CAPITAL RESEARCH AND MANAGEMENT COMPANY

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Form ADV, Part 2A
Date: October 8, 2013

This brochure provides information about the qualification and business practices of Capital Research and Management Company. Throughout this brochure and related materials, Capital Research and Management Company may refer to itself as a "registered investment adviser" or "being registered." You should be aware that registration with the United States Securities and Exchange Commission ("SEC") or a state securities authority does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at ADVPart2@capgroup.com.

The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Capital Research and Management Company also is available on the SEC's website at www.adviserinfo.sec.gov

ITEM 2: MATERIAL CHANGES

Form ADV, Part 2A has been updated this year (1) to reflect Capital Research and Management Company serving as the investment adviser to a portion of the assets administered under “wrap fee” programs sponsored by broker-dealers or other financial institutions where a sponsor offers bundled investment management, custody, brokerage or other services for a single “wrap fee” charged by the sponsor and (2) to reflect Capital Research and Management Company serving as the investment adviser to Capital Bank and Trust Company, with respect to certain collective investment trusts, for which Capital Bank and Trust Company is the discretionary trustee. However, there are no material changes since the last annual update of Capital Research and Management Company’s Form ADV, Part 2A brochure dated September 28, 2012. Form ADV, Part 2A dated October 8, 2013 has been updated to correct an inadvertent misstatement of Capital Research and Management’s Assets Under Management.

ITEM 3: TABLE OF CONTENTS

ITEM 4: ADVISORY BUSINESS

Capital Research and Management Company, a wholly-owned subsidiary of The Capital Group Companies, Inc., is a Delaware corporation that traces its roots to 1931. The Capital Group Companies form one of the most experienced families of investment management firms in the world. Capital Research and Management Company and The Capital Group Companies have always been privately held.

Capital Research and Management Company is the investment adviser to the American Funds family of mutual funds, including American Funds Target Date Retirement Series, American Funds Portfolio Series, American Funds College Target Date Series and American Funds Insurance Series, two asset pools of the Capital International Fund, a Luxembourg investment company, and is the sub-adviser to Capital International Assets Management (Canada), Inc., whose adviser is an affiliate of Capital Research and Management Company. In addition, Capital Research and Management Company serves as the investment adviser to Capital Bank and Trust Company in its capacity as the trustee of certain collective investment trusts that are exempt from SEC registration. Capital Bank and Trust Company is an affiliate of Capital Research and Management Company.

Capital Research and Management Company manages equity assets through three equity investment divisions and fixed-income assets through its fixed income division. The three equity divisions, Capital World Investors, Capital Research Global Investors and Capital International Investors make investment decisions on an independent basis. Portfolio Counselors in Capital International Investors rely on a research team that also provides investment services to institutional clients and other accounts advised by affiliates of Capital Research and Management Company.

Capital Research and Management Company’s only business is investment management and related services. Capital Research and Management Company typically builds portfolios from the bottom-up using rigorous fundamental research to find attractive investments and manage risks. Research is produced for internal use only, and is not published or sold to external parties. Investment decisions are subject to a fund’s objective, policies and restrictions and the oversight of the appropriate investment-related committees of Capital Research and Management Company and its investment divisions. The objective, policies and restrictions of each of the funds managed by Capital Research and Management Company are set forth in its prospectus and statement of additional information or other disclosure documents. Depending on a fund’s objective, policies and restrictions, Capital Research and Management Company generally invests in equity securities, fixed-income securities or a combination of both. Please also refer to Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) in this Brochure for further information.

Capital Research and Management Company may be retained as an investment adviser to a portion of the assets administered under “wrap fee” programs sponsored by broker-dealers or other financial institutions where a sponsor offers bundled investment management, custody, brokerage or other services for a single “wrap fee” charged by the sponsor. In cases where Capital Research and Management Company is an investment adviser to a wrap program, Capital Research and Management Company does not negotiate brokerage commissions for the execution of transactions in the client’s account that are executed by or through the sponsor. These commissions are generally included in the wrap fee charged by the sponsor. Please also refer to the “Wrap Fee Program” section under Item 12 (Brokerage Practices) in this brochure for further information. For some wrap fee programs, Capital Research and Management Company may only provide model portfolios to the sponsor and the sponsor will have ultimate decision making and discretionary authority for those accounts. Generally, Capital Research and Management Company is paid an investment management fee based on the amount of assets it manages in the wrap program by the wrap program’s sponsor. Clients who enroll in wrap fee programs should carefully review the fee structure and other program documents provided by the sponsor.

As of June 30, 2013, Capital Research and Management Company managed approximately $1,157,093,046,000 in discretionary assets under management.

ITEM 5: FEES AND COMPENSATION

Capital Research and Management Company's management fees are paid pursuant to investment advisory agreements, or in the case of Capital Bank and Trust Company and Capital International Assets Management (Canada), Inc., advisory or sub-advisory agreements, that are approved by the board of directors/trustees of the applicable fund or investment vehicle. Capital Research and Management Company's management fees are generally based on a percentage of assets under management and, for certain funds, a combination of assets under management and gross investment income. Management fees are paid monthly by the fund to Capital Research and Management Company based on the previous month's daily net asset levels. Management fees for each of the American Funds are described in such fund's prospectus and statement of additional information.

The annual fees for advisory services provided by Capital Research and Management Company to Capital Bank and Trust Company, in its capacity as trustee to certain collective investment trusts, are agreed upon from time to time in writing. The fees Capital Bank and Trust Company receives for such collective investment trusts are described in the characteristic documents.

The annual fees for Capital International Assets Management (Canada), Inc. are agreed to from time to time in writing and are based on the following asset levels: 0.58% on the first US$500 million; 0.48% from US$500 million to US$1 billion; 0.44% from US$1 billion to US$1.5 billion; and 0.41% from US$1.5 billion to US$2.5 billion. The annual fees for the sub-funds of the Capital International Fund are agreed to from time to time in writing and are 0.40% of assets for Capital International US Growth and Income; 0.51% of assets for Capital International European Growth and Income; and 0.51% of assets for Capital International Global Growth and Income.

Capital Research and Management Company investment advisory services are also available through various consulting, or bundled "wrap fee" programs sponsored by certain broker-dealers or other financial institutions. Fees charged to the wrap program's sponsor for such services will vary based on the relationship, services provided and other factors. The end investor of the wrap fee programs generally pays a "wrap fee" to the sponsor based on a percentage of assets; the advisory fees charged by Capital Research and Management Company to the sponsor are generally included in this wrap fee.

The funds incur fees and expenses in addition to the management fees described above, including administrative service fees, custodial fees and other fund expenses. With respect to the American Funds, Capital Research and Management Company provides certain transfer agent and administrative services for shareholders of the funds pursuant to an administrative service agreement. Capital Research and Management Company may contract with third parties, including American Funds Service Company, the funds' Transfer Agent, and American Funds Distributors, Inc., the funds' principal underwriter, to provide some of these services. In addition, the funds will incur brokerage and other transaction costs. Please refer to Item 12

(Brokerage Practices) below for a discussion of Capital Research and Management Company's brokerage practices.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Capital Research and Management Company charges the funds asset-based fees for providing investment advisory services to the funds it advises. However, certain fixed-income portfolio counselors and portfolio counselors in the Capital International Investors division may manage assets for the funds advised by Capital Research and Management Company and accounts advised by an affiliate of Capital Research and Management Company. In limited circumstances, Capital Research and Management Company's affiliate may receive fees that are based on the performance of the account. Managing both types of accounts simultaneously creates a risk of conflicts for the portfolio counselor to (i) allocate more attractive investment opportunities to accounts with performance-based fees and/or (ii) make investments for those accounts that are more speculative than for accounts that do not have performance-based fees.

Capital Research and Management Company and its affiliates have adopted allocation policies that are designed in part to address these potential conflicts of interest. See Item 12 (Brokerage Practices) of this Brochure for Capital Research and Management Company's policy on allocating trades fairly, which is designed to allocate trades to clients in a fair and equitable manner over time, taking into consideration the interests of each client. Non-investment factors, such as fee arrangements, are not considered in selecting clients or allocating trades.

In addition, while Capital Research and Management Company and its affiliates provide individual investment advice and treatment to each fund and client, portfolio counselors focus on particular investment mandates, using similar investment strategies in connection with the management of multiple portfolios, which helps minimize the potential for conflicts of interest. Capital Research and Management Company reviews funds with similar objectives managed by Capital Research and Management Company and its affiliate at least annually. These reviews generally include, among other things, information related to investment results, including dispersion of results among funds and reasons for such dispersion, if any, significant fund guidelines and the investment structure of the portfolio.

ITEM 7: TYPES OF CLIENTS

Capital Research and Management Company provides investment management services to Registered Investment Companies and other pooled investment vehicles. In addition, Capital Research and Management Company serves as the investment adviser to Capital Bank and Trust Company in its capacity as the trustee of certain collective investment trusts that are exempt from SEC registration. Capital Research and Management Company also provides investment management and related services to participants in wrap programs.

Minimum account sizes are disclosed in each fund's prospectus, statement of additional information, annual information form or other disclosure documents.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Capital Research and Management Company maintains an investment philosophy that is distinguished by four key beliefs:

- Solid research is fundamental to sound investment decisions. Capital Research and Management Company employs teams of experienced analysts who regularly gather in-depth, first-hand information on markets and companies around the globe.

- Investment decisions should not be made lightly. In addition to providing extensive research, our investment professionals go to great lengths to determine the difference between the fundamental value of a company and its price in the marketplace.

- A long-term approach. It's part of the big-picture view our investment professionals take of the companies in which we invest. This is reflected by the typically low turnover of portfolio holdings in the funds we manage. In addition, our investment professionals usually remain with us for many years and are compensated according to their investment results over time.

- The Capital-system. Capital Research and Management Company uses a system of multiple portfolio counselors in managing mutual fund assets. Under this approach, the portfolio of a fund is divided into segments managed by individual counselors who decide how their respective segments will be invested. In addition, Capital Research and Management Company's investment analysts may make investment decisions with respect to a portion of a fund's portfolio. Over time, this method has contributed to consistency of results and continuity of management.

Investment decisions are subject to a fund's objective, policies and restrictions and the oversight of the appropriate investment-related committees of Capital Research and Management Company and its investment divisions. The objective, policies and restrictions of each of the funds managed by Capital Research and Management Company are set forth in its prospectus and statement of additional information. Depending on a fund's objective, policies and restrictions, Capital Research and Management Company generally invests in equity securities, fixed-income securities or a combination of both. Capital Research and Management Company invests in U.S. and international equity securities, including common stocks, preferred stocks and convertible securities, of companies with varying market capitalizations. Capital Research and Management Company also invests in U.S. and international fixed-income securities, including bonds, loan participations, mortgage-backed securities and municipal bonds of varying quality and duration.

Investing in securities involves risk of loss that funds and their shareholders should be prepared to bear. Each fund is subject to certain risks associated with the investments made by Capital Research and Management Company in pursuit of that fund's objective and in accordance with that fund's policies and restrictions. The risks associated with an investment in each fund are set forth in that fund's prospectus and statement of additional information or other disclosure documents. These risks may include, but are not limited to, certain of the risks set forth below.

- ***Management* —** Capital Research and Management Company actively manages the funds' investments. Consequently, the funds are subject to the risk that the methods and analyses employed by the investment adviser in this process which may not produce the desired results. This could cause a fund to lose value or their investment results to lag relevant benchmarks or other funds with similar objectives.

- ***Market conditions* —** The prices of, and income generated by, the common stocks and other securities held by the funds may decline due to market conditions and other factors, including those directly involving the issuers of securities held by the funds.

- ***Investing in growth-oriented stocks* —** Growth-oriented stocks may involve larger price swings and greater potential for loss than other types of investments. These risks may be heightened in the case of smaller capitalization stocks.

- ***Investing in income-oriented stocks* —** Income provided by the funds may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which the funds invests.

- ***Investing in small companies* —** Investing in smaller companies may pose additional risks. For example, it is often more difficult to value or dispose of small company stocks and more difficult to obtain information about smaller companies than about larger companies. In addition, the prices of these stocks may be more volatile than stocks of larger, more established companies.

- ***Investing outside the United States* —** Securities of issuers domiciled outside the United States, or with significant operations outside the United States, may lose value because of political, social or economic developments in the countries or regions in which the issuer operates. These securities may also lose value due to changes in foreign currency exchange rates against the U.S. dollar and/or currencies of other countries. Securities markets in certain countries may be more volatile and/or less liquid than those in the United States. Investments outside the United States may also be subject to different settlement and accounting practices and different regulatory, legal and reporting standards, and may be more difficult to value, than those in the United States. These risks may be heightened in connection with investments in emerging market and developing countries.

- ***Investing in emerging market and developing countries* —** Investing in countries with developing economies and/or markets may involve risks in addition to and greater than those generally associated with investing in developed countries. For instance, emerging market and developing countries may have less developed legal and accounting systems than those in developed countries. The governments of these countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect the prices of securities. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries can also be relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid, and may be more difficult to value, than securities issued in countries with more developed economies or markets. Additionally, there may be increased settlement risks for transactions in local securities.

- ***Investing in bonds*** **—** Rising interest rates will generally cause the prices of bonds and other debt securities to fall. Longer maturity debt securities may be subject to greater price fluctuations than shorter maturity debt securities. In addition, falling interest rates may cause an issuer to redeem, call or refinance a security before its stated maturity, which may result in the funds having to reinvest the proceeds in lower yielding securities. Bonds and other debt securities are subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.

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

- ***Investing in mortgage-related securities*** **—** Mortgage-related securities are subject to prepayment risk, as well as the risks associated with investing in debt securities in general. If interest rates fall and the loans underlying these securities are prepaid faster than expected, the fund may have to reinvest the prepaid principal in lower yielding securities, thus reducing the fund's income. Conversely, if interest rates increase and the loans underlying the securities are prepaid more slowly than expected, the expected duration of the securities may be extended. This reduces the potential for the fund to invest the principal in higher yielding securities.

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

- ***Investing in futures*** **–** A futures contract is considered a derivative because it derives its value from the price of the underlying security or financial index. The prices of futures contracts can be volatile, and futures contracts may be illiquid. In addition, there may be imperfect or even negative correlation between the price of a futures contract and the price of the underlying securities.

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

- ***Hedging*** **–** Futures contracts may not provide an effective hedge of the underlying securities or indexes because changes in the prices of futures contracts may not track those of the securities or indexes they are intended to hedge. In addition, the hedging strategies may not effectively protect the fund from market declines and will limit the fund's participation in market gains.

- ***Loss of investment*** **—** An investor may lose money by investing in a fund. The likelihood of loss may be greater if the investor invests for a shorter period of time.

- ***Investments are not guaranteed*** **—** Investments in a fund are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, entity or person.

- ***Past investment results are not predictive of future investment results.***

Please see each fund's prospectus and statement of additional information or other disclosure document for further information on methods of analysis, investment strategies and risks specific to that fund.

ITEM 9: DISCIPLINARY INFORMATION

Neither Capital Research and Management Company nor its management persons have been the subject of legal or regulatory findings, or are the subject of any pending criminal proceedings that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our firm.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Capital Research and Management Company is registered as a commodity pool operator and a member of the National Futures Association. Capital Research and Management Company has the following arrangements that are material to clients or its advisory business with certain affiliated entities. Some of Capital Research and Management Company's directors and executive officers and employees are also directors, officers or employees of one or more affiliates.

Broker-dealer

American Funds Distributors, Inc., a wholly-owned subsidiary of Capital Research and Management Company, is a registered broker-dealer and a member of the Financial Industry Regulatory Authority and Municipal Securities Rulemaking Board. American Funds Distributors, Inc. acts as the principal underwriter and distributor of mutual funds advised by Capital Research and Management Company and its affiliates and provides related services. In addition, certain of Capital Research and Management Company's management persons are registered representatives of American Funds Distributors, Inc. American Funds Distributors, Inc. is also registered as an insurance agency or producer in certain states. American Funds Distributors, Inc. is also an investment advisor which provides investment advisory related services to Capital Research and Management Company's activity related to various wrap-fee programs sponsored by broker-dealers or other financial institutions.

Investment Companies

Capital Research and Management Company serves as investment adviser to investment companies registered under the Investment Company Act of 1940 and other pooled investment vehicles. Capital Research and Management Company will receive advisory and other fees and expenses from each fund based upon the value of the fund's assets; those fees are described in each fund's prospectus and statement of additional information or other disclosure documents.

Other Investment Advisers

Capital Research Company, a wholly-owned subsidiary of Capital Research and Management Company, is a registered investment adviser and provides investment advisory research and related services to Capital Research and Management Company. American Funds Distributors, Inc., a wholly-owned subsidiary of Capital Research and Management Company, is a registered investment adviser.

Capital Guardian Trust Company is an affiliated investment adviser with which Capital Research and Management shares supervised persons.

Capital International Research, Inc. and Capital Guardian (Canada), Inc., registered investment advisers, provide research information and services to Capital Research and Management

Company, as does Capital International K.K., a Japan-based investment adviser. Capital International, Inc., a registered investment adviser, and Capital International Limited, an affiliated U.K.-based investment adviser, provide portfolio control, administrative and trading services.

In addition, certain portfolio managers employed by the following affiliated investment advisers based outside the U.S. may, under the supervision and review of Capital Research and Management Company, determine the securities to be purchased and sold for Capital Research and Managements clients:

Capital International Limited is based in the U.K. and has been authorized by the U.K. Financial Services Authority to provide investment advisory and asset management services.

Capital International Sarl is based in Switzerland and has been authorized by the Financial Markets Supervisory Authority to provide investment advisory services.

Neither Capital International Limited nor Capital International Sarl is registered as an investment adviser under the Investment Advisers Act of 1940 and each is deemed to be a "Participating Affiliate" of Capital Research and Management Company, as this term has been used by the SEC's Division of Investment Management in various no-action letters granting relief from the Advisers Act's registration requirements for certain affiliates of registered investment advisers.

Trust Company

Capital Bank & Trust Company, a federal savings bank, is a wholly-owned subsidiary of The Capital Group Companies. Capital Bank & Trust Company provides directed trustee services and custodial services to employer-sponsored retirement plans and individual retirement accounts invested in the American Funds and other outside assets. Capital Bank and Trust Company serves as trustee to certain collective investment trusts.

Unregistered Collective Investment Trust

Capital Research and Management Company serves as the investment adviser to Capital Bank and Trust Company, the trustee of collective investment funds that are exempt from SEC registration. Capital Research and Management Company will receive advisory fees from Capital Bank and Trust as agreed upon in writing from time to time.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Capital Research and Management Company and its affiliated companies have adopted a Code of Ethics for its associates (Code of Ethics) that requires all associates: (1) act with integrity, competence and in an ethical manner; (2) comply with applicable U.S. federal securities laws, as well as all other applicable laws, rules and regulations; and (3) promptly report violations of the Code of Ethics. All associates are required to certify at least annually that they have read and understand the Code. A copy of the Code of Ethics is available to clients and prospective clients upon request and on americanfunds.com.

The Code of Ethics includes:

- Protection of Non-Public Information: Policies and procedures designed to prevent and detect the misuse of material non-public information by our associates. These procedures require all associates who believe they may be in possession of material non-public information regarding an issuer to notify the Legal Department, which will determine the appropriate actions to be taken.

- Personal Investing: Policies related to personal investing by our associates. The policies ban excessive trading of any Capital-managed investment vehicles worldwide, including the American Funds. Associates generally may not participate in the acquisitions of securities in initial public offerings. Additional restrictions apply to associates with access to non-public information relating to current or imminent fund/client transactions, investment recommendations or fund portfolio holdings (covered associates). Covered associates generally may not effect securities transactions for their own account when any investment advisory account is transacting in the issuer in question. All such covered associates must report their securities transactions on a quarterly basis and disclose their holdings annually. Covered associates must pre-clear certain personal security transactions and special review of private placements is required. Additional restrictions and reporting apply to investment professionals, including blackout periods on personal investing and a ban on short-term trading.

- Gifts and Entertainment: Policy prohibiting the acceptance and extension of gifts or entertainment that are excessive, repetitive or extravagant, if such gifts or entertainment are in relation to Capital's business. Procedures include quarterly reporting of gifts or entertainment received or offered, a dollar limit on gifts that can be accepted from any one source during a calendar year, and pre-clearance of entertainment beyond a certain dollar limit.

- Political Contributions: Policy governing political contributions and/or other activities that directly support officials, candidates, or organizations that may be in a position to influence decisions to award business to investment management firms. Specific rules exist for political contributions and activities within the U.S. and associates are required to seek preclearance and approval for political contributions to state and local government officials (or a candidate for those positions.)

Participation or Interest in Client Transactions

In addition, Capital Research and Management Company or its affiliates may recommend that clients invest in limited partnerships, pooled funds or mutual funds managed by the Investment Advisor or its affiliates. Additionally, an affiliate of Capital Research and Management Company, in its fiduciary capacity, may invest client assets in certain of these funds. In all cases, the nature and scope of the financial interest (e.g., investment management fees or economic interest in such partnerships or funds) is disclosed.

Capital Research and Management Company's employees may also purchase shares in certain pooled funds managed by Capital Research and Management Company or an affiliate of Capital Research and Management Company. Such purchases may take place either through their personal account or through retirement plans sponsored by The Capital Group Companies, Inc., the ultimate parent company of Capital Research and Management Company. All such transactions are conducted at net asset value and in accordance with the purchase and redemption provisions as described in either the prospectus or offering memorandum of the fund.

Capital Research and Management Company may manage investments made by it or an affiliate either in a separate account or through investing in a pooled vehicle. In those instances in which Capital Research and Management Company or an affiliate makes an investment in a pooled vehicle, they may be the first participants in such vehicle and may be the only participant for one or more years. Capital Research and Management Company treats these separate and pooled vehicle accounts the same as any client account.

ITEM 12: BROKERAGE PRACTICES

<u>Selecting Broker-Dealers</u>

Portfolio Transactions

Capital Research and Management Company places orders with broker-dealers for its clients' portfolio transactions. Purchases and sales of equity securities on a securities exchange or an over-the-counter market are affected through broker-dealers who receive commissions for their services. Purchases and sales of fixed-income securities and currency foreign exchange transactions are generally made with an issuer or a primary market-maker acting as principal with no stated brokerage commission. Prices for fixed-income securities in secondary trades usually include undisclosed compensation to the market-maker reflecting the spread between the bid and ask prices for the securities. The prices for equity and fixed-income securities purchased in primary market transactions, such as initial public offerings, new fixed-income issues, secondary offerings and private placements, may include underwriting fees.

Best Execution

In selecting broker-dealers, Capital Research and Management Company strives to obtain "best execution" (the most favorable total price reasonably attainable under the circumstances) for its clients' portfolio transactions, taking into account a variety of factors. These factors include the size and type of transaction, the nature and character of the markets for the security to be purchased or sold, the cost, quality, likely speed and reliability of the executions, the broker-dealer's or execution venue's ability to offer liquidity and anonymity and the potential for minimizing market impact. Capital Research and Management Company considers these factors, which involve qualitative judgments, when selecting broker-dealers and execution venues for its clients' portfolio transactions. Capital Research and Management Company views best execution as a process that should be evaluated over time as part of an overall relationship with particular broker-dealer firms. In this regard, Capital Research and Management Company does not consider itself as having an obligation to obtain the lowest available commission rate available for a portfolio transaction to the exclusion of price, service and qualitative considerations. Brokerage commissions are only a small part of total execution costs and other factors, such as market impact and speed of execution, contribute significantly to overall transaction costs.

Commission Rates

For transactions on which commissions are payable, Capital Research and Management Company negotiates commission rates with brokers based on what it believes is reasonably necessary to obtain best execution. These rates vary based on the nature of the transaction, the market in which the security is traded and the venue chosen for trading, among other factors.

Capital Research and Management Company seeks, on an ongoing basis, to determine what the reasonable levels of commission rates are in the marketplace. Capital Research and Management

Company takes various considerations into account when evaluating such reasonableness, including: (1) rates quoted by broker-dealers; (2) the size of a particular transaction in terms of the number of shares and dollar amount; (3) the complexity of a particular transaction; (4) the nature and character of the markets on which a particular trade takes place; (5) the ability of a broker-dealer to provide anonymity while executing trades; (6) the ability of a broker-dealer to execute large trades while minimizing market impact; (7) the extent to which a broker-dealer has put its own capital at risk; (8) the level and type of business done with a particular broker-dealer over a period of time; (9) historical commission rates; and (10) commission rates that other institutional investors are paying.

Sale of Fund Shares Not Considered

Capital Research and Management Company may place orders for a client’s portfolio transactions with broker-dealers who have sold shares in the funds managed by Capital Research and Management Company or its affiliated companies; however, it does not consider whether a broker-dealer has sold shares of the funds managed by Capital Research and Management Company or its affiliated companies when placing any such orders for a client’s portfolio transactions.

Oversight

The Capital Research and Management Company Best Execution Committee and the Capital Group Companies, Inc. Fixed-Income Best Execution Committee provide oversight to Capital Research and Management Company’s policies, procedures and practices relating to best execution.

As part of its authority to invest client assets on a discretionary basis, Capital Research and Management Company may place cross-trades between client accounts managed by Capital Research and Management Company and its affiliates from time to time. Capital Research and Management Company recognizes that a potential conflict of interest may exist when placing trades between client accounts. To address such potential conflicts, Capital Research and Management Company maintains cross-trade policies and procedures and places a cross-trade under those limited circumstances when such a trade: (a) is in the best interest of all participating clients and (b) is not prohibited by the participating clients’ investment management agreement or applicable law.

Brokerage and Investment Research Services

Capital Research and Management Company may execute portfolio transactions with broker-dealers who provide certain brokerage and/or investment research services to it, but only when in Capital Research and Management Company’s judgment the broker-dealer is capable of providing best execution for that transaction. The receipt of these services permits Capital Research and Management Company to supplement its own research and analysis and makes available the views of, and information from, individuals and the research staffs of other firms. These services may include, among other things, reports and other communications with respect to individual companies, industries, countries and regions, economic, political and legal developments, as well as scheduling meetings with corporate executives and seminars and conferences related to relevant subject matters. This information may be provided in the form of written reports, telephone contacts and meetings with securities analysts. Capital Research and Management Company considers these services to be supplemental to its own internal research efforts and therefore the receipt of investment research from broker-dealers does not tend to reduce the expenses involved in Capital Research and Management Company's research efforts. If broker-dealers were to discontinue providing such services it is unlikely Capital Research and Management Company would attempt to replicate them on its own, in part because they would no longer provide an independent, supplemental viewpoint. Nonetheless, if it were to attempt to do so, Capital Research and Management Company would incur substantial additional costs.

Capital Research and Management Company may pay commissions in excess of what other broker-dealers might have charged, including on an execution-only basis, for certain portfolio transactions in recognition of brokerage and/or investment research services provided by a broker-dealer. In this regard, Capital Research and Management Company has adopted a brokerage allocation procedure consistent with the requirements of Section 28(e) of the U.S. Securities Exchange Act of 1934. Section 28(e) permits an investment adviser to cause an account to pay a higher commission to a broker-dealer that provides certain brokerage and/or investment research services to Capital Research and Management Company, if Capital Research and Management Company makes a good faith determination that such commissions are reasonable in relation to the value of the services provided by such broker-dealer to Capital Research and Management Company in terms of that particular transaction or Capital Research and Management Company's overall responsibility to its clients.

Certain brokerage and/or investment research services may not necessarily benefit all accounts paying commissions to each such broker-dealer, therefore, Capital Research and Management Company assesses the reasonableness of commissions in light of the total brokerage and investment research services provided by each particular broker-dealer. In accordance with its internal brokerage allocation procedure, each equity division of Capital Research and Management Company periodically assesses the brokerage and investment research services provided by each broker-dealer from whom it receives such services. Using its judgment, each equity investment division of Capital Research and Management Company provides its trading desks with information regarding the relative value of services provided by particular broker-dealers.

Neither Capital Research and Management Company nor any of its clients incurs any obligation to any broker-dealer to pay for research by generating trading commissions. As part of its ongoing relationships with broker-dealers, Capital Research and Management Company routinely meets with firms, typically at the firm's request, to discuss the level and quality of the brokerage and research services provided, as well as the perceived value and cost of such services. In valuing the brokerage and investment research services Capital Research and Management Company receives from broker-dealers in connection with its good faith determination of reasonableness, Capital Research and Management Company does not attribute a dollar value to such services, but rather takes various factors into consideration, including the quantity, quality and usefulness of the services to Capital Research and Management Company.

Client Referrals

Capital Research and Management Company does not consider client referrals from a broker-dealer or third party in selecting or recommending broker-dealers.

Directed Brokerage

Capital Research and Management Company does not direct any trading activity to a particular broker-dealer based on instructions from a client. In some instances, an affiliate of Capital Research and Management Company will accept a client's instructions to direct a portion of the account's brokerage commissions to a particular broker or group of brokers so long as the direction is consistent with such affiliate's policy of seeking best execution. The affiliate's ability to meet client direction requests will depend on the broker(s) selected by the client and the securities and markets in which the account invests, among other factors.

Where Capital Research and Management Company is retained as an investment adviser under wrap fee programs sponsored by broker-dealers or other financial institutions, Capital Research and Management Company does not negotiate brokerage commissions for the execution of transactions in the wrap fee program accounts that are executed by or through the sponsor. These commissions are generally included in the "wrap fee" charged by the sponsor.

Capital Research and Management Company may have discretion to select broker-dealers to execute trades for the wrap fee program advisory accounts it manages. However, Capital Research and Management Company generally places such trades through the sponsor because the wrap fee paid by each wrap fee program accounts typically only covers execution costs on trades executed through the sponsor or its affiliates. Such trades may be executed subsequent to trades for other Capital Research and Management Company accounts. If Capital Research and Management Company selects a broker-dealer other than the sponsor or its affiliates to affect a trade for a wrap fee program account, any execution costs charged by that other broker-dealer typically will be charged separately to the wrap fee program account. Investors who enroll in wrap fee programs should satisfy themselves that the sponsor is able to provide best execution of transactions. See below under the heading "Wrap Fee Programs" for more information about the handling of equity security trading with respect to such programs.

Aggregation and Allocation of Portfolio Transactions

Frequently, Capital Research and Management Company places orders to purchase or sell the same security for a number of clients. Capital Research and Management Company typically aggregates such orders when they are substantially similar. As an aggregated order is executed, securities are allocated to clients in accordance with Capital Research and Management Company's allocation policy summarized below. Capital Research and Management Company believes that placing aggregated or "block" trades is consistent with its duty to seek best execution.

This policy is designed to allocate trades of the same security to clients in a fair and equitable manner over time, taking into consideration the interests of each client. Non-investment factors, such as fee arrangements, are not considered in selecting clients or allocating trades.

Equity Securities

When executing portfolio transactions in the same equity security for the funds, or portion of funds, over which Capital Research and Management Company, through its equity investment divisions, has investment discretion, each of the divisions normally aggregates its respective purchases or sales and executes them as part of the same transaction or series of transactions. In addition, the Capital International Investors division of Capital Research and Management Company normally aggregates its purchases or sales with those of certain affiliates that provide investment management services to institutional clients and other accounts and executes them as part of the same transaction or series of transactions.

Sometimes trade orders are not aggregated due to significant differences in terms, such as price sensitivity or urgency to complete the trade. For example, some orders may be subject to a price limit that does not permit them to trade with other orders for the same security that do not contain such a restriction. Occasionally when there is a relatively small remaining open order and a very large new order is placed, trading may complete the small order before proceeding with the larger new order, rather than aggregating the orders.

As an aggregated order is filled, executed equity trades are generally allocated pro rata to clients based on the authorized order size for each client at the time the trade is executed. All clients receive shares at the average execution price and pay a pro rata portion of all transaction costs. Allocated amounts will be rounded to take into account Capital Research and Management Company's and market practices for lot sizes.

Special instructions. In certain circumstances, parts of an aggregated order may, under certain circumstances, be subject to special instructions, such as a price limit, that do not apply to the entire aggregated order. This may result in an allocation other than pro rata to all accounts in the aggregated order. For example, trades executed above a price limit (in the case of purchases) or below the limit (in the case of sales), would be allocated on a pro rata basis only to orders that were not subject to the price limit.

Additional equity authorizations. If trading receives additional orders for a particular security after it has begun working existing orders for that security, the additional orders may be added to the initial orders over a reasonable period of time during the trading day. This may occur for example if trading believes that the additional orders are based on the same news event or analyst recommendation that prompted the initial order. If the additional orders are not aggregated in this manner, any trades executed prior to the additional orders are allocated to participating clients on the basis of the existing orders. After any such allocation, the additional authorizations are included with the existing orders and trades are allocated based on the size of the remaining open orders without consideration for the timing of the orders.

Initial Public Offerings

Clients are selected to participate in initial public offerings of equity securities ("IPOs") in the same manner as described above. The trading department aggregates authorized orders it receives for IPOs and places a block trade with the underwriting syndicate.

If the resulting allocation we receive from the underwriting syndicate is not sufficient to fill all orders, each equity investment division generally allocates the transaction on a pro rata basis based on each account's authorized order size, unless the relevant investment committee approves another allocation. In certain circumstances orders may be placed based on approximate fund asset size; however, no fund will be allocated more than its indication.

Fixed-Income Securities

When executing portfolio transactions in the same fixed-income security for the funds and other clients over which Capital Research and Management Company or one of its affiliated companies has investment discretion, Capital Research and Management Company normally aggregates such purchases or sales and executes them as part of the same transaction or series of transactions.

Fixed-income investment professionals select participating client accounts and place trade orders with the fixed-income trading department. Most trades are allocated on the day the trade is executed ("trade date"), but trades may be allocated on the next business day after the trade date. Executed trades are allocated considering portfolio guidelines and a variety of other factors, including: (1) other securities held in the portfolios; (2) appropriateness of the security for the portfolios' objectives; (3) industry/sector, issue/issuer holdings, portfolio analytic data; (4) size of the portfolios; (5) the size of the confirmed, executed transaction; (6) invested position of the portfolio; and (7) marketability of the security. Once a fixed-income trade has been executed and participating client accounts are identified as described above, all accounts receive the same purchase price when participating in a block trade.

Wrap Fee Programs

When Capital Research and Management Company serves as investment adviser under wrap fee programs, equity portfolio transactions are typically executed by the sponsor firm. As a result, equity transactions for wrap fee program accounts are generally not aggregated with orders for other accounts for which Capital Research and Management Company or an affiliate serves as investment manager. Wrap fee program accounts therefore may not receive the same quality of execution that Capital Research and Management Company and its affiliates are able to obtain for other advisory clients.

Capital Research and Management Company may provide similar investment management services to multiple wrap fee program sponsors, and this may result in investment recommendations for the same security being provided to multiple program sponsors at a similar time. In such cases, Capital Research and Management Company may rotate the order in which it places equity transactions among the relevant sponsors. Capital Research and Management Company uses a rotation methodology designed to avoid systematically favoring one sponsor over another and to treat similarly situated groups of accounts equitably over time. Capital Research and Management Company may provide portfolio transaction instructions simultaneously in lieu of using the rotation methodology if, for example, the trade represents a relatively small proportion of the average daily trading volume of the particular security.

Capital Research and Management Company and its affiliates manage investment company, institutional and other accounts with similar or identical investment objectives, as well as accounts with different objectives that may trade in the same securities as the wrap fee program accounts managed by Capital Research and Management Company. These other accounts will not be rotated with wrap fee program accounts, and will trade prior to wrap fee program accounts a high percentage of the time. As a result, the market price of securities may rise or fall before a wrap fee program transaction is executed (and, in certain circumstances, as a direct result of other portfolio transactions placed by, or on the advice of, Capital Research and Management Company or its affiliates), causing wrap fee program accounts to purchase the same securities at a higher price (or sell the same securities at a lower price) than Capital Research and Management Company and its affiliates. Institutional or other discretionary accounts of Capital Research and Management Company and its affiliates may therefore over time obtain better execution, including more favorable prices for their transactions, than wrap fee program accounts purchasing or selling the same securities. See above under the heading “Directed Brokerage” for more information about the handling of equity security trading with respect to such programs.

Fixed-Income portfolio transactions for wrap fee program accounts are generally executed by Capital Research and Management Company or its affiliates. Transactions in the same fixed income security for wrap fee program accounts will generally be aggregated with transactions for funds, accounts and other clients over which Capital Research and Management Company or one of its affiliated companies has investment discretion, as described above under the heading “Fixed-Income Securities.”

Forward Currency Exchange Transactions

Capital Research and Management Company generally executes foreign currency transactions for funds over which it has investment discretion directly through broker-dealers; however, a fund's custodian may be used to execute certain foreign exchange transactions. These include transactions in markets with legal restrictions or operational risks that make executing directly in those markets impractical.

ITEM 13: REVIEW OF ACCOUNTS

Capital Research and Management Company compliance and investment control associates monitor accounts on an on-going basis and perform periodic reviews of the accounts. This monitoring and review is conducted to verify that accounts are in compliance with their objectives and guidelines. In addition, the appropriate investment committee periodically reviews certain portfolio data for the funds.

The boards of directors/trustees of each of the American Funds are furnished the following information: monthly unaudited financial statements, audited semiannual and annual financial statements, registration statements and proxy material. Additional information concerning portfolio activity and results are presented at meetings of the boards held at least quarterly, and extensive additional information is furnished, generally annually, in connection with investment advisory agreement renewals. The boards of the Capital International Fund (Luxembourg),the Capital International Assets Management (Canada) and the trustees of the collective investment trusts are furnished audited annual and unaudited semiannual financial statements, and additional information concerning portfolio activity and results. Other information (e.g. foreign country registration and service agreements) is furnished as needed.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Capital Research and Management Company and its affiliates compensate certain other affiliates for client relations and marketing services.

Capital Research and Management Company's affiliates may from time to time compensate third parties for client referrals pursuant to a written solicitation agreement. The solicitor must provide the affiliate with a copy of the solicitor's separate written disclosure document provided to the client. No solicitation payments may be made prior to the affiliate receiving a signed copy of the solicitation agreement and client acknowledgement letter that contains the applicable referral fee disclosures and acknowledgement of the fee arrangement.

ITEM 15: CUSTODY

Capital Research and Management Company does not retain custody of client funds or securities.

ITEM 16: INVESTMENT DISCRETION

Capital Research and Management Company is generally retained by the funds, accounts and other clients it advises on a discretionary basis pursuant to an investment advisory agreement, or in the case of Capital International Assets Management (Canada), Inc. a sub-advisory agreement. Capital Research and Management Company is authorized by these funds, accounts and clients to, among other things, determine without consultation with the fund or its board of directors/trustees:

- what securities are to be bought or sold;
- the amount of securities to be bought or sold;
- the prices at which securities are to be bought or sold;
- the broker or dealer to be used; and
- the commissions to be paid.

In all cases, such discretion is to be exercised in accordance with the applicable fund's, account's, program's or other client's objectives, policies and restrictions.

Capital Research and Management Company is the investment advisor to Capital Bank and Trust Company, with respect to certain collective investment trusts, for which Capital Bank and Trust Company is the discretionary trustee.

Capital Research and Management Company occasionally provides non-discretionary investment advisory services, in which it provides a program sponsor with non-discretionary recommendations to assist the sponsor in the development of one or more portfolios that the sponsor may determine to be suitable for its end investors.

ITEM 17: VOTING CLIENT SECURITIES

Capital Research and Management Company, in consultation with the boards of directors/trustees of the funds it manages, has adopted Proxy Voting Procedures and Principles (the "Principles") with respect to voting proxies of securities held by the funds and other accounts it manages. Proxies are voted by a committee of the appropriate equity investment division of Capital Research and Management Company under authority delegated by the funds' boards, and Capital Research and Management Company's other clients. Therefore, if more than one fund or account invests in the same company, they may vote differently on the same proposal. In addition, the boards of the American funds monitor the proxy voting process and provide guidance with respect to the Principles through a joint proxy committee of the American Funds.

Capital Research and Management Company seeks to vote all U.S. proxies; however, in certain circumstances it may be impracticable or impossible to do so. Proxies for companies outside the U.S. also are voted, provided there is sufficient time and information available. After a proxy statement is received, the investment adviser prepares a summary of the proposals contained in the proxy statement. A discussion of any potential conflicts of interest also is included in the summary. For proxies of securities managed by a particular investment division of Capital Research and Management Company, the initial voting recommendation is made by one or more of the division's investment analysts familiar with the company and industry. A second recommendation is made by a proxy coordinator (an investment analyst or other individual with experience in corporate governance and proxy voting matters) within the appropriate investment division, based on knowledge of these Principles and familiarity with proxy-related issues. The proxy summary and voting recommendations are made available to the appropriate proxy voting committee for a final voting decision.

The analyst and proxy coordinator making voting recommendations are responsible for noting any potential material conflicts of interest. One example might be where a board member of one or more American Funds is also a board member of a company whose proxy is being voted. In such instances, proxy voting committee members are alerted to the potential conflict. The proxy voting committee may then elect to vote the proxy or seek a third-party recommendation or vote of an ad hoc group of committee members.

The Principles, which have been in effect in substantially their current form for many years, provide an important framework for analysis and decision-making by all funds. However, they are not exhaustive and do not address all potential issues. The Principles provide a certain amount of flexibility so that all relevant facts and circumstances can be considered in connection with every vote. As a result, each proxy received is voted on a case-by-case basis considering the specific circumstances of each proposal. The voting process reflects the funds' understanding of the company's business, its management and its relationship with shareholders over time.

Information regarding how the American Funds voted proxies relating to portfolio securities during the 12- month period ended June 30 of each year will be available on or about September

1 of each year (*a*) without charge, upon request by calling American Funds Service Company at 800/421-0180, (*b*) on the American Funds website and (*c*) on the SEC's website at sec.gov.

The following summary sets forth the general positions of the funds and Capital Research and Management Company on various proposals. A copy of the full Principles for the American Funds is available upon request, free of charge, by calling American Funds Service Company or visiting the American Funds website at americanfunds.com.

Director matters — The election of a company's slate of nominees for director generally is supported. Votes may be withheld for some or all of the nominees if this is determined to be in the best interest of shareholders. Separation of the chairman and CEO positions also may be supported.

Governance provisions — Typically, proposals to declassify a board (elect all directors annually) are supported based on the belief that this increases the directors' sense of accountability to shareholders. Proposals that ask companies to adopt cumulative voting generally are supported in order to promote management and board accountability and an opportunity for leadership change. Proposals designed to make director elections more meaningful, either by requiring a majority vote or by requiring any director receiving more withhold votes than affirmative votes to tender his or her resignation, generally are supported.

Shareholder rights — Proposals to repeal an existing poison pill generally are supported. (There may be certain circumstances, however, when a proxy voting committee of a fund or an investment division of Capital Research and Management Company believes that a company needs to maintain anti-takeover protection.) Proposals relating to the right of shareholders to act by written consent or to call a special meeting generally are supported.

Compensation and benefit plans — Equity income plans are complicated, and many factors are considered in evaluating a plan. Each plan is evaluated based on protecting shareholder interests and a knowledge of the company and its management. Considerations include the pricing (or repricing) of options awarded under the plan and the impact of dilution on existing shareholders from past and future equity awards. Compensation packages should be structured to attract, motivate and retain existing employees and qualified directors; however, they should not be excessive.

Routine matters — The ratification of auditors, procedural matters relating to the annual meeting and changes to company name are examples of items considered routine. Such items generally are voted in favor of management's recommendations unless circumstances indicate otherwise.

ITEM 18: FINANCIAL INFORMATION

Capital Research and Management Company does not generally require or solicit pre-payment of fees; however, certain sponsors of wrap fee programs may pay Capital Research and Management Company fees in advance of its provision of services related to such program, but in no case more than six months in advance.

Capital Research and Management Company is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Capital Research and Management Company is not registered with any state securities authority.

CAPITAL RESEARCH AND MANAGEMENT COMPANY

333 South Hope Street, 55th Floor
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Form ADV, Part 2B
BROCHURE SUPPLEMENT

Date: August 14, 2013

This brochure supplement provides information that supplements Capital Research and Management Company's ("CRMC") Form ADV brochure which was previously provided to you.

Please contact us at ADVPart2@capgroup.com if you would like a copy of CRMC's brochure or if you have any questions about the contents of this supplement.

Additional information about CRMC is available on the United States Securities and Exchange Commission ("SEC") website at www.adviserinfo.sec.gov.

CRMC is a wholly-owned subsidiary of The Capital Group Companies, Inc. ("CGC"). CGC owns 100%, either directly or indirectly, of each of the following entities, which may be discussed from time to time throughout this brochure (certain of which are SEC-registered investment advisers whose SEC File Numbers are as indicated):

American Funds Distributors, Inc. ("AFD")
American Funds Service Company ("AFS")
Capital Bank and Trust Company ("CB&T")
Capital Group Companies, Inc. ("CGC")
Capital Group Corporate International ("CGCInt'l")
Capital Group International, Inc. ("CGII")
Capital Group Research, Inc. ("CGRI")
Capital Guardian (Canada), Inc. ("CGCI") (SEC File Number: 801-56526)
Capital Guardian Trust Company (“CGTC”) (SEC File Number: 801-60145)
Capital Guardian Trust Company, a Nevada corporation ("CGTN")
Capital International Asset Management (Canada), Inc. ("CIAM-C")
Capital International Financial Services, Inc. ("CIFS")
Capital International Funds Company ("CIFCo")
Capital International Funds Group ("CIFG")
Capital International, Inc. ("CIInc.") (SEC File Number: 801-32104)
Capital International K.K. ("CIKK")
Capital International Limited ("CIL")
Capital International Management Company S.A. ("CIMC")
Capital International Research, Inc. ("CIRI") (SEC File Number: 801-54943)
Capital International Sarl ("CISA") (SEC File Number: 802-75723)
Capital Investment Research Services Private Limited ("CIRS")
Capital Management Services, Inc. ("CMS")
Capital Research Company ("CRC") (SEC File Number: 801-54942)
Capital Research and Management Company ("CRMC") (SEC File Number: 801- 8055)
Capital Strategy Research, Inc. ("CSR")
CIPEF, Inc. (“CIPEF”)

Other Abbreviations used in this brochure include:
Capital Group Private Client Services (“CGPCS”), a division of Capital Guardian Trust Company (CGTC)

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Date: August 14, 2013

This brochure supplement provides information about Gerald C. Du Manoir that supplements Capital Research and Management Company's ("CRMC") Form ADV brochure which was previously provided to you.

Please contact us at ADVPart2@capgroup.com if you would like a copy of CRMC's brochure or if you have any questions about the contents of this supplement.

GERALD C. DU MANOIR

Birth Year:	1966
Education:	Institut Superieur de Gestion, B.A., 1989
Business Background:	**CRMC** Senior Vice President since 2013; **CGTC** Director since 2010, Senior Vice President since 2007, Vice President 2003-2007; **CGTC-CGPCS** Senior Vice President since 2001; **CIAM-C** Senior Vice President since 2008; **CGCI** Vice President since 1998; **CIRI** Senior Vice President 2003-2007, Investment Research Analyst since 1992.
Disciplinary Information:	None
Other Business Activities:	None
Additional Compensation:	None
Supervision:	The relevant investment committee provides oversight of the investment management process and investment professionals. For additional information, please contact 213-486-9676.

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BROCHURE SUPPLEMENT

Date: August 14, 2013

This brochure supplement provides information about Gregory D. Fuss that supplements Capital Research and Management Company's ("CRMC") Form ADV brochure which was previously provided to you.

Please contact us at ADVPart2@capgroup.com if you would like a copy of CRMC's brochure or if you have any questions about the contents of this supplement.

GREGORY D. FUSS

Birth Year:	1959
Education:	University of Southern California, M.B.A., 1987 University of California at San Diego, B.A., 1982
Business Background:	**CRMC** Senior Vice President since 2013; **CGTC-CGPCS** Senior Vice President and Portfolio Manager since 2013, Senior Vice President and Portfolio Specialist 2006 - 2013.
Disciplinary Information:	None
Other Business Activities:	None
Additional Compensation:	None
Supervision:	The relevant investment committee provides oversight of the investment management process and investment professionals. For additional information, please contact 213-486-9676.

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BROCHURE SUPPLEMENT

Date: August 14, 2013

This brochure supplement provides information about Todd S. James that supplements Capital Research and Management Company's ("CRMC") Form ADV brochure which was previously provided to you.

Please contact us at ADVPart2@capgroup.com if you would like a copy of CRMC's brochure or if you have any questions about the contents of this supplement.

TODD S. JAMES

Birth Year:	1962
Education:	University of Southern California, M.B.A., 1989 California State University, Sacramento, B.S., 1984
Business Background:	**CRMC** Senior Vice President since 2013; **CGTC** Director since 2009, Senior Vice President since 2007; **CIRI** Senior Vice President 2003-2008, Director 2004-2007, Investment Analyst since 1990.
Disciplinary Information:	None
Other Business Activities:	None
Additional Compensation:	None
Supervision:	The relevant investment committee provides oversight of the investment management process and investment professionals. For additional information, please contact 213-486-9676.

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Date: August 14, 2013

This brochure supplement provides information about Shelby Notkin that supplements Capital Research and Management Company's ("CRMC") Form ADV brochure which was previously provided to you.

Please contact us at ADVPart2@capgroup.com if you would like a copy of CRMC's brochure or if you have any questions about the contents of this supplement.

SHELBY NOTKIN

Birth Year:	1941
Education:	Syracuse University, B.S., 1962
Business Background:	**CRMC** Senior Vice President since 2013; **CGTC** Senior Vice President since 1997, Director 2002-2007; **CGTC-CGPCS** Chairman since 1997, Portfolio Counselor since 1993; **CGTN** Director since 1997.
Disciplinary Information:	None
Other Business Activities:	None
Additional Compensation:	None
Supervision:	The relevant investment committee provides oversight of the investment management process and investment professionals. For additional information, please contact 213-486-9676.

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Date: August 14, 2013

This brochure supplement provides information about Theodore R. Samuels that supplements Capital Research and Management Company's ("CRMC") Form ADV brochure which was previously provided to you.

Please contact us at ADVPart2@capgroup.com if you would like a copy of CRMC's brochure or if you have any questions about the contents of this supplement.

THEODORE R. SAMUELS

Birth Year:	1955
Education:	Harvard University Graduate School of Business Administration, M.B.A., 1981 Harvard University, B.A., 1977
Business Background:	**CRMC** Senior Vice President since 2013; **CGTC** President since 2010, Director since 1995, Senior Vice President 1994-2010; **CIAM-C** Senior Vice President since 2008; **CGTN** Director 2000 - 2009; **CGC** Director 2005-2009.
Disciplinary Information:	None
Other Business Activities:	None
Additional Compensation:	None
Supervision:	The relevant investment committee provides oversight of the investment management process and investment professionals. For additional information, please contact 213-486-9676.

CAPITAL GROUP℠

Privacy Policy
June 1, 2013

Capital Group considers the privacy of its investors to be of fundamental importance and has established a policy to maintain the confidentiality of the information you share with us.

Personal information we collect
We do not sell any information to any third parties. However, we may collect and retain certain nonpublic personal information about you, including:

- information we receive from you or your financial intermediary, such as your name and address;
- information from third-party data services (for example, to update your address when you have moved and demographic information to better understand your investment and service needs);
- information, such as account balance and transaction activity, about your investment transactions (including, to the extent necessary for our servicing your account(s) with us, your investments with third parties); and
- information collected from you online (for example, HTTP headers, IP address, pixel tags and/or cookies that collect your online preferences, allow us to recognize your browser to help improve your web experience and provide you with information about our products and services tailored to your interests).

American Funds investors may review and correct any personal information by accessing our website, **americanfunds.com**, or by contacting us at (800) 421-4225. All others should contact their financial intermediary.

Personal information we may disclose
We occasionally disclose nonpublic personal information about you to affiliates and nonaffiliates as permitted by law. Some instances when we have shared information include:

- disclosing information to a third party in order to process account transactions that you request or authorize;
- sharing information with companies related to us, as permitted by law, to make you aware of new funds or other services that we offer;
- disclosing your name and address to companies that mail account-related materials, such as shareholder reports (note that these companies may not use the information for any other purpose);
- disclosing information to research companies to assess and improve our financial services; and
- disclosing information in connection with legal proceedings, such as responding to a subpoena.

When information is shared with third parties, they are not permitted to use the information for any purpose other than to assist our servicing of your account(s), including helping us improve the services we offer, or as permitted by law.

If you close your account(s) or if we lose contact with you, we will continue to share information in accordance with our current privacy policy and practices.

We restrict access to your nonpublic personal information to authorized persons. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

These measures reflect our commitment to maintaining the privacy of your confidential information. We appreciate the confidence you have shown by entrusting us with your assets.

This privacy disclosure applies to investment and shareholder services offered by:

American Funds Distributors,® Inc.
American Funds Service Company®
Capital Research and Management Company℠
Capital Bank and Trust Company℠

and all of the American Funds listed below:

AMCAP Fund®
American Balanced Fund®
American Funds Global Balanced Fund℠
American Funds Money Market Fund®
American Funds Mortgage Fund®
American Funds Short-Term Tax-Exempt Bond Fund®
American Funds Tax-Exempt Fund of New York®
American High-Income Municipal Bond Fund®
American High-Income Trust®
American Mutual Fund®
The Bond Fund of America®
Capital Income Builder®
Capital World Bond Fund®
Capital World Growth and Income Fund®
EuroPacific Growth Fund®
Fundamental Investors℠
The Growth Fund of America®
The Income Fund of America®
Intermediate Bond Fund of America®
International Growth and Income Fund℠
The Investment Company of America®
Limited Term Tax-Exempt Bond Fund of America®
The New Economy Fund®
New Perspective Fund®
New World Fund®
Short-Term Bond Fund of America®
SMALLCAP World Fund®
The Tax-Exempt Bond Fund of America®
The Tax-Exempt Fund of California®
The Tax-Exempt Fund of Maryland®
The Tax-Exempt Fund of Virginia®
U.S. Government Securities Fund®
Washington Mutual Investors Fund℠

This privacy disclosure also applies to funds within the:

American Funds Portfolio Series:℠

- American Funds Balance Portfolio℠
- American Funds Global Growth Portfolio℠
- American Funds Growth and Income Portfolio℠
- American Funds Growth Portfolio℠
- American Funds Income Portfolio℠
- American Funds Preservation Portfolio℠
- American Funds Tax-Advantaged Income Portfolio℠
- American Funds Tax-Exempt Preservation Portfolio℠

American Funds College Target Date Series℠

and **American Funds Target Date Retirement Series.**®

continued on back

This policy is effective June 1, 2013. If there are changes to the terms of our privacy policy, documents containing the policy and relevant information on our website will be updated.

For more information
For information about your account or our services, please contact your financial intermediary. For American Funds investors, you may also call American Funds Service Company at (800) 421-4225, or visit **americanfunds.com**.

For American Funds investors:

Household mailings and e-delivery
Each year, you are automatically sent an updated summary prospectus and annual and semi-annual reports for the fund. You may also occasionally receive proxy statements for the fund. In order to reduce the volume of mail you receive, when possible, only one copy of these documents will be sent to shareholders who are part of the same family and share the same household address. If you would like to opt out of household-based mailings, please call American Funds Service Company at (800) 421-4225 or write to the secretary of the fund at 333 South Hope Street, Los Angeles, California 90071. You may elect to receive these documents electronically in lieu of paper form by enrolling in e-delivery on our website, **americanfunds.com/paperless**.

FINRA BrokerCheck®
FINRA makes available BrokerCheck, a search tool which provides important information about FINRA-registered securities firms and brokers. You may contact the FINRA BrokerCheck Hotline at (800) 289-9999, access this service on their website at **finra.org/brokercheck** or contact FINRA for a copy of their investor brochure.

Unclaimed property
If there is no activity in your account within a time period specified by state law, we may be required to transfer the account to the appropriate state.

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Capital Research and Management Company Description of Proxy Voting Process

SUMMARY

We are committed to acting in the best interests of investors. We view proxies of companies held in portfolios as significant assets and proxy voting as an integral part of the investment process. These Principles provide an important framework for analysis and decision-making; however, they are not exhaustive and do not address all potential issues. These are “guidelines” rather than “rules.” While we generally adhere to these Principles, we have the flexibility to vote each proposal based on the specific circumstances that we believe are relevant. As a result, each proxy is analyzed and voted on a case-by-case basis. The voting process reflects our understanding of a company’s business, its management and its relationship with shareholders over time. In addition to our annual review of specific proxy proposals (including discussions with corporate management representatives), we meet with companies throughout the year to discuss various governance and proxy voting topics. As a matter of policy, we will not be influenced by outside sources or business relationships involving interests that may conflict with those of the funds and their investors. The Principles reflect the long-term approach that helps guide our investment and proxy voting decisions.

PROXY VOTING PROCESS

All U.S. proxies are voted. Proxies for companies outside the U.S. also are voted, provided there is sufficient time and information available. After a proxy is received, CRMC prepares a summary of the proposals contained in the proxy. A discussion of any potential conflicts of interest also is included in the summary. For proxies of securities managed by a particular investment division of CRMC, the initial voting recommendation is made by one or more of the division’s investment analysts familiar with the company and industry. A second recommendation is made by a proxy coordinator (an investment analyst with experience in corporate governance and proxy voting matters) or other individual within the appropriate investment division, based on knowledge of these Principles and familiarity with proxy-related issues. The proxy summary and voting recommendations are made available to the appropriate proxy voting committee for a final voting decision.

SPECIAL REVIEW PROCEDURES

The analyst and proxy coordinator making voting recommendations are responsible for noting any situation that might appear to give rise to a potential conflict of interest. In such instances, proxy committee members are alerted to the situation. The proxy committee may then elect to vote the proxy or seek a third-party recommendation or vote of an ad hoc group of committee members.

PRINCIPLES

The following principles are grouped according to types of proposals usually presented to shareholders in proxy statements.

Director Matters

Election of Directors

We generally support the annual election of a company's nominees for director. We may, however, oppose all or some of the company's nominees if we believe it to be in the best interest of shareholders.

Separation of Chairman and CEO

We generally prefer to separate the Chair and CEO roles – particularly in the case of a newly appointed CEO – unless there is a compelling reason to support combining them. Further, we believe that the separate Chairman should be independent (*i.e.* not a current or former executive or other affiliated director).

Shareholder Access to the Proxy

Proxy access proposals generally require a company to amend its bylaws to allow a qualifying shareholder or group of shareholders to nominate up to two directors on a company's proxy ballot. To qualify, an individual or group must have owned a certain percentage (typically 1% to 3%) of the company's shares for a minimum period of time (typically one to three years).

All proposals are reviewed on a case-by-case basis. In general, we are not opposed to such proposals, but want to ensure that the ownership threshold is set at the right level to avoid misuse of this provision by those without a significant economic interest in a company. As such, we generally believe that proposals with lower ownership thresholds are more appropriate for large companies and those with higher thresholds are more appropriate for small companies.

In addition, the holding period requirement is equally (if not more) important, since length of ownership demonstrates a commitment that is more likely to be aligned with our interests as long-term shareholders.

Governance Provisions

Classified Boards

A “classified” board is one that elects only a percentage of its members each year (usually one-third of directors are elected to serve a three-year term). Generally, we support proposals declassifying boards. We believe that declassification (the annual election of all directors) increases a board’s sense of accountability to shareholders.

Cumulative Voting

Under cumulative voting, each shareholder has a number of votes equal to the number of shares owned multiplied by the number of directors up for election. A shareholder can cast all of his/her votes for a single director, thus allowing minority shareholders to elect a director. We generally support proposals for cumulative voting in order to promote management and board accountability and opportunity for leadership change. However, in light of the potential for proxy access and any related governance provisions previously adopted by a company, we apply additional scrutiny to determine the appropriateness of cumulative voting proposals.

Majority Vote Requirement

Generally, we support proposals designed to make director elections more meaningful, either by requiring a majority vote in director elections (more ‘for’ votes than ‘against’), or by requiring any director receiving more withhold votes to tender his or her resignation.

Note: While we would typically support each of these proposals if presented separately, we are aware that often a company has already adopted several of the governance features described above. In such situations (such as a proposal to add cumulative voting in cases where directors are elected annually and there is a majority vote provision) we would consider proposals carefully to determine if the additional protections were necessary, or whether a combination of these features would leave a company vulnerable to coercive actions by shareholders with short-term investment horizons.

Exclusive Forum Provisions

Exclusive venue proposals typically seek to establish the Delaware Court of Chancery as the exclusive forum for certain legal corporate disputes, including director and officer breaches of fiduciary duty, claims seeking to overturn directors’ business judgments on mergers, and other matters.

We review shareholder proposals relating to exclusive forum on a case-by-case basis. The factors we consider include:

- An acknowledgement that we generally would prefer not to give up the flexibility afforded by having a choice of venues.

- Giving up the venue right should, at a minimum, reduce the incidence and cost of duplicative and frivolous lawsuits and the possibility of inconsistent outcomes from different jurisdictions, which could lead to enhanced long-term shareholder value (all else being equal).
- Delaware has a system of specialized courts to deal with corporate law questions, with streamlined processes and procedures that help provide relatively quick decisions.
- Given the history and experience of the Delaware courts with respect to corporate law, shareholders should expect to receive a reasonable and fair hearing within the jurisdiction.
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Anti-Takeover Provisions, Shareholder Rights and Re-incorporations

Shareholder Rights Plans ("poison pills")

Poison pills are a defense against unwelcome takeover offers. These plans allow shareholders (other than the shareholder making the unwelcome takeover offer) to purchase stock at significantly discounted prices under certain circumstances. The plans force would-be acquirers to negotiate with the board, effectively giving the board veto power over any offer. Poison pills can be detrimental to the creation of shareholder value and can help entrench management by thwarting or deterring acquisition offers that are not favored by the board but that may be beneficial to shareholders.

We generally support the elimination of existing poison pills and proposals that would require shareholder approval to adopt prospective poison pills. There may be a few select circumstances, however, where the analyst feels a need for the company to maintain anti-takeover protection. Additionally, if a company has crafted a shareholder-friendly pill, we may not support a shareholder proposal to eliminate or amend the existing provisions. A good example of this is the Canadian model, which requires shareholder review and consideration of any acquisition offer.

Change of Corporate Domicile

- *Re-incorporation within the U.S.:* We generally leave the state domicile decision to the discretion of company management and its board.

- *Re-incorporation outside the U.S.:* We consider a company's specific circumstances with respect to the reasons for the re-incorporation. Factors that may influence whether or not we support a proposal to re-incorporate include the potential for both corporate and shareholder-level taxes to be triggered at the time of the event, as well as the potential long-term impact of country-specific tax treaties.

Action by Written Consent / Right to call a Special Meeting

We consider several factors relating to these proposals and apply them on a case-by-case basis. These include a company's market capitalization; composition of its company's largest shareholders; its responsiveness to previous shareholder proposals and other forms of feedback; any meeting provisions and ownership thresholds currently in place; and its overall governance structure. While we believe that both the right to take action by written consent and to call a special meeting are important tools for shareholders, there may be cases where it is not necessary to have access to both rights at a particular company.

The right to act by written consent (without calling a formal meeting of shareholders) can be a powerful tool for shareholders especially in a proxy fight. We generally oppose proposals that would prevent shareholders from taking action without a formal meeting or take away a shareholder's right to call a special meeting.

The ability to call a special meeting also is a valuable right for shareholders. We consider the details of these shareholder proposals, particularly the proposed ownership thresholds, and attempt to assess whether a low limit (*e.g.* 10%) would allow actions by a relatively small group that might not be in the best interests of the majority of shareholders.

Capitalization

Authorization of New Common Shares

We generally support reasonable increases in authorized shares when the company has articulated a need (for example, a stock split or re-capitalization). Even so, we are aware that new shares may dilute the ownership interest of shareholders. Consequently, we generally oppose proposals that would more than double the number of authorized shares.

Authorization of "Blank Check" Preferred Shares

Blank check preferred shares give the board complete discretion to set terms (including voting rights). Such shares may have voting rights far in excess of those held by common stockholders. We generally oppose proposals that allow a board to issue preferred shares without prior shareholder approval, as well as proposals that allow the board to set the terms and voting rights of preferred shares at their discretion. A request for preferred shares with voting rights that are equal to those of existing common stock shares, however, generally would be supported.

Compensation and Benefit Plans

Advisory Vote on Executive Compensation (Say-on-Pay)

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires companies to allow shareholders to cast advisory (non-binding) votes on the compensation for named executive officers, as well as the frequency of such votes (every one, two or three years). Under the Dodd-Frank Act, the advisory vote on compensation will cover the Compensation, Discussion and Analysis disclosure, executive compensation tables, and related narrative in company proxy filings.

While we understand the intent of such Say-on-Pay proposals, we are concerned that a vote for or against the compensation disclosure in a proxy statement may not effectively communicate our thoughts on specific issues to a company's management team. We believe there are more direct methods of conveying concerns about compensation (including voting against specific incentive plans that provide for excessive compensation or withholding votes from compensation committee members who approve a compensation package that we deem to be excessive).

Despite our beliefs regarding the effectiveness of Say-on-Pay, we generally support management proposals unless we have specific concerns about compensation at a particular company (based, in part, on the factors outlined below under "Equity Incentive Plans"). We apply additional scrutiny to those companies where we have a history of voting against one or more compensation plans or where we have withheld votes from compensation committee members over the past several years. If we are dissatisfied with a component of the overall compensation policy (*i.e.* high dilution, ability to re-price or exchange options, cash bonus caps expressed as a percentage of net income rather than hard dollar stop), we generally vote against Say-on-Pay proposals in order to deliver a consistent message to company management.

With respect to the frequency of Say-on-Pay proposals, we generally support the triennial option (every three years), but also may consider supporting an annual vote for certain industries or companies where we historically have had concerns about compensation, to allow a more targeted approach to identifying compensation concerns (see above). We favor this approach because it would be consistent with the typical three-year performance period in long-term incentive plans and generally supports a longer-term focus on compensation issues. This would allow us to continue engagement with companies in the off years, since it is often difficult for companies to make significant changes within a 12-month period.

Equity Incentive Plans

Incentive plans are complicated and many factors are considered when evaluating a plan. No single factor is determinative; the proxy committees weigh each plan based on protecting shareholder interests and our historical knowledge of the company and its management. Factors include:

- *Pricing:* We believe options should be priced at 100% of fair market value (the price shareholders would pay on the open market) on the date they are granted. We do not generally support options priced at a discount to the market.

- *Re-pricing:* An “out-of-the-money” option has an exercise price that is higher than the current price of the stock. We generally have not supported replacing “out-of-the-money” options with new options at a lower exercise price (generally known as “re-pricing”) because it is not consistent with a policy of offering options as a form of long-term compensation. However, there may be circumstances under which we would consider a limited exchange program (including value-neutral exchanges).

- *Dilution:* Dilution is the reduction of the voting power and/or economic interest of existing shareholders due to an increase in shares available for distribution to company employees in lieu of cash compensation. We consider several kinds of dilution: the historical annual dilution of the current plan, the potential dilution of the proposed plan and the cumulative dilution of all option plans. We tend to oppose plans that result in “excessive” dilution for existing shareholders. Acceptable dilution levels are not rigidly defined, but will be a function of the: (i) stage of the company’s lifecycle (embryonic to mature); (ii) company size (market capitalization); (iii) historical growth rate of sales and earnings; (iv) competitive environment; and (v) extenuating circumstances related to the company’s industry. In addition, greater dilution can be tolerated when options are awarded to all employees, instead of limiting awards to top-level management. We generally oppose evergreen plans (which provide for an automatic annual increase of shares available for award without shareholder approval).

- *Performance:* We have a preference for linking compensation (cash and equity) to appropriate performance criteria that encourages a long-term focus, consistent with our approach to investing.

- *Shares available for awards:* Requests for additional incentive plan shares, where there are a substantial number of shares currently in reserve, will receive additional scrutiny to ensure that a company continues to award equity at an appropriate rate.

Restricted Stock Plans

We support restricted stock plans when such grants replace cash compensation without increasing the historical cash award and when the amount of restricted stock available for distribution represents a reasonable percentage of overall equity awards. We also consider performance criteria and other vesting requirements, as well as the economic value of the restricted stock when compared to options.

Non-Employee Director Compensation

We generally support equity-based compensation for non-employee directors that aligns their interests with shareholders. Such plans must be reasonable in size, have fair market value option grants and not create excess total compensation (they should be subject to the same limitations as executive incentive plans). We also review the mix of options, stock awards and cash compensation. We believe that compensation packages should be structured to attract, motivate and retain qualified directors, and that excessive board compensation can undermine the board's independence.

Employee Stock Purchase Plans

These plans are designed to allow employees to purchase stock at a discount price and to receive favorable tax treatment when the stock is sold. In many cases, the price is 85% of the market value of the stock. These plans are broad-based and have relatively low caps on the amount of stock that may be purchased by a single employee. We generally support these types of plans.

Shareholder Proposals Regarding Executive Compensation

Caps on Executive Pay

In general, we oppose shareholder proposals that seek to set limits on executive compensation because competitive compensation packages are necessary to attract, motivate and retain executives. Shareholder proposals on this issue tend to specify arbitrary compensation criteria.

Performance-Based Senior Executive Stock Option Grants

From time-to-time, shareholder proposals attempt to link performance-based options to an industry or peer group index rather than the market as a whole. Generally, we support the concept of linking pay to a company's results, including (but not limited to) stock performance. However, we typically do not support shareholder requests to link stock option grants to the performance of a *specific* peer group or an industry index. We believe that such proposals may actually weaken the alignment of shareholder and management interests (*i.e.* depending on the benchmark, executives could profit even if a company's performance declines). We prefer that compensation committees retain the flexibility to propose an appropriate index.

Executive Pay Restrictions or Freezes

We generally oppose proposals specifying restrictions on executive pay because they take away compensation committee flexibility. Such proposals include: terminating the company's option or restricted stock programs; freezing executive pay during periods of large layoffs; establishing a maximum ratio between the highest paid executive and lowest paid employee; and linking executive pay to social criteria.

Executive Severance Agreements

Generally, we support proposals that require shareholder approval of executive severance agreements, largely because of the trend toward excessive severance benefits (also known as “golden parachutes”). If an executive leaves for reasons related to poor performance, allowing a generous “parting gift” seems contrary to good corporate governance. While we typically support proposals asking that such severance be limited to 2.99 times pay and bonus (amounts over this threshold are subject to a 20% excise tax), we may vote against proposals that request a lower limitation.

Other Shareholder Proposals

Political Contributions

We review shareholder proposals relating to political expenditures on a case-by-case basis. In order to make a voting decision we consider:

1) Whether there currently is a policy in place regarding political contributions.
2) The level of political contribution oversight by the board and management team.
3) The company’s current disclosure practices and whether it has been subject to any previous fines or litigation.

We may vote in favor of a proposal when the current disclosure on political contributions is insufficient or significantly lacking compared to a company’s peers, there are verifiable or credible allegations of funds mismanagement through donations, and there is no explicit board oversight or evidence that board oversight on political expenses is inadequate. We may not support a shareholder proposal if the information requested is already available in another report or the company meets the criteria noted above.

Social Issues

We know that social issues involving the environment and human rights are important to many of our investors, and we agree that they are important and are among the factors that can affect companies’ long-term prospects for success. Human rights or environmental issues that may affect companies are considered by our investment professionals as part of the investment management process, and are also considered when reviewing proxy proposals. This approach is consistent with the stated investment objectives and policies of the funds.

When evaluating proxy proposals relating to issues such as human rights, labor and employment, and smoking and tobacco, decisions are made on a case-by-case basis. We consider each of these proposals based on the impact to the company’s shareholders, the specific circumstances at each individual company, and the current policies and practices of the company. While proposals concerning these issues often are phrased in a way that excessively constrains management flexibility or are difficult to implement, we may support proposals related to specific areas of concern, or where we feel the shareholder's request is necessary for the success of the business or provides value to the company and its shareholders.

Environmental Issues

As with other types of proposals, when reviewing those related to environmental issues (including climate change) we take into account the investment implications and are required to vote in a manner consistent with the objectives of the fund. We examine each issue within the context of each specific company's situation, including any potential adverse economic implications for the company's business or operations that we feel have not been properly addressed. We will continue to review and vote these issues on a case-by-case basis.

Shareholder Proposals for Companies Outside the U.S.

We vote proxies for companies outside the U.S. whenever practicable, and consider the benefits of voting against the costs. While the procedures for such proxies are similar to those of U.S. proxies, we utilize an expedited review process for these proxies. This is because we typically receive proxies and meeting agendas from companies outside the U.S. just prior to the meeting, although progress has been made in certain markets to increase the amount of time given to consider and cast a vote.
Certain countries impose restrictions on the ability of shareholders to sell shares during the proxy solicitation period. We may choose, due to liquidity issues, not to expose the funds to such restrictions and thus may not vote some (or all) shares that we own.

The Principles are applied on a country-by-country basis, taking into account distinct market practices, regulations and laws, and types of proposals presented in each country. Also, an analyst from the appropriate CRMC investment division is consulted whenever an issue is not standard.

Proxy summaries are prepared and circulated to the proxy committees if there is sufficient time and information available. We make a special effort to prepare summaries for proxies that contain controversial issues.

We generally will abstain from voting when there is not sufficient information to allow an informed decision.