



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: The average investment manager can't beat the index. This fact is supported both by hard data and, unfortunately, many investors' experiences.

Over the last 20 years, on average,

**45.6%**

of U.S. equity funds led, while

**54.4%**

lagged the S&P 500.<sup>1</sup>

This assumption has led many to believe that because the **average** manager can't beat the index, **no** manager can beat the index. And that's simply not true.

The challenge faced by investors today is to find managers able to beat the index consistently, not those that are just a flash in the pan.

---

Strategies vary, but we believe there are three questions that can create a simple framework for selecting a manager.


What are the investment manager's historical results?

How did the manager achieve these results ...

And is there reason to believe they can be repeated?

// American Funds' multimanager approach has long served its equity investors well – and should continue to do so, thanks to parent Capital Group's strong, results-oriented investing culture. //

ALEC LUCAS, PH.D., MORNINGSTAR, SEPTEMBER 5, 2019<sup>2</sup>



Unless otherwise noted, 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. 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 [capitalgroup.com](http://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.

In the following pages, we apply this evaluative framework to Capital Group's equity-focused American Funds offerings.

What are the results?	How were the results achieved; is the process repeatable?
<p><b>Index-beating lifetime results</b> All but one of these equity-focused funds have done what index proponents claim is nearly impossible: generated index-beating results over the long term.</p> <p><b>The value of beating the index</b> Investing in American Funds when the first index fund was launched would have delivered strong results.</p> <p><b>Generating wealth in accumulation and distribution</b> Since 2000, most of our funds have created and preserved wealth in both accumulation and distribution, even in the face of three major market downturns.</p> <p><b>The benefits of a risk-sensitive approach</b> Our approach helped preserve wealth when markets fell, something at which we've excelled.</p>	<p><b>A culture of stewardship</b> For 90 years, we've acted as stewards of our investors' capital. This approach is the foundation of our culture.</p> <ul style="list-style-type: none"><li>• We have lower expense ratios than peers.</li><li>• We're invested with you.</li><li>• Employee-owned since 1931.</li></ul> <p><b>Our long-term focus, consistent approach ...</b> Achieving long-term investing objectives requires a long-term investment strategy and aligned managers.</p> <ul style="list-style-type: none"><li>• Aligning manager compensation to long-term goals.</li><li>• Decades of investment experience.</li><li>• Investing for long-term value.</li></ul> <p><b>... and proven system</b> The Capital System<sup>SM</sup>, our proprietary investment process, and global research network support our pursuit of superior long-term results.</p> <ul style="list-style-type: none"><li>• Conviction and collaboration in The Capital System.</li><li>• Global research capabilities and long-standing company relationships.</li></ul>

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

<sup>1</sup>Capital Group calculations using data from Morningstar as of 12/31/20. Based on calendar-year returns of actively managed funds in the Morningstar U.S. Fund Large Value, Blend and Growth categories.

<sup>2</sup>"What Makes American Funds' Equity Lineup Golden," morningstar.com.

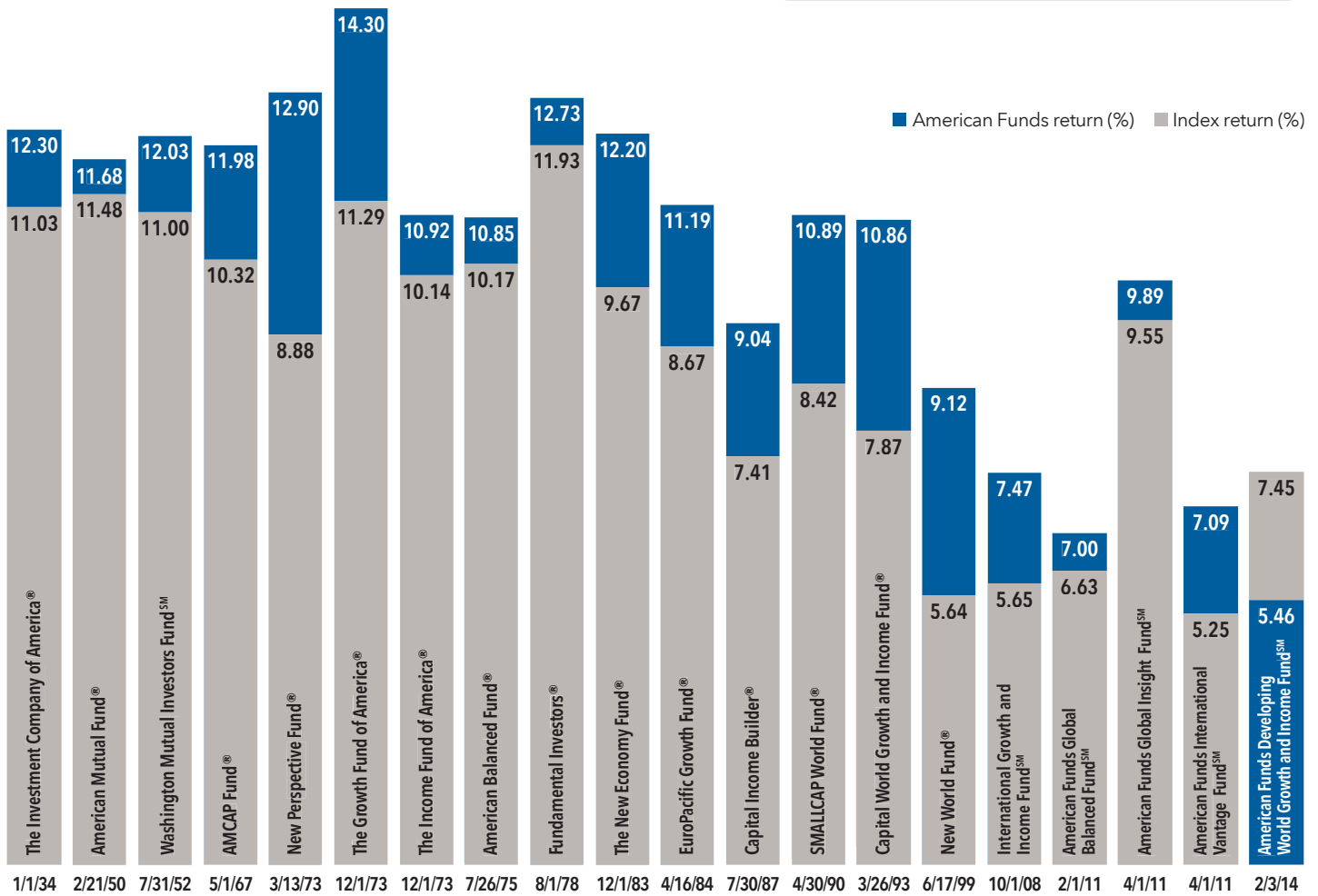
Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Please see [capitalgroup.com](http://capitalgroup.com) for more information.

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

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

### EXHIBIT DETAILS

- Lifetime annual returns of these equity-focused American Funds.
- Class F-2 shares, net of all expenses.
- 1.65%: Average annual excess return over 746 combined fund years, as of December 31, 2020.<sup>3</sup>
- Shows 20 equity-focused American Funds including our first fund that was launched in 1934.



American Funds Global Insight Fund and American Funds International Vantage Fund began investment operations on April 1, 2011, but were only available to a limited number of investors. Now available on the American Funds platform, the reorganized funds have adopted the results and financial history of the original funds.

<sup>3</sup>Time-weighted average annual excess return across these 20 equity-focused American Funds. The equal-weighted average annual excess return is 1.57%. The time-weighted average gives greater emphasis to those funds that have been in existence longer. For example, this means that the 1.27% annualized difference between The Investment Company of America and its benchmark is given proportionally greater weighting in alignment with its more than 87 years in existence when calculating the average across all 20 funds.

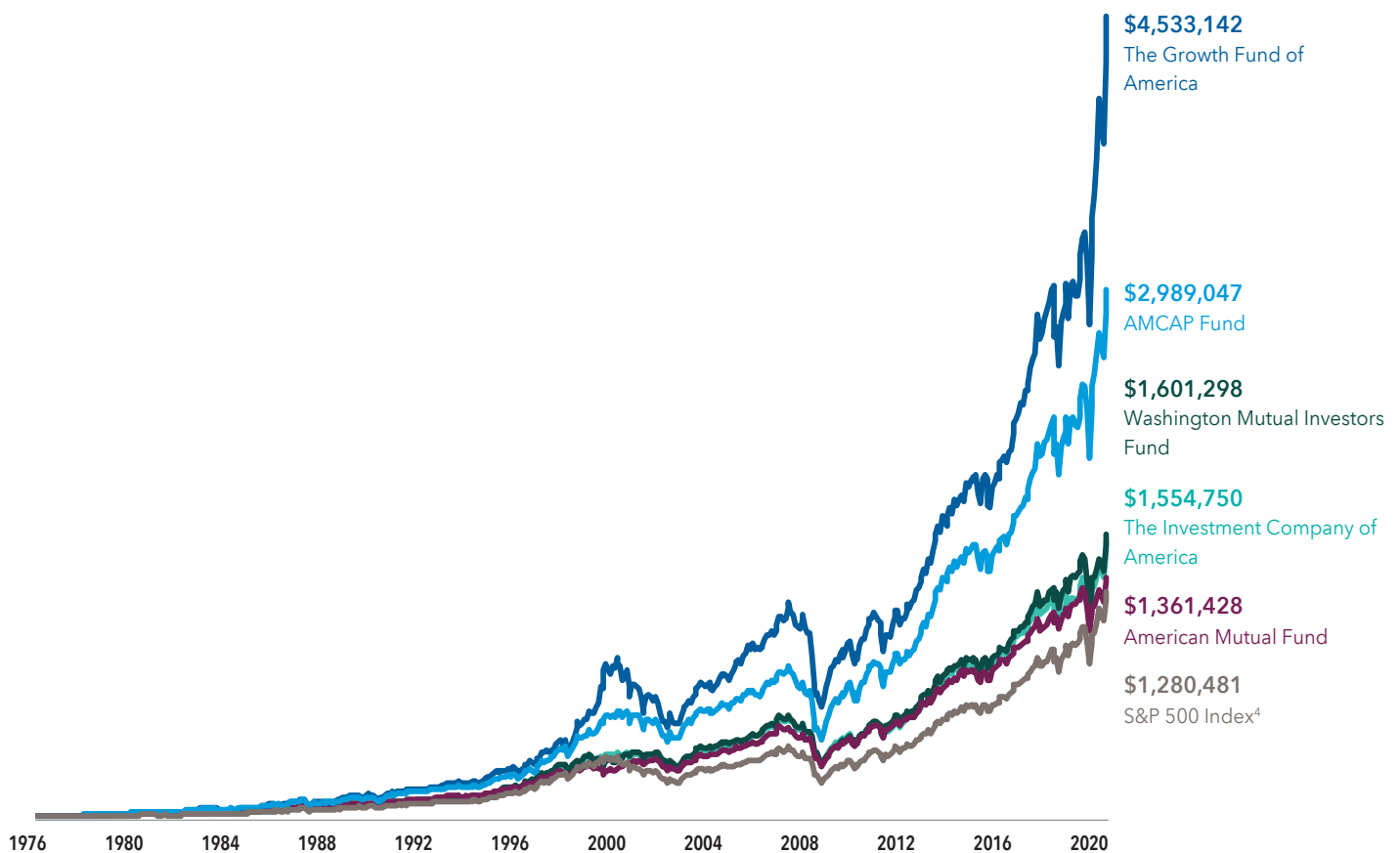
Returns are average annual total returns for benchmark indexes and average annual returns for funds at net asset value from fund inception through 12/31/20. The funds' indexes are as of 12/31/20. See individual fund detail pages at [capitalgroup.com](http://capitalgroup.com) for current information and any applicable benchmark index changes. Please see the Appendix and methodology section for a list of the indexes used for comparison with each American Fund.

# These U.S. equity-focused mutual funds have delivered strong results against the S&P 500 since 1976.

The first 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. But, if they had invested in any of the five U.S. equity-focused American Funds available for investment at the same time, the value of their investment would have increased significantly.

## EXHIBIT DETAILS

- \$10,000 hypothetical investment in five American Funds and the S&P 500, from August 31, 1976, through December 31, 2020.
- Class F-2 shares, net of all expenses.
- 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.
- \$2,233,541: The value of a \$10,000 investment equally weighted across these five American Funds over the period. The investment was rebalanced monthly.



<sup>4</sup>The market index is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

Source: Capital Group.

# Since 2000, nearly all of our equity-focused funds generated more wealth than their indexes or peers<sup>5</sup>...

The illustrations below show how these equity-focused American Funds fared in the 21<sup>st</sup> century, as well as how investing during the first of three major downturns could have delivered better results for investors.

## EXHIBIT DETAILS

- Growth of \$100,000 initial investment made on December 31, 2000, through December 31, 2020.
- Class F-2 shares, net of all expenses.
- American Funds produced greater wealth on average: \$155,594 over indexes and \$201,508 over peer category averages.<sup>5</sup>
- Includes all equity-focused American Funds available for investment on December 31, 2000, none of which have since been liquidated or merged.

Fund/Index name	Ending value of a hypothetical \$100,000 initial investment: INDEX vs. PEER CATEGORY AVERAGE <sup>5</sup> vs. AMERICAN FUNDS	
<b>S&amp;P 500 Index</b>	\$383,860	
AMCAP Fund	\$321,101	\$549,232
American Mutual Fund	\$329,155	\$497,074
Fundamental Investors	\$289,179	\$549,007
The Growth Fund of America	\$321,101	\$614,836
The Investment Company of America	\$289,179	\$448,381
Washington Mutual Investors Fund	\$289,179	\$491,424
<b>MSCI ACWI</b>	\$282,465	
Capital World Growth and Income Fund	\$266,399	\$542,754
The New Economy Fund	\$321,101	\$465,458
New Perspective Fund	\$266,399	\$573,706
New World Fund	\$367,262	\$541,414
<b>MSCI ACWI ex USA</b>	\$235,422	
EuroPacific Growth Fund	\$217,263	\$349,160
<b>MSCI ACWI Small Cap</b>	\$513,966	
SMALLCAP World Fund	\$412,527	\$507,450
<b>70% MSCI ACWI/30% Bloomberg Barclays U.S. Aggregate</b>	\$301,265	
Capital Income Builder	\$273,327	\$430,748
<b>65% S&amp;P 500/35% Bloomberg Barclays U.S. Aggregate</b>	\$368,212	
The Income Fund of America	\$285,978	\$461,277
<b>60% S&amp;P 500/40% Bloomberg Barclays U.S. Aggregate</b>	\$364,074	
American Balanced Fund	\$278,093	\$527,947

<sup>5</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.



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

Moreover, these funds have not only preserved wealth in distribution but, in some cases, continued to grow the initial investment while some of the peer category averages<sup>5</sup> dropped to zero.

### EXHIBIT DETAILS

- Growth of \$500,000 initial investment made on December 31, 2000, through December 31, 2020.
- Class F-2 shares, net of all expenses.
- On average, American Funds ended the period having preserved more wealth: \$622,827 greater than indexes and \$668,418 greater than peer category averages.<sup>5</sup>
- \$573,530: Total amount withdrawn during the period. Monthly withdrawals totaled \$20,000 the first year (4% of the initial investment) and increased by 3% each year thereafter.
- Includes all equity-focused American Funds available for investment on December 31, 2000, none of which have since been liquidated or merged.

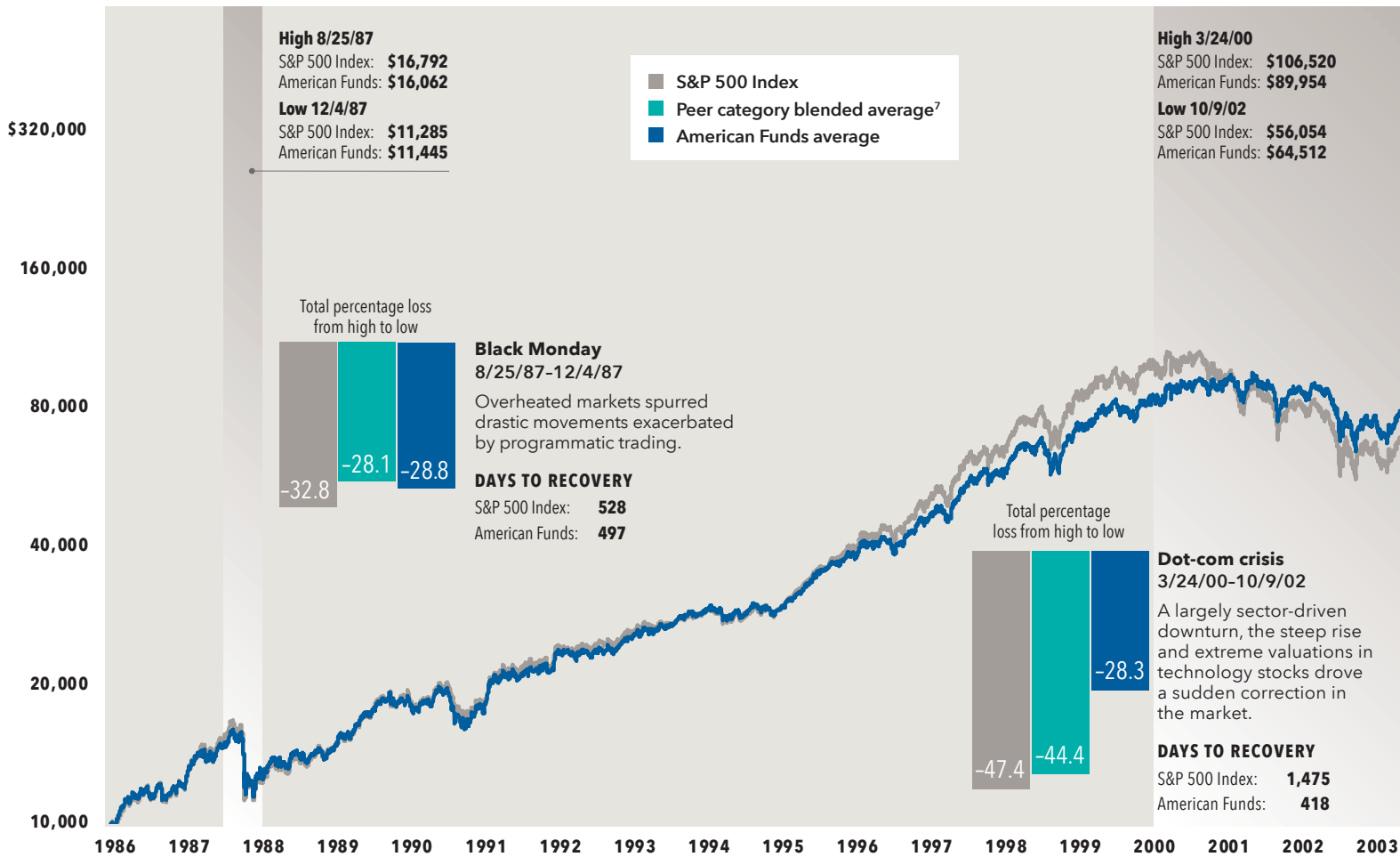
Fund/Index name	Ending value of a hypothetical \$500,000 initial investment: INDEX vs. PEER CATEGORY AVERAGE <sup>5</sup> vs. AMERICAN FUNDS	
<b>S&amp;P 500 Index</b>		\$120,962
AMCAP Fund	\$0	\$854,221
American Mutual Fund	\$399,053	\$996,801
Fundamental Investors	\$0	\$926,529
The Growth Fund of America	\$0	\$874,276
The Investment Company of America	\$0	\$650,506
Washington Mutual Investors Fund	\$0	\$859,389
<b>MSCI ACWI</b>		\$54,492
Capital World Growth and Income Fund	\$21,065	\$1,190,516
The New Economy Fund	\$0	\$123,936
New Perspective Fund	\$21,065	\$859,934
New World Fund	\$579,302	\$1,071,783
<b>MSCI ACWI ex USA</b>		\$107,757
EuroPacific Growth Fund	\$0	\$327,405
<b>MSCI ACWI Small Cap</b>		\$985,607
SMALLCAP World Fund	\$497,569	\$519,979
<b>70% MSCI ACWI/30% Bloomberg Barclays U.S. Aggregate</b>		\$278,731
Capital Income Builder	\$401,367	\$1,023,490
<b>65% S&amp;P 500/35% Bloomberg Barclays U.S. Aggregate</b>		\$403,990
The Income Fund of America	\$255,764	\$1,030,413
<b>60% S&amp;P 500/40% Bloomberg Barclays U.S. Aggregate</b>		\$431,442
American Balanced Fund	\$269,816	\$1,206,910

Capital Group calculations on Capital Group and Morningstar data, 12/31/00 to 12/31/20. All comparisons are to each of the funds' primary or secondary benchmarks as of 12/31/20. See individual fund detail pages at [capitalgroup.com](http://capitalgroup.com) for current information and any applicable benchmark index changes. Please see the Appendix and methodology section 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.

# We held up better during major bear markets.

Rather than chasing the last dollar of return as markets rise, we focus on preserving wealth when markets drop by taking a risk-sensitive approach. This approach has generally enabled many equity American Funds<sup>6</sup> to hold up better than the results of both their respective indexes and peer category blended averages.<sup>7</sup>

## DOMESTIC<sup>6</sup>



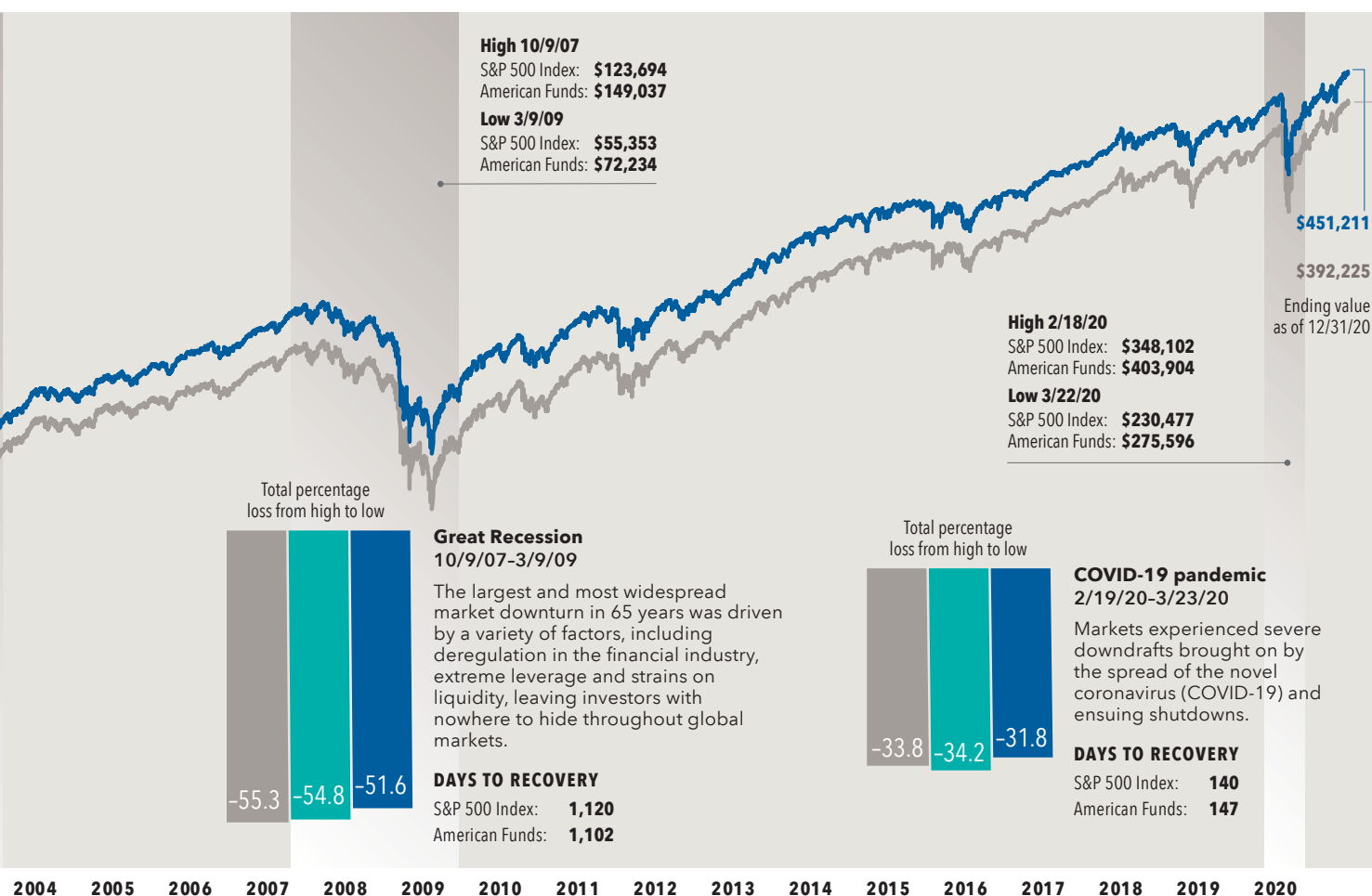
### EXHIBIT DETAILS: GLOBAL, INTERNATIONAL & BLACK MONDAY (Class F-2 shares, net of all expenses)

- **Global:** Three American Funds<sup>6</sup> and their respective peer category averages are equal-weighted blended averages.<sup>7</sup> Index returns represent the respective indexes for each of the American Funds.
- **International:** Both American Funds<sup>6</sup> and their respective peer category averages are equal-weighted blended averages.<sup>7</sup> Index returns represent the respective indexes for each of the American Funds.
- **Black Monday:** American Funds average includes only New Perspective Fund and EuroPacific Growth Fund, as the other global and international American Funds were unavailable for investment.



## EXHIBIT DETAILS: DOMESTIC (Class F-2 shares, net of all expenses)

- Line chart:** Hypothetical \$10,000 investment in the S&P 500 Index versus an equal-weighted blended average of seven U.S. equity American Funds.<sup>6</sup> The investment was rebalanced monthly. Line chart uses a logarithmic scale to display the relative changes in the market downturns since 1986.
- Inset bar charts:** Total percentage loss from market high to low for the S&P 500 as well as equal-weighted blended averages for both the seven U.S. equity American Funds<sup>6</sup> and their respective peer category averages.<sup>7</sup>



GLOBAL & INTERNATIONAL <sup>6</sup>	Black Monday		Dot-com crisis		Great Recession		COVID-19 pandemic	
	GLOBAL	INT'L	GLOBAL	INT'L	GLOBAL	INT'L	GLOBAL	INT'L
Index	-22.6%	-15.6%	-49.4%	-49.1%	-57.6%	-59.5%	-33.8%	-32.7%
Peer category blended average <sup>7</sup>	-22.4	-19.7	-49.4	-57.4	-58.9	-59.3	-32.7	-30.4
American Funds average	-27.9	-26.2	-41.7	-46.8	-52.5	-52.1	-31.1	-28.6

<sup>6</sup>The equity American Funds in these analyses include, for domestic: AMCAP Fund, American Mutual Fund, Fundamental Investors, The Growth Fund of America, The Investment Company of America, The New Economy Fund and Washington Mutual Investors Fund; for global: American Funds Global Insight Fund, New Perspective Fund, The New World Fund and Capital World Growth and Income Fund; and for international: American Funds International Vantage Fund and EuroPacific Growth Fund.

<sup>7</sup>The peer category blended averages represent equal-weighted blended averages of each fund's respective Morningstar U.S. Active Fund category average, as follows – for domestic: U.S. Active Fund Large Blend, Growth and Value; for global: U.S. Active Fund World Large Stock and U.S. Active Fund Diversified Emerging Markets categories; for international: only the U.S. Active Fund Foreign Large Growth category is used. There may be funds within these categories that outpaced or lagged their category average and/or American Funds.

Capital Group calculations based on Capital Group and Morningstar data, as of 12/31/20. All comparisons are with each fund's primary or secondary benchmarks as disclosed in the fund's most recent prospectus. Please see the Appendix and methodology section for a list of each fund's respective index and Morningstar U.S. Active Fund category, as well as the individual returns for all 20 equity-focused American Funds during these periods. Investment results assume all distributions are reinvested.

American Funds Global Insight Fund and American Funds International Vantage Fund began investment operations on April 1, 2011, but were only available to a limited number of investors. Now available on the American Funds platform, the reorganized funds have adopted the results and financial history of the original funds.

## We have a strong culture of stewardship.

For 90 years, we've acted as stewards of the capital entrusted to us by investors. It's foundational to our culture and reinforced in key ways:

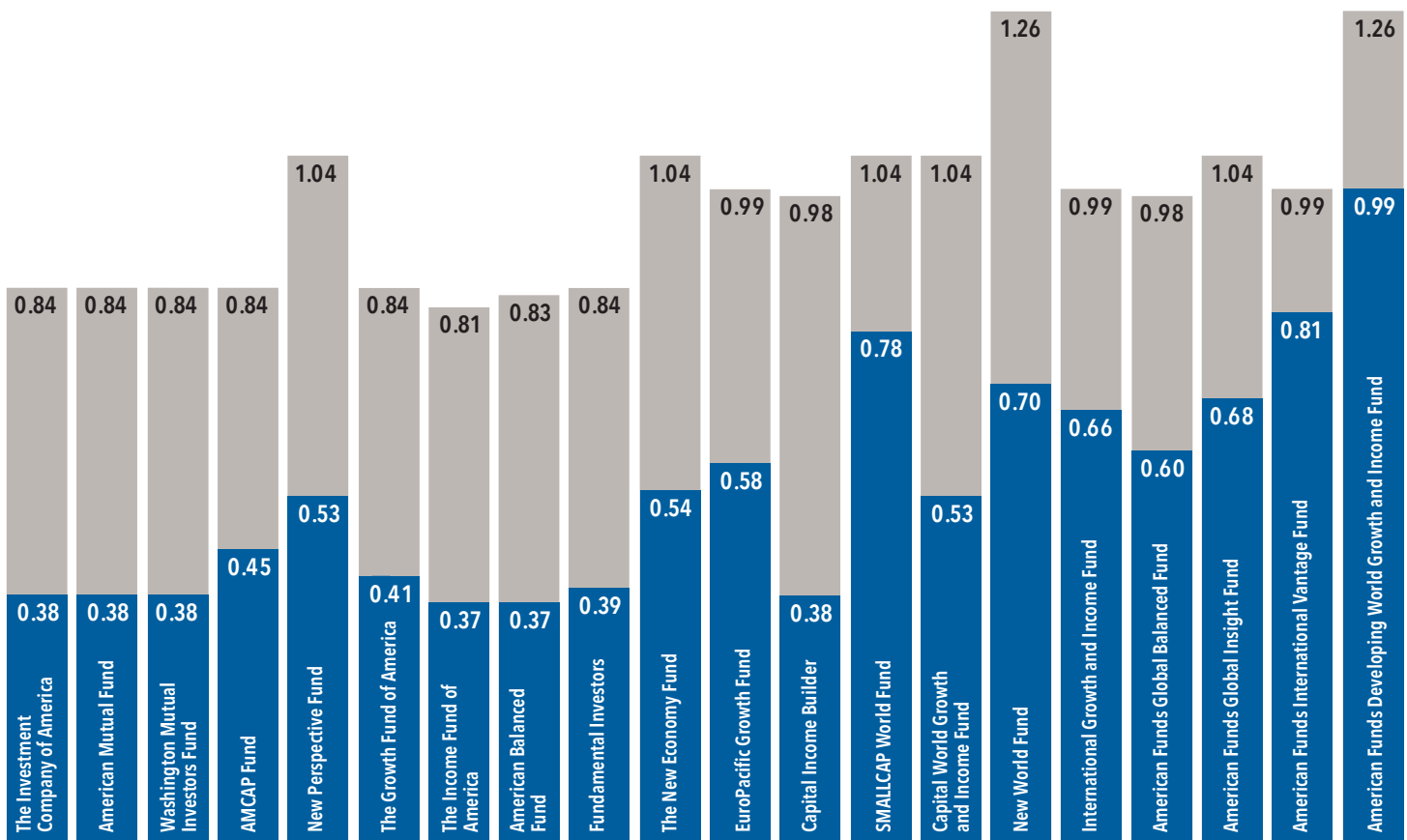
### We have lower expense ratios

These equity-focused mutual funds feature lower expense ratios than the average of their Morningstar category peers – a key element of our culture and philosophy.

#### EXHIBIT DETAILS

- Our funds' expense ratios are lower than their Morningstar category peers.<sup>8</sup>
- Expense ratios reflect the most recent prospectus, as of December 31, 2020.
- Expense ratios shown for Class F-2 shares.

■ American Funds (%)  
 ■ Morningstar peer category (%)



The expense ratios for American Funds Global Insight Fund and American Funds International Vantage Fund are estimated.

<sup>8</sup>Morningstar peer categories represent each fund's respective Morningstar Fee Level Group – No Load category, which are as follows: Emerging Markets Stock (The 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 Stock (American Funds Global Insight Fund, The New Economy Fund, New Perspective Fund, SMALLCAP World Fund, Capital World Growth and Income Fund).

## Our managers are invested with you

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

## Employee-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.

### American Funds

# 99%

of American Funds assets are invested in funds in which at least one manager has invested more than \$1 million.<sup>9</sup>

### Industry

# vs. 42%

More than 40% of the 6,167 actively managed mutual funds are run by portfolio managers who do not invest a single dollar of their own money in their products.<sup>10</sup>

## Two screens help uncover index-beating funds

Translating fund characteristics and manager attributes into screening tools can help you evaluate and select investments. For example, the scenario below shows how two screens – low expense ratios and high firm manager ownership – helped narrow the field in the search for funds that outpaced an index in specific asset classes. These screens, coupled with reviewing long-term and rolling results, can help you build portfolios designed to improve investor outcomes.

### Look for funds that meet two key criteria: Low expense ratios and high firm manager ownership

Actively managed equity funds (January 1, 1996, through December 31, 2020)

	Total fund universe	Lowest expense quartile	Highest firm manager ownership quartile	Both low expense and high ownership	Rolling 10-year success rate <sup>11</sup>
U.S. large cap	2,632	584	521	102	62%
Foreign large cap	719	164	158	35	76%
World stock large	490	109	105	23	80%
Emerging markets	383	87	86	83 <sup>12</sup>	83%
World stock small/mid cap	45	11	8	10 <sup>12</sup>	8%
Moderate allocation	547	124	107	22	61%
World allocation	146	34	32	7	69%

<sup>9</sup>As of 3/3/21.

<sup>10</sup>Capital Group, based on Morningstar data as of 3/3/21. All funds included in the analysis are non-index (active funds), based on oldest share class. Manager ownership is the latest point available. If fund liquidated or merged, this information is as of the latest Statement of Additional Information.

<sup>11</sup>Success rates are calculated for rolling 10-year periods on a monthly basis from 1/1/96 to 12/31/20. Results reflect funds within the specified Morningstar category that met the combined low expense ratio and high manager ownership screens. Not all individual funds beat their benchmark. Please see the Appendix and methodology section for indexes used to calculate the success rates for the different categories.

<sup>12</sup>Due to the small number of funds in the world stock small/mid cap category and the short track records of many emerging market funds, we included the funds in the two lowest expense quartiles and two highest quartiles for firm manager ownership in the combined screen. For example, if we had screened only funds in the highest quartile for firm manager ownership and lowest quartile for expenses, there would have been only one world stock small/mid cap fund – SMALLCAP World Fund – and none of the 17 emerging market funds in the top quartile had track records extending back to at least 1/1/96.

Source: Capital Group, based on Morningstar data from 1/1/96 to 12/31/20. In 1990, Morningstar began recording obsolete funds. Morningstar defines an obsolete fund as one that has been liquidated or merged. To eliminate the potential for survivorship bias – the tendency for obsolete funds to be excluded from results studies because they no longer exist – this illustration reviews results starting on 1/1/96. We chose 1/1/96 as the start date to allow Morningstar to establish a stable process for capturing and recording obsolete fund results. All funds included in analysis are active only, as delineated by Morningstar. Within the lowest expense ratio and highest firm manager ownership quartiles, not all of the funds in the quartiles were included because we excluded those funds in the Morningstar database that did not include an expense ratio or firm-level investment ownership. Fund expenses are based on an average of the expense ratios of the underlying share classes where each share class is weighted according to the amount of assets it had at the time, relative to the fund as a whole. Please see Appendix and methodology section for the Morningstar categories and indexes used for each asset class.

## We have a long-term focus, a consistent 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.

### 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.

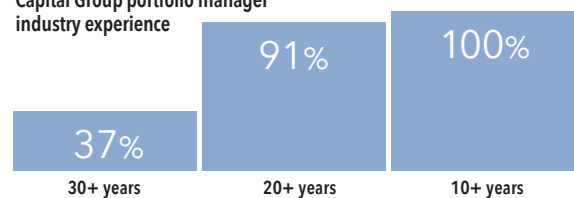
#### Compensation basis (years)



### Portfolio manager experience

Averaging 27 years of industry experience, Capital Group portfolio managers have invested through multiple market and economic cycles. In addition, their tenure with their funds averages 11% longer than the industry average.<sup>13</sup>

#### Capital Group portfolio manager industry experience



### Longer holding periods

We believe the best way to pursue superior outcomes is by investing in solid companies positioned to deliver value over full market and economic cycles. Less buying and selling than comparable funds also reduces trading costs and supports tax efficiency.

**55%**  
Longer holding periods, on average, versus Morningstar category peers.<sup>14</sup>

PHOTO: A few of our investment professionals share their insights during an investment group orientation in 2013. From left to right: Craig Beacock, Noriko Honda Chen, Bill Hurt and Jessica Spaly.

<sup>13</sup>Based on Capital Group calculations on Capital Group and Morningstar data. As of 12/31/2020. Average portfolio manager tenure across all American Funds is 7.8 years but 7.0 years for the industry as a whole, excluding American Funds.

<sup>14</sup>On average, the equity-focused American Funds hold their investments for 2.9 years, whereas their peers hold their investments for 1.9 years, based on the equal-weighted blended averages across each of the 20 equity-focused American Funds' respective Morningstar categories. Please see the Appendix and methodology section for a list of each fund's respective Morningstar category.

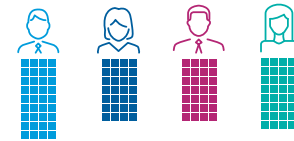
## ... and a proven system.

Our system was designed to help our investment teams uncover high-quality opportunities, establish and refine a repeatable process, and ensure fund management continuity.

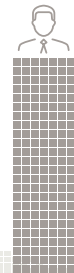
### The Capital System

The Capital System is the foundation of our investment success. It features a multi-manager approach that enables each manager to invest in his or her highest conviction ideas within his or her portion of the portfolio. Our flat structure fosters a cooperative culture among managers and analysts, and encourages robust interactions across regional and sector responsibilities.

#### The Capital System



#### Star manager approach



### Expansive research capabilities and global access

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.

#### Our diverse and global network



**447<sup>15</sup>**  
Investment professionals

**231**  
Investment analysts

**164**  
Based outside the U.S.

**112**  
Portfolio managers

**44**  
Languages spoken

<sup>15</sup>As of 12/31/20.

# Stress test: Our index-beating 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, 2020.

■ ≥ 50% ■ ≥ 75% 🌟 Morningstar's "Thrilling 36" list **Difference:** ■ Positive ■ Negative ■ Neutral

## GROWTH FUNDS

	AMCAP Fund					American Funds Global Insight Fund					American Funds International Vantage Fund				
Inception date	5/1/67					4/1/11					4/1/11				
Rolling periods	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>
Number of rolling periods	632	608	584	524	404	105	81	57	-	-	105	81	57	-	-
Percentage of periods outpaced index	<b>52%</b>	<b>54%</b>	<b>53%</b>	<b>73%</b>	<b>89%</b>	<b>60%</b>	<b>58%</b>	<b>56%</b>	-	-	<b>67%</b>	<b>69%</b>	<b>72%</b>	-	-
Fund annualized return (%)	13.17	12.17	12.14	12.60	12.75	10.17	9.67	8.99	-	-	7.15	6.36	5.73	-	-
Index annualized return (%)	11.46	10.66	10.60	10.72	11.26	9.59	9.28	8.70	-	-	5.45	5.22	4.63	-	-
Difference (%)	<b>1.71</b>	<b>1.51</b>	<b>1.55</b>	<b>1.87</b>	<b>1.48</b>	<b>0.58</b>	<b>0.39</b>	<b>0.29</b>	-	-	<b>1.70</b>	<b>1.14</b>	<b>1.09</b>	-	-
Share class: Ticker symbols	F-2: AMCFX C: AMPCX	F-3: FMACX R-3: RAFCX	A: AMCPX R-6: RAFGX			F-2: AGVGX C: AGVDX	F-3: AGVHX R-3: RGLDX	A: AGVFX R-6: RGLGX			F-2: AIVFX C: AIVCX	F-3: AIVGX R-3: RIVIX	A: AIVBX R-6: RIVGX		

	EuroPacific Growth Fund					The Growth Fund of America					The New Economy Fund				
Inception date	4/16/84					12/1/73					12/1/83				
Rolling periods	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>
Number of rolling periods	429	405	381	321	201	554	530	506	446	326	433	409	385	325	205
Percentage of periods outpaced index	<b>65%</b>	<b>78%</b>	<b>86%</b>	<b>97%</b>	<b>100%</b>	<b>57%</b>	<b>68%</b>	<b>70%</b>	<b>76%</b>	<b>100%</b>	<b>64%</b>	<b>69%</b>	<b>78%</b>	<b>90%</b>	<b>100%</b>
Fund annualized return (%)	12.34	10.72	10.14	9.75	9.49	15.68	14.67	14.44	13.69	13.48	13.71	11.99	11.37	10.73	9.67
Index annualized return (%)	10.90	8.49	7.12	6.54	6.32	12.62	11.84	11.72	11.54	11.30	10.87	9.42	8.45	7.79	7.16
Difference (%)	<b>1.43</b>	<b>2.23</b>	<b>3.02</b>	<b>3.21</b>	<b>3.17</b>	<b>3.05</b>	<b>2.83</b>	<b>2.72</b>	<b>2.15</b>	<b>2.18</b>	<b>2.84</b>	<b>2.56</b>	<b>2.91</b>	<b>2.94</b>	<b>2.52</b>
Share class: Ticker symbols	F-2: AEPFX C: AEPFX	F-3: FEUPX R-3: RERCX	A: AEPGX R-6: RERGX			F-2: GFFFX C: GFACX	F-3: GAFFX R-3: RGACX	A: AGTHX R-6: RGAGX			F-2: NEFFX C: ANFCX	F-3: FNEFX R-3: RNGCX	A: ANEFX R-6: RNGGX		

	New Perspective Fund					New World Fund					SMALLCAP World Fund				
Inception date	3/13/73					6/17/99					4/30/90				
Rolling periods	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>20 yrs</b>
Number of rolling periods	562	538	514	454	334	247	223	199	139	19	357	333	309	249	129
Percentage of periods outpaced index	<b>76%</b>	<b>87%</b>	<b>89%</b>	<b>96%</b>	<b>100%</b>	<b>61%</b>	<b>65%</b>	<b>57%</b>	<b>68%</b>	<b>100%</b>	<b>64%</b>	<b>69%</b>	<b>68%</b>	<b>68%</b>	<b>76%</b>
Fund annualized return (%)	13.77	13.06	12.95	12.83	12.67	9.96	9.27	9.46	8.71	8.11	12.66	10.41	9.82	8.92	8.70
Index annualized return (%)	10.34	9.90	9.82	9.83	9.45	6.32	5.89	6.28	5.80	4.76	9.41	8.45	8.12	7.96	7.90
Difference (%)	<b>3.43</b>	<b>3.16</b>	<b>3.13</b>	<b>3.00</b>	<b>3.22</b>	<b>3.64</b>	<b>3.38</b>	<b>3.17</b>	<b>2.91</b>	<b>3.35</b>	<b>3.25</b>	<b>1.97</b>	<b>1.71</b>	<b>0.96</b>	<b>0.80</b>
Share class: Ticker symbols	F-2: ANWFX C: NPFCX	F-3: FNPFX R-3: RNPCX	A: ANWPX R-6: RNPGX			F-2: NFFFX C: NEWCX	F-3: FNWFX R-3: RNWCX	A: NEWFX R-6: RNWGX			F-2: SMCFX C: SCWCX	F-3: SFCWX R-3: RSLCX	A: SMCWX R-6: RLLGX		

American Funds Global Insight Fund and American Funds International Vantage Fund began investment operations on April 1, 2011, but were only available to a limited number of investors. Now available on the American Funds platform, the reorganized funds have adopted the results and financial history of the original funds.

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, 2020. 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 the results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Please see [capitalgroup.com](http://capitalgroup.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. The percentage of periods funds outpaced the index were calculated based on the total return. The market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.



# 7

## American Funds on Morningstar's 2020 "Thrilling 36" list

Out of more than 8,000 funds, only 36 – or less than 0.5% – were deemed "Thrilling" by Morningstar. Seven of those 36 are American Funds.<sup>16</sup>

### GROWTH AND INCOME FUNDS

American Funds Developing World Growth and Income Fund					American Mutual Fund					Capital World Growth and Income Fund					Fundamental Investors				
2/3/14					2/21/50					3/26/93					8/1/78				
1 yr	3 yrs	5 yrs	10 yrs	20 yrs	1 yr	3 yrs	5 yrs	10 yrs	20 yrs	1 yr	3 yrs	5 yrs	10 yrs	20 yrs	1 yr	3 yrs	5 yrs	10 yrs	20 yrs
71	47	23	-	-	839	815	791	731	611	322	298	274	214	94	498	474	450	390	270
<b>38%</b>	<b>2%</b>	<b>0%</b>	-	-	<b>47%</b>	<b>50%</b>	<b>55%</b>	<b>65%</b>	<b>78%</b>	<b>74%</b>	<b>79%</b>	<b>88%</b>	<b>92%</b>	<b>100%</b>	<b>54%</b>	<b>57%</b>	<b>64%</b>	<b>77%</b>	<b>93%</b>
2.21	3.96	2.57	-	-	12.43	11.84	11.75	11.43	11.52	11.29	10.51	10.06	9.55	9.60	13.80	12.98	12.86	12.28	11.98
4.26	6.34	4.26	-	-	12.42	11.36	11.11	10.56	10.44	8.43	7.36	6.69	5.90	5.88	13.01	12.03	11.82	11.13	10.58
<b>-2.05</b>	<b>-2.38</b>	<b>-1.69</b>	-	-	<b>0.02</b>	<b>0.48</b>	<b>0.64</b>	<b>0.87</b>	<b>1.08</b>	<b>2.86</b>	<b>3.15</b>	<b>3.37</b>	<b>3.66</b>	<b>3.71</b>	<b>0.79</b>	<b>0.95</b>	<b>1.04</b>	<b>1.14</b>	<b>1.41</b>
F-2: DWGHX C: DWGCX	F-3: FDWGX R-3: RDWGX	A: DWGAX R-6: RDWGX			F-2: AMRFX C: AMFCX	F-3: AFMFX R-3: RMFCX	A: AMRMX R-6: RMFGX			F-2: WGIFX C: CWGCX	F-3: FWGIX R-3: RWICX	A: CWGIX R-6: RWIGX			F-2: FINFX C: AFICX	F-3: FUNFX R-3: RFNCX	A: ANCFX R-6: RFNGX		

International Growth and Income Fund					The Investment Company of America					Washington Mutual Investors Fund				
10/1/08					1/1/34					7/31/52				
1 yr	3 yrs	5 yrs	10 yrs	20 yrs	1 yr	3 yrs	5 yrs	10 yrs	20 yrs	1 yr	3 yrs	5 yrs	10 yrs	20 yrs
135	111	87	27	-	1,033	1,009	985	925	805	810	786	762	702	582
<b>47%</b>	<b>59%</b>	<b>56%</b>	<b>93%</b>	-	<b>53%</b>	<b>58%</b>	<b>63%</b>	<b>66%</b>	<b>79%</b>	<b>57%</b>	<b>59%</b>	<b>65%</b>	<b>75%</b>	<b>99%</b>
7.65	6.11	5.75	6.11	-	13.52	12.19	11.91	12.00	12.27	13.08	12.27	11.95	11.70	11.94
7.41	5.43	5.18	5.50	-	12.42	11.23	11.04	11.13	11.29	12.12	11.11	10.69	10.32	10.37
<b>0.24</b>	<b>0.68</b>	<b>0.58</b>	<b>0.61</b>	-	<b>1.10</b>	<b>0.95</b>	<b>0.87</b>	<b>0.87</b>	<b>0.98</b>	<b>0.96</b>	<b>1.16</b>	<b>1.27</b>	<b>1.38</b>	<b>1.57</b>
F-2: IGFFX C: IGICX	F-3: IGAIX R-3: RGICX	A: IGAAX R-6: RIGGX			F-2: ICAFX C: AICCX	F-3: FFICX R-3: RICCX	A: AIVSX R-6: RICGX			F-2: WMFFX C: WSHCX	F-3: FWMIX R-3: RWMCX	A: AWSHX R-6: RWMGX		

### EQUITY INCOME FUNDS

Capital Income Builder					The Income Fund of America				
7/30/87					12/1/73				
1 yr	3 yrs	5 yrs	10 yrs	20 yrs	1 yr	3 yrs	5 yrs	10 yrs	20 yrs
390	366	342	282	162	554	530	506	446	326
<b>56%</b>	<b>67%</b>	<b>74%</b>	<b>84%</b>	<b>100%</b>	<b>52%</b>	<b>48%</b>	<b>56%</b>	<b>59%</b>	<b>85%</b>
9.57	9.31	9.27	9.16	8.92	11.53	11.07	10.98	11.09	10.94
7.82	7.23	7.14	6.93	6.51	10.85	10.46	10.44	10.50	10.35
<b>1.75</b>	<b>2.08</b>	<b>2.12</b>	<b>2.23</b>	<b>2.41</b>	<b>0.68</b>	<b>0.61</b>	<b>0.54</b>	<b>0.59</b>	<b>0.59</b>
F-2: CAIFX C: CIBCX	F-3: CFIHX R-3: RIRCX	A: CAIBX R-6: RIRGX			F-2: AMEFX C: IFACX	F-3: FIFAX R-3: RIDCX	A: AMECX R-6: RIDGX		

### BALANCED FUNDS

American Balanced Fund					American Funds Global Balanced Fund				
7/26/75					2/1/11				
1 yr	3 yrs	5 yrs	10 yrs	20 yrs	1 yr	3 yrs	5 yrs	10 yrs	20 yrs
534	510	486	426	306	107	83	59	-	-
<b>56%</b>	<b>55%</b>	<b>56%</b>	<b>64%</b>	<b>83%</b>	<b>47%</b>	<b>47%</b>	<b>51%</b>	-	-
11.13	10.78	10.83	10.83	10.71	6.55	6.24	5.77	-	-
10.55	10.26	10.30	10.28	10.04	6.09	5.88	5.52	-	-
<b>0.58</b>	<b>0.52</b>	<b>0.53</b>	<b>0.55</b>	<b>0.67</b>	<b>0.46</b>	<b>0.36</b>	<b>0.25</b>	-	-
F-2: AMBFX C: BALCX	F-3: AFMBX R-3: RLBCX	A: ABALX R-6: RLBGX			F-2: GBLFX C: GBLCX	F-3: GFBLX R-3: RGBCX	A: GBLAX R-6: RGBGX		

<sup>16</sup>Morningstar, "Fund Investor: The Thrilling 36," by Russel Kinnel, August 2020. Morningstar's screening took into consideration expense ratios, manager ownership, returns over manager's tenure, and Morningstar Risk, Analyst and Parent ratings. The universe was limited to share classes accessible to individual investors with a minimum investment no greater than \$50,000 and did not include funds of funds. Class A shares were evaluated for American Funds. Visit morningstar.com for more details.

# Appendix and methodology

## Rolling 10-year success rates

Annual results for monthly rolling 10-year periods, 12/31/99-12/31/20	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	8.51%	7.60%	119 of 133	89%
American Mutual Fund	7.94	7.60	69 of 133	52
Fundamental Investors	8.72	7.60	94 of 133	71
The Growth Fund of America	8.40	7.60	115 of 133	86
The Investment Company of America	7.46	7.60	42 of 133	32
Washington Mutual Investors Fund	7.75	7.60	41 of 133	31
<b>MSCI ACWI</b>				
Capital World Growth and Income Fund	7.97	6.02	116 of 133	87
The New Economy Fund	9.11	6.02	113 of 133	85
New Perspective Fund	8.61	6.02	133 of 133	100
New World Fund	8.68	6.02	89 of 133	67
<b>MSCI ACWI ex USA</b>				
EuroPacific Growth Fund	6.70	5.18	133 of 133	100
International Growth and Income Fund	6.11	5.50	25 of 27	93
<b>MSCI ACWI Small Cap</b>				
SMALLCAP World Fund	8.76	8.80	78 of 133	59
<b>70% MSCI ACWI/30% Bloomberg Barclays U.S. Aggregate</b>				
Capital Income Builder	6.70	5.94	88 of 133	66
<b>65% S&amp;P 500/35% Bloomberg Barclays U.S. Aggregate</b>				
The Income Fund of America	7.38	6.86	66 of 133	50
<b>60% S&amp;P 500/40% Bloomberg Barclays U.S. Aggregate</b>				
American Balanced Fund	7.64	6.73	133 of 133	100

American Funds Global Insight Fund, American Funds International Vantage Fund, American Funds Developing World Growth and Income Fund and American Funds Global Balanced Fund are not included because they have less than 10 years of results.

## METHODOLOGY

**Pages 8 and 9:** The \$10,000 hypothetical investment in the line chart is based on daily returns. The S&P 500 values are calculated using the total return index, which includes dividends. The equal-weighted blended average of the seven U.S. equity-focused American Funds includes AMCAP Fund, American Mutual Fund, Fundamental Investors, The Growth Fund of America, The Investment Company of America, The New Economy Fund, Washington Mutual Investors Fund. The investment was rebalanced monthly.

Dates shown for market highs and lows are based on the price return of the unmanaged S&P 500 Index, which does not include reinvested dividends. The total percentage loss from high to low shown for the index, Morningstar active category blended averages and American Funds averages are calculated using these dates and based on total returns, which include reinvested dividends.

For each of the bear markets shown, the Days to Recovery for the S&P 500 Index and American Funds equal-weighted blended average reflect the number of calendar days (including weekends and holidays) between the stated market low and the next time the value of the investments for each met or surpassed the value set at the pre-downturn market high.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which the results would have been lower. Please see [capitalgroup.com](http://capitalgroup.com) for more information.

### 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 Blend, World Large-Stock Growth and World Large-Stock Value categories. Moderate allocation funds are those in the Morningstar Allocation – 15% to 30% Equity, Allocation – 30% to 50% Equity, Allocation – 50% to 70% Equity, Allocation – 70% to 85% Equity and Allocation – 85%+ Equity. The other fund categories are the Morningstar Emerging Markets, World Stock Small/Mid Cap and World

## Pages 8 and 9

Individual returns Equity-focused American Funds during major bear markets	Black Monday	Dot-com crisis	Great Recession	COVID-19 pandemic
<b>Market high</b>	8/25/87	3/24/00	10/9/07	2/19/20
<b>Market low</b>	12/4/87	10/9/02	3/9/09	3/23/20
The Investment Company of America	-27.57%	-27.96%	-50.72%	-31.02%
American Mutual Fund	-21.36	-6.73	-48.14	-29.74
Washington Mutual Investors Fund	-28.30	-16.16	-53.87	-34.55
AMCAP Fund	-29.84	-32.74	-52.57	-31.02
New Perspective Fund	-25.36	-42.47	-50.67	-32.29
The Income Fund of America	-13.57	1.12	-43.40	-25.83
The Growth Fund of America	-32.37	-45.86	-51.52	-30.36
American Balanced Fund	-18.93	4.72	-40.06	-22.29
Fundamental Investors	-32.76	-35.57	-52.68	-33.89
The New Economy Fund	-30.40	-61.00	-54.49	-30.47
EuroPacific Growth Fund	-26.19	-46.82	-52.10	-31.41
Capital Income Builder	-9.73	10.24	-42.54	-25.12
SMALLCAP World Fund	-	-59.09	-61.47	-34.10
Capital World Growth and Income Fund	-	-25.57	-52.71	-31.79
New World Fund	-	-37.80	-52.30	-31.35
International Growth and Income Fund	-	-	-	-33.96
American Funds Global Balanced Fund	-	-	-	-23.26
American Funds Global Insight Fund	-	-	-	-29.69
American Funds International Vantage Fund	-	-	-	-25.77
American Funds Developing World Growth and Income Fund	-	-	-	-32.31

Allocation. The indexes used to 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), moderate allocation (60% S&P 500/40% Bloomberg Barclays U.S. Aggregate Index) and world allocation (60% MSCI ACWI/40% Bloomberg Barclays Global Aggregate Index).

**Tracking low expenses and high firm manager ownership** – In conducting our research, we searched Morningstar's database for actively managed funds that were in both the lowest ranked by expense ratio and the highest ranked by 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 annual report Net Expense Ratio (NER) for all observed Morningstar categories for the period indicated. The Securities and Exchange Commission (SEC) requires that mutual funds disclose all fees and expenses in a standardized table published in the front portion of a fund prospectus. The fund prospectus is Morningstar Direct's source for expense ratios. For share classes with missing expense ratios, gaps between two available data points were filled in using linear interpolation. Linear interpolation is a statistical method used to estimate the values between two known data points in a time series. After interpolation of share class expense ratios, fund expenses are based on an average of the expense ratios of the underlying share classes where each share class is weighted according to the amount of assets it had at the time relative to the fund as a whole.

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](http://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 least expensive NER and highest firm manager ownership was the result of a cross-section of the two screens. Only those funds with both the lowest expense ratios and the highest firm manager ownership were included.

**Index comparisons:** The 20 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, American Mutual Fund, Fundamental Investors, The Growth Fund of America, The Investment Company of America and Washington Mutual Investors Fund (Standard & Poor's 500 Index); American Balanced Fund (60% Standard & Poor's 500 and 40% Bloomberg Barclays U.S. Aggregate indexes); American Funds Global Balanced Fund (60% MSCI All Country World and 40% Bloomberg Barclays Global Aggregate indexes); Capital Income Builder (70% MSCI All Country World and 30% Bloomberg Barclays U.S. Aggregate indexes); The Income Fund of America (65% Standard & Poor's 500 and 35% Bloomberg Barclays U.S. Aggregate indexes); Capital World Growth and Income Fund, The New Economy Fund, New Perspective Fund and New World Fund (MSCI All Country World Index); American Funds International Vantage Fund (MSCI EAFE Index); EuroPacific Growth Fund and International Growth and Income Fund (MSCI All Country World ex USA Index); SMALLCAP World Fund (MSCI All Country World Small Cap Index); American Funds Global Insight Fund (MSCI World Index). All relevant indexes listed are the funds' primary benchmarks. Index blends are rebalanced monthly.

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 26, 1975 (the fund's inception), through December 31, 1975. Results for this index blend were rebalanced monthly. For EuroPacific Growth Fund, the MSCI EAFE (Europe, Australasia, Far East) Index was used for the period April 16, 1984 (the fund's inception), through December 31, 1987. The MSCI All Country World ex USA Index was subsequently used. For The New Economy Fund, the MSCI World Index was used for the period December 1, 1983 (the fund's inception), through December 31, 1987. The MSCI All Country World Index was subsequently used. For New Perspective Fund, the MSCI World Index was used for the period March 13, 1973 (the fund's inception), through December 31, 1987. The MSCI All Country World Index was subsequently used. For SMALLCAP World Fund, the S&P Global <\$3 Billion Index (formerly the S&P Global <\$1.2 Billion Index) was used for the period April 30, 1990 (the fund's inception), through May 31, 1994. The MSCI All Country World Small Cap Index was subsequently used. For Capital Income Builder, 70% MSCI World and 30% Bloomberg Barclays U.S. Aggregate indexes were used for the period July 30, 1987 (the fund's inception), through December 31, 1987. From January 1, 1988, through December 31, 2000, and thereafter, 70% MSCI All Country World and 30% Bloomberg Barclays U.S. Aggregate indexes were used. For The Income Fund of America, 65% Standard & Poor's 500 and 35% Bloomberg Barclays U.S. Government/Credit indexes were used for the period November 30, 1973 (the fund's inception), through 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 (Allocation – 50% to 70% Equity); Capital Income Builder, American Funds Global Balanced Fund (World Allocation); The Income Fund of America (Allocation – 70% to 85% Equity); American Funds Global Insight Fund, Capital World Growth and Income Fund, The New Economy Fund, New Perspective Fund (World Large Stock); 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 (World Small/Mid Stock); International Growth and Income Fund (Foreign Large Blend).

## INDEX DESCRIPTIONS

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 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 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 equity market results of smaller capitalization companies in both developed and emerging markets. Results reflect dividends net of withholding taxes.

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 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.

Standard & Poor's 500 Index is a market capitalization-weighted index based on the average weighted results of approximately 500 widely held common stocks.

## 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 September 30, 2021, this brochure must be accompanied by a current American Funds quarterly statistical update.

Bloomberg® is a trademark of Bloomberg Finance L.P. (collectively with its affiliates, "Bloomberg"). Barclays® is a trademark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Neither Bloomberg nor Barclays approves or endorses this material, guarantees the accuracy or completeness of any information herein and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products.

The S&P 500 Index is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2021 S&P Dow Jones Indices LLC, a division of S&P Global, and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC.

© 2021 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. These numbers were calculated by the Capital Group based on underlying Morningstar data.

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 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. 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 [capitalgroup.com](http://capitalgroup.com).

## Investment results

### CLASS F-2 SHARES

Results for periods ended June 30, 2021	Inception date	Average annual total return (%)				Expense ratio (%)
		1 year	5 years	10 years	Lifetime	
S&P 500 Index	–	40.79	17.65	14.84	–	–
AMCAP Fund	5/1/67	35.14	17.52	14.61	12.12	0.45
American Mutual Fund	2/21/50	28.84	12.08	11.60	11.80	0.38
Fundamental Investors	8/1/78	39.32	16.09	13.51	12.92	0.39
The Growth Fund of America	12/1/73	43.28	21.28	16.23	14.39	0.41
The Investment Company of America	1/1/34	35.72	14.48	13.03	12.40	0.38
Washington Mutual Investors Fund	7/31/52	36.30	14.62	13.14	12.17	0.38
MSCI All Country World Index (ACWI)	–	39.26	14.61	9.90	–	–
Capital World Growth and Income Fund	3/26/93	35.51	13.59	9.96	11.05	0.52
The New Economy Fund	12/1/83	38.84	20.68	15.49	12.27	0.52
New Perspective Fund	3/13/73	46.12	19.51	13.59	12.99	0.53
New World Fund	6/17/99	42.20	15.97	8.14	9.39	0.70
MSCI ACWI ex USA	–	35.72	11.08	5.45	–	–
EuroPacific Growth Fund	4/16/84	39.98	14.38	8.22	11.22	0.57
International Growth and Income Fund	10/1/08	38.27	11.03	6.30	7.96	0.66
MSCI ACWI Small Cap	–	54.07	14.13	9.90	–	–
SMALLCAP World Fund	4/30/90	50.17	19.76	13.11	11.09	0.78
MSCI EAFE (Europe, Australasia, Far East) Index	–	32.35	10.28	5.89	–	–
American Funds International Vantage Fund	4/1/11	28.43	12.59	7.54	7.43	0.78
MSCI Emerging Markets Index	–	40.90	13.03	4.28	–	–
American Funds Developing World Growth and Income Fund	2/3/14	37.31	10.50	–	6.28	0.95
MSCI World Index	–	39.04	14.83	10.65	–	–
American Funds Global Insight Fund	4/1/11	31.58	14.99	10.72	10.35	0.57
70% MSCI ACWI/30% Bloomberg Barclays U.S. Aggregate	–	26.29	11.27	8.15	–	–
Capital Income Builder	7/30/87	22.89	7.33	7.16	9.21	0.38
65% S&P 500/35% Bloomberg Barclays U.S. Aggregate	–	25.14	12.62	10.96	–	–
The Income Fund of America	12/1/73	26.99	9.30	8.96	11.04	0.37
60% S&P 500/40% Bloomberg Barclays U.S. Aggregate	–	23.02	11.89	10.39	–	–
American Balanced Fund	7/26/75	22.84	11.16	10.58	10.94	0.36
60% MSCI ACWI/40% Bloomberg Barclays Global Aggregate Index	–	23.58	9.80	6.92	–	–
American Funds Global Balanced Fund	2/1/11	20.90	8.29	7.18	7.28	0.60

American Funds Global Insight Fund and American Funds International Vantage Fund began investment operations on April 1, 2011, but were only available to a limited number of investors. Now available on the American Funds platform, the reorganized funds have adopted the results and financial history of the original funds.

The expense ratios for American Funds Global Insight Fund and American Funds International Vantage Fund are estimated. 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, investment results and expense ratios reflect fee waivers and/or expense reimbursements, without which the results would have been lower and the expense ratios would have been higher. The investment adviser is currently reimbursing a portion of other expenses for American Funds Global Insight Fund and American Funds International Vantage Fund. Investment results and net expense ratios reflect the reimbursement, without which investment results would have been lower and expense ratios would have been higher. The reimbursement will be in effect through at least January 1, 2022, for American Funds International Vantage Fund and May 21, 2022, for American Funds Global Insight Fund. Please see [capitalgroup.com](http://capitalgroup.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 the results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Please see [capitalgroup.com](http://capitalgroup.com) for more information on specific expense adjustments and the actual dates of first sale. For American Funds Global Insight Fund and American Funds International Vantage Fund, Class F-2 shares were first offered on November 8, 2019. Class F-2 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 see [capitalgroup.com](http://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>SM</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 27 years of investment industry experience, including 21 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 funds have beaten their Lipper peer indexes in 91% of 10-year periods and 98% of 20-year periods.<sup>2</sup> Fixed income funds have helped investors achieve 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, 2020.

<sup>2</sup>Based on Class F-2 share results for rolling calendar-year periods starting the first full calendar year after each fund's inception through December 31, 2020. 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.

<sup>3</sup>Based on Class F-2 share results as of December 31, 2020. Thirteen of the 17 fixed income American Funds that have been in existence for the three-year period showed a three-year correlation below 0.3. Standard & Poor's 500 Index was used as an equity market proxy. Correlation based on monthly total returns. Correlation is a statistical measure of how two securities move in relation to each other. A correlation ranges from -1 to 1. A positive correlation close to 1 implies that as one security moves, either up or down, the other security will move in "lockstep," in the same direction. A negative correlation close to -1 indicates that the securities have moved in the opposite direction.

<sup>4</sup>On average, our management fees were in the lowest quintile 66% of the time, based on the 20-year period ended December 31, 2020, versus comparable Lipper categories, excluding funds of funds.

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 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 August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Visit [capitalgroup.com](http://capitalgroup.com) for more information on specific expense adjustments and the actual dates of first sale.

**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.**

American Funds Distributors, Inc., member FINRA.

All Capital Group trademarks mentioned are owned by The Capital Group Companies, Inc., an affiliated company or fund. All other company and product names mentioned are the property of their respective companies.

This content, developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decisions and is not intended to serve as impartial investment or fiduciary advice.