

# American Funds Inc Fund of Amer R5

**Overall Morningstar Rating™**  
★★★★

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Above Average

Out of 935 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 more detail.**

## Investment Strategy from investment's prospectus

The investment seeks current income; capital appreciation is secondary.

The fund allocates among common and preferred stocks, straight debt securities, convertibles, and cash equivalents. It normally maintains 60% of assets in equity-type securities. The fund may also invest up to 25% of assets in equity securities of issuers domiciled outside the United States and not included in Standard & Poor's 500 Composite index. In addition, the fund may invest up to 20% of assets in lower quality, higher yielding nonconvertible debt securities. It may also invest up to 10% of assets in debt securities of non-U.S. issuers.

## 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, a product prospectus (variable annuity only), a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

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

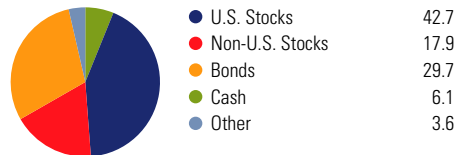
The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against a loss in a declining market.

## Morningstar Proprietary Statistics

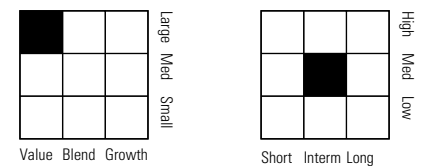
|                         | YTD   | 1-Year | 3-Year | 5-Year | 10-Year |
|-------------------------|-------|--------|--------|--------|---------|
| Morningstar Rating      | —     | —      | ★★★★   | ★★★★   | —       |
| Fund Rank Percentile    | 81    | 84     | 32     | 10     | —       |
| Out of # of Investments | 1,216 | 1,133  | 935    | 707    | —       |

## Portfolio Analysis as of 03-31-08

### Composition as of 03-31-08



### Morningstar Style Box™ as of 03-31-08; 03-31-08 (F-I)



### Top 15 Holdings as of 03-31-08

| Company                        | % Assets |
|--------------------------------|----------|
| AT&T, Inc.                     | 3.32     |
| Chevron Corporation            | 2.55     |
| General Electric Company       | 2.20     |
| Verizon Communications Inc.    | 2.04     |
| Bristol-Myers Squibb Company   | 1.33     |
| H.J. Heinz Company             | 1.29     |
| Vodafone Grp                   | 1.17     |
| Merck & Co., Inc.              | 1.13     |
| Bank of America Corporation    | 1.03     |
| E.ON                           | 1.03     |
| Citigroup, Inc.                | 1.02     |
| Koninklijke KPN                | 1.01     |
| McDonald's Corporation         | 1.01     |
| Kraft Foods, Inc.              | 0.97     |
| Eli Lilly & Company            | 0.94     |
| Total Number of Stock Holdings | 187      |
| Total Number of Bond Holdings  | 1428     |
| Annual Turnover Ratio %        | 32       |
| Total Fund Assets (\$mil)      | 78,289.1 |

### Risk Classification as of 06-30-08

An investment's risk classification corresponds with the following ranges of standard deviation.

| I    | II                                          | III | IV | V | VI |
|------|---------------------------------------------|-----|----|---|----|
| I    | Lowest: Money Market and Stable Value Funds |     |    |   |    |
| II   | Very Low: 0.00-3.46                         |     |    |   |    |
| III  | Low: 3.47-5.21                              |     |    |   |    |
| ▶ IV | Moderate: 5.22-9.95                         |     |    |   |    |
| V    | High: 9.96-13.50                            |     |    |   |    |
| VI   | Very High: 13.51 and above                  |     |    |   |    |

Standard Deviation is a statistical measurement of dispersion about an average, which depicts how widely the returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Morningstar provides standard deviation and Nationwide provides the ranges.

### Statistics as of 03-31-08

|                   | Port Avg  | Rel S&P 500 | Rel Cat |
|-------------------|-----------|-------------|---------|
| P/E Ratio         | 12.66     | 0.94        | 0.90    |
| P/B Ratio         | 1.93      | 0.93        | 0.87    |
| P/C Ratio         | 12.40     | 1.45        | 1.19    |
| GeoAvgCap (\$mil) | 39,235.32 | 0.82        | 1.28    |

### Risk Measures as of 06-30-08

|                   | Port Avg | Rel S&P 500 | Rel Cat |
|-------------------|----------|-------------|---------|
| 3 Yr Std Dev      | 7.73     | 0.49        | 1.07    |
| 3 Yr Beta         | 0.97     | —           | 1.00    |
| 3 Yr Sharpe Ratio | 0.18     | -0.72       | 2.57    |
| 3 Yr Alpha        | -1.15    | —           | 0.56    |
| 3 Yr R-squared    | 74.18    | —           | 0.88    |

### Morningstar Sectors as of 03-31-08

| Sector               | Fund% | S&P 500% |
|----------------------|-------|----------|
| Information          | 18.95 | 20.44    |
| Software             | 0.41  | 4.00     |
| Hardware             | 1.23  | 10.16    |
| Media                | 0.88  | 2.95     |
| Telecommunication    | 16.43 | 3.33     |
| Service              | 33.63 | 37.62    |
| Healthcare Service   | 7.24  | 11.94    |
| Consumer Service     | 4.06  | 6.95     |
| Business Service     | 2.67  | 4.66     |
| Financial Service    | 19.66 | 14.07    |
| Manufacturing        | 47.41 | 41.96    |
| Consumer Goods       | 11.00 | 9.08     |
| Industrial Materials | 15.04 | 12.65    |
| Energy               | 8.69  | 16.35    |
| Utilities            | 12.68 | 3.88     |

### Operations

|                            |                                 |
|----------------------------|---------------------------------|
| Net Annual Rpt Exp Ratio   | 0.33% of fund assets            |
| Gross Prospectus Exp Ratio | 0.36% of fund assets            |
| Fund Inception Date        | 05-15-02                        |
| Initial Share Class        | 12-31-70                        |
| Inception Date             |                                 |
| Advisor                    | Capital Research & Mgmt Company |
| Subadvisor                 | —                               |

### Portfolio Manager(s)

Abner D. Goldstine. B.S., Northwestern U. M.S., MIT. Since 1973.  
Dina N. Perry. Since 1992.