AMERICAN
FUNDS®
From Capital Group

The ICA Guide

2017 Edition

Investment Fundamentals Have Proven Successful for 83 Years.

Eight Decades of Experience

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

Highlights

Our Founder Focused on Investment Principles and Integrity

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

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

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

Figures shown are past results for Class 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. Unless otherwise indicated, results shown are at the 5.75% maximum sales charge for Class A shares (3.50% for investments of $100,000 or more) with all distributions reinvested. For current information and month-end results, visit americanfunds.com.

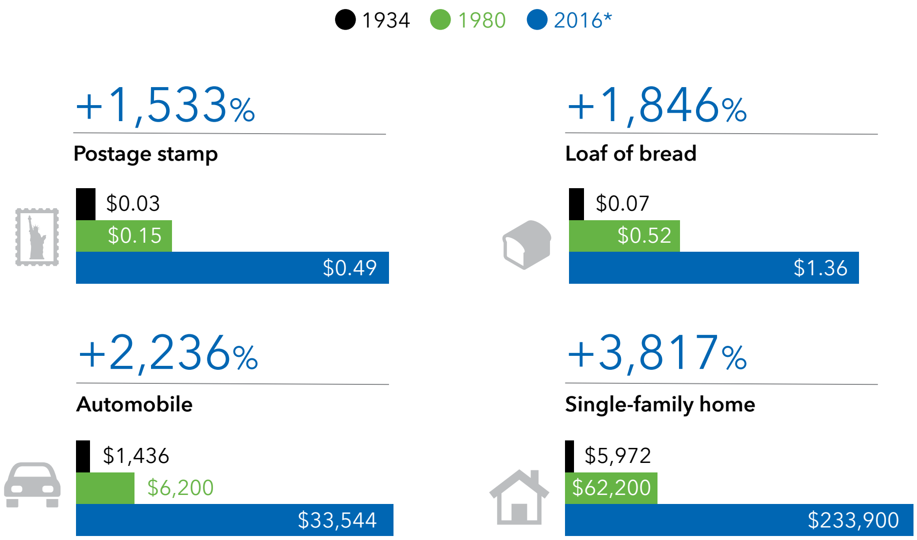
Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

The Legacy of Our First Fund

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

The fund has a legacy of keeping investors' long-term returns well ahead of the cost of living. Over the 83 years ended December 31, 2016, a hypothetical $1,000 investment in ICA would have grown to $12.3 million and earned an average annual total return of 12.0% – more than three times the rate of inflation (3.6%).

It's Key to Stay Ahead of Inflation and the Rising Cost of Living

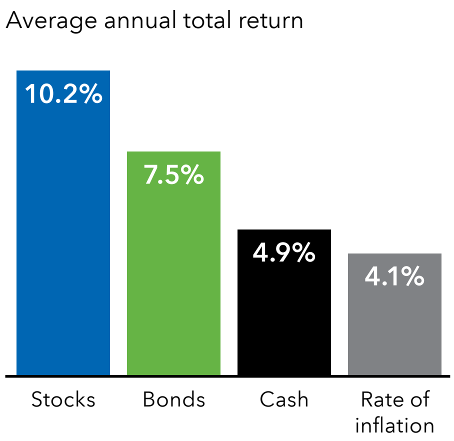


* Sources: United States Postal Service, Bureau of Labor Statistics, TrueCar.com, National Association of Realtors.

Stocks Have Outpaced Other Investments

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

Stocks Have Had the Highest Returns Over the Past 50 Years



All results calculated with dividends reinvested for the period December 31, 1966, through December 31, 2016. Source: Ibbotson (stocks: U.S. large cap stocks; bonds: U.S. long-term government bonds; cash: 30-day Treasury bills). The indexes are unmanaged and, therefore, have no expenses. Figures shown are past results and are not predictive of results in future periods. Unlike fund shares, investments in Treasury bills, CDs and savings accounts are guaranteed. Rate of inflation is measured by the Consumer Price Index, which is computed from data supplied by the U.S. Department of Labor, Bureau of Labor Statistics.

Informed Investing Versus Simply Saving

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

Margaret and Harry Boone

Twenty years ago – at the end of 1996 – the Boones and the Klausens retired. Each couple had $200,000 to invest.

The Boones put their money in a 20-year U.S. government bond that paid a guaranteed 6.73% a year. They were satisfied with their "safe" annual income of $13,460.

Twenty years ago, you may have been able to get by on that. But it takes $20,490 today to buy what $13,460 bought in 1997. Even worse, when the Boones' bond matured at the end of 2016, they went to buy another and found the rate on 20-year Treasuries was 2.79%. That would provide them with only $5,580 a year.

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

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

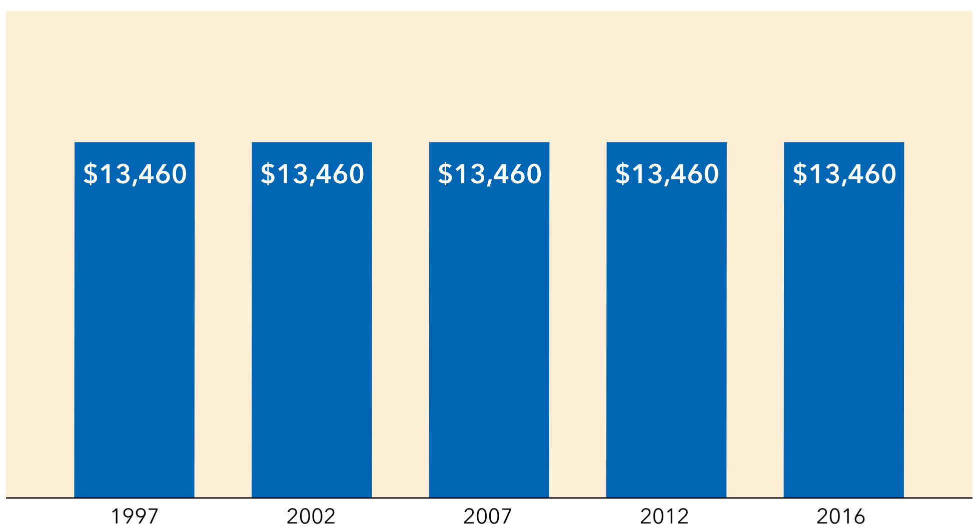
$200,000
Original investment

$269,200
Total withdrawals

$200,000
Value of investment as of December 31, 2016

Annual Income From a 20-Year Treasury Bond

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



Investing Where Your Money Can Grow May Lessen the Impact of Inflation.

Vivian and Joe Klausen

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

That meant they took $10,000 in 1997, representing 5% of their original investment. In 1998, they took 5% of their account balance as of the end of 1997, and so on.

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

Despite recent volatility, the last 20 years were generally good for stocks and for ICA. In all 64 of the 20-calendar-year periods in ICA's lifetime, in fact, the Klausens would have done better than the Boones.

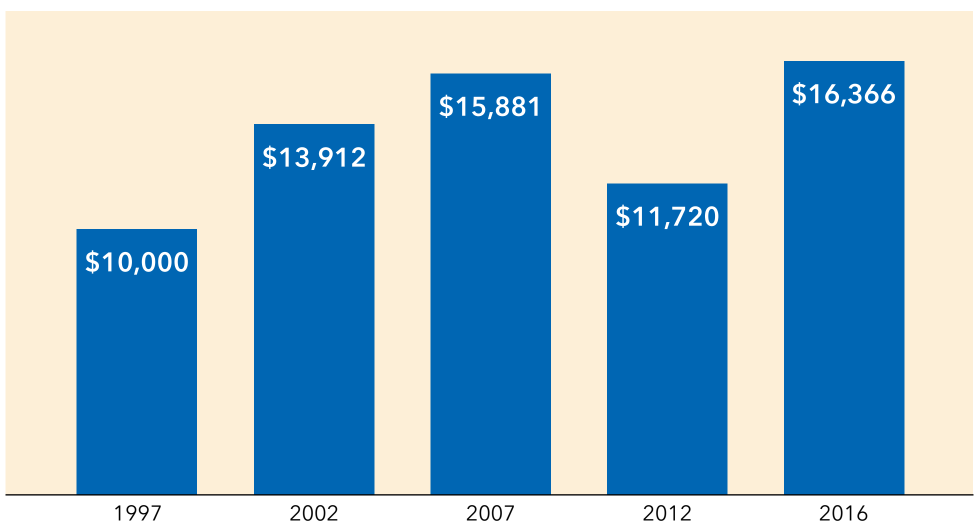
$200,000
Original investment

$275,258
Total withdrawals

$357,317
Value of investment as of December 31, 2016

Annual Withdrawal Amounts From ICA

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



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

What ICA Investors Own

A hypothetical $10,000 investment in ICA on December 31, 2016, bought part-ownership in approximately 150 companies. Of those, here are the 75 largest, representing more than 70% of total assets.

The Fund's 75 Largest Equity Holdings and What a $10,000 Investment Bought

AbbVie	$411	Stryker	$98	Exelon	$ 56
Amgen	281	Western Union	97	McDonald's	56
Verizon Communications	248	Microsoft	97	BHP Billiton	56
Philip Morris International	235	Medtronic	89	Time Warner	56
Oracle	202	Exxon Mobil	88	Mondelez International	55
Amazon.com	193	Coca-Cola	86	United Technologies	53
Texas Instruments	190	Illinois Tool Works	83	U.S. Bancorp	52
Union Pacific	179	Suncor Energy	83	Gilead Sciences	52
Altria Group	173	Dow Chemical	82	General Motors	51
American International Group	165	Vale	82	Goldman Sachs Group	51
Accenture	141	EOG Resources	81	Samsung Electronics	48
General Dynamics	137	Noble Energy	79	Royal Dutch Shell	48
Intel	136	Boeing	79	Concho Resources	46
Alphabet	135	Twenty-First Century Fox	78	Conagra Brands	46
Broadcom	132	Wells Fargo	75	Comcast	45
Kroger	129	Dominion Resources	74	Praxair	44
Apple	128	Prudential Financial	73	Priceline Group	43
UnitedHealth Group	126	Citigroup	72	McKesson	42
Halliburton	126	ConocoPhillips	70	Lockheed Martin	39
Freeport-McMoRan	117	Kraft Heinz	67	International Flavors & Fragrances	39
General Electric	115	Chevron	66	Glencore	38
JPMorgan Chase	112	AT&T	66	Crown Castle International	38
Home Depot	111	TOTAL	60	ASML Holding	38
Canadian Natural Resources	105	Viacom	59	Other equities	1,818
Las Vegas Sands	102	CSX	58		
Berkshire Hathaway	98	PepsiCo	58		

$9,137	+	$18	=	$9,155	+	$845	=	$10,000
Total stocks		**Bonds & notes**		**Total investment securities**		**Net cash & equivalents**		Total

The fund is actively managed, so holdings will change.

Investing in Stocks Requires Skill.

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

Imagine that, 83 years ago, you could have invested $1,000 in each of any five companies in the Dow Jones Industrial Average.* When one company in the index was replaced by another, proceeds from the sale of the original company were invested in the new one. Based on that strategy, today you would have a portfolio of five of the well-known companies listed below. Which five companies would you want to own today?

If you could have invested $1,000 each in any five of these companies (or their predecessors) 83 years ago, which five would you choose?

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

* Dow Jones Industrial Average is a price-weighted average of 30 actively traded industrial and service-oriented blue chip stocks. List is as of December 31, 2016.

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

Compare the Historic Results.

Based on a hypothetical $1,000 investment over the 83-year period ended December 31, 2016, none of the Dow companies would have outpaced an investment in ICA, even though some of them may have done better than ICA in some periods during their lifetimes.* Of course, in selecting these five stocks, you were precluded from changing your investments over the years. This example helps illustrate the importance of diversification and active management and shows how ICA can be appropriate for a large-cap core investment allocation.

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

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

Market Value (Excluding Dividends)	
ICA	**$1,100,426**
Procter & Gamble	834,700
General Electric	466,707
ExxonMobil	449,399
Coca-Cola	243,204
Home Depot	224,084
McDonald's	220,358
Merck	143,055
Goldman Sachs Group	138,333
Visa Inc	117,669
Intel	105,675
United Technologies	97,749
DuPont	79,116
Microsoft	72,889
Disney	65,475
3M	56,473
Pfizer	52,101
Boeing	46,393
Apple	36,742
NIKE	36,035
Chevron	32,146
Walmart	30,219
American Express	23,371
Travelers Companies	23,312
JPMorgan Chase	19,178
IBM	12,652
Johnson & Johnson	10,976
Caterpillar	8,028
Verizon Communications	3,979
UnitedHealth Group	2,612
Cisco Systems	1,521

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

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

How ICA Is Managed

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

The holdings of The Investment Company of America, which include approximately 150 stocks,* represent the individual investment ideas of eight portfolio managers and 24 investment analysts.

Broad Diversification

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

Rigorous Risk Management

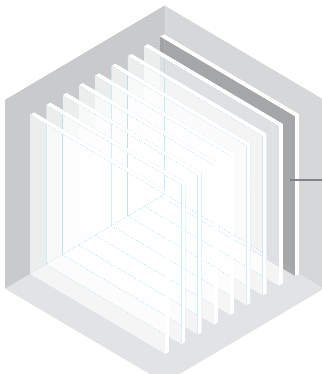
The diverse combination of portfolio managers and investment analysts in each fund is designed to lower volatility while striving for superior long-term results.

Consistent With Fund Objectives

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

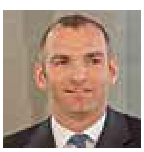
The Capital System's Multiple Manager Approach

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



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

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



Chris Buchbinder
Experience: 21 years
Office: San Francisco

Grant Cambridge
Experience: 24 years
Office: Los Angeles

Barry Crosthwaite
Experience: 21 years
Office: San Francisco

Joyce Gordon
Experience: 37 years
Office: Los Angeles

Jim Lovelace
Experience: 35 years
Office: Los Angeles

Don O'Neal
Experience: 32 years
Office: San Francisco

Eric Richter
Experience: 25 years
Office: Washington, D.C.

Brad Vogt
Experience: 30 years
Office: Washington, D.C.

Portfolio manager information is as of the fund's prospectus dated March 1, 2017. Portfolio segments do not reflect actual allocations.

* As of December 31, 2016. Holdings will change.

There Have Always Been Reasons Not to Invest.

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

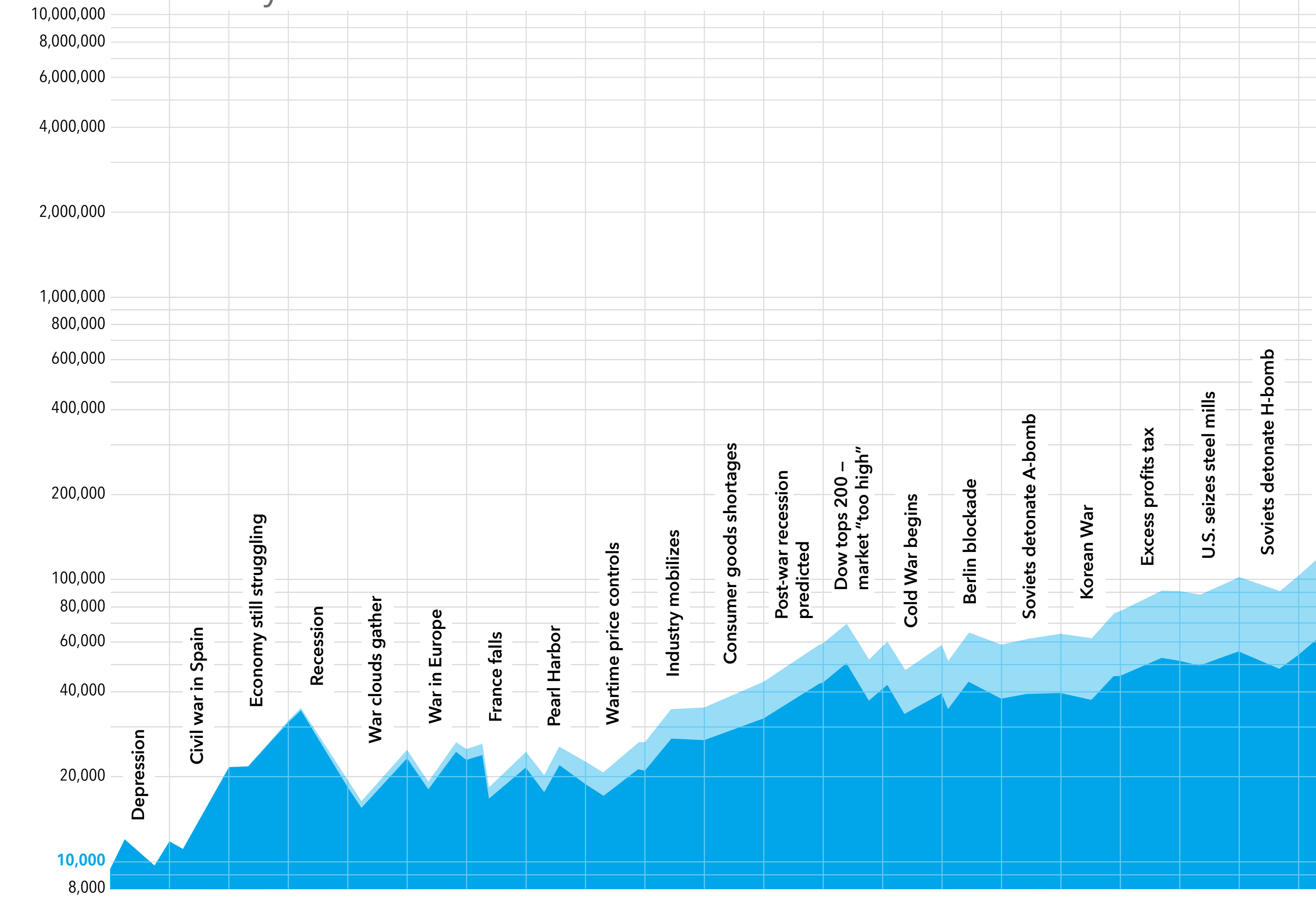
Figures shown are past results for Class A shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. Unless otherwise indicated, results shown are at the 5.75% maximum sales charge for Class A shares (3.50% for investments of $100,000 or more) with all distributions reinvested. For current information and month-end results, visit americanfunds.com.

- **Pearl Harbor was bombed.**
  (December 7, 1941)
  – 10 years later you would have had $34,710 | 13.3%
  – by the end of 2016 you would have had $47,968,773 | 12.0%
- **The Soviets launched Sputnik, vaulting into space ahead of the U.S.**
  (October 4, 1957)
  – 10 years later you would have had $38,083 | 14.3%
  – by the end of 2016 you would have had $5,577,491 | 11.3%
- **The Berlin Wall was erected.**
  (August 13, 1961)
  – 10 years later you would have had $23,180 | 8.8%
  – by the end of 2016 you would have had $2,951,945 | 10.8%
- **President Kennedy was assassinated.**
  (November 22, 1963)
  – 10 years later you would have had $22,945 | 8.7%
  – by the end of 2016 you would have had $2,749,389 | 11.2%
- **President Nixon resigned.**
  (August 9, 1974)
  – 10 years later you would have had $40,379 | 15.0%
  – by the end of 2016 you would have had $1,259,599 | 12.1%
- **The Dow Jones Industrial Average dropped a record 22.6% in one day.**
  (October 19, 1987)
  – 10 years later you would have had $44,268 | 16.0%
  – by the end of 2016 you would have had $174,423 | 10.3%
- **Iraqi troops invaded Kuwait, setting off the first Gulf War.**
  (August 2, 1990)
  – 10 years later you would have had $41,882 | 15.4%
  – by the end of 2016 you would have had $111,241 | 9.5%
- **Terrorists attacked the World Trade Center.**
  (September 11, 2001)
  – 10 years later you would have had $12,715 | 2.4%
  – by the end of 2016 you would have had $26,798 | 6.7%

The Investment Company of America

Growth of a hypothetical $10,000 investment from 1934 through 2016

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



Year ended Dec. 31	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
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
Total return	+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

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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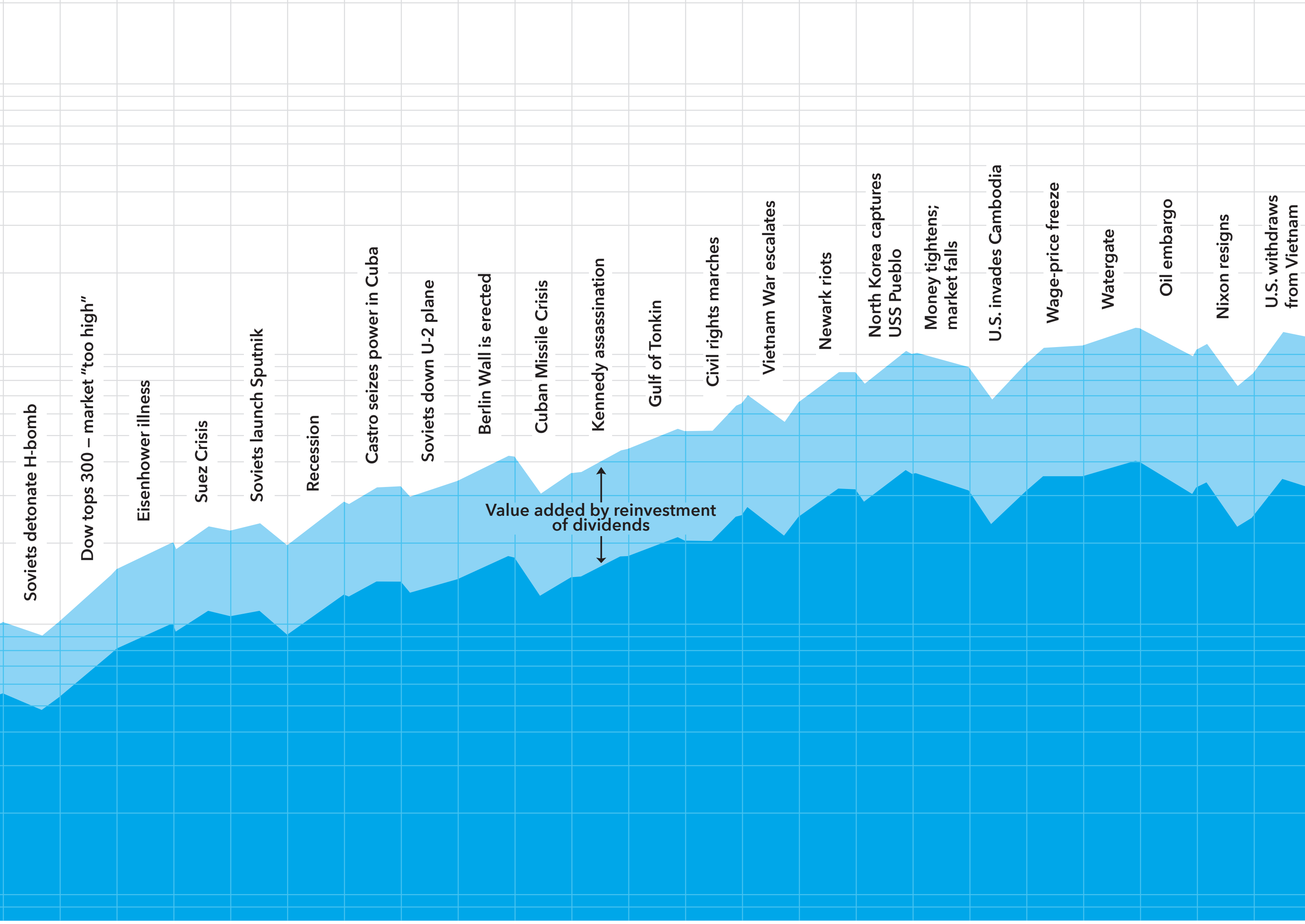
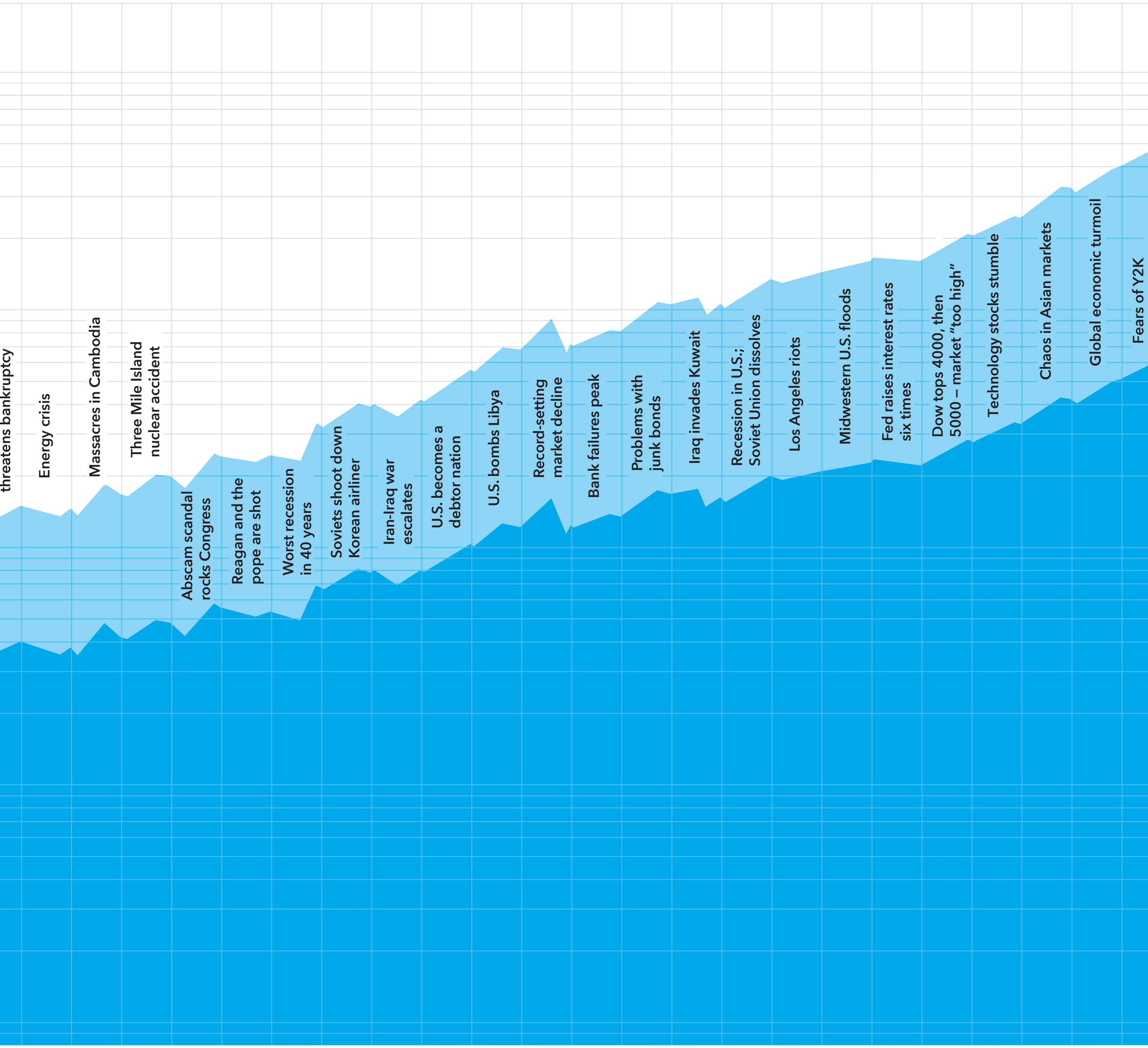


1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
2.1	2.1	2.6	2.7	3.0	3.0	3.2	3.6	3.6	3.8	3.9	4.3	4.7	5.9	6.9	8.3	9.0	9.4	9.6	9.7	10.6	15.9	14.3
53.4	80.8	98.5	106.3	90.9	128.0	142.9	145.6	175.4	148.2	177.8	202.3	251.6	248.0	312.5	356.6	309.6	307.4	349.7	394.7	317.9	245.5	317.7
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
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
+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, 2016:

	1 year	5 years	10 years
Class A shares	**7.99%**	**12.81%**	**5.75%**

Expense ratio was **0.58%** as of the fund's prospectus available at time of publication.

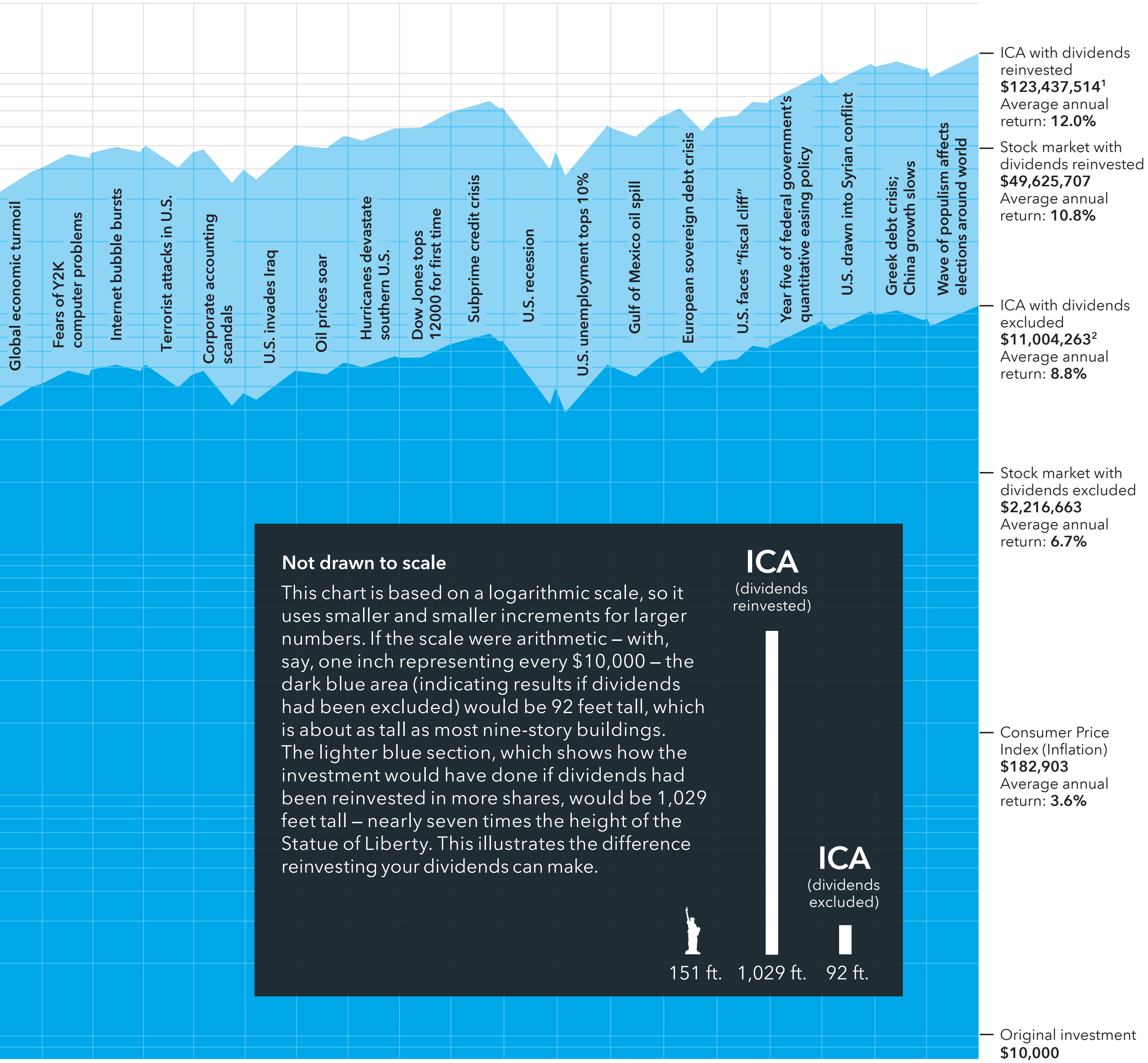


76	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	19
2.8	13.3	14.4	17.3	21.7	26.4	31.6	30.3	31.7	33.2	37.3	47.5	54.4	60.7	64.1	48.7	53.0	54.0	57.3	61.7	64.3	67.0	75.4	
3.1	374.3	414.4	475.7	552.2	530.9	670.6	774.5	792.0	1,017.9	1,200.5	1,220.9	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	5,008.2	5,7
.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	584.1	6
4.4	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	39,193.5	45,6
9.6	-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	+22.9	+16

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

[1] Includes dividends of $29,823,007, and capital gain distributions totaling $60,050,869, reinvested in the years 1936–2016.

[2] Includes reinvested capital gain distributions of $6,907,080 but not income dividends totaling $3,570,380, taken in cash.



Not drawn to scale

This chart is based on a logarithmic scale, so it uses smaller and smaller increments for larger numbers. If the scale were arithmetic – with, say, one inch representing every $10,000 – the dark blue area (indicating results if dividends had been excluded) would be 92 feet tall, which is about as tall as most nine-story buildings. The lighter blue section, which shows how the investment would have done if dividends had been reinvested in more shares, would be 1,029 feet tall – nearly seven times the height of the Statue of Liberty. This illustrates the difference reinvesting your dividends can make.

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	169.8	200.9
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	9,787.1	11,004.3
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	1,849.1	2,227.2
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	107,719.6	123,437.5
+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	-1.4	+14.6

Average annual total return for 83 years: +12.0%

Time, Not Timing, Is What Matters.

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

Worst-Day Investments (Market Highs)		
Date of market high	Cumulative investment[2]	Value on 12/31
8/6/97	$ 10,000	$ 9,618
11/23/98	20,000	21,540
12/31/99	30,000	34,605
1/14/00	40,000	45,771
5/21/01	50,000	52,473
3/19/02	60,000	52,771
12/31/03	70,000	76,202
12/28/04	80,000	93,197
3/4/05	90,000	109,706
12/27/06	100,000	136,805
10/9/07	110,000	154,035
5/2/08	120,000	107,074
12/30/09	130,000	145,739
12/29/10	140,000	171,203
4/29/11	150,000	177,022
10/5/12	160,000	214,219
12/31/13	170,000	293,433
12/26/14	180,000	338,511
5/19/15	190,000	342,861
12/20/16	200,000	402,538
Average annual total return (8/6/97–12/31/16): 6.6%		

Best-Day Investments (Market Lows)		
Date of market low	Cumulative investment[2]	Value on 12/31
4/11/97	$ 10,000	$ 12,130
8/31/98	20,000	26,767
1/22/99	30,000	42,216
3/7/00	40,000	54,192
9/21/01	50,000	62,596
10/9/02	60,000	64,376
3/11/03	70,000	94,455
10/25/04	80,000	114,228
4/20/05	90,000	132,836
1/20/06	100,000	165,017
3/5/07	110,000	185,276
11/20/08	120,000	132,277
3/9/09	130,000	183,604
7/2/10	140,000	215,286
10/3/11	150,000	222,445
6/4/12	160,000	268,087
1/8/13	170,000	367,665
2/3/14	180,000	423,630
8/25/15	190,000	428,020
2/11/16	200,000	502,680
Average annual total return (4/11/97–12/31/16): 8.4%		

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

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

[2] Cumulative volume discount applied when appropriate.

Results are calculated by Thomson. The average annual total returns shown take into account subsequent investments.

What if the Stock Market Doesn't Go Up?

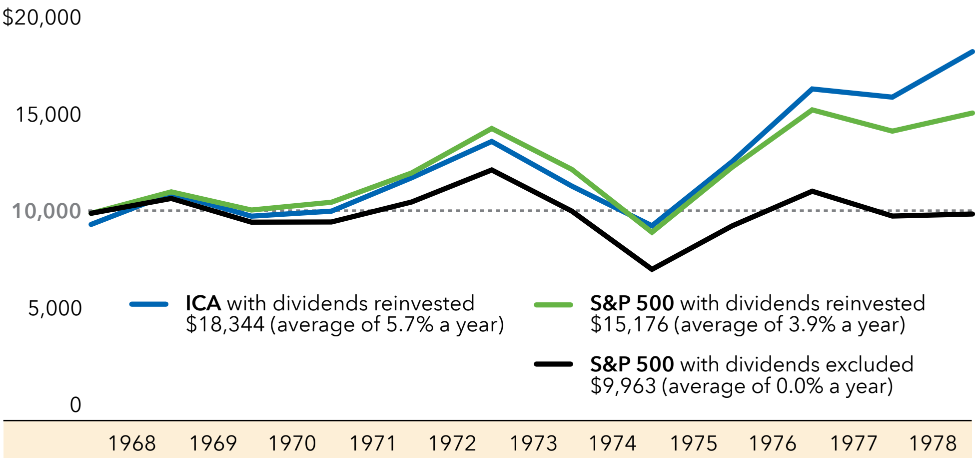
ICA's professional management has frequently enabled the fund to do better than the market. The charts below show how ICA compared to the S&P 500 during two past periods when the stock market was relatively flat.

The S&P 500 began 1968 with an index value of 96.47. More than a decade later, at the end of 1978, it stood at 96.11 – right back where it had started. But an investor still could have benefited. A hypothetical investment of $10,000 in the S&P 500, with reinvested dividends, would have grown to $15,176. That $10,000 invested in ICA would have grown to $18,344.

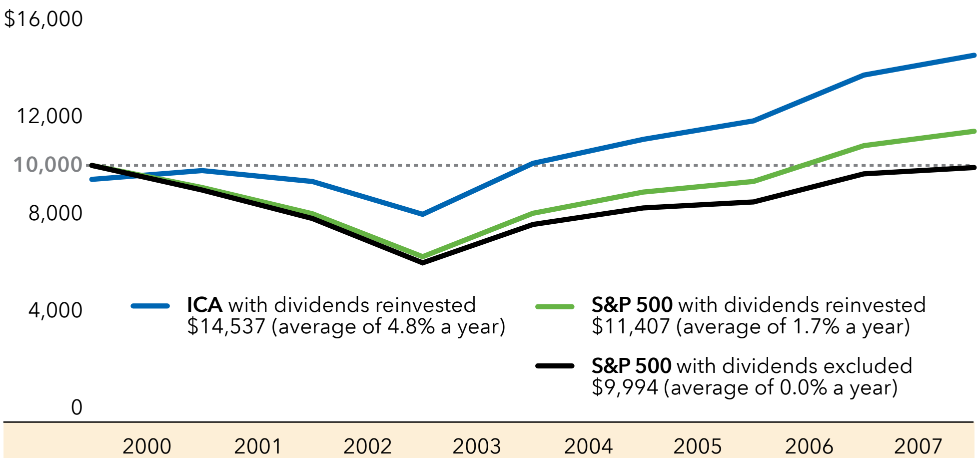
Before the 2007–2009 decline, the market had been relatively flat for the previous eight-year period. At the beginning of 2000, the S&P 500 index value was 1,469.25, and 2007 ended with a value of 1,468.36. However, a hypothetical investment in ICA, with dividends reinvested, would have seen an average annual total return of 4.8% during that period, while the S&P 500 averaged only 1.7%.

Growth of a Hypothetical $10,000 Investment in Periods When the Stock Market Was Flat

December 31, 1967–December 31, 1978



December 31, 1999–December 31, 2007



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

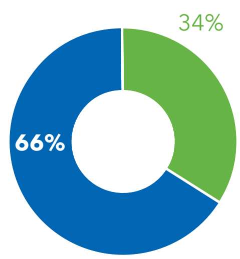
It's Important to Stay Invested Through Highs and Lows.

The Benefit of Time

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

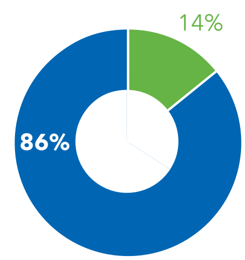
Here is ICA's record of positive results over calendar periods, from January 1, 1934, through December 31, 2016. As you can see, one-year investments are more likely to experience negative results than are investments held for longer periods. If those short-term investors had held on for just two more years, they would have seen fewer than half as many negative periods. Note that every 10-year period has shown positive results.

One-Year Periods



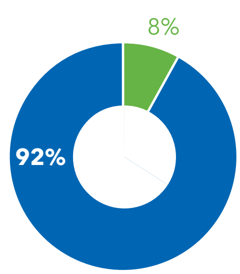
- Positive periods: 55
- Negative periods: 28

Three-Year Periods



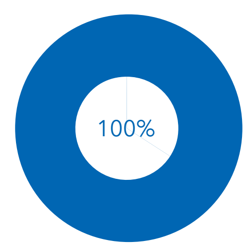
- Positive periods: 70
- Negative periods: 11

Five-Year Periods



- Positive periods: 73
- Negative periods: 6

10-Year Periods



- Positive periods: 74
- Negative periods: 0

Dividends Have Made the Difference

Reinvested regular dividends can contribute significantly to a fund's returns; in fact, they account for 36% of ICA's total return over its lifetime.

Why are dividends so important?

- Dividends are a good indicator of a company's strength. The balance sheet and management's confidence in the company are factors in how investors value its stock.

- Dividends can provide a cushion during stock market declines. Investments that pay income have tended to be more stable, so dividends play a critical role in helping ICA balance risk and return.

- ICA has increased its dividends in 69 of the past 80 calendar years. The long-term view integral to ICA's investment philosophy also extends to dividends. The managers do not simply look for current dividends, but also at the ability of a company to grow its dividends over time.

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

Figures shown are past results for Class 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. Unless otherwise indicated, results shown are at the 5.75% maximum sales charge for Class A shares (3.50% for investments of $100,000 or more) with all distributions reinvested. For current information and month-end results, visit americanfunds.com.

Based on a hypothetical $1,000 investment in 1934, ICA would have generated $357,037 in cash dividends. However, reinvesting all distributions would have added $10.9 million to the account value.

Value of $1,000 Invested on 1/1/34

as of 12/31	Value (dividends reinvested)	−	Value (excluding dividends)	+	Dividend amount taken in cash	=	Value added by reinvesting dividends
1940	$ 2,438		$ 2,146		$ 285		$ 7
1950	7,662		4,519		1,592		1,551
1960	33,600		14,560		4,217		14,823
1970	90,802		30,742		10,211		49,849
1980	238,018		55,224		24,179		158,615
1990	1,040,902		159,882		65,885		815,135
2000	4,743,507		587,545		131,608		4,024,354
2010	6,483,043		649,677		257,100		5,576,266
2016	**$12,343,718**		**$1,100,424**		**$357,037**		**$10,886,257**

Results are calculated by Thomson. Account values and dividends taken in cash are rounded to nearest dollar.

Growth Over a Wide Variety of Periods

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

What does “long term” mean to you? Ten years? Twenty? Fifty? ICA’s 83-year history can be used to illustrate the fund’s results over a variety of meaningful periods through December 31, 2016, starting with a hypothetical $1,000 investment.

Over Any Calendar Period This Long	Here’s the Best You Would Have Done	Here’s the Worst You Would Have Done	And Here’s the Median
5 years	**$2,733** +22.3% a year (1995–1999)	**$674** –7.6% a year (1937–1941)	**$1,737** +11.7% a year (1997–2001)
10 years	**$5,169** +17.9% a year (1982-1991)	**$1,106** +1.0% a year (1999-2008)	**$3,146** +12.1% a year (1948-1957)
15 years	**$11,602** +17.8% a year (1975–1989)	**$2,141** +5.2% a year (2001–2015)	**$5,365** +11.9% a year (1946–1960)
20 years	**$22,413** +16.8% a year (1979-1998)	**$4,557** +7.9% a year (1992-2011)	**$10,391** +12.4% a year (1946–1965)
25 years	**$51,263** +17.1% a year (1975–1999)	**$8,831** +9.1% a year (1992-2016)	**$16,747** +11.9% a year (1939-1963)
30 years	**$60,232** +14.6% a year (1975–2004)	**$17,407** +10.0% a year (1987–2016)	**$29,808** +12.0% a year (1966–1995)
40 years	**$154,589** +13.4% a year (1958–1997)	**$43,750** +9.9% a year (1969-2008)	**$98,632** +12.2% a year (1965–2004)
50 years	**$671,140** +13.9% a year (1950-1999)	**$145,209** +10.5% a year (1962-2011)	**$341,639** +12.4% a year (1958-2007)
60 years	**$1,891,633** +13.4% a year (1942-2001)	**$509,357** +10.9% a year (1956-2015)	**$1,086,231** +12.4% a year (1947-2006)

Investing for Retirement

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

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

It's impossible to predict how much money they will withdraw over the next 20 years, of course. But this chart shows how the plan would have worked if they had invested $1,000 a month from 1982 through 1996 and then withdrew 5% a year over a 20-year period ended December 31, 2016. They would have taken a total of $873,996 in withdrawals – and would still have $1,136,060 left.

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

Results are calculated by Thomson. For illustrations of higher or lower withdrawal rates, please ask your financial advisor.

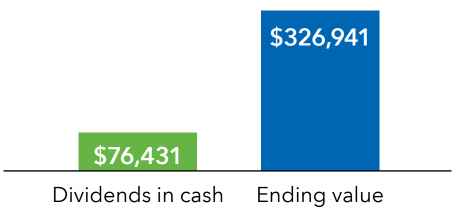
* Cumulative volume discount applied when appropriate.

Year	Cumulative Investment*	Value of Account	Withdrawals
1982	$ 12,000	$ 14,062	–
1983	24,000	28,845	–
1984	36,000	43,123	–
1985	48,000	70,812	–
1986	60,000	98,170	–
1987	72,000	114,081	–
1988	84,000	141,430	–
1989	96,000	195,699	–
1990	108,000	208,981	–
1991	120,000	277,243	–
1992	132,000	308,916	–
1993	144,000	357,162	–
1994	156,000	369,412	–
1995	168,000	495,740	–
1996	180,000	604,557	–
1997		760,370	$30,629
1998		891,577	38,019
1999		990,295	44,579
2000		977,757	49,515
2001		884,654	48,888
2002		715,798	44,233
2003		861,599	35,790
2004		899,491	43,080
2005		913,844	44,975
2006		1,009,831	45,692
2007		1,019,074	50,492
2008		626,146	50,954
2009		758,284	31,307
2010		798,423	37,914
2011		745,226	39,921
2012		822,094	37,261
2013		1,040,745	41,105
2014		1,111,416	52,037
2015		1,040,681	55,571
2016		1,136,060	52,034
		Total withdrawals:	**$873,996**

Customizing Withdrawals

Over time, your income needs will probably vary, so you should develop a plan that fits your circumstances. Here are a few ways to set up withdrawals, based on a hypothetical investment of $100,000, over the 20-year period ended December 31, 2016:

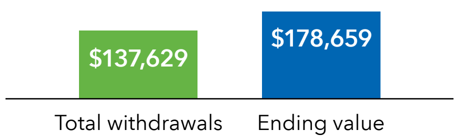
Dividends in Cash



Year	Dividends in Cash	Ending Value
1997	$1,991	$123,080
1998	2,241	148,797
1999	2,460	170,791
2000	2,763	174,562
2001	2,940	163,629
2002	2,991	137,169
2003	3,038	169,750
2004	3,061	183,105
2005	4,049	191,529
2006	4,519	217,279
2007	4,279	225,855
2008	4,661	143,670
2009	3,907	177,874
2010	3,839	193,022
2011	3,976	185,688
2012	4,935	209,606
2013	4,378	272,718
2014	5,387	300,143
2015	5,046	290,779
2016	5,969	326,941
Total dividends in cash: $76,431		

Self-Adjusting Withdrawals

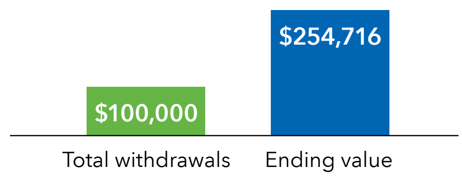
(Assumes monthly withdrawals at an annual rate of 5% of the previous year's account value.)



Year	Withdrawals	Ending Value
1997	$5,000	$119,577
1998	5,979	140,211
1999	7,011	155,735
2000	7,787	153,764
2001	7,688	139,122
2002	6,956	112,568
2003	5,628	135,496
2004	6,775	141,455
2005	7,073	143,713
2006	7,186	158,808
2007	7,940	160,261
2008	8,013	98,469
2009	4,923	119,249
2010	5,962	125,561
2011	6,278	117,196
2012	5,860	129,284
2013	6,464	163,669
2014	8,183	174,783
2015	8,739	163,659
2016	8,183	178,659
Total withdrawals: $137,629		

Fixed-Amount Withdrawals

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



Year	Withdrawals	Ending Value
1997	$5,000	$119,577
1998	5,000	141,323
1999	5,000	159,237
2000	5,000	160,244
2001	5,000	147,957
2002	5,000	121,930
2003	5,000	148,068
2004	5,000	157,168
2005	5,000	162,690
2006	5,000	183,186
2007	5,000	189,045
2008	5,000	119,558
2009	5,000	145,977
2010	5,000	156,263
2011	5,000	148,612
2012	5,000	166,510
2013	5,000	214,674
2014	5,000	235,329
2015	5,000	227,017
2016	5,000	254,716
Total withdrawals: $100,000		

Results are calculated by Thomson.

An 83-Year History of Investment Success

Year	ICA's Total Return	Stock Market	Consumer Prices
1934	**+25.4%**	–1.5%	+1.5%
1935	**+83.1**	+47.7	+3.0
1936	**+45.8**	+33.8	+1.4
1937	–38.5	–35.0	**+2.9**
1938	+27.6	**+31.0**	–2.8
1939	**+0.8**	–0.4	0.0
1940	–2.4	–9.8	**+0.7**
1941	–7.4	–11.6	**+9.9**
1942	+16.8	**+20.4**	+9.0
1943	**+32.8**	+25.8	+3.0
1944	**+23.3**	+19.7	+2.3
1945	**+36.8**	+36.4	+2.2
1946	–2.4	–8.1	**+18.1**
1947	+0.9	+5.7	**+8.8**
1948	+0.4	**+5.4**	+3.0
1949	+9.4	**+18.8**	–2.1
1950	+19.8	**+31.7**	+5.9
1951	+17.8	**+24.0**	+6.0
1952	+12.2	**+18.3**	+0.8
1953	+0.4	–1.0	**+0.7**
1954	**+56.1**	+52.6	–0.7
1955	+25.4	**+31.5**	+0.4
1956	**+10.8**	+6.5	+3.0
1957	–11.9	–10.8	**+2.9**
1958	**+44.8**	+43.3	+1.8
1959	**+14.2**	+12.0	+1.7
1960	**+4.5**	+0.5	+1.4
1961	+23.1	**+26.9**	+0.7
1962	–13.2	–8.7	**+1.3**
1963	**+22.9**	+22.8	+1.6
1964	+16.3	**+16.5**	+1.0
1965	**+26.9**	+12.5	+1.9
1966	+1.0	–10.1	**+3.5**
1967	**+28.9**	+24.0	+3.0
1968	**+17.0**	+11.1	+4.7
1969	–10.7	–8.4	**+6.2**
1970	+2.6	+3.9	**+5.6**
1971	**+17.0**	+14.3	+3.3
1972	+15.9	**+19.0**	+3.4
1973	–16.8	–14.7	**+8.7**
1974	–17.9	–26.5	**+12.3**
1975	+35.4	**+37.2**	+6.9
1976	**+29.6**	+23.9	+4.9
1977	–2.6	–7.2	**+6.7**
1978	**+14.7%**	+6.6%	+9.0%
1979	**+19.2**	+18.6	+13.3
1980	+21.2	**+32.5**	+12.5
1981	+0.9	–4.9	**+8.9**
1982	**+33.8**	+21.5	+3.8
1983	+20.2	**+22.6**	+3.8
1984	**+6.7**	+6.3	+3.9
1985	**+33.4**	+31.7	+3.8
1986	**+21.7**	+18.7	+1.1
1987	**+5.4**	+5.3	+4.4
1988	+13.3	**+16.6**	+4.4
1989	+29.4	**+31.7**	+4.6
1990	+0.7	–3.1	**+6.1**
1991	+26.5	**+30.5**	+3.1
1992	+7.0	**+7.6**	+2.9
1993	**+11.6**	+10.1	+2.7
1994	+0.2	+1.3	**+2.7**
1995	+30.6	**+37.6**	+2.5
1996	+19.3	**+23.0**	+3.3
1997	+29.8	**+33.4**	+1.7
1998	+22.9	**+28.6**	+1.6
1999	+16.6	**+21.0**	+2.7
2000	**+3.8**	–9.1	+3.4
2001	–4.6	–11.9	**+1.6**
2002	–14.5	–22.1	**+2.4**
2003	+26.3	**+28.7**	+1.9
2004	+9.8	**+10.9**	+3.3
2005	**+6.9**	+4.9	+3.4
2006	**+15.9**	+15.8	+2.5
2007	**+5.9**	+5.5	+4.1
2008	–34.7	–37.0	**+0.1**
2009	**+27.2**	+26.5	+2.7
2010	+10.9	**+15.1**	+1.5
2011	–1.8	+2.1	**+3.0**
2012	+15.6	**+16.0**	+1.7
2013	**+32.4**	+32.4	+1.5
2014	+12.1	**+13.7**	+0.8
2015	–1.4	**+1.4**	+0.7
2016	**+14.6**	+12.0	+2.1
83-year average annual total returns through 12/31/16			
	+12.1%	+10.8%	+3.6%
Number of best years			
	33	29	21

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

Results for ICA are shown at net asset value with all distributions reinvested. If the 5.75% maximum Class A sales charge had been deducted, results would have been lower.

What Makes ICA a Rare Opportunity

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

- in the same business for 83 years
- net assets of approximately $80 billion, with $6.8 billion in reserves of cash or cash equivalents
- invested in such diverse industries as energy sources, biotechnology, and beverages & tobacco
- a management team of eight portfolio managers with a median 10 years of experience with the fund
- research offices located throughout the United States, Europe and Asia
- paid a dividend every year since 1936
- increased regular dividends in 69 of the past 80 calendar years (if dividends were taken in cash and capital gains were reinvested, not including special dividends)

All figures are as of December 31, 2016, except for portfolio manager information, which is as of the fund's prospectus dated March 1, 2017.

American Funds from Capital Group

The Capital Advantage℠

Since 1931, American Funds, part of Capital Group, has helped investors pursue long-term investment success. Our consistent approach – in combination with The Capital System℠ – has resulted in a superior long-term track record.

Aligned With Investor Success

We base our decisions on a long-term perspective, which we believe aligns our goals with the interests of our clients. Our portfolio managers average 27 years of investment experience, including 21 years at our company, reflecting a career commitment to our long-term approach.[1]

The Capital System℠

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

American Funds' Superior Long-Term Track Record

Equity funds have beaten their Lipper peer indexes in 93% of 10-year periods and 98% of 20-year periods. Fixed income funds have beaten their Lipper indexes in 80% of 10-year periods and 80% of 20-year periods.[2] Fund management fees have been among the lowest in the industry.[3]

1 Portfolio manager experience as of December 31, 2016.

2 Based on Class F-2 share results for periods through December 31, 2016. Periods covered are the shorter of the fund's lifetime or since the comparable Lipper index inception date (except Capital Income Builder® and SMALLCAP World Fund,® for which the Lipper average was used). Expenses differ for each share class, so results will vary. Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Please see americanfunds.com for more information on specific expense adjustments and the actual dates of first sale.

3 On average, our management fees were in the lowest quintile 73% of the time, based on the 20-year period ended December 31, 2016, versus comparable Lipper categories, excluding funds of funds.

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

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund's prospectus and summary prospectus, which can be obtained from a financial professional and should be read carefully before investing. If used after March 31, 2017, this brochure must be accompanied by a current American Funds quarterly statistical update.

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

Lit. No. MFGEBRX-004-0217P Litho in USA CGD/L/8181-S58090 Printed on recycled paper