

# American Funds SMALLCAP World R5

**Overall Morningstar Rating™**

★★★★

Out of 660 World Stock 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**

Above Average

**Investment Strategy** from investment's prospectus

The investment seeks long-term growth of capital.

The fund invests at least 80% of net assets in growth-oriented common stocks and other equity-type securities (such as preferred stocks, convertible preferred stocks and convertible bonds) of companies with small market capitalizations, measured at the time of purchase. The investment adviser currently defines "small market capitalization" companies to be companies with market capitalizations of \$3.5 billion or less. The fund invests a significant portion of its assets outside the United States.

**Category Description: World Stock**

World-stock funds have few geographical limitations. It is common for these funds to invest the majority of their assets in the U.S., Europe, and Japan, with the remainder divided among the globe's smaller markets.

**Broad Asset Class: Small Cap Stocks**

Shares of ownership in small corporations.

**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.

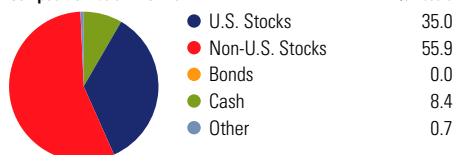
NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

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	80	10	13	12	—
Out of # of Investments	993	895	660	502	—

**Portfolio Analysis** as of 12-31-10

**Composition** as of 12-31-10

**Morningstar Style Box™** as of 12-31-10

Value Blend Growth	Large	Mid	Small	% Mkt Cap
				0.00
				8.82
				55.28
				29.94
				5.96

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

Company	% Assets
ENN Energy Holdings Ltd.	1.07
Kingboard Chemical Holdings Ltd.	1.00
Lululemon Athletica, Inc.	0.94
AAC Acoustic Technologies Holdings Inc.	0.91
East West Bancorp, Inc.	0.85
Pacific Rubiales Energy Corp.	0.85
Container Corporation of India	0.78
MSC Industrial Direct Co., Inc.	0.78
Virgin Media, Inc.	0.71
Compuware Corporation	0.70
Dah Sing Financial Holdings Ltd.	0.64
Monster Worldwide, Inc.	0.63
CTC Media, Inc.	0.62
Cochlear Limited	0.61
Hittite Microwave Corporation	0.59
Total Number of Stock Holdings	523
Total Number of Bond Holdings	2
Annual Turnover Ratio %	45
Total Fund Assets (\$mil)	22,774.08

**Operations**

Fund Inception Date	05-15-02
Initial Share Class	04-30-90
Inception Date	
Advisor	Capital Research and Management Company
Subadvisor	—

**Fees and Expenses** as of 12-01-10

Gross Prosp Exp Ratio	0.78%
Net Prosp Exp Ratio	0.78%

Waiver Data	Type	Exp. Date	%
—	—	—	—

**Portfolio Manager(s)**

Gordon Crawford, CFA. B.A., University of Westleyan. M.B.A., Darlen School. Since 1990.  
 Mark E. Denning, B.S., London School of Economics. M.B.A., Columbia University. Since 1991.

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

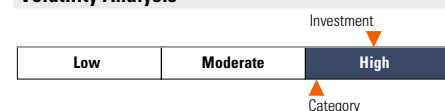
Statistic	Stk Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	14.25	1.01	1.05
P/B Ratio	2.17	1.03	1.09
P/C Ratio	7.84	1.08	1.19
GeoAvgCap (\$mil)	2,016.74	0.04	0.08

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

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	26.80	1.22	1.09
3 Yr Beta	0.97	—	1.08
3 Yr Sharpe Ratio	0.28	1.40	2.00
3 Yr Alpha	7.52	—	2.19
3 Yr R-squared	89.69	—	0.99

**Top 10 Countries** as of 12-31-10

Country	% Assets
United States	38.44
United Kingdom	8.89
China	6.72
India	5.29
Canada	4.66
Australia	3.77
Germany	2.59
Thailand	2.34
Hong Kong	2.26
Brazil	2.24

**Volatility Analysis**


In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.