Release Date: 03-31-2011

American Funds American Balanced R5

Overall Morningstar Rating™	Morningstar Return	Morningstar Risk
★★★★	Above Average	Average

Out of 932 Moderate Allocation funds. **An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.**

Investment Strategy from investment's prospectus

The investment seeks conservation of capital, current income and long-term growth of capital and income.

The fund invests in a broad range of securities, including stocks, bonds and securities issued and guaranteed by the U.S. government. It normally maintains at least 50% of assets in common stocks and at least 25% of assets in debt securities, including money market securities. The fund may also hold cash or money market instruments. The fund may invest a portion of its assets in common stocks, most of which have a history of paying dividends, bonds and other securities of issuers domiciled outside the United States.

Category Description: Moderate Allocation

Moderate-allocation funds seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These funds tend to hold larger positions in stocks than conservative-allocation funds. These funds typically have 50% to 70% of assets in equities and the remainder in fixed income and cash.

Broad Asset Class: Balanced

Combination of stocks, bonds and cash.

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement and a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional or your plan's website and should be read carefully before investing or sending money.

Morningstar ratings reflect the reduction of the fund's expense ratio. However, your plan may charge an administrative fee and/or plan-level fee, which is not reflected in this rating.

To determine a fund's star rating for a given period, the fund's Morningstar risk score is subtracted from its Morningstar return score. If the fund scores in the top 10% of its respective Morningstar category, it receives five stars; if it falls in the next 22.5%, it receives four stars; a place in the middle 35% earns it three stars; those in the next 22.5% receive two stars; and the bottom 10% get one star.

NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

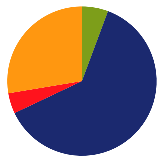
The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against loss in a declining market.

Morningstar Proprietary Statistics

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★★	★★★★	—
Fund Rank Percentile	14	18	32	25	—
Out of # of Investments	1,128	1,081	932	734	—

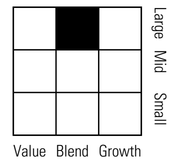
Portfolio Analysis as of 12-31-10

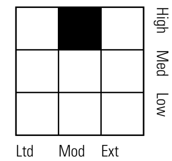
Composition as of 12-31-10



	% Assets
U.S. Stocks	62.2
Non-U.S. Stocks	4.4
Bonds	27.6
Cash	5.7
Other	0.0

Morningstar Style Box™ as of 12-31-10 (EQ) ; 12-31-10 (F-I)





Top 15 Holdings as of 12-31-10	% Assets
Chevron Corporation	2.71
Wells Fargo Company	2.70
Philip Morris International, Inc.	1.87
Home Depot, Inc.	1.64
Microsoft Corporation	1.63
US Treasury Note 3.5% 02-15-18	1.59
Royal Dutch Shell PLC ADR B	1.56
Goldman Sachs Group, Inc.	1.51
US Treasury Bond 6.25% 08-15-23	1.48
Merck & Co, Inc.	1.39
Berkshire Hathaway Inc. A	1.36
Oracle Corporation	1.35
American Express Company	1.30
US Treasury Note 3.375% 07-31-13	1.26
Amazon.com, Inc.	1.24
Total Number of Stock Holdings	109
Total Number of Bond Holdings	481
Annual Turnover Ratio %	37
Total Fund Assets ($mil)	52,439.77

Statistics as of 12-31-10	Stk Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	13.03	0.93	0.94
P/B Ratio	2.24	1.07	1.10
P/C Ratio	7.06	0.97	1.12
GeoAvgCap ($mil)	64,362.02	1.28	2.38

Risk Measures as of 03-31-11	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	15.10	0.69	0.97
3 Yr Beta	1.02	—	0.97
3 Yr Sharpe Ratio	0.33	1.65	1.18
3 Yr Alpha	-0.34	—	0.27
3 Yr R-squared	96.90	—	1.02

Morningstar Sectors as of 12-31-10	% Fund	S&P 500 %
Cyclical	33.75	28.50
Basic Materials	7.19	2.96
Consumer Cyclical	9.35	9.25
Financial Services	16.57	14.67
Real Estate	0.64	1.62
Sensitive	44.17	46.85
Communication Services	3.54	4.25
Energy	12.42	13.01
Industrials	14.82	12.93
Technology	13.39	16.66
Defensive	22.08	24.65
Consumer Defensive	8.51	10.73
Healthcare	11.71	10.79
Utilities	1.86	3.13

Operations

Fund Inception Date	05-15-02
Initial Share Class Inception Date	01-03-33
Advisor	Capital Research and Management Company
Subadvisor	—

Fees and Expenses as of 03-01-11	
Gross Prosp Exp Ratio	*0.35%*
Net Prosp Exp Ratio	0.35%

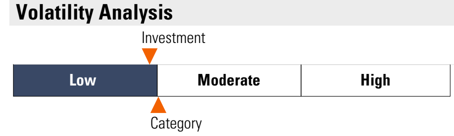
Waiver Data	Type	Exp. Date	%
—	—	—	—

Portfolio Manager(s)

John H. Smet. Since 1997.

Hilda L. Applbaum, CFA. M.A., New York University. B.A., Barnard College. Since 1999.

Volatility Analysis



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.