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 6  
 7 **UNITED STATES DISTRICT COURT**  
 8 **CENTRAL DISTRICT OF CALIFORNIA**

9  
 10 CATHY POVER, on behalf of herself  
 and all others similarly situated,

11 Plaintiff,

12 v.

13 THE CAPITAL GROUP COMPANIES,  
 INC.; THE BOARD OF DIRECTORS  
 14 OF THE CAPITAL GROUP  
 COMPANIES, INC., and its members;  
 15 and THE U.S. RETIREMENT  
 BENEFITS COMMITTEE OF THE  
 16 CAPITAL GROUP COMPANIES, INC.,  
 and its members, Does 1–30,

17 Defendants.

Case No.: 2:23-cv-9657 GW (PVCx)

**FIRST AMENDED COMPLAINT  
 FOR:**

1. Breach of Duty of Prudence,  
 Violation of ERISA, 29 U.S.C.  
 § 1104
2. Breach of Duty of Loyalty,  
 Violation of ERISA, 29 U.S.C.  
 § 1104
3. Failure to Monitor

District Judge: George H. Wu  
 Magistrate Judge: Pedro V. Casillo  
 Courtroom: 9D  
 Filed: 11/14/2023

**I. INTRODUCTION**

1  
2 1. Plaintiff Cathy Pover brings this action under 29 U.S.C. § 1132(a)(2)  
3 and (3), individually and on behalf of The Capital Group Companies, Inc.  
4 Retirement Savings Plan (the “Plan”) as a whole and/or a class of participants and  
5 beneficiaries of the Plan affected by the challenged conduct of the Capital Group  
6 Defendants (as defined below). Plaintiff brings this action for breach of fiduciary  
7 duty under the Employee Retirement Income Security Act, 29 U.S.C. §§ 1001-1461  
8 (“ERISA”), against the Defendants The Capital Group Companies, Inc., the Board  
9 of Directors of The Capital Group Companies, Inc. and its members, and the U.S.  
10 Retirement Benefits Committee of The Capital Group Companies, Inc. (the  
11 “Retirement Committee”) and its members (collectively, “Capital Group  
12 Defendants” or “Capital Group”). Because this is an action under 29 U.S.C.  
13 § 1132(a)(2) and (3), this Court has the subject matter jurisdiction of this matter  
14 under 29 U.S.C. § 1132(e)(1) and 28 U.S.C. § 1331.

15 2. The Capital Group Defendants are fiduciaries of the Plan. Accordingly,  
16 when constructing an investment line-up for the Plan, Capital Group must  
17 independently investigate and regularly monitor each of the Plan’s investment  
18 options with an “eye single” to the interests of the Plan and its participants and with  
19 the care and skill of a prudent investor. The Capital Group Defendants breached their  
20

1 fiduciary duty by failing to prudently monitor and failing to remove five of the Plan’s  
2 proprietary investment options that suffer long-term underperformance.

3 3. The Retirement Committee is one of the Plan’s fiduciaries that  
4 designates the investment options available under the Plan. The Retirement  
5 Committee selected five mutual funds for inclusion in the Plan: the American Funds  
6 AMCAP Fund (the “AMCAP Fund”), the American Funds Fundamental Investors  
7 Fund (the “Fundamental Investors Fund”), the Investment Company of America  
8 Fund (the “Investment Company of America Fund”), the American Funds  
9 Washington Mutual Fund (the “Washington Mutual Fund”), and the American Funds  
10 Capital World Growth and Income Fund (the “World Growth and Income Fund”)  
11 (collectively, the “American Funds”).

12 4. The American Funds are what are known as large-cap funds. As  
13 explained more fully in Section VI, large-cap funds invest primarily in stocks in the  
14 top 70% of the capitalization of the equity markets. Depending on the strategy, these  
15 markets can include both U.S. and global markets. The principal aim of large-cap  
16 funds is to provide investors with long-term growth of capital, either through capital  
17 appreciation or a combination of capital appreciation and dividends. Stock market  
18 risk and issuer risk are the two primary risks for large-cap funds.

19 5. The American Funds are managed by Capital Research and  
20 Management Company (“Capital Research and Management”), a subsidiary of

1 Capital Group Companies, Inc. Capital Research and Management is one of the  
2 oldest investment advisers in America. It manages trillions of dollars in assets and  
3 operates on a global scale. Its flagship fund, the Investment Company of America  
4 Fund, has been in continuous operation since 1937. However, success can be fleeting  
5 in the investment management business. With the passage of time, even the most  
6 talented investment adviser can lose their touch for certain investment products,  
7 causing their investment performance to fade and ultimately fall on hard times. What  
8 remains are past glories. Such is the case with the American Funds listed in this  
9 Complaint.

10 6. As explained more fully in Section VIII, for nearly a decade, the  
11 American Funds have underperformed their designated benchmarks by substantial  
12 margins. For example, from January 1, 2014, through March 31, 2024, the  
13 performance of the AMCAP Fund was especially bad, as the fund underperformed  
14 its benchmark, the S&P 500 Index, by more than 45 percentage points (per  
15 cumulative return statistics generated by Morningstar, Inc. (“Morningstar”)<sup>1</sup>).

16 7. ERISA requires the Capital Group Defendants to monitor these  
17 investments prudently and impartially, with an “eye single” to the interests of the  
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19 <sup>1</sup> Morningstar is the leading provider of independent investment research products  
20 (e.g., data and research insights on managed investment products, publicly listed  
companies, and private capital markets) for individual investors, financial advisors,  
asset managers, retirement plan providers and sponsors, and institutional investors  
in the private capital markets in North America, Europe, Australia, and Asia.

1 Plan and its participants. Yet, despite a market brimming with better-performing  
2 large-cap alternatives, Capital Group retained its own American Funds as Plan  
3 investment options. To date, these American Funds have taken in nearly a billion  
4 dollars in retirement investments from Plan participants. The Capital Group  
5 Defendants' ongoing loyalty to its American Funds generates millions of dollars a  
6 year in fee income for Capital Group, but it is injurious to the Plan and its  
7 participants. The Capital Group Defendants' decision to retain the American Funds  
8 has cost participants millions of dollars in retirement savings.

9 8. To remedy the Capital Group Defendants' breach of fiduciary duty,  
10 Plaintiff brings this action under 29 U.S.C. § 1132(a)(2) and (3), individually, on  
11 behalf of the Plan, and as a representative on behalf of a class of participants and  
12 beneficiaries of the Plan to enforce the Capital Group Defendants' personal liability  
13 under 29 U.S.C. § 1109(a). Plaintiff seeks to make good to the Plan as a whole all  
14 losses resulting from each breach of fiduciary duty occurring during the time period  
15 from July 1, 2019, to the date of judgment (the "Class Period"). In addition, Plaintiff  
16 seeks such other plan-wide relief for the Plan as the Court may deem appropriate.

17 9. Plaintiff did not have knowledge of all material facts necessary to  
18 understand that the Capital Group Defendants breached their fiduciary duties until  
19 shortly before filing the Complaint. Further, Plaintiff does not have actual  
20 knowledge of the specifics of the Defendants' decision-making processes with

1 respect to the Plan, including the processes for selecting, monitoring, and removing  
2 Plan investments, because this information is solely within the possession of the  
3 Defendants at present. For purposes of this Complaint, Plaintiff has drawn  
4 reasonable and plausible inferences regarding these processes based upon the facts  
5 alleged in this Complaint.

## 6 **II. PARTIES**

### 7 **A. Plaintiff**

8 10. Cathy Pover brings this suit in a representative capacity on behalf of  
9 the Plan pursuant to 29 U.S.C. § 1132(a), seeking appropriate relief under 29 U.S.C.  
10 § 1109 to protect the interests of the entire Plan. Plaintiff Pover was a participant in  
11 the Plan, as defined in 29 U.S.C. § 1002(7), during the Class Period. Plaintiff Pover  
12 suffered individual injury by investing in the Plan's Washington Mutual Fund,  
13 Fundamental Investors Fund, and World Growth and Income Fund.

### 14 **B. Defendants**

15 11. Capital Group Companies, Inc. is headquartered in Los Angeles,  
16 California, and is one of the world's largest investment management organizations  
17 with offices in major cities around the globe. Capital Group is the Plan's sponsor.  
18 Capital Group acts through a Board of Directors. Capital Group either exercises  
19 discretionary authority and/or discretionary control respecting management of the  
20 Plan or has delegated the duty to a group or committee of persons.

1           12. The Retirement Committee administers the Plan. Members of the  
2 Retirement Committee are appointed by the Board of Directors of Capital Group.  
3 Current and former members of the Retirement Committee are fiduciaries of the Plan  
4 under 29 U.S.C. § 1002(21)(A) because they exercised discretionary authority  
5 and/or discretionary control respecting management of the Plan.

6           13. Because Plaintiff is currently unaware of the identities of the individual  
7 members of the Board of Directors and the Retirement Committee, those individuals  
8 are collectively named as Defendants Does 1-30. Plaintiff will substitute the real  
9 names of the Does when they become known to Plaintiff. To the extent the Capital  
10 Group Defendants delegated any of their fiduciary functions to another person or  
11 entity, the nature and extent of which has not been disclosed to Plaintiff, the person  
12 or entity to which the function was delegated is also a fiduciary under 29 U.S.C.  
13 § 1002(21)(A) and thus alleged to be a Doe Defendant.

### 14                           **III. JURISDICTION, VENUE, AND STANDING**

15           14. This Court has exclusive jurisdiction over the subject matter of this  
16 action under 29 U.S.C. § 1132(e)(1) and 28 U.S.C. § 1331 because it is an action  
17 under 29 U.S.C. § 1132(a)(2) and (3).

18           15. This District is the proper venue for this action under 29 U.S.C.  
19 § 1132(e)(2) and 28 U.S.C. § 1391(b) because it is the District in which the subject  
20

1 Plan is administered and where at least one of the alleged breaches took place. It is  
2 also the District in which Capital Group Defendants reside.

3 16. As a Plan participant and holder of the Washington Mutual Fund,  
4 Fundamental Investors Fund, and World Growth and Income Fund, Plaintiff has  
5 standing to bring claims on behalf of the Plan as a whole pursuant to 29 U.S.C.  
6 § 1132(a)(2), as she is a participant seeking appropriate plan-wide relief under 29  
7 U.S.C. § 1109. Thus, Plaintiff brings this suit under § 1132(a)(2) in a representative  
8 capacity on behalf of the Plan as a whole and seeks remedies under § 1109 to protect  
9 the entire Plan.

10 17. Plaintiff has standing to bring claims on behalf of all holders of the  
11 American Funds because the alleged harms to holders of the American Funds can be  
12 traced to the same Capital Group conduct: the imprudent and disloyal process  
13 violative of ERISA that the Defendants used to select, monitor, and retain each and  
14 every one of the American Funds. This singular conduct with respect to the American  
15 Funds as a whole harmed each of the holders of the specific American Funds, as  
16 discussed in this Complaint.

#### 17 **IV. ERISA'S FIDUCIARY STANDARDS**

##### 18 **A. Overview of ERISA's Fiduciary Duties**

19 18. ERISA's fiduciary duties are "the highest known to the law." *Tibble v.*  
20 *Edison Int'l*, 843 F.3d 1187, 1197 (9th Cir. 2016) (en banc) (internal quotation marks

1 omitted). ERISA imposes strict fiduciary duties upon the Capital Group Defendants  
2 as fiduciaries of the Plan, including the duty of prudence, the duty to adhere to  
3 governing Plan documents, the duty of loyalty, and the requirement to refrain from  
4 prohibited transactions. These duties apply to all fiduciary acts, including Capital  
5 Group’s monitoring and retention of investment options for the Plan.

6 19. ERISA’s duty of prudence requires fiduciaries to discharge their  
7 responsibilities “with the care, skill, prudence, and diligence” that a prudent person  
8 “acting in a like capacity and familiar with such matters would use.” 29 U.S.C.  
9 § 1104(a)(1)(B). Accordingly, fiduciaries must vigorously and independently  
10 investigate each of the Plan’s investment options with the skill of a prudent investor.

11 20. As part of its fiduciary duty, Capital Group “has a continuing duty to  
12 monitor [Plan] investments and remove imprudent ones” that exists “separate and  
13 apart from the [fiduciary’s] duty to exercise prudence in selecting investments.”  
14 *Tibble v. Edison Int’l*, 575 U.S. 523, 529 (2015). “A plaintiff may allege that a  
15 fiduciary breached the duty of prudence by failing to properly monitor investments  
16 and remove imprudent ones.” *Id.* at 530. If an investment is imprudent, Capital  
17 Group “must dispose of it within a reasonable time.” *Id.* (citation omitted).

18 21. In addition, ERISA requires each fiduciary to act “in accordance with  
19 the documents and instruments governing the plan,” except when those documents  
20 themselves violate ERISA. 29 U.S.C. § 1104(a)(1)(D). One such governing

1 document that fiduciaries are required to adhere to is the Plan’s Investment Policy  
2 Statement.

3 22. Under ERISA’s duty of loyalty, Plan fiduciaries must exercise their  
4 discretion “solely in the interest of the participants and beneficiaries” and “for the  
5 exclusive purpose” of “providing benefits to participants and their beneficiaries.” 29  
6 U.S.C. § 1104(a)(1). This requires Plan fiduciaries to act “with an eye single to the  
7 interests of the participants and [beneficiaries].” *Draney v. Westco Chemicals, Inc.*,  
8 No. 219CV01405ODWAGRX, 2023 WL 2186422, at \*9 (C.D. Cal. Feb. 23, 2023),  
9 appeal dismissed, No. 23-55226, 2023 WL 5829905 (9th Cir. July 7, 2023) (quoting  
10 *Donovan v. Bierwirth*, 680 F.2d 263, 271 (2d Cir. 1982)). “A decision to make an  
11 investment may not be influenced by non-economic factors unless the investment,  
12 when judged solely on the basis of its economic value to the plan, would be equal or  
13 superior to alternative investments available to the plan.” Dep’t of Labor Op. Ltr.  
14 88-16A (Dec. 19, 1988).

15 **B. Fiduciary Liability Under ERISA**

16 23. Under 29 U.S.C. § 1109, fiduciaries to the Plan are personally liable to  
17 make good to the Plan any harm caused by their breaches of fiduciary duty. Section  
18 1109(a) provides in relevant part:

19 Any person who is a fiduciary with respect to a plan who  
20 breaches any of the responsibilities, obligations, or duties  
imposed upon fiduciaries by this subchapter shall be personally  
liable to make good to *such plan* any losses to the plan resulting

1 from each such breach, and to restore to *such plan* any profits of  
2 such fiduciary which have been made through use of assets of  
3 the plan by the fiduciary, and shall be subject to such other  
equitable or remedial relief as the court may deem appropriate,  
including removal of such fiduciary.

4 24. 29 U.S.C. § 1132(a)(2) is the enforcement mechanism of 29 U.S.C.  
5 § 1109. It enables participants and beneficiaries to bring civil actions to seek  
6 appropriate relief under 29 U.S.C. § 1109.

7 **C. Co-Fiduciary Liability**

8 25. ERISA provides for co-fiduciary liability where a fiduciary knowingly  
9 participates in, or knowingly fails to cure, a breach by another fiduciary. Specifically,  
10 under 29 U.S.C. § 1105(a), a fiduciary shall be liable for a breach of fiduciary duty  
11 by a co-fiduciary if:

- 12 i. he participates knowingly in, or knowingly undertakes to conceal, an  
13 act or omission of such other fiduciary, knowing such act or omission  
14 is a breach; [or] by his failure to comply with [29 U.S.C. § 1104(a)(1)]  
15 in the administration of his specific responsibilities which give rise to  
16 his status as a fiduciary, he has enabled such other fiduciary to commit  
a breach;
- 17 ii. by his failure to comply with [29 U.S.C. § 1104(a)(1)] in the  
18 administration of his specific responsibilities which give rise to his  
19 status as a fiduciary, he has enabled such other fiduciary to commit a  
20 breach; or



<u>Plan Option</u>	<u>Value</u>
AMCAP Fund	\$205.1 million
Fundamental Investors Fund	\$208.6 million
Investment Company of America Fund	\$155.7 million
Washington Mutual Fund	\$199.0 million
World Growth and Income Fund	\$177.7 million

## VI. OVERVIEW OF LARGE-CAP STOCK FUNDS

### A. Investment Aims

29. The American Funds are considered large-cap stock funds. The stocks of the biggest companies typically dominate these funds. The distinguishing feature of the World Growth and Income Fund relative to the other four funds is that it has considerably more exposure to non-U.S. companies.

30. The principal aim of large-cap funds is to provide investors with long-term growth of capital, either through capital appreciation or a combination of capital appreciation and dividends. Generally, U.S. large-cap funds invest primarily in stocks in the top 70% of the capitalization of the U.S. equity market. Global large-cap funds invest primarily in a variety of big companies whose stocks are in the top 70% of each economically integrated market where they invest, including the United States.

1 **B. How Large-Cap Funds Achieve Their Aims**

2 **i. Large-Cap Funds Have Distinct Investment Styles**

3 31. U.S. and global large-cap funds are recognized by style. Typically,  
4 large-cap funds will pursue either a growth style, a value style, or a blend style.

5 32. Large-cap funds with a growth style invest in stocks of big companies  
6 that are projected to grow faster than other large-cap stocks. Growth is defined based  
7 on fast growth (high growth rates for earnings, sales, book value, and cash flow) and  
8 high valuations (high price ratios and low dividend yields). Morningstar and Capital  
9 Group refer to the AMCAP Fund as a large-cap growth fund.

10 33. Large-cap funds with a value style invest primarily in big companies  
11 that are less expensive or growing more slowly than other large-cap stocks. Value is  
12 defined based on low valuations (low price ratios and high dividend yields) and slow  
13 growth (low growth rates for earnings, sales, book value, and cash flow). None of  
14 the American Funds employ a value style.

15 34. Large-cap funds with a blend style contain a balanced mixture of both  
16 growth and value styles. These funds are fairly representative of the overall U.S.  
17 stock market in size, growth rates, and price, and they tend to invest across the  
18 spectrum of U.S. industries. Owing to their broad exposure, the portfolios' returns  
19 are often similar to those of the S&P 500 Index. Morningstar and Capital Group refer  
20

1 to the Fundamental Investors Fund, the Investment Company of America Fund, and  
2 the Washington Mutual Fund as large-cap blend funds.

3 35. Global large-cap blend funds are similar to the funds described above,  
4 except they allocate their assets among several developed markets, including Japan,  
5 Britain, France, Germany, and the United States. Neither growth nor value  
6 characteristics predominate. Morningstar and Capital Group refer to the World  
7 Growth and Income Fund as a global large-cap blend fund.

8 **ii. Active vs. Passive Management**

9 36. Regardless of style, the American Funds are actively managed funds;  
10 that is, the funds rely on the professional judgment of its investment adviser to make  
11 decisions about the fund's portfolio investments. The investment adviser decides  
12 which industries they wish to allocate assets to, and what stocks to buy and sell and  
13 when. The fund pays the investment adviser a fee for these services. To justify their  
14 fees, the investment adviser's primary focus is to outperform the fund's benchmark.

15 37. Investment research and analysis typically drive investment decisions  
16 of actively managed funds. Factors that an investment adviser may consider include,  
17 but are not limited to, market trends, a company's financials, perceived risk of  
18 investing in the company, industry and sector outlook, and the underlying stock's  
19 performances in various market conditions. Based on their respective professional  
20 judgment, one investment adviser may like consumer cyclical stocks while another

1 may like healthcare stocks, while a third may like stocks whose issuers focus on  
2 environmental, social, and governance (ESG) issues.

3 38. Without distinctions between portfolio holdings, all large-cap stock  
4 funds would own identical investment portfolios and have nearly identical  
5 investment performance. Active management offers investors the opportunity to  
6 earn superior returns relative to the fund's benchmarks through the astute selection  
7 of investments. Astute selection typically drives superior relative investment  
8 performance over time and distinguishes the better performing funds from the  
9 underperforming ones. Bad asset allocation and poor investment selection generally  
10 drive long-term underperformance.

### 11 **C. Actively Managed Large-Cap Funds Share Similar Risks**

12 39. The principal categories of risks for actively managed U.S. large-cap  
13 equity funds include market risk, issuer risk, risk of investing in growth-oriented  
14 stocks, risk of investing in income-oriented stocks, and active management risk.  
15 Global large-cap equity funds have the added risks associated with investing in non-  
16 U.S. markets.

17 40. Market risk is the chance that stock prices overall will decline. Stock  
18 markets tend to move in cycles, with periods of rising prices and periods of falling  
19 prices, so each fund is subject to the risk that the market as a whole will fall.  
20

1           41. Issuer risk is the chance that prices of, and the income generated by,  
2 individual securities of companies held by the fund (e.g., Disney) may decline in  
3 response to various factors directly related to the issuers of such securities, including  
4 reduced demand for an issuer's goods or services, poor management performance,  
5 major litigation, investigations or other controversies related to the issuer.

6           42. Investing in stocks with specific characteristics comes with its own  
7 unique risks. For example, investing in growth-oriented stocks may involve larger  
8 price swings and greater potential for loss than other types of investments. Investing  
9 in income-oriented stocks that pay dividends also has risks. The value of the fund's  
10 income-oriented stocks may decline due to a reduction or an elimination of dividend  
11 payments.

12           43. Investing outside the U.S. exposes a fund to the risk that the non-U.S.  
13 stocks will lose value because of adverse political, social, economic, or market  
14 developments in the countries or regions in which the issuers operate or generate  
15 revenue. These stocks may also lose value due to changes in foreign currency  
16 exchange rates against the U.S. dollar and/or currencies of other countries. Securities  
17 markets in certain countries may be more volatile and/or less liquid than those in the  
18 United States. The risks of investing outside the United States may be heightened in  
19 connection with investments in emerging markets (e.g., Russia, China).

20

1           44. Active management risk is the risk that the methods and analyses,  
2 including models, tools and data, employed by the investment adviser may be flawed  
3 or incorrect and may not achieve the fund's aim. This could cause the fund to lose  
4 value or its investment results to lag relevant benchmarks.

5 **D. Fiduciaries Select Benchmarks to Evaluate Achievement of Potential**  
6 **Rewards**

7           45. For an actively managed investment fund, the potential reward is that  
8 the fund will deliver positive investment returns that exceed those of its benchmark  
9 index. In evaluating the performance of a large-cap stock fund, fiduciaries of 401(k)  
10 plans and investment advisers of large-cap funds select benchmarks that they believe  
11 have comparable similar aims, risks, and potential rewards as those of the fund.

12           46. One such index is the S&P 500 Index. The S&P 500 Index is  
13 independently maintained by the American credit rating agency S&P Global Ratings  
14 and is comprised of 500 of the top companies in the leading industries of the U.S.  
15 economy. S&P Global Ratings designs its S&P 500 Index to serve as an appropriate  
16 benchmark for large-cap stock portfolios. It is widely published and highly regarded  
17 as the best single gauge of large-cap U.S. stocks.

18           47. A similar index to the S&P 500 Index is the Russell 1000 Growth Index.  
19 The Russell 1000 Growth Index is independently maintained by FTSE Russell, a  
20 wholly owned subsidiary of the London Stock Exchange Group. FTSE Russell is a  
leading global provider of benchmarking, analytics and data solutions for investors

1 with over 30 years in the business. The Russell 1000 Growth Index measures the  
2 performance of the large-cap growth segment of the U.S. stock market. It includes  
3 those Russell 1000 companies with relatively higher price-to-book ratios, higher  
4 forecast medium term growth and higher sales per share historical growth (i.e.,  
5 growth companies).

6 48. For global large-cap stock funds, there is the Morgan Stanley Capital  
7 International All Country World Index (MSCI ACWI). The MSCI ACWI is Morgan  
8 Stanley's flagship global equity index. It captures large- and mid-cap representation  
9 across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With  
10 2,888 constituents, the index covers approximately 85% of the global investable  
11 equity opportunity set.

12 49. ERISA requires fiduciaries of a defined contribution plan to disclose to  
13 each participant "the name and returns of an appropriate broad-based securities  
14 market index over the 1-, 5-, and 10-calendar year periods" as a benchmark for each  
15 designated investment option. 29 C.F.R. § 2550.404a-5(d)(1)(iii) (emphasis added).  
16 A defined-contribution plan must provide information that is "complete and  
17 accurate." 29 C.F.R. § 2550.404a-5(b)(1).

1           **VII. THE AMERICAN FUNDS AND THEIR BENCHMARKS**

2           **A. AMCAP Fund**

3           50. The AMCAP Fund’s aim is to provide investors with long-term growth  
4 of capital.

5           51. The AMCAP Fund pursues its objective by actively investing primarily  
6 in common stocks of large U.S. companies that have solid long-term growth records  
7 and the potential for good future growth. The AMCAP Fund also invests in common  
8 stocks and other securities of issuers domiciled outside the United States to a limited  
9 extent.

10          52. Capital Research and Management and Morningstar refer to the  
11 AMCAP Fund as a large-cap growth fund. Currently, approximately 70% of the  
12 AMCAP Fund’s assets are invested in large-cap stocks. Approximately 85% of  
13 AMCAP Fund’s assets are invested in U.S. stocks and less than 10% are invested in  
14 non-U.S. stocks. The remainder is invested in cash and cash equivalents.

15          53. The AMCAP Fund’s potential rewards are that it will generate  
16 investment returns that outperform its benchmark index. The AMCAP Fund’s  
17 principal risks are related to (1) market risk, (2) issuer risk, and (3) investing in  
18 growth-oriented stocks, and, to a lesser degree, risks related to international stocks.  
19 Also, the AMCAP Fund, as an actively managed fund, is exposed to active  
20 management risk.

1           **i.           Comparator 1: American Century Growth Fund**

2           54.    The American Century Growth Fund has similar aims, risks, and  
3 potential rewards to those of the AMCAP Fund.

4           55.    Like the AMCAP Fund, the American Century Growth Fund seeks  
5 long-term capital growth by actively investing in the common stocks of larger-sized  
6 U.S. growth companies. Although the Fund invests primarily in U.S. securities, the  
7 Fund may invest in non-U.S. stocks to a limited extent.

8           56.    Morningstar identifies the American Century Growth Fund as a large-  
9 cap growth fund. Approximately 90% of its portfolio is invested in large-cap stocks.  
10 Approximately 92% of the American Century Growth Fund's assets are invested in  
11 U.S. stocks and less than 10% are invested in non-U.S. stocks. The remainder is  
12 invested in cash and cash equivalents.

13           57.    The American Century Growth Fund's potential rewards are that the  
14 Fund will generate positive investment returns that outperform its benchmark index.  
15 The American Century Growth Fund's principal risks are related to (1) market risk,  
16 (2) issuer risk, and (3) investing in growth-oriented stocks, and to a lesser degree,  
17 risks related to international stocks. Also, the American Century Growth Fund, as  
18 an actively managed fund, is exposed to active management risk.

19           58.    Given the similarities in their investment strategies and the types of  
20 stocks the two funds own, the aims, risks, and potential rewards of the American

1 Century Growth Fund are similar to those of the AMCAP Fund. This makes the  
2 American Century Growth Fund a meaningful comparator.

3 **ii. Comparator 2: Delaware Ivy Large Cap Growth Fund**

4 59. The Delaware Ivy Growth Fund has similar aims, risks, and potential  
5 rewards to those of the AMCAP Fund. Macquarie Group Limited (“Macquarie”) is  
6 the investment adviser of the Delaware Ivy Growth Fund.

7 60. The Delaware Ivy Growth Fund seeks long-term capital growth by  
8 actively investing in the common stocks of larger-sized U.S. growth companies.  
9 Although the Delaware Ivy Growth Fund invests primarily in U.S. securities, the  
10 Fund may invest in non-U.S. stocks to a limited extent.

11 61. Morningstar and Macquarie identify the Delaware Ivy Growth Fund as  
12 a large-cap growth fund. Approximately 79% of the Delaware Ivy Growth Fund’s  
13 portfolio is invested in large-cap stocks. Approximately 96% of the Delaware Ivy  
14 Growth Fund’s assets are invested in U.S. stocks and less than 10% are invested in  
15 non-U.S. stocks. The remainder is invested in cash and cash equivalents.

16 62. The Delaware Ivy Growth Fund’s potential rewards are that the Fund  
17 will generate positive investment returns that outperform its benchmark index. The  
18 Delaware Ivy Growth Fund’s principal risks are related to (1) market risk, (2) issuer  
19 risk, and (3) investing in growth-oriented stocks, and, to a lesser degree, risks related  
20

1 to international stocks. Also, the Delaware Ivy Growth Fund, as an actively managed  
2 fund, is exposed to active management risk.

3 63. Given the similarities in their investment strategies and the types of  
4 stocks the two funds own, the aims, risks, and potential rewards of the Delaware Ivy  
5 Growth Fund are similar to those of the AMCAP Fund. This makes the Delaware  
6 Ivy Growth Fund a meaningful comparator.

7 **iii. Comparator 3: MFS Massachusetts Investors Growth Stock Fund**

8 64. The MFS Massachusetts Investors Growth Stock Fund has similar  
9 aims, risks, and potential rewards to those of the AMCAP Fund.

10 65. The MFS Massachusetts Investors Growth Stock Fund seeks capital  
11 appreciation by investing primarily in large-cap common stocks. The Fund focuses  
12 on investing in the stocks of companies it believes to have above average earnings  
13 growth potential compared to other companies (growth companies).

14 66. Morningstar and MFS identify the MFS Massachusetts Investors  
15 Growth Stock Fund as a large-cap growth fund. Approximately 78% is invested in  
16 large-cap stocks. Approximately 94% of the MFS Massachusetts Investors Growth  
17 Stock Fund's assets are invested in U.S. stocks and less than 10% are invested in  
18 non-U.S. stocks. The remainder is invested in cash and cash equivalents.

19 67. MFS Massachusetts Investors Growth Stock Fund's potential rewards  
20 are that the Fund will generate positive investment returns that outperform its

1 benchmark index. The MFS Massachusetts Investors Growth Stock Fund’s principal  
2 risks were related to (1) market risk, (2) issuer risk, and (3) investing in growth-  
3 oriented stocks, and, to a lesser degree, risks related to international stocks. Also, the  
4 MFS Massachusetts Investors Growth Stock Fund, as an actively managed fund, is  
5 exposed to active management risk.

6 68. Given the similarities in the two funds’ investment strategies and the  
7 types of stocks the two funds own, the aims, risks, and potential rewards of the MFS  
8 Massachusetts Investors Growth Stock Fund are similar to those of the AMCAP  
9 Fund. This makes the MFS Massachusetts Investors Growth Stock Fund a  
10 meaningful comparator.

11 **iv. Comparator 4: S&P 500 Index**

12 69. In their Participant Fee Disclosure Notice, Defendants disclose to the  
13 Plan participants that the AMCAP Fund is benchmarked to the S&P 500 Index.<sup>2</sup> In  
14 its Registration Statement filed with the U.S. Securities and Exchange Commission  
15 on Form N-1A, the Fund also discloses it is benchmarked to the S&P 500 Index.

16 70. By disclosing the S&P 500 Index to Plan participants, and to public  
17 investors at large, as the appropriate benchmark for the AMCAP Fund, the

18 \_\_\_\_\_  
19 <sup>2</sup> Under U.S. Department of Labor regulations, Defendants must provide Plan  
20 participants with performance benchmarks that are “appropriate broad-based  
securities market index[es].” *See* 29 C.F.R. § 2550.404a-5(d)(1)(iii). Further, any  
benchmark information that Defendants provide to Plan participants must not be  
“inaccurate or misleading.” 29 C.F.R. § 2550.404a-5(d)(2)(ii).

1 Defendants necessarily conclude that the S&P 500 Index is, in fact, representative  
2 of the investment option and thus shared similar aims, risks, and rewards.  
3 Defendants cannot claim the S&P 500 Index is not a meaningful benchmark for the  
4 AMCAP Fund.

5 71. By virtue of the similarities in their respective market capitalizations,  
6 the S&P 500 Index and the AMCAP Fund share similar aims, rewards, and levels of  
7 risk, including market risk and issuer risk. This makes the S&P 500 Index a  
8 meaningful benchmark for the AMCAP Fund.

9 72. According to Morningstar, from January 1, 2014 through March 31,  
10 2024, the AMCAP R6 Fund underperformed the S&P 500 Index by 45 percentage  
11 points – 244% versus 199%.

12 **v. Comparator 5: Russell 1000 Growth Index**

13 73. By virtue of the similarities in their respective market capitalizations  
14 and growth investment styles, the Russell 1000 Growth Index and the AMCAP Fund  
15 also share similar aims, rewards, and levels of risk, including market risk and issuer  
16 risk. Moreover, given AMCAP Fund’s tilt toward growthier stocks, Morningstar  
17 identifies the Russell 1000 Growth Index as the category benchmark for the AMCAP  
18 Fund. This makes the Russell 1000 Growth Index another meaningful benchmark  
19 for the AMCAP Fund.  
20

1           74. According to Morningstar, from January 1, 2014 through March 31,  
2 2024, the AMCAP R6 Fund underperformed the Russell 1000 Growth Index by 146  
3 percentage points – 345% versus 199%.

4 **B. Fundamental Investors Fund**

5           75. The Fundamental Investors Fund’s investment aim is to achieve long-  
6 term growth of capital and income. The Fund pursues this aim by primarily investing  
7 in common stocks of companies that appear to offer superior opportunities for capital  
8 growth and most of which have a history of paying dividends. In addition, the Fund  
9 may invest in securities of issuers domiciled outside the United States.

10           76. Capital Research and Management and Morningstar refer to the  
11 Fundamental Investors Fund as a large-cap blend fund. Approximately 75% of the  
12 Fundamental Investors Fund’s assets are invested in large-cap stocks.  
13 Approximately 75% of Fundamental Investors Fund’s assets are invested in U.S.  
14 stocks and approximately 20% are invested in non-U.S. stocks. The remainder is  
15 invested in cash and cash equivalents.

16           77. The Fundamental Investors Fund’s potential rewards are to generate  
17 positive investment returns that outperform its benchmark index. The Fundamental  
18 Investors Fund’s principal risks are related to (1) market risk, (2) issuer risk, and (3)  
19 investing in growth-oriented stocks, income-producing stocks, and international  
20

1 stocks. Also, the Fundamental Investors Fund, as an actively managed fund, is  
2 exposed to active management risk.

3 **i. Comparator 1: GMO Quality Fund**

4 78. The GMO Quality Fund has similar aims, risks, and potential rewards  
5 to those of the Fundamental Investors Fund.

6 79. The GMO Quality Fund's aim is to generate total return, i.e., growth of  
7 capital and income. The GMO Quality Fund pursues its aim by investing primarily  
8 in the stock of companies that will deliver a high level of return through capital  
9 appreciation and dividends. The Fund may invest in securities of issuers domiciled  
10 outside the United States.

11 80. Morningstar refers to the GMO Quality Fund as a large-cap blend fund.  
12 Approximately 95% of the GMO Quality Fund's assets are invested in large-cap  
13 stocks. Approximately 76% of the GMO Quality Fund's assets are invested in U.S.  
14 stocks and approximately 21% are invested in non-U.S. stocks. The remainder is  
15 invested in cash and cash equivalents.

16 81. The GMO Quality Fund's potential rewards are that the Fund will  
17 generate positive investment returns that outperform its benchmark index. The GMO  
18 Quality Fund's principal risks are related to (1) market risk, (2) issuer risk, and (3)  
19 investing in growth-oriented stocks, income-producing stocks, and international  
20

1 stocks. Also, the Fundamental Investors Fund, as an actively managed fund, is  
2 exposed to active management risk.

3 82. Given the similarities in the two funds' investment strategies and the  
4 types of stocks the two funds own, the aims, risks, and potential rewards of the GMO  
5 Quality Fund are similar to those of the Fundamental Investors Fund. This makes  
6 the GMO Quality Fund a meaningful comparator.

7 **ii. Comparator 2: Vanguard PRIMECAP Fund**

8 83. The Vanguard Group, Inc. ("Vanguard") PRIMECAP Fund has similar  
9 aims, risks, and potential rewards to those of the Fundamental Investors Fund.

10 84. The Vanguard PRIMECAP Fund's investment aim is to achieve long-  
11 term capital appreciation. The Fund pursues this aim by investing mainly in common  
12 stocks of companies that the adviser believes have favorable prospects for capital  
13 appreciation. The Fund may invest up to 25% of its assets in non-U.S. stocks.

14 85. Morningstar refers to the Vanguard PRIMECAP Fund as a large-cap  
15 blend fund, while Vanguard refers to it as a large-cap growth fund. Approximately  
16 79% of the Vanguard PRIMECAP Fund's assets are invested in large-cap stocks.  
17 Approximately 85% of the Vanguard PRIMECAP Fund's assets are invested in U.S.  
18 stocks and approximately 13% are invested in non-U.S. stocks. The remainder is  
19 invested in cash and cash equivalents.

20

1           86. The Vanguard PRIMECAP Fund’s potential rewards are that the Fund  
2 will generate positive investment returns that outperform its benchmark index. The  
3 Vanguard PRIMECAP Fund’s principal risks are related to (1) market risk, (2) issuer  
4 risk, and (3) investing in growth-oriented stocks, income-producing stocks and  
5 international stocks. Also, the Vanguard PRIMECAP Fund, as an actively managed  
6 fund, is exposed to active management risk.

7           87. Given the similarities in the two funds’ investment strategies and the  
8 types of stocks the two funds own, the aims, risks, and potential rewards of the  
9 Vanguard PRIMECAP Fund are similar to those of the Fundamental Investors Fund.  
10 This makes the Vanguard PRIMECAP Fund a meaningful comparator.

11           **iii. Comparator 3: Wellington CIF Large Cap Research Trust**

12           88. The Wellington CIF II Large Cap Research Trust (the “Wellington  
13 Trust”) has similar aims, risks, and potential rewards to those of the Fundamental  
14 Investors Fund.

15           89. The Wellington Trust’s investment aim is to consistently outperform  
16 broad-based market indices by focusing on adding value through superior securities  
17 selection. The Wellington Trust pursues its aim by investing in equity securities of  
18 U.S. companies, emphasizing those that have above-average potential for capital  
19 appreciation. The Wellington Trust may invest up to 10% of its assets in non-U.S.  
20 stock.

1           90. Morningstar identifies the Wellington Large Trust as a large-cap growth  
2 fund. Approximately 77% of the Wellington Trust's assets are invested in large-cap  
3 stocks. Approximately 94% of the Wellington Trust's assets are invested in U.S.  
4 stocks and approximately 5% are invested in non-U.S. stocks. The remainder is  
5 invested in cash and cash equivalents.

6           91. The Wellington Trust's potential rewards are that the Trust will generate  
7 positive investment returns that outperform its benchmark index. The Wellington  
8 Trust's principal risks are related to (1) market risk, (2) issuer risk, and (3) investing  
9 in growth-oriented stocks, income-producing stocks, and international stocks. Also,  
10 the Wellington Trust, as an actively managed fund, is exposed to active management  
11 risk.

12           92. Given the similarities in the two funds' investment strategies and the  
13 types of stocks the two funds own, the aims, risks, and potential rewards of the  
14 Wellington Trust are similar to those of the Fundamental Investors Fund. This makes  
15 the Wellington Trust a meaningful comparator.

16           **iv. Comparator 4: S&P 500 Index**

17           93. In their Participant Fee Disclosure Notice, Defendants disclose to the  
18 Plan participants that the Fundamental Investors Fund is benchmarked to the S&P  
19 500 Index. In its Registration Statement filed with the U.S. Securities and Exchange  
20

1 Commission on Form N-1A, the Fund also discloses it is benchmarked to the S&P  
2 500.

3 94. By disclosing the S&P 500 Index to Plan participants and public  
4 investors at large as the appropriate benchmark for the Fundamental Investors Fund,  
5 the Defendants necessarily concluded that the S&P 500 Index was, in fact,  
6 representative of the investment option and thus shared similar aims, risks, and  
7 rewards. By virtue of the similarities in their respective market capitalizations, the  
8 S&P 500 Index and the Fundamental Investors Fund share similar aims, rewards,  
9 and levels of risk, including market risk and issuer risk. This makes the S&P 500  
10 Index a meaningful benchmark for the Fundamental Fund.

11 95. According to Morningstar, from January 1, 2014 through March 31,  
12 2024, the Fundamental Investors R6 Fund underperformed the S&P 500 Index by  
13 27 percentage points – 244% versus 217%.

14 **C. Investment Company of America Fund**

15 96. The Investment Company of America Fund’s aim is to achieve long-  
16 term growth of capital and income. The Investment Company of America Fund  
17 pursues its objective by actively investing primarily in common stocks. Although  
18 the fund focuses on investments in medium to larger capitalization companies, the  
19 Fund’s investments are not limited to a particular capitalization size. The Fund also  
20

1 invests in common stocks and other securities of issuers domiciled outside the  
2 United States to a limited extent.

3 97. Morningstar and Capital Group identify the Investment Company of  
4 America as a large-cap blend fund. Approximately 85% of the Investment Company  
5 of America Fund's assets are invested in large-cap stocks. Approximately 82% of  
6 the Investment Company of America Fund's assets are invested in U.S. stocks and  
7 approximately 11% are invested in non-U.S. stocks. The remainder is invested in  
8 cash and cash equivalents.

9 98. The Investment Company of America Fund's potential rewards are that  
10 the Fund will generate positive investment returns that outperform its benchmark  
11 index. The Investment Company of America Fund's principal risks are related to (1)  
12 market risk, (2) issuer risk, and (3) investing in growth-oriented stocks, small- and  
13 mid-cap stocks and, to a lesser extent, risks related to investing in international  
14 stocks. Also, the Investment Company of America Fund, as an actively managed  
15 fund, is exposed to active management risk.

16 **i. Comparator 1: T. Rowe Price Structured Research CIT**

17 99. The T. Rowe Price Structured Research CIT has similar aims, risks, and  
18 potential rewards to those of the Investment Company of America Fund.

19 100. The T. Rowe Price Structured Research Fund is a collective investment  
20 trust. The Fund is available only to certain qualified retirement plans and

1 governmental plans and is not publicly offered. Capital Group's Plan offers the  
2 American Funds in similar types of collective trust funds.

3 101. The aim of the T. Rowe Price Structured Research Fund is to generate  
4 long-term capital growth through stock selection. While the majority of assets will  
5 be invested in large-capitalization U.S. common stocks, the fund may have small-  
6 and mid-capitalization and foreign exposure in keeping with fund objectives.

7 102. Morningstar and T. Rowe Price refer to the T. Rowe Price Structured  
8 Research Fund as a large-cap blend fund. Approximately 83% of the T. Rowe Price  
9 Structured Research Fund's assets are invested in large-cap stocks. Approximately  
10 96% of the T. Rowe Price Structured Research Fund's assets are invested in U.S.  
11 stocks and less than 10% are invested in non-U.S. stocks. The remainder is invested  
12 in fixed income, cash, and cash equivalents.

13 103. T. Rowe Price Structured Research Fund's potential rewards are that  
14 the Fund will generate positive investment returns that outperform its benchmark  
15 index. The T. Rowe Price Structured Research Fund's principal risks are related to  
16 (1) market risk, (2) issuer risk, and (3) investing in growth-oriented stocks, and  
17 small- and mid-cap stocks and, to a lesser extent, risks related to investing in  
18 international stocks. Also, the T. Rowe Price Structured Research Fund, as an  
19 actively managed fund, is exposed to active management risk.  
20

1           104. Given the similarities in the two funds' investment strategies and the  
2 types of stocks the two funds own, the aims, risks, and potential rewards of the T.  
3 Rowe Price Structured Research Fund are similar to those of the Investment  
4 Company of America Fund. This makes the T. Rowe Price Structured Research Fund  
5 a meaningful comparator.

6           **ii.           Comparator 2: Vanguard Growth and Equity Fund**

7           105. The Vanguard Growth and Equity Fund has similar aims, risks, and  
8 potential rewards to those of the Investment Company of America Fund.

9           106. The Vanguard Growth and Equity Fund aims to provide a total return  
10 (capital appreciation plus dividend income) greater than the return of the S&P 500  
11 Index. The Fund invests at least 65% of its assets in stocks that are included in the  
12 index. Most of the stocks held by the Fund provide dividend income as well as the  
13 potential for capital appreciation.

14           107. Morningstar identifies the Vanguard Growth and Equity Fund as a  
15 large-cap blend fund. Approximately 76% of the Vanguard Growth and Equity  
16 Fund's assets are invested in large-cap stocks. Approximately 96% of the Vanguard  
17 Growth and Equity Fund's assets are invested in U.S. stocks and about 1.5% in non-  
18 U.S. stocks. The remainder is invested in cash and cash equivalents.

19           108. The Vanguard Growth and Equity Fund's potential rewards are that the  
20 Fund will generate positive investment returns that outperform its benchmark index.

1 The Vanguard Growth and Equity Fund’s principal risks were related to (1) market  
2 risk, (2) issuer risk, and (3) investing in growth-oriented stocks, small- and mid-cap  
3 stocks and, to a lesser extent, risks related to investing in international stocks. Also,  
4 the Vanguard Growth and Equity Fund, as an actively managed fund, is exposed to  
5 active management risk.

6 109. Given the similarities in the two funds’ investment strategies and the  
7 types of stocks the two funds own, the aims, risks, and potential rewards of the  
8 Vanguard Growth and Equity Fund are similar to those of the Investment Company  
9 of America Fund. This makes the Vanguard Growth and Equity Fund a meaningful  
10 comparator.

11 **iii. Comparator 3: JPMorgan U.S. Equity Fund**

12 110. The JPMorgan U.S. Equity Fund has similar aims, risks, and potential  
13 rewards to those of the Investment Company of America Fund.

14 111. The JPMorgan U.S. Equity Fund aims to provide high total return from  
15 a portfolio of selected equity securities. In implementing its strategy, the Fund  
16 primarily invests in common stocks of large- and medium-capitalization U.S.  
17 companies, but it may also invest up to 20% of its assets in common stocks of foreign  
18 companies.

19 112. Morningstar and JPMorgan identify the JPMorgan U.S. Equity Fund as  
20 a large-cap blend fund. Approximately 91% of the JPMorgan U.S. Equity Fund’s

1 assets are invested in large-cap stocks. Approximately 96% of the JPMorgan U.S.  
2 Equity Fund's assets are invested in U.S. stocks and less than 10% are invested in  
3 non-U.S. stocks. The remainder is invested in fixed income, cash, and cash  
4 equivalents.

5 113. JPMorgan U.S. Equity Fund's potential rewards are that the Fund will  
6 generate positive investment returns that outperform its benchmark index. The  
7 JPMorgan U.S. Equity Fund's principal risks were related to (1) market risk, (2)  
8 issuer risk, and (3) investing in growth-oriented stocks, and international stocks.  
9 Also, the JPMorgan U.S. Equity Fund, as an actively managed fund, is exposed to  
10 active management risk.

11 114. Given the similarities in the two funds' investment strategies and the  
12 types of stocks the two funds own, the aims, risks, and potential rewards of the  
13 JPMorgan U.S. Equity Fund are similar to those of the Investment Company of  
14 America Fund. This makes the JPMorgan U.S. Equity Fund a meaningful  
15 comparator.

16 **iv. Comparator 4: S&P 500 Index**

17 115. In their Participant Fee Disclosure Notice, Defendants disclose to the  
18 Plan participants that the Investment Company of America Fund is benchmarked to  
19 the S&P 500 Index. In its Registration Statement filed with the U.S. Securities and  
20

1 Exchange Commission on Form N-1A, the Fund also discloses it is benchmarked to  
2 the S&P 500.

3 116. By disclosing the S&P 500 Index to Plan participants and public  
4 investors at large as the appropriate benchmark for the Investment Company of  
5 America Fund, the Defendants necessarily concluded that the S&P 500 Index was,  
6 in fact, representative of the investment option and thus shared similar aims, risks,  
7 and rewards. By virtue of the similarities in their respective market capitalizations,  
8 the S&P 500 Index and the Investment Company of America Fund share similar  
9 aims, rewards, and levels of risk, including market risk and issuer risk. This makes  
10 the S&P 500 Index a meaningful benchmark for the Investment Company of  
11 America Fund.

12 117. According to Morningstar, from January 1, 2014 through March 31,  
13 2024, the Investment Company of America R6 Fund underperformed the S&P 500  
14 Index by 32 percentage points – 244% versus 212%.

15 **D. Washington Mutual Investors Fund**

16 118. The Washington Mutual Investors Fund's aim is to produce income and  
17 to provide an opportunity for growth of principal consistent with sound common  
18 stock investing. The Fund pursues its aim by investing primarily in common stocks  
19 of established companies that are listed on, or meet the financial listing requirements  
20 of, the New York Stock Exchange and have a strong record of earnings and

1 dividends. The Fund may have significant exposure to a particular country, region,  
2 industry, or sector.

3 119. Capital Research and Management and Morningstar refer to the  
4 Washington Mutual Investors Fund as a large-cap blend fund. Approximately 87%  
5 of the Fund's portfolio is invested in large-cap stocks. Approximately 90% of the  
6 Fund's assets are invested in U.S. stocks and approximately 5% are invested in non-  
7 U.S. stocks. The remainder is invested in cash and cash equivalents.

8 120. The Washington Mutual Investors Fund's potential rewards are to  
9 generate positive investment returns that outperform its benchmark index. The  
10 Washington Mutual Investors Fund's principal risks are related to (1) market risk,  
11 (2) issuer risk, and (3) investing in growth-oriented stocks, income-oriented stocks,  
12 and international stocks. Also, the Washington Mutual Investors Fund, as an actively  
13 managed fund, is exposed to active management risk.

14 **i. Comparator 1: JPMCB U.S. Active Core Equity CIT**

15 121. The JPMCB U.S. Active Core Equity Fund has similar aims, risks, and  
16 potential rewards to those of the Washington Mutual Investors Fund.

17 122. The JPMCB U.S. Active Core Equity Fund is a commingled Pension  
18 Trust Fund of JPMorgan Chase Bank, N.A. The Fund is available only to certain  
19 qualified retirement plans and governmental plans and is not publicly offered. The  
20 Capital Plan offers the American Funds in similar types of trust funds.

1           123. The JPMCB U.S. Active Core Equity Fund’s aim is to provide high  
2 total return through superior stock selection. The Fund pursues its aim by investing  
3 primarily in a portfolio of selected large-cap stocks and in sector weightings similar  
4 to the S&P 500 Index. In implementing its strategy, the Fund may also invest up to  
5 20% of its assets in non-U.S. stocks.

6           124. Morningstar refers to the JPMCB U.S. Active Core Equity Fund as a  
7 large blend fund. Approximately 91% of JPMCB U.S. Active Core Equity Fund’s  
8 assets are invested in large-cap stocks. Approximately 96% of the assets are invested  
9 in U.S. stocks and approximately 4% are invested in non-U.S. stocks. A small  
10 amount is invested in cash and cash equivalents.

11           125. The JPMCB U.S. Active Core Equity Fund’s potential rewards are that  
12 the Fund will generate positive investment returns that outperform its benchmark  
13 index. The JPMCB U.S. Active Core Equity Fund’s principal risks are related to (1)  
14 market risk, (2) issuer risk, and (3) investing in growth-oriented stocks, and  
15 international stocks. Also, the JPMCB U.S. Active Core Equity Fund, as an actively  
16 managed fund, is exposed to active management risk.

17           126. Given the similarities in the two funds’ investment strategies and the  
18 types of stocks the two funds own, the aims, risks, and potential rewards of the  
19 JPMCB U.S. Active Core Equity Fund are similar to those of the Washington Mutual  
20 Fund. This makes the JPMCB U.S. Active Equity Fund a meaningful comparator.

1           **ii.           Comparator 2: Goldman Sachs Large Cap Core Fund**

2           127. The Goldman Sachs Large Cap Core Fund has similar aims, risks, and  
3 potential rewards to those of the Washington Mutual Investors Fund.

4           128. The Fund aims to outperform the S&P 500 Index through stock  
5 selection skill. The strategy combines fundamental research with a disciplined  
6 portfolio construction process to achieve its investment objectives.

7           129. Morningstar refers to the Goldman Sachs Large Cap Core Fund as a  
8 large-cap blend fund. Approximately 75% of Goldman Sachs Large Cap Core  
9 Fund's assets are invested in large-cap stocks. Approximately 96% of the assets are  
10 invested in U.S. stocks and approximately 3% are invested in non-U.S. stocks. The  
11 remainder is invested in cash and cash equivalents. The Fund may invest up to 25%  
12 percent of its total assets in foreign securities.

13           130. Goldman Sachs Large Cap Fund's potential rewards are that the Fund  
14 will generate positive investment returns that outperform its benchmark index. The  
15 Goldman Sachs Large Cap Core Fund's principal risks are related to (1) market risk,  
16 (2) issuer risk, and (3) investing in growth-oriented stocks, and international stocks.  
17 Also, the Goldman Sachs Large Cap Core Fund, as an actively managed fund, is  
18 exposed to active management risk.

19           131. Given the similarities in the two funds' investment strategies and the  
20 types of stocks the two funds own, the aims, risks, and potential rewards of the

1 Goldman Sachs Large Cap Core Fund are similar to those of the Washington Mutual  
2 Fund. This makes the Goldman Sachs Large Cap Core Fund a meaningful  
3 comparator.

4 **iii. Comparator 3: Touchstone Large Cap Focused Fund**

5 132. The Touchstone Large Cap Focused Fund has similar aims, risks, and  
6 potential rewards to those of the Washington Mutual Investors Fund.

7 133. The Touchstone Large Cap Focused Fund's aim is to provide investors  
8 with capital appreciation. The Fund pursues its aim by investing primarily in large-  
9 cap stocks. These securities may be listed on an exchange or traded over the counter.  
10 The Fund may invest up to 35% of its assets in securities of foreign issuers.

11 134. Morningstar refers to the Touchstone Large Cap Focused Fund as a  
12 large-cap blend fund. Approximately 86% of the Fund's portfolio is invested in  
13 large-cap stocks. Approximately 94% of the Fund's assets are invested in U.S. stocks  
14 and less than 1% are invested in non-U.S. stocks. The remainder is invested in cash  
15 and cash equivalents.

16 135. The Touchstone Large Cap Focused Fund's potential rewards are that  
17 the Fund will generate positive investment returns that outperform its benchmark  
18 index. The Touchstone Large Cap Focused Fund's principal risks are related to (1)  
19 market risk, (2) issuer risk, and (3) investing in growth-oriented stocks, income-  
20

1 oriented stocks, and international stocks. Also, the Touchstone Large Cap Focused  
2 Fund, as an actively managed fund, is exposed to active management risk.

3 136. Given the similarities in the two funds' investment strategies and the  
4 types of stocks the two funds own, the aims, risks, and potential rewards of the  
5 Touchstone Large Cap Focus Fund are similar to those of the Washington Mutual  
6 Fund. This makes the Touchstone Large Cap Focus Fund a meaningful comparator.

7 **iv. Comparator 4: S&P 500 Index**

8 137. In their Participant Fee Disclosure Notice, Defendants disclose to the  
9 Plan participants that the Washington Mutual Fund is benchmarked to the S&P 500  
10 Index. In its Registration Statement filed with the U.S. Securities and Exchange  
11 Commission on Form N-1A, the Fund also discloses it is benchmarked to the S&P  
12 500.

13 138. By disclosing the S&P 500 Index to Plan participants and public  
14 investors at large as the appropriate benchmark for the Washington Mutual Fund,  
15 Defendants necessarily concluded that the S&P 500 Index was, in fact,  
16 "representative of the investment option" and thus shared similar aims, risks, and  
17 rewards. By virtue of the similarities in their respective market capitalizations, the  
18 S&P 500 Index and the Washington Mutual Fund share similar aims, rewards, and  
19 levels of risk, including market risk and issuer risk. This makes the S&P 500 Index  
20 a meaningful benchmark for the Washington Mutual Investors Fund.

1           139. According to Morningstar, from January 1, 2014, through March 31,  
2 2024, the Washington Mutual R6 Fund underperformed the S&P 500 Index by 36  
3 percentage points – 244% versus 208%.

4  
5 **E. Capital World Growth and Income Fund**

6           140. The Capital World Growth and Income Fund’s investment objective is  
7 to provide long-term growth of capital while providing current income. The Fund  
8 invests primarily in common stocks of well-established companies located around  
9 the world, many of which have the potential to pay dividends. Under normal market  
10 circumstances, the Fund will invest a significant portion of its assets in securities of  
11 issuers domiciled in a number of countries outside the United States, and such  
12 investments may include securities domiciled in developing countries.

13           141. Capital Group and Morningstar identify the Capital World Growth and  
14 Income Fund as a global large-cap blend fund. Currently, 80% of the Capital World  
15 Growth and Income Fund’s portfolio is invested in large-cap stocks. Approximately  
16 44% of the Capital World Growth and Income Fund’s assets are invested in U.S.  
17 stocks and approximately 51% are invested in non-U.S. stocks. The remainder is  
18 invested in fixed income, cash, and cash equivalents.

19           142. The Capital World Growth and Income Fund’s potential rewards are  
20 that the Fund will generate positive investment returns that outperform its

1 benchmark index. The Capital World Growth and Income Fund's principal risks are  
2 related to (1) market risk, (2) issuer risk, and (3) investing in growth-oriented stocks,  
3 income-oriented stocks, and international stocks. Also, the Capital World Growth  
4 and Income Fund, as an actively managed fund, is exposed to active management  
5 risk.

6 **i. Comparator 1: Russell Investments Global Equity Fund**

7 143. The Russell Investments Global Equity Fund has similar aims, risks,  
8 and potential rewards to those of the Capital World Growth and Income Fund.

9 144. The Russell Investments Global Equity Fund's aim is to provide long-  
10 term capital growth. The Fund principally invests in stocks of companies located  
11 around the world, including the United States. The Fund may invest a portion of its  
12 assets in stocks of companies that are economically tied to emerging market  
13 countries. The Fund blends growth, market-oriented, and value styles and invests  
14 principally in mid- and large-cap stocks.

15 145. Morningstar refers to the Russell Investments Global Equity Fund as a  
16 global large cap blend fund. 83% of the Russell Investments Global Equity Fund's  
17 portfolio is invested in large-cap stocks. Approximately 46% of the Russell  
18 Investments Global Equity Fund's assets are invested in U.S. stocks and  
19 approximately 49% are invested in non-U.S. stocks. The remainder is invested in  
20 cash and cash equivalents.

1           146. The Russell Investments Global Equity Fund’s potential rewards are  
2 that the Fund will generate positive investment returns that outperform its  
3 benchmark index. The Russell Investments Global Equity Fund’s principal risks are  
4 related to (1) market risk, (2) issuer risk, and (3) investing in growth-oriented stocks,  
5 income-oriented stocks, and international stocks. Also, the Russell Investments  
6 Global Equity Fund, as an actively managed fund, is exposed to active management  
7 risk.

8           147. Given the similarities in the two funds’ investment strategies and the  
9 types of stocks the two funds own, the aims, risks, and potential rewards of the  
10 Russell Investments Global Equity Fund are similar to those of the Capital World  
11 Growth and Income Fund. This makes the Russell Investments Global Equity Fund  
12 a meaningful comparator.

13           **ii.           Comparator 2: Victory RS Global Fund**

14           148. The Victory RS Global Fund has similar aims, risks, and potential  
15 rewards to those of the Capital World Growth and Income Fund.

16           149. The Victory RS Global Fund seeks long-term capital appreciation. The  
17 Victory RS Global Fund normally invests at least 80% of the value of its net assets  
18 in common stocks, preferred stocks, and other securities convertible into common  
19 or preferred stock of publicly traded companies across the world. The Victory RS  
20 Global Fund invests in companies located in at least three different countries,

1 including the United States. The Fund normally will invest 40% or more of its total  
2 assets in securities of non-U.S. companies.

3 150. Morningstar identifies the Victory RS Global Fund as a global large-  
4 cap blend fund. According to Morningstar, 77% of the Victory RS Global Fund's  
5 portfolio is invested in large-cap stocks. Approximately 60% of the Victory RS  
6 Global Fund's assets are invested in U.S. stocks and approximately 37% are invested  
7 in non-U.S. stocks. The remainder is invested in cash and cash equivalents.

8 151. The Victory RS Global Fund's potential rewards are that the Fund will  
9 generate investment returns that outperform its benchmark index. The Victory RS  
10 Global Fund's principal risks are related to (1) market risk, (2) issuer risk, and (3)  
11 investing in international stocks. Also, the Victory RS Global Fund, as an actively  
12 managed fund, is exposed to active management risk.

13 152. Given the similarities in the two funds' investment strategies and the  
14 types of stocks the two funds own, the aims, risks, and potential rewards of the  
15 Victory RS Global Fund are similar to those of the Capital World Growth and  
16 Income Fund. This makes the Victory RS Global Fund a meaningful comparator.

17 **iii. Comparator 3: DFA Global Equity I**

18 153. The DFA Global Equity Fund has similar aims, risks, and potential  
19 rewards to those of the Capital World Growth and Income Fund.  
20

1           154. The investment objective of the Global Equity Fund is to achieve long-  
2 term capital appreciation. The Global Equity Fund is a “fund of funds,” which means  
3 that it generally allocates its assets among other funds managed by DFA, although  
4 it has the ability to invest directly in securities and derivatives. The Fund normally  
5 allocates its assets to underlying funds that invest in domestic and international  
6 equity securities. It further diversifies its investment portfolio by allocating its assets  
7 among underlying funds that represent a variety of different asset classes, such as  
8 large-capitalization, small-capitalization, and emerging markets stocks, as well as  
9 real estate securities.

10           155. Morningstar refers to the DFA Global Equity Fund as Global Large-  
11 cap Blend Fund. 82% of the DFA Global Equity Fund’s assets are invested in large-  
12 and mid-cap stocks. Approximately 68% of the DFA Global Equity Fund’s assets  
13 are invested in U.S. stocks and approximately 31% are invested in non-U.S. stocks.  
14 The remainder is invested in cash and cash equivalents.

15           156. The DFA Global Equity Fund’s potential rewards are to generate  
16 investment returns that outperform its benchmark index. The DFA Global Fund’s  
17 principal risks are related to (1) market risk, (2) issuer risk, and (3) investing in  
18 growth-oriented stocks and international stocks. Also, the DFA Equity Fund, as an  
19 actively managed fund, is exposed to active management risk.  
20

1           157. Given the similarities in the two funds’ investment strategies and the  
2 types of stocks the two funds own, the aims, risks, and potential rewards of the DFA  
3 Global Equity Fund are similar to those of the Capital World Growth and Income  
4 Fund. This makes the DFA Global Equity Fund a meaningful comparator.

5           **iv.           Comparator 4: MSCI ACWI**

6           158. In their Participant Fee Disclosure Notice, Defendants disclose to the  
7 Plan participants that the World Growth and Income Fund is benchmarked to the  
8 MSCI ACWI. In its Registration Statement filed with the U.S. Securities and  
9 Exchange Commission on Form N-1A, the Fund also discloses it is benchmarked to  
10 the MSCI ACWI.

11           159. By disclosing the MSCI ACWI to Plan participants and public investors  
12 at large as the appropriate benchmark for the World Growth and Income Fund, the  
13 Defendants necessarily concluded that the MSCI ACWI was, in fact, representative  
14 of the investment option and thus shared similar aims, risks, and rewards. By virtue  
15 of the similarities in their respective market capitalizations, the MSCI ACWI and  
16 the World Growth and Income Fund share similar aims, rewards, and levels of risk,  
17 including market risk and issuer risk. This makes the MSCI ACWI a meaningful  
18 benchmark for the World Growth and Income Fund.

1           160. According to Morningstar, from January 1, 2014, through March 31,  
2 2024, the World Growth and Income R6 Fund underperformed the MSCI ACWI by  
3 7 percentage points – 132% versus 125%.

4                           **VIII. THE AMERICAN FUNDS UNDERPERFORMED THEIR**  
5                           **BENCHMARKS AND COMPARATOR FUNDS FOR OVER A**  
6                           **DECADE**

7           161. Defendants were required by law to monitor the funds with the skill of  
8 a prudent expert to determine whether their investment performance remained in line  
9 with meaningful investment comparators.

10           162. For a prudent fiduciary, investment options that, on average,  
11 underperform their benchmarks over rolling 3- or 5-year periods are generally  
12 candidates for removal. Typically, such guidelines are outlined in a plan's  
13 investment policy statement or in a pension consultant's recommendations.

14           163. Had the Capital Group Defendants fulfilled their duty with the care and  
15 skill of a prudent fiduciary, they would have seen in real time that each of the  
16 American Funds had significantly underperformed their benchmark indexes and the  
17 Comparator Funds for over five years, as described below.

18           164. In the period from January 1, 2014 through June 30, 2019, the poor  
19 performance of the five American Funds cost the Plan millions of dollars in lost  
20 retirement savings when compared to the investment performance of their respective  
Comparator Funds.

1           165. Any fiduciary properly monitoring the Plan would have seen that the  
2 poor performance warranted the selection of new options.

3           166. Instead, Capital Group continued its devotion to its proprietary America  
4 Funds and the fee income they generated. For reasons that defy any prudent  
5 explanation, Capital Group failed to replace any of the American Funds with any  
6 one of the many prudent alternatives.

7           167. Each American Fund has continued to perform below its benchmark,  
8 capping nearly a decade of poor performance.

9           168. **Tables 1.a, 2.a, 3.a, 4.a, and 5.a** below demonstrate the  
10 underperformance of each American Fund compared to its respective index and to  
11 the Comparator Funds for the five-and-one-half-year period from January 1, 2014  
12 through June 30, 2019.

13           169. **Tables 1.b, 2.b, 3.b, 4.b, and 5.b** below demonstrate the  
14 underperformance of each American Fund compared to the S&P 500 Index, the  
15 Russell 1000 Growth Index, and the MSCI ACWI Index, as applicable, and to the  
16 Comparator Funds on both an annualized and cumulative basis from July 1, 2019  
17 through March 31, 2024.

18           170. The annualized performance numbers in **Tables 1.b, 2.b, 3.b, 4.b, and**  
19 **5.b** highlight the underperformance of the American Funds. When the American  
20 Funds occasionally outperformed their respective benchmarks, the outperformance

1 was overshadowed by the multiple years in which the American Funds  
2 underperformed these benchmarks. The significance of this underperformance is  
3 captured by the cumulative numbers in these tables.

4 171. Together, **Tables 1.a and 1.b, 2.a and 2.b, 3.a and 3.b, 4.a and 4.b.,**  
5 **and 5.a and 5.b** capture the depth and the breadth of the American Funds'  
6 underperformance relative to meaningful benchmarks that has persisted for nearly a  
7 decade.

8 172. **Tables 1.c., 2.c, 3.c, 4.c, and 5.c** below quantify the monetary impact  
9 of Capital Group's decision by comparing the growth of an investment in each  
10 American Fund to that of each respective benchmark index and Comparator Fund  
11 from July 1, 2019 through March 31, 2024.

12 173. All the data presented in each of the Tables in this Complaint was  
13 available in real time to the Capital Group Defendants throughout the Class Period.

14 174. The Comparator Funds listed in each of the Tables below are managed  
15 by reputable investment advisers with significant assets under management and are  
16 available to all large retirement plans, including Capital Group's Plan. Capital Group  
17 would not have had to scour the market to find them.

18 175. The overall depth of the American Funds' underperformance raises a  
19 plausible inference that Capital Group's monitoring process was tainted by a lack of  
20 loyalty and complete failure of effort.

1           176. Plaintiff did not have knowledge of all material facts (including, among  
2 other things, comparisons of the Plan’s investment performance relative to other  
3 available investment alternatives) necessary to understand that the Capital Group  
4 Defendants breached their fiduciary duties and engaged in other unlawful conduct  
5 in violation of ERISA until shortly before filing this Complaint. Further, Plaintiff  
6 did not have actual knowledge of the specifics of the Capital Group Defendants’  
7 decision-making processes with respect to the Plan, including the Capital Group  
8 Defendants’ processes for monitoring and removing Plan investments, because this  
9 information is solely within the possession of the Capital Group Defendants prior to  
10 discovery. For purposes of this Complaint, Plaintiff has drawn reasonable inferences  
11 regarding these processes based upon (among other things) the facts set forth herein.

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1 **AMCAP Fund**

2 **Table 1.a**  
3 **January 1, 2014 – June 30, 2019**

Fund	Cumulative Return	Annualized Return
American Funds AMCAP R6	74.34%	10.63%
S&P 500 TR	78.20%	11.08%
Russell 1000 Growth TR	99.28%	13.36%
American Century Growth R6	93.02%	12.70%
Delaware Ivy Large Cap Growth R6	100.15%	13.45%
MFS Massachusetts Inv Gr Stk R6	94.26%	12.83%

11 177. **Table 1.b** below illustrates the underperformance of the AMCAP Fund  
12 from July 1, 2019 through March 31, 2024, on an annualized and cumulative basis  
13 relative to the S&P 500 Index, the Russell 1000 Growth Index, and Comparator  
14 Funds. The AMCAP Fund underperformed the S&P 500 Index by 22% during this  
15 period, and in 2022 alone, it underperformed the S&P 500 Index by over 10%.

**Table 1.b**  
**July 1, 2019 – March 31, 2024**

Fund	Annualized Performance						Cumulative Compounded Performance
	2019	2020	2021	2022	2023	YTD	
American Funds AMCAP R6 <sup>3</sup>	8.93%	21.79%	24.07%	-28.53%	31.41%	10.81%	71.30%
S&P 500 TR	10.92%	18.40%	28.71%	-18.11%	26.29%	10.56%	93.26%
+/- American Funds	-1.99%	3.39%	-4.64%	-10.42%	5.12%	0.25%	-21.96%
Russell 1000 Growth TR	12.27%	38.49%	27.60%	-29.14%	42.68%	11.41%	123.48%
+/- American Funds	-3.34%	-16.70%	-3.53%	0.61%	-11.27%	-0.60%	-52.18%
American Century Growth R6	11.04%	35.67%	27.93%	-31.20%	43.78%	11.99%	113.52%

<sup>3</sup> In 2021, the Plan added the Capital Group AMCAP Trust Class U2. The difference in investment returns between the two funds is three basis points (0.03%) in 2022 and two basis points (0.02%) in 2023 in favor of the AMCAP Trust. Nevertheless, for simplicity, the annual and cumulative performance calculations shown in Tables 1.b and 1.c are those of the AMCAP R6 Fund.

1	<i>+/- American</i>							
2	<i>Funds</i>	-2.11%	-13.88%	-3.86%	2.67%	-12.37%	-1.18%	-42.22%
3	Delaware Ivy							
4	Large Cap	10.38%	31.19%	30.57%	-26.77%	38.23%	9.71%	109.97%
5	Growth R6							
6	<i>+/- American</i>							
7	<i>Funds</i>	-1.45%	-9.40%	-6.50%	-1.76%	-6.82%	1.10%	-38.67%
8	MFS							
9	Massachusetts	12.77%	22.84%	26.66%	-18.95%	24.46%	8.20%	91.50%
10	Inv Gr Stk R6							
11	<i>+/- American</i>							
	<i>Funds</i>	-3.84%	-1.05%	-2.59%	-9.58%	6.95%	2.61%	-20.20%

12 178. As of June 30, 2019, the assets of the AMCAP Fund were  
13 approximately \$182 million. **Table 1.c** below compares the investment growth of  
14 \$182 million invested in the AMCAP Fund to the growth of \$182 million from the  
15 S&P 500 Index, the Russell 1000 Growth Index, and each of the Comparator Funds  
16 from July 1, 2019, through March 31, 2024.  
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**Table 1.c**  
**July 1, 2019 – March 31, 2024**

Fund Name	Compounded Performance	Annualized Performance	Growth of \$182 Million
American Funds AMCAP R6	71.30%	12.00%	\$311.8 million
S&P 500 TR	93.26%	14.88%	\$351.7 million
<i>+/- American Funds</i>	<i>-21.96%</i>	<i>-2.88%</i>	<i>-\$39.9 million</i>
Russell 1000 Growth TR	123.48%	18.45%	\$406.7 million
<i>+/- American Funds</i>	<i>-52.18%</i>	<i>-6.45%</i>	<i>-\$94.9 million</i>
American Century Growth R6	113.52%	17.32%	\$388.6 million
<i>+/- American Funds</i>	<i>-42.22%</i>	<i>-5.32%</i>	<i>-\$76.8 million</i>
Delaware Ivy Large Cap Growth R6	109.97%	16.90%	\$382.2 million
<i>+/- American Funds</i>	<i>-38.67%</i>	<i>-4.90%</i>	<i>-\$70.4 million</i>
MFS Massachusetts Inv Gr Stk R6	91.50%	14.66%	\$348.5 million
<i>+/- American Funds</i>	<i>-20.20%</i>	<i>-2.66%</i>	<i>-\$36.7 million</i>

1 **Fundamental Investors Fund**

2 **Table 2.a**  
 3 **January 1, 2014 – June 30, 2019**

Fund	Cumulative Return	Annualized Return
American Funds Fundamental Invs R6	70.87%	10.23%
S&P 500 TR	78.20%	11.08%
GMO Quality R6	90.65%	12.45%
Vanguard PRIMECAP Adm	94.28%	12.83%
Wellington CIF II Large Cap Research Eq	78.98%	11.16%

11 179. **Table 2.b** below illustrates the underperformance of the Fundamental  
 12 Investors Fund from July 1, 2019 through March 31, 2024, on an annualized and  
 13 cumulative basis relative to the S&P 500 Index and Comparator Funds. The  
 14 Fundamental Investors Fund underperformed the S&P 500 Index by nearly 8%  
 15 during this period.

**Table 2.b**  
**July 1, 2019 – March 31, 2024**

Fund	Annualized Performance						Cumulative Compounded Performance
	2019	2020	2021	2022	2023	YTD	
American Funds Fundamental Invs R6 <sup>4</sup>	11.06%	15.30%	22.88%	-16.40%	26.26%	11.58%	85.33%
S&P 500 TR	10.92%	18.40%	28.71%	-18.11%	26.29%	10.56%	93.26%
+/- American Funds	0.14%	-3.10%	-5.83%	1.71%	-0.03%	1.02%	-7.93%
GMO Quality R6	12.16%	18.49%	26.22%	-15.22%	29.99%	10.84%	104.89%
+/- American Funds	-1.10%	-3.19%	-3.34%	-1.18%	-3.73%	0.74%	-19.56%
Vanguard PRIMECAP Adm	12.96%	17.32%	21.90%	-15.09%	28.18%	9.17%	91.96%

<sup>4</sup> In 2021, the Plan added the Capital Group Fundamental Investors Trust CL U2. The difference in investment returns between the two funds is three basis points (0.03%) in 2022 and thirteen basis points (0.13%) in 2023 in favor of the Fundamental Investors Trust. Nevertheless, for simplicity, the annual and cumulative performance calculations shown in Tables 2.b and 2.c are those of the Fundamental Investors R6 Fund.

1	<i>+/- American</i>							
2	<i>Funds</i>	-1.90%	-2.02%	0.98%	-1.31%	-1.92%	2.41%	-6.63%
3	Wellington							
4	CIF II Large							
5	Cap Research	10.09%	23.40%	25.59%	-18.39%	26.26%	11.17%	95.45%
6	Eq							
7	<i>+/- American</i>							
8	<i>Funds</i>	0.97%	-8.10%	-2.71%	1.99%	0.00%	0.41%	-10.12%

180. As of June 30, 2019, the assets of the Fundamental Investors Fund were approximately \$201 million. **Table 2.c** below compares the investment growth of \$201 million invested in the Fundamental Investors Fund to the growth of \$201 million from the S&P 500 Index and each of the Comparator Funds from July 1, 2019 through March 31, 2024.

**Table 2.c**  
**July 1, 2019 – March 31, 2024**

Fund Name	Compounded Performance	Annualized Performance	Growth of \$201 Million
American Funds Fundamental Invs R6	85.33%	13.87%	\$372.5 million
S&P 500 TR	93.26%	14.88%	\$388.4 million
<i>+/- American Funds</i>	<i>-7.93%</i>	<i>-1.01%</i>	<i>-\$15.9 million</i>
GMO Quality R6	104.89%	16.30%	\$411.8 million
<i>+/- American Funds</i>	<i>-19.56%</i>	<i>-2.43%</i>	<i>-\$39.3 million</i>
Vanguard PRIMECAP Adm	91.96%	14.72%	\$385.8 million
<i>+/- American Funds</i>	<i>-6.63%</i>	<i>-0.85%</i>	<i>-\$13.3 million</i>
Wellington CIF II Large Cap Research Eq	95.45%	15.15%	\$392.9 million
<i>+/- American Funds</i>	<i>-10.12%</i>	<i>-1.28%</i>	<i>-\$20.4 million</i>

1 **Investment Company of America Fund**

2 **Table 3.a**  
 3 **January 1, 2014 – June 30, 2019**

Fund	Cumulative Return	Annualized Return
American Funds Invmt Co of Amer R6 (RICGX)	63.83%	9.39%
S&P 500 TR	78.20%	11.08%
Vanguard Growth and Income Admiral (VGIAX)	76.80%	10.92%
T. Rowe Price Structured Research Tr-Z	85.86%	11.93%
JPMorgan U.S. Equity R6	73.67%	10.56%

12 181. **Table 3.b** below illustrates the underperformance of the Investment  
 13 Company of America Fund from July 1, 2019 through March 31, 2024, on an  
 14 annualized and cumulative basis relative to the S&P 500 Index and Comparator  
 15 Funds. The Investment Company of America Fund underperformed the S&P 500  
 16 Index by almost 3%.

**Table 3.b**  
**July 1, 2019 – March 31, 2024**

Fund	Annualized Performance						Cumulative Compounded Performance
	2019	2020	2021	2022	2023	YTD	
American Funds Invmt Co of Amer R6 (RICGX)	9.61%	14.85%	25.40%	-15.26%	28.88%	10.52%	90.56%
S&P 500 TR	10.92%	18.40%	28.71%	-18.11%	26.29%	10.56%	93.26%
+/- American Funds	-1.31%	-3.55%	-3.31%	2.85%	2.59%	-0.04%	-2.70%
Vanguard Growth and Income Admiral (VGIAX)	10.44%	18.08%	29.11%	-17.11%	24.76%	12.44%	95.79%
+/- American Funds	-0.83%	-3.23%	-3.71%	1.85%	4.12%	-1.92%	-5.23%
T. Rowe Price Structured Research Tr-Z	11.19%	21.02%	28.68%	-18.42%	30.35%	11.70%	105.69%

1	<i>+/- American</i>							
2	<i>Funds</i>	-1.58%	-6.17%	-3.28%	3.16%	-1.47%	-1.18%	-15.13%
3	JPMorgan							
4	U.S. Equity	11.32%	26.74%	28.80%	-18.77%	27.35%	11.22%	109.09%
5	R6							
6	<i>+/- American</i>							
7	<i>Funds</i>	-1.71%	-11.89%	-3.40%	3.51%	1.53%	-0.70%	-18.53%

182. As of June 30, 2019, the assets of the Investment Company of America Fund were approximately \$114 million. **Table 3.c** below compares the investment growth of \$114 million invested in the Investment Company of America Fund to the growth of \$114 million from the S&P 500 Index and each of the Comparator Funds from July 1, 2019, through March 31, 2024.

**Table 3.c**  
**July 1, 2019 – March 31, 2024**

<b>Fund Name</b>	<b>Compounded Performance</b>	<b>Annualized Performance</b>	<b>Growth of \$114 Million</b>
American Funds Invmt Co of Amer R6	90.56%	14.54%	\$217.2 million
S&P 500 TR	93.26%	14.88%	\$220.3 million
<i>+/- American Funds</i>	<i>-2.70%</i>	<i>-0.34%</i>	<i>-\$3.1 million</i>
Vanguard Growth and Income Admiral (VGIAX)	95.79%	15.19%	\$223.2 million
<i>+/- American Funds</i>	<i>-5.23%</i>	<i>-0.65%</i>	<i>-\$6.0 million</i>
T. Rowe Price Structured Research Tr-Z	105.69%	16.40%	\$234.5 million
<i>+/- American Funds</i>	<i>-15.13%</i>	<i>-1.86%</i>	<i>-\$17.3 million</i>
JPMorgan U.S. Equity R6	109.09%	16.80%	\$238.4 million
<i>+/- American Funds</i>	<i>-18.53%</i>	<i>-2.26%</i>	<i>-\$21.2 million</i>

1 **Washington Mutual Fund**

2 **Table 4.a**  
 3 **January 1, 2014 – June 30, 2019**

Fund	Cumulative Return	Annualized Return
American Funds Washington Mutual R6	71.37%	10.29%
S&P 500 TR	78.20%	11.08%
JPMCB U.S. Active Core Equity Inv	80.58%	11.34%
Goldman Sachs Large Cap Core R6	85.05%	11.84%
Touchstone Large Cap Focused R6	73.75%	10.57%

11 183. **Table 4.b** below illustrates the underperformance of the Washington  
 12 Mutual Fund from July 1, 2019 through March 31, 2024, on an annualized and  
 13 cumulative basis relative to the S&P 500 Index and Comparator Funds. The  
 14 Washington Mutual Fund underperformed the S&P 500 Index by over 13%.

**Table 4.b**  
**July 1, 2019 – March 31, 2024**

Fund	Annualized Performance						Cumulative Compounded Performance
	2019	2020	2021	2022	2023	YTD	
American Funds Washington Mutual R6 <sup>5</sup>	9.50%	8.08%	28.90%	-8.18%	17.59%	9.20%	79.86%
S&P 500 TR	10.92%	18.40%	28.71%	-18.11%	26.29%	10.56%	93.26%
+/- American Funds	-1.42%	-10.32%	0.19%	9.93%	-8.70%	-1.36%	-13.40%
JPMCB U.S. Active Core Equity Inv	11.42%	27.37%	29.03%	-18.36%	27.91%	11.30%	112.81%
+/- American Funds	-1.92%	-19.29%	-0.13%	10.18%	-10.32%	-2.10%	-32.95%
Goldman Sachs Large	10.10%	23.27%	25.11%	-19.60%	26.93%	9.85%	90.38%

<sup>5</sup> In 2022, the Plan added the Capital Group Washington Mutual Trust Class U2. The difference in investment returns between the two funds is two basis points (0.02%) in favor of the Washington Mutual Trust in 2022, and four basis points (0.04%) in favor of the Washington Mutual R6 Fund in 2023. Nevertheless, for simplicity, the annual and cumulative performance calculations shown in Tables 4.b and 4.c are those of the Washington Mutual R6 Fund.

1	Cap Core R6						
2	+/- American						
3	Funds	-0.60%	-15.19%	3.79%	11.42%	-9.34%	-10.52%
4	Touchstone						
5	Large Cap	10.76%	23.83%	25.37%	-17.27%	25.45%	93.06%
6	Focused R6						
7	+/- American						
8	Funds	-1.26%	-15.75%	3.53%	9.09%	-7.86%	-13.20%

184. As of June 30, 2019, the assets of the Washington Mutual Fund were approximately \$166 million. **Table 4.c** below compares the growth of \$166 million invested in the Washington Mutual Fund to the growth of \$166 million from the S&P 500 Index and each of the Comparator Funds from July 1, 2019 through March 31, 2024.

**Table 4.c**  
**July 1, 2019 – March 31, 2024**

<b>Fund Name</b>	<b>Compounded Performance</b>	<b>Annualized Performance</b>	<b>Growth of \$166 Million</b>
American Funds Washington Mutual R6	79.86%	13.15%	\$298.6 million
S&P 500 TR	93.26%	14.88%	\$320.8 million
<i>+/- American Funds</i>	<i>-13.40%</i>	<i>-1.73%</i>	<i>-\$22.2 million</i>
JPMCB U.S. Active Core Equity Inv	112.81%	17.23%	\$353.3 million
<i>+/- American Funds</i>	<i>-32.95%</i>	<i>-4.08%</i>	<i>-\$54.7 million</i>
Goldman Sachs Large Cap Core R6	90.38%	14.52%	\$316.0 million
<i>+/- American Funds</i>	<i>-10.52%</i>	<i>-1.37%</i>	<i>-\$17.4 million</i>
Touchstone Large Cap Focused R6	93.06%	14.85%	\$320.5 million
<i>+/- American Funds</i>	<i>-13.20%</i>	<i>-1.70%</i>	<i>-\$21.9 million</i>

1 **World Growth and Income Fund**

2 **Table 5.a**  
 3 **January 1, 2014 – June 30, 2019**

Fund	Cumulative Return	Annualized Return
American Funds Capital World Gr&Inc R6 (RWIGX)	42.46%	6.65%
MSCI ACWI NR	43.18%	6.74%
Russell Inv Global Equity Y (RLGYX)	45.61%	7.07%
Victory RS Global R6 (RGGRX)	63.25%	9.32%
DFA Global Equity I (DGEIX)	44.19%	6.88%

11 185. **Table 5.b** below illustrates the underperformance of the World Growth  
 12 and Income Fund from July 1, 2019 through March 31, 2024, on an annualized and  
 13 cumulative basis relative to the MSCI ACWI Index and Comparator Funds. The  
 14 World Growth and Income Fund underperformed the MSCI ACWI Index by over  
 15 4%.

**Table 5.b**  
**July 1, 2019 – March 31, 2024**

Fund	Annualized Performance						Cumulative Compounded Performance
	2019	2020	2021	2022	2023	YTD	
American Funds Capital World Gr&Inc R6 <sup>6</sup>	8.75%	15.78%	15.15%	-17.01%	21.22%	8.27%	57.93%
MSCI ACWI NR	8.92%	16.25%	18.54%	-18.36%	22.20%	8.20%	62.02%
+/- American Funds	-0.17%	-0.47%	-3.39%	1.35%	-0.98%	0.07%	-4.09%
Russell Inv Global Equity Y (RLGYX)	10.05%	13.75%	22.77%	-16.42%	22.72%	9.00%	71.83%
+/- American Funds	-1.30%	2.03%	-7.62%	-0.59%	-1.50%	-0.73%	-13.90%

<sup>6</sup> In 2021, the Plan added the World Growth and Income Trust Class U2. The difference in investment returns between the two funds is two basis points (0.02%) in favor of the World Growth and Income R6 Fund in 2022; there was no difference in investment returns in 2023. For simplicity, the annual and cumulative performance calculations shown in Tables 5.b and 5.c are those of the World Growth and Income R6 Fund.

1	Victory RS							
2	Global R6	10.80%	17.27%	22.84%	-18.81%	27.02%	8.61%	78.79%
3	(RGGRX)							
4	<i>+/- American</i>							
5	<i>Funds</i>	-2.05%	-1.49%	-7.69%	1.80%	-5.80%	-0.34%	-20.86%
6	DFA Global							
7	Equity I	9.18%	13.49%	23.20%	-14.70%	20.29%	8.13%	69.38%
8	(DGEIX)							
9	<i>+/- American</i>							
10	<i>Funds</i>	-0.43%	2.29%	-8.05%	-2.31%	0.93%	0.14%	-11.45%

11           186. As of June 30, 2019, the assets of the World Growth and Income Fund  
 12 were approximately \$170 million. **Table 5.c** below compares the growth of \$170  
 13 million invested in the World Growth and Income Fund to the growth of \$170  
 14 million from the MSCI ACWI Index and each of the Comparator Funds from July  
 15 1, 2019 through March 31, 2024.

**Table 5.c**  
**July 1, 2019 – March 31, 2024**

<b>Fund Name</b>	<b>Compounded Performance</b>	<b>Annualized Performance</b>	<b>Growth of \$170 Million</b>
American Funds Capital World Gr&Inc R6	57.93%	10.10%	\$268.5 million
MSCI ACWI NR	62.02%	10.69%	\$275.4 million
<i>+/- American Funds</i>	<i>-4.09%</i>	<i>-0.59%</i>	<i>-\$6.9 million</i>
Russell Inv Global Equity Y (RLGYX)	71.83%	12.07%	\$292.1 million
<i>+/- American Funds</i>	<i>-13.90%</i>	<i>-1.97%</i>	<i>-\$23.6 million</i>
Victory RS Global R6 (RGGRX)	78.79%	13.01%	\$303.9 million
<i>+/- American Funds</i>	<i>-20.86%</i>	<i>-2.91%</i>	<i>-\$35.4 million</i>
DFA Global Equity I (DGEIX)	69.38%	11.73%	\$287.9 million
<i>+/- American Funds</i>	<i>-11.45%</i>	<i>-1.63%</i>	<i>-\$19.4 million</i>

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**IX. CLASS ACTION ALLEGATIONS**

187. 29 U.S.C. § 1132(a)(2) authorizes any participant or beneficiary of the Plan to bring an action individually on behalf of the Plan to enforce a breaching fiduciary’s liability to the plan under 29 U.S.C. § 1109(a).

188. In acting in this representative capacity and to enhance the due process protections of unnamed participants and beneficiaries of the Plan, as an alternative to a direct individual action on behalf of the Plan under 29 U.S.C. §1132(a)(2) and (3), Plaintiff seeks to certify this action as a class action on behalf of participants and beneficiaries of the Plan. Specifically, Plaintiff seeks to certify, and to be appointed as representative of, the following class:

All participants and beneficiaries of the Plan who invested in any of the American Funds from July 1, 2019 through the date of judgment, excluding the Capital Group Defendants, any of their directors, and any officers or employees of the Capital Group Defendants with responsibility for the Plan’s investment or administrative function.

189. This action meets the requirements of Rule 23 and is certifiable as a class action for the following reasons:

- a. The Class includes thousands of members and is so large that joinder of all its members is impracticable.
- b. There are numerous questions of law and fact common to this Class because the Capital Group Defendants owed the same fiduciary duties to the Plan and to all participants and beneficiaries and took a common

1 course of actions and omissions as alleged herein as to the Plan, and not  
2 as to any individual participant, that affected all Class members through  
3 their participation in the Plan in the same way. Thus, questions of law  
4 and fact common to the Class include, without limitation, the following:

5 (i) whether each of the Defendants are fiduciaries liable for the  
6 remedies provided by 29 U.S.C. §1109(a); (ii) whether the fiduciaries  
7 of the Plan breached their fiduciary duties to the Plan by employing an  
8 imprudent and/or disloyal process for monitoring and evaluating Plan  
9 investment options; (iii) whether Plaintiff's claims of an imprudent  
10 and/or disloyal process require similar inquiries and proof of the claims  
11 and therefore implicate the same set of concerns for all proposed  
12 members of the Class; (iv) what are the losses to the Plan resulting from  
13 each breach of fiduciary duty; and (v) what Plan-wide equitable and  
14 other relief the Court should impose in light of the Capital Group  
15 Defendants' breach of duties.

16 c. Plaintiff's claims are typical of the claims of the Class because Plaintiff  
17 was a participant during the Class Period and all participants in the Plan  
18 were harmed by the Capital Group Defendants' misconduct.

19 d. Plaintiff is an adequate representative of the Class because she  
20 participated in the Plan during the Class Period, has no interest that

1 conflicts with the Class, is committed to the vigorous representation of  
2 the Class, and has engaged experienced and competent attorneys to  
3 represent the Class.

4 e. There are no substantial individualized questions of law or fact among  
5 Class members on the merits of this Action.

6 190. Prosecution of separate actions for these breaches of fiduciary duties by  
7 individual participants and beneficiaries would create the risk of inconsistent or  
8 varying adjudications that would establish incompatible standards of conduct for the  
9 Capital Group Defendants in respect to the discharge of their fiduciary duties to the  
10 Plan and personal liability to the Plan under 29 U.S.C. § 1109(a). Moreover,  
11 adjudications by individual participants and beneficiaries regarding the alleged  
12 breaches of fiduciary duties, and remedies for the Plan would, as a practical matter,  
13 be dispositive of the interests of the participants and beneficiaries not parties to the  
14 adjudication or would substantially impair or impede those participants' and  
15 beneficiaries' ability to protect their interests. Therefore, this action should be  
16 certified as a class action under Rule 23(b)(1)(A) or (B).

17 191. Additionally, or in the alternative, certification under Rule 23(b)(2) is  
18 appropriate because the Capital Group Defendants have acted or refused to act on  
19 grounds that apply generally to the Class, so that final injunctive relief or  
20 corresponding declaratory relief is appropriate respecting the Class as a whole.

1 Plaintiff seeks reformation of the Plan to make it a more viable retirement investment  
2 option, which will benefit her and other Plan participants.

3 192. Additionally, or in the alternative, this action may be certified as a class  
4 under Rule 23(b)(3). A class action is the superior method for the fair and efficient  
5 adjudication of this controversy because joinder of all participants and beneficiaries  
6 is impracticable, the losses suffered by individual participants and beneficiaries may  
7 be small and it is impracticable for individual members to enforce their rights  
8 through individual actions, and the common questions of law and fact predominate  
9 over individual questions. Given the nature of the allegations, no Class member has  
10 an interest in individually controlling the prosecution of this matter, and Plaintiff is  
11 aware of no difficulties likely to be encountered in the management of this matter as  
12 a class action.

13 193. Additionally, or alternatively, this action may be certified as to  
14 particular issues under Rule 23(c)(4), including but not limited to the Defendants'  
15 liability to the Class for their allegedly imprudent conduct.

16 194. Plaintiff's counsel will fairly and adequately represent the interests of  
17 the Class and is best able to represent the interests of the Class under Rule 23(g).  
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1 **CAUSES OF ACTION**

2 **COUNT I**

3 **Breach of Duty of Prudence by Mismanaging and Failing to Remove**  
4 **Imprudent Investments from the Plan Within a Reasonable Time**  
5 **(Violation of ERISA, 29 U.S.C. § 1104)**  
6 **(Against All Capital Group Defendants)**

7 195. All allegations set forth in the Complaint are realleged and incorporated  
8 herein by reference.

9 196. Capital Group used the Plan as a strategic and financial benefit to  
10 recruit and retain workers.

11 197. In joining Capital Group and subsequently enrolling in the Plan,  
12 employees trusted and relied on Capital Group’s resources and expertise to construct  
13 and maintain a state-of-the-art 401(k) plan.

14 198. At all relevant times during the Class Period, the Capital Group  
15 Defendants acted as fiduciaries within the meaning of 29 U.S.C. § 1002(21)(A) by  
16 exercising authority and control with respect to the management of the Plan and its  
17 assets, and/or by rendering investment advice or by having authority or  
18 responsibility to render investment advice to the Plan; and/or were designated in the  
19 governing Plan document as a named fiduciary within the meaning of 29 U.S.C.  
20 § 1102(a).

199. 29 U.S.C. § 1104(a)(1)(B) requires a plan fiduciary to act with the  
“care, skill, prudence and diligence under the circumstances then prevailing that a

1 prudent man acting in a like capacity and familiar with such matters would use in  
2 the conduct of an enterprise of a like character and with like aims.”

3 200. Thus, the scope of the fiduciary duties and responsibilities of the  
4 Capital Group Defendants includes administering the Plan with the care, skill,  
5 diligence, and prudence required by ERISA. The Capital Group Defendants are  
6 responsible for evaluating and monitoring the Plan’s investments on an ongoing  
7 basis, eliminating imprudent investments, and taking all necessary steps to ensure  
8 the Plan’s assets are invested prudently.

9 201. The Capital Group Defendants breached their fiduciary duties through  
10 an imprudent process for investigating, evaluating, and monitoring investments. The  
11 faulty process resulted in a plan that included five American Funds that have suffered  
12 poor performance for nearly a decade. Capital Group Defendants failed to remove  
13 the American Funds within a reasonable time despite historical underperformance  
14 relative to other relevant benchmark indices.

15 202. By failing to replace the American Funds with better-performing  
16 investment products for the Plan, the Capital Group Defendants failed to discharge  
17 their duties with the care, skill, prudence, and diligence that a prudent fiduciary  
18 acting in a like capacity and familiar with such matters would use in the conduct of  
19 an enterprise of like character and with like aims.  
20

1           203. The Capital Group Defendants’ breach of fiduciary duty has  
2 substantially impaired the Plan’s use, its value, and its investment performance for  
3 all Class members.

4           204. As a direct and proximate result of the Capital Group Defendants’  
5 breaches of fiduciary duty, the Plan has suffered millions of dollars of damages  
6 which continue to accrue and for which the Capital Group Defendants are jointly  
7 and severally liable pursuant to 29 U.S.C. §§ 1132(a)(2), 1132(a)(3), and 1109(a).

8           205. Each of the Capital Group Defendants is liable to make good to the Plan  
9 as a whole the losses resulting from the aforementioned breaches and to restore to  
10 the Plan any profits resulting from the breaches of fiduciary duties alleged in this  
11 Count. The Capital Group Defendants are subject to other plan-wide equitable or  
12 remedial relief as appropriate.

13           206. Each Capital Group Defendant also participated in the breach of the  
14 other Capital Group Defendants, knowing that such acts were a breach, and enabled  
15 the other Capital Group Defendants to commit a breach by failing to lawfully  
16 discharge its own fiduciary duties. Each Capital Group Defendant knew of the  
17 breach by the other Capital Group Defendants yet failed to make any reasonable  
18 effort under the circumstances to remedy the breach. Thus, each Capital Group  
19 Defendant is liable for the plan-wide losses caused by the breach of its co-fiduciary  
20 duties under 29 U.S.C. § 1105(a).

1 **COUNT II**

2 **Breach of Duty of Loyalty by Mismanaging and Failing to Remove Imprudent**  
3 **Investments from the Plan Within a Reasonable Time**  
4 **(Violation of ERISA, 29 U.S.C. § 1104)**  
5 **(Against All Capital Group Defendants)**

6 207. All allegations set forth in the Complaint are realleged and incorporated  
7 herein by reference.

8 208. 29 U.S.C. § 1104(a)(1)(A) requires a plan fiduciary to act “for the  
9 exclusive purpose of: (i) providing benefits to participants and their beneficiaries;  
10 and (ii) defraying reasonable expenses of administering the plan.”

11 209. Because the American Funds produced millions of dollars in annual fee  
12 revenue for the Capital Group Defendants, the Capital Group Defendants were  
13 inflicted with a conflict of interest when deciding whether to include or remove the  
14 American Funds as investment options for the Plan. Acting in their self-interest,  
15 rather than the best interests of the Plan and its participants, the Defendants retained  
16 poorly performing investment options that benefited Capital Group, rather than the  
17 Plan, despite the availability of superior – and readily available – investment  
18 alternatives as detailed herein. An unconflicted fiduciary, in possession of the same  
19 investment performance information, would have removed the American Funds as  
20 investment options in the Plan and replaced them with more prudent alternatives.

21 210. Through these actions and omissions, the Defendants failed to  
22 discharge their duties with respect to the Plan: (A) solely in the interest of the

1 participants and beneficiaries of the Plan, and for the exclusive purpose of providing  
2 benefits to participants and their beneficiaries and defraying reasonable expenses of  
3 administering the Plan, in violation of ERISA § 404(a)(1)(A), 29 U.S.C.  
4 § 1104(a)(1)(A).

5 211. As a direct and proximate result of these breaches, the Plan suffered  
6 substantial losses in the form of higher fees or lower returns on its investments than  
7 it would have otherwise experienced. Additionally and regardless of the losses  
8 incurred by the Plaintiff or any member of the Class, pursuant to ERISA §§ 502(a)(2)  
9 and (a)(3), and 409(a), 29 U.S.C. §§ 1132(a)(2) and (a)(3), and 1109(a), the  
10 Defendants and any non-fiduciary which knowingly participated in these breaches  
11 are liable to disgorge to the Plan all profits made as a result of these Defendants'  
12 breaches of the duty of loyalty.

13 **COUNT III**

14 **Failure to Monitor**  
15 **(Against All Capital Group Defendants)**

16 212. All allegations set forth in the Complaint are realleged and incorporated  
17 herein by reference.

18 213. The Capital Group Defendants had a duty to monitor the performance  
19 of each party to whom they delegated any fiduciary responsibilities. A monitoring  
20 fiduciary must ensure that the monitored fiduciaries are performing their fiduciary  
obligations, including those with respect to the investment and holding of Plan

1 assets, and must take prompt and effective action to protect the Plan and participants  
2 when they are not.

3 214. To the extent any of the Capital Group Defendants' fiduciary  
4 responsibilities were delegated to another fiduciary, the Capital Group Defendants'  
5 monitoring duty included an obligation to ensure that any delegated tasks were being  
6 performed prudently, loyally, and in compliance with governing Plan documents.

7 215. The Capital Group Defendants breached their fiduciary monitoring  
8 duties by, among other things:

- 9 a. failing to monitor their appointees, to evaluate their performance, or to  
10 have a system in place for doing so, and standing idly by as the Plan  
11 suffered enormous losses as a result of their appointees' actions and  
12 omissions in violation of ERISA with respect to the Plan;
- 13 b. failing to monitor their appointees' fiduciary process, which was  
14 imprudent, ridden with conflicts, and ignored governing Plan  
15 documents;
- 16 c. failing to ensure that the monitored fiduciaries had a prudent process in  
17 place for evaluating and ensuring that investment options were prudent;
- 18 d. failing to ensure that the monitored fiduciaries had a conflict-free  
19 process in place for evaluating and ensuring that investment options  
20

1           were selected solely in the interests of Plan participants and did not  
2           constitute prohibited transactions; and

- 3           e. failing to remove appointees whose performance was inadequate in that  
4           they continued to allow investment options that were imprudent and  
5           otherwise violated ERISA to remain in the Plan, to the detriment of  
6           Plan participants' retirement savings.

7           216. Each fiduciary who delegated its fiduciary responsibilities likewise  
8           breached its fiduciary monitoring duty by, among other things:

- 9           a. failing to monitor their appointees, to evaluate their performance, or to  
10           have a system in place for doing so, and standing idly by as the Plan  
11           suffered enormous losses as a result of their appointees' actions and  
12           omissions in violation of ERISA with respect to the Plan;
- 13           b. failing to monitor their appointees' fiduciary process, which was  
14           imprudent, ridden with conflicts, and ignored governing Plan  
15           documents;
- 16           c. failing to ensure that the monitored fiduciaries had a prudent process in  
17           place for evaluating and ensuring that investment options were prudent  
18           and selected in compliance with the Plan's Investment Policy  
19           Statement;
- 20

- d. failing to ensure that the monitored fiduciaries had a conflict-free process in place for evaluating and ensuring that investment options were selected solely in the interests of Plan participants and did not constitute prohibited transactions; and
- e. failing to remove appointees whose performance was inadequate in that they continued to allow investment options that were imprudent and otherwise violated ERISA to remain in the Plan, to the detriment of Plan participants' retirement savings.

217. As a direct result of these breaches of the fiduciary duty to monitor, the Plan suffered substantial losses. Had Capital Group and the other delegating fiduciaries discharged their fiduciary monitoring duties, the Plan would not have suffered these losses.

**PRAYER FOR RELIEF**

For these reasons, Plaintiff, on behalf of the Plan as a whole and all similarly situated Plan participants and beneficiaries, respectfully requests that the Court:

- i) find and adjudge that the Capital Group Defendants have breached their fiduciary duties, as described above;
- ii) find and adjudge that the Capital Group Defendants are personally liable to make good to the Plan the losses to the Plan as a whole resulting from

- 1           each breach of fiduciary duty, and to otherwise restore the Plan to the  
2           position it would have occupied but for the breaches of fiduciary duty;
- 3           iii) order the Capital Group Defendants to make good to the Plan as a whole  
4           the losses resulting from each breach of fiduciary duty and to restore to  
5           the Plan any profits resulting from each breach of fiduciary duty;
- 6           iv) find and adjudge that the Capital Group Defendants are liable to the Plan  
7           for appropriate plan-wide equitable relief, including but not limited to  
8           restitution and disgorgement;
- 9           v) determine the method by which Plan losses under 29 U.S.C. § 1109(a)  
10          should be calculated;
- 11          vi) order the Capital Group Defendants to provide all accountings necessary  
12          to determine the amounts Defendants must make good to the Plan under  
13          29 U.S.C. § 1109(a);
- 14          vii) remove the fiduciaries who have breached their fiduciary duties and  
15          enjoin them from future ERISA violations;
- 16          viii) impose surcharge against the Capital Group Defendants and in favor of  
17          the Plan all amounts involved in any transactions which such accounting  
18          reveals were improper, excessive, and/or in violation of ERISA;
- 19          ix) order the proceeds of any plan-wide recovery for the Plan to be allocated  
20          to the accounts of the Class members to make them whole for any injury

1 that they have suffered as a result of the breaches of ERISA in accordance  
2 with the Court's declaration;

- 3 x) reform the Plan to include only prudent investments;
- 4 xi) certify the Class, appoint the Plaintiff as a class representative, appoint  
5 Sanford Heisler Sharp, LLP as Class Counsel, and appoint Charles Field  
6 and Kevin Sharp as lead counsel for the Class;
- 7 xii) award to the Plaintiff and the Class their attorney's fees and costs under  
8 29 U.S.C. § 1132(g)(1) and the common fund doctrine;
- 9 xiii) order the Capital Group Defendants to pay interest to the extent allowed  
10 by law; and
- 11 xiv) grant such other equitable or remedial relief as the Court deems  
12 appropriate.
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1 Date: May 1, 2024

Respectfully Submitted,

2 /s/ Charles Field

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