

As of June 27, 2024

## Enhancements to Models

As part of the ongoing active management of models, portfolio exposures are regularly reviewed and researched. A key objective of ongoing monitoring and research is to ensure that each portfolio's combination of underlying funds aligns with the corresponding investment objective. Portfolio allocations are evaluated using updated capital markets output and model optimization, considering both quantitative and qualitative criteria. Following the most recent review, research-driven enhancements to several models have been approved.

### Key investment themes

- Reflect latest forward-looking capital market assumptions while transitioning to predominantly using ETFs for both active and passive underlying components.
  - Capital Group active ETFs share many attributes with their most similar American Funds mutual funds but do not necessarily replicate the mutual funds. Portfolio objectives and exposures are expressed using a combination of Capital Group ETFs and passive building blocks.
- Increase and diversify growth-and-income fund exposure in capital appreciation objective models to further expand the investment opportunity set for capital growth and help moderate overall portfolio volatility.
- Broaden passive dividend exposure in growth-and-income objective models to help generate current income, diversify potential dividend sources across geographies, and expand the spectrum of dividend growers and payers.
- Introduce an allocation to American Funds Emerging Markets Bond Fund® in income-oriented portfolios; inclusion widens exposure to return-seeking fixed income to incorporate both sovereign and corporate emerging market bonds, denominated in either U.S. or local currency.
- Increase exposure to active flexible fixed income and active core bonds in more conservative models to help navigate the evolving interest rate environment.
- Add to non-U.S. bonds to provide some lower correlation fixed income sector exposure that may also provide opportunities for risk-adjusted returns and current income.

#### Newly added ETFs (active and passive) and example of role within models:

Asset Class	ETF	Role
Equity	Capital Group Global Growth Equity ETF (CGGO) Capital Group International Focus Equity ETF (CGXU) Capital Group Growth ETF (CGGR)	Seek long-term capital appreciation
	Capital Group Core Equity ETF (CGUS)	Balance of long-term growth of capital and income potential to support risk-adjusted returns
	Capital Group Dividend Growers ETF (CGDG) iShares Core Dividend Growth ETF (DGRO) - passive Capital Group Dividend Value ETF (CGDV)	Dividend growth and current income to support income, risk-adjusted returns, and potentially lower volatility
Multi-Asset	Capital Group Core Balanced ETF (CGBL)	Asset class flexibility to seek opportunities for growth and income as well as manage risk
Fixed Income	Capital Group US Multi-Sector Income ETF (CGMS) Capital Group Core Plus Income ETF (CGCP)	Return-seeking, higher-income fixed income to support portfolio yield and risk-adjusted returns
	Capital Group Core Bond ETF (CGCB) Capital Group Short Duration Income ETF (CGSD)	Higher credit quality bonds to support equity diversification, income, and preservation

**Model portfolios are only available through registered investment advisers. This content is intended for registered investment advisers and their clients. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

## Capital Group Active-Passive Models

### Capital Group Active-Passive Global Growth Model

#### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
SMALLCAP World Fund®	Growth	12		12
The New Economy Fund®	Growth	15	-15	
New World Fund®	Growth	5	-5	
Capital Group International Focus Equity ETF (CGXU)	Growth		+10	10
EuroPacific Growth Fund®	Growth	9	-9	
Capital Group Growth ETF (CGGR)	Growth		+7	7
The Growth Fund of America®	Growth	5	-5	
Capital Group Global Growth Equity ETF (CGGO)	Growth		+24	24
New Perspective Fund®	Growth	20	-20	
Capital World Growth and Income Fund®	Growth and income	6		6
Capital Group Dividend Growers ETF (CGDG)	Growth and income		+6	6
Capital Group Core Equity ETF (CGUS)	Growth and income		+7	7
Vanguard Growth Index Fund ETF (VUG)	Passive equity	10	-2	8
Vanguard FTSE All-World ex-US Index Fund ETF (VEU)	Passive equity	7		7
Vanguard Total World Stock Index Fund ETF (VT)	Passive equity	11		11
iShares Core S&P 500 ETF (IWV)	Passive equity		+2	2

### Capital Group Active-Passive Growth Model

#### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
SMALLCAP World Fund®	Growth	12		12
The New Economy Fund®	Growth	10	-10	
Capital Group Growth ETF (CGGR)	Growth		+20	20
The Growth Fund of America®	Growth	15	-15	
Capital Group Global Growth Equity ETF (CGGO)	Growth		+14	14
New Perspective Fund®	Growth	10	-10	
AMCAP Fund®	Growth	13	-13	
Fundamental Investors®	Growth and income	12	-12	
Capital Group Dividend Growers ETF (CGDG)	Growth and income		+6	6
Capital Group Core Equity ETF (CGUS)	Growth and income		+20	20
Vanguard Growth Index Fund ETF (VUG)	Passive equity	15	-7	8
Vanguard Total World Stock Index Fund ETF (VT)	Passive equity	10		10
iShares Core S&P 500 ETF (IWV)	Passive equity	3	+7	10

### Capital Group Active-Passive Moderate Growth Model

#### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
SMALLCAP World Fund®	Growth	8		8
Capital Group Growth ETF (CGGR)	Growth		+18	18
The Growth Fund of America®	Growth	13	-13	
Capital Group Global Growth Equity ETF (CGGO)	Growth		+11	11
AMCAP Fund®	Growth	10	-10	
Capital World Growth and Income Fund®	Growth and income	16	-9	7
Capital Group Dividend Growers ETF (CGDG)	Growth and income		+5	5
Capital Group Core Equity ETF (CGUS)	Growth and income		+8	8
American Funds® Global Balanced Fund	Balanced	13	-13	
American Balanced Fund®	Balanced	12	-12	
Capital Group Core Balanced ETF (CGBL)	Balanced		+11	11

Capital Group Core Bond ETF (CGCB)	Fixed income		+4	4
Vanguard Growth Index Fund ETF (VUG)	Passive equity	12	-4	8
Vanguard Total World Stock Index Fund ETF (VT)	Passive equity	11	+3	14
iShares Core S&P 500 ETF (IVV)	Passive equity	5	-1	4
Vanguard Total International Bond Index Fund ETF (BNDX)	Passive fixed income		+2	2

## Capital Group Active-Passive Growth and Income Model

### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
SMALLCAP World Fund®	Growth	5		5
Capital Group Growth ETF (CGGR)	Growth		+6	6
The Growth Fund of America®	Growth	10	-10	
Capital Group Global Growth Equity ETF (CGGO)	Growth		+4	4
Capital World Growth and Income Fund®	Growth and income	15		15
Capital Group Dividend Growers ETF (CGDG)	Growth and income		+5	5
Capital Group Core Equity ETF (CGUS)	Growth and income		+7	7
The Investment Company of America®	Growth and income	8	-8	
Capital Group Dividend Value ETF (CGDV)	Growth and income		+5	5
Washington Mutual Investors Fund	Growth and income	4	-4	
Capital Income Builder®	Equity income	10	-10	
American Balanced Fund®	Balanced	10	-10	
Capital Group Core Balanced ETF (CGBL)	Balanced		+13	13
American Funds® Multi-Sector Income Fund	Fixed income	5	-5	
Capital Group US Multi-Sector Income ETF (CGMS)	Fixed income		+5	5
American Funds® Strategic Bond Fund	Fixed income	3	-3	
Capital Group Core Plus Income ETF (CGCP)	Fixed income		+3	3
The Bond Fund of America®	Fixed income	3	-3	
Capital Group Core Bond ETF (CGCB)	Fixed income		+5	5
Vanguard Total World Stock Index Fund ETF (VT)	Passive equity	14	-4	10
iShares Core S&P 500 ETF (IVV)	Passive equity	4	+1	5
iShares Core Dividend Growth ETF (DGRO)	Passive equity		+2	2
Schwab US Dividend Equity ETF (SCHD)	Passive equity	2		2
Vanguard High Dividend Yield Index Fund ETF (VYM)	Passive equity	2		2
Vanguard Total International Bond Index Fund ETF (BNDX)	Passive fixed income		+2	2
iShares Core U.S. AGG Bond ETF (AGG)	Passive fixed income	5	-1	4

## Capital Group Active-Passive Moderate Growth and Income Model

### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
SMALLCAP World Fund®	Growth	4		4
Capital Group Growth ETF (CGGR)	Growth		+4	4
Capital Group Global Growth Equity ETF (CGGO)	Growth		+2	2
New Perspective Fund®	Growth	5	-5	
Capital World Growth and Income Fund®	Growth and income	11		11
Capital Group Dividend Growers ETF (CGDG)	Growth and income		+10	10
Capital Group Core Equity ETF (CGUS)	Growth and income		+2	2
Capital Group Dividend Value ETF (CGDV)	Growth and income		+5	5
Washington Mutual Investors Fund	Growth and income	5	-5	
The Income Fund of America®	Equity income	10	-10	
American Funds® Global Balanced Fund	Balanced	10	-10	
American Balanced Fund®	Balanced	20	-20	
Capital Group Core Balanced ETF (CGBL)	Balanced		+16	16
American Funds® Multi-Sector Income Fund	Fixed income	5	-5	
Capital Group US Multi-Sector Income ETF (CGMS)	Fixed income		+7	7
American Funds® Strategic Bond Fund	Fixed income	3	-3	

Capital Group Core Plus Income ETF (CGCP)	Fixed income		+5	5
Capital Group Core Bond ETF (CGCB)	Fixed income		+7	7
Vanguard Total World Stock Index Fund ETF (VT)	Passive equity	6	+4	10
iShares Core S&P 500 ETF (IWV)	Passive equity	6	-4	2
iShares Core Dividend Growth ETF (DGRO)	Passive equity		+2	2
Schwab US Dividend Equity ETF (SCHD)	Passive equity	2		2
Vanguard High Dividend Yield Index Fund ETF (VYM)	Passive equity	2		2
Vanguard Total International Bond Index Fund ETF (BNDX)	Passive fixed income	2	+1	3
iShares Core U.S. AGG Bond ETF (AGG)	Passive fixed income	9	-3	6

## Capital Group Active-Passive Conservative Growth and Income Model

### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
Capital Group Dividend Growers ETF (CGDG)	Growth and income		+19	19
Capital Group Dividend Value ETF (CGDV)	Growth and income		+6	6
Washington Mutual Investors Fund	Growth and income	5	-5	
American Mutual Fund <sup>®</sup>	Growth and income	8	-8	
Capital Income Builder <sup>®</sup>	Equity income	16	-16	
The Income Fund of America <sup>®</sup>	Equity income	14	-14	
Capital Group Core Balanced ETF (CGBL)	Balanced		+3	3
American Funds Emerging Markets Bond Fund <sup>®</sup>	Fixed income		+3	3
American High-Income Trust <sup>®</sup>	Fixed income	10	-2	8
American Funds <sup>®</sup> Multi-Sector Income Fund	Fixed income	14	-14	
Capital Group US Multi-Sector Income ETF (CGMS)	Fixed income		+20	20
Capital Group Core Plus Income ETF (CGCP)	Fixed income		+7	7
The Bond Fund of America <sup>®</sup>	Fixed income	6	-6	
Capital Group Core Bond ETF (CGCB)	Fixed income		+7	7
Vanguard Total World Stock Index Fund ETF (VT)	Passive equity	5	+2	7
iShares Core Dividend Growth ETF (DGRO)	Passive equity		+3	3
Schwab US Dividend Equity ETF (SCHD)	Passive equity	4	+1	5
Vanguard High Dividend Yield Index Fund ETF (VYM)	Passive equity	4	+1	5
Vanguard Total International Bond Index Fund ETF (BNDX)	Passive fixed income		+2	2
iShares Core U.S. AGG Bond ETF (AGG)	Passive fixed income	14	-9	5

## Capital Group Active-Passive Conservative Income and Growth Model

### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
Capital World Growth and Income Fund <sup>®</sup>	Growth and income	5	-5	
Capital Group Dividend Growers ETF (CGDG)	Growth and income		+8	8
Capital Group Dividend Value ETF (CGDV)	Growth and income		+7	7
American Mutual Fund <sup>®</sup>	Growth and income	8	-4	4
The Income Fund of America <sup>®</sup>	Equity income	10	-10	
American Funds <sup>®</sup> Global Balanced Fund	Balanced	5	-5	
American Balanced Fund <sup>®</sup>	Balanced	10	-10	
Capital Group Core Balanced ETF (CGBL)	Balanced		+4	4
American Funds Emerging Markets Bond Fund <sup>®</sup>	Fixed income		+2	2
American Funds <sup>®</sup> Multi-Sector Income Fund	Fixed income	13	-13	
Capital Group US Multi-Sector Income ETF (CGMS)	Fixed income		+16	16
American Funds <sup>®</sup> Strategic Bond Fund	Fixed income	8	-8	
Capital Group Core Plus Income ETF (CGCP)	Fixed income		+13	13
The Bond Fund of America <sup>®</sup>	Fixed income	10	-10	
Capital Group Core Bond ETF (CGCB)	Fixed income		+19	19
Intermediate Bond Fund of America <sup>®</sup>	Fixed income	4	-4	
Vanguard Total World Stock Index Fund ETF (VT)	Passive equity	2	+7	9

Schwab US Dividend Equity ETF (SCHD)	Passive equity	3		3
Vanguard High Dividend Yield Index Fund ETF (VYM)	Passive equity	2		2
Vanguard Total International Bond Index Fund ETF (BNDX)	Passive fixed income	2	+1	3
iShares Core U.S. AGG Bond ETF (AGG)	Passive fixed income	12	-8	4
Vanguard Short-Term Inflation-Protected Securities Index Fund ETF (VTIP)	Passive fixed income	2		2
Vanguard Short-Term Treasury ETF Index Fund (VGSH)	Passive fixed income	4		4

## Capital Group Active-Passive Conservative Income Model

### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
Capital Group Dividend Growers ETF (CGDG)	Growth and income		+4	4
Capital Group Dividend Value ETF (CGDV)	Growth and income		+3	3
American Mutual Fund <sup>®</sup>	Growth and income	10	-3	7
The Income Fund of America <sup>®</sup>	Equity income	10	-10	
American Balanced Fund <sup>®</sup>	Balanced	5	-5	
American Funds <sup>®</sup> Multi-Sector Income Fund	Fixed income	5	-5	
Capital Group US Multi-Sector Income ETF (CGMS)	Fixed income		+8	8
American Funds <sup>®</sup> Strategic Bond Fund	Fixed income	10	-10	
Capital Group Core Plus Income ETF (CGCP)	Fixed income		+12	12
The Bond Fund of America <sup>®</sup>	Fixed income	11	-11	
Capital Group Core Bond ETF (CGCB)	Fixed income		+25	25
Intermediate Bond Fund of America <sup>®</sup>	Fixed income	15	-15	
Capital Group Short Duration Inc. ETF (CGSD)	Fixed income		+15	15
Short-Term Bond Fund of America <sup>®</sup>	Fixed income	8	-8	
Vanguard Total World Stock Index Fund ETF (VT)	Passive equity		+2	2
Schwab US Dividend Equity ETF (SCHD)	Passive equity		+2	2
Vanguard High Dividend Yield Index Fund ETF (VYM)	Passive equity		+2	2
Vanguard Total International Bond Index Fund ETF (BNDX)	Passive fixed income	3	+2	5
iShares Core U.S. AGG Bond ETF (AGG)	Passive fixed income	6	-4	2
Vanguard Short-Term Inflation-Protected Securities Index Fund ETF (VTIP)	Passive fixed income	3	-1	2
Vanguard Short-Term Treasury ETF Index Fund (VGSH)	Passive fixed income	14	-3	11

## Capital Group Active-Passive Preservation Model

### Enhancements:

Funds	Category	Target allocations (%) (as of 5/31/24)	Allocation change (%)	New target allocation (%) (as of 6/27/24)
Intermediate Bond Fund of America <sup>®</sup>	Fixed income	33		33
Capital Group Short Duration ETF (CGSD)	Fixed income		+20	20
Short-Term Bond Fund of America <sup>®</sup>	Fixed income	41	-20	21
Vanguard Total International Bond Index Fund ETF (BNDX)	Passive fixed income		+4	4
iShares MBS ETF (MBB)	Passive fixed income	4	-1	3
Vanguard Short-Term Inflation-Protected Securities Index Fund ETF (VTIP)	Passive fixed income	5	-3	2
Vanguard Short-Term Treasury ETF Index Fund (VGSH)	Passive fixed income	17		17

## Important disclosures and information

Model portfolios are provided to financial intermediaries who may or may not recommend them to clients. The portfolios consist of an allocation of funds for investors to consider and are not intended to be investment recommendations. The portfolios are asset allocations designed for individuals with different time horizons, investment objectives and risk profiles. Allocations may change and may not achieve investment objectives. If a cash allocation is not reflected in a model, the intermediary may choose to add one. Capital Group does not have investment discretion or authority over investment allocations in client accounts. Rebalancing approaches may differ depending on where the account is held. Investors should talk to their financial professional for information on other investment alternatives that may be available. In making investment decisions, investors should consider their other assets, income and investments. Visit [capitalgroup.com](https://capitalgroup.com) for current 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 nondiversified 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 nondiversified 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.

All Capital Group trademarks mentioned are owned by The Capital Group Companies, Inc., an affiliated company or fund. All other company and product names mentioned are the property of their respective companies.

This content, developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decisions and is not intended to serve as impartial investment or fiduciary advice.