Units of this fund have not been registered with or approved or disapproved by the U.S. Securities and Exchange Commission (“SEC”) or any state securities commission, nor has the SEC or any state securities commission passed upon the accuracy or adequacy of these Characteristics. The fund is exempt from registration as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”), and therefore is not subject to its requirements. Any representation to the contrary is a criminal offense. The fund will be offered pursuant to exemptions under the Securities Act of 1933, as amended (“1933 Act”) and applicable state securities laws.

The fund is operated and maintained by Capital Bank and Trust Company (“CB&T”). CB&T has claimed an exclusion from the definition of the term “commodity pool operator” under the Commodity Exchange Act (“CEA”) with respect to the fund and therefore is not subject to registration or regulation as such under the CEA with respect to the fund.

See the Principal risks section for a discussion of certain risks that should be considered prior to investing in the fund.
Introduction

The Capital Group US Core Fixed-Income Common Trust (US) (the “Fund”) is a common trust fund established under the Capital Group Common Trust Fund (the “Trust”). The Fund is maintained by Capital Bank and Trust Company (“CB&T” or the “Trustee”). Capital International, Inc. (“CIInc” or the “investment adviser”) serves as investment adviser to the Trustee for the Fund.

The Fund is established to pool assets of trusts for which CIInc, CB&T or an affiliate acts as trustee or co-trustee. This type of fund, which is maintained by banks and trust companies, is designed primarily for tax-exempt entities and is not directly available to retail investors. Each participant must also be: (1) an “accredited investor” as defined in Rule 501(a) of the 1933 Act; and (2) a “qualified purchaser” as defined in Section 2(a)(51) of the 1940 Act, due to the Fund’s exemption from registration under Section 3(c)(7) of the 1940 Act.

Investment objective

The investment objective of the Fund is to provide, over the long term, a high level of total return consistent with conservation of capital.

Principal investment strategies

The Fund will invest primarily in fixed-income securities denominated in U.S. dollars that are: (1) rated Baa3 or better or BBB- or better by a nationally recognized statistical rating organization, or unrated securities which are deemed to be of equivalent investment quality, or (2) issued or guaranteed by the U.S. Government or its agencies and/or instrumentalities; as well as cash and cash equivalents. Such investments may be represented by derivative instruments.

In addition, the Fund may enter into currency transactions, such as forward currency contracts, to hedge currency exchange rates, to increase exposure to a certain currency, or to shift exposure to currency fluctuations from one country to another.

The Fund may invest in fixed-income securities with a wide range of maturities.

The Fund may invest in certain derivative instruments, such as forward contracts, futures contracts, swaps, and options to, among other things, provide liquidity, obtain exposure not otherwise available, manage risk, manage foreign currency exposure, manage duration and yield curve exposure, seek to increase total return and implement investment strategies in a more efficient manner.

The Fund may also purchase securities issued by an employer or an affiliate of an employer which has established a participating trust, and invest in other funds maintained by the Trustee or managed by its affiliates having investment objectives which are consistent with those of the Fund.

“Fixed-income securities” include bonds (including Eurodollar and Yankee bonds), debentures, notes, securities with equity and fixed-income characteristics (such as bonds with warrants attached, convertible bonds, hybrids and certain preferred securities), cash equivalents, securities backed by mortgages and other assets, loans, pooled or collective investment vehicles made up of fixed-income securities, and other fixed-income obligations of banks, corporations and governmental authorities.

Investment limits are measured at the time of purchase, except during transition periods with unusual cash flow, such as when significant amounts of cash are contributed to or withdrawn from the Fund.

The investment adviser’s basic investment philosophy is to seek to invest in attractively priced securities that, in its opinion, represent good, long-term investment opportunities. The investment adviser believes that an important way to accomplish this is through fundamental research, which may include analysis of credit quality, general economic conditions and various quantitative measures and, in the case of corporate obligations, meeting with company executives and employees, suppliers, customers and competitors. Securities may be sold when the investment adviser believes that they no longer represent relatively attractive investment opportunities.
Principal risks

This section describes the principal risks associated with the Fund’s principal investment strategies. Participating trusts may lose money by investing in the Fund. The likelihood of loss may be greater if investments are made for a shorter period of time. Participating trusts should have a long-term perspective and be able to tolerate potentially sharp declines in value.

Currency Transactions - In addition to the risks generally associated with investing in derivative instruments, the use of certain currency transactions involves the risk that currency movements will not be accurately predicted, which could result in losses to the Fund. While entering into these could minimize the risk of loss due to a decline in the value of the hedged currency, it could also limit any potential gain that may result from an increase in the value of the currency. Additionally, use of these transactions may have a leveraging effect by exposing the Fund to potential gains and losses significantly in excess of the initial amount invested.

Market conditions – The prices of, and the income generated by securities held by the Fund may decline – sometimes rapidly or unpredictably – due to various factors, including events or conditions affecting the general economy or particular industries; overall market changes; local, regional or global political, social or economic instability; governmental or governmental agency responses to economic conditions; and currency exchange rate, interest rate and commodity price fluctuations.

Issuer risks – The prices of, and the income generated by, securities held by the Fund may decline in response to various factors directly related to the issuers of such securities, including reduced demand for an issuer’s goods or services, poor management performance and strategic initiatives such as mergers, acquisitions or dispositions and the market response to any such initiatives.

Investing in bonds – The prices of, and the income generated by, bonds and other debt securities held by the Fund may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities.

Rising interest rates will generally cause the prices of bonds and other fixed-income securities to fall. Falling interest rates may cause an issuer to redeem, call or refinance a security before its stated maturity, which may result in the Fund having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities.

Bonds and other fixed-income securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a fixed-income security will fail to make timely payments of principal or interest and the security will go into default. Lower quality debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality securities. Credit risk is gauged, in part, by the credit ratings of the securities in which the Fund invests. However, ratings are only the opinions of the rating agencies issuing them and are not guarantees as to credit quality or an evaluation of market risk. The Fund’s investment adviser relies on its own credit analysts to research issuers and issues in seeking to mitigate various credit and default risks.

Investing in securities backed by the U.S. government - Securities backed by the U.S. Treasury or the full faith and credit of the U.S. government are guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market values for these securities will fluctuate with changes in interest rates. Securities issued by government-sponsored entities and federal agencies and instrumentalities that are not backed by the full faith and credit of the U.S. government are neither issued nor guaranteed by the U.S. government.

Investing in lower rated bonds – Lower rated bonds and other lower rated fixed-income securities generally have higher rates of interest and involve greater risk of default or price declines due to changes in the issuer’s creditworthiness than those of higher quality fixed-income securities. The market prices of these securities may fluctuate more than the prices of higher quality fixed-income securities and may decline significantly in periods of general economic difficulty. These risks may be increased with respect to investments in junk bonds.

Interest rate risk – The values and liquidity of the securities held by the Fund may be affected by changing interest rates. During periods of extremely low short-term interest rates, the Fund may not be able to maintain a positive yield. Increasing rates would negatively impact the value of the securities in the Fund.
Investing in mortgage-related and other asset-backed securities – Mortgage-related securities, such as mortgage-backed securities, often involve risks that are different from or more acute than the risks associated with investing in other types of debt securities. Such securities are subject to changes in the payment patterns of borrowers of the underlying debt. When interest rates fall, borrowers are more likely to refinance or prepay their debt before its stated maturity. This may result in the Fund having to reinvest the proceeds in lower yielding securities, effectively reducing the Fund’s income. Conversely, if interest rates rise and borrowers repay their debt more slowly than expected, the time in which the mortgage-backed and other asset-backed securities are paid off could be extended, reducing the Fund’s cash available for reinvestment in higher yielding securities.

Thinly traded securities – There may be little trading in the secondary market for particular bonds, other debt securities or derivatives, which may make them more difficult to value, acquire or sell.

Investing outside the United States – Securities of issuers domiciled outside the United States, or with significant operations or revenues outside the United States, may lose value because of adverse political, social, economic or market developments (including social instability, regional conflicts, terrorism and war) in the countries or regions in which the issuers operate or generate revenue. These securities may also lose value due to changes in foreign currency exchange rates against the U.S. dollar and/or currencies of other countries. Issuers of these securities may be more susceptible to actions of foreign governments, such as the imposition of price controls or punitive taxes, that could adversely impact revenues. Securities markets in certain countries may be more volatile and/or less liquid than those in the United States. Investments outside the United States may also be subject to different accounting practices and different regulatory, legal and reporting standards and practices, and may be more difficult to value, than those in the United States. In addition, the value of investments outside the United States may be reduced by foreign taxes, including foreign withholding taxes on interest and dividends. Further, there may be increased risks of delayed settlement of securities purchased or sold by the Fund. The risks of investing outside the United States may be heightened in connection with investments in emerging markets.

Exposure to country, region, industry or sector – It is possible that the Fund may have significant exposure to a particular country, region, industry or sector. Such exposure may cause the Fund to be more impacted by risks relating to the country, region, industry or sector than a Fund without such levels of exposure. For example, if the Fund has significant exposure in a particular country, then social, economic, regulatory or other issues that negatively affect that country may have a greater impact on the Fund than on a fund that is more geographically diversified.

Investing in future delivery contracts – The Fund may enter into contracts, such as to-be-announced contracts and mortgage dollar rolls, that involve the Fund selling mortgage-related securities and simultaneously contracting to repurchase similar securities for delivery at a future date at a predetermined price. This can increase the Fund’s market exposure, and the market price of the securities that the Fund contracts to repurchase could drop below their purchase price. While the Fund can preserve and generate capital through the use of such contracts by, for example, realizing the difference between the sale price and the future purchase price, the income generated by the Fund may be reduced by engaging in such transactions. In addition, these transactions may increase the turnover rate of the Fund.

Investing in derivatives – The use of derivatives involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional cash securities, such as stocks and bonds. Changes in the value of a derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and a derivative instrument may have a leveraging effect by exposing the Fund to losses significantly in excess of its initial investment. Derivatives may be difficult for the Fund to buy or sell at an opportune time or price and may be difficult to terminate or otherwise offset. The Fund’s use of derivatives may result in losses to the Fund, and investing in derivatives may reduce the Fund’s returns and increase the Fund’s price volatility. The Fund’s counterparty to a derivative transaction (including, if applicable, the Fund’s clearing broker, the derivatives exchange or the clearinghouse) may be unable or unwilling to honor its financial obligations in respect of the transaction. Certain derivatives, repurchase and reverse repurchase transactions may be collateralized and additional cash or securities, such as U.S. Treasuries, may be held for these purposes.

Management – The Fund’s investments are actively managed. Consequently, the Fund is subject to the risk that the methods and analyses employed in this process may not produce the desired results. This could cause the Fund to lose value or its investment results to lag relevant benchmarks or other funds with similar objectives. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.
Fees and expenses

The fee for investment advisory services is charged directly to each participating trust and therefore is not reflected in the net asset value of the Fund. Operating expenses (which will not exceed 0.06% of average net assets), including, but not limited to, custody and audit, as well as transaction-related costs, such as brokerage commissions, stamp duties and any other taxes are incurred by the Fund and reflected in the net asset value of the Fund.

An administrative expense may be charged to the Fund when contributions or distributions are made into or out of the Fund on a day other than the last business day of the month, in the amount of 0.00375% of the total net assets, not to exceed $15,000 annually.

Management and organization

CB&T, a wholly-owned subsidiary of The Capital Group Companies, Inc., is a federally-chartered savings bank, regulated by the Office of the Comptroller of the Currency. In addition, CB&T is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940. As Trustee, CB&T maintains the Fund pursuant to the Trust’s governing declaration of trust (the “Declaration of Trust”) and may engage other service providers, including affiliates, to assist in the administration and management of the Fund. CB&T has retained CIInc to serve as investment adviser to the Trustee for the Fund.

CIInc is an indirect wholly-owned subsidiary of The Capital Group Companies, Inc. CIInc is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940 and provides investment advisory services to large corporate and public pension plans, financial institutions, registered investment companies, collective and common trust funds, endowments and foundations, and affiliates.

Portfolio holdings are selected based upon merit, without regard to the size of a security’s representation in, or its volatility relative to, a particular benchmark. Although participating trusts may measure the Fund’s investment results against various benchmarks, the Fund is not managed to achieve a participating trust’s specific goals for investment results or benchmark risk. The composition of the Fund often differs substantially from that of the benchmarks against which the Fund’s investment results may be measured.

Administration

Valuation

The Fund’s net asset value is calculated as of approximately 4 p.m. New York time, the normal close of regular trading on the New York Stock Exchange (“NYSE”), on the last “Business Day” of each month, and as required for admissions and withdrawal purposes, on the 15th (or last “Business Day” prior to the 15th) of a month (each, a “Valuation Date”). A “Business Day” is every day the NYSE is open. Equity securities are valued primarily on the basis of market quotations and fixed-income securities are valued primarily on the basis of evaluated prices from third party pricing services. Procedures have been adopted for making “fair value” determinations if market quotations are not readily available or are not considered reliable. The valuation policy is available upon request.

The unit value of the Fund is its total assets, less its liabilities, divided by the total number of its outstanding units.

Admissions and withdrawals

Admissions into and withdrawals from the Fund are governed by these Characteristics and the procedures set forth in the Declaration of Trust. Upon at least five Business Days prior written notice, admissions or withdrawals generally may be effected on a Valuation Date, at the unit value calculated on such date. Payments by wire are due on the first Business Day following such Valuation Date. Withdrawal proceeds will be paid promptly, although for significant withdrawals or under extraordinary circumstances, payment may be temporarily delayed or the withdrawal proceeds may be paid in portfolio securities. Significant admissions and withdrawals may be required to be effected through a temporary account, which may also delay admission into the Fund or payment of the withdrawal proceeds.
Income and capital gains

The realized gains or losses of the Fund will be retained in the Fund and will be reflected in the net asset value of the Fund. The net income of the Fund will be distributed to the participating trusts at each Valuation Date. Participating trusts may specifically elect to have this income reinvested in the Fund. For federal tax purposes, each participating trust will be required to take into account its share of the Fund’s income, gains, credits, deductions and losses, which may be more or less than actual distributions received by the participating trusts.

Custody

JPMorgan Chase Bank is the custodian for the Fund’s portfolio holdings.

Audit

The Fund is audited annually by Deloitte & Touche, the independent audit firm for the Fund.

Financial reports

The Fund is maintained on an accrual accounting basis. The audited financial statements of the Fund are prepared annually as of December 31, the end of the Fund’s fiscal year. Each participating trust will receive an annual statement of its interest in the income, gains and losses of the Fund.

With regard to any participant in the Fund that is subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), annual reports of financial condition will be filed with the U.S. Secretary of Labor. The financial statements for the Fund are provided to the trustees, sponsors or administrators of participating retirement plans with a certification that the reports required under ERISA have been or will be filed with the U.S. Secretary of Labor.

Declaration of Trust

The terms and conditions of the Declaration of Trust are incorporated herein by reference, subject to these Characteristics. Participating trusts should refer to the Declaration of Trust for a complete statement of its terms and provisions.

Requesting information

Characteristics statements for other funds established and maintained by the Trustee or its affiliates, as well as the Fund’s financial statements, the Declaration of Trust and the valuation policy are available upon request.

For persons who purchase in Florida – if sales of securities exempted from registration by Section 517.061(11), Fla. Stat. are made to five (5) or more persons in Florida (other than an Institutional Investor described in Section 517.061(7), Fla. Stat.), any purchase of such securities may be voided by a purchaser in Florida within three (3) days after the first tender of consideration to the issuer, its agent or an escrow agent, or the availability of that privilege is communicated to the purchaser, whichever occurs later.