American Funds
Insurance Series®
Mortgage Fund
Bond fund
Class 1A Shares
2Q Fact Sheet
Data as of June 30, 2019

Fund Information

**Fund inception:** May 2, 2011
**Objective:** The fund’s investment objective is to provide current income and preservation of capital.
**Distinguishing characteristics:** Invests at least 80% of assets in mortgage-related securities sponsored or guaranteed by the U.S. government and other AAA/Aaa-rated mortgage-related securities.

**Types of investments:** Mortgage-related securities and cash and equivalents.

**Non-U.S. holdings:** Up to 10% of assets may be invested in dollar-denominated high-quality mortgage-related securities from issuers outside the U.S.

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**Fund information:**
- **Portfolio Digest**
  - Fiscal Years Ended December
- **Issuers:** 40 (approximate number as of most recent fiscal year-end)

**Portfolio Managers**
- David J. Betanzos: 17 Years with Capital Group, 19 Years in Profession
- Fergus N. MacDonald: 16 Years with Capital Group, 27 Years in Profession

**Average Annual Total Returns**

<table>
<thead>
<tr>
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<th>Total Returns (%)</th>
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<td>Quarter to Date</td>
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<td>Fund at net asset value (NAV)</td>
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<td>Lipper Intermediate U.S. Government Funds Average</td>
<td>2.31</td>
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**Fund’s annualized 30-day SEC yield (net):** 2.59% (for Class 1A shares at NAV as of 6/30/19)

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 System℠ 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.

Since 1984, American Funds Insurance Series (AFIS) funds have brought The Capital System process to variable insurance products for investors pursuing retirement and other long-term investment goals.

**Expense Ratio**
- Fund expense ratio (%): 0.73

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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.

This material must be preceded or accompanied by a prospectus or summary prospectus for the fund(s) being offered. Unless otherwise indicated, all information is as of June 30, 2019.

The return of principal for bond portfolios and for portfolios with significant underlying bond holdings is not guaranteed. Investments are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Investments in mortgage-related securities involve additional risks, such as prepayment risk.

There may have been periods when the results lagged the index(es). Certain market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. Results for Lipper indexes/averages do not reflect sales charges. Lipper categories are dynamic and averages may have few funds, especially over longer periods. Lipper indexes track the largest mutual funds (no more than 30), represented by one share class per fund, in the corresponding Lipper category. Lipper averages reflect the current composition of all eligible mutual funds (all share classes) within a given category. 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.

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### Largest Fixed-Income Holdings (% of Net Assets)
- Ginnie Mae II: 26.5
- Fannie Mae: 20.4
- U.S. Treasury: 9.8
- Seasoned Credit Risk Transfer Trust Serries 2017-4: 6.6
- Freddie Mac Gold: 6.1

### Distribution Rates and Yields

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<tr>
<td>Annualized 30-day SEC yield</td>
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### Asset Mix (% of Net Assets)
- U.S. Equities: 0.0
- Non-U.S. Equities: 0.0
- U.S. Bonds: 94.1
- Non-U.S. Bonds: 0.0
- Cash & Equivalents: 5.9

### Rating Exposure (% of Net Assets)
- U.S. Treasuries/Agencies: 16.3
- AAA/Aaa: 77.0
- BBB/Baa: 0.8
- Unrated: 0.0
- Cash & equivalents: 6.7

### Portfolio Summary (% of Net Assets)
- Mortgage-backed obligations: 70.5
- U.S. Treasury bonds & notes: 10.8
- Federal agency bonds & notes: 10.4
- Cash & equivalents: 8.3

### Average Life Breakdown (% of Net Assets)
- 0-4.9 Years: 74.5
- 5-9.9 Years: 17.0
- 10-19.9 Years: –
- 20-29.9 Years: 2.6
- 30+ Years: –

### Average Life (years)
- 3.7

### Effective Duration (years)
- 2.8

### Average Yield to Maturity (%)
- 2.1

### Average Coupon (%)
- 3.7

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 portfolio’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 applicable investment policies.

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/afis.

1. Expense ratios are as of the most recent prospectus available at the time of publication.
2. Cash and equivalents includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.
3. The SEC yield reflects the rate at which the fund is earning income on its current portfolio of securities while the 12-month distribution rate reflects the fund’s past dividends paid to shareholders. Accordingly, the fund’s SEC yield and distribution rate may differ.
4. Unlike average maturity, average life includes the impact of callable bonds.

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This content, developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decisions and is not intended to serve as impartial investment or fiduciary advice.

Class 1A shares were first offered on January 6, 2017. Class 1A share results prior to the date of first sale are hypothetical based on Class 1 share results, adjusted for typical estimated expenses. Please see each fund’s most recent shareholder report or prospectus for more information on specific expenses.

**TERMS & DEFINITIONS**

**Bloomberg Barclays U.S. Mortgage Backed Securities**: Bloomberg Barclays U.S. Mortgage Backed Securities Index is a market-value-weighted index that covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). This index is unmanaged, and its results include reinvested distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.

**Lipper Intermediate U.S. Government Funds Average**: Lipper Intermediate U.S. Government Funds Average is composed of funds that invest primarily in securities issued or guaranteed by the U.S. government, its agencies, or its instrumentalities, with dollar-weighted average maturities of five to 10 years. The results of the underlying funds in the average include reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions and other fund expenses, but do not reflect the effect of sales charges, account fees or U.S. federal income taxes.