

From: Samuel Carpenter [<mailto:carpenter@hdvest.net>]
Sent: Thursday, August 03, 2017 9:28 AM
To: Talk to DOL
Cc: sammyg16@me.com
Subject: The fiduciary rule is hurting the small investor.

August 3, 2017

R. Alexander Acosta

Secretary of Labor

United States Department of Labor

Email: talktodol@dol.gov

SUBJECT: The fiduciary rule is hurting the small investor.

Dear Mr. Acosta:

Please accept this letter as a request to keep C shares available as an investment option, especially for 529 college plans. The Department of Labor is forcing our broker/dealer to comply by the new fiduciary rule by not allowing class C shares as an investment option and I feel that it will harm the small investor.

I want to voice my concern for the small investors, who take a step forward to improve their financial future and who want a low cost option when starting from \$0. Major flawed premises lead to major problems; many smart people thought the world was flat and that Iraq had weapons of mass destruction. Ordinary people suffer consequences of poor assumptions. The consequence in our case is that less people will save money because they do not want to pay any up front charge.

I've attached a FINRA Fund Analyzer for you to review and a summary below. This illustration is run with an 8% rate of return.

| Share Class | Rate of Return | 5 Years | | | 10 Years | | | 15 Years | | |
|-------------|----------------|------------------|------------|-------------|------------------|------------|-------------|------------------|------------|-------------|
| | | Total Investment | Total Cost | Total Value | Total Investment | Total Cost | Total Value | Total Investment | Total Cost | Total Value |
| A | 8% | \$6,000 | \$460 | \$7,034 | \$12,000 | \$1,168 | \$ 17,069 | \$18,000 | \$2,214 | \$ 31,405 |
| C | 8% | \$6,000 | \$294 | \$7,266 | \$12,000 | \$1,170 | \$ 17,243 | \$18,000 | \$2,599 | \$ 31,221 |

After 5 years of investing \$1,200 per year and earning an 8% rate of return, C shares win. After 10 years, C shares are only \$2 more, but the value of C shares is \$174 more (\$17,243-\$17,069 = \$174). After 15 years, A shares are ahead, but not by that much. For a 529 plan, the time frame is usually less than 15 years and the clients usually invest systematically. What's more important? Paying less total cost or having more money in the end? I will take the money. I believe that removing the C share option from our product lineup will do more harm in the long run. Please consider keeping C shares as an option.

According to DALBAR, the average investor holding period of a mutual fund is 4.78 years. If we use this as our basis and compare A shares versus C shares in this time frame, C shares is less expensive. Client emotions are a huge part of investor relations and the DALBAR study has proven that time and again. Changes to our business and new interpretation of old data cannot change human nature.

Please consider these facts as you continue to comply with the DOL rule. There are many cases where I feel C shares suit the client's needs. A low cost, no money down, no up-front charge lessens the fear of starting a successful investment plan.

I would be happy to discuss this further. If you have any questions or comments, please email me at carpenter@hdvest.net or call me at (814) 534-4445.

Best regards,

Samuel G. Carpenter, MS, CFP[®], CPA/PFS, CSA

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American Funds Investment Company of America® Class A

AIVCX | View Fund Details

Class A Front Load

American Funds Investment Company of America® Class C

NDGX | View Fund Details

Class C Back Load

Initial Contribution *

\$1,200.00

Rate of Return †

8.00 %

Holding Period †

15 years

Future Contributions

\$1200 beginning in 2018 and ending in 2031

+ Letters of Intent

+ Fees and Loads

+ Annual Withdrawals

+ Future Rates of Return

+ Wrap and Flat Account Fees

+ Existing Assets and Rights of Accumulation

+ Custom Expense Ratios

SUMMARY

Disclaimer: The future values depicted are based on the rates of return chosen by the user and are not a depiction of actual returns.

FUTURE VALUE
after fees &
expenses

\$31,405.22

\$31,220.75

TOTAL COST

\$2,214.44

\$2,598.93



● Annual Operating Expenses

\$1,197.44

0.59%

120 months

1.39%

>120 months

0.69%

View Details ^

Sales Charge (Front-End Load or Breakpoints)

[View Details ^](#)

| | |
|--------------|--------|
| \$1,017.00 | \$0.00 |
| \$0 - | |
| <\$25,000 | |
| 5.75% | |
| \$25,000 - | |
| <\$50,000 | |
| 5% | |
| \$50,000 - | |
| <\$100,000 | |
| 4.5% | |
| \$100,000 - | N/A |
| <\$250,000 | |
| 3.5% | |
| \$250,000 - | |
| <\$500,000 | |
| 2.5% | |
| \$500,000 - | |
| <\$1,000,000 | |
| 2% | |

Contingent Deferred Sales Charges (CDSC or Back-End Load)

[View Details ^](#)

| | |
|--------------|---------|
| \$0.00 | \$12.00 |
| \$750,000 - | 12 |
| <\$1,000,000 | months |
| 1.5% | 1% |
| >\$1,000,000 | >12 |
| 0% | months |
| | 0% |

N/A

Account-Level Fees

[View Details ^](#)

No Account-Level Fees Entered

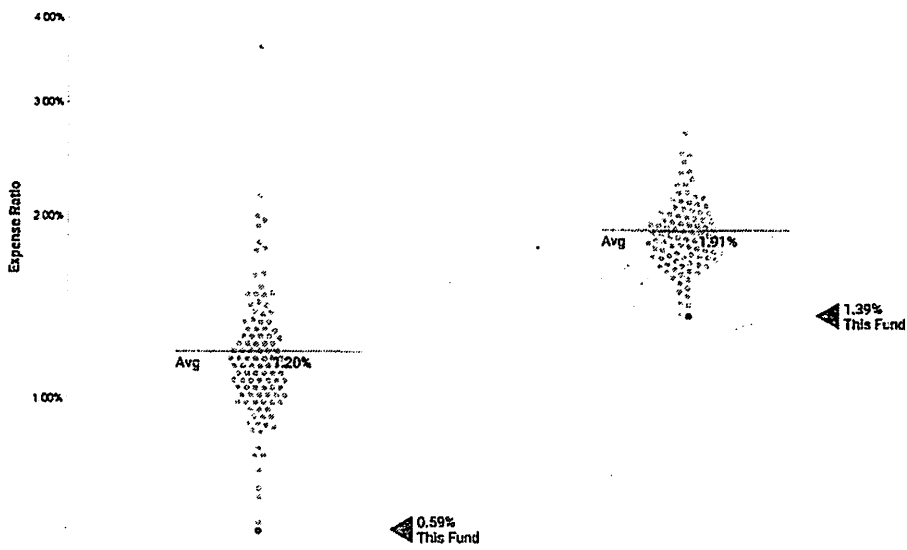
Wrap
Account
Fees
N/A

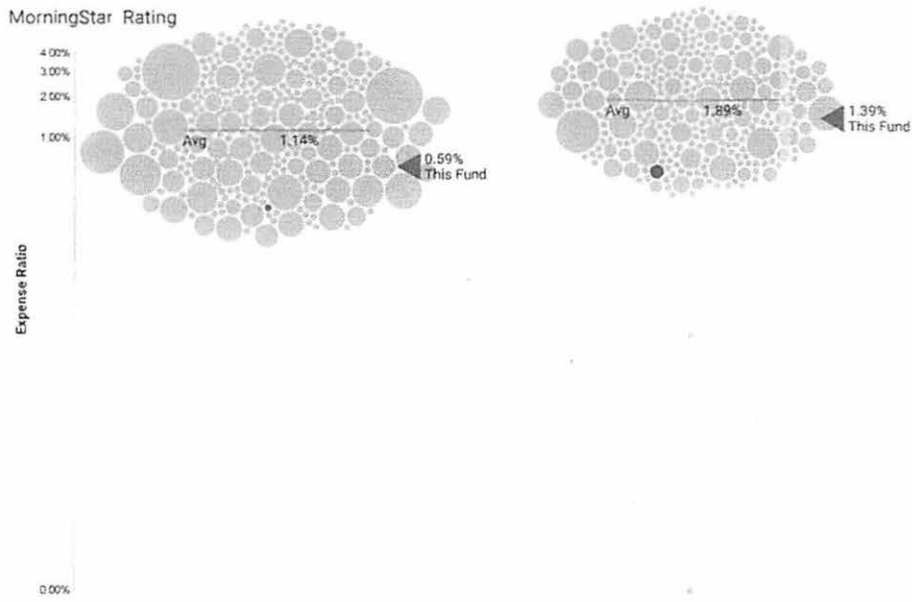
Flat
Fees
N/A

Wrap
Account
Fees
N/A

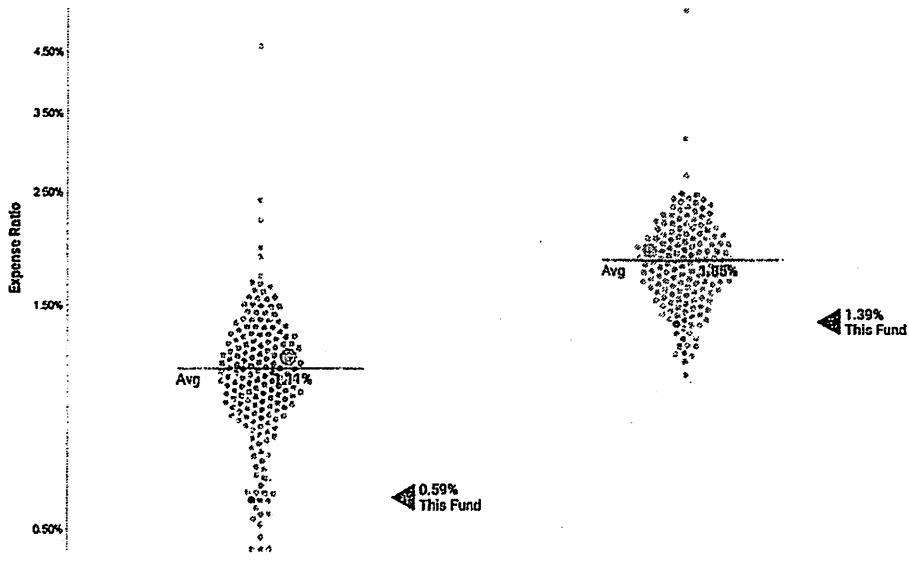
Flat
Fees
N/A

Prospectus Objective

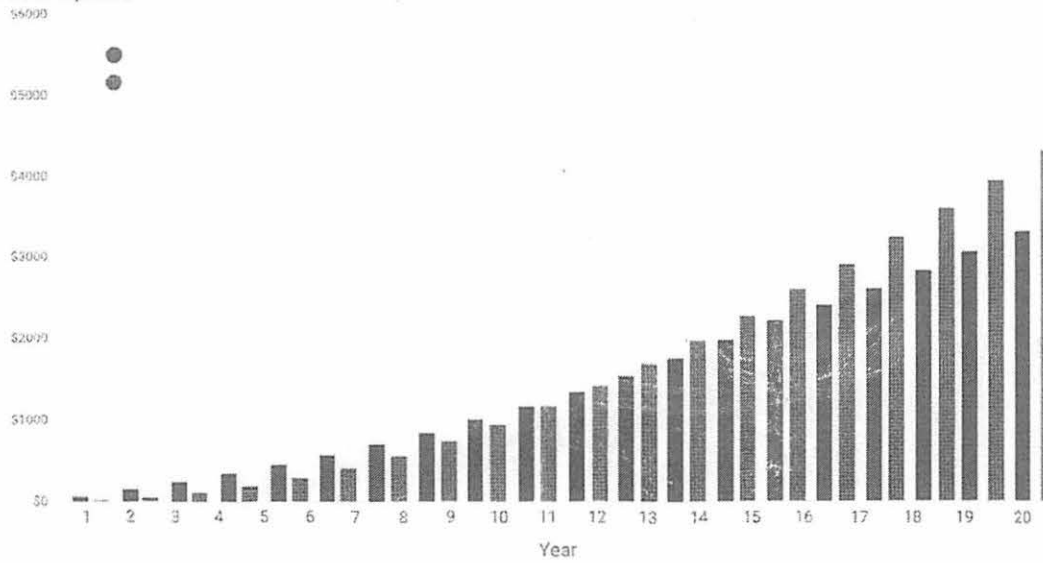




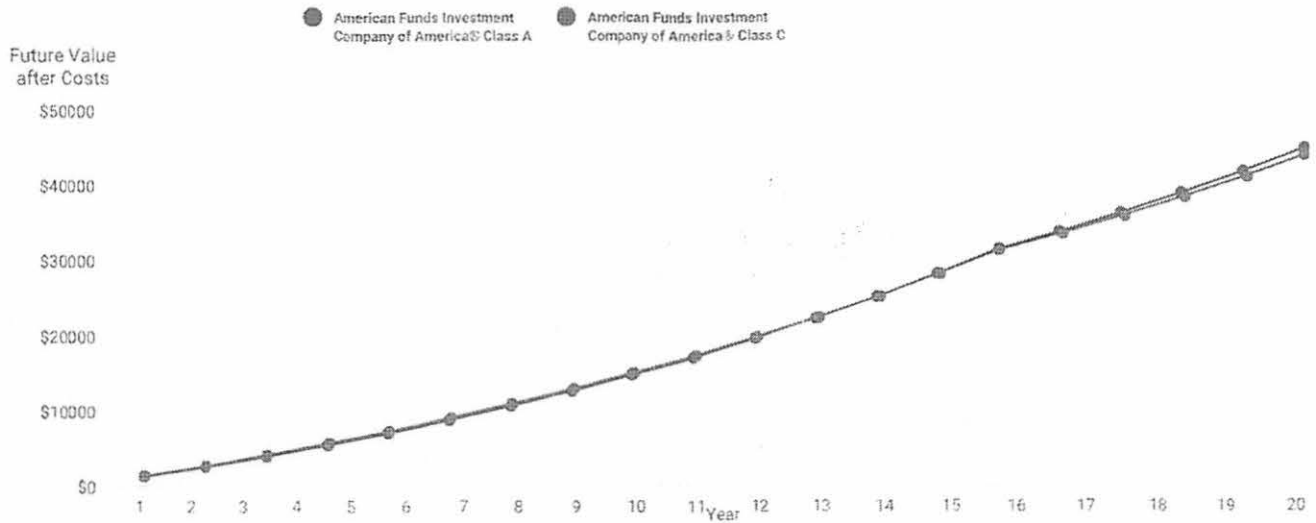
Fund Costs Investment Company of America Class C
American Funds Investment Company of America Class A
MorningStar Category



Fee & Expenses



Future & Value



Contributions & Withdrawals

\$1500

\$1250

\$1000

\$750

\$500

\$250

\$0

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

Year

Contributions

American Funds Investment Company of America® Class A

| Year | Redeemed Value | Cumulative Total Fund-Only Cost | Cumulative Total Costs for All Types |
|------|----------------|---------------------------------|--------------------------------------|
| 1 | \$1,214.30 | \$75.92 | \$75.92 |
| 2 | \$2,518.02 | \$159.25 | \$159.26 |
| 3 | \$3,917.76 | \$250.57 | \$250.57 |
| 4 | \$5,420.59 | \$350.44 | \$350.44 |
| 5 | \$7,034.10 | \$459.50 | \$459.50 |
| 6 | \$8,766.43 | \$578.48 | \$578.43 |
| 7 | \$10,626.85 | \$707.95 | \$707.95 |
| 8 | \$12,623.25 | \$848.84 | \$848.84 |
| 9 | \$14,767.22 | \$1,001.95 | \$1,001.95 |
| 10 | \$17,069.08 | \$1,168.16 | \$1,168.16 |
| 11 | \$19,540.47 | \$1,348.45 | \$1,348.45 |
| 12 | \$22,193.87 | \$1,543.85 | \$1,543.85 |
| 13 | \$25,042.58 | \$1,755.47 | \$1,755.47 |
| 14 | \$28,110.97 | \$1,975.58 | \$1,975.58 |
| 15 | \$31,405.22 | \$2,214.44 | \$2,214.44 |
| 16 | \$33,718.14 | \$2,406.47 | \$2,406.47 |
| 17 | \$36,201.89 | \$2,612.65 | \$2,612.65 |
| 18 | \$38,867.53 | \$2,834.01 | \$2,834.01 |
| 19 | \$41,730.02 | \$3,071.68 | \$3,071.68 |
| 20 | \$44,803.32 | \$3,326.84 | \$3,326.84 |

American Funds Investment Company of America® Class C

| Year | Redeemed Value | Cumulative Total Fund-Only Cost | Cumulative Total Costs for All Types |
|------|----------------|---------------------------------|--------------------------------------|
| 1 | \$1,266.11 | \$29.22 | \$29.22 |
| 2 | \$2,627.42 | \$64.77 | \$64.77 |
| 3 | \$4,077.34 | \$119.85 | \$119.86 |
| 4 | \$5,621.64 | \$195.75 | \$195.75 |
| 5 | \$7,266.46 | \$293.80 | \$293.80 |
| 6 | \$9,018.35 | \$415.45 | \$415.45 |
| 7 | \$10,884.28 | \$562.23 | \$562.23 |
| 8 | \$12,871.56 | \$735.79 | \$735.79 |
| 9 | \$14,988.41 | \$937.85 | \$937.86 |
| 10 | \$17,242.95 | \$1,170.30 | \$1,170.30 |
| 11 | \$19,661.10 | \$1,418.86 | \$1,418.86 |
| 12 | \$22,254.76 | \$1,684.70 | \$1,684.70 |
| 13 | \$25,036.64 | \$1,969.08 | \$1,969.08 |
| 14 | \$28,020.42 | \$2,273.34 | \$2,273.34 |
| 15 | \$31,220.75 | \$2,598.93 | \$2,598.93 |
| 16 | \$33,387.22 | \$2,918.17 | \$2,918.17 |
| 17 | \$35,707.52 | \$3,255.62 | \$3,255.62 |
| 18 | \$38,206.50 | \$3,599.84 | \$3,599.84 |
| 19 | \$40,897.79 | \$3,951.49 | \$3,951.49 |
| 20 | \$43,795.85 | \$4,311.25 | \$4,311.25 |

DISCOUNT QUALIFICATION

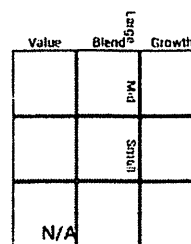
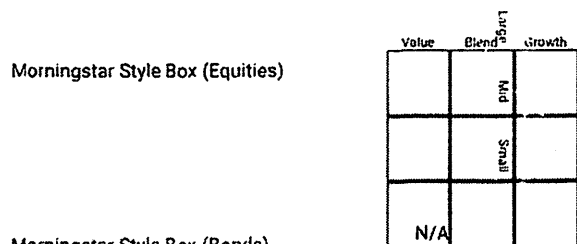
| | | |
|--|--|--|
| ETF | | |
| ETF of Shares | | |
| ETF Minimum | \$25,000.00 | N/A |
| ETF Fully Invested | 13 Months | N/A |
| ETF Investment Category | Gross Dollars Invested (purchases only) | N/A |
| ETF Investment Strategy | | |
| Excessed Value Purchase Eligible for POA | <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| Redemption Fee Allowed | <input checked="" type="checkbox"/> No | N/A |
| Future Asset of Fund | N/A | N/A |
| POA | | |
| Right of Accumulation | | |
| Right to Redeem | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| Right to Redeem Assets | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| POA to Acquire | <input type="checkbox"/> Step-parent <input type="checkbox"/> Child <input type="checkbox"/> Civil Union <input type="checkbox"/> Common Law Marriage <input type="checkbox"/> Parent <input type="checkbox"/> Spouse <input type="checkbox"/> Step-child <input type="checkbox"/> Beneficiary <input type="checkbox"/> Trust Grantor | <input type="checkbox"/> Step-parent <input type="checkbox"/> Child <input type="checkbox"/> Civil Union <input type="checkbox"/> Common Law Marriage <input type="checkbox"/> Parent <input type="checkbox"/> Spouse <input type="checkbox"/> Step-child <input type="checkbox"/> Beneficiary <input type="checkbox"/> Trust Grantor |
| POA Calculation Methodology | Greater of shares multiplied by NAV or net dollars invested | Greater of shares multiplied by NAV or net dollars invested |
| Excessed Value Purchase Eligible for POA | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| NAV | | |
| Fee Asset to Buy Purchase | | |
| Fee to Purchase Allowed | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| NAV Report to Investor | 90 Days | 90 Days |
| Account Rule for NAV Recurchase | Reinstate into account with the same registration | Reinstate into account with the same registration |
| Employee Purchase at NAV | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

AVERAGE ANNUAL RETURN

| | | |
|--------------------------------|--------|--------|
| 1 Year | 15.74% | 14.83% |
| 5 Year | 14.11% | 13.19% |
| 10 Year | 6.40% | 5.54% |
| Average Return Since Inception | 12.12% | 6.02% |

GENERAL INFORMATION

Morningstar Ratings ☆☆☆ ☆☆☆



Minimum Purchase \$250.00 \$250.00

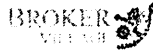
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