



AMERICAN  
FUNDS®

From Capital Group

The Capital Advantage<sup>SM</sup>  
Implementation Guide

**Act on The  
Capital  
Advantage.<sup>SM</sup>**

Multiple Perspectives. One Approach.®

# American Funds Long-Term Advantage

## A Risk-Sensitive, Research-Driven Approach Rewards Long-Term Investors

By a number of measures, American Funds equity mutual funds offer a risk/reward profile superior to that of their peers. A research-driven, company-by-company approach coupled with risk sensitivity and a commitment to containing costs has produced a superior long-term track record.

### Check the Numbers

**89%**

Percentage of rolling 10-year periods since 1934 that American Funds equity-focused mutual funds led their indexes.

**99%**

Percentage of rolling 10-year periods in the last 40 years in which American Funds U.S.-focused equity funds captured less market downturn than the S&P 500 Index.

**93%**

Percentage of 10-year periods in which American Funds equity-focused mutual funds beat their Lipper peer indexes; they have beaten them 98% of the time over 20-year periods.

**100%**

Percentage of American Funds equity-focused mutual funds that have lower operating expenses than their industry peer groups by an average of 42% as a group.

The percentage of rolling 10-year periods the American Funds equity-focused funds led their comparable indexes is based on Class F-2 share data from published sources; the data were calculated internally. The numbers of periods are based on rolling monthly data for all funds – reducing entry- and exit-point bias and better reflecting the range of entry points experienced by investors. American Funds represents 18 equity-focused funds, in aggregate; for a list of these funds and each fund's comparable index/index blend, see Appendix, Methodology section, page 12. The percentage of rolling 10-year periods American Funds U.S.-focused equity funds captured less market downturn than the S&P 500 Index is based on the average of rolling monthly downside capture ratios for Class F-2 shares for seven American Funds U.S.-focused equity funds whose comparable index is the S&P 500; for a list of these funds, see Appendix, Methodology section, page 12. Downside capture ratio measures the extent to which a manager has limited negative absolute returns, relative to the market's decline. Market declines are defined as those months in which the market return was negative. If, for example, it is greater than 100%, then the manager has trailed in the down market. Conversely, a percentage less than 100% indicates a positive excess return for those market declines; the smaller, the better. Market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the funds have lagged the indexes. The percentage of 10- and 20-year periods American Funds equity-focused funds beat their Lipper indexes is based on Class F-2 share results over rolling calendar-year-end periods through December 31, 2016; periods covered are the shorter of the funds' lifetime or since the comparable Lipper index inception date (except Capital Income Builder and SMALLCAP World Fund, for which the Lipper average was used). The percentage by which operating expenses for American Funds equity-focused funds, as a group, was lower than the combined average of their industry peer groups is based on the average of the funds' gross operating expenses for Class F-2 shares compared with the average operating expenses of their Lipper peer groups, as of December 31, 2016. Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Please see [americanfunds.com](http://americanfunds.com) for more information on specific expense adjustments and the actual dates of first sale.

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

Past results are not predictive of results in future periods.

## Investment Options for a Variety of Portfolio Construction Strategies

The American Funds pursue objectives that align with key client goals – things like growth, income and capital preservation. So whether you’re constructing core portfolios for individual clients or creating a lineup of funds for a defined contribution plan, our proven investment options can be implemented within a variety of portfolio construction approaches, including:

<b>Geographic</b> Time-tested options for those taking a geographical approach to portfolio construction	U.S. equity	Int’l equity	Fixed income	Other assets
<b>Global</b> Funds with broad mandates providing global equity exposure and diversification	Global equity		Fixed income	Other assets
<b>Allocation</b> Multi-asset class funds with varying objectives and investing approaches	Multi-asset class investments			Other assets
<b>Constructed</b> Fund combinations comprising multiple American Funds and built to pursue a range of essential investing goals	Target date and funds of funds			

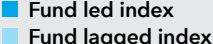
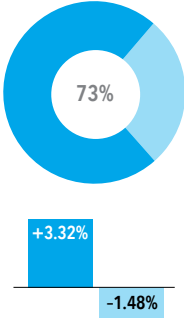
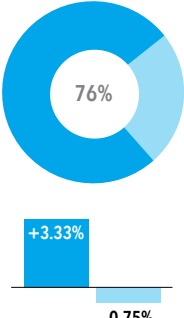
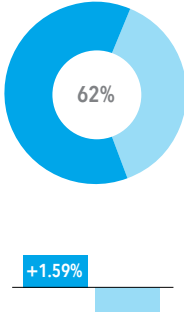
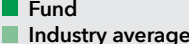
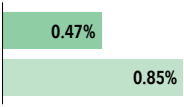
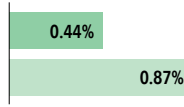
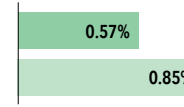
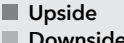
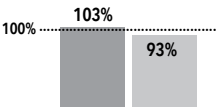
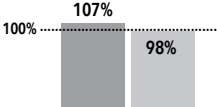
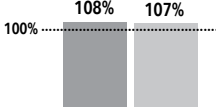
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This implementation guide offers a closer look at American Funds equity-focused mutual funds and some of the statistics that have helped them establish a long-term advantage.

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# U.S. Equity

Varied options range from growth-oriented funds to more income-focused choices with capital preservation objectives. Multiple funds feature track records exceeding 60 years.

	AMCAP Fund®	The Growth Fund of America®	The New Economy Fund®
<b>Morningstar category American Funds category</b>	Large growth Growth	Large growth Growth	Large growth Growth
<b>Fund inception</b>	5/1/67	12/1/73	12/1/83
<b>Implementation Guidance</b>	AMCAP is appropriate for a Large Cap Growth allocation.	GFA is appropriate for a Large Cap Growth allocation.	NEF is appropriate for a Large Cap Growth allocation and has the flexibility to invest up to 45% in non-U.S. allocations.
<b>Distinguishing characteristics</b>	Invests primarily in U.S. companies of any size that have solid long-term growth records and the potential for good future growth.	Has the flexibility to invest wherever the best growth opportunities may be. The fund emphasizes companies that appear to offer opportunities for long-term growth, and may invest in cyclical companies, turnarounds and value situations.	Invests in securities of companies that can benefit from innovation, exploit new technologies or provide products and services that meet the demands of an evolving global economy.
<b>Success rate</b>  <b>Percentage of time fund led/lagged index over rolling monthly 10-year periods</b> <b>Average relative return when fund led/lagged index (average of when fund's returns in excess of the index were positive/negative).</b>			
<b>Expense ratio</b> 			
<b>Capture ratio</b> 			
<b>Ticker symbol &amp; expense ratio (%)</b>			
Class A shares	AMCPX 0.67	AGTHX 0.66	ANEFX 0.78
Class C shares	AMPCX 1.48	GFACX 1.46	ANFCX 1.59
Class F-2 shares	AMCFX 0.47	GFFFX 0.44	NEFFX 0.57
Class F-3 shares	FMACX 0.38	GAFFX 0.33	FNEFX 0.47
Class R-3 shares	RAFCX 1.02	RGACX 0.98	RNGCX 1.12
Class R-6 shares	RAFGX 0.37	RGAGX 0.33	RNGGX 0.46

The following information applies to the data shown on pages 2-6. Success rate is the percentage of time a fund (or a group of funds) has outpaced its relevant index (or peer group) over rolling periods. Success rates and average relative returns shown are based on Class F-2 shares over rolling monthly 10-year periods from the first month-end following each fund's inception date through December 31, 2016. Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Please see [americanfunds.com](http://americanfunds.com) for more information on specific expense adjustments and the

American Mutual Fund®	Fundamental Investors®	The Investment Company of America®	Washington Mutual Investors Fund <sup>SM</sup>
Large Value Growth-and-income	Large Blend Growth-and-income	Large Blend Growth-and-income	Large Value Growth-and-income
2/21/50	8/1/78	1/1/34	7/31/52
AMF is appropriate for a Large Cap Value allocation.	FI is appropriate for a Large Cap Core allocation and has flexibility to pursue opportunities across the value-to-growth spectrum.	ICA is appropriate for a Large Cap Core allocation.	WMIF is appropriate for a U.S. Large Value allocation.
The fund is managed to seek to reduce volatility and risk. It has historically produced income above that of the S&P 500. The fund does not own securities of companies that derive the majority of their revenues from tobacco and/or alcohol.	Using principles of fundamental analysis, the fund seeks undervalued and/or overlooked opportunities with the potential for long-term growth. Companies under consideration for the portfolio often have strong balance sheets, high-quality products and leading market share. The fund seeks to invest in companies that represent good value and possess above-average potential for growth in sales, earnings and dividends.	One of the nation's longest tenured mutual funds. It emphasizes investments in well-established blue chip companies, representing a wide cross section of the U.S. economy.	Uses a stringent eligibility list to identify the "bluest of blue chip" companies for sound long-term investments.
AMRMX 0.59 AMFCX 1.39 AMRFX 0.42 AFMFX 0.30 RMFCX 0.97 RMFGX 0.30	ANCFX 0.60 AFICX 1.40 FINFX 0.41 FUNFX 0.32 RFNCX 0.96 RFNGX 0.31	AIVSX 0.58 AICCX 1.39 ICAFX 0.41 FFICX 0.31 RICCX 0.95 RICGX 0.30	AWSHX 0.58 WSHCX 1.38 WMFFX 0.41 FWMIX 0.30 RWMCX 0.95 RWMGX 0.30

actual dates of first sale. For each fund's comparable index/index blend, see Appendix, Methodology section, page 12. Market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the funds have lagged the indexes. For the comparisons between fund expense ratios and industry averages, the data are based on Class F-2 shares; all other expense ratios shown are for the indicated share classes. For fund expense ratios in share classes other than those shown, please see [americanfunds.com](http://americanfunds.com).

The source for industry average expense ratios is Lipper; the data are based on institutional load funds, excluding funds of funds, as of December 31, 2016. All fund expense ratios are as of the most recent prospectus available as of December 31, 2016. Please see pages 4-5 for additional information.



# International Equity

American Funds helped pioneer global investing. Our lineup features growth and growth-and-income funds focused outside the U.S., emerging markets options, and funds with broad, global mandates.

	EuroPacific Growth Fund®		International Growth and Income Fund <sup>SM*</sup>		American Funds Developing World Growth and Income Fund <sup>SM</sup>	
<b>Morningstar category</b> <b>American Funds category</b>	Foreign Large Growth Growth		Foreign Large Blend Growth-and-income		Diversified Emerging Markets Growth-and-income	
<b>Fund inception</b>	4/16/84		10/1/08		2/3/14	
<b>Implementation Guidance</b>	EUPAC is appropriate for a Core International allocation and has the flexibility to invest in emerging markets.		IGI is appropriate for a Core International allocation.		DWGI is appropriate for a dedicated Emerging Markets allocation.	
<b>Distinguishing characteristics</b>	Invests in companies in Europe and the Pacific Basin, ranging from small firms to large corporations. Managers have the ability to opportunistically invest in companies domiciled in emerging markets and have done so to provide shareholders with consistently attractive risk-adjusted results.		The fund invests primarily in companies outside the U.S. with the potential for growth and dividend income.		Invests primarily in securities of companies domiciled in or with significant exposure to developing-market countries.	
<b>Success rate</b> <div> <div></div> Fund led index <div></div> Fund lagged index </div> <b>Percentage of time fund led/lagged index over rolling monthly 10-year periods</b>  <b>Average relative return when fund led/lagged index (average of when fund's returns in excess of the index were positive/negative).</b>						
<b>Expense ratio</b> <div> <div></div> Fund <div></div> Industry average </div>						
<b>Capture ratio</b> <div> <div></div> Upside <div></div> Downside </div>						
<b>Ticker symbol &amp; expense ratio (%)</b>						
Class A shares	AEPGX	0.83	IGAAX	0.91	DWGAX	1.32
Class C shares	AEPCX	1.62	IGICX	1.72	DWGCX	2.07
Class F-2 shares	AEPFX	0.60	IGFFX	0.60	DWGHX	1.00
Class F-3 shares	FEUPX	0.51	IGAIX	0.60	FDWGX	0.92
Class R-3 shares	RERCX	1.14	RGICX	1.14	RDWCX	1.55
Class R-6 shares	RERGX	0.50	RIGGX	0.58	RDWGX	0.88

\*Reflects rolling monthly 5-year periods, with the exception of expense ratios.

The following Lipper categories were used in the comparisons: growth funds (AMCAP Fund, The New Economy Fund), large-cap growth funds (The Growth Fund of America), growth & income funds (American Mutual Fund, Fundamental Investors, The Investment Company of America, Washington Mutual Investors Fund), international funds (EuroPacific Growth Fund, International Growth and Income Fund), emerging markets funds (American Funds Developing World Growth and Income Fund, New World Fund), global funds (New Perspective Fund, Capital World Growth and Income Fund), global small-/mid-cap funds (SMALLCAP World Fund), global equity income funds average (Capital Income Builder), income (mixed equity) funds (The Income Fund of America), balanced funds (American Balanced Fund) and flexible portfolio funds (American Funds Global Balanced Fund). The expense ratios do not reflect sales charges or fees charged by financial intermediaries.

# Global Equity

New Perspective Fund®	New World Fund®	SMALLCAP World Fund®	Capital World Growth and Income Fund®
World Stock Growth	Diversified Emerging Markets Growth	World Stock Growth	World Stock Growth-and-income
3/13/73	6/17/99	4/30/90	3/26/93
NPF is appropriate for a Global allocation.	NWF is appropriate for a conservative Emerging Markets allocation.	SCWF is appropriate for a Small Cap allocation.	WGI is appropriate for a Global allocation.
Diversifies among blue chip companies in the U.S. and abroad, emphasizing multinational or global companies and focusing on opportunities generated by changes in global trade patterns and economic and political relationships.	The fund invests in securities of issuers based in "qualified developing countries," as well as in equity securities of issuers based in the developed world with significant assets or revenues attributable to developing countries. For their total return potential, the fund also invests in bonds offering exposure to developing countries.	One of a few small-company growth funds that invests globally. Normally, at least 80 percent of assets will be invested in equities of issuers having market capitalizations of \$4 billion or less, measured at time of purchase.	With the flexibility to take advantage of opportunities around the world, the fund invests primarily in high-quality stocks issued by companies in the world's largest stock markets. The fund is conservatively managed and focuses on established companies that pay regular dividends.
ANWPX 0.77 NPFCX 1.57 ANWFX 0.55 FNPFEX 0.45 RNPCTX 1.11 RNPGX 0.45	NEWFX 1.07 NEWCX 1.88 NFFFX 0.76 FNWFX 0.66 RNWCX 1.34 RNWGX 0.65	SMCWX 1.10 SCWCX 1.90 SMCFX 0.82 SFCWX 0.71 RSLCX 1.39 RLLGX 0.71	CWGIX 0.77 CWGCX 1.57 WGIFX 0.54 FWGIX 0.44 RWICX 1.09 RWIGX 0.45

Capture ratio reflects the annualized product of fund versus index returns for all months in which the index had a positive return (upside capture) or negative return (downside capture). Capture ratios shown are based on Class F-2 shares over rolling monthly 10-year periods from the first month-end following each fund's inception date through December 31, 2016. Due to the lack of history of the three youngest funds – International Growth and Income Fund (IGI), American Funds Developing World Growth and Income Fund (DWGI) and American Funds Global Balanced Fund (GBAL) – success rates, average relative returns and capture ratios for IGI and GBAL are for rolling monthly five-year periods, and for DWGI, these three sets of data are not shown.

# Multi-Asset Class

Allocation options featuring considerable non-U.S. exposure and domestic and globally focused balanced funds.

	Capital Income Builder®	The Income Fund of America®	American Balanced Fund®	American Funds Global Balanced Fund <sup>SM</sup>
Morningstar category	World Allocation	Fund Allocation 70%-85% Equity	Fund Allocation 50%-70% Equity	World Allocation
American Funds category	Equity-income	Equity-income	Balanced	Balanced
Fund inception	7/30/87	12/1/73	7/26/75	2/1/11
Implementation Guidance	CIB is appropriate for a Global Equity Income allocation.	IFA is an Equity-Income fund that uses both equity and fixed income to generate its income.	AMBAL is a Balanced fund that primarily invests domestically in high-quality stocks and bonds.	GBAL is a Balanced fund that invests globally in stocks and bonds.
Distinguishing characteristics	Strives to provide a growing dividend together with a current yield that exceeds that which is paid by U.S. stocks in general.	Seeks investments in both the stock and bond markets that provide an opportunity for above-average current income and long-term capital growth. The fund can invest up to 20 percent in higher yielding bonds to achieve its objective.	Invests primarily in blue chip equities and investment-grade fixed-income securities, using a balanced approach and a U.S. emphasis.	The fund invests in a mix of securities issued by companies and governments around the world.
Success rate <div><div></div> Fund led index</div> <div><div></div> Fund lagged index</div> Percentage of time fund led/lagged index over rolling monthly 10-year periods  Average relative return when fund led/lagged index (average of when fund's returns in excess of the index were positive/negative).	<div><div></div>100%</div> <div><div>+2.91%</div><div>(N/A)</div></div>	<div><div></div>73%</div> <div><div>+1.53%</div><div>-0.73%</div></div>	<div><div></div>59%</div> <div><div>+1.37%</div><div>-0.63%</div></div>	<div><div></div>55%</div> <div><div>+0.60%</div><div>-1.44%</div></div>
Expense ratio <div><div></div> Fund</div> <div><div></div> Industry average</div>	<div><div>0.40%</div><div>0.97%</div></div>	<div><div>0.39%</div><div>0.84%</div></div>	<div><div>0.39%</div><div>0.86%</div></div>	<div><div>0.65%</div><div>0.93%</div></div>
Capture ratio <div><div></div> Upside</div> <div><div></div> Downside</div>	<div><div>92%</div><div>59%</div></div>	<div><div>96%</div><div>79%</div></div>	<div><div>98%</div><div>88%</div></div>	<div><div>69%</div><div>57%</div></div>
Ticker symbol & expense ratio (%)				
Class A shares	CAIBX 0.60	AMECX 0.56	ABALX 0.58	GBLAX 0.85
Class C shares	CIBCX 1.40	IFACX 1.36	BALCX 1.38	GBLCX 1.65
Class F-2 shares	CAIFX 0.40	AMEFX 0.39	AMBFX 0.39	GBLFX 0.65
Class F-3 shares	CFIHX 0.30	FIFAX 0.28	AFMBX 0.29	GFBXLX 0.54
Class R-3 shares	RIRCX 0.96	RIDCX 0.92	RLBCX 0.94	RGBCX 1.20
Class R-6 shares	RIRGX 0.30	RIDGX 0.28	RLBGX 0.29	RGBGX 0.54

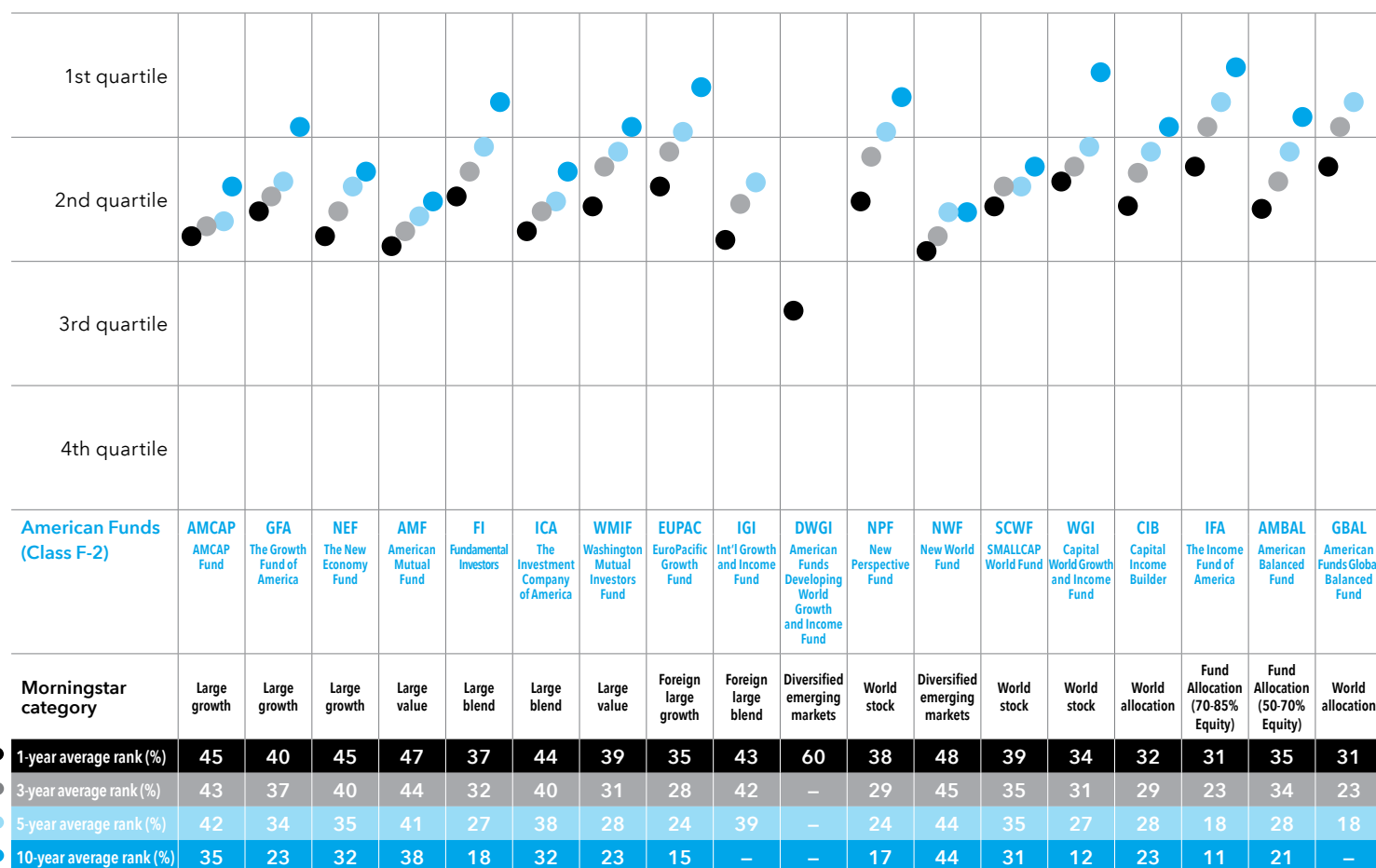


# Superior Investment Results

## Solid Results Over Virtually Every Period

American Funds equity-focused funds measure up well relative to their peers over a variety of time periods. And as shown by the rolling 10-year figures, The Capital Advantage almost always grows over time.

## Average relative percentile rankings of American Funds equity funds vs. peer groups, rolling calendar periods, 1980-2016



## Average Number of Funds in Peer Groups

	Large growth	Large value	Large blend	Foreign large growth	Foreign large blend	World stock	Diversified emerging markets	World allocation	Fund Allocation (70-85% Equity)	Fund Allocation (50-70% Equity)
One-year rolling periods	764	605	714	184	639	373	393	208	31	35
Three-year rolling periods	722	567	672	171	608	337	338	188	23	34
Five-year rolling periods	678	530	631	159	582	303	292	170	18	28
10-year rolling periods	572	436	526	125	—	235	223	138	11	21

Source: Capital Group, based on data from Morningstar, Inc. Rankings are based on the funds' average annual total returns (American Funds' Class F-2 shares or, for peer funds, share classes at net asset value) and do not reflect the effects of sales charges, account fees or taxes. Past results are not predictive of future results. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which results would have been lower. Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Please see [americanfunds.com](http://americanfunds.com) for more information on specific expense adjustments and the actual dates of first sale. The inception date for International Growth and Income Fund is October 1, 2008; for American Funds Global Balanced Fund it is February 1, 2011; and for Developing World Growth and Income Fund it is February 2, 2014. Rankings are not shown for periods when the funds were not in existence. For the Diversified Emerging Markets Morningstar peer group category, the fund count was zero for rolling periods beginning from 1980-1989.

# Portfolios for Key Investing Goals

## Portfolios Powered by The Capital Advantage

Our funds of funds can be used to pursue a variety of common investing objectives.

### American Funds Portfolio Series<sup>SM</sup>

This Series has eight funds, each aimed at one of three common investing objectives – preservation, balance and appreciation.

They are:

- Objective-based. The funds pursue a wide range of goals based on time frame, risk tolerance and other factors.
- Trusted. The funds invest in a blend of funds with proven track records carefully selected by senior investment professionals.
- Monitored. The funds benefit from regular reviews by an oversight committee to ensure results and holdings are aligned with fund objectives.

### American Funds Retirement Income Portfolio Series<sup>SM</sup>

These three managed portfolios seek to address the income and longevity needs of retirees. These portfolios:

- Seek to support varying withdrawal rate ranges and risk tolerances while maintaining as much of a retiree's initial investment as possible.
- Are designed to be a part of a broadly diversified retirement income portfolio.

Preservation		Balance				Appreciation		Conservative	Moderate	Enhanced
Tax-Exempt Preservation Portfolio	Preservation Portfolio	Tax-Advantaged Income Portfolio	Income Portfolio	Balanced Portfolio	Growth and Income Portfolio	Growth Portfolio	Global Growth Portfolio	Retirement Income Portfolio Conservative	Retirement Income Portfolio Moderate	Retirement Income Portfolio Enhanced
LTEF 70%	BFA 20%	WGI 25%	AMF 20%	NPF 10%	GFA 15%	AMCAP 20%	NEF 20%	AMF 5%	AMF 5%	AMF 5%
				WGI 15%				AMBAL 10%	AMBAL 15%	AMBAL 20%
	IBFA 40%	WMIF 25%	CIB 25%	WMIF 10%	ICA 25%	EUPAC 15%	NPF 30%	CIB 20%	CIB 25%	CIB 30%
				AMBAL 25%				GBAL 5%	GBAL 5%	CIB 30%
TEBF 30%	STBF 40%	AHIM 25%	IFA 25%	GBAL 25%	WGI 25%	GFA 20%	NWF 20%	IFA 15%	IFA 25%	GBAL 10%
								AFMF 5%	IFA 25%	GBAL 10%
	TEBF 25%	AHIT 15%	AHIT 15%	GBAL 25%	AMBAL 10%	SCWF 10%	WGI 30%	BFA 25%	AFMF 5%	IFA 30%
								GVT 10%	BFA 10%	IFA 30%
								ILBF 5%	ILBF 5%	ILBF 5%

■ Bond ■ Equity-income/Balanced ■ Growth-and-income ■ Growth

For directory of the individual fund names that comprise the Series, please see page 11.

**The Series funds' risks and returns are directly related to the risks and returns of the underlying funds. For details, please see Appendix, Investment Disclosure section, pages 12-13.** The underlying fund allocations for the American Funds Portfolio Series are as of December 31, 2016. The funds are monitored, and allocations will vary over time.

The allocations shown reflect the funds' target allocations for December 31, 2016. Allocation percentages and underlying funds are subject to the Portfolio Oversight Committee's discretion and will evolve over time. Underlying funds may be added or removed during the year. For quarterly updates of fund allocations, visit [americanfundsretirement.com](http://americanfundsretirement.com).

The funds' investment allocations may not achieve fund objectives. There are expenses associated with the underlying funds in addition to fund-of-funds expenses. The Retirement Income Portfolio Series investment allocations may not achieve fund objectives, and adequate income through retirement is not guaranteed. There are expenses associated with the underlying funds in addition to fund-of-funds expenses. The funds' risks are directly related to the risks of the underlying funds. Payments consisting of return of capital will result in a decrease in an investor's fund share balance. Higher rates of withdrawal and withdrawals during declining markets may result in a more rapid decrease in an investor's fund share balance. Persistent returns of capital could ultimately result in a zero account balance.

# The Target Date Capital Advantage

## Our Series Stacks Up Well Against Its Peers

American Funds Target Date Retirement Series® features a “glide path within a glide path” that helps mitigate market and longevity risk to deliver tangible lifetime value for investors. The Series has a proven record of delivering risk-adjusted, higher returns through intelligent allocation.

Below are five key factors that distinguish our Series from its peers.

### 1 | An objective-based approach designed for investor success

Our objective-based fund construction is crafted to address participants’ lifetime investment goals of appreciation, income and preservation.

### 2 | Among the highest manager tenure in the industry

The average tenure of the portfolio managers of the Series’ underlying funds is among the highest in the industry, according to a 2015 Morningstar survey. The members of the Portfolio Oversight Committee have an average of 27 years of industry experience.

### 3 | Underlying equity funds that have consistently outpaced their peers

Our underlying equity-focused mutual funds have beaten their Lipper peer indexes in 94% of rolling 10-year periods.

### 4 | Among the lowest cost financial advisor-sold target date funds

The funds in our Series have lower expenses than the Morningstar Retirement, Medium Fee Level – Distribution group for target date funds.

### 5 | Superior lifetime results

All of the advantages cited above have produced strong results relative to their Morningstar category averages since the Series launched in 2007.

## Rankings as of December 31, 2016 (R-3)

American Funds Target Date Retirement Series	Morningstar category	1 year			3 years			5 years			Lifetime		
		Rank	Number of funds	Percentile rank	Rank	Number of funds	Percentile rank	Rank	Number of funds	Percentile rank	Rank	Number of funds	Percentile rank
2060	Morningstar Target Date 2051+	60	106	56	–	–	–	–	–	–	21	68	30
2055	Morningstar Target Date 2051+	127	193	65	27	121	22	14	81	17	12	32	36
2050	Morningstar Target Date 2046–2050	135	213	63	40	168	24	12	129	9	10	50	19
2045	Morningstar Target Date 2041–2045	127	195	65	25	149	17	11	109	10	11	56	19
2040	Morningstar Target Date 2036–2040	140	221	63	35	176	20	12	146	8	13	113	11
2035	Morningstar Target Date 2031–2035	129	195	66	23	149	15	7	113	6	11	60	17
2030	Morningstar Target Date 2026–2030	130	221	59	27	176	15	6	146	4	10	113	8
2025	Morningstar Target Date 2021–2025	122	195	62	35	149	23	6	113	5	14	60	22
2020	Morningstar Target Date 2016–2020	105	221	47	32	176	18	13	146	9	32	113	28
2015	Morningstar Target Date 2011–2015	41	131	31	21	91	23	17	70	23	29	49	58
2010	Morningstar Target Date 2000–2010	20	111	18	13	84	15	19	69	27	31	66	46

Sources: Morningstar, Inc., for 1-, 3- and 5-year periods; Capital Group, based on Morningstar data, for lifetime. Rankings are based on the funds’ average annual total returns within the applicable Morningstar categories. The Morningstar rankings do not reflect the effects of sales charges, account fees or taxes. Past results are not predictive of future results. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which results would have been lower. Lifetime rankings reflect the period beginning February 1, 2007, except for the 2055 and 2060 funds, which began on February 1, 2010, and March 27, 2015, respectively, through December 31, 2016. American Funds Target Date Retirement Series’ proven record of delivering risk-adjusted, higher return is based on three-year Sharpe ratios, as of December 31, 2016. The percentage of time the underlying funds have beaten their Lipper indexes is based on the funds’ Class R-6 share results for rolling periods through December 31, 2016; periods covered are the shorter of the funds’ lifetime or since the comparable Lipper index inception date. Morningstar Retirement, Medium Fee Level – Distribution group is composed of target date funds classified by Morningstar as Retirement share class type with a 12b-1 fee greater than 0.00% and less than or equal to 0.50%.

# Behind the Numbers: The Capital System<sup>SM</sup>

Figures shown are past results for Class F-2 shares with all distributions reinvested and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit [americanfunds.com](http://americanfunds.com).

## Fund-Specific Capital Advantage

Rolling monthly periods ended 12/31/16

Fund and inception date	1 year	3 years	5 years	10 years	15 years	20 years	30 years
<b>Growth funds</b>							
<b>AMCAP Fund (5/1/67)</b>							
Percentage of time fund outpaced index	52%	54%	55%	73%	82%	88%	99%
Fund annualized return (%)	13.12	12.21	12.13	12.65	13.04	13.32	13.31
Index annualized return (%)	11.29	10.53	10.43	10.64	11.24	11.89	11.85
Difference (%)	1.83	1.67	1.71	2.01	1.80	1.43	1.46
<b>EuroPacific Growth Fund (4/16/84)</b>							
Percentage of time fund outpaced index	64%	76%	84%	97%	100%	100%	100%
Fund annualized return (%)	12.65	11.24	10.64	10.42	10.11	10.37	10.85
Index annualized return (%)	11.42	8.98	7.51	6.99	6.52	6.86	8.30
Difference (%)	1.23	2.26	3.13	3.43	3.59	3.51	2.55
<b>The Growth Fund of America (12/1/73)</b>							
Percentage of time fund outpaced index	56%	66%	67%	76%	87%	100%	100%
Fund annualized return (%)	15.53	14.75	14.51	13.90	13.90	14.25	12.67
Index annualized return (%)	12.53	11.82	11.64	11.53	11.63	12.12	11.03
Difference (%)	3.00	2.93	2.87	2.37	2.27	2.14	1.64
<b>The New Economy Fund (12/1/83)</b>							
Percentage of time fund outpaced index	52%	59%	67%	63%	63%	80%	100%
Fund annualized return (%)	13.31	11.85	11.14	10.42	9.98	10.21	11.28
Index annualized return (%)	12.38	11.29	10.61	9.85	9.52	9.75	10.73
Difference (%)	0.93	0.54	0.53	0.57	0.46	0.46	0.54
<b>New Perspective Fund (3/13/73)</b>							
Percentage of time fund outpaced index	74%	86%	88%	95%	100%	100%	100%
Fund annualized return (%)	13.66	13.20	13.13	13.16	13.14	13.36	12.23
Index annualized return (%)	10.35	10.06	9.99	10.13	10.67	10.16	9.47
Difference (%)	3.31	3.15	3.15	3.03	3.07	3.20	2.70
<b>New World Fund (6/17/99)</b>							
Percentage of time fund outpaced index	61%	68%	71%	99%	100%	—	—
Fund annualized return (%)	9.57	9.64	10.49	10.22	8.72	—	—
Index annualized return (%)	5.37	5.23	5.68	4.98	4.43	—	—
Difference (%)	4.20	4.41	4.81	5.25	4.29	—	—
<b>SMALLCAP World Fund (4/30/90)</b>							
Percentage of time fund outpaced index	59%	66%	62%	65%	60%	100%	—
Fund annualized return (%)	12.44	10.37	9.72	8.70	8.62	9.16	—
Index annualized return (%)	9.70	8.65	8.13	7.77	7.80	7.80	—
Difference (%)	2.74	1.73	1.60	0.94	0.63	0.14	—

Both fund and index annualized returns reflect the average of the average annual total returns for all periods. Data from published sources were calculated internally. Fund returns, which are based on Class F-2 shares, are from the first month-end following each fund's inception date through December 31, 2016. Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Please see [americanfunds.com](http://americanfunds.com) for more information on specific expense adjustments and the actual dates of first sale. Data are not shown for periods when funds were not in existence. There have been periods when the funds have lagged the indexes. For each fund's comparable index/index blend, see Appendix, Methodology section, page 12. Market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

Fund and inception date	1 year	3 years	5 years	10 years	15 years	20 years	30 years
<b>Growth-and-income funds</b>							
<b>American Funds Developing World Growth and Income Fund (2/3/14)</b>							
Percentage of time fund outpaced index	30%	—	—	—	—	—	—
Fund annualized return (%)	-7.62	—	—	—	—	—	—
Index annualized return (%)	-6.13	—	—	—	—	—	—
Difference (%)	-1.49	—	—	—	—	—	—
<b>American Mutual Fund (2/21/50)</b>							
Percentage of time fund outpaced index	49%	53%	58%	69%	78%	76%	85%
Fund annualized return (%)	12.61	11.98	11.85	11.52	11.62	11.84	10.93
Index annualized return (%)	12.34	11.32	11.02	10.49	10.50	10.77	10.87
Difference (%)	0.27	0.67	0.83	1.03	1.13	1.07	0.06
<b>Capital World Growth and Income Fund (3/26/93)</b>							
Percentage of time fund outpaced index	80%	90%	99%	100%	100%	100%	—
Fund annualized return (%)	11.56	11.01	10.45	10.01	9.63	10.60	—
Index annualized return (%)	8.11	7.17	6.37	5.48	5.10	6.55	—
Difference (%)	3.45	3.84	4.07	4.61	4.60	4.10	—
<b>Fundamental Investors (8/1/78)</b>							
Percentage of time fund outpaced index	56%	59%	68%	85%	88%	92%	100%
Fund annualized return (%)	13.99	13.15	12.95	12.46	12.47	12.75	12.31
Index annualized return (%)	12.95	12.02	11.73	11.07	11.04	11.44	10.91
Difference (%)	1.04	1.13	1.21	1.38	1.43	1.30	1.40
<b>International Growth and Income Fund (10/1/08)</b>							
Percentage of time fund outpaced index	55%	83%	100%	—	—	—	—
Fund annualized return (%)	8.29	7.58	7.84	—	—	—	—
Index annualized return (%)	7.76	5.89	6.14	—	—	—	—
Difference (%)	0.54	1.69	1.70	—	—	—	—
<b>The Investment Company of America (1/1/34)</b>							
Percentage of time fund outpaced index	55%	61%	66%	70%	73%	78%	99%
Fund annualized return (%)	13.66	12.30	11.95	12.10	12.26	12.57	12.58
Index annualized return (%)	12.37	11.19	10.97	11.11	11.31	11.59	11.37
Difference (%)	1.29	1.10	0.98	0.98	0.96	0.98	1.21
<b>Washington Mutual Investors Fund (7/31/52)</b>							
Percentage of time fund outpaced index	59%	62%	69%	81%	94%	99%	100%
Fund annualized return (%)	13.21	12.36	11.99	11.76	11.96	12.33	12.91
Index annualized return (%)	12.02	11.05	10.57	10.23	10.30	10.71	11.21
Difference (%)	1.18	1.31	1.43	1.53	1.66	1.62	1.71
<b>Equity-income funds/Balanced funds</b>							
<b>Capital Income Builder (7/30/87)</b>							
Percentage of time fund outpaced index	68%	79%	84%	100%	100%	100%	—
Fund annualized return (%)	10.27	10.07	9.90	9.86	9.70	9.75	—
Index annualized return (%)	7.36	7.12	7.07	6.94	6.53	6.90	—
Difference (%)	2.91	2.96	2.83	2.92	3.17	2.85	—
<b>The Income Fund of America (12/1/73)</b>							
Percentage of time fund outpaced index	61%	55%	66%	73%	83%	90%	100%
Fund annualized return (%)	12.00	11.52	11.40	11.45	11.44	11.56	10.86
Index annualized return (%)	10.66	10.42	10.40	10.53	10.60	10.87	10.17
Difference (%)	1.34	1.11	0.96	0.93	0.84	0.68	0.69
<b>American Balanced Fund (7/26/75)</b>							
Percentage of time fund outpaced index	57%	55%	56%	59%	67%	80%	100%
Fund annualized return (%)	11.33	11.02	11.04	11.03	11.05	11.24	10.99
Index annualized return (%)	10.61	10.44	10.48	10.48	10.45	10.75	10.41
Difference (%)	0.71	0.58	0.56	0.55	0.60	0.49	0.59
<b>American Funds Global Balanced Fund (2/1/11)</b>							
Percentage of time fund outpaced index	82%	100%	100%	—	—	—	—
Fund annualized return (%)	6.83	8.42	5.99	—	—	—	—
Index annualized return (%)	4.80	6.06	4.12	—	—	—	—
Difference (%)	2.03	2.36	1.88	—	—	—	—

Components of the American Funds Portfolio Series and Retirement Income Portfolio Series (shown on page 8).

#### Equity Funds

**AMCAP:** AMCAP Fund

**AMBAL:** American Balanced Fund

**GBAL:** American Funds Global Balanced Fund

**AMF:** American Mutual Fund

**CIB:** Capital Income Builder

**WGI:** Capital World Growth and Income Fund

**EUPAC:** EuroPacific Growth Fund

**FI:** Fundamental Investors

**GFA:** The Growth Fund of America

**IFA:** Income Fund of America

**ICA:** The Investment Company of America

**NEF:** The New Economy Fund

**NPF:** New Perspective Fund

**NWF:** New World Fund

**SCWF:** SMALLCAP World Fund

**WMIF:** Washington Mutual Investors Fund

#### Bond Funds

**ILBF:** American Funds Inflation Linked Bond Fund

**AFMF:** American Funds Mortgage Fund

**AHIM:** American High-Income Municipal Bond Fund

**AHIT:** American High-Income Trust

**BFA:** The Bond Fund of America

**WBF:** Capital World Bond Fund

**IBFA:** Intermediate Bond Fund of America

**LTEX:** Limited Term Tax-Exempt Bond Fund of America

**STBF:** Short-Term Bond Fund of America

**TEBF:** The Tax-Exempt Bond Fund of America

**GVT:** U.S. Government Securities Fund

# Appendix

## Methodology

The 18 American Funds equity-focused funds used in our analysis (and the relevant indexes/index blends with which they were compared) are as follows: AMCAP Fund, The Growth Fund of America, The New Economy Fund, American Mutual Fund, Fundamental Investors, The Investment Company of America and Washington Mutual Investors Fund (Standard & Poor's 500 Index); Developing World Growth and Income Fund, (MSCI Emerging Markets Index); EuroPacific Growth Fund and International Growth and Income Fund (MSCI All Country World ex USA Index); New Perspective Fund, New World Fund and Capital World Growth and Income Fund (MSCI All Country World Index); SMALLCAP World Fund (MSCI All Country World Small Cap Index); Capital Income Builder and American Funds Global Balanced Fund (60% MSCI All Country World and 40% Bloomberg Barclays Global Aggregate indexes); and The Income Fund of America and American Balanced Fund (60% Standard & Poor's 500 and 40% Bloomberg Barclays U.S. Aggregate indexes). All relevant indexes listed are funds' primary benchmarks, with the exception of Capital Income Builder and The Income Fund of America. The primary benchmark for Capital Income Builder is Standard & Poor's 500 Index; for The Income Fund of America, they are Standard & Poor's 500 and Bloomberg Barclays U.S. Aggregate indexes.

Some of these indexes lack sufficient history to have covered the lifetime of certain funds; therefore, comparable indexes were used for those periods. For American Balanced Fund, 60% Standard & Poor's 500 and 40% Bloomberg Barclays U.S. Government/Credit indexes were used for the period July 31, 1975 (month-end following the fund's inception on July 26, 1975), through December 31, 1975. Results for this index blend and the index blend that was subsequently used (60% Standard & Poor's 500 and 40% Bloomberg Barclays U.S. Aggregate indexes) were rebalanced monthly. For Capital World Growth and Income Fund, results for the MSCI All Country World Index reflect dividends gross of withholding taxes for the period March 31, 1993 (month-end following the fund's inception on March 26, 1993), through December 31, 2000, and net of withholding taxes thereafter. For New World Fund, results for the MSCI All Country World Index reflect dividends gross of withholding taxes for the period June 30, 1999 (month-end following the fund's inception on June 17, 1999), through December 31, 2000, and net of withholding taxes thereafter. For EuroPacific Growth Fund, the MSCI EAFE (Europe, Australasia, Far East) Index was used for the period April 30, 1984 (month-end following the fund's inception on April 16, 1984), through December 31, 1987; results for the index reflect dividends net of withholding taxes. Results for the MSCI All Country World ex USA Index, which was subsequently used, reflect dividends gross of withholding taxes from January 1, 1988, through December 31, 2000, and dividends net of withholding taxes thereafter. For New Perspective Fund, the MSCI World Index was used for the period March 31, 1973 (month-end following the fund's inception on March 13, 1973), through December 31, 1987; results for the index reflect dividends net of withholding taxes. Results for the MSCI All Country World Index, which was subsequently used, reflect dividends gross of withholding taxes from January 1, 1988, through December 31, 2000, and dividends net of withholding taxes thereafter. For SMALLCAP World Fund, the S&P Global <\$1.2 Billion Index was used for the period April 30, 1990 (fund's inception), through May 31, 1994. Results for the MSCI All Country World Small Cap Index, which was subsequently used, reflect dividends net of withholding taxes. For Capital Income Builder, 60% MSCI World and 40% Citigroup World Government Bond indexes were used for the period July 31, 1987 (month-end following the fund's inception on July 30, 1987), through December 31, 1987; results for the MSCI World Index reflect dividends net of withholding taxes. From January 1, 1988, through December 31, 1989, 60% MSCI All Country World and 40% Citigroup World Government Bond indexes were used; results for the MSCI All Country World Index reflect dividends gross of withholding taxes. From January 1, 1990, and thereafter, 60% MSCI All Country World and 40% Bloomberg Barclays Global Aggregate indexes were used; results for the MSCI All Country World Index reflect dividends gross of withholding taxes from January 1, 1988, through December 31, 2000, and net of with-

holding taxes thereafter. Results for this index blend and the index blend used prior to it were rebalanced monthly. For The Income Fund of America, 60% Standard & Poor's 500 and 40% Bloomberg Barclays U.S. Government/Credit indexes were used for the period November 30, 1973 (fund's inception date), through December 31, 1975. Results for this index blend and the index blend that was subsequently used (60% Standard & Poor's 500 and 40% Bloomberg Barclays U.S. Aggregate indexes) were rebalanced monthly.

Success rate data on pages 2-7 and 10-11 were calculated using geometric linking of net-of-fee monthly returns from Morningstar. The American Funds and index returns were calculated internally in the same manner using monthly returns.

**Bloomberg Barclays Global Aggregate Index** represents the global investment-grade fixed income markets. **Bloomberg Barclays U.S. Aggregate Index** represents the U.S. investment-grade fixed-rate bond market. **Barclays U.S. Government/Credit Index** is a market-value weighted index that tracks the total return results of fixed-rate, publicly placed, dollar-denominated obligations issued by the U.S. Treasury, U.S. government agencies, quasi-federal corporations, corporate or foreign debt guaranteed by the U.S. government, and U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements, with maturities of more than one year. **Citigroup World Government Bond Index** represents a comprehensive measure of the total return results of the government bond markets of more than 20 countries meeting certain market capitalization requirements. **MSCI All Country World Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure results of more than 40 developed and emerging equity markets. Results reflect dividends gross of withholding taxes through December 31, 2000, and dividends net of withholding taxes thereafter. **MSCI All Country World ex USA Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure results of more than 40 developed and emerging equity markets, excluding the United States. Results reflect dividends gross of withholding taxes through December 31, 2000, and dividends net of withholding taxes thereafter. **MSCI All Country World Small Cap Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure results of smaller capitalization companies in both developed and emerging equity markets. Results reflect dividends net of withholding taxes. **MSCI EAFE (Europe, Australasia, Far East) Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure developed equity market results, excluding the United States and Canada. Results reflect dividends net of withholding taxes. **MSCI World Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure results of more than 20 developed equity markets. Results reflect dividends net of withholding taxes. **Standard & Poor's 500 Index** is a market capitalization-weighted index based on the average weighted results of 500 widely held common stocks. **S&P Global <\$1.2 Billion Index** includes only stocks in developed countries.

## Investment Disclosure

**Past results are not predictive of results in future periods.**

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.** If used after March 31, 2017, this guide must be accompanied by the most recent American Funds quarterly statistical update.

Distinguishing characteristics and Morningstar categories are as of December 31, 2016.

Investing outside the United States involves risks such as currency fluctuations, periods of illiquidity and price volatility, as more fully described in the prospectus. These risks may be heightened in connection with invest-



ments in developing countries. Small-company stocks entail additional risks, and they can fluctuate in price more than larger company stocks. The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. Fund shares are subject to the same interest rate, inflation and credit risks

associated with underlying bond holdings. Bond prices and a bond fund's share price will generally move in the opposite direction of interest rates. Shares of U.S. Government Securities Fund are not guaranteed by the U.S. government. For tax-exempt bond funds, income may be subject to state or local income taxes. Income may also be subject to the federal alternative minimum tax (except for The Tax-Exempt Bond Fund of America). Certain other income, as well as capital gain distributions, may be taxable.

## Rankings

Equity funds (Class F-2), as of December 31, 2016	Morningstar category	1 year		5 years		10 years	
		Percentile rank	Number of funds	Percentile rank	Number of funds	Percentile rank	Number of funds
U.S. equity funds							
AMCAP Fund	Large growth	7	1,463	18	1,154	26	1,170
The Growth Fund of America	Large growth	10	1,463	8	1,154	46	1,170
The New Economy Fund	Large growth	55	1,463	14	1,154	41	1,170
American Mutual Fund	Large value	49	1,268	63	934	17	962
Fundamental Investors	Large blend	18	1,409	18	1,106	11	1,110
The Investment Company of America	Large blend	7	1,409	25	1,106	38	1,110
Washington Mutual Investors Fund	Large value	60	1,268	41	934	21	962
International equity funds							
EuroPacific Growth Fund	Foreign large growth	21	363	28	260	14	258
International Growth and Income Fund	Foreign large blend	30	762	65	542	–	–
American Funds Developing World Growth and Income Fund	Diversified emerging markets	42	813	–	–	–	–
Global equity funds							
New Perspective Fund	World stock	77	1,015	14	669	7	543
New World Fund	Diversified emerging markets	74	813	7	425	9	269
SMALLCAP World Fund	World stock	43	1,015	9	669	11	543
Capital World Growth and Income Fund	World stock	35	1,015	28	669	27	543
Multi-asset-class funds							
Capital Income Builder	World allocation	26	485	13	322	39	243
The Income Fund of America	Fund Allocation (70-85% Equity)	15	406	26	293	10	274
American Balanced Fund	Fund Allocation (50-70% Equity)	21	810	4	606	9	557
American Funds Global Balanced Fund	World allocation	31	485	16	322	–	–
Target date funds (Class R-3), as of December 31, 2016	Morningstar category	1 year		5 years		Lifetime	
		Percentile rank	Number of funds	Percentile rank	Number of funds	Percentile rank	Number of funds
American Funds Target Date Retirement Series							
2060*	Morningstar Target Date 2051+	56	106	–	–	30	68
2055	Morningstar Target Date 2051+	65	193	17	81	30	68
2050	Morningstar Target Date 2046–2050	63	213	9	129	36	32
2045	Morningstar Target Date 2041–2045	65	195	10	109	19	50
2040	Morningstar Target Date 2036–2040	63	221	8	146	19	56
2035	Morningstar Target Date 2031–2035	66	195	6	113	11	113
2030	Morningstar Target Date 2026–2030	59	221	4	146	17	60
2025	Morningstar Target Date 2021–2025	62	195	5	113	8	113
2020	Morningstar Target Date 2016–2020	47	221	9	146	22	60
2015	Morningstar Target Date 2011–2015	31	131	23	70	28	113
2010	Morningstar Target Date 2000–2010	18	111	27	69	58	49

Sources: Morningstar, Inc., for 1-, 5- and 10-year periods; Capital Group, based on Morningstar data, for lifetime.

\* American Funds 2060 Target Date Retirement Fund launched on March 27, 2015.

# American Funds Investment Results

Figures shown are past results for Class F-2 shares with all distributions reinvested and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit [americanfunds.com](http://americanfunds.com).

## Results as of June 30, 2017

	Inception date	Average annual total returns for Class F-2 shares (%)					Yields (%)	
		1 year	5 years	10 years	Lifetime	Expense ratio (%)	Annualized 30-day SEC yield at NAV	12-month distribution rate at NAV
Growth funds								
AMCAP Fund	5/1/67	16.64	14.67	7.93	11.68	0.48	0.71	0.60
EuroPacific Growth Fund	4/16/84	22.06	9.50	3.41	11.06	0.60	1.08	1.32
The Growth Fund of America	12/1/73	21.78	15.82	7.50	13.79	0.44	0.70	0.71
The New Economy Fund	12/1/83	26.38	15.73	8.20	11.47	0.58	0.43	0.46
New Perspective Fund	3/13/73	21.45	12.97	6.62	12.46	0.55	0.99	0.91
New World Fund	6/17/99	19.40	6.80	3.55	8.15	0.76	1.01	1.10
SMALLCAP World Fund	4/30/90	22.04	12.89	5.55	9.95	0.82	0.27	0.56
Growth-and-income funds								
American Funds Developing World Growth and Income Fund	2/3/14	16.17	—	—	3.03	1.04	2.09	1.97
American Mutual Fund	2/21/50	12.46	12.53	6.77	11.79	0.42	2.23	2.11
Capital World Growth and Income Fund	3/26/93	18.67	11.45	4.78	10.83	0.55	2.13	2.35
Fundamental Investors	8/1/78	19.31	15.07	7.27	12.68	0.41	1.50	1.59
International Growth and Income Fund	10/1/08	18.04	7.41	—	7.33	0.70	2.20	2.29
The Investment Company of America	1/1/34	15.93	14.33	6.61	12.31	0.41	1.92	1.89
Washington Mutual Investors Fund	7/31/52	15.31	13.49	6.63	12.03	0.41	2.02	1.91
Equity-income funds								
Capital Income Builder	7/30/87	8.09	7.94	4.22	9.49	0.40	3.18	3.48
The Income Fund of America	12/1/73	9.69	9.55	5.54	11.21	0.39	2.94	3.12
Balanced funds								
American Balanced Fund	7/26/75	10.63	10.84	6.83	10.91	0.39	1.80	1.82
American Funds Global Balanced Fund	2/1/11	8.15	7.80	—	6.63	0.65	2.07	2.06

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of each fund's prospectus available as of June 30, 2017. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which the results would have been lower. Please see [americanfunds.com](http://americanfunds.com) for more information. Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Please see [americanfunds.com](http://americanfunds.com) for more information on specific expense adjustments and the actual dates of first sale. The SEC yield reflects the rate at which the fund is earning income on its current portfolio of securities, while the distribution rate reflects the fund's past dividends paid to investors. Accordingly, the fund's SEC yield and distribution rate may differ.

Rankings are based on the funds' average annual total returns (American Funds' Class F-2 shares for the equity funds and American Funds' Class R-3 shares for the target date funds or, for peer funds, share classes at net asset value) and do not reflect the effects of sales charges, account fees or taxes. Past results are not predictive of future results. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which results would have been lower. Rankings are not shown for periods when equity funds were not in existence. Lifetime rankings for the target date funds reflect the period beginning February 1, 2007, except for the 2055 and 2060 funds, which began on February 1, 2010, and March 27, 2015, respectively, through December 31, 2016.

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This brochure must be preceded or accompanied by a prospectus or summary prospectus for the funds being offered.