

3Q 2025

American Funds Insurance Series® - The Bond Fund of America® quarterly attribution report

As of September 30, 2025



Market overview

- **The U.S. bond market produced solid results in the third quarter**, as the Federal Reserve resumed interest rate cuts amid growing concerns over a softening labor market and elevated economic uncertainty. All major U.S. fixed income sectors produced positive results during the quarter. The Bloomberg U.S. Aggregate Index gained 2.03%.
- **The U.S. economy expanded at its fastest rate in nearly two years**, as gross domestic product rose an annualized 3.8% in the second quarter. Inflation accelerated in August, but remained relatively subdued despite ongoing concerns over the impact of tariffs. The Consumer Price Index rose 2.9% from the previous year. The unemployment rate also ticked up in August, reaching 4.3%, its highest level since October 2021.
- **Treasury yields fell across the curve as the Fed delivered its first interest rate cut in nine months** following a series of weak job reports. The Bloomberg U.S. Treasury Index gained 1.51% for the quarter, and the Bloomberg U.S. Treasury Inflation-Protected Securities Index grew 2.10%.
- **U.S. corporate credit ended the quarter with strong results**. The Bloomberg U.S. Corporate Investment Grade Index gained 2.60%. The Bloomberg U.S. High Yield 2% Issuer Cap Index returned 2.54% for the quarter. Option-adjusted spreads for U.S. corporate investment-grade bonds tightened 9 basis points (bps), while those for high yield tightened by 23 bps. New issuance was up for investment-grade and high-yield bonds compared to Q2 2025. Mortgage-backed securities and municipal bonds also performed well. The Bloomberg U.S. Mortgage-Backed Securities Index returned 2.43%, and the Bloomberg U.S. Municipal Bond Index returned 3.00%.

Market index returns (net of dividends)

For periods ended September 30, 2025 (%)

	Cumulative			Average annual		
	3 months	YTD	1 year	3 years	5 years	10 years
Bloomberg U.S. Aggregate Index	2.03	6.13	2.88	4.93	-0.45	1.84
Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index	2.54	7.22	7.41	11.09	5.54	6.16
Bloomberg U.S. Corporate Investment Grade Index	2.60	6.88	3.63	7.07	0.35	3.12
Bloomberg U.S. Government Index	1.51	5.35	2.08	3.58	-1.27	1.20
Bloomberg U.S. Mortgage Backed Securities Index	2.43	6.76	3.39	5.05	-0.14	1.41
Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS) Index	2.10	6.87	3.79	4.88	1.42	3.01

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

Past results are not predictive of results in future periods.

For institutional investors and financial professionals only. Not for use with the public. © 2025 Capital Group. All rights reserved.

Results

American Funds Insurance Series - The Bond Fund of America

Figures shown are past results for Class 1, 1A, 2 and 4 shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit capitalgroup.com/afis. The variable annuities and life insurance contracts that use the series' funds contain certain fees and expenses not reflected here. If such fees and expenses had been deducted, results would have been lower. Refer to each fund's most recent shareholder report or prospectus for more information on specific expenses. For results reflecting contract-level fees and expenses, contact the insurance company that issues your contract or visit its website.

Returns(%)	Cumulative			Average annual				Expense ratio
For periods ended September 30, 2025	3 months	YTD	1 year	3 years	5 years	10 years	Lifetime	gross/net
American Funds Insurance Series - The Bond Fund of America Class 1	1.88	6.26	3.00	5.02	0.28	2.46	4.10	0.38/0.23
American Funds Insurance Series - The Bond Fund of America Class 1A	1.89	6.16	2.76	4.76	0.04	2.21	3.85	0.63/0.48
American Funds Insurance Series - The Bond Fund of America Class 2	1.80	6.09	2.78	4.75	0.02	2.20	3.84	0.63/0.48
American Funds Insurance Series - The Bond Fund of America Class 4	1.82	5.87	2.50	4.49	-0.22	1.95	3.59	0.88/0.73
Bloomberg U.S. Aggregate Index	2.03	6.13	2.88	4.93	-0.45	1.84	4.21	n/a
Morningstar US Insurance Intermediate Core Bond Category Average	2.00	6.05	2.84	4.95	-0.48	1.81	3.85	n/a

Fund inception: January 2, 1996

Expense ratios are as of each fund's prospectus available at the time of publication. Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower and net expenses higher. Visit capitalgroup.com for more information.

The investment adviser is currently waiving a portion of its management fee of the fund's net assets. Net expense ratios shown reflect the waiver, without which they would have been higher. The waiver will be in effect through at least May 1, 2026. The waiver may only be modified or terminated with the approval of the fund's board. Refer to the fund's most recent prospectus for details.

Class 1A shares were first offered on January 6, 2017. Class 2 shares were first offered on April 30, 1997. Class 4 shares were first offered on December 14, 2012. Results prior to those dates are hypothetical based on the results of the original share class of the fund, adjusted for typical estimated expenses. Refer to the fund's most recent shareholder report or prospectus for details.

Index and Morningstar category average lifetime are based on the inception date of the fund.

Market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the fund has lagged the index.

Sources: Bloomberg Index Services Limited, Morningstar.

Although our portfolios are compared to their benchmarks, portfolio managers manage them to be consistent with their investment objectives.

American Funds Insurance Series – The Bond Fund of America

3Q Quarterly analysis

Investment objective and approach

- Seeks to provide as high a level of current income as is consistent with the preservation of capital.
- This core bond strategy has the ability to invest in every sector of the bond market and pursue multiple sources of active return, with a limited percentage of below-investment-grade (BB/Ba and below) holdings.

Review and attribution

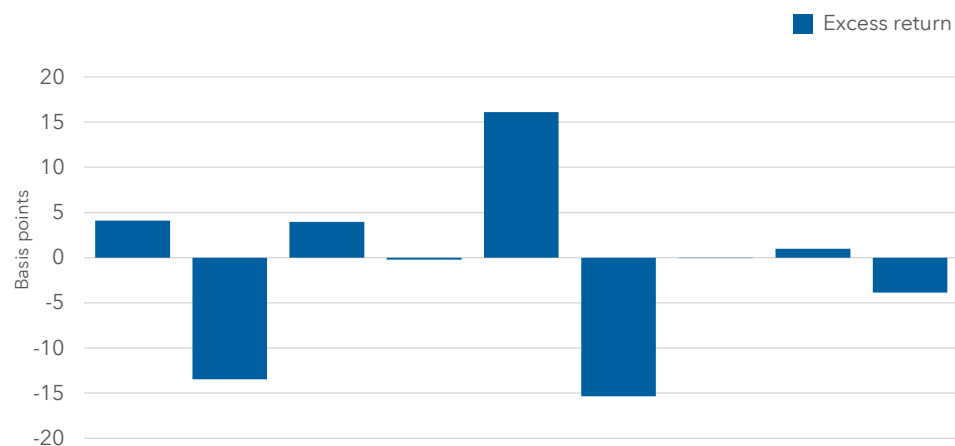
- The fund and its benchmark both posted positive absolute returns in the third quarter.
- Sector allocation decisions were the largest contributor to relative returns, helping to offset deduction from interest rate positioning and security selection.
- Interest rate positioning in aggregate detracted from relative results, as modest gains from duration positioning were more than offset by deductions from curve positioning.
- The portfolio maintained a steepening bias with an overweight to shorter maturities and an underweight to longer maturities. The curve modestly steepened during the quarter, but not enough to offset the income drag associated with the position.
- An overweight to duration for much of the quarter helped modestly as interest rates generally declined.
- Sector allocation decisions were a tailwind for relative results, particularly an underweight to Treasuries in favor of other sectors, including agency mortgage-backed securities (MBS) and modest emerging markets (EM) exposure.
- Security selection overall detracted from relative results, mainly within securitized credit such as asset-backed securities (ABS).

Attribution overview

3Q Quarterly analysis

American Funds Insurance Series – The Bond Fund of America vs. Bloomberg U.S. Aggregate Index

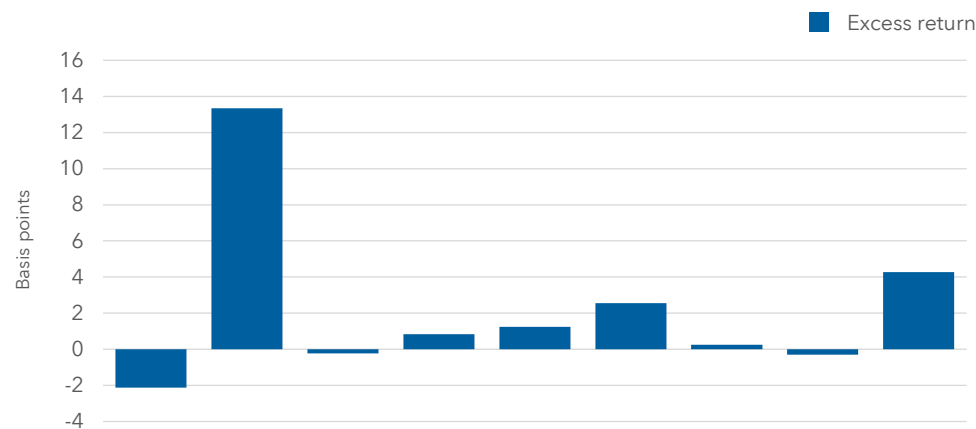
Summary attribution effects



	Duration	Curve	Asset allocation	Inflation-linked	Sector/Industry	Security selection	Currency	Other	Total
Portfolio	35	109	–	–	–	–	-0	1	199
Index	31	123	–	–	–	–	0	0	203
Excess return	4	-13	4	-0	16	-15	-0	1	-4

Totals may not reconcile due to rounding.

Sector and asset allocation attribution effects



	Cash & money market	Treasuries (nominal)	Inflation-linked	Government-related	Securitized	Corporates (I-G)	Municipals	High-yield	Emerging markets
Excess return	-2	13	-0	1	1	3	0	-0	4

Totals may not reconcile due to rounding.

Data as of September 30, 2025. Past results are not predictive of results in future periods.

Other: The attribution effect describing all other returns not included in duration, curve, sector/industry and security selection effects. Other effects include “valuation impact,” which describes differences in pricing methodology among commonly held securities in the portfolio and index. For the portfolio, other effects may also include any partial-day returns due to buying or selling a security intraday. For the index, other effects may include any differences in the return calculated by the attribution system versus the return published by the index provider.

Cash, cash and equivalents, and cash and money market may include short-term securities, accrued income and other assets less liabilities as well as currencies. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Corporates (I-G) = Corporates (Investment-grade).

Data are gross of fees, unless otherwise noted. Refer to attribution methodology disclosure for additional information.

Sources: Capital Group, Bloomberg Index Services Limited.

Attribution overview

3Q Quarterly analysis

American Funds Insurance Series – The Bond Fund of America vs. Bloomberg U.S. Aggregate Index

Attribution detail

	Portfolio			Index			Relative contribution		
Sector	Weight (% market value)	Return (%)	Contribution (%)	Weight (% market value)	Return (%)	Contribution (%)	Sector/Industry (bps)	Security selection (bps)	Excess contribution (bps)
Top level	100.00	1.99	1.99	100.00	2.03	2.03	16	-15	-4
Investment-Grade Corporates	28.54	2.28	0.64	23.74	2.59	0.61	3	-3	3
Emerging Markets	3.30	3.26	0.11	1.14	4.34	0.05	–	-1	7
Inflation-Linked	0.66	2.00	0.01	–	–	–	–	0	1
High-Yield	2.07	1.90	0.04	–	–	–	–	0	4
Forward Contracts	0.00	n/a	0.01	–	–	–	0	0	1
Municipals	1.09	2.70	0.03	0.45	2.77	0.01	0	0	2
Government-Related	0.42	1.56	0.01	2.95	1.45	0.04	1	0	-4
Securitized	39.57	1.74	0.69	26.39	2.38	0.63	1	-12	7
Treasuries (Nominal)	20.28	n/a	0.37	45.33	1.51	0.69	13	0	-32
Cash & Money Market	4.07	n/a	0.08	–	–	–	-2	0	8

Data as of September 30, 2025. Past results are not predictive of results in future periods.

Cash, cash and equivalents, and cash and money market may include short-term securities, accrued income and other assets less liabilities as well as currencies. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Data are gross of fees, unless otherwise noted. Refer to attribution methodology disclosure for additional information.

Sources: Capital Group, Bloomberg Index Services Limited.

American Funds Insurance Series – The Bond Fund of America

YTD Review and attribution

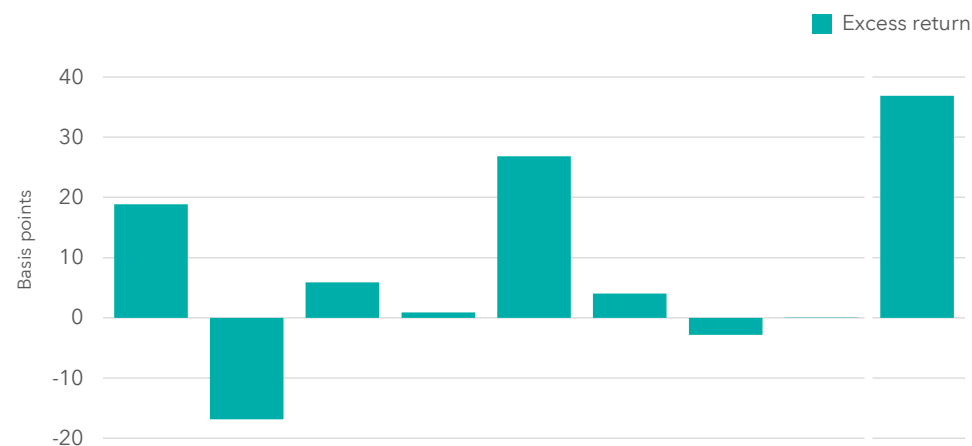
- The fund and its benchmark experienced positive absolute returns amid a relatively more volatile market environment.
- Sector allocation decisions as well as security selection have been meaningful contributors to relative results, with interest rate positioning also contributing positively.
- An overweight to duration for much of the year has helped as interest rates have generally declined in 2025. Although the cost of maintaining a yield curve steepener position has been a drag on income, it was more than offset by gains from duration. The yield curve has steepened this year, primarily in April, and benefited the steepening position.
- Sector allocation decisions have been additive for relative results, particularly an underweight to Treasuries in favor of other sectors including investment-grade corporate credit and EM.
- Security selection has contributed to relative results, especially a preference for higher coupons within agency MBS, as well as selection within EM. While selection within ABS has detracted, it was more than offset by gains elsewhere.

Attribution overview

YTD Year-to-date analysis

American Funds Insurance Series - The Bond Fund of America vs. Bloomberg U.S. Aggregate Index

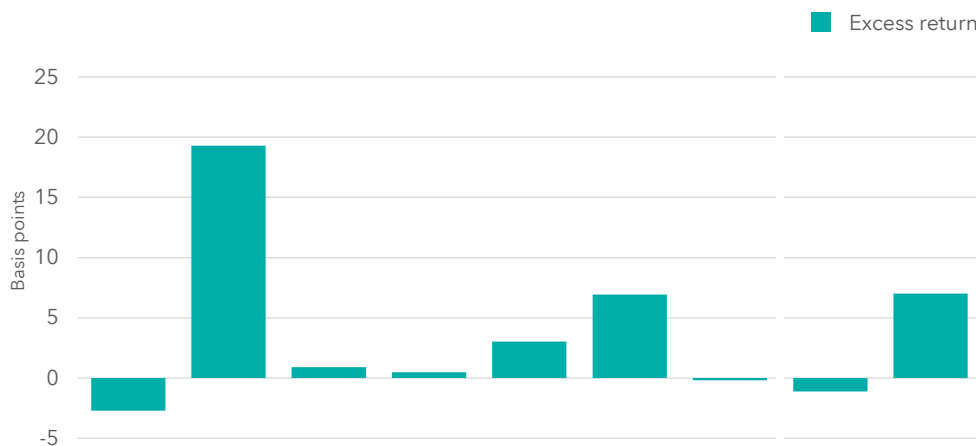
Summary attribution effects



	Duration	Curve	Asset allocation	Inflation-linked	Sector/Industry	Security selection	Currency	Other	Total
Portfolio	375	187	—	—	—	—	-3	-0	650
Index	356	204	—	—	—	—	0	-0	613
Excess return	19	-17	6	1	27	4	-3	0	37

Totals may not reconcile due to rounding.

Sector and asset allocation attribution effects



	Cash & money market	Treasuries (nominal)	Inflation-linked	Government-related	Securitized	Corporates (I-G)	Municipals	High-yield	Emerging markets
Excess return	-3	19	1	0	3	7	-0	-1	7

Totals may not reconcile due to rounding.

Data as of September 30, 2025. Past results are not predictive of results in future periods.

Other: The attribution effect describing all other returns not included in duration, curve, sector/industry and security selection effects. Other effects include "valuation impact," which describes differences in pricing methodology among commonly held securities in the portfolio and index. For the portfolio, other effects may also include any partial-day returns due to buying or selling a security intraday. For the index, other effects may include any differences in the return calculated by the attribution system versus the return published by the index provider.

Cash, cash and equivalents, and cash and money market may include short-term securities, accrued income and other assets less liabilities as well as currencies. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Corporates (I-G) = Corporates (Investment-grade).

Data are gross of fees, unless otherwise noted. Refer to attribution methodology disclosure for additional information.

Sources: Capital Group, Bloomberg Index Services Limited.

Attribution overview

YTD Year-to-date analysis

American Funds Insurance Series – The Bond Fund of America vs. Bloomberg U.S. Aggregate Index

Attribution detail

Sector	Portfolio			Index			Relative contribution		
	Weight (% market value)	Return (%)	Contribution (%)	Weight (% market value)	Return (%)	Contribution (%)	Sector/Industry (bps)	Security selection (bps)	Excess contribution (bps)
Top level	100.00	6.50	6.50	100.00	6.13	6.13	27	4	37
Investment-Grade Corporates	28.02	6.58	1.85	23.85	6.86	1.64	7	-1	21
Emerging Markets	2.94	12.82	0.37	1.11	10.40	0.11	–	2	26
Inflation-Linked	0.73	5.84	0.04	–	–	–	–	0	4
High-Yield	1.91	5.70	0.10	–	–	–	–	0	10
Forward Contracts	-0.01	n/a	-0.11	–	–	–	0	0	-11
Municipals	1.13	7.23	0.08	0.46	6.41	0.03	0	1	5
Government-Related	0.42	6.58	0.03	2.98	5.53	0.17	0	0	-14
Securitized	41.58	5.65	2.35	26.67	6.70	1.78	3	5	57
Treasuries (Nominal)	19.55	n/a	1.55	44.93	5.36	2.41	19	-2	-86
Cash & Money Market	3.72	n/a	0.24	–	–	–	-3	0	24

Data as of September 30, 2025. Past results are not predictive of results in future periods.

Cash, cash and equivalents, and cash and money market may include short-term securities, accrued income and other assets less liabilities as well as currencies. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Data are gross of fees, unless otherwise noted. Refer to attribution methodology disclosure for additional information.

Sources: Capital Group, Bloomberg Index Services Limited.

American Funds Insurance Series – The Bond Fund of America

Portfolio positioning and commentary

- A softening labor market contributed to the Federal Reserve's (Fed) decision to lower policy rates in September, with the market pricing in additional cuts before year-end.
- U.S. growth is likely to decelerate in the near term, while the outlook for Europe and China appears to be improving. Tariff-related impacts may adversely affect growth and inflation in the U.S., though a more accommodative Fed, artificial intelligence (AI)-related investments and fiscal support may sustain growth in the medium term.
- Managers are emphasizing a higher-quality portfolio that earns positive carry amid a market characterized by generally constructive fundamentals and supply-demand factors but relatively tight valuations.
- Managers reduced duration tactically to about neutral following the decline in interest rates during the quarter. Market pricing of Fed rate cuts, particularly as labor markets are softening, appears fair with duration more attractive overall than in recent years, given valuations, slowing growth momentum and downside risks to growth.
- Portfolios are positioned to potentially benefit from yield curve steepening. The positioning should benefit in adverse scenarios such as weakening labor markets that trigger further Fed rate cuts, or in an environment where fiscal deficit or Fed "capture" concerns lead to an increase in term premiums that push long-end rates higher.
- Managers are looking to diversify sources of carry and emphasize security selection within most sectors. At an asset class level, relative value has favored higher quality sectors such as agency MBS and senior securitized credit over corporate credit. Within sectors, managers are finding compelling security selection opportunities. This shift has tilted the portfolio quality higher while still being positioned for attractive yields and excess returns.
- Managers reduced investment-grade corporate credit exposure during the quarter, with the fund underweight on a spread duration basis. While credit fundamentals remain healthy, broad market valuations are historically elevated, particularly after spreads tightened further in the third quarter. The resulting asymmetry is unfavorable, given relatively limited room for spreads to rally but much more room for them to sell off. Managers are focusing on credit selection in the sector, including select issuers within sectors such as utilities, pharmaceuticals and European banks.
- Managers have reduced agency MBS given the extent of the rally in the sector, and as implied interest rate volatility has fallen to the lower end of recent ranges. While valuations have dampened the appeal of the sector, security selection still offers opportunities with a wider range of coupons available. Managers have favored higher coupon mortgages that offer still attractive, if more moderate, income and carry potential.
- Managers are finding attractive risk-reward opportunities in securitized credit, which offers compelling carry and a high-quality profile. The portfolio is overweight securitized credit, including ABS such as auto loan-backed bonds, where spreads remain attractive for more senior exposure. The secured profile of the sector and seniority of the bonds held underpins a higher quality tilt that managers find favorable.

Largest credit issuers

American Funds Insurance Series - The Bond Fund of America – portfolio as of September 30, 2025

Issuer	Yield (%)	Effective duration (years)	Portfolio (market value %)
Ford Motor	5.2	2.8	1.6
PG&E	4.8	4.5	1.5
JPMorgan Chase	4.5	4.7	1.4
Morgan Stanley	4.5	4.0	1.0
State of Illinois	4.7	4.0	0.9
Goldman Sachs	4.3	2.6	0.9
Boeing	4.4	2.3	0.8
UBS Group AG	4.4	3.4	0.8
Edison International	5.0	5.1	0.8
Hyundai Motor	4.4	1.9	0.8
Bank of America	4.4	4.4	0.6
Deutsche Bank	4.5	1.3	0.6
British American Tobacco	4.7	4.9	0.5
Centene	5.3	2.9	0.5
Wells Fargo	4.4	3.9	0.5
Amgen	4.5	5.5	0.5
AT&T	4.3	3.3	0.4
Bristol-Myers Squibb	4.9	9.0	0.4
Citigroup	4.4	3.8	0.4
Oracle	5.3	8.9	0.4
Total issuers 1 through 20			15.4

Totals may not reconcile due to rounding. Past results are not predictive of results in future periods.

Yield and effective duration are based on the weighted average of all issues for each respective issuer.

The information shown does not include cash and cash equivalents. This includes shares of money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Source: Capital Group.

American Funds Insurance Series – The Bond Fund of America

As of September 30, 2025

Attribution methodology disclosure

Attribution analysis explains relative investment returns between the portfolio and its index by decomposing that return difference in terms of the components relevant to the investment decision-making process. Attribution data are gross of fees. Past results are not predictive of results in future periods.

Fixed income attribution analysis was produced using a third-party software system developed by BISAM, a FactSet company, based on daily input data for both the portfolio and the index. Input data elements such as holdings, prices, transactions, bond analytics, yield curves and exchange rates were provided by Capital Group. Bond analytic data for both the portfolio and index use PolyPaths analytics engine calculation assumptions through May 25, 2018, and BlackRock Aladdin analytics engine calculation assumptions thereafter. The index is a broad-based market benchmark calculated by the index provider and may not be used by Capital Group as the sole comparative index for this portfolio. Capital Group believes the information from BISAM, PolyPaths, BlackRock and the index provider to be reliable. However, Capital Group cannot be responsible for inaccuracies, incomplete information or updating of information by these parties. The average portfolio weight percentages are approximate over the period and may not total 100% due to rounding. The actual average portfolio weight percentages might be higher or lower.

Important information

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.

Statements attributed to an individual represent the opinions of that individual as of the date published and do not necessarily reflect the opinions of Capital Group or its affiliates. This information is intended to highlight issues and should not be considered advice, an endorsement or a recommendation.

All Capital Group trademarks mentioned are owned by The Capital Group Companies, Inc., an affiliated company or fund. All other company and product names mentioned are the property of their respective companies.

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

Investing outside the United States involves risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be heightened in connection with investments in developing countries.

The return of principal for bond portfolios and for portfolios with significant underlying bond holdings is not guaranteed. Investments are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. The use of derivatives involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional securities, such as stocks and bonds.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively “Bloomberg”). Bloomberg or Bloomberg’s licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg’s licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

© 2025 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from this information. Past performance is no guarantee of future results.

Institutional client notice and addendum for distribution activities

Capital Group, its affiliates and representatives (collectively “Capital Group”) engage in sales, marketing and servicing activities as part of our efforts to distribute our services and products (“distribution activities”). Our distribution activities reflect our understanding of the following:

1. The Plan is represented by a “fiduciary” within the meaning of section 3(21)(A) of ERISA with full authority and responsibility for the decision to enter into transactions or service relationships (the “Plan fiduciary”);
2. The Plan fiduciary is responsible for exercising independent judgment in evaluating any transactions or services and is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies that Capital Group may market to the Plan; and
3. Capital Group is not undertaking to provide impartial investment advice, act as an impartial adviser or provide advice in a fiduciary capacity in connection with its distribution activities, and the parties agree that such activities will not be used as a primary basis for the Plan’s investment decisions.

This Notice does not apply beyond distribution activities. Thus, for example, Capital Group will act as a fiduciary and as an investment manager under ERISA to the extent provided in the terms of a participation or investment management agreement.