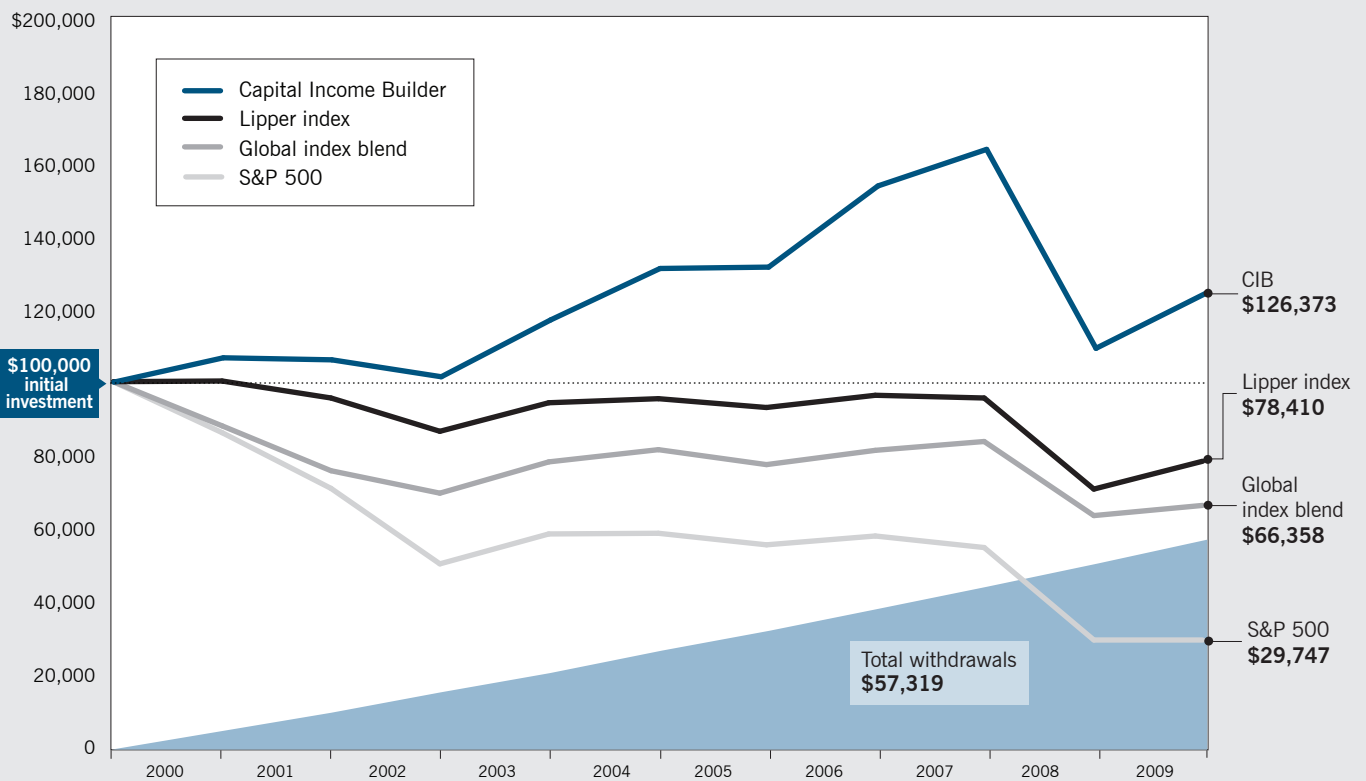


What if you retired in the “lost decade”?

The past decade has been one of the most challenging on record, especially for retirees taking income. With the S&P 500 posting a negative return and relatively low bond and cash yields, how would a retiree have fared during the period? The hypothetical investments depicted below show how Capital Income Builder[®] has been a solid choice for retirement portfolios and could have helped investors meet their income needs and keep pace with the rising cost of living. The \$100,000 investment in Capital Income Builder not only provided \$57,319 in withdrawals, but also ended the decade with a value greater than the original investment.

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. Results shown are at net asset value with all distributions reinvested. If the maximum 5.75% Class A share sales charge had been deducted, results would have been lower. For current information and month-end results, visit americanfunds.com.

Hypothetical \$100,000 initial investments, 5% annual withdrawals, increased 3% each year, for 10 years ended 12/31/09



Withdrawals are taken monthly and amount to 5% a year of the initial investment. Results reflect reinvestment of all distributions. The Lipper index represents the Lipper Income Funds Index. The global index blend combines the MSCI All Country World Index and Barclays Capital Global Aggregate Index by weighting their total returns at 60% and 40%, respectively, with no portfolio rebalancing. The indexes are unmanaged, and their results include reinvested dividends and/or distributions but do not reflect the effect of sales charges, commissions or expenses.

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

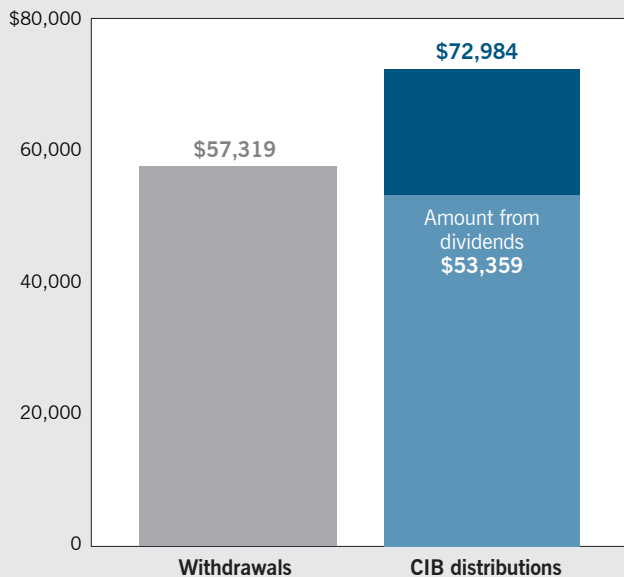
The power of dividends in the “lost decade”

During the past decade, Capital Income Builder has paid a dividend to its shareholders every quarter. Although the fund has sometimes reduced its dividend, it strives to increase dividends over time. The results show that even in a challenging environment, Capital Income Builder’s blend of stocks and bonds from around the world has consistently provided income that can help meet investors’ needs. In fact, during the 10-year period ended December 31, 2009, the dividends and capital gains from the hypothetical \$100,000 investment in Capital Income Builder totaled \$72,984, while withdrawals totaled \$57,319. The difference between the amounts would have been reinvested in the fund, allowing the investor to benefit from the power of compounding.

“Capital Income Builder can continue to serve as a fine one-fund solution for investors seeking a roughly even balance between stocks and bonds for their longer-term assets.”

— Morningstar, January 2010

Capital Income Builder’s distributions exceeded investor’s withdrawals*



*Cumulative distributions (dividends and capital gains) and withdrawals for 10 years ended 12/31/09

Below are the fund’s average annual total returns with all distributions reinvested for periods ended 3/31/10, assuming payment of the 5.75% maximum sales charge for Class A shares at the beginning of the stated periods:

Equity-income fund	Inception date	1 year	5 years	10 years	Lifetime	Expense ratio
Capital Income Builder	7/30/87	25.65%	2.97%	6.83%	9.57%	0.66%
Indexes						
Lipper Index		28.96	4.05	4.09		
Global Index Blend		37.89	4.67	3.55		
Standard & Poor’s 500 Composite Index		49.72	1.92	-0.65		

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratio is as of the fund’s most recent fiscal year-end. From September 1, 2004, through December 31, 2008, the investment adviser to the American Funds waived a portion of its management fees. Investment results reflect the waiver, without which the results would have been lower. Please see the fund’s most recent shareholder report or prospectus for details.

Investors should carefully consider the investment objectives, risks, charges and expenses of the American Funds. This and other important information is contained in each fund’s summary prospectus and/or prospectus, which can be obtained from a financial professional and should be read carefully before investing. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility, as more fully described in the prospectus. These risks may be heightened in connection with investments in developing countries. Equity investments are subject to market fluctuations. 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. If used after June 30, 2010, this sheet must be accompanied by the most recent American Funds quarterly statistical update.

The Capital Group Companies

American Funds Capital Research and Management Capital International Capital Guardian Capital Bank and Trust