

# American Funds American Balanced R5

**Overall Morningstar Rating™**

★★★

Out of 955 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.**

**Morningstar Return**

Average

**Morningstar Risk**

Below Average

## 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.

## 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.

\*Portfolio comparisons to the S&P 500 index are calculated against the iShares S&P 500 Index ETF.

## Morningstar Proprietary Statistics

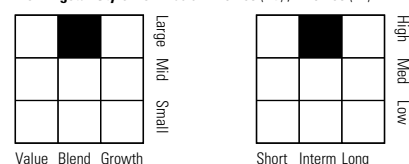
	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★★	★★★	—
Fund Rank Percentile	23	55	34	44	—
Out of # of Investments	1,237	1,175	955	777	—

## Portfolio Analysis as of 12-31-09

**Composition** as of 12-31-09

	% Assets
U.S. Stocks	58.5
Non-U.S. Stocks	4.8
Bonds	33.3
Cash	3.4
Other	0.0

## Morningstar Style Box™ as of 12-31-09 (EQ); 12-31-09 (F-I)



**Top 15 Holdings** as of 12-31-09

	% Assets
Microsoft Corporation	2.94
US Treasury Note 3.5% 02-15-18	2.45
US Treasury Note 4.625% 12-31-11	2.40
Chevron Corporation	2.16
Wells Fargo Company	2.02
Coca-Cola Company	1.83
Berkshire Hathaway Inc. A	1.76
Oracle Corporation	1.73
UNITED STATES TREAS NTS 07-31-13	1.69
AT&T, Inc.	1.60
Royal Dutch Shell PLC ADR B	1.54
Philip Morris International Inc	1.53
Cisco Systems, Inc.	1.49
US Treasury Bond 6.25% 08-15-23	1.36
Boeing Company	1.27
Total Number of Stock Holdings	103
Total Number of Bond Holdings	508
Annual Turnover Ratio %	46
Total Fund Assets (\$mil)	49,101.79

## Operations

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

**Fees and Expenses** as of 03-01-10

Gross Prosp Exp Ratio	0.37%
Net Prosp Exp Ratio	0.37%

**Waiver Data**

	Type	Exp. Date	%
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## Portfolio Manager(s)

Robert G. O'Donnell. Since 1986.  
John H. Smet. Since 1997.

**Statistics** as of 12-31-09

	Stk Port Avg	Rel S&P 500*	Rel Cat
P/E Ratio	14.09	0.92	0.97
P/B Ratio	2.07	1.00	1.11
P/C Ratio	6.52	1.19	1.28
GeoAvgCap (\$mil)	65,616.34	1.43	2.62

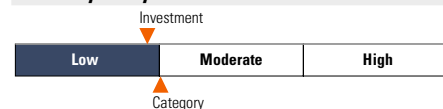
**Risk Measures** as of 03-31-10

	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	14.05	0.69	0.93
3 Yr Beta	1.02	—	0.94
3 Yr Sharpe Ratio	-0.05	0.26	0.50
3 Yr Alpha	-1.70	—	0.64
3 Yr R-squared	95.63	—	1.02

**Morningstar Sectors** as of 12-31-09

	% Fund	S&P 500 %*
Information	24.52	23.19
Software	7.86	4.36
Hardware	8.14	10.88
Media	2.09	2.74
Telecommunication	6.43	5.21
Service	34.08	40.41
Healthcare Service	11.70	11.45
Consumer Service	5.04	8.90
Business Service	2.97	3.56
Financial Service	14.37	16.50
Manufacturing	41.40	36.39
Consumer Goods	9.17	10.95
Industrial Materials	16.61	11.15
Energy	12.07	10.94
Utilities	3.55	3.35

## 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.