

Fund information

With American Funds since:
July 26, 1975

Objective: The investment objectives of the fund are: (1) conservation of capital, (2) current income and (3) long-term growth of capital and income.

Distinguishing characteristics: Invests primarily in blue chip equities and investment-grade fixed-income securities, using a balanced approach and a U.S. emphasis.

Types of investments: Common stocks and preferred stocks, bonds, convertibles and cash.

Non-U.S. holdings: The fund may invest up to 15% of assets in securities of issuers domiciled outside the United States.

Portfolio restrictions: May not invest more than 75% of assets in common stocks. All of the fund's fixed-income investments must be investment-grade (BBB-/Baa3 and above) at the time of purchase.

Minimum initial investment: \$0
Fund number: 2411 **CUSIP:** 024071 84 7

Investment process

Capital Group's American Funds has helped investors since 1931 with a consistent approach that has led to consistent long-term results. The Capital SystemSM investment process divides funds into portions that are managed independently by investment professionals with diverse backgrounds and approaches, backed by an extensive global research effort.

Expense ratio²

Fund expense ratio 0.63%

Portfolio managers

as of 3/1/16

	Years with Capital Group	Years in Profession
Hilda L. Applbaum	21	29
Andrew F. Barth	31	31
Alan N. Berro	25	30
Gregory D. Johnson	22	22
Michael T. Kerr	31	33
Jeffrey T. Lager	19	21
James R. Mulally	36	40
Dina N. Perry	24	38
Wesley K.-S. Phoa	17	22
John H. Smet	33	34

Portfolio digest

Fiscal years ended December	2015	2014	2013	2012	2011
Fund assets (in millions)	\$84,571.2	\$79,663.7	\$70,887.9	\$55,873.8	\$49,414.5
Portfolio turnover	82%	68%	55%	54%	47%

Holdings: 650 (approximate number of companies/issuers as of most recent fiscal year-end)

Weighted median market capitalization¹: \$122,856.00 million

Figures shown are past results and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current expense ratios and month-end results, visit americanfunds.com.

Class R-4 share returns for periods ended 3/31/16⁴

	Total returns (%)			Average annual total returns (%)			
	Quarter to date	Year to date ^{3,4}	1 year	3 years	5 years	10 years	Fund lifetime
Fund at net asset value (NAV)	1.72	1.72	2.67	8.64	9.19	6.68	10.63
Standard & Poor's 500 Composite Index ^①	1.35	1.35	1.78	11.82	11.58	7.01	N/A
Barclays U.S. Aggregate Index ^①	3.03	3.03	1.96	2.50	3.78	4.90	N/A
Lipper Balanced Funds Index ^①	1.29	1.29	-0.89	6.09	6.44	5.23	N/A

Fund's annualized 30-day SEC yield: 1.60% (for Class R-4 shares at NAV as of 3/31/16)

This material must be preceded or accompanied by a prospectus or summary prospectus for the fund being offered.

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

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing. 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.

There may have been periods when the fund has lagged the index or indexes. Certain market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

Funds are actively managed, so holdings will change.

We offer a range of share classes designed to meet the needs of retirement plan sponsors and participants. The different share classes incorporate varying levels of advisor compensation and service provider payments.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses.

When applicable, investment results reflect fee waivers and/or expense reimbursements, without which results would have been lower. For more information on fee waivers and expense reimbursements, visit americanfunds.com.

¹Capital believes the software and information from FactSet to be reliable. However, Capital cannot be responsible for inaccuracies, incomplete information or updating of the information furnished by FactSet. The information provided in this report is meant to give you an approximate account of the fund/manager's characteristics for the specified date. This information is not indicative of future Capital investment decisions and is not used as part of our investment decision-making process.

²Expense ratios are as of the most recent prospectus available at the time of publication.

Largest equity holdings		as of 3/31/16
	% of net assets	
Microsoft	3.2	
Philip Morris International	2.4	
Comcast	2.3	
Home Depot	2.0	
Berkshire Hathaway	2.0	
Amazon	1.9	
Coca-Cola	1.8	
UnitedHealth Group	1.4	
Wells Fargo	1.4	
JPMorgan Chase	1.3	

Equity sector breakdown		as of 3/31/16
	% of net assets	
Energy	5.5	
Materials	2.8	
Industrials	5.1	
Consumer discretionary	10.4	
Consumer staples	8.0	
Health care	6.6	
Financials	9.1	
Information technology	10.4	
Telecommunication services	0.2	
Utilities	0.6	

Asset mix		as of 3/31/16
	% of net assets	
U.S. stocks	55.1	
Non-U.S. stocks	3.6	
U.S. bonds	30.8	
Non-U.S. bonds	3.2	
Cash & equivalents	7.3	

Equity portion breakdown ⁵ ⓘ			as of 3/31/16
% of net assets	By		
	Domicile	Revenue	
United States	93.9	58	
Canada	1.4	3	
Europe	3.8	12	
Japan	–	3	
Asia-Pacific ex. Japan	–	2	
Emerging Markets	1.0	22	

Rating exposure		as of 3/31/16
	% of net assets	
U.S. Treasuries/Agencies ⁶	13.8	
AAA/Aaa	7.9	
AA/Aa	2.1	
A	5.5	
BBB/Baa	4.6	
BB/Ba	0.0	
B	0.0	
CCC & Below	0.0	
Unrated	0.1	
Cash & equivalents	7.3	
Average life (years)	7.8	
Average duration (years)	5.8	
Average yield to maturity	2.1%	
Average coupon	2.6%	

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. If agency ratings differ, the security will be considered to have received the highest of those ratings, consistent with the fund's investment policies. Securities in the Unrated category have not been rated by a rating agency; however, the investment adviser performs its own credit analysis and assigns comparable ratings that are used for compliance with fund investment policies. Unlike average maturity, average life includes the impact of callable bonds.

³YTD (year-to-date return): the net change in the value of the fund's shares (in percentage terms) from January 1, 2016, to the current date shown above.

⁴Class R-4 shares were first offered on May 15, 2002. Class R-4 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical estimated expenses. View dates of first sale and specific expense adjustment information at americanfunds.com.

⁵Figures include convertible securities; totals may not reconcile due to rounding. Methodology notes: The equity breakdown by revenue reflects the fund's publicly traded equity holdings and excludes cash (and fixed-income securities, if applicable). Underlying revenue data were compiled by MSCI and account for disparities in the way companies report their revenues across geographic segments. MSCI breaks out each company's reported revenues into country-by-country estimates. MSCI provides revenue data figures based on a proprietary, standardized model. Revenue exposure at the fund and index level was calculated by using FactSet, which takes these company revenue exposures and multiplies by the company's weighting in the portfolio and index. In this breakdown, Israel has been included in Europe.

⁶US Treasuries/Agencies are guaranteed or sponsored by the US government.

TERMS & DEFINITIONS ⓘ

S&P 500: A market capitalization-weighted index based on the results of 500 widely held common stocks.

Barclays U.S. Aggregate: Represents the U.S. investment-grade fixed-rate bond market.

Lipper Balanced Funds: Lipper Balanced Funds Index is an equally weighted index of funds that seek to conserve principal by maintaining a balanced portfolio of both stocks and bonds. Typically, the stock/bond ratio ranges around 60%/40% and includes no more than 30 of the largest mutual funds (one share class per fund), in the corresponding Lipper category. Lipper indexes do not reflect sales charges.

The New Geography of Investing: Figures include convertibles; totals may not reconcile due to rounding. Underlying revenue data were compiled by MSCI and account for disparities in the way companies report their revenues. Revenue exposure at the fund and index level was calculated by FactSet using MSCI's underlying revenue data.