



We believe in
investing in global
companies for
the long term.

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, you may not receive paper copies of the fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from the insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a website, and the insurance company will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the insurance company electronically by following the instructions provided by the insurance company.

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American Funds Insurance Series, by Capital Group, is the underlying investment vehicle for many variable annuities and insurance products.

For more than 85 years, Capital Group has invested with a long-term focus based on thorough research and attention to risk.

Investing for short periods makes losses more likely. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Investing outside the United States involves risks, such as currency fluctuations, periods of illiquidity and price volatility, as more fully described in the prospectus. These risks may be heightened in connection with investments in developing countries. Investing in small-capitalization stocks can involve greater risk than is customarily associated with investing in stocks of larger, more established companies. The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. High-yield bonds are subject to greater fluctuations in value and risk of loss of income and principal than investment-grade bonds. Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch as an indication of an issuer's creditworthiness. Futures may not provide an effective hedge of the underlying securities because changes in the prices of futures may not track those of the securities they are intended to hedge. In addition, the managed risk strategy may not effectively protect the funds from market declines and will limit the funds' participation in market gains. The use of the managed risk strategy could cause the fund's return to lag those of the applicable underlying funds in certain rising market conditions. Refer to the funds' prospectuses and the Risk Factors section of this report for more information on these and other risks associated with investing in the funds.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Fellow investors:

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Global stocks advanced and several market indexes hit record highs in the six months ending June 30, 2019, with the MSCI ACWI (All Country World Index)^{1,2} returning 16.23%. Investor sentiment improved as central banks around the world made it clear that the era of accommodative monetary policy is far from over, and as economies and earnings held up better than expected.

The United States had one of the strongest markets, as the MSCI USA Index^{1,3} climbed 18.79%, touching new all-time highs. While U.S. stocks strongly rallied coming out of a downturn toward the end of 2018, economic data was mixed. The U.S. economy grew at a strong 3.1% annual rate in the first quarter, but is expected to slow in the second quarter, and the labor market showed signs of plateauing. In May, only 75,000 jobs were added to the workforce, and wages grew 3.1% from the previous year – the slowest pace since September. The Conference Board's consumer confidence index declined to its lowest point in nearly two years, likely due to rising trade tensions, but S&P 500 constituent firms reported upside corporate earnings surprises – particularly within communication services – which kept sentiment high.

Information technology stocks led markets higher for the first half of 2019, extending gains after a particularly strong first quarter. Cyclical stocks rallied as officials with the U.S. Federal Reserve and the European Central Bank suggested that interest rate cuts or other stimulus measures could be on the way. Health care, a traditionally defensive sector,

See page 2 for footnotes.

lagged the overall market. Calls for drastic drug pricing reform by 2020 presidential candidates have weighed on sentiment and pressured stocks within the biotechnology industry. Energy stocks declined as crude oil prices dropped in early June.

The U.S. Federal Reserve kept the fed funds rate flat at 2.5% at its January, March and June meetings and said it expected no further increases for the rest of 2019. Recently, the Fed has gone even further, signaling it is now likely to cut rates, and actually doing so on July 31. Other central banks around the world echoed that dovish tone. The European Central bank revived a previously halted stimulus plan and indicated that negative interest rates would remain in place through the end of 2019.

In Europe, stocks rose on the prospects of lower interest rates and steady earnings despite continuing political turmoil, including the announced resignation of U.K. Prime Minister Theresa May amid stalled Brexit negotiations. Overall, the MSCI Europe Index¹ gained 15.80% year-to-date. Elsewhere among developed markets, Japanese stocks rebounded in the first quarter despite an economic slowdown, with the MSCI Japan Index posting a 7.75% gain for the period but trailing other major global markets as exports remained weak. Emerging markets stocks fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries. Overall, the MSCI Emerging Markets Investible Market Index^{1,4} gained 10.14% for the six months.

All market returns referenced in this report are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. Country returns are based on MSCI indexes, which reflect reinvestment of distributions and dividends net of withholding taxes, except for the MSCI USA Index, which reflects dividends gross of withholding taxes. Source: MSCI.

In bond markets, the Bloomberg Barclays U.S. Corporate Investment Grade Index^{5,6} gained 9.85% and the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index^{5,7} rose 9.94% as investors sought higher yields than those offered by U.S. Treasuries. Bloomberg Barclays Global Aggregate Index^{5,8} climbed 5.57%, while the Bloomberg Barclays U.S. Aggregate Index^{5,9} increased 6.11%. The 10-year Treasury yield, which stood at 2.69% on December 31, 2018, fell to 2.00%. The J.P. Morgan Emerging Markets Bond Index Global¹⁰ gained 10.60%, aided by falling U.S. Treasury yields and a declining dollar against many emerging markets currencies.

The U.S. dollar was mixed but relatively unchanged against global currencies. In developed markets, the euro, Australian dollar and British pound slid 0.38%, 0.32% and 0.07%, respectively, while the Japanese yen advanced 1.83% and Canadian dollar gained 4.52% on the greenback.

The period was one of strong performance for American Funds Insurance Series, with most funds recording double-digit returns.

The road ahead

The U.S. economy has been resilient and strong, providing a good fundamental backdrop for the stock market. After a decline in the fourth quarter of 2018, investors have enjoyed a sharp recovery in

the first half of 2019. In the midst of this positive environment, potential sources of volatility remain, the largest of which is probably the U.S.-China trade struggle. There is bipartisan support for reining in China on trade-related issues, so it appears that even if a deal is reached in the short term, the dispute may be a lengthy one – and markets may continue to rise and fall on the news. Other geopolitical tensions, such as developments regarding Iran, Russia, Venezuela and North Korea, also bear monitoring. In the U.K., while the fate of Brexit seems to drag on, there is some chance that come October 31, 2019, there will be a resolution. In the event of a hard Brexit, we would expect markets to react negatively. All of these events have the potential to move markets but we shouldn't consider them all negative – they could also move markets forward if they resolve in a more positive way.

We had been on a trajectory of normalization of interest rates but geopolitical tensions and some evidence of a cooling U.S. economy, along with a fall in 10-year Treasury rates, have put pressure on the Fed to cut rates, which is expected to be helpful to markets. We will see if the economy responds in a positive way or if the Fed will have to cut further. With the bond market seemingly anticipating an economic slowdown while the equity market is anticipating continued growth, we could see market volatility reappear in the coming months.

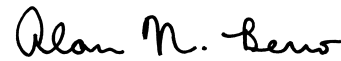
We remain confident in our ability to find attractive companies for the long term. We continue to stay the course of conducting deep fundamental research with a long-term horizon, as well as an eye toward valuation and risk. We are optimistic that our robust investment process and our ability to identify solid companies at good valuations based on bottom-up analysis can serve our investors well in the long run.

We continue to have confidence this will remain the case, and thank you for your support. We look forward to reporting to you again in six months' time.

Sincerely,



Donald D. O'Neal
Co-President



Alan N. Berro
Co-President

August 13, 2019

¹ Source: MSCI.

² The MSCI ACWI is a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes.

³ The MSCI USA Index is a free float-adjusted, market capitalization-weighted index that is designed to measure the U.S. portion of the world market.

⁴ The MSCI Emerging Markets Investable Markets Index (IMI) is a free float-adjusted market capitalization-weighted index that is designed to measure results of the large-, mid- and small-capitalization segments of more than 20 emerging equity markets.

⁵ Source: Bloomberg Index Services Ltd.

⁶ The Bloomberg Barclays U.S. Corporate Investment Grade Index represents the universe of investment grade, publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specific maturity, liquidity and quality requirements.

⁷ The Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index covers the universe of fixed-rate, non-investment-grade debt. The index limits the maximum exposure of any one issuer to 2%.

⁸ The Bloomberg Barclays Global Aggregate Index represents the global investment-grade fixed income markets.

⁹ The Bloomberg Barclays U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market.

¹⁰ The J.P. Morgan Emerging Markets Bond Index Global tracks total returns for U.S. dollar-denominated debt instruments issued by emerging markets sovereign and quasi-sovereign entities, including Brady bonds, loans and Eurobonds.

Summary investment portfolios

Summary investment portfolios are designed to streamline this report and help investors better focus on the funds' principal holdings. Ultra-Short Bond Fund, Managed Risk Growth Fund, Managed Risk International Fund, Managed Risk Blue Chip Income and Growth Fund, Managed Risk Growth-Income Fund and Managed Risk Asset Allocation Fund show a complete listing of portfolio holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings for each fund in the series.

Unless otherwise indicated, American Funds Insurance Series investment results are for Class 1 shares (Class P1 shares for managed risk funds). Class 1A shares began operations on January 6, 2017. Class 2 shares began operations on April 30, 1997. Class 3 shares began operations on January 16, 2004. Class 4 shares began operations on December 14, 2012. Results encompassing periods prior to those dates assume a hypothetical investment in Class 1 shares and include the deduction of additional annual expenses (0.25% for Class 1A shares, 0.25% for Class 2 shares, 0.18% for Class 3 shares and 0.50% for Class 4 shares).

The variable annuities and life insurance contracts that use the series funds contain certain fees and expenses not reflected in this report. Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The series investment adviser waived a portion of its management fees for all existing funds from September 1, 2004, through December 31, 2008, for Global Growth and Income Fund from May 1, 2006, through December 31, 2008, for International Growth and Income Fund from November 18, 2008, through December 31, 2008, for U.S. Government/AAA-Rated Securities Fund from July 1, 2010, through December 31, 2010, and for Blue Chip Income and Growth Fund from February 1, 2014, through January 31, 2015.

For the managed risk funds, the investment adviser is currently waiving a portion of its management fee equal to 0.05% of the funds' net assets. In addition, the investment adviser is currently reimbursing a portion of other expenses for Managed Risk Growth Fund, Managed Risk International Fund and Managed Risk Blue Chip Income and Growth Fund. The waivers and reimbursements will be in effect through at least May 1, 2020, unless modified or terminated by the series board. After that time, the investment adviser may elect to extend, modify or terminate the reimbursements. The waivers may only be modified or terminated with the approval of the series board. Applicable fund results shown reflect the waivers and reimbursements, without which results would have been lower. See the Financial Highlights tables in this report for details.

The Managed Risk Growth Fund pursues its objective by investing in shares of American Funds Insurance Series - Growth FundSM and American Funds Insurance Series - Bond FundSM. The Managed Risk International Fund pursues its objective by investing in shares of American Funds Insurance Series - International FundSM and American Funds Insurance Series - Bond FundSM. The Managed Risk Blue Chip Income and Growth Fund pursues its objective by investing in shares of American Funds Insurance Series - Blue Chip Income and Growth FundSM and American Funds Insurance Series - U.S. Government/AAA-Rated Securities FundSM. The Managed Risk Growth-Income Fund pursues its objective by investing in shares of American Funds Insurance Series - Growth-Income FundSM and American Funds Insurance Series - Bond FundSM. The Managed Risk Asset Allocation Fund pursues its objective by investing in shares of American Funds Insurance Series - Asset Allocation FundSM. The funds seek to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the funds' managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the funds' results can be expected to lag those of the underlying fund.

Funds are listed in the report as follows: equity, balanced, fixed income and managed risk.

Global Growth Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Global Growth Fund rose 21.41% for the six months ended June 30, 2019, compared with a 16.23% increase for the MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes.

Global stocks, as measured by the MSCI ACWI, rallied for much of the first half of 2019 supported by better-than-expected U.S. economic data and accommodative monetary policies in the U.S., Europe and China. Signs of progress in U.S.-China trade negotiations also boosted investor sentiment except for part of May when U.S.-China trade talks broke down. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries. In Europe, markets advanced along with global equities despite ongoing signs of weakening economic data in the 19-member eurozone.

An eclectic mix of information technology and consumer discretionary investments boosted the fund's relative returns. Information technology sector stocks ASML and Paycom outpaced the wider market and were among the top contributors to the fund's relative returns. Consumer discretionary stock Amazon also helped the fund's relative returns, boosted by revenue growth.

Investments in consumer staples were the biggest drag on relative results. Walgreens Boots Alliance Inc. hindered returns after its shares plunged in April on weak fiscal second-quarter results.

On a geographic basis, stocks of companies domiciled in the Netherlands and U.S. were additive to results, while stocks of companies based in the U.K. and Canada lagged on a relative basis.

Despite soaring valuations, the fund's portfolio managers are optimistic they will continue to find good companies globally that offer high-quality products, and whose values are not yet fully reflected in their share prices.

| | | | | Percent of net assets |
|--------------------------------|---------------------|-------------|---------------------------|---|
| Country diversification | The Americas | | Europe (continued) | Other regions |
| | United States | 45.2% | Denmark | 1.2% |
| | Other | 1.9 | Sweden | 1.0 |
| | | <u>47.1</u> | Other | 1.3 |
| | | | | <u>30.0</u> |
| | Europe | | Asia/Pacific Basin | Short-term securities & other assets less liabilities |
| | United Kingdom | 6.6 | China | 3.3 |
| | Netherlands | 6.2 | Taiwan | 3.5 |
| | France | 5.6 | Hong Kong | 3.5 |
| | Switzerland | 4.5 | Japan | 2.7 |
| | Germany | 2.3 | India | 2.1 |
| | Russian Federation | 1.3 | Other | 2.1 |
| | | | | <u>18.5</u> |
| | | | | <u>100.0%</u> |

Global Growth Fund

Percent of net assets

| Largest equity securities ² | | Percent of net assets | |
|--|-------|-----------------------|-------|
| Amazon | 6.74% | Visa | 3.14% |
| ASML | 3.84 | AIA Group | 2.56 |
| Microsoft | 3.63 | Alibaba Group | 2.49 |
| TSMC | 3.51 | Airbus | 2.45 |
| Alphabet | 3.19 | Broadcom | 2.22 |

Total returns based on a \$1,000 investment For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since April 30, 1997) | Expense ratio |
|----------|----------|--------|---------|----------|---------------------------------|---------------|
| Class 1 | 21.41% | 7.31% | 9.53% | 12.66% | 9.91% | .55% |
| Class 1A | 21.23 | 7.01 | 9.27 | 12.38 | 9.63 | .80 |
| Class 2 | 21.25 | 7.05 | 9.26 | 12.38 | 9.63 | .80 |
| Class 4 | 21.07 | 6.78 | 8.98 | 12.14 | 9.38 | 1.05 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

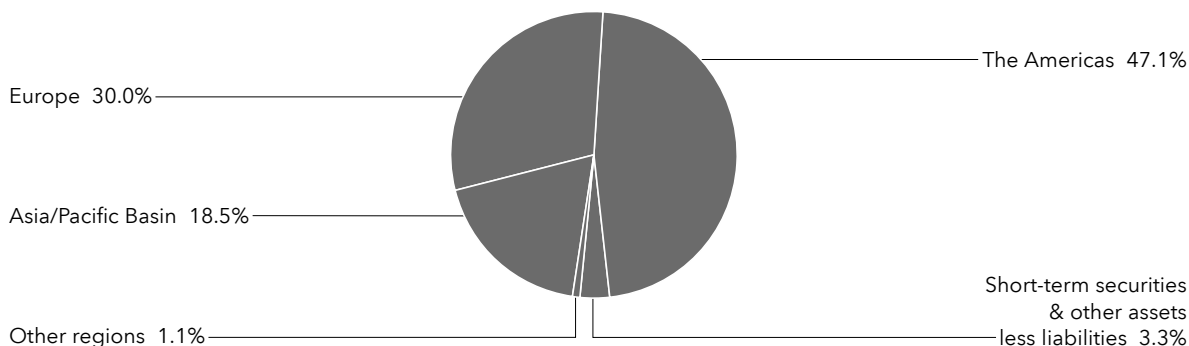
¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

³Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Global Small Capitalization Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since April 30, 1998) | Expense ratio |
|----------|----------|--------|---------|----------|------------------------------------|------------------|
| Class 1 | 20.30% | 3.18% | 6.00% | 10.70% | 9.47% | .74% |
| Class 1A | 20.21 | 2.90 | 5.75 | 10.43 | 9.20 | .99 |
| Class 2 | 20.16 | 2.90 | 5.73 | 10.42 | 9.20 | .99 |
| Class 4 | 20.05 | 2.65 | 5.47 | 10.16 | 8.93 | 1.24 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

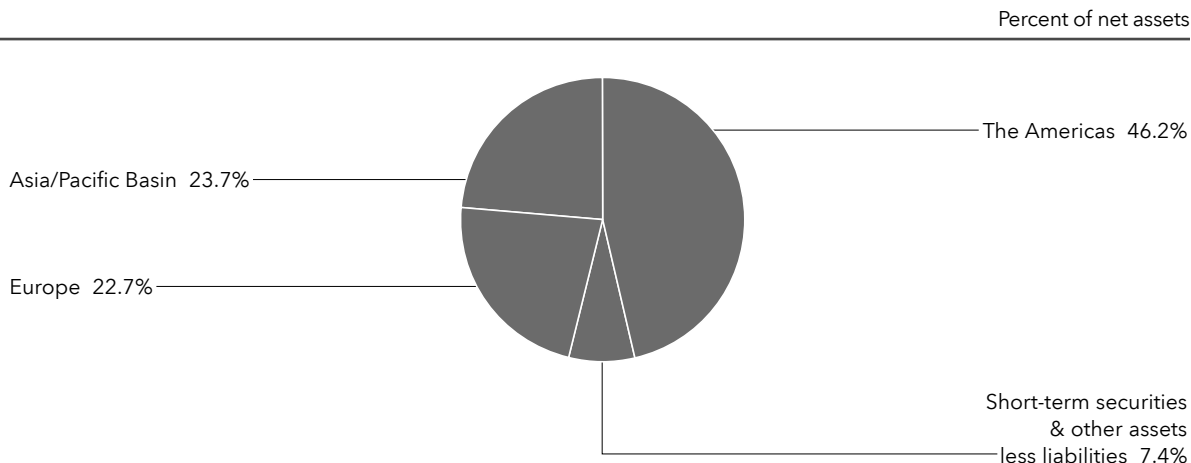
Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

³Periods greater than one year are annualized.

Where the fund's assets were invested as of June 30, 2019



Growth Fund

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Growth Fund gained 16.80% for the six months ended June 30, 2019, compared with a 18.54% increase in its benchmark index, Standard & Poor's 500 Composite Index,¹ a market capitalization-weighted index based on the results of approximately 500 widely held common stocks.

U.S. equity markets shrugged off a sharp decline in December and rallied to all-time highs in April - achieving strong gains despite a volatile stretch in May. Solid economic growth and indications the U.S. Federal Reserve will keep interest rates low increased investor optimism that the economic expansion can be sustained longer than previously expected. Information technology stocks led markets higher, extending gains through June after a particularly strong first quarter. Outside the U.S., European stocks advanced despite signs of slowing economic growth and continued trade uncertainty. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries.

Companies in the communication services sector, led by Facebook and Netflix (which benefitted from strong user and revenue growth), contributed to relative results. Investments in the consumer discretionary and health-care sectors detracted from the fund's relative results. The fund's top detractor to returns was consumer discretionary company Tesla Inc. While Tesla has led an electric vehicle revolution in the automotive industry, it has experienced recent growing pains as it attacks the challenge of getting its moderately priced offerings built, delivered and serviced at volume.

Although U.S. economic growth remained solid, the fund's portfolio managers are keeping a close watch on near-term economic indicators, such as wage growth, monetary policy and trade relations. Portfolio managers continue to favor well-positioned, growth-oriented companies that are capable of generating free cash flow in myriad near term economic environments and remain optimistic that our global research will help us identify attractive long-term investment opportunities.

| | | | | Percent of net assets |
|--|-----------|-------|--------------------|-----------------------|
| Largest equity securities² | Facebook | 5.60% | UnitedHealth Group | 2.97% |
| | Microsoft | 5.30 | Broadcom | 2.77 |
| | Amazon | 3.60 | Intuitive Surgical | 1.86 |
| | Netflix | 3.46 | Home Depot | 1.79 |
| | Alphabet | 3.07 | ServiceNow | 1.76 |

Growth Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since February 8, 1984) | Expense ratio |
|----------|----------|--------|---------|----------|--------------------------------------|------------------|
| Class 1 | 16.80% | 6.22% | 12.70% | 15.37% | 12.75% | .34% |
| Class 1A | 16.66 | 5.96 | 12.44 | 15.09 | 12.47 | .59 |
| Class 2 | 16.65 | 5.95 | 12.42 | 15.09 | 12.47 | .59 |
| Class 3 | 16.68 | 6.02 | 12.50 | 15.17 | 12.55 | .52 |
| Class 4 | 16.51 | 5.70 | 12.14 | 14.82 | 12.19 | .84 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

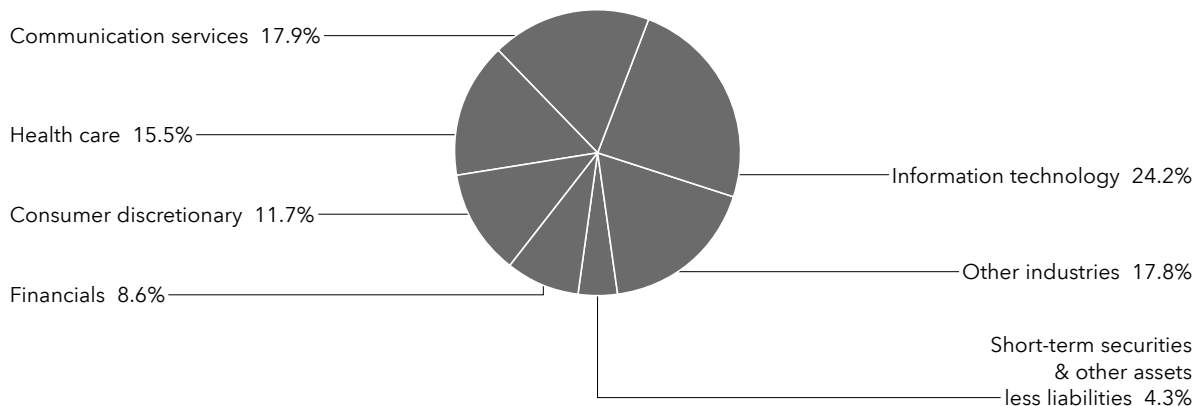
¹Source: S&P Dow Jones Indices LLC.

²The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

³Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



International Fund

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International Fund gained 14.94% for the six months ended June 30, 2019. Its benchmark, the MSCI ACWI (All Country World Index) ex USA,¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes excluding the U.S.), increased 13.60%.

Global stocks, as measured by the MSCI ACWI, rallied for much of the first half of 2019 supported by better-than-expected U.S. economic data and accommodative monetary policies in the U.S., Europe and China. Signs of progress in U.S.-China trade negotiations also boosted investor sentiment except for part of May when U.S.-China trade talks broke down. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries. In Europe, markets advanced along with global equities despite ongoing signs of weakening economic data in the 19-member eurozone.

Investments in the financials and communication services sectors boosted relative returns with Indian companies Axis Bank and HDFC Bank among the top contributors thanks to favorable political and economic tail winds in India. Among the biggest detractors to relative returns was health-care sector stock Teva Pharmaceutical, whose stock price suffered amid continued opioid litigation.

The fund's portfolio managers continue to monitor volatility and potential headwinds brought about by political and trade uncertainty. Given how late it may be in the current bull market, they seek opportunities in particular within those regions, countries and sectors less affected by these global headlines. Their focus on a company's fundamental growth drivers and intrinsic worth is critical to helping them identify investments that they believe represent the best value over the long term.

| | | | | Percent of net assets | | |
|--------------------------------|---------------------------|-------|---------------------------|-----------------------|--|--------|
| Country diversification | Asia/Pacific Basin | | Europe (continued) | | Other regions | |
| | Japan | 14.0% | Switzerland | 5.3% | Other | 1.8% |
| | China | 11.4 | Germany | 4.0 | Short-term securities & other assets less liabilities | 8.1 |
| | India | 8.4 | Netherlands | 2.3 | | |
| | Hong Kong | 7.4 | Spain | 1.9 | Total | 100.0% |
| | South Korea | 3.3 | Other | 2.1 | | |
| | Australia | 1.4 | | 34.5 | | |
| | Philippines | 1.2 | The Americas | | | |
| | Other | 1.3 | Canada | 2.8 | | |
| | | 48.4 | Brazil | 2.7 | | |
| | Europe | | United States | 1.4 | | |
| | France | 10.3 | Other | .3 | | |
| | United Kingdom | 8.6 | | 7.2 | | |

| | | | | Percent of net assets | |
|--|---------------|-------|---------------------|-----------------------|--|
| Largest equity securities² | AIA Group | 4.49% | Tencent | 2.11% | |
| | Airbus | 4.30 | Kotak Mahindra Bank | 1.77 | |
| | HDFC Bank | 3.51 | Samsung Electronics | 1.76 | |
| | Novartis | 2.92 | Vale | 1.68 | |
| | Alibaba Group | 2.48 | Pernod Ricard | 1.42 | |

International Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since May 1, 1990) | Expense ratio |
|----------|----------|--------|---------|----------|---------------------------------|------------------|
| Class 1 | 14.94% | 0.08% | 4.34% | 7.89% | 8.10% | .53% |
| Class 1A | 14.76 | -0.15 | 4.09 | 7.62 | 7.83 | .78 |
| Class 2 | 14.78 | -0.14 | 4.08 | 7.62 | 7.83 | .78 |
| Class 3 | 14.87 | -0.08 | 4.16 | 7.70 | 7.90 | .71 |
| Class 4 | 14.68 | -0.42 | 3.82 | 7.37 | 7.57 | 1.03 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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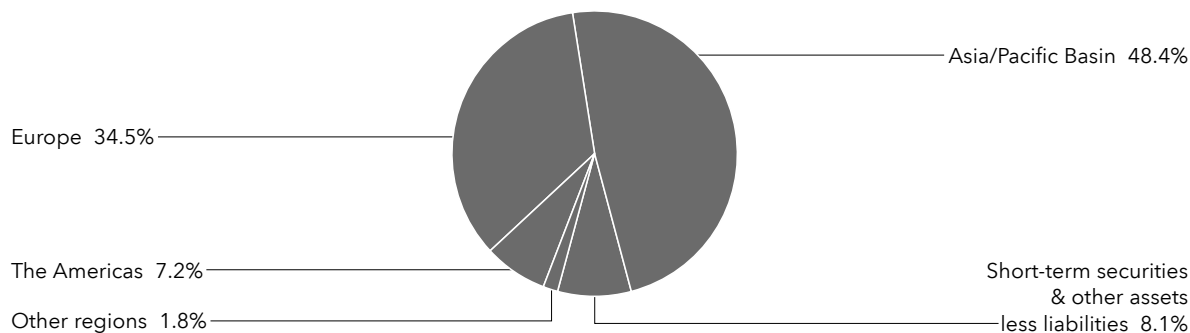
¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

³Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

New World Fund was up 19.23% for the six months ended June 30, 2019. Its benchmark index, the MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes), was up 16.23%. The MSCI Emerging Markets Index,¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global emerging markets (consisting of more than 20 emerging market country indexes), increased by 10.58%.

Global stocks, as measured by the MSCI ACWI, rallied for much of the first half of 2019 supported by better-than-expected U.S. economic data and accommodative monetary policies in the U.S., Europe and China. Signs of progress in U.S.-China trade negotiations also boosted investor sentiment except for part of May when U.S.-China trade talks broke down. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries. In Europe, markets advanced along with global equities despite ongoing signs of weakening economic data in the 19-member eurozone.

The fund's relative returns outpaced emerging markets in general. Investments in the information technology and consumer staples sectors were beneficial to the fund. Digital payment company PagSeguro rose on the back of strong revenue growth as it gained market share from established banks. Among detractors, Sony hindered returns as increased pressure from cloud-based gaming competitors soured market sentiment.

The fund's portfolio managers continue to pursue a bottom-up approach to investing and search for undervalued companies with solid foundations around the world, as well as stocks that are domestically focused and more insulated from geopolitical events given increased volatility at this point in the market cycle.

| | | | | Percent of net assets | | |
|--------------------------------|---------------------------|--------|---------------------------------|-----------------------|---|--------|
| Country diversification | Asia/Pacific Basin | | The Americas (continued) | | Other regions | |
| | India | 12.7% | Canada | 1.5% | Other | 1.3% |
| | China | 11.8 | Other | 2.4 | | |
| | Japan | 3.7 | | 36.2 | Short-term securities & other assets less liabilities | 5.3 |
| | Taiwan | 2.9 | Europe | | | |
| | Hong Kong | 3.8 | United Kingdom | 5.2 | Total | 100.0% |
| | Other | 4.2 | France | 3.0 | | |
| | | 39.1 | Russian Federation | 2.9 | | |
| | | | Switzerland | 2.1 | | |
| | | | Germany | 2.0 | | |
| | | | Other | 2.9 | | |
| | | | | 18.1 | | |
| | | | The Americas | | | |
| | | | United States | 20.4 | | |
| | | Brazil | 11.9 | | | |

| | | | | Percent of net assets | |
|--|---------------------|-------|---------------------|-----------------------|--|
| Largest equity securities² | Reliance Industries | 6.06% | AIA Group | 2.02% | |
| | PagSeguro | 2.96 | Vale | 1.89 | |
| | HDFC Bank | 2.66 | Microsoft | 1.87 | |
| | TSMC | 2.65 | B3 | 1.86 | |
| | Alibaba Group | 2.16 | Kotak Mahindra Bank | 1.72 | |
| | | | | | |

New World Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since June 17, 1999) | Expense ratio |
|----------|----------|--------|---------|----------|-----------------------------------|------------------|
| Class 1 | 19.23% | 6.90% | 3.74% | 7.80% | 8.26% | .76% |
| Class 1A | 19.10 | 6.66 | 3.49 | 7.53 | 8.00 | 1.01 |
| Class 2 | 19.07 | 6.63 | 3.48 | 7.53 | 7.99 | 1.01 |
| Class 4 | 18.96 | 6.40 | 3.23 | 7.27 | 7.73 | 1.26 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

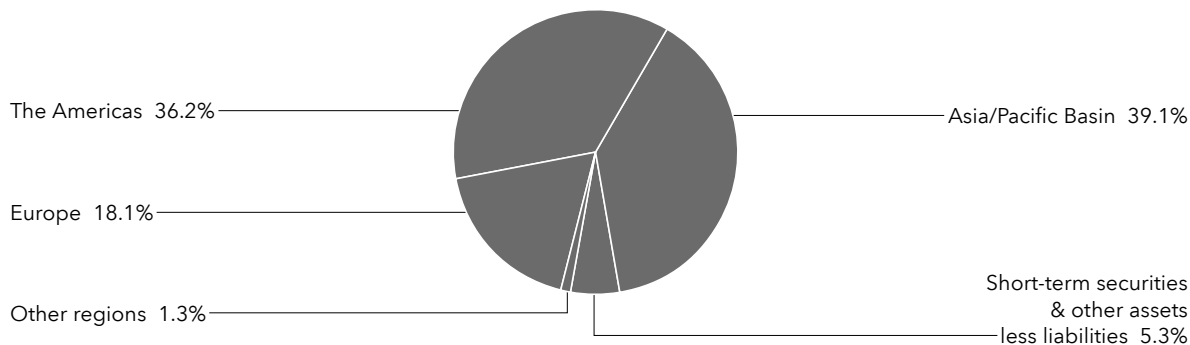
¹Source: MSCI. Results for MSCI indexes reflect dividends net of withholding taxes and reinvestment of distributions.

²The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

³Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Blue Chip Income and Growth Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Blue Chip Income and Growth Fund gained 11.14% for the six months ended June 30, 2019, trailing the 18.54% rise in its benchmark index, Standard & Poor's 500 Composite Index,¹ a market capitalization-weighted index based on the results of approximately 500 widely held common stocks.

U.S. equity markets shrugged off a sharp decline in December and rallied to all-time highs in April - achieving strong gains despite a volatile stretch in May. Solid economic growth and indications that the U.S. Federal Reserve will keep interest rates low increased investor optimism that the economic expansion can be sustained longer than previously expected. Information technology stocks led markets higher, extending gains through June after a particularly strong first quarter. Outside the U.S., European stocks advanced despite signs of slowing economic growth and continued trade uncertainty. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries.

Investments in industrials helped the fund's results relative to the index. Among the fund's top contributors to relative returns within industrials was CSX, whose implementation of precision railroading should help position CSX for continued long-term growth. Another top contributor on a relative basis was materials sector stock Linde.

Fund holdings in the health care and energy sectors hindered relative returns. Investments in pharmaceutical companies, such as AbbVie and Amgen, hurt results relative to the index. Overall, this proved to be a relatively disappointing six months for the fund, but we continue to believe the focus on dividend-paying stocks will pay off over the long term.

Nearer term, the fund's portfolio managers are aware that the market is keeping a close watch on U.S. monetary policy, our trade relationships and the current shape of the yield curve and their implications on the U.S. economy. Portfolio managers continue to favor well-managed, high-quality companies that are capable of paying dividends in myriad economic environments. We remain optimistic that this focus, supported by our global research, will help us to identify attractive long-term investment opportunities.

| | | | | Percent of net assets |
|--|---------------------|-------|-----------------------------|-----------------------|
| Largest equity securities² | Abbott Laboratories | 5.15% | General Dynamics | 3.01% |
| | AbbVie | 4.96 | Facebook | 2.93 |
| | Exxon Mobil | 4.18 | EOG Resources | 2.91 |
| | Lowe's | 4.11 | Philip Morris International | 2.90 |
| | Microsoft | 3.74 | QUALCOMM | 2.45 |
| | | | | |

Blue Chip Income and Growth Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since July 5, 2001) | Expense ratio |
|----------|----------|--------|---------|----------|----------------------------------|------------------|
| Class 1 | 11.14% | 1.27% | 8.13% | 12.98% | 6.36% | .41% |
| Class 1A | 10.89 | 0.95 | 7.86 | 12.70 | 6.10 | .66 |
| Class 2 | 10.89 | 0.99 | 7.84 | 12.69 | 6.09 | .66 |
| Class 4 | 10.83 | 0.81 | 7.58 | 12.48 | 5.86 | .91 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008, and from February 1, 2014, through January 31, 2015. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

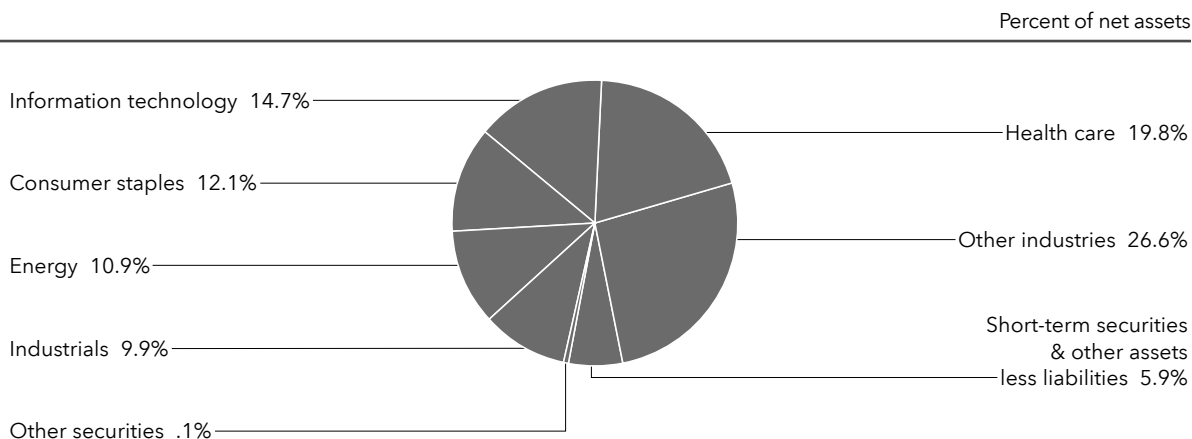
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¹Source: S&P Dow Jones Indices LLC.

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³Periods greater than one year are annualized.

Where the fund's assets were invested as of June 30, 2019



Global Growth and Income Fund

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Global Growth and Income Fund advanced 19.47% for the six months ended June 30, 2019, compared with a 16.23% increase in its benchmark index, MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes.

Global stocks, as measured by the MSCI ACWI, rallied for much of the first half of 2019 supported by better-than-expected U.S. economic data and accommodative monetary policies in the U.S., Europe and China. Signs of progress in U.S.-China trade negotiations also boosted investor sentiment except for part of May when U.S.-China trade talks broke down. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries. In Europe, markets advanced along with global equities despite ongoing signs of weakening economic data in the 19-member eurozone.

Several sectors including industrials and financials contributed to the fund's relative returns. Industrial company Airbus rallied on positive tail winds from strong global demand, and likely benefited from Boeing's troubles with its 737MAX. On the downside, some investments in the information technology sector hindered relative returns. In particular, TSMC was a top relative detractor.

On a country basis, holdings in Japan and France contributed the most to relative returns, and holdings in the U.S. and Taiwan were a drag on returns (the former due to a lower-than-index position).

The fund's portfolio managers recognize that we are experiencing a slowdown in global economic growth. With dovish monetary strategy back under consideration in the U.S. and Europe, the fund's managers remain cautiously optimistic about the prospects of the global economy and are monitoring the potential impact on global growth. Portfolio managers continue to invest based on a bottom-up approach to long-term investing and believe they can uncover promising companies with strong positions in their industries, sustainable growth and income opportunities globally - including emerging markets.

| | | | | Percent of net assets | | |
|--------------------------------|---------------------|-------------|--|---------------------------|---|---------------|
| Country diversification | The Americas | | | Europe (continued) | | |
| | United States | 35.2% | | Netherlands | 2.0% | |
| | Brazil | 7.2 | | Other | 2.0 | |
| | Canada | 2.3 | | | <u>27.5</u> | |
| | Other | .2 | | Asia/Pacific Basin | | |
| | | <u>44.9</u> | | Japan | 6.1 | |
| | Europe | | | India | 3.6 | |
| | France | 7.4 | | Australia | 3.2 | |
| | United Kingdom | 4.5 | | Taiwan | 3.2 | |
| | Switzerland | 3.6 | | Hong Kong | 1.9 | |
| | Germany | 3.1 | | China | 1.7 | |
| | Russian Federation | 2.5 | | Other | 2.0 | |
| | Denmark | 2.4 | | | <u>21.7</u> | |
| | | | | | | Other |
| | | | | | Short-term securities & other assets less liabilities | <u>5.2</u> |
| | | | | | Total | <u>100.0%</u> |

| | | | | Percent of net assets | |
|--|---------------------|-------|-----------|-----------------------|--|
| Largest equity securities² | Airbus | 4.64% | PagSeguro | 2.29% | |
| | Nintendo | 4.00 | Nestlé | 2.19 | |
| | TSMC | 3.18 | Orsted | 2.07 | |
| | Microsoft | 2.55 | Broadcom | 1.70 | |
| | Reliance Industries | 2.50 | AIA Group | 1.68 | |
| | | | | | |

Global Growth and Income Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since May 1, 2006) | Expense ratio |
|----------|----------|--------|---------|----------|---------------------------------|------------------|
| Class 1 | 19.47% | 9.16% | 7.68% | 11.69% | 7.08% | .63% |
| Class 1A | 19.31 | 8.91 | 7.45 | 11.43 | 6.83 | .88 |
| Class 2 | 19.39 | 8.87 | 7.42 | 11.41 | 6.81 | .88 |
| Class 4 | 19.24 | 8.67 | 7.16 | 11.16 | 6.57 | 1.13 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from May 1, 2006, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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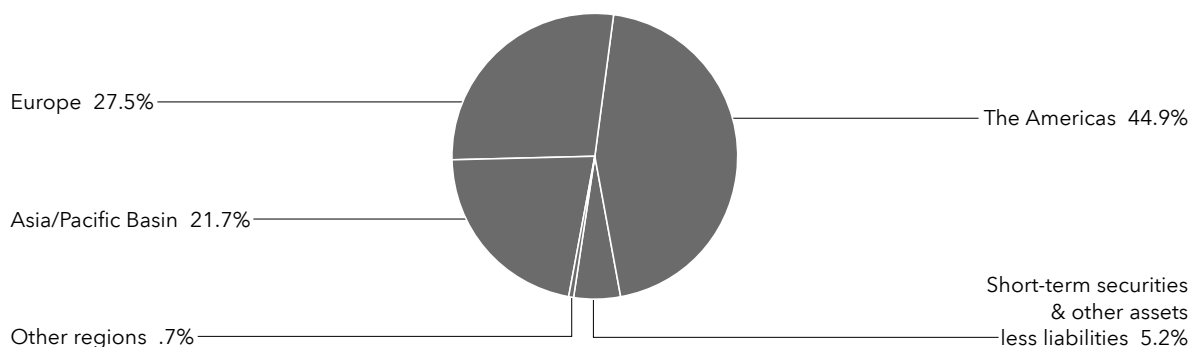
¹Source MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

³Periods greater than one year are annualized.

Where the fund's assets were invested as of June 30, 2019

Percent of net assets



Growth-Income Fund

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Growth-Income Fund gained 16.15% for the six months ended June 30, 2019. Standard & Poor's 500 Composite Index,¹ a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, rose 18.54%.

U.S. equity markets shrugged off a sharp decline in December and rallied to all-time highs in April - achieving strong gains despite a volatile stretch in May. Solid economic growth and indications the U.S. Federal Reserve will keep interest rates low increased investor optimism that the economic expansion can be sustained longer than previously expected. Information technology stocks led markets higher, extending gains through June after a particularly strong first quarter. Outside the U.S., European stocks advanced despite signs of slowing economic growth and continued trade uncertainty. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries.

Regarding the fund, investments in the industrials sector contributed the most to the fund's relative returns. Among industrials, Airbus added the most to the fund's results on the back of continued strong secular tail winds for air travel and likely benefited from Boeing's troubles with its 737MAX. On the downside, the fund's lower-than-index position in information technology stocks, a sector that performed strongly over the period, weighed on relative returns. In particular, the fund's lower-than-index investment in Apple hindered sector results the most as Apple shares outperformed the broader market over the period.

The fund's portfolio managers continue to look for compelling investment opportunities, buying stocks we believe represent the best value over the long term.

| | | | | Percent of net assets |
|--|--------------------|-------|---------------------|-----------------------|
| Largest equity securities² | Microsoft | 3.70% | JPMorgan Chase | 1.65% |
| | Facebook | 3.66 | Amazon | 1.62 |
| | Alphabet | 1.90 | Netflix | 1.57 |
| | Broadcom | 1.79 | Abbott Laboratories | 1.57 |
| | UnitedHealth Group | 1.76 | Intel | 1.46 |
| | | | | |

Growth-Income Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since February 8, 1984) | Expense ratio |
|----------|----------|--------|---------|----------|--------------------------------------|------------------|
| Class 1 | 16.15% | 7.29% | 10.57% | 14.09% | 11.36% | .28% |
| Class 1A | 16.00 | 7.02 | 10.31 | 13.81 | 11.09 | .53 |
| Class 2 | 16.02 | 7.05 | 10.29 | 13.80 | 11.09 | .53 |
| Class 3 | 16.05 | 7.09 | 10.37 | 13.88 | 11.16 | .46 |
| Class 4 | 15.89 | 6.75 | 10.02 | 13.53 | 10.81 | .78 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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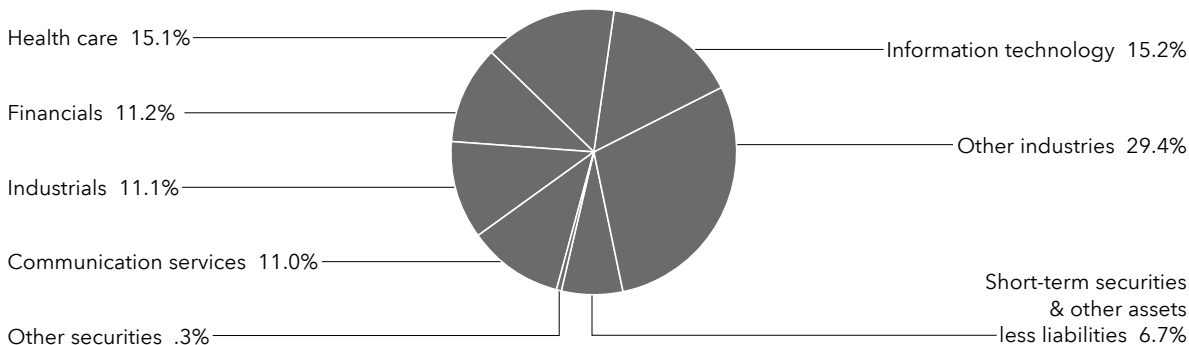
¹Source: S&P Dow Jones Indices LLC.

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³Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



International Growth and Income Fund

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International Growth and Income Fund gained 14.82% for the six months ended June 30, 2019, compared to the 13.60% increase in its benchmark index, the MSCI ACWI (All Country World Index) ex USA,¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes excluding the U.S.).

Global stocks, as measured by the MSCI ACWI, rallied for much of the first half of 2019 supported by better-than-expected U.S. economic data and accommodative monetary policies in the U.S., Europe and China. Signs of progress in U.S.-China trade negotiations also boosted investor sentiment except for part of May when U.S.-China trade talks broke down. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries. In Europe, markets advanced along with global equities despite ongoing signs of weakening economic data in the 19-member eurozone.

The best contributors to the fund's relative returns were the industrials and materials sectors due in part to good stock selection. Materials stock Rio Tinto was among the top contributors to the fund's relative returns as it benefited from high iron-ore prices. Industrials stock Shanghai International Airport contributed most.

On the downside, investments in the consumer staples sector detracted from the fund's relative returns. Among health-care stocks, Teva Pharmaceutical was one of the fund's biggest drags on returns as a result of U.S. litigation relating to opioid drug sales, as well as price collusion allegations.

The fund's portfolio managers follow signs of some economic weakness in Europe and parts of emerging markets, as well as a number of geopolitical uncertainties, with an aim to preserve value in any potential market correction while being in a position to take advantage of buying opportunities, should they present themselves later in the year.

| | | | | Percent of net assets | | |
|--------------------------------|--------------------|-------------|---------------------------|-----------------------|-------------------------------|---------------|
| Country diversification | Europe | | Asia/Pacific Basin | | Other regions | |
| | United Kingdom | 15.4% | Japan | 13.9% | Turkey | 1.6% |
| | France | 9.8 | China | 8.6 | Other | .4 |
| | Switzerland | 6.3 | Hong Kong | 7.0 | | <u>2.0</u> |
| | Germany | 4.1 | India | 3.9 | | |
| | Netherlands | 2.8 | Taiwan | 1.5 | Short-term securities & other | |
| | Spain | 2.6 | South Korea | 1.5 | assets less liabilities | <u>5.1</u> |
| | Russian Federation | 2.2 | Other | <u>2.5</u> | | |
| | Denmark | 1.9 | | <u>38.9</u> | Total | <u>100.0%</u> |
| | Sweden | 1.7 | The Americas | | | |
| | Norway | 1.2 | Brazil | 3.0 | | |
| | Other | <u>.7</u> | Canada | 1.4 | | |
| | | <u>48.7</u> | Other | <u>.9</u> | | |
| | | | | <u>5.3</u> | | |

| | | | | Percent of net assets | |
|--|-------------------------|-------|--------------------------------|-----------------------|--|
| Largest equity securities² | Royal Dutch Shell | 5.21% | Takeda Pharmaceutical | 2.58% | |
| | Rio Tinto | 3.43 | Airbus Group | 2.51 | |
| | Novartis | 3.20 | Zurich | 2.24 | |
| | HDFC Bank | 3.03 | Shanghai International Airport | 2.20 | |
| | Sun Hung Kai Properties | 2.66 | CK Asset Holdings | 2.15 | |

International Growth and Income Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years (since November 18, 2008) | Lifetime | Expense ratio |
|----------|----------|--------|---------|------------------------------------|----------|---------------|
| Class 1 | 14.82% | 4.14% | 2.54% | 7.30% | 9.07% | .66% |
| Class 1A | 14.74 | 3.92 | 2.32 | 7.05 | 8.81 | .91 |
| Class 2 | 14.75 | 3.92 | 2.29 | 7.04 | 8.80 | .91 |
| Class 4 | 14.60 | 3.67 | 2.04 | 6.81 | 8.56 | 1.16 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from November 18, 2008, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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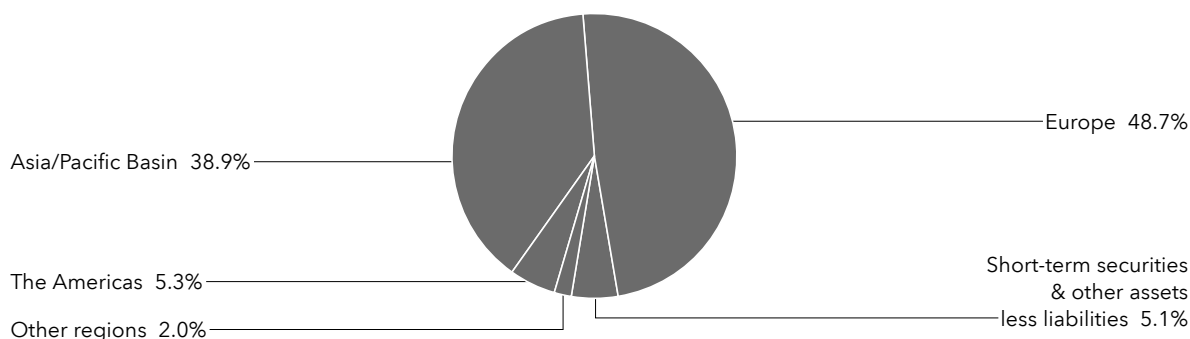
¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

³Periods greater than one year are annualized.

Where the fund's assets were invested as of June 30, 2019

Percent of net assets



Capital Income Builder®

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Capital Income Builder, a mix of stocks and bonds, gained 10.06% for the six months ended June 30, 2019. During the same period, the MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes), gained 16.23%. The Bloomberg Barclays U.S. Aggregate Index,² which represents the U.S. investment-grade (rated BBB/Baa and above) fixed-rate bond market, rose 6.11%. The index blend of 70%/30% MSCI ACWI/Bloomberg Barclays U.S. Aggregate Index³ increased by 13.27%. The Lipper Global Equity Income Funds Average,⁴ a measure of similar funds, rose by 12.46%.

Uncertainty in world markets continues, especially in terms of ongoing trade tensions and slowing economic activity, particularly in Europe. Central banks are looking to maintain low interest rates, creating an environment where growth stocks continue to do well, while pure dividend-yield companies have suffered. Trade tensions and slowing economic activity in China have translated into mixed results across emerging markets.

Equity portfolio relative returns were boosted by stock selection in the utilities sector. American Tower, a real estate investment trust that owns, operates and develops cell sites, was a top contributor to results. QUALCOMM was also additive to returns, with the chipmaker's shares rising on news of its settlement with Apple.

On the downside, relative returns were dampened by investments in the information technology sector as well as the fund's cash holdings. Top stock detractors included Vodafone, which failed to meet its dividend obligations. The period was positive for non-dividend paying companies that the fund does not invest in, holding back relative returns. The fixed income portfolio weighed on relative returns due to duration and yield curve positioning.

As the U.S. shows signs of mixed economic activity, the fund's portfolio managers continue to focus on companies that deliver dividend growth prospects. They remain optimistic that a bottom-up approach to investing will help identify attractive long-term investment opportunities, regardless of interest rate environment.

| | | | | Percent of net assets | |
|--------------------------------|---------------------|-------------|--|---------------------------|-------------------------------|
| Country diversification | The Americas | | | Europe (continued) | Short-term securities & other |
| | United States | 53.3% | | Denmark | assets less liabilities |
| | Canada | 2.6 | | Other | <u>8.8%</u> |
| | | <u>55.9</u> | | | Total |
| | | | | | <u>100.0%</u> |
| | Europe | | | Asia/Pacific Basin | |
| | United Kingdom | 11.5 | | Hong Kong | 3.6 |
| | France | 3.2 | | Taiwan | 2.2 |
| | Switzerland | 2.8 | | Japan | 1.7 |
| | Italy | 1.7 | | Singapore | 1.1 |
| | Sweden | 1.5 | | China | 1.1 |
| | Netherlands | 1.2 | | Other | 1.0 |
| | | | | | <u>10.7</u> |

Capital Income Builder

Total returns based on a \$1,000 investment For periods ended June 30, 2019⁵

| | 6 months | 1 year | 5 years | Lifetime (since May 1, 2014) | Expense ratio |
|----------|----------|--------|---------|---------------------------------|------------------|
| Class 1 | 10.06% | 4.82% | 3.16% | 3.55% | .54% |
| Class 1A | 9.95 | 4.57 | 2.91 | 3.30 | .79 |
| Class 2 | 10.05 | 4.67 | 3.02 | 3.42 | .79 |
| Class 4 | 9.82 | 4.32 | 2.66 | 3.04 | 1.04 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²Source: Bloomberg Index Services Ltd.

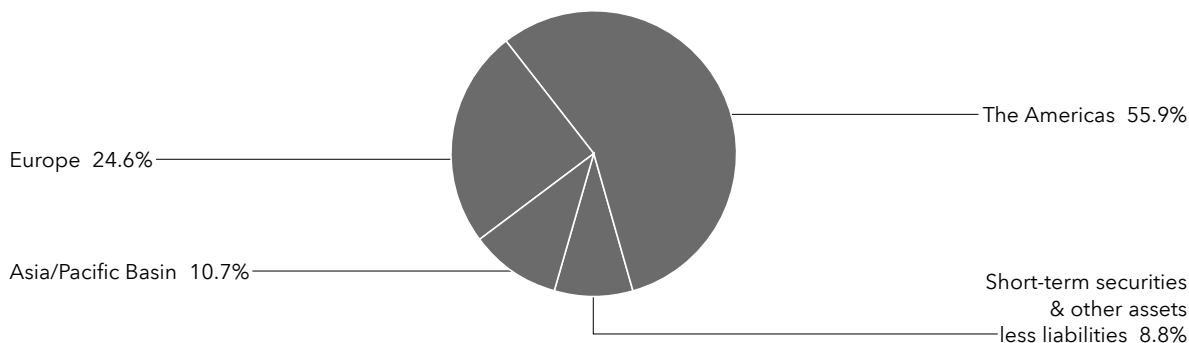
³Data sources: MSCI and Bloomberg Index Services Ltd. The 70%/30% MSCI ACWI/Bloomberg Barclays U.S. Aggregate Index blends the MSCI ACWI (All Country World Index) with the Bloomberg Barclays U.S. Aggregate Index by weighting their total returns at 70% and 30%, respectively. Its result assumes the blend is rebalanced monthly.

⁴Source: Thomson Reuters Lipper. Lipper averages reflect the current composition of all eligible mutual funds (all share classes) within a given category. Lipper categories are dynamic and averages may have few funds, especially over longer periods. To see the number of funds included in the Lipper category for each fund's lifetime, please see the Quarterly Statistical Update, available on our website.

⁵Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Asset Allocation Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Asset Allocation Fund, which is a mix of stocks and bonds, gained 12.11% for the six months ended June 30, 2019. Standard & Poor's 500 Composite Index,¹ a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, rose 18.54% over the same period, while the Bloomberg Barclays U.S. Aggregate Index,² which represents the U.S. investment-grade (rated BBB/Baa and above) fixed-rate bond market, increased 6.11%. A blend of the two indexes, the 60%/40% S&P 500/Bloomberg Barclays U.S. Aggregate Index,³ advanced 13.64%.

Despite U.S.-China trade policy brinkmanship and heightening geopolitical tensions, the first half of 2019 saw a U.S. equities market energized by the Federal Reserve's shift away from interest rate hikes as seen over the past few years.

Equity investments in the financials sector contributed most to the fund's relative returns. VeriSign, which has seen steady domain name growth fuel earnings, was a top contributor to results. Aerospace companies Northrop Grumman and Lockheed Martin were also among top contributors to relative returns with double-digit gains benefiting from heightening geopolitical tensions. The fund's fixed income holdings contributed to relative returns, due in part to yield curve positioning.

On the downside, the fund's cash holdings weighed down relative results amid a rising equities market. Investments in health care also dampened relative returns, as political calls for drug pricing reform affected the sector broadly. AbbVie detracted, as the pharmaceutical company's stock sank on news it planned to purchase rival Allergan at a significant premium.

The fund's portfolio managers continue to evaluate the economic and market-sector implications of U.S. trade policy decisions, especially in regard to China. The portfolio managers maintain a high conviction in the fund's current positioning as economic headwinds strengthen.

| | | | | Percent of net assets |
|--|--------------------|-------|-----------------------------|-----------------------|
| Largest equity securities⁴ | Microsoft | 3.49% | Northrop Grumman | 1.71% |
| | Broadcom | 2.37 | Philip Morris International | 1.67 |
| | Johnson & Johnson | 2.01 | Nestlé | 1.59 |
| | UnitedHealth Group | 1.93 | ASML | 1.58 |
| | Boeing | 1.73 | VeriSign | 1.40 |
| | | | | |

Asset Allocation Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019⁵

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since August 1, 1989) | Expense ratio |
|----------|----------|--------|---------|----------|------------------------------------|------------------|
| Class 1 | 12.11% | 6.02% | 7.16% | 11.08% | 8.49% | .29% |
| Class 1A | 11.95 | 5.77 | 6.91 | 10.81 | 8.22 | .54 |
| Class 2 | 12.00 | 5.80 | 6.90 | 10.81 | 8.22 | .54 |
| Class 3 | 12.01 | 5.85 | 6.98 | 10.88 | 8.30 | .47 |
| Class 4 | 11.86 | 5.55 | 6.64 | 10.58 | 7.97 | .79 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC.

²Source: Bloomberg Index Services Ltd.

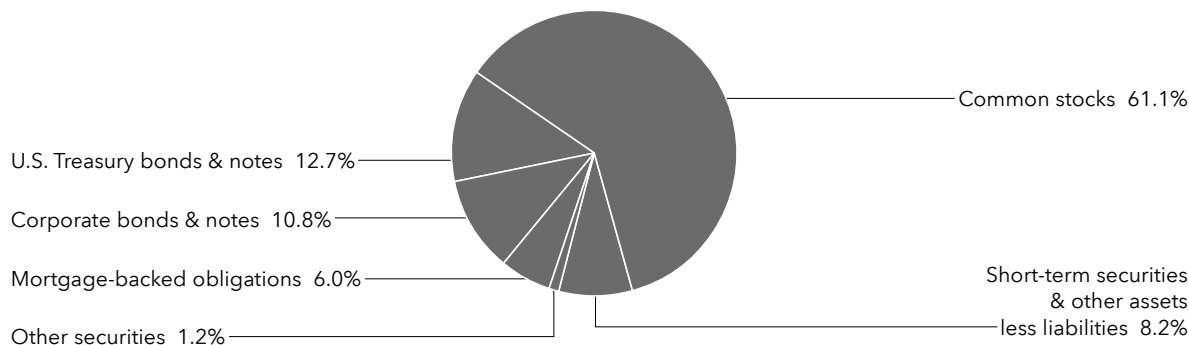
³Data sources: S&P Dow Jones Indices LLC and Bloomberg Index Services Ltd. The 60%/40% S&P 500/Bloomberg Barclays U.S. Aggregate Index blends the S&P 500 with the Bloomberg Barclays U.S. Aggregate Index by weighting their cumulative total returns at 60% and 40%, respectively. Its result assumes the blend is rebalanced monthly.

⁴The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

⁵Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Global Balanced Fund

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Global Balanced Fund gained 13.01% for the six months ended June 30, 2019. The MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes), increased by 16.23%, while the Bloomberg Barclays Global Aggregate Index,² a measure of global investment-grade bonds (rated BBB/Baa and above), increased 5.57%. The 60%/40% MSCI ACWI/Bloomberg Barclays Global Aggregate Index,³ a blend of the two indexes, gained 12.02%.

Global stocks, as measured by the MSCI ACWI, rallied for much of the first half of 2019 supported by better-than-expected U.S. economic data and accommodative monetary policies in the U.S., Europe and China. Signs of progress in U.S.-China trade negotiations also boosted investor sentiment except for part of May when U.S.-China trade talks broke down. In emerging markets, stocks rebounded from sharp declines in 2018 then fluctuated due to bouts of volatility tied to U.S.-China talks, concerns over China's slowing economy and election uncertainty in several countries. In Europe, markets advanced along with global equities despite ongoing signs of weakening economic data in the 19-member eurozone.

Investments in the consumer discretionary sector boosted the fund's relative returns, with Ocado Group among the top contributors as it reported strong revenues on the strength of its grocery delivery technology's global expansion. On the downside, select investments in the health-care sector hindered returns. Managed health-care company Humana detracted the most from the fund's relative returns as the company's share price suffered from increased political pressure on the sector. In fixed income, the portfolio's positioning in regard to prevailing interest rates was helpful.

The fund's portfolio managers exercise caution and continue to monitor cross-border trade discussions that could lead to further tensions on the one hand and central bank activity on the other, which could result in lower rates. Rate reductions could help mitigate some of the negative economic impacts of a reduction in global trade. Portfolio managers continue to stay the course of focusing on global research and stock-by-stock, bottom-up analysis.

| | Percent of net assets | | | Percent of net assets | |
|---|------------------------|-------|--|-----------------------|-------|
| Largest sectors in common stock holdings⁴ | Information technology | 11.4% | Largest fixed income holdings (by issuer)⁴ | U.S. Treasury | 12.9% |
| | Health care | 10.2 | | Japanese Government | 4.6 |
| | Financials | 8.5 | | Fannie Mae | 1.5 |
| | Consumer staples | 7.6 | | Mexican Government | .8 |
| | Industrials | 6.6 | | Greek Government | .8 |

Global Balanced Fund

Percent of net assets

| Currency diversification | Percent of net assets | | | | |
|--------------------------|-----------------------|---------------|----------------------------|---|---------------|
| | Equity securities | Bonds & notes | Forward currency contracts | Short-term securities & other assets less liabilities | Total |
| U.S. dollars | 30.8% | 20.9% | (1.5)% | 5.3% | 55.5% |
| Euros | 6.4 | 3.9 | 1.1 | – | 11.4 |
| British pounds | 6.5 | .3 | .4 | .2 | 7.4 |
| Japanese yen | 2.1 | 4.6 | (.1) | – | 6.6 |
| Swiss francs | 3.1 | – | – | – | 3.1 |
| Hong Kong dollars | 2.2 | – | – | – | 2.2 |
| Danish krone | 1.8 | .3 | – | – | 2.1 |
| New Taiwan dollars | 1.5 | – | – | – | 1.5 |
| South Korean won | .9 | .6 | – | – | 1.5 |
| Brazilian real | 1.1 | .2 | (.2) | – | 1.1 |
| Other currencies | 2.8 | 4.5 | .3 | – | 7.6 |
| | | | | | <u>100.0%</u> |

Percent of net assets

| Largest equity securities ⁴ | Percent of net assets | | |
|--|-----------------------|--------------------------|-------|
| | Equity securities | Bonds & notes | Total |
| Merck | 2.35% | PagSeguro | 1.51% |
| AstraZeneca | 2.01 | TSMC | 1.49 |
| Broadcom | 1.86 | British American Tobacco | 1.31 |
| Berkshire Hathaway | 1.61 | ASML | 1.30 |
| Nestlé | 1.60 | Sberbank of Russia | 1.22 |

Total returns based on a \$1,000 investment

For periods ended June 30, 2019⁵

| | 6 months | 1 year | 5 years | Lifetime (since May 2, 2011) | Expense ratio |
|----------|----------|--------|---------|------------------------------|---------------|
| Class 1 | 13.01% | 6.95% | 5.22% | 6.03% | .72% |
| Class 1A | 12.95 | 6.72 | 5.01 | 5.80 | .97 |
| Class 2 | 12.86 | 6.67 | 4.95 | 5.77 | .97 |
| Class 4 | 12.80 | 6.44 | 4.81 | 5.65 | 1.22 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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¹Source: MSCI. The MSCI index results reflect dividends net of withholding taxes and reinvestment of distributions.

²Source: Bloomberg Index Services Ltd.

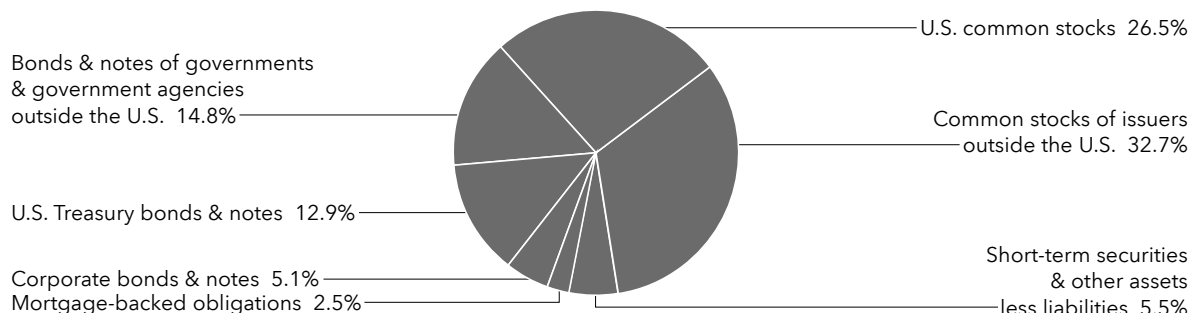
³Data sources: MSCI and Bloomberg Index Services Ltd. The 60%/40% MSCI ACWI/ Bloomberg Barclays Global Aggregate Index blends the MSCI ACWI (All Country World Index) with the Bloomberg Barclays Global Aggregate Index by weighting their cumulative total returns at 60% and 40%, respectively. Its result assumes the blend is rebalanced monthly.

⁴The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

⁵Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Bond Fund

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Bond Fund gained 6.81% for the six months ended June 30, 2019. In comparison, the fund's benchmark, the Bloomberg Barclays U.S. Aggregate Index,¹ which represents the U.S. investment-grade (rated BBB/Baa and above) fixed-rate bond market, rose 6.11%.

Overall, the yield curve steepened and interest rates declined. The Federal Reserve pivoted early in the year from a hawkish stance to a more dovish one amid concerns of a global slowdown in economic growth and ongoing trade tensions and geopolitical risk. The volatility of the fourth quarter of 2018 gave way to tighter credit spreads, improved asset prices and falling interest rates. The 10-year Treasury yield dipped 79 basis points from its 2.79% peak in January to a low of 2.00% in late June.

Duration, yield curve positioning, sector selection and security selection were all additive to relative results within the period. Among sectors, the top contributors were allocations to corporates and U.S. Treasury Inflation Protected Securities (TIPS). Among securities, the top contributors (besides Treasuries) were positions in the Italian Intesa Sanpaolo banking group and in Ally Financial. On the downside, the top detractor within corporates included Teva Pharmaceutical. Security selection within mortgage-backed security pass-throughs also hurt relative results.

As the global economy shows signs of a slowdown, the fund's portfolio managers seek to maintain a conservative positioning. They will continue in their effort to harvest gains as credit spreads tighten and prices rise so that they may take advantage of future volatility to add securities at more attractive valuations. Similarly, the team will look to gradually reduce their exposure to interest rates amid the impact of a more dovish Fed.

| | | | | Percent of net assets | |
|---|---------------|-------|---------------------|-----------------------|--|
| Largest holdings (by issuer)² | U.S. Treasury | 28.8% | Mexican Government | 2.6% | |
| | UMBS | 9.9 | Teva Pharmaceutical | 1.8 | |
| | Fannie Mae | 5.7 | Italian Government | 1.4 | |
| | Freddie Mac | 5.1 | State of Illinois | 1.3 | |
| | Ginnie Mae | 5.0 | General Motors | 1.2 | |

Bond Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since January 2, 1996) | Expense ratio |
|----------|----------|--------|---------|----------|-------------------------------------|------------------|
| Class 1 | 6.81% | 8.24% | 3.04% | 4.24% | 4.71% | .38% |
| Class 1A | 6.61 | 7.98 | 2.79 | 3.98 | 4.45 | .63 |
| Class 2 | 6.66 | 7.97 | 2.77 | 3.97 | 4.45 | .63 |
| Class 4 | 6.54 | 7.69 | 2.53 | 3.73 | 4.19 | .88 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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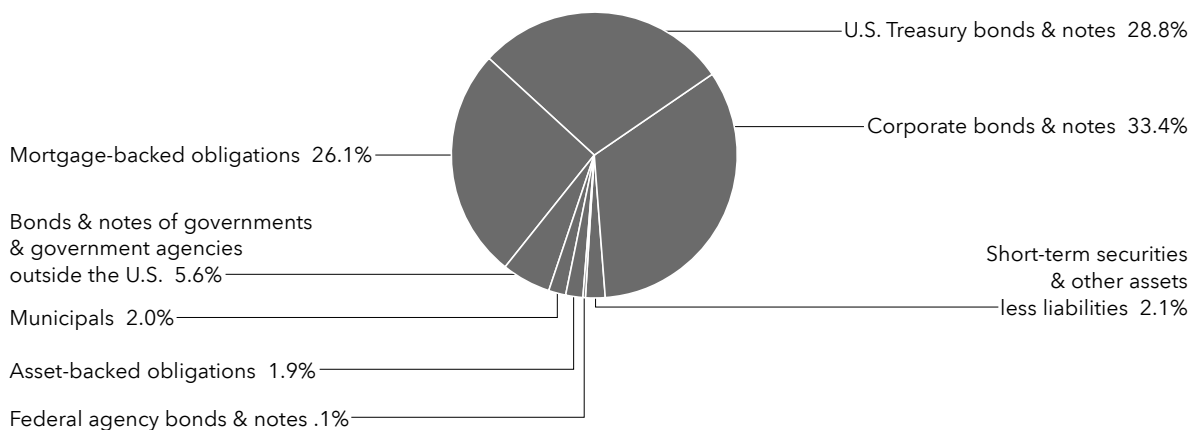
¹Source: Bloomberg Index Services Ltd.

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³Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Global Bond Fund

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Global Bond Fund gained 6.59% for the six months ended June 30, 2019. In comparison, the fund's benchmark, the Bloomberg Barclays Global Aggregate Index,¹ which represents global investment-grade bonds (rated BBB/Baa and above), increased by 5.57%.

Interest rates declined and the yield curve steepened on indications that the U.S. Federal Reserve may cut interest rates amid concerns over ongoing trade tensions and geopolitical risk. Similarly, European Central Bank President Mario Draghi said the central bank may consider stimulus measures. Benchmark yields fell in Germany and in the U.S., with the 10-year U.S. Treasury yield dipping 79 basis points from its January peak to 2.00% in late June.

The fund's duration and yield curve positioning were additive to relative returns. Investments in the euro and Mexican peso also were helpful to relative results, as was an out-of-benchmark position in Greek government bonds. On the downside, the impact of currency hedging hampered relative returns, as did investments in the Canadian dollar.

The fund's portfolio managers maintain a cautious approach to investing in global bond markets and believe that our global research can help identify attractive long-term investments around the world. Having the flexibility to diversify and adjust exposure by country, sector and currency continues to serve as a hallmark of the fund's approach to global investing.

| | | Percent of net assets | |
|---|---------------|--------------------------------------|--------------|
| Currency weighting (after hedging) by country | | Non-U.S. government bonds by country | |
| United States ² | 39.4% | Japan | 12.8% |
| Japan | 15.9 | Eurozone ³ : | |
| Eurozone ³ | 20.1 | Italy | 4.8 |
| United Kingdom | 3.5 | Greece | 3.4 |
| Mexico | 3.0 | Spain | 1.3 |
| Chile | 2.3 | Other | <u>1.3</u> |
| Canada | 2.3 | China | 3.1 |
| Norway | 2.2 | Mexico | 2.9 |
| Denmark | 2.1 | India | 1.8 |
| South Africa | 1.3 | Norway | 1.6 |
| Other | <u>7.9</u> | Romania | 1.5 |
| Total | <u>100.0%</u> | South Africa | 1.4 |
| | | Indonesia | 1.3 |
| | | United Kingdom | 1.2 |
| | | Other | <u>12.5</u> |
| | | Total | <u>50.9%</u> |

| | | Percent of net assets | |
|---|-------|------------------------|------|
| Largest holdings (by issuer) ⁴ | | | |
| Japanese Government | 12.8% | China Development Bank | 3.1% |
| U.S. Treasury | 12.8 | Mexican Government | 2.9 |
| Fannie Mae | 5.0 | Nykredit Realkredit AS | 2.1 |
| Italian Government | 4.8 | Indian Government | 1.7 |
| Greek Government | 3.4 | Norwegian Government | 1.6 |

Global Bond Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019⁵

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since October 4, 2006) | Expense ratio |
|----------------------|----------|--------|---------|----------|-------------------------------------|------------------|
| Class 1 | 6.59% | 7.02% | 1.44% | 3.41% | 4.12% | .57% |
| Class 1A | 6.47 | 6.74 | 1.24 | 3.18 | 3.88 | .82 |
| Class 2 ⁶ | 6.41 | 6.70 | 1.20 | 3.15 | 3.86 | .82 |
| Class 4 | 6.35 | 6.46 | 0.94 | 2.94 | 3.64 | 1.07 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from October 4, 2006, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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¹Source: Bloomberg Index Services Ltd.

²Includes U.S. dollar-denominated debt of other countries, totaling 11.1%.

³Countries using the euro as a common currency; those represented in the fund's portfolio are France, Germany, Greece, Italy, Latvia, Luxembourg, The Netherlands and Spain.

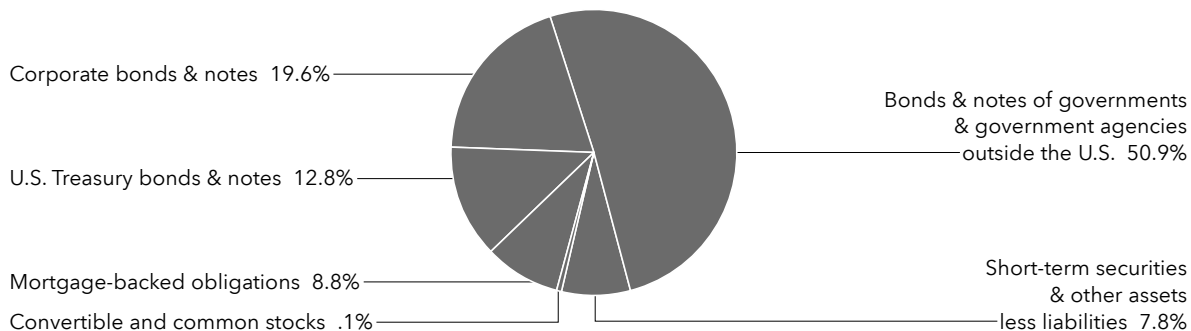
⁴The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

⁵Periods greater than one year are annualized.

⁶Global Bond Fund Class 2 shares were first sold on November 6, 2006. Results prior to that date are hypothetical based on Class 1 share results adjusted for estimated additional annual expenses of 0.25%.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



High-Income Bond Fund

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High-Income Bond Fund gained 9.81% for the six months ended June 30, 2019. The Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index,¹ which measures non-investment grade bonds (rated BBB/Baa and above) and limits the exposure of an issuer to 2%, rose 9.94%.

Interest rates declined and credit spreads generally tightened, marking a period of positive returns across most bond sectors. The 10-year Treasury yield dropped 79 basis points from its 2.79% peak in January to a low of 2.00% in late June. The Federal Reserve pivoted to a markedly dovish tone, reversing their tightening focus of recent years in response to economic indicators.

The fund's relative returns benefited from security selection, particularly in the consumer cyclical and basic industry sectors. A higher-than-index position in PetSmart was additive to results. On the downside, the fund's cash position and certain energy positions weighed on returns.

The fund's portfolio managers continue to believe current fundamentals support a mildly constructive near-term outlook for the high-yield market, even as the recent rally has made valuations less compelling. We continue to monitor economic conditions and the Federal Reserve's monetary policy, and expect that the higher yields and relatively short duration of high-yield bonds should help mitigate any impact from rising rates.

| | | | | Percent of net assets |
|---|-------------------------|------|---|-----------------------|
| Largest holdings (by issuer)² | First Quantum Minerals | 2.3% | Cleveland-Cliffs | 1.6% |
| | PetSmart | 2.2 | Gogo | 1.4 |
| | Bausch Health Companies | 2.2 | Teva Pharmaceutical | 1.4 |
| | Frontier Communications | 1.8 | CCO Holdings LLC and CCO Holdings Capital | 1.3 |
| | Tenet Healthcare Corp. | 1.7 | Sprint Nextel Corp. | 1.2 |
| | | | | |

High-Income Bond Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019³

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since February 8, 1984) | Expense ratio |
|----------|----------|--------|---------|----------|--------------------------------------|------------------|
| Class 1 | 9.81% | 6.94% | 4.09% | 8.00% | 8.71% | .50% |
| Class 1A | 9.67 | 6.70 | 3.85 | 7.74 | 8.44 | .75 |
| Class 2 | 9.71 | 6.77 | 3.83 | 7.73 | 8.44 | .75 |
| Class 3 | 9.73 | 6.80 | 3.89 | 7.81 | 8.52 | .68 |
| Class 4 | 9.54 | 6.36 | 3.55 | 7.51 | 8.18 | 1.00 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

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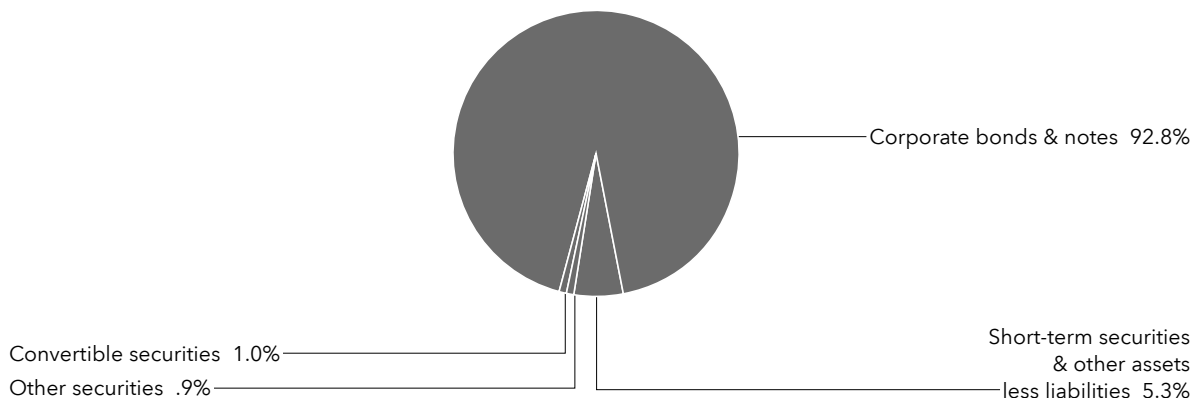
¹Source: Bloomberg Index Services Ltd.

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Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Mortgage Fund

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Mortgage Fund gained 4.16% for the six months ended June 30, 2019, while the Bloomberg Barclays U.S. Mortgage-Backed Securities Index,¹ which covers the mortgage-backed pass-through securities of Ginnie Mae, Fannie Mae and Freddie Mac, rose 4.17%.

Interest rates declined and the yield curve steepened, resulting from renewed market expectations of Federal Reserve short-term interest rate cuts due to an anticipated slowdown in economic growth. The 10-year Treasury yield dipped 79 basis points from its 2.79% peak in January to a low of 2.00% in late June.

The major contributors to the fund's relative returns this period were duration and yield curve positioning. Sector allocations were of mixed value with U.S. Treasury Inflation-Protected Securities and U.S. Treasuries contributing, but security selection within the mortgage market dampening returns.

The fund's portfolio managers seek to identify high-quality mortgage-backed securities based on our bottom-up approach to investing. They continue to prefer a portfolio that is less-exposed to a pick up in volatility and risk premiums, and are looking for opportunities to allocate more fully into mortgages over the coming quarters.

Mortgage Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019²

| | 6 months | 1 year | 5 years | Lifetime (since May 2, 2011) | Expense ratio |
|----------|----------|--------|---------|---------------------------------|------------------|
| Class 1 | 4.16% | 6.05% | 2.43% | 2.71% | .48% |
| Class 1A | 4.02 | 5.79 | 2.18 | 2.46 | .73 |
| Class 2 | 4.02 | 5.68 | 2.16 | 2.46 | .73 |
| Class 4 | 3.92 | 5.44 | 1.92 | 2.27 | .98 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

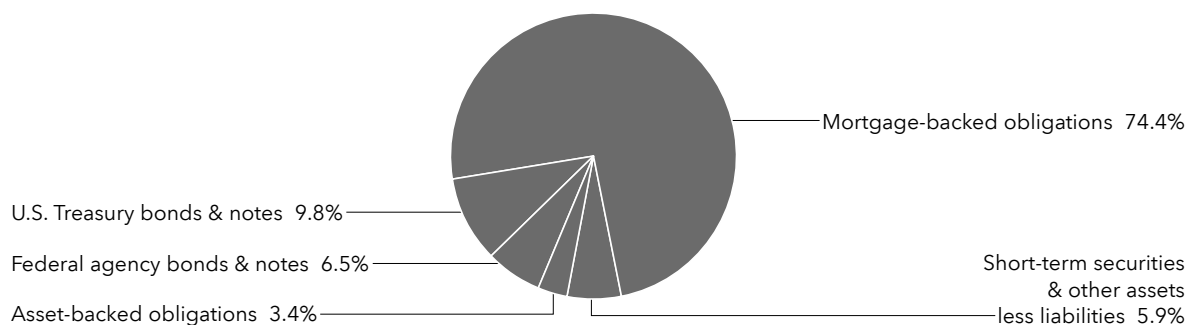
Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: Bloomberg Index Services Ltd.

²Periods greater than one year are annualized.

Percent of net assets

Where the fund's assets were invested as of June 30, 2019



Ultra-Short Bond Fund

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Ultra-Short Bond Fund gained 1.10% for the six months ended June 30, 2019, compared with a 1.53% rise in the Bloomberg Barclays Short-Term Government/Corporate Index,¹ which consists of fixed-rate, publicly placed, dollar-denominated and non-convertible securities with remaining maturity from one up to (but not including) 12 months within either the government or corporate sector. With a particular focus on capital preservation and maintenance of liquidity, the fund continues to be managed in a conservative manner relative to this benchmark.

The Federal Reserve left interest rates unchanged at its June meeting and expressed a dovish tone amid concerns about economic activity and ongoing trade and geopolitical tensions. The 10-year Treasury yield fell by 79 basis points from its 2.79% peak in January to a low of 2.00% in late June.

The higher interest rate environment has been beneficial for the fund's returns, compared to the first half of 2018. In light of the recent yield curve evolution, the fund managers have looked to position the portfolio to reflect lower yields of late, and to help offset the dampening effect on yields from potential forthcoming rate cuts. They will continue to monitor duration positioning against future interest rate and yield curve movement.

Ultra-Short Bond Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019²

| | 6 months | 1 year | 5 years | 10 years | Lifetime (since February 8, 1984) | Expense ratio |
|----------|-----------------|---------------|----------------|-----------------|---|----------------------|
| Class 1 | 1.10% | 2.03% | 0.61% | 0.21% | 3.42% | .35% |
| Class 1A | 1.10 | 2.03 | 0.49 | 0.02 | 3.18 | .60 |
| Class 2 | 0.90 | 1.73 | 0.36 | -0.04 | 3.16 | .60 |
| Class 3 | 0.99 | 1.74 | 0.43 | 0.02 | 3.23 | .53 |
| Class 4 | 0.78 | 1.45 | 0.13 | -0.22 | 2.92 | .85 |

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: Bloomberg Index Services Ltd.

²Periods greater than one year are annualized.

| | Percent of net assets |
|---|-----------------------|
| Where the fund's assets were invested as of June 30, 2019 | |
| Commercial paper | 65.5% |
| Bonds & notes of governments & government agencies outside the U.S. | 14.2 |
| Federal agency discount notes | 11.4 |
| U.S. Treasury bills | 8.8 |
| Other assets less liabilities | .1 |
| Total | <u>100.0%</u> |

U.S. Government/AAA-Rated Securities Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

U.S. Government/AAA-Rated Securities Fund gained 4.70% for the six months ended June 30, 2019, while the Bloomberg Barclays U.S. Government/Mortgage-Backed Securities Index,¹ which covers obligations issued by the U.S. Treasury and U.S. government agencies, gained 4.75%.

Bond markets were strong and yields fell significantly over the first half of the year. The benchmark 10-year Treasury yield dipped 79 basis points from its 2.79% peak in January to a low of 2.00% in late June. The Federal Reserve shifted to a more dovish stance in terms of interest rates, with rate cuts expected to follow.

Relative returns have been boosted by the fund's positioning as the intermediate to long end of the yield curve has steepened. On the downside, sector and security allocations detracted, with a lower-than-index position in mortgage-backed securities dampening relative returns.

The fund strives to meet its objective of providing a high level of current income consistent with the preservation of capital. The fund's portfolio managers expect the Federal Reserve will cut interest rates in the coming year, leading to further steepening of the yield curve and higher inflation expectations. As such, they maintain a high conviction in the fund's current positioning.

U.S. Government/AAA-Rated Securities Fund

Total returns based on a \$1,000 investment

For periods ended June 30, 2019²

| | 6 months | 1 year | 5 years | 10 years (since December 2, 1985) | Lifetime | Expense ratio |
|----------|----------|--------|---------|-----------------------------------|----------|---------------|
| Class 1 | 4.70% | 6.80% | 2.41% | 3.09% | 5.77% | .36% |
| Class 1A | 4.51 | 6.57 | 2.18 | 2.84 | 5.51 | .61 |
| Class 2 | 4.45 | 6.51 | 2.13 | 2.82 | 5.50 | .61 |
| Class 3 | 4.57 | 6.59 | 2.21 | 2.90 | 5.58 | .54 |
| Class 4 | 4.34 | 6.28 | 1.88 | 2.61 | 5.25 | .86 |

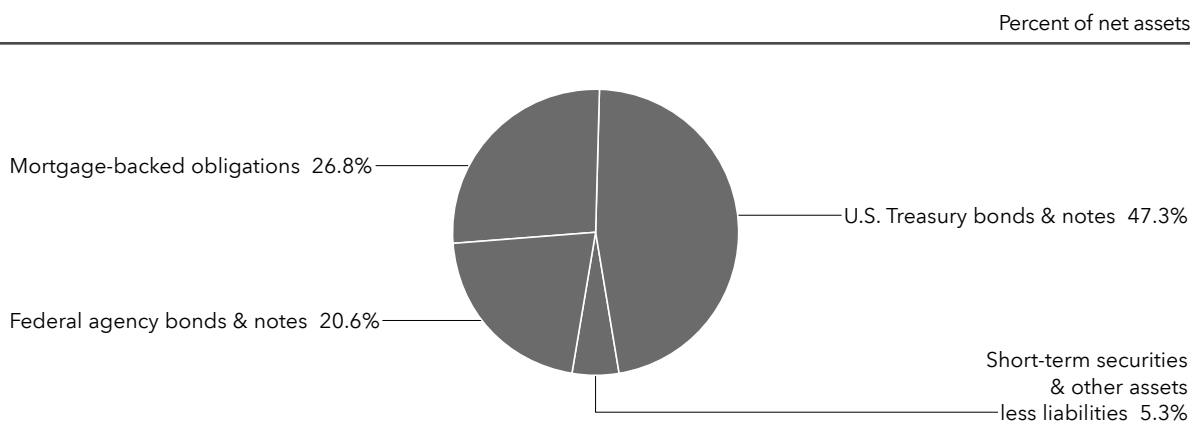
Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008, and from July 1, 2010, through December 31, 2010. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2019. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: Bloomberg Index Services Ltd.

²Periods greater than one year are annualized.

Where the fund's assets were invested as of June 30, 2019



Managed Risk Growth Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

The fund gained 11.56% for the six-month period ended June 30, 2019, slightly trailing the S&P 500 Managed Risk Index – Moderate Aggressive¹, which rose 11.62%. Standard & Poor's 500 Composite Index², a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, gained 18.54%.

The fund pursues its objective by investing in shares of American Funds Insurance Series – Growth FundSM and American Funds Insurance Series – Bond FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying Growth Fund's investments and stock selection in the communication services sector was additive to relative returns, with Facebook a top contributor. On the downside, health-care holdings hampered relative results as the sector was besieged by political calls for reform, particularly in drug pricing. Regeneron Pharmaceuticals and UnitedHealth Group were among the fund's top relative detractors.

| Total returns based on a \$1,000 investment | For periods ended June 30, 2019 ³ | | | | | |
|---|--|--------|---------|---------------------------------|---------------------|-------------------|
| | 6 months | 1 year | 5 years | Lifetime (since May 1, 2013) | Gross expense ratio | Net expense ratio |
| Class P1 | 11.56% | 5.79% | 7.69% | 9.20% | .77% | .72% |
| Class P2 | 11.42 | 5.46 | 7.37 | 8.88 | 1.02 | .97 |

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index.

²Source: S&P Dow Jones Indices LLC.

³Periods greater than one year are annualized.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Managed Risk International Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

The fund gained 11.27% for the six months ended June 30, 2019, lagging the S&P EPAC Ex. Korea LargeMidCap Managed Risk Index – Moderate Aggressive¹, which rose 11.75%. The MSCI ACWI (All Country World Index) ex USA², a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes excluding the U.S.), climbed 13.60%.

The fund pursues its objective by investing in shares of American Funds Insurance Series – International FundSM and American Funds Insurance Series – Bond FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying International Fund's investments in the financials sector were additive to relative returns. Holdings in Airbus and AIA Group, a Hong Kong-based life insurance company, were top contributors. On the downside, cash holdings hampered relative results amid a growing equities market. Teva Pharmaceuticals was a top detractor to relative returns.

| Total returns based on a \$1,000 investment | For periods ended June 30, 2019 ³ | | | | | |
|---|--|--------|---------|------------------------------|---------------------|-------------------|
| | 6 months | 1 year | 5 years | Lifetime (since May 1, 2013) | Gross expense ratio | Net expense ratio |
| Class P1 | 11.27% | 0.52% | 1.94% | 3.30% | .96% | .87% |
| Class P2 | 11.17 | 0.27 | 1.52 | 2.90 | 1.21 | 1.12 |

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index.

²Source: MSCI. The MSCI index result reflects reinvestment of distributions and dividends net of withholding taxes.

³Periods greater than one year are annualized.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Managed Risk Blue Chip Income and Growth Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Managed Risk Blue Chip Income and Growth Fund rose 6.63% for the six months ended June 30, 2019, trailing the S&P 500 Managed Risk Index – Moderate¹, which climbed 10.97%. Standard & Poor's 500 Composite Index², a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, gained 18.54%.

The fund pursues its objective by investing in shares of American Funds Insurance Series – Blue Chip Income and Growth FundSM and American Funds Insurance Series – U.S. Government/AAA-Rated Securities FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying Blue Chip Income and Growth Fund's investments in the utilities and industrials sectors were additive to relative returns. Holdings in Qualcomm proved beneficial, with shares of the chipmaker soaring after announcing a settlement with Apple. On the downside, health-care holdings hampered relative returns amid political calls for drug pricing reform. AbbVie was a top detractor, declining on the heels of its announcement to purchase rival Allergan at a significant premium.

| Total returns based on a \$1,000 investment | For periods ended June 30, 2019 ³ | | | | | |
|---|--|--------|---------|------------------------------|---------------------|-------------------|
| | 6 months | 1 year | 5 years | Lifetime (since May 1, 2013) | Gross expense ratio | Net expense ratio |
| Class P1 | 6.63% | 1.00% | 4.44% | 6.51% | .82% | .77% |
| Class P2 | 6.52 | 0.72 | 4.06 | 6.13 | 1.07 | 1.02 |

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index.

²Source: S&P Dow Jones Indices LLC.

³Periods greater than one year are annualized.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Managed Risk Growth-Income Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Managed Risk Growth-Income Fund climbed 11.36% for the six months ended June 30, 2019, outpacing the S&P 500 Managed Risk Index – Moderate¹, which rose 10.97%. Standard & Poor's 500 Composite Index², a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, gained 18.54%.

The fund pursues its objective by investing in shares of American Funds Insurance Series – Growth-Income FundSM and American Funds Insurance Series – Bond FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying Growth-Income Fund's investments in the industrials and communication services sectors were additive to relative returns. Holdings in Airbus and Facebook were top contributors. On the downside, the fund's cash position and investments in the information technology sector dampened relative returns. Among health-care holdings, pharmaceutical giant AbbVie declined sharply on its announcement of plans to purchase rival Allergan at a significant premium.

| Total returns based on a \$1,000 investment | For periods ended June 30, 2019 ³ | | | | | |
|---|--|--------|---------|------------------------------|---------------------|-------------------|
| | 6 months | 1 year | 5 years | Lifetime (since May 1, 2013) | Gross expense ratio | Net expense ratio |
| Class P1 | 11.36% | 5.84% | 6.32% | 8.54% | .73% | .67% |
| Class P2 | 11.26 | 5.50 | 5.99 | 8.21 | .98 | .92 |

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index.

²Source: S&P Dow Jones Indices LLC.

³Periods greater than one year are annualized.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Managed Risk Asset Allocation Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Managed Risk Asset Allocation Fund rose 9.78% for the six months ended June 30, 2019, trailing the S&P 500 Managed Risk Index – Moderate Conservative¹, which gained 10.48%. Standard & Poor's 500 Composite Index², a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, advanced 18.54%.

The fund pursues its objective by investing in shares of American Funds Insurance Series – Asset Allocation FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying Asset Allocation Fund's investments in the financials and industrials sectors were additive to relative returns. Domain name giant VeriSign was a top contributor as it continues to see growth in registrations. Cash holdings and investments in the health-care sector dampened relative results. Holdings in AbbVie were a top detractor, with the company declining as it announced plans to purchase rival Allergan at a significant premium.

| Total returns based on a \$1,000 investment | For periods ended June 30, 2019 ³ | | | | | |
|---|--|--------|---------|--|---------------------|-------------------|
| | 6 months | 1 year | 5 years | Lifetime (since September 28, 2012) | Gross expense ratio | Net expense ratio |
| Class P1 | 9.78% | 4.85% | 5.22% | 7.43% | .69% | .64% |
| Class P2 | 9.74 | 4.64 | 4.97 | 7.18 | .94 | .89 |

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index.

²Source: S&P Dow Jones Indices LLC.

³Periods greater than one year are annualized.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Global Growth Fund

Summary investment portfolio June 30, 2019

unaudited

Common stocks 95.03%

| | | Shares | Value (000) |
|---|--|------------|------------------|
| Information technology 26.07% | ASML Holding NV | 648,442 | \$ 135,480 |
| | ASML Holding NV (New York registered) | 517,300 | 107,562 |
| | Microsoft Corp. | 1,715,100 | 229,755 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. | 27,188,000 | 209,209 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. (ADR) | 335,000 | 13,122 |
| | Visa Inc., Class A | 1,142,800 | 198,333 |
| | Broadcom Inc. | 487,050 | 140,202 |
| | Temenos AG | 637,000 | 113,964 |
| | Paycom Software, Inc. ¹ | 357,000 | 80,939 |
| | PagSeguro Digital Ltd., Class A ¹ | 1,340,900 | 52,255 |
| | Adyen NV ¹ | 56,700 | 43,752 |
| | SimCorp AS | 425,000 | 41,113 |
| | Adobe Inc. ¹ | 135,000 | 39,778 |
| Amphenol Corp., Class A | 373,500 | 35,834 | |
| Other securities | | 207,649 | |
| | | | <u>1,648,947</u> |
| Consumer discretionary 20.03% | Amazon.com, Inc. ¹ | 225,100 | 426,256 |
| | Alibaba Group Holding Ltd. (ADR) ¹ | 931,050 | 157,766 |
| | Takeaway.com NV ¹ | 740,000 | 69,336 |
| | Naspers Ltd., Class N | 277,000 | 67,249 |
| | Home Depot, Inc. | 227,000 | 47,209 |
| | Ocado Group PLC ¹ | 3,115,000 | 46,165 |
| | Just Eat PLC ¹ | 5,292,000 | 42,004 |
| | Moncler SpA | 915,000 | 39,121 |
| | NIKE, Inc., Class B | 427,500 | 35,889 |
| | Other securities | | 336,018 |
| | | | <u>1,267,013</u> |
| Financials 10.75% | AIA Group Ltd. | 15,004,900 | 161,829 |
| | Kotak Mahindra Bank Ltd. | 3,671,000 | 78,555 |
| | JPMorgan Chase & Co. | 614,600 | 68,712 |
| | MarketAxess Holdings Inc. | 211,000 | 67,820 |
| | Tradeweb Markets Inc., Class A | 1,501,303 | 65,772 |
| | CME Group Inc., Class A | 165,200 | 32,067 |
| | Other securities | | 204,754 |
| | | | <u>679,509</u> |
| Health care 10.02% | UnitedHealth Group Inc. | 324,200 | 79,108 |
| | Merck & Co., Inc. | 886,000 | 74,291 |
| | Boston Scientific Corp. ¹ | 1,638,200 | 70,410 |
| | AstraZeneca PLC | 721,300 | 58,973 |
| | Mettler-Toledo International Inc. ¹ | 65,000 | 54,600 |
| | Fisher & Paykel Healthcare Corp. Ltd. | 3,680,000 | 38,220 |
| Other securities | | 258,366 | |
| | | | <u>633,968</u> |
| Communication services 8.04% | Alphabet Inc., Class A ¹ | 115,600 | 125,171 |
| | Alphabet Inc., Class C ¹ | 71,052 | 76,801 |
| | Tencent Holdings Ltd. | 2,230,000 | 100,656 |
| | Facebook, Inc., Class A ¹ | 421,640 | 81,377 |
| | Nintendo Co., Ltd. | 165,100 | 60,472 |
| | Other securities | | 63,716 |
| | | | <u>508,193</u> |

Global Growth Fund

| Common stocks (continued) | | Shares | Value (000) |
|--|---------------------------------------|-------------|------------------|
| Consumer staples 7.75% | British American Tobacco PLC | 2,970,800 | \$ 103,713 |
| | Nestlé SA | 739,650 | 76,571 |
| | Altria Group, Inc. | 1,125,000 | 53,269 |
| | Philip Morris International Inc. | 660,500 | 51,869 |
| | Keurig Dr Pepper Inc. | 1,624,000 | 46,934 |
| | Other securities | | 157,834 |
| | | | <u>490,190</u> |
| Industrials 7.34% | Airbus SE, non-registered shares | 1,093,500 | 155,029 |
| | MTU Aero Engines AG | 167,000 | 39,783 |
| | Alliance Global Group, Inc. | 111,060,000 | 33,469 |
| | Other securities | | 235,967 |
| | | | <u>464,248</u> |
| Materials 2.88% | Sherwin-Williams Co. | 155,500 | 71,264 |
| | Other securities | | 110,635 |
| | | | <u>181,899</u> |
| Energy 2.15% | Reliance Industries Ltd. ¹ | 1,795,200 | 32,589 |
| | Other securities | | 103,320 |
| | | | <u>135,909</u> |
| Total common stocks (cost: \$3,750,476,000) | | | <u>6,009,876</u> |

Preferred securities 1.65%

| | | | |
|--|--|---------|----------------|
| Health care 1.24% | Sartorius AG, nonvoting preferred, non-registered shares | 381,500 | 78,215 |
| | | | <u>78,215</u> |
| Information technology 0.41% | Other securities | | 26,245 |
| | Total preferred securities (cost: \$43,479,000) | | <u>104,460</u> |

Short-term securities 2.81%

| | | | |
|---------------------------------------|---|-----------|---------------------------|
| Money market investments 2.81% | | | |
| | Capital Group Central Cash Fund | 1,777,531 | 177,735 |
| | Total short-term securities (cost: \$177,737,000) | | <u>177,735</u> |
| | Total investment securities 99.49% (cost: \$3,971,692,000) | | 6,292,071 |
| | Other assets less liabilities 0.51% | | 32,058 |
| | Net assets 100.00% | | <u><u>\$6,324,129</u></u> |

Global Growth Fund

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes a security which was valued under fair value procedures adopted by authority of the board of trustees. The total value of the security which was valued under fair value procedures was \$11,082,000, which represented .18% of the net assets of the fund.

¹Security did not produce income during the last 12 months.

Key to abbreviation

ADR = American Depositary Receipts

See notes to financial statements.

Global Small Capitalization Fund

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 92.20% | | Shares | Value (000) |
|---|---|------------|------------------|
| Health care 22.81% | GW Pharmaceuticals PLC (ADR) ¹ | 823,718 | \$ 142,001 |
| | Insulet Corp. ¹ | 1,045,455 | 124,806 |
| | Haemonetics Corp. ¹ | 577,000 | 69,436 |
| | CONMED Corp. | 611,700 | 52,343 |
| | Integra LifeSciences Holdings Corp. ¹ | 906,825 | 50,646 |
| | Notre Dame Intermédica Participações S.A. | 4,090,900 | 42,955 |
| | iRhythm Technologies, Inc. ¹ | 510,500 | 40,370 |
| | Allakos Inc. ^{1,2} | 886,580 | 38,416 |
| | China Biologic Products Holdings, Inc. ^{1,2} | 399,900 | 38,110 |
| | PRA Health Sciences, Inc. ¹ | 348,900 | 34,593 |
| | Cortexyme, Inc. ^{1,2} | 695,324 | 29,558 |
| | Osstem Implant Co., Ltd. ¹ | 412,245 | 26,742 |
| | Mani, Inc. | 405,700 | 26,002 |
| | Allogene Therapeutics, Inc. ¹ | 653,594 | 17,549 |
| | Allogene Therapeutics, Inc. ^{1,2} | 280,589 | 7,534 |
| Other securities | | 270,262 | |
| | | | <u>1,011,323</u> |
| Information technology 17.67% | Paycom Software, Inc. ¹ | 217,261 | 49,257 |
| | Ceridian HCM Holding Inc. ¹ | 842,177 | 42,277 |
| | Alteryx, Inc., Class A ¹ | 355,600 | 38,803 |
| | Net One Systems Co., Ltd. | 1,313,765 | 36,130 |
| | Cree, Inc. ¹ | 639,900 | 35,950 |
| | HubSpot, Inc. ¹ | 178,600 | 30,455 |
| | Qorvo, Inc. ¹ | 449,200 | 29,921 |
| | SimCorp AS | 303,128 | 29,324 |
| | Bechtle AG, non-registered shares | 233,105 | 26,771 |
| | Other securities | | 464,669 |
| | | | <u>783,557</u> |
| Industrials 15.32% | International Container Terminal Services, Inc. | 22,581,620 | 64,525 |
| | frontdoor, inc. ¹ | 1,267,200 | 55,187 |
| | Nihon M&A Center Inc. | 1,829,192 | 43,840 |
| | Tomra Systems ASA | 859,334 | 28,247 |
| | Rheinmetall AG | 216,500 | 26,501 |
| | Bravida Holding AB | 2,900,084 | 25,702 |
| | Marel hf., non-registered shares (ISK denominated) | 5,419,903 | 23,878 |
| | Marel hf., non-registered shares (EUR denominated) ¹ | 333,333 | 1,463 |
| | Other securities | | 409,924 |
| | | | |
| Consumer discretionary 12.38% | Five Below, Inc. ¹ | 317,400 | 38,094 |
| | Mattel, Inc. ^{1,2} | 3,238,800 | 36,307 |
| | Melco International Development Ltd. | 15,579,000 | 34,542 |
| | Helen of Troy Ltd. ¹ | 223,000 | 29,122 |
| | ServiceMaster Global Holdings, Inc. ¹ | 556,750 | 29,001 |
| | Luckin Coffee Inc., Class A (ADR) ^{1,2} | 1,472,220 | 28,694 |
| | Wyndham Hotels & Resorts, Inc. | 502,700 | 28,021 |
| | Takeaway.com NV ¹ | 271,800 | 25,467 |
| | Other securities | | 299,645 |
| | | | <u>548,893</u> |

Global Small Capitalization Fund

| Common stocks | | Shares | Value (000) |
|--|---|-------------|------------------|
| Financials 8.41% | Kotak Mahindra Bank Ltd. | 3,135,263 | \$ 67,091 |
| | Essent Group Ltd. ¹ | 1,018,841 | 47,875 |
| | Trupanion, Inc. ^{1,2} | 1,316,800 | 47,576 |
| | Cannae Holdings, Inc. ¹ | 1,625,000 | 47,093 |
| | Bharat Financial Inclusion Ltd. ¹ | 2,472,060 | 31,965 |
| | Other securities | | 131,227 |
| | | | <u>372,827</u> |
| Materials 4.29% | Allegheny Technologies Inc. ¹ | 1,139,700 | 28,720 |
| | Lundin Mining Corp. ² | 4,629,000 | 25,486 |
| | Other securities | | 135,902 |
| | | | <u>190,108</u> |
| Consumer staples 2.94% | Other securities | | <u>130,390</u> |
| Communication services 2.94% | Vonage Holdings Corp. ¹ | 3,115,100 | 35,294 |
| | Other securities | | 94,965 |
| | | | <u>130,259</u> |
| Real estate 2.77% | WHA Corp. PCL | 229,577,250 | 35,484 |
| | MGM Growth Properties LLC REIT, Class A | 825,000 | 25,286 |
| | Other securities | | 61,976 |
| | | | <u>122,746</u> |
| Energy 1.55% | Other securities | | <u>68,659</u> |
| Utilities 1.12% | ENN Energy Holdings Ltd. | 4,512,900 | 43,906 |
| | Other securities | | 5,674 |
| | | | <u>49,580</u> |
| | Total common stocks (cost: \$3,231,902,000) | | <u>4,087,609</u> |
| Preferred securities 0.41% | | | |
| Industrials 0.41% | Other securities | | 18,309 |
| | Total preferred securities (cost: \$9,829,000) | | <u>18,309</u> |

Global Small Capitalization Fund

| Short-term securities 8.64% | Shares | Value (000) |
|---|------------|---------------------------|
| Money market investments 8.64% | | |
| Capital Group Central Cash Fund | 2,636,251 | \$ 263,599 |
| Fidelity Institutional Money Market Funds - Government Portfolio ³ | 29,008,117 | 29,008 |
| Goldman Sachs Financial Square Government Fund ³ | 25,089,836 | 25,090 |
| Invesco Short-Term Investments Trust - Government & Agency Portfolio ³ | 31,572,699 | 31,573 |
| Morgan Stanley Institutional Liquidity Funds - Government Portfolio ³ | 33,709,180 | 33,709 |
| | | <u>382,979</u> |
| Total short-term securities (cost: \$382,977,000) | | <u>382,979</u> |
| Total investment securities 101.25% (cost: \$3,624,708,000) | | 4,488,897 |
| Other assets less liabilities (1.25)% | | <u>(55,476)</u> |
| Net assets 100.00% | | <u><u>\$4,433,421</u></u> |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$20,655,000, which represented .47% of the net assets of the fund. One security in "Other securities" (with a value of \$14,352,000, an aggregate cost of \$8,280,000, and which represented .32% of the net assets of the fund) was acquired on 5/1/2015 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject it to legal or contractual restrictions on resale. "Other securities" also includes securities (with an aggregate value of \$19,460,000, which represented .44% of the net assets of the fund) which were acquired in transactions exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933 and may be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers.

Investments in affiliates

A company is an affiliate of the fund under the Investment Company Act of 1940 if the fund's holdings represent 5% or more of the outstanding voting shares of that company. The value of the fund's affiliated-company holding is included in "Other securities" under the respective industry sector in the summary investment portfolio. Further details on this holding and related transactions during the six months ended June 30, 2019, appear below.

| | Beginning shares | Additions | Reductions | Ending shares | Net realized gain (000) | Net unrealized depreciation (000) | Dividend income (000) | Value of affiliates at 6/30/2019 (000) |
|---------------------------------|---------------------|-----------|------------|------------------|----------------------------------|--|-----------------------------|---|
| Common stocks 0.48% | | | | | | | | |
| Health care 0.48% | | | | | | | | |
| NuCana PLC (ADR) ^{1,2} | 2,067,724 | - | - | 2,067,724 | \$- | \$(8,519) | \$- | \$21,463 |

¹Security did not produce income during the last 12 months.

²All or a portion of this security was on loan. The total value of all such securities, including those in "Other securities," was \$158,280,000, which represented 3.57% of the net assets of the fund. Refer to Note 5 for more information on securities lending.

³Security purchased with cash collateral from securities on loan. Refer to Note 5 for more information on securities lending.

Key to abbreviations

ADR = American Depositary Receipts

EUR = Euros

ISK = Icelandic kronur

See notes to financial statements.

Growth Fund

Summary investment portfolio June 30, 2019

unaudited

Common stocks 95.75%

| | | Shares | Value (000) |
|---|--|------------|------------------|
| Information technology 24.18% | Microsoft Corp. | 10,468,400 | \$1,402,347 |
| | Broadcom Inc. | 2,549,800 | 733,985 |
| | ServiceNow, Inc. ¹ | 1,701,200 | 467,099 |
| | Visa Inc., Class A | 2,650,400 | 459,977 |
| | ASML Holding NV (New York registered) | 1,148,100 | 238,724 |
| | ASML Holding NV | 985,000 | 205,797 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. | 26,960,000 | 207,455 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. (ADR) | 2,419,592 | 94,775 |
| | Intel Corp. | 5,033,000 | 240,930 |
| | Workday, Inc., Class A ¹ | 1,143,000 | 234,978 |
| | RingCentral, Inc., Class A ¹ | 1,550,400 | 178,172 |
| | Samsung Electronics Co., Ltd. | 3,901,400 | 158,806 |
| | Paycom Software, Inc. ¹ | 693,700 | 157,276 |
| | Fiserv, Inc. ¹ | 1,573,600 | 143,449 |
| | Mastercard Inc., Class A | 538,000 | 142,317 |
| | PayPal Holdings, Inc. ¹ | 1,207,700 | 138,233 |
| Other securities | | 1,197,884 | |
| | | | <u>6,402,204</u> |
| Communication services 17.89% | Facebook, Inc., Class A ¹ | 7,683,400 | 1,482,896 |
| | Netflix, Inc. ¹ | 2,493,060 | 915,751 |
| | Alphabet Inc., Class C ¹ | 589,100 | 636,764 |
| | Alphabet Inc., Class A ¹ | 164,000 | 177,579 |
| | Charter Communications, Inc., Class A ¹ | 1,006,280 | 397,662 |
| | T-Mobile US, Inc. ¹ | 4,941,000 | 366,326 |
| | Activision Blizzard, Inc. | 6,958,300 | 328,432 |
| | Comcast Corp., Class A | 5,886,400 | 248,877 |
| | Other securities | | 183,641 |
| | | | <u>4,737,928</u> |
| Health care 15.52% | UnitedHealth Group Inc. | 3,225,800 | 787,127 |
| | Intuitive Surgical, Inc. ¹ | 940,500 | 493,339 |
| | Regeneron Pharmaceuticals, Inc. ¹ | 1,341,000 | 419,733 |
| | Humana Inc. | 1,269,500 | 336,798 |
| | Vertex Pharmaceuticals Inc. ¹ | 1,400,900 | 256,897 |
| | Boston Scientific Corp. ¹ | 5,085,000 | 218,553 |
| | Centene Corp. ¹ | 3,735,200 | 195,874 |
| | Thermo Fisher Scientific Inc. | 534,500 | 156,972 |
| | Pfizer Inc. | 3,216,000 | 139,317 |
| Other securities | | 1,104,474 | |
| | | | <u>4,109,084</u> |
| Consumer discretionary 11.74% | Amazon.com, Inc. ¹ | 503,016 | 952,526 |
| | Home Depot, Inc. | 2,279,237 | 474,013 |
| | Tesla, Inc. ¹ | 1,908,500 | 426,473 |
| | Other securities | | 1,256,046 |
| | | | <u>3,109,058</u> |
| Financials 8.60% | Wells Fargo & Co. | 5,885,254 | 278,490 |
| | Goldman Sachs Group, Inc. | 1,052,400 | 215,321 |
| | BlackRock, Inc. | 335,500 | 157,450 |
| | JPMorgan Chase & Co. | 1,370,000 | 153,166 |
| | PNC Financial Services Group, Inc. | 1,086,600 | 149,169 |
| | Intercontinental Exchange, Inc. | 1,699,900 | 146,090 |
| | Legal & General Group PLC | 40,158,246 | 137,442 |
| | Other securities | | 1,040,267 |
| | | | <u>2,277,395</u> |

Growth Fund

| Common stocks (continued) | | Shares | Value (000) |
|----------------------------------|---|-----------|-------------------|
| Industrials 6.71% | TransDigm Group Inc. ¹ | 696,000 | \$ 336,725 |
| | MTU Aero Engines AG | 1,001,262 | 238,523 |
| | CSX Corp. | 2,080,700 | 160,984 |
| | Airbus SE, non-registered shares | 940,662 | 133,361 |
| | Other securities | | 907,334 |
| | | | <u>1,776,927</u> |
| Energy 3.24% | Diamondback Energy, Inc. | 1,234,000 | 134,469 |
| | Other securities | | 724,053 |
| | | | <u>858,522</u> |
| Consumer staples 3.05% | Altria Group, Inc. | 4,832,816 | 228,834 |
| | Costco Wholesale Corp. | 616,500 | 162,916 |
| | Other securities | | 414,363 |
| | | | <u>806,113</u> |
| Materials 2.67% | Other securities | | <u>707,180</u> |
| Real estate 1.84% | Equinix, Inc. REIT | 464,000 | 233,991 |
| | Other securities | | 253,184 |
| | | | <u>487,175</u> |
| Utilities 0.31% | Other securities | | <u>81,738</u> |
| | Total common stocks (cost: \$15,442,877,000) | | <u>25,353,324</u> |

Short-term securities 3.97%

Money market investments 3.97%

| | | |
|--|------------|---------------------|
| Capital Group Central Cash Fund | 10,508,871 | 1,050,782 |
| Total short-term securities (cost: \$1,050,779,000) | | <u>1,050,782</u> |
| Total investment securities 99.72% (cost: \$16,493,656,000) | | 26,404,106 |
| Other assets less liabilities 0.28% | | 74,925 |
| Net assets 100.00% | | <u>\$26,479,031</u> |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$48,838,000, which represented .18% of the net assets of the fund. One security in "Other securities" (with a value of \$37,000,000, an aggregate cost of \$37,000,000, and which represented .14% of the net assets of the fund) was acquired on 12/21/2018 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject it to legal or contractual restrictions on resale.

¹Security did not produce income during the last 12 months.

Key to abbreviation

ADR = American Depositary Receipts

See notes to financial statements.

International Fund

Summary investment portfolio June 30, 2019

unaudited

Common stocks 90.18%

| | | Shares | Value (000) |
|-------------------------------|--|------------|------------------|
| Financials | AIA Group Ltd. | 40,985,700 | \$ 442,035 |
| 16.97% | HDFC Bank Ltd. | 7,924,100 | 280,533 |
| | HDFC Bank Ltd. (ADR) | 498,647 | 64,844 |
| | Kotak Mahindra Bank Ltd. | 8,121,048 | 173,780 |
| | Axis Bank Ltd. ¹ | 6,444,300 | 75,485 |
| | Axis Bank Ltd. ^{1,2,3,4} | 3,222,055 | 35,477 |
| | Axis Bank Ltd. ^{1,2} | 2,466,000 | 26,286 |
| | BNP Paribas SA | 1,629,058 | 77,366 |
| | Prudential PLC | 3,016,000 | 65,726 |
| | Other securities | | 427,256 |
| | | | <u>1,668,788</u> |
| Industrials | Airbus SE, non-registered shares | 2,979,949 | 422,478 |
| 16.03% | Rolls-Royce Holdings PLC ¹ | 11,044,688 | 117,876 |
| | Yamato Holdings Co., Ltd. | 4,426,195 | 89,949 |
| | Melrose Industries PLC | 37,984,233 | 87,239 |
| | Nidec Corp. | 606,400 | 82,820 |
| | Recruit Holdings Co., Ltd. | 2,369,300 | 78,980 |
| | Rheinmetall AG | 639,400 | 78,268 |
| | Adani Ports & Special Economic Zone Ltd. | 13,028,763 | 77,424 |
| | Safran SA | 523,100 | 76,642 |
| | Knorr-Bremse AG, non-registered shares | 631,356 | 70,356 |
| | Komatsu Ltd. | 2,880,500 | 69,464 |
| | Other securities | | 324,564 |
| | | | <u>1,576,060</u> |
| Health care | Novartis AG | 3,145,133 | 287,386 |
| 11.13% | Takeda Pharmaceutical Co., Ltd. | 3,785,165 | 134,218 |
| | Daiichi Sankyo Co., Ltd. | 2,160,000 | 112,893 |
| | Fresenius SE & Co. KGaA | 1,819,000 | 98,621 |
| | Alcon Inc. ¹ | 1,510,600 | 93,279 |
| | Chugai Pharmaceutical Co., Ltd. | 1,161,500 | 75,843 |
| | Teva Pharmaceutical Industries Ltd. (ADR) ¹ | 7,216,598 | 66,609 |
| | Grifols, SA, Class A, non-registered shares | 881,000 | 26,046 |
| | Grifols, SA, Class B (ADR) | 793,690 | 16,747 |
| | Other securities | | 182,857 |
| | | | <u>1,094,499</u> |
| Consumer discretionary | Alibaba Group Holding Ltd. (ADR) ¹ | 1,438,000 | 243,669 |
| 11.09% | Sony Corp. | 1,761,800 | 92,294 |
| | Kering SA | 139,238 | 82,346 |
| | Galaxy Entertainment Group Ltd. | 11,306,000 | 76,201 |
| | Hyundai Motor Co. | 546,200 | 66,226 |
| | Meituan Dianping, Class B ¹ | 7,469,401 | 65,498 |
| | Other securities | | 464,390 |
| | | | <u>1,090,624</u> |
| Materials | Vale SA, ordinary nominative (ADR) | 12,192,266 | 163,864 |
| 6.68% | Vale SA, ordinary nominative | 102,481 | 1,383 |
| | Asahi Kasei Corp. | 11,980,780 | 127,625 |
| | Teck Resources Ltd., Class B | 3,723,800 | 85,933 |
| | Other securities | | 278,440 |
| | | | <u>657,245</u> |

International Fund

| Common stocks (continued) | | Shares | Value (000) |
|--|--|------------|------------------|
| Information technology 6.61% | Samsung Electronics Co., Ltd. | 4,263,050 | \$ 173,527 |
| | ASML Holding NV | 597,140 | 124,761 |
| | Worldpay, Inc., Class A ¹ | 512,797 | 62,843 |
| | Other securities | | 288,542 |
| | | | <u>649,673</u> |
| Consumer staples 5.98% | Pernod Ricard SA | 755,326 | 139,182 |
| | Nestlé SA | 1,003,500 | 103,886 |
| | Kirin Holdings Co., Ltd. | 3,510,800 | 75,661 |
| | Other securities | | 269,210 |
| | | | <u>587,939</u> |
| Energy 4.61% | Royal Dutch Shell PLC, Class B | 2,800,000 | 91,777 |
| | Royal Dutch Shell PLC, Class A (GBP denominated) | 1,440,256 | 47,052 |
| | Oil Search Ltd. | 13,449,600 | 66,757 |
| | Other securities | | 247,836 |
| | | | <u>453,422</u> |
| Communication services 4.41% | Tencent Holdings Ltd. | 4,596,187 | 207,460 |
| | SoftBank Group Corp. | 1,847,600 | 88,511 |
| | Altice Europe NV, Class A ¹ | 16,758,527 | 60,198 |
| | Other securities | | 77,589 |
| | | | <u>433,758</u> |
| Utilities 4.32% | ENN Energy Holdings Ltd. | 14,004,000 | 136,245 |
| | China Gas Holdings Ltd. | 24,134,000 | 89,749 |
| | Ørsted AS | 919,408 | 79,501 |
| | Other securities | | 119,048 |
| | | | <u>424,543</u> |
| Real estate 2.35% | China Overseas Land & Investment Ltd. | 22,782,000 | 83,992 |
| | Other securities | | 147,734 |
| | | | <u>231,726</u> |
| | Total common stocks (cost: \$7,006,514,000) | | <u>8,868,277</u> |

Preferred securities 0.89%

| | | | |
|-----------------------------|--|-----------|---------------|
| Health care 0.64% | Grifols, SA, Class B, nonvoting preferred, non-registered shares | 3,026,230 | 62,973 |
| Financials 0.25% | Other securities | | 24,442 |
| | Total preferred securities (cost: \$75,210,000) | | <u>87,415</u> |

Rights & warrants 0.15%

| | | | |
|-----------------------------|---|--|---------------|
| Health care 0.15% | Other securities | | 14,218 |
| | Total rights & warrants (cost: \$13,238,000) | | <u>14,218</u> |

International Fund

| Bonds, notes & other debt instruments 0.66% | | Principal amount (000) | Value (000) |
|--|---|---------------------------|--------------------|
| Corporate bonds & notes 0.45% | | | |
| Other 0.45% | Other securities | | \$ 44,171 |
| | Total corporate bonds & notes | | <u>44,171</u> |
| Bonds & notes of governments & government agencies outside the U.S. 0.21% | | | |
| | Other securities | | 21,068 |
| | Total bonds, notes & other debt instruments (cost: \$55,303,000) | | <u>65,239</u> |
| Short-term securities 8.28% | | Shares | |
| Money market investments 8.28% | | | |
| | Capital Group Central Cash Fund | 8,139,864 | 813,905 |
| | Total short-term securities (cost: \$813,910,000) | | <u>813,905</u> |
| | Total investment securities 100.16% (cost: \$7,964,175,000) | | 9,849,054 |
| | Other assets less liabilities (0.16)% | | (15,385) |
| | Net assets 100.00% | | <u>\$9,833,669</u> |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

Forward currency contracts

| Contract amount | | Counterparty | Settlement date | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--------------------|----------------|----------------|--------------------|---|
| Purchases (000) | Sales (000) | | | |
| USD28,387 | GBP22,280 | Citibank | 7/12/2019 | \$ 72 |
| USD16,507 | GBP12,948 | Morgan Stanley | 7/12/2019 | 52 |
| GBP4,200 | USD5,344 | Citibank | 7/12/2019 | (6) |
| USD40,468 | INR2,825,000 | JPMorgan Chase | 7/22/2019 | (334) |
| | | | | <u>\$(216)</u> |

¹Security did not produce income during the last 12 months.

²Valued under fair value procedures adopted by authority of the board of trustees. The total value of all such securities, including those in "Other securities," was \$85,876,000, which represented .87% of the net assets of the fund.

³Acquired through a private placement transaction exempt from registration under the Securities Act of 1933. May be subject to legal or contractual restrictions on resale. Further details on this holding appear below.

⁴Acquired in a transaction exempt from registration under Rule 144A of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$76,305,000, which represented .78% of the net assets of the fund.

| Private placement security | Acquisition date | Cost (000) | Value (000) | Percent of net assets |
|----------------------------|---------------------|---------------|----------------|-----------------------------|
| Axis Bank Ltd. | 11/14/2017 | \$17,232 | \$35,477 | .36% |

Key to abbreviations and symbol

ADR = American Depositary Receipts
GBP = British pounds

INR = Indian rupees
USD/\$ = U.S. dollars

See notes to financial statements.

New World Fund

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 89.00% | | Shares | Value (000) |
|---|---|------------|----------------|
| Information technology 23.08% | PagSeguro Digital Ltd., Class A ¹ | 2,626,223 | \$102,344 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. | 9,904,000 | 76,210 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. (ADR) | 400,000 | 15,668 |
| | Microsoft Corp. | 484,000 | 64,837 |
| | StoneCo Ltd., Class A ¹ | 1,865,826 | 55,191 |
| | Broadcom Inc. | 171,350 | 49,325 |
| | Keyence Corp. | 70,000 | 42,936 |
| | PayPal Holdings, Inc. ¹ | 348,400 | 39,878 |
| | Visa Inc., Class A | 223,400 | 38,771 |
| | Network International Holdings PLC ¹ | 4,694,182 | 35,351 |
| | Kingdee International Software Group Co. Ltd. | 26,128,917 | 28,264 |
| | Adobe Inc. ¹ | 94,400 | 27,815 |
| | EPAM Systems, Inc. ¹ | 158,100 | 27,367 |
| | Autodesk, Inc. ¹ | 146,100 | 23,800 |
| | Halma PLC | 918,100 | 23,552 |
| Mastercard Inc., Class A | 79,800 | 21,109 | |
| Other securities | | 126,380 | |
| | | | <u>798,798</u> |
| Financials 13.42% | HDFC Bank Ltd. | 2,604,450 | 92,204 |
| | AIA Group Ltd. | 6,477,600 | 69,862 |
| | B3 SA - Brasil, Bolsa, Balcao | 6,600,200 | 64,387 |
| | Kotak Mahindra Bank Ltd. | 2,782,000 | 59,531 |
| | Sberbank of Russia PJSC (ADR) | 2,259,500 | 34,683 |
| | Other securities | | 143,614 |
| | | | <u>464,281</u> |
| Energy 10.11% | Reliance Industries Ltd. ¹ | 11,548,513 | 209,648 |
| | Royal Dutch Shell PLC, Class B | 1,284,000 | 42,086 |
| | Royal Dutch Shell PLC, Class A (GBP denominated) | 68,628 | 2,242 |
| | Petróleo Brasileiro SA (Petrobras), ordinary nominative (ADR) | 1,267,000 | 19,727 |
| | Other securities | | 76,102 |
| | | | <u>349,805</u> |
| Consumer discretionary 9.40% | Alibaba Group Holding Ltd. (ADR) ¹ | 440,037 | 74,564 |
| | Meituan Dianping, Class B ¹ | 4,737,554 | 41,543 |
| | General Motors Co. | 542,000 | 20,883 |
| | Marriott International, Inc., Class A | 144,800 | 20,314 |
| | Melco Resorts & Entertainment Ltd. (ADR) | 931,500 | 20,232 |
| | Other securities | | 147,677 |
| | | | <u>325,213</u> |
| Health care 8.23% | Yunnan Baiyao Group Co., Ltd., Class A | 2,730,912 | 33,169 |
| | China Biologic Products Holdings, Inc. ¹ | 297,700 | 28,371 |
| | BioMarin Pharmaceutical Inc. ¹ | 318,000 | 27,237 |
| | Abbott Laboratories | 263,000 | 22,118 |
| | AstraZeneca PLC | 269,800 | 22,059 |
| | Carl Zeiss Meditec AG, non-registered shares | 216,552 | 21,361 |
| | Other securities | | 130,486 |
| | | | <u>284,801</u> |

New World Fund

| Common stocks | | Shares | Value (000) |
|--|---|-----------|------------------|
| Materials 8.16% | Vale SA, ordinary nominative | 2,881,660 | \$ 38,888 |
| | Vale SA, ordinary nominative (ADR) | 1,976,000 | 26,557 |
| | Freeport-McMoRan Inc. | 3,945,000 | 45,801 |
| | First Quantum Minerals Ltd. | 3,305,000 | 31,396 |
| | Fortescue Metals Group Ltd. | 4,618,395 | 29,246 |
| | Other securities | | 110,527 |
| | | | <u>282,415</u> |
| Communication services 5.15% | Facebook, Inc., Class A ¹ | 265,700 | 51,280 |
| | Alphabet Inc., Class C ¹ | 23,700 | 25,618 |
| | Alphabet Inc., Class A ¹ | 10,000 | 10,828 |
| | Tencent Holdings Ltd. | 535,600 | 24,176 |
| | Other securities | | 66,452 |
| | | | <u>178,354</u> |
| Consumer staples 5.01% | Treasury Wine Estates Ltd. | 3,700,000 | 38,756 |
| | Kweichow Moutai Co., Ltd., Class A | 244,699 | 35,057 |
| | Nestlé SA | 333,296 | 34,504 |
| | Other securities | | 64,965 |
| | | | <u>173,282</u> |
| Industrials 4.82% | Airbus SE, non-registered shares | 324,029 | 45,939 |
| | Shanghai International Airport Co., Ltd., Class A | 2,200,532 | 26,842 |
| | Nidec Corp. | 159,800 | 21,825 |
| | Other securities | | 72,282 |
| | | | <u>166,888</u> |
| Real estate 0.96% | Other securities | | <u>33,082</u> |
| Utilities 0.66% | Other securities | | <u>22,895</u> |
| | Total common stocks (cost: \$2,403,058,000) | | <u>3,079,814</u> |
| Preferred securities 2.37% | | | |
| Industrials 1.11% | Azul SA, preference shares (ADR) ¹ | 866,446 | 28,974 |
| | Azul SA, preference shares ¹ | 838,500 | 9,453 |
| | | | <u>38,427</u> |
| Financials 0.56% | Itaú Unibanco Holding SA, preferred nominative (ADR) | 1,576,000 | 14,846 |
| | Itaú Unibanco Holding SA, preferred nominative | 457,000 | 4,315 |
| | | | <u>19,161</u> |
| Other 0.70% | Other securities | | <u>24,543</u> |
| | Total preferred securities (cost: \$60,409,000) | | <u>82,131</u> |
| Rights & warrants 0.53% | | | |
| Other 0.53% | Other securities | | <u>18,404</u> |
| | Total rights & warrants (cost: \$15,630,000) | | <u>18,404</u> |

New World Fund

Bonds, notes & other debt instruments 2.76%

Principal amount
(000)

Value
(000)

Bonds & notes of governments & government agencies outside the U.S. 2.43%

| | |
|------------------|-----------|
| Other securities | \$ 84,008 |
|------------------|-----------|

Corporate bonds & notes 0.33%

| | |
|---|---------------|
| Other securities | 11,641 |
| Total corporate bonds & notes | 11,641 |
| Total bonds, notes & other debt instruments (cost: \$91,389,000) | 95,649 |

Short-term securities 5.02%

Shares

Money market investments 4.36%

| | | |
|---------------------------------|-----------|---------|
| Capital Group Central Cash Fund | 1,508,156 | 150,800 |
|---------------------------------|-----------|---------|

Principal amount
(000)

Other short-term securities 0.66%

| | |
|---|--------------------|
| Other securities | 22,827 |
| Total short-term securities (cost: \$175,029,000) | 173,627 |
| Total investment securities 99.68% (cost: \$2,745,515,000) | 3,449,625 |
| Other assets less liabilities 0.32% | 11,027 |
| Net assets 100.00% | \$3,460,652 |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$24,325,000, which represented .70% of the net assets of the fund. "Other securities" also includes securities (with an aggregate value of \$65,315,000, which represented 1.89% of the net assets of the fund) which were acquired in transactions exempt from registration under Rule 144A of the Securities Act of 1933 and may be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers.

¹Security did not produce income during the last 12 months.

Key to abbreviations

ADR = American Depositary Receipts

GBP = British pounds

See notes to financial statements.

Blue Chip Income and Growth Fund

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 93.97% | | Shares | Value (000) |
|---|--|------------|------------------|
| Health care 19.81% | Abbott Laboratories | 5,412,000 | \$ 455,149 |
| | AbbVie Inc. | 6,028,530 | 438,395 |
| | Gilead Sciences, Inc. | 3,045,712 | 205,768 |
| | Amgen Inc. | 1,014,510 | 186,954 |
| | UnitedHealth Group Inc. | 493,000 | 120,297 |
| | Teva Pharmaceutical Industries Ltd. (ADR) ¹ | 10,333,800 | 95,381 |
| | Humana Inc. | 259,000 | 68,713 |
| | Medtronic PLC | 700,000 | 68,173 |
| | Other securities | | 111,395 |
| | | | |
| Information technology 14.73% | Microsoft Corp. | 2,469,200 | 330,774 |
| | QUALCOMM Inc. | 2,846,800 | 216,556 |
| | Intel Corp. | 3,474,000 | 166,300 |
| | Broadcom Inc. | 565,000 | 162,641 |
| | Texas Instruments Inc. | 780,000 | 89,513 |
| | Mastercard Inc., Class A | 337,000 | 89,147 |
| | Apple Inc. | 400,000 | 79,168 |
| | Accenture PLC, Class A | 400,000 | 73,908 |
| | Automatic Data Processing, Inc. | 318,500 | 52,658 |
| | Other securities | | 40,890 |
| | | | <u>1,301,555</u> |
| Consumer staples 12.05% | Philip Morris International Inc. | 3,260,900 | 256,078 |
| | British American Tobacco PLC (ADR) | 5,134,830 | 179,052 |
| | Costco Wholesale Corp. | 581,255 | 153,602 |
| | Constellation Brands, Inc., Class A | 740,100 | 145,755 |
| | Coca-Cola Co. | 2,175,000 | 110,751 |
| | Altria Group, Inc. | 2,045,800 | 96,869 |
| | PepsiCo, Inc. | 400,000 | 52,452 |
| | Other securities | | 69,569 |
| | | | <u>1,064,128</u> |
| Energy 10.91% | Exxon Mobil Corp. | 4,813,800 | 368,882 |
| | EOG Resources, Inc. | 2,755,800 | 256,730 |
| | Royal Dutch Shell PLC, Class B (ADR) | 1,215,000 | 79,874 |
| | Schlumberger Ltd. | 1,745,000 | 69,346 |
| | Concho Resources Inc. | 610,500 | 62,991 |
| | Other securities | | 125,466 |
| | | | <u>963,289</u> |
| Industrials 9.90% | General Dynamics Corp. | 1,459,900 | 265,439 |
| | CSX Corp. | 2,766,000 | 214,005 |
| | Illinois Tool Works Inc. | 650,000 | 98,027 |
| | Airbus Group SE (ADR) | 2,157,000 | 76,272 |
| | Union Pacific Corp. | 400,000 | 67,644 |
| | United Technologies Corp. | 500,000 | 65,100 |
| | Northrop Grumman Corp. | 174,300 | 56,318 |
| | Other securities | | 31,553 |
| | | | <u>874,358</u> |
| Consumer discretionary 8.58% | Lowe's Companies, Inc. | 3,594,572 | 362,728 |
| | Marriott International, Inc., Class A | 852,500 | 119,597 |
| | McDonald's Corp. | 500,000 | 103,830 |
| | Other securities | | 171,760 |
| | | | <u>757,915</u> |

Blue Chip Income and Growth Fund

| Common stocks (continued) | | Shares | Value (000) |
|--|--|-----------|---------------------------|
| Communication services 6.67% | Facebook, Inc., Class A ¹ | 1,339,800 | \$ 258,581 |
| | Alphabet Inc., Class A ¹ | 135,750 | 146,990 |
| | Alphabet Inc., Class C ¹ | 20,500 | 22,159 |
| | Verizon Communications Inc. | 2,450,500 | 139,997 |
| | Other securities | | 21,745 |
| | | | <u>589,472</u> |
| Financials 3.92% | JPMorgan Chase & Co. | 1,409,000 | 157,526 |
| | U.S. Bancorp | 1,000,000 | 52,400 |
| | Other securities | | 136,086 |
| | | | <u>346,012</u> |
| Materials 3.40% | Linde PLC | 985,700 | 197,929 |
| | Freeport-McMoRan Inc. | 7,703,700 | 89,440 |
| | Other securities | | 13,348 |
| | | | <u>300,717</u> |
| Utilities 2.08% | Public Service Enterprise Group Inc. | 1,000,000 | 58,820 |
| | American Electric Power Co., Inc. | 600,000 | 52,806 |
| | Other securities | | 71,828 |
| | | | <u>183,454</u> |
| Real estate 1.92% | Kimco Realty Corp. REIT | 3,677,000 | 67,951 |
| | Other securities | | 101,444 |
| | | | <u>169,395</u> |
| | Total common stocks (cost: \$6,814,813,000) | | <u>8,300,520</u> |
| Rights & warrants 0.09% | | | |
| Financials 0.09% | Other securities | | 7,926 |
| | Total rights & warrants (cost: \$10,088,000) | | <u>7,926</u> |
| Convertible stocks 0.06% | | | |
| Health care 0.06% | Other securities | | 5,413 |
| | Total convertible stocks (cost: \$4,978,000) | | <u>5,413</u> |
| Short-term securities 6.69% | | | |
| Money market investments 6.69% | | | |
| | Capital Group Central Cash Fund | 5,905,582 | 590,499 |
| | Total short-term securities (cost: \$590,512,000) | | <u>590,499</u> |
| | Total investment securities 100.81% (cost: \$7,420,391,000) | | 8,904,358 |
| | Other assets less liabilities (0.81)% | | (71,177) |
| | Net assets 100.00% | | <u><u>\$8,833,181</u></u> |

Blue Chip Income and Growth Fund

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

¹Security did not produce income during the last 12 months.

Key to abbreviation

ADR = American Depositary Receipts

See notes to financial statements.

Global Growth and Income Fund

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 92.66% | | Shares | Value (000) |
|---|---|-----------|----------------|
| Information technology 14.66% | Taiwan Semiconductor Manufacturing Co., Ltd. | 8,493,800 | \$ 65,359 |
| | Microsoft Corp. | 391,000 | 52,378 |
| | PagSeguro Digital Ltd., Class A ¹ | 1,208,752 | 47,105 |
| | Broadcom Inc. | 121,200 | 34,889 |
| | Apple Inc. | 112,500 | 22,266 |
| | Halma PLC | 610,000 | 15,648 |
| | ASML Holding NV | 70,000 | 14,625 |
| | Other securities | | 48,679 |
| | | | <u>300,949</u> |
| Financials 12.85% | AIA Group Ltd. | 3,200,000 | 34,512 |
| | Sberbank of Russia PJSC (ADR) | 1,710,000 | 26,300 |
| | HDFC Bank Ltd. | 644,000 | 22,799 |
| | CME Group Inc., Class A | 100,000 | 19,411 |
| | The Blackstone Group Inc., Class A | 412,500 | 18,323 |
| | Toronto-Dominion Bank (CAD denominated) | 292,000 | 17,062 |
| | B3 SA - Brasil, Bolsa, Balcao | 1,500,000 | 14,633 |
| | Ping An Insurance (Group) Co. of China, Ltd., Class H | 1,195,000 | 14,349 |
| | DBS Group Holdings Ltd. | 705,000 | 13,527 |
| | Other securities | | 82,957 |
| | | | <u>263,873</u> |
| Industrials 12.43% | Airbus SE, non-registered shares | 672,200 | 95,300 |
| | Lockheed Martin Corp. | 66,000 | 23,994 |
| | CCR SA, ordinary nominative | 6,017,900 | 21,408 |
| | Safran SA | 143,000 | 20,952 |
| | Rheinmetall AG | 151,500 | 18,545 |
| | Boeing Co. | 45,900 | 16,708 |
| | Other securities | | 58,397 |
| | | | <u>255,304</u> |
| Consumer discretionary 9.21% | Home Depot, Inc. | 135,700 | 28,221 |
| | LVMH Moët Hennessy-Louis Vuitton SE | 56,200 | 23,920 |
| | Carnival Corp., units | 319,000 | 14,849 |
| | Norwegian Cruise Line Holdings Ltd. ¹ | 275,000 | 14,748 |
| Other securities | | 107,274 | |
| | | | <u>189,012</u> |
| Communication services 8.39% | Nintendo Co., Ltd. | 224,000 | 82,046 |
| | Alphabet Inc., Class A ¹ | 21,800 | 23,605 |
| | Alphabet Inc., Class C ¹ | 7,000 | 7,566 |
| | Other securities | | 59,085 |
| | | | <u>172,302</u> |
| Health care 8.25% | UnitedHealth Group Inc. | 101,825 | 24,846 |
| | Merck & Co., Inc. | 267,350 | 22,417 |
| | Boston Scientific Corp. ¹ | 351,000 | 15,086 |
| | Abbott Laboratories | 171,000 | 14,381 |
| | Fleury SA, ordinary nominative | 2,500,000 | 13,900 |
| | AstraZeneca PLC | 167,000 | 13,654 |
| | Novartis AG | 148,000 | 13,524 |
| Other securities | | 51,525 | |
| | | | <u>169,333</u> |

Global Growth and Income Fund

| Common stocks | | Shares | Value (000) |
|--|---|---------------------------|--------------------|
| Materials 7.67% | Vale SA, ordinary nominative | 2,395,000 | \$ 32,320 |
| | Fortescue Metals Group Ltd. | 4,763,816 | 30,167 |
| | Freeport-McMoRan Inc. | 2,499,000 | 29,013 |
| | Koninklijke DSM NV | 109,000 | 13,473 |
| | Other securities | | 52,569 |
| | | | <u>157,542</u> |
| Energy 6.48% | Reliance Industries Ltd. ¹ | 2,830,148 | 51,377 |
| | Gazprom PJSC (ADR) | 3,431,000 | 25,135 |
| | Royal Dutch Shell PLC, Class B | 550,000 | 18,028 |
| | Other securities | | 38,461 |
| | | | <u>133,001</u> |
| Real estate 4.42% | MGM Growth Properties LLC REIT, Class A | 676,200 | 20,726 |
| | Gaming and Leisure Properties, Inc. REIT | 425,000 | 16,566 |
| | Alexandria Real Estate Equities, Inc. REIT | 103,000 | 14,532 |
| | Other securities | | 38,970 |
| | | | <u>90,794</u> |
| Consumer staples 4.36% | Nestlé SA | 434,700 | 45,002 |
| | Other securities | | 44,438 |
| | | | <u>89,440</u> |
| Utilities 3.94% | Ørsted AS | 491,552 | 42,504 |
| | Enel SpA | 2,780,000 | 19,409 |
| | Other securities | | 18,984 |
| | | | <u>80,897</u> |
| | Total common stocks (cost: \$1,409,787,000) | | <u>1,902,447</u> |
| Preferred securities 0.39% | | | |
| Financials 0.39% | Other securities | | 8,125 |
| | Total preferred securities (cost: \$6,929,000) | | <u>8,125</u> |
| Bonds, notes & other debt instruments 1.71% | | | |
| | | Principal amount (000) | |
| Corporate bonds & notes 1.71% | | | |
| Communication services 1.71% | Sprint Corp. 7.25% 2021 | \$ 33,000 | 35,145 |
| | Total bonds, notes & other debt instruments (cost: \$31,773,000) | | <u>35,145</u> |
| Short-term securities 4.32% | | | |
| | | Shares | |
| Money market investments 4.32% | | | |
| | Capital Group Central Cash Fund | 886,487 | 88,640 |
| | Total short-term securities (cost: \$88,643,000) | | <u>88,640</u> |
| | Total investment securities 99.08% (cost: \$1,537,132,000) | | 2,034,357 |
| | Other assets less liabilities 0.92% | | 18,830 |
| | Net assets 100.00% | | <u>\$2,053,187</u> |

Global Growth and Income Fund

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

Forward currency contracts

| Contract amount | | Counterparty | Settlement date | Unrealized depreciation at 6/30/2019 (000) |
|-----------------|-------------|----------------|-----------------|--|
| Purchases (000) | Sales (000) | | | |
| USD7,285 | AUD10,500 | JPMorgan Chase | 7/26/2019 | \$(94) |

¹Security did not produce income during the last 12 months.

Key to abbreviations and symbol

ADR = American Depositary Receipts

AUD = Australian dollars

CAD = Canadian dollars

USD/\$ = U.S. dollars

See notes to financial statements.

Growth-Income Fund

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 93.00% | | Shares | Value (000) |
|---|--|------------|------------------|
| Information technology 15.21% | Microsoft Corp. | 9,380,500 | \$1,256,612 |
| | Broadcom Inc. | 2,108,034 | 606,819 |
| | Intel Corp. | 10,360,800 | 495,971 |
| | Texas Instruments Inc. | 3,082,688 | 353,769 |
| | Accenture PLC, Class A | 1,510,900 | 279,169 |
| | Mastercard Inc., Class A | 791,000 | 209,243 |
| | Visa Inc., Class A | 1,160,200 | 201,353 |
| | QUALCOMM Inc. | 2,386,566 | 181,546 |
| | Other securities | | 1,581,296 |
| | | | <u>5,165,778</u> |
| Health care 15.14% | UnitedHealth Group Inc. | 2,444,268 | 596,426 |
| | Abbott Laboratories | 6,329,069 | 532,275 |
| | Gilead Sciences, Inc. | 6,325,600 | 427,358 |
| | Amgen Inc. | 2,281,997 | 420,526 |
| | Merck & Co., Inc. | 4,164,380 | 349,183 |
| | Eli Lilly and Co. | 2,077,600 | 230,177 |
| | Cigna Corp. | 1,327,418 | 209,135 |
| | Other securities | | 2,376,470 |
| | | | <u>5,141,550</u> |
| Financials 11.17% | JPMorgan Chase & Co. | 5,027,030 | 562,022 |
| | CME Group Inc., Class A | 2,002,500 | 388,705 |
| | Bank of New York Mellon Corp. | 6,957,700 | 307,182 |
| | Intercontinental Exchange, Inc. | 3,183,555 | 273,595 |
| | Aon PLC, Class A | 1,214,800 | 234,432 |
| | Other securities | | 2,028,647 |
| | | | <u>3,794,583</u> |
| Industrials 11.05% | General Dynamics Corp. | 2,639,200 | 479,859 |
| | Airbus SE, non-registered shares | 2,824,564 | 400,449 |
| | BWX Technologies, Inc. ¹ | 5,373,948 | 279,983 |
| | TransDigm Group Inc. ² | 485,800 | 235,030 |
| | Northrop Grumman Corp. | 694,900 | 224,529 |
| | Equifax Inc. | 1,406,200 | 190,174 |
| | Other securities | | 1,944,195 |
| | | | <u>3,754,219</u> |
| Communication services 10.97% | Facebook, Inc., Class A ² | 6,449,227 | 1,244,701 |
| | Alphabet Inc., Class C ² | 316,784 | 342,415 |
| | Alphabet Inc., Class A ² | 279,980 | 303,162 |
| | Netflix, Inc. ² | 1,449,649 | 532,485 |
| | Verizon Communications Inc. | 4,009,400 | 229,057 |
| | Comcast Corp., Class A | 4,893,400 | 206,893 |
| | Charter Communications, Inc., Class A ² | 458,369 | 181,138 |
| | Other securities | | 687,081 |
| | | | <u>3,726,932</u> |
| Consumer staples 7.91% | Coca-Cola Co. | 7,223,100 | 367,800 |
| | British American Tobacco PLC | 6,930,260 | 241,942 |
| | British American Tobacco PLC (ADR) | 479,440 | 16,718 |
| | Costco Wholesale Corp. | 832,200 | 219,917 |
| | Pernod Ricard SA | 1,169,574 | 215,514 |

Growth-Income Fund

| Common stocks (continued) | | Shares | Value (000) |
|---|--|------------------|-------------------|
| Consumer staples (continued) | Mondelez International, Inc. | 3,567,400 | \$ 192,283 |
| | Carlsberg A/S, Class B | 1,390,224 | 184,300 |
| | Other securities | | 1,247,808 |
| | | | <u>2,686,282</u> |
| Energy 7.05% | Exxon Mobil Corp. | 5,845,200 | 447,918 |
| | Chevron Corp. | 2,164,300 | 269,325 |
| | Enbridge Inc. (CAD denominated) | 5,893,659 | 212,874 |
| | Enbridge Inc. (CAD denominated) ³ | 1,340,553 | 48,420 |
| | EOG Resources, Inc. | 2,715,800 | 253,004 |
| | Schlumberger Ltd. | 4,570,400 | 181,628 |
| | Other securities | | 982,492 |
| | | <u>2,395,661</u> | |
| Consumer discretionary 5.65% | Amazon.com, Inc. ² | 290,400 | 549,910 |
| | Other securities | | 1,370,517 |
| | | | <u>1,920,427</u> |
| Materials 4.77% | Celanese Corp. | 3,193,233 | 344,230 |
| | International Flavors & Fragrances Inc. | 1,599,000 | 231,999 |
| | Linde PLC | 1,152,000 | 231,322 |
| | Other securities | | 812,038 |
| | | | <u>1,619,589</u> |
| Utilities 2.02% | Sempra Energy | 2,375,700 | 326,516 |
| | Other securities | | 360,574 |
| | | | <u>687,090</u> |
| Real estate 1.90% | Crown Castle International Corp. REIT | 1,795,400 | 234,031 |
| | Other securities | | 411,840 |
| | | | <u>645,871</u> |
| Mutual funds 0.16% | Other securities | | 54,750 |
| | Total common stocks (cost: \$23,041,561,000) | | <u>31,592,732</u> |
| Convertible stocks 0.30% | | | |
| Other 0.30% | Other securities | | 99,581 |
| | Total convertible stocks (cost: \$89,661,000) | | <u>99,581</u> |
| Convertible bonds 0.02% | | | |
| Energy 0.02% | Other securities | | 7,112 |
| | Total convertible bonds (cost: \$11,820,000) | | <u>7,112</u> |

Growth-Income Fund

| | Shares | Value (000) |
|--|------------|----------------------------|
| Short-term securities 6.26% | | |
| Money market investments 6.26% | | |
| Capital Group Central Cash Fund | 21,280,609 | \$ 2,127,848 |
| Total short-term securities (cost: \$2,127,852,000) | | <u>2,127,848</u> |
| Total investment securities 99.58% (cost: \$25,270,894,000) | | 33,827,273 |
| Other assets less liabilities 0.42% | | 142,019 |
| Net assets 100.00% | | <u><u>\$33,969,292</u></u> |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

Investments in affiliates

A company is an affiliate of the fund under the Investment Company Act of 1940 if the fund's holdings represent 5% or more of the outstanding voting shares of that company. The value of the fund's affiliated-company holding is shown in the summary investment portfolio. Further details on this holding and related transactions during the six months ended June 30, 2019, appear below.

| | Beginning shares | Additions | Reductions | Ending shares | Net realized gain (000) | Net unrealized appreciation (000) | Dividend income (000) | Value of affiliates at 6/30/2019 (000) |
|--------------------------|---------------------|-----------|------------|------------------|----------------------------------|--|-----------------------------|---|
| Common stocks 0.82% | | | | | | | | |
| Industrials 0.82% | | | | | | | | |
| BWX Technologies, Inc. | 5,290,948 | 83,000 | - | 5,373,948 | \$- | \$73,906 | \$1,827 | \$279,983 |

¹Represents an affiliated company as defined under the Investment Company Act of 1940.

²Security did not produce income during the last 12 months.

³Acquired in a transaction exempt from registration under Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities was \$48,420,000, which represented .14% of the net assets of the fund.

Key to abbreviations

ADR = American Depositary Receipts

CAD = Canadian dollars

See notes to financial statements.

International Growth and Income Fund

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 92.46% | | Shares | Value (000) |
|--|---|-----------|----------------|
| Financials 18.26% | HDFC Bank Ltd. | 1,228,800 | \$ 43,503 |
| | Zurich Insurance Group AG | 92,200 | 32,103 |
| | AIA Group Ltd. | 1,833,000 | 19,769 |
| | Prudential PLC | 738,000 | 16,083 |
| | ING Groep NV | 1,367,000 | 15,849 |
| | Sony Financial Holdings Inc. | 526,100 | 12,629 |
| | Banco Santander, SA | 2,611,538 | 12,117 |
| | Sumitomo Mitsui Financial Group, Inc. | 308,000 | 10,873 |
| | Haci Ömer Sabanci Holding AS | 6,520,900 | 9,673 |
| | GT Capital Holdings, Inc. | 501,049 | 9,193 |
| | Other securities | | 80,065 |
| | | | <u>261,857</u> |
| Health care 12.76% | Novartis AG | 502,545 | 45,920 |
| | Takeda Pharmaceutical Co., Ltd. | 1,043,753 | 37,010 |
| | Fresenius SE & Co. KGaA | 551,600 | 29,906 |
| | Daiichi Sankyo Co., Ltd. | 561,000 | 29,321 |
| | China Biologic Products Holdings, Inc. ¹ | 182,000 | 17,345 |
| | Other securities | | 23,554 |
| | | | <u>183,056</u> |
| Industrials 11.63% | Airbus SE, non-registered shares | 253,960 | 36,005 |
| | Shanghai International Airport Co., Ltd., Class A | 2,590,033 | 31,593 |
| | ASSA ABLOY AB, Class B | 681,100 | 15,395 |
| | Komatsu Ltd. | 629,600 | 15,183 |
| | Airports of Thailand PCL, foreign registered | 5,250,000 | 12,583 |
| | Adani Ports & Special Economic Zone Ltd. | 2,008,779 | 11,937 |
| | Aena SME, SA, non-registered shares | 52,450 | 10,395 |
| | Other securities | | 33,714 |
| | | | <u>166,805</u> |
| Energy 8.60% | Royal Dutch Shell PLC, Class A (GBP denominated) | 2,147,691 | 70,164 |
| | Royal Dutch Shell PLC, Class B | 138,000 | 4,523 |
| | TOTAL SA | 404,534 | 22,666 |
| | Canadian Natural Resources, Ltd. (CAD denominated) | 272,500 | 7,348 |
| | Canadian Natural Resources, Ltd. | 92,000 | 2,481 |
| | Other securities | | 16,229 |
| | | | <u>123,411</u> |
| Real estate 7.67% | Sun Hung Kai Properties Ltd. | 2,249,500 | 38,155 |
| | CK Asset Holdings Ltd. | 3,939,348 | 30,837 |
| | Daito Trust Construction Co., Ltd. | 144,800 | 18,447 |
| | China Resources Land Ltd. | 3,064,000 | 13,493 |
| | Other securities | | 9,011 |
| | | | <u>109,943</u> |
| Consumer discretionary 6.98% | Sony Corp. | 430,000 | 22,526 |
| | LVMH Moët Hennessy-Louis Vuitton SE | 48,000 | 20,430 |
| | Luckin Coffee Inc., Class A (ADR) ¹ | 508,404 | 9,909 |
| | Kering SA | 16,600 | 9,817 |
| | Just Eat PLC ¹ | 1,215,000 | 9,644 |
| | Other securities | | 27,776 |
| | | | <u>100,102</u> |

International Growth and Income Fund

| Common stocks | | Shares | Value (000) |
|--|--|-----------|----------------|
| Materials 6.83% | Rio Tinto PLC | 792,800 | \$ 49,138 |
| | Yara International ASA | 343,000 | 16,638 |
| | Air Liquide SA, non-registered shares | 72,000 | 10,074 |
| | Other securities | | 22,156 |
| | | | 98,006 |
| Utilities 5.91% | Ørsted AS | 317,300 | 27,437 |
| | E.ON SE | 1,952,000 | 21,199 |
| | ENN Energy Holdings Ltd. | 1,658,000 | 16,131 |
| | Other securities | | 20,062 |
| | | | 84,829 |
| Consumer staples 5.71% | Pernod Ricard SA | 128,650 | 23,706 |
| | British American Tobacco PLC | 627,958 | 21,923 |
| | Coca-Cola Icecek AS, Class C | 2,631,000 | 13,576 |
| | Other securities | | 22,748 |
| | | | 81,953 |
| Information technology 4.33% | Taiwan Semiconductor Manufacturing Co., Ltd. | 2,804,000 | 21,577 |
| | Tokyo Electron Ltd. | 96,500 | 13,533 |
| | Samsung Electronics Co., Ltd. | 259,000 | 10,543 |
| | ASML Holding NV | 47,800 | 9,987 |
| | Other securities | | 6,420 |
| | | | 62,060 |
| Communication services 3.78% | Yandex NV, Class A ¹ | 470,000 | 17,860 |
| | Other securities | | 36,329 |
| | | | 54,189 |
| Total common stocks (cost: \$1,177,798,000) | | | 1,326,211 |

Preferred securities 1.25%

| | | | |
|----------------------------|--|-----------|--------|
| Financials 0.98% | Itaú Unibanco Holding SA, preferred nominative (ADR) | 1,486,950 | 14,007 |
| | | | |
| Energy 0.27% | Other securities | | 3,875 |
| | Total preferred securities (cost: \$13,377,000) | | 17,882 |

Bonds, notes & other debt instruments 1.15%

| | | Principal amount (000) | |
|--|---|---------------------------|--------|
| Bonds & notes of governments & government agencies outside the U.S. 0.62% | | | |
| | Other securities | | 8,979 |
| Corporate bonds & notes 0.53% | | | |
| Other 0.53% | Other securities | | 7,582 |
| | Total corporate bonds & notes | | 7,582 |
| | Total bonds, notes & other debt instruments (cost: \$15,610,000) | | 16,561 |

International Growth and Income Fund

| Short-term securities 4.89% | Shares | Value (000) |
|---|---------------------------|--------------------|
| Money market investments 4.53% | | |
| Capital Group Central Cash Fund | 649,569 | \$ 64,951 |
| | Principal amount (000) | |
| Other short-term securities 0.36% | | |
| Other securities | | 5,254 |
| Total short-term securities (cost: \$69,825,000) | | 70,205 |
| Total investment securities 99.75% (cost: \$1,276,610,000) | | 1,430,859 |
| Other assets less liabilities 0.25% | | 3,524 |
| Net assets 100.00% | | \$1,434,383 |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" also includes a security (with a value of \$1,907,000, which represented .13% of the net assets of the fund) which was acquired in transactions exempt from registration under Rule 144A of the Securities Act of 1933 and may be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers.

Forward currency contracts

| Contract amount | | Counterparty | Settlement date | Unrealized appreciation at 6/30/2019 (000) |
|--------------------|----------------|----------------|--------------------|---|
| Purchases (000) | Sales (000) | | | |
| USD1,559 | GBP1,223 | Morgan Stanley | 7/12/2019 | \$5 |

¹Security did not produce income during the last 12 months.

Key to abbreviations and symbol

ADR = American Depositary Receipts

CAD = Canadian dollars

GBP = British pounds

USD/\$ = U.S. dollars

See notes to financial statements.

Capital Income Builder

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 67.41% | | Shares | Value (000) |
|--|--|-----------|----------------|
| Information technology 9.58% | Microsoft Corp. | 109,620 | \$14,685 |
| | Broadcom Inc. | 50,800 | 14,623 |
| | QUALCOMM Inc. | 140,900 | 10,718 |
| | Intel Corp. | 221,100 | 10,584 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. | 1,277,800 | 9,832 |
| | Other securities | | 19,983 |
| | | | <u>80,425</u> |
| Consumer staples 9.08% | Philip Morris International Inc. | 145,220 | 11,404 |
| | Diageo PLC | 233,600 | 10,039 |
| | British American Tobacco PLC | 271,200 | 9,468 |
| | Carlsberg A/S, Class B | 69,692 | 9,239 |
| | Coca-Cola Co. | 177,700 | 9,048 |
| | Nestlé SA | 69,277 | 7,172 |
| | Altria Group, Inc. | 150,370 | 7,120 |
| | Other securities | | 12,741 |
| | | | <u>76,231</u> |
| Financials 8.63% | CME Group Inc., Class A | 59,566 | 11,562 |
| | Zurich Insurance Group AG | 26,872 | 9,357 |
| | DBS Group Holdings Ltd. | 335,700 | 6,441 |
| | SunTrust Banks, Inc. | 100,500 | 6,316 |
| | Sampo Oyj, Class A | 130,569 | 6,162 |
| | Other securities | | 32,667 |
| | | | <u>72,505</u> |
| Real estate 8.21% | Crown Castle International Corp. REIT | 130,300 | 16,984 |
| | American Tower Corp. REIT | 77,569 | 15,859 |
| | Link Real Estate Investment Trust REIT | 693,500 | 8,522 |
| | Digital Realty Trust, Inc. REIT | 49,000 | 5,772 |
| | Other securities | | 21,844 |
| | | | <u>68,981</u> |
| Energy 7.49% | Royal Dutch Shell PLC, Class B | 413,140 | 13,542 |
| | Royal Dutch Shell PLC, Class B (ADR) | 8,500 | 559 |
| | Royal Dutch Shell PLC, Class A (GBP denominated) | 101 | 3 |
| | Enbridge Inc. (CAD denominated) | 369,670 | 13,352 |
| | Williams Companies, Inc. | 236,700 | 6,637 |
| | Occidental Petroleum Corp. | 122,600 | 6,165 |
| | Other securities | | 22,602 |
| | | | <u>62,860</u> |
| Communication services 5.11% | Vodafone Group PLC | 5,707,800 | 9,374 |
| | Koninklijke KPN NV | 2,692,994 | 8,268 |
| | Verizon Communications Inc. | 119,950 | 6,853 |
| | HKT Trust and HKT Ltd., units | 3,699,240 | 5,872 |
| | Other securities | | 12,525 |
| | | | <u>42,892</u> |
| Health care 4.93% | AstraZeneca PLC | 123,900 | 10,130 |
| | AstraZeneca PLC (ADR) | 145,100 | 5,990 |
| | GlaxoSmithKline PLC | 421,500 | 8,439 |
| | Pfizer Inc. | 176,500 | 7,646 |
| | Other securities | | 9,201 |
| | | | <u>41,406</u> |

Capital Income Builder

| Common stocks (continued) | | Shares | Value (000) |
|--|--|-----------|----------------|
| Utilities 4.26% | Enel SpA | 1,753,109 | \$ 12,240 |
| | Edison International | 135,100 | 9,107 |
| | Other securities | | 14,428 |
| | | | <u>35,775</u> |
| Consumer discretionary 4.21% | Las Vegas Sands Corp. | 173,400 | 10,246 |
| | Sands China Ltd. | 1,460,800 | 6,985 |
| | Other securities | | 18,135 |
| | | | <u>35,366</u> |
| Industrials 3.85% | Airbus SE, non-registered shares | 90,999 | 12,901 |
| | Boeing Co. | 21,300 | 7,754 |
| | Other securities | | 11,658 |
| | | | <u>32,313</u> |
| Materials 2.06% | Other securities | | 17,288 |
| | Total common stocks (cost: \$534,432,000) | | <u>566,042</u> |

Rights & warrants 0.00%

| | | | |
|------------------------|--|--|-----------|
| Energy 0.00% | Other securities | | <u>-1</u> |
| | Total rights & warrants (cost: \$0) | | <u>-1</u> |

Convertible stocks 1.11%

| | | | |
|-----------------------------|--|-------|--------------|
| Utilities 0.66% | Other securities | | <u>5,541</u> |
| | | | |
| Real estate 0.45% | Crown Castle International Corp. REIT, Series A, 6.875% convertible preferred 2020 | 3,150 | 3,786 |
| | Total convertible stocks (cost: \$8,227,000) | | <u>9,327</u> |

Bonds, notes & other debt instruments 22.66%

| | | Principal amount (000) | |
|--|---|---------------------------|----------------|
| U.S. Treasury bonds & notes 13.13% | | | |
| U.S. Treasury 12.45% | U.S. Treasury 2.25% 2021 | \$ 12,000 | 12,100 |
| | U.S. Treasury 1.875% 2022 | 10,500 | 10,551 |
| | U.S. Treasury 2.00% 2022 ² | 15,000 | 15,130 |
| | U.S. Treasury 2.125% 2022 | 8,800 | 8,919 |
| | U.S. Treasury 2.00% 2025 | 13,200 | 13,327 |
| | U.S. Treasury 2.00% 2026 | 7,500 | 7,558 |
| | U.S. Treasury 0%-3.13% 2021-2049 ² | 39,303 | 36,935 |
| | | | <u>104,520</u> |
| U.S. Treasury inflation-protected securities 0.68% | U.S. Treasury Inflation-Protected Security 0.625% 2023 ³ | 5,657 | 5,728 |
| | U.S. Treasury Inflation-Protected Security 0.50% 2028 ³ | -1 | -1 |
| | | | <u>5,728</u> |
| | Total U.S. Treasury bonds & notes | | <u>110,248</u> |

Capital Income Builder

| Bonds, notes & other debt instruments | | Principal amount (000) | Value (000) |
|--|---|---------------------------|----------------|
| Mortgage-backed obligations 5.27% | | | |
| Federal agency mortgage-backed obligations 4.99% | Fannie Mae Pool #CA2055 4.50% 2048 ⁴ | \$ 6,244 | \$ 6,565 |
| | Fannie Mae Pool #CA1709 4.50% 2048 ⁴ | 5,393 | 5,675 |
| | Fannie Mae Pool #CA1563 4.50% 2048 ⁴ | 5,290 | 5,567 |
| | Fannie Mae 3.50%-4.00% 2046-2049 ⁴ | 2,067 | 2,156 |
| | Government National Mortgage Assn. 4.18%-6.64% 2048-2064 ^{4,5} | 14,177 | 14,838 |
| | Other securities | | 7,130 |
| | | | <u>41,931</u> |
| Collateralized mortgage-backed obligations (privately originated) 0.28% | Other securities | | 2,358 |
| | Total mortgage-backed obligations | | <u>44,289</u> |
| Corporate bonds & notes 3.21% | | | |
| Utilities 0.57% | Southern California Edison Co. 4.00%-4.65% 2043-2048 | 419 | 425 |
| | Other securities | | 4,366 |
| | | | <u>4,791</u> |
| Health care 0.47% | AstraZeneca PLC 3.375% 2025 | 200 | 209 |
| | Other securities | | 3,711 |
| | | | <u>3,920</u> |
| Consumer staples 0.41% | British American Tobacco PLC 3.56%-4.54% 2027-2047 | 920 | 906 |
| | Philip Morris International Inc. 3.375% 2029 | 280 | 289 |
| | Other securities | | 2,266 |
| | | | <u>3,461</u> |
| Communication services 0.28% | Vodafone Group PLC 5.25% 2048 | 250 | 277 |
| | Other securities | | 2,070 |
| | | | <u>2,347</u> |
| Information technology 0.22% | Broadcom Inc. 4.75% 2029 ⁶ | 530 | 544 |
| | Broadcom Ltd. 3.50%-3.88% 2024-2028 | 428 | 419 |
| | Other securities | | 904 |
| | | | <u>1,867</u> |
| Energy 0.18% | Enbridge Energy Partners, LP 7.375% 2045 | 85 | 125 |
| | Other securities | | 1,402 |
| | | | <u>1,527</u> |
| Other 1.08% | Other securities | | 9,048 |
| | Total corporate bonds & notes | | <u>26,961</u> |
| Asset-backed obligations 1.00% | | | |
| | Ford Credit Auto Owner Trust, Series 2015-1, Class A, 2.12% 2026 ^{4,6} | 6,959 | 6,948 |
| | Other securities | | 1,409 |
| | Total asset-backed obligations | | <u>8,357</u> |

Capital Income Builder

| Bonds, notes & other debt instruments (continued) | Principal amount (000) | Value (000) |
|--|---------------------------|-------------------------|
| Municipals 0.05% | | |
| Other securities | | \$ 412 |
| Total bonds, notes & other debt instruments (cost: \$185,342,000) | | <u>190,267</u> |
| Short-term securities 8.17% | | |
| Money market investments 8.17% | | |
| Capital Group Central Cash Fund | 685,730 | 68,566 |
| Total short-term securities (cost: \$68,566,000) | | <u>68,566</u> |
| Total investment securities 99.35% (cost: \$796,567,000) | | 834,202 |
| Other assets less liabilities 0.65% | | 5,487 |
| Net assets 100.00% | | <u><u>\$839,689</u></u> |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes a security which was valued under fair value procedures adopted by authority of the board of trustees. The total value of the security which was valued under fair value procedures was \$190,000, which represented .02% of the net assets of the fund.

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁷ (000) | Value at 6/30/2019 ⁸ (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--|-------|---------------------|----------------|---------------------------------------|--|--|
| 2 Year U.S. Treasury Note Futures | Long | 417 | October 2019 | \$ 83,400 | \$ 89,730 | \$ 646 |
| 5 Year U.S. Treasury Note Futures | Short | 73 | October 2019 | (7,300) | (8,626) | (104) |
| 10 Year Ultra U.S. Treasury Note Futures | Short | 235 | September 2019 | (23,500) | (32,459) | (1,021) |
| 20 Year U.S. Treasury Bond Futures | Long | 49 | September 2019 | 4,900 | 7,624 | 203 |
| 30 Year Ultra U.S. Treasury Bond Futures | Long | 27 | September 2019 | 2,700 | 4,794 | 210 |
| | | | | | | <u>\$ (66)</u> |

Capital Income Builder

Swap contracts

Interest rate swaps

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized (depreciation) appreciation at 6/30/2019 (000) |
|-------------------|-----------|-----------------|----------------|--------------------------|---------------------------------|---|
| 2.337% | U.S. EFFR | 7/31/2019 | \$123,000 | \$ (4) | \$— | \$ (4) |
| 2.325% | U.S. EFFR | 7/31/2019 | 163,000 | (6) | — | (6) |
| 2.305% | U.S. EFFR | 7/31/2019 | 163,000 | (9) | — | (9) |
| U.S. EFFR | 2.039% | 9/18/2019 | 309,000 | (4) | — | (4) |
| 2.4035% | U.S. EFFR | 1/11/2021 | 30,760 | 364 | — | 364 |
| 2.3995% | U.S. EFFR | 1/11/2021 | 21,249 | 250 | — | 250 |
| 2.3755% | U.S. EFFR | 2/6/2021 | 29,000 | 354 | — | 354 |
| 2.37% | U.S. EFFR | 3/8/2021 | 15,000 | 194 | — | 194 |
| 3-month USD-LIBOR | 2.348% | 4/1/2021 | 47,000 | (421) | — | (421) |
| 2.197% | U.S. EFFR | 4/15/2021 | 31,000 | 338 | — | 338 |
| 2.21875% | U.S. EFFR | 3/14/2024 | 9,000 | 293 | — | 293 |
| | | | | | \$— | \$1,349 |

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Amount less than one thousand.

²All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$709,000, which represented .08% of the net assets of the fund.

³Index-linked bond whose principal amount moves with a government price index.

⁴Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁵Purchased on a TBA basis.

⁶Acquired in a transaction exempt from registration under Rule 144A of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$16,746,000, which represented 1.99% of the net assets of the fund.

⁷Notional amount is calculated based on the number of contracts and notional contract size.

⁸Value is calculated based on the notional amount and current market price.

Key to abbreviations and symbol

ADR = American Depositary Receipts

CAD = Canadian dollars

EFFR = Effective Federal Funds Rate

GBP = British pounds

LIBOR = London Interbank Offered Rate

TBA = To-be-announced

USD/\$ = U.S. dollars

See notes to financial statements.

Asset Allocation Fund

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 61.08% | | Shares | Value (000) |
|---|--|------------------|------------------|
| Information technology 14.78% | Microsoft Corp. | 6,641,900 | \$ 889,749 |
| | Broadcom Inc. | 2,095,000 | 603,067 |
| | ASML Holding NV (New York registered) | 1,865,000 | 387,790 |
| | ASML Holding NV | 70,000 | 14,625 |
| | VeriSign, Inc. ¹ | 1,700,000 | 355,572 |
| | Intel Corp. | 5,820,000 | 278,603 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. (ADR) | 6,276,700 | 245,858 |
| | Intuit Inc. | 900,000 | 235,197 |
| | MKS Instruments, Inc. ² | 2,800,000 | 218,092 |
| | Visa Inc., Class A | 1,032,000 | 179,103 |
| | Other securities | | 357,479 |
| | | | <u>3,765,135</u> |
| Financials 10.02% | Chubb Ltd. | 2,200,000 | 324,038 |
| | Arch Capital Group Ltd. ¹ | 7,331,500 | 271,852 |
| | First Republic Bank | 2,580,000 | 251,937 |
| | CME Group Inc., Class A | 977,200 | 189,684 |
| | JPMorgan Chase & Co. | 1,600,000 | 178,880 |
| | Capital One Financial Corp. | 1,950,000 | 176,943 |
| | Citigroup Inc. | 2,500,000 | 175,075 |
| | Bank of America Corp. | 6,000,000 | 174,000 |
| | Wells Fargo & Co. | 3,500,000 | 165,620 |
| | | Other securities | |
| | | | <u>2,551,268</u> |
| Health care 9.93% | Johnson & Johnson | 3,672,000 | 511,436 |
| | UnitedHealth Group Inc. | 2,016,300 | 491,997 |
| | Humana Inc. | 1,265,000 | 335,604 |
| | Merck & Co., Inc. | 2,420,300 | 202,942 |
| | Bluebird Bio, Inc. ¹ | 1,558,700 | 198,267 |
| | Cigna Corp. | 1,250,000 | 196,938 |
| | | Other securities | |
| | | | <u>2,529,477</u> |
| Industrials 5.77% | Boeing Co. | 1,211,000 | 440,816 |
| | Northrop Grumman Corp. | 1,349,400 | 436,005 |
| | Lockheed Martin Corp. | 847,200 | 307,991 |
| | | Other securities | |
| | | | <u>1,470,379</u> |
| Consumer discretionary 4.93% | Home Depot, Inc. | 1,125,000 | 233,966 |
| | Amazon.com, Inc. ¹ | 103,000 | 195,044 |
| | Suzuki Motor Corp. | 3,700,000 | 173,787 |
| | General Motors Co. | 4,100,000 | 157,973 |
| | VF Corp. | 1,500,000 | 131,025 |
| | | Other securities | |
| | | | <u>1,255,604</u> |
| Energy 3.92% | Noble Energy, Inc. | 12,500,000 | 280,000 |
| | Cenovus Energy Inc. | 28,000,000 | 246,955 |
| | Royal Dutch Shell PLC, Class B (ADR) | 2,745,000 | 180,456 |
| | Suncor Energy Inc. | 4,000,000 | 124,776 |
| | | Other securities | |
| | | | <u>997,831</u> |

Asset Allocation Fund

| Common stocks | | Shares | Value (000) |
|---|--|-----------|-------------------|
| Consumer staples 3.85% | Philip Morris International Inc. | 5,430,000 | \$ 426,418 |
| | Nestlé SA | 3,006,689 | 311,264 |
| | Nestlé SA (ADR) | 900,000 | 93,060 |
| | Other securities | | 148,922 |
| | | | <u>979,664</u> |
| Communication services 3.71% | Charter Communications, Inc., Class A ¹ | 827,126 | 326,864 |
| | Facebook, Inc., Class A ¹ | 1,077,100 | 207,880 |
| | Other securities | | 409,851 |
| | | | <u>944,595</u> |
| Materials 2.67% | Dow Inc. | 4,616,666 | 227,648 |
| | Other securities | | 453,796 |
| | | | <u>681,444</u> |
| Real estate 0.87% | Other securities | | <u>220,771</u> |
| Utilities 0.63% | CMS Energy Corp. | 2,284,700 | 132,307 |
| | Other securities | | 28,901 |
| | | | <u>161,208</u> |
| Total common stocks (cost: \$10,698,642,000) | | | <u>15,557,376</u> |

Rights & warrants 0.00%

| | | | |
|-----------------------|---|--|------------|
| Other 0.00% | Other securities | | 101 |
| | Total rights & warrants (cost: \$47,000) | | <u>101</u> |

Convertible stocks 0.27%

| | | | |
|-----------------------|--|--|---------------|
| Other 0.27% | Other securities | | 67,927 |
| | Total convertible stocks (cost: \$66,588,000) | | <u>67,927</u> |

Convertible bonds 0.00%

| | | Principal amount (000) | |
|--|--|---------------------------|--------------|
| Communication services 0.00% | Other securities | | 1,286 |
| | Total convertible bonds (cost: \$1,390,000) | | <u>1,286</u> |

Bonds, notes & other debt instruments 30.44%

U.S. Treasury bonds & notes 12.71%

| | | | |
|--------------------------------|--|------------|------------------|
| U.S. Treasury 10.47% | U.S. Treasury 1.25% 2020 ³ | \$ 278,117 | 276,813 |
| | U.S. Treasury 1.625% 2020 | 125,000 | 124,600 |
| | U.S. Treasury 2.25% 2021 | 138,000 | 139,145 |
| | U.S. Treasury 2.50% 2021 | 200,000 | 202,080 |
| | U.S. Treasury 1.75% 2024 | 130,000 | 129,970 |
| | U.S. Treasury 2.50% 2024 | 225,000 | 232,409 |
| | U.S. Treasury 1.13%-4.75% 2019-2049 ³ | 1,516,483 | 1,562,257 |
| | | | <u>2,667,274</u> |

Asset Allocation Fund

| Bonds, notes & other debt instruments (continued) | | Principal amount (000) | Value (000) |
|--|--|---------------------------|------------------|
| U.S. Treasury bonds & notes (continued) | | | |
| U.S. Treasury inflation-protected securities 2.24% | U.S. Treasury Inflation-Protected Security 0.625% 2024 ⁴ | \$223,594 | \$ 227,688 |
| | U.S. Treasury Inflation-Protected Security 1.375% 2044 ^{3,4} | 140,628 | 160,014 |
| | U.S. Treasury Inflation-Protected Securities 0.38%-1.00% 2024-2049 ^{3,4} | 189,143 | 183,285 |
| | | | <u>570,987</u> |
| Total U.S. Treasury bonds & notes | | | <u>3,238,261</u> |
| Corporate bonds & notes 10.79% | | | |
| Health care 1.85% | UnitedHealth Group Inc. 3.38%-4.45% 2024-2048 | 12,215 | 13,369 |
| | Other securities | | <u>458,990</u> |
| | | | <u>472,359</u> |
| Financials 1.70% | ACE INA Holdings Inc. 2.30%-4.35% 2020-2045 | 7,405 | 7,683 |
| | Other securities | | <u>424,406</u> |
| | | | <u>432,089</u> |
| Energy 1.18% | Cenovus Energy Inc. 3.80%-5.40% 2023-2047 | 17,385 | 18,156 |
| | Noble Energy, Inc. 4.95% 2047 | 375 | 398 |
| | Other securities | | <u>282,453</u> |
| | | | <u>301,007</u> |
| Communication services 1.15% | CCO Holdings LLC and CCO Holdings Capital Corp. 4.50%-6.48% 2023-2049 ⁵ | 33,760 | 36,326 |
| | Other securities | | <u>255,457</u> |
| | | | <u>291,783</u> |
| Industrials 0.80% | Boeing Co. 2.70%-3.90% 2022-2049 | 16,533 | 17,042 |
| | Lockheed Martin Corp. 2.50%-3.55% 2020-2026 | 10,050 | 10,312 |
| | Northrop Grumman Corp. 2.93%-3.25% 2025-2028 | 13,245 | 13,554 |
| | Other securities | | <u>164,113</u> |
| | | | <u>205,021</u> |
| Consumer staples 0.78% | Nestlé Holdings, Inc. 3.35% 2023 ⁵ | 750 | 782 |
| | Philip Morris International Inc. 1.88%-4.25% 2020-2044 | 15,481 | 15,777 |
| | Other securities | | <u>182,969</u> |
| | | | <u>199,528</u> |
| Information technology 0.51% | Broadcom Inc. 3.13%-4.75% 2022-2029 ⁵ | 30,890 | 31,474 |
| | Broadcom Ltd. 3.50%-3.88% 2024-2028 | 11,832 | 11,578 |
| | Microsoft Corp. 3.30%-4.25% 2027-2047 | 11,250 | 12,565 |
| | Other securities | | <u>73,386</u> |
| | | | <u>129,003</u> |
| Other 2.82% | Other securities | | <u>716,137</u> |
| | Total corporate bonds & notes | | <u>2,746,927</u> |

Asset Allocation Fund

| Bonds, notes & other debt instruments | | Principal amount (000) | Value (000) |
|---|--|---------------------------|------------------|
| Mortgage-backed obligations 6.06% | | | |
| Federal agency mortgage-backed obligations 5.84% | Fannie Mae 0%-7.50% 2021-2049 ^{6,7} | \$ 410,879 | \$ 426,582 |
| | Freddie Mac 3.00%-6.50% 2034-2048 ⁶ | 272,601 | 282,129 |
| | Government National Mortgage Assn. 3.50%-4.50% 2048-2049 ^{6,8} | 400,322 | 416,602 |
| | Other securities | | 365,962 |
| | | | <u>1,491,275</u> |
| Other 0.22% | Other securities | | 51,824 |
| | Total mortgage-backed obligations | | <u>1,543,099</u> |
| Federal agency bonds & notes 0.05% | | | |
| | Fannie Mae 1.875% 2026 ³ | 13,000 | 12,852 |
| Other 0.83% | | | |
| | Other securities | | 210,817 |
| | Total bonds, notes & other debt instruments (cost: \$7,576,505,000) | | <u>7,751,956</u> |

Short-term securities 10.32%

| Money market investments 10.32% | | Shares | |
|---------------------------------|---|------------|---------------------|
| | Capital Group Central Cash Fund | 26,293,786 | 2,629,116 |
| | Total short-term securities (cost: \$2,629,127,000) | | <u>2,629,116</u> |
| | Total investment securities 102.11% (cost: \$20,972,299,000) | | 26,007,762 |
| | Other assets less liabilities (2.11)% | | (536,983) |
| | Net assets 100.00% | | <u>\$25,470,779</u> |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$33,335,000, which represented .13% of the net assets of the fund. "Other securities" also includes loan participations and assignments, which may be subject to legal or contractual restrictions on resale. The total value of all such loans was \$45,351,000, which represented .18% of the net assets of the fund. Some securities in "Other securities" (with an aggregate value of \$4,014,000, an aggregate cost of \$9,216,000, and which represented .02% of the net assets of the fund) were acquired from 9/26/2013 to 11/16/2018 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject them to legal or contractual restrictions on resale.

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁹ (000) | Value at 6/30/2019 ¹⁰ (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|------------------------------------|-------|---------------------|----------------|---------------------------------------|---|--|
| 90 Day Euro Dollar Futures | Long | 4,190 | September 2019 | \$ 1,047,500 | \$ 1,026,498 | \$ 911 |
| 90 Day Euro Dollar Futures | Long | 1,682 | March 2020 | 420,500 | 413,309 | 1,574 |
| 90 Day Euro Dollar Futures | Short | 4,190 | September 2020 | (1,047,500) | (1,031,211) | (889) |
| 90 Day Euro Dollar Futures | Short | 1,682 | March 2021 | (420,500) | (414,066) | (1,344) |
| 2 Year U.S. Treasury Note Futures | Long | 7,644 | October 2019 | 1,528,800 | 1,644,833 | 9,786 |
| 5 Year U.S. Treasury Note Futures | Long | 2,171 | October 2019 | 217,100 | 256,517 | 2,658 |
| 10 Year U.S. Treasury Note Futures | Short | 8 | September 2019 | (800) | (1,024) | (15) |

Asset Allocation Fund

Futures contracts (continued)

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁹ (000) | Value at 6/30/2019 ¹⁰ (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--|-------|---------------------|----------------|---------------------------------------|---|--|
| 10 Year Ultra U.S. Treasury Note Futures | Short | 2,089 | September 2019 | \$ (208,900) | \$ (288,543) | \$ (5,727) |
| 30 Year Ultra U.S. Treasury Bond Futures | Long | 613 | September 2019 | 61,300 | 108,846 | 3,458 |
| | | | | | | <u>\$10,412</u> |

Swap contracts

Interest rate swaps

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized depreciation at 6/30/2019 (000) |
|-------------------|-------------------|-----------------|----------------|-----------------------------|------------------------------------|---|
| 1.6365% | 3-month USD-LIBOR | 10/16/2019 | \$124,000 | \$ (267) | \$- | \$ (267) |
| 3-month USD-LIBOR | 2.18075% | 3/29/2024 | 26,400 | (524) | - | (524) |
| 3-month USD-LIBOR | 2.194% | 3/29/2024 | 101,900 | (2,083) | - | (2,083) |
| 3-month USD-LIBOR | 2.21875% | 3/29/2024 | 107,250 | (2,313) | - | (2,313) |
| 3-month USD-LIBOR | 2.945% | 10/16/2044 | 28,000 | (4,195) | - | (4,194) |
| | | | | | <u>\$-</u> | <u>\$(9,381)</u> |

Investments in affiliates

A company is an affiliate of the fund under the Investment Company Act of 1940 if the fund's holdings represent 5% or more of the outstanding voting shares of that company. The value of the fund's affiliated-company holdings is either shown in the summary investment portfolio or included in the value of "Other securities" under the respective industry sectors. Further details on these holdings and related transactions during the six months ended June 30, 2019, appear below.

| | Beginning shares or principal amount | Additions | Reductions | Ending shares or principal amount | Net realized loss (000) | Net unrealized (depreciation) appreciation (000) | Dividend or interest income (000) | Value of affiliates at 6/30/2019 (000) |
|---|--------------------------------------|-----------|------------|-----------------------------------|-------------------------|--|-----------------------------------|--|
| Common stocks 1.61% | | | | | | | | |
| Information technology 0.86% | | | | | | | | |
| MKS Instruments, Inc. | - | 2,800,000 | - | 2,800,000 | \$ - | \$ (19,186) | \$ 390 | \$218,092 |
| Consumer discretionary 0.75% | | | | | | | | |
| Dillard's, Inc., Class A (USA) | 1,700,000 | - | - | 1,700,000 | - | 3,349 | 340 | 105,876 |
| Kontoor Brands, Inc. ¹ | - | 3,084,392 | - | 3,084,392 | - | 1,070 | - | 86,425 |
| | | | | | | | | <u>192,301</u> |
| Energy 0.00% | | | | | | | | |
| Weatherford International PLC ^{1,11} | 60,000,000 | - | 60,000,000 | - | (446,158) | 415,322 | - | - |
| Total common stocks | | | | | | | | <u>410,393</u> |
| Bonds, notes & other debt instruments 0.00% | | | | | | | | |
| Energy 0.00% | | | | | | | | |
| Weatherford International PLC 4.50% 2022 ¹¹ | \$6,365,000 | - | - | \$6,365,000 | - | (592) | 241 | - |
| Weatherford International PLC 8.25% 2023 ¹¹ | \$5,800,000 | - | - | \$5,800,000 | - | (469) | 243 | - |
| Weatherford International PLC 9.875% 2024 ¹¹ | \$1,000,000 | - | - | \$1,000,000 | - | (92) | 48 | - |
| Weatherford International PLC 9.875% 2025 ¹¹ | \$2,550,000 | - | - | \$2,550,000 | - | (224) | 127 | - |
| Weatherford International PLC 6.50% 2036 ¹¹ | \$7,595,000 | - | - | \$7,595,000 | - | (51) | 260 | - |
| Weatherford International PLC 6.75% 2040 ¹¹ | \$7,825,000 | - | - | \$7,825,000 | - | (53) | 275 | - |
| | | | | | | | | <u>-</u> |
| Total 1.61% | | | | | <u>\$(446,158)</u> | <u>\$399,074</u> | <u>\$1,924</u> | <u>\$410,393</u> |

Asset Allocation Fund

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Security did not produce income during the last 12 months.

²Represents an affiliated company as defined under the Investment Company Act of 1940.

³All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$13,869,000, which represented .05% of the net assets of the fund.

⁴Index-linked bond whose principal amount moves with a government price index.

⁵Acquired in a transaction exempt from registration under Rule 144A of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$936,956,000, which represented 3.68% of the net assets of the fund.

⁶Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁷Coupon rate may change periodically.

⁸Purchased on a TBA basis.

⁹Notional amount is calculated based on the number of contracts and notional contract size.

¹⁰Value is calculated based on the notional amount and current market price.

¹¹Unaffiliated issuer at 6/30/2019.

Key to abbreviations and symbol

ADR = American Depositary Receipts

LIBOR = London Interbank Offered Rate

TBA = To-be-announced

USD/\$ = U.S. dollars

See notes to financial statements.

Global Balanced Fund

Summary investment portfolio June 30, 2019

unaudited

| Common stocks 59.16% | | Shares | Value (000) |
|---|--|---------|----------------|
| Information technology 11.42% | Broadcom Inc. | 26,895 | \$ 7,742 |
| | PagSeguro Digital Ltd., Class A ¹ | 161,228 | 6,283 |
| | Taiwan Semiconductor Manufacturing Co., Ltd. | 804,000 | 6,187 |
| | ASML Holding NV | 25,800 | 5,390 |
| | Microsoft Corp. | 32,620 | 4,370 |
| | Temenos AG | 18,000 | 3,220 |
| | Visa Inc., Class A | 14,600 | 2,534 |
| | Infosys Ltd. | 214,650 | 2,276 |
| | Other securities | | 9,448 |
| | | | <u>47,450</u> |
| Health care 10.20% | Merck & Co., Inc. | 116,325 | 9,754 |
| | AstraZeneca PLC | 102,050 | 8,344 |
| | Humana Inc. | 16,330 | 4,332 |
| | Mettler-Toledo International Inc. ¹ | 3,500 | 2,940 |
| | Coloplast A/S, Class B | 21,200 | 2,396 |
| | Other securities | | 14,633 |
| | | | <u>42,399</u> |
| Financials 8.52% | Berkshire Hathaway Inc., Class A ¹ | 21 | 6,685 |
| | Sberbank of Russia PJSC (ADR) | 331,000 | 5,091 |
| | JPMorgan Chase & Co. | 45,300 | 5,065 |
| | AIA Group Ltd. | 426,000 | 4,595 |
| | B3 SA - Brasil, Bolsa, Balcao | 376,000 | 3,668 |
| | Hang Seng Bank Ltd. | 114,000 | 2,838 |
| | BlackRock, Inc. | 5,730 | 2,689 |
| | Other securities | | 4,794 |
| | | | |
| Consumer staples 7.64% | Nestlé SA | 64,100 | 6,636 |
| | British American Tobacco PLC | 156,300 | 5,457 |
| | Altria Group, Inc. | 87,000 | 4,120 |
| | Philip Morris International Inc. | 50,800 | 3,989 |
| | Keurig Dr Pepper Inc. | 106,000 | 3,063 |
| | Other securities | | 8,495 |
| | | | <u>31,760</u> |
| Industrials 6.59% | Boeing Co. | 11,250 | 4,095 |
| | Edenred SA | 66,528 | 3,394 |
| | MTU Aero Engines AG | 9,800 | 2,335 |
| | Other securities | | 17,580 |
| | | | <u>27,404</u> |
| Consumer discretionary 4.31% | Home Depot, Inc. | 22,275 | 4,632 |
| | General Motors Co. | 110,500 | 4,258 |
| | Amazon.com, Inc. ¹ | 1,375 | 2,604 |
| | LVMH Moët Hennessy-Louis Vuitton SE | 5,765 | 2,454 |
| | Alibaba Group Holding Ltd. (ADR) ¹ | 13,700 | 2,321 |
| | Other securities | | 1,623 |
| | | | <u>17,892</u> |
| Materials 2.83% | Other securities | | <u>11,753</u> |

Global Balanced Fund

| Common stocks | | Shares | Value (000) |
|--|---|--------------------------|-------------------------|
| Energy 2.45% | Other securities | | \$ 10,162 |
| Communication services 2.22% | Alphabet Inc., Class C ¹ Nintendo Co., Ltd. SK Telecom Co., Ltd. | 3,579 7,500 11,590 | 3,868 2,747 2,600 |
| | | | 9,215 |
| Real estate 1.77% | Crown Castle International Corp. REIT Gaming and Leisure Properties, Inc. REIT Other securities | 23,940 59,720 | 3,120 2,328 1,894 |
| | | | 7,342 |
| Utilities 1.21% | Ørsted AS | 58,400 | 5,050 |
| | Total common stocks (cost: \$194,289,000) | | 245,852 |

Bonds, notes & other debt instruments 35.34%

Principal amount
(000)

Bonds & notes of governments & government agencies outside the U.S. 14.82%

| | | | |
|--|--|-----------|--------|
| | Japan, Series 395, 0.10% 2020 | ¥ 423,100 | 3,942 |
| | Japan, Series 346, 0.10% 2027 | 304,250 | 2,901 |
| | Japan 0.10%-1.70% 2020-2049 ² | 1,228,461 | 12,085 |
| | Other securities | | 42,643 |
| | | | 61,571 |

U.S. Treasury bonds & notes 12.90%

| | | | |
|--------------------------------|--|---|--|
| U.S. Treasury 11.14% | U.S. Treasury 2.25% 2021 U.S. Treasury 2.875% 2021 U.S. Treasury 1.625% 2022 ³ U.S. Treasury 2.875% 2023 U.S. Treasury 2.25% 2024 U.S. Treasury 2.25% 2027 U.S. Treasury 1.00%-3.13% 2019-2049 ³ | \$ 5,000 2,250 2,850 2,250 3,055 2,800 27,028 | 5,041 2,309 2,840 2,356 3,125 2,866 27,782 |
| | | | 46,319 |

| | | | |
|--|--|----------------|----------------|
| U.S. Treasury inflation-protected securities 1.76% | U.S. Treasury Inflation-Protected Security 0.875% 2029 ² U.S. Treasury Inflation-Protected Securities 0.13%-2.38% 2022-2044 ^{2,3} | 3,845 3,164 | 4,054 3,260 |
| | | | 7,314 |

Total U.S. Treasury bonds & notes

53,633

Corporate bonds & notes 5.15%

| | | | |
|----------------------------|---|-------------------|-------------------|
| Financials 1.10% | JPMorgan Chase & Co. 2.55%-3.25% 2021-2023 JPMorgan Chase & Co., Series S, junior subordinated, perpetual, 6.75% (3-month USD-LIBOR + 3.78% on 2/1/2024) ⁴ JPMorgan Chase Bank NA (3-month USD-LIBOR + 0.34%) 2.926% 2021 ⁵ Other securities | 254 135 300 | 257 149 300 |
| | | | 3,886 |
| | | | 4,592 |

Global Balanced Fund

| Bonds, notes & other debt instruments (continued) | | Principal amount (000) | Value (000) |
|--|--|---------------------------|------------------|
| Corporate bonds & notes (continued) | | | |
| Health care 0.79% | AstraZeneca PLC 2.38%-3.50% 2022-2023 | \$ 260 | \$ 268 |
| | Humana Inc. 3.15% 2022 | 100 | 102 |
| | Other securities | | 2,910 |
| | | | <u>3,280</u> |
| Consumer staples 0.50% | Altria Group, Inc. 2.63%-5.80% 2020-2039 | 225 | 241 |
| | Altria Group, Inc. 1.00%-2.20% 2023-2027 | € 280 | 332 |
| | British American Tobacco PLC 3.56%-4.39% 2027-2037 | \$ 185 | 181 |
| | Philip Morris International Inc. 2.00%-2.90% 2020-2022 | 170 | 171 |
| | Reynolds American Inc. 4.00%-4.45% 2022-2025 | 120 | 126 |
| | Other securities | | 1,039 |
| | | | <u>2,090</u> |
| Information technology 0.26% | Broadcom Ltd. 3.875% 2027 | 190 | 186 |
| | Microsoft Corp. 2.40%-3.30% 2026-2027 | 577 | 596 |
| | Other securities | | 293 |
| | | | <u>1,075</u> |
| Other 2.50% | Other securities | | 10,356 |
| | Total corporate bonds & notes | | <u>21,393</u> |
| Mortgage-backed obligations 2.47% | | | |
| Federal agency mortgage-backed obligations 2.01% | Fannie Mae Pool #CA3129 4.00% 2049 ⁶ | 3,115 | 3,235 |
| | Fannie Mae 3.50%-4.00% 2049 ⁶ | 2,893 | 2,996 |
| | Other securities | | 2,143 |
| | | | <u>8,374</u> |
| Other 0.46% | Other securities | | 1,900 |
| | Total mortgage-backed obligations | | <u>10,274</u> |
| | Total bonds, notes & other debt instruments (cost: \$143,081,000) | | <u>146,871</u> |
| Short-term securities 5.38% | | Shares | |
| Money market investments 5.16% | | | |
| | Capital Group Central Cash Fund | 214,395 | 21,438 |
| | | Principal amount (000) | |
| Other short-term securities 0.22% | | | |
| | Other securities | | 896 |
| | Total short-term securities (cost: \$22,342,000) | | <u>22,334</u> |
| | Total investment securities 99.88% (cost: \$359,712,000) | | 415,057 |
| | Other assets less liabilities 0.12% | | 511 |
| | Net assets 100.00% | | <u>\$415,568</u> |

Global Balanced Fund

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" also includes securities (with an aggregate value of \$9,220,000, which represented 2.22% of the net assets of the fund) which were acquired in transactions exempt from registration under Rule 144A of the Securities Act of 1933 and may be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers.

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁷ (000) | Value at 6/30/2019 ⁸ (000) | Unrealized appreciation at 6/30/2019 (000) |
|-----------------------------------|------|---------------------|--------------|---------------------------------------|--|---|
| 5 Year U.S. Treasury Note Futures | Long | 54 | October 2019 | \$5,400 | \$6,380 | \$89 |

Forward currency contracts

| Contract amount | | Counterparty | Settlement date | Unrealized (depreciation) appreciation at 6/30/2019 (000) |
|--------------------|----------------|-------------------------|-----------------|--|
| Purchases (000) | Sales (000) | | | |
| GBP1,100 | USD1,403 | Morgan Stanley | 7/8/2019 | \$ (5) |
| USD705 | GBP560 | Morgan Stanley | 7/8/2019 | (6) |
| JPY25,675 | USD238 | HSBC Bank | 7/10/2019 | — ⁹ |
| THB8,500 | USD276 | HSBC Bank | 7/12/2019 | 1 |
| USD272 | THB8,500 | HSBC Bank | 7/12/2019 | (6) |
| USD823 | ILS2,960 | Goldman Sachs | 7/12/2019 | (7) |
| INR51,625 | USD742 | Citibank | 7/15/2019 | 4 |
| INR675 | USD10 | JPMorgan Chase | 7/15/2019 | — ⁹ |
| USD164 | EUR145 | JPMorgan Chase | 7/15/2019 | (2) |
| USD737 | INR52,300 | Standard Chartered Bank | 7/15/2019 | (19) |
| USD168 | ILS600 | HSBC Bank | 7/16/2019 | — ⁹ |
| EUR1,541 | USD1,748 | JPMorgan Chase | 7/17/2019 | 6 |
| GBP726 | USD922 | JPMorgan Chase | 7/17/2019 | 1 |
| USD486 | INR33,900 | Standard Chartered Bank | 7/18/2019 | (3) |
| USD185 | INR12,900 | Standard Chartered Bank | 7/19/2019 | (2) |
| USD333 | CNH2,310 | Bank of America, N.A. | 7/19/2019 | (3) |
| USD629 | BRL2,450 | Citibank | 7/19/2019 | (8) |
| EUR1,130 | USD1,278 | Morgan Stanley | 7/22/2019 | 10 |
| CAD1,650 | USD1,251 | Citibank | 7/22/2019 | 9 |
| USD119 | INR8,300 | Goldman Sachs | 7/22/2019 | (1) |
| EUR1,117 | USD1,259 | Goldman Sachs | 7/23/2019 | 14 |
| CLP1,033,000 | USD1,512 | JPMorgan Chase | 7/24/2019 | 13 |
| USD598 | CNH4,100 | Standard Chartered Bank | 7/25/2019 | 2 |
| USD565 | JPY61,000 | JPMorgan Chase | 7/25/2019 | (2) |
| USD337 | EUR300 | JPMorgan Chase | 7/25/2019 | (5) |
| USD509 | THB15,900 | HSBC Bank | 7/25/2019 | (10) |
| EUR744 | USD843 | Bank of America, N.A. | 7/26/2019 | 5 |
| SEK11,700 | USD1,260 | Citibank | 7/26/2019 | 3 |
| CAD1,490 | USD1,134 | HSBC Bank | 7/29/2019 | 5 |
| NOK4,300 | USD491 | HSBC Bank | 8/22/2019 | 14 |
| NOK2,100 | USD243 | Bank of America, N.A. | 8/22/2019 | 4 |
| USD1,482 | CNH10,300 | HSBC Bank | 9/18/2019 | (16) |
| USD652 | BRL2,510 | HSBC Bank | 12/18/2019 | 9 |
| USD156 | BRL600 | JPMorgan Chase | 12/18/2019 | 2 |
| BRL90 | USD23 | JPMorgan Chase | 12/18/2019 | — ⁹ |
| BRL50 | USD13 | HSBC Bank | 12/18/2019 | — ⁹ |
| BRL20 | USD5 | Citibank | 12/18/2019 | — ⁹ |
| BRL1,320 | USD339 | Standard Chartered Bank | 12/18/2019 | — ⁹ |
| BRL175 | USD46 | JPMorgan Chase | 12/18/2019 | (1) |
| BRL970 | USD249 | Bank of New York Mellon | 12/18/2019 | (1) |

Global Balanced Fund

Forward currency contracts (continued)

| Contract amount | | Counterparty | Settlement date | Unrealized (depreciation) appreciation at 6/30/2019 (000) |
|-----------------|-------------|--------------|-----------------|---|
| Purchases (000) | Sales (000) | | | |
| BRL250 | USD65 | HSBC Bank | 12/20/2019 | \$ (1) |
| USD62 | BRL250 | HSBC Bank | 12/20/2019 | (2) |
| | | | | <u>\$ 2</u> |

Swap contracts

Interest rate swaps

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized appreciation at 6/30/2019 (000) |
|-----------|-------|-----------------|----------------|--------------------------|---------------------------------|--|
| (0.0385)% | EONIA | 12/4/2021 | €4,300 | \$51 | \$- | \$51 |

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Security did not produce income during the last 12 months.

²Index-linked bond whose principal amount moves with a government price index.

³All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$77,000, which represented .02% of the net assets of the fund.

⁴Step bond; coupon rate may change at a later date.

⁵Coupon rate may change periodically.

⁶Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁷Notional amount is calculated based on the number of contracts and notional contract size.

⁸Value is calculated based on the notional amount and current market price.

⁹Amount less than one thousand.

Key to abbreviations and symbols

ADR = American Depositary Receipts

BRL = Brazilian reais

CAD = Canadian dollars

CLP = Chilean pesos

CNH = Chinese yuan renminbi

EONIA = Euro Overnight Index Average

EUR/€ = Euros

GBP = British pounds

ILS = Israeli shekels

INR = Indian rupees

JPY/¥ = Japanese yen

LIBOR = London Interbank Offered Rate

NOK = Norwegian kroner

SEK = Swedish kronor

THB = Thai baht

USD/\$ = U.S. dollars

See notes to financial statements.

Bond Fund

Summary investment portfolio June 30, 2019

unaudited

| Bonds, notes & other debt instruments 97.86% | | Principal amount (000) | Value (000) |
|---|--|---------------------------|------------------|
| Corporate bonds & notes 33.38% | | | |
| Financials 7.76% | Intesa Sanpaolo SpA 5.017% 2024 ¹ | \$ 71,265 | \$ 71,473 |
| | Other securities | | 739,022 |
| | | | <u>810,495</u> |
| Health care 6.03% | Teva Pharmaceutical Finance Co. BV 2.80% 2023 | 80,064 | 69,656 |
| | Teva Pharmaceutical Finance Co. BV 2.20%-6.75% 2021-2046 | 149,049 | 121,795 |
| | Other securities | | 438,516 |
| | | | <u>629,967</u> |
| Energy 4.52% | Petróleos Mexicanos 7.47% 2026 | MXN295,000 | 12,220 |
| | Petróleos Mexicanos 4.63%-6.88% 2022-2048 | \$127,082 | 126,235 |
| | Other securities | | 333,016 |
| | | | <u>471,471</u> |
| Utilities 3.54% | Other securities | | <u>369,910</u> |
| Consumer discretionary 3.47% | General Motors Co. 4.35%-6.75% 2025-2049 | 31,152 | 31,824 |
| | General Motors Financial Co. 3.15%-4.20% 2020-2024 | 88,686 | 90,228 |
| | Other securities | | 240,241 |
| | | | <u>362,293</u> |
| Consumer staples 3.29% | Other securities | | <u>342,911</u> |
| Information technology 1.44% | Broadcom Inc. 3.63%-4.75% 2024-2029 ¹ | 78,813 | 80,209 |
| | Broadcom Ltd. 3.00%-3.88% 2022-2027 | 41,289 | 41,278 |
| | Other securities | | 28,922 |
| | | | <u>150,409</u> |
| Communication services 1.34% | Other securities | | <u>140,150</u> |
| Industrials 1.25% | Other securities | | <u>130,721</u> |
| Other 0.74% | Other securities | | <u>76,647</u> |
| | Total corporate bonds & notes | | <u>3,484,974</u> |
| U.S. Treasury bonds & notes 28.77% | | | |
| U.S. Treasury 24.04% | U.S. Treasury 2.25% 2021 | 100,300 | 101,133 |
| | U.S. Treasury 2.50% 2023 | 57,200 | 58,802 |
| | U.S. Treasury 2.625% 2023 | 70,000 | 72,641 |
| | U.S. Treasury 2.75% 2023 | 173,600 | 180,131 |
| | U.S. Treasury 2.00% 2024 | 76,627 | 77,537 |
| | U.S. Treasury 2.125% 2024 | 250,100 | 254,272 |
| | U.S. Treasury 2.125% 2024 ² | 72,100 | 73,331 |
| | U.S. Treasury 2.125% 2024 | 72,100 | 73,328 |
| | U.S. Treasury 2.25% 2024 | 65,000 | 66,420 |
| | U.S. Treasury 2.75% 2025 | 132,000 | 138,692 |

Bond Fund

| Bonds, notes & other debt instruments (continued) | | Principal amount (000) | Value (000) |
|---|---|---------------------------|------------------|
| U.S. Treasury bonds & notes (continued) | | | |
| U.S. Treasury (continued) | U.S. Treasury 2.875% 2025 ² | \$ 96,200 | \$ 101,972 |
| | U.S. Treasury 2.875% 2025 | 72,100 | 76,308 |
| | U.S. Treasury 2.25% 2026 ² | 198,389 | 203,287 |
| | U.S. Treasury 2.375% 2026 | 67,586 | 69,796 |
| | U.S. Treasury 2.25% 2027 ² | 120,200 | 123,007 |
| | U.S. Treasury 2.25% 2027 ² | 72,100 | 73,858 |
| | U.S. Treasury 2.875% 2028 | 48,100 | 51,670 |
| | U.S. Treasury 2.875% 2049 | 85,454 | 91,583 |
| | U.S. Treasury 3.00% 2049 ² | 332,286 | 364,601 |
| | U.S. Treasury 1.75%-8.75% 2020-2029 ² | 243,134 | 257,004 |
| | | | <u>2,509,373</u> |
| U.S. Treasury inflation-protected securities 4.73% | U.S. Treasury Inflation-Protected Security 0.375% 2025 ³ | 54,975 | 55,644 |
| | U.S. Treasury Inflation-Protected Security 0.375% 2027 ^{2,3} | 156,675 | 158,351 |
| | U.S. Treasury Inflation-Protected Security 0.50% 2028 ^{2,3} | 152,451 | 131,785 |
| | U.S. Treasury Inflation-Protected Security 0.75% 2028 ^{2,3} | 72,378 | 75,527 |
| | U.S. Treasury Inflation-Protected Security 1.00% 2049 ³ | 68,791 | 72,945 |
| | | | <u>494,252</u> |
| | Total U.S. Treasury bonds & notes | | <u>3,003,625</u> |
| Mortgage-backed obligations 26.15% | | | |
| Federal agency mortgage-backed obligations 26.02% | Fannie Mae Pool #MA3210 3.50% 2047 ⁴ | 89,746 | 92,447 |
| | Fannie Mae Pool #CA0858 3.50% 2047 ⁴ | 63,102 | 64,928 |
| | Fannie Mae Pool #MA3495 4.00% 2048 ⁴ | 98,127 | 101,419 |
| | Fannie Mae Pool #CA3084 4.00% 2049 ⁴ | 55,282 | 57,416 |
| | Fannie Mae 3.00%-9.18% 2023-2049 ^{4,5} | 255,391 | 264,897 |
| | Freddie Mac 3.50% 2047 ⁴ | 106,865 | 110,183 |
| | Freddie Mac 3.50% 2047 ⁴ | 59,630 | 61,445 |
| | Freddie Mac 4.00% 2048 ⁴ | 58,441 | 60,493 |
| | Freddie Mac Pool #G08799 3.00% 2048 ⁴ | 61,148 | 61,734 |
| | Freddie Mac 3.00%-5.50% 2033-2049 ⁴ | 232,108 | 240,369 |
| | Government National Mortgage Assn. 4.50% 2049 ⁴ | 81,214 | 84,946 |
| | Government National Mortgage Assn. 5.00% 2049 ⁴ | 85,429 | 89,745 |
| | Government National Mortgage Assn. Pool #MA5876 4.00% 2049 ⁴ | 118,347 | 122,793 |
| | Government National Mortgage Assn. Pool #MA5932 4.50% 2049 ⁴ | 49,883 | 52,303 |
| | Government National Mortgage Assn. 4.00%-5.00% 2048-2049 ^{4,6} | 168,519 | 176,477 |
| | Uniform Mortgage-Backed Security 3.00% 2034 ⁴ | 325,469 | 331,802 |
| | Uniform Mortgage-Backed Security 3.50% 2034 ⁴ | 575 | 594 |
| | Uniform Mortgage-Backed Security 3.00% 2049 ⁴ | 132,220 | 133,298 |
| | Uniform Mortgage-Backed Security 3.50% 2049 ⁴ | 121,550 | 124,237 |
| | Uniform Mortgage-Backed Security 3.50% 2049 ^{4,6} | 69,197 | 70,709 |
| | Uniform Mortgage-Backed Security 4.00% 2049 ⁴ | 167,704 | 173,302 |
| | Uniform Mortgage-Backed Security 4.50% 2049 ⁴ | 140,648 | 146,980 |
| | Uniform Mortgage-Backed Security 5.00% 2049 ⁴ | 49,800 | 52,637 |
| | Other securities | | <u>41,331</u> |
| | | | <u>2,716,485</u> |
| Other 0.13% | Other securities | | <u>13,317</u> |
| | Total mortgage-backed obligations | | <u>2,729,802</u> |

Bond Fund

| Bonds, notes & other debt instruments | | Principal amount (000) | Value (000) |
|--|--|---------------------------|-------------------|
| Bonds & notes of governments & government agencies outside the U.S. 5.58% | | | |
| | Italy (Republic of) 0.95%-2.10% 2023-2028 | € 125,027 | \$ 143,579 |
| | Japan, Series 20, 0.10% 2025 ³ | ¥11,441,250 | 109,583 |
| | United Mexican States, Series M, 6.50% 2021 | MXN3,132,700 | 160,275 |
| | United Mexican States, Series M, 5.75% 2026 | 527,500 | 25,014 |
| | United Mexican States 3.60% 2025 | \$ 11,500 | 11,793 |
| | Other securities | | 131,669 |
| | | | <u>581,913</u> |
| Municipals 1.96% | | | |
| Illinois | G.O. Bonds, Pension Funding, Series 2003, 4.95% 2023 | 23,616 | 24,724 |
| 1.73% | G.O. Bonds, Pension Funding, Series 2003, 5.10% 2033 | 90,885 | 95,786 |
| | G.O. Bonds, Series 2013-B, 3.65% 2020 | 1,825 | 1,835 |
| | G.O. Bonds, Series 2013-B, 4.11% 2022 | 750 | 765 |
| | G.O. Bonds, Series 2013-B, 4.31% 2023 | 2,125 | 2,172 |
| | G.O. Bonds, Taxable Build America Bonds, Series 2010-2, 5.65% 2020 | 250 | 255 |
| | G.O. Bonds, Taxable Build America Bonds, Series 2010-2, 5.85% 2022 | 2,370 | 2,530 |
| | G.O. Bonds, Taxable Build America Bonds, Series 2010-2, 5.95% 2023 | 3,210 | 3,460 |
| | G.O. Bonds, Taxable Build America Bonds, Series 2010-3, 5.727% 2020 | 2,400 | 2,452 |
| | G.O. Bonds, Taxable Build America Bonds, Series 2010-5, 6.20% 2021 | 5,838 | 6,021 |
| | Other securities | | 40,428 |
| | | | <u>180,428</u> |
| Other | Other securities | | 24,030 |
| 0.23% | Total municipals | | <u>204,458</u> |
| Asset-backed obligations 1.90% | | | |
| | Other securities | | <u>198,442</u> |
| Federal agency bonds & notes 0.12% | | | |
| | Fannie Mae 2.125% 2026 | 11,910 | 12,020 |
| | Total bonds, notes & other debt instruments (cost: \$9,922,830,000) | | <u>10,215,234</u> |
| Common stocks 0.00% | | Shares | |
| Other | Other securities | | 228 |
| 0.00% | Total common stocks (cost: \$605,000) | | <u>228</u> |
| Rights & warrants 0.00% | | | |
| Energy | Other securities | | 31 |
| 0.00% | Total rights & warrants (cost: \$16,000) | | <u>31</u> |
| Short-term securities 10.42% | | | |
| Money market investments 9.91% | | | |
| | Capital Group Central Cash Fund | 10,350,250 | <u>1,034,921</u> |

Bond Fund

| Short-term securities (continued) | Principal amount (000) | Value (000) |
|---|---------------------------|----------------------------|
| Other short-term securities 0.51% | | |
| Italian Treasury Bill 0.53% due 8/14/2019 | €46,400 | \$ 52,775 |
| Total short-term securities (cost: \$1,088,623,000) | | <u>1,087,696</u> |
| Total investment securities 108.28% (cost: \$11,012,074,000) | | 11,303,189 |
| Other assets less liabilities (8.28)% | | (863,942) |
| Net assets 100.00% | | <u><u>\$10,439,247</u></u> |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$5,406,000, which represented .05% of the net assets of the fund. "Other securities" also includes loan participations and assignments, which may be subject to legal or contractual restrictions on resale. The total value of all such loans was \$688,000, which represented .01% of the net assets of the fund.

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁷ (000) | Value at 6/30/2019 ⁸ (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--|-------|---------------------|----------------|---------------------------------------|--|--|
| 90 Day Euro Dollar Futures | Long | 5,350 | September 2019 | \$ 1,337,500 | \$ 1,310,683 | \$ 1,392 |
| 90 Day Euro Dollar Futures | Short | 5,350 | September 2020 | (1,337,500) | (1,316,702) | (815) |
| 2 Year U.S. Treasury Note Futures | Long | 16,013 | October 2019 | 3,202,600 | 3,445,672 | 24,185 |
| 5 Year Euro-Bobl Futures | Short | 1,840 | September 2019 | € (184,000) | (281,284) | (1,006) |
| 5 Year U.S. Treasury Note Futures | Long | 12,439 | October 2019 | \$ 1,243,900 | 1,469,746 | 12,843 |
| 10 Year Euro-Bund Futures | Short | 1,572 | September 2019 | € (157,200) | (308,776) | (3,162) |
| 10 Year U.S. Treasury Note Futures | Long | 798 | September 2019 | \$ 79,800 | 102,119 | 1,994 |
| 10 Year Ultra U.S. Treasury Note Futures | Short | 2,081 | September 2019 | (208,100) | (287,438) | (7,156) |
| 30 Year Euro-Buxl Futures | Long | 270 | September 2019 | € 27,000 | 62,294 | 2,143 |
| 30 Year Ultra U.S. Treasury Bond Futures | Long | 973 | September 2019 | \$ 97,300 | 172,768 | 7,572 |
| | | | | | | <u><u>\$37,990</u></u> |

Forward currency contracts

| Contract amount | | Counterparty | Settlement date | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--------------------|----------------|-----------------------|-----------------|--|
| Purchases (000) | Sales (000) | | | |
| USD14,098 | EUR12,500 | Bank of America, N.A. | 7/10/2019 | \$ (131) |
| USD120,688 | MXN2,400,000 | Citibank | 7/15/2019 | (3,999) |
| USD61,551 | MXN1,220,000 | Goldman Sachs | 7/16/2019 | (1,821) |
| USD13,045 | MXN252,000 | HSBC Bank | 7/17/2019 | (43) |
| USD67,440 | JPY7,300,000 | Bank of America, N.A. | 7/17/2019 | (372) |
| USD137,941 | EUR121,575 | Bank of America, N.A. | 7/17/2019 | (526) |
| KRW120,000,000 | USD101,502 | Citibank | 7/19/2019 | 2,492 |
| USD13,358 | JPY1,445,000 | Citibank | 7/19/2019 | (67) |
| USD4,048 | EUR3,580 | Morgan Stanley | 7/22/2019 | (31) |
| USD31,777 | JPY3,430,000 | JPMorgan Chase | 7/25/2019 | (106) |
| USD13,450 | EUR11,970 | JPMorgan Chase | 7/25/2019 | (192) |

Bond Fund

| Contract amount | | Counterparty | Settlement date | Unrealized (depreciation) appreciation at 6/30/2019 (000) |
|-----------------|-------------|-----------------------|-----------------|---|
| Purchases (000) | Sales (000) | | | |
| USD42,575 | EUR37,600 | Morgan Stanley | 7/25/2019 | \$ (279) |
| USD54,526 | EUR46,000 | Bank of America, N.A. | 8/14/2019 | 2,014 |
| | | | | <u><u>\$(3,061)</u></u> |

Swap contracts

Interest rate swaps

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|-------------------|-------------------|-----------------|----------------|--------------------------|---------------------------------|---|
| U.S. EFFR | 2.0275% | 9/18/2019 | \$ 6,105,900 | \$ 10 | \$- | \$ 10 |
| 3-month USD-LIBOR | 2.18075% | 3/29/2024 | 31,600 | (627) | - | (627) |
| 3-month USD-LIBOR | 2.194% | 3/29/2024 | 31,900 | (652) | - | (652) |
| 3-month USD-LIBOR | 2.21875% | 3/29/2024 | 33,500 | (723) | - | (723) |
| 3-month USD-LIBOR | 2.3105% | 5/3/2024 | 275,590 | (7,133) | - | (7,133) |
| 6-month EURIBOR | 0.9852% | 10/17/2024 | € 25,000 | (1,821) | - | (1,821) |
| 6-month JPY-LIBOR | 0.0875% | 3/10/2026 | ¥11,100,000 | (1,169) | - | (1,169) |
| 6-month JPY-LIBOR | 0.58295% | 3/23/2046 | 2,000,000 | (1,059) | - | (1,059) |
| 0.64355% | 6-month JPY-LIBOR | 4/27/2046 | 2,000,000 | 1,356 | - | 1,356 |
| | | | | | <u><u>\$-</u></u> | <u><u>\$(11,818)</u></u> |

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Acquired in a transaction exempt from registration under Rule 144A of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$1,029,365,000, which represented 9.86% of the net assets of the fund.

²All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$40,793,000, which represented .39% of the net assets of the fund.

³Index-linked bond whose principal amount moves with a government price index.

⁴Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁵Coupon rate may change periodically.

⁶Purchased on a TBA basis.

⁷Notional amount is calculated based on the number of contracts and notional contract size.

⁸Value is calculated based on the notional amount and current market price.

Key to abbreviations and symbols

EFFR = Effective Federal Funds Rate

EUR/€ = Euros

EURIBOR = Euro Interbank Offered Rate

G.O. = General Obligation

JPY/¥ = Japanese yen

KRW = South Korean won

LIBOR = London Interbank Offered Rate

MXN = Mexican pesos

TBA = To-be-announced

USD/\$ = U.S. dollars

See notes to financial statements.

Global Bond Fund

Investment portfolio June 30, 2019

unaudited

| Bonds, notes & other debt instruments 92.18% | | Principal amount (000) | Value (000) |
|--|---|---------------------------|----------------|
| Euros 15.81% | Greece (Hellenic Republic of) 3.45% 2024 | € 8,400 | \$ 10,504 |
| | Greece (Hellenic Republic of) 3.375% 2025 | 9,060 | 11,313 |
| | Greece (Hellenic Republic of) 3.75% 2028 | 8,409 | 10,633 |
| | Greece (Hellenic Republic of) 3.875% 2029 | 20,475 | 26,152 |
| | Greece (Hellenic Republic of) 3.90%-4.20% 2033-2042 | 11,144 | 14,361 |
| | Israel (State of) 1.50% 2029 | 1,600 | 1,961 |
| | Italy (Republic of) 1.35% 2022 | 3,225 | 3,732 |
| | Italy (Republic of) 0.10% 2023 ¹ | 23,422 | 26,058 |
| | Italy (Republic of) 1.85% 2024 | 18,500 | 21,630 |
| | Italy (Republic of) 2.80% 2028 | 31,305 | 38,212 |
| | Italy (Republic of) 3.10% 2040 | 11,800 | 14,097 |
| | Romania 4.625% 2049 | 11,663 | 16,063 |
| | Romania 2.88%-4.13% 2029-2039 | 13,258 | 16,789 |
| | Spain (Kingdom of) 1.45% 2027 | 12,300 | 15,393 |
| | Spain (Kingdom of) 1.45% 2029 | 9,390 | 11,767 |
| | Other securities | | 102,696 |
| | | | |
| Japanese yen 12.81% | Japan, Series 395, 0.10% 2020 | ¥3,702,000 | 34,491 |
| | Japan, Series 19, 0.10% 2024 ¹ | 2,431,026 | 23,227 |
| | Japan, Series 18, 0.10% 2024 ¹ | 1,962,616 | 18,687 |
| | Japan, Series 346, 0.10% 2027 | 3,125,000 | 29,797 |
| | Japan, Series 23, 0.10% 2028 ¹ | 1,996,522 | 19,340 |
| | Japan, Series 24, 0.10% 2029 ¹ | 1,611,175 | 15,616 |
| | Japan, Series 116, 2.20% 2030 | 1,735,000 | 20,128 |
| | Japan, Series 145, 1.70% 2033 | 2,210,000 | 25,311 |
| | Japan, Series 42, 1.70% 2044 | 911,900 | 11,254 |
| | Japan, Series 62, 0.50% 2049 | 1,179,000 | 11,329 |
| | Japan 0.10%-2.30% 2020-2048 ¹ | 6,751,063 | 67,504 |
| | | | 276,684 |
| Chinese yuan renminbi 3.12% | China Development Bank Corp., Series 1814, 4.15% 2025 | CNY70,000 | 10,452 |
| | China Development Bank Corp., Series 1806, 4.73% 2025 | 102,000 | 15,699 |
| | China Development Bank Corp., Series 1805, 4.04% 2028 | 33,000 | 4,881 |
| | China Development Bank Corp., Series 1805, 4.88% 2028 | 70,200 | 11,023 |
| | China Development Bank Corp., Series 1905, 3.48% 2029 | 177,300 | 25,300 |
| | | | 67,355 |
| Mexican pesos 3.10% | Petróleos Mexicanos 7.19%-7.47% 2024-2026 | MXN99,000 | 4,116 |
| | United Mexican States, Series M, 5.75% 2026 | 277,500 | 13,159 |
| | United Mexican States, Series M, 7.50% 2027 | 696,000 | 36,227 |
| | United Mexican States 6.50%-8.00% 2020-2022 | 263,600 | 13,524 |
| | | | 67,026 |
| Danish kroner 2.12% | Nykredit Realkredit AS, Series 01E, 1.50% 2037 ² | DKr90,220 | 14,267 |
| | Nykredit Realkredit AS, Series 01E, 1.50% 2040 ² | 167,906 | 26,449 |
| | Nykredit Realkredit AS 2.00%-2.50% 2037-2047 ² | 31,675 | 5,070 |
| | | | 45,786 |
| Indian rupees 1.84% | India (Republic of) 6.79%-8.83% 2023-2030 | INR2,408,770 | 35,797 |
| | Other securities | | 3,893 |
| | | | 39,690 |

Global Bond Fund

| Bonds, notes & other debt instruments | | Principal amount (000) | Value (000) |
|---|---|---------------------------|----------------|
| Norwegian kroner 1.64% | Norway (Kingdom of) 3.75% 2021 | NKr145,721 | \$17,884 |
| | Norway (Kingdom of) 2.00% 2023 | 99,579 | 12,016 |
| | Norway (Kingdom of) 3.00% 2024 | 43,200 | 5,464 |
| | | | <u>35,364</u> |
| British pounds 1.28% | United Kingdom 1.50%-4.25% 2023-2047 | £ 17,380 | 26,004 |
| | Other securities | | <u>1,639</u> |
| | | | <u>27,643</u> |
| South African rand 1.26% | South Africa (Republic of) 6.50%-8.75% 2041-2048 | ZAR458,675 | <u>27,252</u> |
| Thai baht 1.06% | Thailand (Kingdom of) 2.13%-3.30% 2026-2038 | THB658,750 | <u>22,820</u> |
| Indonesian rupiah 0.99% | Indonesia (Republic of), Series 78, 8.25% 2029 | IDR143,588,000 | 10,799 |
| | Indonesia (Republic of) 6.13%-8.38% 2028-2034 | 146,142,000 | 10,497 |
| | | | <u>21,296</u> |
| Israeli shekels 0.95% | Israel (State of) 2.00% 2027 | ILS28,300 | 8,297 |
| | Israel (State of) 5.50% 2042 | 29,300 | 12,331 |
| | | | <u>20,628</u> |
| Polish zloty 0.95% | Poland (Republic of), Series 1021, 5.75% 2021 | PLN45,080 | 13,216 |
| | Poland (Republic of), Series 0922, 5.75% 2022 | 24,500 | 7,378 |
| | | | <u>20,594</u> |
| Colombian pesos 0.53% | Colombia (Republic of), Series B, 6.25% 2025 | COP35,436,000 | <u>11,464</u> |
| U.S. dollars 41.07% | Fannie Mae Pool #MA3692 3.50% 2049 ² | \$ 22,180 | 22,706 |
| | Fannie Mae Pool #CA3084 4.00% 2049 ² | 34,920 | 36,268 |
| | Fannie Mae Pool #CA3129 4.00% 2049 ² | 34,051 | 35,365 |
| | Fannie Mae 2.18%-4.00% 2022-2049 ² | 13,253 | 13,678 |
| | Government National Mortgage Assn. Pool #MA5987 4.50% 2049 ² | 16,360 | 17,108 |
| | Indonesia (Republic of) 3.75%-4.75% 2022-2026 | 4,610 | 4,955 |
| | Petróleos Mexicanos 4.88%-6.35% 2022-2048 | 1,177 | 1,049 |
| | Poland (Republic of) 3.25%-4.00% 2024-2026 | 5,570 | 5,916 |
| | PT Indonesia Asahan Aluminium Tbk 5.23%-5.71% 2021-2023 ³ | 1,405 | 1,499 |
| | South Africa (Republic of) 5.50% 2020 | 1,900 | 1,933 |
| | Statoil ASA 3.70%-4.25% 2024-2041 | 2,950 | 3,192 |
| | U.S. Treasury 2.25% 2024 | 11,000 | 11,250 |
| | U.S. Treasury 2.75% 2025 | 10,140 | 10,673 |
| | U.S. Treasury 2.75% 2028 ⁴ | 16,900 | 17,965 |
| | U.S. Treasury 2.875% 2028 ⁴ | 19,850 | 21,308 |
| | U.S. Treasury 2.75% 2047 ⁴ | 13,000 | 13,557 |
| | U.S. Treasury 3.00% 2049 ⁴ | 9,680 | 10,621 |
| U.S. Treasury 1.88%-3.00% 2020-2049 ⁴ | 61,475 | 63,903 | |
| U.S. Treasury Inflation-Protected Security 0.625% 2024 ¹ | 23,959 | 24,398 | |

Global Bond Fund

| Bonds, notes & other debt instruments (continued) | | Principal amount (000) | Value (000) |
|---|--|---------------------------|------------------|
| U.S. dollars (continued) | U.S. Treasury Inflation-Protected Security 0.875% 2029 ¹ | \$ 73,149 | \$ 77,117 |
| | U.S. Treasury Inflation-Protected Securities 0.13%–2.38% 2024–2044 ^{1,4} | 24,163 | 25,186 |
| | Other securities | | 467,232 |
| | | | <u>886,879</u> |
| Other 3.65% | Other securities | | 78,758 |
| | Total bonds, notes & other debt instruments (cost: \$1,927,787,000) | | <u>1,990,600</u> |

Convertible bonds 0.00%

| | | | |
|-------------------------------|--|--|------------|
| U.S. dollars 0.00% | Other securities | | 102 |
| | Total convertible bonds (cost: \$110,000) | | <u>102</u> |

Convertible stocks 0.04%

| | | Shares | |
|-------------------------------|---|--------|------------|
| U.S. dollars 0.04% | Other securities | | 847 |
| | Total convertible stocks (cost: \$816,000) | | <u>847</u> |

Common stocks 0.03%

| | | | |
|-------------------------------|--|--|------------|
| U.S. dollars 0.03% | Other securities | | 671 |
| | Total common stocks (cost: \$1,862,000) | | <u>671</u> |

Rights & warrants 0.00%

| | | | |
|-------------------------------|--|--|-----------|
| U.S. dollars 0.00% | Other securities | | 17 |
| | Total rights & warrants (cost: \$8,000) | | <u>17</u> |

Short-term securities 7.11%

| Other short-term securities 7.10% | | Principal amount (000) | |
|-----------------------------------|---|---------------------------|----------------|
| | Greek Treasury Bill 0.41% due 12/6/2019 | € 7,260 | 8,243 |
| | Japanese Treasury Bill (0.15)% due 8/19/2019 | ¥11,500,000 | 106,685 |
| | Nigerian Treasury Bills 12.34%–14.31% due 8/1/2019–3/5/2020 | NGN6,627,000 | 17,608 |
| | United Kingdom Treasury Bills 0.72%–0.72% due 10/14/2019–10/21/2019 | £ 8,700 | 11,025 |
| | Other securities | | 9,762 |
| | | | <u>153,323</u> |

Shares

Money market investments 0.01%

| | | | |
|--|---|--|--------------------|
| | Other securities | | 94 |
| | Total short-term securities (cost: \$151,675,000) | | <u>153,417</u> |
| | Total investment securities 99.36% (cost: \$2,082,258,000) | | 2,145,654 |
| | Other assets less liabilities 0.64% | | 13,727 |
| | Net assets 100.00% | | <u>\$2,159,381</u> |

Global Bond Fund

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"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$1,939,000, which represented .09% of the net assets of the fund. "Other securities" also includes loan participations and assignments, which may be subject to legal or contractual restrictions on resale. The total value of all such loans was \$4,632,000, which represented .21% of the net assets of the fund. Some securities in "Other securities" (with an aggregate value of \$151,000, an aggregate cost of \$116,000, and which represented .01% of the net assets of the fund) were acquired from 8/31/2018 to 11/16/2018 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject them to legal or contractual restrictions on resale.

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁵ (000) | Value at 6/30/2019 ⁶ (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--|-------|---------------------|----------------|---------------------------------------|--|--|
| 90 Day Euro Dollar Futures | Long | 1,113 | September 2019 | \$ 278,250 | \$ 272,671 | \$ 249 |
| 90 Day Euro Dollar Futures | Short | 1,113 | September 2020 | (278,250) | (273,923) | (183) |
| 2 Year U.S. Treasury Note Futures | Short | 803 | October 2019 | (160,600) | (172,789) | (460) |
| 5 Year U.S. Treasury Note Futures | Long | 982 | October 2019 | 98,200 | 116,029 | 1,502 |
| 10 Year Euro-Bund Futures | Short | 154 | September 2019 | € (15,400) | (30,249) | (336) |
| 10 Year U.S. Treasury Note Futures | Long | 202 | September 2019 | \$ 20,200 | 25,850 | 609 |
| 20 Year U.S. Treasury Bond Futures | Long | 98 | September 2019 | 9,800 | 15,248 | 45 |
| 30 Year Euro-Buxl Futures | Long | 42 | September 2019 | € 4,200 | 9,690 | 333 |
| 30 Year Ultra U.S. Treasury Bond Futures | Short | 55 | September 2019 | \$ (5,500) | (9,766) | (445) |
| | | | | | | <u>\$1,314</u> |

Forward currency contracts

| Contract amount | | Counterparty | Settlement date | Unrealized (depreciation) appreciation at 6/30/2019 (000) |
|--------------------|----------------|-------------------------|-----------------|---|
| Purchases (000) | Sales (000) | | | |
| GBP18,800 | USD23,982 | Morgan Stanley | 7/8/2019 | \$ (95) |
| USD10,991 | GBP8,725 | Morgan Stanley | 7/8/2019 | (95) |
| EUR3,165 | USD3,570 | Bank of America, N.A. | 7/10/2019 | 33 |
| JPY764,987 | USD7,103 | HSBC Bank | 7/10/2019 | ..7 |
| USD1,295 | MXN25,590 | Morgan Stanley | 7/10/2019 | (36) |
| AUD3,740 | USD2,561 | Goldman Sachs | 7/12/2019 | 66 |
| THB77,700 | USD2,526 | HSBC Bank | 7/12/2019 | 8 |
| USD2,618 | AUD3,740 | Citibank | 7/12/2019 | (9) |
| GBP2,800 | USD3,569 | JPMorgan Chase | 7/12/2019 | (11) |
| USD2,482 | THB77,700 | HSBC Bank | 7/12/2019 | (52) |
| USD10,891 | ILS39,170 | Goldman Sachs | 7/12/2019 | (95) |
| EUR23,978 | USD27,064 | JPMorgan Chase | 7/15/2019 | 240 |
| INR818,000 | USD11,758 | Citibank | 7/15/2019 | 67 |
| USD7,058 | CNH48,920 | HSBC Bank | 7/15/2019 | (62) |
| USD11,531 | INR818,000 | Standard Chartered Bank | 7/15/2019 | (294) |
| AUD7,600 | USD5,259 | Morgan Stanley | 7/16/2019 | 80 |
| USD5,327 | AUD7,600 | Bank of America, N.A. | 7/16/2019 | (12) |
| USD1,441 | CNH10,000 | JPMorgan Chase | 7/16/2019 | (15) |
| GBP10,629 | USD13,500 | JPMorgan Chase | 7/17/2019 | 13 |
| EUR7,100 | USD8,093 | JPMorgan Chase | 7/17/2019 | (7) |
| USD1,832 | EUR1,615 | Bank of America, N.A. | 7/17/2019 | (7) |
| USD1,758 | EUR1,565 | JPMorgan Chase | 7/17/2019 | (24) |
| USD7,301 | INR508,800 | Standard Chartered Bank | 7/18/2019 | (51) |
| USD2,894 | INR202,000 | Standard Chartered Bank | 7/19/2019 | (25) |
| USD3,571 | CNH24,770 | Bank of America, N.A. | 7/19/2019 | (34) |

Global Bond Fund

Forward currency contracts (continued)

| Contract amount | | | | Unrealized (depreciation) appreciation at 6/30/2019 (000) |
|--------------------|----------------|-------------------------|--------------------|---|
| Purchases (000) | Sales (000) | Counterparty | Settlement date | |
| USD7,980 | BRL31,080 | Citibank | 7/19/2019 | \$ (98) |
| EUR17,600 | USD19,900 | Morgan Stanley | 7/22/2019 | 154 |
| CAD25,310 | USD19,196 | Citibank | 7/22/2019 | 143 |
| USD842 | EUR745 | Morgan Stanley | 7/22/2019 | (7) |
| USD4,298 | INR299,650 | Goldman Sachs | 7/22/2019 | (30) |
| EUR19,079 | USD21,512 | Goldman Sachs | 7/23/2019 | 229 |
| CLP23,504,000 | USD34,402 | JPMorgan Chase | 7/24/2019 | 298 |
| USD351 | EUR310 | Standard Chartered Bank | 7/24/2019 | (2) |
| USD1,392 | EUR1,235 | Goldman Sachs | 7/24/2019 | (15) |
| USD9,027 | ILS32,500 | Standard Chartered Bank | 7/24/2019 | (94) |
| EUR6,815 | USD7,658 | JPMorgan Chase | 7/25/2019 | 109 |
| USD6,287 | CNH43,100 | Standard Chartered Bank | 7/25/2019 | 14 |
| THB32,900 | USD1,070 | HSBC Bank | 7/25/2019 | 4 |
| THB25,000 | USD813 | UBS AG | 7/25/2019 | 3 |
| THB186,700 | USD6,091 | Bank of America, N.A. | 7/25/2019 | 1 |
| USD5,142 | INR360,000 | JPMorgan Chase | 7/25/2019 | (55) |
| USD7,831 | THB244,600 | HSBC Bank | 7/25/2019 | (150) |
| EUR15,210 | USD17,233 | Bank of America, N.A. | 7/26/2019 | 103 |
| USD63,123 | JPY6,779,504 | UBS AG | 7/26/2019 | 101 |
| SEK178,500 | USD19,216 | Citibank | 7/26/2019 | 48 |
| USD2,985 | MYR12,410 | HSBC Bank | 7/26/2019 | (17) |
| CAD24,850 | USD18,908 | HSBC Bank | 7/29/2019 | 83 |
| GBP5,380 | USD6,832 | Bank of America, N.A. | 8/5/2019 | 13 |
| CHF1,000 | USD1,023 | Morgan Stanley | 8/5/2019 | 5 |
| JPY1,669,300 | USD15,583 | Morgan Stanley | 8/5/2019 | (54) |
| USD835 | INR58,300 | JPMorgan Chase | 8/6/2019 | (5) |
| USD27,475 | CNH189,020 | JPMorgan Chase | 8/6/2019 | (33) |
| NOK64,000 | USD7,304 | HSBC Bank | 8/22/2019 | 211 |
| AUD7,840 | USD5,376 | Goldman Sachs | 8/22/2019 | 138 |
| NOK31,900 | USD3,687 | Bank of America, N.A. | 8/22/2019 | 59 |
| USD5,438 | AUD7,840 | Bank of America, N.A. | 8/22/2019 | (76) |
| USD10,804 | EUR9,610 | Goldman Sachs | 8/22/2019 | (173) |
| JPY1,183,000 | USD10,826 | Standard Chartered Bank | 8/28/2019 | 198 |
| USD10,956 | JPY1,183,000 | Morgan Stanley | 8/28/2019 | (67) |
| USD983 | CNH6,800 | Bank of New York Mellon | 9/18/2019 | (6) |
| USD21,661 | CNH150,500 | HSBC Bank | 9/18/2019 | (232) |
| INR226,000 | USD3,224 | HSBC Bank | 9/20/2019 | 16 |
| USD7,136 | INR500,000 | JPMorgan Chase | 9/20/2019 | (30) |
| USD4,892 | THB155,000 | Citibank | 9/20/2019 | (173) |
| USD2,780 | BRL11,000 | Morgan Stanley | 12/16/2019 | (39) |
| BRL11,000 | USD2,923 | Citibank | 12/16/2019 | (104) |
| BRL290 | USD74 | JPMorgan Chase | 12/18/2019 | -7 |
| BRL20,200 | USD5,183 | Standard Chartered Bank | 12/18/2019 | (7) |
| BRL14,680 | USD3,771 | Standard Chartered Bank | 12/18/2019 | (10) |
| USD10,781 | BRL43,200 | Citibank | 12/18/2019 | (289) |
| USD2,365 | BRL9,500 | HSBC Bank | 12/20/2019 | (69) |
| BRL9,500 | USD2,535 | HSBC Bank | 12/20/2019 | (101) |
| USD393 | EUR340 | JPMorgan Chase | 3/26/2020 | (2) |
| USD4,553 | EUR3,940 | Bank of America, N.A. | 3/26/2020 | (20) |
| | | | | <u>\$(445)</u> |

Global Bond Fund

Swap contracts

Interest rate swaps

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized appreciation at 6/30/2019 (000) |
|-----------|--------------------|-----------------|----------------|--------------------------|---------------------------------|--|
| 0.175% | 3-month SEK-STIBOR | 3/23/2021 | SKr360,800 | \$104 | \$— | \$ 104 |
| 0.17% | 3-month SEK-STIBOR | 3/23/2021 | 360,700 | 102 | — | 102 |
| 0.1675% | 3-month SEK-STIBOR | 3/23/2021 | 360,700 | 101 | — | 101 |
| 0.1775% | 3-month SEK-STIBOR | 3/23/2021 | 154,400 | 45 | — | 45 |
| (0.0385)% | EONIA | 12/4/2021 | €64,600 | 760 | — | 759 |
| 7.7225% | 28-day MXN-TIIE | 3/18/2024 | MXN256,000 | 240 | — | 240 |
| | | | | | \$— | \$1,351 |

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Index-linked bond whose principal amount moves with a government price index.

²Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

³Acquired in a transaction exempt from registration under Rule 144A of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$180,764,000, which represented 8.37% of the net assets of the fund.

⁴All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$3,781,000, which represented .18% of the net assets of the fund.

⁵Notional amount is calculated based on the number of contracts and notional contract size.

⁶Value is calculated based on the notional amount and current market price.

⁷Amount less than one thousand.

Key to abbreviations and symbols

AUD = Australian dollars

BRL = Brazilian reais

CAD = Canadian dollars

CHF = Swiss francs

CLP = Chilean pesos

CNH/CNY = Chinese yuan renminbi

COP = Colombian pesos

DKr = Danish kroner

EONIA = Euro Overnight Index Average

EUR/€ = Euros

GBP/£ = British pounds

IDR = Indonesian rupiah

ILS = Israeli shekels

INR = Indian rupees

JPY/¥ = Japanese yen

MXN = Mexican pesos

MYR = Malaysian ringgits

NGN = Nigerian naira

NOK/NKr = Norwegian kroner

PLN = Polish zloty

SEK/SKr = Swedish kronor

STIBOR = Stockholm Interbank Offered Rate

THB = Thai baht

TIIE = Equilibrium Interbank Interest Rate

USD/\$ = U.S. dollars

ZAR = South African rand

See notes to financial statements.

High-Income Bond Fund

Summary investment portfolio June 30, 2019

unaudited

| Bonds, notes & other debt instruments 92.78% | | Principal amount (000) | Value (000) |
|--|--|---------------------------|----------------|
| Corporate bonds & notes 92.77% | | | |
| Communication services 15.47% | Cablevision Systems Corp. 6.75% 2021 | \$ 5,025 | \$ 5,389 |
| | CCO Holdings LLC and CCO Holdings Capital Corp. 5.75% 2026 ¹ | 6,450 | 6,781 |
| | CCO Holdings LLC and CCO Holdings Capital Corp. 4.00%-5.88% 2023-2029 ¹ | 9,350 | 9,564 |
| | CenturyLink, Inc. 6.75% 2023 | 7,100 | 7,677 |
| | Frontier Communications Corp. 10.50% 2022 | 8,540 | 5,829 |
| | Frontier Communications Corp. 11.00% 2025 | 16,270 | 10,169 |
| | Frontier Communications Corp. 8.00%-9.25% 2020-2027 ¹ | 7,830 | 7,302 |
| | Gogo Inc. 9.875% 2024 ¹ | 16,025 | 16,525 |
| | Inmarsat PLC 4.875% 2022 ¹ | 5,300 | 5,360 |
| | Intelsat Jackson Holding Co. 8.50% 2024 ¹ | 5,675 | 5,647 |
| | MDC Partners Inc. 6.50% 2024 ¹ | 8,330 | 7,697 |
| | Meredith Corp. 6.875% 2026 | 6,315 | 6,733 |
| | Sprint Corp. 11.50% 2021 | 7,130 | 8,271 |
| | Sprint Corp. 6.88%-8.75% 2021-2032 | 6,295 | 6,777 |
| | Other securities | | 88,347 |
| | | | <u>198,068</u> |
| Health care 14.23% | Bausch Health Companies Inc. 7.00% 2028 ¹ | 1,510 | 1,569 |
| | Endo International PLC 5.75%-6.00% 2022-2025 ^{1,2} | 11,239 | 9,134 |
| | Kinetic Concepts, Inc. 12.50% 2021 ¹ | 6,573 | 7,255 |
| | Mallinckrodt PLC 4.875% 2020 ¹ | 6,530 | 6,326 |
| | Molina Healthcare, Inc. 5.375% 2022 | 10,585 | 11,048 |
| | Molina Healthcare, Inc. 4.875% 2025 ¹ | 2,919 | 2,974 |
| | Par Pharmaceutical Companies Inc. 7.50% 2027 ¹ | 5,325 | 5,245 |
| | Rotech Healthcare Inc., Term Loan, (3-month USD-LIBOR + 11.00%) 13.80% 2023 (100% PIK) ^{3,4,5,6,7} | 7,776 | 7,561 |
| | Tenet Healthcare Corp. 4.375% 2021 | 5,755 | 5,870 |
| | Tenet Healthcare Corp. 4.50%-8.13% 2020-2025 | 15,972 | 16,457 |
| | Teva Pharmaceutical Finance Co. BV 6.00% 2024 | 8,192 | 7,757 |
| | Teva Pharmaceutical Finance Co. BV 2.20%-6.75% 2021-2028 | 10,191 | 8,816 |
| | Valeant Pharmaceuticals International, Inc. 6.125% 2025 ¹ | 13,430 | 13,732 |
| | Valeant Pharmaceuticals International, Inc. 5.88%-9.25% 2023-2027 ¹ | 11,626 | 12,615 |
| | Other securities | | 65,826 |
| | | | <u>182,185</u> |
| Materials 12.56% | Cleveland-Cliffs Inc. 4.875% 2024 ¹ | 5,775 | 5,876 |
| | Cleveland-Cliffs Inc. 5.75% 2025 | 5,956 | 5,941 |
| | Cleveland-Cliffs Inc. 5.875% 2027 ¹ | 8,285 | 8,078 |
| | First Quantum Minerals Ltd. 7.25% 2023 ¹ | 8,150 | 7,967 |
| | First Quantum Minerals Ltd. 7.50% 2025 ¹ | 11,100 | 10,614 |
| | First Quantum Minerals Ltd. 6.50%-7.25% 2021-2026 ¹ | 11,373 | 10,863 |
| | Ryerson Inc. 11.00% 2022 ¹ | 7,186 | 7,602 |
| | Venator Materials Corp. 5.75% 2025 ¹ | 6,235 | 5,744 |
| | Other securities | | 98,049 |
| | | | <u>160,734</u> |
| Energy 11.59% | CONSOL Energy Inc. 5.875% 2022 | 7,546 | 7,357 |
| | Transocean Guardian Ltd. 5.875% 2024 ¹ | 1,044 | 1,066 |
| | Transocean Inc. 6.13%-9.00% 2021-2026 ^{1,2} | 10,027 | 10,531 |
| | Transocean Poseidon Ltd. 6.875% 2027 ¹ | 655 | 694 |
| | Transocean Sentry Ltd. 5.375% 2023 ¹ | 1,200 | 1,204 |
| | Other securities | | 127,530 |
| | | | <u>148,382</u> |

High-Income Bond Fund

| Bonds, notes & other debt instruments | | Principal amount (000) | Value (000) |
|---|---|---------------------------|----------------|
| Consumer discretionary 10.58% | Cirsa Gaming Corp. SA 7.875% 2023 ¹ | \$ 5,235 | \$ 5,562 |
| | PetSmart, Inc. 7.125% 2023 ¹ | 9,565 | 9,015 |
| | PetSmart, Inc. 5.875% 2025 ¹ | 10,775 | 10,506 |
| | PetSmart, Inc. 8.875% 2025 ¹ | 8,870 | 8,582 |
| | Sally Holdings LLC and Sally Capital Inc. 5.625% 2025 | 5,380 | 5,293 |
| | Scientific Games Corp. 8.25% 2026 ¹ | 5,610 | 5,904 |
| | Sotheby's 4.875% 2025 ¹ | 5,495 | 5,612 |
| | Staples, Inc. 7.50% 2026 ¹ | 8,975 | 8,945 |
| | Other securities | | 76,067 |
| | | | 135,486 |
| Industrials 9.76% | Associated Materials, LLC 9.00% 2024 ¹ | 5,773 | 5,499 |
| | Builders FirstSource, Inc. 5.625% 2024 ¹ | 7,160 | 7,406 |
| | Dun & Bradstreet Corp. 10.25% 2027 ¹ | 4,993 | 5,318 |
| | Hertz Global Holdings Inc. 7.625% 2022 ¹ | 6,269 | 6,520 |
| | LSC Communications, Inc. 8.75% 2023 ¹ | 9,430 | 9,006 |
| | Other securities | | 91,198 |
| | | | 124,947 |
| Information technology 6.75% | Almonde Inc., Term Loan, (3-month USD-LIBOR + 7.25%) 9.652% 2025 ^{5,7} | 7,325 | 7,281 |
| | Camelot Finance SA 7.875% 2024 ¹ | 7,580 | 7,987 |
| | Genesys Telecommunications Laboratories, Inc. 10.00% 2024 ¹ | 6,030 | 6,565 |
| | Infor (US), Inc. 6.50% 2022 | 6,100 | 6,230 |
| | Kronos Inc., Term Loan B, (3-month USD-LIBOR + 8.25%) 10.829% 2024 ^{5,7} | 8,645 | 8,951 |
| | Unisys Corp. 10.75% 2022 ¹ | 6,600 | 7,318 |
| | Other securities | | 42,039 |
| | | | 86,371 |
| Financials 4.23% | Compass Diversified Holdings 8.00% 2026 ¹ | 5,710 | 5,963 |
| | FS Energy and Power Fund 7.50% 2023 ¹ | 5,365 | 5,459 |
| | Other securities | | 42,699 |
| | | | 54,121 |
| Utilities 2.78% | Other securities | | 35,647 |
| Real estate 2.68% | Brookfield Property REIT Inc. 5.75% 2026 ¹ | 5,135 | 5,308 |
| | Howard Hughes Corp. 5.375% 2025 ¹ | 6,070 | 6,302 |
| | Other securities | | 22,685 |
| | | | 34,295 |
| Consumer staples 2.14% | Other securities | | 27,442 |
| | Total corporate bonds & notes | | 1,187,678 |
| Municipals 0.01% | Other securities | | 94 |
| | Total bonds, notes & other debt instruments (cost: \$1,194,906,000) | | 1,187,772 |
| Convertible bonds 0.55% | | | |
| Communication services 0.29% | Gogo Inc., convertible notes, 6.00% 2022 ¹ | 2,140 | 1,980 |
| | Other securities | | 1,722 |
| | | | 3,702 |

High-Income Bond Fund

| Convertible bonds (continued) | | Principal amount (000) | Value (000) |
|--|---|---------------------------|--------------------|
| Energy 0.16% | Other securities | | \$ 2,142 |
| Health care 0.10% | Teva Pharmaceutical Finance Co. BV, Series C, convertible bonds, 0.25% 2026 | \$ 1,375 | 1,264 |
| | Total convertible bonds (cost: \$7,604,000) | | <u>7,108</u> |
| Convertible stocks 0.45% | | Shares | |
| Other 0.45% | Other securities | | 5,724 |
| | Total convertible stocks (cost: \$5,516,000) | | <u>5,724</u> |
| Preferred securities 0.18% | | | |
| Consumer discretionary 0.18% | Other securities | | 2,292 |
| | Total preferred securities (cost: \$1,656,000) | | <u>2,292</u> |
| Common stocks 0.68% | | | |
| Communication services 0.05% | Frontier Communications Corp. ⁸ | 13,333 | 23 |
| | Other securities | | 594 |
| | | | <u>617</u> |
| Other 0.63% | Other securities | | 8,070 |
| | Total common stocks (cost: \$14,466,000) | | <u>8,687</u> |
| Rights & warrants 0.01% | | | |
| Energy 0.01% | Other securities | | 112 |
| | Total rights & warrants (cost: \$71,000) | | <u>112</u> |
| Short-term securities 5.44% | | | |
| Money market investments 5.44% | | | |
| | Capital Group Central Cash Fund | 696,954 | 69,689 |
| | Total short-term securities (cost: \$69,691,000) | | <u>69,689</u> |
| | Total investment securities 100.09% (cost: \$1,293,910,000) | | 1,281,384 |
| | Other assets less liabilities (0.09)% | | <u>(1,092)</u> |
| | Net assets 100.00% | | <u>\$1,280,292</u> |

High-Income Bond Fund

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. Some securities in "Other securities" (with an aggregate value of \$3,932,000, an aggregate cost of \$5,683,000, and which represented .31% of the net assets of the fund) were acquired from 12/13/2012 to 11/16/2018 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject them to legal or contractual restrictions on resale.

Swap contracts

Credit default swaps

Centrally cleared credit default swaps on credit indices – buy protection

| Receive | Pay/ Payment frequency | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments (000) | Unrealized depreciation at 6/30/2019 (000) |
|--------------|---------------------------|--------------------|-------------------|--------------------------------|------------------------------|---|
| CDX.NA.IG.32 | 1.00%/Quarterly | 6/20/2024 | \$10,500 | \$ (227) | \$ (218) | \$ (9) |
| CDX.NA.HY.32 | 5.00%/Quarterly | 6/20/2024 | 46,800 | (3,554) | (3,279) | (275) |
| | | | | | <u>\$(3,497)</u> | <u>\$(284)</u> |

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Acquired in a transaction exempt from registration under Rule 144A of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$737,359,000, which represented 57.59% of the net assets of the fund.

²Step bond; coupon rate may change at a later date.

³Valued under fair value procedures adopted by authority of the board of trustees. The total value of all such securities, including those in "Other securities," was \$26,897,000, which represented 2.10% of the net assets of the fund.

⁴Value determined using significant unobservable inputs.

⁵Loan participations and assignments; may be subject to legal or contractual restrictions on resale. The total value of all such loans, including those in "Other securities," was \$81,956,000, which represented 6.40% of the net assets of the fund.

⁶Payment in kind; the issuer has the option of paying additional securities in lieu of cash. Most recent payment was 100% cash unless otherwise noted.

⁷Coupon rate may change periodically.

⁸Security did not produce income during the last 12 months.

Key to abbreviations and symbol

LIBOR = London Interbank Offered Rate

USD/\$ = U.S. dollars

See notes to financial statements.

Mortgage Fund

Summary investment portfolio June 30, 2019

unaudited

Bonds, notes & other debt instruments 94.10%

Principal amount
(000)

Value
(000)

Mortgage-backed obligations 74.36%

| | | | |
|--|--|----------|----------------|
| Federal agency mortgage-backed obligations 71.67% | Fannie Mae Pool #CA0133 4.00% 2047 ¹ | \$ 6,696 | \$ 6,985 |
| | Fannie Mae Pool #BE6965 4.00% 2047 ¹ | 4,113 | 4,291 |
| | Fannie Mae Pool #MA3384 4.00% 2048 ¹ | 5,687 | 5,907 |
| | Fannie Mae Pool #CA1907 4.50% 2048 ¹ | 13,478 | 14,174 |
| | Fannie Mae Pool #CA1709 4.50% 2048 ¹ | 7,191 | 7,566 |
| | Fannie Mae Pool #CA1563 4.50% 2048 ¹ | 4,035 | 4,246 |
| | Fannie Mae Pool #CA2055 4.50% 2048 ¹ | 1,516 | 1,594 |
| | Fannie Mae Pool #MA3692 3.50% 2049 ¹ | 3,409 | 3,489 |
| | Fannie Mae Pool #MA3630 5.00% 2049 ¹ | 3,201 | 3,395 |
| | Fannie Mae 4.00%-5.00% 2036-2048 ¹ | 1,776 | 1,850 |
| | Freddie Mac 4.00% 2036 ¹ | 4,637 | 4,857 |
| | Freddie Mac 3.00% 2046 ¹ | 6,767 | 6,911 |
| | Freddie Mac 4.00% 2048 ¹ | 1,795 | 1,869 |
| | Freddie Mac 4.00% 2048 ¹ | 1,700 | 1,760 |
| | Freddie Mac Pool #760014 3.347% 2045 ^{1,2} | 1,925 | 1,959 |
| | Freddie Mac, Series K031, Class A2, Multi Family, 3.30% 2023 ¹ | 4,722 | 4,929 |
| | Freddie Mac 2.60%-5.00% 2020-2047 ^{1,2} | 5,097 | 5,304 |
| | Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2017-2, Class HA, 2.50% 2056 ¹ | 1,586 | 1,610 |
| | Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2017-2, Class MA, 3.00% 2056 ¹ | 1,514 | 1,518 |
| | Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2017-4, Class HT, 2.75% 2057 ^{1,2} | 11,500 | 11,767 |
| | Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2018-2, Class MT, 3.50% 2057 ¹ | 10,413 | 10,609 |
| | Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2017-4, Class MT, 3.50% 2057 ¹ | 7,207 | 7,358 |
| | Freddie Mac Seasoned Loan Structured Transaction Trust, Series 2018-2, Class A1, 3.50% 2028 ¹ | 7,381 | 7,694 |
| | Freddie Mac Seasoned Loan Structured Transaction Trust, Series 2018-1, Class A1, 3.50% 2028 ¹ | 1,995 | 2,076 |
| | Government National Mortgage Assn. 5.50% 2040 ¹ | 1,654 | 1,764 |
| | Government National Mortgage Assn. 3.50% 2043 ¹ | 1,912 | 1,989 |
| | Government National Mortgage Assn. 3.50% 2043 ¹ | 1,554 | 1,616 |
| | Government National Mortgage Assn. 4.25% 2044 ¹ | 1,699 | 1,790 |
| | Government National Mortgage Assn. 4.50% 2049 ¹ | 25,316 | 26,479 |
| | Government National Mortgage Assn. 4.50% 2049 ¹ | 2,823 | 2,954 |
| | Government National Mortgage Assn. 5.00% 2049 ¹ | 8,039 | 8,445 |
| | Government National Mortgage Assn. Pool #MA5876 4.00% 2049 ¹ | 4,951 | 5,137 |
| | Government National Mortgage Assn. Pool #MA5877 4.50% 2049 ¹ | 2,256 | 2,355 |
| | Government National Mortgage Assn. Pool #MA5932 4.50% 2049 ¹ | 2,170 | 2,275 |
| | Government National Mortgage Assn. Pool #MA5711 4.50% 2049 ¹ | 1,898 | 1,987 |
| | Government National Mortgage Assn. Pool #MA5987 4.50% 2049 ¹ | 1,814 | 1,897 |
| | Government National Mortgage Assn. 3.50%-6.50% 2034-2066 ^{1,3} | 17,694 | 18,430 |
| | Uniform Mortgage-Backed Security 5.00% 2049 ¹ | 1,868 | 1,974 |
| | Vendee Mortgage Trust, Series 2011-2, Class V, 3.75% 2028 ¹ | 3,972 | 3,998 |
| | Vendee Mortgage Trust, Series 2010-1, Class DA, 4.25% 2035 ¹ | 389 | 397 |
| | Other securities | | 1,326 |
| | | | <u>208,531</u> |
| Collateralized mortgage-backed obligations (privately originated) 2.69% | Finance of America Structured Securities Trust, Series 2018-HB1, Class A, 3.375% 2028 ^{1,2,4} | 1,528 | 1,533 |
| | Other securities | | 6,283 |
| | | | <u>7,816</u> |
| | Total mortgage-backed obligations | | <u>216,347</u> |

Mortgage Fund

| Bonds, notes & other debt instruments | | Principal amount (000) | Value (000) |
|---|--|---------------------------|-------------------------|
| U.S. Treasury bonds & notes 9.79% | | | |
| U.S. Treasury | U.S. Treasury 2.00% 2022 | \$ 2,400 | \$ 2,421 |
| 5.07% | U.S. Treasury 1.75% 2023 | 3,500 | 3,503 |
| | U.S. Treasury 2.875% 2023 | 4,350 | 4,555 |
| | U.S. Treasury 2.50% 2024 | 2,500 | 2,586 |
| | U.S. Treasury 1.50%-2.75% 2020-2023 | 1,668 | 1,687 |
| | | | <u>14,752</u> |
| U.S. Treasury | U.S. Treasury Inflation-Protected Security 0.625% 2023 ⁵ | 6,172 | 6,249 |
| inflation-protected | U.S. Treasury Inflation-Protected Security 0.75% 2042 ^{5,6} | 7,276 | 7,324 |
| securities | U.S. Treasury Inflation-Protected Security 2.125% 2041 ⁵ | 128 | 166 |
| 4.72% | | | <u>13,739</u> |
| | Total U.S. Treasury bonds & notes | | <u>28,491</u> |
| Federal agency bonds & notes 6.48% | | | |
| | Fannie Mae 2.00% 2022 | 5,800 | 5,835 |
| | Federal Home Loan Bank 1.375% 2021 | 3,000 | 2,979 |
| | Federal Home Loan Bank 1.875% 2021 | 10,000 | 10,034 |
| | | | <u>18,848</u> |
| Asset-backed obligations 3.46% | | | |
| | Hertz Vehicle Financing LLC, Rental Car Asset-Backed Notes, Series 2015-1, Class A, 2.73% 2021 ^{1,4} | 1,823 | 1,825 |
| | SLM Private Credit Student Loan Trust, Series 2010-1, Class A, (1-month USD-LIBOR + 0.40%) 2.804% 2025 ^{1,2} | 2,433 | 2,364 |
| | Other securities | | 5,886 |
| | | | <u>10,075</u> |
| Corporate bonds & notes 0.01% | | | |
| Financials | Other securities | | 27 |
| 0.01% | Total bonds, notes & other debt instruments (cost: \$269,214,000) | | <u>273,788</u> |
| Short-term securities 7.13% | | | |
| Federal agency discount notes 6.03% | | | |
| | Federal Home Loan Bank 2.27%-2.40% 2019 | 10,000 | 9,989 |
| | Freddie Mac 2.40% due 10/10/2019 | 7,600 | 7,555 |
| | | | <u>17,544</u> |
| Commercial paper 1.10% | | | |
| | Sumitomo Mitsui Banking Corp. 2.30% due 7/19/2019 ⁴ | 3,200 | 3,196 |
| | Total short-term securities (cost: \$20,733,000) | | <u>20,740</u> |
| | Total investment securities 101.23% (cost: \$289,947,000) | | 294,528 |
| | Other assets less liabilities (1.23)% | | (3,567) |
| | Net assets 100.00% | | <u><u>\$290,961</u></u> |

Mortgage Fund

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$1,163,000, which represented .40% of the net assets of the fund.

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁷ (000) | Value at 6/30/2019 ⁸ (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--|-------|---------------------|----------------|---------------------------------------|--|--|
| 2 Year U.S. Treasury Note Futures | Long | 592 | October 2019 | \$118,400 | \$127,386 | \$ 710 |
| 5 Year U.S. Treasury Note Futures | Long | 408 | October 2019 | 40,800 | 48,208 | 670 |
| 10 Year U.S. Treasury Note Futures | Long | 179 | September 2019 | 17,900 | 22,906 | 557 |
| 10 Year Ultra U.S. Treasury Note Futures | Short | 9 | September 2019 | (900) | (1,243) | (5) |
| 20 Year U.S. Treasury Bond Futures | Long | 56 | September 2019 | 5,600 | 8,713 | 232 |
| 30 Year Ultra U.S. Treasury Bond Futures | Long | 5 | September 2019 | 500 | 888 | 40 |
| | | | | | | <u>\$2,204</u> |

Swap contracts

Interest rate swaps

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|-------------------|-------------------|-----------------|----------------|--------------------------|---------------------------------|---|
| 2.337% | U.S. EFFR | 7/31/2019 | \$145,000 | \$ (4) | \$- | \$ (4) |
| 2.325% | U.S. EFFR | 7/31/2019 | 149,000 | (6) | - | (6) |
| 2.305% | U.S. EFFR | 7/31/2019 | 149,000 | (8) | - | (8) |
| U.S. EFFR | 2.039% | 9/18/2019 | 281,000 | (4) | - | (4) |
| 3-month USD-LIBOR | 2.806% | 8/29/2020 | 300 | (3) | - | (3) |
| 2.729% | U.S. EFFR | 10/22/2020 | 22,900 | 318 | - | 318 |
| 2.4035% | U.S. EFFR | 1/11/2021 | 19,650 | 233 | - | 233 |
| 2.3755% | U.S. EFFR | 2/6/2021 | 15,000 | 183 | - | 183 |
| 2.284% | U.S. EFFR | 3/19/2021 | 5,000 | 59 | - | 59 |
| 3-month USD-LIBOR | 2.348% | 4/1/2021 | 46,000 | (412) | - | (412) |
| 2.197% | U.S. EFFR | 4/15/2021 | 23,000 | 251 | - | 251 |
| 3-month USD-LIBOR | 1.217% | 9/22/2021 | 11,500 | 140 | - | 140 |
| 3-month USD-LIBOR | 1.225% | 9/22/2021 | 11,500 | 138 | - | 138 |
| 3-month USD-LIBOR | 1.2796% | 10/11/2021 | 14,500 | 159 | - | 159 |
| 2.0135% | 3-month USD-LIBOR | 10/20/2021 | 30,000 | 163 | - | 163 |
| 2.012% | 3-month USD-LIBOR | 10/4/2022 | 9,000 | 80 | - | 80 |
| 2.00% | 3-month USD-LIBOR | 10/5/2022 | 41,500 | 353 | - | 353 |
| 2.1045% | 3-month USD-LIBOR | 10/31/2022 | 4,000 | 48 | - | 48 |
| 3-month USD-LIBOR | 2.2835% | 1/5/2023 | 36,000 | (679) | - | (679) |
| 2.21875% | U.S. EFFR | 3/14/2024 | 9,000 | 293 | - | 293 |
| 3-month USD-LIBOR | 2.322% | 5/2/2024 | 10,100 | (267) | - | (267) |
| 3-month USD-LIBOR | 2.325% | 5/2/2024 | 23,300 | (619) | - | (619) |
| 3-month USD-LIBOR | 2.27% | 12/5/2026 | 8,500 | (248) | - | (248) |
| 3-month USD-LIBOR | 2.24% | 12/5/2026 | 10,500 | (284) | - | (284) |
| 3-month USD-LIBOR | 3.206% | 7/31/2044 | 1,000 | (201) | - | (201) |
| 3-month USD-LIBOR | 3.238% | 8/8/2044 | 2,000 | (415) | - | (415) |
| 3-month USD-LIBOR | 3.2265% | 9/25/2044 | 3,000 | (618) | - | (618) |
| U.S. EFFR | 2.145% | 11/9/2047 | 2,200 | (95) | - | (95) |
| U.S. EFFR | 2.155% | 11/10/2047 | 1,280 | (58) | - | (58) |
| U.S. EFFR | 2.153% | 11/10/2047 | 2,200 | (99) | - | (99) |
| U.S. EFFR | 2.17% | 11/13/2047 | 2,320 | (113) | - | (113) |

Mortgage Fund

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized (depreciation) appreciation at 6/30/2019 (000) |
|-----------|-------------------|-----------------|----------------|--------------------------|---------------------------------|---|
| U.S. EFFR | 2.5635% | 2/12/2048 | \$ 4,528 | \$(617) | \$- | \$ (617) |
| 2.98% | 3-month USD-LIBOR | 3/15/2048 | 300 | 51 | - | 51 |
| 2.9625% | 3-month USD-LIBOR | 3/15/2048 | 300 | 50 | - | 50 |
| U.S. EFFR | 2.4615% | 3/15/2048 | 300 | (34) | - | (34) |
| U.S. EFFR | 2.485% | 3/15/2048 | 300 | (36) | - | (36) |
| 2.917% | 3-month USD-LIBOR | 3/16/2048 | 600 | 94 | - | 94 |
| U.S. EFFR | 2.425% | 3/16/2048 | 600 | (64) | - | (64) |
| | | | | | \$- | \$(2,271) |

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

²Coupon rate may change periodically.

³Purchased on a TBA basis.

⁴Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$16,608,000, which represented 5.71% of the net assets of the fund.

⁵Index-linked bond whose principal amount moves with a government price index.

⁶All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$3,786,000, which represented 1.30% of the net assets of the fund.

⁷Notional amount is calculated based on the number of contracts and notional contract size.

⁸Value is calculated based on the notional amount and current market price.

Key to abbreviations and symbol

EFFR = Effective Federal Funds Rate

LIBOR = London Interbank Offered Rate

TBA = To-be-announced

USD/\$ = U.S. dollars

See notes to financial statements.

Ultra-Short Bond Fund

Investment portfolio June 30, 2019

unaudited

| Short-term securities 99.90% | Principal amount (000) | Value (000) |
|---|---------------------------|------------------|
| Commercial paper 65.47% | | |
| ABN-AMRO North America Finance Inc. 2.44% due 8/21/2019 ¹ | \$ 6,600 | \$ 6,576 |
| American Honda Finance Corp. 2.52% due 7/22/2019 | 8,300 | 8,287 |
| Apple Inc. 2.24% due 7/8/2019 ¹ | 10,000 | 9,994 |
| Bank of Nova Scotia 2.28% due 9/23/2019 ¹ | 5,000 | 4,970 |
| BASF SE 2.18% due 7/30/2019 ¹ | 10,000 | 9,979 |
| BNZ International Funding Ltd. 2.25% due 10/11/2019 ¹ | 10,086 | 10,017 |
| Canadian Imperial Bank of Commerce 2.33% due 7/1/2019 ¹ | 9,300 | 9,298 |
| Chariot Funding, LLC 2.27% due 9/20/2019 ¹ | 10,000 | 9,946 |
| CRC Funding, LLC 2.48% due 8/14/2019 ¹ | 10,000 | 9,969 |
| Credit Agricole North America, Inc. 2.33% due 7/19/2019 | 10,000 | 9,986 |
| DBS Bank Ltd. 2.34% due 9/10/2019 ¹ | 4,800 | 4,777 |
| Essilor International 2.48% due 8/6/2019 ¹ | 10,000 | 9,975 |
| ExxonMobil Corp. 2.33% due 7/11/2019 | 5,500 | 5,495 |
| IBM Corp. 2.34% due 7/12/2019 ¹ | 8,100 | 8,093 |
| Kimberly-Clark Corp. 2.35% due 7/17/2019 ¹ | 4,800 | 4,794 |
| Liberty Street Funding Corp. 2.34% due 9/20/2019 ¹ | 5,300 | 5,272 |
| Oversea-Chinese Banking Corp. Ltd. 2.23% due 9/23/2019 ¹ | 10,000 | 9,944 |
| Simon Property Group, LP 2.43% due 7/8/2019 ¹ | 10,400 | 10,393 |
| Starbird Funding Corp. 2.42% due 7/2/2019 ¹ | 9,900 | 9,897 |
| Svenska Handelsbanken Inc. 2.47% due 8/8/2019 ¹ | 8,000 | 7,978 |
| Toronto-Dominion Bank 2.41% due 7/24/2019 ¹ | 7,700 | 7,687 |
| Unilever Capital Corp. 2.30% due 9/3/2019 ¹ | 2,000 | 1,991 |
| Victory Receivables Corp. 2.40% due 7/9/2019 ¹ | 11,600 | 11,591 |
| | | <u>186,909</u> |
| Bonds & notes of governments & government agencies outside the U.S. 14.17% | | |
| British Columbia (Province of) 2.33% due 7/10/2019 | 11,500 | 11,491 |
| CPPIB Capital Inc. 2.40% due 7/18/2019 | 9,000 | 8,988 |
| Export Development Canada 2.26% due 7/3/2019 | 10,000 | 9,997 |
| KfW 2.30% due 7/23/2019 ¹ | 10,000 | 9,984 |
| | | <u>40,460</u> |
| Federal agency discount notes 11.41% | | |
| Federal Farm Credit Banks 2.37% due 7/19/2019 | 5,000 | 4,995 |
| Federal Home Loan Bank 2.21%-2.41% due 7/12/2019-8/2/2019 | 27,600 | 27,559 |
| | | <u>32,554</u> |
| U.S. Treasury bonds & notes 8.85% | | |
| U.S. Treasury Bills 2.25%-2.37% due 7/11/2019-8/8/2019 | 25,300 | 25,269 |
| Total short-term securities (cost: \$285,230,000) | | <u>285,192</u> |
| Total investment securities 99.90% (cost: \$285,230,000) | | 285,192 |
| Other assets less liabilities 0.10% | | 290 |
| Net assets 100.00% | | <u>\$285,482</u> |

¹Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities was \$173,125,000, which represented 60.64% of the net assets of the fund.

See notes to financial statements.

U.S. Government/AAA-Rated Securities Fund

Summary investment portfolio June 30, 2019

unaudited

| Bonds, notes & other debt instruments 94.72% | | Principal amount (000) | Value (000) |
|---|---|---------------------------|----------------|
| U.S. Treasury bonds & notes 47.34% | | | |
| U.S. Treasury | U.S. Treasury 2.25% 2020 | \$ 29,900 | \$ 29,954 |
| 41.47% | U.S. Treasury 1.125% 2021 | 31,950 | 31,525 |
| | U.S. Treasury 1.75% 2021 ¹ | 33,540 | 33,547 |
| | U.S. Treasury 2.00% 2021 | 46,300 | 46,610 |
| | U.S. Treasury 2.125% 2021 | 23,450 | 23,647 |
| | U.S. Treasury 2.125% 2021 | 22,000 | 22,145 |
| | U.S. Treasury 2.25% 2021 | 23,580 | 23,812 |
| | U.S. Treasury 1.75% 2022 | 174,300 | 174,396 |
| | U.S. Treasury 1.875% 2022 | 63,000 | 63,244 |
| | U.S. Treasury 1.875% 2022 | 25,000 | 25,107 |
| | U.S. Treasury 1.875% 2022 | 23,000 | 23,111 |
| | U.S. Treasury 2.00% 2022 | 69,500 | 70,103 |
| | U.S. Treasury 2.125% 2023 ¹ | 64,095 | 65,127 |
| | U.S. Treasury 2.625% 2023 | 17,255 | 17,802 |
| | U.S. Treasury 2.875% 2023 | 71,000 | 74,339 |
| | U.S. Treasury 2.875% 2023 | 22,500 | 23,580 |
| | U.S. Treasury 2.00% 2024 | 65,800 | 66,582 |
| | U.S. Treasury 2.125% 2024 | 55,975 | 56,928 |
| | U.S. Treasury 2.125% 2024 | 26,000 | 26,437 |
| | U.S. Treasury 2.25% 2024 | 51,084 | 52,247 |
| | U.S. Treasury 2.50% 2024 | 44,000 | 45,523 |
| | U.S. Treasury 2.75% 2025 | 38,000 | 39,927 |
| | U.S. Treasury 1.25%-2.88% 2020-2049 ¹ | 168,960 | 172,935 |
| | | | 1,208,628 |
| U.S. Treasury | U.S. Treasury Inflation-Protected Security 0.625% 2023 ² | 36,516 | 36,972 |
| inflation-protected | U.S. Treasury Inflation-Protected Security 0.25% 2025 ² | 23,883 | 23,939 |
| securities | U.S. Treasury Inflation-Protected Security 0.75% 2042 ^{1,2} | 22,264 | 22,411 |
| 5.87% | U.S. Treasury Inflation-Protected Security 1.375% 2044 ^{1,2} | 47,366 | 53,895 |
| | U.S. Treasury Inflation-Protected Securities 0.13%-2.13% 2022-2047 ² | 33,515 | 33,963 |
| | | | 171,180 |
| | Total U.S. Treasury bonds & notes | | 1,379,808 |
| Mortgage-backed obligations 26.83% | | | |
| Federal agency | Fannie Mae Pool #BH2597 4.00% 2047 ³ | 29,849 | 31,139 |
| mortgage-backed | Fannie Mae Pool #CA2055 4.50% 2048 ³ | 40,140 | 42,201 |
| obligations | Fannie Mae Pool #CA1709 4.50% 2048 ³ | 39,550 | 41,613 |
| 26.83% | Fannie Mae 0%-9.04% 2022-2049 ^{3,4} | 104,638 | 108,863 |
| | Freddie Mac 3.50% 2033 ³ | 22,563 | 23,342 |
| | Freddie Mac Pool #ZT2086 3.50% 2049 ³ | 74,655 | 76,325 |
| | Freddie Mac 0%-5.50% 2020-2047 ^{3,4} | 39,449 | 40,694 |
| | Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2018-2, Class MT, 3.50% 2057 ³ | 39,923 | 40,675 |
| | Freddie Mac Seasoned Loan Structured Transaction Trust, Series 2018-2, Class A1, 3.50% 2028 ³ | 42,449 | 44,246 |
| | Government National Mortgage Assn. 5.00% 2049 ³ | 36,583 | 38,431 |
| | Government National Mortgage Assn. 5.00% 2049 ³ | 20,007 | 21,008 |
| | Government National Mortgage Assn. Pool #MA5876 4.00% 2049 ³ | 32,102 | 33,308 |
| | Government National Mortgage Assn. Pool #MA5932 4.50% 2049 ³ | 77,196 | 80,941 |
| | Government National Mortgage Assn. Pool #MA5987 4.50% 2049 ³ | 27,010 | 28,245 |
| | Government National Mortgage Assn. 3.00%-6.64% 2034-2065 ^{3,4,5} | 56,031 | 58,652 |
| | Other securities | | 72,418 |
| | | | 782,101 |

U.S. Government/AAA-Rated Securities Fund

| Bonds, notes & other debt instruments (continued) | Principal amount (000) | Value (000) |
|--|---------------------------|------------------|
| Federal agency bonds & notes 20.55% | | |
| Fannie Mae 2.75% 2021 | \$ 26,500 | \$ 26,993 |
| Fannie Mae 2.875% 2023 | 36,000 | 37,561 |
| Fannie Mae 1.25%-7.13% 2021-2030 | 6,900 | 8,678 |
| Federal Home Loan Bank 3.25%-5.50% 2023-2036 | 30,315 | 32,734 |
| Freddie Mac 2.375% 2021 | 100,000 | 100,850 |
| Private Export Funding Corp. 3.266% 2021 ⁶ | 34,000 | 35,077 |
| Private Export Funding Corp. 1.45%-3.55% 2019-2024 | 28,840 | 29,262 |
| Tennessee Valley Authority, Series A, 3.875% 2021 | 32,975 | 34,024 |
| Tennessee Valley Authority 2.88%-5.88% 2027-2060 | 14,330 | 16,056 |
| U.S. Agency for International Development, Iraq (State of) 2.149% 2022 | 6,670 | 6,706 |
| U.S. Agency for International Development, Jordan (Kingdom of) 2.503% 2020 | 88,000 | 88,717 |
| U.S. Agency for International Development, Jordan (Kingdom of) 2.578% 2022 | 43,000 | 43,759 |
| U.S. Agency for International Development, Jordan (Kingdom of) 3.00% 2025 | 43,250 | 45,397 |
| U.S. Agency for International Development, Morocco (Kingdom of) 7.55% 2026 | 3,171 | 3,771 |
| U.S. Agency for International Development, Tunisia (Kingdom of) 1.416% 2021 | 3,000 | 2,968 |
| U.S. Agency for International Development, Ukraine 1.471% 2021 | 4,410 | 4,362 |
| U.S. Department of Housing and Urban Development 1.98%-3.70% 2020-2034 | 73,632 | 76,329 |
| Other securities | | 5,646 |
| | | 598,890 |
| Total bonds, notes & other debt instruments (cost: \$2,708,625,000) | | <u>2,760,799</u> |

Short-term securities 7.23%

| | | |
|--|--------|--------------------|
| Commercial paper 7.23% | | |
| Bank of New York Co., Inc. 2.33% due 7/31/2019 | 28,300 | 28,238 |
| Eli Lilly and Co. 2.38% due 7/11/2019 ⁶ | 70,000 | 69,941 |
| Paccar Financial Corp. 2.42% due 7/2/2019 | 28,500 | 28,493 |
| Sumitomo Mitsui Banking Corp. 2.30% due 7/19/2019 ⁶ | 69,800 | 69,704 |
| Other securities | | 14,445 |
| | | 210,821 |
| Total short-term securities (cost: \$210,863,000) | | 210,821 |
| Total investment securities 101.95% (cost: \$2,919,488,000) | | 2,971,620 |
| Other assets less liabilities (1.95)% | | (56,832) |
| Net assets 100.00% | | <u>\$2,914,788</u> |

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁷ (000) | Value at 6/30/2019 ⁸ (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--|-------|------------------------|----------------|--|---|---|
| 90 Day Euro Dollar Futures | Long | 565 | March 2020 | \$ 141,250 | \$ 138,835 | \$ 578 |
| 2 Year U.S. Treasury Note Futures | Long | 6,123 | October 2019 | 1,224,600 | 1,317,545 | 6,803 |
| 5 Year U.S. Treasury Note Futures | Long | 8,276 | October 2019 | 827,600 | 977,861 | 13,710 |
| 10 Year U.S. Treasury Note Futures | Long | 2,180 | September 2019 | 218,000 | 278,972 | 3,127 |
| 10 Year Ultra U.S. Treasury Note Futures | Short | 772 | September 2019 | (77,200) | (106,633) | (1,612) |

U.S. Government/AAA-Rated Securities Fund

| Contracts | Type | Number of contracts | Expiration | Notional amount ⁷ (000) | Value at 6/30/2019 ⁸ (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|--|------|---------------------|----------------|---------------------------------------|--|--|
| 20 Year U.S. Treasury Bond Futures | Long | 108 | September 2019 | \$ 10,800 | \$ 16,804 | \$ 448 |
| 30 Year Ultra U.S. Treasury Bond Futures | Long | 577 | September 2019 | 57,700 | 102,454 | 1,081 |
| | | | | | | <u>\$24,135</u> |

Swap contracts

Interest rate swaps

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized appreciation (depreciation) at 6/30/2019 (000) |
|-------------------|-------------------|-----------------|----------------|-----------------------------|------------------------------------|--|
| 2.337% | U.S. EFFR | 7/31/2019 | \$ 801,000 | \$ (22) | \$- | \$ (22) |
| 2.325% | U.S. EFFR | 7/31/2019 | 863,500 | (33) | - | (33) |
| 2.305% | U.S. EFFR | 7/31/2019 | 863,500 | (48) | - | (48) |
| U.S. EFFR | 2.039% | 9/18/2019 | 1,623,000 | (23) | - | (23) |
| U.S. EFFR | 2.064% | 10/30/2019 | 1,632,100 | (331) | - | (331) |
| 1.997% | U.S. EFFR | 2/13/2020 | 60,900 | 30 | - | 30 |
| 1.989% | U.S. EFFR | 2/13/2020 | 61,000 | 27 | - | 27 |
| 3-month USD-LIBOR | 2.761% | 4/27/2020 | 100,000 | (547) | - | (547) |
| 3-month USD-LIBOR | 2.8025% | 8/15/2020 | 101,840 | (929) | - | (929) |
| 3-month USD-LIBOR | 2.806% | 8/29/2020 | 34,300 | (323) | - | (323) |
| 2.48% | U.S. EFFR | 12/20/2020 | 82,529 | 1,019 | - | 1,019 |
| 2.4825% | U.S. EFFR | 12/26/2020 | 500,513 | 6,307 | - | 6,307 |
| 2.3485% | U.S. EFFR | 1/7/2021 | 61,005 | 664 | - | 664 |
| 2.3355% | U.S. EFFR | 1/7/2021 | 57,995 | 620 | - | 620 |
| 2.3995% | U.S. EFFR | 1/11/2021 | 25,200 | 297 | - | 297 |
| 2.4035% | U.S. EFFR | 1/11/2021 | 18,800 | 222 | - | 222 |
| 2.3755% | U.S. EFFR | 2/6/2021 | 129,000 | 1,574 | - | 1,574 |
| 2.284% | U.S. EFFR | 3/19/2021 | 65,000 | 764 | - | 764 |
| 2.1125% | U.S. EFFR | 3/28/2021 | 78,800 | 713 | - | 713 |
| 3-month USD-LIBOR | 2.367% | 3/28/2021 | 234,200 | (2,170) | - | (2,170) |
| 3-month USD-LIBOR | 2.348% | 4/1/2021 | 264,000 | (2,365) | - | (2,365) |
| 2.197% | U.S. EFFR | 4/15/2021 | 174,000 | 1,900 | - | 1,900 |
| 2.19875% | U.S. EFFR | 5/7/2021 | 62,000 | 713 | - | 713 |
| 1.605% | U.S. EFFR | 6/20/2021 | 116,816 | 106 | - | 106 |
| 1.7775% | 3-month USD-LIBOR | 6/21/2021 | 235,900 | (115) | - | (115) |
| 3-month USD-LIBOR | 1.217% | 9/22/2021 | 60,000 | 729 | - | 729 |
| 3-month USD-LIBOR | 1.225% | 9/22/2021 | 60,000 | 719 | - | 719 |
| 3-month USD-LIBOR | 1.2255% | 9/23/2021 | 5,000 | 60 | - | 60 |
| 3-month USD-LIBOR | 2.2175% | 3/17/2022 | 52,000 | (646) | - | (646) |
| 2.197% | U.S. EFFR | 4/18/2022 | 47,400 | 905 | - | 905 |
| 3-month USD-LIBOR | 1.75918% | 4/29/2022 | 58,000 | (23) | - | (23) |
| 2.5775% | U.S. EFFR | 7/16/2022 | 181,639 | 2,105 | - | 2,105 |
| 3-month USD-LIBOR | 1.948% | 7/28/2022 | 20,000 | (126) | - | (126) |
| 2.80% | 3-month USD-LIBOR | 9/2/2022 | 280,000 | 6,485 | - | 6,485 |
| 2.75% | 3-month USD-LIBOR | 9/2/2022 | 280,000 | 6,216 | - | 6,216 |
| 2.009% | 3-month USD-LIBOR | 10/4/2022 | 50,000 | 441 | - | 441 |
| 3-month USD-LIBOR | 2.6778% | 2/12/2023 | 51,000 | (1,682) | - | (1,682) |
| 3-month USD-LIBOR | 3.0965% | 10/31/2023 | 46,055 | (2,613) | - | (2,613) |
| 3-month USD-LIBOR | 3.09009% | 10/31/2023 | 46,320 | (2,616) | - | (2,616) |
| 3-month USD-LIBOR | 2.0955% | 2/10/2024 | 14,300 | (220) | - | (220) |
| 3-month USD-LIBOR | 2.0815% | 2/10/2024 | 28,700 | (423) | - | (423) |
| 2.21875% | U.S. EFFR | 3/14/2024 | 54,000 | 1,758 | - | 1,758 |
| 3-month USD-LIBOR | 2.3875% | 3/17/2024 | 160,700 | (4,652) | - | (4,652) |

U.S. Government/AAA-Rated Securities Fund

Swap contracts (continued)

Interest rate swaps (continued)

| Receive | Pay | Expiration date | Notional (000) | Value at 6/30/2019 (000) | Upfront payments/receipts (000) | Unrealized (depreciation) appreciation at 6/30/2019 (000) |
|-------------------|-------------------|-----------------|----------------|--------------------------|---------------------------------|---|
| 3-month USD-LIBOR | 2.21079% | 3/27/2024 | \$ 48,318 | \$(1,026) | \$- | \$ (1,026) |
| 3-month USD-LIBOR | 2.33% | 5/2/2024 | 48,460 | (1,286) | - | (1,286) |
| 3-month USD-LIBOR | 2.588% | 1/26/2025 | 15,600 | (674) | - | (674) |
| 3-month USD-LIBOR | 2.27% | 12/5/2026 | 44,900 | (1,309) | - | (1,309) |
| 3-month USD-LIBOR | 2.24% | 12/5/2026 | 55,100 | (1,491) | - | (1,491) |
| 2.91% | 3-month USD-LIBOR | 2/1/2028 | 16,000 | 640 | - | 640 |
| 2.908% | 3-month USD-LIBOR | 2/1/2028 | 16,000 | 638 | - | 638 |
| 2.925% | 3-month USD-LIBOR | 2/1/2028 | 12,800 | 520 | - | 520 |
| 2.92% | 3-month USD-LIBOR | 2/2/2028 | 12,200 | 493 | - | 493 |
| U.S. EFFR | 2.5065% | 3/22/2028 | 8,700 | (606) | - | (606) |
| U.S. EFFR | 2.535% | 3/23/2028 | 6,700 | (482) | - | (482) |
| U.S. EFFR | 2.471% | 3/27/2028 | 8,100 | (541) | - | (541) |
| U.S. EFFR | 2.4575% | 3/29/2028 | 9,638 | (633) | - | (633) |
| U.S. EFFR | 2.424% | 3/30/2028 | 8,160 | (513) | - | (513) |
| U.S. EFFR | 2.412% | 4/5/2028 | 3,702 | (229) | - | (229) |
| 3-month USD-LIBOR | 2.357% | 3/27/2029 | 25,175 | (934) | - | (934) |
| 3-month USD-LIBOR | 1.9675% | 6/21/2029 | 50,700 | (54) | - | (54) |
| 3-month USD-LIBOR | 2.97125% | 9/2/2030 | 62,000 | (5,397) | - | (5,397) |
| 3-month USD-LIBOR | 3.005% | 9/2/2030 | 62,000 | (5,586) | - | (5,586) |
| 3-month USD-LIBOR | 2.986% | 2/1/2038 | 7,800 | (336) | - | (336) |
| 3-month USD-LIBOR | 2.9625% | 2/1/2038 | 9,800 | (404) | - | (404) |
| 3-month USD-LIBOR | 2.963% | 2/1/2038 | 9,800 | (405) | - | (405) |
| 3-month USD-LIBOR | 2.967% | 2/2/2038 | 7,600 | (316) | - | (316) |
| 3-month USD-LIBOR | 3.34% | 6/27/2044 | 10,000 | (2,274) | - | (2,274) |
| 3-month USD-LIBOR | 3.206% | 7/31/2044 | 16,000 | (3,219) | - | (3,219) |
| 3-month USD-LIBOR | 3.238% | 8/8/2044 | 16,000 | (3,319) | - | (3,319) |
| 3-month USD-LIBOR | 2.7045% | 1/2/2045 | 12,000 | (1,225) | - | (1,225) |
| 3-month USD-LIBOR | 2.4945% | 1/9/2045 | 2,000 | (119) | - | (119) |
| 3-month USD-LIBOR | 2.5055% | 1/9/2045 | 11,000 | (680) | - | (680) |
| 3-month USD-LIBOR | 2.52822% | 11/23/2045 | 4,390 | (297) | - | (297) |
| U.S. EFFR | 2.166% | 10/23/2047 | 10,000 | (478) | - | (478) |
| U.S. EFFR | 2.145% | 11/9/2047 | 15,400 | (666) | - | (666) |
| U.S. EFFR | 2.155% | 11/10/2047 | 8,640 | (392) | - | (392) |
| U.S. EFFR | 2.153% | 11/10/2047 | 15,300 | (688) | - | (688) |
| U.S. EFFR | 2.17% | 11/13/2047 | 15,660 | (763) | - | (763) |
| U.S. EFFR | 2.5635% | 2/12/2048 | 33,204 | (4,528) | - | (4,528) |
| U.S. EFFR | 2.4615% | 3/15/2048 | 2,000 | (228) | - | (228) |
| U.S. EFFR | 2.485% | 3/15/2048 | 2,000 | (238) | - | (238) |
| U.S. EFFR | 2.425% | 3/16/2048 | 4,100 | (434) | - | (434) |
| U.S. EFFR | 2.505% | 3/22/2048 | 4,300 | (532) | - | (532) |
| U.S. EFFR | 2.52% | 8/24/2048 | 4,500 | (578) | - | (578) |
| | | | | | \$- | \$(26,122) |

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$44,549,000, which represented 1.53% of the net assets of the fund.

²Index-linked bond whose principal amount moves with a government price index.

³Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁴Coupon rate may change periodically.

⁵Purchased on a TBA basis.

⁶Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$189,167,000, which represented 6.49% of the net assets of the fund.

⁷Notional amount is calculated based on the number of contracts and notional contract size.

⁸Value is calculated based on the notional amount and current market price.

U.S. Government/AAA-Rated Securities Fund

Key to abbreviations and symbol

EFFR = Effective Federal Funds Rate

LIBOR = London Interbank Offered Rate

TBA = To-be-announced

USD/\$ = U.S. dollars

See notes to financial statements.

Managed Risk Growth Fund

Investment portfolio June 30, 2019

unaudited

| | | |
|--|-----------|----------------|
| Growth funds 80.33% | Shares | Value (000) |
| American Funds Insurance Series - Growth Fund, Class 1 | 4,379,254 | \$319,116 |
| Total growth funds (cost: \$310,329,000) | | <u>319,116</u> |

| | | |
|--|-----------|---------------|
| Fixed income funds 15.07% | | |
| American Funds Insurance Series - Bond Fund, Class 1 | 5,385,043 | 59,882 |
| Total fixed income funds (cost: \$58,127,000) | | <u>59,882</u> |

| | | |
|--|------------|------------------|
| Short-term securities 4.64% | | |
| Government Cash Management Fund | 18,453,168 | 18,453 |
| Total short-term securities (cost: \$18,453,000) | | <u>18,453</u> |
| Total investment securities 100.04% (cost: \$386,909,000) | | 397,451 |
| Other assets less liabilities (0.04)% | | (166) |
| Net assets 100.00% | | <u>\$397,285</u> |

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ¹ (000) | Value at 6/30/2019 ² (000) | Unrealized appreciation at 6/30/2019 (000) |
|-----------------------------------|------|---------------------|----------------|---------------------------------------|--|---|
| 5 Year U.S. Treasury Note Futures | Long | 176 | September 2019 | \$17,600 | \$20,796 | \$171 |

Investments in affiliates

These holdings are affiliates of the fund under the Investment Company Act of 1940 since they are controlled by the same board of trustees as the series. Further details on these holdings and related transactions during the six months ended June 30, 2019, appear below.

| | Beginning shares | Additions | Reductions | Ending shares | Net realized gain (loss) (000) | Net unrealized appreciation (000) | Dividend income (000) | Value of affiliates at 6/30/2019 (000) |
|--|------------------|-----------|------------|---------------|-----------------------------------|--------------------------------------|--------------------------|---|
| Growth funds 80.33% | | | | | | | | |
| American Funds Insurance Series - Growth Fund, Class 1 | 3,963,500 | 649,589 | 233,835 | 4,379,254 | \$1,612 | \$10,668 | \$ 760 | \$319,116 |
| Fixed income funds 15.07% | | | | | | | | |
| American Funds Insurance Series - Bond Fund, Class 1 | 5,110,855 | 820,544 | 546,356 | 5,385,043 | (128) | 3,566 | 329 | 59,882 |
| Total 95.40% | | | | | <u>\$1,484</u> | <u>\$14,234</u> | <u>\$1,089</u> | <u>\$378,998</u> |

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See notes to financial statements.

Managed Risk International Fund

Investment portfolio June 30, 2019

unaudited

| | | |
|---|-----------|----------------|
| Growth funds 81.74% | Shares | Value (000) |
| American Funds Insurance Series - International Fund, Class 1 | 6,766,242 | \$133,633 |
| Total growth funds (cost: \$125,851,000) | | <u>133,633</u> |

| | | |
|--|-----------|---------------|
| Fixed income funds 15.02% | | |
| American Funds Insurance Series - Bond Fund, Class 1 | 2,208,551 | 24,559 |
| Total fixed income funds (cost: \$23,937,000) | | <u>24,559</u> |

| | | |
|--|-----------|-------------------------|
| Short-term securities 3.31% | | |
| Government Cash Management Fund | 5,406,881 | 5,407 |
| Total short-term securities (cost: \$5,407,000) | | <u>5,407</u> |
| Total investment securities 100.07% (cost: \$155,195,000) | | 163,599 |
| Other assets less liabilities (0.07)% | | <u>(110)</u> |
| Net assets 100.00% | | <u><u>\$163,489</u></u> |

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ¹ (000) | Value at 6/30/2019 ² (000) | Unrealized appreciation at 6/30/2019 (000) |
|-----------------------------------|------|---------------------|----------------|---------------------------------------|--|---|
| 5 Year U.S. Treasury Note Futures | Long | 52 | September 2019 | \$5,200 | \$6,144 | \$77 |

Investments in affiliates

These holdings are affiliates of the fund under the Investment Company Act of 1940 since they are controlled by the same board of trustees as the series. Further details on these holdings and related transactions during the six months ended June 30, 2019, appear below.

| | Beginning shares | Additions | Reductions | Ending shares | Net realized loss (000) | Net unrealized appreciation (000) | Dividend income (000) | Value of affiliates at 6/30/2019 (000) |
|---|------------------|-----------|------------|---------------|----------------------------|--------------------------------------|--------------------------|---|
| Growth funds 81.74% | | | | | | | | |
| American Funds Insurance Series - International Fund, Class 1 | 6,802,836 | 279,511 | 316,105 | 6,766,242 | \$(267) | \$14,505 | \$231 | \$133,633 |
| Fixed income funds 15.02% | | | | | | | | |
| American Funds Insurance Series - Bond Fund, Class 1 | 2,162,908 | 188,213 | 142,570 | 2,208,551 | (8) | 1,453 | 136 | 24,559 |
| Total 96.76% | | | | | <u>\$(275)</u> | <u>\$15,958</u> | <u>\$367</u> | <u>\$158,192</u> |

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See notes to financial statements.

Managed Risk Blue Chip Income and Growth Fund

Investment portfolio June 30, 2019

unaudited

Growth-and-income funds 80.48%

| | Shares | Value (000) |
|---|------------|----------------|
| American Funds Insurance Series - Blue Chip Income and Growth Fund, Class 1 | 22,572,855 | \$284,644 |
| Total growth-and-income funds (cost: \$302,622,000) | | <u>284,644</u> |

Fixed income funds 14.98%

| | | |
|--|-----------|---------------|
| American Funds Insurance Series - U.S. Government/AAA-Rated Securities Fund, Class 1 | 4,256,895 | 52,998 |
| Total fixed income funds (cost: \$51,724,000) | | <u>52,998</u> |

Short-term securities 4.60%

| | | |
|--|------------|-------------------------|
| Government Cash Management Fund | 16,260,701 | 16,261 |
| Total short-term securities (cost: \$16,261,000) | | <u>16,261</u> |
| Total investment securities 100.06% (cost: \$370,607,000) | | 353,903 |
| Other assets less liabilities (0.06)% | | (218) |
| Net assets 100.00% | | <u><u>\$353,685</u></u> |

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ¹ (000) | Value at 6/30/2019 ² (000) | Unrealized appreciation at 6/30/2019 (000) |
|-----------------------------------|------|------------------------|----------------|--|---|---|
| 5 Year U.S. Treasury Note Futures | Long | 156 | September 2019 | \$15,600 | \$18,432 | \$124 |

Investments in affiliates

These holdings are affiliates of the fund under the Investment Company Act of 1940 since they are controlled by the same board of trustees as the series. Further details on these holdings and related transactions during the six months ended June 30, 2019, appear below.

| | Beginning shares | Additions | Reductions | Ending shares | Net realized gain (loss) (000) | Net unrealized appreciation (000) | Dividend income (000) | Value of affiliates at 6/30/2019 (000) |
|--|---------------------|-----------|------------|------------------|---|--|-----------------------------|---|
| Growth-and-income funds 80.48% | | | | | | | | |
| American Funds Insurance Series - Blue Chip Income and Growth Fund, Class 1 | 21,901,978 | 2,214,200 | 1,543,323 | 22,572,855 | \$725 | \$5,504 | \$1,232 | \$284,644 |
| Fixed income funds 14.98% | | | | | | | | |
| American Funds Insurance Series - U.S. Government/AAA-Rated Securities Fund, Class 1 | 4,484,388 | 331,058 | 558,551 | 4,256,895 | (63) | 2,289 | 216 | 52,998 |
| Total 95.46% | | | | | <u>\$662</u> | <u>\$7,793</u> | <u>\$1,448</u> | <u>\$337,642</u> |

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See notes to financial statements.

Managed Risk Growth-Income Fund

Investment portfolio June 30, 2019

unaudited

Growth-and-income funds 80.09%

| | Shares | Value (000) |
|---|------------|------------------|
| American Funds Insurance Series - Growth-Income Fund, Class 1 | 36,295,689 | \$1,716,423 |
| Total growth-and-income funds (cost: \$1,674,045,000) | | <u>1,716,423</u> |

Fixed income funds 15.03%

| | | |
|---|------------|----------------|
| American Funds Insurance Series - Bond Fund, Class 1 | 28,964,402 | 322,084 |
| Total fixed income funds (cost: \$302,916,000) | | <u>322,084</u> |

Short-term securities 4.60%

| | | |
|---|------------|---------------|
| Government Cash Management Fund | 98,442,508 | 98,443 |
| Total short-term securities (cost: \$98,443,000) | | <u>98,443</u> |

Options purchased 0.19%

| | | |
|---|--|---------------------------|
| Options purchased* | | 4,101 |
| Total options purchased (cost: \$14,339,000) | | <u>4,101</u> |
| Total investment securities 99.91% (cost: \$2,089,743,000) | | 2,141,051 |
| Other assets less liabilities 0.09% | | 1,997 |
| Net assets 100.00% | | <u><u>\$2,143,048</u></u> |

*Options purchased

Put

| Description | Number of contracts | Notional amount (000) | Exercise price | Expiration date | Value at 6/30/2019 (000) |
|---------------|------------------------|-----------------------------|-------------------|--------------------|--------------------------------|
| S&P 500 Index | 620 | \$1,824 | \$1,850.00 | 9/20/2019 | \$ 47 |
| S&P 500 Index | 1,155 | 3,398 | 1,875.00 | 9/20/2019 | 92 |
| S&P 500 Index | 1,200 | 3,530 | 1,900.00 | 9/20/2019 | 108 |
| S&P 500 Index | 330 | 971 | 1,925.00 | 9/20/2019 | 31 |
| S&P 500 Index | 1,225 | 3,604 | 1,975.00 | 9/20/2019 | 141 |
| S&P 500 Index | 365 | 1,074 | 2,000.00 | 9/20/2019 | 46 |
| S&P 500 Index | 930 | 2,736 | 2,025.00 | 9/20/2019 | 121 |
| S&P 500 Index | 425 | 1,250 | 2,200.00 | 9/20/2019 | 106 |
| S&P 500 Index | 3,195 | 9,399 | 2,150.00 | 12/20/2019 | 2,492 |
| S&P 500 Index | 670 | 1,971 | 2,175.00 | 12/20/2019 | 569 |
| S&P 500 Index | 35 | 103 | 2,200.00 | 12/20/2019 | 34 |
| S&P 500 Index | 150 | 441 | 2,225.00 | 12/20/2019 | 153 |
| S&P 500 Index | 135 | 397 | 2,275.00 | 12/20/2019 | 161 |
| | | | | | <u><u>\$4,101</u></u> |

Managed Risk Growth-Income Fund

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ¹ (000) | Value at 6/30/2019 ² (000) | Unrealized appreciation at 6/30/2019 (000) |
|-----------------------------------|------|---------------------|----------------|---------------------------------------|--|---|
| 5 Year U.S. Treasury Note Futures | Long | 1,008 | September 2019 | \$100,800 | \$119,101 | \$1,476 |
| S&P 500 E-mini Index Contracts | Long | 366 | September 2019 | 18 | 53,879 | 836 |
| | | | | | | <u>\$2,312</u> |

Investments in affiliates

These holdings are affiliates of the fund under the Investment Company Act of 1940 since they are controlled by the same board of trustees as the series. Further details on these holdings and related transactions during the six months ended June 30, 2019, appear below.

| | Beginning shares | Additions | Reductions | Ending shares | Net realized gain (loss) (000) | Net unrealized appreciation (000) | Dividend income (000) | Value of affiliates at 6/30/2019 (000) |
|---|------------------|-----------|------------|---------------|-----------------------------------|--------------------------------------|--------------------------|---|
| Growth-and-income funds 80.09% | | | | | | | | |
| American Funds Insurance Series - Growth-Income Fund, Class 1 | 33,123,343 | 4,277,296 | 1,104,950 | 36,295,689 | \$5,425 | \$61,682 | \$5,628 | \$1,716,423 |
| Fixed income funds 15.03% | | | | | | | | |
| American Funds Insurance Series - Bond Fund, Class 1 | 26,945,898 | 2,920,407 | 901,903 | 28,964,402 | (16) | 18,586 | 1,795 | 322,084 |
| Total 95.12% | | | | | <u>\$5,409</u> | <u>\$80,268</u> | <u>\$7,423</u> | <u>\$2,038,507</u> |

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See notes to financial statements.

Managed Risk Asset Allocation Fund

Investment portfolio June 30, 2019

unaudited

| Asset allocation funds 96.70% | Shares | Value (000) |
|--|-------------|------------------|
| American Funds Insurance Series - Asset Allocation Fund, Class 1 | 116,101,695 | \$2,618,094 |
| Total asset allocation funds (cost: \$2,531,679,000) | | <u>2,618,094</u> |

| Short-term securities 3.36% | | |
|--|------------|---------------------------|
| Government Cash Management Fund | 90,932,387 | 90,932 |
| Total short-term securities (cost: \$90,932,000) | | <u>90,932</u> |
| Total investment securities 100.06% (cost: \$2,622,611,000) | | 2,709,026 |
| Other assets less liabilities (0.06)% | | (1,691) |
| Net assets 100.00% | | <u><u>\$2,707,335</u></u> |

Futures contracts

| Contracts | Type | Number of contracts | Expiration | Notional amount ¹ (000) | Value at 6/30/2019 ² (000) | Unrealized appreciation at 6/30/2019 (000) |
|-----------------------------------|------|---------------------|----------------|------------------------------------|---------------------------------------|--|
| 5 Year U.S. Treasury Note Futures | Long | 873 | September 2019 | \$87,300 | \$103,150 | \$1,321 |

Investment in affiliates

This holding is an affiliate of the fund under the Investment Company Act of 1940 since it is controlled by the same board of trustees as the series. Further details on this holding and related transactions during the six months ended June 30, 2019, appear below.

| | Beginning shares | Additions | Reductions | Ending shares | Net realized gain (000) | Net unrealized appreciation (000) | Dividend income (000) | Value of affiliate at 6/30/2019 (000) |
|--|------------------|-----------|------------|---------------|-------------------------|-----------------------------------|-----------------------|---------------------------------------|
| Asset allocation funds 96.70% | | | | | | | | |
| American Funds Insurance Series - Asset Allocation Fund, Class 1 | 115,468,223 | 7,167,637 | 6,534,165 | 116,101,695 | \$6,021 | \$140,238 | \$11,862 | \$2,618,094 |

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See notes to financial statements.

Financial statements

Statements of assets and liabilities at June 30, 2019

| | Global Growth Fund | Global Small Capitalization Fund | Growth Fund | International Fund | New World Fund |
|---|--------------------------|---|---------------------|-----------------------|----------------------|
| Assets: | | | | | |
| Investment securities, at value: | | | | | |
| Unaffiliated issuers | \$6,292,071 | \$4,467,434 | \$26,404,106 | \$9,849,054 | \$3,449,625 |
| Affiliated issuers | – | 21,463 | – | – | – |
| Cash | 105 | 2,149 | 3,505 | 1,326 | 5,311 |
| Cash collateral received for securities on loan | – | 13,264 | – | – | – |
| Cash pledged for forward currency contracts | – | – | – | 334 | – |
| Cash denominated in currencies other than U.S. dollars | 977 | 1,051 | 49 | 5,037 | 1,185 |
| Unrealized appreciation on open forward currency contracts | – | – | – | 124 | – |
| Receivables for: | | | | | |
| Sales of investments | 33,579 | 83,557 | 115,497 | 15,264 | 5,128 |
| Sales of fund's shares | 900 | 288 | 8,846 | 4,456 | 927 |
| Dividends and interest | 19,016 | 4,910 | 32,460 | 24,949 | 11,627 |
| Variation margin on futures contracts | – | – | – | – | – |
| Variation margin on swap contracts | – | – | – | – | – |
| Securities lending income | – | 530 | – | – | – |
| Other | 361 | 178 | 24 | – | 1,910 |
| | 6,347,009 | 4,594,824 | 26,564,487 | 9,900,544 | 3,475,713 |
| Liabilities: | | | | | |
| Collateral for securities on loan | – | 132,644 | – | – | – |
| Unrealized depreciation on open forward currency contracts | – | – | – | 340 | – |
| Payables for: | | | | | |
| Purchases of investments | 2,597 | 17,942 | 52,929 | 36,561 | 1,526 |
| Repurchases of fund's shares | 12,360 | 4,650 | 18,287 | 6,738 | 2,868 |
| Investment advisory services | 2,625 | 2,485 | 6,872 | 3,874 | 1,937 |
| Insurance administrative fees | 195 | 108 | 791 | 212 | 340 |
| Services provided by related parties | 863 | 536 | 3,529 | 988 | 326 |
| Trustees' deferred compensation | 73 | 49 | 491 | 206 | 33 |
| Variation margin on futures contracts | – | – | – | – | – |
| Variation margin on swap contracts | – | – | – | – | – |
| Non-U.S. taxes | 4,073 | 2,897 | 2,475 | 17,683 | 7,920 |
| Other | 94 | 92 | 82 | 273 | 111 |
| | 22,880 | 161,403 | 85,456 | 66,875 | 15,061 |
| Net assets at June 30, 2019 | \$6,324,129 | \$4,433,421 | \$26,479,031 | \$9,833,669 | \$3,460,652 |
| Net assets consist of: | | | | | |
| Capital paid in on shares of beneficial interest | \$3,910,174 | \$3,380,706 | \$16,135,118 | \$8,093,962 | \$2,717,511 |
| Total distributable earnings (accumulated loss) | 2,413,955 | 1,052,715 | 10,343,913 | 1,739,707 | 743,141 |
| Net assets at June 30, 2019 | \$6,324,129 | \$4,433,421 | \$26,479,031 | \$9,833,669 | \$3,460,652 |
| Investment securities, at cost: | | | | | |
| Unaffiliated issuers | \$3,971,692 | \$3,578,886 | \$16,493,656 | \$7,964,175 | \$2,745,515 |
| Affiliated issuers | – | 45,822 | – | – | – |
| Cash denominated in currencies other than U.S. dollars, at cost | 977 | 1,049 | 49 | 5,037 | 1,185 |

See end of statements of assets and liabilities for footnote.

See notes to financial statements.

| Blue Chip Income and Growth Fund | Global Growth and Income Fund | Growth- Income Fund | International Growth and Income Fund | Capital Income Builder | Asset Allocation Fund | Global Balanced Fund | Bond Fund | Global Bond Fund |
|---|--|---------------------------|---|------------------------------|-----------------------------|----------------------------|--------------|------------------------|
| \$8,904,358 | \$2,034,357 | \$33,547,290 | \$1,430,859 | \$834,202 | \$25,597,369 | \$415,057 | \$11,303,189 | \$2,145,654 |
| – | – | 279,983 | – | – | 410,393 | – | – | – |
| 2,383 | 764 | 6,952 | 52 | 1,123 | 13,360 | 140 | 4,950 | 628 |
| – | – | – | – | – | – | – | – | – |
| – | – | – | – | – | – | – | – | – |
| – | 1,884 | 57 | 1,229 | 206 | 909 | 668 | –* | 3,740 |
| – | – | – | 5 | – | – | 102 | 4,506 | 2,437 |
| 12,777 | 16,576 | 165,603 | 4,640 | 1,933 | 72,991 | 669 | 491,618 | 18,103 |
| 3,671 | 123 | 11,682 | 256 | 1,670 | 13,007 | 297 | 5,730 | 363 |
| 15,659 | 8,098 | 49,712 | 5,825 | 3,659 | 90,474 | 2,331 | 68,766 | 16,871 |
| – | – | – | – | – | 346 | – | 415 | 126 |
| – | – | – | – | 137 | 324 | 3 | 486 | 132 |
| – | – | – | – | – | – | – | – | – |
| 4 | 383 | 188 | 29 | 7 | 184 | 20 | 36 | 42 |
| 8,938,852 | 2,062,185 | 34,061,467 | 1,442,895 | 842,937 | 26,199,357 | 419,287 | 11,879,696 | 2,188,096 |
| – | – | – | – | – | – | – | – | – |
| – | 94 | – | – | – | – | 100 | 7,567 | 2,882 |
| 98,141 | 3,760 | 53,986 | 4,169 | 2,021 | 705,716 | 2,936 | 1,422,728 | 22,354 |
| 3,561 | 1,930 | 24,454 | 2,218 | 271 | 9,867 | 193 | 3,616 | 1,506 |
| 2,771 | 985 | 7,026 | 702 | 328 | 5,494 | 220 | 3,096 | 938 |
| 296 | 72 | 655 | 53 | 249 | 2,450 | 50 | 256 | 28 |
| 775 | 314 | 3,178 | 78 | 89 | 2,034 | 60 | 911 | 242 |
| 84 | 23 | 567 | 10 | 3 | 267 | 2 | 118 | 25 |
| – | – | – | – | 35 | 668 | – | 1,735 | 91 |
| – | – | – | – | 161 | 77 | – | 422 | 41 |
| 39 | 1,774 | 2,221 | 1,244 | 83 | 1,971 | 152 | – | 506 |
| 4 | 46 | 88 | 38 | 8 | 34 | 6 | – | 102 |
| 105,671 | 8,998 | 92,175 | 8,512 | 3,248 | 728,578 | 3,719 | 1,440,449 | 28,715 |
| \$8,833,181 | \$2,053,187 | \$33,969,292 | \$1,434,383 | \$839,689 | \$25,470,779 | \$415,568 | \$10,439,247 | \$2,159,381 |
| \$7,235,947 | \$1,523,277 | \$24,698,795 | \$1,271,807 | \$816,644 | \$20,247,437 | \$344,682 | \$10,062,950 | \$2,077,232 |
| 1,597,234 | 529,910 | 9,270,497 | 162,576 | 23,045 | 5,223,342 | 70,886 | 376,297 | 82,149 |
| \$8,833,181 | \$2,053,187 | \$33,969,292 | \$1,434,383 | \$839,689 | \$25,470,779 | \$415,568 | \$10,439,247 | \$2,159,381 |
| \$7,420,391 | \$1,537,132 | \$24,993,310 | \$1,276,610 | \$796,567 | \$20,539,556 | \$359,712 | \$11,012,076 | \$2,082,258 |
| – | – | 277,584 | – | – | 432,743 | – | – | – |
| – | 1,884 | 57 | 1,229 | 206 | 909 | 649 | –* | 3,734 |

Statements of assets and liabilities at June 30, 2019

| | High-Income Bond Fund | Mortgage Fund | Ultra-Short Bond Fund | U.S. Government/AAA-Rated Securities Fund | Managed Risk Growth Fund |
|---|-----------------------|------------------|-----------------------|---|--------------------------|
| Assets: | | | | | |
| Investment securities, at value: | | | | | |
| Unaffiliated issuers | \$1,281,384 | \$294,528 | \$285,192 | \$2,971,620 | \$ 18,453 |
| Affiliated issuers | — | — | — | — | 378,998 |
| Cash | 1,083 | 1,156 | 103 | 8,083 | — |
| Cash pledged for futures contracts | — | — | — | — | 116 |
| Cash pledged for swap contracts | 1,722 | — | — | — | — |
| Cash denominated in currencies other than U.S. dollars | —* | — | — | — | — |
| Receivables for: | | | | | |
| Sales of investments | 8,980 | 3,337 | — | 81,518 | — |
| Sales of fund's shares | 440 | 39 | 421 | 724 | 640 |
| Dividends and interest | 18,932 | 876 | — | 13,239 | 35 |
| Variation margin on futures contracts | — | 6 | — | 80 | — |
| Variation margin on swap contracts | — | 319 | — | 2,963 | — |
| Other | 3 | — | — | — | — |
| | 1,312,544 | 300,261 | 285,716 | 3,078,227 | 398,242 |
| Liabilities: | | | | | |
| Payables for: | | | | | |
| Purchases of investments | 30,769 | 8,654 | — | 158,692 | 600 |
| Repurchases of fund's shares | 645 | 249 | 75 | 1,113 | 8 |
| Investment advisory services | 496 | 101 | 75 | 813 | 32 |
| Insurance administrative fees | 37 | 13 | 13 | 65 | 238 |
| Services provided by related parties | 164 | 19 | 55 | 323 | 77 |
| Trustees' deferred compensation | 47 | 3 | 16 | 58 | 2 |
| Variation margin on futures contracts | — | 31 | — | 413 | — |
| Variation margin on swap contracts | 93 | 230 | — | 1,961 | — |
| Other | 1 | — | — | 1 | — |
| | 32,252 | 9,300 | 234 | 163,439 | 957 |
| Net assets at June 30, 2019 | \$1,280,292 | \$290,961 | \$285,482 | \$2,914,788 | \$397,285 |
| Net assets consist of: | | | | | |
| Capital paid in on shares of beneficial interest | \$1,439,238 | \$285,147 | \$282,809 | \$2,839,370 | \$369,993 |
| Total distributable earnings (accumulated loss) | (158,946) | 5,814 | 2,673 | 75,418 | 27,292 |
| Net assets at June 30, 2019 | \$1,280,292 | \$290,961 | \$285,482 | \$2,914,788 | \$397,285 |
| Investment securities, at cost: | | | | | |
| Unaffiliated issuers | \$1,293,910 | \$289,947 | \$285,230 | \$2,919,488 | \$ 18,453 |
| Affiliated issuers | — | — | — | — | 368,456 |
| Cash denominated in currencies other than U.S. dollars, at cost | —* | — | — | — | — |

See end of statements of assets and liabilities for footnote.

See notes to financial statements.

unaudited
(dollars in thousands)

| Managed Risk International Fund | Managed Risk Blue Chip Income and Growth Fund | Managed Risk Growth- Income Fund | Managed Risk Asset Allocation Fund |
|--|---|--|--|
| \$ 5,407 | \$ 16,261 | \$ 102,544 | \$ 90,932 |
| 158,192 | 337,642 | 2,038,507 | 2,618,094 |
| — | — | — | — |
| 35 | 103 | 2,771 | 576 |
| — | — | — | — |
| — | — | — | — |
| 180 | 614 | 525 | 165 |
| — | 7 | 5,241 | 916 |
| 10 | 31 | 184 | 174 |
| — | — | 336 | — |
| — | — | — | — |
| — | — | — | — |
| 163,824 | 354,658 | 2,150,108 | 2,710,857 |
| — | — | 4,838 | 523 |
| 190 | 654 | 701 | 539 |
| 13 | 29 | 173 | 220 |
| 99 | 218 | 1,294 | 1,672 |
| 32 | 70 | 51 | 543 |
| 1 | 2 | 3 | 25 |
| — | — | — | — |
| — | — | — | — |
| — | — | — | —* |
| 335 | 973 | 7,060 | 3,522 |
| \$163,489 | \$353,685 | \$2,143,048 | \$2,707,335 |
| \$161,106 | \$358,742 | \$1,952,652 | \$2,525,386 |
| 2,383 | (5,057) | 190,396 | 181,949 |
| \$163,489 | \$353,685 | \$2,143,048 | \$2,707,335 |
| \$ 5,407 | \$ 16,261 | \$ 112,782 | \$ 90,932 |
| 149,788 | 354,346 | 1,976,961 | 2,531,679 |
| — | — | — | — |

Statements of assets and liabilities at June 30, 2019

| | | Global Growth Fund | Global Small Capitalization Fund | Growth Fund | International Fund | New World Fund |
|---|---------------------------|--------------------------|---|----------------|-----------------------|----------------------|
| Shares of beneficial interest issued and outstanding (no stated par value) – unlimited shares authorized | | | | | | |
| Class 1: | Net assets | \$2,253,727 | \$1,950,955 | \$9,854,415 | \$5,250,839 | \$1,937,868 |
| | Shares outstanding | 76,428 | 79,549 | 135,225 | 265,872 | 80,670 |
| | Net asset value per share | \$29.49 | \$24.53 | \$72.87 | \$19.75 | \$24.02 |
| Class 1A: | Net assets | \$6,904 | \$451 | \$14,263 | \$5,729 | \$3,668 |
| | Shares outstanding | 235 | 18 | 197 | 291 | 153 |
| | Net asset value per share | \$29.39 | \$24.47 | \$72.58 | \$19.68 | \$23.93 |
| Class 2: | Net assets | \$3,741,575 | \$2,302,336 | \$15,090,117 | \$4,199,689 | \$949,549 |
| | Shares outstanding | 128,267 | 96,743 | 208,884 | 213,654 | 39,940 |
| | Net asset value per share | \$29.17 | \$23.80 | \$72.24 | \$19.66 | \$23.77 |
| Class 3: | Net assets | | | \$208,738 | \$25,666 | |
| | Shares outstanding | Not applicable | Not applicable | 2,844 | 1,297 | Not applicable |
| | Net asset value per share | | | \$73.38 | \$19.79 | |
| Class 4: | Net assets | \$321,923 | \$179,679 | \$1,311,498 | \$351,746 | \$569,567 |
| | Shares outstanding | 11,100 | 7,510 | 18,423 | 18,114 | 24,076 |
| | Net asset value per share | \$29.00 | \$23.93 | \$71.19 | \$19.42 | \$23.66 |

| | | High- Income Bond Fund | Mortgage Fund | Ultra-Short Bond Fund | U.S. Government/ AAA-Rated Securities Fund | Managed Risk Growth Fund |
|---|---------------------------|---------------------------------|------------------|--------------------------|--|-----------------------------------|
| Shares of beneficial interest issued and outstanding (no stated par value) – unlimited shares authorized | | | | | | |
| Class 1: | Net assets | \$526,021 | \$210,103 | \$31,614 | \$1,456,773 | |
| | Shares outstanding | 51,912 | 19,687 | 2,776 | 117,076 | Not applicable |
| | Net asset value per share | \$10.13 | \$10.68 | \$11.39 | \$12.45 | |
| Class 1A: | Net assets | \$618 | \$591 | \$10 | \$2,253 | |
| | Shares outstanding | 61 | 56 | 1 | 181 | Not applicable |
| | Net asset value per share | \$10.11 | \$10.65 | \$11.39 | \$12.42 | |
| Class 2: | Net assets | \$684,987 | \$58,392 | \$228,986 | \$1,333,862 | |
| | Shares outstanding | 68,799 | 5,486 | 20,648 | 108,365 | Not applicable |
| | Net asset value per share | \$9.96 | \$10.65 | \$11.09 | \$12.31 | |
| Class 3: | Net assets | \$10,135 | | \$3,271 | \$8,842 | |
| | Shares outstanding | 996 | Not applicable | 292 | 709 | Not applicable |
| | Net asset value per share | \$10.17 | | \$11.21 | \$12.47 | |
| Class 4: | Net assets | \$58,531 | \$21,875 | \$21,601 | \$113,058 | |
| | Shares outstanding | 5,423 | 2,076 | 1,928 | 9,185 | Not applicable |
| | Net asset value per share | \$10.79 | \$10.55 | \$11.20 | \$12.31 | |
| Class P1: | Net assets | | | | | \$3,799 |
| | Shares outstanding | Not applicable | Not applicable | Not applicable | Not applicable | 300 |
| | Net asset value per share | | | | | \$12.66 |
| Class P2: | Net assets | | | | | \$393,486 |
| | Shares outstanding | Not applicable | Not applicable | Not applicable | Not applicable | 31,287 |
| | Net asset value per share | | | | | \$12.58 |

*Amount less than one thousand.

See notes to financial statements.

| Blue Chip Income and Growth Fund | Global Growth and Income Fund | Growth- Income Fund | International Growth and Income Fund | Capital Income Builder | Asset Allocation Fund | Global Balanced Fund | Bond Fund | Global Bond Fund |
|---|--|---------------------------|---|------------------------------|-----------------------------|----------------------------|----------------|------------------------|
| \$5,316,112 | \$572,884 | \$19,494,000 | \$1,096,356 | \$420,981 | \$16,367,279 | \$128,680 | \$6,397,660 | \$1,065,399 |
| 421,738 | 38,895 | 412,232 | 63,142 | 41,463 | 725,706 | 9,778 | 575,311 | 88,161 |
| \$12.61 | \$14.73 | \$47.29 | \$17.36 | \$10.15 | \$22.55 | \$13.16 | \$11.12 | \$12.08 |
| \$7,002 | \$1,590 | \$9,123 | \$2,265 | \$4,699 | \$8,823 | \$2,229 | \$4,888 | \$426 |
| 558 | 108 | 194 | 131 | 463 | 392 | 170 | 441 | 35 |
| \$12.55 | \$14.69 | \$47.11 | \$17.33 | \$10.14 | \$22.49 | \$13.13 | \$11.08 | \$12.06 |
| \$3,011,473 | \$1,356,728 | \$13,224,947 | \$248,271 | \$4,595 | \$4,991,791 | \$201,188 | \$3,601,946 | \$1,047,169 |
| 242,233 | 92,360 | 283,340 | 14,354 | 453 | 223,861 | 15,330 | 328,296 | 87,377 |
| \$12.43 | \$14.69 | \$46.68 | \$17.30 | \$10.15 | \$22.30 | \$13.12 | \$10.97 | \$11.98 |
| Not applicable | Not applicable | \$153,393 | Not applicable | Not applicable | \$31,478 | Not applicable | Not applicable | Not applicable |
| | | 3,239 | | | 1,395 | | | |
| | | \$47.35 | | | \$22.57 | | | |
| \$498,594 | \$121,985 | \$1,087,829 | \$87,491 | \$409,414 | \$4,071,408 | \$83,471 | \$434,753 | \$46,387 |
| 40,319 | 8,437 | 23,578 | 5,091 | 40,405 | 183,581 | 6,423 | 39,719 | 3,908 |
| \$12.37 | \$14.46 | \$46.14 | \$17.19 | \$10.13 | \$22.18 | \$13.00 | \$10.95 | \$11.87 |

| Managed Risk International Fund | Managed Risk Blue Chip Income and Growth Fund | Managed Risk Growth- Income Fund | Managed Risk Asset Allocation Fund |
|--|---|--|--|
| Not applicable | Not applicable | Not applicable | Not applicable |
| Not applicable | Not applicable | Not applicable | Not applicable |
| Not applicable | Not applicable | Not applicable | Not applicable |
| Not applicable | Not applicable | Not applicable | Not applicable |
| Not applicable | Not applicable | Not applicable | Not applicable |
| \$567 | \$672 | \$1,883,081 | \$1,537 |
| 55 | 60 | 145,742 | 120 |
| \$10.39 | \$11.22 | \$12.92 | \$12.85 |
| \$162,922 | \$353,013 | \$259,967 | \$2,705,798 |
| 15,782 | 31,695 | 20,224 | 216,166 |
| \$10.32 | \$11.14 | \$12.85 | \$12.52 |

Statements of operations for the six months ended June 30, 2019

| | Global Growth Fund | Global Small Capitalization Fund | Growth Fund | International Fund | New World Fund |
|---|--------------------------|---|--------------------|-----------------------|----------------------|
| Investment income: | | | | | |
| Income (net of non-U.S. taxes*): | | | | | |
| Dividends | \$ 59,127 | \$ 27,009 | \$ 173,200 | \$ 117,809 | \$ 28,596 |
| Interest | 1,479 | 2,009 | 10,181 | 9,148 | 9,771 |
| Securities lending income | – | 2,505 | – | – | – |
| | 60,606 | 31,523 | 183,381 | 126,957 | 38,367 |
| Fees and expenses*: | | | | | |
| Investment advisory services | 15,660 | 14,498 | 41,304 | 23,510 | 11,522 |
| Distribution services | 4,881 | 3,004 | 20,182 | 5,561 | 1,785 |
| Insurance administrative services | 371 | 208 | 1,543 | 413 | 658 |
| Transfer agent services | – [†] | – [†] | 1 | 1 | – [†] |
| Administrative services | 303 | 208 | 1,280 | 478 | 164 |
| Reports to shareholders | 98 | 80 | 423 | 158 | 66 |
| Registration statement and prospectus | 101 | 105 | 311 | 228 | 83 |
| Trustees' compensation | 20 | 13 | 86 | 32 | 11 |
| Auditing and legal | 8 | 32 | 14 | 28 | 27 |
| Custodian | 319 | 336 | 258 | 756 | 387 |
| Other | 16 | 74 | 135 | 88 | 67 |
| Total fees and expenses before waivers/reimbursements | 21,777 | 18,558 | 65,537 | 31,253 | 14,770 |
| Less waivers/reimbursements of fees and expenses: | | | | | |
| Investment advisory services waivers | – | – | – | – | – |
| Total waivers/reimbursements of fees and expenses | – | – | – | – | – |
| Total fees and expenses after waivers/reimbursements | 21,777 | 18,558 | 65,537 | 31,253 | 14,770 |
| Net investment income (loss) | 38,829 | 12,965 | 117,844 | 95,704 | 23,597 |
| Net realized gain (loss) and unrealized appreciation (depreciation): | | | | | |
| Net realized gain (loss) on: | | | | | |
| Investments | | | | | |
| Unaffiliated issuers | 59,018 | 143,915 | 342,715 | (171,606) | 24,403 |
| Affiliated issuers* | – | – | – | – | – |
| Futures contracts | – | – | – | – | – |
| Forward currency contracts | – | – | – | (999) | 303 |
| Swap contracts | – | – | – | – | – |
| Currency transactions | (405) | (66) | (432) | (2,451) | 234 |
| | 58,613 | 143,849 | 342,283 | (175,056) | 24,940 |
| Net unrealized appreciation (depreciation) on: | | | | | |
| Investments | | | | | |
| Unaffiliated issuers | 1,056,160 | 592,974 | 3,428,550 | 1,399,575 | 518,304 |
| Affiliated issuers | – | (8,519) | – | – | – |
| Futures contracts | – | – | – | – | – |
| Forward currency contracts | – | – | – | 309 | (303) |
| Swap contracts | – | – | – | – | – |
| Currency translations | (17) | 63 | 103 | (200) | 1,911 |
| | 1,056,143 | 584,518 | 3,428,653 | 1,399,684 | 519,912 |
| Net realized gain (loss) and unrealized appreciation (depreciation) | 1,114,756 | 728,367 | 3,770,936 | 1,224,628 | 544,852 |
| Net increase in net assets resulting from operations | \$1,153,585 | \$741,332 | \$3,888,780 | \$1,320,332 | \$568,449 |

See end of statements of operations for footnotes.

See notes to financial statements.

| Blue Chip Income and Growth Fund | Global Growth and Income Fund | Growth- Income Fund | International Growth and Income Fund | Capital Income Builder | Asset Allocation Fund | Global Balanced Fund | Bond Fund | Global Bond Fund |
|---|--|---------------------------|---|------------------------------|-----------------------------|----------------------------|----------------|------------------------|
| \$116,477 | \$ 30,394 | \$ 343,652 | \$ 29,733 | \$13,137 | \$ 191,059 | \$ 4,119 | \$ 7,023 | \$ 514 |
| 1,839 | 1,918 | 15,606 | 1,701 | 2,865 | 133,265 | 1,954 | 158,778 | 34,892 |
| — | — | — | — | — | — | — | — | — |
| 118,316 | 32,312 | 359,258 | 31,434 | 16,002 | 324,324 | 6,073 | 165,801 | 35,406 |
| 16,752 | 5,841 | 41,781 | 4,252 | 1,885 | 32,618 | 1,292 | 18,126 | 5,572 |
| 4,295 | 1,777 | 17,492 | 403 | 484 | 10,974 | 337 | 4,867 | 1,326 |
| 556 | 137 | 1,274 | 102 | 483 | 4,845 | 98 | 491 | 53 |
| — ⁺ | — ⁺ | 2 | — ⁺ | — ⁺ | 1 | — ⁺ | — ⁺ | — ⁺ |
| 430 | 98 | 1,627 | 70 | 38 | 1,222 | 20 | 497 | 105 |
| 160 | 28 | 650 | 14 | 7 | 510 | 3 | 119 | 27 |
| 110 | 53 | 290 | 31 | 38 | 205 | 15 | 168 | 52 |
| 30 | 7 | 107 | 4 | 2 | 84 | 1 | 33 | 7 |
| 4 | 6 | 28 | 12 | 5 | 17 | 8 | 7 | 4 |
| 127 | 168 | 301 | 167 | 36 | 124 | 27 | 120 | 201 |
| 39 | 19 | 119 | 5 | 5 | 50 | 3 | 53 | 18 |
| 22,503 | 8,134 | 63,671 | 5,060 | 2,983 | 50,650 | 1,804 | 24,481 | 7,365 |
| — | — | — | — | 24 | — | — | — | — |
| — | — | — | — | 24 | — | — | — | — |
| 22,503 | 8,134 | 63,671 | 5,060 | 2,959 | 50,650 | 1,804 | 24,481 | 7,365 |
| 95,813 | 24,178 | 295,587 | 26,374 | 13,043 | 273,674 | 4,269 | 141,320 | 28,041 |
| (863) | 9,494 | 406,368 | (15,330) | (3,801) | 266,091 | 10,945 | 90,872 | (5,179) |
| — | — | — | — | — | (446,158) | — | — | — |
| — | — | — | — | (194) | 12,523 | 509 | 31,573 | 12,050 |
| — | 493 | — | 24 | — | — | (206) | (10,249) | 2,707 |
| — | — | — | — | 230 | (12,336) | (20) | (14,548) | (202) |
| (13) | (314) | (771) | (1,069) | 70 | (29) | (100) | (434) | (1,163) |
| (876) | 9,673 | 405,597 | (16,375) | (3,695) | (179,909) | 11,128 | 97,214 | 8,213 |
| 791,331 | 311,348 | 4,014,527 | 184,237 | 60,001 | 2,258,760 | 32,131 | 404,554 | 106,875 |
| — | — | 73,906 | — | — | 399,074 | — | — | — |
| — | — | — | — | (495) | 5,251 | (91) | 18,382 | (2,957) |
| — | (445) | — | 5 | — | — | (80) | 6,210 | (7,363) |
| — | — | — | — | 1,349 | (5,824) | 46 | (12,045) | 1,300 |
| 16 | 369 | 201 | (5) | 7 | 110 | 24 | 140 | 58 |
| 791,347 | 311,272 | 4,088,634 | 184,237 | 60,862 | 2,657,371 | 32,030 | 417,241 | 97,913 |
| 790,471 | 320,945 | 4,494,231 | 167,862 | 57,167 | 2,477,462 | 43,158 | 514,455 | 106,126 |
| \$886,284 | \$345,123 | \$4,789,818 | \$194,236 | \$70,210 | \$2,751,136 | \$47,427 | \$655,775 | \$134,167 |

Statements of operations for the six months ended June 30, 2019

| | High-Income Bond Fund | Mortgage Fund | Ultra-Short Bond Fund | U.S. Government/AAA-Rated Securities Fund | Managed Risk Growth Fund |
|---|-----------------------|-----------------|-----------------------|---|--------------------------|
| Investment income: | | | | | |
| Income (net of non-U.S. taxes*): | | | | | |
| Dividends | \$ 425 | \$ – | \$ – | \$ – | \$ 1,089 |
| Interest | 45,210 | 4,389 | 3,557 | 36,029 | 179 |
| | 45,635 | 4,389 | 3,557 | 36,029 | 1,268 |
| Fees and expenses*: | | | | | |
| Investment advisory services | 3,005 | 614 | 458 | 4,845 | 279 |
| Distribution services | 932 | 98 | 317 | 1,757 | 461 |
| Insurance administrative services | 70 | 28 | 24 | 123 | 465 |
| Transfer agent services | – [†] | – [†] | – [†] | – [†] | – [†] |
| Administrative services | 63 | 15 | 14 | 142 | – |
| Accounting and administrative services | – | – | – | – | 10 |
| Reports to shareholders | 14 | 2 | 4 | 32 | 4 |
| Registration statement and prospectus | 26 | 12 | 7 | 41 | 18 |
| Trustees' compensation | 4 | 1 | 1 | 10 | 1 |
| Auditing and legal | 3 | – [†] | – [†] | 2 | – [†] |
| Custodian | 8 | 10 | – [†] | 18 | 6 |
| Other | 19 | 3 | 2 | 8 | 3 |
| Total fees and expenses before waivers/reimbursements | 4,144 | 783 | 827 | 6,978 | 1,247 |
| Less waivers/reimbursements of fees and expenses: | | | | | |
| Investment advisory services waivers | – | – | – | – | 93 |
| Miscellaneous fee reimbursements | – | – | – | – | 13 |
| Total waivers/reimbursements of fees and expenses | – | – | – | – | 106 |
| Total fees and expenses after waivers/reimbursements | 4,144 | 783 | 827 | 6,978 | 1,141 |
| Net investment income (loss) | 41,491 | 3,606 | 2,730 | 29,051 | 127 |
| Net realized gain (loss) and unrealized appreciation (depreciation): | | | | | |
| Net realized gain (loss) on: | | | | | |
| Investments | | | | | |
| Unaffiliated issuers | (1,908) | 1,164 | – [†] | 19,133 | – |
| Affiliated issuers* | – | – | – | – | 1,484 |
| Futures contracts | – | 3,551 | – | 55,917 | (3,203) |
| Swap contracts | (395) | 1,067 | – | 6,764 | – |
| Currency transactions | 1 | – | – | – | 21 |
| Capital gain distributions received from affiliated issuers | – | – | – | – | 32,791 |
| | (2,302) | 5,782 | – [†] | 81,814 | 31,093 |
| Net unrealized appreciation (depreciation) on: | | | | | |
| Investments | | | | | |
| Unaffiliated issuers | 79,517 | 5,581 | (30) | 66,269 | – |
| Affiliated issuers | – | – | – | – | 14,234 |
| Futures contracts | – | 305 | – | (3,315) | (5,720) |
| Swap contracts | (1,604) | (3,465) | – | (45,476) | – |
| | 77,913 | 2,421 | (30) | 17,478 | 8,514 |
| Net realized gain (loss) and unrealized appreciation (depreciation) | 75,611 | 8,203 | (30) | 99,292 | 39,607 |
| Net increase in net assets resulting from operations | \$117,102 | \$11,809 | \$2,700 | \$128,343 | \$39,734 |

*Additional information related to non-U.S. taxes, class-specific fees and expenses and affiliated income is included in the notes to financial statements.

[†]Amount less than one thousand.

See notes to financial statements.

unaudited
(dollars in thousands)

| Managed Risk International Fund | Managed Risk Blue Chip Income and Growth Fund | Managed Risk Growth- Income Fund | Managed Risk Asset Allocation Fund |
|--|---|--|--|
| \$ 367 | \$ 1,448 | \$ 7,423 | \$ 11,862 |
| 60 | 165 | 1,013 | 1,008 |
| 427 | 1,613 | 8,436 | 12,870 |
| 118 | 261 | 1,519 | 1,977 |
| 196 | 433 | 310 | 3,293 |
| 197 | 434 | 2,532 | 3,295 |
| _+ | _+ | _+ | _+ |
| - | - | - | - |
| 9 | 10 | 9 | 25 |
| 2 | 4 | 14 | 27 |
| 10 | 9 | 213 | 36 |
| 1 | 1 | 4 | 11 |
| _+ | _+ | 1 | 2 |
| 6 | 6 | 6 | 6 |
| 3 | 2 | 3 | 10 |
| 542 | 1,160 | 4,611 | 8,682 |
| 39 | 87 | 506 | 659 |
| 12 | 13 | - | - |
| 51 | 100 | 506 | 659 |
| 491 | 1,060 | 4,105 | 8,023 |
| (64) | 553 | 4,331 | 4,847 |
| - | - | (7,604) | - |
| (275) | 662 | 5,409 | 6,021 |
| (1,096) | (3,654) | (14,050) | (14,856) |
| - | - | - | - |
| (1) | 20 | 91 | 103 |
| 3,310 | 22,170 | 167,499 | 131,016 |
| 1,938 | 19,198 | 151,345 | 122,284 |
| - | - | (11,249) | - |
| 15,958 | 7,793 | 80,268 | 140,238 |
| (1,142) | (5,657) | (7,995) | (24,002) |
| - | - | - | - |
| 14,816 | 2,136 | 61,024 | 116,236 |
| 16,754 | 21,334 | 212,369 | 238,520 |
| \$16,690 | \$21,887 | \$216,700 | \$243,367 |

Statements of changes in net assets

| | Global Growth Fund | | Global Small Capitalization Fund | | Growth Fund | |
|---|--------------------|-------------------|----------------------------------|-------------------|------------------|-------------------|
| | Six months ended | Year ended | Six months ended | Year ended | Six months ended | Year ended |
| | June 30, 2019* | December 31, 2018 | June 30, 2019* | December 31, 2018 | June 30, 2019* | December 31, 2018 |
| Operations: | | | | | | |
| Net investment income (loss) | \$ 38,829 | \$ 50,276 | \$ 12,965 | \$ 10,787 | \$ 117,844 | \$ 162,005 |
| Net realized gain (loss) | 58,613 | 343,542 | 143,849 | 247,061 | 342,283 | 2,848,894 |
| Net unrealized appreciation (depreciation) | 1,056,143 | (919,676) | 584,518 | (673,158) | 3,428,653 | (2,971,090) |
| Net increase (decrease) in net assets resulting from operations | 1,153,585 | (525,858) | 741,332 | (415,310) | 3,888,780 | 39,809 |
| Distributions paid to shareholders | (352,171) | (474,814) | (276,087) | (196,135) | (2,816,480) | (2,648,515) |
| Net capital share transactions | 20,562 | 267,749 | 313,662 | (49,079) | 1,958,870 | 1,071,109 |
| Total increase (decrease) in net assets | 821,976 | (732,923) | 778,907 | (660,524) | 3,031,170 | (1,537,597) |
| Net assets: | | | | | | |
| Beginning of period | 5,502,153 | 6,235,076 | 3,654,514 | 4,315,038 | 23,447,861 | 24,985,458 |
| End of period | \$6,324,129 | \$5,502,153 | \$4,433,421 | \$3,654,514 | \$26,479,031 | \$23,447,861 |

| | International Growth and Income Fund | | Capital Income Builder | | Asset Allocation Fund | |
|---|--------------------------------------|-------------------|------------------------|-------------------|-----------------------|-------------------|
| | Six months ended | Year ended | Six months ended | Year ended | Six months ended | Year ended |
| | June 30, 2019* | December 31, 2018 | June 30, 2019* | December 31, 2018 | June 30, 2019* | December 31, 2018 |
| Operations: | | | | | | |
| Net investment income (loss) | \$ 26,374 | \$ 37,077 | \$ 13,043 | \$ 18,120 | \$ 273,674 | \$ 495,623 |
| Net realized gain (loss) | (16,375) | 19,646 | (3,695) | (12,903) | (179,909) | 1,250,899 |
| Net unrealized appreciation (depreciation) | 184,237 | (222,569) | 60,862 | (53,867) | 2,657,371 | (2,879,563) |
| Net increase (decrease) in net assets resulting from operations | 194,236 | (165,846) | 70,210 | (48,650) | 2,751,136 | (1,133,041) |
| Distributions paid to shareholders | (21,131) | (35,982) | (11,560) | (20,515) | (1,388,695) | (1,587,775) |
| Net capital share transactions | (75,980) | 77,119 | 105,759 | 149,988 | 1,182,887 | (13,827) |
| Total increase (decrease) in net assets | 97,125 | (124,709) | 164,409 | 80,823 | 2,545,328 | (2,734,643) |
| Net assets: | | | | | | |
| Beginning of period | 1,337,258 | 1,461,967 | 675,280 | 594,457 | 22,925,451 | 25,660,094 |
| End of period | \$1,434,383 | \$1,337,258 | \$839,689 | \$675,280 | \$25,470,779 | \$22,925,451 |

See end of statements of changes in net assets for footnote.

See notes to financial statements.

(dollars in thousands)

| International Fund | | New World Fund | | Blue Chip Income and Growth Fund | | Global Growth and Income Fund | | Growth-Income Fund | |
|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|---|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|
| Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 |
| \$ 95,704 | \$ 147,886 | \$ 23,597 | \$ 32,835 | \$ 95,813 | \$ 183,892 | \$ 24,178 | \$ 35,857 | \$ 295,587 | \$ 479,019 |
| (175,056) | 247,240 | 24,940 | 126,203 | (876) | 687,384 | 9,673 | 99,872 | 405,597 | 3,357,516 |
| 1,399,684 | (1,741,754) | 519,912 | (647,033) | 791,347 | (1,602,222) | 311,272 | (325,530) | 4,088,634 | (4,232,991) |
| 1,320,332 | (1,346,628) | 568,449 | (487,995) | 886,284 | (730,946) | 345,123 | (189,801) | 4,789,818 | (396,456) |
| (259,623) | (646,470) | (134,170) | (126,412) | (725,337) | (883,615) | (107,451) | (186,991) | (3,457,660) | (2,606,909) |
| (237,150) | 1,245,386 | 15,494 | 92,573 | 640,962 | 265,984 | (359) | 90,220 | 2,772,999 | 2,175,138 |
| 823,559 | (747,712) | 449,773 | (521,834) | 801,909 | (1,348,577) | 237,313 | (286,572) | 4,105,157 | (828,227) |
| 9,010,110 | 9,757,822 | 3,010,879 | 3,532,713 | 8,031,272 | 9,379,849 | 1,815,874 | 2,102,446 | 29,864,135 | 30,692,362 |
| \$9,833,669 | \$ 9,010,110 | \$3,460,652 | \$3,010,879 | \$8,833,181 | \$ 8,031,272 | \$2,053,187 | \$1,815,874 | \$33,969,292 | \$29,864,135 |
| <hr/> | | | | | | | | | |
| Global Balanced Fund | | Bond Fund | | Global Bond Fund | | High-Income Bond Fund | | Mortgage Fund | |
| Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 |
| \$ 4,269 | \$ 6,105 | \$ 141,320 | \$ 269,087 | \$ 28,041 | \$ 55,434 | \$ 41,491 | \$ 84,812 | \$ 3,606 | \$ 6,148 |
| 11,128 | 3,576 | 97,214 | (168,412) | 8,213 | (11,729) | (2,302) | (24,544) | 5,782 | (7,618) |
| 32,030 | (33,957) | 417,241 | (164,842) | 97,913 | (70,008) | 77,913 | (86,196) | 2,421 | 2,541 |
| 47,427 | (24,276) | 655,775 | (64,167) | 134,167 | (26,303) | 117,102 | (25,928) | 11,809 | 1,071 |
| (883) | (9,700) | (57,012) | (267,421) | (15,883) | (56,130) | (15,473) | (79,933) | (1,267) | (6,505) |
| 2,835 | 46,266 | (14,203) | (511,419) | (46,920) | (297,128) | (25,236) | (144,120) | (10,756) | (43,561) |
| 49,379 | 12,290 | 584,560 | (843,007) | 71,364 | (379,561) | 76,393 | (249,981) | (214) | (48,995) |
| 366,189 | 353,899 | 9,854,687 | 10,697,694 | 2,088,017 | 2,467,578 | 1,203,899 | 1,453,880 | 291,175 | 340,170 |
| \$415,568 | \$366,189 | \$10,439,247 | \$ 9,854,687 | \$2,159,381 | \$2,088,017 | \$1,280,292 | \$1,203,899 | \$290,961 | \$291,175 |

Statements of changes in net assets

| | Ultra-Short Bond Fund | | U.S. Government/ AAA-Rated Securities Fund | | Managed Risk Growth Fund | |
|---|--|------------------------------------|---|------------------------------------|--|------------------------------------|
| | Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 | Six months ended June 30, 2019* | Year ended December 31, 2018 |
| Operations: | | | | | | |
| Net investment income (loss) | \$ 2,730 | \$ 4,036 | \$ 29,051 | \$ 56,785 | \$ 127 | \$ 1,509 |
| Net realized gain (loss) | – | – | 81,814 | (86,715) | 31,093 | 21,463 |
| Net unrealized appreciation (depreciation) | (30) | 33 | 17,478 | 49,517 | 8,514 | (26,917) |
| Net increase (decrease) in net assets resulting from operations | 2,700 | 4,069 | 128,343 | 19,587 | 39,734 | (3,945) |
| Distributions paid to shareholders | (1,000) | (3,517) | (11,348) | (55,819) | (29,127) | (21,941) |
| Net capital share transactions | (22,622) | 1,047 | (71,510) | (197,780) | 43,405 | 81,200 |
| Total increase (decrease) in net assets | (20,922) | 1,599 | 45,485 | (234,012) | 54,012 | 55,314 |
| Net assets: | | | | | | |
| Beginning of period | 306,404 | 304,805 | 2,869,303 | 3,103,315 | 343,273 | 287,959 |
| End of period | \$285,482 | \$306,404 | \$2,914,788 | \$2,869,303 | \$397,285 | \$343,273 |

*Unaudited.

See notes to financial statements.

(dollars in thousands)

| Managed Risk International Fund | | Managed Risk Blue Chip Income and Growth Fund | | Managed Risk Growth-Income Fund | | Managed Risk Asset Allocation Fund | |
|--|----------------------|--|----------------------|--|----------------------|---|----------------------|
| Six months ended | Year ended | Six months ended | Year ended | Six months ended | Year ended | Six months ended | Year ended |
| June 30, 2019* | December 31, 2018 | June 30, 2019* | December 31, 2018 | June 30, 2019* | December 31, 2018 | June 30, 2019* | December 31, 2018 |
| \$ (64) | \$ 2,317 | \$ 553 | \$ 5,276 | \$ 4,331 | \$ 2,685 | \$ 4,847 | \$ 62,566 |
| 1,938 | 5,722 | 19,198 | 18,018 | 151,345 | 6,953 | 122,284 | 97,415 |
| 14,816 | (25,332) | 2,136 | (49,299) | 61,024 | (21,166) | 116,236 | (366,555) |
| 16,690 | (17,293) | 21,887 | (26,005) | 216,700 | (11,528) | 243,367 | (206,574) |
| (7,796) | (3,428) | (23,415) | (23,525) | (22,902) | (12,352) | (177,744) | (242,968) |
| 3,636 | 23,257 | 18,544 | 19,295 | 57,148 | 1,707,014 | 99,215 | (1,462,371) |
| 12,530 | 2,536 | 17,016 | (30,235) | 250,946 | 1,683,134 | 164,838 | (1,911,913) |
| 150,959 | 148,423 | 336,669 | 366,904 | 1,892,102 | 208,968 | 2,542,497 | 4,454,410 |
| \$163,489 | \$150,959 | \$353,685 | \$336,669 | \$2,143,048 | \$1,892,102 | \$2,707,335 | \$ 2,542,497 |

1. Organization

American Funds Insurance Series (the “series”) is registered under the Investment Company Act of 1940 as an open-end, diversified management investment company with 28 different funds (the “funds”). Twenty-three funds in the series are covered in this report. The other five funds in the series, American Funds Insurance Series - Portfolio Series, are covered in a separate report. The assets of each fund are segregated, with each fund accounted for separately. Capital Research and Management Company (“CRMC”) is the series’ investment adviser. Milliman Financial Risk Management LLC (“Milliman FRM”) is the subadviser for the risk management strategy for eight of the funds (the “managed risk funds”), five of which are covered in this report.

The managed risk funds covered in this report are Managed Risk Growth Fund, Managed Risk International Fund, Managed Risk Blue Chip Income and Growth Fund, Managed Risk Growth-Income Fund and Managed Risk Asset Allocation Fund. The managed risk funds invest in other funds within the series (the “underlying funds”) and employ Milliman FRM to implement the risk management strategy, which consists of using hedging instruments – primarily short positions on exchange-traded futures contracts – to attempt to stabilize the volatility of the funds around target volatility levels and reduce the downside exposure of the funds during periods of significant market declines.

In 2009, shareholders approved the reorganization of the series from a Massachusetts business trust to a Delaware statutory trust. The series reserved the right to delay implementing the reorganization and has elected to do so.

The investment objectives for each fund covered in this report are as follows:

Global Growth Fund – To provide long-term growth of capital.

Global Small Capitalization Fund – To provide long-term growth of capital.

Growth Fund – To provide growth of capital.

International Fund – To provide long-term growth of capital.

New World Fund – To provide long-term capital appreciation.

Blue Chip Income and Growth Fund – To produce income exceeding the average yield on U.S. stocks generally and to provide an opportunity for growth of principal consistent with sound common stock investing.

Global Growth and Income Fund – To provide long-term growth of capital while providing current income.

Growth-Income Fund – To achieve long-term growth of capital and income.

International Growth and Income Fund – To provide long-term growth of capital while providing current income.

Capital Income Builder – The two primary objectives are (1) to provide a level of current income that exceeds the average yield on U.S. stocks generally and (2) to provide a growing stream of income over the years. The secondary objective is to provide growth of capital.

Asset Allocation Fund – To provide high total return (including income and capital gains) consistent with preservation of capital over the long term.

Global Balanced Fund – Seeks the balanced accomplishment of three objectives: long-term growth of capital, conservation of principal and current income.

Bond Fund – To provide as high a level of current income as is consistent with the preservation of capital.

Global Bond Fund – To provide, over the long term, a high level of total return consistent with prudent investment management.

High-Income Bond Fund – The primary objective is to provide a high level of current income. The secondary objective is capital appreciation.

Mortgage Fund – To provide current income and preservation of capital.

Ultra-Short Bond Fund – To provide current income, consistent with the maturity and quality standards applicable to the fund, and preservation of capital and liquidity.

U.S. Government/AAA-Rated Securities Fund – To provide a high level of current income consistent with preservation of capital.

Managed Risk Growth Fund – To provide growth of capital while seeking to manage volatility and provide downside protection.

Managed Risk International Fund – To provide long-term growth of capital while seeking to manage volatility and provide downside protection.

Managed Risk Blue Chip Income and Growth Fund – To produce income exceeding the average yield on U.S. stocks generally and to provide an opportunity for growth of principal consistent with sound common stock investing, in each case while seeking to manage volatility and provide downside protection.

Managed Risk Growth-Income Fund – To achieve long-term growth of capital and income while seeking to manage volatility and provide downside protection.

Managed Risk Asset Allocation Fund – To provide high total return (including income and capital gains) consistent with preservation of capital over the long term while seeking to manage volatility and provide downside protection.

Each fund in the series, except the managed risk funds, offers either four or five share classes (Classes 1, 1A, 2, 3 or 4); the managed risk funds offer two share classes (Classes P1 and P2). Holders of all share classes of each fund have equal pro rata rights to assets, dividends and liquidation proceeds of each fund held. Each share class of each fund has identical voting rights, except for the exclusive right to vote on matters affecting only its class. Share classes have different fees and expenses (“class-specific fees and expenses”), primarily due to different arrangements for certain distribution expenses. Differences in class-specific fees and expenses will result in differences in net investment income and, therefore, the payment of different per-share dividends by each class of each fund.

2. Significant accounting policies

Each fund is an investment company that applies the accounting and reporting guidance issued in Topic 946 by the U.S. Financial Accounting Standards Board. Each fund’s financial statements have been prepared to comply with U.S. generally accepted accounting principles (“U.S. GAAP”). These principles require the series’ investment adviser to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates. Subsequent events, if any, have been evaluated through the date of issuance in the preparation of the financial statements. The funds follow the significant accounting policies described in this section, as well as the valuation policies described in the next section on valuation.

Security transactions and related investment income – Security transactions are recorded by the funds as of the date the trades are executed with brokers. Realized gains and losses from security transactions are determined based on the specific identified cost of the securities. In the event a security is purchased with a delayed payment date, the funds will segregate liquid assets sufficient to meet their payment obligations. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis. Market discounts, premiums and original issue discounts on fixed-income securities are amortized daily over the expected life of the security.

Fees and expenses – The fees and expenses of the underlying funds held by the managed risk funds are not included in the fees and expenses reported for each of the managed risk funds; however, they are indirectly reflected in the valuation of each of the underlying funds. These fees are included in the net effective expense ratios that are provided as supplementary information in the financial highlights tables.

Class allocations – Income, fees and expenses (other than class-specific fees and expenses) and realized and unrealized gains and losses are allocated daily among the various share classes of each fund based on their relative net assets. Class-specific fees and expenses, such as distribution expenses, are accrued daily and charged directly to the respective share class of each fund.

Distributions paid to shareholders – Income dividends and capital gain distributions are recorded on each fund’s ex-dividend date.

Currency translation – Assets and liabilities, including investment securities, denominated in currencies other than U.S. dollars are translated into U.S. dollars at the exchange rates supplied by one or more pricing vendors on the valuation date. Purchases and sales of investment securities and income and expenses are translated into U.S. dollars at the exchange rates on the dates of such transactions. The effects of changes in exchange rates on investment securities are included with the net realized gain or loss and net unrealized appreciation or depreciation on investments in the funds’ statements of operations. The realized gain or loss and unrealized appreciation or depreciation resulting from all other transactions denominated in currencies other than U.S. dollars are disclosed separately.

3. Valuation

CRMC, the series’ investment adviser, values the funds’ investments at fair value as defined by U.S. GAAP. The net asset value of each share class of each fund is generally determined as of approximately 4:00 p.m. New York time each day the New York Stock Exchange is open.

Methods and inputs – The series’ investment adviser uses the following methods and inputs to establish the fair value of each fund’s assets and liabilities. Use of particular methods and inputs may vary over time based on availability and relevance as market and economic conditions evolve.

Equity securities are generally valued at the official closing price of, or the last reported sale price on, the exchange or market on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price. Prices for each security are taken from the principal exchange or market on which the security trades. The value of an underlying fund is based on its reported net asset value.

Fixed-income securities, including short-term securities, are generally valued at prices obtained from one or more pricing vendors. Vendors value such securities based on one or more of the inputs described in the following table. The table provides examples of inputs that are commonly relevant for valuing particular classes of fixed-income securities in which the funds are authorized to invest. However, these classifications are not exclusive and any of the inputs may be used to value any other class of fixed-income security.

| Fixed-income class | Examples of standard inputs |
|--|---|
| All | Benchmark yields, transactions, bids, offers, quotations from dealers and trading systems, new issues, spreads and other relationships observed in the markets among comparable securities; and proprietary pricing models such as yield measures calculated using factors such as cash flows, financial or collateral performance and other reference data (collectively referred to as “standard inputs”) |
| Corporate bonds & notes; convertible securities | Standard inputs and underlying equity of the issuer |
| Bonds & notes of governments & government agencies | Standard inputs and interest rate volatilities |
| Mortgage-backed; asset-backed obligations | Standard inputs and cash flows, prepayment information, default rates, delinquency and loss assumptions, collateral characteristics, credit enhancements and specific deal information |
| Municipal securities | Standard inputs and, for certain distressed securities, cash flows or liquidation values using a net present value calculation based on inputs that include, but are not limited to, financial statements and debt contracts |

When the series’ investment adviser deems it appropriate to do so (such as when vendor prices are unavailable or not deemed to be representative), fixed-income securities will be valued in good faith at the mean quoted bid and ask prices that are reasonably and timely available (or bid prices, if ask prices are not available) or at prices for securities of comparable maturity, quality and type.

Securities with both fixed-income and equity characteristics, or equity securities traded principally among fixed-income dealers, are generally valued in the manner described for either equity or fixed-income securities, depending on which method is deemed most appropriate by the series' investment adviser. The Government Cash Management Fund held by the managed risk funds is managed to maintain a \$1.00 net asset value per share. The Capital Group Central Cash Fund ("CCF") is valued based upon a floating net asset value, which fluctuates with changes in the value of CCF's portfolio securities. The underlying securities are valued based on the policies and procedures in CCF's statement of additional information. The net asset value of each share class of each managed risk fund is calculated based on the reported net asset values of the underlying funds in which each fund invests.

Exchange-traded options and futures are generally valued at the official closing price for options and official settlement price for futures of the exchange or market on which such instruments are traded, as of the close of business on the day such instruments are being valued. Forward currency contracts are valued at the mean of representative quoted bid and ask prices, generally based on prices supplied by one or more pricing vendors. Interest rate swaps and credit default swaps are generally valued by pricing vendors based on market inputs that include the index and term of index, reset frequency, payer/receiver, currency and pay frequency.

Securities and other assets for which representative market quotations are not readily available or are considered unreliable by the series' investment adviser are fair valued as determined in good faith under fair value guidelines adopted by authority of the series' board of trustees as further described. The investment adviser follows fair valuation guidelines, consistent with U.S. Securities and Exchange Commission rules and guidance, to consider relevant principles and factors when making fair value determinations. The investment adviser considers relevant indications of value that are reasonably and timely available to it in determining the fair value to be assigned to a particular security, such as the type and cost of the security; contractual or legal restrictions on resale of the security; relevant financial or business developments of the issuer; actively traded similar or related securities; conversion or exchange rights on the security; related corporate actions; significant events occurring after the close of trading in the security; and changes in overall market conditions. In addition, the closing prices of equity securities and futures that trade in markets outside U.S. time zones may be adjusted to reflect significant events that occur after the close of local trading but before the net asset value of each share class of each fund is determined. Fair valuations and valuations of investments and futures that are not actively trading involve judgment and may differ materially from valuations that would have been used had greater market activity occurred.

Processes and structure – The series' board of trustees has delegated authority to the series' investment adviser to make fair value determinations, subject to board oversight. The investment adviser has established a Joint Fair Valuation Committee (the "Fair Valuation Committee") to administer, implement and oversee the fair valuation process, and to make fair value decisions. The Fair Valuation Committee regularly reviews its own fair value decisions, as well as decisions made under its standing instructions to the investment adviser's valuation teams. The Fair Valuation Committee reviews changes in fair value measurements from period to period and may, as deemed appropriate, update the fair valuation guidelines to better reflect the results of back testing and address new or evolving issues. The Fair Valuation Committee reports any changes to the fair valuation guidelines to the board of trustees. The series' board and audit committee also regularly review reports that describe fair value determinations and methods.

The series' investment adviser has also established a Fixed-Income Pricing Review Group to administer and oversee the fixed-income valuation process, including the use of fixed-income pricing vendors. This group regularly reviews pricing vendor information and market data. Pricing decisions, processes and controls over security valuation are also subject to additional internal reviews, including an annual control self-evaluation program facilitated by the investment adviser's compliance group.

Classifications – The series' investment adviser classifies the funds' assets and liabilities into three levels based on the inputs used to value the assets or liabilities. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Certain securities trading outside the U.S. may transfer between Level 1 and Level 2 due to valuation adjustments resulting from significant market movements following the close of local trading. Level 3 values are based on significant unobservable inputs that reflect the investment adviser's determination of assumptions that market participants might reasonably use in valuing the securities.

The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investment. For example, U.S. government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market. The following tables present the funds' valuation levels as of June 30, 2019 (dollars in thousands):

Global Growth Fund

| | Investment securities | | | Total |
|------------------------|-----------------------|----------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Information technology | \$1,648,947 | \$ - | \$- | \$1,648,947 |
| Consumer discretionary | 1,267,013 | - | - | 1,267,013 |
| Financials | 679,509 | - | - | 679,509 |
| Health care | 633,968 | - | - | 633,968 |
| Communication services | 508,193 | - | - | 508,193 |
| Consumer staples | 490,190 | - | - | 490,190 |
| Industrials | 464,248 | - | - | 464,248 |
| Materials | 170,817 | 11,082 | - | 181,899 |
| Energy | 135,909 | - | - | 135,909 |
| Preferred securities | 104,460 | - | - | 104,460 |
| Short-term securities | 177,735 | - | - | 177,735 |
| Total | \$6,280,989 | \$11,082 | \$- | \$6,292,071 |

Global Small Capitalization Fund

| | Investment securities | | | Total |
|------------------------|-----------------------|---------|----------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Health care | \$1,011,323 | \$ - | \$ - | \$1,011,323 |
| Information technology | 783,557 | - | - | 783,557 |
| Industrials | 679,267 | - | - | 679,267 |
| Consumer discretionary | 548,212 | 681 | - | 548,893 |
| Financials | 372,313 | - | 514 | 372,827 |
| Materials | 190,108 | - | - | 190,108 |
| Consumer staples | 130,390 | - | - | 130,390 |
| Communication services | 130,259 | - | - | 130,259 |
| Real estate | 117,638 | 5,108 | - | 122,746 |
| Energy | 54,307 | - | 14,352 | 68,659 |
| Utilities | 49,580 | - | - | 49,580 |
| Preferred securities | 18,309 | - | - | 18,309 |
| Short-term securities | 382,979 | - | - | 382,979 |
| Total | \$4,468,242 | \$5,789 | \$14,866 | \$4,488,897 |

Growth Fund

| | Investment securities | | | Total |
|------------------------|-----------------------|----------|----------|--------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Information technology | \$ 6,402,204 | \$ - | \$ - | \$ 6,402,204 |
| Communication services | 4,737,928 | - | - | 4,737,928 |
| Health care | 4,072,084 | - | 37,000 | 4,109,084 |
| Consumer discretionary | 3,109,058 | - | - | 3,109,058 |
| Financials | 2,277,395 | - | - | 2,277,395 |
| Industrials | 1,765,089 | 11,838 | - | 1,776,927 |
| Energy | 858,522 | - | - | 858,522 |
| Consumer staples | 806,113 | - | - | 806,113 |
| Materials | 707,180 | - | - | 707,180 |
| Real estate | 487,175 | - | - | 487,175 |
| Utilities | 81,738 | - | - | 81,738 |
| Short-term securities | 1,050,782 | - | - | 1,050,782 |
| Total | \$26,355,268 | \$11,838 | \$37,000 | \$26,404,106 |

International Fund

| | Investment securities | | | Total |
|---------------------------------------|-----------------------|------------------|------------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Financials | \$1,607,025 | \$ 61,763 | \$— | \$1,668,788 |
| Industrials | 1,576,060 | — | — | 1,576,060 |
| Health care | 1,094,499 | — | — | 1,094,499 |
| Consumer discretionary | 1,090,624 | — | — | 1,090,624 |
| Materials | 657,245 | — | — | 657,245 |
| Information technology | 649,673 | — | — | 649,673 |
| Consumer staples | 587,939 | — | — | 587,939 |
| Energy | 453,422 | — | — | 453,422 |
| Communication services | 433,758 | — | — | 433,758 |
| Utilities | 414,648 | 9,895 | — | 424,543 |
| Real estate | 231,726 | — | — | 231,726 |
| Preferred securities | 87,415 | — | — | 87,415 |
| Rights & warrants | — | 14,218 | — | 14,218 |
| Bonds, notes & other debt instruments | — | 65,239 | — | 65,239 |
| Short-term securities | 813,905 | — | — | 813,905 |
| Total | \$9,697,939 | \$151,115 | \$— | \$9,849,054 |

| | Other investments* | | | Total |
|--|--------------------|----------------|------------|----------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Unrealized appreciation on open forward currency contracts | \$— | \$ 124 | \$— | \$ 124 |
| Liabilities: | | | | |
| Unrealized depreciation on open forward currency contracts | — | (340) | — | (340) |
| Total | \$— | \$(216) | \$— | \$(216) |

*Forward currency contracts are not included in the investment portfolio.

New World Fund

| | Investment securities | | | Total |
|---------------------------------------|-----------------------|------------------|-------------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Information technology | \$ 798,798 | \$ — | \$ — | \$ 798,798 |
| Financials | 462,086 | 2,195 | — | 464,281 |
| Energy | 349,805 | — | — | 349,805 |
| Consumer discretionary | 325,213 | — | — | 325,213 |
| Health care | 284,801 | — | — | 284,801 |
| Materials | 282,415 | — | — | 282,415 |
| Communication services | 178,354 | — | — | 178,354 |
| Consumer staples | 173,282 | — | — | 173,282 |
| Industrials | 166,888 | — | — | 166,888 |
| Real estate | 29,356 | 3,700 | 26 | 33,082 |
| Utilities | 22,895 | — | — | 22,895 |
| Preferred securities | 82,131 | — | — | 82,131 |
| Rights & warrants | — | 18,404 | — | 18,404 |
| Bonds, notes & other debt instruments | — | 95,649 | — | 95,649 |
| Short-term securities | 150,800 | 22,827 | — | 173,627 |
| Total | \$3,306,824 | \$142,775 | \$26 | \$3,449,625 |

Blue Chip Income and Growth Fund

At June 30, 2019, all of the fund's investment securities were classified as Level 1.

Global Growth and Income Fund

| | Investment securities | | | Total |
|---------------------------------------|-----------------------|-----------------|------------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Information technology | \$ 300,949 | \$ – | \$– | \$ 300,949 |
| Financials | 263,873 | – | – | 263,873 |
| Industrials | 255,304 | – | – | 255,304 |
| Consumer discretionary | 189,012 | – | – | 189,012 |
| Communication services | 172,302 | – | – | 172,302 |
| Health care | 169,333 | – | – | 169,333 |
| Materials | 157,542 | – | – | 157,542 |
| Energy | 133,001 | – | – | 133,001 |
| Real estate | 90,794 | – | – | 90,794 |
| Consumer staples | 89,440 | – | – | 89,440 |
| Utilities | 80,897 | – | – | 80,897 |
| Preferred securities | 8,125 | – | – | 8,125 |
| Bonds, notes & other debt instruments | – | 35,145 | – | 35,145 |
| Short-term securities | 88,640 | – | – | 88,640 |
| Total | \$1,999,212 | \$35,145 | \$– | \$2,034,357 |

| | Other investments* | | | Total |
|--|--------------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | |
| Liabilities: | | | | |
| Unrealized depreciation on open forward currency contracts | \$– | \$(94) | \$– | \$(94) |

*Forward currency contracts are not included in the investment portfolio.

Growth-Income Fund

| | Investment securities | | | Total |
|------------------------|-----------------------|----------------|------------|---------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Information technology | \$ 5,165,778 | \$ – | \$– | \$ 5,165,778 |
| Health care | 5,141,550 | – | – | 5,141,550 |
| Financials | 3,794,583 | – | – | 3,794,583 |
| Industrials | 3,754,219 | – | – | 3,754,219 |
| Communication services | 3,726,932 | – | – | 3,726,932 |
| Consumer staples | 2,686,282 | – | – | 2,686,282 |
| Energy | 2,395,661 | – | – | 2,395,661 |
| Consumer discretionary | 1,920,427 | – | – | 1,920,427 |
| Materials | 1,619,589 | – | – | 1,619,589 |
| Utilities | 687,090 | – | – | 687,090 |
| Real estate | 645,871 | – | – | 645,871 |
| Mutual funds | 54,750 | – | – | 54,750 |
| Convertible stocks | 99,581 | – | – | 99,581 |
| Convertible bonds | – | 7,112 | – | 7,112 |
| Short-term securities | 2,127,848 | – | – | 2,127,848 |
| Total | \$33,820,161 | \$7,112 | \$– | \$33,827,273 |

International Growth and Income Fund

| | Investment securities | | | Total |
|---------------------------------------|-----------------------|-----------------|------------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Financials | \$ 261,857 | \$ – | \$– | \$ 261,857 |
| Health care | 183,056 | – | – | 183,056 |
| Industrials | 166,805 | – | – | 166,805 |
| Energy | 123,411 | – | – | 123,411 |
| Real estate | 109,943 | – | – | 109,943 |
| Consumer discretionary | 100,102 | – | – | 100,102 |
| Materials | 98,006 | – | – | 98,006 |
| Utilities | 84,829 | – | – | 84,829 |
| Consumer staples | 81,953 | – | – | 81,953 |
| Information technology | 62,060 | – | – | 62,060 |
| Communication services | 54,189 | – | – | 54,189 |
| Preferred securities | 17,882 | – | – | 17,882 |
| Bonds, notes & other debt instruments | – | 16,561 | – | 16,561 |
| Short-term securities | 64,951 | 5,254 | – | 70,205 |
| Total | \$1,409,044 | \$21,815 | \$– | \$1,430,859 |

| | Other investments* | | | Total |
|--|--------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Unrealized appreciation on open forward currency contracts | \$– | \$5 | \$– | \$5 |

*Forward currency contracts are not included in the investment portfolio.

Capital Income Builder

| | Investment securities | | | Total |
|--|-----------------------|------------------|------------|------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Information technology | \$ 80,425 | \$ – | \$– | \$ 80,425 |
| Consumer staples | 76,231 | – | – | 76,231 |
| Financials | 72,505 | – | – | 72,505 |
| Real estate | 68,981 | – | – | 68,981 |
| Energy | 62,860 | – | – | 62,860 |
| Communication services | 42,892 | – | – | 42,892 |
| Health care | 41,406 | – | – | 41,406 |
| Utilities | 35,775 | – | – | 35,775 |
| Consumer discretionary | 35,366 | – | – | 35,366 |
| Industrials | 32,313 | – | – | 32,313 |
| Materials | 17,288 | – | – | 17,288 |
| Convertible stocks | 9,327 | – | – | 9,327 |
| Bonds, notes & other debt instruments: | | | | |
| U.S. Treasury bonds & notes | – | 110,248 | – | 110,248 |
| Mortgage-backed obligations | – | 44,289 | – | 44,289 |
| Corporate bonds & notes | – | 26,961 | – | 26,961 |
| Asset-backed obligations | – | 8,357 | – | 8,357 |
| Municipals | – | 412 | – | 412 |
| Short-term securities | 68,566 | – | – | 68,566 |
| Total | \$643,935 | \$190,267 | \$– | \$834,202 |

| | Other investments* | | | Total |
|--|--------------------|---------|---------|----------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Unrealized appreciation on futures contracts | \$ 1,059 | \$ – | \$– | \$ 1,059 |
| Unrealized appreciation on interest rate swaps | – | 1,793 | – | 1,793 |
| Liabilities: | | | | |
| Unrealized depreciation on futures contracts | (1,125) | – | – | (1,125) |
| Unrealized depreciation on interest rate swaps | – | (444) | – | (444) |
| Total | \$ (66) | \$1,349 | \$– | \$ 1,283 |

*Futures contracts and interest rate swaps are not included in the investment portfolio.

Asset Allocation Fund

| | Investment securities | | | Total |
|--|-----------------------|-------------|----------|--------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Information technology | \$ 3,765,115 | \$ – | \$ 20 | \$ 3,765,135 |
| Financials | 2,551,268 | – | – | 2,551,268 |
| Health care | 2,528,372 | – | 1,105 | 2,529,477 |
| Industrials | 1,470,379 | – | – | 1,470,379 |
| Consumer discretionary | 1,255,604 | – | – | 1,255,604 |
| Energy | 995,399 | 2,432 | – | 997,831 |
| Consumer staples | 979,664 | – | – | 979,664 |
| Communication services | 944,595 | – | – | 944,595 |
| Materials | 681,444 | – | – | 681,444 |
| Real estate | 220,771 | – | – | 220,771 |
| Utilities | 161,208 | – | – | 161,208 |
| Rights & warrants | – | – | 101 | 101 |
| Convertible stocks | 62,944 | – | 4,983 | 67,927 |
| Convertible bonds | – | 1,286 | – | 1,286 |
| Bonds, notes & other debt instruments: | | | | |
| U.S. Treasury bonds & notes | – | 3,238,261 | – | 3,238,261 |
| Corporate bonds & notes | – | 2,735,565 | 11,362 | 2,746,927 |
| Mortgage-backed obligations | – | 1,543,099 | – | 1,543,099 |
| Federal agency bonds & notes | – | 12,852 | – | 12,852 |
| Other | – | 210,817 | – | 210,817 |
| Short-term securities | 2,629,116 | – | – | 2,629,116 |
| Total | \$18,245,879 | \$7,744,312 | \$17,571 | \$26,007,762 |

| | Other investments* | | | Total |
|--|--------------------|-----------|---------|----------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Unrealized appreciation on futures contracts | \$18,387 | \$ – | \$– | \$18,387 |
| Liabilities: | | | | |
| Unrealized depreciation on futures contracts | (7,975) | – | – | (7,975) |
| Unrealized depreciation on interest rate swaps | – | (9,381) | – | (9,381) |
| Total | \$10,412 | \$(9,381) | \$– | \$ 1,031 |

*Futures contracts and interest rate swaps are not included in the investment portfolio.

Global Balanced Fund

| | Investment securities | | | Total |
|---|-----------------------|------------------|------------|------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Common stocks: | | | | |
| Information technology | \$ 47,450 | \$ – | \$– | \$ 47,450 |
| Health care | 42,399 | – | – | 42,399 |
| Financials | 35,425 | – | – | 35,425 |
| Consumer staples | 31,760 | – | – | 31,760 |
| Industrials | 27,404 | – | – | 27,404 |
| Consumer discretionary | 17,892 | – | – | 17,892 |
| Materials | 11,753 | – | – | 11,753 |
| Energy | 10,162 | – | – | 10,162 |
| Communication services | 9,215 | – | – | 9,215 |
| Real estate | 7,342 | – | – | 7,342 |
| Utilities | 5,050 | – | – | 5,050 |
| Bonds, notes & other debt instruments: | | | | |
| Bonds & notes of governments & government agencies outside the U.S. | – | 61,571 | – | 61,571 |
| U.S. Treasury bonds & notes | – | 53,633 | – | 53,633 |
| Corporate bonds & notes | – | 21,393 | – | 21,393 |
| Mortgage-backed obligations | – | 10,274 | – | 10,274 |
| Short-term securities | 21,438 | 896 | – | 22,334 |
| Total | \$267,290 | \$147,767 | \$– | \$415,057 |

| | Other investments* | | | Total |
|--|--------------------|--------------|------------|---------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Unrealized appreciation on futures contracts | \$89 | \$ – | \$– | \$ 89 |
| Unrealized appreciation on open forward currency contracts | – | 102 | – | 102 |
| Unrealized appreciation on interest rate swaps | – | 51 | – | 51 |
| Liabilities: | | | | |
| Unrealized depreciation on open forward currency contracts | – | (100) | – | (100) |
| Total | \$89 | \$ 53 | \$– | \$ 142 |

*Futures contracts, forward currency contracts and interest rate swaps are not included in the investment portfolio.

Bond Fund

| | Investment securities | | | Total |
|---|-----------------------|---------------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Bonds, notes & other debt instruments: | | | | |
| Corporate bonds & notes | \$ – | \$ 3,484,974 | \$ – | \$ 3,484,974 |
| U.S. Treasury bonds & notes | – | 3,003,625 | – | 3,003,625 |
| Mortgage-backed obligations | – | 2,729,802 | – | 2,729,802 |
| Bonds & notes of governments & government agencies outside the U.S. | – | 581,913 | – | 581,913 |
| Municipals | – | 204,458 | – | 204,458 |
| Asset-backed obligations | – | 198,442 | – | 198,442 |
| Federal agency bonds & notes | – | 12,020 | – | 12,020 |
| Common stocks | – | 218 | 10 | 228 |
| Rights & warrants | – | – | 31 | 31 |
| Short-term securities | 1,034,921 | 52,775 | – | 1,087,696 |
| Total | \$1,034,921 | \$10,268,227 | \$41 | \$11,303,189 |

| | Other investments* | | | Total |
|--|--------------------|-------------------|------------|------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Unrealized appreciation on futures contracts | \$ 50,129 | \$ – | \$– | \$ 50,129 |
| Unrealized appreciation on open forward currency contracts | – | 4,506 | – | 4,506 |
| Unrealized appreciation on interest rate swaps | – | 1,366 | – | 1,366 |
| Liabilities: | | | | |
| Unrealized depreciation on futures contracts | (12,139) | – | – | (12,139) |
| Unrealized depreciation on open forward currency contracts | – | (7,567) | – | (7,567) |
| Unrealized depreciation on interest rate swaps | – | (13,184) | – | (13,184) |
| Total | \$ 37,990 | \$(14,879) | \$– | \$ 23,111 |

*Futures contracts, forward currency contracts and interest rate swaps are not included in the investment portfolio.

Global Bond Fund

| | Investment securities | | | Total |
|--|-----------------------|--------------------|----------------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Bonds, notes & other debt instruments: | | | | |
| Euros | \$ – | \$ 341,361 | \$ – | \$ 341,361 |
| Japanese yen | – | 276,684 | – | 276,684 |
| Chinese yuan renminbi | – | 67,355 | – | 67,355 |
| Mexican pesos | – | 67,026 | – | 67,026 |
| Danish kroner | – | 45,786 | – | 45,786 |
| Indian rupees | – | 39,690 | – | 39,690 |
| Norwegian kroner | – | 35,364 | – | 35,364 |
| British pounds | – | 27,643 | – | 27,643 |
| South African rand | – | 27,252 | – | 27,252 |
| Thai baht | – | 22,820 | – | 22,820 |
| Indonesian rupiah | – | 21,296 | – | 21,296 |
| Israeli shekels | – | 20,628 | – | 20,628 |
| Polish zloty | – | 20,594 | – | 20,594 |
| Colombian pesos | – | 11,464 | – | 11,464 |
| U.S. dollars | – | 886,429 | 450 | 886,879 |
| Other | – | 78,758 | – | 78,758 |
| Convertible bonds | – | 102 | – | 102 |
| Convertible stocks | – | – | 847 | 847 |
| Common stocks | 251 | 417 | 3 | 671 |
| Rights & warrants | – | – | 17 | 17 |
| Short-term securities | 94 | 153,323 | – | 153,417 |
| Total | \$345 | \$2,143,992 | \$1,317 | \$2,145,654 |

| | Other investments* | | | Total |
|--|--------------------|---------------|------------|-----------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Unrealized appreciation on futures contracts | \$ 2,738 | \$ – | \$– | \$ 2,738 |
| Unrealized appreciation on open forward currency contracts | – | 2,437 | – | 2,437 |
| Unrealized appreciation on interest rate swaps | – | 1,351 | – | 1,351 |
| Liabilities: | | | | |
| Unrealized depreciation on futures contracts | (1,424) | – | – | (1,424) |
| Unrealized depreciation on open forward currency contracts | – | (2,882) | – | (2,882) |
| Total | \$ 1,314 | \$ 906 | \$– | \$ 2,220 |

*Futures contracts, forward currency contracts and interest rate swaps are not included in the investment portfolio.

High-Income Bond Fund

| | Investment securities | | | Total |
|--|-----------------------|--------------------|-----------------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Bonds, notes & other debt instruments: | | | | |
| Corporate bonds & notes | \$ – | \$1,178,025 | \$ 9,653 | \$1,187,678 |
| Municipals | – | 94 | – | 94 |
| Convertible bonds | – | 7,108 | – | 7,108 |
| Convertible stocks | 890 | – | 4,834 | 5,724 |
| Preferred securities | – | 2,292 | – | 2,292 |
| Common stocks | 3,421 | 2,642 | 2,624 | 8,687 |
| Rights & warrants | – | 3 | 109 | 112 |
| Short-term securities | 69,689 | – | – | 69,689 |
| Total | \$74,000 | \$1,190,164 | \$17,220 | \$1,281,384 |

| | Other investments ¹ | | | Total |
|---|--------------------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | |
| Liabilities: | | | | |
| Unrealized depreciation on credit default swaps | \$– | \$(284) | \$– | \$(284) |

¹Credit default swaps are not included in the investment portfolio.

The following table reconciles the valuation of the fund's Level 3 investment securities and related transactions for the six months ended June 30, 2019 (dollars in thousands):

| | Beginning value at 1/1/2019 | Transfers into Level 3 ² | Purchases | Sales | Net realized gain ³ | Unrealized depreciation ³ | Transfers out of Level 3 ² | Ending value at 6/30/2019 |
|--|-----------------------------|-------------------------------------|-----------|---------|--------------------------------|--------------------------------------|---------------------------------------|---------------------------|
| Investment securities | \$17,537 | \$– | \$491 | \$(331) | \$16 | \$(473) | \$(20) | \$17,220 |
| Net unrealized depreciation during the period on Level 3 investment securities held at June 30, 2019 | | | | | | | | \$ (474) |

²Transfers into or out of Level 3 are based on the beginning market value of the quarter in which they occurred.

³Net realized gain and unrealized depreciation are included in the related amounts on investments in the statement of operations.

Unobservable inputs – Valuation of the fund’s Level 3 securities is based on significant unobservable inputs that reflect the investment adviser’s determination of assumptions that market participants might reasonably use in valuing the securities. The following table provides additional information used by the fund’s investment adviser to fair value the fund’s Level 3 securities (dollars in thousands):

| | Value at 6/30/2019 | Valuation techniques | Unobservable inputs | Range | Weighted average | Impact to valuation from an increase in input* |
|---------------------------------------|--|--|---------------------------------------|-----------|---------------------|---|
| Bonds, notes & other debt instruments | \$ 9,653 | Yield analysis | Yield to maturity risk premium | 0-400 bps | 313 bps | Decrease |
| Convertible stocks | 4,834 | Multiple of revenue | Revenue multiple | 0.87x | 0.87x | Increase |
| Common stocks | 2,624 | Inputs to market comparables and transaction price | Weight ascribed to market comparables | 50% | N/A | N/A |
| | | | Weight ascribed to transaction price | 50% | N/A | N/A |
| | | Market comparable companies | EBITDA multiple | 4.7x | 4.7x | Increase |
| | | | Discount for lack of marketability | 27% | 27% | Decrease |
| | | Multiple of revenue | Revenue multiple | 1.3x | 1.3x | Increase |
| Expected proceeds | Discount to reflect timing of receipt and amount of proceeds | 50% | 50% | Decrease | | |
| Rights & warrants | 109 | Black-Scholes | Implied volatility | 30% | 30% | Increase |
| | <u>\$17,220</u> | | | | | |

*This column represents the directional change in fair value of the Level 3 securities that would result in an increase from the corresponding input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

Key to abbreviation

EBITDA = Earnings before income taxes, depreciation and amortization

Mortgage Fund

| | Investment securities | | | |
|--|-----------------------|-----------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Bonds, notes & other debt instruments: | | | | |
| Mortgage-backed obligations | \$– | \$216,347 | \$ – | \$216,347 |
| U.S. Treasury bonds & notes | – | 28,491 | – | 28,491 |
| Federal agency bonds & notes | – | 18,848 | – | 18,848 |
| Asset-backed obligations | – | 10,075 | – | 10,075 |
| Corporate bonds & notes | – | – | 27 | 27 |
| Short-term securities | – | 20,740 | – | 20,740 |
| Total | \$– | \$294,501 | \$27 | \$294,528 |
| Other investments* | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Unrealized appreciation on futures contracts | \$2,209 | \$ – | \$– | \$ 2,209 |
| Unrealized appreciation on interest rate swaps | – | 2,613 | – | 2,613 |
| Liabilities: | | | | |
| Unrealized depreciation on futures contracts | (5) | – | – | (5) |
| Unrealized depreciation on interest rate swaps | – | (4,884) | – | (4,884) |
| Total | \$2,204 | \$(2,271) | \$– | \$ (67) |

*Futures contracts and interest rate swaps are not included in the investment portfolio.

Ultra-Short Bond Fund

At June 30, 2019, all of the fund’s investment securities were classified as Level 2.

U.S. Government/AAA-Rated Securities Fund

| | Investment securities | | | |
|--|-----------------------|-------------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Bonds, notes & other debt instruments: | | | | |
| U.S. Treasury bonds & notes | \$– | \$1,379,808 | \$– | \$1,379,808 |
| Mortgage-backed obligations | – | 782,101 | – | 782,101 |
| Federal agency bonds & notes | – | 598,890 | – | 598,890 |
| Short-term securities | – | 210,821 | – | 210,821 |
| Total | \$– | \$2,971,620 | \$– | \$2,971,620 |
| | | | | |
| | Other investments* | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Unrealized appreciation on futures contracts | \$25,747 | \$ – | \$– | \$ 25,747 |
| Unrealized appreciation on interest rate swaps | – | 36,665 | – | 36,665 |
| Liabilities: | | | | |
| Unrealized depreciation on futures contracts | (1,612) | – | – | (1,612) |
| Unrealized depreciation on interest rate swaps | – | (62,787) | – | (62,787) |
| Total | \$24,135 | \$(26,122) | \$– | \$ (1,987) |

*Futures contracts and interest rate swaps are not included in the investment portfolio.

Managed Risk Growth Fund

At June 30, 2019, all of the fund's investments were classified as Level 1.

Managed Risk International Fund

At June 30, 2019, all of the fund's investments were classified as Level 1.

Managed Risk Blue Chip Income and Growth Fund

At June 30, 2019, all of the fund's investments were classified as Level 1.

Managed Risk Growth-Income Fund

At June 30, 2019, all of the fund's investments were classified as Level 1.

Managed Risk Asset Allocation Fund

At June 30, 2019, all of the fund's investments were classified as Level 1.

4. Risk factors

Investing in the funds may involve certain risks including, but not limited to, those described below.

Market conditions – The prices of, and the income generated by, the common stocks, bonds and other securities held by a fund may decline – sometimes rapidly or unpredictably – due to various factors, including events or conditions affecting the general economy or particular industries; overall market changes; local, regional or global political, social or economic instability; governmental, governmental agency or central bank responses to economic conditions; and currency exchange rate, interest rate and commodity price fluctuations.

Issuer risks – The prices of, and the income generated by, securities held by a fund may decline in response to various factors directly related to the issuers of such securities, including reduced demand for an issuer's goods or services, poor management performance, major litigation against the issuer, changes in government regulations affecting the issuer or its competitive environment and strategic initiatives such as mergers, acquisitions or dispositions and the market response to any such initiatives.

Investing in growth-oriented stocks – Growth-oriented common stocks and other equity-type securities (such as preferred stocks, convertible preferred stocks and convertible bonds) may involve larger price swings and greater potential for loss than other types of investments. These risks may be even greater in the case of smaller capitalization stocks.

Investing in income-oriented stocks – The value of a fund’s securities and income provided by a fund may be reduced by changes in the dividend policies of, and the capital resources available for dividend payments at, the companies in which the fund invests.

Investing in small companies – Investing in smaller companies may pose additional risks. For example, it is often more difficult to value or dispose of small company stocks and more difficult to obtain information about smaller companies than about larger companies. Furthermore, smaller companies often have limited product lines, operating histories, markets and/or financial resources, may be dependent on one or a few key persons for management, and can be more susceptible to losses. Moreover, the prices of their stocks may be more volatile than stocks of larger, more established companies, particularly during times of market turmoil.

Investing outside the U.S. – Securities of issuers domiciled outside the U.S., or with significant operations or revenues outside the U.S., may lose value because of adverse political, social, economic or market developments (including social instability, regional conflicts, terrorism and war) in the countries or regions in which the issuers operate or generate revenue. These securities may also lose value due to changes in foreign currency exchange rates against the U.S. dollar and/or currencies of other countries. Issuers of these securities may be more susceptible to actions of foreign governments, such as nationalization, currency blockage or the imposition of price controls or punitive taxes, each of which could adversely impact the value of these securities. Securities markets in certain countries may be more volatile and/or less liquid than those in the U.S. Investments outside the U.S. may also be subject to different accounting practices and different regulatory, legal and reporting standards and practices, and may be more difficult to value, than those in the U.S. In addition, the value of investments outside the U.S. may be reduced by foreign taxes, including foreign withholding taxes on interest and dividends. Further, there may be increased risks of delayed settlement of securities purchased or sold by the fund. The risks of investing outside the U.S. may be heightened in connection with investments in emerging markets.

Investing in developing countries – Investing in countries with developing economies and/or markets may involve risks in addition to and greater than those generally associated with investing in developed countries. For instance, emerging market countries may have less developed legal and accounting systems than those in developed countries. The governments of these countries may be less stable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect the prices of securities. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries can also be relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid, and may be more difficult to value, than securities issued in countries with more developed economies and/or markets. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating the fund’s net asset value. Additionally, emerging markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by banks, agents and depositories that are less established than those in developed countries.

Investing in emerging markets – Investing in emerging markets may involve risks in addition to and greater than those generally associated with investing in the securities markets of developed countries. For instance, emerging market countries may have less developed legal and accounting systems than those in developed countries. The governments of these countries may be less stable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect the prices of securities. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries can also be relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid, and may be more difficult to value, than securities issued in countries with more developed economies and/or markets. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating a fund’s net asset value. Additionally, emerging markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by banks, agents and depositories that are less established than those in developed countries.

Investing in debt instruments – The prices of, and the income generated by, bonds and other debt securities held by a fund may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities.

Rising interest rates will generally cause the prices of bonds and other debt securities to fall. A general rise in interest rates may cause investors to sell debt securities on a large scale, which could also adversely affect the price and liquidity of debt securities and could also result in increased redemptions from a fund. Falling interest rates may cause an issuer to redeem, call or refinance a debt security before its stated maturity, which may result in a fund failing to recoup the full amount of its initial investment and having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities.

Bonds and other debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer or guarantor will weaken or be perceived to be weaker, and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. A downgrade or default affecting any of a fund's securities could cause the value of a fund's shares to decrease. Lower quality debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality debt securities. Credit risk is gauged, in part, by the credit ratings of the debt securities in which a fund invests. However, ratings are only the opinions of the rating agencies issuing them and are not guarantees as to credit quality or an evaluation of market risk. The funds' investment adviser relies on its own credit analysts to research issuers and issues in seeking to assess credit and default risks.

Investing in lower rated debt instruments – Lower rated bonds and other lower rated debt securities generally have higher rates of interest and involve greater risk of default or price declines due to changes in the issuer's creditworthiness than those of higher quality debt securities. The market prices of these securities may fluctuate more than the prices of higher quality debt securities and may decline significantly in periods of general economic difficulty. These risks may be increased with respect to investments in junk bonds.

Investing in derivatives – The use of derivatives involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional securities, such as stocks and bonds. Changes in the value of a derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and a derivative instrument may expose a fund to losses in excess of its initial investment. Derivatives may be difficult to value, difficult for a fund to buy or sell at an opportune time or price and difficult to terminate or otherwise offset. A fund's use of derivatives may result in losses to the fund, and investing in derivatives may reduce a fund's returns and increase a fund's price volatility. A fund's counterparty to a derivative transaction (including, if applicable, the fund's clearing broker, the derivatives exchange or the clearinghouse) may be unable or unwilling to honor its financial obligations in respect of the transaction.

Currency – The prices of, and the income generated by, most debt securities held by a fund may also be affected by changes in relative currency values. If the U.S. dollar appreciates against foreign currencies, the value in U.S. dollars of a fund's securities denominated in such currencies would generally fall and vice versa. U.S. dollar-denominated securities of foreign issuers may also be affected by changes in relative currency values.

Investing in mortgage-related and other asset-backed securities – Mortgage-related securities, such as mortgage-backed securities, and other asset-backed securities, include debt obligations that represent interests in pools of mortgages or other income-bearing assets, such as consumer loans or receivables. Such securities often involve risks that are different from or more acute than the risks associated with investing in other types of debt securities. Mortgage-backed and other asset-backed securities are subject to changes in the payment patterns of borrowers of the underlying debt, potentially increasing the volatility of the securities and a fund's net asset value. When interest rates fall, borrowers are more likely to refinance or prepay their debt before its stated maturity. This may result in a fund having to reinvest the proceeds in lower yielding securities, effectively reducing a fund's income. Conversely, if interest rates rise and borrowers repay their debt more slowly than expected, the time in which the mortgage-backed and other asset-backed securities are paid off could be extended, reducing a fund's cash available for reinvestment in higher yielding securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgages may decline in value and be insufficient, upon foreclosure, to repay the associated loans. Investments in asset-backed securities are subject to similar risks.

Investing in future delivery contracts – A fund may enter into contracts, such as to-be-announced contracts and mortgage dollar rolls, that involve a fund selling mortgage-related securities and simultaneously contracting to repurchase similar securities for delivery at a future date at a predetermined price. This can increase a fund's market exposure, and the market price of the securities that the fund contracts to repurchase could drop below their purchase price. While a fund can preserve and generate capital through the use of such contracts by, for example, realizing the difference between the sale price and the future purchase price, the income generated by the fund may be reduced by engaging in such transactions. In addition, these transactions may increase the turnover rate of a fund.

Investing in inflation linked bonds – The values of inflation linked bonds generally fluctuate in response to changes in real interest rates – i.e., rates of interest after factoring in inflation. A rise in real interest rates may cause the prices of inflation linked securities to fall, while a decline in real interest rates may cause the prices to increase. Inflation linked bonds may experience greater losses than other debt securities with similar durations when real interest rates rise faster than nominal interest rates. There can be no assurance that the value of an inflation linked security will be directly correlated to changes in interest rates; for example, if interest rates rise for reasons other than inflation, the increase may not be reflected in the security's inflation measure.

Investing in inflation linked bonds may also reduce a fund's distributable income during periods of deflation. If prices for goods and services decline throughout the economy, the principal and income on inflation linked securities may decline and result in losses to a fund.

Investing in securities backed by the U.S. government – Securities backed by the U.S. Treasury or the full faith and credit of the U.S. government are guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market values for these securities will fluctuate with changes in interest rates and the credit rating of the U.S. government. Securities issued by government-sponsored entities and federal agencies and instrumentalities that are not backed by the full faith and credit of the U.S. government are neither issued nor guaranteed by the U.S. government.

Investing in repurchase agreements – Upon entering into a repurchase agreement, a fund purchases a security from a bank or broker-dealer, which simultaneously commits to repurchase the security within a specified time at the fund's cost with interest. The security purchased by the fund constitutes collateral for the seller's repurchase obligation. If the party agreeing to repurchase should default, the fund may seek to sell the security it holds as collateral. The fund may incur a loss if the value of the collateral securing the repurchase obligation falls below the repurchase price. The fund may also incur disposition costs and encounter procedural delays in connection with liquidating the collateral.

Interest rate risk – The values and liquidity of the securities held by a fund may be affected by changing interest rates. For example, the values of these securities may decline when interest rates rise and increase when interest rates fall. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities. A fund may invest in variable and floating rate securities. When a fund holds variable or floating rate securities, a decrease in market interest rates will adversely affect the income received from such securities and the net asset value of a fund's shares. Although the values of such securities are generally less sensitive to interest rate changes than those of other debt securities, the value of variable and floating rate securities may decline if their interest rates do not rise as quickly, or as much, as market interest rates. Conversely, floating rate securities will not generally increase in value if interest rates decline. During periods of extremely low short-term interest rates, a fund may not be able to maintain a positive yield and, given the current low interest rate environment, risks associated with rising rates are currently heightened.

Credit and liquidity support – Changes in the credit quality of banks and financial institutions providing credit and liquidity support features with respect to securities held by a fund could cause the values of these securities to decline.

Asset allocation – A fund's percentage allocation to equity securities, debt securities and money market instruments could cause the fund to underperform relative to relevant benchmarks and other funds with similar investment objectives.

Nondiversification risk – As nondiversified funds, certain funds have the ability to invest a larger percentage of their assets in the securities of a smaller number of issuers than diversified funds. Although the funds do not intend to limit their investments to the securities of a small number of issuers, if they were to do so, poor performance by a single large holding could adversely impact the funds' investment results more than if the funds were invested in a larger number of issuers.

Liquidity risk – Certain fund holdings may be or become difficult or impossible to sell, particularly during times of market turmoil. Illiquidity may result from the lack of an active market for a holding, legal or contractual restrictions on resale, or the reduced number and capacity of market participants to make a market in such holding. Market prices for less liquid or illiquid holdings may be volatile, and reduced liquidity may have an adverse impact on the market price of such holdings. Additionally, the sale of less liquid or illiquid holdings may involve substantial delays (including delays in settlement) and additional costs and the fund may be unable to sell such holdings when necessary to meet its liquidity needs or may be forced to sell at a loss.

Management – The investment adviser to the funds actively manages the funds' investments. Consequently, the funds are subject to the risk that the methods and analyses, including models, tools and data, employed by the investment adviser in this process may be flawed or incorrect and may not produce the desired results. This could cause the funds to lose value or their investment results to lag relevant benchmarks or other funds with similar objectives.

Investing in the managed risk funds may involve additional risks including, but not limited to, those described below.

Fund structure – The managed risk funds invest in underlying funds and incur expenses related to those underlying funds. In addition, investors in the managed risk funds will incur fees to pay for certain expenses related to the operations of the managed risk funds. An investor holding the underlying fund directly would incur lower overall expenses but would not receive the benefit of the managed risk strategy.

Management – The managed risk funds are subject to the risk that the managed risk strategy or the methods employed by the subadviser in implementing the managed risk strategy may not produce the desired results. This could cause the managed risk funds to lose value or their investment results to lag relevant benchmarks or other funds with similar objectives.

Underlying fund risks – Because the managed risk funds’ investments consist of investments in underlying funds, the managed risk funds’ risks are directly related to the risks of the respective underlying fund in which each managed fund invests. For this reason, it is important to understand the risks associated with investing both in the managed risk fund and in each of the underlying funds.

Investing in options and futures contracts – In addition to the risks generally associated with investing in derivative instruments, options and futures contracts are subject to the creditworthiness of the clearing organizations, exchanges and, in the case of futures, futures commission merchants with which a fund transacts. Additionally, although futures require only a small initial investment in the form of a deposit of initial margin, the amount of a potential loss on a futures contract could greatly exceed the initial amount invested. While both options and futures contracts are generally liquid instruments, under certain market conditions, options and futures may be deemed to be illiquid. For example, a fund may be temporarily prohibited from closing out its position in an options or futures contract if intraday price change limits or limits on trading volume imposed by the applicable exchange are triggered. If a fund is unable to close out a position on an options or futures contract, the fund would remain subject to the risk of adverse price movements until the fund is able to close out the position in question. The ability of a fund to successfully utilize options and futures contracts may depend in part upon the ability of the fund’s investment adviser or subadviser to accurately forecast interest rates and other economic factors and to assess and predict the impact of such economic factors on the options and futures in which the fund invests. If the investment adviser or subadviser incorrectly forecasts economic developments or incorrectly predicts the impact of such developments on the options and futures in which it invests, a fund could be exposed to the risk of loss. Whereas the risk of loss on a put option purchased by the fund is limited to the initial cost of the option, the amount of a potential loss on a futures contract could greatly exceed the relatively small initial amount invested in entering the futures position.

Hedging – There may be imperfect or even negative correlation between the prices of the options and futures contracts in which a fund invests and the prices of the underlying securities or indexes which the fund seeks to hedge. For example, options and futures contracts may not provide an effective hedge because changes in options and futures contract prices may not track those of the underlying securities or indexes they are intended to hedge. In addition, there are significant differences between the securities market, on the one hand, and the options and futures markets, on the other, that could result in an imperfect correlation between the markets, causing a given hedge not to achieve its objectives. The degree of imperfection of correlation depends on circumstances such as variations in speculative market demand for options and futures, including technical influences in options and futures trading, and differences between the financial instruments being hedged and the instruments underlying the standard contracts available for trading. A decision as to whether, when and how to hedge involves the exercise of skill and judgment, and even a well-conceived hedge may be unsuccessful to some degree because of market behavior or unexpected interest rate trends. In addition, the fund’s investment in exchange-traded options and futures and their resulting costs could limit the fund’s gains in rising markets relative to those of the underlying funds, or to those of unhedged funds in general.

Short positions – A fund may suffer losses from short positions in futures contracts. Losses from short positions in futures contracts occur when the underlying index increases in value. As the underlying index increases in value, the holder of the short position in the corresponding futures contract is required to pay the difference in value of the futures contract resulting from the increase in the index on a daily basis. Losses from a short position in an index futures contract could potentially be very large if the value of the underlying index rises dramatically in a short period of time.

5. Certain investment techniques

Securities lending – Global Small Capitalization Fund has entered into securities lending transactions in which the fund earns income by lending investment securities to brokers, dealers or other institutions. Each transaction involves three parties: the fund, acting as the lender of the securities, a borrower, and a lending agent that acts as an intermediary.

Securities lending transactions are entered into by the fund under the securities lending agreement with the lending agent. The lending agent facilitates the exchange of securities between the lender and the borrower, generally provides protection from borrower default, marks to market the value of collateral daily, secures additional collateral from the borrower if it falls below preset terms, and may reinvest the collateral on behalf of the fund according to agreed parameters. The lending agent has indemnified the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a potential loss of income or value if the borrower fails to return the securities, collateral investments decline in value or the lending agent fails to perform.

The borrower is required to post highly liquid assets, such as cash or U.S. government securities, as collateral for the loan in an amount at least equal to the value of the securities loaned. Investments made with cash collateral are recognized as assets in the fund’s investment portfolio. The same amount is recorded as a liability in the fund’s statement of assets and liabilities. While securities are on loan, the fund will continue to receive the equivalent of the interest, dividends or other distributions paid by the issuer, as well as a

portion of the interest on the investment of the collateral. Additionally, although the fund does not have the right to vote on securities while they are on loan, the fund has a right to consent on corporate actions and a right to recall loaned securities to vote on proposals affecting them. The borrower is obligated to return the loaned security at the conclusion of the loan or, during the pendency of the loan, on demand from the fund.

As of June 30, 2019, the total value of securities on loan was \$158,280,000, and the total value of collateral received was \$164,904,000. Collateral received included cash of \$132,644,000 and non-cash U.S. Government securities of \$32,260,000. Investment securities purchased from cash collateral of \$119,380,000 are disclosed in the summary investment portfolio as short-term securities. Securities received as collateral, if any, are not recognized as fund assets. The contractual maturity of collateral received under the securities lending agreement is classified as overnight and continuous.

Index-linked bonds – Some of the funds have invested in index-linked bonds, which are fixed-income securities whose principal value is periodically adjusted to a government price index. Over the life of an index-linked bond, interest is paid on the adjusted principal value. Increases or decreases in the principal value of index-linked bonds are recorded as interest income in the fund's statement of operations.

Mortgage dollar rolls – Some of the funds have entered into mortgage dollar roll transactions in which the fund sells a mortgage-backed security to a counterparty and simultaneously enters into an agreement with the same counterparty to buy back a similar security on a specific future date at a predetermined price. Mortgage dollar rolls are accounted for as purchase and sale transactions, which may increase the funds' portfolio turnover rates.

Loan transactions – Some of the funds have entered into loan transactions in which the fund acquires a loan either through an agent, by assignment from another holder, or as a participation interest in another holder's portion of a loan. The loan is often administered by a financial institution that acts as agent for the holders of the loan, and the fund may be required to receive approval from the agent and/or borrower prior to the sale of the investment. The loan's interest rate and maturity date may change based on the terms of the loan, including potential early payments of principal.

Short-term securities – The managed risk funds hold shares of the Government Cash Management Fund, a cash management vehicle offered by the Bank of New York Mellon ("BNY Mellon"), the funds' custodian bank. The Government Cash Management Fund is managed by the Dreyfus Corporation.

Options contracts – The Managed Risk Growth-Income Fund has entered into options contracts, which give the holder of the option, in return for a premium payment, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option, the security underlying the option (or the cash value of the index underlying the option) at a specified price. As part of its managed risk strategy, the Managed Risk Growth-Income Fund will at times purchase put options on equity indexes in standardized contracts traded on foreign or domestic securities exchanges, boards of trade, or similar entities. By purchasing a put option on an equity index, the fund obtains the right (but not the obligation) to sell the cash value of the index underlying the option at a specified exercise price, and in return for this right, the fund pays the current market price, or the option premium, for the option.

The fund may terminate its position in a put option by allowing the option to expire or by exercising the option. If the option is allowed to expire, the fund will lose the entire premium. If the option is exercised, the fund completes the sale of the underlying instrument (or delivers the cash value of the index underlying the option) at the exercise price. The fund may also terminate a put option position by entering into opposing close-out transactions in advance of the option expiration date.

Premiums paid on options purchased, as well as the daily fluctuation in market value, are included in investment securities in the fund's statement of assets and liabilities. Realized gains or losses are recorded at the time the option contract is closed or expires. Net realized gains or losses and net unrealized appreciation or depreciation from options contracts are recorded in the fund's statement of operations.

Futures contracts – Some of the funds have entered into futures contracts, which provide for the future sale by one party and purchase by another party of a specified amount of a specific financial instrument for a specified price, date, time and place designated at the time the contract is made. Futures contracts are used to strategically manage the fund's interest rate sensitivity by increasing or decreasing the duration of the fund or a portion of the fund's portfolio. For the managed risk funds, futures contracts are used to strategically manage portfolio volatility and downside equity risk.

Upon entering into futures contracts, and to maintain the fund's open positions in futures contracts, the fund is required to deposit with a futures broker, known as a futures commission merchant ("FCM"), in a segregated account in the name of the FCM an amount of cash, U.S. government securities or other liquid securities, known as initial margin. The margin required for a particular futures contract is set

by the exchange on which the contract is traded to serve as collateral, and may be significantly modified from time to time by the exchange during the term of the contract. Securities deposited as initial margin, if any, are disclosed in the investment portfolio and cash deposited as initial margin, if any, is reflected as restricted cash pledged for futures contracts in the fund's statement of assets and liabilities.

On a daily basis, each fund pays or receives variation margin based on the increase or decrease in the value of the futures contracts and records variation margin on futures contracts in each fund's statement of assets and liabilities. In addition, each fund segregates liquid assets equivalent to the fund's outstanding obligations under the contract in excess of the initial margin and variation margin, if any. Futures contracts may involve a risk of loss in excess of the variation margin shown on each fund's statement of assets and liabilities. Each fund records realized gains or losses at the time the futures contract is closed or expires. Net realized gains or losses and net unrealized appreciation or depreciation from futures contracts are recorded in each fund's statement of operations.

Forward currency contracts – Some of the funds have entered into forward currency contracts, which represent agreements to exchange currencies on specific future dates at predetermined rates. The series' investment adviser uses forward currency contracts to manage the fund's exposure to changes in exchange rates. Upon entering into these contracts, risks may arise from the potential inability of counterparties to meet the terms of their contracts and from possible movements in exchange rates.

On a daily basis, the series' investment adviser values forward currency contracts based on the applicable exchange rates and records unrealized appreciation or depreciation for open forward currency contracts in each fund's statement of assets and liabilities. Realized gains or losses are recorded at the time the forward contract is closed or offset by another contract with the same broker for the same settlement date and currency. Closed forward currency contracts that have not reached their settlement date are included in the respective receivables or payables for closed forward currency contracts in each fund's statement of assets and liabilities. Net realized gains or losses from closed forward currency contracts and net unrealized appreciation or depreciation from open forward currency contracts are recorded in each fund's statement of operations.

Interest rate swaps – Some of the funds have entered into interest rate swaps, which are agreements to exchange one stream of future interest payments for another based on a specified notional amount. Typically, interest rate swaps exchange a fixed interest rate for a payment that floats relative to a benchmark or vice versa. The series' investment adviser uses interest rate swaps to manage the interest rate sensitivity of the fund by increasing or decreasing the duration of the fund or a portion of the fund's portfolio. Risks may arise as a result of the series' investment adviser incorrectly anticipating changes in interest rates, increased volatility, reduced liquidity and the potential inability of counterparties to meet the terms of their agreements.

Upon entering into an interest rate swap contract, the fund is required to deposit cash, U.S. government securities or other liquid securities, which is known as initial margin. Generally, the initial margin required for a particular interest rate swap is set and held as collateral by the clearinghouse on which the contract is cleared. The amount of initial margin required may be significantly modified from time to time by the clearinghouse during the term of the contract.

On a daily basis, the series' investment adviser records daily interest accruals related to the exchange of future payments as a receivable and payable in each fund's statement of assets and liabilities. Each fund also pays or receives a variation margin based on the increase or decrease in the value of the interest rate swaps, including accrued interest, and records variation margin on interest rate swaps in each fund's statement of assets and liabilities. Each fund records realized gains and losses on both the net accrued interest and any gain or loss recognized at the time the interest rate swap is closed or expires. Net realized gains or losses, as well as any net unrealized appreciation or depreciation, from interest rate swaps are recorded in each fund's statement of operations.

Credit default swap indices – Some of the funds have entered into centrally cleared credit default swap agreements on credit indices ("CDSI") that involve one party (the protection buyer) making a stream of payments to another party (the protection seller) in exchange for the right to receive a specified return upon the occurrence of a credit event, such as a default or restructuring, with respect to any of the underlying issuers (reference obligations) in the referenced index. The series' investment adviser uses credit default swaps to assume exposure to a diversified portfolio of credits or to hedge against existing credit risks.

CDSI are portfolios of credit instruments or exposures designed to be representative of some part of the credit market, such as the high-yield or investment-grade credit market. CDSI are generally traded using standardized terms, including a fixed spread and standard maturity dates, and reference all the names in the index. If there is a credit event, it is settled based on that name's weight in the index. The composition of the underlying issuers or obligations within a particular index may change periodically, usually every six months. A specified credit event may affect all or individual underlying reference obligations included in the index, and will be settled based upon the relative weighting of the affected obligation(s) within the index. The value of each CDSI can be used as a measure of the current payment/performance risk of the CDSI and represents the likelihood of an expected liability or profit should the notional amount of the CDSI be closed or sold as of the period end. An increasing value, as compared to the notional amount of the CDSI,

represents a deterioration of the referenced indices' credit soundness and a greater likelihood of risk of default or other credit event occurring as defined under the terms of the agreement. When a fund provides sell protection, its maximum exposure is the notional amount of the credit default swap agreement.

Upon entering into a centrally cleared CDSI contract, the fund is required to deposit with a derivatives clearing member ("DCM") in a segregated account in the name of the DCM an amount of cash, U.S. government securities or other liquid securities, which is known as initial margin. Generally, the initial margin required for a particular credit default swap is set and held as collateral by the clearinghouse on which the contract is cleared. The amount of initial margin required may be significantly modified from time to time by the clearinghouse during the term of the contract. Securities deposited as initial margin are designated on the investment portfolio.

On a daily basis, interest accruals related to the exchange of future payments are recorded as a receivable and payable in each fund's statement of assets and liabilities. Each fund also pays or receives a variation margin based on the increase or decrease in the value of the centrally cleared swaps, and records variation margin in each fund's statement of assets and liabilities. Each fund records realized gains and losses on both the net accrued interest and any gain or loss recognized at the time the swap is closed or expires. Net realized gains or losses, as well as any net unrealized appreciation or depreciation, from credit default swaps are recorded in each fund's statement of operations.

The following table presents the average month-end notional amounts of options purchased, futures contracts, forward currency contracts, interest rate swaps and credit default swaps while held for each fund (dollars in thousands):

| | Options purchased | Futures contracts | Forwards | Interest rate Swaps | Credit Default Swaps |
|---|----------------------|----------------------|----------------|---------------------------|----------------------------|
| International Fund | Not applicable | Not applicable | \$ 62,955 | Not applicable | Not applicable |
| New World Fund | Not applicable | Not applicable | 12,089* | Not applicable | Not applicable |
| Global Growth and Income Fund | Not applicable | Not applicable | 7,516 | Not applicable | Not applicable |
| International Growth and Income Fund | Not applicable | Not applicable | 1,582 | Not applicable | Not applicable |
| Capital Income Builder | Not applicable | \$ 159,367 | Not applicable | \$ 282,002 | Not applicable |
| Asset Allocation Fund | Not applicable | 1,363,592 | Not applicable | 1,029,617 | Not applicable |
| Global Balanced Fund | Not applicable | 13,222 | 24,216 | 62,509 | Not applicable |
| Bond Fund | Not applicable | 3,441,054 | 687,325 | 1,223,097 | Not applicable |
| Global Bond Fund | Not applicable | 405,232 | 751,208 | 1,050,454 | Not applicable |
| High-Income Bond Fund | Not applicable | Not applicable | Not applicable | 34,644* | \$69,305 |
| Mortgage Fund | Not applicable | 152,083 | Not applicable | 422,087 | Not applicable |
| U.S. Government/AAA-Rated Securities Fund | Not applicable | 2,866,388 | Not applicable | 13,229,823 | Not applicable |
| Managed Risk Growth Fund | Not applicable | 53,799 | Not applicable | Not applicable | Not applicable |
| Managed Risk International Fund | Not applicable | 186,094 | Not applicable | Not applicable | Not applicable |
| Managed Risk Blue Chip Income and Growth Fund | Not applicable | 45,963 | Not applicable | Not applicable | Not applicable |
| Managed Risk Growth-Income Fund | \$216,765 | 201,777 | Not applicable | Not applicable | Not applicable |
| Managed Risk Asset Allocation Fund | Not applicable | 338,197 | Not applicable | Not applicable | Not applicable |

*No contracts were held at the end of the reporting period; amount represents the average month-end notional amount of contracts while they were held.

The following tables identify the location and fair value amounts on the funds' statements of assets and liabilities and the effect on the funds' statements of operations resulting from the funds' use of options, futures contracts, forward currency contracts, interest rate swaps and/or credit default swaps as of, or for the six months ended June 30, 2019 (dollars in thousands):

International Fund

| Contracts | Risk type | Assets | | Liabilities | |
|------------------|-----------|--|---------|--|-------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Forward currency | Currency | Unrealized appreciation on open forward currency contracts | \$124 | Unrealized depreciation on open forward currency contracts | \$340 |
| | | Net realized loss | | Net unrealized appreciation | |
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Forward currency | Currency | Net realized loss on forward currency contracts | \$(999) | Net unrealized appreciation on forward currency contracts | \$309 |

New World Fund

| | | Net realized gain | | Net unrealized depreciation | |
|------------------|-----------|---|-------|---|---------|
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Forward currency | Currency | Net realized gain on forward currency contracts | \$303 | Net unrealized depreciation on forward currency contracts | \$(303) |

Global Growth and Income Fund

| Contracts | Risk type | Assets | | Liabilities | |
|------------------|-----------|--|-------|--|---------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Forward currency | Currency | Unrealized appreciation on open forward currency contracts | \$- | Unrealized depreciation on open forward currency contracts | \$94 |
| | | Net realized gain | | Net unrealized depreciation | |
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Forward currency | Currency | Net realized gain on forward currency contracts | \$493 | Net unrealized depreciation on forward currency contracts | \$(445) |

See end of tables for footnotes.

International Growth and Income Fund

| Contracts | Risk type | Assets | | Liabilities | |
|------------------|-----------|--|-------|--|-------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Forward currency | Currency | Unrealized appreciation on open forward currency contracts | \$5 | Unrealized depreciation on open forward currency contracts | \$- |

| Contracts | Risk type | Net realized gain | | Net unrealized appreciation | |
|------------------|-----------|---|-------|---|-------|
| | | Location on statement of operations | Value | Location on statement of operations | Value |
| Forward currency | Currency | Net realized gain on forward currency contracts | \$24 | Net unrealized appreciation on forward currency contracts | \$5 |

Capital Income Builder

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|----------------|---|----------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$1,059 | Unrealized depreciation ¹ | \$1,125 |
| Swap | Interest | Unrealized appreciation ¹ | 1,793 | Unrealized depreciation ¹ | 444 |
| | | | <u>\$2,852</u> | | <u>\$1,569</u> |

| Contracts | Risk type | Net realized (loss) gain | | Net unrealized (depreciation) appreciation | |
|-----------|-----------|--|--------------|--|---------------|
| | | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Interest | Net realized loss on futures contracts | \$(194) | Net unrealized depreciation on futures contracts | \$ (495) |
| Swap | Interest | Net realized gain on swap contracts | 230 | Net unrealized appreciation on swap contracts | 1,349 |
| | | | <u>\$ 36</u> | | <u>\$ 854</u> |

Asset Allocation Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|-----------------|---|-----------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$18,387 | Unrealized depreciation ¹ | \$ 7,975 |
| Swap | Interest | Unrealized appreciation ¹ | - | Unrealized depreciation ¹ | 9,381 |
| | | | <u>\$18,387</u> | | <u>\$17,356</u> |

| Contracts | Risk type | Net realized gain (loss) | | Net unrealized appreciation (depreciation) | |
|-----------|-----------|--|---------------|--|-----------------|
| | | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Interest | Net realized gain on futures contracts | \$ 12,523 | Net unrealized appreciation on futures contracts | \$ 5,251 |
| Swap | Interest | Net realized loss on swap contracts | (12,336) | Net unrealized depreciation on swap contracts | (5,824) |
| | | | <u>\$ 187</u> | | <u>\$ (573)</u> |

Global Balanced Fund

| | | Assets | | Liabilities | |
|------------------|-----------|--|---------------|--|----------------|
| Contracts | Risk type | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$ 89 | Unrealized depreciation ¹ | \$ - |
| Forward currency | Currency | Unrealized appreciation on open forward currency contracts | 102 | Unrealized depreciation on open forward currency contracts | 100 |
| Swap | Interest | Unrealized appreciation ¹ | 51 | Unrealized depreciation ¹ | - |
| | | | <u>\$242</u> | | <u>\$100</u> |
| | | Net realized gain (loss) | | Net unrealized (depreciation) appreciation | |
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Interest | Net realized gain on futures contracts | \$ 509 | Net unrealized depreciation on futures contracts | \$ (91) |
| Forward currency | Currency | Net realized loss on forward currency contracts | (206) | Net unrealized depreciation on forward currency contracts | (80) |
| Swap | Interest | Net realized loss on swap contracts | (20) | Net unrealized appreciation on swap contracts | 46 |
| | | | <u>\$ 283</u> | | <u>\$(125)</u> |

Bond Fund

| | | Assets | | Liabilities | |
|------------------|-----------|--|-----------------|--|------------------|
| Contracts | Risk type | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$50,129 | Unrealized depreciation ¹ | \$12,139 |
| Forward currency | Currency | Unrealized appreciation on open forward currency contracts | 4,506 | Unrealized depreciation on open forward currency contracts | 7,567 |
| Swap | Interest | Unrealized appreciation ¹ | 1,366 | Unrealized depreciation ¹ | 13,184 |
| | | | <u>\$56,001</u> | | <u>\$32,890</u> |
| | | Net realized gain (loss) | | Net unrealized appreciation (depreciation) | |
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Interest | Net realized gain on futures contracts | \$ 31,573 | Net unrealized appreciation on futures contracts | \$ 18,382 |
| Forward currency | Currency | Net realized loss on forward currency contracts | (10,249) | Net unrealized appreciation on forward currency contracts | 6,210 |
| Swap | Interest | Net realized loss on swap contracts | (14,206) | Net unrealized depreciation on swap contracts | (12,045) |
| Swap | Credit | Net realized loss on swap contracts | (342) | Net unrealized appreciation on swap contracts | - |
| | | | <u>\$ 6,776</u> | | <u>\$ 12,547</u> |

See end of tables for footnotes.

Global Bond Fund

| Contracts | Risk type | Assets | | Liabilities | |
|------------------|-----------|--|-----------------|--|------------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$2,738 | Unrealized depreciation ¹ | \$1,424 |
| Forward currency | Currency | Unrealized appreciation on open forward currency contracts | 2,437 | Unrealized depreciation on open forward currency contracts | 2,882 |
| Swap | Interest | Unrealized appreciation ¹ | 1,351 | Unrealized depreciation ¹ | – |
| | | | <u>\$6,526</u> | | <u>\$4,306</u> |
| | | Net realized gain (loss) | | Net unrealized (depreciation) appreciation | |
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Interest | Net realized gain on futures contracts | \$12,050 | Net unrealized depreciation on futures contracts | \$(2,957) |
| Forward currency | Currency | Net realized gain on forward currency contracts | 2,707 | Net unrealized depreciation on forward currency contracts | (7,363) |
| Swap | Interest | Net realized loss on swap contracts | (202) | Net unrealized appreciation on swap contracts | 1,300 |
| | | | <u>\$14,555</u> | | <u>\$(9,020)</u> |

High-Income Bond Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|----------------|---|------------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Swap | Credit | Unrealized appreciation ¹ | \$– | Unrealized depreciation ¹ | \$284 |
| | | Net realized loss | | Net unrealized appreciation (depreciation) | |
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Swap | Interest | Net realized loss on swap contracts | \$(268) | Net unrealized appreciation on swap contracts | \$ 224 |
| Swap | Credit | Net realized loss on swap contracts | (127) | Net unrealized depreciation on swap contracts | (1,828) |
| | | | <u>\$(395)</u> | | <u>\$(1,604)</u> |

Mortgage Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|----------------|---|----------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$2,209 | Unrealized depreciation ¹ | \$ 5 |
| Swap | Interest | Unrealized appreciation ¹ | 2,613 | Unrealized depreciation ¹ | 4,884 |
| | | | <u>\$4,822</u> | | <u>\$4,889</u> |

| Contracts | Risk type | Net realized gain | | Net unrealized appreciation (depreciation) | |
|-----------|-----------|--|----------------|--|------------------|
| | | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Interest | Net realized gain on futures contracts | \$3,551 | Net unrealized appreciation on futures contracts | \$ 305 |
| Swap | Interest | Net realized gain on swap contracts | 1,067 | Net unrealized depreciation on swap contracts | (3,465) |
| | | | <u>\$4,618</u> | | <u>\$(3,160)</u> |

U.S. Government/AAA-Rated Securities Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|-----------------|---|-----------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$25,747 | Unrealized depreciation ¹ | \$ 1,612 |
| Swap | Interest | Unrealized appreciation ¹ | 36,665 | Unrealized depreciation ¹ | 62,787 |
| | | | <u>\$62,412</u> | | <u>\$64,399</u> |

| Contracts | Risk type | Net realized gain | | Net unrealized depreciation | |
|-----------|-----------|--|-----------------|--|-------------------|
| | | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Interest | Net realized gain on futures contracts | \$55,917 | Net unrealized depreciation on futures contracts | \$ (3,315) |
| Swap | Interest | Net realized gain on swap contracts | 6,764 | Net unrealized depreciation on swap contracts | (45,476) |
| | | | <u>\$62,681</u> | | <u>\$(48,791)</u> |

Managed Risk Growth Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|-------|---|-------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$171 | Unrealized depreciation ¹ | \$- |

| Contracts | Risk type | Net realized (loss) gain | | Net unrealized appreciation (depreciation) | |
|-----------|-----------|--|------------------|--|------------------|
| | | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Currency | Net realized loss on futures contracts | \$ (53) | Net unrealized appreciation on futures contracts | \$ 45 |
| Futures | Equity | Net realized loss on futures contracts | (5,316) | Net unrealized depreciation on futures contracts | (4,022) |
| Futures | Interest | Net realized gain on futures contracts | 2,166 | Net unrealized depreciation on futures contracts | (1,743) |
| | | | <u>\$(3,203)</u> | | <u>\$(5,720)</u> |

See end of tables for footnotes.

Managed Risk International Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|------------------|--|------------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$77 | Unrealized depreciation ¹ | \$- |
| | | Net realized (loss) gain | | Net unrealized appreciation (depreciation) | |
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Currency | Net realized loss on futures contracts | \$ (297) | Net unrealized appreciation on futures contracts | \$ 278 |
| Futures | Equity | Net realized loss on futures contracts | (1,420) | Net unrealized depreciation on futures contracts | (882) |
| Futures | Interest | Net realized gain on futures contracts | 621 | Net unrealized depreciation on futures contracts | (538) |
| | | | <u>\$(1,096)</u> | | <u>\$(1,142)</u> |

Managed Risk Blue Chip Income and Growth Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|------------------|--|------------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$124 | Unrealized depreciation ¹ | \$- |
| | | Net realized (loss) gain | | Net unrealized appreciation (depreciation) | |
| Contracts | Risk type | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Currency | Net realized loss on futures contracts | \$ (27) | Net unrealized appreciation on futures contracts | \$ 30 |
| Futures | Equity | Net realized loss on futures contracts | (5,702) | Net unrealized depreciation on futures contracts | (3,946) |
| Futures | Interest | Net realized gain on futures contracts | 2,075 | Net unrealized depreciation on futures contracts | (1,741) |
| | | | <u>\$(3,654)</u> | | <u>\$(5,657)</u> |

Managed Risk Growth-Income Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-------------------|-----------|--|----------------|--|------------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Options purchased | Equity | Investment securities from unaffiliated issuers ² | \$4,101 | Investment securities from unaffiliated issuers ² | \$- |
| Futures | Equity | Unrealized appreciation ¹ | 836 | Unrealized depreciation ¹ | - |
| Futures | Interest | Unrealized appreciation ¹ | 1,476 | Unrealized depreciation ¹ | - |
| | | | <u>\$6,413</u> | | <u>\$-</u> |

| Contracts | Risk type | Net realized (loss) gain | | Net unrealized (depreciation) appreciation | |
|-------------------|-----------|---|-------------------|---|-------------------|
| | | Location on statement of operations | Value | Location on statement of operations | Value |
| Options purchased | Equity | Net realized loss on options purchased contracts ³ | \$ (7,604) | Net unrealized depreciation on options purchased contracts ⁴ | \$(11,249) |
| Futures | Currency | Net realized loss on futures contracts | (716) | Net unrealized appreciation on futures contracts | 497 |
| Futures | Equity | Net realized loss on futures contracts | (20,075) | Net unrealized depreciation on futures contracts | (3,049) |
| Futures | Interest | Net realized gain on futures contracts | 6,741 | Net unrealized depreciation on futures contracts | (5,443) |
| | | | <u>\$(21,654)</u> | | <u>\$(19,244)</u> |

Managed Risk Asset Allocation Fund

| Contracts | Risk type | Assets | | Liabilities | |
|-----------|-----------|---|---------|---|-------|
| | | Location on statement of assets and liabilities | Value | Location on statement of assets and liabilities | Value |
| Futures | Interest | Unrealized appreciation ¹ | \$1,321 | Unrealized depreciation ¹ | \$- |

| Contracts | Risk type | Net realized (loss) gain | | Net unrealized appreciation (depreciation) | |
|-----------|-----------|--|-------------------|--|-------------------|
| | | Location on statement of operations | Value | Location on statement of operations | Value |
| Futures | Currency | Net realized loss on futures contracts | \$ (232) | Net unrealized appreciation on futures contracts | \$ 182 |
| Futures | Equity | Net realized loss on futures contracts | (22,682) | Net unrealized depreciation on futures contracts | (17,157) |
| Futures | Interest | Net realized gain on futures contracts | 8,058 | Net unrealized depreciation on futures contracts | (7,027) |
| | | | <u>\$(14,856)</u> | | <u>\$(24,002)</u> |

¹Includes cumulative appreciation/depreciation on futures contracts, interest rate swaps and/or credit default swaps as reported in the applicable table following each fund's investment portfolio. Only current day's variation margin is reported within the statements of assets and liabilities.

²Includes options purchased as reported in the fund's investment portfolio.

³Options purchased are included in net realized gain (loss) on unaffiliated investments.

⁴Options purchased are included in net unrealized appreciation (depreciation) on unaffiliated investments.

Collateral – Some funds participate in a collateral program that calls for the funds to either receive or pledge highly liquid assets, such as cash or U.S. government securities, as collateral due to securities lending and/or their use of futures contracts, forward currency contracts, interest rate swaps, credit default swaps and/or future delivery contracts. For securities lending, each participating fund receives collateral in exchange for lending investment securities. The purpose of the collateral is to cover potential losses that could occur in the event that the borrower cannot meet its contractual obligation. The lending agent may reinvest collateral from securities lending transactions according to agreed parameters. For futures contracts, interest rate swaps and credit default swaps, the program calls for each participating fund to pledge collateral for initial and variation margin by contract. For forward currency contracts, the program calls for each participating fund to either receive or pledge collateral based on the net gain or loss on unsettled forward currency contracts by counterparty. For future delivery contracts, the program calls for each participating fund to either receive or pledge collateral based on the net gain or loss on unsettled contracts by certain counterparties. The purpose of the collateral is to cover potential losses that could occur in the event that either party cannot meet its contractual obligation. Non-cash collateral pledged by each participating fund, if any, is disclosed in each fund's investment portfolio, and cash collateral pledged by each participating fund, if any, is held in a segregated account with the fund's custodian, which is reflected as pledged cash in each fund's statement of assets and liabilities.

Rights of offset – Funds that hold forward currency contracts have enforceable master netting agreements with certain counterparties, where amounts payable by each party to the other in the same currency (with the same settlement date and with the same counterparty) are settled net of each party's payment obligation. If an early termination date occurs under these agreements following an event

of default or termination event, all obligations of each party to its counterparty are settled net through a single payment in a single currency ("close-out netting"). For financial reporting purposes, the funds do not offset financial assets and financial liabilities that are subject to these master netting arrangements in the statements of assets and liabilities.

The following tables present each fund's forward currency contracts by counterparty that are subject to master netting agreements but that are not offset in the funds' statements of assets and liabilities. The net amount column shows the impact of offsetting on the funds' statement of assets and liabilities as of June 30, 2019, if close-out netting was exercised (dollars in thousands):

International Fund

| Counterparty | Gross amounts recognized in the statement of assets and liabilities | Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement | | | Net amount |
|----------------|---|---|----------------------|------------------|------------|
| | | Available to offset | Non-cash collateral* | Cash collateral* | |
| Assets: | | | | | |
| Citibank | \$ 72 | \$(6) | \$- | \$ (66) | \$ - |
| Morgan Stanley | 52 | - | - | - | 52 |
| Total | \$124 | \$(6) | \$- | \$ (66) | \$52 |
| Liabilities: | | | | | |
| Citibank | \$ 6 | \$(6) | \$- | \$ - | \$ - |
| JPMorgan Chase | 334 | - | - | (334) | - |
| Total | \$340 | \$(6) | \$- | \$(334) | \$ - |

Global Growth and Income Fund

| Counterparty | Gross amounts recognized in the statement of assets and liabilities | Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement | | | Net amount |
|----------------|---|---|----------------------|------------------|------------|
| | | Available to offset | Non-cash collateral* | Cash collateral* | |
| Liabilities: | | | | | |
| JPMorgan Chase | \$94 | \$- | \$- | \$- | \$94 |

International Growth and Income Fund

| Counterparty | Gross amounts recognized in the statement of assets and liabilities | Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement | | | Net amount |
|----------------|---|---|----------------------|------------------|------------|
| | | Available to offset | Non-cash collateral* | Cash collateral* | |
| Assets: | | | | | |
| Morgan Stanley | \$5 | \$- | \$- | \$- | \$5 |

Global Balanced Fund

| Counterparty | Gross amounts recognized in the statement of assets and liabilities | Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement | | | Net amount |
|-------------------------|---|---|----------------------|------------------|-------------|
| | | Available to offset | Non-cash collateral* | Cash collateral* | |
| Assets: | | | | | |
| Bank of America, N.A. | \$ 9 | \$ (3) | \$— | \$— | \$ 6 |
| Citibank | 16 | (8) | — | — | 8 |
| Goldman Sachs | 14 | (8) | — | — | 6 |
| HSBC Bank | 29 | (29) | — | — | — |
| JPMorgan Chase | 22 | (10) | — | — | 12 |
| Morgan Stanley | 10 | (10) | — | — | — |
| Standard Chartered Bank | 2 | (2) | — | — | — |
| Total | \$102 | \$(70) | \$— | \$— | \$32 |
| Liabilities: | | | | | |
| Bank of America, N.A. | \$ 3 | \$ (3) | \$— | \$— | \$ — |
| Bank of New York Mellon | 1 | — | — | — | 1 |
| Citibank | 8 | (8) | — | — | — |
| Goldman Sachs | 8 | (8) | — | — | — |
| HSBC Bank | 35 | (29) | — | — | 6 |
| JPMorgan Chase | 10 | (10) | — | — | — |
| Morgan Stanley | 11 | (10) | — | — | 1 |
| Standard Chartered Bank | 24 | (2) | — | — | 22 |
| Total | \$100 | \$(70) | \$— | \$— | \$30 |

Bond Fund

| Counterparty | Gross amounts recognized in the statement of assets and liabilities | Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement | | | Net amount |
|-----------------------|---|---|----------------------|------------------|-------------|
| | | Available to offset | Non-cash collateral* | Cash collateral* | |
| Assets: | | | | | |
| Bank of America, N.A. | \$2,014 | \$(1,029) | \$ (985) | \$— | \$ — |
| Citibank | 2,492 | (2,492) | — | — | — |
| Total | \$4,506 | \$(3,521) | \$ (985) | \$— | \$ — |
| Liabilities: | | | | | |
| Bank of America, N.A. | \$1,029 | \$(1,029) | \$ — | \$— | \$ — |
| Citibank | 4,066 | (2,492) | (1,574) | — | — |
| Goldman Sachs | 1,821 | — | (1,821) | — | — |
| HSBC Bank | 43 | — | — | — | 43 |
| JPMorgan Chase | 298 | — | (298) | — | — |
| Morgan Stanley | 310 | — | (310) | — | — |
| Total | \$7,567 | \$(3,521) | \$(4,003) | \$— | \$43 |

See end of tables for footnote.

Global Bond Fund

| Counterparty | Gross amounts recognized in the statement of assets and liabilities | Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement | | | Net amount |
|-------------------------|---|---|----------------------|------------------|--------------|
| | | Available to offset | Non-cash collateral* | Cash collateral* | |
| Assets: | | | | | |
| Bank of America, N.A. | \$ 209 | \$ (149) | \$ (60) | \$ – | \$ – |
| Citibank | 258 | (258) | – | – | – |
| Goldman Sachs | 433 | (313) | – | – | 120 |
| HSBC Bank | 322 | (322) | – | – | – |
| JPMorgan Chase | 660 | (182) | – | (290) | 188 |
| Morgan Stanley | 239 | (239) | – | – | – |
| Standard Chartered Bank | 212 | (212) | – | – | – |
| UBS AG | 104 | – | – | – | 104 |
| Total | \$2,437 | \$(1,675) | \$ (60) | \$(290) | \$412 |
| Liabilities: | | | | | |
| Bank of America, N.A. | \$ 149 | \$ (149) | \$ – | \$ – | \$ – |
| Bank of New York Mellon | 6 | – | – | – | 6 |
| Citibank | 673 | (258) | (303) | – | 112 |
| Goldman Sachs | 313 | (313) | – | – | – |
| HSBC Bank | 683 | (322) | (282) | – | 79 |
| JPMorgan Chase | 182 | (182) | – | – | – |
| Morgan Stanley | 393 | (239) | (149) | – | 5 |
| Standard Chartered Bank | 483 | (212) | (269) | – | 2 |
| Total | \$2,882 | \$(1,675) | \$(1,003) | \$ – | \$204 |

*Collateral is shown on a settlement basis.

6. Taxation and distributions

Federal income taxation – Each fund complies with the requirements under Subchapter M of the Internal Revenue Code applicable to mutual funds and intends to distribute substantially all of its net taxable income and net capital gains each year. The funds are not subject to income taxes to the extent such distributions are made. Therefore, no federal income tax provision is required.

As of and during the period ended June 30, 2019, none of the funds had a liability for any unrecognized tax benefits. Each fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in their respective statements of operations. During the period, none of the funds incurred any significant interest or penalties.

Each fund's tax returns are not subject to examination by federal, state and, if applicable, non-U.S. tax authorities after the expiration of each jurisdiction's statute of limitations, which is generally three years after the date of filing but can be extended in certain jurisdictions.

Non-U.S. taxation – Dividend and interest income, if any, are recorded net of non-U.S. taxes paid. The funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. As a result of rulings from European courts, the funds filed for additional reclaims related to prior years. These reclaims are recorded when the amount is known and there are no significant uncertainties on collectability. Gains realized by the funds on the sale of securities in certain countries, if any, may be subject to non-U.S. taxes. If applicable, the funds record an estimated deferred tax liability based on unrealized gains to provide for potential non-U.S. taxes payable upon the sale of these securities.

Distributions – Distributions paid to shareholders are based on each fund's net investment income and net realized gains determined on a tax basis, which may differ from net investment income and net realized gains for financial reporting purposes. These differences are due primarily to different treatment for items such as currency gains and losses; short-term capital gains and losses; capital losses related to sales of certain securities within 30 days of purchase; unrealized appreciation of certain investments in securities outside the U.S.; deferred expenses; cost of investments sold; paydowns on fixed-income securities; net capital losses; non-U.S. taxes on capital gains; amortization of premiums and discounts and income on certain investments. The fiscal year in which amounts are distributed may differ from the year in which the net investment income and net realized gains are recorded by the funds for financial reporting purposes.

Additional tax basis disclosures for each fund are as follows (dollars in thousands):

| | Global Growth Fund | Global Small Capitalization Fund | Growth Fund | International Fund | New World Fund | Blue Chip Income and Growth Fund |
|---|--------------------|----------------------------------|-------------|--------------------|----------------|----------------------------------|
| As of December 31, 2018: | | | | | | |
| Undistributed ordinary income | \$ 8,660 | \$ 49,672 | \$ 198,816 | \$ 15,101 | \$ 6,466 | \$ 36,690 |
| Undistributed long-term capital gains | 343,497 | 226,394 | 2,617,605 | 244,466 | 127,685 | 688,634 |
| As of June 30, 2019: | | | | | | |
| Gross unrealized appreciation on investments | 2,498,042 | 1,100,893 | 10,252,267 | 2,414,395 | 795,153 | 1,868,094 |
| Gross unrealized depreciation on investments | (179,515) | (202,349) | (367,944) | (578,588) | (95,536) | (365,708) |
| Net unrealized appreciation (depreciation) on investments | 2,318,527 | 898,544 | 9,884,323 | 1,835,807 | 699,617 | 1,502,386 |
| Cost of investments | 3,973,544 | 3,590,353 | 16,519,783 | 8,013,031 | 2,750,008 | 7,401,972 |

| | Global Growth and Income Fund | Growth-Income Fund | International Growth and Income Fund | Capital Income Builder | Asset Allocation Fund | Global Balanced Fund |
|---|-------------------------------|--------------------|--------------------------------------|------------------------|-----------------------|----------------------|
| As of December 31, 2018: | | | | | | |
| Undistributed ordinary income | \$ 6,636 | \$ 252,809 | \$ 21,126 | \$ 1,595 | \$ 110,523 | \$ 541 |
| Undistributed long-term capital gains | 100,790 | 3,204,751 | — | — | 1,278,077 | 353 |
| Capital loss carryforward* | — | — | — | (13,776) | — | — |
| As of June 30, 2019: | | | | | | |
| Gross unrealized appreciation on investments | 535,307 | 9,638,352 | 253,242 | 76,501 | 5,761,019 | 64,481 |
| Gross unrealized depreciation on investments | (38,478) | (1,067,251) | (99,719) | (38,015) | (627,910) | (9,001) |
| Net unrealized appreciation (depreciation) on investments | 496,829 | 8,571,101 | 153,523 | 38,486 | 5,133,109 | 55,480 |
| Cost of investments | 1,537,434 | 25,256,172 | 1,277,341 | 796,999 | 20,875,684 | 359,719 |

| | Bond Fund | Global Bond Fund | High-Income Bond Fund | Mortgage Fund | Ultra-Short Bond Fund | U.S. Government/AAA-Rated Securities Fund |
|---|------------|------------------|-----------------------|---------------|-----------------------|---|
| As of December 31, 2018: | | | | | | |
| Undistributed ordinary income | \$ 56,980 | \$ 15,875 | \$ 15,462 | \$ 1,266 | \$ 999 | \$ 11,344 |
| Capital loss carryforward* | (159,206) | (3,784) | (160,099) | (6,175) | — | (52,033) |
| As of June 30, 2019: | | | | | | |
| Gross unrealized appreciation on investments | 380,851 | 82,288 | 19,449 | 7,835 | 9 | 87,477 |
| Gross unrealized depreciation on investments | (81,535) | (30,531) | (56,117) | (5,220) | (47) | (66,037) |
| Net unrealized appreciation (depreciation) on investments | 299,316 | 51,757 | (36,668) | 2,615 | (38) | 21,440 |
| Cost of investments | 11,026,984 | 2,096,117 | 1,321,265 | 291,846 | 285,230 | 2,948,193 |

See end of tables for footnote.

| | Managed Risk Growth Fund | Managed Risk International Fund | Managed Risk Blue Chip Income and Growth Fund | Managed Risk Growth-Income Fund | Managed Risk Asset Allocation Fund |
|---|--------------------------|---------------------------------|---|---------------------------------|------------------------------------|
| As of December 31, 2018: | | | | | |
| Undistributed ordinary income | \$ 2,543 | \$ 2,983 | \$ 5,577 | \$ 6,359 | \$ 62,616 |
| Undistributed long-term capital gains | 26,579 | 4,809 | 17,833 | 16,511 | 115,113 |
| As of June 30, 2019: | | | | | |
| Gross unrealized appreciation on investments | 1,969 | 1,425 | 1,398 | 58,266 | 80,042 |
| Gross unrealized depreciation on investments | – | – | (20,122) | (10,238) | – |
| Net unrealized appreciation (depreciation) on investments | 1,969 | 1,425 | (18,724) | 48,028 | 80,042 |
| Cost of investments | 395,653 | 162,251 | 372,751 | 2,095,335 | 2,630,305 |

*Capital loss carryforwards will be used to offset any capital gains realized by the fund in the current year or in subsequent years. The fund will not make distributions from capital gains while a capital loss carryforward remains.

Distributions paid by each fund were characterized for tax purposes as follows (dollars in thousands):

Global Growth Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$3,637 | \$121,251 | \$124,888 | \$28,611 | \$134,884 | \$163,495 |
| Class 1A | 9 | 367 | 376 | 47 | 273 | 320 |
| Class 2 | 4,707 | 204,481 | 209,188 | 41,238 | 251,323 | 292,561 |
| Class 4 | 311 | 17,408 | 17,719 | 2,414 | 16,024 | 18,438 |
| Total | \$8,664 | \$343,507 | \$352,171 | \$72,310 | \$402,504 | \$474,814 |

Global Small Capitalization Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$21,934 | \$ 97,912 | \$119,846 | \$21,329 | \$ 55,968 | \$ 77,297 |
| Class 1A | 5 | 23 | 28 | 4 | 12 | 16 |
| Class 2 | 25,817 | 119,280 | 145,097 | 26,294 | 86,037 | 112,331 |
| Class 4 | 1,932 | 9,184 | 11,116 | 1,456 | 5,035 | 6,491 |
| Total | \$49,688 | \$226,399 | \$276,087 | \$49,083 | \$147,052 | \$196,135 |

Growth Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 75,877 | \$ 964,757 | \$1,040,634 | \$ 88,940 | \$ 792,865 | \$ 881,805 |
| Class 1A | 97 | 1,290 | 1,387 | 76 | 634 | 710 |
| Class 2 | 111,958 | 1,500,212 | 1,612,170 | 117,331 | 1,515,757 | 1,633,088 |
| Class 3 | 1,549 | 20,442 | 21,991 | 1,723 | 20,248 | 21,971 |
| Class 4 | 9,369 | 130,929 | 140,298 | 6,414 | 104,527 | 110,941 |
| Total | \$198,850 | \$2,617,630 | \$2,816,480 | \$214,484 | \$2,434,031 | \$2,648,515 |

International Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 9,081 | \$130,060 | \$139,141 | \$174,418 | \$165,915 | \$340,333 |
| Class 1A | 8 | 141 | 149 | 156 | 140 | 296 |
| Class 2 | 5,643 | 104,778 | 110,421 | 136,977 | 146,986 | 283,963 |
| Class 3 | 37 | 637 | 674 | 887 | 970 | 1,857 |
| Class 4 | 368 | 8,870 | 9,238 | 9,465 | 10,556 | 20,021 |
| Total | \$15,137 | \$244,486 | \$259,623 | \$321,903 | \$324,567 | \$646,470 |

New World Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$4,047 | \$ 71,500 | \$ 75,547 | \$21,450 | \$54,023 | \$ 75,473 |
| Class 1A | 7 | 132 | 139 | 24 | 50 | 74 |
| Class 2 | 1,617 | 34,958 | 36,575 | 8,194 | 26,593 | 34,787 |
| Class 4 | 806 | 21,103 | 21,909 | 3,419 | 12,659 | 16,078 |
| Total | \$6,477 | \$127,693 | \$134,170 | \$33,087 | \$93,325 | \$126,412 |

Blue Chip Income and Growth Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$22,828 | \$410,713 | \$433,541 | \$232,769 | \$299,947 | \$532,716 |
| Class 1A | 23 | 435 | 458 | 120 | 135 | 255 |
| Class 2 | 12,001 | 238,793 | 250,794 | 134,358 | 186,318 | 320,676 |
| Class 4 | 1,844 | 38,700 | 40,544 | 13,348 | 16,620 | 29,968 |
| Total | \$36,696 | \$688,641 | \$725,337 | \$380,595 | \$503,020 | \$883,615 |

Global Growth and Income Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$2,017 | \$ 27,971 | \$ 29,988 | \$16,289 | \$ 31,541 | \$ 47,830 |
| Class 1A | 5 | 66 | 71 | 28 | 53 | 81 |
| Class 2 | 4,278 | 66,794 | 71,072 | 40,436 | 90,173 | 130,609 |
| Class 4 | 350 | 5,970 | 6,320 | 2,682 | 5,789 | 8,471 |
| Total | \$6,650 | \$100,801 | \$107,451 | \$59,435 | \$127,556 | \$186,991 |

Growth-Income Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$147,504 | \$1,825,184 | \$1,972,688 | \$341,172 | \$1,049,641 | \$1,390,813 |
| Class 1A | 64 | 825 | 889 | 124 | 344 | 468 |
| Class 2 | 96,542 | 1,260,360 | 1,356,902 | 241,470 | 886,942 | 1,128,412 |
| Class 3 | 1,127 | 14,500 | 15,627 | 2,907 | 10,337 | 13,244 |
| Class 4 | 7,620 | 103,934 | 111,554 | 15,471 | 58,501 | 73,972 |
| Total | \$252,857 | \$3,204,803 | \$3,457,660 | \$601,144 | \$2,005,765 | \$2,606,909 |

International Growth and Income Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$16,279 | \$— | \$16,279 | \$28,476 | \$— | \$28,476 |
| Class 1A | 33 | — | 33 | 44 | — | 44 |
| Class 2 | 3,580 | — | 3,580 | 5,865 | — | 5,865 |
| Class 4 | 1,239 | — | 1,239 | 1,597 | — | 1,597 |
| Total | \$21,131 | \$— | \$21,131 | \$35,982 | \$— | \$35,982 |

Capital Income Builder

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 6,127 | \$— | \$ 6,127 | \$ 9,421 | \$ 617 | \$10,038 |
| Class 1A | 49 | — | 49 | 66 | 3 | 69 |
| Class 2 | 64 | — | 64 | 90 | 6 | 96 |
| Class 4 | 5,320 | — | 5,320 | 9,550 | 762 | 10,312 |
| Total | \$11,560 | \$— | \$11,560 | \$19,127 | \$1,388 | \$20,515 |

Asset Allocation Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 73,953 | \$ 816,841 | \$ 890,794 | \$386,982 | \$ 666,856 | \$1,053,838 |
| Class 1A | 35 | 416 | 451 | 147 | 263 | 410 |
| Class 2 | 20,897 | 253,101 | 273,998 | 103,332 | 210,133 | 313,465 |
| Class 3 | 134 | 1,581 | 1,715 | 686 | 1,413 | 2,099 |
| Class 4 | 15,585 | 206,152 | 221,737 | 69,096 | 148,867 | 217,963 |
| Total | \$110,604 | \$1,278,091 | \$1,388,695 | \$560,243 | \$1,027,532 | \$1,587,775 |

Global Balanced Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$163 | \$109 | \$272 | \$1,808 | \$1,346 | \$3,154 |
| Class 1A | 3 | 2 | 5 | 30 | 25 | 55 |
| Class 2 | 257 | 173 | 430 | 2,555 | 2,290 | 4,845 |
| Class 4 | 105 | 71 | 176 | 804 | 842 | 1,646 |
| Total | \$528 | \$355 | \$883 | \$5,197 | \$4,503 | \$9,700 |

Bond Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$35,807 | \$- | \$35,807 | \$156,337 | \$ 8,915 | \$165,252 |
| Class 1A | 25 | - | 25 | 76 | 4 | 80 |
| Class 2 | 19,047 | - | 19,047 | 88,266 | 5,217 | 93,483 |
| Class 4 | 2,133 | - | 2,133 | 8,153 | 453 | 8,606 |
| Total | \$57,012 | \$- | \$57,012 | \$252,832 | \$14,589 | \$267,421 |

Global Bond Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 8,015 | \$- | \$ 8,015 | \$25,210 | \$3,256 | \$28,466 |
| Class 1A | 3 | - | 3 | 9 | 1 | 10 |
| Class 2 | 7,548 | - | 7,548 | 23,308 | 3,412 | 26,720 |
| Class 4 | 317 | - | 317 | 816 | 118 | 934 |
| Total | \$15,883 | \$- | \$15,883 | \$49,343 | \$6,787 | \$56,130 |

High-Income Bond Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 6,459 | \$- | \$ 6,459 | \$34,114 | \$- | \$34,114 |
| Class 1A | 9 | - | 9 | 40 | - | 40 |
| Class 2 | 8,299 | - | 8,299 | 43,382 | - | 43,382 |
| Class 3 | 118 | - | 118 | 664 | - | 664 |
| Class 4 | 588 | - | 588 | 1,733 | - | 1,733 |
| Total | \$15,473 | \$- | \$15,473 | \$79,933 | \$- | \$79,933 |

Mortgage Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 944 | \$- | \$ 944 | \$4,938 | \$- | \$4,938 |
| Class 1A | 3 | - | 3 | 15 | - | 15 |
| Class 2 | 239 | - | 239 | 1,128 | - | 1,128 |
| Class 4 | 81 | - | 81 | 424 | - | 424 |
| Total | \$1,267 | \$- | \$1,267 | \$6,505 | \$- | \$6,505 |

Ultra-Short Bond Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 120 | \$- | \$ 120 | \$ 561 | \$- | \$ 561 |
| Class 1A | —* | — | —* | — | — | — |
| Class 2 | 794 | — | 794 | 2,762 | — | 2,762 |
| Class 3 | 12 | — | 12 | 41 | — | 41 |
| Class 4 | 74 | — | 74 | 153 | — | 153 |
| Total | \$1,000 | \$- | \$1,000 | \$3,517 | \$- | \$3,517 |

U.S. Government/AAA-Rated Securities Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class 1 | \$ 5,960 | \$- | \$ 5,960 | \$29,881 | \$- | \$29,881 |
| Class 1A | 8 | — | 8 | 29 | — | 29 |
| Class 2 | 4,960 | — | 4,960 | 24,431 | — | 24,431 |
| Class 3 | 33 | — | 33 | 165 | — | 165 |
| Class 4 | 387 | — | 387 | 1,313 | — | 1,313 |
| Total | \$11,348 | \$- | \$11,348 | \$55,819 | \$- | \$55,819 |

Managed Risk Growth Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class P1 | \$ 34 | \$ 256 | \$ 290 | \$ 14 | \$ 135 | \$ 149 |
| Class P2 | 2,512 | 26,325 | 28,837 | 1,397 | 20,395 | 21,792 |
| Total | \$2,546 | \$26,581 | \$29,127 | \$1,411 | \$20,530 | \$21,941 |

Managed Risk International Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class P1 | \$ 11 | \$ 16 | \$ 27 | \$ 8 | \$ 1 | \$ 9 |
| Class P2 | 2,974 | 4,795 | 7,769 | 2,681 | 738 | 3,419 |
| Total | \$2,985 | \$4,811 | \$7,796 | \$2,689 | \$739 | \$3,428 |

Managed Risk Blue Chip Income and Growth Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class P1 | \$ 13 | \$ 40 | \$ 53 | \$ 15 | \$ 7 | \$ 22 |
| Class P2 | 5,566 | 17,796 | 23,362 | 11,391 | 12,112 | 23,503 |
| Total | \$5,579 | \$17,836 | \$23,415 | \$11,406 | \$12,119 | \$23,525 |

Managed Risk Growth-Income Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class P1 | \$5,750 | \$14,505 | \$20,255 | \$ 42 | \$ 122 | \$ 164 |
| Class P2 | 628 | 2,019 | 2,647 | 2,374 | 9,814 | 12,188 |
| Total | \$6,378 | \$16,524 | \$22,902 | \$2,416 | \$9,936 | \$12,352 |

Managed Risk Asset Allocation Fund

| Share class | Six months ended June 30, 2019 | | | Year ended December 31, 2018 | | |
|-------------|--------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|--------------------------|
| | Ordinary income | Long-term capital gains | Total distributions paid | Ordinary income | Long-term capital gains | Total distributions paid |
| Class P1 | \$ – | \$ 65 | \$ 65 | \$31,787 | \$ 66,960 | \$ 98,747 |
| Class P2 | 62,628 | 115,051 | 177,679 | 36,816 | 107,405 | 144,221 |
| Total | \$62,628 | \$115,116 | \$177,744 | \$68,603 | \$174,365 | \$242,968 |

*Amount less than one thousand.

7. Fees and transactions

CRMC, the series' investment adviser, is the parent company of American Funds Distributors,[®] Inc. ("AFD"), the distributor of the series' shares, and American Funds Service Company[®] ("AFS"), the series' transfer agent. CRMC, AFD and AFS are considered related parties to the series.

Investment advisory services – The series has an investment advisory and service agreement with CRMC that provides for monthly fees accrued daily. These fees are based on annual rates that generally decrease as net asset levels increase. CRMC receives investment advisory fees from the underlying funds held by the managed risk funds. These fees are included in the net effective expense ratios that are provided as additional information in the financial highlights tables. Subadvisory fees for the managed risk funds are paid by CRMC to Milliman FRM. The managed risk funds are not responsible for paying any subadvisory fees.

Investment advisory services waivers – On March 4, 2019, the series board of trustees approved amended agreements effective May 1, 2019, decreasing the annual rate to 0.500% on daily net assets in excess of \$1.5 billion for International Growth and Income Fund, and decreasing the annual rate to 0.410% on daily net assets in excess of \$1 billion for Capital Income Builder. CRMC voluntarily reduced the investment advisory services fees to the approved rates in advance of the effective date. CRMC is also waiving a portion of its investment advisory services fees for each of the managed risk funds. Investment advisory services fees are presented in each fund's statement of operations gross of the waivers from CRMC. For the six months ended June 30, 2019, total investment advisory services fees waived by CRMC were \$1,408,000.

The range of rates, net asset levels and the current annualized rates of average daily net assets for each fund before and after any investment advisory services waivers (if applicable), are as follows:

| Fund | Rates | | Net asset level (in billions) | | For the six months ended June 30, 2019, before waiver | For the six months ended June 30, 2019, after waiver |
|---|-------------------|----------------|----------------------------------|-----------------|--|---|
| | Beginning with | Ending with | Up to | In excess of | | |
| Global Growth Fund | .690% | .460% | \$.6 | \$ 5.0 | .518% | .518% |
| Global Small Capitalization Fund | .800 | .635 | .6 | 5.0 | .697 | .697 |
| Growth Fund | .500 | .280 | .6 | 34.0 | .323 | .323 |
| International Fund | .690 | .430 | .5 | 21.0 | .492 | .492 |
| New World Fund | .850 | .580 | .5 | 4.0 | .703 | .703 |
| Blue Chip Income and Growth Fund | .500 | .350 | .6 | 10.5 | .390 | .390 |
| Global Growth and Income Fund | .690 | .480 | .6 | 3.0 | .597 | .597 |
| Growth-Income Fund | .500 | .219 | .6 | 34.0 | .257 | .257 |
| International Growth and Income Fund | .690 | .500 | .5 | 1.5 | .608 | .608 |
| Capital Income Builder | .500 | .410 | .6 | 1.0 | .495 | .489 |
| Asset Allocation Fund | .500 | .240 | .6 | 21.0 | .267 | .267 |
| Global Balanced Fund | .660 | .510 | .5 | 1.0 | .660 | .660 |
| Bond Fund | .480 | .320 | .6 | 13.0 | .364 | .364 |
| Global Bond Fund | .570 | .450 | 1.0 | 3.0 | .533 | .533 |
| High-Income Bond Fund | .500 | .420 | .6 | 2.0 | .474 | .474 |
| Mortgage Fund | .420 | .290 | .6 | 3.0 | .420 | .420 |
| Ultra-Short Bond Fund | .320 | .270 | 1.0 | 2.0 | .320 | .320 |
| U.S. Government/AAA-Rated Securities Fund | .420 | .290 | .6 | 3.0 | .340 | .340 |
| Managed Risk Growth Fund | .150 | | all | | .150 | .100 |
| Managed Risk International Fund | .150 | | all | | .150 | .100 |
| Managed Risk Blue Chip Income and Growth Fund | .150 | | all | | .150 | .100 |
| Managed Risk Growth-Income Fund | .150 | | all | | .150 | .100 |
| Managed Risk Asset Allocation Fund | .150 | | all | | .150 | .100 |

Distribution services – The series has plans of distribution for all share classes except Class 1. Under the plans, the board of trustees approves certain categories of expenses that are used to finance activities primarily intended to sell fund shares. The plans provide for payments to pay service fees to firms that have entered into agreements with the series. These payments, based on an annualized percentage of average daily net assets, range from 0.18% to 0.50% as noted in the table below. In some cases, the board of trustees has limited the amounts that may be paid to less than the maximum allowed by the plans.

| Share class | Currently approved limits | Plan limits |
|-------------|---------------------------|-------------|
| Class 1A | 0.00% | 0.25% |
| Class 2 | 0.25 | 0.25 |
| Class 3 | 0.18 | 0.18 |
| Class 4 | 0.25 | 0.25 |
| Class P1 | 0.00 | 0.25 |
| Class P2 | 0.25 | 0.50 |

Insurance administrative services – The series has an insurance administrative services plan for Class 1A, 4, P1 and P2 shares. Under the plan, these share classes pay 0.25% of each insurance company's respective average daily net assets in each share class to compensate the insurance companies for services provided to their separate accounts and contractholders for which the shares of the fund are beneficially owned as underlying investments of such contractholders' annuities. These services include, but are not limited to, maintenance, shareholder communications and transactional services. The insurance companies are not related parties to the series.

Transfer agent services – The series has a shareholder services agreement with AFS under which the funds compensate AFS for providing transfer agent services to all of the funds' share classes. These services include recordkeeping, shareholder communications and transaction processing. In addition, the managed risk funds reimburse AFS for amounts paid to third parties for performing transfer agent services on behalf of fund shareholders.

Administrative services – The series has an administrative services agreement with CRMC under which each fund compensates CRMC for providing administrative services to all of the funds’ share classes except Class P1 and P2 shares. Administrative services are provided by CRMC and its affiliates to help assist third parties providing non-distribution services to fund shareholders. These services include providing in depth information on each fund and market developments that impact fund investments. Administrative services also include, but are not limited to, coordinating, monitoring and overseeing third parties that provide services to fund shareholders. The agreement provides each fund, other than the managed risk funds, the ability to charge an administrative services fee at the annual rate of 0.05% of daily net assets attributable to each share class. Prior to July 1, 2019, all share classes of each fund, other than the managed-risk funds, paid CRMC an administrative services fee at the annual rate of 0.01% of daily net assets. The series board of trustees authorized the funds, other than the managed risk funds, to pay CRMC effective July 1, 2019, an administrative services fee at the annual rate of 0.03% of the daily net assets of each share class (which could be increased as noted above) for CRMC’s provision of administrative services. For the managed risk funds, CRMC receives administrative services fees at an annual rate of 0.03% of daily net assets from Class 1 shares of the underlying funds for administrative services provided to the series.

Accounting and administrative services – The managed risk funds have a subadministration agreement with BNY Mellon under which the fund compensates BNY Mellon for providing accounting and administrative services to each of the managed risk funds’ share classes. These services include, but are not limited to, fund accounting (including calculation of net asset value), financial reporting and tax services. BNY Mellon is not a related party to the managed risk funds.

Class-specific expenses under the agreements described above were as follows (dollars in thousands):

Global Growth Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$107 |
| Class 1A | \$ – | \$ 8 | –* |
| Class 2 | 4,518 | Not applicable | 181 |
| Class 4 | 363 | 363 | 15 |
| Total class-specific expenses | \$4,881 | \$371 | \$303 |

Global Small Capitalization Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 88 |
| Class 1A | \$ – | \$ –* | –* |
| Class 2 | 2,796 | Not applicable | 112 |
| Class 4 | 208 | 208 | 8 |
| Total class-specific expenses | \$3,004 | \$208 | \$208 |

Growth Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 469 |
| Class 1A | \$ – | \$ 15 | 1 |
| Class 2 | 18,471 | Not applicable | 739 |
| Class 3 | 183 | Not applicable | 10 |
| Class 4 | 1,528 | 1,528 | 61 |
| Total class-specific expenses | \$20,182 | \$1,543 | \$1,280 |

International Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$255 |
| Class 1A | \$ – | \$ 7 | –* |
| Class 2 | 5,132 | Not applicable | 206 |
| Class 3 | 23 | Not applicable | 1 |
| Class 4 | 406 | 406 | 16 |
| Total class-specific expenses | \$5,561 | \$413 | \$478 |

New World Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 93 |
| Class 1A | \$ – | \$ 4 | –* |
| Class 2 | 1,130 | Not applicable | 45 |
| Class 4 | 655 | 654 | 26 |
| Total class-specific expenses | \$1,785 | \$658 | \$164 |

Blue Chip Income and Growth Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$258 |
| Class 1A | \$ – | \$ 6 | –* |
| Class 2 | 3,745 | Not applicable | 150 |
| Class 4 | 550 | 550 | 22 |
| Total class-specific expenses | \$4,295 | \$556 | \$430 |

See end of tables for footnote.

Global Growth and Income Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$27 |
| Class 1A | \$ – | \$ 1 | –* |
| Class 2 | 1,641 | Not applicable | 66 |
| Class 4 | 136 | 136 | 5 |
| Total class-specific expenses | \$1,777 | \$137 | \$98 |

International Growth and Income Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$54 |
| Class 1A | \$ – | \$ 2 | –* |
| Class 2 | 303 | Not applicable | 12 |
| Class 4 | 100 | 100 | 4 |
| Total class-specific expenses | \$403 | \$102 | \$70 |

Asset Allocation Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 783 |
| Class 1A | \$ – | \$ 10 | –* |
| Class 2 | 6,111 | Not applicable | 244 |
| Class 3 | 28 | Not applicable | 2 |
| Class 4 | 4,835 | 4,835 | 193 |
| Total class-specific expenses | \$10,974 | \$4,845 | \$1,222 |

Bond Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$303 |
| Class 1A | \$ – | \$ 5 | –* |
| Class 2 | 4,381 | Not applicable | 175 |
| Class 4 | 486 | 486 | 19 |
| Total class-specific expenses | \$4,867 | \$491 | \$497 |

Growth-Income Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 925 |
| Class 1A | \$ – | \$ 10 | –* |
| Class 2 | 16,092 | Not applicable | 644 |
| Class 3 | 136 | Not applicable | 7 |
| Class 4 | 1,264 | 1,264 | 51 |
| Total class-specific expenses | \$17,492 | \$1,274 | \$1,627 |

Capital Income Builder

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$19 |
| Class 1A | \$ – | \$ 4 | –* |
| Class 2 | 5 | Not applicable | –* |
| Class 4 | 479 | 479 | 19 |
| Total class-specific expenses | \$484 | \$483 | \$38 |

Global Balanced Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 6 |
| Class 1A | \$ – | \$ 3 | –* |
| Class 2 | 242 | Not applicable | 10 |
| Class 4 | 95 | 95 | 4 |
| Total class-specific expenses | \$337 | \$98 | \$20 |

Global Bond Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 52 |
| Class 1A | \$ – | \$ –* | –* |
| Class 2 | 1,273 | Not applicable | 51 |
| Class 4 | 53 | 53 | 2 |
| Total class-specific expenses | \$1,326 | \$53 | \$105 |

High-Income Bond Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$26 |
| Class 1A | \$ – | \$ 1 | –* |
| Class 2 | 854 | Not applicable | 34 |
| Class 3 | 9 | Not applicable | –* |
| Class 4 | 69 | 69 | 3 |
| Total class-specific expenses | \$932 | \$70 | \$63 |

Ultra-Short Bond Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 2 |
| Class 1A | \$ – | \$ – | –* |
| Class 2 | 289 | Not applicable | 11 |
| Class 3 | 3 | Not applicable | –* |
| Class 4 | 25 | 24 | 1 |
| Total class-specific expenses | \$317 | \$24 | \$14 |

Managed Risk Growth Fund

| Share class | Distribution services | Insurance administrative services |
|-------------------------------|-----------------------|-----------------------------------|
| Class P1 | Not applicable | \$ 4 |
| Class P2 | \$461 | 461 |
| Total class-specific expenses | \$461 | \$465 |

Managed Risk Blue Chip Income and Growth Fund

| Share class | Distribution services | Insurance administrative services |
|-------------------------------|-----------------------|-----------------------------------|
| Class P1 | Not applicable | \$ 1 |
| Class P2 | \$433 | 433 |
| Total class-specific expenses | \$433 | \$434 |

Managed Risk Asset Allocation Fund

| Share class | Distribution services | Insurance administrative services |
|-------------------------------|-----------------------|-----------------------------------|
| Class P1 | Not applicable | \$ 2 |
| Class P2 | \$3,293 | 3,293 |
| Total class-specific expenses | \$3,293 | \$3,295 |

*Amount less than one thousand.

Mortgage Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$11 |
| Class 1A | \$ – | \$ 1 | –* |
| Class 2 | 71 | Not applicable | 3 |
| Class 4 | 27 | 27 | 1 |
| Total class-specific expenses | \$98 | \$28 | \$15 |

U.S. Government/AAA-Rated Securities Fund

| Share class | Distribution services | Insurance administrative services | Administrative services |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| Class 1 | Not applicable | Not applicable | \$ 72 |
| Class 1A | \$ – | \$ 2 | –* |
| Class 2 | 1,628 | Not applicable | 65 |
| Class 3 | 8 | Not applicable | –* |
| Class 4 | 121 | 121 | 5 |
| Total class-specific expenses | \$1,757 | \$123 | \$142 |

Managed Risk International Fund

| Share class | Distribution services | Insurance administrative services |
|-------------------------------|-----------------------|-----------------------------------|
| Class P1 | Not applicable | \$ 1 |
| Class P2 | \$196 | 196 |
| Total class-specific expenses | \$196 | \$197 |

Managed Risk Growth-Income Fund

| Share class | Distribution services | Insurance administrative services |
|-------------------------------|-----------------------|-----------------------------------|
| Class P1 | Not applicable | \$2,222 |
| Class P2 | \$310 | 310 |
| Total class-specific expenses | \$310 | \$2,532 |

Trustees' deferred compensation – Trustees who are unaffiliated with CRMC may elect to defer the cash payment of part or all of their compensation. These deferred amounts, which remain as liabilities of the funds, are treated as if invested in one or more of the American Funds. These amounts represent general, unsecured liabilities of the funds and vary according to the total returns of the selected funds. Trustees' compensation, shown on the accompanying financial statements, reflects current fees (either paid in cash or deferred) and a net increase in the value of the deferred amounts as follows (dollars in thousands):

| Fund | Current fees | Increase in value of deferred amounts | Total trustees' compensation |
|---|--------------|---------------------------------------|------------------------------|
| Global Growth Fund | \$18 | \$ 2 | \$ 20 |
| Global Small Capitalization Fund | 12 | 1 | 13 |
| Growth Fund | 78 | 8 | 86 |
| International Fund | 29 | 3 | 32 |
| New World Fund | 10 | 1 | 11 |
| Blue Chip Income and Growth Fund | 27 | 3 | 30 |
| Global Growth and Income Fund | 6 | 1 | 7 |
| Growth-Income Fund | 97 | 10 | 107 |
| International Growth and Income Fund | 4 | —* | 4 |
| Capital Income Builder | 2 | —* | 2 |
| Asset Allocation Fund | 76 | 8 | 84 |
| Global Balanced Fund | 1 | —* | 1 |
| Bond Fund | 30 | 3 | 33 |
| Global Bond Fund | 6 | 1 | 7 |
| High-Income Bond Fund | 4 | —* | 4 |
| Mortgage Fund | 1 | —* | 1 |
| Ultra-Short Bond Fund | 1 | —* | 1 |
| U.S. Government/AAA-Rated Securities Fund | 9 | 1 | 10 |
| Managed Risk Growth Fund | 1 | —* | 1 |
| Managed Risk International Fund | 1 | —* | 1 |
| Managed Risk Blue Chip Income and Growth Fund | 1 | —* | 1 |
| Managed Risk Growth-Income Fund | 3 | 1 | 4 |
| Managed Risk Asset Allocation Fund | 10 | 1 | 11 |

*Amount less than one thousand.

Affiliated officers and trustees – Officers and certain trustees of the series are or may be considered to be affiliated with CRMC, AFD and AFS. No affiliated officers or trustees received any compensation directly from any fund in the series.

Investment in CCF – Some of the funds, other than the managed risk funds, hold shares of CCF, an institutional prime money market fund managed by CRMC. CCF invests in high-quality, short-term money market instruments. CCF is used as the primary investment vehicle for each fund's short-term investments. CCF shares are only available for purchase by CRMC, its affiliates, and other funds managed by CRMC. CCF shares are not available to the public. CRMC does not receive an investment advisory services fee from CCF.

Security transactions with related funds – The funds may purchase from, or sell securities to, other CRMC-managed funds (or funds managed by certain affiliates of CRMC) under procedures adopted by the fund’s board of trustees. The funds involved in such transactions are considered related by virtue of having a common investment adviser (or affiliated investment advisers), common trustees and/or common officers. When such transactions occur, each transaction is executed at the current market price of the security and no brokerage commissions or fees are paid in accordance with Rule 17a-7 of the 1940 Act.

The following table presents purchase and sale transactions between each fund and related funds as of June 30, 2019 (dollars in thousands):

| Fund | Purchases | Sales | Net realized gain (loss) |
|---|-----------|-----------|--------------------------|
| Global Growth Fund | \$ 7,883 | \$ 67,282 | \$ 1,305 |
| Global Small Capitalization Fund | 24,617 | 85,577 | 20,393 |
| Growth Fund | 220,254 | 795,160 | 13,734 |
| International Fund | 50,926 | 298,682 | 4,681 |
| New World Fund | 9,165 | 12,080 | 579 |
| Blue Chip Income and Growth Fund | 76,977 | 96,198 | 8,051 |
| Global Growth and Income Fund | 3,383 | 16,225 | (439) |
| Growth-Income Fund | 55,754 | 674,112 | (10,747) |
| International Growth and Income Fund | 2,512 | 1,617 | (798) |
| Capital Income Builder | 10,104 | 256 | 34 |
| Asset Allocation Fund | 329,929 | 911,206 | (35,534) |
| Global Balanced Fund | 1,871 | 906 | (25) |
| Bond Fund | 49,355 | 76,160 | (1,416) |
| Global Bond Fund | 3,388 | 388 | (8) |
| High-Income Bond Fund | 1,725 | 5,591 | (1,880) |
| Mortgage Fund | – | – | – |
| Ultra-Short Bond Fund | – | – | – |
| U.S. Government/AAA-Rated Securities Fund | – | – | – |
| Managed Risk Growth Fund | – | – | – |
| Managed Risk International Fund | – | – | – |
| Managed Risk Blue Chip Income and Growth Fund | – | – | – |
| Managed Risk Growth-Income Fund | – | – | – |
| Managed Risk Asset Allocation Fund | – | – | – |

8. Committed line of credit

Global Small Capitalization Fund, New World Fund and High-Income Bond Fund participate with other funds managed by CRMC in a \$1.5 billion credit facility (the “line of credit”) to be utilized for temporary purposes to fund shareholder redemptions. Each fund has agreed to pay commitment fees on its pro-rata portion of the line of credit, which are reflected in other expenses in each fund’s statement of operations. None of the funds borrowed on this line of credit at any time during the six months ended June 30, 2019.

9. Capital share transactions

Capital share transactions in the funds were as follows (dollars and shares in thousands):

Global Growth Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|-----------|--------|--------------------------------|--------|--------------|----------|-------------------------|---------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$108,551 | 3,748 | \$124,888 | 4,320 | \$(207,637) | (7,097) | \$ 25,802 | 971 |
| Class 1A | 1,280 | 46 | 376 | 13 | (294) | (10) | 1,362 | 49 |
| Class 2 | 20,541 | 744 | 209,188 | 7,314 | (273,633) | (9,417) | (43,904) | (1,359) |
| Class 4 | 33,356 | 1,162 | 17,719 | 623 | (13,773) | (480) | 37,302 | 1,305 |
| Total net increase (decrease) | \$163,728 | 5,700 | \$352,171 | 12,270 | \$(495,337) | (17,004) | \$ 20,562 | 966 |
| Year ended December 31, 2018 | | | | | | | | |
| Class 1 | \$318,393 | 10,738 | \$163,496 | 5,459 | \$(199,573) | (6,616) | \$ 282,316 | 9,581 |
| Class 1A | 4,760 | 162 | 320 | 11 | (1,942) | (64) | 3,138 | 109 |
| Class 2 | 71,745 | 2,511 | 292,561 | 9,830 | (465,838) | (15,407) | (101,532) | (3,066) |
| Class 4 | 94,068 | 3,163 | 18,437 | 622 | (28,678) | (983) | 83,827 | 2,802 |
| Total net increase (decrease) | \$488,966 | 16,574 | \$474,814 | 15,922 | \$(696,031) | (23,070) | \$ 267,749 | 9,426 |

Global Small Capitalization Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|-----------|--------|--------------------------------|--------|--------------|----------|-------------------------|---------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$309,318 | 12,473 | \$119,443 | 4,983 | \$(115,627) | (4,698) | \$ 313,134 | 12,758 |
| Class 1A | 38 | 2 | 27 | 1 | (12) | (1) | 53 | 2 |
| Class 2 | 11,519 | 499 | 145,097 | 6,238 | (171,598) | (7,148) | (14,982) | (411) |
| Class 4 | 16,844 | 701 | 11,115 | 475 | (12,502) | (521) | 15,457 | 655 |
| Total net increase (decrease) | \$337,719 | 13,675 | \$275,682 | 11,697 | \$(299,739) | (12,368) | \$ 313,662 | 13,004 |
| Year ended December 31, 2018 | | | | | | | | |
| Class 1 | \$138,128 | 5,551 | \$ 76,990 | 2,920 | \$(160,148) | (6,253) | \$ 54,970 | 2,218 |
| Class 1A | 318 | 12 | 16 | 1 | (110) | (5) | 224 | 8 |
| Class 2 | 47,093 | 2,015 | 112,331 | 4,349 | (309,646) | (12,397) | (150,222) | (6,033) |
| Class 4 | 56,525 | 2,282 | 6,491 | 249 | (17,067) | (693) | 45,949 | 1,838 |
| Total net increase (decrease) | \$242,064 | 9,860 | \$195,828 | 7,519 | \$(486,971) | (19,348) | \$ (49,079) | (1,969) |

Growth Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|------------|--------|--------------------------------|--------|---------------|----------|-------------------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 540,098 | 7,033 | \$1,038,061 | 14,580 | \$ (583,337) | (7,514) | \$ 994,822 | 14,099 |
| Class 1A | 3,591 | 48 | 1,387 | 20 | (964) | (12) | 4,014 | 56 |
| Class 2 | 149,693 | 1,955 | 1,612,170 | 22,839 | (1,010,347) | (13,114) | 751,516 | 11,680 |
| Class 3 | 1,763 | 22 | 21,990 | 307 | (10,838) | (140) | 12,915 | 189 |
| Class 4 | 120,007 | 1,586 | 140,298 | 2,016 | (64,702) | (855) | 195,603 | 2,747 |
| Total net increase (decrease) | \$ 815,152 | 10,644 | \$2,813,906 | 39,762 | \$(1,670,188) | (21,635) | \$1,958,870 | 28,771 |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-------------|--------|-------------|--------|---------------|----------|-------------|---------|
| Class 1 | \$1,574,676 | 19,928 | \$ 879,237 | 11,221 | \$(1,126,624) | (14,082) | \$1,327,289 | 17,067 |
| Class 1A | 8,204 | 103 | 710 | 9 | (563) | (7) | 8,351 | 105 |
| Class 2 | 292,909 | 3,756 | 1,633,088 | 20,970 | (2,436,432) | (30,703) | (510,435) | (5,977) |
| Class 3 | 1,809 | 22 | 21,971 | 279 | (27,844) | (348) | (4,064) | (47) |
| Class 4 | 274,892 | 3,534 | 110,941 | 1,441 | (135,865) | (1,758) | 249,968 | 3,217 |
| Total net increase (decrease) | \$2,152,490 | 27,343 | \$2,645,947 | 33,920 | \$(3,727,328) | (46,898) | \$1,071,109 | 14,365 |

International Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|------------|--------|--------------------------------|--------|--------------|----------|-------------------------|----------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 97,689 | 5,045 | \$138,907 | 7,194 | \$(366,030) | (18,775) | \$ (129,434) | (6,536) |
| Class 1A | 555 | 29 | 149 | 8 | (507) | (26) | 197 | 11 |
| Class 2 | 83,933 | 4,385 | 110,421 | 5,745 | (324,109) | (16,707) | (129,755) | (6,577) |
| Class 3 | 210 | 11 | 674 | 35 | (1,745) | (91) | (861) | (45) |
| Class 4 | 36,221 | 1,881 | 9,238 | 486 | (22,756) | (1,188) | 22,703 | 1,179 |
| Total net increase (decrease) | \$ 218,608 | 11,351 | \$259,389 | 13,468 | \$(715,147) | (36,787) | \$ (237,150) | (11,968) |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-------------|--------|-----------|--------|-------------|----------|-------------|--------|
| Class 1 | \$ 987,191 | 47,885 | \$339,738 | 16,682 | \$(479,241) | (23,102) | \$ 847,688 | 41,465 |
| Class 1A | 4,302 | 204 | 296 | 14 | (269) | (14) | 4,329 | 204 |
| Class 2 | 481,518 | 22,952 | 283,963 | 13,909 | (441,465) | (21,109) | 324,016 | 15,752 |
| Class 3 | 506 | 23 | 1,857 | 91 | (4,389) | (209) | (2,026) | (95) |
| Class 4 | 96,985 | 4,701 | 20,021 | 990 | (45,627) | (2,234) | 71,379 | 3,457 |
| Total net increase (decrease) | \$1,570,502 | 75,765 | \$645,875 | 31,686 | \$(970,991) | (46,668) | \$1,245,386 | 60,783 |

See end of tables for footnotes.

New World Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|-----------|--------|--------------------------------|--------|--------------|---------|-------------------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 23,580 | 1,000 | \$ 75,373 | 3,213 | \$(108,834) | (4,641) | \$ (9,881) | (428) |
| Class 1A | 888 | 37 | 139 | 6 | (69) | (3) | 958 | 40 |
| Class 2 | 39,295 | 1,692 | 36,575 | 1,575 | (90,286) | (3,885) | (14,416) | (618) |
| Class 4 | 38,657 | 1,682 | 21,910 | 948 | (21,734) | (929) | 38,833 | 1,701 |
| Total net increase (decrease) | \$102,420 | 4,411 | \$133,997 | 5,742 | \$(220,923) | (9,458) | \$ 15,494 | 695 |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-----------|--------|-----------|-------|-------------|----------|-----------|---------|
| Class 1 | \$169,684 | 6,947 | \$ 75,282 | 3,139 | \$(240,756) | (10,008) | \$ 4,210 | 78 |
| Class 1A | 2,616 | 108 | 73 | 3 | (572) | (24) | 2,117 | 87 |
| Class 2 | 70,536 | 2,954 | 34,787 | 1,456 | (144,167) | (5,934) | (38,844) | (1,524) |
| Class 4 | 140,212 | 5,922 | 16,079 | 674 | (31,201) | (1,315) | 125,090 | 5,281 |
| Total net increase (decrease) | \$383,048 | 15,931 | \$126,221 | 5,272 | \$(416,696) | (17,281) | \$ 92,573 | 3,922 |

Blue Chip Income and Growth Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|-----------|--------|--------------------------------|--------|--------------|----------|-------------------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$183,590 | 14,362 | \$430,113 | 34,686 | \$ (208,426) | (15,743) | \$ 405,277 | 33,305 |
| Class 1A | 3,501 | 272 | 458 | 37 | (99) | (7) | 3,860 | 302 |
| Class 2 | 17,870 | 1,377 | 250,794 | 20,507 | (166,322) | (12,576) | 102,342 | 9,308 |
| Class 4 | 107,033 | 8,191 | 40,543 | 3,331 | (18,093) | (1,380) | 129,483 | 10,142 |
| Total net increase (decrease) | \$311,994 | 24,202 | \$721,908 | 58,561 | \$ (392,940) | (29,706) | \$ 640,962 | 53,057 |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-----------|--------|-----------|--------|---------------|----------|------------|---------|
| Class 1 | \$189,059 | 13,527 | \$528,528 | 38,135 | \$ (524,399) | (36,270) | \$ 193,188 | 15,392 |
| Class 1A | 2,957 | 203 | 254 | 19 | (106) | (8) | 3,105 | 214 |
| Class 2 | 34,615 | 2,528 | 320,676 | 23,381 | (472,476) | (32,985) | (117,185) | (7,076) |
| Class 4 | 190,787 | 13,641 | 29,968 | 2,200 | (33,879) | (2,399) | 186,876 | 13,442 |
| Total net increase (decrease) | \$417,418 | 29,899 | \$879,426 | 63,735 | \$(1,030,860) | (71,662) | \$ 265,984 | 21,972 |

Global Growth and Income Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|-----------|--------|--------------------------------|--------|--------------|----------|-------------------------|---------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 21,374 | 1,478 | \$ 28,719 | 1,986 | \$ (34,209) | (2,387) | \$ 15,884 | 1,077 |
| Class 1A | 600 | 41 | 71 | 5 | (137) | (10) | 534 | 36 |
| Class 2 | 8,919 | 637 | 71,071 | 4,929 | (111,409) | (7,690) | (31,419) | (2,124) |
| Class 4 | 16,631 | 1,171 | 6,320 | 445 | (8,309) | (584) | 14,642 | 1,032 |
| Total net increase (decrease) | \$ 47,524 | 3,327 | \$106,181 | 7,365 | \$(154,064) | (10,671) | \$ (359) | 21 |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-----------|--------|-----------|--------|-------------|----------|-----------|---------|
| Class 1 | \$105,981 | 7,092 | \$ 45,562 | 3,107 | \$ (46,619) | (3,060) | \$104,924 | 7,139 |
| Class 1A | 951 | 60 | 81 | 6 | (40) | (2) | 992 | 64 |
| Class 2 | 27,421 | 1,842 | 130,608 | 8,898 | (208,022) | (13,672) | (49,993) | (2,932) |
| Class 4 | 42,459 | 2,827 | 8,471 | 586 | (16,633) | (1,102) | 34,297 | 2,311 |
| Total net increase (decrease) | \$176,812 | 11,821 | \$184,722 | 12,597 | \$(271,314) | (17,836) | \$ 90,220 | 6,582 |

Growth-Income Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|------------|--------|--------------------------------|--------|---------------|----------|-------------------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 633,030 | 12,851 | \$1,969,359 | 42,452 | \$ (641,776) | (12,839) | \$1,960,613 | 42,464 |
| Class 1A | 1,711 | 35 | 889 | 19 | (447) | (9) | 2,153 | 45 |
| Class 2 | 86,183 | 1,759 | 1,356,902 | 29,633 | (794,998) | (16,125) | 648,087 | 15,267 |
| Class 3 | 1,507 | 30 | 15,628 | 336 | (10,814) | (216) | 6,321 | 150 |
| Class 4 | 95,084 | 1,957 | 111,554 | 2,465 | (50,813) | (1,047) | 155,825 | 3,375 |
| Total net increase (decrease) | \$ 817,515 | 16,632 | \$3,454,332 | 74,905 | \$(1,498,848) | (30,236) | \$2,772,999 | 61,301 |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-------------|--------|-------------|--------|---------------|----------|-------------|----------|
| Class 1 | \$2,594,038 | 53,950 | \$1,388,000 | 27,742 | \$(1,325,537) | (25,872) | \$2,656,501 | 55,820 |
| Class 1A | 5,817 | 114 | 467 | 10 | (933) | (18) | 5,351 | 106 |
| Class 2 | 128,833 | 2,587 | 1,128,412 | 22,770 | (1,901,203) | (37,514) | (643,958) | (12,157) |
| Class 3 | 1,014 | 20 | 13,244 | 264 | (26,871) | (525) | (12,613) | (241) |
| Class 4 | 193,427 | 3,881 | 73,971 | 1,507 | (97,541) | (1,958) | 169,857 | 3,430 |
| Total net increase (decrease) | \$2,923,129 | 60,552 | \$2,604,094 | 52,293 | \$(3,352,085) | (65,887) | \$2,175,138 | 46,958 |

International Growth and Income Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|-----------|--------|--------------------------------|--------|--------------|---------|-------------------------|---------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 4,476 | 265 | \$16,278 | 957 | \$ (92,645) | (5,477) | \$(71,891) | (4,255) |
| Class 1A | 260 | 16 | 33 | 2 | (15) | (1) | 278 | 17 |
| Class 2 | 3,892 | 232 | 3,580 | 211 | (18,788) | (1,123) | (11,316) | (680) |
| Class 4 | 10,052 | 602 | 1,240 | 74 | (4,343) | (260) | 6,949 | 416 |
| Total net increase (decrease) | \$ 18,680 | 1,115 | \$21,131 | 1,244 | \$(115,791) | (6,861) | \$(75,980) | (4,502) |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-----------|-------|----------|-------|-------------|---------|-----------|-------|
| Class 1 | \$102,396 | 5,829 | \$28,476 | 1,796 | \$ (62,238) | (3,472) | \$ 68,634 | 4,153 |
| Class 1A | 276 | 16 | 44 | 3 | (453) | (27) | (133) | (8) |
| Class 2 | 13,046 | 753 | 5,865 | 371 | (28,666) | (1,702) | (9,755) | (578) |
| Class 4 | 29,607 | 1,717 | 1,597 | 101 | (12,831) | (752) | 18,373 | 1,066 |
| Total net increase (decrease) | \$145,325 | 8,315 | \$35,982 | 2,271 | \$(104,188) | (5,953) | \$ 77,119 | 4,633 |

See end of tables for footnotes.

Capital Income Builder

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase | |
|---------------------------------------|-----------|--------|--------------------------------|--------|--------------|---------|--------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 74,292 | 7,467 | \$ 6,127 | 611 | \$ (4,297) | (435) | \$ 76,122 | 7,643 |
| Class 1A | 1,823 | 181 | 49 | 5 | (92) | (10) | 1,780 | 176 |
| Class 2 | 780 | 79 | 64 | 6 | (295) | (29) | 549 | 56 |
| Class 4 | 34,077 | 3,425 | 5,320 | 532 | (12,089) | (1,218) | 27,308 | 2,739 |
| Total net increase (decrease) | \$110,972 | 11,152 | \$11,560 | 1,154 | \$(16,773) | (1,692) | \$105,759 | 10,614 |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-----------|--------|----------|-------|------------|---------|-----------|--------|
| Class 1 | \$ 96,466 | 9,624 | \$10,037 | 1,010 | \$(12,240) | (1,241) | \$ 94,263 | 9,393 |
| Class 1A | 2,709 | 270 | 70 | 7 | (761) | (77) | 2,018 | 200 |
| Class 2 | 2,658 | 264 | 96 | 10 | (180) | (18) | 2,574 | 256 |
| Class 4 | 66,457 | 6,627 | 10,312 | 1,037 | (25,636) | (2,556) | 51,133 | 5,108 |
| Total net increase (decrease) | \$168,290 | 16,785 | \$20,515 | 2,064 | \$(38,817) | (3,892) | \$149,988 | 14,957 |

Asset Allocation Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|------------|--------|--------------------------------|--------|--------------|----------|-------------------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 557,920 | 24,399 | \$ 890,794 | 40,090 | \$ (586,283) | (25,759) | \$ 862,431 | 38,730 |
| Class 1A | 1,370 | 61 | 451 | 20 | (397) | (17) | 1,424 | 64 |
| Class 2 | 64,314 | 2,832 | 273,998 | 12,472 | (291,521) | (12,855) | 46,791 | 2,449 |
| Class 3 | 401 | 18 | 1,715 | 77 | (2,103) | (92) | 13 | 3 |
| Class 4 | 164,555 | 7,306 | 221,738 | 10,143 | (114,065) | (5,098) | 272,228 | 12,351 |
| Total net increase (decrease) | \$ 788,560 | 34,616 | \$1,388,696 | 62,802 | \$(994,369) | (43,821) | \$1,182,887 | 53,597 |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-------------|--------|-------------|--------|---------------|-----------|--------------|----------|
| Class 1 | \$1,402,434 | 60,588 | \$1,053,838 | 46,034 | \$(2,607,246) | (117,896) | \$ (150,974) | (11,274) |
| Class 1A | 3,797 | 162 | 411 | 18 | (678) | (30) | 3,530 | 150 |
| Class 2 | 89,621 | 3,865 | 313,464 | 13,808 | (682,422) | (29,567) | (279,337) | (11,894) |
| Class 3 | 897 | 38 | 2,098 | 91 | (7,614) | (325) | (4,619) | (196) |
| Class 4 | 380,567 | 16,509 | 217,964 | 9,642 | (180,958) | (7,998) | 417,573 | 18,153 |
| Total net increase (decrease) | \$1,877,316 | 81,162 | \$1,587,775 | 69,593 | \$(3,478,918) | (155,816) | \$ (13,827) | (5,061) |

Global Balanced Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|----------|--------|--------------------------------|----------------|--------------|---------|-------------------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 4,751 | 381 | \$ 273 | 21 | \$ (424) | (34) | \$ 4,600 | 368 |
| Class 1A | 95 | 8 | 5 | - [†] | (130) | (10) | (30) | (2) |
| Class 2 | 3,628 | 288 | 429 | 33 | (10,731) | (856) | (6,674) | (535) |
| Class 4 | 7,758 | 622 | 176 | 14 | (2,995) | (242) | 4,939 | 394 |
| Total net increase (decrease) | \$16,232 | 1,299 | \$ 883 | 68 | \$(14,280) | (1,142) | \$ 2,835 | 225 |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|----------|-------|---------|-----|------------|---------|----------|-------|
| Class 1 | \$24,581 | 1,901 | \$3,154 | 265 | \$ (847) | (66) | \$26,888 | 2,100 |
| Class 1A | 2,209 | 171 | 56 | 5 | (292) | (24) | 1,973 | 152 |
| Class 2 | 11,812 | 914 | 4,844 | 408 | (24,153) | (1,905) | (7,497) | (583) |
| Class 4 | 35,652 | 2,821 | 1,646 | 140 | (12,396) | (987) | 24,902 | 1,974 |
| Total net increase (decrease) | \$74,254 | 5,807 | \$9,700 | 818 | \$(37,688) | (2,982) | \$46,266 | 3,643 |

Bond Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase (decrease) | |
|---------------------------------------|------------|--------|--------------------------------|--------|--------------|----------|-------------------------|----------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 368,375 | 34,232 | \$ 35,509 | 3,231 | \$ (334,983) | (31,328) | \$ 68,901 | 6,135 |
| Class 1A | 1,605 | 149 | 25 | 2 | (256) | (24) | 1,374 | 127 |
| Class 2 | 71,151 | 6,668 | 19,047 | 1,757 | (220,769) | (20,823) | (130,571) | (12,398) |
| Class 4 | 67,878 | 6,379 | 2,132 | 197 | (23,917) | (2,268) | 46,093 | 4,308 |
| Total net increase (decrease) | \$ 509,009 | 47,428 | \$ 56,713 | 5,187 | \$ (579,925) | (54,443) | \$ (14,203) | (1,828) |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-------------|---------|-----------|--------|---------------|-----------|-------------|----------|
| Class 1 | \$ 856,250 | 80,879 | \$164,110 | 15,776 | \$(1,296,873) | (122,086) | \$(276,513) | (25,431) |
| Class 1A | 2,864 | 271 | 80 | 8 | (674) | (64) | 2,270 | 215 |
| Class 2 | 107,831 | 10,281 | 93,483 | 9,101 | (518,189) | (49,721) | (316,875) | (30,339) |
| Class 4 | 118,851 | 11,386 | 8,606 | 839 | (47,758) | (4,587) | 79,699 | 7,638 |
| Total net increase (decrease) | \$1,085,796 | 102,817 | \$266,279 | 25,724 | \$(1,863,494) | (176,458) | \$(511,419) | (47,917) |

Global Bond Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|-----------|--------|--------------------------------|----------------|--------------|----------|-------------------------|----------------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 52,180 | 4,488 | \$ 7,966 | 669 | \$ (68,705) | (5,885) | \$ (8,559) | (728) |
| Class 1A | 16 | 1 | 3 | — [†] | (15) | (1) | 4 | — [†] |
| Class 2 | 17,793 | 1,534 | 7,548 | 638 | (67,774) | (5,855) | (42,433) | (3,683) |
| Class 4 | 7,066 | 615 | 317 | 27 | (3,315) | (288) | 4,068 | 354 |
| Total net increase (decrease) | \$ 77,055 | 6,638 | \$15,834 | 1,334 | \$(139,809) | (12,029) | \$ (46,920) | (4,057) |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|-----------|--------|----------|-------|-------------|----------|-------------|----------|
| Class 1 | \$126,990 | 10,666 | \$28,466 | 2,515 | \$(375,280) | (31,456) | \$(219,824) | (18,275) |
| Class 1A | 575 | 49 | 10 | 1 | (241) | (21) | 344 | 29 |
| Class 2 | 41,190 | 3,507 | 26,720 | 2,377 | (156,625) | (13,571) | (88,715) | (7,687) |
| Class 4 | 28,055 | 2,394 | 934 | 84 | (17,922) | (1,548) | 11,067 | 930 |
| Total net increase (decrease) | \$196,810 | 16,616 | \$56,130 | 4,977 | \$(550,068) | (46,596) | \$(297,128) | (25,003) |

See end of tables for footnotes.

High-Income Bond Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|----------|--------|--------------------------------|--------|--------------|---------|-------------------------|---------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 6,788 | 672 | \$ 6,406 | 635 | \$ (30,513) | (3,071) | \$ (17,319) | (1,764) |
| Class 1A | 255 | 25 | 9 | 1 | (341) | (34) | (77) | (8) |
| Class 2 | 5,462 | 563 | 8,300 | 837 | (45,088) | (4,593) | (31,326) | (3,193) |
| Class 3 | 353 | 35 | 118 | 12 | (618) | (62) | (147) | (15) |
| Class 4 | 42,207 | 4,023 | 588 | 55 | (19,162) | (1,784) | 23,633 | 2,294 |
| Total net increase (decrease) | \$55,065 | 5,318 | \$15,421 | 1,540 | \$ (95,722) | (9,544) | \$ (25,236) | (2,686) |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|----------|-------|----------|-------|-------------|----------|-------------|----------|
| Class 1 | \$15,126 | 1,484 | \$34,114 | 3,526 | \$(136,193) | (13,306) | \$ (86,953) | (8,296) |
| Class 1A | 621 | 61 | 40 | 5 | (365) | (36) | 296 | 30 |
| Class 2 | 12,354 | 1,231 | 43,383 | 4,563 | (111,276) | (11,157) | (55,539) | (5,363) |
| Class 3 | 1,837 | 179 | 664 | 68 | (4,223) | (418) | (1,722) | (171) |
| Class 4 | 51,449 | 4,747 | 1,733 | 168 | (53,384) | (4,942) | (202) | (27) |
| Total net increase (decrease) | \$81,387 | 7,702 | \$79,934 | 8,330 | \$(305,441) | (29,859) | \$(144,120) | (13,827) |

Mortgage Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|----------|--------|--------------------------------|----------------|--------------|---------|-------------------------|---------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$21,101 | 2,032 | \$ 944 | 89 | \$(29,038) | (2,764) | \$ (6,993) | (643) |
| Class 1A | 135 | 13 | 3 | — [†] | (309) | (29) | (171) | (16) |
| Class 2 | 2,607 | 250 | 239 | 22 | (3,339) | (320) | (493) | (48) |
| Class 4 | 4,955 | 480 | 81 | 8 | (8,135) | (791) | (3,099) | (303) |
| Total net increase (decrease) | \$28,798 | 2,775 | \$1,267 | 119 | \$(40,821) | (3,904) | \$(10,756) | (1,010) |

Year ended December 31, 2018

| | | | | | | | | |
|-------------------------------|----------|-------|---------|-----|------------|---------|------------|---------|
| Class 1 | \$17,819 | 1,730 | \$4,658 | 457 | \$(74,088) | (7,185) | \$(51,611) | (4,998) |
| Class 1A | 732 | 71 | 15 | 2 | (111) | (11) | 636 | 62 |
| Class 2 | 4,682 | 456 | 1,128 | 111 | (10,509) | (1,023) | (4,699) | (456) |
| Class 4 | 14,315 | 1,403 | 424 | 41 | (2,626) | (257) | 12,113 | 1,187 |
| Total net increase (decrease) | \$37,548 | 3,660 | \$6,225 | 611 | \$(87,334) | (8,476) | \$(43,561) | (4,205) |

Ultra-Short Bond Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|------------|--------|--------------------------------|----------------|--------------|----------|-------------------------|----------------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 5,032 | 443 | \$ 120 | 10 | \$ (10,628) | (936) | \$ (5,476) | (483) |
| Class 1A | — | — | — ⁺ | — ⁺ | — | — | — ⁺ | — ⁺ |
| Class 2 | 33,087 | 2,987 | 794 | 72 | (53,293) | (4,814) | (19,412) | (1,755) |
| Class 3 | 248 | 23 | 12 | 1 | (1,527) | (137) | (1,267) | (113) |
| Class 4 | 12,481 | 1,114 | 74 | 7 | (9,022) | (806) | 3,533 | 315 |
| Total net increase (decrease) | \$ 50,848 | 4,567 | \$ 1,000 | 90 | \$ (74,470) | (6,693) | \$ (22,622) | (2,036) |
| Year ended December 31, 2018 | | | | | | | | |
| Class 1 | \$ 25,371 | 2,233 | \$ 561 | 50 | \$ (26,198) | (2,310) | \$ (266) | (27) |
| Class 1A | — | — | — ⁺ | — ⁺ | — | — | — ⁺ | — ⁺ |
| Class 2 | 103,165 | 9,332 | 2,762 | 250 | (107,692) | (9,741) | (1,765) | (159) |
| Class 3 | 4,222 | 378 | 42 | 4 | (3,944) | (353) | 320 | 29 |
| Class 4 | 16,908 | 1,513 | 153 | 14 | (14,303) | (1,281) | 2,758 | 246 |
| Total net increase (decrease) | \$ 149,666 | 13,456 | \$ 3,518 | 318 | \$ (152,137) | (13,685) | \$ 1,047 | 89 |

U.S. Government/AAA-Rated Securities Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|------------|--------|--------------------------------|--------|--------------|----------|-------------------------|----------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class 1 | \$ 42,379 | 3,505 | \$ 5,917 | 478 | \$ (96,593) | (7,929) | \$ (48,297) | (3,946) |
| Class 1A | 953 | 78 | 8 | 1 | (295) | (25) | 666 | 54 |
| Class 2 | 36,832 | 3,061 | 4,960 | 405 | (83,835) | (6,992) | (42,043) | (3,526) |
| Class 3 | 637 | 52 | 33 | 2 | (1,078) | (88) | (408) | (34) |
| Class 4 | 35,821 | 2,964 | 386 | 32 | (17,635) | (1,470) | 18,572 | 1,526 |
| Total net increase (decrease) | \$ 116,622 | 9,660 | \$ 11,304 | 918 | \$ (199,436) | (16,504) | \$ (71,510) | (5,926) |
| Year ended December 31, 2018 | | | | | | | | |
| Class 1 | \$ 67,360 | 5,655 | \$ 29,446 | 2,499 | \$ (191,451) | (16,111) | \$ (94,645) | (7,957) |
| Class 1A | 1,389 | 118 | 28 | 2 | (214) | (18) | 1,203 | 102 |
| Class 2 | 43,398 | 3,680 | 24,431 | 2,094 | (200,280) | (17,045) | (132,451) | (11,271) |
| Class 3 | 628 | 53 | 165 | 14 | (1,997) | (168) | (1,204) | (101) |
| Class 4 | 45,391 | 3,857 | 1,313 | 113 | (17,387) | (1,474) | 29,317 | 2,496 |
| Total net increase (decrease) | \$ 158,166 | 13,363 | \$ 55,383 | 4,722 | \$ (411,329) | (34,816) | \$ (197,780) | (16,731) |

Managed Risk Growth Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase | |
|---------------------------------------|-----------|--------|--------------------------------|--------|--------------|---------|--------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class P1 | \$ 804 | 60 | \$ 290 | 23 | \$ (203) | (15) | \$ 891 | 68 |
| Class P2 | 25,177 | 1,945 | 28,836 | 2,339 | (11,499) | (880) | 42,514 | 3,404 |
| Total net increase (decrease) | \$ 25,981 | 2,005 | \$ 29,126 | 2,362 | \$ (11,702) | (895) | \$ 43,405 | 3,472 |
| Year ended December 31, 2018 | | | | | | | | |
| Class P1 | \$ 1,861 | 140 | \$ 150 | 11 | \$ (596) | (45) | \$ 1,415 | 106 |
| Class P2 | 79,190 | 6,025 | 21,792 | 1,658 | (21,197) | (1,594) | 79,785 | 6,089 |
| Total net increase (decrease) | \$ 81,051 | 6,165 | \$ 21,942 | 1,669 | \$ (21,793) | (1,639) | \$ 81,200 | 6,195 |

See end of tables for footnotes.

Managed Risk International Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase | |
|---------------------------------------|----------|--------|--------------------------------|--------|--------------|---------|--------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class P1 | \$ 168 | 16 | \$ 27 | 3 | \$ (32) | (3) | \$ 163 | 16 |
| Class P2 | 4,350 | 420 | 7,769 | 772 | (8,646) | (831) | 3,473 | 361 |
| Total net increase (decrease) | \$ 4,518 | 436 | \$7,796 | 775 | \$ (8,678) | (834) | \$ 3,636 | 377 |
| Year ended December 31, 2018 | | | | | | | | |
| Class P1 | \$ 321 | 30 | \$ 9 | 1 | \$ (44) | (4) | \$ 286 | 27 |
| Class P2 | 33,085 | 3,040 | 3,419 | 323 | (13,533) | (1,240) | 22,971 | 2,123 |
| Total net increase (decrease) | \$33,406 | 3,070 | \$3,428 | 324 | \$(13,577) | (1,244) | \$23,257 | 2,150 |

Managed Risk Blue Chip Income and Growth Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase | |
|---------------------------------------|----------|--------|--------------------------------|--------|--------------|---------|--------------|--------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class P1 | \$ 309 | 25 | \$ 53 | 5 | \$ (158) | (14) | \$ 204 | 16 |
| Class P2 | 10,209 | 886 | 23,362 | 2,128 | (15,231) | (1,300) | 18,340 | 1,714 |
| Total net increase (decrease) | \$10,518 | 911 | \$23,415 | 2,133 | \$(15,389) | (1,314) | \$18,544 | 1,730 |
| Year ended December 31, 2018 | | | | | | | | |
| Class P1 | \$ 358 | 29 | \$ 22 | 2 | \$ (43) | (4) | \$ 337 | 27 |
| Class P2 | 31,213 | 2,567 | 23,504 | 1,964 | (35,759) | (2,843) | 18,958 | 1,688 |
| Total net increase (decrease) | \$31,571 | 2,596 | \$23,526 | 1,966 | \$(35,802) | (2,847) | \$19,295 | 1,715 |

Managed Risk Growth-Income Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net increase | |
|---------------------------------------|-------------|---------|--------------------------------|--------|--------------|---------|--------------|---------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class P1 | \$ 53,713 | 4,286 | \$20,255 | 1,592 | \$(22,890) | (1,837) | \$ 51,078 | 4,041 |
| Class P2 | 13,055 | 1,055 | 2,648 | 209 | (9,633) | (766) | 6,070 | 498 |
| Total net increase (decrease) | \$ 66,768 | 5,341 | \$22,903 | 1,801 | \$(32,523) | (2,603) | \$ 57,148 | 4,539 |
| Year ended December 31, 2018 | | | | | | | | |
| Class P1 | \$1,696,532 | 144,131 | \$ 164 | 13 | \$(30,979) | (2,639) | \$1,665,717 | 141,505 |
| Class P2 | 45,914 | 3,658 | 12,188 | 977 | (16,805) | (1,320) | 41,297 | 3,315 |
| Total net increase (decrease) | \$1,742,446 | 147,789 | \$12,352 | 990 | \$(47,784) | (3,959) | \$1,707,014 | 144,820 |

Managed Risk Asset Allocation Fund

| Share class | Sales* | | Reinvestments of distributions | | Repurchases* | | Net (decrease) increase | |
|---------------------------------------|-----------|--------|--------------------------------|--------|---------------|-----------|-------------------------|-----------|
| | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares |
| Six months ended June 30, 2019 | | | | | | | | |
| Class P1 | \$ 83 | 7 | \$ 65 | 5 | \$ (296) | (22) | \$ (148) | (10) |
| Class P2 | 56,368 | 4,353 | 177,679 | 14,375 | (134,684) | (10,418) | 99,363 | 8,310 |
| Total net increase (decrease) | \$ 56,451 | 4,360 | \$177,744 | 14,380 | \$ (134,980) | (10,440) | \$ 99,215 | 8,300 |
| Year ended December 31, 2018 | | | | | | | | |
| Class P1 | \$158,125 | 11,883 | \$ 98,747 | 7,599 | \$(1,735,518) | (141,232) | \$(1,478,646) | (121,750) |
| Class P2 | 122,897 | 9,265 | 144,221 | 11,089 | (250,843) | (19,040) | 16,275 | 1,314 |
| Total net increase (decrease) | \$281,022 | 21,148 | \$242,968 | 18,688 | \$(1,986,361) | (160,272) | \$(1,462,371) | (120,436) |

*Includes exchanges between share classes of the fund.

†Amount less than one thousand.

10. Investment transactions and other disclosures

The following tables present additional information for each of the funds for the six months ended June 30, 2019 (dollars in thousands):

| | Global Growth Fund | Global Small Capitalization Fund | Growth Fund | International Fund | New World Fund | Blue Chip Income and Growth Fund |
|---|--------------------|----------------------------------|-------------|--------------------|----------------|----------------------------------|
| Purchases of investment securities* | \$1,055,951 | \$1,850,309 | \$4,857,350 | \$2,792,947 | \$1,307,390 | \$3,006,205 |
| Sales of investment securities* | 1,073,582 | 1,461,908 | 3,684,608 | 1,993,562 | 923,284 | 2,520,023 |
| Non-U.S. taxes paid on dividend income | 5,123 | 2,341 | 5,755 | 11,331 | 2,280 | 357 |
| Non-U.S. taxes paid on interest income | — | — | — | — | 4 | — |
| Non-U.S. taxes paid on realized gains | — | — | — | — | 50 | — |
| Non-U.S. taxes provided on unrealized gains | 2,290 | 2,754 | — | 16,416 | 6,872 | — |

| | Global Growth and Income Fund | Growth-Income Fund | International Growth and Income Fund | Capital Income Builder | Asset Allocation Fund | Global Balanced Fund |
|---|-------------------------------|--------------------|--------------------------------------|------------------------|-----------------------|----------------------|
| Purchases of investment securities* | \$544,087 | \$7,509,583 | \$373,943 | \$378,926 | \$12,042,957 | \$252,975 |
| Sales of investment securities* | 536,095 | 4,935,543 | 268,718 | 248,431 | 8,999,283 | 231,206 |
| Non-U.S. taxes paid on dividend income | 2,358 | 7,611 | 2,754 | 701 | 5,187 | 233 |
| Non-U.S. taxes (refunded) paid on interest income | — | (1) | — | — | — | 7 |
| Non-U.S. taxes paid on realized gains | — | — | 145 | — | — | 2 |
| Non-U.S. taxes provided on unrealized gains | 1,106 | 1,301 | 959 | — | 289 | 54 |
| Dividend income from affiliated issuers | — | 1,827 | — | — | 730 | — |
| Interest income from affiliated issuers | — | — | — | — | 1,194 | — |

| | Bond Fund | Global Bond Fund | High-Income Bond Fund | Mortgage Fund | Ultra-Short Bond Fund | U.S. Government/AAA-Rated Securities Fund |
|---|--------------|------------------|-----------------------|---------------|-----------------------|---|
| Purchases of investment securities* | \$20,635,057 | \$1,897,021 | \$565,238 | \$394,192 | \$— | \$2,655,824 |
| Sales of investment securities* | 19,572,372 | 1,923,935 | 529,305 | 398,582 | — | 2,725,376 |
| Non-U.S. taxes (refunded) paid on interest income | (6) | 138 | — | — | — | — |
| Non-U.S. taxes (refunded) paid on realized gains | (2) | 210 | — | — | — | — |
| Non-U.S. taxes provided on unrealized gains | — | 425 | — | — | — | — |

| | Managed Risk Growth Fund | Managed Risk International Fund | Managed Risk Blue Chip Income and Growth Fund | Managed Risk Growth-Income Fund | Managed Risk Asset Allocation Fund |
|---|--------------------------|---------------------------------|---|---------------------------------|------------------------------------|
| Purchases of investment securities* | \$56,036 | \$7,414 | \$31,627 | \$231,601 | \$159,809 |
| Sales of investment securities* | 23,553 | 7,689 | 27,130 | 64,363 | 146,293 |
| Dividend income from affiliated issuers | 1,089 | 367 | 1,448 | 7,423 | 11,862 |

*Excludes short-term securities and U.S. government obligations, if any.

11. Ownership concentration

At June 30, 2019, American Funds Insurance Series - Portfolio Series Managed Risk Growth and Income Portfolio held 34% and 11% of the outstanding shares of Capital Income Builder and Global Growth and Income Fund, respectively. In addition, American Funds Insurance Series - Portfolio Series Managed Risk Global Allocation Portfolio held 23% of the outstanding shares of Global Balanced Fund and Managed Risk Asset Allocation Fund held 10% of the outstanding shares of Asset Allocation Fund.

Financial highlights

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|---|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|---------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| Global Growth Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$25.74 | \$.21 | \$ 5.27 | \$ 5.48 | \$(.05) | \$(1.68) | \$(1.73) | \$29.49 | 21.41% ⁴ | \$2,254 | .55% ⁵ | 1.46% ⁵ |
| 12/31/2018 | 30.51 | .29 | (2.65) | (2.36) | (.28) | (2.13) | (2.41) | 25.74 | (8.81) | 1,942 | .55 | .98 |
| 12/31/2017 | 24.05 | .26 | 7.30 | 7.56 | (.26) | (.84) | (1.10) | 30.51 | 31.80 | 2,010 | .55 | .94 |
| 12/31/2016 | 26.39 | .25 | (.14) | .11 | (.29) | (2.16) | (2.45) | 24.05 | .87 | 1,630 | .56 | 1.00 |
| 12/31/2015 | 27.48 | .25 | 1.80 | 2.05 | (.35) | (2.79) | (3.14) | 26.39 | 7.24 | 1,626 | .55 | .90 |
| 12/31/2014 | 30.11 | .31 ⁶ | .40 | .71 | (.40) | (2.94) | (3.34) | 27.48 | 2.52 | 1,558 | .55 | 1.08 ⁶ |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 25.69 | .18 | 5.24 | 5.42 | (.04) | (1.68) | (1.72) | 29.39 | 21.23 ⁴ | 7 | .80 ⁵ | 1.25 ⁵ |
| 12/31/2018 | 30.46 | .23 | (2.66) | (2.43) | (.21) | (2.13) | (2.34) | 25.69 | (9.02) | 5 | .80 | .77 |
| 12/31/2017 ^{2,7} | 24.50 | .11 | 6.94 | 7.05 | (.25) | (.84) | (1.09) | 30.46 | 29.13 ⁴ | 2 | .80 ⁵ | .39 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 25.50 | .17 | 5.22 | 5.39 | (.04) | (1.68) | (1.72) | 29.17 | 21.25 ⁴ | 3,741 | .80 ⁵ | 1.20 ⁵ |
| 12/31/2018 | 30.24 | .22 | (2.63) | (2.41) | (.20) | (2.13) | (2.33) | 25.50 | (9.04) | 3,306 | .80 | .73 |
| 12/31/2017 | 23.85 | .19 | 7.23 | 7.42 | (.19) | (.84) | (1.03) | 30.24 | 31.47 | 4,012 | .80 | .69 |
| 12/31/2016 | 26.19 | .18 | (.14) | .04 | (.22) | (2.16) | (2.38) | 23.85 | .62 | 3,483 | .81 | .76 |
| 12/31/2015 | 27.30 | .18 | 1.78 | 1.96 | (.28) | (2.79) | (3.07) | 26.19 | 6.94 | 3,817 | .80 | .66 |
| 12/31/2014 | 29.92 | .24 ⁶ | .41 | .65 | (.33) | (2.94) | (3.27) | 27.30 | 2.31 | 3,992 | .80 | .85 ⁶ |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 25.39 | .14 | 5.18 | 5.32 | (.03) | (1.68) | (1.71) | 29.00 | 21.07 ⁴ | 322 | 1.05 ⁵ | .99 ⁵ |
| 12/31/2018 | 30.13 | .14 | (2.60) | (2.46) | (.15) | (2.13) | (2.28) | 25.39 | (9.24) | 249 | 1.05 | .47 |
| 12/31/2017 | 23.81 | .10 | 7.22 | 7.32 | (.16) | (.84) | (1.00) | 30.13 | 31.11 | 211 | 1.05 | .37 |
| 12/31/2016 | 26.16 | .12 | (.14) | (.02) | (.17) | (2.16) | (2.33) | 23.81 | .37 | 94 | 1.06 | .50 |
| 12/31/2015 | 27.34 | .09 | 1.81 | 1.90 | (.29) | (2.79) | (3.08) | 26.16 | 6.69 | 91 | 1.05 | .34 |
| 12/31/2014 | 30.07 | .07 ⁶ | .50 | .57 | (.36) | (2.94) | (3.30) | 27.34 | 2.01 | 19 | 1.05 | .26 ⁶ |
| Global Small Capitalization Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$21.75 | \$.10 | \$ 4.28 | \$ 4.38 | \$(.02) | \$(1.58) | \$(1.60) | \$24.53 | 20.30% ⁴ | \$1,951 | .74% ⁵ | .80% ⁵ |
| 12/31/2018 | 25.38 | .11 | (2.51) | (2.40) | (.09) | (1.14) | (1.23) | 21.75 | (10.31) | 1,453 | .73 | .42 |
| 12/31/2017 | 20.24 | .12 | 5.17 | 5.29 | (.15) | — | (.15) | 25.38 | 26.22 | 1,639 | .73 | .54 |
| 12/31/2016 | 24.41 | .12 | .17 | .29 | (.11) | (4.35) | (4.46) | 20.24 | 2.35 | 1,532 | .74 | .57 |
| 12/31/2015 | 26.09 | .04 | .36 | .40 | — | (2.08) | (2.08) | 24.41 | .50 | 1,706 | .73 | .15 |
| 12/31/2014 | 25.69 | .09 | .52 | .61 | (.09) | (.12) | (.21) | 26.09 | 2.36 | 1,411 | .74 | .34 |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 21.71 | .07 | 4.28 | 4.35 | (.01) | (1.58) | (1.59) | 24.47 ⁸ | 20.21 ⁴ | — ⁸ | .98 ⁵ | .55 ⁵ |
| 12/31/2018 | 25.36 | .05 | (2.52) | (2.47) | (.04) | (1.14) | (1.18) | 21.71 | (10.56) | — ⁸ | .98 | .21 |
| 12/31/2017 ^{2,7} | 20.70 | .08 | 4.71 | 4.79 | (.13) | — | (.13) | 25.36 | 23.19 ⁴ | — ⁸ | .96 ⁵ | .35 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 21.16 | .06 | 4.17 | 4.23 | (.01) | (1.58) | (1.59) | 23.80 | 20.16 ⁴ | 2,302 | .99 ⁵ | .51 ⁵ |
| 12/31/2018 | 24.72 | .04 | (2.44) | (2.40) | (.02) | (1.14) | (1.16) | 21.16 | (10.55) | 2,056 | .98 | .17 |
| 12/31/2017 | 19.72 | .06 | 5.04 | 5.10 | (.10) | — | (.10) | 24.72 | 25.89 | 2,551 | .98 | .27 |
| 12/31/2016 | 23.90 | .07 | .15 | .22 | (.05) | (4.35) | (4.40) | 19.72 | 2.10 | 2,303 | .99 | .31 |
| 12/31/2015 | 25.64 | (.03) | .37 | .34 | — | (2.08) | (2.08) | 23.90 | .27 | 2,492 | .98 | (.10) |
| 12/31/2014 | 25.25 | .03 | .51 | .54 | (.03) | (.12) | (.15) | 25.64 | 2.12 | 2,738 | .99 | .10 |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 21.28 | .03 | 4.20 | 4.23 | — ⁹ | (1.58) | (1.58) | 23.93 | 20.05 ⁴ | 180 | 1.24 ⁵ | .28 ⁵ |
| 12/31/2018 | 24.91 | (.02) | (2.46) | (2.48) | (.01) | (1.14) | (1.15) | 21.28 | (10.80) | 146 | 1.24 | (.08) |
| 12/31/2017 | 19.91 | — ⁹ | 5.09 | 5.09 | (.09) | — | (.09) | 24.91 | 25.62 | 125 | 1.23 | — ¹⁰ |
| 12/31/2016 | 24.11 | .01 | .16 | .17 | (.02) | (4.35) | (4.37) | 19.91 | 1.85 | 42 | 1.24 | .03 |
| 12/31/2015 | 25.92 | (.10) | .37 | .27 | — | (2.08) | (2.08) | 24.11 | (.02) | 34 | 1.23 | (.37) |
| 12/31/2014 | 25.57 | (.05) | .54 | .49 | (.02) | (.12) | (.14) | 25.92 | 1.88 | 12 | 1.24 | (.17) |

See end of tables for footnotes.

Financial highlights (continued)

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|---------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|---------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| Growth Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$69.96 | \$.42 | \$11.13 | \$11.55 | \$ (.20) | \$ (8.44) | \$ (8.64) | \$72.87 | 16.80% ⁴ | \$ 9,854 | .34% ⁵ | 1.09% ⁵ |
| 12/31/2018 | 77.85 | .64 | .25 | .89 | (.54) | (8.24) | (8.78) | 69.96 | (.01) | 8,474 | .34 | .81 |
| 12/31/2017 | 67.29 | .55 | 17.89 | 18.44 | (.55) | (7.33) | (7.88) | 77.85 | 28.62 | 8,100 | .35 | .75 |
| 12/31/2016 | 68.02 | .67 | 5.40 | 6.07 | (.67) | (6.13) | (6.80) | 67.29 | 9.77 | 6,931 | .35 | 1.03 |
| 12/31/2015 | 80.15 | .64 | 5.08 | 5.72 | (.61) | (17.24) | (17.85) | 68.02 | 7.12 | 6,796 | .35 | .87 |
| 12/31/2014 | 78.54 | .88 ⁶ | 5.79 | 6.67 | (1.16) | (3.90) | (5.06) | 80.15 | 8.78 | 7,118 | .35 | 1.12 ⁶ |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 69.77 | .33 | 11.09 | 11.42 | (.17) | (8.44) | (8.61) | 72.58 | 16.66 ⁴ | 14 | .59 ⁵ | .86 ⁵ |
| 12/31/2018 | 77.74 | .47 | .24 | .71 | (.44) | (8.24) | (8.68) | 69.77 | (.26) | 10 | .59 | .60 |
| 12/31/2017 ^{2,7} | 68.84 | .35 | 16.38 | 16.73 | (.50) | (7.33) | (7.83) | 77.74 | 25.47 ⁴ | 3 | .59 ⁵ | .47 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 69.48 | .32 | 11.04 | 11.36 | (.16) | (8.44) | (8.60) | 72.24 | 16.65 ⁴ | 15,090 | .59 ⁵ | .84 ⁵ |
| 12/31/2018 | 77.35 | .44 | .27 | .71 | (.34) | (8.24) | (8.58) | 69.48 | (.25) | 13,701 | .59 | .55 |
| 12/31/2017 | 66.92 | .37 | 17.76 | 18.13 | (.37) | (7.33) | (7.70) | 77.35 | 28.28 | 15,716 | .60 | .50 |
| 12/31/2016 | 67.69 | .51 | 5.36 | 5.87 | (.51) | (6.13) | (6.64) | 66.92 | 9.49 | 13,978 | .60 | .78 |
| 12/31/2015 | 79.84 | .46 | 5.06 | 5.52 | (.43) | (17.24) | (17.67) | 67.69 | 6.86 | 14,414 | .60 | .62 |
| 12/31/2014 | 77.94 | .68 ⁶ | 5.75 | 6.43 | (.63) | (3.90) | (4.53) | 79.84 | 8.51 | 15,413 | .60 | .87 ⁶ |
| Class 3: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 70.44 | .35 | 11.20 | 11.55 | (.17) | (8.44) | (8.61) | 73.38 | 16.68 ⁴ | 209 | .52 ⁵ | .91 ⁵ |
| 12/31/2018 | 78.32 | .50 | .26 | .76 | (.40) | (8.24) | (8.64) | 70.44 | (.18) | 187 | .52 | .62 |
| 12/31/2017 | 67.67 | .42 | 17.98 | 18.40 | (.42) | (7.33) | (7.75) | 78.32 | 28.39 | 212 | .53 | .57 |
| 12/31/2016 | 68.37 | .56 | 5.42 | 5.98 | (.55) | (6.13) | (6.68) | 67.67 | 9.56 | 183 | .53 | .85 |
| 12/31/2015 | 80.47 | .51 | 5.11 | 5.62 | (.48) | (17.24) | (17.72) | 68.37 | 6.92 | 194 | .53 | .69 |
| 12/31/2014 | 78.62 | .74 ⁶ | 5.79 | 6.53 | (.78) | (3.90) | (4.68) | 80.47 | 8.58 | 208 | .53 | .94 ⁶ |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 68.64 | .22 | 10.91 | 11.13 | (.14) | (8.44) | (8.58) | 71.19 | 16.51 ⁴ | 1,312 | .84 ⁵ | .60 ⁵ |
| 12/31/2018 | 76.56 | .24 | .28 | .52 | (.20) | (8.24) | (8.44) | 68.64 | (.50) | 1,076 | .84 | .31 |
| 12/31/2017 | 66.41 | .18 | 17.61 | 17.79 | (.31) | (7.33) | (7.64) | 76.56 | 27.99 | 954 | .85 | .25 |
| 12/31/2016 | 67.26 | .34 | 5.32 | 5.66 | (.38) | (6.13) | (6.51) | 66.41 | 9.22 | 458 | .85 | .53 |
| 12/31/2015 | 79.74 | .29 | 5.02 | 5.31 | (.55) | (17.24) | (17.79) | 67.26 | 6.59 | 394 | .85 | .42 |
| 12/31/2014 | 78.32 | .37 ⁶ | 5.87 | 6.24 | (.92) | (3.90) | (4.82) | 79.74 | 8.25 | 24 | .85 | .47 ⁶ |

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|---------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|---------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| International Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$17.66 | \$.20 | \$ 2.43 | \$ 2.63 | \$(.04) | \$ (.50) | \$ (.54) | \$19.75 | 14.94% ⁴ | \$5,251 | .53% ⁵ | 2.13% ⁵ |
| 12/31/2018 | 21.71 | .34 | (2.97) | (2.63) | (.40) | (1.02) | (1.42) | 17.66 | (12.94) | 4,811 | .53 | 1.62 |
| 12/31/2017 | 16.82 | .26 | 5.16 | 5.42 | (.30) | (.23) | (.53) | 21.71 | 32.46 | 5,014 | .53 | 1.33 |
| 12/31/2016 | 18.08 | .27 | .30 | .57 | (.28) | (1.55) | (1.83) | 16.82 | 3.78 | 3,652 | .54 | 1.57 |
| 12/31/2015 | 20.35 | .29 | (1.03) | (.74) | (.35) | (1.18) | (1.53) | 18.08 | (4.25) | 3,427 | .54 | 1.41 |
| 12/31/2014 | 21.22 | .30 | (.81) | (.51) | (.36) | – | (.36) | 20.35 | (2.41) | 3,282 | .54 | 1.43 |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 17.62 | .18 | 2.41 | 2.59 | (.03) | (.50) | (.53) | 19.68 | 14.76 ⁴ | 6 | .78 ⁵ | 1.90 ⁵ |
| 12/31/2018 | 21.67 | .27 | (2.93) | (2.66) | (.37) | (1.02) | (1.39) | 17.62 | (13.11) | 5 | .78 | 1.32 |
| 12/31/2017 ^{2,7} | 17.17 | .09 | 4.93 | 5.02 | (.29) | (.23) | (.52) | 21.67 | 29.46 ⁴ | 2 | .77 ⁵ | .43 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 17.60 | .18 | 2.41 | 2.59 | (.03) | (.50) | (.53) | 19.66 | 14.78 ⁴ | 4,200 | .78 ⁵ | 1.88 ⁵ |
| 12/31/2018 | 21.63 | .29 | (2.95) | (2.66) | (.35) | (1.02) | (1.37) | 17.60 | (13.13) | 3,875 | .78 | 1.40 |
| 12/31/2017 | 16.76 | .22 | 5.13 | 5.35 | (.25) | (.23) | (.48) | 21.63 | 32.14 | 4,422 | .78 | 1.10 |
| 12/31/2016 | 18.02 | .23 | .30 | .53 | (.24) | (1.55) | (1.79) | 16.76 | 3.53 | 3,710 | .79 | 1.35 |
| 12/31/2015 | 20.29 | .24 | (1.03) | (.79) | (.30) | (1.18) | (1.48) | 18.02 | (4.53) | 3,978 | .79 | 1.17 |
| 12/31/2014 | 21.15 | .25 | (.81) | (.56) | (.30) | – | (.30) | 20.29 | (2.65) | 4,374 | .79 | 1.19 |
| Class 3: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 17.70 | .19 | 2.43 | 2.62 | (.03) | (.50) | (.53) | 19.79 | 14.87 ⁴ | 25 | .71 ⁵ | 1.95 ⁵ |
| 12/31/2018 | 21.75 | .31 | (2.98) | (2.67) | (.36) | (1.02) | (1.38) | 17.70 | (13.10) | 24 | .71 | 1.48 |
| 12/31/2017 | 16.85 | .23 | 5.17 | 5.40 | (.27) | (.23) | (.50) | 21.75 | 32.23 | 31 | .71 | 1.17 |
| 12/31/2016 | 18.11 | .24 | .30 | .54 | (.25) | (1.55) | (1.80) | 16.85 | 3.57 | 27 | .72 | 1.42 |
| 12/31/2015 | 20.38 | .25 | (1.03) | (.78) | (.31) | (1.18) | (1.49) | 18.11 | (4.44) | 32 | .72 | 1.24 |
| 12/31/2014 | 21.24 | .27 | (.82) | (.55) | (.31) | – | (.31) | 20.38 | (2.56) | 38 | .72 | 1.28 |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 17.40 | .16 | 2.38 | 2.54 | (.02) | (.50) | (.52) | 19.42 | 14.68 ⁴ | 352 | 1.03 ⁵ | 1.65 ⁵ |
| 12/31/2018 | 21.42 | .23 | (2.93) | (2.70) | (.30) | (1.02) | (1.32) | 17.40 | (13.41) | 295 | 1.03 | 1.13 |
| 12/31/2017 | 16.64 | .11 | 5.16 | 5.27 | (.26) | (.23) | (.49) | 21.42 | 31.89 | 289 | 1.03 | .55 |
| 12/31/2016 | 17.93 | .18 | .29 | .47 | (.21) | (1.55) | (1.76) | 16.64 | 3.21 | 66 | 1.04 | 1.03 |
| 12/31/2015 | 20.23 | .17 | (1.00) | (.83) | (.29) | (1.18) | (1.47) | 17.93 | (4.75) | 46 | 1.04 | .88 |
| 12/31/2014 | 21.16 | .07 | (.68) | (.61) | (.32) | – | (.32) | 20.23 | (2.88) | 18 | 1.04 | .31 |

See end of tables for footnotes.

Financial highlights (continued)

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|---|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|---------|--------------------------------|--------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | | |
| New World Fund | | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$20.98 | \$.18 | \$ 3.83 | \$ 4.01 | \$(.05) | \$ (.92) | \$ (.97) | \$24.02 | 19.23% ⁴ | \$1,938 | .75% ⁵ | 1.59% ⁵ | |
| 12/31/2018 | 25.30 | .27 | (3.65) | (3.38) | (.27) | (.67) | (.94) | 20.98 | (13.83) | 1,702 | .77 | 1.11 | |
| 12/31/2017 | 19.72 | .26 | 5.59 | 5.85 | (.27) | – | (.27) | 25.30 | 29.73 | 2,050 | .77 | 1.14 | |
| 12/31/2016 | 18.87 | .24 | .81 | 1.05 | (.20) | – | (.20) | 19.72 | 5.59 | 1,743 | .78 | 1.25 | |
| 12/31/2015 | 20.72 | .19 | (.71) | (.52) | (.17) | (1.16) | (1.33) | 18.87 | (2.96) | 1,562 | .79 | .92 | |
| 12/31/2014 | 25.08 | .29 ⁶ | (1.92) | (1.63) | (.29) | (2.44) | (2.73) | 20.72 | (7.63) | 1,433 | .78 | 1.23 ⁶ | |
| Class 1A: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 20.92 | .16 | 3.82 | 3.98 | (.05) | (.92) | (.97) | 23.93 | 19.10 ⁴ | 4 | 1.00 ⁵ | 1.42 ⁵ | |
| 12/31/2018 | 25.25 | .21 | (3.64) | (3.43) | (.23) | (.67) | (.90) | 20.92 | (14.02) | 2 | 1.02 | .91 | |
| 12/31/2017 ^{2,7} | 20.14 | .13 | 5.24 | 5.37 | (.26) | – | (.26) | 25.25 | 26.72 ⁴ | 1 | 1.00 ⁵ | .53 ⁵ | |
| Class 2: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 20.79 | .15 | 3.79 | 3.94 | (.04) | (.92) | (.96) | 23.77 | 19.07 ⁴ | 949 | 1.00 ⁵ | 1.33 ⁵ | |
| 12/31/2018 | 25.07 | .20 | (3.61) | (3.41) | (.20) | (.67) | (.87) | 20.79 | (14.04) | 843 | 1.02 | .85 | |
| 12/31/2017 | 19.54 | .20 | 5.55 | 5.75 | (.22) | – | (.22) | 25.07 | 29.44 | 1,055 | 1.02 | .89 | |
| 12/31/2016 | 18.71 | .19 | .79 | .98 | (.15) | – | (.15) | 19.54 | 5.26 | 911 | 1.03 | 1.00 | |
| 12/31/2015 | 20.54 | .14 | (.69) | (.55) | (.12) | (1.16) | (1.28) | 18.71 | (3.14) | 961 | 1.04 | .68 | |
| 12/31/2014 | 24.88 | .24 ⁶ | (1.91) | (1.67) | (.23) | (2.44) | (2.67) | 20.54 | (7.87) | 1,084 | 1.03 | 1.01 ⁶ | |
| Class 4: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 20.71 | .13 | 3.78 | 3.91 | (.04) | (.92) | (.96) | 23.66 | 18.96 ⁴ | 570 | 1.25 ⁵ | 1.11 ⁵ | |
| 12/31/2018 | 24.99 | .14 | (3.59) | (3.45) | (.16) | (.67) | (.83) | 20.71 | (14.25) | 464 | 1.27 | .61 | |
| 12/31/2017 | 19.51 | .14 | 5.52 | 5.66 | (.18) | – | (.18) | 24.99 | 29.06 | 427 | 1.27 | .61 | |
| 12/31/2016 | 18.69 | .14 | .80 | .94 | (.12) | – | (.12) | 19.51 | 5.04 | 240 | 1.28 | .75 | |
| 12/31/2015 | 20.56 | .08 | (.68) | (.60) | (.11) | (1.16) | (1.27) | 18.69 | (3.37) | 171 | 1.29 | .39 | |
| 12/31/2014 | 24.99 | .09 ⁶ | (1.83) | (1.74) | (.25) | (2.44) | (2.69) | 20.56 | (8.13) | 64 | 1.28 | .40 ⁶ | |
| Blue Chip Income and Growth Fund | | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$12.38 | \$.15 | \$ 1.21 | \$ 1.36 | \$(.06) | \$(1.07) | \$(1.13) | \$12.61 | 11.14% ⁴ | \$5,316 | .41% ⁵ | 2.34% ⁵ | |
| 12/31/2018 | 14.96 | .31 | (1.44) | (1.13) | (.31) | (1.14) | (1.45) | 12.38 | (8.45) | 4,810 | .41 | 2.13 | |
| 12/31/2017 | 13.53 | .32 | 1.96 | 2.28 | (.32) | (.53) | (.85) | 14.96 | 17.30 | 5,581 | .41 | 2.27 | |
| 12/31/2016 | 12.62 | .31 | 1.97 | 2.28 | (.29) | (1.08) | (1.37) | 13.53 | 19.06 | 5,099 | .41 | 2.39 | |
| 12/31/2015 | 14.69 | .31 | (.64) | (.33) | (.29) | (1.45) | (1.74) | 12.62 | (2.72) | 3,638 | .41 | 2.23 | |
| 12/31/2014 | 13.12 | .46 ⁶ | 1.59 | 2.05 | (.48) | – | (.48) | 14.69 | 15.69 | 3,542 | .42 | 3.31 ⁶ | |
| Class 1A: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 12.35 | .14 | 1.19 | 1.33 | (.06) | (1.07) | (1.13) | 12.55 | 10.89 ⁴ | 7 | .66 ⁵ | 2.12 ⁵ | |
| 12/31/2018 | 14.94 | .26 | (1.42) | (1.16) | (.29) | (1.14) | (1.43) | 12.35 | (8.67) | 3 | .66 | 1.84 | |
| 12/31/2017 ^{2,7} | 13.75 | .28 | 1.75 | 2.03 | (.31) | (.53) | (.84) | 14.94 | 15.21 ⁴ | 1 | .65 ⁵ | 2.01 ⁵ | |
| Class 2: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 12.24 | .14 | 1.17 | 1.31 | (.05) | (1.07) | (1.12) | 12.43 | 10.89 ⁴ | 3,011 | .66 ⁵ | 2.09 ⁵ | |
| 12/31/2018 | 14.80 | .27 | (1.42) | (1.15) | (.27) | (1.14) | (1.41) | 12.24 | (8.66) | 2,850 | .66 | 1.88 | |
| 12/31/2017 | 13.39 | .28 | 1.94 | 2.22 | (.28) | (.53) | (.81) | 14.80 | 17.04 | 3,551 | .66 | 2.02 | |
| 12/31/2016 | 12.51 | .28 | 1.94 | 2.22 | (.26) | (1.08) | (1.34) | 13.39 | 18.70 | 3,412 | .66 | 2.16 | |
| 12/31/2015 | 14.57 | .27 | (.62) | (.35) | (.26) | (1.45) | (1.71) | 12.51 | (2.93) | 3,228 | .66 | 1.97 | |
| 12/31/2014 | 13.02 | .44 ⁶ | 1.55 | 1.99 | (.44) | – | (.44) | 14.57 | 15.36 | 3,722 | .67 | 3.14 ⁶ | |
| Class 4: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 12.19 | .12 | 1.18 | 1.30 | (.05) | (1.07) | (1.12) | 12.37 | 10.83 ⁴ | 499 | .91 ⁵ | 1.85 ⁵ | |
| 12/31/2018 | 14.77 | .23 | (1.42) | (1.19) | (.25) | (1.14) | (1.39) | 12.19 | (8.92) | 368 | .91 | 1.62 | |
| 12/31/2017 | 13.39 | .25 | 1.93 | 2.18 | (.27) | (.53) | (.80) | 14.77 | 16.70 | 247 | .91 | 1.76 | |
| 12/31/2016 | 12.53 | .24 | 1.96 | 2.20 | (.26) | (1.08) | (1.34) | 13.39 | 18.49 | 132 | .91 | 1.81 | |
| 12/31/2015 | 14.63 | .24 | (.63) | (.39) | (.26) | (1.45) | (1.71) | 12.53 | (3.21) | 32 | .91 | 1.75 | |
| 12/31/2014 | 13.12 | .34 ⁶ | 1.63 | 1.97 | (.46) | – | (.46) | 14.63 | 15.13 | 9 | .92 | 2.33 ⁶ | |

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|--------------------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|---------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| Global Growth and Income Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$13.02 | \$.19 | \$ 2.33 | \$ 2.52 | \$(.05) | \$ (.76) | \$ (.81) | \$14.73 | 19.47% ⁴ | \$ 573 | .64% ⁵ | 2.68% ⁵ |
| 12/31/2018 | 15.81 | .29 | (1.62) | (1.33) | (.28) | (1.18) | (1.46) | 13.02 | (9.36) | 492 | .63 | 1.94 |
| 12/31/2017 | 13.02 | .35 | 3.06 | 3.41 | (.36) | (.26) | (.62) | 15.81 | 26.40 | 485 | .63 | 2.43 |
| 12/31/2016 | 12.35 | .28 | .66 | .94 | (.27) | – | (.27) | 13.02 | 7.61 | 571 | .63 | 2.18 |
| 12/31/2015 | 12.78 | .36 | (.50) | (.14) | (.29) | – | (.29) | 12.35 | (1.14) | 293 | .64 | 2.79 |
| 12/31/2014 | 12.53 | .43 ⁶ | .31 | .74 | (.49) | – | (.49) | 12.78 | 6.00 | 200 | .63 | 3.34 ⁶ |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 13.00 | .18 | 2.32 | 2.50 | (.05) | (.76) | (.81) | 14.69 | 19.31 ⁴ | 1 | .88 ⁵ | 2.49 ⁵ |
| 12/31/2018 | 15.81 | .26 | (1.63) | (1.37) | (.26) | (1.18) | (1.44) | 13.00 | (9.62) | 1 | .88 | 1.74 |
| 12/31/2017 ^{2,7} | 13.21 | .18 | 3.03 | 3.21 | (.35) | (.26) | (.61) | 15.81 | 24.54 ⁴ | – ⁸ | .84 ⁵ | 1.20 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 12.99 | .17 | 2.34 | 2.51 | (.05) | (.76) | (.81) | 14.69 | 19.39 ⁴ | 1,357 | .89 ⁵ | 2.41 ⁵ |
| 12/31/2018 | 15.78 | .26 | (1.63) | (1.37) | (.24) | (1.18) | (1.42) | 12.99 | (9.63) | 1,228 | .88 | 1.70 |
| 12/31/2017 | 13.00 | .31 | 3.05 | 3.36 | (.32) | (.26) | (.58) | 15.78 | 26.06 | 1,538 | .88 | 2.11 |
| 12/31/2016 | 12.33 | .25 | .65 | .90 | (.23) | – | (.23) | 13.00 | 7.34 | 1,405 | .88 | 1.98 |
| 12/31/2015 | 12.75 | .22 | (.39) | (.17) | (.25) | – | (.25) | 12.33 | (1.34) | 1,479 | .89 | 1.73 |
| 12/31/2014 | 12.51 | .41 ⁶ | .29 | .70 | (.46) | – | (.46) | 12.75 | 5.64 | 1,685 | .88 | 3.22 ⁶ |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 12.81 | .16 | 2.29 | 2.45 | (.04) | (.76) | (.80) | 14.46 | 19.24 ⁴ | 122 | 1.14 ⁵ | 2.20 ⁵ |
| 12/31/2018 | 15.60 | .21 | (1.60) | (1.39) | (.22) | (1.18) | (1.40) | 12.81 | (9.89) | 95 | 1.13 | 1.43 |
| 12/31/2017 | 12.89 | .22 | 3.08 | 3.30 | (.33) | (.26) | (.59) | 15.60 | 25.83 | 79 | 1.14 | 1.49 |
| 12/31/2016 | 12.26 | .21 | .65 | .86 | (.23) | – | (.23) | 12.89 | 7.04 | 16 | 1.13 | 1.63 |
| 12/31/2015 | 12.71 | .17 | (.37) | (.20) | (.25) | – | (.25) | 12.26 | (1.60) | 5 | 1.14 | 1.32 |
| 12/31/2014 | 12.50 | .30 ⁶ | .37 | .67 | (.46) | – | (.46) | 12.71 | 5.41 | 1 | 1.13 | 2.30 ⁶ |

See end of tables for footnotes.

Financial highlights (continued)

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|---------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|---------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| Growth-Income Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$45.39 | \$.48 | \$ 6.75 | \$7.23 | \$(-.17) | \$(5.16) | \$(5.33) | \$47.29 | 16.15% ⁴ | \$19,494 | .28% ⁵ | 1.93% ⁵ |
| 12/31/2018 | 50.22 | .84 | (1.25) | (.41) | (.84) | (3.58) | (4.42) | 45.39 | (1.55) | 16,783 | .28 | 1.65 |
| 12/31/2017 | 44.41 | .81 | 8.89 | 9.70 | (.78) | (3.11) | (3.89) | 50.22 | 22.68 | 15,765 | .28 | 1.69 |
| 12/31/2016 | 45.40 | .79 | 4.09 | 4.88 | (.75) | (5.12) | (5.87) | 44.41 | 11.80 | 12,588 | .29 | 1.79 |
| 12/31/2015 | 52.76 | .79 | .37 | 1.16 | (.75) | (7.77) | (8.52) | 45.40 | 1.72 | 10,747 | .29 | 1.59 |
| 12/31/2014 | 50.72 | .81 | 4.57 | 5.38 | (.80) | (2.54) | (3.34) | 52.76 | 10.91 | 10,812 | .29 | 1.56 |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 45.28 | .41 | 6.74 | 7.15 | (.16) | (5.16) | (5.32) | 47.11 | 16.00 ⁴ | 9 | .53 ⁵ | 1.69 ⁵ |
| 12/31/2018 | 50.15 | .72 | (1.25) | (.53) | (.76) | (3.58) | (4.34) | 45.28 | (1.78) | 7 | .53 | 1.43 |
| 12/31/2017 ^{2,7} | 45.39 | .67 | 7.96 | 8.63 | (.76) | (3.11) | (3.87) | 50.15 | 19.83 ⁴ | 2 | .52 ⁵ | 1.41 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 44.90 | .41 | 6.68 | 7.09 | (.15) | (5.16) | (5.31) | 46.68 | 16.02 ⁴ | 13,225 | .53 ⁵ | 1.68 ⁵ |
| 12/31/2018 | 49.71 | .71 | (1.23) | (.52) | (.71) | (3.58) | (4.29) | 44.90 | (1.79) | 12,035 | .53 | 1.40 |
| 12/31/2017 | 44.00 | .68 | 8.80 | 9.48 | (.66) | (3.11) | (3.77) | 49.71 | 22.38 | 13,930 | .53 | 1.45 |
| 12/31/2016 | 45.04 | .67 | 4.05 | 4.72 | (.64) | (5.12) | (5.76) | 44.00 | 11.51 | 12,854 | .54 | 1.54 |
| 12/31/2015 | 52.41 | .66 | .37 | 1.03 | (.63) | (7.77) | (8.40) | 45.04 | 1.45 | 12,895 | .54 | 1.34 |
| 12/31/2014 | 50.40 | .67 | 4.55 | 5.22 | (.67) | (2.54) | (3.21) | 52.41 | 10.63 | 14,337 | .54 | 1.31 |
| Class 3: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 45.47 | .43 | 6.77 | 7.20 | (.16) | (5.16) | (5.32) | 47.35 | 16.05 ⁴ | 153 | .46 ⁵ | 1.75 ⁵ |
| 12/31/2018 | 50.29 | .75 | (1.25) | (.50) | (.74) | (3.58) | (4.32) | 45.47 | (1.72) | 140 | .46 | 1.47 |
| 12/31/2017 | 44.47 | .72 | 8.90 | 9.62 | (.69) | (3.11) | (3.80) | 50.29 | 22.47 | 168 | .46 | 1.52 |
| 12/31/2016 | 45.46 | .71 | 4.09 | 4.80 | (.67) | (5.12) | (5.79) | 44.47 | 11.59 | 156 | .47 | 1.61 |
| 12/31/2015 | 52.82 | .70 | .37 | 1.07 | (.66) | (7.77) | (8.43) | 45.46 | 1.53 | 161 | .47 | 1.41 |
| 12/31/2014 | 50.77 | .71 | 4.59 | 5.30 | (.71) | (2.54) | (3.25) | 52.82 | 10.71 | 185 | .47 | 1.38 |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 44.47 | .35 | 6.62 | 6.97 | (.14) | (5.16) | (5.30) | 46.14 | 15.89 ⁴ | 1,088 | .78 ⁵ | 1.43 ⁵ |
| 12/31/2018 | 49.31 | .58 | (1.23) | (.65) | (.61) | (3.58) | (4.19) | 44.47 | (2.05) | 899 | .78 | 1.15 |
| 12/31/2017 | 43.73 | .56 | 8.73 | 9.29 | (.60) | (3.11) | (3.71) | 49.31 | 22.08 | 827 | .78 | 1.19 |
| 12/31/2016 | 44.82 | .56 | 4.02 | 4.58 | (.55) | (5.12) | (5.67) | 43.73 | 11.25 | 495 | .79 | 1.29 |
| 12/31/2015 | 52.39 | .58 | .33 | .91 | (.71) | (7.77) | (8.48) | 44.82 | 1.21 | 410 | .79 | 1.25 |
| 12/31/2014 | 50.56 | .58 | 4.51 | 5.09 | (.72) | (2.54) | (3.26) | 52.39 | 10.34 | 30 | .79 | 1.11 |

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|---|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|---------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| International Growth and Income Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$15.35 | \$.32 | \$ 1.95 | \$ 2.27 | \$(.07) | \$(.19) | \$(.26) | \$17.36 | 14.82% ⁴ | \$1,096 | .65% ⁵ | 3.84% ⁵ |
| 12/31/2018 | 17.72 | .45 | (2.39) | (1.94) | (.43) | – | (.43) | 15.35 | (11.00) | 1,034 | .65 | 2.62 |
| 12/31/2017 | 14.48 | .46 | 3.20 | 3.66 | (.42) | – | (.42) | 17.72 | 25.31 | 1,121 | .66 | 2.75 |
| 12/31/2016 | 14.72 | .43 | (.19) | .24 | (.42) | (.06) | (.48) | 14.48 | 1.71 | 820 | .68 | 2.93 |
| 12/31/2015 | 16.27 | .42 | (1.25) | (.83) | (.38) | (.34) | (.72) | 14.72 | (5.34) | 707 | .68 | 2.60 |
| 12/31/2014 | 17.48 | .58 ⁶ | (1.09) | (.51) | (.53) | (.17) | (.70) | 16.27 | (2.93) | 740 | .68 | 3.32 ⁶ |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 15.33 | .30 | 1.95 | 2.25 | (.06) | (.19) | (.25) | 17.33 | 14.74 ⁴ | 2 | .90 ⁵ | 3.61 ⁵ |
| 12/31/2018 | 17.70 | .41 | (2.39) | (1.98) | (.39) | – | (.39) | 15.33 | (11.24) | 2 | .90 | 2.35 |
| 12/31/2017 ^{2,7} | 14.69 | .34 | 3.08 | 3.42 | (.41) | – | (.41) | 17.70 | 23.36 ⁴ | 2 | .91 ⁵ | 1.99 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 15.30 | .30 | 1.95 | 2.25 | (.06) | (.19) | (.25) | 17.30 | 14.75 ⁴ | 248 | .90 ⁵ | 3.60 ⁵ |
| 12/31/2018 | 17.66 | .41 | (2.38) | (1.97) | (.39) | – | (.39) | 15.30 | (11.23) | 230 | .90 | 2.38 |
| 12/31/2017 | 14.43 | .43 | 3.17 | 3.60 | (.37) | – | (.37) | 17.66 | 25.03 | 276 | .91 | 2.60 |
| 12/31/2016 | 14.68 | .40 | (.21) | .19 | (.38) | (.06) | (.44) | 14.43 | 1.44 | 244 | .93 | 2.72 |
| 12/31/2015 | 16.22 | .38 | (1.24) | (.86) | (.34) | (.34) | (.68) | 14.68 | (5.60) | 254 | .93 | 2.32 |
| 12/31/2014 | 17.43 | .56 ⁶ | (1.10) | (.54) | (.50) | (.17) | (.67) | 16.22 | (3.15) | 248 | .93 | 3.21 ⁶ |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 15.22 | .28 | 1.93 | 2.21 | (.05) | (.19) | (.24) | 17.19 | 14.60 ⁴ | 88 | 1.15 ⁵ | 3.37 ⁵ |
| 12/31/2018 | 17.58 | .36 | (2.36) | (2.00) | (.36) | – | (.36) | 15.22 | (11.46) | 71 | 1.15 | 2.10 |
| 12/31/2017 | 14.38 | .37 | 3.18 | 3.55 | (.35) | – | (.35) | 17.58 | 24.72 | 63 | 1.16 | 2.24 |
| 12/31/2016 | 14.63 | .36 | (.19) | .17 | (.36) | (.06) | (.42) | 14.38 | 1.18 | 37 | 1.18 | 2.43 |
| 12/31/2015 | 16.19 | .33 | (1.23) | (.90) | (.32) | (.34) | (.66) | 14.63 | (5.82) | 32 | 1.18 | 2.02 |
| 12/31/2014 | 17.45 | .26 ⁶ | (.85) | (.59) | (.50) | (.17) | (.67) | 16.19 | (3.39) | 20 | 1.18 | 1.52 ⁶ |

See end of tables for footnotes.

Financial highlights (continued)

| | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets before reimbursements | Ratio of expenses to average net assets after reimbursements | Ratio of net income to average net assets |
|-------------------------------|---|-----------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|----------------------|---|---|--|---|
| | Net asset value, beginning of period | Net investment income | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | | |
| Capital Income Builder | | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$ 9.37 | \$.18 | \$.76 | \$.94 | \$(.16) | \$ - | \$(.16) | \$10.15 | 10.06% ⁴ | \$421 | .53% ⁵ | .52% ⁵ | 3.70% ⁵ |
| 12/31/2018 | 10.40 | .31 | (1.00) | (.69) | (.32) | (.02) | (.34) | 9.37 | (6.77) | 317 | .54 | .54 | 3.08 |
| 12/31/2017 | 9.46 | .32 | .93 | 1.25 | (.31) | - | (.31) | 10.40 | 13.29 | 254 | .54 | .54 | 3.21 |
| 12/31/2016 | 9.40 | .32 | .07 | .39 | (.33) | - | (.33) | 9.46 | 4.17 | 156 | .54 | .54 | 3.39 |
| 12/31/2015 | 9.81 | .28 | (.40) | (.12) | (.29) | - | (.29) | 9.40 | (1.23) | 80 | .56 | .56 | 2.88 |
| 12/31/2014 ^{2,11} | 10.00 | .19 | (.18) | .01 | (.19) | (.01) | (.20) | 9.81 | .12 ⁴ | 20 | .56 ⁵ | .56 ⁵ | 2.87 ⁵ |
| Class 1A: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 9.36 | .17 | .76 | .93 | (.15) | - | (.15) | 10.14 | 9.95 ⁴ | 5 | .78 ⁵ | .77 ⁵ | 3.45 ⁵ |
| 12/31/2018 | 10.39 | .28 | (.99) | (.71) | (.30) | (.02) | (.32) | 9.36 | (7.01) | 2 | .79 | .79 | 2.82 |
| 12/31/2017 ^{2,7} | 9.57 | .27 | .84 | 1.11 | (.29) | - | (.29) | 10.39 | 11.72 ⁴ | 1 | .79 ⁵ | .79 ⁵ | 2.63 ⁵ |
| Class 2: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 9.36 | .17 | .77 | .94 | (.15) | - | (.15) | 10.15 | 10.05 ⁴ | 5 | .78 ⁵ | .77 ⁵ | 3.42 ⁵ |
| 12/31/2018 | 10.40 | .28 | (1.00) | (.72) | (.30) | (.02) | (.32) | 9.36 | (7.08) | 4 | .79 | .79 | 2.83 |
| 12/31/2017 | 9.46 | .29 | .93 | 1.22 | (.28) | - | (.28) | 10.40 | 13.04 | 1 | .79 | .79 | 2.82 |
| 12/31/2016 | 9.40 | .27 | .11 | .38 | (.32) | - | (.32) | 9.46 | 4.08 | - ⁸ | .80 | .80 | 2.82 |
| 12/31/2015 | 9.81 | .31 | (.43) | (.12) | (.29) | - | (.29) | 9.40 | (1.23) ¹² | - ⁸ | .46 ¹² | .46 ¹² | 3.12 ¹² |
| 12/31/2014 ^{2,11} | 10.00 | .20 | (.19) | .01 | (.19) | (.01) | (.20) | 9.81 | .12 ^{4,12} | - ⁸ | .47 ^{5,12} | .47 ^{5,12} | 2.94 ^{5,12} |
| Class 4: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 9.35 | .16 | .76 | .92 | (.14) | - | (.14) | 10.13 | 9.82 ⁴ | 409 | 1.03 ⁵ | 1.02 ⁵ | 3.17 ⁵ |
| 12/31/2018 | 10.38 | .26 | (1.00) | (.74) | (.27) | (.02) | (.29) | 9.35 | (7.25) | 352 | 1.04 | 1.04 | 2.58 |
| 12/31/2017 | 9.45 | .27 | .92 | 1.19 | (.26) | - | (.26) | 10.38 | 12.65 | 338 | 1.04 | 1.04 | 2.72 |
| 12/31/2016 | 9.38 | .27 | .08 | .35 | (.28) | - | (.28) | 9.45 | 3.78 | 256 | 1.04 | 1.04 | 2.88 |
| 12/31/2015 | 9.80 | .25 | (.42) | (.17) | (.25) | - | (.25) | 9.38 | (1.79) | 157 | 1.05 | 1.05 | 2.55 |
| 12/31/2014 ^{2,11} | 10.00 | .14 | (.16) | (.02) | (.17) | (.01) | (.18) | 9.80 | (.21) ⁴ | 55 | 1.06 ⁵ | 1.06 ⁵ | 2.08 ⁵ |

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|------------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|---------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| Asset Allocation Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$21.29 | \$.27 | \$ 2.29 | \$ 2.56 | \$(.11) | \$(1.19) | \$(1.30) | \$22.55 | 12.11% ⁴ | \$16,367 | .28% ⁵ | 2.37% ⁵ |
| 12/31/2018 | 23.71 | .48 | (1.43) | (.95) | (.44) | (1.03) | (1.47) | 21.29 | (4.35) | 14,627 | .28 | 2.04 |
| 12/31/2017 | 21.68 | .44 | 3.06 | 3.50 | (.41) | (1.06) | (1.47) | 23.71 | 16.51 | 16,556 | .29 | 1.90 |
| 12/31/2016 | 20.62 | .42 | 1.54 | 1.96 | (.39) | (.51) | (.90) | 21.68 | 9.69 | 13,008 | .29 | 1.97 |
| 12/31/2015 | 22.23 | .40 | (.02) | .38 | (.40) | (1.59) | (1.99) | 20.62 | 1.64 | 10,913 | .29 | 1.85 |
| 12/31/2014 | 22.49 | .44 | .81 | 1.25 | (.39) | (1.12) | (1.51) | 22.23 | 5.66 | 11,997 | .30 | 1.95 |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 21.26 | .24 | 2.28 | 2.52 | (.10) | (1.19) | (1.29) | 22.49 | 11.95 ⁴ | 9 | .53 ⁵ | 2.12 ⁵ |
| 12/31/2018 | 23.69 | .42 | (1.42) | (1.00) | (.40) | (1.03) | (1.43) | 21.26 | (4.58) | 7 | .53 | 1.82 |
| 12/31/2017 ^{2,7} | 21.97 | .39 | 2.78 | 3.17 | (.39) | (1.06) | (1.45) | 23.69 | 14.78 ⁴ | 4 | .53 ⁵ | 1.69 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 21.08 | .24 | 2.27 | 2.51 | (.10) | (1.19) | (1.29) | 22.30 | 12.00 ⁴ | 4,992 | .54 ⁵ | 2.11 ⁵ |
| 12/31/2018 | 23.49 | .41 | (1.41) | (1.00) | (.38) | (1.03) | (1.41) | 21.08 | (4.60) | 4,668 | .53 | 1.78 |
| 12/31/2017 | 21.49 | .37 | 3.04 | 3.41 | (.35) | (1.06) | (1.41) | 23.49 | 16.23 | 5,480 | .54 | 1.64 |
| 12/31/2016 | 20.45 | .36 | 1.53 | 1.89 | (.34) | (.51) | (.85) | 21.49 | 9.41 | 5,144 | .54 | 1.72 |
| 12/31/2015 | 22.06 | .34 | (.01) | .33 | (.35) | (1.59) | (1.94) | 20.45 | 1.40 | 5,008 | .54 | 1.60 |
| 12/31/2014 | 22.33 | .37 | .81 | 1.18 | (.33) | (1.12) | (1.45) | 22.06 | 5.40 | 5,494 | .55 | 1.69 |
| Class 3: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 21.32 | .25 | 2.29 | 2.54 | (.10) | (1.19) | (1.29) | 22.57 | 12.01 ⁴ | 32 | .47 ⁵ | 2.18 ⁵ |
| 12/31/2018 | 23.73 | .43 | (1.41) | (.98) | (.40) | (1.03) | (1.43) | 21.32 | (4.49) | 29 | .46 | 1.85 |
| 12/31/2017 | 21.70 | .39 | 3.07 | 3.46 | (.37) | (1.06) | (1.43) | 23.73 | 16.29 | 38 | .47 | 1.72 |
| 12/31/2016 | 20.64 | .38 | 1.54 | 1.92 | (.35) | (.51) | (.86) | 21.70 | 9.49 | 35 | .47 | 1.79 |
| 12/31/2015 | 22.25 | .36 | (.02) | .34 | (.36) | (1.59) | (1.95) | 20.64 | 1.46 | 36 | .47 | 1.67 |
| 12/31/2014 | 22.51 | .39 | .81 | 1.20 | (.34) | (1.12) | (1.46) | 22.25 | 5.47 | 40 | .48 | 1.76 |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 20.99 | .21 | 2.26 | 2.47 | (.09) | (1.19) | (1.28) | 22.18 | 11.86 ⁴ | 4,071 | .78 ⁵ | 1.87 ⁵ |
| 12/31/2018 | 23.40 | .35 | (1.40) | (1.05) | (.33) | (1.03) | (1.36) | 20.99 | (4.83) | 3,594 | .78 | 1.54 |
| 12/31/2017 | 21.43 | .32 | 3.02 | 3.34 | (.31) | (1.06) | (1.37) | 23.40 | 15.91 | 3,582 | .79 | 1.40 |
| 12/31/2016 | 20.40 | .31 | 1.53 | 1.84 | (.30) | (.51) | (.81) | 21.43 | 9.16 | 2,861 | .79 | 1.47 |
| 12/31/2015 | 22.11 | .30 | (.02) | .28 | (.40) | (1.59) | (1.99) | 20.40 | 1.14 | 2,414 | .79 | 1.45 |
| 12/31/2014 | 22.46 | .34 | .79 | 1.13 | (.36) | (1.12) | (1.48) | 22.11 | 5.16 | 32 | .80 | 1.55 |

See end of tables for footnotes.

Financial highlights (continued)

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|-----------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|---------|--------------------------------|----------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | | |
| Global Balanced Fund | | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$11.67 | \$.15 | \$1.37 | \$1.52 | \$(.02) | \$(.01) | \$(.03) | \$13.16 | 13.01% ⁴ | \$ 129 | .70% ⁵ | 2.41% ⁵ | |
| 12/31/2018 | 12.75 | .23 | (.96) | (.73) | (.20) | (.15) | (.35) | 11.67 | (5.81) | 110 | .72 | 1.82 | |
| 12/31/2017 | 11.08 | .21 | 1.99 | 2.20 | (.15) | (.38) | (.53) | 12.75 | 19.91 | 93 | .72 | 1.68 | |
| 12/31/2016 | 10.74 | .19 | .32 | .51 | (.17) | — | (.17) | 11.08 | 4.73 | 64 | .72 | 1.73 | |
| 12/31/2015 | 11.11 | .20 | (.28) | (.08) | (.14) | (.15) | (.29) | 10.74 | (.69) | 47 | .72 | 1.80 | |
| 12/31/2014 | 11.37 | .25 ⁶ | (.03) | .22 | (.18) | (.30) | (.48) | 11.11 | 1.87 | 37 | .71 | 2.14 ⁶ | |
| Class 1A: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.65 | .13 | 1.38 | 1.51 | (.02) | (.01) | (.03) | 13.13 | 12.95 ⁴ | 2 | .95 ⁵ | 2.15 ⁵ | |
| 12/31/2018 | 12.74 | .18 | (.94) | (.76) | (.18) | (.15) | (.33) | 11.65 | (6.03) | 2 | .98 | 1.44 | |
| 12/31/2017 ^{2,7} | 11.18 | .16 | 1.92 | 2.08 | (.14) | (.38) | (.52) | 12.74 | 18.71 ⁴ | — ⁸ | .94 ⁵ | 1.27 ⁵ | |
| Class 2: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.65 | .13 | 1.37 | 1.50 | (.02) | (.01) | (.03) | 13.12 | 12.86 ⁴ | 201 | .95 ⁵ | 2.14 ⁵ | |
| 12/31/2018 | 12.72 | .20 | (.96) | (.76) | (.16) | (.15) | (.31) | 11.65 | (6.01) | 185 | .97 | 1.57 | |
| 12/31/2017 | 11.06 | .18 | 1.98 | 2.16 | (.12) | (.38) | (.50) | 12.72 | 19.57 | 210 | .96 | 1.43 | |
| 12/31/2016 | 10.72 | .16 | .32 | .48 | (.14) | — | (.14) | 11.06 | 4.48 | 178 | .97 | 1.48 | |
| 12/31/2015 | 11.09 | .18 | (.28) | (.10) | (.12) | (.15) | (.27) | 10.72 | (.95) | 171 | .97 | 1.60 | |
| 12/31/2014 | 11.35 | .22 ⁶ | (.03) | .19 | (.15) | (.30) | (.45) | 11.09 | 1.63 | 179 | .96 | 1.88 ⁶ | |
| Class 4: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.55 | .12 | 1.36 | 1.48 | (.02) | (.01) | (.03) | 13.00 | 12.80 ⁴ | 84 | 1.20 ⁵ | 1.91 ⁵ | |
| 12/31/2018 | 12.63 | .17 | (.96) | (.79) | (.14) | (.15) | (.29) | 11.55 | (6.31) | 69 | 1.22 | 1.34 | |
| 12/31/2017 | 11.00 | .13 | 1.99 | 2.12 | (.11) | (.38) | (.49) | 12.63 | 19.38 | 51 | 1.22 | 1.07 | |
| 12/31/2016 | 10.69 | .12 | .33 | .45 | (.14) | — | (.14) | 11.00 | 4.21 | 10 | 1.24 | 1.12 | |
| 12/31/2015 | 11.09 | .06 | (.17) | (.11) | (.14) | (.15) | (.29) | 10.69 | (1.00) | 1 | 1.34 | .58 | |
| 12/31/2014 | 11.35 | .24 ⁶ | (.02) | .22 | (.18) | (.30) | (.48) | 11.09 | 1.88 ¹² | — ⁸ | .67 ¹² | 2.07 ^{6,12} | |
| Bond Fund | | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$10.47 | \$.16 | \$.55 | \$.71 | \$(.06) | \$ — | \$(.06) | \$11.12 | 6.81% ⁴ | \$6,397 | .38% ⁵ | 2.95% ⁵ | |
| 12/31/2018 | 10.82 | .29 | (.35) | (.06) | (.28) | (.01) | (.29) | 10.47 | (.45) | 5,962 | .38 | 2.70 | |
| 12/31/2017 | 10.80 | .24 | .18 | .42 | (.24) | (.16) | (.40) | 10.82 | 3.88 | 6,434 | .38 | 2.19 | |
| 12/31/2016 | 10.70 | .21 | .14 | .35 | (.21) | (.04) | (.25) | 10.80 | 3.27 | 6,829 | .38 | 1.91 | |
| 12/31/2015 | 11.08 | .22 | (.17) | .05 | (.21) | (.22) | (.43) | 10.70 | .45 | 5,731 | .38 | 1.95 | |
| 12/31/2014 | 10.73 | .23 | .37 | .60 | (.25) | — ⁹ | (.25) | 11.08 | 5.59 | 4,977 | .39 | 2.03 | |
| Class 1A: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 10.45 | .14 | .55 | .69 | (.06) | — | (.06) | 11.08 | 6.61 ⁴ | 5 | .63 ⁵ | 2.71 ⁵ | |
| 12/31/2018 | 10.80 | .26 | (.33) | (.07) | (.27) | (.01) | (.28) | 10.45 | (.60) | 3 | .63 | 2.50 | |
| 12/31/2017 ^{2,7} | 10.82 | .22 | .15 | .37 | (.23) | (.16) | (.39) | 10.80 | 3.46 ⁴ | 1 | .62 ⁵ | 2.01 ⁵ | |
| Class 2: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 10.34 | .14 | .55 | .69 | (.06) | — | (.06) | 10.97 | 6.66 ⁴ | 3,602 | .63 ⁵ | 2.70 ⁵ | |
| 12/31/2018 | 10.69 | .26 | (.34) | (.08) | (.26) | (.01) | (.27) | 10.34 | (.71) | 3,524 | .63 | 2.45 | |
| 12/31/2017 | 10.67 | .21 | .18 | .39 | (.21) | (.16) | (.37) | 10.69 | 3.67 | 3,966 | .63 | 1.94 | |
| 12/31/2016 | 10.58 | .18 | .13 | .31 | (.18) | (.04) | (.22) | 10.67 | 2.95 | 3,959 | .63 | 1.65 | |
| 12/31/2015 | 10.95 | .18 | (.15) | .03 | (.18) | (.22) | (.40) | 10.58 | .28 | 4,135 | .63 | 1.69 | |
| 12/31/2014 | 10.61 | .20 | .36 | .56 | (.22) | — ⁹ | (.22) | 10.95 | 5.28 | 4,565 | .64 | 1.79 | |
| Class 4: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 10.33 | .13 | .54 | .67 | (.05) | — | (.05) | 10.95 | 6.54 ⁴ | 435 | .88 ⁵ | 2.45 ⁵ | |
| 12/31/2018 | 10.68 | .23 | (.33) | (.10) | (.24) | (.01) | (.25) | 10.33 | (.89) | 366 | .88 | 2.22 | |
| 12/31/2017 | 10.70 | .19 | .16 | .35 | (.21) | (.16) | (.37) | 10.68 | 3.29 | 297 | .88 | 1.72 | |
| 12/31/2016 | 10.61 | .15 | .15 | .30 | (.17) | (.04) | (.21) | 10.70 | 2.80 | 102 | .88 | 1.41 | |
| 12/31/2015 | 11.01 | .16 | (.16) | — | (.18) | (.22) | (.40) | 10.61 | (.08) | 59 | .88 | 1.47 | |
| 12/31/2014 | 10.69 | .16 | .39 | .55 | (.23) | — ⁹ | (.23) | 11.01 | 5.15 | 29 | .89 | 1.43 | |

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|---------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|--------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| Global Bond Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$11.42 | \$.16 | \$.59 | \$.75 | \$(.09) | \$ — | \$(.09) | \$12.08 | 6.59% ⁴ | \$1,065 | .57% ⁵ | 2.82% ⁵ |
| 12/31/2018 | 11.88 | .30 | (.44) | (.14) | (.28) | (.04) | (.32) | 11.42 | (1.14) | 1,015 | .57 | 2.56 |
| 12/31/2017 | 11.22 | .28 | .52 | .80 | (.07) | (.07) | (.14) | 11.88 | 7.11 | 1,273 | .56 | 2.37 |
| 12/31/2016 | 11.01 | .26 | .06 | .32 | (.09) | (.02) | (.11) | 11.22 | 2.92 | 1,115 | .57 | 2.26 |
| 12/31/2015 | 11.77 | .27 | (.71) | (.44) | (.01) | (.31) | (.32) | 11.01 | (3.75) | 1,032 | .57 | 2.34 |
| 12/31/2014 | 11.88 | .29 | (.08) | .21 | (.21) | (.11) | (.32) | 11.77 | 1.71 | 1,194 | .57 | 2.35 |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.41 | .15 | .59 | .74 | (.09) | — | (.09) | 12.06 | 6.47 ⁴ | 1 | .82 ⁵ | 2.57 ⁵ |
| 12/31/2018 | 11.87 | .27 | (.43) | (.16) | (.26) | (.04) | (.30) | 11.41 | (1.29) | 1 | .82 | 2.36 |
| 12/31/2017 ^{2,7} | 11.22 | .26 | .52 | .78 | (.06) | (.07) | (.13) | 11.87 | 7.00 ⁴ | — ⁸ | .72 ⁵ | 2.27 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.34 | .15 | .58 | .73 | (.09) | — | (.09) | 11.98 | 6.41 ⁴ | 1,047 | .82 ⁵ | 2.57 ⁵ |
| 12/31/2018 | 11.79 | .27 | (.43) | (.16) | (.25) | (.04) | (.29) | 11.34 | (1.33) | 1,032 | .82 | 2.32 |
| 12/31/2017 | 11.14 | .25 | .51 | .76 | (.04) | (.07) | (.11) | 11.79 | 6.86 | 1,164 | .81 | 2.12 |
| 12/31/2016 | 10.93 | .23 | .07 | .30 | (.07) | (.02) | (.09) | 11.14 | 2.71 | 1,121 | .82 | 2.01 |
| 12/31/2015 | 11.72 | .24 | (.71) | (.47) | (.01) | (.31) | (.32) | 10.93 | (4.07) | 1,208 | .82 | 2.09 |
| 12/31/2014 | 11.81 | .26 | (.09) | .17 | (.15) | (.11) | (.26) | 11.72 | 1.39 | 1,386 | .82 | 2.11 |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.24 | .13 | .58 | .71 | (.08) | — | (.08) | 11.87 | 6.35 ⁴ | 46 | 1.07 ⁵ | 2.32 ⁵ |
| 12/31/2018 | 11.70 | .24 | (.43) | (.19) | (.23) | (.04) | (.27) | 11.24 | (1.61) | 40 | 1.07 | 2.09 |
| 12/31/2017 | 11.08 | .22 | .51 | .73 | (.04) | (.07) | (.11) | 11.70 | 6.63 | 31 | 1.06 | 1.89 |
| 12/31/2016 | 10.89 | .20 | .06 | .26 | (.05) | (.02) | (.07) | 11.08 | 2.42 | 12 | 1.07 | 1.76 |
| 12/31/2015 | 11.70 | .21 | (.71) | (.50) | — ⁹ | (.31) | (.31) | 10.89 | (4.27) | 6 | 1.07 | 1.86 |
| 12/31/2014 | 11.87 | .20 | (.05) | .15 | (.21) | (.11) | (.32) | 11.70 | 1.16 | 4 | 1.09 | 1.66 |

See end of tables for footnotes.

Financial highlights (continued)

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|------------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|--------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| High-Income Bond Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$ 9.34 | \$.33 | \$.59 | \$.92 | \$(.13) | \$— | \$(.13) | \$10.13 | 9.81% ⁴ | \$ 526 | .50% ⁵ | 6.71% ⁵ |
| 12/31/2018 | 10.19 | .64 | (.84) | (.20) | (.65) | — | (.65) | 9.34 | (2.15) | 501 | .50 | 6.32 |
| 12/31/2017 | 10.18 | .63 | .10 | .73 | (.72) | — | (.72) | 10.19 | 7.25 | 632 | .49 | 5.98 |
| 12/31/2016 | 9.19 | .61 | 1.02 | 1.63 | (.64) | — | (.64) | 10.18 | 17.83 | 949 | .49 | 6.18 |
| 12/31/2015 | 10.54 | .64 | (1.36) | (.72) | (.63) | — | (.63) | 9.19 | (6.94) | 1,017 | .48 | 6.12 |
| 12/31/2014 | 11.13 | .67 | (.59) | .08 | (.67) | — | (.67) | 10.54 | .80 | 1,017 | .48 | 5.90 |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 9.33 | .32 | .58 | .90 | (.12) | — | (.12) | 10.11 | 9.67 ⁴ | 1 | .74 ⁵ | 6.47 ⁵ |
| 12/31/2018 | 10.18 | .62 | (.84) | (.22) | (.63) | — | (.63) | 9.33 | (2.35) | 1 | .75 | 6.11 |
| 12/31/2017 ^{2,7} | 10.28 | .60 | .02 | .62 | (.72) | — | (.72) | 10.18 | 6.02 ⁴ | — ⁸ | .72 ⁵ | 5.74 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 9.19 | .31 | .58 | .89 | (.12) | — | (.12) | 9.96 | 9.71 ⁴ | 685 | .75 ⁵ | 6.46 ⁵ |
| 12/31/2018 | 10.03 | .61 | (.83) | (.22) | (.62) | — | (.62) | 9.19 | (2.34) | 661 | .75 | 6.07 |
| 12/31/2017 | 10.04 | .59 | .10 | .69 | (.70) | — | (.70) | 10.03 | 6.89 | 776 | .74 | 5.72 |
| 12/31/2016 | 9.06 | .58 | 1.01 | 1.59 | (.61) | — | (.61) | 10.04 | 17.69 | 799 | .74 | 5.92 |
| 12/31/2015 | 10.41 | .60 | (1.35) | (.75) | (.60) | — | (.60) | 9.06 | (7.30) | 765 | .73 | 5.85 |
| 12/31/2014 | 10.99 | .63 | (.57) | .06 | (.64) | — | (.64) | 10.41 | .63 | 929 | .73 | 5.67 |
| Class 3: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 9.38 | .32 | .59 | .91 | (.12) | — | (.12) | 10.17 | 9.73 ⁴ | 10 | .68 ⁵ | 6.53 ⁵ |
| 12/31/2018 | 10.23 | .63 | (.85) | (.22) | (.63) | — | (.63) | 9.38 | (2.33) | 10 | .68 | 6.14 |
| 12/31/2017 | 10.22 | .61 | .10 | .71 | (.70) | — | (.70) | 10.23 | 7.02 | 12 | .67 | 5.79 |
| 12/31/2016 | 9.22 | .59 | 1.03 | 1.62 | (.62) | — | (.62) | 10.22 | 17.68 | 13 | .67 | 5.99 |
| 12/31/2015 | 10.57 | .62 | (1.37) | (.75) | (.60) | — | (.60) | 9.22 | (7.13) | 12 | .66 | 5.91 |
| 12/31/2014 | 11.16 | .65 | (.59) | .06 | (.65) | — | (.65) | 10.57 | .59 | 16 | .66 | 5.74 |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 9.96 | .33 | .62 | .95 | (.12) | — | (.12) | 10.79 | 9.54 ⁴ | 58 | 1.00 ⁵ | 6.20 ⁵ |
| 12/31/2018 | 10.82 | .63 | (.90) | (.27) | (.59) | — | (.59) | 9.96 | (2.64) | 31 | 1.00 | 5.83 |
| 12/31/2017 | 10.79 | .61 | .10 | .71 | (.68) | — | (.68) | 10.82 | 6.63 | 34 | .99 | 5.46 |
| 12/31/2016 | 9.73 | .60 | 1.07 | 1.67 | (.61) | — | (.61) | 10.79 | 17.29 | 21 | .99 | 5.55 |
| 12/31/2015 | 11.05 | .62 | (1.43) | (.81) | (.51) | — | (.51) | 9.73 | (7.42) | 1 | .98 | 5.51 |
| 12/31/2014 | 11.12 | .63 | (.59) | .04 | (.11) | — | (.11) | 11.05 | .35 | — ⁸ | .98 | 5.49 |

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|---------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|--------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| Mortgage Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$10.30 | \$.13 | \$.30 | \$.43 | \$(.05) | \$ — | \$(.05) | \$10.68 | 4.16% ⁴ | \$210 | .45% ⁵ | 2.55% ⁵ |
| 12/31/2018 | 10.47 | .20 | (.14) | .06 | (.23) | — | (.23) | 10.30 | .58 | 209 | .48 | 1.97 |
| 12/31/2017 | 10.56 | .16 | — ⁹ | .16 | (.18) | (.07) | (.25) | 10.47 | 1.47 | 265 | .47 | 1.52 |
| 12/31/2016 | 10.61 | .15 | .11 | .26 | (.20) | (.11) | (.31) | 10.56 | 2.50 | 269 | .46 | 1.39 |
| 12/31/2015 | 10.70 | .10 | .13 | .23 | (.18) | (.14) | (.32) | 10.61 | 2.09 | 272 | .45 | .89 |
| 12/31/2014 | 10.23 | .12 | .45 | .57 | (.10) | — | (.10) | 10.70 | 5.54 | 292 | .45 | 1.12 |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 10.28 | .12 | .29 | .41 | (.04) | — | (.04) | 10.65 | 4.02 ⁴ | 1 | .70 ⁵ | 2.28 ⁵ |
| 12/31/2018 | 10.46 | .18 | (.14) | .04 | (.22) | — | (.22) | 10.28 | .36 | 1 | .73 | 1.77 |
| 12/31/2017 ^{2,7} | 10.55 | .14 | — ⁹ | .14 | (.16) | (.07) | (.23) | 10.46 | 1.31 ⁴ | — ⁸ | .70 ⁵ | 1.38 ⁵ |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 10.28 | .12 | .29 | .41 | (.04) | — | (.04) | 10.65 | 4.02 ⁴ | 58 | .70 ⁵ | 2.30 ⁵ |
| 12/31/2018 | 10.45 | .18 | (.15) | .03 | (.20) | — | (.20) | 10.28 | .32 | 57 | .73 | 1.72 |
| 12/31/2017 | 10.54 | .14 | (.01) | .13 | (.15) | (.07) | (.22) | 10.45 | 1.22 | 63 | .72 | 1.27 |
| 12/31/2016 | 10.59 | .12 | .12 | .24 | (.18) | (.11) | (.29) | 10.54 | 2.25 | 63 | .71 | 1.14 |
| 12/31/2015 | 10.68 | .07 | .13 | .20 | (.15) | (.14) | (.29) | 10.59 | 1.86 | 59 | .70 | .65 |
| 12/31/2014 | 10.22 | .10 | .44 | .54 | (.08) | — | (.08) | 10.68 | 5.23 | 52 | .70 | .91 |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 10.19 | .10 | .30 | .40 | (.04) | — | (.04) | 10.55 | 3.92 ⁴ | 22 | .95 ⁵ | 2.04 ⁵ |
| 12/31/2018 | 10.38 | .15 | (.15) | — ⁹ | (.19) | — | (.19) | 10.19 | .07 | 24 | .98 | 1.49 |
| 12/31/2017 | 10.48 | .11 | — ⁹ | .11 | (.14) | (.07) | (.21) | 10.38 | .97 | 12 | .97 | 1.03 |
| 12/31/2016 | 10.52 | .09 | .12 | .21 | (.14) | (.11) | (.25) | 10.48 | 2.01 | 8 | .96 | .86 |
| 12/31/2015 | 10.65 | .04 | .14 | .18 | (.17) | (.14) | (.31) | 10.52 | 1.62 | 11 | .97 | .37 |
| 12/31/2014 | 10.23 | .05 | .46 | .51 | (.09) | — | (.09) | 10.65 | 4.98 | 1 | .94 | .47 |

See end of tables for footnotes.

Financial highlights (continued)

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|------------------------------|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|----------------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | |
| Ultra-Short Bond Fund | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$11.31 | \$.12 | \$ - ⁹ | \$.12 | \$(.04) | \$- | \$(.04) | \$11.39 | 1.10% ⁴ | \$ 32 | .34% ⁵ | 2.14% ⁵ |
| 12/31/2018 | 11.29 | .18 | - ⁹ | .18 | (.16) | - | (.16) | 11.31 | 1.58 | 37 | .35 | 1.60 |
| 12/31/2017 | 11.27 | .08 | (.01) | .07 | (.05) | - | (.05) | 11.29 | .66 | 37 | .35 | .68 |
| 12/31/2016 ¹³ | 11.26 | .01 | - ⁹ | .01 | - | - | - | 11.27 | .09 | 37 | .35 | .11 |
| 12/31/2015 | 11.28 | (.03) | .01 | (.02) | - | - | - | 11.26 | (.18) | 39 | .34 | (.24) |
| 12/31/2014 | 11.31 | (.03) | - | (.03) | - | - | - | 11.28 | (.27) | 49 | .34 | (.26) |
| Class 1A: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.31 | .12 | - ⁹ | .12 | (.04) | - | (.04) | 11.39 | 1.10 ^{4,12} | - ⁸ | .34 ^{5,12} | 2.15 ^{5,12} |
| 12/31/2018 | 11.29 | .18 | - ⁹ | .18 | (.16) | - | (.16) | 11.31 | 1.58 ¹² | - ⁸ | .35 ¹² | 1.60 ¹² |
| 12/31/2017 ^{2,7} | 11.27 | .08 | - ⁹ | .08 | (.06) | - | (.06) | 11.29 | .67 ^{4,12} | - ⁸ | .34 ^{5,12} | .69 ^{5,12} |
| Class 2: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.03 | .10 | - ⁹ | .10 | (.04) | - | (.04) | 11.09 | .90 ⁴ | 229 | .59 ⁵ | 1.89 ⁵ |
| 12/31/2018 | 11.01 | .15 | - ⁹ | .15 | (.13) | - | (.13) | 11.03 | 1.36 | 247 | .60 | 1.34 |
| 12/31/2017 | 10.99 | .05 | - ⁹ | .05 | (.03) | - | (.03) | 11.01 | .46 | 249 | .60 | .42 |
| 12/31/2016 ¹³ | 11.01 | (.02) | - ⁹ | (.02) | - | - | - | 10.99 | (.18) | 297 | .60 | (.14) |
| 12/31/2015 | 11.06 | (.05) | - ⁹ | (.05) | - | - | - | 11.01 | (.45) | 302 | .59 | (.49) |
| 12/31/2014 | 11.12 | (.06) | - | (.06) | - | - | - | 11.06 | (.54) | 331 | .59 | (.51) |
| Class 3: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.14 | .11 | - ⁹ | .11 | (.04) | - | (.04) | 11.21 | .99 ⁴ | 3 | .52 ⁵ | 1.96 ⁵ |
| 12/31/2018 | 11.12 | .16 | (.01) | .15 | (.13) | - | (.13) | 11.14 | 1.38 | 4 | .53 | 1.42 |
| 12/31/2017 | 11.10 | .06 | - ⁹ | .06 | (.04) | - | (.04) | 11.12 | .54 | 4 | .53 | .50 |
| 12/31/2016 ¹³ | 11.11 | (.01) | - ⁹ | (.01) | - | - | - | 11.10 | (.09) | 4 | .53 | (.08) |
| 12/31/2015 | 11.16 | (.05) | - ⁹ | (.05) | - | - | - | 11.11 | (.45) | 6 | .52 | (.42) |
| 12/31/2014 | 11.21 | (.05) | - | (.05) | - | - | - | 11.16 | (.45) | 8 | .52 | (.44) |
| Class 4: | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.15 | .09 | - ⁹ | .09 | (.04) | - | (.04) | 11.20 | .78 ⁴ | 21 | .84 ⁵ | 1.64 ⁵ |
| 12/31/2018 | 11.13 | .12 | .01 | .13 | (.11) | - | (.11) | 11.15 | 1.14 | 18 | .86 | 1.11 |
| 12/31/2017 | 11.12 | .02 | - ⁹ | .02 | (.01) | - | (.01) | 11.13 | .16 | 15 | .85 | .19 |
| 12/31/2016 ¹³ | 11.17 | (.04) | (.01) | (.05) | - | - | - | 11.12 | (.45) | 13 | .85 | (.40) |
| 12/31/2015 | 11.25 | (.08) | - ⁹ | (.08) | - | - | - | 11.17 | (.71) | 16 | .85 | (.74) |
| 12/31/2014 | 11.30 | (.09) | .04 | (.05) | - | - | - | 11.25 | (.44) | 7 | .84 | (.77) |

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | | Net asset value, end of period | Total return | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of net income (loss) to average net assets |
|--|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|---------|--------------------------------|----------------|---|---|--|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | | | |
| U.S. Government/AAA-Rated Securities Fund | | | | | | | | | | | | | |
| Class 1: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$11.94 | \$.13 | \$.43 | \$.56 | \$(.05) | \$ - | \$(.05) | \$12.45 | 4.70% ⁴ | \$1,457 | .36% ⁵ | 2.17% ⁵ | |
| 12/31/2018 | 12.08 | .24 | (.13) | .11 | (.25) | - | (.25) | 11.94 | .91 | 1,445 | .36 | 2.02 | |
| 12/31/2017 | 12.05 | .21 | .01 | .22 | (.19) | - | (.19) | 12.08 | 1.83 | 1,558 | .36 | 1.68 | |
| 12/31/2016 | 12.31 | .16 | .03 | .19 | (.20) | (.25) | (.45) | 12.05 | 1.44 | 1,467 | .36 | 1.31 | |
| 12/31/2015 | 12.40 | .13 | .09 | .22 | (.21) | (.10) | (.31) | 12.31 | 1.93 | 1,426 | .35 | 1.02 | |
| 12/31/2014 | 11.94 | .15 | .48 | .63 | (.17) | - | (.17) | 12.40 | 5.24 | 1,723 | .35 | 1.24 | |
| Class 1A: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.93 | .12 | .42 | .54 | (.05) | - | (.05) | 12.42 | 4.51 ⁴ | 2 | .61 ⁵ | 1.96 ⁵ | |
| 12/31/2018 | 12.08 | .22 | (.14) | .08 | (.23) | - | (.23) | 11.93 | .70 | 1 | .61 | 1.82 | |
| 12/31/2017 ^{2,7} | 12.05 | .18 | .03 | .21 | (.18) | - | (.18) | 12.08 | 1.73 ⁴ | - ⁸ | .58 ⁵ | 1.53 ⁵ | |
| Class 2: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.82 | .11 | .43 | .54 | (.05) | - | (.05) | 12.31 | 4.45 ⁴ | 1,334 | .61 ⁵ | 1.92 ⁵ | |
| 12/31/2018 | 11.96 | .21 | (.14) | .07 | (.21) | - | (.21) | 11.82 | .73 | 1,323 | .61 | 1.77 | |
| 12/31/2017 | 11.93 | .17 | .02 | .19 | (.16) | - | (.16) | 11.96 | 1.59 | 1,473 | .61 | 1.43 | |
| 12/31/2016 | 12.20 | .13 | .02 | .15 | (.17) | (.25) | (.42) | 11.93 | 1.19 | 1,503 | .61 | 1.05 | |
| 12/31/2015 | 12.29 | .10 | .09 | .19 | (.18) | (.10) | (.28) | 12.20 | 1.59 | 1,579 | .60 | .79 | |
| 12/31/2014 | 11.83 | .12 | .47 | .59 | (.13) | - | (.13) | 12.29 | 5.01 | 1,717 | .60 | 1.00 | |
| Class 3: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.97 | .12 | .43 | .55 | (.05) | - | (.05) | 12.47 | 4.57 ⁴ | 9 | .54 ⁵ | 1.99 ⁵ | |
| 12/31/2018 | 12.11 | .22 | (.14) | .08 | (.22) | - | (.22) | 11.97 | .71 | 9 | .54 | 1.84 | |
| 12/31/2017 | 12.07 | .18 | .03 | .21 | (.17) | - | (.17) | 12.11 | 1.72 | 10 | .54 | 1.50 | |
| 12/31/2016 | 12.34 | .14 | .02 | .16 | (.18) | (.25) | (.43) | 12.07 | 1.24 | 11 | .54 | 1.12 | |
| 12/31/2015 | 12.43 | .11 | .09 | .20 | (.19) | (.10) | (.29) | 12.34 | 1.64 | 11 | .53 | .85 | |
| 12/31/2014 | 11.96 | .13 | .48 | .61 | (.14) | - | (.14) | 12.43 | 5.11 | 13 | .53 | 1.08 | |
| Class 4: | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.84 | .10 | .41 | .51 | (.04) | - | (.04) | 12.31 | 4.34 ⁴ | 113 | .86 ⁵ | 1.69 ⁵ | |
| 12/31/2018 | 11.98 | .18 | (.12) | .06 | (.20) | - | (.20) | 11.84 | .50 | 91 | .86 | 1.53 | |
| 12/31/2017 | 11.96 | .14 | .01 | .15 | (.13) | - | (.13) | 11.98 | 1.28 | 62 | .86 | 1.18 | |
| 12/31/2016 | 12.22 | .10 | .03 | .13 | (.14) | (.25) | (.39) | 11.96 | .99 | 57 | .86 | .82 | |
| 12/31/2015 | 12.34 | .07 | .08 | .15 | (.17) | (.10) | (.27) | 12.22 | 1.29 | 46 | .85 | .56 | |
| 12/31/2014 | 11.93 | .06 | .51 | .57 | (.16) | - | (.16) | 12.34 | 4.76 | 21 | .85 | .50 | |

See end of tables for footnotes.

Financial highlights (continued)

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return ¹⁴ | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of expenses to average net assets | Net effective expense ratio ^{14,15} | Ratio of net income to average net assets ¹⁴ |
|--|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|----------------------------|---|---|--|--|---|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | before waivers/reimbursements | after waivers/reimbursements ¹⁴ | | |
| Managed Risk Growth Fund | | | | | | | | | | | | | | |
| Class P1: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$12.30 | \$.02 | \$ 1.38 | \$ 1.40 | \$(.12) | \$ (.92) | \$(1.04) | \$12.66 | 11.56% ^{4,12} | \$ 4 | .41% ^{5,12} | .36% ^{5,12} | .70% ^{5,12} | .37% ^{5,12} |
| 12/31/2018 | 13.22 | .11 | (.04) | .07 | (.10) | (.89) | (.99) | 12.30 | (.04) ¹² | 3 | .42 ¹² | .37 ¹² | .71 ¹² | .82 ¹² |
| 12/31/2017 | 10.71 | .08 | 2.70 | 2.78 | (.07) | (.20) | (.27) | 13.22 | 26.23 ¹² | 2 | .42 ¹² | .36 ¹² | .70 ¹² | .69 ¹² |
| 12/31/2016 | 11.49 | .08 | .20 | .28 | (.05) | (1.01) | (1.06) | 10.71 | 2.89 ¹² | 1 | .50 ¹² | .34 ¹² | .68 ¹² | .79 ¹² |
| 12/31/2015 | 11.37 | .09 | .03 | .12 | — | — | — | 11.49 | 1.06 ¹² | — ⁸ | .53 ¹² | .29 ¹² | .63 ¹² | .80 ¹² |
| 12/31/2014 | 11.43 | .31 | (.06) | .25 | (.12) | (.19) | (.31) | 11.37 | 2.18 ¹² | — ⁸ | .50 ¹² | .32 ¹² | .65 ¹² | 2.71 ¹² |
| Class P2: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 12.21 | — ⁹ | 1.38 | 1.38 | (.09) | (.92) | (1.01) | 12.58 | 11.42 ⁴ | 393 | .67 ⁵ | .62 ⁵ | .96 ⁵ | .07 ⁵ |
| 12/31/2018 | 13.14 | .06 | (.04) | .02 | (.06) | (.89) | (.95) | 12.21 | (.37) | 340 | .68 | .63 | .97 | .46 |
| 12/31/2017 | 10.64 | .04 | 2.70 | 2.74 | (.04) | (.20) | (.24) | 13.14 | 25.99 | 286 | .69 | .63 | .97 | .34 |
| 12/31/2016 | 11.43 | .05 | .19 | .24 | (.02) | (1.01) | (1.03) | 10.64 | 2.52 | 200 | .79 | .63 | .97 | .43 |
| 12/31/2015 | 11.35 | .04 | .04 | .08 | — | — | — | 11.43 | .71 | 146 | .89 | .66 | 1.00 | .31 |
| 12/31/2014 | 11.43 | .12 | .08 | .20 | (.09) | (.19) | (.28) | 11.35 | 1.77 | 79 | .87 | .69 | 1.02 | 1.01 |
| Managed Risk International Fund | | | | | | | | | | | | | | |
| Class P1: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$ 9.82 | \$.01 | \$ 1.08 | \$ 1.09 | \$(.20) | \$ (.32) | \$(.52) | \$10.39 | 11.27% ^{4,12} | \$ 1 | .38% ^{5,12} | .32% ^{5,12} | .82% ^{5,12} | .26% ^{5,12} |
| 12/31/2018 | 11.25 | .32 | (1.44) | (1.12) | (.26) | (.05) | (.31) | 9.82 | (10.11) ¹² | — ⁸ | .33 ¹² | .28 ¹² | .77 ¹² | 3.02 ¹² |
| 12/31/2017 | 8.89 | .11 | 2.47 | 2.58 | (.10) | (.12) | (.22) | 11.25 | 29.28 ¹² | — ⁸ | .28 ¹² | .20 ¹² | .69 ¹² | 1.13 ¹² |
| 12/31/2016 | 9.48 | .10 | (.35) | (.25) | (.12) | (.22) | (.34) | 8.89 | (2.59) ¹² | — ⁸ | .39 ¹² | .23 ¹² | .74 ¹² | 1.15 ¹² |
| 12/31/2015 | 10.10 | .18 | (.80) | (.62) | — ⁹ | — | — ⁹ | 9.48 | (6.12) ¹² | — ⁸ | .45 ¹² | .21 ¹² | .72 ¹² | 1.75 ¹² |
| 12/31/2014 | 10.82 | .14 | (.71) | (.57) | (.15) | — | (.15) | 10.10 | (5.31) ¹² | — ⁸ | .50 ¹² | .25 ¹² | .76 ¹² | 1.33 ¹² |
| Class P2: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 9.76 | — ⁹ | 1.08 | 1.08 | (.20) | (.32) | (.52) | 10.32 | 11.17 ⁴ | 163 | .69 ⁵ | .62 ⁵ | 1.12 ⁵ | (.08) ⁵ |
| 12/31/2018 | 11.15 | .16 | (1.32) | (1.16) | (.18) | (.05) | (.23) | 9.76 | (10.50) | 151 | .69 | .64 | 1.13 | 1.49 |
| 12/31/2017 | 8.83 | .11 | 2.41 | 2.52 | (.08) | (.12) | (.20) | 11.15 | 28.69 | 148 | .71 | .63 | 1.12 | 1.03 |
| 12/31/2016 | 9.43 | .09 | (.38) | (.29) | (.09) | (.22) | (.31) | 8.83 | (3.05) | 97 | .79 | .63 | 1.14 | .97 |
| 12/31/2015 | 10.09 | .13 | (.79) | (.66) | — ⁹ | — | — ⁹ | 9.43 | (6.52) | 83 | .90 | .66 | 1.17 | 1.30 |
| 12/31/2014 | 10.82 | .16 | (.77) | (.61) | (.12) | — | (.12) | 10.09 | (5.68) | 46 | .91 | .67 | 1.18 | 1.51 |
| Managed Risk Blue Chip Income and Growth Fund | | | | | | | | | | | | | | |
| Class P1: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$11.28 | \$.05 | \$.69 | \$.74 | \$(.20) | \$ (.60) | \$(.80) | \$11.22 | 6.63% ^{4,12} | \$ 1 | .37% ^{5,12} | .31% ^{5,12} | .70% ^{5,12} | .85% ^{5,12} |
| 12/31/2018 | 13.04 | .40 | (1.27) | (.87) | (.45) | (.44) | (.89) | 11.28 | (6.99) ¹² | — ⁸ | .33 ¹² | .28 ¹² | .67 ¹² | 3.21 ¹² |
| 12/31/2017 | 11.67 | .19 | 1.59 | 1.78 | (.22) | (.19) | (.41) | 13.04 | 15.48 ¹² | — ⁸ | .30 ¹² | .25 ¹² | .64 ¹² | 1.59 ¹² |
| 12/31/2016 | 10.80 | .20 | 1.25 | 1.45 | (.21) | (.37) | (.58) | 11.67 | 13.77 ¹² | — ⁸ | .43 ¹² | .27 ¹² | .67 ¹² | 1.83 ¹² |
| 12/31/2015 | 11.70 | .19 | (1.02) | (.83) | (.07) | — | (.07) | 10.80 | (7.07) ¹² | — ⁸ | .50 ¹² | .27 ¹² | .66 ¹² | 1.64 ¹² |
| 12/31/2014 | 11.05 | .40 | .55 | .95 | (.30) | — | (.30) | 11.70 | 8.58 ¹² | — ⁸ | .50 ¹² | .31 ¹² | .70 ¹² | 3.43 ¹² |
| Class P2: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.21 | .02 | .70 | .72 | (.19) | (.60) | (.79) | 11.14 | 6.52 ⁴ | 353 | .67 ⁵ | .61 ⁵ | 1.00 ⁵ | .32 ⁵ |
| 12/31/2018 | 12.96 | .19 | (1.10) | (.91) | (.40) | (.44) | (.84) | 11.21 | (7.38) | 336 | .68 | .63 | 1.02 | 1.49 |
| 12/31/2017 | 11.61 | .17 | 1.55 | 1.72 | (.18) | (.19) | (.37) | 12.96 | 15.03 | 367 | .68 | .63 | 1.02 | 1.43 |
| 12/31/2016 | 10.76 | .23 | 1.18 | 1.41 | (.19) | (.37) | (.56) | 11.61 | 13.39 | 291 | .79 | .63 | 1.03 | 2.04 |
| 12/31/2015 | 11.67 | .18 | (1.05) | (.87) | (.04) | — | (.04) | 10.76 | (7.43) | 137 | .89 | .66 | 1.05 | 1.57 |
| 12/31/2014 | 11.05 | .50 | .40 | .90 | (.28) | — | (.28) | 11.67 | 8.10 | 98 | .88 | .69 | 1.08 | 4.27 |

| Period ended | Income (loss) from investment operations ¹ | | | | Dividends and distributions | | | Net asset value, end of period | Total return ¹⁴ | Net assets, end of period (in millions) | Ratio of expenses to average net assets | Ratio of expenses to average net assets | Net effective expense ratio ^{14,15} | Ratio of net income to average net assets ¹⁴ |
|---|---|------------------------------|---|----------------------------------|--|------------------------------------|-----------------------------------|--------------------------------|----------------------------|---|---|--|--|---|
| | Net asset value, beginning of period | Net investment income (loss) | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends (from net investment income) | Distributions (from capital gains) | Total dividends and distributions | | | | before waivers/reimbursements | after waivers/reimbursements ¹⁴ | | |
| Managed Risk Growth-Income Fund | | | | | | | | | | | | | | |
| Class P1: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$11.73 | \$.03 | \$1.30 | \$1.33 | \$(.04) | \$(.10) | \$(.14) | \$12.92 | 11.36% ^{4,12} | \$1,883 | .42% ^{5,12} | .37% ^{5,12} | .66% ^{5,12} | .46% ^{5,12} |
| 12/31/2018 | 12.66 | (.02) | (.15) | (.17) | (.19) | (.57) | (.76) | 11.73 | (1.66) ¹² | 1,662 | .40 ¹² | .35 ¹² | .64 ¹² | (.20) ¹² |
| 12/31/2017 | 11.07 | .19 | 2.03 | 2.22 | (.13) | (.50) | (.63) | 12.66 | 20.64 ¹² | 2 | .44 ¹² | .37 ¹² | .66 ¹² | 1.61 ¹² |
| 12/31/2016 | 11.25 | .16 | .52 | .68 | (.16) | (.70) | (.86) | 11.07 | 6.49 ¹² | 1 | .52 ¹² | .36 ¹² | .64 ¹² | 1.46 ¹² |
| 12/31/2015 | 11.67 | .25 | (.63) | (.38) | (.04) | – | (.04) | 11.25 | (3.27) ¹² | 1 | .56 ¹² | .31 ¹² | .59 ¹² | 2.17 ¹² |
| 12/31/2014 | 11.50 | .35 | .21 | .56 | (.14) | (.25) | (.39) | 11.67 | 4.85 ¹² | – ⁸ | .45 ¹² | .25 ¹² | .52 ¹² | 2.94 ¹² |
| Class P2: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 11.67 | .01 | 1.30 | 1.31 | (.03) | (.10) | (.13) | 12.85 | 11.26 ⁴ | 260 | .67 ⁵ | .62 ⁵ | .91 ⁵ | .20 ⁵ |
| 12/31/2018 | 12.58 | .16 | (.36) | (.20) | (.14) | (.57) | (.71) | 11.67 | (1.97) | 230 | .69 | .64 | .93 | 1.25 |
| 12/31/2017 | 11.02 | .13 | 2.05 | 2.18 | (.12) | (.50) | (.62) | 12.58 | 20.40 | 206 | .70 | .63 | .92 | 1.08 |
| 12/31/2016 | 11.22 | .12 | .52 | .64 | (.14) | (.70) | (.84) | 11.02 | 6.08 | 160 | .79 | .63 | .91 | 1.13 |
| 12/31/2015 | 11.65 | .12 | (.54) | (.42) | (.01) | – | (.01) | 11.22 | (3.64) | 122 | .89 | .66 | .94 | 1.04 |
| 12/31/2014 | 11.50 | .16 | .35 | .51 | (.11) | (.25) | (.36) | 11.65 | 4.42 | 76 | .87 | .69 | .96 | 1.38 |
| Managed Risk Asset Allocation Fund | | | | | | | | | | | | | | |
| Class P1: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | \$12.23 | \$.03 | \$1.16 | \$1.19 | \$ – | \$(.57) | \$(.57) | \$12.85 | 9.78% ⁴ | \$ 2 | .41% ⁵ | .36% ⁵ | .64% ⁵ | .51% ⁵ |
| 12/31/2018 | 13.59 | .22 | (.80) | (.58) | (.25) | (.53) | (.78) | 12.23 | (4.63) | 2 | .37 | .32 | .59 | 1.67 |
| 12/31/2017 | 12.02 | .19 | 1.60 | 1.79 | (.10) | (.12) | (.22) | 13.59 | 15.06 | 1,656 | .43 | .38 | .66 | 1.45 |
| 12/31/2016 | 11.72 | .19 | .67 | .86 | (.19) | (.37) | (.56) | 12.02 | 7.57 | 1,217 | .43 | .38 | .66 | 1.65 |
| 12/31/2015 | 12.29 | .25 | (.34) | (.09) | (.22) | (.26) | (.48) | 11.72 | (.83) | 712 | .54 | .40 | .68 | 2.06 |
| 12/31/2014 | 11.93 | .13 | .26 | .39 | (.03) | – | (.03) | 12.29 | 3.24 | 277 | .53 | .48 | .76 | 1.04 |
| Class P2: | | | | | | | | | | | | | | |
| 6/30/2019 ^{2,3} | 12.22 | .02 | 1.16 | 1.18 | (.31) | (.57) | (.88) | 12.52 | 9.74 ⁴ | 2,706 | .66 ⁵ | .61 ⁵ | .89 ⁵ | .37 ⁵ |
| 12/31/2018 | 13.55 | .17 | (.79) | (.62) | (.18) | (.53) | (.71) | 12.22 | (4.89) | 2,541 | .62 | .57 | .84 | 1.27 |
| 12/31/2017 | 12.01 | .15 | 1.61 | 1.76 | (.10) | (.12) | (.22) | 13.55 | 14.80 | 2,798 | .68 | .63 | .91 | 1.13 |
| 12/31/2016 | 11.71 | .14 | .69 | .83 | (.16) | (.37) | (.53) | 12.01 | 7.27 | 2,342 | .68 | .63 | .91 | 1.20 |
| 12/31/2015 | 12.27 | .14 | (.26) | (.12) | (.18) | (.26) | (.44) | 11.71 | (1.07) | 1,953 | .79 | .66 | .94 | 1.16 |
| 12/31/2014 | 11.93 | .16 | .19 | .35 | (.01) | – | (.01) | 12.27 | 2.91 | 1,780 | .79 | .73 | 1.01 | 1.33 |

See end of tables for footnotes.

Financial highlights (continued)

| Portfolio turnover rate for all share classes excluding mortgage dollar roll transactions ¹⁶ | Six months ended June 30, 2019 ^{2,3,4} | Period ended December 31, | | | | |
|--|--|---------------------------|------|------|------|---------------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Capital Income Builder | 25% | 42% | 59% | 41% | 38% | 24% ^{4,11} |
| Asset Allocation Fund | 28 | 34 | 39 | 43 | 28 | 42 |
| Global Balanced Fund | 57 | 30 | 28 | 43 | 36 | 40 |
| Bond Fund | 82 | 98 | 153 | 108 | 141 | 121 |
| Global Bond Fund | 69 | 78 | 74 | 70 | 88 | 134 |
| Mortgage Fund | 13 | 60 | 98 | 113 | 138 | 108 |
| U.S. Government/AAA-Rated Securities Fund | 50 | 76 | 120 | 273 | 352 | 88 |

| Portfolio turnover rate for all share classes including mortgage dollar roll transactions, if applicable ¹⁶ | Six months ended June 30, 2019 ^{2,3,4} | Period ended December 31, | | | | |
|--|--|---------------------------|-----------------|--------------------|------|--------------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Global Growth Fund | 18% | 25% | 31% | 27% | 29% | 22% |
| Global Small Capitalization Fund | 37 | 43 | 33 | 40 | 36 | 28 |
| Growth Fund | 15 | 35 | 24 | 26 | 20 | 29 |
| International Fund | 22 | 29 | 29 | 31 | 37 | 18 |
| New World Fund | 29 | 58 | 56 | 32 | 39 | 36 |
| Blue Chip Income and Growth Fund | 30 | 49 | 34 | 30 | 26 | 37 |
| Global Growth and Income Fund | 28 | 49 | 41 | 57 | 37 | 28 |
| Growth-Income Fund | 16 | 39 | 27 | 27 | 25 | 25 |
| International Growth and Income Fund | 20 | 38 | 51 | 32 | 35 | 34 |
| Capital Income Builder Fund | 38 | 98 | 88 | 53 | 128 | 35 ^{4,11} |
| Asset Allocation Fund | 46 | 86 | 85 | 83 | 76 | 88 |
| Global Balanced Fund | 66 | 51 | 41 | 65 | 76 | 73 |
| Bond Fund | 228 | 514 | 502 | 375 | 434 | 365 |
| Global Bond Fund | 100 | 125 | 105 | 154 | 159 | 200 |
| High-Income Bond Fund | 43 | 67 | 78 | 89 | 66 | 54 |
| Mortgage Fund | 137 | 811 | 680 | 713 | 1103 | 790 |
| U.S. Government/AAA-Rated Securities Fund | 130 | 446 | 551 | 539 | 901 | 387 |
| Ultra-Short Bond Fund | ¹⁷ — | ¹⁷ — | ¹⁷ — | ^{13,17} — | N/A | N/A |
| Managed Risk Growth Fund | 7 | 7 | 25 | 15 | 16 | 22 |
| Managed Risk International Fund | 5 | 8 | 25 | 26 | 15 | 22 |
| Managed Risk Blue Chip Income and Growth Fund | 8 | 11 | 32 | 9 | 20 | 22 |
| Managed Risk Growth-Income Fund | 3 | 14 | 26 | 14 | 11 | 28 |
| Managed Risk Asset Allocation Fund | 6 | 12 | 1 | 3 | 3 | 3 |

¹Based on average shares outstanding.

²Based on operations for a period that is less than a full year.

³Unaudited.

⁴Not annualized.

⁵Annualized.

⁶For the year ended December 31, 2014, reflects the impact of a corporate action event that resulted in a one-time increase to net investment income. If the corporate action event had not occurred, the net investment income per share and ratio of net income to average net assets would have been lower for all share classes.

⁷Class 1A shares began investment operations on January 6, 2017.

⁸Amount less than \$1 million.

⁹Amount less than \$.01.

¹⁰Amount less than .01%.

¹¹For the period May 1, 2014, commencement of operations, through December 31, 2014.

¹²All or a significant portion of assets in this class consisted of seed capital invested by CRMC and/or its affiliates. Certain fees (including, where applicable, fees for distribution services) are not charged or accrued on these seed capital assets. If such fees were paid by the fund on seed capital assets, fund expenses would have been higher and net income and total return would have been lower.

¹³On May 1, 2016, the fund converted from a cash fund to an ultra-short-term bond fund and changed its name from Cash Management Fund to Ultra-Short Bond Fund.

¹⁴This column reflects the impact of certain waivers/reimbursements by CRMC. CRMC waived a portion of investment advisory services and reimbursed a portion of miscellaneous fees and expenses for the managed risk funds.

¹⁵This column reflects the net effective expense ratios for each fund and class, which are unaudited. These ratios include each class's expense ratio combined with the weighted average net expense ratio of the underlying funds for the periods presented. See expense example for further information regarding fees and expenses.

¹⁶Refer to Note 5 for further information on mortgage dollar rolls.

¹⁷Amount is either less than 1% or there is no turnover.

See notes to financial statements.

Expense example

unaudited

The funds in American Funds Insurance Series serve as the underlying investment vehicle for various insurance products. As an owner of an insurance contract that invests in one of the funds in the series, you incur two types of costs: (1) transaction costs, such as initial sales charges on purchase payments and contingent deferred sales charges on redemptions (loads), and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other expenses. Additional fees are charged by the insurance companies related to the various benefits they provide. This example is intended to help you understand your ongoing costs (in dollars) of investing in the underlying funds so you can compare these costs with the ongoing costs of investing in other mutual funds that serve a similar function in other annuity products. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period (January 1, 2019, through June 30, 2019).

Actual expenses:

The first line of each share class in the table on the following pages provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading titled "Expenses paid during period" to estimate the expenses you paid on your account during this period.

Hypothetical example for comparison purposes:

The second line of each share class in the table on the following pages provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio for the share class and an assumed rate of return of 5.00% per year before expenses, which is not the actual return of the share class. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the fund and other funds. To do so, compare this 5.00% hypothetical example with the 5.00% hypothetical examples that appear in the shareholder reports of the other funds.

Notes:

Additional fees are charged by the insurance companies related to the various benefits they provide. You can estimate the impact of these fees by adding the amount of the fees to the total estimated expenses you paid on your account during the period as calculated above. In addition, your ending account value would be lower by the amount of these fees.

Note that the expenses shown in the table on the following pages are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of each share class in the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

| | Beginning account value 1/1/2019 | Ending account value 6/30/2019 | Expenses paid during period ¹ | Annualized expense ratio |
|---|--|--------------------------------------|--|--------------------------------|
| Global Growth Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,214.13 | \$3.02 | .55% |
| Class 1 - assumed 5% return | 1,000.00 | 1,022.07 | 2.76 | .55 |
| Class 1A - actual return | 1,000.00 | 1,212.31 | 4.39 | .80 |
| Class 1A - assumed 5% return | 1,000.00 | 1,020.83 | 4.01 | .80 |
| Class 2 - actual return | 1,000.00 | 1,212.54 | 4.39 | .80 |
| Class 2 - assumed 5% return | 1,000.00 | 1,020.83 | 4.01 | .80 |
| Class 4 - actual return | 1,000.00 | 1,210.72 | 5.76 | 1.05 |
| Class 4 - assumed 5% return | 1,000.00 | 1,019.59 | 5.26 | 1.05 |
| Global Small Capitalization Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,203.05 | \$4.04 | .74% |
| Class 1 - assumed 5% return | 1,000.00 | 1,021.12 | 3.71 | .74 |
| Class 1A - actual return | 1,000.00 | 1,202.11 | 5.35 | .98 |
| Class 1A - assumed 5% return | 1,000.00 | 1,019.93 | 4.91 | .98 |
| Class 2 - actual return | 1,000.00 | 1,201.64 | 5.40 | .99 |
| Class 2 - assumed 5% return | 1,000.00 | 1,019.89 | 4.96 | .99 |
| Class 4 - actual return | 1,000.00 | 1,200.54 | 6.77 | 1.24 |
| Class 4 - assumed 5% return | 1,000.00 | 1,018.65 | 6.21 | 1.24 |
| Growth Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,167.96 | \$1.83 | .34% |
| Class 1 - assumed 5% return | 1,000.00 | 1,023.11 | 1.71 | .34 |
| Class 1A - actual return | 1,000.00 | 1,166.58 | 3.17 | .59 |
| Class 1A - assumed 5% return | 1,000.00 | 1,021.87 | 2.96 | .59 |
| Class 2 - actual return | 1,000.00 | 1,166.46 | 3.17 | .59 |
| Class 2 - assumed 5% return | 1,000.00 | 1,021.87 | 2.96 | .59 |
| Class 3 - actual return | 1,000.00 | 1,166.82 | 2.79 | .52 |
| Class 3 - assumed 5% return | 1,000.00 | 1,022.22 | 2.61 | .52 |
| Class 4 - actual return | 1,000.00 | 1,165.10 | 4.51 | .84 |
| Class 4 - assumed 5% return | 1,000.00 | 1,020.63 | 4.21 | .84 |
| International Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,149.41 | \$2.82 | .53% |
| Class 1 - assumed 5% return | 1,000.00 | 1,022.17 | 2.66 | .53 |
| Class 1A - actual return | 1,000.00 | 1,147.62 | 4.15 | .78 |
| Class 1A - assumed 5% return | 1,000.00 | 1,020.93 | 3.91 | .78 |
| Class 2 - actual return | 1,000.00 | 1,147.75 | 4.15 | .78 |
| Class 2 - assumed 5% return | 1,000.00 | 1,020.93 | 3.91 | .78 |
| Class 3 - actual return | 1,000.00 | 1,148.73 | 3.78 | .71 |
| Class 3 - assumed 5% return | 1,000.00 | 1,021.27 | 3.56 | .71 |
| Class 4 - actual return | 1,000.00 | 1,146.77 | 5.48 | 1.03 |
| Class 4 - assumed 5% return | 1,000.00 | 1,019.69 | 5.16 | 1.03 |
| New World Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,192.28 | \$4.08 | .75% |
| Class 1 - assumed 5% return | 1,000.00 | 1,021.08 | 3.76 | .75 |
| Class 1A - actual return | 1,000.00 | 1,191.04 | 5.43 | 1.00 |
| Class 1A - assumed 5% return | 1,000.00 | 1,019.84 | 5.01 | 1.00 |
| Class 2 - actual return | 1,000.00 | 1,190.66 | 5.43 | 1.00 |
| Class 2 - assumed 5% return | 1,000.00 | 1,019.84 | 5.01 | 1.00 |
| Class 4 - actual return | 1,000.00 | 1,189.60 | 6.79 | 1.25 |
| Class 4 - assumed 5% return | 1,000.00 | 1,018.60 | 6.26 | 1.25 |

| | Beginning account value 1/1/2019 | Ending account value 6/30/2019 | Expenses paid during period ¹ | Annualized expense ratio |
|---|--|--------------------------------------|--|--------------------------------|
| Blue Chip Income and Growth Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,111.39 | \$2.15 | .41% |
| Class 1 - assumed 5% return | 1,000.00 | 1,022.76 | 2.06 | .41 |
| Class 1A - actual return | 1,000.00 | 1,108.91 | 3.45 | .66 |
| Class 1A - assumed 5% return | 1,000.00 | 1,021.52 | 3.31 | .66 |
| Class 2 - actual return | 1,000.00 | 1,108.87 | 3.45 | .66 |
| Class 2 - assumed 5% return | 1,000.00 | 1,021.52 | 3.31 | .66 |
| Class 4 - actual return | 1,000.00 | 1,108.28 | 4.76 | .91 |
| Class 4 - assumed 5% return | 1,000.00 | 1,020.28 | 4.56 | .91 |
| Global Growth and Income Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,194.72 | \$3.48 | .64% |
| Class 1 - assumed 5% return | 1,000.00 | 1,021.62 | 3.21 | .64 |
| Class 1A - actual return | 1,000.00 | 1,193.09 | 4.79 | .88 |
| Class 1A - assumed 5% return | 1,000.00 | 1,020.43 | 4.41 | .88 |
| Class 2 - actual return | 1,000.00 | 1,193.92 | 4.84 | .89 |
| Class 2 - assumed 5% return | 1,000.00 | 1,020.38 | 4.46 | .89 |
| Class 4 - actual return | 1,000.00 | 1,192.40 | 6.20 | 1.14 |
| Class 4 - assumed 5% return | 1,000.00 | 1,019.14 | 5.71 | 1.14 |
| Growth-Income Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,161.54 | \$1.50 | .28% |
| Class 1 - assumed 5% return | 1,000.00 | 1,023.41 | 1.40 | .28 |
| Class 1A - actual return | 1,000.00 | 1,160.04 | 2.84 | .53 |
| Class 1A - assumed 5% return | 1,000.00 | 1,022.17 | 2.66 | .53 |
| Class 2 - actual return | 1,000.00 | 1,160.23 | 2.84 | .53 |
| Class 2 - assumed 5% return | 1,000.00 | 1,022.17 | 2.66 | .53 |
| Class 3 - actual return | 1,000.00 | 1,160.50 | 2.46 | .46 |
| Class 3 - assumed 5% return | 1,000.00 | 1,022.51 | 2.31 | .46 |
| Class 4 - actual return | 1,000.00 | 1,158.90 | 4.18 | .78 |
| Class 4 - assumed 5% return | 1,000.00 | 1,020.93 | 3.91 | .78 |
| International Growth and Income Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,148.19 | \$3.46 | .65% |
| Class 1 - assumed 5% return | 1,000.00 | 1,021.57 | 3.26 | .65 |
| Class 1A - actual return | 1,000.00 | 1,147.37 | 4.79 | .90 |
| Class 1A - assumed 5% return | 1,000.00 | 1,020.33 | 4.51 | .90 |
| Class 2 - actual return | 1,000.00 | 1,147.53 | 4.79 | .90 |
| Class 2 - assumed 5% return | 1,000.00 | 1,020.33 | 4.51 | .90 |
| Class 4 - actual return | 1,000.00 | 1,146.04 | 6.12 | 1.15 |
| Class 4 - assumed 5% return | 1,000.00 | 1,019.09 | 5.76 | 1.15 |
| Capital Income Builder | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,100.62 | \$2.71 | .52% |
| Class 1 - assumed 5% return | 1,000.00 | 1,022.22 | 2.61 | .52 |
| Class 1A - actual return | 1,000.00 | 1,099.47 | 4.01 | .77 |
| Class 1A - assumed 5% return | 1,000.00 | 1,020.98 | 3.86 | .77 |
| Class 2 - actual return | 1,000.00 | 1,100.46 | 4.01 | .77 |
| Class 2 - assumed 5% return | 1,000.00 | 1,020.98 | 3.86 | .77 |
| Class 4 - actual return | 1,000.00 | 1,098.17 | 5.31 | 1.02 |
| Class 4 - assumed 5% return | 1,000.00 | 1,019.74 | 5.11 | 1.02 |

See end of tables for footnotes.

| | Beginning account value 1/1/2019 | Ending account value 6/30/2019 | Expenses paid during period ¹ | Annualized expense ratio |
|------------------------------|--|--------------------------------------|--|--------------------------------|
| Asset Allocation Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,121.12 | \$1.47 | .28% |
| Class 1 - assumed 5% return | 1,000.00 | 1,023.41 | 1.40 | .28 |
| Class 1A - actual return | 1,000.00 | 1,119.51 | 2.79 | .53 |
| Class 1A - assumed 5% return | 1,000.00 | 1,022.17 | 2.66 | .53 |
| Class 2 - actual return | 1,000.00 | 1,119.97 | 2.84 | .54 |
| Class 2 - assumed 5% return | 1,000.00 | 1,022.12 | 2.71 | .54 |
| Class 3 - actual return | 1,000.00 | 1,120.15 | 2.47 | .47 |
| Class 3 - assumed 5% return | 1,000.00 | 1,022.46 | 2.36 | .47 |
| Class 4 - actual return | 1,000.00 | 1,118.65 | 4.10 | .78 |
| Class 4 - assumed 5% return | 1,000.00 | 1,020.93 | 3.91 | .78 |
| Global Balanced Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,130.13 | \$3.70 | .70% |
| Class 1 - assumed 5% return | 1,000.00 | 1,021.32 | 3.51 | .70 |
| Class 1A - actual return | 1,000.00 | 1,129.50 | 5.02 | .95 |
| Class 1A - assumed 5% return | 1,000.00 | 1,020.08 | 4.76 | .95 |
| Class 2 - actual return | 1,000.00 | 1,128.63 | 5.01 | .95 |
| Class 2 - assumed 5% return | 1,000.00 | 1,020.08 | 4.76 | .95 |
| Class 4 - actual return | 1,000.00 | 1,128.01 | 6.33 | 1.20 |
| Class 4 - assumed 5% return | 1,000.00 | 1,018.84 | 6.01 | 1.20 |
| Bond Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,068.12 | \$1.95 | .38% |
| Class 1 - assumed 5% return | 1,000.00 | 1,022.91 | 1.91 | .38 |
| Class 1A - actual return | 1,000.00 | 1,066.05 | 3.23 | .63 |
| Class 1A - assumed 5% return | 1,000.00 | 1,021.67 | 3.16 | .63 |
| Class 2 - actual return | 1,000.00 | 1,066.60 | 3.23 | .63 |
| Class 2 - assumed 5% return | 1,000.00 | 1,021.67 | 3.16 | .63 |
| Class 4 - actual return | 1,000.00 | 1,065.38 | 4.51 | .88 |
| Class 4 - assumed 5% return | 1,000.00 | 1,020.43 | 4.41 | .88 |
| Global Bond Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,065.90 | \$2.92 | .57% |
| Class 1 - assumed 5% return | 1,000.00 | 1,021.97 | 2.86 | .57 |
| Class 1A - actual return | 1,000.00 | 1,064.66 | 4.20 | .82 |
| Class 1A - assumed 5% return | 1,000.00 | 1,020.73 | 4.11 | .82 |
| Class 2 - actual return | 1,000.00 | 1,064.15 | 4.20 | .82 |
| Class 2 - assumed 5% return | 1,000.00 | 1,020.73 | 4.11 | .82 |
| Class 4 - actual return | 1,000.00 | 1,063.50 | 5.47 | 1.07 |
| Class 4 - assumed 5% return | 1,000.00 | 1,019.49 | 5.36 | 1.07 |
| High-Income Bond Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,098.08 | \$2.60 | .50% |
| Class 1 - assumed 5% return | 1,000.00 | 1,022.32 | 2.51 | .50 |
| Class 1A - actual return | 1,000.00 | 1,096.74 | 3.85 | .74 |
| Class 1A - assumed 5% return | 1,000.00 | 1,021.12 | 3.71 | .74 |
| Class 2 - actual return | 1,000.00 | 1,097.05 | 3.90 | .75 |
| Class 2 - assumed 5% return | 1,000.00 | 1,021.08 | 3.76 | .75 |
| Class 3 - actual return | 1,000.00 | 1,097.32 | 3.54 | .68 |
| Class 3 - assumed 5% return | 1,000.00 | 1,021.42 | 3.41 | .68 |
| Class 4 - actual return | 1,000.00 | 1,095.44 | 5.20 | 1.00 |
| Class 4 - assumed 5% return | 1,000.00 | 1,019.84 | 5.01 | 1.00 |

| | Beginning account value 1/1/2019 | Ending account value 6/30/2019 | Expenses paid during period ¹ | Annualized expense ratio |
|--|--|--------------------------------------|--|--------------------------------|
| Mortgage Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,041.57 | \$2.28 | .45% |
| Class 1 - assumed 5% return | 1,000.00 | 1,022.56 | 2.26 | .45 |
| Class 1A - actual return | 1,000.00 | 1,040.21 | 3.54 | .70 |
| Class 1A - assumed 5% return | 1,000.00 | 1,021.32 | 3.51 | .70 |
| Class 2 - actual return | 1,000.00 | 1,040.25 | 3.54 | .70 |
| Class 2 - assumed 5% return | 1,000.00 | 1,021.32 | 3.51 | .70 |
| Class 4 - actual return | 1,000.00 | 1,039.23 | 4.80 | .95 |
| Class 4 - assumed 5% return | 1,000.00 | 1,020.08 | 4.76 | .95 |
| Ultra-Short Bond Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,010.95 | \$1.70 | .34% |
| Class 1 - assumed 5% return | 1,000.00 | 1,023.11 | 1.71 | .34 |
| Class 1A - actual return | 1,000.00 | 1,010.95 | 1.70 | .34 |
| Class 1A - assumed 5% return | 1,000.00 | 1,023.11 | 1.71 | .34 |
| Class 2 - actual return | 1,000.00 | 1,008.98 | 2.94 | .59 |
| Class 2 - assumed 5% return | 1,000.00 | 1,021.87 | 2.96 | .59 |
| Class 3 - actual return | 1,000.00 | 1,009.91 | 2.59 | .52 |
| Class 3 - assumed 5% return | 1,000.00 | 1,022.22 | 2.61 | .52 |
| Class 4 - actual return | 1,000.00 | 1,007.79 | 4.18 | .84 |
| Class 4 - assumed 5% return | 1,000.00 | 1,020.63 | 4.21 | .84 |
| U.S. Government/AAA-Rated Securities Fund | | | | |
| Class 1 - actual return | \$1,000.00 | \$1,047.01 | \$1.83 | .36% |
| Class 1 - assumed 5% return | 1,000.00 | 1,023.01 | 1.81 | .36 |
| Class 1A - actual return | 1,000.00 | 1,045.08 | 3.09 | .61 |
| Class 1A - assumed 5% return | 1,000.00 | 1,021.77 | 3.06 | .61 |
| Class 2 - actual return | 1,000.00 | 1,044.47 | 3.09 | .61 |
| Class 2 - assumed 5% return | 1,000.00 | 1,021.77 | 3.06 | .61 |
| Class 3 - actual return | 1,000.00 | 1,045.73 | 2.74 | .54 |
| Class 3 - assumed 5% return | 1,000.00 | 1,022.12 | 2.71 | .54 |
| Class 4 - actual return | 1,000.00 | 1,043.40 | 4.36 | .86 |
| Class 4 - assumed 5% return | 1,000.00 | 1,020.53 | 4.31 | .86 |

See end of tables for footnotes.

| | Beginning account value 1/1/2019 | Ending account value 6/30/2019 | Expenses paid during period ^{1,2} | Annualized expense ratio ² | Effective expenses paid during period ³ | Effective annualized expense ratio ⁴ |
|--|--|--------------------------------------|--|--|--|---|
| Managed Risk Growth Fund | | | | | | |
| Class P1 - actual return | \$1,000.00 | \$1,115.56 | \$1.89 | .36% | \$3.67 | .70% |
| Class P1 - assumed 5% return | 1,000.00 | 1,023.01 | 1.81 | .36 | 3.51 | .70 |
| Class P2 - actual return | 1,000.00 | 1,114.24 | 3.25 | .62 | 5.03 | .96 |
| Class P2 - assumed 5% return | 1,000.00 | 1,021.72 | 3.11 | .62 | 4.81 | .96 |
| Managed Risk International Fund | | | | | | |
| Class P1 - actual return | \$1,000.00 | \$1,112.70 | \$1.68 | .32% | \$4.30 | .82% |
| Class P1 - assumed 5% return | 1,000.00 | 1,023.21 | 1.61 | .32 | 4.11 | .82 |
| Class P2 - actual return | 1,000.00 | 1,111.74 | 3.25 | .62 | 5.86 | 1.12 |
| Class P2 - assumed 5% return | 1,000.00 | 1,021.72 | 3.11 | .62 | 5.61 | 1.12 |
| Managed Risk Blue Chip Income and Growth Fund | | | | | | |
| Class P1 - actual return | \$1,000.00 | \$1,066.32 | \$1.59 | .31% | \$3.59 | .70% |
| Class P1 - assumed 5% return | 1,000.00 | 1,023.26 | 1.56 | .31 | 3.51 | .70 |
| Class P2 - actual return | 1,000.00 | 1,065.21 | 3.12 | .61 | 5.12 | 1.00 |
| Class P2 - assumed 5% return | 1,000.00 | 1,021.77 | 3.06 | .61 | 5.01 | 1.00 |
| Managed Risk Growth-Income Fund | | | | | | |
| Class P1 - actual return | \$1,000.00 | \$1,113.64 | \$1.94 | .37% | \$3.46 | .66% |
| Class P1 - assumed 5% return | 1,000.00 | 1,022.96 | 1.86 | .37 | 3.31 | .66 |
| Class P2 - actual return | 1,000.00 | 1,112.62 | 3.25 | .62 | 4.77 | .91 |
| Class P2 - assumed 5% return | 1,000.00 | 1,021.72 | 3.11 | .62 | 4.56 | .91 |
| Managed Risk Asset Allocation Fund | | | | | | |
| Class P1 - actual return | \$1,000.00 | \$1,097.83 | \$1.87 | .36% | \$3.33 | .64% |
| Class P1 - assumed 5% return | 1,000.00 | 1,023.01 | 1.81 | .36 | 3.21 | .64 |
| Class P2 - actual return | 1,000.00 | 1,097.43 | 3.17 | .61 | 4.63 | .89 |
| Class P2 - assumed 5% return | 1,000.00 | 1,021.77 | 3.06 | .61 | 4.46 | .89 |

¹The "expenses paid during period" are equal to the "annualized expense ratio," multiplied by the average account value over the period, multiplied by the number of days in the period, and divided by 365 (to reflect the one-half year period).

²The "expenses paid during period" and "annualized expense ratio" do not include the expenses of the underlying funds in which each fund invests.

³The "effective expenses paid during period" are equal to the "effective annualized expense ratio," multiplied by the average account value over the period, multiplied by the number of days in the period, and divided by 365 (to reflect the period).

⁴The "effective annualized expense ratio" reflects the net annualized expense ratio of the class plus the class's pro-rata share of the weighted average expense ratio of the underlying funds in which it invests.

Approval of Investment Advisory and Service Agreement – American Funds Insurance Series

American Funds Insurance Series' board has approved the series' Investment Advisory and Service Agreement (the "agreement") with Capital Research and Management Company ("CRMC") through April 30, 2020. The agreement was amended to add additional advisory fee breakpoints for International Growth and Income Fund when the fund's net assets exceed \$1.5 billion, and for Capital Income Builder when the fund's net assets exceed \$600 million and \$1 billion. The board approved the agreement following the recommendation of the series' Contracts Committee (the "committee"), which is composed of all of the series' independent board members. The board and the committee determined in the exercise of their business judgment that each fund's advisory fee structure was fair and reasonable in relation to the services provided, and that approving the agreement was in the best interests of each fund and its shareholders.

In reaching this decision, the board and the committee took into account information furnished to them throughout the year and otherwise provided to them, as well as information prepared specifically in connection with their review of the agreement, and were advised by their independent counsel with respect to the matters considered. They considered the following factors, among others, but did not identify any single issue or particular piece of information that, in isolation, was the controlling factor, and each board and committee member did not necessarily attribute the same weight to each factor.

1. Nature, extent and quality of services

The board and the committee considered the depth and quality of CRMC's investment management process, including its global research capabilities; the experience, capability and integrity of its senior management and other personnel; the low turnover rates of its key personnel; the overall financial strength and stability of CRMC and the Capital Group organization; the resources and systems CRMC devotes to investment management, compliance, trading, portfolio accounting and other services; and the ongoing evolution of CRMC's organizational structure designed to maintain and strengthen these qualities. The board and the committee also considered the nature, extent and quality of administrative, compliance and shareholder services provided by CRMC to the funds under the agreement and other agreements, as well as the benefits to each fund's shareholders from investing in a fund that is part of a large family of funds. The board and the committee concluded that the nature, extent and quality of the services provided by CRMC have benefited and should continue to benefit each fund and its shareholders.

2. Investment results

The board and the committee considered the investment results of each fund in light of its objectives. They compared each fund's investment results with relevant benchmarks, such as market indexes and fund averages, over various periods through September 30, 2018. This report, including the letter to shareholders and related disclosures, contains certain information about each fund's investment results.

Global Growth Fund seeks to provide long-term growth of capital by investing primarily in common stocks of companies located around the world. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Global Funds Average and (ii) the MSCI All Country World Index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund generally compared favorably to the results of these indexes.

Global Small Capitalization Fund seeks to provide long-term growth of capital by investing primarily in stocks of smaller companies located around the world. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Global Small-/Mid-Cap Funds Average and (ii) the MSCI All Country World Small Cap Index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes, though the fund's results were higher for the one-year, 20-year and lifetime periods.

Growth Fund seeks to provide growth of capital by investing primarily in common stocks of companies that appear to offer superior opportunities for growth of capital. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Capital Appreciation Funds Average, (ii) the Lipper Growth Funds Average and (iii) the Standard & Poor's 500 Composite Index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund generally compared favorably to the results of these indexes.

International Fund seeks to provide long-term growth of capital by investing primarily in common stocks of companies domiciled outside the United States. The board and the committee reviewed the fund's investment results measured against (i) the Lipper International Funds Average and (ii) the MSCI All Country World Index ex USA. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund generally compared favorably to the results of these indexes.

New World Fund seeks long-term capital appreciation by investing primarily in stocks of companies with significant exposure to countries with developing economies and/or markets. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Emerging Markets Funds Average, (ii) the MSCI All Country World Index and (iii) the MSCI Emerging Markets Index. They reviewed the results for the one-year, three-year, five-year, 10-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes.

Blue Chip Income and Growth Fund seeks to produce income exceeding the average yield on U.S. stocks generally and to provide an opportunity for growth of principal by investing primarily in dividend-paying common stocks of larger, more established companies domiciled in the United States with market capitalizations of \$4 billion and above. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Growth and Income Funds Average and (ii) the Standard & Poor's 500 Composite Index. They reviewed the results for the one-year, three-year, five-year, 10-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes.

Global Growth and Income Fund seeks to provide long-term growth of capital while providing current income by investing primarily in well-established companies located around the world. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Global Funds Average and (ii) the MSCI All Country World Index. They reviewed the results for the one-year, three-year, five-year, 10-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund generally compared favorably to the results of these indexes for the longer term periods and were mixed compared to the results of these indexes for the shorter periods.

Growth-Income Fund seeks to provide long-term growth of capital and income by investing primarily in common stocks or other securities that demonstrate the potential for appreciation and/or dividends. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Growth and Income Funds Average and (ii) the Standard & Poor's 500 Composite Index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund generally compared favorably to the results of these indexes.

International Growth and Income Fund seeks to provide long-term growth of capital while providing current income by investing primarily in stocks of larger, well-established companies domiciled outside the United States, including in developing countries. The board and the committee reviewed the fund's investment results measured against (i) the Lipper International Funds Average and (ii) the MSCI All Country World Index ex USA. They reviewed the results for the one-year, three-year, five-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history and that the investment results of the fund were higher than the results of these indexes over the lifetime period, though lower than the results of these indexes over the shorter periods.

Capital Income Builder seeks to provide a level of current income that exceeds the average yield on U.S. stocks generally and to provide a growing stream of income over the years. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Global Equity Income Funds Average, (ii) the MSCI All Country World Index, (iii) the Bloomberg Barclays U.S. Aggregate Index and (iv) a customized index composed of 70% MSCI index and 30% Bloomberg Barclays index. They reviewed the results for the one-year, three-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history, and that the investment results of the fund were mixed compared to the results of these indexes.

Asset Allocation Fund seeks to provide high total return (including income and capital gains) consistent with preservation of capital over the long term by investing in a diversified portfolio of stocks and other equity securities, bonds and other intermediate and long-term debt securities, and money market instruments (debt securities maturing in one year or less). The board and the committee reviewed the fund's investment results measured against (i) the Lipper Balanced Funds Average, (ii) the Bloomberg Barclays U.S. Aggregate Index, (iii) the Standard and Poor's 500 Composite Index and (iv) a customized index composed of 60% S&P 500 index and 40% Bloomberg Barclays index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes.

Global Balanced Fund seeks the balanced accomplishment of three objectives – long-term growth of capital, conservation of principal and current income – by investing in equity and debt securities of companies around the world that offer the opportunity for growth and/or provide dividend income, while also constructing its portfolio to protect principal and limit volatility. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Flexible Portfolio Funds Average, (ii) the Bloomberg Barclays Global Aggregate Index, (iii) the MSCI All Country World Index and (iv) a customized index composed of 60% MSCI index and 40% Bloomberg Barclays index. They reviewed the results for the one-year, three-year, five-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history, and that the investment results of the fund were mixed compared to the results of these indexes.

Bond Fund seeks to maximize current income and preserve capital by investing primarily in bonds. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Core Bond Funds Average and (ii) the Bloomberg Barclays U.S. Aggregate Index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes.

Global Bond Fund seeks to provide a high level of total return by investing primarily in debt securities of governmental, supranational and corporate issuers domiciled in various countries and denominated in various currencies, including U.S. dollars. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Global Income Funds Average and (ii) the Bloomberg Barclays Global Aggregate Index. They reviewed the results for the one-year, three-year, five-year, 10-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes.

High-Income Bond Fund seeks to provide a high level of current income and, secondarily, capital appreciation by investing primarily in higher yielding and generally lower quality debt securities. The board and the committee reviewed the fund's investment results measured against (i) the Lipper High Yield Funds Average and (ii) the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes.

Mortgage Fund seeks to provide current income and preservation of capital by investing in mortgage-related securities, including securities collateralized by mortgage loans and contracts for future delivery of such securities. The board and the committee reviewed the fund's investment results measured against (i) the Lipper GNMA Funds Average, (ii) the Lipper Intermediate U.S. Government Funds Average and (iii) the Bloomberg Barclays U.S. Mortgage Backed Securities Index. They reviewed the results for the one-year, three-year, five-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history and that the investment results of the fund were mixed compared to the results of these indexes.

Ultra-Short Bond Fund seeks to provide an opportunity to earn income on cash reserves while preserving the value of investment and maintaining liquidity. The board and the committee reviewed the fund's investment results measured against (i) the Lipper Ultra Short Obligation Funds Average, (ii) the Lipper Money Market Funds Average and (iii) the Bloomberg Barclays Short-Term Government/Corporate Index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes for the one-year, three-year and lifetime periods, though lower than the results of these indexes for the five-year, 10-year and 20-year periods.

U.S. Government/AAA-Rated Securities Fund seeks to provide a high level of current income, as well as to preserve principal. The board and the committee reviewed the fund's investment results measured against (i) the Lipper General U.S. Government Funds Average and (ii) the Bloomberg Barclays U.S. Government/Mortgage Backed Securities Index. They reviewed the results for the one-year, three-year, five-year, 10-year, 20-year and lifetime periods, and placed greater emphasis on longer term periods. They noted that the investment results of the fund were mixed compared to the results of these indexes.

The board and the committee concluded that each fund's investment results have been satisfactory for renewal of the agreement, and that CRMC's record in managing the funds indicated that its continued management should benefit each fund and its shareholders.

3. Advisory fees and total expenses

The board and the committee compared the advisory fees and total expense levels of each fund to those of other relevant funds. They observed that the total expenses of each fund were less than the median total expenses of the other funds included in its Lipper category described above. They also observed that each fund's advisory fees were less than the median fees of the other funds included in its Lipper category, other than Global Balanced Fund.

The board and the committee also considered the breakpoint discounts in each fund's advisory fee structure that reduce the level of fees charged by CRMC to the fund as fund assets increase. The board and committee noted that CRMC had agreed to additional breakpoints for the advisory fee schedules of International Growth and Income Fund and Capital Income Builder. In addition, they reviewed information regarding advisory fees charged to clients of an affiliate of CRMC. They noted that, to the extent there were differences between the advisory fees paid by each fund and the advisory fees paid by those clients, the differences appropriately reflected the investment, operational and regulatory differences between advising the funds and the other clients. The board and the committee concluded that each fund's cost structure was fair and reasonable in relation to the services provided, and that each fund's shareholders receive reasonable value in return for the advisory fees and other amounts paid to CRMC by the fund.

4. Ancillary benefits

The board and the committee considered a variety of other benefits that CRMC and its affiliates receive as a result of CRMC's relationship with the series and the other American Funds, including fees for administrative services provided to certain share classes; fees paid to CRMC's affiliated transfer agent; sales charges and distribution fees received and retained by the series' principal underwriter, an affiliate of CRMC; and possible ancillary benefits to CRMC and its institutional management affiliates in managing other investment vehicles. The board and the committee reviewed CRMC's portfolio trading practices, noting that through December 31, 2018, CRMC benefited from research obtained with commissions from portfolio transactions made on behalf of the funds, and since that time has undertaken to bear the cost of obtaining such research. The board and the committee took these ancillary benefits into account in evaluating the reasonableness of the advisory fees and other amounts paid to CRMC by each fund.

5. Adviser financial information

The board and the committee reviewed information regarding CRMC's costs of providing services to the American Funds, including personnel, systems and resources of investment, compliance, trading, accounting and other administrative operations. They considered CRMC's costs and related cost allocation methodology as well as its track record of investing in technology, infrastructure and staff to maintain and expand services and capabilities, respond to industry and regulatory developments, and attract and retain qualified personnel. They noted information regarding the compensation structure for CRMC's investment professionals. They reviewed information on the profitability of the investment adviser and its affiliates. The board and the committee also compared CRMC's profitability and compensation data to the reported results and data of several large, publicly held investment management companies. The board and the committee noted the competitiveness and cyclicity of both the mutual fund industry and the capital markets, and the importance in that environment of CRMC's long-term profitability for maintaining its independence, company culture and management continuity. They further considered the breakpoint discounts in the funds' advisory fee structure and CRMC's sharing of potential economies of scale, or efficiencies, through breakpoints and other fee reductions and costs voluntarily absorbed. The board and the committee concluded that each fund's advisory fee structure reflected a reasonable sharing of benefits between CRMC and each fund's shareholders.

Approval of Investment Advisory and Service Agreement and Subadvisory Agreement – American Funds Insurance Series Managed Risk Funds

American Funds Insurance Series' board has approved the series' Investment Advisory and Service Agreement (the "advisory agreement") with Capital Research and Management Company ("CRMC") with respect to the Managed Risk Funds through April 30, 2020. The board has also approved the series' Subadvisory Agreement (the "subadvisory agreement") with CRMC and Milliman Financial Risk Management LLC ("Milliman FRM") with respect to these funds for the same term. The subadvisory agreement was amended to add an additional subadvisory fee breakpoint for when the funds' net assets exceed \$10 billion. The advisory and subadvisory agreements are jointly referred to below as the "agreements." The board approved the agreements following the recommendation of the series' Contracts Committee (the "committee"), which is composed of all of the series' independent board members. The board and the committee determined in the exercise of their business judgment that each fund's advisory fee structure was fair and reasonable in relation to the services provided, and that approving the agreements was in the best interests of each fund and its shareholders.

In reaching this decision, the board and the committee took into account information furnished to them throughout the year and otherwise provided to them, as well as information prepared specifically in connection with their review of the agreements, and were advised by their independent counsel with respect to the matters considered. They considered the following factors, among others, but did not identify any single issue or particular piece of information that, in isolation, was the controlling factor, and each board and committee member did not necessarily attribute the same weight to each factor.

1. Nature, extent and quality of services

The board and the committee considered the depth and quality of CRMC's investment management process, including its global research capabilities; the experience, capability and integrity of its senior management and other personnel; the low turnover rates of its key personnel; the overall financial strength and stability of CRMC and the Capital Group organization; the resources and systems CRMC devotes to investment management, compliance, trading, portfolio accounting and other services; and the ongoing evolution of CRMC's organizational structure designed to maintain and strengthen these qualities. The board and the committee also considered the nature, extent and quality of the oversight of Milliman FRM's services provided by CRMC, the administrative, compliance and shareholder services provided by CRMC to the funds under the agreements and other agreements, as well as the benefits to each fund's shareholders from investing in a fund that is part of a large family of funds. The board and the committee concluded that the nature, extent and quality of the services provided by CRMC have benefited and should continue to benefit each fund and its shareholders.

The board and the committee also considered the depth and quality of Milliman FRM's investment management process, including its experience in applying the Milliman Managed Risk Strategy to other funds in the series and risk management services for other clients; the experience, capability and integrity of its senior management and other personnel; and the services provided to each fund under the subadvisory agreement. The board and the committee concluded that the nature, extent and quality of the services provided by Milliman FRM have benefited and should continue to benefit each fund and its shareholders.

2. Investment results

The board and the committee considered the investment results of each fund in light of its objectives. They compared each fund's investment results with relevant benchmarks, such as market indexes and fund averages, over various periods through September 30, 2018. This report, including the letter to shareholders and related disclosures, contains certain information about each fund's investment results.

Managed Risk Growth Fund seeks to provide growth of capital while seeking to manage volatility and provide downside protection. The board and the committee reviewed the fund's investment results measured against the investment results of (i) the Standard & Poor's 500 Composite Index and (ii) the S&P 500 Managed Risk Index – Moderate Aggressive. They reviewed the results for the one-year, three-year, five-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history and that the investment results of the fund were mixed compared to the results of these indexes.

Managed Risk International Fund seeks to provide long-term growth of capital while seeking to manage volatility and provide downside protection. The board and the committee reviewed the fund's investment results measured against the investment results of (i) the MSCI All Country World Index ex USA and (ii) the Standard & Poor's EPAC Ex-Korea LargeMidCap Managed Risk Index - Moderate Aggressive. They reviewed the results for the one-year, three-year, five-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history, and that the investment results of the fund were mixed compared to the results of these indexes.

Managed Risk Blue Chip Income and Growth Fund seeks to produce income exceeding the average yield on U.S. stocks generally and to provide an opportunity for growth of principal consistent with sound common stock investing, in each case while seeking to manage volatility and provide downside protection. The board and the committee reviewed the fund's investment results measured against the investment results of (i) the Standard & Poor's 500 Composite Index and (ii) the S&P 500 Managed Risk Index - Moderate. They reviewed the results for the one-year, three-year, five-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history, and that the investment results of the fund were mixed compared to the results of these indexes for the three-year period, and lower than the results of these indexes for the other periods.

Managed Risk Growth-Income Fund seeks to achieve long-term growth of capital and income while seeking to manage volatility and provide downside protection. The board and the committee reviewed the fund's investment results measured against the investment results of (i) the Standard & Poor's 500 Composite Index and (ii) the S&P 500 Managed Risk Index - Moderate. They reviewed the results for the one-year, three-year, five-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history, and that the investment results of the fund were mixed compared to the results of these indexes.

Managed Risk Asset Allocation Fund seeks to provide high total return (including income and capital gains) consistent with preservation of capital over the long term while seeking to manage volatility and provide downside protection. The board and the committee reviewed the fund's investment results measured against the investment results of (i) the Bloomberg Barclays U.S. Aggregate Index, (ii) the Standard & Poor's 500 Composite Index and (iii) the S&P 500 Managed Risk Index - Moderate Conservative. They reviewed the results for the one-year, three-year, five-year and lifetime periods, and placed greater emphasis on longer term periods. They noted the fund's relatively short history, and that the investment results of the fund were mixed compared to the results of these indexes.

The board and the committee also considered volatility of the funds compared with the S&P 500 Managed Risk indexes noted above and those of a group of funds with volatility management strategies identified by management for the nine-month, one-year and three-year periods, and for the lifetime of each fund through September 30, 2018. They noted that the volatility of Managed Risk Growth Fund and Managed Risk Growth-Income Fund was greater than that of the S&P 500 Managed Risk index, the average of the peer group funds and most of the selected funds for all periods. They noted that the volatility of Managed Risk International Fund was lower than the average of the peer group funds for all periods, and lower than the S&P 500 Managed Risk index for the three-year and lifetime periods. They also noted that the volatility of Managed Risk Blue Chip Income and Growth Fund was higher than the average of the peer group funds and higher than the S&P 500 Managed Risk index for all periods. In addition, they noted that the volatility for Managed Risk Asset Allocation Fund was higher than that of the S&P 500 Managed Risk index and higher than the average of the peer group funds for all periods. The board and the committee concluded that each fund's investment results and the results of the services provided by CRMC and Milliman FRM have been satisfactory for renewal of the agreements, and that CRMC's and Milliman FRM's record in managing the funds indicated that their continued management should benefit each fund and its shareholders.

3. Advisory fees and total expenses

The board and the committee compared the total expense levels of each fund to those of other relevant funds. The board and the committee noted CRMC's waiver of a portion of the advisory fee payable by each fund under the advisory agreement, CRMC's commitment not to remove the waiver without board approval and CRMC's agreement to pay the fees due to Milliman FRM under the subadvisory agreement. They observed that the total expenses for Managed Risk Growth Fund were lower than the median and average for the Lipper Growth Funds category, that the total expenses for Managed Risk International Fund were lower than the

median and average for the Lipper International Funds category, and that the total expenses for Managed Risk Blue Chip Income and Growth Fund were at or slightly above the median of the Lipper Growth and Income Funds category. They also noted that the total expenses for Managed Risk Growth-Income Fund were lower than the median and average for the Lipper Growth and Income Funds category, and that the total expenses for Managed Risk Asset Allocation Fund were lower than the median and average for the Lipper Flexible Portfolio Funds category. The board and the committee also considered the advisory fees payable by the funds and determined that they were reasonable.

The board and the committee also considered the breakpoint discounts in each underlying fund's advisory fee structure that reduce the level of fees charged by CRMC to the underlying fund as its assets increase. In addition, they reviewed information regarding advisory fees paid by clients of an affiliate of CRMC. They noted that, to the extent there were differences between the advisory fee schedule for the funds and the advisory fees paid by those clients, the differences appropriately reflected the investment, operational, regulatory and marketing differences between advising the funds and the other clients. They also reviewed the fees paid to Milliman FRM by other funds which it advised or subadvised. The board and the committee concluded that each fund's cost structure was fair and reasonable in relation to the services that CRMC provided, directly and through Milliman FRM, and that each fund's shareholders receive reasonable value in return for the advisory fees and other amounts paid to CRMC (and indirectly to Milliman FRM) by the funds.

4. Ancillary benefits

The board and the committee considered a variety of other benefits that CRMC and its affiliates receive as a result of CRMC's relationship with the series and the other American Funds, including fees for administrative services provided to certain share classes; fees paid to CRMC's affiliated transfer agent; sales charges and distribution fees received and retained by the series' principal underwriter, an affiliate of CRMC; and possible ancillary benefits to CRMC and its institutional management affiliates in managing other investment vehicles. The board and the committee reviewed CRMC's portfolio trading practices, noting that through December 31, 2018, CRMC benefited from research obtained with commissions from portfolio transactions made on behalf of the funds, and since that time has undertaken to bear the cost of obtaining such research. The Board and the committee also reviewed similar ancillary benefits received by Milliman FRM as a result of its relationship with the series. The board and the committee took these ancillary benefits into account in evaluating the reasonableness of the advisory fees and other amounts paid to CRMC (and indirectly to Milliman FRM) by the funds.

5. Adviser financial information

The board and the committee reviewed information regarding CRMC's costs of providing services to the American Funds, including personnel, systems and resources of investment, compliance, trading, accounting and other administrative operations. They considered CRMC's costs and related cost allocation methodology as well as its track record of investing in technology, infrastructure and staff to maintain and expand services and capabilities, respond to industry and regulatory developments, and attract and retain qualified personnel. They noted information regarding the compensation structure for CRMC's investment professionals. They reviewed information on the profitability of the investment adviser and its affiliates. The board and the committee also compared CRMC's profitability and compensation data to the reported results and data of several large, publicly held investment management companies. The board and the committee noted the competitiveness and cyclicity of both the mutual fund industry and the capital markets, and the importance in that environment of CRMC's long-term profitability for maintaining its independence, company culture and management continuity. They also considered CRMC's sharing of potential economies of scale, or efficiencies, through breakpoints and other fee reductions and costs voluntarily absorbed. The board and the committee concluded that each fund's advisory fee structure reflected a reasonable sharing of benefits between CRMC and each fund's shareholders.

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Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the series prospectuses and summary prospectuses, which can be obtained from your financial professional and should be read carefully before investing. You may also call American Funds Service Company (AFS) at (800) 421-4225 or visit the American Funds website at americanfunds.com.

"American Funds Proxy Voting Procedures and Principles" – which describes how we vote proxies relating to portfolio securities – is available on the American Funds website or upon request by calling AFS. The series files its proxy voting record with the U.S. Securities and Exchange Commission (SEC) for the 12 months ended June 30 by August 31. The proxy voting record is available free of charge on the SEC website at sec.gov and on the American Funds website.

Complete June 30, 2019, portfolios of American Funds Insurance Series' investments are available free of charge by calling AFS or visiting the SEC website (where they are part of Form N-CSR).

American Funds Insurance Series files a complete list of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT-EX. This filing is available free of charge on the SEC website. Additionally, the list of portfolio holdings is available by calling AFS.

This report is for the information of American Funds Insurance Series investors, but it also may be used as sales literature when preceded or accompanied by the current prospectuses or summary prospectuses for American Funds Insurance Series and the prospectus for the applicable insurance contract, which give details about charges, expenses, investment objectives and operating policies of the series. If used as sales material after September 30, 2019, this report must be accompanied by a statistical update for the most recently completed calendar quarter.

Fund attribution data was produced using FactSet, a third-party software system, based on daily portfolios. Securities in their initial period of acquisition may not be included in this analysis. The analysis includes equity investments only and excludes forward contracts and fixed income investments, if applicable. It does not account for buy-and-sell transactions that might have occurred intraday. As a result, average portfolio weight percentages are approximate, and the actual average portfolio weight percentages might be higher or lower. Data elements, such as pricing, income, market cap, etc., were provided by FactSet. The indexes provided for attribution are based on FactSet's methodology. The indexes are broad-based market benchmarks and may not be used by Capital Group® as the sole comparative index for the funds. Capital Group believes the software and information from FactSet to be reliable. However, Capital Group cannot be responsible for inaccuracies, incomplete information or updating of information by FactSet.

Futures may not provide an effective hedge of the underlying securities because changes in the prices of futures may not track those of the securities they are intended to hedge. In addition, the managed risk strategy may not effectively protect the fund from market declines and will limit the fund's participation in market gains. The use of the managed risk strategy could cause the fund's return to lag that of the underlying fund in certain market conditions.

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The Capital Advantage[®]

Since 1931, Capital Group, home of American Funds, has helped investors pursue long-term investment success. Our consistent approach – in combination with The Capital SystemSM – has resulted in superior outcomes.

Aligned with investor success

We base our decisions on a long-term perspective, which we believe aligns our goals with the interests of our clients. American Funds Insurance Series portfolio managers average 27 years of investment experience, including 22 years at our company, reflecting a career commitment to our long-term approach.¹

The Capital System

The Capital System combines individual accountability with teamwork. Funds using The Capital System are divided into portions that are managed independently by investment professionals with diverse backgrounds, ages and investment approaches. An extensive global research effort is the backbone of our system.

American Funds Insurance Series superior outcomes

American Funds Insurance Series equity funds have beaten their comparable Lipper indexes in 91% of 10-year periods and 100% of 20-year periods.² Our fixed income funds have helped investors achieve diversification through attention to correlation between bonds and equities.³ We strive to keep management fees competitive. Over the past 20 years, most funds' fees have been below industry averages.⁴

¹ Portfolio manager experience as of the American Funds Insurance Series prospectus dated May 1, 2019.

² Based on Class 1 share results for rolling periods through December 31, 2018. Periods covered are the shorter of the fund's lifetime or since the inception date of the comparable Lipper index or average. The comparable Lipper indexes are: Global Funds Index (Global Growth Fund, Global Growth and Income Fund), Growth Funds Index (Growth Fund), International Funds Index (International Fund), Emerging Markets Funds Index (New World Fund), Growth & Income Funds Index (Blue Chip Income and Growth Fund, Growth-Income Fund), Balanced Funds Index (Asset Allocation Fund), Core Bond Funds Index (Bond Fund), Global Income Funds Index (Global Bond Fund), High Yield Funds Index (High-Income Bond Fund), Ultra-Short Obligation Funds Index (Ultra-Short Bond Fund) and General U.S. Government Funds Index (U.S. Government/AAA-Rated Securities Fund). The Lipper Global Small-/Mid-Cap Funds Average was used for Global Small Capitalization Fund. Lipper source: Thomson Reuters Lipper. There have been periods when the fund has lagged the index.

³ Based on Class 1 share results as of December 31, 2018. Four of our five fixed income funds showed a three-year correlation below 0.1. Standard & Poor's 500 Composite Index was used as an equity market proxy. Correlation based on monthly total returns. Correlation is a statistical measure of how two securities move in relation to each other. A correlation ranges from -1 to 1. A positive correlation close to 1 implies that as one security moves, either up or down, the other security will move in "lockstep," in the same direction. A negative correlation close to -1 indicates that the securities have moved in the opposite direction.

⁴ Based on management fees for the 20-year period ended December 31, 2018, versus comparable Lipper categories, excluding funds of funds.