Managed risk funds seek to improve retirement outcomes by helping to limit losses during market declines.

At Capital Group, we recognize that limiting the volatility of returns and preserving assets may be high priorities for investors who are:

- Risk-averse
- Near, or in, retirement
- Drawing on investment income

For these investors, Capital Group offers a diverse set of managed risk funds that seek to:

- Stabilize portfolio volatility
- Capture growth in up markets
- Defend against losses during sustained market declines

Each of our managed risk funds provides investors with a diversified portfolio combined with a dynamic risk management strategy. This combination seeks to generate strong risk-adjusted returns over full market cycles.

Our managed risk funds are diversified across asset classes, each of which can react differently to changing market conditions. For instance, a fixed income allocation may provide an initial level of protection against equity market declines.

In addition to asset allocation, the funds integrate the following risk management elements:

**Volatility management**

This risk management element aims to keep the portfolio’s volatility from increasing significantly during periods of market turbulence.

- If market volatility increases significantly, short equity futures are established to reduce the equity exposure of the fund.
- When market volatility declines, holdings of futures are adjusted to restore the equity exposure and preserve market participation.

**Capital protection**

This second risk management element seeks to defend against sustained market declines that can occur without a preceding increase in volatility.

- Futures positions are dynamically adjusted to provide put-like protection in the portfolio with the goal of preserving capital.
- The Managed Risk Growth-Income Fund employs equity index put options as an additional type of hedge to help provide further downside protection, especially during sudden and severe market downturns.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. American Funds Insurance Series managed risk funds are only available within variable annuity contracts issued by insurance companies.
American Funds Insurance Series managed risk funds align with a broad range of investment objectives.

<table>
<thead>
<tr>
<th>Fund category</th>
<th>Growth</th>
<th>Growth</th>
<th>Growth-and-income</th>
<th>Growth-and-income</th>
<th>Asset allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund name</td>
<td>Managed Risk Growth Fund</td>
<td>Managed Risk International Fund</td>
<td>Managed Risk Blue Chip Income and Growth Fund</td>
<td>Managed Risk Growth-Income Fund</td>
<td>Managed Risk Asset Allocation Fund</td>
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<td>Objective</td>
<td>Provide growth of capital while seeking to manage volatility and provide downside protection.</td>
<td>Provide long-term growth of capital while seeking to manage volatility and provide downside protection.</td>
<td>Produce income exceeding the average yield on U.S. stocks generally and 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.</td>
<td>Achieve long-term growth of capital and income while seeking to manage volatility and provide downside protection.</td>
<td>Provide high total return (including income and capital gains) consistent with preservation of capital over the long term while seeking to manage volatility and provide downside protection.</td>
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<tr>
<td>Dynamic risk management strategy*</td>
<td>• Volatility management</td>
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<td>• Capital protection – futures</td>
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<td>Target allocation</td>
<td><img src="chart1" alt="Growth Fund 80% Bond Fund 15% Cash and equivalents 1 5%" /></td>
<td><img src="chart2" alt="International Fund 80% Bond Fund 15% Cash and equivalents 1 5%" /></td>
<td><img src="chart3" alt="Blue Chip Income and Growth Fund 80% U.S. Government/AAA-Rated Securities Fund 15% Cash and equivalents 1 5%" /></td>
<td><img src="chart4" alt="Growth-Income Fund 80% Bond Fund 15% Cash and equivalents 1 5%" /></td>
<td><img src="chart5" alt="Asset Allocation Fund 95% Cash and equivalents 1 5%" /></td>
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</tbody>
</table>

*The managed risk strategy is operated by Milliman Financial Risk Management LLC.

1 Cash and equivalents includes short-term securities, accrued income, Treasury futures and other assets less liabilities and supports the fund’s managed risk strategy.

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. Past results are not predictive of results in future periods.

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.

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.

Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds.

Futures and options may not provide an effective hedge of the underlying securities because changes in the prices of futures and options may not track those of the securities they are intended to hedge. In addition, the managed risk strategy may not effectively protect the fund from market declines and will limit the fund’s participation in market gains. The use of the managed risk strategy could cause the fund’s return to lag that of the underlying fund(s) in certain market conditions.

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