

# The Capital Advantage<sup>®</sup>

Equity investments

2024 edition: Class A



CAPITAL  
GROUP<sup>®</sup>

AMERICAN  
FUNDS<sup>®</sup>



Think no one can  
beat the index?

**Think again.**

# The average manager can't beat the index ...

Investors seeking better outcomes face a well-documented challenge: how to beat the index. At first glance, it may seem impossible, but take a closer look and it becomes clear that there are investment managers who have beaten the index, and have done so consistently.

**We believe three questions can provide a simple framework to help identify investment managers with the potential to endure and meet long-term investing goals:**

**1.**

## **What are their historical results?**

Historical results can be an important indicator of the strength of a manager's process across market cycles, even though they are not predictive of future results.

**2.**

## **How did they achieve these results?**

Results that can be attributed to a combination of distinguishing factors – a culture of stewardship, alignment with shareholders and a systematic process – can uncover managers that are focused on delivering strong long-term outcomes.

**3.**

## **Is there reason to believe the results can be repeated?**

Enduring factors and a repeatable process may suggest that a manager can generate results to power your clients' portfolios over time.

**Explore Capital Group's equity-focused American Funds through this evaluative framework.**

Figures shown are past results for Class A shares and are not predictive of future periods. Results shown at net asset value (NAV) do not reflect the maximum sales charge of 5.75%. If sales charges had been applied, results would have been lower. Returns shown at maximum offering price (MOP) reflect the deduction of the maximum sales charge. Current and future results may be lower or higher than those shown. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, refer to [capitalgroup.com](https://capitalgroup.com).

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

## ... but not all managers are average.

At Capital Group, our mission is to improve people's lives through successful investing. Our long-standing culture of stewardship, together with The Capital System™, has powered our ability to deliver superior long-term outcomes.

**American Funds equity-focused funds outpaced their benchmarks over their respective lifetimes on a rolling 20-year basis, on average:**

# 84.4%

of the time<sup>2</sup>

**U.S. active funds outpaced their respective benchmarks on a rolling 20-year basis, on average:**

# 46.0%

of the time<sup>3</sup>



Capital Group's robust culture has been forged over nearly a century, and it has long established itself as an industry leader. The firm provides strong risk-adjusted results for investors while offering low fees, and its signature multimanager approach minimizes key-person risk and succession issues. Capital Group is differentiated by its strong culture.

Stephen Welch, CFA

Morningstar, March 14, 2023<sup>4</sup>



2023 winner of the Morningstar Exemplary Stewardship award<sup>1</sup>

<sup>1</sup>Source: "U.S. Morningstar Awards for Investing Excellence: The 2023 Winners," Morningstar.com. In March, Capital Group was announced as the winner of the 2023 U.S. Morningstar Exemplary Stewardship Award, recognizing Capital Group for investment and business cultures that prioritize investors' interests above all else. In order to qualify for the award, which is a part of the 2023 U.S. Morningstar Awards for Investing Excellence, all nominees must have received a Parent pillar rating of "High" and remain investor-focused through 2022. Capital Group did not pay to be considered among the award nominees or pay to use the information in this material.

<sup>2</sup>As of 12/31/23. Source: Capital Group. Calculations cover the time frame from January 1934 through December 2023 and are based on rolling monthly 20-year periods over each of the existing funds' respective lifetimes for Class A shares at net asset value. In this calculation, 15 of the 20 equity-focused American Funds had lifetimes long enough to calculate. Please refer to the appendix for a list of all of the American Funds and their primary benchmarks. The primary benchmark for six of these funds is the S&P 500. Past results are not predictive of results in future periods.

<sup>3</sup>As of 12/31/23. Sources: Capital Group, Morningstar. "U.S. active funds" data represent the oldest share class of all actively managed mutual and exchange-traded funds (excluding American Funds) with the same primary prospectus benchmark as one or more of American Funds' equity-focused mutual funds plus the moderate allocation of global allocation categories. Only live funds were included in the analysis. The groupings were filtered for oldest share class and excluded fund of funds, index funds, feeder funds, lifecycle funds, in-house funds of funds and enhanced index funds. Funds were considered actively managed if they were not classified by Morningstar as index funds. There may be funds in the comparison that use the same primary benchmark as one or more of American Funds' equity-focused mutual funds but follow a different strategy which could impact the results of the comparison.

<sup>4</sup>"Morningstar Awards for Investing Excellence: Exemplary Steward Nominees," Morningstar.com.

# Equity-focused mutual funds with enduring, index-beating lifetime results

Proponents of index investing claim it is nearly impossible to beat the index over the long term. Yet, nearly all of our equity-focused American Funds have generated index-beating lifetime results, even though there have been times when the funds lagged their indexes.

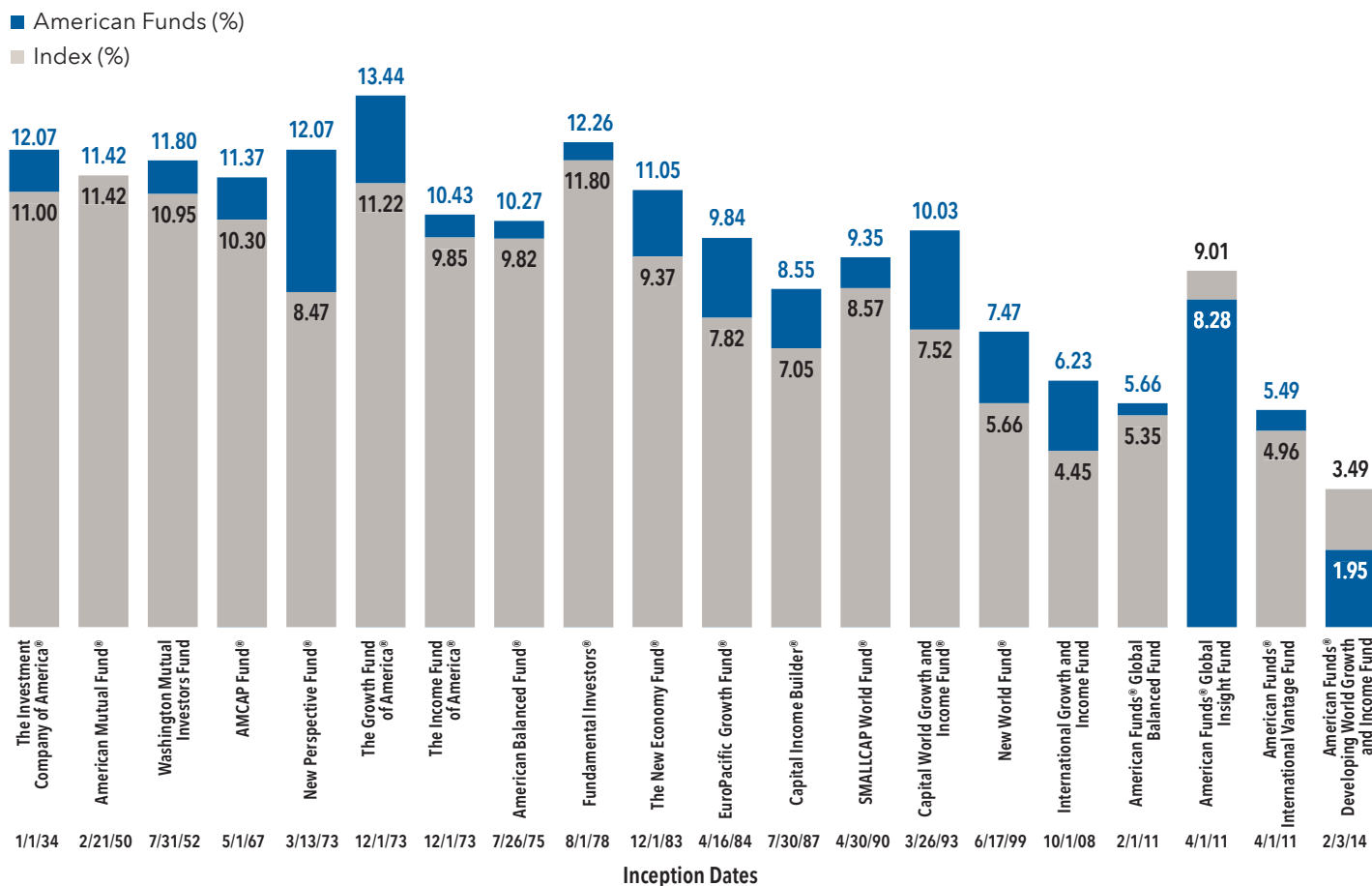
## Lifetime annual return of equity-focused American Funds

### EXHIBIT DETAILS

Class A shares, at net asset value.

**1.18 percentage points**

Average annual excess return over 806 combined fund years, as of December 31, 2023.<sup>5</sup>



<sup>5</sup>Time-weighted average annual excess return across these 20 equity-focused American Funds. The equal-weighted average annual excess return is 1.05 percentage points. The time-weighted average gives greater emphasis to those funds that have been in existence longer. For example, this means that the 1.07 percentage-point annualized difference between The Investment Company of America and its benchmark is given proportionally greater weighting in alignment with its more than 90 years in existence when calculating the average across all 20 funds.

Returns are average annual total returns for benchmark indexes and average annual returns for funds at net asset value from fund inception through 12/31/23. The funds' indexes are as of 12/31/2023. Refer to individual fund detail pages at [capitalgroup.com](https://capitalgroup.com) for current information and any applicable benchmark index changes. Please refer to the appendix for a list of the indexes used for comparison with each of the American Funds.

Past results are not predictive of results in future periods.

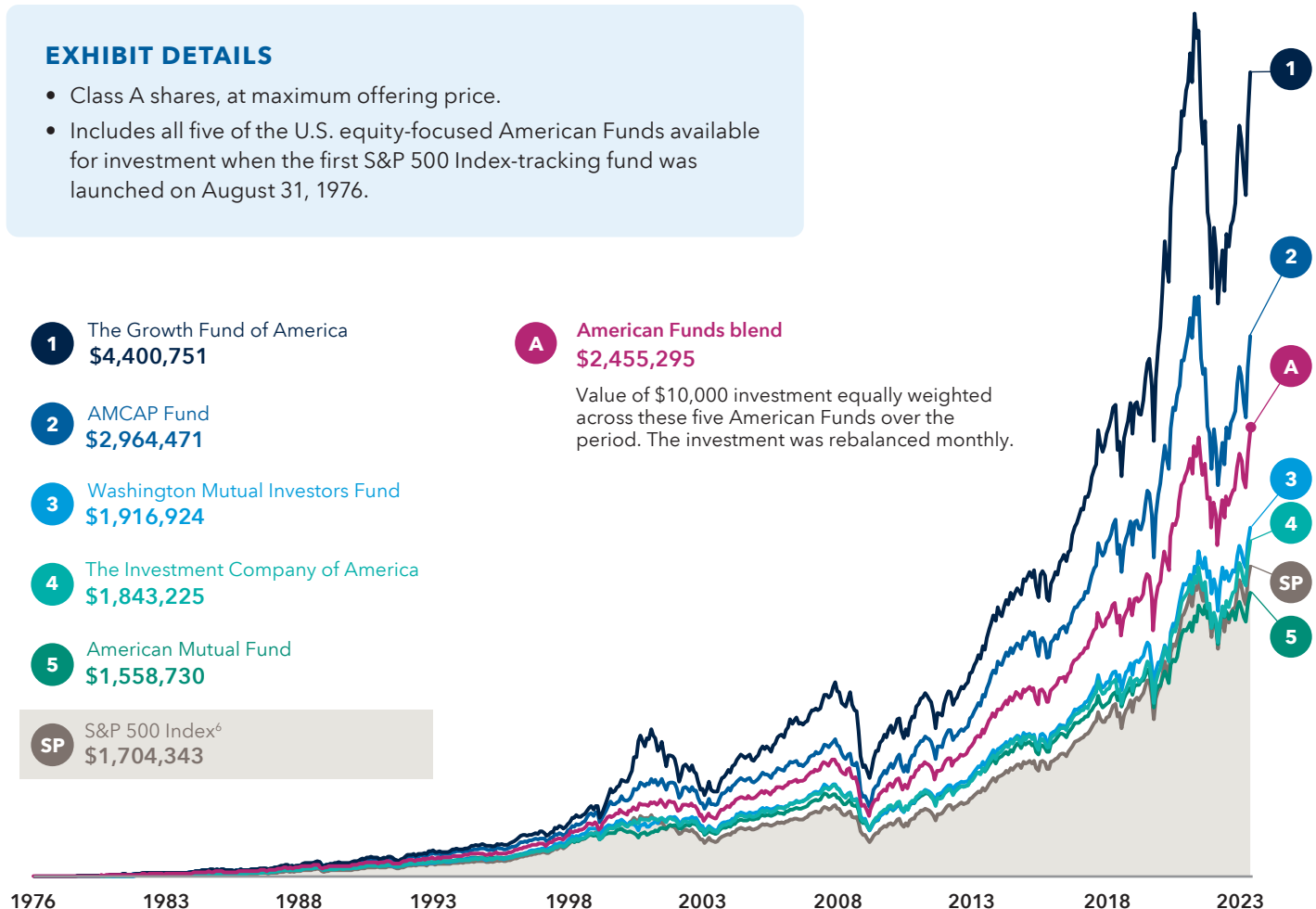
# Five of the American Funds have delivered competitive results against the S&P 500 Index since 1976

The first retail S&P 500 Index-tracking fund was founded in 1976. Between then and now, an investor could have done well for themselves by keeping their money invested in an index-tracking fund, while four of the five U.S. equity-focused American Funds available at the time have yielded even better results.

**Hypothetical value of \$10,000 invested in five of the American Funds and the S&P 500 Index**  
August 31, 1976 through December 31, 2023

## EXHIBIT DETAILS

- Class A shares, at maximum offering price.
- Includes all five of the U.S. equity-focused American Funds available for investment when the first S&P 500 Index-tracking fund was launched on August 31, 1976.



<sup>6</sup>The market index is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

Source: Capital Group.

Past results are not predictive of results in future periods.

# Since 2000, nearly all of our equity-focused funds generated more wealth than their indexes or peers<sup>7</sup> ...

The chart below illustrates how these American Funds fared during accumulation, demonstrating their endurance across major downturns in the 21st century.

## EXHIBIT DETAILS

- Class A shares, at net asset value.
- Includes all equity-focused American Funds available for investment on December 31, 1999, none of which have since been liquidated or merged.
- Includes all dividends reinvested for indexes, peers and American Funds, and with no money withdrawn.

With the hypothetical \$100,000 initial investment illustrated below, American Funds ended the period having generated on average:

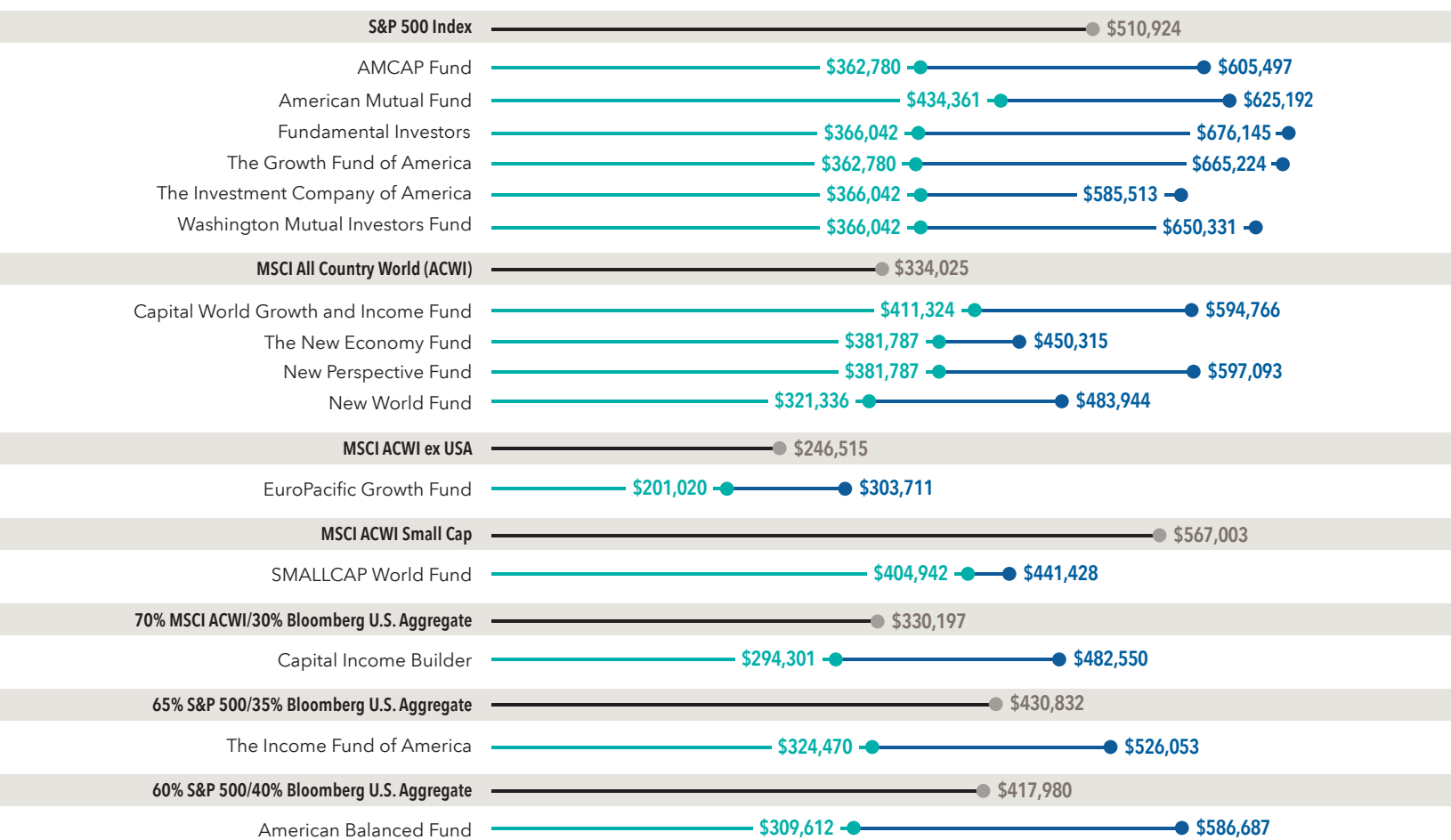
**\$125,352**  
more wealth than indexes

**\$199,055**  
more wealth than peer category averages<sup>7</sup>

**\$0:** Total amount **withdrawn** during the period

## Ending value of a hypothetical \$100,000 investment

Fund/Index name ● Index ● Peer category average<sup>7</sup> ● American Funds



<sup>7</sup>Peer category average represents each fund's respective Morningstar U.S. Active Fund category average. There may be funds within these categories that outpaced or lagged their category average and/or American Funds.

Returns shown for indexes include reinvested dividends. The 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 index.

Past results are not predictive of results in future periods.

## ... and also fared better than both in distribution.

Moreover, these funds have not only preserved wealth in distribution but also, in some cases, continued to grow the initial investment while some of the peer category averages<sup>7</sup> dropped to zero.

### EXHIBIT DETAILS

- Class A shares, at net asset value.
- Includes all equity-focused American Funds available for investment on December 31, 1999, none of which have since been liquidated or merged.
- Monthly withdrawals totaled \$20,000 the first year (4% of the initial investment) and increased by 3% each year thereafter.

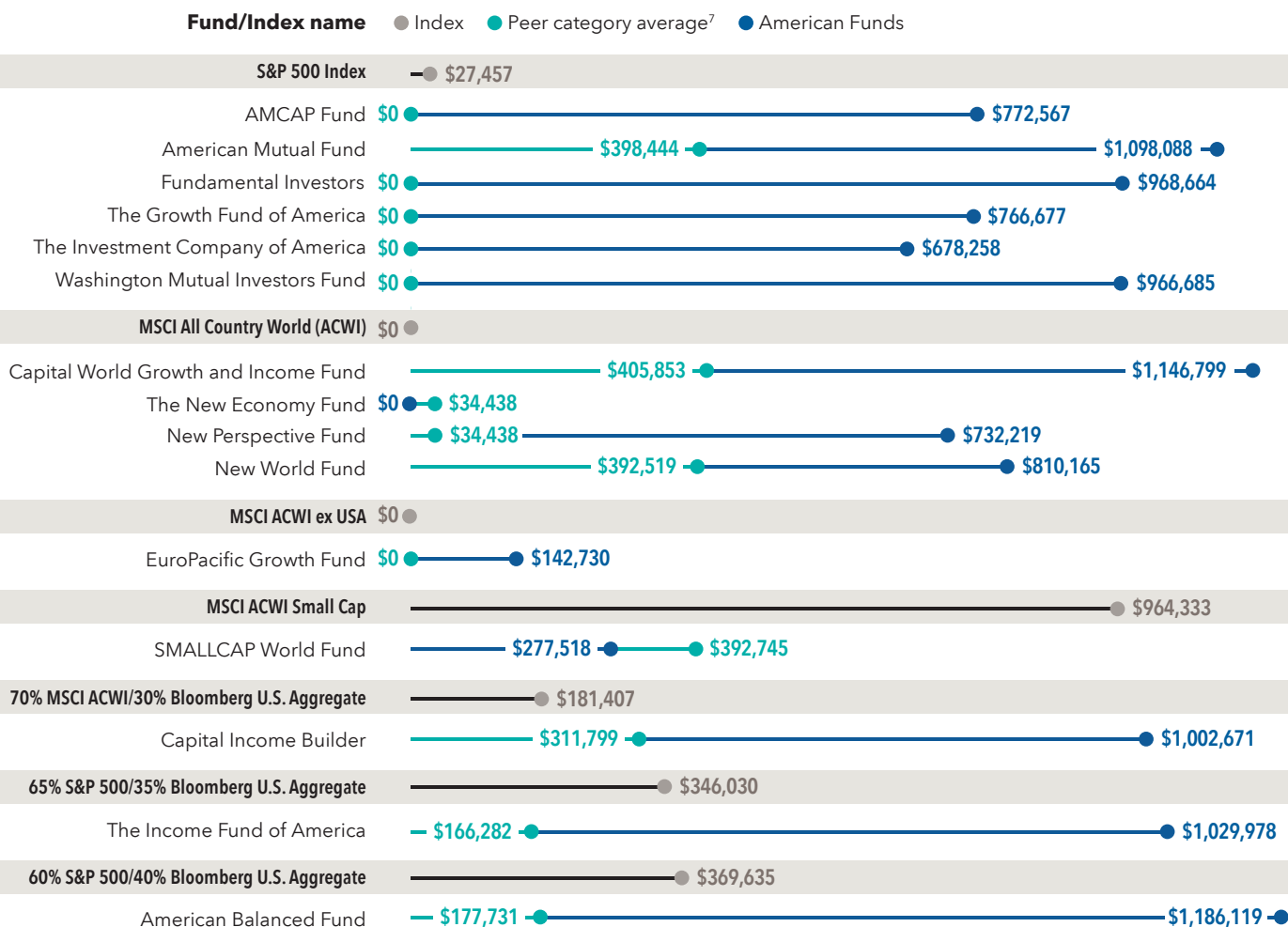
With the hypothetical \$500,000 initial investment illustrated below, American Funds ended the period having generated on average:

**\$636,866**  
more wealth than indexes

**\$617,659**  
more wealth than peer category averages<sup>7</sup>

**\$688,529:** Total amount **withdrawn** during the period<sup>8</sup>

### Ending value of a hypothetical \$500,000 investment



<sup>8</sup>Total amount withdrawn may be less for American Funds, indexes or peers with a \$0 ending balance.

Calculations based on Capital Group and Morningstar data, 12/31/99 to 12/31/23. All comparisons are to each of the funds' primary benchmark as of 12/31/2023. Refer to individual fund detail pages at [capitalgroup.com](https://capitalgroup.com) for current information and any applicable benchmark index changes. Please refer to the appendix for a list of each fund's respective Morningstar U.S. Active Fund category, as well as each fund's rolling returns and success rates for this period.

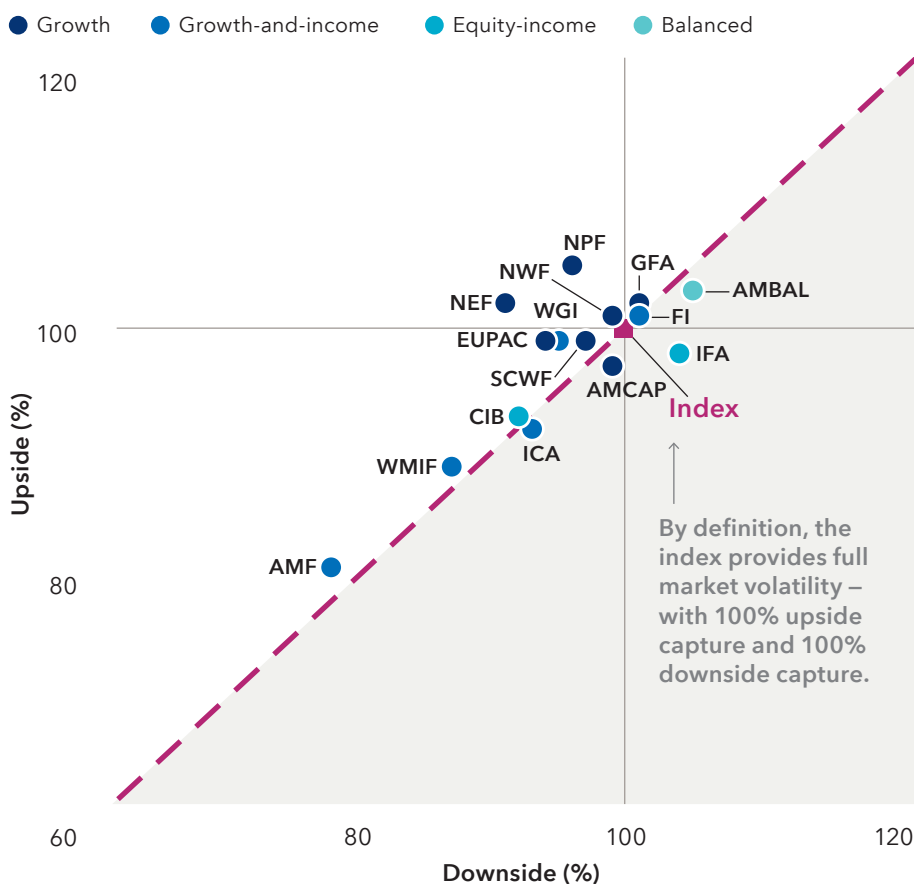
Past results are not predictive of results in future periods.

# Asymmetric risk: An important consideration when constructing a diverse portfolio

Asymmetric risk is a measure of an investment opportunity’s **upside capture** relative to its **downside capture**. One way to assess asymmetric risk is to examine **overall capture ratio**, illustrated by the dotted line in the chart below.

There are funds that may lag their benchmark in extended positive periods, but by losing less than their benchmarks in negative periods, some funds can offer an asymmetric advantage.

**20-year capture ratios of American Funds equity-focused funds (Class A shares, at net asset value)**



**11 out of our 15** equity-focused funds shown here have 20-year downside capture ratios less than 100%, with a **95%** average downside capture across all 15 funds.

**American Funds**  
Objective-based strategies designed with varying levels of risk and often including a secondary objective, such as income or capital preservation.

**Indexing strategy**  
Designed to track the index in up or down markets. It is not designed to outpace its benchmark.

**Upside capture:** Measures a fund’s results in positive market periods relative to its benchmark; greater than 100% is better.

**Downside capture:** Measures a fund’s results in negative market periods relative to its benchmark; less than 100% is better.

**Overall capture ratio:** Upside is divided by downside capture. Greater than 100% (or 1) is generally better.

Source: Capital Group. As of December 31, 2023. Funds without a 20-year history were excluded from analysis. Please refer to the table in the appendix for a list of the indexes used for comparison with each fund.

Fund name abbreviations: AMCAP Fund (AMCAP), American Balanced Fund (AMBAL), American Mutual Fund (AMF), Capital Income Builder (CIB), Capital World Growth and Income Fund (WGI), EuroPacific Growth Fund (EUPAC), Fundamental Investors (FI), The Growth Fund of America (GFA), The Income Fund of America (IFA), The Investment Company of America (ICA), The New Economy Fund (NEF), New Perspective Fund (NPF), New World Fund (NWF), SMALLCAP World Fund (SCWF), Washington Mutual Investors Fund (WMIF).

The information in relation to the index is provided for context and illustration only.

Please refer to page 17 for a more detailed explanation of asymmetric risk.

Past results are not predictive of results in future periods.

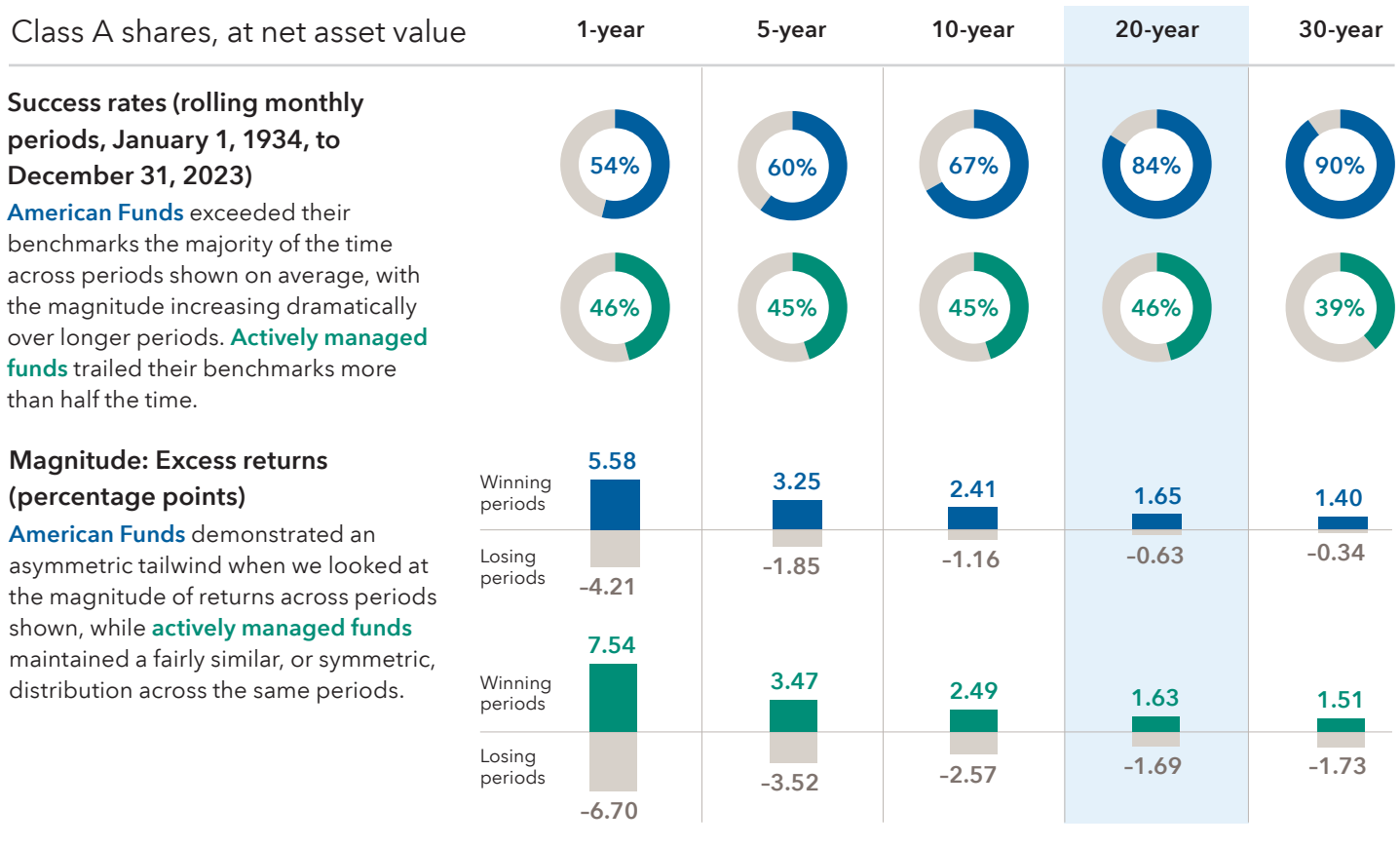


# An asymmetric advantage in equity investments

Assessing a fund’s asymmetric risk and returns can help investors gauge potential outcomes over longer term periods. To do this, we look at the consistency with which the fund beat the benchmark (success rate) and the strength of its relative gains (magnitude of excess returns).

## Equity-focused mutual funds: ■ American Funds vs. ■ Actively managed funds

Here’s a look at success rates and magnitude of excess returns over time.



### Asymmetric returns

To determine asymmetric return, we use the formula shown at right. The 20-year asymmetric return for American Funds outpaced actively managed funds by 145 basis points.

$$\left( \text{Success rate} \times \text{Magnitude of relative excess returns} \right) - \left( \text{Failure rate} \times \text{Magnitude of relative losses} \right) = \text{Asymmetric Return}$$

$( 84\% \times 1.65\% )$	$-$	$( 16\% \times 0.63\% )$	$=$	<b>1.29%</b>	} +145 bps
$( 46\% \times 1.63\% )$	$-$	$( 54\% \times 1.69\% )$	$=$	<b>-0.16%</b>	

As of 12/31/23. Sources: Capital Group, Morningstar. "Actively managed funds" data represent the oldest share class of all actively managed mutual and exchange-traded funds (excluding American Funds) with the same primary prospectus benchmark as one or more of American Funds' equity-focused mutual funds plus the moderate allocation of global allocation categories. Only live funds were included in the analysis. The groupings were filtered for oldest share class and excluded fund of funds, index funds, feeder funds, lifecycle funds, in-house funds of funds and enhanced index funds. Funds were considered actively managed if they were not classified by Morningstar as index funds. There may be funds in the comparison that use the same primary benchmark as one or more of American Funds' equity-focused mutual funds but follow a different strategy which could impact the results of the comparison. "American Funds" data represent our 20 equity-focused mutual funds. A full list of these funds, their primary benchmarks and their Morningstar categories can be found on page 16.

Totals may not reconcile due to rounding.

Market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

Please refer to page 17 for a more detailed explanation of asymmetric risk.

Past results are not predictive of results in future periods.

# We have a strong culture of stewardship

Our portfolio managers have personal investments in the mutual funds. By taking a stake in their fund, managers convey their conviction in the approach and experience the ups and downs alongside fund investors.

## Invested with you: Higher firm manager ownership

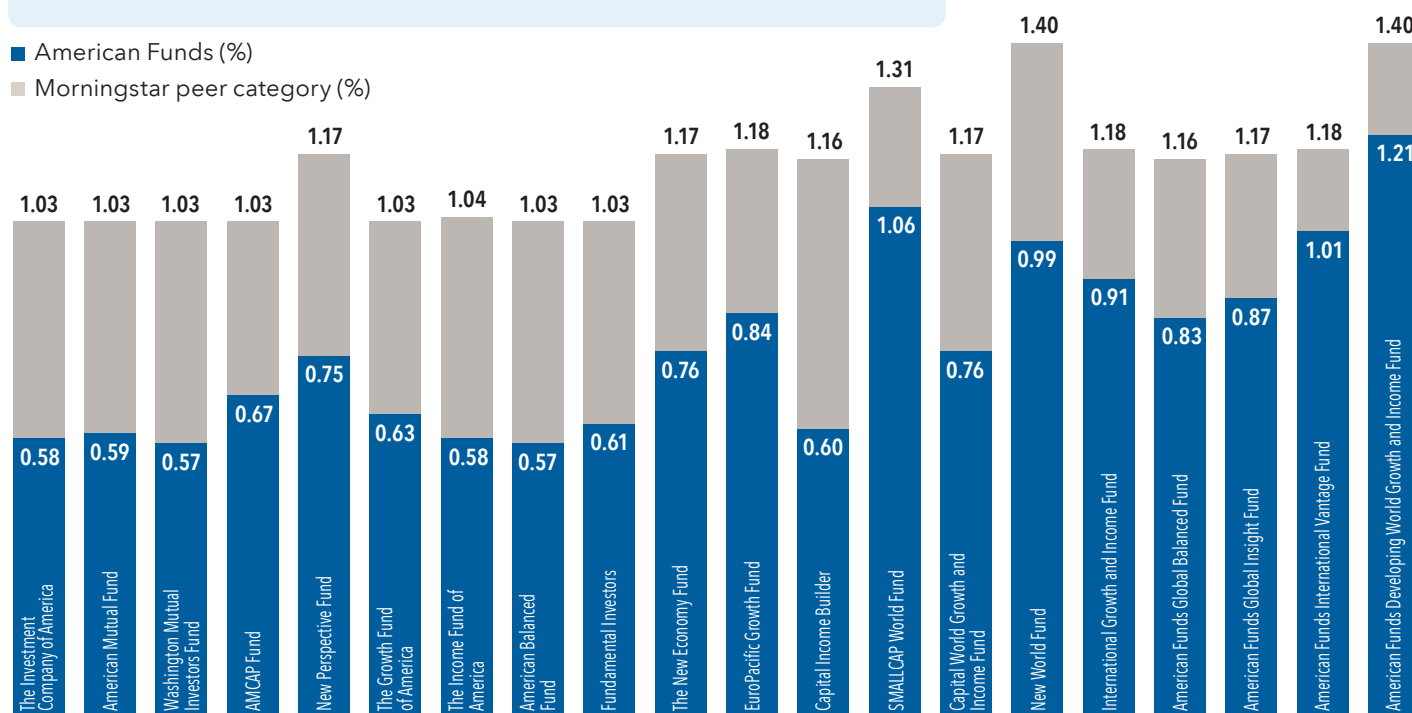
<b>American Funds</b> <span style="font-size: 2em; font-weight: bold;">97%</span>	of <b>American Funds</b> assets are invested in mutual funds in which at least one manager has invested more than \$1 million. <sup>9</sup>	<b>Industry</b> <span style="font-size: 2em; font-weight: bold;">43%</span>	of the 6,067 <b>actively managed</b> mutual funds are run by portfolio managers who do not invest a single dollar of their own money. <sup>10</sup>
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## Lower expense ratios

Our equity-focused mutual funds feature lower expense ratios than the average of their Morningstar category peers<sup>11</sup> – a key element of our culture and philosophy.

### EXHIBIT DETAILS

- Expense ratios reflect the most recent prospectus, as of December 31, 2023.
- Expense ratios shown for Class A shares.



<sup>9</sup>Source: Morningstar. As of 2/15/24.

<sup>10</sup>Source: Capital Group, based on Morningstar data as of 2/15/2024. All funds included in the analysis are non-index (active funds), based on oldest share class. Manager ownership information classified as “inconsistent” by Morningstar is not included. This dataset includes liquidated and merged funds, but is limited to funds that have Statement of Additional Information filings.

<sup>11</sup>Morningstar peer categories represent each fund’s respective Morningstar Fee Level Group – Front Load category, which are as follows: Emerging Markets Stock (New World Fund, American Funds Developing World Growth and Income Fund); Foreign Large Cap (American Funds International Vantage Fund, EuroPacific Growth Fund, International Growth and Income Fund); Large Cap (AMCAP Fund, The Growth Fund of America, American Mutual Fund, Fundamental Investors, The Investment Company of America, Washington Mutual Investors Fund); Moderate Allocation (American Balanced Fund); Moderately Aggressive Allocation (The Income Fund of America); World Allocation (Capital Income Builder, American Funds Global Balanced Fund); World Large Stock (American Funds Global Insight Fund, The New Economy Fund, New Perspective Fund, Capital World Growth and Income Fund); World Small/Mid Stock (SMALLCAP World Fund).

# Three screens can help uncover funds that have delivered strong, long-term outcomes

American Funds aren't the only actively managed funds that have offered an asymmetric advantage for investors. To help narrow the field, Capital Group has spent years researching factors that have contributed to better-than-peer and better-than-benchmark results.

This research identified three screens – **strong downside capture**, **lower fees** and **higher firm manager ownership** – that have enhanced outcomes consistently across every asset class, every time period and every market environment that we examined.

	U.S. Large Cap	Foreign Large Cap	World Stock Large	Emerging Markets	World Stock Small/Mid Cap	Moderate Allocation	World Allocation
<b>Morningstar active funds universe<sup>12</sup></b>	2,509	735	487	402	50	500	133
<b>Rolling 10-year success rates<sup>13</sup></b>	14%	48%	44%	23%	30%	10%	29%
<b>Strong downside capture</b>	1,027	315	192	161	21	216	61
<b>Lower fees</b>	254	157	96	80	11	107	30
<b>High firm manager ownership</b>	245	157	93	78	10	108	30
<b>Screened active funds</b>	52	71	51	45	6	62	13
<b>Rolling 10-year success rates<sup>13,14</sup></b>	52%	82%	100%	66%	44%	48%	68%

**90% of our equity-focused American Funds passed all three screens**

- Screen one**  
Strong downside capture  
Funds that have exhibited **strong downside capture** versus peers over a rolling three-year period
- Screen two**  
Lower fees  
Funds that have fees in the **least expensive quartile** versus their peers
- Screen three**  
High firm manager ownership  
Funds managed by portfolio managers with the **highest quartile of firm manager ownership** in their fund

<sup>12</sup>Morningstar universe of active funds uses an asset-weighted methodology. This method can increase comparability between portfolios as compared with an equal-weighting methodology. Refer to the appendix on pages 16–17 for methodology details.

<sup>13</sup>Success rates are calculated at NAV for rolling 10-year periods on a monthly basis from 1/1/96 to 12/31/23.

<sup>14</sup>Results reflect funds within the specified Morningstar category that met the combined strong downside capture, low expense ratio and high firm manager ownership screens. Not all individual funds beat their benchmark.

Please refer to the appendix for indexes used to calculate the success rates for the different categories.

Sources: Capital Group, Morningstar as of December 31, 2023. Screens were based on historical fund performance in comparison to peers within the same Morningstar category. Best downside capture was defined as top 50%. Lowest expense ratio and highest manager ownership were defined as top 25% for the U.S. Large Cap category (owing to its larger sample size) and top 50% for the other categories. Refer to page 16 for more information on the methodology for tracking downside capture, low expenses and high firm manager ownership.

Past results are not predictive of results in future periods.

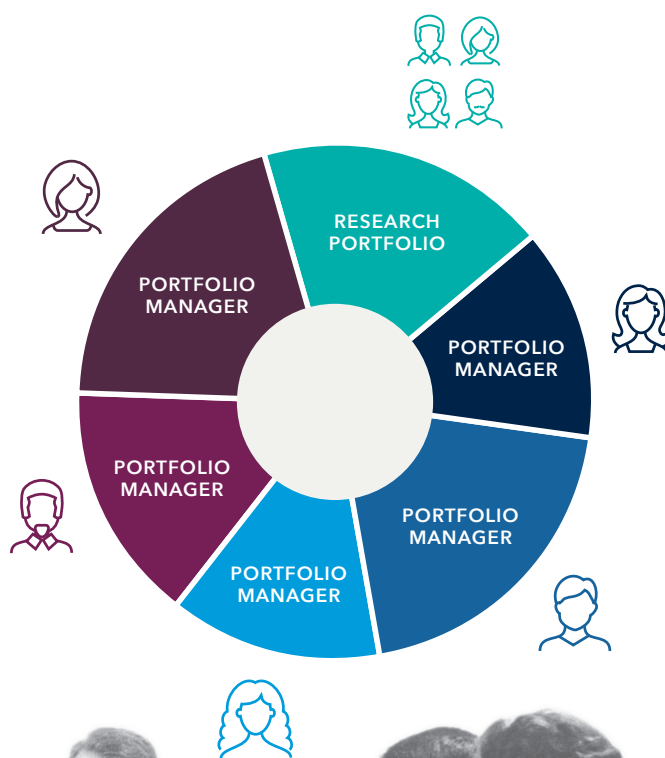
# A time-tested, distinctive investment approach

Long-term investing objectives require a corresponding investment strategy and professionals aligned with that goal. At Capital Group, we strongly support this orientation in key ways and believe it is what makes The Capital Advantage – our time-tested results – possible.

## The Capital System

The Capital System is the foundation of our investment success. Its multi-manager approach is designed to help our investment teams uncover high-quality opportunities, establish and refine a repeatable process and promote fund management continuity.

Its key feature enables each manager to invest in their highest conviction ideas within their portion of the portfolio. The Capital System is further enhanced by a flat structure that fosters a cooperative culture among managers and analysts, consideration for research related to material environmental, social, and governance issues, and robust interactions across regional and sector responsibilities.



Number of portfolio managers and portfolio segments shown for illustrative purposes only. This illustration does not reflect the makeup of a particular fund or strategy.

PHOTO: A peek into the Capital Group investment process in action – an investment meeting in 1967. From left to right: Marjorie Fisher, Bill Newton, Jonathan Bell Lovelace, Bob Cody, Jon Lovelace, Howard Schow, Inge Andonow and Cecil Bessell.

## Portfolio manager compensation

Compensation paid to our investment professionals is heavily influenced by investment results over one-, three-, five- and eight-year periods. Increasing weight is placed on each successive measurement period to encourage a long-term investment approach.

### Compensation basis (years)



## Privately owned since 1931

As a privately held company, we’re able to maintain a culture and pursue business strategies centered on what’s right for long-term investors, not merely what will buoy the next quarter’s financials.

## Expansive research capabilities and global access<sup>16</sup>

Few firms match the scale and scope of our proprietary research effort. Our long-standing relationships with companies enable our vast investment network to conduct in-depth, fundamental research on businesses across the globe.



<sup>15</sup>Ma, Linlin and Tang, Yuehua and Gomez, Juan-Pedro, Portfolio Manager Compensation in the U.S. Mutual Fund Industry 2018. *Journal of Finance*.

<sup>16</sup>All data as of 12/31/23 except total assets under management which is as of 3/31/24.

# Stress test: Our results have been persistent

Below are results for these equity-focused American Funds over multiple rolling periods on a monthly basis since each fund's inception and the percentage of periods each fund outpaced their indexes, as of December 31, 2023.<sup>17</sup>

## Class A shares (NAV)

■ ≥ 50% 
 ■ ≥ 75% 
 ★ Morningstar's "Thrilling 30" list 
 ■ Positive 
 ■ Negative

Rolling periods	1 yr	5 yrs	10 yrs	20 yrs	1 yr	5 yrs	10 yrs	20 yrs	1 yr	5 yrs	10 yrs	20 yrs
<b>GROWTH FUNDS</b>												
<b>Fund name</b>	<b>AMCAP Fund</b>				<b>EuroPacific Growth Fund</b>				<b>★ The Growth Fund of America</b>			
Inception date	5/1/67				4/16/84				12/1/73			
Number of rolling periods	668	620	560	440	465	417	357	237	590	542	482	362
Percentage of periods outpaced index	49%	46%	66%	80%	63%	93%	98%	100%	56%	64%	69%	100%
Fund annualized return (%)	12.73	11.88	12.36	12.23	11.62	9.64	9.22	9.01	15.14	14.18	13.47	12.92
Index annualized return (%)	11.60	10.78	10.91	11.11	10.31	6.65	6.05	5.95	12.71	11.86	11.69	11.11
Difference (percentage points)(%)	1.13	1.09	1.45	1.12	1.31	2.99	3.17	3.06	2.44	2.32	1.78	1.81
<b>Fund name</b>	<b>★ The New Economy Fund</b>				<b>★ New Perspective Fund</b>				<b>New World Fund</b>			
Inception date	12/1/83				3/13/73				6/17/99			
Number of rolling periods	469	421	361	241	598	550	490	370	283	235	175	55
Percentage of periods outpaced index	60%	76%	88%	100%	74%	90%	96%	100%	55%	51%	51%	100%
Fund annualized return (%)	12.99	11.16	10.69	9.50	13.38	12.74	12.54	12.22	9.26	9.06	7.98	8.86
Index annualized return (%)	10.86	8.58	7.92	7.24	10.11	9.59	9.51	8.97	6.88	6.84	6.48	6.70
Difference (percentage points)(%)	2.13	2.59	2.77	2.25	3.27	3.15	3.04	3.26	2.39	2.22	1.51	2.17
<b>Fund name</b>	<b>SMALLCAP World Fund</b>				<b>American Funds Global Insight Fund</b>				<b>American Funds International Vantage Fund</b>			
Inception date	4/30/90				4/1/11				4/1/11			
Number of rolling periods	393	345	285	165	141	93	33	–	141	93	33	–
Percentage of periods outpaced index	57%	59%	51%	37%	43%	31%	0%	–	52%	75%	97%	–
Fund annualized return (%)	11.97	9.69	8.87	8.77	9.50	9.19	9.32	–	6.79	6.31	6.34	–
Index annualized return (%)	10.25	8.84	8.76	9.01	10.16	9.43	9.92	–	6.34	5.01	5.51	–
Difference (percentage points)(%)	1.71	0.85	0.11	-0.24	-0.65	-0.24	-0.61	–	0.45	1.30	0.82	–

<sup>17</sup>Fund returns are from the first month-end following each fund's inception date through December 31, 2023.

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. Data are not shown for periods when funds were not in existence.

Past results are not predictive of results in future periods.

Out of 15,000 fund share classes surveyed, only 30 – approximately 0.2% – were deemed “Thrilling” by Morningstar. Six of the seven American Funds to make the cut have been on a similar Morningstar list since its inception in 2012.<sup>18</sup>

**7** American Funds on Morningstar’s 2023 “Thrilling 30” list

1 yr				5 yrs				10 yrs				20 yrs			
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**GROWTH AND INCOME FUNDS**

American Funds Developing World Growth and Income Fund 2/3/14				★ American Mutual Fund 2/21/50				Capital World Growth and Income Fund 3/26/93				Fundamental Investors 8/1/78			
107	59	–	–	875	827	767	647	358	310	250	130	534	486	426	306
<b>38%</b>	<b>14%</b>	–	–	<b>44%</b>	<b>50%</b>	<b>57%</b>	<b>67%</b>	<b>65%</b>	<b>75%</b>	<b>77%</b>	<b>100%</b>	<b>51%</b>	<b>56%</b>	<b>65%</b>	<b>93%</b>
2.07	3.00	–	–	12.22	11.52	11.24	11.19	10.88	9.69	9.24	9.24	13.50	12.55	12.07	11.55
3.80	4.59	–	–	12.48	11.23	10.71	10.38	8.44	6.89	6.09	6.11	13.07	11.97	11.35	10.44
<b>-1.72</b>	<b>-1.59</b>	–	–	<b>-0.26</b>	<b>0.29</b>	<b>0.54</b>	<b>0.80</b>	<b>2.44</b>	<b>2.80</b>	<b>3.15</b>	<b>3.13</b>	<b>0.42</b>	<b>0.58</b>	<b>0.73</b>	<b>1.11</b>

International Growth and Income Fund 10/1/08				The Investment Company of America 1/1/34				Washington Mutual Investors Fund 7/31/52			
171	123	63	–	1,069	1,021	961	841	846	798	738	618
<b>56%</b>	<b>54%</b>	<b>84%</b>	–	<b>51%</b>	<b>58%</b>	<b>59%</b>	<b>74%</b>	<b>54%</b>	<b>58%</b>	<b>67%</b>	<b>92%</b>
7.66	5.61	5.42	–	13.33	11.70	11.82	11.94	12.90	11.75	11.52	11.56
6.97	5.17	5.03	–	12.48	11.14	11.23	11.21	12.19	10.83	10.48	10.31
<b>0.69</b>	<b>0.44</b>	<b>0.40</b>	–	<b>0.85</b>	<b>0.56</b>	<b>0.59</b>	<b>0.73</b>	<b>0.71</b>	<b>0.92</b>	<b>1.04</b>	<b>1.25</b>

**EQUITY INCOME FUNDS**

★ Capital Income Builder 7/30/87				★ The Income Fund of America 12/1/73			
426	378	318	198	590	542	482	362
<b>55%</b>	<b>63%</b>	<b>73%</b>	<b>90%</b>	<b>51%</b>	<b>46%</b>	<b>51%</b>	<b>72%</b>
9.18	8.76	8.66	8.38	11.14	10.56	10.68	10.43
7.68	7.19	6.95	6.56	10.65	10.40	10.44	10.08
<b>1.49</b>	<b>1.57</b>	<b>1.70</b>	<b>1.82</b>	<b>0.49</b>	<b>0.16</b>	<b>0.24</b>	<b>0.36</b>

**BALANCED FUNDS**

★ American Balanced Fund 7/26/75				American Funds Global Balanced Fund 2/1/11			
570	522	462	342	143	95	35	–
<b>52%</b>	<b>44%</b>	<b>58%</b>	<b>81%</b>	<b>49%</b>	<b>28%</b>	<b>57%</b>	–
10.63	10.45	10.49	10.19	5.83	5.50	5.82	–
10.30	10.22	10.19	9.76	5.61	5.82	5.86	–
<b>0.33</b>	<b>0.22</b>	<b>0.30</b>	<b>0.43</b>	<b>0.22</b>	<b>-0.32</b>	<b>-0.04</b>	–

<sup>18</sup>Source: Morningstar, “The Thrilling 30: A List of Great Funds” by Russel Kinnel, September 2023. Morningstar’s screening took into consideration expense ratios, manager ownership, returns over manager’s tenure, and Morningstar Risk, Medalist and Parent ratings. The universe was limited to share classes accessible to individual investors with a minimum investment no greater than \$50,000, did not include funds of funds, and must be rated by Morningstar analysts. Class A shares were evaluated for American Funds. Refer to Morningstar.com for more details.

Past results are not predictive of results in future periods.

# Appendix

## Listing of funds and their primary benchmarks

### Rolling 10-year success rates (Class A shares, at net asset value)

Annual results for monthly rolling 10-year periods, 12/31/99–12/31/23	Average annual fund return	Average annual index return	Number of periods fund led index	Percentage of periods fund led index
<b>S&amp;P 500 Index</b>				
AMCAP Fund	9.13%	8.89%	110 of 169	65%
American Mutual Fund	8.40	8.89	56 of 169	33
Fundamental Investors	9.27	8.89	85 of 169	50
The Growth Fund of America	9.36	8.89	116 of 169	69
The Investment Company of America	8.22	8.89	29 of 169	17
Washington Mutual Investors Fund	8.51	8.89	28 of 169	17
<b>MSCI All Country World Index (ACWI)</b>				
Capital World Growth and Income Fund	7.94	6.68	113 of 169	67
The New Economy Fund	9.64	6.68	147 of 169	87
New Perspective Fund	9.09	6.68	169 of 169	100
New World Fund	7.94	6.68	83 of 169	49
<b>MSCI ACWI ex USA Index</b>				
EuroPacific Growth Fund	6.47	5.11	169 of 169	100
International Growth and Income Fund	5.42	5.13	50 of 63	79
<b>MSCI ACWI Small Cap Index</b>				
SMALLCAP World Fund	8.88	8.78	91 of 169	54
<b>MSCI EAFE (Europe, Australasia, Far East) Index</b>				
American Funds International Vantage Fund	6.34	5.51	32 of 33	97
<b>MSCI World Index</b>				
American Funds Global Insight Fund	9.32	9.92	0 of 33	0
<b>70% MSCI ACWI Index/30% Bloomberg U.S. Aggregate Index</b>				
Capital Income Builder	6.44	6.20	83 of 169	49
<b>65% S&amp;P 500 Index/35% Bloomberg U.S. Aggregate Index</b>				
The Income Fund of America	7.33	7.46	62 of 169	37
<b>60% S&amp;P 500 Index/40% Bloomberg U.S. Aggregate Index</b>				
American Balanced Fund	7.76	7.24	140 of 169	83
<b>60% MSCI ACWI Index/40% Bloomberg Global Aggregate Index</b>				
American Funds Global Balanced Fund	5.82	5.86	20 of 35	57

To facilitate the comparison of our funds to one another and peers, we have used the indexes/index blends described above. For more information about each fund's benchmark index, refer to [capitalgroup.com](https://www.capitalgroup.com).

Results for American Funds Global Insight Fund, American Funds International Vantage Fund, International Growth and Income Fund and American Funds Global Balanced Fund are since each fund's inception on 4/1/11, 4/1/11, 10/1/08 and 2/1/11, respectively. American Funds Developing World Growth and Income Fund is not included because it has less than 10 years of results.

Past results are not predictive of results in future periods.

### METHODOLOGY

**Pages 4, 14–15, Lifetime index comparisons:** The 20 American Funds equity-focused funds used in our analysis (and the relevant indexes/index blends to which they were compared) are: AMCAP Fund, American Mutual Fund, Fundamental Investors, The Growth Fund of America, The Investment Company of America and Washington Mutual Investors Fund (S&P 500); American Balanced Fund (60% S&P 500/40% Bloomberg U.S. Aggregate); American Funds Global Balanced Fund (60% MSCI All Country World/40% Bloomberg Global Aggregate); Capital Income Builder (70% MSCI All Country World/30% Bloomberg U.S. Aggregate); The Income Fund of America (65% S&P 500/35% Bloomberg U.S. Aggregate); Capital World Growth and Income Fund (Capital World Growth and Income Fund Historical Benchmarks Index); New Perspective Fund (New Perspective Fund Historical Benchmarks Index); New World Fund and The New Economy Fund (MSCI All Country World); EuroPacific Growth Fund (EuroPacific Growth Fund Historical Benchmarks Index); International Growth and Income Fund (International Growth and Income Fund Historical Benchmarks Index); SMALLCAP World Fund (SMALLCAP World Fund Historical Benchmarks Index); American Funds Global Insight Fund (MSCI World); American Funds International Vantage Fund

(MSCI EAFE Index); and American Funds Developing World Growth and Income Fund (MSCI Emerging Markets Index).

Some of these indexes lack sufficient history to cover the lifetime of certain funds. Comparable indexes were used for those periods. For American Balanced Fund, a 60% S&P 500/40% Bloomberg U.S. Government/Credit index blend was used for the period between July 26, 1975 (the fund's inception) and December 31, 1975. For Capital Income Builder, a 70% MSCI World/30% Bloomberg U.S. Aggregate index blend was used for the period between July 30, 1987 (the fund's inception) and December 31, 1987. For The Income Fund of America, a 65% S&P 500/35% Bloomberg U.S. Government/Credit index blend was used for the period between November 30, 1973 (the fund's inception) and December 31, 1975.

**American Funds' Morningstar categories:** The peer groups against which we compare American Funds in these charts reflect the averages of the relevant Morningstar U.S. Active Fund categories. The 20 equity-focused American Funds used in our analysis and their relevant Morningstar U.S. Active Fund categories with which they were compared are as follows: AMCAP Fund, The Growth Fund of America (Large Growth); American Mutual Fund (Large Value); Fundamental Investors, The Investment Company of America, Washington Mutual Investors Fund (Large Blend); American Balanced Fund (Moderate Allocation); Capital Income Builder, American Funds Global Balanced Fund (Global Allocation); The Income Fund of America (Moderate Aggressive Allocation); American Funds Global Insight Fund, Capital World Growth and Income Fund (Global Large-Stock Blend); The New Economy Fund, New Perspective Fund (Global Large-Stock Growth); New World Fund, American Funds Developing World Growth and Income Fund (Diversified Emerging Markets); American Funds International Vantage Fund, EuroPacific Growth Fund (Foreign Large Growth); SMALLCAP World Fund (Global Small/Mid Stock); International Growth and Income Fund (Foreign Large Blend).

**Page 11, Morningstar categories and indexes:** U.S. Large Cap funds are those in the Morningstar Large Value, Large Blend and Large Growth categories. Foreign Large Cap funds are those in the Morningstar Foreign Large Value, Foreign Large Blend and Foreign Large Growth categories. World Stock Large funds are those in the Morningstar World Large Stock, Morningstar Global Large-Stock Blend, Global Large-Stock Growth and Global Large-Stock Value categories. Moderate Allocation funds are those in the Morningstar Allocation Conservative Allocation, Moderately Conservative Allocation, Moderate Allocation, Moderate Aggressive Allocation, Aggressive Allocation. The other fund categories are the Morningstar Emerging Markets, World Stock Small/Mid Cap and Global Allocation. The indexes used for each Morningstar fund category are U.S. Large Cap (S&P 500), Foreign Large Cap (MSCI ACWI ex USA), World Stock Large (MSCI ACWI), Emerging Markets (MSCI Emerging Markets), World Stock Small/Mid Cap (MSCI ACWI Small Cap/S&P Global <\$3 Billion Index Linked Net), Moderate Allocation (60% S&P 500/40% Bloomberg U.S. Aggregate Index) and World Allocation (60% MSCI ACWI/40% Bloomberg Global Aggregate Index).

**Page 11, Tracking downside capture, low expenses and high firm manager ownership:** In conducting our research, we used most-in-time methodology. First we gathered Morningstar's database of actively managed funds, then divided them based on each of the fund's three-year rolling downside capture and how often the fund placed in each quartile for each period, which created our initial funnel. From there, funds were separated out, ranked by the lowest expense ratio quartile and the highest firm manager ownership at the firm level. For this analysis we relied on Morningstar Direct<sup>SM</sup> data analysis software.

The funds with the lowest expense ratios were calculated using the average annual expense ratio for the period indicated.

The highest firm manager ownership was calculated using weighted averages of Morningstar screens of manager holdings. Morningstar tracks manager ownership as a percentage of assets at the firm level. This information can be found using Morningstar Cloud software on [global.morningstar.com/direct](https://global.morningstar.com/direct). Within Morningstar Direct, the firm percentage assets manager investment data point is made using the following seven ranges: none; \$1 to \$10,000; \$10,001 to \$50,000; \$50,001 to \$100,000; \$100,001 to \$500,000; \$500,001 to \$1,000,000; and over \$1,000,000. The Securities and Exchange Commission (SEC) requires that a fund disclose its manager ownership within these seven ranges in its Statement of Additional Information (SAI). For our illustrations, each fund was assigned a weighted average of its firm manager holdings using midpoints of the seven ranges. Funds without values were excluded from the quartile rankings.

Investors who wish to identify funds with high firm manager ownership using Morningstar Direct can rely on the following rules of thumb: 1. For the U.S. large cap, foreign large cap, world stock large, moderate allocation and world allocation categories, 81% of the funds in the highest firm manager ownership quartiles roughly corresponded with the firms that had 56% or more assets in the fund family complex in which at least one fund manager had invested a minimum of \$1 million; 2. For the emerging markets and world stock small/mid cap categories, 79% of funds in the two highest firm manager ownership quartiles roughly corresponded with firms that had 33% or more in assets in the fund family complex in which at least one fund manager had invested a minimum of \$1 million. These rules of thumb are a simplification of pulling a single data point for the funds in each category instead of the



process we used, which was to pull the highest firm manager ownership data for the funds in each of the seven categories and then calculating a weighted average for all seven categories.

Investors who do not have Morningstar Direct can also use a fund's annual SAI as a general proxy for determining manager ownership. Fund SAIs are Morningstar Direct's source for manager ownership data. However, the manager ownership data in an SAI will be at the fund level rather than the firm level as calculated by Morningstar Direct for the illustrations in this brochure. To identify a fund's highest manager ownership using SAIs, investors should look for the fund's manager ownership in the top two ranges – \$500,001 to \$1,000,000 and over \$1,000,000.

The combination of highest downside capture, least expensive NER and highest firm manager ownership was the result of a cross-section of the three screens. Only those funds that pass all three screens were included.

**Asset weighting methodology:** Findings based on asset-weighting of funds is done on a monthly basis – the month a fund incepts or closes, it is included or removed from the database. For each fund, net returns and asset sizes were gathered for all share classes available during each monthly time period. Returns and fees were then share-class weighted, meaning they were weighted according to the proportion of assets in each share class within each fund. Funds were then designated as active or passive, then grouped by Morningstar category. For exhibits with time periods starting 1996 or later, survivorship bias is corrected for with the inclusion of obsolete funds, funds that no longer exist that have been liquidated or merged with other funds. In cases where a fund is merged or closed, its asset-weighting is adjusted to zero. For newly created funds, the weight is zero until the period in which it has reported assets, whereupon we use the standard asset-weighting to weight the returns based on asset size.

**Asymmetric risk:** Asymmetric risk is the concept of taking a risk that will produce a return that surpasses the risk taken. Downside capture is the most common measurement of asymmetric risk but can also be summarized in the common phrase “risk-adjusted returns.”

## INDEX DESCRIPTIONS

The indexes are unmanaged, and their results include reinvested dividends and/or distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.

Bloomberg Global Aggregate Index represents the global investment-grade fixed income markets.

Bloomberg U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market and consists of U.S. Treasury and government related bonds, corporate securities and asset-backed securities.

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 developing country markets. Results reflect dividends gross of withholding taxes through 12/31/00, 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 12/31/00, 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 equity market results of smaller capitalization companies in both developed and emerging 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 Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global emerging markets, consisting of more than 20 emerging market country indexes.

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.

S&P 500 Index is a market capitalization-weighted index based on the average weighted results of approximately 500 widely held common stocks.

Capital World Growth and Income Fund Historical Benchmarks Index returns reflect the results of the MSCI World Index through 11/30/11 and the MSCI ACWI, the fund's current primary benchmark, thereafter. Results reflect dividends net of withholding taxes.

EuroPacific Growth Fund Historical Benchmarks Index returns reflect the results of the MSCI EAFE Index through 3/31/07 and the MSCI ACWI ex USA, the fund's current primary benchmark, thereafter. Results reflect dividends net of withholding taxes.

International Growth and Income Fund Historical Benchmarks Index returns reflect the results of the MSCI World ex USA Index through 6/30/11 and the MSCI ACWI ex USA, the fund's current primary benchmark, thereafter. Results reflect dividends net of withholding taxes.

New Perspective Fund Historical Benchmarks Index returns reflect the results of the MSCI World Index through 9/30/11 and the MSCI ACWI, the fund's current primary benchmark, thereafter. Results reflect dividends net of withholding taxes.

SMALLCAP World Fund Historical Benchmarks Index returns reflect the results of the S&P Global <\$3 Billion Index through 9/30/09 and the MSCI All Country World Small Cap Index, the fund's current primary benchmark, thereafter. Cumulative returns for the S&P Global <\$3 Billion Index include results from the comparative indexes as follows: S&P Global <\$3 Billion (May 2006 to September 2009), S&P Global <\$2 Billion (May 2004 to April 2006), S&P Developed <\$1.5 Billion (January 2000 to April 2004), and S&P Developed <\$1.2 Billion (1990 to 1999). The S&P Global indexes include both developed and developing countries. The S&P Developed indexes (used prior to May 2004) only include stocks in developed countries. MSCI index results reflect dividends net of withholding taxes.

## IMPORTANT INFORMATION

Fund results for periods prior to the date of first sale are hypothetical based on the results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses.

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 investments 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 funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds.

If used after June 30, 2024, this brochure must be accompanied by the most recent American Funds quarterly statistical update.

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Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

Figures shown are past results for Class A shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. Fund results reflect deduction of maximum sales charge of 5.75%. For current information and month-end results, refer to [capitalgroup.com](https://capitalgroup.com).

## Investment results

### CLASS A SHARES

Results for periods ended March 31, 2024	Inception dates	Average annual total return (%)				Gross expense ratio (%)
		1 year	5 years	10 years	Lifetime	
S&P 500 Index		29.88	15.05	12.96	–	–
AMCAP Fund	5/1/67	24.19	10.37	10.21	11.40	0.67
American Mutual Fund	2/21/50	9.60	9.04	9.03	11.39	0.59
Fundamental Investors	8/1/78	24.83	12.07	11.16	12.31	0.60
The Growth Fund of America	12/1/73	30.89	13.30	12.41	13.50	0.63
The Investment Company of America	1/1/34	25.75	12.57	10.81	12.08	0.58
Washington Mutual Investors Fund	7/31/52	19.28	11.70	10.71	11.81	0.57
MSCI All Country World Index (ACWI)		23.22	10.92	8.66	–	–
The New Economy Fund	12/1/83	22.68	9.34	9.73	11.10	0.77
New World Fund	6/17/99	7.57	5.53	4.94	7.35	0.99
MSCI EAFE (Europe, Australasia, Far East) Index		15.32	7.33	4.80	–	–
American Funds International Vantage Fund	4/1/11	3.19	6.33	5.07	5.28	1.01
MSCI Emerging Markets Index		8.15	2.22	2.95	–	–
American Funds Developing World Growth and Income Fund	2/3/14	3.93	0.80	0.80	1.59	1.21
MSCI World Index		25.11	12.07	9.39	–	–
American Funds Global Insight Fund	4/1/11	10.03	8.40	7.78	8.12	0.87
70%/30% MSCI All Country World Index/Bloomberg U.S. Aggregate Index		16.46	7.92	6.69	–	–
Capital Income Builder	7/30/87	4.41	4.97	4.74	8.42	0.60
65%/35% S&P 500 Index/Bloomberg U.S. Aggregate Index		19.41	10.03	9.08	–	–
The Income Fund of America	12/1/73	4.93	6.11	6.03	10.34	0.58
60%/40% S&P 500 Index/Bloomberg U.S. Aggregate Index		17.97	9.30	8.52	–	–
American Balanced Fund	7/26/75	10.97	7.29	7.40	10.22	0.57
60%/40% MSCI All Country World Index/Bloomberg Global Aggregate Index		13.71	6.18	5.29	–	–
American Funds Global Balanced Fund	2/1/11	6.67	4.39	4.14	5.36	0.83
EuroPacific Growth Fund Historical Benchmarks Index		13.26	5.97	4.25	–	–
EuroPacific Growth Fund	4/16/84	6.58	5.27	4.59	9.80	0.84
New Perspective Fund Historical Benchmarks Index		23.22	10.92	8.66	–	–
New Perspective Fund	3/13/73	15.49	11.10	9.96	12.05	0.75
SMALLCAP World Fund Historical Benchmarks Index		16.46	8.00	6.77	–	–
SMALLCAP World Fund	4/30/90	8.84	6.86	7.23	9.20	1.06
Capital World Growth and Income Fund Historical Benchmarks Index		23.22	10.92	8.66	–	–
Capital World Growth and Income Fund	3/26/93	15.92	8.55	7.26	10.02	0.75
International Growth and Income Fund Historical Benchmarks Index		13.26	5.97	4.25	–	–
International Growth and Income Fund	10/1/08	6.92	5.61	3.46	6.10	0.91

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of each fund's prospectus available at the time of publication. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower. Please refer to [capitalgroup.com](https://capitalgroup.com) for more information.

For American Funds Global Insight Fund and American Funds International Vantage Fund, Class A shares were first offered on November 8, 2019. Class A share results prior to the date of first sale are hypothetical based on the results of the original share class of the funds, adjusted for typical estimated expenses. Please refer to [capitalgroup.com](https://capitalgroup.com) for more information on specific expense adjustments and the actual dates of first sale.



# The Capital Advantage<sup>®</sup>

Since 1931, Capital Group, home of American Funds, has helped investors pursue long-term investment success. Our consistent approach – in combination with The Capital System<sup>™</sup> – has resulted in superior outcomes.

## Aligned with investor success

We base our decisions on a long-term perspective, which we believe aligns our goals with the interests of our clients. Our portfolio managers average 28 years of investment industry experience, including 22 years at our company, reflecting a career commitment to our long-term approach.<sup>1</sup>

## The Capital System

The Capital System combines individual accountability with teamwork. Funds using The Capital System are divided into portions that are managed independently by investment professionals with diverse backgrounds, ages and investment approaches. An extensive global research effort is the backbone of our system.

## American Funds' superior outcomes

Equity-focused funds have beaten their Lipper peer indexes in 81% of 10-year periods and 95% of 20-year periods.<sup>2</sup> Relative to their peers, our fixed income funds have helped investors achieve better diversification through attention to correlation between bonds and equities.<sup>3</sup> Fund management fees have been among the lowest in the industry.<sup>4</sup>

<sup>1</sup>Investment industry experience as of December 31, 2023.

<sup>2</sup>Based on Class A share results at net asset value for rolling monthly 10- and 20-year periods starting with the first 10- or 20-year period after each mutual fund's inception through December 31, 2023. Periods covered are the shorter of the fund's lifetime or since the comparable Lipper index inception date (except Capital Income Builder and SMALLCAP World Fund, for which the Lipper average was used). Expenses differ for each share class, so results will vary. Past results are not predictive of results in future periods.

<sup>3</sup>Based on Class A share results at net asset value as of December 31, 2023. Thirteen of the 18 fixed income American Funds that have been in existence for the three-year period showed a three-year correlation lower than their respective Morningstar peer group averages. S&P 500 Index was used as an equity market proxy. Correlation based on monthly total returns. Correlation is a statistical measure of how a security and an index move in relation to each other. A correlation ranges from -1 to 1. A positive correlation close to 1 implies that as one moved, either up or down, the other moved in "lockstep," in the same direction. A negative correlation close to -1 indicates the two have moved in the opposite direction.

<sup>4</sup>On average, our mutual fund management fees were in the lowest quintile 55% of the time, based on the 20-year period ended December 31, 2023, versus comparable Lipper categories, excluding funds of funds.

Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

**Past results are not predictive of future results. Investing for short periods makes losses more likely.**

**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.**

On or around July 1, 2024, American Funds Distributors, Inc. will be renamed Capital Client Group, Inc.

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