ANNUAL SHAREHOLDER REPORT

American Funds Mortgage Fund®

Class R-2 | RMABX for the year ended August 31, 2026

CAPITAL GROUP® | AMERICAN FUNDS®

This annual shareholder report contains important information about American Funds Mortgage Fund (the "fund") for the period from September 1, 2025 to August 31, 2026. 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	$136	1.36%

Management's discussion of fund performance

The fund's Class R-2 shares gained 0.54% for the year ended August 31, 2026. That result compares with a 3.02% 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

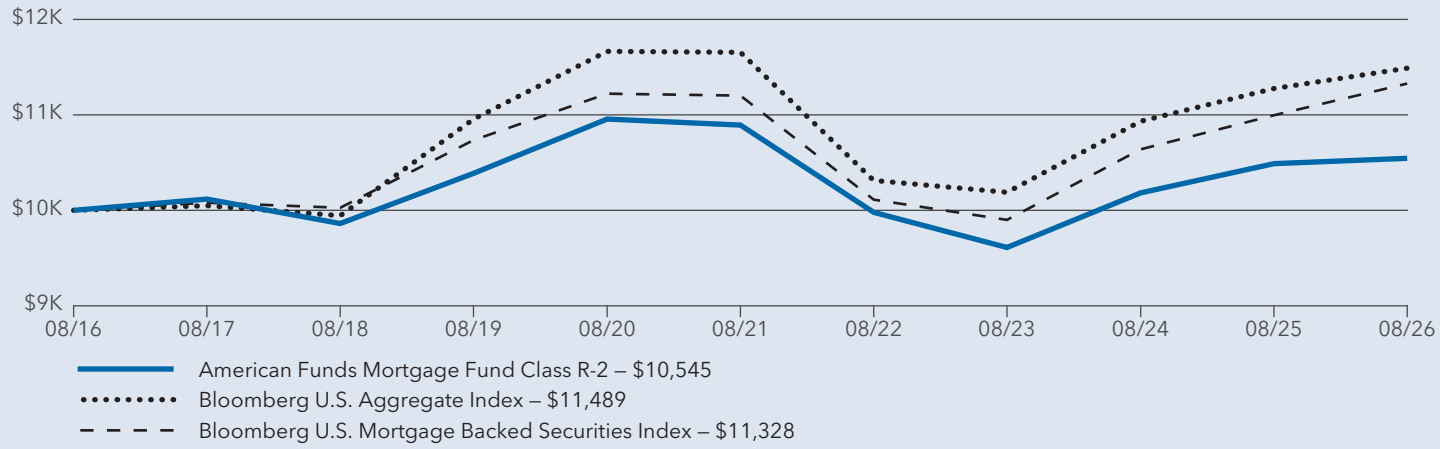
During the fund's fiscal year ending August 31, 2026, most U.S. fixed income sectors posted modestly positive returns, with spreads near the lower end of their 10-year range. The U.S. economy remained resilient, although a softening labor market prompted the Federal Reserve to implement three 25-basis-point rate cuts in 2025, however, no further changes were made thereafter in 2026. Short-term Treasury yields were mixed, while intermediate- and long-term yields increased. Long-term yields remained elevated amid persistent inflation concerns and increased government borrowing. U.S. mortgage-back bonds outpaced the broad fixed income market, according to the Bloomberg U.S. Aggregate Index, as well as other government and investment-grade credit sectors.

Within the fund, sector allocation decisions related to securitized bonds contributed to relative results. Exposure taken via interest rate swaps was also additive for the period as Treasuries came under severe pressure in 2026 amid surging yields that tested multi-year highs.

Broadly speaking, curve and duration positioning were the largest detractors for the fund as interest rates rose and the yield curve flattened. Additionally, sector and security selection weighed on returns at the margin over the period.

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*	0.54%	(0.65)%	0.53%
Bloomberg U.S. Aggregate Index†	1.89%	(0.29)%	1.40%
Bloomberg U.S. Mortgage Backed Securities Index†	3.02%	0.22%	1.26%

* 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.

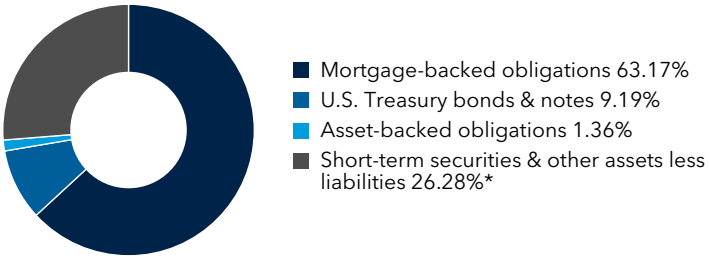
† Results assume all distributions are reinvested. Any market index shown is unmanaged, and therefore, has no expenses. Investors cannot invest directly in an index. Source(s): Bloomberg Index Services Ltd.

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)	$12,915
Total number of portfolio holdings	1,189
Total advisory fees paid (in millions)	$29
Portfolio turnover rate including mortgage dollar roll transactions	556%
Portfolio turnover rate excluding mortgage dollar roll transactions	62%

Portfolio holdings by asset type (percent of net assets)



*Includes derivatives.

Material fund changes

This is a summary of certain changes to the fund since September 1, 2025. For more complete information, you may review the fund's next prospectus, which we expect to be available by November 1, 2026 at capitalgroup.com/mutual-fund-literature-R2 or upon request at (800) 421-4225.

On November 25, 2025, shareholders of the fund approved an amendment to the investment advisory and service agreement to remove the income component and revise the advisory fee schedule, effective March 1, 2026.

Availability of additional information

Additional information about the fund, including its prospectus, financial information, holdings, and proxy voting information is available at **capitalgroup.com/mutual-fund-literature-R2**.

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 householded, 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.

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