Retirement plan financial checkup

CAPITAL GROUP® | AMERICAN FUNDS®

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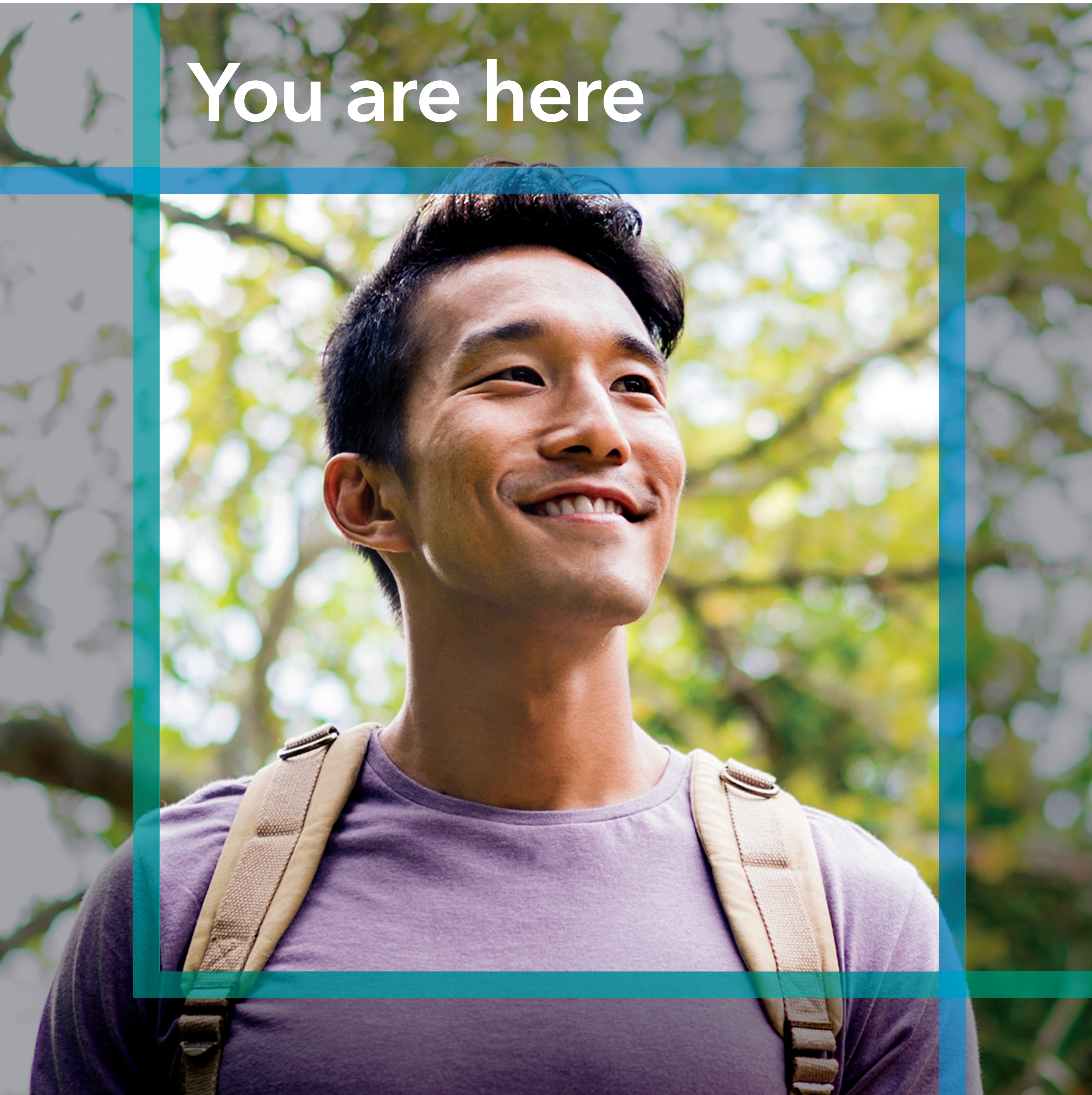

Envision where you want to go

Most of us understand why it's necessary to save for retirement. But with so many competing financial needs – rising costs for housing, health care, food and higher education – it can be a challenge to save for the future.

If you can imagine what you want your retirement to be, you may be more likely to save for it.

Let's face it: Social Security alone won't be enough. That's why it's important to start saving as soon as possible. And your employer's retirement plan is a great place to start.

How do I **get there?**

Three key factors to keep in mind

How long?

The earlier you start investing, the more potential your money will have to grow. Even small additions to your retirement savings can make a big difference over time.

How much?

We offer tools and resources to help you decide how much to save and to track your progress.

How well?

If your plan has many investment options, consider those that best fit your time horizon, risk tolerance and goals.

To help pursue the retirement you'd like:

Don't leave money on the table
To help you meet your retirement goals, some companies match a percentage of what you contribute to the plan. If your company matches, consider this free money to add to your retirement. All you have to do is contribute to the plan. To boost your savings even more, try to contribute enough to get the full company match.

Continue to increase your retirement savings rate
If, for example, you routinely increase your contribution rate by one or two percentage points every time you receive a raise, you'll save more over time – but without feeling deprived.

Diversify your investments
By spreading your investments among various funds, asset classes and industries, your overall returns may fluctuate less as different asset classes tend to experience gains and losses at different points in the market cycle.

Consider a simpler way to choose your investments
If your plan offers target date funds, you can easily create a diversified portfolio by selecting one that is aligned with the year in which you expect to retire and begin taking withdrawals. The investment mix will automatically adjust over time to help you stay on track with your goals. (For more information on target date funds, see page 10.)

Take steps to help reach **your retirement goals**

It's important to evaluate your progress from time to time. Take these steps to see how you're doing.

Visit our website

capitalgroup.com to find:

- Easy-to-use tools and calculators
- Tips for investing during different life stages
- Information about the American Funds in your plan
- Articles on key investing topics

Check to see if **you're on track**

- Use this brochure to see how close you are to meeting your goals.
- Consider other sources of retirement income.

Review your **investment strategy**

- Take a second look at your current investment selections.
- Make sure your investments are aligned with your time horizon and risk tolerance.

Take action to move closer to your goals

- Consider all of your options.
- Use the "**Take action**" worksheet to make changes to your account.

Check to see if **you're on track**

How much have you saved for retirement?

Add together the balances from your most recent statements for your current employer's retirement plan plus any former employers' retirement plans, pensions, individual retirement accounts (IRAs) or other savings that you plan to use for retirement.

$ ______________________

Will your estimated monthly withdrawals be sufficient?

To estimate roughly how much you may be able to withdraw from your account during retirement:

1. Find the dollar amount from the chart below that's closest to your total savings.
2. Find the number in the far-left column that's closest to the number of years you have until you intend to retire.
3. Read across the row to find how much you could withdraw each month from your retirement plan.
4. Write that amount on the line to the right.

$ ______________________

Your retirement account and other savings are likely to be your primary sources of income in retirement. However, Social Security can help supplement your income. **Look at the next page to learn more.**

Estimated monthly retirement withdrawal

Years to retire	Total currently saved for retirement						
	$10,000	$25,000	$50,000	$75,000	$100,000	$150,000	$200,000
40	$4,630	$5,851	$7,885	$9,919	$11,954	$16,022	$20,091
35	3,052	3,870	5,235	6,600	7,964	10,693	13,422
30	1,993	2,542	3,458	4,373	5,288	7,118	8,949
25	1,283	1,652	2,265	2,879	3,493	4,721	5,949
20	807	1,054	1,466	1,878	2,289	3,113	3,936
15	488	653	930	1,206	1,482	2,034	2,587
10	273	385	570	755	940	1,311	1,681

The numbers in the far-left column represent the number of years until retirement.

The table assumes employee contributions of $150 every two weeks projected until retirement; an 8% annual growth rate compounded every two weeks until retirement; and an annual withdrawal rate of 4% of the ending account balance at retirement divided by 12. The estimate does not take into account certain factors, including changes to the employee and/or employer contributions, required minimum distributions and post-retirement taxes. Values are for illustrative purposes only and do not reflect the results of any particular investment, which will fluctuate with market conditions, or taxes that may be owed on tax-deferred contributions, including the 10% penalty for withdrawals taken before age 59½. These are point-in-time views and as such do not take into account any growth or loss during retirement. Without investment growth/loss during retirement, a 4% annual withdrawal rate would deplete retirement savings in 25 years.

Estimated withdrawal calculations are not intended to reflect actual results; your results may vary. Regular investing does not ensure a profit or protect against loss in a declining market. Investors should consider their willingness to keep investing when share prices are declining. Please consult your financial professional for any questions you may have about your situation.

Check to see if **you're on track**

Estimate your monthly Social Security benefit

To estimate how much you can expect to receive each month from Social Security, find your current age and the salary amount that's closest to what you currently earn. Write that amount on the line to the right.

$ ____________________

For a more accurate Social Security calculation, visit **ssa.gov/OACT/ANYPIA.**

Estimated monthly income from Social Security

Your age	Your annual salary						
	$30,000	$40,000	$50,000	$60,000	$70,000	$80,000	$90,000
25	$1,490	$1,759	$2,027	$2,296	$2,564	$2,832	$3,029
30	$1,490	$1,759	$2,027	$2,296	$2,564	$2,832	$3,029
35	$1,484	$1,750	$2,016	$2,282	$2,548	$2,815	$3,019
40	$1,463	$1,723	$1,982	$2,241	$2,501	$2,760	$2,991
45	$1,434	$1,684	$1,934	$2,183	$2,433	$2,682	$2,932
50	$1,397	$1,634	$1,871	$2,109	$2,346	$2,583	$2,820
55	$1,352	$1,574	$1,797	$2,019	$2,241	$2,464	$2,687
60	$1,301	$1,506	$1,711	$1,917	$2,122	$2,327	$2,533

Source: Social Security Administration. Based on full retirement age. Calculations as of April 2024. These figures are a rough estimate; your actual benefits will depend on your past and future earnings.

Add it up

Your estimated monthly retirement withdrawal:	**$** ____________________
Your estimated monthly Social Security benefit:	**+ $** ____________________
Your total estimated monthly retirement withdrawal:	**= $** ____________________

? How does your total estimated monthly withdrawal compare with your current monthly income?

☐ **It's more.** You're doing a great job! Use this brochure to learn how you can keep moving in the right direction.

☐ **It's less.** Don't be discouraged. Read on to see how you can close the gap over time.

Did you know? Social Security may replace about **40%** of an average worker's income in retirement. Providing the rest is up to you.

Source: Social Security Administration, *Understanding the Benefits,* January 2023.

Check to see if **you're on track**

How much should you accumulate for retirement?

Estimating how much you'll need to live comfortably in retirement isn't as simple as replicating your current paycheck. To get a sense of whether you're on track, **envision the life you want in retirement** and consider how different variables, like inflation and health care, could impact your savings.

Your retirement lifestyle

Think about what's most important to you and how you want to spend your time. Do you want to travel more or take up new hobbies? Will you have a mortgage or rent an apartment? Then consider how those choices could impact your spending.

Travel	Buy a vacation home	Spend time with family	Downsize to a condo
Move closer to family	Take up new hobbies	Live abroad	Continue working

Other factors that could impact your retirement

Taxes: While your future tax rate could be higher than your current rate, many people expect to be in a lower tax bracket when they're retired. The state you live in will also impact your taxes.

Health care: Increasing insurance premiums and other health costs could eat up your savings.

70% The percent of lifetime Social Security payments that will be consumed by health care costs for an average 65-year-old couple who starts receiving benefits in 2023.

Source: HealthView Services, *Medicare and Social Security COLAs: Putting the 2023 Numbers into Context,* October 2022.

Retirement age: Retiring later can help stretch your savings and increase your Social Security payments. But have a backup plan – **half** of retirees say they retired earlier than anticipated.*

Inflation: Rising costs may mean you need more money in retirement just to maintain your current standard of living.

The price of a dozen eggs has increased 337% from 1994 to 2024.†

A pound of ground beef has more than tripled in price in the last 30 years.†

Electricity prices have gone up 94% since 1994.†

* Source: Employee Benefits Research Institute, *2024 Retirement Confidence Survey.*

† Based on prices in May 1994 compared to May 2024. Source: Consumer Price Index, U.S. Bureau of Labor Statistics.

Review your **investment strategy**

How much should you contribute?

Many financial professionals say you may need to save 10% to 15% of your salary each year to have enough to live on in retirement.

Small steps can help get you there

Anthony and Sofia work at the same company and are the same age. They each begin earning an annual salary of $50,000 and contribute 6% of their pay to their retirement plan. Sofia increases her contribution by 1% each year until she reaches her 12% goal, while Anthony sticks with his 6% contribution. Sofia's small increases would boost her monthly retirement income by more than 75% in the hypothetical example below.

The **"Take action"** worksheet at the end of this brochure highlights steps you can take when making changes.

No increases

Anthony saves 6% of his pay until retirement.

Small increases

Sofia increases her 6% contribution by 1% each year until it reaches 12%.

$3,658/month retirement withdrawals

$2,914 difference

$6,572/month retirement withdrawals

These hypothetical examples assume a starting salary of $50,000, a 2% annual pay increase, a 40-year accumulation period, an 8% average annual return compounded monthly and a 4% annual withdrawal rate after the accumulation period. These are point-in-time views and as such do not take into account any growth or loss during retirement. Without investment growth/loss during retirement, a 4% annual withdrawal rate would deplete retirement savings in 25 years. Examples are for illustrative purposes only and do not reflect the results of any particular investment, which may differ, or taxes that may be owed on tax-deferred contributions, including the 10% penalty for withdrawals taken before age 59½. Regular investing does not ensure a profit or protect against loss in a declining market. Investors should consider their willingness to keep investing when share prices are declining.

Review your **investment strategy**

Are the investments you've chosen still right for you?

Refer to your most recent account statement to see your current investment selections. To determine how your investments are doing, visit **capitalgroup.com** to assess investment results and key data of American Funds that may be in your plan.

Consider how you can align your investments to your risk tolerance and your financial goals. Different investments may have different objectives with varying degrees of risk-and-return potential.

Higher risk & return	Moderate risk & return	Lower risk & return
Growth-oriented investments like stock funds have the highest long-term return potential but also carry the highest potential risk.	**Income-oriented investments** like bond funds typically fall in the middle in terms of risk and return.	**Capital preservation investments** aim to preserve what you've saved but may not provide the growth needed to meet your retirement goals.

Target date funds can help by providing you with an appropriate investment mix based on how far you are from retirement. Turn to the next page for more information.

The value of a return

While it may be tempting to avoid ups and downs by keeping your savings out of the market, it can be difficult to accumulate enough money for retirement without investing.

Bruce keeps his money out of the market and does not earn a return.

He saves **$1,000/month.**

$1,600
monthly retirement withdrawals

Allison invests in a hypothetical investment earning an 8% annual return.

She invests **$250/month.**

$2,929
monthly retirement withdrawals

She invests ¼ of what Bruce saves!

A long-term approach can pay off

$1,000 invested in the S&P 500 in 1994 would have generated calendar-year returns ranging from -37% to +38% over the next 30 years, but by 2023 would have grown to **$18,176**

Returns in this hypothetical example are based on a one-time investment of $1,000 in the S&P 500 Index made 1/1/94 and invested until 12/31/23, and reflect dividends reinvested. The S&P 500 is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. The index is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index. Past results are not predictive of future results.

Assumes a 40-year accumulation period, an 8% average annual return compounded monthly and a 4% annual withdrawal rate after the accumulation period. These examples are point-in-time views and as such do not take into account any growth or loss during retirement. Without investment growth/loss during retirement, a 4% annual withdrawal rate would deplete retirement savings in 25 years. The examples are for illustrative purposes only and do not reflect the results of any particular investment, which may differ, or taxes that may be owed on tax-deferred contributions, including the 10% penalty for withdrawals taken before age 59½. Regular investing does not ensure a profit or protect against loss in a declining market.

Need help **choosing your investments?** Consider a **target date fund***

A target date fund is a diverse portfolio of stocks and bonds that automatically adjusts over time, so it may be the only retirement investment that you'll need.

A popular investment option

94%

of 401(k) plans offer target date funds[†]

74%

of new 401(k) contributions are projected to flow into target date funds by the end of 2028[‡]

The **"Take action"** worksheet on the next page highlights steps you can take when making changes to your savings strategy.

[†]Callan Institute, *2024 Defined Contribution Trends Survey.*

[‡]Cerulli Associates, *The Cerulli Report: U.S. Defined Contribution Distribution 2023.*

What are the benefits of a target date fund?

- It's a convenient option for those who don't want to spend a lot of time and effort choosing and monitoring their own investments.
- Investment professionals adjust fund holdings over time so you don't have to. For example, as a fund approaches its target date, the mix of investments will gradually shift toward more conservative stocks and bonds.
- Some funds continue to be managed professionally beyond their target date.

How do you choose a target date fund?

If you were born in	Then consider choosing*
2003 and later	2070 Fund
1998 to 2002	2065 Fund
1993 to 1997	2060 Fund
1988 to 1992	2055 Fund
1983 to 1987	2050 Fund
1978 to 1982	2045 Fund
1973 to 1977	2040 Fund
1968 to 1972	2035 Fund
1963 to 1967	2030 Fund
1958 to 1962	2025 Fund
1953 to 1957	2020 Fund
1948 to 1952	2015 Fund
1947 and earlier	2010 Fund

The target date is the year that corresponds roughly to the year in which an investor is assumed to retire and begin taking withdrawals. A fund's allocation strategy does not guarantee that investors' retirement goals will be met.

The chart above assumes you will begin taking retirement withdrawals at age 65. If you plan to begin taking withdrawals at another time, you may want to choose another target date fund that better aligns with your retirement goals.

* Target date funds may not be available in some plans. Review your investment options at your plan's website.

Take action to move closer to your goals

Consider these options:

1: Evaluate your savings strategy

Are you on track to afford the lifestyle you want in retirement? If not, consider changing the amount you're contributing.

☐ Change my contribution to $_____ **OR** _____% of pay.

2: Review your investment mix

☐ My investment mix is OK. Do nothing at the present time.
☐ Change my current investment mix to a target date fund, if available.
☐ Change my current investment mix to other funds.
☐ Change my future investment allocations.

3: Make changes

☐ Follow the instructions from your employer or your plan's financial professional on how to make changes to your account.

List your investment selections and their allocations:

Investment name	Current %	Future %
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
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______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
TOTAL	100%	100%

Help is only a call or click away

- **Call:** Your plan's financial professional can help you assess your financial situation. Refer to your quarterly account statement or ask your employer for your financial professional's contact information.
- **Click:** Visit **ICanRetire.com** by clicking the link at the top right of your account home page to get an action plan that matches your retirement style and then explore articles and tools that can help you make sense of retirement planning.

The Capital Advantage®

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™ – 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.[1]

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 86% of 10-year periods and 98% of 20-year periods.[2] Relative to their peers, our fixed income funds have helped investors achieve better diversification through attention to correlation between bonds and equities.[3] Fund management fees have been among the lowest in the industry.[4]

[1] Investment industry experience as of December 31, 2023.

[2] Based on Class R-6 share results 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.

[3] Based on Class R-6 share results as of December 31, 2023. Nine of the 12 taxable 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.

[4] 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.

Class R-6 shares were first offered on May 1, 2009. Class R-6 share results 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. Results for certain funds with an inception date after May 1, 2009, also include hypothetical returns because those funds' Class R-6 shares sold after the funds' date of first offering. For Short-Term Bond Fund of America, shares first sold on November 20, 2009; results prior to that date are hypothetical, except for the period between May 7, 2009, and June 15, 2009, a short period when the fund had shareholders and actual results were calculated. Refer to each fund's prospectus for more information on specific expenses.

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.

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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.

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