


Some things take time



Weathering change

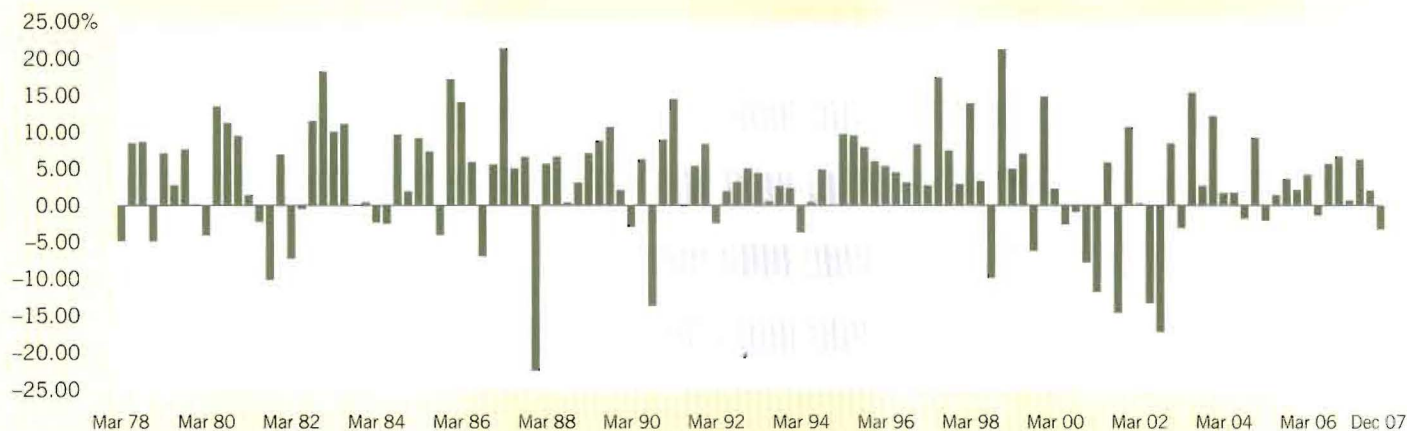
For long-term investors, short-term market results are only part of a much bigger story. That's why at American Funds we encourage investors to keep a long-term perspective.

A strategy for all seasons

Market cycles come and go. What's important is to stay the course and keep a long-term perspective. For example, both of the charts below show what happened to U.S. stocks during the last 30 years. The main difference? The investor's perspective.

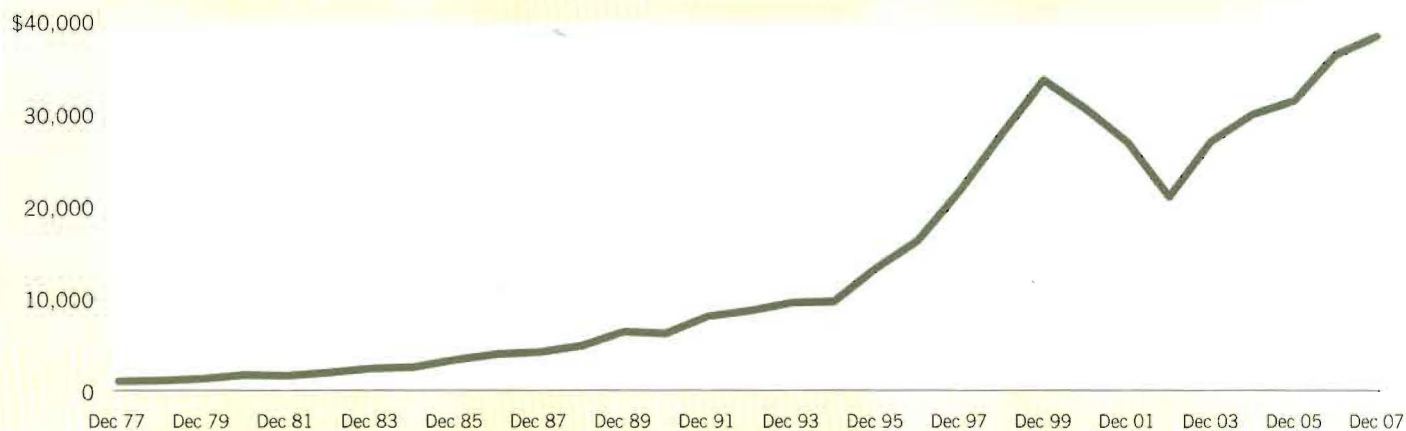
Short-term perspective

The chart below traces the quarterly total returns of Standard & Poor's 500 Composite Index over the 30-year period ended 12/31/07. For an investor with a short-term perspective, the market was often an uncomfortable and frustrating place.



Long-term perspective

This chart plots the annual growth of a hypothetical \$1,000 investment in the S&P 500 over the same 30-year period. As you can see, historically, short-term fluctuations looked — and felt — quite different to those investors who focused on long-term results and the impact of reinvested dividends.



Results for the S&P 500, an unmanaged index of large U.S. stocks, assume all dividends are reinvested and do not reflect sales charges, commissions or expenses. Figures shown are past results and are not predictive of results in future periods.

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