

**The Capital Advantage®**  
Equity investments | 2022 Edition: Class A



**CAPITAL GROUP®** | **AMERICAN FUNDS®**

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,

**44.0%**

of U.S. equity funds led, while

**56.0%**

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.

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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?**

“Capital Group's signature multimanager approach to equity investing, in place since 1958 ... has translated into ... more-limited volatility and downside than many competitors'; at the same time, the firm's plethora of talented investors has also led to superior investment results over very long stretches.”

**Bridget B. Hughes, CFA**, Morningstar, June 14, 2021<sup>2</sup>

A group of business professionals, including men and women in suits, are seated around a conference table. They appear to be in a meeting, with some looking at documents and others looking towards the center of the table. The image is in a light, faded tone.

Unless otherwise noted, figures shown are past results for Class A shares at net asset value and are not predictive of future periods. If the applicable sales charge had been applied, results would have been lower. 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><br/>All but three 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><br/>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><br/>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><br/>Our approach helped preserve wealth when markets fell, something at which we've excelled.</p> | <p><b>A culture of stewardship</b><br/>For over 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><br/>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><br/>The Capital System<sup>SM</sup>, our proprietary investment process, and global research network support our pursuit of superior long-term outcomes.</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 12/31/21. Based on calendar-year returns of actively managed funds, excluding American Funds, in the Morningstar U.S. Fund Large Value, Blend and Growth categories. 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.

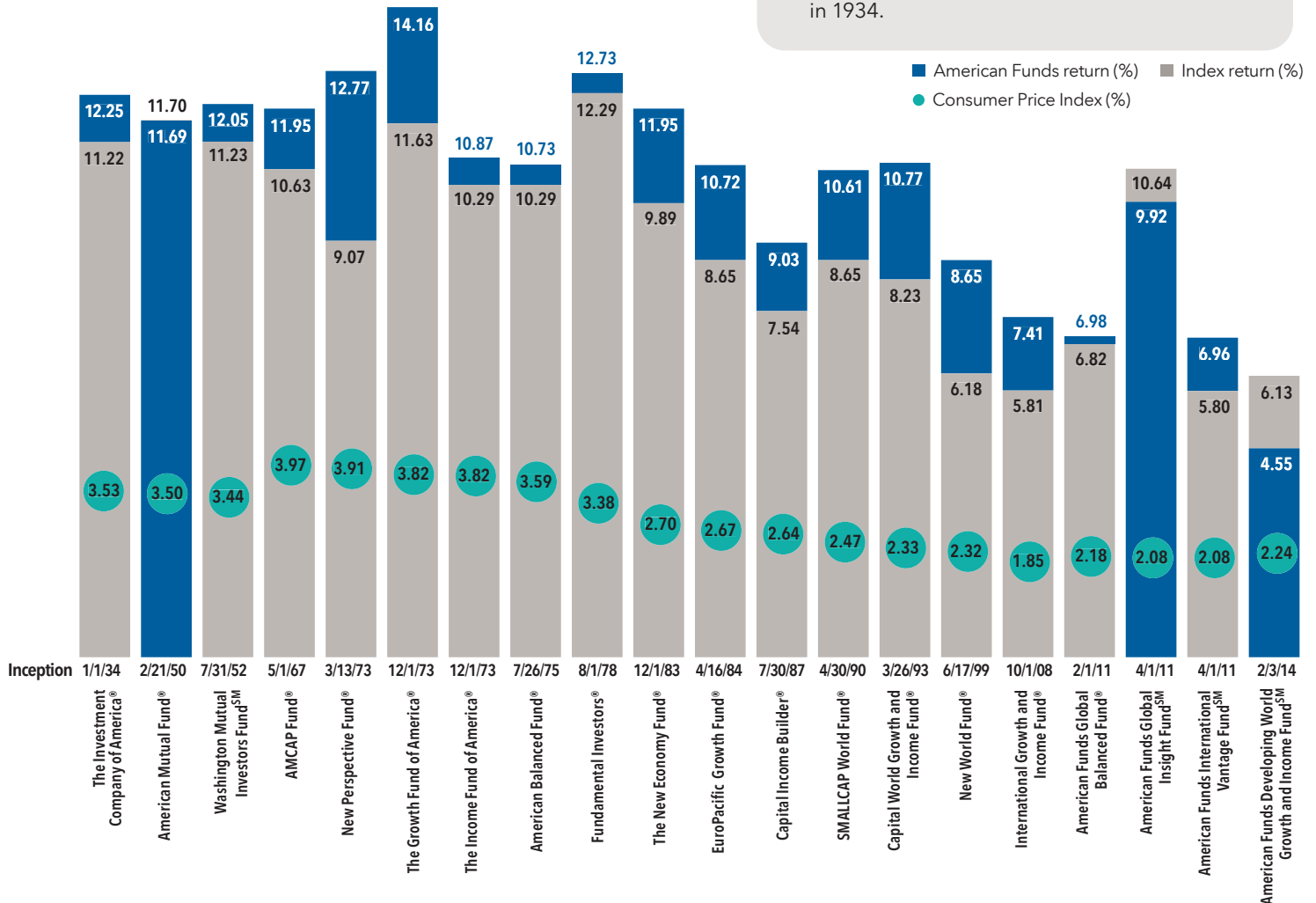
<sup>2</sup>"Morningstar Awards for Investing Excellence: Exemplary Steward Nominees," morningstar.com.

# 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 three of these equity-focused American Funds have generated index-beating lifetime 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 A shares at net asset value. If the maximum applicable 5.75% sales charge had been applied, results would have been lower.
- 1.31%: Average annual excess return over 766 combined fund years, as of December 31, 2021.<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 1.20%. The time-weighted average gives greater emphasis to those funds that have been in existence longer. For example, this means that the 1.03% annualized difference between The Investment Company of America and its benchmark is given proportionally greater weighting in alignment with its more than 88 years in existence when calculating the average across all 20 funds.

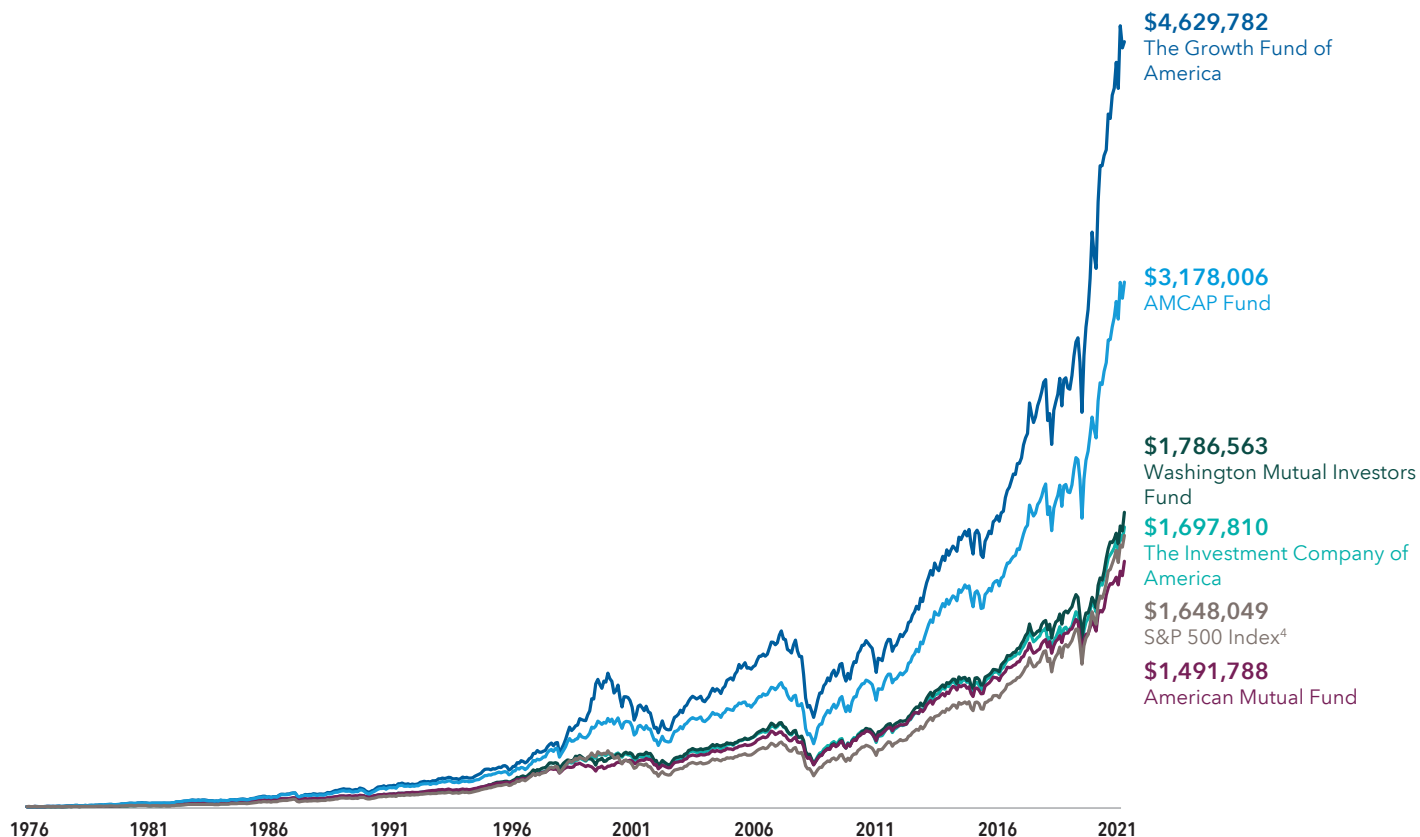
Returns are average annual total returns for benchmark indexes and average annual returns for funds at net asset value from fund inception through 12/31/21. The funds' indexes are as of 12/31/21. See individual fund detail pages at [capitalgroup.com](http://capitalgroup.com) for current information and 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. CPI number is the average annual total return for the CPI in each fund's lifetime.

# 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, 2021.
- Class A shares at maximum offering price, with 5.75% sales charge deducted.
- 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.
- \$2,410,778: 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, 1999, through December 31, 2021.
- Class A shares at net asset value. If the maximum applicable 5.75% sales charge had been applied, results would have been lower.
- American Funds produced greater wealth on average: \$141,396 over indexes and \$193,604 over peer category averages.<sup>5</sup>
- Includes all equity-focused American Funds available for investment on December 31, 1999, none of which have since been liquidated or merged.

| Fund/Index name                                     | Ending value of a hypothetical \$100,000 initial investment:<br>INDEX vs. PEER CATEGORY AVERAGE <sup>5</sup> vs. AMERICAN FUNDS |           |
|---|---|-----------|
| <b>S&amp;P 500 Index</b>                            | \$494,048   |           |
| AMCAP Fund  | \$384,812   | \$649,146 |
| American Mutual Fund                                | \$413,643   | \$598,385 |
| Fundamental Investors                               | \$360,044   | \$644,559 |
| The Growth Fund of America                          | \$384,812   | \$699,844 |
| The Investment Company of America                   | \$360,044   | \$539,275 |
| Washington Mutual Investors Fund                    | \$360,044   | \$606,160 |
| <b>MSCI ACWI</b>                                    | \$334,827   |           |
| Capital World Growth and Income Fund                | \$420,591   | \$595,335 |
| The New Economy Fund                                | \$426,928   | \$496,038 |
| New Perspective Fund                                | \$426,928   | \$646,247 |
| New World Fund                                      | \$367,076   | \$536,555 |
| <b>MSCI ACWI ex USA</b>                             | \$253,842   |           |
| EuroPacific Growth Fund                             | \$233,705   | \$341,277 |
| <b>MSCI ACWI Small Cap</b>                          | \$596,687   |           |
| SMALLCAP World Fund                                 | \$471,263   | \$529,876 |
| <b>70% MSCI ACWI/30% Bloomberg U.S. Aggregate</b>   | \$338,167   |           |
| Capital Income Builder                              | \$304,472   | \$476,687 |
| <b>65% S&amp;P 500/35% Bloomberg U.S. Aggregate</b> | \$432,305   |           |
| The Income Fund of America                          | \$332,094   | \$522,415 |
| <b>60% S&amp;P 500/40% Bloomberg U.S. Aggregate</b> | \$421,804   |           |
| American Balanced Fund                              | \$316,824   | \$585,543 |

<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, 1999, through December 31, 2021.
- Class A shares at net asset value. If the maximum applicable 5.75% sales charge had been applied, results would have been lower.
- On average, American Funds ended the period having preserved more wealth: \$655,892 greater than indexes and \$646,671 greater than peer category averages.<sup>5</sup>
- \$610,736: 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, 1999, none of which have since been liquidated or merged.

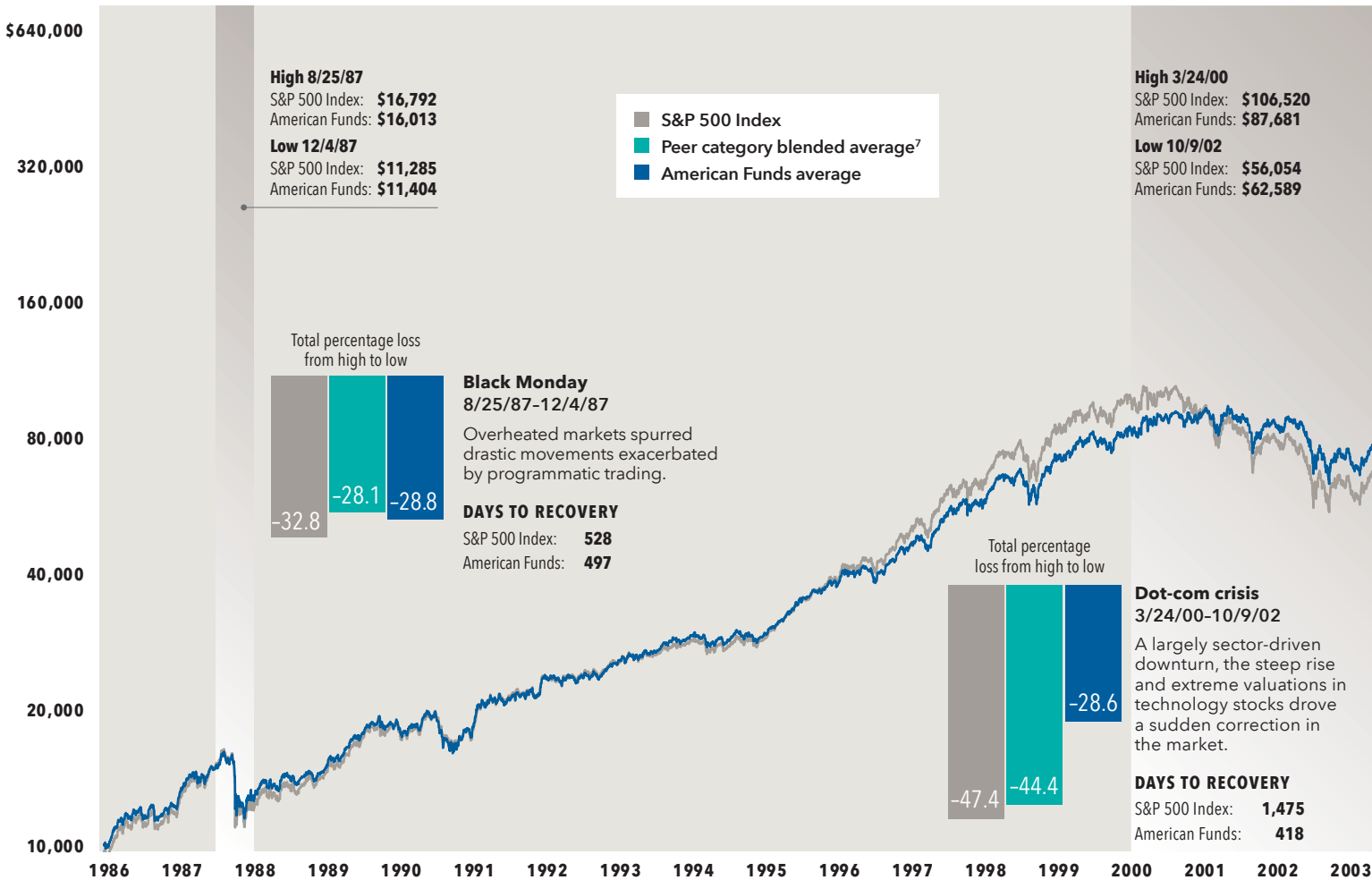
| Fund/Index name                                     | Ending value of a hypothetical \$500,000 initial investment:<br>INDEX vs. PEER CATEGORY AVERAGE <sup>5</sup> vs. AMERICAN FUNDS |             |
|---|---|-------------|
| <b>S&amp;P 500 Index</b>                            | \$113,735   |             |
| AMCAP Fund  | \$0   | \$926,328   |
| American Mutual Fund                                | \$460,893   | \$1,131,723 |
| Fundamental Investors                               | \$0   | \$1,010,688 |
| The Growth Fund of America                          | \$0   | \$904,673   |
| The Investment Company of America                   | \$0   | \$710,518   |
| Washington Mutual Investors Fund                    | \$0   | \$983,622   |
| <b>MSCI ACWI</b>                                    | \$24,623  |             |
| Capital World Growth and Income Fund                | \$503,281   | \$1,237,013 |
| The New Economy Fund                                | \$46,076  | \$137,015   |
| New Perspective Fund                                | \$137,015   | \$888,237   |
| New World Fund                                      | \$543,024   | \$992,471   |
| <b>MSCI ACWI ex USA</b>                             | \$78,369  |             |
| EuroPacific Growth Fund                             | \$0   | \$255,844   |
| <b>MSCI ACWI Small Cap</b>                          | \$1,105,864   |             |
| SMALLCAP World Fund                                 | \$436,495   | \$555,664   |
| <b>70% MSCI ACWI/30% Bloomberg U.S. Aggregate</b>   | \$273,722   |             |
| Capital Income Builder                              | \$408,385   | \$1,073,112 |
| <b>65% S&amp;P 500/35% Bloomberg U.S. Aggregate</b> | \$434,056   |             |
| The Income Fund of America                          | \$257,569   | \$1,105,273 |
| <b>60% S&amp;P 500/40% Bloomberg U.S. Aggregate</b> | \$459,837   |             |
| American Balanced Fund                              | \$268,218   | \$1,269,050 |

Capital Group calculations on Capital Group and Morningstar data, 12/31/99 to 12/31/21. All comparisons are to each of the funds' primary or secondary benchmarks as of 12/31/21. 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>



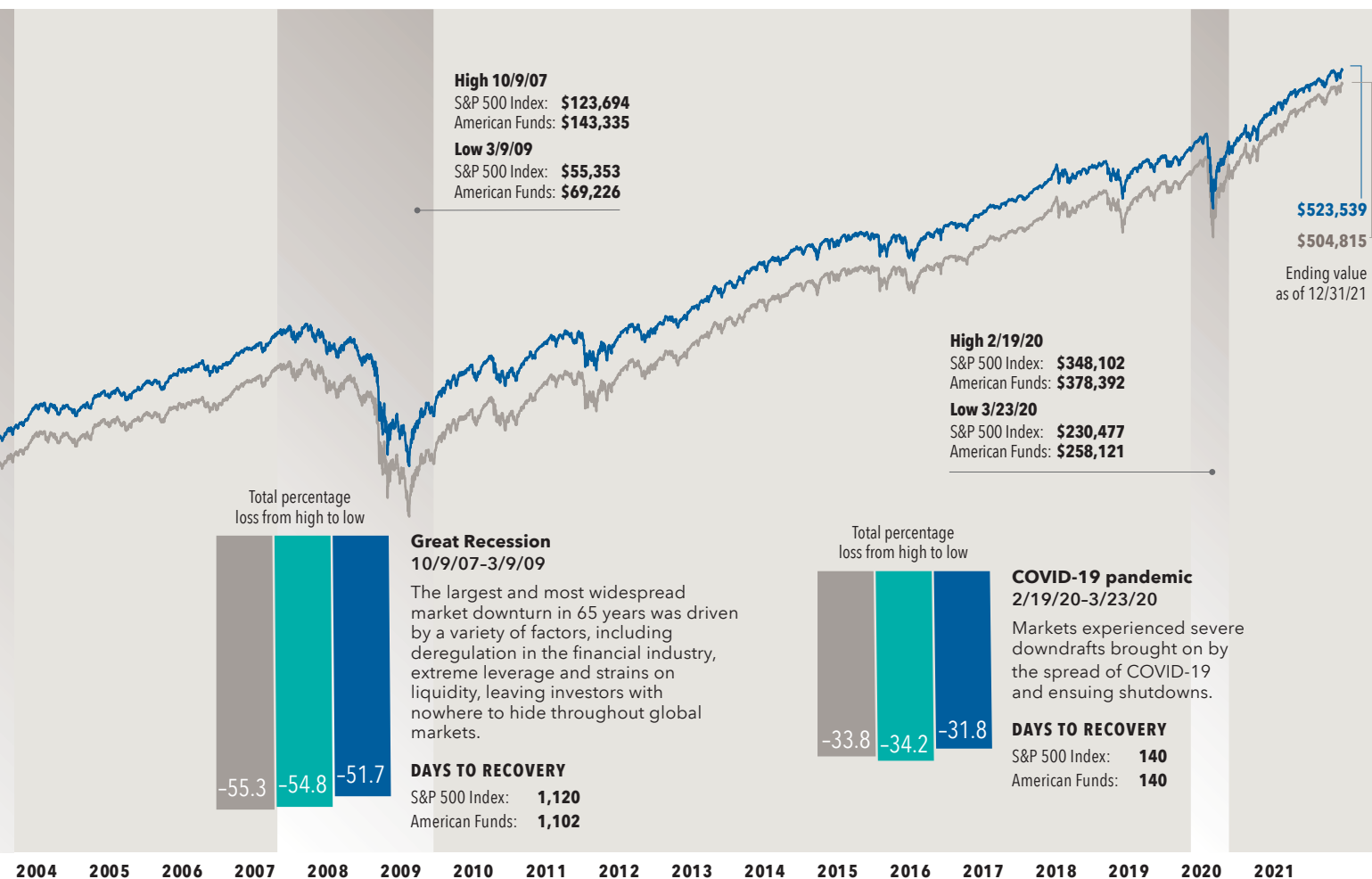
### EXHIBIT DETAILS: GLOBAL, INTERNATIONAL & BLACK MONDAY (Class A shares at net asset value)

- **Global:** Five 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:** 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.
- **Black Monday:** American Funds average includes The New Economy Fund, New Perspective Fund and EuroPacific Growth Fund, as the other global and international American Funds were unavailable for investment.



**EXHIBIT DETAILS: DOMESTIC (Class A shares at net asset value. If the maximum 5.75% sales charge had been applied, results would have been lower.)**

- **Line chart:** Hypothetical \$10,000 investment in the S&P 500 Index versus an equal-weighted blended average of six 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 six 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%         | -48.8% | -57.6%          | -59.5% | -33.8%            | -32.8% |
| Peer category blended average <sup>7</sup> | -24.5        | -20.9  | -45.3          | -54.2  | -57.5           | -59.3  | -32.2             | -31.8  |
| American Funds average                     | -27.9        | -26.2  | -42.0          | -47.1  | -52.7           | -52.3  | -31.1             | -30.4  |

<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 and Washington Mutual Investors Fund; for global: American Funds Global Insight Fund, The New Economy Fund, New Perspective Fund, New World Fund and Capital World Growth and Income Fund; and for international: American Funds International Vantage Fund, EuroPacific Growth Fund and International Growth and Income Fund. Only those funds that were available during each decline were included in the American Funds results for that decline.

<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: Large Blend, Growth and Value; for global: World Large-Stock Blend, World Large-Stock Growth and Diversified Emerging Markets categories; for international: Foreign Large Blend and Foreign Growth. 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 12/31/21. 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 over 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:

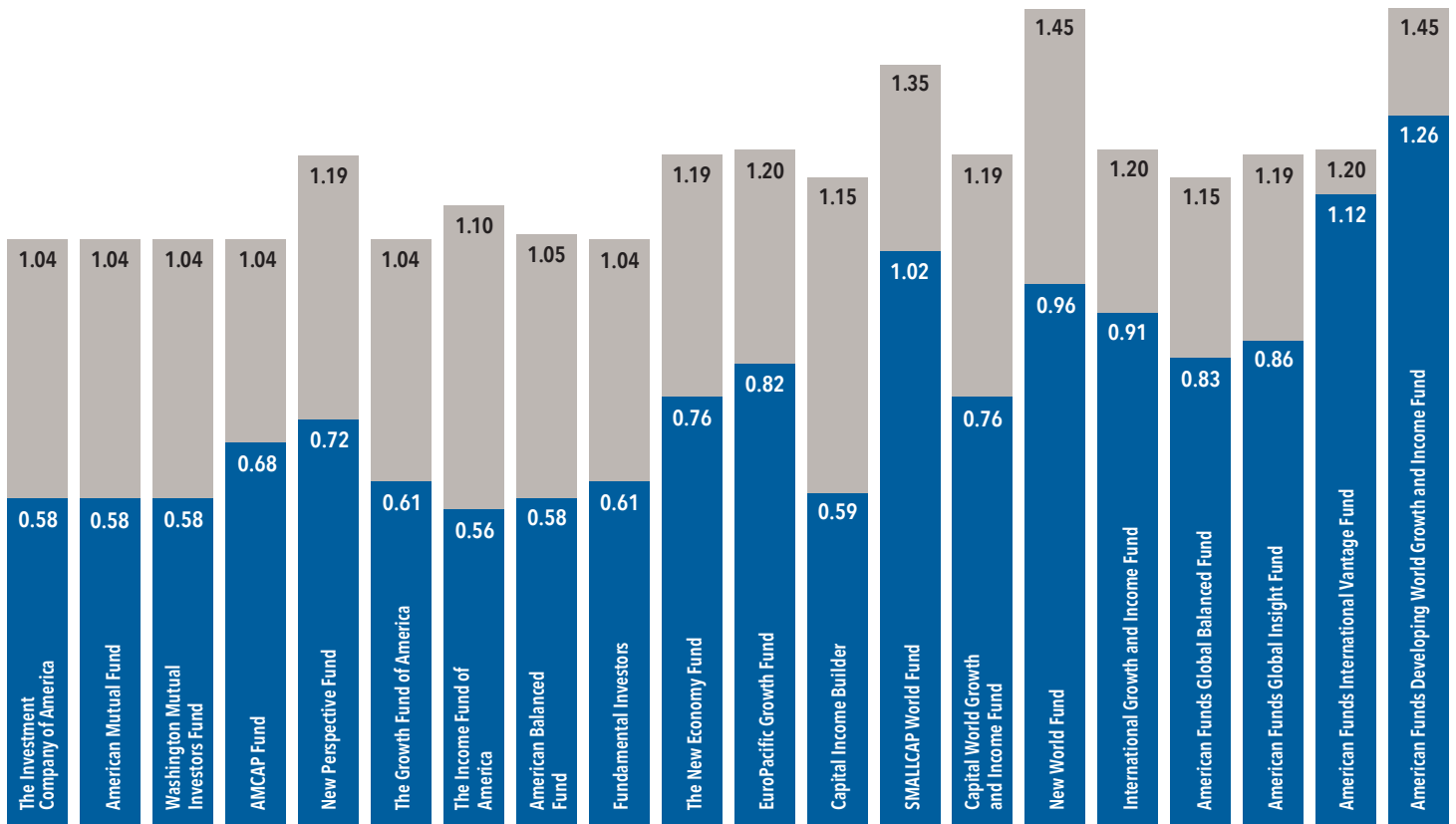
### We have lower expense ratios

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, 2021.
- Expense ratios shown for Class A shares.

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



<sup>8</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).

## 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. 43%

More than 40% of the 5,867 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, 2021)

|                           | 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            | 2,391               | 598                     | 520                                     | 87                                  | 59%  |
| Foreign large cap         | 680                 | 170                     | 161                                     | 31                                  | 98   |
| World stock large         | 220                 | 55                      | 58                                      | 8                                   | 100  |
| Emerging markets          | 359                 | 90                      | 88                                      | 88 <sup>12</sup>                    | 98   |
| World stock small/mid cap | 42                  | 11                      | 11                                      | 12 <sup>12</sup>                    | 31   |
| Moderate allocation       | 487                 | 122                     | 109                                     | 22                                  | 59   |
| World allocation          | 132                 | 33                      | 30                                      | 8                                   | 74   |

<sup>9</sup>As of 12/31/21.

<sup>10</sup>Capital Group, based on Morningstar data as of 2/23/22. 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. 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 12/31/21. 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 12/31/21. 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.

#### 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.

137%

Longer holding periods, on average, versus Morningstar category peers.<sup>13</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>On average, the equity-focused American Funds hold their investments for 3.9 years, whereas their peers hold their investments for 1.6 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.

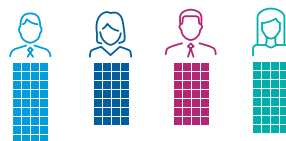
## ... and a proven system.

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

454<sup>14</sup>

Investment professionals

218

Investment analysts

164

Based outside the U.S.

126

Portfolio managers

42

Languages spoken

<sup>14</sup>As of 12/31/21.

# 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, 2021.

■ ≥ 50% ■ ≥ 75% 🌟 Morningstar's "Thrilling 37" 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            | 644                    | 620                      | 596                    | 536           | 416           | 117                                | 93                       | 69                     | 9             | -             | 117                                       | 93                       | 69                     | 9             | -             |
| Percentage of periods outpaced index | <b>50%</b>             | <b>50%</b>               | <b>48%</b>             | <b>69%</b>    | <b>85%</b>    | <b>46%</b>                         | <b>46%</b>               | <b>42%</b>             | <b>0%</b>     | -             | <b>59%</b>                                | <b>66%</b>               | <b>67%</b>             | <b>100%</b>   | -             |
| Fund annualized return (%)           | 13.32                  | 12.03                    | 12.01                  | 12.42         | 12.42         | 11.53                              | 9.94                     | 9.64                   | 11.02         | -             | 8.56                                      | 6.84                     | 6.55                   | 7.97          | -             |
| Index annualized return (%)          | 11.91                  | 10.80                    | 10.73                  | 10.82         | 11.19         | 12.04                              | 9.96                     | 9.68                   | 11.54         | -             | 7.67                                      | 5.56                     | 5.46                   | 6.82          | -             |
| Difference (percentage points)       | <b>1.41</b>            | <b>1.23</b>              | <b>1.28</b>            | <b>1.60</b>   | <b>1.23</b>   | <b>-0.50</b>                       | <b>-0.03</b>             | <b>-0.03</b>           | <b>-0.52</b>  | -             | <b>0.89</b>                               | <b>1.27</b>              | <b>1.09</b>            | <b>1.16</b>   | -             |
| Share class: Ticker symbols          | F-2: AMCFX<br>C: AMPCX | F-3: FMACX<br>R-3: RAFCX | A: AMCPX<br>R-6: RAFGX |               |               | F-2: AGVGX<br>C: AGVDX             | F-3: AGVHX<br>R-3: RGLDX | A: AGVFX<br>R-6: RGLGX |               |               | F-2: AIVFX<br>C: AIVCX                    | F-3: AIVGX<br>R-3: RIVIX | A: AIVBX<br>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            | 441                     | 417                      | 393                    | 333           | 213           | 566                          | 542                      | 518                    | 458           | 338           | 445                    | 421                      | 397                    | 337           | 217           |
| Percentage of periods outpaced index | <b>63%</b>              | <b>77%</b>               | <b>86%</b>             | <b>96%</b>    | <b>100%</b>   | <b>57%</b>                   | <b>66%</b>               | <b>67%</b>             | <b>72%</b>    | <b>100%</b>   | <b>61%</b>             | <b>69%</b>               | <b>78%</b>             | <b>87%</b>    | <b>100%</b>   |
| Fund annualized return (%)           | 12.64                   | 10.55                    | 10.00                  | 9.49          | 9.19          | 15.94                        | 14.58                    | 14.34                  | 13.52         | 13.13         | 14.02                  | 11.91                    | 11.37                  | 10.66         | 9.45          |
| Index annualized return (%)          | 11.36                   | 8.49                     | 7.21                   | 6.52          | 6.33          | 13.11                        | 11.98                    | 11.85                  | 11.63         | 11.21         | 11.46                  | 9.55                     | 8.62                   | 7.88          | 7.17          |
| Difference (percentage points)       | <b>1.28</b>             | <b>2.06</b>              | <b>2.79</b>            | <b>2.97</b>   | <b>2.87</b>   | <b>2.82</b>                  | <b>2.60</b>              | <b>2.49</b>            | <b>1.89</b>   | <b>1.91</b>   | <b>2.56</b>            | <b>2.36</b>              | <b>2.74</b>            | <b>2.79</b>   | <b>2.28</b>   |
| Share class: Ticker symbols          | F-2: AEPFX<br>C: AEPFX  | F-3: FEUPX<br>R-3: RERCX | A: AEPGX<br>R-6: RERGX |               |               | F-2: GFFFX<br>C: GFACX       | F-3: GAFFX<br>R-3: RGACX | A: AGTHX<br>R-6: RGAGX |               |               | F-2: NEFFX<br>C: ANFCX | F-3: FNEFX<br>R-3: RNGCX | A: ANEFX<br>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            | 574                    | 550                      | 526                    | 466           | 346           | 259                    | 235                      | 211                    | 151           | 31            | 369                    | 345                      | 321                    | 261           | 141           |
| Percentage of periods outpaced index | <b>74%</b>             | <b>87%</b>               | <b>89%</b>             | <b>92%</b>    | <b>100%</b>   | <b>59%</b>             | <b>61%</b>               | <b>57%</b>             | <b>59%</b>    | <b>100%</b>   | <b>62%</b>             | <b>66%</b>               | <b>64%</b>             | <b>57%</b>    | <b>65%</b>    |
| Fund annualized return (%)           | 14.09                  | 12.99                    | 12.86                  | 12.64         | 12.37         | 10.75                  | 9.28                     | 9.48                   | 8.39          | 8.78          | 13.43                  | 10.49                    | 9.89                   | 8.87          | 8.61          |
| Index annualized return (%)          | 10.81                  | 9.99                     | 9.91                   | 9.85          | 9.38          | 7.55                   | 6.30                     | 6.72                   | 6.15          | 5.77          | 10.55                  | 8.58                     | 8.31                   | 8.07          | 8.09          |
| Difference (percentage points)       | <b>3.28</b>            | <b>3.01</b>              | <b>2.95</b>            | <b>2.79</b>   | <b>2.99</b>   | <b>3.21</b>            | <b>2.99</b>              | <b>2.76</b>            | <b>2.24</b>   | <b>3.01</b>   | <b>2.88</b>            | <b>1.91</b>              | <b>1.58</b>            | <b>0.80</b>   | <b>0.52</b>   |
| Share class: Ticker symbols          | F-2: ANWFX<br>C: NPFCX | F-3: FNPFX<br>R-3: RNPCX | A: ANWPX<br>R-6: RNPGX |               |               | F-2: NFFFX<br>C: NEWCX | F-3: FNWFX<br>R-3: RNWCX | A: NEWFX<br>R-6: RNWGX |               |               | F-2: SMCWX<br>C: SCWCX | F-3: SFCWX<br>R-3: RSLCX | A: SMCWX<br>R-6: RLLGX |               |               |

Totals may not reconcile due to rounding.

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 A shares at net asset value, are from the first month-end following each fund's inception date through December 31, 2021, and do not include the maximum sales charge of 5.75%. If a sales charge had been deducted, the results would have been lower. Data are not shown for periods when funds were not in existence.

# 7

## American Funds on Morningstar's 2021 "Thrilling 37" list

Out of more than 8,000 funds, only 37 – or less than 0.5% – were deemed "Thrilling" by Morningstar. Seven of those 37 are American Funds.<sup>15</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      |
| 83   | 59                       | 35                     | -      | -      | 851                    | 827                      | 803                    | 743         | 623         | 334                                  | 310                      | 286                    | 226         | 106         | 510                    | 486                      | 462                    | 402         | 282         |
| <b>35%</b>   | <b>17%</b>               | <b>0%</b>              | -      | -      | <b>43%</b>             | <b>46%</b>               | <b>52%</b>             | <b>59%</b>  | <b>70%</b>  | <b>69%</b>                           | <b>73%</b>               | <b>82%</b>             | <b>86%</b>  | <b>100%</b> | <b>51%</b>             | <b>54%</b>               | <b>59%</b>             | <b>69%</b>  | <b>93%</b>  |
| 5.50   | 4.81                     | 4.81                   | -      | -      | 12.43                  | 11.67                    | 11.59                  | 11.27       | 11.29       | 11.73                                | 10.36                    | 9.96                   | 9.37        | 9.34        | 14.05                  | 12.82                    | 12.72                  | 12.11       | 11.68       |
| 7.74   | 6.82                     | 6.82                   | -      | -      | 12.75                  | 11.46                    | 11.20                  | 10.63       | 10.41       | 9.30                                 | 7.61                     | 7.00                   | 6.13        | 6.05        | 13.54                  | 12.18                    | 11.96                  | 11.25       | 10.50       |
| <b>-2.25</b>   | <b>-2.01</b>             | <b>-2.01</b>           | -      | -      | <b>-0.13</b>           | <b>0.20</b>              | <b>0.38</b>            | <b>0.63</b> | <b>0.88</b> | <b>2.42</b>                          | <b>2.75</b>              | <b>2.96</b>            | <b>3.24</b> | <b>3.29</b> | <b>0.50</b>            | <b>0.64</b>              | <b>0.76</b>            | <b>0.86</b> | <b>1.18</b> |
| F-2: DWGHX<br>C: DWGCX                                 | F-3: FDWGX<br>R-3: RDWGX | A: DWGAX<br>R-6: RDWGX |        |        | F-2: AMRFX<br>C: AMFCX | F-3: AFMFX<br>R-3: RMFCX | A: AMRMX<br>R-6: RMFGX |             |             | F-2: WGIFX<br>C: CWGCX               | F-3: FWGIX<br>R-3: RWICX | A: CWGIX<br>R-6: RWIGX |             |             | F-2: FINFX<br>C: AFICX | F-3: FUNFX<br>R-3: RFNCX | A: ANCFX<br>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      |
| 147                                  | 123                      | 99                     | 39          | -      | 1045                              | 1021                     | 997                    | 937         | 817         | 822                              | 798                      | 774                    | 714         | 594         |
| <b>48%</b>                           | <b>59%</b>               | <b>46%</b>             | <b>87%</b>  | -      | <b>51%</b>                        | <b>54%</b>               | <b>59%</b>             | <b>60%</b>  | <b>76%</b>  | <b>54%</b>                       | <b>55%</b>               | <b>59%</b>             | <b>70%</b>  | <b>96%</b>  |
| 9.24                                 | 6.20                     | 6.06                   | 6.04        | -      | 13.55                             | 12.03                    | 11.76                  | 11.83       | 12.03       | 13.14                            | 12.09                    | 11.79                  | 11.52       | 11.66       |
| 9.08                                 | 5.72                     | 5.76                   | 5.61        | -      | 12.69                             | 11.32                    | 11.12                  | 11.19       | 11.25       | 12.46                            | 11.22                    | 10.79                  | 10.40       | 10.33       |
| <b>0.15</b>                          | <b>0.48</b>              | <b>0.29</b>            | <b>0.43</b> | -      | <b>0.85</b>                       | <b>0.71</b>              | <b>0.64</b>            | <b>0.65</b> | <b>0.78</b> | <b>0.68</b>                      | <b>0.87</b>              | <b>1.00</b>            | <b>1.12</b> | <b>1.33</b> |
| F-2: IGFFX<br>C: IGICX               | F-3: IGAIX<br>R-3: RGICX | A: IGAAX<br>R-6: RIGGX |             |        | F-2: ICAFX<br>C: AICCX            | F-3: FFICX<br>R-3: RICCX | A: AIVSX<br>R-6: RICGX |             |             | F-2: WMFFX<br>C: WSHCX           | F-3: FWMIX<br>R-3: RWMCX | A: AWSHX<br>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      |
| 402                    | 378                      | 354                    | 294         | 174         | 566                        | 542                      | 518                    | 458         | 338         |
| <b>54%</b>             | <b>64%</b>               | <b>67%</b>             | <b>79%</b>  | <b>98%</b>  | <b>50%</b>                 | <b>45%</b>               | <b>48%</b>             | <b>54%</b>  | <b>76%</b>  |
| 9.66                   | 9.08                     | 9.02                   | 8.90        | 8.62        | 11.56                      | 10.86                    | 10.76                  | 10.85       | 10.65       |
| 8.25                   | 7.37                     | 7.27                   | 6.99        | 6.53        | 11.09                      | 10.54                    | 10.49                  | 10.51       | 10.25       |
| <b>1.41</b>            | <b>1.71</b>              | <b>1.75</b>            | <b>1.91</b> | <b>2.09</b> | <b>0.47</b>                | <b>0.32</b>              | <b>0.27</b>            | <b>0.34</b> | <b>0.40</b> |
| F-2: CAIFX<br>C: CIBCX | F-3: CFIHX<br>R-3: RIRCX | A: CAIBX<br>R-6: RIRGX |             |             | F-2: AMEFX<br>C: IFACX     | F-3: FIFAX<br>R-3: RIDCX | A: AMECX<br>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 |
| 546                    | 522                      | 498                    | 438         | 318         | 119                                 | 95                       | 71                     | 11          | -      |
| <b>52%</b>             | <b>48%</b>               | <b>46%</b>             | <b>59%</b>  | <b>80%</b>  | <b>43%</b>                          | <b>37%</b>               | <b>38%</b>             | <b>82%</b>  | -      |
| 11.10                  | 10.57                    | 10.62                  | 10.60       | 10.39       | 7.49                                | 6.37                     | 5.99                   | 7.23        | -      |
| 10.77                  | 10.33                    | 10.34                  | 10.28       | 9.94        | 7.44                                | 6.43                     | 6.23                   | 7.18        | -      |
| <b>0.33</b>            | <b>0.24</b>              | <b>0.28</b>            | <b>0.32</b> | <b>0.45</b> | <b>0.05</b>                         | <b>-0.06</b>             | <b>-0.24</b>           | <b>0.05</b> | -      |
| F-2: AMBFX<br>C: BALCX | F-3: AFMBX<br>R-3: RLBCX | A: ABALX<br>R-6: RLBGX |             |             | F-2: GBLFX<br>C: GBLCX              | F-3: GFBLX<br>R-3: RGBCX | A: GBLAX<br>R-6: RGBGX |             |        |

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.

<sup>15</sup>Morningstar, "Fund Investor: The Thrilling 37," by Russel Kinnel, July 2021. 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, 12/31/99-12/31/21 | 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  | 8.81%                      | 8.23%                       | 110 of 145                       | 76%                                  |
| American Mutual Fund  | 8.07                       | 8.23                        | 56 of 145                        | 39                                   |
| Fundamental Investors   | 8.92                       | 8.23                        | 85 of 145                        | 59                                   |
| The Growth Fund of America  | 8.83                       | 8.23                        | 113 of 145                       | 78                                   |
| The Investment Company of America                                     | 7.73                       | 8.23                        | 29 of 145                        | 20                                   |
| Washington Mutual Investors Fund                                      | 8.00                       | 8.23                        | 28 of 145                        | 19                                   |
| <b>MSCI All Country World Index (ACWI)</b>                            |                            |                             |                                  |                                      |
| Capital World Growth and Income Fund                                  | 7.93                       | 6.37                        | 113 of 145                       | 78                                   |
| The New Economy Fund  | 9.41                       | 6.37                        | 123 of 145                       | 85                                   |
| New Perspective Fund  | 8.82                       | 6.37                        | 145 of 145                       | 100                                  |
| New World Fund  | 8.36                       | 6.37                        | 83 of 145                        | 57                                   |
| <b>MSCI ACWI ex USA</b>   |                            |                             |                                  |                                      |
| EuroPacific Growth Fund   | 6.62                       | 5.24                        | 145 of 145                       | 100                                  |
| International Growth and Income Fund                                  | 6.04                       | 5.61                        | 34 of 39                         | 87                                   |
| <b>MSCI ACWI Small Cap</b>  |                            |                             |                                  |                                      |
| SMALLCAP World Fund   | 8.87                       | 8.93                        | 67 of 145                        | 46                                   |
| <b>MSCI EAFE (Europe, Australasia, Far East) Index</b>                |                            |                             |                                  |                                      |
| American Funds International Vantage Fund                             | 7.97                       | 6.82                        | 9 of 9                           | 100                                  |
| <b>MSCI World Index</b>   |                            |                             |                                  |                                      |
| American Funds Global Insight Fund                                    | 11.02                      | 11.54                       | 0 of 9                           | 0                                    |
| <b>70% MSCI ACWI/30% Bloomberg U.S. Aggregate</b>                     |                            |                             |                                  |                                      |
| Capital Income Builder  | 6.55                       | 6.14                        | 83 of 145                        | 57                                   |
| <b>65% S&amp;P 500/35% Bloomberg U.S. Aggregate</b>                   |                            |                             |                                  |                                      |
| The Income Fund of America  | 7.33                       | 7.21                        | 62 of 145                        | 43                                   |
| <b>60% S&amp;P 500/40% Bloomberg U.S. Aggregate</b>                   |                            |                             |                                  |                                      |
| American Balanced Fund  | 7.66                       | 7.04                        | 130 of 145                       | 90                                   |
| <b>60% MSCI ACWI/40% Bloomberg Global Aggregate</b>                   |                            |                             |                                  |                                      |
| American Funds Global Balanced Fund                                   | 7.23                       | 7.18                        | 9 of 11                          | 82                                   |

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.

## 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 six U.S. equity-focused American Funds includes AMCAP Fund, American Mutual Fund, Fundamental Investors, The Growth Fund of America, The Investment Company of America and 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. Returns for less than one year are not annualized but calculated as total returns. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower. Please see [capitalgroup.com](http://capitalgroup.com) for more information.

## Pages 8 and 9

| Individual returns<br>Equity-focused American Funds<br>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%         | -31.04%           |
| American Mutual Fund   | -21.36       | -6.73          | -48.14          | -29.76            |
| Washington Mutual Investors Fund   | -28.30       | -16.16         | -53.87          | -34.56            |
| AMCAP Fund   | -29.84       | -32.74         | -52.57          | -31.03            |
| New Perspective Fund   | -25.36       | -42.47         | -50.67          | -32.32            |
| The Income Fund of America   | -13.57       | 1.12           | -43.40          | -25.86            |
| The Growth Fund of America   | -32.37       | -45.86         | -51.52          | -30.37            |
| American Balanced Fund   | -18.93       | 4.72           | -40.06          | -22.32            |
| Fundamental Investors  | -32.76       | -35.57         | -52.68          | -33.92            |
| The New Economy Fund   | -30.40       | -61.00         | -54.49          | -30.49            |
| EuroPacific Growth Fund  | -26.19       | -46.82         | -52.10          | -31.42            |
| Capital Income Builder   | -9.73        | 10.24          | -42.54          | -25.14            |
| SMALLCAP World Fund  | -            | -59.09         | -61.47          | -34.12            |
| Capital World Growth and Income Fund   | -            | -25.57         | -52.71          | -31.79            |
| New World Fund   | -            | -37.80         | -52.30          | -31.37            |
| International Growth and Income Fund   | -            | -              | -               | -33.98            |
| American Funds Global Balanced Fund  | -            | -              | -               | -23.27            |
| American Funds Global Insight Fund   | -            | -              | -               | -29.71            |
| American Funds International Vantage Fund  | -            | -              | -               | -25.79            |
| American Funds Developing World Growth and Income Fund                           | -            | -              | -               | -32.42            |

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*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 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 U.S. Aggregate Index) and world allocation (60% MSCI ACWI/40% Bloomberg 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:** To facilitate the comparison of our funds to one another and peers, we have used the indexes/index blends described below. For more information about each fund's benchmark index, visit [capitalgroup.com](http://capitalgroup.com). The 20 American Funds equity-focused funds used in our analysis 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 (S&P 500 Index); American Balanced Fund (60% S&P 500 and 40% Bloomberg U.S. Aggregate indexes); American Funds Global Balanced Fund (60% MSCI All Country World and 40% Bloomberg Global Aggregate indexes); Capital Income Builder (70% MSCI All Country World and 30% Bloomberg U.S. Aggregate indexes); The Income Fund of America (65% S&P 500 and 35% Bloomberg 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); and Developing World Growth and Income Fund (MSCI Emerging Markets 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% S&P 500 and 40% Bloomberg U.S. Government/Credit indexes were used for the period 7/26/75 (the fund's inception) through 12/31/75. 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 4/16/84 (the fund's inception) through 12/31/87. 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 12/1/83 (the fund's inception) through 12/31/87. The MSCI All Country World Index was subsequently used. For New Perspective Fund, the MSCI World Index was used for the period 3/13/73 (the fund's inception) through 12/31/87. 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 4/30/90 (the fund's inception) through 5/31/94. The MSCI All Country World Small Cap Index was subsequently used. For Capital Income Builder, 70% MSCI World and 30% Bloomberg U.S. Aggregate indexes were used for the period 7/30/87 (the fund's inception) through 12/31/87. From 1/1/88 through 12/31/00, and thereafter, 70% MSCI All Country World and 30% Bloomberg U.S. Aggregate indexes were used. For The Income Fund of America, 65% S&P 500 and 35% Bloomberg U.S. Government/Credit indexes were used for the period 11/30/73 (the fund's inception) through 12/31/75.

**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 (World Large-Stock Blend); The New Economy Fund, New Perspective Fund (World 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 (World Small/Mid Stock); International Growth and Income Fund (Foreign Large Blend).

## 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.

Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Widely used as a measure of inflation, the CPI is computed by the U.S. Department of Labor, Bureau of Labor Statistics.

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 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 12/31/00, 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.

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

## IMPORTANT INFORMATION

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 6/30/22, this brochure must be accompanied by a current 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 the 5.75% maximum sales charge. For current information and month-end results, visit [capitalgroup.com](http://capitalgroup.com).

## Investment results

### CLASS A SHARES

| Results for periods ended March 31, 2022               | Inception date | Average annual total return (%) |         |          |          | Expense ratio (%) |
|--|----------------|---------------------------------|---------|----------|----------|-------------------|
|  |                | 1 year                          | 5 years | 10 years | Lifetime |                   |
| S&P 500 Index  | –              | 15.65                           | 15.99   | 14.64    | –        | –                 |
| AMCAP Fund   | 5/1/67         | 3.40                            | 13.42   | 13.14    | 11.62    | 0.68              |
| American Mutual Fund                                   | 2/21/50        | 15.89                           | 11.93   | 11.87    | 11.64    | 0.58              |
| Fundamental Investors                                  | 8/1/78         | 8.56                            | 12.84   | 13.06    | 12.05    | 0.59              |
| The Growth Fund of America                             | 12/1/73        | 4.00                            | 16.35   | 15.02    | 13.81    | 0.61              |
| The Investment Company of America                      | 1/1/34         | 11.40                           | 12.47   | 12.74    | 12.15    | 0.57              |
| Washington Mutual Investors Fund                       | 7/31/52        | 16.09                           | 13.77   | 13.18    | 11.97    | 0.58              |
| MSCI All Country World Index (ACWI)                    | –              | 7.28                            | 11.64   | 10.00    | –        | –                 |
| Capital World Growth and Income Fund                   | 3/26/93        | 1.67                            | 9.83    | 9.54     | 10.38    | 0.75              |
| The New Economy Fund                                   | 12/1/83        | -4.42                           | 13.59   | 13.45    | 11.42    | 0.74              |
| New Perspective Fund                                   | 3/13/73        | 3.67                            | 15.28   | 12.77    | 12.46    | 0.72              |
| New World Fund   | 6/17/99        | -6.87                           | 9.43    | 6.70     | 8.03     | 0.96              |
| MSCI ACWI ex USA                                       | –              | -1.48                           | 6.76    | 5.55     | –        | –                 |
| EuroPacific Growth Fund                                | 4/16/84        | -9.65                           | 7.63    | 6.95     | 10.27    | 0.82              |
| International Growth and Income Fund                   | 10/1/08        | -4.59                           | 6.46    | 5.65     | 6.53     | 0.91              |
| MSCI ACWI Small Cap                                    | –              | -0.35                           | 9.55    | 9.64     | –        | –                 |
| SMALLCAP World Fund                                    | 4/30/90        | -9.79                           | 12.06   | 11.06    | 9.94     | 1.02              |
| MSCI EAFE (Europe, Australasia, Far East) Index        | –              | 1.16                            | 6.72    | 6.27     | –        | –                 |
| American Funds International Vantage Fund              | 4/1/11         | -2.72                           | 8.70    | 6.73     | 5.71     | 1.12              |
| MSCI Emerging Markets Index                            | –              | -11.37                          | 5.98    | 3.36     | –        | –                 |
| American Funds Developing World Growth and Income Fund | 2/3/14         | -17.13                          | 3.06    | –        | 2.37     | 1.25              |
| MSCI World Index                                       | –              | 10.12                           | 12.42   | 10.88    | –        | –                 |
| American Funds Global Insight Fund                     | 4/1/11         | 2.41                            | 11.62   | 10.07    | 8.97     | 0.86              |
| 70% MSCI ACWI/30% Bloomberg U.S. Aggregate             | –              | 3.84                            | 8.98    | 7.82     | –        | –                 |
| Capital Income Builder                                 | 7/30/87        | 7.58                            | 6.79    | 6.98     | 8.90     | 0.59              |
| 65% S&P 500/35% Bloomberg U.S. Aggregate               | –              | 8.50                            | 11.28   | 10.38    | –        | –                 |
| The Income Fund of America                             | 12/1/73        | 9.27                            | 8.45    | 8.73     | 10.78    | 0.56              |
| 60% S&P 500/40% Bloomberg U.S. Aggregate               | –              | 7.50                            | 10.59   | 9.76     | –        | –                 |
| American Balanced Fund                                 | 7/26/75        | 7.10                            | 9.62    | 9.76     | 10.57    | 0.56              |
| 60% MSCI ACWI/40% Bloomberg Global Aggregate           | –              | 1.72                            | 7.82    | 6.53     | –        | –                 |
| American Funds Global Balanced Fund                    | 2/1/11         | 1.59                            | 6.52    | 6.50     | 6.29     | 0.83              |

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.

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 see [capitalgroup.com](http://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 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 88% of 10-year periods and 97% 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, 2021.

<sup>2</sup>Based on Class A share results at net asset value for rolling calendar-year periods starting the first full calendar year after each fund's inception through December 31, 2021. 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. Visit [capitalgroup.com](https://capitalgroup.com) for more information on specific expense adjustments and the actual dates of first sale.

<sup>3</sup>Based on Class A share results at net asset value as of December 31, 2021. 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. S&P 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 63% of the time, based on the 20-year period ended December 31, 2021, versus comparable Lipper categories, excluding funds of funds.

**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.**

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