

SECURITIES AND EXCHANGE COMMISSION

**FORM 485BPOS**

Post-effective amendments [Rule 485(b)]

Filing Date: **1995-07-28**  
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**FILER**

**AMERICAN VARIABLE INSURANCE SERIES**

CIK: **729528** | State of Incorpor.: **MA** | Fiscal Year End: **1130**  
Type: **485BPOS** | Act: **33** | File No.: **002-86838** | Film No.: **95557179**

Business Address  
333 S HOPE ST - 52ND FLOOR  
LOS ANGELES CA 90071  
2134869200

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-1A  
Registration Statement  
Under  
the Securities Act of 1933  
Post-Effective Amendment No. 20  
and  
Registration Statement  
Under  
The Investment Company Act of 1940  
Amendment No. 20

AMERICAN VARIABLE INSURANCE SERIES  
(Exact Name of Registrant as specified in charter)  
333 South Hope Street  
Los Angeles, CA 90071  
(Address of principal executive offices)

Registrant's telephone number, including area code:  
(213) 486-9200

Chad L. Norton  
Capital Research and Management Company  
333 South Hope Street  
Los Angeles, CA 90071  
(name and address of agent for service)

Copies to:  
Cary I. Klafter, Esq.  
Morrison & Foerster  
345 California Street  
San Francisco, California 94104  
(Counsel for the Registrant)

The Registrant has filed a declaration pursuant to rule 24f-2  
registering an indefinite number of shares under the Securities Act of 1933.  
On January 17, 1995, it filed its 24f-2 notice for fiscal 1994.

Approximate date of proposed public offering:  
It is proposed that this filing become effective on August 29, 1995, pursuant  
to paragraph (b) of rule 485.

AMERICAN VARIABLE INSURANCE SERIES  
CROSS REFERENCE SHEET

<TABLE> <CAPTION> ITEM NUMBER OF PART "A" OF FORM N-1A		CAPTIONS IN PROSPECTUS (PART "A")
<S>	<C>	<C>
1.	COVER PAGE	COVER PAGE
2.	SYNOPSIS	N/A
3.	FINANCIAL HIGHLIGHTS	FINANCIAL HIGHLIGHTS
4.	GENERAL DESCRIPTION OF REGISTRANT	INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS
5.	MANAGEMENT OF THE FUND	FINANCIAL HIGHLIGHTS; FUND ORGANIZATION AND MANAGEMENT
6.	CAPITAL STOCK AND OTHER SECURITIES	INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS; FUND ORGANIZATION AND MANAGEMENT; DIVIDENDS, DISTRIBUTIONS AND TAXES
7.	PURCHASE OF SECURITIES BEING OFFERED	PURCHASES AND REDEMPTIONS OF SHARES
8.	REDEMPTION OR REPURCHASE	PURCHASES AND REDEMPTIONS OF SHARES
9.	LEGAL PROCEEDINGS	N/A

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ITEM NUMBER OF  
PART "B" OF FORM N-1A

CAPTIONS IN STATEMENT OF  
ADDITIONAL INFORMATION (PART "B")

<S>	<C>	<C>
10.	COVER PAGE	COVER
11.	TABLE OF CONTENTS	TABLE OF CONTENTS
12.	GENERAL INFORMATION AND HISTORY	NONE
13.	INVESTMENT OBJECTIVES AND POLICIES	INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS (PART "A")
14.	MANAGEMENT OF THE REGISTRANT	SERIES OFFICERS AND TRUSTEES
15.	CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES	SERIES OFFICERS AND TRUSTEES
16.	INVESTMENT ADVISORY AND OTHER SERVICE	INVESTMENT ADVISORY AND SERVICE AGREEMENT
17.	BROKERAGE ALLOCATION AND OTHER PRACTICES	EXECUTION OF PORTFOLIO TRANSACTIONS
18.	CAPITAL STOCK AND OTHER SECURITIES	NONE
19.	PURCHASE, REDEMPTION AND PRICING OF SECURITIES BEING OFFERED	PURCHASES AND REDEMPTIONS OF SHARES (PART "A");
20.	TAX STATUS	DIVIDENDS, DISTRIBUTIONS AND TAXES
21.	UNDERWRITERS	N/A
22.	CALCULATION OF PERFORMANCE DATA	FINANCIAL HIGHLIGHTS
23.	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS

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ITEM IN PART "C"

<S>	<C>
24.	FINANCIAL STATEMENTS AND EXHIBITS
25.	PERSONS CONTROLLED BY OR UNDER COMMON CONTROL
26.	NUMBER OF HOLDERS OF SECURITIES
27.	INDEMNIFICATION
28.	BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER
29.	PRINCIPAL UNDERWRITERS
30.	LOCATION OF ACCOUNTS AND RECORDS
31.	MANAGEMENT SERVICES
32.	UNDERTAKINGS

SIGNATURE PAGE

</TABLE>

Prospectus

American  
Variable  
Insurance  
Series(R)

August 29, 1995

AMERICAN VARIABLE INSURANCE SERIES

333 South Hope Street  
Los Angeles, California 90071  
(213) 486-9200

American Variable Insurance Series (the "Series") is a fully managed, diversified, open-end investment company. The Series consists of eight funds, each of which has its own investment objective(s) and policies.

Shares of the Series are offered only to insurance company separate accounts to serve as the funding vehicle for certain variable annuity and life insurance contracts ("Contract" or "Contracts").

THE CONTRACTS INVOLVE CERTAIN FEES AND EXPENSES NOT DESCRIBED IN THIS PROSPECTUS AND ALSO MAY INVOLVE CERTAIN RESTRICTIONS OR LIMITATIONS ON THE ALLOCATION OF PURCHASE PAYMENTS OR CONTRACT VALUES TO ONE OR MORE FUNDS OF THE SERIES. IN PARTICULAR, CERTAIN FUNDS MAY NOT BE AVAILABLE IN CONNECTION WITH A PARTICULAR CONTRACT. SEE THE APPLICABLE CONTRACT PROSPECTUS FOR INFORMATION REGARDING FEES AND EXPENSES OF THE CONTRACT AND ANY APPLICABLE RESTRICTIONS OR LIMITATIONS.

The GROWTH FUND seeks growth of capital by investing primarily in common stocks or securities with common stock characteristics, such as convertible preferred stocks, which demonstrate the potential for appreciation.

The INTERNATIONAL FUND seeks long-term growth of capital by investing primarily in securities of issuers domiciled outside the United States.

The GROWTH-INCOME FUND seeks growth of capital and income by investing primarily in common stocks or other securities which demonstrate the potential for appreciation and/or dividends.

The ASSET ALLOCATION FUND seeks high total return (including income and capital gains) consistent with preservation of capital over the long-term through a diversified portfolio that can include common stocks and other equity-type securities, bonds and other intermediate and long-term fixed-income securities and money market instruments in any combination.

The HIGH-YIELD BOND FUND seeks high current income and secondarily seeks capital appreciation by investing primarily in intermediate and long-term corporate obligations, with emphasis on higher yielding, higher risk, lower rated or unrated securities. IN ADDITION TO OTHER RISKS, HIGH-YIELD, HIGH-RISK BONDS (ALSO KNOWN AS "JUNK BONDS") ARE SUBJECT TO GREATER FLUCTUATIONS IN VALUE AND RISK OF LOSS OF INCOME AND PRINCIPAL DUE TO DEFAULT BY THE ISSUER THAN ARE INVESTMENTS IN LOWER YIELDING, HIGHER RATED BONDS.

The BOND FUND seeks to provide as high a level of current income as is consistent with the preservation of capital by investing primarily in fixed-income securities.

The U.S. GOVERNMENT/AAA-RATED SECURITIES FUND seeks a high level of current income consistent with prudent investment risk and preservation of capital by investing primarily in a combination of securities guaranteed by the U.S. Government and other debt securities rated AAA or Aaa.

The CASH MANAGEMENT FUND seeks high current yield while preserving capital by investing in a diversified selection of high-quality money market instruments.

This prospectus sets forth concisely the information an investor should know before investing in the Series. You may obtain the statement of additional information dated August 29, 1995, which contains the Series' financial statements, without charge, by writing to the Secretary of the Series at the above address or telephoning 800/421-0180. All such requests will be honored within three business days of receipt.

SHARES OF THE FUNDS ARE NOT DEPOSITS OR OBLIGATIONS OF, OR INSURED, OR GUARANTEED BY, THE U.S. GOVERNMENT, ANY FINANCIAL INSTITUTION, THE FEDERAL DEPOSIT INSURANCE CORPORATION, OR ANY OTHER AGENCY, ENTITY OR PERSON. THE PURCHASE OF FUND SHARES INVOLVES INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS PROSPECTUS IS VALID ONLY WHEN ACCOMPANIED BY A CURRENT PROSPECTUS OF THE APPLICABLE CONTRACT. THIS PROSPECTUS AND THE APPLICABLE CONTRACT PROSPECTUS SHOULD BE READ CAREFULLY AND THEN RETAINED FOR FUTURE REFERENCE.

The date of this prospectus is August 29, 1995

FINANCIAL HIGHLIGHTS  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

The following condensed financial information for 1991 through 1994 has been derived from financial statements which have been audited by Price Waterhouse LLP, independent accountants. The information for the years prior

to 1991 was audited by other independent accountants. This information should be read in conjunction with the financial statements and accompanying notes which are included in the statement of additional information.

<TABLE>  
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Period ended 11/30	Net asset value, beginning of period	Net investment income	Net realized & unrealized gain (loss) on investments	Total income from investment operations	Dividends from net investment income	Distributions from net realized gains	Total distributions	Net asset value, end of period	Total return	Net assets, end of period (in millions)
Growth Fund										
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1985	\$ 9.72	\$ .06	\$ 1.88	\$ 1.94	\$ (.03)	--	\$ (.03)	\$11.63	20.11%	\$ 20
1986	11.63	.10	4.30	4.40	(.13)	\$ (.24)	(.37)	15.66	38.77	44
1987	15.66	.14	(.78)	(.64)	(.11)	(.34)	(.45)	14.57	(4.34)	99
1988	14.57	.33	2.85	3.18	(.28)	(.61)	(.89)	16.86	22.34	48
1989	16.86	.49	6.01	6.50	(.45)	--	(.45)	22.91	38.87	173
1990	22.91	.54	(2.27)	(1.73)	(.56)	(.64)	(1.20)	19.98	(7.87)	304
1991	19.98	.41	4.48	4.89	(.47)	(.22)	(.69)	24.18	24.90	700
1992	24.18	.29	4.25	4.54	(.31)/2/	--	(.31)	28.41	18.90	1,212
1993	28.41	.25	4.13	4.38	(.24)	(.21)	(.45)	32.34	15.59	1,737
1994	32.34	.24	.69	.93	(.24)	(1.09)	(1.33)	31.94	2.92	2,027

<CAPTION>

Period ended 11/30	Ratio of expenses to average net assets	Ratio of net income to average net assets	Portfolio turnover rate
Growth Fund			
<S>	<C>	<C>	<C>
1985	.83%	.78%	28.4%
1986	.71	.76	27.4
1987	.63	.97	14.0
1988	.72	1.72	7.1/1/
1989	.60	2.97	29.2
1990	.59	3.00	16.8
1991	.56	1.94	9.8
1992	.53	1.15	11.2
1993	.50	.86	20.4
1994	.49	.78	29.6

<CAPTION>

Period ended 11/30	Net asset value, beginning of period	Net investment income	Net realized & unrealized gain (loss) on investments	Total income from investment operations	Dividends from net investment income	Distributions from net realized gains	Total distributions	Net asset value, end of period	Total return	Net assets, end of period (in millions)
International Fund/3/										
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1990	\$10.00	\$ .11	\$ (.62)	\$ (.51)	\$ (.04)	--	\$ (.04)	\$ 9.45	(5.08)%	\$ 66
1991	9.45	.22	.59	.81	(.24)	--	(.24)	10.02	8.67	197
1992	10.02	.19	(.09)	.10	(.21)	\$ (.02)	(.23)	9.89	.90	360
1993	9.89	.17	2.50	2.67	(.16)	--	(.16)	12.40	27.20	840
1994	12.40	.25	1.04	1.29	(.20)	(.22)	(.42)	13.27	10.48	1,405

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Period ended 11/30	Ratio of expenses to average net assets	Ratio of net income to average net assets	Portfolio turnover rate
International Fund/3/			
<S>	<C>	<C>	<C>
1990	1.03%/4/	3.18%/4/	4.5%
1991	1.04	2.62	8.2
1992	1.00	2.11	16.7
1993	.96	1.75	17.7
1994	.80	2.03	19.7

<CAPTION>

Period ended 11/30	Net asset value, beginning of period	Net investment income	Net realized & unrealized gain (loss) on investments	Total income from investment operations	Dividends from net investment income	Distributions from net realized gains	Total distributions	Net asset value, end of period	Total return	Net assets, end of period (in millions)
Growth-Income Fund										
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1985	\$10.54	\$ .20	\$ 3.28	\$ 3.48	\$ (.07)	--	\$ (.07)	\$13.95	33.13%	\$ 42
1986	13.95	.41	3.91	4.32	(.48)	\$ (.33)	(.81)	17.46	32.10	129
1987	17.46	.47	(1.87)	(1.40)	(.46)	(.08)	(.54)	15.52	(8.59)	217
1988	15.52	.72	2.66	3.38	(.68)	(.18)	(.86)	18.04	22.13	102
1989	18.04	.78	3.93	4.71	(.74)	(.58)	(1.32)	21.43	27.32	305
1990	21.43	.82	(1.91)	(1.09)	(.86)	(.25)	(1.11)	19.23	(5.27)	535
1991	19.23	.75	2.63	3.38	(.79)	(.10)	(.89)	21.72	17.83	1,022
1992	21.72	.65	2.74	3.39	(.67)	(.27)	(.94)	24.17	15.90	1,704
1993	24.17	.63	2.12	2.75	(.63)	(.28)	(.91)	26.01	11.63	2,436
1994	26.01	.68	.14	.82	(.65)	(.88)	(1.53)	25.30	3.21	2,740

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Period ended 11/30	Ratio of expenses to average net assets	Ratio of net income to average net assets	Portfolio turnover rate
Growth-Income Fund			
<S>	<C>	<C>	<C>
1985	.73%	2.88%	25.6%
1986	.61	3.08	11.2
1987	.59	2.85	6.8
1988	.67	3.59	14.3/1/
1989	.58	4.94	16.7
1990	.56	4.77	9.7
1991	.56	3.80	11.1

1992	.52	3.01	13.6
1993	.49	2.66	24.9
1994	.47	2.72	29.3

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Asset Allocation Fund/5/												
1989	\$10.00	\$ .08	\$ .10	\$ .18	\$ (.01)	--	\$ (.01)	\$10.17	1.70%	\$	33	
1990	10.17	.50	(.75)	(.25)	(.42)	--	(.42)	9.50	(2.34)		106	
1991	9.50	.53	1.11	1.64	(.55)	--	(.55)	10.59	17.63		194	
1992	10.59	.48	.94	1.42	(.49)	\$ (.05)	(.54)	11.47	13.69		359	
1993	11.47	.51	.67	1.18	(.49)	(.15)	(.64)	12.01	10.59		578	
1994	12.01	.51	(.57)	(.06)	(.52)	(.18)	(.70)	11.25	(.54)		637	

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<S>	<C>	<C>	<C>
Asset Allocation Fund/5/			
1989	.59%/2/	5.78%/2/	--
1990	.64	6.70	14.4%
1991	.59	5.56	15.1
1992	.57	4.73	19.7
1993	.55	4.66	19.0
1994	.53	4.55	36.1

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High-Yield Bond Fund											
1985	\$10.96	\$ .81	\$ 1.54	\$ 2.35	\$ (.29)	--	\$ (.29)	\$13.02	21.79%	\$	23
1986	13.02	1.35	1.30	2.65	(1.98)	\$ (.20)	(2.18)	13.49	22.64		53
1987	13.49	1.35	(.94)	.41	(1.36)	(.32)	(1.68)	12.22	2.96		70
1988	12.22	1.26	.68	1.94	(1.33)	(.17)	(1.50)	12.66	16.95		26
1989	12.66	1.22	.10	1.32	(1.16)	--	(1.16)	12.82	10.85		50
1990	12.82	1.33	(1.02)	.31	(1.30)	--	(1.30)	11.83	2.49		58
1991	11.83	1.17	1.78	2.95	(1.25)	--	(1.25)	13.53	26.22		107
1992	13.53	1.10	.62	1.72	(1.08)	--	(1.08)	14.17	13.14		197
1993	14.17	1.09	1.20	2.29	(1.10)	(.19)	(1.29)	15.17	17.09		379
1994	15.17	1.27	(2.07)	(.80)	(1.23)	(.25)	(1.48)	12.89	(5.71)		390

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<S>	<C>	<C>	<C>
High-Yield Bond Fund			
1985	.87%	11.71%	67.7%
1986	.67	11.59	56.3
1987	.63	10.89	61.9
1988	.77	10.62	23.6/1/
1989	.72	12.30	28.2
1990	.68	11.17	22.7
1991	.63	9.81	18.1
1992	.59	8.88	47.4
1993	.56	8.18	34.1
1994	.54	9.37	38.5

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<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Government/AAA-Rated Securities Fund/6/											
1986	\$10.00	\$ .53	\$ 1.45	\$ 1.98	\$ (.36)	--	\$ (.36)	\$11.62	19.65%	\$	32
1987	11.62	.85	(1.21)	(.36)	(.79)	--	(.79)	10.47	(3.17)		47
1988	10.47	.93	.02	.95	(.97)	--	(.97)	10.45	9.50		28
1989	10.45	.78	.30	1.08	(.79)	--	(.79)	10.74	10.82		78
1990	10.74	.83	(.11)	.72	(.80)	--	(.80)	10.66	7.11		126
1991	10.66	.77	.58	1.35	(.79)	--	(.79)	11.22	13.24		240
1992	11.22	.75	.32	1.07	(.76)	--	(.76)	11.53	9.83		360
1993	11.53	.74	.68	1.42	(.75)	\$ (.05)	(.80)	12.15	12.65		505
1994	12.15	.76	(1.30)	(.54)	(.74)	(.07)	(.81)	10.80	(4.58)		463

<CAPTION>

<S>	<C>	<C>	<C>
U.S. Government/AAA-Rated Securities Fund/6/			
1986	.64%	6.86%	18.7%
1987	.67	8.24	105.6
1988	.77	8.32	47.5/1/
1989	.66	8.61	14.5
1990	.61	8.58	24.0
1991	.58	7.91	27.1
1992	.57	7.08	40.0
1993	.55	6.42	21.7
1994	.54	6.69	45.2

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<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Cash Management Fund											
1985	\$10.77	\$ .78	--	\$ .78	\$ (.43)	--	\$ (.43)	\$11.12	7.41%	\$	13
1986	11.12	.67	\$ (.02)	.65	(1.12)	--	(1.12)	10.65	6.30		19
1987	10.65	.54	.08	.62	(.54)	--	(.54)	10.73	6.01		57
1988	10.73	.60	.11	.71	(.56)	--	(.56)	10.88	6.88		31
1989	10.88	.81	.12	.93	(.81)	--	(.81)	11.00	8.90		58
1990	11.00	.71	.13	.84	(.70)	--	(.70)	11.14	7.91		143
1991	11.14	.62	.01	.63	(.66)	--	(.66)	11.11	5.84		163
1992	11.11	.35	.01	.36	(.43)	--	(.43)	11.04	3.31		197

1993	11.04	.29	--	.29	(.31)	--	(.31)	11.02	2.67	206
1994	11.02	.37	.02	.39	(.32)	--	(.32)	11.09	3.59	221

<CAPTION>

Cash Management Fund

<S>	<C>	<C>	<C>
1985	1.07%	6.99%	--
1986	.85	5.82	--
1987	.68	5.90	--
1988	.76	6.75	--
1989	.68	8.26	--
1990	.60	7.48	--
1991	.58	5.65	--
1992	.53	3.24	--
1993	.51	2.57	--
1994	.49	3.60	--

</TABLE>

1. Percentages are exclusive of the redemption in kind which occurred March 29, 1988.
  2. Amount includes net realized short-term gains treated as net investment income for federal income tax purposes.
  3. Commenced operations May 1, 1990.
  4. Annualized
  5. Commenced operations August 1, 1989.
  6. Commenced operations December 1, 1985.
- No information is given for the Bond Fund because it had not yet commenced operations at November 30, 1994.

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INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS

THE FUNDS The Series consists of eight funds, each representing a separate fully managed diversified portfolio of securities. The eight funds are the Growth Fund, the International Fund, the Growth-Income Fund, the Asset Allocation Fund, the High-Yield Bond Fund, the Bond Fund, the U.S. Government/AAA-Rated Securities Fund and the Cash Management Fund. The Board of Trustees may establish additional funds in the future. The investment objective(s) and policies of each fund are discussed below.

The Series consists of eight funds, each with its own investment objective(s) and policies.

Shares of the Series are currently offered only to separate accounts of various insurance companies to serve as the underlying investment for both variable annuity and variable life insurance Contracts. All such shares may be purchased or redeemed by the separate accounts without any sales or redemption charges at net asset value. Due to differences in tax treatment or other considerations, the interests of various Contract owners participating in a fund might at some time be in conflict. The Board of Trustees will monitor for any material conflicts and determine what action, if any, should be taken.

INVESTMENT RESTRICTIONS Each fund has certain investment restrictions that are described in the statement of additional information. The investment restrictions and the objective(s) of each fund cannot be changed without shareholder approval. All other investment practices may be changed by the Series' Board of Trustees.

The Growth Fund seeks to provide you with growth of capital.

GROWTH FUND The investment objective of the Growth Fund is growth of capital. Whatever current income is generated by the fund is likely to be incidental to the objective of capital growth. Ordinarily, the fund seeks to achieve this objective by investing primarily in common stocks or securities with common stock characteristics. When the outlook for common stocks is not considered promising, for temporary defensive purposes, a substantial portion of the assets may be invested in securities of the U.S. Government, its agencies and instrumentalities, cash, and money market instruments. See "Certain Securities and Investment Techniques" below.

The fund's assets may be invested in securities of non-U.S. issuers, which are generally denominated in currencies other than the U.S. dollar,

although there is no requirement that the fund maintain investments in non-U.S. issuers. See "Certain Securities and Investment Techniques--Investing Around the World" below.

Up to 10% of the fund's assets may be invested in straight debt securities rated BB or below by Standard & Poor's Corporation or Ba or below by Moody's Investors Services, Inc. or in unrated securities that are determined to be of equivalent quality, provided the fund's investment adviser, Capital Research and Management Company, determines that these securities have characteristics similar to the equity securities eligible for purchase by the fund. These securities are commonly referred to as "junk bonds" or "high-yield, high-risk bonds," carry a higher degree of investment risk than higher rated bonds and are considered speculative. See the Appendix for a further description of the various bond ratings. See "High-Yield Bond Fund--Risks of Investing in High-Yield, High-Risk Securities" below and the statement of additional information. As of November 30, 1994, the last day of the fund's fiscal year, the portfolio did not contain any bonds.

The International Fund aims to provide you with long-term growth of capital by investing in securities of issuers domiciled outside the U.S.	INTERNATIONAL FUND The investment objective of the International Fund is to achieve long-term growth of capital by investing primarily in securities of issuers domiciled outside the United States. The fund's investment approach is based on the belief that economic and political developments have helped to create new opportunities outside the U.S.
	The fund may also invest in securities through depository receipts which may be denominated in various currencies. For example, the fund may

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purchase American Depositary Receipts which are U.S. dollar denominated securities designed for use in the U.S. securities markets which represent and may be converted to the underlying security.

When prevailing market, economic, political or currency conditions warrant, the fund may invest in securities convertible into common stocks, straight debt securities (generally rated in the top three quality categories by Standard & Poor's Corporation or Moody's Investors Service, Inc. or determined to be of equivalent quality by Capital Research and Management Company), government securities, or nonconvertible preferred stocks; however, up to 5% of the fund's assets may be invested in lower rated straight debt securities (including securities commonly referred to as "junk bonds" or "high-yield, high-risk bonds") or in unrated securities that are determined to be of equivalent quality. High-yield, high-risk bonds carry a higher degree of investment risk than higher rated bonds and are considered speculative. See the Appendix for a description of the various bond ratings. These securities will also be issued by non-U.S. entities.

Under normal circumstances, the fund will invest at least 65% of its assets in equity securities (including depository receipts) of issuers domiciled outside the U.S. The fund may at times hold a portion of its assets in various currencies or in cash equivalents which may be denominated in U.S. dollars or other currencies (including U.S. Government securities, certificates of deposit, time deposits, commercial paper, bankers' acceptances and other high-quality short-term debt securities). Additionally, for temporary defensive purposes the fund may at times maintain all or any part of its assets in cash and cash equivalents.



Investments may be made from time to time in issuers domiciled in, or governments of, developing countries. The fund's investment adviser, Capital Research and Management Company, currently does not intend to invest more than 20% of the fund's total assets (taken at cost) in issuers domiciled in, or governments of, developing countries. See "Certain Securities and Investment Techniques-- Investing Around the World."

The Growth-Income Fund seeks to provide you with income and capital growth.

GROWTH-INCOME FUND The investment objective of the Growth-Income Fund is growth of capital and income. In the selection of securities for investment, the possibilities of appreciation and potential dividends are given more weight than current yield. Ordinarily, the fund will invest primarily in common stocks. But the fund may invest in other types of securities, including other equity-type securities (such as convertible bonds and preferred stocks), bonds (and other types of fixed-income securities) and money market instruments, to the extent consistent with its investment objective.

Up to 5% of the fund's assets may be invested in straight debt securities rated BB or below by Standard & Poor's Corporation Ba or below by Moody's Investors Services, Inc. or in unrated securities that are determined to be of equivalent quality by Capital Research and Management Company. These securities are commonly referred to as "junk bonds" or "high-yield, high-risk bonds," carry a higher degree of investment risk than higher rated bonds and are considered speculative. See the Appendix for a description of the various bond ratings.

Up to 10% of the fund's assets may be invested in the equity securities of issuers domiciled outside the U.S., provided those securities are either held through depositary receipts which are U.S. dollar denominated or are traded on the New York Stock Exchange. Since the fund limits its

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investments in non-U.S. securities as described above, the fund has no current intention to engage in forward currency transactions. See "Investing Around the World."

The Asset Allocation Fund aims to provide you with high total return and preservation of capital over the long-term.

ASSET ALLOCATION FUND The investment objective of the Asset Allocation Fund is high total return (including income and capital gains) consistent with preservation of capital over the long-term. The fund seeks to achieve its objective by investing in a diversified portfolio that can include common stocks and other equity-type securities (such as convertible bonds and preferred stocks), bonds and other intermediate and long-term fixed income securities, and money market instruments (debt securities maturing in one year or less).

Capital Research and Management Company will determine the relative mix of equities, fixed-income securities and money market instruments for the fund's portfolio. The determination will be based on its view of long-term economic and market trends and the relative risks and opportunities for long-term total return of the different classes of assets. Under normal conditions, Capital Research and Management Company expects (but is not required) to maintain an investment mix falling within the following ranges: 40% to 80% in equities; 20% to 50% in fixed-income securities, and 0% to 40% in money market instruments. Capital Research and Management Company does not intend to make frequent shifts within these broad ranges. Rather it intends in normal situations to make any shifts in the fund's asset allocation gradually over time based on its views of long-term trends and conditions.

Up to 10% of the fund's assets may be invested in the equity securities of issuers domiciled outside the U.S., provided those securities are either held through depositary receipts which are U.S. dollar denominated or are traded on the New York Stock Exchange. Since the fund limits its investments in non-U.S. securities as described above, the fund has no current intention to engage in forward currency transactions. See "Investing Around the World."

The fund's fixed-income investments will consist primarily of "investment grade" bonds; that is, bonds that are rated BBB or better by Standard & Poor's Corporation or Baa or better by Moody's Investors Service, Inc., or that are unrated but considered by Capital Research and Management Company to be of equivalent credit quality. Up to 25% of the fund's fixed-income assets may be invested in securities that are below investment grade as defined above, including securities rated as low as CC by S&P or Ca by Moody's. See "High-Yield Bond Fund--Risks of Investing in High-Yield, High-Risk Securities" below and the statement of additional information. See the Appendix for a further description of the various bond ratings. The fund's investments in non-U.S. fixed-income securities will be concentrated in securities issued or guaranteed as to principal and interest by foreign governments or their agencies or instrumentalities or by multinational agencies. During the previous fiscal year, the approximate monthly average percentages of the Asset Allocation Fund's fixed-income net assets in the following Moody's rating categories were: Aaa -- 18.25%; Aa -- 1.11%; A -- 1.67%; Baa -- 9.58%; Ba -- 0.94%; and B -- 1.09%. Non-rated investments (including equity-type securities) and cash or cash equivalents amounted to 60.81% and 6.55%, respectively, of the fund's assets.

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The High-Yield Bond Fund seeks to provide you with high current income and, secondarily, capital appreciation.

HIGH-YIELD BOND FUND The primary investment objective of the High-Yield Fund is high current income and its secondary investment objective is capital appreciation. Under normal market conditions the High-Yield Bond Fund will be invested substantially in long-term (over 10 years to maturity) and intermediate-term (3 to 10 years to maturity) fixed-income securities, with emphasis on higher yielding, higher risk, lower rated or unrated corporate bonds. These "high-yield, high-risk bonds" typically are subject to greater market fluctuations and risk of loss of income and principal due to default by the issuer than are lower yielding, higher rated bonds.

High-yield, high-risk bonds (also known as "junk bonds") generally include any bonds rated Ba or below by Moody's Investors Service, Inc., or BB or below by Standard & Poor's Corporation or unrated but are determined to be of equivalent quality by Capital Research and Management Company. Bonds rated Ba or BB or below are considered speculative. The High-Yield Bond Fund may invest without limitation in bonds rated as low as Ca by Moody's or CC by S&P (or bonds that are unrated but are determined to be of equivalent quality). Bonds rated Ca or CC are described by the rating agencies as "speculative in a high degree, often in default or [having] other marked shortcomings." In addition, the fund may invest up to 10% of its total assets in bonds rated C by Moody's or D by S&P (or bonds that are unrated but are determined to be of equivalent quality). Bonds rated C or D generally are in default or arrears and are described as having extremely poor prospects of attaining any real investment standing. See the Appendix on page 16 for a further description of the various bond ratings. During

the previous fiscal year, the approximate monthly average percentages of the High-Yield Bond Fund's net assets in the following Moody's rating categories were: Aaa -- 6.43%; A -- 0.01%; Baa -- 0.12%; Ba -- 33.23%; B -- 47.10%; and Caa -- 5.53%. Non-rated investments (including equity-type securities) and cash or cash equivalents amounted to 2.31% and 5.28%, respectively, of the fund's assets.

Up to 25% of the fund's assets may be invested in securities of non-U.S. issuers, which are generally denominated in currencies other than the U.S. dollar. See "Investing Around the World" and "Currency Transactions" below.

Under normal conditions the fund will invest primarily in higher yielding obligations which may include loan participations in addition to corporate bonds. The fund also may invest in securities of the U.S. Government, its agencies and instrumentalities, cash and money market instruments. See "Certain Securities and Investment Techniques" below. See also the statement of additional information.

**RISKS OF INVESTING IN HIGH-YIELD, HIGH-RISK SECURITIES** High-yield, high-risk bonds, also known as "junk bonds," typically are subject to greater market fluctuations and to greater loss of income and principal due to the lower credit quality of the issuer than are higher rated bonds. Their values tend to be more sensitive to adverse economic changes than lower yielding, higher rated bonds. In addition, it may be more difficult to dispose of, or to determine the value of, high-yield, high-risk bonds.

High-yield, high-risk bonds can be very sensitive to adverse economic changes. During an economic downturn or substantial period of rising interest rates, highly leveraged issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet projected financial goals, and to obtain additional financing. If the issuer of a bond defaulted on its obligations to pay

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interest or principal, the fund may incur losses or expenses in seeking recovery of amounts owed to it. In addition, periods of economic uncertainty and changes can be expected to result in increased volatility of market prices and yields of high-yield, high-risk bonds and the fund's net asset value.

High-yield, high-risk bonds may contain redemption or call provisions. If an issuer exercised these provisions in a declining interest rate market, the fund would have to replace the security with a lower yielding security, resulting in a decreased return for investors. Conversely, a high-yield, high-risk bond's value will decrease in a rising interest rate market, as will the value of the fund's assets. If the fund experiences unexpected net redemptions, this may force it to sell high-yield, high-risk bonds without regard to their investment merits, thereby decreasing the asset base upon which expenses can be spread and possibly reducing the fund's rate of return.

There may be little trading in the secondary market for particular bonds, which may affect adversely the fund's ability to value accurately or dispose of such bonds. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high-yield, high-risk bonds, especially in a thin market.

Capital Research and Management Company attempts to reduce these risks through diversification of the portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments.

There can be, of course, no assurance that the fund's investment objective will be realized or that the net return on an investment in the fund will equal or exceed that which could have been obtained through other investment or savings vehicles. Contract owners should carefully review the investment objectives and policies of the fund and consider their ability to assume the risks involved before making any investment in the fund.

The Bond Fund seeks to provide you with high current income while preserving your capital.

BOND FUND The investment objective of the Bond Fund is to provide as high a level of current income as is consistent with the preservation of capital. The fund invests in a broad variety of fixed-income securities, including marketable corporate debt securities, loan participations, U.S. Government securities, mortgage-related securities, other asset-backed securities and cash or money market instruments. Normally, at least 65% of the fund's assets will be invested in bonds. (For this purpose, bonds are considered any debt securities having initial maturities in excess of one year.) In addition, the fund may invest up to 20% in preferred stocks.

At least 65% of the value of the fund's assets, measured at the time of purchase, must be invested in securities that are rated Baa or better by Moody's Investors Service, Inc. or BBB or better by Standard & Poor's Corporation (all ratings discussed below refer to those assigned by these two rating agencies) or, if not rated by either of these rating agencies, determined by Capital Research and Management Company as being of investment quality equivalent to securities rated Baa/BBB or better. Securities rated Baa or BBB have speculative characteristics. See the Appendix for a description of the various bond ratings.

At least 35% of the value of the fund's assets, measured at the time of purchase, must be invested in securities that are rated A or better or, if not rated, determined as being of investment quality equivalent to securities rated A or better.

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Up to 35% of the assets of the fund may be invested in debt securities rated Ba/BB or below, in unrated securities that are determined to be of equivalent quality. These securities may be rated as low as Ca by Moody's or CC by S&P.

Securities rated Ba or BB or below or unrated securities that are determined to be of equivalent quality (commonly known as "junk" or "high-yield, high-risk" bonds) are subject to special review before purchase. These bonds are considered speculative and typically are subject to greater market fluctuations and risk of loss of income and principal due to default by the issuer than are investments in lower yielding, higher-rated bonds. See "High-Yield Bond Fund--Risks of Investing in High-Yield, High-Risk Securities" above and the statement of additional information.

Subject to the above rating limitations, the fund may invest without limit in fixed-income securities of corporations or governmental entities outside the U.S., and the fund may purchase or sell various currencies on either a spot or for-

ward basis in connection with these investments. However, no more than 20% of the fund's assets, measured at the time of purchase, will be invested in non-U.S. dollar denominated securities.

The fund may invest from time to time in issuers domiciled in, or governments of, developing countries. See "Certain Securities and Investment Techniques--Investing Around the World" for a description of developing countries. However, the fund may not invest more than 20% of the fund's assets, measured at the time of purchase, in issuers domiciled in, or governments of, developing countries.

See "Certain Securities and Investment Techniques" below. See also the statement of additional information.

The U.S. Government/AAA-Rated Securities Fund aims to provide you with high current income while preserving your capital.

U.S. GOVERNMENT/AAA-RATED SECURITIES FUND The investment objective of the U.S. Government/AAA-Rated Securities Fund is a high level of current income consistent with prudent investment risk and preservation of capital. It seeks to achieve its objective by investing primarily in a combination of (i) securities guaranteed by the U.S. Government (i.e., backed by the full faith and credit of the United States) and (ii) other debt securities (including corporate bonds) rated AAA by Standard & Poor's Corporation or Aaa by Moody's Investors Service, Inc. (or that have not received a rating but are determined to be of comparable quality by Capital Research and Management Company). The fund may purchase obligations of non-U.S. corporations or governmental entities, provided they are dollar denominated and highly liquid. Except when the fund is in a temporary defensive investment position, at least 65% of its total assets will be invested in these securities, including the securities held subject to repurchase agreements.

The fund anticipates that it will invest in Government National Mortgage Association ("GNMA") certificates, which are mortgage-backed securities representing part ownership of a pool of mortgage loans on which timely payment of interest and principal is guaranteed by the U.S. Government. The fund also may invest in securities issued by U.S. Government agencies or instrumentalities that are not backed by the full faith and credit of the U.S. Government; in short-term debt securities of private issuers (including certificates of deposit, bankers' acceptances, and commercial paper rated A-1 by S&P or Prime-1 by Moody's); and in securities issued by financial

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institutions such as commercial banks, savings and loan associations, mortgage bankers and securities broker-dealers which represent a direct or indirect interest in a pool of mortgages. See "Certain Securities and Investment Techniques" below. See also the statement of additional information. The fund may not purchase any security other than a U.S. Government security or a short-term debt security described above, that is not rated AAA by S&P or Aaa by Moody's (or that has not received a rating but is determined to be of comparable quality by Capital Research and Management Company). However, if the rating of a security currently being held by the fund is reduced below AAA or Aaa the fund is not required to dispose of the security.

The Cash Management Fund seeks to provide you with high current yield while preserving capital.

CASH MANAGEMENT FUND The investment objective of the Cash Management Fund is high current yield while preserving capital. It seeks to achieve this objective by investing in high quality money market instruments that mature, or may be redeemed or resold, in 13 months or less (25 months

or less in the case of U.S. Government securities). The fund invests only in such instruments that are determined, in accordance with procedures established by the Series' Board of Trustees, to present minimal credit risks. The fund's investments may include, but are not limited to, commercial paper rated in the highest rating category by Moody's Investors Service, Inc. and Standard & Poor's Corporation, instruments issued, guaranteed or insured by the U.S. Government, its agencies or instrumentalities as to the payment of principal and interest, and other securities rated in the highest two categories by either Moody's or S&P, provided the issuer has commercial paper rated in the highest rating category by Moody's or S&P. The fund also may enter into repurchase agreements. See "Certain Securities and Investment Techniques" below. See also the statement of additional information.

Although there is no guarantee that the fund's investment objective will be achieved, investments in the Cash Management Fund should present the least market risk of any of the funds because it invests only in high-quality short-term debt obligations. However, an investment in this fund is subject to the risks of changes in market interest rates and of the economy as a whole. Note that the return on an investment in the Cash Management Fund should not be the same as the return on an investment in a money market fund which is available directly to the public, even where gross yields are equivalent, due to the fees imposed at the Contract level. The Cash Management Fund yield for the seven days ended November 30, 1994 was 3.58% on an annualized basis.

CERTAIN SECURITIES  
AND INVESTMENT  
TECHNIQUES

The eight funds of the Series invest in a wide variety of securities which are subject to varying degrees of risk.

PORTFOLIO TURNOVER With respect to all funds, portfolio changes will be made without regard to the length of time a particular investment may have been held. Under certain market conditions, the investment policies of the Asset Allocation Fund, the High-Yield Bond Fund, the Bond Fund, and the U.S. Government/AAA-Rated Securities Fund may result in higher portfolio turnover than those of the other funds, although no fund's annual portfolio turnover rate is expected to exceed 100%. A 100% annual portfolio turnover rate would occur, for example, if all the investments in a fund's portfolio (exclusive of securities with less than one year to maturity) were replaced in a period of one year. High portfolio turnover involves correspondingly greater brokerage commissions, to the extent such commissions are payable, and other transaction costs, which will be borne directly by the fund involved.

RISKS OF INVESTING IN STOCKS AND BONDS Those funds that invest in stocks or securities convertible into stocks are subject to various stock market related risks. For example, these funds are subject to the possibility that stock prices in general will decline over short or even extended periods.

The market values of fixed-income securities such as bonds tend to vary inversely with the level of interest rates -- when interest rates rise, their values generally will decline; when interest rates decline, their values generally will rise. Under normal market conditions longer term securities yield more than short term securities but are subject to greater price fluctuations. Fluctuations in the value of a fund's investments will be reflected in the fund's net asset value per share.

U.S. GOVERNMENT SECURITIES Securities guaranteed by the U.S. Government include: (1) direct obligations of the U.S. Treasury (such as Treasury bills, notes and bonds) and (2) federal agency

obligations guaranteed as to principal and interest by the U.S. Treasury (such as securities issued by the Government National Mortgage Association which are commonly known as "GNMA certificates," (described below) and Federal Housing Administration debentures). In these securities, the payment of principal and interest is unconditionally guaranteed by the U.S. Government, and thus they are of the highest possible credit quality. Such securities are subject to variations in market value due to fluctuations in interest rates, but, if held to maturity, will be paid in full.

Securities issued by U.S. Government instrumentalities and certain federal agencies are neither direct obligations of, nor guaranteed by, the U.S. Treasury. However, they generally involve federal sponsorship in one way or another: some are backed by specific types of collateral; some are supported by the issuer's right to borrow from the Treasury; some are supported by the discretionary authority of the Treasury to purchase certain obligations of the issuer; and others are supported only by the credit of the issuing government agency or instrumentality. These agencies and instrumentalities include, but are not limited to, Federal Land Banks, Farmers Home Administration, Central Bank for Cooperatives, Federal Intermediate Credit Banks, and Federal Home Loan Banks.

**MORTGAGE-RELATED SECURITIES** The funds may invest in various types of mortgage-related securities and the U.S. Government/AAA-Rated Securities Fund expects to invest substantially in these securities. Mortgage-related securities may be issued by governmental agencies (such as the GNMA or the Federal Home Loan Mortgage Corporation ("FHLMC")), by the Federal National Mortgage Association ("FNMA"), which is a federally chartered and privately-owned corporation, or by private financial institutions such as commercial banks, savings and loan associations, mortgage bankers and securities broker-dealers (or separate trusts or affiliates of such institutions established to issue these securities).

Most mortgage-related securities, including the securities issued by GNMA, FHLMC and FNMA, are so-called "pass-through" securities representing interests in a pool of underlying mortgage loans, on which the regular interest and principal payments (including any prepayments) are passed through to the holder of the securities. Although the mortgage loans in a pool will have stated maturities of up to 30 years, due to both normal principal repayment and prepayments, the average effective maturities of these securities will vary and will tend to fall when interest rates fall and to rise when interest rates rise. Their value also may change due to changes in the market's perception of the credit worthiness of the entity that issues or guarantees them. For additional information regarding mortgage-related securities see the statement of additional information.

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**MONEY MARKET INSTRUMENTS** These are shorter-term debt securities generally maturing in one year or less which include (1) commercial paper (short-term notes (up to 9 months) issued by corporations or governmental bodies), (2) commercial bank obligations (certificates of deposit (interest-bearing time deposits), bankers' acceptances (time drafts on a commercial bank where the bank accepts an irrevocable obligation to pay at maturity), and documented discount notes (corporate promissory discount notes accompanied by a commercial bank guarantee to pay at maturity)), (3) corporate bonds and

notes (corporate obligations that mature, or that may be redeemed, in one year or less), and (4) savings association obligations (certificates of deposit issued by savings banks or savings and loan associations). Although certain floating or variable rate obligations (securities which have a coupon rate that changes at least annually and generally more frequently) have maturities in excess of one year, they are also considered to be short-term debt securities.

**REPURCHASE AGREEMENTS** The funds may enter into repurchase agreements, under which a fund buys a security and obtains a simultaneous commitment from the seller to repurchase the security at a specified time and price. The seller must maintain with the Series' custodian collateral equal to at least 100% of the repurchase price including accrued interest, as monitored daily by Capital Research and Management Company. A fund only will enter into repurchase agreements involving securities in which it could otherwise invest and with selected banks and securities dealers whose financial condition is monitored by Capital Research and Management Company. If the seller under the repurchase agreement defaults, the fund may incur a loss if the value of the collateral securing the repurchase agreement has declined and may incur disposition costs in connection with liquidating the collateral. If bankruptcy proceedings are commenced with respect to the seller, liquidation of the collateral by the fund may be delayed or limited.

**WHEN-ISSUED SECURITIES, FIRM COMMITMENT AGREEMENTS AND "ROLL" TRANSACTIONS** The funds may purchase securities on a delayed delivery or "when-issued" basis and enter into firm commitment agreements (transactions whereby the payment obligation and interest rate are fixed at the time of the transaction but the settlement is delayed). These transactions may involve either corporate or government securities. A fund as purchaser assumes the risk of any decline in value of the security beginning on the date of the agreement or purchase. As a fund's aggregate commitments under these transactions increase, the opportunity for leverage similarly increases. Should the market values of a fund's portfolio securities decline while the fund is in this position, greater depreciation would likely occur than were it not in such a position.

The Asset Allocation Fund, the High-Yield Bond Fund, the Bond Fund and the U.S. Government/AAA-Rated Securities Fund also may enter into "roll" transactions, which consist of the sale of GNMA certificates or other securities together with a commitment (for which the fund typically receives a fee) to purchase similar, but not identical securities at a future date.

Each fund will segregate liquid assets such as cash, U.S. Government securities or other appropriate high grade debt obligations in an amount sufficient to meet its payment obligations in these transactions.

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**INVERSE FLOATING RATE NOTES** The Bond Fund and the U.S. Government/AAA-Rated Securities Fund may invest to a very limited extent in inverse floating rate notes (a type of derivative instrument). These notes have rates that move in the opposite direction of prevailing interest rates (often as a multiple of changes in prevailing rates); thus, a change in prevailing interest rates will often result in a greater change in the instruments' interest rates. As a result, the maturities of these instruments may have a greater degree of volatility than other types of interest-bearing securities.



INVESTING AROUND THE WORLD The Growth Fund, the International Fund, the Growth-Income Fund, the Asset Allocation Fund, the High-Yield Bond Fund and the Bond Fund may invest in the securities of issuers domiciled outside the U.S. Of course, investing outside the U.S. involves special risks caused by, among other things: fluctuating currency values; different accounting, auditing, and financial reporting regulations and practices in some countries; changing local and regional economic, political, and social conditions; differing securities market structures; and various administrative difficulties such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. However, in the opinion of Capital Research and Management Company, global investing also can reduce certain portfolio risks due to greater diversification opportunities. In addition, the U.S. Government/AAA-Rated Securities Fund also may invest in the securities of issuers domiciled outside the U.S.; however, these securities must be dollar denominated and highly liquid. Accordingly, while the risks mentioned above are still present, they are present to a lesser extent.

Although there is no universally accepted definition, a developing country is generally considered to be a country which is in the initial stages of its industrialization cycle with a low per capita gross national product. Historical experience indicates that the markets of developing countries have been more volatile than the markets of developed countries and will involve each of the risks described above, although potentially to a greater degree; however, such markets can provide higher rates of return to investors.

Additional costs could be incurred in connection with the funds' investment activities outside the U.S. Brokerage commissions are generally higher outside the U.S., and the funds will bear certain expenses in connection with their currency transactions. Furthermore, increased custodian costs may be associated with the maintenance of assets in certain jurisdictions.

CURRENCY TRANSACTIONS The Growth Fund, the International Fund, the High-Yield Bond Fund and the Bond Fund have the ability to hold a portion of their assets in U.S. dollars and other currencies and to enter into certain currency contracts in connection with investing in non-U.S. dollar denominated securities. The Growth Fund does not currently intend to enter into currency contracts other than foreign exchange contracts which will be used to facilitate settlements of trades.

The International Fund, the High-Yield Bond Fund and the Bond Fund, in addition to entering into foreign exchange contracts, may enter into forward currency contracts to hedge against changes in currency exchange rates relative to the U.S. dollar. However, there is no assurance that the use of forward currency contracts will be successful. Moreover, due to the expenses involved, these funds will not generally attempt to protect against all potential changes in exchange rates. For additional information, see "Currency Transactions" in the statement of additional information.

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MULTIPLE PORTFOLIO COUNSELOR SYSTEM The basic investment philosophy of Capital Research and Management Company is to seek fundamental values at reasonable prices, using a system of multiple portfolio counselors in managing mutual fund assets. Under this system the portfolios of the funds are divided into segments which are managed by individual counselors. Each counselor decides

how the segment will be invested (within the limits provided by each fund's objective(s) and policies and by Capital Research and Management Company's investment committee). In addition, Capital Research and Management Company's research professionals make investment decisions with respect to a portion of each fund's portfolio. The primary individual portfolio counselors for the Series are listed below.

<TABLE>  
<CAPTION>

PORTFOLIO COUNSELORS FOR THE SERIES	PRIMARY TITLE(S)	YEARS OF EXPERIENCE AS PORTFOLIO COUNSELOR FOR THE FUNDS INDICATED (APPROXIMATE)
<S> James F. Rothenberg	<C> President and Trustee of the Series. President and Director, Capital Research and Management Company	<C> Asset Allocation Fund--1 year; Growth Fund--3 years
James K. Dunton	Senior Vice President of the Series. Senior Vice President and Director, Capital Research and Management Company	Growth-Income Fund--since the fund began operations in 1984
Abner D. Goldstine	Senior Vice President of the Series. Senior Vice President and Director, Capital Research and Management Company	Asset Allocation Fund--since the fund began operations in 1989; Bond Fund--since the fund began operations in 1995; U.S. Government Fund--since the fund began operations in 1985
Claudia P. Huntington	Vice President of the Series. Senior Vice President, Capital Research Company*	Growth Fund--1 year (plus 5 years as a research professional prior to becoming a portfolio counselor for the fund); Growth-Income Fund--1 year (plus 5 years as a research professional prior to becoming a portfolio counselor for the fund); Asset Allocation Fund--less than 1 year
Dina N. Perry	Vice President of the Series. Vice President, Capital Research and Management Company	Asset Allocation Fund--1 year; Growth-Income Fund--3 years
John H. Smet	Vice President of the Series. Vice President, Capital Research and Management Company	Bond Fund--since the fund began operations in 1995; U.S. Government Fund--3 years
David C. Barclay	Executive Vice President, Capital Research Company*	High-Yield Bond Fund--2 years
Stephen E. Beppler	Senior Vice President and Director, Capital Research Company*	International Fund--since the fund began operations in 1990
Martial Chaillet	Senior Vice President, Capital Research Company*	International Fund--2 years
Gordon Crawford	Senior Vice President and Director, Capital Research Company*	Growth Fund--1 year (plus 5 years as a research professional prior to becoming a portfolio counselor for the fund)
James E. Drasdo	Senior Vice President and Director, Capital Research and Management Company	Growth Fund--8 years; Growth-Income Fund--1 year
Robert W. Lovelace	Executive Vice President, Capital Research Company*	International Fund--1 year
Janet A. McKinley	Senior Vice President, Capital Research Company*	International Fund--4 years
George A. Miller	Senior Vice President and Director, Capital Research and Management Company	Asset Allocation Fund--since the fund began operations in 1989
Robert G. O'Donnell	Senior Vice President and Director, Capital Research and Management Company	Growth-Income Fund--5 years (plus 1 year as a research professional prior to becoming a portfolio counselor for the fund)
Donald D. O'Neal	Vice President, Capital Research and	Growth Fund--4 years (plus 4 years as a

Management Company

research professional prior to becoming a portfolio counselor for the fund)

Richard T. Schotte

Senior Vice President, Capital Research and Management Company

High-Yield Bond Fund--8 years; Bond Fund--since the fund began operations in 1995

Susan M. Tolson

Vice President, Capital Research Company\*

High-Yield Bond Fund--less than 1 year (plus 2 years as a research professional prior to becoming a portfolio counselor for the fund)

</TABLE>

<TABLE>  
<CAPTION>

YEARS OF EXPERIENCE  
IN THE  
INVESTMENT INDUSTRY  
(APPROXIMATE)

WITH CAPITAL  
RESEARCH AND  
MANAGEMENT  
COMPANY OR  
ITS

PORTFOLIO  
COUNSELORS  
FOR THE SERIES

AFFILIATES

TOTAL  
YEARS

<S>

<C>

<C>

James F. Rothenberg

25

25

James K. Dunton

33

33

Abner D. Goldstine

28

43

Claudia P. Huntington

17

19

Dina N. Perry

3

28

John H. Smet

12

13

David C. Barclay

7

14

Stephen E. Bepler

22

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Martial Chaillet

23

23

Gordon Crawford

24

24

James E. Drasdo

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23

Robert W. Lovelace

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Janet A. McKinley

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George A. Miller

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Robert G. O'Donnell

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23

Donald D. O'Neal

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Richard T. Schotte

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Susan M. Tolson

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\* Company affiliated with Capital Research and Management Company.

</TABLE>

DIVIDENDS,  
DISTRIBUTIONS AND  
TAXES

It is the Series' policy to distribute to the shareholders (the insurance company separate accounts) all of its net investment income and capital gains realized during each fiscal year.

The Series distributes to shareholders all its income and capital gains realized during

Each fund of the Series is subject to asset diversification regulation prescribed by the U.S. Treasury Department under the Code. These regulations generally provide that, as of the end of each calendar quarter or within 30 days thereafter, no more than 55% of the total assets of the

each fiscal year. fund may be represented by any one investment, no more than 70% by any two investments, no more than 80% by any three investments, and no more than 90% by any four investments. For this purpose, all securities of the same issuer are considered a single investment. Furthermore, each U.S. Government agency or instrumentality is treated as a separate issuer. There are also alternative diversification tests which may be satisfied by the funds under the regulations. The Series intends to comply with the diversification regulations. If a fund should fail to comply with these regulations, Contracts invested in that fund shall not be treated as annuity, endowment or life insurance contracts under the Code.

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

FEDERAL TAXES Each fund of the Series intends to operate 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 net investment income and realized capital gains, the fund itself is relieved of federal income tax.

SERIES ORGANIZATION AND MANAGEMENT

SERIES ORGANIZATION The Series, an open-end investment company, was organized as a Massachusetts business trust in 1983. The Series' Board of Trustees is responsible for the overall supervision of the Series' operations and performs various duties. Members of the board who are not employed by Capital Research and Management Company or its affiliates are paid for services rendered to the Series as described in the statement of additional information. They may elect to defer all or a portion of these fees through a deferred compensation plan in effect for the Series. The Board of Trustees has approved the retention of the companies listed below to provide certain services to the Series.

INVESTMENT ADVISER Capital Research and Management Company, a large and experienced investment management organization founded in 1931, is the investment adviser to the Series and other mutual funds, including those in The American Funds Group. Capital Research and Management Company is located at 333 South Hope Street, Los Angeles, CA 90071 and 135 South State College Boulevard, Brea, CA 92621. See the statement of additional information under "Management" for a listing of these funds.

Capital Research and Management Company manages the investment portfolio and business affairs of the Series and receives a monthly fee as compensation for its services pursuant to an Investment Advisory and Service Agreement. The fee, which is accrued daily, is based on the net assets of each fund as indicated below.

Growth Fund: 0.60% of the first \$30 million, plus 0.50% greater than \$30 million but not exceeding \$600 million, plus 0.45% greater than \$600 million but not exceeding \$1.2 billion, plus 0.42% greater than \$1.2 billion but not exceeding \$2.0 billion, plus 0.37% in excess of \$2.0 billion;

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International Fund: 0.90% of the first \$60 million, plus 0.78% greater than \$60 million but not exceeding \$600 million, plus 0.60% greater than \$600 million but not exceeding \$1.2 billion, plus 0.48% greater than \$1.2 billion but not exceeding \$2.0 billion, plus 0.465% in excess of \$2.0 billion;

Growth-Income Fund: 0.60% of the first \$30 mil-

lion, plus 0.50% greater than \$30 million but not exceeding \$600 million, plus 0.45% greater than \$600 million but not exceeding \$1.5 billion, plus 0.40% greater than \$1.5 billion but not exceeding \$2.5 billion, plus 0.32% in excess of \$2.5 billion;

Asset Allocation Fund: 0.60% of the first \$30 million, plus 0.50% greater than \$30 million but not exceeding \$600 million, plus 0.42% in excess of \$600 million;

High-Yield Bond Fund: 0.60% of the first \$30 million, plus 0.50% greater than \$30 million but not exceeding \$600 million, plus 0.46% in excess of \$600 million;

Bond Fund: 0.60% of the first \$30 million, plus 0.50% in excess of \$30 million;

U.S. Government/AAA-Rated Securities Fund: 0.60% of the first \$30 million, plus 0.50% greater than \$30 million but not exceeding \$600 million, plus 0.40% in excess of \$600 million;

Cash Management Fund: 0.50% of the first \$100 million, plus 0.42% greater than \$100 million but not exceeding \$400 million, plus 0.38% in excess of \$400 million.

The compensation paid to the Investment Adviser for the most recent fiscal year as a percentage of average net assets amounted to the following: Growth Fund -- .46%; International Fund -- .69%; Growth-In come Fund -- .44%; Asset Allocation Fund -- .50%; High-Yield Bond Fund -- .51%; U.S. Government/AAA-Rated Securities Fund -- .51%; and Cash Management Fund -- .46%.

Capital Research and Management Company is a wholly owned subsidiary of the The Capital Group Companies, Inc. (formerly "The Capital Group, Inc."), 333 South Hope Street, Los Angeles, CA 90071. The research activities of Capital Research and Management Company are conducted by affiliated companies which have offices in Los Angeles, San Francisco, New York, Washington, D.C., London, Geneva, Singapore, Hong Kong and Tokyo.

Capital Research and Management Company and its affiliated companies have adopted a personal investing policy that is consistent with the recommendations contained in the report dated May 9, 1994 issued by the Investment Company Institute's Advisory Group on Personal Investing. (See the statement of additional information.)

PORTFOLIO TRANSACTIONS Order for the Series' portfolio securities transactions are placed by Capital Research and Management Company which strives to obtain the best available prices, taking into account the costs and quality of executions. There is no agreement or commitment to place orders with any broker-dealer. Fixed-income securities are generally traded on a "net" basis with a dealer acting as principal for its own account without a stated commission, although the price of the security usually includes a profit to the dealer. In underwritten offerings, securities are usually purchased at a fixed price which includes an amount of compensation to the underwriter, generally referred to as the underwriter's concession or discount. On occasion, securities may be purchased directly from an issuer, in which case no commissions or discounts are paid.

Subject to the above policy, when two or more brokers are in a position to offer comparable prices and executions, preference may be given to brokers that have sold Contracts or have provided investment research, statistical and other related services for the benefit of the Series and/or of other funds served by Capital Research and Management Company.

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SHAREHOLDER VOTING RIGHTS All shares of the Series have equal voting rights and are entitled to one vote per share with proportional voting for fractional shares. There will not usually be a shareholder meeting in any year, except, for example, when the election of the board is required to be acted upon by shareholders under the Investment Company Act of 1940.

In matters which only affect a particular fund, the matter shall have been effectively acted upon by a majority vote of that fund even though: (1) the matter has not been approved by a majority vote of any other fund; or (2) the matter has not been approved by a majority vote of the Series.

The insurance company separate accounts, as the shareholders of the Series, have the right to vote Series shares at any meeting of shareholders. However, the Contracts provide that the separate accounts will vote Series shares in accordance with instructions received from owners of the Contracts. See the applicable Contract prospectus for information regarding Contract owners' voting rights. Since the funds use a combined prospectus, each fund may be liable for misstatements, inaccuracies, or incomplete disclosure concerning any other fund contained in this prospectus.

PURCHASES AND  
REDEMPTIONS  
OF SHARES

Shares of the Series are currently offered only to insurance company separate accounts which fund the Contracts. All such shares may be purchased or redeemed by the separate accounts at net asset value, without any sales or redemption charges. Such purchases and redemptions are made subsequent to corresponding purchases and redemptions of units of the separate accounts without delay.

Except in extraordinary circumstances and as permissible under the 1940 Act, the redemption proceeds will be paid on or before the seventh day following the request for redemption.

PRICE OF SHARES The net asset value per share is calculated once daily at the close of trading (currently 4:00 p.m., New York time) on each day the New York Stock Exchange is open. The current value of each fund's total assets, less all liabilities, is divided by the total number of shares outstanding (excluding treasury shares), and the result, rounded to the nearer cent, is the net asset value per share. For a more complete description of the procedures involved in valuing assets, see the statement of additional information.

APPENDIX

DESCRIPTION OF BOND RATINGS

Moody's Investors Service, Inc. rates the long-term debt securities issued by various entities in categories ranging from "Aaa" to "C," according to quality as described below.

"Aaa -- Best quality. These securities carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large, or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues."

"Aa -- High quality by all standards. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities, fluctuation of protective elements may be of greater amplitude, or there may be other elements present which make the long-term risks appear somewhat greater."

"A -- Upper medium grade obligations. These bonds possess many favorable investment attributes. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future."

"Baa -- Medium grade obligations. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and, in fact, have speculative characteristics as well."

"Ba -- Generally lack characteristics of the desirable investment; assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small."

"Caa -- Of poor standing. Issues may be in default or there may be present elements of danger with respect to principal or interest."

"Ca -- Speculative in a high degree; often in default or have other marked shortcomings."

"C -- Lowest rated class of bonds; can be regarded as having extremely poor prospects of ever attaining any real investment standing."

Standard & Poor's Corporation rates the long-term debt securities issued by various entities in categories ranging from "AAA" to "D," according to quality as described below.

"AAA -- Highest rating. Capacity to pay interest and repay principal is extremely strong."

"AA -- High grade. Very strong capacity to pay interest and repay principal. Generally, these bonds differ from AAA issues only in a small degree."

"A -- Have a strong capacity to pay interest and repay principal, although they are somewhat more susceptible to the adverse effects of change in circumstances and economic conditions, than debt in higher rated categories."

"BBB -- Regarded as having adequate capacity to pay interest and repay principal. These bonds normally exhibit adequate protection parameters, but adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for debt in higher rated categories."

"BB, B, CCC, CC, C -- Regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB indicates the lowest degree of speculation and C the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions."

"C1 -- Reserved for income bonds on which no interest is being paid."

"D -- In default and payment of interest and/or repayment of principal is in arrears."

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AMERICAN VARIABLE INSURANCE SERIES  
Part B  
Statement of Additional Information  
AUGUST 29, 1995

This document is not a prospectus but should be read in conjunction with the current prospectus of American Variable Insurance Series (the "Series") dated August 29, 1995. The prospectus may be obtained from your investment dealer or financial planner or by writing to the Series at the following address:

American Variable Insurance Series  
Attention: Secretary  
333 South Hope Street  
Los Angeles, CA 90071  
(213) 486-9200

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INVESTMENT POLICIES

The discussion below is intended to supplement the information contained in the prospectus.

GROWTH FUND, GROWTH-INCOME FUND, ASSET ALLOCATION FUND, HIGH-YIELD BOND FUND AND BOND FUND

CERTAIN RISK FACTORS RELATING TO HIGH-YIELD, HIGH-RISK SECURITIES:

**SENSITIVITY TO INTEREST RATE AND ECONOMIC CHANGES** - High-yield, high-risk securities can be sensitive to adverse economic changes and corporate developments. During an economic downturn or substantial period of rising interest rates, highly leveraged issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet projected business goals, and to obtain additional financing. If the issuer of a bond defaulted on its obligations to pay interest or principal or entered into bankruptcy proceedings, each fund may incur losses or expenses in seeking recovery of amounts owed to it. In addition, periods of economic uncertainty and changes can be expected to result in increased volatility of market prices and yields of high-yield, high-risk bonds and each fund's net asset value.

**PAYMENT EXPECTATIONS** - High-yield, high-risk bonds may contain redemption or call provisions. If an issuer exercised these provisions in a declining interest rate market, each fund would have to replace the security with a lower yielding security, resulting in a decreased return for investors. Conversely, a high-yield, high-risk bond's value will decrease in a rising interest rate market, as will the value of each fund's assets. If a fund experiences unexpected net redemptions, this may force it to sell high-yield, high-risk bonds without regard to their investment merits, thereby decreasing the asset base upon which expenses can be spread and possibly reducing each fund's rate of return.

**LIQUIDITY AND VALUATION** - There may be little trading in the secondary market for particular bonds, which may affect adversely each fund's ability to value accurately or dispose of such bonds. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high-yield, high-risk bonds, especially in a thin market.

GROWTH FUND, INTERNATIONAL FUND, HIGH-YIELD BOND FUND AND BOND FUND

**CURRENCY TRANSACTIONS** -- The Growth Fund, the International Fund, the High-Yield Bond Fund and the Bond Fund have the ability to hold a portion of their assets in U.S. dollars and other currencies and to enter into certain currency contracts (on either a spot or forward basis) in connection with investing in non-U.S. dollar denominated securities. A forward currency contract is an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract



agreed upon by the parties, at a price set at the time of the contract. The funds might purchase a particular currency or enter into a forward currency contract to preserve the U.S. dollar price of securities it intends or has contracted to purchase.

The Growth Fund does not currently intend to engage in any transactions other than purchasing and selling currencies and foreign exchange contracts which will be used to facilitate settlement of trades. For example, the fund might purchase a currency or enter into a foreign exchange contract to preserve the U.S. dollar price of securities it has contracted to purchase.

The International Fund, in addition to purchasing and selling currencies and entering into foreign exchange contracts, may enter into forward currency contracts to hedge against changes in currency exchange rates relative to the U.S. dollar. For example, the fund might enter into a forward currency contract to protect against an anticipated decline in value of a foreign currency against the U.S. dollar when it holds securities denominated in that foreign currency.

The High-Yield Bond Fund and the Bond Fund may enter into the transactions described above and may also enter into exchange-traded futures contracts relating to foreign currencies ("currency contracts") in connection with investments in securities of foreign issuers in anticipation of, or to protect against, fluctuations in exchange rates. In addition, forward currency contracts may be used by these funds to purchase or sell a currency against another currency at a future date and price as agreed upon by the parties. An exchange-traded futures contract relating to foreign currency is similar to a forward foreign currency contract but has a standardized size and exchange date. Although currency contracts typically will involve the purchase and sale of a currency against the U.S. dollar, these funds also may enter into currency contracts not involving the U.S. dollar. In connection with these futures transactions, the Series has filed a notice of eligibility with the Commodities Futures Trading Association ("CFTC") that exempts the Series from CFTC registration as a "commodity pool operator" as defined under the Commodities Exchange Act. Pursuant to this notice, these funds will observe certain CFTC guidelines with respect to its futures transactions that, among other things, require these funds to use futures for bona fide "hedging" purposes only (as defined by CFTC rules) and to limit initial margin deposits to no more than 5% of its net assets.

The High-Yield Bond Fund and the Bond Fund may attempt to accomplish objectives similar to those involved in their use of currency contracts by purchasing put or call options on currencies. A put option gives the funds, as purchasers, the right (but not the obligation) to sell a specified amount of currency at the exercise price until the expiration of the option. A call option gives the funds, as purchasers, the right (but not the obligation) to purchase a specified amount of currency at the exercise price until its expiration. The funds might purchase a currency put option, for example, to protect themselves during the contract period against a decline in the U.S. dollar value of a currency in which they hold or anticipate holding securities. If the currency's value should decline against the U.S. dollar, the loss in currency value should be offset, in whole or in part, by an increase in the value of the put. If the value of the currency instead should rise against the U.S. dollar, any gain to the funds would be reduced by the premium they had paid for the put option. A currency call option might be purchased, for example, in anticipation of, or to protect against, a rise in the value against the U.S. dollar of a currency in which the funds anticipate purchasing securities.

Currency options may be either listed on an exchange or traded over-the-counter ("OTC options"). Listed options are third-party contracts (I.E., performance of the obligations of the purchaser and seller is guaranteed by the exchange or clearing corporation) and have standardized strike prices and expiration dates. OTC options are two-party contracts with negotiated strike prices and expiration dates. The High-Yield Bond Fund and Bond Fund will not purchase an OTC option unless it is believed that daily valuations for such options are readily obtainable. OTC options differ from exchange-traded options in that OTC options are transacted with dealers directly and not through a clearing corporation which guarantees performance. Consequently, there is a risk of non-performance by the dealer. Since no exchange is involved, OTC options are valued on the basis of a quote provided by the dealer. In the case of OTC options, there can be no assurance that a liquid secondary market will exist for any particular option at any specific time.

To avoid having an amount greater than its net assets subject to market risk in connection with currency contract transactions, each fund will segregate cash, cash equivalents, or high quality debt instruments in an amount equal to the value of the currency it has committed to purchase.

#### ASSET ALLOCATION FUND, BOND FUND AND U.S. GOVERNMENT/AAA-RATED SECURITIES FUND

GNMA CERTIFICATES, FNMA AND FHLMC MORTGAGE-BACKED OBLIGATIONS, OTHER MORTGAGE-RELATED SECURITIES -- The funds may purchase certificates issued by the Government National Mortgage Association ("GNMA") and the U.S. Government/AAA-Rated Securities Fund expects to invest in these securities.

GNMA certificates are mortgage-backed securities representing part ownership of a pool of mortgage loans on which timely payment of interest and principal is guaranteed by the full faith and credit of the U.S. Government. A pool of these mortgages is assembled and, after being approved by GNMA, is offered to investors through securities dealers. GNMA certificates differ from typical bonds because principal is repaid monthly over the term of the loan rather than returned in a lump sum at maturity. Because both interest and principal payments (including prepayments) on the underlying mortgage loans are passed through to the holder of the certificate, GNMA certificates are called "pass-through" securities.

The Federal National Mortgage Association ("FNMA"), a federally chartered and privately-owned corporation, issues pass-through securities representing interests in a pool of conventional mortgage loans. FNMA guarantees the timely payment of principal and interest, but this guarantee is not backed by the full faith and credit of the U.S. Government. The Federal Home Loan Mortgage Corporation ("FHLMC"), a corporate instrumentality of the U.S. Government, issues participation certificates which represent an interest in a pool of conventional mortgage loans. FHLMC guarantees the timely payment of interest and the ultimate collection of principal and maintains reserves to protect holders against losses due to default, but the certificates are not backed by the full faith and credit of the U.S. Government. As is the case with GNMA certificates, the actual maturity of and realized yield on particular FNMA and FHLMC pass-through securities will vary based on the prepayment experience of the underlying pool of mortgages.

The funds may invest in mortgage-related securities issued by financial institutions such as commercial banks, savings and loan associations, mortgage bankers and securities broker-dealers (or separate trusts or affiliates of such institutions established to issue the securities) including collateralized mortgage obligations ("CMO's") and mortgage-backed bonds. CMO's (including real estate mortgage investment conduits as authorized under the Internal Revenue Code of 1986, as amended) are issued in series that are made up of a group of bonds that together are fully collateralized directly or indirectly by a pool of mortgages on which the payments of principal and interest are dedicated to payment of principal and interest on the bonds in the series. Each class of bonds in the series may have a different maturity than the other classes of bonds in the series, bear a different coupon and have a different priority in receiving payments. The different maturities come from the fact that all principal payments, both regular principal payments as well as any prepayment of principal, are passed through first to the holders of the class with the shortest maturity until it is completely retired. Thereafter, principal payments are passed through to the next class of bonds in the series, until all the classes have been paid off. As a result, an acceleration in the rate of prepayments that may be associated with declining interest rates shortens the expected life of each class, with the greatest impact on those classes with the shortest maturities. Similarly, should the rate of prepayments slow down, as may happen in times of rising interest rates, the expected life of each class lengthens, again with the greatest impact on those classes with the shortest maturities. In the case of some CMO series, each class may receive a differing proportion of the monthly interest and principal repayments on the underlying collateral. In these series the classes having proportionally greater interests in principal repayments generally would be more affected by an acceleration (or slowing) in the rate of prepayments.

Mortgage-backed bonds are general obligations of the issuer fully collateralized directly or indirectly by a pool of mortgages. The mortgages serve as collateral for the issuer's payment obligations on the bonds, but interest and principal payments on the mortgages are not passed through either directly (as with GNMA certificates and FNMA and FHLMC pass-through securities) or on a modified basis (as with CMO's). Accordingly, a change in the rate of prepayments on the pool of mortgages could change the effective maturity of a CMO but not that of a mortgage-backed bond (although, like many bonds, mortgage-backed bonds can provide that they are callable by the issuer prior to maturity).

#### BOND FUND AND U.S. GOVERNMENT/AAA-RATED SECURITIES FUND

REVERSE REPURCHASE AGREEMENTS -- Although the Bond Fund and the U.S. Government/AAA-Rated Securities Fund have no current intention of doing so during the next 12 months, each fund is authorized to enter into reverse repurchase agreements. A reverse repurchase agreement is the sale of a security by a fund and its agreement to repurchase the security at a specified time and price. Each fund will maintain in a segregated account with its custodian cash, cash equivalents or U.S. Government securities in an amount sufficient to cover its obligations under reverse repurchase agreements with broker-dealers (but no collateral is required on reverse repurchase agreements with banks). Under the Investment Company Act of 1940 (the "1940 Act"), reverse repurchase agreements may be considered borrowings by a fund. The use of reverse repurchase agreements by each fund creates leverage which increases the funds' investment risk. As the funds' aggregate commitments under these reverse repurchase agreements increase, the opportunity for leverage similarly increases. If the income and gains on securities purchased with the proceeds of reverse repurchase agreements exceed the costs of the agreements, the funds' earnings or net asset value will increase faster than otherwise would be the

case; conversely, if the income and gains fail to exceed the costs, earnings or net asset value would decline faster than otherwise would be the case.

ASSET ALLOCATION FUND, HIGH-YIELD BOND FUND, BOND FUND AND U.S.  
GOVERNMENT/AAA-RATED SECURITIES FUND

LOANS OF PORTFOLIO SECURITIES -- Although the Asset Allocation Fund, the High-Yield Bond Fund, the Bond Fund and the U.S. Government/AAA-Rated Securities Fund have no current intention of doing so during the next 12 months, these funds are authorized to lend portfolio securities to selected securities dealers or other institutional investors whose financial condition is monitored by Capital Research and Management Company (the "Investment Adviser"). The borrower must maintain with the Series' custodian collateral consisting of cash, cash equivalents or U.S. Government securities equal to at least 100% of the value of the borrowed securities, plus any accrued interest. The Investment Adviser will monitor the adequacy of the collateral on a daily basis. Each fund may at any time call a loan of its portfolio securities and obtain the return of the loaned securities. Each fund will receive any interest paid on the loaned securities and a fee or a portion of the interest earned on the collateral. Each fund will limit its loans of portfolio securities to an aggregate of 10% of the value of its total assets, determined at the time any such loan is made.

PORTFOLIO TRADING OF FIXED-INCOME SECURITIES -- The funds intend to engage in portfolio trading of fixed-income securities when it is believed that the sale of a fixed-income security owned and the purchase of another security of better value can enhance principal and/or increase income. A security may be sold to avoid any prospective decline in market value in light of what is evaluated as an expected rise in prevailing yields, or a security may be purchased in anticipation of a market rise (a decline in prevailing yields). A security also may be sold and a comparable security purchased coincidentally in order to take advantage of what is believed to be a disparity in the normal yield and price relationship between the two securities.

"ROLL" TRANSACTIONS -- Although the Asset Allocation Fund, the High-Yield Bond Fund, the Bond Fund and the U.S. Government/AAA-Rated Securities Fund have no current intention of doing so during the next 12 months, these funds may engage in "roll" transactions. A "roll" transaction is the sale of securities together with a commitment (for which a fund may receive a fee) to purchase similar, but not identical, securities at a future date. Under the 1940 Act, these transactions may be considered borrowings by the funds. The funds will segregate liquid assets such as cash, U.S. Government securities or other high grade debt obligations in an amount sufficient to meet their payment obligations in these transactions. Although these transactions will not be entered into for leveraging purposes, to the extent a fund's aggregate commitments under these transactions exceed its holdings of cash and securities that do not fluctuate in value (such as short-term money market instruments), the fund temporarily will be in a leveraged position (I.E., it will have an amount greater than its net assets subject to market risk). Should market value of a fund's portfolio securities decline while the fund is in a leveraged position, greater depreciation of its net assets would likely occur than were it not in such a position. As the funds' aggregate commitments under these transactions increase, the opportunity for leverage similarly increases.

HIGH-YIELD BOND FUND AND BOND FUND

LOAN PARTICIPATIONS The High-Yield Bond Fund and the Bond Fund may each invest up to 10% of their assets in loan participations. These participations, which can also include loan assignments, typically involve loans made by a syndicate of banks to U.S. and non-U.S. corporate or governmental borrowers for a variety of purposes which may be secured or unsecured, and will vary in term and legal structure. Typically, price quotations with respect to loan participations are available from the originating bank (the bank that makes the underlying loan). The originating bank also serves as the market maker for the resale of loan participations. When purchasing such instruments, a fund may assume the credit risks associated with the original bank lender as well as the credit risks associated with the borrower. In addition, if the loan is foreclosed, a fund could be part owner of any collateral, and could bear the costs and liabilities of owning and disposing of the collateral. Loan participations generally are not rated by major rating agencies and may not be protected by the securities laws. Also, loan participations may be liquid or illiquid. To the extent these instruments are illiquid, each fund may have difficulty determining their value or selling the instruments as generally there is no secondary market. Each fund will purchase these instruments only to the extent that such a purchase would be consistent with each fund's investment policies regarding debt securities and/or illiquid securities.

In determining whether to purchase a particular loan participation, the Investment Adviser will take into account all relevant factors including the instrument's potential volatility, liquidity and risks (including whether the fund could be put in an undesirable position as lender and/or owner of collateral).

The Cash Management Fund seeks to achieve its investment objective by investing in a diversified selection of money market instruments, and the other funds generally will invest a portion of their assets in money market instruments. These money market instruments include the following:

1. Commercial Paper: Short-term notes (up to nine months) issued by companies or governmental bodies. The Cash Management Fund may only purchase commercial paper judged by the Investment Adviser to be of suitable investment quality. This includes (a) commercial paper that is rated in the two highest categories by Standard & Poor's Corporation and by Moody's Investors Service, Inc. or (b) other commercial paper deemed on the basis of the issuer's creditworthiness to be of a quality appropriate for the Cash Management Fund. (No more than 5% of the Cash Management Fund's assets may be invested in commercial paper rated in the second highest rating category by either Moody's or Standard & Poor's; no more than the greater of 1% of the Cash Management Fund's assets or \$1 million may be invested in such securities of any one issuer.) See the Appendix for a description of the ratings. The commercial paper in which the Cash Management Fund may invest includes variable amount master demand notes. Variable amount master demand notes permit the Cash Management Fund to invest varying amounts at fluctuating rates of interest pursuant to the agreement in the master note. These are direct lending obligations between the lender and borrower, they are generally not traded, and there is no secondary market. Such instruments are payable with accrued interest in whole or in part on demand. The amounts of the instruments are subject to daily fluctuations as the participants increase or decrease the extent of their participations. Investments in these instruments are limited to those that have a demand feature enabling the Cash Management Fund unconditionally to receive the amount invested from the issuer upon seven or fewer days' notice. (Generally, the Cash Management Fund attempts to invest in instruments having a one-day notice provision). In connection with master demand note arrangements, the Investment Adviser, subject to the direction of the Trustees, monitors on an ongoing basis, the earning power, cash flow, and other liquidity ratios of the borrower and its ability to pay principal and interest on demand. The Investment Adviser also considers the extent to which the variable amount master demand notes are backed by bank letters of credit. These notes generally are not rated by Moody's or Standard & Poor's. The Cash Management Fund may invest in them only if it is deemed that at the time of investment the notes are of comparable quality to the other commercial paper in which the Cash Management Fund may invest. Master demand notes are considered to have a maturity equal to the repayment notice period unless the Investment Adviser has reason to believe that the borrower could not make timely repayment upon demand.

2. Commercial Bank Obligations: Certificates of deposit (interest-bearing time deposits), bankers acceptances (time drafts drawn on a commercial bank where the bank accepts an irrevocable obligation to pay at maturity) representing direct or contingent obligations of commercial banks with assets in excess of \$1 billion, based on latest published reports or obligations issued by commercial banks with assets of less than \$1 billion if the principal amount of such obligation is fully insured by the U.S. Government.

3. Corporate Bonds and Notes: The Cash Management Fund may purchase corporate obligations that mature or that may be redeemed in one year or less. These obligations originally may have been issued with maturities in excess of one year. The Cash Management Fund may invest only in corporate bonds or notes of issuers having outstanding short-term securities rated as described above in "Commercial Paper."

4. Savings Association Obligations: Certificates of deposit (interest-bearing time deposits) issued by savings banks or savings and loan associations that have assets in excess of \$1 billion, based on latest published reports, or obligations issued by institutions with assets of less than \$1 billion if the principal amount of such obligation is fully insured by the U.S. Government.

5. Floating Rate Obligations: These securities have a coupon rate that changes at least annually and generally more frequently. The coupon rate is set in relation to money market rates. The obligations, issued primarily by banks, other corporations, governments and semi-governmental bodies, may have a maturity in excess of one year. In some cases, the coupon rate may vary with changes in the yield on Treasury bills or notes or with changes in LIBOR (London Interbank Offering Rate). The Investment Adviser considers floating rate obligations to be liquid investments because a number of U.S. and non-U.S. securities dealers make active markets in these securities.

#### INVESTMENT RESTRICTIONS

The Series has adopted certain investment restrictions for each fund which are fundamental policies and cannot be changed without approval by a majority of its outstanding shares. Such majority is defined by the 1940 Act as the vote of the lesser of (i) 67% or more of the outstanding shares present at a meeting, if the holders of more than 50% of the outstanding voting securities are present in person or by proxy, or (ii) more than 50% of the outstanding voting securities. All percentage limitations expressed in the following investment restrictions are measured immediately after the relevant transaction

is made.

INVESTMENT RESTRICTIONS OF THE GROWTH FUND, INTERNATIONAL FUND, GROWTH-INCOME FUND, ASSET ALLOCATION FUND, HIGH-YIELD BOND FUND AND BOND FUND

The Growth Fund, International Fund, Growth-Income Fund, Asset Allocation Fund, High-Yield Bond Fund and Bond Fund may not:

1. Invest more than 5% of the value of the total assets of the fund in the securities of any one issuer, provided that this limitation shall apply only to 75% of the value of the fund's total assets and, provided further, that the limitation shall not apply to obligations of the government of the U.S. under a general Act of Congress. The short-term obligations of commercial banks are excluded from this 5% limitation with respect to 25% of the fund's total assets.

2. As to 75% of its total assets, purchase more than 10% of the outstanding voting securities of an issuer.

3. Invest more than 25% of the fund's total assets in the securities of issuers in the same industry. Obligations of the U.S. Government, its agencies and instrumentalities, are not subject to this 25% limitation on industry concentration. In addition, the fund may, if deemed advisable, invest more than 25% of its assets in the obligations of domestic commercial banks.

4. Enter into any repurchase agreement maturing in more than seven days or invest in any other illiquid security if, as a result, more than 10% of the fund's total assets would be so invested.

5. Invest in real estate (including limited partnership interests, but excluding securities of companies, such as real estate investment trusts, which deal in real estate or interests therein).

6. Purchase commodities or commodity contracts; except that the International Fund, Asset Allocation Fund, High-Yield Bond Fund and Bond Fund may engage in transactions involving currencies (including forward or futures contracts and put and call options).

7. Invest in companies for the purpose of exercising control or management.

8. Make loans to others except for (a) the purchase of debt securities; (b) entering into repurchase agreements; (c) the loaning of its portfolio securities; and (d) entering into loan participations.

9. Borrow money, except from banks for temporary purposes, and then in an amount not in excess of 5% of the value of the fund's total assets. Moreover, in the event that the asset coverage for such borrowings falls below 300%, the fund will reduce, within three days, the amount of its borrowings in order to provide for 300% asset coverage.

10. Purchase securities on margin.

11. Pledge or hypothecate the fund's assets.

12. Sell securities short, except to the extent that the fund contemporaneously owns, or has the right to acquire at no additional cost, securities identical to those sold short.

13. Invest in puts, calls, straddles, spreads or any combination thereof; except as described above in Investment Restriction number 6.

14. Purchase or sell securities of other investment companies (except in connection with a merger, consolidation, acquisition or reorganization).

15. Engage in underwriting of securities issued by others, except to the extent it may be deemed to be acting as an underwriter in the purchase or resale of portfolio securities.

Notwithstanding investment restriction number 14, the funds may invest in securities of other managed investment companies if deemed advisable by its officers in connection with the administration of a deferred compensation plan adopted by Trustees pursuant to an exemptive order granted by the Securities and Exchange Commission.

The International Fund and High-Yield Bond Fund may not invest more than 10% of the value of their total assets in securities which are restricted as to resale. The Growth Fund, Growth-Income Fund and Asset Allocation Fund may not invest more than 5% of the value of their total assets in securities which are restricted as to resale. As a condition to the acquisition of the type of securities mentioned herein, the funds will ordinarily require that the issuer of such securities shall agree to bear the expenses of registration under the Securities Act of 1933, if and when the funds desire to sell such securities. The need to effect such registration could result in a delay in disposing of such securities. The Bond Fund may not invest more than 10% of the value of its total assets in securities which are not readily marketable or engage in the business of underwriting securities of other issuers, except to the extent

that the disposal of an investment position may technically constitute the fund an underwriter as that term is defined under the Securities Act of 1933. These policies of the Series are not deemed fundamental policies and therefore may be changed without shareholder approval.

To the extent a fund invests in non-U.S. securities, the Series has undertaken to the California Department of Insurance (which regulates certain contracts that use the Series as an underlying investment) to adhere to the following guidelines with respect to such investments:

1. The fund will have no more than 20% of its net asset value invested in securities of issuers located in any one country. An additional 15% of the fund's assets may be invested in securities of issuers located in any one of the following countries: Australia, Canada, France, Japan, the United Kingdom or the former West Germany.
2. The fund will be invested in a minimum of five different non-U.S. countries at all times. However, this minimum is reduced to four countries when non-U.S. investments comprise less than 80% of the fund's net asset value; to three countries when less than 60%; to two countries when less than 40% and to one country when less than 20%.

#### INVESTMENT RESTRICTIONS OF THE U.S. GOVERNMENT/AAA-RATED SECURITIES FUND

The U.S. Government/AAA-Rated Securities Fund may not:

1. Purchase any security (other than securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities ("U.S. Government securities")) if, immediately after and as a result of such investment, more than 5% of the value of the fund's total assets would be invested in securities of the issuer.

2. Invest 25% or more of the value of its total assets in the securities of issuers conducting their principal business activities in the same industry, except that this limitation shall not apply to U.S. Government securities or other securities to the extent they are backed by or represent interests in U.S. Government securities or U.S. Government-guaranteed mortgages.

3. Invest in companies for the purpose of exercising control or management.

4. Knowingly purchase securities of other investment companies, except in connection with a merger, consolidation, acquisition, or reorganization.

5. Buy or sell real estate or commodities or commodity contracts in the ordinary course of its business; however, the fund may purchase or sell readily marketable debt securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein, including real estate investment trusts.

6. Acquire securities subject to restrictions on disposition imposed by the Securities Act of 1933, if, immediately after and as a result of such acquisition, the value of such restricted securities and all other illiquid securities held by the fund would exceed 10% of the value of the fund's total assets.

7. Engage in the business of underwriting securities of other issuers, except to the extent that the disposal of an investment position may technically cause it to be considered an underwriter as that term is defined under the Securities Act of 1933.

8. Make loans, except that the fund may: (a) purchase readily marketable debt securities; (b) invest in repurchase agreements; (c) make loans of portfolio securities; and (d) enter into loan participations. The fund will not invest in repurchase agreements maturing in more than seven days if any such investment, together with any illiquid securities (including securities which are subject to legal or contractual restrictions on resale) held by the fund, exceeds 10% of the value of its total assets.

9. Sell securities short, except to the extent that the fund contemporaneously owns or has the right to acquire at no additional cost securities identical to those sold short.

10. Purchase securities on margin, except that the fund may obtain such short-term credits as may be necessary for the clearance of purchases and sales of securities.

11. Borrow money, except from banks for temporary or emergency purposes not in excess of 5% of the value of the fund's total assets, except that the fund may enter into reverse repurchase agreements.

12. Mortgage, pledge, or hypothecate any of its assets, provided that this restriction shall not apply to the sale of securities pursuant to a reverse repurchase agreement.

13. Write, purchase or sell puts, calls or combinations thereof.

Notwithstanding investment restriction number 4, the fund may invest in securities of other managed investment companies if deemed advisable by its officers in connection with the administration of a deferred compensation plan adopted by Trustees pursuant to an exemptive order granted by the Securities and Exchange Commission.

#### INVESTMENT RESTRICTIONS OF THE CASH MANAGEMENT FUND

The Cash Management Fund may not:

1. Invest more than 5% of the value of the total assets of the fund in the securities of any one issuer, provided that this limitation shall apply only to 75% of the value of the fund's total assets and, provided further, that the limitation shall not apply to obligations of the government of the U.S. under a general Act of Congress. The short-term obligations of commercial banks are excluded from this 5% limitation with respect to 25% of fund's total assets.

2. As to 75% of its total assets, purchase more than 10% of the outstanding voting class of securities of an issuer.

3. Invest more than 25% of the fund's total assets in the securities of issuers in the same industry. Obligations of the U.S. Government, its agencies and instrumentalities, are not subject to this 25% limitation on industry concentration. In addition, the fund may, if deemed advisable, invest more than 25% of its assets in the obligations of domestic commercial banks.

4. Enter into any repurchase agreement maturing in more than seven days or invest in any other illiquid security if, as a result, more than 10% of the fund's total assets would be so invested.

5. Make loans to others except for the purchase of the debt securities listed above. The fund may enter into repurchase agreements as described above.

6. Borrow money, except from banks for temporary purposes, and then in an amount not in excess of 5% of the value of the fund's total assets. Moreover, in the event that the asset coverage for such borrowings falls below 300%, the fund will reduce within three days the amount of its borrowings in order to provide for 300% asset coverage.

7. Pledge or hypothecate the fund's assets.

8. Sell securities short except to the extent that the fund contemporaneously owns or has the right to acquire at no additional cost, securities identical to those sold short.

9. Invest in puts, calls, straddles, spreads or any combination thereof.

10. Purchase or sell securities of other investment companies (except in connection with a merger, consolidation, acquisition or reorganization), real estate or commodities.

11. Act as underwriter of securities issued by others, engage in distribution of securities for others, or make investments in other companies for the purpose of exercising control or management.

Notwithstanding investment restriction number 10, the fund may invest in securities of other investment companies if deemed advisable by its officers in connection with the administration of a deferred compensation plan adopted by Trustees pursuant to an exemptive order granted by the Securities and Exchange Commission.

Notwithstanding investment restriction number 1 above, in order to comply with Rule 2a-7 under the 1940 Act, the Cash Management Fund has adopted a non-fundamental policy (that may be changed by the Board of Trustees without shareholder approval) of investing no more than 5% of its assets (measured at the time of purchase) in the securities of any one issuer (other than the U.S. Government); provided however, that the Cash Management Fund may invest, as to 25% of its assets, more than 5% of its assets in certain high-quality securities (as defined in the Rule) of a single issuer for a period of up to three business days. Investment restriction number 9 above does not prevent the purchase by the Cash Management Fund of securities that have "put" or "stand-by" commitment features.

\* \* \* \* \*

To the extent that any fund is used with a variable life insurance contract sold in the state of California, it will limit its borrowing activities to (1) 10% of net asset value when borrowing for any general purpose and (2) 25% of net asset value when borrowing as a temporary measure to facilitate redemptions. For this purpose, reverse repurchase agreements shall constitute borrowing. This policy is not deemed a fundamental policy and therefore may be changed without shareholder approval.

SERIES OFFICERS AND TRUSTEES  
Trustees and Trustee Compensation  
(with their principal occupations during the past five years)#

<TABLE>

<CAPTION>

NAME, ADDRESS AND AGE	POSITION WITH REGISTRANT	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS#	AGGREGATE COMPENSATION (INCLUDING VOLUNTARILY DEFERRED COMPENSATION/1/) FROM SERIES DURING FISCAL YEAR ENDED 11/30/94	TOTAL COMPENSATION FROM ALL FUNDS MANAGED BY CAPITAL RESEARCH AND MANAGEMENT COMPANY/2/	TOTAL NUMBER OF FUND BOARDS ON WHICH TRUSTEE SERVES/2/
<S> Charles H. Black 525 Alma Real Drive Pacific Palisades, CA 90272 Age: 68	<C> Trustee	<C> Private investor and consultant; Former Executive Vice President and Director, Kaiser Steel Corporation	<C> \$21,900	<C> \$102,300	<C> 4
+ H. Frederick Christie P. O. Box 144 Palos Verdes, CA 90274 Age: 61	Trustee	Private Investor; Former President and Chief Executive Officer, The Mission Group (non-utility holding Company, subsidiary of Southern California Edison Company)	\$15,700	\$135,583	18
Joe E. Davis 3436 Caribeth Drive Encino, CA 91436 Age: 60	Trustee	Private Investor. Former Chairman, Linear Corporation; former President and Chief Executive Officer, National Health Enterprises, Inc.	\$23,100	\$23,100	1
Martin Fenton, Jr. 4350 Executive Drive Suite 101 San Diego, CA 92123 Age: 59	Trustee	Chairman, Senior Resource Group (management of senior living centers)	none	\$93,050	15
++ Richard H. M. Holmes 580 Laurent Road Hillsborough, CA 94010 Age: 69	Trustee	Retired. Former Vice President, Capital Research and Management Company	\$19,500	\$19,500	4
Mary Myers Kauppila 286 Congress Street Boston, MA 02110 Age: 40	Trustee	Founder and President, Energy Investment, Inc.	\$15,700/3/	\$67,200	4
@* James F. Rothenberg Age: 48	President and Trustee	President and Director, Capital Research and Management Company	none/4/	none/4/	1
@* Thomas E. Terry Age: 57	Chairman of the Board	Retired. Former Vice President and Secretary, Capital Research and Management Company	none/4/	none/4/	3
Leonard Weil 515 South Figueroa Street Los Angeles, CA 90071 Age: 72	Trustee	Consultant, President Emeritus, Manufacturers Bank. Former President, Manufacturers Bank	\$23,100	\$23,100	1

</TABLE>

# Positions within the organizations listed may have changed during this period.

+ May be deemed an "interested person" of the Series due to membership on the board of directors of the parent company of a registered broker-dealer.

++ Not considered an "interested person" within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act"), but he does not participate on the Contracts or Nominating Committees due to his former affiliation with



the Investment Adviser.

@ Trustees who are considered "interested persons as defined in the 1940 Act, on the basis of their affiliation with the Series' Investment Adviser, Capital Research and Management Company.

\* Address is 333 South Hope Street, Los Angeles, CA 90071//

/1/ Amounts may be deferred by eligible trustees under a non-qualified deferred compensation plan adopted by the Series in 1993. Deferred amounts accumulate at an earnings rate determined by the total return of one or more funds in The American Funds Group as designated by the Trustee.

/2/ Capital Research and Management Company manages The American Funds Group consisting of 28 funds: AMCAP Fund, Inc., American Balanced Fund, Inc., American High-Income Municipal Bond Fund, Inc., American High-Income Trust, American Mutual Fund, Inc., The Bond Fund of America, Inc., The Cash Management Trust of America, Capital Income Builder, Inc., Capital World Growth and Income Fund, Inc., Capital World Bond Fund, Inc., EuroPacific Growth Fund, Fundamental Investors, Inc., The Growth Fund of America, Inc., The Income Fund of America, Inc., Intermediate Bond Fund of America, The Investment Company of America, Limited Term Tax-Exempt Bond Fund of America, The New Economy Fund, New Perspective Fund, Inc., SMALLCAP World Fund, Inc., The Tax-Exempt Bond Fund of America, Inc., The Tax-Exempt Fund of California, The Tax-Exempt Fund of Maryland, The Tax-Exempt Fund of Virginia, The Tax-Exempt Money Fund of America, The U. S. Treasury Money Fund of America, U.S. Government Securities Fund and Washington Mutual Investors Fund, Inc. Capital Research and Management Company also manages Anchor Pathway Fund which serves as the underlying investment vehicle for certain variable insurance contracts; and Bond Portfolio for Endowments, Inc. and Endowments, Inc. whose shares may be owned only by tax-exempt organizations. These amounts reflect the aggregate compensation paid during the most recent fiscal year of the funds involved.

/3/ Since the plan's adoption, the total amount of deferred compensation accrued by the Series (plus earnings thereon) for participating Trustees is as follows: Mary Myers Kauppila (\$16,089). Amounts deferred and accumulated earnings thereon are not funded and are general unsecured liabilities of the Series until paid to the Trustee.

/4/ James F. Rothenberg and Thomas E. Terry are affiliated with the Investment Adviser and, accordingly, receive no remuneration from the Series.

#### OFFICERS

(with their principal occupations during the past five years)#

THOMAS E. TERRY, CHAIRMAN OF THE BOARD (see above).

JAMES F. ROTHENBERG, PRESIDENT (see above).

\* JAMES K. DUNTON, SENIOR VICE PRESIDENT  
Senior Vice President and Director - Capital Research and Management Company.

\* ABNER D. GOLDSTINE, SENIOR VICE PRESIDENT  
Senior Vice President and Director - Capital Research and Management Company.

\* MICHAEL J. DOWNER, VICE PRESIDENT.  
Assistant General Counsel - Legal Division, The Capital Group Companies, Inc.;  
Secretary, Capital Research and Management Company; Secretary, American Funds  
Distributors, Inc.

\* CLAUDIA P. HUNTINGTON, VICE PRESIDENT.  
Senior Vice President, Capital Research Company.

\*\* STEVEN N. KEARSLEY, VICE PRESIDENT AND TREASURER.  
Vice President and Treasurer, Capital Research and Management Company.

\* DINA N. PERRY, VICE PRESIDENT.  
Vice President, Capital Research and Management Company.

JOHN H. SMET, VICE PRESIDENT. 11100 Santa Monica Boulevard, Los Angeles, CA  
90025.  
Vice President, Capital Research and Management Company.

\* CHAD L. NORTON, SECRETARY.  
Vice President - Fund Business Management Group, Capital Research and  
Management Company.

\* DAVID E. CARTER, ASSISTANT SECRETARY.  
Associate, Capital Research and Management Company.

\*\* MARY C. CREMIN, ASSISTANT TREASURER.  
Senior Vice President - Fund Business Management Group, Capital Research and  
Management Company.

\*\* ROBERT P. SIMMER, ASSISTANT TREASURER.  
Vice President - Fund Business Management Group, Capital Research and  
Management Company.

# The principal occupation shown reflects the principal employment of each  
individual during the past five years. Corporate positions may, in some  
instances, have changed during this period.

\* Address is 333 South Hope Street, Los Angeles, CA 90071.

\*\* Address is 135 South State College Boulevard, Brea, CA 92621.

All of the Officers listed above are officers of the Investment Adviser or its  
affiliated companies. No compensation is paid by the Series to any Officer or  
Trustee who is a director or officer of the Investment Adviser or its  
affiliated companies. The compensation paid by the Series to each unaffiliated  
Trustee is \$15,000 per annum, plus \$1,200 for each Board of Trustees meeting  
attended, plus \$600 for each meeting attended as a member of a committee of the  
Board of Trustees. No pension or retirement benefits are accrued as part of  
fund expenses. The Trustees may elect, on a voluntary basis, to defer all or a  
portion of their fees through a deferred compensation plan in effect for the  
Series. The Series also reimburses certain expenses of the Trustees who are  
not affiliated with the Investment Adviser.

#### MANAGEMENT

INVESTMENT ADVISER - The Investment Adviser, founded in 1931, maintains  
research facilities in the U.S. and abroad, with a staff of professionals, many  
of whom have a number of years of investment experience. The Investment  
Adviser's research professionals travel several million miles a year, making  
more than 5,000 research visits in more than 50 countries around the world.  
The Investment Adviser believes that it is able to attract and retain quality  
personnel.

An affiliate of the Investment Adviser compiles indices for major stock  
markets around the world and compiles and edits the Morgan Stanley Capital  
International Perspective, providing financial and market information about  
more than 2,400 companies around the world.

The Investment Adviser and its affiliated companies are responsible for  
approximately \$100 billion of stocks, bonds and money market instruments and  
serve over five million investors of all types throughout the world. These  
investors include privately owned businesses and large corporations as well as  
schools, colleges, foundations and other non-profit and tax-exempt  
organizations.

INVESTMENT ADVISORY AND SERVICE AGREEMENT - The Investment Advisory and Service  
Agreement (the "Agreement") between the Series and the Investment Adviser,  
unless sooner terminated, will continue in effect until November 30, 1995, and  
may be renewed from year to year thereafter, provided that any such renewal has  
been specifically approved at least annually by (i) the Board of Trustees, or  
by the vote of a majority (as defined in the 1940 Act) of the outstanding  
voting securities of the Series, and (ii) the vote of a majority of Trustees  
who are not parties to the Agreement or interested persons (as defined in the  
1940 Act) of any such party, cast in person at a meeting called for the purpose  
of voting on such approval. The Agreement provides that the Investment Adviser  
has no liability to the Series for its acts or omissions in the performance of  
its obligations to the Series not involving willful misconduct, bad faith,  
gross negligence or reckless disregard of its obligations under the Agreement.  
The Agreement also provides that either party has the right to terminate it,  
without penalty, upon 60 days' written notice to the other party and that the  
Agreement automatically terminates in the event of its assignment (as defined  
in the 1940 Act).

The Investment Adviser, in addition to providing investment advisory services,  
furnishes the services and pays the compensation and travel expenses of  
qualified persons to perform the executive, and related administrative  
functions of the Series, provides necessary office space, office equipment and  
utilities, and general purpose accounting forms, supplies, and postage used at  
the office of the Series relating to the services furnished by the Investment  
Adviser. Subject to the expense agreement described below, the Series will pay  
all expenses not expressly assumed by the Investment Adviser, including, but  
not limited to, registration and filing fees with federal and state agencies;  
blue sky expenses (if any); expenses of shareholders' meetings; the expense of  
reports to existing shareholders; expenses of printing proxies and  
prospectuses; insurance premiums; legal and auditing fees; dividend  
disbursement expenses; the expense of the issuance, transfer, and redemption of  
its shares; custodian fees; printing and preparation of registration  
statements; taxes; compensation, fees and expenses paid to Trustees  
unaffiliated with the Investment Adviser; association dues; and costs of  
stationery and forms prepared exclusively for the Series.

The Agreement provides for an advisory fee reduction to the extent that each  
fund's annual ordinary net operating expenses, except the International Fund's,

exceed 1 1/2% of the first \$30 million of the average month-end total net assets of the fund and 1% of the average month-end total net assets in excess thereof. For the International Fund, the advisory fee will be reduced to the extent that its annual ordinary net operating expenses exceed 1 1/2% of its average month-end total net assets. Expenditures, including costs incurred in connection with the purchase or sale of portfolio securities, which are capitalized in accordance with generally accepted accounting principles applicable to investment companies, are accounted for as capital items and not as expenses.

During the fiscal years ended November 30, 1994, 1993 and 1992, the Investment Adviser's total fees, respectively, amounted to the following: Growth Fund \$8,735,000, \$7,048,000 and \$4,746,000; International Fund \$8,330,000, \$4,318,000 and \$2,321,000; Growth-Income Fund \$11,517,000, \$9,526,000 and \$6,586,000; Asset Allocation Fund \$3,129,000, \$2,390,000 and \$1,411,000; High-Yield Bond Fund \$2,022,000, \$1,454,000 and \$791,000; U. S. Government/AAA-Rated Securities Fund \$2,459,000, \$2,238,000 and \$1,532,000; and Cash Management Fund \$905,000, \$750,000 and \$826,000.

The Investment Adviser also serves as investment adviser to the following registered investment companies: AMCAP Fund, Inc., American Balanced Fund, Inc., American High-Income Municipal Bond Fund, Inc., American High-Income Trust, American Mutual Fund, Inc., Anchor Pathway Fund, The Bond Fund of America, Inc., Bond Portfolio for Endowments Inc., Capital Income Builder, Inc., Capital World Bond Fund, Inc., Capital World Growth and Income Fund, Inc., The Cash Management Trust of America, Endowments, Inc., EuroPacific Growth Fund, Fundamental Investors, Inc., The Growth Fund of America, Inc., The Income Fund of America, Inc., Intermediate Bond Fund of America, The Investment Company of America, Limited Term Tax-Exempt Bond Fund of America, The New Economy Fund, New Perspective Fund, Inc., SMALLCAP World Fund, Inc., The Tax-Exempt Bond Fund of America, Inc., The Tax-Exempt Fund of California, The Tax-Exempt Fund of Maryland, The Tax-Exempt Fund of Virginia, The Tax-Exempt Money Fund of America, U.S. Government Securities Fund, The U.S. Treasury Money Fund of America and Washington Mutual Investors Fund, Inc.

#### PRICE OF SHARES

The price paid for shares, the net asset value price, is calculated for each of the funds once daily at the close of trading (currently 4:00 p.m., New York Time) each day the New York Stock Exchange is open as set forth below. The New York Stock Exchange is currently closed on weekends and on the following holidays: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day. The net asset value per share is determined as follows:

1. Stocks, and convertible bonds and debentures traded on securities exchanges or the over-the-counter market are valued at the last reported sale price on the day of valuation, or, lacking any sales on that day, at the last-reported bid price.

2. Non-convertible bonds and debentures, and other long-term debt securities and Treasury notes normally are valued at prices obtained for the day of valuation from a bond pricing service, when such prices are available on the day of valuation; however, in circumstances where the Investment Adviser deems it appropriate to do so, such securities will be valued at the mean of representative quoted bid or asked prices for such securities or, if such prices are not available, at such prices for securities of comparable maturity, quality and type. Securities traded on exchanges outside the U.S. are valued at the last sale price on the day of valuation, or lacking any sales on that day, at the last-reported bid price. Short-term securities other than Treasury notes with original or remaining maturities in excess of 60 days are valued at the mean of representative quoted bid and asked prices or, if such prices are not available, at such prices for securities of comparable maturity, quality and type. Short-term securities with 60 days or less to maturity are valued at amortized cost, which approximates market value. Options on currencies purchased by the fund are valued at their last bid price in the case of listed options or at the average of the last bid prices obtained from dealers in the case of OTC options. Futures contracts involving foreign currencies traded on exchanges are valued at their last sale or settlement price as of the close of such exchanges or, lacking any sales, at the mean between the last reported bid and asked prices. Other securities are valued on the basis of last sale or bid prices in what is, in the opinion of the Investment Adviser, the broadest and most representative market, which may be either a securities exchange or over-the-counter market.

3. Where quotations are not readily available, securities are valued at fair value as determined in good faith by the Board of Trustees. The fair value of all other assets is added to the value of securities to arrive at the respective fund's total assets;

4. The value of any security denominated in a currency other than U.S. dollars will be translated into U.S. dollars at the prevailing market rate as determined by the Series' officers;

5. There are deducted from the total assets, thus determined, the liabilities

of the respective funds including proper accruals of expense items; and

6. The net assets of the respective fund so obtained is then divided by the total number of shares outstanding (excluding treasury shares), and the result, rounded to the nearer cent, is the fund's net asset value per share.

#### DIVIDENDS, DISTRIBUTIONS AND FEDERAL TAXES

Each fund of the Series intends to qualify to be taxed as a "regulated investment company" under the provisions of Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). To qualify for the tax treatment afforded a regulated investment company under the Code, a fund must annually distribute at least 90% of its net investment income and certain short-term capital gains and meet certain diversification of assets and other requirements of the Code. If a fund qualifies for such tax treatment, it will not be subject to Federal income tax on the part of its ordinary income and its net realized capital gains which it distributes to shareholders. To meet the requirements of the Code, a fund must (a) derive at least 90% of its gross income from dividends, interest, payments with respect to securities loans, and gains from the sale or other disposition of stock or securities or currencies; (b) derive less than 30% of its gross income from the sale or other disposition of securities held less than three months; and (c) diversify its holdings so that, at the end of each fiscal quarter, (i) at least 50% of the market value of the fund's assets is represented by cash, U.S. Government securities and other securities, limited, in respect of any one issuer, to an amount not greater than 5% of the fund's assets and 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of its assets is invested in the securities of any one issuer (other than U.S. Government securities or the securities of other regulated investment companies), or in two or more issuers which each fund controls and which are engaged in the same or similar trades or businesses. It is the Series' policy to distribute to the shareholders (the insurance company separate accounts) all of its net investment income and capital gains realized during each fiscal year.

Under the Code, the Asset Allocation Fund's and the International Fund's taxable income for each year will be computed without regard to any net foreign currency loss attributable to transactions after October 31, and any such net foreign currency loss will be treated as arising on the first day of the following taxable year.

The amount of any realized gain or loss of the Asset Allocation Fund and the International Fund on closing out a currency contract will generally result in a realized capital gain or loss for tax purposes. Under Code Section 1256, currency contracts held by each fund at the end of each fiscal year will be required to be "marked to market" for federal income tax purposes, that is, deemed to have been sold at market value. Sixty percent (60%) of any net gain or loss recognized on these deemed sales and sixty percent (60%) of any net realized gain or loss from any actual sales, will be treated as long-term capital gain or loss, and the remainder will be treated as short-term capital gain or loss. Code Section 988 may also apply to currency contracts. Under Section 988, each foreign currency gain or loss is generally computed separately and treated as ordinary income or loss. In the case of overlap between Sections 1256 and 988, special provisions determine the character and timing of any income, gain or loss. Each fund will attempt to monitor Section 988 transactions to avoid an adverse tax impact.

Each fund, except for Cash Management Fund, may be required to pay withholding and other taxes imposed by foreign countries which would reduce investment income. Tax conventions between certain countries and the United States may reduce or eliminate such taxes.

In addition to the asset diversification and other requirements for qualification as a regulated investment company, the funds are subject to another set of asset diversification requirements applicable to insurance company separate accounts and their underlying funding vehicles. To satisfy these diversification requirements, as of the end of each calendar quarter or within 30 days thereafter, no more than 55% of the total assets of a fund may be represented by any one investment, no more than 70% by any two investments, no more than 80% by any three investments, and no more than 90% by any four investments. For this purpose all securities of the same issuer are considered a single investment, and each agency or instrumentality of the U.S. government is treated as a separate issue of securities. The Series intends to comply with these regulations. If a fund should fail to comply with these regulations, Contracts invested in that fund shall not be treated as annuity, endowment or life insurance contracts under the Code.

See the applicable Contract prospectus for information regarding the Federal income tax treatment of the Contracts and distributions to the separate accounts.

#### EXECUTION OF PORTFOLIO TRANSACTIONS

There are occasions on which portfolio transactions for the Series may be executed as part of concurrent authorizations to purchase or sell the same

security for other funds served by the Investment Adviser, or for trusts or other accounts served by affiliated companies of the Investment Adviser. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to the Series, they are effected only when the Investment Adviser believes that to do so is in the interest of the Series. When such concurrent authorizations occur, the objective is to allocate the executions in an equitable manner. The Series will not pay a mark-up for research in principal transactions.

Brokerage commissions paid on portfolio transactions, including dealer concessions on underwritings for the fiscal years ended November 30, 1994, 1993 and 1992, respectively, amounted to the following: Growth Fund \$2,230,000, \$1,927,000, and \$1,484,000; International Fund \$2,251,000, \$1,078,000, and \$558,000; Growth-Income Fund \$2,590,000, \$2,218,000, and \$1,733,000; Asset Allocation Fund \$628,000, \$586,000, and \$199,000; High-Yield Bond Fund \$2,760,000, \$2,123,000, and \$748,000. No brokerage commissions were paid by the U.S. Government/AAA-Rated Securities Fund during those periods. Because all portfolio transactions for the Cash Management Fund were on a "net price" basis and involved short-term money market instruments only, that fund did not pay any brokerage commissions during those periods.

#### GENERAL INFORMATION

**CUSTODIAN OF ASSETS** -- Securities and cash owned by the Series', including proceeds from the sale of shares of the Series and of securities in the Series portfolio, are held by State Street Bank and Trust Company, 225 Franklin Street, Boston, Massachusetts 02110, as Custodian. Non-U.S. securities may be held by the Custodian in non-U.S. banks or securities depositories or foreign branches of U.S. banks.

**INDEPENDENT ACCOUNTANTS** -- Price Waterhouse LLP, 400 South Hope Street, Los Angeles, CA 90071, has served as the Series' independent accountants since March 18, 1991, providing audit services, preparation of tax returns and review of certain documents to be filed with the Securities and Exchange Commission. The financial statements, included in this Statement of Additional Information, have been so included in reliance on the report of Price Waterhouse LLP given on the authority of said firm as experts in auditing and accounting. Prior to March 18, 1991, KPMG Peat Marwick, 725 South Figueroa Street, Los Angeles, CA 90017, served as the Series' independent public accountants. The selection of the Series' independent accountant is reviewed and determined annually by the Board of Trustees.

**REPORTS TO SHAREHOLDERS** -- The Series' fiscal year ends November 30. Contract owners are provided at least semi-annually with reports showing the investment portfolio, financial statements and other information. The financial statements included in the Annual Report are audited by the independent accounting firm of Price Waterhouse LLP.

**PERSONAL INVESTING POLICY** - Capital Research and Management Company and its affiliated companies have adopted a personal investing policy consistent with Investment Company Institute guidelines. This policy includes: a ban on acquisitions of securities pursuant to an initial public offering; restrictions on acquisitions of private placement securities; pre-clearance and reporting requirements; review of duplicate confirmation statements; annual recertification of compliance with codes of ethics; disclosure of personal holdings by certain investment personnel prior to recommendation for purchase for the fund; blackout periods on personal investing for certain investment personnel; ban on short-term trading profits for investment personnel; limitations on service as a director of publicly traded companies; and disclosure of personal securities transactions.

**SHAREHOLDER AND TRUSTEE RESPONSIBILITY** -- Under the laws of certain states, including Massachusetts, where the Series was organized, and California, where the Series' principal office is located, shareholders of a Massachusetts business trust may, under certain circumstances, be held personally liable as partners for the obligations of the Series. However, the risk of a shareholder incurring any financial loss on account of shareholder liability is limited to circumstances in which the Series itself would be unable to meet its obligations. The Declaration of Trust contains an express disclaimer of shareholder liability for acts or obligations of the Series and provides that notice of the disclaimer may be given in each agreement, obligation, or instrument which is entered into or executed by the Series or trustees. The Declaration of Trust provides for indemnification out of Series property of any shareholder personally liable for the obligations of the Series and also provides for the Series to reimburse such shareholder for all legal and other expenses reasonably incurred in connection with any such claim or liability.

Under the Declaration of Trust, the Trustees or officers are not liable for actions or failure to act; however, they are not protected from liability by reason of their willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office. The Series will provide indemnification to its Trustees and officers as authorized by its By-Laws and by the 1940 Act and the rules and regulations thereunder.

**REGISTRATION STATEMENT** -- A registration statement has been filed with the

Securities and Exchange Commission under the Securities Act of 1933 and the 1940 Act, with respect to the Series. The prospectus and this Statement of Additional Information do not contain all information set forth in the registration statement, its amendments and exhibits, to which reference is made for further information concerning the Series. Statements contained in the prospectus and this Statement of Additional Information as to the content of the Contracts issued through the separate accounts and other legal instruments are summaries. For a complete statement of the terms thereof, reference is made to the registration statements of the separate accounts and Contracts as filed with the Securities and Exchange Commission.

AUTHORIZED SHARES -- The Series was organized as a Massachusetts Business Trust which permits each fund of the Series to issue an unlimited number of shares of beneficial interest of a single class.

APPENDIX

DESCRIPTION OF COMMERCIAL PAPER RATINGS

Moody's Investors Service, Inc. top two rating designations for commercial paper are described as follows: issuers rated Prime-1 have a superior capacity for repayment of short-term promissory obligations. Prime-1 repayment capacity will normally be evidenced by the following characteristics: leading market positions in well-established industries; high rates of return on funds employed; conservative capitalization structures with moderate reliance on debt and ample asset protection; broad margins in earnings coverage of fixed financial charges and high internal cash generation; and well-established access to a range of financial markets and assured sources of alternate liquidity. Issues rated Prime-2 have a strong capacity for repayment of short-term promissory obligations. This will normally be evidenced by many of the characteristics cited above, but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

Standard & Poor's Corporation's top two rating categories for commercial paper are described as follows: A -- Issues assigned its highest rating are regarded as having the greatest capacity for timely payment. Issues in this category are delineated with numbers 1 or 2 to indicate the relative degree of safety. A-1 -- This designation indicates that the degree of safety regarding timely payment is either overwhelming or very strong. Those issues determined to possess overwhelming safety characteristics will be denoted with a plus (+) sign designation. A-2 -- Capacity for timely payments on issues with this designation is strong. However, the relative degree of safety is not as high as for issues designated "A-1".

INVESTMENTS PRIMARILY IN STOCKS

Growth Fund  
Investment Portfolio, November 30, 1994  
STOCKS 88.01%  
CASH 11.99%

<TABLE>

<CAPTION>

LARGEST	Percent of
INDIVIDUAL EQUITY HOLDINGS	Net Assets
Tele-Communications	3.25%
<S>	<C>
Intel	2.81
Walt Disney	2.33
Microsoft	2.17
Silicon Graphics	2.08
Compaq Computer	1.86
Texas Instruments	1.77
Capital Cities/ABC	1.65
Adobe Systems	1.55
Time Warner	1.51

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	Number of	Market	Percent
STOCKS (COMMON AND PREFERRED)	Shares	Value	Of
		(000)	Net Assets
DATA PROCESSING & REPRODUCTION- 10.74%			
<S>	<C>	<C>	<C>
Microsoft Corp./1/	700,000	\$43,925	2.17%
Silicon Graphics, Inc./1/	1,370,000	42,127	2.08
Compaq Computer Corp./1/	962,500	37,658	1.86
Adobe Systems Inc.	950,000	31,350	1.55
Lotus Development Corp./1/	375,000	16,781	0.83
Oracle Systems Corp./1/	355,000	14,644	0.72
International Business Machines Corp.	190,000	13,443	0.66
Mentor Graphics Corp./1/	1,000,000	13,250	0.65
Sequent Computer Systems, Inc./1/	570,000	10,616	0.52
Apple Computer, Inc.	235,000	8,695	0.43
Electronic Arts/1/	425,000	8,447	0.42
Tandem Computers Inc./1/	440,000	7,480	0.37
Legent Corp./1/	140,000	4,480	0.22
Chipcom Corp./1/	90,000	3,690	0.18
Structural Dynamics Research Corp./1/	475,000	2,731	0.14
Amdahl Corp./1/	127,100	1,239	0.06
Data General Corp./1/	100,000	1,075	0.05
Triplos, Inc./1/	19,333	85	0
BROADCASTING & PUBLISHING- 12.20%			
Tele-Communications, Inc., Class A/1/	2,789,950	65,913	3.25
Capital Cities/ABC, Inc.	410,000	33,517	1.65
Time Warner Inc.	908,000	30,645	1.51
News Corp. Ltd. (American Depositary Receipts) (Australia)	1,270,000	20,002	1.42
News Corp. Ltd., preferred shares (American Depositary Receipts)/1/	635,000	8,811	
Turner Broadcasting System, Inc., Class B	1,065,100	16,376	0.81
Gaylord Entertainment Co., Class A	550,000	12,444	0.61
Cablevision Systems Corp., Class A/1/	240,000	12,150	0.6
New York Times Co., Class A	450,000	10,687	0.53
CBS Inc.	160,445	8,905	0.44
Comcast Corp., Class A, special stock/1/	500,000	7,812	0.39
United International Holdings, Inc., Class A/1/	485,000	7,154	0.35
Jones Intercable, Inc., Class A/1/	370,000	4,995	0.25
Adelphia Communications Corp., Class A/1/	350,000	3,762	0.19
Infinity Broadcasting Corp., Class A/1/	112,500	3,319	0.16
BHC Communications, Inc., Class A/1/	11,189	820	0.04

## BUSINESS &amp; PUBLIC SERVICES- 12.04%

United HealthCare Corp.	589,000	27,978	1.38
WMX Technologies, Inc.	1,025,000	26,394	1.3
Columbia Healthcare Corp.	640,000	24,240	1.2
FHP International Corp./1/	805,100	21,536	1.06
General Motors Corp., Class E	555,000	20,396	1.01
Federal Express Corp./1/	350,000	19,906	0.98
Bay Networks Inc./1/	680,125	17,428	0.86
CUC International Inc./1/	562,600	17,300	0.85
U.S. Healthcare, Inc.	325,000	14,463	0.71
Oxford Health Plans, Inc./1/	172,200	12,011	0.59
ADT Ltd./1/	955,000	10,624	0.52
Avery Dennison Corp.	200,000	6,450	0.32
Humana Inc./1/	250,000	5,594	0.28
Pitney Bowes Inc.	150,000	4,988	0.25
Ceridian Corp./1/	150,000	3,750	0.18
Value Health, Inc./1/	100,000	3,687	0.18
Dun & Bradstreet Corp.	50,000	2,644	0.13
BHA Group, Inc., Class A	195,000	2,389	0.12
Air & Water Technologies Corp., Class A/1/	285,000	1,674	0.08
Safety-Kleen Corp.	50,000	725	0.04

## ELECTRONIC COMPONENTS- 11.42%

Intel Corp.	905,200	56,914	2.81
Texas Instruments Inc.	475,000	35,862	1.77
LSI Logic Corp./1/	710,000	30,353	1.5
National Semiconductor Corp./1/	1,365,000	25,082	1.24
Analog Devices, Inc./1/	455,000	15,072	0.74
Newbridge Networks Corp./1/	400,000	13,450	0.66
Micron Technology, Inc.	312,500	12,969	0.64
SCI Systems, Inc./1/	646,263	11,875	0.58
Advanced Micro Devices, Inc./1/	290,000	7,322	0.36
Motorola, Inc.	122,000	6,878	0.34
EMC Corp./1/	200,000	4,500	0.22
Rogers Corp./1/	95,400	3,995	0.2
Park Electrochemical Corp.	125,000	3,875	0.19
Xilinx, Inc./1/	30,000	1,755	0.09
Quantum Corp./1/	100,000	1,575	0.08

## TELECOMMUNICATIONS- 5.82%

Vanguard Cellular Systems, Inc./1/	1,035,000	27,169	1.34
MCI Communications Corp.	1,010,000	19,695	0.97



LIN Broadcasting Corp./1/	129,400	18,472	0.91
United States Cellular Corp./1/	510,000	15,938	0.79
AirTouch Communications/1/	475,000	12,884	0.63
Cellular Communications, Inc., convertible preferred/1/	165,000	8,250	0.41
Associated Communications Corp., Class A/1/	275,000	6,944	0.47
Associated Communications Corp., Class B/1/	100,000	2,550	
Centennial Cellular Corp./1/	300,000	4,800	0.24
Cellular Communications of Puerto Rico, Inc./1/	37,500	1,237	0.06
LEISURE & TOURISM- 5.23%			
Walt Disney Co.	1,085,000	47,333	2.33
Marriott International, Inc.	500,000	13,125	0.65
Mirage Resorts, Inc./1/	600,000	11,850	0.59
Promus Companies Inc./1/	375,000	10,406	0.51
Circus Circus Enterprises, Inc./1/	475,000	9,975	0.49
Host Marriott Corp./1/	655,000	6,223	0.31
Luby's Cafeterias, Inc.	250,000	5,500	0.27
International Game Technology	100,000	1,662	0.08
HEALTH & PERSONAL CARE- 4.27%			
Cordis Corp./1/	255,000	15,045	0.74
Tambrands Inc.	300,000	11,588	0.57
Genetics Institute, Inc./1/	260,000	10,075	0.5
Omnicare, Inc.	200,000	8,325	0.41
Forest Laboratories, Inc./1/	151,000	7,078	0.35
Genentech, Inc./1/	150,000	7,050	0.35
AB Astra, Class A (Sweden)	250,000	6,728	0.33
Paragon Trade Brands, Inc./1/	300,000	5,625	0.28
Acuson Corp./1/	195,000	3,266	0.16
Johnson & Johnson	48,800	2,605	0.13
Puritan-Bennett Corp.	111,600	2,372	0.12
Alpha-Beta Technology, Inc./1/	200,000	2,150	0.1
Liposome Technology, Inc./1/	300,000	1,987	0.1
Biogen, Inc./1/	50,000	1,938	0.09
Upjohn Co.	25,000	803	0.04
BANKING- 3.92%			
BayBanks, Inc.	409,400	21,596	1.07
Mercantile Bancorporation Inc.	517,500	15,719	0.78
Banc One Corp.	530,750	14,264	0.7
Huntington Bancshares Inc.	468,087	8,601	0.42
Commerce Bancshares, Inc.	275,000	7,975	0.39
Northern Trust Corp.	125,000	4,187	0.21

Golden West Financial Corp.	90,000	3,150	0.16
BankAmerica Corp.	50,000	2,050	0.1
Bay View Capital Corp.	100,000	1,900	0.09
INSURANCE- 2.61%			
EXEL Ltd. (Bermuda)	355,000	13,312	0.66
Transatlantic Holdings, Inc.	230,000	11,989	0.59
NAC Re Corp.	285,000	7,196	0.36
NYMAGIC, Inc.	368,300	6,031	0.3
TIG Holdings, Inc.	325,000	5,688	0.28
Trenwick Group Inc.	118,400	4,351	0.21
American Re Corp./1/	165,000	4,269	0.21
MERCHANDISING- 2.54%			
Toys "R" Us, Inc./1/	310,000	11,354	0.56
Spiegel, Inc., Class A	752,600	9,972	0.49
Barnes & Noble, Inc./1/	350,000	9,581	0.47
Staples, Inc./1/	416,250	9,053	0.45
ShopKo Stores, Inc.	575,000	5,750	0.29
Goody's Family Clothing, Inc./1/	415,000	3,424	0.17
TJX Companies, Inc.	150,000	2,269	0.11
Phar-Mor, Inc./1/	60,000	60	0
TRANSPORTATION: AIRLINES-1.89%			
Southwest Airlines Co.	1,166,900	24,651	1.22
AMR Corp./1/	195,000	9,896	0.49
Delta Air Lines, Inc.	75,000	3,759	0.18
CHEMICALS- 1.69%			
Loctite Corp.	250,000	11,312	0.56
Valspar Corp.	350,000	11,113	0.55
Raychem Corp.	305,000	10,561	0.52
McWhorter, Inc./1/	50,000	856	0.04
Lubrizol Corp.	11,000	346	0.02
RECREATION & OTHER CONSUMER PRODUCTS- 1.41%			
Mattel, Inc.	727,625	19,464	0.96
Hasbro, Inc.	185,000	5,458	0.27
Duracell International Inc.	80,000	3,600	0.18
ENERGY EQUIPMENT- 1.03%			
Schlumberger Ltd. (Netherlands Antilles)	295,000	15,672	0.77
Western Atlas Inc./1/	120,000	5,235	0.26

FINANCIAL SERVICES- 0.88%			
Federal National Mortgage Assn.	250,000	17,781	0.88
TRANSPORTATION: RAIL & ROAD- 0.74%			
Chicago & North Western Holdings Corp./1/	775,000	15,113	0.74
ENERGY SOURCES- 0.71%			
Murphy Oil Corp.	200,000	8,950	0.44
Parker & Parsley Petroleum Co.	240,000	5,550	0.27
ELECTRICAL & ELECTRONICS- 0.67%			
Telefonaktiebolaget LM Ericsson, Class B (American Depositary Receipts) (Sweden)	245,000	13,598	0.67
TEXTILES & APPAREL- 0.59%			
Phillips-Van Heusen Corp.	750,000	11,906	0.59
BEVERAGES & TOBACCO- 0.47%			
Philip Morris Companies Inc.	160,000	9,560	0.47
APPLIANCES & HOUSEHOLD DURABLES- 0.39%			
Mohawk Industries, Inc./1/	475,000	7,956	0.39
INDUSTRIAL COMPONENTS- 0.28%			
Cooper Tire & Rubber Co.	240,000	5,610	0.28
MACHINERY & ENGINEERING- 0.27%			
Caterpillar Inc.	100,000	5,400	0.27
FOOD & HOUSEHOLD PRODUCTS- 0.26%			
Archer Daniels Midland Co.	192,937	5,330	0.26
ELECTRONIC INSTRUMENTS- 0.24%			
Applied Materials, Inc./1/	104,000	4,940	0.24
AEROSPACE & MILITARY TECHNOLOGY- 0.20%			
Litton Industries, Inc./1/	120,000	4,095	0.2
CONSTRUCTION & HOUSING- 0.15%			
Stone & Webster, Inc.	90,000	2,992	0.15
MULTI-INDUSTRY- 0.06%			

Textron Inc.	20,000	940	0.05
Tenneco Inc.	7,900	307	0.01
FOREST PRODUCTS & PAPER- 0.03%			
ITT Rayonier Inc.	25,000	700	0.03
MISCELLANEOUS			
Other stocks in initial period of acquisition		62,581	3.09
TOTAL STOCKS (cost: \$1,462,065,000)		1,784,303	88.01
		-----	-----
	Principal		
	Amount		
	(000)		
SHORT-TERM SECURITIES			
CORPORATE SHORT-TERM NOTES- 10.26%			
Ford Motor Credit Co. 5.20%-5.93% due 12/6/94-1/19/95	\$37,200	36,936	1.82
Texaco Inc. 5.42% due 1/20/95	25,000	24,795	1.22
Beneficial Corp. 5.07%-5.60% due 12/27/94-1/11/95	23,100	22,966	1.13
Commercial Credit Co. 5.15%-5.75% due 12/12/94-1/12/95	20,900	20,787	1.03
J.C. Penney Funding Corp. 5.62% due 1/17/95	20,000	19,847	0.98
AT&T 5.37%-5.43% due 1/5-1/18/95	19,900	19,776	0.98
Eli Lilly & Co. 5.73% due 1/9/95	16,300	16,196	0.8
H.J. Heinz Co. 5.02% due 12/13/94	13,300	13,276	0.66
Ameritech Capital Funding Corp. 5.16% due 12/14/94	11,400	11,377	0.56
Associates Corp. of North America 5.72% due 12/1/94	10,000	9,999	0.49
National Rural Utilities Cooperative Finance Corp. 5.70% due			
1/6/95	7,000	6,959	0.34
Union Pacific Corp. 5.02% due 12/7/94	5,000	4,995	0.25
FEDERAL AGENCY DISCOUNT NOTES- 1.96%			
Federal National Mortgage Assn. 4.81% due 12/5/94	19,770	19,756	0.97
Tennessee Valley Authority 5.09% due 12/2/94	8,300	8,297	0.41
Federal Farm Credit Bank 4.94% due 12/8/94	7,000	6,992	0.35
Federal Home Loan Mortgage Corp. 5.11% due 12/2/94	4,700	4,699	0.23
		-----	-----
TOTAL SHORT-TERM SECURITIES (cost: \$247,679,000)		247,653	12.22
		-----	-----
TOTAL INVESTMENT SECURITIES (cost: \$1,709,744,000)		2,031,956	100.23
Excess of payables over money market account, cash and			
receivables		4,615	0.23
		-----	-----
NET ASSETS		\$2,027,341	100.00%

</TABLE>

/1/ Non-income-producing securities

/2/ Purchased in a private placement transaction; resale potential extends to qualified institutional buyers.

See Notes to Financial Statements

Stocks appearing in the portfolio since May 31, 1994

- AirTouch Communications
- Amdahl
- Barnes & Noble
- Bay Networks
- Bay View Capital
- Biogen
- CBS
- Circus Circus Enterprises
- Cooper Tire & Rubber
- Cordis
- EMC
- Gaylord Entertainment
- Humana
- International Game Technology
- ITT Rayonier
- Micron Technology
- Mohawk Industries
- Newbridge Networks
- Oracle Systems
- Promus Companies
- Tripus
- Xilinx

Stocks eliminated from the portfolio since May 31, 1994

- Adaptec
- Bancorp Hawaii
- C.R. Bard
- Betz Laboratories
- Century Telephone Enterprises
- Contel Cellular
- Evans & Sutherland Computer
- Informix
- ITT
- Keystone International
- Liberty Media
- QVC Network
- Student Loan Marketing
- Sun Microsystems
- SynOptics Communications
- Tektronix
- 20th Century Industries
- U.S. Bancorp
- Unisys
- VLSI Technology

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AMERICAN VARIABLE INSURANCE SERIES INTERNATIONAL FUND

Investment Portfolio, November 30, 1994

OTHER	1.79%
THE AMERICAS	9.41%
CASH	18.15%
ASIA/PACIFIC	21.51%
EUROPE	49.14%

<TABLE>

<CAPTION>

LARGEST INDIVIDUAL EQUITY HOLDINGS

Percent of

Net Assets

<S>	<C>
Daimler-Benz	1.98%
Telefonos de Mexico	1.84
Nokia	1.46

Bayerische Motoren Werke	1.45
Forte	1.31
Volkswagen	1.28
TNT	1.26
Telecom Corp. of New Zealand	1.24
ABN AMRO	1.21
Australia and New Zealand Banking Group	1.21

</TABLE>

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<TABLE>  
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	<C>	<C> Market	<C> Percent
	Number of	Value	of Net
Stocks (common and preferred)	Shares	(000)	Assets
TELECOMMUNICATIONS - 7.02%			
Telefonos de Mexico, SA de CV, Class L (American Depositary Receipts) (Mexico)	487,000	\$25,811	1.84%
Telecom Corp. of New Zealand Ltd. (New Zealand)/1/	4,956,800	16,810	
Telecom Corp. of New Zealand Ltd.(American Depositary Receipts)	11,700	633	1.24
Tele Danmark AS, Class B (American Depositary Receipts) (Denmark)/2/	600,000	15,525	1.11
Telecomunicacoes Brasileiras SA, preferred nominative (Brazil)	256,722,053	12,290	0.87
Telecom Italia SpA (Italy)	3,861,000	9,967	
Telecom Italia SpA, savings shares	276,000	572	0.75
BCE Inc. (Canada)	293,000	9,768	0.7
Telefonica de Espana, SA (American Depositary Receipts) (Spain)	158,000	6,103	0.43
Rogers Cantel Mobile Communications Inc., Class B (Canada)/2/	195,000	5,728	0.41
STET - Societa Finanziaria Telefonica p.a. (Italy)	950,000	2,769	
STET - Societa Finanziaria Telefonica p.a., nonconvertible savings shares	950,000	2,268	0.36
Philippine Long Distance Telephone Co. (Global Depositary Receipts) (Philippines)/2/	80,000	3,980	0.28
Cable and Wireless PLC (United Kingdom)	587,700	3,570	0.25
Nippon Telegraph & Telephone Corp. (Japan)	400	3,396	0.24
Vodafone Group PLC (American Depositary Receipts) (United Kingdom)	66,000	2,145	
Vodafone Group PLC	392,976	1,249	0.24
Pakistan Telecommunication Corp. (Global Depositary Receipts) (Pakistan)/12/	12,800	1,958	0.14
AUTOMOBILES - 7.41%			
Daimler-Benz AG (Germany)	58,920	27,840	1.98

Bayerische Motoren Werke AG (Germany)	35,000	16,816	
Bayerische Motoren Werke AG, preferred shares	10,472	3,599	1.45
Volkswagen AG, preferred shares (Germany)	83,000	17,932	1.28
Peugeot SA (France)	110,000	16,089	1.15
Toyota Motor Corp. (Japan)	398,000	8,487	0.6
Suzuki Motor Corp. (Japan)	612,000	6,989	0.5
Renault V.I. SA (France)/1/	129,500	4,356	0.31
Nissan Motor Co., Ltd. (Japan)	226,000	1,907	0.14
BANKING - 6.95%			
Australia and New Zealand Banking Group Ltd. (Australia)	5,614,016	17,067	1.21
ABN AMRO Holding NV (Netherlands)	491,334	16,985	1.21
Westpac Banking Corp. (Australia)	3,815,761	12,303	0.88
P.T. Bank Internasional Indonesia (Indonesia)	1,863,000	6,329	0.45
Banco Bradesco SA, preferred nominative (Brazil)	725,076,991	5,914	0.42
Kansallis-Osake-Pankki (Finland)/2/	4,100,000	5,053	0.36
Canadian Imperial Bank of Commerce (Canada)	200,000	4,778	0.34
Bank of Montreal (Canada)	220,000	4,057	0.29
CS Holding Group (Switzerland)	8,000	3,382	
CS Holding Group, registered shares	8,000	653	0.29
Safra Republic Holdings SA (Luxembourg)	42,000	3,685	0.26
Banco Bilbao Vizcaya, SA (American Depositary Receipts)			
(Spain)	130,000	3,396	0.24
Bank of Ayudhya, Ltd. (Thailand)	765,000	3,084	0.22
Credit local de France (France)	39,800	3,067	0.22
National Australia Bank Ltd. (Australia)	290,201	2,339	0.17
Bangkok Bank Ltd. (Thailand)	212,500	2,104	0.15
Deutsche Bank AG (Germany)	3,300	1,556	0.11
Philippine National Bank (Philippines)	98,049	1,309	0.09
Bayerische Vereinsbank AG (Germany)	2,000	582	0.04
MULTI-INDUSTRY - 6.91%			
Nokia Corp., preferred shares (Finland)	80,000	10,929	
Nokia Corp.	70,000	9,548	1.46
Brierley Investments Ltd. (New Zealand)	20,901,870	15,620	
Brierley Investments Ltd., 9.00% convertible preferred	1,445,000	1,007	1.18
Groupe Bruxelles Lambert SA (Belgium)	83,000	9,938	0.71
Preussag AG (Germany)	29,000	7,991	0.57
Pearson PLC (United Kingdom)	540,000	5,199	0.37
Lend Lease Corp. Ltd. (Australia)	420,901	5,138	0.37
Industriforvaltnings AB Kinnevik, Class A (Sweden)	101,600	3,071	
Industriforvaltnings AB Kinnevik, Class B	65,000	2,025	0.36
Orkla AS, Class A (Norway)	155,000	4,944	0.35
Swire Pacific Ltd., Class A (Hong Kong)	718,000	4,781	0.34
Hutchison Whampoa Ltd. (Hong Kong)	1,200,000	4,779	0.34

Investor AB, Class B (Sweden)	170,000	4,327	0.31
Chargeurs (France)	17,000	4,048	0.29
B-A-T Industries PLC (United Kingdom)	512,000	3,591	0.26
BROADCASTING & PUBLISHING - 4.86%			
Television Broadcasts Ltd. (Hong Kong)	2,562,000	10,270	0.73
News Corp. Ltd. (American Depositary Receipts) (Australia)	362,000	5,701	
News Corp. Ltd., preferred shares (American Depositary Receipts)/2/	181,000	2,511	0.58
NV Verenigd Bezit VNU (Netherlands)	77,000	7,565	0.54
Grupo Televisa, SA (American Depositary Receipts) (Mexico)	149,000	6,742	0.48
Rogers Communications Inc., Class B (Canada)/2/	475,000	6,559	0.47
Independent Newspapers, PLC (Ireland)	994,450	4,347	0.31
Elsevier NV (Netherlands)	340,000	3,383	0.24
Europe 1 Communication (Monaco)	8,571	2,673	0.19
Holdingmaatschappij De Telegraaf NV (Netherlands)	23,500	2,605	0.19
John Fairfax Holdings Ltd. (Australia)	1,280,000	2,575	0.18
CANAL+ (France)	14,778	2,496	0.18
Daily Mail and General Trust PLC, Class A (United Kingdom)	145,000	2,202	0.16
News International PLC, special dividend shares (United Kingdom)	580,000	2,134	0.15
Tokyo Broadcasting System, Inc. (Japan)	113,000	1,907	0.14
Wolters Kluwer NV (Netherlands)	25,740	1,815	0.13
AUDIOFINA (Luxembourg)	2,455	1,240	
AUDIOFINA, 5.00% convertible preferred	223	109	0.1
Sing Tao Holdings Ltd. (Hong Kong - Incorporated in Bermuda)	2,223,230	1,294	0.09
UTILITIES: ELECTRIC & GAS - 3.90%			
Hongkong Electric Holdings Ltd. (Hong Kong)	5,025,000	12,475	0.89
Korea Electric Power Corp. (Korea)	188,000	7,019	
Korea Electric Power Corp. (American Depositary Receipt)/2/	215,000	4,515	0.82
Centrais Eletricas Brasileiras SA, Class B, preferred nominative (Brazil)	31,000,000	10,736	0.76
China Light & Power Co., Ltd. (Hong Kong)	1,517,800	6,535	0.47
Iberdrola, SA (Spain)	915,000	6,135	0.44
Companhia Energetica de Sao Paulo, preferred nominative, (American Depositary Receipts) (Brazil)/12/	183,998	2,760	
Companhia Energetica de Sao Paulo, units/2/	681,500	918	0.26
Scottish Power PLC (United Kingdom)	600,000	3,311	0.24
Hong Kong and China Gas Co. Ltd. (Hong Kong)	202,320	330	0.02
CHEMICALS - 3.73%			
L'Air Liquide (France)	73,977	10,202	0.73
Akzo NV (Netherlands)	92,000	10,200	0.73
DSM NV (Netherlands)	98,902	7,366	0.52
Sumitomo Chemical Co., Ltd. (Japan)	1,221,000	7,071	0.5



Ciba-Geigy Ltd. (Switzerland)	10,400	6,031	
Ciba-Geigy Ltd., warrants, expire 1995/2/	1,060	4	0.43
Bayer AG (Germany)	22,500	4,923	0.35
BASF AG (Germany)	19,000	3,678	0.26
Hoechst AG (Germany)	15,000	3,002	0.21
BUSINESS & PUBLIC SERVICES - 3.55%			
Autopistas, Concesionaria Espanola, SA (Spain)	1,035,000	8,645	0.62
Reuters Holdings PLC (United Kingdom)	932,000	7,179	0.51
Havas SA (France)	67,757	5,500	0.39
Eurotunnel SA, units (France)/2/	1,376,000	5,427	0.39
Thames Water PLC (United Kingdom)	608,202	4,656	0.33
Saatchi & Saatchi Co. PLC (United Kingdom)	1,808,995	4,315	0.31
Welsh Water PLC (United Kingdom)	394,000	3,911	0.28
De La Rue PLC (United Kingdom)	200,000	3,189	0.23
Cross-Harbour Tunnel Co., Ltd. (Hong Kong)	1,500,000	3,123	0.22
Securicor Group PLC, Class A (United Kingdom)	165,000	2,436	0.17
Lex Service PLC (United Kingdom)	281,400	1,454	0.1
ELECTRICAL & ELECTRONICS - 3.15%			
ASEA AB, Class A (Sweden)	130,000	9,237	
ASEA AB, Class B	69,300	4,924	1.01
Siemens AG (Germany)	23,850	9,266	0.66
BBC Brown Boveri Ltd, Class A (Switzerland)	9,292	7,779	0.55
Telefonaktiebolaget LM Ericsson, Class B (Sweden)	121,500	6,684	
Telefonaktiebolaget LM Ericsson, Class B, 4.25% convertible preferred	14,500	28	0.48
Alcatel Alsthom (France)	47,354	3,999	0.28
Johnson Electric Holdings Ltd. (Hong Kong - Incorporated in Bermuda)	495,000	1,267	0.09
Hitachi, Ltd. (Japan)	115,000	1,135	0.08
INSURANCE - 2.49%			
Munchener Ruckversicherungs-Gesellschaft (Germany)	4,349	7,777	
Munchener Ruckversicherungs-Gesellschaft, warrants, expire 1998/2/	483	57	0.56
Irish Life PLC (Ireland)	2,506,000	7,111	0.51
GIO Australia Holdings Ltd. (Australia)	2,788,794	4,946	0.35
Corporation Mapfre, CIR, SA (Spain)	98,652	4,500	0.32
Willis Corroon Group PLC (United Kingdom)	1,712,250	3,860	0.27
United Friendly Group PLC, Class B, (United Kingdom)	500,000	3,491	0.25
Refuge Group PLC (United Kingdom)	800,000	3,194	0.23
MACHINERY & ENGINEERING - 2.42%			
Mannesmann AG (Germany)	45,187	11,790	0.84
VA Technologie AG (Austria)/1/	55,100	5,368	0.38
Atlas Copco AB, Class A (Sweden)	410,000	5,272	0.38

Sembawang Shipyard Ltd. (Singapore)	645,000	4,628	0.33
Sandvik AB, Class B (Sweden)	175,000	2,946	0.21
GEA AG, preferred shares (Germany)	5,000	1,511	
GEA AG	3,750	1,420	0.21
Siu-Fung Ceramics Holdings Ltd. (Hong Kong - Incorporated in Bermuda)	5,000,000	1,009	0.07
LEISURE & TOURISM - 2.25%			
Forte PLC (United Kingdom)	4,968,836	18,436	1.31
PolyGram NV (New York Registered Shares) (Netherlands)	175,000	7,306	0.52
Mandarin Oriental International Ltd. (Hong Kong - Incorporated in Bermuda)	5,665,277	5,897	0.42
BUILDING MATERIALS & COMPONENTS - 2.13%			
Holderbank Financiere Glaris Ltd. (Switzerland)	16,300	12,616	
Holderbank Financiere Glaris Ltd., warrants, expire 1994/2/	81,500	126	0.91
CEMEX, SA, Class A (Mexico)	1,086,250	10,226	0.73
Poliet (France)	40,782	2,960	0.21
Sika Finanz AG, participation certificates (Switzerland)	6,500	1,785	0.13
Tolmex, SA de CV, Class B2 (Mexico)	85,000	1,241	0.09
CAMAS PLC (United Kingdom)	668,750	817	0.06
HEALTH & PERSONAL CARE - 1.90%			
AB Astra, Class A (Sweden)	470,000	12,648	0.9
Glaxo Holdings PLC (American Depositary Receipts) (United Kingdom)	500,000	9,625	0.69
Sandoz Ltd., participation certificates (Switzerland)	8,500	4,360	0.31
BEVERAGES & TOBACCO - 1.79%			
Coca-Cola Amatil Ltd. (Australia)/1/	2,083,417	13,595	0.97
Heineken NV (Netherlands)	45,017	6,504	0.46
Grupo Embotellador de Mexico, SA de CV (Global Depositary Receipts) (Mexico)	212,100	5,064	0.36
FOOD & HOUSEHOLD PRODUCTS - 1.79%			
Reckitt & Colman PLC (United Kingdom)	1,300,000	11,356	0.81
Nestle SA (Switzerland)	11,936	11,061	0.79
Hazlewood Foods PLC (United Kingdom)	1,500,000	2,654	0.19
MERCHANDISING - 1.75%			
Tesco PLC (United Kingdom)	2,000,000	7,702	0.55
WHSmith Group PLC, Class A (United Kingdom)	700,000	4,887	0.35
Amway Japan Ltd. (American Depositary Receipts) (Japan)	200,000	3,200	0.23
Kwik-Fit Holdings PLC (United Kingdom)	1,200,000	3,109	0.22
Ito-Yokado Co., Ltd. (Japan)	50,000	2,653	0.19
Cifra, SA de CV, Class C (Mexico)	832,000	2,265	0.16
Aoyama Trading Co., Ltd. (Japan)	30,000	670	0.05
MISCELLANEOUS MATERIALS & COMMODITIES - 1.72%			
Compagnie de Saint-Gobain (France)	79,954	9,617	0.68

English China Clays PLC (United Kingdom)	1,419,050	7,575	0.54
Pilkington PLC (United Kingdom)	2,700,000	7,080	0.5
TRANSPORTATION: AIRLINES - 1.62%			
Cathay Pacific Airways Ltd. (Hong Kong)	8,460,000	12,088	0.86
British Airways PLC (American Depositary Receipts) (United Kingdom)	63,750	3,833	
British Airways PLC	560,000	3,314	0.51
Singapore Airlines Ltd. (Singapore)	358,000	3,474	0.25
APPLIANCES & HOUSEHOLD DURABLES - 1.55%			
THORN EMI PLC (United Kingdom)	460,000	7,223	0.51
AB Electrolux, Class B (Sweden)	137,900	7,038	0.5
Sony Corp. (Japan)	101,000	5,359	0.38
Philips Electronics NV (Netherlands)	70,000	2,117	0.15
Samsung Electronics Co., Ltd. (South Korea)	666	110	0.01
INDUSTRIAL COMPONENTS - 1.26%			
Compagnie Generale des Etablissements Michelin, Class B (France)	348,000	13,371	
Compagnie Generale des Etablissements Michelin, 2.50% convertible preferred	23,200	1,113	1.03
Magna International Inc., Class A (Canada)	43,000	1,451	0.1
Pirelli SpA (Italy)/2/	900,000	1,194	0.08
Orbital Engine Corp. Ltd. (Australia)/2/	611,040	699	0.05
TRANSPORTATION: RAIL & ROAD - 1.26%			
TNT Ltd., 8.00% convertible preferred (Australia)/1/	5,790,400	10,713	
TNT Ltd.	3,945,500	7,027	1.26
FOREST PRODUCTS & PAPER - 1.09%			
Repola Ltd. (Finland)	385,000	7,039	0.5
Fletcher Challenge Ltd. (New Zealand)	2,200,000	5,526	
Fletcher Challenge Ltd. (American Depositary Receipts)	51,670	594	0.44
Carter Holt Harvey Ltd. (New Zealand)	981,674	2,176	0.15
ENERGY SOURCES - 1.02%			
Societe Nationale Elf Aquitaine (American Depositary Receipts) (France)	150,000	5,100	0.36
Petrofina SA (Belgium)	15,175	4,419	0.31
TOTAL, Class B (France)	55,022	3,442	0.24
Petron Corp. (Global Depositary Receipts) (Philippines)/12/	36,000	1,548	0.11
METALS: STEEL - 0.88%			
British Steel PLC (United Kingdom)	2,223,000	5,533	0.39
Thyssen AG (Germany)	21,000	3,735	0.27
Svenskt Stal AB, Class A (Sweden)	60,000	2,645	0.19
Tubos de Acero de Mexico, SA (American Depositary Receipts) (Mexico)/2/	85,000	420	0.03
WHOLESALE & INTERNATIONAL TRADE - 0.62%			

ITOCHU Corp. (Japan)	600,000	4,390	0.31
Mitsubishi Corp. (Japan)	325,000	4,336	0.31
METALS: NONFERROUS - 0.53%			
Falconbridge Ltd (Canada)/12/	250,000	4,133	0.29
Teck Corp., Class B (Canada)	200,000	3,434	0.24
REAL ESTATE - 0.46%			
Sun Hung Kai Properities Ltd. (Hong Kong)	1,000,000	6,427	0.46
AEROSPACE & MILITARY TECHNOLOGY - 0.37%			
Rolls-Royce PLC (United Kingdom)	1,875,000	5,240	0.37
ELECTRONIC INSTRUMENTS - 0.27%			
Scitex Corp. Ltd. (Israel)	210,000	3,754	0.27
DATA PROCESSING & REPRODUCTION - 0.25%			
Oce-van der Grinten NV (Netherlands)	81,000	3,542	0.25
FINANCIAL SERVICES - 0.17%			
Pioneer Industries International (Holdings) Ltd. (Hong Kong)	3,200,000	2,255	
Pioneer Industries International (Holdings) Ltd., warrants, expire 1995/2/	640,000	147	0.17
TEXTILES & APPAREL - 0.08%			
Wacoal Corp. (Japan)	103,000	1,155	0.08
		-----	-----
		-	
TOTAL STOCKS (cost: \$997,156,000)		1,109,658	78.99
		-----	-----
		-	
	Principal		
	Amount		
Convertible Debentures	(000)		
- - - - -	- - - - -	- - - - -	- - - - -
		-	
FINANCIALS - 0.23%			
Bangkok Bank Ltd. 3.25% convertible bonds 2004/1/	\$3,675	3,271	0.23
MULTI-INDUSTRY - 0.08%			
Jardine Strategic Holdings Ltd., 7.50% convertible bonds 2049	1,000	1,080	0.08
		-----	-----
		-	
TOTAL CONVERTIBLE DEBENTURES (cost: \$4,630,000)		4,351	0.31
		-----	-----
		-	
MISCELLANEOUS			
Other equity-type securities in initial period of acquisition (cost: \$27,516,000)		26,771	1.9
		-----	-----
		-	
TOTAL EQUITY-TYPE SECURITIES (cost: \$1,029,302,000)		1,140,780	81.2
		-----	-----
		-	

Bonds & Notes

	Principal Amount (000)	Market Value (000)	Percent of Net Assets
-----			
-----			
GOVERNMENTS (EXCLUDING U.S. GOVERNMENT) - 0.58%			
New Zealand Government 9.00% 1996	NZ8,000	4,984	0.35
Republic of Argentina 4.25%, Eurobonds, Series L, 2023/3/	7000	3,159	0.23
INDUSTRIALS - 0.07%			
Rogers Cantel Mobile Communications Inc. 10.75% 2001	1,000	1,010	0.07
-----			
-----			
TOTAL BONDS & NOTES (cost: \$9,406,000)		9,153	0.65
-----			
-----			
SHORT-TERM SECURITIES			
-----			
-----			
CORPORATE SHORT-TERM NOTES - 10.93%			
ABN-AMRO North America Finance Inc. 4.80%-5.03% due 12/1-12/19/94	24,400	\$24,385	1.73
Barclays Bank of Canada 5.20% due 12/14/94	16,500	16,467	1.17
Dresdner U.S. Finance Inc. 5.70% due 1/3/95	15,000	14,921	1.06
British Telecommunications PLC 5.73% due 1/27/95	15,000	14,864	1.06
Nestle Capital Corp. 5.31%-5.49% due 12/19-12/29/94	13,000	12,955	0.92
Arco Coal Australia Inc. 5.62% due 1/12/95	10,144	10,076	0.72
Toronto-Dominion Holdings USA Inc. 5.10% due 12/12/94	10,000	9,983	0.71
Panasonic Finance Inc. 5.50% due 12/29/94	10,000	9,956	0.71
Halifax Building Society 5.00% due 12/19/94	9,100	9,076	0.65
Daimler-Benz North America Corp. 5.70% due 1/4/95	9,000	8,950	0.64
SmithKline Beecham Corp. 5.48% due 12/2/94	8,300	8,297	0.59
Siemens Corp. 5.37% due 1/13/95	5,200	5,164	0.37
National Australia Funding (Delaware) Inc. 5.57% due 1/5/95	5,000	4,972	0.35
Canadian Wheat Board 5.12% due 12/8/94	3,500	3,496	0.25
FEDERAL AGENCY DISCOUNT NOTES - 2.80%			
Federal National Mortgage Assn. 4.81%-4.97% due 12/5-12/21/94	36,930	36,841	2.62
Federal Home Loan Mortgage Corp. 5.65% due 12/1/94	2,500	2,500	0.18
CERTIFICATES OF DEPOSIT - 4.56%			
Canadian Imperial Bank of Commerce 5.12% due 12/12/94	25,000	25,000	1.78
Banque Nationale de Paris 5.00% due 12/1/94	15,000	15,000	1.07
Morgan Guaranty Trust Co. of New York 5.14% due 12/5/94	10,000	10,000	0.71

Societe Generale 5.55% due 1/31/95	9,000	8,992	0.64
Lloyds Bank PLC 5.23% due 12/13/94	5,000	5,000	0.36
		-----	-----
		-	
TOTAL SHORT-TERM SECURITIES (cost: \$256,901,000)		256,895	18.29
		-----	-----
		-	
TOTAL INVESTMENT SECURITIES (cost: \$1,295,609,000)		1,406,828	100.14
Excess of payables over money market account, cash and receivables		1,942	0.14
		-----	-----
		-	
NET ASSETS		\$1,404,886	100.00%
		=====	=====

</TABLE>

/1/ Purchased in a private placement transaction; resale to the public may require registration or may extend only to qualified institutional buyers.

/2/ Non-income-producing securities

/3/ Coupon rate may change periodically

See Notes to Financial Statements

Equity-type securities appearing in the portfolio since May 31, 1994

Amway Japan  
CAMAS  
Companhia Energetica de Sao Paulo  
Falconbridge  
Kansallis-Osake-Pankki  
Mandarin Oriental International  
Nippon Telegraph & Telephone  
Pakistan Telecommunication  
Petrofina  
Petron  
Philippine Long Distance Telephone  
Renault V.I.  
Scottish Power  
Sumitomo Chemical  
Television Broadcasts  
Wacoal

Equity-type securities eliminated from the portfolio since May 31, 1994

British Telecommunications  
Champion Technology  
Commonwealth Bank of Australia  
Compagnie Generale des Eaux  
Compania de Telefonos de Chile  
Dominion Mining  
Elf Gabon  
Grupo Financiero Bancomer  
Kajima  
Koninklijke Nederlandsche Hoogovens en Staalfabrieken  
Kyocera  
Mori Seiki  
Motor-Columbus  
P.T. Inti Indorayon Utama  
Schweizerischer Bankgesellschaft  
Sekisui House  
Shun Tak Holdings  
Sumitomo Forestry  
Television Francaise 1  
Valeo  
Woodside Petroleum

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American Variable Insurance Series  
 GROWTH-INCOME FUND  
 Investment Portfolio - November 30, 1994  
 STOCKS 85.29%  
 CASH 14.71%

<TABLE>  
 <CAPTION>

	Percent of Net Assets
LARGEST INDIVIDUAL EQUITY HOLDINGS	
<S>	<C>
WMX Technologies	1.63%
International Business Machines	1.36
Aluminum Co. of America	1.34
Philip Morris	1.33
Tele-Communications	1.31
Telefonos de Mexico	1.29
BankAmerica	1.26
Boeing	1.26
Dun & Bradstreet	1.12
AT&T	1.09

</TABLE>

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<TABLE>  
 <CAPTION>

	Number of Shares	Market Value (000)	Percent of Net Assets
<S>	<C>	<C>	<C>
HEALTH & PERSONAL CARE - 6.63%			
Schering-Plough Corp.	370,200	\$27,719	1.01%
American Home Products Corp.	410,000	26,701	0.97
Eli Lilly and Co.	420,000	26,303	0.96
Merck & Co., Inc.	650,000	24,213	0.88
Warner-Lambert Co.	260,000	20,118	0.73
Pfizer Inc.	235,000	18,183	0.66
Bristol-Myers Squibb Co.	295,000	17,036	0.62
Abbott Laboratories	460,000	14,663	0.54
C.R. Bard, Inc.	440,000	11,440	0.42
Baxter International Inc.	350,000	9,013	0.33
Johnson & Johnson	100,000	5,337	0.19
Upjohn Co.	165,000	5,301	0.19
McKesson Corp.	125,000	3,922	0.14
BANKING - 6.97%			
BankAmerica Corp.	845,000	34,645	1.26
Banc One Corp.	662,550	17,806	0.65

First Interstate Bancorp	210,000	14,805	0.54
First Fidelity Bancorporation	313,000	14,085	0.51
PNC Bank Corp.	636,000	13,197	0.48
Bankers Trust New York Corp.	210,000	12,443	0.45
Wells Fargo & Co.	80,000	11,550	0.42
Wachovia Corp.	350,000	11,419	0.42
SunTrust Banks, Inc.	225,000	10,603	0.39
First Union Corp.	225,000	8,972	0.33
Citicorp \$5.375 convertible preferred, Series 13/1/	40,000	4,610	
Citicorp	100,000	4,163	0.32
Huntington Bancshares Inc.	477,400	8,772	0.32
First Tennessee National Corp.	200,000	8,450	0.31
J.P. Morgan & Co. Inc.	100,000	5,875	0.21
Bank of New York Co., Inc.	200,000	5,575	0.2
Signet Banking Corp.	150,000	4,481	0.16
TELECOMMUNICATIONS- 6.28%			
Telefonos de Mexico, SA de CV, Class L			
(American Depositary Receipts) (Mexico)	665,800	35,287	1.29
AT&T Corp.	610,000	29,966	1.09
Ameritech Corp.	510,000	20,145	0.74
Sprint Corp.	625,000	18,672	0.68
MCI Communications Corp.	859,800	16,766	0.61
U S WEST Communications, Inc.	463,200	16,328	0.6
GTE Corp.	335,000	10,259	0.37
AirTouch Communications/2/	332,323	9,014	0.33
Pacific Telesis Group	250,000	7,250	0.26
Bell Atlantic Corp.	90,000	4,511	0.16
Southwestern Bell Corp.	100,000	4,138	0.15
ENERGY SOURCES - 5.76%			
Amoco Corp.	455,000	27,641	1.01
Phillips Petroleum Co.	740,000	24,420	0.89
Exxon Corp.	355,000	21,433	0.78
Royal Dutch Petroleum Co. (New York Registered			
Shares) (Netherlands)	195,000	21,182	0.77
Atlantic Richfield Co.	150,000	15,525	0.57
Texaco Inc.	235,000	14,599	0.53
Valero Energy Corp.	560,000	10,640	0.39
Mobil Corp.	100,000	8,525	0.31
British Petroleum Co. PLC (American Depositary			
Receipts) (United Kingdom)	101,828	8,083	0.3
Chevron Corp.	130,000	5,671	0.21
BROADCASTING & PUBLISHING - 5.70%			
Tele-Communications, Inc., Class A/2/	1,525,000	36,028	1.31



Gannett Co., Inc.	430,000	20,371	0.74
Time Warner Inc.	592,000	19,980	0.73
News Corp. Ltd. (American Depositary Receipts)			
(Australia)	800,000	12,600	
News Corp. Ltd., preferred shares			
(American Depositary Receipts)/2/	400,000	5,550	0.66
Capital Cities/ABC, Inc.	220,000	17,985	0.66
Times Mirror Co., Series A	520,000	16,055	0.59
CBS Inc.	220,075	12,214	0.45
New York Times Co., Class A	344,300	8,177	0.3
Tribune Co.	140,000	7,018	0.26
BUSINESS & PUBLIC SERVICES - 4.92%			
WMX Technologies, Inc.	1,730,000	44,548	1.63
Dun & Bradstreet Corp.	580,000	30,668	1.12
General Motors Corp., Class E	610,000	22,418	0.82
Browning-Ferris Industries, Inc.	434,800	11,740	0.43
Federal Express Corp./2/	190,000	10,806	0.39
Omnicom Group Inc.	170,000	8,861	0.32
Pitney Bowes Inc.	175,000	5,819	0.21
DATA PROCESSING & REPRODUCTION - 4.29%			
International Business Machines Corp.	525,000	37,144	1.36
Xerox Corp.	250,000	24,563	0.9
Compaq Computer Corp./2/	540,000	21,128	0.77
Microsoft Corp./2/	280,000	17,570	0.64
Apple Computer, Inc.	250,000	9,250	0.34
Novell, Inc./2/	212,000	4,214	0.15
Hewlett-Packard Co.	35,000	3,430	0.13
CHEMICALS - 3.23%			
Monsanto Co.	245,000	17,640	0.64
Praxair, Inc.	850,000	17,213	0.63
Eastman Chemical Co.	325,000	15,316	0.56
Dow Chemical Co.	190,000	12,160	0.44
Betz Laboratories, Inc.	150,000	6,712	0.25
E.I. du Pont de Nemours and Co.	100,000	5,388	0.2
PPG Industries, Inc.	140,000	5,040	0.18
Imperial Chemical Industries PLC (American			
Depositary Receipts) (United Kingdom)	100,000	4,775	0.17
BFGoodrich Co.	100,000	4,450	0.16
MULTI-INDUSTRY - 3.16%			
Harsco Corp.	515,000	21,115	0.77
Tenneco Inc.	505,000	19,632	0.72
ITT Corp.	200,000	15,925	0.58
Minnesota Mining and Manufacturing Co.	240,000	12,300	0.45

Textron Inc.	240,000	11,280	0.41
Hanson PLC (American Depositary Receipts)			
(United Kingdom)	340,000	6,205	0.23
UTILITIES: ELECTRIC & GAS - 3.15%			
Entergy Corp.	900,000	20,250	0.74
Pacific Gas and Electric Co.	705,000	16,832	0.61
Allegheny Power System, Inc.	550,000	11,962	0.44
Central and South West Corp.	450,000	9,563	0.35
Consolidated Edison Co. of New York, Inc.	350,000	9,056	0.33
Houston Industries Inc.	250,000	8,500	0.31
Detroit Edison Co.	200,000	5,350	0.2
General Public Utilities Corp.	120,000	3,090	0.11
Long Island Lighting Co.	95,000	1,591	0.06
BEVERAGES & TOBACCO - 3.03%			
Philip Morris Companies Inc.	610,000	36,447	1.33
Seagram Co. Ltd. (Canada)	650,000	18,931	0.69
PepsiCo, Inc.	435,000	15,388	0.56
American Brands, Inc.	350,000	12,381	0.45
AEROSPACE & MILITARY TECHNOLOGY - 2.96%			
Boeing Co.	770,000	34,457	1.26
Litton Industries, Inc./2/	441,800	15,076	0.55
United Technologies Corp.	200,000	11,700	0.43
E-Systems, Inc.	300,000	10,987	0.4
Raytheon Co.	70,000	4,401	0.16
Coltec Industries Inc./2/	260,000	4,257	0.16
INSURANCE - 2.83%			
SAFECO Corp.	465,000	22,785	0.83
Allstate Corp.	800,000	18,900	0.69
American General Corp.	600,000	15,750	0.58
Arthur J. Gallagher & Co.	195,600	6,112	0.22
St. Paul Companies, Inc.	120,000	4,950	0.18
General Re Corp.	40,000	4,695	0.17
TIG Holdings, Inc.	150,000	2,625	0.1
American International Group, Inc.	17,500	1,603	0.06
MACHINERY & ENGINEERING - 2.16%			
Sundstrand Corp.	375,000	16,031	0.59
Cincinnati Milacron Inc.	575,000	13,728	0.5
Deere & Co.	172,200	11,064	0.4
Ingersoll-Rand Co.	300,000	9,675	0.35
Parker Hannifin Corp.	200,000	8,775	0.32
FINANCIAL SERVICES - 1.85%			
Student Loan Marketing Assn.	500,000	17,125	0.62
American Express Co.	410,000	12,146	0.44

Household International, Inc.	300,000	11,550	0.42
Beneficial Corp.	200,000	7,300	0.27
ADVANTA Corp., Class A	100,000	2,725	0.1
METALS: NONFERROUS - 1.79%			
Aluminum Co. of America	450,000	36,731	1.34
Inco Ltd. (Canada)	262,200	7,210	0.26
Phelps Dodge Corp.	50,000	2,863	0.11
Alumax Inc./2/	80,000	2,100	0.08
TRANSPORTATION: RAIL & ROAD - 1.72%			
Conrail, Inc.	460,000	23,920	0.87
Norfolk Southern Corp.	245,000	14,822	0.54
Union Pacific Corp.	140,000	6,510	0.24
Roadway Services, Inc.	40,000	2,010	0.07
MERCHANDISING - 1.65%			
Limited Inc.	1,100,000	21,312	0.78
May Department Stores Co.	250,000	9,062	0.33
Melville Corp.	287,400	9,053	0.33
Walgreen Co.	140,000	5,810	0.21
ENERGY EQUIPMENT - 1.64%			
Cooper Industries, Inc.	570,000	19,808	0.72
Western Atlas Inc./2/	371,900	16,224	0.59
Schlumberger Ltd. (Netherland Antilles)	170,000	9,031	0.33
LEISURE & TOURISM - 1.47%			
Walt Disney Co.	585,000	25,521	0.93
Circus Circus Enterprises, Inc./2/	350,000	7,350	0.27
Marriott International, Inc.	200,000	5,250	0.19
Host Marriott Corp./2/	240,000	2,280	0.08
FOREST PRODUCTS & PAPER - 1.47%			
Union Camp Corp.	440,000	20,405	0.75
James River Corp. of Virginia	500,000	10,562	0.39
ITT Rayonier Inc.	325,000	9,100	0.33
FOOD & HOUSEHOLD PRODUCTS - 1.26%			
CPC International Inc.	400,000	20,500	0.75
Archer Daniels Midland Co.	308,000	8,509	0.31
ConAgra, Inc.	180,000	5,558	0.2
ELECTRICAL & ELECTRONICS - 1.24%			
General Electric Co.	590,000	27,140	0.99
Honeywell Inc.	236,200	6,909	0.25
Hubbell Inc., Class B	700	38	0
TRANSPORTATION: AIRLINES - 1.18%			
AMR Corp./2/	295,000	14,971	0.55
Delta Air Lines, Inc.	190,000	9,524	0.35
UAL Corp./2/	80,000	7,640	0.28

MISCELLANEOUS MATERIALS & COMMODITIES - 0.89%

Potash Corp. of Saskatchewan Inc. (Canada) 600,000 21,375 0.78

TRINOVA Corp. 100,000 2,963 0.11

ELECTRONIC COMPONENTS - 0.86%

Motorola, Inc. 240,000 13,530 0.49

Intel Corp. 100,000 6,288 0.23

Texas Instruments Inc. 50,000 3,775 0.14

INDUSTRIAL COMPONENTS - 0.80%

Dana Corp. 403,100 8,717 0.32

Rockwell International Corp. 250,000 8,469 0.31

TRW Inc. 75,000 4,763 0.17

AUTOMOBILES - 0.63%

General Motors Corp. 450,000 17,156 0.63

APPLIANCES & HOUSEHOLD DURABLES - 0.54%

Corning Inc. 300,000 9,000 0.33

LADD Furniture, Inc. 979,400 5,754 0.21

ELECTRONIC INSTRUMENTS - 0.50%

Johnson Controls, Inc. 280,000 13,580 0.5

TEXTILES & APPAREL - 0.41%

VF Corp. 230,000 11,155 0.41

RECREATION & OTHER CONSUMER PRODUCTS - 0.37%

Eastman Kodak Co. 220,000 10,037 0.37

MISCELLANEOUS

Other stocks in initial period of acquisition 80,498 2.94

TOTAL STOCKS (COST: \$2,197,851,000) 2,337,284 85.29

Principal

Amount

SHORT-TERM SECURITIES (000)

CORPORATE SHORT-TERM NOTES - 13.86%

AT&T Corp. 5.37%-5.68% due 1/4-1/18/95 \$59,100 58,721 2.14

Beneficial Corp. 5.07%-5.60% due 12/27/94-1/11/95 47,800 47,572 1.74

Commercial Credit Co. 5.37%-5.75% due 12/21/94-1/23/95 36,700 36,515 1.33

Ford Motor Credit Co. 5.45%-5.50% due 1/6-1/17/95 34,000 33,779 1.23

Central and South West Corp. 5.00%-5.52% due 12/2/94-1/9/95 32,500 32,431 1.18

Texaco Inc. 5.30%-5.70% due 12/16/94-1/20/95 32,000 31,853 1.16

John Deere Capital Corp. 5.70% due 1/23/95 30,000 29,740 1.09

H.J. Heinz Co. 4.97% due 12/12/94 20,000 19,967 0.73

National Rural Utilities Cooperative Finance Corp.			
5.70% due 1/6-1/11/95	20,000	19,875	0.73
J.C. Penney Funding Corp. 5.50% due 1/4/95	15,900	15,815	0.58
Intel Corp. 5.03% due 12/23/94	15,000	14,952	0.55
Chevron Oil Finance Co. 5.36% due 1/18/95	12,600	12,501	0.46
American Express Credit Corp. 5.48% due 12/29/94	8,900	8,861	0.32
Ameritech Capital Funding Corp. 5.16% due 12/14/94	8,800	8,782	0.32
Weyerhaeuser Co. 4.99% due 12/7/94	8,300	8,292	0.3
FEDERAL AGENCY DISCOUNT NOTES - 2.24%			
Federal Home Loan Mortgage Corp. 4.81%-5.65% due 12/1-12/9/94	25,800	25,772	0.94
Federal Home Loan Bank 5.42% due 12/27/94	18,500	18,425	0.67
Federal Farm Credit Bank 4.94% due 12/8/94	12,000	11,986	0.44
Federal National Mortgage Assn. 4.97% due 12/19/94	5,300	5,286	0.19
BANKERS' ACCEPTANCES - 0.36%			
Morgan Guaranty Trust Co. 5.08% due 12/15/94	10,000	9,979	0.36
		-----	-----
TOTAL SHORT-TERM SECURITIES (COST: \$451,146,000)		451,104	16.46
		-----	-----
TOTAL INVESTMENT SECURITIES (COST: \$2,648,997,000)		2,788,388	101.75
Excess of payables over money market account, cash and receivables		48,022	1.75
		-----	-----
NET ASSETS		\$2,740,366	100.00%
		=====	=====

</TABLE>

/1/Purchased in a private placement transaction;  
resale potential extends to qualified institutional  
buyers.

/2/Non-income-producing securities.

See Notes to Financial Statements

Stocks appearing in the portfolio  
since May 31, 1994

ADVANTA  
Airtouch Communications  
Alumax  
Apple Computer  
Beneficial  
Chevron  
Cincinnati Milacron  
Circus Circus Enterprises  
E-Systems  
Federal Express  
First Tennessee National  
First Union  
Harsco  
Hubbell  
Huntington Bancshares  
Imperial Chemical Industries  
ITT Rayonier

Johnson & Johnson  
 Johnson Controls  
 Limited  
 McKesson  
 Microsoft  
 Novell  
 Pitney Bowes  
 Signet Banking  
 TRINOVA  
 Valero Energy  
 Wachovia  
 Walgreen

Stocks eliminated from the portfolio  
 since May 31, 1994

American Cyanimid  
 Anheuser-Bush  
 BellSouth  
 Gerber Products  
 Great Western Financial  
 Kmart  
 Lehman Brothers Holdings  
 NBD Bancorp  
 Southern New England Telecommunications  
 Sun Microsystems  
 Syntex  
 Unisys  
 Woolworth

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American Variable Insurance Series  
 Asset Allocation Fund  
 Investment Portfolio, November 30, 1994

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Common Stocks	62.81%
Government Bonds	15.66%
Corporate Bonds	13.07%
Cash	6.51%
Convertible Debentures	1.95%

<TABLE>  
 <CAPTION>

Percent  
 of Net  
 Assets

LARGEST INDIVIDUAL HOLDINGS

<S>	<C>
American Home Products	2.30%
Warner Lambert	1.82
Eli Lilly	1.77
American Express	1.63
Amoco	1.62
International Business Machines	1.55
Dun & Bradstreet	1.41
Mobil	1.40
Citicorp	1.37
DuPont	1.35

</TABLE>

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<TABLE>  
 <CAPTION>

	Market	Percent
	Number of	of Net
	Shares	Assets
Common Stocks	(000)	

<S>	<C>	<C>	<C>
HEALTH & PERSONAL CARE- 6.55%			
American Home Products Corp.	225,000	\$14,653	2.30%
Warner-Lambert Co.	150,000	11,606	1.82
Eli Lilly and Co.	180,000	11,273	1.77
Bristol-Myers Squibb Co.	145,000	8,374	1.31
Baxter International Inc.	175,000	4,506	0.71
Pfizer Inc.	57,500	4,449	0.7
Abbott Laboratories	48,000	1,530	0.24
ENERGY SOURCES- 6.62%			
Amoco Corp.	170,000	10,328	1.62
Mobil Corp.	105,000	8,951	1.4
Phillips Petroleum Co.	245,000	8,085	1.27
Royal Dutch Petroleum Co. (New York Registered Shares) (Netherlands)	60,000	6,518	1.02
Kerr-McGee Corp.	80,000	3,780	0.59
Texaco Inc.	40,000	2,485	0.39
Atlantic Richfield Co.	20,000	2,070	0.33
BANKING- 6.54%			
Citicorp	210,000	8,741	1.37
First Interstate Bancorp	85,000	5,993	0.94
BankAmerica Corp.	100,000	4,100	0.64
First Fidelity Bancorporation	90,000	4,050	0.64
Fleet Financial Group, Inc.	120,000	3,735	0.59
PNC Bank Corp.	160,000	3,320	0.52
First Union Corp.	80,000	3,190	0.5
Bankers Trust New York Corp.	50,000	2,963	0.47
U.S. Bancorp	120,000	2,730	0.43
J.P.Morgan & Co. Inc.	35,000	2,056	0.32
Comerica Inc.	30,000	791	0.12
INSURANCE- 3.36%			
SAFECO Corp.	145,000	7,105	1.11
American General Corp.	200,000	5,250	0.82
AMBAC Inc.	130,000	4,501	0.71
St. Paul Companies, Inc.	80,000	3,300	0.52
Ohio Casualty Corp.	44,000	1,254	0.2
DATA PROCESSING & REPRODUCTION- 3.25%			
International Business Machines Corp.	140,000	9,905	1.55
Xerox Corp.	40,000	3,930	0.62
Hewlett-Packard Co.	40,000	3,920	0.62
Apple Computer, Inc.	80,000	2,960	0.46
UTILITIES: ELECTRIC & GAS- 3.13%			
Entergy Corp.	200,000	4,500	0.71

Long Island Lighting Co.	195,000	3,266	0.51
Unicom Corp.	120,000	2,805	0.44
Detroit Edison Co.	100,000	2,675	0.42
General Public Utilities Corp.	90,000	2,317	0.36
Houston Industries Inc.	60,000	2,040	0.32
Texas Utilities Co.	47,749	1,558	0.24
Consolidated Edison Co. of New York, Inc.	33,000	854	0.13
MULTI-INDUSTRY- 2.35%			
Textron Inc.	120,000	5,640	0.9
Tenneco Inc.	120,000	4,665	0.73
Minnesota Mining and Manufacturing Co.	90,000	4,612	0.72
BEVERAGES & TOBACCO- 2.25%			
American Brands, Inc.	150,000	5,306	0.83
PepsiCo, Inc.	150,000	5,306	0.83
Seagram Co. Ltd. (Canada)	130,000	3,787	0.59
AEROSPACE & MILITARY TECHNOLOGY- 2.24%			
Boeing Co.	150,000	6,713	1.05
Litton Industries, Inc./1/	150,000	5,119	0.8
Northrop Grumman Corp.	60,000	2,437	0.39
FOOD & HOUSEHOLD PRODUCTS- 1.97%			
General Mills, Inc.	100,000	5,375	0.84
H.J. Heinz Co.	100,000	3,638	0.57
Archer Daniels Midland Co.	130,000	3,591	0.56
CHEMICALS- 1.79%			
E.I. du Pont de Nemours and Co.	160,000	8,620	1.35
Eastman Chemical Co.	60,000	2,827	0.44
BROADCASTING & PUBLISHING- 1.77%			
CBS Inc.	150,000	8,325	1.31
Times Mirror Co., Series A	95,000	2,933	0.46
MERCHANDISING- 1.72%			
Melville Corp.	125,000	3,937	0.62
May Department Stores Co.	100,000	3,625	0.57
Limited Inc.	175,000	3,391	0.53
TELECOMMUNICATIONS- 1.70%			
Bell Atlantic Corp.	100,000	5,012	0.79
GTE Corp.	100,000	3,063	0.48
LIN Broadcasting Corp./1/	19,100	2,727	0.43
INDUSTRIAL COMPONENTS- 1.69%			
Rockwell International Corp.	240,000	8,130	1.28
Dana Corp.	120,000	2,595	0.41
FINANCIAL SERVICES- 1.63%			
American Express Co.	350,000	10,369	1.63
TRANSPORTATION: RAIL & ROAD- 1.52%			



CSX Corp.	50,000	3,475	0.55
Union Pacific Corp.	70,000	3,255	0.5
Norfolk Southern Corp.	50,000	3,025	0.47
BUSINESS & PUBLIC SERVICES- 1.41%			
Dun & Bradstreet Corp.	170,000	8,989	1.41
ELECTRICAL & ELECTRONICS- 1.03%			
Hubbell Inc., Class B	60,000	3,285	0.52
General Electric Co.	70,000	3,220	0.51
FOREST PRODUCTS & PAPER- 1.02%			
Union Camp Corp.	80,000	3,710	0.58
ITT Rayonier Inc.	100,000	2,800	0.44
ENERGY EQUIPMENT- 0.89%			
Cooper Industries, Inc.	100,000	3,475	0.55
Western Atlas Inc./1/	50,000	2,181	0.34
METALS: NONFERROUS- 0.64%			
Aluminum Co. of America	50,000	4,081	0.64
TRANSPORTATION: AIRLINES- 0.64%			
AMR Corp./1/	80,000	4,060	0.64
RECREATION & OTHER CONSUMER PRODUCTS- 0.50%			
Eastman Kodak Co.	70,000	3,194	0.5
AUTOMOBILES- 0.48%			
General Motors Corp.	80,000	3,050	0.48
TEXTILES & APPAREL- 0.44%			
Brown Group, Inc.	90,000	2,857	0.44
LEISURE & TOURISM- 0.43%			
Circus Circus Enterprises, Inc./1/	130,000	2,730	0.43
MISCELLANEOUS			
Other common stocks in initial period of acquisition		18,783	2.95
		-----	-----
TOTAL COMMON STOCKS (cost: \$396,045,000)		400,330	62.81
		-----	-----
		Principal	
		Amount	
Convertible Debentures	(000)		
		-----	-----
INDUSTRIALS & SERVICES- 1.95%			
Turner Broadcasting System, Inc. 0% 2007/2/	\$10,000	3,925	0.62
Hanson America Inc. 2.39% 2001/2/	5,000	3,575	0.56
USX Corp. 0% 2005	8,000	3,480	0.54
Time Warner Inc. 0% 2012	4,800	1,458	0.23
		-----	-----
TOTAL CONVERTIBLE DEBENTURES (cost: \$12,309,000)		12,438	1.95

TOTAL EQUITY-TYPE SECURITIES (cost: \$408,354,000)

412,768

64.76

Bonds & Notes

U.S. TREASURY OBLIGATIONS- 15.32%

6.75% 1997	12,000	11,781	1.85
5.75% 1997	12,000	11,415	1.79
8.875% 1996	11,000	11,215	1.76
5.375% 1998	12,000	11,147	1.75
6.875% 1996	10,000	9,911	1.55
6.50% 1996	10,000	9,850	1.55
8.75% 1997	6,000	6,169	0.96
9.25% 1998	5,000	5,236	0.82
8.75% 2008	5,000	5,200	0.82
4.25% 1996	5,000	4,791	0.75
8.75% 2000	3,000	3,124	0.49
8.875% 1999	2,500	2,598	0.41
8.50% 1997	1,000	1,022	0.16
8.00% 1996	1,000	1,011	0.16
7.875% 1996	1,000	1,008	0.16
6.75% 1997	1,000	985	0.15
11.75% 2010	500	627	0.1
10.75% 2003	500	587	0.09

INDUSTRIALS- 6.19%

Container Corp. of America 9.75% 2003	6,500	6,110	0.96
Federal Paper Board Co., Inc. 10.00% 2011	5,000	5,317	0.83
Polaroid Corp. 8.00% 1999	5,000	4,836	0.76
Tele-Communications, Inc. 9.25% 2002	3,000	3,003	
Tele-Communications, Inc. 9.25% 2023	1,000	918	0.61
Oryx Energy Co. 9.50% 1999	3,000	2,824	
Oryx Energy Co. 10.00% 1999	1,000	983	0.6
Pohang Iron & Steel 7.50% 2002	3,000	2,761	0.43
General Motors Corp. 8.80% 2021	2,500	2,609	0.41
News America Holdings Inc. 10.125% 2012	2,000	2,067	0.33
USX Corp. 9.625% 2003	2,000	2,014	0.32
Acme Metals Inc. 12.50% 2002	2,000	1,970	0.31
Coso Funding Corp. 8.87% 2001/2/	2,000	1,924	0.3
CenCall Communications Corp. 0%/10.125% 2004/3/	3,000	1,125	0.18
Dayton Hudson Corp. 9.35% 2020	900	976	0.15

FINANCIAL- 4.56%

General Motors Acceptance Corp. 8.875% 2010	3,235	3,410	
---	-------	-------	--

General Motors Acceptance Corp. 7.00% 2000	3,000	2,782	
General Motors Acceptance Corp. 9.625% 2001	2,000	2,086	
General Motors Acceptance Corp. 6.70% 1997	2,000	1,936	
General Motors Acceptance Corp. 8.375% 1997	1,500	1,500	1.83
American Re Corp. 10.875% 2004	4,500	4,880	0.77
First Federal Michigan 0% Eurobonds 2005	10,000	4,131	0.65
General Electric Capital Corp. 8.875% 2009	2,000	2,037	0.32
H.F. Ahmanson & Co. 9.875% 1999	1,400	1,467	0.23
B.F. Saul Real Estate Investment Trust 11.625% 2002	1,500	1,305	0.2
Security Pacific Corp. 10.25% 2001	1,000	1,094	0.17
National Westminster Bancorp Inc. 9.45% 2001	1,000	1,053	0.17
Shopping Center Associates 6.75% 2004/2/	1,000	865	0.14
Golden West Financial Corp. 10.25% 2000	500	539	0.08
TRANSPORTATION- 1.12%			
Delta Air Lines, Inc. 9.875% 2000	2,000	1,992	
Delta Air Lines, Inc. 10.375% 2011	1,000	959	
Delta Air Lines, Inc. 9.20% 2014	1,000	857	
Delta Air Lines, Inc. 10.125% 2010	500	471	0.67
Federal Express Corp. 7.53% 2006	1,500	1,384	0.22
AMR Corp. 9.75% 2000	1,000	1,006	0.16
United Air Lines, Inc. 9.00% 2003	500	457	0.07
COLLATERALIZED MORTGAGE OBLIGATIONS-			
(PRIVATELY ORIGINATED)/4/- 0.48%			
American Airlines Inc., 1991-A, 9.71% 2007	2,374	2,294	0.36
Resolution Trust Corp., Series 1992-C5, Class C, 8.85% 2022	803	763	0.12
ELECTRIC UTILITIES- 0.40%			
Texas Utilities Electric Co. 9.75% 2021	2,500	2,560	0.4
FEDERAL AGENCY OBLIGATIONS-OTHER- 0.34%			
Resolution Funding Corp. 8.875% 2020	2,000	2,139	0.34
TELEPHONE UTILITIES- 0.20%			
GTE Corp. 10.25% 2020	1,205	1,266	0.2
ASSET-BACKED OBLIGATIONS /4/- 0.12%			
Standard Credit Card Trust, 1990-6A, 9.375% 1998	750	771	0.12
		-----	-----
TOTAL BONDS & NOTES (cost: \$194,972,000)		183,118	28.73
		-----	-----
Short-Term Securities			
- - - - -			
CORPORATE SHORT-TERM NOTES- 5.80%			
Campbell Soup Co. 5.20% due 12/22/94	11,400	11,364	1.78
Vermont American Corp. 5.52% due 12/15/94	6,700	6,685	1.05

J.C. Penney Funding Corp. 5.25% due 12/16/94	4,400	4,390	0.69
McDonald's Corp. 5.47% due 12/5/94	4,000	3,997	0.63
Xerox Corp. 5.72% due 1/5/95	4,000	3,977	0.62
Associates Corp. of North America 5.72% due 12/1/94	3,590	3,590	0.56
Union Pacific Corp. 5.02% due 12/16/94	3,000	2,993	0.47
U.S. TREASURY OBLIGATIONS- 0.33%			
11.50% due 11/15/95	2,000	2,084	0.33
		-----	-----
TOTAL SHORT-TERM SECURITIES (cost: \$39,289,000)		39,080	6.13
		-----	-----
TOTAL INVESTMENT SECURITIES (cost: \$642,615,000)		634,966	99.62
		-----	-----
Excess of money market account, cash and receivables over payables		2,404	0.38
		-----	-----
NET ASSETS		\$637,370	100.00%
		=====	=====

</TABLE>

/1/Non-income-producing securities.

/2/Purchased in a private placement transaction;  
resale potential extends to qualified institutional  
buyers.

/3/Represents a zero coupon bond which will  
convert to a coupon-bearing security at a  
later date.

/4/ Pass-through securities backed by a pool of  
mortgages or other loans on which principal payments  
are periodically made. Therefore, the effective  
maturity of these securities is shorter than the  
stated maturity.

See Notes to Financial Statements

Equity-type securities appearing in the portfolio  
since May 31, 1994

AMBAC  
Apple Computer  
Circus Circus Enterprises  
Cooper Industries  
Dana  
Detroit Edison  
First Fidelity Bancorporation  
General Mills  
H.J. Heinz  
ITT Rayonier  
LIN Broadcasting  
Northrop Grumman  
PepsiCo  
Seagram  
Time Warner  
Unicom  
USX

Equity-type securities eliminated from the portfolio  
since May 31, 1994

H.F. Ahmanson  
Barnett Banks  
Commonwealth Edison

Delta Air Lines  
 Dow Chemical  
 Great Western Financial  
 Lehman Brothers Holdings  
 Philip Morris  
 Shared Medical Systems  
 Sprint  
 Stone & Webster  
 Upjohn  
 Woolworth

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AMERICAN VARIABLE INSURANCE SERIES  
 HIGH-YIELD BOND FUND  
 INVESTMENT PORTFOLIO - NOVEMBER 30, 1994  
 CORPORATE BONDS 82.89%  
 U.S. GOVERNMENT BONDS 5.34%  
 NON-U.S. GOVERNMENT BONDS 1.83%  
 UTILITIES 2.90%  
 CASH 7.00%  
 STOCKS 0.04%

<TABLE>  
 <CAPTION>

	Percent
	of Net
LARGEST HOLDINGS	Assets
<S>	<C>
U.S. Treasury	5.34%
Rogers Cantel Mobile Communications	3.56
Comcast/Comcast Cellular	3.12
NEXTEL Communications	3.09
Container Corp. of America	2.83
Continental Cablevision	2.75
Coltec Industries	2.55
MFS Communications	2.52
California Energy	2.51
Dial Call Communications	2.22

</TABLE>  
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<TABLE>  
 <CAPTION>

	Number	Market	Percent
Common Stocks	of	Value	of Net
	shares	(000)	Assets
<S>	<C>	<C>	<C>
SERVICES - 0.01%			
Marriott International, Inc.	4,512	\$118	.03%
Host Marriott Corp./1/	4,512	43	0.01
		-----	-----
TOTAL COMMON STOCKS (cost: \$142,000)		161	0.04
		-----	-----

Principal  
 Bonds & Notes Amount  
 (000)

INDUSTRIALS & SERVICES - 81.63%  
 Rogers Cantel Mobile Communications Inc. 10.75%

2001	\$11,248	11,360	
Rogers Cantel Mobile Communications Inc. 11.125%			
2002	2,500	2,537	3.56
NEXTEL Communications, Inc. 0%/11.50% 2003/2/	15,500	6,665	
NEXTEL Communications, Inc. 0%/9.75% 2004/2/	14,500	5,401	3.09
Container Corp. of America 9.75% 2003	11,750	11,045	2.83
Continental Cablevision, Inc. 8.625% 2003	5,000	4,475	
Continental Cablevision, Inc. 10.625% 2002	4,000	4,010	
Continental Cablevision, Inc. 8.50% 2001	1,500	1,365	
Continental Cablevision, Inc. 8.875% 2005	1,000	880	2.75
Coltec Industries Inc 9.75% 2000	8,450	8,281	
Coltec Industries Inc 9.75% 1999	1,750	1,662	2.55
MFS Communications Co., Inc. 0%/9.375% 2004/2/	17,250	9,833	2.52
California Energy Co., Inc. 0%/10.25% 2004/2/	13,800	9,798	2.51
Comcast Cellular Corp., Series B, 0% 2000	10,000	6,525	
Comcast Cellular Corp., Series A, 0% 2000	4,500	2,936	2.43
Dial Call Communications, Inc. 0%/12.25% 2004/2/	22,750	8,645	2.22
Fort Howard Corp. 8.25% 2002	4,500	4,005	
Fort Howard Corp. 9.25% 2001	3,750	3,469	
Fort Howard Corp. 9.00% 2006	1,250	1,053	2.19
Centennial Cellular Corp. 8.875% 2001	9,500	8,408	2.16
Riverwood International Corp. 10.75% 2000	5,500	5,555	
Riverwood International Corp. 11.25% 2002	2,000	2,050	
Riverwood International Corp., Series 2, 10.75%			
2000	500	505	2.08
PanAmSat, LP 9.75% 2000	5,000	4,850	
PanAmSat, LP 0%/11.375% 2003/2/	4,000	2,640	1.92
Foodmaker, Inc. 9.25% 1999	5,500	4,703	
Foodmaker, Inc. 9.75% 2002	3,750	2,756	1.91
MobileMedia 0%/10.50% 2003/2/	12,750	7,395	1.9
Global Marine, Inc. 12.75% 1999	6,700	7,169	1.84
Videotron Holdings 0%/11.125% 2004/2/	13,000	6,760	1.73
Century Communications Corp. 9.75% 2002	3,500	3,325	
Century Communications Corp. 9.50% 2000	3,500	3,308	1.7
CenCall Communications Corp. 0%/10.125% 2004/2/	17,250	6,469	1.66
Paging Network, Inc. 11.75% 2002	5,300	5,512	
Paging Network, Inc. 8.875% 2006	1,000	805	1.62
Marvel Holdings Inc., Series B, 0% 1998	9,900	6,237	1.6
Bell Cablemedia 0%/11.95% 2004/2/	12,000	6,180	1.58
Horizon Finance Corp., Series B, 0%/11.375% 2000/2/	8,500	6,163	1.58
Ralphs Grocery Co. 10.25% 2002	6,350	6,128	1.57
International CableTel Inc. 0%/10.875% 2003/2/	12,250	6,125	1.57
Dr Pepper Bottling Co. of Texas 10.25% 2000	5,500	5,527	1.42

Star Markets Co., Inc. 13.00% 2004/3/	5,000	4,950	1.27
MagneTek, Inc. 10.75% 1998	5,000	4,925	1.26
Barnes & Noble, Inc. 11.875% 2003	4,250	4,548	1.17
P.T. Indah Kiat Pulp & Paper Corp. 8.875% 2000/3/	5,250	4,502	1.16
Dr Pepper/Seven-Up Companies, Inc. 0%/11.50% 2002/2/	5,465	4,317	1.11
Owens-Illinois, Inc. 11.00% 2003	4,000	4,100	1.05
Canandaigua Wine Co., Inc. 8.75% 2003	4,500	3,960	1.02
Thrifty PayLess, Inc. 11.75% 2003	3,000	2,895	
Thrifty PayLess, Inc. 12.25% 2004 units	1,000	1,025	1.01
Pacific Lumber Co. 10.50% 2003	4,000	3,720	0.95
Kloster Cruise Ltd. 13.00% 2003	3,500	3,325	0.85
Stater Bros. Holdings Inc. 11.00% 2001	3,500	3,255	0.83
Four Seasons Hotels Inc. 9.125% 2000/3/	3,500	3,220	0.83
Cellular, Inc. 0%/11.75% 2003/2/	4,500	3,038	0.78
Triton Energy Corp. 0%/9.75% 2000/2/	3,000	2,220	
Triton Energy Corp. 0% 1997	1,000	730	0.76
Infinity Broadcasting Corp. 10.375% 2002	2,750	2,750	0.71
Coleman Holdings Inc. 0% 1998	4,000	2,680	0.69
Univision Television Group, Inc. 11.75% 2001	2,500	2,612	0.67
Comcast Corp. 10.25% 2001	2,650	2,571	0.66
Embassy Suites, Inc. 8.75% 2000	2,500	2,313	0.59
WestPoint Stevens Inc. 8.75% 2001	2,500	2,262	0.58
American Media Operations, Inc. 11.625% 2004	2,250	2,258	0.58
Wilrig AS 11.25% 2004	2,500	2,225	0.57
Acme Metals Inc. 0%/13.50% 2004/2/	3,000	2,018	0.52
CompUSA 9.50% 2000	2,425	2,013	0.52
Tuboscope Corp. 10.75% 2003	2,000	1,960	0.5
Neodata Services, Inc., Series B, 0%/12.00% 2003/2/	2,500	1,950	0.5
Vons Companies, Inc. 9.625% 2002	2,000	1,940	0.5
American Standard Inc. 0%/10.50% 2005/2/	3,000	1,890	0.48
MAXXAM Group Inc. 11.25% 2003	2,000	1,860	0.48
Maxus Energy Corp. 9.875% 2002	2,000	1,820	0.47
Plitt Theatres, Inc. 10.875% 2004	1,500	1,410	0.36
Summitt Communications Group, Inc. 10.50% 2005	1,000	1,050	0.27
Tjiwi Kimia International Finance Co. BV 13.25% 2001	1,000	1,031	0.26
Harrah's Jazz Finance Corp. 14.25% 2001	1,000	1,025	0.26
Levitz Furniture Corp. 12.375% 1997	1,000	1,020	0.26
Safeway Inc. 10.00% 2002	1,000	1,010	0.26
PriCellular Wireless Corp. 0.5%/14.00% 2001 /3/,/4/	1,500	997	0.26
P.T. Indah Kiat International Finance Co. BV, Series B, 11.875% 2002	1,000	986	0.25
Anchor Glass Container Corp. 10.25% 2002	1,000	970	0.25

AnnTaylor, Inc. 8.75% 2000	1,000	940	0.24
Rykoff-Sexton, Inc. 8.875% 2003	1,000	915	0.23
Haynes International 11.25% 1998	1,000	890	0.23
P.T. Inti Indorayon Utama 9.125% 2000	1,000	862	0.22
Toll Corp. 9.50% 2003	1,000	855	0.22
Payless Cashways, Inc. 9.125% 2003	750	675	0.17
Primark Corp. 8.75% 2000	700	644	0.17
Jones Intercable, Inc. 11.50% 2004	500	525	0.13
Storer Communications, Inc. 10.00% 2003	134	127	0.03
U.S. TREASURY OBLIGATIONS - 5.34%			
7.75% 2001	8,000	7,979	2.05
11.625% 2004	4,600	5,744	1.47
8.50% 2000	5,000	5,161	1.32
6.875% 1999	2,000	1,929	0.5
INDEPENDENT POWER PRODUCERS - 2.14%			
Midland Cogeneration Venture LP 10.33% 2002	8,800	8,359	2.14
GOVERNMENTS (EXCLUDING U.S. GOVERNMENT) - 1.83%			
Republic of Argentina, 4.25% Eurobonds, Series L, 2023 /4/	8,000	3,610	0.93
United Mexican State Government 6.25% Eurobonds, Series B, 2019	3,000	1,920	
United Mexican State Government 6.25% Eurobonds, Series A, 2019	2,500	1,600	0.9
TRANSPORTATION - 1.24%			
TNT (USA) Inc. 11.50% 2004	3,000	3,000	0.77
Viking Star Shipping Inc. 9.625% 2003	2,000	1,840	0.47
GAS UTILITIES - 0.76%			
Transco Energy Co. 9.625% 2000	2,000	1,970	
Transco Energy Co. 9.125% 1998	1,000	985	0.76
COLLATERALIZED MORTGAGE OBLIGATIONS (PRIVATELY ORIGINATED)/5/ - 0.02%			
Collateralized Mortgage Obligation Trust 21-Z 8.45% 2017	73	65	0.02
		-----	-----
TOTAL BONDS & NOTES (cost: \$405,045,000)		362,461	92.96
		-----	-----
Short-Term Securities			
CORPORATE SHORT-TERM NOTES - 5.50%			
Xerox Corp. 5.73% due 1/12/95	9,000	8,939	2.29
Associates Corp. of North America 5.72% due 12/1/94	6,500	6,499	1.67
National Rural Utilities Cooperative Finance Corp. 4.97% due 12/2/94	6,000	5,998	1.54



TOTAL SHORT-TERM SECURITIES (cost: \$21,436,000)	21,436	5.5
TOTAL INVESTMENT SECURITIES (cost: \$426,623,000)	384,058	98.5
Excess of money market account, cash and receivables over payables	5,867	1.5
NET ASSETS	\$389,925	100.00%

</TABLE>

/1/ Non-income-producing security.

/2/ Represents a zero coupon bond which will convert to a coupon-bearing security at a later date.

/3/ Purchased in a private placement transaction; resale potential extends to qualified institutional buyers.

/4/ Coupon rate may change periodically.

/5/ Pass-through security backed by a pool of mortgages or other loans on which principal payments are periodically made. Therefore, the effective maturity of this security is shorter than the stated maturity.

See Notes to Financial Statements

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American Variable Insurance Series

U.S. Government/AAA-Rated Securities Fund  
Investment Portfolio, November 30, 1994

U.S. TREASURY BONDS	41.84%
CASH	20.26%
FEDERAL AGENCY MORTGAGE-RELATED SECURITIES	13.40%
PRIVATE MORTGAGE & ASSET-BACKED SECURITIES	9.64%
OTHER FEDERAL OBLIGATIONS	5.77%
CORPORATE BONDS	5.29%
DEVELOPMENT AGENCIES & NON-U.S. GOVT. BONDS	3.80%

<TABLE>

<CAPTION>

	Principal Amount (000)	Market Value (000)	Percent of Net Assets
<S>	<C>	<C>	<C>
U.S. TREASURY OBLIGATIONS- 34.63%			
8.125% 1998	\$33,000	\$33,387	7.21%
9.25% 1998	20,000	20,944	4.53
12.00% 2013	13,000	17,142	3.7
8.875% 2000	16,250	17,019	3.68
9.375% 1996	11,500	11,815	2.55
8.75% 2008	10,000	10,400	2.25
8.875% 1997	10,000	10,320	2.23
8.875% 1996	10,000	10,195	2.2
6.50% 1996	10,000	9,850	2.13

10.375% 2009	7,500	8,677	1.87
8.00% 1997	8,000	8,081	1.75
11.75% 2010	5,500	6,895	1.49
8.875% 2017	6,000	6,463	1.4
8.375% 2008	5,000	5,081	1.1
7.25% 1996	5,000	4,991	1.08
8.75% 2000	2,750	2,864	0.62
14.25% 2002	2,000	2,693	0.58
15.75% 2001	1,500	2,127	0.46
13.125% 2001	1,500	1,897	0.41
10.75% 2003	1,250	1,467	0.32
9.00% 1998	1,250	1,298	0.28

FEDERAL AGENCY OBLIGATIONS-MORTGAGE PASS-

THROUGHS/1/-11.08%

Government National Mortgage Assn. 9.50% 2019-2020	5,799	5,955	
Government National Mortgage Assn. 8.50% 2022	5,969	5,839	
Government National Mortgage Assn. 7.50% 2022-2023	5,438	5,006	
Government National Mortgage Assn. 5.00% 2024	5,055	4,684	
Government National Mortgage Assn. 4.50% 2024	4,787	4,362	
Government National Mortgage Assn. 8.00% 2022	4,056	3,856	7.05
Government National Mortgage Assn. 9.00% 2009-2016	2,138	2,156	
Government National Mortgage Assn. 10.50% 2019	580	626	
Government National Mortgage Assn. 11.00% 2019	114	122	
Government National Mortgage Assn. 12.00% 2012-2014	11	13	
Federal National Mortgage Assn. 8.50% 2023	9,190	9,012	
Federal National Mortgage Assn. 9.00% 2011-2025	4,991	5,027	3.38
Federal National Mortgage Assn. 7.00% 2018-2023	1,746	1,587	
Federal Home Loan Mortgage Corp. 9.00% 2021-2022	2,738	2,755	
Federal Home Loan Mortgage Corp. 9.50% 2016	240	247	0.65
Federal Home Loan Mortgage Corp. 12.00% 2010	3	4	

FEDERAL AGENCY OBLIGATIONS-OTHER- 5.77%

FNSM Principal STRIPS 0%/7.56% 2001/2/	15,000	12,225	
FNSM Principal STRIPS 0%/8.62% 2022/2/	10,000	7,088	
FNSM Principal STRIPS 0%/7.94% 2001/2/	5,000	4,150	5.35
FNSM Principal STRIPS 0%/8.25% 2022/2/	2,000	1,279	
Federal National Mortgage Assn. 8.625% 2021	2,000	1,936	0.42

ASSET-BACKED OBLIGATIONS/1/- 4.97%

Standard Credit Card Master Trust 1991-1, Class A, 8.50% 1997	8,000	8,100	
Standard Credit Card Master Trust 1991-3, Class A,			

8.875% 1999	5,500	5,623	3.35
Standard Credit Card Trust 1990-6, Series A,			
9.375% 1998	1,750	1,800	
MBNA Credit Card Trust, 1991-A, 7.75% 1998	7,500	7,479	1.62
COLLATERALIZED MORTGAGE OBLIGATIONS			
(PRIVATELY ORIGINATED)/1/- 4.67%			
GE Capital Mortgage Services, Inc., Series 1994-15,			
Class A-10, 6.00% 2009	8,000	6,210	1.34
Prudential Home Mortgage Securities Co., Inc.,			
Series 1992-33, Class A-12, 7.50% 2022	5,724	5,556	1.2
CMC Securities Corp. I, Series 1993-E, Class S-9,			
6.50% 2008	4,518	3,554	0.77
Residential Funding Mortgage Securities I, Inc.,			
Series 1992-43, Class A-3, 7.00% 2022	3,274	3,199	0.69
Nomura Asset Securities, Series 1994-MD1, Class			
A-1B, 7.526% 2018/3/	3,250	3,081	0.67
FINANCIAL- 4.22%			
The Trustees of Columbia University in the City of			
New York, Series B, 8.65% 2003	3,000	3,050	
The Trustees of Columbia University in the City of			1.1
New York, Series B, 8.62% 2001	2,000	2,033	
General Electric Capital Corp. 8.70% 2007	2,500	2,527	
General Electric Capital Corp. 8.625% 2008	2,000	2,044	0.99
Signal Capital Corp. 9.95% 2006	4,169	4,376	0.94
First Federal Michigan 0% Eurobonds 2005	10,000	4,131	0.89
National Westminster Bancorp Inc. 12.125% 2002	1,256	1,379	0.3
DEVELOPMENTAL AUTHORITIES- 3.06%			
International Bank for Reconstruction & Development			
7.90% 1998	3,000	2,993	
International Bank for Reconstruction & Development			
14.90% 1997	1,200	1,371	
International Bank for Reconstruction & Development			1.39
9.76% 1998	1,000	1,048	
International Bank for Reconstruction & Development			
9.77% 1998	1,000	1,044	
Inter-American Development Bank 9.50% 1997	4,000	4,154	0.9
European Investment Bank 8.875% 2001	2,000	2,064	0.45
Asian Development Bank 8.00% Eurobonds 1996	1,500	1,507	0.32
COLLATERALIZED MORTGAGE OBLIGATIONS			

(FEDERAL AGENCIES)/1/- 2.32%			
Federal Home Loan Mortgage Corp., Series 1625,			
Class SG, 7.492% 2008/3/4	4,304	2,238	
Federal Home Loan Mortgage Corp., Series 1716,			
Class A, 6.50% 2009	2,250	1,909	
Federal Home Loan Mortgage Corp., Series 1609,			
Class IJ, 4.078% 2023/3/4	6,100	1,586	
Federal Home Loan Mortgage Corp., Series 1625,			
Class SC, 7.492% 2008/3/4	3,150	1,260	
Federal Home Loan Mortgage Corp., Series 21,			2.32
Class SE, 8.419%, 2023/3/4	2,896	1,108	
Federal Home Loan Mortgage Corp., Series 1585,			
Class PL, 5.383% 2023/3/4	3,987	1,066	
Federal Home Loan Mortgage Corp., Series 83-B,			
Class B-3, 12.50% 2013	882	943	
Federal Home Loan Mortgage Corp., Series 1673,			
Class SA, 6.769% 2024/3/4	2,000	640	
TELEPHONE UTILITIES- 0.94%			
Nippon Telegraph & Telephone Corp. 9.50% 1998	3,000	3,130	0.68
BellSouth Savings and Security ESOP Trust 9.125%			
2003	1,186	1,216	0.26
GOVERNMENTS (EXCLUDING U.S. GOVERNMENT)- 0.74%			
Ontario (Province of) 15.75% 2012	1,700	2,049	
Ontario (Province of) 15.25% 2012	1,145	1,393	0.74
INDUSTRIALS- 0.13%			
DeBartolo Capital Corp. II 8.00% Euronotes 1996	575	579	0.13
		-----	-----
TOTAL BONDS & NOTES (cost: \$394,078,000)		368,975	79.74
		-----	-----
Short-Term Securities			
-----			
CORPORATE SHORT-TERM NOTES- 19.45%			
Ford Motor Credit Co. 5.82% due 1/9/95	14,500	14,406	3.11
U S WEST Communications, Inc. 5.13%-5.48%			
due 12/5-12/16/94	12,000	11,980	2.59
AIG Funding Inc. 5.48% due 12/12/94	11,400	11,379	2.46
Commercial Credit Co. 5.15% due 12/7/94	10,200	10,190	2.2
Wal-Mart Stores, Inc. 5.45% due 12/13/94	10,200	10,180	2.2
Associates Corp. of North America 5.72% due 12/1/94	8,600	8,599	1.86

Texaco Inc. 5.25% due 12/14/94	7,500	7,485	1.62
Intel Corp. 5.49% due 12/14/94	6,400	6,386	1.38
J.C. Penney Funding Corp. 5.25% due 12/16/94	5,700	5,687	1.23
National Rural Utilities Cooperative Finance Corp. 5.15% due 12/12/94	3,200	3,194	0.69
Holiday Inns, Inc. 9.00% due 2/15/95	500	500	0.11
U.S. TREASURY OBLIGATIONS- 0.33%			
12.625% due 5/15/95	1,500	1,548	0.33
		-----	-----
TOTAL SHORT-TERM SECURITIES (cost: \$91,755,000)		91,534	19.78
		-----	-----
TOTAL INVESTMENT SECURITIES (cost: \$485,833,000)		460,509	99.52
Excess of money market account, cash and receivables over payables		2,228	0.48
		-----	-----
NET ASSETS		\$462,737	100.00%
		=====	=====

</TABLE>

/1/ Pass-through securities backed by a pool of mortgages or other loans on which principal payments are periodically made. Therefore, the effective maturity of these securities is shorter than the stated maturity.

/2/ Represents a zero coupon bond which will convert to a coupon-bearing security at a later date.

/3/ Coupon rates may change periodically.

/4/ Represents an inverse floater, which is a floating rate note whose interest rate moves in the opposite direction of prevailing interest rates.

See Notes to Financial Statements

\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*

AMERICAN VARIABLE INSURANCE SERIES  
CASH MANAGEMENT FUND  
INVESTMENT PORTFOLIO, NOVEMBER 30, 1994

<TABLE>

<CAPTION>

	Principal	Market	
	Amount	Value	Percent of
Short-Term Securities	(000)	(000)	Net Assets
<S>	<C>	<C>	<C>

CORPORATE SHORT-TERM NOTES-79.10%

Eli Lilly & Co. 5.70% due 1/6/95	\$8,000	\$7,953	3.60%
Pitney Bowes Credit Corp. 5.15% due 12/15/94	7,800	7,783	3.53
Commercial Credit Co. 4.90% due 12/6/94	7,500	7,494	3.41
Melville Corp. 5.18% due 12/12/94	7,500	7,487	3.39
Ford Motor Credit Co. 5.06% due 12/20/94	7,200	7,180	3.25

Duke Power Co. 5.20% due 12/12/94	7,100	7,088	3.21
U S WEST Communications, Inc. 5.15% due 12/7/94	7,000	6,993	3.17
John Deere Capital Corp. 5.15% due 12/12/94	7,000	6,988	3.17
Union Pacific Corp. 5.02% due 12/16/94	7,000	6,984	3.16
Campbell Soup Co. 5.20% due 12/22/94	7,000	6,978	3.16
Procter & Gamble Co. 5.54% due 1/9/95	6,900	6,857	3.10
Beneficial Corp. 5.00% due 12/9/94	6,700	6,692	3.03
Norfolk Southern Corp. 5.10% due 12/5/94	6,200	6,196	2.81
Motorola, Inc. 4.87% due 12/1/94	6,100	6,099	2.76
American Express Credit Corp. 5.50% due 12/21/94	6,100	6,080	2.76
Texaco Inc. 5.25% due 12/14/94	6,000	5,988	2.71
Xerox Corp. 5.72% due 1/5/95	6,000	5,966	2.70
A.I. Credit Corp. 5.75% due 1/10/95	6,000	5,961	2.70
Intel Corp. 5.49% due 12/14/94	5,200	5,189	2.35
H.J. Heinz Co. 5.70% due 1/19/95	5,200	5,159	2.34
Schering Corp. 5.55% due 12/7/94	5,100	5,094	2.31
Baltimore Gas & Electric Co. 5.50% due 12/16/94	5,000	4,988	2.26
PACCAR Financial Corp. 5.72% due 1/12/95	5,000	4,966	2.25
Weyerhaeuser Co. 4.99% due 12/7/94	4,600	4,595	2.08
Ameritech Capital Funding Corp. 5.16% due 12/14/94	4,600	4,591	2.08
Wal-Mart Stores, Inc. 5.45% due 12/13/94	4,400	4,391	1.99
AT&T Corp. 5.48% due 1/4/95	4,100	4,078	1.85
National Rural Utilities Cooperative Finance Corp. 5.70% due 1/6/95	3,500	3,479	1.57
Vermont American Corp. 5.52% due 12/15/94	2,700	2,694	1.22
Toys "R" Us, Inc. 5.46% due 12/6/94	2,600	2,598	1.18
FEDERAL AGENCY DISCOUNT NOTES-21.39%			
Federal Home Loan Mortgage Corp. 4.90%-5.11% due 12/2-12/5/94	19,085	19,078	8.64
Tennessee Valley Authority 4.90%-4.92% due 12/2-12/9/94	13,300	13,287	6.02
Federal Home Loan Bank 5.42% due 12/27/94	7,900	7,868	3.56
Federal National Mortgage Assn. 4.93% due 12/5/94	7,000	6,995	3.17
-----			
TOTAL INVESTMENT SECURITIES (cost: \$221,817,000)		221,817	100.49

Excess of payables over cash and

receivables

1,086

0.49

NET ASSETS

\$220,731

100.00%

</TABLE>

See Notes to Financial Statements  
 American Variable Insurance Series  
 Financial Statements  
 Statement of Assets and Liabilities  
 at November 30, 1994

<TABLE>  
 <CAPTION>

	Growth Fund	Inter- national Fund	Growth- Income Fund	Asset Allocation Fund
Investment securities at market (cost: \$1,709,744; \$1,295,609; \$2,648,997; \$642,615; \$426,623; \$485,833; \$221,817 and \$7,431,238, respectively)	\$2,031,956	\$1,406,828	\$2,788,388	\$634,966
Money market account	100	100	100	100
Cash	137	81	100	5
Receivables for-				
Sales of investments	15,962	2,182	555	4,961
Sales of fund's shares	2,000	1,736	1,798	153
Dividends and accrued interest	1,223	4,236	9,204	4,899
	2,051,378	1,415,163	2,800,145	645,084
LIABILITIES:				
Payables for-				
Purchases of investments	22,483	8,592	58,272	7,065
Repurchases of fund's shares	759	689	478	374
Management services	759	798	981	264
Accrued expenses	36	198	48	11
	24,037	10,277	59,779	7,714
NET ASSETS AT				
NOVEMBER 30, 1994	\$2,027,341	\$1,404,886	\$2,740,366	\$637,370

Shares of beneficial interest  
 outstanding (unlimited

shares authorized)	63,475,904	105,875,564	108,327,575	56,639,797
Net asset value per share	\$31.94	\$13.27	\$25.30	\$11.25

</TABLE>

(continued)

<TABLE>

<CAPTION>

	High-Yield Bond Fund	U.S. Government/ AAA-Rated Securities Fund	Cash Management Fund	(dollars in thousands) Total
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
ASSETS:				
Investment securities at market (cost: \$1,709,744; \$1,295,609; \$2,648,997; \$642,615; \$426,623; \$485,833; \$221,817 and \$7,431,238, respectively)	\$384,058	\$460,509	\$221,817	\$7,928,522
Money market account	100	100	-	600
Cash	57	68	91	539
Receivables for-				
Sales of investments	2,018	3,231	-	28,909
Sales of fund's shares	691	345	168	6,891
Dividends and accrued interest	6,369	5,616	-	31,547
	-----	-----	-----	-----
	393,293	469,869	222,076	7,997,008
LIABILITIES:	-----	-----	-----	-----
Payables for-				
Purchases of investments	3,092	6,464	-	105,968
Repurchases of fund's shares	104	469	1,259	4,132
Management services	165	191	82	3,240
Accrued expenses	7	8	4	312
	-----	-----	-----	-----
	3,368	7,132	1,345	113,652
NET ASSETS AT	-----	-----	-----	-----
NOVEMBER 30, 1994	\$389,925	\$462,737	\$220,731	\$7,883,356
	=====	=====	=====	=====
Shares of beneficial interest outstanding (unlimited shares authorized)	30,260,277	42,851,930	19,895,148	
Net asset value per share	\$12.89	\$10.80	\$11.09	



</TABLE>

See Notes to Financial Statements  
American Variable Insurance Series  
Financial Statements  
Statement of Operations  
for the year ended November 30,1994

<S>	<C>	<C> Inter-	<C> Growth-	<C> Asset
	Growth	national	Income	Allocation
	Fund	Fund	Fund	Fund
	-----	-----	-----	-----
INVESTMENT INCOME:				
Income:				
Dividends	\$13,525	\$21,729	\$64,111	\$13,742
Interest	10,827	12,287	19,812	17,927
	-----	-----	-----	-----
	24,352	34,016	83,923	31,669
	-----	-----	-----	-----
Expenses:				
Management services fee	8,735	8,330	11,517	3,129
Reports to shareholders	120	75	165	39
Registration statement and prospectus	166	90	228	54
Postage, stationery and supplies	3	2	4	1
Trustees' fees	44	23	60	14
Auditing and legal fees	31	16	40	12
Custodian fee	187	1,021	245	63
Taxes other than federal income tax	29	17	39	10
Other expenses	20	38	18	7
	-----	-----	-----	-----
	9,335	9,612	12,316	3,329
	-----	-----	-----	-----
Net investment income	15,017	24,404	71,607	28,340
	-----	-----	-----	-----
REALIZED GAIN (LOSS) AND UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS:				
Realized gain (loss) before non-U.S. taxes	52,610	43,615	112,012	9,504
Non-U.S. taxes	-	57	-	-

Net realized gain (loss)	52,610	43,558	112,012	9,504
Net change in unrealized appreciation (depreciation):				
Beginning of year	338,142	89,602	245,362	33,961
End of year	322,212	111,219	139,391	(7,649)
Net unrealized appreciation (depreciation)	(15,930)	21,617	(105,971)	(41,610)
Net realized gain (loss) and unrealized appreciation (depreciation) on investments	36,680	65,175	6,041	(32,106)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$51,697	\$89,579	\$77,648	\$(3,766)

See Notes to Financial Statements

</TABLE>

(continued)

<TABLE>  
<CAPTION>

	High-Yield Bond Fund	U.S. Government/AAA-Rated Securities Fund	Cash Management Fund	Total
<S>	<C>	<C>	<C>	<C>

(dollars in thousands)

INVESTMENT INCOME:

Income:				
Dividends	\$1	-	-	\$113,108
Interest	39,401	\$35,133	\$8,081	143,468
	39,402	35,133	8,081	256,576
Expenses:				
Management services fee	2,022	2,459	905	37,097
Reports to shareholders	25	31	13	468
Registration statement and prospectus	36	46	14	634

Postage, stationery and supplies	1	1	-	12
Trustees' fees	9	12	4	166
Auditing and legal fees	8	10	5	122
Custodian fee	43	50	21	1,630
Taxes other than federal income tax	7	8	3	113
Other expenses	5	6	4	98
	-----	-----	-----	-----
	2,156	2,623	969	40,340
	-----	-----	-----	-----
Net investment income	37,246	32,510	7,112	216,236
	-----	-----	-----	-----
REALIZED GAIN (LOSS) AND UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS:				
Realized gain (loss) before non-U.S. taxes	(27)	(2,512)	-	215,202
Non-U.S. taxes	-	-	-	57
	-----	-----	-----	-----
Net realized gain (loss)	(27)	(2,512)	-	215,145
	-----	-----	-----	-----
Net change in unrealized appreciation (depreciation):				
Beginning of year	18,642	28,031	-	753,740
End of year	(42,565)	(25,324)	-	497,284
	-----	-----	-----	-----
Net unrealized appreciation (depreciation)	(61,207)	(53,355)	-	(256,456)
	-----	-----	-----	-----
Net realized gain (loss) and unrealized appreciation (depreciation) on investments	(61,234)	(55,867)	-	(41,311)
	-----	-----	-----	-----
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (23,988)	\$ (23,357)	\$ 7,112	\$ 174,925
	=====	=====	=====	=====

</TABLE>

See Notes to Financial Statements  
American Variable Insurance Series  
Financial Statements  
Statement of Changes in Net Assets  
for the year ended November 30, 1994

<TABLE>

<CAPTION>

	Growth	Inter-	Growth-	Asset
	Fund	national	Income	Allocation
	Fund	Fund	Fund	Fund
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
OPERATIONS:				
Net investment income	\$15,017	\$24,404	\$71,607	\$28,340
Net realized gain (loss) on investments	52,610	43,558	112,012	9,504
Net unrealized appreciation				
(depreciation) on investments	(15,930)	21,617	(105,971)	(41,610)
	-----	-----	-----	-----
Net increase (decrease) in net				
assets resulting from operations	51,697	89,579	77,648	(3,766)
	-----	-----	-----	-----
DIVIDENDS AND				
DISTRIBUTIONS PAID TO				
SHAREHOLDERS:				
Dividends from net investment income	(14,164)	(18,349)	(66,032)	(27,518)
Distributions from net realized				
gain on investments	(59,961)	(15,818)	(83,551)	(8,793)
	-----	-----	-----	-----
Total dividends and distributions	(74,125)	(34,167)	(149,583)	(36,311)
	-----	-----	-----	-----
CAPITAL SHARE				
TRANSACTIONS:				
Proceeds from shares sold:				
14,010,480; 43,466,926; 13,134,545;				
7,970,745; 6,513,155; 4,821,568;				
28,332,973 and 118,250,392 shares,				
respectively	448,195	581,497	337,011	92,993
Proceeds from shares issued in				
reinvestment of net investment				
income dividends and distributions				
of net realized gain on investments:				
2,334,569; 2,609,004; 5,881,586;				
3,143,664; 2,912,711; 3,038,723;				
552,766 and 20,473,023 shares,				
respectively	74,125	34,167	149,583	36,311
Cost of shares repurchased:				
6,590,651; 7,999,702; 4,320,323;				
2,577,232; 4,132,973; 6,589,305;				
27,641,214 and 59,851,400 shares,				
respectively	(209,659)	(106,589)	(110,017)	(29,742)

'Net increase in net assets	-----	-----	-----	-----
resulting from capital share				
transactions	312,661	509,075	376,577	99,562
	-----	-----	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	290,233	564,487	304,642	59,485
NET ASSETS:				
Beginning of year	1,737,108	840,399	2,435,724	577,885
	-----	-----	-----	-----
End of year (including				
undistributed net investment				
income: \$4,555; \$7,823; \$21,198;				
\$7,533; \$10,069; \$8,556; \$2,143				
and \$61,877, respectively)	\$2,027,341	\$1,404,886	\$2,740,366	\$637,370
	=====	=====	=====	=====

See Notes to Financial Statements

</TABLE>

(continued)

<TABLE>

<CAPTION>

		U.S.		(dollars in thousands)	
		Government/ High-Yield Bond Fund	AAA-Rated Securities Fund	Cash Management Fund	Total
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:					
Net investment income	\$37,246	\$32,510	\$7,112	\$216,236	
Net realized gain (loss) on investments	(27)	(2,512)	-	215,145	
Net unrealized appreciation					
(depreciation) on investments	(61,207)	(53,355)	-	(256,456)	
	-----	-----	-----	-----	
Net increase (decrease) in net					
assets resulting from operations	(23,988)	(23,357)	7,112	174,925	
	-----	-----	-----	-----	
DIVIDENDS AND					
DISTRIBUTIONS PAID TO					
SHAREHOLDERS:					
Dividends from net investment income	(34,372)	(31,462)	(6,080)	(197,977)	
Distributions from net realized					
gain on investments	(6,377)	(2,925)	-	(177,425)	

Total dividends and distributions	(40,749)	(34,387)	(6,080)	(375,402)
CAPITAL SHARE				
TRANSACTIONS:				
Proceeds from shares sold:				
14,010,480; 43,466,926; 13,134,545; 7,970,745; 6,513,155; 4,821,568; 28,332,973 and 118,250,392 shares, respectively	93,032	55,095	313,018	1,920,841
Proceeds from shares issued in reinvestment of net investment income dividends and distributions of net realized gain on investments:				
2,334,569; 2,609,004; 5,881,586; 3,143,664; 2,912,711; 3,038,723; 552,766 and 20,473,023 shares, respectively	40,749	34,387	6,080	375,402
Cost of shares repurchased:				
6,590,651; 7,999,702; 4,320,323; 2,577,232; 4,132,973; 6,589,305; 27,641,214 and 59,851,400 shares, respectively	(57,974)	(74,350)	(304,971)	(893,302)
'Net increase in net assets resulting from capital share transactions				
	75,807	15,132	14,127	1,402,941
TOTAL INCREASE (DECREASE) IN NET ASSETS	11,070	(42,612)	15,159	1,202,464
NET ASSETS:				
Beginning of year	378,855	505,349	205,572	6,680,892
End of year (including undistributed net investment income: \$4,555; \$7,823; \$21,198; \$7,533; \$10,069; \$8,556; \$2,143 and \$61,877, respectively)				
	\$389,925	\$462,737	\$220,731	\$7,883,356

</TABLE>

See Notes to Financial Statements

American Variable Insurance Series  
Financial Statements

Statement of Changes in Net Assets

for the year ended November 30, 1993

<TABLE>  
<CAPTION>

	Growth Fund	Inter- national Fund	Growth- Income Fund	Asset Allocation Fund
-----				
<S> OPERATIONS:	<C>	<C>	<C>	<C>
Net investment income	\$13,029	\$9,582	\$56,147	\$21,997
Net realized gain on investments	59,726	15,963	82,772	8,909
Net unrealized appreciation on investments	144,638	101,559	88,992	14,253
-----				
Net increase in net assets resulting from operations	217,393	127,104	227,911	45,159
-----				
DIVIDENDS AND DISTRIBUTIONS PAID TO SHAREHOLDERS:				
Dividends from net investment income	(11,826)	(7,893)	(52,017)	(19,186)
Distributions from net realized gain on investments	(9,216)	-	(20,243)	(4,847)
-----				
Total dividends and distributions	(21,042)	(7,893)	(72,260)	(24,033)
-----				
CAPITAL SHARE TRANSACTIONS:				
Proceeds from shares sold:				
15,769,183; 31,639,630; 22,464,776; 15,165,342; 11,473,807; 9,704,277; 22,204,821 and 128,421,836 shares, respectively	474,158	363,435	561,027	178,823
Proceeds from shares issued in reinvestment of net investment income dividends and distributions of net realized gain on investments:				
714,558; 706,625; 2,921,495; 2,063,370; 1,601,297; 2,385,881; 410,128 and 10,803,354 shares, respectively	21,042	7,893	72,260	24,033
Cost of shares repurchased:				
5,439,739; 907,755; 2,285,222; 442,583; 2,024,904; 1,760,218; 21,839,022 and 34,699,443 shares,				

respectively	(166,884)	(9,829)	(57,693)	(5,256)
'Net increase in net assets	-----	-----	-----	-----
resulting from capital share				
transactions	328,316	361,499	575,594	197,600
	-----	-----	-----	-----
TOTAL INCREASE IN NET ASSETS	524,667	480,710	731,245	218,726
NET ASSETS:				
Beginning of year	1,212,441	359,689	1,704,479	359,159
	-----	-----	-----	-----
End of year (including				
undistributed net investment				
income: \$3,702; \$2,703; \$15,623;				
\$6,711; \$7,195; \$7,508; \$1,111				
and \$44,553, respectively)	\$1,737,108	\$840,399	\$2,435,724	\$577,885
	=====	=====	=====	=====

See Notes to Financial Statements

</TABLE>

(continued)

<TABLE>  
<CAPTION>

(dollars  
in  
thousands)

		U.S.		
		Government/		
	High-Yield	AAA-Rated	Cash	
	Bond	Securities	Management	
	Fund	Fund	Fund	Total
<S>	<C>	<C>	<C>	<C>
-----	-----	-----	-----	-----

OPERATIONS:

Net investment income	\$23,370	\$28,356	\$4,241	\$156,722
Net realized gain on investments	6,321	2,831	-	176,522
Net unrealized appreciation on				
investments	13,363	18,067	-	380,872
	-----	-----	-----	-----
Net increase in net assets resulting				
from operations	43,054	49,254	4,241	714,116
	-----	-----	-----	-----

DIVIDENDS AND

DISTRIBUTIONS PAID TO

SHAREHOLDERS:

Dividends from net investment income	(20,359)	(26,819)	(4,502)	(142,602)
Distributions from net realized				



gain on investments	(2,703)	(1,588)	-	(38,597)
	-----	-----	-----	-----
Total dividends and distributions	(23,062)	(28,407)	(4,502)	(181,199)
	-----	-----	-----	-----
CAPITAL SHARE				
TRANSACTIONS:				
Proceeds from shares sold:				
15,769,183; 31,639,630; 22,464,776;				
15,165,342; 11,473,807; 9,704,277;				
22,204,821 and 128,421,836 shares,				
respectively	168,457	116,874	244,540	2,107,314
Proceeds from shares issued in				
reinvestment of net investment				
income dividends and distributions				
of net realized gain on investments:				
714,558; 706,625; 2,921,495;				
2,063,370; 1,601,297; 2,385,881;				
410,128 and 10,803,354 shares,				
respectively	23,062	28,407	4,502	181,199
Cost of shares repurchased:				
5,439,739; 907,755; 2,285,222;				
442,583; 2,024,904; 1,760,218;				
21,839,022 and 34,699,443 shares,				
respectively	(29,835)	(21,222)	(240,582)	(531,301)
'Net increase in net assets				
resulting from capital share				
transactions				
	161,684	124,059	8,460	1,757,212
	-----	-----	-----	-----
TOTAL INCREASE IN NET ASSETS	181,676	144,906	8,199	2,290,129
NET ASSETS:				
Beginning of year	197,179	360,443	197,373	4,390,763
	-----	-----	-----	-----
End of year (including				
undistributed net investment				
income: \$3,702; \$2,703; \$15,623;				
\$6,711; \$7,195; \$7,508; \$1,111				
and \$44,553, respectively)	\$378,855	\$505,349	\$205,572	\$6,680,892
	=====	=====	=====	=====

</TABLE>

See Notes to Financial Statements

#### NOTES TO FINANCIAL STATEMENTS

1. American Variable Insurance Series (the "series") is registered under the

Investment Company Act of 1940 as an open-end, diversified management investment company with seven different funds. The assets of each fund are segregated, with each fund, in effect, accounted for separately. The following paragraphs summarize the significant accounting policies consistently followed by the series in the preparation of its financial statements:

Equity-type securities are stated at market value based upon closing sales prices reported on recognized securities exchanges on the last business day of the year or, for listed securities having no sales reported and for unlisted securities, upon last-reported bid prices on that date. Bonds and notes are valued at prices obtained from a bond-pricing service provided by a major dealer in bonds, when such prices are available; however, in circumstances where the investment adviser deems it appropriate to do so, such securities will be valued at the mean of their representative quoted bid and asked prices or, if such prices are not available, at the mean of such prices for securities of comparable maturity, quality, and type. Short-term securities with original or remaining maturities in excess of 60 days are valued at the mean of their quoted bid and asked prices. Short-term securities with 60 days or less to maturity are valued at amortized cost, which approximates market value. Securities for which market quotations are not readily available are valued at fair value as determined in good faith by the Valuation Committee of the Board of Trustees.

As is customary in the mutual fund industry, securities transactions are accounted for on the date the securities are purchased or sold. Realized gains and losses from securities transactions are reported on an identified cost basis. Dividend and interest income is reported on the accrual basis. Discounts on securities purchased are amortized over the life of the respective securities. Distributions to shareholders are recorded on the ex-dividend date.

Investment securities and other assets and liabilities denominated in non-U.S. currencies are recorded in the financial statements after translation into U.S. dollars utilizing rates of exchange on the last business day of the year. Purchases and sales of investment securities, income, and expenses are calculated using the prevailing exchange rate as accrued. The series does not identify the portion of each amount shown in the series' Statement of Operations under the caption "Realized Gain (Loss) and Unrealized Appreciation (Depreciation) on Investments" that arises from changes in non-U.S. currency exchange rates.

Common expenses incurred by the series are allocated among the funds based upon relative net assets. In all other respects, expenses are charged to each fund as incurred on a specific identification basis.

Pursuant to the custodian agreement, each fund within the series receives credits against its custodian fee for imputed interest on certain balances with the custodian bank. Custodian fees for the series aggregated \$1,630,000 of which \$20,000 was paid by these credits rather than in cash.

During the current year, the series adopted Statement of Position 93-2 "Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain, and Return of Capital Distributions by Investment Companies." Accordingly, book and tax basis differences relating to shareholder distributions are reclassified to or from paid-in capital. As of December 1, 1993, for the International Fund, the cumulative effect of such differences totaling \$878,000 was reclassified from undistributed net investment income to undistributed net realized gains. During the year ended November 30, 1994, the International Fund reclassified \$57,000 from undistributed net investment income to undistributed net realized gains. There were no reclassifications made for the remaining funds in the series. Net investment income, net realized gains and net assets were not affected by this change.

2. It is the series' policy to continue to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net taxable income, including any net realized gain on investments, to its shareholders. Therefore, no federal income tax provision is required. There was no difference between book and tax realized gains on securities transactions for the year ended November 30, 1994. During the year ended November 30, 1994, the U.S. Government/AAA-Rated Securities Fund realized a capital loss of \$1,925,000, which may be used to offset capital gains realized during subsequent years through November 30, 2002. For book and federal income tax purposes, the amounts of unrealized appreciation and depreciation and the cost of portfolio securities at November 30, 1994 were as follows:

(dollars in thousands)

<TABLE>			
<CAPTION>			
		Growth-	Asset
	Growth	International	Income
	Fund	Fund	Fund
			Allocation
			Fund

<S>	<C>	<C>	<C>	<C>
Unrealized appreciation	\$407,856	\$163,838	\$239,448	\$26,643
Unrealized depreciation	85,644	52,619	100,057	34,292
Net unrealized appreciation				
(depreciation)	322,212	111,219	139,391	(7,649)
Cost of portfolio securities	1,709,744	1,295,609	2,648,997	642,615

</TABLE>

(continued)

<TABLE>  
<CAPTION>

		U.S.		
	High-Yield	Government/	Cash	
	Bond	AAA-Rated	Management	
	Fund	Securities Fund	Fund	Total
<S>	<C>	<C>	<C>	<C>
Unrealized appreciation	\$1,370	\$2,210	-	\$841,365
Unrealized depreciation	43,935	27,534	-	344,081
Net unrealized appreciation				
(depreciation)	(42,565)	(25,324)	-	497,284
Cost of portfolio securities	426,623	485,833	\$221,817	7,431,238

</TABLE>

- - - - -

3. The fees for management services were paid pursuant to an agreement with Capital Research and Management Company (CRMC), with which certain officers and Trustees of the series are affiliated. The Investment Advisory and Service Agreement provides for monthly fees, accrued daily, based on the following annual rates: Growth Fund - 0.60% of the first \$30 million of average net assets; 0.50% of such assets in excess of \$30 million but not exceeding \$600 million; 0.45% of such assets in excess of \$600 million but not exceeding \$1.2 billion; 0.42% of such assets in excess of \$1.2 billion but not exceeding \$2.0 billion; and 0.37% of such assets in excess of \$2.0 billion; International Fund - 0.90% of the first \$60 million of average net assets; 0.78% of such assets in excess of \$60 million but not exceeding \$600 million; and 0.60% of such assets in excess of \$600 million; Growth-Income Fund - 0.60% of the first \$30 million of average net assets; 0.50% of such assets in excess of \$30 million but not exceeding \$600 million; 0.45% of such assets in excess of \$600 million but not exceeding \$1.5 billion; 0.40% of such assets in excess of \$1.5 billion but not exceeding \$2.5 billion; and 0.32% of such assets in excess of \$2.5 billion; Asset Allocation Fund - 0.60% of the first \$30 million of average net assets; 0.50% of such assets in excess of \$30 million but not exceeding \$600 million; and 0.42% of such assets in excess of \$600 million; High-Yield Bond Fund - 0.60% of the first \$30 million of average net assets; 0.50% of such assets in excess of \$30 million but not exceeding \$600 million; and 0.46% of such assets in excess of \$600 million; U.S. Government/AAA-Rated Securities Fund - 0.60% of the first \$30 million of average net assets; 0.50% of such assets in excess of \$30 million but not exceeding \$600 million; and 0.40% of such assets in excess of \$600 million; Cash Management Fund - 0.50% of the first \$100 million of average net assets; 0.42% of such assets in excess of \$100 million but not exceeding \$400 million; and 0.38% of such assets in excess of \$400 million.

4.  
(dollars in thousands)

<TABLE>  
<CAPTION>

			Growth-	Asset
	Growth	International	Income	Allocation
	Fund	Fund	Fund	Fund
<S>	<C>	<C>	<C>	<C>

As of November 30, 1994:

Accumulated undistributed net realized gain (loss) on investments	\$51,164	\$43,362	\$111,125	\$9,449
Paid-in capital	1,649,410	1,242,482	2,468,652	628,037
For the year ended November 30, 1994:				
Purchases of investment securities*	814,748	594,357	1,049,551	342,994
Sales of investment securities*	491,089	184,676	629,807	209,047

</TABLE>

(continued)

<TABLE>

<CAPTION>

	U.S.			
	High-Yield Bond Fund	Government/AAA-Rated Securities Fund	Cash Management Fund	Total
<S>	<C>	<C>	<C>	<C>
As of November 30, 1994:				
Accumulated undistributed net realized gain (loss) on investments	\$ (97)	\$ (2,642)	-	\$212,361
Paid-in capital	422,518	482,147	\$218,588	7,111,834
For the year ended November 30, 1994:				
Purchases of investment securities*	202,376	184,296	-	3,188,322
Sales of investment securities*	144,885	182,518	-	1,842,022

<S>

As of November 30, 1994:

Accumulated undistributed

net realized gain (loss) on

investments	\$ (97)	\$ (2,642)	-	\$212,361
Paid-in capital	422,518	482,147	\$218,588	7,111,834

For the year ended

November 30, 1994:

Purchases of investment

securities*	202,376	184,296	-	3,188,322
-------------	---------	---------	---	-----------

Sales of investment

securities*	144,885	182,518	-	1,842,022
-------------	---------	---------	---	-----------

</TABLE>

\*Excludes short-term securities

5. Dividend and interest income for the International Fund is recorded net of non-U.S. taxes paid. For the year ended November 30, 1994, such non-U.S. taxes were \$2,993,000.

PER-SHARE DATA AND RATIOS

<TABLE>

<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Period ended	Net asset value, beginning	Net investment	Net realized & unrealized gain (loss) on investment	Total income from investment	Dividends from investment	Distributions from net realized	Total distributions

11/30	of period	income	ments	operations	income	gains	butions
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -
Growth Fund							
1990	\$22.91	\$.54	\$(2.27)	\$(1.73)	\$(.56)	\$(.64)	\$(1.20)
1991	19.98	.41	4.48	4.89	(.47)	(.22)	(.69)
1992	24.18	.29	4.25	4.54	(.31)/1/	-	(.31)
1993	28.41	.25	4.13	4.38	(.24)	(.21)	(.45)
1994	32.34	.24	.69	.93	(.24)	(1.09)	(1.33)
International Fund							
1990	\$10.00	\$.11	\$(.62)	\$(.51)	\$(.04)	-	\$(.04)
1991	9.45	.22	.59	.81	(.24)	-	(.24)
1992	10.02	.19	(.09)	.10	(.21)	(.02)	(.23)
1993	9.89	.17	2.50	2.67	(.16)	-	(.16)
1994	12.40	.25	1.04	1.29	(.20)	(.22)	(.42)
Growth-Income Fund							
1990	\$21.43	\$.82	\$(1.91)	\$(1.09)	\$(.86)	\$(.25)	\$(1.11)
1991	19.23	.75	2.63	3.38	(.79)	(.10)	(.89)
1992	21.72	.65	2.74	3.39	(.67)	(.27)	(.94)
1993	24.17	.63	2.12	2.75	(.63)	(.28)	(.91)
1994	26.01	.68	.14	.82	(.65)	(.88)	(1.53)
Asset Allocation Fund							
1990	\$10.17	\$.50	\$(.75)	\$(.25)	\$(.42)	-	\$(.42)
1991	9.50	.53	1.11	1.64	(.55)	-	(.55)
1992	10.59	.48	.94	1.42	(.49)	\$(.05)	(.54)
1993	11.47	.51	.67	1.18	(.49)	(.15)	(.64)
1994	12.01	.51	(.57)	(.06)	(.52)	(.18)	(.70)
High-Yield Bond Fund							
1990	\$12.82	\$1.33	\$(1.02)	\$.31	\$(1.30)	-	\$(1.30)
1991	11.83	1.17	1.78	2.95	(1.25)	-	(1.25)
1992	13.53	1.10	.62	1.72	(1.08)	-	(1.08)
1993	14.17	1.09	1.20	2.29	(1.10)	\$(.19)	(1.29)
1994	15.17	1.27	(2.07)	(.80)	(1.23)	(.25)	(1.48)
U.S. Government/AAA Rated							
Securities Fund							
1990	\$10.74	\$.83	\$(.11)	\$.72	\$(.80)	-	\$(.80)
1991	10.66	.77	.58	1.35	(.79)	-	(.79)
1992	11.22	.75	.32	1.07	(.76)	-	(.76)
1993	11.53	.74	.68	1.42	(.75)	\$(.05)	(.80)
1994	12.15	.76	(1.30)	(.54)	(.74)	(.07)	(.81)
Cash Management Fund							

1990	\$11.00	\$.71	\$.13	.84	\$ (.70)	-	\$ (.70)
1991	11.14	.62	.01	.63	(.66)	-	(.66)
1992	11.11	.35	.01	.36	(.43)	-	(.43)
1993	11.04	.29	-	.29	(.31)	-	(.31)
1994	11.02	.37	.02	.39	(.32)	-	(.32)

</TABLE>

(continued)

<TABLE>

<CAPTION>

<S>

<C>                      <C>                      <C>                      <C>                      <C>                      <C>

PER-SHARE

DATA AND

RATIOS

Ratio

Period ended 11/30	Net asset value, end of period	Total return	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of income to average net assets	Portfolio turnover rate
--------------------	--------------------------------	--------------	---	---	---------------------------------------	-------------------------

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Growth Fund

1990	\$19.98	(7.87) %	\$304	.59%	3.00%	16.8%
1991	24.18	24.90	700	.56	1.94	9.8
1992	28.41	18.90	1,212	.53	1.15	11.2
1993	32.34	15.59	1,737	.50	.86	20.4
1994	31.94	2.92	2,027	.49	.78	29.6

International Fund /2/

1990	\$9.45	(5.08) %	\$66	1.03%/3/	3.18%/3/	4.5%
1991	10.02	8.67	197	1.04	2.62	8.2
1992	9.89	.90	360	1.00	2.11	16.7
1993	12.40	27.20	840	.96	1.75	17.7
1994	13.27	10.48	1,405	.80	2.03	19.7

Growth-Income Fund

1990	\$19.23	(5.27) %	\$535	.56%	4.77%	9.7%
1991	21.72	17.83	1,022	.56	3.80	11.1

1992	24.17	15.90	1,704	.52	3.01	13.6
1993	26.01	11.63	2,436	.49	2.66	24.9
1994	25.30	3.21	2,740	.47	2.72	29.3

Asset Allocation Fund

1990	\$9.50	(2.34)%	\$106	.64%	6.70%	14.4%
1991	10.59	17.63	194	.59	5.56	15.1
1992	11.47	13.69	359	.57	4.73	19.7
1993	12.01	10.59	578	.55	4.66	19.0
1994	11.25	(.54)	637	.53	4.55	36.1

High-Yield Bond Fund

1990	\$11.83	2.49%	\$58	.68%	11.17%	22.7%
1991	13.53	26.22	107	.63	9.81	18.1
1992	14.17	13.14	197	.59	8.88	47.4
1993	15.17	17.09	379	.56	8.18	34.1
1994	12.89	(5.71)	390	.54	9.37	38.5

U.S. Government/AAA Rated

Securities Fund

1990	\$10.66	7.11%	\$126	.61%	8.58%	24.0%
1991	11.22	13.24	240	.58	7.91	27.1
1992	11.53	9.83	360	.57	7.08	40.0
1993	12.15	12.65	505	.55	6.42	21.7
1994	10.80	(4.58)	463	.54	6.69	45.2

Cash Management Fund

1990	\$11.14	7.91%	\$143	.60%	7.48%	-
1991	11.11	5.84	163	.58	5.65	-
1992	11.04	3.31	197	.53	3.24	-
1993	11.02	2.67	206	.51	2.57	-
1994	11.09	3.59	221	.49	3.60	-

</TABLE>

/1/ Amount includes net realized short-term gains treated as net investment income for federal income tax purposes.

/2/ Commenced operations May 1, 1990.

/3/ Annualized

#### REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees and Shareholders of  
American Variable Insurance Series

In our opinion, the accompanying statements of assets and liabilities, including the investment portfolios, and the related statements of operations and of changes in net assets and the per-share data and ratios present fairly, in all material respects, the financial position of the Growth Fund, the International Fund, the Growth-Income Fund, the Asset Allocation Fund, the High-Yield Bond Fund, the U.S. Government/AAA-Rated Securities Fund and the Cash Management Fund (constituting the American Variable Insurance Series, hereafter referred to as the "Series") at November 30, 1994, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period then ended, and the per-share data and ratios for each of the four years in the period then ended, in conformity with generally accepted accounting principles. These financial statements and per-share data and ratios (hereafter referred to as "financial statements") are the responsibility of the Series' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at November 30, 1994 by correspondence with the custodian and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above. The financial statements of the American Variable Insurance Series at and for the year ended November 30, 1990, including the per-share data and ratios for the year then ended, were audited by other independent accountants whose report dated December 26, 1990 expressed an unqualified opinion on those statements.

/s/Price Waterhouse LLP  
Los Angeles, California

December 30, 1994

#### PART C OTHER INFORMATION

##### ITEM 24. FINANCIAL STATEMENTS AND EXHIBITS

###### (A) FINANCIAL STATEMENTS:

Included in Prospectus - Part A

Financial Highlights

Included in Statement of Additional Information - Part B

Statement of Assets and Liabilities Per Share Data and Ratios

Statement of Operations Notes to Financial Statements

Statement of Changes in Net Assets Report of Independent Accountants

###### (B) EXHIBITS:

1. On file (see SEC files nos. 811-3857 and 2-86838)
2. On file (see SEC files nos. 811-3857 and 2-86838)
3. None.
4. None.
5. On file (see SEC files nos. 811-3857 and 2-86838)
6. None.
7. None.
8. On file (see SEC files nos. 811-3857 and 2-86838)
9. On file (see SEC files nos. 811-3857 and 2-86838)
10. Not applicable to this filing.
11. Consent of Independent Accountants.
12. None.
13. On file (see SEC files nos. 811-3857 and 2-86838)
14. None.
15. None.
16. None.

##### ITEM 25. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH REGISTRANT.

None.



ITEM 26. NUMBER OF HOLDERS OF SECURITIES.  
As of November 30, 1994.

<TABLE>  
<CAPTION>

Title of Class	Number of Record-Holders
<S>	<C>

</TABLE>

Beneficial Interest 9  
(no par value)

</TABLE>

ITEM 27. INDEMNIFICATION.

Registrant is a joint-insured under an Investment Adviser/Mutual Fund Errors and Omissions Policy. The carrier of the primary policy in the amount of \$15 million is American International Surplus Lines Insurance Company and it has a \$250,000 deductible. The carrier of the secondary policy in the amount of \$10 million is Chubb Custom Insurance Company. The carrier of the excess policy in the amount of \$20 million is ICI Mutual Insurance Company.

Article VI of the Trust's By-Laws states:

(a) The Trust shall indemnify any Trustee or officer of the Trust who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than action by or in the right of the Trust) by reason of the fact that such person is or was such Trustee or officer or an employee or agent of the Trust, or is or was serving at the request of the Trust as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Trust, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.

(b) The Trust shall indemnify any Trustee or officer of the Trust who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Trust to procure a judgment in its favor by reason of the fact that such person is or was such Trustee or officer or an employee or agent of the Trust, or is or was serving at the request of the Trust as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Trust, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Trust unless and only to the extent that the court in which such action or suit was brought, or any other court having jurisdiction in the premises, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a Trustee or officer of the Trust has been successful on the merits in defense of any action, suit or proceeding referred to in subparagraphs (a) or (b) above or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity for the determination as to the standard of conduct as provided in subparagraph (d).

(d) Any indemnification under subparagraph (a) or (b) (unless ordered by a court) shall be made by the Trust only as authorized in the specific case upon a determination that indemnification of the Trustee or officer is proper under the standard of conduct set forth in subparagraph (a) or (b). Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of Trustees who were not parties to such action, suit or proceeding, and are disinterested Trustees or (ii) if such a quorum of disinterested Trustees so directs, by independent legal counsel in a written opinion; and any determinations so made shall be conclusive.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Trust in advance of the final disposition of such action, suit or proceeding, as authorized in the particular case, upon receipt of an undertaking and security by or on behalf of the Trustee or officer to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Trust as authorized herein.

(f) Agents and employees of the Trust who are not Trustees or officers of the Trust may be indemnified under the same standards and procedures set forth above, in the discretion of the Board.

(g) Any indemnification pursuant to this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be Trustee or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

(h) Nothing in the Declaration of Trust or in these By-Laws shall be deemed to protect any Trustee, officer, distributor, investment adviser or controlling shareholder of the Trust against any liability to the Trust or to its shareholders to which such person would otherwise be subject by reason of willful malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

(i) The Trust shall have power to purchase and maintain insurance on behalf of any person against any liability asserted against or incurred by such person, whether or not the Trust would have the power to indemnify such person against such liability under the provisions of this Article. Nevertheless, insurance will not be purchased or maintained by the Trust if the purchase or maintenance of such insurance would result in the indemnification or any person in contravention of any rule or regulation of the Securities and Exchange Commission.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to Trustees, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a Trustee, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such Trustee, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

ITEM 28. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER.

None.

ITEM 29. PRINCIPAL UNDERWRITERS.

Not applicable.

ITEM 30. LOCATION OF ACCOUNTS AND RECORDS.

Accounts, books and other records required by Rules 31a-1 and 31a-2 under the Investment Company Act of 1940, as amended, are maintained and kept in the offices of the Series and its investment adviser, Capital Research and Management Company, 333 South Hope Street, Los Angeles, CA 90071. Certain accounting records are maintained and kept in the offices of the Investment Adviser's accounting department, 135 South State College Blvd., Brea, CA 92621.

Records covering portfolio transactions are also maintained and kept by the custodian, State Street Bank and Trust Company, 225 Franklin Street, Boston, Massachusetts 02101.

ITEM 31. MANAGEMENT SERVICES.

None.

ITEM 32. UNDERTAKINGS.

None.

#### SIGNATURE OF REGISTRANT

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant certifies that it meets all of the requirements for effectiveness of this Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, and State of California, on the 28th day of July, 1995.

AMERICAN VARIABLE INSURANCE SERIES

By /s/ James F. Rothenberg

James F. Rothenberg, President and Trustee

Pursuant to the requirements of the Securities Act of 1933, this amendment to Registration Statement has been signed below on July 28, 1995, by the following persons in the capacities indicated.

<TABLE>

<CAPTION>  
SIGNATURE TITLE  
<S> <C> <C>

(1) Principal Executive Officer:

/s/ James F. Rothenberg President and Trustee  
James F. Rothenberg

(2) Principal Financial Officer and  
Principal Accounting Officer:

/s/ Steven N. Kearsley Vice President and Treasurer  
Steven N. Kearsley

(3) Trustees:

Charles H. Black*	Trustee
H. Frederick Christie*	Trustee
Joe E. Davis*	Trustee
Martin Fenton, Jr.*	Trustee
Richard H. M. Holmes*	Trustee
Mary Myers Kauppila*	Trustee
/s/ James F. Rothenberg	
James F. Rothenberg	President and Trustee
Thomas E. Terry*	Chairman of the Board
Leonard Weil*	Trustee

</TABLE>

\*By /s/ Chad L. Norton  
Chad L. Norton (Attorney-in-Fact)

Counsel reports that the amendment does not contain disclosures that would make the amendment ineligible for effectiveness under the provisions of rule 485(b).

/s/ Michele Y. Yang  
Michele Y. YangC-5

## CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Statement of Additional Information constituting part of this Post-Effective Amendment No. 20 to the registration statement on Form N-1A (the "Registration Statement") of our report dated December 30, 1994, relating to the financial statements and selected per share data and ratios of American Variable Insurance Series, which appears in such Statement of Additional Information, and to the incorporation by reference of our report into the Prospectus which constitutes part of this Registration Statement. We also consent to the references to us under the headings "General Information-Independent Accountants" and "General Information-Reports to Shareholders" in such Statement of Additional Information and to the reference to us under the heading "Financial Highlights" in such Prospectus.

PRICE WATERHOUSE LLP  
Los Angeles, California  
July 28, 1995