enters into contracts that contain the obligation to indemnify others. The Trust's maximum exposure under these arrangements is unknown. Currently, however, the Trust expects the risk of loss to be remote.

Note 2. Basis for consolidation for the SunAmerica Alternative Strategies Cayman Fund, Ltd.

The SunAmerica Alternative Strategies Cayman Fund, Ltd. (the "Subsidiary"), a Cayman Islands exempted company, was incorporated on October 20, 2008, and is a wholly-owned subsidiary of the Alternative Strategies Fund. The Subsidiary was organized as a wholly-owned subsidiary of the Alternative Strategies Fund in order to effect certain investments on behalf of the Alternative Strategies Fund consistent with the investment objectives and policies in the Alternative Strategies Fund's prospectus and statement of additional information. With respect to its investments, the Subsidiary will generally be subject to the same fundamental, non-fundamental and certain other investment restrictions as the Alternative Strategies Fund; however, the Subsidiary (unlike the Alternative Strategies Fund) may invest without limitation in commodity-linked swap agreements and other commodity-linked and hedge fund-linked derivative instruments that may otherwise be limited if purchased by the Alternative Strategies Fund due to federal tax requirements relating to qualifying income. The Alternative Strategies Fund and Subsidiary may test for compliance with certain investment restrictions on a consolidated basis, except that with respect to its investment in certain securities that may involve leverage, the Subsidiary will comply with asset segregation or "earmarking" requirements to the same extent as the Alternative Strategies Fund. The Alternative Strategies Fund may invest up to 25% of its assets in the Subsidiary. As of April 30, 2011, net assets of the Alternative Strategies Fund were $391,511,029 of which approximately $92,627,949, or approximately 23.7%, represented the Alternative Strategies Fund's ownership of all issued shares and voting rights of the Subsidiary.

Note 3. Significant Accounting Policies

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates and those differences could be significant. The following is a summary of the significant accounting policies consistently followed by the Funds in the preparation of their financial statements:

Security Valuations: Stocks are generally valued based upon closing sales prices reported on recognized securities exchanges for which the securities are principally traded. Stocks listed on the NASDAQ are valued using the NASDAQ Official Closing Price ("NOCP"). Generally, the NOCP will be the last sale price unless the reported trade for the stock is outside the range of the bid/ask price. In such cases, the NOCP will be normalized to the nearer of the bid or ask price. For listed securities having no sales reported and for unlisted securities, such securities will be valued based upon the last reported bid price.

Non-convertible bonds and debentures, other long-term debt securities, and short term debt securities with maturities in excess of 60 days, are valued at bid prices obtained for the day of valuation from a bond pricing service, when such prices are available. The pricing services may use valuation models or matrix pricing which considers information with respect to comparable bond and note transactions, quotations from bond dealers, or by reference to other securities that are considered comparable in such characteristics as rating, interest rate, and maturity date, option adjusted spreads models, prepayments projections, interest rate spreads, and yield curves to determine current value. If a vendor quote is unavailable the securities may be priced at the mean of two independent quotes obtained from brokers.

Short-term securities with 60 days or less to maturity are amortized to maturity based on their cost to the Fund if acquired within 60 days of maturity or, if already held by the Fund on the 60th day, are amortized to maturity based on the value determined on the 61st day.

Future contracts and options traded on national securities exchanges are valued as of the close of the exchange upon which they trade. Other securities are valued on the basis of last sale or bid price (if a last sale price is not available) in what is, in the opinion of the Adviser or subadviser, the broadest and most representative market, that may be either a securities exchange or over-the-counter market.

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end of day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Securities for which market quotations are not readily available or if a development/significant event occurs that may significantly impact the value of the security, then these securities are valued, as determined pursuant to procedures adopted in good faith by the Board of Trustees. There is no single standard for making fair value determinations, which may result in prices that vary from those of other funds.

Various inputs are used in determining the value of the Funds' investments. These inputs are summarized in the three broad levels listed below:

Level 1 — Unadjusted quoted prices in active markets for identical securities
Level 2 — Other significant observable inputs (includes quoted prices for similar securities, interest rates, prepayment speeds, credit risk, referenced indicies, quoted prices in inactive markets, adjusted quoted prices in active markets, adjusted quoted prices on foreign equity securities that were adjusted in accordance with pricing procedures approved by the Board, etc.)
Level 3 — Significant unobservable inputs (including inputs that reflect the Funds' own assumptions about the assumptions market participants would use in pricing the security, developed based on the best information available under the circumstances.)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of the inputs used to value the Funds' net assets as of April 30, 2011 are reported on a schedule following the Portfolio of Investments.

Derivative Instruments:

The following tables represent the value of derivatives held as of April 30, 2011, by their primary underlying risk exposure and respective location on the Statement of Assets and Liabilities and the effect of derivatives on the Statement of Operations for the period ended April 30, 2011:

2015 High Watermark Fund

	Asset Derivatives		Liability Derivatives	
Derivative Contracts(1)	**Statements of Assets and Liabilities Location**	**Value**	**Statements of Assets and Liabilities Location**	**Value**
Equity Contracts(2)(3)	Variation margin on futures contracts	$240	Variation margin on futures contracts	$—

Derivative Contracts(1)	**Location of Gain (Loss) on Derivatives Recognized in Statement of Operations**	**Realized Gain (Loss) on Derivatives Recognized in Statement of Operations**	**Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Statement of Operations**
Equity contracts(2)	Net realized gain (loss) on futures contracts and written options contracts/Change in unrealized appreciation (depreciation) on futures contracts and written options contracts	$9,764	$(285)

(1) The Fund's derivative contracts held during the six months ended April 30, 2011 are not accounted for as hedging instruments under accounting principles generally accepted in the United States of America.
(2) The average value outstanding for equity futures contracts was $64,348.
(3) The variation margin on futures contracts is included in the cumulative unrealized appreciation (depreciation) of $3,453 as reported in the Portfolio of Investments.

2020 High Watermark Fund

	Asset Derivatives		Liability Derivatives	
Derivative Contracts(1)	**Statements of Assets and Liabilities Location**	**Value**	**Statements of Assets and Liabilities Location**	**Value**
Equity Contracts(2)(3)	Variation margin on futures contracts	$240	Variation margin on futures contracts	$—

Derivative Contracts(1)	**Location of Gain (Loss) on Derivatives Recognized in Statement of Operations**	**Realized Gain (Loss) on Derivatives Recognized in Statement of Operations**	**Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Statement of Operations**
Equity contracts(2)	Net realized gain (loss) on futures contracts and written options contracts/Change in unrealized appreciation (depreciation) on futures contracts and written options contracts	$9,764	$(285)

(1) The Fund's derivative contracts held during the six months ended April 30, 2011 are not accounted for as hedging instruments under accounting principles generally accepted in the United States of America.
(2) The average value outstanding for equity futures contracts was $64,348.
(3) The variation margin on futures contracts is included in the cumulative unrealized appreciation (depreciation) of $3,453 as reported in the Portfolio of Investments.

SunAmerica Alternative Strategies Fund

	Asset Derivatives		Liability Derivatives	
Derivative Contracts(1)	**Statements of Assets and Liabilities Location**	**Value**	**Statements of Assets and Liabilities Location**	**Value**
Equity Contracts(2)(3)	Variation margin on futures contracts	$—	Variation margin on futures contracts	$ (77,820)
Interest Rate Contracts(2)(3)	Variation margin on futures contracts	—	Variation margin on futures contracts	(16,010)
Commodity Contracts(2)(3)	Variation margin on futures contracts	—	Variation margin on futures contracts	255,412
		$—		$161,582

Derivative Contracts(1)	**Location of Gain (Loss) on Derivatives Recognized in Statement of Operations**	**Realized Gain (Loss) on Derivatives Recognized in Statement of Operations**	**Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Statement of Operations**
Equity contracts(2)	Net realized gain (loss) on futures contracts and written options contracts/Change in unrealized appreciation (depreciation) on futures contracts and written options contracts	8,275,215	(606,883)
Interest Rate Contracts(2)	Net realized gain (loss) on futures contracts and written options contracts/Change in unrealized appreciation (depreciation) on futures contracts and written options contracts	(1,038,774)	(296,679)
Commodity Contracts(2)	Net realized gain (loss) on futures contracts and written options contracts/Change in unrealized appreciation (depreciation) on futures contracts and written options contracts	11,397,356	(2,918,081)
		$18,633,797	$(3,821,643)

(1) The Fund's derivative contracts held during the six months ended April 30, 2011 are not accounted for as hedging instruments under accounting principles generally accepted in the United States of America.
(2) The average value outstanding for equity futures, interest rate futures, commodity futures and written options contracts were $83,415,199, $56,551,527, $88,311,651 and $378,958, respectively.
(3) The variation margin on futures contracts is included in the cumulative unrealized appreciation (depreciation) of $2,856,536 as reported in the Portfolio of Investments.

Futures Contracts. The 2015 High Watermark Fund and the 2020 High Watermark Fund (each, a "High Watermark Fund" and collectively, the "High Watermark Funds") may invest in exchange traded S&P 500 Index futures to generate equity market exposures. During the six months period ended April 30, 2011, the High Watermark Funds invested in exchange traded S&P 500 Index futures to generate equity market exposures. The Alternative Strategies Fund expects to enter into futures transactions for investment purposes in commodities futures, currency/interest rate futures and equity index futures, and may take either a long or short position in a futures transaction. The Alternative Strategies Fund may also enter into futures transactions for hedging purposes. During the six months period ended April 30, 2011, the Alternative Strategies Fund entered into futures transactions for investment purposes in commodities futures, currency and interest rate futures and equity index futures, and took long and short positions in futures transactions. During this same period, the Alternative Strategies Fund also entered into futures transactions for hedging purposes.

Futures contracts are reported on a schedule following the Portfolio of Investments. As of April 30, 2011, the following Funds had open futures contracts: 2015 High Watermark Fund, 2020 High Watermark Fund and Alternative Strategies Fund.

A futures contract is generally a standardized, transferable, exchange-traded contract that requires delivery of a commodity, bond, currency, stock index, or other underlying reference asset at a set price on a future date. Upon entering into a futures transaction, a Fund will be required to segregate an initial margin payment of cash or other liquid securities with the Futures Commission Merchant (the "broker"). Pursuant to a Futures contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as "variation margin" and are recorded by the Funds as unrealized appreciation or depreciation. When a contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The primary risk to the High Watermark Funds of entering into futures contracts is market risk. The risks associated with the Alternative Strategies Fund's use of futures include the risk that the changes in the price of a futures contract may not always track the changes in market value of the underlying reference asset and that losses caused by sudden, unanticipated market movements may be potentially unlimited. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin. There may also be trading restrictions or limitations imposed by an exchange, and government regulations may restrict trading in futures contracts. While the Funds 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, a Fund may be unable to close out its futures contracts at a time which is advantageous. There is generally minimal counterparty credit risk to the Funds since the futures are exchange traded.

Options. Certain Funds may enter into option contracts for various purposes, including to facilitate trading, increase or decrease a Fund's market exposure, to seek higher investment returns, to seek protection against a decline in the value of a Fund's securities or an increase in prices of securities that may be purchased, or to generate income. During the period ended April 30, 2011, the SunAmerica Alternative Strategies Fund used option contracts to decrease the Fund's market exposure, to seek higher investment returns, and to seek protection against a decline in the value of the Fund's securities or an increase in prices of securities that may be purchased. As of April 30, 2011, none of the Funds had open option contracts.

An option is a contract conveying a right to buy or sell a financial instrument at a specified price during a stipulated period. When a Fund writes a call or a put option, it receives a premium which is equal to the current market value of the option written. The premiums on written options are recorded as a liability on the Statement of Assets and Liabilities. If a Fund purchases a call or a put option, it pays a premium which reflects the current market value of the option and which is included on the Fund's Statement of Assets and Liabilities as an investment. The option position is marked to market daily and its value fluctuates based upon the value of the underlying financial instrument, time to expiration, cost of borrowing funds, and volatility of the value of the underlying financial instrument. If an option which the Fund has written either expires on its stipulated expiration date, or if the Fund enters into a closing purchase transaction, the Fund realizes a gain (or loss if the cost of a closing purchase transaction exceeds the premium received when the option was written) without regard to any unrealized gain or loss on the underlying security, and the liability related to such options is extinguished. If a call option which the Fund has written is exercised, the Fund realizes a gain or loss from the sale of the underlying security and the proceeds from such sale are increased by the premium originally received. If a put option which the Fund has written is exercised, the amount of the premium originally received reduces the cost of the security which the Fund purchased upon exercise of the option. Options may be traded on a national securities exchange or in the over-the-counter (OTC) market.

Risks to the Funds of entering into option contracts include credit risk, market risk and, with respect to OTC options, illiquidity risk. Credit risk arises from the potential inability of counterparties to meet the terms of their contracts. If the counterparty defaults, the Fund's loss will consist of the net amount of contractual payments that the Fund has not yet received. Market risk is the risk that there will be an unfavorable change in the value of the underlying securities. There is also the risk the Fund may not be able to enter into a closing transaction because of an illiquid market. In addition, unlisted options are not traded on an exchange and may not be as actively traded as listed options, making the valuation of such securities more difficult. An unlisted option also entails a greater risk that the party on the other side of the option transaction may default, which would make it impossible to close out an unlisted option position in some cases, and profits related to the transaction lost thereby.

Transactions in options written during the six months ended April 30, 2011 are summarized as follows:

	Alternative Strategies Fund	
	Number of Contracts	Premiums Received
Options outstanding at October 31, 2010	707	$ 1,720,840
Options written	—	—
Options terminated in closing purchase transactions	(658)	(1,529,530)
Options expired	—	—
Options exercised	(49)	(191,310)
Options outstanding at April 30, 2011	—	$ —

Commodity-Linked and Hedge Fund-Linked Notes. The Alternative Strategies Fund may invest in commodity-linked derivative instruments, including commodity-linked notes linked to broad-based commodity indexes, in order to gain exposure to the commodities markets. By investing in these derivative instruments, the Alternative Strategies Fund seeks to gain exposure to the returns of real assets that trade in the commodities markets without direct investment in physical commodities. The Alternative Strategies Fund will not invest directly in commodities. During the period ended April 30, 2011, the Alternative Strategies Fund invested in commodity-linked notes in order to gain exposure to the commodities markets.

Commodity-linked derivatives are derivative instruments, the value of which is primarily linked to the price movement of a commodity, commodity index or commodity futures or option contract. A commodity-linked note is a derivative instrument that has characteristics of a debt security and of a commodity-linked derivative. It typically provides for interest payments and a principal payment at maturity linked to the price movement of a commodity, commodity index or commodity futures or option contract.

The Alternative Strategies Fund may also invest in hedge fund-linked derivative instruments, including hedge fund-linked notes linked to a hedge fund index, in order to gain a broad-based exposure to hedge funds. The Alternative Strategies Fund will not invest directly in hedge funds. During the period ended April 30, 2011, the Alternative Strategies Fund invested in hedge fund-linked notes in order to gain exposure to hedge funds.

Hedge fund linked derivatives are derivative instruments, of which, the value, principal payment and interest payments are primarily linked to the price movement of a hedge fund, hedge fund index or hedge fund futures or option contract.

The commodity and hedge fund-linked derivative instruments in which the Alternative Strategies Fund may invest have substantial risks, including risk of loss of a significant portion of their principal value. Commodity and hedge fund-linked derivative instruments may be more volatile and less liquid than the underlying instruments and their value will be affected by the performance of the commodity markets or underlying hedge funds, as the case may be, as well as economic and other regulatory or political developments, overall market movements and other factors, including potential defaults by counterparties on their obligations to perform under these instruments. Typically, the return of the commodity-linked and hedge fund-linked notes will be based on some multiple of the performance of an index. The multiple (or leverage) will magnify the positive and negative return the Alternative Strategies Fund earns from these notes as compared to the index. Commodity and hedge fund-linked derivative instruments are also subject to credit risk and counterparty risk. Credit risk is the risk that the issuer might not pay interest when due or repay principal at maturity of the obligation. Counterparty risk is the risk that the Fund will be exposed to the credit of the counterparties to derivative contracts and its ability to satisfy the terms of the agreements, which exposes the Fund to the risk that the counterparties may default on their obligations to perform under the terms of the agreements.

Repurchase Agreements: For repurchase agreements, the Funds' custodian takes possession of the collateral pledged for investments in such repurchase agreements. The underlying collateral is valued daily on a mark to market basis, plus accrued interest, to ensure that the value, at the time the agreement is entered into, is equal to at least 102% of the repurchase price, including accrued interest. In the event of default of the obligation to repurchase, a Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

Securities Transactions, Investment Income, Expenses, Dividends and Distributions to Shareholders: Securities transactions are recorded on a trade date basis. Realized gains and losses on sales of investments are calculated on the identified cost basis. Interest income, is accrued daily except when collection is not expected. For financial statement purposes, the Funds amortize all premiums and accrete all discounts on fixed income securities.

Expenses common to all Funds, not directly related to individual Funds are allocated among the Funds based on relative net assets or other appropriate methods. In all other respects, expenses are charged to each Fund as incurred on a specific identification basis. Interest earned on cash balances held at the custodian are shown as custody credits on the Statement of Operations.

Net investment income, other than class specific expenses, and realized and unrealized gains and losses are allocated daily to each class of shares based upon the relative net asset value of outstanding shares (or the value of dividend-eligible shares, as appropriate) of each class of shares at the beginning of the day (after adjusting for the current capital share activity of the respective class).

Dividends from net investment income and capital gain distributions, if any, are paid annually. The Funds record dividends and distributions to their shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts at fiscal year end based on their federal tax-basis treatment; temporary differences do not require reclassification. Net investment income/loss, net realized gain/loss and net assets are not affected by these reclassifications.

Each Fund intends to comply with the requirements of the Internal Revenue Code, as amended, applicable to regulated investment companies and to distribute all of their net income (taxable) and capital gains to their shareholders. Therefore, no federal tax provision is required. Each Fund is considered a separate entity for tax purposes.

The Funds file U.S. federal and certain state income tax returns. With few exceptions, the Funds are no longer subject to U.S. federal and state tax examinations by tax authorities for tax returns ending before 2007.

Note 4. Investment Advisory and Management Agreements, Distribution and Service Agreements

The Trust, on behalf of the High Watermark Funds and Alternative Strategies Fund, has entered into Investment Advisory and Management Agreements (the "Agreements") with SunAmerica. Under the Agreements, SunAmerica provides continuous supervision of each Fund's portfolio and administrative affairs, subject to general review by the Board. In connection therewith, SunAmerica furnishes the Funds with office facilities, maintains certain of the Funds' books and records, pays the salaries and expenses of all personnel, including officers of the Funds who are employees of SunAmerica and its affiliates and oversees the performance of services provided to the Funds by third parties. The investment advisory and management fee paid to SunAmerica with respect to High Watermark Funds and Alternative Strategies Fund are computed daily and payable monthly and are as follows: 0.65% of the average daily net assets of the High Watermark Funds and 1.00% of the average daily net assets of the Alternative Strategies Fund. If a High Watermark Fund's portfolio becomes completely and irreversibly invested in fixed income securities, the management fees for the Fund will be reduced to 0.40% for the remainder of the investment period.

The Subsidiary has entered into a separate contract with SunAmerica whereby SunAmerica provides investment advisory and other services to the Subsidiary. In consideration of these services, the Subsidiary pays SunAmerica a management fee at the annual rate of 1.00% of average daily net assets of the Subsidiary. SunAmerica has contractually agreed to waive the management fee it receives from the Alternative Strategies Fund in an amount equal to the management fee paid by the

Subsidiary to SunAmerica (the "Subsidiary management fee waiver"). This waiver may not be terminated by SunAmerica, and will remain in effect for as long as SunAmerica's contract with the Subsidiary is in place. For the period ended April 30, 2011, the amount of advisory fees waived was $453,932.

Pursuant to the Subadvisory Agreement between SunAmerica, Trajectory and the Trust (the "High Watermark Subadvisory Agreement"), SunAmerica has delegated portfolio management responsibilities to Trajectory. Trajectory's fee will be 43% of the net management fee. The term "net management fee" means the gross management fee less any fund waivers and/or reimbursement made by SunAmerica. SunAmerica has agreed to pay Trajectory a minimum annual fee equal to 0.25% and 0.20%, respectively, of the 2015 and 2020 High Watermark Fund's average daily net assets, accrued daily and payable monthly (the "Minimum Fee"). The Minimum Fee will continue in effect for successive annual periods ending October 31, upon mutual agreement of SunAmerica and Trajectory, and subject to approval by the Board, including a majority of Trustees who are not parties to the High Watermark Subadvisory Agreement or interested persons of any such party. Payments to Trajectory for its services are made by SunAmerica, not by the Funds. The continuation of the Minimum Fee was most recently approved at the June 14, 2011 board meeting to continue in effect until October 31, 2012.

Pursuant to the Subadvisory Agreement between SunAmerica and Pelagos Capital Management, LLC ("Pelagos") (the "Alternative Strategies Subadvisory Agreement"), SunAmerica has delegated portfolio management responsibilities of Alternative Strategies Fund to Pelagos. Pelagos' fee will be 0.40% of the average daily net assets of the Fund. Payments to Pelagos for its services are made by SunAmerica, not by the Fund. Pelagos has contractually agreed to waive the subadvisory fee it receives with respect to the Alternative Strategies Fund in an amount equal to the subadvisory fee paid by SunAmerica to Pelagos with respect to the Subsidiary. This waiver may not be terminated by Pelagos and will remain in effect for as long as Pelagos' contract with the Subsidiary is in place.

SunAmerica has contractually agreed to waive fees and/or reimburse expenses to the extent necessary to cap the Funds' annual Fund operating expense at the following percentages of each Fund's average daily net assets. Annual Fund operating expenses do not include extraordinary expenses as determined under generally accepted accounting principals, or acquired fund fees and expenses. The contractual expense waivers and fee reimbursements will continue indefinitely, subject to termination by the Trustees, including a majority of the Disinterested Trustees. Any contractual waivers and/or reimbursements made by SunAmerica with respect to a Fund, with the exception of the Subsidiary management fee waiver, are subject to recoupment from that Fund for a period of two years after the occurrence of any such waivers or reimbursements, provided that the Fund is able to effect such payment to SunAmerica and remain in compliance with the foregoing expense limitations.

Fund	Percentage
2015 High Watermark Class A	1.65%
2015 High Watermark Class C	2.30
2015 High Watermark Class I	1.18
2020 High Watermark Class A	1.65
2020 High Watermark Class C	2.30
2020 High Watermark Class I	1.18
SunAmerica Alternative Strategies Class A	1.72
SunAmerica Alternative Strategies Class C	2.37
SunAmerica Alternative Strategies Class W	1.52

SunAmerica may also voluntarily waive fees and/or reimburse expenses, including to increase the investment return to the Fund's investors or, with respect to the High Watermark Funds, to prevent an early closure condition from occurring, however, it is under no obligation to do so and may discontinue such voluntary waivers at any time. The exact amount of such waivers and/or reimbursements may change on a day-to-day basis. For the period ended April 30, 2011, SunAmerica voluntarily waived and/or reimbursed expenses in the amount of $536,268, and $54,257 for 2015 High Watermark Fund and 2020 High Watermark Fund, respectively.

For the period ended April 30, 2011, SunAmerica has contractually waived and/or reimbursed expenses as follows:

Fund	Other Expenses Reimbursed
2015 High Watermark	$ 56,686
2020 High Watermark	36,393
SunAmerica Alternative Strategies	—

Fund	Class Specific Expenses Reimbursed
2015 High Watermark Class A	$ 3,700
2015 High Watermark Class C	3,059
2015 High Watermark Class I	23,378
2020 High Watermark Class A	18,083
2020 High Watermark Class C	9,925
2020 High Watermark Class I	33,647
SunAmerica Alternative Strategies Class A	—
SunAmerica Alternative Strategies Class C	3,843
SunAmerica Alternative Strategies Class W	3,041

For the period ended April 30, 2011, the amounts recouped by the Adviser are as follows:

Fund	
SunAmerica Alternative Strategies Class A	$ 27,889
SunAmerica Alternative Strategies Class C	—
SunAmerica Alternative Strategies Class W	—

As of April 30, 2011, the amount of expenses previously waived and/or reimbursed by SunAmerica during the prior two years that remain subject to recoupment are as follows:

Fund	Other Expenses Reimbursed
2015 High Watermark	$ 204,960
2020 High Watermark	101,808
SunAmerica Alternative Strategies	259,073

Fund	Class Specific Expenses Reimbursed
2015 High Watermark Class A	$ 37,492
2015 High Watermark Class C	31,522
2015 High Watermark Class I	151,096
2020 High Watermark Class A	82,443
2020 High Watermark Class C	44,765
2020 High Watermark Class I	130,820
SunAmerica Alternative Strategies Class A	57,944
SunAmerica Alternative Strategies Class C	21,474
SunAmerica Alternative Strategies Class W	20,127

The Trust, on behalf of each Fund, has a Distribution Agreement with SunAmerica Capital Services, Inc. ("SACS" or the "Distributor"), an affiliate of the Adviser. Each Fund has adopted a Distribution Plan on behalf of its Class A shares and Class C shares (each a "Plan" and collectively, the "Plans") in accordance with the provisions of Rule 12b-1 under the 1940 Act, hereinafter referred to as the "Class A Plan" and the "Class C Plan." In adopting the Plans, the Trustees determined that there was a reasonable likelihood that each such Plan would benefit the Fund and the shareholders of the respective class. The sales charge and distribution fees of a particular class will not be used to subsidize the sale of shares of any other class.

Under the Class A Plan and Class C Plan, the Distributor receives payments from a Fund at an annual rate of 0.10% and 0.75%, respectively, of average daily net assets of such Fund's Class to compensate the Distributor and certain securities firms for providing sales and promotional activities for distributing that class of shares. The distribution costs for which the Distributor may be compensated for include fees paid to broker-dealers that have sold Fund shares, commissions and other expenses such as those incurred for sales literature, prospectus printing and distribution and compensation to wholesalers. It is possible that in any given year the amount paid to the Distributor under each Plan may exceed the Distributor's distribution costs as described above. The Plans further provide that the Class A and Class C shares of each Fund shall pay the Distributor an account maintenance fee up to an annual rate of 0.25% of the average daily net assets of such class of shares for payments to broker-dealers for providing account maintenance activities. Accordingly, for the period ended April 30, 2011, SACS received fees (see Statement of Operations) based upon the aforementioned rates.

The Trust, on behalf of each High Watermark Fund, has entered into an Administrative and Shareholder Services Agreement with SACS, pursuant to which SACS is paid an annual fee of 0.25% of average daily net assets of Class I shares as compensation for providing administrative and shareholder services to Class I shareholders. For the period ended April 30, 2011, SACS earned fees (see Statement of Operations) based upon the aforementioned rates.

The Trust, on behalf of the Alternative Strategies Fund, has entered into an Administrative and Shareholder Services Agreement with SACS, pursuant to which SACS is paid an annual fee of 0.15% of average daily net assets of Class W shares as compensation for providing administrative and shareholder services to Class W shareholders. For the period ended April 30, 2011, SACS earned fees (see Statement of Operations) based upon the aforementioned rates.

SACS receives sales charges on each Fund's Class A shares, portions of which are reallocated to affiliated broker-dealers and non-affiliated broker-dealers. SACS also receives the proceeds of contingent deferred sales charges paid by investors in connection with certain redemptions of each Fund's Class A and Class C shares. SACS has advised the Funds that for the period ended April 30, 2011, the proceeds received from sales (and paid out to affiliated and non-affiliated broker-dealers) and redemptions are as follows:

	Class A			Class A	Class C
Fund	**Sales Charges**	**Affiliated Broker-dealers**	**Non-affiliated Broker-dealers**	**Contingent Deferred Sales Charges**	**Contingent Deferred Sales Charges**
2015 High Watermark	$ 268	$ —	$ 168	$—	$ 883
2020 High Watermark	40,297	16,917	17,273	—	37
SunAmerica Alternative Strategies	199,879	34,929	138,629	2	3,263

The Trust has entered into a Service Agreement with SunAmerica Fund Services, Inc. ("SAFS"), an affiliate of the Adviser. Under the Service Agreement SAFS performs certain shareholder account functions by assisting the Funds' transfer agent in connection with the services that it offers to the shareholders of the Funds. The Service Agreement, which permits the Funds to compensate SAFS for services rendered based upon an annual rate of 0.22% of average daily net assets, is approved annually by the Trustees. For the period ended April 30, 2011, the Funds incurred the following expenses which are included in transfer agent fees and expenses in the Statement of Operations to compensate SAFS pursuant to the terms of the Service Agreement.

Fund	**Expenses**	**Payable at April 30, 2011**
2015 High Watermark Class A	$ 93,728	$14,741
2015 High Watermark Class C	75,882	11,323
2015 High Watermark Class I	26,014	4,021
2020 High Watermark Class A	36,305	5,836
2020 High Watermark Class C	16,786	2,704
2020 High Watermark Class I	16,477	2,650
SunAmerica Alternative Strategies Class A	345,256	57,325
SunAmerica Alternative Strategies Class C	35,458	6,309
SunAmerica Alternative Strategies Class W	30,686	6,019

At April 30, 2011, The Variable Annuity Life Insurance Company, an affiliate of SunAmerica, owned 99.99% and 98.64% of the outstanding shares of the 2015 High Watermark Fund Class I and the 2020 High Watermark Fund Class I, respectively.

At April 30, 2011, the following affiliates owned a percentage of the outstanding shares of the Alternative Strategies Fund: Focused Balanced Strategy Portfolio and Focused Multi-Asset Strategy Portfolio, each a series of SunAmerica Series, Inc., owned 9.16% and 37.74% of the Class A shares, respectively.

On September 22, 2008, American International Group, Inc. ("AIG"), the ultimate parent of SAAMCo., entered into a revolving credit facility ("FRBNY Credit Facility") with the Federal Reserve Bank of New York ("NY Fed"). In connection with the FRBNY Credit Facility, on March 4, 2009, AIG issued its Series C Perpetual, Convertible, Participating Preferred Stock (the "Series C Preferred Stock") to the AIG Credit Facility Trust, a trust established for the sole benefit of the United States Treasury (the "Trust"). The Series C Preferred Stock was entitled to approximately 77.8% of the voting power of AIG's outstanding stock.

On January 14, 2011, AIG completed a series of previously announced integrated transactions (the "Recapitalization") to recapitalize AIG. In the Recapitalization, AIG repaid the NY Fed approximately $21 billion in cash, representing all amounts owing under the FRBNY Credit Facility and the facility was terminated. Also as part of the Recapitalization, (i) the Series C Preferred Stock was exchanged for shares of AIG Common Stock, which was then transferred to the U.S. Department of the Treasury, and the Trust, which had previously held all shares of the Series C Preferred Stock, was terminated, and, (ii) AIG's Series E Preferred Shares and Series F Preferred Shares were exchanged for shares of AIG Common Stock and a new Series G Preferred Shares (which functions as a $2 billion commitment to provide funding that AIG will have the discretion and option to use). As a result of the Recapitalization, the United States Treasury held a majority of outstanding shares of AIG Common Stock.

Note 5. Purchases and Sales of Investment Securities

The cost of purchases and proceeds from sales and maturities of long-term investments during the period ended April 30, 2011 were as follows:

Fund	Purchases of portfolio securities (excluding U.S. government securities)	Sales of portfolio securities (excluding U.S. government securities)	Purchases of U.S. government securities	Sales of U.S. government securities
2015 High Watermark	$ —	$ —	$ —	$20,445,705
2020 High Watermark	—	—	—	708,390
SunAmerica Alternative Strategies	37,259,120	47,928,563	59,611,804	79,375,306

Note 6. Federal Income Taxes

At April 30, 2011, the amounts of aggregate unrealized gain (loss) and the cost of investment securities for federal tax purposes, including short-term securities and repurchase agreements, were as follows:

	2015 High Watermark Fund	2020 High Watermark Fund	SunAmerica Alternative Strategies Fund
Cost	$154,097,759	$57,231,088	$375,568,662
Appreciation	10,674,639	5,192,412	13,091,715
Depreciation	—	(146,186)	(1,026,643)
Unrealized appreciation (depreciation) — net	$ 10,674,639	$ 5,046,226	$ 12,065,072

The following details the tax basis distributions as well as the components of distributable earnings. The tax basis components of distributable earnings differ from the amounts reflected in the Statement of Assets and Liabilities by temporary book/tax differences primarily due to taxable income from wholly owned foreign subsidiary, wash sales and derivative transactions.

	Distributable Earnings			Tax Distributions	
	For the year ended October 31, 2010				
Fund	Ordinary Income	Long-term Gains/Capital Loss Carryover	Unrealized Appreciation (Depreciation)	Ordinary Income	Long-term Capital Gains
2015 High Watermark	$2,321,618	$(25,062,415)	$17,401,819	$2,948,846	$—
2020 High Watermark	1,037,080	(23,291,430)	8,447,307	1,086,823	—
SunAmerica Alternative Strategies	6,510,343	4,458,931	5,605,608	961,722	—

For Federal income tax purposes, the Funds indicated below have capital loss carryforwards, which expire in the year indicated, as of October 31, 2010, which are available to offset future capital gains, if any:

	Capital Loss Carryforward							
Fund	2011	2012	2013	2014	2015	2016	2017	2018
2015 High Watermark	$—	$—	$—	$—	$—	$25,062,415	$ —	$—
2020 High Watermark	—	—	—	—	—	21,977,005	1,314,425	—
SunAmerica Alternative Strategies	—	—	—	—	—	—	—	—

Note 7. Capital Share Transactions

Transactions in capital shares of each class of each fund were as follows:

	2015 High Watermark Fund							
	Class A		Class A		Class C		Class C	
	For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010		For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Shares sold	—	$ —	144,177	$ 1,401,154	—	$ —	104,319	$ 1,022,702
Reinvested shares	145,617	1,434,326	160,460	1,545,231	68,716	676,164	69,775	670,534
Shares redeemed	(1,026,306)	(10,286,773)	(2,388,437)	(23,634,612)	(1,313,970)	(13,071,443)	(1,908,489)	(18,723,005)
Net increase (decrease)	(880,689)	$ (8,852,447)	(2,083,800)	$(20,688,227)	(1,245,254)	$(12,395,279)	(1,734,395)	$(17,029,769)

	2015 High Watermark Fund			
	Class I		Class I	
	For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010	
	Shares	Amount	Shares	Amount
Shares sold	—	$ —	66,758	$ 651,635
Reinvested shares	55,759	550,900	54,767	529,049
Shares redeemed	(326,391)	(3,259,486)	(557,128)	(5,489,843)
Net increase (decrease)	(270,632)	$ (2,708,586)	(435,603)	$ (4,309,159)

	2020 High Watermark Fund							
	Class A		Class A		Class C		Class C	
	For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010		For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Shares sold	156,865	$ 1,328,051	821,041	$ 7,014,490	84,821	$ 718,279	132,063	$ 1,127,390
Reinvested shares	77,893	637,161	72,147	576,451	23,586	192,461	19,856	158,449
Shares redeemed	(410,730)	(3,477,546)	(1,571,648)	(13,378,165)	(152,634)	(1,277,865)	(389,489)	(3,204,181)
Net increase (decrease)	(175,972)	$ (1,512,334)	(678,460)	$ (5,787,224)	(44,227)	$ (367,125)	(237,570)	$ (1,918,342)

	2020 High Watermark Fund			
	Class I		Class I	
	For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010	
	Shares	Amount	Shares	Amount
Shares sold	113,230	$ 951,894	421,805	$ 3,574,335
Reinvested shares	46,030	376,527	32,975	263,803
Shares redeemed	(191,878)	(1,614,559)	(187,618)	(1,540,248)
Net increase (decrease)	(32,618)	$ (286,138)	267,162	$ 2,297,890

	SunAmerica Alternative Strategies Fund							
	Class A		Class A		Class C		Class C	
	For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010		For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Shares sold	3,883,527	$ 41,642,790	13,342,647	$137,281,065	967,899	$10,323,816	1,765,497	$18,046,657
Reinvested shares	912,071	9,339,607	82,505	842,380	53,478	546,007	—	—
Shares redeemed	(6,505,111)	(69,296,370)	(6,028,408)	(62,054,690)	(699,536)	(7,416,020)	(722,341)	(7,331,667)
Net increase (decrease)	(1,709,513)	$(18,313,973)	7,396,744	$ 76,068,755	321,841	$ 3,453,803	1,043,156	$10,714,990

	SunAmerica Alternative Strategies Fund			
	Class W		Class W	
	For the period ended April 30, 2011 (unaudited)		For the year ended October 31, 2010	
	Shares	Amount	Shares	Amount
Shares sold	1,942,616	$ 20,874,866	1,986,657	$ 20,424,006
Reinvested shares	9,558	97,969	3,018	30,842
Shares redeemed	(1,182,891)	(12,540,024)	(708,319)	(7,248,848)
Net increase (decrease)	769,283	$ 8,432,811	1,281,356	$ 13,206,000

Note 8. Line of Credit

The Trust has established a $10 million committed secured line of credit with State Street Bank and Trust Company, the Funds' custodian. Interest is currently payable at the higher of the Federal funds Rate or London Interbank Offered Rate plus 125 basis points on the committed line and State Street Bank and Trust Company's discretionary bid rate on the uncommitted line of credit. There is also a commitment fee of 12.5 basis points per annum on the daily unused portion of the committed line of credit which is included in other expenses on the Statement of Operations. Borrowings under the line of credit will commence when the respective Fund's cash shortfall exceeds $100,000. For the period ended April 30, 2011, the following fund had borrowings:

Portfolio	Days Outstanding	Interest Charges	Average Debt Utilized	Weighted Average Interest
2015 High Watermark	1	$5	$121,266	1.48%

At April 30, 2011, there were no borrowings outstanding.

Note 9. Interfund Lending Agreement

Pursuant to exemptive relief granted by the Securities and Exchange Commission ("SEC"), the Funds are permitted to participate in an interfund lending program among investment companies advised by SunAmerica or an affiliate. The interfund lending program allows the participating Funds to borrow money from and loan money to each other for temporary or emergency purposes. An interfund loan will be made under this facility only if the participating Funds receive a more favorable interest rate than would otherwise be available from a typical bank for a comparable transaction. For the period ended April 30, 2011, none of the Funds participated in this program.

Note 10. Trustees Retirement Plan

The Trustees have adopted the SunAmerica Disinterested Trustees' and Directors' Retirement Plan (the "Retirement Plan") effective January 1, 1993, as amended, for the Disinterested Trustees. The Retirement Plan provides generally that a Trustee may become a participant ("Participant") in the Retirement Plan if he or she has at least 10 years of consecutive service as a

Disinterested Trustee of any of the adopting SunAmerica mutual funds (the "Adopting Funds"), or has attained the age of 60 while a Trustee and completed five (5) consecutive years of service as a Trustee of any Adopting Fund (an "Eligible Trustee"). Pursuant to the Retirement Plan, an Eligible Trustee may receive benefits upon (i) his or her death or disability while a Trustee or (ii) the termination of his or her tenure as a Trustee, other than removal for cause from each of the Adopting Funds with respect to which he or she is an Eligible Trustee.

As of each of the first 10 birthdays after becoming a Participant and on which he or she is both a Trustee and a Participant, each Eligible Trustee will be credited with an amount equal to 50% of his or her regular fees (excluding committee fees) for services as a Disinterested Trustee of each Adopting Fund for the calendar year in which such birthday occurs. In addition, an amount equal to 8.50% of any amounts credited under the preceding statement during prior years is added to each Eligible Trustee's account. The rights of any Participant to benefits under the Retirement Plan shall not be an unsecured claim against the assets of the Adopting Funds. An Eligible Trustee may receive any benefits payable under the Retirement Plan, at his or her election, either in one lump sum or in up to 15 annual installments. Any undistributed amounts shall continue to accrue interest at 8.50%.

Effective December 3, 2008, the Retirement Plan was amended to, among other things, (1) freeze the Retirement Plan as to future accruals for active Participants as of December 31, 2008, (2) prohibit Disinterested Trustees from first becoming participants in the Retirement Plan after December 31, 2008 and (3) permit active Participants to elect to receive a distribution of their entire Retirement Plan account balance in 2009. The freeze on future accruals does not apply to participants that have commenced receiving benefits under the Retirement Plan on or before December 31, 2008.

Note 11. Transactions with Affiliates

As discussed in Note 2, the Alternative Strategies Fund owned 100% of the Subsidiary. During the period ended April 30, 2011, the Alternative Strategies Fund recorded unrealized gain/(loss) on the investment in the Subsidiary as follows:

Consolidated Subsidiary	Net Assets at October 31, 2010	Purchases	Realized Gain/(Loss)	Sales Proceeds	Dividend Income	Unrealized Gain/(Loss)	Net Assets as of April 30, 2011
SunAmerica Alternative Strategies Cayman Fund, Ltd.	$90,778,713	$3,000,000	$2,392,445	$10,000,000	$—	$6,456,791	$92,627,949

Note 12. Investment Concentration

The Funds may invest in U.S. Treasury securities, including bills, notes, bonds and other debt securities issued by the U.S. Treasury. These instruments are direct obligations of the U.S. government and, as such, are backed by the "full faith and credit" of the U.S. government. The Funds may also invest in obligations issued by agencies and instrumentalities of the U.S. government that may vary in the level of support they receive from the government. These obligations may not be backed by the full faith and credit of the U.S. government. With respect to those instruments that are not backed by the full faith and credit of the U.S. government, the U.S. government may choose not to provide financial support to such government sponsored agencies or instrumentalities since it is not legally obligated to do so. In this case, if the issuer defaulted, the fund holding securities of such issuer might not be able to recover its investment from the U.S. government. As a result of the SunAmerica Alternative Strategies Funds' concentration in U.S. government agencies or instrumentalities, it may be subject to risks associated with the U.S. government. At the end of the period, the Alternative Strategies Fund had 58.7% of its total net assets invested in such securities.

SunAmerica
Mutual Funds

Harborside Financial Center
3200 Plaza 5
Jersey City, NJ 07311-4992

Investment Adviser
SunAmerica Asset Management Corp.
Harborside Financial Center
3200 Plaza 5
Jersey City, NJ 07311-4992

Distributor
SunAmerica Capital Services, Inc.
Harborside Financial Center
3200 Plaza 5
Jersey City, NJ 07311-4992

Shareholder Servicing Agent
SunAmerica Fund Services, Inc.
Harborside Financial Center
3200 Plaza 5
Jersey City, NJ 07311-4992

Custodian and Transfer Agent
State Street Bank and Trust Company
P.O. Box 5607
Boston, MA 02110

OTHER INFORMATION

The most recent annual and/or quarterly report of Prudential Financial, Inc. and Prudential Global Funding, Inc. is available without charge by calling (800) 858-8850.

VOTING PROXIES ON FUND PORTFOLIO SECURITIES

A description of the policies and procedures that the Trust uses to determine how to vote proxies related to securities held in a Fund's portfolio, which is available in the Trust's Statement of Additional Information, may be obtained without charge upon request, by calling (800) 858-8850. The information is also available from the EDGAR database on the U.S. Securities and Exchange Commission's website at http://www.sec.gov.

PROXY VOTING RECORD ON FUND PORTFOLIO SECURITIES

Information regarding how the Trust voted proxies related to securities held in the Funds during the most recent twelve month period ended June 30 is available, once filed with the U.S. Securities and Exchange Commission, without charge, upon request, by calling (800) 858-8850 or on the U.S. Securities and Exchange Commission website at http://www.sec.gov.

DISCLOSURE OF QUARTERLY PORTFOLIO HOLDINGS

The Trust is required to file its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission for its first and third fiscal quarters on Form N-Q. The Trust's Forms N-Q are available on the U.S. Securities and Exchange Commission website at www.sec.gov. You can also review and obtain copies of the Forms N-Q at the U.S. Securities and Exchange Commission Public Reference Room in Washington DC (information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330).

This report is submitted solely for the general information of shareholders of the Funds. Distribution of this report to persons other than shareholders of the Funds is authorized only in connection with a currently effective prospectus, setting forth details of the Funds, which must precede or accompany this report.

DELIVERY OF SHAREHOLDER DOCUMENTS

The Funds have adopted a policy that allows them to send only one copy of a Fund's prospectus, proxy material, annual report and semi-annual report (the "shareholder documents") to shareholders with multiple accounts residing at the same "household." This practice is called householding and reduces Fund expenses, which benefits you and other shareholders. Unless the Funds receive instructions to the contrary, you will only receive one copy of the shareholder documents. The Funds will continue to household the shareholder documents indefinitely, until we are instructed otherwise. If you do not wish to participate in householding please contact Shareholder Services at (800) 858-8850 ext. 6010 or send a written request with your name, the name of your fund(s) and your account number(s) to SunAmerica Mutual Funds c/o BFDS, P.O. Box 219186, Kansas City MO, 64121-9186. We will resume individual mailings for your account within thirty (30) days of receipt of your request.

The accompanying report has not been audited by independent accountants and accordingly no opinion has been expressed thereon.

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Did you know that you have the option to receive your shareholder reports online?

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You can return to www.sunamericafunds.com at any time to change your email address, edit your preferences or to cancel this service if you choose to resume physical delivery of your Fund documents.

Please note - this option is only available to accounts opened through the Funds.

SunAmerica
Mutual Funds

www.sunamericafunds.com

For information on receiving this report *online*, see inside back cover.

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This fund report must be preceded by or accompanied by a prospectus.

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 adviser, the SunAmerica Sales Desk at 800-858-8850, ext. 6003, or at www.sunamericafunds.com. Read the prospectus carefully before investing.

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