



**CAPITAL  
GROUP®**

The Capital Group Companies, Inc.  
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[thecapitalgroup.com](http://thecapitalgroup.com)

September 29, 2015

Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

**Re: Investors' Exchange, LLC Exchange Application (File No: 10-222)**

Dear Mr. Fields:

The Capital Group Companies ("Capital Group") is one of the oldest and largest asset managers in the United States with over \$1.4 trillion in assets under management as of June 30, 2015. Through our investment management subsidiaries, we actively manage assets in the American Funds family of mutual funds, other collective investment vehicles and institutional client separate accounts.

We are pleased to submit this letter in support of the exchange application of Investors' Exchange, LLC ("IEX") with the Securities and Exchange Commission. Capital Group, through its subsidiary Capital Research and Management Company, was one of the original investors in IEX. Capital Group holds an investment in IEX because we believe in its management team, the technology IEX has developed and IEX's commitment to improving the investor experience and equity market structure. We believe that IEX is innovating to benefit the end investor, reducing structural inefficiencies in the market, and offering a more balanced and simple market design.

From our perspective, the U.S. equity market is one of the best functioning and most efficient markets in the world. We think the changes in structure and regulation over the past fifteen years have been a net positive. However, that does not mean that they cannot be improved. There are various aspects of the market structure that need to be addressed. We believe that IEX offers a market solution to many of these issues, including many of the issues related to predatory high frequency trading.

IEX allows all market participants to trade on its venue on equal terms; however, IEX has implemented certain technologies and practices to discourage predatory behavior. IEX eliminates maker-taker pricing by offering one uniform fee to both

sides of the trade. Eliminating rebates for liquidity disrupts high frequency trading models built around stepping in between trades to earn such fees and further aligns brokers' interests with the interests of their clients. IEX also utilizes a 350-microsecond buffer for any order action taken by a participant which is designed to level the information playing field and virtually eliminates the speed advantage that predatory high frequency traders enjoy in other markets. Lastly, IEX offers only a handful of simple order types to all market participants. IEX does not offer complex order types offered on other markets, many of which are seemingly designed to illicit information with no real intent to act.

As an investor in IEX, we have been an active supporter from its very beginning stages. We believe that IEX is a value add proposition for end investors, including the shareholders and clients for whom we manage money. We also believe that, as an exchange, IEX will add competition that will be beneficial to the promotion of a more fair and equitable market structure. As such, we fully support IEX's application to become a national securities exchange.

We truly appreciate the opportunity to comment on the exchange application. If you have any questions regarding our comments, please feel free to contact Matt Lyons at (213) 486-9376.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy D. Armour". The signature is fluid and cursive, with a large initial "T" and "A".

Timothy D. Armour  
Chairman

cc: Hon. Mary Jo White, Chair  
Hon. Luis A. Aguilar, Commissioner  
Hon. Daniel M. Gallagher, Commissioner  
Hon. Michael S. Piwowar, Commissioner  
Hon. Kara M. Stein, Commissioner  
Stephen I. Luparello, Director, Division of Trading and Markets  
Gary L. Goldsholle, Deputy Director, Division of Trading and Markets  
David S. Shillman, Associate Director, Division of Trading and Markets  
Richard R. Holly III, Assistant Director, Division of Trading and Markets