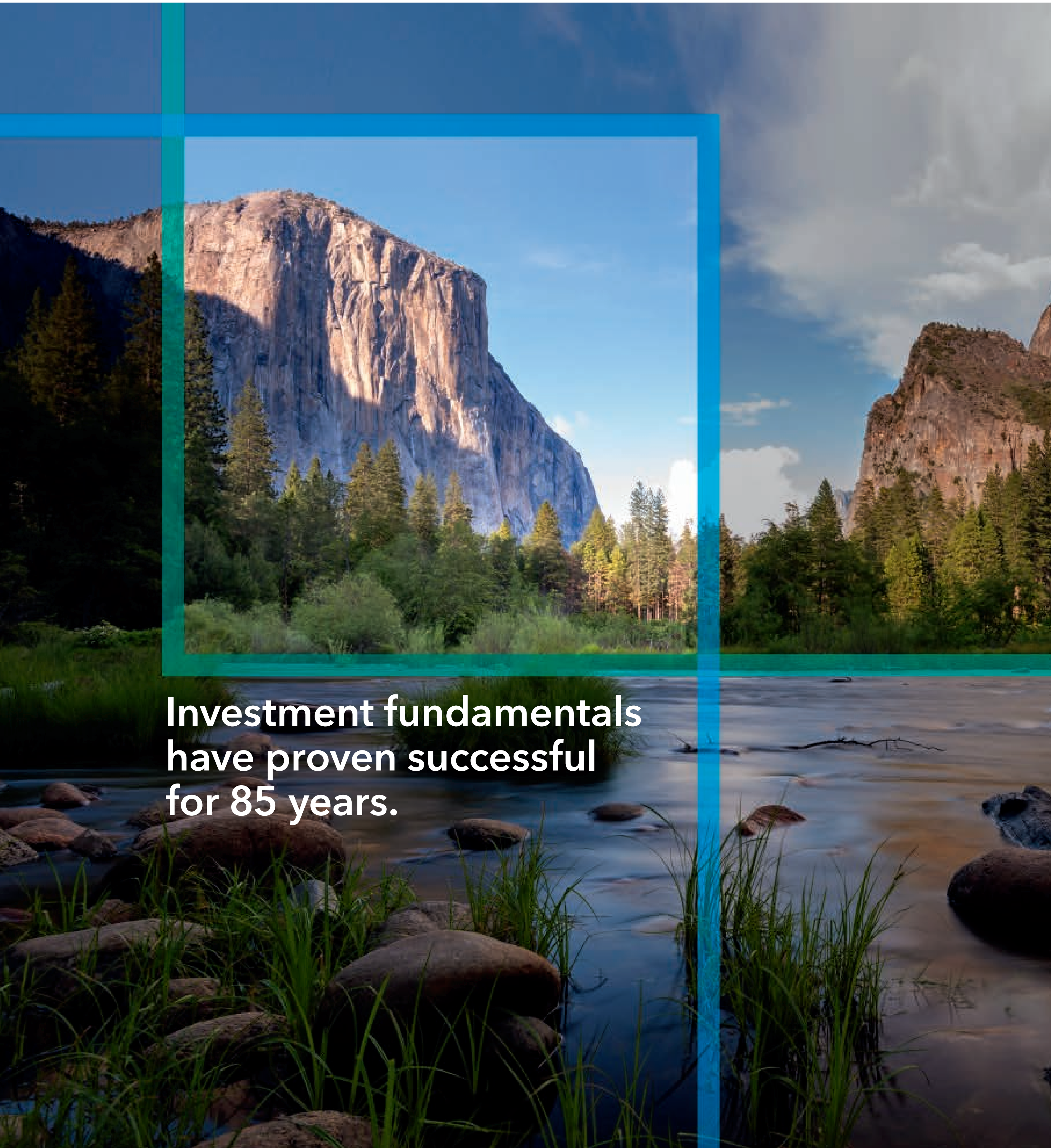
# The ICA Guide

2019 edition: Class F-2 shares

CAPITAL GROUP® | AMERICAN FUNDS®



## Investment fundamentals have proven successful for 85 years.

# More than eight decades of experience

**One of your first investment decisions is knowing whom to trust with your hard-earned money. At American Funds, we think our history and results speak for themselves, as shown by the record of our first fund, The Investment Company of America.®**

**Highlights**



## Our founder focused on investment principles and integrity

Jonathan Bell Lovelace spent most of the 1920s at a Detroit banking/brokerage firm, developing his investment research techniques and earning impressive results. By 1929, before the stock market crash, he could see no logical relationship between stock market prices and their underlying values, so he sold his interest in the firm, took his investments out of the market and moved to California.

When Lovelace founded Capital Group in 1931, he established three core principles that we hold to this day:

- Do the thorough research necessary to determine the actual worth of an organization.
- Buy securities at reasonable prices relative to their prospects.
- Always be guided by a total commitment to honesty and integrity.

**Figures shown are past results for Class F-2 shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit americanfunds.com.**

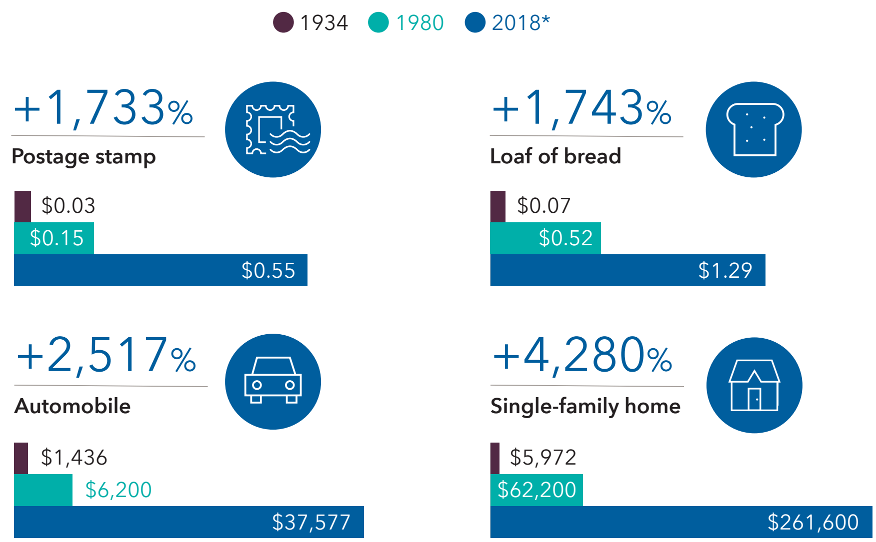
**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

## The legacy of our first fund

Our oldest fund, The Investment Company of America (ICA), has stood the test of time. Since 1934, the fund has persevered through market highs and lows, world conflicts and ever-changing technology. We've always remained focused on our objective – to provide long-term growth of capital and income by investing in solid companies with potential for future dividends. Today, ICA has earned the trust of more than 3 million shareholders.

The fund has a legacy of keeping investors' long-term returns well ahead of the cost of living. Over the 85 years ended December 31, 2018, a hypothetical $1,000 investment in ICA would have grown to $16.9 million and earned an average annual total return of 12.1% – more than three times the rate of inflation (3.5%).

### It's key to stay ahead of inflation and the rising cost of living



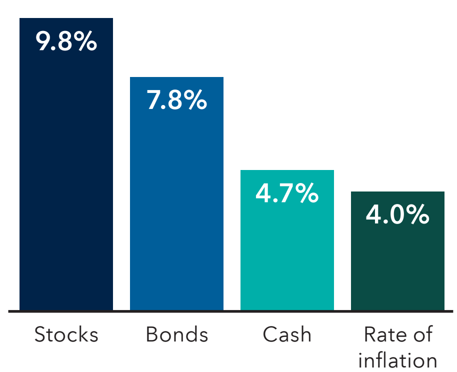

* Sources: United States Postal Service, Bureau of Labor Statistics, TrueCar.com, National Association of Realtors.

## Stocks have outpaced other investments

Stocks have provided an effective hedge against inflation over the long term. Some investments that have been considered less risky – such as bonds, Treasury bills, certificates of deposit (CDs) and savings accounts – may be more appropriate for short-term savings strategies. Over time, trying to avoid risk could mean settling for a lower return on your investment, as shown in this chart.

### Stocks have had the highest returns over the past 50 years

Average annual total return




All results calculated with dividends reinvested for the period December 31, 1968, through December 31, 2018. Source: Ibbotson (stocks: U.S. large cap stocks; bonds: U.S. long-term government bonds; cash: 30-day Treasury bills). The indexes are unmanaged and, therefore, have no expenses. Figures shown are past results and are not predictive of results in future periods. Unlike fund shares, investments in Treasury bills, CDs and savings accounts are guaranteed. Rate of inflation is measured by the Consumer Price Index, which is computed from data supplied by the U.S. Department of Labor, Bureau of Labor Statistics.

# Informed investing versus simply saving

**Look at the hypothetical investments of two fictional couples, the Boones and the Klausens, over a 20-year period of their retirement to see the difference ICA has made.**

## Margaret and Harry Boone

Twenty years ago – at the end of 1998 – the Boones and the Klausens retired. Each couple had $200,000 to invest.

The Boones put their money in a 20-year U.S. government bond that paid a guaranteed 5.39% a year. They were satisfied with their "safe" annual income of $10,780.

Twenty years ago, you may have been able to get by on that. But it takes $16,524 today to buy what $10,780 bought in 1999. Even worse, when the Boones' bond matured at the end of 2018, they went to buy another and found the rate on 20-year Treasuries was 2.87%. That would provide them with only $5,740 a year.

Of course, the Boones are guaranteed their original $200,000 nest egg – although that won't buy as much as it used to either.

The Boones' "safe" investment, it seems, wasn't so safe after all.

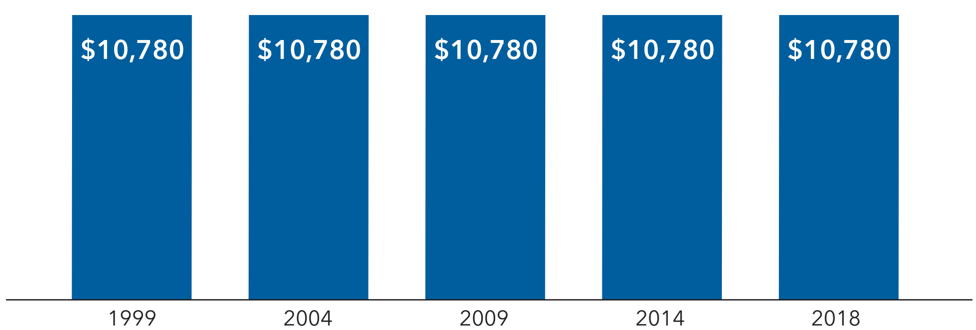
$200,000
**Original investment**

$215,600
**Total withdrawals**

$200,000
**Value of investment as of December 31, 2018**

**Annual income from a 20-year Treasury bond**

The Boones' long-term U.S. government bond paid the same amount, year after year …



## Investing where your money can grow may lessen the impact of inflation.

### Vivian and Joe Klausen

The Klausens invested their $200,000 in ICA and decided to take monthly withdrawals at an annual rate of 5% of their account value at the end of each previous year.

That meant they took $10,000 in 1999, representing 5% of their original investment. In 2000, they took 5% of their account balance as of the end of 1999, and so on.

Because the value of their investment has gone up and down from year to year, their income has varied. They started out living on less than the Boones. But the Klausens' income generally kept pace with the Boones' over time. Most importantly, the original investment increased substantially. Over the long term, they enjoyed greater rewards than the Boones because, by investing in a portfolio of stocks, they chose to accept greater volatility, recognizing they could lose money.

Despite recent volatility, the last 20 years were generally good for stocks and for ICA. In all 66 of the 20-calendar-year periods in ICA's lifetime, in fact, the Klausens would have more in their account than the Boones after two decades of withdrawals.

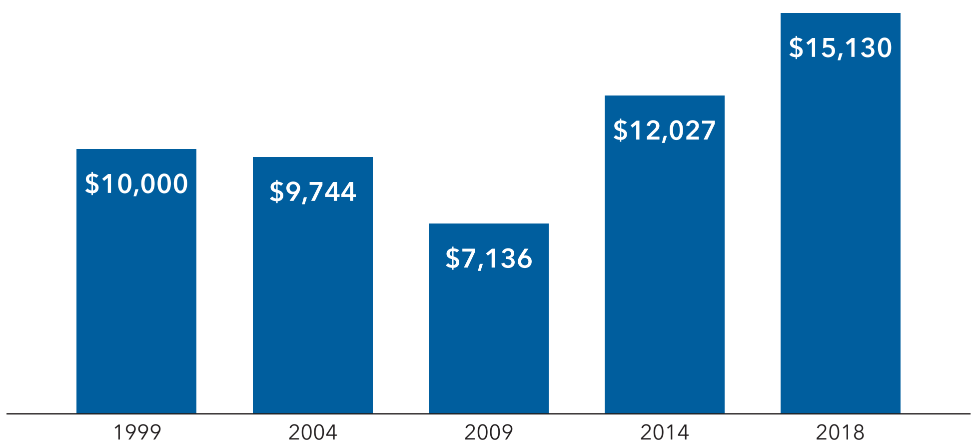
**$200,000**
Original investment

**$211,913**
Total withdrawals

**$269,579**
Value of investment as of December 31, 2018

### Annual withdrawal amounts from ICA

… while the Klausens' investment in ICA allowed their withdrawals to grow in most years.




The hypothetical examples on pages 2 and 3 reflect actual historical results. Your investment experience, of course, will depend on the amount you invest and when you invest. Treasury bonds are guaranteed by the U.S. government; fund shares are not.

# What ICA investors own

**A hypothetical $10,000 investment in ICA on December 31, 2018, bought part-ownership in approximately 150 companies. Of those, here are the 75 largest, representing 80% of total assets.**

**The fund's 75 largest equity holdings and what a $10,000 investment bought**

| | | | | | |
|---|---|---|---|---|---|
| AbbVie | $615 | NIKE | $97 | Pernod Ricard | $51 |
| Microsoft | 418 | Berkshire Hathaway | 97 | Willis Towers Watson | 51 |
| Alphabet | 385 | Concho Resources | 89 | Western Union | 49 |
| Facebook | 356 | Lamb Weston Holdings | 89 | General Motors | 48 |
| Abbott Laboratories | 283 | JPMorgan Chase | 88 | Rolls-Royce Holdings | 47 |
| Amazon | 245 | CBS | 86 | PepsiCo | 47 |
| Amgen | 235 | Nestlé | 78 | Teva Pharmaceutical Industries | 41 |
| British American Tobacco | 191 | Accenture | 76 | Lockheed Martin | 38 |
| Broadcom | 190 | Chevron | 76 | DowDuPont | 38 |
| Philip Morris International | 188 | Thermo Fisher Scientific | 74 | Humana | 38 |
| Altria Group | 164 | Wells Fargo | 73 | Airbus | 37 |
| Intel | 162 | Hasbro | 72 | BAE Systems | 35 |
| Home Depot | 160 | American International Group | 71 | Illumina | 35 |
| Verizon Communications | 159 | Canadian Natural Resources | 69 | ASML Holding | 35 |
| Gilead Sciences | 154 | Stryker | 68 | Merck | 34 |
| EOG Resources | 152 | Dominion Energy | 65 | Freeport-McMoRan | 33 |
| Exxon Mobil | 152 | Noble Energy | 64 | American Electric Power | 33 |
| UnitedHealth Group | 150 | Mastercard | 62 | Vale | 32 |
| Coca-Cola | 138 | Marriott International | 59 | Northrop Grumman | 32 |
| Lowe's Companies | 135 | Daiichi Sankyo | 58 | American Tower | 31 |
| General Dynamics | 129 | Royal Dutch Shell | 57 | Walgreens Boots Alliance | 31 |
| CSX | 122 | Illinois Tool Works | 56 | Edison International | 31 |
| QUALCOMM | 113 | Cigna | 55 | Kraft Heinz | 31 |
| McDonald's | 113 | United Technologies | 54 | Other Equities | 1,314 |
| Texas Instruments | 107 | Apple | 54 | | |
| Linde | 97 | Samsung Electronics | 52 | | |

| $9,344 | + | $9 | = | $9,353 | + | $647 | = | $10,000 |
|---|---|---|---|---|---|---|---|---|
| Total stocks | | Bonds & notes | | Total investment securities | | Net cash & equivalents | | Total |

The fund is professionally managed, so holdings will change.

# Investing in stocks requires skill

**ICA's investment professionals draw on long experience and in-depth research to make decisions about the fund's holdings. A professionally managed well-diversified portfolio can make a difference over time.**

Imagine that, 85 years ago, you could have invested $1,000 in each of any five companies in the Dow Jones Industrial Average.* When one company in the index was replaced by another, proceeds from the sale of the original company were invested in the new one. Based on that strategy, today you would have a portfolio of five of the well-known companies listed below. Which five companies would you want to own today?

**If you could have invested $1,000 each in any five of these companies (or their predecessors) 85 years ago, which five would you choose?**

- ☐ **American Express** (replaced Manville in 1982)
- ☐ **Apple** (replaced AT&T in 2015, which replaced Goodyear in 1999)
- ☐ **Boeing** (replaced Inco in 1987)
- ☐ **Caterpillar** (replaced Navistar International in 1991)
- ☐ **Chevron** (replaced Honeywell in 2008)
- ☐ **Cisco Systems** (replaced General Motors in 2009)
- ☐ **Coca-Cola** (replaced Owens-Illinois in 1987, which replaced National Distillers in 1959, which replaced United Aircraft in 1934)
- ☐ **Disney** (replaced USX in 1991)
- ☐ **DuPont** (replaced Borden in 1935)
- ☐ **ExxonMobil**
- ☐ **Goldman Sachs Group** (replaced Bank of America in 2013, which replaced Altria, previously known as Philip Morris in 2008, which replaced General Foods in 1985)
- ☐ **Home Depot** (substituted for Sears, Roebuck in 1999)
- ☐ **IBM** (replaced Chrysler in 1979)
- ☐ **Intel** (substituted for Chevron in 1999)
- ☐ **Johnson & Johnson** (replaced Bethlehem Steel in 1997)
- ☐ **JPMorgan Chase** (replaced Primerica in 1991, which replaced American Can in 1988)
- ☐ **McDonald's** (replaced American Brands in 1985)
- ☐ **Merck** (replaced Esmark in 1979, which replaced Corn Products in 1959)
- ☐ **Microsoft** (substituted for Union Carbide in 1999)
- ☐ **NIKE** (replaced Alcoa in 2013, which replaced National Steel in 1959, which replaced Coca-Cola in 1935)
- ☐ **Pfizer** (substituted for Eastman Kodak in 2004)
- ☐ **Procter & Gamble**
- ☐ **3M** (replaced Anaconda in 1976, which replaced American Smelting in 1959)
- ☐ **Travelers Companies** (replaced Citigroup in 2009, which replaced Westinghouse in 1997)
- ☐ **United Technologies** (replaced Nash-Kelvinator in 1939)
- ☐ **UnitedHealth Group** (replaced Kraft in 2012, which replaced AIG in 2008, which was substituted for International Paper in 2004, which replaced Loew's in 1956)
- ☐ **Verizon Communications** (replaced AT&T Corp in 2004, which replaced IBM in 1939)
- ☐ **Visa** (replaced Hewlett-Packard in 2013, which replaced Texaco in 1997)
- ☐ **Walgreens Boots Alliance** (replaced General Electric in 2018)
- ☐ **Walmart** (replaced Woolworth in 1997)

* Dow Jones Industrial Average is a price-weighted average of 30 actively traded industrial and service-oriented blue chip stocks. List is as of December 31, 2018.

**Turn the page to see how your choices would have compared to ICA.**

# Compare the historic results

Based on a hypothetical $1,000 investment over the 85-year period ended December 31, 2018, none of the Dow companies would have outpaced an investment in ICA, even though some of them may have done better than ICA in some periods during their lifetimes.* Of course, in selecting these five stocks, you were precluded from changing your investments over the years. This example helps illustrate the importance of diversification and active management and shows how ICA can be appropriate for a large-cap core investment allocation.

Note that you invested $1,000 in each of five different stocks. Had you invested an equivalent $5,000 in ICA, it would have handily outpaced any five stocks you chose over the same period.

The process of replacing stocks in the Dow would have often meant selling low (when a stock was being removed from the Dow) and buying high (when its replacement was being added to the Dow).

**Market value (excluding dividends)**

| | |
|---|---|
| **ICA** | **$1,274,970** |
| Procter & Gamble | 912,531 |
| ExxonMobil | 339,514 |
| McDonald's | 321,467 |
| Home Depot | 287,158 |
| Coca-Cola | 277,755 |
| Walgreens Boots Alliance, Inc. | 216,632 |
| Visa Inc | 198,991 |
| Merck | 185,677 |
| Intel | 136,734 |
| Microsoft | 119,139 |
| Goldman Sachs Group | 96,507 |
| Boeing | 96,105 |
| United Technologies | 94,949 |
| DuPont | 73,900 |
| Pfizer | 70,019 |
| Disney | 68,887 |
| 3M | 60,259 |
| Nike | 52,560 |
| Apple | 50,041 |
| Walmart | 40,725 |
| American Express | 30,071 |
| Chevron | 29,712 |
| Travelers Companies | 22,803 |
| JPMorgan Chase | 21,697 |
| Johnson & Johnson | 12,294 |
| Caterpillar | 11,000 |
| IBM | 8,664 |
| Verizon Communications | 4,191 |
| UnitedHealth Group | 4,065 |
| Cisco Systems | 2,181 |

* It was assumed that the entire $1,000 was invested in each stock and that fractional shares were purchased to use up the amount. No brokerage charges were included in the cost. Adjustments were made for all stock splits, stock dividends and spin-offs. In 2009, General Motors filed for protection under Chapter 11 of the U.S. Bankruptcy Code. It was delisted from the New York Stock Exchange and was replaced by Cisco Systems in the Dow Jones Industrial Average. Since no proceeds were realized from GM due to the bankruptcy proceedings, shares of Cisco were purchased with a new $1,000 in order to continue this illustration of investments in the 30 stocks comprising the DJIA. Past results are not predictive of results in future periods.

**ICA investors have benefited from the professional management of a diversified portfolio.**

# How ICA is managed

**The Capital System℠ features multiple managers, combining independence and teamwork. We begin by defining a clear investment objective and assembling a team best equipped to pursue investment opportunities.**

The holdings of ICA, which include approximately 150 stocks,* represent the individual investment ideas of eight portfolio managers and 26 investment analysts.

### Broad diversification

Each portfolio manager invests in their highest conviction ideas, so fund portfolios tend to contain a diverse group of securities.

### Rigorous risk management

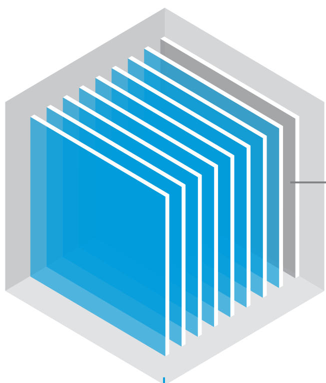
The diverse combination of portfolio managers and investment analysts in each fund is designed to lower volatility while striving for superior long-term results.

### Consistent with fund objectives

The fund's principal investment officer, along with a coordinating group, reviews investments for consistency with fund objectives and overall guidelines.

### The Capital System's multiple manager approach

A diverse group of portfolio managers and analysts brings complementary investment approaches, experience levels, backgrounds and areas of focus.



**Analysts**
In most funds, including ICA, a group of investment analysts manages a portion of the fund, known as the research portfolio.

**Portfolio managers**
Each portfolio manager is assigned a portion of the overall assets to manage independently, enabling them to focus on their highest conviction ideas.

**Chris Buchbinder**
**Experience:** 23 years
**Office:** San Francisco

**Grant Cambridge**
**Experience:** 26 years
**Office:** Los Angeles

**Barry Crosthwaite**
**Experience:** 23 years
**Office:** San Francisco

**Joyce Gordon**
**Experience:** 39 years
**Office:** Los Angeles

**Jim Lovelace**
**Experience:** 37 years
**Office:** Los Angeles

**Don O'Neal**
**Experience:** 34 years
**Office:** San Francisco

**Eric Richter**
**Experience:** 27 years
**Office:** Washington, D.C.

**Martin Romo**
**Experience:** 27 years
**Office:** Washington, D.C.

Portfolio manager information is as of the fund's prospectus dated March 1, 2019. Portfolio segments do not reflect actual allocations.

* As of December 31, 2018. Holdings will change.

# There have always been reasons not to invest

**Many investors may be tempted to base investment decisions on emotion, but ICA has given its shareholders good reason to look beyond the headlines. Here's what would have happened (in terms of dollar amounts and average annual total returns) if you had invested $10,000 in ICA on these historic days.**

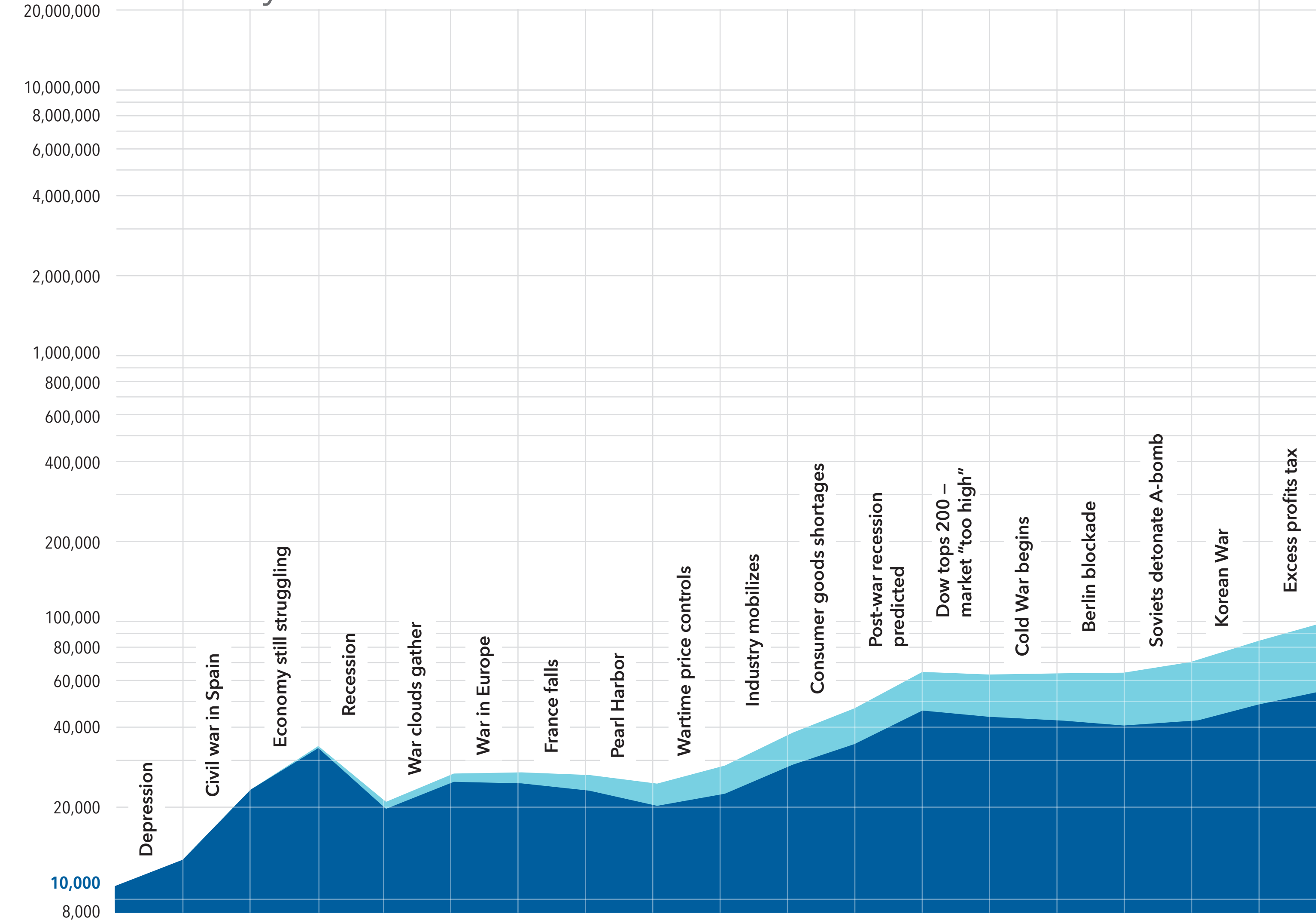
Figures shown are past results for Class F-2 shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit americanfunds.com.

- **Pearl Harbor was bombed.**
  (December 7, 1941)
  – 10 years later you would have had $34,710 | 13.3%
  – by the end of 2018 you would have had $64,702,350 | 12.1%
- **The Soviets launched Sputnik, vaulting into space ahead of the U.S.**
  (October 4, 1957)
  – 10 years later you would have had $38,083 | 14.3%
  – by the end of 2018 you would have had $7,333,465 | 11.4%
- **The Berlin Wall was erected.**
  (August 13, 1961)
  – 10 years later you would have had $23,180 | 8.8%
  – by the end of 2018 you would have had $3,859,154 | 10.9%
- **President Kennedy was assassinated**
  (November 22, 1963)
  – 10 years later you would have had $22,945 | 8.7%
  – by the end of 2018 you would have had $3,580,470 | 11.3%
- **President Nixon resigned.**
  (August 9, 1974)
  – 10 years later you would have had $40,379 | 15.0%
  – by the end of 2018 you would have had $1,613,453 | 12.1%
- **The Dow Jones Industrial Average dropped a record 22% in one day.**
  (October 19, 1987)
  – 10 years later you would have had $44,268 | 16.0%
  – by the end of 2018 you would have had $218,692 | 10.4%
- **Iraqi troops invaded Kuwait, setting off the first Gulf War.**
  (August 2, 1990)
  – 10 years later you would have had $41,882 | 15.4%
  – by the end of 2018 you would have had $138,931 | 9.7%
- **Terrorists attacked the World Trade Center.**
  (September 11, 2001)
  – 10 years later you would have had $12,715 | 2.4%
  – by the end of 2018 you would have had $32,872 | 7.1%

# The Investment Company of America

## Growth of a hypothetical $10,000 investment from 1934 through 2018

There have always been reasons not to invest. ICA has given its investors good reason to look beyond the headlines.




| Year ended Dec. 31 | 1934 | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Capital value ($ in 000)** | | | | | | | | | | | | | | | | | | |
| Dividends excluded: | – | – | $0.5 | 1.1 | 0.2 | 0.6 | 0.9 | 1.2 | 1.1 | 1.0 | 1.1 | 1.0 | 1.4 | 1.8 | 2.0 | 1.9 | 2.1 | 2.2 |
| Value at year-end: | $12.6 | 23.0 | 33.0 | 19.5 | 24.7 | 24.3 | 22.8 | 20.0 | 22.2 | 28.6 | 34.2 | 45.7 | 43.3 | 41.9 | 40.2 | 42.0 | 48.1 | 54.5 |
| **Total value ($ in 000)** | | | | | | | | | | | | | | | | | | |
| Dividends reinvested: | – | – | $0.5 | 1.1 | 0.2 | 0.6 | 1.0 | 1.4 | 1.3 | 1.2 | 1.4 | 1.4 | 2.0 | 2.7 | 3.0 | 3.0 | 3.5 | 3.8 |
| Value at year-end: | $12.6 | 23.0 | 33.6 | 20.7 | 26.5 | 26.8 | 26.2 | 24.3 | 28.4 | 37.8 | 46.6 | 63.9 | 62.5 | 63.2 | 63.5 | 69.6 | 83.5 | 98.6 |
| **Total return** | +25.6% | +83.4 | +46.0 | −38.3 | +27.8 | +1.0 | −2.3 | −7.2 | +16.9 | +33.0 | +23.5 | +37.0 | −2.2 | +1.1 | +0.5 | +9.6 | +20.0 | +18.0 |

Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for estimated annual expenses. The results shown are before taxes on fund distributions and sale of fund shares. Past results are not predictive of results in future periods. Results for other share classes may differ.

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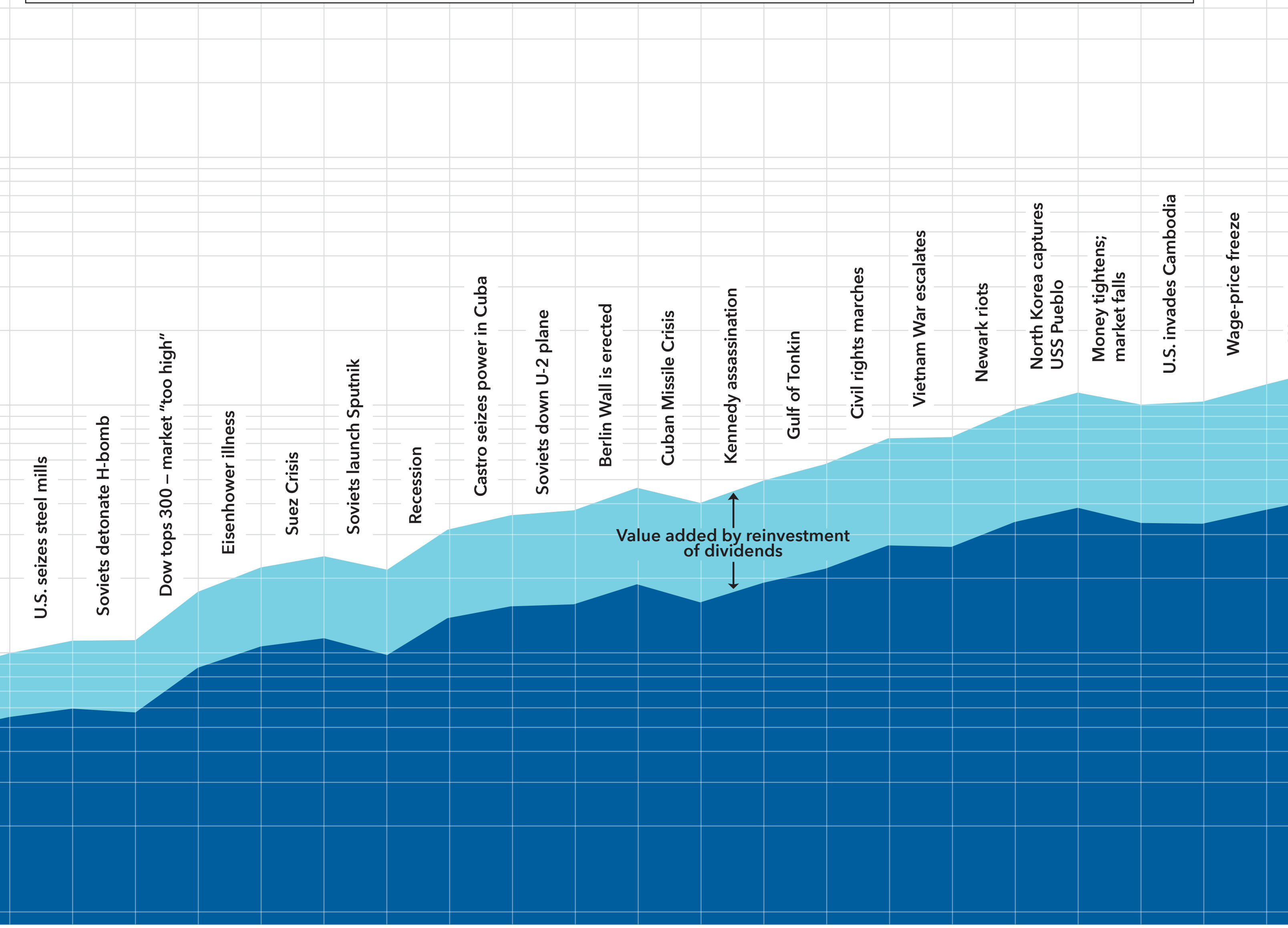
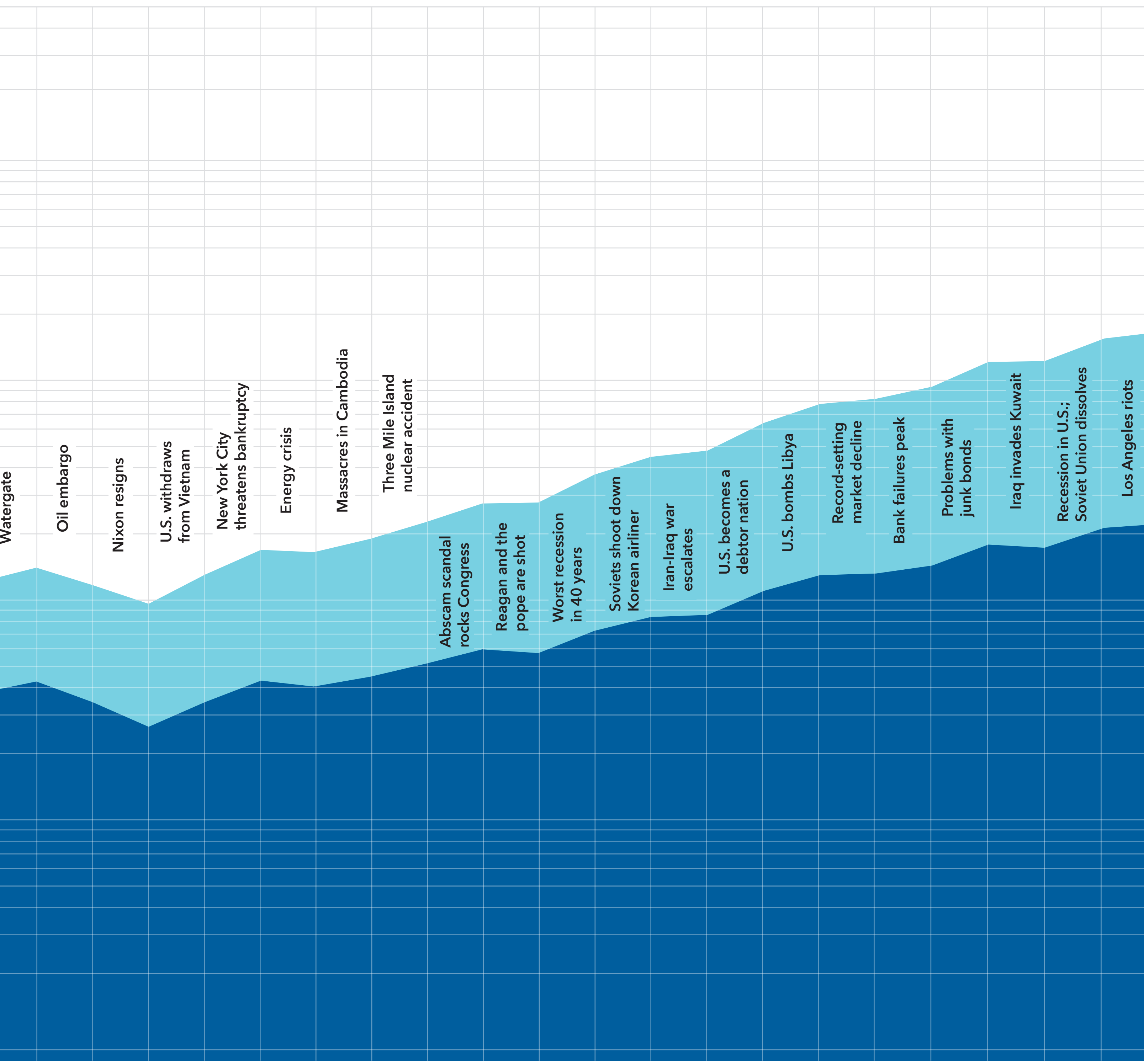



| 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2.2 | 2.3 | 2.4 | 2.9 | 3.1 | 3.3 | 3.4 | 3.6 | 4.0 | 4.1 | 4.3 | 4.5 | 4.9 | 5.4 | 6.7 | 7.8 | 9.4 | 10.2 | 10.5 | 10.8 |
| 58.9 | 56.9 | 86.1 | 105.1 | 113.4 | 97.0 | 136.6 | 152.4 | 155.4 | 187.2 | 158.2 | 189.8 | 216.0 | 268.6 | 264.9 | 333.8 | 380.9 | 330.8 | 328.5 | 373.7 |
| 4.0 | 4.5 | 4.7 | 5.9 | 6.5 | 7.2 | 7.6 | 8.2 | 9.5 | 9.9 | 10.7 | 11.4 | 12.7 | 14.5 | 18.4 | 21.8 | 26.9 | 29.9 | 32.0 | 33.9 |
| 110.8 | 111.5 | 174.3 | 218.9 | 242.9 | 214.4 | 310.8 | 355.5 | 372.2 | 458.8 | 398.7 | 490.7 | 571.4 | 726.6 | 734.9 | 948.7 | 1,111.4 | 994.3 | 1,022.0 | 1,197.9 |
| +12.4 | +0.6 | 56.4 | +25.6 | +10.9 | -11.7 | +45.0 | +14.4 | +4.7 | +23.3 | -13.1 | +23.1 | +16.4 | +27.1 | +1.1 | +29.1 | +17.2 | -10.5 | +2.8 | +17.2 |

Here are ICA's average annual total returns on a $1,000 investment with all distributions reinvested for periods ended December 31, 2018:

| | 1 year | 5 years | 10 years |
|---|---|---|---|
| Class F-2 shares | **-6.31%** | **7.42%** | **11.86%** |

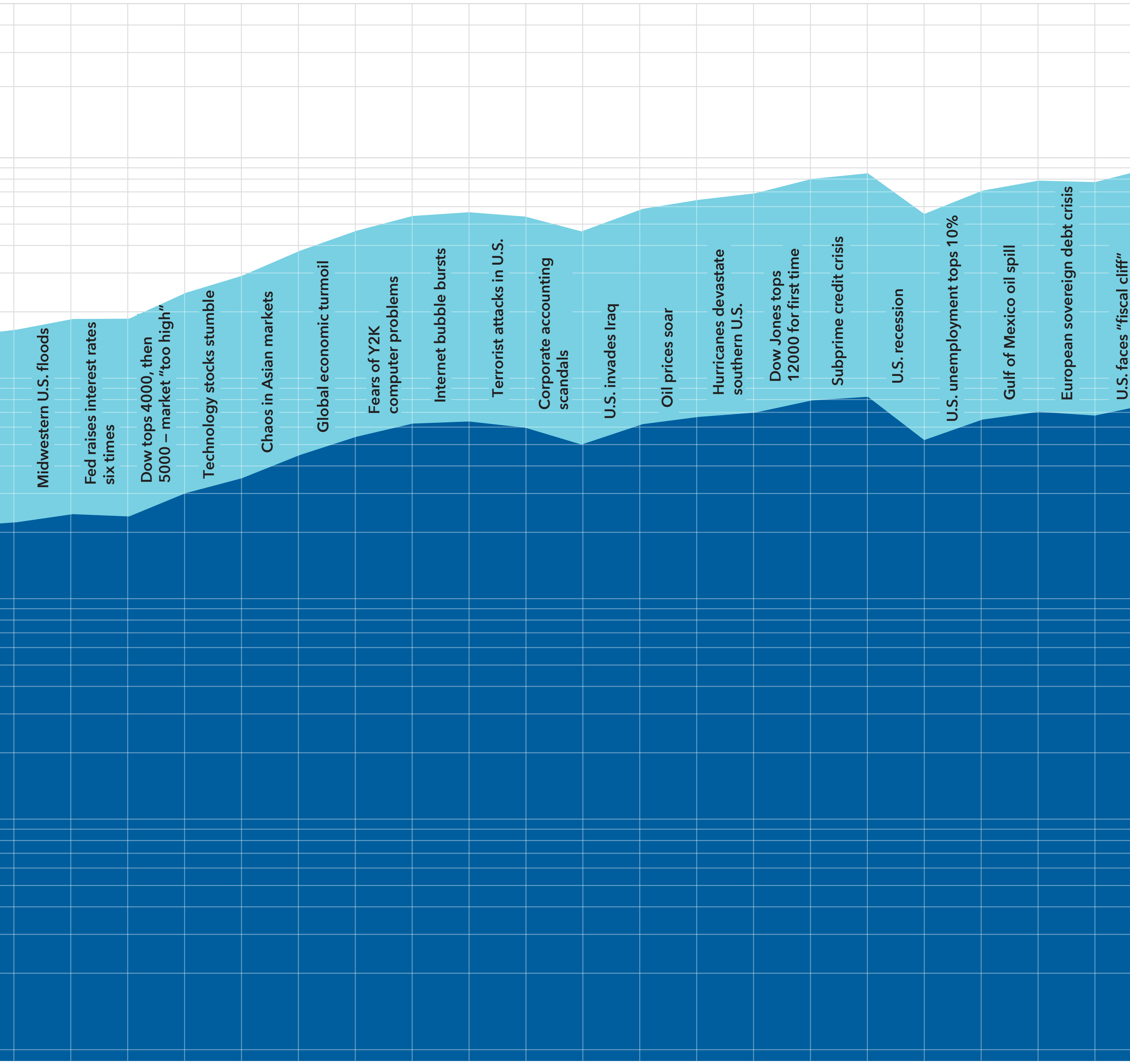
Expense ratio was **0.41%** as of the fund's p
of publication.




| 972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11.0 | 11.8 | 17.4 | 15.8 | 14.3 | 14.8 | 16.0 | 19.3 | 24.1 | 29.1 | 34.7 | 33.6 | 35.1 | 36.9 | 41.8 | 52.9 | 60.3 | 67.6 | 71.2 | 55.2 | 60.0 |
| 421.8 | 339.8 | 262.5 | 339.6 | 425.6 | 400.2 | 443.2 | 508.7 | 590.7 | 567.9 | 717.5 | 828.8 | 847.5 | 1,089.4 | 1,285.1 | 1,307.2 | 1,421.2 | 1,769.8 | 1,712.2 | 2,109.7 | 2,198. |
| 35.7 | 39.4 | 60.6 | 58.3 | 55.1 | 59.1 | 66.4 | 82.8 | 107.9 | 136.7 | 171.9 | 175.1 | 190.9 | 209.5 | 245.9 | 321.9 | 382.2 | 446.6 | 489.4 | 394.2 | 440.8 |
| 390.0 | 1,158.1 | 951.9 | 1,290.7 | 1,675.3 | 1,634.8 | 1,878.0 | 2,241.5 | 2,721.8 | 2,750.1 | 3,684.7 | 4,434.7 | 4,738.0 | 6,330.1 | 7,718.5 | 8,151.2 | 9,253.0 | 11,993.0 | 12,094.2 | 15,328.8 | 16,426. |
| +16.0 | –16.7 | –17.8 | +35.6 | +29.8 | –2.4 | +14.9 | +19.4 | +21.4 | +1.0 | +34.0 | +20.4 | +6.8 | +33.6 | +21.9 | +5.6 | +13.5 | +29.6 | +0.8 | +26.7 | +7.2 |

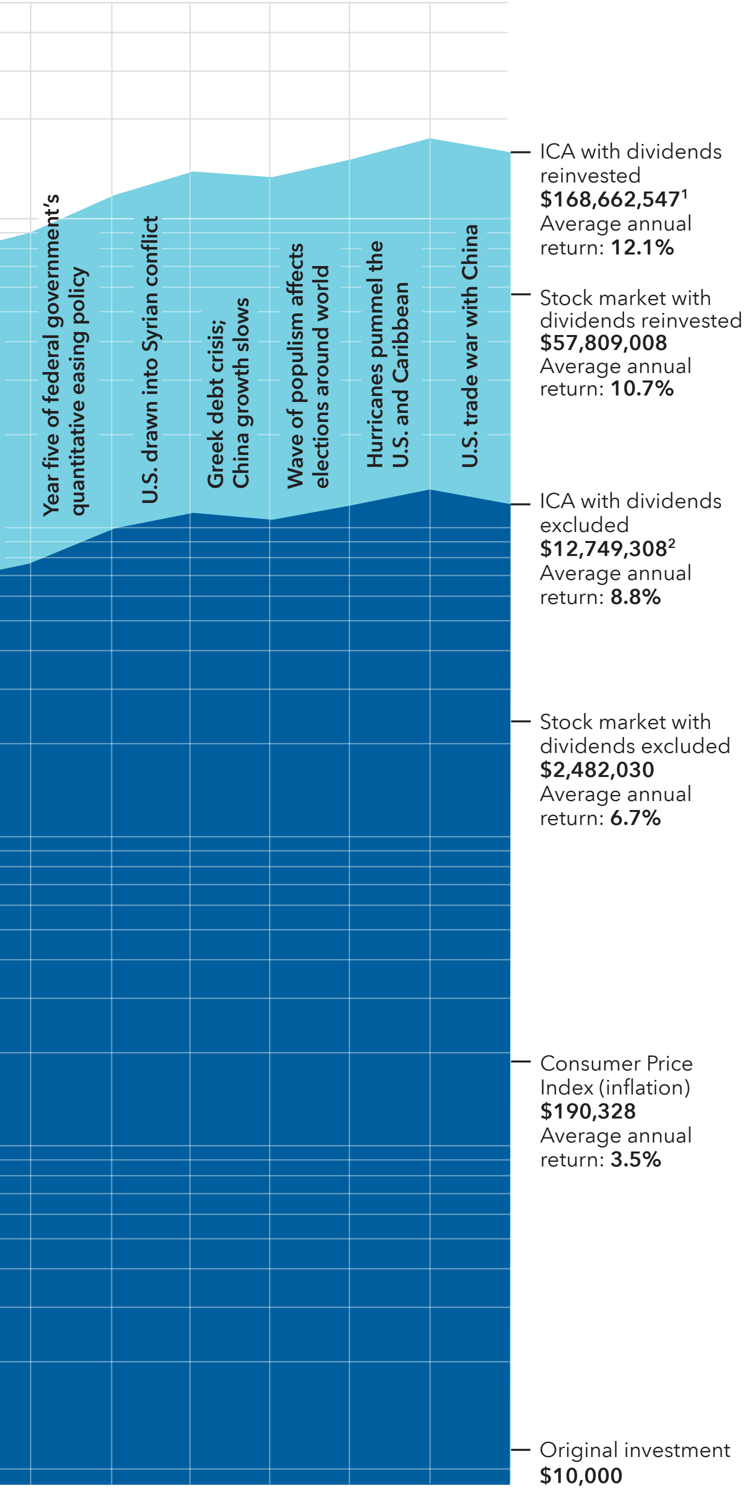
rospectus available at time

The stock market is represented by Standard & Poor's 500 Index, a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. The index is unmanaged and, therefore, has no expenses.




| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 201 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 61.4 | 65.0 | 70.3 | 74.0 | 78.0 | 88.1 | 97.4 | 109.3 | 115.2 | 116.1 | 118.0 | 120.0 | 156.6 | 174.5 | 166.9 | 179.3 | 154.7 | 153.1 | 158.2 | 194 |
| 0 | 2,393.1 | 2,335.9 | 2,977.9 | 3,479.7 | 4,438.7 | 5,366.7 | 6,160.7 | 6,297.2 | 5,903.3 | 4,949.0 | 6,124.9 | 6,607.4 | 6,911.7 | 7,841.4 | 8,151.6 | 5,186.6 | 6,421.4 | 6,965.8 | 6,701.0 | 7,564 |
| | 463.4 | 503.8 | 559.8 | 604.2 | 651.1 | 748.4 | 842.1 | 961.6 | 1,032.1 | 1,060.8 | 1,102.9 | 1,144.7 | 1,524.8 | 1,739.1 | 1,700.6 | 1,867.6 | 1,660.7 | 1,687.2 | 1,784.4 | 2,249 |
| 2 | 18,363.8 | 18,421.7 | 24,102.1 | 28,812.0 | 37,459.6 | 46,125.3 | 53,847.6 | 56,003.0 | 53,519.3 | 45,847.5 | 58,000.6 | 63,776.6 | 68,266.4 | 79,273.9 | 84,120.2 | 55,010.2 | 70,138.5 | 77,900.8 | 76,697.0 | 88,86 |
| | +11.8 | +0.3 | +30.8 | +19.5 | +30.0 | +23.1 | +16.7 | +4.0 | -4.4 | -14.3 | +26.5 | +10.0 | +7.0 | +16.1 | +6.1 | -34.6 | +27.5 | +11.1 | -1.5 | +15 |

[1]Includes dividends of $45,282,202, and capital gain distributions totaling $95,798,465, reinvested in the years 1936–2018.
[2]Includes reinvested capital gain distributions of $9,258,017, but not income dividends totaling $4,652,617 taken in cash.




| 2 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| | | | | | | |
| .7 | 175.4 | 215.2 | 201.3 | 236.8 | 243.5 | 280.9 |
| 4.5 | 9,842.9 | 10,833.0 | 10,494.9 | 11,797.3 | 13,889.7 | 12,749.3 |
| | | | | | | |
| 9.5 | 2,076.7 | 2,597.8 | 2,478.7 | 2,973.7 | 3,119.8 | 3,667.5 |
| 3.1 | 117,918.7 | 132,438.8 | 130,768.7 | 150,098.6 | 180,027.6 | 168,662.5 |
| .9 | +32.7 | +12.3 | -1.3 | +14.8 | +19.9 | -6.3 |

**Average annual total return for 85 years: +12.1%**

**Not drawn to scale**

This chart is based on a logarithmic scale, so it uses smaller and smaller increments for larger numbers. If the scale were arithmetic – with, say, one inch representing every $10,000 – the dark blue area (indicating results if dividends had been excluded) would be 106 feet tall, which is about as tall as most 11-story buildings. The lighter blue section, which shows how the investment would have done if dividends had been reinvested in more shares, would be 1,406 feet tall – more than nine times the height of the Statue of Liberty. This illustrates the difference reinvesting your dividends can make.

# Time, not timing, is what matters

**Louie the Loser never times anything right. Every year, for the past 20 years, he's invested $10,000 in ICA on the worst possible day to invest – the day the stock market peaked.[1] So why is he smiling? Because Louie's investment has done nearly as well as it would have if he had picked the best day to invest each year.**

**Worst-day investments (market highs)**

| Date of market high | Cumulative investment[2] | Value on 12/31 |
|---|---|---|
| 12/31/99 | $ 10,000 | $ 10,000 |
| 1/14/00 | 20,000 | 20,769 |
| 5/21/01 | 30,000 | 29,082 |
| 3/19/02 | 40,000 | 33,174 |
| 12/31/03 | 50,000 | 51,960 |
| 12/28/04 | 60,000 | 67,121 |
| 3/4/05 | 70,000 | 82,381 |
| 12/27/06 | 80,000 | 105,634 |
| 10/9/07 | 90,000 | 121,553 |
| 5/2/08 | 100,000 | 86,287 |
| 12/30/09 | 110,000 | 119,910 |
| 12/29/10 | 120,000 | 143,162 |
| 4/29/11 | 130,000 | 150,154 |
| 10/5/12 | 140,000 | 183,955 |
| 12/31/13 | 150,000 | 254,120 |
| 12/26/14 | 160,000 | 295,238 |
| 5/19/15 | 170,000 | 300,964 |
| 12/20/16 | 180,000 | 355,431 |
| 12/28/17 | 190,000 | 436,211 |
| 10/3/18 | 200,000 | 417,437 |

**Average annual total return (12/31/99–12/31/18): 6.95%**

**Best-day investments (market lows)**

| Date of market low | Cumulative investment[2] | Value on 12/31 |
|---|---|---|
| 1/22/99 | $ 10,000 | $ 11,612 |
| 3/7/00 | 20,000 | 22,932 |
| 9/21/01 | 30,000 | 33,330 |
| 10/9/02 | 40,000 | 39,890 |
| 3/11/03 | 50,000 | 64,233 |
| 10/25/04 | 60,000 | 81,544 |
| 4/20/05 | 70,000 | 98,505 |
| 1/20/06 | 80,000 | 125,824 |
| 3/5/07 | 90,000 | 144,396 |
| 11/20/08 | 100,000 | 106,206 |
| 3/9/09 | 110,000 | 151,353 |
| 7/2/10 | 120,000 | 180,279 |
| 10/3/11 | 130,000 | 188,887 |
| 6/4/12 | 140,000 | 230,268 |
| 1/8/13 | 150,000 | 318,581 |
| 2/3/14 | 160,000 | 369,610 |
| 8/25/15 | 170,000 | 375,692 |
| 2/11/16 | 180,000 | 443,869 |
| 1/19/17 | 190,000 | 544,065 |
| 12/24/18 | 200,000 | 520,361 |

**Average annual total return (01/22/99–12/31/18): 8.69%**

A program of regular investing neither ensures a profit nor protects against loss, and investors should consider their willingness to keep investing when share prices are declining.

[1] As measured by the unmanaged Dow Jones Industrial Average, a price-weighted average of 30 actively traded industrial and service-oriented blue chip stocks.

[2] Cumulative volume discount applied when appropriate.

The average annual total returns shown take into account subsequent investments.

# What if the stock market doesn't go up?

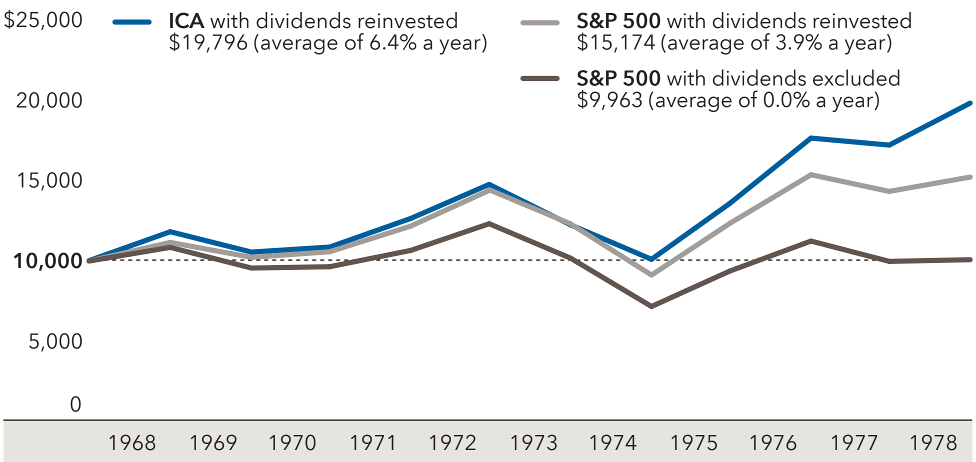
**ICA's professional management has frequently enabled the fund to do better than the market. The charts below show how ICA compared to the S&P 500 during two past periods when the stock market was relatively flat.**

The S&P 500 began 1968 with an index value of 96.47. More than a decade later, at the end of 1978, it stood at 96.11 — right back where it had started. But an investor still could have benefited. A hypothetical investment of $10,000 in the S&P 500, with reinvested dividends, would have grown to $15,174. That $10,000 invested in ICA would have grown to $19,796.

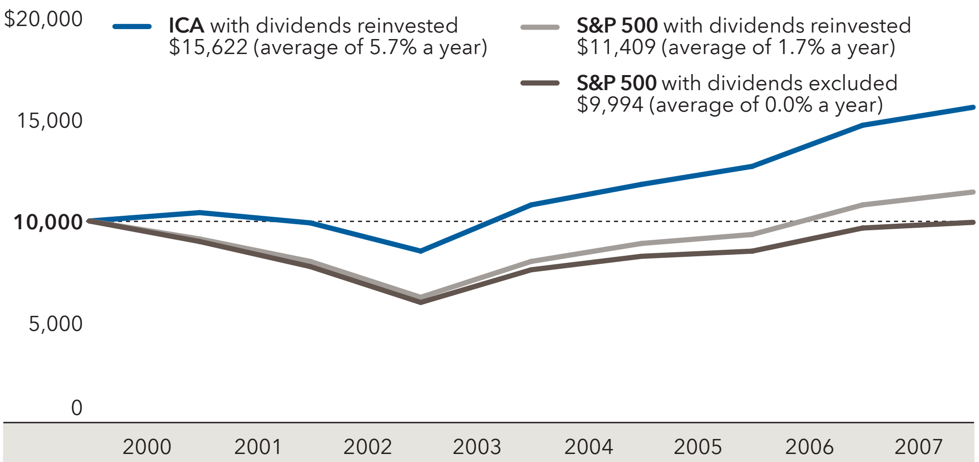
Before the 2007–2009 decline, the market had been relatively flat for the previous eight-year period. At the beginning of 2000, the S&P 500 index value was 1,469.25, and 2007 ended with a value of 1,468.36. However, a hypothetical investment in ICA, with dividends reinvested, would have seen an average annual total return of 5.7% during that period, while the S&P 500, with reinvested dividends, averaged only 1.7%.

**Growth of a hypothetical $10,000 investment in periods when the stock market was flat**

**December 31, 1967–December 31, 1978**




**December 31, 1999–December 31, 2007**



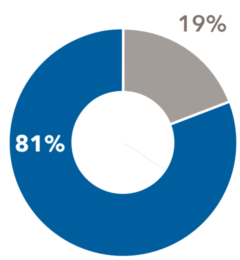

The S&P 500 is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

# The benefit of time

**Investors who have stayed in the fund through occasional (and inevitable) periods of declining stock prices historically have been rewarded for their long-term outlook.**

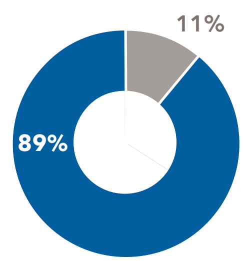
Here is ICA's record of positive results over calendar periods from January 1, 1934 through December 31, 2018. As you can see, one-year investments are more likely to experience negative results than are investments held for longer periods. If those short-term investors had held on for just two more years, they would have seen nearly half as many negative periods. Note that every 10-year period has shown positive results.

**One-year periods**



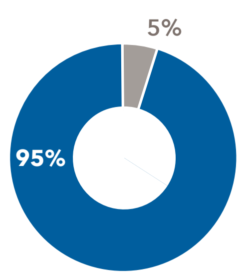

Positive periods: 69
Negative periods: 16

**Three-year periods**



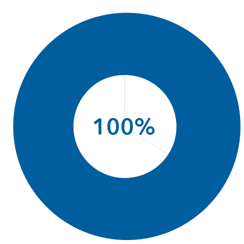

Positive periods: 74
Negative periods: 9

**Five-year periods**




Positive periods: 77
Negative periods: 4

**10-year periods**




Positive periods: 76
Negative periods: 0

**It's important to stay invested through highs and lows.**

# Dividends have made the difference

**Reinvested regular dividends can contribute significantly to a fund's returns; in fact, they account for 35% of ICA's total return over its lifetime.**

Why are dividends so important?

- Dividends are a good indicator of a company's strength. The balance sheet and management's confidence in the company are factors in how investors value its stock.
- Dividends can provide a cushion during stock market declines. Investments that pay income have tended to be more stable, so dividends play a critical role in helping ICA balance risk and return.
- ICA has increased its dividends in 73 of the past 82 calendar years. The long-term view integral to ICA's investment philosophy also extends to dividends. The managers do not simply look for current dividends, but also at the ability of a company to grow its dividends over time.

The chart at right illustrates, by decade, the actual value added by the reinvestment of dividends in ICA.

**Figures shown are past results for Class F-2 shares with all distributions reinvested and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit americanfunds.com.**

Based on a hypothetical $1,000 investment in 1934, ICA would have generated $465,276 in cash dividends. However, reinvesting all distributions would have added $15.1 million to the account value.

**Value of $1,000 invested on 1/1/34**

| As of 12/31 | Value (dividends reinvested) | – | Value (excluding dividends) | + | Dividend amount taken in cash | = | Value added by reinvesting dividends |
|---|---|---|---|---|---|---|---|
| 1940 | $ 2,617 | | $ 2,285 | | $ 323 | | $ 9 |
| 1950 | 8,354 | | 4,815 | | 1,769 | | 1,770 |
| 1960 | 37,218 | | 15,537 | | 4,707 | | 16,974 |
| 1970 | 102,195 | | 32,851 | | 11,481 | | 57,863 |
| 1980 | 272,175 | | 59,070 | | 27,018 | | 186,087 |
| 1990 | 1,209,408 | | 171,228 | | 73,341 | | 964,839 |
| 2000 | 5,600,265 | | 629,741 | | 149,206 | | 4,821,318 |
| 2010 | 7,790,030 | | 696,600 | | 294,663 | | 6,798,767 |
| **2018** | **$16,866,152** | | **$1,274,970** | | **$465,276** | | **$15,125,906** |

Account values and dividends taken in cash are rounded to the nearest dollar.

# Growth over a wide variety of periods

**ICA has persevered through market highs and lows, world conflicts and the ever-changing scope of technology.**

What does "long term" mean to you? Ten years? Twenty? Fifty? ICA's 85-year history can be used to illustrate the fund's results over a variety of meaningful periods through December 31, 2018, starting with a hypothetical $1,000 investment.

| Over any calendar period this long | Here's the best you would have done | Here's the worst you would have done | And here's the median |
|---|---|---|---|
| 5 years | **$2,923**<br>+23.9% a year<br>(1995–1999) | **$722**<br>–6.3% a year<br>(1937–1941) | **$1,857**<br>+13.2% a year<br>(1997-2001) |
| 10 years | **$5,574**<br>+18.7% a year<br>(1982–1991) | **$1,193**<br>+1.8% a year<br>(1999–2008) | **$3,278**<br>+12.6% a year<br>(1955-1964) |
| 15 years | **$12,599**<br>+18.4% a year<br>(1975–1989) | **$2,335**<br>+5.8% a year<br>(2001–2015) | **$5,704**<br>+12.3% a year<br>(1955-1969) |
| 20 years | **$24,561**<br>+17.4% a year<br>(1979–1998) | **$3,657**<br>+6.7% a year<br>(1999-2018) | **$11,147**<br>+12.8% a year<br>(1934–1953) |
| 25 years | **$56,570**<br>+17.5% a year<br>(1975–1999) | **$9,185**<br>+9.3% a year<br>(1994-2018) | **$18,237**<br>+12.3% a year<br>(1949-1973) |
| 30 years | **$67,001**<br>+15.0% a year<br>(1975–2004) | **$18,227**<br>+10.2% a year<br>(1989-2018) | **$32,581**<br>+12.3% a year<br>(1951-1980) |
| 40 years | **$174,756**<br>+13.8% a year<br>(1958–1997) | **$49,498**<br>+10.2% a year<br>(1969–2008) | **$110,125**<br>+12.5% a year<br>(1978–2017) |
| 50 years | **$773,593**<br>+14.2% a year<br>(1950–1999) | **$151,762**<br>+10.6% a year<br>(1969-2018) | **$377,028**<br>+12.6% a year<br>(1946-1995) |

# Investing for retirement

Bob and Cathy Quan began preparing for retirement 15 years ago with their first investment of $1,000 a month in ICA. Their financial advisor set up an Automatic Investment Plan to move money directly from their checking account into the fund.

Now looking ahead to 20 years in retirement, and aiming to preserve their principal, the Quans plan to make monthly withdrawals at an annual rate of 5% of their account value at each year-end, reinvesting their dividends and capital gain distributions.

It's impossible to predict how much money they will withdraw over the next 20 years, of course. But this chart shows how the plan would have worked if they had invested $1,000 a month from 1984 through 1998, and then withdrew 5% a year over a 20-year period ended December 31, 2018. They would have taken a total of $793,941 in withdrawals – and would still have $1,009,986 left.

A program of regular investing neither ensures a profit nor protects against loss, and investors should consider their willingness to keep investing when share prices are declining.

For illustrations of higher or lower withdrawal rates, please ask your financial advisor.

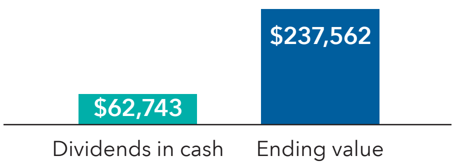
* Cumulative volume discount applied when appropriate.

| Year | Cumulative investment* | Value of account | Withdrawals |
|---|---|---|---|
| 1984 | $ 12,000 | $ 14,082 | – |
| 1985 | 24,000 | 32,767 | – |
| 1986 | 36,000 | 52,494 | – |
| 1987 | 48,000 | 66,400 | – |
| 1988 | 60,000 | 87,962 | – |
| 1989 | 72,000 | 127,163 | – |
| 1990 | 84,000 | 140,625 | – |
| 1991 | 96,000 | 191,439 | – |
| 1992 | 108,000 | 217,770 | – |
| 1993 | 120,000 | 256,137 | – |
| 1994 | 132,000 | 268,957 | – |
| 1995 | 144,000 | 365,422 | – |
| 1996 | 156,000 | 449,995 | – |
| 1997 | 168,000 | 598,403 | – |
| 1998 | 180,000 | 749,307 | – |
| 1999 | | 834,133 | $37,465 |
| 2000 | | 824,838 | 41,707 |
| 2001 | | 747,266 | 41,242 |
| 2002 | | 605,082 | 37,363 |
| 2003 | | 730,094 | 30,254 |
| 2004 | | 763,608 | 36,505 |
| 2005 | | 777,162 | 38,180 |
| 2006 | | 860,727 | 38,858 |
| 2007 | | 870,302 | 43,036 |
| 2008 | | 534,728 | 43,515 |
| 2009 | | 649,751 | 26,736 |
| 2010 | | 685,571 | 32,488 |
| 2011 | | 641,454 | 34,279 |
| 2012 | | 709,675 | 32,073 |
| 2013 | | 901,189 | 35,484 |
| 2014 | | 964,883 | 45,059 |
| 2015 | | 905,096 | 48,244 |
| 2016 | | 990,289 | 45,255 |
| 2017 | | 1,133,673 | 49,514 |
| 2018 | | 1,009,986 | 56,684 |
| | | Total withdrawals: | $793,941 |

# Customizing withdrawals

**Over time, your income needs will probably vary, so you should develop a plan that fits your circumstances. Here are a few ways to set up withdrawals, based on a hypothetical investment of $100,000, over the 20-year period ended December 31, 2018:**

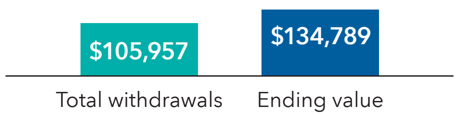
### Dividends in cash




| Year | Dividends in cash | Ending value |
|---|---|---|
| **1999** | $1,814 | $114,795 |
| **2000** | 2,037 | 117,338 |
| **2001** | 2,147 | 109,997 |
| **2002** | 2,163 | 92,216 |
| **2003** | 2,199 | 114,128 |
| **2004** | 2,236 | 123,117 |
| **2005** | 2,919 | 128,787 |
| **2006** | 3,252 | 146,112 |
| **2007** | 3,110 | 151,891 |
| **2008** | 3,341 | 96,644 |
| **2009** | 2,882 | 119,652 |
| **2010** | 2,852 | 129,796 |
| **2011** | 2,948 | 124,862 |
| **2012** | 3,628 | 140,951 |
| **2013** | 3,269 | 183,406 |
| **2014** | 4,010 | 201,854 |
| **2015** | 3,752 | 195,555 |
| **2016** | 4,412 | 219,824 |
| **2017** | 4,537 | 258,812 |
| **2018** | 5,235 | 237,562 |
| **Total dividends in cash: $62,743** | | |

### Self-adjusting withdrawals

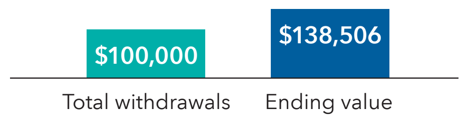
(Assumes monthly withdrawals at an annual rate of 5% of the previous year's account value.)




| Year | Withdrawals | Ending value |
|---|---|---|
| **1999** | $5,000 | $111,321 |
| **2000** | 5,566 | 110,080 |
| **2001** | 5,504 | 99,728 |
| **2002** | 4,986 | 80,752 |
| **2003** | 4,038 | 97,436 |
| **2004** | 4,872 | 101,909 |
| **2005** | 5,095 | 103,717 |
| **2006** | 5,186 | 114,870 |
| **2007** | 5,743 | 116,148 |
| **2008** | 5,807 | 71,363 |
| **2009** | 3,568 | 86,714 |
| **2010** | 4,336 | 91,494 |
| **2011** | 4,575 | 85,606 |
| **2012** | 4,280 | 94,711 |
| **2013** | 4,736 | 120,270 |
| **2014** | 6,013 | 128,770 |
| **2015** | 6,439 | 120,791 |
| **2016** | 6,040 | 132,161 |
| **2017** | 6,608 | 151,296 |
| **2018** | 7,565 | 134,789 |
| **Total withdrawals: $105,957** | | |

### Fixed-amount withdrawals

(Assumes monthly withdrawals at an annual rate of 5% of the initial $100,000 investment.)




| Year | Withdrawals | Ending value |
|---|---|---|
| **1999** | $5,000 | $111,321 |
| **2000** | 5,000 | 110,659 |
| **2001** | 5,000 | 100,782 |
| **2002** | 5,000 | 81,643 |
| **2003** | 5,000 | 97,437 |
| **2004** | 5,000 | 101,773 |
| **2005** | 5,000 | 103,672 |
| **2006** | 5,000 | 115,017 |
| **2007** | 5,000 | 117,049 |
| **2008** | 5,000 | 72,591 |
| **2009** | 5,000 | 86,565 |
| **2010** | 5,000 | 90,591 |
| **2011** | 5,000 | 84,300 |
| **2012** | 5,000 | 92,445 |
| **2013** | 5,000 | 116,961 |
| **2014** | 5,000 | 126,118 |
| **2015** | 5,000 | 119,592 |
| **2016** | 5,000 | 131,902 |
| **2017** | 5,000 | 152,740 |
| **2018** | 5,000 | 138,506 |
| **Total withdrawals: $100,000** | | |

# An 85-year history of investment success

| Year | ICA's total return | Stock market | Consumer prices |
|---|---|---|---|
| 1934 | **+25.6%** | -1.5% | +1.5% |
| 1935 | **+83.4** | +47.7 | +3.0 |
| 1936 | **+46.1** | +33.8 | +1.4 |
| 1937 | -38.3 | -35.0 | **+2.9** |
| 1938 | +27.8 | **+31.0** | -2.8 |
| 1939 | **+1.0** | -0.4 | 0.0 |
| 1940 | -2.3 | -9.8 | **+0.7** |
| 1941 | -7.2 | -11.6 | **+9.9** |
| 1942 | +16.9 | **+20.4** | +9.0 |
| 1943 | **+33.0** | +25.8 | +3.0 |
| 1944 | **+23.5** | +19.7 | +2.3 |
| 1945 | **+37.0** | +36.4 | +2.2 |
| 1946 | -2.2 | -8.1 | **+18.1** |
| 1947 | +1.1 | +5.7 | **+8.8** |
| 1948 | +0.5 | **+5.4** | +3.0 |
| 1949 | +9.6 | **+18.8** | -2.1 |
| 1950 | +20.0 | **+31.7** | +5.9 |
| 1951 | +18.0 | **+24.0** | +6.0 |
| 1952 | +12.4 | **+18.3** | +0.8 |
| 1953 | +0.6 | -1.0 | **+0.7** |
| 1954 | **+56.4** | +52.6 | -0.7 |
| 1955 | 25.6 | **+31.5** | +0.4 |
| 1956 | **+10.9** | +6.5 | +3.0 |
| 1957 | -11.7 | -10.8 | **+2.9** |
| 1958 | **+45.0** | +43.3 | +1.8 |
| 1959 | **+14.4** | +12.0 | +1.7 |
| 1960 | **+4.7** | +0.5 | +1.4 |
| 1961 | +23.3 | **+26.9** | +0.7 |
| 1962 | -13.1 | -8.7 | **+1.3** |
| 1963 | **+23.1** | +22.8 | +1.6 |
| 1964 | +16.4 | **+16.5** | +1.0 |
| 1965 | **+27.1** | +12.5 | +1.9 |
| 1966 | +1.1 | -10.1 | **+3.5** |
| 1967 | **+29.1** | +24.0 | +3.0 |
| 1968 | **+17.2** | +11.1 | +4.7 |
| 1969 | -10.5 | -8.4 | **+6.2** |
| 1970 | +2.8 | +3.9 | **+5.6** |
| 1971 | **+17.2** | +14.3 | +3.3 |
| 1972 | 16.0 | **+19.0** | +3.4 |
| 1973 | -16.7 | -14.7 | **+8.7** |
| 1974 | -17.8 | -26.5 | **+12.3** |
| 1975 | +35.6 | **+37.2** | +6.9 |
| 1976 | **+29.8** | +23.9 | +4.9 |
| 1977 | -2.4 | -7.2 | **+6.7** |
| 1978 | **+14.9** | +6.6 | +9.0 |

| Year | ICA's total return | Stock market | Consumer prices |
|---|---|---|---|
| 1979 | **+19.4%** | +18.6% | +13.3% |
| 1980 | +21.4 | **+32.5** | +12.5 |
| 1981 | 1.0 | -4.9 | **+8.9** |
| 1982 | **+34.0** | +21.5 | +3.8 |
| 1983 | +20.4 | **+22.6** | +3.8 |
| 1984 | **+6.8** | +6.3 | +3.9 |
| 1985 | **+33.6** | +31.7 | +3.8 |
| 1986 | **+21.9** | +18.7 | +1.1 |
| 1987 | **+5.6** | +5.3 | +4.4 |
| 1988 | +13.5 | **+16.6** | +4.4 |
| 1989 | +29.6 | **+31.7** | +4.6 |
| 1990 | +0.8 | -3.1 | **+6.1** |
| 1991 | +26.7 | **+30.5** | +3.1 |
| 1992 | +7.2 | **+7.6** | +2.9 |
| 1993 | **+11.8** | +10.1 | +2.7 |
| 1994 | +0.3 | +1.3 | **+2.7** |
| 1995 | +30.8 | **+37.6** | +2.5 |
| 1996 | +19.5 | **+23.0** | +3.3 |
| 1997 | +30.0 | **+33.4** | +1.7 |
| 1998 | +23.1 | **+28.6** | +1.6 |
| 1999 | +16.7 | **+21.0** | +2.7 |
| 2000 | **+4.0** | -9.1 | +3.4 |
| 2001 | -4.4 | -11.9 | **+1.6** |
| 2002 | -14.3 | -22.1 | **+2.4** |
| 2003 | +26.5 | **+28.7** | +1.9 |
| 2004 | +10.0 | **+10.9** | +3.3 |
| 2005 | **+7.0** | +4.9 | +3.4 |
| 2006 | **+16.1** | +15.8 | +2.5 |
| 2007 | **+6.1** | +5.5 | +4.1 |
| 2008 | -34.6 | -37.0 | **+0.1** |
| 2009 | **+27.5** | +26.5 | +2.7 |
| 2010 | +11.1 | **+15.1** | +1.5 |
| 2011 | -1.5 | +2.1 | **+3.0** |
| 2012 | +15.9 | **+16.0** | +1.7 |
| 2013 | **+32.7** | +32.4 | +1.5 |
| 2014 | +12.3 | **+13.7** | +0.8 |
| 2015 | -1.3 | **+1.4** | +0.7 |
| 2016 | **+14.8** | +12.0 | +2.1 |
| 2017 | +19.9 | **+21.8** | +2.1 |
| 2018 | -6.3 | -4.4 | **+1.9** |
| 85-year average annual total returns through 12/31/18 | | | |
| | +12.1% | +10.7% | +3.5% |
| Number of best years | | | |
| | 33 | 30 | 22 |

Sources – Stock market: S&P 500, with reinvestment of dividends; consumer prices: Consumer Price Index as measured by the U.S. Department of Labor, Bureau of Labor Statistics.

**Results for ICA are shown at net asset value with all distributions reinvested.**

# What makes ICA a rare opportunity

**This growth-and-income fund has outshone many individual stocks, and it would be difficult to find a company that could match its statistics:**

in the same business for **85 years**

net assets of approximately **$85.4 billion**, with $5.5 billion in reserves of cash or cash equivalents

invested in such diverse industries as biotechnology, oil, gas & consumable fuels, interactive media & services, semiconductors & semiconductor equipment, and beverages & tobacco

a management team of **eight portfolio managers** with a median 12 years of experience with the fund

research offices located throughout the United States, Europe and Asia

paid a dividend every year since **1936**

increased regular dividends in 73 of the past 82 calendar years (if dividends were taken in cash and capital gains were reinvested, not including special dividends)

All figures are as of December 31, 2018, except for portfolio manager information, which is as of the fund's prospectus dated March 1, 2019.

# The Capital Advantage®

**Since 1931, Capital Group, home of American Funds, has helped investors pursue long-term investment success. Our consistent approach — in combination with The Capital System℠ — has resulted in superior outcomes.**

## Aligned with investor success

We base our decisions on a long-term perspective, which we believe aligns our goals with the interests of our clients. Our portfolio managers average 27 years of investment experience, including 20 years at our company, reflecting a career commitment to our long-term approach.[1]

## The Capital System

The Capital System combines individual accountability with teamwork. Funds using The Capital System are divided into portions that are managed independently by investment professionals with diverse backgrounds, ages and investment approaches. An extensive global research effort is the backbone of our system.

## American Funds' superior outcomes

Equity funds have beaten their Lipper peer indexes in 92% of 10-year periods and 99% of 20-year periods.[2] Fixed income funds have helped investors achieve diversification through attention to correlation between bonds and equities.[3] Fund management fees have been among the lowest in the industry.[4]

[1] Portfolio manager experience as of December 31, 2018.

[2] Based on Class F-2 share results for rolling periods through December 31, 2018. Periods covered are the shorter of the fund's lifetime or since the comparable Lipper index inception date (except Capital Income Builder and SMALLCAP World Fund, for which the Lipper average was used). Expenses differ for each share class, so results will vary.

[3] Based on Class F-2 share results, as of December 31, 2018. Fourteen of our 15 American Funds fixed income funds that have been in existence for the three-year period showed a three-year correlation below 0.2. Standard & Poor's 500 Composite Index was used as an equity market proxy. Correlation based on monthly total returns. Correlation is a statistical measure of how two securities move in relation to each other. A correlation ranges from –1 to 1. A positive correlation close to 1 implies that as one security moves, either up or down, the other security will move in "lockstep," in the same direction. A negative correlation close to –1 indicates that the securities have moved in the opposite direction.

[4] On average, our management fees were in the lowest quintile 70% of the time, based on the 20-year period ended December 31, 2018, versus comparable Lipper categories, excluding funds of funds.

Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Please see americanfunds.com for more information on specific expense adjustments and the actual dates of first sale.

In addition to the more than 40 American Funds, we offer the American Funds Target Date Retirement Series® and American Funds Retirement Income Portfolio Series℠, as well as CollegeAmerica®, a 529 education savings plan sponsored by Virginia529℠, Coverdell Education Savings Accounts, the American Funds Insurance Series® variable annuity funds and a full line of retirement plan solutions. For details, please contact your financial professional or visit americanfunds.com.

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing. If used after March 31, 2019, this brochure must be accompanied by a current American Funds quarterly statistical update.**

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The expense ratio (shown on page 10) is as of the fund's prospectus available at the time of publication. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which results would have been lower. Please see americanfunds.com for more information.

Content contained herein is not intended to serve as impartial investment or fiduciary advice. The content has been developed by Capital Group which receives fees for managing, distributing and/or servicing its investments.



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