

Form ADV Part 3 - Client Relationship Summary (Form CRS) Capital Research and Management Company

1. Introduction

Capital Research and Management Company ("CRMC" or "we"), a wholly-owned subsidiary of The Capital Group Companies, Inc., is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for retail investors to understand the differences. In addition to the below, free and simple tools to research firms and financial professionals are available at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers and investing.

2. What investment services and advice can you provide me?

We offer investment advisory services to retail investors. CRMC is retained as an investment adviser under "wrap fee" or dual contract programs sponsored by broker-dealers or other financial institutions. In a wrap fee program, a participant enters into an advisory agreement with the sponsor and the sponsor enters into an agreement with CRMC. In a dual contract program, a participant enters into an investment advisory agreement with CRMC and a separate agreement with the program sponsor. Dual contract programs are generally managed in a manner similar to wrap programs. CRMC does not continuously monitor the retail investors' investments.

CRMC typically builds portfolios from the bottom-up using rigorous fundamental research to find attractive investments and manage risks.

Generally, the minimum account size for dual contract managed account program is \$250,000. For more information about investment services offered by CRMC, see its most recent Form ADV Part 2A, available at capitalgroup.com/formcrs (in particular Items 4 and 7).

Conversation Starters

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

3. What fees will I pay?

The "wrap fee" paid by the client to the sponsor, which includes the fee for advisory services provided by CRMC is generally based on a percentage of assets. Fees charged by CRMC to the wrap program's sponsor for advisory services will vary based on the relationship, services provided, level of discretion and other factors. Clients should contact their program sponsor for more information on fees in connection with such programs.

In a dual contract arrangement, CRMC's fee is typically paid directly by the client pursuant to a separate agreement. The annual fee schedules for investment management services for dual contract programs are expressed as a percentage of total assets and differ depending on investment mandate. In addition, different fees may apply for certain long-standing clients as well as clients with customized mandates or special service needs.

Sponsors of certain dual contract managed account or wrap fee programs require additional fees to cover administration costs in addition to the fees noted above. These fees may include advisory custody and other program related fees charged by the program sponsor.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information about fees and costs assessed by CRMC, see Form ADV Part 2A, Item 5: Fees and Compensation available at capitalgroup.com/formcrs.

Conversation Starter

- *Help me understand how these fees and costs might affect my investments. If I give you \$250,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

❖ **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

We generally charge asset-based fees for investment advisory services. In limited circumstances, we and our affiliates receive fees from institutional clients that are based on the performance of the account. This creates a risk of conflict for portfolio managers 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. CRMC and its affiliates receive a separate fee for investment advisory and other services they provide to affiliated services. For more information about potential conflicts of interest and policies and procedures designed to mitigate them, please refer to [Item 5: Fees and Compensation](#), [Item 6: Performance-Based Fees](#) and [Item 14: Client Referrals and Other Compensation](#) of the Form ADV Part 2A available at capitalgroup.com/formcrs.

Certain wrap fee program clients and dual contract clients may direct CRMC to place all trades for equity accounts through the program sponsor, a third-party platform and/or their affiliates. These directed trades will not be subject to CRMC's policy of seeking best execution. In these cases, CRMC will not negotiate commissions for such accounts or otherwise monitor the execution of trades. Please refer to [Item 12: Brokerage Practices](#) of the Form ADV Part 2A available at capitalgroup.com/formcrs for more information about the handling of securities trading with respect to such programs.

For more information about potential conflicts of interest and our policies and procedures designed to mitigate them, please refer to Form ADV Part 2A, Items 11 and 12 available at capitalgroup.com/formcrs.

Conversation Starter

- *How might your conflicts of interest affect me, and how will you address them?*

❖ **How do your financial professionals make money?**

CRMC's portfolio managers and analysts are paid salaries and may also receive bonuses based on their individual portfolio results. Portfolio managers and analysts who are eligible to receive bonuses based on individual portfolio results may have an incentive to make riskier investments that may generate better performance. However, this risk is mitigated by a long-term focus: bonuses based on investment results are calculated by comparing pretax total investment returns to relevant benchmarks over the most recent one-, three-, five- and eight-year periods, with increasing weight placed on each succeeding measurement period. Portfolio managers and analysts may also participate in profit-sharing plans.

4. Do you or your financial professionals have legal or disciplinary history?

No. Neither CRMC nor its financial professionals (in their capacity as representatives of CRMC) have been the subject of legal or disciplinary findings. While CRMC is not, as of the date of this relationship summary, subject to any legal or disciplinary findings related to its advisory business, from time to time, CRMC may be subject to regulatory examinations, investigations, litigation or inquiries that arise in the ordinary course of business. You may visit www.investor.gov/CRS for a free and simple search tool to research CRMC and its financial professionals.

Conversation Starter

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

5. Additional Information

For more information about CRMC's investment advisory services, please see its most recent Form ADV available at capitalgroup.com/formcrs. To request up-to-date information and a copy of this relationship summary, please call 800-421-5450.

Conversation Starter

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*