

Bloomberg Markets

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THE BEST-PERFORMING MUTUAL FUNDS

BY CHARLES STEIN

DIVERSIFIED U.S. EQUITIES

TOTAL RETURN, AS OF DEC. 31

Fund, MANAGEMENT COMPANY, Manager(s)	SCORE*	1-YR.	3-YR.	5-YR.
1 Buffalo Emerging Opportunities KORNITZER CAPITAL MANAGEMENT John Bichelmeyer/Craig Richard	96.3	61.3%	29.4%	32.4%
2 Matthew 25 MATTHEW 25 MANAGEMENT Mark Mulholland	89.0	38.7	26.3	31.5
3 T. Rowe Price New Horizons T. ROWE PRICE ASSOCIATES Henry Ellenbogen	88.6	49.1	22.7	29.0
4 Primecap Odyssey Aggressive Growth PRIMECAP MANAGEMENT Theo Kolokotronis/Joel P. Fried/Alfred Mordecai/ M. Mohsin Ansari	87.7	54.9	23.2	27.9
5 Touchstone Sands Capital Select Growth TOUCHSTONE ADVISORS Frank Sands Jr.	85.4	40.6	20.7	30.3
6 Lord Abbett Developing Growth LORD ABBETT Thomas O'Halloran, Arthur Weise	85.2	57.2	19.5	27.9
7 Kinetics Small Cap Opportunities KINETICS ASSET MANAGEMENT Peter Doyle/Matthew Houk	84.4	59.4	20.4	25.7
8 Hodges Small Cap HODGES CAPITAL MANAGEMENT Donald Hodges/Craig Hodges/Gary Bradshaw/ Eric Marshall	84.3	45.6	22.4	29.7
9 SunAmerica Focused Dividend Strategy Portfolio SUNAMERICA ASSET MANAGEMENT Timothy Pettee/Andrew Sheridan/ Timothy Campion	84.2	39.9	20.9	24.4
10 Franklin Small Cap Growth FRANKLIN ADVISERS Michael McCarthy/Brad Carris	75.3	54.5	19.1	27.0

*Takes into consideration one-, three- and five-year total returns as well as three- and five-year Sharpe ratios. Ranking includes open-end retail diversified equity funds domiciled in the U.S. with total assets of more than \$250 million as of Dec. 31. Three- and five-year returns are annualized. Source: Bloomberg

Average Annual Returns (%) (Class A as of 12/31/13)

	1 Year	3 Year	5 Year	10 Year	Since Inception
At Net Asset Value	39.91%	20.94%	24.27%	10.13%	7.23%
With Maximum Sales Charge	31.88%	18.58%	22.80%	9.48%	6.83%

Performance data quoted represents past performance and is not a guarantee of future results. The data assumes reinvestment of all distributions at net asset value (NAV). Class A gross operating expenses: 1.13%. Class A maximum sales charge: 5.75%. The Fund's daily NAV is not guaranteed and shares are not insured by the FDIC, the Federal Reserve Board or any other agency. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be higher or lower than the original cost. Current performance may be higher or lower than that shown. Performance as of the most recent month end is available at www.safunds.com.

HOW WE CRUNCHED THE NUMBERS

WE USED TWO Bloomberg functions to create the mutual-fund rankings. The first was Fund Screening (FSRC), which we used to generate separate lists for global, diversified U.S. and small-cap U.S. equities funds and for U.S. corporate and global bond funds. The second was Fund Scoring (FSCO), which we used to create a model with five criteria: total returns for one, three and five years and Sharpe ratios for three and five years, all as of Dec. 31.

All searches included only active, open-end, U.S.-domiciled funds with more than \$250 million in total assets as of Dec. 31. We excluded institutional-class, index, sector and market-neutral funds. For global equities funds, we limited the universe to funds described as global in the Bloomberg database. For global bond funds, we included funds with at least half of their assets invested outside the U.S.

In scoring the funds, we blended returns with the Sharpe ratio because that measure shows how well the return of a fund compensates investors for risk. A fund that takes substantial risk to produce a high return may have a lower Sharpe ratio than a fund that takes less risk and gets a lower return. Our model gave equal weight to the five criteria, with each fund in the same group awarded a score from zero to 100 based on its performance in the group. The winning funds were those that received the highest scores.

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

Investors should carefully consider a Fund's investment objectives, risks, charges and expenses before investing. The prospectus, containing this and other important information, can be obtained from your financial advisor, the SunAmerica Sales Desk at 800-858-8850, ext. 6003, or at www.safunds.com. Investors should read the prospectus carefully before investing.

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