



**AMERICAN
FUNDS®**

From Capital Group

**American Funds
Insurance Series®**

Semi-annual report
for the six months ended
June 30, 2018

**We believe in
investing in global
companies for the
long term.**

American Funds Insurance Series, by Capital Group, is the underlying investment vehicle for many variable annuities and insurance products. For more than 85 years, Capital Group has invested with a long-term focus based on thorough research and attention to risk.

Investing for short periods makes losses more likely. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Investing outside the United States involves risks, such as currency fluctuations, periods of illiquidity and price volatility, as more fully described in the prospectus. These risks may be heightened in connection with investments in developing countries. Investing in small-capitalization stocks can involve greater risk than is customarily associated with investing in stocks of larger, more established companies. The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. High-yield bonds are subject to greater fluctuations in value and risk of loss of income and principal than investment-grade bonds. Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch as an indication of an issuer's creditworthiness. Futures may not provide an effective hedge of the underlying securities because changes in the prices of futures may not track those of the securities they are intended to hedge. In addition, the managed risk strategy may not effectively protect the funds from market declines and will limit the funds' participation in market gains. The use of the managed risk strategy could cause the fund's return to lag those of the applicable underlying funds in certain rising market conditions. Refer to the funds' prospectuses and the Risk Factors section of this report for more information on these and other risks associated with investing in the funds.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Fellow investors:

Contents

- 1 Letter to investors
- 4 Fund reviews
- Investment portfolios**
- 45 Global Growth Fund
- 48 Global Small Capitalization Fund
- 52 Growth Fund
- 55 International Fund
- 58 New World Fund®
- 62 Blue Chip Income and Growth Fund
- 65 Global Growth and Income Fund
- 68 Growth-Income Fund
- 71 International Growth and Income Fund
- 74 Capital Income Builder®
- 78 Asset Allocation Fund
- 83 Global Balanced Fund
- 88 Bond Fund
- 94 Global Bond Fund
- 100 High-Income Bond Fund
- 105 Mortgage Fund
- 109 Ultra-Short Bond Fund
- 111 U.S. Government/AAA-Rated Securities Fund
- 115 Managed Risk Growth Fund
- 116 Managed Risk International Fund
- 117 Managed Risk Blue Chip Income and Growth Fund
- 118 Managed Risk Growth-Income Fund
- 119 Managed Risk Asset Allocation Fund
- 120 Financial statements

Global stocks were little changed for the six months ended June 30, 2018, with the MSCI ACWI (All Country World Index)¹ – a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes – returning -0.43%. Strong corporate earnings and ongoing central bank stimulus measures helped mitigate investor concerns about deteriorating trade relations, uncertainty related to political elections and rising U.S. interest rates.

The United States had one of the strongest markets, as the MSCI USA Index¹ (a free float-adjusted, market capitalization-weighted index that is designed to measure the U.S. portion of the world market) advanced 2.90%. The U.S. economic expansion continued into its 10th year, showing sustained strength even as trade tariffs led to heightened global tensions and occasionally volatile markets. Rising wages and low unemployment supported consumer spending, while inflation has only gradually accelerated. A sweeping overhaul of the tax code and a lightening of the regulatory regime boosted earnings projections for companies in certain sectors. Higher confidence also led many companies to increase capital expenditures and employee compensation.

Repeating a theme, information technology companies in particular advanced, supported by generally better than expected corporate earnings in the sector. Stocks of cyclical companies led

gains, outpacing those in more defensive companies amid continued evidence of a broad-based global economic recovery, though recently there have been some signs of slowing in the rest of the world. In the current environment, there have been spikes in market volatility. For instance, volatility peaked at the beginning of the year as investor anxieties around inflationary pressures and climbing interest rates sent markets sharply lower, resulting in the first market correction (or roughly 10% loss) since early 2016. More recent bouts of volatility have been due to more aggressive U.S. trade policy.

The U.S. Federal Reserve increased short-term interest rates in March and June to a range of 1.75% and 2.00%. The Fed also signaled two more rate increases later in the year. These rate hikes are steps toward normalization after central banks have pursued accommodative monetary policies focused on healing stresses in the global financial system caused by the 2008 financial crisis.

In Europe, markets have been pressured by political turmoil in Italy and Spain, and the eurozone grew at a slower pace. Share prices declined as Italian leaders struggled to form a coalition government amid investor worries about Italy leaving the EU, and U.S. officials announced tariffs on steel and aluminum imports from allies, including the European Union, Mexico and Canada. In June, the European Central Bank announced it plans to end quantitative easing at the end of the year given the right economic conditions. Overall, the MSCI Europe Index lost 3.23% led by Austria (-8.69%), Germany (-7.39%) and Switzerland (-6.92%). Elsewhere among developed

See page 2 for footnotes.

markets, Japanese equities slipped 2.03% with news of a decrease in the country's GDP and as Japan's policy board lowered its inflation expectations for 2018 amid tepid wage growth. Outside developed economies, most emerging markets were negatively impacted by a strengthening U.S. dollar and political uncertainty ahead of elections in several developing countries. Economic conditions in Turkey (-29.61%) and Brazil (-17.29%) hurt sentiment as well.

In bond markets, U.S. investment-grade debt (as measured by the Bloomberg Barclays U.S. Corporate Investment Grade Index² of BBB/Baa-rated and above publically issued U.S. corporate and foreign debentures and secured notes) declined 3.27%, while U.S. high-yield corporate debt (as measured by the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index² of fixed-rate, non-investment-grade debt that limits the maximum exposure of any one issuer to 2%) marginally rose 0.16%, as investors sought higher yields than those offered by U.S. Treasuries. Bloomberg Barclays Global Aggregate Index², a measure of global investment-grade bonds lost 1.46%, while the Bloomberg Barclays U.S. Aggregate Index² (which measures U.S. investment-grade bonds) fell 1.62%. The 10-year Treasury yield, which stood at 2.40% on December 31, 2017, rose to 2.85%. U.S. dollar-denominated emerging markets bonds, as measured by the J.P. Morgan EMBI (Emerging Markets Bond Index) Global³, which tracks total returns for U.S. dollar-denominated debt instruments issued by emerging markets sovereign and quasi-sovereign entities, (including

Brady bonds, loans and Eurobonds) fell 5.23% hurt by rising U.S. Treasury yields and a dollar rally.

The U.S. dollar appreciated against most currencies. In developed markets, the Canadian dollar (-4.75%), euro (-2.77%) and the Swiss franc (-1.86%) slid, while the Japanese yen (1.70%) gained against the greenback.

American Funds Insurance Series funds recorded mixed returns during the period and select funds with exposure to growth stocks enjoyed the highest returns.

The road ahead

The U.S. economy is healthy and appears to have recovered from the 2008-2009 financial crisis. Although conventional wisdom is that higher interest rates are bad for stocks, that's not always the case. When U.S. rates rise against a backdrop of a strong economy, equities can rise along with bond yields. As such, we remain optimistic about the long-term outlook for U.S. equity markets. The current synchronized global economic recovery is also supportive of underlying corporate earnings growth in the U.S., while relatively low inflation, moderately rising commodity prices and broadly accommodative monetary policies should provide a favorable backdrop.


That said, we think equity valuations are above average in the United States, and geopolitical risks are rising. Thus, we may be entering a more moderate return environment compared to the strong returns of the past few years. Trade tensions between the U.S. and China pose challenges to global commerce and

we will be watching those events closely. This and other trade disputes, coupled with tighter U.S. monetary policy, are likely to produce further market volatility. In addition, the adjustment to a more normalized interest rate environment could spark subsequent temporary downturns as the market adapts to fewer stimulus measures.

We remain confident in our ability to find attractive companies for the long term. We continue to stay the course of conducting deep fundamental research, with a long-term horizon, and an eye toward valuation and risk. We are optimistic that our robust investment process, and our ability to identify solid companies at good valuations based on bottom-up analysis, can serve our investors well in the long run.

We continue to have confidence this will remain the case, and thank you for your support. We look forward to reporting to you again in six months' time.

Sincerely,



Donald D. O'Neal
Vice Chairman of the Board



Alan N. Berro
President

August 14, 2018

All market indexes referenced in this report are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

¹Country returns are based on MSCI indexes, which reflect reinvestment of distributions and dividends net of withholding taxes, except for the MSCI USA Index, which reflects dividends gross of withholding taxes. Source: MSCI.

²Source: Bloomberg Index Services Ltd.

³This report, and any product, index or fund referred to herein, is not sponsored, endorsed or promoted in any way by J.P. Morgan or any of its affiliates who provide no warranties whatsoever, express or implied, and shall have no liability to any prospective investor, in connection with this report. J.P. Morgan disclaimer: <http://www.jpmorgan.com/pages/jpmorgan/ib/girg>.

Summary investment portfolios

Summary investment portfolios are designed to streamline this report and help investors better focus on the funds' principal holdings. Ultra-Short Bond Fund, Managed Risk Growth Fund, Managed Risk International Fund, Managed Risk Blue Chip Income and Growth Fund, Managed Risk Growth-Income Fund and Managed Risk Asset Allocation Fund show a complete listing of portfolio holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings for each fund in the series.

Unless otherwise indicated, American Funds Insurance Series investment results are for Class 1 shares (Class P1 shares for managed risk funds). Class 1A shares began operations on January 6, 2017. Class 2 shares began operations on April 30, 1997. Class 3 shares began operations on January 16, 2004. Class 4 shares began operations on December 14, 2012. Results encompassing periods prior to those dates assume a hypothetical investment in Class 1 shares and include the deduction of additional annual expenses (0.25% for Class 1A shares, 0.25% for Class 2 shares, 0.18% for Class 3 shares and 0.50% for Class 4 shares).

The variable annuities and life insurance contracts that use the series funds contain certain fees and expenses not reflected in this report. Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The series investment adviser waived a portion of its management fees for all existing funds from September 1, 2004, through December 31, 2008, for Global Growth and Income Fund from May 1, 2006, through December 31, 2008, for International Growth and Income Fund from November 18, 2008, through December 31, 2008, for U.S. Government/AAA-Rated Securities Fund from July 1, 2010, through December 31, 2010, and for Blue Chip Income and Growth Fund from February 1, 2014, through January 31, 2015.

For the managed risk funds, the investment adviser is currently waiving a portion of its management fee equal to 0.05% of the funds' net assets. In addition, the investment adviser is currently reimbursing a portion of other expenses for all managed risk funds except Managed Risk Blue Chip Income and Growth Fund and Managed Risk Asset Allocation Fund. The waivers and reimbursements will be in effect through at least May 1, 2019, unless modified or terminated by the series board. After that time, the investment adviser may elect to extend, modify or terminate the reimbursements. The waivers may only be modified or terminated with the approval of the series board. Applicable fund results shown reflect the waivers and reimbursements, without which results would have been lower. See the Financial Highlights tables in this report for details.

The Managed Risk Growth Fund pursues its objective by investing in shares of American Funds Insurance Series - Growth FundSM and American Funds Insurance Series - Bond FundSM. The Managed Risk International Fund pursues its objective by investing in shares of American Funds Insurance Series - International FundSM and American Funds Insurance Series - Bond FundSM. The Managed Risk Blue Chip Income and Growth Fund pursues its objective by investing in shares of American Funds Insurance Series - Blue Chip Income and Growth FundSM and American Funds Insurance Series - U.S. Government/AAA-Rated Securities FundSM. The Managed Risk Growth-Income Fund pursues its objective by investing in shares of American Funds Insurance Series - Growth-Income FundSM and American Funds Insurance Series - Bond FundSM. The Managed Risk Asset Allocation Fund pursues its objective by investing in shares of American Funds Insurance Series - Asset Allocation FundSM. The funds seek to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the funds' managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the funds' results can be expected to lag those of the underlying fund.

Funds are listed in the report as follows: equity, balanced, fixed income and managed risk.

Global Growth Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Global Growth Fund rose 3.18% for the six months ended June 30, 2018, compared with a 0.43% decrease for the MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes.

Global stocks, as measured by the MSCI ACWI, were little changed despite solid corporate earnings and ongoing central bank stimulus measures. Gains were tempered by signs of slowing economic growth, investor concerns around rising interest rates, mounting inflation pressures and escalating trade tensions between the U.S. and China. A stronger U.S. dollar and geopolitics weighed on emerging markets. As information technology stocks continued to push higher, defensive stocks pulled markets lower – weighed down by losses in the consumer staples and telecommunication services sectors.

An eclectic mix of financials and consumer discretionary investments boosted the fund's relative returns. Amazon reported strong first-quarter earnings that beat analyst estimates thanks to Prime and Amazon Web Services, and was the top contributor to the fund's returns. India's fourth-largest private sector bank, Kotak Mahindra, was also additive as the company surged on solid fourth-quarter earnings.

Investments in consumer staples were the biggest drag on results. British American Tobacco hindered returns the most amid uncertainty regarding the outlook for traditional tobacco products and tighter regulation.

On a geographic basis, stocks of companies domiciled in the U.S., Germany and the Netherlands were additive to results, while stocks of companies based in the U.K., the Philippines and Finland lagged.

Despite soaring valuations, the fund's portfolio managers are optimistic they will continue to find good companies globally that offer high-quality products, and whose values are not yet fully reflected in their share prices.

				Percent of net assets		
Country diversification by domicile	The Americas		Europe (continued)		Other regions	
	United States	39.5%	Spain	1.1%	South Africa	<u>1.3%</u>
	Other	1.4	Other	2.3	Short-term securities & other assets less liabilities	<u>9.3</u>
		<u>40.9</u>		<u>27.7</u>	Total	<u>100.0%</u>
	Europe		Asia/Pacific Basin			
	United Kingdom	7.8	China	5.5		
	Netherlands	4.9	Japan	4.6		
	France	4.5	Taiwan	3.8		
	Switzerland	2.9	Hong Kong	3.2		
	Germany	1.5	India	1.9		
	Russian Federation	1.4	Other	1.8		
	Denmark	1.3		<u>20.8</u>		

Global Growth Fund

Percent of net assets

Largest individual equity securities					
Amazon		7.11%	Microsoft		2.49%
ASML		3.70	Airbus Group		2.20
Alphabet		3.60	Visa		2.11
TSMC		3.25	AIA Group		2.09
Facebook		2.78	Alibaba Group		2.00

Average annual total returns based on a \$1,000 investment	For periods ended June 30, 2018					
	6 months	1 year	5 years	10 years	Lifetime (since April 30, 1997)	Expense ratio
Class 1	3.18%	14.52%	12.67%	9.12%	10.03%	.55%
Class 1A	3.07	14.26	12.40	8.86	9.76	.80 ²
Class 2	3.03	14.24	12.38	8.85	9.76	.80
Class 4	2.92	13.92	12.13	8.62	9.50	1.05

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

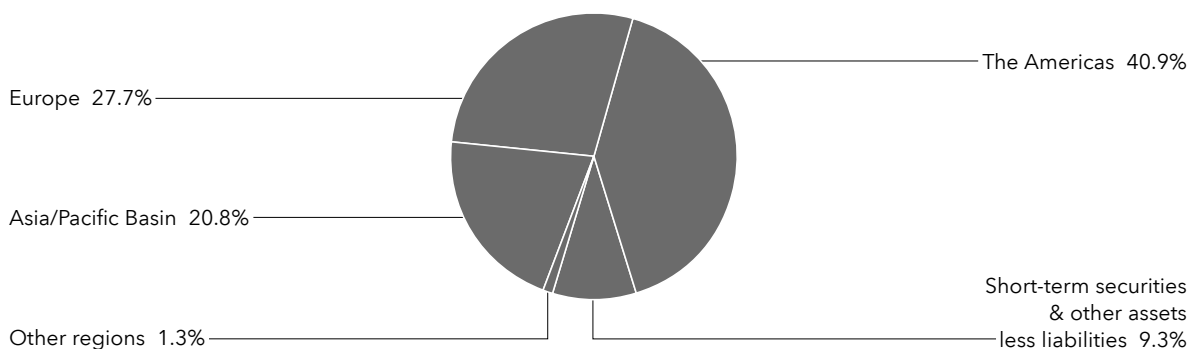
Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²Based on estimated amounts for the current fiscal year.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



Global Small Capitalization Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Global Small Capitalization Fund increased 4.58% for the six months ended June 30, 2018. Its benchmark, the MSCI All Country World Small Cap Index,¹ a free float-adjusted market capitalization-weighted index designed to measure equity market results of smaller capitalization companies in both developed and emerging markets, gained 1.46%.

Global stocks, as measured by the MSCI ACWI, were little changed despite solid corporate earnings and ongoing central bank stimulus measures. Gains were tempered by signs of slowing global economic growth, investor concerns around rising interest rates, mounting inflation pressures and escalating trade tensions between the U.S. and China. A stronger U.S. dollar and geopolitics weighed on emerging markets. As information technology stocks continued to push higher, defensive stocks pulled markets lower – weighed down by losses in the consumer staples and telecommunication services sectors.

Fund holdings in the health care sector, which include companies specializing in everything from biotechnology and pharmaceuticals to life sciences tools and services industries, aided returns. Wuxi Biologics and Insulet Corporation surged to all-time highs led by strong earnings and revenue growth, respectively. However, the fund's investments in industrials stocks, such as International Container Terminal Services and Johnson Electric Holdings, hurt results.

While investments in U.S. companies were additive to returns, investments in companies domiciled in the Philippines detracted.

The fund's portfolio managers continue to seek investment opportunities in undervalued companies that have the potential to change industries and benefit our shareholders. They believe rigorous bottom-up research into each potential equity investment can help achieve this goal. The fund currently holds some 200 companies diversified across geographies and industries. As always, we maintain our commitment to investing for the long term.

				Percent of net assets	
Country diversification by domicile	The Americas		Asia/Pacific Basin (continued)		Short-term securities & other assets less liabilities
	United States	42.3%	Thailand	1.2%	8.7%
	Canada	2.5	Philippines	1.1	
	Other	.6	Other	1.3	Total
		<u>45.4</u>		<u>26.6</u>	<u>100.0%</u>
	Asia/Pacific Basin		Europe		
	Japan	7.8	United Kingdom	11.0	
	China	5.1	Germany	1.6	
	India	4.3	Sweden	1.3	
	Hong Kong	3.3	Italy	1.0	
	Taiwan	1.3	Other	4.4	
	South Korea	1.2		<u>19.3</u>	
					Percent of net assets
Largest individual equity securities	GW Pharmaceuticals	2.42%	Melco International Development	1.25%	
	Insulet	1.76	China Biologic Products	1.21	
	Integra LifeSciences Holdings	1.54	Madrigal Pharmaceuticals	1.16	
	iRhythm	1.53	GVC Holdings	1.15	
	Kotak Mahindra Bank	1.50	ENN Energy Holdings	1.14	

Global Small Capitalization Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since April 30, 1998)	Expense ratio
Class 1	4.58%	17.00%	10.38%	6.11%	9.79%	.74%
Class 1A	4.49	16.74	10.13	5.86	9.52	.99 ²
Class 2	4.46	16.68	10.11	5.85	9.52	.99
Class 4	4.33	16.43	9.84	5.60	9.25	1.24

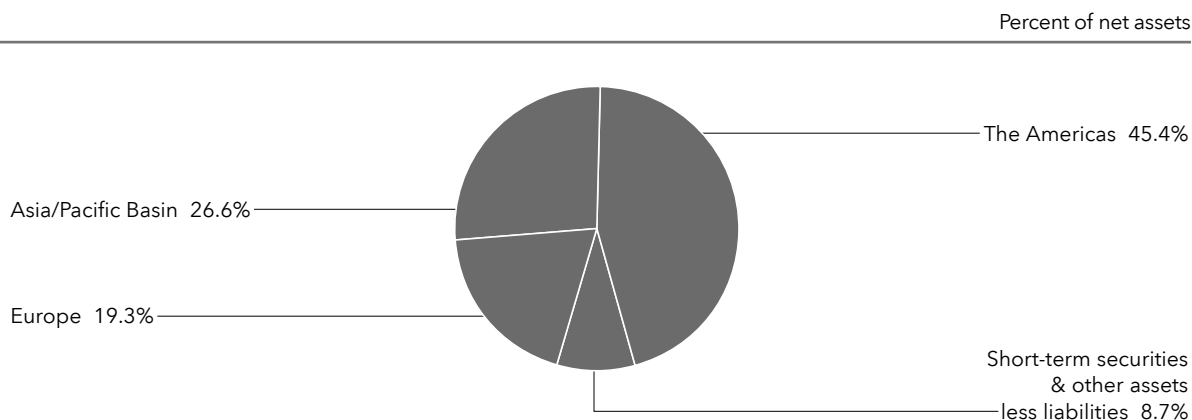
Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

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¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²Based on estimated amounts for the current fiscal year.

Where the fund's assets were invested as of June 30, 2018



Growth Fund

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Growth Fund gained 9.95% for the six months ended June 30, 2018, compared with a 2.65% increase in its benchmark index, Standard & Poor's 500 Composite Index,¹ a market capitalization-weighted index based on the results of approximately 500 widely held common stocks.

U.S. equity markets continued to advance, even as trade tensions and higher interest rates weighed on investor sentiment and heightened geopolitical tensions led to increased market volatility. Repeating a common theme, information technology companies advanced, supported by generally better than expected corporate earnings in the sector. Outside the U.S., European stocks declined as signs of slowing economic growth and escalating trade tensions dampened investor sentiment. Emerging markets fell as investors weighed the ramifications of a strengthening U.S. dollar and uncertainty related to elections in Latin America.

Investments in the consumer discretionary and health care sectors boosted the fund's returns. Among the fund's top contributors to returns (posting at least double-digit gains) were consumer discretionary companies Amazon and Netflix. As Amazon's Prime subscriber base exceeded 100 million, an increase in the number of subscriptions for Netflix boosted the company's revenue growth. Some companies in the financials sector detracted from absolute results, led by Wells Fargo as the bank came under continued pressure because of probes into its sales practices.

Although U.S. economic growth remained strong, the fund's portfolio managers are keeping a close watch on economic indicators, such as wage growth and fiscal policy, including outcomes of the recent U.S. tax bill. Portfolio managers continue to favor well-positioned, growth-oriented companies that are capable of generating free cash flow in myriad economic environments and remain optimistic that our global research will help us identify attractive long-term investment opportunities.

				Percent of net assets
Largest individual equity securities	Amazon	7.57%	Broadcom	3.06%
	Facebook	5.53	UnitedHealth Group	2.98
	Alphabet	4.82	ASML	2.75
	Microsoft	4.30	Tesla	2.41
	Netflix	3.20	Wells Fargo	2.15

Growth Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since February 8, 1984)	Expense ratio
Class 1	9.95%	22.81%	16.42%	10.46%	12.95%	.35%
Class 1A	9.81	22.51	16.14	10.19	12.67	.60 ²
Class 2	9.83	22.52	16.13	10.19	12.67	.60
Class 3	9.86	22.60	16.21	10.26	12.74	.53
Class 4	9.68	22.20	15.84	9.93	12.39	.85

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

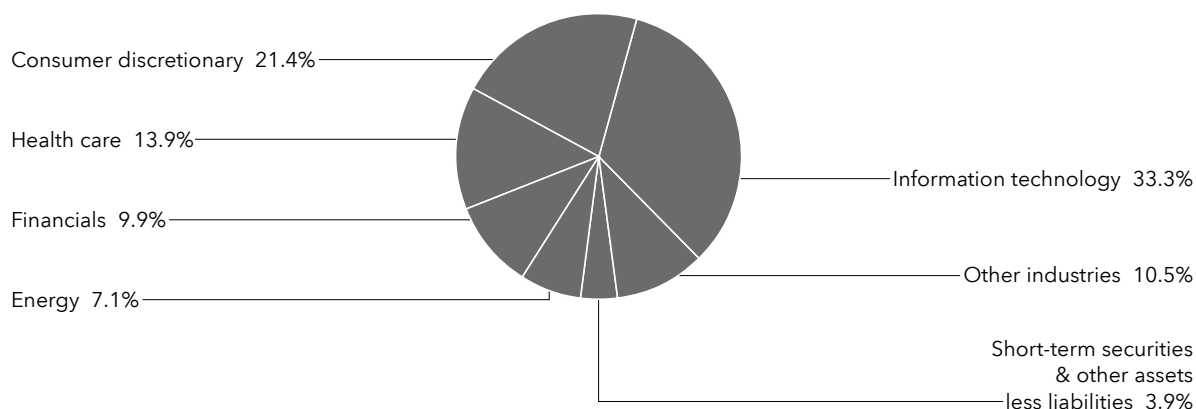
Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC.

²Based on estimated amounts for the current fiscal year.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



International Fund

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International Fund marginally declined 0.02% for the six months ended June 30, 2018. Its benchmark, the MSCI ACWI (All Country World Index) ex USA,¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes excluding the U.S.), fell 3.77%.

Global stocks, as measured by the MSCI ACWI, were little changed despite solid corporate earnings and ongoing central bank stimulus measures. Gains were tempered by signs of slowing economic growth, investor concerns around rising interest rates, mounting inflation pressures and escalating trade tensions between the U.S. and China. A stronger U.S. dollar and geopolitics weighed on emerging markets. As information technology stocks continued to push higher, defensive stocks pulled markets lower - weighed down by losses in the consumer staples and telecommunication services sectors.

Investments in the utilities sector boosted returns with ENN Energy and China Gas Holdings among the top contributors thanks to rising demand for natural gas in China. Investments in the financials sector hindered absolute results, pressured by geopolitical headwinds and a flattening yield curve.

The fund's portfolio managers continue to monitor key indicators in advanced countries - from wage growth and inflation dynamics to the impact of technology and demographics on productivity - as they seek the flexibility to pivot to areas of opportunity. Our focus on a company's fundamental growth drivers and intrinsic worth is critical to helping us identify investments that we believe represent the best value over the long term.

				Percent of net assets		
Country diversification by domicile	Asia/Pacific Basin		Europe (continued)		Other regions	
	Japan	13.4%	Spain	2.4%	Israel	1.7%
	China	8.5	Netherlands	1.9	Other	.7
	Hong Kong	8.0	Ireland	1.5		<u>2.4</u>
	India	6.1	Other	2.5		
	South Korea	5.2		<u>38.0</u>	Short-term securities & other assets less liabilities	<u>7.9</u>
	Australia	1.3	The Americas			
	Other	<u>2.0</u>	Canada	3.3		
		<u>44.5</u>	Brazil	2.3	Total	<u>100.0%</u>
	Europe		United States	1.5		
	United Kingdom	13.3	Other	.1		
	France	9.4		<u>7.2</u>		
	Switzerland	4.2				
	Germany	2.8				

				Percent of net assets	
Largest equity securities	Airbus Group	3.48%	Alibaba Group Holding	2.11%	
	AIA Group	3.34	Novartis	1.97	
	HDFC Bank	2.58	Teva Pharmaceutical Industries	1.71	
	Samsung Electronics	2.52	Royal Dutch Shell	1.48	
	Tencent	2.32	Rolls-Royce Holdings	1.40	

International Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since May 1, 1990)	Expense ratio
Class 1	-.02%	11.56%	8.65%	4.92%	8.39%	.54%
Class 1A	-.13	11.30	8.38	4.66	8.12	.79 ²
Class 2	-.16	11.30	8.37	4.66	8.12	.79
Class 3	-.10	11.35	8.45	4.73	8.20	.72
Class 4	-.28	11.01	8.10	4.42	7.86	1.04

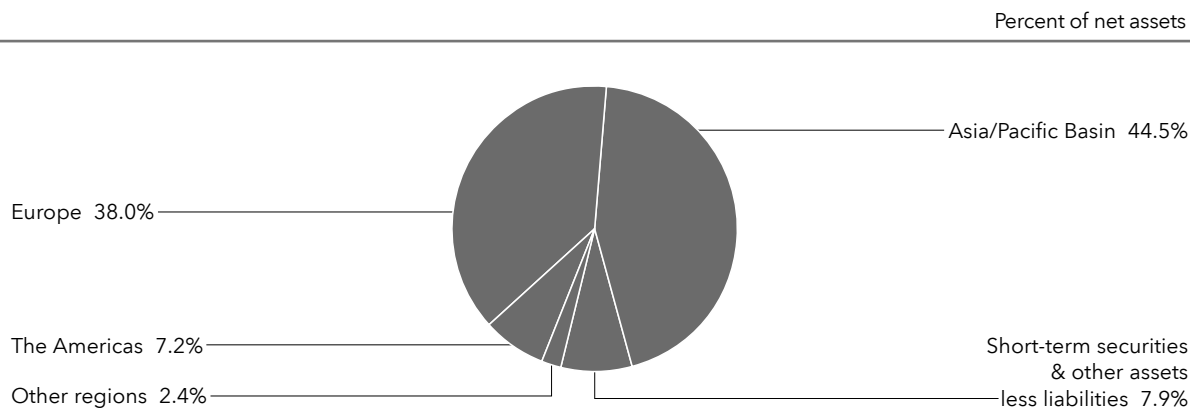
Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²Based on estimated amounts for the current fiscal year.

Where the fund's assets were invested as of June 30, 2018



Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

New World Fund was down 3.89% for the six months ended June 30, 2018. Its benchmark index, the MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes), marginally declined 0.43%. The MSCI Emerging Markets Index,¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global emerging markets (consisting of more than 20 emerging market country indexes), decreased by 6.66%.

Global stocks, as measured by the MSCI ACWI, were little changed despite solid corporate earnings and ongoing central bank stimulus measures. Gains were tempered by signs of slowing economic growth, investor concerns around rising interest rates, mounting inflation pressures and escalating trade tensions between the U.S. and China. Emerging markets were under pressure due to a stronger U.S. dollar, geopolitics and tightening global liquidity.

The fund's relative returns outpaced most emerging markets. Investments in the information technology and energy sectors were beneficial to the fund. Condiment maker Foshan Haitian Flavoring & Food rose on the back of China's strong economic growth. Among detractors, investments in the financials sector hurt results with Grupo Financiero Galicia hindering returns despite reporting strong fourth-quarter profits.

While the broad stock market has rallied amid a global economic recovery, at this point in the market cycle selectivity and close attention to individual holdings are particularly important. The fund's portfolio managers continue to pursue a bottom-up approach to investing and continue to search for undervalued companies with solid foundations around the world.

				Percent of net assets		
Country diversification by domicile	Asia/Pacific Basin		The Americas (continued)	Other regions		
	China	14.8%	Canada	2.5%	South Africa	1.2%
	India	13.0	Argentina	2.0	Other	<u>1.0</u>
	Japan	3.8	Mexico	1.3		<u>2.2</u>
	Taiwan	2.9	Other	<u>.6</u>		
	Hong Kong	2.3		<u>25.7</u>	Short-term securities & other assets less liabilities	<u>12.6</u>
	South Korea	1.1	Europe			
	Australia	1.0	United Kingdom	8.0		
	Other	<u>2.1</u>	France	3.6	Total	<u>100.0%</u>
		<u>41.0</u>	Russian Federation	2.5		
	The Americas		Switzerland	1.7		
	United States	12.6	Other	<u>2.7</u>		
	Brazil	6.7		<u>18.5</u>		

				Percent of net assets
Largest equity securities	Reliance Industries	5.52%	Airbus Group	2.05%
	TSMC	2.58	Pagseguro Digital	1.97
	First Quantum Minerals	2.46	Alphabet	1.97
	HDFC Bank	2.35	Alibaba Group Holding	1.81
	British American Tobacco	2.31	AIA Group	1.64

New World Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since June 17, 1999)	Expense ratio
Class 1	-3.89%	8.81%	6.16%	4.17%	8.34%	.76%
Class 1A	-3.99	8.53	5.90	3.91	8.07	1.01 ²
Class 2	-4.01	8.54	5.89	3.91	8.07	1.01
Class 4	-4.13	8.23	5.62	3.66	7.80	1.26

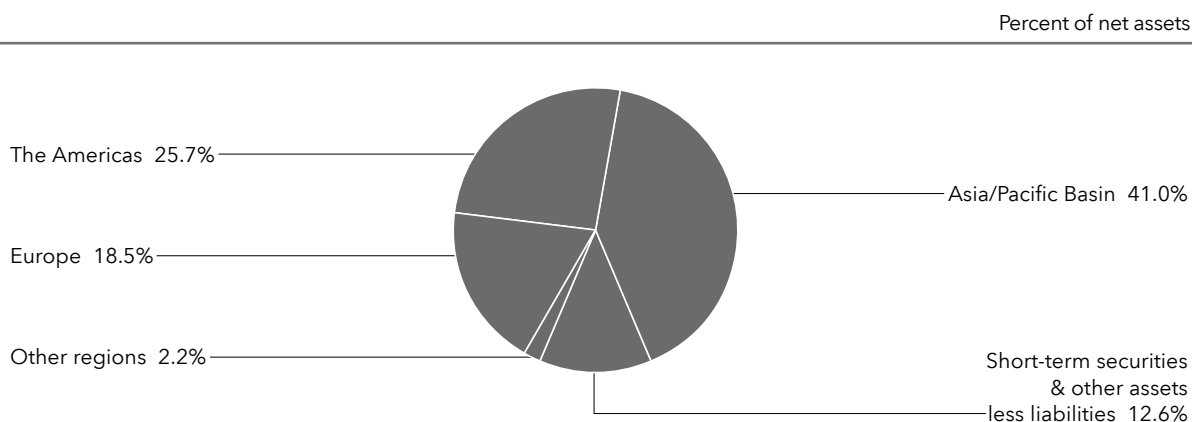
Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: MSCI. Results for MSCI indexes reflect dividends net of withholding taxes and reinvestment of distributions.

²Based on estimated amounts for the current fiscal year.

Where the fund's assets were invested as of June 30, 2018



Blue Chip Income and Growth Fund

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Blue Chip Income and Growth Fund gained 0.47% for the six months ended June 30, 2018, trailing the 2.65% rise in its benchmark index, Standard & Poor's 500 Composite Index,¹ a market capitalization-weighted index based on the results of approximately 500 widely held common stocks.

U.S. equity markets continued to advance, even as trade tensions and higher interest rates weighed on investor sentiment and heightened geopolitical tensions led to increased market volatility. Repeating a common theme, information technology companies advanced, supported by generally better than expected corporate earnings in the sector. Outside the U.S., European stocks declined as signs of slowing economic growth and escalating trade tensions dampened investor sentiment. Emerging markets fell as investors weighed the ramifications of a strengthening U.S. dollar and uncertainty related to elections in Latin America.

Investments in information technology and consumer discretionary companies boosted absolute results. Among the fund's top contributors to absolute returns (posting double-digit gains) was consumer discretionary company Twenty-First Century Fox, which reported fiscal second-quarter earnings above analyst estimates led by higher revenues from its cable networking business.

Fund holdings in the consumer staples sector hindered returns. Investments in tobacco companies, such as Altria Group and British American Tobacco, hurt results amid uncertainty regarding the outlook for traditional tobacco products and tighter regulation. Given the fund's focus on investing in dividend-paying stocks, a lack of investments in certain growth stocks in the consumer discretionary sector - such as Amazon and Netflix - hampered relative results.

The fund's portfolio managers are keeping a close watch on U.S. fiscal policy and geopolitics and its implications on the U.S. economy. Portfolio managers continue to favor well-managed, high-quality companies that are capable of generating positive cash flow in myriad economic environments and remain optimistic that our global research will help us identify attractive long-term investment opportunities.

				Percent of net assets
Largest individual equity securities	AbbVie	6.84%	EOG Resources	2.96%
	Wells Fargo	4.17	Abbott Laboratories	2.93
	Amgen	3.28	Teva Pharmaceutical Industries	2.90
	Intel	3.08	CSX	2.75
	Microsoft	3.04	Gilead Sciences	2.62

Blue Chip Income and Growth Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since July 5, 2001)	Expense ratio
Class 1	.47%	11.36%	12.92%	9.96%	6.67%	.41%
Class 1A	.32	11.08	12.65	9.69	6.41	.66 ²
Class 2	.29	10.99	12.63	9.68	6.40	.66
Class 4	.14	10.75	12.40	9.47	6.17	.91

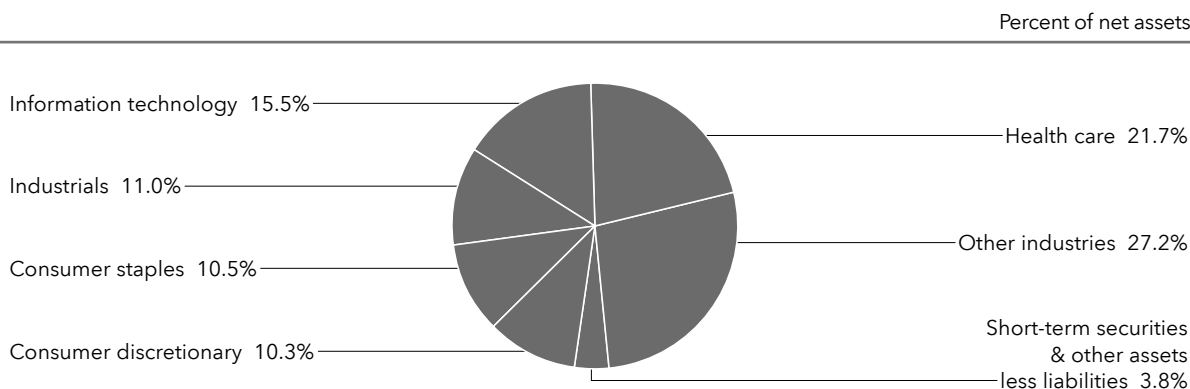
Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008, and from February 1, 2014, through January 31, 2015. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC.

²Based on estimated amounts for the current fiscal year.

Where the fund's assets were invested as of June 30, 2018



Global Growth and Income Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since May 1, 2006)	Expense ratio
Class 1	-.79%	9.16%	10.07%	7.14%	6.91%	.63%
Class 1A	-.99	8.91	9.82	6.89	6.66	.88 ²
Class 2	-.90	8.92	9.81	6.88	6.65	.88
Class 4	-1.12	8.58	9.51	6.63	6.40	1.13

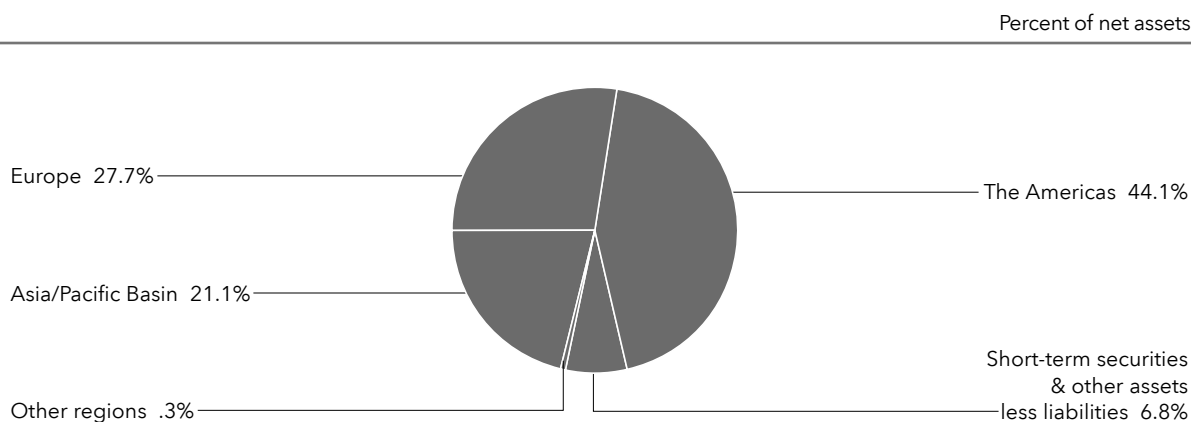
Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from May 1, 2006, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

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¹Source MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²Based on estimated amounts for the current fiscal year.

Where the fund's assets were invested as of June 30, 2018



Growth-Income Fund

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Growth-Income Fund gained 6.58% for the six months ended June 30, 2018. Standard & Poor's 500 Composite Index,¹ a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, rose 2.65%.

U.S. equity markets continued to advance, even as trade tensions and higher interest rates weighed on investor sentiment and heightened geopolitical tensions led to increased market volatility. Repeating a common theme, information technology companies advanced, supported by generally better than expected corporate earnings in the sector. Outside the U.S., European stocks declined as signs of slowing economic growth and escalating trade tensions dampened investor sentiment. Emerging markets fell as investors weighed the ramifications of a strengthening U.S. dollar and uncertainty related to elections in Latin America.

Regarding the fund, investments in the consumer discretionary sector contributed the most to the fund's returns. Among consumer discretionary companies, Netflix and Amazon contributed the most to the fund's results on the back of strong first-quarter earnings. As Amazon's Prime subscriber base exceeded 100 million, an increase in the number of subscriptions for Netflix boosted the company's revenue growth. On the downside, investments in the consumer staples sector weighed on absolute returns. British American Tobacco hindered sector results the most amid uncertainty regarding the outlook for traditional tobacco products and tighter regulation.

The fund's portfolio managers continue to look for compelling investment opportunities, while being cognizant that company valuations, in some cases, are elevated later in the market cycle.

				Percent of net assets
Largest equity securities	Netflix	3.70%	AbbVie	1.93%
	Alphabet	3.37	UnitedHealth Group	1.69
	Amazon	3.20	JPMorgan Chase	1.56
	Microsoft	2.91	Intel	1.45
	Facebook	2.15	Amgen	1.45

Growth-Income Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since February 8, 1984)	Expense ratio
Class 1	6.58%	18.99%	14.56%	10.16%	11.48%	.28%
Class 1A	6.46	18.69	14.29	9.90	11.21	.53 ²
Class 2	6.44	18.68	14.27	9.88	11.21	.53
Class 3	6.50	18.75	14.35	9.96	11.28	.46
Class 4	6.33	18.39	13.98	9.63	10.93	.78

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

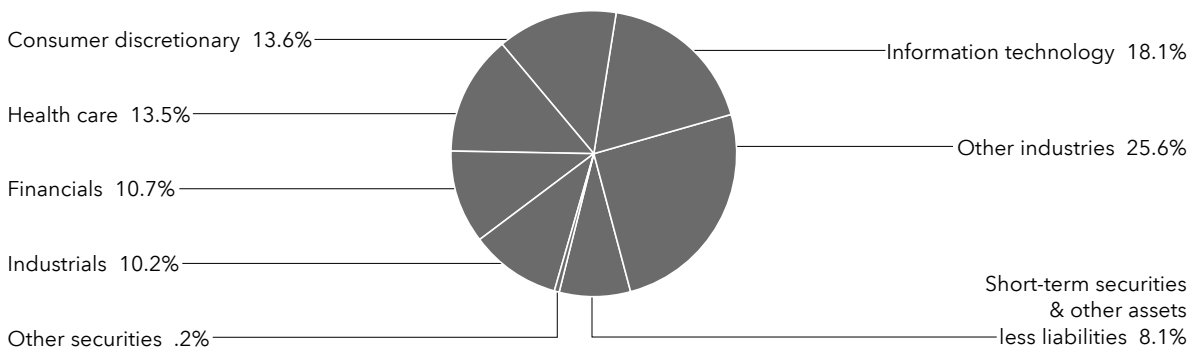
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¹Source: S&P Dow Jones Indices LLC.

²Based on estimated amounts for the current fiscal year.

Where the fund's assets were invested as of June 30, 2018

Percent of net assets



International Growth and Income Fund

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International Growth and Income Fund declined 1.87% for the six months ended June 30, 2018, compared to the 3.77% decline in its benchmark index, the MSCI ACWI (All Country World Index) ex USA,¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes excluding the U.S.).

Global stocks, as measured by the MSCI ACWI, were little changed despite solid corporate earnings and ongoing central bank stimulus measures. Gains were tempered by signs of slowing economic growth, investor concerns around rising interest rates, mounting inflation pressures and escalating trade tensions between the U.S. and China. A stronger U.S. dollar and geopolitics weighed on emerging markets. In Europe, markets have been pressured by political turmoil in Italy and Spain, while the eurozone grew at a slower pace. As information technology stocks continued to push higher, defensive stocks pulled markets lower – weighed down by losses in the consumer staples and telecommunication services sectors.

The best contributors to the fund's relative returns were the health care and industrials sectors due in part to good stock selection. Health care companies Hikma Pharmaceuticals and Daiichi Sankyo recorded double-digit returns and were the top contributors to the fund's returns, despite reporting lower operating profits for the year that ended 2017 than for the previous period.

On the downside, investments in the financials sector detracted from the fund's returns, pressured by geopolitical headwinds and a flattening yield curve. Among financials, Banco Santander and KB Financial Group were a drag on results, despite reporting growth in first-quarter profits.

The fund's portfolio managers continue to monitor global geopolitics that may derail economic growth, and are optimistic that global research combined with the fund's flexible mandate will help us identify attractive investment opportunities.

				Percent of net assets		
Country diversification by domicile	Europe		Asia/Pacific Basin		Other regions	
	United Kingdom	22.4%	China	7.6%	Israel	1.2%
	France	10.2	Japan	6.3	Other	.7
	Switzerland	4.7	Hong Kong	5.3		<u>1.9</u>
	Germany	2.8	South Korea	4.3		
	Spain	2.7	India	3.2	Short-term securities & other	
	Russian Federation	2.4	Other	<u>2.3</u>	assets less liabilities	<u>8.0</u>
	Sweden	1.9		<u>29.0</u>		
	Denmark	1.8	The Americas		Total	<u>100.0%</u>
	Netherlands	1.6	Brazil	3.4		
	Portugal	1.3	United States	1.1		
	Norway	1.2	Other	<u>1.1</u>		
	Italy	1.2		<u>5.6</u>		
	Other	<u>1.3</u>				
		<u>55.5</u>				

				Percent of net assets	
Largest individual equity securities	Royal Dutch Shell	4.58%	Airbus	2.03%	
	Rio Tinto	4.16	Zurich Insurance Group	1.87	
	British American Tobacco	3.21	Shanghai International Airport	1.86	
	HDFC Bank	2.58	Samsung Electronics	1.85	
	Novartis	2.21	Ørsted	1.82	

International Growth and Income Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years (since November 18, 2008)	Lifetime	Expense ratio
Class 1	-1.87%	6.43%	5.70%	9.59%	.65%
Class 1A	-2.00	6.15	5.46	9.33	.90 ²
Class 2	-1.98	6.13	5.44	9.32	.90
Class 4	-2.12	5.88	5.20	9.09	1.15

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from November 18, 2008, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

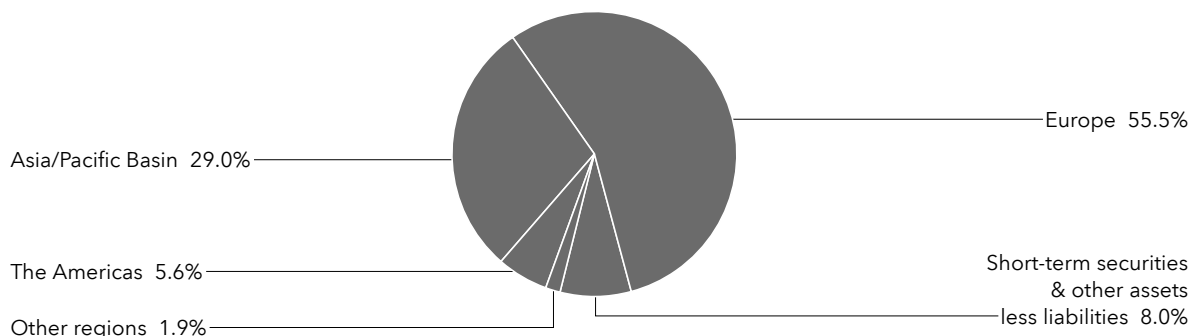
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¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²Based on estimated amounts for the current fiscal year.

Where the fund's assets were invested as of June 30, 2018

Percent of net assets



Capital Income Builder®

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Capital Income Builder, a mix of stocks and bonds, lost 2.11% for the six months ended June 30, 2018. During the same period, the MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes), declined 0.43%. The Bloomberg Barclays U.S. Aggregate Index,² which measures investment-grade U.S. bonds (rated BBB/Baa and above), fell by 1.62%. The index blend of 70%/30% MSCI ACWI/Bloomberg Barclays U.S. Aggregate Index³ declined 0.72%. The Lipper Global Equity Income Funds Average,⁴ a measure of similar funds, decreased by 2.40%.

U.S. equity markets continued to advance, even as trade tensions and higher interest rates weighed on investor sentiment and heightened geopolitical tensions led to increased market volatility. European stocks declined as signs of slowing economic growth and escalating trade tensions dampened investor sentiment. Emerging markets fell as investors weighed the ramifications of a strengthening U.S. dollar and uncertainty related to elections in Latin America.

In the equity portfolio, the best contributors to the fund's absolute returns included investments in the consumer discretionary and industrials sectors. Synchronized global economic growth was accompanied by an uptick in capital spending in the U.S. that is expected to benefit companies in the industrials sector such as Boeing. Airbus also contributed to the fund's results as the European plane maker promised to deliver more jets than ever before.

On the downside, investments in the consumer staples and telecommunication services sectors detracted from returns. While Vodafone hindered results the most amid news that its CEO is stepping down, Philip Morris International was among the top detractors amid mixed first-quarter earnings led by investor concerns about growth of its new tobacco products and loss of market share in many of its brands. The fixed income portfolio detracted from the fund's relative returns due to curve positioning.

As the U.S. economy and markets ring in another year of expansion, the fund's portfolio managers are monitoring these twin factors and remain confident about the prospects of continued economic growth in the near future. Portfolio managers are also optimistic that our bottom up approach to investing will help us identify attractive long-term investment opportunities, despite higher equity valuations in the U.S.

				Percent of net assets			
Country diversification by domicile	The Americas			Europe (continued)		Short-term securities & other assets less liabilities	8.5%
	United States	53.3%		Sweden	1.3%		
	Canada	2.7		Netherlands	1.3		
		<u>56.0</u>		Other	2.5	Total	<u>100.0%</u>
					<u>27.3</u>		
	Europe			Asia/Pacific Basin			
	United Kingdom	14.2		Hong Kong	3.2		
	France	3.7		Taiwan	2.0		
	Switzerland	2.7		Japan	1.5		
	Italy	1.6		Other	1.5		
					<u>8.2</u>		

Capital Income Builder

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	Lifetime (since May 1, 2014)	Expense ratio
Class 1	-2.11%	2.42%	3.25%	.54%
Class 1A	-2.23	2.20	2.99	.79 ⁵
Class 2	-2.32	2.09	3.12	.79
Class 4	-2.36	1.92	2.73	1.04

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

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¹Source: MSCI. The MSCI index result reflects dividends net of withholding taxes and reinvestment of distributions.

²Source: Bloomberg Index Services Ltd.

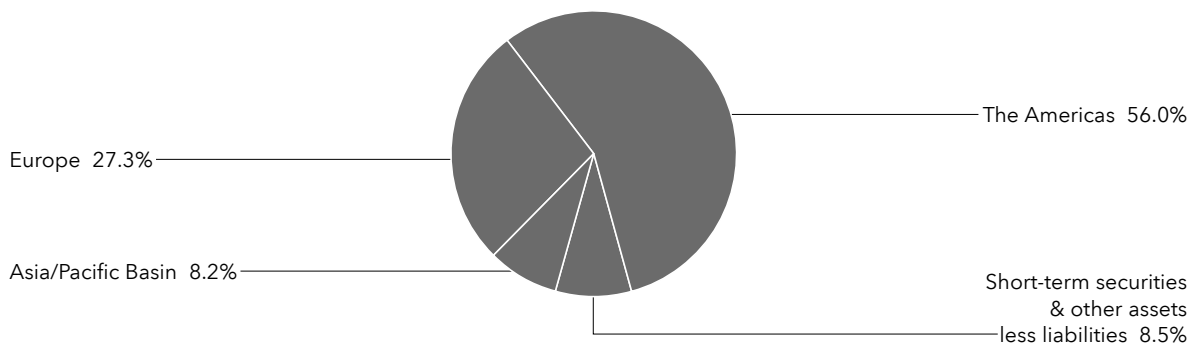
³Data sources: MSCI and Bloomberg Index Services Ltd. The 70%/30% MSCI ACWI/Bloomberg Barclays U.S. Aggregate Index blends the MSCI ACWI (All Country World Index) with the Bloomberg Barclays U.S. Aggregate Index by weighting their total returns at 70% and 30%, respectively. Its result assumes the blend is rebalanced monthly.

⁴Source: Thomson Reuters Lipper. Lipper averages reflect the current composition of all eligible mutual funds (all share classes) within a given category. Lipper categories are dynamic and averages may have few funds, especially over longer periods. To see the number of funds included in the Lipper category for each fund's lifetime, please see the Quarterly Statistical Update, available on our website.

⁵Based on estimated amounts for the current fiscal year.

Where the fund's assets were invested as of June 30, 2018

Percent of net assets



Asset Allocation Fund

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Asset Allocation Fund, which is a mix of stocks and bonds, rose 1.14% for the six months ended June 30, 2018. Standard & Poor's 500 Composite Index,¹ a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, gained 2.65% over the same period, while the Bloomberg Barclays U.S. Aggregate Index,² which measures investment-grade U.S. bonds (rated BBB/Baa and above), declined 1.62%. A blend of the two indexes, the 60%/40% S&P 500/Bloomberg Barclays U.S. Aggregate Index,³ advanced 1.00%.

U.S. equity markets continued to advance, even as trade tensions and higher interest rates weighed on investor sentiment and heightened geopolitical tensions led to increased market volatility. European stocks declined as signs of slowing economic growth and escalating trade tensions dampened investor sentiment. Emerging markets fell as investors weighed the ramifications of a strengthening U.S. dollar and uncertainty related to elections in Latin America.

Fund holdings in the information technology sector contributed the most to the fund's absolute returns. Microsoft, led by strong third-quarter earnings, was a top contributor to the fund's returns as the company continued to push into cloud computing and related software. Sales in the company's personal computing segment also rose. Among other information technology companies, ASML and Intuit also enjoyed double-digit returns as both companies contributed to results.

Investments in the consumer staples sector detracted from the fund's returns. British American Tobacco hindered sector returns the most amid uncertainty regarding the outlook for traditional tobacco products and tighter regulation. The fund's fixed income holdings were also a drag on relative returns due to curve positioning.

The fund's portfolio managers continue to evaluate the economic and market-sector implications of the current administration's decisions regarding fiscal policy and trade. The fund's cash position allows portfolio managers to remain flexible and better navigate uncertainty by focusing on opportunities when stock prices are favorable.

		Percent of net assets		
Largest individual equity securities	Microsoft	2.75%	DowDuPont	1.50%
	UnitedHealth Group	2.26	Noble Energy	1.43
	TSMC	2.24	Broadcom	1.36
	ASML Holding	1.68	Johnson & Johnson	1.36
	VeriSign	1.66	Intel	1.33

Asset Allocation Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since August 1, 1989)	Expense ratio
Class 1	1.14%	8.82%	9.30%	7.96%	8.58%	.29%
Class 1A	1.00	8.54	9.04	7.70	8.31	.54 ⁴
Class 2	.98	8.51	9.02	7.69	8.31	.54
Class 3	1.07	8.63	9.10	7.77	8.38	.47
Class 4	.86	8.23	8.79	7.47	8.05	.79

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

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¹Source: S&P Dow Jones Indices LLC.

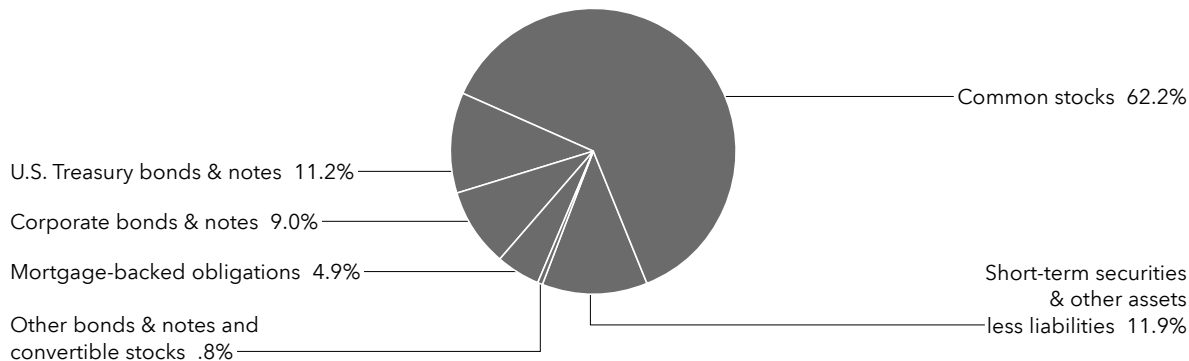
²Source: Bloomberg Index Services Ltd.

³Data sources: S&P Dow Jones Indices LLC and Bloomberg Index Services Ltd. The 60%/40% S&P 500/Bloomberg Barclays U.S. Aggregate Index blends the S&P 500 with the Bloomberg Barclays U.S. Aggregate Index by weighting their total returns at 60% and 40%, respectively. Its result assumes the blend is rebalanced monthly.

⁴Based on estimated amounts for the current fiscal year.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



Global Balanced Fund

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Global Balanced Fund declined 0.47% for the six months ended June 30, 2018. The MSCI ACWI (All Country World Index),¹ a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes), decreased by 0.43%, while the Bloomberg Barclays Global Aggregate Index,² a measure of investment-grade bonds (rated BBB/Baa and above), fell 1.46%. The 60%/40% MSCI ACWI/Bloomberg Barclays Global Aggregate Index,³ a blend of the two indexes, declined 0.79%.

U.S. equity markets continued to advance, even as trade tensions and higher interest rates weighed on investor sentiment and heightened geopolitical tensions led to increased market volatility. Repeating a common theme, information technology companies advanced, supported by generally better than expected corporate earnings in the sector. Outside the U.S., European stocks declined as signs of slowing economic growth and escalating trade tensions dampened investor sentiment. Emerging markets fell as investors weighed the ramifications of a strengthening U.S. dollar and uncertainty related to elections in Latin America.

Investments in the consumer discretionary sector boosted the fund's returns, with Amazon among the top contributors. Amazon reported strong first-quarter earnings that beat analyst estimates thanks to Prime and Amazon Web Services. On the downside, investments in the information technology sector hindered returns. Brazilian online-payment company PagSeguro detracted the most from the fund's returns as the company's share price remained volatile since its IPO in January. In fixed income, currency exposure detracted from the fund's returns led by emerging market debt.

The fund's portfolio managers exercise caution and continue to monitor geopolitics that may derail the global economic recovery. Portfolio managers continue to stay the course of focusing on global research and bottom-up analysis.

	Percent of net assets			Percent of net assets	
Largest sectors in common stock holdings	Information technology	12.8%	Largest fixed income holdings (by issuer)	U.S. Treasury	10.5%
	Financials	7.8		Japanese Government	3.5
	Health care	6.3		Mexican Government	1.1
	Industrials	6.3		Polish Government	1.1
	Energy	5.7		Fannie Mae	1.0

Global Balanced Fund

Percent of net assets

Currency diversification	Equity securities	Bonds & notes	Forward currency contracts	Short-term securities & other assets less liabilities	Total
	U.S. dollars	29.3%	18.6%	.2%	4.9%
Euros	9.1	3.3	1.0	—	13.4
Japanese yen	4.8	3.5	1.4	—	9.7
British pounds	7.0	.7	.1	—	7.8
Swiss francs	2.7	—	—	—	2.7
Hong Kong dollars	2.5	—	—	—	2.5
New Taiwan Dollar	1.3	—	—	—	1.3
Other currencies	5.1	7.2	(2.7)	—	9.6
					<u>100.0%</u>

Percent of net assets

Largest equity securities			
Nintendo	1.67%	Boeing	1.36%
ASML	1.61	Microsoft	1.36
Humana	1.60	HSBC	1.31
PagSeguro Digital	1.58	TSMC	1.28
Amazon	1.38	JPMorgan Chase	1.20

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	Lifetime (since May 2, 2011)	Expense ratio
Class 1	-.47%	7.33%	6.72%	5.90%	.71%
Class 1A	-.55	7.13	6.50	5.67	.96 ⁴
Class 2	-.55	7.01	6.46	5.64	.96
Class 4	-.71	6.78	6.39	5.54	1.21

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: MSCI. The MSCI index results reflect dividends net of withholding taxes and reinvestment of distributions.

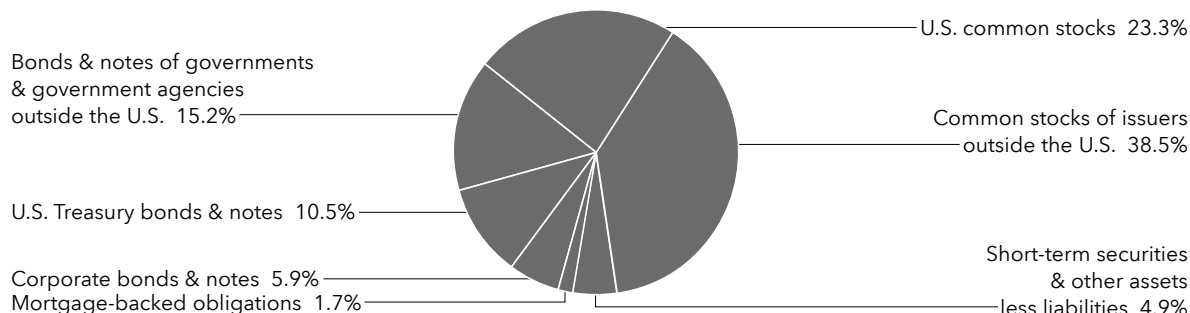
²Source: Bloomberg Index Services Ltd.

³Data sources: MSCI and Bloomberg Index Services Ltd. The 60%/40% MSCI ACWI/Barclays Global Aggregate Index blends the MSCI ACWI (All Country World Index) with the Bloomberg Barclays Global Aggregate Index by weighting their cumulative total returns at 60% and 40%, respectively. Its result assumes the blend is rebalanced monthly.

⁴Based on estimated amounts for the current fiscal year.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



Bond Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Bond Fund declined by 1.76% for the six months ended June 30, 2018. In comparison, the fund's benchmark, the Bloomberg Barclays U.S. Aggregate Index,¹ which measures investment-grade U.S. bonds (rated BBB/Baa and above), was down 1.62%.

Rising yields made for mixed results across bond sectors. The 10-year Treasury yield rose 45 basis points, as the Federal Reserve hiked the federal funds target rate in March and June to a range of 1.75% and 2.00%. The Fed also signaled two more rate increases later in the year. Concerns about more restrictive U.S. trade policy helped prevent longer dated Treasury yields from rising further.

The fund's curve positioning hurt relative returns, but our conviction in our curve steepener position has grown as the U.S. Treasury yield curve has flattened.

On the whole, the U.S. economy appears to be in good shape and is expected to grow at a moderate pace. Higher interest rates in the U.S. are a potential source of tailwinds, as higher income can help offset any potential capital losses from rising rates. The fund's portfolio managers are optimistic about total return attributes for investing in a spectrum of fixed income securities, including U.S. and emerging market debt.

				Percent of net assets
Largest holdings (by issuer)	U.S. Treasury	25.1%	Teva Pharmaceutical	1.7%
	Fannie Mae	15.7	Japanese Government	1.5
	Ginnie Mae	4.5	State of Illinois	1.4
	Freddie Mac	3.3	Portuguese Government	1.3
	Mexican Government	2.4	Bank of America	1.1

Bond Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since January 2, 1996)	Expense ratio
Class 1	-1.76%	-.55%	2.38%	3.07%	4.55%	.38%
Class 1A	-1.87	-.79	2.13	2.82	4.29	.63 ²
Class 2	-1.92	-.81	2.12	2.81	4.29	.63
Class 4	-1.94	-.98	1.88	2.57	4.04	.88

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

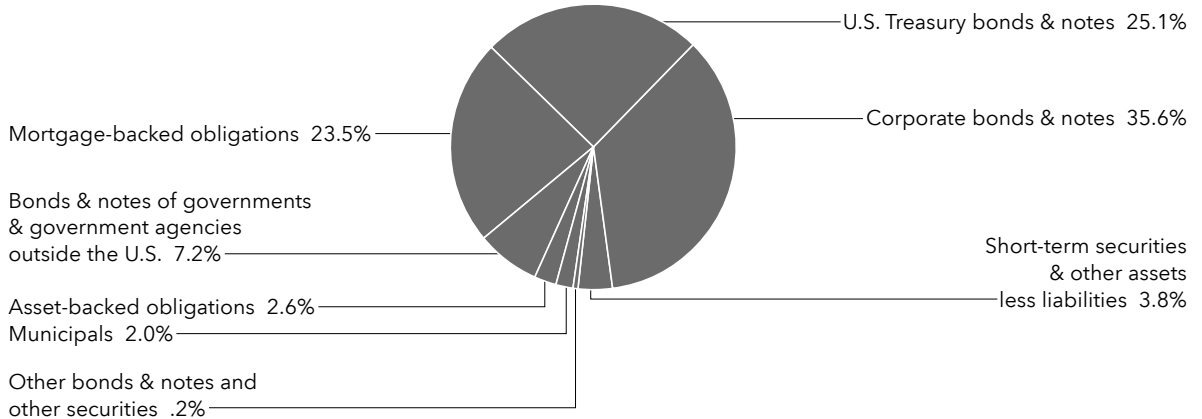
Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: Bloomberg Index Services Ltd.

²Based on estimated amounts for the current fiscal year.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



Global Bond Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Global Bond Fund declined by 1.54% for the six months ended June 30, 2018. In comparison, the fund's benchmark, the Bloomberg Barclays Global Aggregate Index,¹ which measures global investment-grade bonds (rated BBB/Baa and above), was down 1.46%.

Bonds generated mixed returns across the board, including developed and emerging markets debt. The U.S. Federal Reserve raised the federal funds target rate in March and June to a range of 1.75% and 2.00%. The Fed also signaled two more rate increases later in the year, for a total of four in 2018. Other factors, including global trade conflicts, helped prevent longer dated Treasury yields from rising further. Outside the U.S., the European Central Bank left interest rates unchanged, despite signs of improving economic growth and higher inflation. The U.S. dollar appreciated against the euro, the yen and most other currencies.

Low exposure to euro-zone denominated debt combined with above-benchmark investments in Mexican and Polish debt contributed notably to relative returns. On the downside, duration positioning hampered results amid rising yields.

The fund's portfolio managers maintain a cautious approach to investing in global bond markets and believe that our global research can help identify attractive long-term investments around the world. Having the flexibility to diversify and adjust exposure by country, sector and currency continues to serve as a hallmark of the fund's approach to global investing.

Percent of net assets

Currency weighting (after hedging) by country		Non-U.S. government bonds by country	
United States ²	51.8%	Japan	10.5%
Japan	16.5	Euro zone ³ :	
Euro zone ³	16.0	Germany	2.4%
Mexico	2.6	Spain	2.0
United Kingdom	2.6	Portugal	1.6
Denmark	1.8	Italy	1.3
Poland	1.5	Belgium	1.0
Malaysia	1.1	Other	1.7
Other	6.1	Poland	3.9
Total	<u>100.0%</u>	Mexico	3.2
		India	2.9
		United Kingdom	2.0
		Malaysia	1.6
		Korea	1.4
		Thailand	1.3
		Romania	1.2
		Other	10.1
		Total	<u>48.1%</u>

Percent of net assets

Largest holdings (by issuer)		Largest holdings (by issuer)	
U.S. Treasury	19.9%	German Government	2.3%
Japanese Government	10.5	Spanish Government	2.0
Polish Government	3.9	Fannie Mae	1.8
Mexican Government	3.4	Malaysian Government	1.6
Indian Government	2.7	Portuguese Government	1.6

Global Bond Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since October 4, 2006)	Expense ratio
Class 1	-1.54%	.36%	1.76%	2.98%	3.88%	.56%
Class 1A	-1.55	.25	1.56	2.75	3.64	.81 ⁴
Class 2 ⁵	-1.59	.20	1.51	2.74	3.62	.81
Class 4	-1.71	-.07	1.31	2.52	3.40	1.06

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from October 4, 2006, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

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¹Source: Bloomberg Index Services Ltd.

²Includes U.S. dollar-denominated debt of other countries, totaling 14.7%.

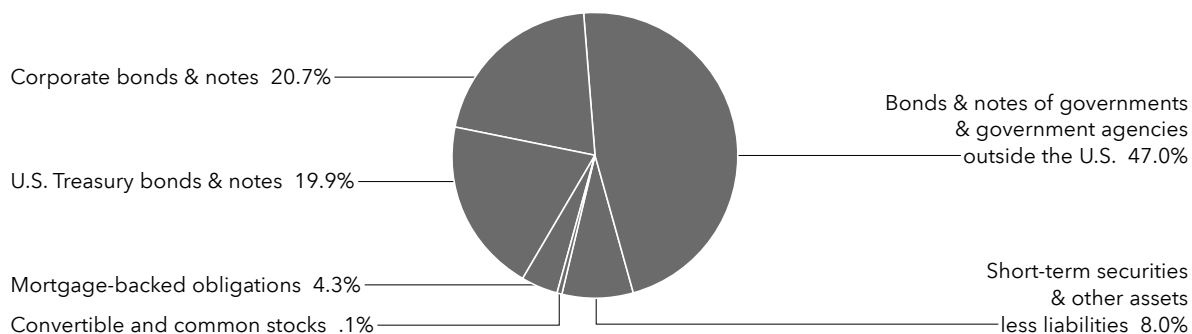
³Countries using the euro as a common currency; those represented in the fund's portfolio are Belgium, France, Germany, Greece, Ireland, Italy, Portugal and Spain.

⁴Based on estimated amounts for the current fiscal year.

⁵Global Bond Fund Class 2 shares were first sold on November 6, 2006. Results prior to that date are hypothetical based on Class 1 share results adjusted for estimated additional annual expenses of 0.25%.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



High-Income Bond Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

High-Income Bond Fund gained 0.48% for the six months ended June 30, 2018. In comparison, the fund's benchmark, the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index,¹ which measures non-investment-grade bonds and limits the exposure of an issuer to 2%, rose 0.16%.

Rising yields made for mixed results across bond sectors. The 10-year Treasury yield rose 45 basis points, as the Federal Reserve hiked the federal funds target rate in March and June to a range of 1.75% and 2.00%. The Fed also signaled two more rate increases later in the year, for a total of four in 2018. Other factors, including global trade conflicts, helped prevent longer dated Treasury yields from rising further.

Amid rising interest rates, the fund's significant position in short-duration bonds, which tend to outperform longer duration bonds in a rising rate environment, helped returns relative to the benchmark. The fund's industry allocation to pharmaceuticals was also additive to results, while allocation to telecommunication services hurt returns.

The fund's portfolio managers continue to believe current fundamentals support a mildly constructive outlook for the high-yield market. While we are monitoring the Federal Reserve's tightening monetary policy, the higher yields and relatively short duration of high yield bonds should help mitigate any impact from rising rates.

				Percent of net assets
Largest holdings (by issuer)	Valeant Pharmaceuticals International	2.8%	Cheniere Energy Partners	1.8%
	First Quantum Minerals	2.0	Charter Communications	1.8
	Société Générale	2.0	Frontier Communications	1.7
	Intelsat Jackson Holdings	1.8	Sprint Nextel	1.4
	Tenet Healthcare	1.8	Chesapeake Energy	1.4

High-Income Bond Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since February 8, 1984)	Expense ratio
Class 1	.48%	3.03%	4.66%	6.32%	8.76%	.49%
Class 1A	.37	2.72	4.42	6.06	8.49	.74 ²
Class 2	.35	2.71	4.39	6.06	8.49	.74
Class 3	.35	2.82	4.46	6.13	8.57	.67
Class 4	.27	2.53	4.20	5.84	8.24	.99

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

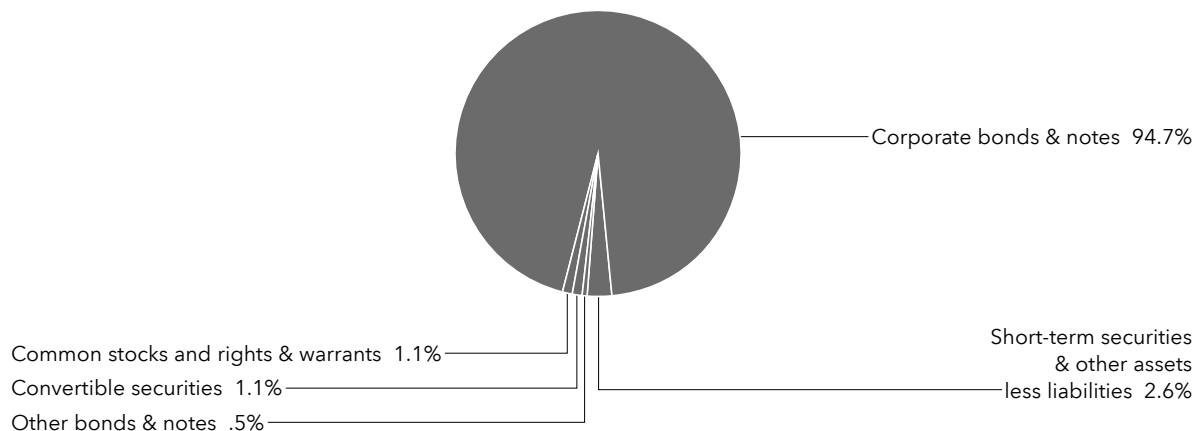
Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: Bloomberg Index Services Ltd.

²Based on estimated amounts for the current fiscal year.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



Mortgage Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Mortgage Fund lost 1.21% for the six months ended June 30, 2018, while the Bloomberg Barclays U.S. Mortgage-Backed Securities Index,¹ which covers the mortgage-backed pass-through securities of Ginnie Mae, Fannie Mae and Freddie Mac, declined 0.95%.

Rising yields made for mixed results across bond sectors. The 10-year Treasury yield rose 45 basis points, as the Federal Reserve hiked the federal funds target rate in March and June to a range of 1.75% and 2.00%. The Fed also signaled two more rate increases later in the year, for a total of four in 2018. Concerns about more restrictive U.S. trade policy helped prevent longer dated Treasury yields from rising further.

The fund's investments in asset-backed securities and inflation protected securities were additive to relative returns. Also additive to relative returns were investments in 30-year mortgage-backed securities with coupons of 4.00% that surpassed investments in 30-year mortgage-backed securities with lower coupons and 15-year mortgage backed securities. On the downside, as the yield curve flattened, the fund's curve positioning hampered relative returns.

The fund's portfolio managers seek to identify high-quality mortgage-backed securities based on our bottom-up approach to investing. In the current environment, demand for flight-to-safety assets and the fund's low correlation to equities should help investors navigate macroeconomic and geopolitical uncertainty and remain well diversified.

			Percent of net assets
Breakdown of mortgage-backed obligations	30-year pass-throughs:		
	Freddie Mac	14.5%	
	Ginnie Mae	19.9	
	Fannie Mae	18.4	52.8%
	Other	<u>19.8</u>	19.8
Total		<u><u>72.6%</u></u>	

Mortgage Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	Lifetime (since May 2, 2011)	Expense ratio
Class 1	-1.21%	-1.25%	2.08%	2.25%	.47%
Class 1A	-1.31	-1.51	1.83	2.00	.72 ²
Class 2	-1.26	-1.41	1.85	2.01	.72
Class 4	-1.38	-1.65	1.65	1.84	.97

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

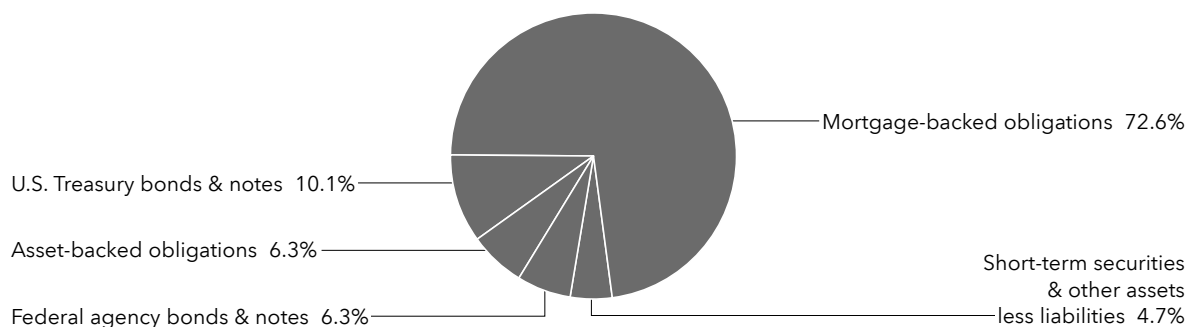
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¹Source: Bloomberg Index Services Ltd.

²Based on estimated amounts for the current fiscal year.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



Ultra-Short Bond Fund

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Ultra-Short Bond Fund gained 0.65% for the six months ended June 30, 2018, while the Bloomberg Barclays Short-Term Government/Corporate Index,¹ which consists of government and corporate sector securities with remaining maturity from one up to (but not including) 12 months, gained 0.82%.

The fund's returns were higher than in 2017 as the Federal Reserve raised the benchmark federal funds rate twice this year, to the current range of 1.75% and 2.00%. Given an increase in interest rates to reassure investors of persistent U.S. economic strength, the fund's portfolio managers believe the fund has the potential to provide current income.

Ultra-Short Bond Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime (since February 8, 1984)	Expense ratio
Class 1	.65%	1.05%	.16%	.09%	3.46%	.35%
Class 1A	.65	1.06	-.02	-.12	3.21	.60 ²
Class 2	.53	.90	-.09	-.16	3.21	.60
Class 3	.63	.99	.00	-.08	3.28	.53
Class 4	.47	.63	-.23	-.33	2.97	.85

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: Bloomberg Index Services Ltd.

²Based on estimated amounts for the current fiscal year.

		Percent of net assets
Where the fund's assets were invested as of June 30, 2018	Commercial paper	84.6%
	Federal agency discount notes	11.2
	U.S. Treasury bills	4.1
	Other assets less liabilities	.1
	Total	<u>100.0%</u>

U.S. Government/AAA-Rated Securities Fund

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U.S. Government/AAA-Rated Securities Fund declined 1.08% for the six months ended June 30, 2018, while the Bloomberg Barclays U.S. Government/Mortgage-Backed Securities Index,¹ which covers obligations issued by the U.S. Treasury and U.S. government agencies, decreased by 1.01%.

Rising yields made for mixed results across bond sectors. The 10-year Treasury yield rose 45 basis points, as the Federal Reserve hiked the federal funds target rate in March and June to a range of 1.75% and 2.00%. The Fed also signaled two more rate increases later in the year, for a total of four in 2018. Concerns about more restrictive U.S. trade policy helped prevent longer dated Treasury yields from rising further.

During the period, the fund's duration contributed to relative returns. On the downside, yield curve positioning detracted from relative returns as the yield curve flattened.

The fund strives to meet its objective of providing a high level of current income consistent with the preservation of capital. The fund's portfolio managers have positioned the fund with the expectation that rate hikes over the next two to three years will be at a slower pace than is currently priced into the market. They believe this can lead to a steepening yield curve and higher inflation expectations.

			Percent of net assets
Breakdown of mortgage-backed obligations	30-year pass-throughs:		
	Freddie Mac	3.5%	
	Fannie Mae	13.2	
	Ginnie Mac	<u>6.5</u>	23.2%
	Other		<u>5.3</u>
Total		<u><u>28.5%</u></u>	

U.S. Government/AAA-Rated Securities Fund

Average annual total returns based on a \$1,000 investment

For periods ended June 30, 2018

	6 months	1 year	5 years	10 years	Lifetime	Expense ratio
				(since December 2, 1985)		
Class 1	-1.08%	-1.12%	1.75%	3.15%	5.74%	.36%
Class 1A	-1.25	-1.39	1.52	2.90	5.48	.61 ²
Class 2	-1.22	-1.38	1.48	2.89	5.47	.61
Class 3	-1.19	-1.30	1.56	2.96	5.55	.54
Class 4	-1.33	-1.67	1.26	2.67	5.22	.86

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The fund's investment adviser waived a portion of its management fees from September 1, 2004, through December 31, 2008, and from July 1, 2010, through December 31, 2010. Applicable fund results shown reflect the waiver, without which they would have been lower. Expense ratios are as of the fund's prospectus dated May 1, 2018. See the Financial Highlights table in this report for details.

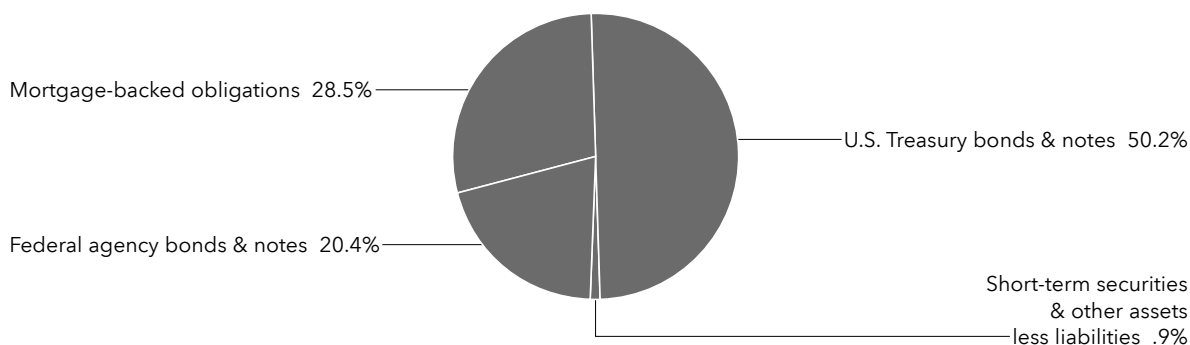
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¹Source: Bloomberg Index Services Ltd.

²Based on estimated amounts for the current fiscal year.

Percent of net assets

Where the fund's assets were invested as of June 30, 2018



Managed Risk Growth Fund

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The fund gained 5.41% for the six months ended June 30, 2018. Standard & Poor's 500 Managed Risk Index - Moderate Aggressive¹ rose 0.69%. Standard & Poor's 500 Composite Index,² a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, gained 2.65%.

The fund pursues its objective by investing in shares of American Funds Insurance Series - Growth FundSM and American Funds Insurance Series - Bond FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying Growth Fund's investments in consumer discretionary and health care added to returns, while investments in financials detracted from the fund's absolute results.

Average annual total returns based on a \$1,000 investment	For periods ended June 30, 2018					
	6 months	1 year	5 years	Lifetime (since May 1, 2013)	Gross expense ratio	Net expense ratio
Class P1	5.41%	16.61%	10.04%	9.87%	.78%	.72%
Class P2	5.26	16.42	9.70	9.55	1.03	.97

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index. These indexes are generated and published under agreements between Standard & Poor's Dow Jones Indices and Milliman Financial Risk Management LLC.

²Source: S&P Dow Jones Indices LLC.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Managed Risk International Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

The fund declined 0.50% for the six months ended June 30, 2018, compared to the Standard & Poor's EPAC Ex. Korea LargeMidCap Managed Risk Index - Moderate Aggressive,¹ which fell 2.13%. The MSCI ACWI (All Country World Index) ex USA,² a free float-adjusted market capitalization-weighted index that is designed to measure equity market results in the global developed and emerging markets (consisting of more than 40 developed and emerging market country indexes excluding the U.S.), decreased by 3.77%.

The fund pursues its objective by investing in shares of American Funds Insurance Series - International FundSM and American Funds Insurance Series - Bond FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying International Fund's investments in the utilities sector added to returns, while investments in the financials sector hindered the fund's absolute results.

Average annual total returns based on a \$1,000 investment	For periods ended June 30, 2018					
	6 months	1 year	5 years	Lifetime (since May 1, 2013)	Gross expense ratio	Net expense ratio
Class P1	-.50%	10.07%	4.39%	3.84%	.95%	.87%
Class P2	-.76	9.55	3.96	3.42	1.20	1.12

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index. These indexes are generated and published under agreements between Standard & Poor's Dow Jones Indices and Milliman Financial Risk Management LLC.

²Source: MSCI. The MSCI index result reflects reinvestment of distributions and dividends net of withholding taxes.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Managed Risk Blue Chip Income and Growth Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Managed Risk Blue Chip Income and Growth Fund lost 1.80% for the six months ended June 30, 2018, trailing Standard & Poor's 500 Managed Risk Index - Moderate,¹ which rose 0.49%. Standard & Poor's 500 Composite Index,² a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, gained 2.65%.

The fund pursues its objective by investing in shares of American Funds Insurance Series - Blue Chip Income and Growth FundSM and American Funds Insurance Series - U.S. Government/AAA-Rated Securities FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying Blue Chip Income and Growth Fund's investments in the information technology sector were additive to absolute returns, while consumer staples stocks hindered the fund's results.

Average annual total returns based on a \$1,000 investment	For periods ended June 30, 2018					
	6 months	1 year	5 years	Lifetime (since May 1, 2013)	Gross expense ratio	Net expense ratio
Class P1	-1.80%	7.63%	7.84%	7.61%	.82%	.77%
Class P2	-2.04	7.21	7.43	7.21	1.07	1.02

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index. These indexes are generated and published under agreements between Standard & Poor's Dow Jones Indices and Milliman Financial Risk Management LLC.

²Source: S&P Dow Jones Indices LLC.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Managed Risk Growth-Income Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Managed Risk Growth-Income Fund gained 3.47% for the six months ended June 30, 2018, outpacing the Standard & Poor's 500 Managed Risk Index - Moderate¹, which rose 0.49%. Standard & Poor's 500 Composite Index², a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, gained 2.65%.

The fund pursues its objective by investing in shares of American Funds Insurance Series - Growth-Income FundSM and American Funds Insurance Series - Bond FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The underlying Growth-Income Fund's investments in the consumer discretionary sector added the most to the fund's returns, while investments in the consumer staples sector was a drag on the fund's absolute results.

Average annual total returns based on a \$1,000 investment	For periods ended June 30, 2018					
	6 months	1 year	5 years	Lifetime (since May 1, 2013)	Gross expense ratio	Net expense ratio
Class P1	3.47%	14.40%	9.27%	9.07%	.74%	.67%
Class P2	3.39	14.09	8.93	8.74	.99	.92

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index. These indexes are generated and published under agreements between Standard & Poor's Dow Jones Indices and Milliman Financial Risk Management LLC.

²Source: S&P Dow Jones Indices LLC.

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Managed Risk Asset Allocation Fund

Fund results shown are for past periods and are not predictive of results for future periods. Current and future results may be lower or higher than those shown. Unit prices and returns will vary, so investors may lose money. For current information and month-end results, visit americanfunds.com/afis. For information about your insurance contract and month-end results, go to the website of the company that issued your contract.

Managed Risk Asset Allocation Fund marginally declined 0.14% for the six months ended June 30, 2018, trailing the Standard & Poor's 500 Managed Risk Index – Moderate Conservative¹, which rose 0.28%. Standard & Poor's 500 Composite Index,² a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, gained 2.65%.

The fund pursues its objective by investing in shares of American Funds Insurance Series – Asset Allocation FundSM while seeking to manage portfolio volatility and provide downside protection, primarily through the use of exchange-traded futures. The benefit of the fund's managed risk strategy should be most apparent during periods of high volatility and in down markets. In steady or rising markets, the fund's results can be expected to lag those of the underlying fund.

The fund's underlying investments in the information technology sector contributed the most to absolute returns, while investments in the consumer staples sector hindered returns.

Average annual total returns based on a \$1,000 investment	For periods ended June 30, 2018					
	6 months	1 year	5 years	Lifetime (since September 28, 2012)	Gross expense ratio	Net expense ratio
Class P1	-.14%	6.85%	7.03%	7.89%	.69%	.64%
Class P2	-.26	6.59	6.76	7.62	.94	.89

Any market index shown is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

¹Source: S&P Dow Jones Indices LLC. Standard & Poor's Managed Risk Index Series is designed to simulate a dynamic protective portfolio that allocates between the underlying equity index and cash, based on realized volatilities of the underlying equity and bond indexes, while maintaining a fixed allocation to the underlying bond index. These indexes are generated and published under agreements between Standard & Poor's Dow Jones Indices and Milliman Financial Risk Management LLC.

²Source: S&P Dow Jones Indices LLC.

Milliman Financial Risk Management LLC serves as the subadviser with respect to the management of the fund's managed risk strategy.

Global Growth Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 90.66%		Shares	Value (000)
Information technology 31.08%	ASML Holding NV	648,442	\$ 128,505
	ASML Holding NV (New York registered)	517,300	102,410
	Alphabet Inc., Class A ¹	130,000	146,795
	Alphabet Inc., Class C ¹	71,052	79,269
	Taiwan Semiconductor Manufacturing Co., Ltd.	26,955,000	191,408
	Taiwan Semiconductor Manufacturing Co., Ltd. (ADR)	335,000	12,248
	Facebook, Inc., Class A ¹	898,500	174,597
	Microsoft Corp.	1,583,100	156,109
	Visa Inc., Class A	998,800	132,291
	Alibaba Group Holding Ltd. (ADR) ¹	671,050	124,500
	Nintendo Co., Ltd.	345,600	112,999
	Broadcom Inc.	373,700	90,675
	Tencent Holdings Ltd.	1,800,000	90,349
	Just Eat PLC ¹	5,292,000	54,406
	AAC Technologies Holdings Inc.	3,806,540	53,613
	Temenos AG	335,000	50,742
	Largan Precision Co., Ltd.	255,000	37,554
	PagSeguro Digital Ltd., Class A ¹	1,340,900	37,210
Other securities		174,554	
			<u>1,950,234</u>
Consumer discretionary 17.89%	Amazon.com, Inc. ¹	262,400	446,028
	Booking Holdings Inc. ¹	39,000	79,057
	NIKE, Inc., Class B	790,500	62,987
	Home Depot, Inc.	236,800	46,200
	Naspers Ltd., Class N	177,000	44,968
	Moncler SpA	915,000	41,673
	Ctrip.com International, Ltd. (ADR) ¹	797,000	37,961
	Other securities		363,831
			<u>1,122,705</u>
Financials 9.70%	AIA Group Ltd.	15,004,900	131,199
	JPMorgan Chase & Co.	853,600	88,945
	Kotak Mahindra Bank Ltd.	3,471,000	68,034
	MarketAxess Holdings Inc.	211,000	41,749
	Prudential PLC	1,793,884	41,064
	Société Générale	923,000	38,928
	Other securities		198,602
			<u>608,521</u>
Health care 9.69%	UnitedHealth Group Inc.	324,200	79,539
	Sartorius AG, non-registered shares, nonvoting preferred	381,500	57,071
	Express Scripts Holding Co. ¹	729,300	56,309
	Boston Scientific Corp. ¹	1,638,200	53,569
	Merck & Co., Inc.	820,000	49,774
	AstraZeneca PLC	652,300	45,222
	Mettler-Toledo International Inc. ¹	65,000	37,611
Other securities		229,184	
			<u>608,279</u>
Consumer staples 6.29%	British American Tobacco PLC	1,710,800	86,475
	Nestlé SA	739,650	57,436
	Philip Morris International Inc.	602,200	48,621
	Other securities		201,821
			<u>394,353</u>

Global Growth Fund

Common stocks (continued)		Shares	Value (000)
Industrials 5.80%	Airbus SE, non-registered shares	1,177,500	\$ 137,866
	Other securities		226,199
			<u>364,065</u>
Energy 2.07%	Royal Dutch Shell PLC, Class B	1,042,000	37,315
	Other securities		92,740
			<u>130,055</u>
Materials 2.07%	Sherwin-Williams Co.	155,500	63,377
	Other securities		66,655
			<u>130,032</u>
Telecommunication services 1.09%	SoftBank Group Corp.	776,000	55,883
	Other securities		12,216
			<u>68,099</u>
Miscellaneous 4.98%	Other common stocks in initial period of acquisition		312,437
	Total common stocks (cost: \$3,548,106,000)		<u>5,688,780</u>

Bonds, notes & other debt instruments 0.02%		Principal amount (000)
U.S. Treasury bonds & notes 0.02%		
U.S. Treasury 0.02%	Other securities	1,000
	Total bonds, notes & other debt instruments (cost: \$1,000,000)	<u>1,000</u>

Short-term securities 9.03%			
	Mizuho Bank, Ltd. 1.90%–2.04% due 7/2/2018–7/20/2018 ²	\$ 134,100	133,977
	National Australia Bank Ltd. 2.08% due 8/21/2018 ²	76,100	75,862
	Nordea Bank AB 2.22% due 9/17/2018 ²	50,000	49,763
	Sumitomo Mitsui Banking Corp. 2.00%–2.10% due 7/23/2018–8/21/2018 ²	134,700	134,348
	Swedbank AB 1.85%–2.23% due 7/2/2018–9/27/2018	133,800	133,274
	Other securities		39,700
	Total short-term securities (cost: \$566,959,000)		<u>566,924</u>
	Total investment securities 99.71% (cost: \$4,116,065,000)		6,256,704
	Other assets less liabilities 0.29%		18,151
	Net assets 100.00%		<u><u>\$6,274,855</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes a security which was valued under fair value procedures adopted by authority of the board of trustees. The total value of the security which was valued under fair value procedures was \$9,961,000, which represented .16% of the net assets of the fund.

Global Growth Fund

Forward currency contracts

Contract amount		Counterparty	Settlement date	Unrealized appreciation (depreciation) at 6/30/2018 (000)
Purchases (000)	Sales (000)			
USD5,295	JPY581,294	Bank of America, N.A.	7/25/2018	\$35
JPY581,294	USD5,263	Goldman Sachs	7/25/2018	(3)
				<u>\$32</u>

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Security did not produce income during the last 12 months.

²Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$325,640,000, which represented 5.19% of the net assets of the fund.

Key to abbreviations and symbol

ADR = American Depositary Receipts

JPY = Japanese yen

USD/\$ = U.S. dollars

See Notes to Financial Statements

Global Small Capitalization Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 91.02%		Shares	Value (000)
Health care 21.61%	GW Pharmaceuticals PLC (ADR) ¹	746,460	\$104,161
	Insulet Corp. ¹	879,755	75,395
	Integra LifeSciences Holdings Corp. ¹	1,025,423	66,047
	iRhythm Technologies, Inc. ¹	807,980	65,551
	China Biologic Products Holdings, Inc. ¹	524,000	52,049
	Madrigal Pharmaceuticals, Inc. ¹	177,800	49,729
	WuXi Biologics (Cayman) Inc. ¹	3,729,800	41,526
	Molina Healthcare, Inc. ¹	420,000	41,135
	NuCana PLC (ADR) ^{1,2}	2,067,724	39,287
	Evolent Health, Inc., Class A ¹	1,436,000	30,228
	CONMED Corp.	399,000	29,207
	athenahealth, Inc. ¹	176,000	28,009
	Illumina, Inc. ¹	100,200	27,985
	CryoLife, Inc. ¹	898,000	25,009
Other securities		253,085	
			<u>928,403</u>
Consumer discretionary 18.00%	Melco International Development Ltd.	17,379,000	53,495
	GVC Holdings PLC	3,573,748	49,570
	Five Below, Inc. ¹	457,000	44,653
	Seria Co., Ltd.	789,526	37,938
	Entertainment One Ltd.	7,563,697	36,714
	Hilton Grand Vacations Inc. ¹	1,033,100	35,849
	Cedar Fair, LP	531,000	33,458
	Domino's Pizza, Inc.	100,000	28,217
	Caesars Entertainment Corp. ¹	2,375,836	25,421
	Other securities		427,777
			<u>773,092</u>
Information technology 13.53%	Qorvo, Inc. ¹	600,900	48,174
	Paycom Software, Inc. ¹	428,885	42,387
	Mellanox Technologies, Ltd. ¹	423,200	35,676
	Hamamatsu Photonics KK	735,753	31,632
	Topcon Corp.	1,707,510	29,303
	VTech Holdings Ltd.	2,189,000	25,264
	Other securities		368,856
			<u>581,292</u>
Financials 10.13%	Kotak Mahindra Bank Ltd.	3,282,732	64,344
	Texas Capital Bancshares, Inc. ¹	514,201	47,049
	Trupanion, Inc. ¹	1,063,800	41,063
	Essent Group Ltd. ¹	1,018,841	36,495
	Webster Financial Corp.	553,000	35,226
	Cannae Holdings, Inc. ¹	1,625,000	30,144
	Avanza Bank Holding AB	560,129	28,767
	Other securities		152,227
			<u>435,315</u>
Industrials 9.33%	International Container Terminal Services, Inc.	20,180,000	29,230
	Advanced Disposal Services, Inc. ¹	1,159,501	28,732
	Other securities		342,880
			<u>400,842</u>

Global Small Capitalization Fund

Common stocks		Shares	Value (000)
Energy 3.17%	SM Energy Co.	1,111,000	\$ 28,542
	Whitecap Resources Inc.	3,674,880	24,906
	Other securities		82,809
			<u>136,257</u>
Real estate 2.85%	WHA Corp. PCL	372,370,250	41,137
	MGM Growth Properties LLC REIT, Class A	1,323,600	40,317
	Other securities		40,722
			<u>122,176</u>
Materials 2.82%	Lundin Mining Corp.	6,820,000	37,922
	Other securities		83,173
			<u>121,095</u>
Consumer staples 2.75%	Varun Beverages Ltd.	2,504,974	27,552
	Other securities		90,445
			<u>117,997</u>
Utilities 1.65%	ENN Energy Holdings Ltd.	4,991,400	49,083
	Other securities		21,888
			<u>70,971</u>
Telecommunication services 0.42%	Other securities		<u>18,116</u>
Miscellaneous 4.76%	Other common stocks in initial period of acquisition		<u>204,413</u>
	Total common stocks (cost: \$2,970,217,000)		<u>3,909,969</u>

Convertible bonds 0.18%

		Principal amount (000)	
Consumer discretionary 0.18%	Other securities		<u>7,655</u>
	Total convertible bonds (cost: \$8,455,000)		<u>7,655</u>

Bonds, notes & other debt instruments 0.09%

U.S. Treasury bonds & notes 0.09%

U.S. Treasury 0.09%	Other securities		<u>4,123</u>
	Total bonds, notes & other debt instruments (cost: \$4,124,000)		<u>4,123</u>

Short-term securities 8.66%

	Australia & New Zealand Banking Group, Ltd. 1.95% due 7/13/2018 ³	\$ 40,000	39,970
	BNP Paribas, New York Branch 2.22% due 9/4/2018	38,600	38,447
	Federal Home Loan Bank 1.79%-1.90% due 7/13/2018-8/13/2018	86,200	86,073
	Province of Ontario 1.91% due 7/5/2018	37,600	37,588

Global Small Capitalization Fund

Short-term securities (continued)	Principal amount (000)	Value (000)
Sumitomo Mitsui Banking Corp. 2.24% due 8/28/2018 ³	\$50,000	\$ 49,825
Swedbank AB 1.85%-2.21% due 7/2/2018-7/23/2018	91,400	91,366
Other securities		28,601
Total short-term securities (cost: \$371,865,000)		<u>371,870</u>
Total investment securities 99.95% (cost: \$3,354,661,000)		4,293,617
Other assets less liabilities 0.05%		2,254
Net assets 100.00%		<u><u>\$4,295,871</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. One security in "Other securities" (with a value of \$13,979,000, an aggregate cost of \$8,280,000, and which represented .33% of the net assets of the fund) was acquired on 5/1/2015 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject it to legal or contractual restrictions on resale. This was the only security valued under the fair value procedures adopted by authority of the board of trustees.

Forward currency contracts

Contract amount		Counterparty	Settlement date	Unrealized appreciation (depreciation) at 6/30/2018 (000)
Purchases (000)	Sales (000)			
USD16,095	JPY1,765,175	JPMorgan Chase	7/10/2018	\$140
JPY1,765,175	USD15,959	Bank of America, N.A.	7/10/2018	(4)
USD9,832	INR663,163	Citibank	7/17/2018	173
INR663,163	USD9,666	JPMorgan Chase	7/17/2018	(8)
GBP26,030	USD34,286	JPMorgan Chase	7/23/2018	106
USD34,329	GBP26,030	Bank of New York Mellon	7/23/2018	(62)
USD10,502	GBP7,908	Citibank	7/25/2018	53
GBP7,908	USD10,419	Citibank	7/25/2018	30
				<u><u>\$428</u></u>

Global Small Capitalization Fund

Investments in affiliates

A company is an affiliate of the fund under the Investment Company Act of 1940 if the fund's holdings in that company represent 5% or more of the outstanding voting shares. The value of the fund's affiliated-company holdings is either shown in the summary investment portfolio or included in the value of "Other securities" under the respective industry sectors. Further details on such holdings and related transactions during the six months ended June 30, 2018, appear below.

	Beginning shares	Additions	Reductions	Ending shares	Net realized gain (000)	Net unrealized depreciation (000)	Dividend income (000)	Value of affiliates at 6/30/2018 (000)
Common stocks 0.91%								
Health care 0.91%								
NuCana PLC (ADR) ¹	416,620	1,651,104	–	2,067,724	\$ –	\$ (4,030)	\$ –	\$39,287
Consumer discretionary 0.00%								
Hostelworld Group PLC ⁴	6,212,000	–	3,389,000	2,823,000	3,739	(6,203)	401	–
Total 0.91%					<u>\$3,739</u>	<u>\$(10,233)</u>	<u>\$401</u>	<u>\$39,287</u>

¹Security did not produce income during the last 12 months.

²Represents an affiliated company as defined under the Investment Company Act of 1940.

³Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$109,346,000, which represented 2.55% of the net assets of the fund.

⁴Unaffiliated issuer at 6/30/2018.

Key to abbreviations and symbol

ADR = American Depositary Receipts

GBP = British pounds

INR = Indian rupees

JPY = Japanese yen

USD/\$ = U.S. dollars

See Notes to Financial Statements

Growth Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 96.07%

		Shares	Value (000)
Information technology 33.31%	Facebook, Inc., Class A ¹	7,340,500	\$1,426,406
	Alphabet Inc., Class C ¹	713,000	795,458
	Alphabet Inc., Class A ¹	396,500	447,724
	Microsoft Corp.	11,254,000	1,109,757
	Broadcom Inc.	3,248,100	788,119
	ASML Holding NV (New York registered)	2,382,000	471,565
	ASML Holding NV	1,199,568	237,725
	ServiceNow, Inc. ¹	3,093,000	533,450
	Visa Inc., Class A	2,955,000	391,390
	Taiwan Semiconductor Manufacturing Co., Ltd.	36,360,000	258,194
	Taiwan Semiconductor Manufacturing Co., Ltd. (ADR)	2,975,392	108,780
	Intel Corp.	4,790,000	238,111
	Activision Blizzard, Inc.	2,996,300	228,678
	Samsung Electronics Co., Ltd.	4,450,000	186,265
	Alibaba Group Holding Ltd. (ADR) ¹	875,000	162,339
	Intuit Inc.	650,000	132,798
	Other securities		1,074,499
			<u>8,591,258</u>
Consumer discretionary 21.43%	Amazon.com, Inc. ¹	1,147,916	1,951,229
	Netflix, Inc. ¹	2,110,000	825,917
	Tesla, Inc. ¹	1,813,000	621,768
	Home Depot, Inc.	2,292,000	447,169
	NIKE, Inc., Class B	4,505,000	358,958
	Booking Holdings Inc. ¹	151,531	307,167
	Charter Communications, Inc., Class A ¹	973,680	285,493
	Comcast Corp., Class A	8,685,000	284,955
	Ulta Beauty, Inc. ¹	700,000	163,422
	Other securities		281,844
			<u>5,527,922</u>
Health care 13.87%	UnitedHealth Group Inc.	3,137,600	769,779
	Intuitive Surgical, Inc. ¹	940,500	450,010
	Regeneron Pharmaceuticals, Inc. ¹	1,194,000	411,918
	Humana Inc.	993,200	295,606
	Vertex Pharmaceuticals Inc. ¹	1,559,200	265,002
	Centene Corp. ¹	1,808,400	222,813
	Boston Scientific Corp. ¹	5,997,000	196,102
	Aetna Inc.	1,030,000	189,005
	Thermo Fisher Scientific Inc.	795,000	164,676
	Illumina, Inc. ¹	550,000	153,609
Other securities		459,512	
			<u>3,578,032</u>
Financials 9.93%	Wells Fargo & Co.	9,990,454	553,871
	BlackRock, Inc.	539,000	268,983
	Goldman Sachs Group, Inc.	922,400	203,454
	JPMorgan Chase & Co.	1,947,000	202,877
	PNC Financial Services Group, Inc.	1,083,600	146,394
	Legal & General Group PLC	40,158,246	140,977
	Other securities		1,043,388
			<u>2,559,944</u>

Growth Fund

Common stocks		Shares	Value (000)
Energy 7.13%	EOG Resources, Inc.	2,402,400	\$ 298,931
	Concho Resources Inc. ¹	1,870,000	258,714
	Noble Energy, Inc.	5,663,000	199,791
	Suncor Energy Inc.	4,588,116	186,714
	Pioneer Natural Resources Co.	810,000	153,284
	Other securities		740,517
			<u>1,837,951</u>
Industrials 4.15%	TransDigm Group Inc.	524,000	180,853
	MTU Aero Engines AG	872,162	167,647
	Other securities		722,526
			<u>1,071,026</u>
Consumer staples 1.47%	Kerry Group PLC, Class A	1,300,000	136,025
	Other securities		244,196
			<u>380,221</u>
Real estate 1.04%	Equinix, Inc. REIT	399,000	171,526
	Other securities		97,412
			<u>268,938</u>
Other 1.98%	Other securities		<u>508,337</u>
Miscellaneous 1.76%	Other common stocks in initial period of acquisition		454,883
	Total common stocks (cost: \$14,033,329,000)		<u>24,778,512</u>
Convertible stocks 0.05%			
Consumer discretionary 0.05%	Other securities		11,351
	Total convertible stocks (cost: \$10,650,000)		<u>11,351</u>
Short-term securities 3.89%		Principal amount (000)	
	Federal Home Loan Bank 1.80%-1.90% due 7/6/2018-9/10/2018	\$ 345,300	344,813
	Pfizer Inc. 2.00%-2.11% due 8/16/2018-9/24/2018 ²	134,900	134,368
	Other securities		524,997
	Total short-term securities (cost: \$1,004,230,000)		<u>1,004,178</u>
	Total investment securities 100.01% (cost: \$15,048,209,000)		25,794,041
	Other assets less liabilities (0.01)%		(1,717)
	Net assets 100.00%		<u>\$25,792,324</u>

Growth Fund

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. One security in "Other securities" (with a value of \$11,351,000, an aggregate cost of \$10,650,000, and which represented .04% of the net assets of the fund) was acquired on 5/22/2015 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject it to legal or contractual restrictions on resale. This was the only security valued under the fair value procedures adopted by authority of the board of trustees.

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Security did not produce income during the last 12 months.

²Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$500,272,000, which represented 1.94% of the net assets of the fund.

Key to abbreviation

ADR = American Depositary Receipts

See Notes to Financial Statements

International Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 91.37%

		Shares	Value (000)
Financials	AIA Group Ltd.	37,525,700	\$ 328,116
15.44%	HDFC Bank Ltd. ¹	7,804,100	240,177
	HDFC Bank Ltd. (ADR)	130,800	13,737
	Kotak Mahindra Bank Ltd.	6,186,048	121,252
	Prudential PLC	5,142,265	117,712
	Credit Suisse Group AG	5,523,789	83,390
	Sberbank of Russia PJSC (ADR)	4,739,150	68,410
	Axis Bank Ltd. ^{1,2,3}	8,530,055	58,662
	Axis Bank Ltd.	736,300	5,489
	Barclays PLC	24,242,926	60,470
	Other securities		421,283
			<u>1,518,698</u>
Industrials	Airbus SE, non-registered shares	2,926,849	342,686
13.19%	Rolls-Royce Holdings PLC ⁴	10,539,900	137,459
	Ryanair Holdings PLC (ADR) ⁴	991,700	113,282
	Yamato Holdings Co., Ltd.	3,294,395	97,122
	Melrose Industries PLC	30,195,733	84,763
	SMC Corp.	206,100	75,634
	Safran SA	549,000	66,709
	Other securities		379,506
			<u>1,297,161</u>
Information technology	Samsung Electronics Co., Ltd.	5,920,950	247,835
12.12%	Tencent Holdings Ltd.	4,549,687	228,366
	Alibaba Group Holding Ltd. (ADR) ⁴	1,120,300	207,849
	ASML Holding NV	583,834	115,702
	Other securities		392,152
			<u>1,191,904</u>
Health care	Novartis AG	2,547,000	193,616
10.80%	Teva Pharmaceutical Industries Ltd. (ADR)	6,910,598	168,066
	Grifols, SA, Class B, preferred nonvoting, non-registered shares	3,304,730	71,242
	Grifols, SA, Class A, non-registered shares	881,000	26,523
	Grifols, SA, Class B (ADR)	793,690	17,065
	Fresenius SE & Co. KGaA	1,193,000	95,851
	Daiichi Sankyo Co., Ltd.	2,362,000	90,392
	Shire PLC	1,572,150	88,492
	Chugai Pharmaceutical Co., Ltd.	1,254,500	65,833
	Hikma Pharmaceuticals PLC	3,044,380	60,307
	Other securities		184,569
			<u>1,061,956</u>
Consumer discretionary	Galaxy Entertainment Group Ltd.	15,379,000	119,083
10.61%	Kering SA	160,638	90,720
	Industria de Diseño Textil, SA	2,266,027	77,430
	Techtronic Industries Co. Ltd.	12,184,500	67,945
	Naspers Ltd., Class N	256,700	65,216
	Altice USA, Inc., Class A	3,588,171	61,214
	Other securities		562,620
			<u>1,044,228</u>

International Fund

Common stocks (continued)		Shares	Value (000)
Consumer staples 8.06%	Pernod Ricard SA	657,337	\$ 107,393
	Associated British Foods PLC	2,671,488	96,534
	Nestlé SA	1,236,700	96,034
	British American Tobacco PLC	1,652,200	83,513
	AMOREPACIFIC Corp.	250,474	72,479
	Other securities		336,769
			<u>792,722</u>
Materials 7.56%	Asahi Kasei Corp.	10,521,900	133,811
	Glencore PLC	27,556,500	131,651
	Vale SA, ordinary nominative (ADR)	9,574,966	122,751
	Vale SA, ordinary nominative	102,481	1,311
	First Quantum Minerals Ltd.	5,407,000	79,666
	Teck Resources Ltd., Class B	2,769,100	70,541
	Other securities		203,642
			<u>743,373</u>
Energy 4.66%	Royal Dutch Shell PLC, Class B	2,675,000	95,796
	Royal Dutch Shell PLC, Class A	1,440,256	49,971
	Other securities		312,678
			<u>458,445</u>
Utilities 4.45%	ENN Energy Holdings Ltd.	10,716,000	105,376
	China Gas Holdings Ltd.	22,790,000	91,647
	Ørsted AS	1,469,901	88,932
	Other securities		151,770
			<u>437,725</u>
Telecommunication services 1.56%	SoftBank Group Corp.	911,900	65,669
	Other securities		87,669
			<u>153,338</u>
Real estate 1.47%	Other securities		<u>145,135</u>
Miscellaneous 1.45%	Other common stocks in initial period of acquisition		<u>142,545</u>
	Total common stocks (cost: \$7,100,559,000)		<u>8,987,230</u>
Rights & warrants 0.12%			
Miscellaneous 0.12%	Other rights & warrants in initial period of acquisition		<u>12,024</u>
	Total rights & warrants (cost: \$13,714,000)		<u>12,024</u>
Bonds, notes & other debt instruments 0.64%		Principal amount (000)	
Corporate bonds & notes 0.37%			
Materials 0.37%	First Quantum Minerals Ltd. 7.00%-7.25% 2021-2022 ³	\$ 29,445	29,875
	Vale SA 6.88% 2036-2039	5,640	6,406
			<u>36,281</u>

International Fund

Bonds, notes & other debt instruments		Principal amount (000)	Value (000)
Bonds & notes of governments & government agencies outside the U.S. 0.22%			
	Other securities		\$ 21,461
U.S. Treasury bonds & notes 0.05%			
U.S. Treasury 0.05%	Other securities		4,998
	Total bonds, notes & other debt instruments (cost: \$55,941,000)		62,740
Short-term securities 8.00%			
	Federal Home Loan Bank 1.83%-1.91% due 7/20/2018-9/7/2018	\$227,500	227,067
	Wal-Mart Stores, Inc. 1.86% due 7/2/2018 ³	65,000	64,989
	Other securities		495,437
	Total short-term securities (cost: \$787,483,000)		787,493
	Total investment securities 100.13% (cost: \$7,957,697,000)		9,849,487
	Other assets less liabilities (0.13)%		(12,887)
	Net assets 100.00%		\$9,836,600

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

Forward currency contracts

Contract amount		Counterparty	Settlement date	Unrealized appreciation at 6/30/2018 (000)
Purchases (000)	Sales (000)			
USD41,805	INR2,825,000	Bank of America, N.A.	7/17/2018	\$662

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Valued under fair value procedures adopted by authority of the board of trustees. The total value of all such securities, including those in "Miscellaneous" and "Other securities," was \$346,890,000, which represented 3.53% of the net assets of the fund.

²Acquired through a private placement transaction exempt from registration under the Securities Act of 1933. May be subject to legal or contractual restrictions on resale. Further details on this holding appear below.

³Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$573,433,000, which represented 5.83% of the net assets of the fund.

⁴Security did not produce income during the last 12 months.

Private placement security	Acquisition dates	Cost (000)	Value (000)	Percent of net assets
Axis Bank Ltd.	1/15/2013-12/18/2017	\$60,701	\$58,662	.60%

Key to abbreviations and symbol

ADR = American Depositary Receipts

INR = Indian rupees

USD/\$ = U.S. dollars

See Notes to Financial Statements

New World Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 83.44%

		Shares	Value (000)
Information technology 19.84%	Taiwan Semiconductor Manufacturing Co., Ltd.	9,770,000	\$ 69,377
	Taiwan Semiconductor Manufacturing Co., Ltd. (ADR)	500,000	18,280
	PagSeguro Digital Ltd., Class A ¹	2,417,416	67,083
	Alphabet Inc., Class C ¹	42,900	47,862
	Alphabet Inc., Class A ¹	16,900	19,083
	Alibaba Group Holding Ltd. (ADR) ¹	332,237	61,640
	Samsung Electronics Co., Ltd.	600,000	25,114
	Samsung Electronics Co., Ltd., nonvoting preferred	362,500	12,246
	Broadcom Inc.	146,450	35,535
	Murata Manufacturing Co., Ltd.	181,300	30,491
	Baidu, Inc., Class A (ADR) ¹	122,800	29,840
	Renesas Electronics Corp. ¹	3,011,800	29,543
	TravelSky Technology Ltd., Class H ¹	8,784,956	25,586
	Mastercard Inc., Class A	116,500	22,895
	Temenos AG	141,500	21,433
Other securities		158,557	
			674,565
Financials 12.07%	HDFC Bank Ltd. ²	2,600,450	80,031
	AIA Group Ltd.	6,361,600	55,624
	B3 SA - Brasil, Bolsa, Balcao	7,898,000	41,673
	Grupo Financiero Galicia SA, Class B (ADR)	1,004,234	33,120
	Shriram Transport Finance Co. Ltd.	1,253,000	23,764
	Capitec Bank Holdings Ltd.	326,876	20,684
	Other securities		155,486
			410,382
Materials 10.23%	First Quantum Minerals Ltd.	5,680,283	83,693
	Vale SA, ordinary nominative	4,093,786	52,380
	Randgold Resources Ltd.	529,600	40,678
	China Hongqiao Group Ltd.	27,221,000	25,675
	Aluminum Corp. of China Ltd., Class H ¹	57,800,000	25,490
	Other securities		119,838
			347,754
Consumer discretionary 9.63%	Sony Corp.	700,000	35,811
	Maruti Suzuki India Ltd.	260,500	33,556
	MakeMyTrip Ltd., non-registered shares ¹	871,500	31,505
	General Motors Co.	542,000	21,355
	Other securities		205,323
			327,550
Energy 9.01%	Reliance Industries Ltd.	13,230,790	187,788
	Royal Dutch Shell PLC, Class B	1,050,000	37,602
	Royal Dutch Shell PLC, Class A	21,628	750
	LUKOIL Oil Co. PJSC (ADR)	303,000	20,719
	Other securities		59,622
			306,481
Health care 6.96%	Yunnan Baiyao Group Co., Ltd., Class A	2,417,912	39,035
	CSL Ltd.	209,500	29,864
	Jiangsu Hengrui Medicine Co., Ltd., Class A	2,360,410	26,991
	Other securities		140,763
			236,653

New World Fund

Common stocks		Shares	Value (000)
Consumer staples 6.89%	British American Tobacco PLC	1,557,000	\$ 78,701
	CP ALL PCL, foreign registered	13,410,800	29,752
	Foshan Haitian Flavouring and Food Co. Ltd., Class A	2,250,000	25,009
	Lenta Ltd. (GDR) ¹	4,040,000	22,260
	Lenta Ltd. (GDR) ^{1,3}	244,500	1,347
	Nestlé SA	286,196	22,224
	Other securities		54,787
			<u>234,080</u>
Industrials 5.75%	Airbus SE, non-registered shares	594,229	69,574
	Eicher Motors Ltd.	118,200	49,323
	Other securities		76,738
			<u>195,635</u>
Real estate 1.12%	American Tower Corp. REIT	236,800	34,140
	Other securities		3,794
			<u>37,934</u>
Utilities 1.06%	Other securities		<u>36,168</u>
Telecommunication services 0.88%	China Unicom (Hong Kong) Ltd.	19,034,000	23,776
	Other securities		6,121
			<u>29,897</u>
Miscellaneous 0.00%	Other common stocks in initial period of acquisition		67
	Total common stocks (cost: \$2,329,478,000)		<u>2,837,166</u>
Preferred securities 0.04%			
Information technology 0.04%	Other securities		1,340
	Total preferred securities (cost: \$1,340,000)		<u>1,340</u>
Rights & warrants 1.13%			
Consumer staples 1.13%	Foshan Haitian Flavouring and Food Co., Ltd., Class A, warrants, expire 2018 ^{1,2,3}	2,330,000	25,898
	Other securities		12,561
			<u>38,459</u>
	Total rights & warrants (cost: \$21,028,000)		<u>38,459</u>
Bonds, notes & other debt instruments 2.79%		Principal amount (000)	
Bonds & notes of governments & government agencies outside the U.S. 2.29%			
	Other securities		<u>77,892</u>
Corporate bonds & notes 0.47%			
Materials 0.01%	Vale SA 6.25% 2026	\$ 405	<u>440</u>

New World Fund

Bonds, notes & other debt instruments (continued)		Principal amount (000)	Value (000)
Corporate bonds & notes (continued)			
Other 0.46%	Other securities		\$ 15,659
U.S. Treasury bonds & notes 0.03%			
U.S. Treasury 0.03%	Other securities		1,000
	Total bonds, notes & other debt instruments (cost: \$100,554,000)		<u>94,991</u>

Short-term securities 12.06%

	Australia & New Zealand Banking Group, Ltd. 1.95% due 7/13/2018 ³	\$40,000	39,970
	BASF SE 2.04% due 8/6/2018 ³	21,500	21,455
	CPPIB Capital Inc. 1.95% due 7/16/2018-7/23/2018	80,000	79,910
	Federal Home Loan Bank 1.77%-1.90% due 7/11/2018-8/13/2018	55,000	54,935
	Mizuho Bank, Ltd. 1.92% due 7/6/2018 ³	68,000	67,974
	Swedbank AB 1.85%-1.89% due 7/2/2018-7/5/2018	71,600	71,581
	Wal-Mart Stores, Inc. 1.93% due 7/2/2018 ³	25,000	24,996
	Other securities		49,196
	Total short-term securities (cost: \$410,064,000)		<u>410,017</u>
	Total investment securities 99.46% (cost: \$2,862,464,000)		3,381,973
	Other assets less liabilities 0.54%		18,251
	Net assets 100.00%		<u><u>\$3,400,224</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

Forward currency contracts

Contract amount		Counterparty	Settlement date	Unrealized appreciation (depreciation) at 6/30/2018 (000)
Purchases (000)	Sales (000)			
USD841	BRL3,000	JPMorgan Chase	7/9/2018	\$ 68
USD113	MXN2,100	JPMorgan Chase	7/9/2018	7
USD1,766	BRL6,300	JPMorgan Chase	7/12/2018	143
USD4,296	INR289,525	JPMorgan Chase	7/12/2018	77
USD1,258	ZAR16,605	Goldman Sachs	7/12/2018	50
USD1,389	JPY153,000	Goldman Sachs	7/18/2018	5
JPY153,000	USD1,385	Goldman Sachs	7/18/2018	(1)
USD1,637	INR112,350	Citibank	7/24/2018	2
USD574	JPY63,000	Citibank	7/25/2018	4
USD1,798	INR120,000	Citibank	9/24/2018	66
USD968	EUR805	Bank of America, N.A.	12/13/2018	15
USD406	EUR320	Citibank	3/6/2019	24
USD531	EUR415	Goldman Sachs	3/8/2019	36
USD323	EUR255	Goldman Sachs	3/8/2019	19
USD1,396	EUR1,100	JPMorgan Chase	3/15/2019	84
				<u><u>\$599</u></u>

New World Fund

¹Security did not produce income during the last 12 months.

²Valued under fair value procedures adopted by authority of the board of trustees. The total value of all such securities, including those in "Other securities," was \$156,809,000, which represented 4.61% of the net assets of the fund.

³Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$293,875,000, which represented 8.64% of the net assets of the fund.

Key to abbreviations and symbol

ADR = American Depositary Receipts

BRL = Brazilian reais

EUR = Euros

GDR = Global Depositary Receipts

INR = Indian rupees

JPY = Japanese yen

MXN = Mexican pesos

USD/\$ = U.S. dollars

ZAR = South African rand

See Notes to Financial Statements

Blue Chip Income and Growth Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 96.18%		Shares	Value (000)
Health care 21.70%	AbbVie Inc.	6,711,500	\$ 621,820
	Amgen Inc.	1,616,800	298,445
	Abbott Laboratories	4,365,000	266,221
	Teva Pharmaceutical Industries Ltd. (ADR)	10,833,800	263,478
	Gilead Sciences, Inc.	3,369,312	238,682
	Medtronic PLC	900,000	77,049
	Bristol-Myers Squibb Co.	1,125,000	62,258
	Other securities		146,050
			<u>1,974,003</u>
Information technology 15.45%	Intel Corp.	5,628,200	279,778
	Microsoft Corp.	2,805,000	276,601
	Alphabet Inc., Class A ¹	179,550	202,746
	Alphabet Inc., Class C ¹	17,500	19,524
	QUALCOMM Inc.	3,923,876	220,208
	Facebook, Inc., Class A ¹	714,000	138,744
	Apple Inc.	624,180	115,542
	Texas Instruments Inc.	780,000	85,995
	Other securities		66,794
			<u>1,405,932</u>
Industrials 10.97%	CSX Corp.	3,919,000	249,954
	General Electric Co.	16,487,000	224,388
	General Dynamics Corp.	1,011,000	188,460
	Union Pacific Corp.	750,000	106,260
	Illinois Tool Works Inc.	650,000	90,051
	United Technologies Corp.	500,000	62,515
	Other securities		75,929
			<u>997,557</u>
Consumer staples 10.46%	Altria Group, Inc.	4,155,000	235,963
	British American Tobacco PLC (ADR)	3,075,912	155,180
	Costco Wholesale Corp.	606,255	126,695
	Philip Morris International Inc.	1,365,000	110,210
	Kellogg Co.	792,000	55,337
	Coca-Cola Co.	1,250,000	54,825
	Kimberly-Clark Corp.	500,000	52,670
	Other securities		160,342
			<u>951,222</u>
Consumer discretionary 10.31%	Twenty-First Century Fox, Inc., Class A	3,955,900	196,569
	Lowe's Companies, Inc.	1,739,000	166,196
	CBS Corp., Class B	2,023,400	113,755
	Marriott International, Inc., Class A	626,500	79,315
	McDonald's Corp.	500,000	78,345
	Viacom Inc., Class B	2,112,850	63,724
	Omnicom Group Inc.	750,000	57,202
	Other securities		182,748
			<u>937,854</u>
Financials 9.53%	Wells Fargo & Co.	6,847,300	379,614
	JPMorgan Chase & Co.	1,763,200	183,725
	Charles Schwab Corp.	2,175,000	111,143
	Other securities		192,436
			<u>866,918</u>

Blue Chip Income and Growth Fund

Common stocks		Shares	Value (000)
Energy 9.33%	EOG Resources, Inc.	2,160,500	\$ 268,831
	Exxon Mobil Corp.	2,535,000	209,721
	Halliburton Co.	2,846,700	128,272
	Canadian Natural Resources, Ltd.	2,944,000	106,190
	Royal Dutch Shell PLC, Class B (ADR)	1,347,000	97,860
	Other securities		37,737
			<u>848,611</u>
Telecommunication services 3.25%	Verizon Communications Inc.	3,306,480	166,349
	CenturyLink, Inc.	3,476,800	64,808
	AT&T Inc.	2,000,000	64,220
			<u>295,377</u>
Materials 2.41%	Freeport-McMoRan Inc.	6,536,000	112,811
	Praxair, Inc.	552,000	87,299
	Other securities		19,474
			<u>219,584</u>
Utilities 1.66%	Edison International	832,300	52,660
	Other securities		98,086
			<u>150,746</u>
Real estate 0.82%	Other securities		<u>74,396</u>
Miscellaneous 0.29%	Other common stocks in initial period of acquisition		<u>26,164</u>
	Total common stocks (cost: \$7,063,606,000)		<u>8,748,364</u>
Short-term securities 3.79%		Principal amount (000)	
	Federal Home Loan Bank 1.78%-1.90% due 7/16/2018-8/17/2018	\$ 124,100	123,925
	U.S. Treasury Bills 1.60%-1.99% due 7/19/2018-11/15/2018	59,500	59,119
	Other securities		161,576
	Total short-term securities (cost: \$344,620,000)		<u>344,620</u>
	Total investment securities 99.97% (cost: \$7,408,226,000)		9,092,984
	Other assets less liabilities 0.03%		<u>2,890</u>
	Net assets 100.00%		<u>\$9,095,874</u>

Blue Chip Income and Growth Fund

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" also includes securities (with an aggregate value of \$126,191,000, which represented 1.39% of the net assets of the fund) which were acquired in transactions exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933 and may be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers.

¹Security did not produce income during the last 12 months.

Key to abbreviation

ADR = American Depositary Receipts

See Notes to Financial Statements

Global Growth and Income Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 91.19%		Shares	Value (000)
Information technology 23.49%	Nintendo Co., Ltd.	249,000	\$ 81,415
	Microsoft Corp.	641,000	63,209
	Taiwan Semiconductor Manufacturing Co., Ltd.	7,406,800	52,596
	United Microelectronics Corp. ¹	54,200,000	30,569
	Alphabet Inc., Class A ²	16,800	18,970
	Alphabet Inc., Class C ²	9,000	10,041
	Alibaba Group Holding Ltd. (ADR) ²	154,500	28,664
	Murata Manufacturing Co., Ltd.	170,000	28,591
	Broadcom Inc.	117,500	28,510
	PagSeguro Digital Ltd., Class A ²	998,752	27,715
	Facebook, Inc., Class A ²	120,000	23,319
	AAC Technologies Holdings Inc.	1,503,500	21,176
	TE Connectivity Ltd.	200,000	18,012
	Temenos AG	101,000	15,298
Other securities		29,975	
			<u>478,060</u>
Industrials 10.10%	Airbus SE, non-registered shares	503,000	58,893
	Boeing Co.	87,000	29,189
	Grupo Aeroportuario del Pacífico SAB de CV	2,930,000	27,130
	Deutsche Post AG	523,000	17,083
	Ryanair Holdings PLC (ADR) ²	141,375	16,149
	Lockheed Martin Corp.	51,800	15,303
	Other securities		41,812
			<u>205,559</u>
Financials 9.51%	Société Générale	497,000	20,961
	Prudential PLC	765,000	17,512
	AIA Group Ltd.	1,860,000	16,263
	Other securities		138,790
			<u>193,526</u>
Health care 8.61%	UnitedHealth Group Inc.	203,300	49,878
	Merck & Co., Inc.	437,000	26,526
	Centene Corp. ²	212,000	26,120
	Hologic, Inc. ²	400,000	15,900
	Other securities		56,769
			<u>175,193</u>
Consumer discretionary 8.10%	Home Depot, Inc.	122,000	23,802
	Amazon.com, Inc. ²	14,000	23,797
	Las Vegas Sands Corp.	250,000	19,090
	Vivendi SA	715,200	17,539
	Nitori Holdings Co., Ltd.	105,000	16,388
	Other securities		64,286
			<u>164,902</u>
Materials 8.06%	Century Aluminum Co. ²	2,275,000	35,831
	Randgold Resources Ltd.	271,100	20,823
	Vale SA, ordinary nominative	1,075,000	13,755
	Vale SA, ordinary nominative (ADR)	505,000	6,474
	BHP Billiton PLC	800,000	18,012
	DowDuPont Inc.	232,044	15,296
	Other securities		53,905
			<u>164,096</u>

Global Growth and Income Fund

Common stocks (continued)		Shares	Value (000)
Consumer staples 6.97%	British American Tobacco PLC	1,335,000	\$ 67,479
	Nestlé SA	258,700	20,089
	Other securities		54,236
			<u>141,804</u>
Energy 5.89%	Reliance Industries Ltd.	2,915,148	41,375
	BP PLC	3,730,000	28,468
	Royal Dutch Shell PLC, Class B	325,000	11,639
	Royal Dutch Shell PLC, Class B (ADR)	150,000	10,897
	Coal India Ltd.	4,310,000	16,629
	Other securities		10,861
			<u>119,869</u>
Real estate 2.99%	MGM Growth Properties LLC REIT, Class A	676,200	20,597
	Gaming and Leisure Properties, Inc. REIT	425,000	15,215
	Other securities		24,992
			<u>60,804</u>
Telecommunication services 1.63%	Verizon Communications Inc.	435,000	21,885
	Other securities		11,328
			<u>33,213</u>
Utilities 1.46%	Ørsted AS	491,552	29,740
			<u>29,740</u>
Miscellaneous 4.38%	Other common stocks in initial period of acquisition		89,264
	Total common stocks (cost: \$1,429,021,000)		<u>1,856,030</u>

Rights & warrants 0.01%

Miscellaneous 0.01%	Other rights & warrants in initial period of acquisition		154
	Total rights & warrants (cost: \$163,000)		<u>154</u>

Bonds, notes & other debt instruments 2.03%

		Principal amount (000)	
Corporate bonds & notes 1.98%			
Telecommunication services 1.69%	Sprint Corp. 7.25% 2021	\$ 33,000	<u>34,402</u>
Health care 0.29%	Other securities		<u>5,815</u>
U.S. Treasury bonds & notes 0.05%			
U.S. Treasury 0.05%	Other securities		<u>1,000</u>
	Total bonds, notes & other debt instruments (cost: \$39,059,000)		<u>41,217</u>

Global Growth and Income Fund

Short-term securities 6.47%	Principal amount (000)	Value (000)
American Honda Finance Corp. 2.15% due 9/10/2018	\$15,000	\$ 14,935
Federal Home Loan Bank 1.84% due 8/1/2018	25,000	24,963
Société Générale 1.79% due 7/2/2018 ³	10,000	9,999
Swedbank AB 1.85%-1.89% due 7/2/2018-7/5/2018	47,300	47,289
Other securities		34,469
Total short-term securities (cost: \$131,662,000)		<u>131,655</u>
Total investment securities 99.70% (cost: \$1,599,905,000)		2,029,056
Other assets less liabilities 0.30%		<u>6,177</u>
Net assets 100.00%		<u><u>\$2,035,233</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

¹Valued under fair value procedures adopted by authority of the board of trustees. The total value of the security, including those in "Other securities," was \$30,569,000, which represented 1.50% of the net assets of the fund.

²Security did not produce income during the last 12 months.

³Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities was \$44,468,000, which represented 2.18% of the net assets of the fund.

Key to abbreviation

ADR = American Depositary Receipts

See Notes to Financial Statements

Growth-Income Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 91.65%		Shares	Value (000)
Information technology 18.09%	Alphabet Inc., Class A ¹	568,300	\$ 641,719
	Alphabet Inc., Class C ¹	377,284	420,917
	Microsoft Corp.	9,316,400	918,690
	Facebook, Inc., Class A ¹	3,498,600	679,848
	Intel Corp.	9,190,900	456,880
	Texas Instruments Inc.	3,340,982	368,343
	Broadcom Inc.	1,495,784	362,937
	Accenture PLC, Class A	1,504,900	246,187
	QUALCOMM Inc.	4,173,975	234,243
	Mastercard Inc., Class A	1,100,000	216,172
	Other securities		1,160,801
		<u>5,706,737</u>	
Consumer discretionary 13.59%	Netflix, Inc. ¹	2,982,977	1,167,627
	Amazon.com, Inc. ¹	593,500	1,008,831
	Twenty-First Century Fox, Inc., Class A	5,441,000	270,363
	NIKE, Inc., Class B	2,901,200	231,168
	Home Depot, Inc.	1,132,420	220,935
	Comcast Corp., Class A	5,856,200	192,142
	Other securities		1,196,267
		<u>4,287,333</u>	
Health care 13.51%	AbbVie Inc.	6,563,841	608,140
	UnitedHealth Group Inc.	2,170,668	532,552
	Amgen Inc.	2,470,983	456,119
	Gilead Sciences, Inc.	5,535,100	392,106
	Abbott Laboratories	5,184,269	316,189
	Express Scripts Holding Co. ¹	3,410,324	263,311
	Merck & Co., Inc.	3,714,380	225,463
	Stryker Corp.	1,091,544	184,318
Other securities		1,283,937	
		<u>4,262,135</u>	
Financials 10.67%	JPMorgan Chase & Co.	4,733,030	493,182
	Wells Fargo & Co.	6,382,100	353,824
	Bank of New York Mellon Corp.	4,570,400	246,482
	Intercontinental Exchange, Inc.	3,073,355	226,045
	State Street Corp.	1,795,500	167,143
	Other securities		1,879,262
		<u>3,365,938</u>	
Industrials 10.20%	General Dynamics Corp.	2,035,000	379,344
	Airbus SE, non-registered shares	2,782,764	325,816
	BWX Technologies, Inc.	4,908,579	305,903
	Textron Inc.	3,885,077	256,065
	CSX Corp.	3,362,000	214,428
	Other securities		1,738,228
		<u>3,219,784</u>	
Consumer staples 7.97%	Coca-Cola Co.	7,063,100	309,787
	British American Tobacco PLC	5,192,860	262,481
	British American Tobacco PLC (ADR)	494,440	24,944
	Lamb Weston Holdings, Inc.	3,533,000	242,046

Growth-Income Fund

Common stocks		Shares	Value (000)
	Altria Group, Inc.	3,588,000	\$ 203,762
	Philip Morris International Inc.	2,192,170	176,996
	Other securities		1,295,505
			<u>2,515,521</u>
Energy 6.39%	Exxon Mobil Corp.	4,034,000	333,733
	Chevron Corp.	2,337,200	295,492
	EOG Resources, Inc.	1,548,300	192,655
	Other securities		1,194,581
			<u>2,016,461</u>
Materials 4.02%	Celanese Corp., Series A	2,573,233	285,783
	Vale SA, ordinary nominative (ADR)	17,367,884	222,656
	Vale SA, ordinary nominative	3,570,848	45,689
	DowDuPont Inc.	3,737,900	246,403
	Other securities		467,365
			<u>1,267,896</u>
Real estate 1.63%	Crown Castle International Corp. REIT	1,548,200	166,927
	Other securities		347,788
			<u>514,715</u>
Utilities 1.39%	Sempra Energy	2,112,942	245,334
	Other securities		194,779
			<u>440,113</u>
Telecommunication services 1.28%	Verizon Communications Inc.	7,348,400	369,698
	Other securities		34,522
			<u>404,220</u>
Mutual funds 0.18%	Other securities		<u>57,781</u>
Miscellaneous 2.73%	Other common stocks in initial period of acquisition		<u>860,215</u>
	Total common stocks (cost: \$20,259,215,000)		<u>28,918,849</u>
Convertible stocks 0.06%			
Financials 0.02%	Other securities		<u>7,305</u>
Miscellaneous 0.04%	Other convertible stocks in initial period of acquisition		<u>11,888</u>
	Total convertible stocks (cost: \$18,683,000)		<u>19,193</u>
Convertible bonds 0.14%			
Energy 0.14%	Other securities		<u>42,780</u>
	Total convertible bonds (cost: \$43,359,000)		<u>42,780</u>

Growth-Income Fund

Short-term securities 7.88%

	Principal amount (000)	Value (000)
Chevron Corp. 2.05% due 9/17/2018 ²	\$ 50,000	\$ 49,772
ExxonMobil Corp. 1.97%-2.02% due 8/14/2018-8/27/2018	95,500	95,219
Federal Home Loan Bank 1.70%-1.91% due 7/5/2018-8/29/2018	856,000	854,806
General Dynamics Corp. 2.03% due 8/8/2018 ²	25,000	24,943
Intel Corp. 1.98% due 8/7/2018 ²	75,000	74,839
U.S. Treasury Bills 1.61%-2.00% due 7/12/2018-11/15/2018	691,200	687,916
Other securities		700,692
Total short-term securities (cost: \$2,488,142,000)		<u>2,488,187</u>
Total investment securities 99.73% (cost: \$22,809,399,000)		31,469,009
Other assets less liabilities 0.27%		84,011
Net assets 100.00%		<u><u>\$31,553,020</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$155,786,000, which represented .49% of the net assets of the fund. One security in "Other securities" (with a value of \$7,305,000, an aggregate cost of \$6,000,000, and which represented .02% of the net assets of the fund) was acquired on 6/28/2012 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject it to legal or contractual restrictions on resale.

¹Security did not produce income during the last 12 months.

²Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$748,339,000, which represented 2.37% of the net assets of the fund.

Key to abbreviation

ADR = American Depositary Receipts

See Notes to Financial Statements

International Growth and Income Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 90.64%		Shares	Value (000)
Financials 20.57%	HDFC Bank Ltd. ¹	1,228,800	\$ 37,817
	Zurich Insurance Group AG	92,200	27,382
	Banco Santander, SA	4,488,061	24,067
	BNP Paribas SA	300,300	18,653
	Prudential PLC	738,000	16,894
	KB Financial Group Inc.	356,500	16,889
	AIA Group Ltd.	1,833,000	16,027
	Swedbank AB, Class A	611,000	13,084
	Sumitomo Mitsui Financial Group, Inc.	308,000	11,979
	Sberbank of Russia PJSC (ADR)	802,660	11,586
	Intesa Sanpaolo SpA	3,590,000	10,424
	Other securities		96,746
			<u>301,548</u>
Health care 9.93%	Novartis AG	426,145	32,394
	Hikma Pharmaceuticals PLC	1,317,700	26,103
	Fresenius SE & Co. KGaA	286,000	22,979
	Daiichi Sankyo Co., Ltd.	561,000	21,469
	Teva Pharmaceutical Industries Ltd. (ADR)	662,000	16,100
	Essilor International SA	100,072	14,129
	Other securities		12,304
			<u>145,478</u>
Information technology 8.93%	Samsung Electronics Co., Ltd.	646,634	27,066
	Tencent Holdings Ltd.	440,700	22,120
	Lenovo Group Ltd.	35,600,000	19,285
	Yandex NV, Class A ²	470,000	16,873
	Tokyo Electron Ltd.	63,700	10,943
	Taiwan Semiconductor Manufacturing Co., Ltd.	1,464,000	10,396
	Other securities		24,237
			<u>130,920</u>
Materials 8.49%	Rio Tinto PLC	1,098,800	60,920
	Vale SA, ordinary nominative (ADR)	1,701,000	21,807
	Yara International ASA	343,000	14,235
	Other securities		27,394
			<u>124,356</u>
Consumer staples 7.81%	British American Tobacco PLC	931,402	47,079
	Pernod Ricard SA	128,650	21,018
	Imperial Brands PLC	316,016	11,770
	Other securities		34,654
			<u>114,521</u>
Industrials 7.33%	Airbus SE, non-registered shares	253,960	29,734
	Shanghai International Airport Co., Ltd., Class A	3,256,033	27,266
	ASSA ABLOY AB, Class B	681,100	14,517
	Rolls-Royce Holdings PLC ²	838,400	10,934
	Other securities		24,963
			<u>107,414</u>

International Growth and Income Fund

Common stocks (continued)		Shares	Value (000)
Energy 7.05%	Royal Dutch Shell PLC, Class A	1,933,691	\$ 67,091
	Royal Dutch Shell PLC, Class B	89,900	3,219
	TOTAL SA	305,299	18,615
	Other securities		14,420
			<u>103,345</u>
Consumer discretionary 6.21%	LVMH Moët Hennessy-Louis Vuitton SE	48,000	15,987
	NEXT PLC	131,000	10,460
	Naspers Ltd., Class N	41,000	10,416
	Other securities		54,159
			<u>91,022</u>
Utilities 5.92%	Ørsted AS	441,200	26,694
	EDP - Energias de Portugal, SA	4,019,498	15,960
	Other securities		44,042
			<u>86,696</u>
Real estate 4.57%	Sun Hung Kai Properties Ltd.	1,760,000	26,561
	Daito Trust Construction Co., Ltd.	95,500	15,535
	CK Asset Holdings Ltd.	1,797,348	14,272
	China Resources Land Ltd.	3,162,000	10,660
			<u>67,028</u>
Telecommunication services 2.75%	Nippon Telegraph and Telephone Corp.	409,800	18,640
	BT Group PLC	4,859,461	13,968
	Other securities		7,733
			<u>40,341</u>
Miscellaneous 1.08%	Other common stocks in initial period of acquisition		15,814
	Total common stocks (cost: \$1,219,768,000)		<u>1,328,483</u>

Bonds, notes & other debt instruments 1.39%

Principal amount
(000)

Bonds & notes of governments & government agencies outside the U.S. 0.84%

Other securities		<u>12,357</u>
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Corporate bonds & notes 0.52%

Energy 0.29%	Other securities		<u>4,223</u>
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Health care 0.23%	Teva Pharmaceutical Finance Company BV 3.15%-4.10% 2026-2046	\$ 2,220	1,685
	Other securities		1,725
			<u>3,410</u>
	Total corporate bonds & notes		<u>7,633</u>

U.S. Treasury bonds & notes 0.03%

U.S. Treasury 0.03%	Other securities		<u>420</u>
	Total bonds, notes & other debt instruments (cost: \$21,587,000)		<u>20,410</u>

International Growth and Income Fund

Short-term securities 7.70%

	Principal amount (000)	Value (000)
Mizuho Bank, Ltd. 2.05% due 8/7/2018 ³	\$17,200	\$ 17,162
Nestlé Capital Corp. 2.08% due 9/4/2018 ³	15,200	15,143
Société Générale 1.79% due 7/2/2018 ³	21,000	20,997
Swedbank AB 2.21%-2.22% due 9/18/2018-9/24/2018	41,800	41,588
Other securities		17,953
Total short-term securities (cost: \$112,845,000)		<u>112,843</u>
Total investment securities 99.73% (cost: \$1,354,200,000)		1,461,736
Other assets less liabilities 0.27%		<u>3,946</u>
Net assets 100.00%		<u><u>\$1,465,682</u></u>

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"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. One security in "Other securities" (with a value of \$3,924,000, an aggregate cost of \$4,634,000, and which represented .27% of the net assets of the fund) was acquired on 12/18/2017 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject it to legal or contractual restrictions on resale.

¹Valued under fair value procedures adopted by authority of the board of trustees. The total value of all such securities, including those in "Other securities," was \$41,741,000, which represented 2.85% of the net assets of the fund.

²Security did not produce income during the last 12 months.

³Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$72,424,000, which represented 4.94% of the net assets of the fund.

Key to abbreviation

ADR = American Depositary Receipts

See Notes to Financial Statements

Capital Income Builder

Summary investment portfolio June 30, 2018

unaudited

Common stocks 67.25%		Shares	Value (000)
Financials 9.87%	Wells Fargo & Co.	164,800	\$ 9,137
	CME Group Inc., Class A	48,916	8,018
	Sampo Oyj, Class A	107,469	5,246
	Swedbank AB, Class A	166,138	3,558
	Other securities		38,094
Energy 8.87%	Royal Dutch Shell PLC, Class B	303,840	10,881
	Royal Dutch Shell PLC, Class B (ADR)	8,500	618
	Royal Dutch Shell PLC, Class A	101	3
	Enbridge Inc. (CAD denominated)	229,370	8,200
	Enbridge Inc. (CAD denominated) ¹	12,969	464
	Schlumberger Ltd.	119,800	8,030
	Occidental Petroleum Corp.	89,300	7,473
	Kinder Morgan, Inc.	359,000	6,343
	Williams Companies, Inc.	215,800	5,850
	Other securities		9,738
			<u>57,600</u>
Information technology 8.55%	Microsoft Corp.	132,120	13,028
	QUALCOMM Inc.	185,600	10,416
	Taiwan Semiconductor Manufacturing Co., Ltd.	1,005,800	7,142
	Intel Corp.	135,200	6,721
	Broadcom Inc.	23,100	5,605
	Other securities		12,574
			<u>55,486</u>
Consumer staples 8.18%	Diageo PLC	259,500	9,322
	British American Tobacco PLC	155,000	7,835
	Philip Morris International Inc.	86,020	6,945
	Coca-Cola Co.	148,000	6,491
	Imperial Brands PLC	141,500	5,270
	Other securities		17,231
			<u>53,094</u>
Real estate 6.41%	American Tower Corp. REIT	87,769	12,654
	Crown Castle International Corp. REIT	76,900	8,291
	Digital Realty Trust, Inc. REIT	51,200	5,713
	Other securities		14,977
			<u>41,635</u>
Consumer discretionary 6.22%	Las Vegas Sands Corp.	176,600	13,484
	Greene King PLC	948,000	7,202
	Sands China Ltd.	1,018,800	5,448
	Other securities		14,227
			<u>40,361</u>
Utilities 4.50%	SSE PLC	477,689	8,542
	Enel SPA	1,160,877	6,449
	Other securities		14,213
			<u>29,204</u>

Capital Income Builder

Common stocks		Shares	Value (000)
Telecommunication services 4.35%	Vodafone Group PLC	4,255,100	\$ 10,323
	HKT Trust and HKT Ltd., units	4,775,340	6,099
	Other securities		11,833
			<u>28,255</u>
Industrials 3.59%	Airbus SE, non-registered shares	88,814	10,398
	Boeing Co.	17,600	5,905
	Other securities		6,977
			<u>23,280</u>
Health care 3.54%	AstraZeneca PLC (ADR)	113,500	3,985
	AstraZeneca PLC	39,300	2,725
	Roche Holding AG, non-registered shares, nonvoting	23,575	5,250
	Other securities		11,015
			<u>22,975</u>
Materials 1.82%	DowDuPont Inc.	84,800	5,590
	Other securities		6,253
			<u>11,843</u>
Miscellaneous 1.35%	Other common stocks in initial period of acquisition		8,754
	Total common stocks (cost: \$424,055,000)		<u>436,540</u>

Convertible stocks 0.72%

Utilities 0.38%	Other securities		<u>2,477</u>
Real estate 0.34%	Crown Castle International Corp. REIT, Series A, 6.875% convertible preferred 2020	2,231	2,229
	Total convertible stocks (cost: \$4,742,000)		<u>4,706</u>

Bonds, notes & other debt instruments 23.54%

		Principal amount (000)	
U.S. Treasury bonds & notes 13.04%			
U.S. Treasury 12.25%	U.S. Treasury 1.625% 2022	\$ 6,050	5,793
	U.S. Treasury 1.875% 2022	9,000	8,711
	U.S. Treasury 2.00% 2022	15,000	14,561
	U.S. Treasury 2.125% 2022	8,800	8,576
	U.S. Treasury 2.00% 2025	13,200	12,499
	U.S. Treasury, principal only, 0% 2047	12,400	5,206
	U.S. Treasury 1.75%-8.00% 2021-2048	24,283	24,184
			<u>79,530</u>
U.S. Treasury inflation-protected securities 0.79%	U.S. Treasury Inflation-Protected Securities 0.38%-0.50% 2027-2028 ²	5,952	5,092
	Total U.S. Treasury bonds & notes		<u>84,622</u>

Capital Income Builder

Bonds, notes & other debt instruments (continued)		Principal amount (000)	Value (000)
Mortgage-backed obligations 7.08%			
Federal agency mortgage-backed obligations 6.88%	Fannie Mae 4.00% 2047 ³	\$ 9,639	\$ 9,848
	Fannie Mae 4.50% 2048 ³	7,956	8,337
	Fannie Mae 4.50% 2048 ³	5,975	6,261
	Fannie Mae 4.00% 2046-2047 ³	1,966	2,009
	Freddie Mac 4.50% 2048 ^{3,4}	5,552	5,768
	Other securities		12,479
			<u>44,702</u>
Other 0.20%	Other securities		1,279
	Total mortgage-backed obligations		<u>45,981</u>
Corporate bonds & notes 3.34%			
Financials 1.26%	CME Group Inc. 4.15% 2048	200	203
	Wells Fargo & Co. 3.55%-4.60% 2021-2025	399	406
	Other securities		7,600
			<u>8,209</u>
Utilities 0.51%	Enel Finance International SA 3.625% 2027 ¹	215	197
	Other securities		3,102
			<u>3,299</u>
Consumer staples 0.36%	British American Tobacco PLC 3.56%-4.54% 2027-2047 ¹	750	700
	Reynolds American Inc. 6.875% 2020	300	318
	Other securities		1,319
			<u>2,337</u>
Energy 0.28%	Kinder Morgan, Inc. 4.30%-5.55% 2028-2045	250	252
	Other securities		1,545
			<u>1,797</u>
Telecommunication services 0.27%	Vodafone Group PLC 3.75%-5.25% 2024-2048	650	647
	Other securities		1,093
			<u>1,740</u>
Other 0.66%	Other securities		4,314
	Total corporate bonds & notes		<u>21,696</u>
Asset-backed obligations 0.08%			
	Other securities		494
	Total bonds, notes & other debt instruments (cost: \$155,499,000)		<u>152,793</u>
Short-term securities 9.94%			
	Eli Lilly and Co. 1.97% due 7/18/2018 ¹	7,800	7,792
	Emerson Electric Co. 1.92%-1.99% due 7/23/2018-8/8/2018 ¹	13,500	13,477
	Federal Home Loan Bank 1.80%-1.88% due 7/6/2018-8/2/2018	10,700	10,687
	Kimberly-Clark Corp. 1.95% due 7/11/2018 ¹	7,800	7,795

Capital Income Builder

Short-term securities	Principal amount (000)	Value (000)
Swedbank AB 1.85% due 7/2/2018	\$10,000	\$ 9,998
Tennessee Valley Authority 1.88% due 7/17/2018	5,800	5,795
Other securities		8,987
Total short-term securities (cost: \$64,536,000)		<u>64,531</u>
Total investment securities 101.45% (cost: \$648,832,000)		658,570
Other assets less liabilities (1.45)%		<u>(9,433)</u>
Net assets 100.00%		<u><u>\$649,137</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$424,000, which represented .07% of the net assets of the fund. This amount includes \$156,000 related to certain securities trading outside the U.S. whose values were adjusted as a result of significant market movements following the close of local trading.

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$45,324,000, which represented 6.98% of the net assets of the fund.

²Index-linked bond whose principal amount moves with a government price index.

³Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁴Purchased on a TBA basis.

Key to abbreviations

ADR = American Depositary Receipts

CAD = Canadian dollars

TBA = To-be-announced

See Notes to Financial Statements

Asset Allocation Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 62.22%

		Shares	Value (000)
Information technology 17.01%	Microsoft Corp.	7,220,000	\$ 711,964
	Taiwan Semiconductor Manufacturing Co., Ltd. (ADR)	14,251,000	521,016
	Taiwan Semiconductor Manufacturing Co., Ltd.	8,600,000	61,069
	ASML Holding NV (New York registered)	2,202,100	435,950
	VeriSign, Inc. ¹	3,140,000	431,499
	Broadcom Inc.	1,458,000	353,769
	Intel Corp.	6,945,000	345,236
	Intuit Inc.	1,100,000	224,735
	Facebook, Inc., Class A ¹	986,000	191,600
	Western Digital Corp.	2,400,000	185,784
QUALCOMM Inc.	3,000,000	168,360	
Other securities		779,358	
			<u>4,410,340</u>
Health care 10.18%	UnitedHealth Group Inc.	2,390,000	586,362
	Johnson & Johnson	2,900,000	351,886
	Humana Inc.	965,000	287,213
	Aetna Inc.	1,400,000	256,900
	Express Scripts Holding Co. ¹	3,100,000	239,351
	AbbVie Inc.	2,329,000	215,782
	Molina Healthcare, Inc. ¹	1,500,000	146,910
Other securities		556,024	
			<u>2,640,428</u>
Financials 8.77%	Wells Fargo & Co.	5,906,400	327,451
	Chubb Ltd.	2,450,000	311,199
	First Republic Bank	2,580,000	249,718
	Arch Capital Group Ltd. ¹	8,496,000	224,804
	JPMorgan Chase & Co.	2,100,000	218,820
	Bank of America Corp.	6,000,000	169,140
	Citigroup Inc.	2,500,000	167,300
	Other securities		605,510
			<u>2,273,942</u>
Consumer discretionary 6.64%	Home Depot, Inc.	1,400,000	273,140
	Comcast Corp., Class A	7,550,000	247,715
	Newell Brands Inc.	7,100,000	183,109
	Amazon.com, Inc. ¹	105,000	178,479
	VF Corp.	2,000,000	163,040
	NIKE, Inc., Class B	1,980,000	157,766
	General Motors Co.	4,000,000	157,600
	Other securities		360,177
			<u>1,721,026</u>
Energy 6.40%	Noble Energy, Inc.	10,500,000	370,440
	Cenovus Energy Inc.	22,000,000	228,426
	Weatherford International PLC ^{1,2}	56,000,000	184,240
	Royal Dutch Shell PLC, Class B (ADR)	2,465,000	179,082
	Suncor Energy Inc.	4,000,000	162,781
Other securities		533,917	
			<u>1,658,886</u>
Materials 4.18%	DowDuPont Inc.	5,904,000	389,192
	LyondellBasell Industries NV	1,700,000	186,745
	Other securities		508,780
			<u>1,084,717</u>

Asset Allocation Fund

Common stocks		Shares	Value (000)
Consumer staples 4.18%	Nestlé SA	3,508,230	\$ 272,425
	Nestlé SA (ADR)	900,000	69,687
	Philip Morris International Inc.	3,660,000	295,508
	Other securities		446,320
			<u>1,083,940</u>
Industrials 2.93%	Lockheed Martin Corp.	1,162,000	343,290
	Boeing Co.	939,000	315,044
	Other securities		102,113
			<u>760,447</u>
Real estate 1.25%	Other securities		<u>322,756</u>
Telecommunication services 0.33%	Other securities		<u>84,344</u>
Miscellaneous 0.35%	Other common stocks in initial period of acquisition		89,771
	Total common stocks (cost: \$11,561,535,000)		<u>16,130,597</u>
Rights & warrants 0.00%			
Other 0.00%	Other securities		328
	Total rights & warrants (cost: \$47,000)		<u>328</u>
Convertible stocks 0.02%			
Industrials 0.02%	Other securities		6,074
	Total convertible stocks (cost: \$4,800,000)		<u>6,074</u>
Bonds, notes & other debt instruments 25.86%		Principal amount (000)	
U.S. Treasury bonds & notes 11.21%			
U.S. Treasury 8.86%	U.S. Treasury 1.50% 2019	\$ 400,000	398,400
	U.S. Treasury 1.25% 2020 ³	298,117	292,429
	U.S. Treasury 0.88%-4.75% 2019-2048 ³	1,641,455	1,606,273
			<u>2,297,102</u>
U.S. Treasury inflation-protected securities 2.35%	U.S. Treasury Inflation-Protected Security 0.625% 2024 ⁴	219,227	219,008
	U.S. Treasury Inflation-Protected Security 1.375% 2044 ^{3,4}	137,881	153,890
	U.S. Treasury Inflation-Protected Securities 0.13%-2.38% 2021-2047 ⁴	254,334	236,555
			<u>609,453</u>
	Total U.S. Treasury bonds & notes		<u>2,906,555</u>
Corporate bonds & notes 8.96%			
Energy 1.60%	Noble Energy, Inc. 4.95% 2047	2,000	2,008
	Other securities		414,124
			<u>416,132</u>

Asset Allocation Fund

Bonds, notes & other debt instruments (continued)		Principal amount (000)	Value (000)
Corporate bonds & notes (continued)			
Financials 1.52%	ACE INA Holdings Inc. 2.30%-4.35% 2020-2045	\$ 6,905	\$ 6,802
	Wells Fargo & Co. 2.50%-3.58% 2021-2028 ⁵	17,934	17,268
	Other securities		368,971
			<u>393,041</u>
Health care 1.29%	Johnson & Johnson 2.25%-3.75% 2022-2047	6,785	6,587
	Other securities		329,360
			<u>335,947</u>
Consumer discretionary 0.83%	Home Depot, Inc. 1.80%-4.25% 2020-2046	6,915	6,881
	Other securities		208,212
			<u>215,093</u>
Consumer staples 0.58%	Philip Morris International Inc. 1.88%-4.25% 2020-2044	15,405	14,919
	Other securities		136,290
			<u>151,209</u>
Industrials 0.52%	Lockheed Martin Corp. 2.50%-3.55% 2020-2026	10,050	9,914
	Other securities		124,497
			<u>134,411</u>
Information technology 0.36%	Broadcom Ltd. 2.38%-3.88% 2020-2027	7,215	6,933
	Microsoft Corp. 4.10%-4.20% 2035-2037	7,000	7,360
	Other securities		78,081
			<u>92,374</u>
Other 2.26%	Other securities		585,790
	Total corporate bonds & notes		<u>2,323,997</u>
Mortgage-backed obligations 4.92%			
Federal agency mortgage-backed obligations 4.79%	Fannie Mae 0%-7.50% 2021-2048 ^{6,7,8}	658,492	667,209
	Freddie Mac 1.69%-5.57% 2022-2048 ^{6,7,8}	117,136	116,126
	Other securities		455,037
			<u>1,238,372</u>
Other 0.13%	Other securities		36,800
	Total mortgage-backed obligations		<u>1,275,172</u>
Federal agency bonds & notes 0.06%			
	Fannie Mae 1.88%-2.00% 2022-2026	16,000	14,806
Other 0.71%			
	Other securities		184,999
	Total bonds, notes & other debt instruments (cost: \$6,798,575,000)		<u>6,705,529</u>

Asset Allocation Fund

	Principal amount (000)	Value (000)
Short-term securities 13.98%		
ExxonMobil Corp. 1.97%-1.99% due 8/8/2018-8/22/2018	\$ 190,200	\$ 189,723
Fannie Mae 1.84%-1.85% due 7/30/2018-8/6/2018	150,000	149,759
Federal Home Loan Bank 1.72%-1.93% due 7/3/2018-9/25/2018	1,200,300	1,197,989
Freddie Mac 1.76%-1.88% due 7/18/2018-8/21/2018	210,500	210,106
U.S. Treasury Bills 1.59%-1.99% due 7/5/2018-11/1/2018	827,900	826,282
Other securities		1,050,277
Total short-term securities (cost: \$3,624,076,000)		<u>3,624,136</u>
Total investment securities 102.08% (cost: \$21,989,033,000)		26,466,664
Other assets less liabilities (2.08)%		(539,492)
Net assets 100.00%		<u><u>\$25,927,172</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$39,910,000, which represented .15% of the net assets of the fund. "Other securities" also includes loan participations and assignments, which may be subject to legal or contractual restrictions on resale. The total value of all such loans was \$49,314,000, which represented .19% of the net assets of the fund. Some securities in "Other securities" (with an aggregate value of \$32,685,000, an aggregate cost of \$35,862,000, and which represented .13% of the net assets of the fund) were acquired from through private placement transactions exempt from registration under the Securities Act of 1933, which may subject them to legal or contractual restrictions on resale.

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ⁹ (000)	Value at 6/30/2018 ¹⁰ (000)	Unrealized depreciation at 6/30/2018 (000)
2 Year U.S. Treasury Note Futures	Long	1,225	October 2018	\$245,000	\$259,490	\$(106)
30 Year Ultra U.S. Treasury Bond Futures	Short	110	September 2018	(11,000)	(17,552)	(162)
						<u>\$(268)</u>

Swap contracts

Interest rate swaps

Receive	Pay	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments/receipts (000)	Unrealized (depreciation) appreciation at 6/30/2018 (000)
1.8915%	U.S. EFFR	9/26/2018	\$3,500,000	\$ (242)	\$-	\$ (242)
1.6365%	3-month USD-LIBOR	10/16/2019	124,000	(1,636)	-	(1,636)
U.S. EFFR	2.165%	4/3/2020	100,000	332	-	332
U.S. EFFR	2.174%	4/4/2020	127,900	411	-	411
U.S. EFFR	2.19%	4/6/2020	84,700	249	-	249
3-month USD-LIBOR	2.945%	10/16/2044	28,000	(14)	-	(14)
2.929%	3-month USD-LIBOR	3/27/2048	25,000	(6)	-	(6)
U.S. EFFR	2.4775%	3/27/2048	25,000	(79)	-	(79)
					\$-	<u>\$ (985)</u>

Asset Allocation Fund

Investments in affiliates

A company is an affiliate of the fund under the Investment Company Act of 1940 if the fund's holdings in that company represent 5% or more of the outstanding voting shares. Further details on these holdings and related transactions during the six months ended June 30, 2018, appear below.

	Beginning shares or principal amount	Additions	Reductions	Ending shares or principal amount	Net realized gain (000)	Net unrealized appreciation (depreciation) (000)	Dividend or interest income (000)	Value of affiliates at 6/30/2018 (000)
Common stocks 1.15%								
Consumer discretionary 0.44%								
Dillard's, Inc., Class A (USA) ¹¹	807,618	392,382	–	1,200,000	\$–	\$ 38,379	\$ 222	\$113,400
Energy 0.71%								
Weatherford International PLC ^{1,11}	56,000,000	–	–	56,000,000	–	(49,280)	–	184,240
Total common stocks								<u>297,640</u>
Bonds, notes & other debt instruments 0.10%								
Energy 0.10%								
Weatherford International PLC 4.50% 2022	\$2,670,000	\$2,700,000	–	\$5,370,000	–	31	156	4,956
Weatherford International PLC 8.25% 2023	\$5,500,000	\$300,000	–	\$5,800,000	–	(100)	239	5,769
Weatherford International PLC 9.875% 2024	–	\$1,000,000	–	\$1,000,000	–	3	37	1,015
Weatherford International PLC 9.875% 2025 ¹²	–	\$2,550,000	–	\$2,550,000	–	42	86	2,575
Weatherford International PLC 6.50% 2036	\$7,595,000	–	–	\$7,595,000	–	(513)	258	5,981
Weatherford International PLC 6.75% 2040	\$7,825,000	–	–	\$7,825,000	–	(227)	274	6,240
								<u>26,536</u>
Total 1.25%					<u>\$–</u>	<u>\$(11,665)</u>	<u>\$1,272</u>	<u>\$324,176</u>

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Security did not produce income during the last 12 months.

²Represents an affiliated company as defined under the Investment Company Act of 1940.

³All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$5,226,000, which represented .02% of the net assets of the fund.

⁴Index-linked bond whose principal amount moves with a government price index.

⁵Step bond; coupon rate may change at a later date.

⁶Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁷Coupon rate may change periodically.

⁸Purchased on a TBA basis.

⁹Notional amount is calculated based on the number of contracts and notional contract size.

¹⁰Value is calculated based on the notional amount and current market price.

¹¹This security was an unaffiliated issuer in its initial period of acquisition at 12/31/2017; it was not publicly disclosed.

¹²Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$1,806,485,000, which represented 6.97% of the net assets of the fund.

Key to abbreviations and symbol

ADR = American Depositary Receipts

EFFR = Federal Funds Effective Rate

LIBOR = London Interbank Offered Rate

TBA = To-be-announced

USD/\$ = U.S. dollars

See Notes to Financial Statements

Global Balanced Fund

Summary investment portfolio June 30, 2018

unaudited

Common stocks 61.82%		Shares	Value (000)
Information technology 12.76%	Nintendo Co., Ltd.	19,800	\$ 6,474
	ASML Holding NV	31,500	6,242
	PagSeguro Digital Ltd., Class A ¹	220,528	6,120
	Microsoft Corp.	53,500	5,276
	Taiwan Semiconductor Manufacturing Co., Ltd.	697,000	4,949
	Temenos AG	25,000	3,787
	Broadcom Inc.	13,650	3,312
	TravelSky Technology Ltd., Class H ¹	860,000	2,505
	Keyence Corp.	4,400	2,486
	Amphenol Corp., Class A	24,000	2,091
	Other securities		6,170
			<u>49,412</u>
Financials 7.82%	HSBC Holdings PLC (GBP denominated)	539,633	5,061
	JPMorgan Chase & Co.	44,670	4,655
	Wells Fargo & Co.	47,900	2,656
	HDFC Bank Ltd. (ADR)	21,605	2,269
	Credicorp Ltd.	10,050	2,262
	AIA Group Ltd.	250,000	2,186
	Other securities		11,216
			<u>30,305</u>
Health care 6.34%	Humana Inc.	20,830	6,200
	Merck & Co., Inc.	62,870	3,816
	Fisher & Paykel Healthcare Corp. Ltd.	204,000	2,057
	Other securities		12,488
			<u>24,561</u>
Industrials 6.29%	Boeing Co.	15,750	5,284
	ASSA ABLOY AB, Class B	118,000	2,515
	Flughafen Zürich AG	12,235	2,501
	Ryanair Holdings PLC (ADR) ¹	20,600	2,353
	Edenred SA	65,000	2,054
	Other securities		9,672
			<u>24,379</u>
Energy 5.73%	Royal Dutch Shell PLC, Class B	125,700	4,502
	ConocoPhillips	56,006	3,899
	TOTAL SA	45,200	2,756
	LUKOIL Oil Co. PJSC (ADR)	39,800	2,722
	Enbridge Inc. (CAD denominated)	50,869	1,818
	Enbridge Inc. (CAD denominated) ²	16,157	578
	Other securities		5,935
			<u>22,210</u>
Consumer discretionary 5.73%	Amazon.com, Inc. ¹	3,150	5,354
	Ocado Group PLC ¹	259,500	3,519
	Wynn Resorts, Ltd.	13,000	2,175
	LVMH Moët Hennessy-Louis Vuitton SE	6,100	2,032
	Other securities		9,114
			<u>22,194</u>

Global Balanced Fund

Common stocks (continued)		Shares	Value (000)
Consumer staples 4.89%	Philip Morris International Inc.	50,800	\$ 4,102
	British American Tobacco PLC	76,900	3,887
	Nestlé SA	43,800	3,401
	Other securities		7,569
			<u>18,959</u>
Materials 3.44%	DowDuPont Inc.	37,848	2,495
	Linde AG, non-registered shares	8,900	2,125
	Other securities		8,710
			<u>13,330</u>
Real estate 2.38%	Gaming and Leisure Properties, Inc. REIT	59,720	2,138
	Other securities		7,066
			<u>9,204</u>
Utilities 1.78%	ENN Energy Holdings Ltd.	232,000	2,281
	Ørsted AS	33,800	2,045
	Other securities		2,578
			<u>6,904</u>
Miscellaneous 4.66%	Other common stocks in initial period of acquisition		18,045
	Total common stocks (cost: \$189,305,000)		<u>239,503</u>

Bonds, notes & other debt instruments 33.32%

Principal amount
(000)

Bonds & notes of governments & government agencies outside the U.S. 15.27%

	Japan, Series 346, 0.10% 2027	¥ 435,600	3,972
	Japan 0.10%-2.30% 2018-2047 ³	1,001,824	9,760
	Poland (Republic of) 3.25%-5.75% 2020-2025	PLN14,140	4,031
	United Mexican States 4.00%-10.00% 2020-2042 ³	MXN64,405	3,142
	United Mexican States 3.75%-4.60% 2027-2046	\$ 600	570
	Other securities		37,685
			<u>59,160</u>

U.S. Treasury bonds & notes 10.47%

U.S. Treasury 8.20%	U.S. Treasury 1.625% 2022	2,850	2,729
	U.S. Treasury 2.25% 2027	2,800	2,663
	U.S. Treasury 2.875% 2028	2,170	2,173
	U.S. Treasury 1.00%-3.13% 2018-2048	24,873	24,208
			<u>31,773</u>
U.S. Treasury inflation-protected securities 2.27%	U.S. Treasury Inflation-Protected Securities 0.13%-2.38% 2022-2044 ³	9,166	8,796
	Total U.S. Treasury bonds & notes		<u>40,569</u>

Corporate bonds & notes 5.87%

Financials 1.55%	Banco Nacional de Comercio Exterior SNC 3.80% 2026 (UST Yield Curve Rate T Note Constant Maturity 5 year + 3.00% on 8/11/2021) ^{2,4}	200	193
	HSBC Holdings PLC 3.375% 2024 (5 year EURO Mid Swap + 1.95% on 1/10/2019) ⁴	€ 100	119
	HSBC Holdings PLC 3.03%-3.90% 2023-2026 ⁴	\$ 400	389
	JPMorgan Chase & Co. 2.55%-3.25% 2021-2023	254	247

Global Balanced Fund

Bonds, notes & other debt instruments		Principal amount (000)	Value (000)
	JPMorgan Chase & Co., Series S, junior subordinated, perpetual, 6.75% (undated) (3-month USD-LIBOR + 3.78% on 2/1/2024) ⁴	\$135	\$ 147
	JPMorgan Chase Bank NA (3-month USD-LIBOR + 0.34%) 2.702% 2021 ⁵	300	300
	Other securities		4,622
			<u>6,017</u>
Health care 0.77%	Humana Inc. 3.15% 2022	100	97
	Other securities		2,867
			<u>2,964</u>
Consumer discretionary 0.61%	Amazon.com, Inc. 2.80%-3.15% 2024-2027	265	253
	Other securities		2,096
			<u>2,349</u>
Consumer staples 0.52%	British American Tobacco PLC 3.56%-4.39% 2027-2037 ²	185	173
	Philip Morris International Inc. 2.00%-4.25% 2020-2044	195	191
	Reynolds American Inc. 4.00%-4.45% 2022-2025	120	121
	Other securities		1,532
			<u>2,017</u>
Energy 0.52%	Petróleos Mexicanos 6.35%-6.50% 2027-2048 ²	487	458
	Other securities		1,550
			<u>2,008</u>
Information technology 0.29%	Microsoft Corp. 2.40%-3.30% 2026-2027	652	626
	Other securities		516
			<u>1,142</u>
Other 1.61%	Other securities		6,227
	Total corporate bonds & notes		<u>22,724</u>
Mortgage-backed obligations 1.71%			
Federal agency mortgage-backed obligations 1.12%	Other securities		4,311
Other 0.59%	Other securities		2,335
	Total mortgage-backed obligations		<u>6,646</u>
	Total bonds, notes & other debt instruments (cost: \$132,603,000)		<u>129,099</u>

Global Balanced Fund

Short-term securities 5.44%

	Principal amount (000)	Value (000)
Federal Home Loan Bank 1.87% due 7/20/2018	\$3,200	\$ 3,197
Mizuho Bank, Ltd. 1.90% due 7/2/2018 ²	6,500	6,499
Sumitomo Mitsui Banking Corp. 2.00% due 7/17/2018-7/23/2018 ²	6,200	6,192
Swedbank AB 1.85% due 7/2/2018	3,600	3,599
Other securities		1,590
Total short-term securities (cost: \$21,084,000)		<u>21,077</u>
Total investment securities 100.58% (cost: \$342,992,000)		389,679
Other assets less liabilities (0.58)%		(2,258)
Net assets 100.00%		<u><u>\$387,421</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

Forward currency contracts

Contract amount			Settlement date	Unrealized appreciation (depreciation) at 6/30/2018 (000)
Purchases (000)	Sales (000)	Counterparty		
USD558	BRL2,100	JPMorgan Chase	7/5/2018	\$ 16
USD317	MXN5,900	JPMorgan Chase	7/9/2018	20
USD229	ZAR2,900	UBS AG	7/9/2018	18
NOK3,054	USD373	Goldman Sachs	7/9/2018	2
JPY57,092	USD523	Goldman Sachs	7/9/2018	(7)
USD331	PLN1,200	JPMorgan Chase	7/10/2018	11
USD471	GBP350	Citibank	7/10/2018	9
USD774	CHF760	JPMorgan Chase	7/10/2018	6
USD135	MXN2,700	Bank of America, N.A.	7/10/2018	(1)
EUR349	USD410	Bank of America, N.A.	7/10/2018	(2)
JPY22,275	USD204	Citibank	7/10/2018	(3)
CHF759	USD773	JPMorgan Chase	7/10/2018	(6)
EUR482	USD569	Citibank	7/10/2018	(6)
PLN1,200	USD333	JPMorgan Chase	7/10/2018	(13)
USD501	THB15,900	Bank of America, N.A.	7/12/2018	21
USD548	INR36,900	JPMorgan Chase	7/12/2018	10
NOK2,700	USD335	Bank of America, N.A.	7/12/2018	(4)
GBP561	USD752	Citibank	7/12/2018	(11)
USD391	BRL1,400	Citibank	7/13/2018	31
USD749	ILS2,675	Bank of America, N.A.	7/16/2018	17
EUR305	USD360	Bank of America, N.A.	7/16/2018	(4)
ILS2,675	USD739	Goldman Sachs	7/16/2018	(7)
JPY100,000	USD908	JPMorgan Chase	7/17/2018	(4)
USD1,013	KRW1,094,100	Bank of America, N.A.	7/19/2018	31
EUR859	USD1,000	Goldman Sachs	7/19/2018	5
USD575	MXN12,000	Bank of America, N.A.	7/19/2018	(28)
USD749	MYR3,000	JPMorgan Chase	7/20/2018	7
USD327	INR22,118	Goldman Sachs	7/20/2018	5
USD192	PLN700	JPMorgan Chase	7/20/2018	5
EUR573	GBP505	Citibank	7/20/2018	2
JPY57,672	EUR450	JPMorgan Chase	7/20/2018	(5)
GBP502	EUR573	JPMorgan Chase	7/20/2018	(6)
PLN700	USD194	JPMorgan Chase	7/20/2018	(7)

Global Balanced Fund

Contract amount		Counterparty	Settlement date	Unrealized appreciation (depreciation) at 6/30/2018 (000)
Purchases (000)	Sales (000)			
USD483	PLN1,800	Bank of America, N.A.	7/23/2018	\$ 2
USD113	CAD150	Bank of America, N.A.	7/23/2018	(1)
JPY22,250	USD202	Citibank	7/23/2018	(1)
EUR645	USD750	JPMorgan Chase	7/25/2018	4
USD166	ILS600	JPMorgan Chase	7/25/2018	2
EUR502	USD590	Bank of America, N.A.	7/25/2018	(2)
USD677	CAD900	JPMorgan Chase	7/25/2018	(8)
JPY111,459	USD1,017	Goldman Sachs	7/25/2018	(8)
EUR735	PLN3,200	Goldman Sachs	7/27/2018	5
EUR598	USD696	Goldman Sachs	7/31/2018	5
USD503	THB16,600	JPMorgan Chase	7/31/2018	2
USD717	AUD970	Morgan Stanley	7/31/2018	(1)
JPY50,074	USD455	Bank of New York Mellon	7/31/2018	(1)
USD771	EUR660	JPMorgan Chase	7/31/2018	(2)
USD377	CAD500	Bank of America, N.A.	7/31/2018	(4)
JPY174,520	USD1,584	Bank of New York Mellon	7/31/2018	(4)
USD501	CAD665	Bank of America, N.A.	7/31/2018	(5)
USD373	INR24,900	Citibank	9/24/2018	14
USD371	BRL1,250	Citibank	11/29/2018	54
USD222	BRL750	Citibank	11/29/2018	31
				<u>\$184</u>

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Security did not produce income during the last 12 months.

²Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$22,660,000, which represented 5.85% of the net assets of the fund.

³Index-linked bond whose principal amount moves with a government price index.

⁴Step bond; coupon rate may change at a later date.

⁵Coupon rate may change periodically.

Key to abbreviations and symbols

ADR = American Depositary Receipts

AUD = Australian dollars

BRL = Brazilian reais

CAD = Canadian dollars

CHF = Swiss francs

EUR/€ = Euros

GBP = British pounds

ILS = Israeli shekels

INR = Indian rupees

JPY/¥ = Japanese yen

KRW = South Korean won

LIBOR = London Interbank Offered Rate

MXN = Mexican pesos

MYR = Malaysian ringgits

NOK = Norwegian kroner

PLN = Polish zloty

THB = Thai baht

USD/\$ = U.S. dollars

ZAR = South African rand

See Notes to Financial Statements

Bond Fund

Summary investment portfolio June 30, 2018

unaudited

Bonds, notes & other debt instruments 96.18%		Principal amount (000)	Value (000)
Corporate bonds & notes 35.64%			
Financials 10.04%	Bank of America Corp. 2.82%-3.97% 2023-2029 ¹	\$119,258	\$ 116,105
	Intesa Sanpaolo SpA 5.017% 2024 ²	79,790	72,486
	Other securities		877,710
			<u>1,066,301</u>
Health care 6.27%	Pfizer Inc. 7.20% 2039	100	139
	Teva Pharmaceutical Finance Company BV 2.80% 2023	84,169	72,759
	Teva Pharmaceutical Finance Company BV 2.20%-6.75% 2021-2046	139,530	111,699
	Other securities		482,075
			<u>666,672</u>
Energy 5.16%	Petróleos Mexicanos 7.47% 2026	MXN295,000	12,849
	Petróleos Mexicanos 5.35%-6.75% 2027-2048 ²	\$ 38,710	36,841
	Other securities		498,905
			<u>548,595</u>
Consumer discretionary 3.61%	Other securities		<u>384,045</u>
Utilities 3.36%	Other securities		<u>357,004</u>
Consumer staples 3.10%	Other securities		<u>329,484</u>
Information technology 1.19%	Other securities		<u>126,026</u>
Telecommunication services 1.13%	Other securities		<u>120,568</u>
Other 1.78%	Other securities		<u>188,128</u>
	Total corporate bonds & notes		<u>3,786,823</u>
U.S. Treasury bonds & notes 25.14%			
U.S. Treasury 21.10%	U.S. Treasury 2.25% 2023	115,000	111,918
	U.S. Treasury 2.625% 2023	125,000	124,461
	U.S. Treasury 2.75% 2023	75,000	75,066
	U.S. Treasury 2.75% 2023	60,000	60,035
	U.S. Treasury 2.125% 2024 ³	260,000	251,069
	U.S. Treasury 2.125% 2024 ³	75,000	72,167
	U.S. Treasury 2.125% 2024	75,000	72,072
	U.S. Treasury 2.25% 2024	80,000	77,812
	U.S. Treasury 2.75% 2025	150,000	149,406
	U.S. Treasury 2.875% 2025 ³	211,118	211,855
	U.S. Treasury 2.25% 2027	125,000	118,715
	U.S. Treasury 2.25% 2027	100,000	95,095
	U.S. Treasury 2.25% 2027	76,075	72,548
	U.S. Treasury 2.375% 2027	100,000	96,217

Bond Fund

Bonds, notes & other debt instruments		Principal amount (000)	Value (000)
	U.S. Treasury 2.875% 2028	\$ 137,043	\$ 137,214
	U.S. Treasury 3.00% 2048 ³	255,970	256,259
	U.S. Treasury 2.38%-8.75% 2020-2048 ³	250,595	259,898
			<u>2,241,807</u>
U.S. Treasury inflation-protected securities 4.04%	U.S. Treasury Inflation-Protected Security 0.375% 2025 ⁴	53,902	52,965
	U.S. Treasury Inflation-Protected Security 0.375% 2027 ⁴	153,615	149,471
	U.S. Treasury Inflation-Protected Security 0.50% 2028 ⁴	149,474	124,214
	U.S. Treasury Inflation-Protected Security 0.875% 2047 ⁴	74,253	74,202
	U.S. Treasury Inflation-Protected Security 1.00% 2048 ⁴	34,489	28,664
			<u>429,516</u>
	Total U.S. Treasury bonds & notes		<u>2,671,323</u>
Mortgage-backed obligations 23.53%			
Federal agency mortgage-backed obligations 23.35%	Fannie Mae 3.50% 2033 ^{5,6}	51,893	52,455
	Fannie Mae 3.00% 2046 ⁵	72,156	70,008
	Fannie Mae 3.50% 2047 ⁵	77,731	77,509
	Fannie Mae 4.00% 2047 ⁵	83,559	85,338
	Fannie Mae 3.50% 2048 ^{5,6}	204,040	203,034
	Fannie Mae 4.00% 2048 ^{5,6}	316,485	322,197
	Fannie Mae 4.00% 2048 ^{5,6}	134,434	137,055
	Fannie Mae 4.00% 2048 ^{5,6}	88,904	90,428
	Fannie Mae 4.50% 2048 ^{5,6}	220,469	229,172
	Fannie Mae 4.50% 2048 ^{5,6}	199,176	206,726
	Fannie Mae 3.27%-9.22% 2023-2048 ^{5,6,7}	178,846	182,387
	Freddie Mac 3.50% 2047 ⁵	73,151	72,823
	Freddie Mac 4.00% 2048 ^{5,6}	73,022	74,303
	Freddie Mac 0%-5.50% 2021-2048 ^{5,6}	198,319	198,150
	Government National Mortgage Assn. 4.00% 2048 ^{5,6}	196,439	201,300
	Government National Mortgage Assn. 4.00% 2048 ^{5,6}	151,761	155,292
	Government National Mortgage Assn. 4.50% 2048 ^{5,6}	92,096	95,739
	Government National Mortgage Assn. 4.50% 2040-2048 ^{5,6}	26,465	27,481
			<u>2,481,397</u>
Other 0.18%	Other securities		<u>18,484</u>
	Total mortgage-backed obligations		<u>2,499,881</u>
Bonds & notes of governments & government agencies outside the U.S. 7.15%			
	Italy (Republic of) 0.95% 2023	€ 45,000	50,753
	Japan, Series 19, 0.10% 2024 ⁴	¥ 5,377,070	50,874
	Japan, Series 20, 0.10% 2025 ⁴	11,340,000	107,393
	Portuguese Republic 5.125% 2024	\$ 100,550	104,384
	Portuguese Republic 4.10%-5.65% 2024-2045	€ 20,375	30,139
	United Mexican States, Series M, 5.75% 2026	MXN527,500	23,743
	United Mexican States, Series M, 6.50% 2021	3,132,700	152,863
	United Mexican States 3.60%-4.35% 2025-2047	\$ 29,175	28,113
	Other securities		<u>211,594</u>
			<u>759,856</u>
Asset-backed obligations 2.61%			
	Other securities		<u>277,546</u>
Municipals 2.00%			
Illinois 1.72%	G.O. Bonds, Pension Funding Series 2003, 4.95% 2023	26,190	26,663
	G.O. Bonds, Pension Funding Series 2003, 5.10% 2033 ⁵	93,085	88,239
	G.O. Bonds, Pension Funding Series 2013, 5.877% 2019	400	407

Bond Fund

Bonds, notes & other debt instruments (continued)		Principal amount (000)	Value (000)
Municipals (continued)			
Illinois (continued)	G.O. Bonds, Series 2013-B, 3.65% 2020	\$ 1,000	\$ 997
	G.O. Bonds, Series 2013-B, 4.11% 2022	750	736
	G.O. Bonds, Series 2013-B, 4.31% 2023	2,125	2,063
	G.O. Bonds, Series 2013-B, 4.91% 2027	1,450	1,360
	G.O. Bonds, Taxable Build America Bonds, Series 2010-1, 6.63% 2035	4,360	4,627
	G.O. Bonds, Taxable Build America Bonds, Series 2010-2, 5.65% 2020	250	257
	G.O. Bonds, Taxable Build America Bonds, Series 2010-2, 5.85% 2022	2,370	2,467
	G.O. Bonds, Taxable Build America Bonds, Series 2010-2, 5.95% 2023	3,210	3,338
	G.O. Bonds, Taxable Build America Bonds, Series 2010-2, 6.15% 2025	3,955	4,104
	G.O. Bonds, Taxable Build America Bonds, Series 2010-3, 5.547% 2019	335	340
	G.O. Bonds, Taxable Build America Bonds, Series 2010-3, 5.727% 2020	2,400	2,476
	G.O. Bonds, Taxable Build America Bonds, Series 2010-5, 6.20% 2021 ⁵	7,784	8,043
	Other securities		36,502
		<u>182,619</u>	
Other 0.28%	Other securities		29,918
	Total municipals		<u>212,537</u>
Federal agency bonds & notes 0.11%			
	Fannie Mae 2.125% 2026	12,410	11,659
	Total bonds, notes & other debt instruments (cost: \$10,356,835,000)		<u>10,219,625</u>
Common stocks 0.03%		Shares	
Other 0.03%	Other securities		2,833
	Total common stocks (cost: \$3,654,000)		<u>2,833</u>
Rights & warrants 0.00%			
Energy 0.00%	Other securities		97
	Total rights & warrants (cost: \$16,000)		<u>97</u>
Short-term securities 21.76%		Principal amount (000)	
	Chevron Corp. 1.93%-2.02% due 7/13/2018-7/17/2018 ²	\$ 59,200	59,150
	ExxonMobil Corp. 2.00%-2.02% due 7/23/2018-8/28/2018	84,000	83,821
	Federal Home Loan Bank 1.77%-1.95% due 7/9/2018-10/5/2018	796,700	794,803
	Freddie Mac 1.91% due 8/20/2018	50,000	49,876
	PepsiCo Inc. 1.95%-1.98% due 8/1/2018-8/7/2018 ²	70,000	69,858
	Pfizer Inc. 2.02%-2.05% due 7/2/2018-8/20/2018 ²	109,000	108,874
	U.S. Treasury Bills 1.56%-2.00% due 7/5/2018-11/15/2018	846,300	843,339
	Other securities		302,784
	Total short-term securities (cost: \$2,312,454,000)		<u>2,312,505</u>
	Total investment securities 117.97% (cost: \$12,672,959,000)		12,535,060
	Other assets less liabilities (17.97)%		<u>(1,909,862)</u>
	Net assets 100.00%		<u><u>\$10,625,198</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

Bond Fund

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$5,494,000, which represented .05% of the net assets of the fund. "Other securities" also includes loan participations and assignments, which may be subject to legal or contractual restrictions on resale. The total value of all such loans was \$12,171,000, which represented .11% of the net assets of the fund. Some securities in "Other securities" (with an aggregate value of \$2,150,000, an aggregate cost of \$780,000, and which represented .02% of the net assets of the fund) were acquired on 8/31/2015 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject them to legal or contractual restrictions on resale.

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ⁸ (000)	Value at 6/30/2018 ⁹ (000)	Unrealized appreciation (depreciation) at 6/30/2018 (000)
2 Year U.S. Treasury Note Futures	Long	13,334	October 2018	\$2,666,800	\$2,824,516	\$ 23
5 Year Euro-Bobl Futures	Short	2,269	September 2018	(226,900)	(350,216)	(1,831)
5 Year U.S. Treasury Note Futures	Long	12,291	October 2018	1,229,100	1,396,469	4,536
10 Year Euro-Bund Futures	Short	763	September 2018	(76,300)	(144,837)	(1,625)
10 Year U.S. Treasury Note Futures	Long	503	September 2018	50,300	60,454	251
10 Year Ultra U.S. Treasury Note Futures	Short	112	September 2018	(11,200)	(14,362)	(126)
30 Year Euro-Buxl Futures	Long	214	September 2018	21,400	44,409	619
30 Year Ultra U.S. Treasury Bond Futures	Long	772	September 2018	77,200	123,182	340
						<u>\$ 2,187</u>

Forward currency contracts

Contract amount		Counterparty	Settlement date	Unrealized appreciation (depreciation) at 6/30/2018 (000)
Purchases (000)	Sales (000)			
USD31,395	JPY3,430,000	Goldman Sachs	7/9/2018	\$ 394
USD66,828	JPY7,300,000	JPMorgan Chase	7/10/2018	844
USD76,688	EUR65,550	JPMorgan Chase	7/10/2018	77
USD12,310	MXN252,000	Citibank	7/10/2018	(357)
USD10,283	EUR8,725	JPMorgan Chase	7/12/2018	84
USD26,432	EUR22,400	JPMorgan Chase	7/16/2018	241
USD13,179	JPY1,445,000	Goldman Sachs	7/25/2018	105
USD59,923	MXN1,220,000	Bank of New York Mellon	7/25/2018	(1,249)
USD44,704	JPY4,925,000	Bank of New York Mellon	7/31/2018	123
USD448	EUR385	Goldman Sachs	7/31/2018	(3)
USD119,413	MXN2,400,000	Citibank	7/31/2018	(808)
				<u>\$ (549)</u>

Swap contracts

Interest rate swaps

Receive	Pay	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments/receipts (000)	Unrealized appreciation (depreciation) at 6/30/2018 (000)
1.39%	3-month Canada BA	7/13/2018	C\$1,460,000	\$ (123)	\$-	\$ (123)
1.77%	3-month Canada BA	9/26/2018	975,000	58	-	58
1.669%	3-month USD-LIBOR	10/28/2019	\$ 112,000	(1,478)	-	(1,478)
U.S. EFRR	2.165%	4/3/2020	594,600	1,977	-	1,977
2.55%	3-month USD-LIBOR	4/3/2020	594,600	(2,162)	-	(2,162)

Bond Fund

Swap contracts (continued)

Interest rate swaps (continued)

Receive	Pay	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments/receipts (000)	Unrealized (depreciation) appreciation at 6/30/2018 (000)
U.S. EFFR	2.174%	4/4/2020	\$ 760,300	\$ 2,443	\$-	\$ 2,443
2.5725%	3-month USD-LIBOR	4/4/2020	760,298	(2,500)	-	(2,500)
U.S. EFFR	2.19%	4/6/2020	503,300	1,480	-	1,480
2.599%	3-month USD-LIBOR	4/6/2020	503,300	(1,426)	-	(1,426)
3-month USD-LIBOR	2.761%	4/27/2020	500,000	92	-	92
3-month USD-LIBOR	2.75%	4/30/2020	352,900	137	-	137
3-month USD-LIBOR	2.746%	5/1/2020	504,100	237	-	237
3-month USD-LIBOR	2.7515%	5/3/2020	501,000	202	-	202
1.6915%	3-month USD-LIBOR	6/3/2020	1,600	(33)	-	(33)
1.7345%	3-month USD-LIBOR	12/31/2020	120,000	(3,187)	-	(3,187)
3-month USD-LIBOR	1.975%	4/27/2022	15,000	490	-	490
3-month USD-LIBOR	2.1305%	7/17/2022	100,000	2,848	-	2,848
1.9375%	3-month USD-LIBOR	12/18/2022	150,000	(5,934)	-	(5,934)
3-month USD-LIBOR	2.701%	6/9/2024	60,000	610	-	610
6-month EURIBOR	0.9852%	10/17/2024	€ 25,000	(996)	-	(996)
3-month USD-LIBOR	2.438%	11/19/2024	\$ 750	20	-	20
3-month USD-LIBOR	2.4585%	11/24/2024	23,000	584	-	584
3-month USD-LIBOR	2.0475%	3/23/2025	450	23	-	23
3-month USD-LIBOR	2.3175%	5/8/2025	1,500	54	-	54
3-month USD-LIBOR	2.339%	5/13/2025	375	13	-	13
3-month USD-LIBOR	2.351%	5/15/2025	590	20	-	20
3-month USD-LIBOR	2.287%	5/20/2025	500	19	-	19
3-month USD-LIBOR	2.227%	5/28/2025	260	11	-	11
3-month USD-LIBOR	2.2125%	5/29/2025	465	20	-	20
3-month USD-LIBOR	2.451%	6/5/2025	650	18	-	18
3-month USD-LIBOR	2.46%	6/10/2025	2,536	70	-	70
3-month USD-LIBOR	2.455%	6/24/2025	235	7	-	7
3-month USD-LIBOR	2.397%	7/13/2025	900	29	-	29
3-month USD-LIBOR	2.535%	7/15/2025	800	18	-	18
3-month USD-LIBOR	2.4615%	7/22/2025	1,300	36	-	36
3-month USD-LIBOR	2.312%	7/29/2025	1,000	37	-	37
3-month USD-LIBOR	2.331%	7/30/2025	435	16	-	16
3-month USD-LIBOR	2.228%	9/4/2025	12,000	523	-	523
6-month JPY-LIBOR	0.282%	2/2/2026	¥5,500,000	(328)	-	(328)
6-month JPY-LIBOR	0.0875%	3/10/2026	11,100,000	859	-	859
3-month USD-LIBOR	1.595%	5/12/2026	\$ 8,500	788	-	788
3-month USD-LIBOR	1.592%	5/12/2026	4,000	371	-	371
3.0865%	3-month USD-LIBOR	8/18/2034	2,250	37	-	37
2.913%	3-month USD-LIBOR	11/24/2034	10,000	(65)	-	(65)
2.844%	3-month USD-LIBOR	6/11/2035	3,250	(52)	-	(52)
2.9535%	3-month USD-LIBOR	6/30/2035	2,500	(2)	-	(2)
2.773%	3-month USD-LIBOR	7/13/2035	500	(13)	-	(13)
2.589%	3-month USD-LIBOR	9/4/2035	3,100	(160)	-	(160)
2.377%	3-month USD-LIBOR	4/29/2045	1,910	(208)	-	(208)
6-month JPY-LIBOR	0.58295%	3/23/2046	¥2,000,000	1,093	-	1,093
0.64355%	6-month JPY-LIBOR	4/27/2046	2,000,000	(813)	-	(813)
3-month USD-LIBOR	2.1155%	5/13/2046	\$ 2,400	393	-	393
3-month USD-LIBOR	2.78875%	1/23/2048	91,500	2,707	-	2,707
3-month USD-LIBOR	2.816%	1/23/2048	19,600	469	-	469
					\$-	\$ (671)

Bond Fund

Credit default swaps

Centrally cleared credit default swaps on credit indices – buy protection

Receive	Pay/ Payment frequency	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments (000)	Unrealized appreciation at 6/30/2018 (000)
CDX.NA.IG.30	1.00%/Quarterly	6/20/2023	\$50,000	\$(740)	\$(899)	\$159

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Step bond; coupon rate may change at a later date.

²Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$1,486,045,000, which represented 13.99% of the net assets of the fund.

³All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$55,344,000, which represented .52% of the net assets of the fund.

⁴Index-linked bond whose principal amount moves with a government price index.

⁵Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁶Purchased on a TBA basis.

⁷Coupon rate may change periodically.

⁸Notional amount is calculated based on the number of contracts and notional contract size.

⁹Value is calculated based on the notional amount and current market price.

Key to abbreviations and symbols

BA = Banker's acceptances

C\$ = Canadian dollars

EFFR = Federal Funds Effective Rate

EUR/€ = Euros

EURIBOR = Euro Interbank Offered Rate

G.O. = General Obligation

JPY/¥ = Japanese yen

LIBOR = London Interbank Offered Rate

MXN = Mexican pesos

TBA = To-be-announced

USD/\$ = U.S. dollars

See Notes to Financial Statements

Global Bond Fund

Bonds, notes & other debt instruments 91.91%		Principal amount (000)	Value (000)
Euros 12.82%	Belgium (Kingdom of), Series 82, 0.50% 2024	€ 12,920	\$ 15,432
	Belgium (Kingdom of), Series 77, 1.00% 2026	6,480	7,932
	French Republic O.A.T. 2.25% 2024	11,680	15,457
	Germany (Federal Republic of) 2.50% 2046	7,370	11,824
	Germany (Federal Republic of) 1.25% 2048	17,050	21,083
	Germany (Federal Republic of) 0.50%-6.25% 2024-2040	12,950	17,500
	Italy (Republic of) 0.95% 2023	14,000	15,789
	Italy (Republic of) 2.05%-4.75% 2023-2027	11,600	14,071
	Portuguese Republic 2.875% 2025	12,350	16,061
	Portuguese Republic 2.875% 2026	2,095	2,711
	Portuguese Republic 4.125% 2027	11,510	16,191
	Romania 2.75%-3.88% 2025-2038	8,265	9,589
	Spain (Kingdom of) 1.45% 2027	19,430	23,094
	Spain (Kingdom of) 1.50% 2027	10,350	12,401
	Spain (Kingdom of) 2.70%-2.90% 2046-2048	7,895	9,707
	Other securities		77,863
			286,705
Japanese yen 10.49%	Japan, Series 134, 0.10% 2022	¥1,350,000	12,310
	Japan, Series 18, 0.10% 2024 ¹	3,153,700	29,667
	Japan, Series 19, 0.10% 2024 ¹	2,691,050	25,461
	Japan, Series 346, 0.10% 2027	3,125,000	28,494
	Japan, Series 116, 2.20% 2030	1,735,000	19,472
	Japan, Series 145, 1.70% 2033	2,210,000	24,147
	Japan, Series 57, 0.80% 2047	3,756,250	34,764
	Japan 0.10%-2.30% 2021-2044 ¹	6,172,565	60,336
			234,651
Polish zloty 3.68%	Poland (Republic of), Series 1021, 5.75% 2021	PLN126,530	37,839
	Poland (Republic of), Series 0922, 5.75% 2022	34,600	10,521
	Poland (Republic of) 1.50%-5.25% 2020-2025	122,240	34,035
			82,395
Mexican pesos 3.16%	United Mexican States, Series M, 6.50% 2021	MXN373,300	18,216
	United Mexican States, Series M, 5.75% 2026	654,500	29,459
	United Mexican States 4.00%-10.00% 2020-2042 ¹	432,123	22,899
			70,574
Indian rupees 2.90%	India (Republic of) 7.80% 2021	INR727,600	10,636
	India (Republic of) 8.83% 2023	1,284,200	19,456
	India (Republic of) 6.79%-8.40% 2023-2030	2,203,470	30,936
	Other securities		3,804
			64,832
British pounds 2.17%	United Kingdom 1.25% 2027	£ 11,725	15,372
	United Kingdom 3.25% 2044	6,500	11,192
	United Kingdom 1.50%-4.25% 2023-2047	12,520	19,127
	Other securities		2,827
			48,518
Danish kroner 1.94%	Nykredit Realkredit AS, Series 01E, 1.50% 2040 ²	DKr178,600	27,868
	Nykredit Realkredit AS, Series 01E, 2.50% 2047 ²	14,724	2,410
	Other securities		13,205
			43,483

Global Bond Fund

Bonds, notes & other debt instruments		Principal amount (000)	Value (000)
Malaysian ringgits 1.59%	Malaysia (Federation of) 3.58%-4.50% 2018-2030	MYR145,265	\$ 35,569
South Korean won 1.41%	South Korea (Republic of), Series 2209, 2.00% 2022 South Korea (Republic of), Series 2712, 2.375% 2027 South Korea (Republic of) 1.88%-2.38% 2022-2023	KRW13,974,200 14,470,000 7,040,000	12,391 12,802 6,280 <u>31,473</u>
Thai baht 1.25%	Thailand (Kingdom of) 2.125% 2026 Other securities	THB379,250	11,052 16,996 <u>28,048</u>
Israeli shekels 0.86%	Israel (State of) 5.50% 2042 Other securities	ILS29,300	11,443 7,746 <u>19,189</u>
Canadian dollars 0.66%	Canada 2.25% 2025 Other securities	C\$15,450	11,838 2,954 <u>14,792</u>
Romanian leu 0.51%	Romania 2.30%-5.95% 2020-2022	RON46,525	<u>11,517</u>
U.S. dollars 44.73%	Banco Nacional de Comercio Exterior SNC 3.80% 2026 (UST Yield Curve Rate T Note Constant Maturity 5 year + 3.00% on 8/11/2021) ^{3,4} Fannie Mae 2.18%-4.50% 2022-2048 ^{2,5} Petróleos Mexicanos 6.35%-6.50% 2027-2048 ⁴ Poland (Republic of) 3.25%-4.00% 2024-2026 Romania 5.125% 2048 ⁴ U.S. Treasury 1.125% 2021 ⁶ U.S. Treasury 2.00% 2021 U.S. Treasury 2.125% 2022 U.S. Treasury 2.375% 2023 U.S. Treasury 2.75% 2023 U.S. Treasury 2.75% 2025 U.S. Treasury 2.00% 2026 U.S. Treasury 2.25% 2027 U.S. Treasury 2.75% 2028 ⁶ U.S. Treasury 2.875% 2028 U.S. Treasury 2.75% 2047 ⁶ U.S. Treasury 3.00% 2048 U.S. Treasury 1.88%-3.13% 2020-2048 U.S. Treasury Inflation-Protected Security 0.625% 2024 ¹ U.S. Treasury Inflation-Protected Security 0.25% 2025 ¹ U.S. Treasury Inflation-Protected Securities 0.13%-2.38% 2024-2046 ¹ United Mexican States 3.75% 2028 Other securities	\$ 880 38,880 3,602 5,570 6,200 28,660 16,500 41,955 27,625 39,400 12,000 33,560 27,700 57,600 24,000 18,900 10,600 31,700 27,083 11,740 43,860 2,000	849 39,591 3,584 5,436 5,998 27,575 16,177 40,888 27,205 39,423 11,945 31,430 26,307 57,050 24,030 17,995 10,612 31,179 27,056 11,422 44,328 1,893 498,445 <u>1,000,418</u>
Other 3.74%	Other securities		83,542
Total bonds, notes & other debt instruments (cost: \$2,095,810,000)			<u>2,055,706</u>

Global Bond Fund

Convertible stocks 0.05%		Shares	Value (000)
U.S. dollars 0.05%	Other securities		\$ 1,033
	Total convertible stocks (cost: \$816,000)		<u>1,033</u>

Common stocks 0.07%			
Swiss francs 0.01%	Other securities		<u>200</u>
U.S. dollars 0.06%	Other securities		<u>1,304</u>
	Total common stocks (cost: \$2,505,000)		<u>1,504</u>

Rights & warrants 0.00%			
U.S. dollars 0.00%	Other securities		<u>56</u>
	Total rights & warrants (cost: \$8,000)		<u>56</u>

Short-term securities 9.89%		Principal amount (000)	
	Caisse d'Amortissement de la Dette Sociale 1.99% due 7/9/2018	\$ 16,100	16,092
	Egyptian Treasury Bills 15.42%-16.35% due 7/10/2018-12/18/2018	EGP209,900	11,129
	Japanese Treasury Discount Bills (0.14)% due 5/20/2019	¥11,900,000	107,607
	Nigerian Treasury Bills 11.65%-16.91% due 7/5/2018-12/6/2018	NGN5,525,905	14,861
	Swedbank AB 1.85% due 7/2/2018	\$ 30,900	30,895
	United Overseas Bank Ltd. 2.00% due 7/10/2018 ⁴	40,600	40,576
	Total short-term securities (cost: \$221,612,000)		<u>221,160</u>
	Total investment securities 101.92% (cost: \$2,320,751,000)		<u>2,279,459</u>
	Other assets less liabilities (1.92)%		<u>(42,856)</u>
	Net assets 100.00%		<u><u>\$2,236,603</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$3,268,000, which represented .15% of the net assets of the fund. "Other securities" also includes loan participations and assignments, which may be subject to legal or contractual restrictions on resale. The total value of all such loans was \$5,825,000, which represented .26% of the net assets of the fund. Some securities in "Other securities" (with an aggregate value of \$4,153,000, an aggregate cost of \$3,632,000, and which represented .19% of the net assets of the fund) were acquired from 8/31/2015 to 8/9/2017 through private placement transactions exempt from registration under the Securities Act of 1933, which may subject them to legal or contractual restrictions on resale.

Global Bond Fund

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ⁷ (000)	Value at 6/30/2018 ⁸ (000)	Unrealized (depreciation) appreciation at 6/30/2018 (000)
5 Year Euro-Bobl Futures	Short	142	September 2018	\$ (14,200)	\$ (21,918)	\$(115)
5 Year U.S. Treasury Note Futures	Long	1,068	October 2018	106,800	121,343	627
10 Year Ultra U.S. Treasury Note Futures	Long	93	September 2018	9,300	11,926	93
10 Year U.S. Treasury Note Futures	Long	76	September 2018	7,600	9,134	86
30 Year Ultra U.S. Treasury Bond Futures	Short	141	September 2018	(14,100)	(22,498)	(204)
						<u>\$ 487</u>

Forward currency contracts

Contract amount		Counterparty	Settlement date	Unrealized appreciation (depreciation) at 6/30/2018 (000)
Purchases (000)	Sales (000)			
USD5,763	MXN107,300	JPMorgan Chase	7/9/2018	\$ 369
USD3,099	ZAR39,200	UBS AG	7/9/2018	245
USD20,347	JPY2,253,235	JPMorgan Chase	7/9/2018	(18)
JPY1,655,674	USD15,154	Goldman Sachs	7/9/2018	(190)
JPY2,444,831	USD22,377	Goldman Sachs	7/9/2018	(281)
USD18,116	MYR72,000	JPMorgan Chase	7/10/2018	297
USD7,430	PLN26,900	JPMorgan Chase	7/10/2018	248
USD16,626	EUR14,075	Citibank	7/10/2018	176
USD5,651	GBP4,200	Citibank	7/10/2018	105
USD10,112	CHF9,930	JPMorgan Chase	7/10/2018	76
JPY445,496	USD4,079	Citibank	7/10/2018	(52)
CHF9,929	USD10,112	JPMorgan Chase	7/10/2018	(76)
JPY1,483,519	USD13,545	Citibank	7/10/2018	(136)
MYR60,765	USD15,198	JPMorgan Chase	7/10/2018	(159)
EUR14,075	USD16,685	Bank of America, N.A.	7/10/2018	(236)
PLN26,900	USD7,463	JPMorgan Chase	7/10/2018	(280)
USD7,727	GBP5,900	Morgan Stanley	7/11/2018	(63)
USD15,400	GBP11,737	JPMorgan Chase	7/11/2018	(99)
GBP23,523	USD31,700	Bank of America, N.A.	7/11/2018	(638)
USD7,709	THB244,600	Bank of America, N.A.	7/12/2018	323
USD13,972	INR941,650	JPMorgan Chase	7/12/2018	250
USD1,723	INR116,000	JPMorgan Chase	7/12/2018	32
NOK37,200	USD4,621	Bank of America, N.A.	7/12/2018	(51)
GBP6,389	USD8,564	Citibank	7/12/2018	(127)
USD4,890	BRL17,500	Citibank	7/13/2018	382
USD9,306	ILS33,250	Bank of America, N.A.	7/16/2018	206
EUR4,605	USD5,442	Bank of America, N.A.	7/16/2018	(58)
EUR17,250	USD20,667	UBS AG	7/16/2018	(496)
JPY1,010,000	USD9,169	JPMorgan Chase	7/17/2018	(35)
JPY392,473	USD3,563	Citibank	7/18/2018	(14)
NOK31,115	DKK24,600	Citibank	7/18/2018	(38)
USD15,595	KRW16,837,700	Bank of America, N.A.	7/19/2018	480
USD5,759	COP16,479,481	JPMorgan Chase	7/19/2018	142
USD13,575	INR923,000	Citibank	7/19/2018	135
USD8,450	COP24,598,000	Bank of America, N.A.	7/19/2018	66
EUR5,423	USD6,310	Goldman Sachs	7/19/2018	33
USD7,565	MXN158,000	Bank of America, N.A.	7/19/2018	(365)
USD7,616	MYR30,500	JPMorgan Chase	7/20/2018	69
EUR10,653	GBP9,396	Citibank	7/20/2018	46
USD2,407	INR163,000	Goldman Sachs	7/20/2018	34
JPY615,168	EUR4,800	JPMorgan Chase	7/20/2018	(50)

Global Bond Fund

Forward currency contracts (continued)

Contract amount		Counterparty	Settlement date	Unrealized appreciation (depreciation) at 6/30/2018 (000)
Purchases (000)	Sales (000)			
GBP9,342	EUR10,652	JPMorgan Chase	7/20/2018	\$ (119)
USD30,622	PLN114,400	Bank of America, N.A.	7/23/2018	70
USD7,540	PLN28,100	Bank of America, N.A.	7/23/2018	36
JPY1,310,000	USD11,918	Citibank	7/23/2018	(67)
USD9,131	INR627,000	Bank of America, N.A.	7/24/2018	7
USD8,828	ILS31,900	Bank of America, N.A.	7/25/2018	92
EUR10,459	USD12,171	JPMorgan Chase	7/25/2018	68
USD23,290	JPY2,576,365	JPMorgan Chase	7/25/2018	(21)
JPY727,337	USD6,624	Bank of America, N.A.	7/25/2018	(43)
JPY2,576,365	USD23,464	Bank of America, N.A.	7/25/2018	(153)
USD13,460	CAD17,900	JPMorgan Chase	7/25/2018	(163)
EUR9,784	PLN42,600	Goldman Sachs	7/27/2018	72
JPY878,869	USD8,048	Morgan Stanley	7/27/2018	(94)
EUR24,418	USD28,398	Goldman Sachs	7/31/2018	186
EUR3,395	USD3,948	Goldman Sachs	7/31/2018	26
USD6,091	THB201,000	JPMorgan Chase	7/31/2018	19
USD9,614	AUD13,010	Morgan Stanley	7/31/2018	(15)
JPY646,098	USD5,865	Bank of New York Mellon	7/31/2018	(16)
USD8,655	EUR7,410	JPMorgan Chase	7/31/2018	(19)
JPY2,218,752	USD20,140	Bank of New York Mellon	7/31/2018	(55)
JPY3,592,753	USD32,612	Bank of New York Mellon	7/31/2018	(90)
USD7,567	INR504,900	Citibank	9/24/2018	275
USD5,348	BRL18,000	Citibank	11/29/2018	771
USD2,192	BRL7,400	Citibank	11/29/2018	310
USD5,778	BRL19,300	Citibank	3/11/2019	916
BRL19,300	USD5,077	JPMorgan Chase	3/11/2019	(216)
USD16,793	BRL56,500	JPMorgan Chase	3/15/2019	2,570
USD1,143	EUR900	JPMorgan Chase	3/15/2019	69
BRL27,600	USD7,227	JPMorgan Chase	3/15/2019	(279)
USD947	EUR745	Goldman Sachs	4/12/2019	56
USD110,652	JPY11,900,000	Citibank	5/20/2019	376
				<u>\$4,821</u>

Swap contracts

Interest rate swaps

Receive	Pay	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments/receipts (000)	Unrealized appreciation (depreciation) at 6/30/2018 (000)
1.8935%	U.S. EFFR	9/26/2018	\$335,900	\$ (22)	\$-	\$ (22)
1.6505%	3-month USD-LIBOR	3/21/2019	85,000	(526)	-	(526)
1.4898%	6-month EURIBOR	11/24/2047	€ 2,150	22	-	22
1.5768%	6-month EURIBOR	3/6/2048	5,000	179	-	179
1.4658%	6-month EURIBOR	4/20/2048	3,000	10	-	10
					<u>\$-</u>	<u>\$(337)</u>

Global Bond Fund

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Index-linked bond whose principal amount moves with a government price index.

²Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

³Step bond; coupon rate may change at a later date.

⁴Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$215,969,000, which represented 9.66% of the net assets of the fund.

⁵Purchased on a TBA basis.

⁶All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$2,553,000, which represented .11% of the net assets of the fund.

⁷Notional amount is calculated based on the number of contracts and notional contract size.

⁸Value is calculated based on the notional amount and current market price.

Key to abbreviations and symbols

AUD/A\$ = Australian dollars

BRL = Brazilian reais

CAD/C\$ = Canadian dollars

CHF = Swiss francs

COP = Colombian pesos

DKK/DKr = Danish kroner

EFFR = Effective Federal Funds Rate

EUR/€ = Euros

EURIBOR = Euro Interbank Offered Rate

GBP/£ = British pounds

ILS = Israeli shekels

INR = Indian rupees

JPY/¥ = Japanese yen

KRW = South Korean won

LIBOR = London Interbank Offered Rate

MXN = Mexican pesos

MYR = Malaysian ringgits

NOK = Norwegian kroner

PLN = Polish zloty

RON = Romanian leu

TBA = To-be-announced

THB = Thai baht

USD/\$ = U.S. dollars

ZAR = South African rand

See Notes to Financial Statements

High-Income Bond Fund

Summary investment portfolio June 30, 2018

unaudited

Bonds, notes & other debt instruments 95.20%

Principal amount
(000)

Value
(000)

Corporate bonds & notes 94.70%

		Principal amount (000)	Value (000)
Energy	Blackstone CQP Holdco LP 6.00% 2021 ^{1,2}	\$ 1,600	\$ 1,604
18.98%	Blackstone CQP Holdco LP 6.50% 2021 ^{1,2}	21,230	21,336
	Cheniere Energy Partners, LP 5.25% 2025 ¹	2,200	2,151
	Chesapeake Energy Corp. 8.00% 2025	6,100	6,228
	Chesapeake Energy Corp. 4.88%-8.00% 2019-2027 ^{1,3}	12,508	12,566
	CONSOL Energy Inc. 5.875% 2022	12,824	12,923
	NGL Energy Partners LP 6.875% 2021	7,010	7,124
	Southwestern Energy Co. 4.10% 2022	7,430	7,133
	Teekay Corp. 8.50% 2020	12,018	12,439
	Weatherford International PLC 6.75% 2040	7,755	6,185
	Weatherford International PLC 4.50%-9.88% 2021-2036 ¹	13,820	12,518
	Other securities		162,603
			<u>264,810</u>

Health care	Centene Corp. 4.75% 2022	6,515	6,588
14.05%	Centene Corp. 4.75%-6.13% 2024-2026 ¹	11,315	11,507
	Kinetic Concepts, Inc. 12.50% 2021 ¹	6,463	7,174
	Molina Healthcare, Inc. 5.375% 2022	10,910	11,033
	Molina Healthcare, Inc. 4.875% 2025 ¹	4,294	4,187
	Rotech Healthcare Inc., Term Loan, (3-month USD-LIBOR + 11.00%) 13.325% 2023 ^{3,4,5,6,7,8}	6,914	6,311
	Tenet Healthcare Corp. 6.00% 2020	6,565	6,770
	Tenet Healthcare Corp. 4.38%-8.13% 2020-2024 ¹	18,652	18,581
	Valeant Pharmaceuticals International, Inc. 5.875% 2023 ¹	7,585	7,154
	Valeant Pharmaceuticals International, Inc. 6.125% 2025 ¹	12,705	11,752
	Valeant Pharmaceuticals International, Inc. 9.25% 2026 ¹	6,985	7,273
	Valeant Pharmaceuticals International, Inc. 5.63%-9.00% 2021-2027 ¹	10,580	10,842
	Valeant Pharmaceuticals International, Inc., Term Loan B, (3-month USD-LIBOR + 3.00%) 4.982% 2025 ^{3,4,5}	1,675	1,672
	Other securities		85,213
			<u>196,057</u>

Consumer discretionary	CCO Holdings LLC and CCO Holdings Capital Corp. 5.75% 2026 ¹	8,450	8,323
12.90%	CCO Holdings LLC and CCO Holdings Capital Corp. 4.00%-5.88% 2023-2028 ¹	17,150	16,323
	Clear Channel Worldwide Holdings, Inc. 7.625% 2020	12,700	12,672
	Meredith Corp. 6.875% 2026 ¹	7,140	7,060
	Petsmart, Inc. 5.875% 2025 ¹	15,140	11,696
	Petsmart, Inc. 7.13%-8.88% 2023-2025 ¹	9,200	6,133
	Wynn Las Vegas, LLC and Wynn Capital Corp. 5.50% 2025 ¹	7,275	7,166
	Other securities		110,623
			<u>179,996</u>

Materials	Cleveland-Cliffs Inc. 4.875% 2024 ¹	3,825	3,701
11.45%	Cleveland-Cliffs Inc. 5.75% 2025	15,000	14,269
	First Quantum Minerals Ltd. 7.50% 2025 ¹	12,300	12,185
	First Quantum Minerals Ltd. 6.50%-7.25% 2021-2026 ¹	16,195	16,048
	Freeport-McMoRan Inc. 3.55% 2022	7,415	7,063
	Platform Specialty Products Corp. 5.875% 2025 ¹	6,535	6,396
	Ryerson Inc. 11.00% 2022 ¹	6,336	6,985
	Other securities		93,138
			<u>159,785</u>

Industrials	Allison Transmission Holdings, Inc. 5.00% 2024 ¹	6,265	6,179
9.08%	Associated Materials, LLC 9.00% 2024 ¹	7,000	7,367
	Brand Energy 8.50% 2025 ¹	6,305	6,407
	Corporate Risk Holdings LLC 9.50% 2019 ¹	12,782	13,373

High-Income Bond Fund

Bonds, notes & other debt instruments		Principal amount (000)	Value (000)
	Corporate Risk Holdings LLC 13.50% 2020 (100% PIK) ^{1,6,7,8}	\$ 1,187	\$ 1,270
	DAE Aviation Holdings, Inc. 10.00% 2023 ¹	7,965	8,632
	Other securities		83,475
			<u>126,703</u>
Telecommunication services 8.97%	Frontier Communications Corp. 10.50% 2022	7,440	6,789
	Frontier Communications Corp. 11.00% 2025	14,225	11,447
	Frontier Communications Corp. 8.50%-9.25% 2021-2026 ¹	5,500	5,338
	Intelsat Jackson Holding Co. 7.25% 2020	5,775	5,775
	Intelsat Jackson Holding Co. 7.50% 2021	11,910	11,880
	Intelsat Jackson Holding Co. 5.50%-8.00% 2023-2024 ¹	7,725	7,375
	Ligado Networks, Term Loan, (3-month USD-LIBOR + 8.75%) 10.78% 2020 (100% PIK) ^{3,4,5,6}	8,749	7,269
	Sprint Corp. 11.50% 2021	5,880	6,968
	Sprint Corp. 6.88%-8.75% 2021-2032	12,970	13,140
	Ziggo Bond Finance BV 5.50% 2027 ¹	6,950	6,509
	Other securities		42,589
			<u>125,079</u>
Information technology 7.41%	Almonde Inc., Term Loan, (3-month USD-LIBOR + 7.25%) 9.557% 2025 ^{3,4,5}	6,750	6,524
	Camelot Finance SA 7.875% 2024 ¹	7,530	7,568
	Gogo Inc. 12.50% 2022 ¹	12,850	13,749
	Infor Software 7.125% 2021 ^{1,6}	7,960	8,010
	Kronos Inc., Term Loan B, (3-month USD-LIBOR + 8.25%) 10.608% 2024 ^{3,4,5}	7,870	8,155
	Unisys Corp. 10.75% 2022 ¹	6,400	7,200
	Other securities		52,179
			<u>103,385</u>
Financials 3.92%	Other securities		<u>54,662</u>
Utilities 2.93%	Other securities		<u>40,819</u>
Consumer staples 2.75%	B&G Foods, Inc. 5.25% 2025	7,158	6,764
	Other securities		31,563
			<u>38,327</u>
Real estate 2.26%	Iron Mountain Inc. 5.75% 2024	7,650	7,554
	Other securities		23,988
			<u>31,542</u>
	Total corporate bonds & notes		<u>1,321,165</u>
Other bonds & notes 0.50%	Other securities		6,917
	Total bonds, notes & other debt instruments (cost: \$1,345,692,000)		<u>1,328,082</u>
Convertible bonds 0.55%			
Energy 0.10%	Chesapeake Energy Corp., convertible notes, 5.50% 2026 ¹	600	611
	Other securities		715
			<u>1,326</u>

High-Income Bond Fund

Convertible bonds (continued)		Principal amount (000)	Value (000)
Telecommunication services 0.05%	Intelsat SA, convertible notes, 4.50% 2025 ¹	\$ 550	\$ 676
Other 0.17%	Other securities		2,422
Miscellaneous 0.23%	Other convertible bonds in initial period of acquisition		3,203
	Total convertible bonds (cost: \$7,329,000)		7,627

Convertible stocks 0.56%

		Shares	
Industrials 0.42%	Associated Materials, LLC, 14.00% convertible preferred 2020 ^{7,8}	4,850	5,892
Health care 0.06%	Other securities		818
Telecommunication services 0.01%	Frontier Communications Corp., Series A, 11.125% convertible preferred 2018	10,000	99
Miscellaneous 0.07%	Other convertible stocks in initial period of acquisition		974
	Total convertible stocks (cost: \$7,154,000)		7,783

Common stocks 1.09%

Information technology 0.48%	Corporate Risk Holdings I, Inc. ^{2,7,8,9}	218,504	6,693
	Other securities		—
			6,693
Other 0.55%	Other securities		7,645
Miscellaneous 0.06%	Other common stocks in initial period of acquisition		896
	Total common stocks (cost: \$21,440,000)		15,234

Rights & warrants 0.03%

Energy 0.03%	Other securities		354
	Total rights & warrants (cost: \$51,000)		354

High-Income Bond Fund

	Principal amount (000)	Value (000)
Short-term securities 3.17%		
Federal Home Loan Bank 1.84% due 7/20/2018	\$10,000	\$ 9,991
Honeywell International Inc. 1.95% due 7/25/2018 ¹	6,400	6,391
Société Générale 1.79% due 7/2/2018 ¹	27,900	27,896
Total short-term securities (cost: \$44,281,000)		<u>44,278</u>
Total investment securities 100.60% (cost: \$1,425,947,000)		1,403,358
Other assets less liabilities (0.60)%		(8,340)
Net assets 100.00%		<u><u>\$1,395,018</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

As permitted by U.S. Securities and Exchange Commission regulations, "Miscellaneous" securities include holdings in their first year of acquisition that have not previously been publicly disclosed.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" also includes a security which was pledged as collateral. The total value of pledged collateral was \$4,276,000, which represented less than .01% of the net assets of the fund.

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ¹⁰ (000)	Value at 6/30/2018 ¹¹ (000)	Unrealized depreciation at 6/30/2018 (000)
10 Year U.S. Treasury Note Futures	Short	159	September 2018	\$(15,900)	\$(19,110)	\$(75)

Swap contracts

Interest rate swaps

Receive	Pay	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments/receipts (000)	Unrealized appreciation (depreciation) at 6/30/2018 (000)
3-month USD-LIBOR	2.772%	2/28/2025	\$14,500	\$ 105	\$-	\$ 105
3-month USD-LIBOR	2.0745%	11/21/2026	18,600	1,165	-	1,165
3-month USD-LIBOR	2.2825%	4/13/2027	10,700	527	-	527
2.2865%	3-month USD-LIBOR	10/2/2027	10,100	(523)	-	(523)
3-month USD-LIBOR	2.6475%	1/25/2028	5,000	115	-	115
					\$-	<u>\$1,389</u>

Credit default swaps

Centrally cleared credit default swaps on credit indices – buy protection

Receive	Pay/ Payment frequency	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments (000)	Unrealized appreciation at 6/30/2018 (000)
CDX.NA.HY.29	5.00%/Quarterly	12/20/2022	\$62,650	\$(3,846)	\$(4,557)	\$ 711
CDX.NA.HY.30	5.00%/Quarterly	6/20/2023	22,110	(1,270)	(1,660)	390
					<u>\$(6,217)</u>	<u>\$1,101</u>

High-Income Bond Fund

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

- ¹Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$778,268,000, which represented 55.79% of the net assets of the fund.
- ²Acquired through a private placement transaction exempt from registration under the Securities Act of 1933. May be subject to legal or contractual restrictions on resale. Further details on these holdings appear below.
- ³Coupon rate may change periodically.
- ⁴Loan participations and assignments; may be subject to legal or contractual restrictions on resale. The total value of all such loans, including those in "Other securities," was \$98,836,000, which represented 7.08% of the net assets of the fund.
- ⁵Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.
- ⁶Payment in kind; the issuer has the option of paying additional securities in lieu of cash. Most recent payment was 100% cash unless otherwise noted.
- ⁷Valued under fair value procedures adopted by authority of the board of trustees. The total value of all such securities, including those in "Other securities," was \$32,911,000, which represented 2.36% of the net assets of the fund.
- ⁸Value determined using significant unobservable inputs.
- ⁹Security did not produce income during the last 12 months.
- ¹⁰Notional amount is calculated based on the number of contracts and notional contract size.
- ¹¹Value is calculated based on the notional amount and current market price.

Private placement securities	Acquisition date(s)	Cost (000)	Value (000)	Percent of net assets
Blackstone CQP Holdco LP, 6.50% 2021	3/6/2017–2/5/2018	\$ 21,235	\$ 21,336	1.53%
Blackstone CQP Holdco LP, 6.00% 2021	8/9/2017	1,600	1,604	.11
Corporate Risk Holdings I, Inc.	8/31/2015	2,428	6,693	.48
Corporate Risk Holdings Corp.	8/31/2015	–	–	.00
Other securities	12/13/2012–11/15/2016	4,633	1,475	.11
Total private placement securities		\$29,896	\$31,108	2.23%

Key to abbreviations and symbol

LIBOR = London Interbank Offered Rate

USD/\$ = U.S. dollars

See Notes to Financial Statements

Mortgage Fund

Summary investment portfolio June 30, 2018

unaudited

Bonds, notes & other debt instruments 95.27%		Principal amount (000)	Value (000)
Mortgage-backed obligations 72.60%			
Federal agency mortgage-backed obligations 70.16%	Fannie Mae 4.00% 2047 ¹	\$ 7,529	\$ 7,694
	Fannie Mae 4.00% 2047 ¹	4,797	4,897
	Fannie Mae 4.00% 2048 ^{1,2}	10,113	10,296
	Fannie Mae 4.00% 2048 ^{1,2}	4,296	4,380
	Fannie Mae 4.00% 2048 ^{1,2}	2,841	2,890
	Fannie Mae 4.50% 2048 ¹	14,986	15,643
	Fannie Mae 4.50% 2048 ¹	7,966	8,348
	Fannie Mae 4.50% 2048 ¹	4,973	5,210
	Fannie Mae 4.00%-5.00% 2036-2048 ¹	2,963	3,088
	Freddie Mac 4.00% 2036 ¹	5,574	5,746
	Freddie Mac 4.00% 2048 ^{1,2}	12,500	12,719
	Freddie Mac 4.00% 2048 ^{1,2}	6,354	6,474
	Freddie Mac 4.50% 2048 ^{1,2}	16,418	17,058
	Freddie Mac 4.50% 2048 ^{1,2}	4,282	4,456
	Freddie Mac 2.60%-5.00% 2020-2036 ¹	5,336	5,456
	Freddie Mac Pool #760014 2.978% 2045 ^{1,3}	2,555	2,556
	Freddie Mac, Series K031, Class A2, Multi Family, 3.30% 2046 ¹	4,722	4,770
	Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2017-4, Class HT, 2.50% 2057 ^{1,3}	12,818	12,496
	Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2018-2, Class MT, 3.50% 2057 ¹	11,539	11,334
	Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2017-4, Class MT, 3.50% 2057 ¹	7,866	7,733
	Government National Mortgage Assn. 5.50% 2040 ¹	2,037	2,222
	Government National Mortgage Assn. 4.00% 2048 ^{1,2}	5,190	5,319
	Government National Mortgage Assn. 4.00% 2048 ^{1,2}	4,010	4,103
	Government National Mortgage Assn. 4.50% 2048 ^{1,2}	33,082	34,391
	Government National Mortgage Assn. 4.50% 2048 ^{1,2}	4,868	5,052
	Government National Mortgage Assn. 3.50%-6.50% 2034-2066 ¹	23,415	23,928
	Vendee Mortgage Trust, Series 2011-2, Class V, 3.75% 2028 ¹	4,357	4,302
	Vendee Mortgage Trust, Series 2010-1, Class DA, 4.25% 2035 ¹	558	566
	Other securities		4,653
			<u>237,780</u>
Collateralized mortgage-backed (privately originated) 2.41%	Other securities		<u>8,177</u>
Commercial mortgage-backed securities 0.03%	Other securities		<u>84</u>
	Total mortgage-backed obligations		<u>246,041</u>
U.S. Treasury bonds & notes 10.08%			
U.S. Treasury 6.97%	U.S. Treasury 1.875% 2022 ⁴	7,800	7,538
	U.S. Treasury 2.00% 2022	3,300	3,203
	U.S. Treasury 2.75% 2023	3,500	3,503
	U.S. Treasury 2.50% 2024	2,500	2,460
	U.S. Treasury 3.00% 2048 ⁴	5,000	5,006
	U.S. Treasury 1.50%-2.75% 2020-2023	1,968	1,930
			<u>23,640</u>
U.S. Treasury inflation-protected securities 3.11%	U.S. Treasury Inflation-Protected Security 0.50% 2028 ⁵	4,093	3,401
	U.S. Treasury Inflation-Protected Security 2.125% 2041 ⁵	126	159
	U.S. Treasury Inflation-Protected Security 0.75% 2042 ^{4,5}	7,134	6,966
			<u>10,526</u>
	Total U.S. Treasury bonds & notes		<u>34,166</u>

Mortgage Fund

Bonds, notes & other debt instruments (continued)		Principal amount (000)	Value (000)
Asset-backed obligations 6.29%			
	Exeter Automobile Receivables Trust, Series 2018-2A, Class A, 2.79% 2021 ^{1,6}	\$ 2,413	\$ 2,412
	SLM Private Credit Student Loan Trust, Series 2010-1, Class A, (1-month USD-LIBOR + 0.40%) 2.491% 2025 ^{1,3}	2,851	2,813
	Other securities		16,099
			<u>21,324</u>
Federal agency bonds & notes 6.26%			
	Fannie Mae 1.88%-2.00% 2022	8,800	8,565
	Federal Home Loan Bank 1.38%-1.88% 2021	13,000	12,638
			<u>21,203</u>
Corporate bonds & notes 0.04%			
Financials	Other securities		134
0.04%	Total bonds, notes & other debt instruments (cost: \$324,480,000)		<u>322,868</u>
Short-term securities 36.05%			
	Chariot Funding, LLC 2.05% due 8/3/2018 ⁶	9,000	8,982
	Chevron Corp. 1.92% due 7/23/2018 ⁶	8,300	8,289
	Coca-Cola Co. 2.04% due 8/13/2018 ⁶	7,900	7,880
	ExxonMobil Corp. 1.97% due 8/8/2018	10,000	9,978
	Federal Farm Credit Banks 1.82%-2.06% due 7/16/2018-11/27/2018	23,000	22,882
	Federal Home Loan Bank 1.90% due 8/22/2018	6,000	5,985
	Freddie Mac 1.78% due 7/18/2018	5,000	4,996
	Honeywell International Inc. 1.88% due 7/11/2018 ⁶	10,000	9,994
	Intel Corp. 2.00% due 9/6/2018 ⁶	9,000	8,965
	John Deere Bank SA 2.00% due 8/1/2018 ⁶	6,400	6,388
	Paccar Financial Corp. 1.96% due 7/23/2018	9,000	8,988
	PepsiCo Inc. 1.84% due 8/7/2018 ⁶	10,000	9,978
	Société Générale 1.79% due 7/2/2018 ⁶	6,900	6,899
	Other securities		1,991
	Total short-term securities (cost: \$122,206,000)		<u>122,195</u>
	Total investment securities 131.32% (cost: \$446,686,000)		445,063
	Other assets less liabilities (31.32)%		<u>(106,155)</u>
	Net assets 100.00%		<u><u>\$ 338,908</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio. "Other securities" includes securities which were valued under fair value procedures adopted by authority of the board of trustees. The total value of securities which were valued under fair value procedures was \$1,765,000, which represented .52% of the net assets of the fund.

Mortgage Fund

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ⁷ (000)	Value at 6/30/2018 ⁸ (000)	Unrealized appreciation at 6/30/2018 (000)
5 Year U.S. Treasury Note Futures	Long	1,134	October 2018	\$113,400	\$128,842	\$667
10 Year Ultra U.S. Treasury Note Futures	Long	107	September 2018	10,700	13,721	111
20 Year U.S. Treasury Bond Futures	Long	48	September 2018	4,800	6,960	18
30 Year Ultra U.S. Treasury Bond Futures	Long	5	September 2018	500	798	2
						<u>\$798</u>

Swap contracts

Interest rate swaps

Receive	Pay	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments/receipts (000)	Unrealized (depreciation) appreciation at 6/30/2018 (000)
1.8935%	U.S. EFFR	9/26/2018	\$71,000	\$ (5)	\$-	\$ (5)
1.865%	U.S. EFFR	9/26/2018	65,100	(7)	-	(7)
2.088%	U.S. EFFR	2/6/2020	21,000	(72)	-	(72)
2.0115%	U.S. EFFR	2/8/2020	25,000	(119)	-	(119)
3-month USD-LIBOR	1.217%	9/22/2021	11,500	587	-	587
3-month USD-LIBOR	1.225%	9/22/2021	11,500	585	-	585
3-month USD-LIBOR	1.2796%	10/11/2021	14,500	725	-	725
2.0135%	3-month USD-LIBOR	10/20/2021	30,000	(815)	-	(815)
2.012%	3-month USD-LIBOR	10/4/2022	9,000	(313)	-	(313)
2.00%	3-month USD-LIBOR	10/5/2022	41,500	(1,464)	-	(1,464)
2.1045%	3-month USD-LIBOR	10/31/2022	4,000	(126)	-	(126)
3-month USD-LIBOR	2.2835%	1/5/2023	36,000	911	-	911
3-month USD-LIBOR	2.24%	12/5/2026	10,500	529	-	529
3-month USD-LIBOR	2.27%	12/5/2026	8,500	409	-	409
3-month USD-LIBOR	3.206%	7/31/2044	1,000	(50)	-	(50)
3-month USD-LIBOR	3.238%	8/8/2044	2,000	(112)	-	(112)
3-month USD-LIBOR	3.2265%	9/25/2044	3,000	(163)	-	(163)
U.S. EFFR	2.145%	11/9/2047	2,200	145	-	145
U.S. EFFR	2.153%	11/10/2047	2,200	141	-	141
U.S. EFFR	2.155%	11/10/2047	1,280	82	-	82
U.S. EFFR	2.17%	11/13/2047	2,320	141	-	141
U.S. EFFR	2.5635%	2/12/2048	4,528	(97)	-	(97)
2.98%	3-month USD-LIBOR	3/15/2048	300	3	-	3
2.9625%	3-month USD-LIBOR	3/15/2048	300	2	-	2
U.S. EFFR	2.4615%	3/15/2048	300	- ⁹	-	- ⁹
U.S. EFFR	2.485%	3/15/2048	300	(1)	-	(1)
U.S. EFFR	2.425%	3/16/2048	600	5	-	5
2.917%	3-month USD-LIBOR	3/16/2048	600	(2)	-	(2)
					<u>\$-</u>	<u>\$ 919</u>

Mortgage Fund

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

²Purchased on a TBA basis.

³Coupon rate may change periodically.

⁴All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$5,550,000, which represented 1.64% of the net assets of the fund.

⁵Index-linked bond whose principal amount moves with a government price index.

⁶Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities, including those in "Other securities," was \$90,987,000, which represented 26.85% of the net assets of the fund.

⁷Notional amount is calculated based on the number of contracts and notional contract size.

⁸Value is calculated based on the notional amount and current market price.

⁹Amount less than one thousand.

Key to abbreviations and symbol

EFFR = Effective Federal Funds Rate

LIBOR = London Interbank Offered Rate

TBA = To-be-announced

USD/\$ = U.S. dollars

See Notes to Financial Statements

Ultra-Short Bond Fund

Investment portfolio June 30, 2018

unaudited

Short-term securities 99.94%	Principal amount (000)	Value (000)
Commercial paper 84.63%		
American Honda Finance Corp. 2.15% due 7/24/2018	\$ 8,650	\$ 8,638
Caisse d'Amortissement de la Dette Sociale 1.99% due 7/9/2018	10,000	9,995
Chevron Corp. 2.06% due 9/12/2018 ¹	10,000	9,957
Emerson Electric Co. 1.92% due 7/10/2018 ¹	7,990	7,985
Essilor International 1.98% due 7/16/2018 ¹	10,000	9,991
Fairway Finance Corp. 2.00% due 7/16/2018 ¹	6,500	6,494
General Dynamics Corp. 2.03% due 7/17/2018 ¹	10,000	9,990
Hydro-Québec 2.02% due 8/2/2018 ¹	10,000	9,981
John Deere Canada ULC 1.97% due 7/17/2018 ¹	9,100	9,091
KfW 2.12% due 9/24/2018 ¹	10,000	9,950
Kimberly-Clark Corp. 1.95% due 7/11/2018 ¹	8,000	7,995
Mitsubishi UFJ Trust and Banking Corp. 2.05% due 7/6/2018 ¹	9,300	9,297
Mizuho Bank, Ltd. 2.04% due 8/13/2018 ¹	10,000	9,974
National Australia Bank Ltd. 1.95% due 7/2/2018 ¹	11,000	10,998
National Rural Utilities Cooperative Finance Corp. 1.98% due 7/17/2018	8,800	8,791
Nestlé Capital Corp. 2.08% due 9/4/2018 ¹	10,000	9,962
Old Line Funding, LLC 2.05% due 8/6/2018 ¹	4,800	4,790
Pfizer Inc. 2.02% due 8/21/2018 ¹	10,000	9,970
Province of Ontario 1.91% due 7/5/2018	9,300	9,297
Prudential Funding, LLC 1.90% due 7/6/2018	10,000	9,996
Simon Property Group, L.P. 2.08% due 8/20/2018 ¹	11,150	11,117
Société Générale 1.79% due 7/2/2018 ¹	12,000	11,998
Starbird Funding Corp. 1.96% due 7/6/2018 ¹	5,000	4,998
Sumitomo Mitsui Banking Corp. 2.00% due 7/23/2018 ¹	11,000	10,986
Swedbank AB 2.23% due 9/27/2018	6,800	6,763
Toyota Industries Commercial Finance, Inc. 2.10% due 8/17/2018 ¹	8,000	7,978
United Overseas Bank Ltd. 2.00% due 7/10/2018 ¹	10,000	9,994
		<u>246,976</u>
Federal agency discount notes 11.20%		
Federal Home Loan Bank 1.85%-1.89% due 7/20/2018-8/6/2018	32,000	31,957
Freddie Mac 1.83% due 8/6/2018	715	714
		<u>32,671</u>
U.S. Treasury bonds & notes 4.11%		
U.S. Treasury Bill 1.60% due 7/19/2018	12,000	11,990
Total short-term securities (cost: \$291,655,000)		<u>291,637</u>
Total investment securities 99.94% (cost: \$291,655,000)		291,637
Other assets less liabilities 0.06%		<u>178</u>
Net assets 100.00%		<u><u>\$291,815</u></u>

¹Acquired in a transaction exempt from registration under Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities was \$193,496,000, which represented 66.31% of the net assets of the fund.

See Notes to Financial Statements

U.S. Government/AAA-Rated Securities Fund

Summary investment portfolio June 30, 2018

unaudited

Bonds, notes & other debt instruments 99.10%		Principal amount (000)	Value (000)
U.S. Treasury bonds & notes 50.17%			
U.S. Treasury	U.S. Treasury 2.50% 2020	\$ 50,000	\$ 49,973
43.02%	U.S. Treasury 1.125% 2021	31,950	30,481
	U.S. Treasury 1.75% 2021 ¹	33,540	32,544
	U.S. Treasury 2.00% 2021	46,300	45,268
	U.S. Treasury 2.00% 2021	26,500	26,038
	U.S. Treasury 1.75% 2022	174,300	168,177
	U.S. Treasury 1.875% 2022	63,000	61,122
	U.S. Treasury 2.00% 2022	69,500	67,464
	U.S. Treasury 2.00% 2022	43,510	42,222
	U.S. Treasury 1.50% 2023	26,020	24,625
	U.S. Treasury 1.625% 2023	38,150	36,210
	U.S. Treasury 2.125% 2023 ¹	64,095	62,028
	U.S. Treasury 2.625% 2023	63,000	62,728
	U.S. Treasury 2.75% 2023	99,300	99,387
	U.S. Treasury 2.75% 2023	52,956	52,987
	U.S. Treasury 2.125% 2024	55,975	53,790
	U.S. Treasury 2.50% 2024	44,000	43,296
	U.S. Treasury 2.75% 2025	38,000	37,850
	U.S. Treasury 2.875% 2025	25,000	25,084
	U.S. Treasury 2.75% 2028	27,461	27,199
	U.S. Treasury 2.75% 2047 ¹	43,501	41,423
	U.S. Treasury 1.50%-6.25% 2019-2048	210,954	207,086
			<u>1,296,982</u>
U.S. Treasury	U.S. Treasury Inflation-Protected Security 0.50% 2028 ²	57,386	47,688
inflation-protected	U.S. Treasury Inflation-Protected Security 1.375% 2044 ^{1,2}	46,441	51,833
securities	U.S. Treasury Inflation-Protected Security 1.00% 2048 ²	31,748	26,386
7.15%	U.S. Treasury Inflation-Protected Securities 0.13%-2.13% 2022-2047 ²	91,391	89,863
			<u>215,770</u>
	Total U.S. Treasury bonds & notes		<u>1,512,752</u>
Mortgage-backed obligations 28.50%			
Federal agency	Fannie Mae 3.00% 2036 ³	27,950	27,543
mortgage-backed	Fannie Mae 4.00% 2047 ³	32,646	33,360
obligations	Fannie Mae 4.50% 2048 ^{3,4}	95,470	99,239
28.50%	Fannie Mae 4.50% 2048 ^{3,4}	67,539	70,099
	Fannie Mae 4.50% 2048 ³	43,815	45,915
	Fannie Mae 0%-9.22% 2022-2048 ^{3,4,5}	129,020	132,015
	Freddie Mac 4.50% 2048 ^{3,4}	36,248	37,659
	Freddie Mac 0%-5.50% 2020-2048 ^{3,4,5}	75,257	75,767
	Freddie Mac, Series K010, Class A1, Multi Family, 3.32% 2020 ³	107	107
	Freddie Mac Seasoned Credit Risk Transfer Trust, Series 2018-2, Class MT, 3.50% 2057 ³	44,020	43,237
	Government National Mortgage Assn. 3.50% 2048 ^{3,4}	25,000	25,090
	Government National Mortgage Assn. 4.00% 2048 ^{3,4}	33,367	34,143
	Government National Mortgage Assn. 4.50% 2048 ^{3,4}	60,719	63,017
	Government National Mortgage Assn. 4.50% 2048 ^{3,4}	31,081	32,310
	Government National Mortgage Assn. 2.74%-6.64% 2034-2065 ^{3,4,5}	61,832	64,125
	Other securities		75,485
			<u>859,111</u>
Federal agency bonds & notes 20.43%			
	Fannie Mae 1.25%-7.13% 2019-2030	31,400	32,266
	Federal Home Loan Bank 1.75%-5.50% 2018-2036	91,315	91,736
	Freddie Mac 2.38%-3.75% 2019-2021	112,750	112,154
	Tennessee Valley Authority 2.88%-5.88% 2021-2060	47,305	49,028
	U.S. Department of Housing and Urban Development 1.33%-3.70% 2018-2034	83,632	83,208

U.S. Government/AAA-Rated Securities Fund

Bonds, notes & other debt instruments	Principal amount (000)	Value (000)
United States Agency for International Development, Jordan (Kingdom of) 1.95%-3.00% 2019-2025	\$194,000	\$ 193,737
United States Agency for International Development, Morocco (Kingdom of) 7.55% 2026 ³	3,477	3,997
United States Agency for International Development, Iraq (State of), 2.149% 2022	6,670	6,475
United States Agency for International Development, Tunisia (Kingdom of) 1.416% 2021	3,000	2,878
United States Agency for International Development, Ukraine 1.47%-1.84% 2019-2021	5,855	5,663
Other securities		34,757
		<u>615,899</u>
Total bonds, notes & other debt instruments (cost: \$3,019,008,000)		<u>2,987,762</u>

Short-term securities 16.56%

Chariot Funding, LLC 2.25% due 8/31/2018 ⁶	25,000	24,905
CHARTA, LLC 2.27% due 9/28/2018 ⁶	30,000	29,827
Chevron Corp. 1.98%-2.01% due 8/23/2018-9/10/2018 ⁶	50,000	49,809
Coca-Cola Co. 2.23% due 10/5/2018 ⁶	50,000	49,704
Eli Lilly and Co. 1.91% due 7/9/2018 ⁶	30,000	29,984
Intel Corp. 1.94% due 7/23/2018 ⁶	41,300	41,246
PepsiCo Inc. 1.96% due 8/6/2018 ⁶	60,000	59,873
Pfizer Inc. 2.03% due 9/10/2018 ⁶	50,000	49,787
Société Générale 1.79% due 7/2/2018 ⁶	37,100	37,094
Other securities		127,082
Total short-term securities (cost: \$499,371,000)		<u>499,311</u>
Total investment securities 115.66% (cost: \$3,518,379,000)		3,487,073
Other assets less liabilities (15.66)%		(472,050)
Net assets 100.00%		<u><u>\$3,015,023</u></u>

This summary investment portfolio is designed to streamline the report and help investors better focus on the fund's principal holdings. See the inside back cover for details on how to obtain a complete schedule of portfolio holdings.

"Other securities" includes all issues that are not disclosed separately in the summary investment portfolio.

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ⁷ (000)	Value at 6/30/2018 ⁸ (000)	Unrealized (depreciation) appreciation at 6/30/2018 (000)
90 Day Euro Dollar Futures	Long	1	December 2018	\$ 250	\$ 243	\$ - ⁹
2 Year U.S. Treasury Note Futures	Long	1,895	October 2018	379,000	401,414	(233)
5 Year U.S. Treasury Note Futures	Long	13,644	October 2018	1,364,400	1,550,193	7,833
10 Year U.S. Treasury Note Futures	Long	3,146	September 2018	314,600	378,110	2,093
10 Year Ultra U.S. Treasury Note Futures	Long	312	September 2018	31,200	40,009	361
20 Year U.S. Treasury Bond Futures	Long	97	September 2018	9,700	14,065	35
30 Year Ultra U.S. Treasury Bond Futures	Short	159	September 2018	(15,900)	(25,370)	17
						<u><u>\$10,106</u></u>

U.S. Government/AAA-Rated Securities Fund

Swap contracts

Interest rate swaps

Receive	Pay	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments/receipts (000)	Unrealized appreciation (depreciation) at 6/30/2018 (000)
1.9475%	U.S. EFFR	9/26/2018	\$3,090,000	\$ 54	\$-	\$ 54
1.882%	U.S. EFFR	9/26/2018	142,200	(12)	-	(12)
1.8975%	U.S. EFFR	9/26/2018	374,000	(22)	-	(22)
1.8935%	U.S. EFFR	9/26/2018	398,000	(26)	-	(26)
1.865%	U.S. EFFR	9/26/2018	364,900	(40)	-	(40)
U.S. EFFR	2.385%	5/1/2019	2,143,040	(120)	-	(120)
1.37%	U.S. EFFR	6/14/2019	60,500	(474)	-	(474)
1.362%	U.S. EFFR	6/21/2019	60,500	(492)	-	(492)
1.351%	U.S. EFFR	6/28/2019	60,500	(511)	-	(511)
2.32475%	3-month USD-LIBOR	2/9/2020	490,000	(3,245)	-	(3,245)
3-month USD-LIBOR	2.3774%	2/13/2020	390,000	2,270	-	2,270
1.997%	U.S. EFFR	2/13/2020	60,900	(308)	-	(308)
1.989%	U.S. EFFR	2/13/2020	61,000	(316)	-	(316)
1.9425%	3-month USD-LIBOR	3/17/2020	165,000	(2,231)	-	(2,231)
U.S. EFFR	2.19%	3/29/2020	135,300	383	-	383
2.5935%	3-month USD-LIBOR	3/29/2020	136,200	(377)	-	(377)
2.577%	3-month USD-LIBOR	3/29/2020	135,300	(413)	-	(413)
U.S. EFFR	2.174%	4/4/2020	71,520	230	-	230
2.5725%	3-month USD-LIBOR	4/4/2020	71,516	(235)	-	(235)
U.S. EFFR	2.19%	4/6/2020	47,300	139	-	139
3-month USD-LIBOR	2.761%	4/27/2020	100,000	18	-	18
U.S. EFFR	2.4195%	6/14/2020	121,000	(36)	-	(36)
1.8005%	3-month USD-LIBOR	9/28/2020	48,000	(1,062)	-	(1,062)
3-month USD-LIBOR	1.217%	9/22/2021	60,000	3,065	-	3,065
3-month USD-LIBOR	1.225%	9/22/2021	60,000	3,051	-	3,051
3-month USD-LIBOR	1.2255%	9/23/2021	5,000	254	-	254
3-month USD-LIBOR	1.9665%	2/2/2022	50,000	1,560	-	1,560
3-month USD-LIBOR	2.2175%	3/17/2022	52,000	1,203	-	1,203
3-month USD-LIBOR	1.8675%	4/19/2022	70,000	2,545	-	2,545
3-month USD-LIBOR	1.75918%	4/29/2022	58,000	2,351	-	2,351
3-month USD-LIBOR	1.948%	7/28/2022	20,000	714	-	714
2.80%	3-month USD-LIBOR	9/2/2022	280,000	(767)	-	(767)
2.75%	3-month USD-LIBOR	9/2/2022	280,000	(1,024)	-	(1,024)
2.009%	3-month USD-LIBOR	10/4/2022	50,000	(1,744)	-	(1,744)
2.08934%	3-month USD-LIBOR	11/17/2022	40,700	(1,324)	-	(1,324)
2.2025%	3-month USD-LIBOR	12/4/2022	20,000	(563)	-	(563)
3-month USD-LIBOR	2.2455%	12/21/2022	25,000	666	-	666
2.27403%	3-month USD-LIBOR	12/29/2022	60,000	(1,529)	-	(1,529)
3-month USD-LIBOR	2.6778%	2/12/2023	51,000	452	-	452
2.7435%	3-month USD-LIBOR	2/16/2023	41,000	(246)	-	(246)
3-month USD-LIBOR	2.8655%	4/23/2023	55,000	37	-	37
2.5815%	U.S. EFFR	5/25/2023	80,000	295	-	295
3-month USD-LIBOR	2.0815%	2/10/2024	28,700	1,204	-	1,204
3-month USD-LIBOR	2.0955%	2/10/2024	14,300	590	-	590
3-month USD-LIBOR	2.3875%	3/17/2024	160,700	4,231	-	4,231
3-month USD-LIBOR	2.12813%	10/3/2024	65,000	2,848	-	2,848
3-month USD-LIBOR	2.4595%	1/12/2025	26,400	684	-	684
3-month USD-LIBOR	2.588%	1/26/2025	15,600	286	-	286
2.8775%	3-month USD-LIBOR	3/23/2025	29,800	(24)	-	(24)
2.905%	3-month USD-LIBOR	6/21/2025	38,425	29	-	29
3-month USD-LIBOR	1.798%	2/2/2026	35,000	2,652	-	2,652
3-month USD-LIBOR	2.24%	12/5/2026	55,100	2,776	-	2,776
3-month USD-LIBOR	2.27%	12/5/2026	44,900	2,160	-	2,160
2.579%	3-month USD-LIBOR	3/14/2027	53,000	(1,360)	-	(1,360)
2.333%	3-month USD-LIBOR	3/29/2027	42,000	(1,890)	-	(1,890)
3-month USD-LIBOR	2.31934%	11/17/2027	21,200	1,054	-	1,054

U.S. Government/AAA-Rated Securities Fund

Receive	Pay	Expiration date	Notional (000)	Value at 6/30/2018 (000)	Upfront payments/receipts (000)	Unrealized appreciation (depreciation) at 6/30/2018 (000)
3-month USD-LIBOR	2.31613%	11/17/2027	\$ 19,800	\$ 990	\$-	\$ 990
2.925%	3-month USD-LIBOR	2/1/2028	12,800	(20)	-	(20)
2.91%	3-month USD-LIBOR	2/1/2028	16,000	(35)	-	(35)
2.908%	3-month USD-LIBOR	2/1/2028	16,000	(36)	-	(36)
2.92%	3-month USD-LIBOR	2/2/2028	12,200	(22)	-	(22)
U.S. EFFR	2.5065%	3/22/2028	8,700	12	-	12
U.S. EFFR	2.535%	3/23/2028	6,700	(7)	-	(7)
U.S. EFFR	2.471%	3/27/2028	8,100	36	-	36
U.S. EFFR	2.4575%	3/29/2028	9,638	55	-	55
U.S. EFFR	2.424%	3/30/2028	8,160	70	-	70
U.S. EFFR	2.412%	4/5/2028	3,702	36	-	36
3-month USD-LIBOR	2.97125%	9/2/2030	62,000	47	-	47
3-month USD-LIBOR	3.005%	9/2/2030	62,000	(127)	-	(127)
3-month USD-LIBOR	2.9625%	2/1/2038	9,800	31	-	31
3-month USD-LIBOR	2.963%	2/1/2038	9,800	31	-	31
3-month USD-LIBOR	2.986%	2/1/2038	7,800	12	-	12
3-month USD-LIBOR	2.967%	2/2/2038	7,600	22	-	22
3-month USD-LIBOR	3.34%	6/27/2044	10,000	(752)	-	(752)
3-month USD-LIBOR	3.206%	7/31/2044	16,000	(803)	-	(803)
3-month USD-LIBOR	3.238%	8/8/2044	16,000	(897)	-	(897)
3-month USD-LIBOR	2.7045%	1/2/2045	12,000	548	-	548
3-month USD-LIBOR	2.5055%	1/9/2045	11,000	923	-	923
3-month USD-LIBOR	2.4945%	1/9/2045	2,000	172	-	172
3-month USD-LIBOR	2.52822%	11/23/2045	13,350	1,079	-	1,079
U.S. EFFR	2.166%	10/23/2047	10,000	615	-	615
U.S. EFFR	2.145%	11/9/2047	15,400	1,015	-	1,015
U.S. EFFR	2.153%	11/10/2047	15,300	983	-	983
U.S. EFFR	2.155%	11/10/2047	8,640	551	-	551
U.S. EFFR	2.17%	11/13/2047	15,660	951	-	951
2.964%	3-month USD-LIBOR	2/12/2048	9,100	61	-	61
U.S. EFFR	2.5635%	2/12/2048	33,204	(708)	-	(708)
3-month USD-LIBOR	2.96%	2/15/2048	4,600	(27)	-	(27)
3-month USD-LIBOR	2.9825%	2/20/2048	9,000	(96)	-	(96)
2.98%	3-month USD-LIBOR	3/15/2048	2,000	21	-	21
2.9625%	3-month USD-LIBOR	3/15/2048	2,000	13	-	13
U.S. EFFR	2.4615%	3/15/2048	2,000	- ⁹	-	- ⁹
U.S. EFFR	2.485%	3/15/2048	2,000	(10)	-	(10)
U.S. EFFR	2.425%	3/16/2048	4,100	32	-	32
2.917%	3-month USD-LIBOR	3/16/2048	4,100	(12)	-	(12)
U.S. EFFR	2.505%	3/22/2048	4,300	(38)	-	(38)
U.S. EFFR	2.51375%	3/22/2048	4,700	(51)	-	(51)
3-month USD-LIBOR	3.006%	3/23/2048	11,074	(174)	-	(174)
3-month USD-LIBOR	2.848%	4/3/2048	14,000	241	-	241
3-month USD-LIBOR	2.8245%	4/4/2048	11,300	250	-	250
3-month USD-LIBOR	3.016%	5/9/2048	4,026	(72)	-	(72)
3-month USD-LIBOR	3.003%	5/9/2048	6,000	(91)	-	(91)
3.06%	3-month USD-LIBOR	5/11/2048	3,400	92	-	92
3.04%	3-month USD-LIBOR	5/14/2048	3,526	81	-	81
3.029%	3-month USD-LIBOR	5/14/2048	3,100	64	-	64
U.S. EFFR	2.625%	5/25/2048	18,000	(616)	-	(616)
U.S. EFFR	2.445%	6/4/2048	6,700	25	-	25
U.S. EFFR	2.471%	6/29/2048	9,008	(16)	-	(16)
					\$-	\$21,859

U.S. Government/AAA-Rated Securities Fund

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

¹All or a portion of this security was pledged as collateral. The total value of pledged collateral was \$64,163,000, which represented 2.13% of the net assets of the fund.

²Index-linked bond whose principal amount moves with a government price index.

³Principal payments may be made periodically. Therefore, the effective maturity date may be earlier than the stated maturity date.

⁴Purchased on a TBA basis.

⁵Coupon rate may change periodically.

⁶Acquired in a transaction exempt from registration under Rule 144A or Section 4(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities was \$449,461,000, which represented 14.91% of the net assets of the fund.

⁷Notional amount is calculated based on the number of contracts and notional contract size.

⁸Value is calculated based on the notional amount and current market price.

⁹Amount less than one thousand.

Key to abbreviations and symbol

EFFR = Effective Federal Funds Rate

LIBOR = London Interbank Offered Rate

TBA = To-be-announced

USD/\$ = U.S. dollars

See Notes to Financial Statements

Managed Risk Growth Fund

Investment portfolio June 30, 2018

unaudited

Growth funds 80.38%	Shares	Value (000)
American Funds Insurance Series - Growth Fund, Class 1	3,351,155	\$259,279
Total growth funds (cost: \$233,384,000)		<u>259,279</u>

Fixed income funds 15.27%		
American Funds Insurance Series - Bond Fund, Class 1	4,658,402	49,239
Total fixed income funds (cost: \$50,664,000)		<u>49,239</u>

Short-term securities 4.40%		
Government Cash Management Fund	14,206,955	14,207
Total short-term securities (cost: \$14,207,000)		<u>14,207</u>
Total investment securities 100.05% (cost: \$298,255,000)		322,725
Other assets less liabilities (0.05)%		(162)
Net assets 100.00%		<u><u>\$322,563</u></u>

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ¹ (000)	Value at 6/30/2018 ² (000)	Unrealized appreciation at 6/30/2018 (000)
5 Year U.S. Treasury Note Futures	Long	150	September 2018	\$15,000	\$17,043	\$76

Investments in affiliates

These holdings are affiliates of the fund under the Investment Company Act of 1940 since they are controlled by the same board of trustees as the series. Further details on these holdings and related transactions during the six months ended June 30, 2018, appear below.

	Beginning shares	Additions	Reductions	Ending shares	Net realized gain (loss) (000)	Net unrealized depreciation (000)	Dividend income (000)	Value of affiliates at 6/30/2018 (000)
Growth funds 80.38%								
American Funds Insurance Series - Growth Fund, Class 1	2,960,791	522,087	131,723	3,351,155	\$1,773	\$(3,761)	\$368	\$259,279
Fixed income funds 15.27%								
American Funds Insurance Series - Bond Fund, Class 1	4,022,202	1,034,742	398,542	4,658,402	(134)	(923)	207	49,239
Total 95.65%					<u>\$1,639</u>	<u>\$(4,684)</u>	<u>\$575</u>	<u>\$308,518</u>

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See Notes to Financial Statements

Managed Risk International Fund

Investment portfolio June 30, 2018

unaudited

Growth funds 80.64%

	Shares	Value (000)
American Funds Insurance Series - International Fund, Class 1	6,052,381	\$125,103
Total growth funds (cost: \$112,444,000)		<u>125,103</u>

Fixed income funds 14.98%

American Funds Insurance Series - Bond Fund, Class 1	2,198,449	23,237
Total fixed income funds (cost: \$23,947,000)		<u>23,237</u>

Short-term securities 4.45%

Government Cash Management Fund	689,518	6,896
Total short-term securities (cost: \$6,896,000)		<u>6,896</u>
Total investment securities 100.07% (cost: \$143,287,000)		155,236
Other assets less liabilities (0.07)%		(109)
Net assets 100.00%		<u><u>\$155,127</u></u>

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ¹ (000)	Value at 6/30/2018 ² (000)	Unrealized appreciation at 6/30/2018 (000)
5 Year U.S. Treasury Note Futures	Long	74	September 2018	\$7,400	\$8,408	\$38

Investments in affiliates

These holdings are affiliates of the fund under the Investment Company Act of 1940 since they are controlled by the same board of trustees as the series. Further details on these holdings and related transactions during the six months ended June 30, 2018, appear below.

	Beginning shares	Additions	Reductions	Ending shares	Net realized gain (loss) (000)	Net unrealized depreciation (000)	Dividend income (000)	Value of affiliates at 6/30/2018 (000)
Growth funds 80.64%								
American Funds Insurance Series - International Fund, Class 1	5,479,657	828,398	255,674	6,052,381	\$376	\$(6,615)	\$287	\$125,103
Fixed income funds 14.98%								
American Funds Insurance Series - Bond Fund, Class 1	2,063,150	412,750	277,451	2,198,449	(98)	(452)	102	23,237
Total 95.62%					<u>\$278</u>	<u>\$(7,067)</u>	<u>\$389</u>	<u>\$148,340</u>

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See Notes to Financial Statements

Managed Risk Blue Chip Income and Growth Fund

Investment portfolio June 30, 2018

unaudited

Growth-and-income funds 80.26%

	Shares	Value (000)
American Funds Insurance Series - Blue Chip Income and Growth Fund, Class 1	20,377,436	\$282,024
Total growth-and-income funds (cost: \$274,887,000)		<u>282,024</u>

Fixed income funds 15.01%

American Funds Insurance Series - U.S. Government/AAA-Rated Securities Fund, Class 1	4,429,371	52,754
Total fixed income funds (cost: \$54,041,000)		<u>52,754</u>

Short-term securities 4.78%

Government Cash Management Fund	16,809,408	16,809
Total short-term securities (cost: \$16,809,000)		<u>16,809</u>
Total investment securities 100.05% (cost: \$345,737,000)		351,587
Other assets less liabilities (0.05)%		(188)
Net assets 100.00%		<u><u>\$351,399</u></u>

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ¹ (000)	Value at 6/30/2018 ² (000)	Unrealized appreciation at 6/30/2018 (000)
5 Year U.S. Treasury Note Futures	Long	168	September 2018	\$16,800	\$19,088	\$85

Investments in affiliates

These holdings are affiliates of the fund under the Investment Company Act of 1940 since they are controlled by the same board of trustees as the series. Further details on these holdings and related transactions during the six months ended June 30, 2018, appear below.

	Beginning shares	Additions	Reductions	Ending shares	Net realized gain (loss) (000)	Net unrealized depreciation (000)	Dividend income (000)	Value of affiliates at 6/30/2018 (000)
Growth-and-income funds 80.26%								
American Funds Insurance Series - Blue Chip Income and Growth Fund, Class 1	19,699,331	2,006,662	1,328,557	20,377,436	\$3,053	\$(24,163)	\$1,201	\$282,024
Fixed income funds 15.01%								
American Funds Insurance Series - U.S. Government/AAA-Rated Securities Fund, Class 1	4,530,491	313,891	415,011	4,429,371	(149)	(619)	175	52,754
Total 95.27%					<u>\$2,904</u>	<u>\$(24,782)</u>	<u>\$1,376</u>	<u>\$334,778</u>

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See Notes to Financial Statements

Managed Risk Growth-Income Fund

Investment portfolio June 30, 2018

unaudited

Growth-and-income funds 81.58%

	Shares	Value (000)
American Funds Insurance Series - Growth-Income Fund, Class 1	3,723,850	\$185,671
Total growth-and-income funds (cost: \$172,960,000)		<u>185,671</u>

Fixed income funds 15.31%

American Funds Insurance Series - Bond Fund, Class 1	3,296,207	34,841
Total fixed income funds (cost: \$35,853,000)		<u>34,841</u>

Short-term securities 3.18%

Government Cash Management Fund	7,224,073	7,224
Total short-term securities (cost: \$7,224,000)		<u>7,224</u>
Total investment securities 100.07% (cost: \$216,037,000)		227,736
Other assets less liabilities (0.07)%		(155)
Net assets 100.00%		<u><u>\$227,581</u></u>

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ¹ (000)	Value at 6/30/2018 ² (000)	Unrealized appreciation at 6/30/2018 (000)
5 Year U.S. Treasury Note Futures	Long	70	September 2018	\$7,000	\$7,953	\$36

Investments in affiliates

These holdings are affiliates of the fund under the Investment Company Act of 1940 since they are controlled by the same board of trustees as the series. Further details on these holdings and related transactions during the six months ended June 30, 2018, appear below.

	Beginning shares	Additions	Reductions	Ending shares	Net realized loss (000)	Net unrealized depreciation (000)	Dividend income (000)	Value of affiliates at 6/30/2018 (000)
Growth-and-income funds 81.58%								
American Funds Insurance Series - Growth-Income Fund, Class 1	3,331,787	486,437	94,374	3,723,850	\$(152)	\$(1,448)	\$491	\$185,671
Fixed income funds 15.31%								
American Funds Insurance Series - Bond Fund, Class 1	2,916,097	744,555	364,445	3,296,207	(127)	(643)	147	34,841
Total 96.89%					<u>\$(279)</u>	<u>\$(2,091)</u>	<u>\$638</u>	<u>\$220,512</u>

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See Notes to Financial Statements

Managed Risk Asset Allocation Fund

Investment portfolio June 30, 2018

unaudited

Asset allocation funds 96.49%	Shares	Value (000)
American Funds Insurance Series - Asset Allocation Fund, Class 1	188,290,272	\$4,308,081
Total asset allocation funds (cost: \$4,129,979,000)		<u>4,308,081</u>

Short-term securities 3.61%		
Government Cash Management Fund	161,351,550	161,352
Total short-term securities (cost: \$161,352,000)		<u>161,352</u>
Total investment securities 100.10% (cost: \$4,291,331,000)		4,469,433
Other assets less liabilities (0.10)%		(4,589)
Net assets 100.00%		<u><u>\$4,464,844</u></u>

Futures contracts

Contracts	Type	Number of contracts	Expiration	Notional amount ¹ (000)	Value at 6/30/2018 ² (000)	Unrealized appreciation at 6/30/2018 (000)
5 Year U.S. Treasury Note Futures	Long	1,599	September 2018	\$159,900	\$181,674	\$810

Investment in affiliates

This holding is an affiliate of the fund under the Investment Company Act of 1940 since it is controlled by the same board of trustees as the series. Further details on this holding and related transactions during the six months ended June 30, 2018, appear below.

	Beginning shares	Additions	Reductions	Ending shares	Net realized gain (000)	Net unrealized depreciation (000)	Dividend income (000)	Value of affiliate at 6/30/2018 (000)
Asset allocation funds 96.49%								
American Funds Insurance Series - Asset Allocation Fund, Class 1	178,833,494	11,775,274	2,318,496	188,290,272	\$7,542	\$(160,545)	\$15,338	\$4,308,081

¹Notional amount is calculated based on the number of contracts and notional contract size.

²Value is calculated based on the notional amount and current market price.

See Notes to Financial Statements

Financial statements

Statements of assets and liabilities at June 30, 2018

	Global Growth Fund	Global Small Capitalization Fund	Growth Fund	International Fund	New World Fund
Assets:					
Investment securities, at value:					
Unaffiliated issuers	\$6,256,704	\$4,254,330	\$25,794,041	\$9,849,487	\$3,381,973
Affiliated issuers	–	39,287	–	–	–
Cash	1,133	258	116	58	289
Cash denominated in currencies other than U.S. dollars	2,781	273	1,777	4,095	1,374
Unrealized appreciation on open forward currency contracts	35	502	–	662	600
Receivables for:					
Sales of investments	9,928	11,559	64,385	4,855	21,777
Sales of fund's shares	8,940	2,146	6,214	9,876	3,986
Dividends and interest	15,984	4,924	23,533	23,294	11,437
Closed forward currency contracts	–	–	–	–	–
Variation margin on futures contracts	–	–	–	–	–
Variation margin on swap contracts	–	–	–	–	–
Other	132	64	–	–	1,055
	6,295,637	4,313,343	25,890,066	9,892,327	3,422,491
Liabilities:					
Unrealized depreciation on open forward currency contracts	3	74	–	–	1
Payables for:					
Purchases of investments	6,506	8,867	18,563	42,621	–
Repurchases of fund's shares	3,285	3,148	63,897	5,667	1,864
Investment advisory services	2,709	2,531	6,932	4,030	2,006
Services provided by related parties	917	592	3,788	1,070	325
Trustees' deferred compensation	70	47	507	216	31
Closed forward currency contracts	–	–	–	–	44
Variation margin on futures contracts	–	–	–	–	–
Variation margin on swap contracts	–	–	–	–	–
Non-U.S. taxes	5,261	2,035	3,269	607	17,526
Other	1,878	178	786	1,516	470
	20,782	17,472	97,742	55,727	22,267
Net assets at June 30, 2018	\$6,274,855	\$4,295,871	\$25,792,324	\$9,836,600	\$3,400,224
Net assets consist of:					
Capital paid in on shares of beneficial interest	\$3,900,107	\$3,094,834	\$14,046,657	\$7,655,392	\$2,717,195
Undistributed (distributions in excess of) net investment income	35,281	15,695	97,128	85,084	16,403
Undistributed (accumulated) net realized gain (loss)	203,923	247,849	902,753	204,320	162,131
Net unrealized appreciation (depreciation)	2,135,544	937,493	10,745,786	1,891,804	504,495
Net assets at June 30, 2018	\$6,274,855	\$4,295,871	\$25,792,324	\$9,836,600	\$3,400,224
Investment securities, at cost:					
Unaffiliated issuers	\$4,116,065	\$3,308,839	\$15,048,209	\$7,957,697	\$2,862,464
Affiliated issuers	–	45,822	–	–	–
Cash denominated in currencies other than U.S. dollars, at cost	2,781	283	1,777	4,095	1,374

See end of statements of assets and liabilities for footnote.

See Notes to Financial Statements

Blue Chip Income and Growth Fund	Global Growth and Income Fund	Growth- Income Fund	International Growth and Income Fund	Capital Income Builder	Asset Allocation Fund	Global Balanced Fund	Bond Fund	Global Bond Fund
\$9,092,984	\$2,029,056	\$31,469,009	\$1,461,736	\$658,570	\$26,142,488	\$389,679	\$12,535,060	\$2,279,459
-	-	-	-	-	324,176	-	-	-
1,737	750	457	8	254	4,682	52	14,056	74
-	1,074	1,130	813	53	2,401	90	7,016	1,149
-	-	-	-	-	-	335	1,868	9,633
-	303	91,938	686	27,991	419,291	6,622	1,456,332	77,901
1,443	1,567	7,994	490	536	8,310	232	2,111	485
14,515	6,918	34,264	5,731	2,942	85,663	2,016	70,399	20,161
-	-	-	-	-	-	-	-	412
-	-	-	-	-	7	-	544	16
-	-	-	-	-	131	-	1,593	108
-	162	134	-	-	46	-	-	-
9,110,679	2,039,830	31,604,926	1,469,464	690,346	26,987,195	399,026	14,088,979	2,389,398
-	-	-	-	-	-	151	2,417	4,812
2,037	-	2,739	2,393	40,212	1,023,982	10,809	3,448,248	144,176
8,632	941	37,467	165	355	20,779	90	6,005	1,305
2,929	1,009	6,752	732	263	5,697	211	3,160	976
826	335	3,332	81	77	2,065	59	928	256
76	22	580	8	2	248	2	112	24
-	-	-	-	-	-	7	-	218
-	-	-	-	-	38	-	1,118	35
-	-	-	-	-	94	-	1,418	11
114	2,180	408	263	-	4,611	140	-	-
191	110	628	140	300	2,509	136	375	982
14,805	4,597	51,906	3,782	41,209	1,060,023	11,605	3,463,781	152,795
\$9,095,874	\$2,035,233	\$31,553,020	\$1,465,682	\$649,137	\$25,927,172	\$387,421	\$10,625,198	\$2,236,603
\$6,739,312	\$1,541,810	\$20,831,509	\$1,306,166	\$640,382	\$20,281,109	\$331,952	\$10,769,062	\$2,234,032
100,168	25,019	244,551	24,174	947	257,027	2,987	124,247	26,284
571,644	40,850	1,817,428	27,874	(1,921)	912,701	5,781	(131,287)	13,276
1,684,750	427,554	8,659,532	107,468	9,729	4,476,335	46,701	(136,824)	(36,989)
\$9,095,874	\$2,035,233	\$31,553,020	\$1,465,682	\$649,137	\$25,927,172	\$387,421	\$10,625,198	\$2,236,603
\$7,408,226	\$1,599,905	\$22,809,399	\$1,354,200	\$648,832	\$21,450,874	\$342,992	\$12,672,959	\$2,320,751
-	-	-	-	-	538,159	-	-	-
-	1,075	1,130	813	53	2,382	90	7,003	1,148

Statements of assets and liabilities at June 30, 2018

	High- Income Bond Fund	Mortgage Fund	Ultra-Short Bond Fund	U.S. Government/ AAA-Rated Securities Fund	Managed Risk Growth Fund
Assets:					
Investment securities, at value:					
Unaffiliated issuers	\$1,403,358	\$445,063	\$291,637	\$3,487,073	\$ 14,207
Affiliated issuers	—	—	—	—	308,518
Cash	160	96	76	2,325	—*
Cash pledged for futures contracts	—	—	—	—	102
Cash denominated in currencies other than U.S. dollars	—*	—	—	—	—
Receivables for:					
Sales of investments	4,666	130,368	—	635,581	234
Sales of fund's shares	145	85	542	571	264
Dividends and interest	24,008	918	—	13,945	20
Variation margin on futures contracts	—	2	—	13	—
Variation margin on swap contracts	97	72	—	1,152	—
Other	4	—*	—	—	2
	1,432,438	576,604	292,255	4,140,660	323,347
Liabilities:					
Payables for:					
Purchases of investments	35,545	237,316	—	1,117,448	250
Repurchases of fund's shares	560	149	282	3,214	247
Investment advisory services	542	117	76	840	26
Services provided by related parties	172	18	55	331	256
Trustees' deferred compensation	52	2	18	60	1
Variation margin on futures contracts	—	27	—	2,818	4
Variation margin on swap contracts	35	57	—	870	—
Non-U.S. taxes	5	—	—	—	—
Other	509	10	9	56	—
	37,420	237,696	440	1,125,637	784
Net assets at June 30, 2018	\$1,395,018	\$338,908	\$291,815	\$3,015,023	\$322,563
Net assets consist of:					
Capital paid in on shares of beneficial interest	\$1,558,816	\$343,263	\$290,165	\$3,067,310	\$286,485
Undistributed (distributions in excess of) net investment income	41,321	3,128	1,668	28,754	(282)
Undistributed (accumulated) net realized gain (loss)	(184,946)	(7,578)	—	(81,699)	11,814
Net unrealized appreciation (depreciation)	(20,173)	95	(18)	658	24,546
Net assets at June 30, 2018	\$1,395,018	\$338,908	\$291,815	\$3,015,023	\$322,563
Investment securities, at cost:					
Unaffiliated issuers	\$1,425,947	\$446,686	\$291,655	\$3,518,379	\$ 14,207
Affiliated issuers	—	—	—	—	284,048
Cash denominated in currencies other than U.S. dollars, at cost	—*	—	—	—	—

See end of statements of assets and liabilities for footnote.

See Notes to Financial Statements

unaudited
(dollars in thousands)

Managed Risk International Fund	Managed Risk Blue Chip Income and Growth Fund	Managed Risk Growth- Income Fund	Managed Risk Asset Allocation Fund
\$ 6,896	\$ 16,809	\$ 7,224	\$ 161,352
148,340	334,778	220,512	4,308,081
—*	—*	—*	—*
50	114	48	1,088
—	—	—	—
615	86	551	9,360
62	134	335	1,078
10	25	10	235
—	—	—	—
—	—	—	—
4	—	4	—
155,977	351,946	228,684	4,481,194
57	90	317	849
648	131	581	10,037
13	29	19	371
130	287	183	3,329
—*	1	1	20
2	4	2	38
—	—	—	—
—	—	—	—
—	5	—	1,706
850	547	1,103	16,350
\$155,127	\$351,399	\$227,581	\$4,464,844
\$144,278	\$330,269	\$212,154	\$4,136,918
(48)	364	13	5,002
(1,090)	14,831	3,679	144,012
11,987	5,935	11,735	178,912
\$155,127	\$351,399	\$227,581	\$4,464,844
\$ 6,896	\$ 16,809	\$ 7,224	\$ 161,352
136,391	328,928	208,813	4,129,979
—	—	—	—

Statements of assets and liabilities at June 30, 2018

	Global Growth Fund	Global Small Capitalization Fund	Growth Fund	International Fund	New World Fund	
Shares of beneficial interest issued and outstanding (no stated par value) – unlimited shares authorized						
Class 1:	Net assets	\$2,125,350	\$1,671,016	\$8,449,474	\$5,051,798	\$1,978,499
	Shares outstanding	72,341	65,698	109,203	244,377	83,760
	Net asset value per share	\$29.38	\$25.44	\$77.37	\$20.67	\$23.62
Class 1A:	Net assets	\$4,347	\$361	\$6,823	\$4,310	\$1,837
	Shares outstanding	149	14	88	209	78
	Net asset value per share	\$29.30	\$25.39	\$77.16	\$20.61	\$23.55
Class 2:	Net assets	\$3,892,666	\$2,474,075	\$16,009,356	\$4,431,950	\$959,932
	Shares outstanding	133,886	100,074	208,561	215,415	41,054
	Net asset value per share	\$29.07	\$24.72	\$76.76	\$20.57	\$23.38
Class 3:	Net assets			\$217,167	\$28,956	
	Shares outstanding			2,790	1,399	
	Net asset value per share			\$77.84	\$20.70	
Class 4:	Net assets	\$252,492	\$150,419	\$1,109,504	\$319,586	\$459,956
	Shares outstanding	8,726	6,044	14,636	15,713	19,753
	Net asset value per share	\$28.93	\$24.89	\$75.80	\$20.34	\$23.28

	High- Income Bond Fund	Mortgage Fund	Ultra-Short Bond Fund	U.S. Government/ AAA-Rated Securities Fund	Managed Risk Growth Fund
Shares of beneficial interest issued and outstanding (no stated par value) – unlimited shares authorized					
Class 1:	Net assets	\$611,063	\$262,166	\$36,131	\$1,526,368
	Shares outstanding	60,323	25,420	3,186	128,239
	Net asset value per share	\$10.13	\$10.31	\$11.34	\$11.90
Class 1A:	Net assets	\$614	\$609	\$10	\$1,136
	Shares outstanding	61	59	1	96
	Net asset value per share	\$10.11	\$10.29	\$11.34	\$11.89
Class 2:	Net assets	\$737,830	\$60,290	\$237,240	\$1,411,958
	Shares outstanding	74,060	5,862	21,470	119,909
	Net asset value per share	\$9.96	\$10.29	\$11.05	\$11.78
Class 3:	Net assets	\$11,987		\$4,491	\$8,908
	Shares outstanding	1,179		402	747
	Net asset value per share	\$10.16		\$11.17	\$11.92
Class 4:	Net assets	\$33,524	\$15,843	\$13,943	\$66,653
	Shares outstanding	3,120	1,552	1,248	5,654
	Net asset value per share	\$10.75	\$10.20	\$11.17	\$11.79
Class P1:	Net assets				\$2,110
	Shares outstanding				163
	Net asset value per share				\$12.97
Class P2:	Net assets				\$320,453
	Shares outstanding				24,848
	Net asset value per share				\$12.90

*Amount less than one thousand.

See Notes to Financial Statements

unaudited
(dollars and shares in thousands, except per-share amounts)

Blue Chip Income and Growth Fund	Global Growth and Income Fund	Growth- Income Fund	International Growth and Income Fund	Capital Income Builder	Asset Allocation Fund	Global Balanced Fund	Bond Fund	Global Bond Fund
\$5,452,895	\$511,918	\$16,653,404	\$1,124,429	\$288,518	\$16,913,613	\$110,615	\$6,532,048	\$1,079,163
394,094	35,313	334,012	64,874	28,856	739,298	8,717	617,843	92,762
\$13.84	\$14.50	\$49.86	\$17.33	\$10.00	\$22.88	\$12.69	\$10.57	\$11.63
\$2,549	\$872	\$5,658	\$1,899	\$3,120	\$6,777	\$1,476	\$2,530	\$311
185	60	114	110	312	297	117	240	27
\$13.80	\$14.47	\$49.73	\$17.29	\$9.99	\$22.83	\$12.67	\$10.54	\$11.62
\$3,334,607	\$1,430,006	\$13,815,850	\$265,551	\$2,939	\$5,235,377	\$206,382	\$3,759,209	\$1,117,576
244,088	98,925	280,381	15,382	294	231,320	16,313	360,304	96,865
\$13.66	\$14.46	\$49.28	\$17.26	\$9.99	\$22.63	\$12.65	\$10.43	\$11.54
		\$163,240			\$35,083			
		3,271			1,533			
		\$49.91			\$22.89			
\$305,823	\$92,437	\$914,868	\$73,803	\$354,560	\$3,736,322	\$68,948	\$331,411	\$39,553
22,464	6,485	18,749	4,300	35,528	165,886	5,499	31,816	3,458
\$13.61	\$14.25	\$48.80	\$17.16	\$9.98	\$22.52	\$12.54	\$10.42	\$11.44

Managed Risk International Fund	Managed Risk Blue Chip Income and Growth Fund	Managed Risk Growth- Income Fund	Managed Risk Asset Allocation Fund
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\$229	\$211	\$2,834	\$1,718,689
21	17	229	133,575
\$11.01	\$12.16	\$12.38	\$12.87
\$154,898	\$351,188	\$224,747	\$2,746,155
14,179	29,111	18,250	213,747
\$10.92	\$12.06	\$12.32	\$12.85

Statements of operations for the six months ended June 30, 2018

	Global Growth Fund	Global Small Capitalization Fund	Growth Fund	International Fund	New World Fund
Investment income:					
Income (net of non-U.S. taxes*):					
Dividends	\$ 58,468	\$ 23,989	\$ 142,604	\$ 126,679	\$ 30,583
Interest	2,423	2,955	9,504	8,724	4,953
	60,891	26,944	152,108	135,403	35,536
Fees and expenses*:					
Investment advisory services	16,370	15,017	41,134	24,375	12,285
Distribution services	5,317	3,326	21,396	6,044	1,846
Insurance administrative services	296	172	1,293	390	570
Transfer agent services	1	- [†]	1	1	- [†]
Administrative services	318	216	1,274	496	176
Reports to shareholders	94	60	379	143	50
Registration statement and prospectus	23	16	93	38	13
Trustees' compensation	20	13	79	31	11
Auditing and legal	19	15	12	33	18
Custodian	434	331	248	893	626
State, local and other taxes	- [†]	-	-	1	- [†]
Other	5	48	13	9	41
Total fees and expenses before waivers/reimbursements	22,897	19,214	65,922	32,454	15,636
Less waivers/reimbursements of fees and expenses:					
Investment advisory services waivers	-	-	-	-	-
Miscellaneous fee reimbursements	-	-	-	-	-
Total waivers/reimbursements of fees and expenses	-	-	-	-	-
Total fees and expenses after waivers/reimbursements	22,897	19,214	65,922	32,454	15,636
Net investment income (loss)	37,994	7,730	86,186	102,949	19,900
Net realized gain (loss) and unrealized (depreciation) appreciation:					
Net realized gain (loss) on:					
Investments					
Unaffiliated issuers	204,049	194,899	1,032,911	208,387	162,902
Affiliated issuers*	-	3,739	-	-	-
Futures contracts	-	-	-	-	-
Forward currency contracts	(53)	(334)	-	413	(41)
Swap contracts	-	-	-	-	-
Currency transactions	(41)	13	(442)	(1,114)	238
	203,955	198,317	1,032,469	207,686	163,099
Net unrealized (depreciation) appreciation on:					
Investments					
Unaffiliated issuers	(46,500)	(4,037)	1,292,961	(319,100)	(323,788)
Affiliated issuers	-	(10,233)	-	-	-
Futures contracts	-	-	-	-	-
Forward currency contracts	18	1,531	-	1,017	922
Swap contracts	-	-	-	-	-
Currency translations	43	(23)	(86)	(365)	1,092
	(46,439)	(12,762)	1,292,875	(318,448)	(321,774)
Net realized gain (loss) and unrealized (depreciation) appreciation	157,516	185,555	2,325,344	(110,762)	(158,675)
Net increase (decrease) in net assets resulting from operations	\$195,510	\$193,285	\$2,411,530	\$ (7,813)	\$(138,775)

See end of statements of operations for footnotes.

See Notes to Financial Statements

Blue Chip Income and Growth Fund	Global Growth and Income Fund	Growth- Income Fund	International Growth and Income Fund	Capital Income Builder	Asset Allocation Fund	Global Balanced Fund	Bond Fund	Global Bond Fund
\$ 121,448	\$ 29,629	\$ 278,235	\$ 27,379	\$ 9,904	\$ 172,799	\$ 3,616	\$ -	\$ -
2,421	2,323	19,173	2,587	2,275	131,203	1,780	157,930	36,371
123,869	31,952	297,408	29,966	12,179	304,002	5,396	157,930	36,371
17,773	6,200	40,241	4,450	1,537	34,120	1,242	19,179	6,271
4,601	1,996	18,626	428	428	11,259	341	5,153	1,487
344	109	1,096	88	428	4,563	78	390	46
1	- ⁺	2	- ⁺	- ⁺	1	- ⁺	1	- ⁺
458	105	1,557	74	31	1,285	19	530	118
107	24	447	11	5	369	3	147	28
10	3	107	16	18	345	8	37	4
29	7	97	4	2	80	1	33	8
4	12	16	10	5	13	10	8	3
246	189	537	194	21	178	19	127	206
-	- ⁺	-	- ⁺	-	-	-	-	-
5	1	17	2	5	34	17	57	48
23,578	8,646	62,743	5,277	2,480	52,247	1,738	25,662	8,219
-	-	-	1	5	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1	5	-	-	-	-
23,578	8,646	62,743	5,276	2,475	52,247	1,738	25,662	8,219
100,291	23,306	234,665	24,690	9,704	251,755	3,658	132,268	28,152
551,972	42,500	1,792,533	32,229	(1,828)	805,562	4,495	(109,690)	16,505
-	-	-	-	-	-	-	-	-
-	-	-	-	-	746	-	(39,999)	(5,196)
-	-	-	-	-	-	(303)	4,320	2,923
-	-	-	-	-	(3,011)	-	17,220	1,540
36	(250)	(1,536)	349	(74)	(223)	(1)	(470)	(969)
552,008	42,250	1,790,997	32,578	(1,902)	803,074	4,191	(128,619)	14,803
(610,059)	(83,171)	(40,002)	(84,086)	(22,182)	(776,248)	(10,963)	(188,704)	(79,744)
-	-	-	-	-	(11,665)	-	-	-
-	-	-	-	-	486	-	6,343	846
-	-	-	-	-	-	309	(8,091)	4,160
-	-	-	-	-	5,263	-	(8,040)	1,142
(38)	58	(90)	(102)	(19)	(82)	(44)	(157)	(726)
(610,097)	(83,113)	(40,092)	(84,188)	(22,201)	(782,246)	(10,698)	(198,649)	(74,322)
(58,089)	(40,863)	1,750,905	(51,610)	(24,103)	20,828	(6,507)	(327,268)	(59,519)
\$ 42,202	\$(17,557)	\$1,985,570	\$(26,920)	\$(14,399)	\$ 272,583	\$ (2,849)	\$(195,000)	\$(31,367)

Statements of operations for the six months ended June 30, 2018

	High-Income Bond Fund	Mortgage Fund	Ultra-Short Bond Fund	U.S. Government/AAA-Rated Securities Fund	Managed Risk Growth Fund
Investment income:					
Income (net of non-U.S. taxes*):					
Dividends	\$ –	\$ –	\$ –	\$ –	\$ 575
Interest	47,139	4,009	2,519	35,728	88
	47,139	4,009	2,519	35,728	663
Fees and expenses*:					
Investment advisory services	3,319	704	472	5,121	226
Distribution services	989	93	321	1,875	375
Insurance administrative services	38	18	17	78	377
Transfer agent services	– [†]	– [†]	– [†]	– [†]	– [†]
Administrative services	71	17	15	152	–
Accounting and administrative services	–	–	–	–	19
Reports to shareholders	15	3	4	31	3
Registration statement and prospectus	5	1	– [†]	11	5
Trustees' compensation	5	1	1	10	1
Auditing and legal	4	– [†]	– [†]	1	8
Custodian	14	17	– [†]	25	4
Other	20	22	– [†]	38	1
Total fees and expenses before waivers/reimbursements	4,480	876	830	7,342	1,019
Less waivers/reimbursements of fees and expenses:					
Investment advisory services waivers	–	–	–	–	75
Miscellaneous fee reimbursements	–	–	–	–	11
Total waivers/reimbursements of fees and expenses	–	–	–	–	86
Total fees and expenses after waivers/reimbursements	4,480	876	830	7,342	933
Net investment income (loss)	42,659	3,133	1,689	28,386	(270)
Net realized gain (loss) and unrealized (depreciation) appreciation:					
Net realized gain (loss) on:					
Investments					
Unaffiliated issuers	(20,160)	(3,153)	– [†]	(24,670)	–
Affiliated issuers*	–	–	–	–	1,639
Futures contracts	–	(5,150)	–	(52,726)	(6,082)
Swap contracts	(1,217)	624	–	(6,083)	–
Currency transactions	(4)	–	–	–	(1)
Capital gain distributions received from affiliated issuers	–	–	–	–	24,732
	(21,381)	(7,679)	– [†]	(83,479)	20,288
Net unrealized (depreciation) appreciation on:					
Investments					
Unaffiliated issuers	(18,063)	(2,593)	23	(30,329)	–
Affiliated issuers	–	–	–	–	(4,684)
Futures contracts	(75)	1,430	–	17,551	114
Swap contracts	2,488	1,705	–	30,287	–
Currency translations	3	–	–	–	–
	(15,647)	542	23	17,509	(4,570)
Net realized gain (loss) and unrealized (depreciation) appreciation	(37,028)	(7,137)	23	(65,970)	15,718
Net increase (decrease) in net assets resulting from operations	\$ 5,631	\$(4,004)	\$1,712	\$(37,584)	\$15,448

*Additional information related to non-U.S. taxes, class-specific fees and expenses and affiliated income is included in the Notes to Financial Statements.

[†]Amount less than one thousand.

See Notes to Financial Statements

unaudited
(dollars in thousands)

Managed Risk International Fund	Managed Risk Blue Chip Income and Growth Fund	Managed Risk Growth- Income Fund	Managed Risk Asset Allocation Fund
\$ 389	\$ 1,376	\$ 638	\$ 15,338
51	106	56	1,266
440	1,482	694	16,604
116	265	163	3,335
194	441	269	3,455
194	441	272	5,559
_+	_+	_+	_+
-	-	-	-
18	20	18	51
2	3	2	37
4	6	4	58
_+	1	1	14
8	8	8	11
4	4	4	4
1	1	1	3
541	1,190	742	12,527
39	88	54	1,112
22	-	17	-
61	88	71	1,112
480	1,102	671	11,415
(40)	380	23	5,189
-	-	-	-
278	2,904	(279)	7,542
(377)	(7,203)	(3,050)	(49,802)
-	-	-	-
_+	(1)	_+	6
5,858	21,502	12,395	185,909
5,759	17,202	9,066	143,655
-	-	-	-
(7,067)	(24,782)	(2,091)	(160,545)
57	134	64	1,402
-	-	-	-
-	-	-	-
(7,010)	(24,648)	(2,027)	(159,143)
(1,251)	(7,446)	7,039	(15,488)
\$(1,291)	\$ (7,066)	\$ 7,062	\$ (10,299)

Statements of changes in net assets

	Global Growth Fund		Global Small Capitalization Fund		Growth Fund	
	Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended
	June 30 2018*	December 31 2017	June 30 2018*	December 31 2017	June 30 2018*	December 31 2017
Operations:						
Net investment income (loss)	\$ 37,994	\$ 44,912	\$ 7,730	\$ 15,312	\$ 86,186	\$ 136,774
Net realized gain (loss)	203,955	433,191	198,317	207,903	1,032,469	2,561,073
Net unrealized (depreciation) appreciation	(46,439)	1,102,516	(12,762)	731,086	1,292,875	3,159,797
Net increase (decrease) in net assets resulting from operations	195,510	1,580,619	193,285	954,301	2,411,530	5,857,644
Dividends and distributions paid to shareholders:						
Dividends from net investment income	(5,955)	(42,742)	(2,542)	(21,019)	(30,167)	(136,164)
Distributions from net realized gain on investments	(428,020)	(174,096)	(188,621)	–	(2,516,015)	(2,251,429)
Total dividends and distributions paid to shareholders	(433,975)	(216,838)	(191,163)	(21,019)	(2,546,182)	(2,387,593)
Net capital share transactions	278,244	(335,425)	(21,289)	(495,098)	941,518	(34,343)
Total increase (decrease) in net assets	39,779	1,028,356	(19,167)	438,184	806,866	3,435,708
Net assets:						
Beginning of period	6,235,076	5,206,720	4,315,038	3,876,854	24,985,458	21,549,750
End of period	\$6,274,855	\$6,235,076	\$4,295,871	\$4,315,038	\$25,792,324	\$24,985,458
Undistributed (distributions in excess of) net investment income	\$35,281	\$3,242	\$15,695	\$10,507	\$97,128	\$41,109

	International Growth and Income Fund		Capital Income Builder		Asset Allocation Fund	
	Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended
	June 30 2018*	December 31 2017	June 30 2018*	December 31 2017	June 30 2018*	December 31 2017
Operations:						
Net investment income (loss)	\$ 24,690	\$ 35,259	\$ 9,704	\$ 14,607	\$ 251,755	\$ 419,292
Net realized gain (loss)	32,578	5,636	(1,902)	8,964	803,074	1,243,464
Net unrealized (depreciation) appreciation	(84,188)	242,768	(22,201)	35,709	(782,246)	1,880,231
Net increase (decrease) in net assets resulting from operations	(26,920)	283,663	(14,399)	59,280	272,583	3,542,987
Dividends and distributions paid to shareholders:						
Dividends from net investment income	(4,863)	(32,772)	(9,018)	(14,010)	(87,244)	(405,124)
Distributions from net realized gain on investments	–	–	(1,388)	–	(1,120,993)	(1,069,604)
Total dividends and distributions paid to shareholders	(4,863)	(32,772)	(10,406)	(14,010)	(1,208,237)	(1,474,728)
Net capital share transactions	35,498	109,624	79,485	137,152	1,202,732	2,543,934
Total increase (decrease) in net assets	3,715	360,515	54,680	182,422	267,078	4,612,193
Net assets:						
Beginning of period	1,461,967	1,101,452	594,457	412,035	25,660,094	21,047,901
End of period	\$1,465,682	\$1,461,967	\$649,137	\$594,457	\$25,927,172	\$25,660,094
Undistributed (distributions in excess of) net investment income	\$24,174	\$4,347	\$947	\$261	\$257,027	\$92,516

See end of statements of changes in net assets for footnote.

See Notes to Financial Statements

(dollars in thousands)

International Fund		New World Fund		Blue Chip Income and Growth Fund		Global Growth and Income Fund		Growth-Income Fund	
Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended
June 30	December 31	June 30	December 31	June 30	December 31	June 30	December 31	June 30	December 31
2018*	2017	2018*	2017	2018*	2017	2018*	2017	2018*	2017
\$ 102,949	\$ 105,868	\$ 19,900	\$ 32,918	\$ 100,291	\$ 195,270	\$ 23,306	\$ 44,369	\$ 234,665	\$ 445,666
207,686	438,684	163,099	236,990	552,008	686,720	42,250	151,286	1,790,997	2,102,617
(318,448)	1,850,536	(321,774)	567,588	(610,097)	550,461	(83,113)	281,638	(40,092)	3,222,646
(7,813)	2,395,088	(138,775)	837,496	42,202	1,432,451	(17,557)	477,293	1,985,570	5,770,929
(20,717)	(124,236)	(8,140)	(34,131)	(37,394)	(188,626)	(4,953)	(42,795)	(78,162)	(435,451)
(462,357)	(100,924)	(93,325)	–	(699,094)	(328,660)	(153,097)	(33,692)	(2,127,600)	(1,807,557)
(483,074)	(225,160)	(101,465)	(34,131)	(736,488)	(517,286)	(158,050)	(76,487)	(2,205,762)	(2,243,008)
569,665	133,019	107,751	(164,517)	410,311	(178,554)	108,394	(289,969)	1,080,850	1,071,251
78,778	2,302,947	(132,489)	638,848	(283,975)	736,611	(67,213)	110,837	860,658	4,599,172
9,757,822	7,454,875	3,532,713	2,893,865	9,379,849	8,643,238	2,102,446	1,991,609	30,692,362	26,093,190
\$9,836,600	\$9,757,822	\$3,400,224	\$3,532,713	\$9,095,874	\$9,379,849	\$2,035,233	\$2,102,446	\$31,553,020	\$30,692,362
\$85,084	\$2,852	\$16,403	\$4,643	\$100,168	\$37,271	\$25,019	\$6,666	\$244,551	\$88,048

Global Balanced Fund		Bond Fund		Global Bond Fund		High-Income Bond Fund		Mortgage Fund	
Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended
June 30	December 31	June 30	December 31	June 30	December 31	June 30	December 31	June 30	December 31
2018*	2017	2018*	2017	2018*	2017	2018*	2017	2018*	2017
\$ 3,658	\$ 4,343	\$ 132,268	\$ 226,928	\$ 28,152	\$ 53,646	\$ 42,659	\$ 96,458	\$ 3,133	\$ 5,003
4,191	9,276	(128,619)	(10,510)	14,803	(26,825)	(21,381)	24,442	(7,679)	408
(10,698)	38,239	(198,649)	193,041	(74,322)	132,187	(15,647)	(3,823)	542	(431)
(2,849)	51,858	(195,000)	409,459	(31,367)	159,008	5,631	117,077	(4,004)	4,980
–	(3,252)	(43,397)	(220,546)	(4,652)	(11,164)	(14,715)	(98,414)	(1,057)	(5,571)
–	(10,070)	(14,589)	(157,395)	(7,707)	(14,449)	–	–	–	(2,214)
–	(13,322)	(57,986)	(377,941)	(12,359)	(25,613)	(14,715)	(98,414)	(1,057)	(7,785)
36,371	63,483	180,490	(223,341)	(187,249)	85,999	(49,778)	(346,424)	3,799	2,570
33,522	102,019	(72,496)	(191,823)	(230,975)	219,394	(58,862)	(327,761)	(1,262)	(235)
353,899	251,880	10,697,694	10,889,517	2,467,578	2,248,184	1,453,880	1,781,641	340,170	340,405
\$387,421	\$353,899	\$10,625,198	\$10,697,694	\$2,236,603	\$2,467,578	\$1,395,018	\$1,453,880	\$338,908	\$340,170
\$2,987	\$(671)	\$124,247	\$35,376	\$26,284	\$2,784	\$41,321	\$13,377	\$3,128	\$1,052

Statements of changes in net assets

	Ultra-Short Bond Fund		U.S. Government/ AAA-Rated Securities Fund		Managed Risk Growth Fund	
	Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended
	June 30 2018*	December 31 2017	June 30 2018*	December 31 2017	June 30 2018*	December 31 2017
Operations:						
Net investment income (loss)	\$ 1,689	\$ 1,388	\$ 28,386	\$ 46,503	\$ (270)	\$ 859
Net realized gain (loss)	— [†]	9	(83,479)	11,669	20,288	19,268
Net unrealized (depreciation) appreciation	23	(64)	17,509	(6,874)	(4,570)	35,360
Net increase (decrease) in net assets resulting from operations	1,712	1,333	(37,584)	51,298	15,448	55,487
Dividends and distributions paid to shareholders:						
Dividends from net investment income	(483)	(906)	(9,358)	(43,993)	(1,411)	(734)
Distributions from net realized gain on investments	—	—	—	—	(20,530)	(4,142)
Total dividends and distributions paid to shareholders	(483)	(906)	(9,358)	(43,993)	(21,941)	(4,876)
Net capital share transactions	(14,219)	(46,638)	(41,350)	58,286	41,097	36,220
Total increase (decrease) in net assets	(12,990)	(46,211)	(88,292)	65,591	34,604	86,831
Net assets:						
Beginning of period	304,805	351,016	3,103,315	3,037,724	287,959	201,128
End of period	\$291,815	\$304,805	\$3,015,023	\$3,103,315	\$322,563	\$287,959
Undistributed (distributions in excess of) net investment income	\$1,668	\$462	\$28,754	\$9,726	\$(282)	\$1,399

*Unaudited.

See Notes to Financial Statements

(dollars in thousands)

Managed Risk International Fund		Managed Risk Blue Chip Income and Growth Fund		Managed Risk Growth-Income Fund		Managed Risk Asset Allocation Fund	
Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended	Six months ended	Year ended
June 30 2018*	December 31 2017	June 30 2018*	December 31 2017	June 30 2018*	December 31 2017	June 30 2018*	December 31 2017
\$ (40)	\$ 1,283	\$ 380	\$ 5,049	\$ 23	\$ 2,028	\$ 5,189	\$ 50,782
5,759	248	17,202	12,835	9,066	8,283	143,655	177,329
(7,010)	28,741	(24,648)	30,876	(2,027)	24,060	(159,143)	329,033
(1,291)	30,272	(7,066)	48,760	7,062	34,371	(10,299)	557,144
(1,331)	(900)	(5,685)	(5,161)	(2,177)	(1,867)	(53,278)	(31,722)
(739)	(1,403)	(12,120)	(5,568)	(9,936)	(7,726)	(174,365)	(38,742)
(2,070)	(2,303)	(17,805)	(10,729)	(12,113)	(9,593)	(227,643)	(70,464)
10,065	22,849	9,366	37,657	23,664	23,434	248,376	408,750
6,704	50,818	(15,505)	75,688	18,613	48,212	10,434	895,430
148,423	97,605	366,904	291,216	208,968	160,756	4,454,410	3,558,980
\$155,127	\$148,423	\$351,399	\$366,904	\$227,581	\$208,968	\$4,464,844	\$4,454,410
\$(48)	\$1,323	\$364	\$5,669	\$13	\$2,167	\$5,002	\$53,091

1. Organization

American Funds Insurance Series (the “series”) is registered under the Investment Company Act of 1940 as an open-end, diversified management investment company with 28 different funds (the “funds”). Twenty-three funds in the series are covered in this report. The other five funds in the series, American Funds Insurance Series - Portfolio Series, are covered in a separate report. The assets of each fund are segregated, with each fund accounted for separately. Capital Research and Management Company (“CRMC”) is the series’ investment adviser. Milliman Financial Risk Management LLC (“Milliman FRM”) is the subadviser for the risk management strategy for eight of the funds (the “managed risk funds”), five of which are covered in this report.

The managed risk funds covered in this report are Managed Risk Growth Fund, Managed Risk International Fund, Managed Risk Blue Chip Income and Growth Fund, Managed Risk Growth-Income Fund and Managed Risk Asset Allocation Fund. The managed risk funds invest in other funds within the series (the “underlying funds”) and employ Milliman FRM to implement the risk management strategy, which consists of using hedging instruments – primarily short positions on exchange-traded futures contracts – to attempt to stabilize the volatility of the funds around target volatility levels and reduce the downside exposure of the funds during periods of significant market declines.

Shareholders approved a proposal to reorganize the series from a Massachusetts business trust to a Delaware statutory trust. The reorganization may be completed in the next 12 months; however, the series reserves the right to delay the implementation.

The investment objectives for each fund covered in this report are as follows:

Global Growth Fund – Seeks to provide long-term growth of capital.

Global Small Capitalization Fund – Seeks to provide long-term growth of capital.

Growth Fund – Seeks to provide growth of capital.

International Fund – Seeks to provide long-term growth of capital.

New World Fund – Seeks long-term capital appreciation.

Blue Chip Income and Growth Fund – Seeks to produce income exceeding the average yield on U.S. stocks generally and to provide an opportunity for growth of principal consistent with sound common stock investing.

Global Growth and Income Fund – Seeks to provide long-term growth of capital while providing current income.

Growth-Income Fund – Seeks to achieve long-term growth of capital and income.

International Growth and Income Fund – Seeks to provide long-term growth of capital while providing current income.

Capital Income Builder – Seeks to provide a level of current income that exceeds the average yield on U.S. stocks generally and to provide a growing stream of income over the years. Secondly, seeks to provide growth of capital.

Asset Allocation Fund – Seeks to provide high total return consistent with preservation of capital over the long term.

Global Balanced Fund – Seeks the balanced accomplishment of three objectives: long-term growth of capital, conservation of principal and current income.

Bond Fund – Seeks to provide as high a level of current income as is consistent with the preservation of capital.

Global Bond Fund – Seeks to provide, over the long term, a high level of total return consistent with prudent investment management.

High-Income Bond Fund – Seeks to provide a high level of current income and, secondarily, capital appreciation.

Mortgage Fund – Seeks to provide current income and preservation of capital.

Ultra-Short Bond Fund – Seeks to provide current income, consistent with the maturity and quality standards applicable to the fund, and preservation of capital and liquidity.

U.S. Government/AAA-Rated Securities Fund – Seeks to provide a high level of current income consistent with preservation of capital.

Managed Risk Growth Fund – Seeks to provide growth of capital while seeking to manage volatility and provide downside protection.

Managed Risk International Fund – Seeks to provide long-term growth of capital while seeking to manage volatility and provide downside protection.

Managed Risk Blue Chip Income and Growth Fund – Seeks to produce income exceeding the average yield on U.S. stocks generally and to provide an opportunity for growth of principal consistent with sound common stock investing, in each case while seeking to manage volatility and provide downside protection.

Managed Risk Growth-Income Fund – Seeks to achieve long-term growth of capital and income while seeking to manage volatility and provide downside protection.

Managed Risk Asset Allocation Fund – Seeks to provide high total return consistent with preservation of capital over the long term while seeking to manage volatility and provide downside protection.

Each fund in the series, except the managed risk funds, offers either four or five share classes (Classes 1, 1A, 2, 3 or 4); the managed risk funds offer two share classes (Classes P1 and P2). Holders of all share classes of each fund have equal pro rata rights to assets, dividends and liquidation proceeds of each fund held. Each share class of each fund has identical voting rights, except for the exclusive right to vote on matters affecting only its class. Share classes have different fees and expenses (“class-specific fees and expenses”), primarily due to different arrangements for certain distribution expenses. Differences in class-specific fees and expenses will result in differences in net investment income and, therefore, the payment of different per-share dividends by each class of each fund.

2. Significant accounting policies

Each fund is an investment company that applies the accounting and reporting guidance issued in Topic 946 by the U.S. Financial Accounting Standards Board. Each fund’s financial statements have been prepared to comply with U.S. generally accepted accounting principles (“U.S. GAAP”). These principles require the series’ investment adviser to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates. Subsequent events, if any, have been evaluated through the date of issuance in the preparation of the financial statements. The funds follow the significant accounting policies described in this section, as well as the valuation policies described in the next section on valuation.

Security transactions and related investment income – Security transactions are recorded by the funds as of the date the trades are executed with brokers. Realized gains and losses from security transactions are determined based on the specific identified cost of the securities. In the event a security is purchased with a delayed payment date, the funds will segregate liquid assets sufficient to meet their payment obligations. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis. Market discounts, premiums and original issue discounts on fixed-income securities are amortized daily over the expected life of the security.

Fees and expenses – The fees and expenses of the underlying funds held by the managed risk funds are not included in the fees and expenses reported for each of the managed risk funds; however, they are indirectly reflected in the valuation of each of the underlying funds. These fees are included in the net effective expense ratios that are provided as supplementary information in the financial highlights tables.

Class allocations – Income, fees and expenses (other than class-specific fees and expenses) and realized and unrealized gains and losses are allocated daily among the various share classes of each fund based on their relative net assets. Class-specific fees and expenses, such as distribution expenses, are accrued daily and charged directly to the respective share class of each fund.

Dividends and distributions to shareholders – Dividends and distributions to shareholders are recorded on each fund’s ex-dividend date.

Currency translation – Assets and liabilities, including investment securities, denominated in currencies other than U.S. dollars are translated into U.S. dollars at the exchange rates supplied by one or more pricing vendors on the valuation date. Purchases and sales of investment securities and income and expenses are translated into U.S. dollars at the exchange rates on the dates of such transactions. The effects of changes in exchange rates on investment securities are included with the net realized gain or loss and net unrealized appreciation or depreciation on investments in the funds’ statements of operations. The realized gain or loss and unrealized appreciation or depreciation resulting from all other transactions denominated in currencies other than U.S. dollars are disclosed separately.

3. Valuation

CRMC, the series’ investment adviser, values the funds’ investments at fair value as defined by U.S. GAAP. The net asset value of each share class of each fund is generally determined as of approximately 4:00 p.m. New York time each day the New York Stock Exchange is open.

Methods and inputs – The series’ investment adviser uses the following methods and inputs to establish the fair value of each fund’s assets and liabilities. Use of particular methods and inputs may vary over time based on availability and relevance as market and economic conditions evolve.

Equity securities are generally valued at the official closing price of, or the last reported sale price on, the exchange or market on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price. Prices for each security are taken from the principal exchange or market on which the security trades. The value of an underlying fund is based on its reported net asset value.

Fixed-income securities, including short-term securities, are generally valued at prices obtained from one or more pricing vendors. Vendors value such securities based on one or more of the inputs described in the following table. The table provides examples of inputs that are commonly relevant for valuing particular classes of fixed-income securities in which the funds are authorized to invest. However, these classifications are not exclusive and any of the inputs may be used to value any other class of fixed-income security.

Fixed-income class	Examples of standard inputs
All	Benchmark yields, transactions, bids, offers, quotations from dealers and trading systems, new issues, spreads and other relationships observed in the markets among comparable securities; and proprietary pricing models such as yield measures calculated using factors such as cash flows, financial or collateral performance and other reference data (collectively referred to as “standard inputs”)
Corporate bonds & notes; convertible securities	Standard inputs and underlying equity of the issuer
Bonds & notes of governments & government agencies	Standard inputs and interest rate volatilities
Mortgage-backed; asset-backed obligations	Standard inputs and cash flows, prepayment information, default rates, delinquency and loss assumptions, collateral characteristics, credit enhancements and specific deal information
Municipal securities	Standard inputs and, for certain distressed securities, cash flows or liquidation values using a net present value calculation based on inputs that include, but are not limited to, financial statements and debt contracts

When the series’ investment adviser deems it appropriate to do so (such as when vendor prices are unavailable or not deemed to be representative), fixed-income securities will be valued in good faith at the mean quoted bid and ask prices that are reasonably and timely available (or bid prices, if ask prices are not available) or at prices for securities of comparable maturity, quality and type.

Securities with both fixed-income and equity characteristics, or equity securities traded principally among fixed-income dealers, are generally valued in the manner described for either equity or fixed-income securities, depending on which method is deemed most appropriate by the series' investment adviser. The Government Cash Management Fund held by the managed risk funds is managed to maintain a \$1.00 net asset value per share. The net asset value of each share class of each managed risk fund is calculated based on the reported net asset values of the underlying funds in which each fund invests.

Exchange-traded futures are generally valued at the official settlement price of, or the last reported sale price on, the exchange or market on which such instruments are traded, as of the close of business on the day the futures are being valued or, lacking any sales, at the last available bid price. Prices for each future are taken from the exchange or market on which the security trades. Forward currency contracts are valued at the mean of representative quoted bid and ask prices, generally based on prices supplied by one or more pricing vendors. Interest rate swaps and credit default swaps are generally valued by pricing vendors based on market inputs that include the index and term of index, reset frequency, payer/receiver, currency and pay frequency.

Securities and other assets for which representative market quotations are not readily available or are considered unreliable by the series' investment adviser are fair valued as determined in good faith under fair value guidelines adopted by authority of the series' board of trustees as further described. The investment adviser follows fair valuation guidelines, consistent with U.S. Securities and Exchange Commission rules and guidance, to consider relevant principles and factors when making fair value determinations. The investment adviser considers relevant indications of value that are reasonably and timely available to it in determining the fair value to be assigned to a particular security, such as the type and cost of the security; contractual or legal restrictions on resale of the security; relevant financial or business developments of the issuer; actively traded similar or related securities; conversion or exchange rights on the security; related corporate actions; significant events occurring after the close of trading in the security; and changes in overall market conditions. In addition, the closing prices of equity securities and futures that trade in markets outside U.S. time zones may be adjusted to reflect significant events that occur after the close of local trading but before the net asset value of each share class of each fund is determined. Fair valuations and valuations of investments and futures that are not actively trading involve judgment and may differ materially from valuations that would have been used had greater market activity occurred.

Processes and structure – The series' board of trustees has delegated authority to the series' investment adviser to make fair value determinations, subject to board oversight. The investment adviser has established a Joint Fair Valuation Committee (the "Fair Valuation Committee") to administer, implement and oversee the fair valuation process, and to make fair value decisions. The Fair Valuation Committee regularly reviews its own fair value decisions, as well as decisions made under its standing instructions to the investment adviser's valuation teams. The Fair Valuation Committee reviews changes in fair value measurements from period to period and may, as deemed appropriate, update the fair valuation guidelines to better reflect the results of back testing and address new or evolving issues. The Fair Valuation Committee reports any changes to the fair valuation guidelines to the board of trustees. The series' board and audit committee also regularly review reports that describe fair value determinations and methods.

The series' investment adviser has also established a Fixed-Income Pricing Review Group to administer and oversee the fixed-income valuation process, including the use of fixed-income pricing vendors. This group regularly reviews pricing vendor information and market data. Pricing decisions, processes and controls over security valuation are also subject to additional internal reviews, including an annual control self-evaluation program facilitated by the investment adviser's compliance group.

Classifications – The series' investment adviser classifies the funds' assets and liabilities into three levels based on the inputs used to value the assets or liabilities. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Certain securities trading outside the U.S. may transfer between Level 1 and Level 2 due to valuation adjustments resulting from significant market movements following the close of local trading. Level 3 values are based on significant unobservable inputs that reflect the investment adviser's determination of assumptions that market participants might reasonably use in valuing the securities.

The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investment. For example, U.S. government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market. The following tables present the funds' valuation levels as of June 30, 2018 (dollars in thousands):

Global Growth Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Information technology	\$1,950,234	\$ -	\$-	\$1,950,234
Consumer discretionary	1,122,705	-	-	1,122,705
Financials	608,521	-	-	608,521
Health care	608,279	-	-	608,279
Consumer staples	394,353	-	-	394,353
Industrials	364,065	-	-	364,065
Energy	130,055	-	-	130,055
Materials	120,071	9,961	-	130,032
Telecommunication services	68,099	-	-	68,099
Miscellaneous	312,437	-	-	312,437
Bonds, notes & other debt instruments	-	1,000	-	1,000
Short-term securities	-	566,924	-	566,924
Total	\$5,678,819	\$577,885	\$-	\$6,256,704

	Other investments [†]			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on open forward currency contracts	\$-	\$35	\$-	\$35
Liabilities:				
Unrealized depreciation on open forward currency contracts	-	(3)	-	(3)
Total	\$-	\$32	\$-	\$32

*Securities with a value of \$2,470,292,000, which represented 39.37% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

[†]Forward currency contracts are not included in the investment portfolio.

Global Small Capitalization Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Health care	\$ 928,403	\$ -	\$ -	\$ 928,403
Consumer discretionary	773,092	-	-	773,092
Information technology	581,292	-	-	581,292
Financials	435,315	-	-	435,315
Industrials	400,842	-	-	400,842
Energy	122,278	-	13,979	136,257
Real estate	122,176	-	-	122,176
Materials	121,095	-	-	121,095
Consumer staples	117,997	-	-	117,997
Utilities	70,971	-	-	70,971
Telecommunication services	18,116	-	-	18,116
Miscellaneous	204,413	-	-	204,413
Convertible bonds	-	7,655	-	7,655
Bonds, notes & other debt instruments	-	4,123	-	4,123
Short-term securities	-	371,870	-	371,870
Total	\$3,895,990	\$383,648	\$13,979	\$4,293,617

	Other investments [†]			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on open forward currency contracts	\$–	\$502	\$–	\$502
Liabilities:				
Unrealized depreciation on open forward currency contracts	–	(74)	–	(74)
Total	\$–	\$428	\$–	\$428

*Securities with a value of \$1,530,340,000, which represented 35.62% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

[†]Forward currency contracts are not included in the investment portfolio.

Growth Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Information technology	\$ 8,591,258	\$ –	\$ –	\$ 8,591,258
Consumer discretionary	5,527,922	–	–	5,527,922
Health care	3,578,032	–	–	3,578,032
Financials	2,559,944	–	–	2,559,944
Energy	1,837,951	–	–	1,837,951
Industrials	1,071,026	–	–	1,071,026
Consumer staples	380,221	–	–	380,221
Real estate	268,938	–	–	268,938
Other	508,337	–	–	508,337
Miscellaneous	454,883	–	–	454,883
Convertible stocks	–	–	11,351	11,351
Short-term securities	–	1,004,178	–	1,004,178
Total	\$24,778,512	\$1,004,178	\$11,351	\$25,794,041

*Securities with a value of \$1,535,112,000, which represented 5.95% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

International Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Financials	\$1,219,859	\$ 298,839	\$–	\$1,518,698
Industrials	1,297,161	–	–	1,297,161
Information technology	1,160,520	31,384	–	1,191,904
Health care	1,061,956	–	–	1,061,956
Consumer discretionary	1,044,228	–	–	1,044,228
Consumer staples	792,722	–	–	792,722
Materials	743,373	–	–	743,373
Energy	458,445	–	–	458,445
Utilities	433,083	4,642	–	437,725
Telecommunication services	153,338	–	–	153,338
Real estate	145,135	–	–	145,135
Miscellaneous	142,545	–	–	142,545
Rights & warrants	–	12,024	–	12,024
Bonds, notes & other debt instruments	–	62,740	–	62,740
Short-term securities	–	787,493	–	787,493
Total	\$8,652,365	\$1,197,122	\$–	\$9,849,487

See next page for footnote.

	Other investments [†]			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on open forward currency contracts	\$–	\$662	\$–	\$662

*Securities with a value of \$6,219,677,000, which represented 63.23% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading and due to observable quoted prices in an active market.

[†]Forward currency contracts are not included in the investment portfolio.

New World Fund

	Investment securities			
	Level 1*	Level 2	Level 3	Total
Assets:				
Common stocks:				
Information technology	\$ 674,565	\$ –	\$ –	\$ 674,565
Financials	322,040	88,342	–	410,382
Materials	336,556	11,198	–	347,754
Consumer discretionary	327,550	–	–	327,550
Energy	306,481	–	–	306,481
Health care	219,208	17,445	–	236,653
Consumer staples	234,080	–	–	234,080
Industrials	195,635	–	–	195,635
Real estate	37,909	–	25	37,934
Utilities	36,168	–	–	36,168
Telecommunication services	29,897	–	–	29,897
Miscellaneous	67	–	–	67
Preferred securities	–	–	1,340	1,340
Rights & warrants	–	38,459	–	38,459
Bonds, notes & other debt instruments	–	94,991	–	94,991
Short-term securities	–	410,017	–	410,017
Total	\$2,720,156	\$660,452	\$1,365	\$3,381,973

	Other investments [†]			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on open forward currency contracts	\$–	\$600	\$–	\$600
Liabilities:				
Unrealized depreciation on open forward currency contracts	–	(1)	–	(1)
Total	\$–	\$599	\$–	\$599

*Securities with a value of \$1,533,679,000, which represented 45.11% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

[†]Forward currency contracts are not included in the investment portfolio.

Blue Chip Income and Growth Fund

	Investment securities			Total
	Level 1	Level 2	Level 3	
Assets:				
Common stocks:				
Health care	\$1,974,003	\$ –	\$–	\$1,974,003
Information technology	1,405,932	–	–	1,405,932
Industrials	997,557	–	–	997,557
Consumer staples	951,222	–	–	951,222
Consumer discretionary	937,854	–	–	937,854
Financials	866,918	–	–	866,918
Energy	848,611	–	–	848,611
Telecommunication services	295,377	–	–	295,377
Materials	219,584	–	–	219,584
Utilities	150,746	–	–	150,746
Real estate	74,396	–	–	74,396
Miscellaneous	26,164	–	–	26,164
Short-term securities	–	344,620	–	344,620
Total	\$8,748,364	\$344,620	\$–	\$9,092,984

Global Growth and Income Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Information technology	\$ 447,491	\$ 30,569	\$–	\$ 478,060
Industrials	205,559	–	–	205,559
Financials	193,526	–	–	193,526
Health care	175,193	–	–	175,193
Consumer discretionary	164,902	–	–	164,902
Materials	164,096	–	–	164,096
Consumer staples	141,804	–	–	141,804
Energy	119,869	–	–	119,869
Real estate	60,804	–	–	60,804
Telecommunication services	33,213	–	–	33,213
Utilities	29,740	–	–	29,740
Miscellaneous	89,264	–	–	89,264
Rights & warrants	154	–	–	154
Bonds, notes & other debt instruments	–	41,217	–	41,217
Short-term securities	–	131,655	–	131,655
Total	\$1,825,615	\$203,441	\$–	\$2,029,056

*Securities with a value of \$861,256,000, which represented 42.32% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

Growth-Income Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Information technology	\$ 5,706,737	\$ –	\$–	\$ 5,706,737
Consumer discretionary	4,287,333	–	–	4,287,333
Health care	4,262,135	–	–	4,262,135
Financials	3,326,237	39,701	–	3,365,938
Industrials	3,219,784	–	–	3,219,784
Consumer staples	2,399,436	116,085	–	2,515,521
Energy	2,016,461	–	–	2,016,461
Materials	1,267,896	–	–	1,267,896
Real estate	514,715	–	–	514,715
Utilities	440,113	–	–	440,113
Telecommunication services	404,220	–	–	404,220
Mutual funds	57,781	–	–	57,781
Miscellaneous	860,215	–	–	860,215
Convertible stocks	11,888	7,305	–	19,193
Convertible bonds	–	42,780	–	42,780
Short-term securities	–	2,488,187	–	2,488,187
Total	\$28,774,951	\$2,694,058	\$–	\$31,469,009

*Securities with a value of \$1,670,829,000, which represented 5.30% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

International Growth and Income Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Financials	\$ 259,807	\$ 41,741	\$–	\$ 301,548
Health care	145,478	–	–	145,478
Information technology	130,920	–	–	130,920
Materials	124,356	–	–	124,356
Consumer staples	114,521	–	–	114,521
Industrials	107,414	–	–	107,414
Energy	103,345	–	–	103,345
Consumer discretionary	91,022	–	–	91,022
Utilities	86,696	–	–	86,696
Real estate	67,028	–	–	67,028
Telecommunication services	40,341	–	–	40,341
Miscellaneous	15,814	–	–	15,814
Bonds, notes & other debt instruments	–	20,410	–	20,410
Short-term securities	–	112,843	–	112,843
Total	\$1,286,742	\$174,994	\$–	\$1,461,736

*Securities with a value of \$1,033,353,000, which represented 70.50% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

Capital Income Builder

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Financials	\$ 63,897	\$ 156	\$—	\$ 64,053
Energy	57,600	—	—	57,600
Information technology	55,486	—	—	55,486
Consumer staples	53,094	—	—	53,094
Real estate	41,635	—	—	41,635
Consumer discretionary	40,361	—	—	40,361
Utilities	29,204	—	—	29,204
Telecommunication services	28,255	—	—	28,255
Industrials	23,280	—	—	23,280
Health care	22,975	—	—	22,975
Materials	11,843	—	—	11,843
Miscellaneous	8,754	—	—	8,754
Convertible stocks	4,706	—	—	4,706
Bonds, notes & other debt instruments:				
U.S. Treasury bonds & notes	—	84,622	—	84,622
Mortgage-backed obligations	—	45,981	—	45,981
Corporate bonds & notes	—	21,696	—	21,696
Asset-backed obligations	—	494	—	494
Short-term securities	—	64,531	—	64,531
Total	\$441,090	\$217,480	\$—	\$658,570

*Securities with a value of \$204,880,000, which represented 31.56% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

Asset Allocation Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Information technology	\$ 4,405,169	\$ —	\$ 5,171	\$ 4,410,340
Health care	2,640,060	—	368	2,640,428
Financials	2,264,802	9,140	—	2,273,942
Consumer discretionary	1,720,702	324	—	1,721,026
Energy	1,655,898	2,988	—	1,658,886
Materials	1,084,717	—	—	1,084,717
Consumer staples	1,083,940	—	—	1,083,940
Industrials	757,050	3,372	25	760,447
Real estate	322,756	—	—	322,756
Telecommunication services	84,344	—	—	84,344
Miscellaneous	89,771	—	—	89,771
Rights & warrants	—	—	328	328
Convertible stocks	—	—	6,074	6,074
Bonds, notes & other debt instruments:				
U.S. Treasury bonds & notes	—	2,906,555	—	2,906,555
Corporate bonds & notes	—	2,312,520	11,477	2,323,997
Mortgage-backed obligations	—	1,275,172	—	1,275,172
Other	—	199,805	—	199,805
Short-term securities	—	3,624,136	—	3,624,136
Total	\$16,109,209	\$10,334,012	\$23,443	\$26,466,664

See next page for footnote.

	Other investments [†]			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on interest rate swaps	\$ –	\$ 992	\$–	\$ 992
Liabilities:				
Unrealized depreciation on futures contracts	(268)	–	–	(268)
Unrealized depreciation on interest rate swaps	–	(1,977)	–	(1,977)
Total	\$(268)	\$ (985)	\$–	\$(1,253)

*Securities with a value of \$722,537,000, which represented 2.79% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

[†]Futures contracts and interest rate swaps are not included in the investment portfolio.

Global Balanced Fund

	Investment securities			Total
	Level 1*	Level 2	Level 3	
Assets:				
Common stocks:				
Information technology	\$ 49,412	\$ –	\$–	\$ 49,412
Financials	30,305	–	–	30,305
Health care	24,561	–	–	24,561
Industrials	24,379	–	–	24,379
Energy	22,210	–	–	22,210
Consumer discretionary	22,194	–	–	22,194
Consumer staples	18,959	–	–	18,959
Materials	13,330	–	–	13,330
Real estate	9,204	–	–	9,204
Utilities	6,904	–	–	6,904
Miscellaneous	18,045	–	–	18,045
Bonds, notes & other debt instruments:				
Bonds & notes of governments & government agencies outside the U.S.	–	59,160	–	59,160
U.S. Treasury bonds & notes	–	40,569	–	40,569
Corporate bonds & notes	–	22,724	–	22,724
Mortgage-backed obligations	–	6,646	–	6,646
Short-term securities	–	21,077	–	21,077
Total	\$239,503	\$150,176	\$–	\$389,679

	Other investments [†]			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on open forward currency contracts	\$–	\$ 335	\$–	\$ 335
Liabilities:				
Unrealized depreciation on open forward currency contracts	–	(151)	–	(151)
Total	\$–	\$ 184	\$–	\$ 184

*Securities with a value of \$97,681,000, which represented 25.21% of the net assets of the fund, transferred from Level 2 to Level 1 since the prior fiscal year-end, primarily due to a lack of significant market movements following the close of local trading.

[†]Forward currency contracts are not included in the investment portfolio.

Bond Fund

	Investment securities			Total
	Level 1	Level 2	Level 3	
Assets:				
Bonds, notes & other debt instruments:				
Corporate bonds & notes	\$–	\$ 3,786,408	\$ 415	\$ 3,786,823
U.S. Treasury bonds & notes	–	2,671,323	–	2,671,323
Mortgage-backed obligations	–	2,499,881	–	2,499,881
Bonds & notes of governments & government agencies outside the U.S.	–	759,856	–	759,856
Asset-backed obligations	–	277,546	–	277,546
Municipals	–	212,537	–	212,537
Federal agency bonds & notes	–	11,659	–	11,659
Common stocks	–	682	2,151	2,833
Rights & warrants	–	–	97	97
Short-term securities	–	2,312,505	–	2,312,505
Total	\$–	\$12,532,397	\$2,663	\$12,535,060

	Other investments*			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on futures contracts	\$ 5,769	\$ –	\$–	\$ 5,769
Unrealized appreciation on open forward currency contracts	–	1,868	–	1,868
Unrealized appreciation on interest rate swaps	–	18,809	–	18,809
Unrealized appreciation on credit default swaps	–	159	–	159
Liabilities:				
Unrealized depreciation on futures contracts	(3,582)	–	–	(3,582)
Unrealized depreciation on open forward currency contracts	–	(2,417)	–	(2,417)
Unrealized depreciation on interest rate swaps	–	(19,480)	–	(19,480)
Total	\$ 2,187	\$ (1,061)	\$–	\$ 1,126

*Futures contracts, forward currency contracts, interest rate swaps and credit default swaps are not included in the investment portfolio.

Global Bond Fund

	Investment securities			Total
	Level 1	Level 2	Level 3	
Assets:				
Bonds, notes & other debt instruments:				
Euros	\$–	\$ 286,705	\$ –	\$ 286,705
Japanese yen	–	234,651	–	234,651
Polish zloty	–	82,395	–	82,395
Mexican pesos	–	70,574	–	70,574
Indian rupees	–	64,832	–	64,832
British pounds	–	48,518	–	48,518
Danish kroner	–	43,483	–	43,483
Malaysian ringgits	–	35,569	–	35,569
South Korean won	–	31,473	–	31,473
Thai baht	–	28,048	–	28,048
Israeli shekels	–	19,189	–	19,189
Brazilian reais	–	16,106	–	16,106
Australian dollars	–	15,852	–	15,852
Canadian dollars	–	14,792	–	14,792
Romanian leu	–	11,517	–	11,517
U.S. dollars	–	999,743	675	1,000,418
Other	–	51,584	–	51,584
Convertible stocks	–	–	1,033	1,033
Common stocks	–	713	791	1,504
Rights & warrants	–	–	56	56
Short-term securities	–	221,160	–	221,160
Total	\$–	\$2,276,904	\$2,555	\$2,279,459

	Other investments*			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on futures contracts	\$ 806	\$ –	\$–	\$ 806
Unrealized appreciation on open forward currency contracts	–	9,633	–	9,633
Unrealized appreciation on interest rate swaps	–	211	–	211
Liabilities:				
Unrealized depreciation on futures contracts	(319)	–	–	(319)
Unrealized depreciation on open forward currency contracts	–	(4,812)	–	(4,812)
Unrealized depreciation on interest rate swaps	–	(548)	–	(548)
Total	\$ 487	\$ 4,484	\$–	\$ 4,971

*Futures contracts, forward currency contracts and interest rate swaps are not included in the investment portfolio.

High-Income Bond Fund

	Investment securities			Total
	Level 1	Level 2	Level 3	
Assets:				
Bonds, notes & other debt instruments:				
Corporate bonds & notes	\$ –	\$1,311,273	\$ 9,892	\$1,321,165
Other	–	6,917	–	6,917
Convertible bonds	–	7,627	–	7,627
Convertible stocks	1,891	–	5,892	7,783
Common stocks	896	6,151	8,187	15,234
Rights & warrants	–	–	354	354
Short-term securities	–	44,278	–	44,278
Total	\$2,787	\$1,376,246	\$24,325	\$1,403,358

	Other investments ¹			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on interest rate swaps	\$ –	\$1,912	\$–	\$1,912
Unrealized appreciation on credit default swaps	–	1,101	–	1,101
Liabilities:				
Unrealized depreciation on futures contracts	(75)	–	–	(75)
Unrealized depreciation on interest rate swaps	–	(523)	–	(523)
Total	\$(75)	\$2,490	\$–	\$2,415

¹Futures contracts, interest rate swaps and credit default swaps are not included in the investment portfolio.

The following table reconciles the valuation of the fund's Level 3 investment securities and related transactions for the six months ended June 30, 2018 (dollars in thousands):

	Beginning value at 1/1/2018	Transfers into Level 3 ²	Purchases	Sales	Net realized gain ³	Unrealized appreciation ³	Transfers out of Level 3 ²	Ending value at 6/30/2018
Investment securities	\$23,741	\$–	\$17,761	\$(18,621)	\$–	\$5,838	\$(4,394)	\$24,325
Net unrealized appreciation during the period on Level 3 investment securities held at June 30, 2018								\$ 3,411

²Transfers into or out of Level 3 are based on the beginning market value of the quarter in which they occurred.

³Net realized gain and unrealized appreciation are included in the related amounts on investments in the statement of operations.

Unobservable inputs – Valuation of the fund’s Level 3 securities is based on significant unobservable inputs that reflect the investment adviser’s determination of assumptions that market participants might reasonably use in valuing the securities. The following table provides additional information used by the fund’s investment adviser to fair value the fund’s Level 3 securities (dollars in thousands):

	Value at 6/30/2018	Valuation techniques	Unobservable inputs	Range	Impact to valuation from an increase in input*
Corporate bonds & notes	\$ 9,892	Yield analysis	Yield to call/maturity risk premium	0-700 bps	Decrease
Convertible stocks	5,892	Market comparable companies	EBITDA multiple	13.9x	Increase
Common stocks	8,187	Expected proceeds	Discount to reflect timing of receipt and amount of proceeds	23%	Decrease
		Transaction price	N/A	N/A	N/A
		Market comparable companies	EBITDA multiple	5.0x -5.5x	Increase
			Discount for lack of marketability (DLOM)	22%	Decrease
Rights & warrants	354	Black-Scholes	Implied volatility	30%	Increase
	<u>\$24,325</u>				

*This column represents the directional change in fair value of the Level 3 securities that would result in an increase from the corresponding input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

Key to abbreviations

EBITDA = Earnings before income taxes, depreciation and amortization

DLOM = Discount for lack of marketability

Mortgage Fund

	Investment securities			
	Level 1	Level 2	Level 3	Total
Assets:				
Bonds, notes & other debt instruments:				
Mortgage-backed obligations	\$–	\$246,041	\$ –	\$246,041
U.S. Treasury bonds & notes	–	34,166	–	34,166
Asset-backed obligations	–	21,324	–	21,324
Federal agency bonds & notes	–	21,203	–	21,203
Corporate bonds & notes	–	–	134	134
Short-term securities	–	122,195	–	122,195
Total	\$–	\$444,929	\$134	\$445,063
	Other investments*			
	Level 1	Level 2	Level 3	Total
Assets:				
Unrealized appreciation on futures contracts	\$798	\$ –	\$–	\$ 798
Unrealized appreciation on interest rate swaps	–	4,265	–	4,265
Liabilities:				
Unrealized depreciation on interest rate swaps	–	(3,346)	–	(3,346)
Total	\$798	\$ 919	\$–	\$ 1,717

*Futures contracts and interest rate swaps are not included in the investment portfolio.

Ultra-Short Bond Fund

At June 30, 2018, all of the fund’s investment securities were classified as Level 2.

U.S. Government/AAA-Rated Securities Fund

	Investment securities			Total
	Level 1	Level 2	Level 3	
Assets:				
Bonds, notes & other debt instruments:				
U.S. Treasury bonds & notes	\$–	\$1,512,752	\$–	\$1,512,752
Mortgage-backed obligations	–	859,111	–	859,111
Federal agency bonds & notes	–	615,899	–	615,899
Short-term securities	–	499,311	–	499,311
Total	\$–	\$3,487,073	\$–	\$3,487,073
	Other investments*			Total
	Level 1	Level 2	Level 3	
Assets:				
Unrealized appreciation on futures contracts	\$10,339	\$ –	\$–	\$ 10,339
Unrealized appreciation on interest rate swaps	–	46,860	–	46,860
Liabilities:				
Unrealized depreciation on futures contracts	(233)	–	–	(233)
Unrealized depreciation on interest rate swaps	–	(25,001)	–	(25,001)
Total	\$10,106	\$ 21,859	\$–	\$ 31,965

*Futures contracts and interest rate swaps are not included in the investment portfolio.

Managed Risk Growth Fund

At June 30, 2018, all of the fund's investments were classified as Level 1.

Managed Risk International Fund

At June 30, 2018, all of the fund's investments were classified as Level 1.

Managed Risk Blue Chip Income and Growth Fund

At June 30, 2018, all of the fund's investments were classified as Level 1.

Managed Risk Growth-Income Fund

At June 30, 2018, all of the fund's investments were classified as Level 1.

Managed Risk Asset Allocation Fund

At June 30, 2018, all of the fund's investments were classified as Level 1.

4. Risk factors

Investing in the funds may involve certain risks including, but not limited to, those described below.

Market conditions – The prices of, and the income generated by, the common stocks, bonds and other securities held by a fund may decline – sometimes rapidly or unpredictably – due to various factors, including events or conditions affecting the general economy or particular industries; overall market changes; local, regional or global political, social or economic instability; governmental or governmental agency responses to economic conditions; and currency exchange rate, interest rate and commodity price fluctuations.

Issuer risks – The prices of, and the income generated by, securities held by a fund may decline in response to various factors directly related to the issuers of such securities, including reduced demand for an issuer's goods or services, poor management performance and strategic initiatives such as mergers, acquisitions or dispositions and the market response to any such initiatives.

Investing in growth-oriented stocks – Growth-oriented common stocks and other equity-type securities (such as preferred stocks, convertible preferred stocks and convertible bonds) may involve larger price swings and greater potential for loss than other types of investments. These risks may be even greater in the case of smaller capitalization stocks.

Investing in income-oriented stocks – Income provided by a fund may be reduced by changes in the dividend policies of, and the capital resources available for dividend payments at, the companies in which the fund invests.

Investing in small companies – Investing in smaller companies may pose additional risks. For example, it is often more difficult to value or dispose of small company stocks and more difficult to obtain information about smaller companies than about larger companies. Furthermore, smaller companies often have limited product lines, operating histories, markets and/or financial resources, may be dependent on one or a few key persons for management, and can be more susceptible to losses. Moreover, the prices of their stocks may be more volatile than stocks of larger, more established companies.

Investing outside the U.S. – Securities of issuers domiciled outside the U.S., or with significant operations or revenues outside the U.S., may lose value because of adverse political, social, economic or market developments (including social instability, regional conflicts, terrorism and war) in the countries or regions in which the issuers operate or generate revenue. These securities may also lose value due to changes in foreign currency exchange rates against the U.S. dollar and/or currencies of other countries. Issuers of these securities may be more susceptible to actions of foreign governments, such as the imposition of price controls or punitive taxes, that could adversely impact the value of these securities. Securities markets in certain countries may be more volatile and/or less liquid than those in the U.S. Investments outside the U.S. may also be subject to different accounting practices and different regulatory, legal and reporting standards and practices, and may be more difficult to value, than those in the U.S. In addition, the value of investments outside the U.S. may be reduced by foreign taxes, including foreign withholding taxes on interest and dividends. Further, there may be increased risks of delayed settlement of securities purchased or sold by the fund. The risks of investing outside the U.S. may be heightened in connection with investments in emerging markets.

Investing in developing countries – Investing in countries with developing economies and/or markets may involve risks in addition to and greater than those generally associated with investing in developed countries. For instance, developing countries may have less developed legal and accounting systems than those in developed countries. The governments of these countries may be less stable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect the prices of securities. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries can also be relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid, and may be more difficult to value, than securities issued in countries with more developed economies and/or markets. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating the fund's net asset value. Additionally, there may be increased settlement risks for transactions in local securities.

Investing in emerging markets – Investing in emerging markets may involve risks in addition to and greater than those generally associated with investing in the securities markets of developed countries. For instance, developing countries may have less developed legal and accounting systems than those in developed countries. The governments of these countries may be less stable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect the prices of securities. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries can also be relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid, and may be more difficult to value, than securities issued in countries with more developed economies and/or markets. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating a fund's net asset value. Additionally, there may be increased settlement risks for transactions in local securities.

Investing in debt instruments – The prices of, and the income generated by, bonds and other debt securities held by a fund may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities.

Rising interest rates will generally cause the prices of bonds and other debt securities to fall. Falling interest rates may cause an issuer to redeem, call or refinance a debt security before its stated maturity, which may result in a fund having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities.

Bonds and other debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Lower quality debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality debt securities. Credit risk is gauged, in part, by the credit ratings of the debt securities in which a fund invests. However, ratings are only the opinions of the rating agencies issuing them and are not guarantees as to credit quality or an evaluation of market risk. The funds' investment adviser relies on its own credit analysts to research issuers and issues in seeking to mitigate various credit and default risks.

Investing in lower rated debt instruments – Lower rated bonds and other lower rated debt securities generally have higher rates of interest and involve greater risk of default or price declines due to changes in the issuer’s creditworthiness than those of higher quality debt securities. The market prices of these securities may fluctuate more than the prices of higher quality debt securities and may decline significantly in periods of general economic difficulty. These risks may be increased with respect to investments in junk bonds.

Investing in derivatives – The use of derivatives involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional cash securities, such as stocks and bonds. Changes in the value of a derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and a derivative instrument may expose a fund to losses in excess of its initial investment. Derivatives may be difficult for a fund to buy or sell at an opportune time or price and may be difficult to terminate or otherwise offset. A fund’s use of derivatives may result in losses to the fund, and investing in derivatives may reduce a fund’s returns and increase a fund’s price volatility. A fund’s counterparty to a derivative transaction (including, if applicable, the fund’s clearing broker, the derivatives exchange or the clearinghouse) may be unable or unwilling to honor its financial obligations in respect of the transaction.

Currency – The prices of, and the income generated by, most debt securities held by a fund may also be affected by changes in relative currency values. If the U.S. dollar appreciates against foreign currencies, the value in U.S. dollars of a fund’s securities denominated in such currencies would generally fall and vice versa. U.S. dollar-denominated securities of foreign issuers may also be affected by changes in relative currency values.

Investing in mortgage-related and other asset-backed securities – Mortgage-related securities, such as mortgage-backed securities, and other asset-backed securities, include debt obligations that represent interests in pools of mortgages or other income-bearing assets, such as consumer loans or receivables. Such securities often involve risks that are different from or more acute than the risks associated with investing in other types of debt securities. Mortgage-backed and other asset-backed securities are subject to changes in the payment patterns of borrowers of the underlying debt. When interest rates fall, borrowers are more likely to refinance or prepay their debt before its stated maturity. This may result in a fund having to reinvest the proceeds in lower yielding securities, effectively reducing a fund’s income. Conversely, if interest rates rise and borrowers repay their debt more slowly than expected, the time in which the mortgage-backed and other asset-backed securities are paid off could be extended, reducing a fund’s cash available for reinvestment in higher yielding securities.

Investing in future delivery contracts – A fund may enter into contracts, such as to-be-announced contracts and mortgage dollar rolls, that involve a fund selling mortgage-related securities and simultaneously contracting to repurchase similar securities for delivery at a future date at a predetermined price. This can increase a fund’s market exposure, and the market price of the securities that the fund contracts to repurchase could drop below their purchase price. While a fund can preserve and generate capital through the use of such contracts by, for example, realizing the difference between the sale price and the future purchase price, the income generated by the fund may be reduced by engaging in such transactions. In addition, these transactions may increase the turnover rate of a fund.

Investing in inflation linked bonds – The values of inflation linked bonds generally fluctuate in response to changes in real interest rates – i.e., rates of interest after factoring in inflation. A rise in real interest rates may cause the prices of inflation linked securities to fall, while a decline in real interest rates may cause the prices to increase. Inflation linked bonds may experience greater losses than other debt securities with similar durations when real interest rates rise faster than nominal interest rates. There can be no assurance that the value of an inflation linked security will be directly correlated to changes in interest rates; for example, if interest rates rise for reasons other than inflation, the increase may not be reflected in the security’s inflation measure.

Investing in inflation linked bonds may also reduce a fund’s distributable income during periods of extreme deflation. If prices for goods and services decline throughout the economy, the principal and income on inflation linked securities may decline and result in losses to a fund.

Investing in securities backed by the U.S. government – Securities backed by the U.S. Treasury or the full faith and credit of the U.S. government are guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market values for these securities will fluctuate with changes in interest rates. Securities issued by government-sponsored entities and federal agencies and instrumentalities that are not backed by the full faith and credit of the U.S. government are neither issued nor guaranteed by the U.S. government.

Investing in repurchase agreements – Upon entering into a repurchase agreement, a fund purchases a security from a bank or broker-dealer, which simultaneously commits to repurchase the security within a specified time at the fund’s cost with interest. The security purchased by the fund constitutes collateral for the seller’s repurchase obligation. If the party agreeing to repurchase should default, the fund may seek to sell the security it holds as collateral. The fund may incur a loss if the value of the collateral securing the

repurchase obligation falls below the repurchase price. The fund may also incur disposition costs and encounter procedural delays in connection with liquidating the collateral.

Interest rate risk – The values and liquidity of the securities held by a fund may be affected by changing interest rates. For example, the values of these securities may decline when interest rates rise and increase when interest rates fall. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities. A fund may invest in variable and floating rate securities. Although the values of such securities are generally less sensitive to interest rate changes than those of other debt securities, the value of variable and floating rate securities may decline if their interest rates do not rise as quickly, or as much, as general interest rates. Conversely, floating rate securities will not generally increase in value if interest rates decline. During periods of extremely low short-term interest rates, a fund may not be able to maintain a positive yield and, given the current historically low interest rate environment, risks associated with rising rates are currently heightened.

Credit and liquidity support – Changes in the credit quality of banks and financial institutions providing credit and liquidity support features with respect to securities held by a fund could cause the values of these securities to decline.

Asset allocation – A fund's percentage allocation to equity securities, debt securities and money market instruments could cause the fund to underperform relative to relevant benchmarks and other funds with similar investment objectives.

Nondiversification risk – As nondiversified funds, certain funds have the ability to invest a larger percentage of their assets in the securities of a smaller number of issuers than diversified funds. Although the funds do not intend to limit their investments to the securities of a small number of issuers, if they were to do so, poor performance by a single large holding could adversely impact the funds' investment results more than if the funds were invested in a larger number of issuers.

Liquidity risk – Certain fund holdings may be deemed to be less liquid or illiquid because they cannot be readily sold without significantly impacting the value of the holdings. Liquidity risk may result from the lack of an active market for a holding, legal or contractual restrictions on resale, or the reduced number and capacity of market participants to make a market in such holding. Market prices for less liquid or illiquid holdings may be volatile, and reduced liquidity may have an adverse impact on the market price of such holdings. Additionally, the sale of less liquid or illiquid holdings may involve substantial delays (including delays in settlement) and additional costs and the fund may be unable to sell such holdings when necessary to meet its liquidity needs.

Management – The investment adviser to the funds actively manages the funds' investments. Consequently, the funds are subject to the risk that the methods and analyses employed by the investment adviser in this process may not produce the desired results. This could cause the funds to lose value or their investment results to lag relevant benchmarks or other funds with similar objectives.

Investing in the managed risk funds may involve additional risks including, but not limited to, those described below.

Fund structure – The managed risk funds invest in underlying funds and incur expenses related to those underlying funds. In addition, investors in the managed risk funds will incur fees to pay for certain expenses related to the operations of the managed risk funds. An investor holding the underlying fund directly would incur lower overall expenses but would not receive the benefit of the managed risk strategy.

Management – The managed risk funds are subject to the risk that the managed risk strategy or the methods employed by the subadviser in implementing the managed risk strategy may not produce the desired results. This could cause the managed risk funds to lose value or their investment results to lag relevant benchmarks or other funds with similar objectives.

Underlying fund risks – Because the managed risk funds' investments consist of investments in underlying funds, the managed risk funds' risks are directly related to the risks of the respective underlying fund in which each managed fund invests. For this reason, it is important to understand the risks associated with investing both in the managed risk fund and in each of the underlying funds.

Investing in futures contracts – In addition to the risks generally associated with investing in derivative instruments, futures contracts are subject to the creditworthiness of the clearing organizations, exchanges and futures commission merchants with which a fund transacts. Additionally, although futures require only a small initial investment in the form of a deposit of initial margin, the amount of a potential loss on a futures contract could greatly exceed the initial amount invested. While futures contracts are generally liquid instruments, under certain market conditions, futures may be deemed to be illiquid. For example, a fund may be temporarily prohibited from closing out its position in a futures contract if intraday price change limits or limits on trading volume imposed by the applicable futures exchange are triggered. If a fund is unable to close out a position on a futures contract, the fund would remain subject to the risk of adverse price movements until the fund is able to close out the futures position. The ability of a fund to successfully utilize futures contracts may depend in part upon the ability of the fund's investment adviser or subadviser to accurately forecast interest rates and other economic factors and to assess and predict the impact of such economic factors on the futures in which the fund invests. If the

investment adviser or subadviser incorrectly forecasts economic developments or incorrectly predicts the impact of such developments on the futures in which it invests, a fund could be exposed to the risk of loss.

Hedging – There may be imperfect or even negative correlation between the prices of the futures contracts and the prices of the underlying securities. For example, futures contracts may not provide an effective hedge because changes in futures contract prices may not track those of the underlying securities or indexes they are intended to hedge. In addition, there are significant differences between the securities and futures markets that could result in an imperfect correlation between the markets, causing a given hedge not to achieve its objectives. The degree of imperfection of correlation depends on circumstances such as variations in speculative market demand for futures, including technical influences in futures trading, and differences between the financial instruments being hedged and the instruments underlying the standard contracts available for trading. A decision as to whether, when and how to hedge involves the exercise of skill and judgment, and even a well-conceived hedge may be unsuccessful to some degree because of market behavior or unexpected interest rate trends. In addition, the fund's investment in exchange-traded futures and their resulting costs could limit the fund's gains in rising markets relative to those of the underlying funds, or to those of unhedged funds in general.

Short positions – Losses from short positions in futures contracts occur when the underlying index increases in value. As the underlying index increases in value, the holder of the short position in the corresponding futures contract is required to pay the difference in value of the futures contract resulting from the increase in the index on a daily basis. Losses from a short position in an index futures contract could potentially be very large if the value of the underlying index rises dramatically in a short period of time.

5. Certain investment techniques

Index-linked bonds – Some of the funds have invested in index-linked bonds, which are fixed-income securities whose principal value is periodically adjusted to a government price index. Over the life of an index-linked bond, interest is paid on the adjusted principal value. Increases or decreases in the principal value of index-linked bonds are recorded as interest income in the fund's statement of operations.

Mortgage dollar rolls – Some of the funds have entered into mortgage dollar roll transactions in which the fund sells a mortgage-backed security to a counterparty and simultaneously enters into an agreement with the same counterparty to buy back a similar security on a specific future date at a predetermined price. Mortgage dollar rolls are accounted for as purchase and sale transactions, which may increase the funds' portfolio turnover rates.

Loan transactions – Some of the funds have entered into loan transactions in which the fund acquires a loan either through an agent, by assignment from another holder, or as a participation interest in another holder's portion of a loan. The loan is often administered by a financial institution that acts as agent for the holders of the loan, and the fund may be required to receive approval from the agent and/or borrower prior to the sale of the investment. The loan's interest rate and maturity date may change based on the terms of the loan, including potential early payments of principal.

Short-term securities – The managed risk funds hold shares of the Government Cash Management Fund, a cash management vehicle offered by the Bank of New York Mellon ("BNY Mellon"), the funds' custodian bank. The Government Cash Management Fund is managed by the Dreyfus Corporation.

Futures contracts – Some of the funds have entered into futures contracts, which provide for the future sale by one party and purchase by another party of a specified amount of a specific financial instrument for a specified price, date, time and place designated at the time the contract is made. Futures contracts are used to strategically manage the fund's interest rate sensitivity by increasing or decreasing the duration of the fund or a portion of the fund's portfolio. For the managed risk funds, futures contracts are used to strategically manage portfolio volatility and downside equity risk.

Upon entering into futures contracts, and to maintain the fund's open positions in futures contracts, the fund is required to deposit with a futures broker, or FCM, in a segregated account in the name of the FCM an amount of cash, U.S. government securities or other liquid securities, known as initial margin. The margin required for a particular futures contract is set by the exchange on which the contract is traded to serve as collateral, and may be significantly modified from time to time by the exchange during the term of the contract. Securities deposited as initial margin, if any, are disclosed in the investment portfolio and cash deposited as initial margin, if any, is reflected as restricted cash pledged for futures contracts in the fund's statement of assets and liabilities.

On a daily basis, each fund pays or receives variation margin based on the increase or decrease in the value of the futures contracts and records variation margin on futures contracts in each fund's statement of assets and liabilities. In addition, each fund segregates liquid assets equivalent to the fund's outstanding obligations under the contract in excess of the initial margin and variation margin, if any.

Futures contracts may involve a risk of loss in excess of the variation margin shown on each fund's statement of assets and liabilities. Each fund records realized gains or losses at the time the futures contract is closed or expires. Net realized gains or losses and net unrealized appreciation or depreciation from futures contracts are recorded in each fund's statement of operations.

Forward currency contracts – Some of the funds have entered into forward currency contracts, which represent agreements to exchange currencies on specific future dates at predetermined rates. The series' investment adviser uses forward currency contracts to manage the fund's exposure to changes in exchange rates. Upon entering into these contracts, risks may arise from the potential inability of counterparties to meet the terms of their contracts and from possible movements in exchange rates.

On a daily basis, the series' investment adviser values forward currency contracts based on the applicable exchange rates and records unrealized appreciation or depreciation for open forward currency contracts in each fund's statement of assets and liabilities. Realized gains or losses are recorded at the time the forward contract is closed or offset by another contract with the same broker for the same settlement date and currency. Closed forward currency contracts that have not reached their settlement date are included in the respective receivables or payables for closed forward currency contracts in each fund's statement of assets and liabilities. Net realized gains or losses from closed forward currency contracts and net unrealized appreciation or depreciation from open forward currency contracts are recorded in each fund's statement of operations.

Interest rate swaps – Some of the funds have entered into interest rate swaps, which are agreements to exchange one stream of future interest payments for another based on a specified notional amount. Typically, interest rate swaps exchange a fixed interest rate for a payment that floats relative to a benchmark or vice versa. The series' investment adviser uses interest rate swaps to manage the interest rate sensitivity of the fund by increasing or decreasing the duration of the fund or a portion of the fund's portfolio. Risks may arise as a result of the series' investment adviser incorrectly anticipating changes in interest rates, increased volatility, reduced liquidity and the potential inability of counterparties to meet the terms of their agreements.

Upon entering into an interest rate swap contract, the fund is required to deposit cash, U.S. government securities or other liquid securities, which is known as initial margin. Generally, the initial margin required for a particular interest rate swap is set and held as collateral by the clearinghouse on which the contract is cleared. The amount of initial margin required may be significantly modified from time to time by the clearinghouse during the term of the contract.

On a daily basis, the series' investment adviser records daily interest accruals related to the exchange of future payments as a receivable and payable in each fund's statement of assets and liabilities. Each fund also pays or receives a variation margin based on the increase or decrease in the value of the interest rate swaps, including accrued interest, and records variation margin on interest rate swaps in each fund's statement of assets and liabilities. Each fund records realized gains and losses on both the net accrued interest and any gain or loss recognized at the time the interest rate swap is closed or expires. Net realized gains or losses, as well as any net unrealized appreciation or depreciation, from interest rate swaps are recorded in each fund's statement of operations.

Credit default swap indices – Some of the funds have entered into centrally cleared credit default swap agreements on credit indices ("CDSI") that involve one party (the protection buyer) making a stream of payments to another party (the protection seller) in exchange for the right to receive a specified return upon the occurrence of a credit event, such as a default or restructuring, with respect to any of the underlying issuers (reference obligations) in the referenced index. The series' investment adviser uses credit default swaps to assume exposure to a diversified portfolio of credits or to hedge against existing credit risks.

CDSI are portfolios of credit instruments or exposures designed to be representative of some part of the credit market, such as the high-yield or investment-grade credit market. CDSI are generally traded using standardized terms, including a fixed spread and standard maturity dates, and reference all the names in the index. If there is a credit event, it is settled based on that name's weight in the index. The composition of the underlying issuers or obligations within a particular index may change periodically, usually every six months. A specified credit event may affect all or individual underlying reference obligations included in the index, and will be settled based upon the relative weighting of the affected obligation(s) within the index. The value of each CDSI can be used as a measure of the current payment/performance risk of the CDSI and represents the likelihood of an expected liability or profit should the notional amount of the CDSI be closed or sold as of the period end. An increasing value, as compared to the notional amount of the CDSI, represents a deterioration of the referenced indices' credit soundness and a greater likelihood of risk of default or other credit event occurring as defined under the terms of the agreement. When a fund provides sell protection, its maximum exposure is the notional amount of the credit default swap agreement.

Upon entering into a centrally cleared CDSI contract, the fund is required to deposit with a derivatives clearing member ("DCM") in a segregated account in the name of the DCM an amount of cash, U.S. government securities or other liquid securities, which is known as initial margin. Generally, the initial margin required for a particular credit default swap is set and held as collateral by the clearinghouse

on which the contract is cleared. The amount of initial margin required may be significantly modified from time to time by the clearinghouse during the term of the contract. Securities deposited as initial margin are designated on the investment portfolio.

On a daily basis, interest accruals related to the exchange of future payments are recorded as a receivable and payable in each fund's statement of assets and liabilities. Each fund also pays or receives a variation margin based on the increase or decrease in the value of the centrally cleared swaps, and records variation margin in each fund's statement of assets and liabilities. Each fund records realized gains and losses on both the net accrued interest and any gain or loss recognized at the time the swap is closed or expires. Net realized gains or losses, as well as any net unrealized appreciation or depreciation, from credit default swaps are recorded in each fund's statement of operations.

The following table presents the average month-end notional amounts of futures contracts, forward currency contracts, interest rate swaps and credit default swaps while held for each fund (dollars in thousands):

	Futures	Forwards	Interest Rate Swaps	Credit Default Swaps
Global Growth Fund	Not applicable	\$ 5,719	Not applicable	Not applicable
Global Small Capitalization Fund	Not applicable	91,823	Not applicable	Not applicable
International Fund	Not applicable	29,375	Not applicable	Not applicable
New World Fund	Not applicable	17,798	Not applicable	Not applicable
Asset Allocation Fund	\$ 364,453	Not applicable	\$ 1,706,924	Not applicable
Global Balanced Fund	Not applicable	23,716	Not applicable	Not applicable
Bond Fund	2,096,319	500,160	4,467,319	\$58,750
Global Bond Fund	178,243	722,202	578,995	Not applicable
High-Income Bond Fund	15,900	Not applicable	46,258	91,748
Mortgage Fund	203,510	Not applicable	1,052,719	Not applicable
U.S. Government/AAA-Rated Securities Fund	2,706,965	Not applicable	11,924,170	Not applicable
Managed Risk Growth Fund	34,134	Not applicable	Not applicable	Not applicable
Managed Risk International Fund	29,987	Not applicable	Not applicable	Not applicable
Managed Risk Blue Chip Income and Growth Fund	29,245	Not applicable	Not applicable	Not applicable
Managed Risk Growth-Income Fund	17,118	Not applicable	Not applicable	Not applicable
Managed Risk Asset Allocation Fund	246,886	Not applicable	Not applicable	Not applicable

The following tables present the financial statement impacts resulting from the funds' use of futures contracts, forward currency contracts, interest rate swaps and/or credit default swaps as of, or for the six months ended June 30, 2018 (dollars in thousands):

Global Growth Fund

		Assets		Liabilities	
Contracts	Risk type	Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Forward currency	Currency	Unrealized appreciation on open forward currency contracts	\$35	Unrealized depreciation on open forward currency contracts	\$3
		Net realized loss		Net unrealized appreciation	
Contracts	Risk type	Location on statement of operations	Value	Location on statement of operations	Value
Forward currency	Currency	Net realized loss on forward currency contracts	\$(53)	Net unrealized appreciation on forward currency contracts	\$18

Global Small Capitalization Fund

		Assets		Liabilities	
Contracts	Risk type	Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Forward currency	Currency	Unrealized appreciation on open forward currency contracts	\$502	Unrealized depreciation on open forward currency contracts	\$74

Contracts	Risk type	Net realized loss		Net unrealized appreciation	
		Location on statement of operations	Value	Location on statement of operations	Value
Forward currency	Currency	Net realized loss on forward currency contracts	\$(334)	Net unrealized appreciation on forward currency contracts	\$1,531

International Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Forward currency	Currency	Unrealized appreciation on open forward currency contracts	\$662	Unrealized depreciation on open forward currency contracts	\$-

Contracts	Risk type	Net realized gain		Net unrealized appreciation	
		Location on statement of operations	Value	Location on statement of operations	Value
Forward currency	Currency	Net realized gain on forward currency contracts	\$413	Net unrealized appreciation on forward currency contracts	\$1,017

New World Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Forward currency	Currency	Unrealized appreciation on open forward currency contracts	\$600	Unrealized depreciation on open forward currency contracts	\$ 1
Forward currency	Currency	Receivables for closed forward currency contracts	-	Payables for closed forward currency contracts	44
			<u>\$600</u>		<u>\$45</u>

Contracts	Risk type	Net realized loss		Net unrealized appreciation	
		Location on statement of operations	Value	Location on statement of operations	Value
Forward currency	Currency	Net realized loss on forward currency contracts	\$(41)	Net unrealized appreciation on forward currency contracts	\$922

Asset Allocation Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$ -	Unrealized depreciation*	\$ 268
Swaps	Interest	Unrealized appreciation*	992	Unrealized depreciation*	1,977
			<u>\$992</u>		<u>\$2,245</u>

See end of tables for footnote.

Contracts	Risk type	Net realized gain (loss)		Net unrealized appreciation	
		Location on statement of operations	Value	Location on statement of operations	Value
Futures	Interest	Net realized gain on futures contracts	\$ 746	Net unrealized appreciation on futures contracts	\$ 486
Swaps	Interest	Net realized loss on swap contracts	(3,011)	Net unrealized appreciation on swap contracts	5,263
			<u>\$(2,265)</u>		<u>\$5,749</u>

Global Balanced Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Forward currency	Currency	Unrealized appreciation on open forward currency contracts	\$335	Unrealized depreciation on open forward currency contracts	\$151
Forward currency	Currency	Receivables for closed forward currency contracts	–	Payables for closed forward currency contracts	7
			<u>\$335</u>		<u>\$158</u>

Contracts	Risk type	Net realized loss		Net unrealized appreciation	
		Location on statement of operations	Value	Location on statement of operations	Value
Forward currency	Currency	Net realized loss on forward currency contracts	\$(303)	Net unrealized appreciation on forward currency contracts	\$309

Bond Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$ 5,769	Unrealized depreciation*	\$ 3,582
Forward currency	Currency	Unrealized appreciation on open forward currency contracts	1,868	Unrealized depreciation on open forward currency contracts	2,417
Swaps	Interest	Unrealized appreciation*	18,809	Unrealized depreciation*	19,480
Swaps	Credit	Unrealized appreciation*	159	Unrealized depreciation*	–
			<u>\$26,605</u>		<u>\$25,490</u>

Contracts	Risk type	Net realized (loss) gain		Net unrealized appreciation (depreciation)	
		Location on statement of operations	Value	Location on statement of operations	Value
Futures	Interest	Net realized loss on futures contracts	\$(39,999)	Net unrealized appreciation on futures contracts	\$ 6,343
Forward currency	Currency	Net realized gain on forward currency contracts	4,320	Net unrealized depreciation on forward currency contracts	(8,091)
Swaps	Interest	Net realized gain on swap contracts	17,251	Net unrealized depreciation on swap contracts	(8,383)
Swaps	Credit	Net realized loss on swap contracts	(31)	Net unrealized appreciation on swap contracts	343
			<u>\$(18,459)</u>		<u>\$(9,788)</u>

Global Bond Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$ 806	Unrealized depreciation*	\$ 319
Forward currency	Currency	Unrealized appreciation on open forward currency contracts	9,633	Unrealized depreciation on open forward currency contracts	4,812
Forward currency	Currency	Receivables for closed forward currency contracts	412	Payables for closed forward currency contracts	218
Swaps	Interest	Unrealized appreciation*	211	Unrealized depreciation*	548
			<u>\$11,062</u>		<u>\$5,897</u>
		Net realized (loss) gain		Net unrealized appreciation (depreciation)	
Contracts	Risk type	Location on statement of operations	Value	Location on statement of operations	Value
Futures	Interest	Net realized loss on futures contracts	\$(5,196)	Net unrealized appreciation on futures contracts	\$ 846
Forward currency	Currency	Net realized gain on forward currency contracts	2,923	Net unrealized appreciation on forward currency contracts	4,160
Swaps	Interest	Net realized gain on swap contracts	1,540	Net unrealized appreciation on swap contracts	1,142
			<u>\$ (733)</u>		<u>\$6,148</u>

High-Income Bond Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$ –	Unrealized depreciation*	\$ 75
Swaps	Interest	Unrealized appreciation*	1,912	Unrealized depreciation*	523
Swaps	Credit	Unrealized appreciation*	1,101	Unrealized depreciation*	–
			<u>\$3,087</u>		<u>\$622</u>
		Net realized gain (loss)		Net unrealized (depreciation) appreciation	
Contracts	Risk type	Location on statement of operations	Value	Location on statement of operations	Value
Futures	Interest	Net realized gain on futures contracts	\$ –	Net unrealized depreciation on futures contracts	\$ (75)
Swaps	Interest	Net realized loss on swap contracts	(954)	Net unrealized appreciation on swap contracts	968
Swaps	Credit	Net realized loss on swap contracts	(263)	Net unrealized appreciation on swap contracts	1,520
			<u>\$(1,217)</u>		<u>\$2,413</u>

See end of tables for footnote.

Mortgage Fund

		Assets		Liabilities	
Contracts	Risk type	Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$ 798	Unrealized depreciation*	\$ –
Swaps	Interest	Unrealized appreciation*	4,265	Unrealized depreciation*	3,346
			<u>\$5,063</u>		<u>\$3,346</u>
		Net realized (loss) gain		Net unrealized appreciation	
Contracts	Risk type	Location on statement of operations	Value	Location on statement of operations	Value
Futures	Interest	Net realized loss on futures contracts	\$(5,150)	Net unrealized appreciation on futures contracts	\$1,430
Swaps	Interest	Net realized gain on swap contracts	624	Net unrealized appreciation on swap contracts	1,705
			<u>\$(4,526)</u>		<u>\$3,135</u>

U.S. Government/AAA-Rated Securities Fund

		Assets		Liabilities	
Contracts	Risk type	Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$10,339	Unrealized depreciation*	\$ 233
Swaps	Interest	Unrealized appreciation*	46,860	Unrealized depreciation*	25,001
			<u>\$57,199</u>		<u>\$25,234</u>
		Net realized loss		Net unrealized appreciation	
Contracts	Risk type	Location on statement of operations	Value	Location on statement of operations	Value
Futures	Interest	Net realized loss on futures contracts	\$(52,726)	Net unrealized appreciation on futures contracts	\$17,551
Swaps	Interest	Net realized loss on swap contracts	(6,083)	Net unrealized appreciation on swap contracts	30,287
			<u>\$(58,809)</u>		<u>\$47,838</u>

Managed Risk Growth Fund

		Assets		Liabilities	
Contracts	Risk type	Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$76	Unrealized depreciation*	\$–

Contracts	Risk type	Net realized gain (loss)		Net unrealized appreciation	
		Location on statement of operations	Value	Location on statement of operations	Value
Futures	Currency	Net realized gain on futures contracts	\$ 41	Net unrealized appreciation on futures contracts	\$ -
Futures	Equity	Net realized loss on futures contracts	(5,074)	Net unrealized appreciation on futures contracts	-
Futures	Interest	Net realized loss on futures contracts	(1,049)	Net unrealized appreciation on futures contracts	114
			<u>\$(6,082)</u>		<u>\$114</u>

Managed Risk International Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$38	Unrealized depreciation*	\$-

Contracts	Risk type	Net realized gain (loss)		Net unrealized appreciation	
		Location on statement of operations	Value	Location on statement of operations	Value
Futures	Currency	Net realized gain on futures contracts	\$ 35	Net unrealized appreciation on futures contracts	\$ -
Futures	Equity	Net realized loss on futures contracts	(208)	Net unrealized appreciation on futures contracts	-
Futures	Interest	Net realized loss on futures contracts	(204)	Net unrealized appreciation on futures contracts	57
			<u>\$(377)</u>		<u>\$57</u>

Managed Risk Blue Chip Income and Growth Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$85	Unrealized depreciation*	\$-

Contracts	Risk type	Net realized gain (loss)		Net unrealized appreciation	
		Location on statement of operations	Value	Location on statement of operations	Value
Futures	Currency	Net realized gain on futures contracts	\$ 57	Net unrealized appreciation on futures contracts	\$ -
Futures	Equity	Net realized loss on futures contracts	(5,958)	Net unrealized appreciation on futures contracts	-
Futures	Interest	Net realized loss on futures contracts	(1,302)	Net unrealized appreciation on futures contracts	134
			<u>\$(7,203)</u>		<u>\$134</u>

See end of tables for footnote.

Managed Risk Growth-Income Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$36	Unrealized depreciation*	\$-
		Net realized loss		Net unrealized appreciation	
Contracts	Risk type	Location on statement of operations	Value	Location on statement of operations	Value
Futures	Currency	Net realized loss on futures contracts	\$ (5)	Net unrealized appreciation on futures contracts	\$ -
Futures	Equity	Net realized loss on futures contracts	(2,466)	Net unrealized appreciation on futures contracts	-
Futures	Interest	Net realized loss on futures contracts	(599)	Net unrealized appreciation on futures contracts	64
			<u>\$(3,050)</u>		<u>\$64</u>

Managed Risk Asset Allocation Fund

Contracts	Risk type	Assets		Liabilities	
		Location on statement of assets and liabilities	Value	Location on statement of assets and liabilities	Value
Futures	Interest	Unrealized appreciation*	\$810	Unrealized depreciation*	\$-
		Net realized loss		Net unrealized appreciation	
Contracts	Risk type	Location on statement of operations	Value	Location on statement of operations	Value
Futures	Currency	Net realized loss on futures contracts	\$ (15)	Net unrealized appreciation on futures contracts	\$ -
Futures	Equity	Net realized loss on futures contracts	(38,734)	Net unrealized appreciation on futures contracts	-
Futures	Interest	Net realized loss on futures contracts	(11,053)	Net unrealized appreciation on futures contracts	1,402
			<u>\$(49,802)</u>		<u>\$1,402</u>

*Includes cumulative appreciation/depreciation on futures contracts, interest rate swaps and/or credit default swaps as reported in the applicable table(s) following each fund's investment portfolio. Only current day's variation margin is reported within the statements of assets and liabilities.

Collateral – Funds that invest in futures contracts, forward currency contracts, interest rate swaps, credit default swaps and/or future delivery contracts participate in a collateral program. For futures contracts, interest rate swaps and credit default swaps, the program calls for the fund to pledge highly liquid assets, such as cash or U.S. government securities, as collateral for initial and variation margin by contract. For forward currency contracts, the program calls for the fund to either receive or pledge collateral based on the net gain or loss on unsettled forward currency contracts by counterparty. For future delivery contracts, the program calls for the fund to either receive or pledge collateral based on the net gain or loss on unsettled contracts by certain counterparties. The purpose of the collateral is to cover potential losses that could occur in the event that either party cannot meet its contractual obligations. Non-cash collateral pledged by the fund, if any, is disclosed in the fund's investment portfolio, and cash collateral pledged by the fund, if any, is held in a segregated account with the fund's custodian, which is reflected as restricted cash in the fund's statement of assets and liabilities.

Rights of offset – Funds that hold forward currency contracts have enforceable master netting agreements with certain counterparties, where amounts payable by each party to the other in the same currency (with the same settlement date and with the same counterparty) are settled net of each party's payment obligation. If an early termination date occurs under these agreements following an event of default or termination event, all obligations of each party to its counterparty are settled net through a single payment in a single

currency ("close-out netting"). For financial reporting purposes, the funds do not offset financial assets and financial liabilities that are subject to these master netting arrangements in the statements of assets and liabilities.

The following tables present each fund's forward currency contracts by counterparty that are subject to master netting agreements but that are not offset in the funds' statements of assets and liabilities. The net amount column shows the impact of offsetting on the funds' statement of assets and liabilities as of June 30, 2018, if close-out netting was exercised (dollars in thousands):

Global Growth Fund

Counterparty	Gross amounts recognized in the statement of assets and liabilities	Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement			Net amount
		Available to offset	Non-cash collateral*	Cash collateral	
Assets:					
Bank of America, N.A.	\$35	\$-	\$-	\$-	\$35
Liabilities:					
Goldman Sachs	\$ 3	\$-	\$-	\$-	\$ 3

Global Small Capitalization Fund

Counterparty	Gross amounts recognized in the statement of assets and liabilities	Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement			Net amount
		Available to offset	Non-cash collateral*	Cash collateral	
Assets:					
Citibank	\$256	\$ -	\$ -	\$(130)	\$126
JPMorgan Chase	246	(8)	(40)	-	198
Total	\$502	\$(8)	\$(40)	\$(130)	\$324
Liabilities:					
Bank of America, N.A.	\$ 4	\$ -	\$ -	\$ -	\$ 4
Bank of New York Mellon	62	-	-	-	62
JPMorgan Chase	8	(8)	-	-	-
Total	\$ 74	\$(8)	\$ -	\$ -	\$ 66

International Fund

Counterparty	Gross amounts recognized in the statement of assets and liabilities	Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement			Net amount
		Available to offset	Non-cash collateral*	Cash collateral	
Assets:					
Bank of America, N.A.	\$662	\$-	\$(662)	\$-	\$-

See end of tables for footnote.

New World Fund

Counterparty	Gross amounts recognized in the statement of assets and liabilities	Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement			Net amount
		Available to offset	Non-cash collateral*	Cash collateral	
Assets:					
Bank of America, N.A.	\$ 15	\$(15)	\$ –	\$–	\$ –
Citibank	96	–	–	–	96
Goldman Sachs	110	(1)	–	–	109
JPMorgan Chase	379	–	(270)	–	109
Total	\$600	\$(16)	\$(270)	\$–	\$314
Liabilities:					
Bank of America, N.A.	\$ 44	\$(15)	\$ –	\$–	\$ 29
Goldman Sachs	1	(1)	–	–	–
Total	\$ 45	\$(16)	\$ –	\$–	\$ 29

Global Balanced Fund

Counterparty	Gross amounts recognized in the statement of assets and liabilities	Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement			Net amount
		Available to offset	Non-cash collateral*	Cash collateral	
Assets:					
Bank of America, N.A.	\$ 72	\$(52)	\$–	\$–	\$ 20
Citibank	140	(21)	–	–	119
Goldman Sachs	22	(22)	–	–	–
JPMorgan Chase	83	(50)	–	–	33
UBS AG	18	–	–	–	18
Total	\$335	\$(145)	\$–	\$–	\$190
Liabilities:					
Bank of America, N.A.	\$ 52	\$(52)	\$–	\$–	\$ –
Bank of New York Mellon	6	–	–	–	6
Citibank	21	(21)	–	–	–
Goldman Sachs	28	(22)	–	–	6
JPMorgan Chase	50	(50)	–	–	–
Morgan Stanley	1	–	–	–	1
Total	\$158	\$(145)	\$–	\$–	\$ 13

Bond Fund

Counterparty	Gross amounts recognized in the statement of assets and liabilities	Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement			Net amount
		Available to offset	Non-cash collateral*	Cash collateral	
Assets:					
Bank of New York Mellon	\$ 123	\$(123)	\$ –	\$ –	\$ –
Goldman Sachs	499	(3)	–	(80)	416
JPMorgan Chase	1,246	–	(1,246)	–	–
Total	\$1,868	\$(126)	\$(1,246)	\$(80)	\$ 416
Liabilities:					
Bank of New York Mellon	\$1,249	\$(123)	\$ (783)	\$ –	\$ 343
Citibank	1,165	–	(391)	–	774
Goldman Sachs	3	(3)	–	–	–
Total	\$2,417	\$(126)	\$(1,174)	\$ –	\$1,117

Global Bond Fund

Counterparty	Gross amounts recognized in the statement of assets and liabilities	Gross amounts not offset in the statement of assets and liabilities and subject to a master netting agreement			Net amount
		Available to offset	Non-cash collateral*	Cash collateral	
Assets:					
Bank of America, N.A.	\$ 1,279	\$(1,279)	\$ –	\$ –	\$ –
Citibank	3,641	(433)	–	(3,020)	188
Goldman Sachs	671	(594)	–	–	77
JPMorgan Chase	4,209	(1,534)	(2,183)	–	492
UBS AG	245	(245)	–	–	–
Total	\$10,045	\$(4,085)	\$(2,183)	\$(3,020)	\$757
Liabilities:					
Bank of America, N.A.	\$ 1,638	\$(1,279)	\$ (359)	\$ –	\$ –
Bank of New York Mellon	161	–	–	–	161
Citibank	433	(433)	–	–	–
Goldman Sachs	594	(594)	–	–	–
JPMorgan Chase	1,534	(1,534)	–	–	–
Morgan Stanley	173	–	–	–	173
UBS AG	497	(245)	(155)	–	97
Total	\$ 5,030	\$(4,085)	\$ (514)	\$ –	\$431

*Non-cash collateral is shown on a settlement basis.

6. Taxation and distributions

Federal income taxation – Each fund complies with the requirements under Subchapter M of the Internal Revenue Code applicable to mutual funds and intends to distribute substantially all of its net taxable income and net capital gains each year. The funds are not subject to income taxes to the extent such distributions are made. Therefore, no federal income tax provision is required.

As of and during the period ended June 30, 2018, none of the funds had a liability for any unrecognized tax benefits. Each fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in their respective statements of operations. During the period, none of the funds incurred any significant interest or penalties.

Each fund's tax returns are not subject to examination by federal, state and, if applicable, non-U.S. tax authorities after the expiration of each jurisdiction's statute of limitations, which is generally three years after the date of filing but can be extended in certain jurisdictions.

Non-U.S. taxation – Dividend and interest income, if any, are recorded net of non-U.S. taxes paid. The funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. As a result of rulings from European courts, the funds filed for additional reclaims related to prior years. These reclaims are recorded when the amount is known and there are no significant uncertainties on collectability. Gains realized by the funds on the sale of securities in certain countries, if any, may be subject to non-U.S. taxes. If applicable, the funds record an estimated deferred tax liability based on unrealized gains to provide for potential non-U.S. taxes payable upon the sale of these securities.

Distributions – Distributions paid to shareholders are based on each fund's net investment income and net realized gains determined on a tax basis, which may differ from net investment income and net realized gains for financial reporting purposes. These differences are due primarily to different treatment for items such as currency gains and losses; short-term capital gains and losses; capital losses related to sales of certain securities within 30 days of purchase; unrealized appreciation of certain investments in securities outside the U.S.; deferred expenses; cost of investments sold; paydowns on fixed-income securities; net capital losses; non-U.S. taxes on capital gains and income on certain investments. The fiscal year in which amounts are distributed may differ from the year in which the net investment income and net realized gains are recorded by the funds for financial reporting purposes.

Additional tax basis disclosures for each fund are as follows (dollars in thousands):

	Global Growth Fund	Global Small Capitalization Fund	Growth Fund	International Fund	New World Fund	Blue Chip Income and Growth Fund
As of December 31, 2017:						
Undistributed ordinary income	\$ 31,444	\$ 44,103	\$ 112,122	\$ 158,459	\$ 8,129	\$ 233,361
Undistributed long-term capital gains	402,492	147,040	2,434,009	324,550	93,323	502,967
As of June 30, 2018:						
Gross unrealized appreciation on investments	2,273,058	1,213,793	10,988,525	2,317,465	692,686	1,980,494
Gross unrealized depreciation on investments	(135,020)	(216,845)	(360,899)	(445,958)	(177,000)	(275,986)
Net unrealized appreciation (depreciation) on investments	2,138,038	996,948	10,627,626	1,871,507	515,686	1,704,508
Cost of investments	4,118,698	3,297,097	15,166,415	7,978,642	2,866,886	7,388,476
	Global Growth and Income Fund	Growth- Income Fund	International Growth and Income Fund	Capital Income Builder	Asset Allocation Fund	Global Balanced Fund
As of December 31, 2017:						
Undistributed ordinary income	\$ 30,483	\$ 199,924	\$ 4,856	\$ 2,111	\$ 180,609	\$ –
Late year ordinary loss deferral*	–	–	–	–	–	(316)
Undistributed long-term capital gains	127,553	2,005,758	–	1,388	1,027,497	–
Post-October capital loss deferral*	–	–	–	–	–	(158)
Capital loss carryforward†	–	–	(4,708)	–	–	–
As of June 30, 2018:						
Gross unrealized appreciation on investments	484,206	9,480,000	177,121	38,135	5,450,441	59,086
Gross unrealized depreciation on investments	(54,706)	(783,403)	(70,081)	(29,309)	(854,857)	(10,835)
Net unrealized appreciation (depreciation) on investments	429,500	8,696,597	107,040	8,826	4,595,584	48,251
Cost of investments	1,599,556	22,772,412	1,354,696	649,744	21,869,828	341,611
	Bond Fund	Global Bond Fund	High- Income Bond Fund	Mortgage Fund	Ultra-Short Bond Fund	U.S. Government/ AAA-Rated Securities Fund
As of December 31, 2017:						
Undistributed ordinary income	\$ 43,324	\$ 5,555	\$ 14,711	\$ 1,055	\$ 481	\$ 9,342
Undistributed long-term capital gains	14,531	6,778	–	–	–	–
Capital loss carryforward†	–	–	(146,596)	(490)	–	(1,300)
As of June 30, 2018:						
Gross unrealized appreciation on investments	86,618	38,827	17,819	7,171	4	75,336
Gross unrealized depreciation on investments	(229,829)	(78,317)	(55,149)	(6,486)	(22)	(69,156)
Net unrealized appreciation (depreciation) on investments	(143,211)	(39,490)	(37,330)	685	(18)	6,180
Cost of investments	12,680,296	2,323,919	1,449,320	446,095	291,655	3,512,857

	Managed Risk Growth Fund	Managed Risk International Fund	Managed Risk Blue Chip Income and Growth Fund	Managed Risk Growth-Income Fund	Managed Risk Asset Allocation Fund
As of December 31, 2017:					
Undistributed ordinary income	\$ 1,399	\$ 1,323	\$ 5,669	\$ 2,167	\$ 53,091
Undistributed long-term capital gains	20,518	732	12,104	9,926	174,185
As of June 30, 2018:					
Gross unrealized appreciation on investments	17,260	5,729	4,735	7,026	178,046
Gross unrealized depreciation on investments	(1,425)	(709)	(1,287)	(1,012)	–
Net unrealized appreciation (depreciation) on investments	15,835	5,020	3,448	6,014	178,046
Cost of investments	306,890	150,216	348,139	221,722	4,291,387

*These deferrals are considered incurred in the subsequent year.

†Capital loss carryforwards will be used to offset any capital gains realized by the funds in the current year or in subsequent years. The funds will not make distributions from capital gains while a capital loss carryforwards remains.

Distributions paid by each fund were characterized for tax purposes as follows (dollars in thousands):

Global Growth Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends and distributions paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$11,170	\$134,884	\$146,054	\$16,830	\$ 55,298	\$ 72,128
Class 1A ¹	21	273	294	15	16	31
Class 2	19,118	251,323	270,441	24,835	114,893	139,728
Class 4	1,162	16,024	17,186	1,062	3,889	4,951
Total	\$31,471	\$402,504	\$433,975	\$42,742	\$174,096	\$216,838

Global Small Capitalization Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends and distributions paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$17,229	\$ 55,968	\$ 73,197	\$10,151	\$–	\$10,151
Class 1A ¹	3	12	15	1	–	1
Class 2	25,423	86,037	111,460	10,597	–	10,597
Class 4	1,456	5,035	6,491	270	–	270
Total	\$44,111	\$147,052	\$191,163	\$21,019	\$–	\$21,019

See end of tables for footnotes.

Growth Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$ 38,940	\$ 792,865	\$ 831,805
Class 1A ¹	30	634	664
Class 2	67,863	1,515,757	1,583,620
Class 3	930	20,248	21,178
Class 4	4,388	104,527	108,915
Total	\$112,151	\$2,434,031	\$2,546,182

Year ended December 31, 2017

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$ 75,247	\$ 713,987	\$ 789,234
Class 1A ¹	15	63	78
Class 2	110,909	1,409,266	1,520,175
Class 3	1,601	18,484	20,085
Class 4	4,893	53,128	58,021
Total	\$192,665	\$2,194,928	\$2,387,593

International Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$ 82,087	\$165,915	\$248,002
Class 1A ¹	69	140	209
Class 2	70,871	146,986	217,857
Class 3	470	970	1,440
Class 4	5,010	10,556	15,566
Total	\$158,507	\$324,567	\$483,074

Year ended December 31, 2017

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$ 70,384	\$49,783	\$120,167
Class 1A ¹	17	3	20
Class 2	53,513	46,642	100,155
Class 3	396	331	727
Class 4	3,025	1,066	4,091
Total	\$127,335	\$97,825	\$225,160

New World Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$5,166	\$54,023	\$ 59,189
Class 1A ¹	5	50	55
Class 2	2,100	26,593	28,693
Class 4	869	12,659	13,528
Total	\$8,140	\$93,325	\$101,465

Year ended December 31, 2017

Share class	Ordinary income	Long-term capital gains	Total dividends paid
Class 1	\$21,960	\$-	\$21,960
Class 1A ¹	6	-	6
Class 2	9,149	-	9,149
Class 4	3,016	-	3,016
Total	\$34,131	\$-	\$34,131

Blue Chip Income and Growth Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$140,206	\$299,947	\$440,153
Class 1A ¹	63	135	198
Class 2	85,621	186,318	271,939
Class 4	7,578	16,620	24,198
Total	\$233,468	\$503,020	\$736,488

Year ended December 31, 2017

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$140,306	\$170,748	\$311,054
Class 1A ¹	12	5	17
Class 2	82,680	113,013	195,693
Class 4	4,917	5,605	10,522
Total	\$227,915	\$289,371	\$517,286

Global Growth and Income Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends and distributions paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$ 7,714	\$ 31,541	\$ 39,255	\$10,516	\$ 7,109	\$17,625
Class 1A ¹	13	52	65	2	- ²	2
Class 2	21,411	90,173	111,584	30,799	26,178	56,977
Class 4	1,357	5,789	7,146	1,478	405	1,883
Total	\$30,495	\$127,555	\$158,050	\$42,795	\$33,692	\$76,487

Growth-Income Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends and distributions paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$108,059	\$1,049,641	\$1,157,700	\$250,221	\$ 884,958	\$1,135,179
Class 1A ¹	35	344	379	24	16	40
Class 2	85,521	886,942	972,463	195,450	853,292	1,048,742
Class 3	1,014	10,337	11,351	2,421	10,140	12,561
Class 4	5,368	58,501	63,869	9,973	36,513	46,486
Total	\$199,997	\$2,005,765	\$2,205,762	\$458,089	\$1,784,919	\$2,243,008

International Growth and Income Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends paid	Ordinary income	Long-term capital gains	Total dividends paid
Class 1	\$3,855	\$-	\$3,855	\$25,860	\$-	\$25,860
Class 1A ¹	6	-	6	14	-	14
Class 2	800	-	800	5,714	-	5,714
Class 4	202	-	202	1,184	-	1,184
Total	\$4,863	\$-	\$4,863	\$32,772	\$-	\$32,772

Capital Income Builder

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends and distributions paid	Ordinary income	Long-term capital gains	Total dividends paid
Class 1	\$4,370	\$ 617	\$ 4,987	\$ 6,303	\$-	\$ 6,303
Class 1A ¹	21	3	24	8	-	8
Class 2	34	6	40	23	-	23
Class 4	4,593	762	5,355	7,676	-	7,676
Total	\$9,018	\$1,388	\$10,406	\$14,010	\$-	\$14,010

See end of tables for footnotes.

Asset Allocation Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends and distributions paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$120,676	\$ 666,856	\$ 787,532	\$287,347	\$ 666,425	\$ 953,772
Class 1A ¹	46	263	309	50	70	120
Class 2	35,740	210,133	245,873	84,847	241,077	325,924
Class 3	245	1,413	1,658	601	1,646	2,247
Class 4	23,998	148,867	172,865	47,458	145,207	192,665
Total	\$180,705	\$1,027,532	\$1,208,237	\$420,303	\$1,054,425	\$1,474,728

Global Balanced Fund

Share class	Six months ended June 30, 2018 ³			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total distributions paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$-	\$-	\$-	\$1,298	\$2,309	\$ 3,607
Class 1A ¹	-	-	-	3	5	8
Class 2	-	-	-	2,516	5,414	7,930
Class 4	-	-	-	582	1,195	1,777
Total	\$-	\$-	\$-	\$4,399	\$8,923	\$13,322

Bond Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends and distributions paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$27,667	\$ 8,915	\$36,582	\$211,473	\$25,594	\$237,067
Class 1A ¹	10	4	14	19	1	20
Class 2	14,535	5,217	19,752	119,175	15,280	134,455
Class 4	1,185	453	1,638	5,958	441	6,399
Total	\$43,397	\$14,589	\$57,986	\$336,625	\$41,316	\$377,941

Global Bond Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends and distributions paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$2,915	\$3,256	\$ 6,171	\$14,181	\$103	\$14,284
Class 1A ¹	1	1	2	- ²	- ²	- ²
Class 2	2,574	3,412	5,986	11,033	99	11,132
Class 4	82	118	200	196	1	197
Total	\$5,572	\$6,787	\$12,359	\$25,410	\$203	\$25,613

High-Income Bond Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends paid	Ordinary income	Long-term capital gains	Total dividends paid
Class 1	\$ 6,576	\$-	\$ 6,576	\$43,976	\$-	\$43,976
Class 1A ¹	6	-	6	12	-	12
Class 2	7,724	-	7,724	51,640	-	51,640
Class 3	125	-	125	805	-	805
Class 4	284	-	284	1,981	-	1,981
Total	\$14,715	\$-	\$14,715	\$98,414	\$-	\$98,414

Mortgage Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends paid	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class 1	\$ 846	\$-	\$ 846	\$5,106	\$1,186	\$6,292
Class 1A ¹	2	-	2	2	- ²	2
Class 2	169	-	169	1,025	262	1,287
Class 4	40	-	40	165	39	204
Total	\$1,057	\$-	\$1,057	\$6,298	\$1,487	\$7,785

Ultra-Short Bond Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends paid	Ordinary income	Long-term capital gains	Total dividends paid
Class 1	\$ 71	\$-	\$ 71	\$184	\$-	\$184
Class 1A ¹	- ²	-	- ²	- ²	-	- ²
Class 2	388	-	388	697	-	697
Class 3	8	-	8	15	-	15
Class 4	16	-	16	10	-	10
Total	\$483	\$-	\$483	\$906	\$-	\$906

U.S. Government/AAA-Rated Securities Fund

Share class	Six months ended June 30, 2018			Year ended December 31, 2017		
	Ordinary income	Long-term capital gains	Total dividends paid	Ordinary income	Long-term capital gains	Total dividends paid
Class 1	\$5,048	\$-	\$5,048	\$23,690	\$-	\$23,690
Class 1A ¹	4	-	4	1	-	1
Class 2	4,111	-	4,111	19,498	-	19,498
Class 3	27	-	27	141	-	141
Class 4	168	-	168	663	-	663
Total	\$9,358	\$-	\$9,358	\$43,993	\$-	\$43,993

See end of tables for footnotes.

Managed Risk Growth Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class P1	\$ 14	\$ 135	\$ 149
Class P2	1,397	20,395	21,792
Total	\$1,411	\$20,530	\$21,941

Year ended December 31, 2017

Ordinary income	Long-term capital gains	Total dividends and distributions paid
\$ 7	\$ 22	\$ 29
727	4,120	4,847
\$734	\$4,142	\$4,876

Managed Risk International Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class P1	\$ 3	\$ 1	\$ 4
Class P2	1,328	738	2,066
Total	\$1,331	\$739	\$2,070

Year ended December 31, 2017

Ordinary income	Long-term capital gains	Total dividends and distributions paid
\$ 1	\$ 1	\$ 2
899	1,402	2,301
\$900	\$1,403	\$2,303

Managed Risk Blue Chip Income and Growth Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class P1	\$ 3	\$ 7	\$ 10
Class P2	5,682	12,113	17,795
Total	\$5,685	\$12,120	\$17,805

Year ended December 31, 2017

Ordinary income	Long-term capital gains	Total dividends and distributions paid
\$ 4	\$ 3	\$ 7
5,157	5,565	10,722
\$5,161	\$5,568	\$10,729

Managed Risk Growth-Income Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class P1	\$ 34	\$ 122	\$ 156
Class P2	2,143	9,814	11,957
Total	\$2,177	\$9,936	\$12,113

Year ended December 31, 2017

Ordinary income	Long-term capital gains	Total dividends and distributions paid
\$ 19	\$ 73	\$ 92
1,848	7,653	9,501
\$1,867	\$7,726	\$9,593

Managed Risk Asset Allocation Fund

Six months ended June 30, 2018

Share class	Ordinary income	Long-term capital gains	Total dividends and distributions paid
Class P1	\$23,251	\$ 66,960	\$ 90,211
Class P2	30,027	107,405	137,432
Total	\$53,278	\$174,365	\$227,643

Year ended December 31, 2017

Ordinary income	Long-term capital gains	Total dividends and distributions paid
\$11,453	\$13,811	\$25,264
20,269	24,931	45,200
\$31,722	\$38,742	\$70,464

¹Class 1A shares began investment operations on January 6, 2017.

²Amount less than one thousand.

³No distributions were paid by Global Balanced Fund during the six months ended June 30, 2018.

7. Fees and transactions

CRMC, the series' investment adviser, is the parent company of American Funds Distributors,[®] Inc. ("AFD"), the distributor of the series' shares, and American Funds Service Company[®] ("AFS"), the series' transfer agent. CRMC, AFD and AFS are considered related parties to the series.

Investment advisory services – The series has an investment advisory and service agreement with CRMC that provides for monthly fees accrued daily. These fees are based on annual rates that generally decrease as average net asset levels increase. CRMC receives investment advisory fees from the underlying funds held by the managed risk funds. These fees are included in the net effective expense ratios that are provided as supplementary information in the financial highlights tables. Subadvisory fees for the managed risk funds are paid by CRMC to Milliman FRM. The managed risk funds are not responsible for paying any subadvisory fees.

Investment advisory services waivers – On December 4, 2017, the series board of trustees approved amended agreements effective February 1, 2018, decreasing the annual rate to 0.580% on average daily net assets in excess of \$4 billion for New World Fund, decreasing the annual rate to 0.350% on average daily net assets in excess of \$10.5 billion for Blue Chip Income and Growth Fund, and decreasing the annual rate to 0.320% on average daily net assets in excess of \$13 billion for Bond Fund. During the six months ended June 30, 2018, CRMC voluntarily reduced the investment advisory services fees to a proposed rate of 0.500% on average daily net assets in excess of \$1.5 billion for International Growth and Income Fund and a proposed rate of 0.450% on average daily net assets in excess of \$600 million for Capital Income Builder. CRMC is also waiving a portion of its investment advisory services fees for each of the managed risk funds. Investment advisory services fees are presented in each fund's statement of operations gross of the waivers from CRMC. For the six months ended June 30, 2018, total investment advisory services fees waived by CRMC were \$1,374,000.

The range of rates, net asset levels and the current annualized rates of average net assets for each fund before and after any investment advisory services waivers (if applicable), are as follows:

Fund	Rates		Net asset level (in billions)		For the period ended June 30, 2018, before waiver	For the period ended June 30, 2018, after waiver
	Beginning with	Ending with	Up to	In excess of		
Global Growth Fund	.690%	.460%	\$.6	\$ 5.0	.515%	.515%
Global Small Capitalization Fund	.800	.635	.6	5.0	.695	.695
Growth Fund	.500	.280	.6	34.0	.323	.323
International Fund	.690	.430	.5	21.0	.491	.491
New World Fund	.850	.580	.5	4.0	.697	.697
Blue Chip Income and Growth Fund	.500	.350	.6	10.5	.388	.388
Global Growth and Income Fund	.690	.480	.6	3.0	.591	.591
Growth-Income Fund	.500	.219	.6	34.0	.258	.258
International Growth and Income Fund	.690	.530	.5	1.0	.604	.604
Capital Income Builder	.500		all		.500	.498
Asset Allocation Fund	.500	.240	.6	21.0	.266	.266
Global Balanced Fund	.660	.510	.5	1.0	.660	.660
Bond Fund	.480	.320	.6	13.0	.362	.362
Global Bond Fund	.570	.450	1.0	3.0	.529	.529
High-Income Bond Fund	.500	.420	.6	2.0	.471	.471
Mortgage Fund	.420	.290	.6	3.0	.420	.420
Ultra-Short Bond Fund	.320	.270	1.0	2.0	.320	.320
U.S. Government/AAA-Rated Securities Fund	.420	.290	.6	3.0	.338	.338
Managed Risk Growth Fund	.150		all		.150	.100
Managed Risk International Fund	.150		all		.150	.100
Managed Risk Blue Chip Income and Growth Fund	.150		all		.150	.100
Managed Risk Growth-Income Fund	.150		all		.150	.100
Managed Risk Asset Allocation Fund	.150		all		.150	.100

Distribution services – The series has plans of distribution for all share classes except Class 1. Under the plans, the board of trustees approves certain categories of expenses that are used to finance activities primarily intended to sell fund shares. The plans provide for payments to pay service fees to firms that have entered into agreements with the series. These payments, based on an annualized

percentage of average daily net assets, range from 0.18% to 0.50% as noted in the table below. In some cases, the board of trustees has limited the amounts that may be paid to less than the maximum allowed by the plans.

Share class	Currently approved limits	Plan limits
Class 1A	0.00%	0.25%
Class 2	0.25	0.25
Class 3	0.18	0.18
Class 4	0.25	0.25
Class P1	0.00	0.25
Class P2	0.25	0.50

Insurance administrative services – The series has an insurance administrative services plan for Class 1A, 4, P1 and P2 shares. Under the plan, these share classes pay 0.25% of each insurance company's respective average daily net assets in each share class to compensate the insurance companies for services provided to their separate accounts and contractholders for which the shares of the fund are beneficially owned as underlying investments of such contractholders' annuities. These services include, but are not limited to, maintenance, shareholder communications and transactional services. The insurance companies are not related parties to the series.

Transfer agent services – The series has a shareholder services agreement with AFS under which the funds compensate AFS for providing transfer agent services to all of the funds' share classes. These services include recordkeeping, shareholder communications and transaction processing. In addition, the managed risk funds reimburse AFS for amounts paid to third parties for performing transfer agent services on behalf of fund shareholders.

Administrative services – The series has an administrative services agreement with CRMC to provide administrative services to all of the funds' share classes. The services include, but are not limited to, coordinating, monitoring, assisting and overseeing third parties that provide services to fund shareholders. Under the agreement, each share class of each fund, except the managed risk funds, pays an annual fee of 0.01% based on its respective average daily net assets to compensate CRMC for providing administrative services. For the managed risk funds, CRMC receives administrative services fees of 0.01% of average daily net assets from Class 1 shares of the underlying funds for administrative services provided to the series.

Accounting and administrative services – The managed risk funds have a subadministration agreement with BNY Mellon under which the fund compensates BNY Mellon for providing accounting and administrative services to each of the managed risk funds' share classes. These services include, but are not limited to, fund accounting (including calculation of net asset value), financial reporting and tax services. BNY Mellon is not a related party to the managed risk funds.

Miscellaneous fee reimbursements – CRMC is currently reimbursing a portion of miscellaneous fees and expenses for Managed Risk Growth Fund, Managed Risk International Fund and Managed Risk Growth-Income Fund. Miscellaneous expenses exclude investment advisory services and distribution services fees. For the six months ended June 30, 2018, total expenses reimbursed by CRMC were \$50,000.

Class-specific expenses under the agreements described above were as follows (dollars in thousands):

Global Growth Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$105
Class 1A	\$ –	\$ 4	–*
Class 2	5,025	Not applicable	201
Class 4	292	292	12
Total class-specific expenses	\$5,317	\$296	\$318

Global Small Capitalization Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 83
Class 1A	\$ –	\$ 1	–*
Class 2	3,155	Not applicable	126
Class 4	171	171	7
Total class-specific expenses	\$3,326	\$172	\$216

Growth Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 415
Class 1A	\$ –	\$ 6	–*
Class 2	19,915	Not applicable	797
Class 3	194	Not applicable	11
Class 4	1,287	1,287	51
Total class-specific expenses	\$21,396	\$1,293	\$1,274

New World Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$102
Class 1A	\$ –	\$ 2	–*
Class 2	1,278	Not applicable	51
Class 4	568	568	23
Total class-specific expenses	\$1,846	\$570	\$176

Global Growth and Income Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 25
Class 1A	\$ –	\$ 1	–*
Class 2	1,887	Not applicable	76
Class 4	109	108	4
Total class-specific expenses	\$1,996	\$109	\$105

International Growth and Income Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$57
Class 1A	\$ –	\$ 3	–*
Class 2	342	Not applicable	14
Class 4	86	85	3
Total class-specific expenses	\$428	\$88	\$74

See end of tables for footnotes.

International Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$254
Class 1A	\$ –	\$ 4	–*
Class 2	5,631	Not applicable	225
Class 3	27	Not applicable	2
Class 4	386	386	15
Total class-specific expenses	\$6,044	\$390	\$496

Blue Chip Income and Growth Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$274
Class 1A	\$ –	\$ 2	–*
Class 2	4,259	Not applicable	170
Class 4	342	342	14
Total class-specific expenses	\$4,601	\$344	\$458

Growth-Income Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 810
Class 1A	\$ –	\$ 5	–*
Class 2	17,386	Not applicable	695
Class 3	149	Not applicable	8
Class 4	1,091	1,091	44
Total class-specific expenses	\$18,626	\$1,096	\$1,557

Capital Income Builder

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$14
Class 1A	\$ –	\$ 2	–*
Class 2	2	Not applicable	–*
Class 4	426	426	17
Total class-specific expenses	\$428	\$428	\$31

Asset Allocation Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 834
Class 1A	\$ –	\$ 7	–*
Class 2	6,669	Not applicable	267
Class 3	33	Not applicable	2
Class 4	4,557	4,556	182
Total class-specific expenses	\$11,259	\$4,563	\$1,285

Bond Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$323
Class 1A	\$ –	\$ 2	–*
Class 2	4,765	Not applicable	191
Class 4	388	388	16
Total class-specific expenses	\$5,153	\$390	\$530

High-Income Bond Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$31
Class 1A	\$ –	\$ 1	–*
Class 2	941	Not applicable	38
Class 3	11	Not applicable	1
Class 4	37	37	1
Total class-specific expenses	\$989	\$38	\$71

Ultra-Short Bond Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 2
Class 1A	\$ –	\$ –	–*
Class 2	300	Not applicable	12
Class 3	4	Not applicable	–*
Class 4	17	17	1
Total class-specific expenses	\$321	\$17	\$15

Global Balanced Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 5
Class 1A	\$ –	\$ –*	–*
Class 2	263	Not applicable	11
Class 4	78	78	3
Total class-specific expenses	\$341	\$78	\$19

Global Bond Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 59
Class 1A	\$ –	\$ –*	–*
Class 2	1,441	Not applicable	57
Class 4	46	46	2
Total class-specific expenses	\$1,487	\$46	\$118

Mortgage Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$13
Class 1A	\$ –	\$ –*	–*
Class 2	76	Not applicable	3
Class 4	17	18	1
Total class-specific expenses	\$93	\$18	\$17

U.S. Government/AAA-Rated Securities Fund

Share class	Distribution services	Insurance administrative services	Administrative services
Class 1	Not applicable	Not applicable	\$ 76
Class 1A	\$ –	\$ 1	–*
Class 2	1,789	Not applicable	72
Class 3	9	Not applicable	1
Class 4	77	77	3
Total class-specific expenses	\$1,875	\$78	\$152

Managed Risk Growth Fund

Share class	Distribution services	Insurance administrative services
Class P1	Not applicable	\$ 2
Class P2	\$375	375
Total class-specific expenses	\$375	\$377

Managed Risk International Fund

Share class	Distribution services	Insurance administrative services
Class P1	Not applicable	\$ —*
Class P2	\$194	194
Total class-specific expenses	\$194	\$194

Managed Risk Blue Chip Income and Growth Fund

Share class	Distribution services	Insurance administrative services
Class P1	Not applicable	\$ —*
Class P2	\$441	441
Total class-specific expenses	\$441	\$441

Managed Risk Growth-Income Fund

Share class	Distribution services	Insurance administrative services
Class P1	Not applicable	\$ 3
Class P2	\$269	269
Total class-specific expenses	\$269	\$272

Managed Risk Asset Allocation Fund

Share class	Distribution services	Insurance administrative services
Class P1	Not applicable	\$2,104
Class P2	\$3,455	3,455
Total class-specific expenses	\$3,455	\$5,559

*Amount less than one thousand.

Trustees' deferred compensation – Trustees who are unaffiliated with CRMC may elect to defer the cash payment of part or all of their compensation. These deferred amounts, which remain as liabilities of the funds, are treated as if invested in one or more of the American Funds. These amounts represent general, unsecured liabilities of the funds and vary according to the total returns of the

selected funds. Trustees' compensation, shown on the accompanying financial statements, reflects current fees (either paid in cash or deferred) and a net increase in the value of the deferred amounts as follows (dollars in thousands):

Fund	Current fees	Increase in value of deferred amounts	Total trustees' compensation
Global Growth Fund	\$18	\$ 2	\$20
Global Small Capitalization Fund	12	1	13
Growth Fund	71	8	79
International Fund	28	3	31
New World Fund	10	1	11
Blue Chip Income and Growth Fund	26	3	29
Global Growth and Income Fund	6	1	7
Growth-Income Fund	87	10	97
International Growth and Income Fund	4	—*	4
Capital Income Builder	2	—*	2
Asset Allocation Fund	72	8	80
Global Balanced Fund	1	—*	1
Bond Fund	30	3	33
Global Bond Fund	7	1	8
High-Income Bond Fund	4	1	5
Mortgage Fund	1	—*	1
Ultra-Short Bond Fund	1	—*	1
U.S. Government/AAA-Rated Securities Fund	9	1	10
Managed Risk Growth Fund	1	—*	1
Managed Risk International Fund	—*	—*	—*
Managed Risk Blue Chip Income and Growth Fund	1	—*	1
Managed Risk Growth-Income Fund	1	—*	1
Managed Risk Asset Allocation Fund	12	2	14

*Amount less than one thousand.

Affiliated officers and trustees – Officers and certain trustees of the series are or may be considered to be affiliated with CRMC, AFD and AFS. No affiliated officers or trustees received any compensation directly from any fund in the series.

Security transactions with related funds – The funds may purchase from, or sell securities to, other CRMC-managed funds (or funds managed by certain affiliates of CRMC) under procedures adopted by the fund's board of trustees. The funds involved in such transactions are considered related by virtue of having a common investment adviser (or affiliated investment advisers), common trustees and/or common officers. When such transactions occur, each transaction is executed at the current market price of the security and no brokerage commissions or fees are paid in accordance with Rule 17a-7 of the 1940 Act.

The following table presents purchase and sales transactions between each fund and related funds as of June 30, 2018 (dollars in thousands):

Fund	Purchases	Sales
Global Small Capitalization Fund	\$ 816	\$ 58,133
Growth Fund	195,155	86,011
Blue Chip Income and Growth Fund	45,791	156,443
Global Growth and Income Fund	5,892	22,571
International Growth and Income Fund	22,356	5,081

8. Committed line of credit

Global Small Capitalization Fund, New World Fund and High-Income Bond Fund participate with other funds managed by CRMC in a \$1.5 billion credit facility (the "line of credit") to be utilized for temporary purposes to fund shareholder redemptions. Each fund has agreed to pay commitment fees on its pro-rata portion of the line of credit, which are reflected in other expenses in each fund's statement of operations. None of the funds borrowed on this line of credit at any time during the six months ended June 30, 2018.

9. Capital share transactions

Capital share transactions in the funds were as follows (dollars and shares in thousands):

Global Growth Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$157,697	5,028	\$146,054	4,811	\$(106,207)	(3,374)	\$ 197,544	6,465
Class 1A	2,843	90	294	10	(894)	(28)	2,243	72
Class 2	28,966	932	270,442	9,000	(274,246)	(8,738)	25,162	1,194
Class 4	48,013	1,543	17,185	575	(11,903)	(385)	53,295	1,733
Total net increase (decrease)	\$237,519	7,593	\$433,975	14,396	\$(393,250)	(12,525)	\$ 278,244	9,464
Year ended December 31, 2017								
Class 1	\$202,598	7,210	\$ 72,128	2,554	\$(331,323)	(11,655)	\$ (56,597)	(1,891)
Class 1A ²	2,333	80	31	1	(125)	(4)	2,239	77
Class 2	55,435	2,042	139,728	5,015	(563,057)	(20,391)	(367,894)	(13,334)
Class 4	92,931	3,271	4,951	178	(11,055)	(400)	86,827	3,049
Total net increase (decrease)	\$353,297	12,603	\$216,838	7,748	\$(905,560)	(32,450)	\$(335,425)	(12,099)

Global Small Capitalization Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 56,600	2,152	\$ 72,908	2,741	\$(99,688)	(3,768)	\$ 29,820	1,125
Class 1A	260	10	16	- ³	(104)	(4)	172	6
Class 2	11,815	463	111,459	4,310	(201,063)	(7,886)	(77,789)	(3,113)
Class 4	28,288	1,101	6,491	249	(8,271)	(323)	26,508	1,027
Total net increase (decrease)	\$ 96,963	3,726	\$190,874	7,300	\$(309,126)	(11,981)	\$ (21,289)	(955)
Year ended December 31, 2017								
Class 1	\$128,448	5,651	\$ 10,108	429	\$(396,272)	(17,174)	\$(257,716)	(11,094)
Class 1A ²	169	8	1	- ³	- ³	- ³	170	8
Class 2	27,876	1,267	10,597	472	(343,593)	(15,314)	(305,120)	(13,575)
Class 4	73,197	3,126	270	12	(5,899)	(258)	67,568	2,880
Total net increase (decrease)	\$229,690	10,052	\$ 20,976	913	\$(745,764)	(32,746)	\$(495,098)	(21,781)

See end of tables for footnotes.

Growth Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 199,125	2,439	\$ 829,371	10,546	\$ (640,474)	(7,841)	\$ 388,022	5,144
Class 1A	3,693	45	664	8	(121)	(1)	4,236	52
Class 2	118,407	1,459	1,583,621	20,295	(1,329,785)	(16,374)	372,243	5,380
Class 3	365	4	21,179	268	(15,163)	(184)	6,381	88
Class 4	121,617	1,511	108,914	1,413	(59,895)	(747)	170,636	2,177
Total net increase (decrease)	\$ 443,207	5,458	\$2,543,749	32,530	\$ (2,045,438)	(25,147)	\$ 941,518	12,841
Year ended December 31, 2017								
Class 1	\$ 505,734	6,906	\$ 786,807	11,094	\$ (1,258,545)	(16,930)	\$ 33,996	1,070
Class 1A ²	2,708	36	78	1	(94)	(1)	2,692	36
Class 2	206,092	2,819	1,520,175	21,621	(2,205,078)	(30,135)	(478,811)	(5,695)
Class 3	468	6	20,085	282	(21,851)	(295)	(1,298)	(7)
Class 4	407,312	5,509	58,020	832	(56,254)	(776)	409,078	5,565
Total net increase (decrease)	\$1,122,314	15,276	\$2,385,165	33,830	\$ (3,541,822)	(48,137)	\$ (34,343)	969

International Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 277,526	12,672	\$247,566	11,607	\$ (240,266)	(10,845)	\$ 284,826	13,434
Class 1A	2,769	125	209	10	(44)	(2)	2,934	133
Class 2	289,273	13,069	217,857	10,257	(272,427)	(12,390)	234,703	10,936
Class 3	505	23	1,441	67	(2,818)	(128)	(872)	(38)
Class 4	55,407	2,547	15,566	741	(22,899)	(1,053)	48,074	2,235
Total net increase (decrease)	\$ 625,480	28,436	\$482,639	22,682	\$ (538,454)	(24,418)	\$ 569,665	26,700
Year ended December 31, 2017								
Class 1	\$ 760,186	38,348	\$119,937	5,881	\$ (613,463)	(30,471)	\$ 266,660	13,758
Class 1A ²	1,638	80	20	1	(119)	(5)	1,539	76
Class 2	174,876	8,941	100,155	4,954	(605,647)	(30,845)	(330,616)	(16,950)
Class 3	274	13	726	36	(3,886)	(197)	(2,886)	(148)
Class 4	209,217	10,089	4,092	200	(14,987)	(752)	198,322	9,537
Total net increase (decrease)	\$1,146,191	57,471	\$224,930	11,072	\$ (1,238,102)	(62,270)	\$ 133,019	6,273

New World Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$101,755	3,978	\$ 59,059	2,383	\$ (93,299)	(3,621)	\$ 67,515	2,740
Class 1A	1,340	52	54	2	(65)	(2)	1,329	52
Class 2	37,024	1,459	28,693	1,170	(93,419)	(3,657)	(27,702)	(1,028)
Class 4	69,660	2,766	13,528	554	(16,579)	(661)	66,609	2,659
Total net increase (decrease)	\$209,779	8,255	\$101,334	4,109	\$(203,362)	(7,941)	\$ 107,751	4,423
Year ended December 31, 2017								
Class 1	\$280,518	12,105	\$ 21,909	893	\$(475,480)	(20,394)	\$(173,053)	(7,396)
Class 1A ²	629	27	6	- ³	(13)	(1)	622	26
Class 2	143,361	6,559	9,149	376	(254,737)	(11,445)	(102,227)	(4,510)
Class 4	127,556	5,560	3,016	124	(20,431)	(895)	110,141	4,789
Total net increase (decrease)	\$552,064	24,251	\$ 34,080	1,393	\$(750,661)	(32,735)	\$(164,517)	(7,091)

Blue Chip Income and Growth Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$116,868	7,990	\$436,701	31,104	\$ (269,537)	(18,041)	\$ 284,032	21,053
Class 1A	1,929	130	198	14	(21)	(1)	2,106	143
Class 2	15,822	1,089	271,938	19,606	(246,012)	(16,608)	41,748	4,087
Class 4	73,920	5,052	24,199	1,751	(15,694)	(1,074)	82,425	5,729
Total net increase (decrease)	\$208,539	14,261	\$733,036	52,475	\$(531,264)	(35,724)	\$ 410,311	31,012
Year ended December 31, 2017								
Class 1	\$458,480	32,688	\$309,238	21,989	\$ (834,928)	(58,499)	\$ (67,210)	(3,822)
Class 1A ²	593	42	17	1	(15)	(1)	595	42
Class 2	34,639	2,502	195,693	14,095	(439,009)	(31,376)	(208,677)	(14,779)
Class 4	129,429	9,259	10,522	756	(43,213)	(3,132)	96,738	6,883
Total net increase (decrease)	\$623,141	44,491	\$515,470	36,841	\$(1,317,165)	(93,008)	\$(178,554)	(11,676)

Global Growth and Income Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 56,678	3,563	\$ 37,352	2,500	\$ (23,104)	(1,429)	\$ 70,926	4,634
Class 1A	771	48	65	4	(5)	- ³	831	52
Class 2	12,827	807	111,584	7,489	(109,172)	(6,787)	15,239	1,509
Class 4	24,335	1,546	7,147	486	(10,084)	(641)	21,398	1,391
Total net increase (decrease)	\$ 94,611	5,964	\$156,148	10,479	\$(142,365)	(8,857)	\$ 108,394	7,586
Year ended December 31, 2017								
Class 1	\$133,943	8,899	\$ 16,607	1,095	\$(345,498)	(23,190)	\$(194,948)	(13,196)
Class 1A ²	125	8	3	- ³	(3)	- ³	125	8
Class 2	25,134	1,709	56,976	3,780	(236,596)	(16,119)	(154,486)	(10,630)
Class 4	63,660	4,175	1,883	123	(6,203)	(417)	59,340	3,881
Total net increase (decrease)	\$222,862	14,791	\$ 75,469	4,998	\$(588,300)	(39,726)	\$(289,969)	(19,937)

See end of tables for footnotes.

Growth-Income Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 590,501	11,378	\$1,155,345	22,846	\$ (741,189)	(14,160)	\$1,004,657	20,064
Class 1A	3,710	71	379	8	(444)	(8)	3,645	71
Class 2	51,958	1,007	972,463	19,453	(1,047,271)	(20,309)	(22,850)	151
Class 3	160	3	11,352	224	(14,958)	(286)	(3,446)	(59)
Class 4	82,473	1,615	63,870	1,290	(47,499)	(929)	98,844	1,976
Total net increase (decrease)	\$ 728,802	14,074	\$2,203,409	43,821	\$(1,851,361)	(35,692)	\$1,080,850	22,203

Year ended December 31, 2017

Class 1	\$1,521,886	32,100	\$1,132,034	24,392	\$(1,241,004)	(26,012)	\$1,412,916	30,480
Class 1A ²	2,070	43	40	1	(24)	(1)	2,086	43
Class 2	120,223	2,558	1,048,742	22,899	(1,761,342)	(37,375)	(592,377)	(11,918)
Class 3	473	10	12,561	271	(21,746)	(457)	(8,712)	(176)
Class 4	267,835	5,641	46,486	1,020	(56,983)	(1,217)	257,338	5,444
Total net increase (decrease)	\$1,912,487	40,352	\$2,239,863	48,583	\$(3,081,099)	(65,062)	\$1,071,251	23,873

International Growth and Income Fund

Share class	Sales ¹		Reinvestments of dividends		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 80,670	4,546	\$ 3,856	217	\$ (56,753)	(3,133)	\$ 27,773	1,630
Class 1A	127	7	6	- ³	(341)	(19)	(208)	(12)
Class 2	6,981	395	800	45	(12,055)	(670)	(4,274)	(230)
Class 4	17,174	964	202	11	(5,169)	(284)	12,207	691
Total net increase (decrease)	\$104,952	5,912	\$ 4,864	273	\$ (74,318)	(4,106)	\$ 35,498	2,079

Year ended December 31, 2017

Class 1	\$186,307	11,140	\$25,860	1,487	\$(101,536)	(6,072)	\$110,631	6,555
Class 1A ²	2,100	121	14	1	(1)	- ³	2,113	122
Class 2	8,391	510	5,714	329	(34,542)	(2,118)	(20,437)	(1,279)
Class 4	19,465	1,164	1,184	69	(3,332)	(202)	17,317	1,031
Total net increase (decrease)	\$216,263	12,935	\$32,772	1,886	\$(139,411)	(8,392)	\$109,624	6,429

Capital Income Builder

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 43,810	4,261	\$ 4,987	492	\$ (3,291)	(324)	\$ 45,506	4,429
Class 1A	2,335	232	24	2	(91)	(9)	2,268	225
Class 2	1,562	154	40	5	(55)	(6)	1,547	153
Class 4	36,533	3,584	5,355	529	(11,724)	(1,143)	30,164	2,970
Total net increase (decrease)	\$ 84,240	8,231	\$10,406	1,028	\$(15,161)	(1,482)	\$ 79,485	7,777

Year ended December 31, 2017

Class 1	\$ 84,130	8,355	\$ 6,303	622	\$ (9,923)	(984)	\$ 80,510	7,993
Class 1A ²	1,245	122	8	1	(365)	(36)	888	87
Class 2	1,371	136	23	2	(122)	(12)	1,272	126
Class 4	66,028	6,590	7,676	760	(19,222)	(1,922)	54,482	5,428
Total net increase (decrease)	\$152,774	15,203	\$14,010	1,385	\$(29,632)	(2,954)	\$137,152	13,634

Asset Allocation Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 612,693	25,709	\$ 787,533	33,902	\$ (442,520)	(18,563)	\$ 957,706	41,048
Class 1A	2,591	109	309	14	(94)	(4)	2,806	119
Class 2	43,440	1,830	245,872	10,699	(342,228)	(14,515)	(52,916)	(1,986)
Class 3	649	27	1,657	71	(3,651)	(153)	(1,345)	(55)
Class 4	189,138	8,044	172,866	7,559	(65,523)	(2,794)	296,481	12,809
Total net increase (decrease)	\$ 848,511	35,719	\$1,208,237	52,245	\$ (854,016)	(36,029)	\$1,202,732	51,935
Year ended December 31, 2017								
Class 1	\$1,929,702	84,102	\$ 953,771	41,982	\$ (641,572)	(27,828)	\$2,241,901	98,256
Class 1A ²	4,261	184	121	5	(253)	(11)	4,129	178
Class 2	109,962	4,876	325,924	14,513	(579,020)	(25,433)	(143,134)	(6,044)
Class 3	1,400	61	2,246	99	(4,469)	(195)	(823)	(35)
Class 4	408,549	18,017	192,666	8,617	(159,354)	(7,104)	441,861	19,530
Total net increase (decrease)	\$2,453,874	107,240	\$1,474,728	65,216	\$(1,384,668)	(60,571)	\$2,543,934	111,885

Global Balanced Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$18,368	1,414	\$ –	–	\$ (92)	(7)	\$18,276	1,407
Class 1A	1,259	98	–	–	(12)	(1)	1,247	97
Class 2	9,081	699	–	–	(10,784)	(834)	(1,703)	(135)
Class 4	20,501	1,596	–	–	(1,950)	(152)	18,551	1,444
Total net increase (decrease)	\$49,209	3,807	\$ –	–	\$(12,838)	(994)	\$36,371	2,813
Year ended December 31, 2017								
Class 1	\$22,241	1,783	\$ 3,607	285	\$ (6,039)	(501)	\$19,809	1,567
Class 1A ²	244	19	9	1	– ³	– ³	253	20
Class 2	16,382	1,346	7,928	628	(20,169)	(1,671)	4,141	303
Class 4	39,763	3,218	1,778	142	(2,261)	(182)	39,280	3,178
Total net increase (decrease)	\$78,630	6,366	\$13,322	1,056	\$(28,469)	(2,354)	\$63,483	5,068

See end of tables for footnotes.

Bond Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 401,752	37,558	\$ 36,339	3,455	\$ (188,956)	(17,777)	\$ 249,135	23,236
Class 1A	1,752	166	13	1	(277)	(26)	1,488	141
Class 2	66,414	6,309	19,752	1,901	(198,670)	(18,939)	(112,504)	(10,729)
Class 4	61,774	5,896	1,638	158	(21,041)	(2,011)	42,371	4,043
Total net increase (decrease)	\$ 531,692	49,929	\$ 57,742	5,515	\$ (408,944)	(38,753)	\$ 180,490	16,691

Year ended December 31, 2017

Class 1	\$ 967,669	88,718	\$235,240	21,678	\$(1,624,503)	(147,887)	\$(421,594)	(37,491)
Class 1A ²	1,338	122	21	2	(272)	(25)	1,087	99
Class 2	138,965	12,898	134,455	12,545	(273,010)	(25,301)	410	142
Class 4	212,848	19,725	6,398	597	(22,490)	(2,080)	196,756	18,242
Total net increase (decrease)	\$1,320,820	121,463	\$376,114	34,822	\$(1,920,275)	(175,293)	\$(223,341)	(19,008)

Global Bond Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net (decrease) increase	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$105,872	8,842	\$ 6,171	531	\$(286,991)	(23,775)	\$(174,948)	(14,402)
Class 1A	244	21	2	⁻³	(1)	⁻³	245	21
Class 2	30,320	2,560	5,986	519	(58,828)	(4,961)	(22,522)	(1,882)
Class 4	22,690	1,921	200	17	(12,914)	(1,104)	9,976	834
Total net increase (decrease)	\$159,126	13,344	\$12,359	1,067	\$(358,734)	(29,840)	\$(187,249)	(15,429)

Year ended December 31, 2017

Class 1	\$177,200	15,155	\$14,284	1,210	\$(100,697)	(8,588)	\$ 90,787	7,777
Class 1A ²	74	6	⁻³	⁻³	⁻³	⁻³	74	6
Class 2	45,841	3,978	11,132	952	(79,734)	(6,868)	(22,761)	(1,938)
Class 4	20,651	1,777	197	17	(2,949)	(255)	17,899	1,539
Total net increase (decrease)	\$243,766	20,916	\$25,613	2,179	\$(183,380)	(15,711)	\$ 85,999	7,384

High-Income Bond Fund

Share class	Sales ¹		Reinvestments of distributions		Repurchases ¹		Net (decrease) increase	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 13,009	1,273	\$ 6,576	648	\$ (36,324)	(3,570)	\$ (16,739)	(1,649)
Class 1A	232	23	6	1	(18)	(2)	220	22
Class 2	9,674	962	7,724	773	(50,387)	(5,030)	(32,989)	(3,295)
Class 3	1,314	128	125	12	(1,462)	(143)	(23)	(3)
Class 4	31,294	2,892	284	26	(31,825)	(2,954)	(247)	(36)
Total net increase (decrease)	\$ 55,523	5,278	\$14,715	1,460	\$(120,016)	(11,699)	\$ (49,778)	(4,961)

Year ended December 31, 2017

Class 1	\$ 43,584	4,162	\$43,816	4,273	\$(422,269)	(39,685)	\$(334,869)	(31,250)
Class 1A ²	400	39	12	1	(7)	(1)	405	39
Class 2	15,931	1,540	51,640	5,121	(92,969)	(8,946)	(25,398)	(2,285)
Class 3	397	38	805	78	(1,921)	(181)	(719)	(65)
Class 4	84,996	7,657	1,981	182	(72,820)	(6,577)	14,157	1,262
Total net increase (decrease)	\$145,308	13,436	\$98,254	9,655	\$(589,986)	(55,390)	\$(346,424)	(32,299)

Mortgage Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$14,936	1,450	\$ 802	78	\$(14,807)	(1,436)	\$ 931	92
Class 1A	511	50	2	- ³	(7)	(1)	506	49
Class 2	3,458	336	169	17	(4,948)	(481)	(1,321)	(128)
Class 4	4,718	461	40	4	(1,075)	(105)	3,683	360
Total net increase (decrease)	\$23,623	2,297	\$1,013	99	\$(20,837)	(2,023)	\$ 3,799	373

Year ended December 31, 2017

Class 1	\$52,151	4,904	\$5,982	566	\$(59,926)	(5,621)	\$(1,793)	(151)
Class 1A ²	109	10	2	- ³	(6)	- ³	105	10
Class 2	7,132	672	1,287	122	(8,011)	(755)	408	39
Class 4	8,522	808	204	20	(4,876)	(462)	3,850	366
Total net increase (decrease)	\$67,914	6,394	\$7,475	708	\$(72,819)	(6,838)	\$ 2,570	264

Ultra-Short Bond Fund

Share class	Sales ¹		Reinvestments of dividends		Repurchases ¹		Net (decrease) increase	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$12,473	1,102	\$ 71	6	\$(13,689)	(1,208)	\$(1,145)	(100)
Class 1A	-	-	- ³	- ³	-	-	- ³	- ³
Class 2	48,032	4,355	388	35	(60,466)	(5,482)	(12,046)	(1,092)
Class 3	2,044	183	8	1	(1,759)	(158)	293	26
Class 4	7,902	708	16	1	(9,239)	(828)	(1,321)	(119)
Total net increase (decrease)	\$70,451	6,348	\$483	43	\$(85,153)	(7,676)	\$(14,219)	(1,285)

Year ended December 31, 2017

Class 1	\$14,832	1,312	\$184	16	\$(15,478)	(1,371)	\$(462)	(43)
Class 1A ²	10	1	- ³	- ³	-	-	10	1
Class 2	62,145	5,646	697	63	(111,628)	(10,146)	(48,786)	(4,437)
Class 3	1,448	130	15	2	(1,233)	(111)	230	21
Class 4	16,767	1,507	10	1	(14,407)	(1,294)	2,370	214
Total net increase (decrease)	\$95,202	8,596	\$906	82	\$(142,746)	(12,922)	\$(46,638)	(4,244)

See end of tables for footnotes.

U.S. Government/AAA-Rated Securities Fund

Share class	Sales ¹		Reinvestments of dividends		Repurchases ¹		Net (decrease) increase	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class 1	\$ 48,631	4,074	\$ 4,973	420	\$ (62,263)	(5,234)	\$ (8,659)	(740)
Class 1A	847	72	3	- ³	(13)	(1)	837	71
Class 2	33,424	2,831	4,111	351	(75,644)	(6,435)	(38,109)	(3,253)
Class 3	229	19	27	2	(1,413)	(118)	(1,157)	(97)
Class 4	14,905	1,266	168	14	(9,335)	(789)	5,738	491
Total net increase (decrease)	\$ 98,036	8,262	\$ 9,282	787	\$(148,668)	(12,577)	\$(41,350)	(3,528)
Year ended December 31, 2017								
Class 1	\$291,253	23,702	\$23,401	1,927	\$(226,514)	(18,425)	\$ 88,140	7,204
Class 1A ²	1,016	83	2	- ³	(714)	(58)	304	25
Class 2	49,410	4,091	19,498	1,621	(103,407)	(8,550)	(34,499)	(2,838)
Class 3	1,050	86	141	12	(1,501)	(123)	(310)	(25)
Class 4	27,872	2,299	663	55	(23,884)	(1,976)	4,651	378
Total net increase (decrease)	\$370,601	30,261	\$43,705	3,615	\$(356,020)	(29,132)	\$ 58,286	4,744

Managed Risk Growth Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class P1	\$ 488	36	\$ 149	11	\$ (143)	(10)	\$ 494	37
Class P2	31,070	2,304	21,792	1,658	(12,259)	(908)	40,603	3,054
Total net increase (decrease)	\$31,558	2,340	\$21,941	1,669	\$(12,402)	(918)	\$41,097	3,091
Year ended December 31, 2017								
Class P1	\$ 836	70	\$ 29	2	\$ (230)	(19)	\$ 635	53
Class P2	46,748	3,893	4,847	408	(16,010)	(1,330)	35,585	2,971
Total net increase (decrease)	\$47,584	3,963	\$ 4,876	410	\$(16,240)	(1,349)	\$36,220	3,024

Managed Risk International Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class P1	\$ 108	9	\$ 4	1	\$ (15)	(1)	\$ 97	9
Class P2	17,395	1,541	2,066	186	(9,493)	(846)	9,968	881
Total net increase (decrease)	\$17,503	1,550	\$2,070	187	\$(9,508)	(847)	\$10,065	890
Year ended December 31, 2017								
Class P1	\$ 130	14	\$ 2	- ³	\$ (166)	(17)	\$ (34)	(3)
Class P2	30,462	3,002	2,301	230	(9,880)	(967)	22,883	2,265
Total net increase (decrease)	\$30,592	3,016	\$2,303	230	\$(10,046)	(984)	\$22,849	2,262

Managed Risk Blue Chip Income and Growth Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase (decrease)	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class P1	\$ 1	— ³	\$ 10	1	\$ (2)	(1)	\$ 9	— ³
Class P2	11,697	927	17,795	1,461	(20,135)	(1,570)	9,357	818
Total net increase (decrease)	\$11,698	927	\$17,805	1,462	\$(20,137)	(1,571)	\$ 9,366	818
Year ended December 31, 2017								
Class P1	\$ 59	5	\$ 7	1	\$ (136)	(11)	\$ (70)	(5)
Class P2	83,072	6,949	10,722	898	(56,067)	(4,624)	37,727	3,223
Total net increase (decrease)	\$83,131	6,954	\$10,729	899	\$(56,203)	(4,635)	\$37,657	3,218

Managed Risk Growth-Income Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class P1	\$ 356	28	\$ 156	12	\$ (96)	(7)	\$ 416	33
Class P2	21,581	1,687	11,957	957	(10,290)	(805)	23,248	1,839
Total net increase (decrease)	\$21,937	1,715	\$12,113	969	\$(10,386)	(812)	\$23,664	1,872
Year ended December 31, 2017								
Class P1	\$ 1,093	92	\$ 92	8	\$ (154)	(13)	\$ 1,031	87
Class P2	27,997	2,382	9,501	835	(15,095)	(1,278)	22,403	1,939
Total net increase (decrease)	\$29,090	2,474	\$ 9,593	843	\$(15,249)	(1,291)	\$23,434	2,026

Managed Risk Asset Allocation Fund

Share class	Sales ¹		Reinvestments of dividends and distributions		Repurchases ¹		Net increase	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
Six months ended June 30, 2018								
Class P1	\$ 82,974	6,113	\$ 90,211	6,907	\$ (17,450)	(1,325)	\$155,735	11,695
Class P2	69,408	5,116	137,432	10,539	(114,199)	(8,450)	92,641	7,205
Total net increase (decrease)	\$152,382	11,229	\$227,643	17,446	\$(131,649)	(9,775)	\$248,376	18,900
Year ended December 31, 2017								
Class P1	\$264,545	20,631	\$ 25,264	1,986	\$ (25,397)	(1,973)	\$264,412	20,644
Class P2	253,137	19,936	45,200	3,559	(153,999)	(11,957)	144,338	11,538
Total net increase (decrease)	\$517,682	40,567	\$ 70,464	5,545	\$(179,396)	(13,930)	\$408,750	32,182

¹Includes exchanges between share classes of the fund.

²Class 1A shares began investment operations on January 6, 2017.

³Amount less than one thousand.

10. Investment transactions and other disclosures

The following tables present additional information for each of the funds for the six months ended June 30, 2018 (dollars in thousands):

	Global Growth Fund	Global Small Capitalization Fund	Growth Fund	International Fund	New World Fund	Blue Chip Income and Growth Fund
Purchases of investment securities*	\$ 632,954	\$633,882	\$2,695,351	\$1,736,664	\$627,614	\$2,542,362
Sales of investment securities*	1,134,660	938,437	3,693,631	1,463,805	872,281	2,763,401
Non-U.S. taxes paid on interest income	–	–	–	–	31	–
Non-U.S. taxes paid on realized gains	–	–	–	–	65	–
Non-U.S. taxes provided on unrealized gains	5,261	1,944	–	607	16,668	–
Dividend income from affiliated issuers	–	401	–	–	–	–

	Global Growth and Income Fund	Growth-Income Fund	International Growth and Income Fund	Capital Income Builder	Asset Allocation Fund	Global Balanced Fund
Purchases of investment securities*	\$285,460	\$4,983,498	\$312,576	\$305,388	\$8,882,433	\$126,528
Sales of investment securities*	368,636	6,744,355	278,908	251,736	9,443,218	88,547
Non-U.S. taxes (refunded) paid on interest income	–	–	(8)	–	–	9
Non-U.S. taxes paid on realized gains	3	–	6	–	–	1
Non-U.S. taxes provided on unrealized gains	1,757	213	23	–	108	140
Dividend income from affiliated issuers	–	–	–	–	222	–
Interest income from affiliated issuers	–	–	–	–	1,050	–

	Bond Fund	Global Bond Fund	High-Income Bond Fund	Mortgage Fund	Ultra-Short Bond Fund	U.S. Government/AAA-Rated Securities Fund
Purchases of investment securities*	\$24,186,976	\$1,365,571	\$455,950	\$1,486,176	\$–	\$6,391,688
Sales of investment securities*	23,885,296	1,446,097	449,971	1,461,510	–	6,205,133
Non-U.S. taxes paid on interest income	33	221	–	–	–	–
Non-U.S. taxes (refunded) paid on realized gains	(196)	403	–	–	–	–
Non-U.S. taxes provided on unrealized gains	–	188	5	–	–	–

	Managed Risk Growth Fund	Managed Risk International Fund	Managed Risk Blue Chip Income and Growth Fund	Managed Risk Growth-Income Fund	Managed Risk Asset Allocation Fund
Purchases of investment securities*	\$52,581	\$22,449	\$32,125	\$32,821	\$275,727
Sales of investment securities*	15,035	8,607	24,901	8,814	54,784
Dividend income from affiliated issuers	575	389	1,376	638	15,338

*Excludes short-term securities and U.S. government obligations, if any.

11. Ownership concentration

At June 30, 2018, American Funds Insurance Series - Managed Risk Growth and Income Portfolio, American Funds Insurance Series - Managed Risk Global Allocation Portfolio and Managed Risk Asset Allocation Fund held 36%, 18% and 16% of the outstanding shares of Capital Income Builder, Global Balanced Fund and Asset Allocation Fund, respectively.

Financial highlights

Period ended	Income (loss) from investment operations ¹				Dividends and distributions						Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions	Net asset value, end of period	Total return	Net assets, end of period (in millions)		
Global Growth Fund												
Class 1:												
6/30/18 ^{2,3}	\$30.51	\$.22	\$.82	\$1.04	\$(.04)	\$(2.13)	\$(2.17)	\$29.38	3.18% ⁴	\$2,125	.54% ⁵	1.38% ⁵
12/31/17	24.05	.26	7.30	7.56	(.26)	(.84)	(1.10)	30.51	31.80	2,010	.55	.94
12/31/16	26.39	.25	(.14)	.11	(.29)	(2.16)	(2.45)	24.05	.87	1,630	.56	1.00
12/31/15	27.48	.25	1.80	2.05	(.35)	(2.79)	(3.14)	26.39	7.24	1,626	.55	.90
12/31/14	30.11	.31 ⁶	.40	.71	(.40)	(2.94)	(3.34)	27.48	2.52	1,558	.55	1.08 ⁶
12/31/13	23.58	.31	6.62	6.93	(.40)	—	(.40)	30.11	29.51	1,508	.55	1.17
Class 1A:												
6/30/18 ^{2,3}	30.46	.20	.80	1.00	(.03)	(2.13)	(2.16)	29.30	3.07 ⁴	4	.79 ⁵	1.30 ⁵
12/31/17 ^{2,7}	24.50	.11	6.94	7.05	(.25)	(.84)	(1.09)	30.46	29.13 ⁴	2	.80 ⁵	.39 ⁵
Class 2:												
6/30/18 ^{2,3}	30.24	.17	.82	.99	(.03)	(2.13)	(2.16)	29.07	3.03 ⁴	3,893	.79 ⁵	1.11 ⁵
12/31/17	23.85	.19	7.23	7.42	(.19)	(.84)	(1.03)	30.24	31.47	4,012	.80	.69
12/31/16	26.19	.18	(.14)	.04	(.22)	(2.16)	(2.38)	23.85	.62	3,483	.81	.76
12/31/15	27.30	.18	1.78	1.96	(.28)	(2.79)	(3.07)	26.19	6.94	3,817	.80	.66
12/31/14	29.92	.24 ⁶	.41	.65	(.33)	(2.94)	(3.27)	27.30	2.31	3,992	.80	.85 ⁶
12/31/13	23.44	.24	6.58	6.82	(.34)	—	(.34)	29.92	29.18	4,379	.80	.91
Class 4:												
6/30/18 ^{2,3}	30.13	.14	.81	.95	(.02)	(2.13)	(2.15)	28.93	2.92 ⁴	253	1.04 ⁵	.91 ⁵
12/31/17	23.81	.10	7.22	7.32	(.16)	(.84)	(1.00)	30.13	31.11	211	1.05	.37
12/31/16	26.16	.12	(.14)	(.02)	(.17)	(2.16)	(2.33)	23.81	.37	94	1.06	.50
12/31/15	27.34	.09	1.81	1.90	(.29)	(2.79)	(3.08)	26.16	6.69	91	1.05	.34
12/31/14	30.07	.07 ⁶	.50	.57	(.36)	(2.94)	(3.30)	27.34	2.01	19	1.05	.26 ⁶
12/31/13	23.58	.13	6.77	6.90	(.41)	—	(.41)	30.07	29.36	1	1.06	.43
Global Small Capitalization Fund												
Class 1:												
6/30/18 ^{2,3}	\$25.38	\$.07	\$1.15	\$1.22	\$(.02)	\$(1.14)	\$(1.16)	\$25.44	4.58% ⁴	\$1,671	.73% ⁵	.52% ⁵
12/31/17	20.24	.12	5.17	5.29	(.15)	—	(.15)	25.38	26.22	1,639	.73	.54
12/31/16	24.41	.12	.17	.29	(.11)	(4.35)	(4.46)	20.24	2.35	1,532	.74	.57
12/31/15	26.09	.04	.36	.40	—	(2.08)	(2.08)	24.41	.50	1,706	.73	.15
12/31/14	25.69	.09	.52	.61	(.09)	(.12)	(.21)	26.09	2.36	1,411	.74	.34
12/31/13	20.16	.04	5.70	5.74	(.21)	—	(.21)	25.69	28.60	1,241	.74	.17
Class 1A:												
6/30/18 ^{2,3}	25.36	.05	1.14	1.19	(.02)	(1.14)	(1.16)	25.39	4.49 ⁴	— ⁸	.97 ⁵	.41 ⁵
12/31/17 ^{2,7}	20.70	.08	4.71	4.79	(.13)	—	(.13)	25.36	23.19 ⁴	— ⁸	.96 ⁵	.35 ⁵
Class 2:												
6/30/18 ^{2,3}	24.72	.03	1.12	1.15	(.01)	(1.14)	(1.15)	24.72	4.46 ⁴	2,474	.98 ⁵	.27 ⁵
12/31/17	19.72	.06	5.04	5.10	(.10)	—	(.10)	24.72	25.89	2,551	.98	.27
12/31/16	23.90	.07	.15	.22	(.05)	(4.35)	(4.40)	19.72	2.10	2,303	.99	.31
12/31/15	25.64	(.03)	.37	.34	—	(2.08)	(2.08)	23.90	.27	2,492	.98	(.10)
12/31/14	25.25	.03	.51	.54	(.03)	(.12)	(.15)	25.64	2.12	2,738	.99	.10
12/31/13	19.86	(.01)	5.60	5.59	(.20)	—	(.20)	25.25	28.28	2,955	.99	(.05)
Class 4:												
6/30/18 ^{2,3}	24.91	.01	1.12	1.13	(.01)	(1.14)	(1.15)	24.89	4.33 ⁴	151	1.23 ⁵	.05 ⁵
12/31/17	19.91	— ⁹	5.09	5.09	(.09)	—	(.09)	24.91	25.62	125	1.23	— ¹⁰
12/31/16	24.11	.01	.16	.17	(.02)	(4.35)	(4.37)	19.91	1.85	42	1.24	.03
12/31/15	25.92	(.10)	.37	.27	—	(2.08)	(2.08)	24.11	(.02)	34	1.23	(.37)
12/31/14	25.57	(.05)	.54	.49	(.02)	(.12)	(.14)	25.92	1.88	12	1.24	(.17)
12/31/13	20.16	(.12)	5.74	5.62	(.21)	—	(.21)	25.57	28.01	4	1.24	(.50)

See end of tables for footnotes.

Financial highlights (continued)

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Growth Fund												
Class 1:												
6/30/18 ^{2,3}	\$77.85	\$.35	\$ 7.53	\$ 7.88	\$ (.12)	\$ (8.24)	\$ (8.36)	\$77.37	9.95% ⁴	\$ 8,449	.34% ⁵	.86% ⁵
12/31/17	67.29	.55	17.89	18.44	(.55)	(7.33)	(7.88)	77.85	28.62	8,100	.35	.75
12/31/16	68.02	.67	5.40	6.07	(.67)	(6.13)	(6.80)	67.29	9.77	6,931	.35	1.03
12/31/15	80.15	.64	5.08	5.72	(.61)	(17.24)	(17.85)	68.02	7.12	6,796	.35	.87
12/31/14	78.54	.88 ⁶	5.79	6.67	(1.16)	(3.90)	(5.06)	80.15	8.78	7,118	.35	1.12 ⁶
12/31/13	60.90	.64	17.84	18.48	(.84)	–	(.84)	78.54	30.43	7,003	.35	.93
Class 1A:												
6/30/18 ^{2,3}	77.74	.28	7.49	7.77	(.11)	(8.24)	(8.35)	77.16	9.81 ⁴	7	.59 ⁵	.69 ⁵
12/31/17 ^{2,7}	68.84	.35	16.38	16.73	(.50)	(7.33)	(7.83)	77.74	25.47 ⁴	3	.59 ⁵	.47 ⁵
Class 2:												
6/30/18 ^{2,3}	77.35	.24	7.50	7.74	(.09)	(8.24)	(8.33)	76.76	9.83 ⁴	16,009	.59 ⁵	.60 ⁵
12/31/17	66.92	.37	17.76	18.13	(.37)	(7.33)	(7.70)	77.35	28.28	15,716	.60	.50
12/31/16	67.69	.51	5.36	5.87	(.51)	(6.13)	(6.64)	66.92	9.49	13,978	.60	.78
12/31/15	79.84	.46	5.06	5.52	(.43)	(17.24)	(17.67)	67.69	6.86	14,414	.60	.62
12/31/14	77.94	.68 ⁶	5.75	6.43	(.63)	(3.90)	(4.53)	79.84	8.51	15,413	.60	.87 ⁶
12/31/13	60.45	.47	17.68	18.15	(.66)	–	(.66)	77.94	30.11	16,334	.60	.68
Class 3:												
6/30/18 ^{2,3}	78.32	.28	7.58	7.86	(.10)	(8.24)	(8.34)	77.84	9.86 ⁴	217	.52 ⁵	.67 ⁵
12/31/17	67.67	.42	17.98	18.40	(.42)	(7.33)	(7.75)	78.32	28.39	212	.53	.57
12/31/16	68.37	.56	5.42	5.98	(.55)	(6.13)	(6.68)	67.67	9.56	183	.53	.85
12/31/15	80.47	.51	5.11	5.62	(.48)	(17.24)	(17.72)	68.37	6.92	194	.53	.69
12/31/14	78.62	.74 ⁶	5.79	6.53	(.78)	(3.90)	(4.68)	80.47	8.58	208	.53	.94 ⁶
12/31/13	60.97	.52	17.84	18.36	(.71)	–	(.71)	78.62	30.20	216	.53	.75
Class 4:												
6/30/18 ^{2,3}	76.56	.15	7.40	7.55	(.07)	(8.24)	(8.31)	75.80	9.68 ⁴	1,110	.84 ⁵	.36 ⁵
12/31/17	66.41	.18	17.61	17.79	(.31)	(7.33)	(7.64)	76.56	27.99	954	.85	.25
12/31/16	67.26	.34	5.32	5.66	(.38)	(6.13)	(6.51)	66.41	9.22	458	.85	.53
12/31/15	79.74	.29	5.02	5.31	(.55)	(17.24)	(17.79)	67.26	6.59	394	.85	.42
12/31/14	78.32	.37 ⁶	5.87	6.24	(.92)	(3.90)	(4.82)	79.74	8.25	24	.85	.47 ⁶
12/31/13	60.90	.29	17.90	18.19	(.77)	–	(.77)	78.32	29.96	5	.85	.40

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
International Fund												
Class 1:												
6/30/18 ^{2,3}	\$21.71	\$.24	\$ (.21)	\$.03	\$(.05)	\$(1.02)	\$(1.07)	\$20.67	(.02)% ⁴	\$5,052	.52% ⁵	2.20% ⁵
12/31/17	16.82	.26	5.16	5.42	(.30)	(.23)	(.53)	21.71	32.46	5,014	.53	1.33
12/31/16	18.08	.27	.30	.57	(.28)	(1.55)	(1.83)	16.82	3.78	3,652	.54	1.57
12/31/15	20.35	.29	(1.03)	(.74)	(.35)	(1.18)	(1.53)	18.08	(4.25)	3,427	.54	1.41
12/31/14	21.22	.30	(.81)	(.51)	(.36)	–	(.36)	20.35	(2.41)	3,282	.54	1.43
12/31/13	17.68	.27	3.59	3.86	(.32)	–	(.32)	21.22	21.91	3,324	.54	1.41
Class 1A:												
6/30/18 ^{2,3}	21.67	.24	(.23)	.01	(.05)	(1.02)	(1.07)	20.61	(.13) ⁴	4	.77 ⁵	2.17 ⁵
12/31/17 ^{2,7}	17.17	.09	4.93	5.02	(.29)	(.23)	(.52)	21.67	29.46 ⁴	2	.77 ⁵	.43 ⁵
Class 2:												
6/30/18 ^{2,3}	21.63	.21	(.21)	– ⁹	(.04)	(1.02)	(1.06)	20.57	(.16) ⁴	4,432	.77 ⁵	1.96 ⁵
12/31/17	16.76	.22	5.13	5.35	(.25)	(.23)	(.48)	21.63	32.14	4,422	.78	1.10
12/31/16	18.02	.23	.30	.53	(.24)	(1.55)	(1.79)	16.76	3.53	3,710	.79	1.35
12/31/15	20.29	.24	(1.03)	(.79)	(.30)	(1.18)	(1.48)	18.02	(4.53)	3,978	.79	1.17
12/31/14	21.15	.25	(.81)	(.56)	(.30)	–	(.30)	20.29	(2.65)	4,374	.79	1.19
12/31/13	17.62	.22	3.58	3.80	(.27)	–	(.27)	21.15	21.64	5,916	.79	1.15
Class 3:												
6/30/18 ^{2,3}	21.75	.22	(.21)	.01	(.04)	(1.02)	(1.06)	20.70	(.10) ⁴	29	.70 ⁵	2.02 ⁵
12/31/17	16.85	.23	5.17	5.40	(.27)	(.23)	(.50)	21.75	32.23	31	.71	1.17
12/31/16	18.11	.24	.30	.54	(.25)	(1.55)	(1.80)	16.85	3.57	27	.72	1.42
12/31/15	20.38	.25	(1.03)	(.78)	(.31)	(1.18)	(1.49)	18.11	(4.44)	32	.72	1.24
12/31/14	21.24	.27	(.82)	(.55)	(.31)	–	(.31)	20.38	(2.56)	38	.72	1.28
12/31/13	17.70	.23	3.59	3.82	(.28)	–	(.28)	21.24	21.67	46	.72	1.22
Class 4:												
6/30/18 ^{2,3}	21.42	.18	(.20)	(.02)	(.04)	(1.02)	(1.06)	20.34	(.28) ⁴	320	1.02 ⁵	1.71 ⁵
12/31/17	16.64	.11	5.16	5.27	(.26)	(.23)	(.49)	21.42	31.89	289	1.03	.55
12/31/16	17.93	.18	.29	.47	(.21)	(1.55)	(1.76)	16.64	3.21	66	1.04	1.03
12/31/15	20.23	.17	(1.00)	(.83)	(.29)	(1.18)	(1.47)	17.93	(4.75)	46	1.04	.88
12/31/14	21.16	.07	(.68)	(.61)	(.32)	–	(.32)	20.23	(2.88)	18	1.04	.31
12/31/13	17.68	(.01)	3.79	3.78	(.30)	–	(.30)	21.16	21.48	2	1.04	(.07)

See end of tables for footnotes.

Financial highlights (continued)

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
New World Fund												
Class 1:												
6/30/18 ^{2,3}	\$25.30	\$.16	\$(1.11)	\$ (.95)	\$(.06)	\$ (.67)	\$ (.73)	\$23.62	(3.89)% ⁴	\$1,978	.75% ⁵	1.27% ⁵
12/31/17	19.72	.26	5.59	5.85	(.27)	—	(.27)	25.30	29.73	2,050	.77	1.14
12/31/16	18.87	.24	.81	1.05	(.20)	—	(.20)	19.72	5.59	1,743	.78	1.25
12/31/15	20.72	.19	(.71)	(.52)	(.17)	(1.16)	(1.33)	18.87	(2.96)	1,562	.79	.92
12/31/14	25.08	.29 ⁶	(1.92)	(1.63)	(.29)	(2.44)	(2.73)	20.72	(7.63)	1,433	.78	1.23 ⁶
12/31/13	22.93	.34	2.31	2.65	(.39)	(.11)	(.50)	25.08	11.66	1,388	.78	1.45
Class 1A:												
6/30/18 ^{2,3}	25.25	.16	(1.13)	(.97)	(.06)	(.67)	(.73)	23.55	(3.99) ⁴	2	1.00 ⁵	1.24 ⁵
12/31/17 ^{2,7}	20.14	.13	5.24	5.37	(.26)	—	(.26)	25.25	26.72 ⁴	1	1.00 ⁵	.53 ⁵
Class 2:												
6/30/18 ^{2,3}	25.07	.13	(1.10)	(.97)	(.05)	(.67)	(.72)	23.38	(4.01) ⁴	960	1.00 ⁵	1.00 ⁵
12/31/17	19.54	.20	5.55	5.75	(.22)	—	(.22)	25.07	29.44	1,055	1.02	.89
12/31/16	18.71	.19	.79	.98	(.15)	—	(.15)	19.54	5.26	911	1.03	1.00
12/31/15	20.54	.14	(.69)	(.55)	(.12)	(1.16)	(1.28)	18.71	(3.14)	961	1.04	.68
12/31/14	24.88	.24 ⁶	(1.91)	(1.67)	(.23)	(2.44)	(2.67)	20.54	(7.87)	1,084	1.03	1.01 ⁶
12/31/13	22.75	.28	2.29	2.57	(.33)	(.11)	(.44)	24.88	11.38	1,307	1.03	1.22
Class 4:												
6/30/18 ^{2,3}	24.99	.10	(1.09)	(.99)	(.05)	(.67)	(.72)	23.28	(4.13) ⁴	460	1.25 ⁵	.79 ⁵
12/31/17	19.51	.14	5.52	5.66	(.18)	—	(.18)	24.99	29.06	427	1.27	.61
12/31/16	18.69	.14	.80	.94	(.12)	—	(.12)	19.51	5.04	240	1.28	.75
12/31/15	20.56	.08	(.68)	(.60)	(.11)	(1.16)	(1.27)	18.69	(3.37)	171	1.29	.39
12/31/14	24.99	.09 ⁶	(1.83)	(1.74)	(.25)	(2.44)	(2.69)	20.56	(8.13)	64	1.28	.40 ⁶
12/31/13	22.93	.14	2.41	2.55	(.38)	(.11)	(.49)	24.99	11.20	8	1.29	.56
Blue Chip Income and Growth Fund												
Class 1:												
6/30/18 ^{2,3}	\$14.96	\$.17	\$ (.09)	\$.08	\$(.06)	\$(1.14)	\$(1.20)	\$13.84	.47% ⁴	\$5,453	.41% ⁵	2.30% ⁵
12/31/17	13.53	.32	1.96	2.28	(.32)	(.53)	(.85)	14.96	17.30	5,581	.41	2.27
12/31/16	12.62	.31	1.97	2.28	(.29)	(1.08)	(1.37)	13.53	19.06	5,099	.41	2.39
12/31/15	14.69	.31	(.64)	(.33)	(.29)	(1.45)	(1.74)	12.62	(2.72)	3,638	.41	2.23
12/31/14	13.12	.46 ⁶	1.59	2.05	(.48)	—	(.48)	14.69	15.69	3,542	.42	3.31 ⁶
12/31/13	10.05	.27	3.06	3.33	(.26)	—	(.26)	13.12	33.26	2,814	.42	2.27
Class 1A:												
6/30/18 ^{2,3}	14.94	.15	(.09)	.06	(.06)	(1.14)	(1.20)	13.80	.32 ⁴	2	.66 ⁵	2.05 ⁵
12/31/17 ^{2,7}	13.75	.28	1.75	2.03	(.31)	(.53)	(.84)	14.94	15.21 ⁴	1	.65 ⁵	2.01 ⁵
Class 2:												
6/30/18 ^{2,3}	14.80	.15	(.09)	.06	(.06)	(1.14)	(1.20)	13.66	.29 ⁴	3,335	.66 ⁵	2.05 ⁵
12/31/17	13.39	.28	1.94	2.22	(.28)	(.53)	(.81)	14.80	17.04	3,551	.66	2.02
12/31/16	12.51	.28	1.94	2.22	(.26)	(1.08)	(1.34)	13.39	18.70	3,412	.66	2.16
12/31/15	14.57	.27	(.62)	(.35)	(.26)	(1.45)	(1.71)	12.51	(2.93)	3,228	.66	1.97
12/31/14	13.02	.44 ⁶	1.55	1.99	(.44)	—	(.44)	14.57	15.36	3,722	.67	3.14 ⁶
12/31/13	9.97	.23	3.05	3.28	(.23)	—	(.23)	13.02	33.00	3,755	.67	2.03
Class 4:												
6/30/18 ^{2,3}	14.77	.13	(.10)	.03	(.05)	(1.14)	(1.19)	13.61	.14 ⁴	306	.91 ⁵	1.80 ⁵
12/31/17	13.39	.25	1.93	2.18	(.27)	(.53)	(.80)	14.77	16.70	247	.91	1.76
12/31/16	12.53	.24	1.96	2.20	(.26)	(1.08)	(1.34)	13.39	18.49	132	.91	1.81
12/31/15	14.63	.24	(.63)	(.39)	(.26)	(1.45)	(1.71)	12.53	(3.21)	32	.91	1.75
12/31/14	13.12	.34 ⁶	1.63	1.97	(.46)	—	(.46)	14.63	15.13	9	.92	2.33 ⁶
12/31/13	10.05	.18	3.15	3.33	(.26)	—	(.26)	13.12	33.27	— ⁸	.86	1.39

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Global Growth and Income Fund												
Class 1:												
6/30/18 ^{2,3}	\$15.81	\$.19	\$ (.28)	\$ (.09)	\$(.04)	\$(1.18)	\$(1.22)	\$14.50	(.79)% ⁴	\$ 512	.62% ⁵	2.44% ⁵
12/31/17	13.02	.35	3.06	3.41	(.36)	(.26)	(.62)	15.81	26.40	485	.63	2.43
12/31/16	12.35	.28	.66	.94	(.27)	—	(.27)	13.02	7.61	571	.63	2.18
12/31/15	12.78	.36	(.50)	(.14)	(.29)	—	(.29)	12.35	(1.14)	293	.64	2.79
12/31/14	12.53	.43 ⁶	.31	.74	(.49)	—	(.49)	12.78	6.00	200	.63	3.34 ⁶
12/31/13	10.56	.39	2.00	2.39	(.42)	—	(.42)	12.53	22.81	206	.62	3.35
Class 1A:												
6/30/18 ^{2,3}	15.81	.21	(.33)	(.12)	(.04)	(1.18)	(1.22)	14.47	(.99) ⁴	1	.87 ⁵	2.71 ⁵
12/31/17 ^{2,7}	13.21	.18	3.03	3.21	(.35)	(.26)	(.61)	15.81	24.54 ⁴	— ⁸	.84 ⁵	1.20 ⁵
Class 2:												
6/30/18 ^{2,3}	15.78	.17	(.27)	(.10)	(.04)	(1.18)	(1.22)	14.46	(.90) ⁴	1,430	.87 ⁵	2.16 ⁵
12/31/17	13.00	.31	3.05	3.36	(.32)	(.26)	(.58)	15.78	26.06	1,538	.88	2.11
12/31/16	12.33	.25	.65	.90	(.23)	—	(.23)	13.00	7.34	1,405	.88	1.98
12/31/15	12.75	.22	(.39)	(.17)	(.25)	—	(.25)	12.33	(1.34)	1,479	.89	1.73
12/31/14	12.51	.41 ⁶	.29	.70	(.46)	—	(.46)	12.75	5.64	1,685	.88	3.22 ⁶
12/31/13	10.54	.36	2.00	2.36	(.39)	—	(.39)	12.51	22.54	1,822	.87	3.09
Class 4:												
6/30/18 ^{2,3}	15.60	.15	(.29)	(.14)	(.03)	(1.18)	(1.21)	14.25	(1.12) ⁴	92	1.12 ⁵	1.97 ⁵
12/31/17	12.89	.22	3.08	3.30	(.33)	(.26)	(.59)	15.60	25.83	79	1.14	1.49
12/31/16	12.26	.21	.65	.86	(.23)	—	(.23)	12.89	7.04	16	1.13	1.63
12/31/15	12.71	.17	(.37)	(.20)	(.25)	—	(.25)	12.26	(1.60)	5	1.14	1.32
12/31/14	12.50	.30 ⁶	.37	.67	(.46)	—	(.46)	12.71	5.41	1	1.13	2.30 ⁶
12/31/13	10.55	.28	2.09	2.37	(.42)	—	(.42)	12.50	22.60	1	1.12	2.27

See end of tables for footnotes.

Financial highlights (continued)

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Growth-Income Fund												
Class 1:												
6/30/18 ^{2,3}	\$50.22	\$.42	\$ 2.94	\$ 3.36	\$(.14)	\$(3.58)	\$(3.72)	\$49.86	6.58% ⁴	\$16,653	.28% ⁵	1.63% ⁵
12/31/17	44.41	.81	8.89	9.70	(.78)	(3.11)	(3.89)	50.22	22.68	15,765	.28	1.69
12/31/16	45.40	.79	4.09	4.88	(.75)	(5.12)	(5.87)	44.41	11.80	12,588	.29	1.79
12/31/15	52.76	.79	.37	1.16	(.75)	(7.77)	(8.52)	45.40	1.72	10,747	.29	1.59
12/31/14	50.72	.81	4.57	5.38	(.80)	(2.54)	(3.34)	52.76	10.91	10,812	.29	1.56
12/31/13	38.48	.66	12.31	12.97	(.73)	—	(.73)	50.72	33.82	9,857	.29	1.49
Class 1A:												
6/30/18 ^{2,3}	50.15	.37	2.93	3.30	(.14)	(3.58)	(3.72)	49.73	6.46 ⁴	6	.53 ⁵	1.42 ⁵
12/31/17 ^{2,7}	45.39	.67	7.96	8.63	(.76)	(3.11)	(3.87)	50.15	19.83 ⁴	2	.52 ⁵	1.41 ⁵
Class 2:												
6/30/18 ^{2,3}	49.71	.35	2.92	3.27	(.12)	(3.58)	(3.70)	49.28	6.44 ⁴	13,816	.53 ⁵	1.38 ⁵
12/31/17	44.00	.68	8.80	9.48	(.66)	(3.11)	(3.77)	49.71	22.38	13,930	.53	1.45
12/31/16	45.04	.67	4.05	4.72	(.64)	(5.12)	(5.76)	44.00	11.51	12,854	.54	1.54
12/31/15	52.41	.66	.37	1.03	(.63)	(7.77)	(8.40)	45.04	1.45	12,895	.54	1.34
12/31/14	50.40	.67	4.55	5.22	(.67)	(2.54)	(3.21)	52.41	10.63	14,337	.54	1.31
12/31/13	38.24	.55	12.23	12.78	(.62)	—	(.62)	50.40	33.50	14,980	.54	1.25
Class 3:												
6/30/18 ^{2,3}	50.29	.38	2.95	3.33	(.13)	(3.58)	(3.71)	49.91	6.50 ⁴	163	.46 ⁵	1.45 ⁵
12/31/17	44.47	.72	8.90	9.62	(.69)	(3.11)	(3.80)	50.29	22.47	168	.46	1.52
12/31/16	45.46	.71	4.09	4.80	(.67)	(5.12)	(5.79)	44.47	11.59	156	.47	1.61
12/31/15	52.82	.70	.37	1.07	(.66)	(7.77)	(8.43)	45.46	1.53	161	.47	1.41
12/31/14	50.77	.71	4.59	5.30	(.71)	(2.54)	(3.25)	52.82	10.71	185	.47	1.38
12/31/13	38.52	.58	12.32	12.90	(.65)	—	(.65)	50.77	33.58	193	.47	1.32
Class 4:												
6/30/18 ^{2,3}	49.31	.29	2.88	3.17	(.10)	(3.58)	(3.68)	48.80	6.33 ⁴	915	.78 ⁵	1.14 ⁵
12/31/17	43.73	.56	8.73	9.29	(.60)	(3.11)	(3.71)	49.31	22.08	827	.78	1.19
12/31/16	44.82	.56	4.02	4.58	(.55)	(5.12)	(5.67)	43.73	11.25	495	.79	1.29
12/31/15	52.39	.58	.33	.91	(.71)	(7.77)	(8.48)	44.82	1.21	410	.79	1.25
12/31/14	50.56	.58	4.51	5.09	(.72)	(2.54)	(3.26)	52.39	10.34	30	.79	1.11
12/31/13	38.47	.45	12.33	12.78	(.69)	—	(.69)	50.56	33.32	3	.79	.96

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
International Growth and Income Fund												
Class 1:												
6/30/18 ^{2,3}	\$17.72	\$.30	\$ (.63)	\$(.33)	\$(.06)	\$ -	\$(.06)	\$17.33	(1.87)% ⁴	\$1,124	.65% ⁵	3.42% ⁵
12/31/17	14.48	.46	3.20	3.66	(.42)	-	(.42)	17.72	25.31	1,121	.66	2.75
12/31/16	14.72	.43	(.19)	.24	(.42)	(.06)	(.48)	14.48	1.71	820	.68	2.93
12/31/15	16.27	.42	(1.25)	(.83)	(.38)	(.34)	(.72)	14.72	(5.34)	707	.68	2.60
12/31/14	17.48	.58 ⁶	(1.09)	(.51)	(.53)	(.17)	(.70)	16.27	(2.93)	740	.68	3.32 ⁶
12/31/13	15.29	.44	2.50	2.94	(.47)	(.28)	(.75)	17.48	19.39	696	.69	2.63
Class 1A:												
6/30/18 ^{2,3}	17.70	.28	(.63)	(.35)	(.06)	-	(.06)	17.29	(2.00) ⁴	2	.90 ⁵	3.09 ⁵
12/31/17 ^{2,7}	14.69	.34	3.08	3.42	(.41)	-	(.41)	17.70	23.36 ⁴	2	.91 ⁵	1.99 ⁵
Class 2:												
6/30/18 ^{2,3}	17.66	.28	(.63)	(.35)	(.05)	-	(.05)	17.26	(1.98) ⁴	266	.90 ⁵	3.15 ⁵
12/31/17	14.43	.43	3.17	3.60	(.37)	-	(.37)	17.66	25.03	276	.91	2.60
12/31/16	14.68	.40	(.21)	.19	(.38)	(.06)	(.44)	14.43	1.44	244	.93	2.72
12/31/15	16.22	.38	(1.24)	(.86)	(.34)	(.34)	(.68)	14.68	(5.60)	254	.93	2.32
12/31/14	17.43	.56 ⁶	(1.10)	(.54)	(.50)	(.17)	(.67)	16.22	(3.15)	248	.93	3.21 ⁶
12/31/13	15.25	.38	2.51	2.89	(.43)	(.28)	(.71)	17.43	19.09	257	.94	2.28
Class 4:												
6/30/18 ^{2,3}	17.58	.26	(.63)	(.37)	(.05)	-	(.05)	17.16	(2.12) ⁴	74	1.15 ⁵	2.98 ⁵
12/31/17	14.38	.37	3.18	3.55	(.35)	-	(.35)	17.58	24.72	63	1.16	2.24
12/31/16	14.63	.36	(.19)	.17	(.36)	(.06)	(.42)	14.38	1.18	37	1.18	2.43
12/31/15	16.19	.33	(1.23)	(.90)	(.32)	(.34)	(.66)	14.63	(5.82)	32	1.18	2.02
12/31/14	17.45	.26 ⁶	(.85)	(.59)	(.50)	(.17)	(.67)	16.19	(3.39)	20	1.18	1.52 ⁶
12/31/13	15.29	.03	2.87	2.90	(.46)	(.28)	(.74)	17.45	19.16	1	1.19	.18
Capital Income Builder												
Class 1:												
6/30/18 ^{2,3}	\$10.40	\$.17	\$ (.39)	\$(.22)	\$(.16)	\$(.02)	\$(.18)	\$10.00	(2.11)% ⁴	\$ 288	.53% ⁵	3.45% ⁵
12/31/17	9.46	.32	.93	1.25	(.31)	-	(.31)	10.40	13.29	254	.54	3.21
12/31/16	9.40	.32	.07	.39	(.33)	-	(.33)	9.46	4.17	156	.54	3.39
12/31/15	9.81	.28	(.40)	(.12)	(.29)	-	(.29)	9.40	(1.23)	80	.56	2.88
12/31/14 ^{2,11}	10.00	.19	(.18)	.01	(.19)	(.01)	(.20)	9.81	.12 ⁴	20	.56 ⁵	2.87 ⁵
Class 1A:												
6/30/18 ^{2,3}	10.39	.17	(.40)	(.23)	(.15)	(.02)	(.17)	9.99	(2.23) ⁴	3	.78 ⁵	3.43 ⁵
12/31/17 ^{2,7}	9.57	.27	.84	1.11	(.29)	-	(.29)	10.39	11.72 ⁴	1	.79 ⁵	2.63 ⁵
Class 2:												
6/30/18 ^{2,3}	10.40	.17	(.41)	(.24)	(.15)	(.02)	(.17)	9.99	(2.32) ⁴	3	.78 ⁵	3.38 ⁵
12/31/17	9.46	.29	.93	1.22	(.28)	-	(.28)	10.40	13.04	1	.79	2.82
12/31/16	9.40	.27	.11	.38	(.32)	-	(.32)	9.46	4.08	- ⁸	.80	2.82
12/31/15	9.81	.31	(.43)	(.12)	(.29)	-	(.29)	9.40	(1.23) ¹²	- ⁸	.46 ¹²	3.12 ¹²
12/31/14 ^{2,11}	10.00	.20	(.19)	.01	(.19)	(.01)	(.20)	9.81	.12 ^{4,12}	- ⁸	.47 ^{5,12}	2.94 ^{5,12}
Class 4:												
6/30/18 ^{2,3}	10.38	.15	(.40)	(.25)	(.13)	(.02)	(.15)	9.98	(2.36) ⁴	355	1.03 ⁵	2.92 ⁵
12/31/17	9.45	.27	.92	1.19	(.26)	-	(.26)	10.38	12.65	338	1.04	2.72
12/31/16	9.38	.27	.08	.35	(.28)	-	(.28)	9.45	3.78	256	1.04	2.88
12/31/15	9.80	.25	(.42)	(.17)	(.25)	-	(.25)	9.38	(1.79)	157	1.05	2.55
12/31/14 ^{2,11}	10.00	.14	(.16)	(.02)	(.17)	(.01)	(.18)	9.80	(.21) ⁴	55	1.06 ⁵	2.08 ⁵

See end of tables for footnotes.

Financial highlights (continued)

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Asset Allocation Fund												
Class 1:												
6/30/18 ^{2,3}	\$23.71	\$.25	\$.04	\$.29	\$(.09)	\$(1.03)	\$(1.12)	\$22.88	1.14% ⁴	\$16,914	.28% ⁵	2.08% ⁵
12/31/17	21.68	.44	3.06	3.50	(.41)	(1.06)	(1.47)	23.71	16.51	16,556	.29	1.90
12/31/16	20.62	.42	1.54	1.96	(.39)	(.51)	(.90)	21.68	9.69	13,008	.29	1.97
12/31/15	22.23	.40	(.02)	.38	(.40)	(1.59)	(1.99)	20.62	1.64	10,913	.29	1.85
12/31/14	22.49	.44	.81	1.25	(.39)	(1.12)	(1.51)	22.23	5.66	11,997	.30	1.95
12/31/13	18.43	.35	4.07	4.42	(.36)	—	(.36)	22.49	24.04	10,515	.31	1.71
Class 1A:												
6/30/18 ^{2,3}	23.69	.23	.02	.25	(.08)	(1.03)	(1.11)	22.83	1.00 ⁴	7	.53 ⁵	1.91 ⁵
12/31/17 ^{2,7}	21.97	.39	2.78	3.17	(.39)	(1.06)	(1.45)	23.69	14.78 ⁴	4	.53 ⁵	1.69 ⁵
Class 2:												
6/30/18 ^{2,3}	23.49	.21	.03	.24	(.07)	(1.03)	(1.10)	22.63	.98 ⁴	5,235	.53 ⁵	1.82 ⁵
12/31/17	21.49	.37	3.04	3.41	(.35)	(1.06)	(1.41)	23.49	16.23	5,480	.54	1.64
12/31/16	20.45	.36	1.53	1.89	(.34)	(.51)	(.85)	21.49	9.41	5,144	.54	1.72
12/31/15	22.06	.34	(.01)	.33	(.35)	(1.59)	(1.94)	20.45	1.40	5,008	.54	1.60
12/31/14	22.33	.37	.81	1.18	(.33)	(1.12)	(1.45)	22.06	5.40	5,494	.55	1.69
12/31/13	18.31	.30	4.03	4.33	(.31)	—	(.31)	22.33	23.69	5,760	.56	1.47
Class 3:												
6/30/18 ^{2,3}	23.73	.22	.05	.27	(.08)	(1.03)	(1.11)	22.89	1.07 ⁴	35	.46 ⁵	1.89 ⁵
12/31/17	21.70	.39	3.07	3.46	(.37)	(1.06)	(1.43)	23.73	16.29	38	.47	1.72
12/31/16	20.64	.38	1.54	1.92	(.35)	(.51)	(.86)	21.70	9.49	35	.47	1.79
12/31/15	22.25	.36	(.02)	.34	(.36)	(1.59)	(1.95)	20.64	1.46	36	.47	1.67
12/31/14	22.51	.39	.81	1.20	(.34)	(1.12)	(1.46)	22.25	5.47	40	.48	1.76
12/31/13	18.45	.32	4.06	4.38	(.32)	—	(.32)	22.51	23.81	42	.49	1.54
Class 4:												
6/30/18 ^{2,3}	23.40	.18	.04	.22	(.07)	(1.03)	(1.10)	22.52	.86 ⁴	3,736	.78 ⁵	1.59 ⁵
12/31/17	21.43	.32	3.02	3.34	(.31)	(1.06)	(1.37)	23.40	15.91	3,582	.79	1.40
12/31/16	20.40	.31	1.53	1.84	(.30)	(.51)	(.81)	21.43	9.16	2,861	.79	1.47
12/31/15	22.11	.30	(.02)	.28	(.40)	(1.59)	(1.99)	20.40	1.14	2,414	.79	1.45
12/31/14	22.46	.34	.79	1.13	(.36)	(1.12)	(1.48)	22.11	5.16	32	.80	1.55
12/31/13	18.43	.27	4.12	4.39	(.36)	—	(.36)	22.46	23.89	1	.79	1.22

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Global Balanced Fund												
Class 1:												
6/30/18 ^{2,3}	\$12.75	\$.14	\$ (.20)	\$ (.06)	\$ –	\$ –	\$ –	\$12.69	(.47)% ⁴	\$ 111	.70% ⁵	2.19% ⁵
12/31/17	11.08	.21	1.99	2.20	(.15)	(.38)	(.53)	12.75	19.91	93	.72	1.68
12/31/16	10.74	.19	.32	.51	(.17)	–	(.17)	11.08	4.73	64	.72	1.73
12/31/15	11.11	.20	(.28)	(.08)	(.14)	(.15)	(.29)	10.74	(.69)	47	.72	1.80
12/31/14	11.37	.25 ⁶	(.03)	.22	(.18)	(.30)	(.48)	11.11	1.87	37	.71	2.14 ⁶
12/31/13	10.34	.22	1.07	1.29	(.18)	(.08)	(.26)	11.37	12.56	36	.70	2.05
Class 1A:												
6/30/18 ^{2,3}	12.74	.14	(.21)	(.07)	–	–	–	12.67	(.55) ⁴	1	.96 ⁵	2.26 ⁵
12/31/17 ^{2,7}	11.18	.16	1.92	2.08	(.14)	(.38)	(.52)	12.74	18.71 ⁴	– ⁸	.94 ⁵	1.27 ⁵
Class 2:												
6/30/18 ^{2,3}	12.72	.12	(.19)	(.07)	–	–	–	12.65	(.55) ⁴	206	.95 ⁵	1.89 ⁵
12/31/17	11.06	.18	1.98	2.16	(.12)	(.38)	(.50)	12.72	19.57	210	.96	1.43
12/31/16	10.72	.16	.32	.48	(.14)	–	(.14)	11.06	4.48	178	.97	1.48
12/31/15	11.09	.18	(.28)	(.10)	(.12)	(.15)	(.27)	10.72	(.95)	171	.97	1.60
12/31/14	11.35	.22 ⁶	(.03)	.19	(.15)	(.30)	(.45)	11.09	1.63	179	.96	1.88 ⁶
12/31/13	10.33	.20	1.06	1.26	(.16)	(.08)	(.24)	11.35	12.23	156	.95	1.79
Class 4:												
6/30/18 ^{2,3}	12.63	.11	(.20)	(.09)	–	–	–	12.54	(.71) ⁴	69	1.20 ⁵	1.72 ⁵
12/31/17	11.00	.13	1.99	2.12	(.11)	(.38)	(.49)	12.63	19.38	51	1.22	1.07
12/31/16	10.69	.12	.33	.45	(.14)	–	(.14)	11.00	4.21	10	1.24	1.12
12/31/15	11.09	.06	(.17)	(.11)	(.14)	(.15)	(.29)	10.69	(1.00)	1	1.34	.58
12/31/14	11.35	.24 ⁶	(.02)	.22	(.18)	(.30)	(.48)	11.09	1.88 ¹²	– ⁸	.67 ¹²	2.07 ^{6,12}
12/31/13	10.33	.22	1.06	1.28	(.18)	(.08)	(.26)	11.35	12.49 ¹²	– ⁸	.71 ¹²	1.98 ¹²
Bond Fund												
Class 1:												
6/30/18 ^{2,3}	\$10.82	\$.14	\$ (.33)	\$ (.19)	\$(.05)	\$(.01)	\$(.06)	\$10.57	(1.76)% ⁴	\$6,532	.38% ⁵	2.60% ⁵
12/31/17	10.80	.24	.18	.42	(.24)	(.16)	(.40)	10.82	3.88	6,434	.38	2.19
12/31/16	10.70	.21	.14	.35	(.21)	(.04)	(.25)	10.80	3.27	6,829	.38	1.91
12/31/15	11.08	.22	(.17)	.05	(.21)	(.22)	(.43)	10.70	.45	5,731	.38	1.95
12/31/14	10.73	.23	.37	.60	(.25)	– ⁹	(.25)	11.08	5.59	4,977	.39	2.03
12/31/13	11.29	.22	(.43)	(.21)	(.23)	(.12)	(.35)	10.73	(1.89)	4,506	.39	2.01
Class 1A:												
6/30/18 ^{2,3}	10.80	.13	(.34)	(.21)	(.04)	(.01)	(.05)	10.54	(1.87) ⁴	3	.63 ⁵	2.41 ⁵
12/31/17 ^{2,7}	10.82	.22	.15	.37	(.23)	(.16)	(.39)	10.80	3.46 ⁴	1	.62 ⁵	2.01 ⁵
Class 2:												
6/30/18 ^{2,3}	10.69	.12	(.33)	(.21)	(.04)	(.01)	(.05)	10.43	(1.92) ⁴	3,759	.63 ⁵	2.35 ⁵
12/31/17	10.67	.21	.18	.39	(.21)	(.16)	(.37)	10.69	3.67	3,966	.63	1.94
12/31/16	10.58	.18	.13	.31	(.18)	(.04)	(.22)	10.67	2.95	3,959	.63	1.65
12/31/15	10.95	.18	(.15)	.03	(.18)	(.22)	(.40)	10.58	.28	4,135	.63	1.69
12/31/14	10.61	.20	.36	.56	(.22)	– ⁹	(.22)	10.95	5.28	4,565	.64	1.79
12/31/13	11.17	.19	(.43)	(.24)	(.20)	(.12)	(.32)	10.61	(2.16)	4,763	.64	1.76
Class 4:												
6/30/18 ^{2,3}	10.68	.11	(.32)	(.21)	(.04)	(.01)	(.05)	10.42	(1.94) ⁴	331	.88 ⁵	2.11 ⁵
12/31/17	10.70	.19	.16	.35	(.21)	(.16)	(.37)	10.68	3.29	297	.88	1.72
12/31/16	10.61	.15	.15	.30	(.17)	(.04)	(.21)	10.70	2.80	102	.88	1.41
12/31/15	11.01	.16	(.16)	–	(.18)	(.22)	(.40)	10.61	(.08)	59	.88	1.47
12/31/14	10.69	.16	.39	.55	(.23)	– ⁹	(.23)	11.01	5.15	29	.89	1.43
12/31/13	11.29	.17	(.43)	(.26)	(.22)	(.12)	(.34)	10.69	(2.34)	3	.89	1.58

See end of tables for footnotes.

Financial highlights (continued)

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Global Bond Fund												
Class 1:												
6/30/18 ^{2,3}	\$11.88	\$.15	\$(.33)	\$(.18)	\$(.03)	\$(.04)	\$(.07)	\$11.63	(1.54)% ⁴	\$1,079	.56% ⁵	2.50% ⁵
12/31/17	11.22	.28	.52	.80	(.07)	(.07)	(.14)	11.88	7.11	1,273	.56	2.37
12/31/16	11.01	.26	.06	.32	(.09)	(.02)	(.11)	11.22	2.92	1,115	.57	2.26
12/31/15	11.77	.27	(.71)	(.44)	(.01)	(.31)	(.32)	11.01	(3.75)	1,032	.57	2.34
12/31/14	11.88	.29	(.08)	.21	(.21)	(.11)	(.32)	11.77	1.71	1,194	.57	2.35
12/31/13	12.32	.28	(.58)	(.30)	—	(.14)	(.14)	11.88	(2.40)	1,093	.56	2.37
Class 1A:												
6/30/18 ^{2,3}	11.87	.14	(.32)	(.18)	(.03)	(.04)	(.07)	11.62	(1.55) ⁴	— ⁸	.80 ⁵	2.35 ⁵
12/31/17 ^{2,7}	11.22	.26	.52	.78	(.06)	(.07)	(.13)	11.87	7.00 ⁴	— ⁸	.72 ⁵	2.27 ⁵
Class 2:												
6/30/18 ^{2,3}	11.79	.13	(.32)	(.19)	(.02)	(.04)	(.06)	11.54	(1.59) ⁴	1,118	.81 ⁵	2.26 ⁵
12/31/17	11.14	.25	.51	.76	(.04)	(.07)	(.11)	11.79	6.86	1,164	.81	2.12
12/31/16	10.93	.23	.07	.30	(.07)	(.02)	(.09)	11.14	2.71	1,121	.82	2.01
12/31/15	11.72	.24	(.71)	(.47)	(.01)	(.31)	(.32)	10.93	(4.07)	1,208	.82	2.09
12/31/14	11.81	.26	(.09)	.17	(.15)	(.11)	(.26)	11.72	1.39	1,386	.82	2.11
12/31/13	12.27	.25	(.57)	(.32)	—	(.14)	(.14)	11.81	(2.58)	1,496	.81	2.11
Class 4:												
6/30/18 ^{2,3}	11.70	.12	(.32)	(.20)	(.02)	(.04)	(.06)	11.44	(1.71) ⁴	40	1.07 ⁵	2.03 ⁵
12/31/17	11.08	.22	.51	.73	(.04)	(.07)	(.11)	11.70	6.63	31	1.06	1.89
12/31/16	10.89	.20	.06	.26	(.05)	(.02)	(.07)	11.08	2.42	12	1.07	1.76
12/31/15	11.70	.21	(.71)	(.50)	— ⁹	(.31)	(.31)	10.89	(4.27)	6	1.07	1.86
12/31/14	11.87	.20	(.05)	.15	(.21)	(.11)	(.32)	11.70	1.16	4	1.09	1.66
12/31/13	12.31	.27	(.57)	(.30)	—	(.14)	(.14)	11.87	(2.41)	— ⁸	.79	2.25

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
High-Income Bond Fund												
Class 1:												
6/30/18 ^{2,3}	\$10.19	\$.31	\$ (.26)	\$.05	\$ (.11)	\$—	\$ (.11)	\$10.13	.48% ⁴	\$ 611	.49% ⁵	6.20% ⁵
12/31/17	10.18	.63	.10	.73	(.72)	—	(.72)	10.19	7.25	632	.49	5.98
12/31/16	9.19	.61	1.02	1.63	(.64)	—	(.64)	10.18	17.83	949	.49	6.18
12/31/15	10.54	.64	(1.36)	(.72)	(.63)	—	(.63)	9.19	(6.94)	1,017	.48	6.12
12/31/14	11.13	.67	(.59)	.08	(.67)	—	(.67)	10.54	.80	1,017	.48	5.90
12/31/13	11.16	.75	.01	.76	(.79)	—	(.79)	11.13	6.89	856	.48	6.54
Class 1A:												
6/30/18 ^{2,3}	10.18	.30	(.26)	.04	(.11)	—	(.11)	10.11	.37 ⁴	1	.73 ⁵	5.99 ⁵
12/31/17 ^{2,7}	10.28	.60	.02	.62	(.72)	—	(.72)	10.18	6.02 ⁴	— ⁸	.72 ⁵	5.74 ⁵
Class 2:												
6/30/18 ^{2,3}	10.03	.30	(.27)	.03	(.10)	—	(.10)	9.96	.35 ⁴	738	.74 ⁵	5.95 ⁵
12/31/17	10.04	.59	.10	.69	(.70)	—	(.70)	10.03	6.89	776	.74	5.72
12/31/16	9.06	.58	1.01	1.59	(.61)	—	(.61)	10.04	17.69	799	.74	5.92
12/31/15	10.41	.60	(1.35)	(.75)	(.60)	—	(.60)	9.06	(7.30)	765	.73	5.85
12/31/14	10.99	.63	(.57)	.06	(.64)	—	(.64)	10.41	.63	929	.73	5.67
12/31/13	11.03	.71	.01	.72	(.76)	—	(.76)	10.99	6.60	1,061	.73	6.29
Class 3:												
6/30/18 ^{2,3}	10.23	.31	(.27)	.04	(.11)	—	(.11)	10.16	.35 ⁴	12	.67 ⁵	6.03 ⁵
12/31/17	10.22	.61	.10	.71	(.70)	—	(.70)	10.23	7.02	12	.67	5.79
12/31/16	9.22	.59	1.03	1.62	(.62)	—	(.62)	10.22	17.68	13	.67	5.99
12/31/15	10.57	.62	(1.37)	(.75)	(.60)	—	(.60)	9.22	(7.13)	12	.66	5.91
12/31/14	11.16	.65	(.59)	.06	(.65)	—	(.65)	10.57	.59	16	.66	5.74
12/31/13	11.18	.73	.02	.75	(.77)	—	(.77)	11.16	6.77	19	.66	6.36
Class 4:												
6/30/18 ^{2,3}	10.82	.31	(.28)	.03	(.10)	—	(.10)	10.75	.27 ⁴	33	.99 ⁵	5.69 ⁵
12/31/17	10.79	.61	.10	.71	(.68)	—	(.68)	10.82	6.63	34	.99	5.46
12/31/16	9.73	.60	1.07	1.67	(.61)	—	(.61)	10.79	17.29	21	.99	5.55
12/31/15	11.05	.62	(1.43)	(.81)	(.51)	—	(.51)	9.73	(7.42)	1	.98	5.51
12/31/14	11.12	.63	(.59)	.04	(.11)	—	(.11)	11.05	.35	— ⁸	.98	5.49
12/31/13	11.16	.67	.08	.75	(.79)	—	(.79)	11.12	6.81	— ⁸	.93	5.82

See end of tables for footnotes.

Financial highlights (continued)

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Mortgage Fund												
Class 1:												
6/30/18 ^{2,3}	\$10.47	\$.10	\$(.23)	\$(.13)	\$(.03)	\$ —	\$(.03)	\$10.31	(1.21)% ⁴	\$262	.46% ⁵	1.93% ⁵
12/31/17	10.56	.16	— ⁹	.16	(.18)	(.07)	(.25)	10.47	1.47	265	.47	1.52
12/31/16	10.61	.15	.11	.26	(.20)	(.11)	(.31)	10.56	2.50	269	.46	1.39
12/31/15	10.70	.10	.13	.23	(.18)	(.14)	(.32)	10.61	2.09	272	.45	.89
12/31/14	10.23	.12	.45	.57	(.10)	—	(.10)	10.70	5.54	292	.45	1.12
12/31/13	10.47	.04	(.18)	(.14)	(.08)	(.02)	(.10)	10.23	(1.41)	198	.44	.35
Class 1A:												
6/30/18 ^{2,3}	10.46	.09	(.23)	(.14)	(.03)	—	(.03)	10.29	(1.31) ⁴	1	.70 ⁵	1.76 ⁵
12/31/17 ^{2,7}	10.55	.14	— ⁹	.14	(.16)	(.07)	(.23)	10.46	1.31 ⁴	— ⁸	.70 ⁵	1.38 ⁵
Class 2:												
6/30/18 ^{2,3}	10.45	.09	(.22)	(.13)	(.03)	—	(.03)	10.29	(1.26) ⁴	60	.71 ⁵	1.68 ⁵
12/31/17	10.54	.14	(.01)	.13	(.15)	(.07)	(.22)	10.45	1.22	63	.72	1.27
12/31/16	10.59	.12	.12	.24	(.18)	(.11)	(.29)	10.54	2.25	63	.71	1.14
12/31/15	10.68	.07	.13	.20	(.15)	(.14)	(.29)	10.59	1.86	59	.70	.65
12/31/14	10.22	.10	.44	.54	(.08)	—	(.08)	10.68	5.23	52	.70	.91
12/31/13	10.46	— ⁹	(.17)	(.17)	(.05)	(.02)	(.07)	10.22	(1.68)	49	.69	(.02)
Class 4:												
6/30/18 ^{2,3}	10.38	.07	(.22)	(.15)	(.03)	—	(.03)	10.20	(1.38) ⁴	16	.96 ⁵	1.45 ⁵
12/31/17	10.48	.11	— ⁹	.11	(.14)	(.07)	(.21)	10.38	.97	12	.97	1.03
12/31/16	10.52	.09	.12	.21	(.14)	(.11)	(.25)	10.48	2.01	8	.96	.86
12/31/15	10.65	.04	.14	.18	(.17)	(.14)	(.31)	10.52	1.62	11	.97	.37
12/31/14	10.23	.05	.46	.51	(.09)	—	(.09)	10.65	4.98	1	.94	.47
12/31/13	10.47	.02	(.16)	(.14)	(.08)	(.02)	(.10)	10.23	(1.41) ¹²	— ⁸	.38 ¹²	.23 ¹²

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Ultra-Short Bond Fund												
Class 1:												
6/30/18 ^{2,3}	\$11.29	\$.08	\$(.01)	\$.07	\$(.02)	\$—	\$(.02)	\$11.34	.65% ⁴	\$ 36	.33% ⁵	1.38% ⁵
12/31/17	11.27	.08	(.01)	.07	(.05)	—	(.05)	11.29	.66	37	.35	.68
12/31/16 ¹³	11.26	.01	— ⁹	.01	—	—	—	11.27	.09	37	.35	.11
12/31/15	11.28	(.03)	.01	(.02)	—	—	—	11.26	(.18)	39	.34	(.24)
12/31/14	11.31	(.03)	—	(.03)	—	—	—	11.28	(.27)	49	.34	(.26)
12/31/13	11.34	(.03)	— ⁹	(.03)	—	—	—	11.31	(.27)	57	.34	(.24)
Class 1A:												
6/30/18 ^{2,3}	11.29	.08	(.01)	.07	(.02)	—	(.02)	11.34	.65 ⁴	— ⁸	.33 ⁵	1.38 ⁵
12/31/17 ^{2,7}	11.27	.08	— ⁹	.08	(.06)	—	(.06)	11.29	.67 ⁴	— ⁸	.34 ⁵	.69 ⁵
Class 2:												
6/30/18 ^{2,3}	11.01	.06	— ⁹	.06	(.02)	—	(.02)	11.05	.53 ⁴	237	.58 ⁵	1.13 ⁵
12/31/17	10.99	.05	— ⁹	.05	(.03)	—	(.03)	11.01	.46	249	.60	.42
12/31/16 ¹³	11.01	(.02)	— ⁹	(.02)	—	—	—	10.99	(.18)	297	.60	(.14)
12/31/15	11.06	(.05)	— ⁹	(.05)	—	—	—	11.01	(.45)	302	.59	(.49)
12/31/14	11.12	(.06)	—	(.06)	—	—	—	11.06	(.54)	331	.59	(.51)
12/31/13	11.17	(.05)	— ⁹	(.05)	—	—	—	11.12	(.45)	395	.59	(.49)
Class 3:												
6/30/18 ^{2,3}	11.12	.07	— ⁹	.07	(.02)	—	(.02)	11.17	.63 ⁴	5	.51 ⁵	1.21 ⁵
12/31/17	11.10	.06	— ⁹	.06	(.04)	—	(.04)	11.12	.54	4	.53	.50
12/31/16 ¹³	11.11	(.01)	— ⁹	(.01)	—	—	—	11.10	(.09)	4	.53	(.08)
12/31/15	11.16	(.05)	— ⁹	(.05)	—	—	—	11.11	(.45)	6	.52	(.42)
12/31/14	11.21	(.05)	—	(.05)	—	—	—	11.16	(.45)	8	.52	(.44)
12/31/13	11.26	(.05)	— ⁹	(.05)	—	—	—	11.21	(.44)	8	.52	(.42)
Class 4:												
6/30/18 ^{2,3}	11.13	.05	— ⁹	.05	(.01)	—	(.01)	11.17	.47 ⁴	14	.83 ⁵	.88 ⁵
12/31/17	11.12	.02	— ⁹	.02	(.01)	—	(.01)	11.13	.16	15	.85	.19
12/31/16 ¹³	11.17	(.04)	(.01)	(.05)	—	—	—	11.12	(.45)	13	.85	(.40)
12/31/15	11.25	(.08)	— ⁹	(.08)	—	—	—	11.17	(.71)	16	.85	(.74)
12/31/14	11.30	(.09)	.04	(.05)	—	—	—	11.25	(.44)	7	.84	(.77)
12/31/13	11.34	(.04)	— ⁹	(.04)	—	—	—	11.30	(.35) ¹²	— ⁸	.37 ¹²	(.32) ¹²

See end of tables for footnotes.

Financial highlights (continued)

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income (loss) to average net assets
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
U.S. Government/AAA-Rated Securities Fund												
Class 1:												
6/30/18 ^{2,3}	\$12.08	\$.12	\$(.26)	\$(.14)	\$(.04)	\$ —	\$(.04)	\$11.90	(1.08)% ⁴	\$1,526	.36% ⁵	2.00% ⁵
12/31/17	12.05	.21	.01	.22	(.19)	—	(.19)	12.08	1.83	1,558	.36	1.68
12/31/16	12.31	.16	.03	.19	(.20)	(.25)	(.45)	12.05	1.44	1,467	.36	1.31
12/31/15	12.40	.13	.09	.22	(.21)	(.10)	(.31)	12.31	1.93	1,426	.35	1.02
12/31/14	11.94	.15	.48	.63	(.17)	—	(.17)	12.40	5.24	1,723	.35	1.24
12/31/13	12.75	.08	(.44)	(.36)	(.11)	(.34)	(.45)	11.94	(2.87)	1,584	.35	.67
Class 1A:												
6/30/18 ^{2,3}	12.08	.11	(.26)	(.15)	(.04)	—	(.04)	11.89	(1.25) ⁴	1	.60 ⁵	1.86 ⁵
12/31/17 ^{2,7}	12.05	.18	.03	.21	(.18)	—	(.18)	12.08	1.73 ⁴	— ⁸	.58 ⁵	1.53 ⁵
Class 2:												
6/30/18 ^{2,3}	11.96	.10	(.25)	(.15)	(.03)	—	(.03)	11.78	(1.22) ⁴	1,412	.61 ⁵	1.75 ⁵
12/31/17	11.93	.17	.02	.19	(.16)	—	(.16)	11.96	1.59	1,473	.61	1.43
12/31/16	12.20	.13	.02	.15	(.17)	(.25)	(.42)	11.93	1.19	1,503	.61	1.05
12/31/15	12.29	.10	.09	.19	(.18)	(.10)	(.28)	12.20	1.59	1,579	.60	.79
12/31/14	11.83	.12	.47	.59	(.13)	—	(.13)	12.29	5.01	1,717	.60	1.00
12/31/13	12.63	.05	(.43)	(.38)	(.08)	(.34)	(.42)	11.83	(3.08)	1,801	.60	.42
Class 3:												
6/30/18 ^{2,3}	12.11	.11	(.26)	(.15)	(.04)	—	(.04)	11.92	(1.19) ⁴	9	.54 ⁵	1.82 ⁵
12/31/17	12.07	.18	.03	.21	(.17)	—	(.17)	12.11	1.72	10	.54	1.50
12/31/16	12.34	.14	.02	.16	(.18)	(.25)	(.43)	12.07	1.24	11	.54	1.12
12/31/15	12.43	.11	.09	.20	(.19)	(.10)	(.29)	12.34	1.64	11	.53	.85
12/31/14	11.96	.13	.48	.61	(.14)	—	(.14)	12.43	5.11	13	.53	1.08
12/31/13	12.76	.06	(.43)	(.37)	(.09)	(.34)	(.43)	11.96	(3.00)	14	.53	.47
Class 4:												
6/30/18 ^{2,3}	11.98	.09	(.25)	(.16)	(.03)	—	(.03)	11.79	(1.33) ⁴	67	.86 ⁵	1.51 ⁵
12/31/17	11.96	.14	.01	.15	(.13)	—	(.13)	11.98	1.28	62	.86	1.18
12/31/16	12.22	.10	.03	.13	(.14)	(.25)	(.39)	11.96	.99	57	.86	.82
12/31/15	12.34	.07	.08	.15	(.17)	(.10)	(.27)	12.22	1.29	46	.85	.56
12/31/14	11.93	.06	.51	.57	(.16)	—	(.16)	12.34	4.76	21	.85	.50
12/31/13	12.75	.08	(.44)	(.36)	(.12)	(.34)	(.46)	11.93	(2.95)	— ⁸	.84	.68

Period ended	Income (loss) from investment operations ¹				Dividends and distributions			Net asset value, end of period	Total return ¹⁴	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of expenses to average net assets	Net effective expense ratio ^{14,15}	Ratio of net income (loss) to average net assets ¹⁴
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions				before waivers/reimbursements	after waivers/reimbursements ¹⁴		
Managed Risk Growth Fund														
Class P1:														
6/30/18 ^{2,3}	\$13.22	\$.01	\$.73	\$.74	\$(.10)	\$ (.89)	\$ (.99)	\$12.97	5.41% ^{4,12}	\$ 2	.41% ^{5,12}	.36% ^{5,12}	.71% ^{5,12}	.10% ^{5,12}
12/31/17	10.71	.08	2.70	2.78	(.07)	(.20)	(.27)	13.22	26.23 ¹²	2	.42 ¹²	.36 ¹²	.70 ¹²	.69 ¹²
12/31/16	11.49	.08	.20	.28	(.05)	(1.01)	(1.06)	10.71	2.89 ¹²	1	.50 ¹²	.34 ¹²	.68 ¹²	.79 ¹²
12/31/15	11.37	.09	.03	.12	—	—	—	11.49	1.06 ¹²	— ⁸	.53 ¹²	.29 ¹²	.63 ¹²	.80 ¹²
12/31/14	11.43	.31	(.06)	.25	(.12)	(.19)	(.31)	11.37	2.18 ¹²	— ⁸	.50 ¹²	.32 ¹²	.65 ¹²	2.71 ¹²
12/31/13 ^{2,16}	10.00	.12	1.38	1.50	(.07)	—	(.07)	11.43	15.05 ^{4,12}	— ⁸	.88 ^{5,12}	.25 ^{5,12}	.58 ^{5,12}	1.64 ^{5,12}
Class P2:														
6/30/18 ^{2,3}	13.14	(.01)	.72	.71	(.06)	(.89)	(.95)	12.90	5.26 ⁴	320	.68 ⁵	.62 ⁵	.97 ⁵	(.18) ⁵
12/31/17	10.64	.04	2.70	2.74	(.04)	(.20)	(.24)	13.14	25.99	286	.69	.63	.97	.34
12/31/16	11.43	.05	.19	.24	(.02)	(1.01)	(1.03)	10.64	2.52	200	.79	.63	.97	.43
12/31/15	11.35	.04	.04	.08	—	—	—	11.43	.71	146	.89	.66	1.00	.31
12/31/14	11.43	.12	.08	.20	(.09)	(.19)	(.28)	11.35	1.77	79	.87	.69	1.02	1.01
12/31/13 ^{2,16}	10.00	.12	1.37	1.49	(.06)	—	(.06)	11.43	14.94 ^{4,12}	28	1.05 ^{5,12}	.52 ^{5,12}	.85 ^{5,12}	1.69 ^{5,12}
Managed Risk International Fund														
Class P1:														
6/30/18 ^{2,3}	\$11.25	\$.03	\$.09	\$.06	\$(.13)	\$ (.05)	\$ (.18)	\$11.01	(.50)% ^{4,12}	\$ — ⁸	.27% ^{5,12}	.21% ^{5,12}	.70% ^{5,12}	.46% ^{5,12}
12/31/17	8.89	.11	2.47	2.58	(.10)	(.12)	(.22)	11.25	29.28 ¹²	— ⁸	.28 ¹²	.20 ¹²	.69 ¹²	1.13 ¹²
12/31/16	9.48	.10	(.35)	(.25)	(.12)	(.22)	(.34)	8.89	(2.59) ¹²	— ⁸	.39 ¹²	.23 ¹²	.74 ¹²	1.15 ¹²
12/31/15	10.10	.18	(.80)	(.62)	— ⁹	—	— ⁹	9.48	(6.12) ¹²	— ⁸	.45 ¹²	.21 ¹²	.72 ¹²	1.75 ¹²
12/31/14	10.82	.14	(.71)	(.57)	(.15)	—	(.15)	10.10	(5.31) ¹²	— ⁸	.50 ¹²	.25 ¹²	.76 ¹²	1.33 ¹²
12/31/13 ^{2,16}	10.00	.13	.78	.91	(.09)	—	(.09)	10.82	9.08 ^{4,12}	— ⁸	1.05 ^{5,12}	.23 ^{5,12}	.73 ^{5,12}	1.92 ^{5,12}
Class P2:														
6/30/18 ^{2,3}	11.15	— ⁹	(.08)	(.08)	(.10)	(.05)	(.15)	10.92	(.76) ⁴	155	.70 ⁵	.62 ⁵	1.11 ⁵	(.05) ⁵
12/31/17	8.83	.11	2.41	2.52	(.08)	(.12)	(.20)	11.15	28.69	148	.71	.63	1.12	1.03
12/31/16	9.43	.09	(.38)	(.29)	(.09)	(.22)	(.31)	8.83	(3.05)	97	.79	.63	1.14	.97
12/31/15	10.09	.13	(.79)	(.66)	— ⁹	—	— ⁹	9.43	(6.52)	83	.90	.66	1.17	1.30
12/31/14	10.82	.16	(.77)	(.61)	(.12)	—	(.12)	10.09	(5.68)	46	.91	.67	1.18	1.51
12/31/13 ^{2,16}	10.00	.18	.72	.90	(.08)	—	(.08)	10.82	8.99 ^{4,12}	17	1.19 ^{5,12}	.44 ^{5,12}	.94 ^{5,12}	2.66 ^{5,12}
Managed Risk Blue Chip Income and Growth Fund														
Class P1:														
6/30/18 ^{2,3}	\$13.04	\$.04	\$.27	\$.23	\$(.21)	\$ (.44)	\$ (.65)	\$12.16	(1.80)% ^{4,12}	\$ — ⁸	.27% ^{5,12}	.22% ^{5,12}	.61% ^{5,12}	.62% ^{5,12}
12/31/17	11.67	.19	1.59	1.78	(.22)	(.19)	(.41)	13.04	15.48 ¹²	— ⁸	.30 ¹²	.25 ¹²	.64 ¹²	1.59 ¹²
12/31/16	10.80	.20	1.25	1.45	(.21)	(.37)	(.58)	11.67	13.77 ¹²	— ⁸	.43 ¹²	.27 ¹²	.67 ¹²	1.83 ¹²
12/31/15	11.70	.19	(1.02)	(.83)	(.07)	—	(.07)	10.80	(7.07) ¹²	— ⁸	.50 ¹²	.27 ¹²	.66 ¹²	1.64 ¹²
12/31/14	11.05	.40	.55	.95	(.30)	—	(.30)	11.70	8.58 ¹²	— ⁸	.50 ¹²	.31 ¹²	.70 ¹²	3.43 ¹²
12/31/13 ^{2,16}	10.00	.20	1.01	1.21	(.16)	—	(.16)	11.05	12.16 ^{4,12}	— ⁸	.84 ^{5,12}	.24 ^{5,12}	.64 ^{5,12}	2.80 ^{5,12}
Class P2:														
6/30/18 ^{2,3}	12.96	.01	(.26)	(.25)	(.21)	(.44)	(.65)	12.06	(2.04) ⁴	351	.67 ⁵	.62 ⁵	1.01 ⁵	.21 ⁵
12/31/17	11.61	.17	1.55	1.72	(.18)	(.19)	(.37)	12.96	15.03	367	.68	.63	1.02	1.43
12/31/16	10.76	.23	1.18	1.41	(.19)	(.37)	(.56)	11.61	13.39	291	.79	.63	1.03	2.04
12/31/15	11.67	.18	(1.05)	(.87)	(.04)	—	(.04)	10.76	(7.43)	137	.89	.66	1.05	1.57
12/31/14	11.05	.50	.40	.90	(.28)	—	(.28)	11.67	8.10	98	.88	.69	1.08	4.27
12/31/13 ^{2,16}	10.00	.28	.92	1.20	(.15)	—	(.15)	11.05	12.05 ^{4,12}	26	1.04 ^{5,12}	.54 ^{5,12}	.94 ^{5,12}	3.91 ^{5,12}

See end of tables for footnotes.

Financial highlights (continued)

Period ended	Income (loss) from investment operations ¹				Dividends and distributions				Net asset value, end of period	Total return ¹⁴	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of expenses to average net assets	Net effective expense ratio ^{14,15}	Ratio of net income (loss) to average net assets ¹⁴
	Net asset value, beginning of period	Net investment income (loss)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions	before waivers/reimbursements				after waivers/reimbursements ¹⁴			
Managed Risk Growth-Income Fund															
Class P1:															
6/30/18 ^{2,3}	\$12.66	\$.02	\$.43	\$.45	\$ (.16)	\$ (.57)	\$ (.73)	\$12.38	3.47% ^{4,12}	\$ 3	.43% ^{5,12}	.36% ^{5,12}	.65% ^{5,12}	.28% ^{5,12}	
12/31/17	11.07	.19	2.03	2.22	(.13)	(.50)	(.63)	12.66	20.64 ¹²	2	.44 ¹²	.37 ¹²	.66 ¹²	1.61 ¹²	
12/31/16	11.25	.16	.52	.68	(.16)	(.70)	(.86)	11.07	6.49 ¹²	1	.52 ¹²	.36 ¹²	.64 ¹²	1.46 ¹²	
12/31/15	11.67	.25	(.63)	(.38)	(.04)	—	(.04)	11.25	(3.27) ¹²	1	.56 ¹²	.31 ¹²	.59 ¹²	2.17 ¹²	
12/31/14	11.50	.35	.21	.56	(.14)	(.25)	(.39)	11.67	4.85 ¹²	— ⁸	.45 ¹²	.25 ¹²	.52 ¹²	2.94 ¹²	
12/31/13 ^{2,16}	10.00	.14	1.47	1.61	(.11)	—	(.11)	11.50	16.15 ^{4,12}	— ⁸	.92 ^{5,12}	.23 ^{5,12}	.50 ^{5,12}	2.01 ^{5,12}	
Class P2:															
6/30/18 ^{2,3}	12.58	— ⁹	.43	.43	(.12)	(.57)	(.69)	12.32	3.39 ⁴	225	.69 ⁵	.62 ⁵	.91 ⁵	.02 ⁵	
12/31/17	11.02	.13	2.05	2.18	(.12)	(.50)	(.62)	12.58	20.40	206	.70	.63	.92	1.08	
12/31/16	11.22	.12	.52	.64	(.14)	(.70)	(.84)	11.02	6.08	160	.79	.63	.91	1.13	
12/31/15	11.65	.12	(.54)	(.42)	(.01)	—	(.01)	11.22	(3.64)	122	.89	.66	.94	1.04	
12/31/14	11.50	.16	.35	.51	(.11)	(.25)	(.36)	11.65	4.42	76	.87	.69	.96	1.38	
12/31/13 ^{2,16}	10.00	.20	1.40	1.60	(.10)	—	(.10)	11.50	16.04 ^{4,12}	24	1.09 ^{5,12}	.50 ^{5,12}	.77 ^{5,12}	2.73 ^{5,12}	

Managed Risk Asset Allocation Fund

Class P1:															
6/30/18 ^{2,3}	\$13.59	\$.03	\$ (.04)	\$ (.01)	\$ (.18)	\$ (.53)	\$ (.71)	\$12.87	(.14)% ⁴	\$1,719	.41% ⁵	.36% ⁵	.64% ⁵	.40% ⁵	
12/31/17	12.02	.19	1.60	1.79	(.10)	(.12)	(.22)	13.59	15.06	1,656	.43	.38	.66	1.45	
12/31/16	11.72	.19	.67	.86	(.19)	(.37)	(.56)	12.02	7.57	1,217	.43	.38	.66	1.65	
12/31/15	12.29	.25	(.34)	(.09)	(.22)	(.26)	(.48)	11.72	(.83)	712	.54	.40	.68	2.06	
12/31/14	11.93	.13	.26	.39	(.03)	—	(.03)	12.29	3.24	277	.53	.48	.76	1.04	
12/31/13	9.99	.27	1.81	2.08	(.14)	—	(.14)	11.93	20.82 ¹²	112	.55 ¹²	.47 ¹²	.75 ¹²	2.37 ¹²	
Class P2:															
6/30/18 ^{2,3}	13.55	.01	(.03)	(.02)	(.15)	(.53)	(.68)	12.85	(.26) ⁴	2,746	.66 ⁵	.61 ⁵	.89 ⁵	.13 ⁵	
12/31/17	12.01	.15	1.61	1.76	(.10)	(.12)	(.22)	13.55	14.80	2,798	.68	.63	.91	1.13	
12/31/16	11.71	.14	.69	.83	(.16)	(.37)	(.53)	12.01	7.27	2,342	.68	.63	.91	1.20	
12/31/15	12.27	.14	(.26)	(.12)	(.18)	(.26)	(.44)	11.71	(1.07)	1,953	.79	.66	.94	1.16	
12/31/14	11.93	.16	.19	.35	(.01)	—	(.01)	12.27	2.91	1,780	.79	.73	1.01	1.33	
12/31/13	9.99	.28	1.77	2.05	(.11)	—	(.11)	11.93	20.58 ¹²	795	.80 ¹²	.73 ¹²	1.01 ¹²	2.43 ¹²	

Portfolio turnover rate for all share classes, excluding mortgage dollar roll transactions ¹⁷	Six months ended June 30, 2018 ^{2,3,4}	Period ended December 31				
		2017	2016	2015	2014	2013
Capital Income Builder	21%	59%	41%	38%	24% ^{4,11}	Not available
Asset Allocation Fund	13	39	43	28	42	
Global Balanced Fund	16	28	43	36	40	
Bond Fund	49	153	108	141	121	
Global Bond Fund	49	74	70	88	134	
Mortgage Fund	29	98	113	138	108	
U.S. Government/AAA-Rated Securities Fund	33	120	273	352	88	

Portfolio turnover rate for all share classes, including mortgage dollar roll transactions ¹⁷	Six months ended June 30, 2018 ^{2,3,4}	Year ended December 31				
		2017	2016	2015	2014	2013
Global Growth Fund	10%	31%	27%	29%	22%	39%
Global Small Capitalization Fund	16	33	40	36	28	36
Growth Fund	11	24	26	20	29	19
International Fund	16	29	31	37	18	21
New World Fund	19	56	32	39	36	43
Blue Chip Income and Growth Fund	29	34	30	26	37	30
Global Growth and Income Fund	14	41	57	37	28	31
Growth-Income Fund	17	27	27	25	25	19
International Growth and Income Fund	20	51	32	35	34	34
Capital Income Builder	56	88	53	128	35 ^{4,11}	
Asset Allocation Fund	41	85	83	76	88	74
Global Balanced Fund	26	41	65	76	73	81
Bond Fund	269	502	375	434	365	354
Global Bond Fund	72	105	154	159	200	213
High-Income Bond Fund	33	78	89	66	54	64
Mortgage Fund	477	680	713	1103	790	715
U.S. Government/AAA-Rated Securities Fund	241	551	539	901	387	621
Ultra-Short Bond Fund	¹⁸ —	¹⁸ —	^{13,18} —	N/A	N/A	N/A
Managed Risk Growth Fund	5	25	15	16	22	10 ^{2,4,16}
Managed Risk International Fund	6	25	26	15	22	6 ^{2,4,16}
Managed Risk Blue Chip Income and Growth Fund	7	32	9	20	22	3 ^{2,4,16}
Managed Risk Growth-Income Fund	4	26	14	11	28	2 ^{2,4,16}
Managed Risk Asset Allocation Fund	1	1	3	3	3	3

¹Based on average shares outstanding.

²Based on operations for a period that is less than a full year.

³Unaudited.

⁴Not annualized.

⁵Annualized.

⁶For the year ended December 31, 2014, reflects the impact of a corporate action event that resulted in a one-time increase to net investment income. If the corporate action event had not occurred, the net investment income per share and ratio of net income to average net assets would have been lower for all share classes.

⁷Class 1A shares began investment operations on January 6, 2017.

⁸Amount less than \$1 million.

⁹Amount less than \$.01.

¹⁰Amount less than .01%.

¹¹For the period May 1, 2014, commencement of operations, through December 31, 2014.

¹²All or a significant portion of assets in this class consisted of seed capital invested by CRMC and/or its affiliates. Certain fees (including, where applicable, fees for distribution services) are not charged or accrued on these seed capital assets. If such fees were paid by the fund on seed capital assets, fund expenses would have been higher and net income and total return would have been lower.

¹³On May 1, 2016, the fund converted from a cash fund to an ultra-short-term bond fund and changed its name from Cash Management Fund to Ultra-Short Bond Fund.

¹⁴This column reflects the impact of certain waivers/reimbursements by CRMC. CRMC waived a portion of investment advisory services and reimbursed a portion of miscellaneous fees and expenses for some of the managed risk funds.

¹⁵Ratio reflects weighted average net expense ratio of the underlying fund for the period presented. See Expense Example for further information regarding fees and expenses.

¹⁶For the period May 1, 2013, commencement of operations, through December 31, 2013.

¹⁷Refer to Note 5 for further information on mortgage dollar rolls.

¹⁸Amount is either less than 1% or there is no turnover.

See Notes to Financial Statements

Expense example

unaudited

The funds in American Funds Insurance Series serve as the underlying investment vehicle for various insurance products. As an owner of an insurance contract that invests in one of the funds in the series, you incur two types of costs: (1) transaction costs, such as initial sales charges on purchase payments and contingent deferred sales charges on redemptions (loads), and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other expenses. Additional fees are charged by the insurance companies related to the various benefits they provide. This example is intended to help you understand your ongoing costs (in dollars) of investing in the underlying funds so you can compare these costs with the ongoing costs of investing in other mutual funds that serve a similar function in other annuity products. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period (January 1, 2018, through June 30, 2018).

Actual expenses:

The first line of each share class in the table on the following pages provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading titled "Expenses paid during period" to estimate the expenses you paid on your account during this period.

Hypothetical example for comparison purposes:

The second line of each share class in the table on the following pages provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio for the share class and an assumed rate of return of 5.00% per year before expenses, which is not the actual return of the share class. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the fund and other funds. To do so, compare this 5.00% hypothetical example with the 5.00% hypothetical examples that appear in the shareholder reports of the other funds.

Notes:

Additional fees are charged by the insurance companies related to the various benefits they provide. You can estimate the impact of these fees by adding the amount of the fees to the total estimated expenses you paid on your account during the period as calculated above. In addition, your ending account value would be lower by the amount of these fees.

Note that the expenses shown in the table on the following pages are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of each share class in the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning account value 1/1/2018	Ending account value 6/30/2018	Expenses paid during period ¹	Annualized expense ratio
Global Growth Fund				
Class 1 - actual return	\$1,000.00	\$1,031.77	\$2.72	.54%
Class 1 - assumed 5% return	1,000.00	1,022.12	2.71	.54
Class 1A - actual return	1,000.00	1,030.66	3.98	.79
Class 1A - assumed 5% return	1,000.00	1,020.88	3.96	.79
Class 2 - actual return	1,000.00	1,030.27	3.98	.79
Class 2 - assumed 5% return	1,000.00	1,020.88	3.96	.79
Class 4 - actual return	1,000.00	1,029.16	5.23	1.04
Class 4 - assumed 5% return	1,000.00	1,019.64	5.21	1.04
Global Small Capitalization Fund				
Class 1 - actual return	\$1,000.00	\$1,045.83	\$3.70	.73%
Class 1 - assumed 5% return	1,000.00	1,021.17	3.66	.73
Class 1A - actual return	1,000.00	1,044.90	4.92	.97
Class 1A - assumed 5% return	1,000.00	1,019.98	4.86	.97
Class 2 - actual return	1,000.00	1,044.62	4.97	.98
Class 2 - assumed 5% return	1,000.00	1,019.93	4.91	.98
Class 4 - actual return	1,000.00	1,043.26	6.23	1.23
Class 4 - assumed 5% return	1,000.00	1,018.70	6.16	1.23
Growth Fund				
Class 1 - actual return	\$1,000.00	\$1,099.51	\$1.77	.34%
Class 1 - assumed 5% return	1,000.00	1,023.11	1.71	.34
Class 1A - actual return	1,000.00	1,098.14	3.07	.59
Class 1A - assumed 5% return	1,000.00	1,021.87	2.96	.59
Class 2 - actual return	1,000.00	1,098.28	3.07	.59
Class 2 - assumed 5% return	1,000.00	1,021.87	2.96	.59
Class 3 - actual return	1,000.00	1,098.63	2.71	.52
Class 3 - assumed 5% return	1,000.00	1,022.22	2.61	.52
Class 4 - actual return	1,000.00	1,096.83	4.37	.84
Class 4 - assumed 5% return	1,000.00	1,020.63	4.21	.84
International Fund				
Class 1 - actual return	\$1,000.00	\$ 999.79	\$2.58	.52%
Class 1 - assumed 5% return	1,000.00	1,022.22	2.61	.52
Class 1A - actual return	1,000.00	998.70	3.82	.77
Class 1A - assumed 5% return	1,000.00	1,020.98	3.86	.77
Class 2 - actual return	1,000.00	998.45	3.82	.77
Class 2 - assumed 5% return	1,000.00	1,020.98	3.86	.77
Class 3 - actual return	1,000.00	999.00	3.47	.70
Class 3 - assumed 5% return	1,000.00	1,021.32	3.51	.70
Class 4 - actual return	1,000.00	997.25	5.05	1.02
Class 4 - assumed 5% return	1,000.00	1,019.74	5.11	1.02
New World Fund				
Class 1 - actual return	\$1,000.00	\$ 961.10	\$3.65	.75%
Class 1 - assumed 5% return	1,000.00	1,021.08	3.76	.75
Class 1A - actual return	1,000.00	960.11	4.86	1.00
Class 1A - assumed 5% return	1,000.00	1,019.84	5.01	1.00
Class 2 - actual return	1,000.00	959.91	4.86	1.00
Class 2 - assumed 5% return	1,000.00	1,019.84	5.01	1.00
Class 4 - actual return	1,000.00	958.72	6.07	1.25
Class 4 - assumed 5% return	1,000.00	1,018.60	6.26	1.25

See end of tables for footnotes.

	Beginning account value 1/1/2018	Ending account value 6/30/2018	Expenses paid during period ¹	Annualized expense ratio
Blue Chip Income and Growth Fund				
Class 1 - actual return	\$1,000.00	\$1,004.71	\$2.04	.41%
Class 1 - assumed 5% return	1,000.00	1,022.76	2.06	.41
Class 1A - actual return	1,000.00	1,003.23	3.28	.66
Class 1A - assumed 5% return	1,000.00	1,021.52	3.31	.66
Class 2 - actual return	1,000.00	1,002.92	3.28	.66
Class 2 - assumed 5% return	1,000.00	1,021.52	3.31	.66
Class 4 - actual return	1,000.00	1,001.37	4.52	.91
Class 4 - assumed 5% return	1,000.00	1,020.28	4.56	.91
Global Growth and Income Fund				
Class 1 - actual return	\$1,000.00	\$ 992.10	\$3.06	.62%
Class 1 - assumed 5% return	1,000.00	1,021.72	3.11	.62
Class 1A - actual return	1,000.00	990.11	4.29	.87
Class 1A - assumed 5% return	1,000.00	1,020.48	4.36	.87
Class 2 - actual return	1,000.00	991.02	4.29	.87
Class 2 - assumed 5% return	1,000.00	1,020.48	4.36	.87
Class 4 - actual return	1,000.00	988.75	5.52	1.12
Class 4 - assumed 5% return	1,000.00	1,019.24	5.61	1.12
Growth-Income Fund				
Class 1 - actual return	\$1,000.00	\$1,065.81	\$1.43	.28%
Class 1 - assumed 5% return	1,000.00	1,023.41	1.40	.28
Class 1A - actual return	1,000.00	1,064.62	2.71	.53
Class 1A - assumed 5% return	1,000.00	1,022.17	2.66	.53
Class 2 - actual return	1,000.00	1,064.43	2.71	.53
Class 2 - assumed 5% return	1,000.00	1,022.17	2.66	.53
Class 3 - actual return	1,000.00	1,065.03	2.36	.46
Class 3 - assumed 5% return	1,000.00	1,022.51	2.31	.46
Class 4 - actual return	1,000.00	1,063.25	3.99	.78
Class 4 - assumed 5% return	1,000.00	1,020.93	3.91	.78
International Growth and Income Fund				
Class 1 - actual return	\$1,000.00	\$ 981.29	\$3.19	.65%
Class 1 - assumed 5% return	1,000.00	1,021.57	3.26	.65
Class 1A - actual return	1,000.00	979.96	4.42	.90
Class 1A - assumed 5% return	1,000.00	1,020.33	4.51	.90
Class 2 - actual return	1,000.00	980.25	4.42	.90
Class 2 - assumed 5% return	1,000.00	1,020.33	4.51	.90
Class 4 - actual return	1,000.00	978.77	5.64	1.15
Class 4 - assumed 5% return	1,000.00	1,019.09	5.76	1.15
Capital Income Builder				
Class 1 - actual return	\$1,000.00	\$ 978.89	\$2.60	.53%
Class 1 - assumed 5% return	1,000.00	1,022.17	2.66	.53
Class 1A - actual return	1,000.00	977.74	3.82	.78
Class 1A - assumed 5% return	1,000.00	1,020.93	3.91	.78
Class 2 - actual return	1,000.00	976.82	3.82	.78
Class 2 - assumed 5% return	1,000.00	1,020.93	3.91	.78
Class 4 - actual return	1,000.00	976.42	5.05	1.03
Class 4 - assumed 5% return	1,000.00	1,019.69	5.16	1.03

	Beginning account value 1/1/2018	Ending account value 6/30/2018	Expenses paid during period ¹	Annualized expense ratio
Asset Allocation Fund				
Class 1 - actual return	\$1,000.00	\$1,011.43	\$1.40	.28%
Class 1 - assumed 5% return	1,000.00	1,023.41	1.40	.28
Class 1A - actual return	1,000.00	1,009.98	2.64	.53
Class 1A - assumed 5% return	1,000.00	1,022.17	2.66	.53
Class 2 - actual return	1,000.00	1,009.82	2.64	.53
Class 2 - assumed 5% return	1,000.00	1,022.17	2.66	.53
Class 3 - actual return	1,000.00	1,010.71	2.29	.46
Class 3 - assumed 5% return	1,000.00	1,022.51	2.31	.46
Class 4 - actual return	1,000.00	1,008.65	3.88	.78
Class 4 - assumed 5% return	1,000.00	1,020.93	3.91	.78
Global Balanced Fund				
Class 1 - actual return	\$1,000.00	\$ 995.29	\$3.46	.70%
Class 1 - assumed 5% return	1,000.00	1,021.32	3.51	.70
Class 1A - actual return	1,000.00	994.51	4.75	.96
Class 1A - assumed 5% return	1,000.00	1,020.03	4.81	.96
Class 2 - actual return	1,000.00	994.49	4.70	.95
Class 2 - assumed 5% return	1,000.00	1,020.08	4.76	.95
Class 4 - actual return	1,000.00	992.88	5.93	1.20
Class 4 - assumed 5% return	1,000.00	1,018.84	6.01	1.20
Bond Fund				
Class 1 - actual return	\$1,000.00	\$ 982.41	\$1.87	.38%
Class 1 - assumed 5% return	1,000.00	1,022.91	1.91	.38
Class 1A - actual return	1,000.00	981.35	3.09	.63
Class 1A - assumed 5% return	1,000.00	1,021.67	3.16	.63
Class 2 - actual return	1,000.00	980.84	3.09	.63
Class 2 - assumed 5% return	1,000.00	1,021.67	3.16	.63
Class 4 - actual return	1,000.00	980.58	4.32	.88
Class 4 - assumed 5% return	1,000.00	1,020.43	4.41	.88
Global Bond Fund				
Class 1 - actual return	\$1,000.00	\$ 984.61	\$2.76	.56%
Class 1 - assumed 5% return	1,000.00	1,022.02	2.81	.56
Class 1A - actual return	1,000.00	984.53	3.94	.80
Class 1A - assumed 5% return	1,000.00	1,020.83	4.01	.80
Class 2 - actual return	1,000.00	984.07	3.98	.81
Class 2 - assumed 5% return	1,000.00	1,020.78	4.06	.81
Class 4 - actual return	1,000.00	982.94	5.26	1.07
Class 4 - assumed 5% return	1,000.00	1,019.49	5.36	1.07

See end of tables for footnotes.

	Beginning account value 1/1/2018	Ending account value 6/30/2018	Expenses paid during period ¹	Annualized expense ratio
High-Income Bond Fund				
Class 1 - actual return	\$1,000.00	\$1,004.83	\$2.44	.49%
Class 1 - assumed 5% return	1,000.00	1,022.36	2.46	.49
Class 1A - actual return	1,000.00	1,003.71	3.63	.73
Class 1A - assumed 5% return	1,000.00	1,021.17	3.66	.73
Class 2 - actual return	1,000.00	1,003.46	3.68	.74
Class 2 - assumed 5% return	1,000.00	1,021.12	3.71	.74
Class 3 - actual return	1,000.00	1,003.52	3.33	.67
Class 3 - assumed 5% return	1,000.00	1,021.47	3.36	.67
Class 4 - actual return	1,000.00	1,002.74	4.92	.99
Class 4 - assumed 5% return	1,000.00	1,019.89	4.96	.99
Mortgage Fund				
Class 1 - actual return	\$1,000.00	\$ 987.90	\$2.27	.46%
Class 1 - assumed 5% return	1,000.00	1,022.51	2.31	.46
Class 1A - actual return	1,000.00	986.87	3.45	.70
Class 1A - assumed 5% return	1,000.00	1,021.32	3.51	.70
Class 2 - actual return	1,000.00	987.45	3.50	.71
Class 2 - assumed 5% return	1,000.00	1,021.27	3.56	.71
Class 4 - actual return	1,000.00	986.21	4.73	.96
Class 4 - assumed 5% return	1,000.00	1,020.03	4.81	.96
Ultra-Short Bond Fund				
Class 1 - actual return	\$1,000.00	\$1,006.47	\$1.64	.33%
Class 1 - assumed 5% return	1,000.00	1,023.16	1.66	.33
Class 1A - actual return	1,000.00	1,006.48	1.64	.33
Class 1A - assumed 5% return	1,000.00	1,023.16	1.66	.33
Class 2 - actual return	1,000.00	1,005.28	2.88	.58
Class 2 - assumed 5% return	1,000.00	1,021.92	2.91	.58
Class 3 - actual return	1,000.00	1,006.28	2.54	.51
Class 3 - assumed 5% return	1,000.00	1,022.27	2.56	.51
Class 4 - actual return	1,000.00	1,004.73	4.13	.83
Class 4 - assumed 5% return	1,000.00	1,020.68	4.16	.83
U.S. Government/AAA-Rated Securities Fund				
Class 1 - actual return	\$1,000.00	\$ 989.20	\$1.78	.36%
Class 1 - assumed 5% return	1,000.00	1,023.01	1.81	.36
Class 1A - actual return	1,000.00	987.50	2.96	.60
Class 1A - assumed 5% return	1,000.00	1,021.82	3.01	.60
Class 2 - actual return	1,000.00	987.82	3.01	.61
Class 2 - assumed 5% return	1,000.00	1,021.77	3.06	.61
Class 3 - actual return	1,000.00	988.07	2.66	.54
Class 3 - assumed 5% return	1,000.00	1,022.12	2.71	.54
Class 4 - actual return	1,000.00	986.66	4.24	.86
Class 4 - assumed 5% return	1,000.00	1,020.53	4.31	.86

	Beginning account value 1/1/2018	Ending account value 6/30/2018	Expenses paid during period ^{1,2}	Annualized expense ratio ²	Effective expenses paid during period ³	Effective annualized expense ratio ⁴
Managed Risk Growth Fund						
Class P1 - actual return	\$1,000.00	\$1,054.08	\$1.83	.36%	\$3.62	.71%
Class P1 - assumed 5% return	1,000.00	1,023.01	1.81	.36	3.56	.71
Class P2 - actual return	1,000.00	1,052.61	3.16	.62	4.94	.97
Class P2 - assumed 5% return	1,000.00	1,021.72	3.11	.62	4.86	.97
Managed Risk International Fund						
Class P1 - actual return	\$1,000.00	\$ 995.01	\$1.04	.21%	\$3.46	.70%
Class P1 - assumed 5% return	1,000.00	1,023.75	1.05	.21	3.51	.70
Class P2 - actual return	1,000.00	992.36	3.06	.62	5.48	1.11
Class P2 - assumed 5% return	1,000.00	1,021.72	3.11	.62	5.56	1.11
Managed Risk Blue Chip Income and Growth Fund						
Class P1 - actual return	\$1,000.00	\$ 981.97	\$1.08	.22%	\$3.00	.61%
Class P1 - assumed 5% return	1,000.00	1,023.70	1.10	.22	3.06	.61
Class P2 - actual return	1,000.00	979.60	3.04	.62	4.96	1.01
Class P2 - assumed 5% return	1,000.00	1,021.72	3.11	.62	5.06	1.01
Managed Risk Growth-Income Fund						
Class P1 - actual return	\$1,000.00	\$1,034.70	\$1.82	.36%	\$3.28	.65%
Class P1 - assumed 5% return	1,000.00	1,023.01	1.81	.36	3.26	.65
Class P2 - actual return	1,000.00	1,033.87	3.13	.62	4.59	.91
Class P2 - assumed 5% return	1,000.00	1,021.72	3.11	.62	4.56	.91
Managed Risk Asset Allocation Fund						
Class P1 - actual return	\$1,000.00	\$ 998.57	\$1.78	.36%	\$3.17	.64%
Class P1 - assumed 5% return	1,000.00	1,023.01	1.81	.36	3.21	.64
Class P2 - actual return	1,000.00	997.44	3.02	.61	4.41	.89
Class P2 - assumed 5% return	1,000.00	1,021.77	3.06	.61	4.46	.89

¹The "expenses paid during period" are equal to the "annualized expense ratio," multiplied by the average account value over the period, multiplied by the number of days in the period, and divided by 365 (to reflect the one-half year period).

²The "expenses paid during period" and "annualized expense ratio" do not include the expenses of the underlying funds in which each fund invests.

³The "effective expenses paid during period" are equal to the "effective annualized expense ratio," multiplied by the average account value over the period, multiplied by the number of days in the period, and divided by 365 (to reflect the period).

⁴The "effective annualized expense ratio" reflects the net annualized expense ratio of the class plus the class's pro-rata share of the weighted average expense ratio of the underlying funds in which it invests.

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Aligned with investor success

We base our decisions on a long-term perspective, which we believe aligns our goals with the interests of our clients. American Funds Insurance Series portfolio managers average 27 years of investment experience, including 22 years at our company, reflecting a career commitment to our long-term approach.¹

The Capital System

The Capital System combines individual accountability with teamwork. Funds using The Capital System are divided into portions that are managed independently by investment professionals with diverse backgrounds, ages and investment approaches. An extensive global research effort is the backbone of our system.

Superior long-term track record

American Funds Insurance Series equity funds have beaten their comparable Lipper indexes in 93% of 10-year periods and 100% of 20-year periods. Our fixed income funds have beaten comparable Lipper indexes in 69% of 10-year periods and 84% of 20-year periods.² We strive to keep management fees competitive. Over the past 20 years, most funds' fees have been below industry averages.³

¹ Portfolio manager experience as of the American Funds Insurance Series prospectus dated May 1, 2018.

² Based on Class 1 share results for rolling periods through December 31, 2017. Periods covered are the shorter of the fund's lifetime or since the comparable Lipper index inception date. The comparable Lipper indexes are: Global Funds Index (Global Growth Fund), Growth Funds Index (Growth Fund), International Funds Index (International Fund), Emerging Markets Funds Index (New World Fund), Growth & Income Funds Index (Blue Chip Income and Growth Fund, Growth-Income Fund), Balanced Portfolio Funds Index (Asset Allocation Fund), Core Bond Funds Index (Bond Fund), High Yield Funds Index (High-Income Bond Fund) and General U.S. Government Funds Index (U.S. Government/AAA-Rated Securities Fund). The Lipper Global Small-/Mid-Cap Funds Average was used for Global Small Capitalization Fund.

³ Based on management fees for the 20-year period ended December 31, 2017, versus comparable Lipper categories, excluding funds of funds.