Retirement plan financial checkup

CAPITAL GROUP® | AMERICAN FUNDS®

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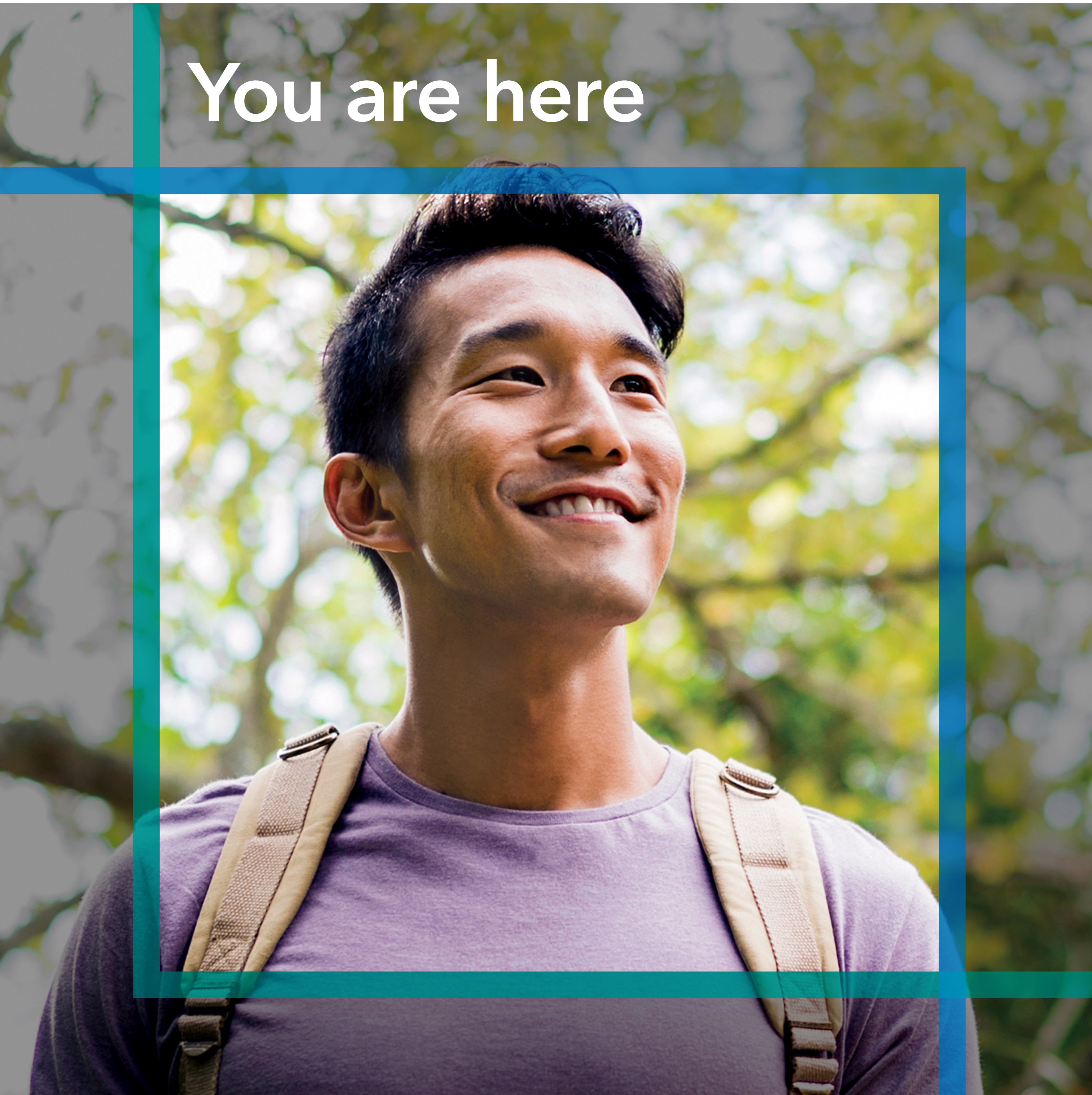

Envision where you want to go

Most of us understand why it's necessary to save for retirement. But with so many competing financial needs – rising costs for housing, health care, food and higher education – it can be a challenge to save for the future.

If you can imagine what you want your retirement to be, you may be more likely to save for it.

Let's face it: Social Security alone won't be enough. That's why it's important to start saving as soon as possible. And your employer's retirement plan is a great place to start.

How do I **get there?**

Three key factors to keep in mind

How long?
The earlier you start investing, the more potential your money will have to grow. Even small additions to your retirement savings can make a big difference over time.

How much?
We offer tools and resources to help you decide how much to save and to track your progress.

How well?
If your plan has many investment options, consider those that best fit your time horizon, risk tolerance and goals.

To help pursue the retirement you'd like:

Don't leave money on the table
To help you meet your retirement goals, some companies match a percentage of what you contribute to the plan. If your company matches, consider this free money to add to your retirement. All you have to do is contribute to the plan. To boost your savings even more, try to contribute enough to get the full company match.

Continue to increase your retirement savings rate
If, for example, you routinely increase your contribution rate by one or two percentage points every time you receive a raise, you may save more over time – hopefully without feeling deprived.

Diversify your investments
By spreading your investments among various funds, asset classes and industries, your overall returns may fluctuate less as different asset classes tend to experience gains and losses at different points in the market cycle.

Consider a simpler way to choose your investments
If your plan offers target date funds, you can easily create a diversified portfolio by selecting one that is aligned with the year in which you expect to retire and begin taking withdrawals. The investment mix will automatically adjust over time to help you stay on track with your goals. (For more information on target date funds, see page 10.)

Take steps to help reach **your retirement goals**

It's important to evaluate your progress from time to time. Take these steps to see how you're doing.

Visit our website

capitalgroup.com to find:

- Easy-to-use tools and calculators
- Tips for investing during different life stages
- Information about the American Funds in your plan
- Articles on key investing topics

Check to see if you're on track

- Use this brochure to see how close you are to meeting your goals.
- Consider other sources of retirement income.

Review your investment strategy

- Take a second look at your current investment selections.
- Make sure your investments are aligned with your time horizon and risk tolerance.

Take action to move closer to your goals

- Consider all of your options.
- Use the "**Take action**" worksheet to make changes to your account.

Check to see if **you're on track**

How much have you saved for retirement?

Add together the balances from your most recent statements for your current employer's retirement plan plus any former employers' retirement plans, pensions, individual retirement accounts (IRAs) or other savings that you plan to use for retirement.

$ ____________________

Will your estimated monthly withdrawals be sufficient?

To estimate roughly how much you may be able to withdraw from your account during retirement:

1. Find the dollar amount from the chart below that's closest to your total savings.
2. Find the number in the far-left column that's closest to the number of years you have until you intend to retire.
3. Read across the row to find how much you could withdraw each month from your retirement plan.
4. Write that amount on the line to the right.

$ ____________________

Your retirement account and other savings are likely to be your primary sources of income in retirement. However, Social Security can help supplement your income. **Look at the next page to learn more.**

Estimated monthly retirement withdrawal

Years to retire	Total currently saved for retirement						
	$10,000	$25,000	$50,000	$75,000	$100,000	$150,000	$200,000
40	$4,630	$5,851	$7,885	$9,919	$11,954	$16,022	$20,091
35	3,052	3,870	5,235	6,600	7,964	10,693	13,422
30	1,993	2,542	3,458	4,373	5,288	7,118	8,949
25	1,283	1,652	2,265	2,879	3,493	4,721	5,949
20	807	1,054	1,466	1,878	2,289	3,113	3,936
15	488	653	930	1,206	1,482	2,034	2,587
10	273	385	570	755	940	1,311	1,681

The numbers in the far-left column represent the number of years until retirement.

The table assumes employee contributions of $150 every two weeks projected until retirement; an 8% annual growth rate compounded every two weeks until retirement; and an annual withdrawal rate of 4% of the ending account balance at retirement divided by 12. The estimate does not take into account certain factors, including changes to the employee and/or employer contributions, required minimum distributions and post-retirement taxes. Values are for illustrative purposes only and do not reflect the results of any particular investment, which will fluctuate with market conditions, or taxes that may be owed on tax-deferred contributions, including the 10% penalty for withdrawals taken before age 59½. These are point-in-time views and as such do not take into account any growth or loss during retirement. Without investment growth/loss during retirement, a 4% annual withdrawal rate would deplete retirement savings in 25 years.

Estimated withdrawal calculations are not intended to reflect actual results; your results may vary. Regular investing does not ensure a profit or protect against loss in a declining market. Investors should consider their willingness to keep investing when share prices are declining. Please consult your financial professional for any questions you may have about your situation.

Check to see if **you're on track**

Estimate your monthly Social Security benefit

To estimate how much you can expect to receive each month from Social Security, find your current age and the salary amount that's closest to what you currently earn. Write that amount on the line to the right.

$ ______________________

For a more accurate Social Security calculation, visit ssa.gov/OACT/ANYPIA.

Estimated monthly income from Social Security

	Your annual salary						
Your age	**$30,000**	**$40,000**	**$50,000**	**$60,000**	**$70,000**	**$80,000**	**$90,000**
25	$1,490	$1,759	$2,027	$2,296	$2,564	$2,832	$3,029
30	$1,490	$1,759	$2,027	$2,296	$2,564	$2,832	$3,029
35	$1,484	$1,750	$2,016	$2,282	$2,548	$2,815	$3,019
40	$1,463	$1,723	$1,982	$2,241	$2,501	$2,760	$2,991
45	$1,434	$1,684	$1,934	$2,183	$2,433	$2,682	$2,932
50	$1,397	$1,634	$1,871	$2,109	$2,346	$2,583	$2,820
55	$1,352	$1,574	$1,797	$2,019	$2,241	$2,464	$2,687
60	$1,301	$1,506	$1,711	$1,917	$2,122	$2,327	$2,533

Source: Social Security Administration. Based on full retirement age. Calculations as of April 2025. These figures are a rough estimate; your actual benefits will depend on your past and future earnings.

Add it up

Your estimated monthly retirement withdrawal:		$ ______________
Your estimated monthly Social Security benefit:	+	$ ______________
Your total estimated monthly retirement withdrawal:	**=**	**$** ______________

How does your total estimated monthly withdrawal compare with your current monthly income?

- ☐ **It's more.** You're doing a great job! Use this brochure to learn how you can keep moving in the right direction.
- ☐ **It's less.** Don't be discouraged. Read on to see how you can close the gap over time.

Did you know? Social Security benefits represent about **31%** of the income of people over age 65. Providing the rest is up to you.

Source: Social Security Administration, *Fact sheet.* 2025.

Check to see if **you're on track**

How much should you accumulate for retirement?

Estimating how much you'll need to live comfortably in retirement isn't as simple as replicating your current paycheck. To get a sense of whether you're on track, **envision the life you want in retirement** and consider how different variables, like inflation and health care, could impact your savings.

Your retirement lifestyle

Think about what's most important to you and how you want to spend your time. Do you want to travel more or take up new hobbies? Will you have a mortgage or rent an apartment? Then consider how those choices could impact your spending.

- Travel
- Buy a vacation home
- Spend time with family
- Downsize to a condo
- Move closer to family
- Take up new hobbies
- Live abroad
- Continue working

Other factors that could impact your retirement

Taxes: While your future tax rate could be higher than your current rate, many people expect to be in a lower tax bracket when they're retired. The state you live in will also impact your taxes.

Health care: Increasing insurance premiums and other health costs could eat up your savings.

70% The percent of lifetime Social Security payments that will be consumed by health care costs for an average 65-year-old couple who starts receiving benefits in 2023.

Source: HealthView Services, *Medicare and Social Security COLAs: Putting the 2023 Numbers into Context,* October 2022.

Retirement age: Retiring later can help stretch your savings and increase your Social Security payments. But have a backup plan – **40%** of retirees say they retired earlier than anticipated.*

Inflation: Rising costs may mean you need more money in retirement just to maintain your current standard of living.

- The price of a dozen eggs has increased 333% from 2005 to 2025.†
- A pound of ground beef has more than doubled in price in the last 20 years.†
- Electricity prices have gone up 80% since 2005.†

*Source: Employee Benefits Research Institute, *2025 Retirement Confidence Survey.*

†Based on prices in May 2005 compared to May 2025. Source: Consumer Price Index, U.S. Bureau of Labor Statistics.

Review your **investment strategy**

How much should you contribute?

Many financial professionals say you may need to save 10% to 15% of your salary each year to have enough to live on in retirement.

Small steps can help get you there

Anthony and Sofia work at the same company and are the same age. They each begin earning an annual salary of $50,000 and contribute 6% of their pay to their retirement plan. Sofia increases her contribution by 1% each year until she reaches her 12% goal, while Anthony sticks with his 6% contribution. Sofia's small increases would boost her monthly retirement income by more than 75% in the hypothetical example below.

The **"Take action"** worksheet at the end of this brochure highlights steps you can take when making changes.

No increases

Anthony saves 6% of his pay until retirement.

Small increases

Sofia increases her 6% contribution by 1% each year until it reaches 12%.

$3,658/month retirement withdrawals

$2,914 difference

$6,572/month retirement withdrawals

These hypothetical examples assume a starting salary of $50,000, a 2% annual pay increase, a 40-year accumulation period, an 8% average annual return compounded monthly and a 4% annual withdrawal rate after the accumulation period. These are point-in-time views and as such do not take into account any growth or loss during retirement. Without investment growth/loss during retirement, a 4% annual withdrawal rate would deplete retirement savings in 25 years. Examples are for illustrative purposes only and do not reflect the results of any particular investment, which may differ, or taxes that may be owed on tax-deferred contributions, including the 10% penalty for withdrawals taken before age 59½. Regular investing does not ensure a profit or protect against loss in a declining market. Investors should consider their willingness to keep investing when share prices are declining.

Review your **investment strategy**

Are the investments you've chosen still right for you?

Refer to your most recent account statement to see your current investment selections. To determine how your investments are doing, visit **capitalgroup.com** to assess investment results and key data of American Funds that may be in your plan.

Consider how you can align your investments to your risk tolerance and your financial goals. Different investments may have different objectives with varying degrees of risk-and-return potential.

Higher risk & return	Moderate risk & return	Lower risk & return
Growth-oriented investments like stock funds have the highest long-term return potential but also carry the highest potential risk.	**Income-oriented investments** like bond funds typically fall in the middle in terms of risk and return.	**Capital preservation investments** aim to preserve what you've saved but may not provide the growth needed to meet your retirement goals.

Target date funds can help by providing you with an appropriate investment mix based on how far you are from retirement. Turn to the next page for more information.

The value of a return

While it may be tempting to avoid ups and downs by keeping your savings out of the market, it can be difficult to accumulate enough money for retirement without investing.

Bruce keeps his money out of the market and does not earn a return.

He saves **$1,000/month.**

$1,600
monthly retirement withdrawals

Allison invests in a hypothetical investment earning an 8% annual return.

She invests **$250/month.**

$2,929
monthly retirement withdrawals

She invests ¼ of what Bruce saves!

A long-term approach can pay off

$1,000 invested in the S&P 500 in 1995 would have generated calendar-year returns ranging from -37% to +38% over the next 30 years, but by 2024 would have grown to **$22,428**

Returns in this hypothetical example are based on a one-time investment of $1,000 in the S&P 500 Index made 1/1/95 and invested until 12/31/24, and reflect dividends reinvested. The S&P 500 Index is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. The index is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index. Past results are not predictive of future results.

Assumes a 40-year accumulation period, an 8% average annual return compounded monthly and a 4% annual withdrawal rate after the accumulation period. These examples are point-in-time views and as such do not take into account any growth or loss during retirement. Without investment growth/loss during retirement, a 4% annual withdrawal rate would deplete retirement savings in 25 years. The examples are for illustrative purposes only and do not reflect the results of any particular investment, which may differ, or taxes that may be owed on tax-deferred contributions, including the 10% penalty for withdrawals taken before age 59½. Regular investing does not ensure a profit or protect against loss in a declining market.

Need help **choosing your investments?** Consider a **target date fund***

A target date fund is a diverse portfolio of stocks and bonds that automatically adjusts over time, so it may be the only retirement investment that you'll need.

A popular investment option

96%

of 401(k) plans offer target date funds[†]

72%

of new 401(k) contributions are projected to flow into target date funds by the end of 2029[‡]

The **"Take action"** worksheet on the next page highlights steps you can take when making changes to your savings strategy.

[†]Callan Institute, *2025 Defined Contribution Trends Survey.*

[‡]Cerulli Associates, *The Cerulli Report: U.S. Defined Contribution Distribution 2024.*

What are the benefits of a target date fund?

- It's a convenient option for those who don't want to spend a lot of time and effort choosing and monitoring their own investments.
- Investment professionals adjust fund holdings over time so you don't have to. For example, as a fund approaches its target date, the mix of investments will gradually shift toward more conservative stocks and bonds.
- Some funds continue to be managed professionally beyond their target date.

How do you choose a target date fund?

If you were born in	Then consider choosing*
2003 and later	2070 Fund
1998 to 2002	2065 Fund
1993 to 1997	2060 Fund
1988 to 1992	2055 Fund
1983 to 1987	2050 Fund
1978 to 1982	2045 Fund
1973 to 1977	2040 Fund
1968 to 1972	2035 Fund
1963 to 1967	2030 Fund
1958 to 1962	2025 Fund
1953 to 1957	2020 Fund
1948 to 1952	2015 Fund
1947 and earlier	2010 Fund

The target date is the year that corresponds roughly to the year in which an investor is assumed to retire and begin taking withdrawals. A fund's allocation strategy does not guarantee that investors' retirement goals will be met.

The chart above assumes you will begin taking retirement withdrawals at age 65. If you plan to begin taking withdrawals at another time, you may want to choose another target date fund that better aligns with your retirement goals.

* Target date funds may not be available in some plans. Review your investment options at your plan's website.

Although 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.

Take action to move closer to your goals

Consider these options:

1: Evaluate your savings strategy

Are you on track to afford the lifestyle you want in retirement? If not, consider changing the amount you're contributing.

☐ Change my contribution to $_____ **OR** _____% of pay.

2: Review your investment mix

☐ My investment mix is OK. Do nothing at the present time.

☐ Change my current investment mix to a target date fund, if available.

☐ Change my current investment mix to other funds.

☐ Change my future investment allocations.

3: Make changes

☐ Follow the instructions from your employer or your plan's financial professional on how to make changes to your account.

List your investment selections and their allocations:

Investment name	Current %	Future %
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
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______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
______________________	_____%	_____%
TOTAL	100%	100%

Help is only a call or click away

- **Call:** Your plan's financial professional can help you assess your financial situation. Refer to your quarterly account statement or ask your employer for your financial professional's contact information.
- **Click:** Visit ICanRetire.com by clicking the link at the top right of your account home page to get an action plan that matches your retirement style and then explore articles and tools that can help you make sense of retirement planning.

The Capital System™

Since 1931, Capital Group has helped investors pursue long-term investor success. Our distinctive investment approach – The Capital System – is designed to deliver superior investment results. It rests on three pillars:

Collaborative research

Our portfolio managers, analysts, economists and quantitative research teams closely collaborate on our research process – sharing and debating ideas. This collaboration generates deeper insights that inform our portfolios.

Diverse perspectives

Most portfolios have multiple portfolio managers, each of whom invests part of the portfolio in their strongest individual convictions. Combining these diverse investment approaches into a single portfolio helps us pursue more consistent results, with less volatility.

Long-term view

Investment professionals invest with a long-term view, which we believe aligns our goals with the interests of our clients. Managers are rewarded more for their long-term results,[1] and most personally invest in the funds they manage.[2] Our fund management fees are among the lowest in the industry.[3]

A history of strong investment results

Over the past 40 years, **74%** of funds outpaced more than half of their respective peers when comparing average 10-year rolling returns. And **71%** had higher risk-adjusted returns (as indicated by the Sharpe ratio[4]) over that same time frame.[5]

[1] Compensation paid to our investment professionals is heavily influenced by results over one-, three-, five- and eight-year periods, with increasing weight placed on each succeeding measurement period to encourage a long-term investment approach.

[2] Ninety-seven percent of American Funds® assets are invested in mutual funds in which at least one manager has invested more than $1 million. Source: Morningstar. Data as of 2/15/25.

[3] On average, our mutual fund management fees were in the lowest quintile 49% of the time, based on the 20-year period ended December 31, 2024, versus comparable Lipper categories, excluding funds of funds.

[4] Sharpe ratio uses standard deviation (a measure of volatility) and return in excess of the risk-free rate to determine reward per unit of risk. The higher the number, the better the portfolio's historical risk-adjusted performance.

[5] Methodology: Data as of 12/31/24. Based on a comparison of each fund with its respective Morningstar category peers. Data are based on the following mutual fund share classes: Class F-2, Class M, Class 529-A, Class 1, Class P-2 and Class 4. One share class was used per fund. The analysis uses Morningstar hypothetical methodology to calculate hypothetical fund results for periods before a share class's inception. For those periods, Morningstar uses results for the oldest share class (unless the newer share class is more expensive). Source: Capital Group, based on mutual fund data from Morningstar. For each fund, we calculated the average rolling Sharpe ratio and return over the 40-year period (or the fund's lifetime, if it lacks a 40-year history). That average rolling return and Sharpe ratio were compared against the equivalent averages for each fund's respective Morningstar peers on a percentile basis. Rolling returns are calculated monthly.

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.

There have been periods when the funds have lagged their indexes.

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.

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