

Retirement target date funds

2025 edition



CAPITAL  
GROUP®

AMERICAN  
FUNDS®



Choose the  
target date series  
that's best for  
participants

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



# Target date funds are a key investment option

## Choose wisely

Selecting a target date retirement series for a defined contribution plan is one of the most important investment decisions a plan sponsor can make. This is true for a number of reasons for both private- and public-sector plans. Target date funds:

- offer plan sponsors an enormous opportunity to help their plan participants improve their long-term investment outcomes.
- are one of the investment types that meet the Department of Labor (DOL) requirements, when applicable, for a qualified default investment alternative (QDIA), which can reduce a plan sponsor's investment-related fiduciary liability.



94%

of **DC plans** included target date funds in their investment lineup<sup>1</sup>



68%

of **401(k) participants** are invested in target date funds<sup>2</sup>



nearly **2/3s**

of **participants in their 20s** own target date funds<sup>3</sup>



**\$5.8** trillion

in **assets** are projected to be held in target date funds by the end of 2029<sup>4</sup>

<sup>1</sup> Callan Institute, *2024 Defined Contribution Trends Survey*.

<sup>2</sup> Investment Company Institute, *ICI Research Perspective* (April 2024, Vol. 30, No. 3): "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2022"

<sup>3</sup> Investment Company Institute, *ICI Research Perspective* (July 2024, Vol. 30, No. 6) "The economics of providing 401(k) plans: Services, fees, and expenses, 2023."

<sup>4</sup> Cerulli Associates, *The Cerulli Report: U.S. Defined Contribution Distribution 2024*

Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

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# Put participants first when evaluating target date funds

## "Establish a process for comparing and selecting TDFs."

– U.S. Department of Labor  
"Target Date Retirement Funds –  
Tips for ERISA Plan Fiduciaries,"  
February 2013

## Align target date fund selection with DOL guidelines

In response to the growing popularity of target date funds, the DOL issued guidelines stating that plan sponsors should establish an objective process to evaluate, compare and select a target date fund series.

The DOL encourages plan sponsors to engage in a careful target date fund evaluation process to meet their own fiduciary obligations and help participants move closer to attaining their retirement goals.

Based on this guidance, Capital Group, home of American Funds, believes that a plan sponsor's evaluation process should encompass the following five considerations:

### 1 Participant needs

The key participant investment need is to manage both longevity risk and market risk, which requires target date funds to strike the appropriate balance between appreciation and stability at each point in a participant's career.

### 2 Glide path construction

Each target date series' glide path should evolve over time within major asset classes and provide thorough diversification through traditional asset classes and subclasses.

### 3 Value versus cost

Sponsors should consider the value of a target date series relative to its costs by comparing expenses with returns over long periods of time.

### 4 Quality of underlying funds

A target date series is only as good as its underlying funds. Plan sponsors should evaluate each target date fund's underlying funds as well.

### 5 Consistency and repeatability

Sponsors should evaluate the target date series to ensure that the investment manager's approach is consistent across all target date funds and that series' investment results were repeated over meaningful time periods.

## Compare target date funds

Visit [capitalgroup.com](https://capitalgroup.com) to access our analytical tools:

- Target Date ProView, a powerful online tool that quickly creates a detailed report comparing up to four funds.\*†
- Target Date Peer Analysis, which compares several metrics of many leading target date fund families.†

Call your Capital Group sales professional for help evaluating any target date series, or for more information about the American Funds Target Date Retirement Series®.

\*Use of Target Date ProView may be subject to approval by your home office.

†This resource is intended for use only by financial professionals.

# Participant needs

## Why this matters

- A common objective should be to help retirement plan participants strive for better investment outcomes over the course of several decades and longer.
- Early in their careers during the accumulation period, participants need investments that provide growth potential.
- Over time, stability becomes more of a priority, but the role of appreciation – providing for future needs and to help keep pace with inflation – never disappears.
- Sponsors should understand participant needs at various investment stages, so they can select a target date series that helps meet vital participant accumulation, transition and distribution goals.

## Ideas for action

- Conduct an audit to determine what participant data are available already.
- Develop a process to collect necessary participant data.
- With help from your TPA or plan administrator, analyze the data to determine the influence it might have on the creation of your glide path.
- Select the target date fund series that best suits participants.

Generally, retirement plan participants face two primary risks:

- Longevity risk (the threat of outliving their savings)
- Market risk (the volatility of returns)

To address longevity risk, target date series typically seek capital appreciation from stocks and other relatively volatile assets. To address market risk, they typically seek stability from fixed income and other lower volatility assets.

The primary challenge for a target date series, then, is to achieve an appropriate balance of appreciation and stability at each point in participants' careers.

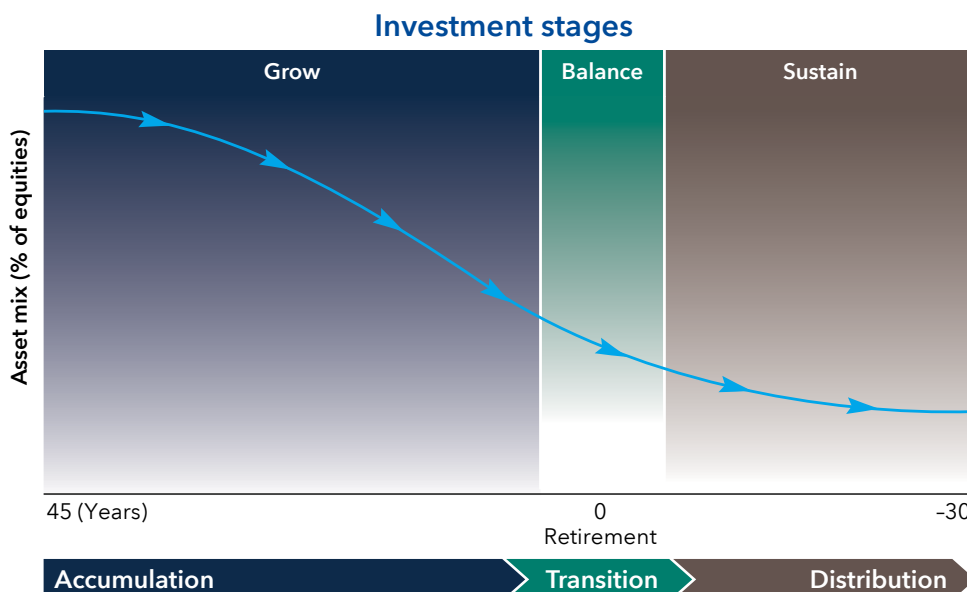
Two factors influence this balance of appreciation and stability: participant age and plan-specific characteristics.

For these reasons, choosing the right target date series depends on the relevant plan demographics, which can include:

- Employee age, salary, tenure and account balance
- Contribution rates
- Typical participant retirement age
- Participation in the plan post-retirement
- Eligibility requirements for the defined benefit plan, if available to participants

Fiduciaries who understand plan demographics and participant needs will be better informed, more effective and better able to demonstrate to regulators that they are focused on fulfilling their fiduciary duties.

**Investment goals change as participants near retirement.**



This glide path illustration is hypothetical. For the American Funds Target Date Retirement Series glide path, please see page 7.

## A dividend focus helps build and preserve wealth

One simple fact poses an additional challenge for participants: Markets and investments don't always appreciate. And since retirement plan accounts serve as a primary accumulation vehicle, it's important to consider how each target date series reacts to market volatility.

A main component of the Capital Group approach to managing target date funds, which has historically helped to reduce losses and volatility relative to the vintages' Morningstar category averages, can be found in an emphasis on equities that pay dividends. The chart below illustrates that our growth-and-income funds have had strong returns with historically less volatility (standard deviation), when compared to non-dividend paying growth stocks (as represented by the MSCI USA Growth Index gross dividends).

"TDFs may have different investment strategies, glide paths and investment-related fees. Because these differences can significantly affect the way a TDF performs, it is important that fiduciaries understand these differences when selecting a TDF as an investment option for their plan."

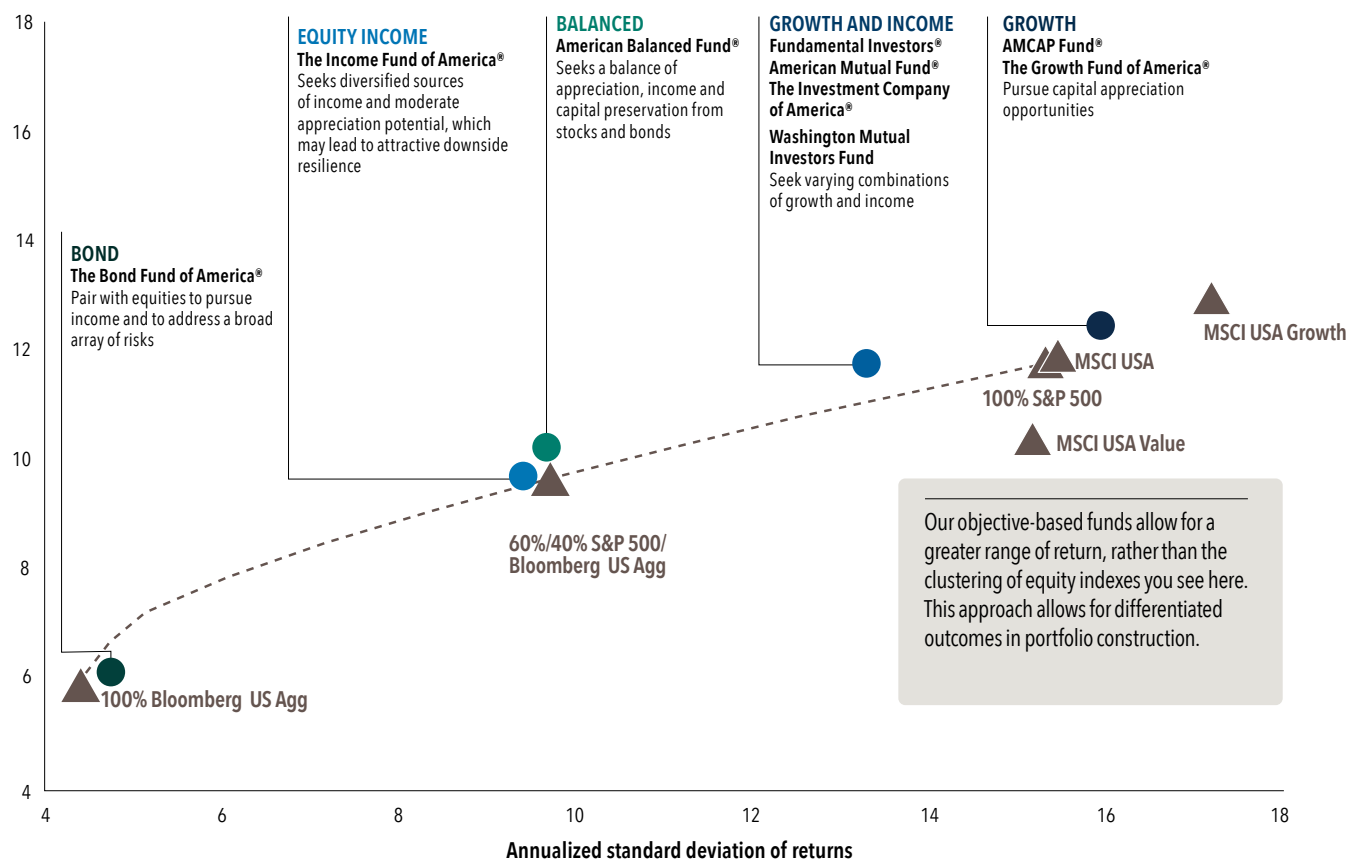
– U.S. Department of Labor "Target Date Retirement Funds – Tips for ERISA Plan Fiduciaries," February 2013

Figures shown are past results for Class R-6 shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. 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 [capitalgroup.com/retirement/participant/](https://capitalgroup.com/retirement/participant/).

### The merits of our emphasis on dividend income near retirement

Average results of U.S.-focused equity and bond American Funds for 40 years ended December 31, 2024 (Class R-6 shares)

Average annual total returns (%)



Source: Capital Group, MSCI. These American Funds have at least four decades of history. For categories with multiple funds, funds are equally weighted and average annual total return is a simple arithmetic average of monthly returns (annualized) while annualized standard deviation of returns measures the standard deviation of monthly returns (also annualized).

**S&P 500 Index** is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. **Bloomberg U.S. Aggregate Index** represents the U.S. investment-grade fixed-rate bond market. **MSCI USA Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure the U.S. portion of the world market. **MSCI USA Growth Index** captures large and mid cap securities exhibiting overall growth style characteristics in the US. **MSCI USA Value Index** captures large and mid cap US securities exhibiting overall value style characteristics.

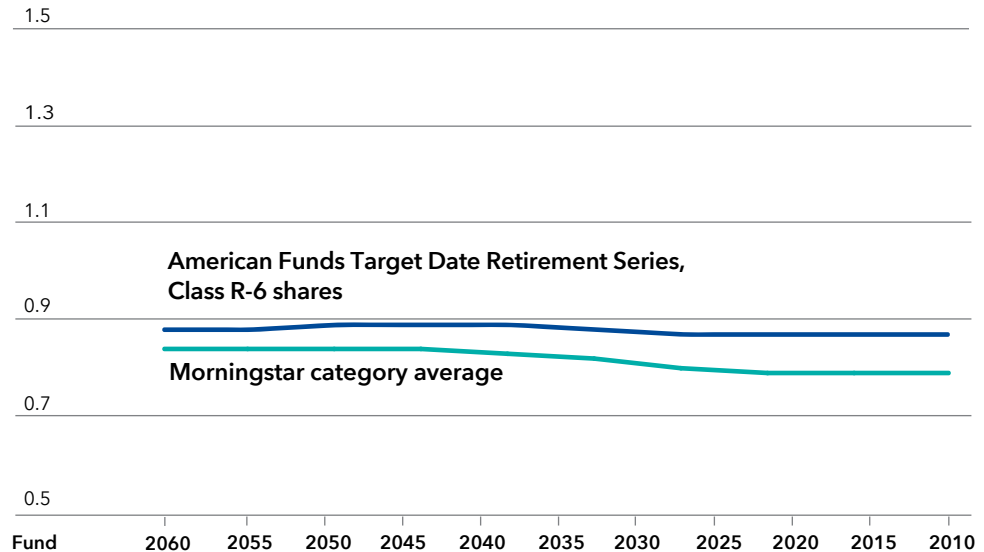
## We strive to reduce longevity risk and market risk

Our target date funds generally captured more of the upside and less of the downside relative to the vintages' Morningstar category averages, helping participants to manage longevity and market risk.

Although the target date portfolios are managed for investors on a projected retirement date time frame, the allocation strategy does not guarantee that investors' retirement goals will be met. Investment professionals manage the portfolio, moving it from a more growth-oriented strategy to a more income-oriented focus as the target date gets closer. The target date is the year that corresponds roughly to the year in which an investor is assumed to retire and begin taking withdrawals. Investment professionals continue to manage each portfolio for approximately 30 years after it reaches its target date.

### Five-year overall capture ratio (%) vs. S&P 500

Results for the five-year period ended December 31, 2024



### Capture ratios vs. S&P 500 Index

$$\text{Overall capture ratio} = \frac{\text{Fund's up capture}}{\text{Fund's down capture}}$$

- **Up capture:** The extent to which a fund captures returns in an up market (an up capture of greater than 100 indicates a fund had higher returns than the passive index)
- **Down capture:** The extent to which a fund captures down returns in a down market (a down capture of less than 100 indicates a fund held up better than the passive index)
- **Overall capture ratio:** Shows both upside and downside ratios in a single data point and reveals the balance between potential risk and return. An overall capture ratio greater than one indicates a fund's historical upside has exceeded its downside

### American Funds Target Date Retirement Series

|                         |       |       |       |       |       |       |       |       |       |       |       |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Up capture %            | 82.61 | 82.47 | 81.96 | 80.78 | 78.70 | 71.82 | 62.28 | 54.34 | 48.99 | 46.35 | 43.03 |
| Down capture %          | 93.56 | 93.29 | 92.30 | 90.54 | 88.06 | 81.19 | 71.23 | 62.45 | 56.35 | 53.55 | 49.39 |
| Overall capture ratio % | 0.88  | 0.88  | 0.89  | 0.89  | 0.89  | 0.88  | 0.87  | 0.87  | 0.87  | 0.87  | 0.87  |

### Morningstar category average (See page 19 for more information.)

|                         | 2060+ | 2055  | 2050  | 2045  | 2040  | 2035  | 2030  | 2025  | 2020  | 2015  | 2010  |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Up capture %            | 83.62 | 83.11 | 81.97 | 80.01 | 75.11 | 69.11 | 61.02 | 53.71 | 48.30 | 45.35 | 40.22 |
| Down capture %          | 99.19 | 98.49 | 97.45 | 95.28 | 90.55 | 84.44 | 75.93 | 68.06 | 61.30 | 57.51 | 50.77 |
| Overall capture ratio % | 0.84  | 0.84  | 0.84  | 0.84  | 0.83  | 0.82  | 0.80  | 0.79  | 0.79  | 0.79  | 0.79  |

As of December 31, 2024.

Source: Capital Group, based on data from Morningstar. The list of each fund's Morningstar category can be found on page 14. The 2065 and 2070 funds are not included because they each lack a five-year history. Up (down) capture ratio is the ratio of a fund's return during periods when the index was up (down), divided by the return of the index during those periods. For example, an up-capture ratio greater than 100 indicates the fund produced a higher return than the index during periods when the index was up. Conversely, during periods when the index was down, a down-capture ratio greater than 100 indicates the fund produced a lower return than the index.

### Why this matters

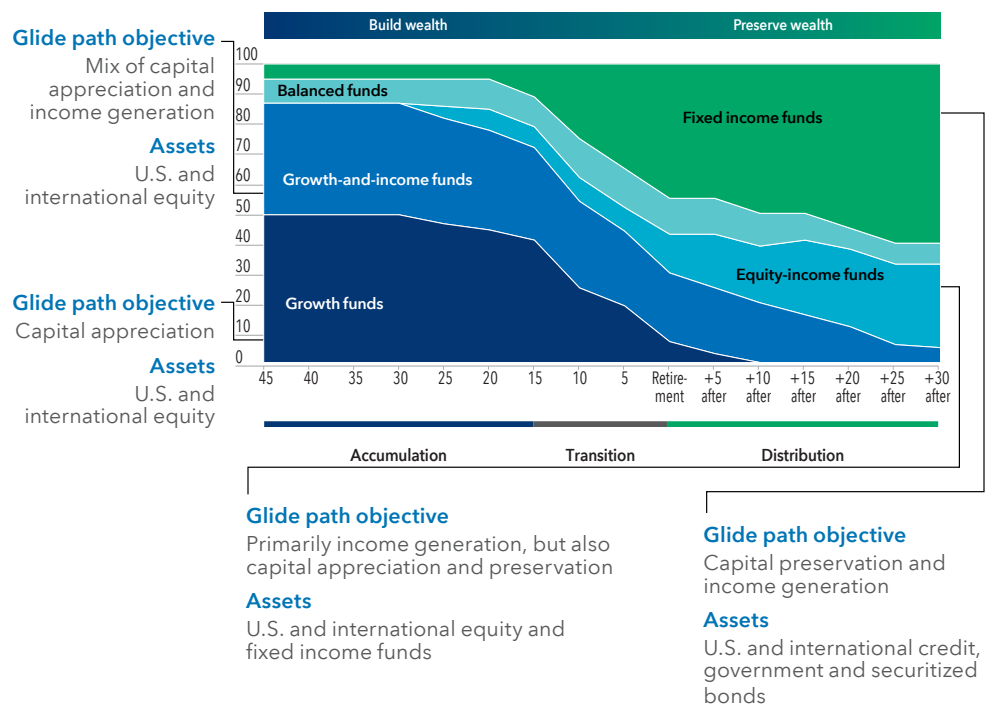
- The glide path is the heart of any target date series.
- Each series' underlying funds and asset allocation approach are important in determining how successful participants will be at managing longevity and market risk.
- Different providers' target date series vary in their equity exposure, even among funds designed for the same retirement year.
- Many target date series employ a "static" equity approach, which fails to distinguish between growth- and income-oriented equities.

## Our glide path has distinguishing characteristics

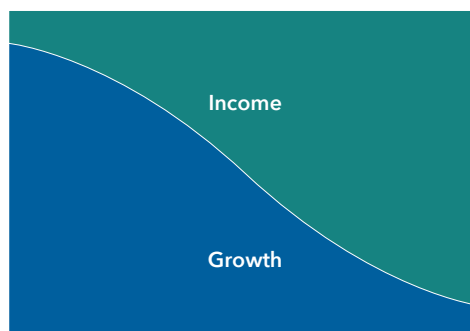
The portfolios in the American Funds target date series:

- are managed for approximately 30 years past retirement so that participants can remain invested in a single fund over their entire life span.
- have meaningful equity exposure approaching and throughout retirement to help participants manage the risk of outliving their savings.
- emphasize dividends with the intent of providing more equity exposure without increasing volatility – what we refer to as our glide path within a glide path.

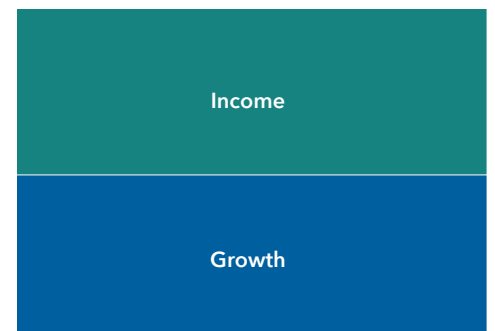
### American Funds Target Date Retirement Series glide path



Our glide path within a glide path equity approach attempts to solve for both market risk and longevity risk.



By contrast, a static equity approach reduces all equity exposure over time, which fails to address longevity risk.



The target allocations shown are as of December 31, 2024, and are subject to the oversight committee's discretion. The investment adviser anticipates assets will be invested within a range that deviates no more than 10% above or below the allocations shown in the prospectus/ characteristics statement. Underlying funds may be added or removed during the year. Visit [capitalgroup.com](https://capitalgroup.com) for current allocations.

For current allocations and information on other funds in the series, visit [capitalgroup.com](https://capitalgroup.com).

## A look inside a glide path

For a better understanding of how a target date fund can serve as a complete diversified portfolio, let's take a look inside American Funds 2030 Target Date Retirement Fund®.

### Investment objectives of our 2030 fund

Depending on the proximity to its target date, which we define as the year that corresponds roughly to the year in which the investor expects to retire, the fund will seek to achieve the following objectives to varying degrees: growth, income and

conservation of capital. The fund will increasingly emphasize income and conservation of capital by investing a greater portion of its asset in fixed income, equity-income and balanced funds as it approaches and passes its target date. In this way, the fund seeks to balance total return and stability over time.

Once the portfolio reaches its target date, American Funds investment professionals continue to manage it for approximately 30 years.

### Inside American Funds 2030 Target Date Retirement Fund



#### Asset mix of the 2030 fund

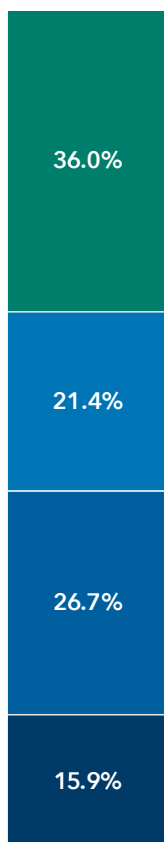
|                      |       |
|----------------------|-------|
| ■ U.S. equity        | 42.0% |
| ■ Non-U.S. equity    | 14.5  |
| ■ U.S. bonds         | 34.6  |
| ■ Non-U.S. bonds     | 4.2   |
| ■ Cash & equivalents | 4.7   |

Asset mix is based on holdings of the underlying funds as of June 30, 2025. Cash & equivalents includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

**Began operations:**  
February 1, 2007

**Total assets (as of June 30, 2025):**  
\$50.7 billion

## 2030



#### ■ Fixed income funds

|  |      |
|--|------|
| The Bond Fund of America                   | 7.1% |
| American Funds Inflation Linked Bond Fund® | 6.2  |
| American Funds Mortgage Fund®              | 5.1  |
| Intermediate Bond Fund of America®         | 5.1  |
| U.S. Government Securities Fund®           | 5.0  |
| American Funds Multi-Sector Income Fund    | 3.1  |
| American Funds Strategic Bond Fund         | 2.1  |
| Capital World Bond Fund®                   | 2.0  |
| American High-Income Trust®                | 0.3  |

#### ■ Equity-income/balanced funds

|                                     |     |
|-------------------------------------|-----|
| American Balanced Fund              | 8.0 |
| American Funds Global Balanced Fund | 4.9 |
| The Income Fund of America          | 4.4 |
| Capital Income Builder®             | 4.1 |

#### ■ Growth-and-income funds

|                                       |     |
|---------------------------------------|-----|
| American Mutual Fund                  | 6.9 |
| Capital World Growth and Income Fund® | 6.9 |
| Washington Mutual Investors Fund      | 5.0 |
| Fundamental Investors                 | 3.0 |
| The Investment Company of America     | 3.0 |
| International Growth and Income Fund  | 1.9 |

#### ■ Growth funds

|                                    |     |
|------------------------------------|-----|
| AMCAP Fund                         | 5.7 |
| The Growth Fund of America         | 3.6 |
| American Funds Global Insight Fund | 3.0 |
| New Perspective Fund®              | 1.8 |
| SMALLCAP World Fund®               | 1.8 |

This fund is designed for investors who plan to retire in, or close to, the year 2030 and begin withdrawing their money. Although the target date fund is managed for investors on a projected retirement date time frame, the fund's allocation approach does not guarantee that investors' retirement goals will be met.

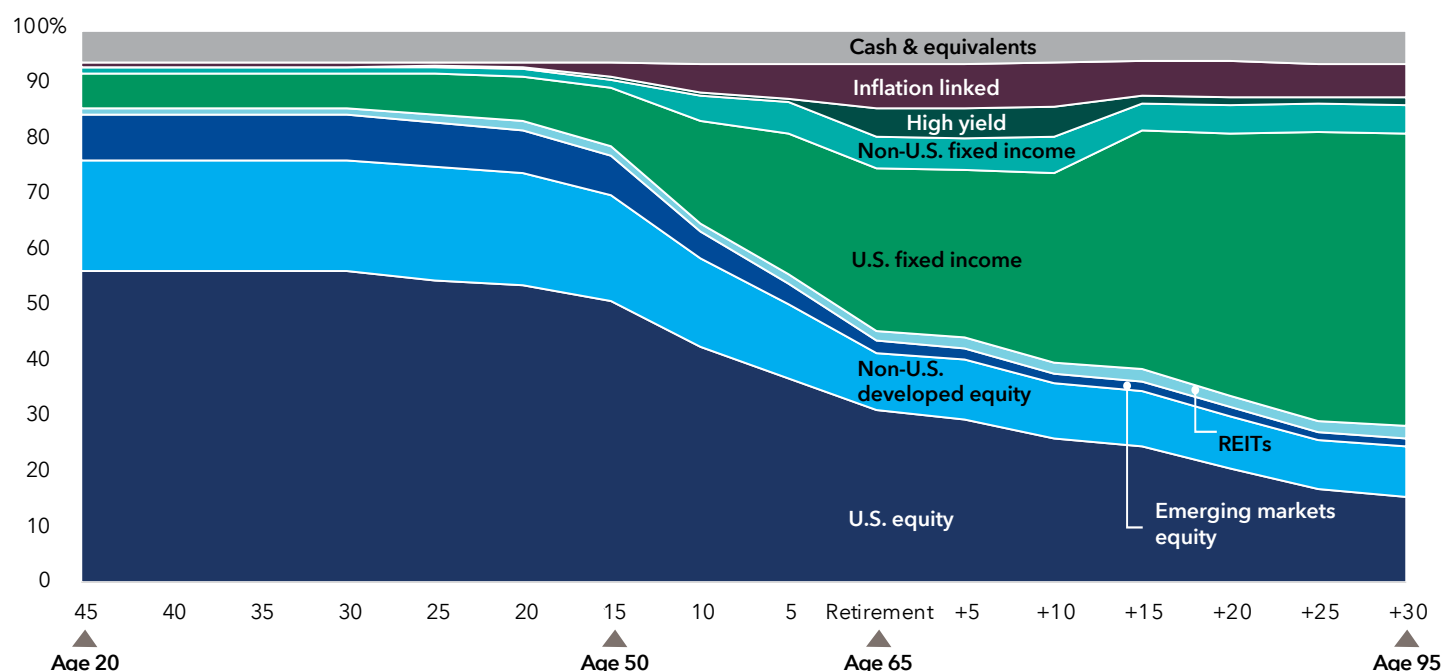
The allocations shown reflect the funds' actual allocations for June 30, 2025. Totals may not reconcile due to rounding. Allocation percentages and underlying funds are subject to the Target Date Solutions Committee's discretion and will evolve over time. Underlying funds may be added or removed during the year. Visit [capitalgroup.com](https://capitalgroup.com) for current allocations.



## Transitions should be gradual for a target date fund

A glance at our series' glide path reveals smooth transitions among diversified asset classes

### Asset class exposure details (as of December 31, 2024)



#### Ideas for action

- Search for a series with competitively priced underlying funds in traditional asset classes that feature significant diversification without sacrificing liquidity.
- Seek competitively priced funds that can provide growth opportunities beyond benchmarks.
- Look for a series that takes an evolving approach to allocations within major asset classes and subclasses to help reduce volatility.

#### ACCUMULATION

Equity exposure seeks to provide a mix of capital appreciation and income generation. Fixed income exposure seeks to provide diversification from equities and some downside protection.

#### TRANSITION

Equity gradually shifts to higher yielding funds with a history of lower volatility. Fixed income exposure seeks a balance of diversification, income and return.

#### DISTRIBUTION

Equity exposure primarily emphasizes income generation but also capital appreciation and preservation. Fixed income exposure emphasizes shorter maturity, higher quality funds geared toward greater capital preservation.

The target allocations shown are as of December 31, 2024, and are subject to the oversight committee's discretion. The investment adviser anticipates assets will be invested within a range that deviates no more than 10% above or below the allocations shown in the prospectus/characteristics statement. Underlying funds may be added or removed during the year. Visit [capitalgroup.com](https://capitalgroup.com) for current allocations. Cash & equivalents includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Source: Capital Group

#### Why this matters

- Plan sponsors have a fiduciary responsibility to ensure that their participants are not overpaying for the investments in the plan.
- There is a tremendous range in fees between both target date funds and share classes.
- When considering any fund series, sponsors should understand where it falls on the competitive fee spectrum.
- Fees alone don't tell the whole story, however. To determine value, sponsors should consider a series' returns relative to its fees.

**"American Funds Target Date Retirement [Series] continues to stand out for its impressive asset-allocation team and the inclusion of the firm's renowned bottom-up security selection through its underlying funds... Its long-term results speak for themselves and demonstrate their ability to build an attractive investment option for those saving for retirement."**

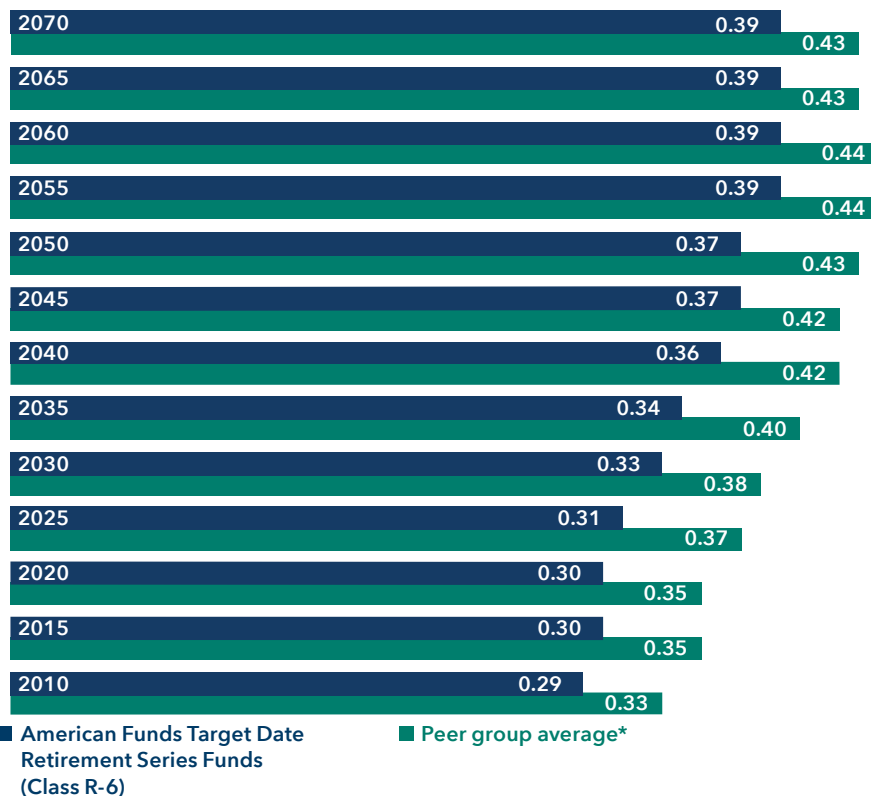
– *The Best Target-Date Funds for 2024*  
Morningstar, March 26, 2024

## High value and low cost are crucial to positive investor outcomes

Low costs can help plan sponsors demonstrate that they have participants' best interests in mind, but they should not be achieved at the expense of value.

We offer a range of share classes designed to meet the needs of retirement plan sponsors and participants. The different share classes incorporate varying levels of financial professional compensation and third-party service provider payments. Because Class R-6 shares do not include any recordkeeping payments, expenses are lower and results are higher. Other share classes that include recordkeeping costs have higher expenses and lower results than Class R-6.

### American Funds Target Date Retirement Series Class R-6 net expense ratios versus Morningstar peer group



Source: Morningstar. The Morningstar average expense ratios are based on fund statistics as of June 30, 2025. American Funds Target Date Retirement Series net expense ratios are as of the most recent prospectus dated January 1, 2025. The expense ratio is one aspect of plan fees and expenses.

\*The peer group average was calculated based on target date funds in the following Morningstar Fee Level-Distribution group: Retirement, Large. The Morningstar Retirement, Large fee level group is composed of target date funds classified by Morningstar as Retirement share class type with a 12b-1 fee of 0.0%.

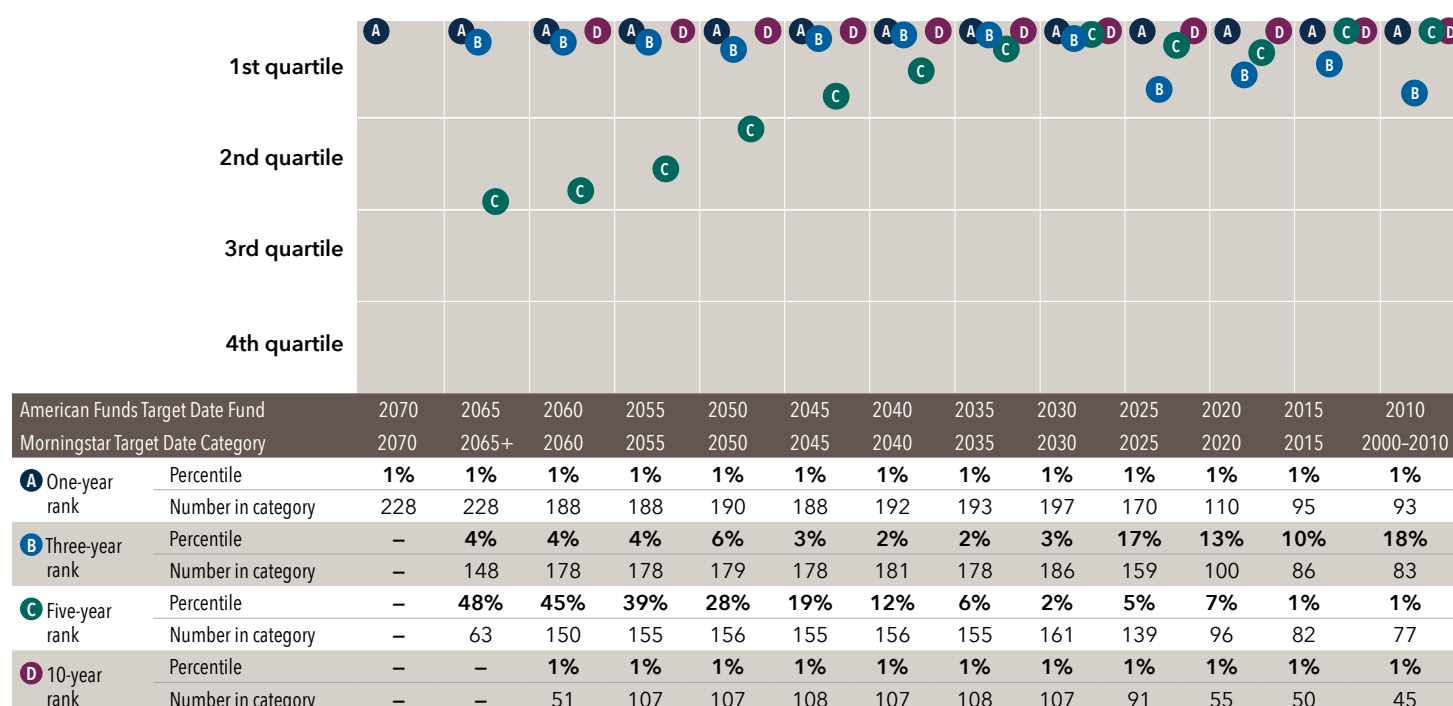
The expense ratios are as of each fund's prospectus available at the time of publication. The expense ratio for American Funds 2070 Target Date Retirement Fund is estimated. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower and net expenses higher. Refer to [capitalgroup.com](https://www.capitalgroup.com) for more information.

## The series has delivered strong relative results for participants

The chart below shows how the funds in the series have fared based on their returns, net of costs, since their launch.

### Percentile rankings of American Funds Target Date Retirement Series

Class R-6 shares



Source: Morningstar data. Results as of June 30, 2025.

Rankings are based on the funds' average annual total returns (Class R-6 shares at net asset value) within the applicable Morningstar categories. The Morningstar rankings do not reflect the effects of sales charges, account fees or taxes. Past results are not predictive of results in future periods. The Morningstar category average includes all share classes for the funds in the category. While American Funds Class R-6 shares do not include fees for financial professional compensation and service provider payments, the share classes represented in the Morningstar category have varying fee structures and can include these and other fees and charges resulting in higher expenses. The category includes active, passive and hybrid target date funds, as well as those that are managed both "to" and "through" retirement. Approximately one-third of the funds within the 2000-2010 category have a target date of 2005. In an effort to manage the risk of investors outliving their savings while managing volatility, our approach to allocating between stocks and bonds puts more emphasis on stocks (particularly on dividend-paying stocks) than some other target date funds.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect expense reimbursements, without which they would have been lower. Refer to [capitalgroup.com](https://capitalgroup.com) for more information.

All funds began on February 1, 2007, except for the 2055 fund, which began on February 1, 2010, the 2060 fund, which began on March 27, 2015, and the 2065 fund, which began on March 27, 2020.

#### Ideas for action

- Compare each target date series' lifetime returns, volatility and fees over the long term with those of other target date series and share classes.
- Use these findings to determine if the series has delivered value.

## The American Funds Target Date Retirement Series has generated superior long-term results while effectively managing volatility

This table shows how well our target date funds have fared against their Morningstar peer group averages.

Figures shown are past results and are not predictive of future results. Current and future results may be lower or higher than those shown here. 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, see [capitalgroup.com/retirement/participant/](https://capitalgroup.com/retirement/participant/).

### 10-year fund volatility and returns compared to Morningstar averages (Class R-6 shares) (period ended June 30, 2025)

|   | Standard deviation | Average annual 10-year total return (%) |
|---|--------------------|---|
| <b>American Funds 2060 Target Date Retirement Fund®</b> | <b>13.60</b>       | <b>10.33</b>                            |
| Morningstar Target-Date 2060 Category Average           | 14.22              | 9.21                                    |
| <b>American Funds 2055 Target Date Retirement Fund®</b> | <b>13.60</b>       | <b>10.34</b>                            |
| Morningstar Target-Date 2055 Category Average           | 14.20              | 9.05                                    |
| <b>American Funds 2050 Target Date Retirement Fund®</b> | <b>13.49</b>       | <b>10.35</b>                            |
| Morningstar Target-Date 2050 Category Average           | 14.06              | 9.00                                    |
| <b>American Funds 2045 Target Date Retirement Fund®</b> | <b>13.28</b>       | <b>10.28</b>                            |
| Morningstar Target-Date 2045 Category Average           | 13.81              | 8.81                                    |
| <b>American Funds 2040 Target Date Retirement Fund®</b> | <b>12.94</b>       | <b>10.08</b>                            |
| Morningstar Target-Date 2040 Category Average           | 13.14              | 8.41                                    |
| <b>American Funds 2035 Target Date Retirement Fund®</b> | <b>11.96</b>       | <b>9.35</b>                             |
| Morningstar Target-Date 2035 Category Average           | 12.20              | 7.75                                    |
| <b>American Funds 2030 Target Date Retirement Fund</b>  | <b>10.40</b>       | <b>8.23</b>                             |
| Morningstar Target-Date 2030 Category Average           | 10.93              | 6.99                                    |
| <b>American Funds 2025 Target Date Retirement Fund®</b> | <b>8.98</b>        | <b>7.34</b>                             |
| Morningstar Target-Date 2025 Category Average           | 9.67               | 6.25                                    |
| <b>American Funds 2020 Target Date Retirement Fund®</b> | <b>8.01</b>        | <b>6.68</b>                             |
| Morningstar Target-Date 2020 Category Average           | 8.85               | 5.85                                    |
| <b>American Funds 2015 Target Date Retirement Fund®</b> | <b>7.52</b>        | <b>6.27</b>                             |
| Morningstar Target-Date 2015 Category Average           | 8.00               | 5.39                                    |
| <b>American Funds 2010 Target Date Retirement Fund®</b> | <b>7.00</b>        | <b>5.96</b>                             |
| Morningstar Target-Date 2000–2010 Category Average      | 7.31               | 5.03                                    |
| <b>S&amp;P 500 Index</b>                                | <b>15.50</b>       | <b>13.65</b>                            |
| <b>MSCI All Country World Index (ACWI) ex USA</b>       | <b>14.98</b>       | <b>6.12</b>                             |
| <b>Bloomberg U.S. Aggregate Index</b>                   | <b>5.03</b>        | <b>1.76</b>                             |

Source: Morningstar

Volatility is measured by annualized standard deviation (based on monthly returns) over the funds' lifetime, calculated at net asset value by Morningstar. Annualized standard deviation is a common measure of absolute volatility that tells how returns over time have varied from the mean. A lower number signifies lower volatility.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect expense reimbursements, without which they would have been lower.

MSCI ACWI ex USA is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global developed and emerging markets, excluding the United States. The index consists of more than 40 developed and emerging market country indexes.

Indexes are unmanaged and, therefore, have no expenses. There have been periods when the funds have lagged the indexes. Investors cannot invest directly in an index.



## Quality of underlying funds

### Why this matters

- The funds that make up a target date series may be as important to its returns and risks as the glide path, so evaluating a target date fund requires an analysis of its underlying funds.
- When evaluating a target date series' underlying funds, consider:
  - Persistency over long periods
  - Strategies to mitigate risk
  - Fund consistency
  - Tenure of fund managers
  - Diversification

## Our underlying funds provided a strong foundation

### Results vs. peers

Our underlying funds have outpaced their respective Lipper peer indexes in 82% of rolling 10-year periods.<sup>1</sup>



### Results vs. benchmarks

Over their lifetime, 86% of our underlying funds have outpaced their respective benchmarks.<sup>1</sup>

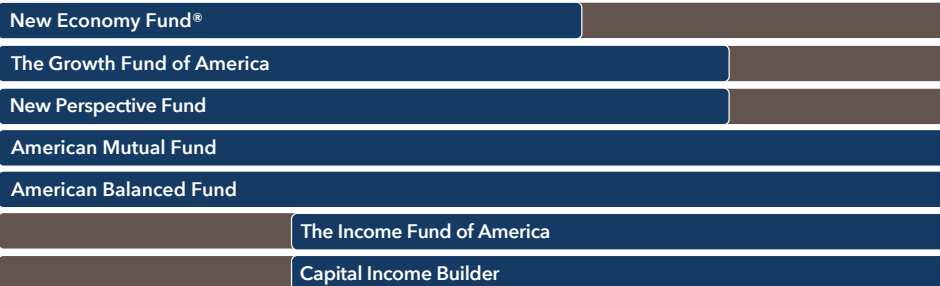


### Seven underlying funds made Morningstar's "Thrilling 36" list<sup>2</sup>

Seven of the underlying equity-focused funds in American Funds Target Date Retirement Series evaluated by Morningstar made its "Thrilling 36" list – the most of any target date series in the industry.<sup>2</sup>

#### American Funds Target Date Retirement Series funds

2070 | 2065 | 2060 | 2055 | 2050 | 2045 | 2040 | 2035 | 2030 | 2025 | 2020 | 2015 | 2010



Passive funds are not managed to generate returns that exceed their benchmarks, so target date funds that have only passive underlying investments likely will not have funds on the Morningstar "Thrilling" list.

<sup>1</sup>Based on Class R-6 share results for rolling monthly 10-year periods through December 31, 2024. Periods covered are the shorter of the fund's lifetime or since the comparable Lipper inception date.

<sup>2</sup>Source: Morningstar, "The Thrilling 36" by Russel Kinnel, August 20, 2024. Morningstar's screening took into consideration expense ratios, manager ownership, returns over manager's tenure, and Morningstar Risk, Medalist and Parent ratings. The universe was limited to share classes accessible to individual investors with a minimum investment no greater than \$50,000, did not include funds of funds, and must be rated by Morningstar analysts. Class A shares were evaluated for American Funds. Visit [morningstar.com](https://www.morningstar.com) for more details. Not all seven funds listed in the "The Thrilling 36" list are in each target date fund. Underlying funds may change over time.

## Our series stacks up well against its peers

The tables below show how our target date funds rank within their Morningstar categories over various periods of time.

### Morningstar rankings as of June 30, 2025 (Class R-6)

| American Funds<br>Target Date<br>Retirement Series | Morningstar category                | 1 year             |                    | 3 years            |                    | 5 years            |                    | 10 years           |                    |
|--|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  |                                     | Percentile<br>rank | Number<br>of funds | Percentile<br>rank | Number<br>of funds | Percentile<br>rank | Number<br>of funds | Percentile<br>rank | Number<br>of funds |
| <b>2070</b>  | Morningstar Target Date Funds 2065+ | <b>1</b>           | 228                | –                  | –                  | –                  | –                  | –                  | –                  |
| <b>2065</b>  | Morningstar Target Date Funds 2065+ | <b>1</b>           | 228                | <b>4</b>           | 148                | <b>48</b>          | 63                 | –                  | –                  |
| <b>2060</b>  | Morningstar Target Date Funds 2060  | <b>1</b>           | 188                | <b>4</b>           | 178                | <b>45</b>          | 150                | <b>1</b>           | 51                 |
| <b>2055</b>  | Morningstar Target Date Funds 2055  | <b>1</b>           | 188                | <b>4</b>           | 178                | <b>39</b>          | 155                | <b>1</b>           | 107                |
| <b>2050</b>  | Morningstar Target Date Funds 2050  | <b>1</b>           | 190                | <b>6</b>           | 179                | <b>28</b>          | 156                | <b>1</b>           | 107                |
| <b>2045</b>  | Morningstar Target Date Funds 2045  | <b>1</b>           | 188                | <b>3</b>           | 178                | <b>19</b>          | 155                | <b>1</b>           | 108                |
| <b>2040</b>  | Morningstar Target Date Funds 2040  | <b>1</b>           | 192                | <b>2</b>           | 181                | <b>12</b>          | 156                | <b>1</b>           | 107                |
| <b>2035</b>  | Morningstar Target Date Funds 2035  | <b>1</b>           | 193                | <b>2</b>           | 178                | <b>6</b>           | 155                | <b>1</b>           | 108                |
| <b>2030</b>  | Morningstar Target Date Funds 2030  | <b>1</b>           | 197                | <b>3</b>           | 186                | <b>2</b>           | 161                | <b>1</b>           | 107                |
| <b>2025</b>  | Morningstar Target Date Funds 2025  | <b>1</b>           | 170                | <b>17</b>          | 159                | <b>5</b>           | 139                | <b>1</b>           | 91                 |
| <b>2020</b>  | Morningstar Target Date Funds 2020  | <b>1</b>           | 110                | <b>13</b>          | 100                | <b>7</b>           | 96                 | <b>1</b>           | 55                 |
| <b>2015</b>  | Morningstar Target Date Funds 2015  | <b>1</b>           | 95                 | <b>10</b>          | 86                 | <b>1</b>           | 82                 | <b>1</b>           | 50                 |
| <b>2010</b>  | Morningstar Target Date 2000–2010   | <b>1</b>           | 93                 | <b>18</b>          | 83                 | <b>1</b>           | 77                 | <b>1</b>           | 45                 |

Percentile rankings are calculated by Morningstar, except when the share class inception date falls within the ranking period, in which case they are calculated by Capital Group using data obtained from Morningstar.

### Rankings of underlying funds as of June 30, 2025 (Class R-6)

| Fund name                                    | Morningstar category         | 1 year             |                    | 5 years            |                    | 10 years           |                    |
|--|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  |                              | Percentile<br>rank | Number of<br>funds | Percentile<br>rank | Number of<br>funds | Percentile<br>rank | Number of<br>funds |
| AMCAP Fund                                   | Large Growth                 | 44                 | 1084               | 78                 | 954                | 90                 | 754                |
| American Funds Global Insight Fund           | World Large-Stock Blend      | 16                 | 334                | 69                 | 297                | 32                 | 252                |
| EUPAC Fund <sup>TM*</sup>                    | Foreign Large Growth         | 51                 | 388                | 46                 | 333                | 56                 | 219                |
| The Growth Fund of America                   | Large Growth                 | 14                 | 1084               | 37                 | 954                | 48                 | 754                |
| The New Economy Fund                         | World Large-Stock Growth     | 20                 | 338                | 28                 | 285                | 19                 | 193                |
| New Perspective Fund                         | World Large-Stock Growth     | 23                 | 338                | 15                 | 285                | 15                 | 193                |
| New World Fund <sup>®</sup>                  | Diversified Emerging Mkts    | 29                 | 769                | 28                 | 629                | 2                  | 453                |
| SMALLCAP World Fund                          | World Small/Mid Stock        | 56                 | 170                | 63                 | 145                | 24                 | 88                 |
| American Mutual Fund                         | Large Value                  | 10                 | 1140               | 64                 | 1023               | 18                 | 821                |
| Capital World Growth and Income Fund         | World Large-Stock Blend      | 13                 | 334                | 46                 | 297                | 40                 | 200                |
| Fundamental Investors                        | Large Blend                  | 4                  | 1354               | 14                 | 1161               | 20                 | 894                |
| International Growth and Income Fund         | Foreign Large Blend          | 39                 | 693                | 31                 | 622                | 40                 | 448                |
| The Investment Company of America            | Large Blend                  | 4                  | 1354               | 7                  | 1161               | 23                 | 894                |
| Washington Mutual Investors Fund             | Large Blend                  | 9                  | 1354               | 27                 | 1161               | 39                 | 894                |
| Capital Income Builder                       | World Allocation             | 6                  | 197                | 36                 | 181                | 67                 | 148                |
| The Income Fund of America                   | Allocation–70% to 85% Equity | 2                  | 461                | 9                  | 431                | 3                  | 324                |
| American Balanced Fund                       | Allocation–50% to 70% Equity | 4                  | 453                | 17                 | 404                | 10                 | 333                |
| American Funds Global Balanced Fund          | World Allocation             | 23                 | 461                | 60                 | 431                | 39                 | 324                |
| American Funds Inflation Linked Bond Fund    | Inflation-Protected Bond     | 14                 | 151                | 73                 | 130                | 17                 | 107                |
| American Funds Mortgage Fund                 | Intermediate Government      | 2                  | 227                | 5                  | 208                | 1                  | 171                |
| American High-Income Trust <sup>®</sup>      | High Yield Bond              | 18                 | 622                | 5                  | 547                | 6                  | 429                |
| The Bond Fund of America                     | Intermediate Core Bond       | 20                 | 456                | 22                 | 377                | 6                  | 282                |
| Capital World Bond Fund                      | World Bond                   | 41                 | 159                | 75                 | 152                | 44                 | 125                |
| Intermediate Bond Fund of America            | Short-Term Bond              | 9                  | 556                | 88                 | 484                | 56                 | 371                |
| Short-Term Bond Fund of America <sup>®</sup> | Short-Term Bond              | 56                 | 556                | 71                 | 484                | 76                 | 371                |
| U.S. Government Securities Fund              | Intermediate Government      | 2                  | 227                | 25                 | 208                | 1                  | 171                |

\*Effective June 1, 2025, EuroPacific Growth Fund<sup>®</sup> is now EUPAC Fund.

Percentile rankings are calculated by Morningstar, except when the share class inception date falls within the ranking period, in which case they are calculated by Capital Group using data obtained from Morningstar.

Source: Morningstar. Rankings shown here are based on the funds' average annual total returns (Class R-6 shares at net asset value) within the applicable Morningstar categories. The Morningstar rankings do not reflect the effects of sales charges, account fees or taxes. The Morningstar category average includes all share classes for the funds in the category. While American Funds Class R-6 shares do not include fees for financial professional compensation and service provider payments, the share classes represented in the Morningstar category have varying fee structures and can include these and other fees and charges resulting in higher expenses. Past results are not predictive of future results. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower.

## Equity-focused American Funds have had superior lifetime results

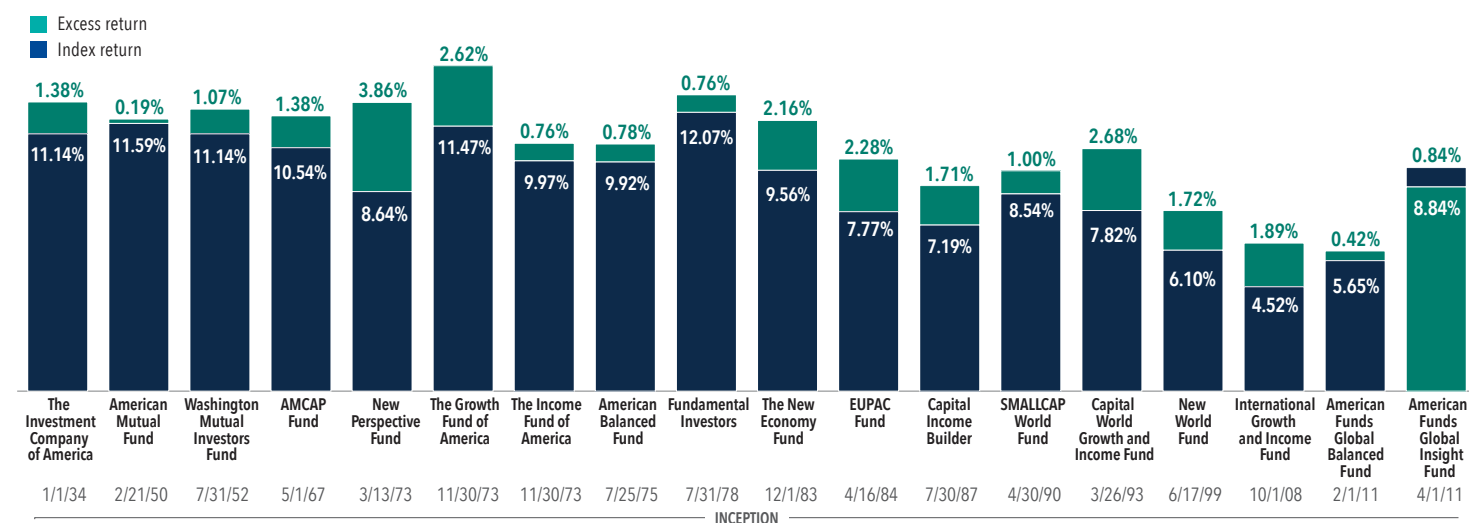
Since our founding, Capital Group has taken a research-driven, company-by-company approach to building objective-based portfolios. Historical analysis shows that 17 of our 18 equity-focused funds\* have lifetime results that outpaced their benchmark indexes.

Figures shown are past results for Class R-6 shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. 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 [capitalgroup.com](https://capitalgroup.com).

### Ideas for action

- Compare target date funds' history of producing excess returns over the long term.
- Examine the consistency of the underlying funds' strategies and management.
- Evaluate underlying funds' approaches to diversification and risk management.

### Lifetime returns of underlying American Funds equity-focused funds vs. relevant benchmark indexes



\*American Funds Developing World Growth and Income Fund and American Funds International Vantage Fund are not underlying funds for the Target Date Retirement Series and as a result are not included in the lifetime results calculation.

As of December 31, 2024. Source: Capital Group. The 18 American Funds equity-focused funds used in our analysis (and the relevant indexes/index blends with which they were compared) are as follows: AMCAP Fund, American Mutual Fund, Fundamental Investors, The Growth Fund of America, The Investment Company of America and Washington Mutual Investors Fund (S&P 500 Index); American Balanced Fund (60% S&P 500 and 40% Bloomberg U.S. Aggregate indexes); American Funds Global Balanced Fund (60% MSCI All Country World and 40% Bloomberg Global Aggregate indexes); American Funds Global Insight Fund (MSCI World Index); Capital Income Builder (70% MSCI All Country World and 30% Bloomberg U.S. Aggregate indexes); The Income Fund of America (65% S&P 500 and 35% Bloomberg U.S. Aggregate indexes); Capital World Growth and Income Fund, The New Economy Fund, New Perspective Fund and New World Fund (MSCI All Country World Index); EUPAC Fund and International Growth and Income Fund (MSCI All Country World ex USA Index); SMALLCAP World Fund (MSCI All Country World Small Cap Index). All relevant indexes listed are funds' primary benchmarks. Index blends are rebalanced monthly.

Some of these indexes lack sufficient history to have covered the lifetime of certain funds; therefore, comparable indexes were used for those periods. For American Balanced Fund, 60% S&P 500 and 40% Bloomberg U.S. Government/Credit indexes were used for the period July 26, 1975 (the fund's inception), through December 31, 1975. Results for this index blend were rebalanced monthly. For EUPAC Fund, the MSCI EAFE (Europe, Australasia, Far East) Index was used for the period April 16, 1984 (the fund's inception) through December 31, 1987. The MSCI All Country World ex USA Index was subsequently used. For New Perspective Fund, the MSCI World Index was used for the period March 13, 1973 (the fund's inception), through December 31, 1987. The MSCI All Country World Index was subsequently used. For SMALLCAP World Fund, the S&P Global<\$3 Billion Index (formerly the S&P Global<\$1.2 Billion Index) was used for the period April 30, 1990 (the fund's inception), through May 31, 1994. The MSCI All Country World Small Cap Index was subsequently used. For Capital Income Builder, 70% MSCI World and 30% Bloomberg U.S. Aggregate indexes were used for the period July 30, 1987 (the fund's inception), through December 31, 1987. From January 1, 1988, through December 31, 2000, and thereafter, 70% MSCI All Country World and 30% Bloomberg U.S. Aggregate indexes were used. For The Income Fund of America, 65% S&P 500 and 35% Bloomberg U.S. Government/Credit indexes were used for the period November 30, 1973 (the fund's inception), through December 31, 1975.

## Consistency and repeatability

### Why this matters

- Plan sponsors should determine if the prospective target date series' pattern of results is likely to be consistent and repeatable.
- To help determine whether a particular target date series meets these two key criteria, sponsors should consider:
  - Stability of the fund and its glide path construction
  - Consistency of the series' results over rolling periods
  - Downmarket protection during severe market declines
  - Experience, tenure and retention rate of series' oversight managers
  - Investment management structure
  - Organizational stability

## Overseen by experienced investment professionals

At Capital Group, we have what we believe to be a compelling advantage: We draw from a deep roster of talented investment professionals, each with different knowledge and experience to bring to bear on our target date funds.

The funds in the series are monitored by a team of veteran investment professionals

with diverse backgrounds. The team meets regularly to review the results of the target date funds. While the committee will not react based on investment fads or short-term trends, it can make changes in the allocations of the underlying funds when deemed in the best interest of the long-term needs of fund investors.

### Target Date Solutions Committee

#### About the committee

Committee members, on average, have 30 years of investment industry experience. The committee:

- Meets regularly to evaluate fund results and the allocations of the underlying American Funds.
- Adjusts fund allocations as appropriate.

### Portfolio managers



**Michelle Black, CIMA®**  
Multi-asset  
30 years of experience  
Los Angeles



**David Hoag**  
Fixed income  
37 years of experience  
Los Angeles



**Samir Mathur, MS**  
Multi-asset  
32 years of experience  
New York



**Raj Paramaguru**  
Multi-asset  
20 years of experience  
Los Angeles



**Wesley Phoa, PhD**  
Multi-asset  
32 years of experience  
Los Angeles



**William Robbins**  
Equity  
33 years of experience  
San Francisco



**Jessica Spaly**  
Equity  
26 years of experience  
San Francisco



**Shannon Ward**  
Fixed income  
32 years of experience  
Los Angeles

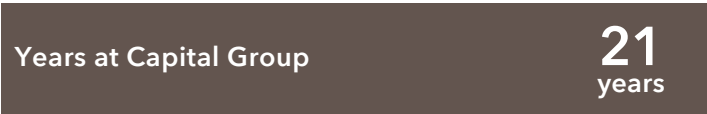
Years of experience as of December 31, 2024.



# Guided by experienced investment professionals

The underlying funds feature veteran managers.

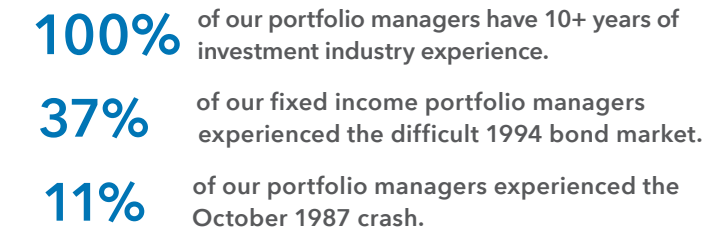
## Average tenure of portfolio managers\*



### Ideas for action

- Check the stability of the funds’ approach, including its glide path.
- Review series’ results, considering consistency and downmarket protection.
- Evaluate series’ management personnel and structure

## Strength in numbers at Capital Group†



Our mutual fund assets total more than \$2.8 trillion, making Capital Group the largest active mutual fund manager in the United States.

– Assets under management claim based on Capital Group data as of March 31, 2025.  
Largest U.S. mutual fund manager claim based on Morningstar data on open-end mutual fund assets (excluding fund of funds) as of December 31, 2024.

\*Source: Capital Group. Manager teams for underlying funds as of the most recent respective underlying fund prospectus as of January 1, 2025. Years of experience as of December 31, 2024. Any manager serving on multiple underlying funds was counted once in the analysis. Managers and underlying funds may change.

†As of December 31, 2024.

## Results

Figures shown for underlying funds are past results and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. 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 [capitalgroup.com](http://capitalgroup.com).

| Average annual total returns (%) as of June 30, 2025 (Class R-6) |                |        |         |          |          | Expense ratios (%) |       |
|--|----------------|--------|---------|----------|----------|--------------------|-------|
| Fund name  | Inception date | 1 year | 5 years | 10 years | Lifetime | Net                | Gross |
| <b>Growth funds</b>  |                |        |         |          |          |                    |       |
| AMCAP Fund   | 5/1/67         | 15.86  | 12.84   | 11.67    | 11.96    | 0.33               | 0.33  |
| American Funds Global Insight Fund                               | 4/1/11         | 16.73  | 11.54   | 9.84     | 9.48     | 0.45               | 0.45  |
| EUPAC Fund   | 4/16/84        | 13.86  | 8.16    | 6.52     | 10.32    | 0.47               | 0.47  |
| The Growth Fund of America                                       | 12/1/73        | 21.76  | 16.05   | 14.62    | 14.16    | 0.30               | 0.30  |
| The New Economy Fund   | 12/1/83        | 18.67  | 12.64   | 11.86    | 11.86    | 0.41               | 0.41  |
| New Perspective Fund   | 3/13/73        | 18.08  | 13.84   | 12.17    | 12.63    | 0.41               | 0.41  |
| New World Fund   | 6/17/99        | 15.54  | 8.82    | 7.83     | 8.27     | 0.57               | 0.57  |
| SMALLCAP World Fund  | 4/30/90        | 9.96   | 6.75    | 7.68     | 9.63     | 0.65               | 0.65  |
| <b>Growth-and-income funds</b>                                   |                |        |         |          |          |                    |       |
| American Mutual Fund   | 2/21/50        | 16.29  | 13.41   | 10.71    | 11.82    | 0.27               | 0.27  |
| Capital World Growth and Income Fund                             | 3/26/93        | 17.39  | 12.93   | 9.57     | 10.75    | 0.41               | 0.41  |
| Fundamental Investors  | 8/1/78         | 20.21  | 16.94   | 13.28    | 12.96    | 0.28               | 0.28  |
| International Growth and Income Fund                             | 10/1/08        | 18.78  | 11.35   | 6.53     | 7.44     | 0.54               | 0.54  |
| The Investment Company of America                                | 1/1/34         | 21.19  | 17.75   | 13.21    | 12.57    | 0.27               | 0.27  |
| Washington Mutual Investors Fund                                 | 7/31/52        | 16.90  | 16.44   | 12.76    | 12.26    | 0.26               | 0.26  |
| <b>Equity-income funds</b>                                       |                |        |         |          |          |                    |       |
| Capital Income Builder   | 7/30/87        | 18.82  | 10.32   | 7.08     | 9.11     | 0.27               | 0.27  |
| The Income Fund of America                                       | 12/1/73        | 17.84  | 10.92   | 8.15     | 10.84    | 0.27               | 0.27  |
| <b>Balanced funds</b>  |                |        |         |          |          |                    |       |
| American Balanced Fund   | 7/26/75        | 14.63  | 10.41   | 9.27     | 10.76    | 0.25               | 0.25  |
| American Funds Global Balanced Fund                              | 2/1/11         | 12.56  | 7.51    | 6.21     | 6.55     | 0.47               | 0.47  |
| <b>Bond funds</b>  |                |        |         |          |          |                    |       |
| American Funds Inflation Linked Bond Fund                        | 12/14/12       | 6.76   | 1.07    | 2.68     | 1.88     | 0.29               | 0.29  |
| American Funds Mortgage Fund                                     | 11/1/10        | 7.17   | 0.08    | 1.77     | 2.05     | 0.26               | 0.31  |
| American High-Income Trust                                       | 2/19/88        | 10.21  | 7.68    | 5.61     | 7.70     | 0.32               | 0.32  |
| The Bond Fund of America   | 5/28/74        | 6.46   | -0.10   | 2.31     | 7.04     | 0.24               | 0.25  |
| Capital World Bond Fund  | 8/4/87         | 9.23   | -0.95   | 1.34     | 5.29     | 0.48               | 0.48  |
| Intermediate Bond Fund of America                                | 2/19/88        | 7.36   | 1.18    | 2.12     | 4.44     | 0.25               | 0.28  |
| Short-Term Bond Fund of America                                  | 10/2/06        | 6.36   | 1.71    | 1.88     | 1.95     | 0.29               | 0.29  |
| U.S. Government Securities Fund                                  | 10/17/85       | 6.97   | -0.41   | 1.73     | 5.14     | 0.25               | 0.29  |
| <b>Target date funds</b>   |                |        |         |          |          |                    |       |
| American Funds 2070 Target Date Retirement Fund                  | 5/3/24         | 16.48  | —       | —        | 18.19    | 0.39               | 0.39  |
| American Funds 2065 Target Date Retirement Fund                  | 3/27/20        | 16.47  | 12.25   | —        | 15.73    | 0.39               | 0.39  |
| American Funds 2060 Target Date Retirement Fund                  | 3/27/15        | 16.50  | 12.23   | 10.33    | 10.15    | 0.39               | 0.39  |
| American Funds 2055 Target Date Retirement Fund                  | 2/1/10         | 16.49  | 12.25   | 10.34    | 10.93    | 0.39               | 0.39  |
| American Funds 2050 Target Date Retirement Fund                  | 2/1/07         | 16.51  | 12.27   | 10.35    | 8.52     | 0.37               | 0.37  |
| American Funds 2045 Target Date Retirement Fund                  | 2/1/07         | 16.52  | 12.23   | 10.28    | 8.48     | 0.37               | 0.37  |
| American Funds 2040 Target Date Retirement Fund                  | 2/1/07         | 16.14  | 11.95   | 10.08    | 8.37     | 0.36               | 0.36  |
| American Funds 2035 Target Date Retirement Fund                  | 2/1/07         | 14.63  | 10.64   | 9.35     | 7.94     | 0.34               | 0.34  |
| American Funds 2030 Target Date Retirement Fund                  | 2/1/07         | 13.55  | 9.07    | 8.23     | 7.32     | 0.33               | 0.33  |
| American Funds 2025 Target Date Retirement Fund                  | 2/1/07         | 12.73  | 7.78    | 7.34     | 6.61     | 0.31               | 0.31  |
| American Funds 2020 Target Date Retirement Fund                  | 2/1/07         | 12.75  | 7.26    | 6.68     | 5.99     | 0.30               | 0.30  |
| American Funds 2015 Target Date Retirement Fund                  | 2/1/07         | 12.22  | 6.91    | 6.27     | 5.67     | 0.30               | 0.30  |
| American Funds 2010 Target Date Retirement Fund                  | 2/1/07         | 12.10  | 6.53    | 5.96     | 5.38     | 0.29               | 0.29  |
| <b>Indexes</b>   |                |        |         |          |          |                    |       |
| S&P 500  | 12/31/27       | 15.16  | 16.64   | 13.65    | —        | —                  | —     |
| MSCI All Country World Index (ACWI)                              | 1/1/88         | 16.17  | 13.65   | 9.99     | —        | —                  | —     |
| MSCI ACWI ex USA   | 1/1/88         | 17.72  | 10.13   | 6.12     | —        | —                  | —     |
| MSCI ACWI Small Cap  | 5/31/94        | 13.57  | 11.33   | 7.44     | —        | —                  | —     |
| MSCI EAFE (Europe, Australasia, Far East)                        | 12/31/69       | 17.73  | 11.16   | 6.51     | —        | —                  | —     |
| MSCI World Index   | 12/31/69       | 16.26  | 14.55   | 10.66    | —        | —                  | —     |
| 65% S&P 500/35% Bloomberg U.S. Aggregate                         | 12/29/72       | 12.07  | 10.49   | 9.60     | —        | —                  | —     |
| 60% S&P 500/40% Bloomberg U.S. Aggregate                         | 12/31/75       | 11.62  | 9.62    | 9.01     | —        | —                  | —     |
| 70% MSCI ACWI/30% Bloomberg U.S. Aggregate                       | 12/31/87       | 13.15  | 9.31    | 7.67     | —        | —                  | —     |
| 60% MSCI ACWI/40% Bloomberg Global Aggregate                     | 1/1/90         | 13.33  | 7.66    | 6.59     | —        | —                  | —     |

\*Return is cumulative.

Expense ratios are as of each underlying fund's prospectus available at the time of publication and include the weighted average expenses of the underlying American Funds. The expense ratio for American Funds 2070 Target Date Retirement Fund is estimated. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower and net expenses higher. Refer to [capitalgroup.com](http://capitalgroup.com) for more information.

Class R-6 shares were first offered on May 1, 2009. Class R-6 share results prior to the date of first sale are hypothetical based on results of the original share class without a sales charge, adjusted for typical estimated expenses. Please see each fund's prospectus for more information on specific expenses.

Figures shown for underlying funds are past results and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. 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 [capitalgroup.com](https://capitalgroup.com).

#### Average annual total returns (%) as of June 30, 2025 (Class R-3)

| Fund name                                       | Inception date | 1 year | 5 years | 10 years | Lifetime | Expense ratios (%) |       |
|---|----------------|--------|---------|----------|----------|--------------------|-------|
|   |                |        |         |          |          | Net                | Gross |
| Target date funds                               |                |        |         |          |          |                    |       |
| American Funds 2070 Target Date Retirement Fund | 5/3/24         | 15.80  | –       | –        | 17.50    | 1.07               | 1.07  |
| American Funds 2065 Target Date Retirement Fund | 3/27/20        | 15.75  | 11.53   | –        | 14.99    | 1.03               | 1.03  |
| American Funds 2060 Target Date Retirement Fund | 3/27/15        | 15.72  | 11.52   | 9.61     | 9.44     | 1.03               | 1.03  |
| American Funds 2055 Target Date Retirement Fund | 2/1/10         | 15.74  | 11.53   | 9.63     | 10.21    | 1.03               | 1.03  |
| American Funds 2050 Target Date Retirement Fund | 2/1/07         | 15.77  | 11.54   | 9.64     | 7.81     | 1.01               | 1.01  |
| American Funds 2045 Target Date Retirement Fund | 2/1/07         | 15.78  | 11.50   | 9.57     | 7.77     | 1.01               | 1.01  |
| American Funds 2040 Target Date Retirement Fund | 2/1/07         | 15.35  | 11.22   | 9.36     | 7.66     | 1.00               | 1.00  |
| American Funds 2035 Target Date Retirement Fund | 2/1/07         | 13.92  | 9.93    | 8.64     | 7.24     | 0.98               | 0.98  |
| American Funds 2030 Target Date Retirement Fund | 2/1/07         | 12.79  | 8.35    | 7.53     | 6.62     | 0.97               | 0.97  |
| American Funds 2025 Target Date Retirement Fund | 2/1/07         | 11.95  | 7.08    | 6.63     | 5.92     | 0.95               | 0.95  |
| American Funds 2020 Target Date Retirement Fund | 2/1/07         | 12.02  | 6.57    | 5.98     | 5.30     | 0.94               | 0.94  |
| American Funds 2015 Target Date Retirement Fund | 2/1/07         | 11.43  | 6.23    | 5.58     | 4.98     | 0.94               | 0.94  |
| American Funds 2010 Target Date Retirement Fund | 2/1/07         | 11.38  | 5.83    | 5.26     | 4.69     | 0.93               | 0.93  |

#### Morningstar rankings as of June 30, 2025 (Class R-3)

Based on average annual total returns

| American Funds<br>Target Date<br>Retirement Series | Morningstar category                | 1 year          |                 | 3 years         |                 | 5 years         |                 | 10 years        |                 |
|--|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  |                                     | Percentile rank | Number of funds | Percentile rank | Number of funds | Percentile rank | Number of funds | Percentile rank | Number of funds |
| <b>2070</b>  | Morningstar Target Date Funds 2065+ | <b>8</b>        | 228             | –               | –               | –               | –               | –               | –               |
| <b>2065</b>  | Morningstar Target Date Funds 2065+ | <b>9</b>        | 228             | <b>21</b>       | 148             | <b>85</b>       | 63              | –               | –               |
| <b>2060</b>  | Morningstar Target Date Funds 2060  | <b>8</b>        | 188             | <b>15</b>       | 178             | <b>84</b>       | 150             | <b>23</b>       | 51              |
| <b>2055</b>  | Morningstar Target Date Funds 2055  | <b>8</b>        | 188             | <b>17</b>       | 178             | <b>81</b>       | 155             | <b>10</b>       | 107             |
| <b>2050</b>  | Morningstar Target Date Funds 2050  | <b>3</b>        | 190             | <b>19</b>       | 179             | <b>76</b>       | 156             | <b>9</b>        | 107             |
| <b>2045</b>  | Morningstar Target Date Funds 2045  | <b>3</b>        | 188             | <b>16</b>       | 178             | <b>60</b>       | 155             | <b>8</b>        | 108             |
| <b>2040</b>  | Morningstar Target Date Funds 2040  | <b>2</b>        | 192             | <b>11</b>       | 181             | <b>25</b>       | 156             | <b>6</b>        | 107             |
| <b>2035</b>  | Morningstar Target Date Funds 2035  | <b>2</b>        | 193             | <b>19</b>       | 178             | <b>24</b>       | 155             | <b>6</b>        | 108             |
| <b>2030</b>  | Morningstar Target Date Funds 2030  | <b>2</b>        | 197             | <b>33</b>       | 186             | <b>42</b>       | 161             | <b>18</b>       | 107             |
| <b>2025</b>  | Morningstar Target Date Funds 2025  | <b>2</b>        | 170             | <b>53</b>       | 159             | <b>47</b>       | 139             | <b>39</b>       | 91              |
| <b>2020</b>  | Morningstar Target Date Funds 2020  | <b>3</b>        | 110             | <b>50</b>       | 100             | <b>29</b>       | 96              | <b>55</b>       | 55              |
| <b>2015</b>  | Morningstar Target Date Funds 2015  | <b>3</b>        | 95              | <b>40</b>       | 86              | <b>11</b>       | 82              | <b>31</b>       | 50              |
| <b>2010</b>  | Morningstar Target Date 2000–2010   | <b>3</b>        | 93              | <b>52</b>       | 83              | <b>14</b>       | 77              | <b>27</b>       | 45              |

Percentile rankings are calculated by Morningstar, except when the share class inception date falls within the ranking period, in which case they are calculated by Capital Group using data obtained from Morningstar. The Morningstar rankings do not reflect the effects of sales charges, account fees or taxes. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower and net expenses higher. Refer to [capitalgroup.com](https://capitalgroup.com) for more information. The investment adviser is currently waiving a portion of other expenses for certain funds. Net expense ratios reflect the waiver, without which they would have been higher. The waiver for American Funds Mortgage Fund, Intermediate Bond Fund of America and U.S. Government Securities Fund will be in effect through at least November 1, 2025. For The Bond Fund of America, the waiver will be in effect through at least March 1, 2026. The adviser may elect at its discretion to extend, modify or terminate the waiver at that time. Please see the fund's most recent prospectus for details.

The Morningstar categories includes all share classes for the funds in the category. The categories include active, passive and hybrid target date funds, as well as those that are managed both "to" and "through" retirement. Approximately one-third of the funds within the 2000–2010 category have a target date of 2005. In an effort to manage the risk of investors outliving their savings while managing volatility, our approach to allocating between stocks and bonds puts more emphasis on stocks (particularly on dividend-paying stocks) than some other target date funds.

**MSCI All Country World Index (AWCI)** is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes. **MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure equity market results of developed markets. The index consists of more than 20 developed market country indexes, including the United States. **MSCI EAFE Index** is a free float-adjusted market capitalization weighted index that is designed to measure developed equity market results, excluding the United States and Canada. **MSCI All Country World Small Cap Index** is a free float-adjusted market capitalization-weighted index that is designed to measure equity market results of smaller capitalization companies in both developed and emerging markets. **60%/40% MSCI All Country World/Bloomberg U.S. Aggregate Index** blends the MSCI All Country World with the Bloomberg U.S. Aggregate Index by weighting their cumulative total returns at 60% and 40%, respectively. **60%/40% S&P 500 Index/Bloomberg U.S. Aggregate Index** blends the S&P 500 with the Bloomberg U.S. Aggregate Index by weighting their cumulative total returns at 60% and 40%, respectively. **60%/40% S&P 500 Index/Bloomberg U.S. Government/Credit Index** blends the S&P 500 with the Bloomberg U.S. Government/Credit Index by weighting their cumulative total returns at 60% and 40%, respectively. **65%/35% S&P 500 Index/Bloomberg U.S. Aggregate Index** blends the S&P 500 with the Bloomberg U.S. Aggregate Index by weighting their cumulative total returns at 65% and 35%, respectively. **70%/30% MSCI All Country World Index/Bloomberg U.S. Aggregate Index** blends the MSCI All Country World Index with the Bloomberg U.S. Aggregate Index by weighting their total returns at 70% and 30%, respectively.

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Expense ratios are as of each underlying fund's prospectus available at the time of publication and include the weighted average expenses of the underlying American Funds. The expense ratio for American Funds 2070 Retirement Fund is estimated.

# The Capital System™

Since 1931, Capital Group has helped investors pursue long-term investor success. Our distinctive investment approach – The Capital System – is designed to deliver superior investment results. It rests on three pillars:

## Collaborative research

Our portfolio managers, analysts, economists and quantitative research teams closely collaborate on our research process – sharing and debating ideas. This collaboration generates deeper insights that inform our portfolios.

## Diverse perspectives

Most portfolios have multiple portfolio managers, each of whom invests part of the portfolio in their strongest individual convictions. Combining these diverse investment approaches into a single portfolio helps us pursue more consistent results, with less volatility.

## Long-term view

Investment professionals invest with a long-term view, which we believe aligns our goals with the interests of our clients. Managers are rewarded more for their long-term results,<sup>1</sup> and most personally invest in the funds they manage.<sup>2</sup> Our fund management fees are among the lowest in the industry.<sup>3</sup>

## A history of strong investment results

Over the past 40 years, **74%** of funds outpaced more than half of their respective peers when comparing average 10-year rolling returns. And **71%** had higher risk-adjusted returns (as indicated by the Sharpe ratio<sup>4</sup>) over that same time frame.<sup>5</sup>

<sup>1</sup> Compensation paid to our investment professionals is heavily influenced by results over one-, three-, five- and eight-year periods, with increasing weight placed on each succeeding measurement period to encourage a long-term investment approach.

<sup>2</sup> Ninety-seven percent of American Funds® assets are invested in mutual funds in which at least one manager has invested more than \$1 million. Source: Morningstar. Data as of 2/15/25.

<sup>3</sup> On average, our mutual fund management fees were in the lowest quintile 49% of the time, based on the 20-year period ended December 31, 2024, versus comparable Lipper categories, excluding funds of funds.

<sup>4</sup> Sharpe ratio uses standard deviation (a measure of volatility) and return in excess of the risk-free rate to determine reward per unit of risk. The higher the number, the better the portfolio's historical risk-adjusted performance.

<sup>5</sup> Methodology: Data as of 12/31/24. Based on a comparison of each fund with its respective Morningstar category peers. Data are based on the following mutual fund share classes: Class F-2, Class M, Class 529-A, Class 1, Class P-2 and Class 4. One share class was used per fund. The analysis uses Morningstar hypothetical methodology to calculate hypothetical fund results for periods before a share class's inception. For those periods, Morningstar uses results for the oldest share class (unless the newer share class is more expensive). Source: Capital Group, based on mutual fund data from Morningstar. For each fund, we calculated the average rolling Sharpe ratio and return over the 40-year period (or the fund's lifetime, if it lacks a 40-year history). That average rolling return and Sharpe ratio were compared against the equivalent averages for each fund's respective Morningstar peers on a percentile basis. Rolling returns are calculated monthly.

Investing outside the United States involves risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be heightened in connection with investments in developing countries. Smaller company stocks entail additional risks, and they can fluctuate in price more than larger company stocks. The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Investments in mortgage-related securities involve additional risks, such as prepayment risk. Higher yielding, higher risk bonds can fluctuate in price more than investment-grade bonds, so investors should maintain a long-term perspective. While not directly correlated to changes in interest rates, the values of inflation-linked bonds generally fluctuate in response to changes in real interest rates and may experience greater losses than other debt securities with similar durations. Fund shares of U.S. Government Securities Fund are not guaranteed by the U.S. government.

**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.**

There have been periods when the funds have lagged their indexes.

Capital Client Group, Inc.

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