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Company Number: FC017708

Capital Research Company

*(A Wholly Owned Subsidiary of Capital
Research and Management Company)*

**Financial statements for the years ended June 30,
2016 and 2015 and independent auditors' report**

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INDEPENDENT AUDITORS' REPORT

To the stockholder of Capital Research Company:

We have audited the accompanying financial statements of Capital Research Company (the "Company") (a wholly owned subsidiary of Capital Research and Management Company), which comprise the balance sheets as of June 30, 2016 and 2015, and the related statements of income, comprehensive income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

September 30, 2016

Capital Research Company

Balance sheets

June 30, 2016 and 2015 (dollars in thousands, except per share amounts)

Assets	2016	2015
Current assets:		
Cash and cash equivalents	\$ 39,088	\$ 9,238
Investment securities available for sale	29,277	45,019
Receivables	10,054	7,214
Income tax receivable	—	15,349
Prepaid expenses	430	681
Total current assets	78,849	77,501
Property, at cost:		
Land	38,471	38,471
Buildings	232,090	230,494
Furniture, equipment and software	7,433	7,719
Leasehold improvements	39,064	40,472
Total Property	317,058	317,156
Accumulated depreciation and amortization	(136,103)	(127,064)
Property, net	180,955	190,092
Other assets, noncurrent:		
Restricted cash	11,627	13,660
Deferred income taxes, net	10,388	8,375
Other assets	—	3,132
Total other assets	22,015	25,167
Total	\$ 281,819	\$ 292,760

(continued)

Capital Research Company

Balance sheets

June 30, 2016 and 2015 (dollars in thousands, except per share amounts)

Liabilities and stockholder's equity	2016	2015
Current liabilities:		
Accounts payable and accrued expenses	\$ 6,088	\$ 4,703
Accrued compensation and employee benefits	8,936	7,741
Income tax payable	<u>2,262</u>	<u>1,773</u>
Total current liabilities	<u>17,286</u>	<u>14,217</u>
Noncurrent liabilities - Income tax payable	<u>1,137</u>	<u>-</u>
Total liabilities	<u>18,423</u>	<u>14,217</u>
Stockholder's equity:		
Capital stock, \$10 par value - authorized, 150,000 shares; <i>issued and outstanding, 100,000 in 2016 and 2015</i>	1,000	1,000
Additional paid-in capital	2	2
Retained earnings	264,601	278,721
Accumulated other comprehensive loss, net of taxes	<u>(2,207)</u>	<u>(1,180)</u>
Total stockholder's equity	<u>263,396</u>	<u>278,543</u>
Total	<u>\$ 281,819</u>	<u>\$ 292,760</u>

See notes to financial statements.

(concluded)

Company Number: FC017708

Capital Research Company

Statements of income

Years ended June 30, 2016 and 2015 (dollars in thousands)

	2016	2015
Operating revenues:		
Research fees	\$ 90,744	\$ 70,139
Lease income	<u>14,587</u>	<u>14,587</u>
Total operating revenues	<u>105,331</u>	<u>84,726</u>
Operating expenses:		
Compensation and employee benefits	74,050	57,196
Other expenses - including administrative, information technology, office facilities, human resources and travel expenses	<u>20,184</u>	<u>17,248</u>
Total operating expenses	<u>94,234</u>	<u>74,444</u>
Income from operations	11,097	10,282
Other income, net (principally interest)	<u>248</u>	<u>1,527</u>
Income before income taxes	11,345	11,809
Income taxes	<u>5,465</u>	<u>5,523</u>
Net income	<u>\$ 5,880</u>	<u>\$ 6,286</u>

See notes to financial statements.

Capital Research Company

Statements of comprehensive income

Years ended June 30, 2016 and 2015 (dollars in thousands)

	2016	2015
Net income	\$ 5,880	\$ 6,286
Other comprehensive loss:		
<i>Foreign exchange translation adjustments, net of taxes</i>	<i>(1,035)</i>	<i>(1,726)</i>
Net unrealized (loss) gain on investments available for sale arising during the year, net of taxes	8	(21)
Reclassification adjustment for gain on sales of investments available for sale included in net income, net of taxes	<u>—</u>	<u>(4)</u>
Comprehensive income	<u>\$ 4,853</u>	<u>\$ 4,535</u>

See notes to financial statements.

Capital Research Company

Statements of stockholder's equity

Years ended June 30, 2016 and 2015 (dollars in thousands)

	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total equity
Balance, June 30, 2014	\$ 1,000	\$ 2	\$ 372,435	\$ 571	\$ 374,008
Cash dividends			(100,000)		(100,000)
Comprehensive income:					
Net income			6,286		6,286
Foreign exchange translation adjustments, net of taxes of \$(983)				(1,726)	(1,726)
Net unrealized loss on investments available for sale arising during the year, net of taxes of \$(13)				(21)	(21)
Reclassification adjustment for gain on sales of investments available for sale included in net income, net of taxes of \$(3)				(4)	(4)
Balance, June 30, 2015	1,000	2	278,721	(1,180)	278,543
Cash dividends			(20,000)		(20,000)
Comprehensive income:					
Net income			5,880		5,880
Foreign exchange translation adjustments, net of taxes of \$(662)				(1,035)	(1,035)
Net unrealized gain on investments available for sale arising during the year, net of taxes of \$5				8	8
Balance, June 30, 2016	<u>\$ 1,000</u>	<u>\$ 2</u>	<u>\$ 264,601</u>	<u>\$ (2,207)</u>	<u>\$ 263,396</u>

See notes to financial statements.

Capital Research Company

Statements of cash flows

Years ended June 30, 2016 and 2015 (dollars in thousands)

	2016	2015
Cash flows from operating activities:		
Net income	\$ 5,880	\$ 6,286
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,434	10,101
Amortization of premiums and accretion of discounts on securities, net	847	1,307
Net realized gain on sales of investment securities available for sale	—	(7)
Deferred income taxes	(1,357)	13,872
Changes in assets and liabilities:		
Receivables	(2,840)	31,645
Prepaid expenses	251	(489)
Other assets	3,132	1,793
Accounts payable and accrued expenses	1,385	(17,105)
Accrued compensation and employee benefits	1,195	557
Accrued postretirement and postemployment benefits	—	(233)
Income tax receivable/payable	16,976	(15,947)
Total adjustments and changes	30,023	25,494
Net cash provided by operating activities	35,903	31,780
Cash flows from investing activities:		
Purchases of property	(1,297)	(122)
Net deposits of restricted cash	2,033	1,150
Purchases of investment securities available for sale	(49,517)	(129,608)
Proceeds from maturities of investment securities available for sale	64,425	143,505
Proceeds from sales of investment securities available for sale	—	5,027
Cash used in transactions between entities under common control	—	(32,024)
Cash received in transactions between entities under common control	—	3,239
Net cash provided by (used in) investing activities	15,644	(8,833)
Cash flows from financing activity – Dividends paid	(20,000)	(100,000)
Effects of exchange rate changes on cash	(1,697)	(2,709)
Net increase (decrease) in cash and cash equivalents	29,850	(79,762)
Cash and cash equivalents, beginning of year	9,238	89,000
Cash and cash equivalents, end of year	\$ 39,088	\$ 9,238
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	\$ —	\$ 6,335

See notes to financial statements.

Notes to financial statements

Years ended June 30, 2016 and 2015 (dollars in thousands)

1. Summary of significant accounting policies

Nature of operations – Capital Research Company (the “Company”) is a wholly owned subsidiary of Capital Research and Management Company (the “Parent”) and a second-tier subsidiary of The Capital Group Companies, Inc. (“Capital Group”). The Company provides investment research to affiliates. This service represents the Company’s principal source of revenue.

Basis of presentation – The Company’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Estimates – The preparation of the financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. Significant estimates made by management relate primarily to the recognition of certain expense accruals, allocated amounts of postretirement and postemployment benefit costs and plan obligations, and fair value measurements.

Estimates used to measure fair value affect the carrying amount of investments classified as available for sale, and the recognition of impairment charges on certain investments for which estimated fair value has declined below amortized cost.

Foreign currency matters – The Company’s reporting currency is the U.S. dollar. Assets and liabilities of each foreign branch that has a non-U.S. dollar functional currency are translated using the exchange rate prevailing at the balance sheet date. Revenue, expenses, gains and losses for such branches are translated using an average of exchange rates prevailing throughout the fiscal year. Foreign exchange translation adjustments are reported, net of tax, in accumulated other comprehensive (loss) income (“AOCL”) within stockholder’s equity.

Converting foreign-denominated assets and liabilities to the U.S. dollar reporting currency results in transactions gains or losses that are reflected in other income (or expense) in the statement of income.

Cash and cash equivalents – Cash includes demand deposit accounts. Cash equivalents consist principally of shares of government money market funds for which the Parent serves as the investment adviser.

Restricted cash – Restricted cash represents cash held in banks located in the United Kingdom (“U.K.”) to meet capital requirements imposed by the Financial Conduct Authority, an agency in the U.K. that regulates financial services firms and financial advisers.

Depreciation and amortization of property – Depreciation of buildings, furniture, equipment and software is generally computed using the straight-line method over estimated useful lives of 3 to 39 years. Amortization of leasehold improvements is computed using the straight-line method over the estimated life of the related asset or the term of the lease, whichever is shorter.

Investment securities – The Company classifies its investments in debt as available for sale, and these investments are recorded at fair value. Unrealized gains and losses on investments are reported, net of tax, in AOCL within stockholder’s equity. Investment securities available for sale are classified as current, without regard to contractual maturities, unless the investments are pledged, held to fulfill statutory requirements or the Company intends to hold the investments for more than one year beyond the balance sheet date.

The specific identification method is used to compute realized gains or losses on the sale of these assets. The effective interest method is used to account for the amortization of premiums and accretion of

discounts on securities. Interest and dividends are recorded when earned and are included in other income (or expense).

The Company evaluates the carrying value of available-for-sale securities for impairment on an annual basis, taking into consideration numerous criteria, including the duration and extent of a decline in fair value. For debt securities, the Company evaluates whether it intends to sell the debt security, if it is more likely than not the Company will be required to sell the debt security prior to recovery, or if a credit loss exists. If a decline is determined to be other than temporary, unrealized losses previously recognized in AOCL are reclassified to other income (or expense) in the statements of income for the amount of the other-than-temporary impairment. At June 30, 2016 and 2015, neither the Company's debt nor equity securities were other than temporarily impaired.

Fair value measurements – The Company measures the fair value of its assets and liabilities for financial reporting or disclosure purposes using methods and assumptions that are appropriate in the circumstances. Under U.S. GAAP, the objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price). To meet this objective, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs, which are evaluated using the following hierarchy:

- Level 1 – Values are based on quoted prices in active markets for identical securities.
- Level 2 – Values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets.
- Level 3 – Values are based on significant unobservable inputs that reflect the assumptions that market participants might reasonably use in valuing the securities.

Income taxes – The Company's results are included in consolidated tax returns filed by Capital Group, and the Company is allocated income taxes based on the separate return method. However, if the Company incurs a loss that is utilized by Capital Group, the loss is characterized as realized and the Company is reimbursed. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using currently enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are subject to a valuation allowance if, in the Company's opinion, it is more likely than not that these benefits will not be realized.

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes* provides that a tax benefit from a tax position may be recognized when, based on the technical merits, it is more likely than not that the position will be sustained upon an examination that is presumed to occur, including resolution of any related appeals or litigation processes. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded. The Company evaluates material tax positions in relevant tax jurisdictions and determines whether or not there are uncertain tax positions that require financial statement recognition. Guidance in ASC 740 related to uncertain tax positions did not have a material effect on the financial condition or results of operations as of and for the years ended June 30, 2016 and 2015.

The Company recognizes the accrual of interest and penalties on uncertain tax positions in other income (expense). For the years ended June 30, 2016 and 2015, the Company did not recognize any material tax related interest or penalties.

The Company is subject to examination by U.S. federal tax authorities for tax returns filed for the prior three years and by state tax authorities for the prior four years. The time allowed for foreign tax authorities to examine tax returns varies by country.

Postretirement benefits – Capital Group sponsors a plan to provide these services and the Company is allocated an amount of periodic benefit cost based on actuarial estimates; however, the Company is not allocated a portion of the accumulated benefit plan obligation or plan assets. The expected costs of providing postretirement health care benefits are recognized during the years that the associates render service with the Company.

Postemployment benefits – Capital Group sponsors two postemployment plans providing short-term disability benefits and parental leave benefits, allocating related costs to the Company. The expected costs of providing these postemployment benefits are recognized during the years that the associates render service with the Company.

Revenue recognition – Revenue from providing research services is recognized during the period in which services are performed. The revenue is determined under an intercompany compensation arrangement, whereby the Parent reimburses the Company for the costs of performing services plus an agreed upon markup.

The Company also earns lease income from leasing Company owned office facilities to affiliates. Lease income is determined using intercompany lease arrangements and is recognized ratably over the lease term.

Operating expenses – The Company receives an allocation of only direct expenses paid for by affiliates within the Capital Group organization, in contrast with indirect expenses. Direct expenses may be described as goods or services received directly by the reporting entity but paid for by an affiliate. Indirect expenses may be described as expenses incurred by an affiliate for purposes of performing a function or service that indirectly benefits the reporting entity. Indirect expenses that are not allocated to the Company include accounting and legal services, talent management and human resources, tax and treasury functions and other general and administrative expenses.

Other income – For the years ended June 30, 2016 and 2015, other income is comprised of interest income of \$297 and \$948, and foreign currency transactions gain (loss) of \$(49) and \$579, respectively.

Recent accounting pronouncements – In January 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU No. 2016-01 amends certain requirements related to the recognition, measurement, presentation and disclosure of financial instruments. Under the amendments in this Update, nonpublic companies are not required to disclose the fair value of financial instruments that are not measured at fair value on the balance sheet. The Company early adopted this nonpublic company exemption for the fiscal year ended June 30, 2016. The Company is currently evaluating the impact of the future adoption of the remaining provisions of ASU No. 2016-01, which are effective for the fiscal year ending June 30, 2020.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*, which simplifies the presentation of deferred income taxes by requiring deferred tax assets and liabilities to be classified as noncurrent in a classified balance sheet. The Company is required to adopt the Update in the fiscal year ending June 30, 2019; however, early adoption is permitted. The Company early adopted this Update in the current year, retrospectively reclassifying \$2,875 in current deferred tax assets previously reported in the balance sheet as of June 30, 2015 to noncurrent deferred tax assets.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this update supersedes the requirements in Topic 840, *Leases*. ASU No. 2016-02 requires lessees to recognize assets and liabilities arising from most operating leases on the balance sheet. For the Company, the adoption of ASU No. 2016-02 is effective for the fiscal year ending June 30, 2021. The Company is currently evaluating the impact of the future adoption of this ASU on its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance in this update supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the Codification. ASU No. 2014-09, as amended by ASU No. 2015-14, *Deferral of the Effective Date*, ASU No. 2016-08, *Principal versus Agent Considerations*, ASU No. 2016-10, *Identifying Performance Obligations and Licensing*, and ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients*, is effective for the fiscal year ending June 30, 2020. The Company is currently evaluating the impact of the future adoption of this ASU on its financial statements.

2. Investment securities

Investment securities classified as available for sale and carried at fair value are as follows:

June 30, 2016				
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current assets:				
U.S. Treasury and agency securities:				
Due in one year or less	\$ 29,215	\$ 62	\$ —	\$ 29,277
Total investment securities	\$ 29,215	\$ 62	\$ —	\$ 29,277

June 30, 2015				
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current assets:				
U.S. Treasury and agency securities:				
Due in one year or less	\$ 44,969	\$ 50	\$ —	\$ 45,019
Total investment securities	\$ 44,969	\$ 50	\$ —	\$ 45,019

There were no sales of securities in 2016. Proceeds from the sales of available-for-sale securities totaled \$5,027 in 2015 and net realized gains were \$7 in 2015. At June 30, 2016 and June 30, 2015, none of the securities held were in a loss position.

3. Fair value disclosures

The following assets are measured at fair value on a recurring basis. The following table shows the categorization of fair value measurements within the fair value hierarchy in accordance with the Company's accounting policy and in accordance with the requirements of ASC 820, *Fair Value Measurement*.

June 30, 2016				
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Government money market funds	\$ 39,088	\$ —	\$ —	\$ 39,088
Investment securities available for sale:				
U.S. Treasury securities	—	29,277	—	29,277
	\$ 39,088	\$ 29,277	\$ —	\$ 68,365

June 30, 2015				
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Government money market funds	\$ 9,033	\$ —	\$ —	\$ 9,033
Investment securities available for sale:				
U.S. Treasury securities	—	45,019	—	45,019
	\$ 9,033	\$ 45,019	\$ —	\$ 54,052

Transfers in or out of the levels of the fair value measurement hierarchy are recognized based on the beginning fair value of the year in which they occurred. There were no significant transfers of investments between Level 1 and Level 2 during the years ended June 30, 2016 and 2015.

The Company uses the following methods and inputs to establish the fair value of its assets and liabilities: Use of particular methods and inputs may vary over time based on availability and relevance as market and economic conditions evolve.

Government money market funds – Shares of the Government money market funds are valued at quoted market prices that represent the published net asset value of the shares serving as the basis for current transactions.

U.S Treasury securities – These securities are valued using benchmark yields and interest rate volatilities.

4. Property held for lease

The Company's leasing operations consist principally of owned office facilities leased to affiliates that are obligated to make the following minimum annual payments:

Years ending June 30

2017	\$ 14,587
2018	14,587
2019	14,587
2020	14,587
2021	14,587
Thereafter	260,365
Total	<u>\$ 333,300</u>

5. Indemnifications, guarantees, and commitments

Management has reviewed the indemnification provisions of its material contracts. In the normal course of its business, the Company enters into contracts in which it makes representations and warranties as well as standard "hold harmless" indemnifications to counterparties. These agreements include certain real estate leases under which the Company may be required to indemnify property owners for claims arising from the Company's use of the applicable premises. The obligation amounts of these types of agreements are not explicitly stated; therefore, the overall maximum amount of the obligations cannot be reasonably estimated. However, management believes that it is unlikely that the Company will have to make material payments under these agreements, and no liabilities related to these agreements have been recognized in the Company's financial statements.

Future minimum operating lease commitments are as follows:

Years ending June 30

2017	\$ 5,082
2018	10,396
2019	11,006
2020	11,336
2021	11,676
Thereafter	15,063
Total	<u>\$ 64,559</u>

Affiliates and others utilize 100% of the leased space and are allocated or charged a proportionate share of the leased costs.

6. Income taxes

The net income tax provision consists of the following:

	Year ended June 30, 2016	Year ended June 30, 2015
Federal:		
Current	\$ 3,071	\$ (10,728)
Deferred	(1,312)	12,799
Net federal provision	<u>1,759</u>	<u>2,071</u>
State and foreign:		
Current	3,751	2,379
Deferred	(45)	1,073
Net state and foreign provision	<u>3,706</u>	<u>3,452</u>
Total net income tax provision	<u>\$ 5,465</u>	<u>\$ 5,523</u>

The net deferred tax asset consists of the following:

	June 30, 2016	June 30, 2015
Deferred tax assets:		
Accrued compensation and benefits	\$ 2,445	\$ 2,307
Accrued expenses and other	503	530
Depreciation and amortization	6,102	5,096
Unrealized loss on foreign exchange translation	1,410	754
Total deferred tax assets	<u>10,460</u>	<u>8,687</u>
Deferred tax liabilities:		
State franchise taxes	48	293
Unrealized gain on investment securities available for sale	24	19
Total deferred tax liabilities	<u>72</u>	<u>312</u>
Net deferred tax asset	<u>\$ 10,388</u>	<u>\$ 8,375</u>

The Company has not established a valuation allowance against the net deferred tax asset, as it has been determined that it is more likely than not that the asset will be realized.

The income tax receivable/payable balances primarily relate to amounts receivable/payable between Capital Group and the Company for jurisdictions in which Capital Group and the Company file a consolidated/combined tax return.

The effective income tax rate differs from the federal statutory rate primarily due to state income taxes and permanent differences between taxable income and financial statement income related to items such as non-deductible expenses.

7. Retirement plans

The Company participates with Capital Group and affiliates in defined contribution retirement plans covering substantially all of its associates. The Company annually contributes up to 15% of each participant's eligible compensation. Contributions for associates residing outside the United States are made to local plans. Total retirement plan expenses were \$2,508 and \$2,163 in 2016 and 2015, respectively.

8. Transactions with affiliates

Research fee revenues include charges to affiliates of \$90,744 and \$70,139 in 2016 and 2015, respectively. Other revenues include leases charged to affiliates of \$14,587 and \$14,587 in 2016 and 2015, respectively. Receivables at June 30, 2016 and 2015 include \$9,455 and \$6,559, respectively, and accounts payable and accrued expenses at June 30, 2016 and 2015 include \$4,804 and \$3,771, respectively, relating to transactions with affiliates. Receivables at June 30, 2016 and 2015 are primarily related to research fees and accounts payable and accrued expenses at June 30, 2016 and 2015 are primarily related to compensation and employee benefits. Given the significance of the aforementioned related party transactions, the operations of the Company could be materially different if the Company were a stand-alone entity.

9. Accumulated other comprehensive loss

The following table presents before tax changes in AOCL by component for 2016 and 2015:

	Unrealized gains (losses) on available-for- sale investments	Foreign exchange translation adjustments	Total
Balance, June 30, 2014	\$ 91	\$ 725	\$ 816
Other comprehensive loss before reclassifications	(34)	(2,709)	(2,743)
Amount reclassified from AOCL	(7)	—	(7)
Net other comprehensive loss for 2015	(41)	(2,709)	(2,750)
Balance, June 30, 2015	50	(1,984)	(1,934)
Other comprehensive income (loss) before reclassifications	13	(1,697)	(1,684)
Net other comprehensive income (loss) for 2016	13	(1,697)	(1,684)
Balance, June 30, 2016	\$ 63	\$ (3,681)	\$ (3,618)

No amounts were reclassified out of AOCL for 2016. The before tax effects on net income of amounts reclassified out of AOCL for the year ended June 30, 2015 were as follows:

Details about AOCL components	Affected line item in the Statements of Income	Amount reclassified from AOCL
		2015
Net realized gain on sale of available- for-sale securities	Other income, net	\$ 7
Tax expense		(3)
Net of tax		4
Total amount reclassified for the year		\$ 7

10.Subsequent events

The Company has evaluated subsequent events through September 30, 2016, the date the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2016 that require recognition in the Company's financial statements as of and for the year ended June 30, 2016, or disclosure in the notes thereto.

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