

Allocation update

As of September 28, 2023

Making portfolios personal



Enhancements to American Funds Portfolio Series

As part of the ongoing active management of our multi-asset portfolio solutions, the Portfolio Solutions Committee (PSC) and Capital Solutions Group (CSG) regularly review portfolio exposures and conduct research. A key objective of the ongoing monitoring and research is to assess each portfolio's combination of underlying funds in an effort to ensure alignment with the corresponding investment objective. Following CSG's most recent review, the PSC has approved research-driven enhancements to several portfolios.

Summary of enhancements

The Portfolio Solutions Committee assessed portfolio allocations that (1) reflected updated capital markets assumptions, (2) utilized an optimization model that considers multiple objectives and variables, including estimated tax impact, and (3) expanded the building blocks to consider the portfolio construction benefits of Capital Group's offering of active ETFs, on both quantitative and qualitative criteria. This process resulted in enhancements to one of our portfolio series funds.

Key investment themes include:

- Seeking to improve tax efficiency of one of our portfolios series funds through the addition of an active equity Capital Group ETFs
- Increase diversification of the underlying building blocks while generally preserving portfolio characteristics that are aligned to long-term objectives and success metrics

The resulting enhancements seek to balance the [tax-efficiency](#) advantages of ETFs along with the benefits of our American Funds mutual funds to achieve the overall desired portfolio characteristics including key exposures, flexibility, and diversification of holdings.

American Funds Portfolio Series

American Funds Tax-Aware Conservative Growth and Income Portfolio

Funds	Category	Target allocations (%) (as of 8/31/23)	Allocation change (%)	New target allocation (%) (as of 9/28/23)
Capital World Growth and Income Fund®	Growth and income	20		20
Capital Group Dividend Value ETF (CGDV)	Growth and income		+15	15
Washington Mutual Investors Fund	Growth and income	15	-10	5
American Mutual Fund®	Growth and income	15	-5	10
American High-Income Municipal Bond Fund®	Fixed income	25		25
The Tax-Exempt Bond Fund of America®	Fixed income	15		15
Limited Term Tax-Exempt Bond Fund of America®	Fixed income	10		10

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Important disclosures and information

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.

Portfolios are managed, so holdings will change. Visit capitalgroup.com for current allocations.

Allocations may not achieve investment objectives. The portfolios' risks are related to the risks of the underlying funds as described herein, in proportion to their allocations.

Model portfolios are subject to the risks associated with the underlying funds in the model portfolio. Investors should carefully consider investment objectives, risks, fees and expenses of the funds in the model portfolio, which are contained in the fund prospectuses. Investing outside the United States involves risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be heightened in connection with investments in developing countries. Small-company stocks entail additional risks, and they can fluctuate in price more than larger company stocks. The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. The use of derivatives involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional securities, such as stocks and bonds. A non-diversified fund has the ability to invest a larger percentage of assets in securities of individual issuers than a diversified fund. As a result, a single issuer could adversely affect a non-diversified fund's results more than if the fund invested a smaller percentage of assets in securities of that issuer. See the applicable prospectus for details.

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