

Allocation Update American Funds Model Portfolios

Data as of July 25, 2024



Enhancements to Models

As part of the ongoing active management of our portfolio solutions, Capital Group's solutions investment team regularly conducts strategic research and leverages this research in their portfolio exposure reviews. The team assessed current portfolio allocations utilizing 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 themes driving the updated allocation recommendations include:

- Aiming to improve tax efficiency of our tax-aware model portfolios through the addition of several newly launched active equity and fixed income Capital Group exchange-traded funds (ETFs).
 - Capital Group Dividend Growers ETF (CGDG)
 - Capital Group Municipal Income ETF (CGMU)
 - Capital Group Short Duration Municipal ETF (CGSM)
- From a risk monitoring perspective, marginally reduce equity allocations in two portfolios to bring exposure within strategic allocation ranges.

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.

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.

Allocation updates - Tax Aware Models

COLUMN DESIGNATIONS: Current allocation (as of 7/25/24) X% ▼▲ X% Allocation change (as of 7/25/24)

Category	Underlying Funds	American Funds Tax-Aware Moderate Growth Model	American Funds Tax-Aware Growth and Income Model	American Funds Tax-Aware Moderate Growth and Income Model	American Funds Tax-Aware Conservative Growth and Income Model	American Funds Tax-Aware Moderate Income Model	American Funds Tax-Aware Conservative Income Model	American Funds Tax-Exempt Preservation Model Portfolio
Growth	SMALLCAP World Fund®	10%	8%	5%				
Growth	Capital Group Global Growth Equity ETF (CGGO)	4% ▲4%	5% ▲5%	5%				
Growth	Capital Group Growth ETF (CGGR)	25%	7%					
Growth	AMCAP Fund®	▼5%						
Growth	American Funds Global Insight Fund	5%						
Growth and income	Fundamental Investors®		▼5%					
Growth and income	Capital World Growth and Income Fund®	20%	20%	15% ▼5%	15% ▼5%	10% ▼5%	▼5%	
Growth and income	The Investment Company of America®		▼5%					
Growth and income	Capital Group Core Equity ETF (CGUS)	25%	25%	15%				
Growth and income	Capital Group Dividend Value ETF (CGDV)		15% ▲5%	20% ▲5%	16% ▲1%	15%	9% ▲4%	
Growth and income	Washington Mutual Investors Fund			▼5%	▼5%			
Growth and income	Capital Group Dividend Growers ETF (CGDG)			5% ▲5%	10% ▲10%	5% ▲5%	5% ▲5%	
Growth and income	American Mutual Fund®				10%	10%	5% ▼5%	
Fixed income	American High-Income Municipal Bond Fund®	5%	10%	20%	25%	20%	15%	
Fixed income	Capital Group Municipal Income ETF (CGMU)	6% ▲6%	10% ▲10%	15% ▲15%	20% ▲20%	25% ▲25%	25% ▲25%	
Fixed income	The Tax-Exempt Bond Fund of America®	▼5%	▼10%	▼15%	▼15%	▼20%	▼20%	
Fixed income	Limited Term Tax-Exempt Bond Fund of America®				▼10%	▼15%	▼25%	40% ▼20%
Fixed income	Capital Group Short Duration Municipal Income ETF (CGSM)				4% ▲4%	10% ▲10%	25% ▲25%	30% ▲30%
Fixed income	American Funds Short-Term Tax-Exempt Bond Fund®					5%	16% ▼4%	30% ▼10%

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