

VIA EMAIL AND FEDERAL EXPRESS

August 29, 2008

Florence E. Harmon
Acting Secretary
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-28-07

Dear Ms. Harmon:

Capital Research and Management Company serves as investment adviser to the American Funds, one of the oldest and largest mutual fund families in the nation. We appreciate the opportunity to comment on the Commission's research regarding the proposed summary prospectus. We question the wisdom of attempting to draw research conclusions based on a focus group that consisted of a total of 25 people and was asked questions that were formulated with no public input. However, to the extent that the focus group research has validity, we would submit that the research is consistent with the views we expressed in our previous comment letter to the Commission's summary prospectus proposal. In particular we believe that the research is consistent with the following:

- Quarterly updating of the summary prospectus is not necessary because most investors are willing to use the Internet to obtain current information.
- Information on a fund's portfolio holdings should not be required in the summary prospectus since the information is not critical and it is readily available on the Internet.

- Because investors increasingly prefer electronic information, the Commission should adopt an access equals delivery model for mutual fund prospectuses and shareholder reports.
- In order to reduce confusion and provide more effective disclosure, the Commission should consider deeming the summary prospectus a 10(a) prospectus and putting the balance of the fund's information in the statement of additional information.
- Funds should be permitted to include information on multiple, related funds in the summary prospectus because *investors prefer information that allows them to compare related investment options.*
- The Commission should not require disclosure regarding compensation paid to financial intermediaries in the summary prospectus; such disclosure should be included in a separate document at point of sale.

1. Quarterly updating of the summary prospectus should not be required

Our greatest concern with the current proposal is the quarterly updating requirement. We believe that the benefits of updating the summary prospectus each quarter are substantially outweighed by the burden on funds of preparing, reviewing, printing and shipping the summaries to intermediaries within 30-days of the end of the quarter. In addition, we believe it is unnecessary to impose this requirement given the widespread availability of updated fund information on the Internet and the near-universal adoption of the Internet by investors. As we stated in our comment letter, we are much less likely to voluntarily use the summary prospectus if quarterly updating is required.

The focus group research demonstrates that investors are willing to use the Internet to obtain updated information on investment results and portfolio holdings. Although participants in each focus group indicated they would prefer this information be updated

quarterly or semi-annually, almost all participants were willing to use the Internet to obtain the information. Furthermore, participants indicated that they were already overwhelmed by the amount of paper they received from mutual funds and would prefer to receive less.

Notwithstanding the results of the research, we believe that investors would strongly oppose a quarterly updating requirement if they were aware that the requirement could impose additional costs on their investment or dissuade the funds in which they invest from using the summary prospectus. The moderators did not raise these issues. Had they done so, we believe investors would have opposed more frequent updating. Even without the issues being raised by the moderators, one participant in the Dallas focus group expressed concerns that requiring the summary to be updated in paper more frequently could result in higher fund expenses.

2. Information on portfolio holdings should not be required

Participants in the focus groups indicated that they generally preferred to receive information on the fund's portfolio holdings. While some may find information on the fund's top ten portfolio holdings interesting, we do not believe this information should be required in a document that is designed to include only the most critical fund information. It is also important to note that in 1998 when the Commission adopted the profile prospectus, it specifically rejected including information on the top ten portfolio holdings. This information is no more critical today than it was in 1998. Further, top ten holdings are not required to be disclosed under the current form N-1A.

For example, many of the current prospectuses for the American Funds include information on portfolio holdings. We believe this information is helpful to investors but do not feel it is important enough to include in a summary prospectus that is supposed to present the most important fund information. Including information on a fund's holdings in the summary prospectus places undue emphasis on the information. Several

participants seemed to agree that the information was not critical to their investment decision. For instance, one participant described a fund's top ten holdings as "mildly helpful." Furthermore, participants indicated they would be willing to use the Internet to obtain information on fund holdings. We also believe the moderators overemphasized portfolio holdings information which may have resulted in participants placing too much importance on the disclosure.

3. The Commission should adopt an access equals delivery model for mutual fund prospectuses and shareholder reports

Focus group participants were nearly universal in their willingness to receive fund prospectuses electronically via the Internet. Participants stated that they receive too much paper and they feel it is important for funds to use less paper in order to improve the environment. For example, when asked about whether electronic delivery would be preferred, one participant stated: "Save a tree! Save a million trees!" Posting prospectuses and shareholder reports on a fund's website would address these concerns and would also reduce the cost of printing and mailing paper documents to shareholders. Based on the strong preference for electronic information, the Commission should explore extending the access equals delivery model to mutual funds.

4. The Commission should make the summary prospectus a prospectus under Section 10(a) of the Securities Act of 1933

The results of the focus groups also support our view that the summary prospectus should be deemed a prospectus under section 10(a) of the Securities Act with more detailed information available in the statement of additional information. Participants expressed a preference to use the summary prospectus as a screening tool and to look to the full statutory prospectus for more detailed information. Given this preference, we believe investors would be better served by having access to complete information through two documents (the summary 10(a) prospectus and the statement of additional information),

rather than through three documents (the summary prospectus, the 10(a) prospectus and the statement of additional information). Taking our suggested approach and requiring the statement of additional information to be accessible on the Internet would be less confusing and would allow investors to more efficiently obtain additional information on a fund.

5. Funds should be allowed to combine information on multiple, related funds

The focus groups support our view that funds should be permitted to combine information on certain types of funds in the same summary prospectus. Most participants found it helpful to have information on related funds in the same document because it allowed them to compare investment options. The ability to compare fund information is particularly important with respect to certain types of funds consisting of integrated offerings such as target date funds and funds available through variable annuities.

6. Disclosure regarding the compensation paid to financial intermediaries should not be provided in the summary prospectus, but in a separate document provided by the intermediary at point of sale

We believe it is important for investors to have information on the compensation paid to financial intermediaries. However, this type of disclosure should apply to all investment products, not just mutual funds. We agree with other commentators that this is an area that requires careful consideration and the disclosure should be included in a separate document provided by the intermediary at point of sale.

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Thank you for considering these comments. The undersigned are the individuals primarily responsible for our organization's compliance with fund disclosure requirements and the oversight of the prospectus production process. Please feel free to contact any of us should you have any questions or wish to discuss our thoughts on the current proposal.

Sincerely,

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