

Leverage over 90 years
of investment experience.
Add us to your team.



How do I select a portfolio strategist?

Leverage the knowledge of experienced investment professionals to help investors achieve their financial goals. Seek out portfolio strategists with deep experience and familiarity with financial markets and investment strategies who can design, manage and monitor portfolios aligned with real-life goals. Add us to your team.

What questions should you ask when trying to select a portfolio strategist?

1

Is this an organization I can trust?

2

Who are the people managing and monitoring the strategies?

3

Does their philosophy align with my investor's goals?

4

What makes the strategist different?

At Capital Group, we have decades of experience working with advisors 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.

2 Model portfolios are only available through registered investment advisers. This content is intended for registered investment advisers and their clients.



1. Is this an organization I can trust?

Capital Group has been helping investors pursue better outcomes for more than 90 years. We have the size, stability and long history that investors look for in their investment management professionals.

Scale matters*



Experience matters



*All data as of 12/31/23 unless otherwise noted.

[†]As of 3/31/24



Analyst-Driven %
100
Data Coverage %
0

15

15 American Funds Model Portfolios are rated **"gold"** by Morningstar.¹

7

underlying funds were recognized among the Morningstar **"Thrilling 30"**²



Among the **most recognized** for third-party models and multi-asset investing³



Model provider selected **most often**⁴

¹ Capital Capital Group has paid Morningstar a licensing fee to access and publish its ratings data. ©2024 Morningstar, Inc. All rights reserved. The model ratings mentioned above are based on forward-looking qualitative assessments as well as select quantitative data through June 30, 2023 for the core models and September 30, 2023 for the Retirement Income models, respectively. No share classes were directly cited for the ratings upgrades, but Morningstar's reports include mentions of the F-2 share class as examples. Gold medalist ratings (100% analyst-rated) were reaffirmed as of 08/14/2023 for the following model portfolios: American Funds Global Growth Model Portfolio, American Funds Growth Model Portfolio, American Funds Moderate Growth Model Portfolio, American Funds Growth and Income Model Portfolio, American Funds Moderate Growth and Income Model Portfolio, American Funds Conservative Growth and Income Model Portfolio, American Funds Conservative Income Model Portfolio. Gold medalist ratings (100% analyst-rated) were reaffirmed as of 07/25/2023 for the following model portfolios: American Funds Tax Aware Growth and Income Model Portfolio, American Funds Tax Aware Moderate Growth and Income Model Portfolio, American Funds Tax Aware Conservative Growth and Income Model Portfolio. Gold medalist ratings (100% analyst-rated) were reaffirmed as of 07/24/2023 for the following model portfolios: American Funds Tax Aware Moderate Income Model Portfolio, American Funds Tax Aware Conservative Income Model Portfolio. Gold medalist ratings (100% analyst-rated) were upgraded as of 1/16/2024 for the following model portfolios: American Funds Retirement Income Model Portfolio – Enhanced, American Funds Retirement Income Model Portfolio – Moderate, American Funds Retirement Income Model Portfolio – Conservative. Please refer to page 12 for additional disclosure.

² Source: Morningstar, "The Thrilling 30" by Russel Kinnel, September 2023. Morningstar's screening took into consideration expense ratios, manager ownership, returns over manager's tenure, and Morningstar Risk, Analyst and Parent ratings. The universe was limited to share classes accessible to individual investors with a minimum investment no greater than \$50,000 and did not include funds of funds. Class A shares were evaluated for American Funds. Refer to morningstar.com for more details. The funds named to the list were American Balanced Fund, American Mutual Fund, Capital Income Builder, The Growth Fund of America, The Income Fund of America, The New Economy Fund and New Perspective Fund. Not all funds are in all models or portfolio strategies.

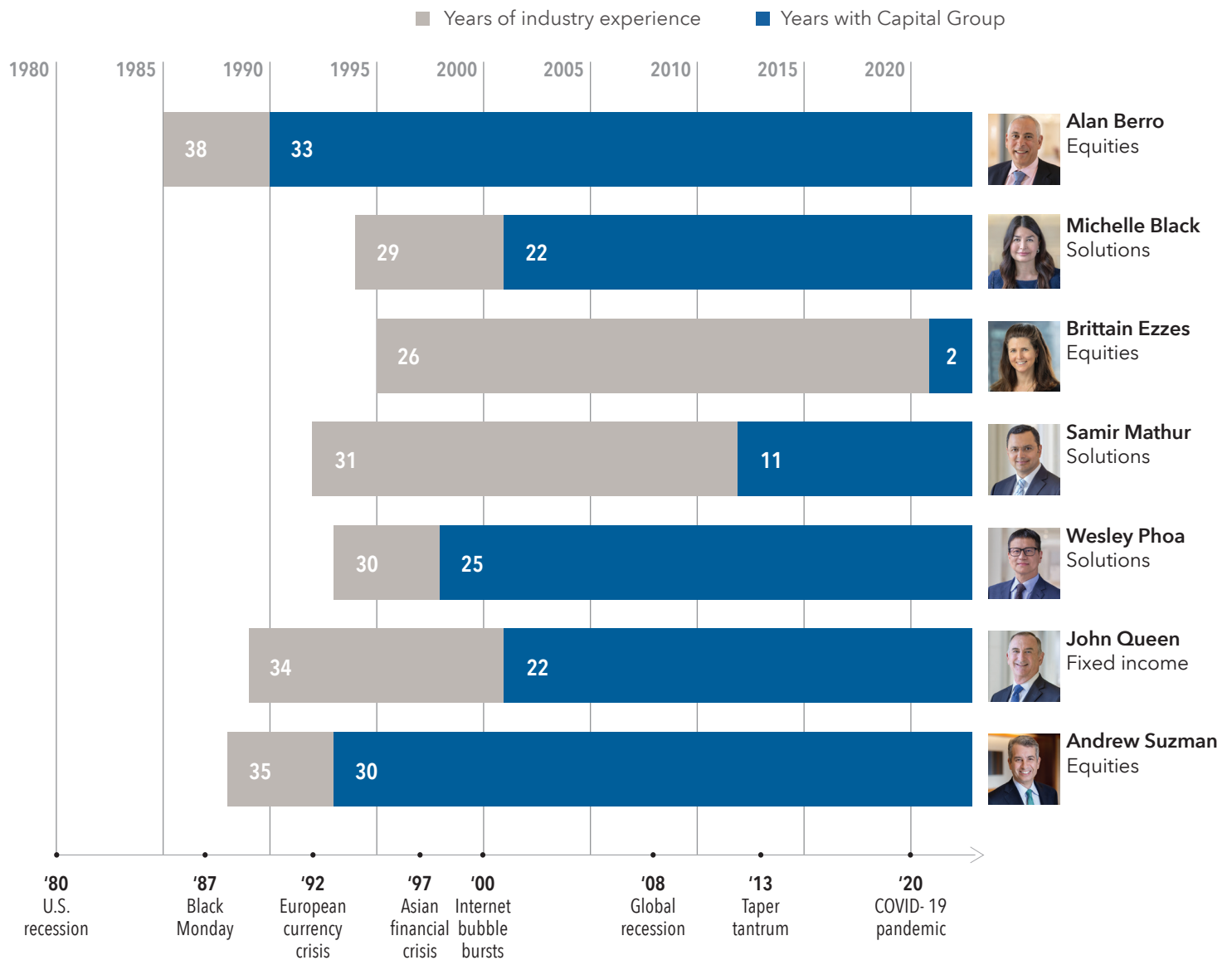
³ Source: Capital Group/American Funds Brand health data source: Brand Health Survey, LRW | A Material Company (2Q, 2023). 714 registered financial advisors, with an active book of business of at least \$10 million, participated in a web survey conducted from April 2023 to June 2023. The respondents included a group of Capital Group clients as well as prospects; in this second-quarter survey, the respondents who use models and portfolio construction consultation services were asked to identify leaders in portfolio construction consultation services, third-party model portfolios and multi-asset investing. The survey base for these questions included 429 model users and 203 financial professionals who used portfolio construction consultation services. Capital Group commissioned research vendor Material to conduct this anonymous survey.

⁴ Source: Cogent Syndicated (December 2023) Advisor Use of Model Portfolios and SMAs: Examining the competitive landscape for third-party model providers and asset managers. Web survey, conducted between October 24 and November 7, 2023, of 403 registered financial advisors who have an active book of business of at least \$5 million in assets under management (AUM) across five channels, with an average AUM of \$249 million and median AUM of \$93 million. Survey question: Assume you were considering investing client assets in model portfolios. Which firm's third-party models (asset managers and/or TAMPs) would you be most likely to consider? Capital Group compensated Cogent for access to this report and to license its content for use herein.

2. Who are the people managing and monitoring the strategies?

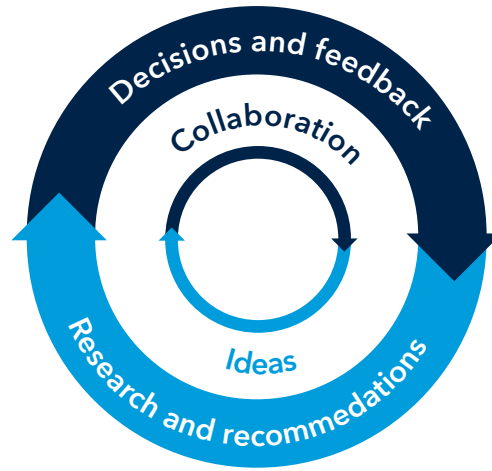
Capital Group Portfolio Solutions Committee

The Capital Group Portfolio Solutions Committee (PSC) are the people who build and oversee the model portfolios. This group of seven portfolio managers has an average 30 years of investment industry experience and are focused on helping investors realize their objectives.



The data for the investment professionals are as of December 31, 2023. Investment professional responsibilities may have changed since that date.

CSG includes three portfolio managers, a research director and 10 analysts, supported by more than 30 technology, operations and oversight staff.



Portfolio Solutions Committee

Capital Solutions Group

Capital Solutions Group (CSG)

The PSC is supported by the Capital Solutions Group (CSG). The CSG is a think tank composed of investment professionals and support staff with a wealth of knowledge and experience on a diverse array of subject matter. They seek to combine their knowledge and analytical abilities to anticipate what investors might need in the future.



Eswarie Balan
13 years in industry
BA, MA, CFA®



Michelle Black
29 years in industry
BS, CIMA®



Glenn Cagan
14 years in industry
BS, CFA®



Swati Chandra
18 years in industry
BS, MBA, CFA®



Denis Chaves
16 years in industry
BS, MS, MBA, PhD



Grace Chen
8 years in industry
BS, MFE



Eugene Han
9 years in industry
BA, MM, MPP



Katie Kilday
18 years in industry
BA, CFA®



Ilia Lanski
24 years in industry
MS, PhD



Boqiu Lu
14 years in industry
BA, MS, MFE



Samir Mathur
31 years in industry
BS, MS, MBA



Jeanell Novak
17 years in industry
BA, MBA



Chima Nwadike
18 years in industry
BA, MS



Raj Paramaguru
19 years in industry
BS, MS, MBA, CFA®



Wesley Phoa
30 years in industry
BS, PhD



Pooja Saksena
18 years in industry
BS, MFE, MIMS



Andrew Shannon
13 years in industry
BS, MBA



Ella Sinfield
5 years in industry
BS

The data for the investment professionals are as of January 1, 2024. Investment professional responsibilities may have changed since that date.

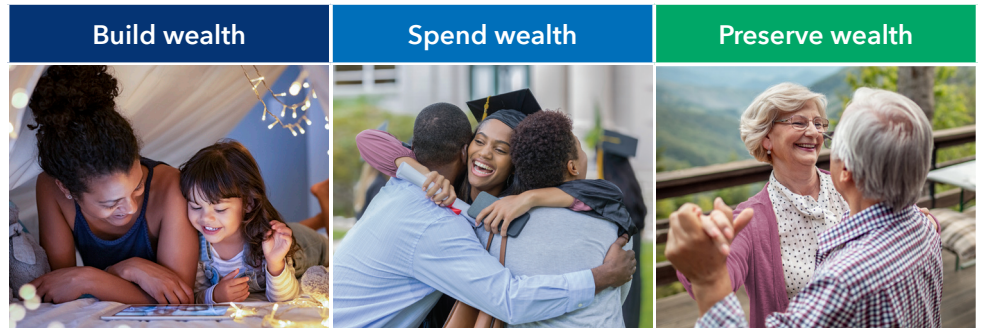
3. Does their philosophy align with my investor's goals?

We believe in building objective-based models using two layers of active management.

How do we measure success?

Beating an index is not the sole measure of success. In some cases, it may not even be an investor's primary concern. Helping investors achieve their goals is how we measure success.

Investor goals



What metrics do we consider?

Different life stages call for different objectives. And we understand that different objectives require different ways to gauge success.

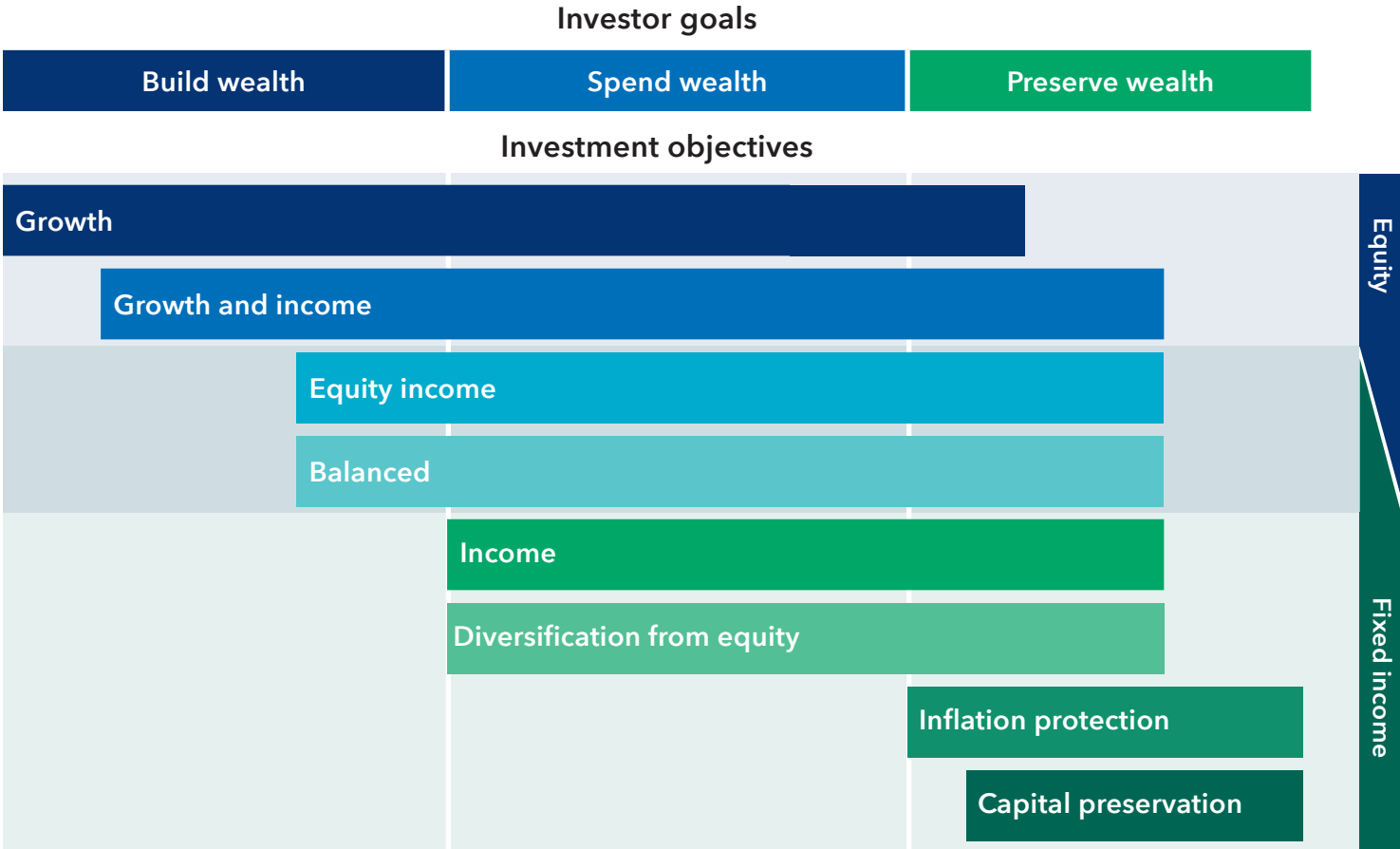
	Long-term growth of capital			Long-term growth of capital and income			Current income and capital preservation		
Outcome metrics									
Higher return	Primary	Primary	Primary	Primary	Primary	Secondary	Secondary	Secondary	Secondary
Higher risk-adjusted return	Secondary	Secondary	Secondary	Primary	Primary	Primary	Secondary	Secondary	Secondary
Higher yield	Secondary	Secondary	Secondary	Secondary	Primary	Primary	Primary	Primary	Secondary
Lower volatility	Secondary	Secondary	Secondary	Secondary	Secondary	Primary	Primary	Primary	Primary
Minimize drawdowns	Secondary	Secondary	Secondary	Secondary	Secondary	Secondary	Primary	Primary	Primary

■ Primary factor ■ Secondary factor

Source: Capital Group.

We find that most goals fall into three broad categories: building, spending and preserving wealth. Within these categories, each goal is addressed by portfolios with investment objectives like growth, growth and income, and income and preservation. The mix of objectives targeted by each portfolio will differ depending on the goal, as shown in the exhibit below.

Each portfolio’s success in achieving the desired investor goal is defined by its ability to deliver a specific mix of quantitative investment metrics, such as risk-adjusted returns, maximum drawdown and yield.



4. What makes the strategist different?



“Portfolio construction is about real people with real financial goals – so that’s where we start.”

– **WESLEY PHOA**
Solutions Portfolio Manager

We are focused on helping investors achieve their financial goals. To do that, Capital Group employs two layers of active management to our models. The first layer is bottom-up security selection by portfolio managers in each of the underlying funds.

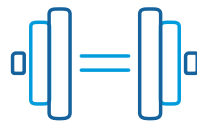
The second layer is the construction and oversight of the model portfolios by the Portfolio Solutions Committee, with support from the Capital Solutions Group. This approach is guided by The Capital System™, which is built on the foundation of a long-term view, deep fundamental research, extensive experience and a commitment to low expenses.

Our two-layer system is distinctive among investment managers. It adds another layer of due diligence and collaboration and promotes a thoughtful and thorough process. And it relies on Capital Group's five pillars of model portfolio differentiation.

Five pillars of model portfolio differentiation



Objective-based process



Strength of underlying funds



Flexibility of underlying funds



Recharacterization of equity



Focused roles of fixed income

Anatomy of a model portfolio

A model portfolio is composed of different layers, with each individual layer working together with the others to pursue the objectives of the portfolio as a whole.

Hypothetical model allocation

70% Equity/30% Fixed income

Primary goal: Capital appreciation

Secondary goal: Income

8% SMALLCAP World Fund®
7% The Growth Fund of America®
 Equity focused funds that seek capital appreciation and provide diversification.

20% Capital World Growth and Income Fund®
20% The Investment Company of America®
10% Washington Mutual Investors Fund
 Components that seek growth opportunities and to provide income through dividends, which helps lower the risk of the model or overall portfolio.

10% Capital Income Builder®
 Invests in a mix of stocks and bonds in pursuit of its income objectives, which may have the potential to lead to equity-like returns with relatively less volatility than global markets.

10% American Balanced Fund®
 Flexible component that balances growth opportunities, income and capital preservation across equity and fixed income asset classes.

5% American Funds® Multi-Sector Income Fund
 Seeks to provide high income with an expanded opportunity set across credit sectors.

5% American Funds® Strategic Bond Fund
5% The Bond Fund of America®
 Components in aggregate may help diversification from equities while providing flexibility to navigate various fixed income environments.

Hypothetical model allocation

50% Equity/50% Fixed income

Primary goal: High income

Secondary goal: Capital appreciation

10% Washington Mutual Investors Fund
10% American Mutual Fund®
 Focuses on dividend-paying equities, seeking opportunities for capital appreciation and income.

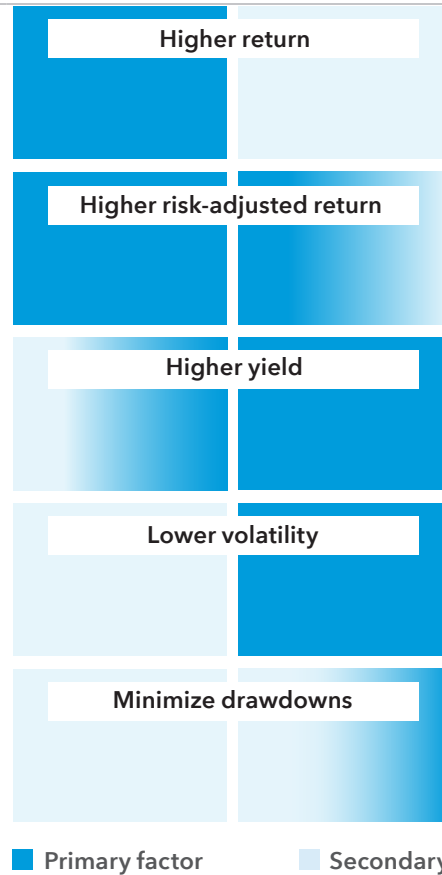
19% The Income Fund of America®
19% Capital Income Builder
 The combination of these underlying funds seeks to provide above average income through a mix of dividend paying equities, quality bonds and some high yield bonds. Higher dividend equities may help lower overall portfolio risk.

10% American High-Income Trust®
 Seeks income opportunities from higher yielding bonds to help reinforce the model's focus on high current income.

16% American Funds Multi-Sector Income Fund
 Seeks high income with an expanded opportunity set across credit sectors. Helps reinforce the model's focus on high current income.

16% The Bond Fund of America
 The fund invests in high-quality bonds to diversify from equities and complement income-focused counterparts.

SUCCESS METRICS



Disclosures

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**Learn more about
our models.**

