

About American Balanced Fund

**Ticker symbol (R-6 shares):** RLBGX  
**Began operations:** July 26, 1975

**Benchmarks:** S&P 500 Index; Bloomberg U.S. Aggregate Index; a blend of S&P 500 (60%) and Bloomberg U.S. Aggregate Index (40%)<sup>1</sup>

**Peer group:** Morningstar Moderate Allocation Category Average

**Objective:** Conservation of capital, current income and long-term growth of capital and income

Equity portfolio:

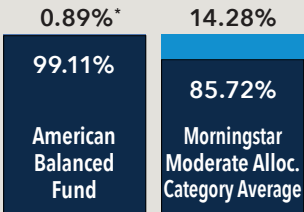
Weighted average dividend yield for top 20 holdings (as of 3/31/25)



Fixed income portfolio:

Credit quality (as of 3/31/25)

- Rated BB and below/not rated
- Rated BBB and above



Source: Capital Group. Unless otherwise indicated, data is as of March 31, 2025, and fund data is for Class R-6 shares. The fund does not purchase below-investment-grade bonds (BB/Ba and below).

\*The 0.89% includes 0.86% in unrated bonds and 0.03% in bonds rated BB and below that may have been downgraded after their initial purchase. Totals may not reconcile due to rounding.

A quality balanced fund aiming for a smoother ride over the long term

Simplified retirement plan menus with broader investment strategies can help 1) improve participant outcomes 2) streamline the governance process for plan sponsors and 3) enable deeper due diligence.

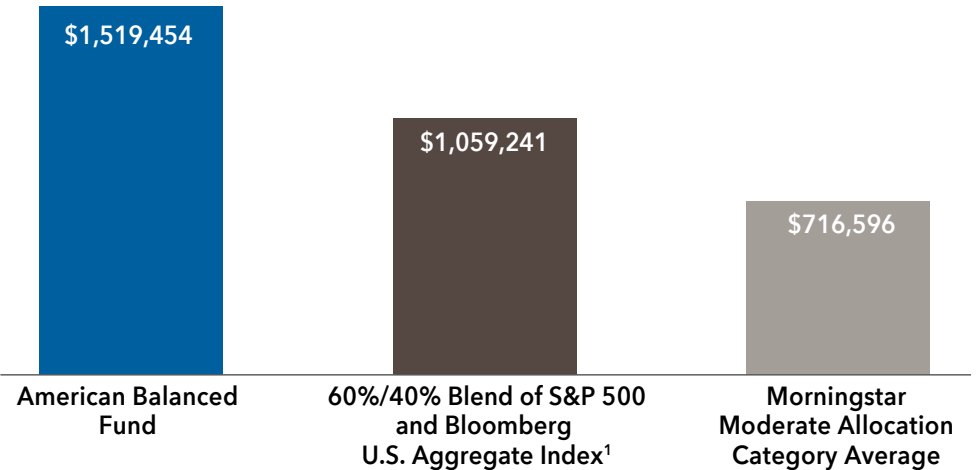
American Balanced Fund may fit this approach as:

- A high-quality traditional balanced option with a focus on conservation of capital
- A possible choice for a qualified default investment alternative (QDIA)

Figures shown are past results for Class R-6 shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit [capitalgroup.com/retire](https://capitalgroup.com/retire).

A 49-year legacy of success

By March 31, 2025, an initial \$10,000 hypothetical investment made on July 26, 1975, would have grown to more than:



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

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 any of the rating agencies referenced above; however, the investment adviser performs its own credit analysis and assigns comparable ratings that are used for compliance with fund investment policies.

The market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the fund has lagged the indexes. Past results are not predictive of future results.

If used after June 30, 2025, this literature must be accompanied by the most recent American Funds quarterly statistical update.

This literature must be preceded or accompanied by a prospectus or summary prospectus for American Balanced Fund.

## Key fund statistics as of 3/31/25

### Asset mix

	Fund
<b>Total stocks</b>	<b>62.2%</b>
U.S. stocks	55.1
Non-U.S. stocks	7.1
<b>Total bonds</b>	<b>34.1</b>
U.S. bonds	30.7
Non-U.S. bonds	3.4
<b>Cash &amp; equivalents*</b>	<b>3.7</b>

### Equities sector exposure

	Fund†	S&P 500
Information technology	13.9%	29.6%
Financials	8.9	14.7
Health care	8.0	11.2
Industrials	7.0	8.5
Communication services	6.0	9.2
Consumer staples	5.6	6.1
Consumer discretionary	4.7	10.3
Energy	3.0	3.7
Materials	2.3	2.0
Utilities	1.6	2.5
Real estate	1.1	2.3

### Fixed income exposure

	Fund‡	Index
Credit	29.3%	26.6%
Securitized	45.9	26.8
Government	21.6	45.5
Emerging markets debt	3.2	1.1
High yield	0.0	0.0

### Key statistics – Fixed income invested portfolio

	Fund	Index
Effective duration (years)	6.3	6.0
Yield to maturity (%)	4.9	4.6
Yield to worst (%)	4.9	4.6
Average coupon (%)**	4.1	3.6
Option adjusted spread (bps)	61.5	36.0
Issuers	1,029	4,158

Portfolios are managed, so holdings will change. Certain fixed income and/or cash and equivalents holdings may be held through mutual funds managed by the investment adviser or its affiliates that are not offered to the public.

“Index” above refers to the Bloomberg U.S. Aggregate Index. Totals may not reconcile due to rounding.

\*Cash & equivalents includes short-term securities, accrued income and other assets less liabilities.

\*\*An average coupon is the weighted average coupon rate of all the bonds in a fund. It is updated quarterly.

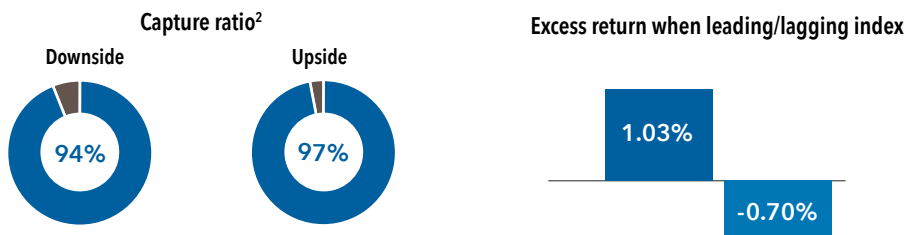
†Fund equities sector exposure is shown as a percentage of equity.

‡Fund fixed income exposure is shown as a percentage of fixed income.

## The fund has demonstrated valuable downside resilience

Looking at an average of rolling 10-year periods, the fund captured less of the index's downturns while outpacing the blended benchmark by a greater magnitude than it lagged.

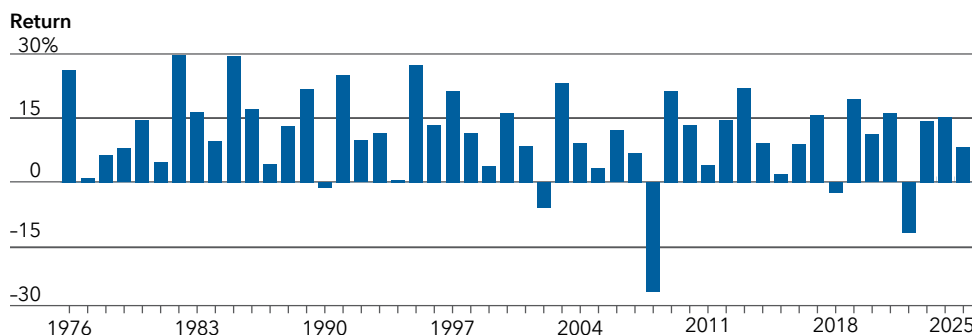
### Average monthly rolling 10-year periods capture ratio over fund lifetime vs. blended index



Source: Capital Group. Data as of March 31, 2025. Index consists of a 60% weighting of the S&P 500 Index and 40% weighting of the Bloomberg U.S. Aggregate Index. Prior to the inception of the Bloomberg U.S. Aggregate Index, the Bloomberg U.S. Government/Credit Index was used from July 27, 1975 through January 1, 1976.

## Down years have been rare

**Durable results over multiple market cycles.** In its 49-year history, American Balanced Fund has seen only **five** calendar years with negative returns. For context, the S&P 500 Index, the 60%/40% blend of the S&P 500 and Bloomberg U.S. Aggregate Index, and the Morningstar peer category have each experienced **nine** down years.



## Higher Sharpe ratio illustrates better risk-return profile

- When comparing Sharpe ratios below, the fund's ratio remained significantly higher than its peers as represented by the Morningstar Moderate Allocation Category Average.
- The higher the number, the better the fund's historical risk-adjusted results; however, past results are no guarantee of results in future periods. The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

10 years ended March 31, 2025	Sharpe ratio	Peer group percentile rank	Funds in peer group
<b>American Balanced Fund</b>	<b>0.67</b>	<b>8</b>	<b>490</b>
60%/40% S&P 500/Bloomberg U.S. Aggregate Index	0.64	—	—
S&P 500	0.72	—	—
Bloomberg U.S. Aggregate Index	-0.08	—	—
Morningstar Moderate Allocation Category Average (peers)	0.45	—	—

Sources: Capital Group, Morningstar. Rankings are based on the fund's Sharpe ratio within the applicable Morningstar category and do not reflect sales charges, account fees or taxes.

## Experience and multiple perspectives inform our investment decisions

- Twelve portfolio managers with a median 27 years of investment industry experience as of the prospectus dated March 1, 2025.
- Fund managers are compensated with an emphasis on long-term results.<sup>3</sup>

## Low fees

The fund's expense ratio was less than one-half of the median for its peer group, as of the most recent prospectus available at the time of publication.




	Expense ratio
American Balanced Fund	0.25%
Morningstar fee-level peer median	0.61% <sup>4</sup>

## Industry recognition for American Balanced Fund

- ✓ American Balanced Fund received a Morningstar Medalist Rating™ of Silver.<sup>5</sup>
- ✓ A Morningstar "Thrilling 36" fund<sup>6</sup>



## DC Focus Funds that can help enhance and simplify the core menu

QDIA: Foundational*	 U.S. equity: Streamline	 International equity: Broaden	 U.S. fixed income: Anchor
<ul style="list-style-type: none"> <li>American Funds Target Date Retirement Series®</li> <li><b>American Balanced Fund</b></li> </ul>	<ul style="list-style-type: none"> <li>AMCAP Fund®</li> <li>The Growth Fund of America®</li> <li>Washington Mutual Investors Fund</li> </ul>	<ul style="list-style-type: none"> <li>EUPAC Fund™†</li> <li>New Perspective Fund®</li> </ul>	<ul style="list-style-type: none"> <li>The Bond Fund of America®</li> <li>American Funds Strategic Bond Fund</li> </ul>

To learn more about our proposed menu framework, our Defined Contribution Focus Funds and our recordkeeping solutions, please visit [capitalgroup.com/advisor/retirement-plans/investments.html](https://capitalgroup.com/advisor/retirement-plans/investments.html).

\*Plan sponsors should consult a financial professional before selecting an investment option other than a target date series as a QDIA.

†Effective June 1, 2025, EuroPacific Growth Fund® is now EUPAC Fund.

### Important information – Investment results (%)

As of March 31, 2025	Average annual total returns					Gross expense ratio (%)	30-day SEC yield (%) 5/31/25	10-year standard deviation <sup>7</sup>
	1 year	3 years	5 years	10 years	Lifetime			
<b>American Balanced Fund (R-6)</b>	<b>8.36</b>	<b>6.52</b>	<b>11.14</b>	<b>8.36</b>	<b>10.64</b>	<b>0.25</b>	<b>2.51</b>	<b>9.76</b>
60%/40% S&P 500/Bloomberg U.S. Aggregate Index <sup>1</sup>	7.02	5.78	10.88	8.22	9.84	—	—	10.18
S&P 500 Index	8.25	9.06	18.59	12.50	11.72	—	—	15.38
Bloomberg U.S. Aggregate Index	4.88	0.52	-0.40	1.46	6.58	—	—	5.02
Morningstar Moderate Allocation Category Average	5.41	4.30	10.14	6.33	8.98	0.61	—	10.64

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The expense ratio is as of the fund's prospectus available at the time of publication. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower. Visit [capitalgroup.com](https://capitalgroup.com) for more information.

The SEC yield reflects the rate at which the fund is earning income on its current portfolio of securities while the dividend yield reflects the fund's past dividends paid to shareholders. Accordingly, the fund's SEC yield and dividend yield may differ.

Past results are not predictive of future results.

**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 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.

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. Because Class R-6 shares do not include any recordkeeping payments, expenses are lower and results are higher. Other share classes that include recordkeeping costs have higher expenses and lower results than Class R-6. Class R-6 shares were first offered on May 1, 2009. Class R-6 share results prior to the date of first sale are hypothetical based on results of the original share class without a sales charge, adjusted for typical estimated expenses. Refer to the fund's prospectus for more information on specific expenses.

Bloomberg U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market.

Effective duration is a duration calculation for bonds that takes into account that expected cash flows will fluctuate as interest rates change; yield to maturity is the rate of return anticipated on a bond if it is held until the maturity date; yield to worst is the lowest yield that can be realized by either calling or putting on one of the available call/put dates, or holding a bond to maturity; option-adjusted spread is a yield-spread calculation used to value securities with embedded options.

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S&P 500 Index is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. The S&P 500 Index ("Index") is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2025 S&P Dow Jones Indices LLC, a division of S&P Global, and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. The **Morningstar Moderate Allocation Category Average** includes funds that typically seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative-allocation portfolios. These portfolios typically have 50% to 70% of assets in equities and the remainder in fixed income and cash.

Morningstar Moderate Allocation Category Average seeks to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderate strategies seek to balance preservation of capital with appreciation. They typically expect volatility similar to a strategic equity exposure between 50% and 70%.

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<sup>1</sup>60%/40% S&P 500 Index/Bloomberg U.S. Aggregate Index blends the S&P 500 with the Bloomberg U.S. Aggregate Index by weighting their cumulative total returns at 60% and 40%, respectively. The blend is rebalanced monthly.

The indexes are unmanaged, and results include reinvested distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.

<sup>2</sup>Up (down) capture ratio is the ratio of a fund's return during periods when the index was up (down), divided by the return of the index during those periods. For example, an up-capture ratio greater than 100 indicates the fund produced a higher return than the index during periods when the index was up. Conversely, during periods when the index was down, a down-capture ratio greater than 100 indicates the fund produced a lower return than the index.

<sup>3</sup>Compensation paid to our investment professionals is heavily influenced by investment results over one-, three-, five- and eight-year periods. Increasing weight is placed on each successive measurement period to encourage a long-term investment approach.

<sup>4</sup>As of March 31, 2025. The peer group expense ratio median was calculated based on funds in the following Morningstar Fee Level Group – Distribution category: Moderate Allocation Retirement, Large.

<sup>5</sup>As of March 14, 2025. Based on Class R-6 shares. The Morningstar Medalist Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Medalist Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Medalist Rating of Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Medalist Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Medalist Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Medalist Rating, including its methodology, please go to [global.morningstar.com/managerdisclosures](https://global.morningstar.com/managerdisclosures).

**The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.**

<sup>6</sup>Source: Morningstar, "The Thrilling 36" by Russel Kinnel, August 20, 2024. Morningstar's screening took into consideration expense ratios, manager ownership, returns over manager's tenure, and Morningstar Risk, Medalist and Parent ratings. The universe was limited to share classes accessible to individual investors with a minimum investment no greater than \$50,000, did not include funds of funds, and must be rated by Morningstar analysts. Class A shares were evaluated for American Funds. American Funds Target Date Retirement Series invests in Class R-6 shares of the underlying American Funds. Not all seven American Funds strategies are in each target date fund. Visit [morningstar.com](https://morningstar.com) for more details.

<sup>7</sup>Annualized standard deviation (based on monthly returns at net asset value) is a common measure of absolute volatility that represents how returns over time have varied from the mean. A lower number signifies lower volatility.

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Although target date portfolios are managed for investors on a projected retirement date time frame, the allocation strategy does not guarantee that investors' retirement goals will be met. Investment professionals manage the portfolio, moving it from a more growth-oriented strategy to a more income-oriented focus as the target date gets closer. The target date is the year that corresponds roughly to the year in which an investor is assumed to retire and begin taking withdrawals. Investment professionals continue to manage each portfolio for approximately 30 years after it reaches its target date.

Capital Client Group, Inc.

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