

American Funds American Balanced A

Benchmark 1: Morningstar Mod Tgt Risk TR USD
Benchmark 2: Morningstar Mod Tgt Risk TR USD

Morningstar Analyst Rating 04-12-18



Morningstar Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

Gold Silver Bronze Neutral Negative

Pillar Spectrum

⊕ Positive ⊖ Negative ● Neutral

Performance 06-30-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2014	1.49	3.35	0.61	3.14	8.85
2015	0.77	-0.37	-3.55	5.04	1.72
2016	1.77	3.09	1.71	1.79	8.61
2017	4.23	2.32	3.59	4.52	15.47
2018	-1.22	2.12	—	—	—

Trailing	Total	+/- Bmark	+/- Bmark	%Rank	Growth of \$10,000
	Return%	1	2	Cat	
3 Mo	2.12	1.56	1.56	18	10,212
6 Mo	0.87	1.18	1.18	21	10,087
1 Yr	9.22	2.30	2.29	10	10,922
3 Yr Avg	8.63	2.22	2.22	3	12,818
5 Yr Avg	9.33	2.41	2.41	5	15,619
10 Yr Avg	8.42	2.14	2.15	4	22,453
15 Yr Avg	7.77	0.47	0.47	16	30,705

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	5.18	26	1.24	48
5 Yr (estimated)	6.68	20	1.26	46
10 Yr (estimated)	6.69	11	1.01	41

Potential Capital Gain Exposure: 25% of assets

Morningstar's Take by Leo Acheson 04-12-18

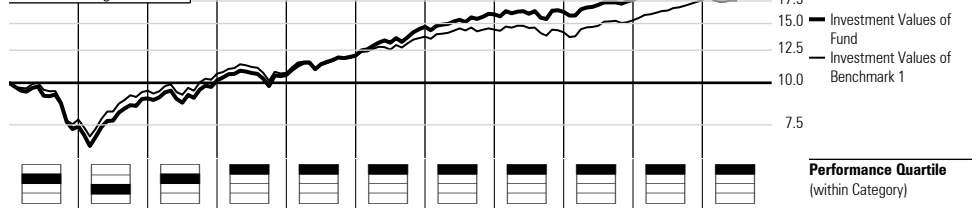
Rock-bottom fees, strong equity selection, and a recently improved fixed-income effort support American Funds American Balanced's Morningstar Analyst Rating of Silver.

American Funds' most prominent strength is equity research. The equity group supporting this fund is tenured and well-resourced, comprising about 30 portfolio managers and 50 analysts. The firm's stock portfolios have turned in broadly impressive results, and this fund is no exception. Attribution analysis indicates that the fund's equity portfolio has meaningfully surpassed the S&P 500 over the past decade.

The fund's also made well-timed asset-allocation moves. Where the fund falls within its typical 60%-65% equity range depends primarily on the bottom-up decisions of the fund's five equity managers and one balanced manager. When valuations warrant, however, principal investment officer Greg Johnson can use flows to expand or contract the equity portfolio. The team has shown good judgment, growing stocks to 74% of assets by year-end 2013 and then gradually cutting equities to 56% by early 2016 before returning it to its typical range

Historical Profile

Return High
Risk Average
Rating ★★★★★
Highest



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	06-18	History
NAV	13.78	16.21	17.93	18.21	20.40	24.42	24.75	23.83	24.81	27.15	27.14	NAV
Total Return %	-25.73	21.08	13.02	3.82	14.19	21.73	8.85	1.72	8.61	15.47	0.87	Total Return %
+/- Bmark 1	-3.54	-0.69	0.68	3.23	2.15	7.42	3.96	3.52	0.04	0.82	1.18	+/- Bmark 1
+/- Bmark 2	-3.54	-0.69	0.68	3.23	2.15	7.42	3.96	3.52	0.04	0.82	1.18	+/- Bmark 2
Income Return %	2.84	3.01	2.24	2.25	2.10	1.87	1.59	1.63	1.87	1.97	0.74	Income Return %
Capital Return %	-28.57	18.07	10.78	1.57	12.09	19.86	7.26	0.09	6.75	13.50	0.13	Capital Return %
Total Rtn % Rank Cat	28	70	30	8	13	7	19	4	24	19	21	Total Rtn % Rank Cat
Income \$	0.54	0.41	0.36	0.40	0.38	0.38	0.39	0.40	0.44	0.49	0.20	Income \$
Capital Gains \$	0.14	0.00	0.00	0.00	0.00	0.00	1.44	0.94	0.61	0.98	0.05	Capital Gains \$
Expense Ratio %	0.61	0.67	0.63	0.62	0.63	0.61	0.59	0.58	0.59	0.57	—	Expense Ratio %
Income Ratio %	2.96	2.80	2.42	1.97	1.94	1.62	1.62	1.69	1.67	1.80	—	Income Ratio %
Turnover Rate %	41	46	37	47	54	55	68	82	79	95	—	Turnover Rate %
Net Assets \$mil	26,974	29,691	31,409	30,716	34,272	42,735	46,917	49,217	55,379	63,563	64,315	Net Assets \$mil

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	2.94			
3 Yr	6.50	High	Avg	★★★★★
5 Yr	8.04	High	Avg	★★★★★
10 Yr	7.78	High	Avg	★★★★★
Incept	10.50			

Other Measures	Standard Index	Best Fit Index
Alpha	2.1	0.9
Beta	1.00	0.62
R-Squared	90	92

Standard Deviation	6.50
Mean	8.63
Sharpe Ratio	1.19

Ticker ABALX
Yield 1.7%
Total Assets \$129,047 mil

Mstar Category
Allocation--50% to 70% Equity

Investment Style
Equity

Growth of \$10,000

Investment Values of Fund
Investment Values of Benchmark 1

Performance Quartile (within Category)

Portfolio Analysis 03-31-18

Total Stocks: 132

Share change since 12-31-17	Sector	YTD Ret %	% Assets
⊖ Microsoft Corp	Technology	—	3.37
⊖ UnitedHealth Group Inc	Hlth Care	—	1.92
⊖ Berkshire Hathaway Inc A	Finan Svcs	—	1.91
⊖ The Home Depot Inc	Cnsmr Cyc	—	1.75
⊕ Wells Fargo & Co	Finan Svcs	—	1.51
⊕ Intel Corp	Technology	—	1.47
⊕ Comcast Corp Class A	Comm Svcs	—	1.35
⊕ Nike Inc B	Cnsmr Cyc	—	1.30
⊖ Philip Morris Internation	Cnsmr Def	—	1.20

Total Fixed Income: 1368	Date of Maturity	Amount 000	Value \$000	% Assets
US Treasury Bill	02-28-19	1,600,000	1,570,816	1.28
US Treasury Note 2.5%	01-31-25	1,321,800	1,307,088	1.07

Equity Style

Style: Blend
Size: Large-Cap

Fixed-Income Style

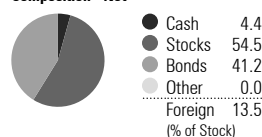
Duration: Moderate
Quality: Medium

Value Measures	Rel Category	Avg Eff Duration ¹	5.9
Price/Earnings	16.98	1.06	—
Price/Book	2.73	1.14	—
Price/Sales	2.27	1.26	—
Price/Cash Flow	10.89	1.14	—
Dividend Yield %	2.33	1.00	—

¹ figure provided by fund as of 03-31-18

Growth Measures			% Rel Category	Sector Weightings	% of Stocks	Rel Bmark 1
Long-Term Erngs	13.18		1.09	Cyclical	36.44	0.87
Book Value	5.78		3.07	BasicMat	4.93	0.89
Sales	3.22		-1.17	CnsmrCyc	11.13	1.00
Cash Flow	7.08		-2.54	FinanSvcs	16.49	0.94
Historical Erngs	12.49		1.24	Real Est	3.89	0.50
Market Cap %				Sensitive	41.40	1.14
Giant	68.7	Small	0.1	CommSvcs	3.64	1.12
Large	25.6	Micro	0.0	Energy	10.40	1.63
Mid	5.5	Avg \$mil:	117,884	Indstrl	5.62	0.50
Composition - Net				Technlgy	21.74	1.40

Composition - Net



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Advisor: Capital Research and Management Company
Subadvisor: None

Minimum Purchase: \$250 Add: \$50 IRA: \$25
Min Auto Inv Plan: \$250 Add: —
Sales Fees: 5.75%L
Management Fee: 0.42% mx/0.20% mn., 0.01%A
Actual Fees: Mgt:0.22% Dist:0.25%
Expense Projections: 3Yr:\$747 5Yr:\$875 10Yr:\$1248
Income Distribution: None