Objective: To provide long-term growth of capital.

Distinguishing characteristics: The fund normally invests at least 80% of assets in stocks of companies around the world with market capitalization of $4.0 billion or less. The fund may invest up to 10% of assets in bonds rated Baa1/BBB+ or below.

Type of investments: Common stocks, government and corporate debt, cash and equivalents, among others.

Non-U.S. holdings: There is no specific limit. Historically, the fund has invested a substantial portion of assets in the United States because of the number of small-cap opportunities.

Brief market overview

Quarterly review

- U.S. equity markets fluctuated during the quarter, but closed with solid gains. Better-than-forecast first-quarter earnings and hopes of resolution in the trade dispute with China lifted shares early in the quarter. However, shares subsequently retreated as trade tensions swelled between the U.S. and China. Attempts at a resolution proved elusive as the U.S. and China lobbed tariffs and threats to further restrict trade. A sharp selloff took hold in late May on the heels of the U.S. presidential administration threatening tariffs against Mexico over immigration policies. In June, equity markets recovered most of the prior weeks’ losses, boosted by supportive comments from central bankers globally.

- European stocks advanced strongly, with sentiment lifted by signs that the European Central Bank stood ready to reinstate quantitative easing if the eurozone’s inflation outlook does not improve. The eurozone economy expanded by 0.4% quarter-over-quarter over the first three months of the year, double the rate of growth recorded in the final quarter of 2018, but inflation remained subdued. Political risks remained a concern with Italy’s higher spending proposals leading to confrontation with the European Union. U.K. shares delivered positive returns, although the British pound weakened. The Brexit deadline was postponed until October 31 and the country waits to see whether a new prime minister can find a way out of the parliamentary impasse.

- Japanese stocks slipped modestly over the quarter, although a stronger yen meant returns were positive for U.S. investors. Japan’s economy expanded at an annualized pace of 2.2% in the first quarter of the year. The stronger-than-forecast data means that the government will likely press ahead with a planned increase in the Sales Tax during October. Australia was the standout market in the Asia-Pacific region, helped by a cut in interest rates from the Reserve Bank of Australia and an unexpected victory for the ruling coalition government. In contrast, Hong Kong lagged, undermined by mass protests against an extradition bill and weak Chinese stocks.

- Emerging markets stocks delivered mixed returns. Chinese shares were pressured by the re-escalation of the country’s trade dispute with the U.S. In contrast, Russian stocks surged as investors reacted positively to the absence of new sanctions and higher dividend payouts for state-owned companies. Brazilian stocks also generated strong gains, boosted by optimism over much-needed pension reform.
Figures shown are past results for Class 1, 1A, 2 and 4 shares and are not predictive of results in 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. Investing for short periods makes losses more likely. The variable annuities and life insurance contracts that use the series’ funds contain certain fees and expenses not reflected here. For current information and month-end results, visit americanfunds.com/afis. For results reflecting contract-level fees and expenses and for information regarding your contract, contact the insurance company that issues your contract or visit its website.

<table>
<thead>
<tr>
<th>Returns</th>
<th>Total returns</th>
<th>Average annual total returns</th>
<th>Expense ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>For periods ended June 30, 2019 (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Funds Insurance Series - Global Small Capitalization Fund Class 1</td>
<td>4.46</td>
<td>20.30</td>
<td>3.18</td>
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<td>American Funds Insurance Series - Global Small Capitalization Fund Class 1A</td>
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<td>20.21</td>
<td>2.90</td>
</tr>
<tr>
<td>American Funds Insurance Series - Global Small Capitalization Fund Class 2</td>
<td>4.38</td>
<td>20.16</td>
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<tr>
<td>American Funds Insurance Series - Global Small Capitalization Fund Class 4</td>
<td>4.32</td>
<td>20.05</td>
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<tr>
<td>MSCI All Country World Small Cap Index</td>
<td>1.69</td>
<td>15.01</td>
<td>-2.96</td>
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<td>Lipper Global Small-/Mid-Cap Funds Average</td>
<td>3.45</td>
<td>17.42</td>
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<tr>
<td>Fund inception: April 30, 1998</td>
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</table>

Market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. Results for the Lipper indexes/average do not reflect sales charges. 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. Sources: MSCI for MSCI results; and Thomson Reuters Lipper for Lipper results. There have been periods when the fund has lagged the indexes.

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. Please see americanfunds.com for more information. Class 1A shares were first offered on January 6, 2017, and Class 4 shares were first offered on December 14, 2012. Results encompassing periods prior to that date are hypothetical based on Class 1 share results, adjusted for typical estimated expenses. Please see the fund’s most recent shareholder report or prospectus for details. The expense ratios are as of the fund’s prospectus available at the time of publication.
Global Small Capitalization Fund
As of June 30, 2019

2Q Quarterly analysis

Sector weights

<table>
<thead>
<tr>
<th>Sector</th>
<th>Portfolio</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENG</td>
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<tr>
<td>RE</td>
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<td>11.1</td>
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<tr>
<td>CA</td>
<td>8.5</td>
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</tr>
</tbody>
</table>

Index* = Average weights for time period. Figures may not reconcile due to rounding.

Active weights versus MSCI ACWI Smallcap Index

Portfolio

Sector attribution

<table>
<thead>
<tr>
<th>Sector</th>
<th>Value added (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENG</td>
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<tr>
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<tr>
<td>IND</td>
<td>-8</td>
</tr>
<tr>
<td>CD</td>
<td>-11</td>
</tr>
<tr>
<td>CS</td>
<td>8</td>
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<tr>
<td>HC</td>
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<tr>
<td>FIN</td>
<td>-2</td>
</tr>
<tr>
<td>IT</td>
<td>3</td>
</tr>
<tr>
<td>COM</td>
<td>-7</td>
</tr>
<tr>
<td>UTL</td>
<td>3</td>
</tr>
<tr>
<td>RE</td>
<td>-7</td>
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Security

<table>
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<th>Security</th>
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<td>ENG</td>
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<tr>
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<tr>
<td>IND</td>
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<tr>
<td>CD</td>
<td>14</td>
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<td>CS</td>
<td>54</td>
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<tr>
<td>HC</td>
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<td>IT</td>
<td>-1</td>
</tr>
<tr>
<td>COM</td>
<td>-2</td>
</tr>
<tr>
<td>UTL</td>
<td>39</td>
</tr>
</tbody>
</table>

Commentary

• Security selection and a significant position in the information technology sector helped relative results. In the sector, stock selection in the software industry further boosted results, helped by a significant position in Paycom Software.

• Stock selection in the health care sector contributed to relative results. Within health care, security selection in health care equipment and supplies companies further added to results, helped by a larger-than-index position in Insulet Corporation.

• Investment selection in the industrials sector improved relative results. In the sector, investment selection in industrial conglomerates companies further drove results.

• At the individual security level, the top contributors to relative results were Insulet Corporation in the health care equipment and supplies industry and WHA Corporation Public Company Limited in the real estate management and development industry.

• A lower-than-index position and investment selection in the utilities sector took away from relative results. Within utilities, stock selection in the gas utilities industry further negatively impacted results.

• Stock selection in the materials sector hurt relative results. In materials, a lower-than-index position in metals and mining companies also detracted from results.

• At the individual security level, the top detractors from relative results included NuCana plc Sponsored in the biotechnology industry and Bharat Financial Inclusion Limited in the consumer finance industry.

*Average weights for time period. Figures may not reconcile due to rounding.
Global Small Capitalization Fund
As of June 30, 2019

2Q Quarterly analysis

Regional weights
Active weights versus MSCI ACWI Smallcap Index

<table>
<thead>
<tr>
<th>Region</th>
<th>Canada</th>
<th>Eurozone</th>
<th>Japan</th>
<th>Emerging Markets</th>
<th>Other Europe</th>
<th>Pacific ex Japan</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio*</td>
<td>1.2</td>
<td>7.5</td>
<td>5.5</td>
<td>19.1</td>
<td>5.0</td>
<td>2.7</td>
<td>8.6</td>
<td>41.9</td>
</tr>
<tr>
<td>Index*</td>
<td>3.2</td>
<td>8.1</td>
<td>10.5</td>
<td>9.9</td>
<td>5.5</td>
<td>4.2</td>
<td>6.5</td>
<td>52.1</td>
</tr>
</tbody>
</table>

*Average weights for time period. Figures may not reconcile due to rounding.

Regional attribution

<table>
<thead>
<tr>
<th>Region</th>
<th>Canada</th>
<th>Eurozone</th>
<th>Japan</th>
<th>Emerging Markets</th>
<th>Other Europe</th>
<th>Pacific ex Japan</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region selection</td>
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<td>-14</td>
<td>-2</td>
<td>2</td>
<td>5</td>
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<td>-7</td>
<td>89</td>
<td>29</td>
<td>-8</td>
<td>-42</td>
<td>141</td>
</tr>
</tbody>
</table>

Commentary

- Security selection in the U.S. added to relative results, impacted by a substantial investment in Insulet Corporation.
- Investment selection in emerging markets improved relative results. In the region, investment selection in Korea helped results.
- Additionally, investment selection in the euro zone contributed to relative results. Within the region, security selection in Germany boosted results.
- Stock selection in the U.K. detracted from relative results.
- Security selection in Pacific ex Japan detracted from relative results. In the region, a substantial investment in Hong Kong hurt results.
## Quarterly analysis

### Top five security contributors versus MSCI ACWI Smallcap Index

<table>
<thead>
<tr>
<th>Company</th>
<th>Portfolio* %</th>
<th>Index* %</th>
<th>Relative contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insulet Corporation</td>
<td>2.47</td>
<td>0.09</td>
<td>0.53</td>
</tr>
<tr>
<td>ISR: WHA Corporation Public Company Limited</td>
<td>0.49</td>
<td>0.02</td>
<td>0.33</td>
</tr>
<tr>
<td>Haemonetics Corporation</td>
<td>0.76</td>
<td>0.08</td>
<td>0.24</td>
</tr>
<tr>
<td>International Container Terminal Services, Inc.</td>
<td>1.34</td>
<td>0.00</td>
<td>0.22</td>
</tr>
<tr>
<td>Paycom Software, Inc.</td>
<td>1.47</td>
<td>0.10</td>
<td>0.21</td>
</tr>
</tbody>
</table>

* Average position for quarter; portfolio holdings change.

### Bottom five security contributors versus MSCI ACWI Smallcap Index

<table>
<thead>
<tr>
<th>Company</th>
<th>Portfolio* %</th>
<th>Index* %</th>
<th>Relative contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>NuCana plc Sponsored ADR</td>
<td>0.66</td>
<td>0.00</td>
<td>-0.33</td>
</tr>
<tr>
<td>Bharat Financial Inclusion Limited</td>
<td>0.72</td>
<td>0.02</td>
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</tr>
<tr>
<td>Mattel, Inc.</td>
<td>0.87</td>
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</tr>
<tr>
<td>Nihon M&amp;A Center Inc.</td>
<td>1.06</td>
<td>0.06</td>
<td>-0.15</td>
</tr>
<tr>
<td>SM Energy Company</td>
<td>0.35</td>
<td>0.02</td>
<td>-0.12</td>
</tr>
</tbody>
</table>

* Average position for quarter; portfolio holdings change.

---

**Insulet**

Insulet is a medical device company offering the OmniPod System, an insulin delivery mechanism for people with insulin-dependent diabetes, which replaces the need for traditional needle injections. Shares rose after the company reported a strong set of first-quarter results and raised its revenue guidance for 2019. Total first-quarter revenue rose 29% year over year to $159.6 million, with a 48% rise in international revenue from its OmniPod product. Insulet claimed it was on course to meet its target for revenue to reach $1 billion by 2021.

---

The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.
Global Small Capitalization Fund
As of June 30, 2019

YTD Year-to-date analysis

Sector weights

<table>
<thead>
<tr>
<th>Sector</th>
<th>ENG</th>
<th>MAT</th>
<th>IND</th>
<th>CD</th>
<th>CS</th>
<th>HC</th>
<th>FIN</th>
<th>IT</th>
<th>COM</th>
<th>UTL</th>
<th>RE</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index*</td>
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<td>4.0</td>
<td>13.8</td>
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<td>17.9</td>
<td>2.7</td>
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<tr>
<td>Portfolio*</td>
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<td>16.7</td>
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<td>13.2</td>
<td>3.7</td>
<td>3.1</td>
<td>11.0</td>
<td>-----</td>
</tr>
</tbody>
</table>

*Average weights for time period. Figures may not reconcile due to rounding.

Sector attribution

<table>
<thead>
<tr>
<th>Sector</th>
<th>ENG</th>
<th>MAT</th>
<th>IND</th>
<th>CD</th>
<th>CS</th>
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<td>200</td>
<td>250</td>
<td>0</td>
<td>100</td>
<td>200</td>
<td>300</td>
<td>400</td>
</tr>
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</table>

Commentary

- Stock selection and a larger-than-index position in the information technology sector drove relative results. In information technology, stock selection in the software industry further improved results, helped by a substantial investment in Paycom Software.
- Security selection in the industrials sector added to relative results. In the sector, security selection in the transportation infrastructure industry also helped results, helped by investment selection in International Container Terminal Services.
- In addition, investment selection and a significant position in the health care sector contributed to relative results. Within health care, stock selection in the pharmaceuticals industry also boosted results, helped by investment selection in GW Pharmaceuticals PLC.
- In terms of individual securities, the top contributors to relative results were GW Pharmaceuticals PLC in the pharmaceuticals industry and Paycom Software in the software industry.
- Investment selection in the materials sector took away from relative results. In the sector, security selection in the containers and packaging industry further negatively impacted results.
- Stock selection in the energy sector detracted from relative results. Within energy, investment selection in oil, gas and consumable fuels companies also detracted from results.
- Additionally, a lower investment in the utilities sector detracted from relative results. In utilities, a lower investment in multi-utilities companies further hurt results.
- At the security level, the top detractors from relative results included Evolent Health in the health care technology industry and Allakos in the biotechnology industry.

ENG=ENERGY, MAT=MATERIALS, IND=INDUSTRIALS, CD=CONSUMER DISCRETIONARY, CS=CONSUMER STAPLES, HC=HEALTH CARE, FIN=FINANCIALS, IT=INFORMATION TECHNOLOGY, COM=COMMUNICATION SERVICES, UTL=UTILITIES, RE=REAL ESTATE, CA=CASH
Global Small Capitalization Fund
As of June 30, 2019

YTD Year-to-date analysis

Regional weights

Active weights versus MSCI ACWI Smallcap Index

<table>
<thead>
<tr>
<th>Region</th>
<th>Portfolio</th>
<th>Index*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
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<td>3.2</td>
</tr>
<tr>
<td>Eurozone</td>
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<td>Emerging Markets</td>
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<td>Other Europe</td>
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<td>UK</td>
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<td>6.5</td>
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<tr>
<td>USA</td>
<td>42.5</td>
<td>52.0</td>
</tr>
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</table>

*Average weights for time period. Figures may not reconcile due to rounding.

Commentary

- Investment selection in the U.S. drove relative results, impacted by a substantial position in Paycom Software.
- Security selection in emerging markets boosted relative results. Within the region, security selection in Korea added to results.
- Additionally, a lower investment in Japan improved relative results.
- A lower position in Canada took away from relative results.
GW Pharmaceuticals
GW Pharmaceuticals is a U.K. biopharmaceutical company that develops plant-derived cannabinoid therapeutics and is best known for its multiple sclerosis treatment product, Sativex nabiximols (brand name Sativex). Shares rallied after fiscal first-quarter earnings and revenue beat forecasts, with strong performance from its newly launched child epilepsy treatment Epidiolex, the first cannabis-based drug to be approved by U.S. regulators. Commercial metrics for Epidiolex exceeded forecasts, boosting sentiment on the outlook given potential for further indications and approvals for the drug.

International Container Terminal Services
International Container Terminal Services (ICTS) is a port management company based in the Philippines. Shares were buoyed by strong financial results, with impressive operational performance across its terminals in Australia and Colombia. ICTS’ net attributable income jumped by 77% over the first three months of the year versus the same period in 2018. New shipping lines helped boost the overall volume of goods handled. There was also a rise in revenues from non-containerized cargoes, storage and ancillary services.

Allakos
Allakos is a clinical-stage biopharmaceutical company, focused on developing therapeutic antibodies to fight allergic, inflammatory and proliferative diseases. While the slide in the stock price appeared to be mainly driven by trading activity, fourth-quarter earnings also disappointed estimates, as losses increased on the back of higher research and development expenses. The slide in the share price during the first half of the period came despite Allakos unveiling positive results from clinical trials for inflammatory skin disease and indolent systemic mastocytosis (ISM), a disorder related to increased levels of mast cells throughout the body.

The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.
Global Small Capitalization Fund
As of June 30, 2019

Attribution methodology disclosure
Equity attribution data was produced using FactSet, a third-party software system, based on daily portfolios. Securities in their initial period of acquisition may not be included in this analysis. The analysis includes equity investments only and excludes forward contracts and fixed-income investments, if applicable. It does not account for buy and sell transactions that might have occurred intraday. As a result, average portfolio weight percentages are approximate and the actual average portfolio weight percentages might be higher or lower. Data elements such as pricing, income, market cap, etc., were provided by FactSet. The index provided for attribution is based on FactSet’s methodology. The index is a broad-based market benchmark and may not be used by Capital Group as the sole comparative index for this fund. Capital believes the software and information from FactSet to be reliable. However, Capital cannot be responsible for inaccuracies, incomplete information or updating of information by FactSet. Past results are not predictive of results in future periods.

Portfolio manager years of experience

<table>
<thead>
<tr>
<th>Portfolio managers</th>
<th>Years with Capital Group</th>
<th>Years in profession</th>
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<tbody>
<tr>
<td>Bradford F. Freer</td>
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<td>27</td>
</tr>
<tr>
<td>Claudia P. Huntington</td>
<td>44</td>
<td>46</td>
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<tr>
<td>Harold H. La</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>Aidan O’Connell</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>Gregory W. Wendt</td>
<td>32</td>
<td>32</td>
</tr>
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</table>

Index definitions
MSCI All Country World Small Cap Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market results of smaller capitalization companies in both developed and emerging markets. Results reflect dividends net of withholding taxes. This index is unmanaged, and its results include reinvested dividends and/or distributions, but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes. This index was not in existence as of the date the fund began investment operations; therefore, lifetime results are not available.

The Lipper Global Small-/Mid-Cap Funds Average is composed of funds that invest at least 75% of their equity assets in companies both inside and outside of the United States with market capitalizations (on a three-year weighted basis) below Lipper’s global large-cap floor.

Although the American Funds Insurance Series funds are compared to their benchmarks, portfolio managers manage the funds consistent with each fund’s investment objectives.

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Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectus and summary prospectus, which can be obtained from a financial professional and should be read carefully before investing. 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. Small-company stocks entail additional risks, and they can fluctuate in price more than larger company stocks.