PROSPECTUS 2012

Class I Shares

High Watermark Funds

2015 High Watermark Fund

2020 High Watermark Fund

Shares of the SunAmerica Funds are not deposits or obligations of any bank, are not guaranteed by any other agency, and involve investment risk, including the possible loss of principal amount invested.

SunAmerica Mutual Funds

THIS IS A PRIVACY STATEMENT AND NOT PART OF THE PROSPECTUS.

Privacy Statement

SunAmerica collects nonpublic personal information about you from the following sources:

• Information we receive from you on applications or other forms; and

• Information about your SunAmerica mutual funds transactions with us or others, including your financial adviser.

SunAmerica will not disclose any nonpublic personal information about you or your account(s) to anyone unless one of the following conditions is met:

• SunAmerica receives your prior written consent;

• SunAmerica believes the recipient is your authorized representative;

• SunAmerica is permitted by law to disclose the information to the recipient in order to service your account(s); or

• SunAmerica is required by law to disclose information to the recipient.

If you decide to close your account(s) or become an inactive customer, SunAmerica will adhere to the privacy policies and practices as described in this notice.

SunAmerica restricts access to your personal and account information to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information.

February 28, 2012 PROSPECTUS

SUNAMERICA SPECIALTY SERIES

2015 High Watermark Fund
2020 High Watermark Fund

Class	2015 High Watermark Fund: Ticker Symbols	2020 High Watermark Fund: Ticker Symbols
I Shares	N/A	N/A

The 2015 High Watermark Fund is no longer open to new investments

This Prospectus contains information you should know before investing, including information about risks. Please read it before you invest and keep it for future reference.

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

SunAmerica Mutual Funds

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SunAmerica Mutual Funds

Fund Highlights: 2015 High Watermark Fund

INVESTMENT GOALS

The 2015 High Watermark Fund (the "2015 High Watermark Fund" or the "Fund") seeks capital appreciation to the extent consistent with preservation of capital investment gains in order to have a net asset value ("NAV") on August 31, 2015, its Protected Maturity Date, at least equal to the Protected High Watermark Value. The Fund seeks high total return as a secondary objective.

On the 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, distributions and any extraordinary expenses. This NAV is the Fund's "high watermark value," which is referred to in this Prospectus as the Fund's Protected High Watermark Value. **Shareholders must hold their shares until August 31, 2015, the Protected Maturity Date, in order to be entitled to redeem their shares for the Protected High Watermark Value.**

The 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 the Trust, on behalf of the Fund, and Prudential Global Funding, LLC ("PGF"), under which PGF will pay to the Fund any shortfall between the Protected High Watermark Value and the actual NAV per share on the Fund's Protected Maturity Date, provided certain conditions are met. PGF's obligations are guaranteed by its parent, Prudential Financial, Inc. ("Prudential Financial").

On September 16, 2011, an Early Closure Condition occurred. This Early Closure Condition required the Fund to irrevocably allocate its assets to its fixed income portfolio and to close to new investments. Accordingly, the Fund will no longer have the ability to obtain equity exposure and the risk of exposure to equity markets ("equity risk") no longer applies to this Fund.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

		Class I
Shareholder Fees (fees paid directly from your investment)		
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)		None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the amount redeemed or original purchase cost)		None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends)		None
Annual Fund Operating Expenses (expenses you pay each year as a percentage of the value of your investment)		
Management Fees		0.40%
Distribution and/or Service (12b-1) Fees		None
Other Expenses		0.94%
Master Agreement Fee(1)	0.35%	
Total Annual Fund Operating Expenses Before Expense Reimbursement		1.34%
Fee Waivers and/or Expense Reimbursement(2)		0.41%
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursement		0.93%(3)

(1) This fee is paid to PGF under the Master Agreement and is a component of Other Expenses.

(2) Any waivers or reimbursements made by SunAmerica Asset Management Corp. are subject to recoupment from the Fund within the two years after the occurrence of the waiver and/or reimbursement, provided that the Fund is able to effect such payment to SunAmerica and remain in compliance with the expense limitations set forth in note 3 below.

(3) Pursuant to an Expense Limitation Agreement, SunAmerica Asset Management Corp. is contractually obligated to waive its fees and/or reimburse expenses to the extent that the Total Annual Fund Operating Expenses exceed 0.93% for Class I shares. This fee waiver and expense reimbursement will continue in effect indefinitely, unless terminated by the Board of Trustees, including a majority of the Independent Trustees. For purposes of the Expense Limitation Agreement, "Total Annual Fund Operating Expenses" shall not include extraordinary expenses, as determined under generally accepted accounting principles, or acquired fund fees and expenses.

EXAMPLE

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions and the net expenses shown in the fee table, your costs would be:

	1 Year	3 Years	5 Years	10 Years
2015 High Watermark Fund				
Class I Shares	$95	$296	$515	$1,143

You would pay the following expenses if you did not redeem your shares:

	1 Year	3 Years	5 Years	10 Years
2015 High Watermark Fund				
Class I Shares	$95	$296	$515	$1,143

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 0% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES AND TECHNIQUES OF THE FUND

The Fund seeks to generate capital appreciation by dynamically allocating its portfolio exposure to U.S. equity markets (consisting of exchange traded S&P 500 Index futures and options on these futures or options on the index) and to U.S. fixed income markets (consisting of U.S. government securities, primarily STRIPS and other zero-coupon securities, and money market instruments). Exposures to both markets are managed to minimize the risk of loss of principal and investment gains over the life of the Fund (the Investment Period) and to become generally more conservative (that is, less exposed to equity markets) as the Fund's Protected Maturity Date approaches. Under normal market conditions, the Fund will initially seek significant equity exposures and relatively long duration fixed income exposures and will be managed such that, as the Protected Maturity Date approaches, Fund holdings are increasingly devoted to high-grade, short-term fixed income securities.

The Fund's subadviser, Trajectory Asset Management LLC ("Trajectory" or the "Adviser"), implements its proprietary strategy through a disciplined quantitative investment approach that seeks to maximize prospects for capital appreciation while attempting to preserve investment gains and controlling investment risk, particularly the risk of a shortfall between the Protected High Watermark Value and the actual NAV per share of the Fund on its Protected Maturity Date.

Generally, the Fund should be purchased only by investors who:

- have a long-term investment horizon compatible with the Fund's Protected Maturity Date,
- seek potential for capital appreciation but place a premium on capital preservation,
- want a professionally managed and diversified portfolio, and
- are not seeking current income through cash dividends.

The Fund is inappropriate as:

- a means of "capturing" a Protected High Watermark Value that exceeds today's NAV. The protected "yield" that a new investor would earn would generally be inferior to Treasury bonds of like duration. If this were not the case, then the Early Closure Condition provision in the Master Agreement (as discussed on page 4) would require that the Fund be closed to new investors. This is true even in periods of rising interest rates, when the disparity between current NAV and the Protected High Watermark Value may be pronounced.
- a short-term investment, despite the Fund's daily liquidity, since interim losses in value are not protected.
- an equity substitute, since the Fund's equity exposure is limited and generally declines over time.

Fund Highlights: 2015 High Watermark Fund

The principal investment strategies and principal investment techniques of the Fund may be changed without shareholder approval.

On September 16, 2011, an Early Closure Condition occurred. This Early Closure Condition required the Fund to irrevocably allocate its assets to its fixed income portfolio and to close to new investments. Accordingly, the Fund will no longer have the ability to obtain equity exposure and equity risk no longer applies to this Fund.

PRINCIPAL RISKS OF INVESTING IN THE FUND

There can be no assurance that the Fund's investment goals will be met or that the net return on an investment in the Fund will exceed what could have been obtained through other investment or savings vehicles. Shares of the Fund are not bank deposits and are not guaranteed or insured by any bank, government entity or the Federal Deposit Insurance Corporation. As with any mutual fund, there is no guarantee that the Fund will be able to achieve its investment goals. You could lose money on an investment in the Fund.

The principal risks of an investment in the Fund involve opportunity costs, interim redemption risk (i.e., the risks associated with redemption prior to the Fund's Protected Maturity Date), and early closure or early termination risk, as well as the risks associated with exposure to the equity and fixed income markets.

Opportunity Costs. Opportunity costs involve the likelihood that the Fund's equity exposure drops to a low level or is eliminated altogether during periods of low interest rates or declining equity markets. This would reduce the Fund's ability to participate in upward equity market movements and, therefore, represents some loss of opportunity compared to a portfolio that is fully invested in equities. In addition, the terms of the Master Agreement prescribe certain investment parameters within which a Fund must be managed during the Investment Period to preserve the benefit of the Master Agreement. Accordingly, the Master Agreement could limit the Adviser's ability to alter the allocation of Fund assets in response to changing market conditions. The terms of the Master Agreement could require the Fund to liquidate an equity index futures position when it otherwise would not be in the shareholders' best interests. Under certain circumstances, the Master Agreement may also require all of the Fund's assets to be invested in fixed income securities.

Interim Redemption Risk. Investors can realize significant losses if they redeem their shares before the Fund's Protected Maturity Date due to the possibility of a shortfall between the Protected High Watermark Value that investors earn if shares are held to the Fund's Protected Maturity Date and the actual NAV of Fund shares on the date of redemption. This shortfall could be more pronounced in an environment of rising interest rates or a declining stock market.

Early Closure Risk. An Early Closure Condition is a circumstance where the Adviser allocates all of the Fund's assets to fixed income securities and/or the yield on the fixed income portfolio is insufficient to cover the Fund's operating expenses in which case the Fund will close to new investments. If an Early Closure Condition occurs in the judgment of the Adviser, the Fund will close to new investments, though a new fund with the same Protected Maturity Date may be established to accept new contributions.

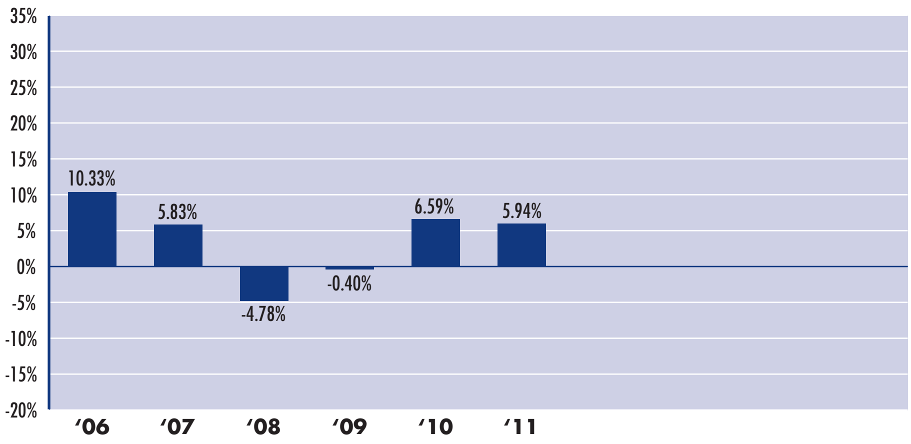
Early Termination Risk. Under the Master Agreement, if certain low interest rate conditions occur and the Fund is within three years of its initial Protected Maturity Date, the Fund can terminate early. If the Fund terminates early under these circumstances, the Fund's Protected High Watermark Value will be accelerated and shareholders will receive the benefit of the Protected High Watermark Value. If the Fund was to terminate before the Fund's Protected Maturity Date (an Early Fund Termination) and the Trust's Board of Trustees determine to liquidate the Fund, an investor would have to locate an alternative investment for his or her assets until the otherwise scheduled Protected Maturity Date, which could involve transaction expenses.

Risk of Exposure to Both Equity and Fixed Income Markets. Because the Fund participates in both the equity and debt markets, the Fund may underperform stock funds when stocks are in favor and underperform bond funds when stocks are out of favor.

PERFORMANCE INFORMATION

The following Risk/Return Bar Chart and Table illustrates the risks of investing in the Fund by showing changes in the Fund's performance from calendar year to calendar year, and compares the Fund's average annual returns to those of the Dow Jones Target Maturity 2015 Index, a broad measure of market performance. Sales charges are not reflected in the Bar Chart. If these amounts were reflected, returns would be less than those shown. However, the table includes all applicable fees and sales charges. Past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund's performance can be obtained by visiting www.sunamericafunds.com or can be obtained by phone at 800-858-8850 x6003.

2015 HIGH WATERMARK FUND (CLASS I)



During the six-year period shown in the Bar Chart, the highest return for a quarter was 7.00% (quarter ended 9/30/06) and the lowest return for a quarter was -3.96% (quarter ended 6/30/08).

	Average Annual Total Returns (as of the periods ended December 31, 2011)		
	Past One Year	Past Five Years	Since Inception (2/18/05)
Return Before Taxes	5.94%	2.54%	3.84%
Return After Taxes on Distributions	5.06%	1.43%	2.52%
Return After Taxes on Distributions and Sale of Fund Shares[1]	3.86%	1.57%	2.61%
Dow Jones Target Maturity 2015 Index	5.44%	4.21%	5.12%

(1) When the return after taxes on distributions and sale of Fund shares is higher, it is because of realized losses. If realized losses occur upon the sale of Fund shares, the capital loss is recorded as a tax benefit, which increases the return.

The after-tax returns shown were calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. An investor's actual after-tax returns depend on the investor's tax situation and may differ from those shown in the above table. The after-tax returns shown are not relevant to investors who hold their shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

After-tax returns are shown only for Class I. After-tax returns for other classes will vary.

INVESTMENT ADVISER AND SUBADVISER

The Fund's investment adviser is SunAmerica Asset Management Corp ("SunAmerica" or the "Manager"). The Fund's subadviser is Trajectory Asset Management, LLC.

PORTFOLIO MANAGERS

The Fund is managed by the Adviser's team of portfolio managers led Juan M. Ocampo.

Name	Portfolio Manager of the Fund Since	Title
Juan M. Ocampo	2004	President at Trajectory
Kim H. Erle	2004	Managing Director at Trajectory
Marita Ben Ari, CFA	2005	Vice President at Trajectory

PURCHASE AND SALE OF FUND SHARES

The 2015 High Watermark Fund no longer accepts orders to buy shares from new investors or existing shareholders. The 2015 High Watermark Fund will, however, continue to accept reinvestments of dividends and capital gains distributions from existing investors.

You may purchase or sell shares of the Fund each day the New York Stock Exchange is open. Purchase and redemption requests are executed at the Fund's next NAV to be calculated after the Fund or its agents receives your request in good order. You should contact your broker, financial advisor or financial institution, or, if you hold your shares through the Fund, you should contact the Fund by phone at 800-858-8850, by regular mail (SunAmerica Mutual Funds c/o BFDS, PO Box 219186, Kansas City, MO 64121-9186), by express, certified and registered mail (SunAmerica Mutual Funds c/o BFDS, 330 West 9th Street, Kansas City, MO 64105-1514), or by the Internet at www.sunamericafunds.com.

For important information about tax information and financial intermediary compensation, please turn to "Important Additional Information" on page 12 of the Prospectus.

Fund Highlights: 2020 High Watermark Fund

INVESTMENT GOALS

The 2020 High Watermark Fund (the "2020 High Watermark Fund" or the "Fund") seeks capital appreciation to the extent consistent with preservation of capital investment gains in order to have a net asset value ("NAV") on August 31, 2020, its Protected Maturity Date, at least equal to the Protected High Watermark Value. The Fund seeks high total return as a secondary objective.

On the 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, distributions and any extraordinary expenses. This NAV is the Fund's "high watermark value," which is referred to in this Prospectus as the Fund's Protected High Watermark Value. **Shareholders must hold their shares until August 31, 2020, the Protected Maturity Date, in order to be entitled to redeem their shares for the Protected High Watermark Value.**

The 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 the Trust, on behalf of the Fund, and Prudential Global Funding, LLC ("PGF"), under which PGF will pay to the Fund any shortfall between the Protected High Watermark Value and the actual NAV per share on the Fund's Protected Maturity Date, provided certain conditions are met. PGF's obligations are guaranteed by its parent, Prudential Financial, Inc. ("Prudential Financial").

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

		Class I
Shareholder Fees (fees paid directly from your investment)		
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)		None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the amount redeemed or original purchase cost)		None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends)		None
Annual Fund Operating Expenses (expenses you pay each year as a percentage of the value of your investment)		
Management Fees		0.65%
Distribution and/or Service (12b-1) Fees		None
Other Expenses		1.12%
Master Agreement Fee[(1)]	0.35%	
Total Annual Fund Operating Expenses Before Expense Reimbursement		1.77%
Fee Waivers and/or Expense Reimbursement[(2)]		0.59%
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursement		1.18%[(3)]

(1) This fee is paid to PGF under the Master Agreement and is a component of Other Expenses.

(2) Any waivers or reimbursements made by SunAmerica Asset Management Corp. are subject to recoupment from the Fund within the following two years, provided that the Fund is able to effect such payment to SunAmerica and remain in compliance with the expense limitations set forth in note 3 below.

(3) Pursuant to an Expense Limitation Agreement, SunAmerica Asset Management Corp. is contractually obligated to waive its fees and/or reimburse expenses to the extent that the Total Annual Fund Operating Expenses exceed 1.18% for Class I shares. This fee waiver and expense reimbursement will continue in effect indefinitely, unless terminated by the Board of Trustees, including a majority of the Independent Trustees. For purposes of the Expense Limitation Agreement, "Total Annual Fund Operating Expenses" shall not include extraordinary expenses, as determined under generally accepted accounting principles, or acquired fund fees and expenses.

EXAMPLE

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions and the net expenses shown in the fee table, your costs would be:

	1 Year	3 Years	5 Years	10 Years
2020 High Watermark Fund				
Class I Shares	$120	$375	$649	$1,432

You would pay the following expenses if you did not redeem your shares:

	1 Year	3 Years	5 Years	10 Years
2020 High Watermark Fund				
Class I Shares	$120	$375	$649	$1,432

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 0% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES AND TECHNIQUES OF THE FUND

The Fund seeks to generate capital appreciation by dynamically allocating its portfolio exposure to U.S. equity markets (consisting of exchange traded S&P 500 Index futures and options on these futures or options on the index) and to U.S. fixed income markets (consisting of U.S. government securities, primarily STRIPS and other zero-coupon securities, and money market instruments). Exposures to both markets are managed to minimize the risk of loss of principal and investment gains over the life of the Fund (the Investment Period) and to become generally more conservative (that is, less exposed to equity markets) as the Fund's Protected Maturity Date approaches. Under normal market conditions, the Fund will initially seek significant equity exposures and relatively long duration fixed income exposures and will be managed such that, as the Protected Maturity Date approaches, Fund holdings are increasingly devoted to high-grade, short-term fixed income securities.

The Fund's subadviser, Trajectory Asset Management LLC ("Trajectory" or the "Adviser"), implements its proprietary strategy through a disciplined quantitative investment approach that seeks to maximize prospects for capital appreciation while attempting to preserve investment gains and controlling investment risk, particularly the risk of a shortfall between the Protected High Watermark Value and the actual NAV per share of the Fund on its Protected Maturity Date.

Generally, the Fund should be purchased only by investors who:

- have a long-term investment horizon compatible with the Fund's Protected Maturity Date,
- seek potential for capital appreciation but place a premium on capital preservation,
- want a professionally managed and diversified portfolio, and
- are not seeking current income through cash dividends.

The Fund is inappropriate as:

- a means of "capturing" a Protected High Watermark Value that exceeds today's NAV. The protected "yield" that a new investor would earn would generally be inferior to Treasury bonds of like duration. If this were not the case, then the Early Closure Condition provision in the Master Agreement (as discussed on page 9) would require that the Fund be closed to new investors. This is true even in periods of rising interest rates, when the disparity between current NAV and the Protected High Watermark Value may be pronounced.

- a short-term investment, despite the Fund's daily liquidity, since interim losses in value are not protected.
- an equity substitute, since the Fund's equity exposure is limited and generally declines over time.

The principal investment strategies and principal investment techniques of the Fund may be changed without shareholder approval.

PRINCIPAL RISKS OF INVESTING IN THE FUND

There can be no assurance that the Fund's investment goals will be met or that the net return on an investment in the Fund will exceed what could have been obtained through other investment or savings vehicles. Shares of the Fund are not bank deposits and are not guaranteed or insured by any bank, government entity or the Federal Deposit Insurance Corporation. As with any mutual fund, there is no guarantee that the Fund will be able to achieve its investment goals. You could lose money on an investment in the Fund.

The principal risks of an investment in the Fund involve opportunity costs, interim redemption risk (i.e., the risks associated with redemption prior to the Fund's Protected Maturity Date), and early closure or early termination risk, as well as the risks associated with exposure to the equity and fixed income markets.

Opportunity Costs. Opportunity costs involve the likelihood that the Fund's equity exposure drops to a low level or is eliminated altogether during periods of low interest rates or declining equity markets. This would reduce the Fund's ability to participate in upward equity market movements and, therefore, represents some loss of opportunity compared to a portfolio that is fully invested in equities. In addition, the terms of the Master Agreement prescribe certain investment parameters within which a Fund must be managed during the Investment Period to preserve the benefit of the Master Agreement. Accordingly, the Master Agreement could limit the Adviser's ability to alter the allocation of Fund assets in response to changing market conditions. The terms of the Master Agreement could require the Fund to liquidate an equity index futures position when it otherwise would not be in the shareholders' best interests. Under certain circumstances, the Master Agreement may also require all of the Fund's assets to be invested in fixed income securities.

Interim Redemption Risk. Investors can realize significant losses if they redeem their shares before the Fund's Protected Maturity Date due to the possibility of a shortfall between the Protected High Watermark Value that investors earn if shares are held to the Fund's Protected Maturity Date and the actual NAV of Fund shares on the date of redemption. This shortfall could be more pronounced in an environment of rising interest rates or a declining stock market.

Early Closure Risk. An Early Closure Condition is a circumstance where the Adviser allocates all of the Fund's assets to fixed income securities and/or the yield on the fixed income portfolio is insufficient to cover the Fund's operating expenses in which case the Fund will close to new investments. If an Early Closure Condition occurs in the judgment of the Adviser, the Fund will close to new investments, though a new fund with the same Protected Maturity Date may be established to accept new contributions.

Early Termination Risk. Under the Master Agreement, if certain low interest rate conditions occur and the Fund is within three years of its initial Protected Maturity Date, the Fund can terminate early. If the Fund terminates early under these circumstances, the Fund's Protected High Watermark Value will be accelerated and shareholders will receive the benefit of the Protected High Watermark Value. If the Fund was to terminate before the Fund's Protected Maturity Date (an Early Fund Termination) and the Trust's Board of Trustees determine to liquidate the Fund, an investor would have to locate an alternative investment for his or her assets until the otherwise scheduled Protected Maturity Date, which could involve transaction expenses.

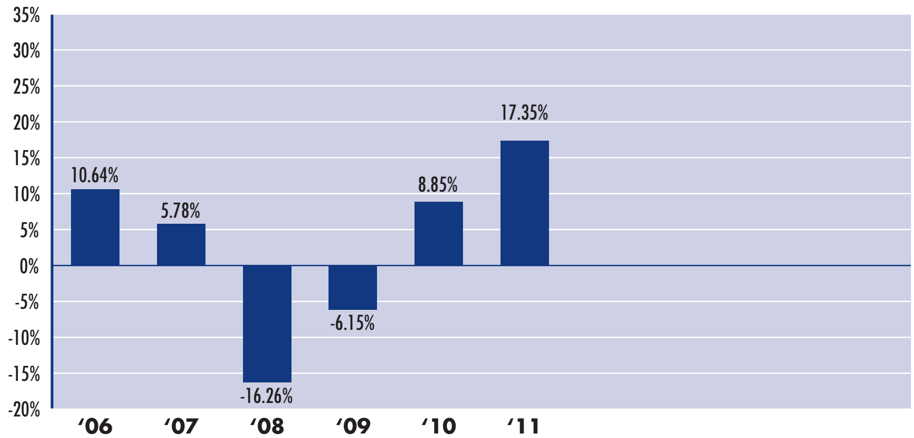
Risk of Exposure to Both Equity and Fixed Income Markets. Because the Fund participates in both the equity and debt markets, the Fund may underperform stock funds when stocks are in favor and underperform bond funds when stocks are out of favor.

PERFORMANCE INFORMATION

The following Risk/Return Bar Chart and Table illustrates the risks of investing in the Fund by showing changes in the Fund's performance from calendar year to calendar year, and compares the Fund's average annual returns, before and after taxes, to those of the Dow Jones Target Maturity 2020 Index, a broad measure of market performance. Sales charges are not reflected in the Bar Chart. If these amounts were reflected, returns would be less than those shown. However, the table includes all applicable fees and sales charges. Past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund's performance can be obtained by visiting www.sunamericafunds.com or can be obtained by phone at 800-858-8850 x6003.

Fund Highlights: 2020 High Watermark Fund

2020 HIGH WATERMARK FUND (CLASS I)



During the six-year period shown in the Bar Chart, the highest return for a quarter was 12.41% (quarter ended 9/30/11) and the lowest return for a quarter was -7.14% (quarter ended 3/31/08).

	Average Annual Total Returns (as of the periods ended December 31, 2011)		
	Past One Year	Past Five Years	Since Inception (2/18/05)
Return Before Taxes	17.35%	1.21%	3.07%
Return After Taxes on Distributions	16.39%	-0.03%	1.63%
Return After Taxes on Distributions and Sale of Fund Shares[1]	11.28%	0.37%	1.90%
Dow Jones Target Maturity 2020 Index	4.62%	3.58%	5.02%

(1) When the return after taxes on distributions and sale of Fund shares is higher, it is because of realized losses. If realized losses occur upon the sale of Fund shares, the capital loss is recorded as a tax benefit, which increases the return.

The after-tax returns shown were calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. An investor's actual after-tax returns depend on the investor's tax situation and may differ from those shown in the above table. The after-tax returns shown are not relevant to investors who hold their shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

After-tax returns are shown only for Class I. After-tax returns for other classes will vary.

INVESTMENT ADVISER AND SUBADVISER

The Fund's investment adviser is SunAmerica Asset Management Corp ("SunAmerica" or the "Manager"). The Fund's subadviser is Trajectory Asset Management, LLC.

PORTFOLIO MANAGERS

The Fund is managed by the Adviser's team of portfolio managers led Juan M. Ocampo.

Name	Portfolio Manager of the Fund Since	Title
Juan M. Ocampo	2004	President at Trajectory
Kim H. Erle	2004	Managing Director at Trajectory
Marita Ben Ari, CFA	2005	Vice President at Trajectory

PURCHASE AND SALE OF FUND SHARES

You may purchase or sell shares of the Fund each day the New York Stock Exchange is open. You should contact your broker, financial advisor or financial institution, or, if you hold your shares through the Fund, you should contact the Fund by phone at 800-858-8850, by regular mail (SunAmerica Mutual Funds c/o BFDS, PO Box 219186, Kansas City, MO 64121-9186), by express, certified and registered mail (SunAmerica Mutual Funds c/o BFDS, 330 West 9th Street, Kansas City, MO 64105-1514), or by the Internet at www.sunamericafunds.com.

For important information about tax information and financial intermediary compensation, please turn to "Important Additional Information" on page 12 of the Prospectus.

Important Additional Information

TAX INFORMATION

Each Fund's dividends and distributions are subject to federal income taxes and will be taxed as ordinary income or capital gains, unless you are a tax-exempt investor or are investing through a retirement plan, in which case you may be subject to federal income tax upon withdrawal from such tax deferred arrangements.

PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase a Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend a Fund over another investment. Ask your salesperson or visit your financial intermediary's Web site for more information.

Shareholder Account Information

DISTRIBUTION AND SERVICE FEES

Class I Shares are not subject to distribution and account maintenance fees. However, SunAmerica Capital Services, Inc. ("SACS" or the "Distributor"), is paid a fee of 0.25% of average daily net assets of Class I shares in compensation for providing additional shareholder services to Class I shareholders.

OPENING AN ACCOUNT, BUYING AND SELLING SHARES

Class I shares of the Funds are offered to the following:

- A retirement plan (or the custodian for such plan) with aggregate fund assets of at least $5 million within the first 13 months;
- A client of a broker-dealer or registered investment adviser that both recommend the purchase of fund shares and charge such client an asset-based fee with fund assets of at least $5 million within the first 13 months;
- An investor who invests at least $5 million in one Fund within the first 13 months; and
- An investor that participates through an annuity contract or variable life policy with an insurance company with aggregate fund assets of at least $5 million within the first 13 months.

Inquiries regarding the purchase, redemption or exchange of Class I shares or making or changing of investment choices should be directed to your financial adviser or plan administrator.

As part of your application, you are required to provide information regarding your personal identification under anti-money laundering laws, including the USA PATRIOT Act of 2001, as amended ("the PATRIOT Act"). If we are unable to obtain the required information, your application will be considered to be not in good order and it therefore cannot be processed. Your application and any check or other deposit that accompanied will be returned to you. Applications must be received in good order under the PATRIOT Act requirements and as otherwise required in this Prospectus in order to receive that day's net asset value. In addition, applications received in good order are nevertheless subject to customer identification verification procedures under the PATRIOT Act. We may ask to see your driver's license or other identifying documents. We may share identifying information with third parties for the purpose of verification. If your identifying information cannot be verified within a reasonable time of receipt of your application, the account will not be processed or, if processed, the Fund reserves the right to redeem the shares purchased and close the account. If the Fund closes an account in this manner, the shares will be redeemed at the net asset value next calculated after the Fund decides to close the account redeemed at the net asset value next calculated after the fund decides to close the account. In these circumstances, the amount redeemed may be less than your original investment and may have tax implications. Consult with you tax adviser for details. Non-resident aliens will not be permitted to establish an account through the check and application process at the Transfer Agent.

Investment Through Financial Institutions. Dealer, brokers, financial advisers or other financial institutions (collectively, "Financial Institutions" or "Financial Intermediaries") may impose charges, limitations, minimums and restrictions in addition to or different from those applicable to shareholders who invest in the Funds directly. Accordingly, the net yield and/or return to investors who invest through Financial Institutions may be less than an investor would receive by investing in the Funds directly. Financial Institutions may also set deadlines for receipt of orders that are earlier than the order deadline of the Funds due to processing or other reasons. An investor purchasing through a Financial Institution should read this Prospectus in conjunction with the materials provided by the Financial Institution describing the procedures under which Fund shares may be purchased and redeemed through the Financial Institution. For any questions concerning the purchase or redemption of Fund shares through a Financial Institution, please call your Financial Institution or the Funds (toll free) at (800) 858-8850. If you invest in a Fund through your dealer, broker or financial adviser, your dealer, broker or financial adviser may charge you a transaction-based or other fee for its services in connection with the purchase or redemption of Fund shares. These fees are in addition to those imposed by the Fund and its affiliates. You should ask your dealer, broker or financial adviser about its applicable fees.

TRANSACTION POLICIES

Valuation of shares. The net asset value per share (NAV) for each Fund and class is determined each Fund business day at the close of regular trading on the New York Stock Exchange ("NYSE") (generally 4:00 p.m., Eastern Time) by dividing the net assets of each class by the number of such class's outstanding shares. Securities for which market quotations are readily available are valued at their market price as of the close of regular trading on the NYSE for the day, unless, in accordance with pricing procedures approved by the Fund's Board of Trustees, the market quotations are determined to be unreliable. Securities and other assets for which market quotations are unavailable or unreliable are valued at fair value in accordance with pricing procedures periodically reviewed and approved by the Board. There is no single standard for making fair value determinations, which may result in prices that vary from those of other funds. In addition, there can be no assurance that fair value pricing will reflect actual market value and it is possible that the fair value determined for a security may differ materially from the value that could be realized upon the sale of the security.

Buy and sell prices. When you buy Class I shares, you pay NAV. When you sell Class I shares, you receive the NAV.

Execution of requests. Each Fund is open on those days when the NYSE is open for regular trading ("Fund business day"). We execute buy and sell requests at the next NAV to be calculated after the Fund receives your request in good order. A purchase, exchange or redemption order is in "good order" when a Fund, SACS or its agent receives all required information, including properly completed and signed documents. If the Fund, SACS or its agent receives your order before the Fund's close of business (generally 4:00 p.m., Eastern Time), you will receive that day's closing price. If the Fund, SACS or its agent receives your order after that time, you will receive the next business day's closing price.

Certain qualified Financial Institutions may transmit an Investor's purchase or redemption order to the Fund's Transfer Agent after the close of regular trading on the NYSE on a Fund business day, on the day the order is received from the investor, as long as the investor has placed the order with the Financial Institution by the close of regular trading on the NYSE on that day. The investor will then receive the NAV of the Fund's shares determined by the close of regular trading on the NYSE on the day the order was placed with the qualified Financial Institution. Orders received after such time will not result in execution until the following Fund business day. Financial Institutions are responsible for instituting procedures to insure that purchase and redemption orders by their respective clients are processed expeditiously. The Fund and the Distributor reserve the right to reject any order to buy shares.

The processing of sell requests and payment of proceeds may generally not be postponed for more than seven days, except when the NYSE is closed (other than weekends or holidays), when trading on the NYSE is restricted, or as permitted by the Securities and Exchange Commission ("SEC"). The Funds and their agents reserve the right to "freeze" or "block" (that is, disallow any further purchases or redemptions from any account) or suspend account services in certain instances as permitted or required by applicable laws and regulations, including applicable anti-money laundering regulations. Examples of such instances include, but are not limited to: (i) where an accountholder appears on the list of "blocked" entities and individuals maintained pursuant to OFAC (Office of Foreign Assets Control) regulations; (ii) where a Fund or its agents detect suspicious activity or suspect fraudulent or illegal activity; or (iii) when notice has been received by a Fund or its agents that there is a dispute between the registered or beneficial account owners.

If a Fund determines that it would be detrimental to the best interests of the remaining shareholders of the Fund to make payment of redemption proceeds wholly or partly in cash, the Fund may pay the redemption price by a distribution in kind of securities from the Fund in lieu of cash. However, each Fund has made an election that requires it to pay a certain portion of redemption proceeds in cash.

At various times, a Fund may be requested to redeem shares for which it has not yet received good payment. A Fund may delay or cause to be delayed the mailing of a redemption check until such time as good payment (e.g., wire transfer or certified check drawn on a United States bank) has been collected for the purchase of such shares, which will not exceed 15 days.

Telephone transactions. For your protection, telephone requests are recorded in order to verify their accuracy. In addition, Shareholder/Dealer Services will take measures to verify the identity of the caller, such as asking for name, account number, social security or other taxpayer ID number and other relevant information. If appropriate measures are not taken, the Fund is responsible for any losses that may occur to any account due to an unauthorized telephone call. Also for your protection, telephone transactions are not permitted on accounts whose names or addresses have changed within the past 30 days. At times of peak activity, it may be difficult to place requests by phone. During these times, consider sending your request in writing.

Exchanges. You may exchange shares of a Fund for shares of the same class of any other retail fund distributed by SACS. Such exchange may constitute a taxable event for U.S. federal income tax purposes. Before making an exchange, you should review a copy of the prospectus of the fund into which you would like to exchange. All exchanges are subject to applicable minimum investment requirements. A Systematic Exchange Program is described under "Additional Investor Services."

If you exchange shares that were purchased subject to a CDSC, the CDSC schedule will continue to apply following the exchange. In determining the CDSC applicable to shares being sold after an exchange, we will take into account the length of time you held those shares prior to the exchange.

A Fund may change or cancel its exchange privilege at any time, upon 60 days' written notice to its shareholders. The Funds at all times also reserve the right to restrict, or reject any exchange transactions, for no reason or any reason, without notice. For example, the Funds may refuse any sale of Fund shares through an exchange by any investor or group if, in the Fund's judgment, the trade: (1) may interfere with the efficient management of the Fund's portfolio; (2) may appear to be connected with a strategy of market timing (as described below in the "Market Timing Trading Policies and Procedures' section); or (3) may have the potential of otherwise adversely affecting the Fund. In making a decision to reject an exchange request, the Fund may consider, among other factors, the investor's trading history in the Fund and in other SunAmerica Funds.

Rejected exchanges. If a Fund rejects an exchange request involving the sale of Fund shares, the rejected exchange request will also mean rejection of the request to purchase shares of another fund with the proceeds of the sale. Of course, you may generally redeem shares of the Fund at any time, subject to any applicable fees.

An investor who exchanges out of one High Watermark Fund and into another High Watermark Fund does not "import" the Protected High Watermark Value from the first Fund; rather, the redemption extinguishes any entitlement to the Fund's Protected High Watermark Value of the first Fund and the purchase of the second Fund starts a new entitlement to the second Fund's Protected High Watermark Value if the shares are held to the second Fund's Protected Maturity Date. The 2015 High Watermark Fund no longer accepts orders to buy shares from new or existing shareholders, and, therefore, exchanges into this Fund are no longer permitted.

Certificated shares. The Funds do not issue certificated shares.

Fund holdings. A description of the Funds' policies and procedures with respect to the disclosure of the Funds' portfolio securities is available in the Statement of Additional Information.

MARKET TIMING TRADING POLICIES AND PROCEDURES

Market timing policies. The Funds discourage excessive or short-term trading, often referred to as "market timing," and seek to restrict or reject such trading or take other action, as described below, if in the judgment of a Fund or any of its service providers, such trading may interfere with the efficient management of the Fund's portfolio, may materially increase the Fund's transaction costs, administrative costs or taxes, or may otherwise be detrimental to the interests of the Fund and its shareholders. The Funds' Board of Trustees has determined that the Funds should not serve as vehicles for frequent trading and has adopted policies and procedures with respect to such trading, which are described in this section.

All Fund shareholders are subject to these policies and procedures, regardless of how their shares were purchased or are otherwise registered with the Funds' Transfer Agent. While the Funds' expectation is that the market timing policies will be enforced by Financial Intermediaries pursuant to the Funds' prospectuses, the Funds may be limited in their ability to monitor the trading activity or enforce the Funds' market timing trading policies and procedures with respect to certain customers of Financial Intermediaries. For example, a Fund may not be able to detect market timing that may be facilitated by Financial Intermediaries or made difficult to identify in omnibus accounts used by those intermediaries for aggregated purchases, exchanges and redemptions on behalf of all their customers.

Risks from market timers. Depending on various factors, including the size of a Fund, the amount of assets the portfolio manager typically maintains in cash or cash equivalents an the dollar amount and number and frequency of trades, excessive or short-term trading may interfere with the efficient management of the Fund's portfolio, increase the Fund's transactions costs, administrative costs and taxes and/or impact Fund performance.

Market timing procedures. The Funds' procedures include committing staff of the Funds' shareholder services agent to monitor trading activity in the Funds on a regular basis by selectively reviewing transaction reports in an effort to identify trading activity that may be excessive or short-term and detrimental to a Fund. Factors considered in the monitoring process include, but may not be limited to, the frequency of transactions by the Financial Intermediary, the Fund's investment objective, the size of the fund and the dollar amount of the transaction. In the event that such trading activity is identified, and the Fund and its service providers in their sole discretion conclude that the trading may be detrimental to the Fund, the Funds reserve the right to temporarily or permanently bar your future purchases into SunAmerica Funds or, alternatively, may limit the amount, number of frequency of any future purchases and/or the method by which you may request future purchases and redemptions (including purchases and/or redemptions by an exchange between funds).

SACS has entered into agreements with Financial Intermediaries that maintain omnibus accounts with the Funds pursuant to which the Financial Intermediary undertakes to provide certain information to the Funds, including trading information, and also agrees to execute certain instructions from the Funds in connection with the Funds' market timing policies. In certain circumstances, a Fund may rely upon the policy of a Financial Intermediary to deter short-term or excessive trading if the Fund believes that the policy of such intermediary is reasonably designed to detect and deter transactions that are not in the best interest of a portfolio. A Financial Intermediary's policy relating to short-term or excessive trading may be more or less restrictive that the Fund's policy.

A Fund may also accept undertakings by a Financial Intermediary to enforce excessive or short-term trading policies on behalf of the Fund using alternative techniques, to the extent such techniques provide a substantially similar level of protection for the Fund against such transactions. For example, certain Financial Intermediaries may have contractual or legal restrictions that prevent them from blocking an account. In such instances, the insurance company may use alternate techniques that the Fund considers to be a reasonable substitute for such a block.

Though the implementation of the Funds' procedures involve judgments that are inherently subjective and involve some selectivity in their application, the Funds and their service providers seek to make judgments that are consistent with the interests of the Funds' shareholders. While a Fund will seek to take actions (directly and with the assistance of Financial Intermediaries) that will detect market timing, the Fund cannot represent that such trading activity can be completely eliminated.

Revocation of market timing trades. Transactions placed in violation of a Fund's market timing trading policies are not necessarily deemed accepted by the Fund and may be cancelled or revoked by the Fund on the next Fund business day following receipt by the Fund.

TAX, DIVIDEND, DISTRIBUTION AND ACCOUNT POLICIES

Prospectuses, Annual, and Semi-Annual Reports. As an alternative to regular mail, you may elect to receive these reports via electronic delivery. To enroll for this option, visit our web site at www.sunamericafunds.com, and select the "Go Paperless" hyperlink (note: this option is only available to accounts opened through the Fund).

Dividends. The Funds generally distribute most or all of their net earnings in the form of dividends. Income dividends and capital gains distributions, if any, are paid at least annually by the Funds.

Dividend reinvestments. Your dividends and distributions, if any, will be automatically reinvested in additional shares of the same Fund and share class on which they were paid. Alternatively, dividends and distributions may be reinvested in any fund distributed by SACS or, you may receive amounts in cash if the amount is $10.00 or more and if you notify the Fund in writing not less than five business days prior to the payment date. You will need to complete the relevant part of the Account Application to elect one of these other options. For existing accounts, contact your broker or financial adviser or call Shareholder Services at 800-858-8850, to change dividend and distribution payment options.

Unless otherwise specified, all dividends and distributions will be automatically reinvested in additional full and fractional shares of a Fund. If you do not reinvest all of your dividends and capital gains distribution in the Fund, your aggregate Protected High Watermark Value will be reduced.

Taxes. If your shares are not held in a tax-deferred retirement account, you should be aware of the following tax implications of investing in a Fund. Distributions are subject to federal income tax and may be subject to state or local taxes. Dividends paid from short-term capital gains and net investment income are taxable as ordinary income. Long-term capital gains are taxable as long-term capital gains when distributed to shareholders. It does not matter how long you have held your shares. Whether you reinvest your distributions in additional shares or take them in cash, the tax treatment is the same.

When you sell or exchange Fund shares you will generally recognize a capital gain or capital loss in an amount equal to the difference between the net amount of sale proceeds (or, in the case of an exchange, the fair market value of the shares) that you receive and your tax basis for the shares that you sell or exchange. By February 15 of each year the Fund will mail to you information about your dividends, distributions and any shares you sold in the previous calendar year.

Recent Regulations require the Funds to report to the IRS, and furnish to Fund shareholders, the cost basis information for Fund shares purchased on or after January 1, 2012, and sold on or after that date. The Funds will permit Fund shareholders to elect from among several cost basis methods accepted by the IRS, including average cost. In the absence of an election by a shareholder, the Funds will use the average cost method with respect to that shareholder.

The dynamic exposure allocation process may increase turnover of a Fund's assets, which may result in the realization of additional gains by the Fund. It may also result in a larger portion of any net gains being treated as short-term capital gains, which would be taxed as ordinary income when distributed to shareholders. **As noted above, distributions of any gains and income will be taxable to shareholders even if those distributions are reinvested in Fund shares.** Any gains from the Fund's investments in futures contracts will generally be treated as long-term capital gain to the extent of 60% of the gain and the remainder will generally be treated as short-term capital gain. Shareholders will also receive taxable distributions of net income from investments in fixed income securities even in situations where a Fund has capital losses from investments in the equity markets.

The determination of the tax character of any payment under the Master Agreement to the Fund as capital gain or ordinary income is not free from doubt under federal tax law. Each Fund intends to take the position that its right to receive the payment under the Master Agreement is itself a capital asset, and that the payment in termination of this right gives rise to capital gain. Were the Internal Revenue Service to challenge this position, it is believed that at least the portion of the payment attributable to capital losses previously realized by the Fund, and perhaps attributable to the Fund's unrealized capital losses, should be treated as capital gain. Any such gain would be offset by otherwise allowable capital losses, if any. To the extent that a Fund distributes the payment to its shareholders, a portion of the payment may constitute ordinary income to the shareholders, provided, however, because each Fund will terminate at the Protected Maturity Date, it is anticipated that the shareholders receiving the payment in exchange for their shares would be treated as receiving a return of capital to the extent of their basis in the shares of the Fund, and to the extent the payment exceeds basis, as having capital gain.

The Funds will invest in zero-coupon government securities and other debt securities that are issued at a discount or provide for deferred interest. Even though the Funds receive no actual interest payments on these securities, the Funds will be deemed to receive income equal, generally, to a portion of the excess of the face value of the securities over their issue price ("original issue discount") each year that the securities are held. Since the original issue discount income earned by a Fund in a taxable year may not be represented by cash income, the Fund may have to dispose of securities, which it might otherwise have continued to hold, to generate cash in order to satisfy its distribution requirements if shareholders request cash distributions.

Remember, there may be taxes on transactions. Because the Funds' share prices fluctuate, you may have a capital gain or loss when you sell or exchange your shares. A capital gain or loss is the difference between the price you paid for the shares and the price you received when you sold them. Any capital gain is subject to capital gains tax.

Returns of capital can occur. In certain cases, distributions made by a Fund may be considered a non-taxable return of capital to shareholders. If that occurs, it will be identified in notices to shareholders.

The IRS Form 1099 that is mailed to you by February 15 details your dividends and their federal income tax category, although you should verify your tax liability with your tax professional. Individual participants in the plans should consult their plan documents and their own tax advisers for information on the tax consequences associated with participating in the plans.

"Buying into a Dividend." You should note that if you purchase shares just before a distribution, you will be taxed for that distribution like other shareholders, even though that distribution represents simply a return of part of your investment. You may wish to defer your purchase until after the record date for the distribution, so as to avoid this tax impact.

Other tax considerations. If you are not a resident or a citizen of the United States or if you are a foreign entity, ordinary income dividends paid to you (which include distributions of net short-term capital gains) will generally be subject to a 30% United States withholding tax, unless a lower treaty rate applies. However, withholding tax will generally not apply to any gain realized by a non-U.S. shareholder in respect of any distributions of long-term capital gains or upon the sale or other disposition of shares in a Fund.

By law, each Fund must withhold 28% (currently scheduled to increase to 31% after 2012) of your distributions and redemption proceeds if you have not provided a taxpayer identification number or social security number.

This section summarizes some of the consequences under current U.S. federal income tax law of an investment in the Funds. It is not a substitute for professional tax advice. Consult your tax adviser about the potential tax consequences of an investment in the Funds under all applicable laws.

More Information About the Funds

INVESTMENT GOALS

Each Fund seeks capital appreciation to the extent consistent with preservation of capital investment gains in order to have an NAV on its Protected Maturity Date at least equal to the Protected High Watermark Value. Each Fund seeks high total return as a secondary objective. The investment goals of each Fund may be changed without shareholder approval, although you will receive notice of any change.

THE PAYMENT UNDERTAKING

Each Fund's Payment Undertaking provides that if you hold your Fund shares until the Protected Maturity Date, you will be entitled to redeem your shares for no less than the highest value previously attained by the Fund (minus a proportionate adjustment for all dividends and distributions paid subsequent to the Fund reaching this value, and any extraordinary expenses, and increased by appreciation in share value to the extent such appreciation exceeds this adjusted share value subsequent to the last paid dividend or distribution). This is known as the Protected High Watermark Value. Even if the Fund is itself unable to meet the Payment Undertaking on the Protected Maturity Date, the Fund can rely on the Master Agreement which provides that PGF will pay the amount of any shortfall between the Fund's Protected High Watermark Value and the actual NAV per share on the Fund's Protected Maturity Date, provided certain conditions are met.

More specifically, Protected High Watermark means, with respect to each share class, the higher of the initial NAV of a share and the NAV for a share on the date a share of that class is first issued. Thereafter, on each date on which NAV is calculated (a "Share Valuation Date"), the Protected High Watermark Value for a share of that class will be reset to equal the greater of (I) the NAV for a share on that Share Valuation Date or (II) the Protected High Watermark Value for a share for the immediately prior Share Valuation Date less the sum of (A) the product obtained by multiplying (i) the share distribution amount (recorded on that date if the Share Valuation Date is an ex-dividend date) for shares of that class, if any, by (ii) a ratio equal to the Protected High Watermark Value for a share on the immediately preceding Share Valuation Date divided by the sum of (a) NAV on that Share Valuation Date and (b) the share distribution amount, if any, declared on that Share Valuation Date, plus (B) extraordinary expenses per share, if any, accrued or paid on that Share Valuation Date (to the extent there was no prior accrual for this expense).

PROTECTED HIGH WATERMARK VALUE

The Protected High Watermark Value on a per share basis is reduced by dividends and distributions paid; a shareholder who reinvests dividends and distributions, however, receives additional shares that maintain his or her aggregate Protected High Watermark Value. A shareholder's aggregate Protected High Watermark Value may be reduced, as more fully explained in this Prospectus:

- If the shareholder takes any dividends or distribution in cash instead of reinvesting them in additional shares of the Funds;
- If he or she redeems any shares before the Protected Maturity Date;
- If there are extraordinary expenses incurred by the Fund;
- If the Funds' investment strategy otherwise is unsuccessful, or if the manager, the Fund or the Adviser fails to perform certain obligations under the Master Agreement;
- If both PGF and Prudential Financial fail to meet their obligations under the Master Agreement;
- If there is an early termination of the Master Agreement; or
- If there is an automatic conversion from Class C Shares to Class A Shares.

HOW IS THE PROTECTED HIGH WATERMARK VALUE DETERMINED?

Below are several illustrations indicating how the Protected High Watermark Value would be calculated under different circumstances. These examples relate to Class I shares. These examples start with the following assumptions:

Shares Purchased: Class I shares of the 2015 High Watermark Fund
Amount of Purchase: $20,000
Net Asset Value at Time of Purchase: $10.00 per share
Public offering price per share: $10.00
Total number of shares purchased: 2000 ($20,000/$10.00 per share = 2000 shares)

Other Assumptions: You hold your shares until the Protected Maturity Date and if the Fund's investment strategy is otherwise unsuccessful, there is no default in connection with the Master Agreement by either the Fund or PGF (and Prudential Financial).

Example 1: The Fund's highest NAV attained is $11.00 per share and no dividends or distributions are paid after that value is reached.

You will receive $22,000.00, which is equal to the Protected High Watermark Value times the number of shares that you own ($11.00 x 2000 = $22,000). This amount would be paid whether the Fund's highest NAV (Protected High Watermark Value) is reached before or after you purchase your shares.

Example 2: Make the same assumptions as in example 1, except that the Fund's NAV reaches its highest point of $10 per share on the date of your purchase, then declines to $9.00 per share and no dividends or distributions are paid by the Fund after this date.

The amount payable to you upon redemption at the Protected Maturity Date would be $20,000 (2,000 x $10.00), the value of the shares you purchased, even though the Fund's NAV has gone down subsequently.

The following examples illustrate that if you reinvest your dividends and distributions in additional shares of the Fund, the Protected High Watermark Value per share will decline as dividends and distributions are paid out, but this decline will be offset by the increase in the number of shares you own as a result of your reinvestment. If you do not reinvest your dividends and distributions in additional shares of the Fund, your aggregate High Watermark Value will be reduced. If you redeem your shares prior to the Protected Maturity Date, you will not be entitled to receive the Protected High Watermark Value on those shares. If you redeem shares, you will then hold fewer shares at the then-current Protected High Watermark Value, thereby reducing your aggregate Protected High Watermark Value. A redemption made from the Fund prior to the Protected Maturity Date will be made at the Fund's then-current NAV, which may be lower than the Protected High Watermark Value.

Example 3: Same assumptions as above, except that the Fund's highest NAV reaches $12.50 per share. It subsequently declines to $12.00 per share and on the Share Valuation Date, a $1.00 dividend per share is declared, which you decide to reinvest. Thus, on the Share Valuation Date, the NAV per share is $11.00 (remember the dividend is paid out of Fund assets $12.00 - $1.00 = $11.00).

To recalculate the new Protected High Watermark Value per share:

1. The new Protected High Watermark Value is the greater of $11.00 per share or the following:
2. High Watermark Value immediately prior to the Share Valuation Date ($12.50)
3. Less the sum of (A) the product obtained by multiplying (i) the share distribution amount ($1.00) by (ii) a ratio equal to the Protected High Watermark Value per share immediately preceding the Share Valuation Date ($12.50) divided by a sum of (a) NAV on the Share Valuation Date ($11.00) and (b) the share distribution amount on the Share Valuation Date ($1.00) plus extraordinary expenses, if any ($0.00): $1.00 x $12.50/($11.00+$1.00) = $1.04167
4. Item 2 minus Item 3: $12.50 - $1.04167 = $11.46.

Because $11.46 is greater than the NAV on the Share Valuation Date ($11.00), $11.46 becomes the new Protected High Watermark Value.

In addition, the reinvestment of the $1.00 dividend allows you to purchase an additional 181.818 shares: 2,000 (shares owned) x 1.00 per share dividend /$11 (NAV) = 181.818 (additional shares purchased) bringing your total shares owned to 2000 + 181.818 = 2,181.818.

Consequently, the new AGGREGATE Payment Undertaking Amount to you is now 2,181.818 x $11.46 = $25,003.63.

Example 4: You elect to receive Fund dividends and distributions in cash. We will use the same assumptions in Example 3 above, except that you elect to receive dividend in cash.

To recalculate your aggregate Protected High Watermark Value:

1. Determine the value of your dividend: 2,000 shares x $1.00 = $2,000.00.
2. Determine the new Protected High Watermark Value: $11.46.
3. Recalculate the new AGGREGATE Payment Undertaking: $11.46 (new Protected High Watermark Value) x 2,000 (because you will receive the dividend in cash rather than additional shares, the number of Fund shares you own remains at 2,000.) = $22,920.00 (This amount is $2,083.63 less than the value of the AGGREGATE Payment Undertaking if you reinvested the dividend which accounts for the cash value that you chose to take currently, $2,000.00.) Thus if you do not reinvest dividends, the value of the AGGREGATE Payment Undertaking will be reduced by the an amount related to the amount that you remove

from the Fund. If the Fund's NAV immediately prior to the dividend is less than the Protected High Watermark Value per share and you do not reinvest your dividend, the value of the dividend in cash would be less than the High Watermark value of the shares received through the reinvested dividends by an amount equal to the difference between the NAV and the Protected High Watermark Value per share.

Although you can perform this calculation yourself, the Fund will recalculate the Protected High Watermark Value for each share class on each Fund business day and will publish it on the SunAmerica website —www.sunamericafunds.com—together with the current NAV. It is possible that the Fund's calculations may differ from a shareholder's calculation, for example, because of rounding or the number of decimal places used. In each case, the Fund's calculations will control.

HOW DO THE FUNDS DIFFER FROM ORDINARY PRINCIPAL PROTECTED OR TARGET MATURITY/LIFESTYLE FUNDS?

Ordinary principal protected funds normally only offer protection on an investor's initial investment and provide no assurance of preserving investment gains. Moreover, those funds only offer their shares for a limited period and then close to new investments.

In contrast, the High Watermark Funds **continuously offer their shares** and provide the flexibility to make systematic investments over time targeted to chosen Protected Maturity Dates. More importantly, the Funds seek to **preserve investment gains** and return the Protected High Watermark Value at the Protected Maturity Date — **even if it was attained before the investor was a shareholder of the Fund.**

Ordinary target maturity or lifestyle funds seek to tailor their portfolios' risk levels to suit their time horizons. As maturity approaches, these funds generally reallocate their portfolios (e.g., by reducing their portfolios' allocation to stocks and increasing their fixed income exposure, but reducing the duration of their fixed income securities) so as to reduce expected risk and consequently expected return.

The High Watermark Funds generally tailor their portfolios' risk level over time in a manner similar to ordinary target maturity or lifestyle funds. In contrast to ordinary target maturity or lifestyle funds, however, the High Watermark Funds seek to preserve principal and investment gains at the Protected Maturity Date.

INVESTMENT STRATEGY

General

The Funds seek to generate capital appreciation by maintaining exposure to U.S. equity markets, while also being invested in fixed income securities. Exposures to both markets are managed to minimize the risk of loss of principal and investment gains over the Funds' respective maturities and to become generally more conservative (that is, less exposed to equity markets) as the Fund's Protected Maturity Date approaches. Under normal market conditions, the Funds will initially seek significant equity exposures and relatively long duration fixed income exposures and will be managed such that, as the Protected Maturity Date approaches, Fund holdings are increasingly devoted to high-grade, short-term fixed income securities. This reduction of investment risk exposure over time is broadly typical of target maturity or lifecycle funds and is frequently considered to be appropriate for prudent investors who are investing to provide for retirement, education or other purposes that prescribe an investment time horizon.

This strategy involves initially purchasing a portfolio of government securities with maturities approximating to a Fund's Protected Maturity Date and investing the balance of the Fund's assets in money market instruments. The estimated future value of these fixed-income investments, reflecting the anticipated accretion in value from the bonds, exceeds the Fund's initial net assets, and provides an expected surplus value which can offset estimated potential losses that may result in the future from the Fund's equity market exposures. The Adviser's proprietary exposure allocation formulae employ this expected surplus value along with other factors to determine an Equity Risk Budget, which sets the Fund's maximum permitted equity exposure. To the extent of its Equity Risk Budget, a Fund achieves exposure to the equity market by purchasing S&P 500 Index futures and, at times, options on those futures. As gains are earned, they are reinvested in money market instruments, government securities, index futures and options in direct proportion to the Fund's existing portfolio. Losses on S&P 500 Index futures may reduce the Fund's Equity Risk Budget. Generally, proceeds from net new purchases of Fund shares are invested in government securities, money market instruments, and S&P 500 Index futures and options in direct proportion to the Fund's existing portfolio; net redemptions of Fund shares are generally met through liquidation of each respective portion of the Fund's portfolio holdings. The Fund's Equity Risk Budget is recalculated daily and can lead to daily changes in the Fund's exposure to fixed-income and equity markets.

The Funds may trade portfolio holdings actively, which could increase the Funds' transaction costs (thus affecting performance) and may increase your taxable distributions.

On September 16, 2011, an Early Closure Condition occurred with respect to the 2015 High Watermark Fund. This Early Closure Condition required the Fund to irrevocably allocate its assets to its fixed income portfolio and to close to new investments. Accordingly, the 2015 High Watermark Fund will no longer have the ability to obtain equity exposure and equity risk no longer applies to this Fund.

PORTFOLIO CONSTRUCTION AND REBALANCING

The Funds' Adviser, Trajectory Asset Management LLC, uses disciplined quantitative investment formulae that seek to maximize the Funds' prospects for capital appreciation while preserving investment gains and controlling investment risk, particularly the risk of a shortfall between the Protected High Watermark Value and the actual NAV per share of a Fund on the Protected Maturity Date.

The Adviser employs the 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 government securities, but also the portfolios' notional exposures to equity markets via futures contracts and from time to time options contracts. The quantitative methodology evaluates a number of factors including, but not limited to:

- The Fund's NAV as compared to its Protected High Watermark Value
- The prevailing level of interest rates
- Fund expenses
- The current value of S&P 500 Index futures compared to their previous high-water value
- Margin requirements relating to S&P 500 Index futures
- The level of Fund holdings of money market instruments, including margin deposits
- The length of time remaining until the Fund's Protected Maturity Date

Through this quantitative methodology, the Adviser determines each Fund's initial portfolio holdings of S&P 500 Index futures, government securities and money market instruments, and determines portfolio rebalancing requirements thereafter.

Under certain market conditions, the Adviser may collar a portion of the S&P 500 Index exposure by writing calls and buying puts. A collar is a trade that establishes both a maximum profit (the ceiling) and maximum loss (the floor) when holding the underlying asset. The premium received from the sale of the ceiling reduces that due from the purchase of the floor. Strike prices are often chosen at the level at which the premiums net out or generate net positive premiums to the Fund. An example would be: owning 100 futures contracts, while simultaneously selling a call, and buying a put. Under most market conditions, the Funds are rebalanced daily on each business day. In volatile markets, however, the Adviser may rebalance the Funds' exposures more frequently and execute intra-day trades. By rebalancing daily, the Adviser seeks to reallocate each day's gains so as to protect them until the Protected Maturity Date, along with initial capital and prior days' gains, which are similarly protected by portfolio rebalancing.

The quantitative methodology is calibrated so as to control investment risk, particularly the risk of a shortfall between the Protected High Watermark Value and the actual NAV per share of a Fund on the Protected Maturity Date, while maintaining equity market exposure over a broad range of market conditions. Targeted persistence of equity exposures is generally consistent with a target maturity or lifecycle fund. **However, in the event of a significant decline in interest rates, or equity market values, or both, the methodology may significantly reduce or eliminate a Fund's equity exposure well before the Fund's protected maturity date, which could constitute an early closure condition, discussed below.**

Equity Exposure. The Funds use S&P 500 Index futures to generate equity market exposures. The S&P 500 Index is a stock market index comprising common stocks in the U.S. selected by Standard and Poor's Corporation ("S&P"). By buying these contracts, the Funds participate in equity market returns (gains or losses) that are roughly comparable to allocating a portion of portfolio assets directly to shares of stock comprising the S&P 500 Index. By holding futures contracts and holding them together with

The **Equity Risk Budget** for a Fund defines its maximum permissible equity exposure as determined by the Adviser's proprietary exposure allocation formulae. The Equity Risk Budget sets the maximum permissible equity exposure for the Fund. It is determined mathematically by the Adviser, employing proprietary formulae that seek to limit the estimated maximum probable loss resulting from the Fund's exposure to equity markets to an amount which can be recouped by the future accretion of value in the Fund's fixed income portfolio, so that the Fund's expected NAV at maturity is greater than its Protected High Watermark Value. Generally, the Equity Risk Budget will drop to zero if the estimated future value of the Fund's fixed income portfolio (including margin deposits and other cash equivalent holdings) at the Fund's Protected Maturity Date, less an estimated probable maximum loss on the Fund's equity exposure, drops to a level that is equal to the Protected High Watermark Value of the Fund.

Notional Exposure is the total value of a derivative's underlying assets. For example, one S&P 500 Index futures contract obligates the buyer to 250 units of the S&P 500 Index. If the index is trading at 1,000, then the futures contract is similar to investing $250,000 (250 x $1,000). Therefore, $250,000 is the notional exposure underlying the futures contract.

high grade fixed income securities, rather than shares of stock, the Funds seek to generate diversified equity exposures that can be rebalanced daily without incurring excessive trading costs and related expenses.

The Funds intend to hold only S&P 500 Index futures that are listed and traded on the Chicago Mercantile Exchange. These contracts generally provide a high degree of liquidity and a low level of counterparty performance and settlement risk. The Funds do not intend to invest in swaps or over-the-counter derivative contracts to generate equity exposures.

The 2015 High Watermark Fund and the 2020 High Watermark Fund will cap their notional exposure to the equity markets at approximately 95% of current net assets.

The Funds' investments in S&P 500 Index futures are fully covered by high-grade fixed income securities. The Funds intend to maintain at least 100% coverage of notional equity exposures in the form of U.S. government securities and other high-grade fixed income securities.

Through the use of futures strategies, the Funds seek to contain trading costs and expenses related to dynamic rebalancing. In employing these strategies, the Funds also seek to earn higher aggregate cumulative interest income over the life of each Fund than would typically be available through a portfolio of comparable credit quality that generates its equity exposure through direct holdings of shares of stock.

Table 1 below shows the targeted notional equity exposure ranges, expressed as a percent of net assets, for each of the Funds. The Table includes an estimated range, as of the date of this Prospectus, of average notional equity exposures that the Funds might experience from the date of this Prospectus through their Protected Maturity Dates on a time-weighted basis.

Table 1

Fund	Indicative Range of Targeted Average Notional Equity Exposures Over Time
High Watermark 2015 Fund	0%
High Watermark 2020 Fund	0-50%

The target exposures shown in Table 1 are indicative only; actual exposures may differ significantly from these estimates. The average notional equity exposure that a Fund actually attains over time may be at or near the lower end of the range indicated in Table 1 if the Fund encounters significant equity market declines, low interest rates, or a combination of the two over its Investment Period. As of December 31, 2011, the actual notional equity exposure of the 2020 High Watermark Fund was less than 1% of net assets and the 2015 High Watemark Fund had no equity exposure. The Funds may collar the equity index futures position by purchasing puts and writing calls on a portion of the equity exposure.

Fixed Income Participation. Generally, all or nearly all of the assets in the fixed income portfolio will be invested in U.S. government securities and high-grade money market instruments. Initially the Funds will hold a fixed income portfolio composed of longer duration U.S. government securities and high-grade money market instruments, including U.S. Treasury bills and repurchase agreements.

The Funds' investment in U.S. government securities will generally, if not wholly, consist of zero-coupon government securities, which are debt obligations that are issued or purchased at a significant discount from face value. The discount approximates the total amount of interest the government security will accrue and compound over the period until the Protected Maturity Date or the particular interest payment date at a rate of interest reflecting the market rate of the securities at the time of issuance. Zero-coupon government securities do not make periodic payment of interest and are highly interest rate sensitive.

Zero-coupon government securities include STRIPS (Separate Trading of Registered Interest and Principal of Securities). STRIPS are created by the Federal Reserve Bank by separating the interest and principal components of outstanding U.S. Treasury bonds and selling them as individual securities. Holdings of long-term securities issued by U.S. government-sponsored agencies and instrumentalities must be rated either AAA by Standard & Poor's ("S&P") or Aaa by Moody's Investors Service ("Moody's"), at the time of purchase, to the extent such securities have received a rating from these ratings agencies. Where neither S&P nor Moody's has rated the securities, these securities must represent senior obligations of an agency or instrumentality that has received a long-term senior debt rating of AAA from S&P or Aaa from Moody's, at the time of purchase, or, if both ratings agencies rate the agency or instrumentality, such debt must be rated AAA by S&P and Aaa by Moody's. Holdings of long-term securities issued by agencies or instrumentalities may not exceed 25% of the fixed income portfolio in the aggregate or 10% by issuer. Under the Master Agreement, PGF may permit a higher allocation to agency and instrumentality obligations if a Fund is in an Early Closure Condition, discussed below. The balance of the zero-coupon government securities will consist of direct obligations of the U.S. Treasury. Short-term securities held by a Fund will be issued by issuers rated in the highest rating categories by S&P or Moody's.

Table 2 below shows the ranges of targeted durations for the Funds' fixed income portfolios. The Table includes an estimated range, as of the date of this Prospectus, of average portfolio duration that the Fund might experience from the date of this Prospectus through its Protected Maturity Date on a time-weighted basis.

Table 2

Fund	Estimated Range of Targeted Fixed Income Portfolio Durations Over Time
High Watermark 2015 Fund	1.5-3.5 years
High Watermark 2020 Fund	5.0-8.0 years

The targeted average durations shown in Table 2 are indicative only; actual durations may differ significantly from these estimates due to changes in market conditions, particularly interest rates, and fixed income and equity market conditions over time.

ADDITIONAL INFORMATION ABOUT THE FUNDS' RISKS

A Fund's risk profile is largely a factor of the principal securities in which it invests and investment techniques that it uses. This section discusses the risks associated with certain types of securities in which the Funds may invest and certain investment practices that the Funds may use. For more information about these and other types of securities and investment techniques that may be used by the Funds, see the Statement of Additional Information.

HOW RISKY ARE THE FUNDS OVERALL?

The principal risks of an investment in a Fund involve opportunity costs, as well as the risks associated with exposure to the equities and fixed income markets. These risks are discussed in detail below.

As noted above, an Early Closure Condition occurred with respect to the 2015 High Watermark Fund. This Early Closure Condition required the Fund to irrevocably allocate its assets to its fixed income portfolio and to close to new investments. Accordingly, the 2015 High Watermark Fund will no longer have the ability to obtain equity exposure and equity risk no longer applies to this Fund.

Fund performance is significantly dependent upon the Adviser's skill in managing assets to implement the Funds' strategy. There is no assurance that a Fund's investment strategy alone will achieve its investment objective of fulfilling the Payment Undertaking.

If a Fund's investment strategy is unsuccessful, you can lose money if the financial condition of PGF and Prudential Financial deteriorates and they are unable to satisfy the Master Agreement with the Fund. It is also possible, though unlikely, that the Fund will not be able to satisfy its obligations under the Master Agreement and PGF and Prudential Financial are relieved of their obligations under the Master Agreement. As a result, the Fund may not be able to redeem your shares for the Protected High Watermark Value on the Protected Maturity Date. You also could lose money if, among other reasons, the Fund incurs extraordinary expenses, or if you redeem your shares prior to the Protected Maturity Date.

OPPORTUNITY COSTS

If at any time during the Investment Period interest rates are low, a Fund's exposure may be largely limited to fixed income securities in order to decrease the likelihood that a payment would be required under the Payment Undertaking. In addition, if the equity markets experience a major decline, the Fund's exposure may become largely limited to fixed income securities. In fact, if the value of the equity index futures portfolio were to decline by a significant amount, a complete allocation to fixed income exposure would likely occur. In the event of an allocation of 100% of the portfolio exposure to fixed income securities, the Fund would likely lose exposure to the equity markets prior to the Protected Maturity Date. In this circumstance, the Fund may not participate meaningfully in any subsequent recovery in the equity markets.

In addition, the terms of the Master Agreement prescribe certain investment parameters within which a Fund must be managed during the Investment Period to preserve the benefit of the Master Agreement. Accordingly, the Master Agreement could limit the Adviser's ability to alter the allocation of Fund assets in response to changing market conditions. The terms of the Master Agreement could require the Fund to liquidate an equity index futures position when it otherwise would not be in the shareholders' best interests.

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 a portfolio that is fully invested in equities.

RISK OF INTERIM REDEMPTION

Investors can realize significant losses if they redeem their shares before a Fund's Protected Maturity Date due to the possibility of a shortfall between the Protected High Watermark Value that investors earn if shares are held to maturity and the actual NAV of Fund shares.

EARLY FUND TERMINATION

If a Fund's portfolio were to terminate before the Fund's Protected Maturity Date and the Trust's Board of Trustees determined to liquidate the Fund, an investor would have to locate an alternative investment for his or her assets until the otherwise scheduled Protected Maturity Date, which could involve transaction expenses.

INTEREST RATE RISK

Debt securities are subject to changes in value when prevailing interest rates change. When interest rates fall, the values of already-issued debt securities generally rise. When interest rates rise, the values of already-issued debt securities generally fall, and those securities may sell at a discount from their face amount. In addition, the market value of zero-coupon securities (which may include STRIPS) generally is more volatile than the market value of a portfolio of fixed income securities with similar maturities that pay interest periodically.

ZERO-COUPON SECURITIES

Federal tax law requires that a holder of a zero-coupon security accrue a portion of the discount at which the security was purchased as taxable income each year, even though the holder receives no interest payment on the security during the year. Because a Fund must distribute substantially all of its net income (including non-cash income attributable to the accretion of value of zero-coupon securities) to its shareholders each year for income and excise tax purposes, this accrued discount would also be taken into account in determining the amount of taxable distributions to shareholders.

CREDIT RISK

Commercial paper and other high quality short-term notes held by the Funds are promissory notes of private issuers that depend solely on the credit of the issuing company. Securities directly issued by the U.S. Treasury and certain U.S. government agencies that are backed by the full faith and credit of the U.S. government have little credit risk. In the case of securities not backed by the full faith and credit of the United States, a Fund must look principally to the agency issuing or guaranteeing the obligation for ultimate repayment and may not be able to assert a claim against the United States if the agency or instrumentality does not meet its commitments. Credit risk is the risk that the issuer of a debt security might not make interest and principal payments on the security as they become due. All U.S. government securities may be subject to price declines due to changing interest rates.

USE OF FUTURES

While the use of futures contracts by the Funds can amplify a gain, it can also amplify a loss. This loss can be substantially more money than the initial margin. In addition, although the Funds intend to purchase or sell futures contracts on the Chicago Mercantile Exchange where there appears to be an active secondary market, there is no assurance of market liquidity such that there may be times where a Fund would not be able to close a futures investment position when it wanted to do so.

TRANSACTION COSTS

The dynamic exposure allocation process results in additional transaction costs such as dealer spreads and charges incurred from futures commission merchants. This process can have an adverse effect on the performance of the Funds during periods of increased equity market volatility. In addition, the dynamic exposure allocation strategy may require a Fund to have a higher portfolio turnover rate. Portfolio turnover refers to the frequency of portfolio transactions and the percentage of portfolio assets being bought and sold during the year.

U.S. GOVERNMENT SECURITIES

Some U.S. government agency securities may be subject to varying degrees of credit risk particularly those not backed by the full faith and credit of the United States Government. All U.S. government securities may be subject to price declines due to changing interest rates.

FUND SUITABILITY

If you may need access to your money at any point prior to the Protected Maturity Date or if you prefer to receive your dividends and distributions in cash, you should consider the appropriateness of investing in the Funds. Investors who redeem before the Protected Maturity Date will receive the current NAV of their investment, which may be less than either the Protected High Watermark Value or their initial investment.

While you may redeem your shares in accordance with the policies described under "Transaction Policies," shareholders who do not reinvest their distributions or dividends will reduce their aggregate Protected High Watermark Value and shareholders who redeem prior to the Protected Maturity Date will bear the cost of the Master Agreement without receiving any corresponding benefit. As explained in the examples on pages 18-20, if you reinvest your dividends and distributions, the number of shares you own in a Fund will increase at each date on which a dividend or distribution is paid and the Protected High Watermark Value will decrease so that your overall aggregate Protected High Watermark Value will not change. However, if you fail to reinvest dividends or distributions or you redeem Fund shares, your overall aggregate Protected High Watermark Value will decrease because you will have fewer shares multiplied by the applicable Protected High Watermark Value.

RISKS ASSOCIATED WITH THE MASTER AGREEMENT

If the NAV of a 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 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 Funds' ability to meet the Payment Undertaking.

CONTRACTUAL RESTRICTIONS UNDER THE MASTER AGREEMENT

The Funds are subject to conditions of the Master Agreement that require the Adviser 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 Funds' assets will be insufficient to allow a Fund to redeem shares at not less than the Protected High Watermark Value on its Protected Maturity Date. Accordingly, the Master Agreement could limit the Adviser's ability to respond to changing market conditions. If the Adviser fails to provide the required information to PGF or if the Adviser does not comply with the agreed-upon investment parameters or other requirements in the Master Agreement and fails to cure such deficiency within specified cure periods, PGF may terminate the Master Agreement (as described below) or exercise its right to instruct the Funds' custodian to immediately rebalance a Fund's portfolio so that it complies with the investment parameters. Compliance with these investment parameters may require that a Fund's assets be invested exclusively in fixed income securities, in which case a Fund's ability to participate in upward equity market movements could be eliminated.

RISK OF CANCELLATION OF THE MASTER AGREEMENT

While the Adviser 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 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 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.

EARLY CLOSURE CONDITIONS

If the Fund has irrevocably allocated its assets to the fixed income portfolio, it will close to new share issuances. A new Fund may be formed with the same Protected Maturity Date to accept new contributions. The Manager and the Adviser have contractually agreed to reduce their respective fees in the event that a Fund becomes completely and irreversibly 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 Fund's fixed income securities, and the 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 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.

The Manager may from time to time voluntarily waive a portion of its fees in order 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.

On September 16, 2011, an Early Closure Condition occurred with respect to the 2015 High Watermark Fund. This Early Closure Condition required the Fund to irrevocably allocate its assets to its fixed income portfolio and to close to new investments. Accordingly, the Fund will no longer have the ability to obtain equity exposure and equity risk no longer applies to this Fund.

EARLY FUND TERMINATION CONDITIONS

Under the Master Agreement, if certain low interest rate conditions occur and a Fund is within three years of its initial Protected Maturity Date, the Fund can terminate early. If a Fund terminates early under these circumstances, the 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 Fund or continuing to operate the 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 Fund Termination.

GLOSSARY

INVESTMENT AND OTHER TERMINOLOGY

Capital Appreciation is growth of the value of an investment.

A **Derivative Instrument** is a contract, such as an option or future, whose value is based on the performance of an underlying financial instrument.

The **Dow Jones Target Maturity 2015 Index** is part of a series of balanced indexes with risk profiles that become more conservative over time. The index allocates among stocks, bonds and cash on a monthly basis to hit predefined risk levels. The U.S. Target index series consists of six Dow Jones equity indexes, three/AMBAC bond indexes and the one-to-three months T-bill index. You may not invest directly in the Dow Jones Target Maturity 2015 Index and, unlike the Fund, this index does not incur fees and expenses.

The **Dow Jones Target Maturity 2020 Index** is part of a series of balanced indexes with risk profiles that become more conservative over time. The index allocates among stocks, bonds and cash on a monthly basis to hit predefined risk levels. The U.S. Target index series consists of six Dow Jones equity indexes, three/AMBAC bond indexes and the one-to-three months T-bill index. You may not invest directly in the Dow Jones Target Maturity 2020 Index and, unlike the Fund, this index does not incur fees and expenses.

An **Early Closure Condition** is a circumstance where the Adviser allocates all of a Fund's assets to fixed income securities and/or the yield on the fixed income portfolio is insufficient to cover the Fund's operating expenses in which case the Fund will close to new investments.

An **Early Fund Termination** is a circumstance where a Fund will terminate by accelerating its Protected Maturity Date if ALL of the following circumstances happen: (i) if the Fund's Equity Risk Budget has dropped to zero; (ii) the Fund is in the final three years prior to its Protected Maturity Date; and (iii) the Fund has a portfolio yield less than total Fund operating expenses. Thereafter, the Board of Trustees of the Trust would consider appropriate action under all of the circumstances. Also, the Board of Trustees of the Trust or PGF can terminate the Fund under certain circumstances.

Equity Exposure means investing a portion of the Funds' assets in S&P 500 Index futures to generate equity market exposures. By buying these contracts, the Funds participate in equity market returns (gains or losses) that are roughly comparable to allocating a portion of portfolio assets directly to shares of stock comprising the S&P 500 Index.

The **Equity Risk Budget** for a Fund defines its maximum permissible equity exposure as determined by the Adviser's proprietary exposure allocation formulae. The Equity Risk Budget sets the maximum permissible equity exposure for the Fund.

Extraordinary Expenses means any Fund fees and expenses that are not incurred or accrued in the ordinary course of the Fund's business (including for example, all costs of defending or prosecuting any claim, or litigation, to which the Fund is a party, together with any amounts in judgment, settlement or indemnification expense incurred by the Fund) or any other non-recurring, non-operating expenses.

Fixed Income Participation means investing a portion of the Funds' assets in U.S. government securities and high-grade money market instruments, including zero-coupon government securities and STRIPS.

Fixed Income Securities provide consistent interest or dividend payments. They include U.S. government securities. A high-quality fixed income security is rated in the highest ratings category by a debt rating agency (or is considered of comparable quality by the Adviser).

Futures are contracts involving the right to receive or obligation to deliver assets or money depending on the performance of one or more underlying assets or a market or economic index.

The **Investment Period** for Class I of each Fund commenced on February 17, 2005 and ends on that Fund's Protected Maturity Date. At the end of the Investment Period, the Board of Trustees of the Trust would consider appropriate action under all of the circumstances. These actions could include liquidating the Fund or continuing to operate the Fund and pursuing a strategy other than the High Watermark Strategy. During its Investment Period, a Fund will make continuous public offerings of its shares. Under certain limited circumstances, the Fund may close to new investments or liquidate altogether prior to its scheduled Protected Maturity Date.

The **Master Agreements** are the agreements between each of the Funds, and Prudential Global Funding, under which PGF will pay to each 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.

Money Market Instruments include high-quality, short-term securities, such as obligations of the U.S. government and its agencies, and certain short-term demand and time deposits, certificates of deposit and bankers' acceptances issued by certain U.S. depository institutions or trust companies, and certain commercial paper, which are short-term, negotiable promissory notes of companies.

Net Asset Value, or NAV, is the value of a Fund's assets minus all liabilities divided by the number of shares outstanding. The Funds calculate their NAV each business day.

Notional Exposure is the total value of a derivative's underlying assets. For example, one S&P 500 Index futures contract obligates the buyer to 250 units of the S&P 500 Index. If the index is trading at 1,000, then the futures contract is similar to investing $250,000 (250 x $1,000). Therefore, $250,000 is the notional exposure underlying the futures contract.

Each Fund's **Payment Undertaking** is the undertaking by the Fund to pay the Protected High Watermark Value on the Protected Maturity Date.

Preservation of Principal means investing in a manner that tries to protect the value of an investment against market movements and other economic events.

The **Protected High Watermark Value** for a Fund is the highest net asset value per share attained, (i) reduced by an amount that is proportionate to the sum of all dividends and distributions paid by the 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.

The **Protected Maturity Date** is the date on which a Fund's shareholders are entitled to receive their aggregate Protected High Watermark Value.

Repurchase Agreements are agreements in which the seller agrees to repurchase the security at a mutually agreed-upon time and price. The period of maturity is usually quite short, either overnight or a few days, although it may extend over a number of months.

S&P 500 Index is a stock market index comprised of common stocks in the U.S. selected by S&P.

S&P 500 Index Futures are legally binding agreements for the future sale by one party and purchase by another party of a specified amount of the S&P 500 Index for a specified price on a designated future date. A futures contract is part of a class of instruments called derivatives, so named because these instruments derive their value from the worth of the underlying investments.

STRIPS (Separate Trading of Registered Interest and Principal of Securities) are separately traded interest or principal components of securities issued or guaranteed by the U.S. Treasury. Under the STRIPS program, the interest and principal components of these securities are individually numbered and separately issued by the U.S. Treasury at the request of depository financial institutions, which then trade the component parts independently.

U.S. Government Securities are issued or guaranteed by the U.S. government, its agencies and instrumentalities. Some U.S. government securities are issued or unconditionally guaranteed by the U.S. Treasury. They are of the highest possible credit quality. While these securities are subject to variations in market value due to fluctuations in interest rates, they will be paid in full if held to maturity. Other U.S. government securities are neither direct obligations of, nor guaranteed by, the U.S. Treasury. However, they involve federal sponsorship in one way or another. For example, some are backed by specific types of collateral; some are supported by the issuer's right to borrow from the Treasury; some are supported by the discretionary authority of the Treasury to purchase certain obligations of the issuer; and others are supported only by the credit of the issuing government agency or instrumentality.

A **Zero-Coupon Security** is a security that makes no periodic interest payments but instead is sold at a deep discount from its face value.

Zero-Coupon Government Securities are: (i) securities issued or guaranteed by the U.S. Treasury or other government sponsored agency or instrumentality that have been stripped of their unmatured interest coupons and receipts; (ii) certificates representing interest in such stripped debt obligations or coupons; or (iii) zero-coupon government securities that are originally issued at a discount from their face value (original issue zeros). Zero-coupon government securities do not require periodic payment of interest and are highly interest rate sensitive. The difference between what you pay for a zero-coupon government security and what it pays at maturity is the amount of interest earned, assuming the zero-coupon government security is held until maturity.

RISK TERMINOLOGY

Active Trading: A Fund may engage in frequent trading of portfolio holdings to achieve its investment goal. In addition, because a Fund may sell a security without regard to how long it has held the security, active trading may have tax consequences for certain shareholders, involving a possible increase in short-term capital gains or losses. Active trading may result in high portfolio turnover and correspondingly greater other transaction costs, which will be borne directly by a Fund and could affect your performance. During periods of increased market volatility, active trading may be more pronounced.

Bond Market Volatility: The bond markets as a whole could go up or down (sometimes dramatically). This could affect the value of the securities in a Fund's portfolio.

Credit Risk: The risk that the issuer in which a Fund invests will fail financially or otherwise fail to honor its obligations. An issuer with a lower credit rating will be more likely than a higher rated issuer to default or otherwise become unable to honor its financial obligations.

Default Risk: The risk that the financial position of PGF and Prudential Financial could deteriorate and they would be unable to satisfy their obligations under the Master Agreement. In these circumstances, Fund shareholders could receive an amount less than the Protected High Watermark Value.

Derivatives: Derivatives are subject to general risks relating to heightened sensitivity to market volatility, interest rate fluctuations, illiquidity and creditworthiness of the counterparty to the derivatives transactions.

Early Termination Risk. The principal risk of Early Fund Termination is that, if thereafter the Trust's Board of Trustees determines to liquidate the Fund, an investor will need to locate an alternative investment for his or her assets until the otherwise scheduled Protected Maturity Date, which may involve transaction expenses.

Equity Risk: The risk that the equity market may decline in value due to the activities and financial prospects of individual companies or to general market and economic conditions.

Interest Rate Risk: The market value of the interest-bearing debt securities held by the Funds are subject to changes in value when prevailing interest rates change. When interest rates fall, the values of already-issued debt securities generally rise. When interest rates rise, the values of already-issued debt securities generally fall, and those securities may sell at a discount from their face amount. Zero-coupon bonds, including STRIPS, longer term and lower coupon bonds tend to be more sensitive to changes in interest rates. As a result, an investment in the Funds is subject to risk even if all fixed income securities in a Fund's investment portfolio are paid in full at maturity.

Interim Redemption Risk: The risk that investors can realize significant losses if they redeem their shares before maturity, particularly if they need to sell their shares when a Fund's Protected Maturity Date is still a long way off.

Opportunity Cost: The difference in return between a chosen investment and one that is passed up. Investment in fixed income securities during the Investment Period reduces the Funds' ability to participate as fully in upward equity market movements, and therefore represents some loss of opportunity compared to a portfolio that invests principally in equity securities.

Securities Selection: A strategy used by a Fund, or securities selected by its Adviser, may fail to produce the intended return.

Yield Shortfall Risk: The risk that portfolio yield drops below a Fund's expense ratio and the Fund would have to use capital (i.e., NAV) to cover its expenses.

Fund Management

FUND MANAGEMENT

Manager. SunAmerica Asset Management Corp. ("SunAmerica" or "Manager") supervises the daily business affairs of each Fund and provides various administrative services to the Funds. SunAmerica has delegated portfolio management responsibilities to the Adviser.

SunAmerica was organized in 1982 under the laws of Delaware, is located at Harborside Financial Center, 3200 Plaza 5, Jersey City, NJ 07311, and managed, advised or administered approximately $42 billion as of December 31, 2011. In addition to managing the Funds, SunAmerica serves as adviser, manager and/or administrator for Anchor Series Trust, SunAmerica Focused Series, Inc., Seasons Series Trust, SunAmerica Equity Funds, SunAmerica Income Funds, SunAmerica Money Market Funds, Inc. SunAmerica Senior Floating Rate Fund, Inc., VALIC Company I, VALIC Company II and SunAmerica Series Trust. Pursuant to an Investment Advisory and Management Agreement, the Fund will pay SunAmerica a management fee at the annual fee of 0.65% of average daily net assets. If a 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. For the fiscal year ended October 31, 2011, the 2020 High Watermark Fund paid SunAmerica a management fee of 0.65% and the 2015 High Watermark Fund paid SunAmerica a management fee of 0.62%. Effective September 16, 2011 the 2015 High Watermark Fund became completely and irreversibly invested in fixed income securities and, therefore, the managers fee payable to SunAmerica was reduced to 0.40% with respect to this Fund.

A discussion regarding the basis for the Board of Trustees approving the Investment Advisory and Management Agreement and Subadvisory Agreement of the Funds is available in the Funds' Annual Report to shareholders for the period ended October 31, 2011.

SunAmerica has contractually agreed to waive fees and/or reimburse expenses for certain classes of the Funds in the amounts set forth in the Fund's SAI and as described in the footnotes to the Expense Tables of this Prospectus. SunAmerica also may voluntarily waive or reimburse additional amounts, including to increase the investment return to a Fund's investors or in order 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. Further, any waivers or reimbursements made by SunAmerica are subject to recoupment from that fund within the previous two years, provided that the Fund is able to effect such payment to SunAmerica and remain in compliance with the foregoing expense limitations. The potential reimbursements are accounted for as possible contingent liabilities that are not recordable on the balance sheet of a Fund until collection is probable, but appear as footnote disclosure to each Fund's financial statements. At such time as it appears probable that a Fund is able to effect such reimbursement and that SunAmerica intends to seek such reimbursement, the amount of the reimbursement will be accrued as an expense of the Fund for that current period.

Please see additional information on the distribution-related payments made by SunAmerica under "Distributor" on page 31.

Adviser. Trajectory Asset Management LLC was organized in 2003 under the laws of Delaware and its principal offices are at 150 East 52nd Street, 7th Floor, New York, NY 10022. The Funds are managed by a team of investment professionals who are employed by the Adviser.

The Adviser is responsible for portfolio management for the Funds, selection of broker-dealers and negotiation of commission rates for the Funds. SunAmerica may terminate any agreement with the Adviser without shareholder approval. Moreover, SunAmerica has received an exemptive order from the Securities and Exchange Commission that permits SunAmerica, subject to certain conditions, to enter into agreements relating to the Fund with unaffiliated advisers approved by the Board of Trustees without obtaining shareholder approval. The exemptive order also permits SunAmerica, subject to the approval of the Board but without shareholder approval, to employ new unaffiliated advisers for new or existing Funds, change the terms of particular agreements with unaffiliated advisers or continue the employment of existing unaffiliated advisers after events that would otherwise cause an automatic termination of a subadvisory agreement. Shareholders of a Fund have the right to terminate an agreement with an adviser for that Fund at any time by a vote of the majority of the outstanding voting securities of the Fund. Shareholders will be notified of any adviser changes. The order also permits the Fund to disclose the Adviser's fees only in the aggregate for each Fund.

The Adviser's fee will be 43% of the net management fees after reimbursements paid to SunAmerica. SunAmerica has agreed to pay the Adviser a minimum fee (the "Minimum Fee") equal to 0.25% and 0.20% of the average daily net assets with respect to the 2015 High Watermark Fund and 2020 High Watermark Fund, respectively. The Minimum Fee will continue in effect for successive annual periods ending October 31, upon mutual agreement of SunAmerica and the Adviser, subject to approval by the Board of trustees, including a majority of the Independent Trustees.

For the fiscal year ended October 31, 2011, SunAmerica paid Trajectory a fee of 0.25% and 0.20% of average daily net assets with respect to the 2015 High Watermark Fund and 2020 High Watermark Fund, respectively. Payments to the Adviser for its services are made by SunAmerica, not by the Funds.

The Funds are managed by the Adviser's team of portfolio managers led by Juan M. Ocampo. Additional information about the portfolio managers compensation, other accounts under management and ownership of each Fund's shares, is contained in the SAI. The portfolio managers are described below:

Juan M. Ocampo
President

Prior to founding Trajectory Asset Management LLC and its parent company Demand Insights LLC, Mr. Ocampo served as a Partner of McKinsey & Company, Mitchell Madison Group (and its successor, marchFIRST), and as a Managing Director of Securitas Capital, a private equity investment fund jointly funded by Credit Suisse and Swiss Re. Mr. Ocampo is co-author of the book *Securitization of Credit*, published by John Wiley and Sons, and author of articles published in the Journal of Applied Corporate Finance and the McKinsey Quarterly. Mr. Ocampo is a graduate of the Massachusetts Institute of Technology and he received an MBA from Harvard Business School.

Kim H. Erle
Managing Director

Prior to founding Trajectory Asset Management and its parent company Demand Insights LLC, Ms. Erle was a Partner of marchFIRST, the successor firm of Mitchell Madison Group. Ms. Erle has also held positions at Bloomberg LP and at Salomon Brothers. Ms. Erle is a graduate of the Operations Research and Industrial Engineering program at Cornell University (with honors). She holds an MA in International Affairs and Economics from the Johns Hopkins School of Advanced International Studies, and an MBA (with honors) in Finance from Columbia Business School.

Marita Ben Ari, CFA
Vice President

Ms. Ben Ari is a Vice President at Trajectory Asset Management LLC, where her responsibilities include portfolio management and quantitative investment research. Prior to joining Trajectory Asset Management LLC in October 2005, Ms. Ben Ari was a Financial Strategy Consultant at TA Strategic Consulting/Ernst & Young (TASC), an Israeli management consultancy since January 2004. At TASC, Ms. Ben Ari served clients in the banking and telecom industries, as well as the Israeli government. Prior to that Ms. Ben Ari also held a position as a research assistant at Tel Aviv University from September 2001 through August 2003, where she specialized in data mining. Ms. Ben Ari holds Bachelor and Master's degrees from Tel Aviv University in the field of Industrial Engineering and Management, where she graduated first and second in her class respectively. She served for three years as an officer in the Israeli Defense Forces.

Distributor. SACS distributes each Fund's shares. SACS, at its expense, may from time to time provide additional compensation to broker-dealers (including, in some instances, affiliates of the Distributor) in connection with sales of shares of a Fund. This compensation may include: (i) full re-allowance of the front-end sales charge on Class A shares (which are offered in a separate prospectus); (ii) additional compensation with respect to the sale of Class A or Class C shares (which are offered in a separate prospectus), as well as Class I shares; or (iii) financial assistance to broker-dealers in connection with conferences, sales or training programs for their employees, seminars for the public, advertising campaigns regarding the Funds, and/or other broker-dealer sponsored special events. In some instances, this compensation will be made available only to certain broker-dealers that have sold a significant number of shares of the Funds. Compensation may also include payment for travel expenses, including lodging, incurred in connection with trips taken by invited registered representatives for meetings or seminars of a business nature. Compensation may also include various forms of non-cash compensation offered through permissible sales contests or otherwise. Broker-dealers may not use sales of the Portfolios' shares to qualify for this compensation to the extent receipt of such compensation may be prohibited by applicable law or the rules of any self-regulatory agency, such as the Financial Industry Regulatory Authority ("FINRA"). Broker-dealers may not use sales of the Funds' shares to qualify for this compensation to the extent receipt of such compensation may be prohibited by applicable law or the rules of any self-regulatory agency, such as the FINRA. Dealers who receive bonuses or other incentives may be deemed to be underwriters under the Securities Act of 1933.

In certain instances, the SunAmerica or its affiliates may pay distribution-related expenses, including providing the additional compensation to broker-dealers or other financial intermediaries described above. In addition, the Manager, SACS or their affiliates (including the Servicing Agent) may make substantial payments to broker-dealers or other financial intermediaries and service providers, including affiliates of SunAmerica, for distribution and/or shareholder servicing activities. Some of these distribution-related payments may be made to dealers or financial intermediaries for marketing or promotional services that may promote sales of Fund shares; these payments are often referred to as "revenue sharing." Such payments may be based on various factors, including levels of assets and/or sales (based on gross or net sales or some other criteria) of one or more Funds managed and/or administered by the Adviser. In some circumstances, those type of payments may relate to one or more Funds' inclusion on a financial intermediary's preferred list of funds offered to its clients or may create an incentive for a broker-dealer or other financial intermediary or its representatives to recommend or offer shares of the Funds to its customers over other funds that do not have sponsors making similar payments. You should ask your broker-dealer or financial intermediary for more details about any such payments it receives.

Financial Institution Compensation. If you purchase the Funds through a Financial Institution, the Funds, SunAmerica, the Distributor or their affiliates may pay the Financial Institution for the sale of Fund shares and related services, as described above. These payments may create a conflict of interest by influencing the Financial Institution and your salesperson to recommend a Fund over another investment. Ask your salesperson or visit your Financial Institution's Website for more information.

The SAI contains additional information about payments made to Financial Institutions.

Payments by the Manager are out of its own resources, including the profits from its advisory fees. Payments by the Distributor may be out of its own resources.

Servicing Agent. SunAmerica Fund Services, Inc. ("SAFS" or the "Servicing Agent") assists the Funds' transfer agent in providing shareholder services. The Servicing Agent, a SunAmerica affiliate, is paid a monthly fee by each Fund for its services at the annual rate of 0.22% of average daily net assets of Class I shares.

SunAmerica, the Distributor and Servicing Agent are all located in Harborside Financial Center, 3200 Plaza 5, Jersey City, NJ 07311-4992 and 2929 Allen Parkway, Houston, Texas 77019.

Prudential Financial and PGF. Prudential Financial is one of the largest financial services institutions in the United States. Prudential Financial provides a wide range of insurance, investment management and other financial products and services and has more than 15 million individual and institutional customers in the United States and over 30 other countries.

PGF was established in 1985 and is an indirect subsidiary of Prudential Financial. PGF serves as a central processing point for all proprietary over-the-counter derivative transactions within the Prudential Financial family and enters into a wide range of derivative instruments. Given the breadth of Prudential Financial's activities domestically and internationally, PGF interfaces frequently with the numerous business units within the firm to facilitate business. The many functions of PGF include:

- Providing derivative strategies to enhance product line sales and investments.
- Centralizing all over-the-counter derivative trading, credit and operational risk.
- Supporting Prudential Financial's debt issuance programs.
- Engineering new products for Prudential Financial's retail and institutional client base.
- Providing structured notes to qualified institutional buyers via Prudential Funding Corporation's Medium Term Note Program.
- Hedging, within prescribed limits, Prudential Financial's foreign currency risk arising from investments in foreign subsidiaries.

The performance of PGF's obligations with respect to the Master Agreement is guaranteed by Prudential Financial. Prudential Financial's long-term senior debt is rated Baa2 (Moody's)/A (S&P) as of February 8, 2012.

Under the Master Agreement, each Fund pays PGF a fee of 0.35% of average daily net assets. Since this fee rate is specific to each Fund's Master Agreement, if the Master Agreement were terminated with respect to a Fund and the Trust entered into a new master agreement, the fee payable under the new agreement may be higher than 0.35%. Any increase in the fee payable would be borne by the Fund.

Financial Highlights

The Financial Highlights table for each Fund is intended to help you understand the Funds' financial performance since inception. Certain information reflects financial results for a single Fund share. The total returns in each table represent the rate that an investor would have earned (or lost) on an investment in a Fund (assuming reinvestment of all dividends and distributions). This information has been audited by PricewaterhouseCoopers, LLP, an independent registered public accounting firm, for the fiscal years ended October 31, 2011, 2010, 2009 and 2008, and by another independent registered public accounting firm for the fiscal year ended October 31, 2007. The report of PricewaterhouseCoopers, LLP along with each Fund's financial statements, is incorporated by reference in the SAI, which is available upon request.

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 distributions	Net Asset Value end of period	Total Return[(2)]	Net Assets end of period (000's)	Ratio of expense to average net assets[(3)]	Ratio of net investment income to average net assets[(3)]	Portfolio Turnover
2015 HIGH WATERMARK FUND													
Class I													
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
10/31/11	10.50	0.24	(0.01)	0.23	(0.23)	—	(0.23)	10.50	2.31	21,005	0.58	2.38	0
2020 HIGH WATERMARK FUND													
Class I													
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
10/31/11	9.00	0.23	0.48	0.71	(0.21)	—	(0.21)	9.50	8.30	17,141	1.01	2.62	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.

(3) Net of following expense reimbursements and custody credits, if applicable (based on average net assets):

	10/31/07	10/31/08	10/31/09	10/31/10	10/31/11
2015 High Watermark Fund Class I	0.42%	0.41%	0.67%	0.79%	0.98%
2020 High Watermark Fund Class I	0.53	0.59	0.64	0.70	0.76

For More Information

The following documents contain more information about the Funds and are available free of charge upon request:

Annual and Semi-annual Reports. Additional information about the Funds is contained in the financial statements and portfolio holdings in the Funds' annual and semi-annual reports. In the Funds' annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

Statement of Additional Information. The SAI contains additional information about the Funds' policies, investment restrictions and business structure. This Prospectus incorporates the SAI by reference, which means it is legally part of this document.

You may obtain copies of these documents or ask questions about the Funds by contacting SAFS at 800-858-8850, by visiting our website at www sunamericafunds.com, or by calling your broker or financial adviser.

View your account online!

Visit our website at www.sunamericafunds.com and click on "Shareholder Services and Account Information."

- View your account and portfolio balance(s)
- View the transaction history of your account(s)
- See the net asset value of the Fund(s) you own
- Perform financial transactions (some limitations apply)
- Update account information (some limitations apply)
- Access year-to-date tax summary information
- View the dealer information on your account(s)

For Broker/Dealers: You can view your clients' account information online by visiting our website at www.sunamericafunds.com and clicking on the "Financial Professionals" link. Please call 800-858-8850, x6003 to obtain a password.

View your shareholder reports online!

Enroll for electronic delivery of Prospectuses and annual reports by visiting our website at www.sunamericafunds.com and clicking on "Shareholder Services and Account Information," and then the "Go Paperless" option to complete the consent form. Why Go Paperless?

- Immediate receipt of important Fund information
- Elimination of bulky documents from personal files
- Reduction of the Fund's printing and mailing costs

Once enrolled, paper copies of these documents will be replaced with an e-mail notification that they are available on the Internet. You can even notify us on line if your e-mail address changes. You may cancel your enrollment at any time. Please note that the e-mail address you provide will be kept confidential and will only be used for purposes related to the Funds. All personal information is encrypted and is completely secure.

Information about the Funds (including the SAI) can be reviewed and copied at the Public Reference Room of the SEC, Washington, D.C. Call 202-551-8090 for information on the operation of the Public Reference Room. Reports and other Information about the Funds is also available on the EDGAR Database on the SEC's web-site at http://www sec.gov and copies may be obtained, upon payment of a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing the Public Reference Section of the SEC, Washington, D.C. 20549-1520.

You should rely only on the information contained in this Prospectus. No one is authorized to provide you with any different information.

DISTRIBUTOR: SunAmerica Capital Services, Inc.

INVESTMENT COMPANY ACT
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SunAmerica
Mutual Funds

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By choosing this convenient service, you will no longer receive paper copies of Fund documents such as annual reports, semi-annual reports, prospectuses and proxy statements in the mail. Instead, you are provided with quick and easy access to this information via the Internet.

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It's Cost Effective — Reduction of your Fund's printing and mailing costs.

To sign up for electronic delivery, follow these simple steps:

1 **Go to www.sunamericafunds.com**

2 **Click on the link to "Go Paperless!!"**

The email address you provide will be kept strictly confidential. Once your enrollment has been processed, you will begin receiving email notifications when anything you receive electronically is available online.

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.

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

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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.

www.sunamericafunds.com

SunAmerica Mutual Funds

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