**American Funds Mortgage Fund®**

**MFAAX**

**Class A shares**

**Bond fund**

**1Q Fact Sheet**

Data as of March 31, 2020

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**Portfolio digest**

<table>
<thead>
<tr>
<th>Fiscal years ended August</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund assets (in millions)</strong></td>
<td>$6,559.3</td>
<td>$4,886.3</td>
<td>$3,608.2</td>
<td>$2,530.2</td>
<td>$1,786.7</td>
</tr>
<tr>
<td><strong>Portfolio turnover</strong></td>
<td>605%</td>
<td>1009%</td>
<td>635%</td>
<td>1041%</td>
<td>1205%</td>
</tr>
<tr>
<td><strong>Issuers:</strong> (approximate number as of most recent fiscal year-end)</td>
<td>75</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Figures shown are past results 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.

Returns shown at net asset value (NAV) have all distributions reinvested. If a sales charge had been deducted, the results would have been lower.

**Fund’s annualized 30-day SEC yield (net): 0.91% (for Class A shares at MOP as of 3/31/20)**

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**Investment process**

Capital Group’s American Funds has helped investors since 1931 with a consistent approach that has led to consistent long-term results. The Capital System℠ investment process divides funds into portions that are managed independently by investment professionals with diverse backgrounds and approaches, backed by an extensive global research effort.

**Expense ratio¹**

Fund expense ratio 0.71%

**Portfolio managers**

**As of most recent prospectus**

<table>
<thead>
<tr>
<th>Years with Capital Group</th>
<th>Years in Profession</th>
</tr>
</thead>
<tbody>
<tr>
<td>David J. Betanzos</td>
<td>18</td>
</tr>
<tr>
<td>Fergus N. MacDonald</td>
<td>16</td>
</tr>
</tbody>
</table>

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**Fund Information**

**Began operations:** November 1, 2010  
**Objective:** The fund’s investment objective is to provide current income and preservation of capital.  
**Distinguishing characteristics:** With a focus on high-quality residential and commercial mortgage-backed securities that are either guaranteed or sponsored by the U.S. government, this strategy has provided a higher level of income than U.S. Treasuries as well as diversification during equity market downturns.* This strategy seeks to add value by actively managing sector allocation, security selection, duration and yield curve. *The fund’s year-end yield has exceeded that of the 1-Year, 3-Year and 5-Year U.S. Treasury bills for every calendar year between 2010 and 2019. In five out of the six equity market corrections during that same time period, the strategy generated positive returns while the S&P 500 declined 10% or more.

**Types of investments:** The fund invests primarily in mortgage-related securities sponsored or guaranteed by the U.S. government and mortgage-related securities rated AAA/Aaa.  
**Non-U.S. holdings:** Up to 10% of assets may be invested in high-quality, U.S. dollar-denominated mortgage-related securities from issuers outside the United States.  
**Maturity:** Not required to maintain any particular maturity.  
**Portfolio restrictions:** Normally, at least 80% of assets will be invested in mortgage-related securities.  
**Implementation guidance:** Consider for a high-quality U.S. mortgage allocation.

**Minimum initial investment:** $250  
**Fund number:** 42  
**CUSIP:** 02630V 10 5

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**Class A share returns for periods ended 3/31/20**

<table>
<thead>
<tr>
<th>Total returns (%)</th>
<th>Average annual total returns (%)</th>
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<tbody>
<tr>
<td><strong>Quarter to date</strong></td>
<td><strong>Year to date</strong>¹¹</td>
</tr>
<tr>
<td>Fund at net asset value (NAV)</td>
<td>4.34</td>
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<tr>
<td>Fund at maximum offering price (MOP)</td>
<td>0.45</td>
</tr>
<tr>
<td>Bloomberg Barclays U.S. Mortgage Backed Securities Index</td>
<td>2.82</td>
</tr>
<tr>
<td>Lipper Intermediate U.S. Government Funds Average</td>
<td>4.90</td>
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</tbody>
</table>

**Fund’s annualized 30-day SEC yield (net): 0.91% (for Class A shares at MOP as of 3/31/20)**

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Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. 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.

This material must be precised or accompanied by a prospectus or summary prospectus for the fund(s) being offered.

The return of principal for bond portfolios and for 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.

There may have been periods when the results lagged the index(es). Certain market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. Results for Lipper indexes/averages do not reflect sales charges. Lipper categories are dynamic and averages may have few funds, especially over longer periods. Lipper indexes track the largest mutual funds (no more than 30), represented by one share class per fund, in the corresponding Lipper category. Lipper averages reflect the current composition of all eligible mutual funds (all share classes) within a given category. To see the number of funds included in the Lipper category for each fund’s lifetime, please see the quarterly statistical update, available on www.capgroup.com.
Returns shown at net asset value (NAV) have all distributions reinvested. If a sales charge had been deducted, the results would have been lower.

Results of a hypothetical $10,000 investment (11/1/10-12/31/19)

- Fund $12,271
- Bloomberg Barclays U.S. Mortgage Backed Securities Index $12,848

Calendar year total returns for Class A shares (%)

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</thead>
<tbody>
<tr>
<td>Fund</td>
<td>-1.8</td>
<td>6.7</td>
<td>2.7</td>
<td>-2.0</td>
<td>5.1</td>
<td>1.8</td>
<td>1.9</td>
<td>1.2</td>
<td>0.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Index</td>
<td>-0.8</td>
<td>6.2</td>
<td>2.6</td>
<td>-1.4</td>
<td>6.1</td>
<td>1.5</td>
<td>1.7</td>
<td>2.5</td>
<td>1.0</td>
<td>6.4</td>
</tr>
</tbody>
</table>

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Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Returns for one year or less are not annualized, but calculated as cumulative total returns.

When applicable, investment results reflect fee waivers and/or expense reimbursements, visit capitalgroup.com.

1Expense ratios are as of the most recent prospectus available at the time of publication.

2The portfolio managers shown are as of the fund’s most recent prospectus dated 11/01/2019.

3YTD (year-to-date return): the net change in the value of the portfolio (in percentage terms) from January 1 of the current year to the date shown above.

4Results for certain funds with an inception date after the share class inception also include hypothetical returns because those funds’ shares sold after the funds’ date of first offering.

5Cash and equivalents includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

6Unlike average maturity, average life includes the impact of callable bonds.

7Totals may not reconcile due to rounding.

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TERMS & DEFINITIONS

Bloomberg Barclays U.S. Mortgage Backed Securities: Bloomberg Barclays U.S. Mortgage Backed Securities Index is a market-value-weighted index that covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). This index is unmanaged, and its results include reinvested distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.

Lipper Intermediate U.S. Government Funds Average: Lipper Intermediate U.S. Government Funds Average is composed of funds that invest primarily in securities issued or guaranteed by the U.S. government, its agencies, or its instrumentalities, with dollar-weighted average maturities of five to 10 years. The results of the underlying funds in the average include reinvestment of dividends and capital gain distributions, as well as brokerage commissions paid by the funds for portfolio transactions and other fund expenses, but do not reflect the effect of sales charges, account fees or U.S. federal income taxes.