

# American Funds Bond Fund of Amer R5

**Overall Morningstar Rating™**  
★★  
Out of 1009 Intermediate-Term Bond 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**  
Below Average

**Morningstar Risk**  
Above Average

### Investment Strategy from investment's prospectus

The investment seeks to provide as high a level of current income as is consistent with the preservation of capital.

The fund normally invests at least 80% of assets in bonds and other debt securities. It invests a majority of its assets in debt securities rated A3/A- or better, including securities issued and guaranteed by the U.S. and other governments, and securities backed by mortgages and other assets. The fund currently does not invest more than 10% of its assets in debt securities rated Ba1 and BB or below or in debt securities that are unrated but determined to be of equivalent quality.

### Category Description: Intermediate-Term Bond

Intermediate-term bond funds have average durations that are greater than 3.5 years and less than six years. Most of the funds rotate among a variety of sectors in the bond market, based upon which appear to offer better values. Whatever types of bonds they hold, these funds are less sensitive to interest rates, and therefore less volatile, than funds that have longer durations.

### Broad Asset Class: Investment Grade Bonds

Lower risk IOUs issued by governments or 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	34	40	89	83	—
Out of # of Investments	1,166	1,149	1,009	862	—

### Portfolio Analysis as of 06-30-10

**Composition** as of 06-30-10

	% Assets
U.S. Stocks	0.0
Non-U.S. Stocks	0.0
Bonds	92.8
Cash	6.4
Other	0.8

### Morningstar Style Box™ as of 06-30-10

	High	Med	Low		
				Avg Eff Duration	4.22
				Avg Eff Maturity	—
				Avg Wtd Coupon	5.09
				Avg Wtd Price	—
	Ltd	Mod	Ext		

**Top 15 Holdings** as of 06-30-10

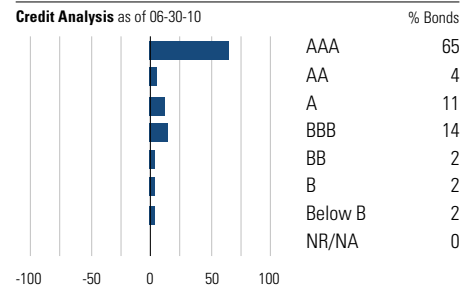
	% Assets
United States Treas Nts 3.5% 02-15-18	2.07
United States Treas Nts 4.25% 08-15-13	1.95
United States Treas Nts 3.625% 08-15-19	1.53
United States Treas Nts 3.125% 05-15-19	1.35
United States Treas Nts 3.75% 11-15-18	1.34
United States Treas Nts 2.625% 04-30-16	1.01
United States Treas Bds 4.5% 02-15-36	0.99
FNMA 4% 04-01-25	0.86
United States Treas Nts 2.625% 07-31-14	0.78
United States Treas Nts 4% 02-15-15	0.73
United States Treas Nts 1.125% 12-15-11	0.67
United States Treas Nts 2.5% 04-30-15	0.64
United States Treas Bds 4.625% 02-15-40	0.61
United States Treas Nts 4.5% 05-15-17	0.58
United States Treas Nts 3.25% 12-31-16	0.57
Total Number of Stock Holdings	8
Total Number of Bond Holdings	1918
Annual Turnover Ratio %	84
Total Fund Assets (\$mil)	40,009.90

**Risk Measures** as of 09-30-10

	Port Avg	Rel BC Aggr	Rel Cat
3 Yr Std Dev	6.72	1.62	1.13
3 Yr Beta	1.08	—	1.08
3 Yr Sharpe Ratio	0.41	0.27	0.39
3 Yr Alpha	-4.06	—	5.41
3 Yr R-squared	43.36	—	0.74

**Morningstar Sectors** as of 06-30-10

	% Fund	% Category
U.S. Credit	24.77	38.30
Non-U.S. Credit	15.46	9.00
Mortgage	28.26	30.24
U.S. Government	31.50	22.47



### Operations

Fund Inception Date	05-15-02
Initial Share Class	05-28-74
Inception Date	
Advisor	Capital Research and Management Company
Subadvisor	—

**Fees and Expenses** as of 09-13-10

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

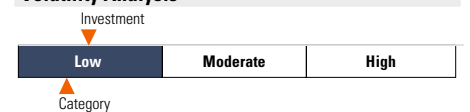
**Waiver Data**

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

John H. Smet. Since 1989.  
Mark H. Dalzell. B.A., Princeton University. M.A., Harvard University. Since 1994.

### 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.