

A new perspective on global investing.

Key features

- A high-conviction portfolio built from bottom-up research, drawing on the best-ideas from several experienced portfolio managers.
- We look for opportunities generated by changing global trade patterns, investing in blue-chip-quality companies with potential to develop into leading multinationals.
- We seek companies that generate significant revenue from, or have a significant proportion of assets located in, markets outside their country of domicile.
- Working across the market cap spectrum and across sectors has led to a diversified portfolio.
- The strategy has returned 13.3% per annum in US dollar terms, versus 8.5% per annum for MSCI ACWI since inception in 1973. It has protected on the downside 100% of the time on a rolling three-year basis.¹

Capital Group's New Perspective strategy focuses on high-quality, blue-chip companies working around the world that have the potential to develop into leading multinationals. Through identifying changing global trade patterns and companies that are able to reshape the competitive landscape, the strategy has outpaced the market since inception in the US¹. We are making this strategy available to European investors for the first time as a Luxembourg-domiciled fund (UCITS) on 30 October 2015.

High-quality multinationals play a disproportionately large role in the global economy, using their capital and expertise to drive international trade. Companies operating in multiple countries and currencies develop depth of knowledge and skill; these characteristics can be used to deliver long-term capital growth through a carefully managed investment process.

The Capital Group New Perspective strategy concentrates on a select group of companies that generate a significant part of their revenue or have a significant portion of their assets located outside their country of domicile. Investing in high-quality companies that

are not dependent on any one market to thrive, and actively managing risk and reward, have contributed to the strategy's historically robust returns. Our approach is not dependent on the ebb and flow of trade, but concentrates on companies that are successful allocators of capital.

The strategy has delivered superior, consistent returns for more than 40 years in the US, in a variety of market conditions. The Luxembourg-domiciled fund (UCITS) will be managed by the same investment team, drawing on Capital's global research network to identify companies with potential to develop as leaders in their fields.

Past results are not a guarantee of future results.

1. Returns for the Capital Group New Perspective Composite gross of management fees in US dollar terms calculated versus the MSCI All Country World Index (MSCI ACWI) with net dividends reinvested from 30 September 2011; previously versus the MSCI World Index on an equivalent basis in US dollar terms. As at 31 July 2015. Sources: Capital Group, MSCI

The distinctive features of The Capital SystemSM

The Capital SystemSM differentiates our approach.

- High-conviction portfolios are built from the bottom up, using best ideas from several portfolio managers. Our approach helps limit the risk associated with isolated decision making.
- Portfolio managers from diverse backgrounds are responsible for different segments of the strategy.

Managers are selected for their ability to work collaboratively and deliver consistent results.

- The compensation paid to managers is structured over rolling four- and eight-year periods, to ensure long-term perspectives.
- Managers draw on an extensive global research platform first established in the 1950s.

Portfolio construction

Portfolio managers with varied perspectives draw on the insights of a large pool of analysts to identify multinationals with positive prospects. They look for companies that have scope to benefit from changes in global trade patterns and economic and political relationships, working across the market cap spectrum and across sectors (see Exhibit 1 below).

In order to be eligible for investment, a significant amount of a company's total revenue or assets should be generated outside its home market. We ensure that the relevant stocks are liquid, meeting our established free float threshold.

Past portfolio turnover has been relatively low; on average, 25% each year, reflecting our long-term approach, the high conviction with which we hold positions, and the quality of earnings from the companies in which we invest.²

Our rigorous research and high-conviction, bottom-up approach have helped our managers sustain long-term results. In particular, our integrated research network allows us multiple points of comparison, for example, allowing us to identify when transformation is under way in an industry.

"We are able to research individual companies in many of the different countries in which they operate, thanks to our global network of analysts and well-funded research efforts. We believe this level of analysis is something very few asset managers can deliver."

David Polak
New Perspective investment director

Exhibit 1: Our approach is flexible and benchmark-agnostic*

- New Perspective's sector exposure is greater than the index
- New Perspective's sector exposure is less than the index

Representative account for the strategy shown.
Data shown as at year-end to 31 December 2014.
Source: Capital Group

* Difference in portfolio weights between the New Perspective strategy and MSCI ACWI (net dividends reinvested) from 30 September 2011; previously MSCI World (net dividends reinvested). Source: Capital Group, MSCI

** Cash and equivalents includes some fixed income holdings

Illustrative portfolio exposure relative to the MSCI ACWI (%)

Sector	2005	06	07	08	09	10	11	12	13	14	Min	Max
Energy	■	■	■	■	■	■	■	■	■	■	-5.4	0.5
Materials	■	■	■	■	■	■	■	■	■	■	-1.9	3.7
Industrials	■	■	■	■	■	■	■	■	■	■	-3.6	2.7
Consumer discretionary	■	■	■	■	■	■	■	■	■	■	-3.3	8.3
Consumer staples	■	■	■	■	■	■	■	■	■	■	-0.3	5.0
Healthcare	■	■	■	■	■	■	■	■	■	■	-1.2	6.5
Financials	■	■	■	■	■	■	■	■	■	■	-12.7	-6.7
Information technology	■	■	■	■	■	■	■	■	■	■	-0.2	10.3
Telecommunication services	■	■	■	■	■	■	■	■	■	■	-3.3	3.1
Utilities	■	■	■	■	■	■	■	■	■	■	-3.0	-0.5
Cash and equivalents**	■	■	■	■	■	■	■	■	■	■	5.4	12.5

2. Data from 1974-2014. Turnover is calculated from the representative account as the lesser of purchases/sales divided by the average market value. Source: Capital Group

“On many occasions, over many different market conditions, the strategy has been remarkably consistent.”

David Polak
New Perspective investment director

Returns history

Careful stock selection has meant that the strategy’s returns have outstripped the global equity index in 86% of the upmarket phases and all down markets since 1973 on a rolling three-year basis, as Exhibit 2, below, shows.

In the past, the strategy has performed less well in markets where cross-asset correlation was high, such as in the broad market sell-off in 2008, or times where one theme dominated the global equity index. In the mid-1980s, for example, our relative performance was affected when Japanese companies appreciated rapidly, and they came to dominate the global equity index.

Nevertheless, positive upside-downside capture has contributed to a return of 13.3% per annum since inception, versus 8.5% per annum for the MSCI ACWI over the same period.¹

When appropriate, we may hold cash.³ Our managers’ unusually high cash position in 2007 and 2008, for example, made a positive contribution as global equities rallied and then fell sharply.⁴

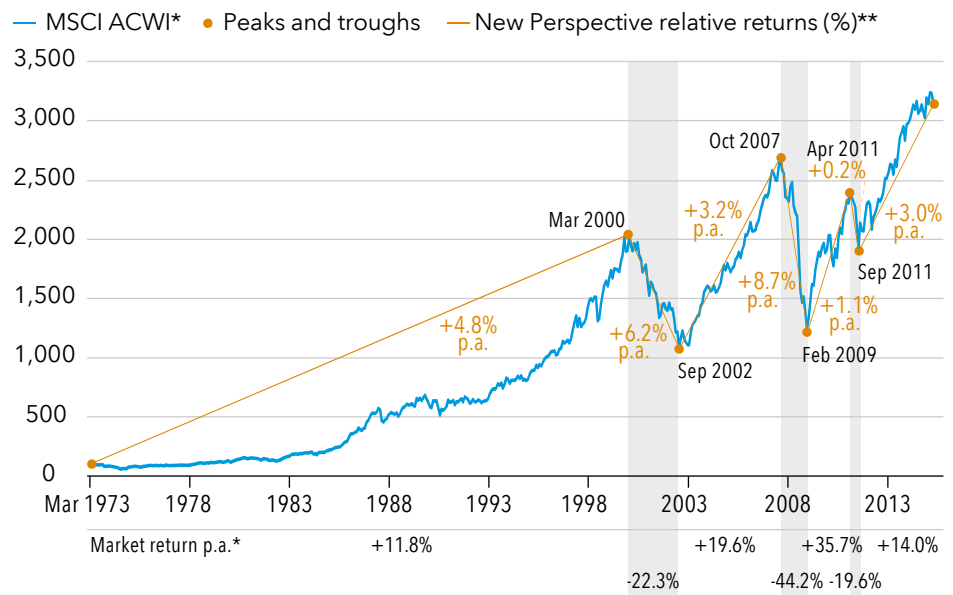
The New Perspective strategy’s information ratio, which shows the balance of risk and reward by comparing relative returns with the volatility of those returns, has been 1.0 or above over the past 1, 3, 10 and 20 years.⁵

Exhibit 2: A strategy for different market conditions

The strategy has a track record of protecting on the downside in rolling three-year down markets

Rolling monthly three-year returns from inception to 30 June 2015*	Number of periods	How often the fund outpaced the market**
>0% 'Up market'	392	86%
>0% 'Down market'	80	100%

Track record in up and down markets



Past results are not a guarantee of future results.

Data as at 30 June 2015

* MSCI ACWI (net dividends reinvested) in US dollars from 30 September 2011; previously MSCI World (with net dividends reinvested). Source: MSCI

** Relative returns calculated geometrically for the Capital Group New Perspective Composite, in US dollar terms and before fees and expenses, to MSCI ACWI (net dividends reinvested) from 30 September 2011; previously MSCI World (with net dividends reinvested). Sources: Capital Group, MSCI

3. Peak cash holding in 2007: 12.5% held in cash and cash equivalents. Calculations based on cash and cash equivalents include some fixed income holdings in the strategy’s representative account. As at 30 June 2015. Source: Capital Group

4. 2007: Total relative return from cash and cash equivalents was 0.1%. As at 30 June 2015. Source: Capital Group
2008: Total relative return from cash and cash equivalents was 6.4%. As at 30 June 2015. Source: Capital Group

5. The information ratio is calculated using monthly geometric excess returns for the Capital Group New Perspective Composite, in US dollar terms and before fees and expenses, to MSCI ACWI (net dividends reinvested) from 30 September 2011; previously MSCI World (with net dividends reinvested). As at 30 June 2015. Sources: Capital Group, MSCI

“We should focus our attention on the companies with the brightest prospects, no matter where they’re headquartered or domiciled.”

Rob Lovelace
Portfolio manager

Example

Murata Manufacturing – Applying transformative ideas in electronics

- Murata Manufacturing is a Japanese-listed company; it produces ceramic components used in high-tech applications including mobile phones, robotics, automated industrial equipment and 3-D printers. It focuses on efficiency-enhancing components with limited energy requirements.
- The company was first added to the New Perspective strategy in 1995, when we identified a structural shift in the mobile phone market, and held for most of the last decade. Murata’s technology has allowed the miniaturisation of essential parts used in smartphones, which is so far unmatched by competitors.
- Murata has built a geographically diverse business, with operations in Asia, the Americas and Europe. It is a beneficiary of the weaker yen and reported a record backlog of orders in 2015.

Conclusion

Capital’s New Perspective strategy has allowed investors to take advantage of the success of leading multinationals, which have global reach and proven ability to allocate capital effectively. Through our detailed on-the-ground global research, collaborative gathering

of ideas and careful stock selection, the strategy has delivered superior, consistent results for more than 40 years. The strategy might be a valuable addition for investors seeking to diversify or supplement their core global equity exposure.

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Risk factors you should consider before investing:

- The value of shares and income from them can go down as well as up and you may lose some or all of your initial investment.
- Past results are not a guide to future results.
- If the currency in which you invest strengthens against the currency in which the underlying investments of the fund are made, the value of your investment will decrease.
- The Prospectus and Key Investor Information Document set out risks, which, depending on the fund, may include risks associated with investing in emerging markets and/or high yield securities.
- Emerging markets are volatile and may suffer from liquidity problems.

CR-279129