

What makes American Funds different

**2009 edition
for qualified
retirement plans**

A guide to how
American Funds
may be a good fit for
your retirement plan

AmericanFundsRetirement.com

In your role as plan sponsor, ERISA requires you to use a prudent process in the selection and monitoring of retirement plan investments. As a first step in your selection process, you can learn about American Funds philosophy, approach and results on the pages that follow. We encourage you to share this information with your employees.

American Funds has been managing investors' assets since 1931. We take a conservative long-term approach that's consistent with the needs of most people saving for the future.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so investors may lose money. Unless otherwise indicated, results shown are Class R-3 at net asset value with all distributions reinvested and all applicable fees and expenses reflected. R shares do not require an up-front or deferred sales charge. For current information or month-end results, visit AmericanFundsRetirement.com.



Consistency is key

Whether markets are rising or falling, financial professionals work closely with plan sponsors and participants to help them meet their long-term retirement plan goals. For years, many financial professionals have recommended the American Funds to their clients with long-term perspectives. We believe a unique combination of strengths — applied consistently — has helped us earn our shareholders' trust.

Consistent philosophy

For nearly 80 years, we've been careful and patient investors, both at home and abroad — unwavering in our belief that investing should have a long-term focus. This core philosophy has served us well through many types of market conditions and helped create our long-term record of consistency.

Consistent approach

Fifty years ago, we created the multiple portfolio counselor system, which divides each fund's assets among several investment professionals. Over the years, this system has helped us provide diversification, consistency and continuity.

American Funds

- One of the nation's oldest mutual fund families, servicing investors since 1931
- Distributed through financial professionals because we understand that investors need help with retirement planning
- With more than \$650 billion in assets under management (as of 2/28/09), more than half of our 50 million shareholder accounts are held by corporate retirement plan participants and IRA owners
- The second-largest mutual fund manager of defined contribution assets (*Pensions & Investments*, 2008)

Consistent results

Regardless of what we believe about our philosophy and investment approach, the true measure of our success is demonstrated in our long-term results and shareholder satisfaction. Our shareholders tell us that one of the reasons they stay with us for a long time is our emphasis on consistent returns with low relative volatility.

In this brochure, we'll examine the unique combination of strengths that makes American Funds different. In particular, we'll take a detailed look at five factors that, over time, have benefited the 23 American Funds available to retirement plans.

Focus

Our investment philosophy is based on doing what's right for our shareholders.

- We seek to buy securities at reasonable prices relative to their prospects and hold them for the long term. The average turnover rate for our equity funds is 35%, compared to an industry average of 87% for all equity funds.*
- We do the thorough research necessary to determine the actual worth of an organization. Instead of asking, "Where will this *security* be in three to six *months*?" we prefer to ask, "Where will this *company* or *issuer* be in five to 10 *years*?"
- We are guided by a commitment to honesty and integrity, paying particular attention to risk and our efforts to protect investors' money.

* Based on portfolio turnover rates for equity funds as of the most recent fiscal year-ends available through December 31, 2008. Source for industry average: Lipper.

The benefit

While our conservative value-oriented style may seem a bit old-fashioned at times, investors have been able to count on us for consistent long-term results, not euphoric short-term results. This becomes apparent when you look at our equity funds' results over 375 10-calendar-year periods since our first fund debuted in 1934 (as shown below).

The value of a patient, focused approach Results shown are for Class R-3 shares	Number of 10-calendar-year periods	Number of 10-calendar-year periods ...			
		... when the total return was positive (annualized return greater than 0.00%)	... when the value of an investment		
			at least doubled (annualized return 7.18% or greater)	at least tripled (annualized return 11.61% or greater)	at least quadrupled (annualized return 14.87% or greater)
AMCAP Fund®	32	32	29	24	11
EuroPacific Growth Fund®	15	15	14	8	3
The Growth Fund of America®	26	26	25	23	13
The New Economy Fund®	16	15	15	9	6
New Perspective Fund®	26	26	25	20	12
SMALLCAP World Fund®	9	9	7	1	0
American Mutual Fund®	49	49	42	26	11
Capital World Growth and Income Fund SM	6	6	5	5	0
Fundamental Investors SM	21	21	20	15	8
The Investment Company of America®	66	66	60	40	19
Washington Mutual Investors Fund SM	47	47	40	26	14
Capital Income Builder®	12	12	11	5	0
The Income Fund of America®	26	26	25	16	4
American Balanced Fund®	24	24	23	15	2
	375	374	341	233	103
Percent of time		99.7%	90.9%	62.1%	27.5%

Class R-3 shares became available for purchase on May 15, 2002. Class R-3 returns prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical additional estimated expenses.

From September 1, 2004, through December 31, 2008, the investment adviser to the American Funds and the business manager for Washington Mutual Investors Fund waived a portion of their management fees as described in each fund's annual report. The investment adviser has also reimbursed certain expenses for some funds. The investment adviser may reduce or discontinue the reimbursements at any time. Investment results reflect the waivers and/or reimbursements, without which the results would have been lower. Please see each fund's most recent shareholder report or prospectus for details.

Insight

To determine a security's true worth, our investment professionals get to know a company inside and out. Today, American Funds operates one of the industry's most extensive global research efforts.

- We commit substantial resources to global investment research. In 2008, we visited thousands of companies in more than 60 countries.
- We visit companies before *and* after investing.
- We meet a company's suppliers, bankers, customers and competitors to get a well-rounded view of its operations. We also meet with industry specialists, economists and government officials.
- We have research offices worldwide. Our first overseas office opened in 1962, well before most U.S. financial managers began investing internationally.
- We have a long history of global investing. In fact, *Institutional Investor* has referred to our organization as "the granddaddy of global investing."

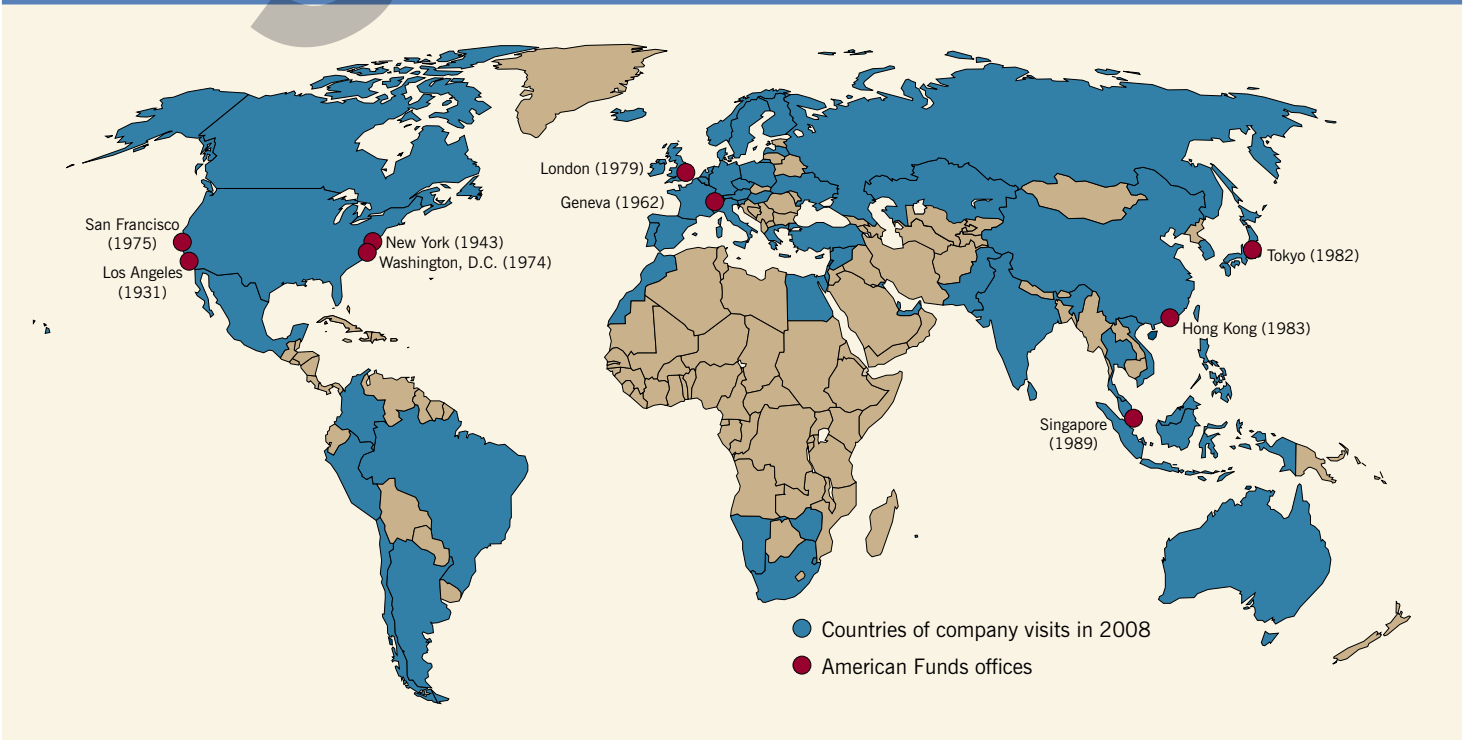
- We have more than 200 investment professionals — who speak more than two dozen languages — based around the world.

Investments outside the United States (especially in developing countries) involve additional risks, such as currency fluctuations, political instability, differing securities regulations and periods of illiquidity.

The benefit

Not all companies do their own research, and few have American Funds longevity when it comes to following companies and industries. This continuity is crucial to any long-term perspective. It's not uncommon, for example, for our investment analysts to have known several successive CEOs at each of the companies they cover. When you know a company that well, there's a greater depth to the questions you ask, the observations you make and your conviction to buy, sell or pass.

A global reach: American Funds offices and research visits





Factor 3 | A unique method of portfolio management

Perspective

Fifty years ago, we developed a unique approach to managing investments that blends teamwork with individual accountability: the multiple portfolio counselor system. We believe it has provided us with a sustainable method of achieving fund objectives.

How it works

Each fund's assets are divided into smaller, more manageable portions and assigned to:

- **individual portfolio counselors** who manage their portions independently. To create a multitalented team of investment professionals with complementary skills, portfolio counselors with different investment styles, backgrounds and industry experience are selected.
- **a research portfolio**, where a group of investment analysts collectively manages one portion of a fund — typically 20% to 30% of its total assets. These analysts invest in the areas and industries they follow.

Each fund's principal investment officer, together with a coordinating committee:

- reviews investments for their consistency with the fund's goals and objectives
- monitors gains, losses and dividend income for the entire fund
- oversees the assignment of assets to portfolio counselors.

A portfolio of "best ideas"

Which would you prefer: a mutual fund that represents the top 30 to 40 investment ideas of several managers or one manager's top 200 ideas? In the multiple portfolio counselor system, investment professionals are able to buy those stocks and bonds they believe exemplify their best ideas. These holdings, blended with those of their fellow investment professionals, create a broadly diversified portfolio of best ideas.

Our system in action

The holdings of American Balanced Fund® — which include approximately 400 U.S. stocks, stocks of companies based outside the U.S., U.S. bonds and bonds of issuers based outside the U.S.* — represent the individual investment ideas of seven portfolio counselors and numerous analysts.



Robert O'Donnell
Equity
37 years of investment experience



Alan Berro
Equity
23 years of investment experience



James Mulally
Fixed income
33 years of investment experience



Gregory Johnson
Equity
15 years of investment experience



John Smet
Fixed income
27 years of investment experience



Dina Perry
Equity
31 years of investment experience



Hilda Applbaum
Equity/Fixed income
22 years of investment experience

A sustainable approach

To be an effective long-term manager, you have to be able to adapt to changes, such as:

- **Changes in assets.** In the multiple portfolio counselor system, portfolio counselor lineups can be modified as assets fluctuate. This helps ensure a balance among a fund's portfolio counselors and allows shareholders to benefit from the ideas of new investment professionals.
- **Changes in management.** If a portfolio counselor leaves or retires, only a relatively small portion of the portfolio changes hands. When we know a portfolio counselor is leaving, we will — over a period of time — move his or her assets to new or existing portfolio counselors. These smooth, gradual transitions have helped keep each fund's investment approach consistent.

A strong investment team with a long-term focus

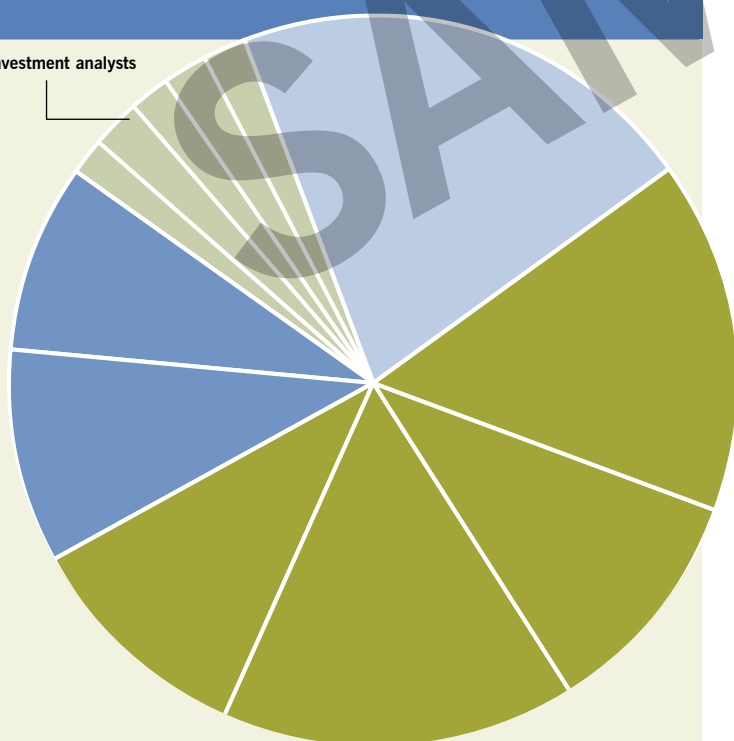
Although individual accountability is critical, teamwork remains a vital part of the multiple portfolio counselor system. Investment professionals within the same investment divisions share ideas and research. To gain a more comprehensive view, we encourage joint research visits. For example, an auto analyst, a steel industry analyst and a fixed-income specialist each will have a different perspective on an automobile manufacturer.

Compensation paid to our investment professionals is heavily influenced by investment results over rolling four- and eight-year periods to encourage a long-term investment approach.

Consistent long-term results

The selection of investment professionals with different investment styles has tended to smooth out short-term peaks and valleys and to deliver consistent long-term results. That's because the results of investment professionals whose styles and investments produce better results under some market conditions may temper the results of those whose investments are not faring as well.

Investment analysts



Sizes of portfolio segments do not reflect actual relative allocations.

The benefit

Almost any system can generate strong returns over short periods. Our multiple portfolio counselor system has provided a consistent and sustainable way to achieve long-term investment goals. Rather than diluting the strength of individual abilities and convictions by imposing collective decision-making on the group, the portfolio counselors invest their strongest convictions. If one counselor retires or leaves, a high degree of continuity is maintained because only a portion of the portfolio actually changes hands.

* Holdings are as of December 31, 2008. The fund is actively managed, so holdings change. The portfolio counselors shown are as of the fund's most recent prospectus dated March 1, 2009. Counselor responsibilities may have changed since that date.

Experience

Managing assets is a skill learned only after years of experience and training. The portfolio counselors who oversee the spectrum of American Funds available to retirement plans, along with the American Funds Target Date Retirement Series®, have this in abundance:

- An average of 25 years of investment experience, providing a depth of knowledge and broad perspective that few organizations have.
- An average of 21 years of experience with American Funds or its affiliates.
- Experience managing investments in varying market cycles:
 - More than half of our equity portfolio counselors experienced the October 1987 crash
 - Nearly a third of our equity portfolio counselors experienced the 1973–1974 bear market
 - More than three quarters of our fixed-income portfolio counselors experienced the difficult 1994 bond market

Career analysts

Our organization views research as a career, not just a stepping-stone to portfolio management. We have analysts who have been building relationships with the same companies for decades.

- Our investment analysts have been with our organization six years on average. Many analysts have had prior experience working in the industries they now study.
- They work out of numerous offices around the globe.

Long-term perspective

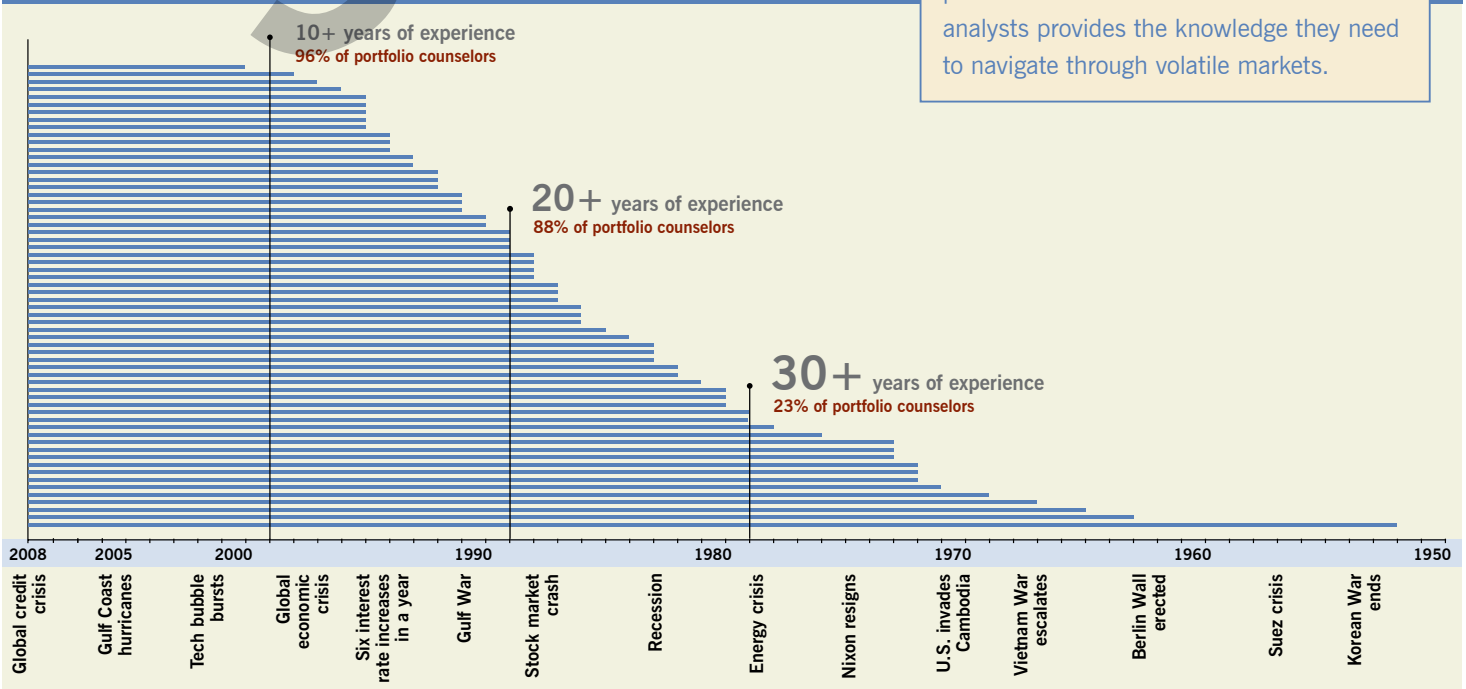
Long management tenure has helped us maintain our consistent investment style over the years.

- Rather than buy and sell based on short-term market fluctuations, we prefer to buy good companies at reasonable prices — and hold them for extended periods.

The benefit

Nothing builds confidence and ability like experience. The depth of experience of our portfolio counselors and investment analysts provides the knowledge they need to navigate through volatile markets.

American Funds portfolio counselors' years of investment experience



Portfolio counselor investment experience as shown in the most current fund prospectuses through December 31, 2008.

Value

Many plan sponsors look only at the initial cost when selecting a retirement plan provider. However, your plan’s ongoing annual expenses can have a significant effect on long-term returns.

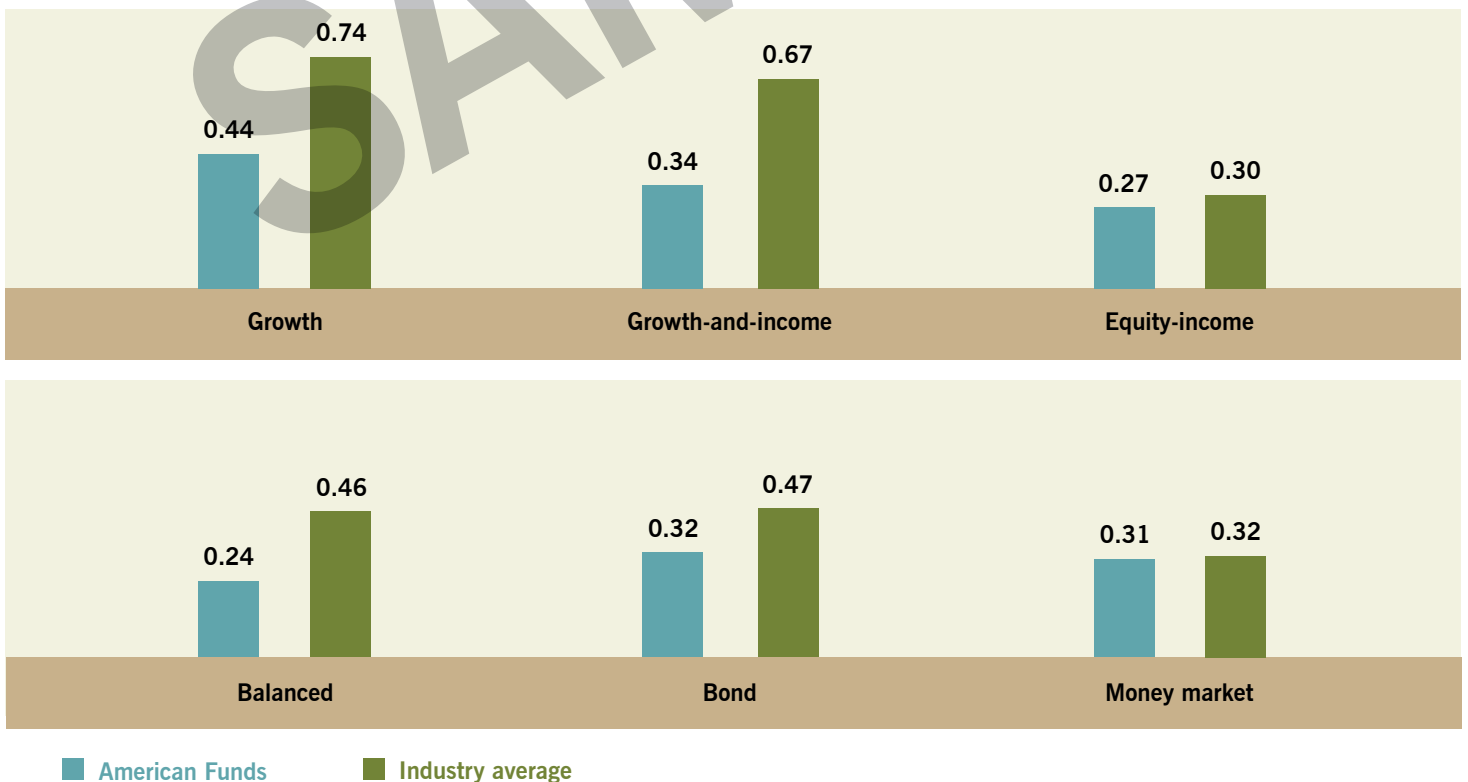
Management fees

American Funds strives to keep our funds’ investment management fees low. And having low management fees is important because it can help you ensure that plan costs — including management fees, recordkeeping and other administrative costs — remain reasonable.

The benefit

In the long run, the amount of money you save in expenses has the potential to make a substantial difference in the growth of your plan assets.

Lower is better: American Funds annual management expenses (%)



Management fees are as of March 31, 2009. American Funds Money Market Fund and International Growth and Income Fund management fees are estimated. The expense ratio for International Growth and Income Fund is annualized based on data for a partial year.

Source for industry averages: Lipper, as of January 31, 2009.

How we measure results

At American Funds, we believe that the only reasonable way to measure results is over meaningful periods of time, such as full market cycles and rolling 10-year periods. We hope after examining our long-term investment

results and learning about our unique method of portfolio management, you'll understand why plan sponsors frequently select American Funds — and why we're the right choice for long-term, risk-sensitive investors.

Figures shown are past results for Class R-3 shares and are not predictive of future results. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity. Although the cash equivalent funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds. Unless otherwise indicated, results shown are at net asset value with all distributions reinvested. Class R-3 shares do not require an up-front or deferred sales charge. For current information or month-end results, visit AmericanFundsRetirement.com.

Comparisons over a market cycle¹

Total returns	Low to high 10/9/02–10/9/07	High to low 10/09/07–11/20/08	Low to low 10/09/02–11/20/08
Standard & Poor's 500 Composite Index	120.6%	-50.8%	8.5%
MSCI World Index	164.8	-52.3	26.4
Barclays Capital U.S. Aggregate Index ²	22.6	3.3	26.6
Growth funds			
AMCAP Fund® (AMCAP)	109.6	-51.0	2.7
EuroPacific Growth Fund® (EUPAC)	209.8	-52.1	48.5
The Growth Fund of America® (GFA)	143.4	-51.3	18.6
The New Economy Fund® (NEF)	175.1	-54.4	25.6
New Perspective Fund® (NPF)	178.8	-50.3	38.6
New World Fund® (NWF)	291.4	-54.7	77.4
SMALLCAP World Fund® (SCWF)	244.6	-61.0	34.4
Growth-and-income funds³			
American Mutual Fund® (AMF)	105.8	-43.7	15.9
Capital World Growth and Income Fund SM (WGI)	215.1	-50.4	56.3
Fundamental Investors SM (FI)	160.7	-51.5	26.5
The Investment Company of America® (ICA)	114.5	-47.9	11.8
Washington Mutual Investors Fund SM (WMIF)	115.6	-48.3	11.4
Equity-income funds			
Capital Income Builder® (CIB)	121.6	-40.6	31.7
The Income Fund of America® (IFA)	109.8	-40.6	24.6
Balanced funds			
American Balanced Fund® (AMBAL)	89.7	-36.9	19.6
Bond funds³			
American High-Income Trust SM (AHIT)	90.3	-32.6	28.4
The Bond Fund of America SM (BFA)	37.9	-15.0	17.1
Capital World Bond Fund® (WBF)	56.6	-6.9	45.8
Intermediate Bond Fund of America® (IBFA)	13.3	-2.3	10.6
U.S. Government Securities Fund SM (GVT)	13.4	6.3	20.6

¹ Not all declines are alike, so the past does not guarantee, nor predict, results in future periods. The current decline may not be over.

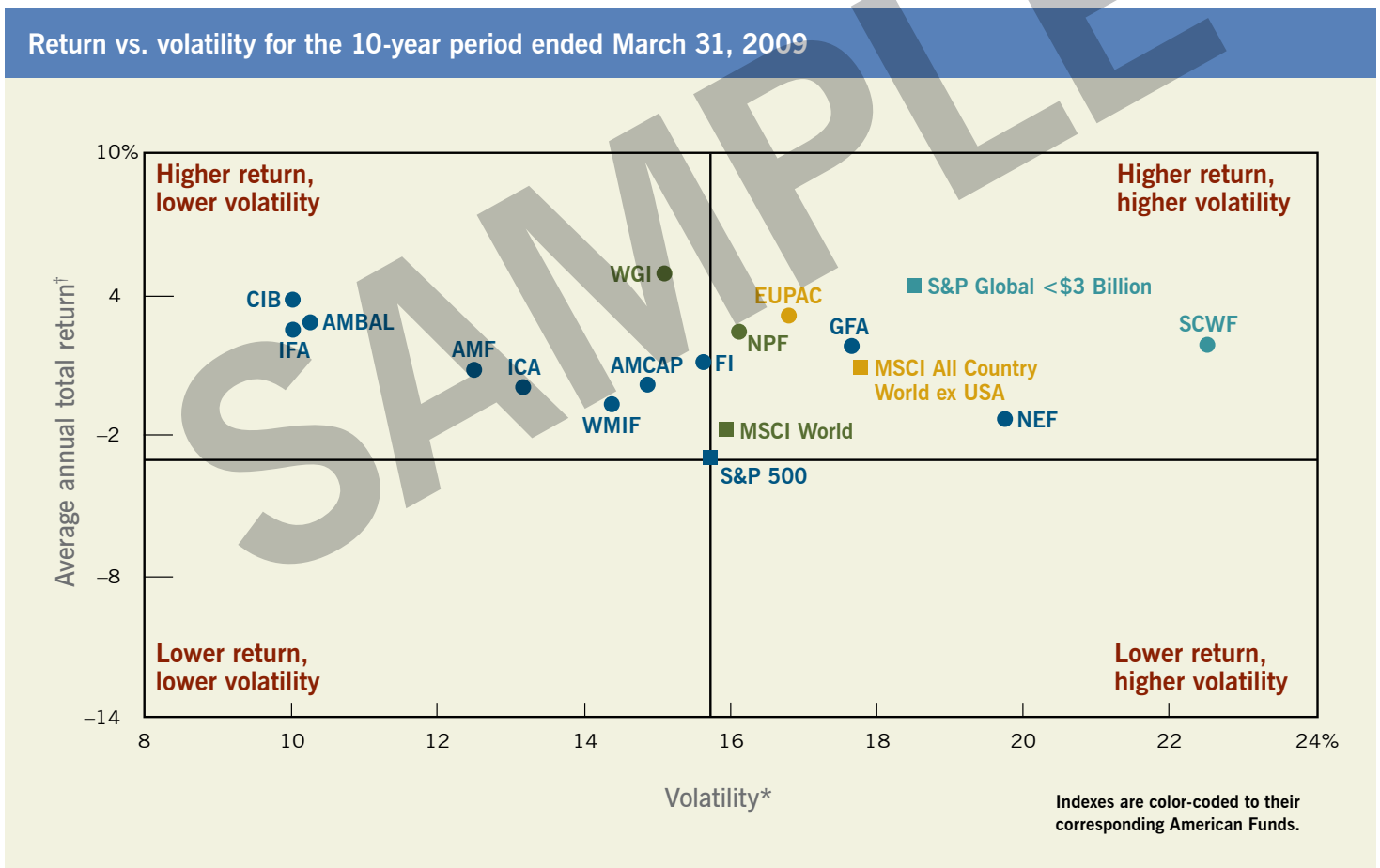
² Formerly produced by Lehman Brothers.

³ International Growth and Income Fund and Short-Term Bond Fund of America are not included on this table because the funds were not in existence for the duration of the period covered.

The indexes are unmanaged, and their results assume reinvested distributions but do not reflect sales charges, commissions or expenses.

We don't view managing risk as one goal among many at American Funds, but rather as a commitment to shareholders that guides all of our investment decisions. Over the years, we have delivered consistent long-term results with low relative volatility.*

The chart below illustrates how many of our equity funds with records of 10 years or more have, over the past decade, posted better returns with lower volatility than the S&P 500 and other benchmarks.



* Volatility is calculated at net asset value using annualized standard deviation (based on monthly returns), a measure of how returns over time have varied from the mean; a lower number signifies lower volatility.

† Fund results calculated at net asset value. American Funds Class R-3 shares became available for purchase on May 15, 2002. Class R-3 share returns prior to that date are hypothetical based on Class A share returns, adjusted for typical additional estimated expenses and calculated without a sales charge.

Standard & Poor's 500 Composite Index is a measure of large-company U.S. stocks. MSCI World Index measures 23 developed-country stock markets. MSCI All Country World Index ex USA measures 46 developed- and developing-country indexes, excluding the United States. S&P Global <\$3 Billion Index (formerly S&P/Citigroup Global/World Indexes) has been used since May 2006. Cumulative returns for periods beginning before May 2006 also include results from the comparative indexes used in those periods as follows: S&P Global <\$2 Billion (May 2004 to April 2006), S&P Developed <\$1.5 Billion (January 2000 to April 2004) and S&P Developed <\$1.2 Billion (1990 to 1999). The S&P Global indexes better reflect the fund's investment universe because they include both developed and developing countries. The S&P Developed indexes (used prior to May 2004) only include stocks in developed countries. The indexes are unmanaged, and their results assume reinvested distributions, but do not reflect sales charges, commissions or expenses. There have been periods when the funds have trailed the indexes.

American Funds results at a glance (as of March 31, 2009)

Please refer to AmericanFundsRetirement.com for month-end investment results.

	Inception date	Average annual total return (lifetime)	Number of positive years ¹	Outpaced Lipper averages over 10-calendar-year periods ²
Growth funds				
AMCAP Fund [®]	5/1/67	10.00%	31 of 41	78% of the time
EuroPacific Growth Fund [®]	4/16/84	10.42	19 of 24	100% of the time
The Growth Fund of America [®]	12/1/73 ³	12.59	28 of 35	73% of the time
The New Economy Fund [®]	12/1/83	8.92	19 of 25	25% of the time
New Perspective Fund [®]	3/13/73	11.28	28 of 35	85% of the time
New World Fund [®]	6/17/99	5.28	5 of 9	— ⁵
SMALLCAP World Fund [®]	4/30/90	6.49	13 of 18	22% of the time
Growth-and-income funds				
American Mutual Fund [®]	2/21/50	10.69	47 of 58	45% of the time
Capital World Growth and Income Fund SM	3/26/93	9.10	12 of 15	100% of the time
Fundamental Investors SM	8/1/78 ³	11.06	25 of 30	100% of the time
International Growth and Income Fund SM	10/1/08	-14.72 ⁶	— ⁵	— ⁵
The Investment Company of America [®]	1/1/34	11.34	60 of 75	80% of the time
Washington Mutual Investors Fund SM	7/31/52	10.84	44 of 56	90% of the time
Equity-income funds				
Capital Income Builder [®]	7/30/87	8.41	18 of 21	100% of the time
The Income Fund of America [®]	12/1/73 ³	10.22	29 of 35	54% of the time
Balanced funds				
American Balanced Fund [®]	7/26/75 ³	9.75	29 of 33	58% of the time
Bond funds				
American High-Income Trust SM	2/19/88	6.39	15 of 20	91% of the time
The Bond Fund of America SM	5/28/74	7.80	32 of 34	68% of the time
Capital World Bond Fund [®]	8/4/87	6.64	16 of 21	25% of the time
Intermediate Bond Fund of America [®]	2/19/88	5.22	18 of 20	0% of the time
Short-Term Bond Fund of America SM	10/2/06	2.94	2 of 2	— ⁵
U.S. Government Securities Fund SM	10/17/85	6.37	21 of 23	0% of the time
Cash-equivalent funds				
American Funds Money Market Fund ^{SM 7}	5/1/09	N/A	N/A	— ⁵
Target date funds⁴				
American Funds 2050 Target Date Retirement Fund [®]	02/01/07	-18.21	0 of 1	— ⁵
American Funds 2045 Target Date Retirement Fund [®]	02/01/07	-18.21	0 of 1	— ⁵
American Funds 2040 Target Date Retirement Fund [®]	02/01/07	-18.21	0 of 1	— ⁵
American Funds 2035 Target Date Retirement Fund [®]	02/01/07	-18.18	0 of 1	— ⁵
American Funds 2030 Target Date Retirement Fund [®]	02/01/07	-17.99	0 of 1	— ⁵
American Funds 2025 Target Date Retirement Fund [®]	02/01/07	-17.69	0 of 1	— ⁵
American Funds 2020 Target Date Retirement Fund [®]	02/01/07	-16.37	0 of 1	— ⁵
American Funds 2015 Target Date Retirement Fund [®]	02/01/07	-14.55	0 of 1	— ⁵
American Funds 2010 Target Date Retirement Fund [®]	02/01/07	-13.80	0 of 1	— ⁵

Equity investments are subject to market fluctuations. Investments outside the United States (especially in developing countries) involve additional risks, such as currency fluctuations, as does investing in smaller companies, as more fully described in the prospectus. Bond prices and a bond fund's share price will generally move in the opposite direction of interest rates. The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. Fund shares of the U.S. Government Securities Fund are not guaranteed by the U.S. government. Diversification does not eliminate the risk of investing; losses are possible in diversified portfolios.

¹ Based on Class R-3 share results for complete calendar years for the fund's lifetime. Class R shares do not require an up-front or deferred sales charge. Results reflect all other expenses.

² Based on Class R-3 share results at net asset value compared with Lipper averages for each category: AMCAP Fund (Multi-Cap Core); EuroPacific Growth Fund (International); The Growth Fund of America and The New Economy Fund (Multi-Cap Growth); New Perspective Fund (Global); SMALLCAP World Fund (Global Small-Cap); American Mutual Fund (Multi-Cap Value); Capital World Growth and Income Fund (Global); Fundamental Investors, The Investment Company of America and Washington Mutual Investors Fund (Growth and Income); Capital Income Builder and The Income Fund of America (Income (Mixed Equity)); American Balanced Fund (Balanced); American High-Income Trust (High Current Yield); The Bond Fund of America (Corporate Debt A-Rated); Capital World Bond Fund (Global Income); Intermediate Bond Fund of America (Short-Intermediate Investment Grade Debt); U.S. Government Securities Fund (General U.S. Government); American Funds Money Market Fund (Money Market). Lipper average returns do not reflect effects of sales charges. Periods covered are the shorter of fund lifetimes or since December 31, 1959 (start of Lipper data).

³ Capital Research and Management Company began managing the fund on this date.

⁴ The investment adviser to the American Funds is currently waiving a 0.10% management fee for the target date funds. The investment adviser has no current intention of removing the waiver and, in any case, would not do so without approval from the Series board. In addition, the investment adviser has agreed to reimburse a portion of the fees and expenses of the target date funds. These reimbursements may be adjusted or discontinued by the investment adviser at any time. Investment results shown reflect the waiver and reimbursements, without which the results would have been lower. Two expense ratios are shown. The first number does not reflect the waiver and reimbursements; the second

Class R-3 shares average annual total returns with all distributions reinvested for periods ended March 31, 2009			Expense ratio	10-year period ended March 31, 2009	
1 year	5 years	10 years		Standard deviation	
-34.40%	-4.91%	0.15%	1.06%	14.8	
-40.70	1.16	3.10	1.11	16.7	
-36.66	-2.60	1.80	0.95	17.6	
-35.57	-3.05	-1.30	1.19	19.7	
-37.91	-0.57	2.41	1.11	16.1	
-43.68	4.65	— ⁵	1.42	— ⁵	
-46.61	-2.98	1.85	1.46	22.5	
-31.21	-2.89	0.78	0.98	12.4	
-40.41	0.48	4.90	1.10	15.0	
-39.24	-1.35	1.14	1.10	15.6	
— ⁵	— ⁵	— ⁵	1.44	— ⁵	
-34.49	-3.58	0.04	0.92	13.1	
-37.10	-4.74	-0.67	0.96	14.3	
-31.56	0.34	3.78	0.99	10.0	
-30.20	-1.72	2.50	0.99	10.0	
-26.70	-2.33	2.80	0.90	10.2	
-23.05	-1.53	2.27	1.11	9.8	
-11.59	-0.23	3.20	0.98	4.6	
-9.10	3.11	5.14	1.23	7.1	
-0.59	1.81	3.58	1.03	2.4	
1.16	— ⁵	— ⁵	1.06	— ⁵	
6.16	3.98	4.82	1.03	3.5	
— ⁵	— ⁵	— ⁵	1.07	— ⁵	
-35.34	— ⁵	— ⁵	1.39/1.10	— ⁵	
-35.35	— ⁵	— ⁵	1.46/1.10	— ⁵	
-35.37	— ⁵	— ⁵	1.30/1.10	— ⁵	
-35.30	— ⁵	— ⁵	1.29/1.10	— ⁵	
-34.86	— ⁵	— ⁵	1.26/1.10	— ⁵	
-34.30	— ⁵	— ⁵	1.23/1.09	— ⁵	
-32.30	— ⁵	— ⁵	1.20/1.06	— ⁵	
-29.53	— ⁵	— ⁵	1.19/1.05	— ⁵	
-28.02	— ⁵	— ⁵	1.19/1.04	— ⁵	

number does. The expense ratios are as of March 31, 2009, and include the weighted average expenses of the underlying American Funds. Please see the funds' most recent shareholder report or prospectus for details. To see the underlying funds of each target date fund, refer to either the prospectus or shareholder report, or visit AmericanFundsRetirement.com. Although the target date funds are actively managed for investors on a projected retirement date basis, the funds' allocation strategy does not guarantee that investors' retirement goals will be met. The funds are subject to the same risks and returns as the underlying American Funds.

⁵The fund's lifetime is less than the full period. See inception date on page 12.

⁶Cumulative total return since fund's inception.

⁷Although American Funds Money Market Fund has 12b-1 plans for certain share classes, it will not initially pay 12b-1 fees to financial professionals. Should payments commence, the fund's investment results will be lower. The investment adviser will also be reimbursing certain expenses for some share classes and may discontinue doing so at any time. The expense ratio is estimated as of the fund's fiscal year-end. Investment results reflect the reimbursements, without which they would have been lower.

From September 1, 2004, through December 31, 2008, the investment adviser to the American Funds and the business manager for Washington Mutual Investors Fund waived a portion of their management fees as described in each fund's annual report. The investment adviser has also reimbursed certain expenses for some funds. Investment results reflect the waivers and/or reimbursements, without which the results would have been lower. These reimbursements may be adjusted or discontinued by the investment adviser at any time. Please see each fund's most recent shareholder report or prospectus for details. International Growth and Income Fund's expense ratio is annualized based on data for a partial year. Class R-3 shares became available for purchase on May 15, 2002. Class R-3 share returns prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical additional estimated expenses. Short-Term Bond Fund of America Class R-3 shares were first sold on November 22, 2006; results prior to that date are hypothetical, based on Class A share returns without a sales charge, and adjusted for estimated additional annual expenses of 0.39%. Please see each fund's most recent shareholder report for the actual date of first sale and the prospectus for more information on specific expenses.

Your retirement plan and American Funds

For nearly 80 years, American Funds has applied a consistent philosophy and consistent approach to generate consistent results. As you think about your ERISA responsibilities, we hope you will consider American Funds for your plan's investments.

Exclusive benefit

Part of your responsibility as a plan sponsor is to manage your plan for the *exclusive* benefit of the plan participants and their beneficiaries. With this in mind, it's important you consider an investment manager that embraces a consistent, long-term, value-oriented philosophy — like American Funds.

Ongoing due diligence

Plan sponsors have an ongoing obligation under ERISA to monitor their plan's investments. The ongoing due diligence you perform for your retirement plan includes comparing your plan's options against benchmarks over the long term. American Funds long-term investment results compare favorably against their relative benchmarks.

Diversification

Under ERISA a plan must offer a broad range of diversified investment alternatives. With 23 funds featuring several different investment objectives — plus the American Funds Target Date Retirement Series — available for your plan, you can build an investment lineup of the American Funds that offers objectives consistent with the goals of your plan participants.

Prudence

It's your responsibility under ERISA to select investment options for your plan using a prudent process. One way to demonstrate prudence in the investment selection process is to consider fund results in high and low cycles over the long term. The American Funds available to your plan have weathered various market cycles over their lifetimes.

Reasonable expenses

Investment expenses are typically the largest component of total retirement plan costs. As a prudent plan sponsor, it's your responsibility to monitor plan costs for the life of the plan. In the long run, choosing a provider with lower investment expenses has the potential to make a substantial difference in your total plan costs. American Funds management fees are among the lowest in the industry.

In addition to the 23 American Funds available for tax-deferred retirement plans and IRAs, we offer the American Funds Target Date Retirement Series. For details, please contact your financial professional or visit AmericanFundsRetirement.com.

For use with plan sponsors. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so investors may lose money. Investors should carefully consider the investment objectives, risks, charges and expenses of the American Funds and, if applicable, any other investments in the plan. This and other important information is contained in the funds' prospectuses, which are available from the plan's financial professional and on the Web. It's important that investors read the prospectuses carefully before investing. If used after June 30, 2009, this brochure must be accompanied by a current American Funds quarterly statistical update.

Unless otherwise indicated, all facts and figures shown in this publication are as of March 31, 2009, for Class R-3 shares.