

Executive Summary

Capital Group was founded in 1931 and is one of the oldest and largest investment firms in the world, with more than one trillion US dollar assets under management. We believe that we are unique in many ways, most of all in the way we organize ourselves and in our investment process and products:

Organization

Capital Group is privately held and owned by over 350 current and recently retired employees. Our sole business is investment management with the goal of providing consistently superior long-term investment results. We conduct no other businesses, so the efforts of our entire organization are ultimately geared towards reaching this goal. As of 30 June 2010, Capital Group International, Inc (CGII—global institutional) has US\$126 billion¹ under management while Capital Research and Management Company (CRMC—US mutual funds) has US\$951 billion under management.

Approach to portfolio management

Every portfolio is directed by a team of managers, each of whom is autonomous. This method of managing portfolios, called the multiple portfolio manager system, was created 50 years ago. A number of proven, experienced decision-makers work on each client account by dividing each portfolio into smaller segments. This blend of individual decision making within a team framework has tempered investment volatility while producing diversified portfolios composed of high conviction ideas.

Global research

The Capital Group has a long history of fundamental global investment research. Annually Capital Group commits substantial resources on investment research and makes over thousands of research visits annually. Capital Group's analysts are based around the world and follow their industries on a global basis.

There are 34 nationalities represented among Capital Group's multi-national, multi-lingual team of global research analysts located in 12 major cities around the world. We believe our dedicated global research expertise gives us a significant edge over other fund managers.

Global presence

The business of our organization is predicated on a goal to understand the global investment universe. As a result, while the Capital Group may be headquartered in Los Angeles, the organization has offices in New York, Washington DC, San Francisco, Toronto, London, Geneva, Tokyo, Hong Kong, Singapore, Mumbai and Beijing where our investment professionals carry out their research work. This global presence gives us local insight into companies worldwide.

Tenure of our investment professionals

The CG portfolio managers have an average of 20 plus years of investment experience, while research analysts have an average of 10 plus years of experience. In addition, the role of research analyst is viewed as a career, not just a stepping stone to portfolio management. As a result, we have analysts who have been building relationships with the same companies for decades. This depth of knowledge, based on real experience, provides valuable insights into a company's prospects for the future.