

AMERICAN FUNDS - BOND FUND

Class 2 | 01/02/1996

INVESTMENT OBJECTIVE

The fund's investment objective is to provide as high a level of current income as is consistent with the preservation of capital.

KEY FACTS

| | |
|--------------------------|--|
| Portfolio Name | American Funds - Bond Fund |
| Primary Benchmark | Bloomberg Barclays US Aggregate Bond Index |

INVESTMENT ADVISER



Capital Research And Management Company
(Capital Research)

PORTFOLIO MANAGERS

Pramod Atluri
David A. Hoag

FEES (%)

| | Class 2 |
|-------------------------|---------|
| Gross Expense Ratio (%) | 0.65 |
| Net Expense Ratio (%) | 0.65 |

Expense ratios shown reflect fee waivers, expense reimbursements, or expense recaptures, if any, which are at the discretion of the Investment Adviser. Fee waivers and expense reimbursements are included in the Net Expense Ratio only. Expense recaptures are included in both the Gross Expense Ratio and the Net Expense Ratio.

PORTFOLIO CHARACTERISTICS

| | | | |
|--------------------------------|-----------------|------------------------------|-------|
| Net Assets (all share classes) | \$10.93 Billion | Beta (Class 2) | 1.03 |
| Number of Holdings | 959 | R-Squared (Class 2) | 93.00 |
| Alpha (Class 2) | 0.50 | Standard Deviation (Class 2) | 3.59 |

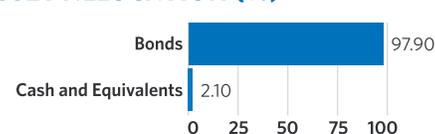
Risk measures are in comparison to the fund's primary benchmark unless otherwise indicated. Based on the indicated class shares at NAV for the 3-year period. **Past performance is no indication of future results.** **Alpha** is a coefficient measuring the portion of a fund's return arising from specific (non-market) risk. Historical **Beta** illustrates a fund's sensitivity to price movements in relation to a benchmark index. **R-Squared** is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **Standard Deviation** is a statistical measurement that helps to gauge the fund's historical volatility.

TOP 5 HOLDINGS (%)

| | |
|---------------|--------------|
| U.S. Treasury | 25.20 |
| UMBS | 15.20 |
| Fannie Mae | 4.50 |
| Ginnie Mae II | 3.70 |
| Freddie Mac | 2.70 |
| Total | 51.30 |

Holdings are subject to change and are not recommendations to buy or sell a security. Holdings display excludes net other assets (liabilities).

ASSET ALLOCATION (%)



AMERICAN FUNDS - BOND FUND

as of 09/30/2020

INVESTMENT STRATEGY

The fund seeks to maximize your level of current income and preserve your capital by investing primarily in bonds. Normally, the fund invests at least 80% of its assets in bonds and other debt securities. The fund invests at least 65% of its assets in investment-grade debt securities (rated Baa3 or better or BBB- or better by Nationally Recognized Statistical Rating Organizations, or NRSROs, designated by the fund's investment adviser or unrated but determined to be of equivalent quality by the fund's investment adviser), including cash and cash equivalents, securities issued and guaranteed by the U.S. and other governments, and securities backed by mortgages and other assets. The fund may invest up to 35% of its assets in debt securities rated Ba1 or below and BB+ or below by NRSROs designated by the fund's investment adviser or unrated but determined by the fund's investment adviser to be of equivalent quality. Such securities are sometimes referred to as "junk bonds." The fund may invest in debt securities of issuers domiciled outside the United States, including in emerging markets. The fund may also invest up to 20% of its assets in preferred stocks, including convertible and nonconvertible preferred stocks. In addition, the fund may invest, subject to the restrictions above, in contracts for future delivery of mortgage-backed securities, such as to-be announced contracts and mortgage rolls. These contracts are normally of short duration and may be replaced by another contract prior to maturity. Each such transaction is reflected as turnover in the fund's portfolio, resulting in a higher portfolio turnover rate than funds that do not employ this investment strategy. The fund is designed for investors seeking income and more price stability than stocks, and capital preservation over the long term.

Bonds are particularly sensitive to interest rate movements and the creditworthiness of their issuers. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. High-yield, lower-rated (junk) bonds generally have greater price swings and higher risk of default and loss of principal than investment-grade bonds. Investments in lower-rated debt securities present a greater risk to principal and income than investments in higher-quality securities.

Bloomberg Barclays US Aggregate Bond Index is an unmanaged index used as a general measure of market performance. It is not possible to invest directly into an index.

**Past performance is no indication of future results.
All quarterly data provided by Capital Research and Management Company.**

SECTOR WEIGHTS (%)

| | |
|--------------------------------|-------|
| Corporate bonds, notes & loans | 36.30 |
| Mortgage-backed obligation | 28.70 |
| U.S. Treasury bonds & notes | 25.20 |
| Non-U.S. gov./agencies | 3.30 |
| Asset-backed obligations | 2.30 |
| Cash & equivalents | 2.10 |
| Municipal securities | 2.00 |
| Govt agency securities | 0.10 |

Sector weights display excludes net other assets (liabilities).

QUALITY (%)

| | |
|--------------------|-------|
| AAA | 29.80 |
| AA | 3.80 |
| A | 12.60 |
| BBB | 21.20 |
| BB | 5.00 |
| Cash & equivalents | 2.40 |

The Other category includes all Net Assets except U.S. and International Fixed Income. Credit quality display reflects S&P® ratings; percentages may include investments not rated by S&P® but rated by Moody's®, or if unrated by Moody's®, by Fitch® ratings, and then included in the closest equivalent S&P® rating. NR includes securities that are not rated by S&P®, Moody's®, or Fitch®, but may be rated by other Nationally Recognized Statistical Rating Organizations, and may contain bonds, equities and/or bank loans.

Variable annuities are long-term tax deferred vehicles designed for retirement purposes. They offer three main benefits: tax-deferred treatment of earnings, guaranteed death benefit options, and guaranteed lifetime payout options. Variable annuities are subject to investment risk, including possible loss of principal. The value of the variable annuity will fluctuate so that when surrendered, it may be worth more or less than the total of premium payments. Past performance is no guarantee of future results.

This portfolio is only offered as an investment option within a variable annuity contract.

There are other investment choices available with different management fees associated with each choice.

The COVID-19 pandemic has caused substantial market disruption and dislocation around the world including the U.S. During periods of market disruption, which may trigger trading halts, the fund's exposure to the risks described elsewhere in the prospectus will likely increase. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the fund's investments may be negatively affected.

You should consider a variable annuity's investment objectives, risks, charges, and expenses carefully before investing. Go to www.transamerica.com for prospectuses containing this and other information. Please read them carefully.