Elections Come and Go. Results Last a Lifetime.
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.

“The only limit to our realization of tomorrow will be our doubts of today.”
– Franklin D. Roosevelt

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

The current economic and political challenges may seem unprecedented, but a look back shows that controversy and uncertainty have surrounded every race.

New York City threatens bankruptcy
Economy mired in recession

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- 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 Cole 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
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 for more information.