
Asset Allocation Fund

Table of contents

| | | | |
|-----------------------|---|---|----|
| Asset Allocation Fund | 1 | Investment objectives, strategies and risks | 5 |
| | | Management and organization | 9 |
| | | Purchases and redemptions of shares | 14 |
| | | Plan of distribution | 16 |
| | | Other compensation to dealers | 16 |
| | | Fund expenses | 17 |
| | | Investment results | 17 |
| | | Distributions and taxes | 17 |
| | | Financial highlights | 18 |

Principal risks This section describes the principal risks associated with investing in the fund. You may lose money by investing in the fund. The likelihood of loss may be greater if you invest for a shorter period of time. Investors in the fund should have a long-term perspective and be able to tolerate potentially sharp declines in value.

Market conditions – The prices of, and the income generated by, the common stocks, bonds and other securities held by the fund may decline – sometimes rapidly or unpredictably – due to various factors, including events or conditions affecting the general economy or particular industries or companies; overall market changes; local, regional or global political, social or economic instability; governmental,

Investment results The following bar chart shows how the investment results of the Class 1 shares of the fund have varied from year to year, and the following table shows how the fund's average annual total returns for various periods compare with a broad measure of securities market results and other applicable measures of market results. This information provides some indication of the risks of

Investment objectives, strategies and risks

Asset Allocation Fund The fund's investment objective is to provide high total return (including income and capital gains) consistent with preservation of capital over the long term. While it has no present intention to do so, the fund's board may change the fund's investment objective without shareholder approval upon 60 days' written notice to shareholders.

The fund invests in a diversified portfolio of common stocks and other equity securities, bonds and other intermediate and long-term debt securities including U.S. government securities, and money market instruments (debt securities maturing in one year or less). In seeking to pursue its investment objective, the fund varies its mix of equity securities, debt securities and money market instruments. Although the

risks of delayed settlement of securities purchased or sold by the fund, which could impact the liquidity of the fund's portfolio. The risks of investing outside the United States may be heightened in connection with investments in emerging markets.

Asset allocation – The fund's percentage allocation to equity securities, debt securities and money market instruments could cause the fund to underperform relative to relevant benchmarks and other funds with similar investment objectives.

Management – The investment adviser to the fund actively manages the fund's investments. Consequently, the fund is subject to the risk that the methods and analyses, including models, tools and data, employed by the investment adviser in this process may be flawed or incorrect and may not produce the desired results. This could cause the fund to lose value or its investment results to lag relevant benchmarks or other funds with similar objectives.

The following are additional risks associated with investing in the fund.

Interest rate risk – The values and liquidity of the securities held by the fund may be affected by changing interest rates. For example, the values of these securities may decline when interest rates rise and increase when interest rates fall. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities. The fund may invest in variable and floating rate securities. When the fund holds variable or floating rate securities, a decrease

forecasts economic developments or incorrectly predicts the impact of such developments on the futures in which it invests, the fund could suffer losses.

Investing in swaps – Swaps, including interest rate swaps and credit default swap indices, or CDSI, are subject to many of the risks generally associated with investing in derivative instruments. Additionally, although swaps require no initial investment or only a small initial investment in the form of a deposit of initial margin, the amount of a potential loss on a swap contract could greatly exceed the initial amount invested. The use of swaps involves the risk that the investment adviser will not accurately predict anticipated changes in interest rates or other economic factors, which may result in losses to the fund. If the fund enters into a bilaterally negotiated swap transaction, the counterparty may fail to perform in accordance with the terms of the swap. If a counterparty defaults on its obligations under a swap, the fund may lose any amount it expected to receive from the counterparty, potentially including amounts in excess of the fund's initial investment. Certain swap transactions are subject to mandatory central clearing or may be eligible for voluntary central clearing. Although clearing interposes a central clearinghouse as the ultimate counterparty to each participant's swap, central clearing will not eliminate (but may decrease) counterparty risk relative to uncleared bilateral swaps. Some swaps, such as CDSI, may be dependent on both the individual credit of the fund's counterparty and on the credit of one or more issuers of any underlying assets. If the fund does not correctly evaluate the creditworthiness of its counterparty and, where applicable, of issuers of any underlying reference assets, the fund's investment in a swap may result in losses to the fund.

Exposure to country, region, industry or sector

Management and organization

Investment adviser Capital Research and Management Company, an experienced investment management organization founded in 1931, serves as the investment adviser to the Series and other funds, including the American Funds. Capital Research and Management

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

| Portfolio manager for the Series/Title (if applicable) | Primary title with investment adviser (or affiliate) and investment experience | Portfolio manager's role in management of, |
|--|--|--|
|--|--|--|

| Portfolio manager for the Series/Title (if applicable) | Primary title with investment adviser (or affiliate) and investment experience | Portfolio manager's role in management of, and experience in, the fund(s) |
|--|--|---|
| Tom Chow | Partner – Capital Fixed Income Investors Investment professional for 34 years in total; 8 years with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: American High-Income Trust– 8 years |
| Michael Cohen | Partner – Capital World Investors Investment professional for 32 years in total; 23 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Capital World Growth and Income Fund – 5 years International Growth and Income Fund – 1 year |
| Andrew A. Cormack | Partner – Capital Fixed Income Investors Investment professional for 19 years in total; 5 years with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: American Funds Global Balanced Fund –2 years Capital World Bond Fund – 4 years |
| David A. Daigle | Partner – Capital Fixed Income Investors Investment professional for 29 years, all with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: Asset Allocation Fund – 14 years American High-Income Trust– 14 years (plus 9 years of prior experience as an investment analyst for the fund) |
| Oliver V. Edmonds | Partner – Capital Fixed Income Investors Investment professional for 20 years, all with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: American Funds Mortgage Fund - 3 years |
| Charles E. Ellwein | Partner – Capital Research Global Investors Investment professional for 27 years in total; 17 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Growth-Income Fund – 8 years (plus 8 years of prior experience as an investment analyst for the fund) Capital Income Builder – 2 years |

| Portfolio manager for the Series/Title (if applicable) | Primary title with investment adviser (or affiliate) and investment experience | Portfolio manager's role in management of, and experience in, the fund(s) |
|--|--|---|
| Harold H. La | Partner – Capital Research Global Investors Investment professional for 25 years in total; 24 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Global Small Capitalization Fund – 15 years (plus 4 years of prior experience as an investment analyst for the fund) |
| Jeffrey T. Lager | Partner – Capital International Investors Investment professional for 28 years in total; 27 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Washington Mutual Investors Fund – 2 years Asset Allocation Fund – 16 years |
| Jin Lee | Partner – Capital World Investors Investment professional for 27 years in total; 26 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Capital World Growth and Income Fund – 2 years Washington Mutual Investors Fund – 2 years Asset Allocation Fund – 5 years |
| Steven D. Lotwin | Partner – Capital Fixed Income Investors Investment professional for 22 years, all with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: Ultra-Short Bond Fund – 5 years |
| James B. Lovelace | Partner – Capital Research Global Investors Investment professional for 41 years, all with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Capital Income Builder – 3 years |
| Robert W. Lovelace | Partner – Capital International Investors Investment professional for 38 years, all with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: New World Fund – 3 years |
| Fergus N. MacDonald | Partner – Capital Fixed Income Investors Investment professional for 31 years in total; 20 years with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: Capital Income Builder – 3 years American Funds Mortgage Fund – 12 years The Bond Fund of America – 2 years U.S. Government Securities Fund – 13 years |
| Shlok Melwani | Vice President – Capital Research Global Investors Investment professional for 19 years in total; 9 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Global Small Capitalization Fund – 4 years (plus 4 years of prior experience as an investment analyst for the fund) |
| Aidan O'Connell | Partner – Capital Research Global Investors Investment professional for 25 years in total; 19 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Global Small Capitalization Fund – 9 years (plus 9 years of prior experience as an investment analyst for the fund) |
| Lara Pellini | Partner – Capital World Investors Investment professional for 22 years, all with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Capital World Growth and Income Fund – 2 years (plus 10 years of prior experience as an investment analyst for the fund) |
| Piyada Phanaphat | Partner – Capital World Investors Investment professional for 20 years in total; 16 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: New World Fund – 6 years (plus 9 years of prior experience as an investment analyst for the fund) |
| Anne-Marie Peterson | Partner – Capital World Investors Investment professional for 29 years in total; 18 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Growth Fund – 5 years (plus 11 years of prior experience as an investment analyst for the fund) |
| John R. Queen | Partner – Capital Fixed Income Investors Investment professional for 33 years in total; 21 years with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: Asset Allocation Fund – 7 years |
| Caroline Randall | Partner – Capital Research Global Investors Investment professional for 26 years in total; 18 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Capital Income Builder – 3 years |
| Andraz Razen | Partner – Capital World Investors Investment professional for 25 years in total; 19 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Growth Fund – 10 years (plus 3 years of prior experience as an investment analyst for the fund) |
| Thomas Reithinger | Vice President – Capital Fixed Income Investors Investment professional for 12 years in total; 10 years with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: Capital World Bond Fund – Less than 1 year (plus 3 years of prior experience as an investment analyst for the fund) |
| William L. Robbins | Partner – Capital International Investors Investment professional for 31 years in total; 28 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Growth-Income Fund – 11 years (plus 12 years of prior experience as an investment analyst for the fund) |
| Renaud H. Samyn | Partner – Capital Research Global Investors Investment professional for 22 years, all with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Global Small Capitalization Fund – 4 years (plus 15 years of prior experience as an investment analyst for the fund) International Fund – 9 years (plus 5 years of prior experience as an investment analyst for the fund) Capital World Growth and Income Fund – 2 years |
| Akira Shiraishi | Partner – Capital International Investors Investment professional for 26 years in total; 20 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: New World Fund – 3 years |

| Portfolio manager for the Series/Title (if applicable) | Primary title with investment adviser (or affiliate) and investment experience | Portfolio manager's role in management of, and experience in, the fund(s) |
|--|--|---|
| Kirstie Spence | Partner – Capital Fixed Income Investors Investment professional for 28 years, all with Capital Research and Management Company or affiliate | Serves as a fixed income portfolio manager for: New World Fund – 3 years (plus 9 years of prior experience as an investment analyst for the fund) |
| Eric H. Stern | Partner – Capital International Investors Investment professional for 34 years in total; 32 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: Washington Mutual Investors Fund – 2 years |
| Andrew B. Suzman | Partner – Capital World Investors Investment professional for 30 years, all with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: International Growth and Income Fund – 1 year |
| Tomonori Tani | Partner – Capital World Investors Investment professional for 25 years in total; 19 years with Capital Research and Management Company or affiliate | Serves as an equity portfolio manager for: New World Fund – 5 years |

Fund expenses

Financial highlights The Financial Highlights table is intended to help you understand a fund's results for the past five fiscal years (or, if shorter, the period of operations). 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). Where indicated, figures in the table reflect the impact, if any, of certain waivers from Capital Research and Management Company. For more information about these waivers, see the fund's statement of additional information and annual report. The information in the Financial Highlights table has been audited by PricewaterhouseCoopers LLP, whose current 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.

| | | |
|--|--|--|
| | (Loss) income from investment operations ¹ | |
|--|--|--|

| Year ended | Net asset value, beginning of year | (Loss) income from investment operations ¹ Net (losses) Net investment income | Dividends and distributions | |
|------------|------------------------------------|--|-----------------------------|--|
|------------|------------------------------------|--|-----------------------------|--|

| Year ended | Net asset value, beginning of year | Net investment income | (Loss) income from investment operations ¹ Net (losses) gains on securities (both | Dividends and distributions | |
|------------|------------------------------------|-----------------------|---|-----------------------------|--|
|------------|------------------------------------|-----------------------|---|-----------------------------|--|

| Year ended | Net asset value, beginning of year | (Loss) income from investment operations ¹ | | Total from | Dividends and distributions | |
|------------|------------------------------------|---|---|------------|-----------------------------|--|
| | | Net investment income | Net (losses) gains on securities (both realized and unrealized) | | | |
| | | | | | | |

| Portfolio turnover rate for all share classes excluding mortgage dollar roll transactions ⁷ | Year ended December 31, | | | | |
|---|-------------------------|------|------|------|------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| Capital Income Builder | 48% | 60% | 110% | 44% | 42% |
| Asset Allocation Fund | 42 | 45 | 49 | 47 | 34 |
| American Funds Global Balanced Fund | 111 | 36 | 68 | 60 | 30 |
| American Funds Mortgage Fund | 56 | 38 | 123 | 84 | 60 |
| Capital World Bond Fund | 114 | 64 | 88 | 110 | 78 |
| The Bond Fund of America | 77 | 87 | 72 | 146 | 98 |
| U.S. Government Securities Fund | 77 | 126 | 112 | 103 | 76 |

| Portfolio turnover rate for all share classes including mortgage dollar roll transactions, if applicable ⁷ | Year ended December 31, | | | | |
|--|-------------------------|------|------|------|------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| Global Growth Fund | 29% | 18% | 17% | 14% | 25% |

Other fund information Shares of the Series are currently offered to insurance company separate accounts funding both variable annuity contracts and variable life insurance policies. Interests of various contract owners participating in the Series may be in conflict. The board of trustees of the