

# American Funds SMALLCAP World R5

**Overall Morningstar Rating™**

★★★★

Out of 565 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**

High

**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 assets in equity securities of companies located around the world with small market capitalizations, measured at the time of purchase. It currently defines "small market capitalization" companies to be companies with market capitalizations of \$3.5 billion or less.

**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.

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

**Morningstar Proprietary Statistics**

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★★	★★★★	—
Fund Rank Percentile	4	5	32	9	—
Out of # of Investments	851	774	565	456	—

**Portfolio Analysis** as of 12-31-09

Composition	as of 12-31-09	% Assets	Morningstar Style Box™	as of 12-31-09	% Mkt Cap
U.S. Stocks		38.8		Large	0.00
Non-U.S. Stocks		54.2		Giant	6.54
Bonds		1.4		Large	6.54
Cash		5.3		Medium	53.55
Other		0.4		Small	32.69
				Micro	7.22

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

	% Assets
XinAo Gas Holdings Ltd.	1.17
Kingboard Chemical Holdings Ltd.	1.14
Container Corporation of India	1.12
MSC Industrial Direct Co., Inc.	0.95
Cochlear Limited	0.91
Jumbo SA	0.80
Inverness Medical Innovations, Inc.	0.78
Downer EDI Limited	0.75
Modern Times Group MTG AB	0.74
tw telecom inc.	0.65
Pacific Rubiales Energy Corp.	0.61
Heritage Oil PLC	0.60
James Hardie Industries N.V.	0.60
AptarGroup, Inc.	0.58
Dah Sing Financial Holdings Ltd.	0.58
Total Number of Stock Holdings	506
Total Number of Bond Holdings	8
Annual Turnover Ratio %	56
Total Fund Assets (\$mil)	19,462.48

**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 12-01-09

Gross Prosp Exp Ratio	0.82%
Net Prosp Exp Ratio	0.82%

Waiver Data	Type	Exp. Date	%
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**Portfolio Manager(s)**

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

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

	Stk Port Avg	Rel S&P 500*	Rel Cat
P/E Ratio	17.26	1.13	1.18
P/B Ratio	1.85	0.89	1.04
P/C Ratio	6.84	1.25	1.25
GeoAvgCap (\$mil)	1,632.82	0.04	0.07

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

	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	26.42	1.30	1.14
3 Yr Beta	1.04	—	1.16
3 Yr Sharpe Ratio	-0.02	0.11	0.13
3 Yr Alpha	5.66	—	2.67
3 Yr R-squared	91.20	—	1.01

**Top 10 Countries** as of 12-31-09

	% Assets
United States	42.29
United Kingdom	7.78
China	5.93
Australia	5.57
India	4.99
Germany	2.18
Canada	2.06
Switzerland	2.01
Brazil	1.99
Greece	1.98

**Volatility Analysis**

Low	Moderate	High
		Investment
		Category

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.