CAPITAL GROUP® | AMERICAN FUNDS®

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

The American Funds Traditional Individual Retirement Account ("Traditional IRA")/Roth Individual Retirement Account ("Roth IRA") Disclosure Statement

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

I. Contributions to the Account

1. **Limitation on Amount of Contributions**

   (a) Traditional IRAs. Contributions to the Traditional IRA may be either "rollover" contributions or regular cash contributions. Rollover contributions, which may be of any amount, are contributions of eligible distributions from a §401(a) qualified retirement plan, §403(b) plan, §457(b) government plan, SIMPLE IRA |after two years, or distributions from another Traditional IRA. Rollover amounts can include after-tax contributions made to the plans. To qualify for rollover treatment, you must make an appropriate election to treat the contribution as a rollover contribution. Money or property distributed to you must be rolled over within 60 days of your receipt. Eligible distributions from a §401(a) qualified retirement plan, §403(b) plan |or §457(b) government plan may be directly rolled over to the Traditional IRA. Amounts, other than after-tax amounts, that had originally been rolled over into your Traditional IRA from an employer's retirement plan can again be rolled over into another employer's retirement plan that will accept such a rollover.

   Contributions that are not rollovers must be made in cash and cannot exceed the maximum amount allowed under the Internal Revenue Code. All or a portion of your contributions to a Traditional IRA may be tax deductible. This amount varies depending on your modified adjusted gross income ("MAGI") for the year. You may contribute to a Traditional IRA even if the deduction for the contribution is reduced or eliminated as discussed in Section 2 of this Disclosure Statement if you designate the contribution as a nondeductible contribution on your income tax return. If contributions are being made to your Traditional IRA under your employer's SEP, the maximum annual contribution limit to your Traditional IRA is the lesser of $69,000 for 2024 and $70,000 for 2025, or 25% of your compensation, in addition to any personal IRA contributions (Traditional and/or Roth).

   (b) Roth IRAs. Contributions to the Roth IRA may be "conversion," "rollover," or regular cash contributions. Conversion contributions, which may be of any amount, are contributions of distributions from a Traditional IRA, a SEP or a SIMPLE IRA. A MAGI limit does not apply to conversions. Rollover contributions, which may be of any amount, are contributions of distributions from another Roth IRA, §401(a) qualified retirement plan, §403(b) plan or §457(b) government plan. The MAGI limits specified under Section 3 do not apply to a Roth IRA established solely to receive Roth assets rolled over from a 401(k) or 403(b) plan. For both conversion contributions and rollover contributions, money or property distributed to you must be rolled over within 60 days of receipt.

   Subject to certain requirements, 529 plan account owners can rollover unused funds into a Roth IRA maintained for the 529 account beneficiary. These 529 to Roth IRA rollovers count toward the annual contribution across all of the beneficiary's Traditional and/or Roth IRAs. The income limitation for regular Roth IRA contributions do not apply to 529 to Roth IRA rollovers. The amount that can be rolled over is limited to the lesser of the beneficiary's earned income or the annual IRA contribution limit.

   Contributions, which are not conversions or rollovers, must be made in cash and cannot exceed the maximum amount allowed under the Internal Revenue Code. This amount varies depending on your MAGI for the year.

   (c) All IRAs. Contributions, other than rollover or conversion contributions, to all of your Traditional and/or Roth IRAs together cannot exceed $7,000 in 2024 and 2025, or 100% of your compensation if you are younger than 50. If you are 50 or older before the close of the taxable year to which the contribution applies, the maximum amount is $8,000 for 2024 and 2025.

   You can make only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs you own. The limit will apply by aggregating all of an individual's IRAs, including SEP and SIMPLE IRAs as well as Traditional and Roth IRAs, effectively treating them as one IRA for purposes of the limit. A rollover from a Traditional IRA (including SEP and SIMPLE IRAs) to a Roth IRA is not subject to the one rollover per year limitation. The one rollover per year limitation also does not apply to a rollover to or from a qualified plan (and such a rollover is disregarded in applying the one rollover per year limitation to other rollovers), nor does it apply to trustee-to-trustee transfers. For more information refer to IRS Announcements 2014-15 and 2014-32.

   (d) Inherited IRAs. An inherited IRA is an IRA that has been established to receive the distribution on behalf of a beneficiary who is not the Account Owner's or plan participant's surviving spouse. Additional contributions or rollovers are not permitted to be made into an inherited IRA.

2. **Deductibility of Contributions to Traditional IRAs**

   Cash contributions are deductible from gross income (except as explained in the following paragraph), whether or not you itemize your deductions, and must be claimed on Form 1040 or Form 1040A. The maximum amount deductible under a Traditional IRA is the lesser of $7,000 for 2024 and 2025 ($8,000 if 50 or older), or 100% of compensation. This amount is increased to $14,000 for 2024 and 2025 ($16,000 if both you and your spouse are 50 or older), or 100% of compensation if contributions are made to your Traditional IRA and the Traditional IRA of your spouse, but you must file a joint return. The maximum amount deductible is reduced by amounts contributed to a Roth IRA other than conversion contributions.

   For taxable years 2024 and 2025, if you are an active participant in a qualified retirement plan, a §403(a) or §403(b) plan, a SEP, a SIMPLE IRA or certain government plans, your contribution is not fully deductible if you are single with MAGI exceeding $77,000 for 2024 and $79,000 for 2025, or married filing jointly with MAGI exceeding $123,000 for 2024 and $126,000 for 2025. If you have income above these levels, the deductible amount is reduced at the rate of $700 for 2024 and 2025 for each $1000 of income if single ($2,000 of income if married), so that no deduction is allowed if you are single with MAGI exceeding $87,000 for 2024 and $89,000 for 2025, or married filing jointly with MAGI exceeding $143,000 for 2024 and $146,000 for 2025. If this calculation results in a deductible amount of more than zero but less than $200, you will still be permitted to deduct $200.

   A married individual who is not participating in an employer-sponsored retirement plan, but whose spouse is participating in one, will be able to make deductible IRA contributions. The deductibility of such contributions will be phased out for couples with MAGI between $230,000 and $240,000 for 2024 and $236,000 and $246,000 for 2025.

   Rollover contributions, if properly made, are not included in your gross income and, therefore, are not deductible.

3. **Eligibility to Make Roth Contributions**

   The maximum amount that can be contributed to a Roth IRA is the lesser of $7,000 for 2024 and 2025 ($8,000 if 50 or older), or 100% of compensation. This amount is increased to $14,000 for 2024 and 2025 ($16,000 if both are 50 or older) or 100% of compensation if contributions are made to your Roth IRA and the Roth IRA of your spouse, but you must file a joint return. The maximum amount is reduced by amounts contributed to a Traditional IRA other than rollover contributions.

If you are single with MAGI that does not exceed $146,000 for 2024 and $150,000 for 2025, or married filing jointly with MAGI that does not exceed $230,000 for 2024 and $236,000 for 2025, you are eligible to make a full $7,000 contribution for 2024 and 2025. If you have income above these levels, the amount you may contribute to a Roth IRA is reduced on a pro rata basis, so that no contribution is allowed if you are single with MAGI exceeding $161,000 for 2024 and $165,000 for 2025, or married filing jointly with MAGI exceeding $240,000 for 2024 and $246,000 for 2025. If you are married, filing separately, the phase-out range is from $0 to $10,000 of MAGI. If this calculation results in a contribution amount of more than zero but less than $200, you will still be permitted to contribute $200.

4. **Excess Contributions**

(a) Traditional IRAs. An excess contribution is generally the amount contributed to your Traditional and/or Roth IRAs that is more than (a) your taxable compensation for the year or (b) $7,000 for 2024 and 2025 ($8,000 if 50 or older), whichever is smaller. Such excess contributions will be subject to an annual 6% excise tax. However, this tax can be avoided if you withdraw your excess contributions plus any earnings on the excess on or before the due date, including extensions, for your federal tax return for the year in which the excess contribution is made. The earnings that are withdrawn must be included in your income for the year the excess contributions were made.

(b) Roth IRAs — Contributions. If your contributions for any taxable year are greater than the maximum amount permitted based on your MAGI, the excess amount will be subject to an annual 6% excise tax. However, this tax can be avoided if you either withdraw or transfer to a Traditional IRA the amount of the excess contribution plus any earnings on the excess on or before the due date, including extensions, for your federal tax return for the year in which the excess contribution was made. The earnings that are withdrawn must be included in your income for the year the excess contributions were made.

5. **Recharacterization of Contributions**

Prior to your tax-filing deadline, including extensions, you may instruct the Custodian to recharacterize a contribution made to a Traditional IRA as a contribution made to a Roth IRA, and a contribution made to a Roth IRA as a contribution made to a Traditional IRA. You may also instruct the Custodian to recharacterize a conversion contribution prior to your tax-filing deadline, including extensions. A subsequent reconversion following recharacterization may not occur earlier than (a) the first day of the calendar year following the calendar year of recharacterization, or (b) the end of the 30-day period beginning on the date of recharacterization, whichever is later.

6. **Investment of Contributions**

Under the terms of the Custodial Agreement, your contributions will be invested by the Custodian, Capital Bank and Trust Company, or any successor, in accordance with your written instructions or the written instructions of your employer on your behalf if you are a participant in a payroll deduction plan with:

(a) no investment instructions and contribution more than $10,000: If no fund is designated and the amount of the contribution, regular or rollover, is over $10,000, such contribution will be held uninvested (without liability to the Custodian for loss of income or appreciation pending receipt of proper instructions) until investment instructions are received, but for no more than three (3) business days. If investment instructions are not received, the contribution will be invested in American Funds U.S. Government Money Market Fund℠ on the third business day after receipt of the contribution.

(b) no investment instructions and contribution $10,000 or less: If no fund is designated and the amount of the contribution, regular or rollover, is $10,000 or less, the amount of the contribution will be invested in the same proportion and in the same Fund or Funds in which the last contribution, regular or rollover, was invested, provided such contribution was made within the last sixteen (16) months. If no contribution was made within the last sixteen (16) months, the contribution received without investment instructions will be held uninvested (without liability to the Custodian for loss of income or appreciation pending receipt of proper instructions) until investment instructions are received, but for no more than three (3) business days. If investment instructions are not received, the contribution will be invested in American Funds U.S. Government Money Market Fund on the third business day after receipt of the contribution.

(c) SEP/SARSEP contributions with no investment instructions. If your contribution is to a SEP or SARSEP and you fail to provide investment instructions, your SEP or SARSEP contribution will be invested based on the investment instructions provided by your employer. If you designate one or more of the American Funds but there is no share class indicated, the default will be A shares. No part of your Traditional and/or Roth IRA will be invested in life insurance contracts.

(d) Other investment information. Any dividends or refund of premiums received from any annuity contract held in your Traditional IRA will be applied in the next year toward the payment of future annuity premiums or to purchase additional benefits.

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

II. Distributions From the Account

1. **Taxation of Distributions**

(a) Traditional IRAs. Distributions from your Traditional IRA are taxed as ordinary income except for the portion that equals all nondeductible contributions divided by the total withdrawals during the year plus the balance in all your Traditional IRAs at the end of the year plus any outstanding rollovers (amounts distributed from a Traditional IRA within 60 days of the end of the year, which are rolled over in the following year during the 60-day rollover period). Premature distributions may be subject to a 10% penalty.

(b) Roth IRAs. Distributions from your Roth IRA that are "qualified distributions" are not taxable. Qualified distributions are distributions made from your Roth IRA more than five years after you establish your first Roth IRA if made after you reach age 59½ or your death or disability, or if used for certain expenses to purchase a first-time home.

Distributions that are not qualified distributions will be excludable from your income to the extent the amount of the distribution does not exceed the aggregate amount you contributed to your Roth IRA. Conversion amounts that you included in income may be subject to a 10% premature distribution penalty if removed from your Roth IRA within five years after making the conversion contribution to your Roth IRA. Any distributions treated as taxable income to you may be subject to a 10% premature distribution penalty.

2. **Penalty Tax on Premature Distributions**

Any distribution (or in the case of a Roth conversion contribution, any distribution within five years of a conversion, to the extent such amount was included or includable in income) made before you reach age 59½ will be subject to a penalty of 10% of the taxable amount of the distribution, except for distributions made

(a) in the case of death or disability

(b) for the return of nondeductible or excess contributions and earnings from your Traditional IRA

(c) for the return of excess contributions and earnings from your Roth IRA

(d) as payments for certain catastrophic medical expenses

(e) as payments made after an extended period of unemployment to cover health insurance premiums

(f) as payments for certain expenses incurred to purchase a first-time home up to a lifetime maximum of $10,000

(g) as payments for post-secondary education costs of your immediate family members and grandchildren

(h) as payments made in substantially equal installments which may be based on, but not limited to, the following methods: life expectancy, amortization (using a rate between 80% and 120% of the long-term applicable federal rate) or annuitization (using an acceptable mortality table including, but not limited to, UP'84, '83 IAM, or Annuity 2000)

(i) as payment in satisfaction of a levy under Code §6331 after December 31, 1999

(j) as payments of up to $22,000 made in connection with federally declared disasters

(k) for birth or adoption expenses (up to $5,000)

(l) while you are terminally ill

(m) for unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses up to the lesser of $1,000 or the excess of your account balance over $1,000; or

(n) to you as a domestic abuse victim up to the lesser of $10,000 (as adjusted for inflation) or 50% of your account balance.

3. **Required Distributions From Traditional IRAs**

   To begin receiving required minimum distributions from your IRA, you must notify the Custodian in a form acceptable to the Custodian. Generally, a minimum distribution must be taken on account of each of your IRAs once you reach 73. You must take your first distribution beginning April 1 (your "Required Beginning Date") of the calendar year following the year in which you reach 73. Your distributions can be taken over a period calculated on your life expectancy and that of a beneficiary assumed to be 10 years younger than you (the factors can be found in the IRS Uniform Lifetime table). If your sole Beneficiary is your spouse who is more than 10 years younger than you, you may use your spouse's actual age (the factors can be found in the IRS Joint Life and Last Survivor Expectancy table) to determine the payout period. If you have more than one IRA, other than a Roth IRA, a minimum must be separately determined for each, but the total distribution can be taken from any one or more IRAs.

4. **Penalty Tax for Insufficient Distributions From Traditional IRAs**

   If you take less than the required minimum distribution after you reach your Required Beginning Date, a 25% (possibly 10% if timely corrected within two years) penalty tax on the difference between the amount required to be distributed and the amount actually distributed in that year will be assessed. The Internal Revenue Service can waive the penalty tax if the insufficient distribution was due to reasonable error and steps are taken to correct the underdistribution.

5. **Required Distributions From Roth IRAs**

   No distributions are required to be made from your Roth IRA prior to your death.

6. **Distributions Upon Your Death**

   After your death (regardless of your age when you die), required minimum distribution rules apply to the beneficiaries of your IRA. How the required minimum distribution rules apply after your death depends on a number of factors, including whether you die before your Required Beginning Date, the identity of your beneficiaries and the type of IRA (Traditional or Roth). For more information on required minimum distributions for beneficiaries, refer to IRS Publication 590-B or consult your tax professional.

7. **Issuance of a Check**

   Upon issuance of a check from the Account, no additional earnings will accrue to the Account with respect to the uncashed check. Earnings on uncashed checks may accrue to the Custodian at a money market rate of return. Such earnings will accrue from the date upon which a check is mailed, one business day after the redemption or sale is processed, until the date upon which the check is presented for payment.

8. **Estate and Gift Taxes**

   Upon your death, the value of your Traditional and/or Roth IRA is subject to federal estate taxes under §2039(a) of the Internal Revenue Code unless the Account is left to a surviving spouse in a form that qualifies for the marital deduction.

   For gift-tax purposes, beneficiary designations will not be treated as gifts if they are revocable. In addition, contributions to a Traditional and/or Roth IRA for a nonemployed spouse will qualify for the annual exclusion as a present-interest gift.

III. Tax Status of Custodial Account

1. **Tax-Exempt Status**

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

2. **Loss of Exemption**

   The tax-exempt status of the Traditional and/or Roth IRA will be revoked as of the beginning of the year in which you engage in any of the prohibited transactions listed in §4975(c) of the Internal Revenue Code, such as borrowing money from your IRA, selling property to your IRA or exchanging property with your IRA. Generally, the fair market value of your Traditional IRA (excluding any nondeductible contributions) will be includable in your taxable income in the year in which such prohibited transaction takes place and may also be subject to a 10% premature distribution penalty. In the case of a Roth IRA, to the extent the fair market value of your Roth IRA exceeds aggregate contributions made to your Roth IRA, such value will be includable in your taxable income in the year in which such prohibited transaction takes place and may also be subject to a 10% premature distribution penalty.

   In addition, the Traditional and/or Roth IRA will lose its tax-exempt status if you use all or part of your interest in the IRA as security for a loan. Any portion of the IRA used as security for a loan will be treated as a distribution in the year in which such use occurs. If you are under age 59½, the amount of the loan may also be subject to a 10% tax penalty as a premature distribution.

IV. Additional Tax Information

For years in which excess contributions have been made to your Traditional and/or Roth IRA, or you received from your Account premature distributions or underdistributions from your Traditional IRA after reaching age 73, you are required to file with the IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*, along with your individual tax return for that year.

For years in which nondeductible contributions were made to your Traditional IRA, Form 8606, *Nondeductible IRAs*, must be filed with your tax return. Form 8606 will also be used to keep track of your Roth IRA contributions and/or conversions.

Further information about your Traditional and/or Roth IRA can be obtained from any district office of the IRS or at www.irs.gov. Consult Publication 590-A for information on IRA contributions, and/or Publication 590-B on IRA distributions.

V. Financial Information

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

If $1,000 is invested in any fund other than American Funds U.S. Government Money Market Fund and a reduced sales charge is not available, the highest sales charge would be $57.50, or 5.75% of the contribution. See the prospectus of each fund for further details. If $1,000 is invested in the money market fund, no sales charge would be imposed. In addition, there is a fee for establishing the Account as well as an annual Custodial fee. The future growth results of your investment in mutual fund shares cannot be guaranteed or projected.

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