

SIMPLE IRA

employee guide



A retirement savings plan designed specifically for employees of small businesses

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so you may lose money. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

Investors should carefully consider the objectives, risks, charges and expenses of the American Funds and, if applicable, any other investments in your plan. This and other important information is contained in the funds' prospectuses, which are available from your plan's financial professional and on the Web. Please read the prospectuses carefully before investing. For current information and month-end results, visit americanfunds.com.

A plan for your future

Your employer wants to help you save for a financially secure retirement. That's why you're being given the opportunity to participate in the company's Savings Incentive Match Plan for Employees (SIMPLE) IRA.

SIMPLE IRAs offer a number of savings incentives. With a SIMPLE IRA, you make before-tax contributions to your account, reducing your taxable income. And you pay no taxes until you withdraw the money at retirement. Your employer may also contribute to your account, if you're eligible. So your savings could accumulate even faster over the years.

This brochure contains important information about your American Funds SIMPLE IRA plan, as well as the forms you'll need to complete to get started. For more details about the plan, ask your employer for a copy of the Summary Plan Description (SPD).

Your contributions

You decide how much of your pay, up to IRS limits, you want to contribute (see the Disclosure Statement in the back of the brochure for current contribution limits). Your contributions will be deducted directly from your paycheck. You can make:

- **Before-tax contributions.** Because you're contributing money from your paycheck before income taxes are deducted, you reduce your annual taxable income in the year the contributions are made. Before-tax contributions allow your savings to accumulate tax-deferred. In other words, you don't pay taxes on what you save or on your assets as they grow until you take the money out at retirement.
- **Catch-up contributions.** If you're 50 or older, you can contribute an additional amount before taxes (see the Disclosure Statement in the back of the brochure for current contribution limits).

Any money you take out of your SIMPLE IRA is subject to ordinary income tax and, if you withdraw the money before you reach 59½, a 10% federal tax penalty may apply. If withdrawals are made during the first two years of participation in the plan and you're under 59½, a 25% tax penalty may apply.

Your employer's contributions

Your employer may make *one* of two types of contributions to your account:

- **Matching.** Your employer may match any contributions you make, dollar for dollar, up to 3% of your pay.
- **Nonelective.** Your employer may contribute up to 2% of your total compensation (up to \$245,000 in 2009) to your SIMPLE IRA account — regardless of whether you make any contributions.

Eligibility

If you expect to earn at least \$5,000 in the current calendar year AND you have earned at least \$5,000 during any two prior calendar years, you're eligible to participate in your company's SIMPLE IRA plan. Your employer may have less restrictive requirements. The Summary Plan Description (SPD) contains exact information on eligibility requirements and other provisions of your company's plan. You can ask your employer for a copy of the document.

Vesting

The money that you and your employer contribute to the plan is vested immediately — in other words, it's yours to keep.

Your investment options

When you set up your SIMPLE IRA account, you have the opportunity to invest in the American Funds, a family of mutual funds that has been helping people like you meet their savings goals for nearly 80 years.

You're in control: You select the American Funds you believe are most appropriate for your financial needs and goals. When choosing investments, it's a good idea to consult your financial adviser.

Monitoring your account

You can monitor your investment results through the following:

- your quarterly statement
- the American Funds 24-hour automated phone service at 800/421-0180
- the American Funds website at americanfunds.com

Getting started

It takes only \$10 to set up your account and \$10 a year to maintain it. To begin, follow these steps:

- **Review the information provided by your employer.**
The plan's SPD explains eligibility requirements and other provisions of your company's SIMPLE IRA. The *Notification to Eligible Employees* specifies the contribution amount your employer will be making on your behalf. The prospectuses describe investment objectives, risks, expenses and past results for each fund offered. You should read these materials carefully before making any investment decisions.
- **Read the *SIMPLE IRA Custodial Agreement* and the *SIMPLE IRA Disclosure Statement*.** These documents provide you with important information about SIMPLE IRAs, including distributions, fees and taxes.
- **Complete the forms that accompany this brochure and return them to your employer.** On the *SIMPLE IRA Application*, you'll need to list the American Funds you want to invest in and what percentage of your contributions you'd like to invest in each (\$25 minimum per fund). Make a copy of the application for your files.

Note: Your employer must not submit contributions until after your account has been established.

On the Salary Deferral Agreement, indicate how much of your salary you want to save in your SIMPLE IRA. Please check with your employer to verify that the Salary Deferral Agreement form provided in this brochure is the one you should use.

When filling out the forms, please note that under the USA PATRIOT Act, the following information is required for all individuals who will be registered owners of the account: name, residence address, date of birth and Social Security number. This legislation, designed to help prevent the funding of terrorism and money laundering activities, requires mutual fund companies to verify your identity.

Making changes to your account

Updating your account is easy. Simply visit the website at americanfunds.com or call American Funds toll-free at 800/421-0180.

Please be aware that frequent transfers of money between funds — known as excessive trading — are discouraged. In fact, if you exchange or reallocate \$5,000 or more from one of the American Funds (except a money market fund), you must wait 30 days before you can exchange back into that same fund. Exchanges from money market funds to other funds may be subject to applicable sales charges.

Where to find the forms

■ SIMPLE IRA Application	page 5
■ Fund Information	page 10
■ Model Salary Deferral Agreement	page 11
■ Instructions to complete a SIMPLE IRA Request for Transfer of Assets	page 12
■ Request for Transfer of Assets	page 13
■ Transfer Election Form	page 17
■ Custodial Agreement	page 19
■ Disclosure Statement	page 23

Have questions?

To learn more about your SIMPLE IRA plan, please contact your employer or your financial adviser.

To be filled out by employer
Check one

- New plan** (must be accompanied by a copy of the employer's completed and signed *SIMPLE IRA Adoption Agreement*)
- Existing plan** (provide group account number for reference) _____

To be filled out by employee

1 Information about you

Important: This section must be completed, and the application must be signed in Section 8 before an account can be established. Please type or print clearly.

- -

SSN of IRA owner

- -

Date of birth of IRA owner (mm/dd/yyyy)

() Ext. _____

Daytime phone

_____ MI _____ Last _____ Country of citizenship _____

First name

MI

Last

Country of citizenship

_____ City _____ State _____ ZIP _____

 Residence address (physical address of owner required — **no P.O. boxes**)

City

State

ZIP

E-mail address*

_____ City _____ State _____ ZIP _____

Mailing address (if different from residence address)

City

State

ZIP

***Note:** Your privacy is important to us. We may use e-mail addresses for periodic account-related messages only. For information on our privacy policies, visit americanfunds.com.

2 Information about your employer

_____ () Ext. _____

Name of employer

Phone

_____ City _____ State _____ ZIP _____

Address of employer

City

State

ZIP

3 Financial adviser

This section must be filled out completely by a financial adviser.

We authorize American Funds Service Company (AFS) to act as our agent for this account and agree to notify AFS of purchases made under a Statement of Intention or Rights of Accumulation.

_____ Adviser ID number _____ Branch number _____

Name of adviser (exactly as it appears on firm's registration)

Adviser ID number

Branch number

_____ () Ext. _____

Adviser's branch address

Phone

_____ State _____ ZIP _____

City

State

ZIP

_____ **X** _____

Name of broker-dealer firm (as it appears on Selling Group Agreement)

Dealer's authorized signature

4 Investment instructions

For fund names, numbers, minimums and share class descriptions, see page 10. If you do not select a share class, this investment will be placed in Class A shares by default.

	Fund name	Fund number	Percentage [†] (whole percentages only)
<p>You must select ONE of the following share classes:</p> <p><input type="checkbox"/> Class A</p> <p><input type="checkbox"/> Class C*</p>	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____ %
	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____ %
	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____ %
	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____ %
	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____ %
	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____ %
	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____ %
	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____ %
	Total		_____ %

Please check one of the boxes below.

- Deduct the \$10 setup fee from the new account.
- I have included an additional \$10 for the setup fee in the form of a separate check made payable to “**Capital Bank and Trust Company.**” (Currency will not be accepted.)

Note 1: Contributions should NOT be submitted by your employer until after your account has been established.

Note 2: To make changes to your fund selections and/or percentage allocations in the future, please notify your employer.

*See page 10 for any share class restrictions.

†The percentage you elect must equal the minimum of \$25 per fund for payroll deduction plans.

5 Beneficiary designation

If the percentages do not add up to 100%, each beneficiary's share will be based proportionately on the stated percentages. When a percentage is not indicated, the beneficiaries' shares will be divided equally. If you wish to customize your designation and you need more space, attach a separate page.

I revoke all previous designations and direct that my American Funds account be distributed upon my death to the designated beneficiary(ies) below.

A. Automatic Beneficiary Designation Default: If you want the beneficiary designation default of the Custodial Agreement as explained in this paragraph, then proceed to Section 6; otherwise, complete **B** below. According to the terms of your Agreement, your default beneficiary will be your spouse. In the event you have no spouse, your beneficiary(ies) will be your children equally. If any child does not survive you, the deceased child's share will go to his or her children (your grandchildren) or if none, the surviving children equally. If no children or grandchildren survive you, your beneficiary will be your estate.

B. Alternate Beneficiary Designation: Provide your beneficiary information below **only if you do not want the default designation offered in the Custodial Agreement** and as described in **A** above. Your spouse may need to sign below.

If any designated Primary Beneficiary(ies) dies before I do, that beneficiary's share will be divided proportionately among the surviving Primary Beneficiaries.

Primary Beneficiary(ies):

First name (print)	MI	Last	
Relationship		<div style="display: flex; justify-content: space-between;"> □ □ - □ □ - □ □ □ □ _____ % </div>	Date of birth (mm/dd/yyyy)
First name (print)	MI	Last	
Relationship		<div style="display: flex; justify-content: space-between;"> □ □ - □ □ - □ □ □ □ _____ % </div>	Date of birth (mm/dd/yyyy)
			<u>100</u> %

Contingent Beneficiary(ies): *(Complete only if naming a Primary Beneficiary above.)*

If no Primary Beneficiary survives me, pay my benefits to the following Contingent Beneficiary(ies). If any designated Contingent Beneficiary(ies) dies before I do, that beneficiary's share will be divided proportionately among the surviving Contingent Beneficiaries.

First name (print)	MI	Last	
Relationship		<div style="display: flex; justify-content: space-between;"> □ □ - □ □ - □ □ □ □ _____ % </div>	Date of birth (mm/dd/yyyy)
First name (print)	MI	Last	
Relationship		<div style="display: flex; justify-content: space-between;"> □ □ - □ □ - □ □ □ □ _____ % </div>	Date of birth (mm/dd/yyyy)
			<u>100</u> %

Spousal Consent: If you are married and designate a Primary Beneficiary other than your spouse, please consult your adviser about possible state-law and tax-law implications of this beneficiary designation, including the need for spousal consent.

I am the spouse of the account owner named in Section 1, and I expressly consent to the Primary Beneficiary(ies) designated above or attached.

Name of spouse (print)		X Signature
------------------------	--	-----------------------

6 Automatic exchanges

For fund numbers, see page 10.

You can exchange from one fund to another within the same share class. See the Fund Information page or the fund prospectuses for any exchange restrictions.

From fund number	To fund number	Amount (\$50 min. per fund)	or	Annual percentage*
□ □ □	□ □ □	\$ _____	or	_____ %
□ □ □	□ □ □	\$ _____	or	_____ %
□ □ □	□ □ □	\$ _____	or	_____ %
□ □ □	□ □ □	\$ _____	or	_____ %
□ □ □	□ □ □	\$ _____	or	_____ %
□ □ □	□ □ □	\$ _____	or	_____ %
□ □ □	□ □ □	\$ _____	or	_____ %

*For annual percentage exchanges, the dollar amount of the automatic exchange is recalculated based on the percentage designated, the frequency of the transactions and the account value on each exchange date. For example, if you request a 12% annual exchange, transacted monthly, 1% will be exchanged each month. Due to market fluctuation and the amount of any previous withdrawals, the actual exchange amount will vary with each transaction.

If no date is provided below, the option will be established the date received and the transactions will begin that month.

A. Transactions should begin during the month of _____

B. Transactions should occur on the following date(s) of the month _____ (e.g., 8th, 19th, etc.)

C. Frequency of automatic transactions:

Every month
 Every other month
 Every 3 months
 Every 6 months
 Every year

7 Website and telephone options

To set up electronic account access, visit americanfunds.com/getstarted once you receive your account number in the mail.

Transactions you can perform online include:

- Buy, sell and exchange shares and establish automatic investment plans.
- View current and past account balances as well as dividend and capital gain information.
- Access fund information, such as daily prices, year-to-date returns, fund objectives, expenses and reports.
- Manage your account information.
- Opt to go paperless and access fund reports and statements online. (Include your e-mail address in Section 1 if you are interested in this option.) **Note:** Some account types, such as 401(k)s, are not eligible for e-delivery. If you have trouble signing up for e-delivery, ask your financial adviser to help you determine whether your account type is eligible.

Website and telephone exchange and redemption privileges will automatically be enabled on your account unless declined below.

Exchanges: I do not want the option of performing exchanges online or via phone.

Redemptions: I do not want the option of performing redemptions online or via phone.

8 Your signature

I hereby establish an American Funds SIMPLE IRA, appoint Capital Bank and Trust CompanySM (CB&T) as Custodian and acknowledge that I have received, read and agree to the *SIMPLE IRA Custodial Agreement*. I have also read the *SIMPLE IRA Disclosure Statement* at least seven (7) days before establishing this account and waive any right to revoke this account.

I have read and agree to the terms of the current prospectus(es) of the funds selected in the investment instructions section and consent to the \$10 setup fee and the annual custodial fee (currently \$10). I understand that any dividends and capital gains will be reinvested for all my fund selections.

I agree to the conditions of the telephone and website exchange/redemption authorization unless I checked the box(es) in Section 7 and agree to indemnify and hold harmless CB&T; any of its affiliates or mutual funds managed by such affiliates; and each of their respective directors, officers, employees and agents for any loss, expense or cost arising from such instructions once the telephone and website exchange and redemption privileges have been established.

I certify, under penalty of perjury, that my Social Security number in this application is correct. I authorize the registered representative assigned to my account to have access to my account and to act on my behalf with respect to my account. I designate the beneficiary(ies) specified in this application and certify that, if I am married and have not named my spouse as Primary Beneficiary, I have consulted my adviser about the need for spousal consent.

I understand that to comply with federal regulations, information provided on this application will be used to verify my identity. For example, my identity may be verified through the use of a database maintained by a third party. If CB&T is unable to verify my identity, I understand it may need to take action, possibly including closing my account and redeeming the shares at the current market price, and that such action may have tax consequences, including a tax penalty.

X

SIMPLE IRA owner's signature

 _____ / /
 Date (mm/dd/yyyy)

Indiana Service Center
Virginia Service Center

Please mail this form to the appropriate service center.

(If you live outside the U.S., mail the form to the Indiana Service Center.)



American Funds Service Company
 P.O. Box 6164
 Indianapolis, IN 46206-6164
Overnight mail address:
 8332 Woodfield Crossing Blvd.
 Indianapolis, IN 46240-2482



American Funds Service Company
 P.O. Box 2560
 Norfolk, VA 23501-2560
Overnight mail address:
 5300 Robin Hood Rd.
 Norfolk, VA 23513-2430

You should obtain a current prospectus from your financial adviser for each fund you select. To learn more about the funds, please visit our website at americanfunds.com. You may obtain additional information or exchange shares 24 hours a day by calling American FundsLine® at 800/325-3590 or by visiting our website.

Requests received after 4 p.m. Eastern time will be transacted at the next business day's closing price.

- Fund minimums:**
- **\$1,000 each for money market funds**
 - **\$250 each for all other funds**
 - **or \$25 each for payroll deduction plans**

Fund names	Fund numbers		
	Class A	Class B ¹	Class C
Growth funds			
AMCAP Fund®	02	202	302
EuroPacific Growth Fund®	16	216	316
The Growth Fund of America®	05	205	305
The New Economy Fund®	14	214	314
New Perspective Fund®	07	207	307
New World Fund®	36	236	336
SMALLCAP World Fund®	35	235	335
Growth-and-income funds			
American Mutual Fund®	03	203	303
Capital World Growth and Income Fund SM	33	233	333
Fundamental Investors SM	10	210	310
International Growth and Income Fund SM	34	234	334
The Investment Company of America®	04	204	304
Washington Mutual Investors Fund SM	01	201	301
Equity-income funds			
Capital Income Builder®	12	212	312
The Income Fund of America®	06	206	306
Balanced fund			
American Balanced Fund®	11	211	311

Fund names	Fund numbers		
	Class A	Class B ¹	Class C
Bond funds			
American High-Income Trust SM	21	221	321
The Bond Fund of America SM	08	208	308
Capital World Bond Fund®	31	231	331
Intermediate Bond Fund of America®	23	223	323 ¹
Short-Term Bond Fund of America SM	48	248	348 ¹
U.S. Government Securities Fund SM	22	222	322
Money market funds⁴			
American Funds Money Market Fund SM	59 ²	259	359 ¹
The Cash Management Trust of America®	09 ²	209	309 ¹
The U.S. Treasury Money Fund of America SM	49	N/A ³	N/A ³
Target date funds			
American Funds Target Date Retirement Series®			
American Funds 2010 Target Date	61	N/A ³	N/A ³
American Funds 2015 Target Date	62	N/A ³	N/A ³
American Funds 2020 Target Date	63	N/A ³	N/A ³
American Funds 2025 Target Date	64	N/A ³	N/A ³
American Funds 2030 Target Date	65	N/A ³	N/A ³
American Funds 2035 Target Date	66	N/A ³	N/A ³
American Funds 2040 Target Date	67	N/A ³	N/A ³
American Funds 2045 Target Date	68	N/A ³	N/A ³
American Funds 2050 Target Date	69	N/A ³	N/A ³

¹All Class B share funds and the noted Class C share funds are available for exchanges only. See the prospectus for details.

²For the identified funds, Class A shares may be exchanged into any other fund's Class C shares, with the exception of Intermediate Bond Fund of America and Short-Term Bond Fund of America.

³Class B and Class C shares are not available.

⁴Effective 5/1/09:

- The American Funds Money Market Fund will be available for investments.
- The Cash Management Trust of America and The U.S. Treasury Money Fund of America will be closed to new investors.

Class A shares have an initial sales charge of up to 5.75% (lower for bond funds and none for money market funds) that declines as the amount invested increases, as described in fund prospectuses.

Class C shares do not have an initial sales charge, but have expenses that are higher than A shares and a 1% contingent deferred sales charge on shares sold within one year. Class C shares are available for purchases of \$500,000 or less per individual transaction. Shareholders whose combined American Funds assets are \$1 million or more may not purchase Class C shares. For conversion rules, see the fund prospectuses.

For employer/employee use only

SIMPLE IRA Model Salary Deferral Agreement

Important

This Salary Deferral Agreement (SDA) must be returned to your employer. **Do not send this form to American Funds Service Company or Capital Bank and Trust Company.**

Payroll election

Please type or print clearly. Complete either **A** or **B**.

Agreement between:

Employee

Employer

- A. Following the date of this agreement and subject to the limits shown below, I elect to participate in the SIMPLE IRA Plan and authorize my employer to withhold the following from my wages each pay period:

Pre-tax deferrals of _____% **OR** \$ _____

This election is:

A new election to be effective _____ / _____ / _____
Date (mm/dd/yyyy)

(If you are opening a new account, attach a completed *SIMPLE IRA Application* to this SDA. Your employer will forward the application to American Funds Service Company on your behalf.)

OR

An amendment to a previous election to be effective _____ / _____ / _____
Date (mm/dd/yyyy)

NOTE: Please see the chart below for deferral and catch-up limits.

- B. I do not wish to participate in the SIMPLE IRA Plan at this time.

Signature

In executing this agreement, I understand the following:

My employer, on my behalf, will contribute to my SIMPLE IRA Plan the amount indicated above by which I have reduced my compensation under this agreement (my "elective deferral contributions").

My elective deferral contributions are not subject to federal (or state, if applicable) income tax until distributed from the Plan.

I may revoke this agreement at any time by providing my employer with advance notice of my revocation. The revocation will be effective as soon as administratively feasible after my employer receives the notice.

If I revoke this agreement, I acknowledge that, contingent upon the terms of the SIMPLE IRA Plan, I may be prohibited from submitting another SDA until the enrollment period immediately preceding the next plan year.

I understand that my elective deferral contributions are subject to gain or loss in accordance with my selected investments.

X _____
Signature of employee

_____/_____/_____
Date (mm/dd/yyyy)

X _____
Signature of employer

_____/_____/_____
Date (mm/dd/yyyy)

Year	Deferral limit	Catch-up limit*
2009	\$11,500	\$2,500

*You must be at least 50 years old to make a catch-up contribution.



Instructions to complete a SIMPLE IRA Request for Transfer of Assets

General guidelines and information

Check instructions: All checks should be made payable to “**Capital Bank and Trust Company, FBO [Your name]**” and sent to American Funds Service Company (AFS) at the appropriate regional office listed on the maps at the bottom of page 15.

Other assets: Any assets other than shares of the American Funds must be liquidated and sent via check. For example, employer stock, limited partnerships, etc., in the form of a certificate or in any other form cannot be registered in the name of Capital Bank and Trust Company.

Retirement plan assets in a CD or annuity: Be sure to indicate the maturity date of the CD or surrender date of the annuity on this form. American Funds needs this form approximately four (4) weeks prior to the maturity date. **Premature distributions of a CD may result in an early withdrawal penalty.**

Multiple accounts: Submit a separate transfer request form for each trustee or custodian, listing all accounts being transferred, as well as your most recent statement for each account.

New account instructions: If opening a new American Funds account, submit the appropriate account application and the transfer request to AFS. **The entity currently holding your money may require a signature guarantee.**

Additional paperwork requirements: Check with your current custodian, trustee, life insurance company or employer about their requirements for moving assets to a new custodian or about completing additional paperwork. Obtain, complete and submit any paperwork required by the entity currently holding your money, which may include a lost policy statement, distribution forms, passbook or insurance policy. They may require that the new account be established first. If so, forward the appropriate account application and this form to AFS, and once the account is established, Capital Bank and Trust Company (CB&T) will notify the appropriate entity and request the assets.

If you're 70½ or over: In many cases, you must receive your required distribution from your current plan before completing the transfer of assets to a new plan. Please check with your financial adviser or qualified tax consultant to ensure that any rules regarding 70½ distributions have been followed.

Insurance companies generally take 30 to 60 days to complete a transfer of SIMPLE IRA assets. Most other institutions generally take 20 to 30 days. If you do not receive a confirmation from us within 30 days after the request is initiated, please contact the institution transferring your account. Additionally, for all transfers of assets, you may wish to check with your financial adviser for options to expedite your request or to preserve your account value during times of market volatility.

NOTE: Please read the instructions on the prior page before completing this form.

1 Information about you

Please type or print clearly.

First name _____ MI _____ Last _____ Existing American Funds account number (if applicable) _____
 Address _____ City _____ State _____ ZIP _____

2 Financial adviser information

Name of adviser _____ Adviser ID number _____ Phone (____) _____ Ext. _____

3 Source of assets instructions

Complete each item in this section to avoid any unnecessary delays. A separate transfer form listing all accounts being transferred is required for each trustee or custodian.

A. Provide current custodian, trustee or insurance company information. CB&T will mail the request for information via first class mail to the address below:

Custodian, trustee or insurance company _____ Attn: _____ Account or policy number _____
 Address _____ City _____ State _____ ZIP _____

Additional SIMPLE IRAs from the same provider _____

B. Identify the type of investment where the assets are coming from:

- Mutual fund (If your investments are coming from mutual funds, please provide the appropriate information requested in 1 or 2 below.)
 Annuity* CD* Other — **Any assets other than shares of the American Funds must be liquidated and sent via check. For example, employer stock, limited partnerships, etc., in the form of a certificate or in any other form cannot be registered in the name of CB&T.**
 Shares from American Funds account number _____ Be sure to identify the fund names on page 14.

NOTE: This SIMPLE IRA can only accept a transfer from another SIMPLE IRA.

Date of your first participation ____/____/____
(mm/dd/yyyy)

1. My assets are being held in the following mutual funds outside of the American Funds. **Provide the fund name, share class, fund code and either a dollar amount or percentage being moved.** Please attach your most recent statement from each account being moved. This statement copy will help expedite the processing of your request.

Fund name (include share class)	Fund code	Amount	Percentage
_____	_____	\$ _____ or _____%	
_____	_____	\$ _____ or _____%	
_____	_____	\$ _____ or _____%	
_____	_____	\$ _____ or _____%	

*Premature distributions of a CD or annuity may result in an early withdrawal penalty. If moving money from a CD, please send us this form four weeks before the CD matures so we can promptly process the transaction.

3 Source of assets instructions (continued)

2. **Transfer** my shares of the American Funds* specified below. If transferring shares of the American Funds, provide CB&T transfer instructions signed by an authorized officer of the custodian holding your account.

Fund name (include share class)	Amount	or	Percentage
_____	\$ _____	or	_____ %
_____	\$ _____	or	_____ %
_____	\$ _____	or	_____ %
_____	\$ _____	or	_____ %
_____	\$ _____	or	_____ %

*A sales charge may apply. See your funds' prospectuses for more information.

C. If the maturity date is NOT provided below, the transfer is effective immediately.

- -
Maturity date of CD or surrender date of annuity (mm/dd/yyyy)

Note: Premature distributions of a CD or annuity may result in an early withdrawal penalty. If moving money from a CD, please send us this form four weeks before the CD matures so we can promptly process the transaction.

D. Instructions — For assets other than the American Funds

Liquidate/Surrender — If boxes below are left blank, "All" will be the default response.

All (approximate value \$ _____) **OR** **Part** (\$ _____)

4 Investment instructions

To avoid delays, investment allocation instructions must be provided below. For fund names, fund numbers and share class descriptions, see page 10 of the application. Fund minimums: • \$1,000 each for money market funds • \$250 each for all other funds • or \$25 each for payroll deduction plans

- I am opening a new account and have attached a SIMPLE IRA Application.
 Deposit proceeds into my existing American Funds SIMPLE IRA, account number _____

Fund name	Fund number	Amount	or	Percentage
_____	<input type="text"/> <input type="text"/> <input type="text"/>	\$ _____	or	_____ %
_____	<input type="text"/> <input type="text"/> <input type="text"/>	\$ _____	or	_____ %
_____	<input type="text"/> <input type="text"/> <input type="text"/>	\$ _____	or	_____ %
_____	<input type="text"/> <input type="text"/> <input type="text"/>	\$ _____	or	_____ %
_____	<input type="text"/> <input type="text"/> <input type="text"/>	\$ _____	or	_____ %
_____	<input type="text"/> <input type="text"/> <input type="text"/>	\$ _____	or	_____ %
_____	<input type="text"/> <input type="text"/> <input type="text"/>	\$ _____	or	_____ %
Total transfer		\$ _____	or	_____ %

5 Authorization for transfer

Please have signature guaranteed if required by the current trustee/custodian.

To current trustee or custodian:

I have established a SIMPLE IRA with CB&T. Please liquidate and disburse my account as indicated in Section 3.

	X	/ /
Name (please print)	Signature	Date (mm/dd/yyyy)

If required by the current custodian, trustee or insurance company, signatures must be guaranteed by a bank, savings association, credit union or member firm of a domestic stock exchange or the Financial Industry Regulatory Authority, that is an eligible guarantor institution. **A notary public is NOT an acceptable guarantor.** The guarantee must be in the form of a stamp or a typewritten or handwritten guarantee that is accompanied by a raised corporate seal.

GUARANTOR:
Stamp signature guarantee here.

DO NOT WRITE BELOW THIS LINE. CB&T WILL COMPLETE THIS SECTION.

To the current trustee or custodian

Instructions for delivery to an American Funds SIMPLE IRA account



Capital Bank and Trust Company has agreed to serve as Custodian for the above person's SIMPLE IRA and will accept the transfer described above. Please liquidate, and transfer on a custodian-to-custodian basis, all or part of the designated account as instructed in Section 3 and **send the check — payable to "Capital Bank and Trust Company" — with a copy of this request to American Funds Service Company. (See below for addresses.)**

Please include the following information on the check:

TOA ID number	FBO
---------------	-----

Any shares held in the American Funds are to be transferred in kind to the name of Capital Bank and Trust Company.

Accepted by X	/ /
Signature of authorized CB&T signer	Date (mm/dd/yyyy)

Indiana Service Center	Virginia Service Center
<p>Please mail this form to the appropriate service center. <i>(If you live outside the U.S., mail the form to the Indiana Service Center.)</i></p>  <p>American Funds Service Company P.O. Box 6164 Indianapolis, IN 46206-6164</p> <p>Overnight mail address: 8332 Woodfield Crossing Blvd. Indianapolis, IN 46240-2482</p>	 <p>American Funds Service Company P.O. Box 2560 Norfolk, VA 23501-2560</p> <p>Overnight mail address: 5300 Robin Hood Rd. Norfolk, VA 23513-2430</p>

If you have questions or require more information, please contact your financial adviser or call American Funds Service Company at 800/421-0180.

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For use when Capital Bank and Trust Company (CB&T) is the designated financial institution of your company's SIMPLE IRA plan. This form should be used to systematically transfer contributions (both employee deferrals and employer contributions) from your SIMPLE IRA to another financial institution without cost or penalty. To take advantage of this option, Class A shares of the American Funds Money Market Fund must be your only investment. For more details, please refer to your *SIMPLE IRA Custodial Agreement* (Section 7, paragraph (e)) and the *SIMPLE IRA Disclosure Statement* (Section 1, subsection 4) included in this brochure.

1 Information about you

Please type or print clearly.

 - -

Date of birth of IRA owner (mm/dd/yyyy)

 () Ext.

Daytime phone

First name MI Last Country of citizenship

Residence address (physical address of owner required — **no P.O. boxes**) City State ZIP -

Mailing address (if different from residence address) City State ZIP -

American Funds SIMPLE IRA number -09

2 Information about your employer

Name of employer Group account number (if known) () Ext.

Address of employer City State ZIP -

3 Transfer information

A. Transfer instructions:

Transfer \$ or % from my American Funds SIMPLE IRA to the financial institution and SIMPLE IRA listed below.

B. Frequency: (applies only to ongoing transfers) Monthly Quarterly **OR** Annually **beginning on** / /
Date (mm/dd/yyyy)

Note: If a frequency is not specified, the default will be "Annually."

C. Receiving financial institution:

Name of trustee/custodian () Ext.

Address City State ZIP -

SIMPLE IRA account number

continued on next page

4 Authorization for transfer

I authorize CB&T to complete the above transfer, and I understand that to effect a transfer at no cost or penalty, all contributions to be transferred that are initially received by CB&T must be invested only in Class A shares of the American Funds Money Market Fund, as all other funds may be subject to a sales charge that is not refundable.



X

Signature

Date / /
(mm/dd/yyyy)

Signatures must be guaranteed by a bank, savings association, credit union or member firm of a domestic stock exchange or the Financial Industry Regulatory Authority, that is an eligible guarantor institution. **A notary public is NOT an acceptable guarantor.** The guarantee must be in the form of a stamp or a typewritten or handwritten guarantee that is accompanied by a raised corporate seal.

GUARANTOR:
Stamp signature guarantee here.

	Indiana Service Center	Virginia Service Center
<p>Please mail this form to the appropriate service center. <i>(If you live outside the U.S., mail the form to the Indiana Service Center.)</i></p>	 <p>American Funds Service Company P.O. Box 6164 Indianapolis, IN 46206-6164 Overnight mail address: 8332 Woodfield Crossing Blvd. Indianapolis, IN 46240-2482</p>	 <p>American Funds Service Company P.O. Box 2560 Norfolk, VA 23501-2560 Overnight mail address: 5300 Robin Hood Rd. Norfolk, VA 23513-2430</p>

If you have questions or require more information, please contact your financial adviser or call American Funds Service Company at 800/421-0180.

Section 1 — Definitions

As used in this Custodial Agreement (“Agreement”) and the related Application, the following terms shall have the meaning set forth below unless a different meaning is plainly required by the context:

- (a) **“Account”** means the SIMPLE IRA established under this Agreement. “SIMPLE IRA” means the Account established in accordance with Code §408(p), which is designated as a SIMPLE IRA upon establishment and which shall at all times be nonforfeitable.
- (b) **“Application”** means the accompanying instrument executed by or on behalf of the Participant (or in the case of a minor, by the parent or legal guardian of the Participant) under which the Participant establishes the Account as a SIMPLE IRA.
- (c) **“Beneficiary”** or **“Beneficiaries,”** unless preceded by the words “Primary,” “Contingent,” “Designated,” “Original” or “Subsequent,” means the person or entity (including a trust or estate) designated on the form described in Section 8(a), or otherwise entitled to receive the Account after the death of the Participant. “Primary Beneficiary” means the beneficiary designated by the Participant to receive the Account after the death of the Participant. “Contingent Beneficiary” means the beneficiary designated by the Participant to receive the Account after the death of the Participant provided that no Primary Beneficiary survives the Participant. “Designated Beneficiary” means the person whose life expectancy is used for the measuring period for required minimum distributions under Section 8 of this Agreement. “Original Beneficiary” and “Subsequent Beneficiary” are defined in Section 8(m) of this Agreement.
- (d) **“Child”** or **“Children”** means the descendants in any degree of the designated person and include legally adopted children who are adopted during their minority only and descendants of such legally adopted children.
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended.
- (f) **“Compensation”** shall have the meaning as defined under the provision of the SIMPLE IRA Plan as established by the employer.
- (g) **“Custodian”** means Capital Bank and Trust Company or any successor thereto.
- (h) **“Disabled”** means disabled as defined in Code §72(m)(7).
- (i) **“Fund”** means shares of one or more of the investment companies for which the Custodian or an affiliate serves as investment adviser.
- (j) **“Issue”** of a person means all of his or her lineal descendants of all generations.
- (k) **“Participant”** means any employee of an employer who has met the eligibility requirements for participation in the plan and who establishes a SIMPLE IRA under this Agreement.
- (l) **“Required Beginning Date”** means April 1 following the calendar year in which the Participant reaches age 70½.
- (m) **“Rollover Contribution”** means an amount contributed to the Account that is derived from all or any portion of a distribution from another SIMPLE individual retirement account established under Code §408(p).

Such Rollover Contributions must be paid into the Account not later than the 60th day following the receipt of such distribution by the Participant. If property other than money is distributed from a plan, the Rollover Contribution may consist of the property distributed, subject to the consent of the Custodian. Alternatively, the property may be sold and its proceeds rolled over. At no time within the 12-month period ending on the date that a distribution is received from another SIMPLE individual retirement account established under

Code §408(p) may the Participant roll over a distribution from the same account.

- (n) **“Taxable Year”** is the Participant’s tax year for federal income tax purposes.

Section 2 — Establishment of Account

By executing the Application, the Participant thereby establishes the Account, which shall hold all assets deposited with the Custodian, for the exclusive benefit of the Participant and the Participant’s Beneficiaries.

A parent or legal guardian may execute the Application on behalf of a Participant who is a minor. In the event a SIMPLE IRA is established for a minor, the parent or legal guardian is authorized, on behalf of such minor, to take whatever actions are afforded the Participant of the SIMPLE IRA under the terms of this Agreement. The parent or legal guardian, by establishing an Account on behalf of a minor, agrees to indemnify and hold harmless the Custodian and its affiliates from any losses including court costs and reasonable attorney fees incurred by the Custodian or its affiliates as a result of establishing the Account in the name of the minor.

Section 3 — Contributions and Transfers

- (a) **Maximum Permissible Amount.** This SIMPLE IRA will accept only cash contributions made by an employer on behalf of the Participant under a SIMPLE IRA Plan that meets the requirements under Code §408(p) and any rollover contribution or a transfer of assets from another SIMPLE IRA the Participant may have. **No other contributions will be accepted.**
- (b) **Transfer.** Prior to the expiration of the two-year period beginning on the date the Participant first participated in any SIMPLE IRA Plan maintained by the Participant’s employer, the Participant may transfer all or any portion in his or her Account into a SIMPLE IRA. After the expiration of this two-year period, the Participant may transfer or roll over funds to any IRA of the Participant that is qualified under Code §408(a), (b), (p), 408(A), or to another eligible retirement plan described in Code §402(c)(8)(B).
A rollover or trustee-to-trustee transfer from this SIMPLE IRA into another IRA or annuity before two years of participation will not be considered a valid rollover or tax-free transfer, but a distribution from this SIMPLE IRA and a contribution to the other IRA or annuity that does not qualify as a rollover contribution.
- (c) **Rollover and Transfer Contributions in Cash or Shares.** Rollover and Transfer Contributions must be received by the Custodian in the form of cash, Fund shares or any combination thereof. The Custodian may require that each Rollover and Transfer Contribution be accompanied by a properly completed transmittal form provided by the Custodian.

Section 4 — Investment of Account

- (a) **Investment Instructions.** Pursuant to the Participant’s written instructions, or the written instructions of the employer on behalf of the Participant under a SIMPLE IRA Plan, each cash contribution to the Account shall be applied to the purchase of shares of the Fund or Funds designated by the Participant or the Employer on behalf of the Employee at the applicable offering price in accordance with the terms of such Fund’s prospectus or any other investment permitted under Code §408 or 408A, that is acceptable to the Custodian. If a Fund is designated but there is no share class indicated, the default will be A shares. The Participant, or if the Participant is deceased, the Beneficiary, may from time to time change the designation of the investments of Account assets hereunder and may instruct the Custodian to exercise the exchange privilege set forth in the Fund’s prospectus.

SIMPLE IRA Custodial Agreement

- (b) **Reinvestment of Dividends and Capital Gain Distributions.** All dividends and capital gain distributions shall be reinvested. Once the Participant has reached age 59½, the Participant may request that dividends and capital gain distributions be distributed from the Account.
- (c) **Life Insurance Contracts.** No part of an Account shall be invested in life insurance contracts.
- (d) **Account Assets.** The assets of the Account will not be commingled with other Custodian property and the purchase of Fund shares shall not be considered commingling.

Section 5 — The Custodian

- (a) **Share Accumulation Accounts and Systematic Withdrawals.** The Custodian, or its designated agent (“Agent”), is authorized to establish share accumulation accounts and systematic withdrawal plans (as described in the prospectus of the Fund, and as customarily entered into with other shareholders of the Fund) for the purpose of receiving and investing the contributions made hereunder and reinvesting income dividends and capital gain distributions. The Custodian is not liable for any act or failure to act of such Agent.
- (b) **Safekeeping of Assets.** The Custodian is authorized to deposit certificates for shares with itself or the Agent for the purpose of safekeeping or otherwise or to permit shares to be credited to the Custodian. The Custodian shall not be obligated to secure certificates for such shares and in its discretion may permit such certificates to remain unissued. Fund shares and other assets acquired by the Custodian shall be owned by and registered in the name of the Custodian or its registered nominee.
- (c) **Authority to Sell.** The Custodian is authorized to sell or redeem shares at the direction of the Participant, the Beneficiary or the legal representative of the Participant or Beneficiary.
- (d) **Statements of Account.** Periodically the Custodian shall furnish to the Participant, or the Beneficiary of a deceased Participant, a statement of the Account, showing amounts invested or redeemed and the number and price of such shares. The Custodian shall furnish an annual calendar-year statement to the Participant or Beneficiary setting forth receipts, investments, disbursements, and other transactions. Upon expiration of 45 days after forwarding such statement, the Custodian shall be forever released and discharged from all liability and accountability to anyone with respect to its acts, transactions, duties, obligations, or responsibilities as shown in or reflected by such statement, except with respect to any such acts or transactions as to which the Participant or Beneficiary shall have filed written objections with the Custodian within such 45-day period.
- (e) **Notices and Proxies.** The Custodian shall furnish to the Participant, either directly or indirectly, notices, prospectuses, financial statements, proxies, and proxy-soliciting materials relating to all assets credited to the Account. Any notification to the Participant provided for under this Agreement shall be effective if sent by first class mail to the Participant’s last address of record. The Custodian shall vote any shares held in the Account in accordance with the timely written instructions of the Participant. If the Custodian receives no such written instructions from the Participant, the Custodian may vote the shares of each fund held in the Account in the same proportion as the votes of the other shareholders of the fund(s) held in the Account.
- (f) **Government Reports.** The Custodian shall file such reports relating to the Account with the appropriate government agency as the Custodian is required to file by law. The Participant shall furnish to the Custodian the information necessary to complete such reports.

- (g) **No Liability for Investments.** The Custodian shall not be liable to the Participant or Beneficiaries for any depreciation or similar loss of assets or for the failure of the Account to produce any or larger net earnings. The Custodian shall not be liable for any act or failure to act of itself, its agents, employees or attorneys, so long as it exercises good faith, is not guilty of negligence or willful misconduct, and has selected such agents, employees and attorneys with reasonable diligence.

The Custodian shall have no responsibility for the determination or verification of the offering or redemption prices or net asset values of Fund shares, and shall be entitled to rely for such prices and net asset values upon statements issued by or on behalf of the Fund.

The Custodian shall have no duty to inquire into the investment practices of the Fund; the Fund shall have the exclusive right to control the investment of its assets in accordance with its stated policies; and the investments shall not be restricted to securities of the character now or hereafter authorized for trustees by law or rules of court. The Custodian shall not be liable or responsible for any omissions, mistakes, acts or failures to act of the Fund, or their successors, assigns or agents.

- (h) **No Liability for Contributions and Distributions.**

The Custodian shall not be responsible in any way for the purpose or propriety of any distribution made pursuant to instructions satisfactory to the Custodian, the collection of contributions provided for hereunder, or any action or nonaction taken pursuant to the request of the Participant, Beneficiary or legal representative of the Participant. The Custodian shall have no duty to determine whether contributions satisfy the applicable limits referenced in Section 3 of this Agreement.

The Custodian shall have no obligation to determine the amount of any excess contribution and the net income attributable thereto. If the Participant has authorized telephone exchanges under the Application or other form provided by the Custodian, the Custodian may make investment exchanges for this Account or any other account with the same registration in accordance with the instructions received from any person by telephone, telecopier or other electronic means and shall have no obligation to question any instructions so received or liability for the transactions it performs pursuant to such instructions.

The Custodian will provide to the Participant information concerning required minimum distributions as prescribed by the Commissioner of Internal Revenue.

Section 6 — Fees and Expenses

The Custodian shall receive fees for its services hereunder in such amount as it shall establish from time to time, including, but not limited to, services rendered for the processing of distribution requests and Beneficiary claims. In addition, the Custodian shall receive reasonable fees for any unusual or special services rendered. The compensation of the Custodian, any transfer taxes incurred in connection with the investment and reinvestment of the assets of the Account, and all administrative expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, shall either be reduced from contributions and charged to the Account, or shall be paid by redeeming or surrendering the necessary assets credited to the Account, unless otherwise paid by the Participant, but until paid shall constitute a lien upon the assets of the Account.

Section 7 — Withdrawal of Account Assets

- (a) **Taxation of Withdrawals From SIMPLE IRAs**

The same tax results apply to distributions from a SIMPLE IRA as to an IRA described in Code

§408(a) or (b). Any withdrawals made from the Participant's Account are includable in the Participant's gross income.

- (b) **Premature Distribution Penalties.** A special rule applies to a payment or distribution received from a SIMPLE IRA during the two-year period beginning on the date on which the Participant first participated in any SIMPLE IRA Plan maintained by the Participant's employer. Under this special rule, the additional tax on early distributions under Code §72(t) provides that the rate of additional tax is increased from 10% to 25%. If one of the exceptions, listed below, to the application of tax under Code §72(t) applies, the exception also applies to distributions made within the two-year period and the 25% additional tax does not apply.
- (c) **Exceptions to Premature Distribution Penalties.** A distribution of all or part of the Account may be made to the Participant upon the Participant's request; however, tax penalties apply to amounts included in income that are treated as premature distributions, other than:
- payments that are part of a series of substantially equal periodic payments that may be based on, but not limited to, the following three methods: life expectancy, amortization (using a rate between 80% and 120% of the long-term applicable federal rate) or annuitization (using an acceptable mortality table including but not limited to UP'84, '83 IAM or Annuity 2000);
 - the return of excess contributions;
 - payments for certain catastrophic medical expenses;
 - payments made after an extended period of unemployment to cover health insurance premiums;
 - payments made to a Participant who has reached age 59½ or is Disabled;
 - payments made on account of the death of the Participant;
 - payments for expenses associated with a first-time home purchase in accordance with subparagraph (F) of Code §72(t)(2);
 - payments for post-secondary education costs of the immediate family members and grandchildren of the Participant; or
 - a levy under Code §6331.

If the Participant should become Disabled, the Account may be distributed to the Participant commencing as of the date of determination of such disability.

- (d) **Excess Contributions to Account.** If the employer contributes on behalf of the Participant more than allowed with respect to a Taxable Year, the Participant must notify the Custodian to return to the Participant the excess contribution, together with any investment earnings on that amount, or to apply the excess contribution as a contribution for the Participant's next succeeding Taxable Year. The Participant must notify the Custodian in writing prior to the date on which the Participant files, or is required to file, the Participant's income tax return for the Taxable Year for which the excess contribution was made.
- (e) **Transfer of Contributions Without Cost or Penalty.** If the Custodian is the designated financial institution of the employer's SIMPLE IRA Plan, a Participant may transfer his or her contributions to another custodian or trustee without cost or penalty by notifying the Custodian when the Participant initially establishes his or her SIMPLE IRA account, or at any other time, on a form acceptable to the Custodian. Such transfer will be without cost or penalty if the contributions have been at all times invested in the class A shares of the American Funds Money Market Fund ("AFMMF") or such other class of shares or fund as the Custodian may

designate. If the Custodian is not the designated financial institution of the employer's SIMPLE IRA Plan, a Participant's transfer may result in the imposition of the charges described in the prospectus of the Fund.

Section 8 — Distributions to Participant and Participant's Designated Beneficiaries

- (a) **Beneficiary Designations**

- (i) **Participant's Right to Designate or Change Beneficiary.** The Participant shall have the right to designate or change a Beneficiary to receive any benefit from the Account to which such Participant may be entitled in the event of the Participant's death prior to complete distribution of the Account. If no such designation is in effect at the time of the Participant's death, the Participant's Beneficiary shall be the Participant's spouse or, if none, the Participant's children, equally. If any child does not survive the Participant, then the deceased child's share will be distributed to his or her children (the Participant's grandchildren), equally or, if none, the surviving children equally. If none of the foregoing survives the Participant, the Beneficiary will be the Participant's estate.
- (ii) **Required Form of Beneficiary Designation.** The Participant may designate or change a Beneficiary only by signed written notice to, and in a form acceptable to, the Custodian, but the Custodian shall have no responsibility to determine the validity of such beneficiary designation. The designation or change will take effect as of the date the written notice was executed, provided that the designation or change is delivered to the Custodian prior to the Participant's death. The beneficiary designation form shall be used solely for the purpose of designating a Beneficiary or Beneficiaries.
- (iii) **Good Faith Payment by Custodian.** The Custodian shall be relieved of any liability for making any payment in good faith to any person or entity that claims to be a Beneficiary. The Custodian shall be entitled to rely without liability on written notice from the Participant's personal representative or any Beneficiary as to the identity of the Beneficiaries of the Participant at the time of the Participant's death.

- (b) **Distributions Before Required Beginning Date.** Before the Required Beginning Date, but only in a form acceptable to the Custodian, the Participant may elect to have the balance in the Account distributed in one of the following forms:
- a single sum payment;
 - payments over the life of the Participant;
 - payments over the lives of the Participant and his or her Beneficiary; or
 - payments over a specified period.

- (c) **Required Distributions During Participant's Lifetime**

- (i) **Timing of Distributions.** The first payment of a required distribution is not due until the Participant's Required Beginning Date. If the Participant takes the first required distribution in the year of his or her Required Beginning Date, another distribution is required by December 31 of the year containing the Required Beginning Date. In this event, the Participant may receive two required distributions in the first year distributions begin. If the Participant takes the first required distribution in the year in which he or she reaches 70½, the Participant need only take one distribution in the year in which his or her Required Beginning Date occurs. For each

succeeding year, a distribution must be made on or before December 31. Distributions under this section are considered to have begun if the distributions are made on account of the Participant reaching his or her Required Beginning Date. If the Participant dies prior to the Required Beginning Date, distributions will not be considered to have begun even if the Participant receives distributions before the Participant's death.

(ii) **Method of Calculating Lifetime Minimum Distributions.**

The minimum amount to be distributed each year (commencing with the Required Beginning Date and each year thereafter, up to and including the year of the Participant's death) shall not be less than (and may be more if requested in writing by the Participant) an amount equal to the quotient obtained by dividing the prior year-end value (including the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of §1.408-8 of the Federal Income Tax Regulations) by the applicable factor (using the Participant's age as of his or her birthday in the year) in the Uniform Lifetime Table in Q&A-2 of §1.401(a)(9)-9 of the Federal Income Tax Regulations. However, if the Participant's sole Designated Beneficiary is the Participant's spouse and the spouse is more than 10 years younger than the Participant, then the distribution period is determined under the Joint Life and Last Survivor Expectancy Table in Q&A-3 of §1.401(a)(9)-9 of the Federal Income Tax Regulations, using ages of the Participant's and spouse's birthday in the year.

(d) **Required Distributions After Owner's Death**

(i) **Minimum Distributions to Beneficiaries if Participant Dies Before the Required Beginning Date.**

Upon the death of the Participant before his or her Required Beginning Date, the Beneficiary or Beneficiaries may elect to receive minimum distributions from the Account as follows:

- a. *Nonspouse Beneficiary Is Designated Beneficiary; or Spouse Beneficiary Is Not Sole Designated Beneficiary* — If the Designated Beneficiary is not the spouse of the Participant, or if the spouse of the Participant is a Beneficiary but not the sole Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the life expectancy of the Designated Beneficiary commencing no later than December 31 of the year following the year of the Participant's death.
- b. *Spouse Beneficiary Is Sole Designated Beneficiary* — If the sole Designated Beneficiary is the spouse of the Participant, then such spouse may elect:
 1. To receive minimum distributions over the spouse's life expectancy commencing no later than December 31 of the year following the year of the Participant's death, or December 31 of the year in which the Participant would have reached age 70½. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed to the spouse's Beneficiary or Beneficiaries in accordance with subparagraph a. of this Section 8d(i), as if the spouse were the Participant. If the surviving spouse dies after distributions are required to begin, any remaining interest in the Account will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or

her birthday in the year of the spouse's death;

2. To receive minimum distributions in accordance with subparagraph c. of this Section 8d(i); or
3. To treat the Account as his or her own. This election is deemed to be made if such spouse makes a contribution to the Account or fails to take required minimum distributions as the Beneficiary in any year following the year of the Participant's death.

- c. *No Designated Beneficiary* — If the Participant does not have a Designated Beneficiary, the entire interest will be distributed by December 31 of the year containing the fifth anniversary of the Participant's death (or surviving spouse's death if the surviving spouse dies before distributions are required to begin).

(ii) **Minimum Distributions to Beneficiaries if Participant Dies on or After the Required Beginning Date.** If the Participant dies on or after the Required Beginning Date, the Beneficiary or Beneficiaries may elect to receive minimum distributions from the Account as follows:

- a. *Nonspouse Beneficiary Is Designated Beneficiary; or Spouse Beneficiary Is Not Sole Designated Beneficiary* — If the Designated Beneficiary is not the spouse of the Participant, or if the spouse of the Participant is a Beneficiary, but not the sole Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the longer of the life expectancy of the Designated Beneficiary or the remaining life expectancy of the Participant, commencing no later than December 31 of the year following the year of the Participant's death.
- b. *Spouse Beneficiary Is Sole Designated Beneficiary* — If the sole Designated Beneficiary is the spouse of the Participant, then such spouse may elect:
 1. To receive minimum distributions over the spouse's life expectancy or over the remaining life expectancy of the Participant, if such period is longer, commencing no later than December 31 of the year following the year of the Participant's death. Any remaining interest after the spouse's death will be distributed over such spouse's remaining life expectancy, or over the remaining life expectancy of the Participant if such period is longer.
 2. To treat the Account as his or her own. This election is deemed to be made if such surviving spouse makes a contribution to the Account or fails to take required minimum distributions as the Beneficiary in any year following the year of the Participant's death.
- c. *No Designated Beneficiary* — If the Participant does not have a Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the remaining life expectancy of the Participant.

(iii) **Determination of Life Expectancy and Calculation of Minimum Distributions After the Participant's Death** — The minimum amount required to be distributed each year under Sections (i) and (ii) above is the quotient obtained by dividing the value of the Account as of the end of the preceding year by the applicable factor. The applicable life

expectancy factor for the surviving spouse who is the sole Designated Beneficiary is the Single Life Expectancy Table factor in Q&A-1 of §1.401(a)(9)-9 of the Federal Income Tax Regulations for the spouse's age each year. The applicable factor in all other cases is the Single Life Expectancy Table factor in Q&A-1 of §1.401(a)(9)-9 of the Federal Income Tax Regulations corresponding to the Beneficiary's age (or Participant's age, if applicable) as of his or her birthday in the year distributions begin reduced by one in each succeeding year. The value of the Account includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of §1.408-8 of the Federal Income Tax Regulations.

- (e) **Requesting Distributions.** Except as provided in Section 5(h) above, the Custodian has no duty to advise the Participant or Beneficiary of the taxability of distributions. Moreover, the Custodian has no duty to commence distributions to the Participant or Beneficiary until receipt of written instructions, in a form acceptable to the Custodian, from the Participant or Beneficiary, as the case may be. The Custodian shall give no force and effect to any election made by the Participant or Beneficiary as to the distribution options allowable to the Participant or Beneficiary(ies), unless such election is made in a form acceptable to the Custodian.

- (f) **Satisfying Minimum Distributions From Two or More IRAs.** An individual may satisfy the minimum distribution requirements under §§408(a)(6) and 408(b)(3) of the Code by receiving a distribution from one IRA that is equal to the amount required to satisfy the minimum distribution requirements for two or more IRAs. For this purpose, the Participant or Beneficiary of two or more IRAs may use the "alternative method" described in Notice 88-38, 1988-1 C.B. 524 (as modified by §1.408-8, A-9 of the Federal Income Tax Regulations) to satisfy the minimum distribution requirements described above. If the Participant or Beneficiary does not provide the Custodian with timely notice that required distributions will be satisfied from this Account, then the Participant automatically will be deemed to have elected to satisfy the minimum distribution requirements from some other IRA.

- (g) **Treatment of Trust Beneficiaries as "Designated Beneficiaries."** If a trust is named as a Beneficiary of this Account, the beneficiaries of the trust with respect to the trust's interests in this Account will be treated as being "Designated Beneficiaries" (as that term is defined in the Code and corresponding Treasury Regulations) of the Participant solely for purposes of determining the distribution period under §401(a)(9) of the Code; provided, however, such treatment as "Designated Beneficiaries" may occur only if, during any period during which required minimum distributions are being determined by treating beneficiaries of the trust as Designated Beneficiaries of the Participant, the following requirements are met:

- (i) the trust is a valid trust under state law, or would be but for the fact that there is no corpus;
- (ii) the trust is irrevocable or will, by its terms, become irrevocable upon the death of the IRA Participant;
- (iii) the beneficiaries of the trust who are beneficiaries with respect to the trust's interests in this Account are identifiable from the trust instrument; and
- (iv) the Custodian receives the documentation described in Q&A-6 of Treasury Regulations §1.401(a)(9)-4.

If the foregoing requirements have been satisfied, and the Custodian receives such additional information as it may request, the Custodian of

this Account may treat such trust beneficiaries as “Designated Beneficiaries.”

(h) **Separate Accounts.** The Custodian will recognize the timely creation of separate accounts by the Participant, Beneficiary or Beneficiaries (or a representative of the Beneficiary or Beneficiaries, including the trustee of a trust) to the extent permitted by law or applicable Treasury regulations. If the Participant designates multiple individuals or a trust with multiple beneficiaries as the Participant’s Beneficiary, then the age of the oldest individual or trust beneficiary shall be used for purposes of calculating required minimum distributions hereunder unless separate accounts are timely established as aforesaid. To create separate accounts during the lifetime of the Participant, a separate Application must be completed for each Account, delivered and accepted by the Custodian. To create separate Accounts after the death of the Participant, the Custodian must be notified by the Beneficiary or at least one of the Beneficiaries (or a representative of the Beneficiary or Beneficiaries, including the trustee of a trust, or the personal representative of an estate) in a form and manner acceptable to the Custodian.

(i) **Trust Beneficiary Qualifying for Marital Deduction.** If a Beneficiary is a trust (other than an estate marital trust) that is intended to qualify for the federal estate tax marital deduction under §2056 of the Code (“Marital Trust”), then:

- (i) in no event shall the annual amount distributed from the Account to the Marital Trust be less than the minimum distribution required under §401(a)(9) of the Code;
- (ii) the trustee of the Marital Trust shall be responsible for calculating the amount to be distributed under clause (i) above and shall instruct the Custodian of the Account in writing to distribute the amount so calculated;
- (iii) the trustee of the Marital Trust may from time to time notify the Custodian of the Account in writing to accelerate payment of all or any part of the portion of such Account that remains to be distributed, and may also notify the Custodian to change the frequency of distributions (but not less often than annually); and
- (iv) the trustee of the Marital Trust shall be responsible for characterizing the amounts so distributed from the Account as fiduciary accounting income or principal under the applicable state law.

(j) **Disclaimer.** The Custodian of the Account may accept a Beneficiary’s disclaimer with respect to all or a portion of an interest in the Account provided that the disclaimant has not previously accepted any interest in the property to be disclaimed and the disclaimer:

- (i) is in a form acceptable to the Custodian;
- (ii) identifies the Participant of the Account;
- (iii) describes the interest (i.e., the Account) and the extent of the interest to be disclaimed;
- (iv) declines, refuses or renounces the interest to be disclaimed; and
- (v) satisfies applicable state and federal law.

The Custodian of this Account may accept a trust’s disclaimer made by a trustee on behalf of (i) a trust that is the Beneficiary of this Account and (ii) the beneficiary(ies) of the trust (or made by a personal representative of an estate that is a Beneficiary of the Account), provided that (a) the disclaimer satisfies the foregoing requirements and either (b) the state law of the Participant’s domicile or the instrument governing the trust or estate expressly gives the trustee or personal representative the right to disclaim an interest on behalf of the trust or estate and the beneficiary(ies) or (c) the beneficiary(ies) affected by the disclaimer consent.

The Custodian shall not be responsible for determining the validity of the disclaimer under any state or federal law and may rely on the disclaimant’s good faith written statement of the disclaimer’s validity. The Custodian shall not be liable to the disclaimant or any other person or entity for acting or refusing to act in good faith reliance on such a disclaimer.

(k) **Power of Attorney.** If the Custodian of the Account is asked to follow the instructions of an attorney-in-fact designated under a power of attorney, the Custodian may, but shall not be required to, follow such instructions without regard to whether the power of attorney expressly authorizes the specific act, transaction, or decision by the attorney-in-fact; provided, however, the power of attorney may not be construed to grant authority to an attorney-in-fact to change the designation of Beneficiaries to receive any property, benefit, or contract right on the Participant’s death unless expressly authorized in the power of attorney.

When requested to follow the instructions of an attorney-in-fact, the Custodian, before incurring any duty to comply with the power of attorney, may require the attorney-in-fact to provide identification, specimens of the signatures of the Participant and the attorney-in-fact, and any other information reasonably necessary or appropriate to identify the Participant and the attorney-in-fact and to facilitate the actions of the Custodian in following instructions of the attorney-in-fact.

The Custodian, in its sole and absolute discretion, may petition any applicable court to resolve any issue pertaining to the power of attorney, including, but not limited to, the validity of the power of attorney or the authority to engage in the proposed acts requested by the attorney-in-fact. All expenses of such a judicial determination, including the Custodian’s reasonable attorney fees, shall be charged to the Account as provided in Section 6 of this Agreement.

The Custodian shall not be responsible for determining the validity of the power of attorney under any state or federal law and may rely on the attorney-in-fact’s good faith written statement of the validity of the power of attorney. The Custodian shall not be liable to the attorney-in-fact, Participant or any other person for acting or refusing to act in good faith reliance on the power of attorney.

(l) **Receipt of Instructions From Conservator or Guardian.** If the Custodian of the Account is asked to follow the instructions of a conservator or guardian of the estate of any incapacitated Participant (hereinafter such conservator or guardian is referred to as a “Personal Representative”), the Custodian may, but shall not be required to, follow such instructions; provided, however, the Custodian may not act upon the instructions of such Personal Representative to change the designation of Beneficiaries to receive any property, benefit, or contract right on the conservatee’s or ward’s death without court authorization.

When requested to follow the instructions of a Personal Representative, the Custodian, before incurring any duty to comply with such instructions, may require any information reasonably necessary or appropriate to identify the Personal Representative and to facilitate the actions of the Custodian in following such instructions.

The Custodian, in its sole and absolute discretion, may petition any applicable court to resolve any issue pertaining to the instructions of the Personal Representative, including, but not limited to, the authority to engage in the proposed acts requested by the Personal Representative. All expenses of such a judicial determination, including the Custodian’s reasonable attorney’s fees, shall be charged to the Account as provided in Section 6 of this Agreement.

The Custodian shall not be liable to any person for acting or refusing to act in good faith reliance on the instructions of the Personal Representative.

(m) **Payments Upon Death of Beneficiary.** If a Beneficiary is a natural person and is entitled to benefits under Participant’s Account (“Original Beneficiary”), then upon the death of such Original Beneficiary, any remaining benefits shall be payable to one or more persons or entities (“Subsequent Beneficiary”) designated by the Participant to receive such benefits. If the Participant fails to designate a Subsequent Beneficiary, or to the extent that such designation does not make an effective disposition of all such remaining benefits in the Account, then such remaining benefits shall be payable to the Subsequent Beneficiary(ies) if so designated by the Original Beneficiary to receive such benefits, or, if none, to the Original Beneficiary’s estate.

The Participant and the Original Beneficiary’s designation of a Subsequent Beneficiary to receive such remaining benefits may be acted upon by the Custodian if:

- (i) The designation is executed prior to the death of the Participant or Original Beneficiary, as the case may be, by a written instrument in a form acceptable to the Custodian;
- (ii) The designation expressly refers to the remaining benefits in the Account; and
- (iii) The designation is delivered to the Custodian prior to the Original Beneficiary’s death.

If such remaining benefits are thus payable to such a Subsequent Beneficiary, they shall be paid over a period that does not extend beyond the applicable distribution period for the distribution of the Participant’s Account.

If a Beneficiary is a trust and is receiving benefits under the Participant’s Account over the life expectancy of a trust beneficiary (or over the remaining life expectancy, if any, of the Participant or of any prior Beneficiary or prior trust beneficiary), then upon the death of such trust beneficiary prior to the complete distribution of such benefits to the trust, such remaining benefits shall be payable to the trust, or directly to the successor trust beneficiary or beneficiaries if so instructed in writing by the trustee, over a period that does not extend beyond the applicable distribution period for the distribution of Participant’s Account.

(n) **Notice of Events.** Until the Custodian shall receive from some person interested in this Account notice, in a form acceptable to the Custodian, of any event upon which the right to receive any benefits from this Account has occurred, the Custodian shall incur no liability for any disbursements or distributions made or omitted to be made in good faith.

Section 9 — Amendment and Termination

The Participant, by the establishment of this Account, delegates to the Custodian the power to make any retroactive or prospective modification of, or amendment to, this Agreement that is necessary to conform the Agreement to, or satisfy the conditions of, any law, governmental regulation or ruling, and any prospective amendment that is desirable for the administration of this Agreement, and by doing so shall be deemed to have consented to each such amendment or modification. Notwithstanding the preceding sentence, no amendment shall be made that would have the effect of allowing any part of the Account to be used for any purpose other than for the exclusive benefit of the Participant or Beneficiary nor shall any amendment increase or decrease the duties or liabilities of the Custodian without its consent. The Custodian has no affirmative obligation to amend the Agreement for any purpose.

This Agreement may, at the Custodian’s option, terminate upon the transfer or complete distribution of the Account, or at the discretion of the Custodian at any time upon 30 days’ prior written notice to the Participant.

Section 10 — Resignation or Removal of the Custodian

The Custodian may resign at any time upon 30 days' prior written notice to the Participant, or the Beneficiary of a deceased Participant, and may be removed by the Participant or Beneficiary at any time upon 30 days' prior written notice to the Custodian. Upon such resignation or removal, the Participant or Beneficiary shall appoint a qualified successor to the Custodian, and at the request of the Participant or Beneficiary, the Custodian shall transfer and pay over to such successor the assets of the Account or the proceeds from the sale of such assets. The Custodian may, in its discretion, make an independent determination as to such successor's qualified status. The Custodian is authorized, however, to reserve such sum of money as it may deem advisable for payment of any liability constituting a charge against the assets of the Account or against the Custodian, with any balance remaining after the payment of all such items to be paid over to such successor.

If, within 30 days after the Custodian's resignation or removal a qualified successor has not been appointed, the Custodian shall distribute the assets in a lump sum to the Participant, or the Beneficiary of a deceased Participant.

Section 11 — Miscellaneous

- (a) **Spendthrift Clause.** Neither the assets nor the benefits provided for hereunder shall be subject to alienation, anticipation, assignment, garnishment, attachment, execution or levy of any kind, and any attempt to cause such benefits to be so subjected shall not be recognized. The Participant shall have no right to assign, transfer or pledge any interest in the Account, and the Participant's interest in the Account shall not be subject to any claims of creditors.
- (b) **Transfer Incident to Divorce or Legal Separation.** Notwithstanding anything to the contrary in the Agreement, including Section 11(a) above, the Participant may direct the Custodian to transfer

all or a portion of the Account into an IRA of the Participant's spouse or former spouse incident to divorce or legal separation as provided in Code §408(d)(6) and incorporated by reference by Code §408A(a).

- (c) **Creditor Redemption.** Notwithstanding anything to the contrary in this Agreement, including Section 11(a), to the extent permitted by applicable federal law, the Custodian, upon receipt of an Internal Revenue Service levy against the Participant or Account ("Levy"), may redeem shares, with or without notice to the Participant or Beneficiary, of the Fund or Funds in the Account and forward the proceeds to satisfy such a Levy. The Custodian may redeem the shares on a pro-rata basis in the Fund or Funds. Except as otherwise provided by applicable law, the Custodian shall not be liable for any action taken in good faith and in exercise of due care. In the event of any action undertaken by the Custodian resulting from any order described herein, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and any other expenses and costs, including reasonable attorneys' fees, shall be collected by the Custodian from the Account(s) in accordance with Section 6 of this Agreement.
- (d) **Alternative Distribution to Minors.** In the event a distribution is payable to a minor, the Custodian may transfer the proceeds to a custodian selected by the Custodian under the applicable state's Uniform Gifts (Transfers) to Minors Act.
- (e) **Use of Electronic or Telephonic Media.** With the consent of the Custodian, the Participant, or the Beneficiary of a deceased Participant, may use electronic or telephonic media to satisfy the requirements for written consent or direction, to the extent permissible under regulations or other generally applicable guidance.
- (f) **Issuance of a Check.** Upon the issuance of a check from the Account, no additional earnings will accrue to the Account with respect to the uncashed check.
- (g) **Governing Law/Resort to Judicial Determination.** This Agreement shall be governed by, construed in accordance with and administered under the laws of the State of California. Each party agrees that all actions or proceedings instituted by the Custodian, Participant, Beneficiary or any interested party arising under or growing out of this Agreement shall be brought in the state or federal courts of California. In the event of reasonable doubt respecting the proper course of action to be taken with respect to the Account, the Custodian may, in its sole and absolute discretion, resolve such doubt by judicial determination that shall be binding on all parties who may claim any interest in the Account. A judicial determination may include, but not be limited to, the Custodian petitioning the appropriate court to remain as Custodian over the Account in order to preserve the Account's federal tax-deferred status pending the court's resolution of the Account. In the event of any such judicial determination, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and any other expenses and costs, including reasonable attorneys' fees, shall be collected by the Custodian from the Account(s) in accordance with Section 6 of this Agreement.
- (h) **Additional Information/Documentation** The Custodian may, in the Custodian's sole and absolute discretion, require that the Participant, Beneficiary or any other person or entity provide the Custodian with additional information or documentation as the Custodian deems appropriate in order to satisfy the Custodian's duties under the Agreement.
- (i) **Binding on Successors.** This Agreement shall bind and enure to the benefit of the representatives, successors and assigns of the Participant and the Custodian.

Earnings on uncashed checks may accrue to the Custodian at a money market rate of return. Such earnings will accrue from the date upon which a check is mailed, one business day after the redemption or sale is processed, until the date upon which the check is presented for payment.

Disclosure Statement
SIMPLE IRA

If you did not receive this Disclosure Statement at least seven days before establishing your SIMPLE IRA, you may revoke your SIMPLE IRA. Your SIMPLE IRA is established and accepted on the date you execute the American Funds SIMPLE IRA Application form. To revoke your SIMPLE IRA, you must provide written notice of revocation within seven days after your account is established. Written notice of revocation may be mailed to Capital Bank and Trust Company, P.O. Box 6007, Indianapolis, IN 46206-6007. The revocation will be considered given as of the postmark date. Upon revocation, the entire amount of your contribution will be returned to you without adjustment for administrative expenses or fluctuations in market value.

The following is a brief summary of some of the financial and tax consequences of establishing a SIMPLE IRA.

1. Contributions to the Account

1. **Limitation on Amount of Contributions.** Contributions to the SIMPLE IRA may be either salary deferral contributions or employer contributions. Contributions must be made in cash and cannot exceed the maximum amount allowed under the Internal Revenue Code.

Contributions made to your SIMPLE IRA are limited to \$8,000 in 2003 as indexed from time to time for inflation that you may contribute on a pretax basis, plus a dollar-for-dollar match by your employer up to 3% of your compensation. The \$8,000 amount will increase to \$11,500 for 2009 (\$10,500 for 2008). If

you are age 50 or older before the end of the calendar year, the above limit is increased to \$14,000 for 2009 (\$13,000 for 2008).

Your employer may, instead of the match, make a non-elective contribution on your behalf, equal to 2% of your compensation (compensation for this non-elective contribution is limited to \$245,000 in 2009 [\$230,000 in 2008]). No other contributions may be made to your SIMPLE IRA. A rollover into your SIMPLE IRA may only be made from another SIMPLE IRA.

2. **Excess Contributions.** If contributions to your SIMPLE IRA for any taxable year are greater than the maximum amount, the excess amount will be subject to an annual 6% excise tax. However, this tax can be avoided if you withdraw your excess contributions plus any earnings on the excess on or before the due date, including extensions, for your federal tax return for the year in which the excess contributions are made. The earnings that are withdrawn must be included in your income for the year the excess contributions were made, and may also be subject to a 10% premature distribution penalty if you are under age 59½.
3. **Investment of Contributions.** Under the terms of the Custodial Agreement, your contributions will be invested by the Custodian, Capital Bank and Trust Company, or any successor, in accordance with your written instructions or the written instructions of your employer on your behalf. If you designate one or more American Funds but there is no share class indicated, the default will be A shares. No part of your SIMPLE

IRA will be invested in life insurance contracts.

The Custodial Agreement provides that your entire interest in the assets held in your SIMPLE IRA is nonforfeitable at all times and that such assets will not be commingled with other property.

4. **Transfer of Contributions Without Cost or Penalty.** If the Custodian is the designated financial institution of your employer's SIMPLE IRA Plan, you may transfer your contributions (both your deferrals and your employer's contributions) to another financial institution, custodian or trustee, without cost or penalty, by notifying the Custodian when you initially establish your SIMPLE IRA account, or at any other time, by using the Custodian's SIMPLE IRA Transfer Election Form. The Custodian will process this request without cost or penalty provided you meet certain transfer requirements. When requesting a transfer, you must provide the dollar amount to be transferred (the request may not be stated as a percent of the account balance) and the frequency of such transfer (e.g., monthly, quarterly, annually). The election will continue in force until you revoke it. Prior to the transfer, the contributions (both your salary deferrals and your employer's contribution) that you want to transfer may only be invested in the A shares of the American Funds Money Market Fund (AFMMF) so that the transfer may occur without cost or penalty to you. If you elect not to invest in A shares of AFMMF but in an American Funds mutual fund class for which a sales charge or a contingent deferred sales charge is applicable, you may also transfer these contributions

but the transfer cannot be made without cost or penalty, since the sales charge will not be refunded. If the Custodian is not the designated financial institution of your employer's SIMPLE IRA Plan, you may also transfer your contributions to another financial institution at any time, but such a transfer is not required to be without cost or penalty. To initiate such a transfer, contact the new custodian or trustee to obtain the appropriate forms. The Custodian will complete a "trustee to trustee," or similar transfer, of all or a portion of your SIMPLE IRA account balance upon receipt of the recipient institution's acceptance of the SIMPLE IRA account. If your contribution was invested in a mutual fund class of shares subject to a sales charge or a contingent deferred sales charge, then the sales charges will not be refunded.

2. Distributions from the Account

1. **Taxation of Distributions.** Distributions from your SIMPLE IRA are taxed as ordinary income. Provisions for 10-year income averaging and capital gain treatment are not available for "lump sum distributions" from your SIMPLE IRA. Premature distributions may be subject to a 10% penalty. Moreover, the 10% penalty increases to 25% for those distributions taken before you have participated in the SIMPLE IRA for at least two years.
2. **Penalty Tax on Premature Distributions.** Any distribution made before you reach age 59½ will be subject to a penalty tax of 10% of the taxable amount of the distribution, and 25% penalty tax for distributions made before you have participated in the SIMPLE IRA for more than two years except for distributions made:
 - (a) in the case of death or disability,
 - (b) for the return of excess contributions from your SIMPLE IRA,
 - (c) as payments for certain catastrophic medical expenses,
 - (d) as payments made after an extended period of unemployment to cover health insurance premiums,
 - (e) as payments for certain expenses incurred to purchase a first-time home up to a lifetime maximum of \$10,000,
 - (f) as payments for post-secondary education costs of your immediate family members and grandchildren,
 - (g) as payments made in substantially equal installments that may be based on, but not limited to, the following methods: life expectancy, amortization (using a rate between 80% and 120% of the long-term applicable federal rate) or annuitization (using an acceptable mortality table including, but not limited to, UP'84, '83 IAM or Annuity 2000),
 - (h) as payment in satisfaction of a levy under Code §6331, or
 - (i) as payments taken due to certain catastrophic events in federally declared disaster areas.
3. **Required Distributions From SIMPLE IRAs.** To begin receiving required distributions from your SIMPLE IRA, you must notify the Custodian in writing. Your entire interest must be distributed beginning April 1 (your "Required Beginning Date") of the calendar year following

the year in which you reach age 70½. Your distributions can be taken over a period calculated on your life expectancy and that of a beneficiary assumed to be 10 years younger than you (the factors can be found in the IRS's Uniform Lifetime Table). If your sole beneficiary is your spouse who is more than 10 years younger than you, you may use your spouse's actual age (the factors can be found in the IRS Joint Life and Last Survivor Expectancy Table) to determine the payout period.

4. **Penalty Tax for Insufficient Distributions From SIMPLE IRAs.** If you take less than the minimum required to be distributed after you reach your Required Beginning Date, a 50% penalty tax on the difference between the amount required to be distributed and the amount actually distributed in that year will be assessed. The Internal Revenue Service can waive the 50% penalty tax if the insufficient distribution was due to reasonable error and steps are taken to correct the underdistribution.

5. **Distributions Upon Your Death.** Your beneficiaries may request distribution under the appropriate method or methods described below by filing a written claim with the Custodian.
 - (a) If you die after the Required Beginning Date, but before your entire interest is distributed, the remaining portion of your Account may be distributed on the life expectancy of your Beneficiary.
 - (b) If you die before the Required Beginning Date, the balance in your Account must be paid out as follows:
 - (i) benefits may be paid out over the life expectancy of a non-spouse Designated Beneficiary, provided such benefits begin no later than December 31 of the year following the year of death;
 - (ii) benefits may be distributed to your surviving spouse over the life expectancy of the spouse, provided that the distributions start no later than December 31 of the year in which you would have reached age 70½ and your surviving spouse is the sole Beneficiary of the Account;
 - (iii) your spouse, as sole Beneficiary, may treat the SIMPLE IRA as his or her own by making a contribution or by notifying the Custodian; or
 - (iv) the entire balance must be distributed by December 31 of the year containing the 5th anniversary of your death.
6. **Issuance of a Check.** Upon the issuance of a check from the Account, no additional earnings will accrue to the Account with respect to the uncashed check. Earnings on uncashed checks may accrue to the Custodian at a money market rate of return. Such earnings will accrue from the date upon which a check is mailed, one business day after the redemption or sale is processed, until the date upon which the check is presented for payment.
7. **Estate and Gift Taxes.** Upon your death, the value of your SIMPLE IRA is subject to federal estate taxes under §2039(a) of the Internal Revenue Code unless the account is left to a surviving spouse in a form that qualifies for the marital deduction.
For gift-tax purposes, beneficiary designations will not be treated as gifts.

3. Tax Status of Custodial Account

1. **Tax-Exempt Status.** Generally, any contributions and earnings thereon held in your SIMPLE IRA are exempt from federal income tax and will only be taxed when distributed to you, unless the tax-exempt status of the SIMPLE IRA is revoked. The Custodian of your SIMPLE IRA has received a letter from the IRS approving the form of the SIMPLE IRA. Such approval is a determination as to the IRA terms only and is not a determination of the merits of the SIMPLE IRA as an investment.

2. **Loss of Exemption.** The tax-exempt status of the SIMPLE IRA will be revoked as of the beginning of the year in which you engage in any of the prohibited transactions listed in §4975(c) of the Internal Revenue Code, such as borrowing money from your IRA, selling property to your IRA or exchanging property with your IRA. Generally, the fair market value of your SIMPLE IRA will be includable in your taxable income in the year in which such prohibited transaction takes place and may also be subject to a 10% penalty tax (25% if you have not participated in the SIMPLE IRA for more than two years).

In addition, the SIMPLE IRA will lose its tax-exempt status if you use all or part of your interest in the IRA as security for a loan. Any portion of the IRA used as security for a loan will be treated as a distribution in the year in which such use occurs. If you are under age 59½, the amount of the loan may also be subject to a 10% penalty tax (25% if you have not participated in the SIMPLE IRA for more than two years) as a premature distribution.

4. Additional Tax Information

For years in which excess contributions have been made to your SIMPLE IRA, or you received from your account premature distributions, or underdistributions from your SIMPLE IRA after reaching age 70½, you are required to file with the IRS Form 5329 Return for Additional Taxes Attributable to Qualified Retirement Plans (including IRAs), Annuities and Modified Endowment Contracts along with your individual tax return for that year.

Further information about your SIMPLE IRA can be obtained from any district office of the IRS, from Publication 590, or from the IRS website at www.irs.gov.

5. Financial Information

To calculate earnings on the account, reinvested dividends and capital gain distributions are purchased at net asset value ("NAV") on the reinvestment date. The number of shares in the Account at the end of the period is multiplied by the NAV per share at the end of the period to determine the ending value. The difference between the ending value and the initial investment equals the earnings for the period.

If \$1,000 is invested in any fund other than The Cash Management Trust of America ("CMTA"), the American Funds Money Market Fund ("AFMMF") or The U.S. Treasury Money Fund of America ("CTRS") and a reduced sales charge is not available, the highest sales charge would be \$57.50, or 5.75% of the contribution. See the prospectus of each fund for further details. If \$1,000 is invested in CMTA, AFMMF or CTRS, no sales charge would be imposed. In addition, there is a \$10 annual custodian fee. The future growth results of your investment in mutual fund shares cannot be guaranteed or projected.

This brochure must be preceded or accompanied by the current prospectus(es) for the fund(s) being offered.

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