

# American Funds Inc Fund of Amer R5

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

**Morningstar Return**  
 Above Average

**Morningstar Risk**  
 Average

## Investment Strategy from investment's prospectus

The investment seeks current income; capital appreciation is secondary.

The fund invests primarily in income-producing securities. These include equity securities, such as dividend-paying common stocks, and debt securities, such as interest-paying bonds. It normally invests at least 60% of assets in common stocks and other equity-type securities. The fund may also invest up to 25% of its assets in equity securities of issuers domiciled outside the United States and not included in Standard & Poor's 500 Composite Index.

## 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.

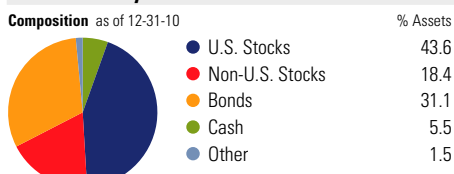
NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

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	8	10	45	23	—
Out of # of Investments	1,128	1,081	932	734	—

## Portfolio Analysis as of 12-31-10



**Top 15 Holdings** as of 12-31-10

Company	% Assets
Verizon Communications Inc.	2.42
Merck & Co, Inc.	2.27
Home Depot, Inc.	1.91
Bristol-Myers Squibb Company	1.80
Chevron Corporation	1.70
Waste Management, Inc.	1.63
E.I. du Pont de Nemours & Company	1.34
Philip Morris International, Inc.	1.29
McDonald's Corporation	1.25
GDF Suez	1.11
Duke Energy Corporation	1.10
Kraft Foods, Inc.	1.04
Royal Dutch Shell PLC ADR B	1.01
Pfizer Inc.	1.00
AT&T, Inc.	0.89
Total Number of Stock Holdings	160
Total Number of Bond Holdings	1214
Annual Turnover Ratio %	35
Total Fund Assets (\$mil)	70,867.07

## Operations

Fund Inception Date	05-15-02
Initial Share Class	12-31-70
Inception Date	
Advisor	Capital Research and Management Company
Subadvisor	—

## Fees and Expenses as of 10-01-10

Gross Prosp Exp Ratio	0.38%
Net Prosp Exp Ratio	0.38%

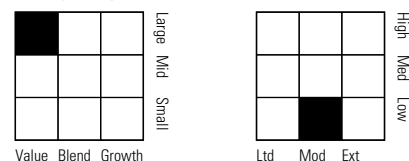
**Waiver Data**

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

Abner D. Goldstine. B.S., Northwestern University. M.S., Massachusetts Institute of Technology. Since 1973.  
 Dina N. Perry. M.A., Queens College in New York City. B.A., Queens College in New York City. Since 1992.

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



**Statistics** as of 12-31-10

Statistic	Stk Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	13.34	0.95	0.96
P/B Ratio	2.14	1.02	1.05
P/C Ratio	7.41	1.02	1.17
GeoAvgCap (\$mil)	34,553.09	0.69	1.28

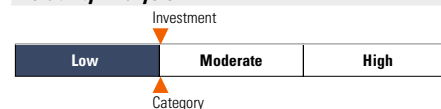
**Risk Measures** as of 03-31-11

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	15.74	0.72	1.01
3 Yr Beta	1.07	—	1.02
3 Yr Sharpe Ratio	0.30	1.50	1.07
3 Yr Alpha	-0.93	—	0.74
3 Yr R-squared	96.75	—	1.02

**Morningstar Sectors** as of 12-31-10

Sector	% Fund	S&P 500 %
Cyclical	26.30	28.50
Basic Materials	3.73	2.96
Consumer Cyclical	9.68	9.25
Financial Services	8.18	14.67
Real Estate	4.71	1.62
Sensitive	43.07	46.85
Communication Services	9.27	4.25
Energy	11.81	13.01
Industrials	17.83	12.93
Technology	4.16	16.66
Defensive	30.62	24.65
Consumer Defensive	10.99	10.73
Healthcare	10.77	10.79
Utilities	8.86	3.13

## 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.