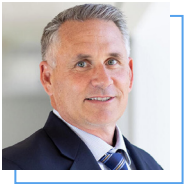


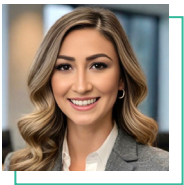
# How resiliency and long-term consistency have led to greater wealth creation



**Rich Lang**  
Multi-Asset  
Investment Director

## Key takeaways

- Downside resilience is a critical measure of success
- Long-term consistency trumps short-term volatility for target date strategies
- Balancing growth and capital preservation has led to greater wealth creation



**Polina Soebbing**  
Multi-Asset  
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Periods of market volatility serve as a reminder that target date solutions must focus not only on capital appreciation and upside potential but also on downside resilience. This point is especially true for participants near or in retirement, who have much greater sensitivity to loss. The benefit of downside resilience grows with time and frequency due to the concept of “volatility drag,” which is the difficulty in percentage terms of recovering from a portfolio decline (e.g., a 100% gain to recover from a 50% loss).

But too much of an emphasis on downside resilience comes with a tradeoff: less exposure to market upside. This position is especially true during bull market periods with lower volatility such as the 2023–2024 market rally that followed 2022's heightened volatility and market downturn.

A balanced strategic approach to building and preserving wealth combined with the use of underlying strategies that have a degree of asset class flexibility have helped the American Funds Target Date Retirement Series weather short-term volatility to deliver superior long-term results across the majority of its vintages.

Actively implemented strategies may pivot exposures to asset classes and geographies via a bottom-up approach focused on investment opportunities. Passively implemented strategies must make these allocation decisions from the top down, which may take time to carry out and compromise both the subtlety and nimbleness of their tactical implementation.

## How our series seeks to mitigate volatility

Volatility mitigation is a key focus of the American Funds Target Date Retirement Series and pursued via three key design elements:

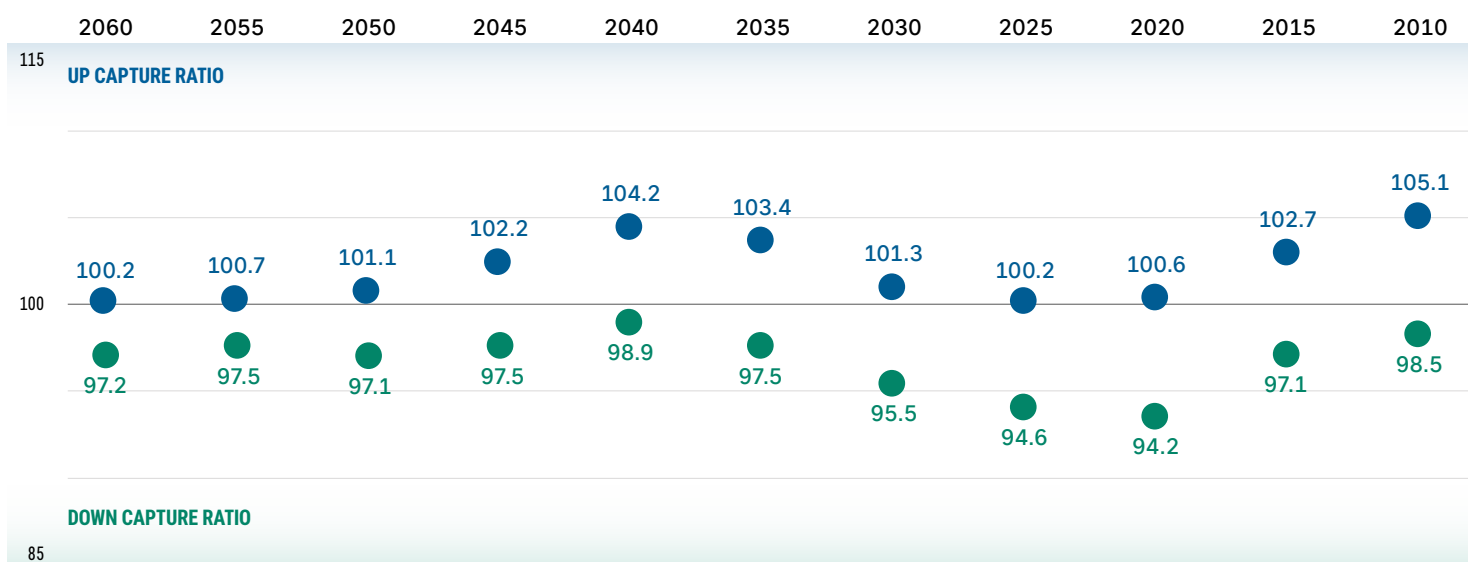
- 1. Glide path within a glide path:** While the series reduces its equity exposure over time, it also changes the mix of the underlying equity funds to focus on those investing in higher-dividend-yielding equities that have historically been less volatile than the broad equity market. Moreover, the funds used in the fixed income allocation increasingly focus on shorter duration and higher credit quality over time.
- 2. Active management with proven downside resilience:** All 18 of the underlying equity-focused funds used in the series had lifetime downside capture that was less than their respective indexes, with a time-weighted average downside capture ratio of 87%.<sup>1</sup> A lower number is better.
- 3. Conservative fixed income that has offset equity volatility:** Nine out of 11 underlying fixed income funds used in the series had less correlation<sup>2</sup> to equities (as measured over five years against the S&P 500 Index) than their Morningstar peer group averages.<sup>3</sup>

## More upside, with less downside

The benefit of this design philosophy can be seen in the chart below, which plots the up and down capture ratios of the vintages in the series relative to their respective S&P Target Date Index benchmarks. For up capture ratios, a higher position is better (more return), while a lower position is better for down capture ratios (less downside).

Almost every vintage of the American Funds Target Date Retirement Series has delivered more upside and less downside than its benchmark index. This type of risk-return profile is distinctive and can appeal to plan sponsors focused on generating successful retirement outcomes for their participants.

### 10-year capture ratios vs. S&P Target Date Index



Source: Morningstar as of March 31, 2026.

Exhibit based on 10-year upside and downside capture ratios of American Funds Target Date Retirement Series vintages (R-6 shares) vs. respective S&P Target Date Index. The 2065 and 2070 vintages are excluded because they do not have 10 years of history. Past results are not predictive of results in future periods.

Upside (downside) capture ratio represents a fund's return during periods when the index was up (down), divided by the return of the index during those periods. For example, an up-capture ratio greater than 100 indicates the fund produced a higher return than the index during periods when the index was up and a down-capture ratio greater than 100 indicates the fund produced a lower return than the index when the index was down.

## Consistency in the long run

To better understand this dynamic, consider the series' total return ranks relative to its peers over two recent calendar years. In order to pursue this upside and downside tradeoff, the series must maintain its discipline by looking beyond market ups and downs while staying focused on its long-term objectives — a quality that has in turn generated long-term returns that have consistently outpaced most peers.

Morningstar category percentile ranking:

● 1<sup>st</sup> quartile ● 2<sup>nd</sup> quartile ● 3<sup>rd</sup> quartile ● 4<sup>th</sup> quartile

### American Funds Target Date Retirement Series

#### Risk off: Trailing Morningstar category percentile total return ranking as of December 31, 2022

Morningstar category	2065+	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2000-2010
Vintage	2065	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
10 years			<b>1</b> 1 of 80	<b>1</b> 1 of 95	<b>1</b> 1 of 98	<b>1</b> 1 of 96	<b>1</b> 1 of 99	<b>1</b> 1 of 96	<b>1</b> 1 of 102	<b>1</b> 1 of 55	<b>1</b> 1 of 42	<b>1</b> 1 of 49
Five years		<b>11</b> 13 of 157	<b>4</b> 7 of 167	<b>1</b> 4 of 170	<b>1</b> 3 of 167	<b>1</b> 1 of 170	<b>1</b> 1 of 167	<b>1</b> 2 of 170	<b>1</b> 2 of 170	<b>1</b> 1 of 121	<b>1</b> 1 of 94	<b>1</b> 2 of 81
Three years		<b>29</b> 40 of 183	<b>19</b> 31 of 188	<b>7</b> 11 of 189	<b>6</b> 8 of 188	<b>1</b> 3 of 189	<b>1</b> 2 of 188	<b>1</b> 2 of 195	<b>1</b> 2 of 195	<b>1</b> 1 of 140	<b>1</b> 2 of 113	<b>1</b> 2 of 112
One year	<b>92</b> 142 of 162	<b>93</b> 191 of 212	<b>89</b> 181 of 212	<b>71</b> 142 of 213	<b>52</b> 106 of 212	<b>43</b> 91 of 216	<b>24</b> 57 of 212	<b>19</b> 40 of 221	<b>8</b> 25 of 219	<b>1</b> 2 of 150	<b>1</b> 1 of 123	<b>1</b> 2 of 127

Growth-focused vintages lagged peers over the one-year-trailing period as equity markets declined in 2022. (The S&P 500 was down 18% for the year.) But near-retirement vintages more focused on capital preservation demonstrated strong short- and long-term relative results.

#### Risk on: Trailing Morningstar category percentile total return ranking as of December 31, 2023

	2065	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
10 years			<b>1</b> 1 of 87	<b>1</b> 1 of 102	<b>1</b> 1 of 101	<b>1</b> 1 of 102	<b>1</b> 1 of 101	<b>1</b> 2 of 102	<b>4</b> 3 of 104	<b>1</b> 2 of 64	<b>1</b> 2 of 46	<b>1</b> 1 of 48
Five years		<b>25</b> 27 of 162	<b>17</b> 20 of 174	<b>6</b> 8 of 175	<b>7</b> 8 of 174	<b>6</b> 6 of 175	<b>1</b> 1 of 174	<b>10</b> 11 of 175	<b>9</b> 14 of 177	<b>21</b> 22 of 128	<b>11</b> 9 of 97	<b>11</b> 10 of 102
Three years	<b>63</b> 62 of 123	<b>64</b> 103 of 181	<b>59</b> 98 of 187	<b>53</b> 89 of 188	<b>31</b> 61 of 187	<b>11</b> 26 of 190	<b>7</b> 21 of 187	<b>4</b> 7 of 196	<b>4</b> 6 of 194	<b>1</b> 2 of 133	<b>1</b> 2 of 102	<b>1</b> 2 of 107
One year	<b>11</b> 24 of 175	<b>10</b> 25 of 200	<b>9</b> 23 of 201	<b>20</b> 30 of 202	<b>21</b> 36 of 201	<b>17</b> 32 of 205	<b>40</b> 68 of 207	<b>55</b> 97 of 211	<b>73</b> 134 of 208	<b>85</b> 117 of 144	<b>87</b> 88 of 112	<b>74</b> 74 of 114

However, when equity markets rallied in 2023, shorter term relative results for growth-focused vintages improved meaningfully. While near-retirement vintages generated strong absolute returns, they lagged peers over the one-year period.

Source: Morningstar. Percentile rankings are calculated by Morningstar and reflect relative performance versus peers. A lower number is better: First percentile indicates that a fund's performance was in the top 1% of its peer group. All funds began on February 1, 2007, except the 2055 fund (February 1, 2010), 2060 fund (March 27, 2015) and 2065 fund (March 27, 2020). Rankings are based on the funds' average annual total returns (Class R-6 shares at net asset value) within the applicable Morningstar categories. The rankings do not reflect the effects of sales charges, account fees or taxes. Past results are not predictive of results in future periods. The Morningstar category average includes all share classes for the funds in the category. While American Funds Class R-6 shares do not include fees for advisor compensation and service provider payments, the share classes represented in the Morningstar category have varying fee structures and can include these and other fees and charges resulting in higher expenses. For the rankings for the most recent quarter, see page 6.

## American Funds Target Date Retirement Series over the market mini-cycle

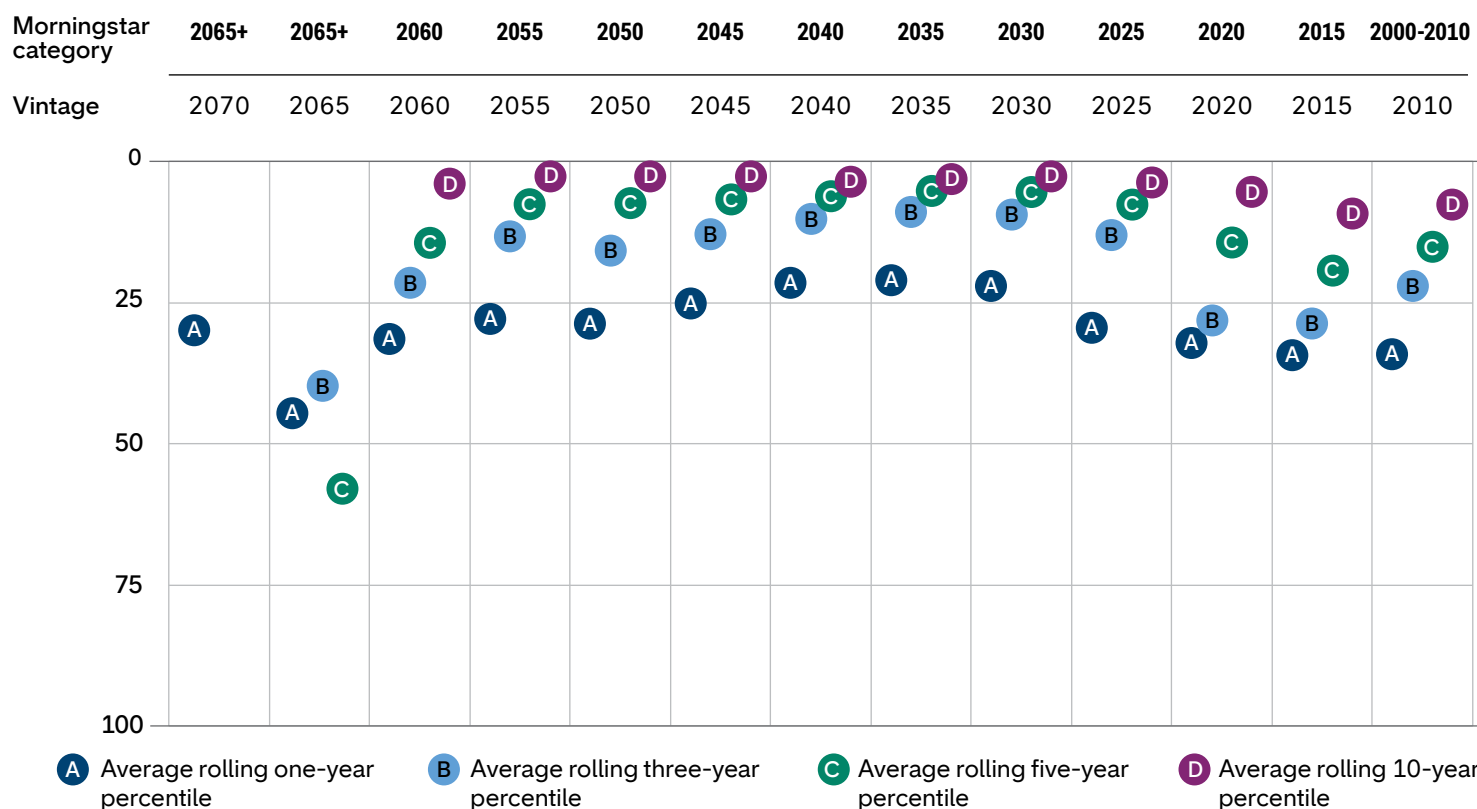
Morningstar category percentile total return rankings for the period 1/1/2022 to 12/31/2023

	2065	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
Two years	<b>60</b> 76 of 152	<b>58</b> 98 of 195	<b>57</b> 100 of 196	<b>50</b> 83 of 197	<b>36</b> 58 of 196	<b>22</b> 40 of 199	<b>15</b> 30 of 196	<b>11</b> 19 of 205	<b>5</b> 12 of 203	<b>2</b> 3 of 140	<b>1</b> 1 of 107	<b>1</b> 2 of 114

Over the two-year market mini-cycle, including both the 2022 selloff and the 2023 rebound, while equity and bond markets were challenged, the series' near-retirement vintages preserved wealth better than most peers.

## American Funds Target Date Retirement Series consistency of long-term results

Average rolling Morningstar category percentile total return ranks over each fund's lifetime as of March 31, 2026



Over the long term, the series has delivered results that have outpaced most peers thanks to a history of generally participating more in up markets while losing less in down markets, despite brief periods of short-term underperformance.

Average rolling absolute total return rank and average rolling funds in category as of 3/31/2026

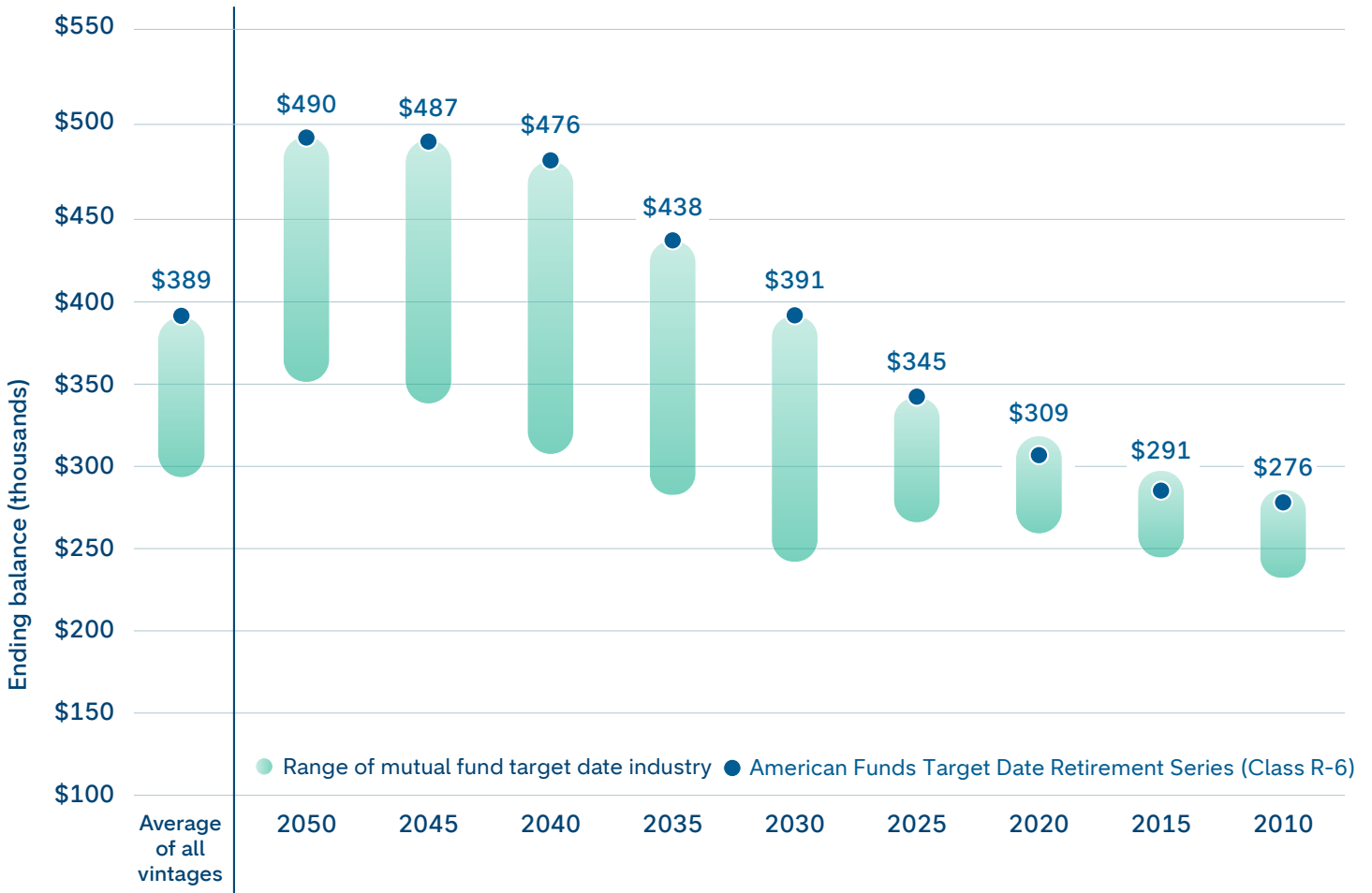
	2070	2065	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
1-year	59 of 236	62 of 161	46 of 150	35 of 138	33 of 131	32 of 136	28 of 136	26 of 137	28 of 138	27 of 100	24 of 77	22 of 69	20 of 64
3-year	—	46 of 132	34 of 141	21 of 131	19 of 124	16 of 130	12 of 130	11 of 130	12 of 131	15 of 96	17 of 73	16 of 67	14 of 61
5-year	—	45 of 96	21 of 130	11 of 123	9 of 117	7 of 123	5 of 123	5 of 123	5 of 124	8 of 91	11 of 70	12 of 64	11 of 59
10-year	—	—	3 of 63	2 of 93	1 of 93	2 of 104	2 of 104	2 of 105	2 of 104	3 of 78	5 of 60	5 of 57	6 of 52

Past results are not predictive of results in future periods.

Sources: Capital Group, Morningstar. Rankings are based on the funds' monthly rolling average annual total returns (Class R-6 shares at net asset value) within the applicable Morningstar categories and do not reflect the effects of sales charges, account fees or taxes. All funds began on February 1, 2007, except the 2055 fund (February 1, 2010), 2060 fund (March 27, 2015), 2065 fund (March 27, 2020) and 2070 fund (May 3, 2024). Category averages include all share classes for the funds in the category. While American Funds Class R-6 shares do not include fees for advisor compensation and service provider payments, the share classes represented in the Morningstar category have varying fee structures and can include these and other fees and charges resulting in higher expenses.

Figures shown are past results for Class R-6 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. For current information and month-end results, visit [capitalgroup.com](http://capitalgroup.com).

**Hypothetical growth of \$100K over the lifetime of the series (February 1, 2007 to December 31, 2025)**



Source: Capital Group, using data obtained from Morningstar as of December 31, 2025. Data shown are of lowest cost mutual fund share classes for each peer target date series. Represents 18 mutual fund target date series, excluding managed payout funds and target date series that are only available in wrap accounts or launched after February 1, 2007, the inception date of the American Funds Target Date Retirement Series. This analysis excludes the 2055, 2060, 2065 and 2070 funds, which began February 1, 2010; March 27, 2015; March 27, 2020; and May 3, 2024, respectively.

## Average annual total returns rankings as of March 31, 2026

American Funds® target date fund	Morningstar Target-Date category	1 year		3 years		5 years		10 years	
		Percentile	Rank	Percentile	Rank	Percentile	Rank	Percentile	Rank
2070	2065+	64	100 of 184	—	—	—	—	—	—
2065	2065+	61	97 of 184	36	53 of 173	52	71 of 168	—	—
2060	2060	64	100 of 187	33	50 of 174	49	65 of 169	5	4 of 115
2055	2055	39	67 of 184	19	35 of 173	24	34 of 168	1	2 of 116
2050	2050	27	50 of 187	11	22 of 174	10	13 of 169	1	2 of 115
2045	2045	50	87 of 189	13	22 of 178	5	8 of 168	1	1 of 116
2040	2040	41	75 of 194	16	18 of 181	1	2 of 176	1	1 of 115
2035	2035	45	63 of 137	21	23 of 125	1	2 of 120	3	3 of 83
2030	2030	29	35 of 106	4	4 of 95	1	2 of 91	9	4 of 61
2025	2025	20	17 of 91	5	4 of 81	1	1 of 77	1	2 of 56
2020	2020	3	3 of 86	9	6 of 75	1	1 of 69	1	2 of 50
2015	2015	66	309 of 544	85	409 of 525	78	348 of 496	71	231 of 379
2010 <sup>4</sup>	2000–2010	17	80 of 488	20	95 of 465	22	101 of 445	26	96 of 371

Categories include active, passive and hybrid target date funds, as well as those that are managed both “to” and “through” retirement. Approximately one-third of the funds within the 2000–2010 category have a target date of 2005. In an effort to manage the risk of investors outliving their savings while managing volatility, our approach to allocating between stocks and bonds puts more emphasis on stocks (particularly on dividend-paying stocks) than some other target date funds. Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect expense reimbursements, without which they would have been lower.

Past results are not predictive of results in future periods.

Footnotes/Important information:

<sup>1</sup> Data for downside capture are based on monthly returns for Class R-6 shares from fund inception through December 31, 2025. The New Economy Fund® is excluded from lifetime downside capture analysis. The New Economy Fund benchmark prior to February 1, 2020, was the S&P 500 Index. On this date, the fund's benchmark was changed to the MSCI All Country World Index to reflect the fund's global opportunity set. Downside capture ratios range from 65% for Capital Income Builder® (inception date: July 30, 1987) to 99% for The Growth Fund of America® (inception date: December 1, 1973) and SMALLCAP World Fund® (inception date: April 30, 1990). Inception dates range from January 1, 1934, for The Investment Company of America® (90% downside capture ratio) to April 1, 2011, for American Funds Global Insight Fund (91% downside capture ratio). The time-weighted average gives greater emphasis to those funds that have been in existence longer. For example, The Investment Company of America's 90% downside ratio versus its benchmark is given proportionally greater weighting in alignment with its more than 80 years of existence when calculating the average across all 18 funds. The equal-weighted average downside capture ratio is 87% across all 18 funds. For more information on this exhibit, see “Downside capture ratio methodology” information below.

<sup>2</sup> Correlation is a statistical measure of how a security and an index move in relation to each other. A correlation ranges from -1 to 1. A positive correlation close to 1 implies that as one moved, either up or down, the other moved in “lockstep,” in the same direction. A negative correlation close to -1 indicates the two have moved in the opposite direction.

<sup>3</sup> Source: Morningstar data as of March 31, 2026. Results based on Class R-6 shares. The funds' Morningstar categories are: U.S. Fund Intermediate Government for U.S. Government Securities Fund® and American Funds Mortgage Fund®, U.S. Fund Short-Term Bond for Intermediate Bond Fund of America® and Short-Term Bond Fund of America®, U.S. Fund Intermediate Core Bond for The Bond Fund of America®, U.S. Fund Inflation-Protected Bond for American Funds Inflation Linked Bond Fund®, U.S. Fund Global Bond for Capital World Bond Fund®, U.S. Fund High Yield Bond for American High-Income Trust®, U.S. Fund Multisector Bond for American Funds Multi-Sector Income Fund and U.S. Fund Intermediate Core-Plus Bond for American Funds Strategic Bond Fund.

<sup>4</sup> American Funds 2010 Target Date Retirement Fund was named American Funds 2010 Target Date Retirement Income Fund; American Funds 2015 Target Date Retirement Fund was named American Funds 2015 Target Date Retirement Income Fund; American Funds 2020 Target Date Retirement Fund was named American Funds 2020 Target Date Retirement Income Fund; American Funds 2025 Target Date Retirement Fund was named American Funds 2025 Target Date Retirement Income Fund.

## Investment results as of March 31, 2026 (Class R-6 shares)

Vintage	Inception date	Cumulative returns (%)			Average annual returns (%)				Gross expense ratio (%)
		QTD	YTD	1 year	3 years	5 years	10 years	Lifetime	
<b>American Funds 2070 Target Date Retirement Fund</b>	<b>5/3/24</b>	-3.33	-3.33	19.08	—	—	—	13.84	0.39
Morningstar Target-Date 2065+ category average		-1.65	-1.65	19.43	15.17	8.31	—	13.81	
S&P Target Date 2065+ Index		-1.94	-1.94	18.99	15.08	—	—	14.09	
<b>American Funds 2065 Target Date Retirement Fund</b>	<b>3/27/20</b>	-3.37	-3.37	18.97	15.52	8.21	—	14.64	0.39
Morningstar Target-Date 2065+ category average		-1.65	-1.65	19.43	15.17	8.31	—	15.04	
S&P Target Date 2065+ Index		-1.94	-1.94	18.99	15.08	—	—	15.27	
<b>American Funds 2060 Target Date Retirement Fund®</b>	<b>3/27/15</b>	-3.36	-3.36	18.96	15.54	8.21	11.14	9.96	0.39
Morningstar Target-Date 2060 category average		-1.57	-1.57	19.09	15.09	8.20	10.44	9.04	
S&P Target Date 2060 Index		-1.79	-1.79	18.84	14.88	8.67	10.66	9.39	
<b>American Funds 2055 Target Date Retirement Fund®</b>	<b>2/1/10</b>	-3.28	-3.28	18.89	15.50	8.23	11.16	10.77	0.38
Morningstar Target-Date 2055 category average		-1.59	-1.59	18.92	14.99	8.14	10.32	9.71	
S&P Target Date 2055 Index		-1.75	-1.75	18.86	14.87	8.68	10.59	10.23	
<b>American Funds 2050 Target Date Retirement Fund®</b>	<b>2/1/07</b>	-3.07	-3.07	18.37	15.33	8.25	11.18	8.47	0.37
Morningstar Target-Date 2050 category average		-1.50	-1.50	18.78	14.81	8.03	10.26	6.85	
S&P Target Date 2050 Index		-1.70	-1.70	18.42	14.72	8.57	10.47	7.46	
<b>American Funds 2045 Target Date Retirement Fund®</b>	<b>2/1/07</b>	-2.87	-2.87	18.26	15.20	8.32	11.13	8.45	0.37
Morningstar Target-Date 2045 category average		-1.43	-1.43	17.78	14.28	7.72	10.02	6.83	
S&P Target Date 2045 Index		-1.58	-1.58	18.11	14.38	8.36	10.22	7.30	
<b>American Funds 2040 Target Date Retirement Fund®</b>	<b>2/1/07</b>	-2.51	-2.51	17.42	14.73	8.14	10.91	8.34	0.36
Morningstar Target-Date 2040 category average		-1.24	-1.24	16.62	13.35	7.13	9.51	6.36	
S&P Target Date 2040 Index		-1.48	-1.48	16.82	13.55	7.81	9.75	7.09	
<b>American Funds 2035 Target Date Retirement Fund®</b>	<b>2/1/07</b>	-1.86	-1.86	14.63	12.98	7.20	10.10	7.90	0.34
Morningstar Target-Date 2035 category average		-1.08	-1.08	14.38	11.88	6.21	8.71	6.13	
S&P Target Date 2035 Index		-1.24	-1.24	15.18	12.34	7.03	9.04	6.72	
<b>American Funds 2030 Target Date Retirement Fund®</b>	<b>2/1/07</b>	-1.28	-1.28	13.12	11.53	6.40	8.90	7.30	0.33
Morningstar Target-Date 2030 category average		-0.81	-0.81	12.54	10.47	5.28	7.82	5.46	
S&P Target Date 2030 Index		-1.01	-1.01	13.39	10.98	6.17	8.14	6.28	
<b>American Funds 2025 Target Date Retirement Income Fund*</b>	<b>2/1/07</b>	-0.62	-0.62	11.60	10.34	5.76	7.86	6.63	0.31
Morningstar Target-Date 2025 category average		-0.58	-0.58	11.38	9.50	4.68	7.08	5.08	
S&P Target Date 2025 Index		-0.91	-0.91	11.89	9.74	5.38	7.29	5.86	
<b>American Funds 2020 Target Date Retirement Income Fund*</b>	<b>2/1/07</b>	-0.35	-0.35	11.29	9.94	5.67	7.13	6.04	0.30
Morningstar Target-Date 2020 category average		-0.43	-0.43	10.62	8.90	4.33	6.48	4.71	
S&P Target Date 2020 Index		-0.75	-0.75	10.71	9.12	4.89	6.54	5.47	
<b>American Funds 2015 Target Date Retirement Income Fund*</b>	<b>2/1/07</b>	-0.08	-0.08	10.62	9.43	5.42	6.68	5.74	0.30
Morningstar Target-Date 2015 category average		-0.35	-0.35	9.76	8.30	3.97	5.95	4.49	
S&P Target Date 2015 Index		-0.66	-0.66	9.95	8.47	4.54	6.07	5.18	
<b>American Funds 2010 Target Date Retirement Income Fund*</b>	<b>2/1/07</b>	0.16	0.16	10.28	9.09	5.31	6.35	5.46	0.28
Morningstar Target-Date 2000-2010 category average		-0.17	-0.17	9.14	7.99	3.72	5.58	4.41	
S&P Target Date 2010 Index		-0.59	-0.59	9.50	8.11	4.29	5.60	4.84	

Past results are not predictive of results in future periods.

Expense ratios are as of each fund's prospectus available at the time of publication.

Footnote/Important information:

\*Effective January 1, 2026, American Funds 2025 Target Date Retirement Fund® was named American Funds 2025 Target Date Retirement Income Fund; American Funds 2020 Target Date Retirement Fund® was named American Funds 2020 Target Date Retirement Income Fund; American Funds 2015 Target Date Retirement Fund® was named American Funds 2015 Target Date Retirement Income Fund; and American Funds 2010 Target Date Retirement Fund® was named American Funds 2010 Target Date Retirement Income Fund.

## Additional information

### Downside capture ratio methodology

The 18 American Funds equity-focused funds used in our analysis (and the relevant indexes/index blends to which they were compared) are: AMCAP Fund<sup>®</sup>, American Mutual Fund<sup>®</sup>, Fundamental Investors<sup>®</sup>, The Growth Fund of America, The Investment Company of America and Washington Mutual Investors Fund (S&P 500); American Balanced Fund<sup>®</sup> (60% S&P 500/40% Bloomberg U.S. Aggregate); American Funds Global Balanced Fund (60% MSCI All Country World/40% Bloomberg Global Aggregate); Capital Income Builder (70% MSCI All Country World/30% Bloomberg U.S. Aggregate); The Income Fund of America<sup>®</sup> (65% S&P 500/35% Bloomberg U.S. Aggregate); Capital World Growth and Income Fund<sup>®</sup> (Capital World Growth and Income Fund Historical Benchmarks Index); New Perspective Fund (New Perspective Fund Historical Benchmarks Index); New World Fund<sup>®</sup> and The New Economy Fund (MSCI All Country World); EUPAC Fund<sup>™\*</sup> (EUPAC Fund Historical Benchmarks Index); International Growth and Income Fund (International Growth and Income Fund Historical Benchmarks Index); SMALLCAP World Fund (SMALLCAP World Fund Historical Benchmarks Index); and American Funds Global Insight Fund (MSCI World).

The index blends for four funds lacked sufficient history to cover the funds' lifetimes so comparable indexes were used during the following periods: The Income Fund of America (December 1, 1973 to December 31, 1975, 65% S&P 500/35% Bloomberg U.S. Government/Credit indexes); American Balanced Fund (July 26, 1975 to December 31, 1975, 60% S&P 500/40% Bloomberg U.S. Government/Credit indexes); Capital Income Builder (July 30, 1987 to December 31, 1987, MSCI World Index); and The New Economy Fund (December 1, 1983 to December 31, 1987, MSCI World Index). Blended indexes are rebalanced monthly.

### Index definitions

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

New Perspective Fund Historical Benchmarks Index returns reflect the results of the MSCI World Index from 3/13/73 through 9/30/11 and the MSCI ACWI, the fund's current primary benchmark, thereafter. Results reflect dividends net of withholding taxes.

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

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

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

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

Bloomberg U.S. Aggregate Index represents the U.S. investment-grade, fixed-rate bond market.

Bloomberg U.S. Government/Credit Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

MSCI All Country World Index (ACWI) is a free-float-adjusted, market-capitalization-weighted index that measures equity market results in global developed and emerging markets, consisting of more than 40 indexes in developed and emerging markets.

MSCI All Country World Index (ACWI) ex USA is a free-float-adjusted, market-capitalization-weighted index that measures equity market results in global developed and emerging markets, excluding the United States. It consists of more than 40 indexes in developed and emerging markets.

MSCI All Country World Small Cap Index is a free-float-adjusted, market-capitalization-weighted index that measures equity market results of smaller capitalization companies in developed and emerging markets.

MSCI EAFE (Europe, Australasia, Far East) Index is a free-float-adjusted, market-capitalization-weighted index that measures developed equity market results, excluding the United States and Canada.

MSCI World Index is a free-float-adjusted, market-capitalization-weighted index that measures equity results in developed markets. It consists of more than 20 indexes in developed markets including the United States.

MSCI World ex USA Index is a free-float-adjusted, market-capitalization-weighted index that measures equity results in developed markets, excluding the United States. It consists of more than 20 indexes in developed markets.

S&P 500 Index is a market-capitalization-weighted index that represents approximately 500 widely held common stocks.

S&P Target Date indexes are a series of unmanaged indexes composed of different allocations to stocks, bonds and short-term investments that reflect reductions in potential risk over time.

## Additional information (continued)

**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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We offer a range of share classes designed to meet the needs of retirement plan sponsors and participants. The different share classes incorporate varying levels of financial professional compensation and service provider payments. Because Class R-6 shares do not include any recordkeeping payments, expenses are lower and results are higher. Other share classes that include recordkeeping costs have higher expenses and lower results than Class R-6.

Although the target date portfolios are managed for investors on a projected retirement date time frame, the allocation strategy does not guarantee that investors' retirement goals will be met. Investment professionals manage the portfolio, moving it from a more growth-oriented strategy to a more income-oriented focus as the target date gets closer. The target date is the year that corresponds roughly to the year in which an investor is assumed to retire and begin taking withdrawals. Investment professionals continue to manage each portfolio for approximately 30 years after it reaches its target date.

Class R-6 shares were first offered on May 1, 2009. Class R-6 share results prior to the date of first sale are hypothetical based on the results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after May 1, 2009, also include hypothetical returns because those funds' Class R-6 shares sold after the funds' date of first offering.

Allocations may not achieve investment objectives. The series' risks are related to the risks of the underlying funds as described herein, in proportion to their allocations.

The return of principal for bond portfolios and portfolios with significant underlying bond holdings is not guaranteed. Investments are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Investments in mortgage-related securities involve additional risks, such as prepayment risk. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. Investing outside the United States involves risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be heightened in connection with investments in developing countries. The use of derivatives involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional securities, such as stocks and bonds.

Smaller company stocks entail additional risks, and they can fluctuate in price more than larger company stocks. While not directly correlated to changes in interest rates, the values of inflation-linked bonds generally fluctuate in response to changes in real interest rates and may experience greater losses than other debt securities with similar durations. Interests in Capital Group's U.S. Government Securities portfolios are not guaranteed by the U.S. government. For American Funds Strategic Bond Fund frequent and active trading of portfolio securities may occur, which may involve correspondingly greater transaction costs, adversely affecting the results.

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