



American Funds Mortgage Fund

Building on research

American Funds Mortgage FundSM is designed to provide current income and preservation of capital by investing primarily in high-quality mortgage-related securities.

High-quality income

American Funds Mortgage Fund invests primarily in mortgage-related securities that are guaranteed or sponsored by the U.S. government and mortgage-related securities rated AAA. Mortgages in general have historically provided an income advantage over many comparably rated bonds.

A broad reach

The mortgage-related securities market is very broad, deep and liquid and, when measured by assets, is larger than the U.S. Treasury bond market. The fund's portfolio includes a diversified mix of issuers, maturities and yields.

In-depth analysis

When researching mortgage-related securities, we take into consideration credit quality, duration, yield and default risk of the underlying mortgages in the pools, among other factors. Where applicable, we also take into account government guarantees and other forms of government sponsorship.

About the fund's investments

The fund invests at least 80% of its assets in high-quality mortgage-related securities. These primarily consist of securities backed by pools of mortgages that are issued by entities sponsored by the U.S. government, such as Fannie Mae and Freddie Mac, as well as mortgage-related securities backed by the full faith and credit of the U.S. government, such as Ginnie Mae securities. The fund may also invest in privately issued mortgage-related securities rated AAA or unrated but determined to be of equivalent quality. The fund may invest up to 10% of its assets in U.S.-dollar-denominated high-quality mortgage-related securities of issuers domiciled outside the United States. The fund may also invest a portion of its assets in U.S. Treasury securities and federal agency debentures.

Portfolio management and years of investment experience

The fund's portfolio counselors each manage a portion of fund assets independently. Portfolio counselors are as of the prospectus dated November 1, 2010.



Wesley
Phoa
17 years



Fergus
MacDonald
18 years

Offering details

Minimum investments: \$250 initial; \$50 subsequent; \$25 for a payroll deduction retirement plan account, payroll deduction savings plan account or employer-sponsored 529 account.

Dividends and distributions: The fund declares daily dividends from net investment income and distributes the accrued dividends, which may fluctuate, to shareholders each month. Capital gains, if any, are usually distributed in December.

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 prospectus and summary prospectus, which can be obtained from a financial professional and should be read carefully before investing.

The return of principal for bond funds is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Bond prices and a bond fund's share price will generally move in the opposite direction of interest rates.

Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's creditworthiness.

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

Ticker symbols A shares: MFAAX | C shares: MFACX | F-1 shares: MFAEX | F-2 shares: MFAFX