

# Elections come and go. Results last a lifetime.

A review of  
U.S. presidential  
elections







“The only limit to our realization of tomorrow will be our doubts of today.”  
– Franklin D. Roosevelt

### Set your sights on the long term

Investor doubts may seem especially prevalent during presidential election years when campaigns spotlight the country’s challenges. Yet even with election year rhetoric amplifying the negative, it’s important to focus on your vision for the future.

Keep in mind the following:

- Successful long-term investors stay the course and rely on time rather than timing.
- Investment success has depended more on the strength and resilience of the American economy than on which candidate or party holds office.
- The experience and time-tested process of your investment manager can be an important contributor to your long-term investment success.



1936	1940	1944	1948	1952	1956	1960	1964	1968	1972
Franklin D. Roosevelt vs. Alf Landon	Franklin D. Roosevelt vs. Wendell Willkie	Franklin D. Roosevelt vs. Thomas Dewey	Harry Truman vs. Thomas Dewey	Dwight Eisenhower vs. Adlai Stevenson	Dwight Eisenhower vs. Adlai Stevenson	John F. Kennedy vs. Richard Nixon	Lyndon Johnson vs. Barry Goldwater	Richard Nixon vs. Hubert Humphrey	Richard Nixon vs. George McGovern
U.S. remains in grip of Depression Nazi rise troubles Europe	Isolationism vs. engagement hotly debated Germany menaces Europe; France falls	FDR's health in question Potential Post-War impact of New Deal debated	Civil rights tension boils over at convention Berlin blockade accelerates Cold War	U.S. detonates first hydrogen bomb Attempts at Korean War truce fail	Mideast trouble as Egypt seizes Suez Canal Soviets invade Hungary	Cuba nationalizes U.S. assets American U-2 spy plane shot down in Soviet airspace	Civil Rights Act passes after lengthy filibuster Gulf of Tonkin signals Vietnam involvement	Vietnam protests and civil rights issues roil conventions RFK and Martin Luther King Jr. assassinated	Watergate scandal surfaces Vietnam War drags on

1976	1980	1984	1988	1992	1996	2000	2004	2008	2012	2016
Jimmy Carter vs. Gerald Ford	Ronald Reagan vs. Jimmy Carter	Ronald Reagan vs. Walter Mondale	George H.W. Bush vs. Michael Dukakis	Bill Clinton vs. George H.W. Bush	Bill Clinton vs. Bob Dole	George W. Bush vs. Al Gore	George W. Bush vs. John Kerry	Barack Obama vs. John McCain	Barack Obama vs. Mitt Romney	Donald Trump vs. Hillary Clinton
New York City threatens bankruptcy Economy mired in recession	Iran hostage crisis drags on Olympic boycott underscores Cold War divide	Budget deficits rising rapidly Stock market slides over 30% in less than four months	Savings and loan crisis reaches apex Iran-Contra indictments	Los Angeles riots highlight racial tension Pending NAFTA ratification creates anxiety	19 American servicemen killed in Saudi Arabia bombing UN arms inspectors repeatedly thwarted in Iraq	Tech bubble bursts; stock markets plummet Attack on USS Cole heightens terrorism concerns	Oil prices soar Ongoing wars in Iraq and Afghanistan	Subprime mortgage crisis Lehman Brothers collapse; world markets fall	High-stakes negotiations lead to a deal to avert the "fiscal cliff" Superstorm Sandy kills 268 people and causes \$68 billion in damage	Rise of populism affects elections around the world The U.K. votes to leave the European Union

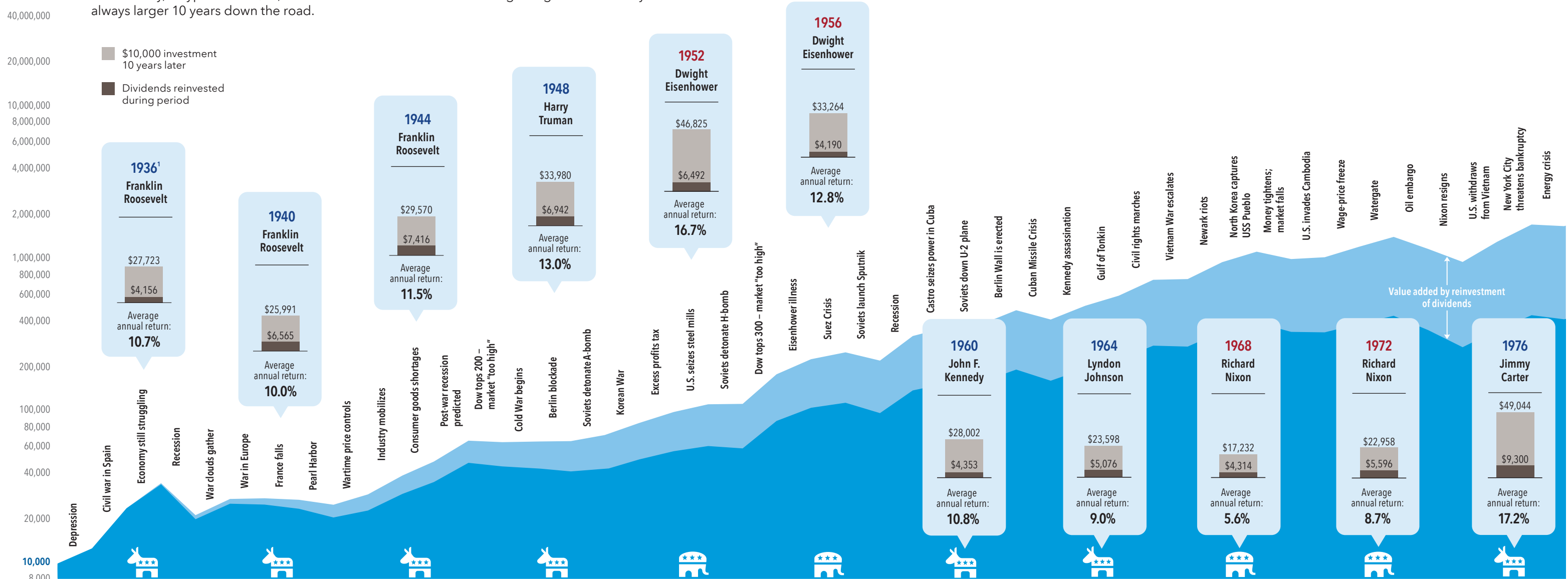
Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

# The Investment Company of America®

## 21 elections and counting

As you can see in the mountain chart below, a hypothetical \$10,000 investment in The Investment Company of America has grown steadily and significantly over the fund’s 85-year history.

Additionally, a hypothetical \$10,000 investment in ICA made at the beginning of an election year was always larger 10 years down the road.



Year ended Dec. 31	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
Capital value (\$ in 000)																																												
Dividends excluded:	–	–	\$0.5	1.1	0.2	0.6	0.9	1.2	1.1	1.0	1.1	1.0	1.4	1.8	2.0	1.9	2.1	2.2	2.2	2.3	2.4	2.9	3.1	3.3	3.4	3.6	4.0	4.1	4.3	4.5	4.9	5.4	6.7	7.8	9.4	10.2	10.5	10.8	11.0	11.8	17.4	15.8	14.3	14.8
Value at year-end:	\$12.6	23.0	33.0	19.5	24.7	24.3	22.8	20.0	22.2	28.6	34.2	45.7	43.3	41.9	40.2	42.0	48.1	54.5	58.9	56.9	86.1	105.1	113.4	97.0	136.6	152.4	155.4	187.2	158.2	189.8	216.0	268.6	264.9	333.8	380.9	330.8	328.5	373.7	421.8	339.8	262.5	339.6	425.6	400.2
Total value (\$ in 000)																																												
Dividends reinvested:	–	–	\$0.5	1.1	0.2	0.6	1.0	1.4	1.3	1.2	1.4	1.4	2.0	2.7	3.0	3.0	3.5	3.8	4.0	4.5	4.7	5.9	6.5	7.2	7.6	8.2	9.5	9.9	10.7	11.4	12.7	14.5	18.4	21.8	26.9	29.9	32.0	33.9	35.7	39.4	60.6	58.3	55.1	59.1
Value at year-end:	\$12.6	23.0	33.6	20.7	26.5	26.8	26.2	24.3	28.4	37.8	46.6	63.9	62.5	63.2	63.5	69.6	83.5	98.6	110.8	111.5	174.3	218.9	242.9	214.4	310.8	355.5	372.2	458.8	398.7	490.7	571.4	726.6	734.9	948.7	1,111.4	994.3	1,022.0	1,197.9	1,390.0	1,158.1	951.9	1,290.7	1,675.3	1,634.8
Total return	+25.6%	+83.4	+46.0	–38.3	+27.8	+1.0	–2.3	–7.2	+16.9	+33.0	+23.5	+37.0	–2.2	+1.1	+0.5	+9.6	+20.0	+18.0	+12.4	+0.6	+56.4	+25.6	+10.9	–11.7	+45.0	+14.4	+4.7	+23.3	–13.1	+23.1	+16.4	+27.1	+1.1	+29.1	+17.2	–10.5	+2.8	+17.2	+16.0	–16.7	–17.8	+35.6	+29.8	–2.4

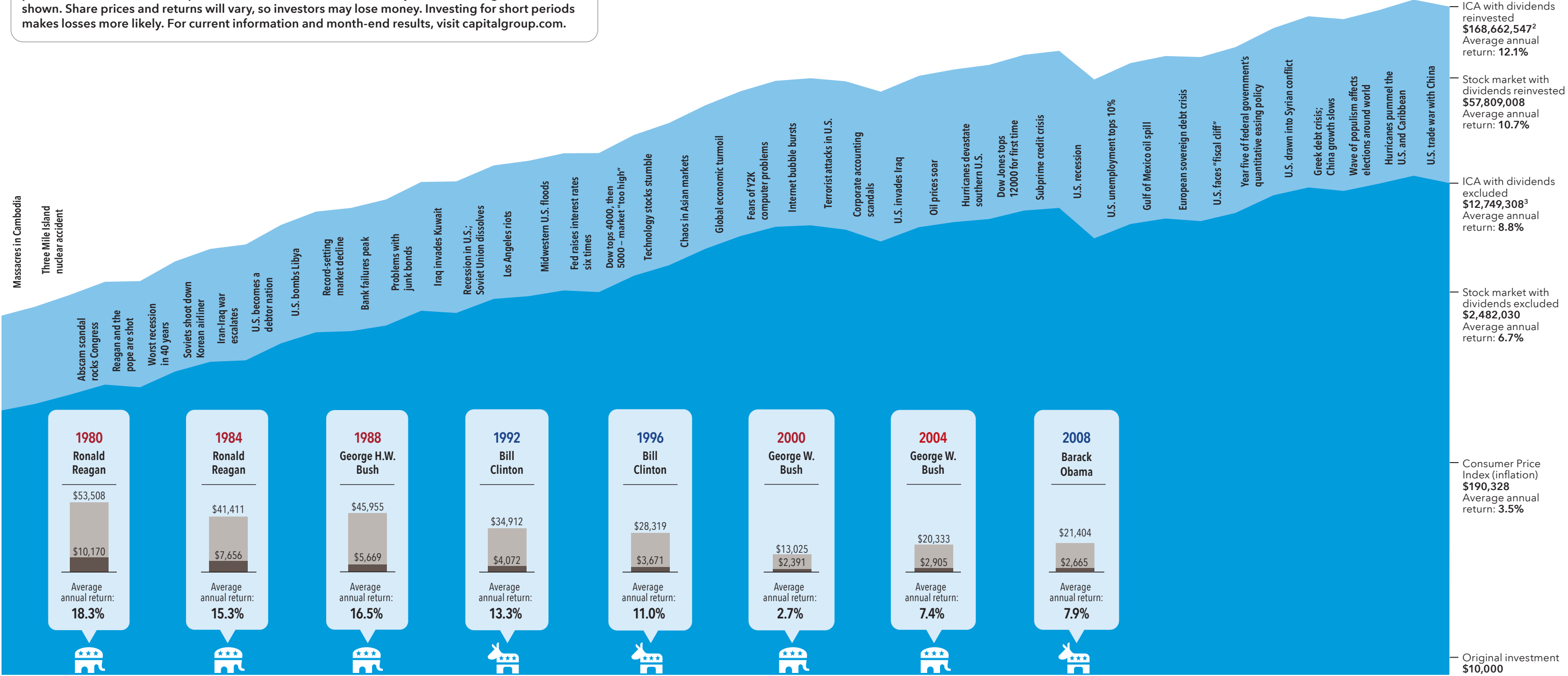
Sources: Capital Group, Standard & Poor's. Dividend calculations sourced from Refinitiv InvestmentView+.

Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for estimated annual expenses. The results shown are before taxes on fund distributions and sale of fund shares. Past results are not predictive of results in future periods. Results for other share classes may differ.

Here are ICA's average annual total returns on a \$1,000 investment with all distributions reinvested for periods ended September 30, 2019:

	1 year	5 years	10 years
Class F-2 shares	-0.32%	8.28%	11.31%

Figures shown are past results for Class F-2 shares with all distributions reinvested 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. For current information and month-end results, visit capitalgroup.com.



1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
16.0	19.3	24.1	29.1	34.7	33.6	35.1	36.9	41.8	52.9	60.3	67.6	71.2	55.2	60.0	61.4	65.0	70.3	74.0	78.0	88.1	97.4	109.3	115.2	116.1	118.0	120.0	156.6	174.5	166.9	179.3	154.7	153.1	158.2	194.7	175.4	215.2	201.3	236.8	243.5	280.9
443.2	508.7	590.7	567.9	717.5	828.8	847.5	1,089.4	1,285.1	1,307.2	1,421.2	1,769.8	1,712.2	2,109.7	2,198.0	2,393.1	2,335.9	2,977.9	3,479.7	4,438.7	5,366.7	6,160.7	6,297.2	5,903.3	4,949.0	6,124.9	6,607.4	6,911.7	7,841.4	8,151.6	5,186.6	6,421.4	6,965.8	6,701.0	7,564.5	9,842.9	10,833.0	10,494.9	11,797.3	13,889.7	12,749.3
66.4	82.8	107.9	136.7	171.9	175.1	190.9	209.5	245.9	321.9	382.2	446.6	489.4	394.2	440.8	463.4	503.8	559.8	604.2	651.1	748.4	842.1	961.6	1,032.1	1,060.8	1,102.9	1,144.7	1,524.8	1,739.1	1,700.6	1,867.6	1,660.7	1,687.2	1,784.4	2,249.5	2,076.7	2,597.8	2,478.7	2,973.7	3,119.8	3,667.5
1,878.0	2,241.5	2,721.8	2,750.1	3,684.7	4,434.7	4,738.0	6,330.1	7,718.5	8,151.2	9,253.0	11,993.0	12,094.2	15,328.8	16,426.2	18,363.8	18,421.7	24,102.1	28,812.0	37,459.6	46,125.3	53,847.6	56,003.0	53,519.3	45,847.5	58,000.6	63,776.6	68,266.4	79,273.9	84,120.2	55,010.2	70,138.5	77,900.8	76,697.0	88,863.1	117,918.7	132,438.8	130,768.7	150,098.6	180,027.6	168,662.5
+14.9	+19.4	+21.4	+1.0	+34.0	+20.4	+6.8	+33.6	+21.9	+5.6	+13.5	+29.6	+0.8	+26.7	+7.2	+11.8	+0.3	+30.8	+19.5	+30.0	+23.1	+16.7	+4.0	-4.4	-14.3	+26.5	+10.0	+7.0	+16.1	+6.1	-34.6	+27.5	+11.1	-1.5	+15.9	+32.7	+12.3	-1.3	+14.8	+19.9	-6.3

Average annual total return for 85 years: **+12.1%**

Expense ratio was **0.39%** as of the fund's prospectus available at the time of publication. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which results would be lower. Please see capitalgroup.com for more information.

The stock market is represented by Standard & Poor's 500 Composite Index, a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. The index is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

<sup>1</sup>Investment results shown are for 10-year periods beginning on January 1 of the year shown.  
<sup>2</sup>Includes dividends of \$45,282,202, and capital gain distributions of \$95,798,465, reinvested in the years 1936-2018.  
<sup>3</sup>Includes reinvested capital gains of \$9,258,017, but does not reflect income dividends of \$4,562,617 taken in cash.

# Red, blue and you

Beliefs about which political party is best for the markets might discourage you from investing. But as you can see from the chart, whether a Republican or a Democrat claims victory hasn't been a deciding factor in how a \$10,000 investment made at the beginning of an election year looked 10 years down the road.



ICA total ending value  
10 years after the start of  
a Democratic presidency

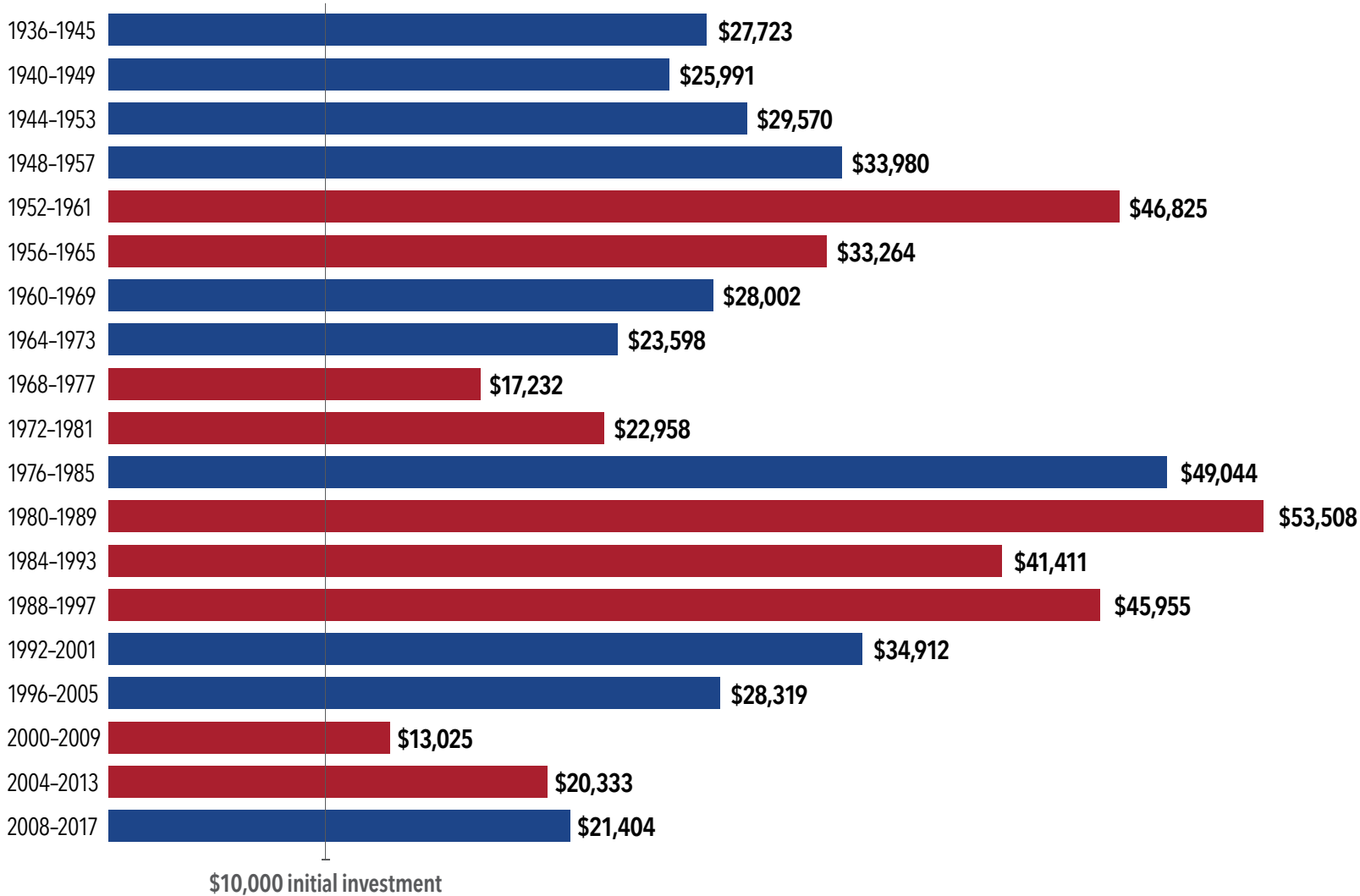


ICA total ending value  
10 years after the start of  
a Republican presidency

In 19 of the 19  
10-year periods  
you had a positive  
return.

In 17 of the 19  
10-year periods  
you doubled your  
investment.

## Growth of a hypothetical \$10,000 investment made at the beginning of an election year



Source: Capital Group.

Each 10-year period begins on January 1 of the first year shown and ends on December 31 of the final year shown. For example, the first period listed (1936-1945) covers 1/1/36 through 12/31/45. Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on Class A share results without a sales charge, adjusted for estimated annual expenses. The results shown are before taxes on fund distributions and sale of fund shares. Past results are not predictive of results in future periods. Results for other share classes may differ.

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectus and summary prospectus, which can be obtained from a financial professional and should be read carefully before investing.

If used after December 31, 2019, this brochure must be accompanied by a current American Funds quarterly statistical update.

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