

American Funds Mortgage Fund[®]

Class R-2 | RMABX for the year ended August 31, 2025



This annual shareholder report contains important information about American Funds Mortgage Fund (the "fund") for the period from September 1, 2024 to August 31, 2025. You can find additional information about the fund at capitalgroup.com/mutual-fund-literature-R2. You can also request this information by contacting us at (800) 421-4225. **This report describes changes to the fund that occurred during the reporting period.**

What were the fund costs for the last year? (based on a hypothetical \$10,000 investment)

Share class	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Class R-2	\$138	1.36%

Management's discussion of fund performance

The fund's Class R-2 shares gained 3.00% for the year ended August 31, 2025. That result compares with a 3.36% gain for the Bloomberg U.S. Mortgage Backed Securities Index. For information on returns for additional periods, including the fund lifetime, please refer to capitalgroup.com/mutual-fund-returns-R2.

What factors influenced results

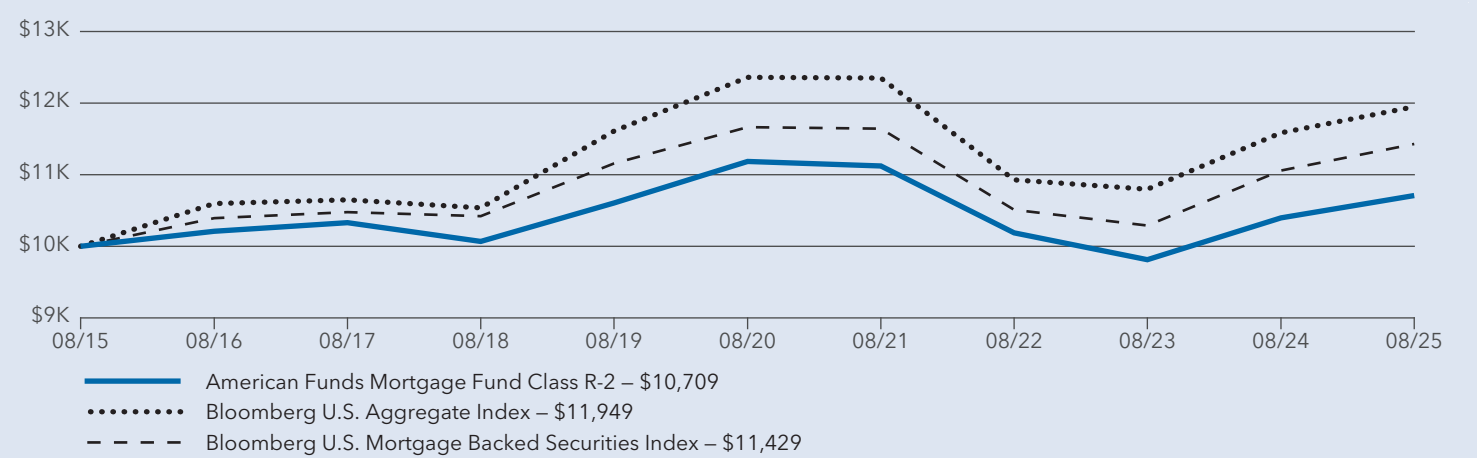
During the fund's fiscal year, U.S. fixed income markets posted positive returns despite interest rate volatility. Treasury yields reached near-decade highs amid growing federal budget deficits and shifting Federal Reserve expectations. Over the past year, U.S. Treasury yields were lowest after the first rate cut in September 2024, then peaked in the winter before remaining in a narrow range amid inflation concerns and global trade uncertainty. The spread between 2- and 10-year Treasury yields was nearly flat at the start of the period and gradually steepened. Agency mortgage-backed bonds had solid returns in 2025, supported by investor demand and falling interest rate volatility after April.

The fund's investment selection within mortgage markets was particularly additive to relative returns. Additionally, the portfolio's exposure to duration positioning helped the relative results.

Curve positioning, particularly a preference for exposure to the front end of the yield curve against an underweight position on the back end, detracted from relative results.

How a hypothetical \$10,000 investment has grown

Figures assume reinvestment of dividends and capital gains.



Average annual total returns

	1 year	5 years	10 years
American Funds Mortgage Fund – Class R-2*	3.00%	(0.87)%	0.69%
Bloomberg U.S. Aggregate Index†	3.14%	(0.68)%	1.80%
Bloomberg U.S. Mortgage Backed Securities Index†	3.36%	(0.41)%	1.34%

* Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower.

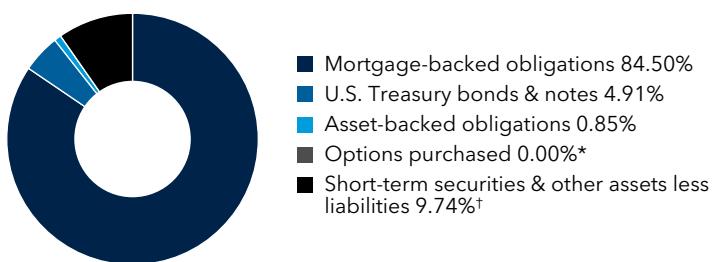
† Results assume all distributions are reinvested. Any market index shown is unmanaged, and therefore, has no expenses. Investors cannot invest directly in an index. Source(s): Bloomberg Index Services Ltd.

The fund's past performance is not a predictor of its future performance. The line chart and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption of fund shares.

Key fund statistics

Fund net assets (in millions)	\$11,922
Total number of portfolio holdings	1,224
Total advisory fees paid (in millions)	\$25
Portfolio turnover rate including mortgage dollar roll transactions	428%
Portfolio turnover rate excluding mortgage dollar roll transactions	58%

Portfolio holdings by asset type (percent of net assets)



* Less than 0.01%.

† Includes derivatives.

Material fund changes

This is a summary of certain changes to the fund since September 1, 2024. For more complete information, you may review the fund's next prospectus, which we expect to be available by November 1, 2025 at capitalgroup.com/mutual-fund-literature-R2 or upon request at (800) 421-4225.

During the reporting period, the fund enhanced its disclosure regarding its use of future delivery contracts. When the fund purchases certain types of future delivery contracts, these investments can increase the fund's market exposure because the value of securities the fund contracts to purchase is reflected each day in determining the fund's net asset value and the fund is not required to pay for or obtain, respectively, the securities until settlement date. This could result in the fund being subject to leverage risk, as the value of the fund's investments may exceed its net assets.

Availability of additional information



Scan the QR code to view additional information about the fund, including its prospectus, financial information, holdings and information on proxy voting. Or refer to the web address included at the beginning of this report.

Important information

To reduce fund expenses, only one copy of most shareholder documents will be mailed to shareholders with multiple accounts at the same address (householding). If you would prefer that your documents not be househanded, please contact Capital Group at (800) 421-4225, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by Capital Group or your financial intermediary.