

American Funds Insurance Series® Prospectus Supplement

August 28, 2009

For the following prospectuses:

Class 1 shares dated May 1, 2009

Class 2 shares dated May 1, 2009

Class 3 shares dated May 1, 2009

1. The last sentence of the last paragraph in the “Investment adviser” subsection of the “Management and organization” section of the prospectus is amended in its entirety to read as follows:

“There is no assurance that Capital Research and Management Company will incorporate its investment divisions or obtain shareholders’ approval to exercise any authority, if granted, under an exemptive order. Following is information about a meeting of shareholders scheduled for late 2009 to consider, among other items, approval of this arrangement.”

2. The “Management and organization” section of the prospectus is amended to include the following information immediately after the “Investment adviser” subsection:

“Shareholder meeting in late 2009

A shareholder meeting is scheduled for November 24, 2009. At the meeting, fund shareholders of record as of August 28, 2009 will be asked to vote on proposals to:

1. Elect board members of American Funds Insurance Series (the “Series”).
2. Approve the reorganization of the Series into a Delaware statutory trust.
3. Approve updates to certain fundamental investment policies of the funds and eliminate certain other fundamental investment policies.
4. Approve a policy allowing Capital Research and Management Company, which will continue to be the funds’ investment adviser, to appoint subsidiary advisers without additional shareholder approval.
5. Approve amendments to the funds’ Investment Advisory and Service Agreement with Capital Research and Management Company.
6. Approve a form of Subsidiary Agreement and the appointment of one or more subsidiary advisers for the funds.
7. Approve changes to an investment policy of Global Discovery Fund (applies only to shareholders of Global Discovery Fund).

The Series’ board members have considered the proposals and recommend that the funds’ shareholders vote in favor of all of the proposals. If any of the proposals is approved by the shareholders, the Series’ board and Capital Research and Management Company will take steps to implement such proposal(s) in accordance with the Proxy Statement dated August 28, 2009, which contains details on all of the proposals. A copy of the Proxy Statement can be found at americanfunds.com/vote.”

American Funds Insurance Series®

Prospectus

Class 2 shares

May 1, 2009

The Securities and Exchange Commission has not approved or disapproved of these securities. Further, it has not determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

American Funds Insurance Series (the “Series”) consists of 16 funds, each representing a separate, fully managed diversified portfolio of securities. The five funds offered in this product are:

- Global Small Capitalization Fund
- Growth Fund
- International Fund
- Growth-Income Fund
- Asset Allocation Fund

Shares of the Series are currently offered to insurance company separate accounts funding both variable annuity contracts and variable insurance policies (the “contracts”). Interests of various contract owners participating in the Series may be in conflict. The board of trustees of the Series will monitor for the existence of any material conflicts and determine what action, if any, should be taken. Shares may be purchased or redeemed by the separate accounts without any sales or redemption charges at net asset value.

The Series offers three classes of fund shares: Class 1, Class 2 and Class 3 shares. This prospectus offers only Class 2 shares and is for use with the contracts that make Class 2 shares available. The board of trustees may establish additional funds and classes in the future. The investment objective(s) and policies of each fund are discussed in this prospectus. **More information on the funds is contained in the Series’ statement of additional information.**

Global Small Capitalization Fund

Risk/Return summary

The fund seeks to make your investment grow over time by investing primarily in stocks of smaller companies located around the world. Normally, the fund invests at least 80% of its assets in equity securities of companies with small market capitalizations, measured at the time of purchase. However, the fund's holdings of small capitalization stocks may fall below the 80% threshold due to subsequent market action. This policy is subject to change only upon 60 days' notice to shareholders. The investment adviser currently defines "small market capitalization" companies to be companies with market capitalizations of \$3.5 billion or less. The investment adviser has periodically reevaluated and adjusted this definition and may continue to do so in the future. The fund is designed for investors seeking capital appreciation through stocks. Investors in the fund should have a long-term perspective and, for example, be able to tolerate potentially sharp, short-term declines in value.

The prices of securities held by the fund may decline in response to certain events, including, for example, those directly involving the companies whose securities are owned by the fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate fluctuations. The growth-oriented, equity-type securities generally purchased by the fund may involve large price swings and potential for loss, particularly in the case of smaller capitalization stocks. Smaller capitalization stocks are often more difficult to value or dispose of, more difficult to obtain information about and more volatile than stocks of larger, more established companies.

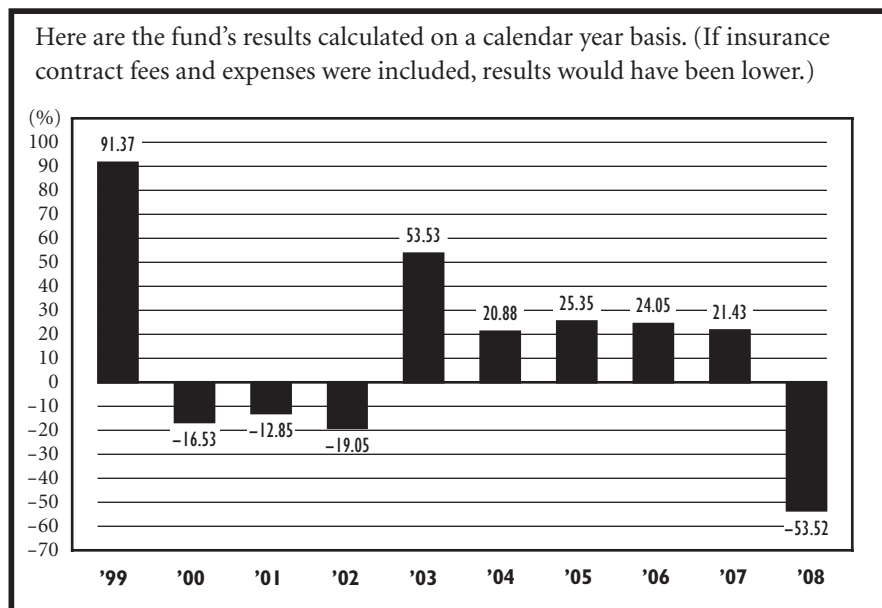
Investments in securities issued by entities based outside the United States may also be affected by currency controls; different accounting, auditing, financial reporting and legal standards and practices in some countries; expropriation; changes in tax policy; greater market volatility; differing securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

Investing in countries with developing economies and/or markets generally involves risks in addition to and greater than those generally associated with investing in developed countries. For instance, developing countries may have less developed legal and accounting systems. The governments of these countries may be more unstable and likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect security prices. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries are also relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid than securities issued in countries with more developed economies or markets.

You may lose money by investing in the fund. The likelihood of loss is greater if you invest for a shorter period of time. Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

Investment results

The following information shows how the fund's investment results have varied from year to year and how the fund's average annual total returns for various periods compare with different broad measures of market performance. This information provides some indication of the risks of investing in the fund. Past results are not predictive of future results. Figures shown reflect fees and expenses associated with an investment in the fund, including any fee waivers and/or expense reimbursements in effect during the period presented, but do not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, results would have been lower.



The fund's highest/lowest quarterly results during this time period were:

Highest 28.90% (quarter ended December 31, 1999)

Lowest -31.28% (quarter ended December 31, 2008)

For periods ended December 31, 2008:

Average annual total returns	Fund	S&P Global <\$3 Billion Index ¹	Lipper Global Small-Cap Funds Average ²
1 year	-53.52%	-44.63%	-47.24%
5 years	1.19	1.66	-0.77
10 years	6.26	5.15	4.69
Lifetime ³	6.10	3.68	3.26

¹ S&P Global <\$3 Billion Index (formerly S&P/Citigroup Global/World Indexes) has been used since May 2006. Cumulative returns for periods beginning before May 2006 also include results from the comparative indexes used in those periods as follows: S&P Global <\$2 Billion (May 2004 to April 2006), S&P Developed <\$1.5 Billion (January 2000 to April 2004), and S&P Developed <\$1.2 Billion (1990 to 1999). The S&P Global indexes better reflect the fund's investment universe because they include both developed and developing countries. The S&P Developed indexes (used prior to May 2004) only include stocks in developed countries. Indexes are unmanaged and their results include reinvested dividends and/or distributions, but do not reflect the effect of sales charges, commissions, expenses or taxes.

² Lipper Global Small-Cap Funds Average is composed of funds that invest at least 25% of their portfolios in securities with primary trading markets outside the United States, and that limit at least 65% of their investments to companies with market capitalizations of less than U.S. \$1 billion at the time of purchase. The results of the underlying funds in the average include the reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions, but do not reflect the effect of sales charges or taxes.

³ Lifetime results are from April 30, 1998, the date the fund began investment operations.

Fees and expenses of the fund

This table describes the fees and expenses associated with an investment in the fund. It does not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, expenses shown would be higher.

Annual fund operating expenses table (deducted from fund assets)	Class 2
Management fees*	0.71%
Distribution and/or service (12b-1) fees	0.25
Other expenses	0.03
Total annual fund operating expenses*	0.99

* The fund's investment adviser waived a portion of its management fee from September 1, 2004 through December 31, 2008. Management fees and total expenses in the table do not reflect any waivers. Information regarding the effect of any waiver on total annual fund operating expenses can be found in the Financial Highlights table in this prospectus and in the fund's annual report.

Example

The example below is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above. The example does not reflect insurance contract expenses or the impact of any fee waivers or expense reimbursements. If insurance contract expenses were reflected, expenses shown would be higher. If waivers or reimbursements were reflected, expenses shown would be lower.

Although your actual costs may be higher or lower, based on these assumptions, your cumulative estimated expenses would be:

	1 year	3 years	5 years	10 years
Class 2	\$101	\$315	\$547	\$1,213

Growth Fund

Risk/Return summary

The fund seeks to make your investment grow by investing primarily in common stocks of companies that appear to offer superior opportunities for growth of capital. In seeking to pursue its investment objective, the fund may invest in the securities of issuers representing a broad range of market capitalizations. The fund may invest up to 15% of its assets in securities of issuers that are domiciled outside the United States and Canada. The fund is designed for investors seeking capital appreciation through stocks. Investors in the fund should have a long-term perspective and, for example, be able to tolerate potentially sharp, short-term declines in value.

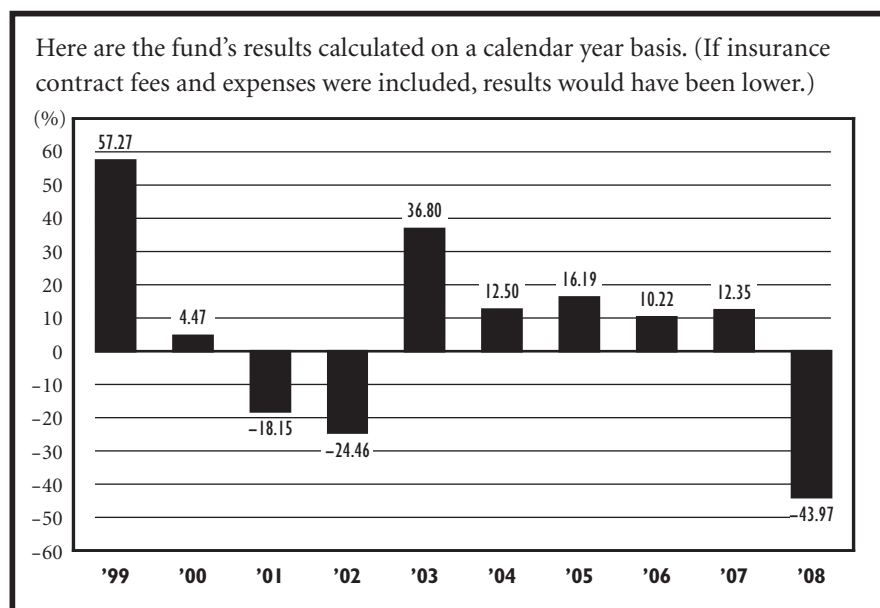
The prices of securities held by the fund may decline in response to certain events, including, for example, those directly involving the companies whose securities are owned by the fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate fluctuations. The growth-oriented, equity-type securities generally purchased by the fund may involve large price swings and potential for loss.

Investments in securities issued by entities based outside the United States may also be affected by currency controls; different accounting, auditing, financial reporting and legal standards and practices in some countries; expropriation; changes in tax policy; greater market volatility; differing securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

You may lose money by investing in the fund. The likelihood of loss is greater if you invest for a shorter period of time. Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

Investment results

The following information shows how the fund's investment results have varied from year to year and how the fund's average annual total returns for various periods compare with different broad measures of market performance. This information provides some indication of the risks of investing in the fund. Past results are not predictive of future results. Figures shown reflect fees and expenses associated with an investment in the fund, including any fee waivers and/or expense reimbursements in effect during the period presented, but do not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, results would have been lower. Class 2 shares were first offered on April 30, 1997. Results prior to that date assume a hypothetical investment in Class 1 shares, reduced by the .25% annual expense that applies to Class 2 shares and is described in the "Plans of distribution" section of this prospectus. Results for Class 1 shares are comparable to those of Class 2 shares because both classes invest in the same portfolio of securities.



The fund's highest/lowest quarterly results during this time period were:

Highest 30.71% (quarter ended December 31, 1999)

Lowest -27.17% (quarter ended September 30, 2001)

For periods ended December 31, 2008:

Average annual total returns	Fund	S&P 500 ¹	Lipper Capital Appreciation Funds Index ²	Lipper Growth Funds Index ³
1 year	-43.97%	-36.99%	-39.08%	-42.24%
5 years	-1.94	-2.19	-1.19	-4.25
10 years	2.34	-1.38	-0.44	-3.08
Lifetime ⁴	11.13	10.04	8.11	7.72

¹ Standard & Poor's 500 Composite Index is a market capitalization-weighted index based on the average weighted performance of 500 widely held common stocks. This index is unmanaged and its results include reinvested dividends and/or distributions, but do not reflect the effect of sales charges, commissions, expenses or taxes.

² Lipper Capital Appreciation Funds Index is an equally weighted index of funds that aim for maximum capital appreciation. The results of the underlying funds in the index include the reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions, but do not reflect the effect of sales charges or taxes.

³ Lipper Growth Funds Index is an equally weighted index of growth funds. These funds normally invest in companies with long-term earnings expected to grow significantly faster than the earnings of the stocks represented in the major unmanaged stock indexes. The results of the underlying funds in the index include the reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions, but do not reflect the effect of sales charges or taxes.

⁴ Lifetime results are from February 8, 1984, the date the fund began investment operations.

Fees and expenses of the fund

This table describes the fees and expenses associated with an investment in the fund. It does not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, expenses shown would be higher.

Annual fund operating expenses table (deducted from fund assets)	Class 2
Management fees*	0.32%
Distribution and/or service (12b-1) fees	0.25
Other expenses	0.01
Total annual fund operating expenses*	0.58

* The fund's investment adviser waived a portion of its management fee from September 1, 2004 through December 31, 2008. Management fees and total expenses in the table do not reflect any waivers. Information regarding the effect of any waiver on total annual fund operating expenses can be found in the Financial Highlights table in this prospectus and in the fund's annual report.

Example

The example below is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above. The example does not reflect insurance contract expenses or the impact of any fee waivers or expense reimbursements. If insurance contract expenses were reflected, expenses shown would be higher. If waivers or reimbursements were reflected, expenses shown would be lower.

Although your actual costs may be higher or lower, based on these assumptions, your cumulative estimated expenses would be:

	1 year	3 years	5 years	10 years
Class 2	\$59	\$186	\$324	\$726

International Fund

Risk/Return summary

The fund seeks to make your investment grow over time by investing primarily in common stocks of companies located outside the United States. The fund is designed for investors seeking capital appreciation through stocks. Investors in the fund should have a long-term perspective and, for example, be able to tolerate potentially sharp, short-term declines in value.

The prices of securities held by the fund may decline in response to certain events, including, for example, those directly involving the companies whose securities are owned by the fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate, and commodity fluctuations. For example, increases in the prices of basic commodities, such as oil or grains, can negatively impact the value of the stocks of certain companies. The growth-oriented, equity-type securities generally purchased by the fund may involve large price swings and potential for loss.

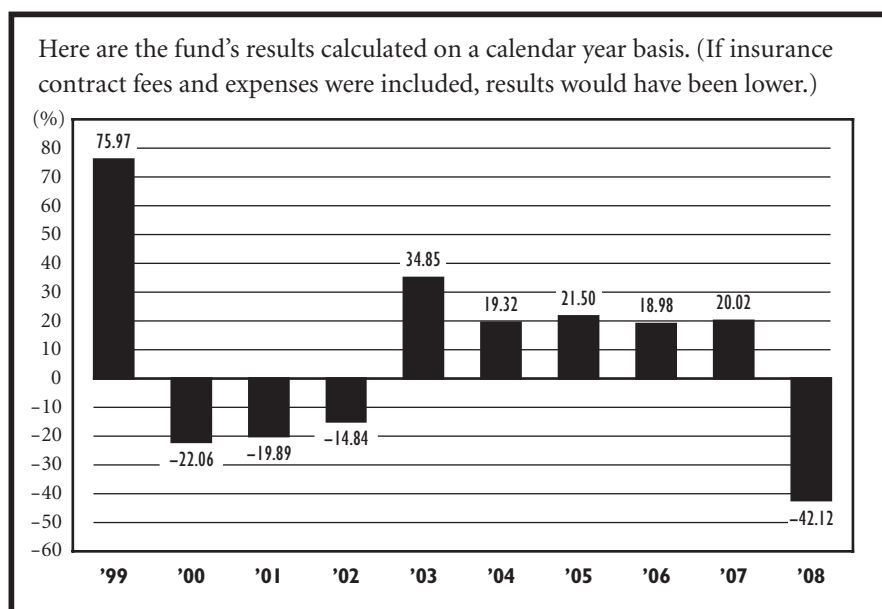
Investments in securities issued by entities based outside the United States may also be affected by currency controls; different accounting, auditing, financial reporting and legal standards and practices in some countries; expropriation; changes in tax policy; greater market volatility; differing securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

Investing in countries with developing economies and/or markets generally involves risks in addition to and greater than those generally associated with investing in developed countries. For instance, developing countries may have less developed legal and accounting systems. The governments of these countries may be more unstable and likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect security prices. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries are also relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid than securities issued in countries with more developed economies or markets.

You may lose money by investing in the fund. The likelihood of loss is greater if you invest for a shorter period of time. Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

Investment results

The following information shows how the fund's investment results have varied from year to year and how the fund's average annual total returns for various periods compare with different broad measures of market performance. This information provides some indication of the risks of investing in the fund. Past results are not predictive of future results. Figures shown reflect fees and expenses associated with an investment in the fund, including any fee waivers and/or expense reimbursements in effect during the period presented, but do not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, results would have been lower. Class 2 shares were first offered on April 30, 1997. Results prior to that date assume a hypothetical investment in Class 1 shares, reduced by the .25% annual expense that applies to Class 2 shares and is described in the "Plans of distribution" section of this prospectus. Results for Class 1 shares are comparable to those of Class 2 shares because both classes invest in the same portfolio of securities.



The fund's highest/lowest quarterly results during this time period were:

Highest 42.33% (quarter ended December 31, 1999)

Lowest -20.86% (quarter ended December 31, 2008)

For periods ended December 31, 2008:

Average annual total returns	Fund	MSCI All Country World Index ex USA ¹	Lipper International Funds Index ²
1 year	-42.12%	-45.24%	-43.62%
5 years	3.68	3.00	2.15
10 years	4.22	2.27	2.14
Lifetime ³	7.34	4.84	5.35

¹ MSCI All Country World Index ex USA is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. The index consists of 46 developed and emerging market country indexes. This index is unmanaged and its results include reinvested dividends and/or distributions, but do not reflect the effect of sales charges, commissions, expenses or taxes.

² Lipper International Funds Index is an equally weighted index of funds that invest assets in securities with primary trading markets outside the United States. The results of the underlying funds in the index include the reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions, but do not reflect the effect of sales charges or taxes.

³ Lifetime results are from May 1, 1990, the date the fund began investment operations.

Fees and expenses of the fund

This table describes the fees and expenses associated with an investment in the fund. It does not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, expenses shown would be higher.

Annual fund operating expenses table (deducted from fund assets)	Class 2
Management fees*	0.49%
Distribution and/or service (12b-1) fees	0.25
Other expenses	0.03
Total annual fund operating expenses*	0.77

* The fund's investment adviser waived a portion of its management fee from September 1, 2004 through December 31, 2008. Management fees and total expenses in the table do not reflect any waivers. Information regarding the effect of any waiver on total annual fund operating expenses can be found in the Financial Highlights table in this prospectus and in the fund's annual report.

Example

The example below is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above. The example does not reflect insurance contract expenses or the impact of any fee waivers or expense reimbursements. If insurance contract expenses were reflected, expenses shown would be higher. If waivers or reimbursements were reflected, expenses shown would be lower.

Although your actual costs may be higher or lower, based on these assumptions, your cumulative estimated expenses would be:

	1 year	3 years	5 years	10 years
Class 2	\$79	\$246	\$428	\$954

Growth-Income Fund

Risk/Return summary

The fund seeks to make your investment grow and provide you with income over time by investing primarily in common stocks or other securities that demonstrate the potential for appreciation and/or dividends. The fund may invest up to 15% of its assets, at the time of purchase, in securities of issuers domiciled outside the United States and not included in Standard & Poor's 500 Composite Index. The fund is designed for investors seeking both capital appreciation and income.

The prices of and the income generated by securities held by the fund may decline in response to certain events, including, for example, those directly involving the companies whose securities are owned by the fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate fluctuations. Income provided by the fund may be affected by changes in the dividend policies of the companies in which the fund invests and the capital resources available for such payments at such companies.

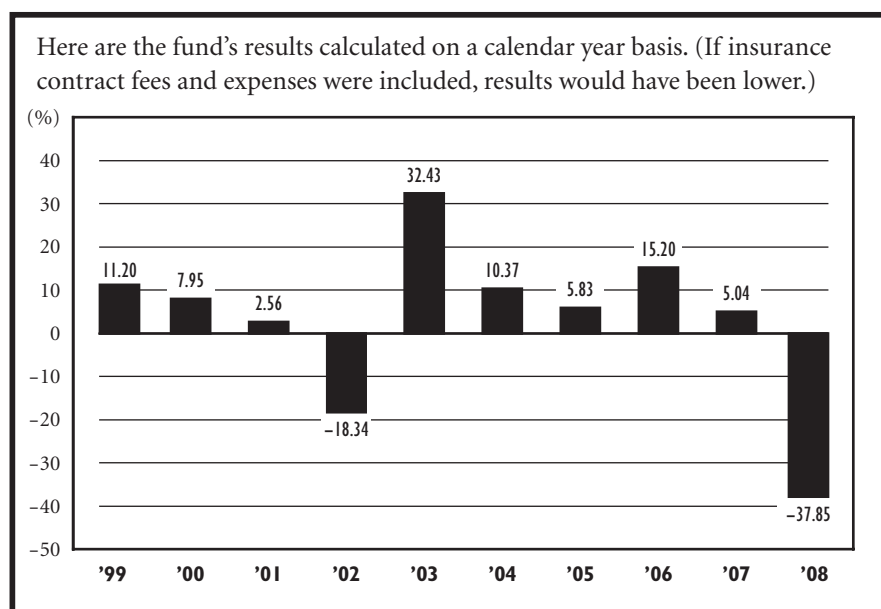
Investments in securities issued by entities based outside the United States may also be affected by currency controls; different accounting, auditing, financial reporting and legal standards and practices in some countries; expropriation; changes in tax policy; greater market volatility; differing securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

You may lose money by investing in the fund. The likelihood of loss is greater if you invest for a shorter period of time. Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.



Investment results

The following information shows how the fund's investment results have varied from year to year and how the fund's average annual total returns for various periods compare with different broad measures of market performance. This information provides some indication of the risks of investing in the fund. Past results are not predictive of future results. Figures shown reflect fees and expenses associated with an investment in the fund, including any fee waivers and/or expense reimbursements in effect during the period presented, but do not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, results would have been lower. Class 2 shares were first offered on April 30, 1997. Results prior to that date assume a hypothetical investment in Class 1 shares, reduced by the .25% annual expense that applies to Class 2 shares and is described in the "Plans of distribution" section of this prospectus. Results for Class 1 shares are comparable to those of Class 2 shares because both classes invest in the same portfolio of securities.



The fund's highest/lowest quarterly results during this time period were:

Highest 16.90% (quarter ended June 30, 2003)

Lowest -21.98% (quarter ended December 31, 2008)

For periods ended December 31, 2008:

Average annual total returns	Fund	S&P 500 ¹	Lipper Growth & Income Funds Index ²
1 year	-37.85%	-36.99%	-37.54%
5 years	-2.56	-2.19	-2.12
10 years	1.58	-1.38	-0.24
Lifetime ³	9.87	10.04	8.73

¹ Standard & Poor's 500 Composite Index is a market capitalization-weighted index based on the average weighted performance of 500 widely held common stocks. This index is unmanaged and its results include reinvested dividends and/or distributions, but do not reflect the effect of sales charges, commissions, expenses or taxes.

² Lipper Growth & Income Funds Index is an equally weighted index of funds that combine a growth-of-earnings orientation and an income requirement for level and/or rising dividends. The results of the underlying funds in the index include the reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions, but do not reflect the effect of sales charges or taxes.

³ Lifetime results are from February 8, 1984, the date the fund began investment operations.

Fees and expenses of the fund

This table describes the fees and expenses associated with an investment in the fund. It does not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, expenses shown would be higher.

Annual fund operating expenses table (deducted from fund assets)	Class 2
Management fees*	0.27%
Distribution and/or service (12b-1) fees	0.25
Other expenses	0.01
Total annual fund operating expenses*	0.53

* The fund's investment adviser waived a portion of its management fee from September 1, 2004 through December 31, 2008. Management fees and total expenses in the table do not reflect any waivers. Information regarding the effect of any waiver on total annual fund operating expenses can be found in the Financial Highlights table in this prospectus and in the fund's annual report.

Example

The example below is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above. The example does not reflect insurance contract expenses or the impact of any fee waivers or expense reimbursements. If insurance contract expenses were reflected, expenses shown would be higher. If waivers or reimbursements were reflected, expenses shown would be lower.

Although your actual costs may be higher or lower, based on these assumptions, your cumulative estimated expenses would be:

	1 year	3 years	5 years	10 years
Class 2	\$54	\$170	\$296	\$665

Asset Allocation Fund

Risk/Return summary

The fund seeks to provide you with high total return (including income and capital gains) consistent with preservation of capital over the long term by investing in a diversified portfolio of common stocks and other equity securities, bonds and other intermediate and long-term debt securities, and money market instruments (debt securities maturing in one year or less). The fund may invest up to 15% of its assets in equity securities of issuers domiciled outside the United States and not included in Standard & Poor's 500 Composite Index, and up to 5% of its assets in debt securities of issuers domiciled outside the United States. In addition, the fund may invest up to 25% of its debt assets in lower quality debt securities (rated Ba1 or below by Moody's Investors Service and BB+ or below by Standard & Poor's Corporation or unrated but determined to be of equivalent quality). Such securities are sometimes referred to as "junk bonds."

In seeking to pursue its investment objective, the fund will vary its mix of equity securities, debt securities and money market instruments. Under normal market conditions, the fund's investment adviser expects (but is not required) to maintain an investment mix falling within the following ranges: 40%–80% in equity securities, 20%–50% in debt securities and 0%–40% in money market instruments. As of December 31, 2008, the fund was approximately 64% invested in equity securities, 26% invested in debt securities and 10% invested in money market instruments. The proportion of equities, debt and money market securities held by the fund will vary with market conditions and the investment adviser's assessment of their relative attractiveness as investment opportunities. The fund is designed for investors seeking above-average total return.

The prices of and the income generated by securities held by the fund may decline in response to certain events, including, for example, those directly involving the companies whose securities are owned by the fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate fluctuations. Income provided by the fund may be affected by changes in the dividend policies of the companies in which the fund invests and the capital resources available for such payments at such companies.

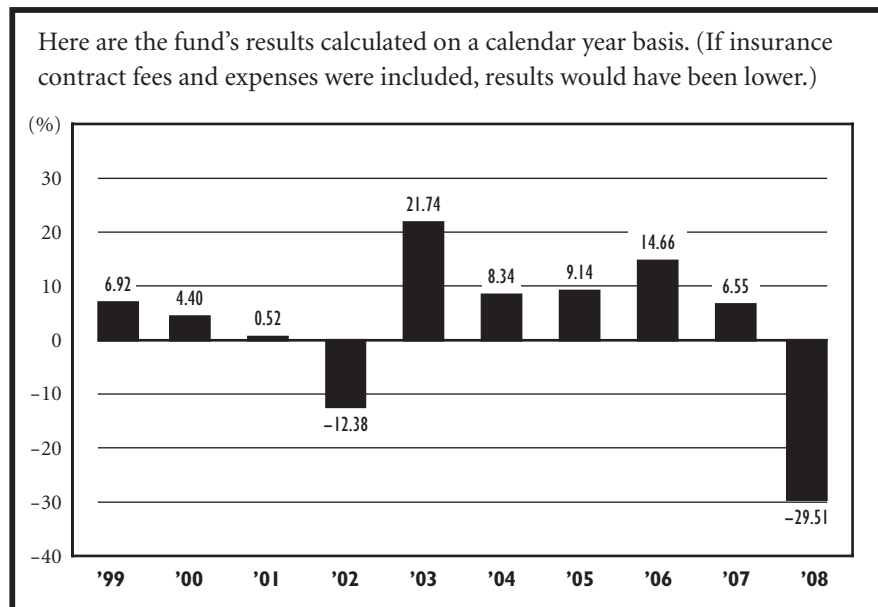
Securities held by the fund may also be affected by changing market interest rates and by changes in effective maturities and credit ratings. For example, the prices of debt securities in the fund's portfolio generally will decline when interest rates rise and increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem or "call" a security before its stated maturity, which may result in the fund having to reinvest the proceeds in lower yielding securities. Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Lower quality or longer maturity debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality or shorter maturity debt securities. In addition, there may be little trading in the secondary market for certain lower quality debt securities, which may adversely affect the fund's ability to dispose of such securities. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market prices for these securities will fluctuate with changes in interest rates.

Investments in securities issued by entities based outside the United States may also be affected by currency controls; different accounting, auditing, financial reporting and legal standards and practices in some countries; expropriation; changes in tax policy; greater market volatility; differing securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

You may lose money by investing in the fund. The likelihood of loss is greater if you invest for a shorter period of time. Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

Investment results

The following information shows how the fund's investment results have varied from year to year and how the fund's average annual total returns for various periods compare with different broad measures of market performance. This information provides some indication of the risks of investing in the fund. Past results are not predictive of future results. Figures shown reflect fees and expenses associated with an investment in the fund, including any fee waivers and/or expense reimbursements in effect during the period presented, but do not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, results would have been lower. Class 2 shares were first offered on April 30, 1997. Results prior to that date assume a hypothetical investment in Class 1 shares, reduced by the .25% annual expense that applies to Class 2 shares and is described in the "Plans of distribution" section of this prospectus. Results for Class 1 shares are comparable to those of Class 2 shares because both classes invest in the same portfolio of securities.



The fund's highest/lowest quarterly results during this time period were:

Highest 12.15% (quarter ended June 30, 2003)

Lowest -16.35% (quarter ended December 31, 2008)

For periods ended December 31, 2008:

Average annual total returns	Fund	Barclays Capital U.S. Aggregate Index ¹	S&P 500 ²	Citigroup Broad Investment-Grade (BIG) Bond Index ³
1 year	-29.51%	5.24%	-36.99%	7.02%
5 years	0.36	4.65	-2.19	5.11
10 years	2.00	5.63	-1.38	5.86
Lifetime ⁴	6.81	7.04	7.39	7.20

¹ Barclays Capital U.S. Aggregate Index (formerly Lehman Brothers U.S. Aggregate Index) represents the U.S. investment-grade fixed-rate bond market. This index is unmanaged and its results include reinvested dividends and/or distributions, but do not reflect the effect of sales charges, commissions, expenses or taxes.

² Standard & Poor's 500 Composite Index is a market capitalization-weighted index based on the average weighted performance of 500 widely held common stocks. This index is unmanaged and its results include reinvested dividends and/or distributions, but do not reflect the effect of sales charges, commissions, expenses or taxes.

³ Citigroup Broad Investment-Grade (BIG) Bond Index (formerly Salomon Smith Barney Broad Investment-Grade (BIG) Bond Index) is a market capitalization-weighted index that includes fixed-rate U.S. Treasury, government-sponsored, mortgage-backed, asset-backed and investment-grade corporate securities with maturities of one year or longer. This index is unmanaged and its results include reinvested dividends and/or distributions, but do not reflect the effect of sales charges, commissions, expenses or taxes.

⁴ Lifetime results are from August 1, 1989, the date the fund began investment operations.

Fees and expenses of the fund

This table describes the fees and expenses associated with an investment in the fund. It does not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, expenses shown would be higher.

Annual fund operating expenses table (deducted from fund assets)	Class 2
Management fees*	0.31%
Distribution and/or service (12b-1) fees	0.25
Other expenses	0.01
Total annual fund operating expenses*	0.57

* The fund's investment adviser waived a portion of its management fee from September 1, 2004 through December 31, 2008. Management fees and total expenses in the table do not reflect any waivers. Information regarding the effect of any waiver on total annual fund operating expenses can be found in the Financial Highlights table in this prospectus and in the fund's annual report.

Example

The example below is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above. The example does not reflect insurance contract expenses or the impact of any fee waivers or expense reimbursements. If insurance contract expenses were reflected, expenses shown would be higher. If waivers or reimbursements were reflected, expenses shown would be lower.

Although your actual costs may be higher or lower, based on these assumptions, your cumulative estimated expenses would be:

	1 year	3 years	5 years	10 years
Class 2	\$58	\$183	\$318	\$714

Cash position and temporary investments

The funds may also hold cash or money market instruments, the amount of which will vary and will depend on various factors, including market conditions and purchases and redemptions of fund shares. For temporary defensive purposes, a fund may hold all, or a significant portion, of its assets in cash, money market instruments or other securities that may be deemed appropriate by the fund's investment adviser. A larger amount of such holdings could negatively affect a fund's investment results in a period of rising market prices.

A larger percentage of cash or money market instruments could reduce a fund's magnitude of loss in the event of falling market prices and provide liquidity to make additional investments or to meet redemptions.

Management and organization

Investment adviser

Capital Research and Management Company, an experienced investment management organization founded in 1931, serves as investment adviser to the Series and other mutual funds, including the American Funds. Capital Research and Management Company is a wholly owned subsidiary of The Capital Group Companies, Inc. and is located at 333 South Hope Street, Los Angeles, California 90071, and 6455 Irvine Center Drive, Irvine, California 92618. Capital Research and Management Company manages the investment portfolios and business affairs of the Series. The total management fee paid by each fund for the previous fiscal year (or, in the case of International Growth and Income Fund, the management fee to be paid for the current fiscal year), expressed as a percentage of average net assets of that fund, appear in the Annual Fund Operating Expenses table for each fund. A more detailed description of the investment advisory and service agreement between the Series and the investment adviser is included in the Series' statement of additional information. A discussion regarding the basis for the approval of the Series' investment advisory and service agreement by the Series' board of trustees is contained in the Series' annual report to shareholders for the fiscal year ended December 31, 2008.

Capital Research and Management Company manages equity assets through two investment divisions, Capital World Investors and Capital Research Global Investors, and manages fixed-income assets through its Fixed Income division. Capital World Investors and Capital Research Global Investors make investment decisions on an independent basis.

Rather than remain as investment divisions, Capital World Investors and Capital Research Global Investors may be incorporated into wholly owned subsidiaries of Capital Research and Management Company. In that event, Capital Research and Management Company would continue to be the investment adviser, and day-to-day investment management of equity assets would continue to be carried out through one or both of these subsidiaries. Capital Research and Management Company and the funds it advises have applied to the Securities and Exchange Commission for an exemptive order that would give Capital Research and Management Company the authority to use, upon approval of the funds' boards, its management subsidiaries and affiliates to provide day-to-day investment management services to the funds, including making changes to the management subsidiaries and affiliates providing such services. Approval by the funds' shareholders would be required before any authority granted under an exemptive order could be exercised. There is no assurance that Capital Research and Management Company will incorporate its investment divisions or seek a shareholder vote to exercise any authority, if granted, under an exemptive order.

Execution of portfolio transactions

The investment adviser places orders with broker-dealers for the funds' portfolio transactions. In selecting broker-dealers, the investment adviser strives to obtain "best execution" (the most favorable total price reasonably attainable under the circumstances) for the funds' portfolio transactions, taking into account a variety of factors. Subject to best execution, the investment adviser may consider investment research and/or brokerage services provided to the adviser in placing orders for the funds' portfolio transactions. The investment adviser may place orders for the funds' portfolio transactions with broker-dealers who have sold shares of funds managed by the investment adviser or its affiliated companies; however, the investment adviser does not give consideration to whether a broker-dealer has sold shares of the funds managed by the investment adviser or its affiliated companies when placing any such orders for the funds' portfolio transactions. A more detailed description of the investment adviser's policies is included in the statement of additional information.

Portfolio management

The Series relies on the professional judgment of its investment adviser, Capital Research and Management Company, to make decisions about the funds' portfolio investments. The basic investment philosophy of the investment adviser is

to seek to invest in attractively priced securities that, in its opinion, represent above-average long-term investment opportunities. The investment adviser believes that an important way to accomplish this is through fundamental analysis, including meeting with company executives and employees, suppliers, customers and competitors. Securities may be sold when the investment adviser believes that they no longer represent relatively attractive investment opportunities.

Portfolio holdings

A description of the funds' policies and procedures regarding disclosure of information about their portfolio securities is available in the statement of additional information.

Multiple portfolio counselor system

Capital Research and Management Company uses a system of multiple portfolio counselors in managing mutual fund assets. Under this approach, the portfolio of a fund is divided into segments managed by individual counselors who decide how their respective segments will be invested. In addition to the portfolio counselors below, Capital Research and Management Company's investment analysts may make investment decisions with respect to a portion of a fund's portfolio. Investment decisions are subject to a fund's objective(s), policies and restrictions and the oversight of the appropriate investment-related committees of Capital Research and Management Company and its investment divisions.

The primary individual portfolio counselors for each of the funds are:

Portfolio counselor for the Series/Title (if applicable)	Portfolio counselor's role in management of, and experience in, the fund(s)	Primary title with investment adviser (or affiliate) and investment experience
James K. Dunton Vice Chairman of the Board	Serves as an equity portfolio counselor for: Growth-Income Fund — 25 years (since the fund's inception) Blue Chip Income and Growth Fund — 8 years (since the fund's inception)	Senior Vice President — Capital Research Global Investors Investment professional for 47 years, all with Capital Research and Management Company or affiliate
Donald D. O'Neal President and Trustee	Serves as an equity portfolio counselor for: Growth-Income Fund — 4 years	Senior Vice President — Capital Research Global Investors Investment professional for 24 years, all with Capital Research and Management Company or affiliate
Alan N. Berro Senior Vice President	Serves as an equity portfolio counselor for: Asset Allocation Fund — 9 years	Senior Vice President — Capital World Investors Investment professional for 23 years in total; 18 years with Capital Research and Management Company or affiliate
Abner D. Goldstine Senior Vice President	Serves as a fixed-income portfolio counselor for: High-Income Bond Fund — 11 years	Senior Vice President — Fixed Income, Capital Research and Management Company Investment professional for 57 years in total; 42 years with Capital Research and Management Company or affiliate
Claudia P. Huntington Senior Vice President	Serves as an equity portfolio counselor for: Growth-Income Fund — 16 years (plus 5 years of prior experience as an investment analyst for the fund) Global Discovery Fund — 8 years (since the fund's inception)	Senior Vice President — Capital Research Global Investors Investment professional for 36 years in total; 34 years with Capital Research and Management Company or affiliate
John H. Smet Senior Vice President	Serves as a fixed-income portfolio counselor for: U.S. Government/AAA-Rated Securities Fund — 17 years	Senior Vice President — Fixed Income, Capital Research and Management Company Investment professional for 27 years in total; 26 years with Capital Research and Management Company or affiliate
Carl M. Kawaja Vice President	Serves as an equity portfolio counselor for: New World Fund — 10 years (since the fund's inception)	Senior Vice President — Capital World Investors Investment professional for 21 years in total; 18 years with Capital Research and Management Company or affiliate
Sung Lee Vice President	Serves as an equity portfolio counselor for: International Fund — 4 years International Growth and Income Fund — 1 year (since the fund's inception)	Senior Vice President — Capital Research Global Investors Investment professional for 15 years, all with Capital Research and Management Company or affiliate
Robert W. Lovelace Vice President	Serves as an equity portfolio counselor for: Global Growth Fund — 12 years (since the fund's inception) New World Fund — 10 years (since the fund's inception)	Senior Vice President — Capital World Investors Investment professional for 24 years, all with Capital Research and Management Company or affiliate

Portfolio counselor for the Series/Title (if applicable)	Portfolio counselor's role in management of, and experience in, the fund(s)	Primary title with investment adviser (or affiliate) and investment experience
C. Ross Sappenfield Vice President	Serves as an equity portfolio counselor for: Growth-Income Fund — 10 years Blue Chip Income and Growth Fund — 8 years (since the fund's inception)	Senior Vice President — Capital Research Global Investors Investment professional for 17 years, all with Capital Research and Management Company or affiliate
Susan M. Tolson Vice President	Serves as a fixed-income portfolio counselor for: High-Income Bond Fund — 14 years (plus 2 years of prior experience as an investment analyst for the fund) Asset Allocation Fund — 9 years Global Bond Fund — 3 years (since the fund's inception)	Senior Vice President — Fixed Income, Capital Research and Management Company Investment professional for 21 years in total; 19 years with Capital Research and Management Company or affiliate
David C. Barclay	Serves as a fixed-income portfolio counselor for: High-Income Bond Fund — 16 years New World Fund — 10 years (since the fund's inception) Bond Fund — 11 years	Senior Vice President — Fixed Income, Capital Research and Management Company Investment professional for 28 years in total; 21 years with Capital Research and Management Company or affiliate
Donnalisa Barnum	Serves as an equity portfolio counselor for: Growth Fund — 6 years	Senior Vice President — Capital World Investors Investment professional for 27 years in total; 22 years with Capital Research and Management Company or affiliate
Christopher D. Buchbinder	Serves as an equity portfolio counselor for: Blue Chip Income and Growth Fund — 2 years	Senior Vice President — Capital Research Global Investors Investment professional for 14 years, all with Capital Research and Management Company or affiliate
Gordon Crawford	Serves as an equity portfolio counselor for: Global Small Capitalization Fund — 11 years (since the fund's inception) Global Discovery Fund — 4 years	Senior Vice President — Capital Research Global Investors Investment professional for 38 years, all with Capital Research and Management Company or affiliate
Mark H. Dalzell	Serves as a fixed-income portfolio counselor for: Bond Fund — 4 years Global Bond Fund — 3 years (since the fund's inception)	Senior Vice President — Fixed Income, Capital Research and Management Company Investment professional for 31 years in total; 21 years with Capital Research and Management Company or affiliate
Mark E. Denning	Serves as an equity portfolio counselor for: Global Small Capitalization Fund — 11 years (since the fund's inception) Global Discovery Fund — 4 years	Senior Vice President — Capital Research Global Investors Investment professional for 27 years, all with Capital Research and Management Company or affiliate
J. Blair Frank	Serves as an equity portfolio counselor for: Global Small Capitalization Fund — 6 years Growth-Income Fund — 3 years	Senior Vice President — Capital Research Global Investors Investment professional for 16 years in total; 15 years with Capital Research and Management Company or affiliate
Nicholas J. Grace	Serves as an equity portfolio counselor for: Global Growth Fund — 7 years (plus 4 years of prior experience as an investment analyst for the fund)	Senior Vice President — Capital World Investors Investment professional for 19 years in total; 15 years with Capital Research and Management Company or affiliate
Alwyn W. Heong	Serves as an equity portfolio counselor for: International Fund — 13 years	Senior Vice President — Capital Research Global Investors Investment professional for 21 years in total; 17 years with Capital Research and Management Company or affiliate
David A. Hoag	Serves as a fixed-income portfolio counselor for: Bond Fund — 2 years	Senior Vice President — Fixed Income, Capital Research and Management Company Investment professional for 21 years in total; 18 years with Capital Research and Management Company or affiliate
Thomas H. Hogh	Serves as a fixed-income portfolio counselor for: Global Bond Fund — 3 years (since the fund's inception) U.S. Government/AAA-Rated Securities Fund — 12 years Bond Fund — 2 years	Senior Vice President — Fixed Income, Capital Research Company Investment professional for 22 years in total; 19 years with Capital Research and Management Company or affiliate
Gregg E. Ireland	Serves as an equity portfolio counselor for: Global Growth and Income Fund — 3 years (since the fund's inception) Growth Fund — 3 years	Senior Vice President — Capital World Investors Investment professional for 37 years, all with Capital Research and Management Company or affiliate

Portfolio counselor for the Series/Title (if applicable)	Portfolio counselor's role in management of, and experience in, the fund(s)	Primary title with investment adviser (or affiliate) and investment experience
Gregory D. Johnson	Serves as an equity portfolio counselor for: Growth Fund — 2 years	Senior Vice President — Capital World Investors Investment professional for 15 years, all with Capital Research and Management Company or affiliate
Michael T. Kerr	Serves as an equity portfolio counselor for: Growth Fund — 4 years	Senior Vice President — Capital World Investors Investment professional for 25 years in total; 23 years with Capital Research and Management Company or affiliate
Harold H. La	Serves as an equity portfolio counselor for: Global Small Capitalization Fund — 1 year	Vice President — Capital Research Global Investors Investment professional for 11 years in total; 10 years with Capital Research and Management Company or affiliate
Jeffrey T. Lager	Serves as an equity portfolio counselor for: Asset Allocation Fund — 2 years	Senior Vice President — Capital World Investors Investment professional for 14 years in total; 13 years with Capital Research and Management Company or affiliate
Marcus B. Linden	Serves as a fixed-income portfolio counselor for: High-Income Bond Fund — 2 years	Senior Vice President — Fixed Income, Capital Research Company Investment professional for 14 years in total; 13 years with Capital Research and Management Company or affiliate
James B. Lovelace	Serves as an equity portfolio counselor for: Blue Chip Income and Growth Fund — 2 years	Senior Vice President — Capital Research Global Investors Investment professional for 27 years, all with Capital Research and Management Company or affiliate
Jesper Lyckeus	Serves as an equity portfolio counselor for: International Fund — 2 years (plus 8 years of prior experience as an investment analyst for the fund) International Growth and Income Fund — 1 year (since the fund's inception)	Senior Vice President — Capital Research Global Investors Investment professional for 14 years in total; 13 years with Capital Research and Management Company or affiliate
Mark R. Macdonald	Serves as a fixed-income portfolio counselor for: U.S. Government/AAA-Rated Securities Fund — 3 years	Senior Vice President — Fixed Income, Capital Research and Management Company Investment professional for 24 years in total; 15 years with Capital Research and Management Company or affiliate
Ronald B. Morrow	Serves as an equity portfolio counselor for: Growth Fund — 6 years (plus 6 years of prior experience as an investment analyst for the fund)	Senior Vice President — Capital World Investors Investment professional for 40 years in total; 11 years with Capital Research and Management Company or affiliate
James R. Mulally	Serves as a fixed-income portfolio counselor for: Asset Allocation Fund — 3 years Global Bond Fund — 1 year	Senior Vice President — Fixed Income, Capital Research and Management Company Investment professional for 33 years in total; 29 years with Capital Research and Management Company or affiliate
David M. Riley	Serves as an equity portfolio counselor for: International Growth and Income Fund — 1 year (since the fund's inception)	Senior Vice President — Capital Research Global Investors Investment professional for 15 years, all with Capital Research and Management Company
Eugene P. Stein	Serves as an equity portfolio counselor for: Asset Allocation Fund — 1 year	Senior Vice President — Capital World Investors Investment professional for 38 years in total; 37 years with Capital Research and Management Company or affiliate
Andrew B. Suzman	Serves as an equity portfolio counselor for: Global Growth and Income Fund — less than 1 year	Senior Vice President — Capital World Investors Investment professional for 16 years, all with Capital Research and Management Company or affiliate
Christopher M. Thomsen	Serves as an equity portfolio counselor for: International Fund — 3 years	Senior Vice President — Capital Research Global Investors Investment professional for 12 years, all with Capital Research and Management Company or affiliate
Steven T. Watson	Serves as an equity portfolio counselor for: Global Growth Fund — 7 years (plus 4 years of prior experience as an investment analyst for the fund) Global Growth and Income Fund — 3 years (since the fund's inception)	Senior Vice President — Capital World Investors Investment professional for 22 years in total; 19 years with Capital Research and Management Company or affiliate

Portfolio counselor for the Series/Title (if applicable)	Portfolio counselor's role in management of, and experience in, the fund(s)	Primary title with investment adviser (or affiliate) and investment experience
Paul A. White	Serves as an equity portfolio counselor for: Global Growth Fund — 5 years (plus 5 years of prior experience as an investment analyst for the fund)	Senior Vice President — Capital World Investors Investment professional for 21 years in total; 10 years with Capital Research and Management Company or affiliate
Dylan J. Yolles	Serves as an equity portfolio counselor for: Growth-Income Fund — 3 years	Senior Vice President — Capital Research Global Investors Investment professional for 12 years in total; 9 years with Capital Research and Management Company or affiliate

Additional information regarding the portfolio counselors' compensation, holdings in other accounts and ownership of securities in American Funds Insurance Series can be found in the statement of additional information.

Purchases and redemptions of shares

Shares of the Series are currently offered only to insurance company separate accounts as well as so-called “feeder funds” under master-feeder arrangements sponsored by insurance companies. All such shares may be purchased or redeemed by the separate accounts (or feeder funds) at net asset value without any sales or redemption charges. Such purchases and redemptions are made promptly after corresponding purchases and redemptions of units of the separate accounts (or feeder funds).

Frequent trading of fund shares

The Series and American Funds Distributors, Inc., the Series' distributor, reserve the right to reject any purchase order for any reason. The funds are not designed to serve as vehicles for frequent trading. Frequent trading of fund shares may lead to increased costs to the funds and less efficient management of the funds' portfolios, potentially resulting in dilution of the value of the shares held by long-term shareholders. Accordingly, purchases, including those that are part of exchange activity, that the Series or American Funds Distributors, Inc. has determined could involve actual or potential harm to a fund may be rejected.

The Series, through its transfer agent, American Funds Service Company, maintains surveillance procedures that are designed to detect frequent trading in fund shares. Under these procedures, various analytics are used to evaluate factors that may be indicative of frequent trading. For example, transactions in fund shares that exceed certain monetary thresholds may be scrutinized. American Funds Service Company also may review transactions that occur close in time to other transactions in the same account or in multiple accounts under common ownership or influence. Trading activity that is identified through these procedures or as a result of any other information available to the funds will be evaluated to determine whether such activity might constitute frequent trading. These procedures may be modified from time to time as appropriate to improve the detection of frequent trading, to facilitate monitoring for frequent trading in particular retirement plans or other accounts, and to comply with applicable laws.

In addition to the Series' broad ability to restrict potentially harmful trading as described above, the Series' board of trustees has adopted a “purchase blocking policy” under which any contract owner redeeming units representing a beneficial interest in any fund other than Cash Management Fund (including redemptions that are part of an exchange transaction) having a value of \$5,000 or more will be precluded from investing units of beneficial interest in that fund (including investments that are part of an exchange transaction) for 30 calendar days after the redemption transaction. Under this purchase blocking policy, certain purchases will not be prevented and certain redemptions will not trigger a purchase block, such as: systematic redemptions and purchases where the entity maintaining the contract owner's account is able to identify the transaction as a systematic redemption or purchase; purchases and redemptions of units representing a beneficial interest in a fund having a value of less than \$5,000; retirement plan contributions, loans and distributions (including hardship withdrawals) identified as such on the retirement plan recordkeeper's system; and purchase transactions involving transfers of assets, where the entity maintaining the contract owner's account is able to identify the transaction as one of these types of transactions.

The Series reserves the right to waive the purchase blocking policy in those instances where American Funds Service Company determines that its surveillance procedures are adequate to detect frequent trading in fund shares.

American Funds Service Company may work with the insurance company separate accounts to apply their procedures which American Funds Service Company believes are reasonably designed to enforce the frequent trading policies of the Series. You should refer to disclosures provided by the insurance company with which you have a contract to determine the specific trading restrictions that apply to you.

If American Funds Service Company identifies any activity that may constitute frequent trading, it reserves the right to contact the insurance company separate account and request that the separate account either provide information regarding an account owner's transactions or restrict the account owner's trading. If American Funds Service Company is not satisfied that insurance company separate account has taken appropriate action, American Funds Service Company may terminate the separate account's ability to transact in fund shares.

There is no guarantee that all instances of frequent trading in fund shares will be prevented.

Notwithstanding the Series' surveillance procedures and purchase blocking policy, all transactions in fund shares remain subject to the Series' and American Funds Distributors, Inc.'s right to restrict potentially abusive trading generally (including the types of transactions described above that will not be prevented or trigger a block under the purchase blocking policy). See the statement of additional information for more information about how American Funds Service Company may address other potentially abusive trading activity in the Series.

Valuing shares

Each fund calculates its share price, also called net asset value, each day the New York Stock Exchange is open for trading as of approximately 4 p.m. New York time, the normal close of regular trading. Assets are valued primarily on the basis of market quotations. However, the funds have adopted procedures for making "fair value" determinations if market quotations are not readily available or are not considered reliable. For example, if events occur between the close of markets outside the United States and the close of regular trading on the New York Stock Exchange that, in the opinion of the investment adviser, materially affect the value of any of the securities in the funds' portfolios that principally trade in those international markets, those securities will be valued in accordance with fair value procedures. Use of these procedures is intended to result in more appropriate net asset values. In addition, such use will reduce, if not eliminate, potential arbitrage opportunities otherwise available to short-term investors.

Because certain of the funds may hold securities that are primarily listed on foreign exchanges that trade on weekends or days when the funds do not price their shares, the value of securities held in the funds may change on days when you will not be able to purchase or redeem fund shares.

Shares of the funds will be purchased or sold at the net asset value next determined after receipt of requests from the appropriate insurance company.

Plans of distribution

The Series has adopted plans of distribution or "12b-1 plans" for Class 2 and Class 3 shares. Under these plans, the Series may finance activities primarily intended to sell shares, provided the categories of expenses are approved in advance by the Series' board of trustees. The plans provide for annual expenses of .25% for Class 2 shares and .18% for Class 3 shares. For these share classes, amounts paid under the 12b-1 plans are used by insurance company contract issuers to cover the expenses of certain contract owner services. The 12b-1 fees paid by the Series, as a percentage of average net assets, for the previous fiscal year, are indicated above in the Annual Fund Operating Expenses table for each fund. Since these fees are paid out of the Series' assets or income on an ongoing basis, over time they will increase the cost and reduce the return of an investment.

Distributions and taxes

Each fund of the Series intends to qualify as a "regulated investment company" under the Internal Revenue Code. In any fiscal year in which a fund so qualifies and distributes to shareholders its investment company taxable income and net realized capital gain, the fund itself is relieved of federal income tax.

It is the Series' policy to distribute to the shareholders (the insurance company separate accounts) all of its investment company taxable income and capital gain for each fiscal year.

See the applicable contract prospectus for information regarding the federal income tax treatment of the contracts and distributions to the separate accounts.

Financial highlights¹

The Financial Highlights table is intended to help you understand the funds' results for the past five fiscal years. Certain information reflects financial results for a single share of a particular class. The total returns in the table represent the rate that an investor would have earned or lost on an investment in a fund (assuming reinvestment of all dividends and capital gain distributions). This information has been audited by PricewaterhouseCoopers LLP, whose report, along with the funds' financial statements, is included in the statement of additional information, which is available upon request. Figures shown do not reflect insurance contract fees and expenses. If insurance contract fees and expenses were reflected, results would be lower.

Period ended	(Loss) income from investment operations ²				Dividends and distributions			Net asset value, end of period	Total return ³	Net assets, end of period (in millions)	Ratio of expenses to average net assets before waiver	Ratio of expenses to average net assets after waiver ³	Ratio of net income (loss) to average net assets ³
	Net asset value, beginning of period	Net investment income (loss)	Net (losses) gains on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions						
Global Discovery Fund													
Class 1													
12/31/08	\$14.09	\$.15	\$(6.37)	\$(6.22)	\$(.12)	\$ (.30)	\$ (.42)	\$ 7.45	(45.02)%	\$ 18	.60%	.55%	1.33%
12/31/07	13.05	.17	2.07	2.24	(.16)	(1.04)	(1.20)	14.09	17.55	35	.60	.54	1.25
12/31/06	11.63	.15	1.89	2.04	(.13)	(.49)	(.62)	13.05	17.66	28	.62	.56	1.19
12/31/05	10.79	.14	1.05	1.19	(.11)	(.24)	(.35)	11.63	11.07	22	.61	.56	1.27
12/31/04	9.94	.08	.98	1.06	(.09)	(.12)	(.21)	10.79	10.72	20	.61	.60	.81
Class 2													
12/31/08	14.02	.12	(6.32)	(6.20)	(.09)	(.30)	(.39)	7.43	(45.09)	131	.85	.80	1.08
12/31/07	13.00	.14	2.05	2.19	(.13)	(1.04)	(1.17)	14.02	17.22	240	.85	.79	.98
12/31/06	11.59	.11	1.89	2.00	(.10)	(.49)	(.59)	13.00	17.41	151	.87	.81	.94
12/31/05	10.76	.11	1.05	1.16	(.09)	(.24)	(.33)	11.59	10.80	89	.86	.81	1.04
12/31/04	9.92	.06	.97	1.03	(.07)	(.12)	(.19)	10.76	10.43	51	.86	.85	.60
Global Growth Fund													
Class 1													
12/31/08	\$25.15	\$.47	\$(9.50)	\$(9.03)	\$(.41)	\$(1.75)	\$(2.16)	\$13.96	(38.23)%	\$ 675	.55%	.50%	2.37%
12/31/07	23.44	.51	2.98	3.49	(.76)	(1.02)	(1.78)	25.15	15.16	684	.55	.50	2.06
12/31/06	19.63	.41	3.62	4.03	(.22)	—	(.22)	23.44	20.73	278	.58	.53	1.95
12/31/05	17.31	.28	2.19	2.47	(.15)	—	(.15)	19.63	14.37	206	.62	.57	1.56
12/31/04	15.30	.18	1.92	2.10	(.09)	—	(.09)	17.31	13.80	202	.65	.64	1.15
Class 2													
12/31/08	25.00	.42	(9.43)	(9.01)	(.36)	(1.75)	(2.11)	13.88	(38.39)	3,198	.80	.75	2.12
12/31/07	23.29	.45	2.95	3.40	(.67)	(1.02)	(1.69)	25.00	14.85	5,180	.80	.75	1.84
12/31/06	19.52	.36	3.59	3.95	(.18)	—	(.18)	23.29	20.43	4,015	.83	.78	1.71
12/31/05	17.23	.23	2.18	2.41	(.12)	—	(.12)	19.52	14.07	2,617	.87	.82	1.30
12/31/04	15.25	.14	1.91	2.05	(.07)	—	(.07)	17.23	13.49	1,796	.90	.89	.92
Global Small Capitalization Fund													
Class 1													
12/31/08	\$27.20	\$.19	\$(13.33)	\$(13.14)	\$ —	\$(2.88)	\$(2.88)	\$11.18	(53.39)%	\$ 306	.74%	.67%	1.01%
12/31/07	24.87	.12	5.27	5.39	(.90)	(2.16)	(3.06)	27.20	21.73	369	.73	.66	.45
12/31/06	21.29	.19	4.74	4.93	(.14)	(1.21)	(1.35)	24.87	24.35	247	.77	.69	.82
12/31/05	17.14	.13	4.23	4.36	(.21)	—	(.21)	21.29	25.66	231	.79	.73	.72
12/31/04	14.15	.02	2.97	2.99	—	—	—	17.14	21.13	193	.81	.80	.15
Class 2													
12/31/08	26.95	.14	(13.18)	(13.04)	—	(2.88)	(2.88)	11.03	(53.52)	1,748	.99	.92	.70
12/31/07	24.64	.05	5.22	5.27	(.80)	(2.16)	(2.96)	26.95	21.43	3,975	.98	.91	.20
12/31/06	21.12	.14	4.70	4.84	(.11)	(1.21)	(1.32)	24.64	24.05	2,927	1.02	.94	.61
12/31/05	17.02	.09	4.19	4.28	(.18)	—	(.18)	21.12	25.35	1,977	1.04	.97	.49
12/31/04	14.08	(.01)	2.95	2.94	—	—	—	17.02	20.88	1,198	1.06	1.05	(.07)

Period ended	(Loss) income from investment operations ²				Dividends and distributions			Net asset value, end of period	Total return ³	Net assets, end of period (in millions)	Ratio of expenses to average net assets before waiver	Ratio of expenses to average net assets after waiver ³	Ratio of net income (loss) to average net assets ³
	Net asset value, beginning of period	Net investment income (loss)	Net (losses) gains on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions						
Growth Fund													
Class 1													
12/31/08	\$67.22	\$.63	\$(27.52)	\$(26.89)	\$(.56)	\$(6.26)	\$(6.82)	\$33.51	(43.83)%	\$ 4,768	.33%	.30%	1.23%
12/31/07	64.51	.68	7.44	8.12	(.68)	(4.73)	(5.41)	67.22	12.64	5,051	.33	.30	1.00
12/31/06	59.36	.70	5.46	6.16	(.63)	(.38)	(1.01)	64.51	10.48	3,503	.34	.31	1.14
12/31/05	51.39	.46	8.00	8.46	(.49)	—	(.49)	59.36	16.50	3,709	.35	.32	.87
12/31/04	45.74	.32	5.51	5.83	(.18)	—	(.18)	51.39	12.75	3,744	.36	.36	.68
Class 2													
12/31/08	66.72	.50	(27.27)	(26.77)	(.42)	(6.26)	(6.68)	33.27	(43.97)	13,383	.58	.55	.95
12/31/07	64.08	.50	7.39	7.89	(.52)	(4.73)	(5.25)	66.72	12.35	25,359	.58	.55	.74
12/31/06	58.98	.54	5.43	5.97	(.49)	(.38)	(.87)	64.08	10.22	23,122	.59	.56	.89
12/31/05	51.10	.34	7.92	8.26	(.38)	—	(.38)	58.98	16.19	18,343	.60	.57	.64
12/31/04	45.50	.23	5.45	5.68	(.08)	—	(.08)	51.10	12.50	12,055	.61	.61	.50
Class 3													
12/31/08	67.21	.54	(27.50)	(26.96)	(.45)	(6.26)	(6.71)	33.54	(43.93)	198	.51	.48	1.02
12/31/07	64.50	.55	7.45	8.00	(.56)	(4.73)	(5.29)	67.21	12.44	425	.51	.48	.81
12/31/06	59.34	.59	5.46	6.05	(.51)	(.38)	(.89)	64.50	10.29	451	.52	.49	.95
12/31/05	51.38	.37	7.98	8.35	(.39)	—	(.39)	59.34	16.28	499	.53	.50	.69
12/31/04 ⁴	47.74	.24	3.50	3.74	(.10)	—	(.10)	51.38	7.85	516	.54 ⁵	.53 ⁵	.54 ⁵
International Fund													
Class 1													
12/31/08	\$24.81	\$.43	\$(9.88)	\$(9.45)	\$(.40)	\$(2.74)	\$(3.14)	\$12.22	(42.01)%	\$1,864	.52%	.48%	2.42%
12/31/07	22.01	.43	3.95	4.38	(.41)	(1.17)	(1.58)	24.81	20.30	1,708	.52	.47	1.82
12/31/06	18.96	.41	3.21	3.62	(.38)	(.19)	(.57)	22.01	19.33	1,648	.54	.49	1.99
12/31/05	15.82	.32	3.11	3.43	(.29)	—	(.29)	18.96	21.75	1,599	.57	.52	1.92
12/31/04	13.41	.22	2.41	2.63	(.22)	—	(.22)	15.82	19.66	1,495	.60	.59	1.54
Class 2													
12/31/08	24.72	.41	(9.85)	(9.44)	(.35)	(2.74)	(3.09)	12.19	(42.12)	4,901	.77	.72	2.16
12/31/07	21.94	.36	3.94	4.30	(.35)	(1.17)	(1.52)	24.72	20.02	9,719	.77	.72	1.55
12/31/06	18.92	.35	3.20	3.55	(.34)	(.19)	(.53)	21.94	18.98	7,260	.79	.74	1.72
12/31/05	15.79	.28	3.11	3.39	(.26)	—	(.26)	18.92	21.50	4,790	.82	.77	1.64
12/31/04	13.39	.18	2.41	2.59	(.19)	—	(.19)	15.79	19.32	2,752	.84	.83	1.27
Class 3													
12/31/08	24.80	.43	(9.90)	(9.47)	(.36)	(2.74)	(3.10)	12.23	(42.10)	57	.70	.65	2.25
12/31/07	22.00	.39	3.94	4.33	(.36)	(1.17)	(1.53)	24.80	20.10	123	.70	.65	1.64
12/31/06	18.96	.37	3.20	3.57	(.34)	(.19)	(.53)	22.00	19.07	120	.72	.67	1.81
12/31/05	15.82	.29	3.11	3.40	(.26)	—	(.26)	18.96	21.54	116	.75	.70	1.74
12/31/04 ⁴	13.76	.20	2.05	2.25	(.19)	—	(.19)	15.82	16.45	115	.77 ⁵	.77 ⁵	1.45 ⁵
New World Fund													
Class 1													
12/31/08	\$25.88	\$.43	\$(10.68)	\$(10.25)	\$(.36)	\$(1.70)	\$(2.06)	\$13.57	(42.20)%	\$ 253	.81%	.73%	2.18%
12/31/07	21.56	.46	6.25	6.71	(.83)	(1.56)	(2.39)	25.88	32.53	261	.82	.74	1.92
12/31/06	16.67	.41	4.95	5.36	(.32)	(.15)	(.47)	21.56	32.88	126	.88	.80	2.19
12/31/05	13.96	.33	2.58	2.91	(.20)	—	(.20)	16.67	21.10	88	.92	.85	2.22
12/31/04	11.99	.23	2.01	2.24	(.27)	—	(.27)	13.96	19.07	63	.93	.92	1.81
Class 2													
12/31/08	25.69	.40	(10.62)	(10.22)	(.30)	(1.70)	(2.00)	13.47	(42.37)	1,044	1.06	.98	1.94
12/31/07	21.40	.40	6.20	6.60	(.75)	(1.56)	(2.31)	25.69	32.21	1,875	1.07	.99	1.69
12/31/06	16.56	.36	4.92	5.28	(.29)	(.15)	(.44)	21.40	32.59	1,175	1.13	1.05	1.93
12/31/05	13.89	.29	2.56	2.85	(.18)	—	(.18)	16.56	20.74	677	1.17	1.10	1.97
12/31/04	11.94	.19	2.01	2.20	(.25)	—	(.25)	13.89	18.80	373	1.18	1.17	1.57
Blue Chip Income and Growth Fund													
Class 1													
12/31/08	\$11.53	\$.22	\$(4.22)	\$(4.00)	\$(.21)	\$(.65)	\$(.86)	\$ 6.67	(36.30)%	\$ 220	.43%	.39%	2.48%
12/31/07	11.97	.24	.07	.31	(.36)	(.39)	(.75)	11.53	2.25	143	.42	.38	1.95
12/31/06	10.91	.20	1.63	1.83	(.16)	(.61)	(.77)	11.97	17.73	159	.43	.39	1.75
12/31/05	10.26	.18	.59	.77	(.12)	—	(.12)	10.91	7.57	135	.45	.41	1.73
12/31/04	9.41	.15	.78	.93	(.08)	—	(.08)	10.26	9.94	129	.46	.46	1.60
Class 2													
12/31/08	11.45	.19	(4.18)	(3.99)	(.19)	(.65)	(.84)	6.62	(36.50)	2,602	.68	.64	2.10
12/31/07	11.87	.21	.07	.28	(.31)	(.39)	(.70)	11.45	2.03	4,274	.67	.63	1.70
12/31/06	10.83	.17	1.61	1.78	(.13)	(.61)	(.74)	11.87	17.42	3,937	.68	.64	1.50
12/31/05	10.20	.15	.58	.73	(.10)	—	(.10)	10.83	7.24	3,029	.70	.66	1.48
12/31/04	9.36	.13	.78	.91	(.07)	—	(.07)	10.20	9.74	2,349	.71	.70	1.37

Period ended	(Loss) income from investment operations ²				Dividends and distributions			Net asset value, end of period	Total return ³	Net assets, end of period (in millions)	Ratio of expenses to average net assets before waiver	Ratio of expenses to average net assets after waiver ³	Ratio of net income (loss) to average net assets ³
	Net asset value, beginning of period	Net investment income (loss)	Net (losses) gains on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions						
Global Growth and Income Fund													
Class 1													
12/31/08	\$11.78	\$.28	\$(5.09)	\$(4.81)	\$(.22)	\$(.07)	\$(.29)	\$ 6.68	(41.06)%	\$ 95	.62%	.56%	3.00%
12/31/07	10.98	.28	1.14	1.42	(.22)	(.40)	(.62)	11.78	13.04	79	.71	.58	2.37
12/31/06 ⁶	10.00	.14	.91	1.05	(.07)	—	(.07)	10.98	10.49	45	.72 ⁵	.65 ⁵	2.10 ⁵
Class 2													
12/31/08	11.75	.26	(5.07)	(4.81)	(.20)	(.07)	(.27)	6.67	(41.17)	1,529	.86	.81	2.73
12/31/07	10.97	.25	1.13	1.38	(.20)	(.40)	(.60)	11.75	12.67	1,997	.96	.83	2.11
12/31/06 ⁶	10.00	.11	.92	1.03	(.06)	—	(.06)	10.97	10.30	638	.97 ⁵	.90 ⁵	1.64 ⁵
Growth-Income Fund													
Class 1													
12/31/08	\$42.52	\$.69	\$(15.91)	\$(15.22)	\$(.69)	\$(2.36)	\$(3.05)	\$24.25	(37.68)%	\$5,034	.28%	.25%	2.03%
12/31/07	42.43	.80	1.51	2.31	(.77)	(1.45)	(2.22)	42.52	5.32	5,618	.27	.25	1.82
12/31/06	38.31	.77	5.03	5.80	(.72)	(.96)	(1.68)	42.43	15.51	3,759	.28	.25	1.92
12/31/05	36.81	.62	1.61	2.23	(.58)	(.15)	(.73)	38.31	6.08	3,825	.29	.27	1.68
12/31/04	33.61	.48	3.09	3.57	(.37)	—	(.37)	36.81	10.66	4,213	.31	.30	1.39
Class 2													
12/31/08	42.26	.60	(15.80)	(15.20)	(.59)	(2.36)	(2.95)	24.11	(37.85)	13,046	.53	.50	1.75
12/31/07	42.19	.68	1.50	2.18	(.66)	(1.45)	(2.11)	42.26	5.04	23,243	.52	.50	1.57
12/31/06	38.12	.67	4.99	5.66	(.63)	(.96)	(1.59)	42.19	15.20	22,688	.53	.50	1.67
12/31/05	36.64	.53	1.60	2.13	(.50)	(.15)	(.65)	38.12	5.83	17,608	.54	.52	1.44
12/31/04	33.48	.41	3.06	3.47	(.31)	—	(.31)	36.64	10.37	13,105	.56	.55	1.19
Class 3													
12/31/08	42.51	.64	(15.90)	(15.26)	(.62)	(2.36)	(2.98)	24.27	(37.78)	205	.46	.43	1.83
12/31/07	42.42	.73	1.50	2.23	(.69)	(1.45)	(2.14)	42.51	5.12	405	.45	.43	1.64
12/31/06	38.31	.70	5.01	5.71	(.64)	(.96)	(1.60)	42.42	15.30	458	.46	.43	1.74
12/31/05	36.80	.56	1.61	2.17	(.51)	(.15)	(.66)	38.31	5.88	471	.47	.45	1.50
12/31/04 ⁴	34.64	.41	2.07	2.48	(.32)	—	(.32)	36.80	7.18	537	.49 ⁵	.48 ⁵	1.24 ⁵
International Growth and Income Fund													
Class 1													
12/31/08 ⁷	\$10.00	\$.01	\$.92	\$.93	\$(.01)	\$ —	\$(.01)	\$10.92	9.28%	\$12	.09%	.08%	.14%
Class 2													
12/31/08 ⁷	10.00	.01	.92	.93	(.01)	—	(.01)	10.92	9.27	4	.11	.11	.05
Asset Allocation Fund													
Class 1													
12/31/08	\$18.51	\$.47	\$(5.70)	\$(5.23)	\$(.45)	\$(.67)	\$(1.12)	\$12.16	(29.30)%	\$2,243	.32%	.29%	2.98%
12/31/07	18.34	.51	.75	1.26	(.45)	(.64)	(1.09)	18.51	6.82	1,927	.32	.29	2.69
12/31/06	16.56	.47	1.97	2.44	(.43)	(.23)	(.66)	18.34	14.96	1,079	.33	.30	2.67
12/31/05	15.49	.41	1.05	1.46	(.39)	—	(.39)	16.56	9.45	879	.35	.32	2.57
12/31/04	14.58	.39	.84	1.23	(.32)	—	(.32)	15.49	8.50	899	.38	.37	2.64
Class 2													
12/31/08	18.39	.43	(5.66)	(5.23)	(.41)	(.67)	(1.08)	12.08	(29.51)	4,822	.57	.54	2.70
12/31/07	18.23	.47	.74	1.21	(.41)	(.64)	(1.05)	18.39	6.55	7,308	.57	.54	2.45
12/31/06	16.47	.42	1.96	2.38	(.39)	(.23)	(.62)	18.23	14.66	6,362	.58	.55	2.42
12/31/05	15.42	.37	1.04	1.41	(.36)	—	(.36)	16.47	9.14	5,120	.60	.57	2.31
12/31/04	14.51	.36	.84	1.20	(.29)	—	(.29)	15.42	8.34	3,797	.62	.62	2.42
Class 3													
12/31/08	18.50	.44	(5.68)	(5.24)	(.42)	(.67)	(1.09)	12.17	(29.39)	41	.50	.47	2.77
12/31/07	18.34	.48	.74	1.22	(.42)	(.64)	(1.06)	18.50	6.56	71	.50	.47	2.52
12/31/06	16.56	.44	1.97	2.41	(.40)	(.23)	(.63)	18.34	14.75	76	.51	.48	2.49
12/31/05	15.49	.38	1.05	1.43	(.36)	—	(.36)	16.56	9.26	76	.53	.50	2.39
12/31/04 ⁴	14.85	.36	.58	.94	(.30)	—	(.30)	15.49	6.38	81	.55 ⁵	.55 ⁵	2.50 ⁵
Bond Fund													
Class 1													
12/31/08	\$11.14	\$.61	\$(1.64)	\$(1.03)	\$(.63)	\$(.03)	\$(.66)	\$ 9.45	(9.16)%	\$2,090	.40%	.36%	5.84%
12/31/07	11.64	.65	(.24)	.41	(.91)	—	(.91)	11.14	3.66	436	.41	.37	5.59
12/31/06	11.31	.63	.17	.80	(.47)	—	(.47)	11.64	7.31	230	.43	.39	5.54
12/31/05	11.57	.60	(.40)	.20	(.46)	—	(.46)	11.31	1.77	182	.44	.40	5.30
12/31/04	11.34	.56	.10	.66	(.43)	—	(.43)	11.57	6.04	195	.45	.44	4.94
Class 2													
12/31/08	11.03	.59	(1.63)	(1.04)	(.60)	(.03)	(.63)	9.36	(9.35)	3,432	.65	.61	5.53
12/31/07	11.53	.61	(.24)	.37	(.87)	—	(.87)	11.03	3.33	4,679	.66	.62	5.34
12/31/06	11.22	.60	.16	.76	(.45)	—	(.45)	11.53	6.99	3,374	.68	.64	5.29
12/31/05	11.48	.57	(.39)	.18	(.44)	—	(.44)	11.22	1.59	2,312	.69	.65	5.06
12/31/04	11.27	.53	.09	.62	(.41)	—	(.41)	11.48	5.72	1,759	.70	.69	4.68

Period ended	(Loss) income from investment operations ²				Dividends and distributions			Net asset value, end of period	Total return ³	Net assets, end of period (in millions)	Ratio of expenses to average net assets before waiver	Ratio of expenses to average net assets after waiver ³	Ratio of net income (loss) to average net assets ³
	Net asset value, beginning of period	Net investment income (loss)	Net (losses) gains on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions						
Global Bond Fund													
Class 1													
12/31/08	\$10.83	\$.48	\$(.09)	\$.39	\$(.54)	\$ — ⁸	\$(.54)	\$10.68	3.60%	\$111	.59%	.53%	4.36%
12/31/07	10.18	.49	.47	.96	(.31)	—	(.31)	10.83	9.54	28	.61	.55	4.61
12/31/06 ⁹	10.00	.10	.15	.25	(.07)	—	(.07)	10.18	2.52	12	.15	.13	1.00
Class 2													
12/31/08	10.81	.44	(.07)	.37	(.52)	— ⁸	(.52)	10.66	3.48	802	.84	.79	4.06
12/31/07	10.17	.47	.47	.94	(.30)	—	(.30)	10.81	9.23	279	.86	.80	4.41
12/31/06 ¹⁰	10.00	.06	.18	.24	(.07)	—	(.07)	10.17	1.99	15	.13	.12	.60
High-Income Bond Fund													
Class 1													
12/31/08	\$11.65	\$.87	\$(3.64)	\$(2.77)	\$(.83)	\$ —	\$(.83)	\$ 8.05	(23.74)%	\$340	.48%	.43%	8.22%
12/31/07	12.90	.95	(.72)	.23	(1.48)	—	(1.48)	11.65	1.62	308	.48	.44	7.41
12/31/06	12.41	.92	.37	1.29	(.80)	—	(.80)	12.90	10.89	293	.49	.45	7.36
12/31/05	12.89	.85	(.55)	.30	(.78)	—	(.78)	12.41	2.46	309	.50	.46	6.76
12/31/04	12.54	.84	.32	1.16	(.81)	—	(.81)	12.89	9.83	364	.50	.50	6.74
Class 2													
12/31/08	11.55	.84	(3.60)	(2.76)	(.80)	—	(.80)	7.99	(23.84)	780	.73	.68	7.92
12/31/07	12.79	.91	(.72)	.19	(1.43)	—	(1.43)	11.55	1.33	996	.73	.69	7.17
12/31/06	12.32	.89	.36	1.25	(.78)	—	(.78)	12.79	10.59	832	.74	.70	7.12
12/31/05	12.81	.81	(.55)	.26	(.75)	—	(.75)	12.32	2.20	590	.75	.71	6.55
12/31/04	12.47	.81	.32	1.13	(.79)	—	(.79)	12.81	9.59	444	.75	.74	6.48
Class 3													
12/31/08	11.65	.86	(3.64)	(2.78)	(.80)	—	(.80)	8.07	(23.76)	18	.66	.61	7.96
12/31/07	12.88	.92	(.72)	.20	(1.43)	—	(1.43)	11.65	1.40	28	.66	.62	7.21
12/31/06	12.39	.90	.36	1.26	(.77)	—	(.77)	12.88	10.66	34	.67	.63	7.19
12/31/05	12.87	.82	(.55)	.27	(.75)	—	(.75)	12.39	2.25	37	.68	.64	6.58
12/31/04 ⁴	12.79	.78	.11	.89	(.81)	—	(.81)	12.87	7.52	46	.68 ⁵	.68 ⁵	6.57 ⁵
U.S. Government/AAA-Rated Securities Fund													
Class 1													
12/31/08	\$11.73	\$.50	\$.41	\$.91	\$(.35)	\$ —	\$(.35)	\$12.29	7.84%	\$ 496	.43%	.38%	4.17%
12/31/07	11.87	.58	.20	.78	(.92)	—	(.92)	11.73	6.83	211	.46	.41	4.83
12/31/06	11.91	.55	(.10)	.45	(.49)	—	(.49)	11.87	3.95	218	.47	.42	4.64
12/31/05	12.07	.48	(.16)	.32	(.48)	—	(.48)	11.91	2.70	252	.47	.43	3.99
12/31/04	12.24	.45	(.03)	.42	(.59)	—	(.59)	12.07	3.58	286	.47	.46	3.68
Class 2													
12/31/08	11.65	.47	.41	.88	(.33)	—	(.33)	12.20	7.63	1,219	.68	.64	3.93
12/31/07	11.79	.54	.19	.73	(.87)	—	(.87)	11.65	6.49	597	.71	.66	4.58
12/31/06	11.83	.51	(.09)	.42	(.46)	—	(.46)	11.79	3.75	402	.72	.67	4.40
12/31/05	12.00	.45	(.16)	.29	(.46)	—	(.46)	11.83	2.41	341	.72	.68	3.75
12/31/04	12.17	.41	(.03)	.38	(.55)	—	(.55)	12.00	3.30	285	.72	.71	3.42
Class 3													
12/31/08	11.74	.48	.41	.89	(.33)	—	(.33)	12.30	7.66	33	.61	.57	4.03
12/31/07	11.86	.55	.20	.75	(.87)	—	(.87)	11.74	6.63	29	.64	.59	4.65
12/31/06	11.89	.52	(.09)	.43	(.46)	—	(.46)	11.86	3.80	32	.65	.60	4.45
12/31/05	12.05	.46	(.16)	.30	(.46)	—	(.46)	11.89	2.50	39	.65	.61	3.81
12/31/04 ⁴	12.34	.41	(.11)	.30	(.59)	—	(.59)	12.05	2.58	43	.65 ⁵	.65 ⁵	3.51 ⁵
Cash Management Fund													
Class 1													
12/31/08	\$11.40	\$.24	\$ — ⁸	\$.24	\$(.20)	\$ —	\$(.20)	\$11.44	2.15%	\$ 158	.32%	.29%	2.07%
12/31/07	11.62	.57	— ⁸	.57	(.79)	—	(.79)	11.40	4.95	112	.33	.30	4.88
12/31/06	11.31	.54	— ⁸	.54	(.23)	—	(.23)	11.62	4.81	98	.33	.30	4.74
12/31/05	11.09	.33	— ⁸	.33	(.11)	—	(.11)	11.31	2.97	75	.33	.30	2.91
12/31/04	11.07	.11	— ⁸	.11	(.09)	—	(.09)	11.09	.96	78	.37	.36	.96
Class 2													
12/31/08	11.35	.20	.02	.22	(.19)	—	(.19)	11.38	1.90	1,023	.57	.54	1.73
12/31/07	11.56	.54	— ⁸	.54	(.75)	—	(.75)	11.35	4.73	452	.58	.55	4.61
12/31/06	11.26	.51	— ⁸	.51	(.21)	—	(.21)	11.56	4.59	282	.58	.55	4.52
12/31/05	11.05	.30	— ⁸	.30	(.09)	—	(.09)	11.26	2.68	153	.58	.55	2.71
12/31/04	11.03	.08	— ⁸	.08	(.06)	—	(.06)	11.05	.70	110	.61	.61	.76
Class 3													
12/31/08	11.40	.22	.01	.23	(.19)	—	(.19)	11.44	1.99	25	.50	.47	1.91
12/31/07	11.60	.55	— ⁸	.55	(.75)	—	(.75)	11.40	4.83	20	.51	.48	4.70
12/31/06	11.29	.52	— ⁸	.52	(.21)	—	(.21)	11.60	4.64	18	.51	.48	4.53
12/31/05	11.07	.30	— ⁸	.30	(.08)	—	(.08)	11.29	2.74	16	.51	.48	2.70
12/31/04 ⁴	11.07	.09	— ⁸	.09	(.09)	—	(.09)	11.07	.78	20	.54 ⁵	.54 ⁵	.80 ⁵

Portfolio turnover rate for all classes of shares	Year ended December 31				
	2008	2007	2006	2005	2004
Global Discovery Fund	46%	50%	31%	53%	28%
Global Growth Fund	38	38	31	26	24
Global Small Capitalization Fund	47	49	50	47	49
Growth Fund	26	40	35	29	30
International Fund	52	41	29	40	37
New World Fund	32	34	32	26	18
Blue Chip Income and Growth Fund	24	27	21	33	13
Global Growth and Income Fund	36	36	8 ⁶	—	—
Growth-Income Fund	31	24	25	20	21
International Growth and Income Fund	— ⁷	—	—	—	—
Asset Allocation Fund	36	29	38	23	20
Bond Fund	63	57	57	46	34
Global Bond Fund	118	85	7 ⁹	—	—
High-Income Bond Fund	29	32	35	35	38
U.S. Government/AAA-Rated Securities Fund	108	91	76	86	68
Cash Management Fund	—	—	—	—	—

¹ Based on operations for the periods shown (unless otherwise noted) and, accordingly, may not be representative of a full year.

² Based on average shares outstanding.

³ This column reflects the impact, if any, of certain waivers by Capital Research and Management Company. During some of the periods shown, Capital Research and Management Company reduced fees for investment advisory services.

⁴ From January 16, 2004, when Class 3 shares were first issued.

⁵ Annualized.

⁶ From May 1, 2006, commencement of operations.

⁷ From November 18, 2008, commencement of operations.

⁸ Amount less than \$.01.

⁹ From October 4, 2006, commencement of operations.

¹⁰ From November 6, 2006, when Class 2 shares were first issued.

Other fund information**Annual/Semi-annual report to shareholders**

The shareholder reports contain additional information about the Series, including financial statements, investment results, portfolio holdings, a discussion of market conditions and the funds' investment strategies, and the independent registered public accounting firm's report (in the annual report).

Statement of additional information (SAI) and codes of ethics

The current SAI, as amended from time to time, contains more detailed information on all aspects of the Series, including the funds' financial statements, and is incorporated by reference into this prospectus. This means that the current SAI, for legal purposes, is part of this prospectus. The codes of ethics describe the personal investing policies adopted by the Series, the Series' investment adviser and its affiliated companies.

The current SAI and the codes of ethics are on file with the Securities and Exchange Commission (SEC). These and other related materials about the Series are available for review or to be copied at the SEC's Public Reference Room in Washington, D.C. (202/942-8090) or on the EDGAR database on the SEC's website at sec.gov or, after payment of a duplicating fee, via e-mail request to publicinfo@sec.gov or by writing to the SEC's Public Reference Section, 100 F Street, NE, Washington, D.C. 20549-0102.

Because you cannot purchase shares of the Series directly, the Series does not maintain an Internet website. However, the current SAI and annual/semi-annual reports to shareholders may be available on the website of the company that issued your insurance contract. You also may request a free copy of these documents or the codes of ethics by calling American Funds at 800/421-4120 or writing to the Secretary at 333 South Hope Street, Los Angeles, California 90071.