



AMERICAN  
FUNDS®

From Capital Group

A Review of U.S.  
Presidential Elections



**Elections Come  
and Go. Results  
Last a Lifetime.**



“The only limit to our realization of tomorrow will be our doubts of today.”

– Franklin D. Roosevelt

## Set Your Sights on the Long Term

Investor doubts may seem especially prevalent during presidential election years when campaigns spotlight the country’s challenges. Yet even with election year rhetoric amplifying the negative, it’s important to focus on your vision for the future.

To help you stay the course, consider the following:

- Successful long-term investors stay the course and rely on time rather than timing.
- Investment success has depended more on the strength and resilience of the American economy than on which candidate or party holds office.
- The experience and time-tested process of your investment manager can be an important contributor to your long-term investment success.

Democrat

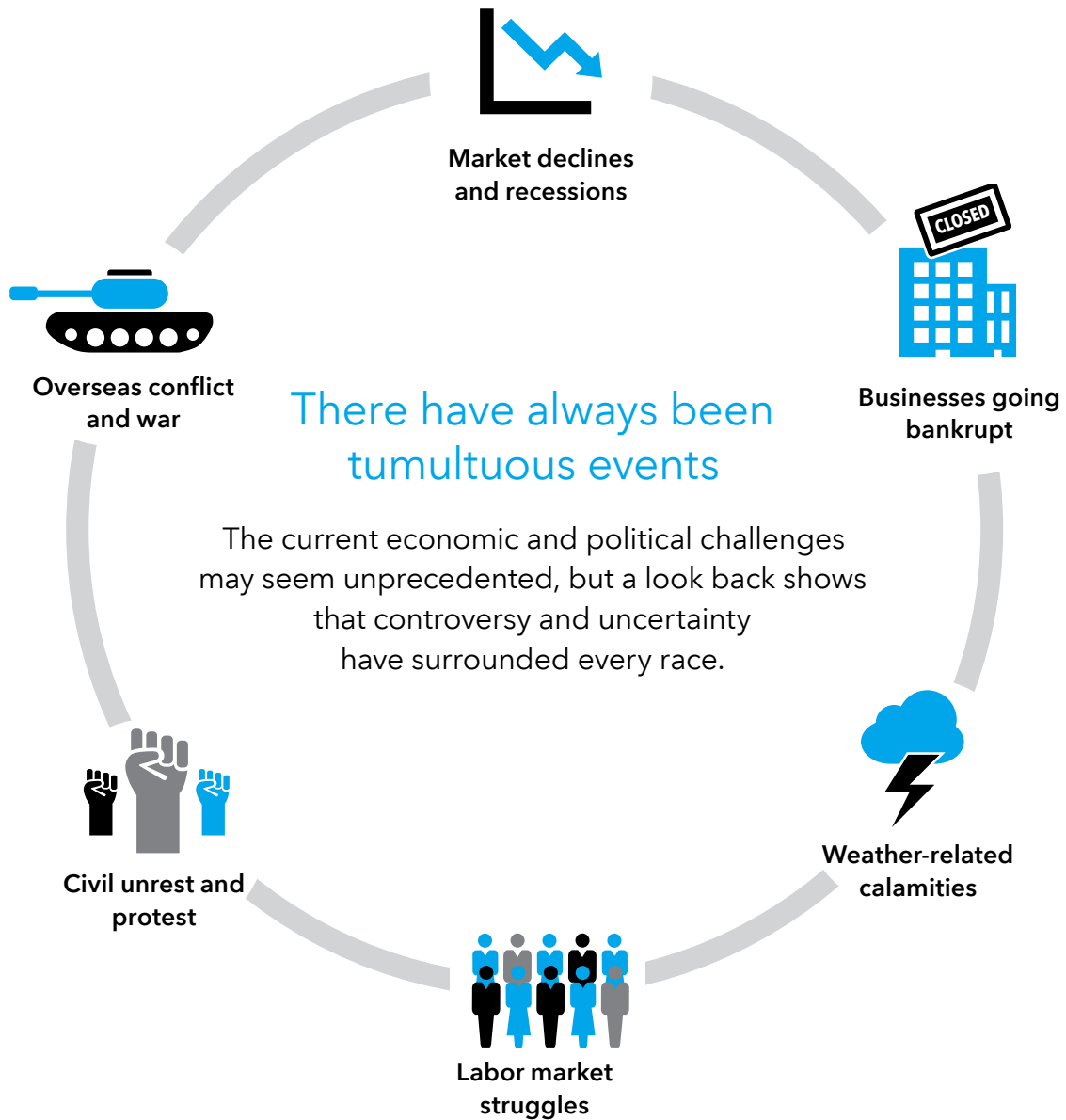












Republican



1936	1940	1944	1948	1952	1956	1960	1964	1968	1972
<b>Franklin D. Roosevelt</b> vs. <b>Alf Landon</b>	<b>Franklin D. Roosevelt</b> vs. <b>Wendell Willkie</b>	<b>Franklin D. Roosevelt</b> vs. <b>Thomas Dewey</b>	<b>Harry Truman</b> vs. <b>Thomas Dewey</b>	<b>Dwight Eisenhower</b> vs. <b>Adlai Stevenson</b>	<b>Dwight Eisenhower</b> vs. <b>Adlai Stevenson</b>	<b>John F. Kennedy</b> vs. <b>Richard Nixon</b>	<b>Lyndon Johnson</b> vs. <b>Barry Goldwater</b>	<b>Richard Nixon</b> vs. <b>Hubert Humphrey</b>	<b>Richard Nixon</b> vs. <b>George McGovern</b>
U.S. remains in grip of Depression  Nazi rise troubles Europe	Isolationism vs. engagement hotly debated  Germany menaces Europe; France falls	FDR's health in question  Potential Post-War impact of New Deal debated	Civil rights tension boils over at convention  Berlin blockade accelerates Cold War	U.S. detonates first hydrogen bomb  Attempts at Korean War truce fail	Mideast trouble as Egypt seizes Suez Canal  Soviets invade Hungary	Cuba nationalizes U.S. assets  American U-2 spy plane shot down in Soviet airspace	Civil Rights Act passes after lengthy filibuster  Gulf of Tonkin signals Vietnam involvement	Vietnam protests and civil rights issues roil conventions  RFK and Martin Luther King Jr. assassinated	Watergate scandal surfaces  Vietnam War drags on

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



1976	1980	1984	1988	1992	1996	2000	2004	2008	2012
									
<b>Jimmy Carter vs. Gerald Ford</b>	<b>Ronald Reagan vs. Jimmy Carter</b>	<b>Ronald Reagan vs. Walter Mondale</b>	<b>George H.W. Bush vs. Michael Dukakis</b>	<b>Bill Clinton vs. George H.W. Bush</b>	<b>Bill Clinton vs. Bob Dole</b>	<b>George W. Bush vs. Al Gore</b>	<b>George W. Bush vs. John Kerry</b>	<b>Barack Obama vs. John McCain</b>	<b>Barack Obama vs. Mitt Romney</b>
New York City threatens bankruptcy Economy mired in recession	Iran hostage crisis drags on Olympic boycott underscores Cold War divide	Budget deficits rising rapidly Stock market slides over 30% in less than four months	Savings and loan crisis reaches apex Iran-Contra indictments	Los Angeles riots highlight racial tension Pending NAFTA ratification creates anxiety	19 American servicemen killed in Saudi Arabia bombing UN arms inspectors repeatedly thwarted in Iraq	Tech bubble bursts; stock markets plummet Attack on USS <i>Cole</i> heightens terrorism concerns	Oil prices soar Ongoing wars in Iraq and Afghanistan	Subprime mortgage crisis Lehman Brothers collapse; world markets fall	High-stakes negotiations lead to a deal to avert the "fiscal cliff" Superstorm Sandy kills 268 people, and causes \$68 billion in damage

\$200,000,000

100,000,000

70,000,000

50,000,000

40,000,000

30,000,000

20,000,000

10,000,000

8,000,000

6,000,000

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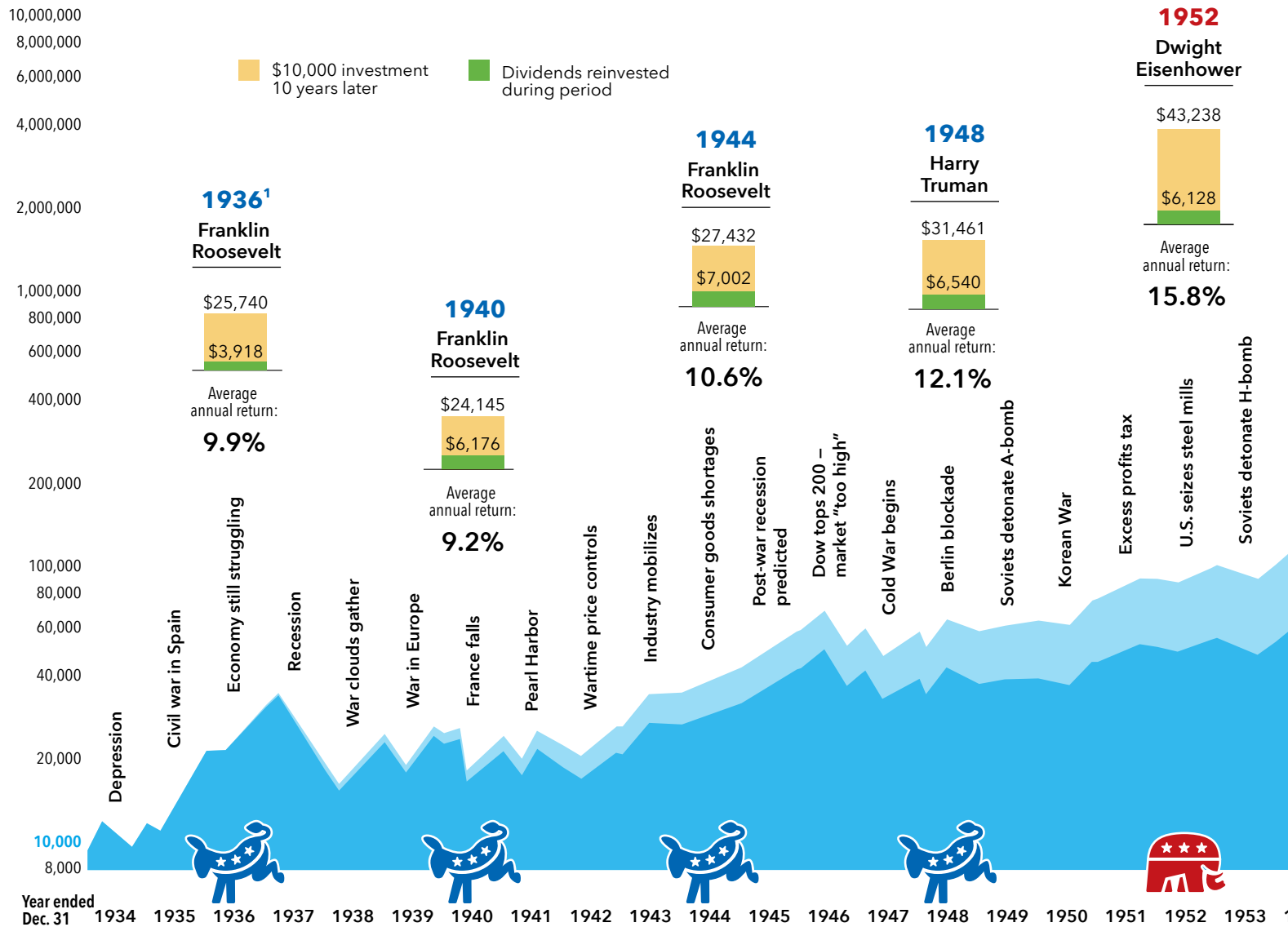
8,000

# The Investment Company of America®

## 20 elections and counting

As you can see in the mountain chart below, a hypothetical \$10,000 investment in The Investment Company of America has grown steadily and significantly over the fund's 81-year history.

Additionally, a hypothetical \$10,000 investment in ICA made at the beginning of an election year was always larger 10 years down the road.



Year ended  
Dec. 31

### Capital value (\$ in 000)

Dividends excluded:	-	-	\$ .4	1.0	.2	.5	.8	1.1	1.0	.9	.9	.9	1.3	1.7	1.8	1.7	1.9	2.0	2.0	2.1
Value at year-end:	\$11.8	21.6	31.0	18.3	23.2	22.9	21.5	18.8	20.9	26.9	32.1	42.9	40.7	39.3	37.7	39.4	45.2	51.2	55.3	53.4

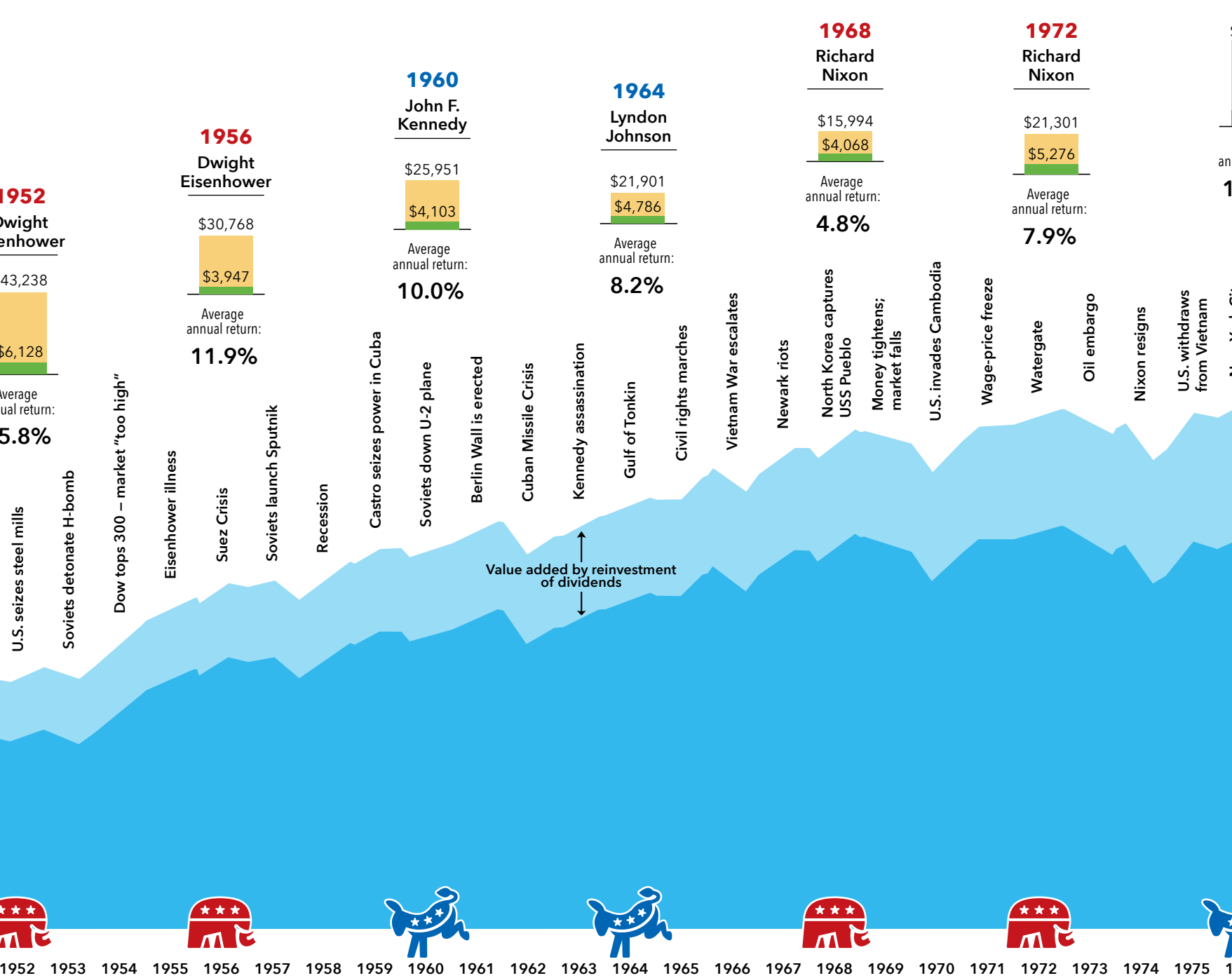
### Total value (\$ in 000)

Dividends reinvested:	-	-	\$ .4	1.0	.2	.5	.9	1.3	1.2	1.1	1.2	1.2	1.8	2.4	2.7	2.7	3.2	3.4	3.5	3.9
Value at year-end:	\$11.8	21.6	31.6	19.4	24.8	25.0	24.4	22.6	26.4	35.0	43.2	59.1	57.7	58.2	58.4	63.9	76.6	90.3	101.3	101.7

<b>Total return</b>	+18.2%	+83.1	+45.8	-38.5	+27.6	+0.8	-2.4	-7.4	+16.8	+32.8	+23.3	+36.8	-2.4	+0.9	+0.4	+9.4	+19.8	+17.8	+12.2	+0.4	+
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Results reflect payment of the maximum 5.75% sales charge for Class A shares on a hypothetical \$10,000 investment. Thus the net amount invested was \$9,425. The maximum initial sales charge was 8.5% prior to July 1, 1988. As outlined in the prospectus, the sales charge is reduced for larger investments. There is no sales charge on dividends or capital gain distributions that are reinvested in additional shares. The results shown are before taxes on fund distributions and sale of fund shares. Past results are not predictive of results in future periods. Results for other share classes may differ.

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Year	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Annual Return (%)	2.0	2.1	2.1	2.6	2.7	3.0	3.0	3.2	3.6	3.6	3.8	3.9	4.3	4.7	5.9	6.9	8.3	9.0	9.4	9.6	9.7	10.6	15.9	14.3
Investment Value (\$)	55.3	53.4	80.8	98.5	106.3	90.9	128.0	142.9	145.6	175.4	148.2	177.8	202.3	251.6	248.0	312.5	356.6	309.6	307.4	349.7	394.7	317.9	245.5	317.7
Dividend Yield (%)	3.5	3.9	4.1	5.1	5.6	6.2	6.5	7.0	8.1	8.4	9.1	9.6	10.7	12.1	15.5	18.4	22.6	25.3	27.3	28.6	29.9	33.4	52.2	49.8
Total Return (\$)	101.3	101.7	158.9	199.2	220.6	194.4	281.5	321.4	336.0	413.6	358.8	440.9	512.6	650.7	657.1	846.9	990.6	884.8	908.0	1,062.7	1,231.1	1,024.1	840.3	1,137.7
Change in Value (\$)	+12.2	+0.4	+56.1	+25.4	+10.8	-11.9	+44.8	+14.2	+4.5	+23.1	-13.2	+22.9	+16.3	+26.9	+1.0	+28.9	+17.0	-10.7	+2.6	+17.0	+15.9	-16.8	-17.9	+35.4

Here are ICA's average annual total returns on a \$1,000 investment with all distributions reinvested for periods ended December 31, 2014:

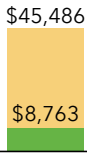
Class A shares	1 year	5 years	10 years
	<b>5.64%</b>	<b>11.99%</b>	<b>6.73%</b>

Expense ratio was **0.59%** as of the fund's prospectus available at the time of publication.

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**1976**

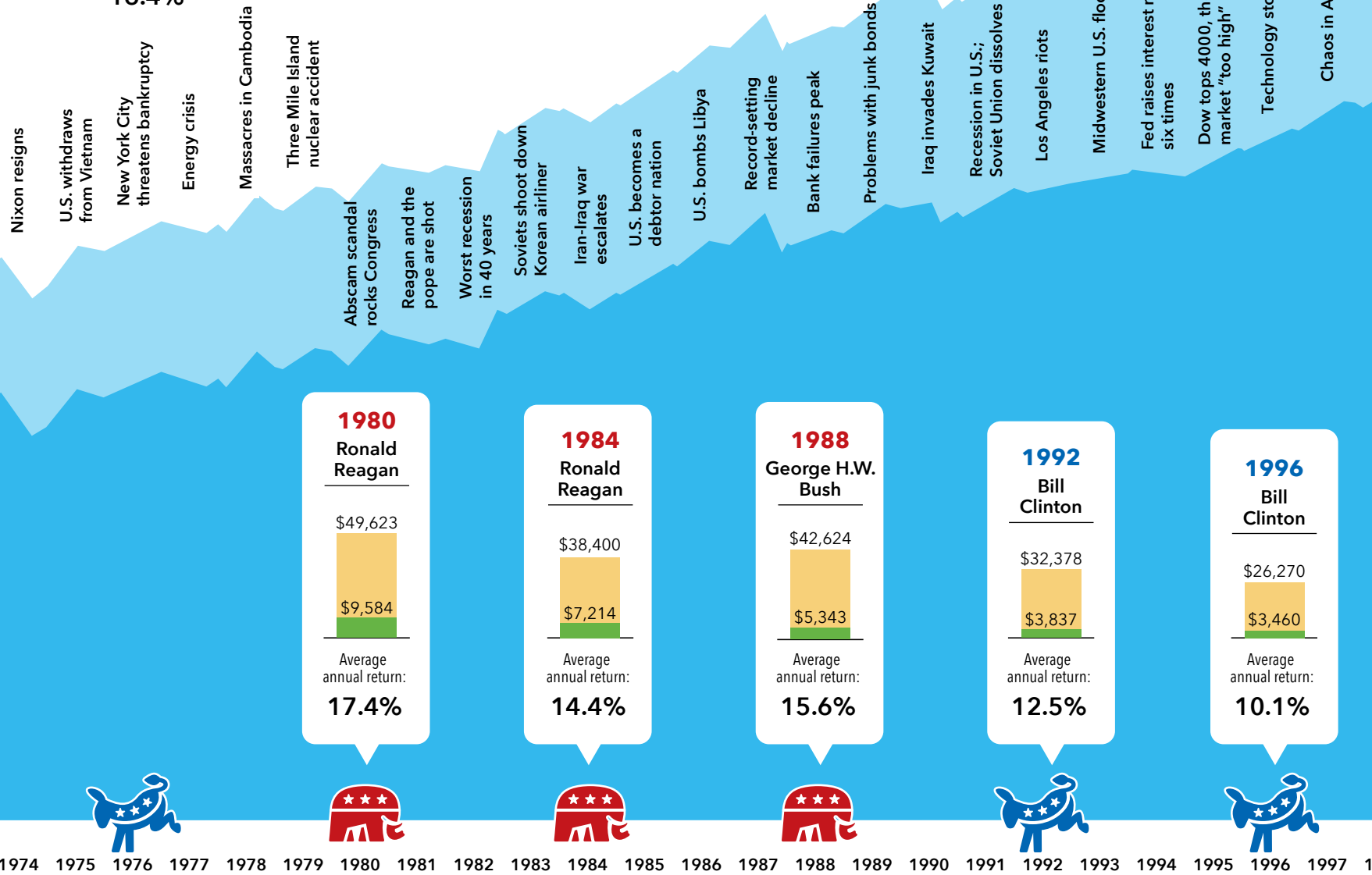
**Jimmy Carter**



Average annual return:

**16.4%**

Figures shown are past results for Class A shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity. Results shown are at the 5.75% maximum sales charge for Class A shares with all distributions reinvested. For current information and month-end results, visit [americanfunds.com](http://americanfunds.com).

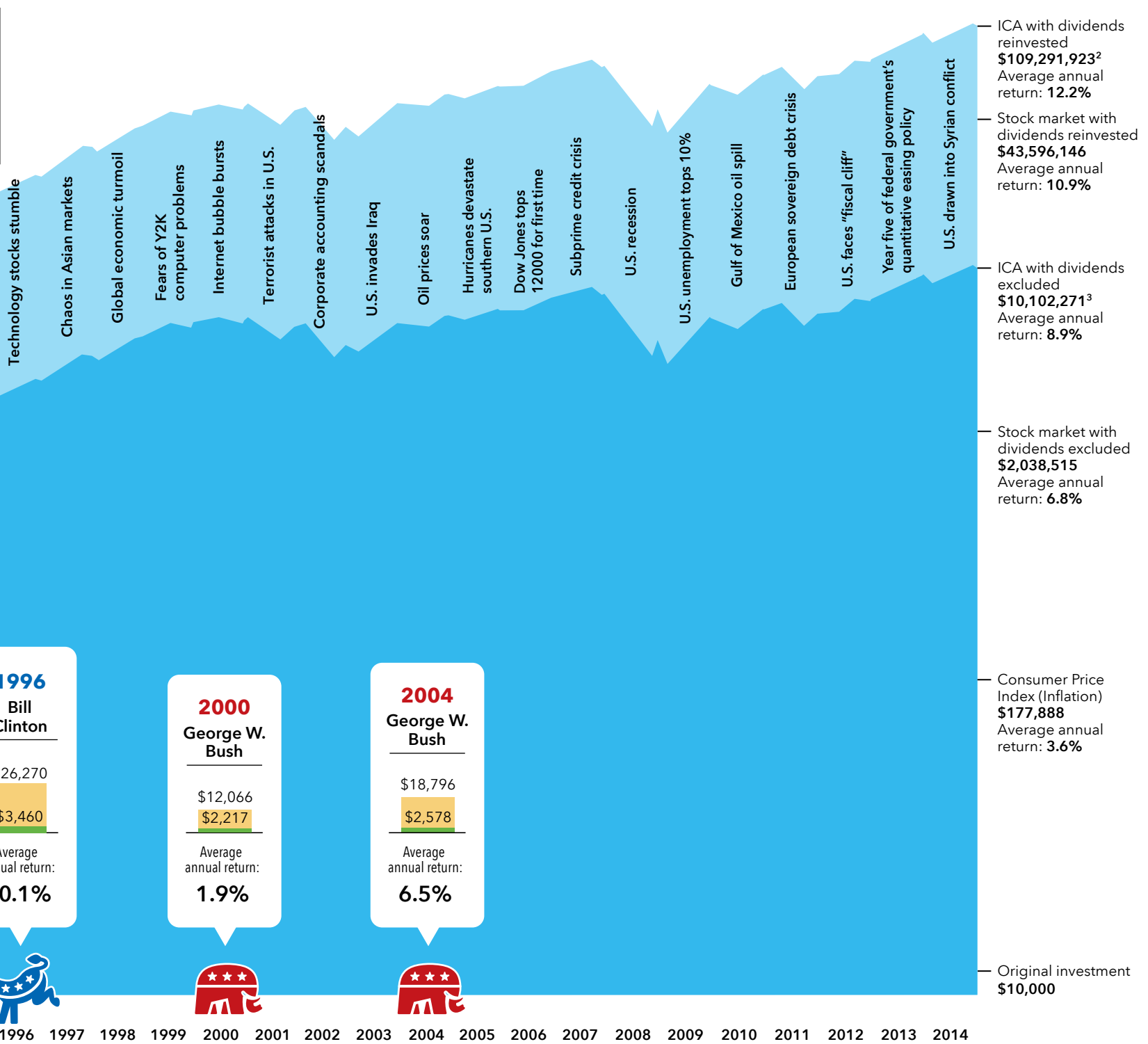


1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
15.9	14.3	12.8	13.3	14.4	17.3	21.7	26.4	31.6	30.3	31.7	33.2	37.3	47.5	54.4	60.7	64.1	48.7	53.0	54.0	57.3	61.7	64.3	67.0	69.7
245.5	317.7	398.1	374.3	414.4	475.7	552.2	530.9	670.6	774.5	792.0	1,017.9	1,200.5	1,220.9	1,327.4	1,652.8	1,598.8	1,969.9	2,052.2	2,234.2	2,180.6	2,779.7	3,247.9	4,142.7	5,142.7
52.2	49.8	46.4	49.8	56.0	70.0	91.3	115.9	146.1	147.2	160.4	174.9	203.8	267.5	318.7	370.8	406.3	320.4	357.8	374.4	407.2	450.1	480.1	510.3	540.3
840.3	1,137.7	1,474.4	1,436.4	1,647.5	1,963.3	2,380.2	2,401.1	3,212.0	3,859.7	4,117.2	5,491.9	6,685.7	7,049.2	7,989.3	10,338.6	10,409.0	13,171.9	14,092.3	15,729.4	15,753.9	20,578.7	24,560.6	31,881.2	39,881.2
-17.9	+35.4	+29.6	-2.6	+14.7	+19.2	+21.2	+0.9	+33.8	+20.2	+6.7	+33.4	+21.7	+5.4	+13.3	+29.4	+0.7	+26.5	+7.0	+11.6	+0.2	+30.6	+19.3	+29.8	+29.8

The stock market is represented by Standard & Poor's 500 Composite Index, a widely used measure of stocks issued by relatively large U.S. companies. The S&P 500 is unmanaged and, therefore, has no expenses.

<sup>1</sup> Investment results shown in each box are for 10-year periods beginning on January 1 of the year shown.

<sup>2</sup>  
<sup>3</sup>



**1996**  
Bill Clinton

\$26,270  
\$3,460

Average annual return: **0.1%**

**2000**  
George W. Bush

\$12,066  
\$2,217

Average annual return: **1.9%**

**2004**  
George W. Bush

\$18,796  
\$2,578

Average annual return: **6.5%**

64.3	67.0	75.4	82.8	93.0	99.0	100.7	102.2	103.0	136.3	152.1	144.0	156.9	131.5	129.2	133.8	166.1	147.4	181.3
3,247.9	4,142.7	5,008.2	5,748.5	5,875.5	5,507.5	4,616.9	5,713.5	6,163.0	6,446.5	7,313.2	7,601.9	4,835.7	5,986.9	6,496.8	6,249.9	7,055.0	9,179.2	10,102.3
480.1	510.3	584.1	651.8	743.4	804.1	833.3	864.3	887.4	1,196.3	1,364.6	1,319.3	1,466.7	1,264.7	1,272.4	1,345.5	1,707.1	1,548.6	1,939.3
4,560.6	31,881.2	39,193.5	45,682.2	47,435.2	45,258.6	38,709.1	48,891.6	53,674.5	57,361.4	66,504.4	70,456.8	45,983.8	58,481.1	64,830.6	63,692.5	73,628.5	97,503.5	109,291.9
+19.3	+29.8	+22.9	+16.6	+3.8	-4.6	-14.5	+26.3	+9.8	+6.9	+15.9	+5.9	-34.7	+27.2	+10.9	-1.8	+15.6	+32.4	+12.1

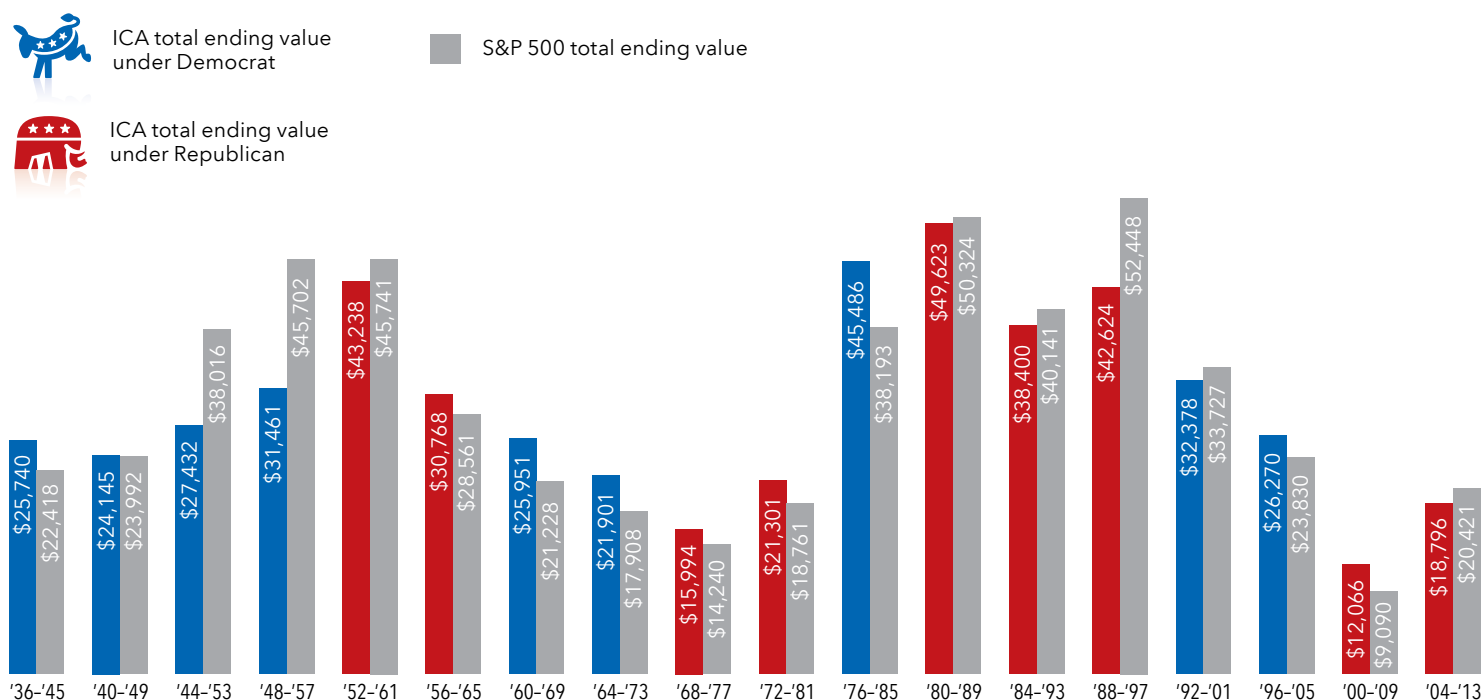
**Average annual total return for 81 years: +12.2%**

<sup>2</sup>Includes dividends of \$25,746,684, and capital gain distributions of \$48,270,268, reinvested in the years 1936-2014.  
<sup>3</sup>Includes reinvested capital gains of \$5,837,014, but does not reflect income dividends of \$3,199,630 taken in cash.

## Red, Blue and You

Beliefs about which political party is best for the markets might discourage you from investing. But as you can see from the chart below, whether the GOP or the Democrats claim the presidency historically has not been the deciding factor in how a \$10,000 investment made at the beginning of an election year looked 10 years down the road.

### Growth of a Hypothetical \$10,000 Investment Made at the Beginning of an Election Year



Source for ICA and S&P 500 10-year returns: Thomson InvestmentView

Each 10-year period begins on January 1 of the first year shown and ends on December 31 of the final year shown. For example, the first period listed (1936-1945) covers 1/1/36 through 12/31/45.

All results for ICA shown on this page reflect payment of the maximum 5.75% sales charge for Class A shares on a hypothetical \$10,000 investment. Thus, the net amount invested in each period was \$9,425. The S&P 500 is unmanaged and, therefore, has no expenses. There have been periods when the fund has lagged the index.

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectus and summary prospectus, which can be obtained from a financial professional and should be read carefully before investing.** If used after March 31, 2015, this brochure must be accompanied by a current American Funds quarterly statistical update.

When applicable, investment results reflect fee waivers and/or expense reimbursements, without which results would have been lower. Please see [americanfunds.com](http://americanfunds.com) for more information.