

ABC Balanced Fund

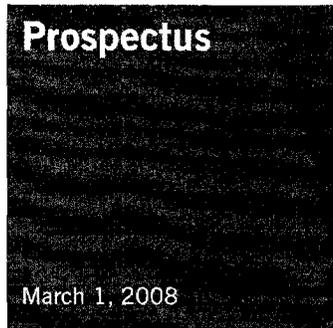


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The Securities and Exchange Commission has not approved or disapproved of these securities. Further, it has not determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Risk/Return summary

The fund strives to provide you with conservation of capital, current income and long-term growth of both capital and income. The fund invests in a broad range of securities, including stocks and bonds. The fund is designed for investors seeking current income and capital appreciation through a mix of investments that provide above-average price stability.

Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests and by changing interest rates and credit risk assessments, as well as economic, political or social events in the United States or abroad.

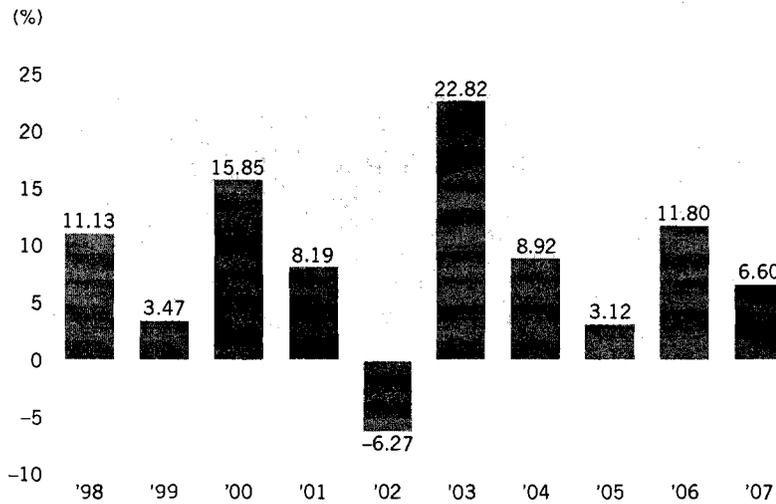
Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

You may lose money by investing in the fund. The likelihood of loss may be greater if you invest for a shorter period of time.

Historical investment results

The bar chart below shows how the fund's investment results have varied from year to year, and the Investment Results table on page 4 shows how the fund's average annual total returns for various periods compare with different broad measures of market performance. This information provides some indication of the risks of investing in the fund. All fund results reflect the reinvestment of dividends and capital gain distributions, if any. Unless otherwise noted, fund results reflect any fee waivers and/or expense reimbursements in effect during the period presented. Past results (before and after taxes) are not predictive of future results.

Calendar year total returns for Class A shares
(Results do not include a sales charge; if a sales charge were included, results would be lower.)



Highest/Lowest quarterly results during this time period were:

Highest 12.76% (quarter ended June 30, 2003)
Lowest -11.53% (quarter ended September 30, 2002)

Unlike the bar chart on the previous page, the Investment Results table on the following page reflects, as required by Securities and Exchange Commission rules, the fund's investment results with the following maximum initial or contingent deferred sales charges imposed:

- Class A share results reflect the maximum initial sales charge of 5.75%. This charge is reduced for purchases of \$25,000 or more and eliminated for purchases of \$1 million or more.
- Class B share results reflect the applicable contingent deferred sales charge. For example, results for the one-year period shown reflect a contingent deferred sales charge of 5%. These charges begin to decline one year after purchase and are eliminated six years after purchase.
- Class C share results for the one-year period shown reflect a contingent deferred sales charge of 1%, which applies only if shares are sold within one year of purchase.
- Class 529-E and Class F shares are sold without any initial or contingent deferred sales charge.

Results would be higher if calculated without sales charges. The references above to Class A, B, C or F sales charges also apply to the corresponding Class 529-A, 529-B, 529-C or 529-F sales charges.

The Investment Results table shows the fund's results on both a pretax and after-tax basis, as required by Securities and Exchange Commission rules. After-tax returns are shown only for Class A shares; after-tax returns for other share classes will vary. Total returns shown "after taxes on distributions" reflect the effect of taxes on distributions (for example, dividends or capital gain distributions) by the fund. Total returns shown "after taxes on distributions and sale of fund shares" assume that you sold your fund shares at the end of the particular time period and, as a result, reflect the effect of both taxes on distributions by the fund and taxes on any gain or loss realized upon the sale of the shares. After-tax returns are calculated using the highest individual federal income tax rates in effect during each year of the periods shown and do not reflect the impact of state and local taxes.

Your actual after-tax returns depend on your individual tax situation and likely will differ from the results shown below. In addition, after-tax returns may not be relevant if you hold your fund shares through a tax-deferred arrangement, such as a 401(k) plan, individual retirement account (IRA) or 529 college savings plan.

Unlike the Investment Results table on page 4, the Additional Investment Results table on page 9 reflects the fund's results calculated without sales charges.

investment results (with maximum sales charges)

Average annual total returns for periods ended December 31, 2007

	1 year	5 years	10 years
Class A -- from 7/26/75 ¹			
Before taxes	0.47%	9.15%	7.66%
After taxes on distributions	-0.49	8.30	6.08
After taxes on distributions and sale of fund shares	1.03	7.69	5.85
	1 year	5 years	Lifetime ²
Class B --- first sold 3/15/00			
Before taxes	0.83%	9.36%	8.62%
Class C --- first sold 3/15/01			
Before taxes	4.73	9.56	6.72
Class F --- first sold 3/15/01			
Before taxes	6.61	10.44	7.57
Class 529-A --- first sold 2/15/02			
Before taxes	0.35	9.11	6.53
Class 529-B --- first sold 2/15/02			
Before taxes	0.64	9.19	6.58
Class 529-C --- first sold 2/19/02			
Before taxes	4.70	9.49	6.97
Class 529-E --- first sold 3/5/02			
Before taxes	6.18	10.03	6.81
Class 529-F --- first sold 9/17/02			
Before taxes	6.71	10.46	10.35
	1 year	5 years	10 years
Indexes (before taxes) ³			
S&P 500 ⁴	5.49%	12.82%	5.91%
Lehman Brothers U.S. Aggregate Index ⁵	6.97	4.42	5.97
Lipper Balanced Funds Index ⁶	6.53	10.33	6.14
Class A annualized 30-day yield at December 31, 2007: 2.69% ⁷ (For current yield information, please call 800/xxx-xxxx.)			

¹ July 26, 1975 is the date on which Investment Adviser became the fund's investment adviser.

² Lifetime results for each share class are measured from the date the share class was first sold.

³ The funds or securities that compose each index may vary over time.

⁴ Standard & Poor's 500 Composite Index is a market capitalization-weighted index based on the average weighted performance of 500 widely held common stocks. This index is unmanaged and includes reinvested dividends and/or distributions, but does not reflect sales charges, commissions, expenses or taxes.

⁵ Lehman Brothers U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market. This index is unmanaged and includes reinvested dividends and/or distributions, but does not reflect sales charges, commissions, expenses or taxes.

⁶ Lipper Balanced Funds Index is an equally weighted index of funds that seek to conserve principal by maintaining a balanced portfolio of both stocks and bonds. Typically, the stock/bond ratio ranges around 60%/40%. The results of the underlying funds in the index include the reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions, but do not reflect sales charges or taxes.

⁷ Reflects a fee waiver (2.67% without the waiver) as described in the Annual Fund Operating Expenses table under "Fees and expenses of the fund."

Fees and expenses of the fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the fund.

Shareholder fees (paid directly from your investment)

	Class A ¹	Class B ¹	Class C ¹	Class 529-E ²	Class F ^{1,3}
Maximum initial sales charge on purchases (as a percentage of offering price)	5.75% ⁴	none	none	none	none
Maximum sales charge on reinvested dividends	none	none	none	none	none
Maximum contingent deferred sales charge	none ⁵	5.00% ⁶	1.00% ⁷	none	none
Redemption or exchange fees	none	none	none	none	none

Annual fund operating expenses (deducted from fund assets)

	Class A	Class B	Class C	Class F
Management fees ⁸	0.24%	0.24%	0.24%	0.24%
Distribution and/or service (12b-1) fees ⁹	0.25	1.00	1.00	0.25
Other expenses ¹⁰	0.11	0.11	0.16	0.10
Total annual fund operating expenses ⁸	0.60	1.35	1.40	0.59

	Class 529-A	Class 529-B	Class 529-C	Class 529-E	Class 529-F
Management fees ⁸	0.24%	0.24%	0.24%	0.24%	0.24%
Distribution and/or service (12b-1) fees ¹¹	0.22	1.00	1.00	0.50	—
Other expenses ^{10,12}	0.22	0.23	0.23	0.22	0.22
Total annual fund operating expenses ⁸	0.68	1.47	1.47	0.96	0.46

¹ Includes corresponding 529 share class. Accounts holding these 529 shares are subject to a \$10 account setup fee and an annual \$10 account maintenance fee, which are not reflected in this table.

² Available only to employer-sponsored 529 plans. Accounts holding these shares are subject to a \$10 account setup fee and an annual \$10 account maintenance fee, which are not reflected in this table.

³ Class F and 529-F shares are generally available only to fee-based programs of investment dealers that have special agreements with the fund's distributor and to certain registered investment advisers.

⁴ The initial sales charge is reduced for purchases of \$25,000 or more and eliminated for purchases of \$1 million or more.

⁵ A contingent deferred sales charge of 1.00% applies on certain redemptions made within one year following purchases of \$1 million or more made without an initial sales charge.

⁶ The contingent deferred sales charge is reduced one year after purchase and eliminated six years after purchase.

⁷ The contingent deferred sales charge is eliminated one year after purchase.

⁸ The fund's investment adviser is currently waiving 10% of its management fee. The waiver may be discontinued at any time, in consultation with the fund's board, but it is expected to continue at this level until further review. The fund's investment adviser and board intend to review the waiver as circumstances warrant. Management fees and total annual fund operating expenses in the table do not reflect any waiver. Information regarding the effect of any waiver on total annual fund operating expenses can be found in the Financial Highlights table in this prospectus and in the fund's annual report.

⁹ Class A and F 12b-1 fees may not exceed .25% and .50%, respectively, of each class's average net assets annually. Class B and C 12b-1 fees may not exceed 1.00% of each class's average net assets annually.

¹⁰ Includes custodial, legal, transfer agent and subtransfer agent/recordkeeping payments and various other expenses. Subtransfer agent/recordkeeping payments may be made to third parties (including affiliates of the fund's investment adviser) that provide subtransfer agent, recordkeeping and/or shareholder services with respect to certain shareholder accounts in lieu of the transfer agent providing such services. The amount paid for subtransfer agent/recordkeeping services will vary depending on the share class and services provided, and typically ranges from \$3 to \$19 per account.

¹¹ Class 529-A and 529-F 12b-1 fees may not exceed .50% of each class's average net assets annually. Class 529-B and 529-C 12b-1 fees may not exceed 1.00% of each class's average net assets annually. Class 529-E 12b-1 fees may not exceed .75% of the class's average net assets annually.

¹² Includes .10% paid to a state or states for oversight and administrative services.

Examples

The examples below are intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above. The examples do not reflect the impact of any fee waivers or expense reimbursements. The examples assuming redemption do not reflect the effect of any taxable gain or loss at the time of the redemption.

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

	1 year	3 years	5 years	10 years
Class A ¹	\$633	\$756	\$ 891	\$1,282
Class B — assuming redemption ²	637	828	939	1,418
Class B — assuming no redemption ³	137	428	739	1,418
Class C — assuming redemption ⁴	243	443	766	1,680
Class C — assuming no redemption	143	443	766	1,680
Class F — excluding intermediary fees ⁵	60	189	329	738
Class 529-A ^{1,6}	660	819	991	1,478
Class 529-B — assuming redemption ^{2,6}	669	904	1,060	1,645
Class 529-B — assuming no redemption ^{3,6}	169	504	860	1,645
Class 529-C — assuming redemption ^{4,6}	269	504	860	1,857
Class 529-C — assuming no redemption ⁶	169	504	860	1,857
Class 529-E ⁶	118	345	589	1,281
Class 529-F — excluding intermediary fees ^{5,6}	67	187	317	686

¹ Reflects the maximum initial sales charge.

² Reflects applicable contingent deferred sales charges through year six and Class A or 529-A expenses for years nine and 10 because Class B and 529-B shares automatically convert to Class A and 529-A shares, respectively, after eight years.

³ Reflects Class A or 529-A expenses for years nine and 10 because Class B and 529-B shares automatically convert to Class A and 529-A shares, respectively, after eight years.

⁴ Reflects a contingent deferred sales charge in the first year.

⁵ Does not include fees charged by financial intermediaries, which are independent of fund expenses and will increase the overall cost of your investment. Intermediary fees typically range from .75% to 1.50% of assets annually depending on the services offered.

⁶ Reflects an initial \$10 account setup fee and an annual \$10 account maintenance fee.

Investment objectives, strategies and risks

The investment objectives of the fund are: (1) conservation of capital, (2) current income and (3) long-term growth of capital and income. The fund approaches the management of its investments as if they constituted the complete investment program of the prudent investor. The fund invests in a broad range of securities, including stocks and bonds (rated Baa or better by Moody's Investors Service, Inc. or BBB or better by Standard & Poor's Corporation or unrated but determined to be of equivalent quality). The fund also invests in securities issued and guaranteed by the U.S. government. Normally, the fund will maintain at least 50% of the value of its assets in common stocks and at least 25% of the value of its assets in debt securities, including money market securities.

The prices of, and the income generated by, securities held by the fund may decline in response to certain events, including those directly involving the companies whose securities are owned by the fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations.

Securities held by the fund may also be affected by changing interest rates, and by changes in effective maturities and credit ratings. For example, the prices of debt securities in the fund's portfolio generally will decline when interest rates rise and increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, "call" or refinance a security before its stated maturity, which may result in the fund having to reinvest the proceeds in lower yielding securities. Lower quality or longer maturity debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality or shorter maturity debt securities. A security backed by the U.S. Treasury or the full faith and credit of the U.S. government is guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market prices for these securities will fluctuate with changes in interest rates. The fund's investment adviser attempts to reduce these risks through diversification of the portfolio and with ongoing credit analysis of each issuer, as well as by monitoring economic and legislative developments, but there can be no assurance that it will be successful at doing so.

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

The fund may also hold cash or money market instruments. The percentage of the fund invested in such holdings varies and depends on various factors, including market con-

ditions and purchases and redemptions of fund shares. A larger percentage of such holdings could moderate the fund's investment results in a period of rising market prices.

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

The fund relies on the professional judgment of its investment adviser to make decisions about the fund's portfolio investments. The basic investment philosophy of the investment adviser is to seek to invest in attractively priced securities that, in its opinion, represent above-average long-term investment opportunities. The investment adviser believes that an important way to accomplish this is through fundamental analysis, which may include meeting with company executives and employees, suppliers, customers and competitors. Securities may be sold when the investment adviser believes that they no longer represent relatively attractive investment opportunities.

Additional investment results

Unlike the Investment Results table on page 4, the table below reflects the fund's results calculated without sales charges.

Additional investment results (without sales charges)

Average annual total returns for periods ended December 31, 2007

	1 year	5 years	10 years
Class A — from 7/26/75 ¹			
Before taxes	6.60%	10.46%	8.31%
After taxes on distributions	5.58	9.59	6.71
After taxes on distributions and sale of fund shares	5.06	8.84	6.43
1 year 5 years Lifetime ²			
Class B — first sold 3/15/00			
Before taxes	5.83%	9.64%	8.62%
Class C — first sold 3/15/01			
Before taxes	5.73	9.56	6.72
Class F — first sold 3/15/01			
Before taxes	6.61	10.44	7.57
Class 529-A — first sold 2/15/02			
Before taxes	6.47	10.41	7.62
Class 529-B — first sold 2/15/02			
Before taxes	5.64	9.47	6.71
Class 529-C — first sold 2/19/02			
Before taxes	5.70	9.49	6.97
Class 529-E — first sold 3/5/02			
Before taxes	6.18	10.03	6.81
Class 529-F — first sold 9/17/02			
Before taxes	6.71	10.46	10.35
1 year 5 years 10 years			
Indexes (before taxes) ³			
S&P 500 ⁴	5.49%	12.82%	5.91%
Lehman Brothers U.S. Aggregate Index ⁵	6.97	4.42	5.97
Lipper Balanced Funds Index ⁶	6.53	10.33	6.14

Class A distribution rate at December 31, 2007: 2.63%⁷

(For current distribution rate information, please call 800/xxx-xxxx.)

¹ July 26, 1975 is the date on which Investment Adviser became the fund's investment adviser.

² Lifetime results for each share class are measured from the date the share class was first sold.

³ The funds or securities that compose each index may vary over time.

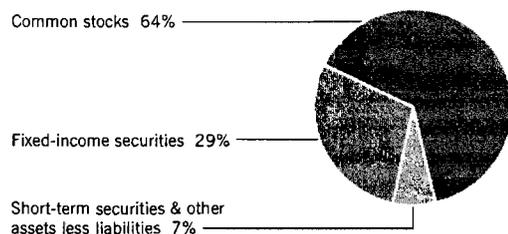
⁴ Standard & Poor's 500 Composite Index is a market capitalization-weighted index based on the average weighted performance of 500 widely held common stocks. This index is unmanaged and includes reinvested dividends and/or distributions, but does not reflect sales charges, commissions, expenses or taxes.

⁵ Lehman Brothers U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market. This index is unmanaged and includes reinvested dividends and/or distributions, but does not reflect sales charges, commissions, expenses or taxes.

⁶ Lipper Balanced Funds Index is an equally weighted index of funds that seek to conserve principal by maintaining a balanced portfolio of both stocks and bonds. Typically, the stock/bond ratio ranges around 60%/40%. The results of the underlying funds in the index include the reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions, but do not reflect sales charges or taxes.

⁷ The distribution rate is based on actual distributions paid to Class A shareholders over a 12-month period. Capital gain distributions, if any, are added back to the net asset value to determine the rate.

Investment mix by security type as of December 31, 2007 (percent of net assets)



Five largest sectors in common stock holdings as of December 31, 2007

Sector	Percent of net assets
Information technology	12.9%
Industrials	9.3
Financials	7.9
Health care	7.4
Consumer staples	6.8

Ten largest common stock holdings as of December 31, 2007

Company	Percent of net assets
Microsoft	2.5%
IBM	1.8
General Electric	1.7
Berkshire Hathaway	1.7
Wal-Mart Stores	1.7
Coca-Cola	1.5
Nokia	1.4
Chevron	1.4
Altria	1.4
Oracle	1.2

Bond holdings by quality category as of December 31, 2007

See the appendix in the statement of additional information for a description of quality categories.

Quality Category	Percent of net assets
U.S. government*	5.3%
Federal agencies	5.0
AAA/Aaa	8.7
AA/Aa	2.0
A	3.9
BBB/Baa	4.5
	0.2

* These securities are guaranteed by the full faith and credit of the U.S. government.

Because the fund is actively managed, its holdings will change over time.

For updated information on the fund's portfolio holdings, please visit us at abcgroup.com.

Management and organization

Investment adviser

Investment Adviser serves as investment adviser to the fund and other funds. Investment Adviser manages the investment portfolio and business affairs of the fund. The total management fee paid by the fund, as a percentage of average net assets, for the previous fiscal year appears in the Annual Fund Operating Expenses table under "Fees and expenses of the fund." A discussion regarding the basis for the approval of the fund's investment advisory and service agreement by the fund's board of directors is contained in the fund's annual report to shareholders for the fiscal year ended December 31, 2007.

Execution of portfolio transactions

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

Portfolio holdings

Portfolio holdings information for the fund is available on the Fund Group's ("Funds") website at abcgroup.com. To reach this information, access the lower portion of the fund's details page on the website. A list of the fund's top 10 equity holdings, updated as of each month-end, is generally posted to this page within 14 days after the end of the applicable month. A link to the fund's complete list of publicly disclosed portfolio holdings, updated as of each calendar quarter-end, is generally posted to this page within 45 days after the end of the applicable quarter. Both lists remain available on the website until new information for the next month or quarter is posted. Portfolio holdings information for the fund is also contained in reports filed with the Securities and Exchange Commission.

A description of the fund's policies and procedures regarding disclosure of information about its portfolio holdings is available in the statement of additional information.

Multiple portfolio counselor system

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

The primary individual portfolio counselors for ABC Balanced Fund are:

Portfolio counselor/ Fund title (if applicable)	Portfolio counselor experience in this fund	Primary title with investment adviser (or affiliate) and investment experience	Portfolio counselor's role in management of the fund
John Doe Vice Chairman of the Board	22 years	Senior Vice President Investment professional for 36 years	Serves as an equity portfolio counselor
Jane Jones President	5 years	Senior Vice President Investment professional for 14 years	Serves as an equity portfolio counselor
Michael Smith Senior Vice President	9 years	Senior Vice President Investment professional for 21 years	Serves as an equity/ fixed-income portfolio counselor
Kate Lee Senior Vice President	11 years	Senior Vice President Investment professional for 26 years	Serves as a fixed-income portfolio counselor

Information regarding the portfolio counselors' compensation, their ownership of securities in the fund and other accounts they manage can be found in the statement of additional information.

Shareholder information

Shareholder services

Service Company, the fund's transfer agent, offers a wide range of services that you can use to alter your investment program should your needs and circumstances change. These services may be terminated or modified at any time upon 60 days' written notice. For your convenience, Service Company has four service centers across the country.

Service Company service areas

Call toll-free from anywhere in the United States (8 a.m. to 8 p.m. ET) 800/xxx-xxxx
Access the Funds website abcgroup.com

Western service center	Western Central service center	Eastern Central service center	Eastern service center
[address]	[address]	[address]	[address]

A more detailed description of policies and services is included in the fund's statement of additional information and the owner's guide sent to new Funds shareholders entitled *Welcome*. Class 529 shareholders should also refer to the applicable program description for information on policies and services specifically relating to their account(s). These documents are available by writing or calling Service Company. Certain privileges and/or services described on the following pages of this prospectus and in the statement of additional information may not be available to you depending on your investment dealer. Please see your financial adviser or investment dealer for more information.

Choosing a share class

The fund offers different classes of shares through this prospectus. Class A, B, C and F shares are available through various investment programs or accounts, including certain types of retirement plans (see limitations below). The services or share classes available to you may vary depending upon how you wish to purchase shares of the fund.

Investors residing in any state may purchase Class 529 shares through an account established with a 529 college savings plan managed by the Funds organization. Class 529-A, 529-B, 529-C and 529-F shares are structured similarly to the corresponding Class A, B, C and F shares. For example, the same initial sales charges apply to Class 529-A shares as to Class A shares. Class 529-E shares are available only to investors participating through an eligible employer plan.

Each share class represents an investment in the same portfolio of securities, but each class has its own sales charge and expense structure, allowing you to choose the class that best fits your situation. **When you purchase shares of the fund, you should choose a share class. If none is chosen, your investment will be made in Class A shares or, in the case of a 529 plan investment, Class 529-A shares.**

Factors you should consider in choosing a class of shares include:

- how long you expect to own the shares;
- how much you intend to invest;
- total expenses associated with owning shares of each class;
- whether you qualify for any reduction or waiver of sales charges (for example, Class A or 529-A shares may be a less expensive option over time, particularly if you qualify for a sales charge reduction or waiver);
- whether you plan to take any distributions in the near future (for example, the contingent deferred sales charge will not be waived if you sell your Class 529-B or 529-C shares to cover higher education expenses); and
- availability of share classes:
 - Class B and C shares are not available to retirement plans that do not currently invest in such shares and that are eligible to invest in Class R shares, including employer-sponsored retirement plans such as defined benefit plans, 401(k) plans, 457 plans, employer-sponsored 403(b) plans, and money purchase pension and profit-sharing plans; and
 - Class F and 529-F shares are generally available only to fee-based programs of investment dealers that have special agreements with the fund's distributor and to certain registered investment advisers.

Each investor's financial considerations are different. You should speak with your financial adviser to help you decide which share class is best for you.

Unless otherwise noted, references in the following pages to Class A, B, C or F shares also refer to the corresponding Class 529-A, 529-B, 529-C or 529-F shares.

Summary of the primary differences among share classes

Class A shares	
Initial sales charge	up to 5.75% (reduced for purchases of \$25,000 or more and eliminated for purchases of \$1 million or more)
Contingent deferred sales charge	none (except that a charge of 1.00% applies to certain redemptions made within one year following purchases of \$1 million or more without an initial sales charge)
12b-1 fees	up to .25% annually (for Class 529-A shares, may not exceed .50% annually)
Dividends	generally higher than other classes due to lower annual expenses, but may be lower than Class F shares, depending on relative expenses
Purchase maximum	none
Conversion	none
Class B shares	
Initial sales charge	none
Contingent deferred sales charge	starts at 5.00%, declining to 0% six years after purchase
12b-1 fees	up to 1.00% annually
Dividends	generally lower than Class A and F shares due to higher 12b-1 fees and other expenses, but higher than Class C shares due to lower other expenses
Purchase maximum	see the discussion regarding purchase minimums and maximums in "Purchase and exchange of shares"
Conversion	automatic conversion to Class A or 529-A shares after eight years, reducing future annual expenses
Class C shares	
Initial sales charge	none
Contingent deferred sales charge	1.00% if shares are sold within one year after purchase
12b-1 fees	up to 1.00% annually
Dividends	generally lower than other classes due to higher 12b-1 fees and other expenses
Purchase maximum	see the discussion regarding purchase minimums and maximums in "Purchase and exchange of shares"
Conversion	automatic conversion to Class F shares after 10 years, reducing future annual expenses (Class 529-C shares will not convert to Class 529-F shares)
Class 529-E shares	
Initial sales charge	none
Contingent deferred sales charge	none
12b-1 fees	currently up to .50% annually (may not exceed .75% annually)
Dividends	generally higher than Class 529-B and 529-C shares due to lower 12b-1 fees, but lower than Class 529-A and 529-F shares due to higher 12b-1 fees
Purchase maximum	none
Conversion	none
Class F shares	
Initial sales charge	none
Contingent deferred sales charge	none
12b-1 fees	currently up to .25% annually (may not exceed .50% annually)
Dividends	generally higher than Class B and C shares due to lower 12b-1 fees, and may be higher than Class A shares, depending on relative expenses
Purchase maximum	none
Conversion	none

Purchase and exchange of shares

The fund's transfer agent, on behalf of the fund and Distributors, the fund's distributor, is required by law to obtain certain personal information from you or any other person(s) acting on your behalf in order to verify your or such person's identity. If you do not provide the information, the transfer agent may not be able to open your account. If the transfer agent is unable to verify your identity or that of any other person(s) authorized to act on your behalf, or believes it has identified potentially criminal activity, the fund and Distributors reserve the right to close your account or take such other action they deem reasonable or required by law.

When purchasing shares, you should designate the fund or funds in which you wish to invest. In the case of accounts other than 529 accounts, if no fund is designated and the amount of your cash investment is more than \$5,000, your money will be held uninvested (without liability to the transfer agent for loss of income or appreciation pending receipt of proper instructions) until investment instructions are received, but for no more than three business days. Your investment will be made at the net asset value (plus any applicable sales charge in the case of Class A shares) next determined after investment instructions are received and accepted by the transfer agent. If investment instructions are not received, your money will be invested in Class A shares of The Money Market Fund on the third business day after receipt of your investment.

In the case of accounts other than 529 accounts, if no fund is designated and the amount of your cash investment is \$5,000 or less, your money will be invested in the same proportion and in the same fund or funds in which your last cash investment (excluding exchanges) was made, provided such investment was made within the last 16 months. If no investment was made within the last 16 months, your money will be held uninvested (without liability to the transfer agent for loss of income or appreciation pending receipt of proper instructions) until investment instructions are received, but for no more than three business days. Your investment will be made at the net asset value (plus any applicable sales charge in the case of Class A shares) next determined after investment instructions are received and accepted by the transfer agent. If investment instructions are not received, your money will be invested in Class A shares of The Money Market Fund on the third business day after receipt of your investment.

Purchase of Class A, B and C shares

You may generally open an account and purchase Class A, B and C shares by contacting any financial adviser (who may impose transaction charges in addition to those described in this prospectus) authorized to sell the fund's shares. You may purchase additional shares in various ways, including through your financial adviser and by mail, telephone, the Internet and bank wire.

Purchase of Class F shares

You may generally open an account and purchase Class F shares only through fee-based programs of investment dealers that have special agreements with the fund's distributor and through certain registered investment advisers. These dealers and advisers typically charge ongoing fees for services they provide.

Purchase of Class 529 shares

Class 529 shares may be purchased only through an account established with a 529 college savings plan managed by the Funds organization. You may open this type of account and purchase 529 shares by contacting any financial adviser (who may impose transaction charges in addition to those described in this prospectus) authorized to sell such an account. You may purchase additional shares in various ways, including through your financial adviser and by mail, telephone, the Internet and bank wire.

Class 529-E shares may be purchased only by employees participating through an eligible employer plan.

Exchange

Generally, you may exchange your shares into shares of the same class of other Funds without a sales charge. Class A, C or F shares may generally be exchanged into the corresponding 529 share class without a sales charge. Class B shares may not be exchanged into Class 529-B shares. **Exchanges from Class A, C or F shares to the corresponding 529 share class, particularly in the case of Uniform Gifts to Minors Act or Uniform Transfers to Minors Act custodial accounts, may result in significant legal and tax consequences as described in the applicable program description. Please consult your financial adviser before making such an exchange.**

Exchanges of shares from Funds money market funds initially purchased without a sales charge generally will be subject to the appropriate sales charge. For purposes of computing the contingent deferred sales charge on Class B and C shares, the length of time you have owned your shares will be measured from the date of original purchase and will not be affected by any permitted exchange.

Exchanges have the same tax consequences as ordinary sales and purchases. For example, to the extent you exchange shares held in a taxable account that are worth more now than what you paid for them, the gain will be subject to taxation. See "Transactions by telephone, fax or the Internet" for information regarding electronic exchanges.

Frequent trading of fund shares

The fund and Distributors reserve the right to reject any purchase order for any reason. The fund is not designed to serve as a vehicle for frequent trading. Frequent trading of fund shares may lead to increased costs to the fund and less efficient management of the fund's portfolio, potentially resulting in dilution of the value of the shares held by long-term share-

holders. Accordingly, purchases, including those that are part of exchange activity that the fund or Distributors has determined could involve actual or potential harm to the fund, may be rejected.

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

In addition to the fund's broad ability to restrict potentially harmful trading as described above, the fund's board of directors has adopted a "purchase blocking policy" under which any shareholder redeeming shares (including redemptions that are part of an exchange transaction) having a value of \$5,000 or more from the fund will be precluded from investing in the fund (including investments that are part of an exchange transaction) for 30 calendar days after the redemption transaction. Under the fund's purchase blocking policy, certain purchases will not be prevented and certain redemptions will not trigger a purchase block, such as: systematic redemptions and purchases where the entity maintaining the shareholder account is able to identify the transaction as a systematic redemption or purchase; purchases and redemptions of shares having a value of less than \$5,000; transactions in Class 529 shares; purchases and redemptions resulting from reallocations by Target Date Retirement Series; retirement plan contributions, loans and distributions (including hardship withdrawals) identified as such on the retirement plan recordkeeper's system; and purchase transactions involving transfers of assets, rollovers, Roth IRA conversions and IRA recharacterizations, where the entity maintaining the shareholder account is able to identify the transaction as one of these types of transactions.

The fund reserves the right to waive the purchase blocking policy with respect to specific shareholder accounts in those instances where Service Company determines that its surveillance procedures are adequate to detect frequent trading in fund shares.

Service Company will work with certain intermediaries (such as investment dealers holding shareholder accounts in street name, retirement plan recordkeepers, insurance company separate accounts and bank trust companies) to apply their own procedures, provided that Service Company believes the intermediary's procedures are reasonably designed to enforce the frequent trading policies of the fund. You should refer to disclosures provided

by the intermediaries with which you have an account to determine the specific trading restrictions that apply to you.

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

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

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

Purchase minimums and maximums

Purchase minimums for all classes of shares¹

To establish an account (including retirement plan and 529 accounts)	\$ 250 ²
For a payroll deduction retirement plan account, payroll deduction savings plan account or employer-sponsored 529 account	25
To add to an account	50
For a payroll deduction retirement plan account, payroll deduction savings plan account or employer-sponsored 529 account	25
Purchase maximum per transaction for Class B shares	50,000
Purchase maximum per transaction for Class C shares	500,000

¹ Purchase minimums may be waived in certain cases. Please see the statement of additional information for details.

² For accounts established with an automatic investment plan, the initial purchase minimum of \$250 may be waived if the purchases (including purchases through exchanges from another fund) made under the plan are sufficient to reach \$250 within five months of account establishment.

The effective purchase maximums for Class 529-A, 529-C, 529-E and 529-F shares will reflect the maximum applicable contribution limits under state law. See the applicable program description for more information.

If you have significant Funds holdings, you may not be eligible to invest in Class B or C shares (or their corresponding 529 share classes). Specifically, you may not purchase Class B or 529-B shares if you are eligible to purchase Class A or 529-A shares at the \$100,000 or higher sales charge discount rate, and you may not purchase Class C or 529-C shares if you are eligible to purchase Class A or 529-A shares at the \$1 million or more sales charge discount rate (i.e., at net asset value). See "Sales charge reductions and waivers" in this prospectus and the statement of additional information for more information regarding sales charge discounts.

Valuing shares

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

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

Your shares will be purchased at the net asset value (plus any applicable sales charge in the case of Class A shares) or sold at the net asset value next determined after Service Company receives and accepts your request. A contingent deferred sales charge may apply at the time you sell certain Class A, B and C shares.

Moving between share classes and accounts

Please see the statement of additional information for details and limitations on moving investments in certain share classes to different share classes, and on moving investments held in certain accounts to different accounts.

Sales charges

Class A shares

The initial sales charge you pay each time you buy Class A shares differs depending upon the amount you invest and may be reduced or eliminated for larger purchases as indicated below. The "offering price," the price you pay to buy shares, includes any applicable sales charge, which will be deducted directly from your investment. Shares acquired through reinvestment of dividends or capital gain distributions are not subject to an initial sales charge.

Investment	Sales charge as a percentage of:		
	Offering price	Net amount invested	Dealer commission as a percentage of offering price
Less than \$25,000	5.75%	6.10%	5.00%
\$25,000 but less than \$50,000	5.00	5.26	4.25
\$50,000 but less than \$100,000	4.50	4.71	3.75
\$100,000 but less than \$250,000	3.50	3.63	2.75
\$250,000 but less than \$500,000	2.50	2.56	2.00
\$500,000 but less than \$750,000	2.00	2.04	1.60
\$750,000 but less than \$1 million	1.50	1.52	1.20
\$1 million or more and certain other investments described below	none	none	see below

The sales charge, expressed as a percentage of the offering price or the net amount invested, may be higher or lower than the percentages described in the table above due to rounding. This is because the dollar amount of the sales charge is determined by subtracting the net asset value of the shares purchased from the offering price, which is calculated to two decimal places using standard rounding criteria. The impact of rounding will vary with the size of the investment and the net asset value of the shares. Similarly, any contingent deferred sales charge paid by you on investments in Class A shares may be higher or lower than the 1% charge described below due to rounding.

Except as provided below, investments in Class A shares of \$1 million or more may be subject to a 1% contingent deferred sales charge if the shares are sold within one year of purchase. The contingent deferred sales charge is based on the original purchase cost or the current market value of the shares being sold, whichever is less.

Class A purchases not subject to sales charges

The following investments are not subject to any initial or contingent deferred sales charge if Service Company is properly notified of the nature of the investment:

- investments in Class A shares made by endowments or foundations with \$50 million or more in assets;
- investments made by accounts that are part of certain qualified fee-based programs and that purchased Class A shares before the discontinuation of your investment dealer's load-waived Class A share program with the Funds; and
- certain rollover investments from retirement plans to IRAs (see "Rollovers from retirement plans to IRAs" in this prospectus for more information).

The distributor may pay dealers up to 1% on investments made in Class A shares with no initial sales charge. The fund may reimburse the distributor for these payments through its plans of distribution (see "Plans of distribution" in this prospectus).

Transfers from certain 529 plans to plans managed by the Funds organization will be made with no sales charge. No commission will be paid to the dealer on such a transfer. Please see the statement of additional information for more information.

Certain other investors may qualify to purchase shares without a sales charge, such as employees of investment dealers and registered investment advisers authorized to sell Funds, and employees of the organization. Please see the statement of additional information for more information.

Employer-sponsored retirement plans

Many employer-sponsored retirement plans are eligible to purchase Class R shares. Such eligible plans and Class R shares are described in more detail in the fund's retirement plan prospectus.

Employer-sponsored retirement plans that are eligible to purchase Class R shares may instead purchase Class A shares and pay the applicable Class A sales charge, provided their recordkeepers can properly apply a sales charge on plan investments. These plans are not eligible to make initial purchases of \$1 million or more in Class A shares and thereby invest in Class A shares without a sales charge, nor are they eligible to establish a statement of intention that qualifies them to purchase Class A shares without a sales charge. More information about statements of intention can be found under "Sales charge reductions and waivers" in this prospectus. Plans investing in Class A shares with a sales charge may purchase additional Class A shares in accordance with the sales charge table above.

Employer-sponsored retirement plans that invested in Class A shares without any sales charge on or before March 31, 2004, and that continue to meet the eligibility requirements in effect as of that date for purchasing Class A shares at net asset value, may continue to purchase Class A shares without any initial or contingent deferred sales charge.

Class B and C shares

Class B and C shares are sold without any initial sales charge. Distributors pays 4% of the amount invested to dealers who sell Class B shares and 1% to dealers who sell Class C shares.

For Class B shares, a contingent deferred sales charge may be applied to shares you sell within six years of purchase, as shown in the table below.

Contingent deferred sales charge on Class B shares

Year of redemption:	1	2	3	4	5	6	7+
Contingent deferred sales charge:	5%	4%	4%	3%	2%	1%	0%

For Class C shares, a contingent deferred sales charge of 1% applies if shares are sold within one year of purchase.

Any contingent deferred sales charge paid by you on investments in Class B or C shares, expressed as a percentage of the applicable redemption amount, may be higher or lower than the percentages described above due to rounding.

Shares acquired through reinvestment of dividends or capital gain distributions are not subject to a contingent deferred sales charge. In addition, the contingent deferred sales charge may be waived in certain circumstances. See "Contingent deferred sales charge waivers" below. The contingent deferred sales charge is based on the original purchase cost or the current market value of the shares being sold, whichever is less. For purposes of determining the contingent deferred sales charge, if you sell only some of your shares, shares that are not subject to any contingent deferred sales charge will be sold first, followed by shares that you have owned the longest.

See "Plans of distribution" in this prospectus for ongoing compensation paid to your dealer or financial adviser for all share classes.

Automatic conversion of Class B and C shares

Class B shares automatically convert to Class A shares in the month of the eight-year anniversary of the purchase date. Class C shares automatically convert to Class F shares in the month of the 10-year anniversary of the purchase date; however, Class 529-C shares will not convert to Class 529-F shares. The Internal Revenue Service currently takes the position that these automatic conversions are not taxable. Should its position change, the automatic conversion feature may be suspended. If this happens, you would have the option of converting your Class B, 529-B or C shares to the respective share classes at the anniversary dates described above. This exchange would be based on the relative net asset values of the two classes in question, without the imposition of a sales charge or fee, but you might face certain tax consequences as a result.

Class 529-E and Class F shares

Class 529-E and Class F shares are sold without any initial or contingent deferred sales charge.

Sales charge reductions and waivers

To receive a reduction in your Class A initial sales charge, you must let your financial adviser or Service Company know at the time you purchase shares that you qualify for such a reduction. If you do not let your adviser or Service Company know that you are eligible for a reduction, you may not receive a sales charge discount to which you are otherwise entitled. In order to determine your eligibility to receive a sales charge discount, it may be necessary for you to provide your adviser or Service Company with information and records (including account statements) of all relevant accounts invested in the Funds.

To have your Class A, B or C contingent deferred sales charge waived, you must let your adviser or Service Company know at the time you redeem shares that you qualify for such a waiver.

In addition to the information in this prospectus, you may obtain more information about share classes, sales charges and sales charge reductions and waivers through a link on the home page of the Funds website at abcgroup.com, from the statement of additional information or from your financial adviser.

Reducing your Class A initial sales charge

Consistent with the policies described in this prospectus, you and your "immediate family" (your spouse — or equivalent if recognized under local law — and your children under the age of 21) may combine all of your Funds investments to reduce your Class A sales charge. Certain investments in the Target Date Retirement Series may also be combined for this purpose. Please see the Target Date Retirement Series prospectus for further information. However, for this purpose, investments representing direct purchases of Funds money market funds are excluded. Following are different ways that you may qualify for a reduced Class A sales charge:

Aggregating accounts

To receive a reduced Class A sales charge, investments made by you and your immediate family (see above) may be aggregated if made for your own account(s) and/or certain other accounts, such as:

- trust accounts established by the above individuals (please see the statement of additional information for details regarding aggregation of trust accounts where the person(s) who established the trust is/are deceased);
- solely controlled business accounts; and
- single-participant retirement plans.

Concurrent purchases

You may combine simultaneous purchases (including, upon your request, purchases for gifts) of any class of shares of two or more Funds (excluding Funds money market funds) to qualify for a reduced Class A sales charge.

Rights of accumulation

You may take into account your accumulated holdings in all share classes of the Funds (excluding Funds money market funds) to determine the initial sales charge you pay on each purchase of Class A shares. Subject to your investment dealer's capabilities, your accumulated holdings will be calculated as the higher of (a) the current value of your existing holdings or (b) the amount you invested (excluding capital appreciation) less any withdrawals. Please see the statement of additional information for details. You

should retain any records necessary to substantiate the historical amounts you have invested.

If you make a gift of shares, upon your request you may purchase the shares at the sales charge discount allowed under rights of accumulation of all of your Funds accounts.

Statement of intention

You may reduce your Class A sales charge by establishing a statement of intention. A statement of intention allows you to combine all purchases of all share classes of the Funds (excluding Funds money market funds) you intend to make over a 13-month period to determine the applicable sales charge; however, purchases made under a right of reinvestment, appreciation of your holdings, and reinvested dividends and capital gains do not count as purchases made during the statement period. The market value of your existing holdings eligible to be aggregated as of the day immediately before the start of the statement period may be credited toward satisfying the statement. A portion of your account may be held in escrow to cover additional Class A sales charges that may be due if your total purchases over the statement period do not qualify you for the applicable sales charge reduction. Employer-sponsored retirement plans may be restricted from establishing statements of intention. See "Sales charges" in this prospectus for more information.

Right of reinvestment

Please see "How to sell shares" in this prospectus for information on how to reinvest proceeds from a redemption, dividend payment or capital gain distribution without a sales charge.

Contingent deferred sales charge waivers

The contingent deferred sales charge on Class A, B and C shares may be waived in the following cases:

- permitted exchanges of shares, except if shares acquired by exchange are then redeemed within the period during which a contingent deferred sales charge would apply to the initial shares purchased;
- tax-free returns of excess contributions to IRAs;
- redemptions due to death or postpurchase disability of the shareholder (this generally excludes accounts registered in the names of trusts and other entities);
- for 529 share classes only, redemptions due to a beneficiary's death, postpurchase disability or receipt of a scholarship (to the extent of the scholarship award);
- redemptions due to the complete termination of a trust upon the death of the trustor/grantor or beneficiary, but only if such termination is specifically provided for in the trust document; and

- the following types of transactions, if together they do not exceed 12% of the value of an account annually (see the statement of additional information for more information about waivers regarding these types of transactions):
 - redemptions due to receiving required minimum distributions from retirement accounts upon reaching age 70½ (required minimum distributions that continue to be taken by the beneficiary(ies) after the account owner is deceased also qualify for a waiver); and
 - if you have established an automatic withdrawal plan, redemptions through such a plan (including any dividends and/or capital gain distributions taken in cash).

Rollovers from retirement plans to IRAs

Assets from retirement plans may be invested in Class A, B, C or F shares through an IRA rollover. Rollovers invested in Class A shares from retirement plans will be subject to applicable sales charges. The following rollovers to Class A shares will be made without a sales charge:

- rollovers to IRAs from 403(b) plans with the organization's Bank and Trust Company as custodian; and
- rollovers to IRAs that are attributable to Funds investments, if they meet the following requirements:
 - the assets being rolled over were invested in Funds at the time of distribution; and
 - the rolled over assets are contributed to a Funds IRA with the organization's Bank and Trust Company as custodian.

IRA rollover assets that roll over without a sales charge as described above will not be subject to a contingent deferred sales charge and investment dealers will be compensated solely with an annual service fee that begins to accrue immediately. IRA rollover assets invested in Class A shares that are not attributable to Funds investments, as well as future contributions to the IRA, will be subject to sales charges and the terms and conditions generally applicable to Class A share investments as described in the prospectus and statement of additional information.

Plans of distribution

The fund has plans of distribution or "12b-1 plans" under which it may finance activities primarily intended to sell shares, provided the categories of expenses are approved in advance by the fund's board of directors. The plans provide for payments, based on annualized percentages of average daily net assets, of up to .25% for Class A shares; up to .50% for Class 529-A shares; up to 1.00% for Class B, 529-B, C and 529-C shares; up to .75% for Class 529-E shares; and up to .50% for Class F and 529-F shares. For all share classes, up to .25% of these expenses may be used to pay service fees to qualified dealers for providing certain shareholder services. The amount remaining for each share class may be used for distribution expenses.

The 12b-1 fees paid by the fund, as a percentage of average net assets, for the previous fiscal year are indicated in the Annual Fund Operating Expenses table under "Fees and expenses of the fund." Since these fees are paid out of the fund's assets or income on an ongoing basis, over time they will increase the cost and reduce the return of your investment. The higher fees for Class B and C shares may cost you more over time than paying the initial sales charge for Class A shares.

Other compensation to dealers

Distributors, at its expense, currently provides additional compensation to investment dealers. These payments may be made, at the discretion of Distributors, to the top 75 dealers (or their affiliates) that have sold shares of the Funds. The level of payments made to a qualifying firm in any given year will vary and in no case would exceed the sum of (a) .10% of the previous year's Funds sales by that dealer and (b) .02% of Funds assets attributable to that dealer. For calendar year 2007, aggregate payments made by Distributors to dealers were less than .02% of the assets of the Funds. Aggregate payments may also change from year to year. A number of factors will be considered in determining payments, including the qualifying dealer's sales, assets and redemption rates, and the quality of the dealer's relationship with Distributors. Distributors makes these payments to help defray the costs incurred by qualifying dealers in connection with efforts to educate financial advisers about the Funds so that they can make recommendations and provide services that are suitable and meet shareholder needs. Distributors will, on an annual basis, determine the advisability of continuing these payments. Distributors may also pay expenses associated with meetings conducted by dealers outside the top 75 firms to facilitate educating financial advisers and shareholders about the Funds. The investment advisers, distributors or affiliates of mutual funds pay additional compensation or other incentives in differing amounts, dealer firms and their advisers may have financial incentives for recommending a particular mutual fund over other mutual funds. You should consult with your financial adviser and review carefully any disclosure by your financial adviser's firm as to compensation received.

How to sell shares

You may sell (redeem) shares in any of the following ways:

Through your dealer or financial adviser (certain charges may apply)

- Shares held for you in your dealer's name must be sold through the dealer.
- Class F shares must be sold through your dealer or financial adviser.

Writing to Service Company

- Requests must be signed by the registered shareholder(s).
- A signature guarantee is required if the redemption is:
 - more than \$75,000;
 - made payable to someone other than the registered shareholder(s); or
 - sent to an address other than the address of record or to an address of record that has been changed within the last 10 days.
- Service Company reserves the right to require signature guarantee(s) on any redemptions.
- Additional documentation may be required for redemptions of shares held in corporate, partnership or fiduciary accounts.

Telephoning or faxing Service Company or using the Internet

- Redemptions by telephone, fax or the Internet are limited to \$75,000 per Funds shareholder each day.
- Checks must be made payable to the registered shareholder.
- Checks must be mailed to an address of record that has been used with the account for at least 10 days.

If you recently purchased shares and subsequently request a redemption of those shares, you will receive proceeds from the redemption once a sufficient period of time has passed to reasonably ensure that checks or drafts (including certified or cashier's checks) for the shares purchased have cleared (normally 10 business days).

If you notify Service Company, you may reinvest proceeds from a redemption, dividend payment or capital gain distribution without a sales charge in the same fund or other Funds provided that the reinvestment occurs within 90 days after the date of the redemption or distribution and is made into the same account from which you redeemed the shares or received the distribution. If the account has been closed, you may reinvest without a sales charge if the new receiving account has the same registration as the closed account. Proceeds from a Class B share redemption made during the contingent deferred sales charge period will be reinvested in Class A shares. If you redeem Class B shares after the contingent deferred sales charge period, you may either reinvest the proceeds in Class B shares or purchase Class A shares; if you purchase Class A shares you are responsible for paying any applicable Class A sales charges. Proceeds from any other type of redemption and all dividend payments and capital gain distributions will be rein-

vested in the same share class from which the original redemption or distribution was made. Any contingent deferred sales charge on Class A or C shares will be credited to your account. Redemption proceeds of Class A shares representing direct purchases in Funds money market funds that are reinvested in non-money market Funds will be subject to a sales charge. Proceeds will be reinvested at the next calculated net asset value after your request is received and accepted by Service Company. For purposes of this "right of reinvestment policy," automatic transactions (including, for example, automatic purchases, withdrawals and payroll deductions) and ongoing retirement plan contributions are not eligible for investment without a sales charge. You may not reinvest proceeds in the Funds as described in this paragraph if such proceeds are subject to a purchase block as described under "Frequent trading of fund shares." This paragraph does not apply to certain rollover investments as described under "Rollovers from retirement plans to IRAs."

Transactions by telephone, fax or the Internet

Generally, you are automatically eligible to redeem or exchange shares by telephone, fax or the Internet, unless you notify us in writing that you do not want any or all of these services. You may reinstate these services at any time.

Unless you decide not to have telephone, fax or Internet services on your account(s), you agree to hold the fund, Service Company, any of its affiliates or mutual funds managed by such affiliates, and each of their respective directors, trustees, officers, employees and agents harmless from any losses, expenses, costs or liabilities (including attorney fees) that may be incurred in connection with the exercise of these privileges, provided Service Company employs reasonable procedures to confirm that the instructions received from any person with appropriate account information are genuine. If reasonable procedures are not employed, Service Company and/or the fund may be liable for losses due to unauthorized or fraudulent instructions.

Distributions and taxes

Dividends and distributions

The fund intends to distribute dividends to you, usually in February, May, August and December.

Capital gains, if any, are usually distributed in December. When a dividend or capital gain is distributed, the net asset value per share is reduced by the amount of the payment.

You may elect to reinvest dividends and/or capital gain distributions to purchase additional shares of this fund or other Funds, or you may elect to receive them in cash. Most shareholders do not elect to take capital gain distributions in cash because these distributions reduce principal value. Dividends and capital gain distributions for 529 share classes will be automatically reinvested.

Taxes on dividends and distributions

Dividends and capital gain distributions you receive from the fund will be subject to federal income tax and may also be subject to state or local taxes — unless you are exempt from taxation.

For federal tax purposes, dividends and distributions of short-term capital gains are taxable as ordinary income. Some or all of your dividends may be eligible for a reduced tax rate if you meet a holding period requirement. The fund's distributions of net long-term capital gains are taxable as long-term capital gains. Any dividends or capital gain distributions you receive from the fund will normally be taxable to you when made, regardless of whether you reinvest dividends or capital gain distributions or receive them in cash.

Taxes on transactions

Your redemptions, including exchanges, may result in a capital gain or loss for federal tax purposes. A capital gain or loss on your investment is the difference between the cost of your shares, including any sales charges, and the amount you receive when you sell them.

Please see your tax adviser for more information. Holders of 529 shares should refer to the applicable program description for more information regarding the tax consequences of selling 529 shares.

Financial highlights

The Financial Highlights table is intended to help you understand the fund's results for the past five fiscal years. Certain information reflects financial results for a single share of a particular class. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the fund (assuming reinvestment of all dividends and capital gain distributions). Where indicated, figures in the table reflect the impact, if any, of certain reimbursements/waivers from Investment Adviser. For more information about these reimbursements/waivers, see the footnotes to the Annual Fund Operating Expenses table under "Fees and expenses of the fund" in this prospectus and the fund's annual report. The information in the Financial Highlights table has been audited by Deloitte & Touche LLP, whose report, along with the fund's financial statements, is included in the statement of additional information, which is available upon request.

	Income from investment operations ¹				Dividends and distributions				Net asset value, end of year	Total return ³	Net assets, end of year (in millions)	Ratio of	Ratio of	Ratio of net income to average net assets ⁵
	Net asset value, beginning of year	Net investment income	Net gains or securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions	before reimbursements/waivers ²				after reimbursements/waivers ²	expenses to average net assets	
Class A:														
Year ended 12/31/2007	\$19.02	\$.53	\$.72	\$1.25	\$(.52)	\$(.44)	\$(.96)	\$19.31	6.60%	\$37,999	.60%	.58%	2.68%	
Year ended 12/31/2006	17.82	.47	1.61	2.08	(.47)	(.41)	(.88)	19.02	11.80	35,431	.61	.58	2.57	
Year ended 12/31/2005	18.00	.41	.15	.56	(.40)	(.34)	(.74)	17.82	3.12	33,009	.61	.59	2.31	
Year ended 12/31/2004	17.29	.39	1.12	1.51	(.36)	(.44)	(.80)	18.00	8.92	29,162	.63	.62	2.23	
Year ended 12/31/2003	14.42	.37	2.87	3.24	(.37)	—	(.37)	17.29	22.82	19,951	.67	.67	2.38	
Class B:														
Year ended 12/31/2007	18.96	.38	.72	1.10	(.37)	(.44)	(.81)	19.25	5.83	5,391	1.35	1.32	1.94	
Year ended 12/31/2006	17.77	.33	1.60	1.93	(.33)	(.41)	(.74)	18.96	10.95	5,386	1.36	1.33	1.82	
Year ended 12/31/2005	17.95	.28	.15	.43	(.27)	(.34)	(.61)	17.77	2.37	5,180	1.36	1.34	1.56	
Year ended 12/31/2004	17.24	.26	1.12	1.38	(.23)	(.44)	(.67)	17.95	8.15	4,849	1.37	1.37	1.48	
Year ended 12/31/2003	14.38	.25	2.86	3.11	(.25)	—	(.25)	17.24	21.90	3,344	1.42	1.42	1.62	
Class C:														
Year ended 12/31/2007	18.95	.37	.72	1.09	(.37)	(.44)	(.81)	19.23	5.73	6,078	1.40	1.37	1.89	
Year ended 12/31/2006	17.76	.32	1.60	1.92	(.32)	(.41)	(.73)	18.95	10.90	5,743	1.41	1.38	1.77	
Year ended 12/31/2005	17.94	.27	.15	.42	(.26)	(.34)	(.60)	17.76	2.30	5,582	1.42	1.40	1.51	
Year ended 12/31/2004	17.24	.25	1.11	1.36	(.22)	(.44)	(.66)	17.94	8.02	4,976	1.44	1.44	1.42	
Year ended 12/31/2003	14.38	.24	2.87	3.11	(.25)	—	(.25)	17.24	21.84	2,968	1.48	1.48	1.55	

	Income from investment operations ¹				Dividends and distributions				Net asset value, end of year	Total return ⁽²⁾	Net assets, end of year (in millions)	Ratio of expenses to average net assets before reimbursements/waivers	Ratio of expenses to average net assets after reimbursements/waivers ³	Ratio of net income to average net assets ³
	Net asset value, beginning of year	Net investment income	Net gains on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains and dividends)	Total dividends and distributions	Net asset value, end of year						
Class F:														
Year ended 12/31/2007	\$19.02	\$.53	\$.72	\$1.25	\$(.52)	\$(.44)	\$(.96)	\$19.31	6.61%	\$ 1,374	.59%	.57%	2.69%	
Year ended 12/31/2006	17.82	.48	1.60	2.08	(.47)	(.41)	(.88)	19.02	11.83	1,247	.59	.57	2.59	
Year ended 12/31/2005	18.00	.41	.15	.56	(.40)	(.34)	(.74)	17.82	3.10	1,238	.63	.61	2.30	
Year ended 12/31/2004	17.29	.39	1.11	1.50	(.35)	(.44)	(.79)	18.00	8.88	1,110	.67	.67	2.19	
Year ended 12/31/2003	14.42	.36	2.88	3.24	(.37)	—	(.37)	17.29	22.79	659	.69	.69	2.34	
Class 529-A:														
Year ended 12/31/2007	19.01	.51	.72	1.23	\$(.51)	\$(.44)	\$(.95)	19.29	6.47	1,323	.68	.66	2.60	
Year ended 12/31/2006	17.81	.47	1.60	2.07	(.46)	(.41)	(.87)	19.01	11.76	1,125	.66	.63	2.53	
Year ended 12/31/2005	17.99	.40	.15	.55	(.39)	(.34)	(.73)	17.81	3.06	907	.67	.65	2.26	
Year ended 12/31/2004	17.28	.38	1.12	1.50	(.35)	(.44)	(.79)	17.99	8.88	679	.69	.68	2.18	
Year ended 12/31/2003	14.41	.37	2.87	3.24	(.37)	—	(.37)	17.28	22.87	389	.67	.67	2.36	
Class 529-B:														
Year ended 12/31/2007	19.00	.36	.71	1.07	\$(.35)	\$(.44)	\$(.79)	19.28	5.64	342	1.47	1.44	1.81	
Year ended 12/31/2006	17.80	.31	1.61	1.92	(.31)	(.41)	(.72)	19.00	10.87	311	1.48	1.45	1.70	
Year ended 12/31/2005	17.99	.25	.14	.39	(.24)	(.34)	(.58)	17.80	2.15	265	1.51	1.49	1.41	
Year ended 12/31/2004	17.28	.23	1.12	1.35	(.20)	(.44)	(.64)	17.99	7.94	219	1.56	1.56	1.30	
Year ended 12/31/2003	14.41	.23	2.87	3.10	(.23)	—	(.23)	17.28	21.74	137	1.58	1.58	1.44	
Class 529-C:														
Year ended 12/31/2007	19.00	.36	.72	1.08	\$(.35)	\$(.44)	\$(.79)	19.29	5.70	567	1.47	1.44	1.82	
Year ended 12/31/2006	17.81	.32	1.59	1.91	(.31)	(.41)	(.72)	19.00	10.81	501	1.47	1.44	1.71	
Year ended 12/31/2005	17.99	.26	.14	.40	(.24)	(.34)	(.58)	17.81	2.22	418	1.50	1.48	1.42	
Year ended 12/31/2004	17.28	.23	1.12	1.35	(.20)	(.44)	(.64)	17.99	7.94	327	1.55	1.55	1.31	
Year ended 12/31/2003	14.41	.23	2.87	3.10	(.23)	—	(.23)	17.28	21.76	193	1.57	1.57	1.46	
Class 529-E:														
Year ended 12/31/2007	19.00	.46	.71	1.17	\$(.45)	\$(.44)	\$(.89)	19.28	6.18	84	.96	.94	2.32	
Year ended 12/31/2006	17.80	.41	1.61	2.02	(.41)	(.41)	(.82)	19.00	11.44	73	.96	.93	2.23	
Year ended 12/31/2005	17.98	.35	.14	.49	(.33)	(.34)	(.67)	17.80	2.73	59	.99	.97	1.93	
Year ended 12/31/2004	17.28	.32	1.11	1.43	(.29)	(.44)	(.73)	17.98	8.44	45	1.04	1.03	1.83	
Year ended 12/31/2003	14.41	.31	2.87	3.18	(.31)	—	(.31)	17.28	22.37	27	1.05	1.05	1.97	

(The Financial Highlights table continues on the following page.)

Income from investment operations ¹	Dividends and distributions				Ratio of expenses to average net assets	Ratio of expenses to average net assets after reimbursements ²
	Net gains on securities sold (both realized and unrealized)	Net investment income	Dividends from net investment operations	Distributions from net investment operations		
Net assets at beginning of year	Net assets at end of year	Net assets at beginning of year	Net assets at end of year	Total dividends	Net assets at end of year	Net assets at end of year
Year ended 12/31/2007	\$19.00	\$19.00	\$19.27	\$19.28	6.71%	6.71%
Year ended 12/31/2006	17.80	17.80	2.11	(.91)	11.99	11.99
Year ended 12/31/2005	17.98	17.98	.57	(.75)	3.15	3.15
Year ended 12/31/2004	17.27	17.27	1.49	(.44)	8.78	8.78
Year ended 12/31/2003	14.41	14.41	3.21	(.35)	22.63	22.63

Class 529-F	Year ended December 31			
	2007	2006	2005	2004
Portfolio turnover rate for all classes of shares	35%	34%	35%	25%
Ratio of expenses to average net assets	.46%	.44%	.43%	.44%
Ratio of expenses to average net assets after reimbursements ²	.43%	.41%	.41%	.43%
Ratio of expenses to average net assets after reimbursements and waivers ³	.43%	.41%	.41%	.43%

¹ Based on average shares outstanding.
² Total returns exclude any applicable sales charges, including contingent deferred sales charges.
³ This column reflects the impact, if any, of certain reimbursements/waivers from Investment Adviser. During some of the years shown, Investment Adviser reduced fees for investment advisory services.

Notes

Privacy policy

Funds considers the privacy of its investors to be of fundamental importance and has established a policy to maintain the confidentiality of the information you share with us.

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We do not sell any information to any third parties. However, we do collect and retain certain nonpublic personal information about you, including:

- information we receive from you or from your financial adviser, such as your name and address;
- an address we receive from a third party when you have moved;
- information, such as account balance and transaction activity, about your investment transactions (including, to the extent necessary for our servicing your account(s) with us, your investments with third parties); and
- information (commonly referred to as "cookies") collected from the Web browser of your computer that allows our website to recognize your browser.

You may review and correct any personal information by accessing our website, abcgroup.com, or by contacting us at 800/xxx-xxxx.

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We occasionally disclose nonpublic personal information about you to affiliates and nonaffiliates as permitted by law. Some instances when we have shared information include:

- disclosing information to a third party in order to process account transactions that you request or authorize;
- sharing information with companies related to us so we can make you aware of new funds or other services that we offer;
- disclosing your name and address to companies that mail fund-related materials, such as shareholder reports (note that these companies may not use the information for any other purpose);
- disclosing information to research companies that help conduct shareholder surveys to assess and improve our financial services; and
- disclosing information in connection with legal proceedings, such as responding to a subpoena.

When information is shared with third parties, they are *not* permitted to use the information for any purpose other than to assist our servicing of your account(s) or as permitted by law.

If you close your account(s) or if we lose contact with you, we will continue to share information in accordance with our current privacy policy and practices.

We restrict access to your nonpublic personal information to authorized employees. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

These measures reflect our commitment to maintaining the privacy of your confidential information. We appreciate the confidence you have shown by entrusting us with your assets.

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If there are changes to the terms of our privacy policy, documents containing the policy, relevant information on our website and fund prospectus attachments will be updated.

For information about your account or any of the funds' services, please contact your financial adviser.

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Telephone calls you have with the Funds organization may be monitored or recorded for quality assurance, verification and/or recordkeeping purposes. By speaking with us on the telephone, you are giving your consent to such monitoring and recording.

Multiple translations This prospectus may be translated into other languages. If there is any inconsistency or ambiguity in the meaning of any translated word or phrase, the English text will prevail.

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

Program description The program description for the 529 program contains additional information about the policies and services related to 529 plan accounts.

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

The codes of ethics and current SAI are on file with the Securities and Exchange Commission (SEC). These and other related materials about the fund are available for review or to be copied at the SEC's Public Reference Room in Washington, DC (202/551-8090) or on the EDGAR database on the SEC's website at sec.gov or, after payment of a duplicating fee, via e-mail request to publicinfo@sec.gov or by writing to the SEC's Public Reference Section, 100 F Street, NE, Washington, DC 20549-0102. The current SAI and shareholder reports are also available, free of charge, on abcgroup.com.

Household mailings Each year you are automatically sent an updated prospectus and annual and semi-annual reports for the fund. You may also occasionally receive proxy statements for the fund. In order to reduce the volume of mail you receive, when possible, only one copy of these documents will be sent to shareholders who are part of the same family and share the same household address.

If you would like to opt out of household-based mailings or receive a complimentary copy of the current SAI, codes of ethics, annual/semi-annual report to shareholders or applicable program description, please call Service Company at 800/xxx-xxxx or write to the secretary of the fund at [address].

Securities Investor Protection Corporation (SIPC) Shareholders may obtain information about SIPC on its website at sipc.org or by calling 202/371-8300.