CAPITAL
GROUP®

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November 8, 2018

*VIA ELECTRONIC SUBMISSION*

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**Re: Processing Fees Charged by Intermediaries for Distributing Materials Other Than Proxy Materials to Fund Investors (File No. S7-13-18)**

Mr. Fields:

We are writing on behalf of The Capital Group Companies, one of the oldest asset managers in the United States. Through our investment management subsidiaries, we actively manage assets in various collective investment vehicles and institutional client separate accounts globally. The vast majority of these assets consist of the American Funds family of mutual funds, which are U.S. regulated investment companies distributed through financial intermediaries and held by individuals and institutions across different types of accounts.

We support efforts by the U.S. Securities and Exchange Commission to review the fees charged by intermediaries to distribute disclosure documents to mutual fund investors. Improvements in this area, particularly improvements made to address the electronic delivery of documents, could have a meaningful impact on the expenses paid by fund investors for these services. The letter submitted by the Investment Company Institute raises a number of important questions about the current structure that the Commission should consider.

SEC rules require funds to reimburse intermediaries for reasonable expenses incurred in forwarding fund materials to beneficial owners of shares. Today, mutual funds are charged for distributing proxies, shareholder reports and prospectuses using rates established by the NYSE that were originally intended to cover the distribution of operating company proxy materials and have been in place for many years. Fund investors would be better served by a structure that is specifically designed for mutual funds and their shareholders. Any new structure should more appropriately recognize the costs associated with fund mailings and provide funds with more flexibility to negotiate the price of mailing services, as fund families do in other contexts where they engage with a third-party provider. More specifically, the current fee schedule should be modernized to account for investors who have elected electronic delivery of documents. More and more, fund shareholders are electing to receive proxies, shareholder reports and prospectuses electronically or through notice and access. The current fee structure is not suited for this type of document delivery model.

We believe that intermediaries are entitled to reasonable compensation for providing fund materials to investors and the Commission should adopt a framework that treats all parties equitably. To assist in its evaluation of this issue, the Commission should engage an independent third party to review the current structure and fees. An objective assessment of the structure and fees associated with the distribution of fund materials will help the industry develop an improved framework that benefits fund investors. We would be happy to provide input into any such study and help to inform on shareholder impacts in an effort to get to the optimal outcome for all parties.

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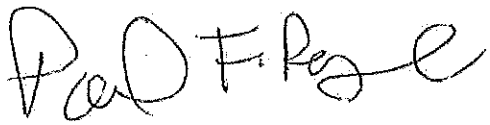
If you have any questions, please feel free to contact Paul F. Roye at [redacted] or Timothy W. McHale at [redacted].

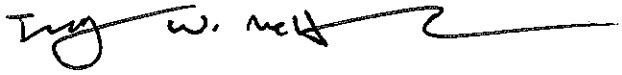
Sincerely,



Paul F. Roye

Senior Vice President

Capital Research and Management Company



Timothy W. McHale

Senior Counsel

Capital Research and Management Company

cc: The Hon. Jay Clayton

The Hon. Robert J. Jackson Jr.

The Hon. Hester M. Peirce

The Hon. Elad L. Roisman

The Hon. Kara M. Stein

Dalia Blass, Director, Division of Investment Management

Brett Redfearn, Director, Division of Trading & Markets